

Regular Meeting of the Board of Directors

Meeting Book

September 23, 2014 at 04:00 PM - 10:00 PM

Eskridge Conference Room

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Meeting Book - 2014 Sept 23 Regular Meeting of the Board of Directors

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**REGULAR MEETING OF THE BOARD OF DIRECTORS
OF TAHOE FOREST HOSPITAL DISTRICT**

TO BE HELD ON

TUESDAY SEPTEMBER 23, 2014 AT 4:00 PM IN THE ESKRIDGE CONFERENCE ROOM,

TAHOE FOREST HOSPITAL, 10121 PINE AVENUE, TRUCKEE, CA

OPEN SESSION WILL BEGIN AT 6:00 PM

OR SOON THEREAFTER, FOLLOWING CLOSED SESSION

AGENDA

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.*
 - A. **Designate Labor Negotiator for Potential Amendment, Extension or Renewal of CEO Employment Agreement**
5. **Closed Session:**
 - A. Approval of closed session minutes of 7/11/14; 7/22/14; 8/12/14; and 8/21/14
 - B. Health & Safety Code Section 32155: Medical Staff Credentials
 - C. Health & Safety Code Section 32106: Trade Secrets – Proposed New Service or Program, Estimated Date of Public Disclosure, 4/28/15
 - D. Health & Safety Code Section 32155: Quality Report
 - E. Government Code Section 54956.9(d)(2): Exposure to Litigation (2 items)
 - F. Government Code Section 54957.6, Conference with Labor Negotiator regarding Potential Amendment, Extension or Renewal of CEO Employment Agreement
 - G. Government Code Section 54957: Chief Executive Officer Performance Evaluation

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.*

10. **Input From Employee Associations**

11. **Medical Staff Report and Approval of Consent Agenda**

Action Item ATTACHMENT

12. **Consent Calendar:**

Action Item

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.

- A. Minutes of Meetings of: 7/11/14; 7/22/14; 8/12/14; and 8/21/14 ATTACHMENT
- B. Financial Report ATTACHMENT*

13. **Executive Officer Report**

Each System Executive will provide a highlight summary for their respective areas of oversight.

- A. Chief Executive Officer’s Report *Informational item* ATTACHMENT
- B. Chief Operating Officer’s Report *Informational item*
- C. Chief Nursing Officer’s Report *Informational item* ATTACHMENT
- D. Incline Village Community Hospital Administrator’s Report *Informational item* ATTACHMENT
- E. Chief Information Officer’s Report *Informational item*

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Agenda Continued

14. Presentations/Staff Reports

Members of the Management team will provide updates on their respective initiatives at the request of the board or as identified as part of the Board's rolling agenda calendar.

- | | | |
|--|---------------------------|------------|
| a. Cancer Center Update | <i>Informational item</i> | ATTACHMENT |
| b. Facilities Development Plan Update | <i>Informational item</i> | ATTACHMENT |
| c. Facilities Medical Office Building Update | <i>Informational item</i> | ATTACHMENT |
| d. Quarterly TFH Foundation Report | <i>Informational item</i> | ATTACHMENT |
| e. Quarterly IVH Auxiliary Report | <i>Informational item</i> | ATTACHMENT |
| f. Quarterly Marketing Report | <i>Informational item</i> | ATTACHMENT |

15. Items for Board Discussion And/Or Action

The following contracts are being presented to the board as a discussion item in lieu of the Governance Committee which did not meet to review contracts in September.

A. Contracts:

- | | | |
|---|--------------------|------------|
| a. Education Agreements | <i>Action Item</i> | ATTACHMENT |
| i. Horty Springer Education | | |
| 1. Dr. Cooper | | |
| 2. Dr. Uglum | | |
| 3. Dr. Skaff | | |
| 4. Dr. Laine | | |
| b. Medical Director Agreement – Sleep Center [Dr. Tirdel] | <i>Action Item</i> | ATTACHMENT |
| c. Interim Physician Designee for Hospice [Dr. Tirdel] | <i>Action Item</i> | ATTACHMENT |
| d. Electrocardiograms (“EKG Services”) | <i>Action Item</i> | ATTACHMENT |
| i. Dr. Lombard | | |
| ii. Dr. Ganong | | |
| e. Medical Directorship for Radiation Oncology [Dr. Palmer] | <i>Action Item</i> | ATTACHMENT |

16. Board Committee Reports/Recommendations

Each of the Board Committee Chairs will provide the board with a committee activity report and recommendations by their respective committees for board action.

- | | | |
|---|---------------------------|------------|
| A. Personnel Retirement Committee Meeting – 09/17/14 | <i>Informational item</i> | ATTACHMENT |
| B. Finance Committee Meeting – 9/22/14 | <i>Informational item</i> | ATTACHMENT |
| C. Governance Committee Meeting – 8/22/14 | <i>Discussion item</i> | ATTACHMENT |
| a. Annual Board Self-Assessment - proposed change to ACHD tool and discussion of scheduling | | |
| D. Board Workshop – 9/18/14 | <i>Discussion item</i> | |

17. Agenda Input For Upcoming Committee Meetings

- | | | |
|----------------------------|------------------------|------------|
| 18. Items for Next Meeting | <i>Discussion item</i> | ATTACHMENT |
|----------------------------|------------------------|------------|

19. Board Members Reports/Closing Remarks

20. Closed Session Continued, If Necessary

21. Open Session

22. Report of Actions Taken in Closed Session

23. Adjourn

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is October 28, 2014, 10121 Pine Avenue, 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.

Robert A. Schapper
Chief Executive Officer

RAS:pab

*Denotes material (or a portion thereof) will be distributed at a later date

**The entire manual/document is available for review via the Chief Executive Officer's Office.

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. Tahoe Forest Hospital District is an 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.

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DATE: August 20, 2014

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
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Discussion Items	Medical Executive Committee	
1. Chief of Staff Report	Gina Barta, M.D., Chief of Staff, reported on the following: <ul style="list-style-type: none"> • General Staff meeting, September 24, 2014, will be held at Christy Hill. • Picnic – September 7, 2014 at Dr. Coll’s home. • The Holiday Party will be held on December 11, 2014, at the Resort at Squaw Creek. • The request for Educational Assistance from Matthew Williams was approved. 	Information
2. Strategic Planning – Medical Staff Tactics	Shawni Coll, D.O., Medical Director of Strategic Planning and Innovation reported on the following: <ul style="list-style-type: none"> • The Medical Staff Strategic Plan reflects that any new initiatives will show in red. The completed initiatives will be moved to the DONE plan also in red. • Update provided on the ability to track immunization records and allergies from the various outpatient EMRs (Epic, Varian). • She met with Carolyn Ford, Executive Director of the Wellness Neighborhood. They are currently working on mental health initiatives. A Needs Assessment for mental health is being conducted. More to come. <ul style="list-style-type: none"> ✓ In regards to Chronic Disease Management, work is being done on patient and nurse navigation programs. ✓ The Community Needs Assessment results will be available in October. ✓ Related to disparities, all information from the schools regarding health is also available in Spanish. 	Information

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
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	<ul style="list-style-type: none"> ✓ Related to dental health, something like Nevada's Access to Health model would be desirable to supply discounted healthcare. ✓ The "Be Fit" (a nutrition and exercise) Program that was piloted in Kings Beach in the 2011/2012 school year has been started also in Truckee and North Tahoe with great improvements noted. ✓ For urology recruitment, we are currently exploring all options including with Barton. The timeline is January 2015. 	
<p>3. Administrative Update</p>	<p>ATTACHMENT: Robert Schapper, CEO, reported on the following:</p> <ul style="list-style-type: none"> • Jake Dorst, 1 of the 3 candidates for the CIO position, has accepted the position and will start on 9/2. He comes to TFHS with 15 years experience with EMR implementations. • Work will begin in space planning for all of TFHS campuses including medical office sites and the 2nd story of the Cancer Center. Physicians will be engaged in this planning process. This will begin in September. • The Orthopedic Advisory Council (AOC) has been working on the concept of an Orthopedic Center of Excellence. The community has been engaged for the last 2 years meeting to discuss what this concept would look like. There are community leaders, medical staff leaders in orthopedics and sports medicine to guide in the development of enhancing our current programming. • Kaufman Hall has been working on reviewing a 2 year post expansion evaluation of the Cancer Center. It has been 8 years since the Cancer Center opened and we need to look at what other market 	<p>Information</p>

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
	<p>opportunities there are in the area.</p> <ul style="list-style-type: none"> • MICRA is a ballot measure to change to raise liability limits on claims in the State of CA. It was noted that Dr. Dodd sent out information after the last MEC. Dr. Barta will send out another letter to the physicians requesting their support and involvement in this measure. Ted Owens will work with the medical staff in this regard. • At the request of the Board of Directors, a compliance audit is underway related to physician contracts. • The results of the Conflict of Interest investigation will be presented at the Special Board of Directors meeting on 8/21/14. • The Preliminary Financial Statements for TFHS was reviewed. 	
4. Chief Operating Officer	<p>Virginia Razo, Pharm.D., Chief Operating Officer, provided a report on the following:</p> <ul style="list-style-type: none"> • Pete Stokich has been evaluating ways to phone answering with We Answer. It was noted that this is a cost cutting measure but there will be no staff layoffs in this process. The phone answering will be moving to an off site location. • Compliance Program findings and Plan for Improvement – Refer to discussion above under CEO report. In addition, along with Hooper Lundy and Bookman, we are currently evaluating the most accurate way to document work that is performed under physician contract arrangements. A template log was reviewed. • Neil Nadeau, Director of Dietary Services, has left the organization and Margaret Holmes has stepped in as an interim director. 	Information
5. Chief Nursing Officer	<p>Jim Sturtevant, RN, Director of Inpatient Services, on behalf of Judy Newland, CNO, reported on the following:</p>	Information

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
	<ul style="list-style-type: none"> • Construction update provided related to licensing of the interim OB, ED and the new kitchen as well as the ECC disconnect, Mobile CT and ICU project. • CPSI Status Report provided. 	
Consent Approval Items		
1. Pharmacy and Therapeutics	<p>The P&T Committee recommended approval of the following via email on 8/19/14::</p> <ul style="list-style-type: none"> ➤ Pre Printed Wound Care Orders (NEW) (Also previously reviewed and recommended for approval by the Department of Emergency Medicine, Surgery and Emergency Medicine) <p>The P&T Committee recommended approval of the following via email on 7/21/14:</p> <ul style="list-style-type: none"> ➤ Extemporaneous Packaging Policy (Revised) 	Approval
2. Department of OB/Peds	<p>The Department of OB/Peds at its meeting on 7/24/14 recommended approval of the following:</p> <ul style="list-style-type: none"> ➤ Cervical Ripening with a Foley Catheter Bulb Policy (NEW) ➤ Post Partum Rhogam Administration Policy (NEW) ➤ Phototherapy Order (NEW) ➤ Bakri Balloon for Post partum Hemorrhage Management Policy (Revised) ➤ Patient Transfer to a Higher Level of Care (Revised) ➤ Code Section Policy (NEW) <p>The Department of OB/Peds recommended approval of the following orders via email on 7/15/14:</p> <ul style="list-style-type: none"> ➤ Labor Orders (Revised) 	Approval

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
	<ul style="list-style-type: none"> ➤ C Section Pre Op Orders (Revised) ➤ C-Section Post Op Orders (Revised) ➤ Post Partum Physician Orders (Revised) ➤ Induction/Augmentation of Labor Orders (Revised) ➤ Physician Discharge Orders – Obstetrics (Revised) ➤ Post Partum Hemorrhage Orders – (NEW) ➤ Newborn Discharge Orders – (Revised) ➤ OB Triage Orders – (Revised) ➤ Newborn Admission Orders – (Revised) ➤ Level 1 Nursery Admission Orders – (Revised) ➤ Newborn Admission Orders – (Revised) 	
3. Department of Medicine	The Department of Medicine at its meeting on 8/7/14 recommended approval of the following: <ul style="list-style-type: none"> ➤ J-tube and G-tube Information booklets (NEW) ➤ PICC Line Discharge Information booklet (NEW) ➤ Ostomy Discharge Information Booklet (NEW) 	Approval
4. Department of Anesthesia	The Department of Anesthesia at its meeting on 8/15/14 recommended approval of the following: <ul style="list-style-type: none"> ➤ Continuous Peripheral Nerve Block (revised) 	Approval
5. Department of Surgery	The Department of Surgery recommended approval of the following via email on 8/15/14: <ul style="list-style-type: none"> ➤ Orthopedic Post-Op Dressing Care-Nursing Guide (NEW) 	Approval

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
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Discussion Items	Medical Executive Committee	
1. Chief of Staff Report	Dr. Barta reported on the following: <ul style="list-style-type: none"> • The Medical Staff Holiday Party will be held on 12-11-14 at the Resort at Squaw Creek. Discussion was held on possible entertainment options. • A thank you from Matthew Williams for educational assistance was reviewed. • Drs. Barta, Tirdel and Coll have met with Martha Simon about planning a philanthropic event to support teen mental health programs in the community. 	Information
2. Strategic Planning – Medical Staff Tactics	Dr. Coll reported on the following: <ul style="list-style-type: none"> • A thank you was extended to Ms. Schnieder, Ms. Ward, Ms. Anderson, and Ms. Spaich for the fabulous job on the 1st Annual Medical Staff Picnic (Luau). • OR Governance is working on various projects related to cost savings and efficiencies in the OR. • The first Ongoing Physician Performance Evaluations (OPPE) has been completed for the obstetricians. • A letter has been drafted to the Medical Staff related to the Health System Professionalism Expectation Policy and Medical Staff Point of Contact Policy. A lengthy discussion was held about the proposed options of handling professionalism complaints related to the physicians. A recommendation was made and Point of Care policy will be revised to reflect the motion and forwarded to the entire medical staff for input and/or approval. 	Information

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
3. Administrative Update	Mr. Schapper reported on the following: <ul style="list-style-type: none"> • Articles will be forwarded to the physicians related to trends in healthcare and what the next stage in the ACA means for TFHS. This information will be used for future planning purposes. 	Information
4. Chief Operating Officer	Ms. Razo reported on the following: <ul style="list-style-type: none"> • Kaufman Hall has been engaged to review the financial projections of the Cancer Center and look at strategies and opportunities going forward. • Work will also be done on strategic financial planning with the Board. This will include more adaptive partnerships and collaborations in the future. • Outpatient space planning will begin in collaboration with the medical staff. There are major limitations in various clinics. 	Information
5. Chief Nursing Officer	Mr. Newland reported on the following: <ul style="list-style-type: none"> • CPSI Go live for CPOE for OB/Peds (newborn) and E sign for all physicians will be on 11/10/14. The latency issues are being addressed and must be corrected before CPOE Go Live. • The Old Med Surg/ECC/IT are being blocked off including the single door entrance by the big rock. Delivery trucks will be accessing the Hospital through the ASD door. • The Mobile CT has been opened. Patient transport was discussed. • The Helipad will be suspended on Monday, 9/22/14 at noon. 	Information
6. Board Report	No Board representative was present.	Information
Consent Approval Items		

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MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
SEPTEMBER 23, 2014

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
1. Pharmacy and Therapeutics Committee	THE P&T Committee recommended approval of the Post Operative Discharge Instructions Policy (revised) via email on 9/15/14.	Approval



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
12PRESENT AT MEETING:	<p>Board Members: John Mohun, President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn, Board Member Larry Long, Vice President (participated via teleconference); Staff: Bob Schapper, Chief Executive Officer; Virginia Razo, PharmD, Chief Operating Officer; Jayne O'Flanagan, Director of Human Resources; Paige Thomason, Director of Marketing; Patricia Barrett, Executive Assistant Others: Steve Gross, Legal Counsel; Maia Schneider, Contractor; Gregory Moser, Legal Counsel [<i>participated via teleconference</i>];</p>	
1. Call to Order	Mr. Mohun called the meeting to order at 12:00 p.m.	
2. Roll Call	The Roll Call reflected that all Board members were present. Larry Long participating via teleconference	
3. Clear the Agenda/Items Not On the Posted Agenda	The agenda was cleared. There were no changes made to the posted agenda.	
4. Input -- Audience Employee Associations	<p><i>Greg Moser joined the meeting via teleconference at 12:03</i> <i>Bob Schapper, Paige Thomason and Maia Schneider joined the meeting at 12:05</i></p> <p>The Director of Human Resources addressed the board and reminded them of the District's policy on the use of the <i>Just Culture Model</i> when discussing and addresses issues. A review of the model and <i>Just Culture</i> philosophy was provided, and a recommendation was made that <i>Just Culture</i> consultant/educator, Paul LeSage, be engaged should the board be interested in <i>Just Culture</i> facilitation and training.</p>	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	No employee association staff.	
5. Closed Session:	The meeting proceeded into closed session at 12:09 p.m. Staff other than the CEO and Clerk of the Board was excused.	
A. Government Code Section 54957: Chief Executive Officer Monthly Performance Evaluation	Discussion was held on a privileged matter.	
6. Open Session	Mr. Mohun called the open session to order at 2:13 p.m. <i>Jayne O'Flanagan, Director of Human Resources departed meeting; Virginia Razo, Director of Pharmacy and Chief Operating Officer joined the meeting; Kara Fox, News Editor with Moonshine Ink joined the meeting</i>	
7. Report of any Reportable Actions Taken in closed session	There were no reportable items from closed session.	
8. Investigation of Potential Conflict of Interest	Director Mohun introduced District Counsel to provide background on the agenda topic and how it relates to the July 11 Moonshine Ink article pertaining to the Chief Executive Officer's (CEO) potential conflict of interest. Attendees were reminded that Director Long is participating telephonically. Counsel shared that the Board has been aware of a potential conflict of interest issues referenced in the Moonshine Ink article and the issues are currently under review. A discussion will be conducted with staff regarding a response to the article.	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>Director Mohun shared that an investigation has been underway for several months related to the conflict of interest issue.</p> <p>The Director of Marketing reported that staff has fully cooperated with all media requests. It was stated that unethical statements were included in the article and had no relationship to the results the hospital has experienced over the years.</p> <p>Kara Fox, news editor at Moonshine Ink inquired about the inaccuracies and unethical statements included on the article.</p> <p>Moonshine would welcome meeting privately with the Board and providing an opportunity to respond in the next issue on August 8th. The response deadline for this issue is no later than July 28th.</p>	
<p>9. Adjourn</p>	<p>The meeting adjourned at 2:27 p.m.</p>	

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DATED: 07/22/14
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**BOARD OF DIRECTORS- SPECIAL
BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/ FOLLOW UP/ RESPONSIBLE PARTY
1. Call to Order	Director Mohun called the meeting to order at 2:01p.m.	
2. Roll Call/Present at Meeting	<p>Board Members: John Mohun, President; Larry Long, Vice President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn, Board Member</p> <p>Staff: Bob Schapper, Chief Executive Officer; Virginia Razo, PharmD, Chief Operating Officer; Barb Edwards, EAP, Administrative Assistant</p> <p>Others: Steve Gross, Legal Counsel</p> <p>Roll Call reflected that all Board Members were present.</p>	
3. Clear the Agenda/Items Not On the Posted Agenda	Mr. Mohun cleared the agenda.	
4. Input Audience	Audience input was sought, but none was offered.	
5. Closed Session:	The meeting proceeded into closed session at 2:02 p.m.	
A. Government Code Section 54957: Chief Executive Officer Monthly Performance Evaluation	Discussion held on privileged matter.	
6. Open Session:	Reconvened at 4:15 p.m.	
7. Report of any Reportable Actions Taken in Closed Session:	None	
8. Adjourned:	The meeting adjourned at 4:15 p.m.	

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BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
PRESENT AT MEETING:	<p>Board Members: John Mohun, President; Larry Long, Vice President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn</p> <p>Staff: Bob Schapper, Chief Executive Officer; Virginia Razo, PharmD, Chief Operating Officer; Crystal Betts, Chief Financial Officer; Patricia Barrett, Clerk of the Board</p> <p>Others: Steve Gross, Legal Counsel; Gina Barta, M.D., Chief of Staff; Shawni Coll, M.D.</p>	
1. Call to Order	Mr. Mohun called the meeting to order at 6:14 p.m.	
2. Roll Call	The Roll Call reflected that all Board members were present.	
3. Clear the Agenda/Items Not On the Posted Agenda	The agenda was cleared. There were no changes made to the posted agenda.	
4. Input -- Audience Employee Associations	<p>Peter Forni submitted a list of questions to the board for response. Mr. Forni read his questions for audience's benefit.</p> <p>Ruth Cross spoke as a large tax payer and long time resident of the community expressing issue with the management of the hospital. Ms. Cross requests that the CEO be put on administrative leave and that the Board allow someone from the state level to come in to conduct an investigation.</p> <p>Jamie Cole read a statement. Ms. Cole is a long time resident and prior employee of TFHD. Ms. Cole's statement acknowledged an exceptional medical and support staff. She expressed concerns related to physicians who contract with</p>	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>TFH. She further shared her opinion that the Cancer Center is self indulgent and a waste of money; that the Administrators and Board are out of touch with the community, and that costs are out of control.</p> <p>Board Chair responded generally to the comments made by the audience.</p> <p>No input from employee associations.</p>	
<p>5. Closed Session:</p>	<p>The meeting proceeded into closed session at 4:20 p.m.</p>	
<p>A. Approval of closed session minutes of 6/17/14; 6/24/14(a); 6/24/14(b)</p>	<p>A copy of the attachment is in the closed session packet.</p>	
<p>B. Government Code Section 54957: Chief Executive Officer Performance Evaluation</p>	<p>Discussion held on a privileged matter.</p>	
<p>C. Health & Safety Code Section 32106: Trade Secrets – Proposed New Service or Program, Estimated Date of Public Disclosure, 2/28/15 (3 items)</p>	<p>Discussion was held. Tom Hobday and Dr. Shawni Coll joined the meeting for this agenda item.</p>	
<p>D. Government Code Section 54956.9(d)(2): Exposure to</p>	<p>Discussion was held. Risk & Patient Safety Manager and Accreditation Coordinator & Corporate Compliance Officer</p>	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
Litigation (6 cases)	joined the meeting for this agenda item.	
E. Government Code Section 54956.9(d)(1): Existing Litigation (2 cases) [Nevada County Superior Court Case #T12-5115C v. TFHD]; [Nevada County Superior Court Case #TCU14-5841. v. TFHD]	Discussion was held. Chief Facilities Development Officer joined the meeting for this agenda item.	
F. Government Code Section 54956.9(d)(4): Pending Litigation (1 case)	Discussion held on a privileged matter.	
G. Health & Safety Code Section 32155: Medical Staff Credentials	<p>Drs. Barta and Coll joined the meeting for this agenda item.</p> <p>Dr. Coll presented the Medical Staff credentials as recommended for approval by the Medical Staff Executive Committee.</p>	

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BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
6. Dinner Break	A dinner break was taken at 5:30 p.m.	
7. Open Session Call To Order	Director Mohun called the open session to order at 6:02 p.m.	
PRESENT FOR OPEN SESSION:	<p>Board Members: John Mohun, President; Larry Long, Vice President; Karen Sessler, M.D., Board Secretary; Dale Chamblin, Treasurer;</p> <p>Staff: Bob Schapper, Chief Executive Officer; Virginia Razo, PharmD, Chief Operating Officer; Crystal Betts, Chief Financial Officer; Patricia Barrett, Clerk of the Board</p> <p>Others Present: Steve Gross, Legal Counsel; Gina Barta, M.D., Chief of Staff</p>	
8. Clear The Agenda/Items Not on the Posted Agenda	<p>The agenda was cleared. No changes were made to the posted agenda.</p> <p>At Director Mohun's requested Item 15. C was moved up on the agenda.</p>	
9. Input Audience	Audience input was asked. None was offered.	
10. Input From Employee Associations	Employee Associations input was asked, but none was offered.	
11. Medical Staff Report	<p>Dr. Barta gave the Medical Staff Report. Attachment is in the packet.</p> <p>The following was highlighted from the MEC Report to the Board:</p> <ul style="list-style-type: none"> • Medical Staff Family Picnic on 9/7/14; • General Medical Staff meeting on 9/24/14 at Christy 	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	Hill.	
<p>A. Approval of Medical Staff Consent Agenda</p>	<p>Dr. Barta reported that the Medical Executive Committee discussed and approved the Medical Staff Consent Agenda as presented.</p>	<p><u>It was moved by Director Kahn and seconded by Director Long to approve the Medical Staff Credentials items 1 - 5 on the Medical Staff Executive Committee Agenda and listed in the closed session minutes, as presented and recommended for approval by the Medical Staff Executive Committee. The motion passed by unanimous vote.</u></p>
<p>15.</p> <p>C. Governance Committee Meeting 06/18/14</p> <p>i.Truckee/North Tahoe Rehabilitation (TNTR) Exclusive Services Agreement</p> <p>ii.ECC Medical Director: Dr. Paul</p>	<p>Agenda items discussed out of order.</p> <p>Director Sessler presented a recommendation from the Governance Committee for approval of the Truckee/North Tahoe Rehabilitation (TNTR) Exclusive Services Agreement, and the ECC Medical Director: Dr. Paul agreement noting that these contracts are brought to the board for potential discussion.</p> <p>Following discussion, contracts are moved to consent calendar for approval.</p>	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
<p>12. Consent Calendar:</p> <p>A. Minutes of Meetings of: 6/17/14; 6/24/14(a); and 6/24/14(b)</p> <p>B. Financial Report – June 2014</p> <p>C. Contracts</p>	<p>Minutes of the 6/17/14, 6/24/14(a); and 6/24/(b) meetings of the Board of Directors were provided as part of the agenda packet.</p> <p>The June 2014 Financial Report was provided as part of the agenda packet.</p> <p>Contract reviewed by the Board Governance Committee and presented to the board for approval.</p> <p>a. TF2020 Medical Advisor Services</p> <ul style="list-style-type: none"> i. Dr. Arth ii. Dr. Coll iii. Dr. Jensen iv. Dr. Keats v. Dr. Krause vi. Dr. Lombard vii. Dr. MacQuarrie viii. Dr. Mohr ix. Dr. Specht x. Dr. Taylor xi. Dr. Thompson xii. Dr. Tirdel xiii. Dr. Winter <p>b. TF2020 Medical Advisor Services for Dr. Barta</p> <p>c. TF2020 Medical Advisor Services for Dr. Standteiner</p> <p>d. Rural PRIME Site Preceptor Agreement</p>	<p><u>It was moved by Director Long and seconded by Director Chamblin to approve Consent Agenda items 12 (A). Minutes for 6/17/14; 6/24/14(a); and 6/24/14(b) as amended. The motion passed by unanimous vote.</u></p> <p><u>It was moved by Director Long and seconded by Director Kahn to approve Consent Agenda items 12 (C)(a),(c), (d), and (f)-(m). The motion passed by unanimous vote.</u></p> <p><u>It was moved by Director Kahn and seconded by Director Long to approve Consent Agenda items 12 (C)(b) and (e). The motion passed by unanimous vote of those voting; Director Sessler abstained.</u></p>



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<ul style="list-style-type: none"> i. Dr. Arth ii. Dr. Brown iii. Dr. Ganong iv. Dr. Jensen v. Dr. Krause vi. Dr. Plumb vii. Dr. Winter e. Rural PRIME Site Preceptor Agreement for: Dr. Barta f. Rural PRIME Site Preceptor Agreement for: Dr. Scholnick g. Rural PRIME Site Preceptor Agreement for: Dr. Vayner h. Rural PRIME Site Preceptor Agreement for: Dr. Samelson i. Rural PRIME Site Preceptor Agreement for: Dr. Conyers j. Multispecialty Clinic Professional Services Agreement: <ul style="list-style-type: none"> i. Dr. Burkholder ii. Dr. Chase iii. Dr. Cooper iv. North Lake Pediatrics v. Dr. Tirdel vi. Dr. Winans vii. Dr. Lombard k. ICU & Respiratory Medical Director: Dr. Tirdel 	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>l. Truckee/North Tahoe Rehabilitation (TNTR) Exclusive Services Agreement</p> <p>m. ECC Medical Director: Dr. Paul</p> <p>Director Sessler abstained from voting on items 12 C (b) and (e) due to the potential of a perceived conflict.</p>	

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BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
<p>13. Executive Officer’s Report</p> <p>A. Chief Operating Officer’s Report</p> <p>B. Chief Nursing Officer’s Report</p> <p>C. Incline Village Community Hospital Administrator’s Report</p>	<ul style="list-style-type: none"> • CEO – reported that FY preliminary year-end financial reports are favorable with the results of process improvement initiatives specifically mentioned. Medical reimbursements will see further reductions, as will Medicare CAH reimbursements. It was reported that outside resources are being used to address challenging transitions in IT. Preliminary report from Joe DeLuca from IT Optimizers will be presented later in the agenda. An offer has been extended to a Chief Information Officer (CIO) candidate and is in process of being finalized. • COO – information included in the various department reports and CEO information. A response to the HFAP report is being prepared; it was noted that the surveyors shared that they were impressed with Tahoe Forest and left the clinical areas with no deficiencies identified. • CNO – A written report was provided in the agenda packet for review. • IVCH – A written report was provided in the agenda packet for review. CEO shared that the IVCH Foundation will be holding a recognition event/fundraiser the evening of 7/22/14; adding that IVCH Foundation earnings are used to improve the Incline hospital and has strongly supported fundraising in that community. 	
<p>14. Presentations/Staff Reports</p> <p>A. Annual Wellness</p>	<p>A. Caroline Ford introduced and provided background on</p>	<p><u>It was moved by Director Kahn</u></p>



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
<p>Neighborhood / Community Health Division Report</p> <p>B. Home Health / Hospice Annual Reports</p> <p>C. Small Rural Hospital Improvement Program (SHIP) Grant</p> <p>D. Legislative Update</p> <p>E. Approval of General Obligation (GO) Bond Tax Rate Resolution</p>	<p>the Community Wellness plan. Dr. Zipkin was introduced as the medical director for the program; Maia Schneider as the needs assessment consultant; Eileen Knudsen as the Project Director; and Nate Weigel, Healthcare Management student. Major Accomplishments of the program were reviewed and five target areas identified.</p> <p>B. Karen Gancitano provided a review of the home health and hospice annual reports. Discussion took place related to steps being taken to educate on end of life resources available to families. Home Health successfully passed the CDPH survey. Issue identified in the survey related to medication reconciliation and improvements have been made. CPSI upgrade is planned and expected to improve medication reconciliation as it relates to patient transfer from acute care to home health.</p> <p>C. Martha Simon shared that TFH is a recipient of a three year SHIP Grant. As part of the grant process, TFH is required to submit a signed authorization to bind related to ICD 10. Board approval requested.</p> <p>D. Ted Owens provided a summary of the detailed written report included in the Agenda Packet regarding legislative issues impacting the hospital district.</p> <p>E. Crystal Betts provided a review of the general obligation bond and annual review of the rate. Director Chamblin shared that the Finance Committee reviewed the</p>	<p><u>and seconded by Director Long to approve SHIP Authorization to Bind. The motion passed by unanimous vote.</u></p> <p><u>It was moved by Director Kahn and seconded by Director Long to approve and adopt the General Obligation (GO) Bond Tax Rate of \$30.04 reflected in Resolution no. 2014-02.</u></p> <p><u>A roll call vote was taken:</u></p> <p><u>Dr. Sessler, Aye,</u></p> <p><u>Mr. Mohun, Aye,</u></p> <p><u>Mr. Long, Aye,</u></p> <p><u>Mr. Chamblin, Aye,</u></p> <p><u>Mr. Kahn, Aye</u></p> <p><u>The motion passed by unanimous vote.</u></p>



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
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	recommended GO Bond rate of \$30.04 per \$100,000 at the Finance Committee meeting and supports the recommendation made by staff.	
<p>15. Board Committee Reports/ Recommendations</p>		
<p>A. Personnel Retirement Committee Meeting – 06/25/14, 07/15/14</p> <p>B. Finance Committee Meeting – 7/21/14</p> <p>C. Moved to beginning meeting</p> <p>D. Quality Committee Meeting 7/17/14</p>	<p>A. Committee Chair Long reported that a Request for Proposal (RFP) will be sent out to verify best resource for the retirement plan. The CEO evaluation process has been reviewed and next steps identified.</p> <p>B. Committee Chair Chamblin indicated that there was nothing to report outside of the CFO’s finance report provided for the board.</p> <p>C. Governance report related to contract approvals took place earlier in the meeting</p> <p>D. Committee Chair Mohun provided a summary of the July 17 Quality Committee meeting. COO provided additional information regarding the indicators tracked by CalHEN as discussed at the Quality meeting. The data included in the presentation provided validation of the stellar work done by the staff of this hospital every day. Discussion took place regarding how the quality information can be shared with the public. COO indicated that she is hoping that through the patient advisory council, information can be provided to the public in a meaningful way that will put faces with the data.</p>	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
16. Items for Board Discussion And/ Or Action		
A. Monthly Board Education/Development – Strategic Information Systems Plan	Joe DeLuca with IT Optimizers provided an overview of the initial, provisional information systems and services management plan for Tahoe Forest Hospital District, primarily focused on FY15/FY16 activities.	

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BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
17. Agenda Input For Upcoming Committee Meetings	-	
18. Items for Next Meeting	-	
19. Board Members Reports/Closing Remarks	<p>Discussion took place pertaining to a Governance Committee proposed Board education workshop in mid-September. Board candidates will be invited and welcomed to attend to help establish a board culture that will out last beyond any particular board member.</p> <p>Board expressed support for moving forward with a mid-September retreat as recommended.</p> <p>Additional work continues on board policies and bylaws revisions.</p>	
20. Next session	Directors Mohun and Long will be unavailable for the August regularly scheduled board meeting. A special meeting will need to take place prior to the regularly scheduled date to ensure a quorum. Director Mohun could be available telephonically if needed.	
21. Closed Session Continued, If Necessary	Adjourned to Closed session at 11:05 p.m.	
22. Open Session		
23. Report of any Reportable Actions Taken in closed session	<u>Report Out:</u> During the May 27 th meeting of the Board of Directors, the board members present unanimously approved a settlement agreement with CPSI that is now becomes effective,	



BOARD OF DIRECTORS
BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	which provides for a continuing relationship between the District and CPSI under modified terms.	
24. Adjourn	The meeting adjourned at 11:12 p.m.	

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**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
PRESENT AT MEETING:	<p>Board Members: Larry Long, Vice President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn, Board Member</p> <p>Staff: Bob Schapper, Chief Executive Officer; Virginia Razo, PharmD, Chief Operating Officer; Crystal Betts, CFO; Patricia Barrett, Executive Assistant/Clerk of the Board</p> <p>Others: Steve Gross, Legal Counsel</p>	
1. Call to Order	Meeting called to order at 4:01 p.m.	
2. Roll Call	<p>The Roll Call reflected Directors Long, Sessler, Chamblin and Kahn present.</p> <p>Director Mohun absence excused.</p>	
3. Clear the Agenda/Items Not On the Posted Agenda	The agenda was cleared. There were no changes made to the posted agenda.	
4. Input -- Audience Employee Associations	Audience input was asked, but none was offered.	
5. Closed Session:	The meeting proceeded into closed session at 4:05 p.m.	
A. Health & Safety Code Section 32106: Trade Secrets	Discussion was held on a privileged matter.	
B. Government Code Section 54956.9(d)(1): Existing Litigation (1 case)	Discussion was held on a privileged matter.	
C. Government Code Section 54956.9(d)(2): Exposure to Litigation (1 case)	Discussion was held on a privileged matter.	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
6. Open Session	Director Long called the open session to order at 5:13 p.m.	
PRESENT FOR OPEN SESSION:	<p>Board Members: Larry Long, Vice President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn, Board Member</p> <p>Staff: Bob Schapper, Chief Executive Officer; Virginia Razo, PharmD, Chief Operating Officer; Patricia Barrett, Executive Assistant/Clerk of the Board</p> <p>Others: Steve Gross, Legal Counsel</p>	
7. Clear The Agenda/Items Not on the Posted Agenda	The agenda was cleared. No changes were made to the posted agenda.	
8. Input Audience	<p>Rob Eskridge, read from a letter presented to the Board at the end of his comments. He thanked the Board for the naming of the Eskridge conference room. Shared comments related to the Board having been drawn into a personal and professional witch hunt, and expressed disappointed in Directors Long and Sessler for not having shared the background of the Board work done prior. Mr. Eskridge further shared his thoughts related to recent feedback he has received pertaining to the Board Chair and his perceived backroom dealings. His comments are not intended as a personal attack on the Board Chair, and Mr. Eskridge stated that he respects Mr. Mohun's efforts when positive and looking forward. Mr. Eskridge recommends creating positive dialogue this election season with open community forums related to healthcare reform, implications to district, and strategies for our community.</p>	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>Randy Hill speaking as a private citizen requested extended time to read a letter he drafted to the Sierra Sun and Moonshine ink; neither of whom have chosen to publish the letter.</p> <p>Michael O'Malley shared his opinion that TFHD conducting an internal investigation will not gain the community's trust. The Board should have an outside a group conduct the investigation; stating the Board needs to be transparent.</p> <p>Pete Forni thanked the Board for their work and encouraged the Board to look at agendas and determine the purpose of having closed session items. It would behoove the Board and benefit the community to educate the community as to what a closed session is and why it is used. The average person does not understand the process/function of the Board.</p> <p>Jamie Cole expressed the need to bring the Board back to what is important which is the cost of care for the community.</p>	
<p>9. Input From Employee Associations</p>	<p>Employee Associations input was asked, but none was offered.</p>	
<p>10. Consent Calendar:</p>		
<p>A. Employment Agreements Policy</p>	<p>The Personnel Committee has reviewed and recommends adoption of a policy to delineate when and how the CEO may enter into employment agreements with individuals in senior</p>	<p><u>Motion made by Roger Kahn, and seconded by Dale Chamblin to approve adoption</u></p>



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>leadership positions.</p> <p>Director Chamblin requested additional discussion regarding the policy prior to a vote.</p>	<p><u>of the Employment Agreements Policy as presented.</u> <u>The motion was passed unanimously by those board members present.</u></p>
<p>11. Items for Board Discussion And/ Or Action</p>		
<p>A. Community Benefit Committee</p>	<p>Director Sessler and Maia Schneider provided background on the purpose and focus of a Community Benefit Committee (CBC). At the direction of the Board an ad hoc committee was formed to further investigate the benefit of creating a CBC. After reviewing the CBC charters of other rural hospitals, considering the possible mission and responsibilities of a CBC for Tahoe Forest Health System and receiving input from staff, the ad hoc committee presented the concept of a CBC committee to the full Board for consideration. It is believed that a CBC would provide an opportunity for the Board to more directly participate in prioritizing community benefit initiatives.</p> <p>Focus will be on programs that are sometimes overlooked. Recommendation to better define or define differently what is included in the TFHD Community Benefit Programs.</p> <p>Discussion related to board focus based on best practice. TFHD was ahead of the curve in starting a Quality Committee 10 years ago and would be ahead of the curve in starting this committee</p>	<p>Motion made by Karen Sessler, and seconded by Roger Kahn to approve formation of a Board Community Benefit Committee. <u>The motion was passed unanimously by those board members present</u></p> <p>Draft charter will be developed by the ad hoc committee and bylaw will be updated. Ad hoc committee will remain active until such time the new committee is formalized.</p>



BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
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**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
<p>B. South Building / Birthing / Dietary Phase II Bid-Awards, Rejections and Negotiations</p>	<p>Background provided by Mike Geney with Geney Gassiot and Rick McConn, Chief of Facilities Development.</p> <p>A proposed Resolution rejecting a bid for certain scopes of work and dispensing with further competitive bidding for certain scopes of work for the Tahoe Forest Hospital District South Building / Birthing / Dietary Phase II project was presented for approval.</p> <p>This is the final project related to Measure C.</p> <p>Official approval from OSHPD has not been received. The south building is within the budget, OSHPD has imposed a phase 5 onto the South Building (remodel of interim OB spaces). This project was not funded as it was not included in the initial improvement requirements. It was reported that the budget will be met for the measure C projects, including the phase 5 add on by OSHPD. Mr. Geney and Mr. McConn were recognized for the well managed project, that is coming in within budget after a 7 year period given inflation etc.</p>	<p><u>Motion made by Dr. Sessler, and seconded by Roger Kahn to approve Resolution 2014-03 rejecting a bid for certain scopes of work and dispensing with further competitive bidding for certain scopes of work for the Tahoe Forest Hospital District South Building / Birthing / Dietary Phase II project.</u></p> <p><u>A roll call vote was taken:</u></p> <p><u>Dr. Sessler, Aye,</u></p> <p><u>Mr. Kahn, Aye,</u></p> <p><u>Mr. Long, Aye,</u></p> <p><u>Mr. Chamblin, Aye</u></p> <p><u>The motion was passed unanimously by those board members present</u></p>
<p>C. Contracts</p>		
<p>a. Palmer - Medical Director Radiation Oncology</p>	<p>COO provided background related to the contract to provide Radiation Oncology Medical Directorship for the Gene Upshaw Cancer Center presented for approval. This is a new contract that replaces the prior agreement. The contract template meets regulatory compliance and was prepared by Hooper, Lundy & Bookman (HLB).</p>	<p><u>Motion made by Roger Kahn, and seconded by Karen Sessler to approve Medical Director Radiation Oncology contract for Dr. Palmer as presented.</u></p> <p><u>The motion was passed</u></p>



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>Discussion related the likelihood or exceeding the \$100k cap identified in the contract. Compliance provided background related to work done by outside consultant review of services and fair market value. There will be multiple levels involved in the review of invoices.</p> <p>Tim Garcia-Jay provide background on the program, educational oversight, supervision of the resident, succession planning, etc.</p> <p>Dr. Palmer is the wife of Larry Heifetz; district counsel asked to confirm whether there is a conflict of interest with the relationship. The District has a professional services agreement with the oncology group. The medical directorship provides additional services. With respect to the conflict of interest laws, they are not employees of the district and represent no conflict. Nor does it fall under the fair political practice. Counsel does not believe there is a conflict of interest.</p>	<p><u>unanimously by those board members present</u></p>



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
<p>b. Scholnick - Amendment of the Professional Services Agreement (PSA)</p>	<p>Amendment to the Professional Service Agreement to provide professional medical services at the Multispecialty Clinic in Joshua Scholnick, MD’s areas of specialization (internal medicine and cardiology) presented for approval.</p> <p>This Amendment doesn’t seek to change any terms except to extend the contract through 12/31/14, pending completion of the outside compliance review requested by the Board of Directors.</p> <p>The Multispecialty Clinic contract is currently under compliance review being conducted through the compliance office by retained counsel Hooper, Lundy & Bookman (HLB) and ECG Management Consultants (ECG). Their reviews are currently in process.</p>	<p><u>Motion made by Roger Kahn, and seconded by Karen Sessler to approve Amendment of the PSA for Dr. Scholnick as presented.</u> <u>The motion was passed unanimously by those board members present</u></p>
<p>c. Heneveld - Medical Director Occupational Health Clinic</p>	<p>Contract to provide Medical Directorship for the Occupational Health Clinic presented for approval. The contract template prepared by Hooper, Lundy & Bookman (HLB) meets fair market value, commercial reasonableness, and regulatory compliance.</p>	<p><u>Motion made by Karen Sessler, and seconded by Roger Kahn to approve Medical Director Occupational Health Clinic contract for Dr. Heneveld as presented.</u> <u>The motion was passed unanimously by those board members present</u></p>
<p>12. Agenda Input For Upcoming Committee Meetings</p>	<p>Director Sessler provided a review of items that would benefit from a Governance Committee review in the next couple of weeks.</p>	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<ul style="list-style-type: none"> • Refine and define agenda for Board Workshop with Karma Bass • ACHD excellence in governance certification • ACHD board self evaluation tool • Review board orientation materials <p>Discussion took place regarding the Board Workshop to be facilitated by Karma Bass. Board members were polled on their interest to participate. A date will be identified and reported at next week.</p> <p>Discussion related to providing feedback to community members on questions presented at board meetings. Existing policies will be reviewed and refined as appropriate. A recommendation was made to have District Counsel read the Board into closed session citing the government code regulation, and to read the Board back into open session to assist with increased transparency.</p>	
<p>13. Items for Next Meeting</p>	<ol style="list-style-type: none"> 1. Facilities Development Plan Update 2. Personnel Committee Collects Input for CEO Self Evaluation and self score, Med Staff input, and Board input 3. Cancer Center Update 4. Quarterly Marketing Report 5. Quarterly Foundation Report 6. Quarterly TFH Auxiliary Report 7. Semi-Annual IVCH Auxiliary Report 8. Semi-Annual Pension Plan Report 	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	9. Semi-Annual Schedule BOD/Medical Staff Planning Meeting 10. Annual Report to Community 11. Annual Mid Year Board Self Evaluation Update 12. Quarterly Quality Report [closed] 13. Service Excellence Report [closed]	
14. Board Members Reports/Closing Remarks	None.	
15. Report of any Reportable Actions Taken in closed session	<p align="center">B. Government Code Section 54956.9(d)(1): Existing Litigation (1 case)</p> By unanimous approval the Board members present voted to approve settlement of the lawsuit with Intermountain Electric resulting in a payment for appropriate funds for work done, dismissal of the lawsuit with prejudice, and a release of all claims.	
16. Adjourn	The meeting adjourned at 5:46 p.m.	

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**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
PRESENT AT MEETING:	<p>Board Members: Larry Long, Vice President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn, Board Member</p> <p>John Mohun, President attended via teleconference</p> <p>Staff: Bob Schapper, Chief Executive Officer; Jayne O’Flanagan, Director Human Resources; Patricia Barrett, Executive Assistant/Clerk of the Board</p> <p>Others: Steve Gross, Legal Counsel; Dan Croley, Randy Riddle, and Greg Moser</p>	
1. Call to Order	Meeting called to order at 10:01 a.m.	
2. Roll Call	<p>The Roll Call reflected Directors Long, Sessler, Chamblin and Kahn present.</p> <p>Director Mohun absence excused.</p>	
3. Clear the Agenda/Items Not On the Posted Agenda	The agenda was cleared. There were no changes made to the posted agenda.	
4. Input -- Audience Employee Associations	<p>Jamie Cole shared her understanding and impressions related to pharmacy services and selection of prior Director of Pharmacy. Expressed disappointment in the Board and CEO for cost associated with recruiting the Director of Pharmacy only to transition him out after 8 months.</p> <p>Tom Combs noted that he does not know Bob Schapper and believes the Board is in a bad position on the topic of the conflict of interest. Suggests that the Board would be better off to have an outside agency conduct an investigation of this</p>	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
	<p>issue. There will be people displeased regardless of the Board’s decision. Suggested that the District Attorney be contacted to conduct the investigation. It is critical that everything be as transparent as possible.</p> <p>Pete Forni shared comments related to the conflict of interest investigation. He shared concern related to the policy approved at the prior board meeting allowing the CEO to enter into employment contracts; he feels the decision should have been delayed until the conflict of interest issue was resolved. He further questioned the need for employment contracts.</p> <p>Mike Enrique of Tahoe City inquired about the report out process and requested that staff post draft unapproved minutes immediately following each meeting.</p> <p>Peter Rivera shared his thoughts related to the CEO’s perceived benefit from his wife’s employment with the District.</p> <p>Scott Bennett asked attendees and board members to remember the significance of the CEO being identified as CFO of his wife’s company..</p> <p>Meeting adjourned to closed session at 10:21 a.m.</p>	
<p>5. Closed Session:</p>	<p>The meeting proceeded into closed session at 10:31 a.m.</p>	



**BOARD OF DIRECTORS -
SPECIAL BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
6. Open Session	Mr. Long called the open session to order at 4:05 p.m.	
7. Report of any Reportable Actions Taken in closed session	<p>Director Sessler thanked the community for their patience over the last several months as the conflict of interest issue has percolated throughout the community and with employees. Director Sessler stated that it was important for the Board to take the time necessary to address and obtain feedback from outside investigators and wait for the final report. The constraints of the Brown Act were noted as also contributing in slowing the process. Director Sessler confirmed that the Board has heard the concerns of the community related to transparency.</p> <p>District Counsel provided report out of motion taken in closed session and provided a summary of the backgrounds of outside counsel providing expert opinion on the matter.</p> <p><u>Report Out:</u> Based on a thorough investigation of the facts by an independent investigator, the Procopia law firm, there is insufficient evidence to determine that the CEO violated government code 1090, and therefore the Board, by a vote of 4 to 1, has determined to take no further action with respect to the alleged conflict of interest.</p>	
8. Adjourn	The meeting adjourned at 4:19 p.m.	

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**TAHOE FOREST HOSPITAL DISTRICT
JULY 2014 FINANCIAL REPORT
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Board of Directors
Of Tahoe Forest Hospital District

JULY 2014 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the one month ended July 31, 2014.

Activity Statistics

- ❑ TFH acute patient days were 415 for the current month compared to budget of 415. This equates to an average daily census of 13.4 compared to budget of 13.4.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Surgical cases, Laboratory, Oncology Lab, Oncology procedures, Radiation Oncology procedures, Nuclear Medicine, Ultrasounds, Pharmacy Units, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Emergency Department visits, Home Health visits, Endoscopy procedures, Diagnostic Imaging, Mammography, MRI, Cat Scan, Oncology Pharmacy units, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 54.1% in the current month compared to budget of 55.2% and to last month's 54.4%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 54.1%, compared to budget of 55.2% and prior year's 64.1%.
- ❑ EBIDA was \$1,326,836 (6.7%) for the current month compared to budget of \$183,864 (1.1%), or \$1,142,972 (5.6%) above budget.
- ❑ Cash Collections for the current month were \$9,192,765 which is 115% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 71.0, compared to the prior month of 75.3. Gross Accounts Receivables are \$36,915,013 compared to the prior month of \$35,088,430. The percent of Gross Accounts Receivable over 120 days old is 31.6%, compared to the prior month of 32.8%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 32.5 days. S&P Days Cash on Hand is 155.3. Cash Collections exceeded target by 15%, Accounts Payable increased \$871,000, and the District advanced funds for the Measure C Projects in June and July that were reimbursed in August.
- ❑ Net Patients Accounts Receivable increased approximately \$156,000. Cash collections were at 115% of target and days in accounts receivable were 71.0 days, a 4.3 day decrease.
- ❑ GO Bond Tax Revenue Fund decreased after remitting the principal and interest payments due on Series A, B, and C.
- ❑ Accounts Payable increased \$871,000 due to the timing of the final check run in the month.
- ❑ Interest Payable decreased \$466,000 and Interest Payable GO Bonds decreased \$1,949,000 after recording the interest payments made on the District's debt obligations.

Operating Revenue

- ❑ Current month’s Total Gross Revenue was \$19,864,820, compared to budget of \$17,217,018 or \$2,647,802 above budget.
- ❑ Current month’s Gross Inpatient Revenue was \$6,496,537, compared to budget of \$5,510,603 or \$985,934 above budget.
- ❑ Current month’s Gross Outpatient Revenue was \$13,368,283, compared to budget of \$11,706,415 or \$1,661,868 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 39.3% Medicare, 16.2% Medi-Cal, .0% County, 2.9% Other, and 41.6% Insurance compared to budget of 34.2% Medicare, 13.0% Medi-Cal, 1.7% County, 7.0% Other, and 44.1% Insurance. Last month’s mix was 36.6% Medicare, 13.6% Medi-Cal, .0% County, 3.4% Other, and 46.4% Insurance.
- ❑ Current month’s Deductions from Revenue were \$9,116,806 compared to budget of \$7,719,634 or \$1,397,112 over budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 5.1% increase in Medicare, a 3.2% increase to Medi-Cal, a 1.6% decrease in County, a 4.2% decrease in Other, and Commercial was under budget 2.5%, 2) Revenues exceeded budget by 15.4%, and 3) we saw a shift from Bad Debt.

Operating Expenses

DESCRIPTION	July 2014 Actual	July 2014 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,392,653	3,515,852	123,200	
Employee Benefits	1,049,433	1,126,844	77,411	
Benefits – Workers Compensation	88,345	51,566	(36,778)	
Benefits – Medical Insurance	834,201	717,510	(116,692)	
Professional Fees	1,696,680	1,847,230	150,550	We witnessed positive variances in Patient Accounting/Admitting, Information Technology, Medical Staff Services, Multi-Specialty Clinics, TFH Locums, IVCH ER Physicians, and Miscellaneous which offset negative variances in Medical Oncology locums coverage, services provided to Financial Administration for the Cancer Center assessment and work on the integrated strategic financial plan, and IP & OP Therapies professional fees.
Supplies	1,573,509	1,222,485	(351,025)	Oncology Drugs Sold to Patients revenues exceeded budget by 13.08% and Surgical Services revenues also exceeded budget by 183.76%, creating a negative variance in supply costs.
Purchased Services	973,631	892,846	(80,785)	Services provided for the Wellness Neighborhood, HRSA Grant, and Locums coverage in IP Pharmacy created a negative variance in Purchased Services. This was offset in part by positive variances in most of the other Purchased Services categories.
Other Expenses	512,825	583,576	70,752	Controllable costs continue to be monitored closely. This is creating positive variances in most of the Other Expenses categories.
Total Expenses	10,121,276	9,957,910	(163,367)	

TAHOE FOREST MUNICIPAL DISTRICT
STATEMENT OF NET POSITION
JULY 2014

	Jul-14	Jun-14	Jul-13	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 10,753,484	\$ 10,315,543	\$ 11,221,467	1
PATIENT ACCOUNTS RECEIVABLE - NET	17,649,151	17,493,626	23,539,684	2
OTHER RECEIVABLES	3,752,626	3,293,530	2,778,153	
GO BOND RECEIVABLES	531,954	230,127	737,803	
ASSETS LIMITED OR RESTRICTED	5,729,204	6,106,335	5,944,715	
INVENTORIES	2,506,138	2,506,409	2,267,418	
PREPAID EXPENSES & DEPOSITS	1,969,754	1,321,334	1,699,156	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,235,364	3,259,036	3,511,968	
OTHER CURRENT ASSETS	-	-	-	
TOTAL CURRENT ASSETS	<u>46,127,673</u>	<u>44,525,940</u>	<u>51,700,364</u>	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	40,655,350	40,636,217	33,570,719	1
BANC OF AMERICA MUNICIPAL LEASE	2,291,388	2,290,125	3,030,429	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	2,300,616	3,464,501	2,251,717	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	19,840,876	19,832,145	29,268,382	
GO BOND TAX REVENUE FUND	44,944	2,347,711	373,022	3
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,963	2,962	3,136	
DONOR RESTRICTED FUND	783,690	753,931	644,005	
WORKERS COMPENSATION FUND	30,756	19,026	32,438	
TOTAL	<u>65,952,882</u>	<u>69,348,918</u>	<u>69,176,147</u>	
LESS CURRENT PORTION	(5,729,204)	(6,106,335)	(5,944,715)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	<u>60,223,678</u>	<u>63,242,584</u>	<u>63,231,432</u>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	496,395	496,395	728,350	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	116,317,329	116,743,927	120,001,530	
GO BOND CIP, PROPERTY & EQUIPMENT NET	27,681,987	27,305,201	17,265,498	
TOTAL ASSETS	<u>251,683,414</u>	<u>253,150,399</u>	<u>253,763,527</u>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	617,383	620,616	656,172	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,710,011	1,710,011	1,710,354	
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 2,327,395</u>	<u>\$ 2,330,627</u>	<u>\$ 2,366,526</u>	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 6,385,828	\$ 5,514,547	\$ 5,642,718	4
ACCRUED PAYROLL & RELATED COSTS	8,335,905	7,896,173	7,955,470	
INTEREST PAYABLE	145,867	612,279	146,579	5
INTEREST PAYABLE GO BOND	-	1,949,447	-	5
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	1,112,494	1,112,494	653,749	
HEALTH INSURANCE PLAN	997,635	997,635	860,027	
WORKERS COMPENSATION PLAN	1,006,475	1,006,475	1,392,606	
COMPREHENSIVE LIABILITY INSURANCE PLAN	890,902	890,902	887,362	
CURRENT MATURITIES OF GO BOND DEBT	315,000	50,000	50,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,294,267	2,245,193	2,712,661	
TOTAL CURRENT LIABILITIES	<u>21,484,372</u>	<u>22,275,145</u>	<u>20,301,172</u>	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	34,148,125	35,346,645	36,429,087	
GO BOND DEBT NET OF CURRENT MATURITIES	98,130,000	98,445,000	98,449,149	
DERIVATIVE INSTRUMENT LIABILITY	1,710,011	1,710,011	1,710,354	
TOTAL LIABILITIES	<u>155,472,508</u>	<u>157,776,802</u>	<u>156,889,762</u>	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	97,754,611	96,950,293	98,596,289	
RESTRICTED	783,690	753,931	644,002	
TOTAL NET POSITION	<u>\$ 98,538,301</u>	<u>\$ 97,704,224</u>	<u>\$ 99,240,291</u>	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JULY 2014

1. Working Capital is at 32.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 155.3 days. Working Capital cash increased \$438,000. Cash collections exceeded target by 15%, Accounts Payable (see Note 4) increased \$871,000 and the District advanced funds for the Measure C projects in June and July that were reimbursed in August.
2. Net Patient Accounts Receivable increased approximately \$156,000. Cash collections were 115% of target. Days in Accounts Receivable are at 71.0 days compared to prior months 75.3 days, a 4.30 days decrease.
3. GO Bond Tax Revenue Fund decreased after remitting the principal and interest payments due on Series A, B, and C.
4. Accounts Payable increased \$871,000 due to the timing of the final check run in the month.
5. Interest Payable and Interest Payable GO Bond decreased \$466,000 and \$1,949,000 respectively after recording the interest payments made on the District's debt obligations.

**Tahoe Forest Hospital District
Cash Investment
July 31, 2014**

WORKING CAPITAL			
US Bank	\$ 10,421,457		
Tri Counties/US Bank	102,107		
Tri Counties/US Bank	229,920		
Wells Fargo Bank	-		
Local Agency Investment Fund	-	0.244%	
Total	<u> </u>		\$ 10,753,484
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ 2,297	0.03%	
Capital Equipment Fund	-		
Total	<u> </u>		\$ 2,297
 Building Fund			
Cash Reserve Fund	\$ -		
Local Agency Investment Fund	40,655,350	0.244%	
Total	<u> </u>		\$ 40,655,350
 Banc of America Muni Lease			
			\$ 2,291,388
Bonds Cash 1999			
			\$ 2
Bonds Cash 2002			
			\$ -
Bonds Cash 2006			
			\$ 2,300,616
Bonds Cash 2008			
			\$ 19,885,820
 DX Imaging Education			
Workers Comp Fund - B of A	\$ 2,963	0.244%	
	30,756		
 Insurance			
Health Insurance LAIF	-	0.244%	
Comprehensive Liability Insurance LAIF	-	0.244%	
Total	<u> </u>		\$ 33,719
TOTAL FUNDS			\$ 75,922,675
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,367	0.03%	
Foundation Restricted Donations	\$ 122,969		
Local Agency Investment Fund	652,354	0.244%	
TOTAL RESTRICTED FUNDS	<u> </u>		\$ 783,690
TOTAL ALL FUNDS			\$ 76,706,365

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JULY 2014

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	JULY 2013
OPERATING REVENUE									
\$ 19,864,820	\$ 17,217,018	\$ 2,647,802	15.4%		\$ 19,864,820	\$ 17,217,018	\$ 2,647,802	15.4%	\$ 16,557,630
Total Gross Revenue									
Gross Revenues - Inpatient									
\$ 2,033,722	\$ 1,623,447	\$ 410,275	25.3%		\$ 2,033,722	\$ 1,623,447	\$ 410,275	25.3%	\$ 1,721,136
4,462,815	3,887,156	575,659	14.8%		4,462,815	3,887,156	575,659	14.8%	3,583,875
6,496,537	5,510,603	985,934	17.9%		6,496,537	5,510,603	985,934	17.9%	5,305,011
Total Gross Revenue - Inpatient									
13,368,283	11,706,415	1,661,868	14.2%		13,368,283	11,706,415	1,661,868	14.2%	11,252,619
13,368,283	11,706,415	1,661,868	14.2%		13,368,283	11,706,415	1,661,868	14.2%	11,252,619
Total Gross Revenue - Outpatient									
Deductions from Revenue:									
8,259,733	6,445,574	(1,814,159)	-28.1%		8,259,733	6,445,574	(1,814,159)	-28.1%	8,416,531
660,380	585,379	(75,001)	-12.8%		660,380	585,379	(75,001)	-12.8%	532,396
-	-	-	0.0%		-	-	-	0.0%	-
196,693	688,681	491,988	71.4%		196,693	688,681	491,988	71.4%	(3,001,642)
-	-	-	0.0%		-	-	-	0.0%	-
9,116,806	7,719,634	(1,397,172)	-18.1%		9,116,806	7,719,634	(1,397,172)	-18.1%	5,947,285
64,760	83,801	(19,041)	-22.7%		64,760	83,801	(19,041)	-22.7%	26,764
635,339	560,588	74,751	13.3%		635,339	560,588	74,751	13.3%	510,193
11,448,112	10,141,773	1,306,339	12.9%		11,448,112	10,141,773	1,306,339	12.9%	11,147,302
TOTAL OPERATING REVENUE									
OPERATING EXPENSES									
3,392,653	3,515,852	123,200	3.5%		3,392,653	3,515,852	123,200	3.5%	3,172,022
1,049,433	1,126,844	77,411	6.9%		1,049,433	1,126,844	77,411	6.9%	1,005,416
88,345	51,566	(36,778)	-71.3%		88,345	51,566	(36,778)	-71.3%	61,109
834,201	717,510	(116,692)	-16.3%		834,201	717,510	(116,692)	-16.3%	632,191
1,696,680	1,847,230	150,550	8.2%		1,696,680	1,847,230	150,550	8.2%	1,488,084
1,573,509	1,222,485	(351,025)	-28.7%		1,573,509	1,222,485	(351,025)	-28.7%	1,207,198
973,631	892,846	(80,785)	-9.0%		973,631	892,846	(80,785)	-9.0%	791,315
512,825	583,576	70,752	12.1%		512,825	583,576	70,752	12.1%	502,482
10,121,276	9,957,910	(163,367)	-1.6%		10,121,276	9,957,910	(163,367)	-1.6%	8,859,817
1,326,836	183,864	1,142,972	621.6%		1,326,836	183,864	1,142,972	621.6%	2,287,485
NET OPERATING REVENUE (EXPENSE) EBIDA									
NON-OPERATING REVENUE/(EXPENSE)									
383,248	364,207	19,042	5.2%		383,248	364,207	19,042	5.2%	398,236
393,903	393,903	-	0.0%		393,903	393,903	-	0.0%	394,753
23,728	21,677	2,051	9.5%		23,728	21,677	2,051	9.5%	18,474
3,350	2,993	357	11.9%		3,350	2,993	357	11.9%	6,379
43,228	60,951	(17,723)	-29.1%		43,228	60,951	(17,723)	-29.1%	18,481
-	-	-	0.0%		-	-	-	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
(809,066)	(809,066)	0	0.0%		(809,066)	(809,066)	0	0.0%	(698,296)
(141,259)	(141,047)	(212)	-0.2%		(141,259)	(141,047)	(212)	-0.2%	(143,435)
(389,889)	(389,889)	-	0.0%		(389,889)	(389,889)	-	0.0%	(388,818)
(492,758)	(496,272)	3,514	0.7%		(492,758)	(496,272)	3,514	0.7%	(394,226)
834,077	(312,409)	1,146,486	367.0%		834,077	(312,409)	1,146,486	367.0%	1,893,259
INCREASE (DECREASE) IN NET POSITION									
NET POSITION - BEGINNING OF YEAR					97,704,224				
NET POSITION - AS OF JULY 31, 2014					\$ 98,538,301				
6.7%	1.1%	5.6%			6.7%	1.1%	5.6%		13.8%
RETURN ON GROSS REVENUE EBIDA									

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JULY 2014

		<u>Variance from Budget</u>	
		<u>Fav / <Unfav></u>	
		<u>JULY 2014</u>	<u>YTD 2015</u>
1) <u>Gross Revenues</u>			
<p>Acute Patient Days were at budget at 415 days. Swing bed days were under budget 48.39% or 15 days. Daily Hospital and Ancillary Service revenues exceeded budget by 17.9% as we saw a shift in inpatient stays from Med/Surg to ICU due to the acuity levels in our patients.</p> <p>Outpatient volumes were above budget in the following departments: Surgical cases, Laboratory, Oncology Lab, Medical Oncology and Radiation Oncology procedures, Nuclear Medicine, Ultrasounds, Pharmacy Units, Physical and Occupational Therapy.</p>	<p>Gross Revenue -- Inpatient</p> <p>Gross Revenue -- Outpatient</p> <p>Gross Revenue -- Total</p>	<p>\$ 985,934</p> <p>1,661,868</p> <p><u>\$ 2,647,802</u></p>	<p>\$ 985,934</p> <p>1,661,868</p> <p><u>\$ 2,647,802</u></p>
2) <u>Total Deductions from Revenue</u>			
<p>The payor mix for July shows a 5.10% increase to Medicare, a 3.17% increase to Medi-Cal, 4.15% decrease to Other, a 1.65% decrease to County, and a 2.47% decrease to Commercial when compared to budget. Contractual Allowances exceeded budget due to the shift in Payor Mix, revenues exceeded budget by 15.4%, and a positive shift from Bad Debt.</p>	<p>Contractual Allowances</p> <p>Managed Care Reserve</p> <p>Charity Care</p> <p>Charity Care - Catastrophic</p> <p>Bad Debt</p> <p>Prior Period Settlement</p> <p>Total</p>	<p>\$ (1,814,159)</p> <p>-</p> <p>(75,001)</p> <p>-</p> <p>491,988</p> <p>-</p> <p><u>\$ (1,397,172)</u></p>	<p>\$ (1,814,159)</p> <p>-</p> <p>(75,001)</p> <p>-</p> <p>491,988</p> <p>-</p> <p><u>\$ (1,397,172)</u></p>
3) <u>Other Operating Revenue</u>			
<p>Retail Pharmacy revenues exceeded budget by 23.57%</p> <p>IVCH ER Physician Guarantee is tied to collections which exceeded budget in July.</p> <p>Negative variance in Miscellaneous related to a short fall in Rebates & Refunds and Rural Health Conference fees.</p>	<p>Retail Pharmacy</p> <p>Hospice Thrift Stores</p> <p>The Center (non-therapy)</p> <p>IVCH ER Physician Guarantee</p> <p>Children's Center</p> <p>Miscellaneous</p> <p>Oncology Drug Replacement</p> <p>Grants</p> <p>Total</p>	<p>\$ 47,702</p> <p>(4,421)</p> <p>(3,988)</p> <p>77,901</p> <p>(989)</p> <p>(34,471)</p> <p>-</p> <p>(6,983)</p> <p><u>\$ 74,751</u></p>	<p>\$ 47,702</p> <p>(4,421)</p> <p>(3,988)</p> <p>77,901</p> <p>(989)</p> <p>(34,471)</p> <p>-</p> <p>(6,983)</p> <p><u>\$ 74,751</u></p>
4) <u>Salaries and Wages</u>			
<u>Employee Benefits</u>			
<p>PL/SL</p> <p>Nonproductive</p> <p>Pension/Deferred Comp</p> <p>Standby</p> <p>Other</p> <p>Total</p>	<p>PL/SL</p> <p>Nonproductive</p> <p>Pension/Deferred Comp</p> <p>Standby</p> <p>Other</p> <p>Total</p>	<p>\$ 34,805</p> <p>(6,997)</p> <p>316</p> <p>5,956</p> <p>43,332</p> <p><u>\$ 77,411</u></p>	<p>\$ 34,805</p> <p>(6,997)</p> <p>316</p> <p>5,956</p> <p>43,332</p> <p><u>\$ 77,411</u></p>
<u>Employee Benefits - Workers Compensation</u>			
<u>Employee Benefits - Medical Insurance</u>			
5) <u>Professional Fees</u>			
<p>Locums coverage in Medical Oncology created a negative variance in Oncology.</p> <p>Negative variance in Financial Administration associated with services provided by KaufmanHall for the Cancer Center assessment and work performed on the integrated strategic financial plan.</p> <p>TFH IP and Tahoe City Therapy revenues exceeded budget by 78.01%, creating a negative variance in TFH/IVCH Therapy Services.</p> <p>Outpatient Therapy revenues exceeded budget by 22.76%, creating a negative variance in The Center (includes OP Therapy).</p> <p>Restructuring of Physician on call and to the Hospitalist program continues to create a positive variance in TFH Locums.</p> <p>Emergency Services contract came in below budget estimations creating a positive variance in IVCH ER Physicians.</p>	<p>Oncology</p> <p>Financial Administration</p> <p>TFH/IVCH Therapy Services</p> <p>The Center (includes OP Therapy)</p> <p>Business Performance</p> <p>Marketing</p> <p>Home Health/Hospice</p> <p>Respiratory Therapy</p> <p>Multi-Specialty Clinics Admin</p> <p>Human Resources</p> <p>Administration</p> <p>Managed Care</p> <p>Sleep Clinic</p> <p>Patient Accounting/Admitting</p> <p>Information Technology</p> <p>Medical Staff Services</p> <p>Multi-Specialty Clinics</p> <p>TFH Locums</p> <p>IVCH ER Physicians</p> <p>Miscellaneous</p> <p>Total</p>	<p>\$ (33,107)</p> <p>(17,417)</p> <p>(14,796)</p> <p>(13,392)</p> <p>-</p> <p>875</p> <p>2,150</p> <p>3,052</p> <p>4,820</p> <p>6,356</p> <p>7,300</p> <p>7,972</p> <p>8,390</p> <p>10,100</p> <p>10,263</p> <p>16,275</p> <p>19,794</p> <p>27,008</p> <p>39,740</p> <p>65,168</p> <p><u>\$ 150,550</u></p>	<p>\$ (33,107)</p> <p>(17,417)</p> <p>(14,796)</p> <p>(13,392)</p> <p>-</p> <p>875</p> <p>2,150</p> <p>3,052</p> <p>4,820</p> <p>6,356</p> <p>7,300</p> <p>7,972</p> <p>8,390</p> <p>10,100</p> <p>10,263</p> <p>16,275</p> <p>19,794</p> <p>27,008</p> <p>39,740</p> <p>65,168</p> <p><u>\$ 150,550</u></p>
6) <u>Supplies</u>			
<p>Oncology Drugs Sold to Patients revenues exceeded budget by 13.08%, creating a negative variance in Pharmacy Supplies.</p> <p>Negative variance in Patient & Other Medical Supplies is a result of Surgery revenue exceeding budget by 183.76% in July.</p>	<p>Pharmacy Supplies</p> <p>Patient & Other Medical Supplies</p> <p>Imaging Film</p> <p>Other Non-Medical Supplies</p> <p>Food</p> <p>Minor Equipment</p> <p>Office Supplies</p> <p>Total</p>	<p>\$ (207,410)</p> <p>(161,670)</p> <p>1,130</p> <p>2,964</p> <p>3,891</p> <p>5,002</p> <p>5,069</p> <p><u>\$ (351,025)</u></p>	<p>\$ (207,410)</p> <p>(161,670)</p> <p>1,130</p> <p>2,964</p> <p>3,891</p> <p>5,002</p> <p>5,069</p> <p><u>\$ (351,025)</u></p>

7) **Purchased Services**

Negative variance in Miscellaneous related to services provided to the Wellness Neighborhood and HRSA Grant expenditures. HRSA Grant costs are reimbursed to the District.

Locums coverage created a negative variance in Pharmacy IP.

Pre-Employment and Employee Health Screenings came in below budget, creating a positive variance in Human Resources.

Network Maintenance and general I/T maintenance came in below budget, creating a positive variance in Information Technology.

Miscellaneous	\$	(112,089)	\$	(112,089)
Pharmacy IP		(26,325)		(26,325)
Department Repairs		(6,203)		(6,203)
Community Development		(3,372)		(3,372)
Medical Records		(2,902)		(2,902)
Multi-Specialty Clinics		(2,416)		(2,416)
Laboratory		693		693
Hospice		1,759		1,759
Patient Accounting		7,024		7,024
Diagnostic Imaging Services - All		8,459		8,459
The Center		10,020		10,020
Human Resources		19,561		19,561
Information Technology		25,006		25,006
Total	\$	(80,785)	\$	(80,785)

8) **Other Expenses**

Expenses advanced on the Gene Upshaw Golf Classic and catering services provided for the employee barbeque created a negative variance in Miscellaneous.

Delays in the CT Scanner upgrade helped create a positive variance in Equipment Rent.

Controllable costs continue to be monitored closely.

Miscellaneous	\$	(8,401)	\$	(8,401)
Utilities		(2,752)		(2,752)
Multi-Specialty Clinics Equip Rent		(9)		(9)
Physician Services		-		-
Innovation Fund		-		-
Multi-Specialty Clinics Bldg Rent		1,541		1,541
Human Resources Recruitment		3,542		3,542
Insurance		4,781		4,781
Outside Training & Travel		5,022		5,022
Dues and Subscriptions		5,480		5,480
Equipment Rent		24,090		24,090
Marketing		32,805		32,805
Other Building Rent		4,653		4,653
Total	\$	70,752	\$	70,752

9) **District and County Taxes**

Total	\$	19,042	\$	19,042
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10) **Interest Income**

Total	\$	2,051	\$	2,051
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11) **Donations**

IVCH	\$	(4,200)	\$	(4,200)
Operational		(13,523)		(13,523)
Capital Campaign		-		-
Total		(17,723)		(17,723)

12) **Gain/(Loss) on Joint Investment**

Total	\$	-	\$	-
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12) **Gain/(Loss) on Impairment of Asset**

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

Total	\$	-	\$	-
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14) **Impairment Loss**

Total	\$	-	\$	-
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15) **Depreciation Expense**

Total	\$	-	\$	-
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16) **Interest Expense**

Total	\$	(212)	\$	(212)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JULY 2014

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD JULY 2013		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%			
OPERATING REVENUE											
\$ 1,514,657	\$ 1,398,291	\$ 116,366	8.3%		Total Gross Revenue	\$ 1,514,657	\$ 1,398,291	\$ 116,366	8.3%	1	\$ 1,556,589
Gross Revenues - Inpatient											
\$ 15,815	\$ -	\$ 15,815	0.0%		Daily Hospital Service	\$ 15,815	\$ -	\$ 15,815	0.0%		\$ -
17,413	4,112	13,301	323.5%		Ancillary Service - Inpatient	17,413	4,112	13,301	323.5%		-
33,228	4,112	29,116	708.1%		Total Gross Revenue - Inpatient	33,228	4,112	29,116	708.1%	1	-
1,481,429	1,394,179	87,250	6.3%		Gross Revenue - Outpatient	1,481,429	1,394,179	87,250	6.3%		1,556,589
1,481,429	1,394,179	87,250	6.3%		Total Gross Revenue - Outpatient	1,481,429	1,394,179	87,250	6.3%	1	1,556,589
Deductions from Revenue:											
403,047	418,752	15,705	3.8%		Contractual Allowances	403,047	418,752	15,705	3.8%	2	862,471
51,498	47,542	(3,956)	-8.3%		Charity Care	51,498	47,542	(3,956)	-8.3%	2	49,959
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
52,416	55,932	3,516	6.3%		Bad Debt	52,416	55,932	3,516	6.3%	2	(331,912)
-	-	-	0.0%		Prior Period Settlements	-	-	-	0.0%	2	-
506,961	522,226	15,265	2.9%		Total Deductions from Revenue	506,961	522,226	15,265	2.9%	2	580,518
114,464	36,003	78,461	217.9%		Other Operating Revenue	114,464	36,003	78,461	217.9%	3	47,166
1,122,160	912,068	210,092	23.0%		TOTAL OPERATING REVENUE	1,122,160	912,068	210,092	23.0%		1,023,237
OPERATING EXPENSES											
282,159	267,195	(14,963)	-5.6%		Salaries and Wages	282,159	267,195	(14,963)	-5.6%	4	265,252
88,445	90,702	2,257	2.5%		Benefits	88,445	90,702	2,257	2.5%	4	75,717
3,072	2,717	(355)	-13.1%		Benefits Workers Compensation	3,072	2,717	(355)	-13.1%	4	2,585
57,243	48,049	(9,194)	-19.1%		Benefits Medical Insurance	57,243	48,049	(9,194)	-19.1%	4	40,452
203,405	269,808	66,403	24.6%		Professional Fees	203,405	269,808	66,403	24.6%	5	229,492
50,144	56,124	5,980	10.7%		Supplies	50,144	56,124	5,980	10.7%	6	67,531
40,738	40,848	110	0.3%		Purchased Services	40,738	40,848	110	0.3%	7	40,238
50,602	50,445	(157)	-0.3%		Other	50,602	50,445	(157)	-0.3%	8	43,908
775,809	825,889	50,080	6.1%		TOTAL OPERATING EXPENSE	775,809	825,889	50,080	6.1%		765,175
346,352	86,180	260,172	301.9%		NET OPERATING REV(EXP) EBIDA	346,352	86,180	260,172	301.9%		258,062
NON-OPERATING REVENUE/(EXPENSE)											
-	4,200	(4,200)	-100.0%		Donations-IVCH	-	4,200	(4,200)	-100.0%	9	15,599
-	-	-	0.0%		Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(53,601)	(53,601)	0	0.0%		Depreciation	(53,601)	(53,601)	0	0.0%	11	(38,413)
(53,601)	(49,401)	(4,200)	-8.5%		TOTAL NON-OPERATING REVENUE/(EXP)	(53,601)	(49,401)	(4,200)	-8.5%		(22,814)
\$ 292,751	\$ 36,778	\$ 255,973	696.0%		EXCESS REVENUE(EXPENSE)	\$ 292,751	\$ 36,778	\$ 255,973	696.0%		\$ 235,248
22.9%	6.2%	16.7%			RETURN ON GROSS REVENUE EBIDA	22.9%	6.2%	16.7%			16.6%

INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JULY 2014

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>JULY 2014</u>	<u>YTD 2015</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget by 5 at 5 and Observation Days were under budget by 2 at 2.	Gross Revenue -- Inpatient	\$ 29,116	\$ 29,116
	Gross Revenue -- Outpatient	87,250	87,250
		<u>\$ 116,366</u>	<u>\$ 116,366</u>
Outpatient volumes were above budget in Surgical cases, Laboratory, Diagnostic Imaging, and Pharmacy.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with a 4.03% increase in Commercial, Insurance, a 2.05% increase in Medicare, a 1.11% increase in Medicaid, a 6.79% decrease in Other, and a .40% decrease in County. Contractual Allowances were under budget due to the positive shift to Commercial Payors from the Other category.	Contractual Allowances	\$ 15,705	\$ 15,705
	Charity Care	(3,956)	(3,956)
	Charity Care-Catastrophic Event	-	-
	Bad Debt	3,516	3,516
	Prior Period Settlement	-	-
	Total	<u>\$ 15,265</u>	<u>\$ 15,265</u>
3) <u>Other Operating Revenue</u>			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in July.	IVCH ER Physician Guarantee	\$ 77,901	\$ 77,901
	Miscellaneous	560	560
	Total	<u>\$ 78,461</u>	<u>\$ 78,461</u>
4) <u>Salaries and Wages</u>			
	Total	<u>\$ (14,963)</u>	<u>\$ (14,963)</u>
<u>Employee Benefits</u>			
	PL/SL	\$ (1,687)	\$ (1,687)
	Standby	761	761
	Other	2,967	2,967
	Nonproductive	(100)	(100)
	Pension/Deferred Comp	316	316
	Total	<u>\$ 2,257</u>	<u>\$ 2,257</u>
<u>Employee Benefits - Workers Compensation</u>			
	Total	<u>\$ (355)</u>	<u>\$ (355)</u>
<u>Employee Benefits - Medical Insurance</u>			
	Total	<u>\$ (9,194)</u>	<u>\$ (9,194)</u>
5) <u>Professional Fees</u>			
Negative variance in Foundation related to services provided for philanthropy and fundraising.	Foundation	\$ (3,720)	\$ (3,720)
	Administration	150	150
	Miscellaneous	629	629
	Sleep Clinic	8,390	8,390
Sleep Clinic revenues fell short of budget by 69.37% creating a positive variance in Sleep Clinic Pro Fees.	Multi-Specialty Clinics	9,711	9,711
	Therapy Services	11,503	11,503
Therapy revenues fell short of budget by 10.92% creating a positive variance in Therapy Services.	IVCH ER Physicians	39,740	39,740
	Total	<u>\$ 66,403</u>	<u>\$ 66,403</u>
Emergency Services contract came in below budget estimations creating a positive variance in IVCH ER Physicians.			
6) <u>Supplies</u>			
Medical Supplies Sold to Patients revenue exceeded budget by 109.85% creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (4,985)	\$ (4,985)
	Food	98	98
	Minor Equipment	285	285
	Non-Medical Supplies	417	417
	Imaging Film	441	441
	Office Supplies	722	722
Pharmacy revenues were slightly higher than budget, however, the mix of drugs administered were lower cost items. This created a positive variance in Pharmacy Supplies.	Pharmacy Supplies	9,002	9,002
	Total	<u>\$ 5,980</u>	<u>\$ 5,980</u>

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JULY 2014**

		Variance from Budget	
		Fav<Unfav>	
		JULY 2014	YTD 2015
7) <u>Purchased Services</u>	EVS/Laundry	\$ (1,242)	\$ (1,242)
	Engineering/Plant/Communications	(995)	(995)
	Foundation	(473)	(473)
	Miscellaneous	(449)	(449)
	Pharmacy	(195)	(195)
	Surgical Services	-	-
	Multi-Specialty Clinics	163	163
	Laboratory	281	281
	Diagnostic Imaging Services - All	1,292	1,292
	Department Repairs	1,728	1,728
	Total	\$ 110	\$ 110
8) <u>Other Expenses</u>	Miscellaneous	\$ (1,770)	\$ (1,770)
Negative variance in Miscellaneous related to Donor walls.	Utilities	(1,292)	(1,292)
Natural Gas, Electricity, and Water/Sewer costs exceeded budget creating a negative variance in Utilities.	Outside Training & Travel	(269)	(269)
Controllable expenses are being monitored closely, creating positive variances in most of the Other Expense categories.	Other Building Rent	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Physician Services	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Equipment Rent	105	105
	Dues and Subscriptions	106	106
	Insurance	213	213
	Marketing	2,750	2,750
	Total	\$ (157)	\$ (157)
9) <u>Donations</u>	Total	\$ (4,200)	\$ (4,200)
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ -

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	PRE-AUDIT FYE 2014	BUDGET FYE 2015	PROJECTED FYE 2015	ACTUAL JULY 2014	BUDGET JULY 2014	DIFFERENCE	PROJECED 1ST QTR	BUDGET 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 4,093,332	\$ 2,008,740	\$ 3,151,712	\$ 1,326,836	\$ 183,864	\$ 1,142,972	\$ 1,677,653	\$ 137,147	\$ 1,794,461	\$ (457,549)
Interest Income	90,129	96,542	96,392	19,503	19,653	(150)	19,503	25,816	25,794	25,279
Property Tax Revenue	5,285,587	5,376,000	5,208,425	97,425	265,000	(167,575)	247,425	70,000	2,790,000	2,101,000
Donations	1,132,315	600,300	403,273	42,973	240,000	(197,027)	44,173	26,100	256,000	77,000
Debt Service Payments	(4,308,075)	(3,926,699)	(3,755,199)	(596,542)	(768,043)	171,500	(1,140,191)	(815,474)	(984,061)	(815,474)
Bank of America - 2012 Muni Lease	(1,243,647)	(1,243,644)	(1,243,528)	(103,521)	(103,637)	116	(310,795)	(310,911)	(310,911)	(310,911)
Bank of America - 2007 Muni Lease	(421,721)	-	-	-	-	-	-	-	-	-
Copier	(100,214)	(105,000)	(97,184)	(934)	(8,750)	7,816	(18,434)	(26,250)	(26,250)	(26,250)
2002 Revenue Bond	(633,393)	(664,805)	(501,398)	(332,811)	(496,218)	163,407	(332,811)	-	(168,587)	-
2006 Revenue Bond	(1,909,100)	(1,913,250)	(1,913,090)	(159,277)	(159,438)	160	(478,152)	(478,313)	(478,313)	(478,313)
Physician Recruitment	(129,886)	(150,000)	(148,371)	(10,871)	(12,500)	1,629	(35,871)	(37,500)	(37,500)	(37,500)
Investment in Capital	-	-	-	-	-	-	-	-	-	-
Equipment	(2,157,004)	(1,748,150)	(1,748,149)	(91,020)	(407,917)	316,897	(1,223,749)	(273,900)	(126,350)	(124,150)
Municipal Lease Reimbursement	748,489	1,250,000	1,250,000	-	-	-	-	1,024,950	177,900	47,150
GO Bond Project Personal Property	(703,327)	(747,761)	(747,761)	(19,756)	(43,092)	23,336	(129,275)	-	(309,243)	(309,243)
IT	(339,004)	(2,804,763)	(2,804,762)	(75,155)	(367,864)	292,709	(1,103,590)	(1,111,954)	(444,051)	(145,167)
Building Projects	(1,339,652)	(3,557,916)	(3,557,915)	(159,131)	(319,910)	160,779	(959,728)	(941,729)	(828,229)	(828,229)
Health Information/Business System	(349,125)	(1,105,000)	(1,105,000)	-	(180,000)	180,000	(765,000)	-	(340,000)	-
Change in Accounts Receivable	3,825,683	1,989,042	N1 2,012,124	(155,525)	(178,607)	23,082	398,337	1,238,379	(756,290)	1,131,698
Change in Settlement Accounts	1,070,839	(900,000)	N2 (876,328)	23,672	(400,000)	423,672	(776,328)	(700,000)	-	600,000
Change in Other Assets	527,205	(548,326)	N3 (948,065)	(756,074)	(356,335)	(399,739)	(549,375)	(530,799)	(538,676)	670,785
Change in Other Liabilities	(424,352)	805,000	N4 1,749,601	844,601	(100,000)	944,601	644,601	350,000	65,000	690,000
Change in Cash Balance	7,023,152	(3,362,991)	(1,820,023)	490,937	(2,425,749)	2,916,686	(3,651,416)	(1,538,964)	744,756	2,625,601
Beginning Unrestricted Cash	43,894,743	50,917,896	50,917,896	50,917,896	50,917,896	-	50,917,896	47,266,480	45,727,517	46,472,272
Ending Unrestricted Cash	50,917,896	47,554,905	49,097,873	51,408,833	48,492,147	2,916,686	47,266,480	45,727,517	46,472,272	49,097,873
Expense Per Day	309,868	316,480	316,956	331,050	325,450	5,599	327,160	319,853	318,724	316,480
Days Cash On Hand	164	150	155	155	149	6	144	143	146	155

Footnotes:

- N1 - Change in Accounts Receivable reflects the 60 day delay in collections. For example, in July 2014 we are collecting May 2014.
- 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.

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**TAHOE FOREST HOSPITAL DISTRICT
AUGUST 2014 FINANCIAL REPORT
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Board of Directors
Of Tahoe Forest Hospital District

AUGUST 2014 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the two months ended August 31, 2014.

Activity Statistics

- ❑ TFH acute patient days were 414 for the current month compared to budget of 413. This equates to an average daily census of 13.4 compared to budget of 13.3.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Surgical cases, Laboratory, Oncology Lab, Diagnostic Imaging, Oncology procedures, Radiation Oncology procedures, Nuclear Medicine, Ultrasounds, Pharmacy Units, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Endoscopy procedures, MRI exams, Oncology Pharmacy units, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 60.7% in the current month compared to budget of 55.0% and to last month's 54.1%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.4%, compared to budget of 55.1% and prior year's 60.0%.
- ❑ EBIDA was \$2,534,969 (13.3%) for the current month compared to budget of \$641,091 (3.5%), or \$1,893,877 (9.8%) above budget. Year-to-date EBIDA was \$3,861,498 (9.9%) compared to budget of \$824,955 (2.3%) or \$3,036,543 (7.6%) over budget.
- ❑ Cash Collections for the current month were \$9,279,102 which is 103% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 68.4, compared to the prior month of 71.0. Gross Accounts Receivables are \$38,712,981 compared to the prior month of \$36,915,013. The percent of Gross Accounts Receivable over 120 days old is 28.5%, compared to the prior month of 31.6%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 25.5 days. S&P Days Cash on Hand is 150.5. Working Capital cash decreased \$2,464,000. Cash Collections exceeded target by 3%, Accounts Payable decreased \$2,241,000 and Accrued Payroll & Related Costs also decreased \$1,073,000.
- ❑ Net Patients Accounts Receivable increased approximately \$1,433,000. Cash collections were at 103% of target and days in accounts receivable were 68.4 days, a 2.60 days decrease.
- ❑ GO Bond Project Fund decreased \$579,867 after reimbursing the District for funds advanced on Measure C projects.
- ❑ Accounts Payable decreased \$2,241,000 due to the timing of the final check run in the month.
- ❑ Accrued Payroll & Related Costs decreased \$1,073,000 due to fewer accrual days in the month of August.

Operating Revenue

- ❑ Current month’s Total Gross Revenue was \$19,099,605, compared to budget of \$18,202,818 or \$896,787 above budget.
- ❑ Current month’s Gross Inpatient Revenue was \$6,144,467, compared to budget of \$5,822,036 or \$322,431 above budget.
- ❑ Current month’s Gross Outpatient Revenue was \$12,955,137, compared to budget of \$12,380,782 or \$574,355 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 35.9% Medicare, 16.9% Medi-Cal, .0% County, 3.6% Other, and 43.6% Insurance compared to budget of 34.4% Medicare, 13.2% Medi-Cal, 1.6% County, 6.7% Other, and 44.1% Insurance. Last month’s mix was 39.3% Medicare, 16.2% Medi-Cal, .0% County, 2.9% Other, and 41.6% Insurance.
- ❑ Current month’s Deductions from Revenue were \$7,499,736 compared to budget of \$8,200,608 or \$700,872 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.47% increase in Medicare, a 3.70% increase to Medi-Cal, a 1.62% decrease in County, a 3.05% decrease in Other, and Commercial was under budget .50%, and 2) we continue to see a decline in Accounts Receivable over 90 and 120 days which decreases the need to book larger reserves on those older accounts.

Operating Expenses

DESCRIPTION	August 2014 Actual	August 2014 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,469,459	3,515,233	45,774	
Employee Benefits	1,449,597	1,235,394	(214,203)	Greater use of Paid and Sick Leave along with using Standby created a negative variance in Employee Benefits. We also realized three pay periods in August which lent to the variance.
Benefits – Workers Compensation	36,006	51,566	15,561	
Benefits – Medical Insurance	638,007	717,510	79,502	
Professional Fees	1,611,717	1,823,568	211,851	We saw positive variances in Respiratory Therapy, Sleep Clinic fees, Administration due to lessened use of legal counsel, Multi-Specialty fees, Patient Accounting/Admitting consulting services coming in below budget, TFH Locums due to the restructuring of the Call and Hospitalist programs, and IVCH ER Physician fees.
Supplies	1,270,976	1,270,995	18	Oncology Drugs Sold to Patients revenues fell short of budget by 14.57%, however higher costs pharmaceuticals were required for treatments and Surgical Services and Medical Supplies Sold to Patients revenues exceeded budget by 14.94%, creating a negative variance in supply costs. These were offset by positive variances in a majority of the other supply areas.
Purchased Services	838,388	831,256	(7,131)	Services provided for the Wellness Neighborhood, HRSA Grant, TIRHR, and Locums coverage in IP Pharmacy created a negative variance in Purchased Services.
Other Expenses	447,412	577,455	130,043	Controllable costs continue to be monitored closely. This is creating positive variances in most of the Other Expenses categories.
Total Expenses	9,761,561	10,022,976	261,416	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
AUGUST 2014

ASSETS	Aug-14	Jul-14	Aug-13	
CURRENT ASSETS				
* CASH	\$ 8,289,521	\$ 10,753,484	\$ 8,948,417	1
PATIENT ACCOUNTS RECEIVABLE - NET	19,082,442	17,649,151	23,402,839	2
OTHER RECEIVABLES	3,895,021	3,752,626	3,135,057	
GO BOND RECEIVABLES	798,005	531,954	1,014,150	
ASSETS LIMITED OR RESTRICTED	5,666,962	5,729,204	5,765,728	
INVENTORIES	2,510,313	2,506,138	2,267,337	
PREPAID EXPENSES & DEPOSITS	2,050,760	1,969,754	1,553,787	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,265,292	3,235,364	3,590,354	
OTHER CURRENT ASSETS	-	-	-	
TOTAL CURRENT ASSETS	<u>45,558,316</u>	<u>46,127,673</u>	<u>49,677,669</u>	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	40,655,350	40,655,350	33,570,719	1
BANC OF AMERICA MUNICIPAL LEASE	2,291,388	2,291,388	3,033,190	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	2,459,893	2,300,616	2,408,770	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	19,261,009	19,840,876	28,436,063	3
GO BOND TAX REVENUE FUND	44,944	44,944	373,022	
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,963	2,963	3,136	
DONOR RESTRICTED FUND	805,658	783,690	673,188	
WORKERS COMPENSATION FUND	18,660	30,756	22,547	
TOTAL	65,542,163	65,952,882	68,522,934	
LESS CURRENT PORTION	(5,666,962)	(5,729,204)	(5,765,728)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	<u>59,875,201</u>	<u>60,223,678</u>	<u>62,757,206</u>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	496,395	496,395	728,350	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	115,915,487	116,317,329	119,601,125	
GO BOND CIP, PROPERTY & EQUIPMENT NET	28,145,561	27,681,987	19,225,780	
TOTAL ASSETS	<u>250,827,313</u>	<u>251,683,414</u>	<u>252,826,483</u>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	614,151	617,383	652,939	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,710,011	1,710,011	1,710,354	
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 2,324,162</u>	<u>\$ 2,327,395</u>	<u>\$ 2,363,293</u>	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 4,145,292	\$ 6,385,828	\$ 5,180,762	4
ACCRUED PAYROLL & RELATED COSTS	7,263,029	8,335,905	6,991,596	5
INTEREST PAYABLE	269,898	145,867	274,299	
INTEREST PAYABLE GO BOND	389,737	-	389,889	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	1,112,494	1,112,494	653,749	
HEALTH INSURANCE PLAN	997,635	997,635	860,027	
WORKERS COMPENSATION PLAN	1,006,475	1,006,475	1,392,606	
COMPREHENSIVE LIABILITY INSURANCE PLAN	890,902	890,902	887,362	
CURRENT MATURITIES OF GO BOND DEBT	315,000	315,000	50,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,300,830	2,294,267	2,668,944	
TOTAL CURRENT LIABILITIES	<u>18,691,292</u>	<u>21,484,372</u>	<u>19,349,234</u>	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	34,085,186	34,148,125	36,332,406	
GO BOND DEBT NET OF CURRENT MATURITIES	98,130,000	98,130,000	98,450,220	
DERIVATIVE INSTRUMENT LIABILITY	1,710,011	1,710,011	1,710,354	
TOTAL LIABILITIES	<u>152,616,489</u>	<u>155,472,508</u>	<u>155,842,214</u>	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	99,729,327	97,754,611	98,674,374	
RESTRICTED	805,658	783,690	673,188	
TOTAL NET POSITION	<u>\$ 100,534,986</u>	<u>\$ 98,538,301</u>	<u>\$ 99,347,562</u>	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
AUGUST 2014

1. Working Capital is at 25.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 150.5 days. Working Capital cash decreased \$2,464,000. Cash collections exceeded target by 3%, however, Accounts Payable (see Note 4) decreased \$2,241,000 and Accrued Payroll & Related Costs (see Note 5) also decreased 1,073,000.
2. Net Patient Accounts Receivable increased approximately \$1,433,000. Cash collections were 103% of target. Days in Accounts Receivable are at 68.4 days compared to prior months 71.0 days, a 2.60 days decrease.
3. GO Bond Project Fund decreased \$579,867 after reimbursing the District for funds advanced on Measure C projects.
4. Accounts Payable decreased \$2,241,000 due to the timing of the final check run in the month.
5. Accrued Payroll & Related Costs decreased \$1,073,000 due to fewer accrual days in the month of August.

**Tahoe Forest Hospital District
Cash Investment
August 31, 2014**

WORKING CAPITAL			
US Bank	\$ 7,841,262		
Tri Counties/US Bank	132,439		
Tri Counties/US Bank	315,820		
Wells Fargo Bank	-		
Local Agency Investment Fund	<u>-</u>	0.260%	
Total			\$ 8,289,521
 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>40,655,350</u>	0.260%	
			\$ 40,655,350
 Banc of America Muni Lease			
			\$ 2,291,388
Bonds Cash 1999			
			\$ 2
Bonds Cash 2002			
			\$ -
Bonds Cash 2006			
			\$ 2,459,893
Bonds Cash 2008			
			\$ 19,305,953
 DX Imaging Education			
Workers Comp Fund - B of A	\$ 2,963	0.260%	
	18,660		
 Insurance			
Health Insurance LAIF	-	0.260%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.260%	
Total			<u>\$ 21,623</u>
TOTAL FUNDS			\$ 73,026,026
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,367	0.03%	
Foundation Restricted Donations	\$ 122,969		
Local Agency Investment Fund	<u>674,322</u>	0.260%	
TOTAL RESTRICTED FUNDS			<u>\$ 805,658</u>
TOTAL ALL FUNDS			<u>\$ 73,831,685</u>

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AUGUST 2014

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	AUG 2013	
OPERATING REVENUE										
\$ 19,099,605	\$ 18,202,818	\$ 896,787	4.9%		\$ 38,964,424	\$ 35,419,836	\$ 3,544,589	10.0%	1	\$ 33,090,546
Total Gross Revenue										
Gross Revenues - Inpatient										
\$ 1,913,900	\$ 1,685,059	\$ 228,841	13.6%		\$ 3,947,621	\$ 3,308,505	\$ 639,116	19.3%		\$ 3,266,747
4,230,567	4,136,977	93,590	2.3%		8,693,383	8,024,133	669,249	8.3%		6,860,287
6,144,467	5,822,036	322,431	5.5%		12,641,004	11,332,639	1,308,366	11.5%	1	10,127,034
Total Gross Revenue - Inpatient										
12,955,137	12,380,782	574,355	4.6%		26,323,420	24,087,197	2,236,223	9.3%		22,963,512
12,955,137	12,380,782	574,355	4.6%		26,323,420	24,087,197	2,236,223	9.3%	1	22,963,512
Total Gross Revenue - Outpatient										
Deductions from Revenue:										
6,804,464	6,853,600	49,136	0.7%		15,064,197	13,299,174	(1,765,023)	-13.3%	2	13,108,734
633,811	618,895	(14,916)	-2.4%		1,294,191	1,204,274	(89,917)	-7.5%	2	1,050,879
-	-	-	0.0%		-	-	-	0.0%	2	-
61,461	728,113	666,652	91.6%		258,155	1,416,794	1,158,639	81.8%	2	(910,805)
-	-	-	0.0%		-	-	-	0.0%	2	-
7,499,736	8,200,608	700,872	8.5%		16,616,542	15,920,242	(696,300)	-4.4%		13,248,808
89,643	84,031	5,612	6.7%		154,403	167,832	(13,429)	-8.0%		63,053
607,017	577,827	29,190	5.1%		1,242,356	1,138,415	103,941	9.1%	3	1,085,953
12,296,529	10,664,068	1,632,461	15.3%		23,744,641	20,805,841	2,938,800	14.1%		20,990,744
TOTAL OPERATING REVENUE										
OPERATING EXPENSES										
3,469,459	3,515,233	45,774	1.3%		6,862,112	7,031,086	168,974	2.4%	4	6,546,753
1,449,597	1,235,394	(214,203)	-17.3%		2,499,030	2,362,238	(136,792)	-5.8%	4	2,439,061
36,006	51,566	15,561	30.2%		124,350	103,133	(21,218)	-20.6%	4	112,472
638,007	717,510	79,502	11.1%		1,472,208	1,435,019	(37,189)	-2.6%	4	1,189,098
1,611,717	1,823,568	211,851	11.6%		3,308,397	3,670,798	362,402	9.9%	5	3,021,637
1,270,976	1,270,995	18	0.0%		2,844,792	2,493,479	(351,313)	-14.1%	6	2,422,539
838,388	831,256	(7,131)	-0.9%		1,812,018	1,724,102	(87,916)	-5.1%	7	1,518,412
447,412	577,455	130,043	22.5%		960,236	1,161,031	200,795	17.3%	8	998,383
9,761,561	10,022,976	261,416	2.6%		19,883,144	19,980,886	97,742	0.5%		18,248,355
2,534,969	641,091	1,893,877	295.4%		3,861,498	824,955	3,036,543	368.1%		2,742,389
NET OPERATING REVENUE (EXPENSE) EBIDA										
NON-OPERATING REVENUE/(EXPENSE)										
358,365	363,977	(5,612)	-1.5%		741,613	728,184	13,429	1.8%	9	786,947
393,903	393,903	-	0.0%		787,807	787,807	-	0.0%		789,507
22,995	21,995	1,001	4.5%		46,723	43,672	3,051	7.0%	10	39,562
3,565	2,810	755	26.9%		6,915	5,803	1,112	19.2%		12,829
23,210	60,951	(37,741)	-61.9%		66,437	121,902	(55,465)	-45.5%	11	97,914
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(809,066)	(809,066)	0	0.0%		(1,618,132)	(1,618,133)	1	0.0%	15	(1,396,592)
(141,213)	(140,776)	(437)	-0.3%		(282,472)	(281,823)	(649)	-0.2%	16	(292,251)
(389,737)	(389,723)	(14)	0.0%		(779,626)	(779,612)	(14)	0.0%		(779,779)
(537,978)	(495,929)	(42,048)	-8.5%		(1,030,736)	(992,202)	(38,534)	-3.9%		(741,863)
TOTAL NON-OPERATING REVENUE/(EXPENSE)										
\$ 1,996,991	\$ 145,162	\$ 1,851,829	-1275.7%		\$ 2,830,762	\$ (167,247)	\$ 2,998,008	1792.6%		\$ 2,000,526
INCREASE (DECREASE) IN NET POSITION										
NET POSITION - BEGINNING OF YEAR					97,704,224					
NET POSITION - AS OF AUGUST 31, 2014					\$ 100,534,986					
13.3%	3.5%	9.8%			9.9%	2.3%	7.6%			8.3%
RETURN ON GROSS REVENUE EBIDA										

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
AUGUST 2014

		<u>Variance from Budget</u>	
		<u>Fav / <Unfav></u>	
		<u>AUG 2014</u>	<u>YTD 2015</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget .24% or 1 day. Swing bed days were under budget 31.25% or 10 days. Daily Hospital and Ancillary Service revenues exceeded budget by 2.3%. We continue to see higher acuity levels in our patient population which creates the need for more ancillary services along with intensified nursing care.	Gross Revenue -- Inpatient	\$ 322,431	\$ 1,308,366
	Gross Revenue -- Outpatient	574,355	2,236,223
	Gross Revenue -- Total	<u>\$ 896,787</u>	<u>\$ 3,544,589</u>
Outpatient volumes were above budget in the following departments: Emergency Department visits, Surgical cases, Laboratory, Oncology Lab, Diagnostic Imaging, Medical & Radiation Oncology, Ultrasounds, Cat Scans, Pharmacy units, Physical Therapy, and Occupational Therapy.			
2) <u>Total Deductions from Revenue</u>			
The payor mix for August shows a 1.47% increase to Medicare, a 3.70% increase to Medi-Cal, 3.05% decrease to Other, a 1.62% decrease to County, and a .50% decrease to Commercial when compared to budget. Contractual Allowances and Bad Debt came in below budget. We continue to see a decline in our A/R over 90 and 120 days which alleviates the necessity for larger reserves on the older accounts receivable balances.	Contractual Allowances	\$ 49,136	\$ (1,765,023)
	Managed Care Reserve	-	-
	Charity Care	(14,916)	(89,917)
	Charity Care - Catastrophic	-	-
	Bad Debt	666,652	1,158,639
	Prior Period Settlement	-	-
	Total	<u>\$ 700,872</u>	<u>\$ (696,300)</u>
3) <u>Other Operating Revenue</u>			
Retail Pharmacy revenues exceeded budget by 4.81%.	Retail Pharmacy	\$ 10,921	\$ 58,824
	Hospice Thrift Stores	2,016	(2,404)
	The Center (non-therapy)	(8,529)	(12,517)
	IVCH ER Physician Guarantee	4,829	82,730
	Children's Center	584	(405)
	Miscellaneous	26,351	(8,121)
	Oncology Drug Replacement	-	-
	Grants	(6,983)	(13,966)
	Total	<u>\$ 29,190</u>	<u>\$ 103,941</u>
	Total	<u>\$ 45,774</u>	<u>\$ 168,974</u>
4) <u>Salaries and Wages</u>			
<u>Employee Benefits</u>			
Greater use of Paid Leave and Sick Leave coupled with using Standby created negative variances in Employee Benefits. The District also realized three pay periods in August which further lent to negative variances in this category.	PL/SL	\$ (65,241)	\$ (30,435)
	Nonproductive	(26,887)	(33,884)
	Pension/Deferred Comp	474	790
	Standby	(30,920)	(24,965)
	Other	(91,630)	(48,298)
	Total	<u>\$ (214,203)</u>	<u>\$ (136,792)</u>
	Total	<u>\$ 15,561</u>	<u>\$ (21,218)</u>
<u>Employee Benefits - Workers Compensation</u>			
<u>Employee Benefits - Medical Insurance</u>			
5) <u>Professional Fees</u>			
Outpatient Therapy revenues exceeded budget by 18.17%, creating a negative variance in The Center (includes OP Therapy).	The Center (includes OP Therapy)	\$ (13,122)	\$ (26,515)
	Oncology	15,337	(17,770)
	TFH/IVCH Therapy Services	(2,674)	(17,471)
	Financial Administration	5,883	(11,533)
	Business Performance	-	-
	Home Health/Hospice	(600)	1,550
	Marketing	1,000	1,875
	Multi-Specialty Clinics Admin	851	5,671
	Human Resources	6,880	13,236
	Managed Care	7,325	15,297
	Information Technology	7,938	18,201
	Respiratory Therapy	16,472	19,524
	Medical Staff Services	4,421	20,696
	Sleep Clinic	12,396	20,787
	Administration	13,628	20,928
	Multi-Specialty Clinics	19,436	39,230
	Patient Accounting/Admitting	33,930	44,030
	TFH Locums	38,883	65,891
	IVCH ER Physicians	26,632	66,372
	Miscellaneous	17,235	82,402
	Total	<u>\$ 211,851</u>	<u>\$ 362,402</u>
Positive variance in Respiratory Therapy related to a reduction in the contract.			
Sleep Clinic Pro Fees are tied to collections which fell below budget in August, creating a positive variance.			
Positive variance in Administration associated with lessened use of Legal Counsel.			
Multi-Specialty Clinics positive variance related to RVU bonuses accrued at the close of FY14 not coming to fruition.			
Patient Accounting/Admitting consulting services came in below budget creating a positive variance in this category.			
Restructuring of Physician on call and the inception of the Hospitalist program is creating a positive variance in TFH Locums.			
Emergency Services contract came in below budget estimations creating a positive variance in IVCH ER Physicians.			

6) Supplies

Oncology Drugs Sold to Patients revenues fell short of budget by 14.57%, however, the mix of drugs administered were higher costs pharmaceuticals.

Medical Supplies Sold to Patients and Surgery revenues exceeded budget by 14.94% creating a negative variance in Patient & Other Medical Supplies.

Pharmacy Supplies	\$ (13,128)	\$ (220,538)
Patient & Other Medical Supplies	(10,697)	(172,367)
Minor Equipment	(3,059)	1,943
Imaging Film	1,314	2,444
Food	2,797	6,583
Office Supplies	4,041	9,110
Other Non-Medical Supplies	18,749	21,512
Total	\$ 18	\$ (351,313)

7) Purchased Services

Negative variance in Miscellaneous related to services provided to the Wellness Neighborhood, HRSA Grant, and TIRHR. HRSA Grant costs are reimbursed to the District as well as mTBI project costs connected with TIRHR.

Locums coverage created a negative variance in Pharmacy IP.

Positive variance in Patient Accounting related to collection agency fees falling short of budget.

Diagnostic Imaging Services - All had a positive variance related to maintenance contracts coming in below budget.

Network Maintenance and general I/T maintenance came in below budget, creating a positive variance in Information Technology.

Miscellaneous	\$ (72,672)	\$ (184,760)
Pharmacy IP	(33,836)	(60,161)
Laboratory	(4,909)	(4,216)
Community Development	114	(3,258)
Multi-Specialty Clinics	(295)	(2,711)
Hospice	(3,357)	(1,598)
Medical Records	1,621	(1,281)
Department Repairs	6,289	86
The Center	7,649	17,670
Human Resources	2,432	21,992
Patient Accounting	17,080	24,105
Diagnostic Imaging Services - All	26,331	34,790
Information Technology	46,421	71,427
Total	\$ (7,131)	\$ (87,916)

8) Other Expenses

Controllable costs continue to be monitored closely.

Physician Services	\$ -	\$ -
Innovation Fund	-	-
Multi-Specialty Clinics Equip Rent	350	341
Multi-Specialty Clinics Bldg Rent	1,581	3,122
Utilities	8,416	5,664
Human Resources Recruitment	2,623	6,164
Other Building Rent	2,379	7,032
Insurance	4,781	9,562
Dues and Subscriptions	5,140	10,619
Equipment Rent	2,588	26,678
Outside Training & Travel	21,405	26,427
Miscellaneous	57,771	49,370
Marketing	23,010	55,815
Total	\$ 130,043	\$ 200,795

9) District and County Taxes

Total	\$ (5,612)	\$ 13,429
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10) Interest Income

Total	\$ 1,001	\$ 3,051
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11) Donations

IVCH	\$ (4,200)	\$ (8,400)
Operational	(33,541)	(47,065)
Capital Campaign	-	-
Total	(37,741)	(55,465)

12) Gain/(Loss) on Joint Investment

Total	\$ -	\$ -
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12) Gain/(Loss) on Impairment of Asset

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

Total	\$ -	\$ -
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14) Impairment Loss

Total	\$ -	\$ -
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15) Depreciation Expense

Total	\$ -	\$ 1
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16) Interest Expense

Total	\$ (437)	\$ (649)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
AUGUST 2014

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD AUG 2013	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
OPERATING REVENUE										
\$ 1,469,023	\$ 1,420,892	\$ 48,131	3.4%	Total Gross Revenue	\$ 2,983,680	\$ 2,819,183	\$ 164,497	5.8%	1	\$ 2,872,638
Gross Revenues - Inpatient										
\$ (625)	\$ 6,988	\$ (7,613)	-108.9%	Daily Hospital Service	\$ 15,190	\$ 6,988	\$ 8,202	117.4%		\$ 2,250
(4,329)	8,458	(12,788)	-151.2%	Ancillary Service - Inpatient	13,083	12,570	513	4.1%		454
(4,954)	15,446	(20,401)	-132.1%	Total Gross Revenue - Inpatient	28,273	19,558	8,715	44.6%	1	2,704
1,473,977	1,405,445	68,532	4.9%	Gross Revenue - Outpatient	2,955,406	2,799,625	155,782	5.6%		2,869,934
1,473,977	1,405,445	68,532	4.9%	Total Gross Revenue - Outpatient	2,955,406	2,799,625	155,782	5.6%	1	2,869,934
Deductions from Revenue:										
403,408	427,402	23,994	5.6%	Contractual Allowances	806,455	846,154	39,699	4.7%	2	1,000,779
49,947	48,310	(1,637)	-3.4%	Charity Care	101,445	95,852	(5,593)	-5.8%	2	92,073
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
69,762	56,836	(12,926)	-22.7%	Bad Debt	122,178	112,768	(9,410)	-8.3%	2	(4,386)
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2	-
523,117	532,548	9,431	1.8%	Total Deductions from Revenue	1,030,077	1,054,774	24,697	2.3%	2	1,088,466
52,785	48,069	4,716	9.8%	Other Operating Revenue	167,249	84,072	83,176	98.9%	3	120,313
998,691	936,413	62,278	6.7%	TOTAL OPERATING REVENUE	2,120,851	1,848,481	272,370	14.7%		1,904,485
OPERATING EXPENSES										
238,503	265,516	27,012	10.2%	Salaries and Wages	520,662	532,711	12,049	2.3%	4	477,311
131,225	98,702	(32,523)	-33.0%	Benefits	219,671	189,404	(30,267)	-16.0%	4	194,509
4,542	2,717	(1,826)	-67.2%	Benefits Workers Compensation	7,614	5,433	(2,181)	-40.1%	4	5,179
42,086	48,049	5,964	12.4%	Benefits Medical Insurance	99,329	96,099	(3,230)	-3.4%	4	79,086
197,575	264,840	67,266	25.4%	Professional Fees	400,980	534,649	133,669	25.0%	5	453,529
54,665	53,790	(875)	-1.6%	Supplies	104,809	109,914	5,105	4.6%	6	119,160
62,182	39,316	(22,865)	-58.2%	Purchased Services	102,920	80,165	(22,755)	-28.4%	7	76,533
56,579	52,212	(4,367)	-8.4%	Other	107,181	102,657	(4,524)	-4.4%	8	91,065
787,357	825,142	37,785	4.6%	TOTAL OPERATING EXPENSE	1,563,165	1,651,031	87,865	5.3%		1,496,372
211,334	111,270	100,063	89.9%	NET OPERATING REV(EXP) EBIDA	557,686	197,450	360,235	182.4%		408,113
NON-OPERATING REVENUE/(EXPENSE)										
-	4,200	(4,200)	-100.0%	Donations-IVCH	-	8,400	(8,400)	-100.0%	9	83,042
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(53,601)	(53,601)	0	0.0%	Depreciation	(107,202)	(107,203)	1	0.0%	11	(76,826)
(53,601)	(49,401)	(4,200)	-8.5%	TOTAL NON-OPERATING REVENUE/(EXP)	(107,202)	(98,803)	(8,399)	-8.5%		6,216
\$ 157,733	\$ 61,869	\$ 95,864	154.9%	EXCESS REVENUE(EXPENSE)	\$ 450,484	\$ 98,647	\$ 351,836	356.7%		\$ 414,329
14.4%	7.8%	6.6%		RETURN ON GROSS REVENUE EBIDA	18.7%	7.0%	11.7%			14.2%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
AUGUST 2014**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>AUG 2014</u>	<u>YTD 2015</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were below budget by 1 at 1 and Observation Days were under budget by 3 at 0.	Gross Revenue -- Inpatient	\$ (20,401)	\$ 8,715
	Gross Revenue -- Outpatient	68,532	155,782
		<u>\$ 48,131</u>	<u>\$ 164,497</u>
Outpatient volumes were above budget in Surgical cases, Laboratory, Diagnostic Imaging, and Occupational Therapy.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with a 4.66% increase in Commercial, Insurance, a 3.19% decrease in Medicare, a 2.20% increase in Medicaid, a 3.34% decrease in Other, and a .33% decrease in County. Contractual Allowances were under budget due to the positive shift to Commercial Payors from the Medicaid and Other category.	Contractual Allowances	\$ 23,994	\$ 39,699
	Charity Care	(1,637)	(5,593)
	Charity Care-Catastrophic Event	-	-
	Bad Debt	(12,926)	(9,410)
	Prior Period Settlement	-	-
	Total	<u>\$ 9,431</u>	<u>\$ 24,697</u>
3) <u>Other Operating Revenue</u>			
	IVCH ER Physician Guarantee	\$ 4,829	\$ 82,730
	Miscellaneous	(114)	446
	Total	<u>\$ 4,716</u>	<u>\$ 83,176</u>
4) <u>Salaries and Wages</u>			
	Total	<u>\$ 27,012</u>	<u>\$ 12,049</u>
<u>Employee Benefits</u>			
Greater use of Paid Leave and Sick Leave along with utilizing Standby caused a negative variance in Employee Benefits and a positive variance in Salaries and Wages.	PL/SL	\$ (17,882)	\$ (19,569)
	Standby	(6,453)	(5,692)
	Other	(8,164)	(5,197)
	Nonproductive	(501)	(601)
	Pension/Deferred Comp	476	792
	Total	<u>\$ (32,523)</u>	<u>\$ (30,267)</u>
<u>Employee Benefits - Workers Compensation</u>	Total	<u>\$ (1,826)</u>	<u>\$ (2,181)</u>
<u>Employee Benefits - Medical Insurance</u>	Total	<u>\$ 5,964</u>	<u>\$ (3,230)</u>
5) <u>Professional Fees</u>			
Negative variance in Foundation related to services provided for philanthropy and fundraising.	Foundation	\$ (1,965)	\$ (5,684)
	Administration	150	300
	Miscellaneous	(123)	505
	Sleep Clinic	12,396	20,787
Sleep Clinic fees are tied to collections which fell short of budget in August.	Multi-Specialty Clinics	11,448	21,159
	Therapy Services	18,728	30,231
Physical Therapy revenues fell short of budget by 22.96% creating a positive variance in Therapy Services.	IVCH ER Physicians	26,632	66,372
	Total	<u>\$ 67,266</u>	<u>\$ 133,669</u>
Emergency Services contract came in below budget estimations creating a positive variance in IVCH ER Physicians.			
6) <u>Supplies</u>			
Medical Supplies Sold to Patients revenue exceeded budget by 118.58% creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (5,335)	\$ (10,320)
	Food	33	131
	Non-Medical Supplies	(77)	340
	Imaging Film	399	840
	Office Supplies	558	1,280
	Minor Equipment	1,647	1,932
	Pharmacy Supplies	1,899	10,902
	Total	<u>\$ (875)</u>	<u>\$ 5,105</u>

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
AUGUST 2014**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>AUG 2014</u>	<u>YTD 2015</u>
7) <u>Purchased Services</u>	Miscellaneous	\$ (17,152)	\$ (17,600)
Negative variance in Miscellaneous associated with services provided to conduct an on-line and telephone community health needs assessment.	Engineering/Plant/Communications	(12,474)	(13,469)
	EVS/Laundry	(1,360)	(2,602)
	Pharmacy	(862)	(1,057)
	Department Repairs	(2,383)	(655)
	Surgical Services	-	-
Engineering/Plant/Communications negative budget variance related to services provided to analyze and report on the HFAP Plan of Corrections.	Multi-Specialty Clinics	(129)	34
	Foundation	3,831	3,358
	Diagnostic Imaging Services - All	3,196	4,488
	Laboratory	4,468	4,748
	Total	\$ (22,865)	\$ (22,755)
8) <u>Other Expenses</u>	Outside Training & Travel	\$ (12,996)	\$ (13,266)
Negative variance in Outside Training & Travel related to graduate education reimbursements.	Other Building Rent	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Physician Services	-	-
Electricity and Telephone costs came in below budget creating a positive variance in Utilities.	Multi-Specialty Clinics Bldg Rent	-	-
	Dues and Subscriptions	51	157
	Equipment Rent	187	292
	Insurance	213	427
Controllable expenses are being monitored closely, creating positive variances in most of the Other Expense categories.	Miscellaneous	3,468	1,697
	Utilities	3,997	2,706
	Marketing	713	3,463
	Total	\$ (4,367)	\$ (4,524)
9) <u>Donations</u>	Total	\$ (4,200)	\$ (8,400)
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 2014	BUDGET FYE 2015	PROJECTED FYE 2015	ACTUAL JULY 2014	ACTUAL AUG 2014	BUDGET AUG 2014	DIFFERENCE	PROJECED 1ST QTR	BUDGET 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 4,138,661	\$ 2,008,740	\$ 5,076,653	\$ 1,328,836	\$ 2,534,969	\$ 641,091	\$ 1,893,878	\$ 3,602,594	\$ 137,147	\$ 1,794,461	\$ (457,549)
Interest Income	90,129	96,542	96,392	19,503	-	-	-	19,503	25,816	25,794	25,279
Property Tax Revenue	5,285,587	5,378,000	5,198,157	97,425	139,732	150,000	(10,268)	237,157	70,000	2,790,000	2,101,000
Donations	1,132,315	600,300	449,171	42,973	47,098	1,200	45,898	90,071	26,100	256,000	77,000
Debt Service Payments	(4,308,075)	(3,926,699)	(3,747,019)	(596,542)	(263,644)	(271,825)	8,180	(1,132,011)	(815,474)	(984,061)	(815,474)
Bank of America - 2012 Muni Lease	(1,243,647)	(1,243,644)	(1,243,528)	(103,521)	(103,637)	(103,637)	(0)	(310,795)	(310,911)	(310,911)	(310,911)
Bank of America - 2007 Muni Lease	(421,721)	-	-	-	-	-	-	-	-	-	-
Copier	(100,214)	(105,000)	(89,164)	(934)	(730)	(8,750)	8,020	(10,414)	(26,250)	(26,250)	(26,250)
2002 Revenue Bond	(633,393)	(664,805)	(501,398)	(332,811)	-	-	-	(332,811)	-	(168,587)	-
2006 Revenue Bond	(1,909,100)	(1,913,250)	(1,912,929)	(159,277)	(159,277)	(159,438)	161	(477,982)	(478,313)	(478,313)	(478,313)
Physician Recruitment	(129,886)	(150,000)	(146,807)	(10,871)	(10,936)	(12,500)	1,564	(34,307)	(37,500)	(37,500)	(37,500)
Investment in Capital	-	-	-	-	-	-	-	-	-	-	-
Equipment	(2,157,004)	(1,748,150)	(1,748,150)	(91,020)	(92,409)	(566,365)	473,956	(823,750)	(673,900)	(126,350)	(124,150)
Municipal Lease Reimbursement	748,489	1,250,000	1,250,000	-	-	-	-	-	1,024,950	177,900	47,150
GO Bond Project Personal Property	(703,327)	(747,761)	(747,761)	(19,756)	(2,619)	(54,760)	52,141	(129,275)	-	(309,243)	(309,243)
IT	(339,004)	(2,804,763)	(2,804,763)	(75,155)	(39,254)	(514,218)	474,964	(853,592)	(1,361,953)	(444,051)	(145,167)
Building Projects	(1,339,652)	(3,557,916)	(3,557,916)	(159,131)	(187,333)	(400,299)	212,966	(959,729)	(941,729)	(828,229)	(828,229)
Health Information/Business System	(349,125)	(1,105,000)	(1,105,000)	-	(30,303)	(505,000)	474,697	(490,303)	(274,697)	(340,000)	-
Change in Accounts Receivable	3,825,683	1,989,042	N1 756,652	(155,525)	(1,433,291)	(177,819)	(1,255,472)	(857,135)	1,238,379	(756,290)	1,131,698
Change in Settlement Accounts	1,070,639	(900,000)	N2 (476,328)	23,672	-	(400,000)	400,000	(376,328)	(700,000)	-	800,000
Change in Other Assets	527,205	(548,326)	N3 (962,972)	(756,074)	63,410	78,318	(14,908)	(564,282)	(530,799)	(538,676)	670,785
Change in Other Liabilities	(424,352)	805,000	N4 (739,780)	844,601	(3,189,381)	(700,000)	(2,489,381)	(1,844,780)	350,000	65,000	690,000
Change in Cash Balance	7,023,152	(3,362,991)	(3,209,470)	490,937	(2,463,961)	(2,732,175)	268,214	(4,116,166)	(2,463,660)	744,756	2,625,601
Beginning Unrestricted Cash	43,894,743	50,917,896	50,917,896	50,917,896	51,408,833	51,408,833	-	50,917,896	46,801,730	44,338,070	45,082,826
Ending Unrestricted Cash	50,917,896	47,554,905	47,708,426	51,408,833	48,944,871	48,676,657	268,214	46,801,730	44,338,070	45,082,826	47,708,426
Expense Per Day	309,868	316,480	316,168	331,050	325,247	327,084	(1,837)	327,160	319,853	318,724	316,480
Days Cash On Hand	164	150	151	155	151	149	3	143	139	141	151

Footnotes:

- N1 - Change in Accounts Receivable reflects the 60 day delay in collections. For example, in July 2014 we are collecting May 2014.
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.

MEMORANDUM

TO: Board of Directors

FROM: Bob Schapper, Chief Executive Officer

SUBJECT: Chief Executive Officer Report – August

DATE: September 19, 2014

Overview

Financial performance for the month of August was ahead of plan. Income from operations (EBIDA) was \$2,534,969 for the month compared to a budget of \$641,091. Year-to-date earnings from operations (EBIDA) is favorable with earnings of \$3,861,498 compared to a budget of \$824,955, or \$3,036,543 ahead of plan. Net income for the month was \$1,996,991 with year-to-date net income of \$2,830,762.

TFH Facility Development Plan

OSHPD approved the occupancy of the Dietary Phase 1 Project, occupancy of the Emergency Department Expansion and Interim OB. Staff was extremely busy over the past few weeks as all three areas have now been opened and occupied.

In the coming weeks the old medical–surgical unit will be closed off to pedestrian and employee access as the final phase of the Measure C projects begins with the demolition of the old medical-surgical unit, and what remains of the original 1952 building, to make way for constructing the new Women and Family Center. The heliport will be shut down beginning Monday, September 22 for approximately a two-year period while construction is in progress. All trauma or emergency helicopter transport will be shifted to the Truckee Airport with ground transportation to be provided by Truckee Fire in coordination with the hospital emergency department and the local EMS Agency. The closure of the old Med-Surg area will also separate the Extended Care Center (ECC) from the connecting corridors of the main hospital during construction. Procedures have been initiated to assure that appropriate services continue to be provided to the ECC staff, residents, and patients during the construction period.

TF 2020 - EMR Project

Mr. Joe LoDuca and interim Chief Information Officer (CIO) Gayle Yeakle are in the process of transitioning the leadership of the IT department and the EMR projects to our new CIO, Jake Dorst, as of September 2. The transition plan will continue to engage IT Optimizers through the month of September to assure a smooth transition. Mr. Dorst will provide a brief update of activities at the regular meeting of the board of directors scheduled for September 23.

Wellness Neighborhood

Ms. Ford's quarterly report is incorporated in the CEO report as an attachment.

Operational Improvement Plan

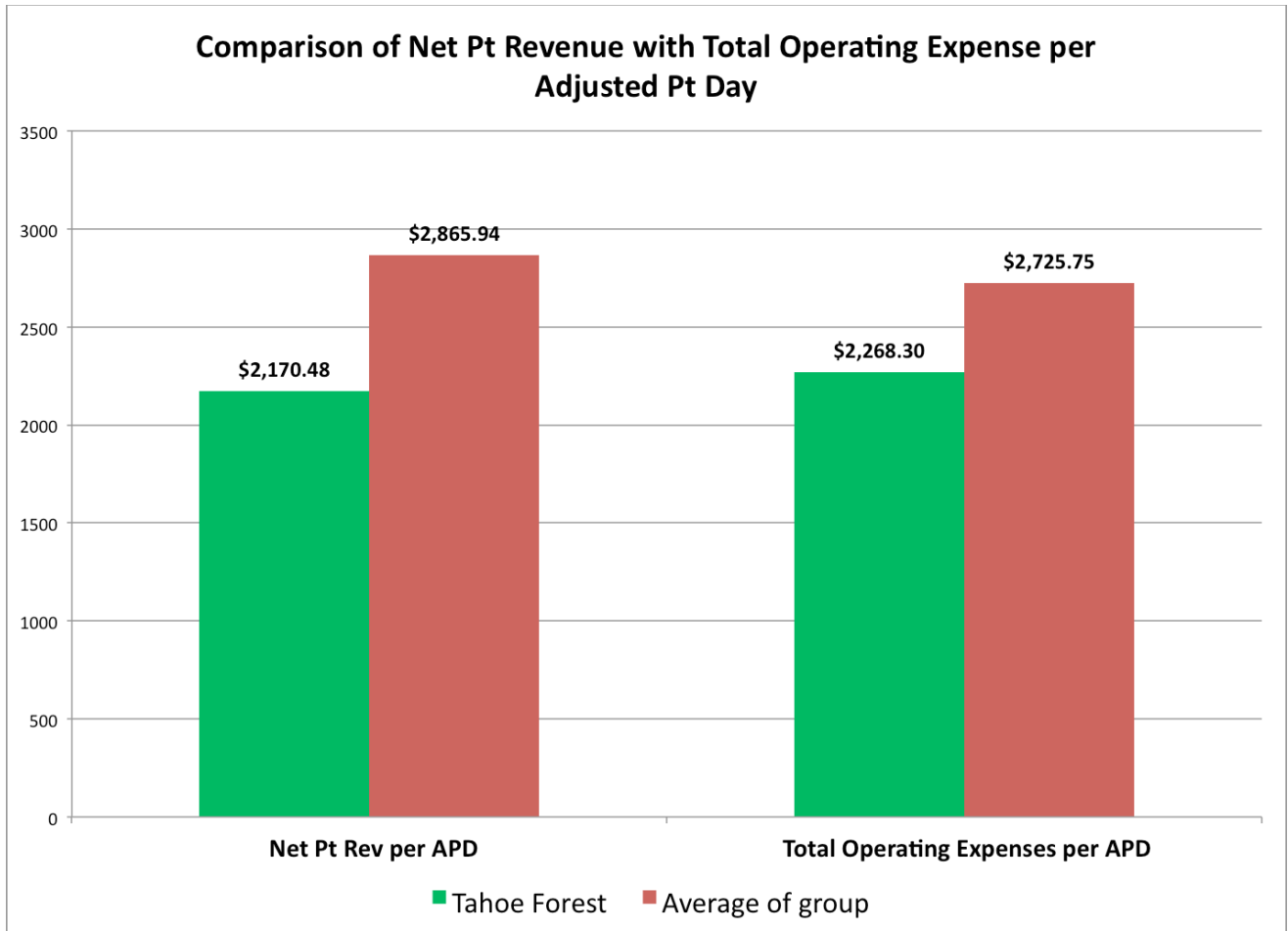
The Revenue Cycle Performance Improvement Project is producing results consistent with plan. Accounts Receivable Days have been reduced to 68.4 as of the most recent month end report. Jacobus Consulting will continue to work with the CEO and CFO on very specific targeted projects during the 2014-15 fiscal year to optimize revenue capture, cash collections, and on specific pillar projects to enhance patient access systems and use of the CPSI.

All levels of health system management continue to work on expense management strategies as we seek to progressively redesign workflow to achieve continued cost efficiencies in our operating processes. The health system continues to benchmark our operations against peer level hospitals and health systems. Management is using a statistic referred to as *adjusted patient days* to set operational benchmarks with like hospitals to compare staffing and expense levels. The adjusted patient days statistic is a universal measure of volume activity that combines inpatient and outpatient activities in a hospital to allow hospitals to benchmark and compare operational expenses and revenue generation on a "same store basis".

A recent study was conducted by Carl Gerlach of Heathshare IQ comparing 22 hospitals in California with reasonably similar adjusted patient day volumes to compare overall expense and revenue performance. The study, which was completed in the spring, used the most recent available 2011 data from OSHPD. The findings are represented in the graph on page 3.

The findings indicated that among all hospitals in the study cohort, Tahoe Forest Hospital's *operating expense per adjusted patient day* was lower than the average of all hospitals in the cohort. However, *gross revenue per adjusted patient day* compared to the same cohort was well below the average of the group and ranked the lowest of all 22 hospitals included in the study.

Management was pleased to find that when comparing Tahoe Forest Hospital operating expense to the study that TFH performs below the average for all hospitals. These findings validate managements' efforts over the last couple of years to progressively work with the medical staff and departments to reduce overall operating expenses per patient day. The revenue findings also validate that board guided modifications in hospital pricing that have been conscientiously initiated over the past five years has had a favorable impact on reducing overall patient charges per adjusted patient day.



Source: HealthShare IQ, 2014

It is management’s observation, which is validated by additional independent pricing study data, that ***Tahoe Forest Hospital is a low price provider for a majority of hospital services when compared to our regional hospital peer group, including Reno hospitals.*** Although this is a desirable condition for our community, this strategy combined with the effects of the recent recession, unusual seasonal conditions, the changing reimbursement levels for MediCal, and the changing commercial product plan designs associated with the implementation of the Affordable Care Act (ACA) has created substantial compression on health system earnings.

Consistent with the health system strategic plan, management will continue to evaluate ways to redesign the health system cost structure to respond to the changing reimbursement trends. However, the current conservative pricing strategy along with changing market conditions will require the health system to continue to evaluate our ongoing capacity to advance programming where services may require subsidization.

Management is working with Kaufman Hall to assist the board in benchmarking the current financial position of the health system to provide a broader planning perspective and to inform potential options to proactively enhance the future economic health of the health system as we plan for the potential impacts of the next stages of the ACA.

Kaufman Hall has completed its interview process with most board members and senior management. The CEO has asked that Kaufman Hall also include a small group of physicians in their interview process to inform ongoing discussions.

Management originally intended to complete the preliminary work with Kaufman Hall in September in preparation for an October planning meeting. However, given that the November election will significantly alter the complexion of future board membership, management is working with Kaufman Hall to revise the process to include newly elected board members once election results are finalized in November. This effort would delay formal review and discussion into a January/February time frame. Conversely, revising the project schedule to include inputs from the newly elected board members will serve to better inform the project and the 2015-16 strategic plan.

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Wellness Neighborhood TFHD Board of Directors Update
September 2014

The Division works with a broad coalition of community agencies and safety net partners on services and programs to advance the Board's five goals outlined in the 2011 Community Health Improvement Plan. July-September highlights:

Access to Care

Interventions and methods:

- The Truckee and North Tahoe Family Resource Centers under current contract and through TFHS funds, have each secured a Community Liaison to work with the Promotores and TFHS. We have finalized two different Promotores Training programs that launch Oct. 22nd Vision y Compromiso and MHP Salud (Migrant Health Promotion). Additional recruitment of Promotores (5) and current staff (8) is underway at both FRCs, and, within TFHD, we are processing the addition of 1-2 part-time Promotores for the Wellness Neighborhood; Trainee Attendance projected at 30; Training goals include: Communication/Interpersonal Skills, Service Coordination, Capacity Building Skills, Advocacy, Teaching, Organizational Skills and Knowledge; Specialized topics include: Mental Health, Diabetes, Oral Health, Nutrition and Exercise. Identified lay Promotores that work informally in our region will be invited to participate in the trainings and work collaboratively with our employed Promotores and will be invited to all continuing education sessions to promote their enhanced knowledge and coordination of community needs within the area;
- DHHS/HRSA/ORHP grant: Truckee/North Tahoe (TNT) Network for School Health Planning: Planning team meets monthly, and in addition, has held full day strategic planning sessions for the past 3 months; The Network's articulated vision: All Youth are Alive, Healthy, and Thriving. Completed: Mapping of the health care system for youth, compilation of school-based/linked health services, and analysis of the gaps, strengths, weaknesses, opportunities and threats; currently engaged in data collection within the community through key informant/focus groups;
- Collaboration with Nevada-based Access to Healthcare Network to improve access to the delivery of primary care services to patients not otherwise eligible for health insurance coverage in Nevada and in California; Completed site visit by AHN (CEO, CFO); next steps: development of a pilot project between TFHS & AHN to expand discounted services;
- Collaboration with Incline Village re: access to pediatric dental screening and dental varnish event scheduled for Saturday, Nov. 8th; Completed MOU between IVCH and the Washoe County School District for oral health education within the schools;
- Kick Nicotine Intervention; results: YTD 16 participants/5 total quitters, 31% quit rate;

Immunizations

Interventions and methods:

- Two coordination meetings as part of ongoing collaboration with County Health Officers for Nevada County, Placer County, Washoe County-Nevada re: discussion and coordination of Immunization and Vaccine Preventable Disease Information across the region. Outreach/publicity completed for August Immunization month and back-to-school nights in September.

- Collaboration with TTUSD regarding their enforcement of suspension of non-compliant students to California regulations; School entrance statistics to be presented at September Board meeting;

Ethnic Disparities

Interventions and methods:

- Collaborative work with Truckee and North Tahoe Family Resource Centers (FRCs) on execution of Promotores de Salud training addressed previously;
- Accepted: FRCs' annual report of completed contract activities including 31 Breast Health "Platicas" (little chats), 46 Zumba exercise classes, 8 Nutrition classes, and one 8 week Latino Leadership/Mental Health training;
- Mental Health services outreach for Hispanic population through service funds provided to FRCs; additional coord. of outreach within TTUSD for MH expansion;

Mental Health

Interventions and methods:

- Participated as core agency in bi-monthly meetings of Youth Suicide Prevention Task Force; wrote/executed new MOU with TTUSD to support Task Force goals and hire of Task Force facilitator; Position offered to candidate;
- Diffusing "Know the Signs" suicide awareness training to TFHS departments; results: Partners in Patient Services (40), Women & Family (18), Emergency Dept. (22);
- Established new TFHS internal committee on Behavioral Health needs and staffing; recruited Needs Assessment contractor-initiated assessment work; reviewed potential Tele-Psychiatry vendor for TFHS;
- Participating in newly established Mental Health Task Force: ongoing assessment of gaps in MH services, county service contracts updates, transportation issues for TFHS, 5150 holds/patient processing, crisis stabilization and inclusion of TFHS in coordination of all regional efforts and potential for resources;
- Site visit in conjunction with TFHD ED Director to Sierra Nevada Memorial Hospital's Crisis Stabilization Unit-assess potential for TFHD utilization of observation beds;
- Finalized updated of TFHS Mental Health Directory-available on-line by Sept. 22nd;
- Continued discussions with Nevada County Behavioral Health Services to assess Peer Counseling and potential launch of training program for the FRCs and TFHD;
- Coordination with TTUSD, Nv/Placer counties on new behavioral health therapist contract for both regional high schools to begin 10/1/14; traveled with team to meet with county executives on contracting, potential for co-sharing therapist, need for philanthropy to assist selected teens with access to therapeutic interventions;
- Ongoing work with bi-county crisis intervention team regarding improved patient processing (focus on 5150 holds and impact in the ED);

Substance Abuse

Interventions and methods:

- Provided partner advertisement of the RxTake Back event, scheduled for Sept. 27th;
- Ongoing discussions with TFHD Emergency Department staff to integrate SBIRT (Screening, Brief Intervention, Referral & Treatment);
- Deployment of Alcohol Edu within TTUSD to 318 students during 2013-14; Knowledge change Pre/Post education includes: 12% increase in decision-making skills, 12% increase in the laws and community issues, 25% increase in brain and body impacts, and 26% increase in basic alcohol knowledge;

Other Significant Wellness Neighborhood Activities:

Implementation of the 2014 update to TFHS 2011 Community Health Needs Assessment. Completed all community telephone/electronic surveys (402) for the statistical sampling in all 11 zip code areas. Currently engaged in secondary data collection across ten sub-groups for analyses through key informant interviews and focus group discussions. Analytics being applied by WN and contractors to the baseline survey responses and the key health indicator issues. Anticipated timeframes for next steps: meet with community advisory groups again in November, meet with the TFHS Hospital Board in December. Inclusion of the final community meeting responses in the information feedback to the Board. December presentation is requested as a workshop for the Board in order that the contractors may be scheduled to discuss: in depth significance of the data, methods and other outcome measures.

The Wellness Neighborhood has finalized their review and contracting with Healthy Communities Institute to prepare for the WN Website launch in 4-6 months. The customizable platform will allow us to utilize: Over 100 health and quality of life indicators, add/customize local content (our 2014 Community Health Needs Assessment Report), Healthy People 2020 trackers, performance tracking, a database of over 2,000 evidence-based programs, disparities dashboard, GIS mapping and indicator gauges (dashboards), daily health-related news, language translation of content, advanced search engine features, and a report assistant to access and prepare data reports.

The Wellness Neighborhood launched an Employee Produce Stand in August in partnership with the Tahoe Food Hub, the Gardens2Hospital project and Project Mana. This weekly event, running until September 17th, reaches out to the TFHS employees with organic and sustainably grown fruits and vegetables to promote healthy eating. Nutrition staff review the product list and produce low-fat, nutrient dense recipes to accompany the event. Volunteers have been recruited and trained to manage the event; any excess revenues benefit the Tahoe Food Hub and all excess produce is donated to Project Mana for their weekly distribution in Kings Beach.

The WN is participating with TFHS in bringing the Stanford University Chronic Disease Self-Management training to our system, including our Promotores. We have activated a licensing agreement with Stanford and will be identifying candidates to send to training who will in turn, provide additional leadership and training modules to staff. These individuals, and the self management modular skill set, will allow our launch of chronic disease management among identified patients and the community. This program will be coordinated with the Community Health team that currently provides outreach and education activities, and will eventually integrate both approaches.

Final execution of the Memorandum of Understanding between TFHS & TTUSD with focus on Medical Assistance Services, Concussion Management, Injury Prevention, Coach/Parent education, and TFHS Athletic Trainer presence at key TTUSD events.

Census

TFH Inpatient and Outpatient volumes for August 2014 were over budget in Acute Patient Days, Med/Surg Days, Deliveries, Emergency Department visits, Surgery cases, Diagnostic Imaging, CT Scans, Nuclear Medicine, Ultrasounds, Laboratory, Medical Oncology and Radiation Oncology procedures, Physical Therapy, and Occupational Therapy.

- Inpatient Admissions were below budget .67% at 148.
- Acute Patient days were above .24% at 414.
- Total ICU days were below budget 2.53% at 77.
- Total Med/Surg days were over budget .36% at 275.
- Total OB days were under budget 5.62% at 84.
- Deliveries were above budget 2.70% at 38.
- Emergency Department visits were above budget 11.52% at 1,375.
- Surgery case volumes were above budget 7.01% at 168.
- Endoscopy case volumes were under budget 14.69% at 122.
- Home Health visits were under budget 23.48% at 277.
- Diagnostic Imaging was over budget 8.64% at 956, CT scans were above budget 2.47% at 332; PET CT scans were under budget 3.85% at 25, MRI exams were under budget 15.05% at 158, Mammography was under budget 10.12% at 231; Nuclear Medicine was over budget 51.85% at 41; and Ultrasound exams were above 10.25% at 312.
- Laboratory volumes were above budget 12.15% at 15,651 tests.
- Oncology procedure volumes were above budget 16.67% at 574.
- Radiation Oncology procedure volumes were over budget 6.82% at 376.
- Physical Therapy volumes were above budget 11.26% at 6,233; Speech Therapy volumes were below budget 26.48% at 50; and Occupational Therapy volumes were above budget 38.21% at 1,143.
- Respiratory Therapy volumes below budget 21.15% at 11,064.
- IVCH: Admissions were under budget 100.00% at 0; Inpatient Days were below budget by 1 at 1; Observation Days were under budget 33.33% at 1; Emergency visits were under budget 1.55% at 380; Surgery cases were above budget 42.86% at 10; Diagnostic Imaging was above 6.11% at 243; CT Scans were under budget 14.49% at 59; Laboratory tests were up 6.58% at 2,624; Physical Therapy volumes were below budget 27.74% at 2,292; Occupational Therapy volumes were above budget 29.66% at 153; there were 13 Sleep Clinic visits for the month, 35.00% below budget.

Board of Directors -Chief Nursing Officer Report
Judy Newland, RN, CNO
September, 2014

Electronic Medical Record – CPSI

1. Point of Care (POC)

The nursing and clinical inpatient electronic medical record documentation project, Point of Care, continues to move forward according to schedule. Point of Care implementation is on target for the scheduled Go-Live, October 13th. Barbara Thomas, RN has been busy assuring all nursing and ancillary forms are completed and in place for electronic documentation. Nursing and ancillary training is scheduled for the second week of October. Shortly we will see Workstation on Wheels (WOWs) and other electronic devices that will be utilized by staff for electronic documentation. A big thank you to all the clinical leadership and staff who have been working to assure new workflows and documentation are in place prior to going live.

2. Physician Applications

The Physician Applications Project is well on its way toward Go-Live in November. The team has completed the initial Physician Documentation electronic templates. The physician training schedule has been released through Medical Staff Services. Tena Mather and Jennifer Ingalls are working with physicians to support their familiarization with ChartLink. Ms. Mather and Ms. Ingalls recently returned from Mobile, Alabama where they received training specific to physician applications. The Physician Advisory Team of Dr. Thompson, Dr. Standteiner, Dr. Scholnick, and Dan Coll PA-C have been active in the decision making process for implementation of the physician applications.

Construction

1. Both the Emergency Department and Interim Women and Family Unit had a successful licensing survey by the California Department of Public Health. The Emergency Department began seeing patients in their new area on Tuesday, September 2nd and the Women and Family Department moved to their new interim space on Wednesday, September 3rd. A thank you to Information Technology, Materials Management and Engineering staff who were essential in helping with these transitions along with nursing leadership and staff in these departments.
2. Due to the work surrounding the Women and Family Construction Project, beginning the morning of Monday, September 22nd the 2nd floor corridor from the Med/Surg/ICU inpatient units to the ECC will be closed. Prior to this closure, staff began execution of the plan that has been put into place to service the ECC when disconnected from the hospital. Demolition of the 1952 building should occur early October.
3. It is anticipated that on Wednesday morning, September 24th, the first floor corridor behind the loading dock entrance will be closed. Access into the hospital from the loading dock will then not be available. The three entrances into the hospital for hospital and medical staff will be ASD Entrance, Main Entrance, and Solarium/Big Rock Entrance.

Director of Nursing – Extended Care Center (ECC)

In order to work closer to home and spend more time with her family, Sonia Whitebird resigned her position as the Director of Nursing for the ECC. Sonia's last official day in the organization was September 5th. We all wish Ms. Whitebird the best in her pursuit of a career closer to home.

Sarah Jane Stull, RN has been hired as the Director of Nursing in the Extended Care Center. Sarah Jane most recently comes to us from Renown Medical Center where she worked as a telemetry nurse. Prior to her time at Renown, Sara Jane was the Director of Memory Care and Wellness at Aegis Senior Living in Pleasant Hill, California. We are excited with the opportunity to have Sara Jane as a part of the ECC team and a new member of the nursing leadership team.

Quest for Zero: Excellence in ED

At a recent conference, Tahoe Forest Health System was recognized by BETA Healthcare Group for TFH and IVCH Emergency Department staff efforts to enhance patient safety by successfully demonstrating compliance with the Tier 1 elements of the *Quest for Zero: Excellence in ED* patient safety initiative. As a result, TFH and IVCH received a five percent ED contribution credit applied to the 2014 policy renewal period. To qualify for the credit, all ED nurses covered by BETA Risk Management Authority were required to complete a specific group of online courses.

Quest for Zero: OB Initiative

At a recent conference, Tahoe Forest Hospital District was recognized by BETA Healthcare Group for its commitment to delivering excellent care to moms and babies in an effort to reach zero preventable birth injuries. The Women and Family Department and obstetricians met Tier 1 and Tier 2 education requirements of BETA Healthcare Group's Quest for Zero, OB initiative in 2014. In the third year of participation, a significant impact on the lives of families is being made by implementing strategies focused on communication. As a result, Tahoe Forest Hospital District has received a premium credit of 7%.

Board of Directors –Incline Village Community Hospital
Judy Newland, IVCH Chief Administrative Officer
September, 2014

Outreach

- IVCH, in partnership with North Lake Tahoe Fire Protection District, Incline Village Park & Recreation, Incline Village & Crystal Bay Veterans Club and the North Lake Tahoe Bonanza, are offering flu shot clinics. These clinics begin September 24th and run through October 21st.
- IVCH has been requested to participate in two benefits fairs for employees of the Hyatt and Incline Village Park & Recreation. IVCH will provide information on IVCH and TFHD services.
- The Washoe County Sheriff's office will be celebrating their 50th Anniversary of the Incline Village Substation. IVCH has been invited to participate in this celebration and provide information on IVCH and TFHD services.
- A brief presentation on Health Care Reform was given to the Rotary Club by Ms. Newland in Incline Village. Following the presentation, multiple questions were asked by the audience.
- Staff was present at Sierra Nevada College's new student orientation this year. Staff educated parents, student and college employees on the Incline Village Health Clinic and other services provided at IVCH and TFHD.

Foundation

- The Incline Village Community Hospital Foundation (IVCHF) had a successful Donor Appreciation Event at the Kern Schumacher estate on July 22, 2014. There were over 100 guests in attendance.
- On August 12, Incline Village Community Hospital Foundation hosted their first annual Healthy Neighborhood Fair. Personal invitations were mailed to 127 new home buyers in the Incline Village/Crystal Bay community. The new residents were introduced to the hospital, services, people and organizations that make up the communities healthy neighborhood. Tours of the hospital were provided and present were employees from the Washoe County Sheriff, North Lake Tahoe Fire Protection District, Incline Village Park & Recreation and TFHS Physical Therapy to educate the new residents of their services. Refreshments were provided by local restaurants.

Facilities Development Plan
Tahoe Forest Hospital District
June 30, 2014

TFHD FDP STATUS SUMMARY

Measure C Projects	\$ 96,178,430
Owner Scope Modifications	\$ 4,871,919
Regulatory Scope Modifications	<u>\$ 1,963,725</u>
FDP with Scope Modifications / Total Projects Cost	\$ 103,014,074
Development Completed / Paid to Date	<u>\$ (81,235,871)</u>
Balance to Complete	\$ 21,778,203
Project Fund Balance	\$ (19,832,145)
Projected Interest Earned	<u>TBD</u>
Balance - TFHD Capital Budget	\$ 1,946,058

- Measure C Projects increase specific to extended delays imposed by OSHPD upon the new ED/SPD Addition and Dietary projects.
- Owner/Regulatory Scope Modification increases attributable to the addition of two new projects.
 - o Continuity project to address the correction of medical gas system deficiencies and utility infrastructure re-routing.
 - o South Building Phase IV scope of work to upgrade the Interim OB postpartum rooms after the South Building is fully occupied.
- 211 prime contracts for construction issued to date and at present we are working with (2) contractors regarding change order requests that are in dispute.
- Permitting
 - (10) OSHPD permits issued to date
 - (5) Town of Truckee permits issued to date
 - (1) OSHPD permit pending issuance
 - o South Building (September 2014 - Floor plan redesign)



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 2014)	Current Projects with Scope Modifications	Status/Notes
Current Projects - Non Qualified Expenditures											
ICU Renovations											
HARD COSTS: Construction Costs	\$ 629,394		\$ 629,394	\$ -		\$ 235,585	\$ 393,809	37%	\$ 235,585	\$ 629,394	
SOFT COSTS	\$ 315,407		\$ 315,407	\$ -		\$ 190,007	\$ 125,400	60%	\$ 77,294	\$ 315,407	
CONTINGENCY	\$ 89,374		\$ 89,374	\$ -		\$ -	\$ 89,374	0%	\$ -	\$ 89,374	
SUBTOTAL PROJECT COSTS	\$ 1,034,175	\$ -	\$ 1,034,175	\$ -		\$ 425,592	\$ 608,583	41%	\$ 312,879	\$ 1,034,175	Construction in Progress
CT Scanner Replacement											
HARD COSTS: Construction Costs	\$ 620,711		\$ 620,711	\$ -			\$ 620,711	0%	\$ -	\$ 620,711	
SOFT COSTS	\$ 1,542,926		\$ 1,542,926	\$ -		\$ 205,301	\$ 1,337,625	13%	\$ 113,035	\$ 1,542,926	
CONTINGENCY	\$ 124,142		\$ 124,142	\$ -			\$ 124,142	0%	\$ -	\$ 124,142	
SUBTOTAL PROJECT COSTS	\$ 2,287,779	\$ -	\$ 2,287,779	\$ -		\$ 205,301	\$ 2,082,478	9%	\$ 113,035	\$ 2,287,779	Construction in Progress
OR Exam Lights Replacement											
HARD COSTS: Construction Costs	\$ 356,066		\$ -	\$ -			\$ 356,066	0%	\$ -	\$ 356,066	
SOFT COSTS	\$ 839,851		\$ -	\$ -			\$ 839,851	0%	\$ -	\$ 839,851	
CONTINGENCY COSTS	\$ 71,213		\$ -	\$ -			\$ 71,213	0%	\$ -	\$ 71,213	
SUBTOTAL PROJECT COSTS	\$ 1,267,130	\$ -	\$ -	\$ -		\$ -	\$ 1,267,130	0%	\$ -	\$ 1,267,130	Conceptual Design in Progress
NPC-2 Filings											
HARD COSTS: Construction Costs	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SOFT COSTS	\$ 100,000		\$ -	\$ -		\$ -	\$ 100,000	0%	\$ -	\$ 100,000	
CONTINGENCY COSTS	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SUBTOTAL PROJECT COSTS	\$ 100,000	\$ -	\$ -	\$ -		\$ -	\$ 100,000	0%	\$ -	\$ 100,000	
PROJECT SUMMARY COSTS (Hard Costs + Soft Costs + Contingency) ****	\$ 4,689,084	\$ -	\$ 3,321,954	\$ -		\$ 630,893	\$ 3,958,191	19%	\$ 425,914	\$ 4,589,084	

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 06/30/2014

*** Reconciled with TFHD General Ledger dated June 30, 2014. 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 2014)	FDP with Scope Modifications	Status/Notes
Measure C Project Expenditures											
Emergency Department & Sterile Processing Department; Increment II											
HARD COSTS: Construction Costs	\$ 4,534,232		\$ 4,534,232	\$ -		\$ 3,919,760	\$ 614,472	0%	\$ 94,186	\$ 4,534,232	
SOFT COSTS	\$ 2,135,294		\$ 2,135,294	\$ -		\$ 1,702,485	\$ 432,809	0%	\$ 53,951	\$ 2,135,294	
CONTINGENCY COSTS	\$ 1,725,651		\$ 453,423	\$ (1,272,228)		\$ 436,530	\$ 1,289,121	25%	\$ (16,893)	\$ 1,725,651	
EQUIPMENT UPGRADES - Trump Exam Lights	\$ -	\$ 68,362	\$ 68,362	\$ -		\$ -	\$ 68,362.00	0%	\$ -	\$ 68,362	
SUBTOTAL PROJECT COSTS	\$ 8,395,177	\$ 68,362	\$ 7,191,311	\$ (1,272,228)		\$ 6,058,775	\$ 2,404,764	84%	\$ 131,244	\$ 8,463,539	Construction in Progress
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 14,124,518	\$ 96,186	\$ 12,957,703	\$ (1,272,228)		\$ 11,815,940	\$ 2,404,764	91%	\$ 282,823	\$ 14,220,704	
Fluoroscopy / Nuc Med Upgrades / Diagnostic Imaging Equipment Replacement											
HARD COSTS: Construction Costs	\$ 533,565		\$ 619,422	\$ 85,857		\$ 533,565	\$ -	86%	\$ -	\$ 533,565	
SOFT COSTS	\$ 1,616,669		\$ 1,575,493	\$ (41,176)		\$ 1,616,669	\$ -	103%	\$ -	\$ 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	\$ -	98%	\$ -	\$ 2,243,147	Construction Complete
South Building; Birthing / Dietary Phase II											
HARD COSTS: Construction Costs	\$ 13,033,262		\$ 13,033,262	\$ -		\$ -	\$ 13,033,262	0%	\$ -	\$ 13,033,262	
SOFT COSTS	\$ 5,355,106		\$ 5,355,106	\$ -		\$ 4,082,642	\$ 1,272,464	76%	\$ 243,429	\$ 5,355,106	
CONTINGENCY COSTS	\$ 1,262,026		\$ 1,262,026	\$ -		\$ -	\$ 1,262,026	0%	\$ -	\$ 1,262,026	
EQUIPMENT UPGRADES - Headwalls, Exam Lights, IT Equipment	\$ -	\$ 185,160	\$ 185,160	\$ -		\$ -	\$ 185,160	0%	\$ -	\$ 185,160	
SUBTOTAL PROJECT COSTS	\$ 19,650,394	\$ 185,160	\$ 19,835,554	\$ -		\$ 4,082,642	\$ 15,752,912	21%	\$ 243,429	\$ 19,835,554	OSHPD Permitting 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	OSHPD Permitting 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	OSHPD Permitting in Progress
South Building; Continuity Phase											
HARD COSTS: Construction Costs	\$ -	\$ 996,982	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ 996,982	
SUBTOTAL PROJECT COSTS	\$ -	\$ 996,982	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ 996,982	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 19,650,394	\$ 2,655,762	\$ 21,309,174	\$ -		\$ 4,082,642	\$ 18,223,514	19%	\$ 243,429	\$ 22,306,156	



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 2014)	FDP with Scope Modifications	Status/Notes
<i>Measure C Project Expenditures</i>											
<i>Master Planning</i>											
SOFT COSTS	\$ 802,508		\$ 802,508	\$ -		\$ 802,508	\$ -	100%	\$ (520,337)	\$ 802,508	
CONTINGENCY COSTS	\$ 76,951		\$ 76,951	\$ -		\$ 76,951	\$ -	100%	\$ 299	\$ 76,951	
CAMPUS SIGNAGE PLAN		\$ 85,000	\$ 85,000	\$ -		\$ 78,075	\$ 6,925	0%	\$ -	\$ 85,000	
SECURITY UPGRADES		\$ 75,000	\$ 75,000	\$ -		\$ 28,738	\$ 46,262	0%	\$ -	\$ 75,000	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 879,459	\$ 160,000	\$ 1,039,459	\$ -		\$ 986,272	\$ 53,187	95%	\$ (520,038)	\$ 1,039,459	Ongoing
PROJECT SUMMARY COSTS (Hard Costs + Soft Costs + Contingency) ****	\$ 96,178,430	\$ 6,835,644	\$ 101,811,465	\$ (229,211)		\$ 81,235,871	\$ 21,778,203	80%	\$ 416,896	\$ 103,014,074	

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 6/30/2014

*** Reconciled with TFHD General Ledger dated June 30, 2014. Reference Application for Payment SOV located within applicable project section.

**** Total Owner Scope Modifications \$6,835,644 Regulatory Scope Modification \$1,963,721

*****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 2014)	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	\$ -		\$ 89,155	\$ 27,125	77%	\$ 34,192	\$ 116,280	
SUBTOTAL PROJECT COSTS	\$ -	\$ 116,280	\$ 116,280	\$ -		\$ 89,155	\$ 27,125	77%	\$ 34,192	\$ 116,280	
<i>Infill Projects; Interim Birthing at Western Addition</i>											
PERSONAL PROPERTY	\$ -	\$ 23,074	\$ 15,396	\$ -		\$ 23,074	\$ (7,678)	150%	\$ 15,430	\$ 23,074	
SUBTOTAL PROJECT COSTS	\$ -	\$ 23,074	\$ 15,396	\$ -		\$ 23,074	\$ (7,678)	150%	\$ 15,430	\$ 23,074	
<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	\$ -	\$ 144,831	\$ 134,048	\$ (3,105)		\$ 117,706	\$ 16,342	81%	\$ 49,622	\$ 144,831	Complete
<i>Emergency Department & Sterile Processing Department; Increment 1</i>											
PERSONAL PROPERTY	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
TOTAL PROJECT COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
<i>Emergency Department & Sterile Processing Department; Increment 2</i>											
PERSONAL PROPERTY	\$ -	\$ 708,123	\$ 708,123	\$ -		\$ 578,848	\$ 129,275	82%	\$ 392,532	\$ 708,123	
TOTAL PROJECT COSTS	\$ -	\$ 708,123	\$ 708,123	\$ -		\$ 578,848	\$ 129,275	82%	\$ 392,532	\$ 708,123	
TOTAL PROJECT COSTS	\$ -	\$ 708,123	\$ 708,123	\$ -	\$ -	\$ 578,848	\$ 129,275	82%	\$ 442,154	\$ 708,123	
<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



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 2014)	FDP with Scope Modifications	Status/Notes
<i>Measure C Projects - Non Qualified Expenditures</i>											
<i>South Building / Birthing / Dietary Phase II</i>											
PERSONAL PROPERTY	\$ -	\$ 750,272	\$ 973,312	\$ 973,312		\$ -	\$ 973,312	0%	\$ -	\$ 750,272	
TOTAL PROJECT COSTS	\$ -	\$ 750,272	\$ 973,312	\$ 973,312		\$ -	\$ -	0%	\$ -	\$ 750,272	
<i>CT Upgrades</i>											
PERSONAL PROPERTY	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
TOTAL PROJECT COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
<i>1952/1966 Building TI's</i>											
PERSONAL PROPERTY	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
TOTAL PROJECT COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
<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	\$ -	\$ 3,096,831	\$ 3,458,609	\$ 1,269,728	\$ -	\$ 2,040,159	\$ 110,106	59%	\$ 491,776	\$ 3,096,831	

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 (OSHDP), 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 6/30/2014

*** Reconciled with TFHD General Ledger dated June 30, 2014. Reference Application for Payment SOV located within applicable project section.

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

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September 16, 2014

TO: TFHD Board of Directors

FROM: Rick McConn

SUBJECT: FreemanWhite Medical Office Strategic Facility Master Plan Proposal

SUMMARY: This proposal is to review all of our owned, leased and affiliated office and clinical space to develop a comprehensive medical office master plan.

ACTION REQUESTED



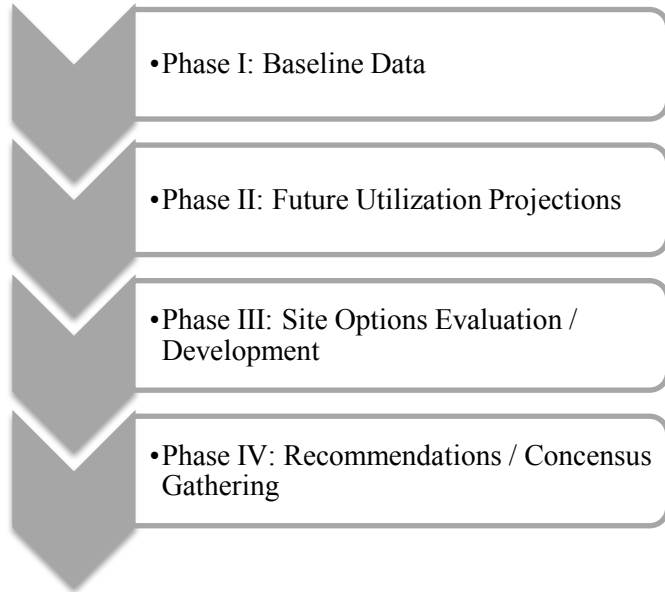
DISCUSSION

MASTER PLANNING SERVICES: PROPOSAL SUMMARY
General Medical Office Facility Master Plan
Tahoe Forest Health System, Truckee, CA

SERVICE LOCATIONS:

- Tahoe Forest Health System:
- Medical Office Building
 - Tahoe Forest Hospital
 - Cancer Center
 - All other owned, leased, and affiliated MOB space

FACILITY MASTER PLAN DEVELOPMENT



PROPOSED SCHEDULE: 1-2Months



ONSITE VISITS

Visit One Future Utilization, Initial Facility Assessment, Site Strategic Scenario Workshop

PROJECT FEES

Master Plan Development Total: \$38,500

PROPOSAL FOR MASTER PLANNING SERVICES
General Medical Office Facility Master Plan
Tahoe Forest Health System, Truckee, CA

FreemanWhite, Inc. proposes to provide Master Planning Services for the development of a Medical Office Strategic Facility Master Plan (SFMP) and as defined in the following Agreement. The services, terms, and conditions specified below will constitute the Agreement between **Tahoe Forest Health System**, a not-for-profit healthcare organization, and **FreemanWhite, Inc.**

Agreement between Owner and Consultant:

This letter constitutes **FreemanWhite, Inc.**'s contract to provide Master Plan Consulting Services for **Tahoe Forest Health System**, referred herein as the "Study". This Agreement is made between:

The Owner: **Tahoe Forest Health System**
10121 Pine Ave.
PO Box 759
Truckee, CA 96160
530-587-6011
Attn: Rick McConn
Chief, Facilities Development

and the Consultant: **FreemanWhite, Inc.**
8845 Red Oak Blvd
Charlotte, NC 28217
(704) 523-2230 Fax (704) 523-2235

This Agreement is made as of the **2nd day of September** in the year **Two Thousand and Fourteen**.

ARTICLE 1: SCOPE OF CONSULTANT'S SERVICES

Tahoe Forest Health System (TFHS - Owner) is a hospital health system based in Truckee, CA. Master Planning work will include strategic provider and data analysis, operational metrics, facility recommendations, and proposed facility phasing/schedule. Detailed cost estimating services will be provided by the Owner. The objective of this Study is to provide Strategic Facility Master Planning (SFMP) services that determine the best use of TFHS's currently existing owned, leased, and affiliated medical office space; thereby, reducing costs in operating multiple medical offices and maximizing the facility components of TFHS's physical assets.

The facilities recommendation for the future of TFHS's medical office space and its corresponding geographical location are based on the following campus options:

- Utilizing owned and leased space in the Medical Office Building (MOB) across the street from the Hospital;
- Utilizing the second floor of the Cancer Center;
- Utilizing the decommissioned space in the 66 building;
- Utilizing all other owned, leased, and affiliated MOB space; and/or
- A new location, if deemed necessary.

The Study will identify the gaps and capabilities of the current campus options listed above as it relates to the formal strategic direction of relocating and/or consolidating existing MOB services in order to enhance Tahoe Forest Health System's overall delivery system of care. Master plan solutions may include renovations, expansions, relocations and/or new construction.

This study will be delivered through completion of the following:

- Clear goals identified through consensus of key TFHS leaders and major stakeholders.
- Review of existing strategic plans with regards to strategic initiatives, provider efficiencies, financial capacity and other business related issues.
- Review and incorporation of recent provider and patient care data for the identification of future utilization targets and appropriate campus location of services. This information will be used as the basis for the physical analysis.
- Identification of costs, schedule, and phasing required for completion of the SFMP.

1.1 MASTER PLANNING SERVICES

The following is a description of the areas of focus for Master Planning services. The consultant will use proprietary dashboard tools to assist in data manipulation and scenario planning. All information will be available to the Owner on a password protected NewForma site during the Study and thereafter as described in section 1.4.2.

1.1.1 Data Collection

The Consultant will furnish a data collection package to the Owner for the purpose of collecting pertinent and client-unique data. Data shall be returned to the Consultant at least five (5) business days prior to the Consultant's first onsite visit.

1.1.2 Strategic and Business Review

The Consultant will conduct a kick-off conference call to identify the strategic parameters for specified services, set goals for potential outpatient services, and work with the Owner to target future utilization patterns that will assist in developing master plan solutions. Strategic and Business Review services are completed so the Consultant understands the strategic targets and corresponding business plans that will evidentially shape the master plan. The Consultant will convey industry trends and provider benchmarks, including how other external forces may affect the future planning of medical office space.

1.1.3 Demand / Provider Review

The Consultant will perform a demand / provider efficiency analysis using available information provided by the Owner, as well as data from state and national sources, in order to analyze potential demand for office space. The Consultant will perform an analysis of the following:

- 1.1.3.1.** Review data associated with the Owner's employed or affiliated providers for all existing MOB space through analysis of patient volumes per provider, scheduling and throughput efficiency; and
- 1.1.3.2.** Work with the Owner to confirm projected patterns of change (recruitment, retirement, operational delivery models, reimbursement, etc) to identify impacts on future utilization of space.

The Owner will provide the Consultant with all the findings from the above stated analyses to help formulate strategic location and facility recommendations for the SFMP and be available to manipulate data as scenarios are developed.

1.1.4 Future Utilization Projections

The Consultant will review Owner provided utilization data for those services which have been identified in 1.1.3 **Demand / Provider Review** as priority service consolidation or relocation opportunities to be addressed within the SFMP. The Consultant will also perform the following analyses:

- 1.1.4.1.** Provide target volume projections per provider for select MOB services based on regional provider benchmarks and individual preferences in scheduling and community outreach.
- 1.1.4.2.** Develop various low, mid, and high-range scenario estimates through the mixing and matching of variables based on near and long term planning horizons.

The Consultant will review and incorporate / consider any existing outpatient projection models the Owner has previously developed, such as revenue budget estimates, in order to compare against the Consultant's utilization projection models based on regional industry expectations. These utilization projection models are used as the foundation in which to develop interactive performance dashboards for use in scenario development to understand the impact that any variable may have on overall provider volumes or the future need for services and/or office space.

The Consultant will work with the Owner to identify the appropriate utilization targets 3 and 5 years out on which to base the SFMP recommendations. These dashboards assist the Consultant in conducting a strategic investigation/alignment workshop to obtain consensus and consistency with the SFMP's strategic position and/or direction. All costs related to dashboard development for post-study use as outlined in 1.4.2 are included in **Article 3 Compensation**. The Consultant will provide the Owner with all the findings from the above stated analyses to help formulate strategic medical office recommendations for the SFMP.

1.1.5 Operational Review

A high-level analysis of facility-wide operations will be completed by the Consultant. Patient movement through the facility will be evaluated and opportunities for streamlined operations will be identified based on the potential impact of consolidated and/or relocated services. The Consultant will provide insights on how the facility is functioning in relation to operational benchmarks and national best-practices, where appropriate. Provider volumes, provided by the Owner, will be compared to available space/capacity in each medical office suite to determine whether or not the space has the functional capacity to absorb additional services in each option. MOB space will be analyzed based on benchmarked space needs and areas that are either deficient in space or have additional capacity/excessive space based on the benchmarks will be identified.

The Owner will provide all information concerning services provided including the following:

- 1.1.5.1** Any previous lean or operational redesign work completed to be reviewed during this study.
- 1.1.5.2** Information concerning physician practice patterns including location of physician offices, and
- 1.1.5.3** Current renovation plans and other construction related activities.

1.1.6 Existing Facility / Site Analysis

The Owner's existing medical office spaces will be analyzed for impacts on efficient movement of patients, public, staff, physicians, materials, and equipment. Use of the existing sites and potential surrounding areas will be analyzed for impacts on future planning scenarios. A baseline age and condition of the existing facility will be reviewed for identification of future building programs, facility updates, facility expansions, and/or phased obsolescence. A site assessment will also be conducted by the Consultant including access improvement and zoning/local planning commission restrictions.

The Consultant will review the Owner's most recent facility plans completed to date to understand potential facility and site changes in the near future. The Consultant will assess existing physical conditions within the identified vacant and medical office space, as well as, the conditions within these spaces that may be converted to other functions.

1.1.7 Functional Assessment

A baseline existing functional assessment will be developed for each location that documents current use of the existing facility through conducting both provider and space analyses. The Consultant will provide a functional assessment, based on the outcomes of the provider utilization projections described above, for those key services that are considered priorities to be addressed specifically within the SFMP. This assessment will estimate the departmental gross square footage requirement for the future operation and/or consolidation of each selected, prioritized area. The space requirements are based on existing consolidated operations, future changes in operations, and future strategic and marketing plans; incorporating any changes anticipated in activity for at least a five (5) year period and reflected in recalculated departmental gross square footage requirements.

1.1.8 Space Planning

Service relocation, expansion and/or consolidation will be identified as key SFMP drivers based on current, available physical space and its ability to accommodate future utilization projections. Service line volumes described in **1.1.4 Future Utilization Projections** will be compared to available space/capacity of each medical office space identified. Operational discussions related to efficiency, adjacencies, and system wide support functions will be led by the Consultant during the various stakeholder forums, with reports and recommendations presented to the Administrative Steering Committee, intermittently.

1.2 SCENARIO DEVELOPMENT

The following is a description of the areas of focus for the Scenario Development services.

1.2.1 Scenario Development

Facility and site/location planning options will be developed in response to the strategic, operational, and projected patient volumes identified during this Study. Throughout this Study, recommendations on how to align strategic goals and best practice operational metrics with the physical environment will be identified. Details regarding a maximum of two (2) alternative schemes per master plan site option will be provided including the use of the existing facility, if other than for the delivery of service currently provided. This analysis includes vehicular circulation and access, and an estimate of appropriate infrastructure (structured vs. surface parking). Any additional detailed analyses such as traffic and road studies would be provided by a third party Consultant, under separate contract, or if by the Consultant, the services would be considered Additional Services and compensated based on **4.5 Compensation for Additional Services**.

Order of magnitude capital cost estimates will also be considered for each location option described in **Article 1 Scope of Services**. The detailed development of total project costs will be provided by the Owner and/or by a third party consultant, under a separate agreement.

1.3 STUDY CONCLUSION

At the completion of this Study, the Owner will receive concise and targeted deliverables that document recommendations based on the goals of the Study.

1.3.1 Final Report

The final Facility Master Plan Recommendation Report will include the following:

- Executive summary and illustrative narrative;
- Strategic priorities that have shaped the SFMP;
- Presentations, including interim and final process and recommended SFMP;
- Process summary and meeting notes;
- Confirmed future utilization projections;
- Clinical and administrative service distribution for all relocated and/or consolidated services;
- Estimated future space needs, including square footage by function, consistent with recommended strategies;
- Proposed site and facility diagrams based on the recommended SFMP option;
- Parking analysis forecasted based on final SFMP recommendations;
- Order of magnitude total project cost estimates;
- Phasing and implementation schedules; and
- Any alternative study findings necessary and agreed to by the Owner and the Consultant in a separate written amendment to the agreement.

1.3.2 Interactive Dashboard Tools

In addition to the Executive Summary, and for a period of 3 months following the completion of the Study, the Owner will have access to the interactive dashboard tools that were utilized to develop data analysis and volume scenarios during the Study. During this same period, the Consultant will be available to answer questions, clarify data input, and assist the owner in maintaining these tools. A more comprehensive analysis, scenario planning, or data mining will be available as an **Additional Service** after completion of the Study. In addition, after the 3 month period post Study completion, the Owner will receive all dashboards via external storage device or in a downloadable format for future use but all changes or maintenance will be considered an **Additional Service**.

These tools will be web-based and password protected either as a part of a client specific NewFormasite. The Owner will have unlimited access to utilize the tools for purposes related to the Study such as creating new scenarios or validate the flexibility of the recommendations. Modifications to the information/scenarios will be printable and/or downloadable into presentation formats such as PowerPoint.

The use of these tools does not constitute any actual or inferred licensing agreement between Owner and Consultant and FreemanWhite, Inc. will retain ownership of all software, graphics, data, and methods contained within the tools. The tools will be protected by the Owner as confidential property of FreemanWhite, Inc. and will not be shared with anyone outside of Indiana University Health personnel without the express written consent of FreemanWhite, Inc.

1.3.3 Consultant's Liability

Consultant shall be responsible for the accuracy of the Services performed under this Agreement and shall promptly make necessary revisions or corrections resulting from its negligence, errors or omissions without any additional compensation from Owner, unless the resulting act, error or omission is a direct result of the Owner's faulty or misleading information and/or data provided to the Consultant. The Consultant shall have no liability for the errors or deficiencies in data or other services furnished to the Consultant by Owner on which the Consultant has reasonably relied. The foregoing shall not relieve the Consultant from any liability for the Consultant's failure to fulfill its obligations under this Agreement unless the necessary revisions or corrections necessitated additional services which the Owner failed to approval or pay, to exercise its professional responsibilities to Owner, or to notify Owner of any errors or deficiencies which the Consultant knew existed.

1.3.4 Professional Liability Insurance

The Consultant must obtain and carry professional liability insurance in minimum amounts of \$1,000,000 per claim and \$2,000,000 aggregate. The Consultant must obtain and carry Commercial/General liability insurance in minimum amounts of \$1,000,000 per occurrence, \$2,000,000 general aggregate. Coverage shall be on an occurrence form, and include contractual liability.

1.4 OWNER RESPONSIBILITIES

The Owner will identify the following participant groups to assist the Consultant with data gathering, analysis and the development of the SFMP recommendations for completion of this Study:

1.4.1 Administrative Steering Committee

A Steering Committee composed of the appropriate senior level participants from the Owner should be developed to provide global oversight to the Study, with the ability to deliver key decisions regarding project direction and development. This group should include appropriate leaders and participants from within the Owner's organization that can give direction on strategic, operational and financial decisions. These individuals should be knowledgeable of the Owner's strategic plan(s) and local market. All meetings with the following other resource groups will be approved by the Steering Committee.

1.4.2 Core Planning Team - Key Physicians and Stakeholder Leaders

The Consultant recommends that a multi-disciplinary Planning Team from the Owner be formed to give service level direction on issues and potential solutions. This group would most likely include key directors and physicians from the areas that are prioritized as key to the SFMP's development and services. This group would also be responsible for data confirmation.

1.4.3 Medical Staff, Physician Groups

Special presentations of key issues can be made to the medical staff to keep them informed, help facilitate buy-in on the direction of the SFMP, and to obtain input regarding clinical and operational issues. These groups and the presentations may be identified and scheduled during the Study but will be considered a **4.2 Change in Services** and compensated based on the Consultant's standard rate schedule, if the presentation necessitates additional onsite visits beyond what is stated in **2.1.2 Schedule of Onsite Work Sessions**.

ARTICLE 2: TIME

2.1 PROPOSED PROCESS AND SCHEDULE

2.1.1 Performance of Services

The Consultant will perform services as expeditiously as is consistent with professional skill and care and the orderly progress of the Study.

2.1.2 Schedule of Onsite Work Sessions

The Consultant anticipates that this Study will be completed within approximately 2 months from the date of the Kick-Off meeting, depending on the Owner's scheduling availability. If the Owner deems it necessary to extend the time duration of this Study within the constraints of one calendar year, the Consultant will rework the schedule to accommodate the Owner's scheduling needs at no additional cost to the Owner. The final Executive Summary will be submitted within 30 days of the final presentation to the Administrative Steering Committee and/or Board.

The number of visits at the Owner's facility will be a maximum of **one (1)** onsite visits. The Consultant(s) may be onsite from one (1) to three (3) consecutive week days per visit based on tasks to be completed. The number of onsite visit days is dependent on the Owner's scheduling availability and the visit itinerary agreed upon by both the Owner and Consultant prior to each onsite visit. Each visit will consist of multiple Consultant personnel onsite simultaneously depending on the Owner's scheduling availability and the itinerary agreed upon by both the Owner and Consultant prior to each onsite visit.

The following is a general topic listing of each onsite visit.

Visit 1: Future Utilization, Initial Facility Assessment, Site Strategic Scenario Workshop

ARTICLE 3: COMPENSATION

3.1 Consultant's Fee

For the entire **Scope of Services** identified in **ARTICLE 1** the Consultant's fee is a fixed fee amount of **Thirty Eight Thousand Five Hundred Dollars (\$38,500)**, excluding reimbursable expenses as identified in **Paragraph 3.6 Reimbursable Expenses** below.

3.2 Initial Payment

Upon execution of this agreement the Owner shall make an initial payment of Three Thousand Eight Hundred and Fifty Dollars (\$3,850.00) that shall be credited to the Owner's account at final payment.

3.3 Payment for Services

Payments for Services and Additional Services, as noted in **Article 4 Additional Services** below shall be made monthly and, unless otherwise noted, shall be in proportion to services performed. Payments are due and payable upon receipt of the Consultant's invoice. Invoice amounts unpaid Forty-Five (45) days after the invoice date accrue interest at a rate of One Percent (1%) per month.

3.4 Invoice Objections

If the Owner objects to all or any portion of any invoice, the Owner shall notify the Consultant of the objection within fifteen (15) days from the date of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute.

3.5 Failure to Make Payment

Should the Owner fail to make any payment properly due under this Agreement, the Owner shall pay all expenses of the Consultant related to the collection or settlement of such payments including, but not limited to, attorney's fee and court cost.

3.6 Reimbursable Expenses

Reimbursable Expenses are in addition to compensation for Services and include expenses incurred by the Consultant and Consultant's employees and consultants in the interest of the work. The following outlines each type of reimbursable and its associated compensation.

3.6.1 Subject to the provisions in 3.6.2, Owner will reimburse Consultant for reasonable out-of-pocket expenses and costs which are incurred by Consultant and reasonably relate to the provision of Services here under ("Reimbursable Expenses"). Reimbursable Expenses include charges incurred due to travel related to the Project and may include meals, lodging, travel, and local transportation and other related expenses as well as out-of-office printing, and shipping charges incurred during the execution of the project. These expenses will be billed to the owner with a 0% mark-up.

3.6.2 Reimbursable expenses for in-house copying, long distance communications and other administrative expenses will be covered by a monthly fee of \$350.00 for the duration of the Study invoiced as part of and within the totals for reimbursable expenses. The consultant estimates that reimbursable expenses will not exceed \$5,000, including the administrative fee.

ARTICLE 4: ADDITIONAL SERVICES

4.1 Change of Services

Changes in the Consultant's services may be accomplished after the execution of this Agreement without invalidating the Agreement if mutually agreed in writing. Consultant shall not commence any additional work or change the scope of work until authorized in writing by Owner. Consultant shall make no claim for additional compensation in the absence of a prior written approval by Owner. Consultant acknowledges that no claim for additional compensation may be made by implication, oral agreements, actions, inactions, or course of conduct. Changes in Service shall entitle the Consultant to additional compensation in accordance with **Paragraph 4.4 Compensation for Additional Services**. Changes in the Consultant's Services include making revisions to the Study due to the following:

4.2 Additional Onsite Visits

Providing onsite visits in addition to those identified in **Paragraph 2.1.2 Schedule of Onsite Work Sessions** will be considered Additional Services, subject to prior written approval by Owner. Additional visits to the Owner's facility for "make-up" meetings, due to no fault of the Consultant, will be considered Additional Services, subject to prior written approval by Owner. Additional on-site visits or meetings that are rescheduled due to the Owner's representatives failing to attend the meetings, or being unprepared for meetings, will be considered Additional Services, subject to prior written approval by Owner.

4.3 Field Trips

Arranging for and providing visits to other facilities for "fact finding" or investigative field trips will be considered Additional Services, subject to prior written approval by Owner.

4.4 Compensation for Additional Services

For Additional Services due to Owner requested changes in services or Owner approved Additional Services as identified in **Article 4 Additional Services**, the Consultant's compensation shall be based on mutually agreed fixed professional fee or by the Consultant's standard hourly rates.

ARTICLE 5

OWNER'S RESPONSIBILITIES

5.1 Full Information

The Owner shall provide full information at the commencement of this engagement regarding requirements for the Study, which shall set forth the Owner's objectives, schedule, constraints, and criteria.

5.2 Timely Decisions

The Owner shall render decisions in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Consultant's services.

5.3 Plans and Data

The Owner shall furnish existing facility/site plans and operational data necessary for the execution of the Study.

5.4 Accuracy

The information and reports shall be furnished at the Owner's expense, and the Consultant shall be entitled to rely upon the accuracy and completeness thereof. Any rework requested in writing by the Owner due to inaccuracies of the data identified by the Owner or Consultant during the Study will be considered Additional Services, provided Owner agrees in writing to such Additional Services as noted in **Article 4 Additional Services**.

ARTICLE 6

TERMINATION, SUSPENSION, OR ABANDONMENT

6.1 Termination with Cause

This Agreement may be terminated by either party upon thirty (30) days prior written notice to the other party, should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination and such performance failure is not cured to the non-breaching party's reasonable satisfaction within thirty (30) days after such written notice.

6.2 Termination Due to Failure to Make Payment

Failure of the Owner to make payments to the Consultant in accordance with this Agreement shall be considered substantial nonperformance and cause for termination. If the Owner fails to make payment when due the Consultant for services and expenses, the Consultant may, upon seven days' written notice to the Owner, suspend performance of services under this Agreement. Unless the Consultant receives payment in full within seven days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, the Consultant shall have no liability to the Owner for delay or damage caused by the Owner because of such suspension of services.

6.3 Termination without Cause

Either party may terminate this Agreement at any time without cause by giving the other party written notice of its intent to terminate at least thirty (30) days prior to the effective date of termination.

6.4 Ninety Day Delay

If the Owner suspends the work of the Consultant for more than 90 consecutive days, the Consultant may terminate this Agreement by giving written notice. The Consultant reserves the right to negotiate a new agreement with the Owner for completion of the work.

6.5 Consultant Compensation

In the event of termination not the fault of the Consultant, the Consultant shall be compensated for Services and Additional Services performed prior to termination with applicable Reimbursable Expenses.

ARTICLE 7

MISCELLANEOUS PROVISIONS

7.1 Government / Compliance with Laws and Regulations

This Agreement shall be governed by the law of the State of Indiana without regard to its choice of law provisions. If either party reasonably believes that this Agreement violates any Laws, then it shall inform the other party and the parties shall negotiate in good faith to amend this Agreement. If the Agreement cannot be amended to eliminate the problematic provision, then either party may terminate this Agreement upon thirty (30) days written notice to the other.

7.2 Settlement

If a claim or dispute arises out of or related to this Agreement, or breach thereof, the parties shall first try in good faith to settle the claim or dispute by mediation under the Construction Industry Mediation Rules of the American Arbitration Association before resorting to other legal remedy.

7.3 Use of Documents

The documents prepared by the Consultant as part of this work are instruments of the Consultant's service for use solely with respect to this Study and, unless otherwise provided, the Consultant shall be deemed the author of these documents and shall retain all common law, statutory and other reserved rights, including the copyright. Notwithstanding the foregoing, nothing in this Agreement

shall preclude the Owner from utilizing the work of the Consultant and the Final Report for the intended purpose as identified in this Agreement.

7.4 Third Party

Nothing contained in this Agreement shall create a contractual relationship with or cause of action in favor of a third party against either the Owner or Consultant. The covenants, undertakings and agreements set forth in this Agreement are solely for the benefit of, and are enforceable only by, the parties hereto and their respective successors and permitted assigns. No person or entity, except the parties shall be beneficiaries of any kind of the terms to this Agreement.

7.5 Confidentiality

The Consultant while providing services may obtain confidential and proprietary information from the Owner. All such information shall be considered confidential and shall not be released by the Consultant to outside parties without the Owner's written consent. "Confidential information" includes all confidential or proprietary information regarding the Owner or its affiliates' operations, patients, the terms of this Agreement, policies and procedures, financial information, contracting procedures, the Owner's strategic, business and marketing plans, architectural plans and facility designs, and terms of any other agreements to which the owner is a party. The Consultant, during the term of this Agreement and thereafter, will not, without the express written consent of the Owner, directly or indirectly communicate or divulge, or use for the Consultant's own benefit or the benefit of any other person, firm, association or client, any of the Owner's or its affiliates' proprietary data or other confidential information, which were communicated to or otherwise learned by the Consultant in the course of the relationship covered by this Agreement. The Consultant may, however, disclose such matters to the extent that disclosure is required (a) in the course of the relationship with the Owner, or (b) by a court or governmental agency of competent jurisdiction. As long as such matters remain proprietary data or other confidential information, the Consultant will not use such proprietary data or other confidential information in any way or in any capacity other than as an independent contractor providing services for the Owner and to further the Owner's interests.

7.6 Methods

The Consultant's methods and analytical systems to be used in providing services are confidential and proprietary. The Owner shall protect the tools, methods, and data bases contained in them as confidential information. The Owner shall not reveal such methods and analytical systems to outside parties without the Consultant's prior written permission.

7.7 Own Acts Responsibility

Each party shall be responsible for the acts and omissions of itself and its employees, directors, officers and agents. This Agreement shall not be construed to create a contractual obligation for either party to indemnify the other for loss or damage resulting from any act or omission of the other party or its employees, directors, officers and agents. This Section shall not constitute a waiver by either party of any rights to indemnification, contribution or subrogation which the party may have by operation of law.

7.8 Conflict of Interest

Each party will immediately report any conflict of interest to each other and give full disclosure of facts pertaining to any transaction or activity related to this Agreement that may be reasonably construed as a conflict of interest.

7.9 Corporate Responsibility

The Consultant will conduct all business transactions pursuant to this Agreement in accordance with the Owner's Corporate Responsibility Program.

7.10 Access to Books and Records

Until four (4) years after the expiration of this Agreement, the Consultant will make available, upon written request of the Secretary of the Department of Health and Human Services (HHS) or the Comptroller General of the United States or their authorized representatives, access to this Agreement and the books, documents, records of the Consultant and such other information as may be required by the Comptroller General or Secretary of HHS to verify the nature and extent of the costs of the services provided by the Consultant. If the Consultant carries out any of its duties under this agreement through a subcontract involving a value \$10,000 or more over a twelve (12) month period, the Consultant cause such subcontract to contain a provision similar to that set forth in this Section.

7.11 Exclusion from Governmental Programs.

The Consultant represents that, as of the Consultant, neither it nor any of its employees or agents providing services hereunder have (i) been heretofore excluded, debarred, suspended or been otherwise determined to be, or identified as, ineligible to participate in any governmental program (collectively, the "Governmental Programs") or are about to be excluded, debarred, suspended or otherwise determined to be, or identified as, ineligible to participate in any Governmental Program, (ii) received any information or notice, or become aware, by any means or methods, that it is the subject of any Investigation or review regarding its participation in any Governmental Programs, or (iii) been convicted of any crime relating to any Governmental Program. The Consultant agrees to notify the Owner within one (1) business day of it becoming aware of any of the foregoing

information, notice, actions or events during the term of this Agreement. The listing of the Consultant or any of its employees or agents on the Office of Inspector General's ("OIG") exclusion list or OIG's website for excluded individuals/entities shall constitute a breach of this Section and requires immediate written notice to the Owner. In the event that the Consultant or any of its employees or agents is excluded from any Governmental Program, this Agreement shall immediately terminate. Further, the Consultant agrees to indemnify the Owner for any expenses, sanctions, penalties or fines incurred by the Owner as a result of the Consultant or any of its employees' or agents' ineligibility to participate in Governmental Programs.

7.12 HIPAA Compliance

Each party agrees that it will comply in all material respects with all federal and state mandated regulations, rules or orders applicable to privacy, security and electronic transactions, including without limitation, regulations promulgated under Title II Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-191) ("HIPAA"). Furthermore, the parties shall promptly amend the Agreement to conform to any new or revised legislation, rules and regulations to which the Owner is subject now or in the future including, without limitation, the Standards for Privacy of Individually Identifiable Health Information or similar legislation (collectively, "Privacy Laws") In order to ensure that they are at all times in conformance with all Privacy Laws. If, within thirty (30) days of either party first providing notice to the other of the need to amend the Agreement to comply with Privacy Laws, the parties, acting in good faith, are (i) unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or (ii) alternatively, the parties determine in good faith that amendments or alterations to the requirements are not feasible, then either party may terminate this Agreement upon thirty (30) days prior written notice. The parties agree to abide by the Business Associate Agreement attached hereto and incorporated herein this Agreement.

7.13 Entire Agreement: Modification

This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof and supersedes all previous representations, understandings and agreements of the parties, whether oral or written, concerning the same. This Agreement may only be modified, altered, amended, revised or extended by a written document signed by the parties hereto.

7.14 Assignment

No assignment of this Agreement of the rights hereunder, or the delegation of the duties hereunder shall be valid without the specific prior consent of the parties hereto.

7.15 Severability

In the event that any provision hereof is found invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement shall remain valid and enforceable according to its terms.

7.16 Waiver of Breach

The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provisions hereof.

7.17 Relationship of Parties

Nothing in this Agreement will be deemed to create any relationship between the parties other than that of independent parties contracting with each other to carry out the provision of this Agreement. Neither of the parties, nor any of their respective officers, directors, employees or consultant, will be deemed or construed to be the agent, employee, representative, partner or joint venture of the other.

7.18 Force Majeure. In the event that either party is unable to perform any of its obligations under this Agreement or to enjoy any of its benefits because of fire, natural disaster, acts of God, acts of war, terrorism, civil disorders, decrees of governmental bodies, strikes, lockouts, labor or supply disruptions or similar causes beyond the reasonable control of the affected party (hereinafter referred to as a Force majeure Event), the party who has been so affected shall immediately give written notice to the other party of the occurrence of the Force Majeure Event (with a description in reasonable detail of the circumstances causing such Event) and shall do everything reasonably possible to resume performance. Upon receipt of such written notice, all obligations under this Agreement shall be immediately suspended for as long as such Force Majeure Event continues and provided that the affected party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. If the period of nonperformance exceeds thirty (30) days from the receipt of written notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this Agreement.

ARTICLE 8
ACCEPTANCE

This Agreement entered into as of the day and year first written above.

Consultant:
FREEMANWHITE, INC.
Charlotte, North Carolina

Owner:
TAHOE FOREST HEALTH SYSTEM
Truckee, California



(Signature)

(Signature)

Michelle Mader
Principal
FreemanWhite, Inc.

Print Name: _____

Title: _____

Date: September 16, 2014

Date: _____

Federal tax identification number

Billing Information

Contact name _____

Title: _____

Telephone: _____

Fax: _____

Email: _____

END OF AGREEMENT



Date: September 12, 2014
To: Tahoe Forest Hospital District Board
From: Martha Simon, Director of Fund Development
Re: Foundation Quarterly Update

Fundraising Updates

Grant Work:

- \$9,000 SHIP grant awarded from State Office of Rural Health for ICD-10 Training projects. Funds expected by October 2014.
- \$2,500 CalHEN grant received for Quality and Regulations from Hospital Quality Institute for data collection to the 2014 CalHEN program.
- HRSA grant Administration of \$83,794 Award to the Truckee North Tahoe Network Adolescent Health Network. Report submitted to HRSA on July 30th through the Payment Management System for fund reimbursement of expenses incurred during Quarter 1.
- Final installment of Washoe County FY14 grant to IVCH Clinic was received on July 15, 2014 in the amount of \$8,625 (total Washoe County grant funds to the Clinic received for FY14 were \$27,000)
- Waiting for final approval of FY15 Washoe County Grant Award. Board of County Commissioners postponed review until September 23, 2014 meeting.
- Pursuing Bone Fracture Fragility Program with Home Health as a potential proposal to the Tahoe Truckee Community Foundation Open Competitive Grant Cycle in September.
- Queen of Hearts Women's Fund Letter of Intent to be submitted by September 15, 2014 on behalf of the Wellness Neighborhood.

The Gift Tree

As of July 1st, 2014, the Tahoe Forest Health System Foundation took over management and operations of Tahoe Forest Hospital's gift shop, The Gift Tree. Foundation staff embraced opportunity and completely remodeled the store and purchased all new inventory merchandise. We look forward to opening the doors September 22. Look for invitations to an official Grand Opening reception some time mid-October. We have a great opportunity to raise significant revenue from the new store and hope each of you will become regular customers and spread the word to the community to pay a visit. Reports of revenue/expense will be included in all future Foundation updates.

Community for Cancer Care Endowment

We need to sell the remaining 91 slots of the Circle of Life in the Gene Upshaw Memorial Tahoe Forest Cancer Center before the circle will be restored and sealed. We will launch our final campaign to achieve this goal this month (September 2014) and hope to have all spaces sold by the end of the year. Spaces available: C Spaces (\$5,000) – 6 spaces; D Spaces (\$2,500) – 50 spaces; E Spaces (\$1,000) – 35 spaces. Total \$ = \$190,000. We will look forward to adding these monies into our Community for Cancer Care Endowment.

Physician Champion Model

Director of Fund Development is meeting with medical staff to identify physician champions to align with and support a philanthropic venture that will support community wellness programs/services. More to come on what results of these meetings.

Best of Tahoe Chefs

Mark your calendars for “An Evening at the Captain’s Table aboard the SS Best of Tahoe Chefs”, Sunday, May 17th, 2015 at the Ritz-Carlton, Lake Tahoe.

Gene Upshaw Memorial Golf Classic

The 2014 event held in July was again a huge success grossing over \$366,051. We continue to have the committed support of the NFL Foundation and Professional Athletes Foundation in addition to new and well-known sponsors we look forward sharing with you in the near future.

Time Allocation

Over the past fiscal year, the Tahoe Forest Health System Foundation staff has made a daily allocation record of time spent on various duties so that we could report back accurate cost of time and cost spent in areas of fundraising, community development and administration. This exercise has allowed us to continue our efforts to find ways to create efficiencies, improve processes and significantly increase philanthropic support and volunteer engagement. We will continue to use our time allocation methodology moving forward to reflect more accurate reporting.

Strategic Plan for Philanthropy

Tahoe Forest Hospital Foundation continues to review and refine our 5-year strategic plan that incorporates updates in new issues/opportunities and strategies to grow performance on an annual basis. In addition to any revisions or changes to the plan, we are also in the process of developing a **Key Performance Indicators** report using the Association for Healthcare Philanthropy guidelines. We look forward to sharing this report in the near future.

NORTH LAKE TAHOE COMMUNITY HEALTH CARE AUXILIARY

Report to the Tahoe Forest Hospital District Board

For the Period January 2014 through July 2014

Submitted by: Nan Healy, President

The Incline Auxiliary continues with volunteer services in the Emergency Department and the Gift Shop. The last Thursday of each month is designated Staff Luncheon day and the Auxiliary volunteers prepare a luncheon for the IVCH staff. For 2014 to date, the volunteer hours from our active members totaled 1,182.25 hours. We have a grand total of 96,894.75 volunteer hours since 1994 when the Incline Village hospital re-opened under Tahoe Forest Health System. Membership luncheon meetings are every other month at various locales. Our membership is at 63 members through August 2014.

Our Annual Lobster Feed was held at the North Tahoe Event Center on July 17. There were 124 in attendance and this year we had the same professional caterer as in the previous two years. Net profit was \$11,164.

This summer we also held the seven-day Hole-in-One contest on the Championship Golf Course in Incline Village. For this fundraiser each player was asked to donate \$5 for a chance at the prize of \$500 if they got a hole in one on the 14th hole. No one got the hole in one and \$2,885 was collected.

The Golf from the Heart Golf Tournament is the Incline Auxiliary's largest fundraiser. It will be coming up on September 23, 2014 at the Championship Golf Course in Incline Village.

The NLTCHC Auxiliary makes a number of donations during the year. So far this year, we have given \$6,000 (\$4,000 and \$2,000) to two students going into medical fields. During the fall after the golf tournament, we will determine our final donations for 2014.

Our small gift shop was able to sell a total of \$4,219 through July 31st, 2014. Twice a year, the gift shop manager attends the San Francisco International Gift Show to replenish the stock with new items.

We continue to support the Incline Village Community Hospital in any way that we can.

September 2014

MARKETING/COMMUNICATIONS UPDATE

Paige Thomason, Director of Marketing and Communications

Current Projects:

Health System Magazine: The fourth edition of the TFHS Magazine is a special edition that will publish in October with two feature stories: TFHS costs and healthcare cost in general, and an update about Healthcare Reform impacts locally. Local resource lists will be included in this information. Distribution will begin October 23, and will include insertions in the Sierra Sun, N. Tahoe Bonanza, Truckee/North Tahoe Chambers and Visitor Centers, local physician offices and direct mailing lists. Total distribution not counting website downloads is 14,000. The piece is promoted through print advertising, website and social media channels.

Orthopedic Advisory Council: Work continues with branding subcommittee group to develop mission and programs focus.

Wellness Neighborhood: Completing annual production of the mental health provider handbook. Outreach for Community Health Needs Assessment and "Rethink Healthy" campaigns are in progress.

Other Marketing, Advertising and Public Relations Activities:

Employee Town Hall meetings
Gift Tree marketing support
GU Memorial Golf Classic and Best of Tahoe Chefs marketing support
Nurse of the Year
Tahoe Worx program support
Community Health Needs Assessment outreach
Employee Picnic planning support
Chamber Mixer planning support
Surgery pre-admission packet development
Media relations work related to Health System news stories
Breast Health Awareness Month
MultiSpecialty Clinics advertising campaign
OB pre-admit packet
Flu prevention outreach
Sleep Medicine program
Affordable Health Screenings
Center for Health and Sports Performance programs and services
COC community outreach, annual report

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TAHOE FOREST HOSPITAL DISTRICT
CONTRACT SUMMARY SHEET

New Contract

Name of Contract: Agreement - Education Contracts - for 4 physicians to attend Horty Springer Medical Staff Educational Seminar in San Francisco

Chris Skaff, M.D., Jonathan Laine, M.D., Ellse Uglum, M.D., Ellen Cooper, M.D.

Department Name: Medical Staff Office

Primary Responsible AC Member: Ginny Razo

Responsible Director: Terri Schneider

Effective Date of Contract: 10/1/2014 **Date Contract Expires:** 10/25//2014 (end of conference)

Purpose of Contract: To provide Medical Staff education to physicians.

Contractual Scope of Services: For physicians to attend seminar.

Contractual Compensation Structure: To pay registration, room, travel & meals:

Registration: \$928.57 (This is each physicians portion of a group rate)

Hotel: 3 nights (\$410/night + taxes + parking) (approx \$1230 each + tax + parking)

Mileage: approx 185 miles each way to San Francisco (\$.56 per mile)

Meal allowance: in accordance with District policies

Options to This Contract: not attending

Staff Recommendation: That the Board of Directors approve these 4 contracts

Reviewed by BOD Governance Committee: No

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TAHOE FOREST HOSPITAL DISTRICT
AGREEMENT – EDUCATION CONTRACT

This Agreement is made and entered into effective on October 1, 2014 by and between Ellen Cooper, M.D. (hereinafter “PHYSICIAN”) and Tahoe Forest Hospital District (hereinafter “DISTRICT”).

DISTRICT currently operates two state licensed, Medicare certified, critical access hospitals (the “FACILITIES”) with Medical Staff (hereinafter referred to as “MEDICAL STAFF”). DISTRICT desires PHYSICIAN to attend the Harty Springer Course for Medical Staff Leaders as further described in the attached EXHIBIT A (“PROGRAM”) so that PHYSICIAN may develop skills to identify, manage, and implement best practices relating to a range of issues relevant to PHYSICIAN’s role as a physician leader on the MEDICAL STAFF, which skills the DISTRICT has determined will enhance the quality and effectiveness of medical services at the FACILITIES. The parties are entering into this agreement (“AGREEMENT”) to enable DISTRICT to pay for PHYSICIAN’s attendance at the PROGRAM as approved by the Hospital’s Chief Executive Officer or designee. DISTRICT will also reimburse PHYSICIAN for reasonable out-of-pocket travel, room and board expenses at rates, not to exceed the threshold set by the DISTRICT’s administration, that are incurred as a result of attending this approved PROGRAM. The costs and expenses to be reimbursed by DISTRICT to PHYSICIAN are set forth in the attached EXHIBIT B. All such expenses must be approved by DISTRICT prior to reimbursement. The DISTRICT has determined that the value to the DISTRICT of PHYSICIAN’s attendance at the PROGRAM is equal to or greater than the cost to be incurred by the DISTRICT for PHYSICIAN’s attendance.

1. Term: This AGREEMENT shall commence as of the first date written above and shall conclude upon completion of the Program.
2. Termination: This AGREEMENT may be terminated with or without cause by either party upon provision of ten (10) days written notice to the other party addressed to the other party as follows:

DISTRICT	PHYSICIAN
Chief Executive Officer Tahoe Forest Hospital District P.O. Box 759 Truckee, California 96160	Ellen Cooper, M.D. 10307 Kimque Court Truckee, California 96161

Any notice required or permitted hereunder shall be in writing and shall be deemed given as of the date deposited in the United States mail, postage prepaid.

3. Independent Contractor: PHYSICIAN is an independent contractor and not an employee, agent or partner of, or joint venture with DISTRICT.

4. Compliance with Laws and Regulations: PHYSICIAN is licensed to practice medicine in the State of California and/or the State of Nevada and will maintain Active Staff privileges on the District's MEDICAL STAFF. PHYSICIAN shall comply with the laws of the State of California, the standards of the Healthcare Facilities Accreditation Program (HFAP), and the Ethics of the American Medical Association and the American Osteopathic Association.

5. Entire Agreement. This AGREEMENT contains the entire agreement of the parties hereto and supersedes all prior agreements, representations and understandings between the parties relating to the subject matter thereof.

6. Governing Law. This AGREEMENT shall be governed by, construed and enforced under the laws of the state of California.

IN WITNESS WHEREOF, the parties have caused the agreement to be executed and delivered as of the date first above written.

DISTRICT

By: _____
 Robert A. Schapper,
 Chief Executive Officer

Date: _____

PHYSICIAN

By: _____
 Ellen Cooper, M.D.

Date: _____

ATTACHED: Exhibit A – Horty Springer Course for Medical Staff Leaders

ATTACHED: Exhibit B – Costs and Expenses

Program Registration: \$928.57

Hotel Accommodations: \$615 plus tax and parking (\$410 per night, for three (3) nights, shared room)

Mileage: approximately \$103.60 (.56 cents per mile, 185 miles each way between Truckee and San Francisco, shared ride with Dr. Scholnick)

Meal Allowance: In accordance with the DISTRICT'S policies.

TAHOE FOREST HOSPITAL DISTRICT
AGREEMENT – EDUCATION CONTRACT

This Agreement is made and entered into effective on October 1, 2014 by and between Else Uglum, M.D. (hereinafter “PHYSICIAN”) and Tahoe Forest Hospital District (hereinafter “DISTRICT”).

DISTRICT currently operates two state licensed, Medicare certified, critical access hospitals (the “FACILITIES”) with Medical Staff (hereinafter referred to as “MEDICAL STAFF”). DISTRICT desires PHYSICIAN to attend the Harty Springer Course for Medical Staff Leaders as further described in the attached EXHIBIT A (“PROGRAM”) so that PHYSICIAN may develop skills to identify, manage, and implement best practices relating to a range of issues relevant to PHYSICIAN’s role as a physician leader on the MEDICAL STAFF, which skills the DISTRICT has determined will enhance the quality and effectiveness of medical services at the FACILITIES. The parties are entering into this agreement (“AGREEMENT”) to enable DISTRICT to pay for Physician’s attendance at the PROGRAM as approved by the Hospital’s Chief Executive Officer or designee. DISTRICT will also reimburse PHYSICIAN for reasonable out-of-pocket travel, room and board expenses at rates, not to exceed the threshold set by the DISTRICT’s administration, that are incurred as a result of attending this approved PROGRAM. The costs and expenses to be reimbursed by DISTRICT to PHYSICIAN are set forth in the attached EXHIBIT B. All such expenses must be approved by DISTRICT prior to reimbursement. The DISTRICT has determined that the value to the DISTRICT of PHYSICIAN’s attendance at the PROGRAM is equal to or greater than the cost to be incurred by the DISTRICT for PHYSICIAN’s attendance.

1. Term: This AGREEMENT shall commence as of the first date written above and shall conclude upon completion of the Program.
2. Termination: This AGREEMENT may be terminated with or without cause by either party upon provision of ten (10) days written notice to the other party addressed to the other party as follows:

DISTRICT	PHYSICIAN
Chief Executive Officer Tahoe Forest Hospital District P.O. Box 759 Truckee, California 96160	Else Uglum, M.D. 10965 Donner Pass Road, #130 Truckee, California 96161

Any notice required or permitted hereunder shall be in writing and shall be deemed given as of the date deposited in the United States mail, postage prepaid.

3. Independent Contractor: PHYSICIAN is an independent contractor and not an employee, agent or partner of, or joint venture with DISTRICT.

4. Compliance with Laws and Regulations: PHYSICIAN is licensed to practice medicine in the State of California and/or the State of Nevada and will maintain Active Staff privileges on the DISTRICT's MEDICAL STAFF. PHYSICIAN shall comply with the laws of the State of California, the standards of the Healthcare Facilities Accreditation Program (HFAP), and the Ethics of the American Medical Association and the American Osteopathic Association.

5. Entire Agreement. This AGREEMENT contains the entire agreement of the parties hereto and supersedes all prior agreements, representations and understandings between the parties relating to the subject matter thereof.

6. Governing Law. This AGREEMENT shall be governed by, construed and enforced under the laws of the state of California.

IN WITNESS WHEREOF, the parties have caused the agreement to be executed and delivered as of the date first above written.

DISTRICT

By: _____
 Robert A. Schapper,
 Chief Executive Officer

Date: _____

PHYSICIAN

By: _____
 Else Uglum, M.D.

Date: _____

ATTACHED: Exhibit A – Horty Springer Course for Medical Staff Leaders

ATTACHED: Exhibit B – Costs and Expenses

Program Registration: \$928.57

Hotel Accommodations: \$1,230 plus tax and parking (\$410 per night, for three (3) nights)

Mileage: \$207.20 (.56 cents per mile, 185 miles each way between Truckee and San Francisco)

Meal Allowance: In accordance with the DISTRICT'S policies.

TAHOE FOREST HOSPITAL DISTRICT
AGREEMENT – EDUCATION CONTRACT

This Agreement is made and entered into effective on October 1, 2014 by and between Chris Skaff, M.D. (hereinafter “PHYSICIAN”) and Tahoe Forest Hospital District (hereinafter “DISTRICT”).

DISTRICT currently operates two state licensed, Medicare certified, critical access hospitals (the “FACILITIES”) with Medical Staff (hereinafter referred to as “MEDICAL STAFF”). DISTRICT desires PHYSICIAN to attend the Harty Springer Course for Medical Staff Leaders as further described in the attached EXHIBIT A (“PROGRAM”) so that PHYSICIAN may develop skills to identify, manage, and implement best practices relating to a range of issues relevant to PHYSICIAN’s role as a physician leader on the MEDICAL STAFF, which skills the DISTRICT has determined will enhance the quality and effectiveness of medical services at the FACILITIES. The parties are entering into this agreement (“AGREEMENT”) to enable DISTRICT to pay for PHYSICIAN’s attendance at the PROGRAM as approved by the Hospital’s Chief Executive Officer or designee. DISTRICT will also reimburse PHYSICIAN for reasonable out-of-pocket travel, room and board expenses at rates, not to exceed the threshold set by the DISTRICT’s administration, that are incurred as a result of attending this approved PROGRAM. The costs and expenses to be reimbursed by DISTRICT to PHYSICIAN are set forth in the attached EXHIBIT B. All such expenses must be approved by DISTRICT prior to reimbursement. The DISTRICT has determined that the value to the DISTRICT of PHYSICIAN’s attendance at the PROGRAM is equal to or greater than the cost to be incurred by the DISTRICT for PHYSICIAN’s attendance.

Term: This AGREEMENT shall commence as of the first date written above and shall conclude upon completion of the Program.

Termination: This AGREEMENT may be terminated with or without cause by either party upon provision of ten (10) days written notice to the other party addressed to the other party as follows:

DISTRICT	PHYSICIAN
Chief Executive Officer Tahoe Forest Hospital District P.O. Box 759 Truckee, California 96160	Chris Skaff, M.D. _____ _____

Any notice required or permitted hereunder shall be in writing and shall be deemed given as of the date deposited in the United States mail, postage prepaid.

Independent Contractor: PHYSICIAN is an independent contractor and not an employee, agent or partner of, or joint venture with DISTRICT.

Compliance with Laws and Regulations: PHYSICIAN is licensed to practice medicine in the State of California and/or the State of Nevada and will maintain Active Staff privileges on the DISTRICT's MEDICAL STAFF. PHYSICIAN shall comply with the laws of the State of California, the standards of the Healthcare Facilities Accreditation Program (HFAP), and the Ethics of the American Medical Association and the American Osteopathic Association.

Entire Agreement. This AGREEMENT contains the entire agreement of the parties hereto and supersedes all prior agreements, representations and understandings between the parties relating to the subject matter thereof.

Governing Law. This AGREEMENT shall be governed by, construed and enforced under the laws of the state of California.

IN WITNESS WHEREOF, the parties have caused the agreement to be executed and delivered as of the date first above written.

DISTRICT

By: _____
Robert A. Schapper,
Chief Executive Officer

Date: _____

PHYSICIAN

By: _____
Chris Skaff, M.D.

Date: _____

ATTACHED: Exhibit A – Horty Springer Course for Medical Staff Leaders

ATTACHED: Exhibit B – Costs and Expenses

Program Registration: \$928.57

Hotel Accommodations: \$1,230 plus tax and parking (\$410 per night, for three (3) nights)

Mileage: \$207.20 (.56 cents per mile, 185 miles each way between Truckee and San Francisco)

Meal Allowance: In accordance with the DISTRICT's policies.

TAHOE FOREST HOSPITAL DISTRICT
AGREEMENT – EDUCATION CONTRACT

This Agreement is made and entered into effective on October 1, 2014 by and between Jonathan Laine, M.D. (hereinafter “PHYSICIAN”) and Tahoe Forest Hospital District (hereinafter “DISTRICT”).

DISTRICT currently operates two state licensed, Medicare certified, critical access hospitals (the “FACILITIES”) with Medical Staff (hereinafter referred to as “MEDICAL STAFF”). DISTRICT desires PHYSICIAN to attend the Harty Springer Course for Medical Staff Leaders as further described in the attached EXHIBIT A (“PROGRAM”) so that PHYSICIAN may develop skills to identify, manage, and implement best practices relating to a range of issues relevant to PHYSICIAN’s role as a physician leader on the MEDICAL STAFF, which skills the DISTRICT has determined will enhance the quality and effectiveness of medical services at the FACILITIES. The parties are entering into this agreement (“AGREEMENT”) to enable DISTRICT to pay for PHYSICIAN’s attendance at the PROGRAM as approved by the Hospital’s Chief Executive Officer or designee. DISTRICT will also reimburse PHYSICIAN for reasonable out-of-pocket travel, room and board expenses at rates, not to exceed the threshold set by the DISTRICT’s administration, that are incurred as a result of attending this approved PROGRAM. The costs and expenses to be reimbursed by DISTRICT to PHYSICIAN are set forth in the attached EXHIBIT B. All such expenses must be approved by DISTRICT prior to reimbursement. The DISTRICT has determined that the value to the DISTRICT of PHYSICIAN’s attendance at the PROGRAM is equal to or greater than the cost to be incurred by the DISTRICT for PHYSICIAN’s attendance.

Term: This AGREEMENT shall commence as of the first date written above and shall conclude upon completion of the Program.

Termination: This AGREEMENT may be terminated with or without cause by either party upon provision of ten (10) days written notice to the other party addressed to the other party as follows:

DISTRICT	PHYSICIAN
Chief Executive Officer Tahoe Forest Hospital District P.O. Box 759 Truckee, California 96160	Jonathan Laine, M.D. 10121 Pine Avenue Truckee, CA 96161

Any notice required or permitted hereunder shall be in writing and shall be deemed given as of the date deposited in the United States mail, postage prepaid.

Independent Contractor: PHYSICIAN is an independent contractor and not an employee, agent or partner of, or joint venture with DISTRICT.

Compliance with Laws and Regulations: PHYSICIAN is licensed to practice medicine in the State of California and/or the State of Nevada and will maintain Active Staff privileges on the DISTRICT's MEDICAL STAFF. PHYSICIAN shall comply with the laws of the State of California, the standards of the Healthcare Facilities Accreditation Program (HFAP), and the Ethics of the American Medical Association and the American Osteopathic Association.

Entire Agreement. This AGREEMENT contains the entire agreement of the parties hereto and supersedes all prior agreements, representations and understandings between the parties relating to the subject matter thereof.

Governing Law. This AGREEMENT shall be governed by, construed and enforced under the laws of the state of California.

IN WITNESS WHEREOF, the parties have caused the agreement to be executed and delivered as of the date first above written.

DISTRICT

By: _____
Robert A. Schapper,
Chief Executive Officer

Date: _____

PHYSICIAN

By: _____
Jonathan Laine, M.D.

Date: _____

ATTACHED: Exhibit A – Horty Springer Course for Medical Staff Leaders

ATTACHED: Exhibit B – Costs and Expenses

Program Registration: \$928.57

Hotel Accommodations: \$1,230 plus tax and parking (\$410 per night, for three (3) nights)

Mileage: \$207.20 (.56 cents per mile, 185 miles each way between Truckee and San Francisco)

Meal Allowance: In accordance with the DISTRICT'S policies.

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TAHOE FOREST HOSPITAL DISTRICT
CONTRACT SUMMARY SHEET

X New Contract (replaces expired contract)

Name of Contract: Medical Director of the Sleep Center - Gregory Tirdel, MD

Department Name: Sleep Center at IVCH

Primary Responsible AC Member: Judy Newland

Effective Date of Contract: 10/1/14 **Date Contract Expires:** 9/30/15

Purpose of Contract: To provide Medical Directorship services for IVCH Sleep Center.

Contractual Scope of Services: Per contract Exhibit A (attached)

Contractual Compensation Structure: \$1000/month (for minimum 6.5 hours per month) plus takes call coverage 12 nights/month

FMV: Per FMV consultants (ECG Management Consultants) the compensation is within the FMV hourly compensation benchmarks for administrative services for this sleep medicine specialist.

Commercial Reasonableness: Per ECG, the “compensated number of hours should be limited to a commercially reasonable number of hours that would be required by a physician of similar qualifications to perform the tasks deemed necessary to accomplish TFHD’s objective without consideration of the volume or value of referrals that might be generated by the compensated physician. This number of hours will necessarily vary based on the facts of circumstances and should be informed by reasonable business judgment.”

Dr. Tirdel is the only staff physician who is both board certified in Sleep Medicine & licensed in Nevada who can perform these services. He is also board certified in internal medicine, pulmonology and critical care medicine.

Regulatory compliance: The contract prepared by attorneys Hooper Lundy Bookman satisfies regulatory compliance.

Options to This Contract: Not to have a Medical Director for Sleep Medicine.

Reviewed by BOD Governance Committee: Not reviewed (contracts not reviewed in Sept.)

Staff Recommendation: That the Board of Directors allows this new agreement.

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SLEEP CENTER
MEDICAL DIRECTOR AGREEMENT
between
INCLINE VILLAGE COMMUNITY HOSPITAL
and
GREG TIRDEL, M.D.

SLEEP CENTER MEDICAL DIRECTOR AGREEMENT

THIS SLEEP CENTER MEDICAL DIRECTOR AGREEMENT (“Agreement”) is made and entered into effective this twelfth day of October, 2014 (the “Effective Date”), by and between Incline Village Community Hospital (“Hospital”), and Greg Tirdel, M.D. (“Physician”).

RECITALS

- A. Hospital is a general acute care hospital located at 880 Alder Avenue, Incline Village, Nevada 89451, which operates a Sleep Center (“Center”).
- B. Physician is qualified and licensed to practice medicine in the State of California and the State of Nevada, and is qualified to perform professional pulmonology and sleep center services (“Specialty Services”).
- C. Hospital has determined that this proposed arrangement with Physician will enhance the delivery of Specialty Services in the Center, improve the Center’s and the Hospital’s administration and organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Center’s providers.
- D. Hospital desires to engage Physician to serve as medical director and to provide certain administrative services for the Center; and Physician desires to serve as medical director and perform such administrative services for Hospital in the Center, all as provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions continued herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DUTIES AND OBLIGATIONS OF PHYSICIAN

1.1 Medical Director of Center. Physician shall act as Medical Director of the Center in accordance with the terms and conditions of this Agreement, the Hospital’s Medical Staff Bylaws and Rules and Regulations (collectively, “Medical Staff Bylaws”), and the Hospital’s Bylaws, policies and procedures, and compliance plan and compliance program. At all times during the term and all extensions and renewals of this Agreement, Physician shall be duly licensed as a physician under California law and under Nevada law, shall be board certified in Sleep Medicine and shall comply with all applicable standards and recommendations of the Health Facilities Accreditation Program (“HFAP”), shall be a member in good standing of the Active Medical Staff of Hospital (“Medical Staff”), and shall hold all clinical privileges on the Active Medical Staff appropriate to the discharge of his obligations under this Agreement.

1.2 Administrative Services. Physician shall perform the administrative duties and responsibilities set forth in Exhibit A, attached hereto and incorporated by reference herein

(“Administrative Services”). Nighttime call coverage for any patient-related problems at the Center (up to 12 nights per month based on current scheduling).

1.3 Administrative Hours. Medical Director shall devote as much time and attention as are necessary in performing Administrative Services to provide for the proper and adequate management of the Center, but in no event less than six and one-half (6.5) hours per month, and Medical Director shall set his/her own work schedule consistent with the proper operation of the Center. By the fifth (5th) day of each month the Medical Director shall provide Hospital with a detailed log of Medical Director’s administrative hours for the preceding month, in a format acceptable to Hospital.

1.4 Use of Premises. No part of the Center premises shall be used at any time by Physician as an office for personal use, including for the private practice of medicine.

1.5 Physician Personnel. Physician shall not employ or contract, or otherwise engage, any physician or non-physician personnel to perform any services hereunder, without the prior written approval of Hospital which approval shall be granted or denied at Hospital’s sole discretion.

1.6 Medical Records and Claims. Physician shall maintain financial books and records, and all medical records and charts, in accordance with industry standards and as may be required by Hospital, and in compliance with all State and Federal laws and regulations, the regulations and requirements of the voluntary professional facility accrediting institutions in which Hospital participates, and the Medical Staff Bylaws. Physician shall maintain and provide all such books, records and charts to patients and Hospital, and to State and Federal agencies, including without limitation the California Commissioner of Corporations, as may be necessary for Physician and/or Hospital to comply with applicable State, Federal, and local laws and regulations and with contracts between Hospital and third-party payors. Physician shall cooperate with Hospital in completion of such claim forms for Center patients as may be required by insurance carriers, health care service plans, governmental agencies, or other Payors. Physician shall retain his records and information for at least seven (7) years after the termination of this Agreement. Physician shall cooperate with Hospital in completion of such claim forms for Center patients as may be required by insurance carriers, health care service plans, governmental agencies, or other payors.

2. DUTIES AND OBLIGATIONS OF HOSPITAL

2.1 Space. Hospital shall furnish for the use of Physician such space and facilities as may be deemed necessary by Hospital for the proper operation and conduct of the Center. Such space and facilities may change from time to time depending upon needs as determined by Hospital in its sole discretion.

2.2 Equipment. Hospital shall furnish or arrange for the use of the Center such equipment as is deemed necessary by Hospital for the proper operation and conduct of the Center. Obligations of Hospital under this Section 2.2 shall be subject to the availability of funds, and to obtaining all necessary government approvals, if any.

2.3 Services and Supplies. Hospital shall provide or arrange for the provision of janitorial services, housekeeping services, laundry and utilities, together with such other Hospital services, including medical records, administrative and engineering services, and expendable supplies as Hospital deems necessary for the proper operation and conduct of the Center.

2.4 Personnel. Hospital shall provide all non-physician personnel, including nurses, a nursing coordinator, technicians, therapists, and clerical personnel, that Hospital deems necessary for the proper operation and conduct of the Center. Hospital shall consult with Physician regarding Center personnel.

3. BILLING AND COMPENSATION

3.1 Compensation. In consideration of the Administrative Services and all other services provided by Physician to Hospital under this Agreement, Hospital agrees to pay to Physician the sum of One Thousand Dollars (\$1000.00) per month, on or before the fifteenth (15th) day of each month for the preceding month's service. Payment for any partial month shall be prorated based on the actual numbers of days in such month that this Agreement was in effect. Physician, as an independent contractor, agrees to pay in a timely manner all social security and other payroll taxes relating to such compensation. Notwithstanding the foregoing, Hospital's obligation to pay any Compensation to Physician shall be expressly conditioned upon Physician's timely submission of the Service Log as defined in Section 3.2 below.

3.2 Service Log. On or before the fifth (5th) day of each month during the term of this Agreement, Physician shall submit a written invoice for services rendered during the prior month, and a written time log reflecting the actual time spent by Physician and the actual duties performed during the prior month, in the form acceptable and approved by Hospital. ("Service Log"). No compensation shall be paid to Physician for a Service Month unless an invoice and Service Log for that Service Month have been submitted to and approved by Hospital.

3.3 Third Party Payors. Physician shall fully cooperate as necessary to facilitate Hospital's entry into or maintenance of any third-party payor arrangements in accordance with the requirements set forth in this Section 3.3, and the rights and obligations of Hospital and Physician regarding such contracts shall be governed by the provisions of this Section 3.3.

3.3.1 Physician shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third-party payor arrangements as set forth in this Section 3.3. Third party payor arrangements are defined as arrangements for the provision of services under Medicare, Medi-Cal, or other public or private health and/or hospital care programs.

3.3.2 Physician shall, upon Hospital's request, enroll as a provider separate from Hospital with respect to Physician's services provided pursuant to this Agreement in any third-party payor arrangement, and enter into an express contractual agreement with said third-party payor, or any intermediate organization including, without limitation, any independent practice association, if required for said enrollment, which enrollment and agreement shall be consummated within thirty (30) days after Hospital's request. In the event Physician does not

consummate such agreement within the thirty (30) day period, or such additional period as may be agreed to by Hospital in writing, Hospital shall have the right, at its sole discretion, to make alternative arrangements for the provision of services, including through a contract with another medical group or physician(s), or to terminate this Agreement upon thirty (30) days prior written notice to Physician.

3.3.3 Both Physician and Hospital shall make any amendments to this Agreement that are necessary as the result of third-party payor arrangements described in this Section 3.3.

4. TERM AND TERMINATION; REMOVAL

4.1 Term. This Agreement shall commence on the Effective Date, and shall continue for a period of one (1) year. This Agreement shall automatically renew each year for successive one-year periods unless written notice is given to the other party at least sixty (60) days prior to the expiration of the then current term, after which this Agreement shall terminate upon the expiration of such current term.

4.2 Termination of Agreement. Notwithstanding any other provision of this Agreement, this Agreement may be terminated upon any of the following:

4.2.1 Either party may terminate this Agreement at any time, without cause, by providing at least ninety (90) days advance written notice to the other party.

4.2.2 Either party may terminate this Agreement by providing at least thirty (30) days advance written notice to the other party if the party to whom such notice is given is in breach of any material provision of this Agreement. The party giving such notice of termination shall set forth in the notice the facts underlying its claim that the other party is in breach of this Agreement. Notwithstanding the foregoing, this Agreement shall not terminate in the event that the breaching party cures the breach, to the satisfaction of the non-breaching party, within ten (10) days of the receipt of such notice.

4.2.3 Hospital may terminate this Agreement, effective immediately upon written notice to Physician:

4.2.3.1 If Hospital determines in good faith that any aspect of the performance of Physician or any physician or non-physician personnel engaged by Physician hereunder endangers the life, health, or safety of any patient, Hospital personnel, Medical Staff member, or other practitioner, or will subject Hospital to ill repute;

4.2.3.2 If Physician utilizes individuals who have not been approved by Hospital or continues to utilize physicians or other personnel that Hospital has requested to be removed from service in accordance with this Agreement;

4.2.3.3 If the insurance required of Physician hereunder is cancelled or not renewed;

4.2.3.4 Upon (a) the death or permanent disability of Physician, (b) the loss, restriction or suspension of Physician's status as a member of the Active Medical Staff, (c) the loss, restriction or suspension of Physician's privileges necessary to perform Specialty Services hereunder, or (d) the Physician's exclusion from participation in any state or federal health care program, including, but not limited to Medicare, Medicaid or the California Medi-Cal program. If Physician is unable to serve as Medical Director for a period in excess of thirty (30) consecutive days, or thirty (30) days in the aggregate over any three (3) month period, he/she shall be considered to be "permanently disabled" for the purposes of this Section;

4.2.4 In the event legal counsel for either party advises that this Agreement or any practices which could be, or are, employed in exercising rights under this Agreement poses a material risk of violating any of the legal requirements referenced in Section 6.4 or any legal requirement related to Hospital's tax-exempt status or tax exempt bond financing, the parties in good faith shall undertake to revise this Agreement to comply with such legal requirements. In the event the parties are unable to agree upon the revised terms within thirty (30) days thereafter, either party may terminate this Agreement immediately upon written notice to the other.

5. INSURANCE AND INDEMNIFICATION

5.1 Physician Insurance. Physician shall maintain at Physician's sole expense a policy or policies of professional liability insurance as required by this Section. Such insurance shall provide coverage for Physician as the named insured, and such policy shall cover all acts and omissions of Physician's and each Physician's professional negligence which may have occurred during the relevant term and said policies of insurance shall be written with limits of liability of at least the minimum coverage required from time to time by the Hospital's Medical Staff Bylaws, but in any event no less than One Million Dollars (\$1,000,000) per claim/Three Million Dollars (\$3,000,000) annual aggregate for "claims made" insurance coverage. Physician further shall maintain "continuous coverage", as defined by this Section for the entire relevant term. The relevant term shall commence with the effective date of the first agreement between the parties regarding the matters described herein, and shall continue through the term of this Agreement, as well as any extensions or renewals hereof, and for a period thereafter of no less than three (3) years. In order to maintain continuous coverage for the entire relevant term Physician shall, if it changes insurers for any reason, take the necessary actions required in order to provide continuous coverage by either obtaining "tail" insurance from the preceding carriers, or "nose" insurance from the subsequent carriers. In order to satisfy the requirements of this Section, the "tail" insurance must be of either an unlimited type or of the type which would extend the discovery period beyond the last effective day of the last contract between the parties for a period of three (3) years. In order to satisfy the requirements of this Section for "nose" insurance, the retroactive effective date for such insurance must be at least the first date of the relevant term noted above. Physician will provide proof of current insurance and, in the event of modification, termination, expiration, non-renewal or cancellation of any of the aforesaid policies of insurance, Physician shall give Hospital advance written notice thereof within five (5) business days of Physician's receipt of such notification from any of its insurers.

5.2 Indemnification. Physician shall indemnify and hold harmless Hospital from and against any and all claims, damages, liabilities, losses, costs, and expenses, including without limitation attorneys' fees, which arise or result from Physician's provision or failure to provide

Administrative Services hereunder, and which arise or result from any act or omission of Physician.

6. MISCELLANEOUS

6.1 Independent Contractor. In the performance of his duties and obligations hereunder, Physician is at all times acting as an independent contractor of Hospital, and not as an employee, agent or servant of Hospital. Nothing in this Agreement shall be construed to create an employment, joint venture, partnership, lease, association or other affiliation or similar relationship between the parties, it being specifically agreed that the relationship is and shall remain that of independent parties to a contractual relationship as set forth in this Agreement. Hospital shall exercise no control or discretion over the methods by which Physician performs Specialty Services or Administrative Services.

6.2 Confidentiality.

6.2.1 The parties agree that the terms and conditions of this Agreement, including its financial terms, are confidential. Accordingly, each party agrees not to disclose to any other person or entity, any term or condition of this Agreement, or of any other agreement referred to in this Agreement, or of any transaction contemplated by this Agreement, except with the prior written consent of the other party.

6.2.2 Any and all patient records and charts produced as a result of either party's performance under this Agreement shall be and remain the property of Hospital. Physician shall be solely responsible for maintaining patient confidentiality with respect to any information obtained by it or its agents pursuant to the Agreement, and shall comply with all confidentiality and nondisclosure requirements applicable to Hospital, including without limitation, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") (45 C.F.R., Part 160, et seq.), the Confidentiality of Alcohol and Drug Abuse Patient Records Regulations (45 C.F.R. Part 2) and the Confidentiality of Medical Information Act (California Civil Code §56, et seq.), as amended from time to time.

6.3 Access to Physician Books and Records.

6.3.1 Physician shall, in connection with the subject of this Agreement, cooperate fully with Hospital, by, among other things, maintaining and making available all necessary books, documents and records, in order to assure that Hospital will be able to meet all requirements for participation and payment associated with public or private third party payment programs, including matters covered by Section 1861(v) (1)(I) of the Social Security Act, as amended.

6.3.2 For the purpose of implementing Section 1861(v)(1)(I) of the Social Security Act, and any written regulations thereto, Physician shall comply with the following statutory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

6.3.2.1 until the expiration of four years after the furnishing of services pursuant to the Agreement, Physician shall make available to the Secretary of Health and Human

Services and the Comptroller General of the United States, or their duly authorized representatives, upon written request of any of them, this Agreement, and all books, documents and records that are necessary to certify the nature and extent of the cost of services hereunder, and

6.3.2.2 if Physician carries out any of the duties of this Agreement through a subcontract with a value or cost of \$10,000 or more over a twelve month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary or the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

6.4 Compliance with Laws.

6.4.1 Hospital and Medical Staff; Compliance Plan; Laws and Regulations. Physician shall comply with all (a) Hospital policies, procedures and rules, including without limitation Hospital's compliance plan and compliance program, and Medical Staff Bylaws, (b) federal, state and local laws, rules and regulations, including without limitation all hospital and professional licensure and reimbursement laws, rules, regulations and policies, and (c) standards and recommendations of HFAP, as any of the above may be in effect from time to time, as are applicable to Physician's, duties and obligations hereunder.

6.4.2 Non-Discrimination. Physician shall not differentiate or discriminate in the provision of Specialty Services or Administrative Services due to race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, medical condition, medical history, genetics, evidence of insurability, or claims history, in violation of any applicable state, federal or local law or regulation, or Hospital rules with respect to such matters. In this regard, and not by way of limitation to any other provision hereof, Physician shall comply with the Age Discrimination Act of 1975 and the Americans with Disabilities Act, as amended, and all regulations issued pursuant thereto applicable to Physician's services under this Agreement. Physician and Hospital shall be in full compliance with Section 504 of the Rehabilitation Act of 1973 and Titles VI and VII of the 1964 Civil Rights Act, and all regulations issued pursuant thereto, as may be amended from time to time.

6.4.3 Knox-Keene. Physician agrees to comply with the Knox-Keene Health Care Services Plan Act of 1975, as amended, and all regulations issued pursuant thereto, applicable to Physician's performance of any services under this Agreement. Physician agrees that in no event, including, but not limited to nonpayment by Hospital or the insolvency of payors or breach of any contracts, shall bill, charge, collect deposit from, seek compensation, remuneration, or reimbursement from or have any recourse against a patient or other persons or entities other than Hospital for services which are required to be compensated by Hospital hereunder. Nothing contained herein shall prohibit Physician from collecting any coinsurance, co-payment or deductible.

6.4.4 No Requirement for Referrals. Nothing in this Agreement or in any other written or oral agreement between Hospital and Physician, nor any consideration offered or paid

in connection with this Agreement, contemplates or requires the admission or referral of any patient to Hospital. This Agreement is not intended to influence Physician's judgment in choosing the medical facility appropriate for the proper care and treatment of Physician's patients.

6.4.5 Anti-Referral Laws. Physician acknowledges that Physician is subject to and must comply with certain federal and state laws governing referral of patients, as may be in effect or amended from time to time, including:

6.4.5.1 Payments for referral or to induce the referral of patients (Cal. Business and Professions Code Section 6501 Cal. Labor Code Section 3215; and the Medicare/Medicaid Fraud and Abuse Law, Section 1128B of the Social Security Act); and

6.4.5.2 The referral of patients by a physician for certain designated health care services to an entity with which the physician (or his immediate family) has a financial relationship (Cal. Labor Code Sections 139.3 and 139.31, applicable to referrals for workers' compensation services; Cal. Business and Professions Code Section 650.01 and 650.02 applicable to all other patient referrals within the State; and Section 1877 of the Social Security Act, applicable to referrals of Medicare and Medi-Cal patients).

6.4.6 Agreement Represents All Physician Services. Hospital and Physician acknowledge that (i) this Agreement covers all of the services provided by Physician to Hospital or by Hospital to Physician with respect to the Center, and (ii) the overall value of the facilities and services by and between Hospital and Physician are substantially equivalent. In the event Hospital and Physician enter into any other agreements pursuant to which Physician provides facilities or services to Hospital or Hospital provides facilities or services to Physician, Hospital and Physician shall execute and attach hereto an addendum which cross references any such other agreements.

6.5 Dispute Resolution.

6.5.1 Special Meeting. Except as set forth in section 6.5.5 below, in the event of any dispute or disagreement between the parties with respect to this Agreement, either party may request in writing a special meeting for the resolution of the dispute (a "Special Meeting"). The Special Meeting shall be held at a mutually agreeable location within ten (10) days of a written request for the meeting, which request shall specify the nature of the dispute to be resolved. The Special Meeting shall be attended by representative of Hospital and Physician (who may or may not be accompanied by legal counsel, in their respective discretion), who shall attempt in good faith to resolve the dispute and shall have reasonable authority to do so.

6.5.2 Mediation. If a dispute has not been resolved within thirty (30) days after the date of the Special Meeting, the parties shall initiate mediation by giving written notice thereof to the other party hereto. Both parties shall attend and participate in the mediation, which shall be binding upon the parties if a mutually agreeable resolution is achieved. The mediation proceeding shall commence not more than thirty (30) days after the written notice initiating the mediation process is given by one party to the other party hereto and shall be conducted in the County of Los Angeles, State of California, by an impartial third party mediator in accordance

with the procedures of JAMS/Endispute, Inc. The mediator may be given written statements of the parties and may inspect any applicable documents or instruments. All mediation proceedings shall be attended by representatives of Hospital and Physician with reasonable authority to resolve the dispute. The costs and expenses associated with the mediator and the mediation shall be paid equally by Hospital and Physician regardless of the result of the mediation proceeding. Further, each party shall bear its own attorneys' fees and costs in connection with the mediation process.

6.5.3 Inadmissibility. The Special Meeting and the mediation proceeding shall be subject to California Evidence Code Sections 1152 through 1157, and 1115 through 1128, inclusive.

6.5.4 No Resolution. In the event a dispute or disagreement between the parties is not resolved pursuant to Section 6.5.1 or 6.5.2 and only after exhaustion of such procedures for resolution, either party may litigate the dispute or disagreement in a court of competent jurisdiction.

6.5.5 Injunctive Relief. Notwithstanding the contrary provisions of this Section 6.5, each of the parties hereto shall have the right to apply for and obtain a temporary restraining order or other temporary, interim or permanent injunctive or equitable relief from court of competent jurisdiction in order to enforce the provisions of any part of this Agreement as may be necessary to protect its rights under those Sections.

6.5.6 Statute of Limitations. The dispute resolution procedures under Section 6.6 shall not in any manner affect any statutes of limitation relating to any claim, dispute or other matter arising out of this Agreement, provided the statute of limitations shall be stayed during any period that the mediation or arbitration process is continuing pursuant to this Section 6.5.

6.5.7 Right Reserved by Parties. The provisions of this Section 6.5 shall not limit, require the postponement of, or in any other way preclude the exercise of any right or remedies otherwise enjoyed by any party hereto under the provisions of this Agreement.

6.6 Binding on Successors in Interest. The provisions of this Agreement and obligations arising hereunder shall extend to and be binding upon and inure to the benefit of the assigns and successors of each of the parties hereto.

6.7 Assignment and Delegation. Neither this Agreement nor any of the rights or duties under this Agreement may be assigned or delegated by Physician without the prior written consent of Hospital in its sole discretion, except as may otherwise be expressly authorized in this Agreement. Any attempted or purported assignment by Physician in violation of this provision shall be void. Hospital, in the exercise of its sole and absolute discretion, shall have the right at any time to assign, delegate or in any manner transfer all or any portion of its interests, obligations or duties under this Agreement to any person, group or entity without the consent of Physician.

6.8 Notice. Any notice required to be given hereunder shall be in writing and delivered personally or by overnight delivery or sent by registered or certified mail, return

receipt requested, at the applicable addresses listed below, or at such other addresses as a party may hereafter designate to the other:

If to Hospital: INCLINE VILLAGE COMMUNITY HOSPITAL
880 Alder Avenue
Incline Village, Nevada 89451
Attention: President

If to Physician: GREG TIRDEL, M.D.
10956 Donner Pass Road, Suite 260
Truckee, California 96161

All notices shall be deemed give on the date of delivery if delivered personally or by overnight delivery, or three (3) business days after such notice is deposited in the United States mails, addressed and sent as provided above.

6.9 Severability. The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

6.10 Governing Law. The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California and the United States.

6.11 Captions. Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used for interpretation or determination of the validity of this Agreement or any provision hereof.

6.12 Waiver of Provisions. Any waiver of any terms, covenants and/or conditions hereof must be in writing, and signed by the parties hereto. A waiver of any of the terms, covenants and/or conditions hereof shall not be construed as a waiver of any other terms, covenants and/or conditions hereof, nor shall any waiver constitute a continuing waiver.

6.13 Entire Agreement. The making, execution and delivery of this Agreement by the parties has not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof, unless expressly referred to by reference herein. This Agreement supersedes any previous oral or written agreements between the parties hereto and any such prior agreement is null and void; provided, however, those terms and conditions of the Prior Agreement that expressly continue in effect beyond the expiration of the Prior Agreement, shall remain in full force and effect. This Agreement may be amended or modified only by an instrument in writing signed by both parties to this Agreement.

6.14 Force Majeure. Neither party shall be liable nor deemed to be in default for any delay, interruption or failure in performance under this Agreement deemed resulting, directly or indirectly, from Acts of God, civil or military authority, war, accidents, fires explosions,

earthquakes, floods, failure of transportation, machinery or supplies, vandalism, riots, civil disturbances, strike or other work interruptions by either party's employees, or any similar or dissimilar cause beyond the reasonable control of either party. However, both parties shall make good faith efforts to perform under this Agreement in the event of any such circumstances. In the event Hospital determines that Hospital facilities have been entirely or substantially destroyed by any of the above, this Agreement may be terminated by either party upon ten (10) days written notice to the other.

6.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

6.16 Recitals. The Recitals preceding Section 1 are incorporated in and are part of this Agreement.

This Medical Director Agreement is executed at Incline Village, Nevada, to be effective on the date first written above.

INCLINE VILLAGE COMMUNITY HOSPITAL

By: _____

Its: _____

Date: _____

GREG TIRDEL, M.D.

Date: _____

EXHIBIT A - Medical Director Sleep Center Agreement – Greg Tirdel, M.D.

ADMINISTRATIVE SERVICES

Medical Director shall:

1. Perform each and every duty which, in connection with Medical Director's functions as Medical Director, is required by statute, regulation, HFAP, Hospital Bylaws, and the Medical Staff Bylaws and Rules and Regulations.
2. Be responsible to Hospital administration for the professional services and medical management of the Center and participate in management development programs.
3. Be accountable to Hospital and appropriate Medical Staff committees for the quality of Specialty Services performed, advise and assist Hospital and the appropriate Medical Staff committees in the development of comprehensive quality assessment and improvement programs for the Center, and participate in the Hospital's and Center's quality assessment and improvement programs.
4. Participate in such Hospital and Medical Staff committees as the Hospital or Medical Staff may request.
5. Work with Hospital administration in the timely planning of activities, including the annual development of Center objectives, operations budget and a capital equipment budget, and provide Hospital with ongoing appraisals of the strengths, weaknesses and overall quality of the Center.
6. Fully cooperate with the Hospital personnel assigned general administrative responsibilities for operation of the Center.
7. Advise and assist in the organization and implementation of an effective utilization review program for the Center and Hospital and perform utilization review services.
8. Make recommendations to Hospital concerning the hiring, termination, training and supervision of Hospital personnel within the Center, to assure compliance with policies, programs and protocols.
9. Develop and review on-going training programs of the nursing staff and other support personnel.
10. Keep abreast of Hospital policies and procedures and all state and federal regulations which affect Center operation, as well as regulations and requirements of the voluntary professional and facility accrediting institutions in which the Hospital is or becomes a participant, and taking all reasonable steps to conform therewith.

11. Recommend to appropriate committees of the Medical Staff and/or Hospital of new or revised policies for use in the Center, as needed.
12. Participate in developing and presenting programs pertinent to the Center for the community and as needed for Hospital - community relations.
13. Assist in the design and development of patient information forms, medical record forms, and consent forms for use within the Center.
14. Cooperate with and assist other Medical Staff members to prepare clinical reports for publication.
15. Be responsible for making recommendations as to appropriate use, repair and replacement of equipment and materials.
16. Be responsible for keeping abreast of equipment developments and making recommendations with respect to procurement of new equipment.

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TAHOE FOREST HOSPITAL DISTRICT
CONTRACT SUMMARY SHEET

X **New Contract** (Since a new contract is being used, consider this a new contract)

Name of Contract: Interim Physician Designee Services for Hospice - Gregory Tirdel, MD

Department Name: Hospice

Primary Responsible AC Member: Judy Newland
(will receive E-Mail notices)

Responsible Director: Karen Gancitano
(will receive E-Mail notices)

Effective Date of Contract: 10/12/2014

Date Contract Expires: 10/11/2015

Purpose of Contract: To provide Hospice coverage for patients on those days when the Hospice Medical Director (Dr. Koch) is on vacation or otherwise unavailable. Dr Tirdel's current contract for this service expires 10/11/14.

Contractual Scope of Services: Per Exhibit A

Contractual Compensation Structure: (No Change) \$100 per day when requested for patients on Hospice service in California & Nevada.

FMV: Per FMV consultants (ECG Management Consultants) the compensation is below the FMV hourly compensation benchmarks for administrative services for Dr. Tirdel who is board certified in internal medicine, pulmonology, sleep medicine and critical care. .

Commercial Reasonableness: The number of days paid is very limited. Dr. Tirdel only needed to provide services 10 times during FY 2014.

Regulatory compliance: The contract prepared by compliance counsel (Hooper, Lundy, Bookman) satisfies regulatory compliance.

Options to This Contract: Not to have vacation /interim coverage for Hospice patients.

Reviewed by BOD Governance Committee: No - contracts not reviewed in Sept

Staff recommendation: That the Board of Directors approve this contract.

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TAHOE FOREST HOSPITAL DISTRICT

TAHOE FOREST HOSPICE

INTERIM PHYSICIAN DESIGNEE SERVICES

This Agreement is made and entered into on October 12, 2014 (,the “Effective Date”), by and between Gregory Tirdel M.D. (hereinafter referred to as “PHYSICIAN DESIGNEE”) and Tahoe Forest Hospice, a subdivision of Tahoe Forest Hospital District (hereinafter referred to as “DISTRICT”).

RECITALS

DISTRICT currently operates a state licensed; Medicare certified hospice agency called Tahoe Forest Hospice (hereinafter referred to as “AGENCY”). The DISTRICT desires to enter into an interim agreement with PHYSICIAN DESIGNEE in the absence of the regular MEDICAL PHYSICIAN DIRECTOR to be available to monitor the quality and appropriateness of care provided to patients of the AGENCY. The PHYSICIAN DESIGNEE is licensed to practice medicine in the State of California and State of Nevada. The DISTRICT is desirous of engaging PHYSICIAN DESIGNEE to perform such PHYSICIAN DESIGNEE duties in the absence of the regular AGENCY MEDICAL DIRECTOR as are set forth hereinafter.

TERMS

The parties hereby agree as follows:

1. Responsibilities: During the term of this agreement, the PHYSICIAN DESIGNEE shall serve as the PHYSICIAN DESIGNEE of the AGENCY as requested by the AGENCY and shall perform the duties and obligations as are set forth in Exhibit A (Job Description) attached hereto and made a part hereof.
2. Compensation: DISTRICT shall pay PHYSICIAN DESIGNEE the sum of one hundred dollars (\$100.00), per day for patients on service in the State of California and State of Nevada, payable on the 15th day of the month immediately following the month during which PHYSICIAN DESIGNEE services are rendered by PHYSICIAN DESIGNEE.
3. Term: Subject to earlier termination as provided hereafter, this Agreement shall be effective on the Effective Date and shall continue for a period of one (1) year at 0800AM.
4. Termination: This Agreement may be terminated immediately with or without cause by either party upon written notice addressed to the other party as follows:

DISTRICT

PHYSICIAN DESIGNEE

Chief Executive Officer
Tahoe Forest Hospital District
P.O. Box 759
Truckee, California 96160

Gregory Tirdel, M.D.
10956 Donner Pass R.D.
Suite 260
Truckee, Ca 96161

Any notice required or permitted hereunder shall be in writing and shall be deemed given as of the date deposited in the United States mail, postage prepaid.

5. Independent Contractor: PHYSICIAN DESIGNEE shall perform the services and duties required under this agreement as an independent contractor and not as an employee, agent or partner of, or joint venture with, DISTRICT.

6. District's Obligations: DISTRICT shall provide services to patients according to the AGENCY policies. AGENCY retains all responsibility and authority for the patient/family admission process, assessment, ongoing assessment, development, review and revision of plan of care, interdisciplinary group conferences, coordination, supervision and evaluation of patient care, scheduling of visits or hours, and discharge planning and bereavement services.

A AGENCY's administrative director or AGENCY's referral supervisor will provide PHYSICIAN DESIGNEE with an orientation to the AGENCY's program. Additional materials will be provided, as needed, throughout the term of the agreement. The AGENCY program director or AGENCY referral supervisor will be accessible to the PHYSICIAN DESIGNEE and will facilitate coordination and continuity of services to patients.

B AGENCY will ensure the quality and utilization of services in accordance with its quality management program.

7. Compliance With Laws and Regulations: PHYSICIAN DESIGNEE at all times while performing services hereunder shall be licensed to practice medicine in the State of California and State of Nevada; and will maintain Active Staff privileges on the DISTRICT's Medical Staff to perform PHYSICIAN DESIGNEE duties in the AGENCY. PHYSICIAN DESIGNEE shall perform duties in a timely manner and in accordance with DISTRICT policies, Medical Staff Bylaws and Rules and Regulations and AGENCY policies. In addition, PHYSICIAN DESIGNEE shall comply with all applicable federal laws and the laws of the State of California and State of Nevada, all accrediting standards governing operations of AGENCY, and the Ethics of the American Medical Association. PHYSICIAN DESIGNEE will comply with educational requirements and adhere to personnel qualifications as established by DISTRICT and DISTRICT's Medical Staff.

8. Insurance: All AGENCY employees shall be covered by the general and professional liability insurance carried by DISTRICT. DISTRICT represents that PHYSICIAN DESIGNEE shall be covered under DISTRICT's comprehensive general liability insurance while performing as PHYSICIAN DESIGNEE hereunder. PHYSICIAN DESIGNEE shall maintain at all times professional liability insurance with a company or companies qualified to conduct insurance business in the states of California and Nevada and approved by the DISTRICT, in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 annual aggregate.

9. Access to Books and Records of Subcontractor: Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the PHYSICIAN DESIGNEE will make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing services under this agreement. Such inspection will be available up to four (4) years after rendering of such services. This section is included pursuant to and is governed by the

requirements of Public Law 96-+99, Sec 952 (Sec 1861 (v) (1) of the Social Security Act) and the regulations promulgated there under.

10. Patient Records. PHYSICIAN DESIGNEE shall maintain and safeguard the confidentiality of all patient records, charts and other related patient information, generated in connection with the operation of the AGENCY, in accordance with all applicable federal and state statutes and related governmental regulations and with all other legal or contractual requirements imposed on District or PHYSICIAN DESIGNEE in connection therewith.

11. Entire Agreement This agreement contains the entire agreement of the parties hereto and supersedes all prior agreements, representations and understandings between the parties relating to the subject matter thereof.

12. Governing Law. The existence, validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to its principles of conflict of laws.

IN WITNESS WHEREOF, the parties have caused the agreement to be executed and delivered as of the date first above written.

INTERIM PHYSICIAN DESIGNEE

DISTRICT

Gregory Tirdel, M.D.

By: _____
Robert a. Schapper, CEO

Date: _____

Date: _____

EXHIBIT A - TAHOE FOREST HOSPITAL DISTRICT

TAHOE FOREST HOSPICE - PHYSICIAN DESIGNEE SERVICES

Responsible for the overall oversight of physician services in Tahoe Forest Hospice. As an active member of the interdisciplinary group, the PHYSICIAN DESIGNEE'S role is to complement the attending physician's care, act as medical resource to the interdisciplinary group members and assure overall continuity of the Tahoe Forest Hospice program's medical services. The PHYSICIAN DESIGNEE'S coordination role means the PHYSICIAN DESIGNEE shares responsibility for assuring that Tahoe Forest Hospice is providing appropriate care as required. This involves monitoring and ensuring implementation of policies and procedures, and providing oversight and supervision of physician services and the medical care of patients. It is the role of the PHYSICIAN DESIGNEE to oversee the clinical care of patients to ensure to the extent possible that care is adequate. The PHYSICIAN DESIGNEE must hold a current license in the State of California and State of Nevada to practice medicine and must *be* knowledgeable with respect to the philosophy of Hospice and the medical aspects of Hospice care.

Essential Job Functions/Responsibilities

1. Function as part of the Hospice interdisciplinary group, and act as a consultant for medical care.
2. In conjunction with the attending or primary physician, be responsible for the medical direction and quality of care provided to the patient and family by the Hospice interdisciplinary group.
3. Certify (in conjunction with the attending physician, if applicable) that the patient is terminally ill. Terminally ill is defined to mean that the medical prognosis of life expectancy is six (6) months or less if the terminal illness follows its normal course.
4. Review necessary data from the referral source in order to validate diagnosis and terminal prognosis established by the attending or primary physician.
5. Review the clinical record and/or perform a medical examination to confirm the appropriateness of Hospice services.
6. Assist in developing and implementing the plan of care that is coordinated with the primary physician.
7. Ensure the availability of physician services and provide a substitute in the absence of the primary physician.
8. Render the necessary medical management, in consultation with the primary physician, consistent with the plan of care and the patient's needs.

9. Attend interdisciplinary group care plan conferences.
10. Establish and continually review policies and procedures related to medical education and clinical standards of care. Approve and sign all Tahoe Forest Hospice policies and procedures.
11. Conduct periodic in-service education programs for department personnel.
12. Be an active member of the Performance Improvement Program and Utilization Review Committee.
13. Participate in annual program review.
14. Understand regulations and standards particular to hospice licensing, certification and accreditation by state, federal and other agencies.
15. Check in with the Tahoe Forest Hospice Program at least once per day during regular work hours.
16. Monthly submit an invoice and patient documentation for patient home visits and an invoice detailing additional services rendered under this agreement, e.g. attendance at interdisciplinary group meetings, summary of phone consultations with Hospice staff, etc...

Position Qualifications

1. Hold current license to practice medicine in the State of California.
2. Hold current license to practice medicine in the State of Nevada

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TAHOE FOREST HOSPITAL DISTRICT
CONTRACT SUMMARY SHEET

X New Contracts (Replacing 2 expired contracts)

Name of Contracts: (identical terms)

Letter Agreement to provide EKG interpretations for Dr. Timothy Lombard, M.D.
Letter Agreement to provide EKG interpretations for Dr. Rick Ganong, M.D.

Department Name: Laboratory

Primary Responsible AC Member: Robert Schapper

Responsible Director: Vern Barnes

Effective Date of Contract: 10/1/14 **Date Contract Expires:** 9/30/15

Purpose of Contract: To interpret EKGs for physicians who don't have that clinical privilege.

Contractual Scope of Services: Per contract (attached). The contracts are identical.

Contractual Compensation Structure: \$40 per EKG interpretation (The physicians assign the billing rights to the hospital and cannot otherwise bill or collect for this service.)

FMV & Commercially Reasonable: Per FMV consultants (ECG Management Consultants) the payment of \$40 per EKG interpretation is within the FMV benchmarks and is commercially reasonable.

Regulatory compliance: The contract prepared by attorneys Hooper Lundy Bookman satisfies regulatory compliance.

Options to This Contract: Not to have EKG interpretative services or to identify and contract with a service that could provide the service via telemedicine. .

Reviewed by BOD Governance Committee: Not reviewed (contracts not reviewed in Sept.)

Staff Recommendation: That the Board of Directors allows these identical agreements.

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[Print on TFHD letterhead]

P.O. Box 759 Truckee, CA 96160 (530) 587-6011
880 Alder Ave. Incline Village, NV 89451 (775) 8334100

_____, 2014

Timothy Lombard, M.D.
10833 Donner Pass Rd, Suite 101
Truckee, California 96161

Dear Dr. Lombard,

This letter (“Letter Agreement”) between you and the Tahoe Forest Hospital District (the “Hospital”) sets forth the terms and conditions under which you agree to participate in a panel of physicians who provide the review and interpretation of electrocardiograms (“EKG Services”) for the Hospital patients. Your signature below will indicate your agreement to these terms:

1. This Letter Agreement is effective on OCTOBER 1, 2014, and will remain in effect for 1 year and then will automatically renew for not more than three (3) successive one-year periods unless written notice of termination is given pursuant to the terms of this Letter Agreement. This Letter Agreement may be terminated by either party at any time, without cause and without cost or penalty, upon the provision of seven (7) days’ prior written notice to the other party. This Letter Agreement may also be terminated immediately by the Hospital upon your breach of any term set forth herein. Except as set forth below in this paragraph 1, the termination of this Letter Agreement will: (1) not affect your standing as a member of the Hospital’s Medical Staff, and (2) will not provide you with any right to a fair hearing or any other rights more particularly set forth in the Medical Staff Bylaws; provided, however, that in the event the termination of this Letter Agreement is due to a medical disciplinary cause or reason (as that term is defined in California Business & Professions Code Section 805), your standing as a member of the Medical Staff may be affected and you shall be entitled to the fair hearing rights set forth in the Medical Staff Bylaws.
2. You will personally perform EKG Services as requested by the Hospital. You will perform such EKG Services in accordance with an EKG panel schedule to be established by the Hospital and agreed upon by you (“Panel Schedule”). Absent the prior written approval of the Hospital, you will not subcontract or enter into any other arrangement with any other provider regarding the provision of EKG Services for Hospital patients. During the term of this Letter Agreement you will maintain the requisite training and experience to provide the EKG Services, consistent with generally accepted medical standards of practice in the

communities served by the Hospital, and further shall maintain on an unrestricted basis: (1) a valid and unrestricted California license to practice medicine; (2) valid and unrestricted federal DEA registration; (3) Medical Staff membership and appropriate clinical privileges at the Hospital; (4) certification or evidence of eligibility for certification by the American Board of Cardiology, and such other certification as may reasonably be required by the Hospital; (5) status as a participating provider in the Medicare and California Medi-Cal programs; and (6) professional liability insurance in such coverage amounts required under the Hospital's Medical Staff Bylaws, Rules and Regulations from time to time.

3. You represent and warrant that you have never been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; you have never been excluded or suspended from participation in, or sanctioned by, any plan or program providing health care benefits, whether directly through insurance or otherwise, that is funded directly, in whole or part, by the United States Government (other than the Federal Employees Health Benefits Program), or any State health care program, including without limitation the Medicare or Medi-Cal programs; that you have never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; and that your medical staff membership or clinical privileges at any hospital or health care facility have never been suspended, limited or revoked for a medical disciplinary cause or reason.
4. The EKG Services provided by you under this Letter Agreement will be provided in accordance with all applicable (1) laws, rules and regulations, (2) accreditation standards, (3) policies and procedures of the Hospital, and (4) standards set forth in the Hospital's Medical Staff Bylaws, Rules & Regulations.
5. The Hospital will pay you compensation for the EKG Services in the amount of forty (\$40.) dollars for each EKG interpretation performed by you. Such compensation shall be the sole and exclusive compensation for EKG Services provided by you under this Letter Agreement. You agree that you will not bill any patients or third-party payors for any of the EKG Services.
6. Your compensation will be computed on a monthly basis, and a check will be issued by the Hospital on or before the 10th day of the month following the month during which the EKG Services were provided by you. The Hospital's obligation to pay compensation in the amount and within the time period provided by the Letter Agreement shall be subject to (1) your preparation and maintenance of proper and accurate medical records, (2) your delivery to the Hospital of such other information reasonably required by the Hospital to document the EKG Services provided by you under this Letter Agreement, and (3) regulatory compliance with applicable laws and regulations.
7. You assign to the Hospital all rights to bill and collect all professional fees from your performance of EKG Services under the terms of this Letter Agreement. The Hospital or its agent shall bill and collect the charges for all EKG Services rendered by you. You agree that all charges and accounts receivable for such

services you render pursuant to this Letter Agreement shall be the sole and exclusive property of the Hospital. You shall cooperate with Hospital in promptly completing all records, reports and claim forms required to be completed in order for Hospital to bill and be reimbursed by patients and/or third party payors.

8. The EKG Services will be performed by you commencing at 9:00 AM on each day you are scheduled to provide EKG Services pursuant to the Panel Schedule; provided, however, that nothing contained herein shall be deemed to provide you with (1) exclusive or special rights regarding the provision of EKG Services for Hospital patients, or (2) a right to provide any, or any specified number of, EKG interpretations.
9. You will be compensated only for EKG Services requested by physicians who are on the Hospital Medical Staff and who are not on the current list of "EKG Test Privileges 2014" (see attached Exhibit A), as such list will be updated from time to time by the Hospital. In no event will you be reimbursed for interpreting EKGs that you have ordered.
10. This Letter Agreement is conditioned on your compliance with all applicable laws, rules and regulations, including, without limitation, those relating to medical records, patient confidentiality and privacy and participation in government health care programs, including the Medicare and California Medi-Cal programs.
11. You acknowledge and agree that you are a health care provider as defined under the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and all rules and regulations promulgated thereunder ("HIPAA"). You will comply with Hospital's HIPAA-related policies, procedures and notice of privacy practices and, if requested by Hospital during the term of this Agreement, you will participate in an "Organized Health Care Arrangement," ("OHCA") as such term is defined under HIPAA.
12. Nothing in this Letter Agreement or in any other written or oral agreement between Hospital and you, nor any consideration offered or paid in connection with this Letter Agreement, contemplates or requires the admission or referral of any patients or business to the Hospital or any affiliate of the Hospital. This Letter Agreement is not intended to influence you in choosing the Hospital or other health care facility or provider deemed by you to be best qualified to deliver goods or services to any particular patient. Your rights under this Agreement shall not be dependent in any way on the referral of patients or business to the Hospital or any Hospital affiliate.
13. You will maintain complete and accurate books and records regarding all EKG Services provided by you under this Letter Agreement. You will retain such books and records for a period of six (6) years following the termination or expiration of this Agreement and any extension or renewal thereof. You will also

make available such books and records to Hospital, the Secretary of the U.S. Department of Health and Human Services, the Comptroller General, other appropriate regulatory agencies, or any of their duly authorized representatives.

14. In the performance of your work, duties and obligations under this Letter Agreement, it is mutually understood and agreed that you are at all times acting and performing as an independent contractor, and nothing in this Letter Agreement is intended nor shall be construed to create between you and the Hospital an employer/employee relationship, a joint venture relationship, or a lease or landlord/tenant relationship. The Hospital shall not exercise any control or direction over the methods by which you perform the services required hereunder or any professional services provided by you, whether provided at the Hospital or elsewhere. The sole interest and responsibility of the Hospital is to ensure that the operation of the service and care provided to patients will be performed and rendered in a competent, efficient, and satisfactory manner. Your standards of medical practice and professional duties shall be determined by the Hospital's Medical Staff.
15. The validity, interpretation, and performance of this Agreement will be governed by and construed in accordance with the laws of the State of California.

You acknowledge and agree that as a recipient of federal financial assistance, Hospital may not exclude/deny benefits to or otherwise discriminate against any person on the grounds of race, color, national origin, sex, sexual orientation or religion, or on the basis of disability or age in admission to, participation in or receipt of the services and benefits of any of its programs and activities or in the employment therein, whether carried out by Hospital directly or through a contractor or any other entity with whom the Hospital arranges to carry out its programs and activities. This statement is in accordance with the provision of the Title VI of the Civil Rights Act of 1965, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, American with Disabilities Act (ADA) of 1990, the regulations of the United States Department of Health and Human Services issued pursuant to the Acts, Title 45 Code Of Federal Regulation, Part 80, 84 and 91, and the California Fair Employment and Housing Act. Other federal and state laws and regulations provide similar protection against discrimination on grounds of sex and creed.

TAHOE FOREST HOSPITAL DISTRICT:

By: _____
Robert A. Schapper

Date: _____

AGREED:

By: _____
Timothy Lombard, M.D.

Date: _____

Exhibit A to EKG Letter Agreement between TFHD & Dr. Lombard

The following TFHD Medical Staff Members have been granted EKG Test Privileges as of September 2014 and thus can interpret the EKGs of their own patients.

Gina Barta, MD

Lisanne Burkholder, MD

Richard Ganong, MD

Reini Jensen, MD

Johanna Koch, MD (privileges at Incline Village Community Hospital)

Ahrin Koppel, MD

Paul Krause, MD

Tim Lombard, MD

Gregg Paul, MD

Daniel Peterson, MD (privileges at Incline Village Community Hospital)

Jeanne Plumb, MD

Scott Samelson, MD

Joshua Scholnick, MD

Heidi Standteiner, MD

Gregory Tirdel, MD

NOTE: All Emergency Medicine Physicians at Tahoe Forest Hospital & Incline Village Community Hospital have privileges to read resting EKGs of their own patients.

Surgery Committee recommends that surgeons NOT read EKG's of their own patients.



[Print on TFHD letterhead]

P.O. Box 759 Truckee, CA 96160 (530) 587-6011
880 Alder Ave. Incline Village, NV 89451 (775) 8334100

_____, 2014

Rick Ganong, M.D.
10115 West River Street
Truckee, California 96161

Dear Dr. Ganong,

This letter (“Letter Agreement”) between you and the Tahoe Forest Hospital District (the “Hospital”) sets forth the terms and conditions under which you agree to participate in a panel of physicians who provide the review and interpretation of electrocardiograms (“EKG Services”) for the Hospital patients. Your signature below will indicate your agreement to these terms:

1. This Letter Agreement is effective on OCTOBER 1, 2014, and will remain in effect for 1 year and then will automatically renew for not more than three (3) successive one-year periods unless written notice of termination is given pursuant to the terms of this Letter Agreement. This Letter Agreement may be terminated by either party at any time, without cause and without cost or penalty, upon the provision of seven (7) days’ prior written notice to the other party. This Letter Agreement may also be terminated immediately by the Hospital upon your breach of any term set forth herein. Except as set forth below in this paragraph 1, the termination of this Letter Agreement will: (1) not affect your standing as a member of the Hospital’s Medical Staff, and (2) will not provide you with any right to a fair hearing or any other rights more particularly set forth in the Medical Staff Bylaws; provided, however, that in the event the termination of this Letter Agreement is due to a medical disciplinary cause or reason (as that term is defined in California Business & Professions Code Section 805), your standing as a member of the Medical Staff may be affected and you shall be entitled to the fair hearing rights set forth in the Medical Staff Bylaws.
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communities served by the Hospital, and further shall maintain on an unrestricted basis: (1) a valid and unrestricted California license to practice medicine; (2) valid and unrestricted federal DEA registration; (3) Medical Staff membership and appropriate clinical privileges at the Hospital; (4) certification or evidence of eligibility for certification by the American Board of Cardiology, and such other certification as may reasonably be required by the Hospital; (5) status as a participating provider in the Medicare and California Medi-Cal programs; and (6) professional liability insurance in such coverage amounts required under the Hospital's Medical Staff Bylaws, Rules and Regulations from time to time.

3. You represent and warrant that you have never been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; you have never been excluded or suspended from participation in, or sanctioned by, any plan or program providing health care benefits, whether directly through insurance or otherwise, that is funded directly, in whole or part, by the United States Government (other than the Federal Employees Health Benefits Program), or any State health care program, including without limitation the Medicare or Medi-Cal programs; that you have never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; and that your medical staff membership or clinical privileges at any hospital or health care facility have never been suspended, limited or revoked for a medical disciplinary cause or reason.
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TAHOE FOREST HOSPITAL DISTRICT:

By: _____
Robert A. Schapper

Date: _____

AGREED:

By: _____
Richard Ganong, M.D.

Date: _____

Exhibit A to EKG Letter Agreement between TFHD & Dr Ganong

The following TFHD Medical Staff Members have been granted EKG Test Privileges as of September 2014 and thus can interpret the EKGs of their own patients.

Gina Barta, MD

Lisanne Burkholder, MD

Richard Ganong, MD

Reini Jensen, MD

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NOTE: All Emergency Medicine Physicians at Tahoe Forest Hospital & Incline Village Community Hospital have privileges to read resting EKGs of their own patients.

Surgery Committee recommends that surgeons NOT read EKG's of their own patients.



TAHOE FOREST HOSPITAL DISTRICT
CONTRACT SUMMARY SHEET

New Contract (replaces expired contract)

Submitted for Sept 2014 BOD meeting

Name of Contract: Medical Directorship for Radiation Oncology - Daphene Palmer, MD

Department Name: Cancer Center

Primary Responsible AC Member: Robert Schapper, CEO

Responsible Director: Timothy Garcia-Jay

Effective Date of Contract: 10/1/2014 (1 year term)

Expiration Date: 9/30/2015

Purpose of Contract: to provide Radiation Oncology Medical Directorship.

Per the Board of Directors request, a compliance review of contracts for FMV, commercial reasonableness and regulatory compliance continues. TFHD has retained counsel (Hooper, Lundy, Bookman (“HLB”) and FMV consultant, ECG Management Consultants (ECG) to perform the compliance review

NOTE: This contract replaces Dr Palmer’s contract that was approved at last month’s (August) board meeting. Since August, further information was evaluated regarding FMV compensation for the oncology group (Sierra Nevada Oncology) of which Dr. Palmer is a member. Based on recommendations from ECG, it was decided to increase Dr. Palmer’s hourly rate and decrease the number of required hours for this medical directorship, thus it is necessary to prepare a new contract. The total compensation for this contract has not changed..

Contractual Scope of Services: Included in Exhibit A of the contract (attached)

Contractual Compensation Structure: \$200/hr for maximum of 500 hours/year, not to exceed a total payment of \$100,000 per year.

FMV: Per ECG, this contract is within the FMV hourly compensation benchmarks for administrative services provided by this radiation oncologist.

Commercial Reasonableness: Per ECG’s Policy Recommendations, the “compensated number of hours should be limited to a commercially reasonable number of hours that would be required by a physician of similar qualifications to perform the tasks deemed necessary to accomplish TFHD’s objective without consideration of the volume or value of referrals that might be generated by the compensated physician. This number of hours will necessarily vary based on the facts of circumstances and should be informed by reasonable business judgment.” This contract meets commercial reasonableness because per the Cancer Center Exec Director “the hours put forth for daily activities such as the Virtual Tumor Board & educational oversight of the UC Davis resident & radiation therapists; the weekly activities such as chart rounds w/ UCD, clinical research oversight, & radiation program development with the executive director & medical director; the monthly activities such as operations meetings, rad onc staff meeting, cancer conference, business development meetings, & medical staff meetings; & quarterly activities such as the radiation oncology quality improvement committee, radiation safety meeting, the cancer care network meeting w/ UCD, and CME requirements.”

Regulatory compliance: The contract template prepared by HLB satisfies regulatory compliance.

Options to This Contract: Not to have a Medical Director for radiation oncology.

Reviewed by BOD Governance Committee: Not reviewed (contracts not reviewed in Sept.)

Staff Recommendation: That the Board of Directors allows this new agreement.

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TAHOE FOREST HOSPITAL DISTRICT
GENE UPSHAW MEMORIAL TAHOE FOREST CANCER CENTER
MEDICAL DIRECTOR AGREEMENT
RADIATION ONCOLOGY

This MEDICAL DIRECTOR AGREEMENT (“**Agreement**”) is made and entered into, and shall be effective, as of **October 1, 2014** (“**Effective Date**”), by and between Tahoe Forest Hospital District, a California local healthcare district, doing business as Tahoe Forest Hospital (“**Hospital**”), and **DAPHNE PALMER, MD**, an individual (“**Physician**”).

RECITALS

A. Hospital owns and operates an acute care hospital, multi-specialty facility located at 10121 Pine Avenue, Truckee, California (“**Facility**”), and currently operates the Gene Upshaw Memorial Tahoe Forest Cancer Center (“**Cancer Center**”). The Hospital provides a Radiation Oncology Program (referred to as “**Radiation Oncology**”) serving the North Lake Tahoe region with inpatient, outpatient and in-home care services. The Hospital desires to enter into an agreement with Physician to provide direction to such Radiation Oncology Program by serving as the Radiation Oncology Medical Director to provide clinical physician responsibilities and monitor the quality and appropriateness of the Radiation Oncology Program, as well as the care provided to patients of Radiation Oncology.

B. Physician is duly licensed and qualified to practice medicine in the State of California, is board certified for the practice of medicine in the specialty of radiation oncology medicine, and is proficient in all aspects of such specialty.

C. Hospital desires to retain Physician to serve as the Medical Director of the Radiation Oncology Program (“**Medical Director**”) and Physician desires to provide the services as further set forth herein in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above recitals, the covenants, conditions and other terms contained herein below, the parties mutually agree as follows:

ARTICLE I
ENGAGEMENT

Hospital hereby engages Physician to serve as the Medical Director of Radiation Oncology, and Physician hereby accepts such engagement on the terms and conditions set forth in this Agreement.

**ARTICLE II
MEDICAL ADMINISTRATIVE SERVICES**

2.1 Medical Director. During the term of this Agreement, commencing on and as of October 1, 2014, (the “**Commencement Date**”), Physician shall serve and be designated as the Medical Director of Radiation Oncology in accordance with the terms and provisions of this Agreement. In this regard, commencing on and as of the Commencement Date, Physician shall perform, for and on behalf of the Hospital, and in a competent, proactive, efficient and satisfactory manner, those medical administrative services as Medical Director of Radiation Oncology (“**Director Duties**”) set forth in the Medical Director - Radiation Oncology Scope of Responsibilities, attached as Exhibit A and incorporated herein by this reference.

2.2 Dedication of Time. Physician shall devote such time as is necessary to perform the Director Duties and responsibilities set forth in this Agreement. Such Director Duties and time shall not include the provision of professional medical services to patients. The parties agree that Physician will provide Radiation Oncology Director Duties and receive compensation therefor, as set forth in the Medical Director – Radiation Oncology Fee Schedule, attached as Exhibit B and incorporated herein by this reference.

2.3 Ultimate Authority. Physician hereby acknowledges and agrees that, notwithstanding any other provision contained in this Agreement, Hospital and, as its agent, Hospital’s Chief Executive Officer shall retain final and ultimate decision making authority over the business affairs of Facility, including without limitation the development and operation of the Facility.

2.4 Qualifications. Physician shall maintain on an unrestricted basis:

- (a) California licensure as a physician;
 - (b) Membership in good standing on Hospital’s medical staff and appropriate clinical privileges at Hospital in the Physician’s practice specialty;
 - (c) Federal Drug Enforcement Administration (“**DEA**”) registration;
 - (d) Professional liability insurance as set forth in Section 6.1;
 - (e) Participation in good standing in the Medicare and Medi-Cal programs;
- and
- (f) Board certification in Physician’s practice specialty, as determined by the Hospital.

**ARTICLE III
COMPENSATION**

3.1 Compensation for Director Duties. Subject to the completion of a Service Time Log, as described in Section 3.2 and within fifteen (15) days after the receipt of the Service Time Log, for each calendar month of the term of this Agreement (each, a “**Service Month**”), Hospital

shall pay to Physician monthly compensation (“**Compensation**”) for all Director Duties provided hereunder. Such Compensation shall be paid on an hourly basis for each hour (to be prorated for partial hours) actually spent by Physician in providing reasonable and necessary Director Duties during such Service Month. The hourly rate for the provision of Radiation Oncology Duties shall be Two Hundred Dollars (\$200) for each hour of service, up to five hundred (500) hours per year, not to exceed One Hundred Thousand Dollars (\$100,000) per year for the work actually performed pursuant to this Agreement (see **Exhibit B**). Notwithstanding the foregoing, Hospital’s obligation to pay any Compensation to Physician shall be expressly conditioned upon Physician’s timely submission of a Service Time Log documenting reasonable and necessary services actually performed that are applicable to such payment, and the written approval of such Service Time Log by Hospital.

3.2 Service Time Log. Each month during the term of this Agreement, Physician shall submit a written time log reflecting the actual time spent by Physician and the actual duties performed as Director Duties during the prior month in a form accepted by Hospital. Physician shall submit such Service Time Log to Hospital within ten (10) days following the end of each Service Month. No compensation shall be paid to Physician for a Service Month unless a Service Time Log for that Service Month has been submitted to and approved by Hospital.

3.3 Commercial Reasonableness. The parties have mutually agreed, through arm’s length negotiations, that Physician’s Compensation hereunder is commercially reasonable and reflects the fair market value of the Director Duties to be provided by Physician pursuant to this Agreement. Moreover, the parties further acknowledge and agree that such Compensation has not been and shall not be determined in a manner that takes into account the volume or value of any patient referrals or business otherwise generated between the parties or any third parties, including without limitation any referrals or business for which payment may be made, in whole or in part, under any federal or state funded health care program.

3.4 No Billing by Physician. Physician and Hospital hereby acknowledge and agree that the Compensation shall reflect full and complete payment by Hospital for all Director Duties provided hereunder by Physician as the Medical Director pursuant to Article II above. The parties further agree that the Compensation shall not constitute any payments for the professional practice of medicine, and Physician shall not bill or assert any claim for payment against any patient, third party payor, or any other party other than Hospital for Director Duties performed by Physician under this Agreement.

3.5 Independent Contractor. In the performance of this Agreement, Physician is acting as independent contractor, and shall not be considered an employee of the Hospital or District. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties, and nothing contained herein shall be construed to authorize either party to act as agent for the other. Physician shall be liable for its own debts, obligations, acts and omissions, including the payment of all withholding, social security and other taxes and benefits. As an independent contractor, Physician is responsible for filing such tax returns and for all such employment taxes with respect to Physician as may be required by law or regulations. Physician shall not be subject to any Hospital policies solely applicable to the Hospital’s employees, and shall not be eligible for any employee benefit plan offered by Hospital. In the event that this independent contractor relationship is determined by

tax authorities to constitute an employment relationship: (a) Physician hereby waives, for the period prior to the date such determination becomes final, any and all claims to coverage under any Hospital pension, profit sharing, health, dental, welfare or similar type plans which are generally limited to Hospital employees, unless otherwise agreed by Hospital in writing; and (b) Physician shall reimburse Hospital for any and all sums expended by Hospital related to taxes, employee benefits or other employment-related matters (including reasonable attorneys' fees) with ten (10) days of remittance to Physician for reimbursement.

ARTICLE IV SUPPORT SERVICES

4.1 Space and Equipment. Hospital shall furnish the physical space and equipment reasonably required for Physician to carry out his Director Duties hereunder. Physician shall use and occupy any premises of Hospital pursuant to this Agreement solely for the purpose of performing such Director Duties. Nothing contained in this Agreement shall be construed by the parties to constitute a lease of any such premises to Physician, and no part of said premises shall be used at any time by Physician hereunder as an office for the general or private practice of medicine or for any other private business concern.

4.2 In-Service and Supplies. Hospital shall furnish such ordinary janitor, photocopying, telecommunication, computer system, internet access, secretarial, and administrative support, electricity for light and power, and other in-services and supplies, all as reasonably required for Physician to carry out his Director Duties hereunder.

ARTICLE V TERM AND TERMINATION

5.1 Term. The term of this Agreement shall commence on the Effective Date set forth herein above and continue for a period of one (1) year thereafter, unless terminated earlier pursuant to the terms of this Agreement. The parties may renew this Agreement upon written terms and conditions mutually approved by the parties; provided, however, that neither party is obligated hereunder to renew this Agreement.

5.2 Termination Without Cause. Hospital and Physician shall each have the right to terminate this Agreement, without cause, upon giving not less than ninety (90) days' prior written notice to the other party.

5.3 Termination with Cause. Hospital shall have the right to terminate this Agreement upon failure of Physician to cure a breach of any term hereof which Hospital, at its sole discretion, has given Physician an opportunity to cure, within thirty (30) calendar days after written notice of said breach and opportunity to cure.

5.4 Immediate Termination by Hospital. Notwithstanding Sections 5.2 and 5.3, Hospital shall have the right, but not the obligation, to terminate this Agreement immediately upon notice to Physician in the event of the occurrence of any of the following events:

(a) Physician is excluded, suspended, terminated or otherwise determined to be ineligible from participation in any state or federally funded healthcare program (each, a “**Government Program Exclusion**”);

(b) Any restriction, suspension or revocation of Physician’s license to practice medicine in any state, without regard to whether such adverse action has been fully adjudicated;

(c) Any restriction, suspension or revocation of Physician’s medical staff privileges at any health care facility, without regard to whether such adverse action had been fully adjudicated;

(d) Any restriction, suspension or revocation of Physician’s federal DEA number, without regard to whether such adverse action had been fully adjudicated;

(e) Physician engages in conduct which is reasonably determined by the Hospital to be contrary to the Hospital’s or Facility’s bylaws, rules, regulations, code of conduct or policies or procedures, all as may be amended from time-to-time by Hospital (collectively, “**Rules**”);

(f) Physician engages in conduct which is reasonably determined by Hospital to be prejudicial or adverse to the best interest, reputation or welfare of Hospital or its patients;

(g) Physician is investigated or convicted of a criminal offense relating to health care, or is investigated or convicted of any felony or any other crime involving moral turpitude or immoral conduct;

(h) The death of Physician or the inability of Physician to attend to the Director Duties for a period in excess of ninety (90) days, whether consecutive or not, during the term hereof, for any reason other than absence approved by Hospital in advance;

(i) Hospital enters into an agreement for the sale, assignment, lease or other transfer of the Hospital or all or substantially all of Hospital’s assets to another person or entity;

(j) Hospital suffers an appointment of a receiver, custodian, examiner or a trustee for any of its property or assets;

(k) Failure of Physician to comply with the insurance requirements of Section 6.1 of this Agreement.

5.5 Legal Requirements. In the event that either party’s legal counsel advises such party that this Agreement, or any practices which could be, or are, employed by either party in exercising rights or discharging obligations under this Agreement, pose a material risk of violating any of the legal requirements imposed on or otherwise governing the performance of this Agreement, including without limitation any federal or state anti-kickback or physician self-referral laws, regulations, or guidelines, such party shall promptly notify the other party of such advice. The parties in good faith shall undertake to revise this Agreement to comply with such legal requirements. In the event that the parties are unable to agree upon the revised terms within

thirty (30) days after such notice of advice is received by the other party, then either party may terminate this Agreement immediately upon giving written notice to the other party.

5.6 Effect of Termination.

(a) Upon the expiration or termination of this Agreement, neither party shall have any further obligation hereunder except for: (i) obligations due and owing which arose prior to the date of expiration or termination; and (ii) obligations, promises or covenants contained in this Agreement which expressly extend beyond the term hereof.

(b) Upon the expiration or termination of this Agreement, Physician shall promptly deliver and return to Hospital all of Hospital's property, including without limitation all of Hospital's supplies, patient records, and all materials, records and writings of any type (including all copies thereof) in his possession that constitute confidential, proprietary or trade secret information and/or property owned by Hospital.

(c) Notwithstanding anything in this Agreement to the contrary, in the event of any termination of this Agreement effective during the initial twelve (12) months of its term, the parties shall not enter into the same or substantially the same arrangement during such initial twelve (12) month period; provided, however, the parties shall not be prohibited from renegotiating this Agreement if, with the advice of legal counsel, the parties mutually agree that such renegotiation is not prohibited by applicable federal or state statutes and regulations, including without limitation the federal anti-kickback statute set forth at 42 U.S.C. Section 1320a-7b, the federal physician self-referral prohibition set forth at 42 U.S.C. Section 1395nn, or similar state laws.

ARTICLE VI INSURANCE AND INDEMNIFICATION

6.1 Insurance. During the term of this Agreement, Physician shall maintain, at Physician's sole expense, professional liability insurance in the minimum amounts of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate from a reputable insurance company. Physician agrees to provide proof of such coverage upon the reasonable request of Hospital. Physician shall provide Hospital with a statement from the insurance company that the Hospital shall be notified at least thirty (30) days prior to any change to or cancellation of such insurance coverage. If the coverage is on a claims-made basis, Physician hereby agrees that not less than thirty (30) days prior to the effective date of termination by Physician of Physician's insurance coverage by Physician's current insurance company, Physician shall: (1) purchase tail or retroactive coverage in the above-stated amounts for all claims arising out of incidents occurring prior to termination of coverage by Physician's current carrier; and (2) provide Hospital with a certificate of such coverage.

6.2 Indemnification.

(a) Physician shall defend, indemnify, and hold harmless Hospital, its officers, employees, agents and affiliated entities from and against all losses, expenses, including attorneys' fees, damages, and liabilities of any kind incurred by Hospital (collectively, the "**Claims**") resulting from or arising out of Physician's performance hereunder, which are caused

or claimed to be caused by the negligent or willful acts or omissions of Physician, its officers, employees, agents, subcontractors, or anyone directly or indirectly employed by them, or any other person or persons under Physician's direction and control; provided however, that Physician shall not have responsibility to indemnify, protect and hold Hospital harmless from and against any Claim occurring through the negligence of Hospital or any of Hospital's employees or agents.

(b) Hospital shall defend, indemnify and hold harmless Physician, its officers, employees, agents and affiliated entities from and against all Claims resulting from or arising out of Hospital's performance hereunder, which are caused or claimed to be caused by the negligent or willful acts or omissions of Hospital, its officers, employees, agents, subcontractors, or anyone directly or indirectly employed by them, or any other person or persons under Hospital's direction and control; provided however, that Hospital shall have no responsibility to indemnify, protect and hold Physician harmless from and against any Claim occurring through the negligence of Physician or any of Physician's employees or agents.

ARTICLE VII HOSPITAL AND FACILITY NAMES AND MARKS

Physician shall not use the name, logos, symbols, service marks or trademarks of Hospital and/or any facility owned Hospital (collectively, the "**Names and Marks**") without the prior written consent of Hospital. In this regard, the parties mutually acknowledge and agree that all right, title and interest in and to any such Names and Marks shall be the exclusive property of Hospital. Notwithstanding anything in this Agreement to the contrary, Physician shall have no claim whatsoever regarding the use or ownership of any such Names and Marks.

ARTICLE VIII EXCLUSIVITY; RESTRICTIONS

8.1 Intent. The parties acknowledge and agree that, in furtherance of Hospital's principal business goals and initiatives, Hospital must assure appropriate and continuous medical administrative leadership in Facility with regard to the development and operation of the Facility; and, in so doing, Hospital must be assured that Physician will maintain an active commitment to achieving Hospital's business goals in the performance of this Agreement. Therefore, during the term of this Agreement, Physician shall be bound by and shall fully comply with the following restrictions as set forth in Section 8.2 below.

8.2 Restrictions.

(a) Except as otherwise provided herein, during the term of this Agreement, Physician shall not, without the prior written consent of Hospital, provide similar medical administrative or consulting services for or on behalf of any hospital which is or will be in competition with Hospital. Each party specifically acknowledges and agrees that the foregoing restrictions are a condition precedent to Hospital's entering into this Agreement, that such restrictions are reasonable and necessary to protect the legitimate business interests of Hospital, and that such parties would not have entered into this Agreement in the absence of such restrictions. The parties further acknowledge that any violation of this Section 8.2 would result

in irreparable injury to Hospital and that the remedy at law for monetary compensation resulting from any breach of this Section 8.2 would be inadequate. Accordingly, in the event of any such breach by Physician, and in addition to any other relief available to it, Hospital shall be entitled to temporary injunctive relief against Physician, as applicable, before arbitration or trial from any court of competent jurisdiction as a matter of course, upon the posting of not more than a nominal bond, and to permanent injunctive relief without the necessity of proving actual damages. In the event that the provisions contained in this Section 8.2 shall ever be deemed to exceed the time or geographic limits or any other limitation permitted by applicable law, then such provisions shall be deemed reformed to the maximum extent permitted by applicable law.

(b) Nothing contained in the foregoing provisions of this Section 8.2 shall be construed to control, prohibit or restrict the methods by which Physician shall perform Director Duties in accordance with or otherwise contemplated under this Agreement.

(c) Nothing contained in the foregoing provisions of this Section 8.2 shall be construed to prohibit or otherwise restrict Physician from referring, admitting or treating patients to or at any hospital inpatient or outpatient facility, or otherwise engaging in the private practice of medicine.

ARTICLE IX CONFIDENTIALITY

9.1 Proprietary Information. The parties recognize that, due to the nature of this Agreement, Physician will have access to and knowledge of information of a confidential and proprietary nature owned by Hospital, including without limitation any and all form documents, any and all information relating to payor contracts and accounts, billing practices and procedures, any and all computer programs devised by or licensed to Hospital, any and all copyrights, inventions and other intellectual property, any and all operating manuals, any and all clinical studies and other research, customer and patient lists, and other materials or records that constitute or describe the systems, policies and procedures, methods of doing business, administrative, advertising or marketing techniques or work product, financial affairs and other similar information or property utilized in connection with the operation of Hospital's business (collectively, "**Proprietary Information**"). Consequently, Physician acknowledges and agrees that Hospital has a proprietary interest in all such Proprietary Information and that all such Proprietary Information constitutes confidential and proprietary information and the trade secret property of Hospital. Physician hereby expressly and knowingly waives any and all right, title and interest in and to such trade secrets and proprietary and confidential information included in Hospital's Proprietary Information.

9.2 Nondisclosure. During the term of this Agreement, Physician shall not use or otherwise disclose to anyone, other than authorized persons or entities engaged or employed by Hospital with an appropriate need to know, any Proprietary Information obtained from or otherwise owned by Hospital, without Hospital's prior written consent, except as otherwise required by law. After the expiration or other termination of this Agreement, Physician shall not use or otherwise disclose to anyone any Proprietary Information obtained from or otherwise owned by Hospital, without Hospital's prior written consent, except as otherwise required by law. The parties acknowledge and agree that the foregoing covenant is perpetual and shall

survive the expiration or other termination of this Agreement. For purposes of this Article IX, Proprietary Information shall not include information which is now, or becomes, generally available to the public other than by any disclosure made in violation of this Article IX.

9.3 Confidentiality of Agreement. The terms of this Agreement are confidential and shall not be disclosed, except as necessary to the performance of this Agreement or as required by law. Notwithstanding the foregoing, a party may disclose this Agreement to its lawyers, accountants and other professional advisors. The foregoing obligations and requirements concerning confidentiality of this Agreement shall survive the expiration or other termination of this Agreement.

9.4 Patient Records. Notwithstanding and in addition to the requirements set forth in Article IX above, Physician shall maintain and safeguard the confidentiality of all patient records, charts and other related patient information, generated in connection with the operation of the Hospital or ICU, in accordance with all applicable federal and state statutes and related governmental regulations and with all other legal or contractual requirements imposed on Hospital or Facility, or Physician in connection therewith. In this regard, without limiting the generality or scope of the foregoing, Physician shall comply with the applicable provisions of the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“**HITECH Act**”), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (“**HIPAA Regulations**”), the California Confidentiality of Medical Information Act, and other applicable laws, including without limitation state patient privacy laws, as such laws may be amended from time to time. Physician covenants that Physician will not copy any portion of these records manually, electronically or otherwise, except in the case of medical necessity, or with Hospital’s prior written approval. The foregoing obligations and requirements concerning patient confidentiality shall survive the expiration or other termination of this Agreement.

9.5 Injunctive Relief. Physician specifically acknowledges and agrees that the restrictions set forth in this Article IX are reasonable and necessary to protect Hospital’s legitimate business interests. The parties acknowledge that any violation of this Article IX would result in irreparable injury to Hospital, and that the remedy at law for monetary compensation resulting from any breach of this Article IX would be inadequate. Accordingly, in the event of any such breach by Physician, and in addition to any other relief available to it, Hospital shall be entitled to temporary injunctive relief before arbitration or trial from any court of competent jurisdiction as a matter of course, upon the posting of not more than a nominal bond, and to permanent injunctive relief without the necessity of proving actual damages. Physician also acknowledges and agrees that Hospital shall be entitled to an equitable accounting of all earnings, profits and other benefits arising from such breach and further agrees to pay the reasonable fees and expenses, including without limitation attorneys’ fees incurred by Hospital in enforcing the restrictions contained in this Article IX. In the event that the provisions contained in this Article IX shall ever be deemed to exceed any limitation permitted by applicable law, then such provisions shall be deemed reformed to the maximum extent permitted by applicable law.

**ARTICLE X
ACCESS TO BOOKS AND RECORDS**

10.1 Cooperation. Physician shall, in connection with the subject matter of this Agreement, cooperate fully with Hospital, by maintaining and making available all necessary books, documents and records, in order to assure that Hospital will be able to meet all requirements for participation in and payment associated with public or private third-party payment programs (e.g., the Medicare Program), including without limitation matters covered by Section 1861(v) (1) (I) of the Social Security Act, as amended.

10.2 Compliance. For the purpose of implementing Section 1861(v) (1) (I) of the Social Security Act, and any written regulations promulgated thereunder, Physician shall comply with the following statutory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(a) Until the expiration of ten (10) years after the furnishing of services pursuant to this Agreement, Physician shall make available to the Secretary of Health and Human Services or the Comptroller General of the United States, or their duly authorized representatives, upon written request of any of them, this Agreement, and all books, documents and records that are necessary to certify the nature and extent of the cost of such services, and

(b) If Physician carries out any of the duties of this Agreement through a subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of ten (10) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request, to the Secretary or the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

10.3 Notification. If Physician is requested to disclose books, documents or records pursuant to this Article X, Physician shall, unless otherwise constrained by law or applicable regulation of any governmental authority, notify Hospital of the nature and scope of such request and shall make available, upon the written request of Hospital, all such books, documents or records during the regular business hours of Physician.

**ARTICLE XI
ANTI-REFERRAL LAWS**

11.1 No Consideration for Referrals. Hospital and Physician hereby acknowledge and agree that: (a) nothing in this Agreement or in any other written or oral agreement between Hospital and Physician, nor any consideration offered or paid in connection with such agreements, contemplates or requires the admission or referral of any patient to the Hospital; (b) any such agreements are not intended to influence Physician's judgment in choosing the medical facility appropriate for the proper care and treatment of Physician's patients; and (c) the overall value of the services and other consideration exchanged by and between Hospital and Physician pursuant to this Agreement are substantially equivalent.

11.2 Specific Laws. Each party acknowledges, and is hereby bound by, the obligation of such party to comply with applicable federal and state laws governing referral of patients, as may be in effect or amended from time-to-time, including without limitation:

(a) Payments for referral or to induce the referral of patients (California Business and Professions Code Section 650; California Labor Code Section 3215; and the Medicare/Medicaid Fraud and Abuse Law, Section 1128B of the Social Security Act and the regulations promulgated there under); and

(b) The referral of patients by a physician for certain designated health services to any entity with which the physician (or his/her immediate family) has a financial relationship (California Labor Code Sections 139.3 and 139.31, applicable to referrals for workers' compensation services; California Business and Professions Code Sections 650.01 and 650.02, applicable to all other patient referrals within the State of California; and Section 1877 of the Social Security Act, applicable to referrals of Medicare patients, and the regulations promulgated there under).

ARTICLE XII ADDITIONAL REPRESENTATIONS

12.1 Representations and Obligations of Physician. Physician represents, warrants, and covenants to Hospital that upon execution and throughout the term of this Agreement:

(a) Physician shall comply with all applicable federal, state and local laws, related governmental regulations and accrediting standards governing or otherwise concerning any and all of Physician's business operations as well as the business operations of Hospital, including without limitation all licensure, reimbursement, anti-kickback and self-referral statutes, regulations and standards.

(b) Physician has not been excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or by any equivalent or coordinating federal or state governmental agencies.

(c) Physician shall fully comply with all applicable Rules and otherwise fully cooperate with Hospital in the performance of this Agreement during the term hereof, including without limitation preparing and executing all documents and attending all meetings, as may be reasonably requested by Hospital or otherwise required by applicable law, in connection with the provision of medical administrative Director Duties or for the conduct of the operations of Hospital.

(d) Physician is currently, and for the duration of the term hereof shall remain at all times, duly licensed and/or authorized to practice medicine in the State of California, duly qualified to render specialized professional medical services in the specialty of radiation oncology medicine and in good standing with the Medical Board of California.

(e) Physician is currently a member in good standing with Hospital's medical staff.

(f) Physician has a Federal DEA license without restriction.

(g) Physician's license to practice medicine in the State of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action or restricted in any way.

(h) Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction.

(i) Physician is not the subject of an investigatory, disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body.

(j) Physician is board certified in the specialty of radiation oncology medicine.

(k) Physician is not in any manner whatsoever breaching any other agreement, covenant or obligation, or otherwise violating any statute, regulation or ordinance, by entering into this Agreement or otherwise acting as a party or performing hereunder, and that the consent of any third party is not required in any manner whatsoever for Physician to enter into this Agreement and/or act as a party or perform hereunder.

12.2 Notification to Hospital or Facility. Upon the occurrence of any event which causes any of the above representations set forth in this Article XII to no longer be true, Physician shall provide written notification to Hospital or Facility within forty-eight (48) hours of such event.

ARTICLE XIII MISCELLANEOUS

13.1 Assignment and Delegation. Neither this Agreement nor any right or duty hereunder may be assigned or delegated by Physician without the prior written consent of Hospital in its sole discretion. Any attempted or purported assignment by Physician in violation of this provision shall be void and without force or effect. Hospital, in the exercise of its sole and absolute discretion, shall have the right at any time, without the consent of Physician, to assign, delegate or in any manner transfer all or any portion of its interests, obligations or duties under this Agreement to any person, group or entity affiliated with Hospital or to any successor-in-interest which acquires the Hospital or which acquires substantially all of Hospital's assets.

13.2 Binding on Successor-in-Interest. The provisions of this Agreement and the obligations and interests arising hereunder shall extend to and be binding upon and inure to the benefit of the lawful assigns and successors of the respective parties.

13.3 Third Party Beneficiary. None of the provisions contained in this Agreement is intended by the parties, nor shall any be deemed, to confer any benefit on any person or entity not a party.

13.4 Notices. Written notice required under this Agreement shall be given personally or sent by United States certified mail, return receipt requested, or by private overnight mail service, postage prepaid, and addressed to the parties at addresses shown below (or such other address as may hereafter be designated by a party by written notice thereof to the other party). Such notice shall be effective upon delivery, if given personally, or if mailed as provided for above such notice shall be effective upon the date shown on the delivery receipt.

HOSPITAL: Tahoe Forest Hospital
10121 Pine Avenue
P.O. Box 759
Truckee, CA 96160
Attention: Chief Executive Officer

PHYSICIAN: Daphne Palmer, M.D.
11982 Stallion Way
Truckee, California 96161

Either party may change its address indicated above by notifying all other parties in writing of such change of address in the manner specified in this Section 13.4.

13.5 Gender and Pronouns. Whenever appropriate from the context of this Agreement, the use of any gender shall include any and all other genders, and the single number shall include the plural, and the plural number shall include the singular.

13.6 Severability. If any term or provision of this Agreement is held to be invalid, void or illegal by a court of competent jurisdiction, the validity and enforceability of the remaining terms and provisions of this Agreement shall not be affected thereby, and such remaining terms and provisions shall continue to be in full force and effect.

13.7 Governing Law. The existence, validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to its principles of conflict of laws.

13.8 Entire Agreement; Amendment. The making, execution and delivery of this Agreement by the parties have not been induced by any representations, statements, warranties or agreements other than those expressed in this Agreement. This Agreement, together with any attachments or exhibits, embodies the entire understanding of the parties regarding the subject matter of this Agreement, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to such subject matter. This Agreement shall supersede and terminate any previous oral or written agreements between the parties with respect to the subject matter hereof, and any such prior agreements are null and void. This Agreement may be amended or modified only by an instrument in writing signed by all of the parties.

13.9 Waiver of Provisions. The failure of a party to insist upon strict adherence to or performance of any provision of this Agreement on any occasion shall not be considered a waiver nor shall it deprive that party of the right thereafter to enforce performance of or

adherence to that provision or any other provision of this Agreement. Any waiver of any terms and conditions hereof must be in writing, and signed by the parties.

13.10 Captions and Headings. Any captions to or headings of the articles, sections, subsections, paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of validity of this Agreement or any provision hereof.

13.11 Dispute Resolution.

(a) Informal Resolution Processes. Any questions or disagreements arising under this Agreement regarding the quality of care provided to Hospital patients shall be submitted to the Medical Executive Committee. Any other questions or disagreements (other than those regarding quality of care) arising under this Agreement, including any questions concerning the interpretation of this Agreement, shall be submitted to Hospital's Chief Executive Officer. If the dispute cannot be resolved by the Chief Executive Officer within ninety (90) days of submission, either party may submit the resolution to arbitration pursuant to Section 6.5(b).

(b) Arbitration. With the exception of disputes regarding the quality of care, which shall be resolved according to the provisions of Section 6.5(a), all disputes relating to, arising out of or in connection with the validity, interpretation or performance of this Agreement, including tort claims, shall be resolved by arbitration. The arbitration will proceed in accordance with the commercial rules of arbitration of the American Arbitration Association, as supplemented or modified by this Agreement. Written notice of a claim and demand for arbitration must be given to the other party (the "Respondent") not more than one hundred and twenty (120) days after the date of (i) the events giving rise to the claim occur or (ii) the date the claim is discovered. Response to the demand for arbitration shall be due not later than twenty (20) days after receipt of notice. The claim will be deemed denied if Respondent does not answer the demand within that time period. Not more than twenty (20) days after Respondent answers the demand (or if there is no answer, after the time for answer has elapsed) (the "Answer Date"), the parties shall select a single neutral arbitrator. If the parties cannot agree upon such arbitrator within twenty (20) days of the Answer Date, then each party shall choose an arbitrator and the two arbitrators together shall select a third arbitrator (the "Arbitrators") and the matter shall be arbitrated by the panel of three Arbitrators. If the two Arbitrators are unable to agree upon a third Arbitrator prior to the thirtieth (30th) day after the Answer Date, then either party may request the American Arbitration Association to select the third Arbitrator. Any Arbitrator selected under this Section shall be a person with business, financial or legal experience in the health care industry of at least five (5) years, who is generally familiar with the issues in dispute. The arbitration shall take place in Truckee, California, or another location mutually agreed upon by the parties. The Arbitrator(s) may construe or interpret but shall not ignore the terms of this Agreement and shall be bound by California substantive law. The arbitration decision shall include written findings of fact and conclusions of law. The arbitration decision may include equitable relief, but may not include punitive or exemplary damages. The Arbitrator(s) shall not have the power to commit errors of law or legal reasoning and the Arbitrator's(s') decision may be vacated or corrected pursuant to California Code of Civil Procedure Sections 1286.2 or 1286.6 for any such error. The prevailing party, as determined by the Arbitrator(s), shall be entitled to reasonable attorneys' fees and costs. In cases submitted to arbitration, the parties

agree to share equally in the administrative fee, if any, unless otherwise assessed against the non-prevailing party by the Arbitrator(s). The parties agree that the decision of the Arbitrator(s) shall be final and binding as to each of them, and that the arbitration award may be enforced in any court having jurisdiction thereof, by the filing of a petition to enforce said award.

(c) Equitable Relief. The foregoing provisions of this Article XXIII shall not be interpreted in any manner whatsoever to restrict the right of either party to this Agreement to pursue equitable relief from a court of competent jurisdiction at any time or to terminate this Agreement in accordance with the terms hereof. In the event that either party wishes to obtain injunctive relief or a temporary restraining order from a court of competent jurisdiction, the decision of such court with respect to the requested injunctive relief or temporary restraining order shall be subject to appeal only as allowed under California law. Such court shall not, however, have the authority to review or grant any request or demand for damages.

13.12 Venue. The parties agree that Nevada County, California shall be the only proper venue for disputes related to this Agreement.

13.13 Attorneys' Fees. Notwithstanding and in addition to the provisions in Article XXIII above, if legal action is required by either party to enforce the terms of this Agreement, the prevailing party in such action shall be entitled to reimbursement for reasonable costs and attorneys' fees incurred in connection therewith.

13.14 Survival of Provisions. The provisions of sections 3.5; 6.1; 6.2; 9.1; 9.2; 9.3; 9.4; 9.5; 10.1; 10.2; 10.3; 12.1; 13.7, 13.11, 13.12, 13.14, and Article VII hereof shall survive any expiration or termination of this Agreement.

13.15 Force Majeure. Neither party shall be liable nor deemed to be in default for any delay, interruption or failure in performance under this Agreement that results, directly or indirectly, from Acts of God, acts of civil or military authority, war, terrorism, accidents, fires, explosions, earthquakes, floods, failure of transportation, machinery or supplies, vandalism, riots, civil disturbances, strike or other work interruptions by such party's employees or any similar or dissimilar cause beyond the reasonable control of such party. However, the parties shall make good faith efforts to perform under this Agreement in the event of any such circumstances.

13.16 Disclosure of Conflicts of Interest. Physician agrees to adhere to Hospital's conflicts of interest policy, as from time to time in effect, and to disclose to Hospital any matter or transaction in which Physician is involved that conflicts with the interest of Hospital in Physician's satisfactory performance of Specialty services under this Agreement.

13.17 Tax-Exempt Financing. In the event Hospital intends to seek tax-exempt financing, Hospital and Physician shall negotiate in good faith to amend this Agreement to the extent deemed necessary by bond counsel involved in that financing. If Hospital and Physician do not agree to the terms of such an amendment, Hospital may terminate this Agreement pursuant to Section 5.2.

13.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties, for themselves or by their authorized officers, as applicable, have caused this Agreement to be executed effective as of the Effective Date set forth hereinabove.

**“Hospital”
Tahoe Forest Hospital District,
a California Hospital District**

By: _____
Robert A. Schapper, CEO

**“Physician”
Daphne Palmer, M.D., an individual**

By: _____
Daphne Palmer, M.D.

EXHIBIT A – SCOPE OF RESPONSIBILITIES

TAHOE FOREST HOSPITAL DISTRICT

MEDICAL DIRECTOR – RADIOLOGY ONCOLOGY

Physician serves as Radiation Oncology Medical Director at Tahoe Forest Hospital with responsibilities that shall include the following and other responsibilities which may from time to time be deemed necessary and mutually agreed upon:

The Radiation Oncology Medical Director shall be responsible for directing the medical administrative activities of the Radiation Oncology Program, an outpatient department of Tahoe Forest Hospital (the “Hospital”), to ensure acceptable standards of medical care.

ESSENTIAL FUNCTIONS:

Program Oversight. To review and take steps to improve, where necessary, the clinical performance of specific programs; oversee resource management efforts and the development of protocols, guidelines and pathways.

Program Integration: To assure processes are in place to manage medical policy and clinical continuity throughout the Center.

Medical Administration: To assure, where appropriate, the effective scheduling of physician services to meet clinical needs; to resolve conflicts; to serve on appropriate Hospital medical staff committees; in collaboration with other program leadership, develop a collaborative, multidisciplinary model of cancer care for the Cancer Center.

- Meet regularly, at least bi-weekly, with nursing, medical, paramedical personnel and administration in Radiation Therapy to discuss concerns and opportunities relating to the Department/Program.
- Meet weekly or bi-weekly with the Medical Director of the Cancer Center to discuss the programs development, clinical outcomes, program growth, and clinical integration and other issues as appropriate.
- Facilitate the adoption, implementation and utilization of the Cancer Center’s Electronic Medical Record of Varian/Aria in the Radiation Oncology Department.
- To provide oversight and guidance in the conduct of clinical research activities. Work collaboratively with UC Davis in the conduct of clinical research in the Department.

Education Oversight: To identify and meet physician continuing educational needs, collaborate on community, staff and patient education programming.

Compliance: To promote compliance with all accreditation, Medicare and state licensing standards applicable to the clinical management of the patients treated at the Center.

Quality Improvement: To assure that processes are in place to (1) measure and evaluate outcomes processes of care; and (2) use this information to improve the quality of care. To assure processes are in place to manage medical policy, patient flow and clinical continuity from radiation oncology to other services both within and outside the Cancer Center.

Program Development: In conjunction with others on the management team, initiate, develop or review proposal for new, or expansion of existing clinical programs.

Public Relations: To act as senior physician spokesperson for the Radiation Oncology Department at the Center.

WORKING RELATIONSHIPS

- Hospital administration and personnel
- Diagnostic Imaging staff
- Physicians
- Program Administrator
- Clinical departmental managers
- Patients, families, and the public
- Vendors

The Medical Director will maintain a reporting relationship with the Chief of the Medical Staff of the Hospital.

MAJOR CHALLENGES

- To provide the best place for physicians to practice medicine
- To provide quality efficient care for Center patients
- To prioritize workload and meet deadlines

DECISION MAKING RESPONSIBILITIES

Any decision necessary to ensure the efficient clinical operation of the business unit consistent with Hospital policy.

KNOWLEDGE, SKILLS AND ABILITIES

1. Must have sufficient leadership abilities to promote a vision of the overall cancer center program.
2. Must be knowledgeable and experienced in the provision of Radiation Oncology care with a clear understanding and appreciation of medical integrity and ethics.
3. Must have sufficient organizational skill to manage and direct a team providing care to patients with cancer and other related diseases.
4. Must have sufficient diplomatic skills to coordinate and prioritize competing cancer center program initiatives in order to produce broad-based consensus and success.

SCOPE: The responsibilities detailed above require a part time commitment.

EXHIBIT B – PROFESSIONAL FEE SCHEDULE

TAHOE FOREST HOSPITAL DISTRICT

MEDICAL DIRECTOR – RADIATION ONCOLOGY

The Schedule of Fees set forth below shall represent Physician’s complete compensation for professional services rendered under this Agreement. Any changes to said schedule shall be agreed upon in writing by both parties and shall be in substantial accordance with fees for comparable services in the general service area of the facility.

Professional Fee Schedule

\$200 for each hour of service, up to 500 hours per year, not to exceed \$100,000 per year for the work performed pursuant to this Agreement

Does not include attendance at CME training

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MEMORANDUM

[Revised]

DATE: September 15, 2014
TO: Personnel / Retirement Committee Members – See Distribution List Below
FROM: Robert A. Schapper, CEO
SUBJECT: Personnel / Retirement Committee Meeting

The next meeting of the **Personnel / Retirement Committee** will be held on **Wednesday, September 17, 2014 at 12:30 p.m.**, in the Human Resources Conference Room, Tahoe Forest Hospital, 10121 Pine Avenue, Truckee, CA 96161

Presenter for agenda item #6 will be participating via teleconference from 1200 Athens Avenue, Lincoln, California 95648

AGENDA

1. Call to Order
2. Roll Call
3. Clear The Agenda/Items Not On The Posted Agenda
4. Input – Audience
Employee Associations
5. Approval of minutes of 07/15/14..... ATTACHMENT 1
6. Retirement PlanATTACHMENTS 2, 3 & 4
 - A. Fidelity Fees Reduction
 - B. Retirement Plan Performance
 - C. Qualified Determination Letter for Pension Plan and Summary Plan Description (SPD)
 - D. Request for Proposal
7. Bargaining Unit Representation ATTACHMENT 5
8. Policy Review..... ATTACHMENT 6
 - A. Children in the Workplace
 - B. Professional Expectations
9. Employment Contracts ATTACHMENT 7
 - A. Virginia Razo, COO
 - B. Crystal Betts, CFO
10. Best Place to Work and Practice
 - A. New intranet page
 - B. Employee Survey
11. Closed Session
 - A. Government Code Section 54957: CEO Performance Evaluation
12. Open Session
13. Report of Actions Taken in Closed Session
14. Dates for Future Meetings
15. Topics for Future Meetings
16. Adjournment

RAS:pab

Distribution List:	Larry Long, Chair	Roger Kahn
	Jayne O'Flanagan, Director HR	Ginny Razo, PharmD, COO
	Ann Mazzini	DeeDee Holmes
	Barbara Wong (EA)	Stacey Tedsen (EAP)
	Judy Newland, RN, CNO	Alex MacLennan
	Crystal Betts, CFO	

*Denotes material (or a portion thereof) will be distributed at a later date

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.



MEMORANDUM

DATE: September 19, 2014
TO: Finance Committee – See Distribution List Below
FROM: Crystal Betts, Chief Financial Officer
SUBJECT: Finance Committee Meeting

The next Finance Committee meeting will be held on, Monday, September 22, 2014 at 10:00 a.m. in the Eskridge Conference Room, 10121 Donner Pass Rd, Truckee, California.

AGENDA

1. Call To Order
2. Roll Call
3. Clear The Agenda/Items Not On The Posted Agenda
4. Input – Audience
5. Approval of Minutes of Meetings: 8/25/14 ATTACHMENT
6. TFHSF Financial Update` ATTACHMENT
7. Financial Report – July 2014 ATTACHMENT
8. Financial Report – August 2014 ATTACHMENT
9. Pricing Comparisons Update ATTACHMENT
10. FY 2014 Audit - Update
11. Kaufman Hall Projects - Update
12. Agenda Input for Next Finance Committee Meeting ATTACHMENT*
13. Date of Next Finance Committee Meeting
14. Adjourn

CB: pab
Distribution List:

cc: Dale Chamblin Roger Kahn
Robert Schapper Judy Newland Jaye Chasseur
Rick McConn Virginia Razo

*Denotes attachment will 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.

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BoardofDirectors/Committees: 082514 Finance Com Agenda

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MEMORANDUM

DATE: August 21, 2014
TO: Governance Committee Members – See Distribution List Below
FROM: Bob Schapper, Chief Executive Officer
SUBJECT: Special Governance Committee Meeting

The next meeting of the Governance Committee will be held on Friday, August 22, 2014 at 11 a.m. at the Foundation Conference Room, Tahoe Forest Health System Foundation, 10976 Donner Pass Rd, Truckee, CA

AGENDA

1. **Call To Order**
2. **Roll Call**
3. **Clear The Agenda/Items Not On The Posted Agenda**
4. **Input – Audience**
5. **Items for Committee Discussion and/or Recommendation**
 - A. Agenda for meeting with Karma Bass
 - B. Review ACHD Excellence in governance program
 - C. Review ACHD Board Self-assessment tool
 - D. Review board orientation materials and program
6. **Closed Session**
7. **Open Session**
8. **Report of Actions Taken in Closed Session**
9. **Next Meeting Tasks and Date**
10. **Adjourn**

RAS:smj

Distribution List: Karen Sessler, Chair John Mohun

 Judy Newland Crystal Betts Ginny Razo
 Jayne O'Flanagan Janet Van Gelder Ted Owens

*Denotes material (or a portion thereof) will 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.

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**SPECIAL MEETING
OF THE
BOARD OF DIRECTORS OF THE TAHOE FOREST HOSPITAL DISTRICT
TO BE HELD ON
THURSDAY, SEPTEMBER 18, 2014 AT 10:00 AM
IN THE
COMMUNITY ROOM, TAHOE TRUCKEE AIRPORT
10356 TRUCKEE AIRPORT RD.
TRUCKEE, CA 96161**

AGENDA

1. **Call to Order**
2. **Roll Call**
3. **Clear the Agenda/Items Not On The Posted Agenda**
4. **Input – Audience**
5. **Open Session**
 - a. **Board Education Workshop – Governance Issues**
6. **Adjourn**

ATTACHMENT

Robert A. Schapper
Chief Executive Officer

RS:pab

*Denotes material (or a portion thereof) will be distributed at a later date

**The entire manual/document is available for review via the Chief Executive Officer's Office.

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.

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Regular Board of Director's Meeting

Agenda Items for Next Meeting(s)

October

1. Wellness Neighborhood Update
2. Personnel Committee summarizes all CEO Evaluation input, and distributes draft to BOD for review and finalization
3. Annual Audit Report Presentation & Approval
4. Hospice Update
5. Retirement Discretionary Contribution Plan
6. Education Agreement – Radiologist [Dr. Mohr]

Closed Session:

7. Annual CEO Performance Evaluation Initiated (Closed)
8. OSHPD and Nevada Market Data Update (Closed)