TAHOE FOREST HOSPITAL DISTRICT

Regular Meeting of the Board of Directors

Jul 28, 2015 at 04:00 PM - 10:00 PM

TTUSD

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Meeting Book - 2015 Jul 28 Regular Meeting of the Board of Directors

Agenda Packet Contents

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REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

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

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

1. **CALL TO ORDER**

2. **ROLL CALL**

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

4. **INPUT AUDIENCE:**

5. **CLOSED SESSION:**
   - **5.1. Trade Secrets (Health & Safety Code § 32106)**
     Proposed New Services or Programs: Two (2) items
     Estimated Date of Public Disclosure: 12/31/15 and 06/30/16
   - **5.2. Conference with Legal Counsel; Existing Litigation (Gov. Code § 54956.9(d)(1))**
     The Board finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the local agency in the litigation.
     Name of Case: American Tile v. Tahoe Forest Hospital District
     Names of Parties or Claimants: American Tile
   - **5.3. Quality Report (Health & Safety Code § 32155)**
     Number of items: One (1)
   - **5.4. Medical Staff Credentials (Health & Safety Code § 32155**)
   - **5.5. Approval of Closed Session Minutes of:**
     06/30/2015

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

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

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

10. **INPUT FROM EMPLOYEE ASSOCIATIONS**
    This is an opportunity for members of the Employee Associations to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes.

◈ Denotes Action Item

11. ACKNOWLEDGMENTS

12. MEDICAL STAFF REPORT ◈
- **12.1. Medical Staff Report** ..... ATTACHMENT

13. CONSENT CALENDAR ◈

These items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion. Any Board Member, staff member or interested party may request an item to be removed from the Consent Calendar for discussion prior to voting on the Consent Calendar.

- **13.1. Approval of Minutes of Meetings** ◈
  05/26/2015 and 06/30/2015 ..... ATTACHMENT
- **13.2. Financial Report** ◈
  June 2015 Preliminary Financials ..... ATTACHMENT
- **13.3. Contracts** ◈ ..... ATTACHMENT
  - **13.3.1.** *Tahoe_Infectious_Disease_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015*

14. ITEMS FOR BOARD DISCUSSION AND ACTION

- **14.1. Facilities Operating Room (OR) Light Project Update and Recommendation For Award of Bid** ◈ ..... ATTACHMENT
  **** scheduled item commencing at 6:30 p.m.***
  The Board is asked to approve the award of bid related to the Operating Room (OR) light project.
- **14.2. Resolution Directing Placer And Nevada Counties, California, To Levy a Tax To Pay The Principal of and Interest on The District's General Obligation Bonds for Fiscal Year 2015-16** ◈ ..... ATTACHMENT
  The Board is asked to approve Resolution 2015-05 directing Placer and Nevada Counties to levy a tax.
- **14.3. Contracts** ◈ ..... ATTACHMENT
  - **14.3.1.** NTRMG_TFHD_Diagnostic_Imaging_PSA_2015
- **14.4. ABD-21 Physician and Professional Service Agreements Policy** ◈ ..... ATTACHMENT
  This policy has been updated following Compliance Committee review and is presented for Board Approval.
- **14.5. Board Goals** ◈ ..... ATTACHMENT
  - **14.5.1.** Six-month Check-in/Update
  - **14.5.2.** Meeting Minutes Format
  - **14.5.3.** Board Retreat Date

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

- **15.1. Finance Committee Meeting** – 07/23/2015 ..... ATTACHMENT
- **15.2. Community Benefit Committee** – No meeting
- **15.3. Governance Committee Meeting** – No meeting
- **15.4. Personnel/Retirement Committee Meeting** – No meeting
- **15.5. Quality Committee** – No meeting

16. INFORMATIONAL REPORTS

These reports are provided for information only and not intended for discussion. Any Board Member may request discussion on an item, additional information from staff related to items included in a report, or request a topic be placed on a future agenda for further discussion.

16.1. Strategic Initiatives Update ..... ATTACHMENT
Staff reports will provide updates related to key strategic initiatives.

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

16.3. Marketing Update ..... ATTACHMENT
Staff report will be provided related to marketing initiatives.

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

18. ITEMS FOR NEXT MEETING

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

20. CLOSED SESSION CONTINUED, IF NECESSARY

21. OPEN SESSION

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

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

24. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is August 25, 2015, 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District's web site (www.tfhd.com) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.

◈ Denotes Action Item

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

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

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

MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS FOR APPROVAL BY THE BOARD OF DIRECTORS - OPEN MEETING
July 28, 2015

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
Consent Approval Items		
1. P&T Committee	The P&T Committee recommended approval at their meeting on 7/15/15 of the following: Pre-printed orders: ➢ Admission Orders – addition of RT orders as predefined check boxes instead of fill in the blank ➢ Anesthesia Continuous Epidural Infusion – removal of anticoag guideline statement for CPOE ➢ ED Bridge Transition Orders – removal of dose range for Tylenol for fever ➢ ACS – removal of dose range for morphine ➢ Pediatric Pain Management – Remove Tyco due to safety concern with variable metabolism in children – Approved and will go to OB/PEDS next ➢ OB – Labor – Pre-check of several orders ➢ Ventilator Orders – addition of "sedation" in propofol titration Additions and Deletions to Formulary list: ➢ Removal of Isoproterenol – Medication has not been used ➢ OB Override List – Addition of Midazolam Policies: ➢ Annual approval of ECC P&P's ➢ Pharmacy Electrolyte Protocol – allow pharmacist to D/C after 3 days of labs WNL, approval of new tracking form ➢ TFH/IVCH Pneumococcal Assessment Form – New form (Note: This was an addendum to the P&T meeting as it was approved at IC directly following the meeting).	Approval
2. Infection Control Committee	The Infection Control Committee recommended approval at their meeting on 7/15/15 of the following: ➢ Sharepoint Updates - 90 P&Ps; Policy Owner/Approver updated ➢ AIPC-1501: Transmission-based (Isolation) Precautions - #4	Approval

MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS FOR APPROVAL BY THE BOARD OF DIRECTORS - OPEN MEETING
July 28, 2015

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
	➢ AIPC-1502: ECC Enhanced Standard Precautions - #5 ➢ AIPC-1503: Disposing used Suction Liners - #6 ➢ AIPC-39: Environmental Controls: Temperature and Humidity - #7 ➢ Chemical inventory Updates - #8 ➢ AIPC-59: ICRA Infection Control Risk Assessment for Construction #9 ➢ AIPC-56: Ice Machines Sanitary Care and Maintenance - #10 ➢ AIPC-135: Vaccine Administration Documentation - #11 ➢ ANS-118: Visitors for Patient Care Units - #12 ➢ Infection Control Risk Assessment 2015 - #14	
3. Department of Surgery	The Department of Surgery, at their meeting on 7/13/15, approved the following policies: ➢ Patient Preparation for Elective Procedures - To establish a standardized process for planning elective surgical and other invasive procedures in the Perioperative Services Department of Tahoe Forest Health System. ➢ Perioperative New Products Value Analysis - 1.0 To ensure that all new medical supplies, products, and technologies receive appropriate approvals before being introduced into the Perioperative Services Department at either Tahoe Forest Hospital or Incline Village Community Hospital.	Approval

TAHOE FOREST HOSPITAL DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS
DRAFT MINUTES

Tuesday, May 26, 2015 at 4 p.m.
Tahoe Truckee Unified School District (TTUSD) Office
11603 Donner Pass Rd, Truckee, CA

1. **CALL TO ORDER**
   Meeting called to order at 4:02 p.m.

2. **ROLL CALL**
   Board: Karen Sessler, President; Chuck Zipkin, Vice President; Greg Jellinek, Secretary; Dale Chamblin, Treasurer; John Mohun, Director

   Staff: Jake Dorst, Interim Chief Executive Officer; Jayne O'Flanagan, Director Human Resources; Patricia Barrett, Clerk of the Board

   Other: Michael Colantuono, acting General Counsel

3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
   None.

4. **INPUT AUDIENCE:**
   None.

5. **Identification of district designated labor negotiator**
   The Board will identify the Chief Human Resources Officer (CHRO) as the District's designated negotiator for negotiations with the Employees' Association (EA) and Employees' Association of Professionals (EAP)

   The CHRO provided background related to need for negotiation with the employee associations.

   Director Mohun joined the meeting at 4:05 p.m.

   ACTION: Motion made by Director, seconded by Director Chamblin, to appoint Jayne O'Flanagan, CHRO, as labor negotiator. Roll call vote taken. Approved unanimously.

   Mr. Colantuono read the Board into Closed Session.
   Open session recessed at 4:06 p.m.

6. **CLOSED SESSION:**
   Discussion held on privileged matters.

7. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

◈ Denotes Action Item

8. OPEN SESSION – CALL TO ORDER

Open Session reconvened at 6:00 p.m.

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

Director Sessler indicated that two items are time sensitive and will commence at the time noted on the agenda.

The Public was reminded that the meeting is televised and of the importance of keeping comments respectful.

10. INPUT – AUDIENCE

Michael O'Malley commented on the request for a medical director at the April board meeting. Mr. O'Malley shared that he had spoken with a representative with the UC Davis clinical trials and this individual indicated it is not true that another director was required or affiliation would be lost if not done. Mr. O'Malley believes this illustrates that Board members have no interest in watching out of the District and called for Director Sessler to step down immediately. Mr. O'Malley further indicated that he has forwarded the matter to the Nevada County DA's office.

Dr. Heifetz responded to Mr. O'Malley's statements by reading an email form the individual who had from UC Davis who had spoken with Mr. O'Malley expressing that she was extremely uncomfortable with the conversation and had concerns that her comments would be misrepresented.

Greg Tirdel introduced himself as a physician practicing in community for 19 years. Dr. Tirdel is concerned that something is being lost in all these Board meetings; THFD is a great hospital district providing great patient care. Steps have been taken to make this the best mountain hospital as noted by the shared achievements and awards received by the hospital. The Board needs to start coming together; be constructive, be involved, and help not hurt.

Pete Forni commented that the Board made a point in December or January about being transparent. It is important that the Board have transparency to the public. Noticed as of last week the last set of minutes posted is from March and there has been little or no feedback from the Board in response to public comments. Mr. Forni recommends incorporating a response into the minutes. Mr. Forni also stated that he is not sure if the Board is aware of the problem with the pricing of oncology drugs. If a cap is put in place TFHD will be in trouble. The positive flow from the drug revenue will become negative. Some attention needs to be paid to the pricing strategy.

> The Clerk of the Board responded to Mr. Forni's comments related to the posting of minutes indicating that the April minutes are included in the May agenda packet (today's meeting) for approval and will be finalized for uploading following approval.

Samara Kemp introduced herself as a concerned citizen. Ms. Kemp has been monitoring the Board meetings recently and heard comments that the physicians should be giving the hospital there time for meetings for nothing. Ms. Kemp reviewed some of her personal medical bills and identified how much of each charge was actually paid to the physicians. The myriad of meetings that these physicians go to does

not allow them to make money at their practice and they should not be asked to provide their expertise without compensation.

Community member shared his experience with TFHD and a life saving event involving TFH and Dr. Tirdel. Physicians are highly valued in our community.

Pete Rivera indicated he has been coming to meetings for the last eight months. His has criticism about how the hospital is being run stating that this is a public hospital and everything that goes on is public. Mr. Rivera mentioned the previous CEO and the related allegations of a conflict of interest. Mr. Rivera believes the Board attempted to pacify the public by saying there was not enough evidence and feels the public should get to see the report: the Board needs to start doing their job.

Conrad Snover [sic] expressed concern about hearing that some desire to have the hospital go back to basics and only provide core services. Mr. Snover is concerned that as the community is growing and evolving and believes the hospital should be doing the same thing. Mr. Snover indicated that he heard from Director Jellinek that he would not take any action that would negatively impact services and inquired as to whether Director Jellinek is in alignment with the physicians who have elected him to the Board or if his position has changed? Mr. Snover does not want to lose his physician and encourages the Board to find way to help physicians by functioning as a unified board. Mr. Snover encourages the Board to move ahead in a positive problem solving manner; consolidate strategy on record and support the CEO in executing that strategy.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

Barbara Wong, President of Employee Association (non-licensed). The employees appreciate the turn that has occurred. A little more communication such as it relates to the Organizational Chart would be appreciated. She acknowledged the hospital employees and stressed that all staff contribute to the awards received by the Hospital.

12. MEDICAL STAFF REPORT ◈

12.1. Medical Staff Report

Dr. Dodd provided a summary of the MEC meeting and presented items for approval.

ACTION: Motion made by Director Sessler, Second by Director Mohun, to approve MEC consent items 1 – 2. Roll call vote taken. Approved unanimously.

13. CONSENT CALENDAR ◈

13.1. Approval of Minutes of Meetings:
04/02/2015, 04/13/2015 and 04/28/2015

13.2. Financial Report: April 2015 Financials

13.3. Contracts

13.3.1. **MacQuarrie_dba_NTEP_Emergency_Services_Agreement_IVCH_2015**

13.3.2. **North_Tahoe_Orthopedic_Call_Coverage_Agreement 2015**

13.3.3. **TF2020 Agreement for Medical Advisor Services EHR Technology Council**

a. Laird_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015

b. Lombard_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015

c. Meredith_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015
d. Scholnick_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015
e. Thompson_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015

13.3.4. **TF2020 Agreement Wellness Neighborhood**

f. Arth_TFHD_TF2020_Agreement_Wellness_Neighborhood_2015
g. Barta_TF2020_Agreement_for_Medical_Advisor_Services_Wellness_Neighborhood_and_EHR_Technology_Council_2015
h. Gustafsson_TFHD_TF2020_Agreement_Wellness_Neighborhood_2015
i. Jensen_First_Amendment_to_TFHD_Wellness_Neighborhood_Medical_Advisor_Services_Agreement_ for_Disparities_Group_2015

Director Sessler pulled minutes of 4/15 and 4/28 for minor changes.
Director Mohun pulled item 13.3.1 for discussion.

Director Sessler introduced Michael Colantuono who will be acting General Counsel for the May and June regular Board meetings in Mr. Gross' absence.

ACTION: Motion made by Director Chamblin, seconded by Director Jellinek, to approve consent items not pulled for discussion. Roll call vote taken. Approved unanimously

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The minutes of April 13, 2015 will be corrected to reflect the motion under item 8.2.1 was made by Director Zipkin; and a spelling error will be corrected in the April 28, 2015 minutes.

ACTION: Motion made by Director Sessler, seconded by Director Chamblin, to approve the minutes 4/13/2015 with noted change. Roll call vote taken. Approved unanimously.

ACTION: Motion made by Director Sessler, seconded by Director Chamblin, to approve the minutes 4/28/2015 with noted change. Roll call vote taken. Approved unanimously.

Director Mohun addressed the MacQuarrie contract submitted for approval under item 13.3.1. He inquired of the CFO if she could comment to the significant increase. It was noted that the Fair Market Value (FMV) evaluation indicated the existing contract was under market. CNO, Judy Newland, shared background related to what prompted the FMV review at that time; noting the review also looked at comparisons in the state of Nevada.

ACTION: Motion made by Director Mohun, seconded by Director Zipkin, to approve Consent item 13.3.1. Roll call vote taken. Approved unanimously.

14. ITEMS FOR BOARD DISCUSSION

14.1. CEO Search

Timed item commenced at 6:45 p.m.

Director Sessler introduced Don Whiteside with HFS Consultants. Mr. Whiteside is conducting the CEO search and provided an updated related to the CEO search process and progress. Mr. Whiteside indicated that he was in town this week to gather the input required to put together the job specification. Mr. Whiteside shared locations and times of where he will be available to meet with

stakeholders interested in providing constructive feedback. In addition, Mr. Whiteside will be holding individual meetings with the Board members, the CEO, and members of the community. For those note available to meet with Mr. Whiteside in person, an email address has been established to receive written feedback. Email: TahoeForestCEOSearch@gmail.com.

Director Chamblin expressed an interest in attending the community forum meetings and inquired as to the appropriateness of having a board member present. Discussion took place regarding whether board presence would inhibit comment by the public. An agenda may be posted to allow more than two members of the Board to attend. Verbiage will be included on the agenda to indicate the meeting is being held "simply to allow board members to attend. We do not intend to conduct business of the Board and no minutes will be taken."

Discussion took place regarding the notification to the public regarding the feedback forums. Director of Marketing, Paige Thomason, indicated that the timing of the press release and holiday impeded the information being included in the Friday Sierra Sun. Email notifications were sent to various groups and interested parties in town.

14.2. Physician Contracting

Timed item commenced at 7:00 p.m.

Director Sessler provided a review of the process for working through the following agenda items. Question by the public will be taken at the conclusion of all three items.

a. *Physician Compensation Methodology*
Gayle McAmis, with the MSC Business Office, introduced herself and provided as summary of the physician compensation methodology education being provided.

The goals of MSC physician compensation program

- Pay within Fair Market Value
- Pay a sufficient amount to recruit and retain physicians
  - May not be the same amount
- Maintain internal equity between physicians
  - Both within and between specialties
- Align physicians with the organization's productivity and quality goals
- Simple, clear and understandable to all parties

A review of the MSC core model and an overview of the Medical Group Management Association (MGMA) whose survey is used to identify the base compensation based on a 3 year medium compensation reported in the survey were provided.

An explanation of the Work Relative Value Units (WRVUs) was provided

Discussion took place related to the number of independent contract physicians included in the MGMA data and whether this would skew the data at all. MGMA does not report the names of organizations that respond to their survey but the data does include both large and small entities.

A review of the ECG valuation and how it compares with the MSC model as well as FMV comparisons was provided.

Director Sessler inquired as to why the District needed the MSC's. Ms. McAmis shared that the model came into being as a couple of physicians were not earning an income near what they would/could make in an area as close as Reno. The trend nation wide is that physicians are less interested in running their own practice and would rather focus on the practice of medicine rather than the business of medicine.

Director Mohun indicated the model presented reflects only the clinical MSC practice and not contracts related to medical directorships, TF2020's etc.

b. *Medical Staff Outlook*
Dr. Shawni Coll, private practice OBGYN and Medical Director of Strategic Planning and Innovation provided input related to where the medical staff wants to be in the next 5 to 15 years. Dr. Coll shared that physicians can earn 30 – 50% more income if working in Reno and that they stay in Truckee to serve the community, their neighbors, and coworkers.

Dr. Coll expanded on the question raised by Dr. Sessler related to why the MSCs were first started, indicated that in 2006 as a physician could not make ends meet with his practice if he stayed in Truckee. The alternative to subsidizing the physician would have been to lose the physician and income brought into the District. It was noted that the MSCs are not a losing prospect, and those services operating in the negative are services wanted in the community and require a 1 and 3 call burden.

Physician leaders are concerned with recent comments being attributed to members of the Board and are requesting clarification from the Board regarding their vision and intended approach to physician contracting.

Dr. Coll spoke to the progress made with physician alignment over the last 10 – 15 years and work being done by physicians in pushing Just Culture, lean principles, six sigma and other standards to improve alignment.

Dr. Coll shared concerns related to comments made at the last board meeting related to the cost of medical directorships. Physicians are feeling attacked and working within a hostile work environment. Physicians stay here because of the hospital, the amazing nursing staff, unit clerks and staff from front line to leadership. Physicians feel they are being attacked via emails from community members saying they are neither needed nor valued.

Physicians need from the Board a strategic direction. Concerns related to comments made by the Board indicating a desire to bring the hospital back to primary care without specialist is a concern. Physicians whose contracts come up for renewal in 2016 need to understand the Board's intent to allow them time to find other jobs.

Director Mohun indicated he was not aware there was such anxiety amongst the physicians and appreciates the points made by Dr. Coll related to the value the MCSs bring to the organization. Discussion took place related to physician alignment and quality. Dr. Coll shared that the medical staff has an extremely robust peer review to ensure the highest quality is provided. The medical staff strategic plan focuses on quality metrics as well and there are opportunities to provided program and service line projects to enhance clinical work for physician's not meeting the WRVUs.

Director Chamblin stated that there is little the Board can due to address the community critics; they can, however, provide an administrative policy or plan to illustrate the Board's support of physicians.

Discussion took place regarding the purpose of the MSC and whether there may be other models to better meet the needs of the community. Dr. Coll reminded the Board of the request presented to the Board at a previous meeting for approval of funding to engage ECG to conduct a study to help identify alternate physician and hospital alignment models. An outside consultant is needed due to the complexity and to ensure that the physicians trust the models identified. All physicians would be invited to participate; both private practice and the MSC physicians.

Dr. Dodd responded to Director Mohun's comments, stating that physicians are already being paid on quality measures and it would not be necessary to build additional language around this into contracts as it already impacts payments. Director Mohun agreed, indicating that the contracts have a quality component already included as required by CMS.

The Interim CEO added that any alignment model needs to relate to ICD10 EMR and other initiatives.

c. *Financial Impacts of Physician Transitions*
Tim Garcia-jay, Executive Director of Clinics, introduced Lori McGuire with PhysiciansXL.

Ms. MacGuire provided board education related to the financial impacts of physicians transitions.

It was noted that TFHD has a difficult and onerous call schedule which is one of the components that would be looked at by the consultant (ECG) if engaged.

Director Sessler commented on the importance of an aligned integrated system and appropriate physician compensation that may enable the District to avoid multiple contracts with individual physicians.

Director Jellinek addressed the comments made earlier regarding the rumors circulating amongst the physicians related to board comments pertaining to the intended direction for the hospital. Director Jellinek believes these rumors to be inaccurate.

Director Zipkin expressed that this is a community of medically savvy members and to say we need a typical rural essential care hospital is 50 years behind the times. Physicians incentivized to come to this community are earning this money.

Director Mohun indicated the issue is not about money. It is about the best interest of the District, not to increase or decrease someone's livelihood. The Board wants a full 100 percent alignment with the physicians. All the nonsense and rumors can be dismissed. Encourages physicians to assist the Board help them work through this process in the next couple of months.

It was noted that there is a fine line between administrative responsibilities and those of the Board; the Board approves the methodology and does not get into the weeds.

Ann Liston spoke to the Board regarding her mild TBI received as a result of an accident and the high quality of care she has received from Dr. Winans. Ms. Liston shared that due to her TBI she experienced difficulty with driving which made her thankful that she could receive treatment locally.

Dr. Johanna Koch with Incline Village shared that she appreciated some of the things said to day and wanted to clarify a few things. Dr. Koch believes the role of the Board has become confused and the Board has become the defacto administration. Director Mohun's comments that money is not the concern is not accurate as money is what the public expresses as the primary concern. The Board has not adequately expressed clearly what their direction is; the Board needs to own responsibility and take action.

Dr. Josh Scholnick shared a summary of the types of services provided in his practice and the related benefit to community. Dr. Scholnick believes that if the certainty of a salary goes away, the doctors will as well.

Dr. Nina Winans practices sports medicine; non-surgical orthopedic care. She is a MSC physician and medical director. Dr. Winans acknowledged the amazing strides that have been made though community collaboration to improve the safety and health of youth sports. In response to discussions related to physician alignment and compensation, Dr. Winans noted that she and many other physicians participate in meetings in addition to their clinical and medical director roles at the request of administration to provide their expertise.

Erin Koppel, Oncologist, addressed the Board based on the potential that the Board is considering limiting MSC physician contracts or compensation. Requiring patients to drive to Sacramento, or in limited cases to Reno, is unacceptable.

Sam Smith, PA at TFH shared his experience of having worked in Reno and the Bay Area. High value care is of the utmost importance. NPs and PAs hold a key piece in providing care in the new health care climate. Having quality physicians to provide oversight is important. It is imperative to have the highest quality physicians and if specialists are forced out he would be

concerned for the patients. Sees administration falling apart and feels the Board has the wrong focus by taking aim at physicians rather than focusing on growing the District.

Artim [sic], a five year Truckee resident and former cancer patient shared his experiences with Drs. Tirdel and Dodd. Is concerned that, as an outsider reading all the rumors in the newspaper and online, there is not a clear direction of what this board wants to do. Shared experience with his wife who was pregnant with triplets and experienced complications three months prior to delivery date. He believes he would have lost his wife and three children if the hospital and its services were not available. There needs to be a clear message of the future provided to the community. The Board needs to be careful not to scare the physicians away; they are needed and provide vital services.

Randy Hill commented that it is sad, disgusting, and embarrassing that physicians have had to stand up and defend themselves. The physicians are not being overpaid. The Board represents thousands, "not the handful of misanthropes that speak at the meetings." Mr. Hill, speaking on behalf of a number of community members, implores the Board to cut through the nonsense; it is time to govern.

Greg Tirdel, Medical Director of MSC, addressed the inference that the angst of physicians is caused only by rumors. The physicians did not create the comments; these were made by the Board. Physicians need to understand that they have the support of the Board.

Melissa Kaime, Oncologist at the Cancer Center, commented that the District has a Quality team at the hospital and was recently awarded a 5 start rating by CMS; what else does the Board want? Dr. Kaime encourages the Board to take some time and get to know the quality being provided and not to mess with something that is not broken. The Board does not need to fix the hospital; it needs to enhance it, make it better, and speak of it positively and not tear it down in their public comments.

Dr. Jerry Schaffer came to TFH from Berkley part time after having been encouraged by Dr. Zipkin to come augment his practice. Dr. Schaffer made the transition to full time in the summer of 2013 after realizing that the medical community, primary care specifically, in our community is exceptional. Primary care physicians go into the hospital to see their patients and are supported by the specialists, as they are supported by primary care physicians. Physicians are being demeaned in this community now. Hospital could fail if the subspecialists who support the primary care patients were to leave.

Pam Hobday, speaking as a community advocate and part of the TFHD family, shared that it is very difficult to read that two physicians received what she believes are demeaning communications that constitute a hostile work environment. This is a tipping point for the Board this evening and she hopes the Board will give a direction on what their next steps will be; the community is asking for governance and strategic direction. Paint the picture of what the hospital of the future will look like; physicians and the community deserve the truth. She wants to hear it soon, before 2016.

Sandy Spaitch addressed the Board related to the questions related to quality. Ms. Spaitch shared that TFH has one of the most engaged medical staff's she has worked with. They engage quality even more than the Board can appreciate and are more engaged than other medical staffs she has worked with. The Board needs to appreciate the quality that they have in their physicians. They drive quality, they are quality.

Jay Gustafson, community member. It is no loner a one horse town or one stop sign town. He has heard each of the Board members agree the comments related to compensation and services are rumors and that the services are needed in the community. The Board needs to be proud of the hospital and physicians in our community.

Rob Webb, patient and community member shared his hope the Board allows the physicians to keep up the good work. Encourages the board to listen to the doctors and community. Don't lose it, improve on it.

Dr. Julie Conyers introduced herself as a new physician to TFH. She came to this community because the Hospital blew her socks off due to the culture of quality from all layers of the organization. It is one of the best places she has ever worked. Dr. Conyers shared her experience in urban environments and what she described the Physician fugitives running from their background and lacking board certification who would be willing to work for the reduced compensation that has been referenced recently by Board members. The culture of quality is very unique to this organization; it is working and not broken.

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

15.1. Governance Committee Meeting – 05/13/15

This topic was taken out of order to accommodate a scheduled item.

Director Sessler provided an update related to the committee's May meeting. The Committee discussed coordination of a follow up meeting to the Board retreat which is tentively schedule in September. At part of the compliance plan, the Board directed the Fox Group to conduct quarterly contract compliance audits. Contracts reviewed as part of the initial audit were compliant for signature and contract routing form. Review of the policy is underway. Director Jellinek applauded the Fox Group for the work they have done for the District. The committee is looking at education options and new forms to track board goals under development.

Director Sessler commented that one of the Board's priority roles is to provide strategic direction. It is clear the Board is being asked to do so and provide direction on its priorities. The Board's job is to think to the future, informed by the past, and provide direction to management staff who then takes on the task of accomplishing those goals. Director Sessler shared that she believes strongly in the Speak Your Peace campaign; the right to disagree and the right to your own opinion but not your own facts. She believes in the physicians and agrees that the District and physicians should investigate other alignment models that include fair compensation and production based quality standards. The comments related to what essential services include needs to be broad as it will mean something different to each individual. Dr. Sessler expressed her support of the physicians.

Director Chamblin would like to agendize this issue at the next meeting to put the topic to rest and provide certainty to everyone involved.

Director Zipkin thanked those in attendance for providing feedback. The impacts on the broader community if the District does not provide certain services are significant. He encourages those who hear a rumor that is not believed to be correct, to call the Board on it.

Director Mohun indicated it is important to have a robust discussion. He is in agreement with many of the comments made today. The confusion is in that the Board has an obligation to have oversight over the regulatory controls and ensure the highest level of compliance. As a Board member he appreciates everything the doctors do and the services provided.

Discussion took place related to how this feedback and the requests of Dr. Coll and other audience members need to be agendized at the next meeting.

Mr. Colantuono recommended the Board consider adopting a resolution that responds to the fear by saying that Board does not intend to reduce the level of service provided to the community. Financial viability and impact on the organization are considerations.

Staff will draft a resolution for Board adoption consideration.

15.2. Finance Committee Meeting – 05/21/15

15.2.1. **Refinancing of 2006 Revenue Bonds – Update**

Director Chamblin provided an overview of the direction given to the CFO to pursue refinancing of the revenue bonds. CFO recognized for her successful efforts. Director Zipkin asked for clarification of how the funds are paid down. CFO provided education related will save the district approximately $200k per year.

15.3. Personnel/Retirement Committee Meeting – No Meeting

15.4. Quality Committee – No Meeting

15.5. Community Benefit Committee – No Meeting

16. INFORMATIONAL REPORTS

16.1. Strategic Initiatives Update

This topic was taken out of order to accommodate a scheduled item.

Director Sessler reviewed the format of the reports and asked the Board if they had any questions related to the information provided.

Discussion proceeded to topic of CEO Search Update

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

Finance Committee – cash in investments and security of those investments.

18. ITEMS FOR NEXT MEETING

Policy to reflect approved compensation methodology

Establish board strategic direction around physicians contracting – certainly of scope of services.

Engagement of consultant to assess hospital and physician alignment models
CEO Search

19. BOARD MEMBERS REPORTS/CLOSING REMARKS
None.

20. CLOSED SESSION CONTINUED, IF NECESSARY

21. OPEN SESSION

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION
None.

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

24. ADJOURN
Meeting adjourned at 9:34 p.m.

REGULAR MEETING OF THEBOARD OF DIRECTORS

DRAFT Minutes

Tuesday, June 30, 2015 at 4 p.m.

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

1. **CALL TO ORDER**
   Meeting called to order at 4:17 p.m.

2. **ROLL CALL**
   Board: Karen Sessler, President; Chuck Zipkin, Vice President; Greg Jellinek, Secretary; Dale Chamblin, Treasurer; John Mohun, Director

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

   Other: Michael Colantuono, acting General Counsel; Don Whiteside, HFS Consultants

3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
   None.
4. **INPUT AUDIENCE:**
   None.

   General Counsel read the Board into Closed Session.

   Open session recessed at 4:18 p.m.

5. **CLOSED SESSION:**
   Discussion held on privileged matters.

6. **DINNER BREAK**

   APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**
   Open session reconvened at 6:02 p.m.

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

9. **INPUT – AUDIENCE**
   Kate Cooper, Director of Truckee Surgery Center (TSC), provided background related to the surgery center noting that there is room for growth. Encourages the Board and administration to embrace the value of the TSC and collaborate for future growth.

10. INPUT FROM EMPLOYEE ASSOCIATIONS

Stacey Tedsen recognized the Employee Associations for donating $5k toward the recreation district's pool project and for their work done to address and reduce the wage increases. Ms. Tedsen shared that the work done by the associations clearly supports the fact that the employees value the organization and the services proved to the community.

Director Zipkin acknowledged the collegial work of the staff and administration with regard to the wage increase issue.

11. MEDICAL STAFF REPORT

11.1. Medical Staff Report

Dr. Dodd provided a review of the MEC June meeting.

ACTION: Motion made by Director Zipkin, seconded by Director Mohun, to approve MEC items 1 – 5 as presented. Roll call vote taken. Approved unanimously.

12. CONSENT CALENDAR

12.1. Approval of Minutes of Meetings:

05/01/01; 05/13/2015, 05/26/2015, 06/05/2015; 06/10/2015 and 06/18/2015

Minutes of May 26, 2015 were pulled by staff for further review and edits.

ACTION: Motion made by Director Jellinek, seconded by Director Zipkin, to approve the minutes of 05/01/01; 05/13/2015, 06/05/2015; 06/10/2015 and 06/18/2015 as presented. Roll call vote taken. Approved unanimously.

13. ITEMS FOR BOARD DISCUSSION AND ACTION

13.1. CEO Search

Don Whiteside, with HFS Consultants, provided an update related to the search for a Chief Executive Officer. Mr. Whiteside acknowledged the community, Board and staff for their input on the criteria being sought indicating he had received a strong response to the outreach being done. There are currently approximately 40 candidates being vetted, of which 25 are believed to meet the qualifications.

Next steps will take 6 – 8 weeks for Mr. Whiteside to meet with the candidates. A slate of candidates will be presented to the Board near the end of August for review and to be narrowed to the top four (+/-) candidates for onsite visits. It is anticipated that the full process will take approximately 3 – 4 more months.

An effort will be done to reach out further to north Lake Tahoe residents for input. All input is welcome until such time the CEO is selected.

Item 13.5 was discussed next.

13.2. Policy ABD-21

As follow up to the May board meeting, section 2.0 of the board policy ABD-21 has been updated to reflect the agreed upon physician compensation methodology.

Interim CEO, Jake Dorst, provided a review of the discussion from the May 26 board meeting regarding physician compensation education. As was directed by the Board, revisions have been made to ABD-21.

A review of the process for obtaining conceptual approval compared to legal approval of contracts was discussed.

It was noted that Hooper Lundy and Bookman have reviewed the policy as well as the related resolution.

Director Jellinek asked for additional verbiage to be included in the policy related to obtaining signatures on contracts.

Dr. Coll encouraged the Board to approve the policy as presented and move forward with further review by the Compliance Committee of the other provisions requiring edit.

ACTION: Motion made by Director Zipkin, seconded by Director Chamblin, to adopt policy ABD-21 as presented and direct staff to ensure compliance review and updates are made to ensure contracts are signed by physician prior to performing services.

13.3. Resolution 2015-04

The interim CEO provided a summary of direction provided by the Board during the May 26 meeting regarding the development of a resolution stating the intention of the Board to maintain the level of service provided to the community and to maintain best practices regarding physician compensation.

Discussion took place as to whether there are current services that the Board does not feel will be provided in the future due to financial constraints.

It was noted that the resolution is not legally binding as there is no legal action by which the Board can tie the hands of future boards. It is instead a statement of reassurance to the physicians documenting the Board's commitment to acting in good faith with each other.

Needed services are dictated by the public and the fiduciary responsibility of the District. There may be times that a service line may need to be limited or added to respond to these factors.

ACTION: Motion made by Director Jellinek, seconded by Director Zipkin, to approve resolution 2015-04 stating the intention of the Board to maintain the level of service provided to the community and to maintain best practices regarding physician compensation.

13.4. Physician and Hospital Alignment Models

Dr. Coll reviewed with the Board a proposal to engage an outside consultant to assist with assessment and education related to practice management models. It was confirmed that the expense for this engagement has been included in the 2016 budget.

Dr. Coll indicated that the consultant has a multi-tier program which includes an education component on the different models available and an assessment related to which practices should remain with the 1206D model and which could benefit from changing their model, and which model would work best for the medical staff.

It was reported that three bids were received from DoctorsXL, MGMA, and ECG. ECG has been selected as they familiar with TFHD and the medical staff and their expertise in this area surpasses the others.

Executive Director of Clinics, Tim Garcia-Jay, reviewed various models that could be considered in addition to the 1206D model and it was confirmed that this process will involve all members of the medical staff and is not limited to the MSC physicians. The process is anticipated to take 6 – 8 weeks to complete the first phase.

ACTION: **Motion made by Director Sessler, seconded by Director Zipkin, to approve the engagement of an outside consultant to assist with the assessment and education around available physician and hospital alignment models. Roll call vote taken. Approved unanimously.**

13.5. Quarterly Facilities Update

Rick McConn and Mike Genet provided a review of the quarterly update of the Facilities Development Plan (FDP).

It was reported that 14 of 15 Measure C projects have been completed. Project 15 is expected to complete in the summer of 2016 and expected to be on budget.
It was reported that the OR light project is expected to come to the Board for bid award approval next month.

Discussion took place related to the project summary and the $1.4 million that comes out of the hospital's budget and not from Measure C. This relates to the owner and regulatory scope modifications which increases the costs above the bond funding.

Discussion returned to agenda order with Item 13.2 discussed next.

13.6. Approved FY2016 Budget

Director Chamblin provided a report out from the June 18, 2015 Special Meeting of The Board of Directors which resulted in the approval of the TY2016 budget and three-year capital plan for FY 17-19. It was noted that the budget reflected a pricing adjustments reflecting a 5% increase to select room rates and in emergency room level charges.

Director Sessler recognized the work done by management and employees; through this collaboration the Board was able to get to a budget that minimized the need for significant rate increases.

It was noted that the Board will endeavor to have future budget meetings in a televised forum.

13.7. Financial Report

The CFO provided a review of the May financials noting that YTD figures look strong and are well ahead of budget on the EBIDA line.

ACTION: Motion made by Director Sessler, seconded by Director Jellinek, to approve May financials. Roll call vote taken. Approved unanimously.

13.8. Contracts

The Board was asked to review the terms and conditions of the following contract prior to processing agreement for physician signature and final approval.

13.8.1. *TBD_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015*

Dr. Lombard provided an overview of the scope of responsibility related to the antimicrobial stewardship.

ACTION: Motion made by Director Zipkin, seconded by Director Mohun to approve the terms of the contract for the MDA for the Antimicrobial Stewardship Program. Roll call vote taken. Approved unanimously.

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

14.1. Quality Committee – 06/09/2015

14.1.1. *2015 Quality Committee Goals*

Director Jellinek provided a review of the topics discussed during the Board Quality Committee meeting adding that the discussion of outmigration was brought up.

It was the consensus of the Board to have staff develop a proposal for data review and education related to outmigration and for the CEO to present an update to the Board once completed.

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

14.2. Governance Committee Meeting – 06/10/2015

Director Sessler provided a summary of the June Governance Committee meeting. The Committee is working to finalize their goals and will likely present them to the Board for approval at the next meeting. Review of policies continues, and ACHD Best Practices in Governance Certification is being pursued for the District along with consideration of the Special District Leadership Foundation District Transparency Certificate of Excellence.

14.3. Personnel/Retirement Committee Meeting – 6/18/2015 ..... ATTACHMENT
Director Zipkin provided a summary of the June Personnel Committee meeting noting that TFHD will be in compliance with the new state law related to part-time employees' accrued sick leave.

14.4. Community Benefit Committee – No meeting

14.5. Finance Committee Meeting – No meeting

15. INFORMATIONAL REPORTS

15.1. Strategic Initiatives Update
No questions were raised, nor did discussion take place.

16. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS
Governance Committee – Policy revisions, Best Practices in Governance certification, and Board single day offsite retreat to take place in Truckee.

Community Benefit Committee – meeting to be scheduled once staff liaison transition to Karen Gancitano is completed.

17. ITEMS FOR NEXT MEETING
Facilities update
Orthopedic Center of Excellence work with Kaufman Hall

18. BOARD MEMBERS REPORTS/CLOSING REMARKS
Director Zipkin shared his disappointment that there will no sponsorship of a rural health conference this year.

Open session recessed at 7:15 p.m.

19. CLOSED SESSION CONTINUED, IF NECESSARY
Discussion held on privileged matters.

20. OPEN SESSION
Open session reconvened at 7:54 p.m.

21. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

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

23. ADJOURN
Open session adjourned at 7:55 p.m.

TAHOE FOREST HOSPITAL DISTRICT
JUNE 2015 FINANCIAL REPORT - PRELIMINARY
INDEX

JUNE 2015 FINANCIAL NARRATIVE - PRELIMINARY

The following is a financial narrative analyzing financial and statistical trends for the twelve months ended June 30, 2015.

Activity Statistics

- TFH acute patient days were 425 for the current month compared to budget of 388. This equates to an average daily census of 14.2 compared to budget of 12.9.
- TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Oncology procedures, Radiation Oncology procedures, MRI exams, Cat Scans, Oncology Drugs, Physical Therapy, and Occupational Therapy.
- TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Nuclear Medicine, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- Net Patient Revenue as a percentage of Gross Patient Revenue was 63.2% in the current month compared to budget of 55.0% and to last month's 52.3%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 56.2%, compared to budget of 55.0% and prior year's 57.2%.
- EBIDA was $2,580,388 (13.4%) for the current month compared to budget of $246,450 (1.5%), or $2,333,938 (11.8%) above budget. Year-to-date EBIDA was $5,216,517 (2.5%) compared to budget of $1,988,118 (1.0%) or $3,228,399 (1.5%) over budget.
- Cash Collections for the current month were $8,972,596 which is 97% of targeted Net Patient Revenue.
- Gross Days in Accounts Receivable were 60.2, compared to the prior month of 62.1. Gross Accounts Receivables are $31,478,908 compared to the prior month of $30,607,423. The percent of Gross Accounts Receivable over 120 days old is 23.4%, compared to the prior month of 25.1%.

Balance Sheet

- Working Capital Days Cash on Hand is 34.7 days. S&P Days Cash on Hand is 157.5. Working Capital cash decreased $2,548,000 and cash collections fell short of target by 3%. The District purchased Dr. Kitts condo for $600,000, remitted funds to Philips for the new Cat Scan, and advanced funds of $513,000 for Measure C projects. Funds advanced for the Cat Scan unit were reimbursed through the Municipal Lease in July.
- Net Patients Accounts Receivable increased approximately $2,339,000. Cash collections were at 97% of target and days in accounts receivable were 60.2 days, a 1.90 days decrease.
- Estimated Settlements, Medi-Cal and Medicare decreased $806,000 after recording the receipt of the FY2014-2015 IGT funds.
- GO Bond Project Fund decreased $735,801 after remitting payment to the District for funds advanced on the May Measure C projects.
- G.O. Bond Tax Revenue Fund increased $2,339,337. The District moved the remaining balance of the 1st and 2nd installments of property tax revenues out of Working Capital to cover the debt service payments due at the close of July.
- Investment in TSC, LLC decreased $37,000 after booking 51% of the net losses on the March through May activity.
- An adjustment was made to the Piper Jaffray swap transaction to reflect the fair value at the end of June.
- Accounts Payable increased $608,000 due to the timing of the final check run in June.
- Estimated Settlements, Medi-Cal and Medicare decreased a net $140,000 after truing up the settlement accounts based on the finalized audits of the FY12 and FY13 as filed cost reports.

- Health Insurance Plan IBNR increased $310,000 after receiving the year-end report from BRMS and adjusting the booked liability.
- Comprehensive Liability Insurance IBNR decreased $67,000 after performing the year-end analysis.

Operating Revenue

- Current month's Total Gross Revenue was $19,279,543, compared to budget of $16,001,551 or $3,277,992 above budget.
- Current month's Gross Inpatient Revenue was $7,052,445, compared to budget of $5,424,138 or $1,628,307 over budget.
- Current month's Gross Outpatient Revenue was $12,227,098, compared to budget of $10,577,413 or $1,649,685 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 37.9% Medicare, 16.6% Medi-Cal, .0% County, 5.0% Other, and 40.5% Insurance compared to budget of 34.5% Medicare, 13.4% Medi-Cal, 1.6% County, 6.7% Other, and 43.8% Insurance. Last month's mix was 37.8% Medicare, 18.0% Medi-Cal, .0% County, 3.3% Other, and 40.9% Insurance.
- Current month's Deductions from Revenue were $7,099,754 compared to budget of $7,200,089 or $100,335 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 3.36% increase in Medicare, a 3.24% increase to Medi-Cal, a 1.68% decrease in County, a 1.64% decrease in Other, and Commercial was below budget 3.29%, 2) revenues exceeded budget by 20.5%, 3) the District performed a year-end analysis of its Periodic Interim Payment (PIP) account which resulted in a pickup in our Medicare contractual allowances, and 4) adjustments were made to the Prior Period Settlement accounts after the audited, as-filed cost reports were completed for FY12 and FY13.

Operating Expenses

DESCRIPTION	June 2015 Actual	June 2015 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,334,804	3,343,709	8,906	
Employee Benefits	658,110	1,102,808	444,698	Positive variance related to the year-end adjustment of the Pension/Deferred Comp liability accounts.
Benefits – Workers Compensation	52,822	51,566	(1,255)	
Benefits – Medical Insurance	1,242,510	717,510	(525,001)	Negative variance attributed to the year-end adjustment to the Health Insurance IBNR liability.
Professional Fees	1,778,182	1,445,084	(333,098)	Consulting services for Patient Accounting, Revenue Cycle, Nursing Case Management, and Laboratory, legal and fair market value services provided to the Corporate Compliance department, accrual of the year-end physician RVU bonuses, an increase in Outpatient Therapy revenues, and therapy services provided to our Oncology patients created a negative variance in Professional Fees.
Supplies	1,749,041	1,175,839	(573,202)	Surgical Services and Medical Supplies Sold to Patients revenues were above budget by 33.03% and Oncology Drugs sold to Patients revenues surpassed budget by 17.07%, creating a negative variance in the Supplies category.
Purchased Services	1,066,384	829,884	(236,501)	Services provided to Corporate Compliance, MSC Administration, and the Wellness Neighborhood, answering services, Locums coverage in IP Pharmacy, outsourced laboratory testing, building maintenance projects, E.M.R. practice management fees, and radiology reads created a negative variance in Purchased Services.
Other Expenses	559,809	515,786	(44,023)	Negative variance in Outside Training & Travel for Jacobus consultants, The Fox Group, Nursing Administration, and the Emergency Department and CEO recruitment expenses created a negative variance in Other Expenses. These were offset, in part, with a positive variance in Insurance after the year-end analysis of the Comprehensive Liability IBNR was adjusted.
Total Expenses	10,441,662	9,182,186	(1,259,476)	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JUNE 2015 PRELIMINARY

	Jun-15	May-15	Jun-14	
ASSETS				
CURRENT ASSETS				
* CASH	$ 11,511,651	$ 14,060,098	$ 10,315,543	1
PATIENT ACCOUNTS RECEIVABLE - NET	14,771,417	12,432,041	17,493,626	2
OTHER RECEIVABLES	3,115,961	2,851,930	3,259,504	
GO BOND RECEIVABLES	(222,840)	(618,015)	230,127	
ASSETS LIMITED OR RESTRICTED	5,479,161	5,638,197	6,106,335	
INVENTORIES	2,489,337	2,508,755	2,506,409	
PREPAID EXPENSES & DEPOSITS	1,443,574	1,359,918	1,321,334	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	2,066,989	2,872,736	3,259,036	3
OTHER CURRENT ASSETS	-	-	-	
TOTAL CURRENT ASSETS	40,655,249	41,105,660	44,491,913	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	40,730,601	40,730,601	40,636,217	1
BANC OF AMERICA MUNICIPAL LEASE	2,295,723	2,295,723	2,290,125	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	3,346,143	3,346,143	3,464,501	
TOTAL BOND TRUSTEE GO BOND			-	
GO BOND PROJECT FUND	12,141,242	12,877,043	19,832,145	4
GO BOND TAX REVENUE FUND	2,839,203	499,866	2,347,711	5
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,969	2,969	2,962	
DONOR RESTRICTED FUND	1,103,117	1,103,117	753,931	
WORKERS COMPENSATION FUND	12,798	15,874	19,026	
TOTAL	62,474,094	60,873,634	69,348,918	
LESS CURRENT PORTION	(5,479,161)	(5,638,197)	(6,106,335)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	56,994,933	55,235,437	63,242,584	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	356,495	393,277	496,395	6
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	131,291,729	128,404,069	116,743,927	
GO BOND CIP, PROPERTY & EQUIPMENT NET	19,187,273	20,296,677	27,305,201	
TOTAL ASSETS	249,322,032	246,271,472	253,116,372	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	581,827	585,060	620,616	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,774,439	2,013,085	1,710,011	7
TOTAL DEFERRED OUTFLOW OF RESOURCES	$ 2,356,266	$ 2,598,145	$ 2,330,627	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	$ 4,874,155	$ 4,266,440	$ 5,514,540	8
ACCRUED PAYROLL & RELATED COSTS	7,793,120	7,610,170	8,302,902	
INTEREST PAYABLE	595,742	640,561	612,279	
INTEREST PAYABLE GO BOND	1,948,767	1,559,030	1,949,447	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	396,717	536,561	1,112,494	9
HEALTH INSURANCE PLAN	1,307,731	997,635	997,635	10
WORKERS COMPENSATION PLAN	1,006,475	1,006,475	1,006,475	
COMPREHENSIVE LIABILITY INSURANCE PLAN	824,203	890,902	890,902	11
CURRENT MATURITIES OF GO BOND DEBT	315,000	315,000	50,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,301,757	2,300,830	2,245,193	
TOTAL CURRENT LIABILITIES	21,363,665	20,123,604	22,681,867	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	33,079,426	33,181,604	35,346,645	
GO BOND DEBT NET OF CURRENT MATURITIES	98,130,000	98,130,000	98,445,000	
DERIVATIVE INSTRUMENT LIABILITY	1,774,439	2,013,085	1,710,011	7
TOTAL LIABILITIES	154,347,530	153,448,293	158,183,524	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	96,227,651	94,318,207	96,509,544	
RESTRICTED	1,103,117	1,103,117	753,931	
TOTAL NET POSITION	$ 97,330,768	$ 95,421,323	$ 97,263,475	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JUNE 2015 PRELIMINARY

1. Working Capital is at 34.7 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 157.5 days. Working Capital cash decreased $2,548,000. Cash collections fell short of target by 3%. The District purchased Dr. Kitts condo for $600,000, remitted payment to Philips for the new Cat Scan in the amount of $858,000, and advanced funds of $513,000 for Measure C projects. Funds advanced on the Cat Scan unit were reimbursed through the Municipal Lease in July.

2. Net Patient Accounts Receivable increased approximately $2,339,000. Cash collections were 97% of target. Days in Accounts Receivable are at 60.2 days compared to prior months 62.1 days, a 1.90 days decrease.

3. Estimated Settlements, Medi-Cal and Medicare decreased a net $806,000 after recording the receipt of the FY2014-2015 IGT funds.

4. G.O. Bond Project Fund decreased $735,801 after reimbursing the District for funds advanced on Measure C projects.

5. G.O. Bond Tax Revenue Fund increased $2,339,337. The District moved the balance of the 1st installment or property tax revenues and the receipt of the 2nd installment of property tax revenues out of the Working Capital account to cover the debt service payments due on the Series A, B, C bonds at the close of July.

6. Investment in TSC, LLC decreased $37,000 after booking 51% the net loss on the Surgery Center for March through May 2015.

7. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of June.

8. Accounts Payable increased $608,000 due to the timing of the final check run in the month.

9. Estimated Settlements, Medi-Cal and Medicare decreased a net $140,000 after truing up the Medi-Cal and Medicare settlement accounts based on the finalized audits of the FY12 and FY13 as filed cost reports.

10. Health Insurance Plan IBNR increased $310,000 after receiving the year-end report from BRMS and adjusting the liability.

11. Comprehensive Liability Insurance Plan IBNR decreased $67,000 after performing the year-end analysis.

Tahoe Forest Hospital District
Cash Investment
June 2015 Preliminary

WORKING CAPITAL				
US Bank	$ 10,729,897			
US Bank/Kings Beach Thrift Store	225,515			
US Bank/Truckee Thrift Store	556,239			
Wells Fargo Bank				
Local Agency Investment Fund	-	0.299%		
Total			$	11,511,651
BOARD DESIGNATED FUNDS				
US Bank Savings	$ 2,297	0.03%		
Capital Equipment Fund	-			
Total			$	2,297
Building Fund	$ -			
Cash Reserve Fund	40,730,601	0.299%		
Local Agency Investment Fund			$	40,730,601
Banc of America Muni Lease			$	2,295,723
Bonds Cash 1999			$	2
Bonds Cash 2002			$	-
Bonds Cash 2006			$	3,346,143
Bonds Cash 2008			$	14,980,445
DX Imaging Education	$ 2,969	0.299%		
Workers Comp Fund - B of A	12,798			
Insurance				
Health Insurance LAIF	-	0.299%		
Comprehensive Liability Insurance LAIF	-	0.299%		
Total			$	15,767
TOTAL FUNDS			$	72,882,628
RESTRICTED FUNDS				
Gift Fund				
US Bank Money Market	$ 8,368	0.03%		
Foundation Restricted Donations	$ 257,729			
Local Agency Investment Fund	837,020	0.299%		
TOTAL RESTRICTED FUNDS			$	1,103,117
TOTAL ALL FUNDS			$	73,985,745

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
KEY FINANCIAL INDICATORS
JUNE 2015 PRELIMINARY

	Current Status	Desired Position	Target	Bond Covenants	FY 2015 Jul 14 to June 15	FY 2014 Jul 13 to June 14	FY 2013 Jul 12 to June 13	FY 2012 Jul 11 to June 12	FY 2011 Jul 10 to June 11	FY 2010 Jul 09 to June 10	FY 2009 Jul 08 to June 09
Return On Equity: Increase (Decrease) in Net Position / Net Position			-2.7% (1)	-.02	.07%	.001%	-4.0%	8.7%	6.3%	12.4%	9.8%
Days in Accounts Receivable (excludes SNF & MSC) Gross Accounts Receivable / 90 Days			FYE 63 Days		60	75	97	64	59	60	58
Gross Accounts Receivable / 365 Days					62	75	93	64	59	59	66
Days Cash on Hand Excludes Restricted: Cash + Short-Term Investments / (Total Expenses - Depreciation Expense)/ by 365			Budget FYE 150 Days Budget 4th Qtr 145 Days Projected 4th Qtr 157 Days	60 Days BBB- 119 Days	157	164	148	203	209	219	163
Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)			13%		18%	22%	29%	15%	11%	13%	13%
Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)			18%		23%	25%	34%	19%	16%	18%	20%
Cash Receipts Per Day (based on 60 day lag on Patient Net Revenue) excludes managed care reserve			FYE Budget $294,122 End 4th Qtr Budget $294,122 End 4th Qtr Actual $308,592		$290,776	$286,394	$255,901	$254,806	$240,383	$256,059	$258,654
Debt Service Coverage: Excess Revenue over Exp + Interest Exp + Depreciation / Debt Principal Payments + Interest Expense			Without GO Bond 1.83 With GO Bond 1.07	1.95	2.74 1.39	2.18 1.29	.66 .89	4.83 2.70	4.35 2.45	3.48 3.00	3.23 2.71

Footnotes:

(1) Target Return on Equity was established during the FY15 budgeting process. Fiscal year 2014 ended with a higher net income than projected. Based upon the actual fiscal year end net asset number, our Target Return on Equity was .001%.

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

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VAR$	CURRENT MONTH VAR%	Note		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VAR$	YEAR TO DATE VAR%	Note	PRIOR YTD JUNE 2014
					OPERATING REVENUE						
$ 19,279,543	$ 16,001,551	$ 3,277,992	20.5%		Total Gross Revenue	$ 206,838,355	$ 196,580,907	$ 10,257,448	5.2%	1	$ 188,378,523
					Gross Revenues - Inpatient						
$ 1,896,239	$ 1,600,766	$ 295,473	18.5%		Daily Hospital Service	$ 20,501,947	$ 19,233,943	$ 1,268,004	6.6%		$ 19,155,747
5,156,206	3,823,372	1,332,834	34.9%		Ancillary Service - Inpatient	48,541,196	46,598,586	1,942,611	4.2%		43,242,323
7,052,445	5,424,138	1,628,307	30.0%		Total Gross Revenue - Inpatient	69,043,143	65,832,528	3,210,614	4.9%	1	62,398,070
12,227,098	10,577,413	1,649,685	15.6%		Gross Revenue - Outpatient	137,795,212	130,748,379	7,046,833	5.4%		125,980,453
12,227,098	10,577,413	1,649,685	15.6%		Total Gross Revenue - Outpatient	137,795,212	130,748,379	7,046,833	5.4%	1	125,980,453
					Deductions from Revenue:						
6,971,128	6,015,975	(955,153)	-15.9%		Contractual Allowances	81,205,175	73,900,950	(7,304,225)	-9.9%	2	72,706,243
632,079	544,053	(88,026)	-16.2%		Charity Care	6,372,980	6,683,751	310,771	4.6%	2	6,074,298
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
(115,054)	640,061	755,115	118.0%		Bad Debt	3,321,783	7,863,237	4,541,454	57.8%	2	2,995,454
(388,398)	-	388,398	0.0%		Prior Period Settlements	(237,356)	-	237,356	0.0%	2	(1,061,758)
7,099,754	7,200,089	100,335	1.4%		Total Deductions from Revenue	90,662,582	88,447,938	(2,214,644)	-2.5%		80,714,237
88,557	96,147	(7,590)	-7.9%		Property Tax Revenue- Wellness Neighborhood	821,106	1,081,646	(260,541)	-24.1%		636,620
753,704	531,028	222,677	41.9%		Other Operating Revenue	7,620,148	6,613,440	1,006,708	15.2%	3	7,197,177
13,022,050	9,428,636	3,593,414	38.1%		TOTAL OPERATING REVENUE	124,617,027	115,828,056	8,788,971	7.6%		115,498,083
					OPERATING EXPENSES						
3,334,804	3,343,709	8,906	0.3%		Salaries and Wages	40,972,517	40,965,544	(6,973)	0.0%	4	40,486,474
658,110	1,102,808	444,698	40.3%		Benefits	13,371,172	13,814,010	442,838	3.2%	4	12,522,782
52,822	51,566	(1,255)	-2.4%		Benefits Workers Compensation	612,033	618,797	6,764	1.1%	4	218,832
1,242,510	717,510	(525,001)	-73.2%		Benefits Medical Insurance	9,070,486	8,610,115	(460,371)	-5.3%	4	8,026,166
1,778,182	1,445,084	(333,098)	-23.1%		Professional Fees	21,007,243	18,761,537	(2,245,706)	-12.0%	5	19,209,522
1,749,041	1,175,839	(573,202)	-48.7%		Supplies	16,687,478	14,289,052	(2,398,425)	-16.8%	6	14,968,262
1,066,384	829,884	(236,501)	-28.5%		Purchased Services	10,978,843	10,008,735	(970,108)	-9.7%	7	10,235,914
559,809	515,786	(44,023)	-8.5%		Other	6,700,738	6,772,147	71,410	1.1%	8	6,121,248
10,441,662	9,182,186	(1,259,476)	-13.7%		TOTAL OPERATING EXPENSE	119,400,510	113,839,938	(5,560,572)	-4.9%		111,789,200
2,580,388	**246,450**	**2,333,938**	**947.0%**		**NET OPERATING REVENUE (EXPENSE) EBIDA**	**5,216,517**	**1,988,118**	**3,228,399**	**162.4%**		**3,708,883**
					NON-OPERATING REVENUE/(EXPENSE)						
359,451	351,861	7,590	2.2%		District and County Taxes	4,563,634	4,294,449	269,185	6.3%	9	4,265,626
393,903	393,903	-	0.0%		District and County Taxes - GO Bond	4,726,840	4,726,840	-	0.0%		4,744,356
22,188	23,066	(878)	-3.8%		Interest Income	282,753	267,558	15,195	5.7%	10	229,540
2,528	681	1,847	271.4%		Interest Income-GO Bond	35,887	21,100	14,787	70.1%		51,034
92,219	60,951	31,268	51.3%		Donations	604,842	731,411	(126,569)	-17.3%	11	1,327,603
(36,782)	(56,250)	19,468	0.0%		Gain/ (Loss) on Joint Investment	(104,200)	(225,000)	120,800	0.0%	12	(191,666)
-	-	-	0.0%		Loss on Impairment of Asset	-	-	-	0.0%	12	-
-	-	-	0.0%		Gain/ (Loss) on Sale of Equipment	-	-	-	0.0%	13	1,000
-	-	-	0.0%		Impairment Loss	-	-	-	0.0%	14	-
(897,480)	(809,066)	(88,414)	-10.9%		Depreciation	(9,700,028)	(9,708,798)	8,769	0.1%	15	(8,714,689)
(133,369)	(138,462)	5,094	3.7%		Interest Expense	(1,673,421)	(1,675,418)	1,997	0.1%	16	(1,751,126)
(471,858)	(369,733)	(102,125)	-27.6%		Interest Expense-GO Bond	(3,885,525)	(3,011,234)	(874,291)	-29.0%		(3,639,081)
(669,200)	(543,050)	(126,150)	-23.2%		TOTAL NON-OPERATING REVENUE/(EXPENSE)	(5,149,218)	(4,579,092)	(570,126)	-12.5%		(3,677,403)
$ 1,911,188	**$ (296,599)**	**$ 2,207,787**	**744.4%**		**INCREASE (DECREASE) IN NET POSITION**	**$ 67,299**	**$ (2,590,974)**	**$ 2,658,273**	**102.6%**		**$ 31,480**
					NET POSITION - BEGINNING OF YEAR	**97,263,468**					
					NET POSITION - AS OF JUNE 30, 2015	**$ 97,330,768**					
13.4%	**1.5%**	**11.8%**			**RETURN ON GROSS REVENUE EBIDA**	**2.5%**	**1.0%**	**1.5%**			**2.0%**

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

		Variance from Budget Fav / <Unfav> JUNE 2015	YTD 2015
1) Gross Revenues			
Acute Patient Days were over budget 9.54% or 37 days. Swing bed days were under budget 11.11% or 3 days. The acuity levels in our patients were very high which attributed to Inpatient Ancillary Service revenues exceeding budget by 34.9%.	Gross Revenue -- Inpatient	$ 1,628,307	$ 3,210,614
	Gross Revenue -- Outpatient	1,649,685	7,046,833
	Gross Revenue -- Total	$ 3,277,992	$ 10,257,448
Outpatient volumes were above budget in the following departments: Emergency Department visits, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Radiation Oncology, MRI, Cat Scan, Physical Therapy, and Occupational Therapy.			
2) Total Deductions from Revenue			
The payor mix for June shows a 3.36% increase to Medicare, a 3.24% increase to Medi-Cal, 1.64% decrease to Other, a 1.68% decrease to County, and a 3.29% decrease to Commercial when compared to budget. Contractual Allowances were over budget due to the shift in payor mix and increase in revenues for the month. We also performed the year-end analysis of our Periodic Interim Payment (PIP) which resulted in a pickup in our Medicare contractual allowances.	Contractual Allowances	$ (955,153)	$ (7,304,225)
	Managed Care Reserve	-	-
	Charity Care	(88,026)	310,771
	Charity Care - Catastrophic	-	-
	Bad Debt	755,115	4,541,454
	Prior Period Settlements	388,398	237,356
	Total	$ 100,335	$ (2,214,644)
We ended the year on a positive note in our Bad Debt category as our patient population continues to migrate to the State Health Insurance Exchanges or qualifies for Medical.			
Prior Period Settlements were positive after truing up the Medi-Cal and Medicare settlement accounts based on the finalized audits of the as-filed cost reports for FY12 and FY13.			
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections, which exceeded budget estimations.	Retail Pharmacy	$ 3,527	$ 219,285
	Hospice Thrift Stores	4,971	1,680
	The Center (non-therapy)	(5,654)	12,855
	IVCH ER Physician Guarantee	32,894	180,849
	Children's Center	2,080	13,380
Positive variance in Miscellaneous attributed to Quality Assurance fees received from the State of California for calendar year 2014.	Miscellaneous	199,342	333,892
	Oncology Drug Replacement	-	-
	Grants	(14,483)	244,766
	Total	$ 222,677	$ 1,006,708
4) Salaries and Wages	Total	$ 8,906	$ (6,973)
Employee Benefits			
Paid Leave/Sick Leave is showing a positive variance after adjusting the quarterly liabilities.	PL/SL	$ 51,765	$ 420,153
	Nonproductive	(8,171)	(266,581)
	Pension/Deferred Comp	369,154	391,596
	Standby	3,442	(42,068)
Positive variance in Pension/Deferred Comp related to the year-end adjustment to the liability accounts.	Other	8,508	(80,263)
	Total	$ 444,698	$ 442,838
Employee Benefits - Workers Compensation	Total	$ (1,255)	$ 6,764
Employee Benefits - Medical Insurance	Total	$ (525,001)	$ (460,371)
Negative variance in Medical Insurance related to the year-end adjustment of the IBNR liability account and higher claims paid during the month.			
5) Professional Fees			
Negative variance in Patient Accounting/Admitting for services provided by Jacobus Consulting. The majority of these costs ended in June.	Patient Accounting/Admitting	$ (54,640)	$ (857,150)
	Corporate Compliance	(66,599)	(839,317)
	Miscellaneous	(30,880)	(471,485)
	Multi-Specialty Clinics	(250,063)	(263,133)
Negative variance in Corporate Compliance attributed to legal and fair maket value services provided to the department.	The Center (includes OP Therapy)	(35,053)	(219,457)
	TFH/IVCH Therapy Services	3,456	(151,062)
	Oncology	(11,023)	(71,893)
Consulting services provided to Laboratory, Revenue Cycle, and Nursing Case Management created a negative variance in Miscellaneous.	Financial Administration	27,548	(47,705)
	Administration	(1,994)	(4,844)
	Business Performance	-	-
Negative variance in Multi-Specialty Clinics related to the accrual of physician RVU bonuses.	Home Health/Hospice	150	8,721
	Multi-Specialty Clinics Admin	4,581	10,268
	Marketing	1,000	11,875
OP Physical and Occupational Therapy revenues exceeded budget by 21.35% creating a negative variance in The Center (includes OP Therapy).	Human Resources	6,840	18,871
	IVCH ER Physicians	432	27,706
	Information Technology	3,063	29,879
Negative variance in Oncology associated with Therapy services provided to our patients.	Sleep Clinic	2,746	57,360
	Medical Staff Services	10,144	62,284
	Managed Care	8,387	87,426
Positive variance in Financial Administration related to the year-end true-up of Audit Fees payable.	Respiratory Therapy	16,928	191,774
	TFH Locums	31,880	194,378
	Total	$ (333,098)	$ (2,245,739)

6) Supplies

Surgical Services and Medical Suppplies Sold to Patients revenues exceeded budget by 33.03%, creating a negative variance in Patient & Other Medical Supplies.

Oncology Drugs Sold to Patients revenues exceeded budget by 17.07%, creating a negative variance in Pharmacy Supplies.

Patient & Other Medical Supplies	$ (371,161)	$ (1,475,463)
Pharmacy Supplies	(206,767)	(934,958)
Minor Equipment	(6,443)	(73,924)
Other Non-Medical Supplies	(4,415)	(57,210)
Imaging Film	393	7,645
Office Supplies	1,072	54,658
Food	14,119	80,827
Total	$ (573,202)	$ (2,398,425)

7) Purchased Services

Negative variance in Miscellaneous associated with services provided for our outsourced answering service, consulting work performed for MSC Administration and purchased services for the Wellness Neighborhood.

Locums coverage created a negative variance in Pharmacy IP.

Outsourced lab testing created a negative variance in Laboratory.

District wide building maintenance projects created a negative variance in Department repairs.

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

E.M.R. practice management fees created a negative variance in Multi-Specialty Clinics. These fees are tied to visits which exceeded budget in June.

Network Maintenance fell short of budget projections, creating a positive variance in Information Technology.

Diagnostic Imaging reads are tied to volumes which exceeded budget in most of the D.I. cost centers. This created a negative variance in Diagnostic Imaging Services - All.

Miscellaneous	$ (167,684)	$ (698,274)
Pharmacy IP	(9,771)	(213,269)
Laboratory	(20,144)	(82,018)
Department Repairs	(56,456)	(50,389)
Patient Accounting	13,720	(37,789)
Human Resources	6,885	(27,974)
Multi-Specialty Clinics	(9,989)	(24,092)
The Center	(1,902)	(18,228)
Community Development	234	(1,607)
Medical Records	1,485	3,824
Hospice	1,211	9,712
Information Technology	22,222	56,338
Diagnostic Imaging Services - All	(16,310)	113,637
Total	$ (236,501)	$ (970,108)

8) Other Expenses

Negative variance in Outside Training & Travel associated with Jacobus Consultants, The Fox Group, Nursing Administration and Emergency Department travel and lodging.

Negative variance in Human Resources Recruitment related to the CEO search.

Comprehensive Liability Insurance IBNR was reviewed at year-end and an adjustment was made to the booked liability creating a positive variance in this category.

Electricity and Natural Gas came in below budget due to the milder summer temperatures.

Outside Training & Travel	$ (59,515)	$ (437,554)
Human Resources Recruitment	(67,362)	(94,794)
Physician Services	(3,515)	(28,822)
Multi-Specialty Clinics Equip Rent	-	(825)
Innovation Fund	-	-
Other Building Rent	(4,075)	6,710
Equipment Rent	(3,900)	23,357
Miscellaneous	(7,630)	23,511
Multi-Specialty Clinics Bldg Rent	1,535	25,234
Dues and Subscriptions	7,019	56,418
Insurance	72,523	132,069
Utilities	9,103	159,607
Marketing	11,796	206,498
Total	$ (44,023)	$ 71,410

9) District and County Taxes

Total	$ 7,590	$ 269,185

10) Interest Income

Total	$ (878)	$ 15,195

11) Donations

IVCH	$ (4,200)	$ (28,309)
Operational	35,468	(98,260)
Capital Campaign	-	-
Total	31,268	(126,569)

12) Gain/(Loss) on Joint Investment

Total	$ 19,468	$ 120,800

12) Gain/(Loss) on Impairment of Asset

Total	$ -	$ -

13) Gain/(Loss) on Sale

Total	$ -	$ -

14) Impairment Loss

Total	$ -	$ -

15) Depreciation Expense

Depreciation expense was trued-up at year-end creating a negative variance during the month of June. However, we realized a slight positive variance against budget for the year.

Total	$ (88,414)	$ 8,769

16) Interest Expense

Total	$ 5,094	$ 1,997

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
KEY FINANCIAL INDICATORS
JUNE 2015 PRELIMINARY

	Current Status	Desired Position	Target	FY 2015 Jul 14 to June 15	FY 2014 Jul 13 to June 14	FY 2013 Jul 12 to June 13	FY 2012 Jul 11 to June 12	FY 2011 Jul 10 to June 11	FY 2010 Jul 09 to June 10	FY 2009 Jul 08 to June 09
Total Margin: Increase (Decrease) In Net Position / Total Gross Revenue		⇧	FYE -1.3% 4th Qtr -1.3%	.03%	.01%	-2.2%	5.3%	3.6%	5.8%	4.6%
Charity Care: Charity Care Expense / Gross Patient Revenue		⇩	FYE 3.4% 4th Qtr 3.4%	3.1%	3.2%	3.2%	2.6%	3.0%	3.1%	2.5%
Bad Debt Expense: Bad Debt Expense / Gross Patient Revenue		⇩	FYE 4.0% 4th Qtr 4.0%	1.6%	1.6%	4.6%	4.3%	3.8%	4.1%	4.6%
Incline Village Community Hospital: EBIDA: Earnings before interest, Depreciation, amortization / Net Operating Revenue <Expense> / Gross Revenue		⇧	FYE 4.0% 4th Qtr 4.0%	7.8%	4.9%	11.5%	10.8%	12.3%	6.7%	5.0%
Operating Expense Variance to Budget (Under<Over>)		⇧	-0-	$(5,560,572)	$2,129,279	$(1,498,683)	$790,439	$15,188	$2,662,695	<$1,292,399>
EBIDA: Earnings before interest, Depreciation, amortization / Net Operating Revenue <Expense> / Gross Revenue		⇧	FYE 1.0% 4th Qtr 1.0%	2.5%	2.0%	.9%	5.6%	5.1%	6.6%	4.4%

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JUNE 2015 PRELIMINARY

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VAR$	CURRENT MONTH VAR%	Note		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VAR$	YEAR TO DATE VAR%	Note	PRIOR YTD JUNE 2014
					OPERATING REVENUE						
$ 1,153,885	$ 1,153,665	$ 220	0.0%		Total Gross Revenue	$ 14,797,824	$ 14,172,427	$ 625,398	4.4%	1	$ 13,812,942
					Gross Revenues - Inpatient						
$ -	$ -	$ -	0.0%		Daily Hospital Service	$ 33,538	$ 34,940	$ (1,402)	-4.0%		$ 74,931
-	3,803	(3,803)	-100.0%		Ancillary Service - Inpatient	55,135	67,994	(12,859)	-18.9%		94,479
-	3,803	(3,803)	-100.0%		Total Gross Revenue - Inpatient	88,673	102,934	(14,261)	-13.9%	1	169,410
1,153,885	1,149,861	4,023	0.3%		Gross Revenue - Outpatient	14,709,151	14,069,492	639,659	4.5%		13,643,532
1,153,885	1,149,861	4,023	0.3%		Total Gross Revenue - Outpatient	14,709,151	14,069,492	639,659	4.5%	1	13,643,532
					Deductions from Revenue:						
310,642	351,366	40,724	11.6%		Contractual Allowances	4,279,253	4,269,209	(10,044)	-0.2%	2	3,936,244
37,378	39,225	1,847	4.7%		Charity Care	479,403	481,863	2,460	0.5%	2	549,470
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
41,946	46,145	4,199	9.1%		Bad Debt	1,088,696	566,897	(521,799)	-92.0%	2	797,146
(105,961)	-	105,961	0.0%		Prior Period Settlements	(100,552)	-	100,552	0.0%	2	14,581
284,005	436,736	152,731	35.0%		Total Deductions from Revenue	5,746,801	5,317,969	(428,832)	-8.1%	2	5,297,441
69,401	44,307	25,094	56.6%		Other Operating Revenue	858,988	688,876	170,112	24.7%	3	645,735
939,280	761,236	178,045	23.4%		TOTAL OPERATING REVENUE	9,910,011	9,543,334	366,678	3.8%		9,161,236
					OPERATING EXPENSES						
218,498	246,955	28,457	11.5%		Salaries and Wages	2,902,818	3,022,369	119,552	4.0%	4	2,956,662
45,390	87,152	41,762	47.9%		Benefits	1,003,742	1,069,261	65,520	6.1%	4	975,252
3,072	2,717	(355)	-13.1%		Benefits Workers Compensation	37,090	32,598	(4,492)	-13.8%	4	(6,850)
83,504	48,049	(35,455)	-73.8%		Benefits Medical Insurance	611,273	576,592	(34,681)	-6.0%	4	489,372
201,093	222,485	21,392	9.6%		Professional Fees	2,501,757	2,620,635	118,878	4.5%	5	2,452,575
52,666	43,676	(8,990)	-20.6%		Supplies	635,194	582,400	(52,794)	-9.1%	6	598,519
37,151	35,724	(1,427)	-4.0%		Purchased Services	477,207	458,015	(19,191)	-4.2%	7	450,655
39,286	55,286	16,000	28.9%		Other	593,840	618,176	24,335	3.9%	8	570,062
680,661	742,044	61,383	8.3%		TOTAL OPERATING EXPENSE	8,762,920	8,980,046	217,126	2.4%		8,486,247
258,619	**19,192**	**239,427**	**1247.5%**		**NET OPERATING REV(EXP) EBIDA**	**1,147,091**	**563,288**	**583,804**	**103.6%**		**674,989**
					NON-OPERATING REVENUE/(EXPENSE)						
-	4,200	(4,200)	-100.0%		Donations-IVCH	22,091	50,400	(28,309)	-56.2%	9	691,114
-	-	-	0.0%		Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(64,788)	(53,601)	(11,186)	20.9%		Depreciation	(653,057)	(643,217)	(9,841)	1.5%	11	(613,299)
(64,788)	(49,401)	(15,386)	-31.1%		TOTAL NON-OPERATING REVENUE/(EXP)	(630,967)	(592,817)	(38,150)	-6.4%		77,815
$ 193,831	**$ (30,209)**	**$ 224,041**	**-741.6%**		**EXCESS REVENUE(EXPENSE)**	**$ 516,125**	**$ (29,529)**	**$ 545,654**	**-1847.9%**		**$ 752,804**
22.4%	**1.7%**	**20.7%**			**RETURN ON GROSS REVENUE EBIDA**	**7.8%**	**4.0%**	**3.8%**			**4.9%**

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

		Variance from Budget Fav<Unfav> JUNE 2015	YTD 2015
1) Gross Revenues			
Acute Patient Days were at budget at 0 and Observation Days were below budget by 1 at 2.	Gross Revenue -- Inpatient	$ (3,803)	$ (14,261)
	Gross Revenue -- Outpatient	4,023	639,659
		$ 220	$ 625,398
Outpatient volumes exceeded budget in Emergency Department visits and Laboratory tests.			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with a 5.02% increase in Commercial, Insurance, a 4.37% decrease in Medicare, a 7.41% increase in Medicaid, a 7.68% decrease in Other, and a .38% decrease in County. Positive variance in Contractual Allowances is a result of the shift in Payor mix.	Contractual Allowances	$ 40,724	$ (10,044)
	Charity Care	1,847	2,460
	Charity Care-Catastrophic Event	-	-
	Bad Debt	4,199	(521,799)
	Prior Period Settlement	105,961	100,552
	Total	$ 152,731	$ (428,832)
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in June.	IVCH ER Physician Guarantee	$ 32,894	$ 180,849
	Miscellaneous	(7,800)	(10,737)
	Total	$ 25,094	$ 170,112
4) Salaries and Wages	Total	$ 28,457	$ 119,552
Employee Benefits			
Positive variance in Pension/Deferred Comp resulted from truing up the liability accounts during the preliminary year-end close.	PL/SL	$ 5,302	$ 28,287
	Standby	2,859	11,088
	Other	4,344	(3,530)
	Nonproductive	(100)	(3,474)
	Pension/Deferred Comp	29,358	33,148
	Total	$ 41,762	$ 65,520
Employee Benefits - Workers Compensation	Total	$ (355)	$ (4,492)
Employee Benefits - Medical Insurance	Total	$ (35,455)	$ (34,681)
Negative variance in Medical Insurance related to the year-end adjustment of the IBNR liability account.			
5) Professional Fees			
Negative variance in Foundation related to contracted Fundraising services.	Foundation	$ (2,629)	$ (14,715)
	Multi-Specialty Clinics	3,327	(3,339)
	Administration	150	1,800
	Miscellaneous	(761)	2,092
IVCH OP Physical and Occupational Therapy revenues fell short of budget by 23.24% creating a positive variance in Therapy Services Pro Fees.	IVCH ER Physicians	432	27,706
	Therapy Services	18,127	47,973
	Sleep Clinic	2,746	57,360
	Total	$ 21,392	$ 118,878
6) Supplies			
Medical Supplies Sold to Patients revenues exceeded budget by 134.02%, creating a negative variance in Patient & Other Medical Supplies	Patient & Other Medical Supplies	$ (10,912)	$ (66,708)
	Non-Medical Supplies	(1,940)	(3,573)
	Minor Equipment	91	(555)
	Food	9	227
Drugs Sold to Patients revenue fell short of budget by 18.41%, creating a positive variance in Pharmacy Supplies.	Office Supplies	(987)	1,423
	Imaging Film	316	1,985
	Pharmacy Supplies	4,435	14,406
	Total	$ (8,990)	$ (52,794)

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

		Variance from Budget Fav<Unfav>	
		JUNE 2015	YTD 2015
7) Purchased Services	Miscellaneous	$ (3,668)	$ (35,705)
Negative variance in Miscellaneous related to outsourced management of the Medically Managed Fitness program and nutritional services provided for Community Health events.	EVS/Laundry	(585)	(9,348)
	Engineering/Plant/Communications	(1,226)	(2,775)
	Pharmacy	1,100	(1,706)
Negative variance in Laboratory related to a maintenance agreement on equipment.	Laboratory	(1,512)	(466)
	Surgical Services	-	-
	Multi-Specialty Clinics	45	1,972
Negative variance in Foundation related to a fundraising event.	Foundation	(2,030)	6,740
	Department Repairs	3,172	9,240
	Diagnostic Imaging Services - All	3,278	12,856
	Total	$ (1,427)	$ (19,191)
8) Other Expenses	Outside Training & Travel	$ 1,179	$ (14,988)
Positive variance in Insurance related to a fundraising event.	Other Building Rent	(582)	(2,911)
	Equipment Rent	3,818	(2,871)
Controllable expenses continue to be monitored closely creating positive variances in most of the "Other Expenses" categories.	Dues and Subscriptions	(586)	(1,168)
	Multi-Specialty Clinics Equip Rent	-	-
	Physician Services	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Miscellaneous	389	4,214
	Insurance	7,355	9,702
	Utilities	2,799	11,116
	Marketing	1,629	21,242
	Total	$ 16,000	$ 24,335
9) Donations	Total	$ (4,200)	$ (28,309)
10) Gain/(Loss) on Sale	Total	$ -	$ -
11) Depreciation Expense	Total	$ (11,186)	$ (9,841)
Year-end depreciation was trued up creating a negative variance in Depreciation Expense.			

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2014	BUDGET FYE 2015		PRELIMINARY FYE 2015	PRELIMINARY JUNE 2015	BUDGET JUNE 2015	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	ACTUAL 3RD QTR	PRELIMINARY 4TH QTR
Net Operating Rev/(Exp) - EBIDA	$ 3,742,843	$ 2,008,740		$ 5,216,517	**$ 2,580,388**	**$ 208,429**	**$ 2,371,959**	$ 3,469,494	$ (1,330,346)	$ 1,213,071	$ 1,864,298
Interest Income	90,129	96,542		97,528	-	-	-	19,503	25,120	26,432	26,472
Property Tax Revenue	5,285,587	5,376,000		5,352,075	**13,074**	-	**13,074**	237,157	73,132	2,877,602	2,164,184
Donations	1,132,315	600,300		757,929	**35,813**	-	**35,813**	221,165	146,247	143,748	246,768
Debt Service Payments	(4,308,075)	(3,926,699)		(3,505,561)	**(267,788)**	**(104,367)**	**(163,421)**	(1,123,831)	(790,940)	(955,720)	(635,070)
Bank of America - 2012 Muni Lease	(1,243,647)	(1,243,644)		(1,243,531)	**(103,637)**	**(103,637)**	**(0)**	(310,795)	(310,912)	(310,912)	(310,912)
Bank of America - 2007 Muni Lease	(421,721)	-		-		-	-				
Copier	(100,214)	(105,000)		(8,962)	**(730)**	**(730)**	**0**	(2,393)	(2,197)	(2,912)	(1,460)
2002 Revenue Bond	(633,393)	(664,805)		(660,296)	**(163,421)**	-	**(163,421)**	(332,811)	-	(164,064)	(163,421)
2006 Revenue Bond	(1,909,100)	(1,913,250)		(1,592,771)	-	-	-	(477,831)	(477,831)	(477,831)	(159,277)
Physician Recruitment	(129,886)	(150,000)		(155,902)	**(5,496)**	**(5,407)**	**(89)**	(27,246)	(16,112)	(16,233)	(96,310)
Investment in Capital				-						-	
Equipment	(2,157,004)	(1,748,150)		(2,491,260)	**(1,547,205)**	**(1,625,000)**	**77,795**	(270,964)	(334,607)	(205,260)	(1,680,429)
Municipal Lease Reimbursement	748,489	1,250,000		-	-	-	-	-	-	-	-
GO Bond Project Personal Property	(703,327)	(747,761)		(186,062)	**(47,840)**	-	**(47,840)**	(24,369)	(38,923)	(74,627)	(48,143)
IT	(339,004)	(2,804,763)		(1,394,200)	**48,506**	**(75,000)**	**123,506**	(113,054)	(1,092,933)	(84,068)	(104,145)
Building Projects	(1,339,652)	(3,557,916)		(2,218,063)	**(138,880)**	**(320,000)**	**181,120**	(617,090)	(596,944)	(543,309)	(460,720)
Health Information/Business System	(349,125)	(1,105,000)		(230,852)	-	-	-	(30,303)	(200,549)	-	-
Capital Investments											
MOB Suite Acquistion-Unbudgeted	-	-		(600,000)	**(600,000)**	**(600,000)**	-	-	-	-	(600,000)
Change in Accounts Receivable	3,825,683	1,989,042	N1	2,731,959	**(2,339,376)**	**(568,000)**	**(1,771,376)**	1,214,891	874,623	(67,768)	710,213
Change in Settlement Accounts	1,070,839	(900,000)	N2	47,641	**665,902**	-	**665,902**	(310,047)	(368,631)	(1,291,183)	2,017,502
Change in Other Assets	527,205	(548,326)	N3	(1,510,984)	**(1,691,390)**	**(341,036)**	**(1,350,354)**	(997,401)	(1,846,663)	1,957,036	(623,956)
Change in Other Liabilities	(40,000)	805,000	N4	(595,087)	**745,845**	**455,000**	**290,845**	547,692	(1,069,219)	755,696	(829,256)
Change in Cash Balance	7,057,017	(3,362,991)		1,315,678	**(2,548,447)**	**(2,975,381)**	**426,934**	2,195,597	(6,566,746)	3,735,417	1,951,409
Beginning Unrestricted Cash	43,894,743	50,951,760	N5	50,951,760	**54,790,699**	**54,790,699**	-	50,951,760	53,147,357	46,580,611	50,316,028
Ending Unrestricted Cash	50,951,760	47,588,769		52,242,252	**52,242,252**	**51,815,318**	**426,934**	53,147,357	46,580,611	50,316,028	52,242,252
Expense Per Day	311,010	316,480		331,830	**331,830**	**329,442**	**2,388**	328,735	329,124	332,048	331,830
Days Cash On Hand	164	150		157	**157**	**157**	**(1)**	162	142	152	157

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.
N5 - Change in Beginning Unrestricted Cash is different than as presented in budget package due to final adjustments for fiscal year end 2014.

Tahoe Forest Hospital
Operating Indicators
Inpatient Volumes
Month & YTD June 2015
June 30, 2015

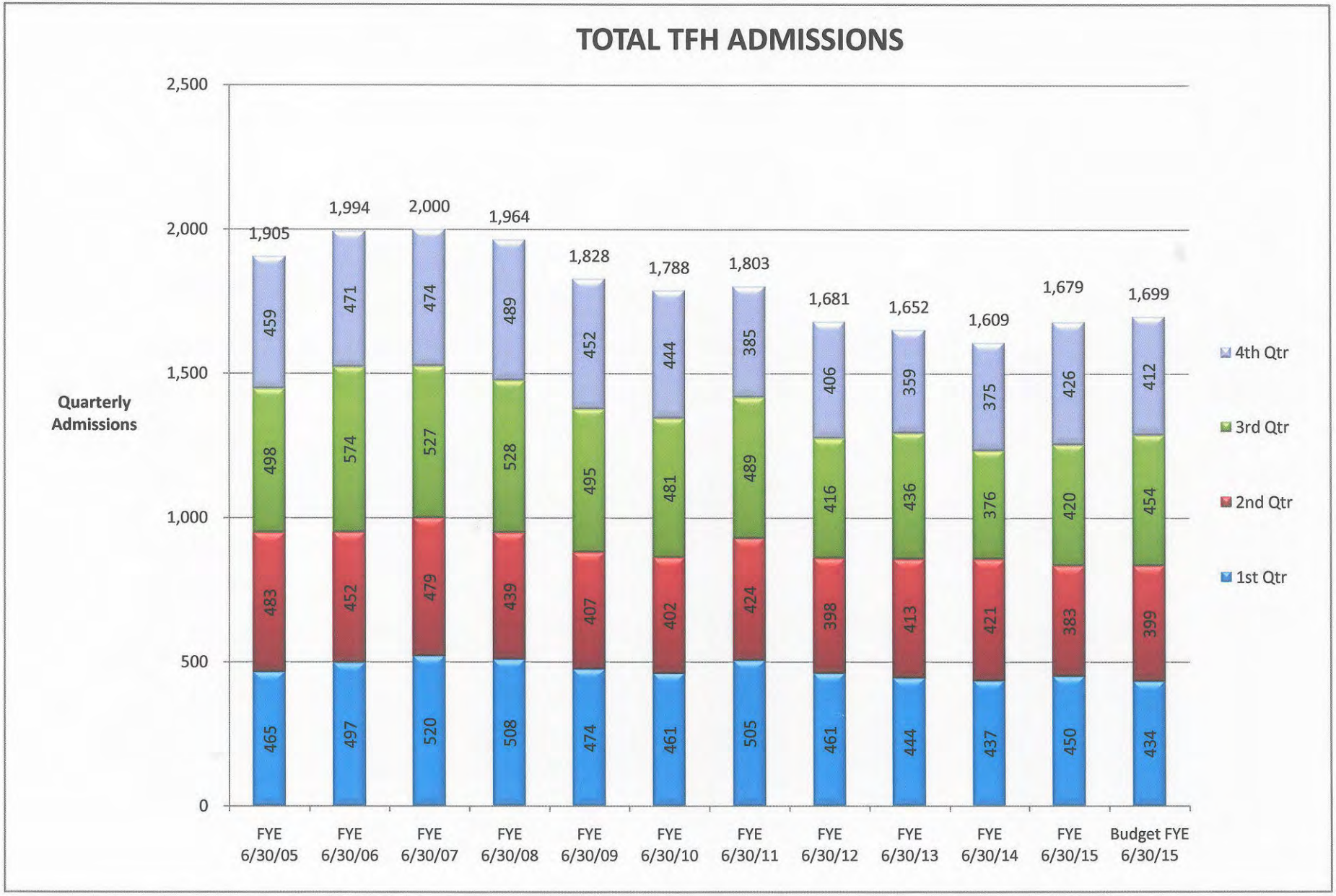
Acute	Jun-14 Actual	Jun-14 YTD Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual	Jan-15 Actual	Feb-15 Actual	Mar-15 Actual	Apr-15 Actual	May-15 Actual	Jun-15 Actual	Jun-15 Budget	Jun-15 Variance	Jun-15 % Variance	Jun-15 YTD Actual	Jun-15 YTD Budget	YTD Variance	YTD % Variance
Admissions - (Excludes Swing)	147	1,806	167	151	132	131	101	151	140	133	147	118	144	164	140	24.00	17.14%	1,679	1,700	(21)	-1.24%
Swing Admits	3	41	2	5	1	5	0	1	2	3	3	3	6	6	3	3.00	100.00%	37	1,700	(1,663)	-97.82%
Total Admissions	150	1,647	169	156	133	136	101	152	142	136	150	121	150	170	143	27.00	18.88%	1,716	1,700	16	0.94%
Length of Stay - Acute	2.91	2.86	2.77	2.72	2.84	2.56	2.77	2.72	2.81	2.58	2.69	2.57	2.64	2.69	2.77	(0.08)	-2.89%	32	1,700	(1,668)	-98.12%
Length of Stay - Swing	4.00	8.08	16.00	5.50	4.50	5.20	0.00	3.00	0.00	6.25	3.50	47.00	5.00	4.80	9.00	(4.20)	-46.67%	101	1,700	(1,599)	-94.06%
Length of Stay - Acute & Swing	2.93	2.96	2.85	2.79	2.87	2.65	2.77	2.72	2.85	2.69	2.71	2.93	2.78	2.75	2.90	(0.15)	-5.17%	33	1,700	(1,667)	-98.06%
LOS - Acute & Swing - Medicare	2.55	3.33	3.06	2.95	2.72	2.98	2.35	2.61	2.92	3.18	3.21	2.95	3.11	3.20	N/A	N/A	N/A	2.97	N/A	N/A	N/A
LOS - Acute & Swing - MediCal	4.21	3.08	2.62	3.12	3.00	2.74	2.48	3.89	3.93	2.37	2.52	2.86	2.77	2.38	N/A	N/A	N/A	2.93	N/A	N/A	N/A
LOS - Acute & Swing - Self Pay	3.75	2.86	1.17	1.50	3.67	2.00	1.75	1.00	1.50	2.20	1.50	3.33	4.80	3.00	N/A	N/A	N/A	2.28	N/A	N/A	N/A
LOS - Acute & Swing - Commercial	2.53	2.61	3.75	2.27	2.25	2.00	3.89	1.45	2.46	2.50	2.74	3.00	1.64	2.30	N/A	N/A	N/A	2.51	N/A	N/A	N/A
LOS - Acute & Swing - Contract	3.11	2.71	2.88	2.67	3.13	2.48	3.29	2.48	2.33	2.51	2.38	2.92	2.43	2.39	N/A	N/A	N/A	2.60	N/A	N/A	N/A
Average Daily Census - Acute	13.8	12.6	14.9	13.3	11.6	11.7	9.0	12.6	13.6	12.0	13.0	10.4	11.6	14.2	12.8	1.40	10.94%	12.4	12.9	(0.5)	-3.88%
Average Daily Census - Swing	0.5	0.8	0.5	0.7	0.3	0.8	0.0	0.1	0.2	0.9	0.5	1.6	1.3	0.8	0.9	(0.10)	-11.11%	0.6	4.7	(4.1)	-87.23%
Avg Daily Census - Acute & Swing	14.3	13.4	15.4	14.0	11.9	12.5	9.0	12.7	13.8	12.9	13.5	12.0	12.9	15.0	13.7	1.30	9.49%	13.0	17.6	(4.6)	-26.14%
Occupancy Percentage - Acute	55.5%	50.7%	59.4%	53.4%	46.3%	46.8%	35.9%	50.6%	54.5%	48.0%	52.0%	41.5%	46.1%	56.7%	50.1%	0.07	13.17%	49.3%	51.8%	-2.5%	-4.83%
Occupancy Percentage - Swing	2.1%	3.1%	2.1%	2.8%	1.2%	3.4%	0.0%	0.4%	0.8%	3.6%	1.8%	6.3%	5.2%	3.2%	3.5%	0.00	-8.57%	2.5%	3.6%	-1.1%	-30.56%
Occupancy % - Acute & Swing	57.5%	53.8%	61.4%	56.3%	47.5%	50.2%	35.9%	51.0%	55.1%	51.6%	53.8%	47.7%	51.2%	59.9%	53.5%	0.08	11.95%	51.8%	55.4%	-3.6%	-6.50%
Patient Days (excludes swings)	430	4,622	460	414	347	363	269	392	422	336	403	311	357	425	388	37.00	9.54%	4,499	4,726	(227.0)	-4.80%
Swing Days (inc swings)	16	283	16	22	9	26	0	3	5	25	14	47	40	24	27	(3.00)	-11.11%	231	326	(95)	-29.14%
Total Patient Days	448	4,905	476	436	356	389	269	395	427	361	417	358	397	449	415	34.00	8.19%	4,730	5,052	(322)	-6.37%
ICU I/P Days	25	234	34	19	22	6	8	26	16	12	14	14	11	23	22	1.00	4.55%	205	275	(70)	-25.45%
ICU Stepdown Days	29	329	30	29	34	25	16	21	34	17	32	26	36	51	31	20.00	64.52%	351	375	(24)	-6.40%
ICU Med/Surg Days	35	351	33	29	35	26	19	34	33	32	32	56	38	38	23	15.00	65.22%	405	315	90	28.57%
Medical/Surgical Days	265	2,772	272	253	185	216	152	251	286	181	236	130	185	247	217	30.00	13.82%	2,594	2,775	(181)	-6.52%
Medical/Surgical In OB Days	5	14	0	0	0	0	0	0	0	0	0	0	2	0	1	(1.00)	-100.00%	2	10	(8)	-80.00%
Obstetrics Days	71	920	91	84	71	88	74	60	53	94	89	85	85	66	92	(26.00)	-28.26%	940	950	(10)	-1.05%
Nursery Re-Admits	0	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0.00	0.00%	2	8	(6)	-75.00%
Total Acute Patient Days (excludes swings	430	4622	460	414	347	363	269	392	422	336	403	311	357	425	386	39.00	10.10%	4,499	4,708	(209)	-4.44%
M/S Swing Days	16	283	16	22	9	26	0	3	5	25	14	47	40	24	27	(3.00)	-11.11%	231	325	(94)	-28.92%
Total Patient Days (includes swings)	448	4905	476	436	356	389	269	395	427	361	417	358	397	449	413	36.00	8.72%	4,730	5,033	(303)	-6.02%
Nursery Days	79	879	90	74	57	92	60	53	55	91	94	79	80	58	91	(33.00)	-36.26%	883	880	3	0.34%
Deliveries	21	386	33	38	25	35	29	28	27	37	35	33	37	29	38	(9.00)	-23.68%	386	400	(14)	-3.50%
ICU (Med/Surg) Days	35	351	33	29	35	26	19	34	33	32	32	56	38	38	23	15.00	65.22%	405	315	90	28.57%
I/P Medical / Surgical Days	265	2,772	272	253	185	216	152	251	286	181	236	130	185	247	217	30.00	13.82%	2,594	2,775	(181)	-6.52%
Medical / Surgical Days in OB	5	14	0	0	0	0	0	0	0	0	0	0	2	0	1	(1.00)	-100.00%	2	10	(8)	-80.00%
Total Medical / Surgical Days	305	3137	305	282	220	242	171	285	319	213	288	186	225	285	241	44.00	18.26%	3,001	3,100	(99)	-3.19%
Medical / Surgical Swings Days	16	283	16	22	9	26	0	3	5	25	14	47	40	24	27	(3.00)	-11.11%	231	325	(94)	-28.92%
Total Med/Surg Days (inc Swings)	321	3420	321	304	229	268	171	288	324	238	282	233	265	309	268	41.00	15.30%	3,232	3,425	(193)	-5.64%
Average Daily Census																					
ICU I/P Days	0.8	0.6	1.1	0.6	0.7	0.2	0.3	0.8	0.5	0.4	0.5	0.5	0.4	0.8	0.7	0.10	14.29%	0.6	0.8	(0.2)	-25.00%
ICU Stepdown Days	0.9	0.9	1.0	0.9	1.1	0.8	0.5	0.7	1.1	0.6	1.0	0.9	1.2	1.7	1.0	0.70	70.00%	1.0	1.0	0.0	0.00%
ICU Boarder Days	1.1	1.0	1.1	0.9	1.2	0.8	0.6	1.1	1.1	1.1	1.0	1.9	1.2	1.3	0.8	0.50	62.50%	1.1	0.9	0.2	22.22%
I/P Medical / Surgical Days	8.5	7.6	8.8	8.2	6.2	7.0	5.1	8.1	9.2	6.5	7.6	4.3	6.0	8.2	7.2	1.00	13.89%	7.1	7.6	(0.5)	-6.58%
Medical / Surgical Days in OB	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.00	0.00%	0.0	0.0	0.0	0.00%
Obstetrics Days	2.3	2.5	2.9	2.7	2.4	2.8	2.5	1.9	1.7	3.4	2.9	2.8	2.7	2.2	3.1	(0.90)	-29.03%	2.6	2.6	0.0	0.00%
Newborn Re-Admits	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00%	0.0	0.0	0.0	0.00%
al Acute Patient Average Daily Census	13.8	12.6	14.9	13.3	11.6	11.7	9.0	12.6	13.8	12.0	13.0	10.4	11.6	14.2	12.8	1.40	10.94%	12.4	12.9	(0.5)	-3.88%
Medical / Surgical - Swing	0.5	0.8	0.5	0.7	0.3	0.8	0.0	0.1	0.2	0.9	0.5	1.6	1.3	0.8	0.9	(0.10)	-11.11%	0.6	4.7	(4.1)	-87.23%
l Patient Avg Daily Census (inc swing)	14.3	13.4	15.4	14.0	11.9	12.5	9.0	12.7	13.8	12.9	13.5	12.0	12.9	15.0	13.7	1.30	9.49%	13.0	17.6	(4.6)	-26.14%
Skilled Nursing Unit																					
Patient Days	958	12,133	1,056	1,090	1,030	1,108	1,030	1,051	965	914	1,026	977	904	935	1,020	(85.00)	-8.33%	12,086	12,410	(324)	-2.61%
Average Daily Census	32	33	34	35	34	36	34	34	31	33	33	33	29	31	34	(3.00)	-8.82%	33	34	(1)	-2.94%
Occupancy Percentage	88.3%	95.0%	97.3%	100.5%	98.1%	102.1%	98.1%	96.9%	88.9%	93.3%	94.6%	93.0%	83.3%	89.0%	97.1%	(0.08)	-8.34%	94.6%	97.1%	-2.5%	-2.57%
Operating Room																					
Cases	76	845	79	74	66	67	73	76	73	62	71	57	63	76	65	11.00	16.92%	815	830	(15)	-1.81%
Minutes	7,189	22,856	7,665	6,946	7,908	7,244	6,993	8,151	7,270	7,520	7,189	6,324	6,217	7,751	7,088	663.00	9.35%	82,715	91,300	(8,585)	-9.40%

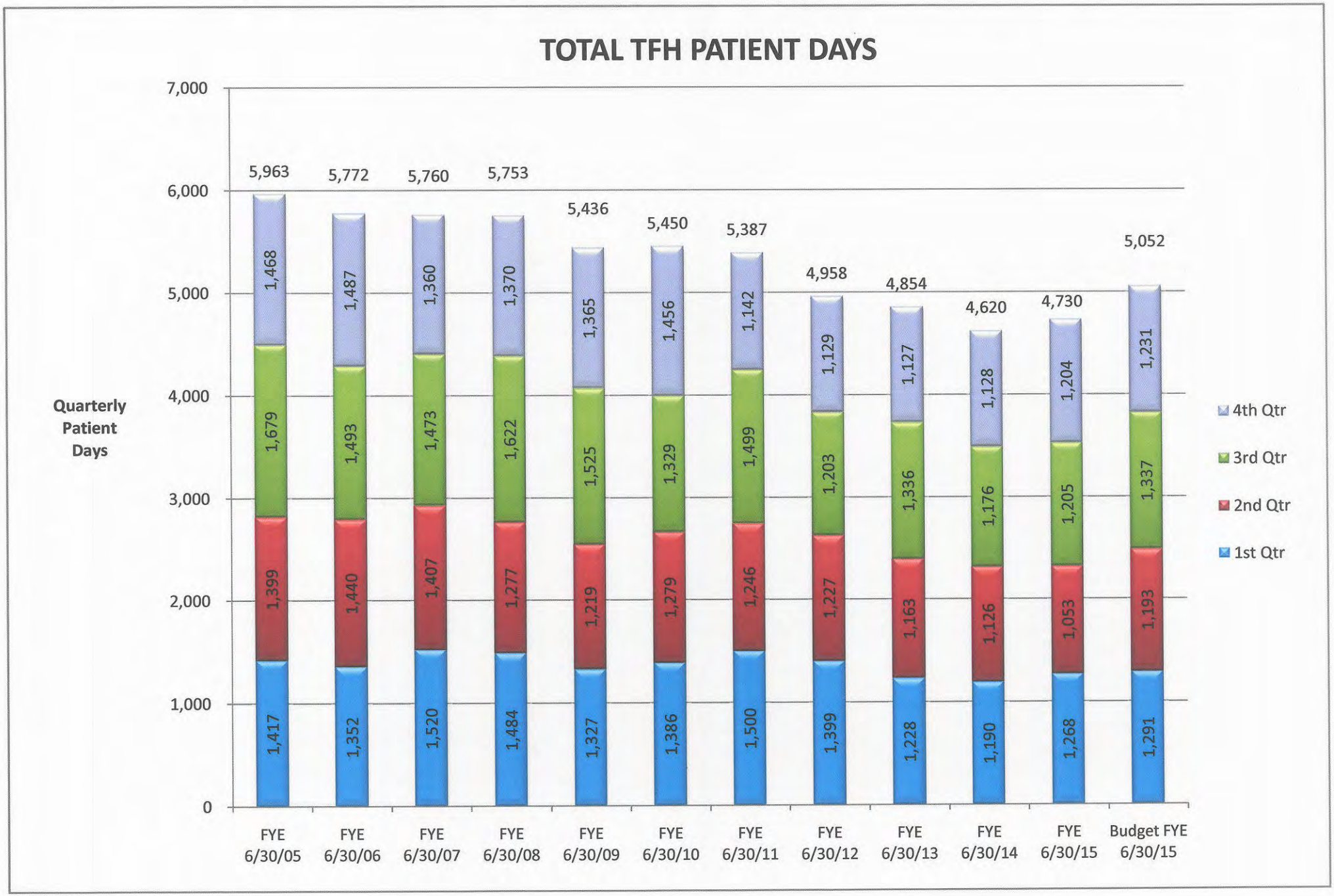
Tahoe Forest Hospital
Operating Indicators
Outpatient Volumes
Month & YTD June 2015

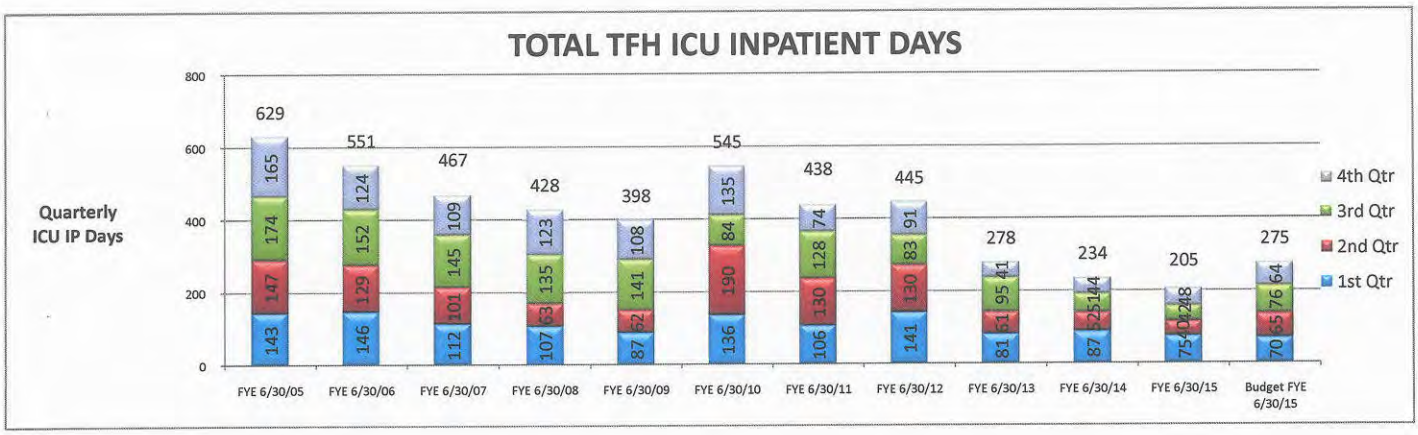
Outpatient	Jun-14 Actual	Jun-14 YTD Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual	Jan-15 Actual	Feb-15 Actual	Mar-15 Actual	Apr-15 Actual	May-15 Actual	Jun-15 Actual	Jun-15 Budget	Jun-15 Variance	Jun-15 % Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance
E/R Visits	1,063	12,704	1,059	1,375	878	816	749	1,273	1,373	1,078	1,062	790	960	1,218	926	292.00	31.53%	12,631	12,400	231	1.86%
TF Laboratory Tests	8,951	83,447	9,215	8,924	8,358	8,161	7,259	8,572	8,459	7,700	8,507	8,207	8,391	8,673	6,960	1,713.00	24.61%	100,426	78,000	22,426	28.75%
TC Laboratory Tests	930	9,985	1,102	1,120	933	1,158	910	895	847	741	1,036	892	913	827	802	25.00	3.12%	11,374	9,050	2,324	25.68%
IVCH Laboratory Tests	476	4,599	451	372	388	382	336	368	397	377	393	313	318	400	398	2.00	0.50%	4,485	4,650	(165)	-3.55%
MOB Tests	493	4,723	493	339	464	542	420	502	444	500	516	644	421	651	400	251.00	62.75%	5,936	4,500	1,436	31.91%
Clinic Accounts Tests	507	7,056	387	406	606	1,238	942	458	365	462	511	426	451	485	557	(72.00)	-12.93%	6,715	7,600	(885)	-11.64%
Send Outs O/P Tests	1,445	14,696	1,324	1,278	1,410	1,521	1,208	1,054	1,191	1,281	1,297	1,323	1,264	1,429	1,983	(554.00)	-27.94%	15,580	26,988	(11,408)	-42.27%
Total O/P Tests	12,802	124,506	12,952	12,439	12,169	12,980	11,075	11,849	11,703	11,061	12,260	11,805	11,758	12,485	11,100	1,365.00	12.30%	144,516	130,788	13,728	10.50%
Home Health Visits	247	3,778	266	277	260	322	305	318	307	324	292	350	288	286	351	(65.00)	-18.52%	3,575	3,995	(420)	-10.51%
Radiology Exams	589	7,279	902	828	521	507	465	780	853	661	644	460	524	633	557	76.00	13.64%	7,778	7,392	386	5.22%
Ultrasound Exams (excludes Breast US)	226	2,754	294	292	199	219	242	230	240	218	261	223	239	245	241	4.00	1.66%	2,902	2,700	202	7.48%
Cat Scan Exams	252	3,065	345	302	221	198	191	281	322	244	316	213	220	288	224	64.00	28.57%	3,141	3,001	140	4.67%
MRI Scan Exams	171	1,851	171	153	136	151	142	158	160	126	162	185	142	152	134	18.00	13.43%	1,838	1,800	38	2.11%
Operating Room																					
Cases	81	1,001	110	93	71	96	62	77	68	75	73	94	66	80	86	(6.00)	-6.98%	965	1,000	(35)	-3.50%
Minutes	5,588	70,050	7,205	6,725	4,740	5,877	4,504	5,198	4,929	4,827	4,880	6,574	3,921	5,197	5,912	(715.00)	-12.09%	64,577	68,750	(4,173)	-6.07%

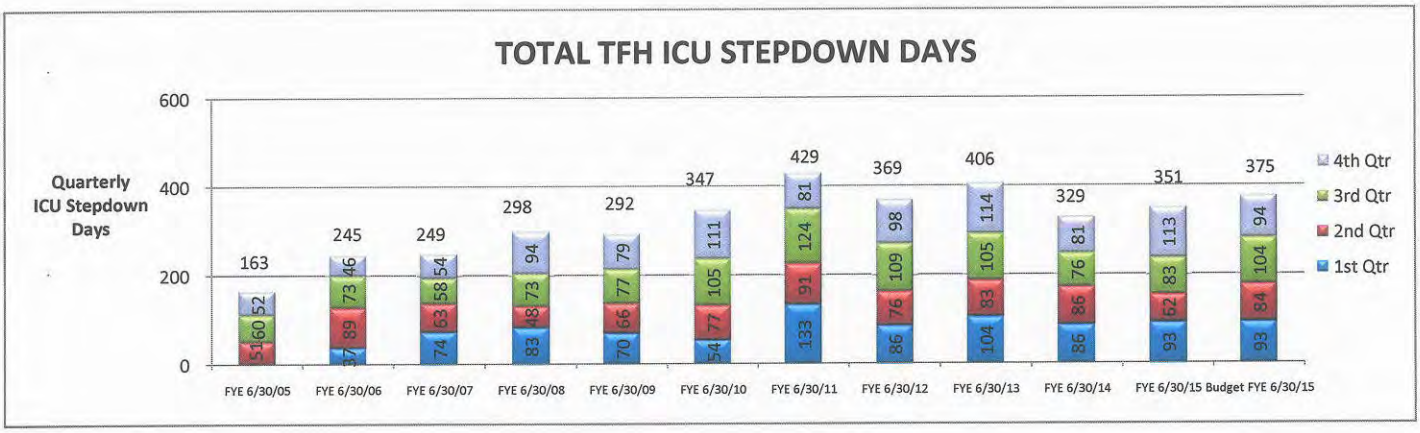
Incline Village Community Hospital
Operating Indicators
Month & YTD June 2015
June 30, 2015

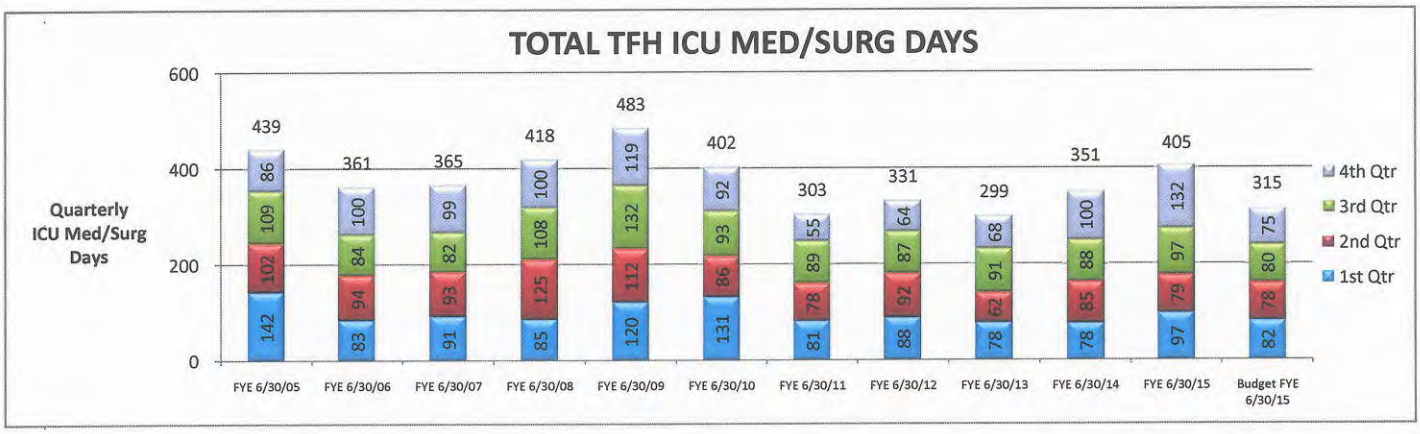
	Jun-14 Actual	Jun-14 YTD Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual	Jan-15 Actual	Feb-15 Actual	Mar-15 Actual	Apr-15 Actual	May-15 Actual	Jun-15 Actual	Jun-15 Budget	Jun-15 Variance	Jun-15 % Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance
Admissions	1	11	4	0	0	0	0	1	1	0	2	0	0	0	1	(1.00)	-100.00%	8	10	-2	-20.00%
Registrations	854	9,325	969	885	795	785	622	791	783	662	719	640	654	797	805	(8.00)	-0.99%	9,102	9,700	(598)	-6.16%
I/P Days	5	25	5	0	0	0	0	1	1	0	3	1	0	0	0	0.00	0.00%	11	10	1	10.00%
Observation Days	2	25	2	1	0	2	0	0	2	3	1	3	1	0	3	(3.00)	-100.00%	15	30	(15)	-50.00%
Total Days	7	50	7	1	0	2	0	1	3	3	4	4	1	0	3	(3.00)	-100.00%	26	40	(14)	-35.00%
Emergency Visits	306	3,560	431	382	317	260	227	367	348	292	283	245	273	295	286	9.00	3.15%	3,720	3,600	120	3.33%
Surgical Services:																					
Cases - Inpatient	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Cases - Outpatient	5	92	9	10	5	8	5	9	7	8	5	13	7	7	8	(1.00)	-12.50%	93	100	(7)	-7.00%
Total Cases	5	92	9	10	5	8	5	9	7	8	5	13	7	7	8	(1.00)	-12.50%	93	100	(7)	-7.00%
Minutes	1,484	29,911	2,668	3,087	1,400	2,024	1,188	2,568	2,283	947	539	1,605	898	845	2,512	(1,667.00)	-66.36%	20,052	29,700	(9,648)	-32.48%
Laboratory Tests (inc EKG's)	2,918	26,442	3,126	2,624	2,644	2,401	2,021	2,233	2,335	2,332	2,503	2,060	2,220	2,403	2,083	320.00	15.36%	28,902	23,920	4,982	20.83%
Radiology - I / P Exams	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	3	(3)	-100.00%
Radiology - O / P Exams	63	835	82	71	57	66	55	65	52	45	65	46	68	90	70	20.00	28.57%	762	900	(138)	-15.33%
Radiology - ER Exams	112	1,459	181	172	128	104	59	156	146	145	118	103	104	88	111	(23.00)	-20.72%	1,504	1,397	107	7.66%
Radiology (inc mammos) Totals	175	2,297	263	243	185	170	114	221	198	190	183	149	172	178	181	(3.00)	-1.66%	2,266	2,300	(34)	-1.48%
CT - I / P Exams	1	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	1	(1)	-100.00%
CT - O / P Exams (Inc. U/S)	13	157	23	12	16	6	17	14	13	14	14	7	13	18	12	6.00	50.00%	169	150	19	12.67%
CT - ER Exams	35	471	46	47	33	30	48	43	50	45	46	42	49	28	39	(11.00)	-28.21%	507	496	11	2.22%
Total Cat Scan Exams	49	631	69	59	49	36	65	57	63	59	60	49	62	46	51	(5.00)	-9.80%	676	647	29	4.48%
Pharmacy - I/P units	33	649	87	0	0	0	0	23	13	0	47	0	0	0	0	0.00	0.00%	170	238	(68)	-28.57%
Pharmacy - O/P units	623	7,859	1,043	840	564	521	475	892	798	807	653	607	657	579	624	(45.00)	-7.21%	8,436	7,901	535	6.77%
Pharmacy Totals	656	8,508	1,130	840	564	521	475	915	811	807	700	607	657	579	624	(45.00)	-7.21%	8,606	8,139	467	5.74%
IV's - Inpatient	4	63	2	0	0	0	0	0	0	0	5	0	0	0	0	0.00	0.00%	7	34	(27)	-79.41%
IV's - Outpatient	9	893	12	3	12	2	2	8	25	6	3	5	22	7	93	(86.00)	-92.47%	107	1,176	(1,069)	-90.90%
Total IV's	13	956	14	3	12	2	2	8	25	6	8	5	22	7	93	(86.00)	-92.47%	114	1,210	(1,095)	-90.58%
RT - I/P Procedures	4	107	17	0	0	0	0	19	12	0	38	0	0	0	0	0.00	0.00%	86	0	86	0.00%
RT - O/P Procedures	138	1,589	159	150	91	94	67	153	184	197	140	109	162	154	0	154.00	0.00%	1,660	0	1,660	0.00%
R/T Totals	142	1,696	176	150	91	94	67	172	196	197	178	109	162	154	0	154.00	0.00%	1,746	0	1,746	0.00%
Sleep Clinic Visits	10	143	9	13	18	14	7	8	8	7	12	10	8	0	16	(16.00)	-100.00%	114	200	(86)	-43.00%
Perioperative Services Minutes																					
OR - Inpatients	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
OR - Outpatients	418	8,794	804	868	332	619	329	720	674	735	385	1,323	698	695	635	60.00	9.45%	8,180	7,500	680	9.07%
OR - Total	418	8,794	804	868	332	619	329	720	674	735	385	1,323	698	695	635	60.00	9.45%	8,180	7,500	680	9.07%
Total ASD	957	18,424	1,584	1,878	897	1,270	823	1,524	1,366	0	0	0	0	0	1,650	(1,650.00)	-100.00%	9,342	19,500	(10,158)	-52.09%
I/P Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
O/P Recovery	109	2,693	280	286	171	135	36	324	243	212	154	282	202	150	227	(77.00)	-33.92%	2,475	2,700	-225	-8.33%
Total Recovery	109	2,693	280	286	171	135	36	324	243	212	154	282	202	150	227	(77.00)	-33.92%	2,475	2,700	(225)	-8.33%
Pain Clinic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Procedure Room	0	0	0	55	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	55	0	55	0.00%
Total Surgicenter Minutes	1,484	29,911	2,668	3,087	1,400	2,024	1,188	2,568	2,283	947	539	1,605	898	845	2,512	(1,667.00)	-66.36%	20,052	29,700	(9,648)	-32.48%
Anesthesia - Minutes																					
Inpatient	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Out Patient	422	9,040	848	926	357	586	342	739	702	759	403	1,352	726	714	660	54.00	8.18%	8,454	7,800	654	8.38%
Elsewhere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Total Anesthesia - Minutes	422	9,040	848	926	357	586	342	739	702	759	403	1,352	726	714	660	54.00	8.18%	8,454	7,800	654	8.38%
Dietary																					
Patient Meals	77	869	96	75	61	62	62	70	69	65	105	62	72	65	96	(31.00)	-32.29%	864	1,188	(324)	-27.27%
Pantries	231	2,421	228	201	230	168	155	168	140	166	179	187	187	156	69	87.00	126.09%	2,183	900	1263	140.33%
Non-patient Meals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Total Meals	308	3,290	324	276	291	228	217	238	209	231	284	249	259	221	165	56.00	33.94%	3,027	2,088	939	44.97%
Flu Shots	0	397	0	0	74	317	46	8	4	0	0	0	0	0	0	0.00	0.00%	449	400	49	12.25%
P/T - 42 076	2,329	29,640	2,463	2,292	2,211	2,547	2,095	2,353	2,466	2,342	2,604	2,645	2,271	2,283	3,032	(749.00)	-24.70%	28,572	32,400	(3828)	-11.81%
OT - 42 080	88	1,195	108	153	175	151	116	87	160	174	178	132	165	94	126	(32.00)	-25.40%	1,691	1,300	391	30.08%
Diamond Peak - Patients Seen	0	306	0	0	0	0	0	64	71	53	38	0	0	0	0	0.00	0.00%	246	350	(104)	-29.71%
Incline Village Health Clinic	81	856	85	115	109	128	108	110	132	117	119	103	112	109	47	62.00	131.91%	1,347	564	783	138.83%

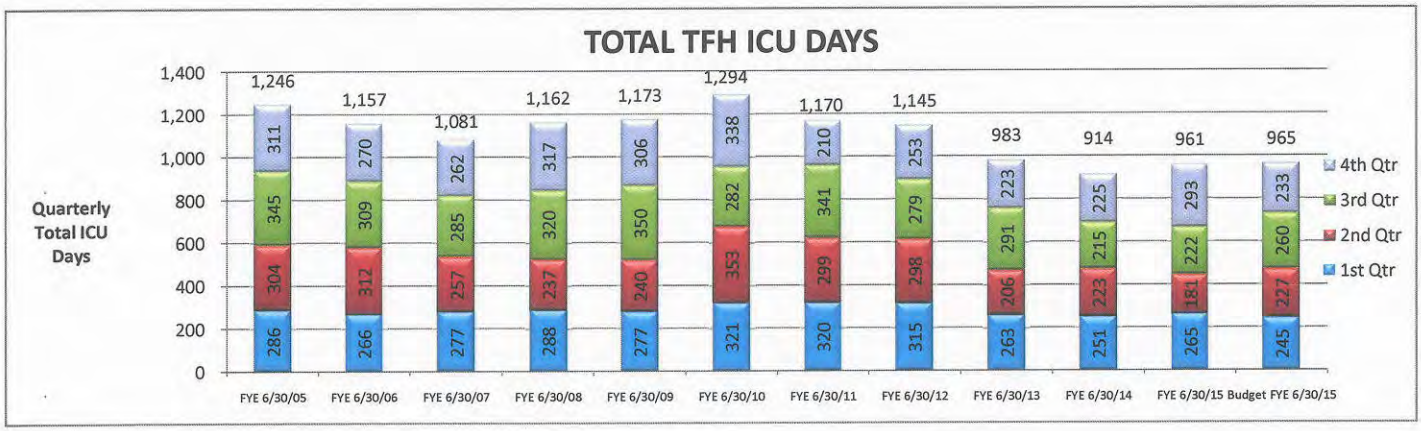

TOTAL TFH ADMISSIONS
Quarterly Admissions
2,500
2,000
1,500
1,000
500
0
1,905
1,994
2,000
1,964
1,828
1,788
1,803
1,681
1,652
1,609
1,679
1,699
459
471
474
489
452
444
385
406
359
375
426
412
498
574
527
528
495
481
489
416
436
376
420
454
483
452
479
439
407
402
424
398
413
421
383
399
465
497
520
508
474
461
505
461
444
437
450
434
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

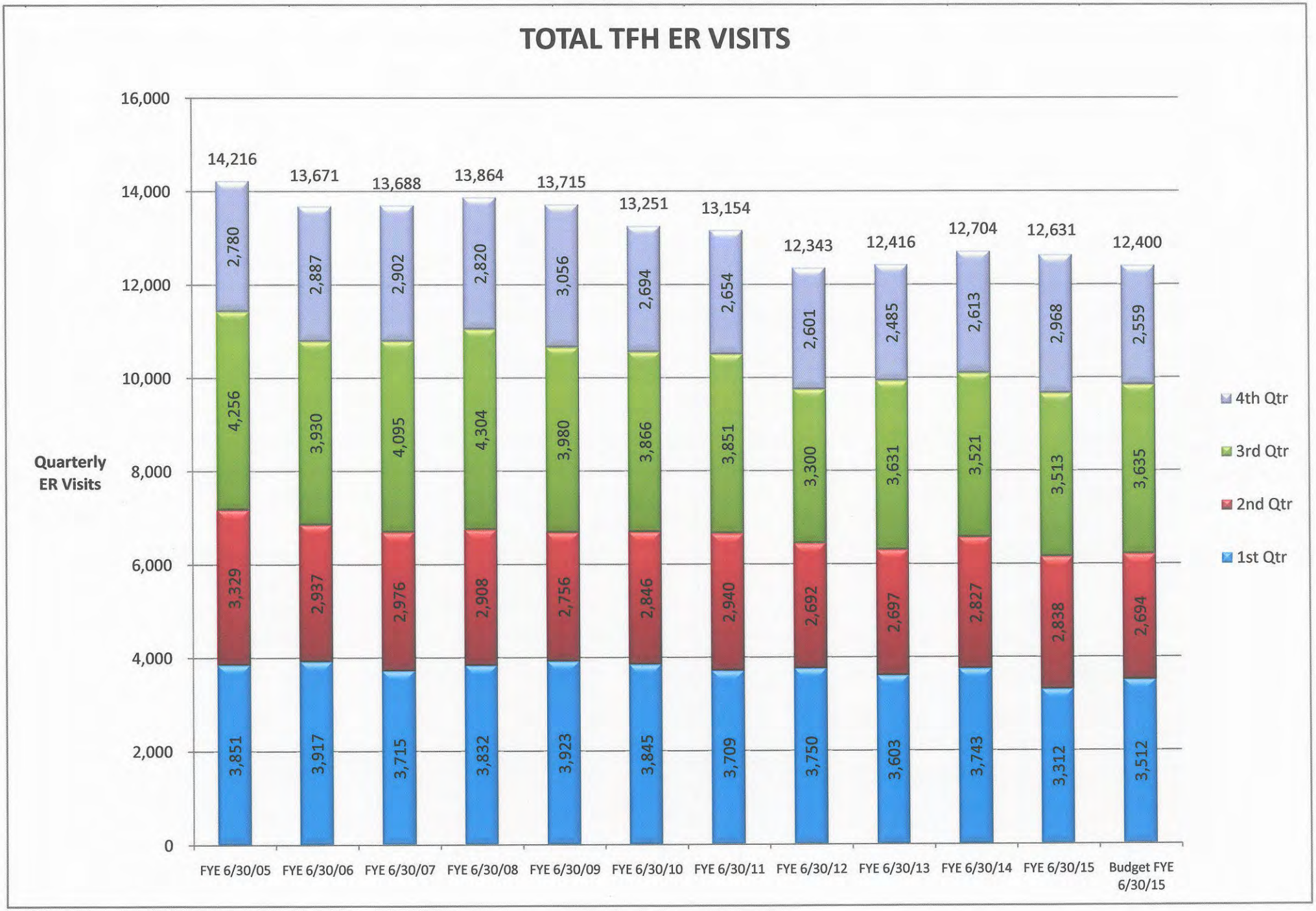

TOTAL TFH PATIENT DAYS
Quarterly Patient Days
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
5,963
5,772
5,760
5,753
5,436
5,450
5,387
4,958
4,854
4,620
4,730
5,052
1,468
1,487
1,360
1,370
1,365
1,456
1,142
1,129
1,127
1,128
1,204
1,231
1,679
1,493
1,473
1,622
1,525
1,329
1,499
1,203
1,336
1,176
1,205
1,337
1,399
1,440
1,407
1,277
1,219
1,279
1,246
1,227
1,163
1,126
1,053
1,193
1,417
1,352
1,520
1,484
1,327
1,386
1,500
1,399
1,228
1,190
1,268
1,291
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

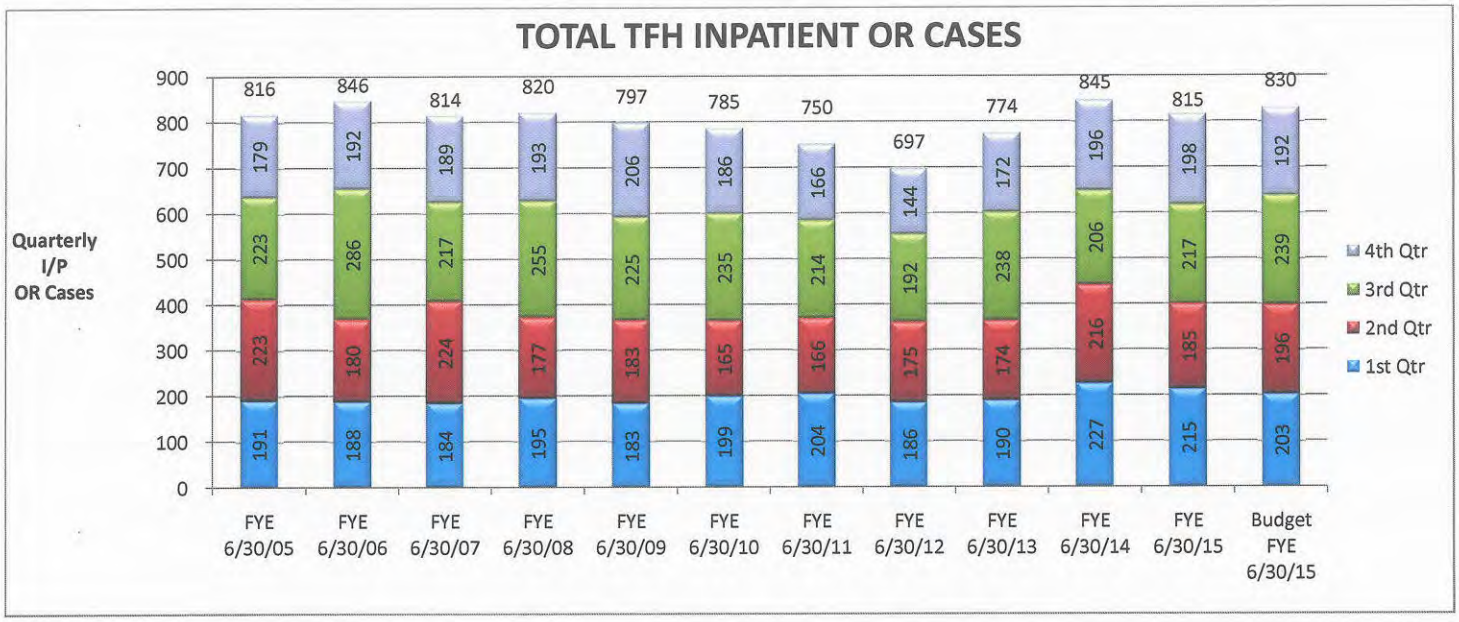

TOTAL TFH ICU INPATIENT DAYS
Quarterly ICU IP Days
800
600
400
200
0
629
551
467
428
398
545
438
445
278
234
205
275
143 147 174 165
146 129 152 124
112 101 145 109
107 63 135 123
87 52 141 108
136 190 84 135
106 130 128 74
141 130 83 91
81 51 95 41
87 25 14
75 0 28
70 35 76 64
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

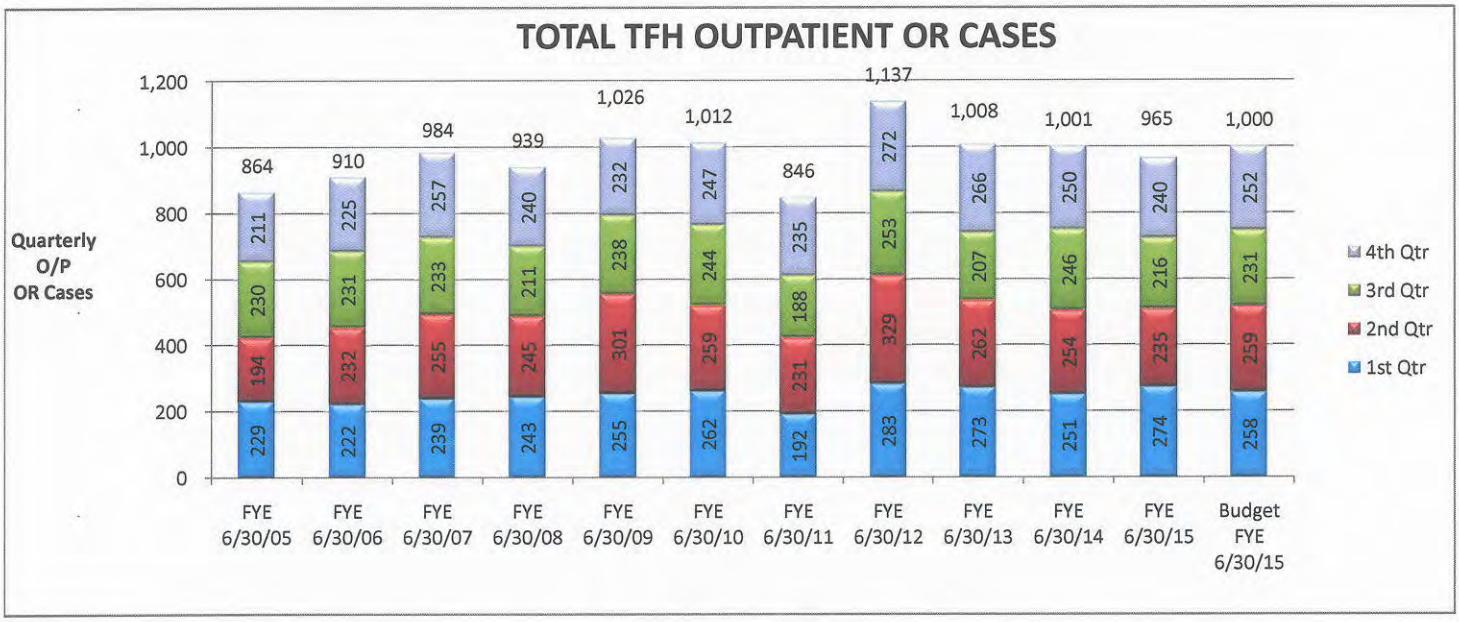

TOTAL TFH ICU STEPDOWN DAYS
Quarterly ICU Stepdown Days
600
400
200
0
163
245
249
298
292
347
429
369
406
329
351
375
51 60 52
37 89 73 46
74 63 58 54
83 48 73 94
70 66 77 79
54 77 105 111
133 91 124 81
86 76 109 98
104 83 105 114
86 86 76 81
93 62 83 113
93 84 104 94
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

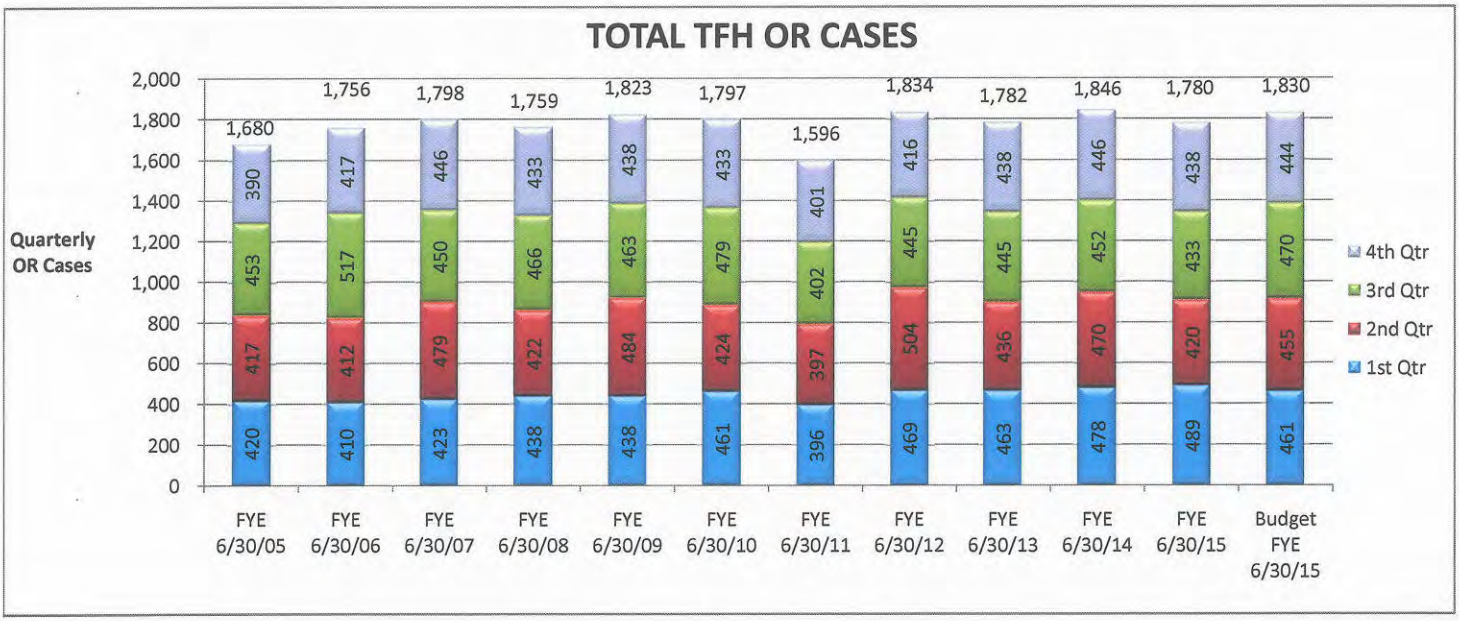

TOTAL TFH ICU MED/SURG DAYS
Quarterly ICU Med/Surg Days
600
400
200
0
439
361
365
418
483
402
303
331
299
351
405
315
142 102 109 86
83 94 84 100
91 93 82 99
85 125 108 100
120 112 132 119
131 86 93 92
81 78 89 55
88 92 87 64
78 62 91 68
78 85 88 100
97 79 97 132
82 78 80 75
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

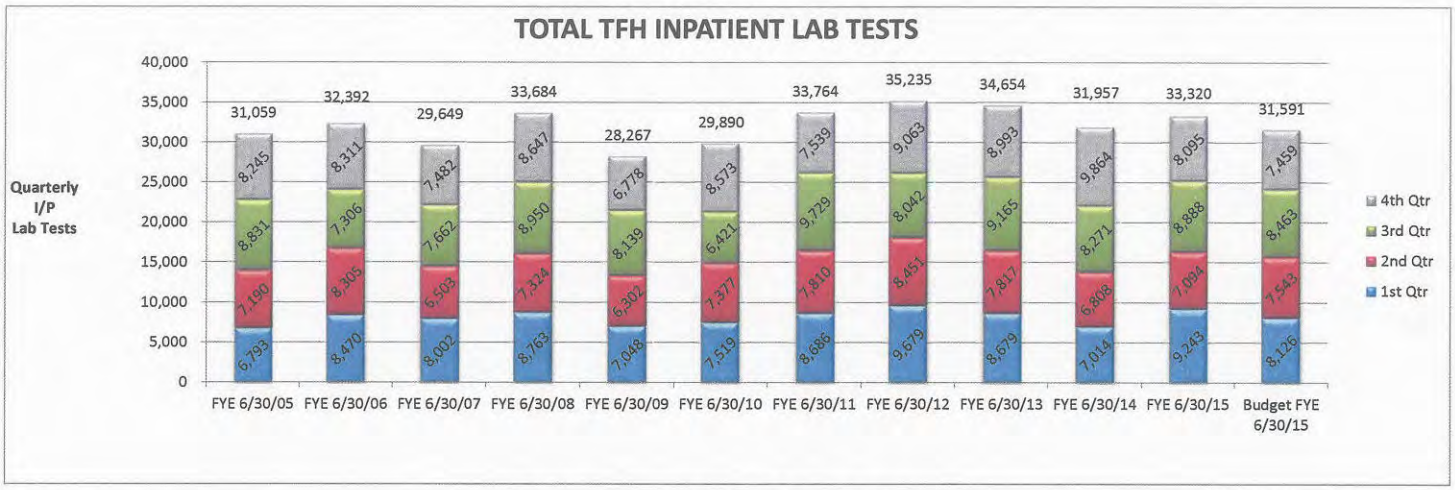

TOTAL TFH ICU DAYS
Quarterly Total ICU Days
1,400
1,200
1,000
800
600
400
200
0
1,246
1,157
1,081
1,162
1,173
1,294
1,170
1,145
983
914
961
965
286 304 345 311
266 312 309 270
277 257 285 262
288 237 320 317
277 240 350 306
321 353 282 338
320 299 341 210
315 298 279 253
263 206 291 223
251 223 215 225
265 181 222 293
245 227 260 233
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

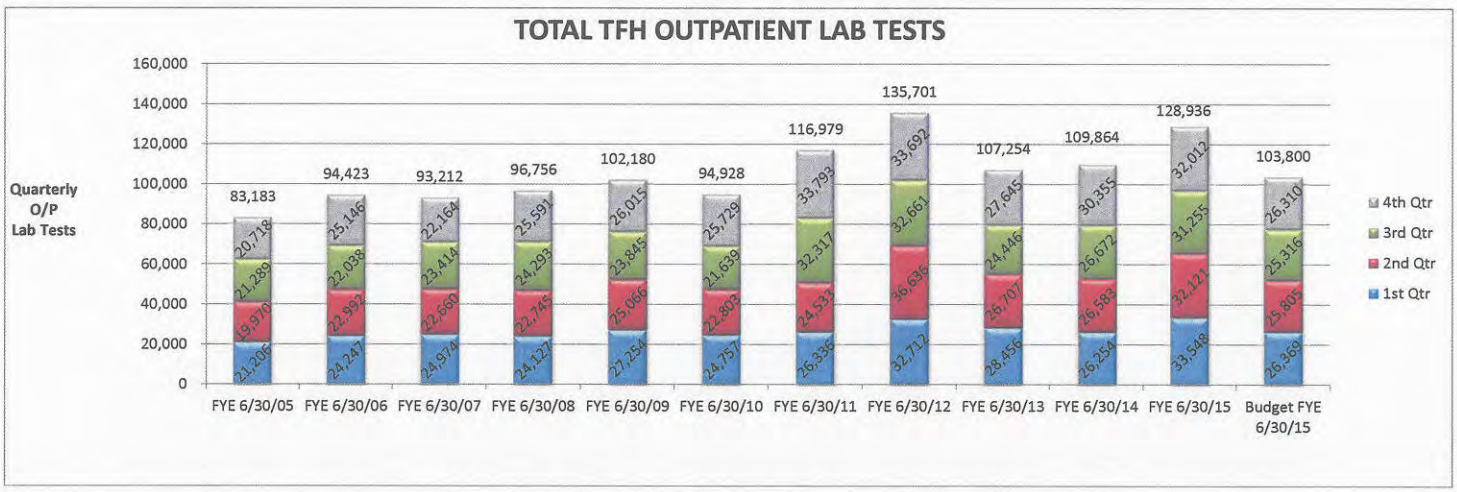

TOTAL TFH ER VISITS
Quarterly ER Visits
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
14,216
13,671
13,688
13,864
13,715
13,251
13,154
12,343
12,416
12,704
12,631
12,400
2,780
2,887
2,902
2,820
3,056
2,694
2,654
2,601
2,485
2,613
2,968
2,559
4,256
3,930
4,095
4,304
3,980
3,866
3,851
3,300
3,631
3,521
3,513
3,635
3,329
2,937
2,976
2,908
2,756
2,846
2,940
2,692
2,697
2,827
2,838
2,694
3,851
3,917
3,715
3,832
3,923
3,845
3,709
3,750
3,603
3,743
3,312
3,512
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

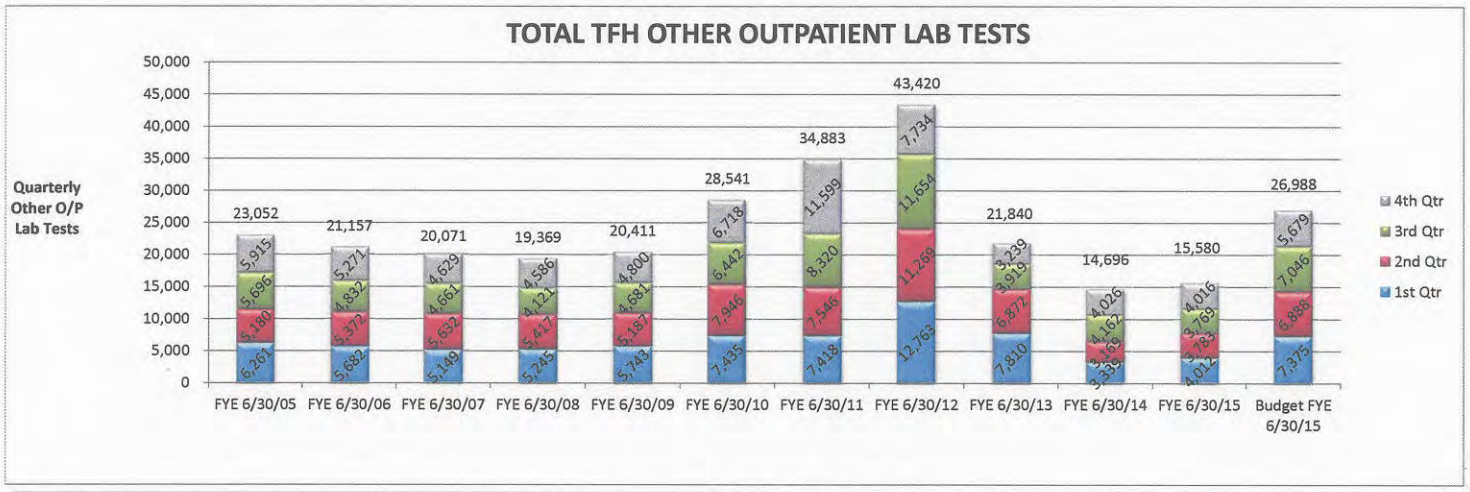

TOTAL TFH INPATIENT OR CASES
Quarterly I/P OR Cases
900
800
700
600
500
400
300
200
100
0
816 846 814 820 797 785 750 697 774 845 815 830
191 223 223 179
188 180 286 192
184 224 217 189
195 177 255 193
183 183 225 206
199 165 235 186
204 166 214 166
186 175 192 144
190 174 238 172
227 216 206 196
215 185 217 198
203 196 239 192
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

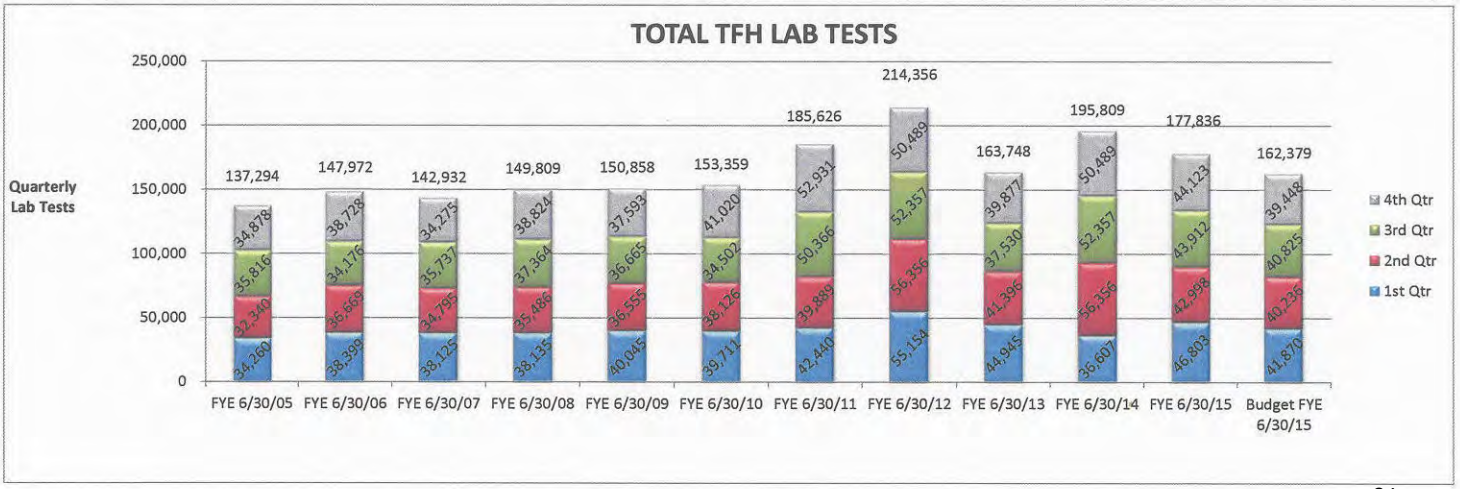

TOTAL TFH OUTPATIENT OR CASES
Quarterly O/P OR Cases
1,200
1,000
800
600
400
200
0
864 910 984 939 1,026 1,012 846 1,137 1,008 1,001 965 1,000
229 194 230 211
222 232 231 225
239 255 233 257
243 245 211 240
255 301 238 232
262 259 244 247
192 231 188 235
283 329 253 272
273 262 207 266
251 254 246 250
274 235 216 240
258 259 231 252
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH OR CASES
Quarterly OR Cases
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1,680 1,756 1,798 1,759 1,823 1,797 1,596 1,834 1,782 1,846 1,780 1,830
420 417 453 390
410 412 517 417
423 479 450 446
438 422 466 433
438 484 463 438
461 424 479 433
396 397 402 401
469 504 445 416
463 436 445 438
478 470 452 446
489 420 433 438
461 455 470 444
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

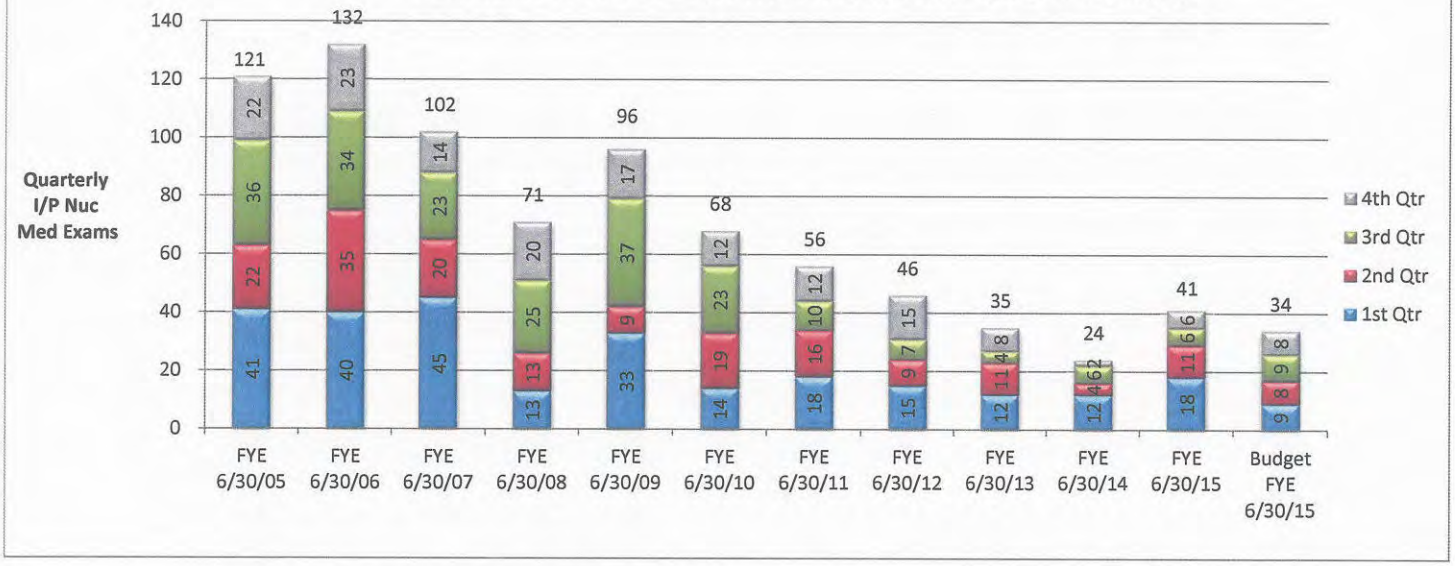

TOTAL TFH INPATIENT LAB TESTS
Quarterly I/P Lab Tests
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
31,059
32,392
29,649
33,684
28,267
29,890
33,764
35,235
34,654
31,957
33,320
31,591
8,245
8,831
7,190
6,793
8,311
7,306
8,305
8,470
7,482
7,662
6,503
8,002
8,647
8,950
7,324
8,763
6,778
8,139
6,302
7,048
8,573
6,421
7,377
7,519
7,539
9,729
7,810
8,686
9,063
8,042
8,451
9,679
8,993
9,165
7,817
8,679
9,864
8,271
6,868
7,014
8,095
8,388
7,034
9,243
7,459
8,463
7,543
8,126
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH OUTPATIENT LAB TESTS
Quarterly O/P Lab Tests
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
83,183
94,423
93,212
96,756
102,180
94,928
116,979
135,701
107,254
109,864
128,936
103,800
20,718
21,289
19,970
21,205
25,146
22,038
22,592
24,247
22,164
23,414
22,660
24,974
25,591
24,293
22,745
24,127
26,015
23,845
25,066
27,254
25,729
21,639
22,803
24,757
33,793
32,317
24,533
26,336
33,692
32,661
36,639
32,712
27,645
24,446
26,707
28,456
30,355
25,672
26,583
26,254
32,012
31,255
32,121
33,548
26,310
25,316
25,805
26,369
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

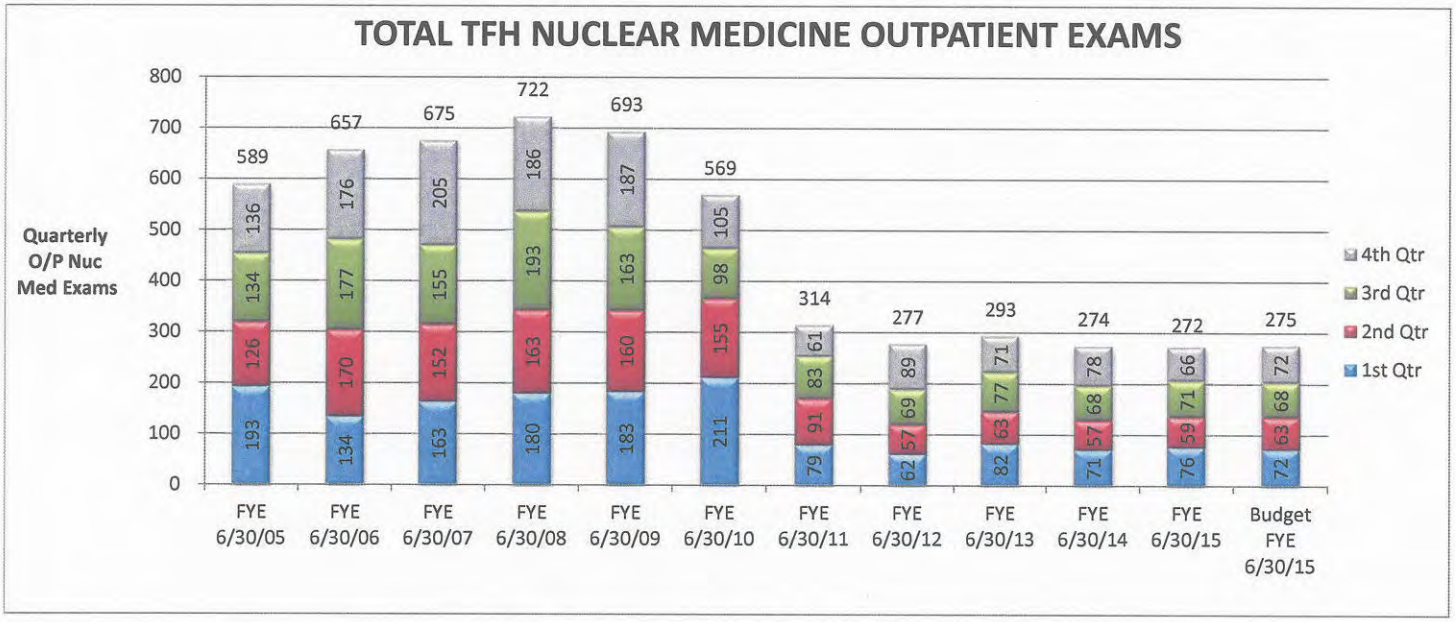

TOTAL TFH OTHER OUTPATIENT LAB TESTS
Quarterly Other O/P Lab Tests
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
23,052
21,157
20,071
19,369
20,411
28,541
34,883
43,420
21,840
14,696
15,580
26,988
5,915
5,696
5,180
6,261
5,271
4,832
5,372
5,682
4,629
4,661
5,632
5,149
4,586
4,121
5,417
5,245
4,800
4,681
5,187
5,743
6,718
6,442
7,946
7,435
11,599
8,320
7,546
7,418
7,734
11,654
11,269
12,763
3,239
3,919
6,872
7,810
4,026
4,162
3,168
3,339
4,016
3,769
3,783
4,012
5,679
7,046
6,888
7,375
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH LAB TESTS
Quarterly Lab Tests
250,000
200,000
150,000
100,000
50,000
0
137,294
147,972
142,932
149,809
150,858
153,359
185,626
214,356
163,748
195,809
177,836
162,379
34,878
35,816
32,340
34,260
38,728
34,176
36,669
38,399
34,275
35,737
34,795
38,125
38,824
37,364
35,486
38,135
37,593
36,665
36,555
40,045
41,020
34,502
38,126
39,711
52,931
50,366
39,889
42,440
50,489
52,357
56,356
55,154
39,877
37,530
41,396
44,945
50,489
52,357
56,356
36,607
44,123
43,912
42,998
46,803
39,448
40,825
40,236
41,870
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

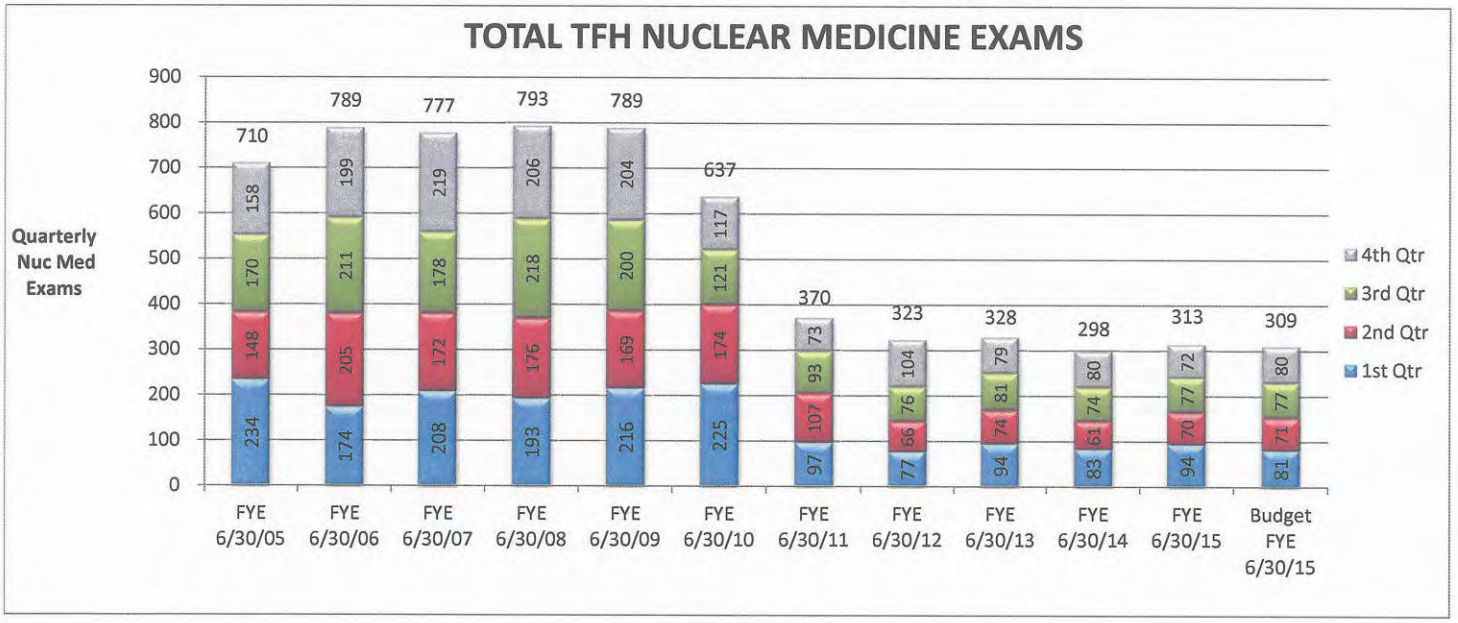
TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS

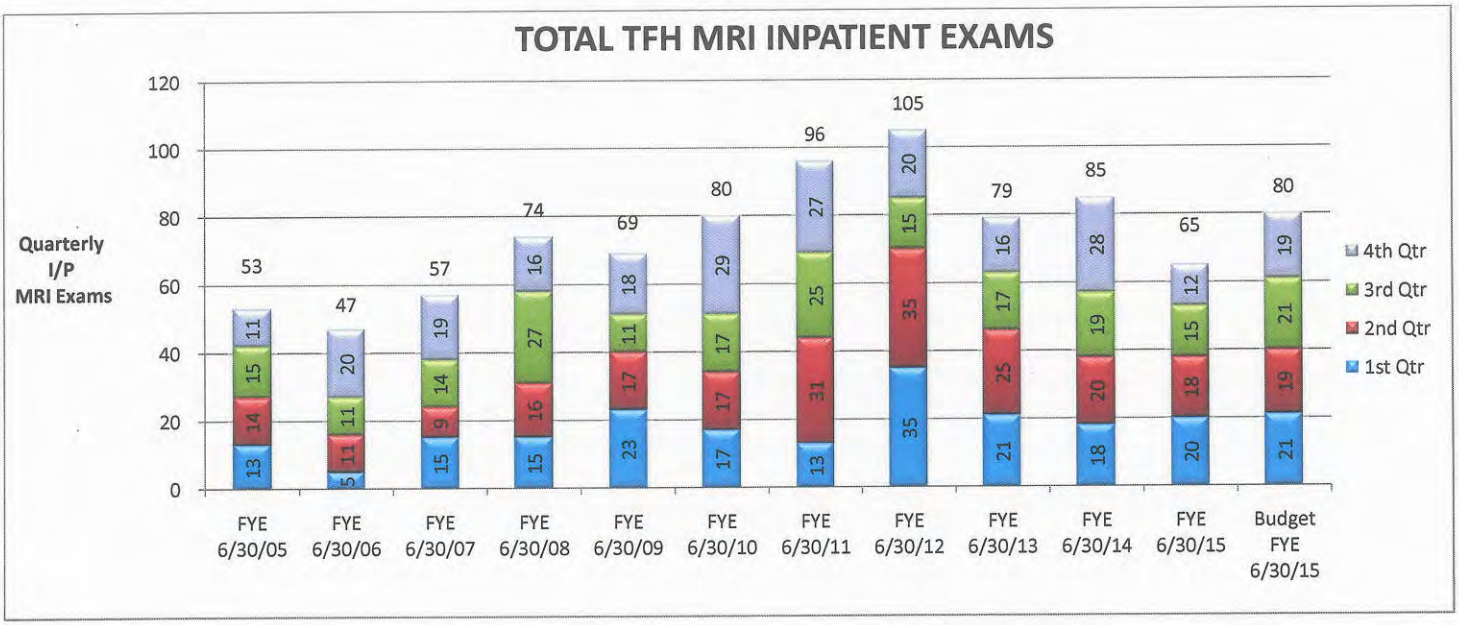


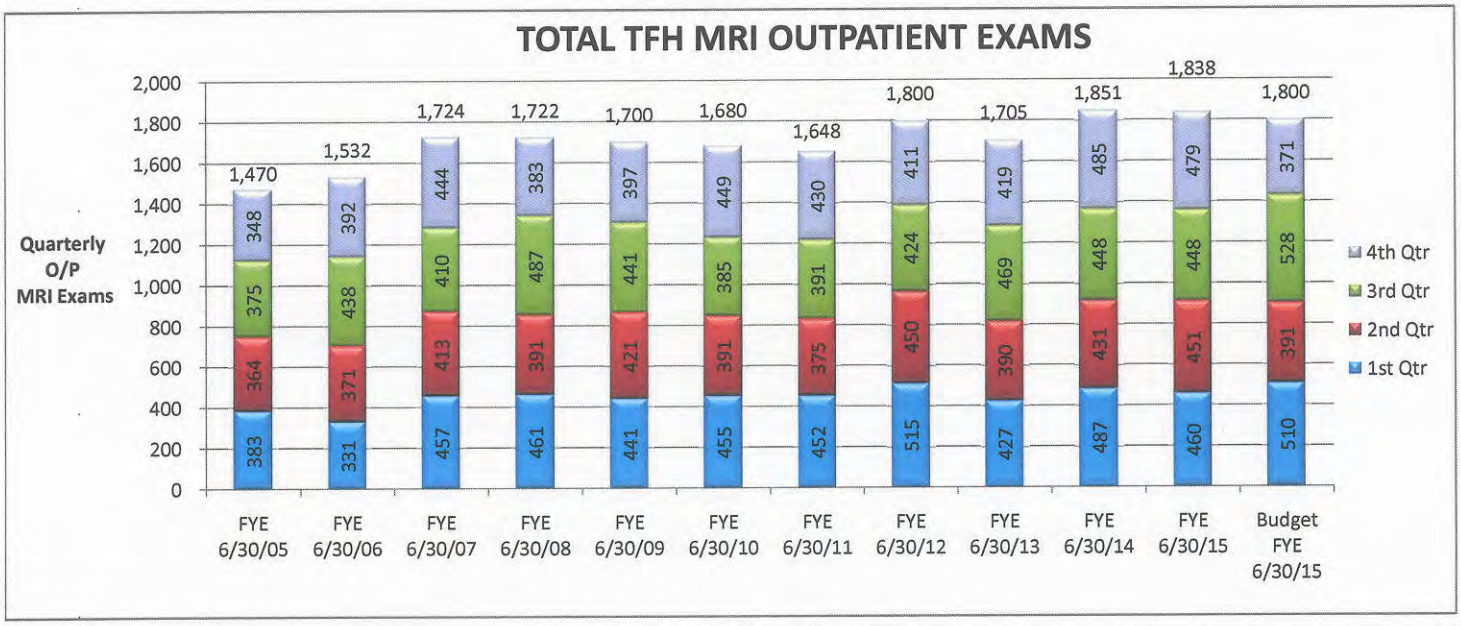
TOTAL TFH NUCLEAR MEDICINE OUTPATIENT EXAMS

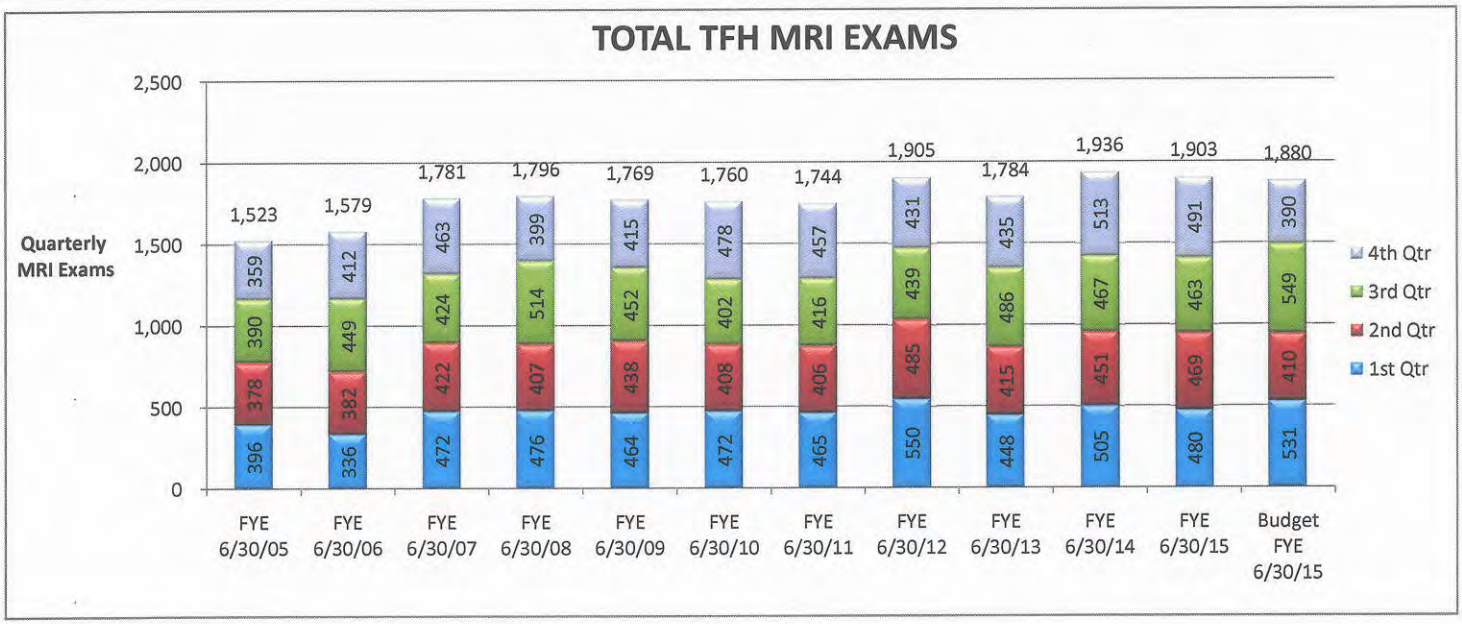


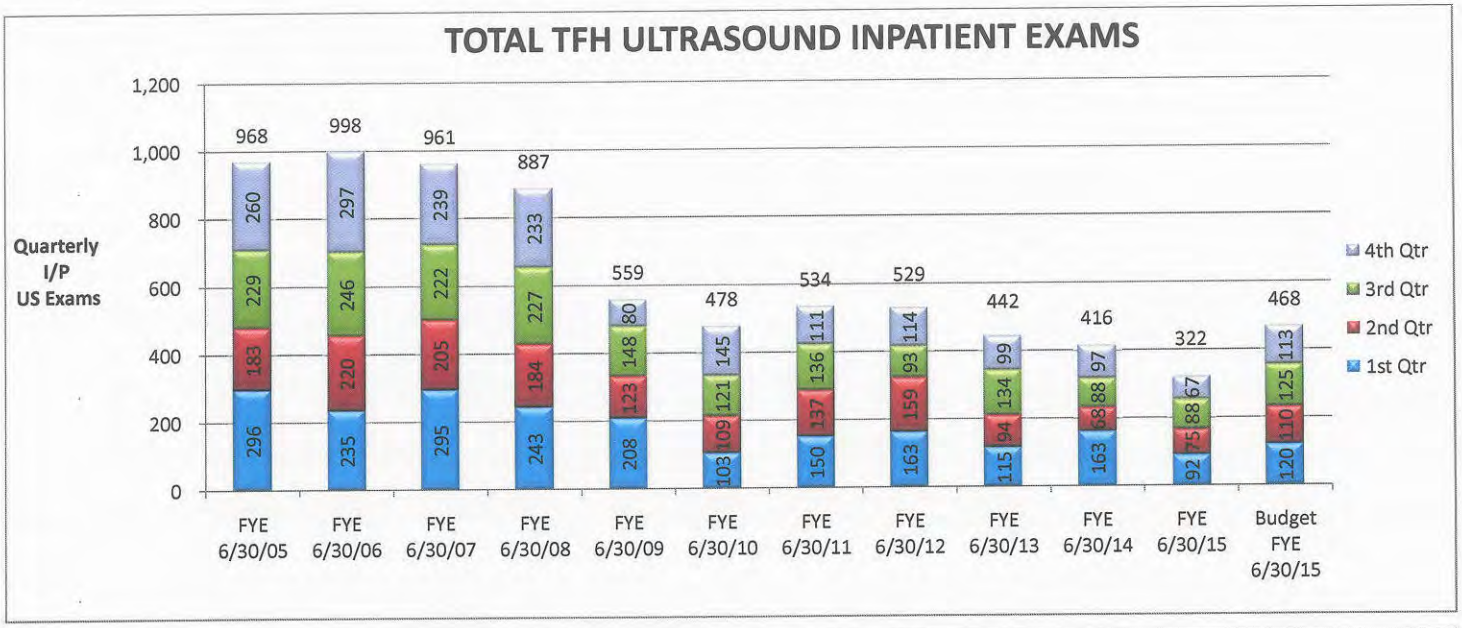
TOTAL TFH NUCLEAR MEDICINE EXAMS

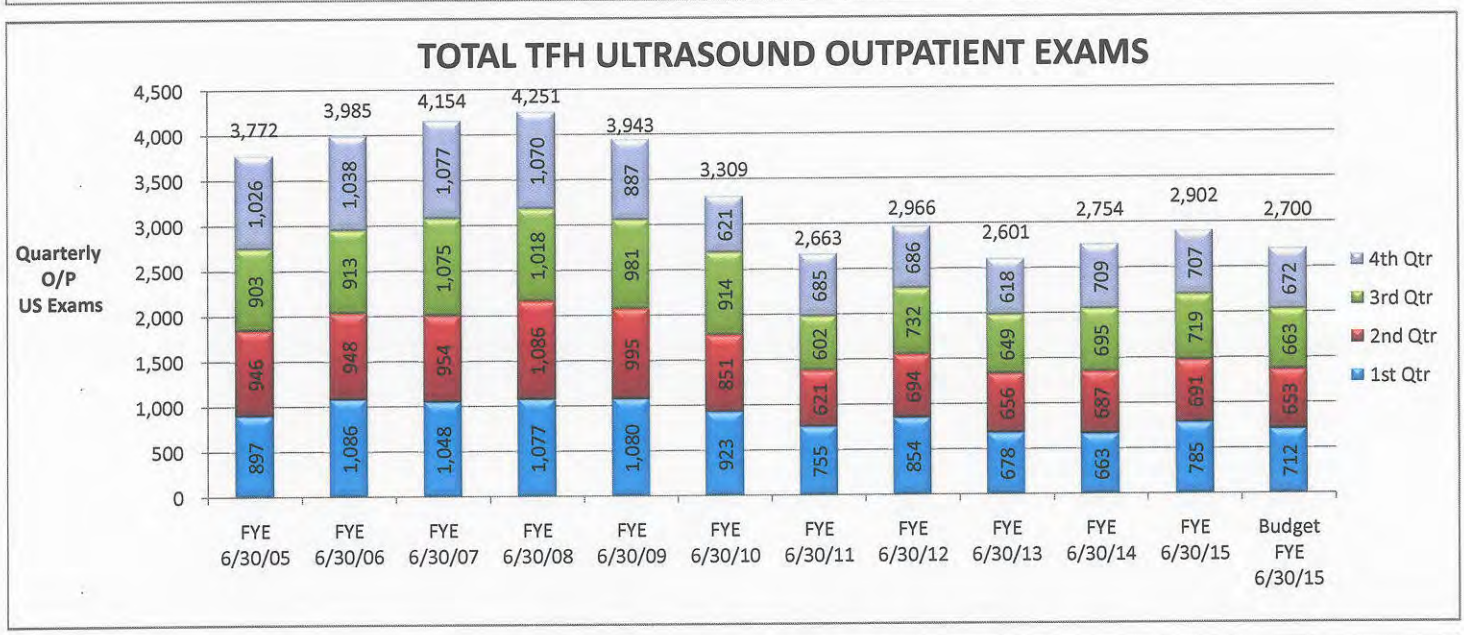


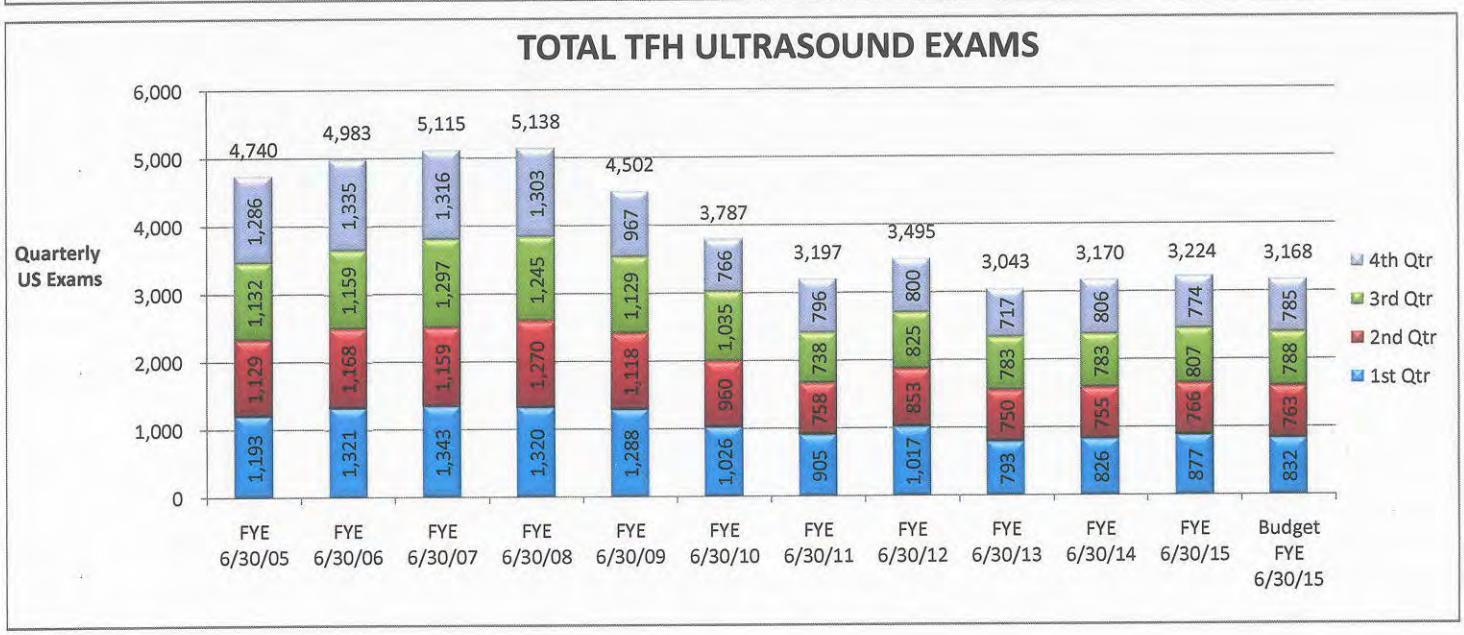

TOTAL TFH MRI INPATIENT EXAMS
Quarterly I/P MRI Exams
120
100
80
60
40
20
0
53
47
57
74
69
80
96
105
79
85
65
80
13 14 15 11
5 11 11 20
15 9 14 19
15 16 27 16
23 17 11 18
17 17 25 29
13 31 25 27
35 35 15 20
21 25 17 16
18 20 19 28
20 18 15 12
21 19 21 19
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MRI OUTPATIENT EXAMS
Quarterly O/P MRI Exams
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1,470
1,532
1,724
1,722
1,700
1,680
1,648
1,800
1,705
1,851
1,838
1,800
383 364 375 348
331 371 438 392
457 413 410 444
461 391 487 383
441 421 441 397
455 391 385 449
452 375 391 430
515 450 424 411
427 390 469 419
487 431 448 485
460 451 448 479
510 391 528 371
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MRI EXAMS
Quarterly MRI Exams
2,500
2,000
1,500
1,000
500
0
1,523
1,579
1,781
1,796
1,769
1,760
1,744
1,905
1,784
1,936
1,903
1,880
396 378 390 359
336 382 449 412
472 422 424 463
476 407 514 399
464 438 452 415
472 408 402 478
465 406 416 457
550 485 439 431
448 415 486 435
505 451 467 513
480 469 463 491
531 410 549 390
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH ULTRASOUND INPATIENT EXAMS
Quarterly I/P US Exams
1,200
1,000
800
600
400
200
0
968
998
961
887
559
478
534
529
442
416
322
468
296 183 229 260
235 220 246 297
295 205 222 239
243 184 227 233
208 123 148 80
103 109 121 145
150 137 136 111
163 159 93 114
115 94 134 99
163 88 88 97
92 75 88 67
120 110 125 113
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH ULTRASOUND OUTPATIENT EXAMS
Quarterly O/P US Exams
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
3,772
3,985
4,154
4,251
3,943
3,309
2,663
2,966
2,601
2,754
2,902
2,700
897 946 903 1,026
1,086 948 913 1,038
1,048 954 1,075 1,077
1,077 1,086 1,018 1,070
1,080 995 981 887
923 851 914 621
755 621 602 685
854 694 732 686
678 656 649 618
663 687 695 709
785 691 719 707
712 653 663 672
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH ULTRASOUND EXAMS
Quarterly US Exams
6,000
5,000
4,000
3,000
2,000
1,000
0
4,740
4,983
5,115
5,138
4,502
3,787
3,197
3,495
3,043
3,170
3,224
3,168
1,193 1,129 1,132 1,286
1,321 1,168 1,159 1,335
1,343 1,159 1,297 1,316
1,320 1,270 1,245 1,303
1,288 1,118 1,129 967
1,026 960 1,035 766
905 758 738 796
1,017 853 825 800
793 750 783 717
826 755 783 806
877 766 807 774
832 763 788 785
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
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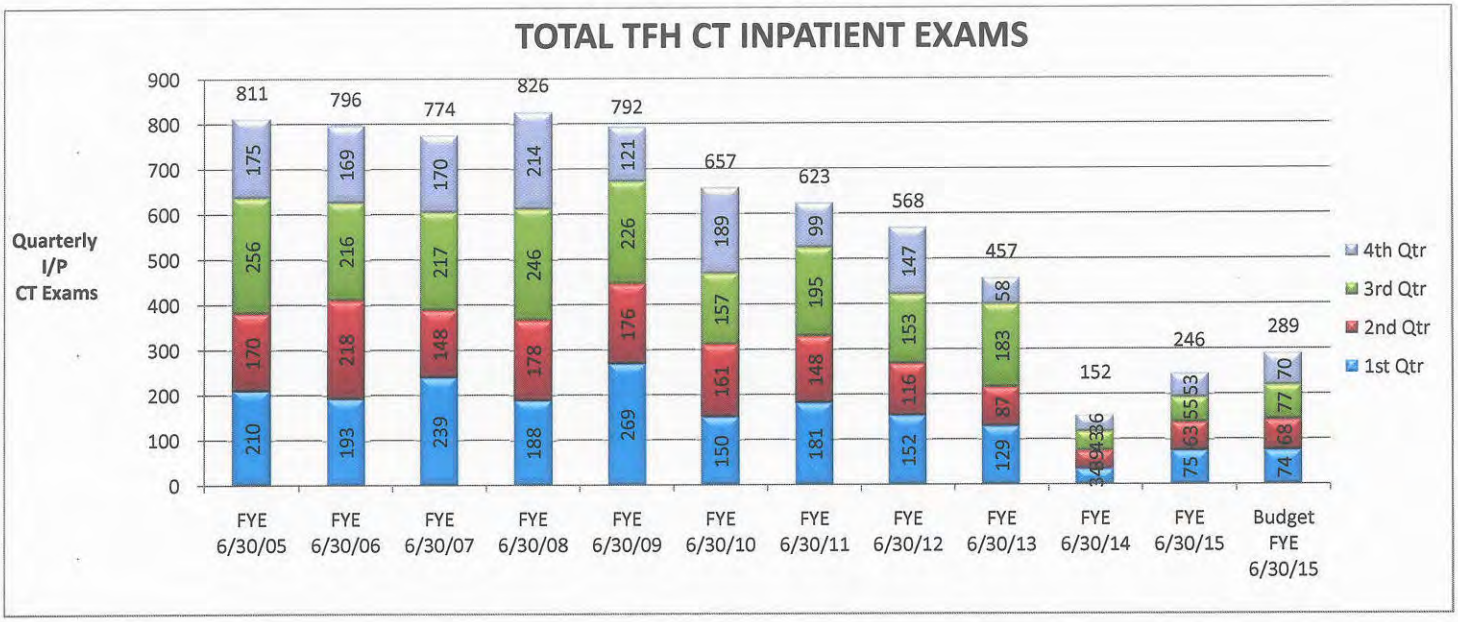
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT INPATIENT EXAMS
Quarterly I/P CT Exams
900
800
700
600
500
400
300
200
100
0
811
796
774
826
792
657
623
568
457
152
246
289
210 170 256 175
193 218 216 169
239 148 217 170
188 178 246 214
269 176 226 121
150 161 157 189
181 148 195 99
152 116 153 147
129 87 183 58
14 94 36
75 63 55 53
74 68 77 70
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
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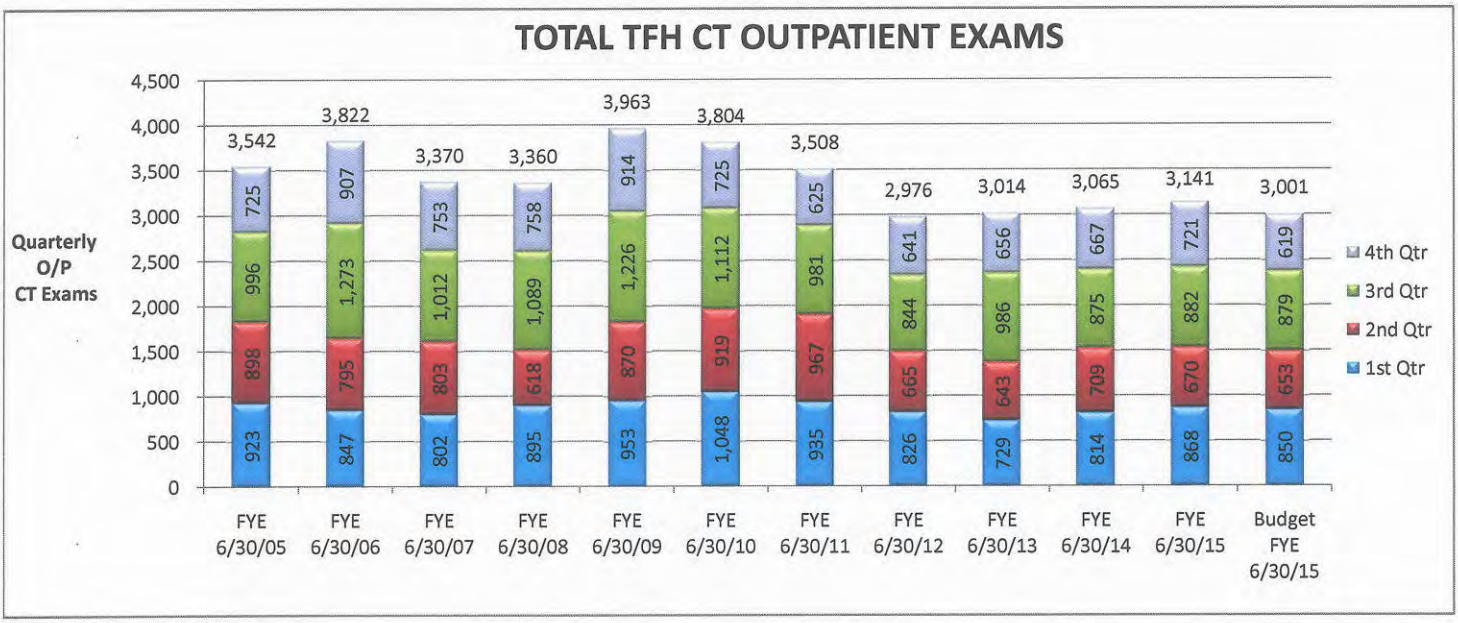
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT OUTPATIENT EXAMS
Quarterly O/P CT Exams
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
3,542
3,822
3,370
3,360
3,963
3,804
3,508
2,976
3,014
3,065
3,141
3,001
923 898 996 725
847 795 1,273 907
802 803 1,012 753
895 618 1,089 758
953 870 1,226 914
1,048 919 1,112 725
935 967 981 625
826 665 844 641
729 643 986 656
814 709 875 667
868 670 882 721
850 653 879 619
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
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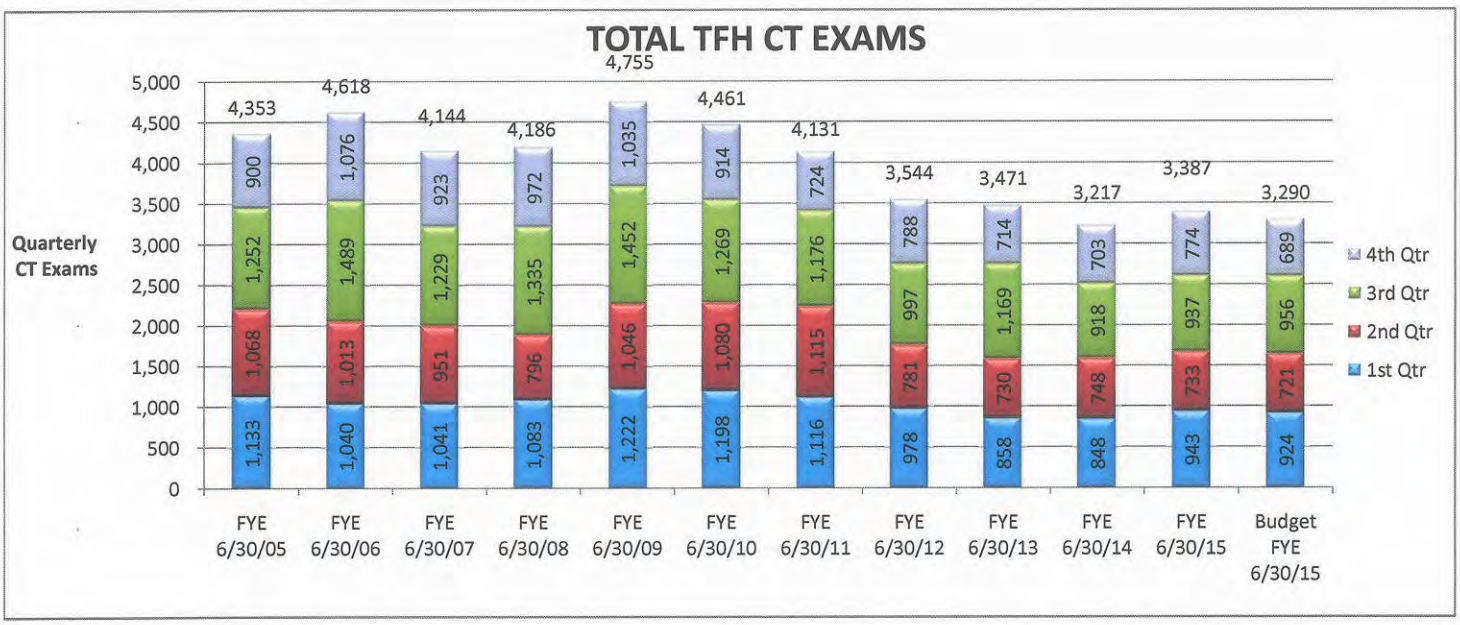
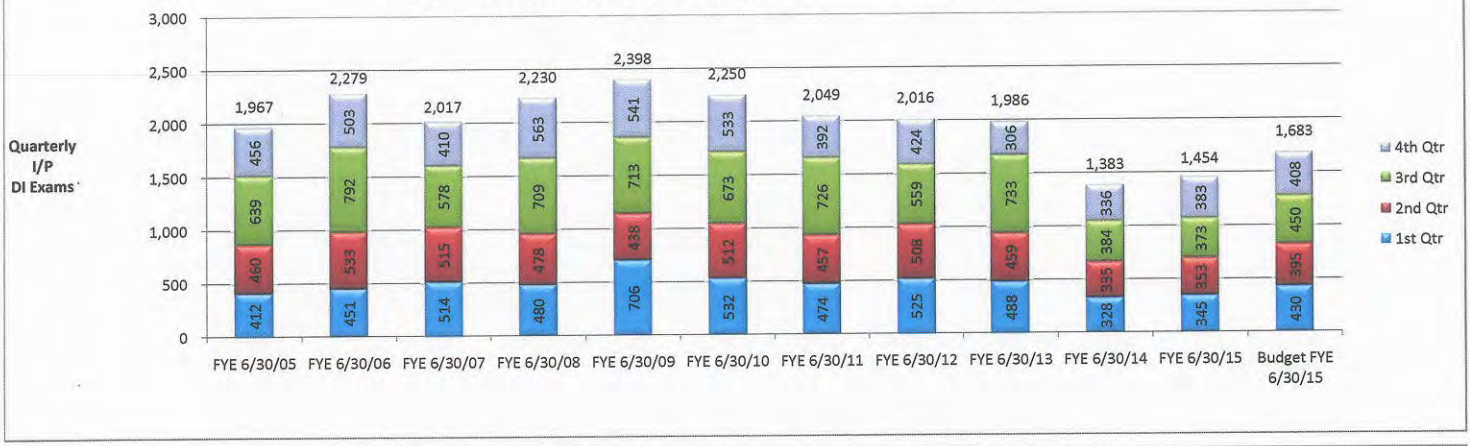
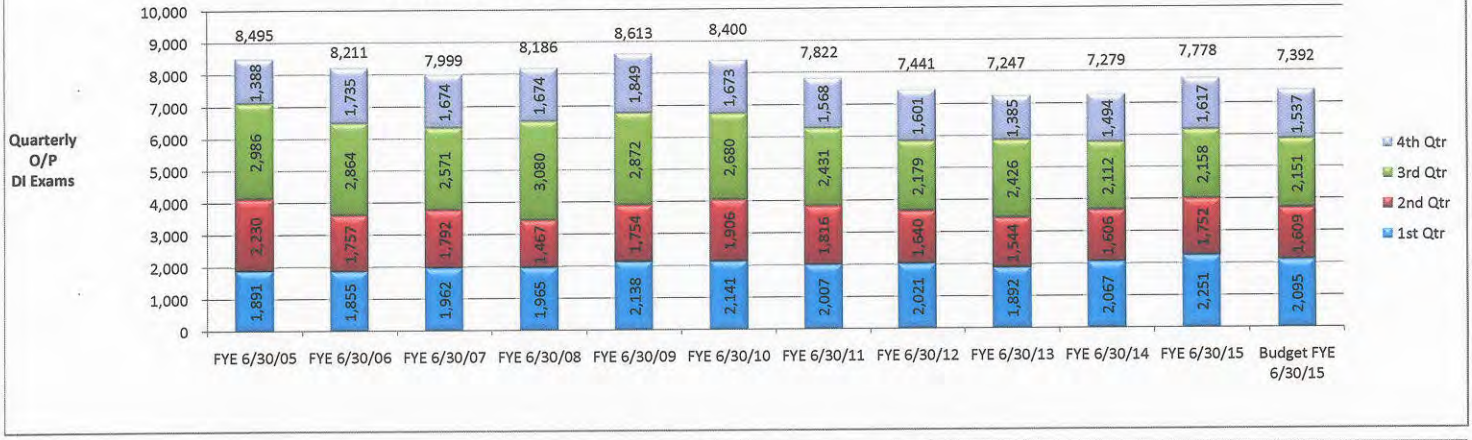
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT EXAMS
Quarterly CT Exams
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
4,353
4,618
4,144
4,186
4,755
4,461
4,131
3,544
3,471
3,217
3,387
3,290
1,133 1,068 1,252 900
1,040 1,013 1,489 1,076
1,041 951 1,229 923
1,083 796 1,335 972
1,222 1,046 1,452 1,035
1,198 1,080 1,269 914
1,116 1,115 1,176 724
978 781 997 788
858 730 1,169 714
848 748 918 703
943 733 937 774
924 721 956 689
FYE 6/30/05
FYE 6/30/06
FYE 6/30/07
FYE 6/30/08
FYE 6/30/09
FYE 6/30/10
FYE 6/30/11
FYE 6/30/12
FYE 6/30/13
FYE 6/30/14
FYE 6/30/15
Budget FYE 6/30/15
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

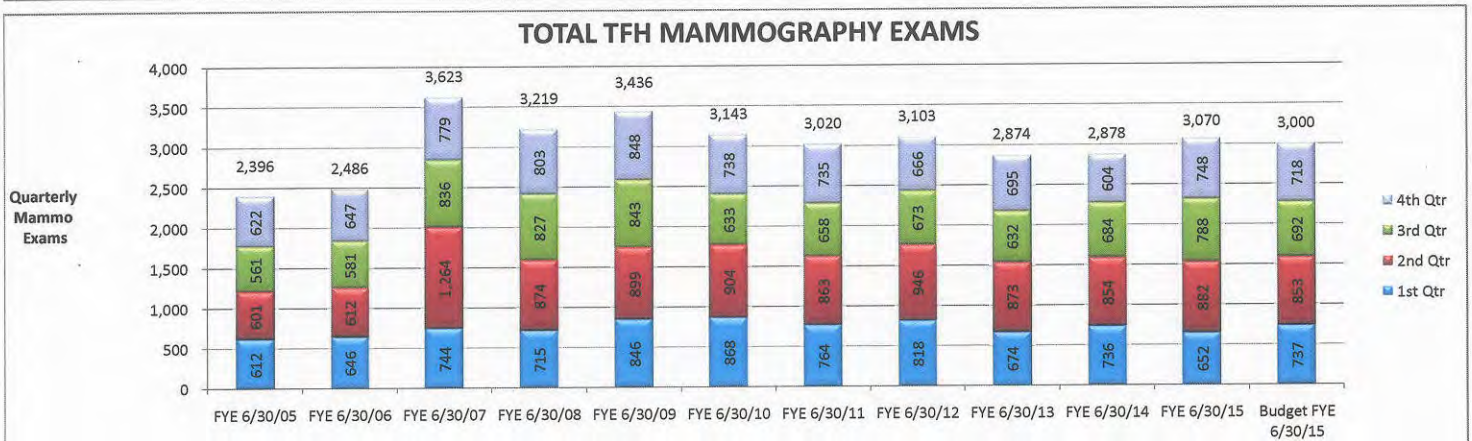
TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



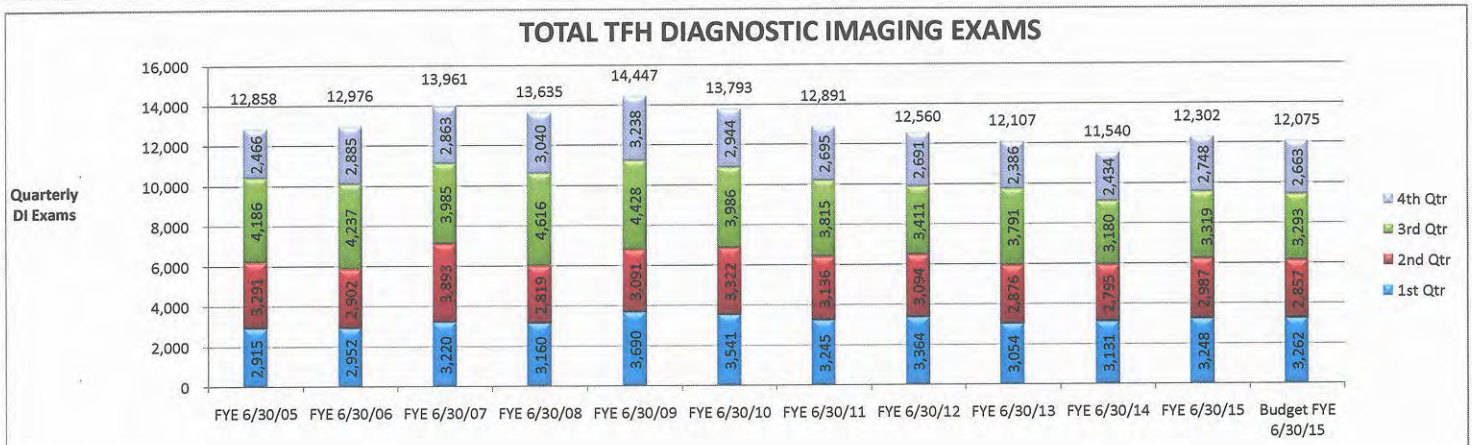
TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS



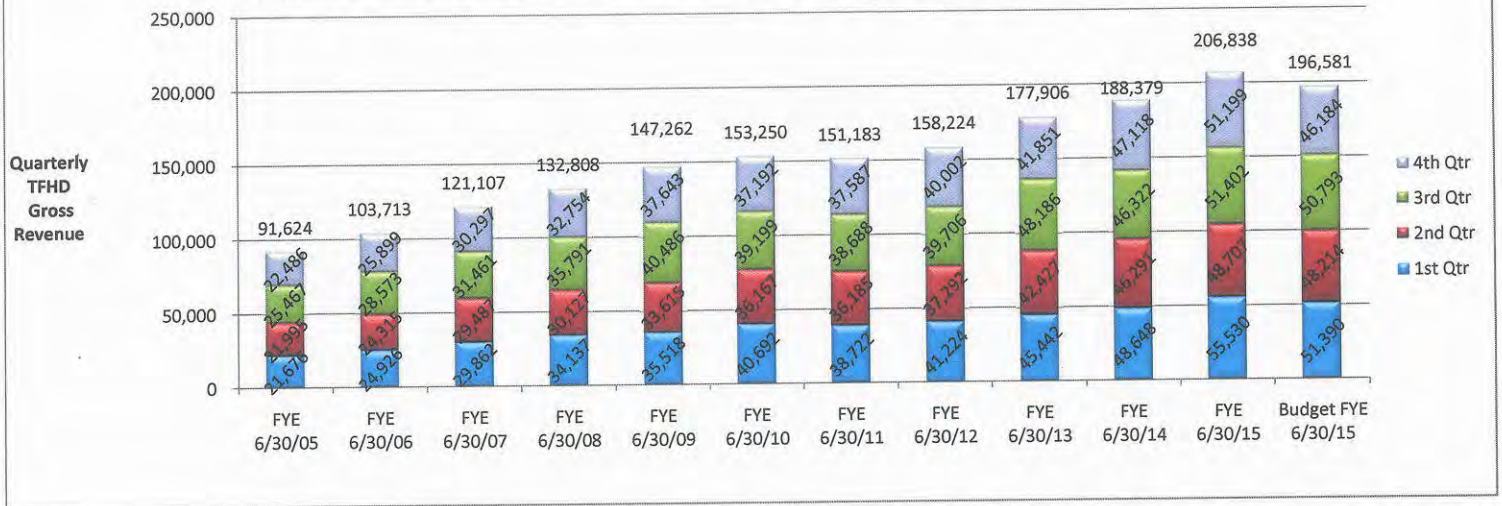
TOTAL TFH MAMMOGRAPHY EXAMS



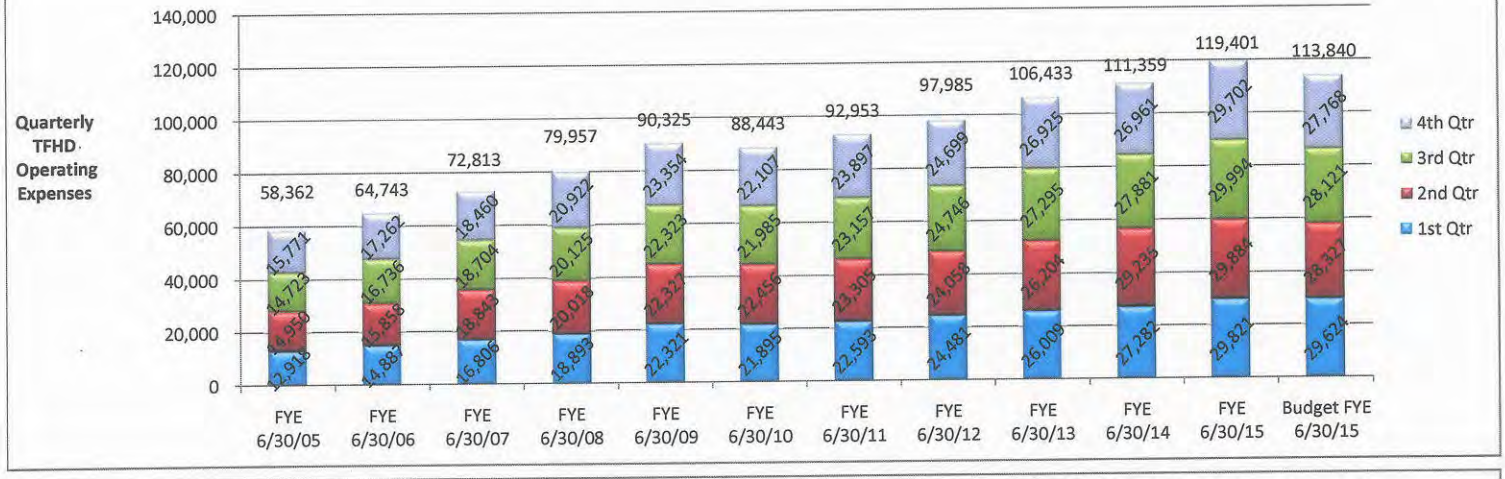
TOTAL TFH DIAGNOSTIC IMAGING EXAMS



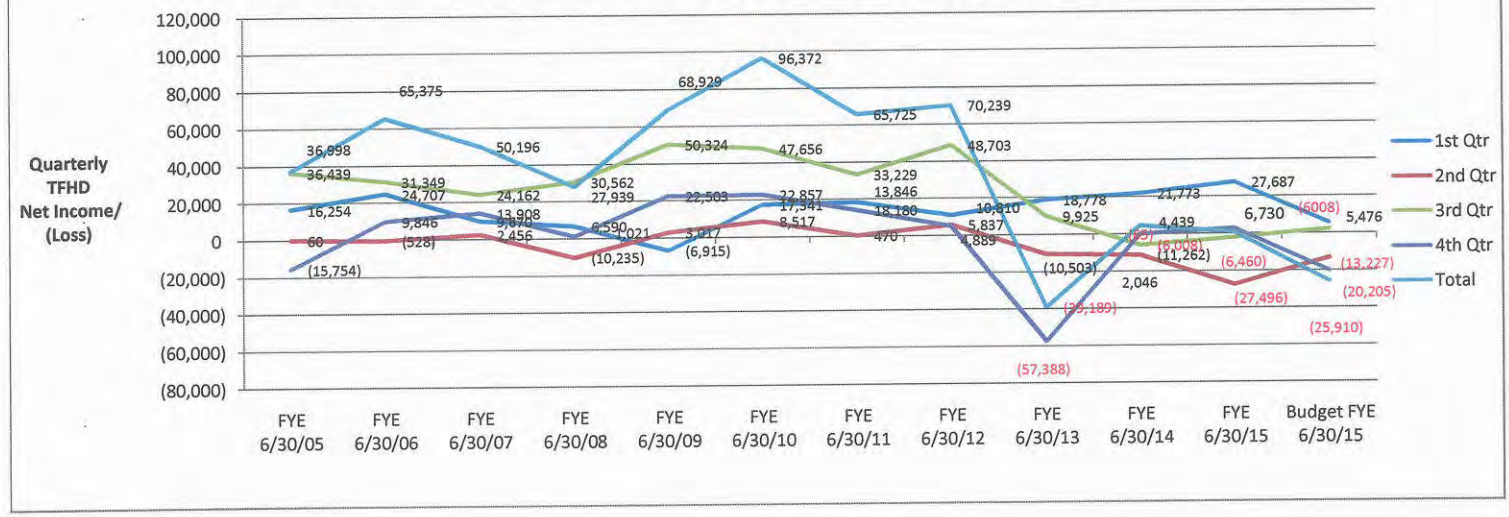
TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL NET INCOME/(LOSS) (In Hundreds)



NOT FOR USE FOR MEDICAL EQUIPMENT, MEDICAL SUPPLY OR GROUP PURCHASING CONTRACTS

CONTRACT ROUTING FORM

Email Completed Form to Contracts Coordinator (ahoffman@tfhd.com) for Processing and Compliance

NEW CONTRACT ☑ AMEND SCOPE ☐ AMEND TERM ☐ AUTO RENEW ☐

ORIGINATING DEPARTMENT: Administration

PRIMARY RESPONSIBLE PARTY: Jake Dorst, CIO/Interim CEO

PHONE: 530-582-6650

RESPONSIBLE ADMINISTRATIVE COUNCIL MEMBER: CEO ☑ CFO ☐ COO ☐ CNO ☐ CIO ☑ IVCH ☐

SUBJECT TO GOVERNANCE COMMITTEE REVIEW? NO ☑ YES ☐ MEETING DATE: N/A

GC COMMITTE RECOMENDATION: N/A

CONTRACT TYPE/NAME:

Physician Professional Service Agreement (P-PSA) ☐ Contract Name: _____

Physician Medical Director Agreement (P-MDA) ☑ Contract Name: Tahoe_Infectious_Disease_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015

Vendor Professional Service Agreement (V-PSA) ☐ Contract Name: _____

Other: _____ ☐ Contract Name: _____

❖ *Business Associated Agreement Required?* YES ☐ NO ☐

CONTRACT DETAILS: *(additional information may be provided on Page 2)*

CONTRACTOR/ VENDOR NAME:	Tahoe Infectious Disease

Purpose of the Contract/Alternatives:

The purpose of the agreement is to provider Medical Director services to the Hospital's Antimicrobial Stewardship Program in order to meet the new requirements of Section 1288.8 of the California Health and Safety Code. Not approving the contract will result in TFHD falling out of compliance with the requirements of Section 1288.8 of the California Health and Safety Code.

Scope of the Contract:

- Oversee the Antimicrobial Stewardship Program in compliance with SB1311 and Sections 1288.8 and 1288.85 of the California Health and Safety Code.
- Provide mentoring and guidance for matters related to the Program to physicians, pharmacists, Committee members, and Facility staff as needed.
- Recommend pharmacy formulary restrictions and pre-approvals for controlled antibiotics.
- Assist quality and performance improvement and outcome metrics for Program by developing strategies and advice on outcome metrics and data gathering.
- Ensure that all best practice recommendations are being carried out and/or followed by Committees and Program, as applicable.
- Consult with the Pharmacy and Laboratory Services within the Hospital to develop recommendations on order sets for frequent indications.
- Assist physicians in telephone consultations for matters related to the Program, as needed.
- Report Program activities to each appropriate Hospital committee undertaking clinical quality improvement activities.
- Prepare quarterly assessment of Infection Control Committee and develop plans for addressing any deficiencies related to the current practices.
- Attend quarterly meetings for the Pharmacy and Therapeutics Committee and the Infection Control Committee.
- Assist in developing and examine the effectiveness of corrective action plans related to Committee(s)/Program.
- Represent the Hospital in meetings with federal, state and accrediting bodies related to the Program as requested by Hospital.
- Investigate and resolve any alleged problems and breaches of Program as well as any required reporting by the Program to state or federal agencies.
- Report and investigate any adverse events of Program's conduct.

DATES OF CONTRACT:	EFFECTIVE DATE: 8/1/2015	END DATE: 7/31/2018
Version History:	Original Effective date: 8/1/2015 Renewal Dates: N/A Amendment Dates: N/A	

PHYSICIAN CONTRACTS: FOR STARK LAW COMPLIANCE, THE TERMS OF THIS CONTRACT CANNOT CHANGE FOR 1 YEAR

Compensation Structure: *Include "other comp" (i.e. education, phone stipend, etc.)*

$207 per hour, not to exceed 120 hours per year

Contract Term: *(anything other than Net 30 requires AC approval)*

Net 30

Total Cost of Contract:	$74,520 per three year term
Compensation Audit Process:	*See Policies AGOV-10 and ABD-21*
Is Cost of Contract Budgeted?	YES ☐ NO ☑
If NOT budgeted or exceeds budgeted amount, identify the offset:	
TFHD Primary Responsible Party:	Jake Dorst, CIO/Interim CEO
TFHD Secondary Responsible Party:	Timothy Garcia-Jay, MSC Director

ORIGINATING DEPARTMENT:	PRIMARY RESPONSIBLE PARTY: Jake Dorst, CIO/Interim CEO
Administration	Phone: 530-582-6650

CONTRACT NAME: Tahoe_Infectious_Disease_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015

COMPLIANCE INFORMATION

"I certify that I am aware of the particular facts and circumstances of the proposed arrangement with Tahoe Infectious Disease, and I have determined (1) that the services to be provided by Tahoe Infectious Disease under the arrangement do not exceed those that are reasonable and necessary for the legitimate business purposes of TFHD, and (2) that this is a sensible, prudent business arrangement for TFHD and Tahoe Infectious Disease to enter into, and makes commercial sense, even if no referrals were made by Tahoe Infectious Disease to TFHD or any of its facilities."

OK *Primary Responsible Party Signature:* See previous CRF dated 6/29/15

It has been determined that the above contract is Commercially Reasonable - Yes: ☑ No: ☐

It has been determined that the above contract does not exceed Fair Market Value - Yes: ☑ No: ☐

Contract Coordinator Signature:

CONTRACTOR/VENDOR INFORMATION

Contractor Representative Name:	Tahoe Infectious Disease, Attention: Steven Parker
Mailing Address:	75 Pringle Way 705, Reno, NV 89502
Telephone and Fax Number:	**Phone:** (775) 329-0333 **Fax:** (775) 329-6954
Email Address of Contact:	

REQUIRED FINANCIAL INFORMATION

W-9 and Certificates of Insurance Must Be Submitted with any applicable Contract

*(W-9s are **required** for any contract on which we are making payments. Certificates of Insurance are **required** for any contract in which any service is being provided.)*

ADDITIONAL INFORMATION

SECTION BELOW IS FOR CONTRACTS COORDINATOR USE ONLY:

Contracts Review:

Date _____ Initials _____

CFO Review:

Date _____ Initials _____

BOARD ACTION: _____ **MEETING DATE:** _____

Out for TFHD Signature: Date: _____ Receive Date: _____

Out for Vendor Signature: Date: _____ Receive Date: _____

Uploaded to Contracts System: **Date:** _____ Trigger dates set: **YES** ☐ **NO** ☐

NOT FOR USE FOR MEDICAL EQUIPMENT, MEDICAL SUPPLY OR GROUP PURCHASING CONTRACTS

CONTRACT ROUTING FORM

Email Completed Form to Contracts Coordinator (ahoffman@tfhd.com) for Processing and Compliance

NEW CONTRACT ☑ AMEND SCOPE ☐ AMEND TERM ☐ AUTO RENEW ☐

ORIGINATING DEPARTMENT: Administration

PRIMARY RESPONSIBLE PARTY: Jake Dorst, CIO/Interim CEO

PHONE: 530-582-6650

RESPONSIBLE ADMINISTRATIVE COUNCIL MEMBER: CEO ☑ CFO ☐ COO ☐ CNO ☐ CIO ☑ IVCH ☐

SUBJECT TO GOVERNANCE COMMITTEE REVIEW? NO ☑ YES ☐ MEETING DATE: N/A

GC COMMITTE RECOMENDATION: N/A

CONTRACT TYPE/NAME:

Physician Professional Service Agreement (P-PSA) ☐ Contract Name: _____

Physician Medical Director Agreement (P-MDA) ☑ Contract Name: TBD_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015

Vendor Professional Service Agreement (V-PSA) ☐ Contract Name: _____

Other: _____ ☐ Contract Name: _____

❖ *Business Associated Agreement Required*? YES ☐ NO ☐

CONTRACT DETAILS: *(additional information may be provided on Page 2)*

CONTRACTOR/ VENDOR NAME:	TBD

Purpose of the Contract/Alternatives:

The purpose of the agreement is to provider Medical Director services to the Hospital's Antimicrobial Stewardship Program in order to meet the new requirements of Section 1288.8 of the California Health and Safety Code. Not approving the contract will result in TFHD falling out of compliance with the requirements of Section 1288.8 of the California Health and Safety Code.

Scope of the Contract:

- Oversee the Antimicrobial Stewardship Program in compliance with SB1311 and Sections 1288.8 and 1288.85 of the California Health and Safety Code.
- Provide mentoring and guidance for matters related to the Program to physicians, pharmacists, Committee members, and Facility staff as needed.
- Recommend pharmacy formulary restrictions and pre-approvals for controlled antibiotics.
- Assist quality and performance improvement and outcome metrics for Program by developing strategies and advice on outcome metrics and data gathering.
- Ensure that all best practice recommendations are being carried out and/or followed by Committees and Program, as applicable.
- Consult with the Pharmacy and Laboratory Services within the Hospital to develop recommendations on order sets for frequent indications.
- Assist physicians in telephone consultations for matters related to the Program, as needed.
- Report Program activities to each appropriate Hospital committee undertaking clinical quality improvement activities.
- Prepare quarterly assessment of Infection Control Committee and develop plans for addressing any deficiencies related to the current practices.
- Attend quarterly meetings for the Pharmacy and Therapeutics Committee and the Infection Control Committee.
- Assist in developing and examine the effectiveness of corrective action plans related to Committee(s)/Program.
- Represent the Hospital in meetings with federal, state and accrediting bodies related to the Program as requested by Hospital.
- Investigate and resolve any alleged problems and breaches of Program as well as any required reporting by the Program to state or federal agencies.
- Report and investigate any adverse events of Program's conduct.

DATES OF CONTRACT:	EFFECTIVE DATE: 7/__/2015 END DATE: __/__/2018
Version History:	Original Effective date: 7/__/2015 Renewal Dates: N/A Amendment Dates: N/A

PHYSICIAN CONTRACTS: FOR STARK LAW COMPLIANCE, THE TERMS OF THIS CONTRACT CANNOT CHANGE FOR 1 YEAR

Compensation Structure: *Include "other comp" (i.e. education, phone stipend, etc.)*

$207 per hour, not to exceed 120 hours per year

Contract Term: *(anything other than Net 30 requires AC approval)*

Net 30

Total Cost of Contract:	$74,520 per three year term
Compensation Audit Process:	*See Policies AGOV-10 and ABD-21*
Is Cost of Contract Budgeted?	YES ☐ NO ☑
If NOT budgeted or exceeds budgeted amount, identify the offset:	?
TFHD Primary Responsible Party:	Jake Dorst, CIO/ Interim CEO
TFHD Secondary Responsible Party:	Timothy Garcia-Jay, MSC Director

ORIGINATING DEPARTMENT:	PRIMARY RESPONSIBLE PARTY: Jake Dorst, CIO/Interim CEO
Administration	Phone: 530-582-6650

CONTRACT NAME:
TBD_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015

COMPLIANCE INFORMATION

"I certify that I am aware of the particular facts and circumstances of the proposed arrangement with TBD, and I have determined (1) that the services to be provided by TBD under the arrangement do not exceed those that are reasonable and necessary for the legitimate business purposes of TFHD, and (2) that this is a sensible, prudent business arrangement for TFHD and TBD to enter into, and makes commercial sense, even if no referrals were made by TBD to TFHD or any of its facilities."

Primary Responsible Party Signature: 6-29-2015

It has been determined that the above contract is Commercially Reasonable - Yes: ☑ No: ☐

It has been determined that the above contract does not exceed Fair Market Value - Yes: ☑ No: ☐

Contract Coordinator Signature:

CONTRACTOR/VENDOR INFORMATION

Contractor Representative Name:	TBD
Mailing Address:	TBD
Telephone and Fax Number:	**Phone:** TBD **Fax:** TBD
Email Address of Contact:	TBD

REQUIRED FINANCIAL INFORMATION

W-9 and Certificates of Insurance Must Be Submitted with any applicable Contract

*(W-9s are **required** for any contract on which we are making payments. Certificates of Insurance are **required** for any contract in which any service is being provided.)*

ADDITIONAL INFORMATION

SECTION BELOW IS FOR CONTRACTS COORDINATOR USE ONLY:

Contracts Review:

Date _____ Initials _____

CFO Review:

Date _____ Initials _____

BOARD ACTION: _____ **MEETING DATE:** _____

Out for TFHD Signature: Date: _____ Receive Date: _____

Out for Vendor Signature: Date: _____ Receive Date: _____

Uploaded to Contracts System: **Date:** _____ Trigger dates set: **YES** ☐ **NO** ☐

TAHOE FOREST HOSPITAL DISTRICT
MEDICAL DIRECTOR AGREEMENT FOR
ANTIMICROBIAL STEWARDSHIP PROGRAM

This MEDICAL DIRECTOR AGREEMENT FOR ANTIMICROBIAL STEWARDSHIP PROGRAM ("**Agreement**") is made and entered into, and shall be effective, as of **August 1, 2015** ("**Effective Date**"), by and between Tahoe Forest Hospital District, a California local healthcare district, doing business as Tahoe Forest Hospital ("**Hospital**"), and **Tahoe Infectious Disease** ("**Medical Group**").

RECITALS

A. Hospital owns and operates an acute care hospital, multi-specialty facility located at 10121 Pine Avenue, Truckee, California ("**Facility**").

B. Within the Facility, Hospital has implemented an Antimicrobial Stewardship Program (the "**Program**"), which evaluates and monitors the judicious use of antibiotics in accordance with paragraph (3) of subdivision (a) of Section 1288.8 of the California Health and Safety Code.

C. Additionally within the Facility, Hospital has developed the Pharmacy and Therapeutics Committee and the Infection Control Committee (collectively, the "**Committees**") to provide guidance and best practice recommendations for these specialty areas to Hospital staff, physicians, and the Program.

D. The Hospital desires to enter into an agreement with Medical Group to provide direction to the Program and the Committees by providing physician(s) who will render services and act as the Medical Director of the Program (the "**Medical Director**") and to monitor the quality and appropriateness of the Program and Committees.

C. Medical Group provides medical director services through physician(s) duly licensed and qualified to practice medicine in the State of California, whom are board certified for the practice of medicine in the specialty of Infectious Disease and are proficient in all aspects of such specialty.

D. Hospital desires to retain Medical Group to provide physician(s) who will serve as Medical Director and Medical Group desires to provide physician(s) to render 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 Medical Group to provide physician(s) who will serve as the Medical Director, and Medical Group 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, beginning on the Effective Date, Medical Group shall provide physician(s) who will serve and be designated as the Medical Director in accordance with the terms and provisions of this Agreement. In this regard, commencing on the Effective Date, Medical Group shall have physician(s) perform, for and on behalf of the Hospital, and in a competent, proactive, efficient and satisfactory manner, those services as set forth in the Medical Director - Scope of Responsibilities, attached as **Exhibit A** and incorporated herein by this reference ("**Director Duties**").

2.2 Dedication of Time. Medical Group shall cause each physician(s) rendering services under this Agreement, to devote such time as is necessary to perform the Director Duties and responsibilities set forth herein. Such Director Duties and time shall not include the provision of professional medical services to patients. The parties agree that Medical Group will cause physicians rendering services under this Agreement to provide Director Duties and receive compensation therefore, in accordance with the terms of the Medical Director Fee Schedule, attached as **Exhibit B** and incorporated herein by this reference.

2.3 Ultimate Authority. Medical Group 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, the Program, and each of its Committees, including without limitation the development and operation of Facility, the Program and the Committees.

2.4 Qualifications. Medical Group shall cause any physician(s) rendering services under this Agreement to 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 Infectious Disease.

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 and approval by Hospital of each Service Time Log, for each calendar month of the term of this Agreement (each, a "**Service Month**"), Hospital shall pay to Medical Group monthly compensation ("**Compensation**") for all Director Duties provided hereunder, as set forth in the Medical Director Fee Schedule, attached hereto as **Exhibit B**. Such Compensation shall be paid on an hourly basis for each hour (to be prorated for partial hours) actually spent by Medical Group's physician(s) in providing reasonable and necessary Director Duties during such Service Month. The Medical Group shall not be compensated for any physician(s) rendering services under this Agreement to attend continuing medical education programs or training. Notwithstanding the foregoing, Hospital's obligation to pay any Compensation to Medical Group shall be expressly conditioned upon Medical Group's timely submission of the required 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, Medical Group shall submit a written time log reflecting the actual time spent by Medical Group's physician(s) rendering services under this Agreement and the actual duties performed as Director Duties during the prior month on the service time log attached as **Exhibit C** (the "**Service Time Log**"), or in such other form as may be requested by Hospital. Medical Group 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 Medical Group for a Service Month unless a Service Time Log for that Service Month has been submitted to and approved by Hospital. If Medical Group fails to submit such Service Time Log by the tenth (10th) day following the end of a Service Month in which services are rendered to the Hospital, Medical Group shall not receive the Compensation for such Service Month.

3.3 Commercial Reasonableness and Fair Market Value. The parties have mutually agreed, through arm's length negotiations, that Medical Group's Compensation hereunder is commercially reasonable and reflects the fair market value of the Director Duties to be provided by Medical Group 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 Medical Group or any Medical Group physician. Medical Group and Hospital hereby acknowledge and agree that the Compensation shall reflect full and complete payment by Hospital for all Director Duties provided hereunder by Medical Group through their physician(s) rendering services under this Agreement 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 Medical Group 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 Medical Group physician(s) under this Agreement.

3.5 Independent Contractor. In the performance of this Agreement, Medical Group is acting as an independent contractor, and neither Medical Group nor any physician rendering services under this Agreement for Medical Group, shall be considered an employee of the Hospital or Facility. 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. Medical Group 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, Medical Group is responsible for filing such tax returns and for all such employment taxes with respect to Medical Group as may be required by law or regulations. Medical Group, nor any physician rendering services under this Agreement for Medical Group shall 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) Medical Group 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) Medical Group 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 Medical Group for reimbursement.

ARTICLE IV
SUPPORT SERVICES

4.1 Space and Equipment. Hospital shall furnish the physical space and equipment reasonably required for any physician rendering services under this Agreement for Medical Group in order for such physician(s) to carry out the Director Duties hereunder. Medical Group shall cause any physician rendering services under this Agreement to 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 Medical Group, and no part of said premises shall be used at any time by Medical Group 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 Medical Group to carry out the Director Duties hereunder.

ARTICLE V
TERM AND TERMINATION

5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of thirty-six (36) months thereafter, unless terminated earlier pursuant to the terms of this Agreement.

5.2 Termination Without Cause. Hospital and Medical Group shall each have the right to terminate this Agreement, without cause, upon giving not less than thirty (30) 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 Medical Group to cure a breach of any term hereof which Hospital, at its sole discretion, has given Medical Group 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 Medical Group in the event of the occurrence of any of the following events:

(a) Medical Group, or any of its physician(s) performing services under this Agreement, are 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 any of Medical Group's physician(s)' license(s) to practice medicine in any state, without regard to whether such adverse action has been fully adjudicated;

(c) Any restriction, suspension or revocation of any of Medical Group's 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 any of Medical Group's physician(s)' federal DEA number, without regard to whether such adverse action had been fully adjudicated;

(e) Medical Group, or any physician performing services under this Agreement for Medical Group, 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 or Facility (collectively, "**Rules**");

(f) Medical Group, or any physician performing services under this Agreement for Medical Group, engages in conduct which is reasonably determined by Hospital to be prejudicial or adverse to the best interest, reputation or welfare of Hospital or Facility or its patients;

(g) Medical Group, or any physician performing services under this Agreement for Medical Group, 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 dissolution of Medical Group, or the death of any physician performing services under this Agreement for Medical Group, or the inability of Medical Group to cause any

physician(s) performing services under this Agreement to attend to the Director Duties for a period in excess of thirty (30) 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; or

(k) Failure of Medical Group 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, Medical Group shall promptly deliver and return to Hospital all of Hospital's and/or Facility's property, including without limitation all of Hospital's or Facility's supplies, patient records, and all materials, records and writings of any type (including all copies thereof) in Medical Group's possession that constitute confidential, proprietary or trade secret information and/or property owned by Hospital or Facility.

(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, Medical Group shall maintain for each and every physician Medical Group causes to perform services under this Agreement, at Medical Group'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. Medical Group agrees to provide proof of such coverage upon the reasonable request of Hospital. Medical Group 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, Medical Group hereby agrees that not less than thirty (30) days prior to the effective date of termination by Medical Group of Medical Group's insurance coverage by Medical Group'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 Medical Group's current carrier; and (2) provide Hospital with a certificate of such coverage.

6.2 Indemnification.

(a) Medical Group shall defend, indemnify, and hold harmless Hospital and Facility, 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 or Facility (collectively, the "**Claims**") resulting from or arising out of Medical Group's performance hereunder, which are caused or claimed to be caused by the negligent or willful acts or omissions of Medical Group , its officers, employees, agents, subcontractors, or anyone directly or indirectly employed by them, or any other person or persons under Medical Group's direction and control; provided however, that Medical Group shall not have responsibility to indemnify, protect and hold Hospital or Facility harmless from and against any Claim occurring through the negligence of Hospital or Facility or any of Hospital's or Facility's employees or agents.

(b) Hospital shall defend, indemnify and hold harmless Medical Group, 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 Medical Group harmless from and against any Claim occurring through the negligence of Medical Group or any of Medical Group's employees or agents.

ARTICLE VII
HOSPITAL AND FACILITY NAMES AND MARKS

Medical Group shall not use the name, logos, symbols, service marks or trademarks of Hospital and/or any facility owned by 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, Medical Group 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 Facility; and, in so doing, Hospital must be assured that Medical Group will maintain an active commitment to achieving Hospital's business goals in the performance of this Agreement. Therefore, during the term of this Agreement, Medical group 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, Medical Group 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 Medical Group, and in addition to any other relief available to it, Hospital shall be entitled to temporary injunctive relief against Medical Group, 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 Medical Group shall cause its physician(s) to 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 Medical Group, or any physician performing services under this Agreement for Medical Group, 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, Medical Group will have access to and knowledge of information of a confidential and proprietary nature owned by Hospital or Facility, 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 or Facility, 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 or Facility's business (collectively, "**Proprietary Information**"). Consequently, Medical Group 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. Medical Group 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, Medical Group 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, Medical Group 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 not confidential. The Hospital may disclose the terms of this Agreement to the public in order to obtain approval from the Hospital's Board of Directors.

9.4 Patient Records. Notwithstanding and in addition to the requirements set forth in Article IX above, Medical Group shall maintain and safeguard the confidentiality of all patient records, charts and other related patient information, generated in connection with the operation of the Program, Hospital, or Facility, 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 Medical Group in connection therewith. In this regard, without limiting the generality or scope of the foregoing, Medical Group 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. Medical Group covenants that neither Medical Group, nor any physician rendering services under this Agreement for Medical Group, will 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. Medical Group specifically acknowledges and agrees that the restrictions set forth in this Article IX are reasonable and necessary to protect Medical Group's and Facility's legitimate business interests. The parties acknowledge that any violation of this Article IX would result in irreparable injury to Hospital or Facility, 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 Medical Group, and in addition to any other relief available to it, Hospital or Facility 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. Medical Group also acknowledges and agrees that Hospital and Facility 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 or Facility 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. Medical Group shall, in connection with the subject matter of this Agreement, cooperate fully with Hospital and Facility, by maintaining and making available all necessary books, documents and records, in order to assure that Hospital and Facility 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, Medical Group 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 four (4) years after the furnishing of services pursuant to this Agreement, Medical Group 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 Medical Group 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 Medical Group is requested to disclose books, documents or records pursuant to this Article X, Medical Group 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 Medical Group.

ARTICLE XI
ANTI-REFERRAL LAWS

11.1 No Consideration for Referrals. Hospital and Medical Group hereby acknowledge and agree that: (a) nothing in this Agreement or in any other written or oral agreement between Hospital and Medical Group, 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 Medical Group, or any physician(s) rendering services under this Agreement for Medical Group, in their judgment of choosing the medical facility appropriate for the proper care and treatment of patients of Medical Group, or the patients of any physician(s) rendering services under this Agreement for Medical Group; and (c) the overall value of the services and other consideration exchanged by and between Hospital and Medical Group 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 thereunder); 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 thereunder).

ARTICLE XII
ADDITIONAL REPRESENTATIONS

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

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

(b) Medical Group shall cause any physician(s) rendering services under this Agreement to verify that he/she 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) Medical Group 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 causing any physician(s) rendering services under this Agreement to attend all meetings, as may be reasonably requested by Hospital or Facility or otherwise required by applicable law, in connection with the provision of Director Duties or for the conduct of the operations of Hospital or Facility.

(d) Medical Group shall cause any physician(s) rendering services under this Agreement to be 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 Infectious Disease and Antimicrobial Stewardship and in good standing with the Medical Board of California.

(e) Medical Group shall require any physician(s) rendering services under this Agreement to currently become a member in good standing with Hospital's medical staff.

(f) Medical Group shall require any physician(s) rendering services under this Agreement to have a Federal DEA license without restriction.

(g) Medical Group shall not permit any physician(s) rendering services under this Agreement to have a license to practice medicine in the State of California or in any other jurisdiction that has ever been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action or restricted in any way.

(h) Medical Group shall ensure that any physician(s) rendering services under this Agreement have medical staff privileges at any health care facility which 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) Neither Medical Group, nor any physician(s) rendering services under this Agreement, is the subject of an investigatory, disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body.

(j) Medical Group shall cause any physician(s) rendering services under this Agreement to be board certified in the specialty of Infectious Disease.

(k) Medical Group 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 Medical Group to enter into this Agreement and/or act as a party or perform hereunder.

(l) Medical Group shall ensure that any physician(s) rendering services under this Agreement has the leadership abilities to promote a vision of Hospital's Program and Committees.

(m) Medical Group shall ensure that any physician(s) rendering services under this Agreement is knowledgeable and experienced in the area of Infectious Disease and Antimicrobial Stewardship with a clear understanding and appreciation of medical integrity and ethics.

(n) Medical Group shall ensure that any physician(s) rendering services under this Agreement has sufficient organizational skill to manage and direct a team and provide direction to the Program and each Committee.

(o) Medical Group shall ensure that any physician(s) rendering services under this Agreement has sufficient diplomatic skills to coordinate and prioritize competing Program initiatives in order to produce broad-based consensus and success.

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, Medical Group 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 Medical Group without the prior written consent of Hospital in its sole discretion. Any attempted or purported assignment by Medical Group 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 Medical Group, 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
MEDICAL GROUP:	Tahoe Infectious Disease Attention: Steven Parker 75 Pringle Way 705 Reno, NV 89502

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 of Hospital. 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 13.11(b).

(b) Arbitration. With the exception of disputes regarding the quality of care, which shall be resolved according to the provisions of Section 13.11(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 earlier 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 XIII 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 XIII 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. Medical group 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 Medical Group is involved that conflicts with the interest of Hospital in Medical Group's satisfactory performance of the services under this Agreement.

13.17 Tax-Exempt Financing. In the event Hospital intends to seek tax-exempt financing, Hospital and Medical Group shall negotiate in good faith to amend this Agreement to the extent deemed necessary by bond counsel involved in that financing. If Hospital and Medical group 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 hereto, 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:_____
Jake Dorst, CIO/Interim CEO

"Medical Group"
Tahoe Infectious Disease,

Signature is being obtained. Contract will be
By: replaced with signed copy once received.
Steven Parker , M.D.

Title: _____

EXHIBIT A – SCOPE OF RESPONSIBILITIES

TAHOE FOREST HOSPITAL DISTRICT

MEDICAL DIRECTOR

Medical Group represents to Hospital that on the basis of the training and experience of any physician(s) rendering services under this Agreement for Medical Group, Medical Group and any physician(s) rendering services under this Agreement for Medical Group, are knowledgeable in the specialty of Infectious Disease and are qualified to perform and will use their best efforts to perform the duties set forth below. As of and following the Effective Date, Medical Group is obligated and shall cause any physician(s) rendering services under this Agreement to perform each calendar month, and as time may reasonably permit, the following specific administrative duties and responsibilities as Medical Director with responsibilities that shall include the following and other responsibilities which may from time to time be deemed necessary and mutually agreed upon by Medical Group and Hospital:

ESSENTIAL FUNCTIONS

- Oversee the Antimicrobial Stewardship Program in compliance with SB1311 and Sections 1288.8 and 1288.85 of the California Health and Safety Code.
- Provide mentoring and guidance for matters related to the Program to physicians, pharmacists, Committee members, and Facility staff as needed via tele-conferencing, tele-medicine consultants, or in-person meetings.
- Recommend pharmacy formulary restrictions and pre-approvals for controlled antibiotics.
- Develop, implement and support quality improvement, performance improvement and outcome metrics for Program by developing strategies and advice on outcome metrics and data gathering.
- Ensure that all best practice recommendations are being carried out and/or followed by Committees and Program, as applicable.
- Consult with the Pharmacy and Laboratory Services within the Hospital to develop recommendations on order sets for frequent indications.
- Assist physicians in telephone consultations for matters related to the Program, as needed.
- Report Program activities to each appropriate Hospital committee undertaking clinical quality improvement activities.

ADDITIONAL DUTIES

- Prepare for quarterly assessment of Infection Control Committee and develop plans for addressing any deficiencies related to the practices currently being performed.
- Attend quarterly meetings for the Pharmacy and Therapeutics Committee and the Infection Control Committee.
- Conduct, supervise or support the development of corrective action plans and examine the effectiveness of such corrective action plans stemming from investigations, examinations and audits related to the applicable Committee(s) or Program, as applicable.
- Manage and maintain working relationships delineated below.

- Represent the Hospital in meetings with federal, state and accrediting bodies related to the Program as requested by Hospital.
- Investigate and resolve any alleged problems and breaches of Program as well as any required reporting by the Program to state or federal agencies.
- Report and investigate any adverse events of Program's conduct.
- Maintain competency and awareness of current scientific developments through prior training and continued attendance at education programs offered by the federal Centers for Disease Control and Prevention, the Society for Healthcare Epidemiology of America, or other similarly recognized professional organizations.

WORKING RELATIONSHIPS

Medical Group shall cause any physician(s) rendering services under this Agreement to maintain consistent, professional relationships with:

- Hospital administration and personnel
- Physicians
- Pharmacists
- Laboratory Services Director
- Facility nursing staff
- Clinical departmental managers throughout the hospital
- Committee members, as applicable

As Medical Director, Medical Group shall cause any physician(s) rendering services under this Agreement to maintain a reporting relationship with the Chair of the Pharmacy and Therapeutics Committee.

MAJOR CHALLENGES OF PROGRAM

Medical Group shall cause any physician(s) rendering services under this Agreement to assist Hospital in meeting the following challenges:

- Ensure adherence to best practices associated with evaluating judicious use of antibiotics pursuant to CA Health and Safety Code Sections 1288.8 and 12.88.85.
- Ensure compliance with all protocols and related regulation related to antimicrobial stewardship.

CONSULTATION

The Medical Director will consult with Physicians, Pharmacists, Laboratory Services Director, Committee Members, and other Hospital staff with respect to all decisions materially affecting the Program and the Committees.

/ / /

SCOPE

It is expected by the parties that the responsibilities detailed above require an estimated part time commitment by Medical Group of ten (10) hours per month, but in no event shall Medical Group be compensated for more than one hundred twenty (120) hours per twelve (12) month period.

EXHIBIT B – MEDICAL DIRECTOR FEE SCHEDULE

TAHOE FOREST HOSPITAL DISTRICT

The Schedule of Fees set forth below shall represent Medical Group's complete compensation for the services rendered under this Agreement. Any changes to said schedule must 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 Facility.

Medical Director Fee Schedule

Two Hundred and Seven Dollars ($207.00) for each hour of service, up to a maximum of One Hundred and Twenty (120) hours per Twelve (12) month period. Fees paid under this Agreement shall not exceed Sixteen Thousand, Five Hundred and Sixty Dollars ($24,840.00) per Twelve (12) month period for the work actually performed pursuant to this Agreement.

TAHOE FOREST HEALTH SYSTEM

EXHIBIT C

SERVICE TIME LOG - TAHOE FOREST HOSPITAL DISTRICT

Medical Group Name: Tahoe Infectious Disease
Contract Name: Tahoe_Infectious_Disease_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015

Medical Group: ***Each month please complete & submit this log for services rendered. Please add more pages to this log if needed to ensure all dates, times, services are listed. If you use a computer/phone application, please attach and sign this log to the documentation generated by the program. Thank you.***

Date of Service	Description of Services as specified by the contract	Hours

Total time: _____hours @ $_____/hour = Total balance due $_____

Medical Group hereby attests that all of the services listed for the time periods indicated are accurate and that there has been no duplication of hours or services. Medical Group declares that the above statement is true and accurate to the best of its knowledge.

Signature for Medical Group:_____ Date_____

TAHOE FOREST HOSPITAL DISTRICT

Board Executive Summary

By: **Rick McConn**
Chief-Facilities Development

DATE: 07/21/15

ISSUE:
OR Exam Light Replacement project bids recommended to the Board for award.

BACKGROUND:
Bids reviewed were submitted for the light and related booms replacement project for the 4 OR rooms.

The attached recommendations for award reflect the lowest responsive and responsible bidder.

ACTION REQUESTED:
Board approval of recommended awards for the light and related booms replacement project for the 4 OR rooms as delineated.

Alternatives:

GENEY/GASSIOT, INC.
GENERAL CONTRACTORS

Tahoe Forest Hospital District
OR Exam Light Replacement **July 28, 2015**

Bids Received: **July 14, 2015**

RECOMMENDATION FOR AWARD

OR Exam Light Replacement

Construction		$	737,499
Soft Costs		$	856,521
Contingency/Escalation	13%	$	95,875
Total		***$***	***1,689,895***

TOTAL RECOMMENDED BUDGET	**$**	**1,689,895**

GENEY/GASSIOT, INC.
GENERAL CONTRACTORS

Tahoe Forest Hospital District
OR Exam Light Replacement **July 28, 2015**

Bids Received: **July 14, 2015**

COST SUMMARY BREAKDOWN

Element		Cost / SF		Total	Recommended Contractors
1	**General Requirements**		$	**448,416**	
2	**Sitework/Existing Conditions**		$	**6,000**	
3	**Concrete**		$	**-**	
4	**Masonry**		$	**-**	
5	**Metals**		$	**29,801**	Sparhawk Metals
6	**Wood & Plastics**		$	**-**	
7	**Thermal & Moisture**		$	**-**	
8	**Doors & Windows**		$	**3,950**	
9	**Finishes**		$	**36,211**	AJL Painting / Coffey Building Group
10	**Specialties**		$	**-**	
11	**Equipment**		$	**-**	
12	**Furnishings**		$	**-**	
13	**Special Construction**		$	**-**	
14	**Conveying Systems**		$	**-**	
21	**Fire Suppression**		$	**-**	
22	**Plumbing**		$	**105,076**	Intech Mechanical
23	**Mechanical**		$	**13,845**	Raglen System
26	**Electrical**		$	**94,200**	Sac Valley Electric
27	**Communication**		$	**-**	
	Subtotal Construction Hard Costs		$	**737,499**	
	Contingency/Escalation	13%	$	**95,875**	
	Equipment, Furniture, Signage		$	**515,656**	
	Professional Fees		$	**297,250**	
	Administrative Costs		$	**43,615**	
	Total Estimated Construction Cost		$	**1,689,895**	
	TOTAL DEVELOPMENT COST		$	**1,689,895**	

GENEY/GASSIOT, INC.
GENERAL CONTRACTORS

TFHD - OR Exam Light Replacement
Recommendation for Award Estimate
Bids Received: July 14, 2015

	Description	Quantity	UOM	Unit Cost	UOM	Total	Recommended Contractors
	CONSTRUCTION HARD COSTS						
01-01000	***GENERAL REQUIREMENTS***						
01-01300	**Administration Requirements**						
1301	Drawings / Reproductions	1.00	LS	2000.00	LS	2,000	
1302	Shipping/Postage	8.00	MO	100.00	MO	800	
1311	Project Management (1/2 Time)	8.00	MO	10750.00	MO	86,000	
1311	Project Superintendency (Half Time)	8.00	MO	21500.00	MO	172,000	
1313	Project Engineer (1/2 Time)	8.00	MO	6450.00	MO	51,600	
	Administration Requirements					**312,400**	
01-01500	**Temporary Facilities**						
1516	Cellular Charges	8.00	MO	100.00	MO	800	
1522	Sanitary Facilities	8.00	MO	108.25	MO	866	
1532	Miscellaneous Rental	1.00	LS	500.00	LS	500	
1551	Vehicle Fuel/Maintenance	8.00	MO	450.00	MO	3,600	
	Temporary Facilities					**5,766**	
01-01700	**Execution Requirements**						
1743	Disposal/Off-Haul	8.00	MO	450.00	MO	3,600	
1744	Final Cleaning	4.00	RM	750.00	RM	3,000	
1761	Protection of Finishes	4.00	EA	1000.00	EA	4,000	
1761	Infection Control / Temp Barriers / Neg Air / Roof Patch / X-Ray	1.00	LS	10000.00	LS	10,000	
1761	General Labor - Infection Control	7.50	MO	14620.00	MO	109,650	
	Execution Requirements					**130,250**	
	GENERAL REQUIREMENTS					***448,416***	
02-02000	***SITE CONSTRUCTION***						
02-00000	**Site Construction**						
41 19	Interior Demolition						
	Demo rooms 1 & 2 / Ceiling	2.00	EA	1500.00	EA	3,000	
	Demo rooms 3 & 4 / Ceiling	2.00	EA	1500.00	EA	3,000	
	Site Construction					**6,000**	
	SITE CONSTRUCTION					***6,000***	
05-05000	***METALS***						
05-05100	**Structural Steel Columns**						
51 00	Structural Steel Rooms 1 & 2 / Monitor Booms	3.00	EA	4257.29	EA	12,772	
51 00	Structural Steel 3 & 4 / Monitor Booms	4.00	EA	4257.29	EA	17,029	
	Structural Steel Columns					**29,801**	**Sparhawk Metals**
	METALS					***29,801***	
08-08000	***DOORS AND WINDOWS***						
08-08400	**Aluminum Doors and Windows**						
41 13	Aluminum- Framed Entrance and Storefronts						
	Temp door and grill	1.00	EA	1550.00	EA	1,550	
	(N) Access door	8.00	EA	300.00	EA	2,400	
	Aluminum Doors and Windows					**3,950**	
	DOORS, WINDOWS & GLASS					***3,950***	
09-09000	***FINISHES***						
09-92000	**Gypsum Board Assemblies**						
22 16	Non Structural Metal Framing						
	Drywall patch rooms 1 & 2	1.00	LS	14605.50	LS	14,606	
	Drywall patch 3 & 4	1.00	LS	14605.50	LS	14,606	
	Gypsum Board Assemblies					**29,211**	**Coffey Building**
09-09900	**Interior Painting**						
91 00	Interior Painting at Lid	1.00	LS	7000.00	LS	7,000	
	Interior Painting					**7,000**	**AJL Painting**
	FINISHES					***36,211***	

	Description	Quantity	UOM	Unit Cost	UOM	Total	Recommended Contractors
21-00000	***FIRE SUPPRESSION***						
21-0000	**Fire Suppression System**						
05 00.01	Fire Suppression System - Deferred Approval	1.00	LS	0.00	LS	-	
	Plumbing					-	
	FIRE SUPPRESSION					***-***	
22-00000	***PLUMBING***						
22-0000	**Plumbing**						
05 00.01	Med Gases						
	Relocate existing med gases	1.00	LS	105076.00	LS	105,076	
	Plumbing					**105,076**	**Intech Mechanical**
	PLUMBING					***105,076***	
23-00000	***MECHANICAL***						
23-0000	**Mechanical**						
05 00.01	Test and Balance	1.00	LS	13845.00	LS	13,845	***Raglen***
	Mechanical					**13,845**	***$*** **-**
	MECHANICAL					***13,845***	
26-00000	***ELECTRICAL***						
26-0000	**Electrical**						
05 00.01	Electrical General Requirements						
	Disconnect/ Safe of existing lights rooms 1 & 2	1.00	LS	94200.00	LS	94,200	
	Reconnect electrical rooms 1 & 2	0.00	EA	2500.00	EA	-	
	Disconnect/ Safe of existing lights rooms 3 & 4	0.00	EA	1500.00	EA	-	
	Relocate existing conduit 3 & 4	0.00	EA	2500.00	EA	-	
	Reconnect electrical rooms 3 & 4	0.00	EA	2500.00	EA	-	
	Fire Alarm - Deferred Approval	0.00	LS	0.00	LS	-	***$*** **-**
	Electrical					**94,200**	**Sac Valley Electric**
	ELECTRICAL					***94,200***	
	SUBTOTAL CONSTRUCTION HARD COSTS					***737,499***	***$*** **-**
18-00000	***PROJECT CONTINGENCY***						
18-00000	**Project Contingency**						
18 00	Construction Contingency/Escalation	13%	PC	Const Cost	PC	95,875	
	Project Contingency						
	PROJECT CONTINGENCY					***95,875***	
	TOTAL CONSTRUCTION COSTS					***833,374***	
	Total SF	**2,816.00**			***Price per SF***	***296***	
	SOFT COSTS						
20-00000	***EQUIPMENT, FURNITURE, SIGNAGE***						
21 00	**Equipment, Furniture, Signage**						
	Medical Equipment-Furnish, Install & Commission	1.00	LS	0	LS	-	
	IT Equipment/Devices/Conduit & Wiring	1.00	AL	0	AL	-	
	Security Devices/Conduit & Wiring	1.00	AL	5,500	AL	5,500	
20104	Ceiling Mounted ER Lights (Steris)	1.00	LS	500,045	LS	500,045	
	Equipment, Furniture, Signage					**505,545**	
21 00	**Equipment, Furniture, Signage Contingency**						
20104	Contingency Escalation	2%	PC	Eq Cost	PC	10,111	
	Equipment, Furniture, Signage Contingency					**10,111**	
	Equipment, Furniture, Signage					***515,656***	

	Description	Quantity	UOM	Unit Cost	UOM	Total	Recommended Contractors
19-00000	***PROFESSIONAL FEES***						
019-0000	**Professional Fees**						
20103	Professional Services - Architect	1.00	LS	53,480	LS	53,480	
20103	Professional Services - Structural Engineer	1.00	LS	16,725	LS	16,725	
20103	Professional Services - Mechanical Engineer	1.00	LS	12,000	LS	12,000	
20103	Professional Services - Electrical Engineer	1.00	LS	12,600	LS	12,600	
20103	Professional Services - Reimbursable	1.00	LS	7,440	LS	7,440	
19000	Cost Estimating/Preconstruction Services	1.00	LS	25,000	LS	25,000	
19000	Public Bid Process	1.00	LS	25,000	LS	25,000	
19000	Carsten Yearly Analysis	1.00	LS	20,000	LS	20,000	
19000	Construction Management	0.10	PC	833,374	PC	83,337	
17003	Testing/Inspections	0.02	PC	833,374	PC	16,667	
17003	IOR	8.00	MO	3,125	MO	25,000	
	Professional Fees					**297,250**	
	PROFESSIONAL FEES					***297,250***	
17-00000	***ADMINISTRATIVE COST***						
17-00000	**Administrative Cost**						
17003	OSHPD	0.021	PC	Const Cost/Cont/Equip	PC	28,330	
17001	General Liability Insurance	0.010	PC	Gen Req/CM Fee/Bond	PC	5,202	
17002	Performance/Payment Bonding	0.011	PC	Const Cost	PC	10,084	
	Administrative Cost					**43,615**	
	ADMINISTRATIVE COST					***43,615***	
	TOTAL SOFT COSTS					***856,521***	
	TOTAL SOFT COSTS					***856,521***	
	TOTAL CONSTRUCTION COSTS					***833,374***	
	ESTIMATED TOTAL PROJECT DEVELOPMENT COST					***1,689,895***	
	Total SF	**2816**			***Price per SF***	***600.10***	

MEMORANDUM

TO: Board Finance Committee

FROM: Crystal Betts, Chief Financial Officer

SUBJECT: General Obligation Bond Tax Rate for FY 2015/2016

DATE: July 23, 2015

BACKGROUND:

In November 2006 a presentation was provided to the Board of Directors in regards to public financing, a.k.a. general obligation bonds (GO Bonds). Gary Hicks, our financial advisor, had provided some estimated calculations of what the tax rate per $100,000 of assessed value would look like for the taxpayers in order to raise $98.5 million. These calculations were based upon historical trends of property assessed values including the evaluation of historical growth patterns that had ranged 9%-16%. Based upon assessed values that incorporated an average 8% growth trend, the maximum rate per $100,000 of assessed value was approximated at $18.76.

Unfortunately, since the timing of the above noted analysis and passage of the GO Bonds by our community, our nation has seen a housing market crisis and a significant economic downturn. This has impacted our communities property assessed values. The following is a list of Placer and Nevada counties property assessed value growth percentages or declination percentages over previous years:

2008-09: 8.46% growth over 2007-08
2009-10: 4.27% growth over 2008-09
2010-11: 4.64% decline over 2009-10
2011-12: 1.92% decline over 2010-11
2012-13: 0.67% growth over 2011-12
2013-14: 2.88% growth over 2012-13
2014-15: 5.03% growth over 2013-14

The District issued the 3rd and final series of the 2007 GO Bonds on August 1, 2012. In addition, the District refunded/refinanced the first series, Series A, in May 2015. The debt service requirement for the 2015/2016 fiscal year will be $4,881,919. Based upon the property assessed values provided to us by Placer and Nevada counties, the rate per $100,000 will need to be $26.79 to cover the 2015/2016 debt service requirement. This is $8.03 per $100,000 higher than estimated back in 2006. However, this is a decline in rate compared to last year by $3.25 per $100,000.

In fiscal years 2011 and 2012, the Board of Directors had decided to supplement the GO Bond debt service payment in order to minimize the impact on the community due

to the decline in assessed values and the increase necessary to the tax rate per $100,000. In FY 2012 the supplemental payment on behalf of the District was approximately $445,000, and in FY 2011 $540,000, both of which were paid from cash generated by operations. In FY 2013, 2014 and 2015, the Board set the rate at the full amount necessary to cover the debt service payment, with no supplemental payment by the District.

RECOMMENDATION:

It is my recommendation that the Board elect to set the GO Bond tax rate per $100,000 at $26.79 to fully cover the debt service requirement.

However, I have provided to you various calculations of the tax rate per $100,000. If the Board would like to adhere to the estimated maximum as established back in 2006, the rate would be $18.76 and the District would have to supplement cash from operations in the amount of $1,458,787. I have also provided calculations for 4 additional alternatives at rates of $25.79, $24.79, $23.79 and $22.79. Each of these alternatives would still require the District to supplement cash from operations in the amounts of $176,025, $358,495, $540,965, and $723,434 respectively.

TAHOE FOREST HOSPITAL DISTRICT
GO BOND TAX RATE CALCULATION SUMMARY
FOR FISCAL YEAR 2015/2016

	RESERVE 0%		ORIGINAL ESTIMATED MAXIMUM RATE PER $100,000	ALTERNATIVE ONE	ALTERNATIVE TWO	ALTERNATIVE THREE	ALTERNATIVE FOUR
FOR FISCAL YEAR 2015/2016							
SERIES 2015	$ 7.62		$ -	$ 7.62	$ 7.62	$ 7.62	$ 7.62
SERIES B	$ 13.43		$ -	$ 13.43	$ 13.43	$ 13.43	$ 13.43
SERIES C	$ 5.74		$ -	$ 4.74	$ 3.74	$ 2.74	$ 1.74
TOTAL RATE PER $100,000	$ 26.79		$ 18.76	$ 25.79	$ 24.79	$ 23.79	$ 22.79
Required Debt Service Payment	$ 4,881,919.00		$ 4,881,919.00	$ 4,881,919.00	$ 4,881,919.00	$ 4,881,919.00	$ 4,881,919.00
Tax Revenue Generated per Rate/$100,000	$ 4,888,363.32		$ 3,423,131.61	$ 4,705,893.62	$ 4,523,423.91	$ 4,340,954.21	$ 4,158,484.51
Reserve generated for future years	$ 6,444.32	Due to rounding of the rate	$ -	$ -	$ -	$ -	$ -
Additional contribution required by District	$ -		$ 1,458,787.39	$ 176,025.38	$ 358,495.09	$ 540,964.79	$ 723,434.49

No previous reserves available

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2013/2014 vs 2014/2015 VARIANCE $	2013/2014 vs 2014/2015 VARIANCE %	2015/2016	2014/2015 vs 2015/2016 VARIANCE $	2014/2015 vs 2015/2016 VARIANCE %
COUNTY OF PLACER										
LOCAL SECURED	$ 9,722,495,995	$ 9,713,100,999	$ 9,787,377,576	$ 10,131,105,321	$ 10,643,906,597	$ 512,801,276	5.24%	$ 12,028,041,926	$ 1,384,135,329	13.66%
UNSECURED	$ 161,636,579	$ 154,003,348	$ 162,102,331	$ 182,876,494	$ 190,033,123	$ 7,156,629	4.41%	$ 192,112,603	$ 2,079,480	1.14%
TOTAL ASSESSED VALUES	$ 9,884,132,574	$ 9,867,104,347	$ 9,949,479,907	$ 10,313,981,815	$ 10,833,939,720	$ 519,957,905	5.23%	$ 12,220,154,529	$ 1,386,214,809	13.44%
COUNTY OF NEVADA										
LOCAL SECURED	$ 5,485,613,508	$ 5,185,069,844	$ 5,212,833,164	$ 5,288,034,776	$ 5,532,102,579	$ 244,067,803	4.68%	$ 5,896,876,881	$ 364,774,302	6.90%
UNSECURED	$ 128,417,458	$ 133,348,213	$ 125,069,339	$ 125,222,815	$ 130,369,329	$ 5,146,514	4.11%	$ 129,938,792	$ (430,537)	-0.34%
TOTAL ASSESSED VALUES	$ 5,614,030,966	$ 5,318,418,057	$ 5,337,902,503	$ 5,413,257,591	$ 5,662,471,908	$ 249,214,317	4.67%	$ 6,026,815,673	$ 364,343,765	6.73%
COMBINED COUNTIES										
LOCAL SECURED	$ 15,208,109,503	$ 14,898,170,843	$ 15,000,210,740	$ 15,419,140,097	$ 16,176,009,176	$ 756,869,079	5.05%	$ 17,924,918,807	$ 1,748,909,631	11.34%
UNSECURED	$ 290,054,037	$ 287,351,561	$ 287,171,670	$ 308,099,309	$ 320,402,452	$ 12,303,143	4.28%	$ 322,051,395	$ 1,648,943	0.54%
TOTAL ASSESSED VALUES	$ 15,498,163,540	$ 15,185,522,404	$ 15,287,382,410	$ 15,727,239,406	$ 16,496,411,628	$ 769,172,222	5.03%	$ 18,246,970,202	$ 1,750,558,574	11.13%

2015/16
TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES 2015
OCA _____ PCA _____ Dept __ TAX CODE _____
Fund ___ Subfund ___
COMPUTATION OF TAX RATE - SCHEDULE 1

TOTAL BUDGET REQUIREMENT (Schedule 3)				1,388,425.00
LESS: AVAILABLE FINANCING (Schedule 2)				0.00
AMOUNT NEEDED TO BE RAISED - PROP TAX & STATE				**1,388,425.00**
		SECURED	UNSECURED	
NET SECURED VALUATION-PLACER CO.		12,012,218,207		
NET SECURED VALUATION-NEVADA CO.		5,871,996,864		
UTILITY VALUATION-PLACER CO.		0		
UTILITY VALUATION-NEVADA CO.		2,289,670		
NET UNSECURED VALUATION-PLACER CO. (includes Airplanes)			192,105,603	
NET UNSECURED VALUATION-NEVADA CO.			129,938,792	
TOTAL NET VALUATION		17,886,504,741	322,044,395	
	RATE			
LESS: DELINQUENCY ALLOWANCE-PLACER CO.	6.0000%	Teetered-N/A	11,526,336	
LESS: DELINQUENCY ALLOWANCE-NEVADA CO.			7,796,328	
LESS: RDA OR OTHER VALUE ADJ		N/A	N/A	
TOTAL NET VALUATION AFTER ADJ		17,886,504,741	302,721,731	
ADD: HOPTR EXEMPTION-PLACER CO.		15,823,719	7,000	
ADD: HOPTR EXEMPTION-NEVADA CO.		22,590,347	0	
ADJUSTED VALUATION FOR RATE COMPUTATION		17,924,918,807	302,728,731	
UNSECURED TAX RATE (Secured rate from prior year)			**0.0076200%**	
UNSECURED PROPERTY TAX RAISED-PLACER CO.				13,760.00
UNSECURED PROPERTY TAX RAISED-NEVADA CO.				9,307.00
UNSECURED HOPTR RAISED-PLACER CO.				0.00
UNSECURED HOPTR RAISED-NEVADA CO.				0.00
AMOUNT TO BE RAISED ON UNSECURED ROLL				**23,067.00**
CALCULATION OF SECURED TAX RATE:				
AMOUNT NEEDED TO BE RAISED (from above)		1,388,425.00		
LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above)		23,067.00		
AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL		1,365,358.00		
SECURED TAX RATE		**0.0076200%**	$7.62	
SECURED PROPERTY TAX RAISED-PLACER CO.			915,331.00	
SECURED PROPERTY TAX RAISED-NEVADA CO.			447,621.00	
HOPTR RAISED-PLACER CO.			1,206.00	
HOPTR RAISED-NEVADA CO.			1,721.00	
TOTAL AMOUNT TO BE RAISED ON SECURED ROLL				**1,365,879.00**
TOTAL AMOUNT TO BE RAISED ON SEC & UNSEC ROLL				**1,388,946.00**
DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED				(521.00)

BUDGET: NEVADA CO. = 458,649.00

BUDGET: PLACER CO. = 930,297.00

2015/16
TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES 2015
OCA _____ PCA _____ Dept __ TAX CODE _____
Fund ___ Subfund ___

Computation of Budget Requirements

Schedule 3

DESCRIPTION	PRINCIPAL	INTEREST	TOTAL
Tahoe Forest GO Bonds 2008	250,000.00	1,138,425.00	1,388,425.00
Total Expenditure Requirements	250,000.00	1,138,425.00	1,388,425.00
Plus: INCREASE to General Reserve (Total From Sch.4 if Positive)			0.00
Total Budget Requirements (To TOTAL BUDGET REQUIREMENTS Line, Sch. 1)			1,388,425.00

Computation of General Reserve Requirements

Schedule 4
2015/16

DESCRIPTION	GENERAL RESERVE (Fr Bond Sch)
Tahoe Forest GO Bonds 2008	0.00
Total General Reserve Requirements	0.00
Less: Existing 6/30 G/L Balance (Account 2453 514000)	0.00
Increase (Decrease) in General Reserve*	0.00

* An INCREASE is to be recorded on Schedule 3
A DECREASE is to be recorded on Schedule 2

2015/16
TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES B (2010)
OCA _____ PCA _____ Dept __ TAX CODE _____
Fund ___ Subfund ___
COMPUTATION OF TAX RATE - SCHEDULE 1

TOTAL BUDGET REQUIREMENT (Schedule 3)				2,447,675.00
LESS: AVAILABLE FINANCING (Schedule 2)				0.00
AMOUNT NEEDED TO BE RAISED - PROP TAX & STATE				**2,447,675.00**
		SECURED	UNSECURED	
NET SECURED VALUATION-PLACER CO.		12,012,218,207		
NET SECURED VALUATION-NEVADA CO.		5,871,996,864		
UTILITY VALUATION-PLACER CO.		0		
UTILITY VALUATION-NEVADA CO.		2,289,670		
NET UNSECURED VALUATION-PLACER CO. (includes Airplanes)			192,105,603	
NET UNSECURED VALUATION-NEVADA CO.			129,938,792	
TOTAL NET VALUATION		17,886,504,741	322,044,395	
	RATE			
LESS: DELINQUENCY ALLOWANCE-PLACER CO.	6.0000%	Teetered-N/A	11,526,336	
LESS: DELINQUENCY ALLOWANCE-NEVADA CO.			7,796,328	
LESS: RDA OR OTHER VALUE ADJ		N/A	N/A	
TOTAL NET VALUATION AFTER ADJ		17,886,504,741	302,721,731	
ADD: HOPTR EXEMPTION-PLACER CO.		15,823,719	7,000	
ADD: HOPTR EXEMPTION-NEVADA CO.		22,590,347	0	
ADJUSTED VALUATION FOR RATE COMPUTATION		17,924,918,807	302,728,731	
UNSECURED TAX RATE (Secured rate from prior year)			**0.0134300%**	
UNSECURED PROPERTY TAX RAISED-PLACER CO.				24,252.00
UNSECURED PROPERTY TAX RAISED-NEVADA CO.				16,404.00
UNSECURED HOPTR RAISED-PLACER CO.				0.00
UNSECURED HOPTR RAISED-NEVADA CO.				0.00
AMOUNT TO BE RAISED ON UNSECURED ROLL				**40,656.00**
CALCULATION OF SECURED TAX RATE:				
AMOUNT NEEDED TO BE RAISED (from above)		2,447,675.00		
LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above)		40,656.00		
AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL		2,407,019.00		
SECURED TAX RATE		**0.0134300%**	$13.43	
SECURED PROPERTY TAX RAISED-PLACER CO.			1,613,241.00	
SECURED PROPERTY TAX RAISED-NEVADA CO.			788,917.00	
HOPTR RAISED-PLACER CO.			2,125.00	
HOPTR RAISED-NEVADA CO.			3,034.00	
TOTAL AMOUNT TO BE RAISED ON SECURED ROLL				**2,407,317.00**
TOTAL AMOUNT TO BE RAISED ON SEC & UNSEC ROLL				**2,447,973.00**
DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED				(298.00)

BUDGET: NEVADA CO. = 808,355.00

BUDGET: PLACER CO. = 1,639,618.00

2015/16
TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES B (2010)
OCA _____ PCA _____ Dept __ TAX CODE _____
Fund ___ Subfund ___

Computation of Budget Requirements

Schedule 3

DESCRIPTION	PRINCIPAL	INTEREST	TOTAL
Tahoe Forest GO Bonds 2008	280,000.00	2,167,675.00	2,447,675.00
Total Expenditure Requirements	280,000.00	2,167,675.00	2,447,675.00
Plus: INCREASE to General Reserve (Total From Sch.4 if Positive)			0.00
Total Budget Requirements (To TOTAL BUDGET REQUIREMENTS Line, Sch. 1)			2,447,675.00

Computation of General Reserve Requirements

Schedule 4
2015/16

DESCRIPTION	GENERAL RESERVE (Fr Bond Sch)
Tahoe Forest GO Bonds 2008	0.00
Total General Reserve Requirements	0.00
Less: Existing 6/30 G/L Balance (Account 2453 514000)	0.00
Increase (Decrease) in General Reserve*	0.00

* An INCREASE is to be recorded on Schedule 3
A DECREASE is to be recorded on Schedule 2

2015/16
TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES C (2012)
OCA _____ PCA _____ Dept __ TAX CODE _____
Fund ___ Subfund ___
COMPUTATION OF TAX RATE - SCHEDULE 1

TOTAL BUDGET REQUIREMENT (Schedule 3)				1,045,819.00
LESS: AVAILABLE FINANCING (Schedule 2)				0.00
AMOUNT NEEDED TO BE RAISED - PROP TAX & STATE				**1,045,819.00**
		SECURED	UNSECURED	
NET SECURED VALUATION-PLACER CO.		12,012,218,207		
NET SECURED VALUATION-NEVADA CO.		5,871,996,864		
UTILITY VALUATION-PLACER CO.		0		
UTILITY VALUATION-NEVADA CO.		2,289,670		
NET UNSECURED VALUATION-PLACER CO. (includes Airplanes)			192,105,603	
NET UNSECURED VALUATION-NEVADA CO.			129,938,792	
TOTAL NET VALUATION		17,886,504,741	322,044,395	
	RATE			
LESS: DELINQUENCY ALLOWANCE-PLACER CO.	6.0000%	Teetered-N/A	11,526,336	
LESS: DELINQUENCY ALLOWANCE-NEVADA CO.			7,796,328	
LESS: RDA OR OTHER VALUE ADJ		N/A	N/A	
TOTAL NET VALUATION AFTER ADJ		17,886,504,741	302,721,731	
ADD: HOPTR EXEMPTION-PLACER CO.		15,823,719	7,000	
ADD: HOPTR EXEMPTION-NEVADA CO.		22,590,347	0	
ADJUSTED VALUATION FOR RATE COMPUTATION		17,924,918,807	302,728,731	
UNSECURED TAX RATE (Secured rate from prior year)			**0.0057400%**	
UNSECURED PROPERTY TAX RAISED-PLACER CO.				10,365.00
UNSECURED PROPERTY TAX RAISED-NEVADA CO.				7,011.00
UNSECURED HOPTR RAISED-PLACER CO.				0.00
UNSECURED HOPTR RAISED-NEVADA CO.				0.00
AMOUNT TO BE RAISED ON UNSECURED ROLL				**17,376.00**
CALCULATION OF SECURED TAX RATE:				
AMOUNT NEEDED TO BE RAISED (from above)		1,045,819.00		
LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above)		17,376.00		
AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL		1,028,443.00		
SECURED TAX RATE		**0.0057400%**	$5.74	
SECURED PROPERTY TAX RAISED-PLACER CO.			689,501.00	
SECURED PROPERTY TAX RAISED-NEVADA CO.			337,184.00	
HOPTR RAISED-PLACER CO.			908.00	
HOPTR RAISED-NEVADA CO.			1,297.00	
TOTAL AMOUNT TO BE RAISED ON SECURED ROLL				**1,028,890.00**
TOTAL AMOUNT TO BE RAISED ON SEC & UNSEC ROLL				**1,046,266.00**
DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED				(447.00)

BUDGET: NEVADA CO. = 345,492.00

BUDGET: PLACER CO. = 700,774.00

2015/16
TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES C (2012)
OCA _____ PCA _____ Dept __ TAX CODE _____
Fund ___ Subfund ___

Computation of Budget Requirements

Schedule 3

DESCRIPTION	PRINCIPAL	INTEREST	TOTAL
Tahoe Forest GO Bonds 2008	0.00	1,045,818.76	1,045,818.76
Total Expenditure Requirements	0.00	1,045,818.76	1,045,818.76
Plus: INCREASE to General Reserve (Total From Sch.4 if Positive)			0.00
Total Budget Requirements (To TOTAL BUDGET REQUIREMENTS Line, Sch. 1)			1,045,818.76

Computation of General Reserve Requirements

Schedule 4
2015/16

DESCRIPTION	GENERAL RESERVE (Fr Bond Sch)
Tahoe Forest GO Bonds 2008	0.00
Total General Reserve Requirements	0.00
Less: Existing 6/30 G/L Balance (Account 2453 514000)	0.00
Increase (Decrease) in General Reserve*	0.00

* An INCREASE is to be recorded on Schedule 3
A DECREASE is to be recorded on Schedule 2

COUNTY OF PLACER

OFFICE OF
AUDITOR-CONTROLLER

ANDREW C. SISK, CPA
Auditor-Controller
E-mail: asisk@placer.ca.gov

NICOLE C. HOWARD, CPA
Assistant Auditor-Controller
E-mail: nhoward@placer.ca.gov

July 8, 2015

Tahoe Forest Hospital
P. O. Box 759
Truckee, CA 96160-0759

This is to certify that the assessed valuation of the Tahoe Forest Hospital is as follows for 2015/16:

ROLLS	NET VALUATION	HOPTR EXEMPT	GROSS VALUE USED FOR TAX COMP PURPOSES
Local Secured	12,012,218,207	15,823,719	12,028,041,926
Unsecured	192,105,603	7,000	192,112,603

Article XIII-A of the California Constitution, Sec 1(b) (enacted by Proposition 13), provides for the levying of property taxes to pay voter approved indebtedness. These are the values to use for this purpose.

Please call if you have any questions concerning the above valuations.

Sincerely,

ANDREW C. SISK, CPA
AUDITOR-CONTROLLER

By: Glenn Nishimoto

Glenn Nishimoto
Account Clerk

2970 Richardson Drive / Auburn, California 95603 / (530) 889-4160 / Fax (530) 889-4163
Internet Address: http://www.placer.ca.gov / email: auditor@placer.ca.gov

State of California
COUNTY OF NEVADA

MARCIA L. SALTER – Auditor-Controller

Auditor-Controller
950 Maidu Avenue Suite 230
Nevada City CA 95959

(530) 265-1244
Fax: (530) 265-9843
Email: auditor.controller@co.nevada.ca.us

July 17, 2015

To: Tahoe Forest Hospital District

From: Linda Sager, Accountant Auditor II

Listed below are the certified 2015/16 assessed values for your district:

	NET VALUATION	HOPTR	TOTAL
Local Secured Roll	$5,871,996,864	$22,590,347	$5,894,587,211
Unitary and Operating Non-Unitary State BOE Roll	$2,289,670		$2,289,670
Unsecured Roll	$129,938,792		$129,938,792

Please use these values to estimate any voter-approved indebtedness under Article XIII-A Sec 1(b) of the California Constitution.

For an assessed valuation comparison from prior year by district, please visit our website at http://www.mynevadacounty.com/nc/auditor/Pages/Property-Tax.aspx. The report will be posted under the link titled Assessed Value by District.

The annual estimated property tax revenue letter will be mailed by the end of October.

If you have any questions, please contact me at (530) 265-1564.

H:\AU\Property Taxes\LETTERS\AVMergeLetter2.doc

BOARD OF DIRECTORS
TAHOE FOREST HOSPITAL DISTRICT
COUNTIES OF PLACER AND NEVADA, STATE OF CALIFORNIA

RESOLUTION NO. 2015-05

RESOLUTION DIRECTING PLACER AND NEVADA COUNTIES, CALIFORNIA, TO LEVY A TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE DISTRICT'S GENERAL OBLIGATION BONDS FOR FISCAL YEAR 2015-16

WHEREAS, by a resolution (the "Ballot Resolution"), adopted by the Board of Directors (the "Board") of the Tahoe Forest Hospital District (the "District") on June 26, 2007, the Board determined and declared that public interest and necessity demanded the need to raise moneys for the expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District, including to refinance up to $3.5 million of existing debt that was incurred for expenditures related to capital purchases or leases to improve hospital facilities (the "Project"), and the Board called a mailed ballot election to be held within the boundaries of the District in accordance with the California Elections Code;

WHEREAS, a special municipal election was held in the District on September 25, 2007, and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for $98,500,000, payable from the levy of an unlimited *ad valorem* tax against all taxable property in the District;

WHEREAS, pursuant to Chapter 4 of Division 23 (commencing with section 32300) of the California Health and Safety Code (the "Act"), the District is empowered to issue general obligation bonds;

WHEREAS, the District issued an initial series of bonds, in the aggregate principal amount of $29,400,000, identified as the "Tahoe Forest Hospital District (Placer and Nevada Counties, California) General Obligation Bonds, Election of 2007, Series A (2008)" (the "Series A Bonds"), for the purpose of raising funds needed for the Project and other authorized costs on the conditions set forth in a resolution adopted by the Board on June 24, 2008;

WHEREAS, the District issued a second series of bonds, in the aggregate principal amount of $43,000,000, identified as the "Tahoe Forest Hospital District (Placer and Nevada Counties, California) General Obligation Bonds, Election of 2007, Series B (2010)" (the "Series B Bonds"), for the purpose of raising funds needed for the Project and other authorized costs on the conditions set forth in a resolution adopted by the Board on June 22, 2010;

WHEREAS, the District issued a third series of bonds, in the aggregate principal amount of $26,100,000, identified as the "Tahoe Forest Hospital District (Placer and Nevada Counties,

California) General Obligation Bonds, Election of 2007, Series C (2012)" (the "Series C Bonds"), for the purpose of raising funds needed for the Project and other authorized costs, on the conditions set forth in a resolution adopted by the Board on June 26, 2012;

WHEREAS, on May 10, 2015, the District issued bonds, in the aggregate principal amount of $30,810,000, identified its "Tahoe Forest Hospital District (Placer and Nevada Counties, California) 2015 General Obligation Refunding Bonds" (the "2015 Refunding Bonds") to refund the Series A Bonds, on the conditions set forth in a resolution adopted by the Board on February 12, 2015; and

WHEREAS, pursuant to the Act, the District is authorized to direct Placer County ("Placer") and Nevada County ("Nevada" and, with Placer, the "Counties"), California, in which the jurisdiction of the District resides, to levy an unlimited *ad valorem* tax on all taxable property within the District for the payment of the principal of and interest on the Series B Bonds, the Series C Bonds and the 2015 Refunding Bonds (collectively, the "Bonds");

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TAHOE FOREST HOSPITAL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. All of the recitals herein are true and correct. To the extent that the recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made thereby.

Section 2. Tax Levy; Tax Rate.

(a) The Board has determined that the amount needed to be raised by taxes during Fiscal Year 2015-16 is $4,881,918.76, which is needed to pay the principal of and interest on the Bonds during such period, as shown on Exhibit D attached hereto.

(b) Placer has informed the District that, for Fiscal Year 2015-16, the estimated value of all assessed property of the District within Placer to be used for calculating the debt service rate is $12,220,154,529.

The Board hereby requests and directs Placer, at the time of the fixing of its general tax levy for the County's fiscal year beginning July 1, 2015, and ending June 30, 2016, to fix and levy and collect a tax at the rate of $26.79 per $100,000 of assessed valuation which, based upon the estimated value of all assessed property of the District within Placer, will generate a total amount of $3,270,689.

Said tax shall be in addition to all other taxes levied for District purposes, shall be levied and collected by Placer at the same time and in the same manner as other taxes of the District are levied and collected, and shall be used only for the payment of the Bonds, and the interest thereon.

(c) Nevada has informed the District that, for Fiscal Year 2015-16, the estimated value of all assessed property of the District within Nevada to be used for calculating the debt service rate is $6,026,815,673.

The Board hereby requests and directs Nevada, at the time of the fixing of its general tax levy for the County's fiscal year beginning July 1, 2015, and ending June 30, 2016, to fix and levy and collect a tax at the rate of $26.79 per $100,000 of assessed valuation which, based upon the estimated value of all assessed property of the District within Nevada, will generate a total amount of $1,612,496.

Said tax shall be in addition to all other taxes levied for District purposes, shall be levied and collected by Nevada at the same time and in the same manner as other taxes of the District are levied and collected, and shall be used only for the payment of the Bonds, and the interest thereon.

Section 3. Request for Necessary County Actions. The Boards of Supervisors, the treasurer, tax collector and auditor-controller, and other officials of the Counties are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District sufficient to provide for the payment of all principal of, redemption premium (if any), and interest on the Bonds, as the same shall become due and payable, and to transfer the tax receipts from such levy to the District, no later than January 20 and May 18 in each year to permit the District to meet its required principal and interest payments for the Bonds on each February 1 and August 1, as indicated in Exhibits A, B, C and D. The Chief Executive Officer or the Chief Financial Officer of the District is hereby authorized and directed to deliver certified copies of this Resolution to the clerks of the Boards of Supervisors of the Counties, and the treasurer, tax collector and auditor of the Counties.

Section 4. Ratification. All actions heretofore taken by officials, employees and agents of the District with respect to the request and direction for the tax levy described herein are hereby approved, confirmed and ratified.

Section 5. General Authority. The President and the Vice President of the Board, the Chief Executive Officer and the Chief Financial Officer of the District, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps, which they or any of them might deem necessary or appropriate in order to ensure that the County levies and collects the property taxes as described herein and otherwise to give effect to this Resolution.

Section 6. Effective Date. This resolution shall take effect immediately on and after its adoption.

* * * * * * * *

THE FOREGOING RESOLUTION is approved and adopted by the Board of Directors of the Tahoe Forest Hospital District this 28th day of July, 2015.

AYES:

NAYS:

ABSENT:

_____
President of the Board of Directors

ATTEST:

_____
Secretary of the Board of Directors

EXHIBIT A

DEBT SERVICE SCHEDULE OF THE SERIES B BONDS

Date	Principal	Interest	Period Total	Annual Total
02/01/16	—	$1,083,837.50	$1,083,837.50	—
08/01/16	$ 280,000.00	1,083,837.50	1,363,837.50	$2,447,675.00
02/01/17	—	1,078,237.50	1,078,237.50	—
08/01/17	345,000.00	1,078,237.50	1,423,237.50	2,501,475.00
02/01/18	—	1,071,337.50	1,071,337.50	—
08/01/18	420,000.00	1,071,337.50	1,491,337.50	2,562,675.00
02/01/19	—	1,062,937.50	1,062,937.50	—
08/01/19	500,000.00	1,062,937.50	1,562,937.50	2,625,875.00
02/01/20	—	1,052,937.50	1,052,937.50	—
08/01/20	585,000.00	1,052,937.50	1,637,937.50	2,690,875.00
02/01/21	—	1,041,237.50	1,041,237.50	—
08/01/21	670,000.00	1,041,237.50	1,711,237.50	2,752,475.00
02/01/22	—	1,027,837.50	1,027,837.50	—
08/01/22	770,000.00	1,027,837.50	1,797,837.50	2,825,675.00
02/01/23	—	1,012,437.50	1,012,437.50	—
08/01/23	870,000.00	1,012,437.50	1,882,437.50	2,894,875.00
02/01/24	—	990,687.50	990,687.50	—
08/01/24	980,000.00	990,687.50	1,970,687.50	2,961,375.00
02/01/25	—	966,187.50	966,187.50	—
08/01/25	1,095,000.00	966,187.50	2,061,187.50	3,027,375.00
02/01/26	—	936,075.00	936,075.00	—
08/01/26	1,215,000.00	936,075.00	2,151,075.00	3,087,150.00
02/01/27	—	902,662.50	902,662.50	—
08/01/27	1,345,000.00	902,662.50	2,247,662.50	3,150,325.00
02/01/28	—	865,675.00	865,675.00	—
08/01/28	1,485,000.00	865,675.00	2,350,675.00	3,216,350.00
02/01/29	—	830,406.25	830,406.25	—
08/01/29	1,630,000.00	830,406.25	2,460,406.25	3,290,812.50
02/01/30	—	791,693.75	791,693.75	—
08/01/30	1,785,000.00	791,693.75	2,576,693.75	3,368,387.50
02/01/31	—	749,300.00	749,300.00	—
08/01/31	1,950,000.00	749,300.00	2,699,300.00	3,448,600.00
02/01/32	—	695,675.00	695,675.00	—
08/01/32	2,125,000.00	695,675.00	2,820,675.00	3,516,350.00
02/01/33	—	637,237.50	637,237.50	—
08/01/33	2,315,000.00	637,237.50	2,952,237.50	3,589,475.00
02/01/34	—	573,575.00	573,575.00	—
08/01/34	2,510,000.00	573,575.00	3,083,575.00	3,657,150.00
02/01/35	—	504,550.00	504,550.00	—
08/01/35	2,720,000.00	504,550.00	3,224,550.00	3,729,100.00
02/01/36	—	429,750.00	429,750.00	—
08/01/36	2,940,000.00	429,750.00	3,369,750.00	3,799,500.00
02/01/37	—	356,250.00	356,250.00	—
08/01/37	3,175,000.00	356,250.00	3,531,250.00	3,887,500.00
02/01/38	—	276,875.00	276,875.00	—
08/01/38	3,425,000.00	276,875.00	3,701,875.00	3,978,750.00
02/01/39	—	191,250.00	191,250.00	—
08/01/39	3,685,000.00	191,250.00	3,876,250.00	4,067,500.00
02/01/40	—	99,125.00	99,125.00	—
08/01/40	3,965,000.00	99,125.00	4,064,125.00	4,163,250.00

EXHIBIT B

DEBT SERVICE SCHEDULE OF THE SERIES C BONDS

Date	Principal	Interest	Period Total	Annual Total
02/01/16	—	$522,909.38	$ 522,909.38	—
08/01/16	—	522,909.38	522,909.38	$1,045,818.75
02/01/17	—	522,909.38	522,909.38	—
08/01/17	$ 135,000.00	522,909.38	657,909.38	1,180,818.75
02/01/18	—	519,196.88	519,196.88	—
08/01/18	175,000.00	519,196.88	694,196.88	1,213,393.75
02/01/19	—	514,384.38	514,384.38	—
08/01/19	220,000.00	514,384.38	734,384.38	1,248,768.75
02/01/20	—	508,334.38	508,334.38	—
08/01/20	265,000.00	508,334.38	773,334.38	1,281,668.75
02/01/21	—	501,046.88	501,046.88	—
08/01/21	310,000.00	501,046.88	811,046.88	1,312,093.75
02/01/22	—	492,521.88	492,521.88	—
08/01/22	360,000.00	492,521.88	852,521.88	1,345,043.75
02/01/23	—	482,621.88	482,621.88	—
08/01/23	415,000.00	482,621.88	897,621.88	1,380,243.75
02/01/24	—	471,209.38	471,209.38	—
08/01/24	465,000.00	471,209.38	936,209.38	1,407,418.75
02/01/25	—	459,003.13	459,003.13	—
08/01/25	525,000.00	459,003.13	984,003.13	1,443,006.25
02/01/26	—	448,503.13	448,503.13	—
08/01/26	580,000.00	448,503.13	1,028,503.13	1,477,006.25
02/01/27	—	439,803.13	439,803.13	—
08/01/27	645,000.00	439,803.13	1,084,803.13	1,524,606.25
02/01/28	—	429,725.00	429,725.00	—
08/01/28	715,000.00	429,725.00	1,144,725.00	1,574,450.00
02/01/29	—	418,106.25	418,106.25	—
08/01/29	795,000.00	418,106.25	1,213,106.25	1,631,212.50
02/01/30	—	404,193.75	404,193.75	—
08/01/30	880,000.00	404,193.75	1,284,193.75	1,688,387.50
02/01/31	—	388,353.75	388,353.75	—
08/01/31	970,000.00	388,353.75	1,358,353.75	1,746,707.50
02/01/32	—	370,893.75	370,893.75	—
08/01/32	1,070,000.00	370,893.75	1,440,893.75	1,811,787.50
02/01/33	—	351,500.00	351,500.00	—
08/01/33	1,175,000.00	351,500.00	1,526,500.00	1,878,000.00
02/01/34	—	328,000.00	328,000.00	—
08/01/34	1,280,000.00	328,000.00	1,608,000.00	1,936,000.00
02/01/35	—	302,400.00	302,400.00	—
08/01/35	1,400,000.00	302,400.00	1,702,400.00	2,004,800.00
02/01/36	—	274,400.00	274,400.00	—
08/01/36	1,525,000.00	274,400.00	1,799,400.00	2,073,800.00
02/01/37	—	243,900.00	243,900.00	—
08/01/37	1,655,000.00	243,900.00	1,898,900.00	2,142,800.00
02/01/38	—	210,800.00	210,800.00	—
08/01/38	1,795,000.00	210,800.00	2,005,800.00	2,216,600.00
02/01/39	—	174,900.00	174,900.00	—
08/01/39	1,940,000.00	174,900.00	2,114,900.00	2,289,800.00
02/01/40	—	136,100.00	136,100.00	—
08/01/40	2,100,000.00	136,100.00	2,236,100.00	2,372,200.00
02/01/41	—	94,100.00	94,100.00	—
08/01/41	2,265,000.00	94,100.00	2,359,100.00	2,453,200.00

02/01/42	–	48,800.00	48,800.00	—
08/01/42	2,440,000.00	48,800.00	2,488,800.00	2,537,600.00

EXHIBIT C

DEBT SERVICE SCHEDULE OF THE 2015 REFUNDING BONDS

Date	Principal	Interest	Period Total	Annual Total
02/01/16	–	$569,212.50	569,212.50	–
08/01/16	$ 250,000	569,212.50	819,212.50	$1,388,425.00
02/01/17	–	566,712.50	566,712.50	–
08/01/17	310,000	566,712.50	876,712.50	1,443,425.00
02/01/18	–	562,062.50	562,062.50	–
08/01/18	370,000	562,062.50	932,062.50	1,494,125.00
02/01/19	–	554,662.50	554,662.50	–
08/01/19	435,000	554,662.50	989,662.50	1,544,325.00
02/01/20	–	545,962.50	545,962.50	–
08/01/20	510,000	545,962.50	1,055,962.50	1,601,925.00
02/01/21	–	535,762.50	535,762.50	–
08/01/21	585,000	535,762.50	1,120,762.50	1,656,525.00
02/01/22	–	521,137.50	521,137.50	–
08/01/22	670,000	521,137.50	1,191,137.50	1,712,275.00
02/01/23	–	504,387.50	504,387.50	–
08/01/23	765,000	504,387.50	1,269,387.50	1,773,775.00
02/01/24	–	485,262.50	485,262.50	–
08/01/24	865,000	485,262.50	1,350,262.50	1,835,525.00
02/01/25	–	463,637.50	463,637.50	–
08/01/25	975,000	463,637.50	1,438,637.50	1,902,275.00
02/01/26	–	439,262.50	439,262.50	–
08/01/26	1,090,000	439,262.50	1,529,262.50	1,968,525.00
02/01/27	–	412,012.50	412,012.50	–
08/01/27	1,210,000	412,012.50	1,622,012.50	2,034,025.00
02/01/28	–	381,762.50	381,762.50	–
08/01/28	1,345,000	381,762.50	1,726,762.50	2,108,525.00
02/01/29	–	361,587.50	361,587.50	–
08/01/29	1,465,000	361,587.50	1,826,587.50	2,188,175.00
02/01/30	–	337,781.25	337,781.25	–
08/01/30	1,590,000	337,781.25	1,927,781.25	2,265,562.50
02/01/31	–	312,937.50	312,937.50	–
08/01/31	1,720,000	312,937.50	2,032,937.50	2,345,875.00
02/01/32	–	284,987.50	284,987.50	–
08/01/32	1,865,000	284,987.50	2,149,987.50	2,434,975.00
02/01/33	–	254,681.25	254,681.25	–
08/01/33	2,010,000	254,681.25	2,264,681.25	2,519,362.50
02/01/34	–	220,762.50	220,762.50	–
08/01/34	2,170,000	220,762.50	2,390,762.50	2,611,525.00
02/01/35	–	182,787.50	182,787.50	–
08/01/35	2,335,000	182,787.50	2,517,787.50	2,700,575.00
02/01/36	–	141,925.00	141,925.00	–
08/01/36	2,515,000	141,925.00	2,656,925.00	2,798,850.00
02/01/37	–	97,912.50	97,912.50	–
08/01/37	2,700,000	97,912.50	2,797,912.50	2,895,825.00
02/01/38	–	50,662.50	50,662.50	–
08/01/38	2,895,000	50,662.50	2,945,662.50	2,996,325.00

EXHIBIT D

DEBT SERVICE SCHEDULE OF ALL BONDS

Date	Series B Bonds	Series C Bonds	2015 Refunding Bonds	Period Total	Annual Total
02/01/16	$1,083,837.50	$522,909.38	$ 569,212.50	$2,175,959.38	–
08/01/16	1,363,837.50	522,909.38	819,212.50	2,705,959.38	$4,881,918.76
02/01/17	1,078,237.50	522,909.38	566,712.50	2,167,859.38	–
08/01/17	1,423,237.50	657,909.38	876,712.50	2,957,859.38	5,125,718.76
02/01/18	1,071,337.50	519,196.88	562,062.50	2,152,596.88	–
08/01/18	1,491,337.50	694,196.88	932,062.50	3,117,596.88	5,270,193.76
02/01/19	1,062,937.50	514,384.38	554,662.50	2,131,984.38	–
08/01/19	1,562,937.50	734,384.38	989,662.50	3,286,984.38	5,418,968.76
02/01/20	1,052,937.50	508,334.38	545,962.50	2,107,234.38	–
08/01/20	1,637,937.50	773,334.38	1,055,962.50	3,467,234.38	5,574,468.76
02/01/21	1,041,237.50	501,046.88	535,762.50	2,078,046.88	–
08/01/21	1,711,237.50	811,046.88	1,120,762.50	3,643,046.88	5,721,093.76
02/01/22	1,027,837.50	492,521.88	521,137.50	2,041,496.88	–
08/01/22	1,797,837.50	852,521.88	1,191,137.50	3,841,496.88	5,882,993.76
02/01/23	1,012,437.50	482,621.88	504,387.50	1,999,446.88	–
08/01/23	1,882,437.50	897,621.88	1,269,387.50	4,049,446.88	6,048,893.76
02/01/24	990,687.50	471,209.38	485,262.50	1,947,159.38	–
08/01/24	1,970,687.50	936,209.38	1,350,262.50	4,257,159.38	6,204,318.76
02/01/25	966,187.50	459,003.13	463,637.50	1,888,828.13	–
08/01/25	2,061,187.50	984,003.13	1,438,637.50	4,483,828.13	6,372,656.26
02/01/26	936,075.00	448,503.13	439,262.50	1,823,840.63	–
08/01/26	2,151,075.00	1,028,503.13	1,529,262.50	4,708,840.63	6,532,681.26
02/01/27	902,662.50	439,803.13	412,012.50	1,754,478.13	–
08/01/27	2,247,662.50	1,084,803.13	1,622,012.50	4,954,478.13	6,708,956.26
02/01/28	865,675.00	429,725.00	381,762.50	1,677,162.50	–
08/01/28	2,350,675.00	1,144,725.00	1,726,762.50	5,222,162.50	6,899,325.00
02/01/29	830,406.25	418,106.25	361,587.50	1,610,100.00	–
08/01/29	2,460,406.25	1,213,106.25	1,826,587.50	5,500,100.00	7,110,200.00
02/01/30	791,693.75	404,193.75	337,781.25	1,533,668.75	–
08/01/30	2,576,693.75	1,284,193.75	1,927,781.25	5,788,668.75	7,322,337.50
02/01/31	749,300.00	388,353.75	312,937.50	1,450,591.25	–
08/01/31	2,699,300.00	1,358,353.75	2,032,937.50	6,090,591.25	7,541,182.50
02/01/32	695,675.00	370,893.75	284,987.50	1,351,556.25	–
08/01/32	2,820,675.00	1,440,893.75	2,149,987.50	6,411,556.25	7,763,112.50
02/01/33	637,237.50	351,500.00	254,681.25	1,243,418.75	–
08/01/33	2,952,237.50	1,526,500.00	2,264,681.25	6,743,418.75	7,986,837.50
02/01/34	573,575.00	328,000.00	220,762.50	1,122,337.50	–
08/01/34	3,083,575.00	1,608,000.00	2,390,762.50	7,082,337.50	8,204,675.00
02/01/35	504,550.00	302,400.00	182,787.50	989,737.50	–
08/01/35	3,224,550.00	1,702,400.00	2,517,787.50	7,444,737.50	8,434,475.00
02/01/36	429,750.00	274,400.00	141,925.00	846,075.00	–
08/01/36	3,369,750.00	1,799,400.00	2,656,925.00	7,826,075.00	8,672,150.00
02/01/37	356,250.00	243,900.00	97,912.50	698,062.50	–
08/01/37	3,531,250.00	1,898,900.00	2,797,912.50	8,228,062.50	8,926,125.00
02/01/38	276,875.00	210,800.00	50,662.50	538,337.50	–
08/01/38	3,701,875.00	2,005,800.00	2,945,662.50	8,653,337.50	9,191,675.00
02/01/39	191,250.00	174,900.00	–	366,150.00	–
08/01/39	3,876,250.00	2,114,900.00	–	5,991,150.00	6,357,300.00
02/01/40	99,125.00	136,100.00	–	235,225.00	–
08/01/40	4,064,125.00	2,236,100.00	–	6,300,225.00	6,535,450.00
02/01/41	–	94,100.00	–	94,100.00	–
08/01/41	–	2,359,100.00	–	2,359,100.00	2,453,200.00

02/01/42	—	48,800.00	—	48,800.00	—
08/01/42	—	2,488,800.00	—	2,488,800.00	2,537,600.00

NOT FOR USE FOR MEDICAL EQUIPMENT, MEDICAL SUPPLY OR GROUP PURCHASING CONTRACTS

CONTRACT ROUTING FORM

Email Completed Form to Contracts Coordinator (ahoffman@tfhd.com) for Processing and Compliance

NEW CONTRACT ☑ AMEND SCOPE ☐ AMEND TERM ☐ AUTO RENEW ☐

ORIGINATING DEPARTMENT: Administration

PRIMARY RESPONSIBLE PARTY: Pete Stokich

PHONE: (530)582-6650

RESPONSIBLE ADMINISTRATIVE COUNCIL MEMBER: CEO ☑ CFO ☐ COO ☐ CNO ☐ CIO ☐ IVCH ☐

SUBJECT TO GOVERNANCE COMMITTEE REVIEW? NO ☑ YES ☐ MEETING DATE: N/A

GC COMMITTE RECOMENDATION: N/A

CONTRACT TYPE/NAME:

Physician Professional Service Agreement (P-PSA) ☑ Contract Name: North_Tahoe_Radiology_Medical_Group_TFHD_Diagnotstic_Imaging_PSA_2015

Physician Medical Director Agreement (P-MDA) ☐ Contract Name:

Vendor Professional Service Agreement (V-PSA) ☐ Contract Name:

Other: ☐ Contract Name:

❖ *Business Associated Agreement Required?* YES ☐ NO ☑

CONTRACT DETAILS: *(additional information may be provided on Page 2)*

CONTRACTOR/ VENDOR NAME: North Tahoe Radiology Medical Group

Purpose of the Contract/Alternatives:

To provide Diagnostic Imaging Services to TFHD as specified herein. In the alternative, the current Agreement with NTRMG will expire on 9/29/2015.

Scope of the Contract:

NTRMG shall be responsible for the following which is described in greater detail in the contract:
- Ensuring 24 hour per day/7 day per week coverage for all Diagnostic Imaging Services.
- Keep TFH, IVCH & Ancillary Facilities staffed according to the scheduled clinical time periods set forth herein.
- Ensure on-call coverage time periods set forth on Exhibit "A," and provide TFHD with call calendar schedule.
- Providing the per unit axillary services specified in Exhibit "G," for the rates listed therein.
- Participation as a preferred provider with all of the managed healthcare plans and payers of DISTRICT.
- Establishing/maintaining schedule of charges for Services which are price-competitive with community standards.
- Billing and collecting fees for its own services rendered hereunder.
- Appointment and maintaining the responsibilities of Director as referenced herein.
- Participation in Quality Assessment Programs/Health Promotions/Educational Promotions as specified herein.
- Meeting the performance metrics specified to receive incentive stipend.

DATES OF CONTRACT:	EFFECTIVE DATE: 8/1/2015 END DATE: 7/31/2019
Version History:	Original Effective date: 8/1/2015 Renewal Dates: N/A Amendment Dates: N/A

PHYSICIAN CONTRACTS: FOR STARK LAW COMPLIANCE, THE TERMS OF THIS CONTRACT CANNOT CHANGE FOR 1 YEAR

Compensation Structure: *Include "other comp" (i.e. education, phone stipend, etc.)*
See contract

Contract Term: *(anything other than Net 30 requires AC approval)*
Net 30

Total Cost of Contract:	Potential stipend cost of up to $720,500 per 4 year term
Compensation Audit Process:	*See Policies AGOV-10 and ABD-21*
Is Cost of Contract Budgeted?	YES ☑ NO ☐
If NOT budgeted or exceeds budgeted amount, identify the offset:	N/A
TFHD Primary Responsible Party:	Pete Stokich, Diagnostic Imaging Director
TFHD Secondary Responsible Party:	Jake Dorst, Interim CEO

ORIGINATING DEPARTMENT:	PRIMARY RESPONSIBLE PARTY: Pete Stokich
Administration	Phone: (530)582-6650

CONTRACT NAME:
North_Tahoe_Radiology_Medical_Group_TFHD_Diagnotstic_Imaging_PSA_2015

COMPLIANCE INFORMATION

"I certify that I am aware of the particular facts and circumstances of the proposed arrangement with NTRMG, and I have determined (1) that the services to be provided by NTRMG under the arrangement do not exceed those that are reasonable and necessary for the legitimate business purposes of TFHD, and (2) that this is a sensible, prudent business arrangement for TFHD and NTRMG to enter into, and makes commercial sense, even if no referrals were made by NTRMG to TFHD or any of its facilities."

Primary Responsible Party Signature: _____

It has been determined that the above contract is Commercially Reasonable - Yes: ☑ No: ☐

It has been determined that the above contract does not exceed Fair Market Value - Yes: ☑ No: ☐

Contract Coordinator Signature: _____

CONTRACTOR/VENDOR INFORMATION

Contractor Representative Name:	North Tahoe Radiology Medical Group
Mailing Address:	P.O. Box 10887, Truckee, CA 96162
Telephone and Fax Number:	**Phone:** **Fax:**
Email Address of Contact:	

REQUIRED FINANCIAL INFORMATION

W-9 and Certificates of Insurance Must Be Submitted with any applicable Contract

*(W-9s are **required** for any contract on which we are making payments. Certificates of Insurance are **required** for any contract in which any service is being provided.)*

ADDITIONAL INFORMATION

This Agreement was drafted and approved of by Hooper, Lundy and Bookman.

SECTION BELOW IS FOR CONTRACTS COORDINATOR USE ONLY:

Contracts Review:

_____ _____
Date Initials

CFO Review:

_____ _____
Date Initials

BOARD ACTION: _____ **MEETING DATE:** _____

Out for TFHD Signature: Date: _____ Receive Date: _____

Out for Vendor Signature: Date: _____ Receive Date: _____

Uploaded to Contracts System: **Date:** _____ Trigger dates set: **YES** ☐ **NO** ☐

TAHOE FOREST HOSPITAL DISTRICT
DIAGNOSTIC IMAGING
PROFESSIONAL SERVICES AGREEMENT

This Diagnostic Imaging Professional Services Agreement ("Agreement") is made on this 1st day of August, 2015 ("Effective Date") by and between Tahoe Forest Hospital District, a Hospital District duly organized and existing under the California Local Health Care District Law, with its principal place of business at Truckee, California ("DISTRICT") and The North Tahoe Radiology Medical Group, Inc., a California professional corporation ("NTRMG").

The DISTRICT and NTRMG desire to enter into this Agreement for NTRMG to provide radiology and other imaging services consisting of, but not limited to, direction, performance and interpretation of diagnostic imaging such as CT, Pet/CT, MRI, ultrasound, mammography, x-ray as well as interventional radiology, nuclear medicine and related medical services as are normally performed in a radiology department of a hospital of comparable size and having comparable licensure as TFH (collectively, the "SERVICES") for the DISTRICT.

RECITALS

DISTRICT provides healthcare services from two hospital locations- Tahoe Forest Hospital ("TFH") in Truckee, California, and Incline Village Community Hospital ("IVCH") in Incline Village Nevada. The DISTRICT also provides healthcare under the TFH hospital license at Briner Imaging, the Cancer Center, the medical office building across the street from TFH (the "MOB") and Tahoe Forest Health Clinic (collectively, the "ANCILLARY FACILITIES"). TFH, IVCH and the ANCILLARY FACILITIES are individually referred to herein as a "DISTRICT FACILITY" and collectively referred to herein as the "DISTRICT FACILITIES."

TFH is a twenty-five bed critical access hospital located in Truckee, California providing comprehensive inpatient, outpatient and in-home healthcare services for the residents and visitors of North Lake Tahoe, Incline Village and Truckee.

IVCH is a four bed critical access hospital located in Incline Village, Nevada providing a limited range of inpatient services and outpatient healthcare services for the residents and visitors of the Incline Village and North Lake Tahoe communities.

The North Lake Tahoe, Incline Village, Truckee and surrounding areas within a thirty (30) mile radius from each of the DISTRICT FACILITIES collectively represent the DISTRICT's service area (the "DISTRICT SERVICE AREA").

Both hospitals are committed to providing high quality medical care and related health services necessary to accommodate the needs of the various communities that they serve.

Both the TFH and IVCH hospitals operate Diagnostic Imaging services. TFH also provides Interventional Radiology and Nuclear Medicine. Combined, they provide a wide range of diagnostic and therapeutic imaging services through the DISTRICT's Diagnostic Imaging and Briner Imaging departments (the "DEPARTMENTS").

The shareholders of NTRMG are Myron L. Kamenetsky, M.D., an individual, Gregory C. Mohr, M.D., an individual, and Thaddeus Laird, M.D., an individual (collectively, the "SHAREHOLDER RADIOLOGISTS") and each are duly qualified and licensed physicians and surgeons, with experience in Diagnostic and Interventional Radiology and Nuclear Medicine, and are Board Certified by the National Board of Medical Examiners and the American Board of Radiology.

From time to time, NTRMG may also employ or otherwise engage the services of other physicians and surgeons to provide Services through NTRMG in connection with this Agreement (the "RADIOLOGY ASSOCIATES") (the SHAREHOLDER RADIOLOGISTS and the RADIOLOGY ASSOCIATES, including locum tenens physicians who NTRMG may engage from time to time in accordance with the terms and conditions of this Agreement to provide the SERVICES, are collectively referred to herein as the "RADIOLOGISTS").

The DISTRICT's hospitals and Ancillary Facilities are located in rural, isolated resort and recreational area with major seasonal fluctuations in population and utilization, and so to assure continuity in the provision of professional radiology and related services for the DEPARTMENTS, DISTRICT wishes to engage NTRMG to provide coverage of the DEPARTMENTS, and NTRMG has agreed to provide and assure such coverage, under the term and conditions set forth herein, including, without limitation, the Annual Net Stipend compensation as defined below.

NOW, THEREFORE, the parties agree as follows:

I. Responsibilities of NTRMG

A. Professional Responsibilities.

1. NTRMG shall provide the SERVICES for the District. NTRMG shall be exclusively responsible for these SERVICES, including all current and future SERVICES for the DISTRICT at TFH, IVCH and the Ancillary Facilities, except for the "NON-EXCLUSIVE SERVICES" as set forth in Section I.A.2 below and more fully described in Schedule I.A.2.

2. NTRMG shall provide all radiology SERVICES required by the DISTRICT, including, without limitation: general diagnostic procedures such as: X-Ray, fluoroscopic examinations, facial imaging, mammography, ultrasonography, CT, MRI, nuclear medicine, PET/CT, and interventional radiology. Notwithstanding the foregoing, NTRMG acknowledges that certain diagnostic and interventional radiology under the CPT Codes set forth on Schedule I.A.2may be performed by other DISTRICT medical staff cardiologists and orthopedic with privileges to read echocardiograms and perform CT guided nerve blocks and fluoroscopic guided procedures (collectively, the "NON-EXCLUSIVE SERVICES").

3. NTRMG shall employ or otherwise engage the services of all RADIOLOGISTS who will provide the Services pursuant to this

Agreement, and shall be solely responsible for their compensation and fringe benefits, and withholding of their federal, state and local taxes. RADIOLOGY ASSOCIATES shall be similarly experienced in Diagnostic Radiology and Nuclear Medicine as are the SHAREHOLDER RADIOLOGISTS. The RADIOLOGISTS shall be licensed to practice medicine in the States of California and Nevada (unless their practice is limited to either California or Nevada, in which case only the applicable state license shall be required). All Radiologists providing services under this Agreement as of the Effective Date are listed on Exhibit "D" attached hereto, except that Gregory Mohr, M.D. shall provide services only through October 18, 2015, after which Dr. Mohr shall have no further duties or obligations under this Agreement.

4. NTRMG shall ensure that each RADIOLOGIST providing the SERVICES hereunder has executed and has in force at all times a written employment or independent contractor agreement with NTRMG, which agreement provides that the RADIOLOGIST agrees to be bound by and adhere to all applicable provisions of this Agreement and all other agreements between NTRMG and DISTRICT, including, without limitation, agreements that require NTRMG or RADIOLOGISTS to protect the confidentiality of trade secrets or other proprietary information or materials, limit NTRMG's or its RADIOLOGISTS in their use and possession of trade secrets or other proprietary information or materials, or require NTRMG or its RADIOLOGISTS to recognize the rights of another entity or person in trade secrets or other proprietary information or materials. NTRMG shall ensure that all RADIOLOGY ASSOCIATES sign the Joinder in the form attached hereto as Addendum No. 1prior to performing Services in any of the Departments. NTRMG shall not amend Addendum No. 1 as between NTRMG and any RADIOLOGY ASSOCIATE without the prior written consent of DISTRICT, which consent shall not be unreasonably withheld, delayed or conditioned.

5. NTRMG shall provide prompt, courteous and professional radiology services at all times consistent with DEPARTMENTS' policies and procedures.

B. Services Coverage. NTRMG shall be responsible for ensuring 24 hour per day/7 day per week coverage for all SERVICES. At a minimum, on-site hours for the TFH facility shall be required during the scheduled clinical time periods set forth on Exhibit "A". For IVCH and the ANCILLARY FACILITIES, on-site hours shall be as necessary to address clinical and administrative issues, as determined by DISTRICT. For hours outside of the scheduled clinical hours, NTRMG shall ensure on-call coverage during the on-call coverage time periods set forth on Exhibit "A", and in accordance with the additional on-call requirements in subsection 3.g below.

1. If NTRMG is unable to provide the SERVICES required herein because of a RADIOLOGIST's temporary absence or illness, then NTRMG shall provide suitable locum tenens RADIOLOGY ASSOCIATES at no additional cost to the DISTRICT. Use of locum tenens RADIOLOGY ASSOCIATES shall be in conformance with the DISTRICT FACILITY's medical staff guidelines and such locum tenens RADIOLOGY ASSOCIATES shall: (I) satisfy all of the qualifications for RADIOLOGISTS as set forth in Section III below, except that if not a member of the DISTRICT's medical staff ("Medical Staff"), then such locum tenens Radiologist shall have been granted temporary Medical Staff privileges; (2) receive prior approval from the DISTRICT Administrator; and (3) comply with all other requirements of this Agreement, including, without limitation, insurance requirements.

2. NTRMG agrees to provide the appropriate professional staffing levels in order to meet the requirements of the DEPARTMENTS based on patient acuity and volumes. Appropriate staffing levels shall be determined by DISTRICT in consultation with NTRMG based on DISTRICT service survey, the American College of Radiology and/or other professional benchmarking data, and shall be reviewed on an annual schedule and revised by DISTRICT, in consultation with NTRMG, as necessary to ensure appropriate staffing levels are established. DISTRICT shall provide remote teleradiology services, such as V-Rad/Nighthawk, for after-hours preliminary readings of CT Scans and Ultrasounds as needed pursuant to DISTRICT policies.

3. NTRMG shall provide DISTRICT with a list of the RADIOLOGISTS who are scheduled to provide on call coverage for the SERVICES under this Agreement. NTRMB shall provide DISTRICT said list for specific Coverage Periods (as defined below) designated in advance on the DISTRICT's monthly specialty on-call calendar. Such list shall be provided to DISTRICT at least fifteen (15) days before the first day of each month in which RADIOLOGISTS will provide on call coverage pursuant to this Agreement. There is no separate compensation for the call-coverage under this Agreement; rather, the call-coverage has been taken into account in determining the minimum NCV (as defined below). NTRMG shall cause each of its RADIOLOGISTS working under this Agreement to provide call coverage for the DISTRICT FACILITIES in accordance with the following requirements throughout the term of this Agreement. Each RADIOLOGIST shall:

    a. Provide on call coverage for the SERVICES to the DISTRICT FACILITIES and be available for such specific Coverage Periods designated in advance on the DISTRICT's monthly specialty on call calendar;

b. Be continuously reachable by telephone and available to come to DISTRICT FACILITIES to provide the on-call Services for each 24-hour period during which such RADIOLOGIST is designated by NTRMG to provide coverage for the Services to the DISTRICT FACILITIES (each a "COVERAGE PERIOD");

c. Be available during each Coverage Period to be physically present at the applicable DISTRICT FACILITY within sixty (60) minutes of a request by the DISTRICT FACILITY's Medical Staff ("RESPONSE TIME OBLIGATION");

d. During any Coverage Period, the RADIOLOGIST may not schedule elective surgeries or procedures at any DISTRICT FACILITY or at any other facility that would prevent RADIOLOGIST from meeting Physician's RESPONSE TIME OBLIGATION;

e. Prepare clear documentation in the medical record of all patient services provided;

f. Arrange back-up coverage by a radiologist practicing in the RADIOLOGIST's specialty if RADIOLOGIST is unable to meet the published on-call responsibilities during a Coverage Period, e.g., if RADIOLOGIST is ill or otherwise unable to serve all or a portion of a Coverage Period, RADIOLOGIST must make arrangements for another physician to assume his/her call obligations during the assigned Coverage Period; and

g. Comply with all applicable provisions of the DISTRICT FACILITIES' medical staff bylaws.

C. NTRMG Appointment of Medical Director. NTRMG shall be responsible for appointing one of the SHAREHOLDER RADIOLOGISTS to act as medical director of radiology services for the DISTRICT (the "MEDICAL DIRECTOR"). It is anticipated that the SHAREHOLDER RADIOLOGISTS will rotate serving as the Medical Director for terms of six (6) months to one (1) year, except that the initial named Medical Director is Dr. Gregory Mohr, who shall serve as Medical Director until July 31, 2015, and then Dr. Thaddeus Laird shall serve as Medical Director commencing on August 1, 2015. NTRMG may change the designated Medical Director from time to time to another SHAREHOLDER RADIOLOGIST upon written notice to DISTRICT. NTRMG shall not identify any person other than a SHAREHOLDER RADIOLOGIST to serve as the Medical Director without the prior written approval of the DISTRICT, which DISTRICT may withhold in its sole and absolute discretion.

D. Medical Director Responsibilities. The Medical Director shall perform the medical director duties and obligations as set forth in Exhibit "B", which is

attached hereto and incorporated by reference. The Medical Director shall spend a minimum of 19 hours per month performing the medical directorship duties, including medical committee participation and those other duties set forth in Exhibit "B". The Medical Director has the sole authority to communicate with the DISTRICT on behalf of NTRMG and all the SHAREHOLDER RADIOLOGISTS.

E. Compliance with Applicable Regulations. NTRMG and the RADIOLOGISTS shall comply with all applicable requirements and regulations of the California Department of Radiologic Health, the Nevada Department of Radiologic Health (specific reference to the Nevada Administrative Code, Sections 457 and 459), the Joint Commission and the Healthcare Facilities Accreditation Program ("HFAP"), and any other applicable accrediting organization. NTRMG and the RADIOLOGISTS shall also comply with the bylaws, policies, procedures, rules and regulations of the DISTRICT and its Medical Staff, and all applicable state, federal and local laws and regulations, as well as rules and requirements of The Joint Commission or other private accreditation organizations that have accredited the DISTRICT facilities.

F. Quality Assessment. NTRMG shall participate in a Quality Assessment Program for the SERVICES. NTRMG shall draft a plan for its Quality Assessment Program, and the plan shall be subject to DISTRICT's prior approval (not to be unreasonably withheld). NTRMG shall keep an up to date copy of that plan with the DISTRICT. The Quality Assessment Program shall provide for the careful monitoring and evaluation of the quality, safety and suitability of SERVICES provided and shall include specific, written findings. The Quality Assessment Program shall ensure that any actions based on those written findings effectively and appropriately promote quality care. NTRMG shall also utilize customer satisfaction survey information in its Quality Assessment Program. The NTRMG Quality Assessment Program shall be integrated into the already existing DISTRICT Quality Assessment Program. NTRMG shall evaluate its Quality Assessment Program scope, objectives, organization, activities, and effectiveness at least annually, and revise the Program as necessary to improve the quality of SERVICES provided; however, any revisions to the Program shall be subject to DISTRICT's prior approval (not to be unreasonably withheld).

G. Health Promotions and Educational Programs: The RADIOLOGISTS shall periodically participate as may reasonably be required by DISTRICT in educational programs, and Community Wellness activities conducted by the DISTRICT for compliance with licensing and accrediting agencies. Educational or Community Wellness activities may include, without limitation: community educational programs, hospital-sponsored health fairs, health screening events (e.g., Tahoe Forest Hospital Breast Health Programs), and other District-sponsored community outreach activities.

H. NTRMG's Medical Director shall assist the DISTRICT Department Director in developing an annual marketing and business plan to promote the

DEPARTMENTS' activities. NTRMG also agrees to assist the DISTRICT, as reasonably necessary, in developing a strategic plan for Diagnostic Imaging.

I. Representations and Warranties. NTRMG hereby represents and warrants upon execution and throughout the duration of this Agreement, as follows:

1. This Agreement when executed and delivered will constitute NTRMG's legal, valid and binding obligation enforceable in accordance with its terms, subject to general equitable principles and the law governing creditors' rights; (b) NTRMG has full legal power and authority to enter into and deliver this Agreement and perform the transactions contemplated herein; (c) all consents, approvals, resolutions, authorizations, actions or orders required of NTRMG for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement have been obtained; and (d) the execution and delivery of this Agreement by NTRMG, and the performance of NTRMG's obligations hereunder, do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to NTRMG, or violate or conflict with any of the terms, conditions or provisions of NTRMG's organizational documents or any contract between NTRMG and any third person or entity.

2. Each RADIOLOGIST has unlimited licenses to practice medicine in the states of California and Nevada (or if their practice is limited to either California or Nevada, then only the applicable state license is required) and is Board Certified by the National Board of Medical Examiners and the American Board of Radiology.

3. Each RADIOLOGIST is fully qualified to perform the duties required under this Agreement;

4. No judgment or decision has been filed or rendered against NTRMG or any RADIOLOGIST in any legal proceeding before any tribunal, relating in any way to any malpractice claim;

5. Neither NTRMG nor any RADIOLOGIST has ever been a party to any settlement of any malpractice claim or proceeding;

6. Neither NTRMG nor any RADIOLOGIST has ever been convicted of a felony, or of a misdemeanor involving patient care issues, violation of healthcare laws or moral turpitude, or been subject to suspension or exclusion from participating as a provider in either the Medicare, or a state Medicaid program or any other federally funded healthcare program, and NTRMG is not aware of any fact or circumstance that is reasonably likely to result in such suspension or exclusion.

7. No RADIOLOGIST's privileges to practice at any health care facility, medical staff membership, or license to practice medicine in any state

have ever been limited, suspended or revoked, and RADIOLOGISTS are members in good standing of the DISTRICT's Medical Staff;

J. Notification of Certain Events. NTRMG shall notify DISTRICT in writing within two (2) business days (except as otherwise provided below) of becoming aware of the occurrence of any one or more of the following events: NTRMG or a RADIOLOGIST becomes the subject of, or otherwise materially involved in, any government investigation of NTRMG's or a RADIOLOGIST's business practices or the provision of professional services, including being served with a search warrant in connection with such activities;

2. A RADIOLOGIST's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

3. NTRMG or a RADIOLOGIST becomes the subject of any suit, action or other legal proceeding arising out of NTRMG's or a RADIOLOGIST's professional services;

4. NTRMG or a RADIOLOGIST is required to pay damages or any other amount in malpractice action by way of judgment or settlement;

5. NTRMG or a RADIOLOGIST becomes subject to disciplinary proceedings or action before any state's medical board or similar agency responsible for professional standards or behavior;

6. A RADIOLOGIST becomes incapacitated or disabled from performing the Services, or voluntarily or involuntarily retires from the practice of medicine;

7. A RADIOLOGIST's license to practice medicine in the State of California or Nevada is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

8. NTRMG or a RADIOLOGIST is charged with or convicted of a felony;

9. NTRMG or a RADIOLOGIST is debarred, suspended or otherwise ineligible to participate in the Medicare, Medi-Cal, or any other government sponsored health care program in which case NTRMG shall notify DISTRICT in writing within twenty-four (24) hours of becoming aware of such debarment, suspension or ineligibility; or

10. Any act of nature or any other event occurs which has a material adverse effect on NTRMG's or a RADIOLOGIST's ability to provide the Services.

11. Any of NTRMG's representations and warranties in this Agreement become untrue.

K. Trade Secrets. As used in this Agreement, "Proprietary Information" means any information that derives independent economic value, whether actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use. Proprietary Information includes, without limitation, all information and data assembled by DISTRICT or NTRMG relating to either Party or the DISTRICT's DEPARTMENTS, including but not limited to, patient lists, policies, procedures, protocols, and other data regarding NTRMG, the DEPARTMENTS and DISTRICT patients, and any information of DISTRICT or NTRMG that constitutes trade secrets of either Party protected under the Uniform Trade Secrets Act. Such information is vital to the successful conduct of NTRMG, the DEPARTMENTS and DISTRICT, which information would not be available to the other Party except by reason of this Agreement. Accordingly, to preserve the confidentiality and value of the records, trade secrets and goodwill of each Party, neither Party shall disclose, and will ensure no employee, agent, or partner discloses, Proprietary Information to any person or entity, or to use Proprietary Information for any purpose other than in connection with the provision of the Services pursuant to this Agreement. NTRMG further shall not disclose, and ensures that no RADIOLOGIST will disclose, Proprietary Information to others for the purpose of soliciting patients for treatment. The obligations of both Parties under this paragraph shall survive the termination of this Agreement.

L. Confidentiality of Agreement. This Agreement is confidential information, and its contents are intended to be confidential. Except as otherwise required by law or permitted herein, each party shall maintain this Agreement as a confidential document, and not disclose the Agreement or any of its terms without the prior written approval of the other party, which approval shall not be unreasonably withheld, delayed or conditioned, except when required by law, or when necessary for the performance of a party's obligations under this Agreement, or for the purpose of consulting with legal, accounting, and financial advisors with respect hereto, or in connection with prospective new Radiologist or possible corporate acquisitions or similar transactions involving NTRMG. NTRMG acknowledges that, as a public entity, the DISTRICT may be required by law to disclose all or part of this Agreement, and such disclosure is expressly permitted notwithstanding the general confidential nature of the Agreement.

II. Responsibilities of the DISTRICT

A. Premises. The DISTRICT shall provide NTRMG with access to the premises and related equipment now occupied or proposed by the DISTRICT to be occupied for the DEPARTMENTS, including, without limitation: MRI, Ultrasound, Mammography, CT Scan, and PET/CT services.

No part of the DISTRICT premises and equipment shall be used by NTRMG or the RADIOLOGISTS for any activities other than the SERVICES on behalf of the DISTRICT specifically provided for in this Agreement, without the prior, written approval of the DISTRICT.

B. Equipment. The DISTRICT shall provide, at its own expense, the equipment determined by District, in consultation with NTRMG, to be reasonably necessary for NTRMG to provide the SERVICES in accordance with this Agreement. The DISTRICT and NTRMG shall mutually agree in a separate agreement what specific equipment shall be provided as necessary for NTRMG's efficient, complete performance of this Agreement. Such equipment has historically included, without limitation: plain film radiography, ultrasound, CT, MRI, nuclear medicine, angiography and interventional radiology, and Picture Archiving and Communications System ("PACS"). In addition, the DISTRICT shall provide, at its own expense, teleradiology equipment as determined by DISTRICT, in consultation with NTRMG, to be necessary to permit the SHAREHOLDER RADIOLOGISTS and RADIOLOGY ASSOCIATES employed by NTRMG to provide teleradiology services for DISTRICT at their homes (the "Teleradiology Equipment"); provided, however, that in no event shall DISTRICT be required to provide Teleradiology Equipment to locum tenens physicians except in the sole and absolute discretion of the DISTRICT. In the event of a failure of the Teleradiology Equipment, DISTRICT shall use commercially reasonable efforts to make the appropriate repairs as soon as reasonably practicable. For the purposes of the preceding sentence, DISTRICT shall make a good faith effort to commence any such repairs within 48 hours from the time DISTRICT has been notified of the need for such a repair. Should the DISTRICT fail to repair the Teleradiology Equipment after 72 hours from the time they have been notified of the need for such a repair, DISTRICT shall compensate the SHAREHOLDER RADIOLOGISTS for their time to come to the DISTRICT FACILITIES to provide the teleradiology services specified above until such time as the teleradiology equipment is repaired; the rate of compensation shall be $129.66 per hour of drive time incurred by SHAREHOLDER RADIOLOGISTS in driving to and from their homes to the DISTRICT FACILITIES. NTRMG acknowledges that it shall not be entitled to any additional compensation in the event the NTRMG RADIOLOGISTS need to be physically present at a DISTRICT FACILITY outside of the on-site clinical schedule hours set forth in this Agreement, because call-coverage compensation has already been factored into the NCV for the Services provided.

C. The DISTRICT shall, at its expense, keep and maintain such equipment in good working order, conduct any necessary repairs and be responsible for any loss or damage to the extent that such repair, loss or damage is not a result of NTRMG's (including its RADIOLOGISTS) intentional wrongful act or omission, negligence, or misuse. NTRMG (including its RADIOLOGISTS) shall be solely responsible for any repair, loss or damage resulting from its intentional wrongful act or omission, negligence, or misuse of the equipment.

The DISTRICT shall provide prompt appropriate replacements for equipment that surpasses its useful life or otherwise becomes obsolete in accordance with applicable industry standards.

D. Supplies. Upon due consideration of the recommendations of NTRMG, the DISTRICT shall purchase all expendable supplies determined by DISTRICT to be reasonably necessary for the operation of the SERVICES pursuant to the DISTRICT's established practices and policies.

E. Support Services. The DISTRICT shall provide the utilities, housekeeping, laundry and other customary support services reasonably required for efficient SERVICES operations.

F. Personnel. The DISTRICT shall provide such non-physician personnel as the DISTRICT determines, in consultation with NTRMG, are reasonably necessary for the efficient operation of the DEPARTMENTS. Such personnel shall be under the direct supervision of the designated DISTRICT Department Director and shall be subject to the DISTRICT's rules, regulations and policies. NTRMG may consult, as necessary, with DISTRICT Administration about the performance and qualifications of the DISTRICT non-physician personnel assigned to the DEPARTMENTS.

G. The DISTRICT shall retain overall administrative responsibility for the operation of the DEPARTMENTS. As between DISTRICT and NTRMG, only NTRMG and the RADIOLOGISTS shall practice medicine. NTRMG and the RADIOLOGISTS shall retain the exclusive authority to direct the method, means and scope of the practice of medicine. DISTRICT shall have no authority, directly or indirectly, to perform or control, and shall not perform or control, any act or activity constituting the practice of medicine. Nothing herein is intended, or shall be construed or interpreted as limiting in any manner the right and responsibility of NTRMG or any RADIOLOGIST to exercise independent professional judgment concerning the appropriateness of care and treatment provided to patients.

III. NTRMG Professional Qualifications.

A. All RADIOLOGISTS shall maintain an unlimited license to practice medicine in the States of California and Nevada (if a RADIOLOGIST's practice is limited to either California or Nevada, then only the applicable state license is required) and shall at all times have and maintain appropriate Medical Staff membership and privileges with the DISTRICT.

B. All RADIOLOGISTS shall be qualified to provide interpretative services as required by the DEPARTMENTS in the States of California and Nevada (or if a RADIOLOGIST provides services in only California or Nevada, then the state in which it provides SERVICES) and shall be Board Certified by the American Board of Radiology and Board Certified or eligible by the American Board of

Nuclear Medicine (or Board Certified by the American Board of Radiology including Nuclear Medicine), and be a Certified X-Ray Supervisor and Operator as specified in the California Administrative Code, Title 17, Group 6, Section 30462, and the corresponding Nevada statute, and fully accredited or pending accreditation through the American College Of Radiology ("ACR") in mammographic examinations.

IV. Compensation.

A. NTRMG shall establish a schedule of charges for the Services. NTRMG has provided the DISTRICT with a copy of NTRMG's schedule in effect as of the Effective Date of this Agreement, attached as Exhibit "E". NTRMG's charges shall at all times be price-competitive with community standards for the Services. NTRMG's scheduled charges may be changed or modified only after verification by the DISTRICT that any such change is price-competitive with community standards for the Service(s). Failure of NTRMG to maintain charges which are price-competitive with community standards for any such Service, shall be a material breach of this Agreement. Except as otherwise provided below, it is understood that each party shall be responsible for billing and collecting fees for its own services rendered, and neither party shall be responsible for payment of the other party's services. DISTRICT does not guarantee the collectability of NTRMG's professional billings, and shall not be obligated to compensate NTRMG or the RADIOLOGISTS for the Services rendered pursuant to this Agreement, except as set forth in Paragraphs IVC and D below.

B. With respect to patients who qualify for financial assistance from DISTRICT based on the criteria set forth in the Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policy, a copy of which is attached as Exhibit "C" (the "Financial Assistance Patients"), NTRMG shall make best efforts to offer discounts on the out-of-pocket financial obligations of such Financial Assistance Patients which are comparable to the discounts provided by DISTRICT. NTRMG shall be solely responsible for billing and collecting from Financial Assistance Patients for NTRMG's services, and from any third party payors where applicable.

C. Notwithstanding the foregoing, as further compensation to NTRMG, in order to ensure coverage of the SERVICES for the DISTRICT, as more specifically set forth in Exhibit "F", the DISTRICT guarantees a minimum net contract value (NCV) compensation amount per year to NTRMG. In addition, if and to the extent NTRMG meets the performance metrics more specifically set forth in Exhibit "F" (the "Incentive Stipend Metrics"), NTRMG will also receive the "Incentive Stipend" described therein.

D. Notwithstanding the foregoing, as further and separate compensation to NTRMG, in order to ensure coverage of the SERVICES for the DISTRICT, as more specifically set forth in Exhibit "G" (the "Per Unit Auxiliary Services"), NTRMG

will also receive the specified amounts indicated per unit for the SERVICES listed therein.

E. The DISTRICT shall supply NTRMG, in a timely manner, with all patient information necessary to allow NTRMG to bill patients and third party payors for Services rendered hereunder. For the purposes of the preceding sentence, the DISTRICT will make a good faith effort to submit all such information to NTRMG within 2 weeks after Services have been rendered; but in no event later than 30 days after such Services have been rendered. Necessary patient information includes, without limitation: demographic information; insurance information and registration forms; proper CPT and ICD-9 codes (ICD-10 codes when instituted); advance beneficiary notification forms; and any other information generally needed for proper coding and billing of procedures.

F. The DISTRICT shall cooperate with NTRMG in its collection of co-pays, deductibles and other payments from patients for SERVICES at the time SERVICES are rendered.

G. NTRMG agrees to use best efforts to participate as a preferred provider with all of the managed healthcare plans (PPOs, HMOs, TPAs) and payers that the DISTRICT has agreements with, including, without limitation, Blue Shield of California Preferred Plan, Blue Cross Prudent Buyer, Preferred Healthcare Managed Care Contract, California Medical Managed Care Plans, School Insurance Group ("SIG"), and Northern Nevada Health Network, and any others that NTRMG is contracted with. The DISTRICT shall keep NTRMG timely notified as new DISTRICT contracts with third party payers are negotiated. For DISTRICT patients who are covered by Medicare, NTRMG shall accept reassignment of Medicare benefits as payment in accordance with all laws and rules and regulations regarding such assignments.

V. Term and Termination

A. Term. This Agreement shall be effective as of the Effective Date and shall continue for a period of four (4) years ending at 11:59 p.m. on the date immediately preceding the four (4) year anniversary of the Effective Date.

B. Termination. This Agreement may be terminated as follows:

The DISTRICT may, at its option, either suspend its performance hereunder or terminate this Agreement for cause, upon one day's written notice to NTRMG, under the following circumstances:

1. Revocation or suspension of the license to practice medicine in the State of California or Nevada of any of the RADIOLOGISTS designated in Exhibit "D" attached hereto and incorporated by reference.

2. Conviction of any of the RADIOLOGISTS of any felony involving a crime of moral turpitude;

3. Revocation or curtailment of DISTRICT staff privileges of any of the RADIOLOGISTS that substantially affects the ability of NTRMG to perform under this Agreement.

4. Death/disability of any of the RADIOLOGISTS rendering them incompetent to perform the duties of this Agreement as determined by two (2) persons licensed as physicians in the State of California, at least one (1) of whom shall not be affiliated with DISTRICT, that substantially affects the ability of NTRMG to perform under this Agreement.

5. Failure of any of the RADIOLOGISTS to maintain in force the medical malpractice insurance required under this Agreement.

6. If NTRMG or RADIOLOGISTS fail to comply with any terms and conditions of this Agreement within a cure period of sixty (60) days after the DISTRICT's written notice to NTRMG of the occurrence of such event.

Either party may terminate this Agreement without cause upon ninety (90) days' prior written notice to the other party; provided, however, that in the event of such no cause termination during the first twelve months of the Term, the Parties may not enter into a new agreement for Services within such twelve month period.

C. Rights of NTRMG upon Termination. Upon termination of the Agreement pursuant to Subparagraph B of this Paragraph V, no further compensation shall accrue following the effective date of such termination, but NTRMG may continue to pursue collection from patients and third party payors for SERVICES rendered prior to termination of the Agreement, and NTRMG shall also be entitled to the pro rata portion of the Guarantee Portion of the Annual Net Stipend and the pro rata portion of the Incentive Stipend earned as of the date of termination as more specifically set forth on Exhibit "F" attached hereto.

D. Coordination with Medical Staff Membership. Termination of this Agreement for any reason or for no reason is not subject to, and does not entitle any Radiologist to, any notice, hearing, or appeal rights under the DISTRICT bylaws, or under applicable federal or state law, unless such termination results from an action for which a report is required to be filed under Section 805 of the California Business and Professions Code (or any counterpart in Nevada law). Furthermore, the medical staff appointment and clinical privileges of the RADIOLOGISTS to perform Services at DISTRICT's hospitals and the ability of the RADIOLOGISTS to access the Departments' Medical Staff shall be incident to and coterminous with this Agreement. If a RADIOLOGIST employed or contracted by NTRMG to provide Services under this Agreement is no longer employed or contracted by NTRMG during the term of this Agreement to provide such services, or is no longer qualified under the terms of this Agreement to provide Services, the right of any such RADIOLOGIST to exercise clinical privileges insofar as those privileges relate to providing services under this

Agreement or to providing services within the Departments' Medical Staff shall immediately terminate without the right to a fair hearing or the rights more particularly set forth in the bylaws, rules and regulations of the Medical Staff, except as set forth below. The status of membership on the Medical Staff of such RADIOLOGIST shall be as provided in the bylaws, rules and regulations of the Medical Staff. In the event this Agreement is terminated or expires and is replaced with an exclusive agreement with a person or entity other than NTRMG to provide the Services, the right to exercise clinical privileges by physician employees and contractors of NTRMG to provide Services shall immediately terminate without the right to a fair hearing or the rights more particularly set forth in the bylaws, rules and regulations of the Medical Staff, except to the extent that any employees or contractors of NTRMG are or become employees or contractors of the replacement contractor, and the membership on the Medical Staff of any such physicians shall be as provided the bylaws, rules and regulations of the Medical Staff.

E. Surrender of Property. Upon expiration or earlier termination of this Agreement, NTRMG shall immediately return to DISTRICT any and all personal property of DISTRICT, including without limitation, medical or administrative records, programs, descriptions, policies and procedural manuals, and other materials developed in conjunction with the DISTRICT or its Departments which NTRMG may have in its possession, including, without limitation, the home Teleradiology Equipment. This paragraph does not limit NTRMG in utilizing in other hospitals or settings any medical protocols or procedures that NTRMG developed while providing services under this Agreement.

VI. Insurance and Indemnification.

A. NTRMG shall maintain for itself and the RADIOLOGISTS, at its own expense, general and professional liability insurance from a professional liability insurer that is authorized to transact the business of insurance in the States of California and Nevada to protect against any occurrence or incident arising out of, or in connection with, the performance of services by NTRMG and the RADIOLOGISTS at TFH, IVCH or the other Ancillary Facilities or otherwise on behalf of the DISTRICT in the minimum amounts of $1,000,000 per occurrence, $3,000,000 aggregate. Said insurance policy shall provide that the DISTRICT shall receive a minimum of thirty (30) days written notice of cancellation, amendment or change in coverage. NTRMG shall provide the DISTRICT, at least annually, with appropriate Certificates of Insurance or other satisfactory evidence of required coverage.

B. In the event NTRMG fails to obtain or maintain insurance required hereunder, the DISTRICT, at its option, may procure and/or renew such insurance to the account of NTRMG and the RADIOLOGISTS. If the DISTRICT does so procure and/or renew such insurance NTRMG shall reimburse the DISTRICT for the cost thereof within thirty (30) days after written notice of such action is given to NTRMG.

C. NTRMG shall also obtain and maintain Workers' Compensation Insurance coverage for all NTRMG employees.

D. NTRMG hereby agrees to indemnify and hold the DISTRICT harmless from and against any and all liability, losses, damages, claims, causes of action, costs or other expenses (including reasonable fees and costs of attorneys and/or expert witnesses) that directly or indirectly arise solely out of the performance of this Agreement by NTRMG and/or any of the RADIOLOGISTS.

E. The DISTRICT hereby agrees to indemnify and hold NTRMG and the RADIOLOGISTS harmless from and against any and all liability, losses, damages, claims, causes of action, costs or expenses (including reasonable fees and costs of attorneys and/or expert witnesses) that directly or indirectly arise solely out of the performance of this Agreement by the DISTRICT and its employees.

VII. General Provisions.

A. Legislative Limitations. Notwithstanding any other provision of this Agreement, if the governmental agencies (or their representatives) that administer Medicare or MediCal, or any other payer or any other federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that materially and adversely affects either party's licensure, accreditation, certification or ability to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or nongovernmental payor, or which subjects the noticing party to risk of prosecution or civil monetary penalty or intermediate sanctions or loss of tax-exempt status, or in the good faith opinion of counsel to either party any term or provision of this Agreement could trigger such a legal event, either party may give the other party Notice of Intent to amend this Agreement to the satisfaction of the noticing party to compensate for such a prohibition, restriction, limitation or change. If this Agreement is not so amended in writing within thirty (30) days after said Notice was given, this Agreement shall terminate as of midnight on the thirtieth (30th) day after said Notice was given. Similarly, if DISTRICT decides to seek tax-exempt financing, and it is necessary to amend this Agreement in order for DISTRICT to obtain such financing, DISTRICT shall notify NTRMG. If NTRMG and DISTRICT cannot agree upon the necessary amendments within thirty (30) days after DISTRICT's notice, then DISTRICT may terminate this Agreement upon thirty (30) days written notice after the expiration of the initial 30-day notice period.

B. Independent Contractor. NTRMG shall perform the services and duties required hereunder as an independent contractor and neither NTRMG nor the RADIOLOGISTS shall be deemed employees, agents or partners of, or joint venturers with, the DISTRICT.

C. Covenant Not To Compete.

1. As a material inducement for the DISTRICT to enter into this Agreement, NTRMG and the SHAREHOLDER RADIOLOGISTS agree that during the term of this Agreement and any renewal hereof:

   a. NTRMG and/or the SHAREHOLDER RADIOLOGISTS shall not enter into any Agreement or arrangement with any other hospital to provide similar professional services within the SERVICE AREA served by the DISTRICT without the prior written consent of the DISTRICT;

   b. Except for NTRMG, the SHAREHOLDER RADIOLOGISTS and employed RADIOLOGY ASSOCIATES shall not directly or indirectly own, operate, manage, be employed by or contract with any non-hospital based entity or organization that provides similar and/or competitive services within the SERVICE AREA served by the DISTRICT, without the DISTRICT's prior written consent; and

   c. The DISTRICT agrees not to enter into any agreements with third parties that provide radiology services to the DISTRICT within the SERVICE AREA served by the DISTRICT, unless NTRMG is the supervising and interpreting entity for those procedures with all rights and privileges thereto.

D. Notwithstanding the foregoing, the DISTRICT consents to the agreements, existing and in effect as of the Effective Date, between NTRMG and/or the SHAREHOLDER RADIOLOGISTS and the Truckee Tahoe Medical Group, and Incline Village Urgent Care, for which RADIOLOGISTS collectively spend approximately an additional 15 minutes per day (which time is not included within the clinical schedule set forth in Exhibit "A"), provided that RADIOLOGISTS' collective time actually spent by the RADIOLOGISTS on such excluded agreements does not exceed 15 minutes per day on average.

E. Access to Records. NTRMG agrees, in connection with Medicare reimbursement for services rendered pursuant to this Agreement, to allow the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or the authorized representative of either, at all reasonable times and for a period of four (4) years after receipt of payments pursuant to this Agreement, access to NTRMG books, documents and records relating to payments made pursuant to the terms of this Agreement. Such provisions for access to records shall also be included with respect to NTRMG subcontracts, if any, to the extent required by applicable law or regulation.

F. Acceptance of Patients. NTRMG and the RADIOLOGISTS shall accept all patients without discrimination on the basis of medical condition, race, creed,

color, national origin, age or sex or other protected class identified in the following paragraph and without regard to ability to pay.

As a recipient of federal financial assistance, DISTRICT shall 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 DISTRICT directly or through a contractor or any other entity with whom DISTRICT 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 and Nevada counterpart statutes. Other federal and state laws and regulations provide similar protection against discrimination on grounds of sex and creed.

G. Immigration Reform and Control Act of 1986. NTRMG shall be responsible for establishing both the identity of any employee hired by NTRMG and said employee's authorization to work, and further, NTRMG shall maintain a written record of Employment Eligibility Verification pursuant to provisions of the Immigration Reform and Control Act of 1986. NTRMG hereby acknowledge that compliance with the said Act is its sole responsibility, and shall defend, indemnify and hold the DISTRICT harmless from and against any claims, demands, fines or penalties (including the reasonable fees and costs for attorneys and/or expert witnesses) imposed by governmental agencies as a result of NTRMG's failure to comply with the provisions of the Immigration Reform and Control Act of 1986.

H. Attorney's Fees. In any action or proceeding henceforth brought by either party hereto to enforce any of the terms hereof, the prevailing party in such action or proceeding shall be entitled to reasonable attorneys' fees and costs (including expert fees and costs) incurred in connection with such action or proceeding, in addition to any and all other relief to which said party may be entitled in such action or proceeding.

I. Non-Assignability. Neither party to this Agreement shall assign, sell, transfer or delegate any of such party's rights or duties under this Agreement without the prior written consent of the other party. Any assignment without such consent shall be void, and shall, at the option of the DISTRICT, constitute a material breach of this Agreement. Notwithstanding the foregoing, DISTRICT shall have the right, without first obtaining the consent of NTRMG, to assign, transfer or delegate any of its rights or duties under this Agreement to (a) its affiliates; (b) any entity resulting from a merger or consolidation of DISTRICT with any organization; (c) any entity acquiring a substantial portion of the business or

assets of DISTRICT; (d) any entity succeeding to the business and assets of DISTRICT; or (e) any entity which controls, or is controlled by, is under common control with DISTRICT (and such affiliates shall have the same rights as DISTRICT under this paragraph).

J. Notices. Any notice required or permitted by this Agreement shall be deemed effectively given when personally delivered, when received by facsimile or nationally recognized overnight courier, or five (5) calendar days after being deposited in the United State Mail, postage pre-paid, certified or registered mail, return receipt requested, addressed to the party at its address as follows (or at such other address as may be set forth in a notice given pursuant to this paragraph):

DISTRICT
Tahoe Forest Hospital District
P.O. Box 759
Truckee, CA 96160
Attn: Chief Executive Officer

NTRMG
The North Tahoe Radiology
Medical Group, Inc.
P.O. Box 10887
Truckee, CA 96162

K. Disputes. Should any dispute arise between NTRMG and the DISTRICT about this Agreement, NTRMG and the DISTRICT shall meet and attempt to amicably resolve the dispute ("Informal Resolution"). Such meeting shall be held no later than ten (10) days after one party receives written notice from the other stating a dispute exists and describing it in sufficient detail. If attempts at Informal Resolution are unsuccessful, the parties agree to handle a dispute as follows:

1. Professional Component of Medical Care. A dispute related to the quality of the professional component of medical care shall be handled in accordance with the DISTRICT's Medical Staff Bylaws or as the parties may otherwise mutually agree in writing.

2. Other Disputes.

a. Except for a dispute handled pursuant to subparagraph (1) above of this paragraph VII(K), either party shall have the right to request in writing that such dispute be resolved through final and binding arbitration, pursuant to the California Code of Civil Procedure, Section 1280, *et seq*, including *all rights for depositions and discovery as set forth in Section 1283.05* ("Arbitration Statute"). Such party shall serve a written request to arbitrate on the other party. The arbitration hearing shall be held before a panel of three (3) arbitrators. If the parties for any reason cannot agree on the appointment of the three (3) arbitrators, each party shall select one (1) arbitrator and the two (2) arbitrators selected shall appoint a third. In the event the two (2) arbitrators cannot agree on the appointment of a third arbitrator, a third arbitrator shall be chosen in accordance with the procedures set forth in the Arbitration Statute. In the event either party fails to appoint an arbitrator

within twenty-one (21) days of the date the request for arbitration is received, the arbitrator appointed by the other party shall appoint the remaining two arbitrators. A majority of the panel of three (3) arbitrators shall apply California substantive law, including the California Evidence Code, to the proceeding and then decide the matter in dispute in accordance with the Arbitration Statute.

b. The arbitration proceeding, any discovery in connection with such arbitration proceeding, and any arbitration award shall be kept confidential, to the extent permitted by law. Judgment upon the award rendered by the process of arbitration may be entered in any court having competent jurisdiction, but shall be entered under seal in order to preserve confidentiality to the extent permitted by law. The parties shall equally divide the cost of the arbitration itself. In any arbitration action brought by either party hereto to enforce any of the terms of this Agreement, the prevailing party in such arbitration action shall be entitled to reasonable attorneys' fees and costs (including expert fees and costs) incurred in connection with such arbitration action, in addition to any and all other relief to which said party may be entitled in such action.

L. Entire Agreement. This Agreement contains the entire Agreement of the parties hereto and supersedes all prior Agreements, representations and understandings, whether written or otherwise between the parties relating to the subject matter hereof. This Agreement may be amended at any time by mutual agreement of the parties, but any amendment must be in writing and signed by both parties. This Agreement may be signed in counterpart or in duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

M. Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable by a court of competent jurisdiction, the invalid provisions shall he severed from the Agreement and the remaining provisions hereof shall not in any way be affected or impaired. In such event, the parties shall reform this Agreement to replace such stricken provision with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

N. Successors in Interest. This Agreement shall be binding on, and inure to the benefit of, each party's successors in interest, including their heirs, legatees, assignees and legal representatives.

O. Governing Law. This Agreement shall be construed and interpreted according to, and the rights of the parties shall be governed by, the laws of the State of California. The parties agree that the proper forum for any legal action or proceeding shall be the County of Nevada.

P. Waiver. Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

Q. Referrals. None of the benefits granted NTRMG or any RADIOLOGISTS is conditioned on any requirement that it/they make referrals to, be in a position to make or influence referrals to, or otherwise generate business, for DISTRICT.

IN WITNESS WHEREOF, THE DISTRICT and NTRMG have caused this Agreement to be executed and delivered as of the Effective Date. The signatories hereto represent that they are authorized to enter into this Agreement on behalf of the party for whom they sign.

TAHOE FOREST HOSPITAL DISTRICT

By: _____
Jake Dorst
Interim Chief Executive Officer

NORTH TAHOE RADIOLOGY MEDICAL GROUP, INC.

By: _____
Myron L. Kamenetsky, M.D., Director

By: _____
Gregory C. Mohr, M.D., Director

By: _____
Thaddeus Laird, M.D., Director

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Myron L. Kamenetsky, M.D., Director

By: _____
Gregory C. Mohr, M.D., Director

By: _____
Thaddeus Laird, M.D., Director

EXHIBIT A

Clinical Schedule and On—Call Coverage Schedule

As used herein, "Peak Season" for the DISTRICT is Thanksgiving Day through Easter Sunday (Winter Season) and July 4th through Labor Day (Summer Season).

Clinical Schedule for TFH

Peak Season	53% of the Year
Monday to Friday	8 a.m. to 5 p.m. (or 7 p.m.)
Saturday to Sunday	9 a.m. to 5 p.m. with an option to work from home unless any on-site procedures are scheduled
Backup Requirements	Second radiologist on site on Mondays from 8 a.m. to 12 p.m. for procedure/biopsy
Off-Peak Season	**47% of the Year**
Monday to Friday	8 a.m. to 5 p.m.
Saturday to Sunday	9 a.m. to 1 p.m. with an option to work from home unless any on-site procedures are scheduled
Backup Requirements	Second radiologist on site on Mondays from 8 a.m. to 12 p.m. for procedure/biopsy

NOTE: Radiologists collectively spend approximately an additional 15 minutes per day to provide services to other healthcare organizations unrelated to TFHD, which time is not included in the above clinical schedule and is carved-out of the NTRMG non-compete pursuant to Section VII.D of the Agreement.

On-Call Coverage Schedule

PEAK SEASON	From 5 p.m. to 8 a.m. on weekdays From 5 p.m. to 9 a.m. on weekends
OFF-PEAK SEASON	From 5 p.m. to 8 a.m. on weekdays From 1 p.m. to 9 a.m. on weekends

NOTE: Refer to Section I.B.3 of the Agreement for call-coverage requirements.

EXHIBIT B

Medical Director Duties

Medical Director Duties: NTRMG and the SHAREHOLDER RADIOLOGISTS represent to the DISTRICT that on the basis of training and experience, the RADIOLOGISTS are knowledgeable in the field of Diagnostic Imaging, Nuclear Medicine, and all related modalities referred to in this Agreement for provision of the SERVICES, and the RADIOLOGIST serving as Medical Director(designated by NTRMG and approved by DISTRICT) is qualified to perform and shall use its best efforts to perform the Medical Director duties set forth below:

A. Provide specific requested education and in-service instruction programs for the facility's Nursing, Medical Staff and ancillary personnel in the operation of the SERVICES.

B. Make recommendations to the facility's administration regarding the use of facility personnel, the necessary equipment and general quality standards of patient care in connection with the SERVICES.

C. Assist in development of medical education programs for the facility's Medical Staff and the appropriate role of the SERVICES.

D. Report to the DISTRICT's Administrator of the facility, who will represent the DISTRICT in the administration of this Agreement.

E. Discharge responsibility for maintaining communication between attending physicians admitting patients to the SERVICES.

F. At least annually, review and make recommendations as necessary to revise the SERVICES' policies and procedures.

G. Review surveys, records and reports of patient service in the SERVICES to promote the highest possible quality of patient care.

H. Direct and assist in defining the number of RADIOLOGY ASSOCIATES for the SERVICES and appropriate skill level for their service.

I. Direct and arrange for RADIOLOGY ASSOCIATES' proctoring per directions of the Surgical Service or other applicable Medical Staff committee or body.

J. Coordinate RADIOLOGY ASSOCIATES' coverage and scheduling, in cooperation with DISTRICT and its technical staff, to ensure optimum availability and service to patients.

K. Direct the quality improvement activities of the SERVICES in cooperation with the Quality Assessment Committee of the Medical Staff. The SERVICES shall have a planned and systematic process for the monitoring and evaluation of the quality and appropriateness of patient care services and for resolving identified problems. The Departments and Medical Director are responsible for assuring that the "process" is implemented.

L. Participate with DISTRICT in strategic planning discussions and provide input regarding decisions that are being made in regards to patient care.

EXHIBIT C

Charity Care Policy

(See Attached)

	Tahoe Forest Health System				
	Title: Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies			**Policy/Procedure #:** ABD-9	
	Responsible Department: Administration				
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
☒	Board	10/24/07	2/10; 1/12; 1/14	1/09; 5/11; 2/14	
☐	Medical Staff				
☐	Departmental				
Applies to: ☒ System ☐ Tahoe Forest Hospital ☐ Incline Village Community Hospital					

PURPOSE

Tahoe Forest Hospital District (hereinafter referred to as "TFHD") provides hospital and related medical services to residents and visitors within district boundaries and the surrounding region. As a regional hospital provider, TFHD is dedicated to providing high quality, customer oriented and financially strong healthcare services that meet the needs of its patients. Providing patients with opportunities for financial assistance coverage for healthcare services is also an essential element of fulfilling the TFHD mission. This policy defines the TFHD Financial Assistance Program; its criteria, systems, and methods.

California acute care hospitals must comply with the "Hospital Fair Pricing Policies" law at Health & Safety Code Section 127400 et seq. (the "Fair Pricing Law"), including requirements for written policies providing discounts and charity care to financially qualified patients. Under the Fair Pricing Law, uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level shall be eligible to apply for participation under a hospital's charity care policy or discount payment policy. This policy is intended to fully comply with all such legal obligations by providing for both charity care and discounts to patients who qualify under the terms and conditions of the TFHD Financial Assistance Program. Additionally, although the Fair Pricing Law requires hospitals to provide financial assistance to certain qualifying patients for services they have received, it does not require hospitals to provide future services. Nevertheless, TFHD has allowed individuals to apply for financial assistance for future services under this policy. However, any individuals who qualify for such assistance will still be subject to admission and other criteria for receiving services and becoming patients, and will have to demonstrate their ability to meet any applicable financial obligation which is not covered by any discount or other financial assistance granted.

The finance department has responsibility for general accounting policy and procedure. Included within this purpose is a duty to ensure the consistent timing, recording and accounting treatment of transactions at TFHD. This includes the handling of patient accounting transactions in a manner that supports the mission and operational goals of TFHD.

Patients are hereby notified that a physician employed or contracted to provide services in the emergency department of TFHD's hospital in Truckee, California is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level.

DEFINITIONS

1.0 "Discount Partial Charity Care" means an amount charged for services to a patient who qualifies for financial assistance under the TFHD Financial Assistance Program which is discounted to the amount Medicare would pay for the same services or less. Discount Partial Charity Care, when granted to a patent, will in no case excuse a third party, or the patient, from their respective obligations to pay for services provided to such patient.

2.0 "Elective Services" means any services which are not medically necessary services.

3.0 "Emergency Services" means services required to stabilize a patient's medical condition initially provided in the TFHD emergency department or otherwise classified as "emergency services" under the federal EMTALA Law or Section 1317.1 et.seq. of the California Health & Safety Code, and continuing until the patient is medically stable and discharged, transferred, or otherwise released from treatment.

4.0 "Federal Poverty Level" or "FPL" means the current poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.

5.0 "Financial Assistance Program" means the TFHD Financial Assistance Program established by this policy for providing Full Charity Care or Partial Discount Charity Care (each, as defined below) to qualified patients.

6.0 "Full Charity Care" means medically necessary services provided by TFHD to a patient who qualifies under the TFHD Financial Assistance Program which are not covered by a third party, and for which the patient is otherwise responsible for paying, for which the patient will not be charged. Full Charity Care, when granted to a patient, in no case will excuse a third party from its obligation to pay for services provided to such patient.

7.0 "Medically Necessary Services" means hospital-based medical services determined, based upon a medical evaluation, to be necessary to preserve a patient's life or health.

8.0 "Monetary Assets" means all monetary assets of the patient's family excluding retirement or deferred compensation plans (both qualified and non-qualified under the Internal Revenue Code), not counting the first $10,000 of such assets, nor fifty percent (50%) of the amount of such assets over the first $10,000.

9.0 "Non-emergency Services" means medically necessary services that are not Emergency Services.

10.0 "Patient" means an individual who has received Emergency Services or Non-emergency Services at a facility operated by TFHD who is requesting financial assistance with respect to such services.

11.0 "The amount Medicare would have paid" means the amount Medicare would pay for the services provided, or, in the event there is no specific amount that can be determined that Medicare would pay for such services, the highest amount payable for such services by any other state-funded program designed to provide health coverage.

12.0 "Third Party Insurance" means health benefits coverage by a public or private program, insurer, health plan, employer, multiple employer trust, or any other third party obligated to provide health benefits coverage to a patient.

SCOPE

This policy applies to all TFHD patients. This policy does not require TFHD to accept as a patient and provide services to any person who does not qualify for treatment or admission under any of TFHD's applicable policies, practices, and procedures, and does not prohibit TFHD from discharging, or otherwise limiting the scope of services provided to, any person in accordance with its normal policies, practices and procedures. This policy does not require TFHD to provide patients with any services that are not medically necessary or to provide access to non-emergency services or to elective services.

The acute care hospital operated by TFHD provides many specialized inpatient and outpatient services. In addition to services provided at the main hospital location, Tahoe Forest Hospital operates primary care and multi-specialty clinics, and therapy service programs at sites in the same community but not located on the main hospital campus. Tahoe Forest Hospital also operates a distinct part skilled nursing facility. Only medically necessary services provided at facilities listed on the Tahoe Forest Hospital acute care license are included within the scope of this Financial Assistance Policy.

This policy pertains to financial assistance provided by TFHD. All requests for financial assistance from patients shall be addressed in accordance with this policy.

Hospital Inpatient, Outpatient and Emergency Service Programs

Introduction

This policy sets forth a program to assist patients who are uninsured or underinsured in obtaining financial assistance in paying their hospital bill. Such financial assistance may include government sponsored coverage programs, Full Charity Care, and Discount Partial Charity Care.

Full Charity Care and Discount Partial Charity Care Reporting

TFHD will report actual Charity Care (including both Full Charity Care and Discount Partial Charity Care) provided in accordance with regulatory requirements of the Office of Statewide Health Planning and Development (OSHPD) as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. The hospital will maintain written documentation regarding its Charity Care criteria and, for individual patients, written documentation regarding all Charity Care determinations. As required by OSHPD, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.

TFHD will provide OSHPD with a copy of this Financial Assistance Policy which includes the Full Charity Care and Discount Partial Charity Care policies within a single document. The Financial Assistance Policy also contains: 1) all eligibility and patient qualification procedures; 2) the unified application for full charity care and discount partial charity care; and 3) the review process for both full charity care and discount partial charity care. Forms of these documents shall be supplied to OSHPD every two years or whenever a substantial change is made.

Full and Discount Charity Care Eligibility: General Process and Responsibilities

Any patient whose family[1] income is less than 350% of the FPL, if not covered by third party insurance or if covered by third party insurance and unable to pay the patient liability amount

[1]A patient's family is defined as: 1) For persons 18 years of age and older, spouse, domestic partner and dependent children under 21 years of age, whether living at home or not;

owed after insurance has paid its portion of the account, is eligible to apply for financial assistance under the TFHD Financial Assistance Program.

The TFHD Financial Assistance Program utilizes a single, unified patient application for both Full Charity Care and Discount Partial Charity Care. The process is designed to give each applicant an opportunity to apply for the maximum financial assistance benefit for which he or she may qualify. The financial assistance application provides patient information necessary for determining patient qualification by the hospital and such information will be used to determine the maximum coverage under the TFHD Financial Assistance Program for which the patient or patient's family may qualify.

Eligible patients may apply for financial assistance under the TFHD Financial Assistance Program by completing an application consistent with application instructions, together with documentation and health benefits coverage information sufficient to determine the patient's eligibility for coverage under the program. Eligibility alone is not an entitlement to financial assistance under the TFHD Financial Assistance Program. TFHD must complete a process of applicant evaluation and determine, in accordance with this policy, whether financial assistance will be granted.

The TFHD Financial Assistance Program relies upon the cooperation of individual patients to determine who may be eligible for full or partial assistance. To facilitate receipt of accurate and timely patient financial information, TFHD will use a financial assistance application. All patients without adequate financial coverage by Third Party Insurance will be offered an opportunity to complete the financial assistance application. Uninsured patients will also be offered information, assistance and referral to government sponsored programs for which they may be eligible. Insured patients who are unable to pay patient liabilities after their insurance has paid, or those who experience high medical costs may also be eligible for financial assistance. Any patient who requests financial assistance will be asked to complete a financial assistance application.

The financial assistance application should be made as soon as there is an indication by the patient or the patient's representative that he/she may be in need of and requests financial assistance. The application form may be completed at any time prior to or within one year after discharge, or within one year after the patient became eligible, whichever comes first.

To the extent it deems necessary, in its sole and reasonable discretion, TFHD may require an applicant for financial assistance to provide supplemental information in addition to a complete financial assistance application to provide:

- Confirmation of the patient's income and health benefits coverage;
- Complete documentation of the patient's monetary assets;
- Other documentation as needed to confirm the applicant's qualification for financial assistance; and
- Documentation confirming the hospital's decision to provide financial assistance, if financial assistance is provided.

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and 2) For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

However, a completed financial assistance application may not be required if TFHD determines, in its sole discretion, that it has sufficient patient information from which to make a financial assistance qualification decision.

PROCEDURES

1.0 **Qualification: Full Charity Care and Discount Partial Charity Care**

1.1 Eligibility for financial assistance shall be determined based on the patient's and/or patient's family's ability to pay and on the other factors set forth in this policy. Eligibility for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.

1.2 The patient and/or the patient's family representative who requests assistance in meeting their financial obligation to the hospital shall make every reasonable effort to provide information necessary for the hospital to make a financial assistance qualification determination. The hospital will provide guidance and assistance to patients or their family representative as reasonably needed to facilitate completion of program applications. Completion of the financial assistance application and submission of any or all required supplemental information may be required for establishing qualification for the Financial Assistance Program.

1.3 Whether financial assistance will be granted is determined after the patient and/or patient family representative establishes eligibility according to criteria contained in this policy, as it may be amended from time to time. While financial assistance shall not be provided on a discriminatory or arbitrary basis, the hospital retains full discretion, consistent with this policy, laws and regulations, to determine when a patient has provided sufficient evidence to establish eligibility for financial assistance, and what level of financial assistance an eligible patient is will receive.

1.4 Except as otherwise approved by TFHD, patients or their family representative must complete an application for the Financial Assistance Program in order to qualify for eligibility. The application and required supplemental documents are submitted to the Patient Financial Services department at TFHD. This office shall be clearly identified on the application instructions.

1.5 TFHD will provide personnel who have been trained to review financial assistance applications for completeness and accuracy. Application reviews will be completed as quickly as possible considering the patient's need for a timely response.

1.6 Approval of an application for financial assistance to eligible patients will be made only by approved hospital personnel according to the following levels of authority:

1.6.1 Clinic Manager: Accounts less than $500

1.6.2 Financial Counselor: Accounts less than $2,500

1.6.3 Director of Patient Financial Services: Accounts less than $10,000

1.6.4 Chief Financial Officer: Accounts less than $50,000

1.6.5 Chief Executive Officer: Accounts greater than $50,000

1.7 Factors considered when determining whether to grant an individual financial assistance pursuant to this policy may include (but are not limited to):

- Extent of Third Party Insurance;
- Family income based upon tax returns or recent pay stubs;
- Monetary assets, if the patient requests any level of financial assistance greater than the Basic Discount (as defined below);
- The nature and scope of services for which the patient seeks financial assistance;
- Family size and circumstances;
- Hospital budget for financial assistance;
- Other criteria set forth in this policy.

1.8 Financial assistance will be granted based upon consideration of each individual application for financial assistance in accordance with the Financial Assistance Program set forth in this policy.

1.9 Financial assistance may be granted for Full Charity Care or Discount Partial Charity Care, based upon this Financial Assistance Program policy.

1.10 Once granted, financial assistance will apply only to the specific services and service dates for which the application has been approved by TFHD. In cases of care relating to a patient diagnosis which requires continuous, on-going related services, the hospital, at its sole discretion, may treat such continuing care as a single case for which qualification applies to all related on-going services provided by the hospital. Other pre-existing patient account balances outstanding at the time of qualification determination by the hospital will not be included unless applied for and approved by TFHD pursuant to this policy.

1.11 Patient obligations for Medi-Cal/Medicaid share of cost payments will not be waived under any circumstance. However, after collection of the patient share of cost portion, any other unpaid balance relating to a Medi-Cal/ patient (such as a provided service where coverage is denied) may be considered for financial assistance.

2.0 Full and Discount Partial Charity Care Qualification Criteria

2.1 Cap On Patient Liability For Services Rendered to Patients Eligible for Financial Assistance:

Following completion of the application process for financial assistance, if it is established that the patient's family income is at or below 350% of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the entire patient liability portion of the bill for services rendered will be no greater than the amount Medicare would have paid for the services, net of any Third Party Insurance ("the Basic Discount"). This shall apply to all medically necessary hospital inpatient, outpatient and emergency services provided by TFHD.

2.2 **Financial Assistance For Emergency Services**

If an individual receives Emergency Services and applies for financial assistance under the Financial Assistance Program, the following will apply:

2.2.1 If the patient's family income is at or below 200% or less of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the patient will be granted Full Charity Care for Emergency Services provided.

2.2.2 If the patient's family income is between 201% and 350% of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the patient will be granted Partial Discount Charity Care for Emergency Services provided in accordance with the following:

2.2.2.1 Patient's care is not covered by Third Party Insurance. If the services are not covered by Third Party Insurance, the patient's payment obligation will be a percentage of the gross amount the Medicare program would have paid for the service if the patient were a Medicare beneficiary. The actual percentage paid by any individual patient shall be based on the sliding scale shown in Table 1 below:

TABLE 1

Sliding Scale Payment Schedule

Family Percentage of FPL	**Percentage of Medicare Amount Payable** (subject to an additional discount if TFHD determines, in its sole discretion, that unusual circumstances warrant an additional discount).
201 – 215%	10%
216 – 230%	20%
231 – 245%	30%
246 – 260%	40%
261 – 275%	50%
276 – 290%	60%
291 - 305%	70%
306 - 320%	80%
321 – 335%	90%
336 – 350%	100

2.2.2.2 Patient's care is covered by Third Party Insurance. If the services are covered by Third Party Insurance, but such coverage or liability is insufficient to pay TFHD's billed charges, leaving the patient responsible for a portion of the billed charges (including, without limitation, any applicable deductible or co-payment), the patient's payment obligation will be an amount equal to the difference between the gross amount paid by Third Party Insurance and the gross amount

that Medicare would have paid for the service if the patient were a Medicare beneficiary. If the amount paid by Third Party Insurance exceeds what Medicare would have paid, the patient will have no further payment obligation. In no event shall the patient's obligation to pay a percentage of the unpaid amount be greater than the percentages of the amounts Medicare would pay for the same services set forth in Table 1, above.

2.2.3 If a patient who meets all other Financial Assistance Program requirements whose family income is either greater than 350% the current FPL, or has family income of less than 350% of the FPL and the seeks a discount for emergency services greater than the discount set forth above, then TFHD may decide, in its sole discretion, whether to provide such financial assistance, and the extent to which it will be provided, if at all. In making its decision, TFHD may consider the following factors, without limitation:

2.2.3.1 The patient's need for financial assistance.

2.2.3.2 The extent of TFHD's limited charitable resources, and whether they are best spent providing these services at an additional discount or whether there are other patients with greater immediate need for TFHD's charitable assistance.

2.2.3.3 Any other facts (such as the patient's monetary assets) that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for charity care.

2.3 **Financial Assistance For Non-Emergency Services:**

If a patient requests financial assistance for Non-emergency Services (with the exception of primary care clinic, multi-specialty care clinic, or skilled nursing services, which are covered as described below), the following will apply:

If the patient's family income is 350% or less of FPL and meets all other Financial Assistance Program qualification requirements, the patient will be granted the Basic Discount. TFHD may decide, in its sole discretion, whether and to what extent additional financial assistance will be provided, such as whether to provide the level of assistance the patient would receive if he/she had received Emergency Services.

2.3.1 In addition to the information required by the financial assistance application, TFHD may require the individual to provide additional information regarding the individual's family monetary assets, as it deems appropriate in its sole discretion.

2.3.2 TFHD will decide, in its sole discretion, whether and to what extent to grant financial assistance in addition to the Basic Discount. Only medically necessary services will be considered. In making its determination, TFHD may, in addition to any other criteria set forth in this policy and without limitation, consider the following factors :

2.3.2.1 The degree of urgency that the services be performed promptly.

2.3.2.2 Whether the services must be performed at TFHD, or whether there are other providers in the patient's geographic area that could provide the services in question.

2.3.2.3 Whether the services can most efficiently be performed at TFHD, or whether there are other providers that could perform the services more efficiently.

2.3.2.4 The extent, if any, that TFHD's limited charitable resources are best spent providing the requested service and whether there are others with greater immediate need for TFHD's charitable assistance.

2.3.2.5 The patient's need for financial assistance.

2.3.2.6 Any other facts that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for financial assistance.

3.0 Refunds

In the event that a patient is determined to be eligible for financial assistance for services for which he/she or his/her guarantor has made a deposit or partial payment, and it is determined that the patient is due a refund because the payments already made exceed the patient's liability under this policy, any refund due shall be processed under TFHD's Credit and Collection Policy, which provides, in pertinent part, as follows:

> "In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services for which the patient has requested financial assistance, and subsequently is granted financial assistance through the Financial Assistance Program, any amounts paid at a time when the patient was eligible for financial assistance which exceed the patient's payment obligation, if any, shall be refunded to the patient, with interest. Any refund due to the patient under this paragraph may not be applied to other open balance accounts or debt owed to the hospital by the patient or his/her family, representative, or guarantor. Any refunds due shall be reimbursed to the patient or his/her representative within a reasonable time. Such interest shall accrue from the first day that TFHD received payment of the amount to be refunded, at the rate set forth in Section 685.010 of the California Code of Civil Procedure."

4.0 Flow Chart

Following is a flow chart describing the process for determining financial assistance for applicants for Emergency Services, Non-emergency Services, and Prior Services:

4.1 Hospital-Based Primary Care and Multi-Specialty Clinics

TFHD operates certain outpatient services of the hospital as clinics which are located apart from the main campus of the hospital. These include a multi-specialty clinic, and a primary care clinic, both of which provide mainly primary care services. Because of the lower cost of primary care procedures performed on an outpatient basis, the following shall apply to hospital services rendered in these outpatient clinics:

4.1.1 Clinic patients are patients of the hospital, and will complete the same basic financial assistance application form

4.1.2 The patient's family income will primarily be determined using pay stubs

4.1.3 Tax returns will not be required as proof of income unless clinic personnel determine it is reasonable and necessary due to unusual circumstances

4.1.4 A patient attestation letter may be used on a limited basis when appropriate to an individual patient's circumstance

4.1.5 Subject to consideration of the factors set forth in paragraph 3 above for non-emergency services, to be determined by TFHD in its sole discretion, patients will pay a reduced fee based on the sliding scale below. If the Patient is covered by a third party obligation, the Patient's obligation will be to pay the difference between the amount paid by the third party and the amounts of the sliding scale, if any.

Clinic Sliding Scale

Patient/Family FPL Qualification	*Amount of Payment Due for Clinic Visit*
Incomes less than or equal to 200%	$25 flat fee, not to exceed what Medicare would pay for the clinic visit
Incomes between 201% and 350%	Actual Medicare Fee Schedule

4.2 **Distinct Part Skilled Nursing Services**

4.2.1 Skilled nursing services are also quite different in nature than acute care inpatient, outpatient and emergency services. Patients at the distinct part skilled nursing facility are often residents at the hospital and require special programs designed to meet their long-term care needs.

4.2.2 Given the unique nature of providing care to skilled nursing facility patients, the following financial assistance requirements shall apply:

4.2.2.1 All skilled nursing patients and/or their family representatives shall complete the TFHD financial assistance application and provide supporting documents as required by the standard application

4.2.2.2 Patients will pay a reduced fee based on the following sliding scale

Distinct Part Skilled Nursing Sliding Scale

Patient/Family FPL Qualification	*Amount of Payment Due for Distinct Part Skilled Nursing Facility Services*
Incomes less than or equal to 200%	50% of the Medi-Cal Payment Rate
Incomes between 201% and 350%	100% of the Medi-Cal Payment Rate

5.0 **Payment Plans**

5.1 When a determination to grant Discount Partial Charity Care has been made by the hospital, the patient may be given the option to pay any or all outstanding amount due through a scheduled term payment plan, as an alternative to a single lump sum payment.

5.2 The hospital will discuss payment plan options with each patient that requests to make arrangements for term payments. Individual payment plans will be arranged based upon the patient's ability to effectively meet the payment terms. As a general guideline, payment plans will be structured to last no longer than 12 months. The hospital shall negotiate in good faith with the patient; however there is no obligation to accept the payment terms offered by the patient. No interest will be charged to qualified patient accounts for the duration of any payment plan arranged under the provisions of the Financial Assistance Policy.

6.0 Special Circumstances

6.1 Any application for financial assistance by or on behalf of patients covered by the Medicare Program must be made prior to service completion by TFHD.

6.2 If a patient is determined to be homeless he/she may be deemed eligible for charity care, in the sole discretion of TFHD.

6.3 Deceased patients who do not have any third party coverage, an identifiable estate, or for whom no probate hearing is to occur, may be deemed eligible for charity care, in the sole discretion of TFHD.

6.4 Charges for patients who receive Emergency Services for whom the hospital is unable to issue a billing statement may be written off as Full Charity Care. All such circumstances shall be identified on the patient's account notes as an essential part of the documentation process.

7.0 Other Eligible Circumstances

7.1 TFHD deems those patients that are eligible for government sponsored low-income assistance program (e.g. Medi-Cal/Medicaid, Healthy Families, California Children's Services and any other applicable state or local low-income program) to be eligible under the Financial Assistance Policy when services are provided which are not covered by the governmental program. For example, services to patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of low-income patients (e.g. CHDP, Healthy Families, and CCS) which the government program does not cover, are eligible for Financial Assistance Program coverage. Under the hospital's Financial Assistance Policy, these resulting non-reimbursed patient account balances are eligible for full write-off as Full Charity Care. Specifically included as Charity Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other denials (e.g. restricted coverage) are to be classified as Charity Care if, at the time that the services were provided TFHD believed that the services rendered were medically necessary.

7.2 The portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payor including Medi-Cal/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as charity care if:

7.2.1 The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or

7.2.2 The patient otherwise qualifies for financial assistance under this policy and then only to the extent of the write-off provided for under this policy.

8.0 Catastrophic Care Consideration

Patients who do not qualify for charity care or discount partial charity care may nevertheless be eligible for financial assistance in the event of an illness or condition qualifying as a catastrophic event. Determination of a catastrophic event shall be made on a case-by-case basis. The determination of a catastrophic event shall be based upon the amount of the patient's liability at billed charges, and consideration of the individual's family income and assets as reported at the time of occurrence. Management may use its reasonable discretion on a case-by-case basis to determine whether and to what extent an individual or family is eligible for financial assistance based upon a catastrophic event. Financial assistance will be in the form of a percentage discount of some or all of the applicable monthly charges. The Catastrophic Event Eligibility Table will be used as a guideline by management to determine eligibility and the level of any financial assistance. The Catastrophic Event Eligibility Table does not guarantee that any individual will receive financial assistance, or the level of any assistance given.

9.0 Criteria for Re-Assignment from Bad Debt to Charity Care

9.1 Any account returned to the hospital from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or family representative's inability to pay for services will be maintained in the Charity Care documentation file.

9.2 All outside collection agencies contracted with TFHD to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change from bad debt to charity care:.

9.2.1 Patient accounts must have no applicable insurance (including governmental coverage programs or other third party payers); and

9.2.2 The patient or family representative must have a credit score rating within the lowest 25th percentile of credit scores for any credit evaluation method used; and

9.2.3 The patient or family representative has not made a payment within 150 days of assignment to the collection agency;

9.2.4 The collection agency has determined that the patient/family representative is unable to pay; and/or

9.2.5 The patient or family representative does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score

9.3 All accounts returned from a collection agency for re-assignment from Bad Debt to Charity Care will be evaluated by hospital personnel prior to any re-classification within the hospital accounting system and records.

10.0 Notification

Once a determination of eligibility is made, a letter indicating the determination status will be sent to the patient or family representative. The determination status letter will indicate one of the following:

10.1 Approval: The letter will indicate that financial assistance has been approved, the level of assistance, and any outstanding or prospective liability by the patient.

10.2 Denial: If the patient is not eligible for financial assistance due to his/her income and/or monetary assets, the reasons for denial of eligibility will be explained to the patient. Any outstanding amount owed by the patient will also be identified.

10.3 Pending: The applicant will be informed as to why the financial assistance application is incomplete. All outstanding information will be identified and requested to be supplied to the Hospital by the patient or family representative.

11.0 Reconsideration of Eligibility Denial

11.1 In the event that a patient disputes the hospital's determination of eligibility, the patient may file a written request for reconsideration with the Hospital within 60 days of receiving notification of eligibility. The written request should contain a complete explanation of the patient's dispute and rationale for reconsideration. Any additional relevant documentation to support the patient's claim should be attached to the written appeal.

11.2 Any or all appeals will be reviewed by the hospital chief financial officer. The chief financial officer or his/her designee shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the chief financial officer shall provide the patient with a written explanation of the results of the reconsideration of the patient's eligibility. All determinations by the chief financial officer shall be final. There are no further appeals.

11.3 All discretionary decisions by the hospital shall not be subject to further review or reconsideration.

12.0 Public Notice

12.1 TFHD shall post notices informing the public of the Financial Assistance Program. Such notices shall be posted in high volume inpatient, and outpatient service areas of the hospital, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas or other common patient waiting areas of the hospital. Notices shall also be posted at any location where a patient may pay his/her bill. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance.

12.2 These notices shall be posted in English and Spanish and any other languages that are representative of the primary language of 5% or greater of residents in the hospital's service area.

12.3 A copy of this Financial Assistance Policy will be made available to the public on a reasonable basis.

13.0 **Confidentiality**

It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this policy should be guided by these values.

14.0 **Good Faith Requirements**

14.1 TFHD makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.

14.2 Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all Full Charity Care or Partial Discount Charity Care services when information has been intentionally withheld or inaccurate information has been intentionally provided by the patient or family representative to the extent such inaccurate or withheld information affects the eligibility of the patient for financial assistance, or any financial assistance provided at the hospital's discretion. In addition, TFHD reserves the right to seek all remedies, including but not limited to civil and criminal remedies from those patients or family representatives who have intentionally withheld or provided inaccurate information in order qualify for the TFHD Financial Assistance Program.

Related Policies/Forms:
References: *See* TFHD BOD Meeting Minutes, May 24, 2011 The Patient Protection and Affordable Care Act, Public Law 111–148 (124 Stat. 119) (2010) Section 9007; Health and Safety Code Sections 127360-127360; Health and Safety Code Sections 127400-127440
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Robert Schapper, Chief Executive Officer

EXHIBIT D

NTRMG's designated RADIOLOGISTS:

SHAREHOLDER RADIOLOGISTS:

Myron L. Kamenetsky, M.D.

Gregory C Mohr, M.D.

Thaddeus Laird, M.D.

RADIOLOGIST ASSOCIATES:

None as of the Effective Date

EXHIBIT E

Fee Schedule

The Fee Schedule for professional services at IVCH will be the same as, or equivalent to, the schedule for TFH and may be amended from time to time.

Fees for professional services associated with Health Promotions programs may be discounted from the Fee Schedule as mutually agreed to in writing by NTRMG and the Director of Health Promotions or the DISTRICT's Administrator.

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	10021	FINE NEEDLE ASPIRATION W/O IMA	10021	343
NTR	10022	FINE NEEDLE ASPIRATION W IMA	10022	386
NTR	10140	HEMATOMA DRAINAGE CHEST	10140	436
NTR	17000	DESTRUCTION OF PREMALIGNANT LESION	17000	275
NTR	19000	PUNCTURE ASPIRATION OF CYST OF	19000	304
NTR	19001	PUNCTURE ASPIRATION EACH ADDIT	19001	174
NTR	19081	BIOPSY, BREAST, W/PLACEMENT OF BREAST LOCAL DEVICE W/SPEC W/STEROTACTIC	19081	1747
NTR	19083	BIOPSY BREAST W/PLACEMENT DEVICES/SPECI/US GUIDANCE	19083	1708
NTR	19084	BIOPSY BREAST W/PLACE DEVICE/EA ADDITIONAL	19084	1227
NTR	19100	BIOPSY OF BREAT PERCUTANEOUS NEEDLE W/O	19100	521
NTR	19102	BIOPSYOF BREAST, PERCUTANEOUS	19102	325
NTR	19103	BX BREAST PERC AUTOMATED VACUU	19103	600
NTR	19120	PREOP MAMM NEEDLE PLACEMENT	19120	1736
NTR	19125	EXCISION OF BREAST LESION PREOP PLACEMENT RAD/SNGLE	19125	2083
NTR	19281	PLACEMENT OF BREAST LOCALIZATION/PERCU FIRST LES W/MAMMO	19281	1031
NTR	19282	PLACEMENT BREAST LOCALIZATION EA LESION	19282	593
NTR	19285	PLACEMENT BREAST LOCALIZATION PERC/1ST LESION W/US GUIDE	19285	1380
NTR	19286	PLACEMENT OF BREAST LOCALIZATION DEVICE W/ULTRASOUND EACH LESION	19286	857
NTR	19290	PREOP PLACEMENT NEEDLE/WIRE BREAST	19290	225
NTR	19291	MAM NEEDLE PLACEMENT ADDLT	19291	120
NTR	19295	IMAGE GUIDE PLACEMENT	19295	340
NTR	20206	BIOPSY, MUSCLE, PERCUTANEOUS NEEDLE	20206	635
NTR	20220	BIOPSY BONE SUPERFICIAL	20220	495

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	20225	BIOPSY BONE DEEP	20225	1125
NTR	20600	ARTHROCENTESIS ASP-INJ SM. JNT	20600	192
NTR	20610	ARTHROCENTESIS ASPIR OR INJ	20610	234
NTR	21550	BIOPSY, SOFT TISSUE OF NECK OR THORAX	21550	1196
NTR	23350	ARTHOGRAM SHOULDER INJECTION	23350	457
NTR	25246	ARTHROGRAM WRIST INJECTION	25246	376
NTR	27093	ARTHRO HIP INJ W/O MEDICATION	27093	745
NTR	27095	ARTHRO HIP INJ W/ MEDICATION	27095	894
NTR	27301	I & D DEEP ABSCESS, BURSA THIGH/KNEE	27301	2145
NTR	27648	INJECTION ANKLE ARTHROGRAPHY	27648	541
NTR	3100F	CAROTID IMAGING STUDY REPORT (INCLUDES DIRECT OR INDIRECT REFERENCE TO MEASUREME	3100F	0.01
NTR	32201	PNEUMONOSTOMY W/ DRAINAGE	32201	710
NTR	32400	BIOPSY PLEURA	32400	502
NTR	32405	BIOPSY, LUNG OR MEDIASTINUM	32405	456
NTR	32421	THORACENTESIS PUNCTURE OF PLEU	32421	275
NTR	32422	THORACENTESIS WITH INSERT TUBE	32422	390
NTR	32550	INSERTION OF TUNNELED PLEURAL CATH	32550	1003
NTR	32551	TUBE THORACOSTOMY	32551	729
NTR	32555	THORACENTESIS NEEDLE/CATH W/O IMAG	32555	1027
NTR	32557	PLEURAL DRAINAGE PERCUT/W/O IMAG	32557	1908
NTR	3340F	MAMMOGRAM ASSESSMENT CATEGORY OF INCOMPLETE: NEED ADDITIONAL	3340F	0.01
NTR	3341F	MAMMOGRAM ASSESSMENT CATEGORY OF NEGATIVE, DOCUMENTED (RAD)	3341F	0.01
NTR	3342F	MAMMOGRAM ASSESSMENT CATEGORY OF BENIGN, DOCUMENTED (RAD)	3342F	0.01
NTR	3343F	MAMMOGRAM ASSESSMENT CATEGORY OF PROBABLY BENIGN, DOCUMENTED (RAD)	3343F	0.01
NTR	3345F	MAMMOGRAM ASSESSMENT CATEGORY OF HIGHLY SUGGESTIVE OF MALIGNANCY	3345F	0.01
NTR	3570F	FINAL REPORT FOR BONE SCINTIGRAPHY STUDY INCLUDES CORRELATION WITH EXISTING	3570F	0.01
NTR	36010	CATH SELECTIVE SVC OR IVC	36010	1149
NTR	36556	CVPOVER5YRSOFAGE	36556	756
NTR	36561	INSERTION TUNNELED CVA W/ PORT 5 YR OLDER	36561	2363
NTR	36568	INSERTION OF PCC UNDER 5YRS	36568	1134
NTR	36569	CENTRAL VENOUS CATH W/O PORT	36569	945
NTR	36576	REPAIR CENTRAL VENOUS CATH W/O	36576	1144

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	36589	REMOVAL OF TUNNELED CENTRAL VENOUS CATHETER, WITHOUT SUBCUTANEOUS PORT OR PUMP	36589	687
NTR	36591	COLLECTION OF BLOOD SPECIMEN FROM VENOUS	36591	75
NTR	36596	MECHANICAL REMOVAL INTRACATH/OBSTRUCTION	36596	458
NTR	36598	CONTRAST INJ WITH FLOURO	36598	504
NTR	38220	BONE MARROW ASPIRATION ONLY	38220	654
NTR	38221	BONE MARROW BIOPSY, NEEDLE OR	38221	494
NTR	38500	BIOPSY/EXCISION OF LYMPH NODE	38500	1316
NTR	38505	BIOPSY/EXCISION OF LYMPH NODE/NEEDLE	38505	731
NTR	38790	INJECTION PROC LYMPHANGIOGRAPHY	38790	820
NTR	38792	LYMPHANGIOGRAPHY FOR SENTIAL N	38792	293
NTR	38900	INTRAOPERATIVE IDENTIFICATION OF SENTINEL LYMPH NODE(S) INCLUDES INJECTION	38900	885
NTR	43262	ERCP WITH SPHINCTEROTOMY/PAPILLOTOMY	43262	2256
NTR	43752	NASO OR ORO GASTRIC TUBE PLACEMENT	43752	341
NTR	43760	CHANGE OF GASTROSTOMY TUBE	43760	442
NTR	43761	REPOSITIONING OF A NASO- OR ORO-GASTRIC FEEDING TUBE	43761	1519
NTR	44500	FEEDING TUBE INTRODUCTION PROC	44500	195
NTR	44901	I&D AP/APPENDICEAL ABSCESS PERCUTANEOUS	44901	710
NTR	47000	LIVER BIOPSY NEEDLE PERCUTANEOUS	47000	750
NTR	47100	LIVER BIOPSY WEDGE	47100	2398
NTR	47490	INCISION OF GALLBLADDER	47490	1236
NTR	47500	CHOLANGIOGRAM INJECTION PERC	47500	680
NTR	47510	BILIARY DRAIN PERCUTANEOUS	47510	1600
NTR	49021	DRAINAGE OF PERITONEAL ABSCESS	49021	890
NTR	49041	DRAINAGE SUBDIAPHRAGMATIC	49041	945
NTR	49061	DRAIN RETROPERITONEAL	49061	900
NTR	49080	PERIONEOCENTESIS, ABDOMINAL PA	49080	210
NTR	49081	PERITONEOCENTESIS. ABDOMINAL P	49081	290
NTR	49083	ABDOMINAL PARCENTESIS W/IMAGING	49083	957
NTR	49180	BIOPSY ABDOMEN OR RETROPERIT	49180	669
NTR	49405	IMAGE-GUIDED FLUID COLLECTION DRAINAGE BY CATHETER	49405	1092
NTR	49406	IMAGE GUIDED FLUID COLLECTION DRAINAGE BY CATHETER PERITONEAL/PERCUTANEOUS	49406	1093
NTR	49418	INSERTION OF TUNNELED INTRAPERITONEAL CATHETER	49418	1918

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	49423	EXCHANGE PREV ABSCESS/CYST CATH RAD	49423	746
NTR	49465	CONTRAST INJ G TUBE CHECK	49465	674
NTR	50021	DRAIN RENAL/PERIRNAL	50021	737
NTR	50200	BIOPSY RENAL PERCUTANEOUS BY TROCAR/NEEDLE	50200	1067
NTR	50390	ASPIRATION AND/OR INJECTION OF RENAL CYST OR PELVIS BY NEEDLE, PERCUTANEOUS	50390	784
NTR	50394	PYELOGRAM ANTEGRADE INJECTION	50394	597
NTR	50398	NEPHROSTOMY TUBE EXCHANGE	50398	2889
NTR	51600	INJ. PROCEED. FOR CYSTOGRAPHY	51600	320
NTR	51798	MEASUREMENT OF POST VOIDING	51798	81
NTR	58340	CATH UTERUS FOR SHG OR H5G	58340	527
NTR	60100	BIOPSY THYROID CORE NEEDLE	60100	579
NTR	60300	ASPIRATION AND/OR INJ THYROID CYST	60300	453.75
NTR	6045F	RADIATION EXPOSURE OR EXPOSURE TIME IN FINAL REPORT FOR PROCEDURE USING FLUOROSC	6045F	0
NTR	62270	SPINAL PUNCTURE, LUMBAA DIAG	62270	584
NTR	62272	SPINAL PUNCTURE 4 FLUID DRAINA	62272	757
NTR	62284	INJECTION MYELO NOT C1-2	62284	1034
NTR	70030	EYE FOREIGN BODY	70030-26	57
NTR	70100	MANDIBLE 3V OR FEWER	70100-26	36
NTR	70110	MANDIBLE 4V OR MORE	70110-26	55
NTR	70140	FACIAL BONES 1 OR 2V	70140-26	42
NTR	70150	FACIAL BONES 3V OR MORE	70150-26	55
NTR	70160	NASAL BONES	70160-26	34
NTR	70200	X-RAY EYE MIN 4 VIEWS	70200-26	58
NTR	70210	SINUSES 1 OR 2V	70210-26	34
NTR	70220	SINUSES 3V OR MORE	70220-26	61
NTR	70250	SKULL 3V OR FEWER	70250-26	49
NTR	7025F	PATIENT INFORMATION ENTERED INTO A REMINDER SYSTEM WITH A TARGET DUE DATE FOR TH	7025F	0.01
NTR	70260	SKULL 4V OR MORE	70260-26	70
NTR	70330	TMJ OPEN-CLOSE BILATERAL	70330-26	60
NTR	70336	MRITEMPOROMANDIBULAR JOINT	70336-26	296
NTR	70360	NECK SOFT TISSUE	70360-26	44
NTR	70450	CT BRAIN WITHOUT CONTRAST	70450-26	223
NTR	70460	CT BRAIN WITH CONTRAST	70460-26	264
NTR	70470	CT BRAIN W/O + W/ CONTRAST	70470-26	297

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	70480	CT ORBITS SELLAIAC W/O CONTRA	70480-26	314
NTR	70481	CT ORBITS SELLA IAC W/ CONTRAS	70481-26	320
NTR	70482	CT ORBITS SELLA IAC W/O + W/ C	70482-26	335
NTR	70486	CT MAXILLOFACIAL W/O CONTRAST	70486-26	275
NTR	70487	CT MAXILLOFACIAL W/ CONTRAST	70487-26	300
NTR	70488	CT MAXILLOFACIAL W/O * W/ CONT	70488-26	330
NTR	70490	CT NECK SOFT TISSUE W/O CONTRS	70490-26	310
NTR	70491	CT NECK SOFT TISSUE W/ CONTRAS	70491-26	316
NTR	70492	CT NECK SOFT TISSUE W/O + W/ C	70492-26	340
NTR	70496	CTANGIOGRAPHYNECK	70496-26	368
NTR	70498	CT NECK W/O CONTRAST	70498-26	368
NTR	70540	MRI ORBIT FACE NECK W/O CONTRS	70540-26	416
NTR	70542	MRI ORBIT FACE NECK W/ CONTRST	70542-26	783
NTR	70543	MRI ORBIT FACE NECK W/O + W/ C	70543-26	413
NTR	70544	MRA BRAIN W/O CONTRAST	70544-26	350
NTR	70546	MRA BRAIN W/O + W/ CONTRST	70546-26	369
NTR	70547	MRA NECK W/O CONTRAST	70547-26	308
NTR	70548	MRA NECK WITH CONTRAST	70548-26	352
NTR	70549	MRA NECK W/O + W/ CONTRAST	70549-26	369
NTR	70551	MRI BRAIN W/O CONTRAST	70551-26	427
NTR	70552	MRI BRAIN WITH CONTRAST ONLY	70552-26	495
NTR	70553	MRI BRAIN W/O& W/ CONTRAST	70553-26	457
NTR	70554	MRI BRAIN INCLUDING TEST/ADM REPETIVE BODY/VISUAL	70554-26	700
NTR	71010	CHEST IV	71010-26	41
NTR	71020	CHEST 2V	71020-26	48
NTR	71021	CHEST 2V LORDOTIC	71021-26	60
NTR	71034	CHEST 4V WITH FLUORO	71034-26	87
NTR	71035	CHEST LATERAL DUCUBITUS	71035-26	42
NTR	71100	RIBS 2V UNILATERAL	71100-26	50
NTR	71101	RIBS UNILATERAL + PA CXR	71101-26	60
NTR	71110	RIBS 3V BILATERAL	71110-26	62
NTR	71111	XR RIBS BILATERAL W/POSTEROANTERIOR CHEST MIN 4VWS	71111-26	83
NTR	71120	STERNUM	71120-26	45
NTR	71130	XR STERNOCLAVICULAR JOINT 3VWS	71130-26	50
NTR	71250	CT CHEST W/O CONTRAST	71250-26	268
NTR	71260	CT CHEST WITH CONTRAST	71260-26	282
NTR	71270	CT CHEST W/O +W/ CONTRAST	71270-26	312

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	71275	CT ANGIOGRAPHY CHEST W/O CONTR	71275-26	384
NTR	71550	MRI CHEST W/O CONTRAST	71550-26	402
NTR	71552	MRI CHEST W/O +W/ CONTRAST	71552-26	434
NTR	71555	MRA CHEST W/O ORW/ CONTRAST	71555-26	480
NTR	72010	SPINE ENTIRE AP + LATERAL	72010-26	98
NTR	72020	RADIO EXAM SPINE IV	72020-26	33
NTR	72040	SPINE CERVICAL 2 OR 3V	72040-26	48
NTR	72050	SPINE CERVICAL 4V OR MORE	72050-26	74
NTR	72052	SPINE CERV COMPL FLEX/EXT	72052-26	79
NTR	72069	THORACOLUMBAR SCOLIOSIS	72069-26	56
NTR	72070	SPINE THORACIC 2V	72070-26	49
NTR	72072	SPINE THORACIC 3V	72072-26	48
NTR	72074	X-RAY THORACIC MIN 4 VIEWS	72074-26	47
NTR	72080	SPINE THORACOLUMBAR 2V	72080-26	49
NTR	72090	SCOLIOSIS STUDY/SUPINE/ERECT	72090-26	68
NTR	72100	RADIOLOGIC SPINE 2-3 VIEWS	72100-26	49
NTR	72110	SPINE LUMBOSACRAL 4V OR MORE	72110-26	76
NTR	72114	XRAY LUMBAR SPINE COMPLETE	72114-26	78
NTR	72120	SPINE LUMBAR BENDING 4V	72120-26	55
NTR	72125	CT CERVICAL SPINE W/O CONTRAST	72125-26	262
NTR	72126	CT CERVICAL SPINE W/ CONTRAST	72126-26	278
NTR	72128	CT THORACIC SPINE W/O CONTRST	72128-26	261
NTR	72129	CT THORACIC SPINE W/ CONTRAST	72129-26	275
NTR	72131	CT LUMBAR SPINE W/O CONTRAST	72131-26	260
NTR	72132	CT LUMBAR SPINE W/ CONTRAST	72132-26	270
NTR	72141	MRI CERVICAL SPINE W/O CONTRST	72141-26	380
NTR	72142	MRI CERVICAL SPINE W/ CONTRAST	72142-26	420
NTR	72146	MRI THORACIC SPINE W/O CONTRST	72146-26	348
NTR	72147	MRI THORACIC SPINE W/ CONTRAST	72147-26	445
NTR	72148	MRI LUMBAR SPINE W/O CONTRAST	72148-26	350
NTR	72149	MRI LUMBAR SPINE W/ CONTRAST	72149-26	406
NTR	72156	MRI CERVICAL SPINE W/O + W/ C	72156-26	390
NTR	72157	MRI THORACIC SPINE W/O + W/ C	72157-26	411
NTR	72158	MRI LUMBAR SPINE W/O + W/ C	72158-26	370
NTR	72170	RADIOLOGIC EXAMINATION, PELVIS	72170-26	46
NTR	72190	PELVIS 3V OR MORE	72190-26	54
NTR	72192	CT PELVIS W/O CONTRAST	72192-26	217
NTR	72193	CT PELIVS W/ CONTRAST	72193-26	236
NTR	72194	CT PELIVS W/O + W/ CONTRAST	72194-26	251

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	72195	MRI PELVIS W/O CONTRAST	72195-26	350
NTR	72197	MRI PELVIS W/O + W/ CONTRAST	72197-26	360
NTR	72198	MRA PELVIS W/ OR W/O CONTRST	72198-26	399
NTR	72200	SACROILIAC JOINTS 1 OR 2V	72200-26	44
NTR	72202	SACROILIAC JOINTS 3V OR MORE	72202-26	50
NTR	72220	SACRUM AND COCCYX	72220-26	44
NTR	72265	MYELOGRAM LUMBAR	72265-26	230
NTR	72285	DISKOGRAPHY, CERVICAL OR THORA	72285-26	276
NTR	73000	CLAVICLE	73000-26	36
NTR	73010	SCAPULA	73010-26	44
NTR	73020	SHOULDER 1V	73020-26	32
NTR	73030	SHOULDER 2V OR MORE	73030-26	44
NTR	73040	RAD EXAM SHOULDER ARTHROGRAPHY	73040-26	101
NTR	73050	RADIOLOGIC EXAMINATION; ACROMI	73050-26	44
NTR	73060	HUMERUS 2V OR MORE	73060-26	39
NTR	73070	ELBOW 2V	73070-26	33
NTR	73080	ELBOW 3V OR MORE	73080-26	38
NTR	73085	ARTHROGRAPHY ELBOW	73085-26	103
NTR	73090	FOREARM 2V	73090-26	35
NTR	73092	INFANT UPPER EXTREMITY	73092-26	35
NTR	73100	WRIST 2V	73100-26	34
NTR	73110	WRIST 3V	73110-26	39
NTR	73115	ARTHROGRAM WRIST	73115-26	114
NTR	73120	HAND 2V	73120-26	33
NTR	73130	HAND 3V	73130-26	38
NTR	73140	RADIOLOGIC EXAMINATION, FINGER	73140-26	28
NTR	73200	CT UPPER EXTREMITY W/O CONTRST	73200-26	226
NTR	73201	CT UPPER EXTREMITY W/ CONTRAST	73201-26	231
NTR	73218	MRI UPPER EXTREMITY NO JOINT	73218-26	254
NTR	73219	MRI UP EXTREM NO JOINT W/ CONT	73219-26	485
NTR	73220	MRI UP EXTRM NO JOINT W/O+W/ C	73220-26	260
NTR	73221	MRI UP EXTRM ANY JOINT W/O C	73221-26	288
NTR	73222	MRI UP EXTRM ANY JOINT W/ CONT	73222-26	333
NTR	73223	MRI UP EXTRM ANY JOINT W/O+W/C	73223-26	292
NTR	73500	HIP IV	73500-26	37
NTR	73510	H1P2V	73510-26	45
NTR	73520	HIPS 2V 8ILAT	73520-26	58
NTR	73525	ARTHROGRAM HIP	73525-26	97
NTR	73530	HIP INTRAOPERATIVE	73530-26	63

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	73540	PEDIATRIC PELVIS AND FORELEG	73540-26	42
NTR	73550	FEMUR 2V	73550-26	37
NTR	73560	KNEE IV OR 2V	73560-26	37
NTR	73562	KNEE 3V	73562-26	39
NTR	73564	KNEE 4V	73564-26	49
NTR	73565	KNEE STANDING BILATERAL	73565-26	37
NTR	73580	KNEE ARTHROGRAPHY EXAM	73580-26	95
NTR	73590	TIBIA/FIBIA 2V	73590-26	37
NTR	73592	INFANT LOWER EXTREMITY	73592-26	34
NTR	73600	ANKLE 2V	73600-26	33
NTR	73610	ANKLE 3V	73610-26	38
NTR	73615	RAD EXAM ANKLE ARTHROGRAPHY	73615-26	97
NTR	73620	FOOT 2V	73620-26	33
NTR	73630	FOOT 3V	73630-26	37
NTR	73650	CALCANEUS	73650-26	33
NTR	73660	TOE2V	73660-26	29
NTR	73700	CT LOWER EXTREMITY W/O CNTRST	73700-26	234
NTR	73701	CT LOWER EXTREMITY W/ CONTRST	73701-26	235
NTR	73702	CT LOWER EXTREMITY W/O +W/ CNT	73702-26	268
NTR	73706	TOPO ANGIOGRAPHY LOWER EXTREMI	73706-26	358
NTR	73718	MRI LOW EXTRM NO JOINT W/O C	73718-26	288
NTR	73719	MRI LOW EXTRM NO JOINT W/ C	73719-26	327
NTR	73720	MRI LOW EXTRM NO JOINT W/O+W/C	73720-26	283
NTR	73721	MRI LOW EXTRM ANY JOINT W/O C	73721-26	284
NTR	73722	MRI LOW EXTRM ANY JOINT W/C	73722-26	324
NTR	73723	MRI LOW EXTRM ANY JOINT W/O+W/	73723-26	278
NTR	73725	MRA LOW EXTRM W/O OR W/ CONTRS	73725-26	356
NTR	74000	ABDOMEN IV	74000-26	47
NTR	74010	RAD EXAM ABDOMEN ANTERPOST OBL	74010-26	48
NTR	74020	ABDOMEN 2V OR 3V	74020-26	54
NTR	74022	ABDOMEN 2 OR 2V + PA CXR	74022-26	57
NTR	74150	CT ABDOMEN W/O CONTRAST	74150-26	348
NTR	74160	CT ABDOMEN WITH CONTRAST	74160-26	336
NTR	74170	CT ABDOMEN W/O + W CONTRAST	74170-26	327
NTR	74174	CT ANGIOGRAPHY ABD/PELVIS W/WO CONT	74174-26	556
NTR	74175	CTA ABDOMEN	74175-26	502
NTR	74176	CT ABD PELVIS WITHOUT	74176-26	450
NTR	74177	CT ABD AND PELVIS WITH CONTRAS	74177-26	515
NTR	74178	CT ABD PELVIS WITH AND WITHOUT	74178-26	530

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	74181	MRI ABDOMEN W/O CONTRAST	74181-26	355
NTR	74183	MRI ABDOMEN W/O + W/ CONTRST	74183-26	463
NTR	74185	MRA ABDOMEN W/O * W/ CONTRAST	74185-26	374
NTR	74220	ESOPHAGOGRAM	74220-26	96
NTR	74230	SWALLOWING FUNCTION	74230-26	112
NTR	74240	UPPER GI TRACT X-RAY	74240-26	157
NTR	74241	X-RAY ABDOMEN WITH KUB	74241-26	156
NTR	74245	UGI TRACT W/WO WITH SMALL INTESTINE	74245-26	184
NTR	74246	UGI WITH AIR	74246-26	152
NTR	74247	UGI AIR CONTRAST W/ BARIUM W KUB	74247-26	158
NTR	74249	OGI WITH AIR + SMALL BOWEL F/T	74249-26	193
NTR	74250	SMALL BOWEL FOLLOW THROUGH	74250-26	102
NTR	74270	BARIUM ENEMA SINGLE CONTRAST	74270-26	145
NTR	74280	BARIUM ENEMA DOUBLE CONTRAST	74280-26	173
NTR	74300	CHOLANGIOGRAM INTRAOPERATIVE	74300-26	98
NTR	74305	CHOLANGIOGRAPHY THROUGH CATH	74305-26	98
NTR	74320	CHOLANGIOGRAM PERC TRANSHEPAT	74320-26	184
NTR	74327	POSTOP BILIARY DUCT CALCULUS REMOVAL	74327-26	181
NTR	74328	ERCP BILIARY TREE	74328-26	197
NTR	74330	ERCP BILIARY AND PANCREATIC	74330-26	218
NTR	74340	FEEDING TUBE PLACEMENT	74340-26	99
NTR	74360	INTRALUMINAL DILATION STRICTURE/OBST ESOPH	74360-26	150
NTR	74400	ANES FOR NON-INVASIVE IMAGING	74400-26	160
NTR	74410	UROGRAPHY INFUSION DRIP BOLUS	74410-26	155
NTR	74425	NEPHROSTOGRAM PERC. PRE-EXIST	74425-26	111
NTR	74430	CYSTOGRAPHY	74430-26	107
NTR	74450	URETHROCYSTOGRAPHY RETROGRADE	74450-26	111
NTR	74455	URETHROCYSTOGRAPHY, VOIDING	74455-26	115
NTR	74475	CATH CONTROL INSERT X-RAY	74475-26	197
NTR	74740	HYSTEROSALPINGOGRAM	74740-26	134
NTR	74742	TRANSCERVICAL CATHETERIZATION OF FALLOPIAN TUBE, RADIOLOGICAL	74742-26	194
NTR	75571	CT HEART CORONARY CALCIUM	75571-26	104
NTR	75574	CT ANGIOGRAPHY HEART	75574-26	441
NTR	75625	AORTOGRAM ABDOMINAL	75625-26	243
NTR	75635	CT ANGIOGRAPHY ABD AORTA LE	75635-26	471
NTR	75710	ANGIO EXTREMITY UNILATERAL	75710-26	280
NTR	75716	ANGIO EXTREMITY BILATERAL	75716-26	322
NTR	75820	VENOGRAM EXTREMITY UNILATERAL	75820-26	214

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	75825	VENOGRAM IVC	75825-26	200
NTR	75940	JVC FILTER	75940-26	100
NTR	75980	TRANSHEPATIC BILIARY DRAIN	75980-26	327
NTR	75984	TUBE EXCHANGE	75984-26	194
NTR	75989	DRAIN GUIDANCE ANY METHD +C383	75989-26	331
NTR	76000	FLUOROSCOPY UP TO 1 HR PHY TIME	76000-26	51
NTR	76001	FLUOROSCOPY MORE THAN 1 HR PHY TIME	76001-26	0
NTR	76010	NOSE TO RECTUM FOREIGN BODY 1V CHILD	76010-26	58
NTR	76080	ABSCESS, FISTULA/SINUS TRACT STUDY	76080-26	118
NTR	76098	SURGICAL SPECIMEN	76098-26	42
NTR	76376	POSTPROCESSING	76376-26	49
NTR	76377	3D RENDERING REG IMAGE POST PR	76377-26	175
NTR	76380	CT LIMITED/LOCALIZED FOLLOWUP STUDY	76380-26	220
NTR	76506	US BRAIN	76506-26	143
NTR	76510	OPHTHALMIC ULTRASOUND	76510-26	298
NTR	76511	OPHTHALMIC ULTRASOUND, DIAGNOSTIC; QUANTITATIVE A-SCAN ONLY	76511-26	211
NTR	76512	US OPHTHALMIC	76512-26	191
NTR	76514	US CORNEAL PACHYMETRY UNI/BILAT	76514-26	49
NTR	76536	US HEAD AND NECK SOFT TISSUE	76536-26	117
NTR	76604	ULTRASOUND OF CHEST	76604-26	143
NTR	76641	ULTRASOUND, BREAST, UNILATERAL, REAL TIME WITH IMAGE DOCUMENTATION	76641-26	169
NTR	76642	ULTRASOUND, BREAST, UNILATERAL, REAL TIME WITH IMAGE DOCUMENTATION	76642-26	155
NTR	76645	ULTRASOUND, BREAST|SJ (UNILATE	76645-26	115
NTR	76700	US ABDOMEN COMPLETE	76700-26	172
NTR	76705	US ABDOMEN LIMITED	76705-26	123
NTR	76770	US RENAL OR AORTA RETROPERIT	76770-26	155
NTR	76775	US RENAL OR AORTA LIMITED	76775-26	122
NTR	76776	US TRANSPLANTED KIDNEY DUPLEX W/ IMAGE DOC	76776-26	142
NTR	76800	US SPINAL CANAL INFANT	76800-26	268
NTR	76801	US PREG LESS THAN 14 WKS	76801-26	181
NTR	76802	EACH ADDTL GESTATION	76802-26	135
NTR	76805	US OBSTETRIC COMPLETE	76805-26	181
NTR	76810	US OBSTETRIC MULTI GEST	76810-26	140
NTR	76811	US PREG W/ FETAL AND MATERNAL EVAL SINGLE/FIRST	76811-26	323

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	76812	US PREG W/ FETAL AND MATERNAL EVAL EACH ADDIT	76812-26	323
NTR	76815	US OBSTETRIC LIMITED	76815-26	132
NTR	76816	US OBSTETRIC F/U OR REPEAT	76816-26	143
NTR	76817	USS PREG TRANSVAG	76817-26	162
NTR	76818	BIOPHYSICAL OF FETUS	76818-26	212
NTR	76819	US BIOPHYSICAL PROFILE FETUS	76819-26	179
NTR	76830	US PELVIC TRANSVAGINAL	76830-26	149
NTR	76831	US SQNOHYSTERGGRAM	76831-26	165
NTR	76856	US PELIVS COMPLETE	76856-26	131
NTR	76857	US PELVIS LIMITED	76857-26	75
NTR	76870	ULTRASOUND SCROTUM AND CONTENT	76870-26	126
NTR	76880	ULTRASOUND EXTREMITY NON VASCU	76880-26	46.5
NTR	76881	ULTRASOUND EXTREMETY	76881-26	132
NTR	76882	ULTRASOUND EXTREMITY LIMITED	76882-26	99
NTR	76885	ULTRASOUND INFANT HIP	76885-26	158
NTR	76937	ULTRASOUND VASCULAR ACCESS	76937-26	81
NTR	76942	US GUIDANCE NEEDLE ANY TYPE	76942-26	161
NTR	76970	US STUDY FOLLOWUP	76970-26	102
NTR	77001	FLUORO FOR CENTRAL VENOUS DEVI	77001-26	100
NTR	77002	FLUORO GUIDANCE NEEDLE PLACEM	77002-26	139
NTR	77003	FLUOR GUIDANCE LOCALIZATION	77003-26	151
NTR	77012	CT GUIDANCE FOR NEEDLE PLACEME	77012-26	286
NTR	77032	MAMMOGRAPHIC GUIDANCE	77032-26	105
NTR	77051	MAMMOGRAM DIAGNOSTIC	77051-26	15
NTR	77052	SCREENING MAMMOGRAM	77052-26	14
NTR	77055	MAMMOGRAM UNILATERAL	77055-26	105
NTR	77056	MAMMOGRAPHY; BILATERAL	77056-26	137
NTR	77057	SCREENING MAMMOGRAM	77057-26	97
NTR	77058	MAGNETIC RESONANCE IMAGING, BREAST, WITHOUT AND/OR WITH CONTRAST MATERIAL	77058-26	525
NTR	77059	MRI BREAST W/WO CONTRAST BILATERAL	77059-26	346
NTR	77071	MANUAL APP STRESS/JOINT/CONTRALATERAL JOINT	77071-26	91
NTR	77072	BONE AGE STUDIES	77072-26	38
NTR	77073	BONE LENGTH STUDIES	77073-26	51
NTR	77074	RAD EXAM OSSEOUS SURVEY LMTD	77074-26	67
NTR	77075	OSSEOUS SURVEY COMPLETE	77075-26	96
NTR	77076	RAD EXAM OSSEOUS INFANT	77076-26	100

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	77077	XRAY JOINT SURVEY SNGLE VW 2 OR MORE JNTS	77077-26	46
NTR	77080	DUAL-ENERGY X-RAY ABSORPTIOMETRY (DXA), BONE DENSITY STUDY	77080-26	51
NTR	78003	THYROID SUPPRESS/STIMUL	78003-26	26
NTR	78007	THYROID IMAGING MULT DETERMIN	78007-26	40
NTR	78012	THYROID UPTAKE SINGLE/MULT	78012-26	39
NTR	78013	THYROID IMAGING	78013-26	51
NTR	78014	THYROID IMAGING W/SINGLE/MULT UPTAKE	78014-26	79
NTR	78070	NUCMED PARATHYROIF IMAGING	78070-26	224
NTR	78071	NM PARATHYROID IMAGING W/SPECT	78071-26	230
NTR	78195	NUCMED LYMPHATIC IMAGING	78195-26	340
NTR	78223	NUCMED LIVER/GB HIDA +/- CCK	78223-26	141
NTR	78226	HEPATOBILIARY SYSTEM IMAGING	78226-26	145
NTR	78227	HEPATOBILIARY SYSTEM PHARMACOL	78227-26	163
NTR	78264	NUCMED GASTRIC EMPTYING	78264-26	196
NTR	78290	NUCMED BOWEL MECKEL SCAN	78290-26	185
NTR	78300	NUCMED BONE SCAN LIMITED	78300-26	177
NTR	78306	NUCMED BONE WHOLE BODY	78306-26	197
NTR	78315	NUCMED BONE THREE PHASE	78315-26	220
NTR	78320	NUCMED BONE SPECT	78320-26	254
NTR	78451	MYOCARDIAL PERFUSION	78451-26	301
NTR	78452	MYOCARDIAL PERFUSION	78452-26	347
NTR	78459	MYOCARDIAL IMAGING PET	78459-26	330
NTR	78472	CARDIAC BLOOD POOL IMAGING	78472-26	247
NTR	78579	PULUMNARY VENTIALTION IMAGING	78579-26	98
NTR	78580	NUCMED CARDIAC EJECT FRACTION	78580-26	182
NTR	78582	PULUMNARY VENTIALTION	78582-26	221
NTR	78586		78586-26	32
NTR	78587	PULMONARY VENT MULTIPLE PROJEC	78587-26	39
NTR	78588	NUCMED VENTILATION / PERFUSION	78588-26	150
NTR	78598	QUANTITATIVE DIFFERENTIAL PULMONARY PERFUSION AND VENTILATION	78598-26	169
NTR	78608	BRAIN IMAGING PET METABOLIC	78608-26	264
NTR	78707	NUCMED RENEL FLOW/FUNCTION	78707-26	201
NTR	78708	NUCMED RENAL FLO/FUNC + PHARM	78708-26	274
NTR	78800	TUMOR IMAGING LIMITED AREA	78800-26	228
NTR	78801	NUCMED TUMOR LOCALIZ MULTIPLE	78801-26	245
NTR	78802	NUCMED TUMOR LOCAL WHOLE BODY	78802-26	284
NTR	78803	NUCMED TUMOR LOCAL SPECT	78803-26	314

PRACTICE	CHARGE CODE	DESCRIPTION	CPT CODE	CURRENT FEE
NTR	78804	WHOLE BODY SCAN 2 MORE DAYS	78804-26	283
NTR	78805	RADIOPHARMACEUTICAL LOCALIZATION OF INFLAMMATORY PROCESS; LIMITED AREA	78805-26	219
NTR	78812	SKULL BASE MID THIGH	78812-26	435
NTR	78813	WHOLE BODY SCAN	78813-26	450
NTR	78815	TUMOR IMAGING SKULL BASE	78815-26	542
NTR	78816	TUMOR IMAGING WHOLE BODY	78816-26	556
NTR	93017	CARDIOVASCULAR STRESS TEST USING MAXIMAL OR SUBMAXIMAL TREADMILL/BICYCLE	93017-26	232
NTR	93306	ECHOCARDIOGRAPHY WITH DOPPLER	93306-26	297
NTR	93315	TRANSESOPHAEAL ECHOCARDIOGRAPHY	93315-26	589
NTR	93750	VAD DEVICE	93750	170
NTR	93880	US CAROTID COMPLETE BILATERAL	93880-26	206
NTR	93882	US CAROTID UNILAT OR LIMITED	93882-26	74
NTR	93922	US ANKLEBRACHIAL INDICES	93922-26	42
NTR	93923	US ABI SEGMENTAL OR EXERCISE	93923-26	72
NTR	93925	US LOW EXTREM ART/ GRAFT BILAT	93925-26	229
NTR	93926	US LOW EXTREM ART/GRAFT UNILAT	93926-26	199
NTR	93931	US UP EXTRAM ART/GRAFT UNILATE	93931-26	208
NTR	93965	DOPPLER STUDY BILATERAL	93965-26	76
NTR	93970	US VEINS EXTREM DUPLEX BILATER	93970-26	146
NTR	93971	US VEINS EXTREM DUPLEX UNILATE	93971-26	92
NTR	93975	US ABDOM OR SCROTAL DUPLEX	93975-26	301
NTR	93976	US ABDOM OR SCROTAL DUPLX LIMI	93976-26	211
NTR	93978	US AORTA OR IVC OR ILIAC DUPLX	93978-26	119
NTR	93979	US AORTA OR ILIAC DUPLEX LIMIT	93979-26	77
NTR	96450	CHEMOTHERAPY ADMIN, INTO CNS (EG, INTRATHECAL), REQ/INCL SPINAL PUNCTURE	96450	1259
NTR	G0202	SCREENING MAMMOGRAM BILATERAL	G0202-26	106
NTR	G0204	DIAGNOSTIC MAMMOGRAM BILATERAL MEDICARE ONLY	G0204-26	130
NTR	G0206	DIAGNOSTIC MAMMOGRAM UNILATERAL	G0206-26	106
NTR	G0389	ULTRASOUND B/SCAN FOR AAA SCREENING	G0389-26	60

EXHIBIT F

NTRMG Guaranteed Compensation and Incentive Stipend

NTRMG shall be guaranteed a minimum compensation amount per calendar year (prorated as applicable), and may in addition earn an Incentive Stipend, as set forth below.

I. Actual Collections. As used herein, "Actual Collections" means the collections made by NTRMG from patients and third party payors for Services rendered by NTRMG to patients of the DISTRICT, but shall not include payments made by DISTRICT to NTRMG pursuant to the Per Unit Auxiliary Services Fee Schedule set forth in "Exhibit G". These collections shall be recorded for purposes of this Exhibit as of the date of receipt by NTRMG, not the date of service, and shall not be adjusted for any amounts paid by NTRMG to third party billing companies. NTRMG shall retain all of its Actual Collections. NTRMG shall provide, or arrange for the provision of, all billing and collection services required with respect to all SERVICES provided by RADIOLOGISTS pursuant to this Agreement, and will take all necessary and reasonable steps, consistent with industry standards, to ensure that: (i) bills and claims are submitted to patients and third party payors as soon as reasonably possible after SERVICES are rendered; (ii) bills and claims are collected in a timely and reasonable commercial manner; (iii) reasonable and affirmative collection actions are taken with respect to bills and claims which are delinquent; and (iv) all collections from patients and payors are immediately recorded. NTRMG shall remit to DISTRICT with the monthly statement of accounts all funds collected for Services rendered by NTRMG and the RADIOLOGISTS during that month.

II. Supplementation of Actual Collections. To compensate NTRMG for providing coverage of the radiology SERVICES pursuant to this Agreement, DISTRICT agrees to supplement the Actual Collections by payment of an "Annual Net Stipend," as more specifically set forth below, if the Actual Collections(based on the preceding calendar year's collections) do not equal or exceed the "NCV" for the then-current calendar year. As used herein, "NCV" means the value of the physician service as agreed upon by the Parties for a calendar year. The NCV for calendar year 2015 equals $1,470,000, and will increase annually by the inflation factor of 1.5% to $1,492,000 for calendar year 2016 and $1,514,000 for calendar year 2017; provided, however, such amounts (i) shall be prorated for partial years of the term (with a corresponding adjustment to the prior calendar year's Actual Collections), and (ii) are subject to adjustment pursuant to Section III below.

1. Calculating the Annual Net Stipend. As used herein, "Annual Net Stipend" means the amount by which the NCV for a calendar year exceeds the Actual Collections during the preceding calendar year; provided, however, that the Annual Net Stipend shall not be less than zero and shall not exceed the "Maximum Annual Stipend" (as defined below) for that calendar year, and further provided that for partial calendar years of the term, the total Actual Collections for the preceding calendar year, and the NCV for the then-current year, shall be prorated. As used herein, the "Maximum Annual Stipend" means $147,000 for calendar year 2015, $169,000 for calendar year 2016 and $191,000 for calendar year 2017; provided however that, such amounts (i) shall be prorated for partial calendar years of the term, and (ii) are subject to adjustment pursuant to Section III below. In order to calculate the Annual Net Stipend, NTRMG shall make available

to DISTRICT its books and records as reasonably needed by DISTRICT to verify the Actual Collections, and DISTRICT shall have the right to audit NTRMG's books and records for purposes of verifying the Actual Collections.

2. Payment of Annual Net Stipend. The Annual Net Stipend, to the extent earned, is to be paid to NTRMG as follows:

    a. Guaranteed Stipend. One-half of the Annual Net Stipend shall be payable as the "Guaranteed Stipend" in accordance with the quarterly schedule described in Section II(2) below.

    b. Incentive Stipend. The other 50% of the Annual Net Stipend is payable as the "Incentive Stipend" in accordance with the quarterly schedule described in Section II(2) below, if and to the extent earned as Incentive Stipend compensation. The Incentive Stipend payable in calendar year 2015 is deemed earned and shall be paid in full. Beginning in calendar year 2016, the Incentive Stipend shall only be earned based on NTRMG's achievement of the four Incentive Stipend Metrics (as described in the attached Schedule) as follows:

        i. If all four Incentive Stipend Metrics were achieved in the prior calendar year, the DISTRICT shall pay NTRMG 100% of the Incentive Stipend.

        ii. If three or two Incentive Stipend Metrics were achieved in the prior calendar year, then the DISTRICT shall pay NTRMG 50% of the Incentive Stipend.

        iii. If only one or none of the Incentive Stipend Metrics were achieved in the prior calendar year, then no Incentive Stipend shall be paid to NTRMG.

    NTRMG shall provide DISTRICT with accurate documentation evidencing the metrics and benchmarks completed in the form and manner required by DISTRICT to substantiate the achievement of applicable Incentive Stipend Metrics, and NTRMG shall make available to DISTRICT for audit, NTRMG's books and records as reasonably needed by DISTRICT to verify the achievement of such metrics and benchmarks.

3. Annual Net Stipend Payable in Quarterly Draws. The Annual Net Stipend for a particular calendar year shall be calculated in the first quarter of the applicable calendar year, and shall be payable in four quarterly payments (each equaling one-fourth of the Guaranteed Stipend and one-fourth of the earned Incentive Stipend), with the first quarterly payment due within the first 30 days of the second calendar quarter of that year, and the final quarterly payment due within the first 30 days of the first quarter of the subsequent calendar year. Notwithstanding the foregoing, (i)the Annual Net Stipend, and other amounts requiring proration for partial years as described above, shall be prorated for calendar year 2015, with the final payment made in the first

quarter of calendar year 2016, and (ii) regardless of when in 2015 this Agreement commences, the Annual Net Stipend for calendar year 2016 shall be calculated in the first quarter of calendar year 2016, with the first quarterly payment of the 2016 Annual Net Stipend due within the first 30 days of the second calendar quarter of calendar year 2016.

III. Fair Market Value. The Parties acknowledge that the compensation paid to NTRMG for Services rendered hereunder is intended to be at fair market value and that, notwithstanding any other term of this Agreement, the compensation cannot exceed the fair market value of the Services. The Parties shall initiate an updated valuation report ("Adjustment Report") two years after the Effective Date, to determine new fair market NCV and Maximum Annual Stipend amounts within the opinion of such valuation company, which new NCV and Maximum Annual Stipend amounts shall not be effective unless this Agreement is amended to include such new NCV and Maximum Annual Stipend, in a writing which is signed by the Parties. Such Adjustment Report shall be paid for by the DISTRICT. The independent third-party valuation company shall be ECG Management Consultants or such other qualified valuation company as DISTRICT shall select. The Parties further agree that the purpose of the Incentive Stipend Metrics is to incentivize NTRMG to support the efforts of DISTRICT to provide efficient and high quality Services, and not to limit or reduce patient care. In providing the Services, NTRMG and its principals, agents and employees will strive to keep high quality patient care as the paramount objective.

SCHEDULE OF INCENTIVE STIPEND METRICS

Metrics	Target Benchmarks
Turnaround Time (TAT)	Exam interpreted, and interpretation results input into the system program, within 3-hours after the acknowledgment by the technologist that the exam is available for radiologist read. The following procedures are not included in this calculation: ❖ Cardiologist Procedures ❖ Mammography ❖ Canceled Exams ❖ Aborted Procedures ❖ Procedures Performed b/w 5:30 p.m. and 8:00 a.m. ❖ Exam Read Before Completed ❖ Biopsies/FNA ❖ OR/ERCP Procedures ❖ Nuclear Med/PET ❖ Speech Pathology ❖ Any other procedures for which interface/system failure issues prevent timely performance
Delivery of Critical Results Utilizing District's Critical Results Software and in accordance with District's Critical Results Policy	All Radiologists utilize the Powerscribe 360 software (or such subsequent software program as the DISTRICT may hereinafter implement in its sole discretion) for capturing Critical Results data, in accordance with the District's Critical Results Policy, including, without limitation, entering results time of call and name of person contacted. NTRMG acknowledges that DISTRICT intends to implement new Critical Results software (likely in 2016), and that the Parties will reasonably cooperate with one another to amend this metric as appropriate.

[CONTINUED ON NEXT PAGE]

Meeting Attendance	Physicians to attend, and satisfy the attendance levels, for 70% of the core required meetings (based on the following listing of core medical committees and positions in which NTRMG's radiologists are currently participating, along with an indication of NTRMG's involvement level). ❖ Quarterly General Medical Staff Meeting – All three Shareholder Radiologists need to attend. ❖ Department of Medicine Committee Meeting – All three Shareholder Radiologists need to attend. ❖ Medical Executive Committee Meeting – The Shareholder Radiologist in the position of the diagnostic imaging chair at the time needs to attend. ❖ Diagnostic Imaging – One of the three Shareholder Radiologists needs to attend. ❖ Cancer Committee – One of the three Shareholder Radiologists needs to attend. ❖ Quality Committee Meeting – One of the three Shareholder Radiologists needs to attend.
Peer Review Scores	90% compliance with peer review obligations requested of each physician in accordance with applicable peer review policies of the DISTRICT's FACILITIES.

EXHIBIT G

Per Unit Auxiliary Services Fee Schedule

NTRMG shall receive compensation for the specific and enumerated SERVICES, set forth below as follows:

Auxiliary Services	CPT Code	Per Unit Price
DEXA Scans	77080 77081 77086	$7.34 $8.08 $6.24
Ultrasound Screenings	93880	$29.38
Mammography Screenings	77057	$25.70
Chest X-rays 1 view (client accounts[fire departments], occupational health)	71010	$6.61
Chest X-rays 2 view	71020	$8.08

All fees paid to NTRMG as set forth herein, shall be contingent upon the NTRMG's timely submission of its invoices to DISTRICT for such SERVICES. For the purposes of the preceding sentence, NTRMG shall make a good faith effort to submit all bills for such SERVICES to DISTRICT for payment within 14 days after SERVICES have been rendered.

SCHEDULE I.A.2

NON-EXCLUSIVE SERVICES

EXAM ITEM NUMBER	EXAM DESCRIPTION	CODES AS LISTED IN CPSI (Electronic Medical Record) CHARGEMASTER CPT CODE	PERFORMED BY AND OR REPORTED
6200008	US ECHO DOPLER ADD	93320	CARDIOLOGISTS
6200020	US ECHO WO SP COLOR DOPP	93307	CARDIOLOGISTS
6200089	US ECHOCARDIOGRAM COMP	93306TC	CARDIOLOGISTS
6200021	US ECHOCARDIOGRAM LTD	93308	CARDIOLOGISTS
6200024	US ECHOCARDIOGRAM STRESS	93350TC	CARDIOLOGISTS
5500065	XR FLUORO GUIDE PAIN CLINIC NO RESULTS	77003	ORTHOPAEDIC SURGEONS
5500122	XR FLUORO MORE 1 HR NO RESULTS	76001TC	ORTHOPAEDIC SURGEONS
5500123	XR FLUORO UP TO 1 HR NO RESULTS	7600059	ORTHOPAEDIC SURGEONS

ADDENDUM No. 1

JOINDER BY RADIOLOGISTSTO DIAGNOSTIC IMAGING PROFESSIONAL SERVICES AGREEMENT

By signature below, the undersigned Radiologist hereby represents and warrants to Tahoe Forest Hospital District ("DISTRICT") that (i) (s)he has read and understands the Diagnostic Imaging Professional Services Agreement dated _____ ___, 2015 by and between The North Tahoe Radiology Medical Group, Inc., a California professional corporation("NTRMG") and the District (the "Agreement") and agrees to be bound by all of the terms, conditions and representations of the Agreement applicable to Radiologist, including, but not limited to, the confidentiality provisions respecting proprietary information and trade secrets, (ii) (s)he will refrain from taking any action that would cause NTRMG to be in breach of this Agreement; and (iii) (s)he understands that in the event of a RADIOLOGIST's non-compliance with the Agreement, and/or the DISTRICT's policies, procedures, requirements and standards applicable to the SERVICES pursuant to the Agreement, DISTRICT may require NTRMG to terminate such RADIOLOGIST's right to provide SERVICES pursuant to the Agreement.

Name: _____, M.D.
Date: _____, 20___
Signature: _____, MD

TAHOE FOREST HOSPITAL DISTRICT

Board Executive Summary

By: Jim Hook
Corporate Compliance Consultant,
The Fox Group

DATE: July 28, 2015

ISSUE: Physicians and Professional Services Policy ABD-21 has had provisions that were incomplete or not in concert with the Board of Directors' instructions to Management on the process and content of agreements for professional services rendered by physicians and other independent contractors providing professional services.

BACKGROUND:
Physicians and Professional Services Policy ABD-21 has been previously revised to detail the typical compensation arrangements that are permitted to be used in compensation for physicians and professional services.

This revision addresses other issues with the policy, including:

1. Use of agreement templates for all new and renewing agreements;
2. Process for development, presentation and Board approval of all physician compensation agreements.

ACTION REQUESTED:
The Compliance Committee has considered and recommends approval of changes to Physicians and Professional Services Compensation, Policy/Procedure #ABD 21 These changes include:

1. Process for development and Board approval;
2. Use of agreement templates for all new and renewing agreements.

Alternatives:

1. Do not make changes to the policy as recommended.
2. Modify the proposed changes to better reflect the direction of the Board.

	TahoeForest Health System			
	Title: Physician and Professional Service Agreements		**Policy/Procedure #:** ~~ABD XX~~ABD-21	
	Responsible Department: Board of Directors			
Type of policy	Original Date:	Reviewed Dates:	Revision Dates:	
☒ Board	1/90	5/00; 01/12; 1/14	~~3/08;~~ 01/10; 02/14; 06/15	
☐ Medical Staff				
☐ Departmental				
Applies to: ☒System ☐TahoeForestHospital ☐InclineVillageCommunityHospital				

PURPOSE:

This policy is intended to provide the District's Chief Executive Officer a general framework for professional services contracting and recognizes that flexibility may be required due to the broad scope of professional services that may be covered. Further, to insure that the professional service provider is meeting the needs of Tahoe Forest Hospital District and the community that it serves, as well as allowing the provider to update the actual services performed, a formal service review process will be utilized.

POLICY:

Written professional service agreements will be prepared for all physicians and health professionals who qualify as independent contractors and who provide diagnostic or therapeutic services to Tahoe Forest Hospital District's patients, or who provide certain medico-administrative duties within a hospital department or service.

~~1.0~~ The following list exemplifies physicians and health professionals who will be covered by this policy including but not limited to:

- ~~1.1~~ Anesthesiologists
- ~~1.2~~ Medical Directors of specific departments/services, and Medical Staff Officers
- ~~1.3~~ Physicians providing services in the District's Medical Services Clinics and Cancer Center
- ~~1.4~~ Physicians serving in medical-administrative roles or on hospital committees
- ~~1.5~~ Nuclear Medicine Specialists
- ~~1.6~~ Emergency Services physicians
- ~~1.7~~ Occupational therapists
- ~~1.8~~ Pathologists
- ~~1.9~~ Physical therapists
- ~~1.10~~ Radiologists
- ~~1.11~~ Speech pathologists
- Emergency and urgent care providers

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~~1.12~~

Mid-level practitioners not employed by the District

-
- Hospitalists
- Other contracted physicians

~~Hospitalists~~

~~1.13 Other contracted physicians~~

Procedures~~Pro~~

~~2.0~~1.0 All professional service agreements will be developed between the District's Chief Executive Officer and health professionals.

~~N~~New agreements~~:~~

1.1 shall utilize the model agreement for the type of service required from the contracting professional (See Exhibit A, attached, for a list of available model agreements); and

1.1.1 New agreements not utilizing the model agreement for the type of service required s~~S~~shall be reviewed by legal counsel prior to submission to the District's Board of Directors.

1.1.2 Agreementscommitting ~~over~~ $25,000.00 or more in any given twelve-month period:

1.1.2.1 Once agreement is reached between the District's Chief Executive Officer and health professional, CEO will present the Contract Routing F~~f~~orm (or equivalent data summary report) with the principal terms and conditions listed, to the Board of Directors for their consideration. Principal terms and conditions include, but are not limited to, purpose of agreement, agreement term, compensation, scope of duties, total cost of contract, and other pertinent information.

1.1.2.2 Upon their review and consideration, the Board of Directors may request specific changes be made to the proposed terms and conditions, and revised terms and conditions be submitted to the Board at its next scheduled or special meeting.

1.1.2.3 After approval by the Board of Directors, the CEO will present the agreement to the health professional for review and signature, indicating his or her acceptance of the included terms

1.1.2.4 In the event the health professional requests changes in the principal terms and conditions of the agreement, the CEO will present a modified Contract Routing ~~f~~Form (or equivalent) to the Board of Directors

1.1.2.5 The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.

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2.11.1.2.6 The professional service agreement will become effective following the Board of Directors' ratification, subject to the contract term identified in the agreement.

New Aagreementsundercommitting less than $25,000Professional service agreements committing less thanper twelve-month periods$25,000

2.21.1.3 Pper twelve-month period of District funds can be authorized by the District's Chief Executive Officerwithout Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.

1.2 Renewal agreements:

1.2.1 All renewing agreements shall utilize the model agreement for the type of service required from the contracting professional.

1.2.1.1 Agreementscommitting ever $25,000.00 or more in any given twelve-month period:

2.2.1.1.11.2.1.1.1 Once agreement is reached between the District's Chief Executive Officer and health professional, CEO will present the Contract Routing Form (or equivalent) with the principal terms and conditions listed, to the Board of Directors for their consideration. Principal terms and conditions include, but are not limited to, purpose of agreement, agreement term, compensation, scope of duties, total cost of contract, and other pertinent information.

1.2.1.1.2 Upon their review and consideration, the Board of Directors may request specific changes be made to the proposed terms and conditions, and revised terms and conditions be submitted to the Board at its next scheduled or special meeting.

1.2.1.1.3 After approval by the Board of Directors, the CEO will present the agreement to the health professional for review and signature, indicating his or her acceptance of the included terms

1.2.1.1.4 In the event the health professional requests changes in the principal terms and conditions of the agreement, the CEO will present a modified Contract Routing Form (or equivaent) to the Board of Directors

1.2.1.1.5 The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.

1.2.1.1.6 The professional service agreement will become effective following the Board of Directors' ratification, subject to the contract term identified in the agreement.

Renewal Aagreementsundercommitting less than $25,000Professional service agreements committing less thanper twelve-month periods$25,000

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2.31.2.2 ~~Pper twelve-month period of District funds~~ can be authorized by the District's Chief Executive Officerwithout Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.

1.3 Physician and other professional service agreements due for renewal may be held over for up to six months with no change in compensation terms at the discretion of the CEO, and in accordance with Stark Law and OIG regulations.

1.4 Urgent Services:

1.4.1 At the discretion of the CEO, an agreement required for urgent services may be presented directly to the Board of Directors~~.~~

1.4.1.1 All terms and condition must be included at the~~is~~ time of presentation.~~in lieu of presenting the terms and conditions prior to presentation to the health professional.~~

1.4.1.2 The signature of the health professional will be required on such agreementsat the time of presentation to the Board.

~~1.1.1.~~

~~1.2.~~

~~1.3. All renewing agreements shall utilize the model agreement for the type of service required from the contracting professional.~~

~~1.4. Once agreement is reached between the District's Chief Executive Officer and health professional, for professional service agreements committing $25,000 or more per twelve month period, the CEO will present the Contract Routing form with the principal terms and conditions listed, to the Board of Directors for their consideration.~~

~~1.4.1. At the discretion of the CEO, an agreement required for urgent services may be presented directly to the Board of Directors in lieu of presenting the terms and conditions prior to presentation to the health professional. The signature of the health professional will be required on such agreementsat the time of presentation to the Board.~~

~~1.5. After approval by the Board of Directors, the CEO will present the agreement to the health professional for review and signature, indicating his or her acceptance of the included terms.~~

~~1.6. **In the event the health professional requests changes in the principal terms and conditions of the agreement, the CEO will present a modified Contract Routing form to the Board of Directors.**~~

~~1.7. The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration. The professional service agreement will become effective following the Board of Directors' ratification, subject to the contract term identified in the agreement.~~

~~1.8. **Professional service agreements committing less than $25,000 per twelve month period of District funds can be authorized by the District's Chief Executive Officerwithout Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.**~~

~~1.9. Physician and other professional service agreements due for renewal may be held over for up to six months with no change in compensation terms at the discretion of the CEO, and in accordance with Stark Law and OIG regulations.~~

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~~2.~~1.5 All physician and professional service agreements will be processed by the Chief Executive Officer's administrative staff. The following guidelines will be utilized:

~~2.1.~~1.5.1 Material for agreements will be presented to the Chief Executive Officer's administrative staff in a timely manner to ensure that adequate time is available for preparation of the agreement within the required timeframes for timely execution and implementation. ~~to ensure that adequate time is available for the preparation of the agreement within required timeframes including the completion of a Contract Approval form;~~

1.5.2 Content and negotiations with health service professionals will remain thethe responsibility of the Admin Council members.

2.0 Compensation under Professional Service Agreements With Physicians Only.

In all cases, agreement will specify the financial arrangements related to the provision of physician professional services. The following methodologies may be utilized:

2.1 Hourly rates. Hourly rates are the preferred compensation method for administrative duties such as medical directorships, medical staff leadership positions, or committee attendance. Hourly rates or "per shift" rates with hours of coverage and response time specified are the preferred compensation method for on-call and hospitalist coverage.

2.1.1 Physicians shall be required to document the date, hours spent, and a description of work completed for all administrative duties.

2.1.2 On call calendars maintained by the medical staff office may be utilized as documentation for on-call and hospitalist agreements.

2.1.3 MSC physicians may receive RVU credit for administrative duties in lieu of cash compensation.

2.2 Base compensation plus bonus. Payment of a fixed base compensation plus bonus is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working more than half time. A consistent model for the compensation of MSC physicians shall be utilized, which may be subject to modification annually.

2.2.1 Management shall endeavor to create a model that is aligned with the following organizational goals, recognizing that simultaneous achievement of all goals may not be possible in all cases; however the first of these goals (paying within fair market value) cannot be compromised in any circumstance.

2.2.1.1 Pay within constraints of fair market value

2.2.1.2 Maintain internal equity within and between specialties

2.2.1.3 Provide sufficient compensation to recruit and retain physicians

2.2.1.4 Encourage quality and productivity

2.2.1.5 Be Clear and understandable to all parties

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2.2.2 Base compensation shall be established based on an agreed upon percentage of the median compensation from one or more published compensation surveys, adjusted for the physician's FTE status.

2.2.2.1 FTE status shall be based on agreed number of days of work and/or hours of clinical availability, which may vary by specialty but which shall be consistent within each specialty.

2.2.2.2 The survey to be utilized shall be the annual MGMA Physician Compensation and Production Survey.

2.2.2.3 The Western Region median shall be utilized.

2.2.2.4 Data shall be smoothed by utilizing a 3-year average of the median from the three most recently published surveys.

2.2.2.5 In the event that, in management's professional opinion, the data from the MGMA survey in the Western Region is unreliable due to the low number of respondents or other factors, management may utilize the national median and/or data from other published surveys.

2.2.2.6 Survey data shall be adjusted for inflation that has occurred since the data was collected.

2.2.2.7 The percentage of median may be adjusted based on the physician's historic productivity, years of experience, special expertise, or the difficulty of recruiting a particular specialty to the area. However:

2.2.2.7.1 In no case shall the percentage of median compensation paid as base compensation (before FTE adjustment) fall below 70% nor shall it exceed 130% of the median.

2.2.2.7.2 In no case shall a physician's base compensation be decreased relative to the prior year unless either:

2.2.2.7.3 Physician's FTE status has changed

2.2.2.7.4 Physician's prior year productivity has fallen below 90% of the prior year's target, and physician failed to reach this productivity level due to factors that are under the physician's control, such as leaving early or taking excessive time off. Determination of the reasons for any such failure shall be reviewed by a panel that includes the Executive Director (or designee), the Medical Director and at least one other physician.

2.2.3 The costs of malpractice insurance and benefits that are borne by the physicians shall be considered based on such reasonable methodology as may be developed by management, which may include but is not limited to:

2.2.3.1 Adding the estimated costs of malpractice insurance, health insurance, retirement benefits, employer-paid payroll taxes,

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and other benefits that are customarily paid by organizations with the ability to employ physicians.

2.2.3.2 Reducing the WRVU target by an amount that would enable physicians to earn all or a portion of those costs by reaching a production level that is commensurate with their compensation.

2.2.4 Physician contracts may include a production and/or quality incentive, to encourage physicians to work to their full capacity, provided:

2.2.4.1 Productivity is measured in Work Relative Value Units (WRVUs), unless physician works in a specialty for which WRVU benchmark data is either unavailable or insufficient, in which case an alternate measure such as visits may be utilized.

2.2.4.2 The production incentive is in no way tied to referrals or to use of Tahoe Forest Hospital facilities.

2.2.4.3 The production target is set based on the same survey benchmarks utilized for compensation, and is set at a level that is proportionate to base salary.

2.2.4.4 Quality incentives, if any, are measurable and linked to factors that are within the physician's control.

2.2.4.5 The total projected compensation, including incentives, does not exceed fair market value.

2.3 Rate per Work Relative Value Unit (WRVU). Payment at a set rate per Work Relative Value Unit (WRVU) is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working less than half time.

2.3.1 The rate per RVU shall be based on the same compensation and production survey data that is utilized for physicians working half time or more, and may include an allowance for malpractice and benefits.

2.4 Percentage of professional fee collections. Payment based on a percentage of professional fees collected may be utilized for physicians who are not part of the MSC in those instances where the District accepts responsibility for billing and collecting from the patient or any third party payer for professional services and is able to separately bill for professional service fees.

2.4.1 Remuneration based upon a percentage of combined facility and professional gross charges or collections is prohibited.

2.4.2 The District will remit the amounts collected, depending upon the agreement, to the physician, deducting a percentage to account for the estimated expenses of the District's billing and collection services and other administrative and support services, if provided.

2.4.3 If the payment to the healthcare provider is based upon billings rather than collections, a further percentage will be deducted so to account for the estimated incidents of bad debts and contractual allowances. Furthermore, if the payment to the healthcare provider is based upon billings rather than collections, a revenue collection analysis will be

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performed at least annually to ensure compliance to the above compensation provision.

2.4.4 All professional fee schedules shall be made a part of the agreement and appropriately referenced. Professional fee schedules may be revised annually. Any changes to the professional fee schedule must be discussed between the District Chief Executive Officer and requesting physician prior to becoming effective. Requests shall conform to the following criteria:

2.4.4.1 Should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees;

2.4.4.2 All professional fees shall be reasonable and customary and comparable to professional fees charged by their peers within our region. The mechanism for determining compliance to this criteria will be determined on a case by case basis between the professional provider and District Chief Executive Officer.

2.4.4.3 Other relevant information should also be provided, e.g., changes required as a result of regulatory mandates; requests from individual physicians and Medical Staff; new service charges or extraordinary changes in provider costs not previously anticipated.

2.4.4.4 Written agreement reflecting mutual acceptance of the proposed revisions as meeting the above criteria shall be required prior to the changes becoming effective.

2.5 Payment per service.Payment at a specified rate per service is the preferred method for limited scope agreements in which the physician is providing clearly delineated clinical services. Examples include EKG interpretations, audiology reviews, and other services that are billed on a global basis by the hospital.

2.6 Specialty call activation fee.In specialties where a regular on-call panel is either infeasible due to the number of physicians on the medical staff within that specialty or the low incidence of emergency need for that specialty, a specialty activation fee may be offered in the event that physician is called in to respond to an emergency.

2.7 Fair Market Value.In all cases, physician's compensation must be within fair market value and must be determined to be commercially reasonable.

2.7.1 Fair market value for any individual contract shall generally be defined as an amount equal to or less than the 75th percentile of compensation, considering the physician's FTE status and production levels.

2.7.2 However management shall endeavor to design a compensation model that maintains the average physician's compensation within +/- 10% of the median (or between the 40th and 60th percentiles?).

3.0 Multiple agreements

3.1 Nothing in this policy shall prohibit the hospital from entering into multiple agreements with physicians; provided however that the designated hours of service are clearly segregated.

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3.1.1 Physicians whose MSC duties are typically during regular Monday through Friday daytime hours may be paid for on-call coverage during evenings, weekends, and scheduled days off and/or for administrative duties performed during lunch or after regular clinic hours.

3.1.2 MSC physicians who provide hospitalist, on-call, or administrative services during normal scheduled clinic time shall receive WRVU credit in lieu of cash payment.

3.1.3 The physician may perform administrative duties while on call, as long as clinical duties are not needed. If the physician is need for clinical duties, they must not bill administrative time when performing clinical duties.

4.0 Physician Qualifications:

4.1 Professional service agreements with physicians shall require;

4.1.1 A valid and unrestricted license to practice medicine in the state issued by the applicable state Medical Board;

4.1.2 All appropriate certifications, registrations and approvals from the Federal Drug Enforcement Administration and any other applicable federal or state agency necessary to prescribe and dispense drugs under applicable federal and state laws and regulations, in each case without restriction;

4.1.3 Prompt disclosure of the commencement or pendency of any action, proceeding, investigation or disciplinary proceeding against or involving Physician, including, without limitation, any medical staff investigation or disciplinary action;

4.1.4 Prompt written notice of any threat, claim or legal proceeding against TFHD that Physician becomes aware of, and cooperate with TFHD in the defense of any such threat, claim or proceeding and enforcing the rights (including rights of contribution or indemnity) that TFHD may have against other parties or through its insurance policies;

4.1.5 No discrimination against a patient based on race, creed, national origin, gender, sexual orientation, disability (including, without limitation, the condition(s) for which the patient seeks professional services from Physician), ability to pay or payment source.

4.2 Physician Qualifications In Coordination With Medical Staff Bylaws:

4.2.1 Professional service agreements with physicians shall requiretheir membership on the District's Medical Staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement.

4.2.2 Termination of the agreement will cause the physician to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the physician would lose his Medical Staff membership and privileges; he/she would simply lose the right to gain access to the service or department which is the subject of the exclusive agreement.

4.3 Contract Termination Clause

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4.3.1 :In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon prior written notice.

4.3.2 The following language will be utilized: “For cause” termination of a physician contract during the first year of its term; “No cause” termination following the first year of its term.

4.3.2.1 The timeframe for prior written notice may range from 60-180 days. Further, termination of the agreement does not afford the physician the right to request a medical staff hearing or any other review pursuant to the Medical Staff By-Laws.

~~2.2. responsibility of the Admin Council members.~~

~~**3.** The following Section I describes general provisions which apply, and should be included, in all professional service agreements. Sections2 and 3 describe provisions which apply to professional service agreements with physicians and non-physicians respectively. It is the Board of Director's policy that these provisions be addressed by all professional service agreements. Section 4 describes the procedure for physician and professional service agreement contract and service review.~~

~~**PROCEDURE:**~~

~~**4. General Provisions: Physician and Non-Physician Professional Service Agreements**~~

~~4.1. Professional Service Duties and Responsibilities: Each agreement will include a detailed and specific delineation of the duties and responsibilities to be performed by the health professional as well as the District. For example, extensive detail will be provided regarding:~~

~~4.1.1. Diagnostic and therapeutic services to be provided~~

~~4.1.2. Medico-administrative services to be provided~~

~~4.1.3. Coverage obligations to be assumed~~

~~4.1.4. The rights and obligations of the District and the health professional with regard to providing space, equipment, supplies, personnel and technicians.~~

~~4.2. Standards Of Practice: Each agreement shall specify that the health professional will provide the service in accordance with the Hospital Bylaws; Medical Staff Bylaws, Rules and Regulations, and standards established by the Executive Committee of the Medical Staff; with the ethical and professional standardsof the American Medical Association and the California and/or Nevada Medical Association; the standards of the Healthcare Facilities Accreditation Program (HFAP) and in any applicable specialty college or society or governmental regulation.~~

~~4.3. Medicare and Medicaid Enrollment: Each agreement shall specify that the health professional is duly enrolled in the federal Medicare program and the applicable State Medicaid program and eligible to seek reimbursement under such programs for covered services rendered by the provider to beneficiaries of such programs. Every agreement must contain a provision in which the health professional agrees to notify TFHS in the event participation terminates.~~

~~4.4. Quality Assessment: Professional service agreements shall require the health professional to participate in the Health System,Quality Improvement Program to ensure that~~

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the quality, safety and appropriateness of healthcare services are monitored and evaluated and that appropriate actions based on findings are taken to promote quality patient care. Furthermore, each agreement shall specify a process designed to assure that all individuals who provide patient care services under service agreements, but who are not subject to the Medical Staff privilege delineation process, are competent to provide such services. Whenever possible, information from customer satisfaction surveys shall be incorporated into the Quality Improvement Program for said service. Agreements which provide for Directorship responsibilities over a department or service shall require the health professional "Director" to be responsible for implementing a monitoring and evaluation process designed to improve patient care outcomes and which is integrated with the Health SystemQuality ImprovementProgram.

4.5. Assignability: It is desirable that all professional service agreements be non assignable unless important to the successful negotiation of a contract where higher priority objectives may be achieved. Where assignability becomes necessary, assignability shall be allowed only with the condition that prior written consent of the Board of Directors be obtained.

4.6. Contract Term: Professional service agreements shall specify a specific term and termination date (i.e., not automatically renewable for successive years). In considering the term of the agreement, the termination date of related agreements should be considered by the District Chief Executive Officer so as to minimize the likelihood of multiple agreements coming due on the same date or year. The length of the term shall be negotiable. Professional service contracts will typically range from one to four years in duration.

4.7. Professional Liability: In all cases, the health professional will be responsible for providing adequate professional liability insurance coverage at the health professional's expense. Limits of coverage for physicians will be a minimum of $l,000,000 per occurrence, $3,000,000 aggregate. For non-physicians, the minimum limits of coverage may vary depending on the standard established for that health profession. The agreement shall also specify that the contracting health professional will, in turn, either require or arrange for professional liability insurance coverage for all sub-contracting health professionals. Furthermore, the professional liability insurance policy must be obtained from a professional liability insurer which is authorized to transact the business of insurance in the State of California (or Nevada in the case of professional services provided at the District's Community Hospital in Incline Village, Nevada). Also, the professional services agreement must require that the selected insurer will be responsible for notifying the District of any cancellation or reduction in coverage within thirty days of said action.

4.8. Regulatory Compliance: The agreement should include provisions in which both the District and the health professional commit to full compliance with all federal, state, and local laws. The contracting party should agree to keep confidential any financial, operating, proprietary, or business information relating to the District and to keep confidential, and to take the usual precautions to prevent the unauthorized use and disclosure of any and all Protected Health Information. The agreement should include provisions for amendment to the agreement in furtherance of maintaining compliance in the event of the adoption of subsequent legislation and/or regulations.

4.9. Recitals: Exclusive professional service agreements should include a carefully developed description of the rationales for exclusivity in a particular clinical service or department. Furthermore, if the agreement does assign exclusive responsibility for a particular service, it should state so expressly not leaving this to inference or interpretation.

4.10. Professional Relationships: The agreement should specify that the health professional is an independent contractor and is not an employee of the District.

4.11. Government Audit: The agreement should include the standard provision recognizing that the agreement and certain other materials will be subject to audit and inspection by certain federal authorities with regard to payments made for Medicare services.

4.12. Standard Contractual Language: The agreement should include certain standard provisions to theeffect that the provisions of the contract are severable and, therefore, the ruling that any one of them is void does not invalidate the entire agreement, and that the waiver of breach of one provision does not constitute a continuing waiver, and that the written agreement constitutes the entire contract between the parties.

4.13. Managed Care:The physician or health professional agrees to participate as a preferred provider with all of the managed healthcare plans (PPOs and HMOs) that the District has agreements with including agreements with insurance companies, health maintenance organizations and direct contracting with self funded employers. Any deviation of this policy must be approved by District Administration and the Board of Directors.

5. Compensation under Professional Service Agreements With Physicians Only. In all cases, the contract will specify the financial arrangements related to the provision of physician professional services. The following methodologies may be utilized:

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5.1. Hourly rates. Hourly rates are the preferred compensation method for administrative duties such as medical directorships, medical staff leadership positions, or committee attendance. Hourly rates or "per shift" rates with hours of coverage and response time specified are the preferred compensation method for on-call and hospitalist coverage.

5.1.1. Physicians shall be required to document the date, hours spent, and a description of work completed for all administrative duties.

5.1.2. On call calendars maintained by the medical staff office may be utilized as documentation for on-call and hospitalist agreements.

5.1.3. MSC physicians may receive RVU credit for administrative duties in lieu of cash compensation.

5.2. Base compensation plus bonus. Payment of a fixed base compensation plus bonus is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working more than half time. A consistent model for the compensation of MSC physicians shall be utilized, which may be subject to modification annually.

5.2.1. Management shall endeavor to create a model that is aligned with the following organizational goals, recognizing that simultaneous achievement of all goals may not be possible in all cases; however the first of these goals (paying within fair market value) cannot be compromised in any circumstance.

5.2.1.1. Pay within constraints of fair market value

5.2.1.2. Maintain internal equity within and between specialties

5.2.1.3. Provide sufficient compensation to recruit and retain physicians

5.2.1.4. Encourage quality and productivity

5.2.1.5. Be Clear and understandable to all parties

5.2.2. Base compensation shall be established based on an agreed upon percentage of the median compensation from one or more published compensation surveys, adjusted for the physician's FTE status.

~~5.2.2.1. FTE status shall be based on agreed number of days of work and/or hours of clinical availability, which may vary by specialty but which shall be consistent within each specialty.~~

~~5.2.2.2. The survey to be utilized shall be the MGMA Physician Compensation and Production Survey.~~

~~5.2.2.3. The Western Region median shall be utilized.~~

~~5.2.2.4. Data shall be smoothed by utilizing a 3-year average of the median from the 3 most recently published surveys.~~

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~~5.2.2.5. In the event that, in management's professional opinion, the data from the MGMA survey in the Western Region is unreliable due to the low number of respondents or other factors, management may utilize the national median and/or data from other published surveys.~~

~~5.2.2.6. Survey data shall be adjusted for inflation that has occurred since the data was collected.~~

~~5.2.2.7. The percentage of median may be adjusted based on the physician's historic productivity, years of experience, special expertise, or the difficulty of recruiting a particular specialty to the area. However:~~

~~5.2.2.7.1. In no case shall the percentage of median compensation paid as base compensation (before FTE adjustment) fall below 70% nor shall it exceed 130% of the median.~~

~~5.2.2.7.2. In no case shall a physician's base compensation be decreased relative to the prior year unless either:~~

~~5.2.2.7.3. Physician's FTE status has changed~~

~~5.2.2.7.4. Physician's prior year productivity has fallen below 90% of the prior year's target, and physician failed to reach this productivity level due to factors that are under the physician's control, such as leaving early or taking excessive time off. Determination of the reasons for any such failure shall be reviewed by a panel that includes the Executive Director (or designee), the Medical Director and at least one other physician.~~

~~5.2.3. The costs of malpractice insurance and benefits that are borne by the physicians shall be considered based on such reasonable methodology as may be developed by management, which may include but is not limited to:~~

~~5.2.3.1. Adding the estimated costs of malpractice insurance, health insurance, retirement benefits, employer-paid payroll taxes, and other benefits that are customarily paid by organizations with the ability to employ physicians.~~

~~5.2.3.2. Reducing the WRVU target by an amount that would enable physicians to earn all or a portion of those costs by reaching a production level that is commensurate with their compensation.~~

~~5.2.4. Physician contracts may include a production and/or quality incentive, to encourage physicians to work to their full capacity, provided:~~

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~~5.2.4.1. Productivity is measured in Work Relative Value Units (WRVUs), unless physician works in a specialty for which WRVU benchmark data is either unavailable or insufficient, in which case an alternate measure such as visits may be utilized.~~

~~5.2.4.2. The production incentive is in no way tied to referrals or to use of Tahoe Forest Hospital facilities.~~

5.2.4.3. The production target is set based on the same survey benchmarks utilized for compensation, and is set at a level that is proportionate to base salary.

5.2.4.4. Quality incentives, if any, are measurable and linked to factors that are within the physician's control.

5.2.4.5. The total projected compensation, including incentives, does not exceed fair market value.

5.3. Rate per Work Relative Value Unit (WRVU). Payment at a set rate per Work Relative Value Unit (WRVU) is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working less than half time.

5.3.1. The rate per RVU shall be based on the same compensation and production survey data that is utilized for physicians working half time or more, and may include an allowance for malpractice and benefits.

5.4. Percentage of professional fee collections. Payment based on a percentage of professional fees collected may be utilized for physicians who are not part of the MSC in those instances where the District accepts responsibility for billing and collecting from the patient or any third party payer for professional services and is able to separately bill for professional service fees.

5.4.1. Remuneration based upon a percentage of combined facility and professional gross charges or collections is prohibited.

5.4.2. The District will remit the amounts collected, depending upon the agreement, to the physician, deducting a percentage to account for the estimated expenses of the District's billing and collection services and other administrative and support services, if provided.

5.4.3. If the payment to the healthcare provider is based upon billings rather than collections, a further percentage will be deducted so to account for the estimated incidents of bad debts and contractual allowances. Furthermore, if the payment to the healthcare provider is based upon billings rather than collections, a revenue collection analysis will be performed at least annually to ensure compliance to the above compensation provision.

5.4.4. All professional fee schedules shall be made a part of the agreement and appropriately referenced. Professional fee schedules may be revised annually. Any changes to the professional fee schedule must be discussed between the District Chief Executive Officer and requesting physician prior to becoming effective. Requests shall conform to the following criteria:

5.4.4.1. Should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees;

5.4.4.2. All professional fees shall be reasonable and customary and comparable to professional fees charged by their peers within our region. The mechanism for determining compliance to this criteria will be determined on a case by case basis between the professional provider and District Chief Executive Officer.

5.4.4.3. Other relevant information should also be provided, e.g., changes required as a result of regulatory mandates; requests from individual physicians and Medical Staff; new service charges or extraordinary changes in provider costs not previously anticipated.

5.4.4.4. Written agreement reflecting mutual acceptance of the proposed revisions as meeting the above criteria shall be required prior to the changes becoming effective.

5.5. Payment per service.Payment at a specified rate per service is the preferred method for limited scope agreements in which the physician is providing clearly delineated clinical services. Examples include EKG interpretations, audiology reviews, and other services that are billed on a global basis by the hospital.

5.6. Specialty call activation fee.In specialties where a regular on-call panel is either infeasible due to the number of physicians on the medical staff within that specialty or the low incidence of emergency need for that specialty, a specialty activation fee may be offered in the event that physician is called in to respond to an emergency.

5.7. Fair Market Value.In all cases, physician's compensation must be within fair market value and must be determined to be commercially reasonable.

5.7.1. Fair market value for any individual contract shall generally be defined as an amount equal to or less than the 75th percentile of compensation, considering the physician's FTE status and production levels.

5.7.2. However management shall endeavor to design a compensation model that maintains the average physician's compensation within +/- 10% of the median (or between the 40th and 60th percentiles?).

5.8. Multiple agreements. Nothing in this policy shall prohibit the hospital from entering into multiple agreements with physicians; provided however that the designated hours of service are clearly segregated.

5.8.1. Physicians whose MSC duties are typically during regular Monday through Friday daytime hours may be paid for on-call coverage during evenings, weekends, and scheduled days off and/or for administrative duties performed during lunch or after regular clinic hours.

5.8.2. MSC physicians who provide hospitalist, on-call, or administrative services during normal scheduled clinic time shall receive WRVU credit in lieu of cash payment.

5.8.3. The physician may perform administrative duties while on call, as long as clinical duties are not needed. If the physician is need for clinical duties, they must not bill administrative time when performing clinical duties.

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5.9. Physician Qualifications: Professional service agreements with physicians shall require:

5.9.1. A valid and unrestricted license to practice medicine in the state issued by the applicable state Medical Board;

5.9.2. All appropriate certifications, registrations and approvals from the Federal Drug Enforcement Administration and any other applicable federal or state agency necessary to prescribe and dispense drugs under applicable federal and state laws and regulations, in each case without restriction;

5.9.3. Prompt disclosure of the commencement or pendency of any action, proceeding, investigation or disciplinary proceeding against or involving Physician, including, without limitation, any medical staff investigation or disciplinary action;

5.9.4. Prompt written notice of any threat, claim or legal proceeding against TFHD that Physician becomes aware of, and cooperate with TFHD in the defense of any such threat, claim or proceeding and enforcing the rights (including rights of contribution or indemnity) that TFHD may have against other parties or through its insurance policies;

5.9.5. No discrimination against a patient based on race, creed, national origin, gender, sexual orientation, disability (including, without limitation, the condition(s) for which the patient seeks professional services from Physician), ability to pay or payment source.

~~5.10. Physician Qualifications In Coordination With Medical Staff Bylaws: Professional service agreements with physicians shall requiretheir membership on the District's Medical Staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement. Termination of the agreement will cause the physician to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the physician would lose his Medical Staff membership and privileges; he/she would simply lose the right to gain access to the service or department which is the subject of the exclusive agreement.~~

~~5.11. Contract Termination Clause:In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon prior written notice. The following language will be utilized: "For cause" termination of a physician contract during the first year of its term; "No cause" termination following the first year of its term. The timeframe for prior written notice may range from 60-180 days. Further, termination of the agreement does not afford the physician the right to request a medical staff hearing or any other review pursuant to the Medical Staff By Laws~~.

~~6.~~5.0 Provisions For ~~Non-Physician~~Health Professional Service Agreements

5.1 Compensation~~:~~:

~~6.1.~~ In all cases, the contract will specify the financial arrangements related to the provision of professional services. It is desirable that remuneration be based upon a set professional fee schedule rather than a percentage of gross or net patient charges. However, it is recognized that a wide variety of other mechanisms may be utilized and such other mechanisms are left to the discretion of the District Chief Executive Officerand Board of Directors.

5.2 Professional Fee Schedule:~~When~~

5.2.1 When reimbursement is based upon professional fee schedules, said fee schedule shall be made a part of the agreement with the health professional. When provided for by agreement, professional fee schedule revisions will be considered once annually in a timeframe that coincides with the District's operating budget.

~~6.2.~~5.2.1.1 Requests for revisions must be submitted to the District Chief Executive Officer by April of each year for implementation by July. The request should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees requested. The District Chief Executive Officer will determine the acceptability of the proposed changes.

5.3 Health Professional Qualifications in Coordination with Medical Staff By-Laws:

5.3.1 Professional service agreements may require certain health professionals to be members of the District's allied health professional staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement.

~~6.3.~~5.3.2 Should a health services agreement be cancelled involving an allied health professional, termination of the agreement will cause the health professional to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the

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health professional would lose his allied health professional appointment or related privileges.

5.4 Contract Termination Clause~~:~~

5.4.1 In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon written notice.

~~6.4.~~5.4.2 The timeframe for prior written notice may range from 60-180 days. When the health professional is required to be an allied health professional, termination of the agreement will not afford the allied health professional the right to request the due process hearing described by the Medical Staff rules and regulations for allied health professionals.

~~7.~~6.0 Physician and Health Professional Service Agreement Contract and Service Review

6.1 Contract Review

6.1.1 Prior to the end of a contract period, the Chief Executive Officer may choose to conduct a contract review or at any time during the contract period.

~~8.~~ ~~Further, the Chief Executive Officer may choose to conduct a contract review at any time during the contract period.~~ The Board of Directors can recommend that a contract review be done prior to most contract renewalsbut allows~~with the following:but allows t~~T~~he C~~hief~~ E~~xecutive~~ O~~fficer~~ discretion to forego the review if the contract renewal is on an annual basis or if other factors indicate that the review is not necessary prior to that particular contract renewal.

6.1.2

~~9.~~ At a minimum of every five years, the Chief Executive Officer will conduct a service review of the contract service provided by the physician, physician group and/or other professional service. The Chief Executive Officer will undertake the service review and a report based upon this service review will be made to the Board of Directors.

6.2 Contract Review Elements

~~2.3.1~~6.2.1 Ensure that the terms of the contract are being met as outlined in the service agreement.

6.2.2 Review the service as it related to consistency with the District's compliance program.

6.2.3 Assessment of patient, physician and staff opinions/input/complaints.

6.3 Service Review Elements

6.3.1 As part of the service review, the Chief Executive Officer will request feedback from the medical and clinical staff regarding the following;

~~2.3.1.1~~

6.3.1.1 Quality of care being provided based on the specialty's identified standards of care.

6.3.1.2 Availability and responsiveness.

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6.3.1.3 Consistency with the District's compliance program.
6.3.1.4 Patient, physician and staff opinions/inputs/complaints.

~~9.1. Contract Review.~~
~~9.2. Ensure that the terms of the contract are being met as outlined in the service agreement.~~
~~9.3. Review the service as it relates to consistency with the District's compliance program.~~
~~**10.** Assessment of patient, physician and staff opinions/input/complaints.~~
~~10.1. Service Review.~~
~~10.2. As part of the service review, the Chief Executive Officer will request feedback from the medical and clinical staff regarding the following:~~
~~10.2.1. Quality of care being provided based on the specialty's identified standards of care.~~
~~10.2.2. Availability and responsiveness.~~
~~10.2.3. Consistency with the District's compliance program.~~
~~10.2.4. Patient, physician and staff opinions/inputs/complaints.~~

6.4 Other Review Elements: In addition the Chief Executive Officer will:
~~10.3.~~
~~10.3.1.~~6.4.1 Ensure that the terms of the contract are being met as outlined in the service agreement.
~~10.3.2.~~6.4.2 Review market conditions with appropriate benchmarking and make recommendations as to the continuation of the current contract.
~~10.3.3.~~6.4.3 Ensure that the fee schedule is appropriate for current market conditions.
~~10.3.4.~~6.4.4 Take in to consideration elements of the contractor's relationships with service providers, the District and the community.
6.4.5 Review standards and best practice recommendations set by professional and specialty organizations with appropriate consideration of our community and Hospital District.
~~10.3.5.~~

6.5 The Chief Executive Officer will compile a report based upon the service review and present it to the Board of Directors with recommendations related to continuation of the contract or consideration of a Request For Proposal (RPF) process.

Contract Inclusion terms:

7.0 General Provisions: Physician and Health Professional Service Agreements

7.1 Professional Service Duties and Responsibilities: Each agreement will include a detailed and specific delineation of the duties and responsibilities to be performed by the health professional as well as the District. For example, extensive detail will be provided regarding:

7.1.1 Diagnostic and therapeutic services to be provided

7.1.2 Medico-administrative services to be provided

7.1.3 Coverage obligations to be assumed

7.1.4 The rights and obligations of the District and the health professional with regard to providing space, equipment, supplies, personnel and technicians.

7.2 Standards Of Practice: Each agreement shall specify that the health professional will provide the service in accordance with the Hospital Bylaws; Medical Staff Bylaws, Rules and Regulations, and standards established by the Executive Committee of the Medical Staff; with the ethical and professional standardsof the

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American Medical Association and the California and/or Nevada Medical Association; the standards of the Healthcare Facilities Accreditation Program (HFAP) and in any applicable specialty college or society or governmental regulation.

7.3 Medicare and Medicaid Enrollment: Each agreement shall specify that the health professional is duly enrolled in the federal Medicare program and the applicable State Medicaid program and eligible to seek reimbursement under such programs for covered services rendered by the provider to beneficiaries of such programs. Every agreement must contain a provision in which the health professional agrees to notify TFHS in the event participation terminates.

7.4 Quality Assessment: Professional service agreements shall require the health professional to participate in the Health System,Quality Improvement Program to ensure that the quality, safety and appropriateness of healthcare services are monitored and evaluated and that appropriate actions based on findings are taken to promote quality patient care. Furthermore, each agreement shall specify a process designed to assure that all individuals who provide patient care services under service agreements, but who are not subject to the Medical Staff privilege delineation process, are competent to provide such services. Whenever possible, information from customer satisfaction surveys shall be incorporated into the Quality Improvement Program for said service. Agreements which provide for Directorship responsibilities over a department or service shall require the health professional "Director" to be responsible for implementing a monitoring and evaluation process designed to improve patient care outcomes and which is integrated with the Health SystemQualityImprovementProgram.

7.5 Assignability: It is desirable that all professional service agreements be non-assignable unless important to the successful negotiation of a contract where higher priority objectives may be achieved. Where assignability becomes necessary, assignability shall be allowed only with the condition that prior written consent of the Board of Directors be obtained.

7.6 Contract Term: Professional service agreements shall specify a specific term and termination date (i.e., not automatically renewable for successive years). In considering the term of the agreement, the termination date of related agreements should be considered by the District Chief Executive Officer so as to minimize the likelihood of multiple agreements coming due on the same date or year. The length of the term shall be negotiable. Professional service contracts will typically range from one to four years in duration.

7.7 Professional Liability: In all cases, the health professional will be responsible for providing adequate professional liability insurance coverage at the health professional's expense. Limits of coverage for physicians will be a minimum of $l,000,000 per occurrence, $3,000,000 aggregate. For non-physicians, the minimum limits of coverage may vary depending on the standard established for that health profession. The agreement shall also specify that the contracting health professional will, in turn, either require or arrange for professional liability insurance coverage for all sub-contracting health professionals. Furthermore, the professional liability insurance policy must be obtained from a professional liability insurer which is authorized to transact the business of insurance in the State of California (or Nevada in the case of professional services provided at the District's Community Hospital in Incline Village, Nevada). Also, the professional

services agreement must require that the selected insurer will be responsible for notifying the District of any cancellation or reduction in coverage within thirty days of said action.

7.8 Regulatory Compliance: The agreement should include provisions in which both the District and the health professional commit to full compliance with all federal, state, and local laws. The contracting party should agree to keep confidential any financial, operating, proprietary, or business information relating to the District and to keep confidential, and to take the usual precautions to prevent the unauthorized use and disclosure of any and all Protected Health Information. The agreement should include provisions for amendment to the agreement in furtherance of maintaining compliance in the event of the adoption of subsequent legislation and/or regulations.

7.9 Recitals: Exclusive professional service agreements should include a carefully developed description of the rationales for exclusivity in a particular clinical service or department. Furthermore, if the agreement does assign exclusive responsibility for a particular service, it should state so expressly not leaving this to inference or interpretation.

7.10 Professional Relationships: The agreement should specify that the health professional is an independent contractor and is not an employee of the District.

7.11 Government Audit: The agreement should include the standard provision recognizing that the agreement and certain other materials will be subject to audit and inspection by certain federal authorities with regard to payments made for Medicare services.

7.12 Standard Contractual Language: The agreement should include certain standard provisions to theeffect that the provisions of the contract are severable and, therefore, the ruling that any one of them is void does not invalidate the entire agreement, and that the waiver of breach of one provision does not constitute a continuing waiver, and that the written agreement constitutes the entire contract between the parties.

~~10.4.~~7.13 Managed Care:The physician or health professional agrees to participate as a preferred provider with all of the managed healthcare plans (PPOs and HMOs) that the District has agreements with including agreements with insurance companies, health maintenance organizations and direct contracting with self-funded employers. Any deviation of this policy must be approved by District Administration and the Board of Directors.

Related Policies/Forms: Contracts Routing Form, Model Agreements
References:
Policy Owner:Clerk of the Board
Approved by: Chief Executive Officer

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	TahoeForest Health System				
	Title: Physician and Professional Service Agreements			**Policy/Procedure #:** ABD-21	
	Responsible Department: Board of Directors				
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
☒	Board	1/90	5/00; 01/12; 1/14	01/10; 02/14; 06/15	
☐	Medical Staff				
☐	Departmental				
Applies to: ☒System ☐TahoeForestHospital ☐InclineVillageCommunityHospital					

PURPOSE:

This policy is intended to provide the District's Chief Executive Officer a general framework for professional services contracting and recognizes that flexibility may be required due to the broad scope of professional services that may be covered. Further, to insure that the professional service provider is meeting the needs of Tahoe Forest Hospital District and the community that it serves, as well as allowing the provider to update the actual services performed, a formal service review process will be utilized.

POLICY:

Written professional service agreements will be prepared for all physicians and health professionals who qualify as independent contractors and who provide diagnostic or therapeutic services to Tahoe Forest Hospital District's patients, or who provide certain medico-administrative duties within a hospital department or service.

The following list exemplifies physicians and health professionals who will be covered by this policy including but not limited to:

- Anesthesiologists
- Medical Directors of specific departments/services, and Medical Staff Officers
- Physicians providing services in the District's Medical Services Clinics and Cancer Center
- Physicians serving in medical-administrative roles or on hospital committees
- Nuclear Medicine Specialists
- Emergency Services physicians
- Occupational therapists
- Pathologists
- Physical therapists
- Radiologists
- Speech pathologists
- Emergency and urgent care providers
- Mid-level practitioners not employed by the District
- Hospitalists

- Other contracted physicians

Procedures

1.0 All professional service agreements will be developed between the District's Chief Executive Officer and health professionals.

1.1 New agreementsshall utilize the model agreement for the type of service required from the contracting professional (See Exhibit A, attached, for a list of available model agreements); and

1.1.1 New agreements not utilizing the model agreement for the type of service required shall be reviewed by legal counsel prior to submission to the District's Board of Directors.

1.1.2 Agreementscommitting $25,000.00 or more in any given twelve-month period:

1.1.2.1 Once agreement is reached between the District's Chief Executive Officer and health professional, CEO will present the Contract Routing Form (or equivalent data summary report) with the principal terms and conditions listed, to the Board of Directors for their consideration. Principal terms and conditions include, but are not limited to, purpose of agreement, agreement term, compensation, scope of duties, total cost of contract, and other pertinent information.

1.1.2.2 Upon their review and consideration, the Board of Directors may request specific changes be made to the proposed terms and conditions, and revised terms and conditions be submitted to the Board at its next scheduled or special meeting.

1.1.2.3 After approval by the Board of Directors, the CEO will present the agreement to the health professional for review and signature, indicating his or her acceptance of the included terms

1.1.2.4 In the event the health professional requests changes in the principal terms and conditions of the agreement, the CEO will present a modified Contract Routing Form (or equivalent) to the Board of Directors

1.1.2.5 The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.

1.1.2.6 The professional service agreement will become effective following the Board of Directors' ratification, subject to the contract term identified in the agreement.

1.1.3 New agreementscommitting less than $25,000per twelve-month periodcan be authorized by the District's Chief Executive Officerwithout Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.

1.2 Renewal agreements:

1.2.1 All renewing agreements shall utilize the model agreement for the type of service required from the contracting professional.

1.2.1.1 Agreementscommitting $25,000.00 or more in any given twelve-month period:

1.2.1.1.1 Once agreement is reached between the District's Chief Executive Officer and health professional, CEO will present the Contract Routing Form (or equivalent) with the principal terms and conditions listed, to the Board of Directors for their consideration. Principal terms and conditions include, but are not limited to, purpose of agreement, agreement term, compensation, scope of duties, total cost of contract, and other pertinent information.

1.2.1.1.2 Upon their review and consideration, the Board of Directors may request specific changes be made to the proposed terms and conditions, and revised terms and conditions be submitted to the Board at its next scheduled or special meeting.

1.2.1.1.3 After approval by the Board of Directors, the CEO will present the agreement to the health professional for review and signature, indicating his or her acceptance of the included terms

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1.2.1.1.5 The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.

1.2.1.1.6 The professional service agreement will become effective following the Board of Directors' ratification, subject to the contract term identified in the agreement.

1.2.2 Renewal agreementscommitting less than $25,000per twelve-month periodcan be authorized by the District's Chief Executive Officerwithout Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.

1.3 Physician and other professional service agreements due for renewal may be held over for up to six months with no change in compensation terms at the discretion of the CEO, and in accordance with Stark Law and OIG regulations.

1.4 Urgent Services:

1.4.1 At the discretion of the CEO, an agreement required for urgent services may be presented directly to the Board of Directors.

1.4.1.1 All terms and condition must be included at the time of presentation.

1.4.1.2 The signature of the health professional will be required on such agreementsat the time of presentation to the Board.

1.5 All physician and professional service agreements will be processed by the Chief Executive Officer's administrative staff. The following guidelines will be utilized:

1.5.1 Material for agreements will be presented to the Chief Executive Officer's administrative staff in a timely manner to ensure that adequate time is available for preparation of the agreement within the required timeframes for timely execution and implementation.

1.5.2 Content and negotiations with health service professionals will remain thethe responsibility of the Admin Council members.

2.0 Compensation under Professional Service Agreements With Physicians Only.

In all cases, agreement will specify the financial arrangements related to the provision of physician professional services. The following methodologies may be utilized:

2.1 Hourly rates. Hourly rates are the preferred compensation method for administrative duties such as medical directorships, medical staff leadership positions, or committee attendance. Hourly rates or "per shift" rates with hours of coverage and response time specified are the preferred compensation method for on-call and hospitalist coverage.

2.1.1 Physicians shall be required to document the date, hours spent, and a description of work completed for all administrative duties.

2.1.2 On call calendars maintained by the medical staff office may be utilized as documentation for on-call and hospitalist agreements.

2.1.3 MSC physicians may receive RVU credit for administrative duties in lieu of cash compensation.

2.2 Base compensation plus bonus. Payment of a fixed base compensation plus bonus is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working more than half time. A consistent model for the compensation of MSC physicians shall be utilized, which may be subject to modification annually.

2.2.1 Management shall endeavor to create a model that is aligned with the following organizational goals, recognizing that simultaneous achievement of all goals may not be possible in all cases; however the first of these goals (paying within fair market value) cannot be compromised in any circumstance.

2.2.1.1 Pay within constraints of fair market value

2.2.1.2 Maintain internal equity within and between specialties

2.2.1.3 Provide sufficient compensation to recruit and retain physicians

2.2.1.4 Encourage quality and productivity

2.2.1.5 Be Clear and understandable to all parties

2.2.2 Base compensation shall be established based on an agreed upon percentage of the median compensation from one or more published compensation surveys, adjusted for the physician's FTE status.

2.2.2.1 FTE status shall be based on agreed number of days of work and/or hours of clinical availability, which may vary by specialty but which shall be consistent within each specialty.

2.2.2.2 The survey to be utilized shall be the annual MGMA Physician Compensation and Production Survey.

2.2.2.3 The Western Region median shall be utilized.

2.2.2.4 Data shall be smoothed by utilizing a 3-year average of the median from the three most recently published surveys.

2.2.2.5 In the event that, in management's professional opinion, the data from the MGMA survey in the Western Region is unreliable due to the low number of respondents or other factors, management may utilize the national median and/or data from other published surveys.

2.2.2.6 Survey data shall be adjusted for inflation that has occurred since the data was collected.

2.2.2.7 The percentage of median may be adjusted based on the physician's historic productivity, years of experience, special expertise, or the difficulty of recruiting a particular specialty to the area. However:

2.2.2.7.1 In no case shall the percentage of median compensation paid as base compensation (before FTE adjustment) fall below 70% nor shall it exceed 130% of the median.

2.2.2.7.2 In no case shall a physician's base compensation be decreased relative to the prior year unless either:

2.2.2.7.3 Physician's FTE status has changed

2.2.2.7.4 Physician's prior year productivity has fallen below 90% of the prior year's target, and physician failed to reach this productivity level due to factors that are under the physician's control, such as leaving early or taking excessive time off. Determination of the reasons for any such failure shall be reviewed by a panel that includes the Executive Director (or designee), the Medical Director and at least one other physician.

2.2.3 The costs of malpractice insurance and benefits that are borne by the physicians shall be considered based on such reasonable methodology as may be developed by management, which may include but is not limited to:

2.2.3.1 Adding the estimated costs of malpractice insurance, health insurance, retirement benefits, employer-paid payroll taxes, and other benefits that are customarily paid by organizations with the ability to employ physicians.

2.2.3.2 Reducing the WRVU target by an amount that would enable physicians to earn all or a portion of those costs by reaching a production level that is commensurate with their compensation.

2.2.4 Physician contracts may include a production and/or quality incentive, to encourage physicians to work to their full capacity, provided:

2.2.4.1 Productivity is measured in Work Relative Value Units (WRVUs), unless physician works in a specialty for which WRVU benchmark data is either unavailable or insufficient, in which case an alternate measure such as visits may be utilized.

2.2.4.2 The production incentive is in no way tied to referrals or to use of Tahoe Forest Hospital facilities.

2.2.4.3 The production target is set based on the same survey benchmarks utilized for compensation, and is set at a level that is proportionate to base salary.

2.2.4.4 Quality incentives, if any, are measurable and linked to factors that are within the physician's control.

2.2.4.5 The total projected compensation, including incentives, does not exceed fair market value.

2.3 Rate per Work Relative Value Unit (WRVU). Payment at a set rate per Work Relative Value Unit (WRVU) is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working less than half time.

2.3.1 The rate per RVU shall be based on the same compensation and production survey data that is utilized for physicians working half time or more, and may include an allowance for malpractice and benefits.

2.4 Percentage of professional fee collections. Payment based on a percentage of professional fees collected may be utilized for physicians who are not part of the MSC in those instances where the District accepts responsibility for billing and collecting from the patient or any third party payer for professional services and is able to separately bill for professional service fees.

2.4.1 Remuneration based upon a percentage of combined facility and professional gross charges or collections is prohibited.

2.4.2 The District will remit the amounts collected, depending upon the agreement, to the physician, deducting a percentage to account for the estimated expenses of the District's billing and collection services and other administrative and support services, if provided.

2.4.3 If the payment to the healthcare provider is based upon billings rather than collections, a further percentage will be deducted so to account for the estimated incidents of bad debts and contractual allowances. Furthermore, if the payment to the healthcare provider is based upon billings rather than collections, a revenue collection analysis will be performed at least annually to ensure compliance to the above compensation provision.

2.4.4 All professional fee schedules shall be made a part of the agreement and appropriately referenced. Professional fee schedules may be revised annually. Any changes to the professional fee schedule must be discussed between the District Chief Executive Officer and requesting physician prior to becoming effective. Requests shall conform to the following criteria:

2.4.4.1 Should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees;

2.4.4.2 All professional fees shall be reasonable and customary and comparable to professional fees charged by their peers within our region. The mechanism for determining compliance to this criteria will be determined on a case by case basis between the professional provider and District Chief Executive Officer.

2.4.4.3 Other relevant information should also be provided, e.g., changes required as a result of regulatory mandates; requests from individual physicians and Medical Staff; new service charges or extraordinary changes in provider costs not previously anticipated.

2.4.4.4 Written agreement reflecting mutual acceptance of the proposed revisions as meeting the above criteria shall be required prior to the changes becoming effective.

2.5 Payment per service.Payment at a specified rate per service is the preferred method for limited scope agreements in which the physician is providing clearly delineated clinical services. Examples include EKG interpretations, audiology reviews, and other services that are billed on a global basis by the hospital.

2.6 Specialty call activation fee.In specialties where a regular on-call panel is either infeasible due to the number of physicians on the medical staff within that specialty or the low incidence of emergency need for that specialty, a specialty activation fee may be offered in the event that physician is called in to respond to an emergency.

2.7 Fair Market Value.In all cases, physician's compensation must be within fair market value and must be determined to be commercially reasonable.

2.7.1 Fair market value for any individual contract shall generally be defined as an amount equal to or less than the 75th percentile of compensation, considering the physician's FTE status and production levels.

2.7.2 However management shall endeavor to design a compensation model that maintains the average physician's compensation within +/- 10% of the median (or between the 40th and 60th percentiles?).

3.0 Multiple agreements

3.1 Nothing in this policy shall prohibit the hospital from entering into multiple agreements with physicians; provided however that the designated hours of service are clearly segregated.

3.1.1 Physicians whose MSC duties are typically during regular Monday through Friday daytime hours may be paid for on-call coverage during

evenings, weekends, and scheduled days off and/or for administrative duties performed during lunch or after regular clinic hours.

3.1.2 MSC physicians who provide hospitalist, on-call, or administrative services during normal scheduled clinic time shall receive WRVU credit in lieu of cash payment.

3.1.3 The physician may perform administrative duties while on call, as long as clinical duties are not needed. If the physician is need for clinical duties, they must not bill administrative time when performing clinical duties.

4.0 Physician Qualifications:

4.1 Professional service agreements with physicians shall require:

4.1.1 A valid and unrestricted license to practice medicine in the state issued by the applicable state Medical Board;

4.1.2 All appropriate certifications, registrations and approvals from the Federal Drug Enforcement Administration and any other applicable federal or state agency necessary to prescribe and dispense drugs under applicable federal and state laws and regulations, in each case without restriction;

4.1.3 Prompt disclosure of the commencement or pendency of any action, proceeding, investigation or disciplinary proceeding against or involving Physician, including, without limitation, any medical staff investigation or disciplinary action;

4.1.4 Prompt written notice of any threat, claim or legal proceeding against TFHD that Physician becomes aware of, and cooperate with TFHD in the defense of any such threat, claim or proceeding and enforcing the rights (including rights of contribution or indemnity) that TFHD may have against other parties or through its insurance policies;

4.1.5 No discrimination against a patient based on race, creed, national origin, gender, sexual orientation, disability (including, without limitation, the condition(s) for which the patient seeks professional services from Physician), ability to pay or payment source.

4.2 Physician Qualifications In Coordination With Medical Staff Bylaws:

4.2.1 Professional service agreements with physicians shall requiretheir membership on the District's Medical Staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement.

4.2.2 Termination of the agreement will cause the physician to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the physician would lose his Medical Staff membership and privileges; he/she would simply lose the right to gain access to the service or department which is the subject of the exclusive agreement.

4.3 Contract Termination Clause

4.3.1 :In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon prior written notice.

4.3.2 The following language will be utilized: “For cause” termination of a physician contract during the first year of its term; “No cause” termination following the first year of its term.

4.3.2.1 The timeframe for prior written notice may range from 60-180 days. Further, termination of the agreement does not afford the physician the right to request a medical staff hearing or any other review pursuant to the Medical Staff By-Laws.

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5.0 Provisions For Health Professional Service Agreements

5.1 Compensation:

In all cases, the contract will specify the financial arrangements related to the provision of professional services. It is desirable that remuneration be based upon a set professional fee schedule rather than a percentage of gross or net patient charges. However, it is recognized that a wide variety of other mechanisms may be utilized and such other mechanisms are left to the discretion of the District Chief Executive Officerand Board of Directors.

5.2 Professional Fee Schedule:

5.2.1 When reimbursement is based upon professional fee schedules, said fee schedule shall be made a part of the agreement with the health professional. When provided for by agreement, professional fee schedule revisions will be considered once annually in a timeframe that coincides with the District’s operating budget.

5.2.1.1 Requests for revisions must be submitted to the District Chief Executive Officer by April of each year for implementation by July. The request should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees requested. The District Chief Executive Officer will determine the acceptability of the proposed changes.

5.3 Health Professional Qualifications in Coordination with Medical Staff By-Laws:

5.3.1 Professional service agreements may require certain health professionals to be members of the District’s allied health professional staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement.

5.3.2 Should a health services agreement be cancelled involving an allied health professional, termination of the agreement will cause the health professional to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the health professional would lose his allied health professional appointment or related privileges.

5.4 Contract Termination Clause

5.4.1 In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon written notice.

5.4.2 The timeframe for prior written notice may range from 60-180 days. When the health professional is required to be an allied health professional, termination of the agreement will not afford the allied health professional the right to request the due process hearing described by the Medical Staff rules and regulations for allied health professionals.

6.0 Physician and Health Professional Service Agreement Contract and Service Review

6.1 Contract Review

6.1.1 Prior to the end of a contract period, the Chief Executive Officer may choose to conduct a contract review or at any time during the contract period.

6.1.2 The Board of Directors can recommend that a contract review be done prior to most contract renewalsbut allows the CEO discretion to forego the review if the contract renewal is on an annual basis or if other factors indicate that the review is not necessary prior to that particular contract renewal.

At a minimum of every five years, the Chief Executive Officer will conduct a service review of the contract service provided by the physician, physician group and/or other professional service. The Chief Executive Officer will undertake the service review and a report based upon this service review will be made to the Board of Directors.

6.2 Contract Review Elements

6.2.1 Ensure that the terms of the contract are being met as outlined in the service agreement.
6.2.2 Review the service as it related to consistency with the District's compliance program.
6.2.3 Assessment of patient, physician and staff opinions/input/complaints.

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6.3.1.1 Quality of care being provided based on the specialty's identified standards of care.
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6.3.1.4 Patient, physician and staff opinions/inputs/complaints

6.4 Other Review Elements: In addition the Chief Executive Officer will:

6.4.1 Ensure that the terms of the contract are being met as outlined in the service agreement.
6.4.2 Review market conditions with appropriate benchmarking and make recommendations as to the continuation of the current contract.
6.4.3 Ensure that the fee schedule is appropriate for current market conditions.
6.4.4 Take in to consideration elements of the contractor's relationships with service providers, the District and the community.

6.4.5 Review standards and best practice recommendations set by professional and specialty organizations with appropriate consideration of our community and Hospital District.

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7.2 Standards Of Practice: Each agreement shall specify that the health professional will provide the service in accordance with the Hospital Bylaws; Medical Staff Bylaws, Rules and Regulations, and standards established by the Executive Committee of the Medical Staff; with the ethical and professional standardsof the American Medical Association and the California and/or Nevada Medical Association; the standards of the Healthcare Facilities Accreditation Program (HFAP) and in any applicable specialty college or society or governmental regulation.

7.3 Medicare and Medicaid Enrollment: Each agreement shall specify that the health professional is duly enrolled in the federal Medicare program and the applicable State Medicaid program and eligible to seek reimbursement under such programs for covered services rendered by the provider to beneficiaries of such programs. Every agreement must contain a provision in which the health professional agrees to notify TFHS in the event participation terminates.

7.4 Quality Assessment: Professional service agreements shall require the health professional to participate in the Health System,Quality Improvement Program to ensure that the quality, safety and appropriateness of healthcare services are monitored and evaluated and that appropriate actions based on findings are taken to promote quality patient care. Furthermore, each agreement shall specify a process designed to assure that all individuals who provide patient care services under service agreements, but who are not subject to the Medical Staff privilege delineation process, are competent to provide such services. Whenever possible, information from customer satisfaction surveys shall be incorporated into the Quality Improvement Program for said service. Agreements which provide for Directorship responsibilities over a department or service shall require the health professional "Director" to be responsible for implementing a monitoring

and evaluation process designed to improve patient care outcomes and which is integrated with the Health SystemQualityImprovementProgram.

7.5 Assignability: It is desirable that all professional service agreements be non-assignable unless important to the successful negotiation of a contract where higher priority objectives may be achieved. Where assignability becomes necessary, assignability shall be allowed only with the condition that prior written consent of the Board of Directors be obtained.

7.6 Contract Term: Professional service agreements shall specify a specific term and termination date (i.e., not automatically renewable for successive years). In considering the term of the agreement, the termination date of related agreements should be considered by the District Chief Executive Officer so as to minimize the likelihood of multiple agreements coming due on the same date or year. The length of the term shall be negotiable. Professional service contracts will typically range from one to four years in duration.

7.7 Professional Liability: In all cases, the health professional will be responsible for providing adequate professional liability insurance coverage at the health professional's expense. Limits of coverage for physicians will be a minimum of $l,000,000 per occurrence, $3,000,000 aggregate. For non-physicians, the minimum limits of coverage may vary depending on the standard established for that health profession. The agreement shall also specify that the contracting health professional will, in turn, either require or arrange for professional liability insurance coverage for all sub-contracting health professionals. Furthermore, the professional liability insurance policy must be obtained from a professional liability insurer which is authorized to transact the business of insurance in the State of California (or Nevada in the case of professional services provided at the District's Community Hospital in Incline Village, Nevada). Also, the professional services agreement must require that the selected insurer will be responsible for notifying the District of any cancellation or reduction in coverage within thirty days of said action.

7.8 Regulatory Compliance: The agreement should include provisions in which both the District and the health professional commit to full compliance with all federal, state, and local laws. The contracting party should agree to keep confidential any financial, operating, proprietary, or business information relating to the District and to keep confidential, and to take the usual precautions to prevent the unauthorized use and disclosure of any and all Protected Health Information. The agreement should include provisions for amendment to the agreement in furtherance of maintaining compliance in the event of the adoption of subsequent legislation and/or regulations.

7.9 Recitals: Exclusive professional service agreements should include a carefully developed description of the rationales for exclusivity in a particular clinical service or department. Furthermore, if the agreement does assign exclusive responsibility for a particular service, it should state so expressly not leaving this to inference or interpretation.

7.10 Professional Relationships: The agreement should specify that the health professional is an independent contractor and is not an employee of the District.

7.11 Government Audit: The agreement should include the standard provision recognizing that the agreement and certain other materials will be subject to audit

and inspection by certain federal authorities with regard to payments made for Medicare services.

7.12 Standard Contractual Language: The agreement should include certain standard provisions to theeffect that the provisions of the contract are severable and, therefore, the ruling that any one of them is void does not invalidate the entire agreement, and that the waiver of breach of one provision does not constitute a continuing waiver, and that the written agreement constitutes the entire contract between the parties.

7.13 Managed Care:The physician or health professional agrees to participate as a preferred provider with all of the managed healthcare plans (PPOs and HMOs) that the District has agreements with including agreements with insurance companies, health maintenance organizations and direct contracting with self-funded employers. Any deviation of this policy must be approved by District Administration and the Board of Directors.

Related Policies/Forms: Contracts Routing Form, Model Agreements
References:
Policy Owner:Clerk of the Board
Approved by: Chief Executive Officer

TAHOE FOREST HOSPITAL DISTRICT

Board Executive Summary

By: **Karen Sessler, M.D.**
President, Board of Directors

DATE: July 23, 2015

ISSUE:
Six month check in on Board goals for 2015.

BACKGROUND:
The board initially set goals for 2015 in January 2015, and further refined those goals following the Board retreat in March 2015. Staff assisted in the creation of the attached 2015 Board Goals grid to more clearly identify metrics, goal owners and status.

ACTION REQUESTED:
Review progress toward established goals and identify tactics for achieving outstanding items. Specific input is requested regarding Goal 5: Update the Mission and Vision Statements. Input may be used in identifying agenda items for the board retreat in September.

Alternatives:

2015 TFHD Board Goals DASHBOARD

	Stated Goal:	Tactic	Measurement	Owner	Status
1	Confirm a CEO within 12 months	A. The personnel committee will create a CEO search process plan	Commence on April 9	Personnel Committee	**Done**
			Communicate the plan/process	Board Chair/Board	Ongoing
		B. Personnel committee to establish CEO criteria with input from medical staff, employees, the community and Board (all stakeholder groups).	Board approved CEO Criteria. Written plan to Board at May Meeting	Personnel Committee	In Process
		C. Vet a search firm/negotiate contract		Personnel Committee	**Done**
2	Develop a Strong Partnership between the Board & CEO	A. Establish a formalized/systematic CEO review process	Form will be provided to Interim CEO for review and Consideration	Personnel Committee	In Process
		B. Friday Update provided to the Board by the CEO	Interim CEO will provide written report for upload to the Board Portal each week.	CEO	On hold
		C. No surprises – both directions	Meeting assessment form Efficiency of meetings	Board / CEO	Ongoing
3	Ensure the Long-term Viability of the Hospital District	A. Board to be educated and understand the necessary business models for the future	CEO to provide education materials on a consistent basis - tie to decisions coming to the board in the future	CEO	Ongoing
4	Improve the Relationship between the Board, Hospital and the Community	A. Develop a plan to meet with small groups of concerned community members Rotating Board Director and CEO to provide a feedback/communication loop. Establish an "ears open, mouth closed"approach	Breakfast meeting approximately every six weeks. Brooks to work with interim CEO to establish first meeting.	CEO	Ongoing
		B. Monthly Board Director/CEO rounding for staff		CEO	Ongoing
		C. Board Directors to continue to engage in the community		Coordination with Ted and Paige	
5	Update the Mission and Vision Statements	A. Accelerate the visioning process. Have the Personnel Committee make a recommendation to the Board and include the visioning process as part of the CEO search.	Chair will have a conversation with Zipkin and Whiteside to identify how to include this as a component.	Personnel Committee	
		B. CEO will determine best practices and make a recommendation to the Board.		CEO	
		C. Process will be completed prior to hiring a new CEO		Personnel Committee	
		D. Process will be collaborative with all stakeholders		Stakeholders	
6	Ensure Effective Compliance Program is a Priority of the Board	A. Work closely with Administration		Fox Group	2015 Plan Approved
		B. Quarterly update report to the Board from the CEO		Fox Group	1Q Done
		C. Review the consultant reports/recommendations	Medium term plan in process. Determine short / medium / long term plan for Compliance program staffing	Fox Group	Done
7	It is a Priority of the Board that TFHD Functions to the Highest Ethical Standards	A. Review current ethics policies		Governance Committee	
		B. Adopt the JUST Culture		Board / TFHD	
		C. Lead by example at the Board level		Board	Ongoing
		D. Ongoing education	CSDA certification and ACHD program will be looked at more closely for models to determine the subgoals.	Ted Owens/Governance Committee	In Process
8	Limit regular, open-session, Board meetings to 3-4 hours, once a month	A. Limit presenters to 5 minutes		Board Chair	
		B. Develop a hard stop time limit (10:00 PM)		Board Chair	
		C. Move consent to the end of the agenda		Governance Committee/Board	
		D. No surprises		Board / CEO	

TAHOE FOREST HEALTH SYSTEM

FINANCE COMMITTEE AGENDA

Thursday, July 23, 2015 at 2:00 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL
Dale Chamblin, Committee Chair; Greg Jellinek, M.D., Board Member

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

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

5. APPROVAL OF MINUTES OF: 05/21/2015 ..... ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports:
- 6.1.1. Financial Report – Preliminary June 2015 Quarterly Packet ..... ATTACHMENT
- 6.1.2. Quarterly Review Financial Status of Separate Entities ..... ATTACHMENT
- 6.1.3. Quarterly Review of Revenue Payor Mix..... ATTACHMENT
- 6.1.4. TIRHR Expenditure Report ..... ATTACHMENT

6.2. General Obligation Bond Property Tax Rate Calculation and Resolution..... ATTACHMENT

6.3. Board Education and Updates
- 6.3.1. Pricing

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... ATTACHMENT

9. NEXT MEETING DATE ..... ATTACHMENT

10. ADJOURN

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

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

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

TAHOE FOREST HOSPITAL DISTRICT

Board Informational Report

By: Jake Dorst
CEO/CIO

DATE: 07/21/2015

STRATEGIC INITIATIVE 2.1
Develop an accountable and fully engaged team / establish a formal system of communication and feedback with the medical staff organization and medical staff leadership to optimize medical staff involvement in strategic planning, projects and program innovation.

- TFHD has engaged ECG to begin working on alternative partnering avenues with local physicians and clinics in our district.

STRATEGIC INITIATIVE 2.2
Develop an accountable and fully engaged team / Conduct a formal survey to optimize employee engagement and use results to identify opportunities for improvement

- Administrative rounding and open table lunches with the CEO continue.

STRATEGIC INITIATIVE 4.2
Develop and approve Meaningful Use (MU) stage one attestation plan Measurement: TFHS hospitals will submit the plan no later than 4th quarter of the 2015 federal fiscal year (July 2015).

- TFHD successfully attested for MU stage 1 for both Incline Village and Tahoe Forest facilities.

STRATEGIC INITIATIVE 4.3
Develop a long-range IT EMR plan (3-10 years) to optimize potential strategic technology investments and execute after approval from the Board of Directors.

- TFHD is reviewing the RFI responses for a new Electronic Health Record and has begun talks with Renown on a hosted EPIC system.

- A formal RFP process will be initiated once the number of vendors is reduced via the RFI process and presented to the Board for approval of the new plan.

STRATEGIC INTATIVE 5
Partner with regional and local medical providers

- TFHD had a good meeting with Renown and will be pursuing more information surrounding their EPIC EHR hosted solution.

STRATEGIC INTATIVE 1

Patients Service and Quality

- The Skilled Nursing Facility recently completed their Annual CDPH/CMS survey. The results demonstrated substantial compliance with all of the required elements and regulations. The management and staff did a remarkable job during this four day process and were commended on another successful survey.

TAHOE FOREST HOSPITAL DISTRICT

Board CNO/COO Report

By: Judith Newland **DATE: July 20, 2015**

STRATEGIC INITIATIVE 1.1.
Management and Medical Staff will develop an annually quality plan and safety plan.

Management and Medical Staff developed a communication plan to optimize patient outcomes and improve patient safety by improving communication among health care professionals. On August 13th both health system clinical staff and medical staff will be attending sessions on improving effective communication. Focus will be on handoff communication requiring crucial information that necessitates immediate attention and action concerning patients and managing critical conversations with direct, open and honest communication.

STRATEGIC INITIATIVE 1.2.
Conduct patient satisfaction surveys, report outcomes, and develop action plans for improvement – achieve Home Health HHCAHPS 90% top box for "patient recommendation" and "patient rate this agency 9 or 10".

Home Health Compare (HCC) is a new Medicare website created by the Centers for Medicare & Medicaid Services. HCC has information about the quality of care provided by Medicare-certified" home health agencies throughout the nation and shows you what patients said about their recent home health care experience. Tahoe Forest Home Health patient experience results show patients rate overall care at 93% compared to 80% California and 84% national. Patient's recommendation of the Home Health Agency to friends and family are at 86% compared to California 74% and national 79%. Leadership will be looking at our Home Health Compare comparative results carefully to prioritize and improve our quality of care and patient experience.

STRATEGIC INITIATIVE 1.4.
Maintain accreditation with HFAP.

The annual Federal Survey conducted in July as part of the annual review of our Extended Care Center was most successful. Upon a thorough evaluation by two surveyors, a limited number of deficiencies were identified. The ECC nursing staff, support staff, and leadership have worked hard this past year to prepare for this unannounced survey. Congratulations to the ECC staff for a successful survey.

STRATEGIC INITIATIVE 3.5.
Improve the continuity, effectiveness and efficiency of care delivery in clinical services.

The Respiratory Therapy services have transitioned from a contracted service to a department of the hospital. The success of this transition can be attributed to the hard work by leadership and staff over the past year. There has been no changes to the service and continues with the highly skilled Respiratory Therapist that have always provided care to our patients. Mr. Jason Grosdidier has taken the position as Manager of Respiratory Therapy Services. Mr. Bob Tilton, who has overseen the program for many years, has chosen not to continue in the Manager role and we wish him the best in his future endeavors.

STRATEGIC INITIATIVE 4.0.

Make the most effective investment in and use of information systems.

The Laboratory SOFT upgrade had its formal kickoff on July 9th and will be a six month project. The purpose of the upgrade is to move to the current version which will allow for additional functionality, prepare for meaningful Use Stage-2 and support the sharing of information with disparate EMRs and government databases.

STRATEGIC INITIATIVE 7.3.

Develop and expand philanthropic and volunteer service.

The annual Tahoe Forest Hospital Auxiliary Appreciation Luncheon was held on June 24th at Garwoods. The volunteers were recognized for their dedication and support to Tahoe Forest Hospital District.

Congratulations to Nan Healy, long time volunteer with the North Lake Tahoe Community Health Care Auxiliary, for being recognized as the Volunteer of the Year for the community of Incline Village, Nevada. Thank you to Mrs. Healy for her ongoing dedication and commitment as a volunteer to Incline Village Community Hospital.

The Incline Village Community Hospital Foundation (IVCHF) had a successful Donor Appreciation Event on July 8th, 2015. The event is usually located at the Kern Schumacher estate but do to weather the event needed to be moved to the hospital. Even with this last minute move there were over 70 guests in attendance. The Donor Appreciate Event at the Kern Estate has been rescheduled for later in August.

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To: Tahoe Forest Hospital District Board of Directors

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

Date: July 20, 2015

Subject: Update on Chief Executive Officer Search

We are now nearly three months along in our search for the next Chief Executive Officer for Tahoe Forest Hospital District (TFHD). We are about where I expected we would be at this point and making good progress. I regret not being able to deliver this report in person, but I am traveling to meet with two possible candidates.

In the initial stages of a search, our goal is to gather the necessary information from a variety of sources so that we determine the qualities, characteristics, and background for the best candidates. As you probably know, meetings were held with multiple community members and groups in the District. And, of course, I met with Board members, all levels of staff and administration, and members of the medical staff. We also received many emails to TahoeForestCEOSearch@gmail.com.

Upon the completion of these meetings (though some input is still coming in), the information was memorialized in the CEO Job Specification presented at the Board meeting on June 19, 2015. The next important stage in a search is to communicate this opportunity to every possible candidate. To accomplish this, I've sent nearly 1000 personalized emails to high level healthcare executives in California and beyond. I have also made over 100 phone calls to appropriate individuals. These messages went to nearly every hospital and healthcare system CEO and CFO in California. Additional recipients were trade association execs, industry contracts, and key executives from HFS's database. Follow up phone calls and return emails to everyone that responded, as well as many that did not, resulted in a possible candidate list of more than 40 candidates.Of these, nearly 20 were qualified and worth further exploration.

After extensive phone interviews with the above candidates, we now have 13 remaining executives. Of the group that was already eliminated, some chose to withdraw themselves, and some were not qualified or a good fit.

Currently, and over the next few weeks, I hope to meet with each of the remaining candidates, either in person (best choice) or via a video call (if candidate is too far away or too difficult to schedule). After these interviews, I will be prepared to present the best of the group to the Board for consideration. Each candidate has been requested to write a letter expressing their

ideas on why their experience and background will best serve TFHD. These letters will be included in candidate information we present.

I think we are making very good progress and I am optimistic about finding an excellent executive for TFHD's future. I would be happy to answer any questions or hear any suggestions.

We appreciate the opportunity to be of service to you.

TAHOE FOREST HOSPITAL DISTRICT

Board Informational Report

By: Paige Thomason
Director of Marketing & Communications

DATE: July 2015

CURRENT PROJECTS, APRIL-JULY 2015

Health System Magazine: The fifth edition of the TFHS Magazine was published July 2015 with a feature story about the Wellness Neighborhood. The edition also included local physician profiles, health system news briefs, Measure C project updates, wellness news and information about accessing hospital programs. Distribution is in progress and includes 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 14,174. The piece is promoted heavily through public relations outreach, print advertising, website and social media.

Orthopedic Advisory Council: Work continues with this community group to develop programs and messaging. Marketing support is being provided for community outreach to service groups beginning this fall.

Total Joint Program: Development continues with Dan Coll for marketing outreach of the Total Joint Program which includes promotion of the direct anterior approach hip replacement, and partial and total knee surgery and shoulder replacements. Web pages, print and online advertising, public relations and collateral materials are in development and near completion.

Wellness Neighborhood: Second printing of the mental health provider handbook was recently completed, mailed and posted online. Outreach for the "Rethink Healthy" and "BeFit" campaigns is ongoing.

Website: Preliminary work is underway for redevelopment of the TFHD website. This would include a complete redesign of the site.

Continued-

Other Marketing, Advertising and Public Relations Activities Completed or in Progress:

- Five star hospital advertising, PR and social media campaign
- GU Memorial Golf Classic and Best of Tahoe Chefs marketing support
- Quality pages redesign/update, TFHD website
- 1Bios Health Management Program
- CT scan marketing
- Place Based Marketing committee
- IVCH marketing support for monthly programs such as sports physicals, health talks, ER
- Hospice Thrift Store support
- CEO search community outreach
- Yoga for Life marketing support
- Community Walking Challenge marketing support
- Cancer Center marketing support
- Employee Town Hall Meetings production
- Nurse of the Year
- Breast Health Awareness Month planning
- MultiSpecialty Clinics advertising campaign
- Sleep Medicine program
- Affordable Health Screenings
- Center for Health and Sports Performance programs and services

Tahoe Forest Hospital District

Board of Directors Meeting Evaluation Form

Date: _____

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

Please provide further feedback here: