



TAHOE FOREST HOSPITAL DISTRICT

2017-12-12 Board Executive Compensation Committee Meeting

REVISED - 12/11/17

Tuesday, December 12, 2017 at 10:30 a.m.

Pine Cafe Conference Room - Tahoe Forest Hospital

10121 Pine Avenue, Truckee, CA 96161

Meeting Book - 2017-12-12 Board Executive Compensation Committee Meeting

12/12/17 Exec Compensation Committee

AGENDA

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Agenda.pdf Page 3

ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

2017-10-23 Board Personnel Committee_DRAFT Minutes.pdf Page 4

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR ACTION

6.1.a. FY17 CEO Incentive Compensation.pdf Page 6

6.1.b. CEO BOD Report for incentive purposes for FY17.pdf Page 10

6.2. Executive Compensation Committee Charter FY18
2017_1130 FINAL.pdf Page 13

ITEMS 7 - 10: See Agenda



BOARD EXECUTIVE COMPENSATION COMMITTEE AGENDA

Tuesday, December 12, 2017 at 10:30 a.m.
Pine Cafe Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**
2. **ROLL CALL**
Alyce Wong, R.N., Chair; Dale Chamblin, 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: 10/23/2017..... ATTACHMENT**
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. **FY17 CEO Incentive Compensation ATTACHMENT**
Executive Compensation Committee will review the metrics for FY17 CEO Incentive Compensation and provide a recommendation to the Board of Directors.
 - 6.2. **Committee Charter ATTACHMENT**
Executive Compensation Committee will review and discuss its committee charter.
7. **CLOSED SESSION**
 - 7.1. **Approval of Closed Session Minutes**
10/23/2017
8. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
9. **NEXT MEETING DATE**
Personnel Committee will meet as needed.
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.

BOARD PERSONNEL COMMITTEE

DRAFT MINUTES

Monday, October 23, 2017 at 1:00 p.m.
Human Resources Conference Room - Tahoe Forest Hospital
10024 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

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

2. ROLL CALL

Board: Alyce Wong, R.N., Chair; Dale Chamblin, Board Member

Staff in attendance: Alex MacLennan, Chief Human Resources Officer; Jan Waters, HRIS Specialist; DeeDee Holmes, Benefits Coordinator; Martina Rochefort, Clerk of the Board

Other: Ben Teichman and Jack Thomas of FutureSense

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

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 10/03/2017

Director Chamblin moved approval of the October 3, 2017 Personnel Committee minutes, seconded by Director Wong.

David Ruderman, Assistant General Counsel, joined the meeting via phone at 1:04 p.m.

Open Session recessed at 1:04 p.m.

6. CLOSED SESSION

6.1. Conference with Labor Negotiator (Government Code § 54957.6)

Name of District Negotiator(s) to Attend Closed Session: Alyce Wong

Unrepresented Employee: Chief Executive Officer

Discussion was held on a privileged item.

6.2. Approval of Closed Session Minutes

10/03/2017

Discussion was held on a privileged item.

Open Session reconvened at 3:02 p.m.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None.

8. NEXT MEETING DATE

Personnel Committee will meet as needed.

9. ADJOURN

Meeting adjourned at 3:03 p.m.

DRAFT

FY17 CEO Incentive Compensation Criteria

The Board of Directors agreed on the following incentive compensation and performance criteria:

- Achieve net income of \$4,080,024 - 6/30/17 **WEIGHTED: 60%**
- Achieve target of 170 days cash on hand - 6/30/17 **WEIGHTED: 10%**

****Both of these metrics have to be achieved for payout.**

6 major goals (previously defined as strategies) **WEIGHTED: 30%**
• Compliance **(WEIGHTED: 10%)**

The CEO will assure and demonstrate that a current and comprehensive compliance program is in place.

- Patient Satisfaction/Quality **(WEIGHTED: 10%)**

Achieve 93.76 (same as 6/30/16) for Patient Satisfaction score from Press Ganey (IP, OP, Ambulatory, TFH/IV ER, MSC).

- Physician service lines **(WEIGHTED: 5%)**

Complete makeover, Considering ECG work & task force work, Walter Kopp input.

- Information Technology **(WEIGHTED: 2%)**

Define with best terms the next EMR for TFHS and the related business software.

- Create a new Master Plan **(WEIGHTED: 1%)**

All physician services, clinical services, overhead services and parking.

- Community Relations **(WEIGHTED: 2%)**

5. COMPENSATION. During the term of this Agreement, Employee shall be entitled to the following compensation:

(a) Salary. The Employee's base salary during the term of this Agreement, beginning December 7, 2015 shall be Three Hundred Fifty Thousand Dollars (\$350,000) per year. The Employee shall receive this salary pro-rated on a bi-weekly basis less required and authorized deductions.

(b) Incentive Compensation Plan Participation. Employee shall participate in the District's Incentive Compensation Plan (the "Plan"). The Plan allows for additional compensation up to twenty (20) percent of Employee's base salary based on achievement of financial and other targets established by the District's Board of Directors. The District's Board of Directors shall determine whether the established financial targets have been achieved and the amount of Incentive Compensation, if any, due Employee. First year targets will be agreed to in the first 90 days of employment.

(c) Personal Leave. Employee shall be entitled to twenty-nine (29) days of Personal Leave (calculated upon the basis of fifteen (15) days of vacation and nine (9) days of holidays and five (5) short term illness days) to be used for holidays, vacation and short-term illnesses. Said Personal Leave shall accrue each two-week payperiod in accordance with District policies and practices. Said leave shall continue to accrue during periods when employee is actively using said Personal Leave time. Employee's use of Personal Leave shall conform to the policy of the District regarding use of Personal Leave.

(d) Long Term Sick Leave. Employee shall be entitled to fifty-six (56) hours of Long Term Sick Leave each year to be used for long term illnesses or in the event of a work related injury. Said Long Term Sick Leave shall accrue at the rate of two and 16/100 (2.16) hours each two-week payperiod and shall continue to accrue during periods when employee is actively using said Long Term Sick Leave or Personal Leave. Employee's use of Long Term Sick Leave shall conform to the policy of the District regarding use of Long Term Sick Leave.

(e) Long Term Disability. The District shall maintain its standard long-term disability policy for Employee subject to acceptance of Employee by the Long Term Disability carrier.

(f) Retirement Benefits. The Employee shall be entitled to the same retirement benefits as are provided to other employees of the District.

(g) Medical and Life Insurance. Employee shall be entitled to term life insurance coverage in the amount of Five Hundred Thousand Dollars (\$500,000.00), the premiums for said coverage to be paid for by the District during the term of this Agreement. Employee and his dependents shall be entitled to medical insurance benefits, the premiums for said coverage to be paid for by the District during the term of this Agreement. Employee will participate in Life Insurance benefits of two time's base salary as available to other District management positions.

(h) Automobile. In order to reimburse Employee for expenses related to the business use of Employee's automobile, and automobiles rented by Employee, and as part of Employee's compensation, the District shall pay to Employee the sum of Seven Thousand Five Hundred Dollars (\$7,500) per year prorated

Weis, Harry

From: Betts, Crystal
Sent: Monday, December 04, 2017 1:24 PM
To: Weis, Harry
Cc: Rochefort, Martina
Subject: DCOH and Net Income for FY17

Hi Harry,

Days Cash on Hand at 6/30/17 was 191. Target (Budget) was 170.
Net Income at 6/30/17 was \$18,373.224. Target (Budget) was \$4,080,024

Please let me know if you need any additional information.

Thank you.

Crystal Betts
Chief Financial Officer
cbetts@tfhd.com
(530) 582-6656 Direct
(530) 562-7415 Cell
(530) 582-3567 Fax



P.O. Box 759
Truckee, CA 96160

EMPLOYEE GAIN SHARING DASHBOARD - AS OF NOVEMBER 30, 2017

PATIENT SATISFACTION						
MEASURE:	June 30 2016	Sept. 30 2016	Dec. 31 2016	Mar. 31 2017	June 30 2017	Fiscal Year 2017 Average
Inpatient	92.85	90.80	92.20	92.30	92.40	91.93
Outpatient	93.60	94.10	92.80	94.20	94.80	93.98
Ambulatory	95.50	95.10	94.20	94.60	94.20	94.53
TFH ER	92.90	94.70	95.10	92.70	94.80	94.33
IVCH ER	96.93	96.50	95.60	96.30	95.00	95.85
MSC	90.75	91.80	92.60	93.20	92.20	92.45
TOTAL Average	93.76	93.83	93.75	93.88	93.90	93.84

NET INCOME AND GAIN SHARING POOL			
Audited End of Year Net Income	Possible Gain Sharing Pool	Patient Satisfaction Scores Met?	Available Gain Sharing Pool
\$ 23,239,108	\$ 3,485,866	Yes	\$ 3,485,866

2016 COMPARED 2017

KEY INDICATOR	YAHOO! Goal met or exceeded	WARNING! Goal Slipping	OH NO! Goal Not Met

GAIN SHARING PERCENTAGE	
NET INCOME AT LEAST:	
\$ 4,000,000	12%
\$ 6,000,000	13%
\$ 8,000,000	14%
\$ 10,000,000	15%



CEO Incentive Performance FY 17

By: **Harry Weis**
CEO

DATE: 12/5/17

Dear Chair and Members of the Board of Directors:

Using the Board approved incentive parameters below is a list of the parameters and our response or numerical results on each of these important topics.

Board Incentive goal: Achieve Net Income of at least \$4,080,024 in FY 17. Board incentive weight: 60%. CEO response: Actual performance was a record for this health system as compared to any previous year in its entire 68 year history in the amount of \$18,373,224.

Board Incentive goal: Achieve at least 170 days of cash on hand at 6/30/17: Board Incentive weight: 10%. CEO response: Actual days of cash on hand at 6/30/17 is 191.

Board Incentive goal: On the topic of Corporate Compliance, the CEO will demonstrate that a current and comprehensive compliance program is in place. Board Incentive weight: 10%. CEO response: All throughout FY 17 Jim Hook health system Corporate Compliance Officer has provided thorough regular updates on all compliance matters on going in the health system. There were at least 33 investigations commenced and 19 closed during the fiscal year. A new Code of Conduct booklet was also created and Compliance also assisted in the HFAP surveys. I believe we have a thorough and proactive compliance program here in the health system.

Board Incentive goal: On the topic of Patient Satisfaction/Quality, the health system is to achieve at least a 93.76 patient satisfaction score from the Press Ganey reports which surveys IP, OP, Ambulatory Surgery, both hospital ERs and the Multispecialty Clinics. Board Incentive weight: 10%. CEO response: The measurement tool and scoring is identical to the system wide employee gain sharing program. Please see the attached matrix where we achieved 93.84 average patient satisfaction score.

Board Incentive goal: On the topic of Physician service lines, a complete makeover considering ECG past work, Walter Kopp input etc. Board Incentive weight: 5%. CEO response: First, we've hired experienced permanent leadership for the first time a few years including Scott Baker, Gayle McAmis, Jim McKenna and a part time CMO to begin the journey of supporting excellence in the clinical and operational aspects of physician services. We have engaged HFS Consulting to assist us with several critical Rural Health Clinics sites which once in place will provide a tremendous positive benefit to patient access and improved financial sustainability for the health system.

We have created a thoughtful forward looking 10 year Master Plan which includes renovation or entirely new office space to really meet the growing need for physician services in our region. This Master Plan has been presented to the board and to the public and has been illustrated in our just approved FY 18 operating and capital budgets. We have also added the OB group to the health system as of November of 2017 and we previously added the Orthopedic group in April of 2016. We are in discussions with our physicians as well presently.

We have a strong focus on retention and recruitment of physicians and we've demonstrated many features or improvements in our physician contracting tools and will continue to make adjustments to current with market force activities.

We have many new strategies in place now to improve recruitment and retainage of the important staff that serve our physicians in their office practices as well.

Board Incentive goal: Information Technology – define with best terms the next EMR for TFHS and the related business software. Board incentive weight: 2%. CEO response: With strong Board support and approval our team began the journey to commence the Mercy EPIC software and related software throughout the health system. We had a successful go live on 11/1/17. In addition we went live with the Kaufman Hall and Premier business software tools which will provide financial and cost accounting information. A tremendous thank you goes out to all of the individuals who led out in this change effort and to our physicians and staff who are now on the journey of using very new and different software. Mercy has given this go live very high marks as compared to the many previous go lives, they have completed.

Board Incentive goal: Create a new Master Plan considering all physician services, clinical services, overhead services and parking. Board incentive weight: 1%. CEO response: Our team has created a thoughtful, innovative, forward looking 10 year Master Plan which has been presented in its entirety to the Board in open session and again at a more detail level relative to the first two sections of the Master Plan as well. Our team is flexible and open to a changing external environment. We believe this plan thoughtfully utilizes all of the campus and proximate land in and around the health system in a manner which will greatly improve access and the volume of patients our system can see and really promotes a proactive team model for healthcare in this region. We do appreciate the strong support of the community as they have a choice on where they go for healthcare, and once this 10 year plan is complete it should really transform us as a system of care for many more years into the future.

Board Incentive goal: Community Relations improvements. Board incentive weight: 2%. CEO response: The CEO and many of our health system leaders and staff have been consistently more engaged and visible out across our district during the last 2 years. The many friendships we've built are highly valued and humbling and we look forward to making many more strong friendships as the years continue to pass. We are regularly engaged in multiple chamber meetings, in Area Managers meetings, in large community fund raisers, in service clubs, plus using TV media and mail and other media to more regularly communicate with our important residents of this region.

In summary: I want to thank the Board for the privilege of serving as CEO for these past 2 years as together we've worked with our community, and our internal team members to ever improve how we serve our region and to assure that we are more sustainable in a rapidly changing world!

Attachments.

Charter
Executive Compensation Committee
(formerly Personnel Committee)
Tahoe Forest Hospital District
Board of Directors

PURPOSE:

The purpose of this document is to define the charter of the Executive Compensation Committee of the District's Board of Directors and, further, to delineate the Committee's duties and responsibilities.

RESPONSIBILITIES:

The Executive Compensation Committee is responsible for assisting the Board in oversight of Chief Executive Officer (CEO) relations and the work done through the Foundations of Excellence.

DUTIES:

1. Oversee the identification and recruitment of the organization's CEO as directed by the Board of Directors
2. Assure an annual CEO performance evaluation process is in place.
3. In conjunction with the CEO, annually review and recommend modifications of goals and objectives which will be used to evaluate the performance of the CEO.
4. Review annually the CEO's comprehensive compensation package, and make recommendations to the Board of Directors as necessary
5. In conjunction with the CEO, review and evaluate annually the CEO position description to ensure its continued relevance. Recommend revisions to the Board of Directors as necessary
6. Annually review the CEO Succession Plan and make recommendations to the Board.

COMPOSITION:

The Committee is comprised of at least two (2) board members appointed by the Board President.

MEETING FREQUENCY:

The Committee shall meet at least once annually and then on an as needed basis.