



TAHOE FOREST HOSPITAL DISTRICT

2022-06-14 Board Executive Compensation Committee Meeting

Tuesday, June 14, 2022 at 9:00 am

Pursuant to Assembly Bill 361, the Board Executive Compensation Committee for June 14, 2022 will be conducted telephonically through Zoom.

Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting.

Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely: Please use this web link: <https://tfhd.zoom.us/j/83145098063>

If you prefer to use your phone, you may call in using the numbers: (346) 248 7799 or (301) 715 8592, Meeting ID: 831 4509 8063



Meeting Book - 2022-06-14 Board Executive Compensation Committee Meeting

Board Executive Compensation Committee

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BOARD EXECUTIVE COMPENSATION COMMITTEE AGENDA

Tuesday, June 14, 2022 at 9:00 a.m.

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Public comment will also be accepted by email to mrochefort@tfhd.com. Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting.

Oral public comments will be subject to the three minute time limitation (approximately 350 words). Written comments will be distributed to the board prior to the meeting but not read at the meeting.

1. CALL TO ORDER

2. ROLL CALL

Mary Brown, Chair; Robert Barnett, 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: 12/07/2021..... ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Policy Review

Executive Compensation Committee will review and discuss the following board policy:

6.1.1. Chief Executive Officer Performance Evaluation, ABD-01 ATTACHMENT

6.1.2. President & Chief Executive Officer Compensation, ABD-02 ATTACHMENT

6.2. President & Chief Executive Officer Job Description ATTACHMENT

Executive Compensation Committee will review the President & Chief Executive Officer’s job

description.

6.3. Guiding Principles ATTACHMENT

Executive Compensation Committee will discuss guiding principles for the fiscal year 2023 CEO Incentive Compensation.

6.4. Fiscal Year 2023 President & CEO Incentive Compensation Criteria ATTACHMENT

Executive Compensation Committee will discuss development of metrics for the fiscal year 2023 CEO Incentive Compensation.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

Executive Compensation Committee will discuss its next meeting date.

9. 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 telephonic 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 or a reasonable modification of the teleconference procedures are necessary (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 EXECUTIVE COMPENSATION COMMITTEE **DRAFT MINUTES**

Tuesday, December 7, 2021 at 10:00 a.m.

Pursuant to Assembly Bill 361, the Board Executive Compensation Committee for December 7, 2021 will be conducted telephonically through Zoom. Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

1. CALL TO ORDER

Meeting was called to order at 10:00 a.m.

2. ROLL CALL

Board: Mary Brown, Chair; Dale Chamblin, Board Member

Staff in attendance: Harry Weis, President & Chief Executive Officer; Judy Newland, Chief Operating Officer; Crystal Betts, Chief Financial Officer; Alex MacLennan, Chief Human Resources Officer; Martina Rochefort, Clerk of the Board

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: 11/15/2021

Director Chamblin moved to approve the Board Executive Compensation Committee meeting minutes of November 15, 2021, seconded by Director Brown.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Policy Review

Executive Compensation Committee reviewed and discussed the following board policy:

6.1.1. CEO Succession Policy, ABD-28

The policy was updated to reflect the correct title of the President and Chief Executive Officer. Discussion was held.

Director Chamblin moved to send the policy to the full board for approval, seconded by Director Brown.

Open Session recessed at 10:05 a.m.

7. CLOSED SESSION

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

Name of District Negotiator(s) to Attend Closed Session: Mary Brown

Unrepresented Employee: President & Chief Executive Officer

Discussion was held on a privileged item.

Open Session reconvened at 11:32 a.m.

8. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

CEO Succession Policy will go to the full board for approval.

9. NEXT MEETING DATE

Executive Compensation Committee will meet again in May to determine incentive compensation goals and review the President & CEO job description.

10. ADJOURN

Meeting adjourned at 11:35 a.m.

DRAFT

RISK:

Failure to conduct an annual performance evaluation may result in the President & Chief Executive Officer (CEO) not meeting the expectations of the Board of Directors.

POLICY:

A formal system of performance evaluation shall be established for the President & Chief Executive Officer (CEO) and shall be completed annually by the Board of Directors.

PURPOSE:

To establish a process or processes designed to ensure that the President & CEO is performing the duties to achieve Tahoe Forest Hospital District's Mission and Vision and are reflective of the organization's values.

It is the objective of the formal performance evaluation system:

- A. To reveal areas in which the President & CEO has opportunities for growth; and
- B. To optimize the performance of the President & CEO of the Tahoe Forest Hospital District.

PROCEDURE:

- A. The Board of Directors will set an initial meeting with the President & CEO on or around October 1 each year, at which time the President & CEO will present both a Succession Plan and an overview of opportunities and accomplishments of the prior fiscal year.
- B. The performance evaluation appraisal form will be distributed to the Board of Directors no later than November 1. Completed evaluations should be sent to General Counsel no later than November 15.
- C. The President & CEO 's performance will be formally reviewed by the full board no later than November 30 and will be documented through a written report by Counsel. Upon the board's approval, a formal letter will be presented to the President & CEO by two board members.
- D. At the time of the performance evaluation, an annual review of the President & CEO's Employment Agreement will also be conducted. The Board will have the option to extend the Employment Agreement.
- E. The Chief Human Resources Officer will review the job description of the President & CEO each year no later than November 30 and inform the President & CEO and Board of Directors of any recommended modifications.
- F. TFHD Board of Directors will provide ongoing feedback to the President & CEO relating to his/her performance.

RISK

Failure to follow this compensation policy may result in President & Chief Executive Officer (CEO) compensation that is unfair, inequitable and not competitive. Compensation could also be paid outside of best market practices.

PURPOSE

~~Tahoe Forest Hospital District ("TFHD") Board of Directors wants to ensure that the compensation decisions for the President & Chief Executive Officer are competitive, fair and equitable as well as compliant with appropriate regulatory guidelines and representative of best market practices.~~

POLICY

It is the responsibility of the Board Executive Compensation Committee to review executive compensation and manage the President & Chief Executive Officer contract renewal process. The Board Executive Compensation Committee is composed of two board members and is appointed annually by the Board ~~President~~Chair.

PROCEDURE

A. Total Compensation

The Executive Compensation Committee will review survey data from various sources including, but not limited to, the California Hospital Association Executive Compensation Survey, third party compensation expert, and other targeted data. Survey comparisons will be to like size healthcare systems. Review of standalone facilities and healthcare systems will include the size of the organization, scope of services offered, gross/net revenue, operating expenses, number of FTE's, number of beds and scope of responsibility (e.g. Bi-state organizations, Multi-specialty Clinic services) and other applicable information.

Total compensation for the President & Chief Executive Officer position with TFHD may include, but not limited to:

1. Base salary
2. Personal leave
3. Long Term Sick Leave
4. \$1,000,000 life insurance benefit
5. Automobile allowance
6. Housing assistance
7. Health, dental and vision insurance
8. Long Term Disability policy
9. Participation in Money Purchase Pension Plan
10. Employer match into 457 Deferred Compensation Plan
11. Discretionary deferred compensation
12. Incentive Compensation Plan
13. Severance agreement

B. Target

The Board maintains the discretion to pay base compensation in excess of the 50th percentile based on other factors such as experience and results and to pay total compensation up to the 100th percentile based on extraordinary results. ~~The 50th percentile of current pay practices will be targeted to establish base compensation.~~ "At Risk" compensation and other rewards will be targeted at above industry standards to offset base pay at the 50th percentile. It is our intention to provide total compensation comparable to industry standards with a focus on mountain community healthcare systems. Due to the housing market forces in our area, additional housing related benefits may be included in a total compensation package. These benefits may be more generous than industry standards due to local market and housing conditions.

~~The Board maintains the discretion to pay base compensation in excess of the 50th percentile based on other factors such as experience and results and to pay total compensation up to the 100th percentile based on extraordinary results.~~

C. Other factors

Other factors such as competitive market forces, each individual's job responsibilities are also considered in TFHD compensation and benefit decisions. These may include:

1. Organizational complexity (the number and variety of services and/or organizational units).
2. Current and future management challenges (such as bankruptcies, major financing, construction projects, consolidations, increased competition, etc.).
3. The availability or lack of availability of staff experts.
4. The depth and breadth of the executive's knowledge and experience.
5. The rate of organizational growth.
6. The executive's value in the labor market as reflected, in part, by his salary history elsewhere.
7. The hospital's prior success in recruiting and retaining competent executive personnel.
8. Fees charged for comparable services by recognized hospital management companies.

D. Incentive Compensation

1. The Executive Compensation Committee will meet no later than April 30 each year to develop the President & CEO's Incentive Compensation metrics for the next fiscal year. The Board of Directors will approve the metrics prior to the start of the fiscal year.
2. The Board of Directors will meet after the audited financial statements have been presented and no later than November 30 to determine the payout of the previous fiscal year Incentive Compensation award.

Tahoe Forest Health System – Job Description

Job Title:	President & CEO	Job Number:	0001001		
Department:	Administration	Reports To:	BOD		
Bargaining Unit:	Non-Represented	Benefit Group:	Chief		
Codes:	FLSA: Exempt	EEO:	0	Finance Code	0
Prepared by:	Director, Human Resources	Date:	06/05/2002		
Revised by:	Board Executive Compensation Committee	Date:	06/23/2021		
Approved by:	Board of Directors	Date:	07/22/2021		

SUMMARY:

Directs all functions of the District to achieve the mission and vision of the organization in accordance with the overall policies established by the Board of Directors, and in compliance with regulatory guidelines, in order that the strategic objectives of the hospital can be attained; provides leadership and direction in ensuring the efficient, economical, effective utilization of hospital resources to meet the identified needs of the service region through quality medical and health service programs.

ESSENTIAL DUTIES AND RESPONSIBILITIES: include the following:

Assists, counsels, and advises the Board of Directors on the establishment of District policies; acts as agent of the Board in carrying out such policies.

Recommends District policy positions regarding legislation, government, administrative operation and other matters of public policy as required.

Assists the Board of Directors in effectively fulfilling their responsibilities by keeping the Board informed, on a monthly basis, of the operating results of the District; compares monthly operations to Board approved plans and budgets explaining variances that may arise.

Assists and advises the Board with respect to public District authority and changes in state statutory guidelines and requirements.

Develops appropriate strategic and annual operating plans that document the long and short-term goals and objectives of the District.

Actively pursues and supports the appraisals and development of new programs which could benefit the long-range success and survival of the District.

Establishes concise reporting relationships for all positions and departments in the District. Establishes methods which will foster the achievement of District goals and objectives and support the efficiency and effectiveness of all operations through proper communication and coordination.

Coordinates all operations with the medical staff, its committee structure and its leadership; demonstrates a proactive and positive relationship with the medical staff.

Ensures a consistency of purpose and mutuality of interest between the operations and bylaws of the medical staff and the policies and bylaws of the District.

Develops and maintains Quality Improvement and Process Improvement programs designed to enhance quality and customer satisfaction.

Establishes operating policies and procedures for all departments, delegating specific responsibility for documentation, monitoring, compliance, and reporting or results to subordinates, as required.

Tahoe Forest Health System – Job Description

Establishes and maintains a comprehensive budgeting program for the District. This program includes an appropriate consideration of operational, financial and statistical information needed to efficiently and effectively control all District operations.

Consistently generates sufficient net income to meet established financial goals.

Develops strong marketing and public relations programs.

Ensures the competitive viability and continuance of the hospital marketing plan in the marketplace.

Through various marketing techniques, encourages the development of services which promote District growth and expanded potential constituencies.

Ensures the coordination of Auxiliary and Foundation bylaws and operations with the bylaws and operations of the District.

Establishes a proper, consistent image of the District and its operations.

Personally represents the District to a variety of individuals, community groups, and health industry organizations.

Maintains active professional contacts through local, state and national associations in order to effectively network, as required.

Actively participates in outside programs and community affairs in order to represent the District, as appropriate.

Demonstrates the ability to effectively represent the District at national, state and local meetings, conferences and conventions, as required.

Remains current with national and local issues affecting District administration and their potential impact on the District; serves as a well-informed advisor to the Board of Directors.

Demonstrates System Values in performance and behavior.

Complies with System policies and procedures.

Other duties as may be assigned.

QUALIFICATIONS:

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. *Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.*

SUPERVISORY RESPONSIBILITIES:

Carries out supervisory responsibility in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring and training employees; planning, assigning and direction work; appraising performance, rewarding and disciplining employees; addressing complaints and resolving problems.

EDUCATION AND EXPERIENCE:

Bachelor's degree required. Master's degree in Hospital Administration (MHA) or Business Administration (MBA) or related field or Doctoral degree (Ph.D.) preferred. Minimum of five years experience in Health Care Administration.

Tahoe Forest Health System – Job Description

LICENSES, CERTIFICATIONS:

Required: Valid driver's license

Preferred: None

OTHER EXPERIENCE/QUALIFICATIONS:

Current membership in professional organization preferred (e.g. H.F.M.A., A.C.H.E.).

COMPUTER/BUSINESS SKILLS:

Ability to use office machines. Demonstrated ability to use word processing and other Microsoft Office programs.

LANGUAGE SKILLS:

Ability to read, analyze, and interpret the most complex documents. Ability to respond effectively to the most sensitive inquiries or complaints. Ability to write speeches and articles using original or innovative techniques or style. Ability to make effective and persuasive speeches and presentations on controversial or complex topics to top management, public groups, and/or boards of directors.

MATHEMATICAL SKILLS:

Ability to work with mathematical concepts such as probability and statistical inference, and fundamentals of plane and solid geometry and trigonometry. Ability to apply concepts such as fractions, percentages, ratios, and proportions to practical situations.

PURPOSE OF CONTACTS:

The purpose is to justify, defend, negotiate, or settle matters involving significant or controversial issues. Work at this level involves active participation in conferences, meetings, hearings or presentations involving problems or issues of considerable consequence or importance.

REASONING SKILLS:

Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions in mathematical or diagram form and deal with several abstract and concrete variables.

Reference physical job description template 1

I have read and received a copy of this job description:

Print Name

Signature

Date

Guiding Principles

To promote a fair spirit of “stretch goals”, we request the board embrace the following 5 principles which need to be reviewed each time the goals are set before the fiscal year and at the time the board is deliberating on the incentive amounts in Nov or Dec of each year.

First, the Board acknowledges they have great discretion in how they award incentives each year. We ask that they use this full discretion.

Second, that the Board views all performance as a “glass half full” a positive view, regardless of the final results.

Third, that it’s not a pass fail mentality, which isn’t a “glass half full” positive view.

Fourth, we ask that the principle of no incentives are paid at all if the finance goal isn’t met is removed and done away with.

Fifth, as these individual incentive goals are given to Managers, Directors and all AC members a group of more than 70 people, we want nothing to be demoralizing here. This is why all matters have to be viewed as a glass half full and we are grateful for all performance even if the full target wasn’t reached. A general accolade for exceptional team performance would be appropriate too, especially for the last 6 years or so.

DRAFT FY2023 President & CEO Incentive Compensation Criteria

Finance – 53%

Meet or exceed budgeted net income* as approved by the Board for FY23.

**Refer to “Excess Revenue(Expense)” line in the budget.*

***The Board has the discretion to pay out Service, Quality, Growth, and People incentives even if this finance goal is not fully met.*

Service – 12%

Meet or exceed an average 94.2 Press Ganey Patient Satisfaction score.

Quality – 12%

Meet or exceed 98.20% roll-up of the following quality measurements: SEP-1 (Early Management Bundle, Severe Sepsis/Septic Shock), EDTC ALL (Emergency Department Transfer Communication ALL), PC-01 (Early Elective Delivery), CLASS I SSI (Class I Surgical Site Infection Rate), Class I SSI for Joint Replacement (Class 1 Surgical Site Infection Rate for Total Knee and Hip Replacement), Medicare Readmission Rate (Inpatient Readmission) and C. DIFF. (Rate of Hospital Onset C. Diff.).

Growth – 10%

Meet or exceed annual actual physician office visits total as of June 30, 2022 for all owned or managed physicians.

People – 13%

Meet or exceed the 90th percentile in the engagement category from the employee Press Ganey engagement survey.