



REGULAR MEETING OF THE BOARD OF DIRECTORS 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.

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 from 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. He 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 not 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 a 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 provide 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 do 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.

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 agendaize 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.

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 star 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.

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.