

**Tahoe Forest Hospital District
Citizens Oversight Committee Meeting Minutes
Wednesday, September 25, 2013 Eskridge Conference Room**

Members Present: Gerald Herrick, Gary Davis, Paul Leyton, Sarah Wolfe, Gary Boxeth, Christy Curtis, Mark Tanner

Members excused or absent: Sherrin Fielder

District Board representatives: Dale Chamblin

Staff Present: Bob Schapper, Crystal Betts, Rick McConn, Ted Owens, Carey Hood,

Guests present: Mike Geney

Topic / Agenda item	Discussion	Action steps/ Responsible party
I. Call to Order	Chair Gerald Herrick called meeting to order at 4:32 PM	
II. Roll call	<i>Please see above</i>	
III. Items not on the agenda/clear the agenda	None	
IV. Input from the audience	None	
V. Standing items: - Meeting minutes - Financial Report	<p>June 5, 2013 Meeting Minutes - Motion to approve by Gary Davis, Second by Paul Leyton, Motion approved.</p> <p>Financial Report by Crystal Betts: No unusual changes since last review of March 2013. There has been an accounting change for handling bond financing costs which are currently on the balance sheet; Rules state that those costs can no longer be amortized, instead must be expensed entirely. This also applies to bonds that have already been issued, so these may go off the balance sheet and move to expenses and you may see that change in future reports;</p> <p>There was a question about the variance between operating expenses this year from last year. This is primarily due to additional projects, Electronic Medical Records implementation with new systems in the Emergency Room, Cancer Center, Outpatient clinics and the Hospital; Additionally, the Federal Government has mandated a new coding requirement which requires a software conversion/upgrade in order to comply. The payer mix is also changing which creates a negative impact on net revenue.</p>	Approved

VI. Quarterly Facilities Update	<p>June 30th Quarterly Update: The overview provided that essentially there has been no change from the Measure C standpoint.</p> <p>Rick McConn presented the new report “Measure C Projects Change Management Cost Summary”. A key point stated was that change orders have not created/added expenses over the budget – all change order expenses remain within budget/contingency budget.</p> <p>Paul Leyton thanked Rick McConn and Mike Geney for providing the information and indicated the report data demonstrates responsible management of the projects.</p>	
VII. COC Meeting Schedule Changes	<p>Carey Hood presented proposed changes to the remaining 2013 and upcoming 2014 COC Calendar; Gary Boxeth motioned to approve the new schedules; Gary Davis seconded the motion, Motion approved.</p>	Approved
VIII. Special Election	<p>Two COC members’ terms are expiring effective November 2013. The recommendation was made that Sherrin Fielder and Paul Leyton be approved for a new two-year term. After a call for nominees, it was further recommended that Gerald Herrick continue as COC Chair and Paul Leyton continue as Vice-Chair. Mark Tanner motioned to approve those recommendations; Gary Davis seconded the motion, Motion approved.</p> <p>Dale Chamblin requested reviewing the Bylaws regarding renewals to determine if they need to be submitted as recommendations to the District Board for their final approval.</p>	<p>Approved</p> <p>Carey Hood to review bylaws and confirm</p>
IX. Finance Subcommittee Report	<p>In Sherrin Fielder’s absence, Gerald Herrick provided a brief report and directed the membership to Sherrin’s meeting minute attachments from the Finance Meetings. Gerald reminded the COC that Sherrin has kept an ongoing spreadsheet of every issue that has been questioned and the final resolution on each issue.</p>	
X. Communications Subcommittee Report	<p>Paul Leyton presented the Communications Report; Ideas for an expanded Annual Report include photos of completed work and of work still in progress and reference budgetary performance. The Communications Subcommittee plans to meet with the Director of Marketing, Paige Thomason, to create a plan for outreach into the community with information on COC work.</p>	
XI. Economic Impact Report	<p>Gerald Herrick prefaced Ted Owen’s presentation on the updated report on the Economic Impact of the Hospital and Bob Schapper’s presentation on Health Care Reform Impacts and Update on the Cancer Center by explaining that while these reports are not technically within the charter of COC, they are very helpful as COC members provide ongoing information to the public they represent.</p> <p>Ted Owens presented the Economic Impact Report (based on data from 2012) and compared it to the data in the earlier 2006 report. Important to note that in 2007, the severe downturn was not at</p>	

	<p>its peak, so is not reflected. In 2012, the new Cancer Center was not yet fully operational, so the positive impacts of that event are not yet fully reflected in the newer report. In conclusion, Ted offered an electronic copy to any COC member who would like it. His email is towens@tfhd.com and direct phone is 530-582-6551. Gerald thanked Ted for his presentation.</p>	
<p>XII. CEO Update</p>	<p>Bob Schapper provided an overview of health care reform and information on some of the impacts and unknowns:</p> <ul style="list-style-type: none"> • Healthcare reform has created exceptional volatility in the industry. It is difficult to predict the rates at which payors are going to reimburse and how services are likely to be delivered in the future • An intention of healthcare reform is to ensure more people are covered, but the big unknown is will we see a level of compliance as projected by the Obama administration or will it be lower? • Although it is a great idea to have more individuals covered, what does that insurance look like? Higher deductibles and more personal responsibility may lead to greater levels of bad debt. • Facing the current challenges is best described as “redesigning an airplane in flight”; in a highly regulated industry, like healthcare, hospitals are facing the mandate to retool or potentially, worst case, cease to deliver care at all. Additional technology will be required (telemedicine) and there will be a higher emphasis on less expensive outpatient care vs. hospital inpatient care. • Also important to note that TFHS operates on revenues generated, not on taxes. Tax revenues have specific requirements on how they are used – advancing community wellness and population health, but not operations. This means TFHS must think like a “for-profit” business. <p>Bob also provided information on the concern about the Cancer Center’s continued profitability if the reimbursement rates for cancer drugs are reduced significantly. Cancer Center drugs, by nature, are high cost and high reimbursement. Our Critical Care Access designation offers some reimbursement protection. Even contemplating a worst case scenario, when combined with Philanthropy, the cancer center would still expect to be sustainable.</p> <p>Gerald Herrick thanked Bob for the overview and discussion.</p>	
<p>XIII. Reports from COC members in attendance at TFHD</p>	<p>None</p>	

meetings		
XIV. Updates from TFHD Board representatives	Dale Chamblin most recently met with the audit team and provided a glowing report on COC oversight work; Dale also commented that it makes sense and feels appropriate to keep current COC Membership where it is with no need to conduct further recruitment, as the work winds down over the next 2-3 years.	
XV. Next scheduled meeting: topics, tasks	Wednesday, December 4, 2013, 4:29 PM	

Adjourned at 6:14PM Motion to Adjourn by Paul Leyton, motion seconded by Gary Boxeth; Adjournment approved.