

EASTERN PLUMAS HEALTH CARE DISTRICT

**SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
BOARD RETREAT
Wednesday, December 12, 2012
9am-3pm
Longboards**

AGENDA

	<u>Presenter(s)</u>	<u>I/D/A</u>	<u>Pages</u>
1. Call to Order	<i>Gail McGrath</i>	A	9:00
2. Roll Call	<i>Gail McGrath</i>	I	
3. Oath of Office <ul style="list-style-type: none">▪ Larry Fites▪ Jay Skutt	<i>Gail McGrath</i>		
4. Roll Call	<i>Gail McGrath</i>	I	
5. Approval of Agenda	<i>Gail McGrath</i>	I/D/A	1-2
6. Board Comments	<i>Board Members</i>	I	
7. Public Comment	<i>Members of the Public</i>	I	
8. EPHC Mission Statement	<i>Gail McGrath</i>	I	3
9. Review of Master Planning Process	<i>Dave Hitchcock/ Aspen Architects</i>	I/D	
10. Review of Information Gathered So Far <ul style="list-style-type: none">a. Building Systems<ul style="list-style-type: none">i. Structural Systemsii. Mechanical Systemsiii. Electrical Systemsb. Site and Civil Informationc. Demographic Informationd. Operational Information (ongoing, interviews 18/19 Dec)	<i>Dave Hitchcock/ Aspen Architects</i>	I/D	

11.	Financial and Volume Information	Jeri Nelson/Tom Hayes	I/D	
	▪ Department Volumes, 2010-2012			4
	▪ Department Profitability, 2010-2012			5-7
	▪ Contribution Margin			8
	▪ Reimbursement Grid			9
12.	Community Forum Note	Tom Hayes	I/D	10
13.	Strategic Plan Dashboard	Tom Hayes	I/D	
14.	Where Do We Go From Here	Tom Hayes	I/D	
15.	Adjournment	<i>Gail McGrath</i>	A	

EASTERN PLUMAS HEALTH CARE

MISSION

It is the mission of Eastern Plumas Health Care to provide quality medical services to those who reside in or visit our region and in concert with our community we work to restore, preserve and promote the health and well being of the community as a whole.

VALUES

In furtherance of our mission we strive to conduct ourselves in accordance with the following organization values:

The Patient Comes First. *The patient safety, comfort, dignity and convenience come before all other considerations. We seek to understand and address the patient's physical, emotional and spiritual needs with empathy and compassion.*

Relationships. *We treat others with courtesy and respect and expect the same in return. We believe that quality health care is built upon a foundation of quality human relationships. We strive to develop and maintain mutually beneficial long-term relationships with our clients, our business partners, our community leaders and with one another.*

Integrity. *We say what we will do and we do what we say. We do not make commitments beyond our organization capabilities or resources. We honor our personal and organizational commitments. We tell the truth.*

Excellence. *We strive to promote a quality health care experience for our patients that is second to none. We seek to be the best at what we do and then we look for ways to be even better.*

Fiscal Responsibility. *The physical assets and financial resources of EPHC are held in trust for the sole benefit of the communities we serve. We do not make frivolous expenditures nor do we engage in false economies. We strive for both short and long term profitability in order to meet current needs and to assure the financial viability of EPHC for future generations.*

Ethical Behavior. *We seek to do the right thing with respect to every decision we make. Whether the issue relates to medical treatment, administrative or financial matters, interpersonal relations or regulatory compliance, we strive to behave in accordance with the highest ethical standards.*

Community. *We acknowledge our vital role in the local community and we seek to understand and faithfully serve the needs of our community. We accept responsibility, as both a health organization and as a corporate citizen, for promoting a healthy community as an essential ingredient in personal happiness and fulfillment.*

Eastern Plumas Health Care
 3 Year Comparison
 Department Statistics

Department	Statistic	Fiscal Year Ended		
		6.30.10	6.30.11	6.30.12
Medical/Surgical	acute patient days	1718	1091	988
SNF Loyalton	snf patient days	10548	10721	10763
SNF Portola	snf patient days	8892	9010	9419
Swing	swing bed days	277	245	326
Surgery	# cases	66	59	35
Epidurals	# cases	0	0	55
Endoscopy	# procedures	125	127	155
Laboratory	# procedures/hosp	39146	40478	40396
Laboratory	units of reference labs	2612	3939	4044
Speech	# treatments	92	156	172
Cardiology	# of ECG's	1973	1485	1485
Diagnostic Imaging	diagnostic procedures	4160	3729	3729
Diagnostic Imaging	ct scan	2061	1886	1368
Diagnostic Imaging	ultrasound	854	1009	822
Diagnostic Imaging	mammo	389	393	506
Diagnostic Imaging	MRI	0	0	95
Diagnostic Imaging	nerve conduction	120	158	78
Diagnostic Imaging	dxa study	179	175	189
Respiratory Therapy	treatments	3102	2568	2535
Physical Therapy	treatments	6069	5959	6186
Occupational Therapy	treatments	3577	3392	2816
Clinic Annex	# visits	24	132	643
Emergency Room	# visits	3639	3470	3227
Emergency Room	observation hrs	428	3654	1712
Outpatient Procedures	procedures	384	263	133
Ambulance	# runs	953	993	1043
Loyalton Medical Clinic	# visits	4499	3555	3455
Portola Medical Clinic	# visits	10240	11942	13020
Telemedicine	# visits	0	0	226
Portola Dental Clinic	# visits	2180	2352	2137
Graeagle Medical Clinic	# visits	3495	3773	2865
Indian Valley medical Clinic	# visits	3759	4132	4277

Eastern Plumas Health Care
3 Year Comparison
Department Profitability

Department	Description	% of Patients		Fiscal Year Ended		
		Mcare	Mcal	6.30.10	6.30.11	6.30.12
Medical/Surgical	Net Revenue	85%	3%	2,004,973	1,030,834	991,507
	Less Expenses			1,169,452	801,114	786,386
	Profit or (Loss)			835,521	229,720	205,121
SNF Loyaltan	Net Revenue	3%	96%	2,837,143	3,178,773	3,197,061
	Less Expenses			1,612,285	1,685,432	1,630,052
	Profit or (Loss)			1,224,858	1,493,341	1,567,009
SNF Portola	Net Revenue	7%	74%	2,359,827	2,466,271	2,750,898
	Less Expenses			1,380,278	1,457,164	1,409,718
	Profit or (Loss)			979,549	1,009,107	1,341,180
Swing	Net Revenue	100%	0%	68,475	82,980	104,751
	Less Expenses			926	3,558	720
	Profit or (Loss)			67,549	79,422	104,031
Surgery	Net Revenue	49%	35%	292,400	145,796	227,246
	Less Expenses			502,233	187,904	79,892
	Profit or (Loss)			-209,833	-42,108	147,354
Endoscopy	Net Revenue	49%	19%	93,841	78,880	124,044
	Less Expenses			14,793	20,302	35,852
	Profit or (Loss)			79,048	58,578	88,192
Anesthesia	Net Revenue	47%	33%	163,412	60,945	27,398
	Less Expenses			113,889	38,844	21,831
	Profit or (Loss)			49,523	22,101	5,567
Medical Supplies	Net Revenue	74%	8%	276,909	182,370	361,203
	Less Expenses			246,952	217,043	215,670
	Profit or (Loss)			29,957	-34,673	145,533
Laboratory	Net Revenue	71%	16%	2,164,477	2,162,193	1,976,011
	Less Expenses			1,145,141	1,111,052	1,101,099
	Profit or (Loss)			1,019,336	1,051,141	874,912

Eastern Plumas Health Care
3 Year Comparison
Department Profitability

Department	Description	% of Patients		Fiscal Year Ended		
		Mcare	Mcal	6.30.10	6.30.11	6.30.12
Speech	Net Revenue	100%	0%	11,676	20,852	13,421
	Less Expenses			7,500	8,500	10,350
	Profit or (Loss)			4,176	12,352	3,071
Cardiology	Net Revenue	68%	9%	188,360	177,758	202,033
	Less Expenses			33,572	17,955	75,743
	Profit or (Loss)			154,788	159,803	126,290
Diagnostic Imaging	Net Revenue	53%	18%	2,513,016	2,356,227	1,992,783
	Less Expenses			1,243,169	1,018,144	1,100,466
	Profit or (Loss)			1,269,847	1,338,083	892,317
Pharmacy	Net Revenue	65%	10%	697,563	431,257	403,435
	Less Expenses			334,955	394,775	276,040
	Profit or (Loss)			362,608	36,482	127,395
Respiratory Therapy	Net Revenue	81%	5%	279,538	476,981	242,208
	Less Expenses			192,516	206,481	200,944
	Profit or (Loss)			87,022	270,500	41,264
Physical Therapy	Net Revenue	99%	0%	207,663	187,801	237,267
	Less Expenses			132,432	133,877	141,710
	Profit or (Loss)			75,231	53,924	95,557
Occupational Therapy	Net Revenue	100%	0%	130,197	105,178	85,896
	Less Expenses			84,398	89,669	76,074
	Profit or (Loss)			45,799	15,509	9,822
Emergency Room	Net Revenue	44%	21%	1,709,410	1,628,763	1,408,271
	Less Expenses			1,460,078	1,593,579	1,446,571
	Profit or (Loss)			249,332	35,184	-38,300
Ambulance	Net Revenue	57%	14%	958,551	1,060,858	1,382,866
	Less Expenses			818,321	895,934	891,088
	Profit or (Loss)			140,230	164,924	491,778

Eastern Plumas Health Care
3 Year Comparison
Department Profitability

Department	Description	% of Patients		Fiscal Year Ended		
		Mcare	Mcal	6.30.10	6.30.11	6.30.12
Durable Medical Equipment	Net Revenue			84,875	0	0
	Less Expenses			188,072	0	0
	Profit or (Loss)			-103,197	0	0
Loyalton Medical Clinic	Net Revenue	30%	22%	648,445	463,839	426,379
	Less Expenses			324,279	247,092	209,010
	Profit or (Loss)			324,166	216,747	217,369
Portola Medical Clinic	Net Revenue	40%	20%	2,057,616	2,145,782	2,370,658
	Less Expenses			1,737,260	1,879,619	1,882,305
	Profit or (Loss)			320,356	266,163	488,353
Portola Dental Clinic	Net Revenue	0%	45%	284,181	351,213	311,836
	Less Expenses			377,579	385,435	345,650
	Profit or (Loss)			-93,398	-34,222	-33,814
Graeagle Medical Clinic	Net Revenue	66%	4%	770,174	732,534	675,398
	Less Expenses			530,684	583,521	420,745
	Profit or (Loss)			239,490	149,013	254,653
Indian Valley Medical Clinic	Net Revenue	33%	33%	373,861	489,497	610,525
	Less Expenses			270,897	365,106	417,913
	Profit or (Loss)			102,964	124,391	192,612
	Total Net Revenue	50%	27%	21,176,583	20,017,582	20,123,095
	Less Revenue Department Expenses			13,921,661	13,342,100	12,775,829
	Net from Revenue Departments			7,254,922	6,675,482	7,347,266
	Less Overhead Department Expenses			7,244,833	7,377,573	7,051,977
	Operating Income (Loss)			10,089	-702,091	295,289
	Non Operating Income			745,547	611,589	753,493
	Profit or (Loss)			755,636	-90,502	1,048,782

Eastern Plumas Health Care

Contribution Margin

Non Medicare & Medi-Cal Revenue

	Cost To Charge Ratio	Profit Margin	% of Patients	FYE 11/12 Charges	Non Gov't Profit
Medical/Surgical	48%	52%	17.0%	\$ 3,265,613	\$ 288,680
SNF	84%	16%	7.6%	\$ 6,700,424	\$ 81,477
Surgery	50%	50%	20.3%	\$ 392,968	\$ 39,886
Endoscopy	20%	80%	65.0%	\$ 300,951	\$ 156,495
Anesthesia	45%	55%	40.5%	\$ 62,234	\$ 13,863
Medical Supplies	34%	66%	24.4%	\$ 1,355,920	\$ 218,357
Laboratory	31%	69%	30.4%	\$ 5,099,800	\$ 1,069,734
Speech	43%	57%	0.0%	\$ 30,683	\$ -
Cardiology	11%	89%	22.3%	\$ 567,090	\$ 112,550
Diagnostic Imaging	32%	68%	34.0%	\$ 4,302,685	\$ 994,781
Pharmacy	31%	69%	25.0%	\$ 1,296,592	\$ 223,662
Respiratory Therapy	48%	52%	15.3%	\$ 411,627	\$ 32,749
Physical Therapy	39%	61%	1.8%	\$ 588,275	\$ 6,459
Occupational Therapy	44%	56%	0.1%	\$ 222,076	\$ 124
Emergency Room	74%	26%	39.3%	\$ 2,524,539	\$ 257,957
Ambulance	36%	64%	29.8%	\$ 3,634,549	\$ 693,181
Loyalton Medical Clinic	72%	28%	39.2%	\$ 461,724	\$ 50,679
Portola Medical Clinic	96%	4%	36.4%	\$ 3,026,166	\$ 44,061
Graeagle Medical Clinic	98%	2%	33.8%	\$ 610,591	\$ 4,128
Indian Valley Medical Clinic	83%	17%	37.2%	\$ 595,813	\$ 37,679
Non Medicare & Medi-Cal Profit					\$ 4,326,503
Less:					
Contractual Adjustments CMSP			18%		\$ 761,151
Contractual Adjustments MGD Medicare			10%		\$ 422,880
Contractual Adjustments Mgd Medi-Cal			1%		\$ 53,135
Contractual Adjustments All Other			25%		\$ 1,084,379
Net Bad Debt			32%		\$ 1,398,873
Unbillables & Denials			7%		\$ 310,796
Operating Income			7%		\$ 295,289

**EASTERN PLUMAS HEALTH CARE
REIMBURSEMENT GRID**

	MEDICARE			MEDI-CAL		
	CURRENT	PROPOSED	% PATIENTS	CURRENT	PROPOSED	% PATIENTS
OUTPATIENT	101% COST	100% COST	52%	FEE SCHEDULE	MANAGED	13%
AMBULANCE	101% COST	100% COST	57%	FEE SCHEDULE	MANAGED	14%
INPATIENT	101% COST	100% COST	85%	100% COST	DSRIP	3%
SWING	101% COST	100% COST	100%	100% COST	DSRIP	0%
LONG TERM CARE	RUG		10%	PPS	?	81%
PORTOLA MEDICAL CLINIC	COST		40%	PPS	MANAGED	20%
PORTOLA DENTAL CLINIC	N/A		0%	PPS	MANAGED	45%
LOYALTON MEDICAL CLINIC	COST		30%	PPS	MANAGED	22%
GRAEAGLE MEDICAL CLINIC	COST		66%	PPS	MANAGED	4%
INDIAN VALLEY MEDICAL CLINIC	COST		33%	PPS	MANAGED	33%
SURGERY PROFESSIONAL FEES	115% FEE SCHEDULE ALL INCLUSIVE		40%	FEE SCHEDULE	MANAGED	22%
EMERGENCY PROFESSIONAL FEES	115% FEE SCHEDULE ALL INCLUSIVE		50%	FEE SCHEDULE	MANAGED	20%
RADIOLOGY PROFESSIONAL FEES	115% FEE SCHEDULE ALL INCLUSIVE		50%	FEE SCHEDULE	MANAGED	20%

ON THE TABLE
\$145,000 Impact

- Bad debt reduced to 65%
- Physician Fees cyt 26%
- 30 day re-admission penalty 1%
- ACO's
- Disproportionate Share Hospital \$21,000 Impact

QUESTIONS

- Cost report filings
- Clinic reconciliations

Community Health Needs Town Hall

11/15/12

(What Services Do We Want at EPHC?)

1. Lifesaving facility (don't try to do everything).
2. Immediate Care
3. Acute detox (currently, they're stabilized and sent home with no real follow up; long term detox patients are sent out of county).
4. List healthy preventive services—point to coordinate these.
5. How to get community to use our services? That is what will keep our hospital here in the community.
6. Streamline process for referral to specialists.
7. Services for cancer patients (telemed oncology with Tahoe Forest; chemotherapy [difficulties with staffing due to cost requirements accord to TH])
8. Minor surgeries? [may try again to collaborate with PDH—they have a new surgeon; David Kitts won't be able to continue with us due to changes in his Truckee practice].
9. Emphasize outpatient & emergency services.
10. Is it possible to make arrangements so that people who have insurance elsewhere (e.g. Kaiser) can utilize services here? [cash pay or specials at lower rates; community based health plan through county—Mimi Hall; CA health exchange [insurance through ACA created low cost plans]; low cost, year round labs).
11. Put low cost everyday specials pricing on the website.
12. If a service is provided elsewhere in the community (e.g. chiropractic) do we need to offer it, or should we support the community practitioner and focus on areas of need?

EPHC Strategic Plan Scorecard

Goals	Objectives	Timing	Resp.	Status
Quality and Customer Service	<ul style="list-style-type: none"> ▪ Patient Satisfaction program ▪ Customer Service and training program ▪ Test results reporting to patients ▪ Quality Measurement ▪ Electronic Health record implementation 	<ul style="list-style-type: none"> ▪ 10/2011 ▪ 11/2011 ▪ 7/2011 ▪ 6/2011 ▪ 12/2012 	<ul style="list-style-type: none"> Teresa Whitfield Cathy Conant Clinic Manager Teresa Whitfield Rick Boyd 	<ul style="list-style-type: none"> • IP, ER and clinic patient satisfaction being measured regularly. • Program started with development of standards and in-service to employees. Establish on going monitoring program to determine effectiveness. • Ongoing effort. Continual monitoring required. • Metrics developed and being measured routinely. • Ongoing. ER and Physician practice modules still to be implemented in 2012.
Medical Staff	<ul style="list-style-type: none"> ▪ Recruitment and Retention Plan ▪ Physician retention Committee ▪ Part time surgical coverage ▪ Expand specialist services in clinics ▪ Expand telemedicine services in clinics and hospital 	<ul style="list-style-type: none"> ▪ Rev 10/2012 ▪ Rev 10/2012 ▪ Rev 5/2012 ▪ Rev 7/2012 ▪ 12/2011 	<ul style="list-style-type: none"> Tom Hayes Tom Hayes Tom Hayes Tom Hayes/Clinic Manager Mark Schweyer 	<ul style="list-style-type: none"> • No progress on creation of a plan. Advisory group project for 2012 • Discussed at Leadership Council Meeting. Seeking volunteers to serve on committees • Still working with Dr. Kirts from Truckee. • Ongoing. Dermatology and Neurology services added to clinic. Still pursuing ENT, Urology and GYN. • Telemed program began October 2011. Equipment being added in each clinic. Services being expanded.
Personnel/Human Resources	<ul style="list-style-type: none"> ▪ Employee satisfaction measurement ▪ Increase communication with staff 	<ul style="list-style-type: none"> ▪ 3/2011 ▪ 4/2011 	<ul style="list-style-type: none"> Cathy Conant Tom Hayes/ Cathy Conant 	<ul style="list-style-type: none"> • Completed. First survey completed by employees with action plan implemented to address issues. Next survey March 2012 • Employee forums scheduled twice per year. CEO attending department meetings periodically. Financial, QA and General updates to be sent to staff in 2012.
Financial Performance	<ul style="list-style-type: none"> ▪ Annual operating margin of 1% ▪ Formalized revenue cycle management program ▪ Increase days of cash on hand ▪ Debt Management ▪ EPHC Clinic recommendations ▪ Support for potential tax levy ▪ Enhance Hospital Foundation fundraising 	<ul style="list-style-type: none"> ▪ 7/2011 ▪ 6/2011 ▪ Rev 7/2012 ▪ 6/2012 ▪ 1/2012 ▪ 11/2013 ▪ 9/2012 	<ul style="list-style-type: none"> Tom Hayes/ Jeri Nelson Jeri Nelson Jeri Nelson Jeri Nelson Clinic Manager Tom Hayes/EPHC Board Tom Hayes/EPHC Board 	<ul style="list-style-type: none"> • Margin budgeted for 2011/2012 year with specific goals. YTD Dec. 2011, operating margin .01% • Ongoing program. Monitored by Jeri Nelson. • Recent payments for EMR implementation has increased cash on hand to 21 days. • We have done some debt restructuring and have refinanced property behind hospital. • Recommendations being implemented. Awaiting report from review done 12/11 by TFHD. • No progress. • Board has met with Foundation Board to discuss enhanced fundraising strategies. No progress since then.

Updates to be provided quarterly.

3/21/2012

Goals	Objectives	Timing	Resp.	Status
<h3 style="text-align: center;">Market Position</h3>	<ul style="list-style-type: none"> ▪ Survey community regarding expectations of services ▪ Survey community regarding why they are leaving the community ▪ Plan for minimizing outmigration of patients ▪ Enhanced strategy for communicating with community ▪ Formal program for EPHC marketing ▪ Website ▪ Consolidation of SVDH & EPHC Districts 	<ul style="list-style-type: none"> ▪ Rev 12/2012 ▪ Rev 12/2012 ▪ Rev 12/2012 ▪ 12/2011 ▪ 1/2012 ▪ 3/2011 ▪ Rev 1/2013 	<p>Tom Hayes</p> <p>Tom Hayes</p> <p>Tom Hayes</p> <p>Linda Satchwell</p> <p>Linda Satchwell</p> <p>Linda Satchwell</p> <p>Tom Hayes</p>	<ul style="list-style-type: none"> • Town hall meeting held in Dec. 2011 re: community needs assessment. More meetings need to be scheduled. • No Progress. Revise date to 2012. • Prepare plan after input from community meetings. • Ongoing. Website completed.. • Several strategies have been implemented. Program continuing to be implemented. • Completed March 2011 • Study group formed but on hold until Loylton facility issues are resolved.
<h3 style="text-align: center;">Affiliations</h3>	<ul style="list-style-type: none"> ▪ Plan for affiliation with Tahoe Forest ▪ Enhance relationships with Reno Hospitals for return of patients ▪ Northern Sierra Collaborative Network ▪ Evaluate clinic staffing opportunities with UCD 	<ul style="list-style-type: none"> ▪ 7/2012 ▪ 3/2011 ▪ 1/2012 ▪ 12/2012 	<p>Tom Hayes</p> <p>Teresa Whitfield</p> <p>Tom Hayes</p> <p>Tom Hayes</p>	<ul style="list-style-type: none"> • Continuing to identify opportunities. (clinic oversight, purchasing, management training) • Ongoing. Continuing to build relationships with Renown and St. Mary's staff to get patients repatriated. • Network established, meeting monthly. Community needs assessment being performed. • To be done in 2012.
<h3 style="text-align: center;">Physical Plant</h3>	<ul style="list-style-type: none"> ▪ Master Facility Plan ▪ Boiler replacement ▪ Portola Clinic upgrades ▪ Loylton Clinic upgrades ▪ Loylton Hospital plan for meeting building codes 	<ul style="list-style-type: none"> ▪ 1/2013 ▪ 12/2012 ▪ 1/2014 ▪ Rev 12/2011 ▪ Rev 12/2012 	<p>Tom Hayes</p> <p>Tom Hayes</p> <p>Tom Hayes</p> <p>Tom Hayes</p> <p>Tom Hayes</p>	<ul style="list-style-type: none"> • Currently reviewing and updating old plan. Complete draft in 2012. • Researching grant availability. Currently looking at BIO Mass option. Recommendations to Board by end of 2012 • To be completed in 2013/2014 depending on priorities identified in master plan. • To be completed as resources permit. Evaluating moving clinic to hospital. • Awaiting architects review of structural plans. Once complete a specific plan will be developed.