

**TRI-CITY HEALTHCARE DISTRICT
AGENDA FOR A REGULAR MEETING
OF THE FINANCE, OPERATION AND PLANNING COMMITTEE
November 15, 2016
12:30-3:30
Assembly Room 2
Tri-City Medical Center
4002 Vista Way, Oceanside, CA 92056**

The Committee may make recommendations on any of the items listed below, unless the item is specifically labeled "Informational Only"

	AGENDA ITEM	TIME ALLOTTED	PERSON RESPONSIBLE
1.	Call to Order	1 min.	Chair
2.	Approval of Agenda	2 min.	Chair
3.	Public Comments-Announcement Comments may be made at this time by members of the public on any item on the Agenda before the Committee's consideration of the item or on any matter within the jurisdiction of the Committee. NOTE: During the Committee's consideration of any Agenda item, members of the public also have the right to address the Committee at that time regarding that item.	2 min.	Chair
4.	Ratification of minutes – September 20, 2016	2 min.	Standard
5.	Old Business-(All items for Discussion or possible Action)		
6.	New Business-(All Items for Discussion or possible Action)		
	a) Finance, Operations and Planning Meeting Discussion • Regarding Tuesday, December 20, 2016	5 min.	Chair
	b) Wayne Lingenfelter – Community Member • Second Term, serve through January 2019	5 min.	Chair
	c) Surgical Light Replacement and Video Integration Proposal for OR #1	10 min.	Mary Diamond
	d) Renovation of Labor & Delivery and Mother/Baby	10 min.	Chris Miechowski / Kapua Conley
	e) I.T. Interim Leadership Proposal • TK Moede Consulting, Inc.	10 min.	Kapua Conley
	f) Beckman Coulter Hematology Proposal	10 min.	Steve Young
	g) Physician Agreement for Cardiac Rehabilitation Medical Director / Physician Supervision • Karim H. El-Sherief, M.D.	10 min.	Steve Young
	h) Physician Recruitment Proposal – Family Medicine • Ronald Perez, M.D.	10 min.	Jeremy Raimo
	i) Physician Recruitment Proposal – Family Medicine • Michael A. Pietela, M.D.	10 min.	Jeremy Raimo

NOTE: This meeting is also called and noticed as a meeting of the Board, but shall be conducted as an Administrative and Finance Committee meeting. Members of the Board who are not members of the Committee may attend the entire meeting, but shall not otherwise directly participate or vote on any item. The Committee shall take no final actions, but may make recommendations to be considered at a future meeting of the Board as to any item on the agenda, including information items. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the District Offices located at 4002 Vista Way, Oceanside, CA 92056 in the Clerk's Office during normal business hours.

Note: If you have a disability, please notify us at 760-940-7323 at least 48 hours prior to the meeting so that we may provide reasonable accommodations.

	AGENDA ITEM	TIME ALLOTTED	PERSON RESPONSIBLE
	j) Financials	10 min.	Ray Rivas
	k) Work Plan – Information Only <ul style="list-style-type: none"> • Aionex Bed Board / Throughput (bi-monthly) • Dashboard (monthly) 	10 min.	Kathy Topp Ray Rivas
7.	Comments by committee members	2 min.	Chair
8.	Date of next meeting: January 17, 2017	2 min.	Chair
9.	Community Member Openings: (none)	2 min.	Chair
10.	Adjournment		
	Total Budget Time for Meeting	1 hr. 53 min.	

NOTE: This meeting is also called and noticed as a meeting of the Board, but shall be conducted as an Administrative and Finance Committee meeting. Members of the Board who are not members of the Committee may attend the entire meeting, but shall not otherwise directly participate or vote on any item. The Committee shall take no final actions, but may make recommendations to be considered at a future meeting of the Board as to any item on the agenda, including information items. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the District Offices located at 4002 Vista Way, Oceanside, CA 92056 in the Clerk’s Office during normal business hours.

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**Tri-City Medical Center
Finance, Operations and Planning Committee Minutes
October 18, 2016**

Members Present	Director James Dagostino, Director Julie Nygaard, Dr. Marcus Contardo, Kathleen Mendez, Carlo Marcuzzi, Steve Harrington, Wayne Lingenfelter, Tim Keane
Non-Voting Members Present:	Steve Dietlin, CEO, Ray Rivas, Acting CFO, Kapua Conley, COO, Cheryle Bernard-Shaw, CCO Wayne Knight, Chief Strategy Officer
Others Present	Director Laura Mitchell, Tom Moore, David Bennett, Jane Dunmeyer, Charlene Carty, Kathy Topp, Gentry Faulkner, Diane Sikora, Mary Diamond. Jeremy Raimo, Sherry Miller, Chris Miechowski, Terry Moede, Jody Root (Procopio), Barbara Hainsworth
Members Absent:	Director Cyril Kellett, Dr. John Kroener, Dr. Frank Corona

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to order	Director Dagostino called the meeting to order at 12:32 pm.		
2. Approval of Agenda	Director Dagostino announced that the Closed Session item appearing on the agenda, would be pulled.	MOTION It was moved by Director Nygaard, Mr. Keane seconded, and it was unanimously approved to accept the agenda of October 18, 2016.	Director Dagostino
3. Comments by members of the public on any item of interest to the public before committee's consideration of the item.	Director Dagostino read the paragraph regarding comments from members of the public.		
4. Ratification of minutes of September 20, 2016	Minutes were ratified.	Minutes were ratified. MOTION It was moved by Dr. Contardo, Mr. Keane seconded, that the minutes of September 20, 2016, are to be approved without any requested	

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
5. Old Business		<p>modifications. Director Nygaard and Mr. Marcuzzi abstained.</p>	
<p>a. Finance, Operations & Planning Charter</p>	<p>Cheryle Bernard-Shaw conveyed that a number of edits had been made to the Finance, Operations & Planning Charter, and that it had been reviewed by outside legal counsel for accuracy.</p>	<p>MOTION It was moved by Dr. Contardo, Mr. Lingenfelter seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors approve the revised Finance, Operations and Planning Charter.</p>	Chair
6. New Business		<p>MOTION It was moved by Director Nygaard, Mr. Keane seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors approve the agreement with Rady Children's Specialists of San Diego for Retinopathy of Prematurity Testing for a term of 12 months, beginning November 1, 2016, and ending October 31, 2017, for an annual cost of \$32,820, and a total cost for the term of \$32,820. Write-up to be amended by Barbara Hainsworth</p>	Mary Diamond
b. WOW Replacement Project	<p>Kathy Topp conveyed that this was a one-time, approved capital budget purchase for replacement workstations on wheel carts (WOW's) with new laptop computers and bar code scanners. Significant discussion ensued.</p>	<p>MOTION It was moved by Dr. Contardo, Ms. Mendez seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors authorize the agreement with Cerner for</p>	Kathy Topp

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible										
<p>c. Physician Agreement for ED On-Call Coverage-Neurology</p> <ul style="list-style-type: none"> Tara Quesnell, D.O. 	<p>Sherry Miller conveyed that this write-up is to add Dr. Tara Quesnell as new physician to the existing panel for ED On-Call coverage for Neurology, with no increase in expense.</p>	<p>Workstations on Wheels Carts and Barcode for Medication Scanners and with SHI for HP ProBook Laptops for a total combined cost of \$330,571.</p> <p>MOTION It was moved by Mr. Keane, Dr. Contardo seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors add Tara Quesnell, D.O. to the currently existing ED On-Call Coverage Panel for Neurology for a term of 20 months, beginning November 1, 2016 and ending June 30, 2018.</p>	<p>Sherry Miller</p>										
<p>d. Physician Agreement for ED On-Call Coverage-Orthopedic Surgery</p> <ul style="list-style-type: none"> Grant Seiden, M.D. 	<p>Sherry Miller conveyed that this write-up is to add Dr. Grant Seiden as new physician to the existing panel for ED On-Call coverage for Orthopedic Surgery, with no increase in expense.</p>	<p>MOTION It was moved by Ms. Mendez, Mr. Lingenfelter seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors add Grant Seiden, M.D. to the currently existing ED On-Call Coverage Panel for Orthopedic Surgery for a term of 20 months, beginning November 1, 2016 and ending June 30, 2018.</p>	<p>Sherry Miller</p>										
<p>e. Financials</p>	<p>Ray Rivas presented the financials ending September 30, 2016 (dollars in thousands)</p> <p>TCHD – Financial Summary</p> <table border="1"> <thead> <tr> <th colspan="2"><u>Fiscal Year to Date</u></th> </tr> </thead> <tbody> <tr> <td>Operating Revenue</td> <td>\$ 83,603</td> </tr> <tr> <td>Operating Expense</td> <td>\$ 83,622</td> </tr> <tr> <td>EBITDA</td> <td>\$ 5,094</td> </tr> <tr> <td>EROE</td> <td>\$ 1,246</td> </tr> </tbody> </table>	<u>Fiscal Year to Date</u>		Operating Revenue	\$ 83,603	Operating Expense	\$ 83,622	EBITDA	\$ 5,094	EROE	\$ 1,246	<p>Ray Rivas</p>	<p>Ray Rivas</p>
<u>Fiscal Year to Date</u>													
Operating Revenue	\$ 83,603												
Operating Expense	\$ 83,622												
EBITDA	\$ 5,094												
EROE	\$ 1,246												

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
<p>f. Work Plan – Information Only</p>	<p>TCMC – Key Indicators – FYTD Avg. Daily Census 184 Adjusted Patient Days 29,071 Surgery Cases 1,577 Deliveries 736 ED Visits 16,486</p> <p><u>TCHD-Financial Summary – Current Month</u> Operating Revenue \$ 27,704 Operating Expense \$ 27,383 EBITDA \$ 2,015 EROE \$ 746</p> <p><u>TCMC – Key Indicators – Current Month</u> Avg. Daily Census 181 Adjusted Patient Days 9,560 Surgery Cases 475 Deliveries 274 ED Visits 5,215</p> <p><u>TCMC - Net Patient A/R & Days in Net A/R By Fiscal Year</u> Net Patient A/R \$ 43.1 (in millions) Days in Net A/R 50.2</p> <p>Graphs:</p> <ul style="list-style-type: none"> • TCMC-Net Days in Patient Accounts Receivable • TCMC-Adjusted Patient Days • TCMC-Acute Average Length of Stay • TCMC - Deliveries <p>Director Dagostino reported that these agenda items were for review only, but Committee members were welcome to ask questions.</p>		Chairman

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
<ul style="list-style-type: none"> Wellness Center 	<p>David Bennett reviewed the Wellness Center update document included in the agenda packet. Brief discussion ensued.</p>		David Bennett
<ul style="list-style-type: none"> Construction Report 	No discussion		Chris Miechowski
<ul style="list-style-type: none"> Infusion Center 	No discussion. Director Dagostino raised the suggestion that the Infusion Center update remain on the Work Plan, as an annual update vs. the previous quarterly format. Committee members concurred.		Kapua Conley
<ul style="list-style-type: none"> Dashboard 	No discussion		Ray Rivas
<ul style="list-style-type: none"> Medical Director, Surgery 	Mary Diamond gave a brief PowerPoint presentation, reflecting the Outcome Performance report for the Surgery Medical Director. Brief discussion ensued.	None	Mary Diamond
7. Comments by Committee Members			Chair
8. Date of next meeting	November 15, 2016		Chair
9. Community Openings (none)			
10. Adjournment	Meeting adjourned 1:30 pm		

FINANCE, OPERATIONS AND PLANNING

MEETING DATES

2017

Time: 12:30-3:30 PM

Location: All meetings to be held in Assembly Room # 2

January 17, 2017

February 14, 2017

March 21, 2017

April 18, 2017

May 16, 2017

June 20, 2017

July 18, 2017

August 22, 2017

September 19, 2017

October 17, 2017

November 21, 2017

December 19, 2017 (Tentative)

Finance, Operations and Planning Committee

Date of Meeting: November 15, 2016

Discussion:

Confirm Cancellation of
Tentative, December 20th, 2016
Finance, Operations & Planning Meeting

Finance, Operations and Planning Committee

Date of Meeting: November 15, 2016

Discussion:

Wayne Lingenfelter

Second Term Request - Community Member,
Finance, Operations & Planning Meeting

Projected Second Term Dates: January 30, 2017 – January 30, 2019

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
SURGICAL LIGHT REPLACEMENT AND VIDEO INTEGRATION PROPOSAL for OR #1

Type of Agreement		Medical Directors		Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates		Renewal – Same Rates

Vendor's Name: Stryker (Berchtold Lights and Stryker Video Integration)
 Sun Structural Engineering (Design)
 McCoy Construction (Construction/Installation)

Area of Service: Surgery

Term of Agreement: One-Time Purchase

Maximum Totals:

Item:	Amount:
• Purchase of Berchtold F-Generation Surgical Lights and ChromoVision Camera System Full HD for E	\$83,736
• Purchase of SwitchPoint Infinity All-in-One HD Digital Routing System, ProCare Service Plan for Three (3) Years and Misc. Accessories	\$139,606
• Purchase of Two (2) VisionPro Synk 26" Wireless LED Displays	\$15,763
• Stryker Digital Capture	\$28,850
• Construction (<i>publicly bid agreement with McCoy Design & Construction</i>)	\$70,329
• Design Services	\$50,263
• 8% Tax, Shipping & Handling	\$24,324
Total Expected Cost:	\$412,871

Description of Services/Supplies:

- Replacement of Surgical Lights in OR 1, along with installation of an integration system to allow for better image availability during minimally invasive surgery and storage of images:

Document Submitted to Legal:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No

Person responsible for oversight of agreement: Mary Diamond, Sr. Director-Nursing, Surgical Services / Sharon Schultz, Chief Nurse Executive

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the publicly bid agreement with McCoy Design & Construction for \$70,329, and the purchase of equipment to replace the lights in operating room 1, for a total expected project cost of \$412,871.



FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
Renovation of Labor & Delivery and Mother/Baby

Table with 2 rows and 6 columns: Type of Agreement, Status of Agreement, Medical Directors, Panel, Other: Renovation, Renewal - New Rates, Renewal - Same Rates.

Vendor's Name: Vendor List Available Upon Request
Area of Service: Engineering
Term of Agreement: 24 months, or completion of project.
Maximum Totals:

Table with 2 columns: Cost Distribution, Amount. Rows include Tri-City Healthcare District (\$431,590), Tri-City Hospital Foundation (\$760,000), and Total Cost, Not to Exceed (\$1,191,590).

Description of Services/Supplies:

- Requesting approval of expenses to renovate all of the Labor & Delivery and Mother/Baby patient rooms
Last room upgrades undertaken in 1994; renovations needed to stay competitive with other facilities
Scope of work to include: replacing of headwalls, cabinets, flooring, ceiling tiles, wall protection, new TVs, new furniture & other small items.

Table with 5 columns: Description, X, Yes, X, No. Rows include Document Submitted to Legal, Approved by Chief Compliance Officer, and Is Agreement a Regulatory Requirement.

Person responsible for oversight of agreement: Chris Miechowski, Director, Facilities / Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize a project budget for renovating Labor & Delivery and Mother/Baby rooms for a total cost not to exceed \$1,191,590.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
I.T. Interim Leadership Proposal

Type of Agreement		Medical Directors		Panel		Other:
Status of Agreement		New Agreement	X	Renewal – New Rates		Renewal – Same Rates

Vendor's Name: TK Moede Consulting, Inc.
Area of Service: Information Technology Services
Term of Agreement: 6 months, Beginning, December 1, 2016 – Ending, May 31, 2017

Maximum Totals:

Monthly Cost	6 month Cost	Total Term Cost
Interim VP IT: \$29,400	Interim VP IT: \$176,400	\$301,200
Technology - Subject Matter Specialist: \$20,800	Technology - Subject Matter Specialist: \$124,800	

Description of Services/Supplies:

- Continue IT Leadership as the interim Chief information Officer/VP of Information Technology and Technology Subject Matter Specialist;
- Develop an implementation strategy for Infrastructure/Hardware Replacement;
- Transition to the virtual Cloud technology, tied to Infrastructure/Hardware Replacement – assist with new business development opportunities including PRIME projects;
- Address Cybersecurity requirements, update Security Policies which are not current;
- Continue with SWOT analysis to retool IT operations and Technology strategies to better position TCMC in the current market, supporting scalable technology services;
- Provide support for software upgrades: Cerner/Clinical, Lawson/Finance/HR, and Affinity/Patient Accounting;
- Integration framework supporting leadership approved strategic initiatives;
- Requested cost is within IT salary and contract labor budget.

Document Submitted to Legal:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No

Person responsible for oversight of agreement: Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the agreement with TK Moede Consulting, Inc. for continued IT leadership as the interim Chief information Officer/VP for a term of 6 months, beginning December 1, 2016 and ending May 31, 2017 for a monthly cost of \$50,200 and a total cost for the term of \$301,200.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
Beckman Coulter Hematology Proposal

Type of Agreement		Medical Directors		Panel		Other:
Status of Agreement		New Agreement		Renewal – New Rates	X	Renewal – Same Rates

Vendor's Name: Beckman Coulter

Area of Service: Laboratory

Term of Agreement: 60 months, Beginning, December 15, 2016 – Ending, December 14, 2021

Maximum Totals:

Monthly Cost	Annual Cost	Total Term Cost
\$6,079	\$72,948	\$364,740
Facility Expense:	One Time Seismic Expense	Estimate \$24,800

Description of Services/Supplies:

- Renewal of reagent agreement, includes new instrumentation for hematology analysis
- Replaces 11 and 5 year old hematology equipment
- Enhances blood testing redundancy and standardize technologist workflow
- Equipment design improves results turnaround times
- 5 year cost comparison net a total savings of \$65,000 for contract term

Document Submitted to Legal:		Yes	X	No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No

Person responsible for oversight of agreement: Steve Young, Sr. Director, Ancillary Services / Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the agreement with Beckman Coulter for the Hematology Reagents and Instrumentation for a term of 60 months beginning December 15, 2016 and ending December 14, 2021 for an annual cost of \$72,948 and a total cost for the term of \$364,740, and a onetime seismic facility expense estimated to be \$24,800.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
PHYSICIAN AGREEMENT for Cardiac Rehabilitation Medical Director/Physician Supervision

Type of Agreement	X	Medical Directors		Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates	X	Renewal – Same Rates

Physicians Name: Karim H. El-Sherief, M.D.

Area of Service: Cardiac Rehabilitation Services

Term of Agreement: 24 months, Beginning, July 1, 2017 – Ending, June 30, 2019

Maximum Totals:

Rate/Hour	Hours per Month	Hours per Year	Monthly Cost	Annual Cost	24 month (Term) Cost
\$185.50	44	528	\$8,162	\$97,944	\$195,888

Position Responsibilities:

- Cardiac rehabilitation program Medical Director
- Maintain TCMC's main-campus cardiac rehabilitation program as the physician directed clinic.
- Providing medical supervision of patients receiving services in the Department, and clinical consultation for the Department as requested by attending physicians including, without limitation, daily review and monitoring of patients receiving services in or through the Department.
- Ensuring that all medical and therapy services provided by the Department, Program or Service are consistent with Hospital's mission and vision.
- Supervising the preparation and maintenance of medical records for each patient receiving services in or through the Department.
- Evaluation of all Phase 2 patients enrolled in the Cardiac Rehabilitation Program and ongoing supervision and evaluation of monitored exercise sessions.
- Attend meetings with Hospital administration, Hospital's medical staff as required by Hospital and/or Dept
- Participate in and otherwise cooperate with continuing education and in-service training of Department Personnel and others working in Department.
- Assure that adequate medical coverage is provided for Cardiac Rehabilitation clinical services activities performed within Department during hours of operation.

Board Approved Physician Contract Template:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No

Person responsible for oversight of agreement: Steve Young, Sr. Director, Ancillary Services / Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize Dr. Karim El-Sherief as the Medical Director of Cardiac Rehabilitation for a term of 24 months beginning July 1, 2017 ending June 30, 2019. Not to exceed an average of 44 hours per month or 528 hours annually, at an hourly rate of \$185.50 for an annual cost of \$97,944 and a total term cost not to exceed \$195,888.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
Physician Recruitment Proposal – Family Medicine

Type of Agreement		Medical Directors		Panel	X	Other: Recruitment Agreement
Status of Agreement	X	New Agreement		Renewal		

Physician Name: Ronald Perez, M.D.

Areas of Service: Family Medicine

Key Terms of Agreement:

Effective Date: August 1, 2017 or the date Dr. Perez becomes a credentialed member in good standing of the Tri-City Healthcare District Medical Staff
Community Need: TCHD Physician Needs Assessment shows significant community need for Family Medicine
Income Guarantee: Not to exceed a two-year income guarantee with loan to be forgiven over a three-year forgiveness period provided physician continues to practice within service area
Service Area: Area defined by the lowest number of contiguous zip codes from which the hospital draws at least 75% of its inpatients
Income Guarantee: \$218,000 annually (\$436,000 Not to Exceed)
Sign-on Bonus: \$20,000
Start-Up Cost: \$120,000 (Not to Exceed)
Relocation: \$12,000 (Not part of the Loan)
Total Not to Exceed: \$588,000 (Loan Amount= \$576,000)

Independent Physician Recruitment Agreement: Ronald Perez, M.D. is going to be an independent Family Medicine physician, looking to locate an office space in Carlsbad, CA.

Requirements:

Business Pro Forma: Must submit a two-year business pro forma for TCHD approval relating to the addition of this physician to the medical practice, including proposed incremental expenses and income. TCHD may suspend or terminate income guarantee payments if operations deviate more than 20% from the approved pro forma and are not addressed as per agreement.

Expenses: The agreement specifies categories of allowable professional expenses (expenses associated with the operation of physician's practice and approved at the sole discretion of TCHD) such as billing, rent, medical and office supplies, etc. If the incremental monthly expenses exceed the maximum, the excess amount will not be included.

Document Submitted to Legal:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No

Person responsible for oversight of agreement: Wayne Knight, Chief Strategy Officer

Motion:

I move that the Finance, Operations and Planning Committee recommend the Board of Directors find it in the best interest of the public health of the communities served by the District to approve the expenditure, not to exceed \$588,000 over two years in order to facilitate this Family Medicine physician practicing medicine in the communities served by the District. This will be accomplished through a Physician Recruitment Agreement (not to exceed a two-year income guarantee) with Ronald Perez, M.D.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: November 15, 2016
Physician Recruitment Proposal – Family Medicine

Type of Agreement		Medical Directors		Panel	X	Other: Recruitment Agreement
Status of Agreement	X	New Agreement		Renewal		Renewal - Same Rates

Physician Name: Michael A. Pietila, M.D.

Areas of Service: Family Medicine

Key Terms of Agreement:

Effective Date: January 1, 2017 or the date Dr. Pietila becomes a credentialed member in good standing of the Tri-City Healthcare District Medical Staff
Community Need: TCHD Physician Needs Assessment shows significant community need for Family Medicine
Income Guarantee: Not to exceed a one-year income guarantee with loan to be forgiven over a two-year forgiveness period provided physician continues to practice within service area
Service Area: Area defined by the lowest number of contiguous zip codes from which the hospital draws at least 75% of its inpatients
Income Guarantee: \$240,000 (for one year) (\$20,000/month)
Sign-on Bonus: \$10,000
Total Not to Exceed: \$250,000 (Loan Amount)

Unique Features: Dr. Michael Pietila will join the group practice of Tri-City Primary Care Practice in Vista, CA, with three other physicians, Dr. Novak, Dr. Ferber, and Dr. Baroudi. Dr. Pietila will fill the vacancy left by Dr. Clancy.

Requirements:

Business Pro Forma: Must submit a one-year business pro forma for TCHD approval relating to the addition of this physician to the medical practice, including proposed incremental expenses and income. TCHD may suspend or terminate income guarantee payments if operations deviate more than 20% from the approved pro forma and are not addressed as per agreement.

Expenses: The agreement specifies categories of allowable professional expenses (expenses associated with the operation of physician's practice and approved at the sole discretion of TCHD) such as billing, rent, medical and office supplies, etc. If the incremental monthly expenses exceed the maximum, the excess amount will not be included.

Document Submitted to Legal:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No

Person responsible for oversight of agreement: Wayne Knight, Chief Strategy Officer

Motion:

I move that the Finance, Operations and Planning Committee recommend the Board of Directors find it in the best interest of the public health of the communities served by the District to approve the expenditure, not to exceed \$250,000 in order to facilitate this Family Medicine physician practicing medicine in the communities served by the District. This will be accomplished through a Physician Recruitment Agreement (not to exceed a one-year income guarantee) with Dr. Pietila, M.D.

**Finance, Operations and Planning Work Plan
Program Tracking Schedule
FY 2017**

November 15, 2016

	July	Aug	Sept	Oct	Nov 2016	Dec	Jan	Feb	Mar	Apr	May	June	Responsible Party
Wellness Center (Quarterly), since 2009 (changed from semi-annual to quarterly, April 2016)	•			•			•			•			David Bennett
Physician Recruitment Tracking (Annual), (Since 2009)												•	Jeremy Raimo
Tri-City Real Estate Holding and Management LLC (Annual), (Since 2011)								•					Steve Dietlin
Finance, Operations and Planning Charter, (Annual)										•			Chair
Construction Report, (Quarterly)	•			•			•			•			Kapua Conley
Accountable Care Organization (ACO) (Annual), (Since 2013)								•					Wayne Knight
Infusion Center, (Quarterly) (Report quarterly until Oct. 2015 then annual)				•									Sharon Schultz
Aionex Bed Board / Throughput, (Bi-Monthly) (Changed from monthly, to bi-monthly August 2015)	•						•						Kathy Topp

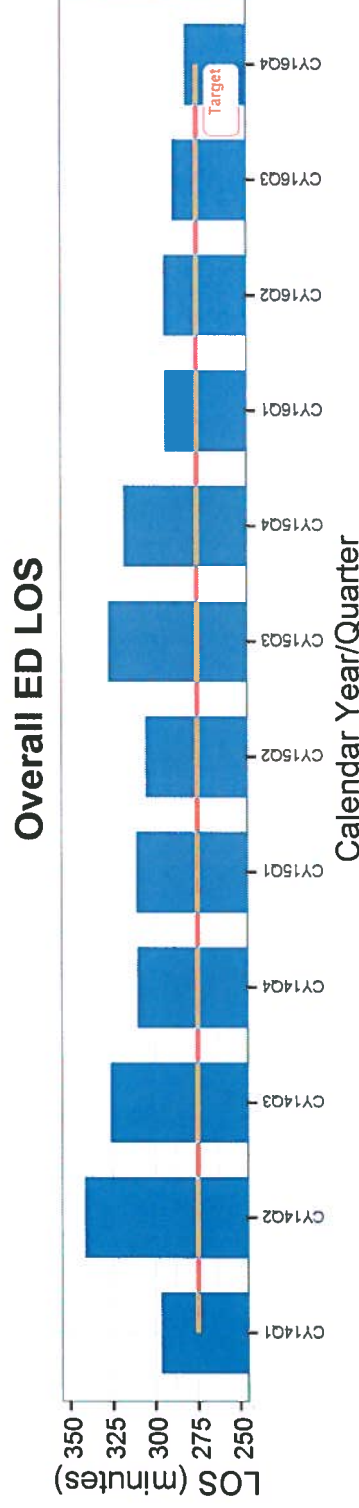
	July	Aug	Sept	Oct	Nov 2016	Dec	Jan	Feb	Mar	April	May	June	Responsible Party
Dashboard		•	•	•	•	•	•	•	•	•	•	•	Ray Rivas
Meaningful Use, (Semi-Annual) (Start reporting September 2015 for one year then semi-annual)			•						•				Terry Moede / Lyn Bolton
ICD-10 - Update (Annual)		•											Colleen Thompson
Neuroscience Institute – NSI Medical Directorships, (Semi-Annual) (Start reporting June 2015 for first year then semi-annual)	•						•						Wayne Knight
Medical Director – Surgery (Quarterly) (Began reporting in July 2015)	•			•			•			•			Mary Diamond
IT Physician Liaison (Semi-Annual) (Began reporting in July 2016)	•						•						(Kapua Conley)
Update on Institutes (Annual):													
• Cardiovascular													
• Neuroscience													
• Orthopaedic (Added August 2016, begin reporting August 2017)		•											Wayne Knight



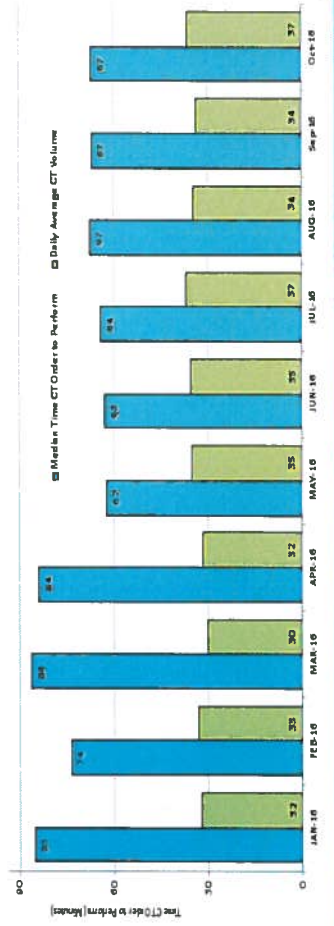
Finance and Operations Committee 11.15.16 Hospital Wide ThroughPut Report

Improvements

1. LOS - Overall Decrease in ED LOS in Past 2 years, approaching target goal of 275 minutes.



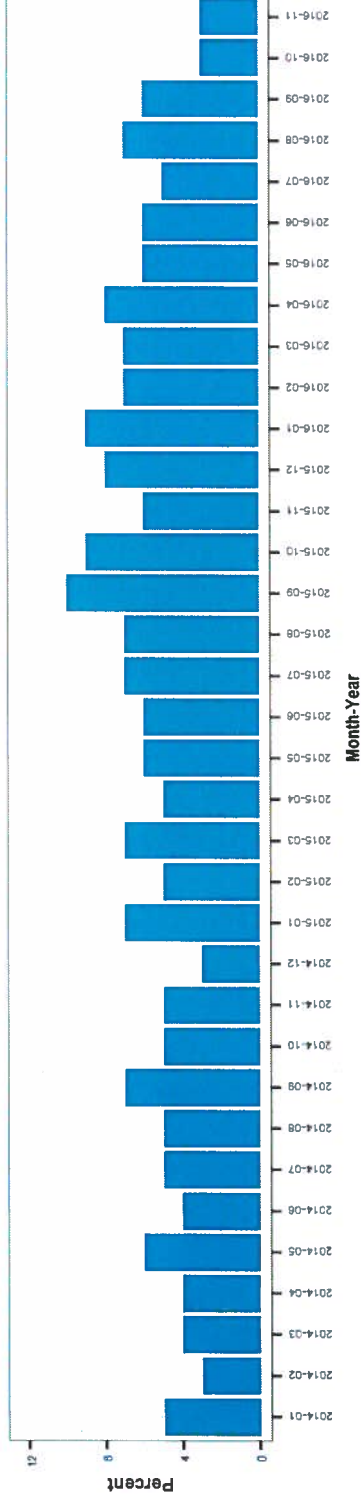
2. **CT Scan** – Quicker processing since new scanner in April, 2016 which improves throughput. Committee established new metrics for exam throughput in September.



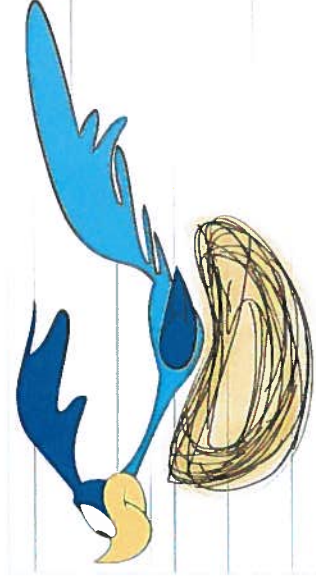


3. **LWBS** - Decrease due to PAs being in Triage and expanded hours.

LWBS Vs AMA/Elopement

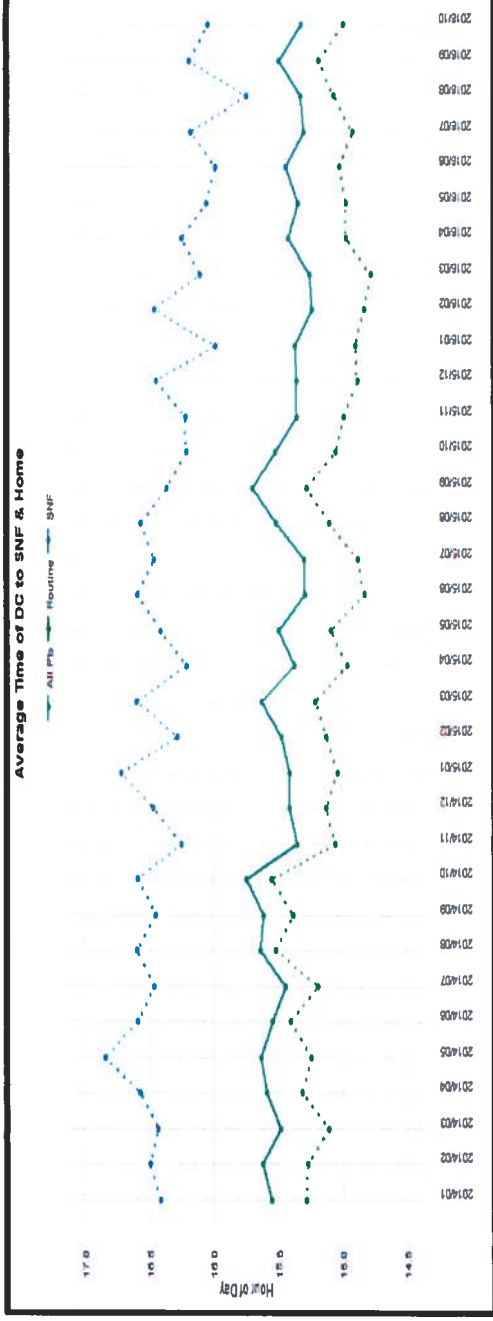


4. **Zoomer RN** – Test of Change on 11/9/16 to reduce bottlenecks for patients waiting to be seen or discharged.





5. Discharge Process – Average time of discharge to SNF and Home has seen small gradual improvement.



6. Discharge Concierge Lounge – New location selected by Registration, hope to have ready by December. This will facilitate getting patients out of their rooms quicker which will help with patient flow.





Financial Information

TCMC Days in Accounts Receivable (A/R)														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M	Goal
	51.2	50.2	48.7	50.5	47.0	49.1	51.7	48.9	49.5	50.4	47.4	46.7	YTD Avg	Range
FY17													50.2	48-52
FY16	46.7	45.7	45.7	45.3	47.0	49.1	51.7	48.9	49.5	50.4	47.4	46.7	45.8	48-52

TCMC Days in Accounts Payable (A/P)														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M	Goal
	78.9	81.6	86.5	88.1	84.0	82.5	83.6	81.1	81.4	81.1	81.1	80.7	YTD Avg	Range
FY17													83.8	75-100
FY16	83.6	85.8	92.1	88.7	84.0	82.5	83.6	81.1	81.4	81.1	81.1	80.7	87.5	75-100

TCHD EROE \$ in Thousands (Excess Revenue over Expenses)														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M	C/M
	\$288	\$211	\$746	\$1,118	(\$513)	\$965	(\$1,784)	(\$411)	(\$220)	\$331	\$315	(\$1,842)	YTD	YTD Budget
FY17													\$2,364	\$171
FY16	\$862	\$612	\$182	(\$189)	(\$513)	\$965	(\$1,784)	(\$411)	(\$220)	\$331	\$315	(\$1,842)	\$1,467	

TCHD EROE % of Total Operating Revenue														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M	C/M
	1.04%	0.75%	2.69%	3.99%	-2.00%	3.40%	-6.31%	-1.53%	-0.77%	1.13%	1.09%	-6.82%	YTD	YTD Budget
FY17													2.12%	0.15%
FY16	3.03%	2.20%	0.66%	-0.68%	-2.00%	3.40%	-6.31%	-1.53%	-0.77%	1.13%	1.09%	-6.82%	1.31%	



Tri-City Medical Center

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Financial Information

TCMD EBITDA \$ in Thousands (Earnings before Interest, Taxes, Depreciation and Amortization)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	\$1,583	\$1,496	\$2,015	\$2,365									\$7,459	\$5,405
FY16	\$2,046	\$1,817	\$1,357	\$1,011	\$644	\$2,155	(\$594)	\$797	\$1,019	\$1,530	\$1,598	(\$558)	\$6,231	

TCMD EBITDA % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	5.70%	5.32%	7.27%	8.43%									6.68%	4.72%
FY16	7.20%	6.53%	4.90%	3.65%	2.50%	7.58%	-2.10%	2.97%	3.56%	5.22%	5.55%	-2.07%	5.58%	

TCMC Paid FTE (Full-Time Equivalent) per Adjusted Occupied Bed

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	6.04	5.84	5.74	5.85									5.87	6.06
FY16	6.13	6.05	5.91	5.98	6.11	6.01	5.77	5.43	6.07	5.86	6.09	5.99	6.02	

TCMD Fixed Charge Coverage Covenant Calculation

	TTM Jul	TTM Aug	TTM Sep	TTM Oct	TTM Nov	TTM Dec	TTM Jan	TTM Feb	TTM Mar	TTM Apr	TTM May	TTM Jun	Covenant
FY17	1.37	1.37	1.37	1.59									1.10
FY16	1.88	1.96	2.15	2.05	1.85	1.92	1.87	1.73	1.70	1.82	1.63	1.47	1.10

TCMD Liquidity \$ in Millions (Cash + Available Revolving Line of Credit)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY17	\$29.1	\$29.4	\$26.8	\$18.9								
FY16	\$30.7	\$33.4	\$36.1	\$35.7	\$31.8	\$28.0	\$26.3	\$27.5	\$24.8	\$28.0	\$37.6	\$31.7