

**TRI-CITY HEALTHCARE DISTRICT
AGENDA FOR A REGULAR MEETING
OF THE FINANCE, OPERATION AND PLANNING COMMITTEE
Thursday, February 21, 2019
8:30-11:30 A.M.
Assembly Room 1
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 – January 24, 2019	2 min.	Standard
5.	Old Business		
6.	New Business		
7.	Consideration of Consent Calendar-(All items will be approved with a single motion, unless pulled for discussion)	30 min.	Chair
	<ul style="list-style-type: none"> a) Collections & Report Management tool Proposal <ul style="list-style-type: none"> • nThrive Revenue Systems, LLC (formerly MedAssets) <p><i>Motion: Request approval of the agreement with nThrive for a term of 36 months, beginning March 1, 2019 and ending February 28, 2022 for an annual cost of \$120,000 and a total cost for the term of \$360,000.</i></p>		Joni Penix
	<ul style="list-style-type: none"> b) Physician Agreement for ED On-Call Coverage – General Surgery <ul style="list-style-type: none"> • Hussna Wakily, M.D. <p><i>Motion: Request approval of the agreement to add Dr. Hussna Wakily to the currently existing Panel Agreement for ED On-Call Coverage-General Surgery for a term of 17 months, beginning February 1, 2019 – Ending, June 30, 2020.</i></p>		Sherry Miller
	<ul style="list-style-type: none"> c) Physician Recruitment Proposal - Orthopedic Surgeon <ul style="list-style-type: none"> • Morgan Silldorff, M.D. <p><i>Motion: Request approval of the agreement with Morgan Silldorff, M.D., Orthopedic Surgeon practicing medicine in the communities served by the District. This will be accomplished through an Independent Physician Recruitment Agreement (not to exceed a 24 month income guarantee with a three-year forgiveness period) for a total not to exceed \$835,000.</i></p>		Jeremy Raimo
8.	Financials	10 min.	Ray Rivas
9.	Work Plan	10 min.	
	<ul style="list-style-type: none"> a) Dashboard 		Ray Rivas

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 office of the Executive Assistant 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
10.	Comments by committee members	2 min.	Chair
11.	Date of next meeting: March 21, 2019	2 min.	Chair
12.	Community Member Openings (1)		
13.	Adjournment		
	Total Budget Time for Meeting	1 hr. 1 min.	

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FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 21, 2019
Collection & Report Management Tool Proposal

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

Vendor's Name: nThrive Revenue Systems, LLC (formally MedAssets)

Area of Service: Patient Accounting

Term of Agreement: 36 months, Beginning, March 1, 2019 – Ending, February 28, 2022

Maximum Totals:

Monthly Cost	Annual Cost	Total Term Cost
\$10,000	\$120,000	\$360,000

Description of Services/Supplies:

- Med Assets has rebranded as nThrive, and with that branding they are sunsetting the QMS Product we have used for the past 13 years
- Used daily by the entire staff for collection worklists, payment sheets, refunds, denials
- Utilized for reports to include delinquent data, month-end reconciliation, monthend reports for finance, and queries on active accounts receivable
- Entire Aged Trial Balance resides in the tool and is updated daily via interface automation
- Benefits – Consistency, no disruption in cash collections, productivity, reporting and continue to minimize bad debt.

Document Submitted to Legal for Review:	X	Yes		No
Approved by Chief Compliance Officer:		Yes	N/A	No
Is Agreement a Regulatory Requirement:		Yes	X	No
Budgeted Item:	X	Yes		No

Person responsible for oversight of agreement: Joni Penix, Director, Patient Accounting / Ray Rivas, Chief Financial Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the agreement with nThrive for a term of 36 months, beginning March 1, 2019 and ending February 28, 2022 for an annual cost of \$120,000 and a total cost for the term of \$360,000.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 21, 2019
PHYSICIAN AGREEMENT for ED ON-CALL COVERAGE – General Surgery

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

Physician’s Name: Hussna Wakily, M.D.

Area of Service: Emergency Department On-Call: General Surgery

Term of Agreement: 17 months, Beginning, February 1, 2019 – Ending, June 30, 2020

Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES
 Adding physician to existing panel; no increase in expense

Rate/Day	Panel Days per Year	Panel Annual Cost
Mon-Sunday \$1,400	FY19: 365 days	\$511,000
	Total Term Cost:	\$511,000

Unfunded Cholecystectomy Cost	Estimated Cases per Year	Estimated Annual Cost
\$725, per case	FY19: 36	\$26,100
Unfunded Laparoscopic Cholecystectomy with Common Bile Duct Exploration	Estimated Cases per Year	Estimated Annual Cost
Procedure Code 47564: \$1,144.51, per case	FY19: 5	\$5,722.55
Procedure Code 47550: \$168.05, per case	FY19: 5	\$840.25
	Total Term Cost:	\$32,662.80

Position Responsibilities:

- Provide 24/7 patient coverage for all General Surgery specialty services in accordance with Medical Staff Policy #8710-520 (Emergency Room Call: Duties of the On-Call Physician)
- Complete related medical records in accordance with all Medical Staff, accreditation, and regulatory requirements.

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

Person responsible for oversight of agreement: Sherry Miller, Manager, Medical Staff Services / Scott Livingstone, Chief Operating Officer

Motion: I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors approve the agreement to add Dr. Hussna Wakily to the currently existing Panel Agreement for ED On-Call Coverage-General Surgery for a term of 17 months, beginning February 1, 2019 – Ending, June 30, 2020.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 21, 2019
Physician Recruitment Proposal – Orthopedic Surgeon

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

Physician Name: Morgan Silldorff, M.D.
Areas of Service: Orthopedic Surgery (Total Joint Specialist)

Key Terms of Agreement:

Effective Date: August 1, 2019, or the date Dr. Silldorff 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 Orthopedic Surgery (Total Joint Specialist)
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: \$800,000 NTE (\$400,000 annually - for a two-year income guarantee, with a three-year forgiveness period)
Sign-on Bonus: \$25,000
Relocation: \$10,000 (Not part of the Loan)
Loan Amount: \$825,000
Total Not to Exceed: \$835,000

Unique Features: Dr. Silldorff will practice at Orthopedic Specialist of North County

Requirements:

Business Pro Forma: Must submit a 24 month 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 for Review:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No
Budgeted Item:	X	Yes		No

Person responsible for oversight of agreement: Jeremy Raimo, Sr. Director Business Development / Scott Livingstone, Chief Operating 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 \$835,000 in order to facilitate, Morgan Silldorff, M.D., Orthopedic Surgeon practicing medicine in the communities served by the District. This will be accomplished through an Independent Physician Recruitment Agreement (not to exceed a 24 month income guarantee with a three-year forgiveness period) for a total not to exceed \$835,000.

**Finance, Operations and Planning Work Plan
Program Tracking Schedule
FY2019
February 21, 2019**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb 2019	Mar	Apr	May	June	Responsible Party
Wellness Center (Bi-Monthly) , (Since 2009) (Changed from quarterly to bi-monthly, January 2018)	•		•		•		•		•		•		Scott Livingstone
Physician Recruitment Tracking (Annual) , (Since 2009)												•	Jeremy Raimo
Finance, Operations and Planning Charter, (Annual)										2020 •			Chair
Construction Report, (Quarterly)	•			•			•			•			Scott Livingstone
Infusion Center, (Annual) (Report quarterly until Oct. 2015 then annual)				•									Sharon Schultz
ED Throughput, (Quarterly) (Changed from bi-monthly to quarterly, January 2018)	•			•			•			•			Candice Parras
Meaningful Use, (Semi-Annual) (Begin reporting September 2015 for one year then semi-annually)			•						•				Mark Albright
Medical Director – Surgery (Semi-Annual) (Began reporting in July 2015)				•						•			Debra Feller
IT Physician Liaison (Semi-Annual) (Began reporting in July 2016)	•						•						Mark Albright

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb 2019	Mar	April	May	June	Responsible Party
Institutes Update (Annual): • Cardiovascular (Added August 2016, began reporting August 2017)		•											Jeremy Raimo
PRIME Update (Annual): (Began reporting in January 2019)							•						Scott Livingstone
Dashboard		•	•	•	•	•	•	•	•	•	•	•	Ray Rivas



Financial Information

TCMC Days in Accounts Receivable (A/R)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY19	51.0	48.5	50.3	49.5	52.3	56.5	58.9						52.4	48-52
FY18	47.7	47.8	48.9	50.8	49.6	49.5	49.8	47.2	46.8	47.0	46.6	45.8	49.2	

TCMC Days in Accounts Payable (A/P)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY19	84.9	86.5	90.2	91.4	92.5	87.8	93.1						89.5	75-100
FY18	82.1	79.1	78.8	83.4	87.7	81.3	82.9	85.2	78.8	83.2	89.2	83.0	82.2	

TCHD EROE \$ in Thousands (Excess Revenue over Expenses)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	(\$478)	(\$121)	\$119	\$254	\$342	\$236	(\$527)						(\$175)	\$895
FY18	(\$394)	(\$429)	(\$224)	(\$171)	(\$2,571)	(\$383)	(\$1,242)	(\$542)	(\$337)	(\$679)	(\$408)	\$3,118	(\$5,415)	

TCHD EROE % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	-1.64%	-0.39%	0.41%	0.86%	1.19%	0.79%	-1.76%						-0.08%	0.44%
FY18	-1.33%	-1.39%	-0.76%	-0.55%	-9.47%	-1.26%	-3.94%	-1.86%	-1.09%	-2.31%	-1.31%	9.07%	-2.57%	



Financial Information

TCHD 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
FY19	\$796	\$1,168	\$1,417	\$1,561	\$1,618	\$1,544	\$826						\$8,930	\$10,313
FY18	\$898	\$864	\$1,091	\$1,146	(\$1,288)	\$908	\$81	\$751	\$963	\$571	\$900	\$4,407	\$3,700	

TCHD EBITDA % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	2.73%	3.81%	4.90%	5.28%	5.65%	5.20%	2.76%						4.32%	5.07%
FY18	3.03%	2.80%	3.69%	3.66%	-4.74%	2.99%	0.26%	2.57%	3.13%	1.95%	2.90%	12.82%	1.76%	

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
FY19	6.73	6.70	6.75	6.98	7.82	6.50	6.68						6.88	6.64
FY18	6.51	5.92	6.90	6.26	6.50	6.43	5.95	5.99	5.86	6.29	6.43	6.43	6.33	

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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
FY19	\$50.0	\$49.5	\$49.3	\$48.1	\$37.5	\$29.5	\$36.3							
FY18	\$58.5	\$49.8	\$42.3	\$48.2	\$58.6	\$54.5	\$54.7	\$53.1	\$49.4	\$42.7	\$41.5	\$52.8		