

**EASTERN PLUMAS HEALTH CARE DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, July 28, 2011

10:00 A.M.

EPHC Education Center, Portola, CA

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact the Clerk of the Board at (530) 832-6564. Notification 72 hours prior to the meeting will enable the Eastern Plumas Health Care to make reasonable arrangements to ensure accessibility.

Agenda

	<u>Presenter(s)</u>	<u>I/D/A</u>	<u>Page(s)</u>
1. Call to Order	Gail McGrath	A	
2. Roll Call	Gail McGrath	I	
3. Consent Calendar	Gail McGrath	A	
(A) Agenda			1-2
(B) Meeting Minutes of 6.21.11 Standing Finance Committee			3
(C) Meeting Minutes of 6.24.11 Regular Board Meeting			4-6
4. Board Chair Comments	Gail McGrath	I/D/A	
▪ Cancellation Notice/Special Board Meeting August			7
5. Board Comments	Board Members	I	
6. Public Comment	Members of the Public	I	
7. Approval of Policies & Procedures	Teresa Whitfield	I/D/A	
▪ Loss of Communications			
8. Committee Reports	Board Members	I/D	
• Standing Finance Committee	Kreth/Skutt		
9. Auxiliary Report	Kathy Davis	I/D	
10. Foundation Report	Gail McGrath	I/D	
11. Chief of Staff Report	Eric Bugna, MD	I/D	

12. CFO Report	Jeri Nelson	I/D	
• June 2011 Financials			8-18
13. Chief Executive Officer Report	Tom Hayes	I/D	
▪ Collaboration/Affiliation Process			19-20
▪ 2011/2012 Operation Plan			
▪ Project Update			21-23
▪ Joint Board/Foundation Meeting, Tuesday, August 9th at 3pm in the Education Center			
▪ Other			
14. Closed Session	Gail McGrath	I/D/A	
1. Closed Session, pursuant to Government Code Section 54957 to consider the following appointments to the medical staff:			
A. Provisional One Year Appointment			
• John Rule, MD - Radiology			
• Grant Hayashi, MD - Pathology			
B. Courtesy Two Year Re-Appointment			
• Milind Dhond, MD – Cardiology			
• Richard Nielsen DPM - Podiatry			
C. Active Two Year Re-Appointment			
• Susan Marron, MD – Emergency Medicine			
2. Closed Session, pursuant to Health and Safety Code 32155, to review reports on Quality Assurance.			
3. Closed Session, pursuant Government Code Section 54956.8, Conference with Real Property Negotiator, Property: A.P.N.126-050-041; Agency Negotiator: Tom Hayes; Under Negotiation: Price and terms			
15. Open Session Report of Actions Taken in Closed Session	Gail McGrath	I	
16. Adjournment	Gail McGrath	A	

**EASTERN PLUMAS HEALTH CARE DISTRICT
SPECIAL MEETING OF THE STANDING FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS**

Tuesday, June 21, 2011

10:00 A.M.

EPHC the office of Jeri Nelson, CFO, Portola, CA

Minutes

1. **Call to Order:** The meeting was called to order at 10:02 pm by Jay Skutt.
2. **Roll Call:**
Present: Lucie Kreth and Jay Skutt. Staff: Tom Hayes, Jeri Nelson, and Janie Dikes
3. **Approval of Agenda:** The agenda was approved as submitted.
4. **Board Comments:** None.
5. **Public Comments:** None.

CFO Report: Ms. Nelson presented the second draft of the budget. Ms. Nelson commented that the 2012 budget has a net income of \$677,200; the budget is aggressive, but achievable. Ms. Nelson explained that the major challenges of meeting the budgeted goals are to increase the inpatient census and the number of patient visits at Portola Medical Clinic. Mr. Skutt and Ms. Kreth commented on the Portola Dental Clinic budgeted loss. Jeri explained that the dental clinic carries a high percentage of bad debt, plus the Medi-Cal reimbursement for dental has been reduced at the State level. Mr. Skutt commented on that the 2012 budgeted Contributions total is substantially lower than last year. Upon further discussion it was decided to increase the budgeted contributions to \$200,000. Mr. Skutt also commented on the negotiations with Plumas County and the City of Portola to refinance the land. The decision was made to decrease the 2012 budgeted interest expense to reflect the proposed refinancing options.

Ms. Nelson will make the final adjustment to the 2012 budget and will present it to the Board on Friday, June 24, 2011.

Adjournment: Mr. Skutt adjourned the meeting at 10:50 am.

Approved by

Date

**EASTERN PLUMAS HEALTH CARE DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

Friday, June 24, 2011

10:00 A.M.

EPHC Education Center, Portola, CA

Minutes

1. Call to Order.

The meeting was called to order at 10:00am by Gail McGrath.

2. Roll Call.

Present: Gail McGrath, Larry Fites, Lucie Kreth, Janie McBride and Jay Skutt

Absent: None

Staff: Tom Hayes, CEO, Jeri Nelson, CFO, Dr. Eric Bugna, Chief of Staff, and Tiffany Williams, Administrative Assistant.

Visitors: Approximately 3 visitors were present at the start of the meeting

3. Consent Calendar.

Mr. Fites motioned to accept the consent calendar as submitted. A second was made by Mr. Skutt. None opposed, the motion was approved.

4. Board Chair Comments.

Ms. McGrath stated that she and Mr. Hayes had met with John Kimmel from PDH and would like to have a joint Board Meeting once PDH has hired a CEO. Mr. Hayes will draft an outline of specific opportunities and we will discuss it a future meeting. Ms. McGrath also mentioned the new monthly Community Health series.

5. Board Comments.

None

6. Public Comment.

None

7. Approval of Policies and Procedures

▪ **Blood Usage Form:**

Ms. Whitfield explained that the new Blood Usage form has more details for trending data. Ms. McGrath stated the she and Ms. McBride had reviewed the form. Ms. McGrath moved to adopt the form as submitted. A second was provided by Ms. McBride. None, opposed, the motion was approved.

8. Committee Reports

• **Standing Finance Committee:**

Mr. Skutt reported that the Finance Committee met and reviewed the second draft of the detailed budget with Ms. Nelson at which time other factors that affect the budget were discussed.

- **Standing QA Committee:**
Ms. Kreth reported that patient satisfaction results were discussed as well quality metrics. Mr. Hayes stated that we will be adding infection rates as well as medication errors to the quality metrics. Mr. Hayes also reported that patient satisfaction surveys will be given to clinic patients as they check out. The QA subcommittee will also be reviewing the results of these surveys.
- **Standing Planning Committee:**
Mr. Fites reported that the Planning Committee met and reviewed the Operations Plan, Strategic Plan Dashboard and Project List.
- **Ad Hoc PR Committee:**
Mr. Fites reported that he PR Committee met and reviewed the progress of the PR campaign. Ms. Satchwell provided a list of ads and articles that she has published. Ms. Satchwell briefly discussed the websites as well as grants that she is working on. The committee discussed a community newsletter and the option of a newspaper insert in lieu of a bulk mailing.

9. Auxiliary Report

Ms. Davis reported that at the end of May the Auxiliary had \$254,266.57 in the bank of which \$4,100 was in the memorial fund. The Auxiliary made a short term loan of \$90,000 to the hospital and \$100,000 is designated for the digital mammo. The Nifty Thrift grossed \$14,000 in May. She also reported that the Auxiliary has started working the information desk in the lobby and have logged 33 hours. June 29th is the blood drive at Father Burns Hall. The Auxiliary will be riding in a 1957 vehicle in the Mohawk Parade as well as the Railroad Days Parade.

10. Foundation Report.

Ms. McGrath reported that the golf tournament was last Friday and was very successful.

11. Chief of Staff Report.

Dr. Bugna reported Melanie Buckley, Dermatology PA saw twelve patients last Friday and Dr. Kopes-Kerr continues to see a lot of patients and brings a lot of enthusiasm.

12. Chief Financial Officer Report

- **May 2011 Financial:** Ms. Nelson stated that we had a good bottom line for May. She reported that the majority of our outpatient revenue indicators were up. Professional fees for Portola Medical Clinic are over budget mostly due to hospital related procedures. There were questions regarding the erratic dental numbers. Mr. Hayes stated that we have one provider.

13. Proposed Operating Budget

Ms. Nelson stated that the Finance Committee met and reviewed the details of the 2012 proposed operating budget. Ms. Nelson pointed out the 2012 budget is down in salary, PTO is capped at 400 hours, overtime is holding, and we are budgeting more in benefits and professional fees. There was a brief discussion. Mr. Skutt motioned to approve the proposed budget. Ms. Kreth provided a second. The 2012 Proposed Operating Budget was approved as submitted with the following roll call vote.

Aye: Chairman McGrath, Vice-Chairman Fites, Director McBride, Director Skutt and Director Kreth
Nye: None

14. CEO Report

- **Operations Plan:** Mr. Hayes reported on the updated Operations Plan including: Denials, EE Satisfaction and the Leadership/Advisory Council.
- **Strategic Plan:** Mr. Hayes reported on the Strategic Plan Dashboard. He stated that completed items will be removed annually.
- **Project List:** Mr. Hayes reported that there has been significant progress with the Dietary and Mammo remodel.
- **ACHD Follow up:** Mr. Hayes provided an overview and handouts of notes from the ACHD conference.
- **Other:**
 - Grant: Mr. Hayes reported that should have an answer regarding the telemedicine grant by next week.
 - EE Survey: Mr. Hayes reported that the results have been tabulated and will bring the results and a plan to the Board after the report is reviewed by each department head with their employees.
 - Mr. Hayes provided copies of a recent letter from the Economic Recovery Committee.
 - Mr. Hayes reported that Mimi Hall and Sierra Institute will be conducting a Community Health Assessment to help define the healthcare needs in the County.

15. Closed Session.

Ms. McGrath announced the Board would move into closed session at 11:40 am, pursuant to Health and Safety Code 32155, Code Section 54956.8, and Government Code Section 54957:

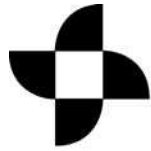
16. Open Session Report of Actions Taken in Closed Session.

The Board returned at approximately 12:33 pm and announced that with respect to 15.1 appointments were approved as submitted. With respect to 15.2 and 15.3 no reportable action was taken

17. Adjournment. Ms. McGrath subsequently adjourned the meeting at 12:33 pm.

Approval

Date



Eastern Plumas Health Care

“People Helping People”

**NOTICE OF CANCELLATION
OF
REGULAR BOARD MEETING**

The regular meeting of the Board of Directors of the Eastern Plumas Health Care District scheduled for Thursday, August 25th, 2011 at 10am has been cancelled.

A Special Board Meeting has been scheduled for Thursday, August 25th, 2011 at 9am in the EPHC Education Center.

EASTERN PLUMAS HEALTH CARE DISTRICT

MEMORANDUM

Date: July 21, 2011
To: Board of Directors
From: Jeri Nelson, Chief Financial Officer
Subject: Summary of Financial Results – June 2011

Table 1. Consolidated Financial Results – June 2011

	Actual	Budget	Variance
Total Revenue	\$3,366,018	\$3,277,570	\$88,448
Contractual Adjustments	\$1,119,818	\$1,352,171	\$(232,353)
Bad Debt/Admin Adjustments	\$189,824	\$212,711	\$(22,887)
Net Revenue	\$2,056,376	\$1,712,688	\$343,688
Total Expenses	\$1,764,582	\$1,827,383	\$(62,801)
Operating Income (Loss)	\$291,793	\$(114,696)	\$406,489
Non-Operating Income(Expense)	\$274,041	\$60,165	\$213,876
Net Income (Loss)	\$565,834	\$(54,531)	\$620,365

Table 2. Consolidated Financial Results – Twelve Months Ended June 2011

	Actual	Budget	Variance
Total Revenue	\$39,466,989	\$43,031,801	\$(3,564,812)
Contractual Adjustments	\$17,051,039	\$18,708,853	\$(1,657,814)
Bad Debt/Admin Adjustments	\$2,338,898	\$2,242,519	\$96,379
Net Revenue	\$20,077,052	\$22,080,429	\$(2,003,377)
Total Expenses	\$20,929,970	\$21,957,159	\$(1,027,189)
Operating Income (Loss)	\$(852,918)	\$123,270	\$(976,188)
Non-Operating Income (Expense)	\$881,371	\$721,980	\$159,391
Net Income (Loss)	\$28,453	\$845,250	\$(816,797)

The year closes with a slight profit and a lot of effort contributed to this. To be \$4 million off in inpatient revenue is something we have to gauge carefully and continue to evaluate closely. Contractual adjustments for the year were 43% of patient revenue and we budgeted 44%. \$172,000 of the variance is contributable to Medi-Cal 2010 settlements. Bad debt for the year was 6% of patient revenue and we budgeted 5%. Expenses were \$1 million under budget and contributions were \$151,000 over budget. We booked in June the contributions from the Auxiliary and Foundation totaling \$222,210 for the purchase of the Digital Mammography equipment. Cash collections were good in June and we paid off the Line of Credit with Plumas Bank.

**EASTERN PLUMAS HEALTH CARE
COMPARATIVE BALANCE SHEET
FOR THE MONTHS ENDED**

	MAY 2011	JUNE 2011	CHANGE
ASSETS			
CURRENT ASSETS			
CASH	\$ 185,829	\$ 420,844	\$ 235,015
INVESTMENT	\$ 6,491	\$ 6,499	\$ 8
ACCOUNTS RECEIVABLE NET	\$ 3,086,588	\$ 3,093,850	\$ 7,262
ACCOUNTS RECEIVABLE OTHER	\$ 680,928	\$ 731,433	\$ 50,505
INVENTORY	\$ 324,327	\$ 297,398	\$ (26,929)
PREPAID EXPENSES	\$ 67,463	\$ 118,954	\$ 51,491
TOTAL CURRENT ASSETS	<u>\$ 4,351,626</u>	<u>\$ 4,668,978</u>	<u>\$ 317,352</u>
PROPERTY AND EQUIPMENT			
LAND AND IMPROVEMENTS	\$ 926,064	\$ 926,064	\$ -
BUILDINGS AND IMPROVEMENTS	\$ 9,684,572	\$ 9,811,322	\$ 126,750
EQUIPMENT	\$ 9,470,677	\$ 9,757,334	\$ 286,657
IN PROGRESS	\$ 550,515	\$ 454,745	\$ (95,770)
	<u>\$ 20,631,828</u>	<u>\$ 20,949,465</u>	<u>\$ 317,637</u>
ACCUMULATED DEPRECIATION	<u>\$ 12,471,243</u>	<u>\$ 12,541,058</u>	<u>\$ 69,815</u>
TOTAL PROPERTY AND EQUIPMENT	\$ 8,160,585	\$ 8,408,407	\$ 247,822
COSTS OF ISSUANCE NET	\$ 20,217	\$ 19,965	\$ (252)
TOTAL	<u>\$ 12,532,428</u>	<u>\$ 13,097,350</u>	<u>\$ 564,922</u>
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
LEASES PAYABLE	\$ 18,155	\$ 23,661	\$ 5,506
ACCOUNTS PAYABLE	\$ 1,243,035	\$ 1,820,560	\$ 577,525
ACCRUED PAYROLL/RELATED TAXES	\$ 1,056,393	\$ 1,100,557	\$ 44,164
OTHER CURRENT LIABILITIES	\$ 576,146	\$ -	\$ (576,146)
TOTAL CURRENT LIABILITIES	<u>\$ 2,893,729</u>	<u>\$ 2,944,778</u>	<u>\$ 51,049</u>
LEASES PAYABLE	\$ 94,266	\$ 72,267	\$ (21,999)
CHFFA LOAN	\$ 222,317	\$ 216,062	\$ (6,255)
PORTOLA GLEN LOAN	\$ 347,665	\$ 354,264	\$ 6,599
USDA LOANS	\$ 5,342,503	\$ 5,312,196	\$ (30,307)
TOTAL LIABILITIES	<u>\$ 8,900,480</u>	<u>\$ 8,899,567</u>	<u>\$ (913)</u>
FUND BALANCE	\$ 4,169,330	\$ 4,169,330	\$ -
NET INCOME (LOSS)	\$ (537,382)	\$ 28,453	\$ 565,835
TOTAL	<u>\$ 12,532,428</u>	<u>\$ 13,097,350</u>	<u>\$ 564,922</u>

EASTERN PLUMAS HEALTH CARE
 BALANCE SHEET
 FOR THE MONTH ENDED
 JUNE 30, 2011

DESCRIPTION	CURRENT YEAR
ASSETS	
CURRENT ASSETS	
CASH	420,844
INVESTMENT	6,499
ACCOUNTS RECEIVABLE NET	3,093,850
ACCOUNTS RECEIVABLE OTHER	731,433
INVENTORY	297,398
PREPAID EXPENSES	<u>118,954</u>
TOTAL CURRENT ASSETS	4,668,978
PROPERTY AND EQUIPMENT	
LAND AND IMPROVEMENTS	926,064
BUILDINGS AND IMPROVEMENTS	9,811,322
EQUIPMENT	9,757,334
IN PROGRESS	<u>454,745</u>
TOTAL PROPERTY AND EQUIPMENT	20,949,466
ACCUMULATED DEPRECIATION	<u>12,541,058</u>
NET PROPERTY AND EQUIPMENT	8,408,408
COSTS OF ISSUANCE NET	19,965
TOTAL	13,097,351
	=====
LIABILITIES AND FUND BALANCE	
CURRENT LIABILITIES	
LEASES PAYABLE	23,661
ACCOUNTS PAYABLE	1,820,560
ACCRUED PAYROLL/RELATED TAXES	1,100,557
OTHER CURRENT LIABILITIES	<u>0</u>
TOTAL CURRENT LIABILITIES	2,944,779
LEASES PAYABLE	72,267
USDA REPAIRS & DEFEASANCE	657,206
CHFFA - EMR & ENDO EQUIP LOAN	216,062
PORTOLA-GLENN LLC PAYABLE	354,264
USDA LOANS SNF	3,740,924
USDA LOAN REPAIRS	118,560
USDA LOAN LOYALTON	510,561
USDA LOAN LOYALTON & PORTOLA	<u>284,945</u>
TOTAL LIABILITIES	8,899,568
FUND BALANCE	4,169,330
NET INCOME (LOSS)	28,453
TOTAL	13,097,351
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EASTERN PLUMAS HEALTH CARE
 STATEMENT OF REVENUE & EXPENSE
 FOR THE MONTH ENDED
 JUNE 30, 2011

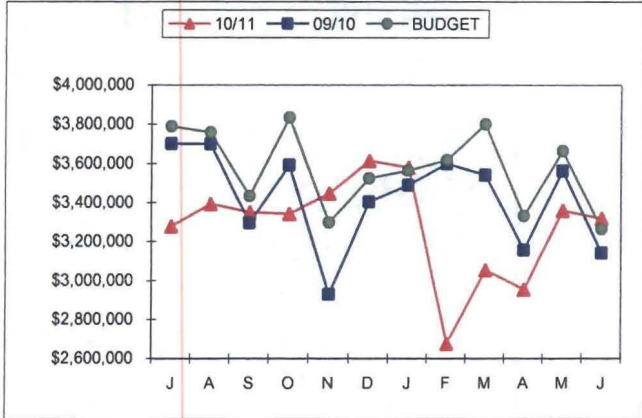
DESCRIPTION	CURRENT PERIOD			YEAR TO DATE			ANNUAL	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	REMAINING
OPERATING REVENUE								
INPATIENT ROUTINE	230506	223317	7189	2840189	4622400	-1782211	4622400	1782211
INPATIENT ANCILLARY	186239	311054	-124815	2884484	5103824	-2219340	5103824	2219340
TOTAL INPATIENT	416745	534371	-117626	5724673	9726224	-4001551	9726224	4001551
SWING ROUTINE	52745	11372	41373	381895	450000	-68105	450000	68105
SWING ANCILLARY	51938	22545	29393	336665	465827	-129162	465827	129162
TOTAL SWING BED	104683	33917	70766	718560	915827	-197267	915827	197267
SKILLED NURSING ROUTINE	548132	537127	11005	6550692	6535048	15644	6535048	-15644
SKILLED NURSING ANCILLARY	86474	70498	15976	974312	1091907	-117595	1091907	117595
TOTAL SKILLED NURSING	634606	607625	26981	7525004	7626955	-101951	7626955	101951
OUTPATIENT SERVICES	2206502	2088755	117747	25404723	24614478	790245	24614478	-790245
TOTAL PATIENT REVENUES	3362536	3264667	97869	39372961	42883484	-3510523	42883484	3510523
OTHER OPERATING REVENUE	3482	12902	-9420	94029	148317	-54288	148317	54288
TOTAL REVENUE	3366018	3277570	88448	39466989	43031801	-3564812	43031801	3564812
DEDUCTIONS FROM REVENUE								
BAD DEBT/ADMINISTRATIVE ADJ'S	189824	212711	-22887	2338898	2242519	96379	2242519	-96379
CONTRACTUAL ADJUSTMENTS	1119818	1352171	-232353	17051039	18708853	-1657814	18708853	1657814
TOTAL DEDUCTIONS	1309642	1564882	-255240	19389937	20951372	-1561435	20951372	1561435
NET REVENUE	2056376	1712688	343688	20077052	22080429	-2003377	22080429	2003377
OPERATING EXPENSES								
SALARIES	763034	846316	-83282	9869394	10295707	-426313	10295707	426313
BENEFITS	231239	220891	10348	2616757	2668343	-51586	2668343	51586
SUPPLIES	159342	183712	-24370	1758498	2059810	-301312	2059810	301312
PROFESSIONAL FEES	260458	233847	26611	2783696	2840962	-57266	2840962	57266
REPAIRS & MAINTENANCE	46000	43397	2603	473771	518540	-44769	518540	44769
PURCHASED SERVICES	83232	67757	15475	835090	812280	22810	812280	-22810
UTILITIES/TELEPHONE	60333	52249	8084	714507	626972	87535	626972	-87535
INSURANCE	39786	39731	55	451859	476778	-24919	476778	24919
RENT/LEASE EXPENSE	7247	6935	312	86964	83220	3744	83220	-3744
DEPRECIATION/AMORTIZATION	70067	74736	-4669	813228	896830	-83602	896830	83602
INTEREST EXPENSE	31185	33000	-1815	351085	396000	-44915	396000	44915
OTHER EXPENSES	12660	24813	-12153	175121	281717	-106596	281717	106596
TOTAL EXPENSES	1764582	1827383	-62801	20929970	21957159	-1027189	21957159	1027189
OPERATING INCOME (LOSS)	291793	-114696	406489	-852918	123270	-976188	123270	976188
MISCELLANEOUS	2664	2665	-1	34809	31980	2829	31980	-2829
CONTRIBUTIONS	222210	8333	213877	251310	100000	151310	100000	-151310
PROPERTY TAX REVENUE	49167	49167	0	595252	590000	5252	590000	-5252
NON-OPERATING INCOME (EXPENSE)	274041	60165	213876	881371	721980	159391	721980	-159391
NET INCOME (LOSS)	565834	-54531	620365	28453	845250	-816797	845250	816797

EASTERN PLUMAS HEALTH CARE
 STATEMENT OF REVENUE & EXPENSE
 FOR THE MONTH ENDED
 JUNE 30, 2011

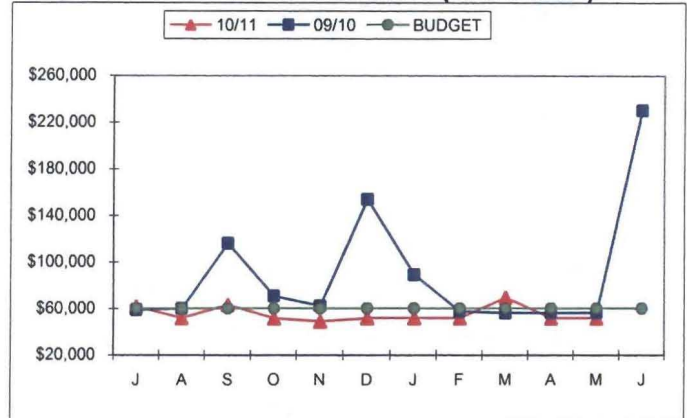
DESCRIPTION	C U R R E N T P E R I O D			Y E A R T O D A T E			A N N U A L	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	REMAINING
STATISTICAL DATA								
ACUTE INPATIENT ADMISSIONS	36	26	10	409	530	-121	530	121
ACUTE PATIENT DAYS	89	87	2	1091	1800	-709	1800	709
SKILLED NURSING PATIENT DAYS	1651	1620	31	19731	19710	21	19710	-21
SWING BED DAYS	35	8	27	245	300	-55	300	55
E.R. VISITS	271	312	-41	3470	3598	-128	3598	128
CLINIC VISITS	2308	2320	-12	25705	26485	-780	26485	780

EASTERN PLUMAS HEALTH CARE
MONTHLY FINANCIAL GRAPHS
FOR THE YEAR ENDED JUNE 30, 2011

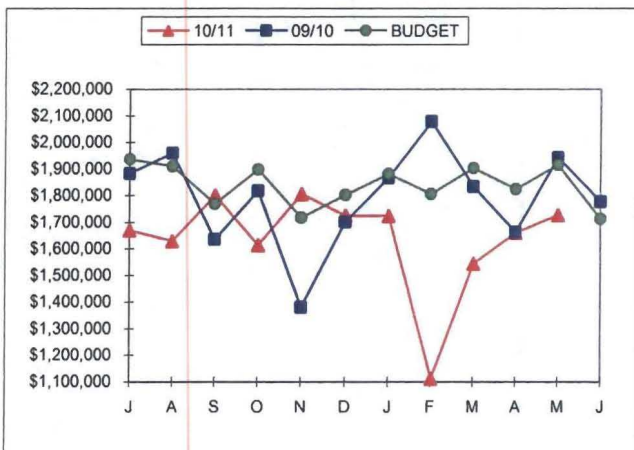
1. GROSS PATIENT REVENUE



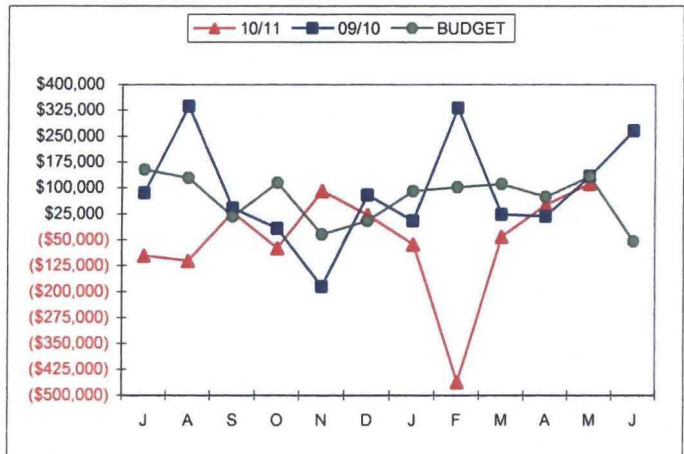
4. NON-OPERATING INCOME (EXPENSE)



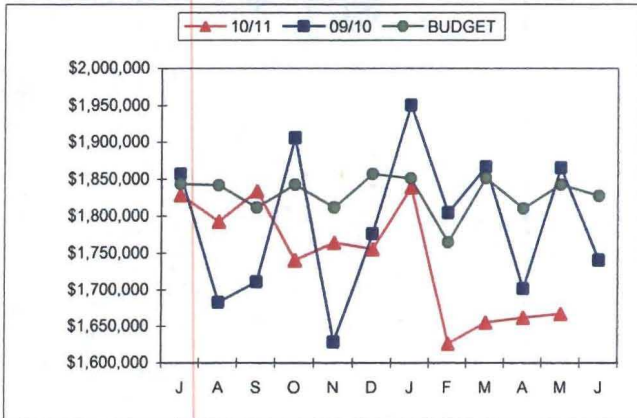
2. ESTIMATED NET REVENUE



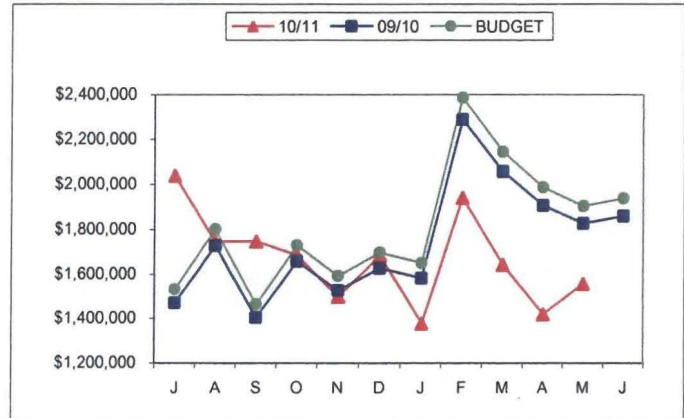
5. NET INCOME (LOSS)



3. OPERATING EXPENSES

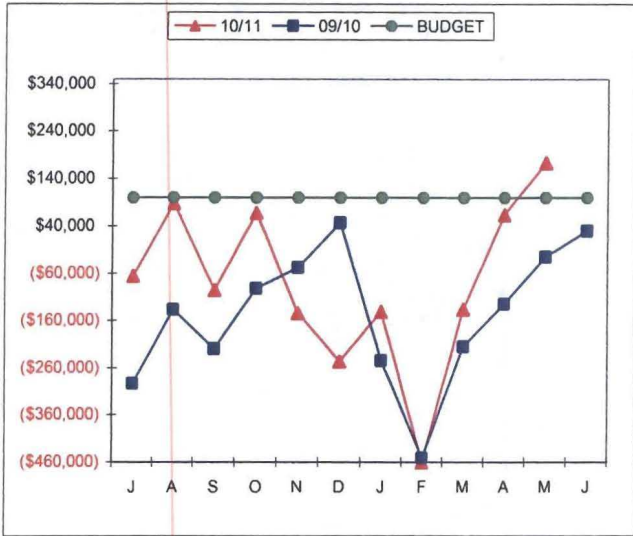


6. CASH RECEIPTS

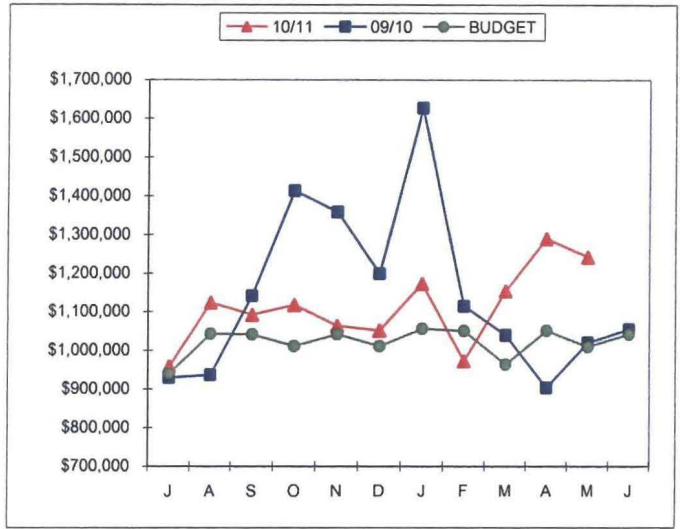


EASTERN PLUMAS HEALTH CARE
MONTHLY FINANCIAL GRAPHS
FOR THE YEAR ENDED JUNE 30, 2011

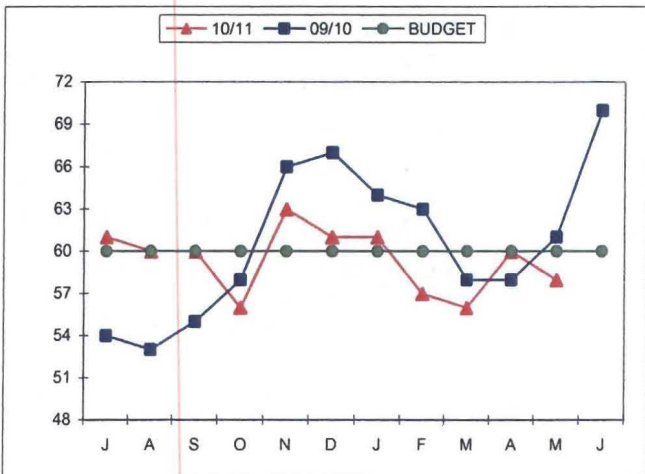
7. OPERATING CASH



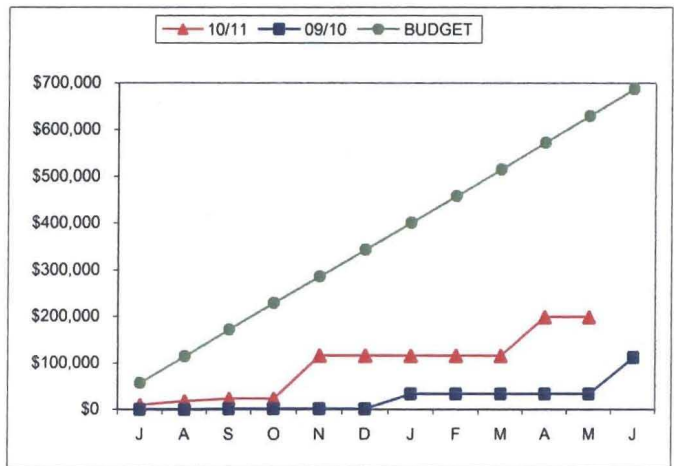
10. ACCOUNTS PAYABLE



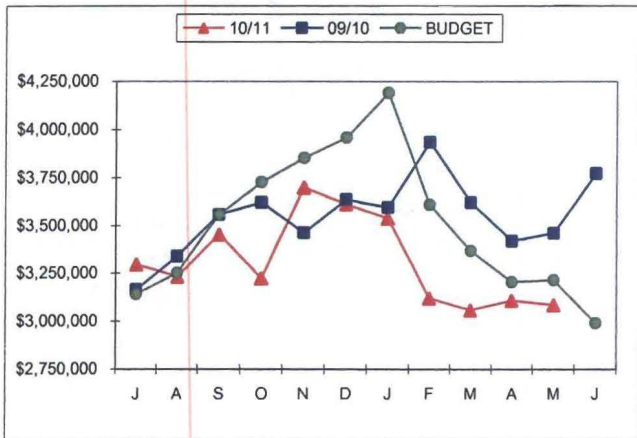
8. ACCOUNTS RECEIVABLE-DAYS



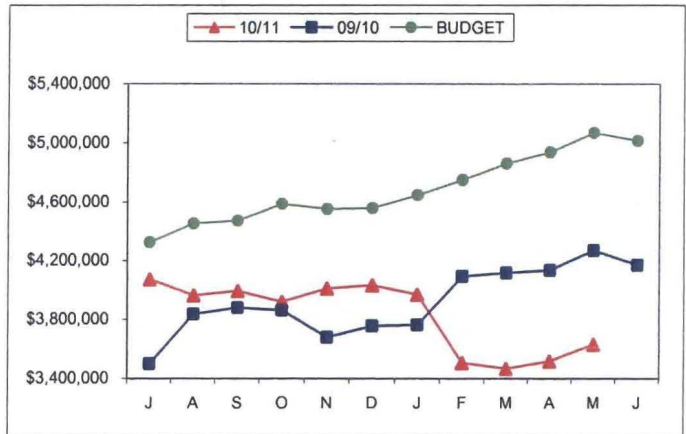
11. CAPITAL EXPENDITURES-YTD



9. ACCOUNTS RECEIVABLE

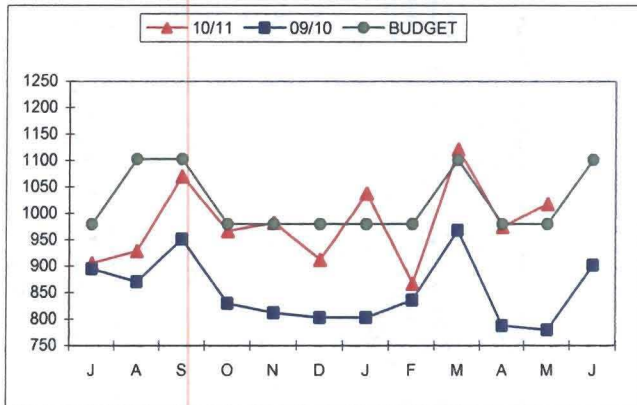


12. FUND BALANCE + NET INCOME (LOSS)

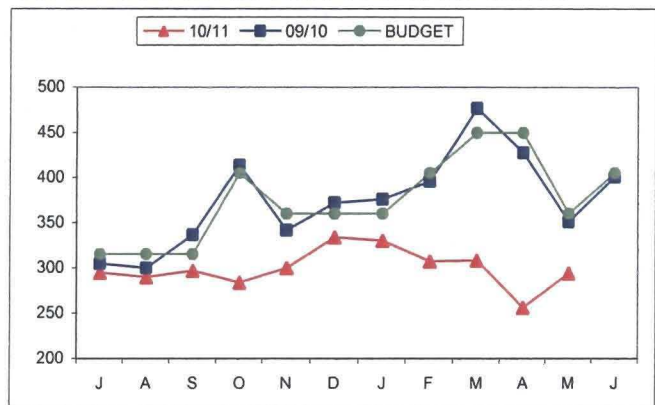


EASTERN PLUMAS HEALTH CARE
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 FOR THE YEAR ENDED JUNE 30, 2011

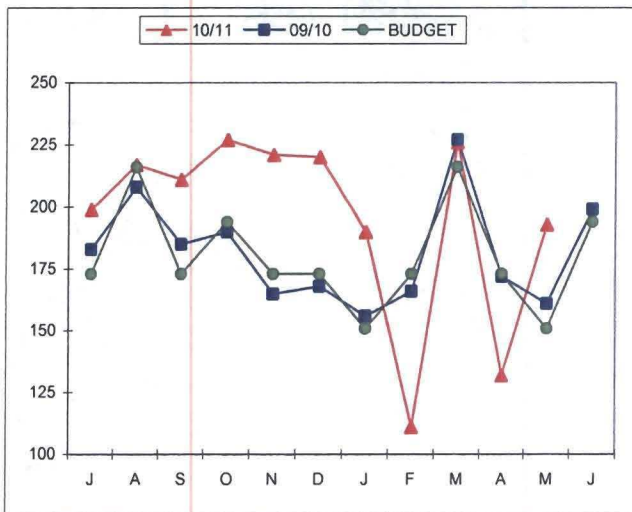
13. PORTOLA MEDICAL CLINIC VISITS



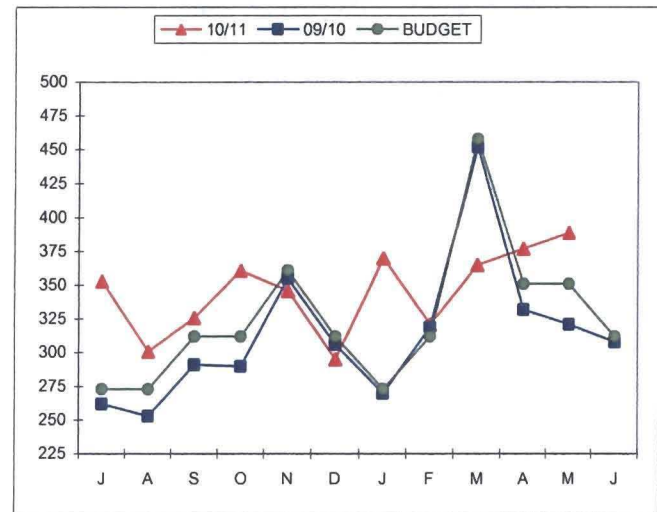
16. LOYALTON MEDICAL CLINIC VISITS



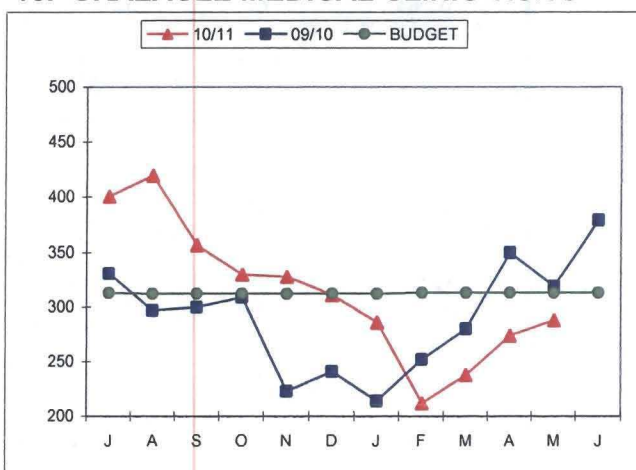
14. PORTOLA DENTAL CLINIC VISITS



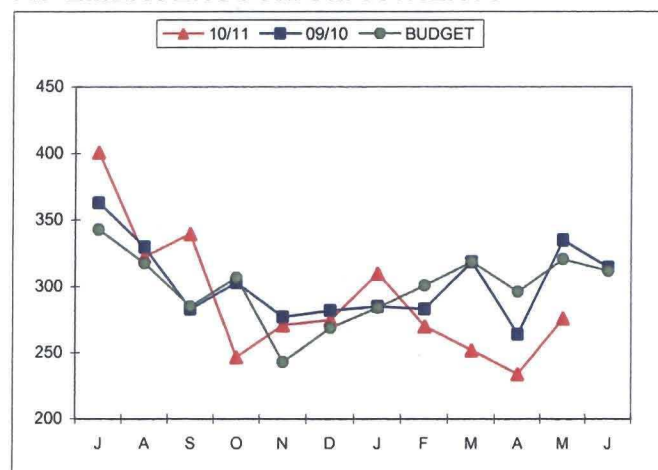
17. INDIAN VALLEY MEDICAL CLINIC VISITS



15. GRAEAGLE MEDICAL CLINIC VISITS

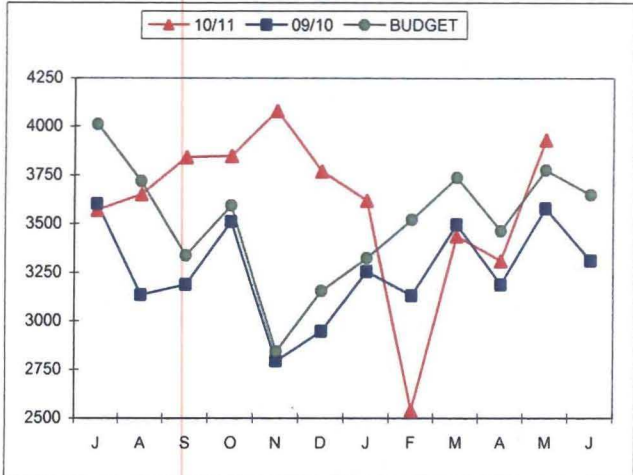


18. EMERGENCY ROOM PATIENTS

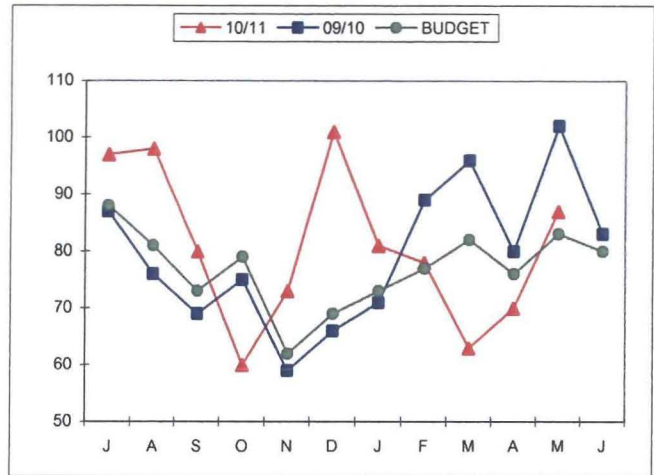


EASTERN PLUMAS HEALTH CARE
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FOR THE YEAR ENDED JUNE 30, 2011

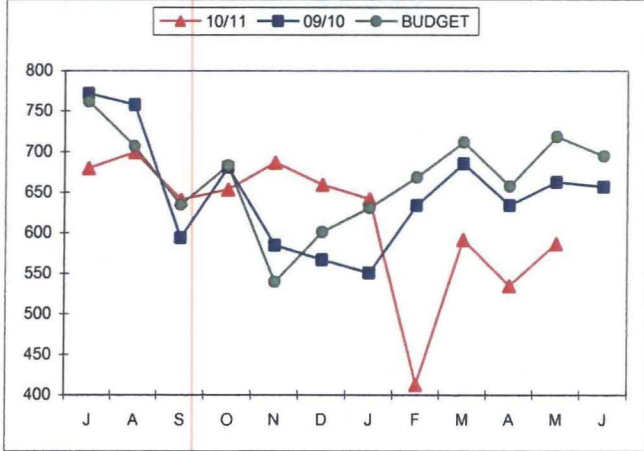
19. LABORATORY PROCEDURES



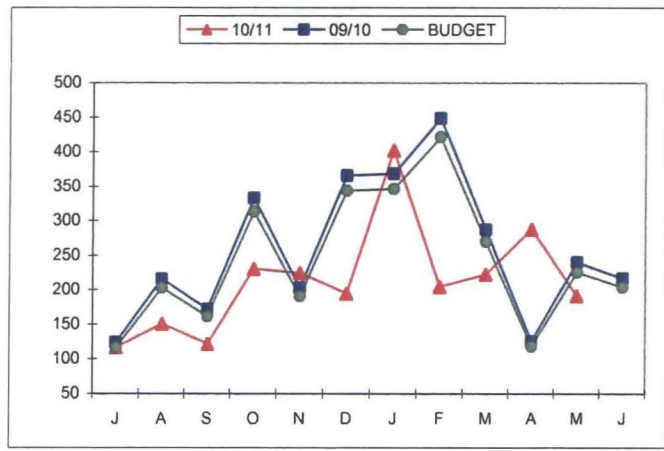
22. AMBULANCE RUNS



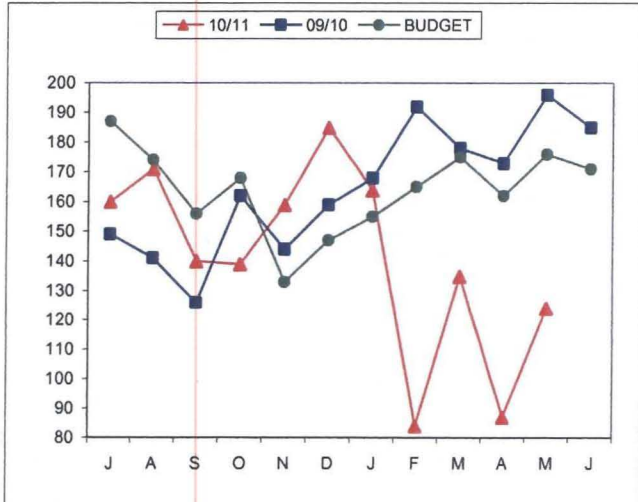
20. RADIOLOGY PROCEDURES



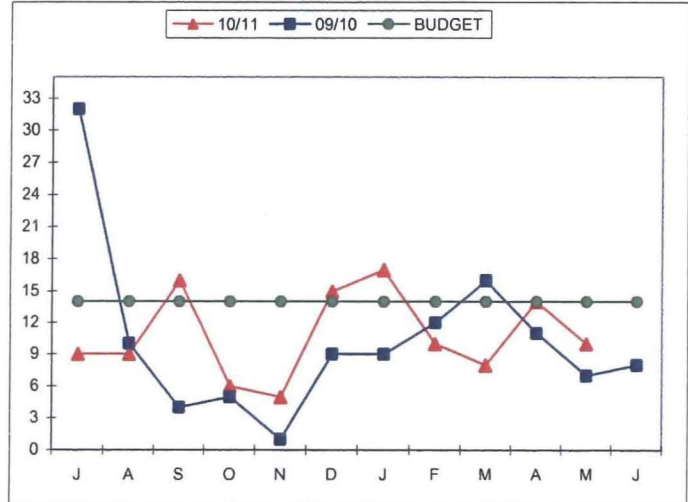
23. RESPIRATORY PROCEDURES



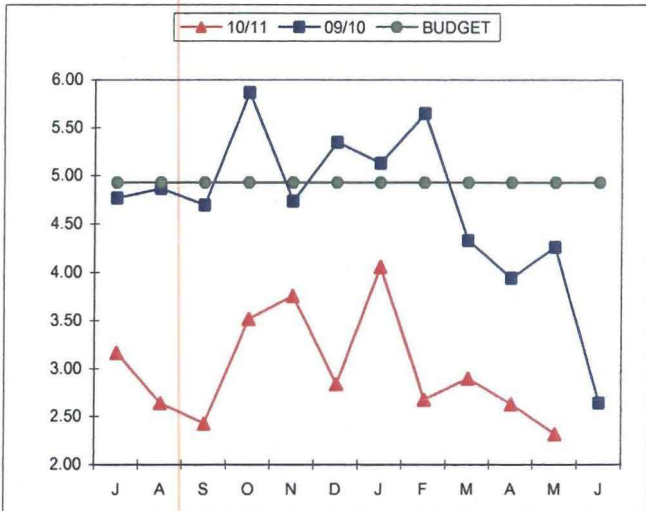
21. ECGS



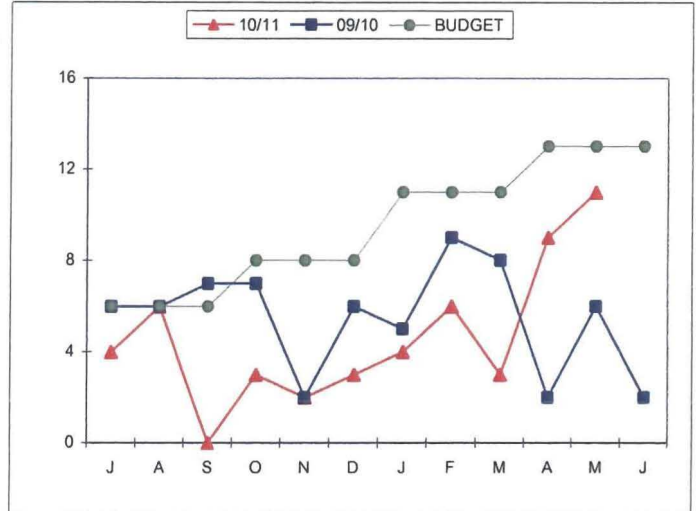
24. ENDOSCOPY PROCEDURES



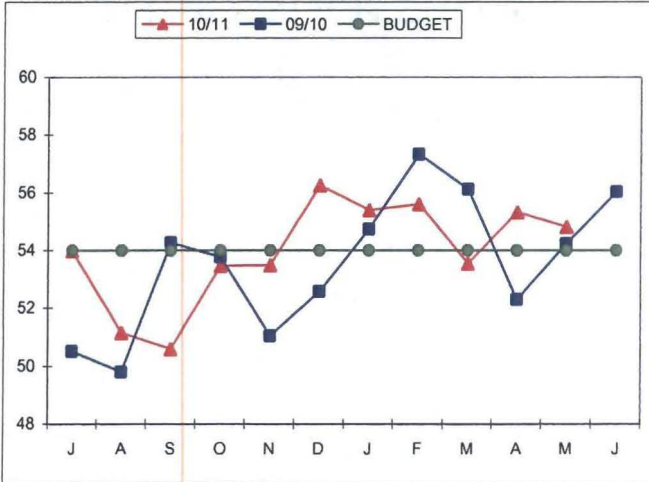
25. AVERAGE DAILY CENSUS - ACUTE



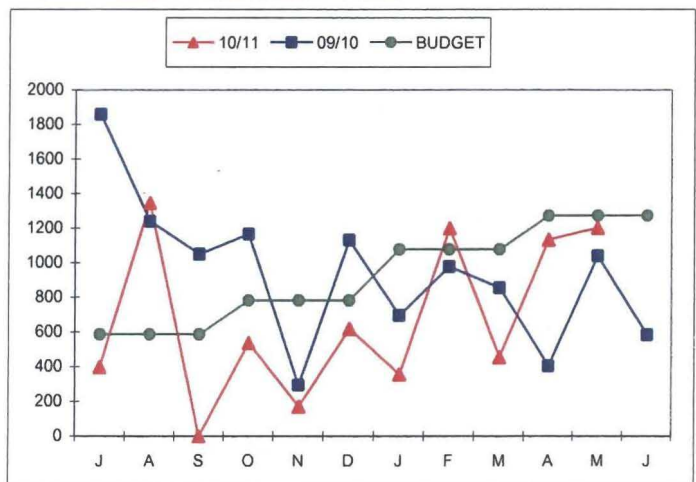
28. SURGERIES - IN & OUTPATIENT



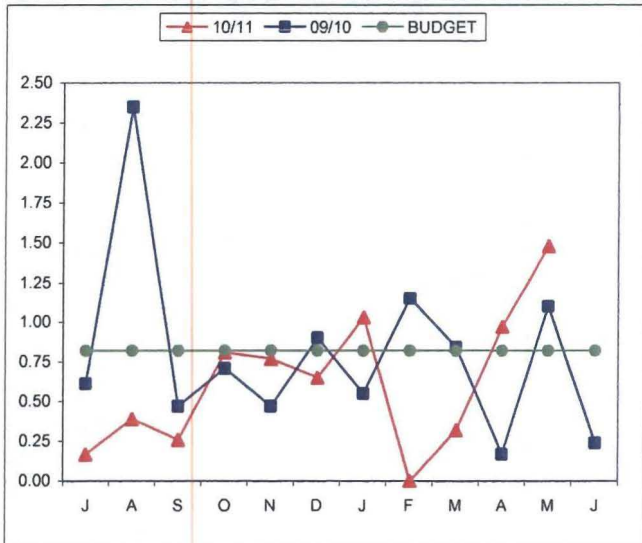
26. AVERAGE DAILY CENSUS - SNF



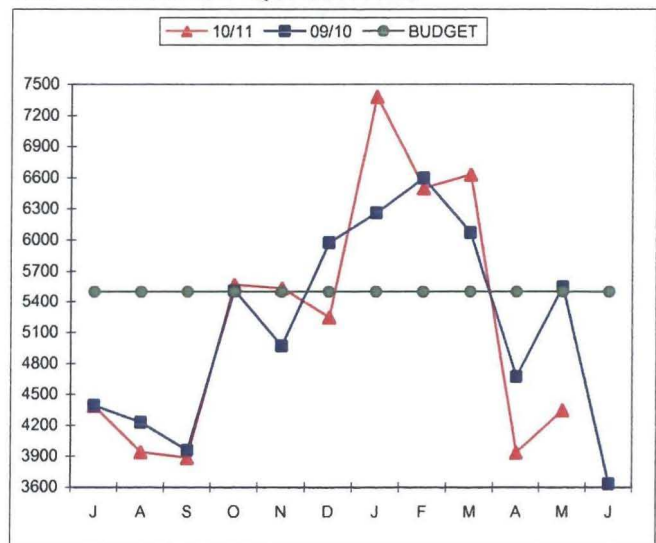
29. ANESTHESIA MINUTES



27. AVERAGE DAILY CENSUS-SWING

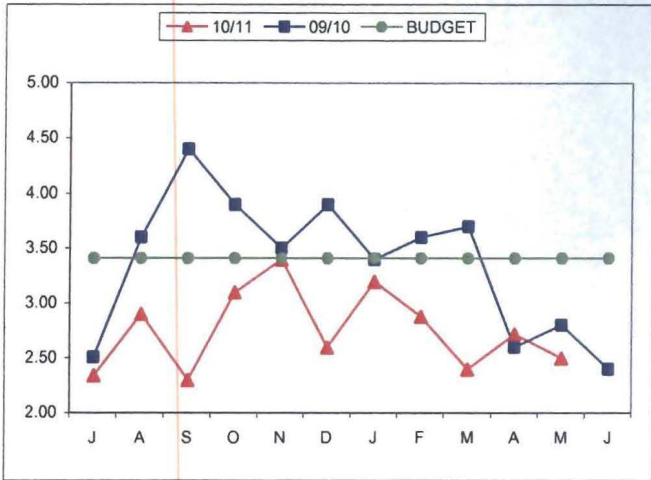


30. PHARMACY QUANTITIES

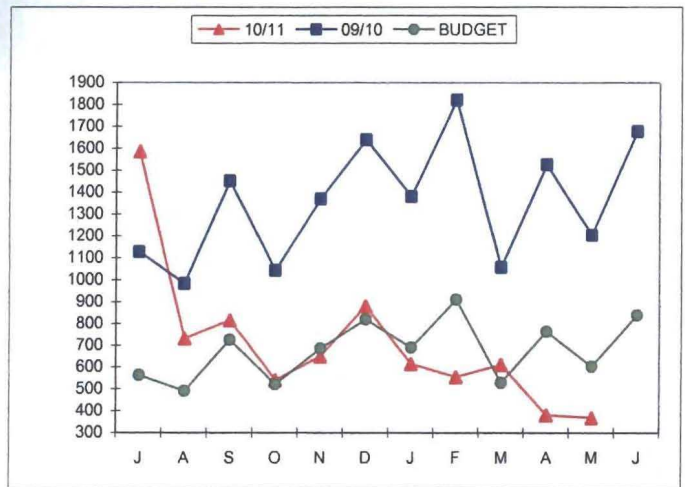


EASTERN PLUMAS HEALTH CARE
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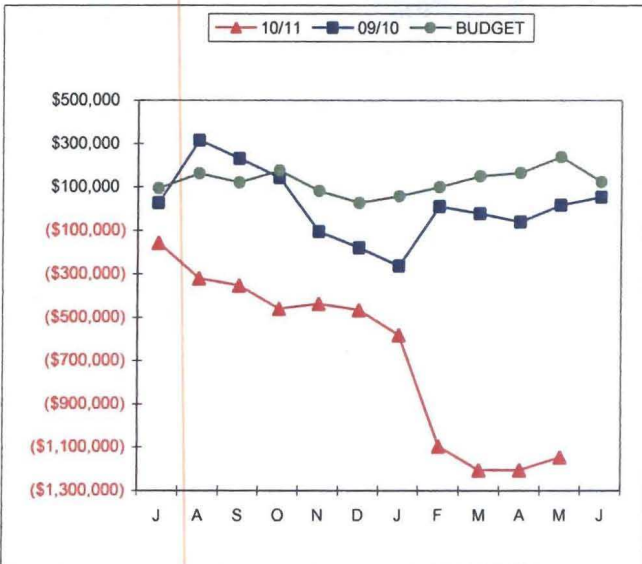
31. AVERAGE LENGTH OF STAY- ACUTE



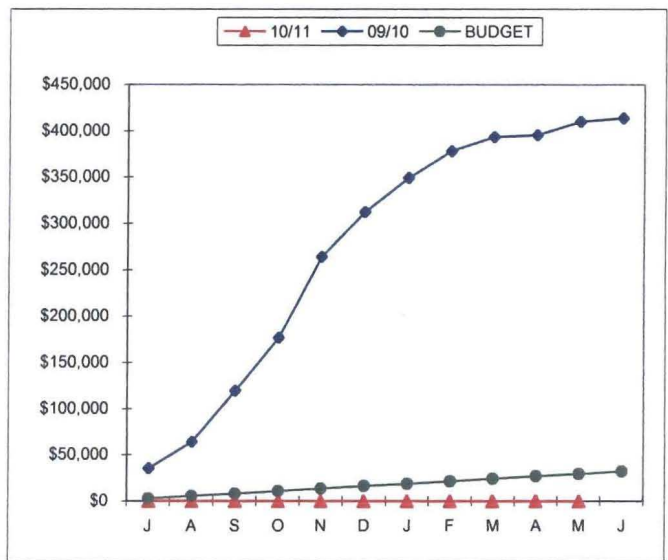
34. OVERTIME HOURS



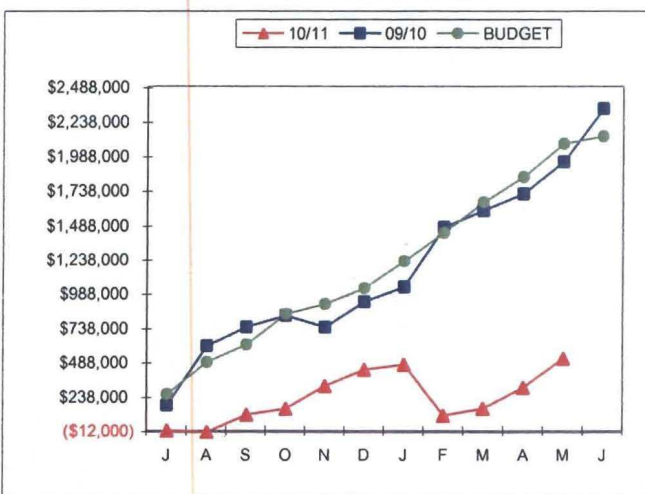
32. YEAR TO DATE OPERATING INCOME (LOSS)



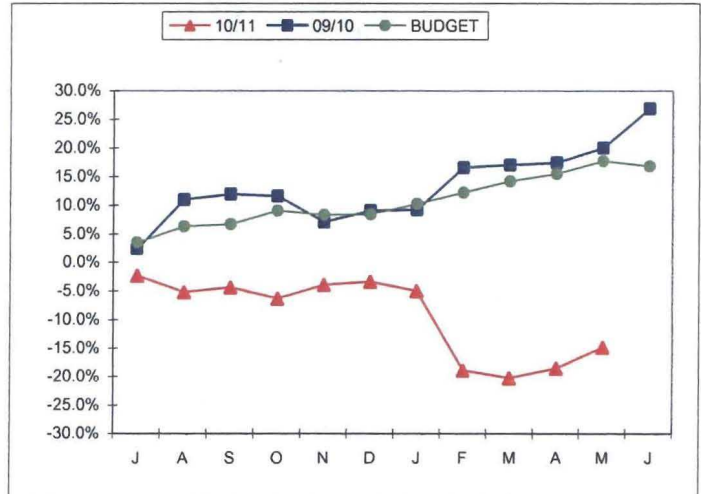
35. YEAR TO DATE REGISTRY EXPENSES



33. EARNINGS BEFORE INTEREST, DEPRECIATION & AMORTIZATION



36. RETURN ON EQUITY



Collaboration/Affiliation Process

1. Initial Steps

- The Hospital Boards should meet to determine whether their respective visions include opportunities for collaboration/affiliation. Both Boards must drive the process if there is concurrence.
- If there is agreement, the Boards should set up a joint Board Committee to review and discuss the opportunities and hurdles that might exist, and ultimately generate a plan and timetable for affiliation/collaboration.
- A memorandum of understanding (MOU) between the parties should also be developed to articulate the direction and mutually agreed upon understandings regarding collaboration.

2. Agreements between districts for collaboration/affiliation

- Affiliation steps should be phased over time to gain more acceptance by the community and staff.
- No combination of Boards or Districts is contemplated unless and until such time as the Boards determine.
- There will be no intermingling of districts cash reserves.
- There will be no spending of one District's cash in the other District.
- The primary purpose of the affiliation effort is to implement specific actions that lead to additional savings through economics of scale, and additional revenues through shared planning of services.

3. Specific examples and areas of opportunities for collaboration/affiliation

1. IT support; HIE(Health Information Exchange) negotiation as one entity
2. Sharing of staff in areas of need for each hospital (voluntary on part of staff)
3. Joint contracts that leverage our affiliation to negotiate better rates. Examples include: Payer contracts, Propane, Laundry, Bio Med contracts and others.
4. Joint planning for new services; joint planning for existing service expansions
5. Enhance SNF utilization, swing bed opportunities.
6. Surgery program- joint recruitment of another surgeon to increase cases at each respective facility.
7. Joint physician recruitment for other specialties
8. Telemedicine- joint negotiation of better rates with physician groups providing telemedicine services to the hospitals.

9. Other affiliation opportunities/leverage with TFH, Renown, Saint Mary's
10. Self insurance for employee health – larger pool of employees
11. Staff education opportunities
 - Shared programs
 - Teleconferencing
12. Accountable Healthcare Organization (ACO) - negotiate as one entity
13. Joint HR
14. Joint Business Office for billing, collections, etc.
15. QA programs-standardize with similar metrics; joint physician peer review
16. CEO and/or CFO sharing

EPHC Project List

Project Description	Projected Completion date	Approximate Cost	Update
Dietary: Remove ceiling tile and refinish ceiling and walls. Replace hood exhaust system and ansul system. Replace part of sub floor and install new flooring. Replace Equip.	9/11	\$149,000.00 est. Includes construction and equipment replacement.	OSHPD approved 11/5/10. Project started in May. Utilizing temporary kitchen at the Feather River Middle School. Anticipated completion, August 2011.
Restripe Parking Lot	9/11	\$1,800.00	City of Portola to assist in completeing project.
Waterproof outside block wall outside of facility to prevent water leakage into sewer room	10/11	\$3,000.00	Minor project to be complete before winter.
Mammography installation and remodel	8/11	\$5,000.00	Project started. Wall removed, flooring being installed.
Install Generators: Clinics- Portola, Loyaltan, Graeagle and Greenville	10/11 (Portola)	?	Greenville completed. Have a generator for Portola Clinic, but need a transfer switch. Pad for propane tank to be installed in Portola during summer months. Delay Loyaltan until decision is made regarding relocation of clinic. In Graeagle, talking to Graeagle Land and Water because this property is leased.
Medical Gas System: Install new manifold	No Deadline	9-15k	New manifold budgeted for fiscal 2011.

EPHC Project List

Project Description	Projected Completion date	Approximate Cost	Update
Boiler building, Removal of ambulance barn OSHPD compliance	OSHPD deadline to complete, 12/31/2012	\$250,000-\$500,000	Architect and engineers evaluated building and we can comply by demolishing ambulance barn adjacent to the boiler building. Also, new law SB 90 may allow for extension beyond 2012. This exemption will be evaluated in September once OSHPD releases criteria for exemption.
Boiler replacement and OR humidity temperature control	Undetermined at this time	\$250k-300k	Investigating financing options (including grants) for boiler replacement.
Seismic Bracing; NPC3	No deadline to complete	?	Met with architect. He provided proposal for \$35,000 to outline scope of work to include OSHPD approvals. Project to be delayed until funding permits.
Phone system upgrade	No deadline	\$75,000.00	Software and equipment upgrade. Delay consideration of project until mid to late 2011 pending on available cash.
Med Records: Move to the basement, install HVAC, drop ceiling, sprinklers, electrical, paint, carpet and window coverings	Delayed until 2012 or after	\$20,000.00	Move medical records to the basement to free up space within the hospital for other uses. No progress. Reevaluating project for future, 2012.
OR: Remove wall paper in OR. Remove and rehang cabinets, miscellaneous painting, etc. Install new flooring.	Delayed until 2012 or after	\$20,000 est.	Project not urgent. Reevaluate in fall, 2011.

Loyalton Project List

Project Description	Project Completion Date	Approximate Cost	Update
Patient rooms: Painting of patient rooms. Refurbish nurses station.	9/11	\$5,000.00	Project started 1/31/11. Work being done by in-house staff. Completion anticipated by August, 2011.
Remove 2 trees in parking lot, asphalt repair	10/11	\$1,750	Summer 2011
Clinic: Remodel, Replace, or relocate to hospital		\$20,000-100,000	Analyzing OSHPD requirements and whether moving the clinic to hospital is possible. Looking at possible grant opportunities for relocation of clinic.
Roof: Repair or replacement		\$55,000.00	Project for future. Depends on OSHPD code requirements for SNF
Chiller: replacement or other alternative		\$275,000.00	Project for future. Depends on OSHPD SNF code requirements for SNF. Also persuing exemption under new law, SB 90
Fire door/separation: Install fire door in corridor and fire proof corridor walls		\$35,000.00	Looking at options. Determine if clinic will be relocated to hospital before considering.
Radiology Room: Remove old x-ray equipment, dispose of equipment, painting		\$25,000.00	Project for future