



TAHOE FOREST HOSPITAL DISTRICT

2020-01-22 Board Finance Committee

Wednesday, January 22, 2020 at 10:00 am

Tahoe Forest Hospital - Eskridge Conference Room

10121 Pine Avenue, Truckee, CA 96161

Meeting Book - 2020-01-22 Board Finance Committee

01/22/2020 Finance Committee

AGENDA

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ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

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6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Customer Service Program Update.pdf Page 8

6.2. Accounts Receivable - Post Conversion Update
No related materials.

6.3. Financial Reports

6.3.1. Financial Report - December 2019.pdf Page 22

6.3.2. December Combined SBU report.pdf Page 52

6.3.3. December Payor Mix.pdf Page 64

6.3.4. TIRHR Expenditure Report 2019_1231.pdf Page 69

6.3.5. Prof Fees Analysis FY20 - Dec 2019.pdf Page 70

6.4. Policy Review

6.4.1. Credit and Collection Policy, ABD-08.pdf Page 72

6.4.2. Financial Assistance Program Full Charity Care and
Discount Partial Charity Care Policies ABD-09.pdf Page 77

6.4.3. Debt Management Policy- ABD-25.pdf Page 89

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No related materials.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 9. NEXT MEETING DATE

10. ADJOURN



FINANCE COMMITTEE

AGENDA

Wednesday, January 22, 2020 at 10:00 a.m.
Eskridge Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**
2. **ROLL CALL**
Dale Chamblin, Chair; Mary Brown, Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**
This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.
5. **APPROVAL OF MINUTES OF: 08/29/2019** ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. **Financial Customer Service Program Update** ATTACHMENT
Finance Committee will receive an update on the first year of the Financial Customer Service Program.
 - 6.2. **Accounts Receivable – Post Conversion Update**
Finance Committee will receive an update on the status of accounts receivable.
 - 6.3. **Financial Reports**
Finance Committee will review the following financial reports:
 - 6.3.1. December 2019 Financial Report ATTACHMENT
 - 6.3.2. Quarterly Review – Separate Business Entities ATTACHMENT
 - 6.3.3. Quarterly Review – Payor Mix ATTACHMENT
 - 6.3.4. TIRHR Expenditure Report ATTACHMENT
 - 6.3.5. Professional Fees Analysis ATTACHMENT
 - 6.4. **Policy Review**
Finance Committee will review the following board policies:
 - 6.4.1. Credit and Collection Policy, ABD-08 ATTACHMENT
 - 6.4.2. Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies, ABD-09 ATTACHMENT
 - 6.4.3. Debt Management Policy, ABD-25 ATTACHMENT
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**
9. **NEXT MEETING DATE**

10. ADJOURN

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

FINANCE COMMITTEE

DRAFT MINUTES

Thursday, August 29, 2019 at 12:00 p.m.
Pine Street Cafe Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 11:58 a.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Mary Brown, Board Member

Staff in attendance: Harry Weis, Chief Executive Officer; Crystal Betts, Chief Financial Officer; Vickie Morgan, Director of Revenue Cycle; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 04/23/2019

Director Brown moved approval of the April 23, 2019 Finance Committee minutes, seconded by Director Chamblin.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Accounts Receivable – Post Conversion Update

CFO provided an update on the status of accounts receivables (AR).

In March, the District was at 84 days and approximately \$82,000,000 gross Accounts Receivables.

The Skilled Nursing Facility is not on EPIC. It resides on NTT data and is journal entried on the ledger.

When self-pay plans use HELP, we receive the financing and it comes off the AR. The District holds small employee payment plans for less than a year which is made up of less than 20 accounts.

As of today, Days in Accounts Receivable is at 65.1 days. The Over 180 Days category dropped by \$15,000,000. Accounting worked hard on the older categories.

Five of the six months between January and June 2019 were over 100% cash collections. July was at 126% of target for cash collections.

Director Chamblin asked what had changed. CFO shared there have been quite a few wins. A new lockbox system was implemented. The lockbox sped up posting and made more accurate posting. Mercy also came to the table on a weekly basis where the work queue issues were worked on. They were physically onsite and could see exactly what we were experiencing.

Director Chamblin asked if this was typical of EPIC's customer service. CFO responded that EPIC wanted the relationship to be successful and they took some ownership that TFHD was a more complex health system than they realized.

Director of Revenue Cycle added that so much of it is now up to the provider which is a culture change. We have had to provide education to the providers. Their patient workflow has a big impact on the revenue cycle. It is up to the physicians to start it off right.

The District asked EPIC if there can be a hard stop on the provider location and EPIC responded no as the system is not built that way. Moving physicians between clinics has a huge impact on the revenue cycle. Revenue Cycle is participating more in conversations about clinic and provider moves.

Director Brown noted consumerism has taught us that it can be hard to unravel from the past processes and asked if are we unnecessarily complicated. Some are due to our decisions. We have invoked our own level of complexity. For example, for the physician offices on the 2nd floor of Cancer Center, 51% of visits have to be primary care to keep Rural Health Clinic status.

In March, CMRE and NOVUS had just started their work. Their work started to show in June, July, etc. Revenue Cycle has its staff focused on Medicare and Commercial. We work with NOVUS on Medi-Cal and CMRE supplements the commercial claims.

Staffing has still been a challenge. A Patient Financial Services Supervisor has been hired, along with a revenue cycle analyst.

The Pediatric Rural Health Clinic commercial claims (approximately \$1,100,000) just released which had been held since May.

Coding is now taking place seven days a week.

The 300 work queue is down to \$2,700,000 and the 200 work queue is half of what it was.

Outbound calling by the Financial Customer Service team has also contributed.

At end of June, CFO met with CEO and requested another 90 days to reassess at the end of September.

CFO was pleased to share that Accounts Receivables is at 65 days, as of today, and should be at about 60 at the end of September.

The switch to Physician Billing will be another conversion for everyone.

CFO has been monitoring many areas of claims and collections. CFO noted we are still not where we would like to be but have made a tremendous improvement.

6.2. Potential Investment Options

Finance Committee discussed potential investment options for the District.

CFO met with U.S. Bank about using a sweep mechanism. The District is required to keep 30 days working cash based on policy. Operating cash will sweep out into a U.S. Treasury security investment earning 1.71% and every day it will check the account and sweep enough money back in to cover the daily need of the checking account.

CFO also spoke with Hilltop Securities and their investment arm. They would charge a fee for advisor fee.

CFO will work through the capital plan to see what is coming and take some money out of LAIF and put into US Treasury investments with options which will be longer term investments for higher interest rates. This is a secured, approved investment. LAIF accounts are capped at \$65,000,000 and currently earn 2.3% interest.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

None.

9. NEXT MEETING DATE

Finance Committee will set another meeting as needed.

10. ADJOURN

Meeting adjourned at 12:57 p.m.

Financial Customer Service Program

ONE YEAR STATUS UPDATE



Background

- The program went live October 29, 2018 as an answer to the ever growing community questions and concerns about their healthcare finance.
- The team consists of two main roles:
 - Financial Customer Service Representatives
 - 5 team members
 - Work out of the Access Center
 - Primary phone contacts
 - Financial Counselors
 - 5 team members
 - Work out of hospital
 - Primary contact for in person visits

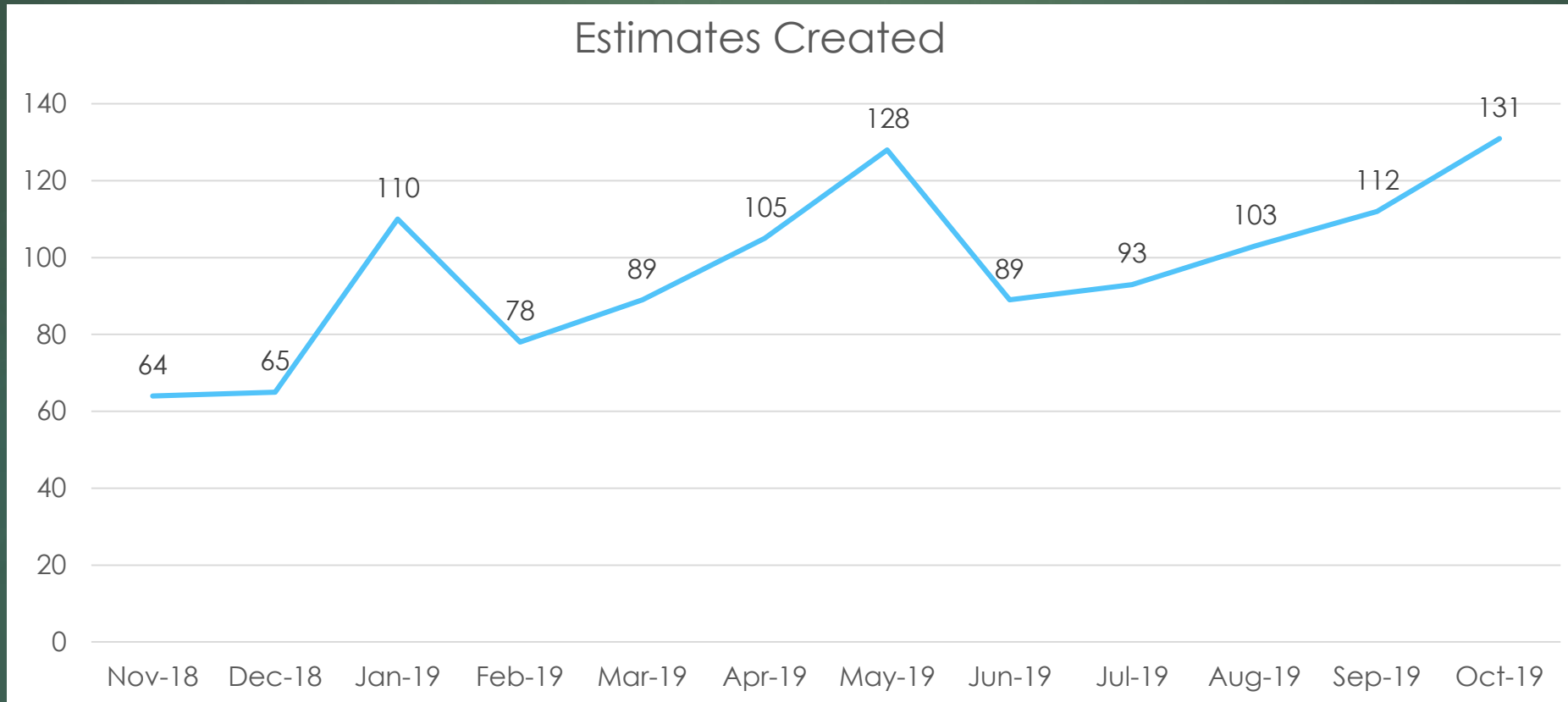


Financial Counseling Update

- Responsibilities:
 - Compile and process Financial Assistance Applications
 - Create payment plans
 - Review for accounts for bad debt
 - Create surgery and procedure estimates
 - Visit patients bedside
 - Research and communicate about patient financial complaints
 - Answer calls to Financial Counseling extension



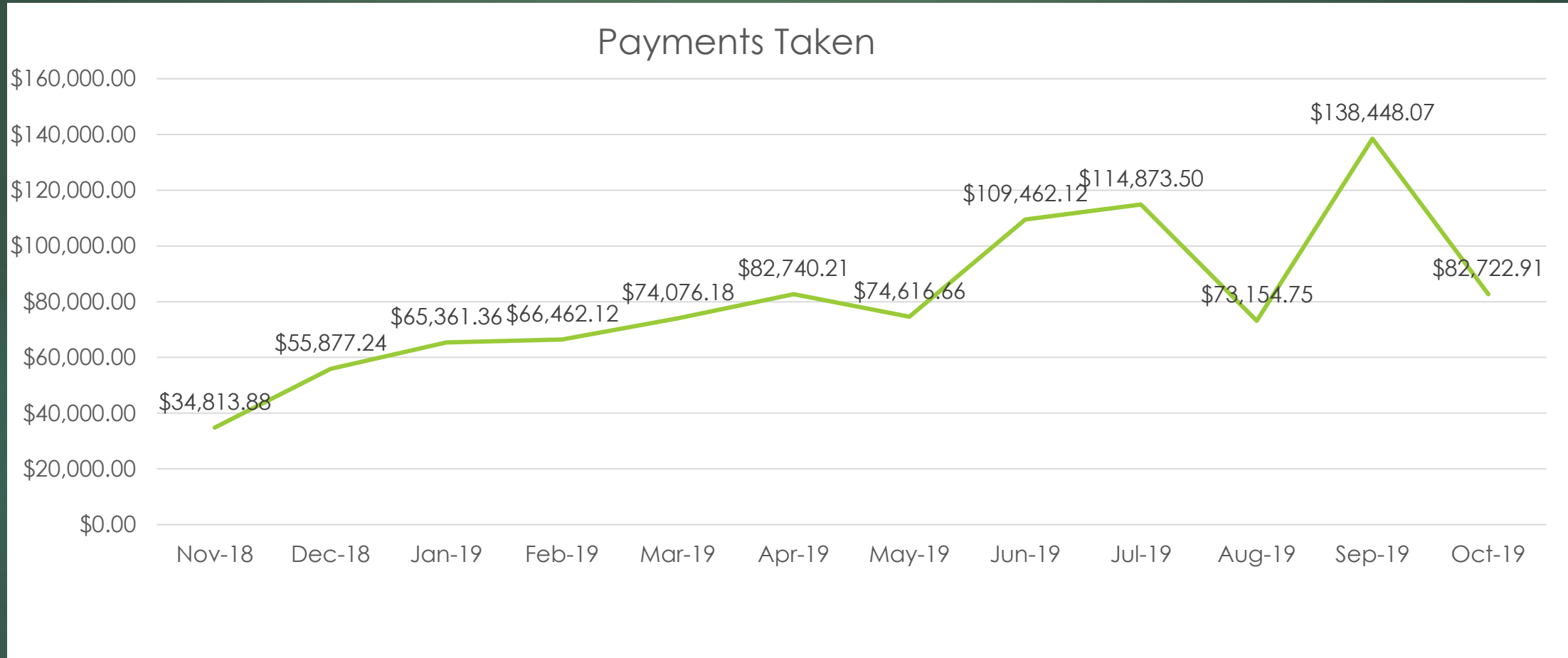
Financial Counseling Update



Estimates Created by Financial Counselors in Epic 11.1.18-10.31.19: FC's create estimates for surgeries, infusions, biopsies, and other procedures. They also call the patients to inform them of their liability, answer any questions, and discuss payment options.



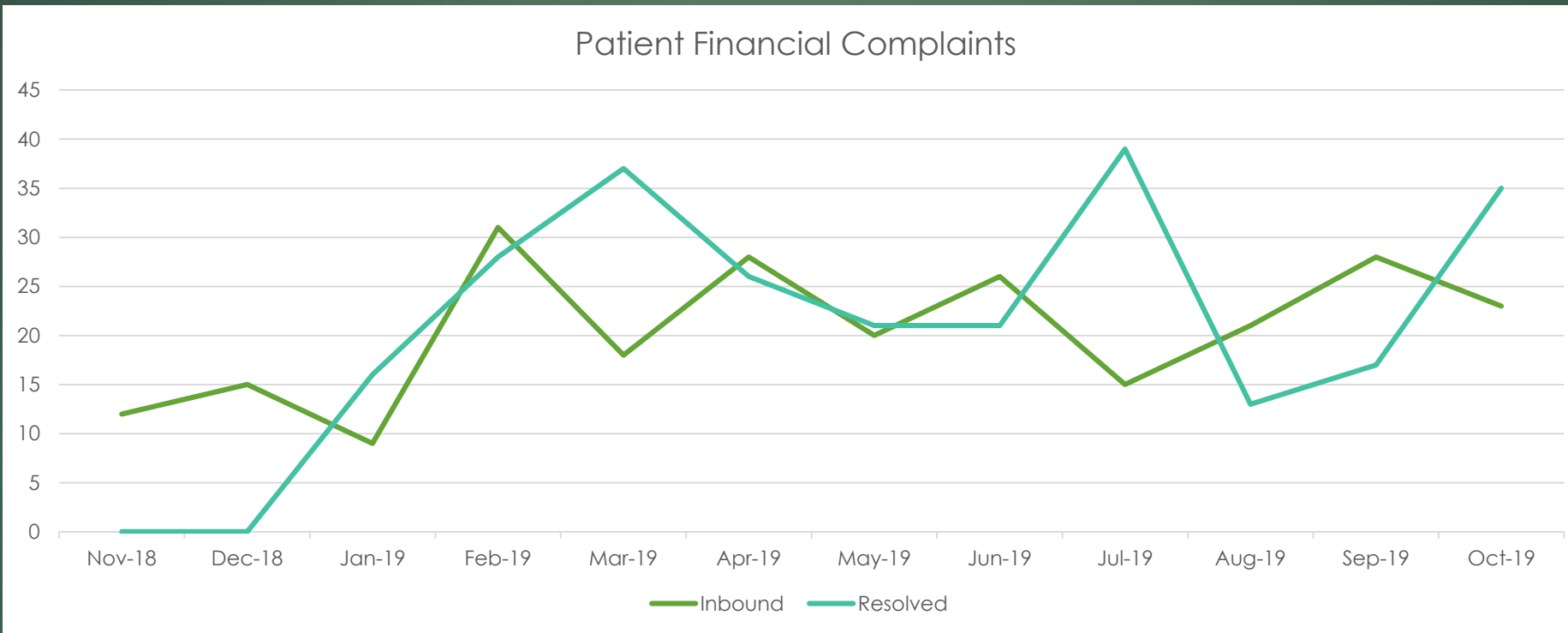
Financial Counseling Update



Payments taken by Financial Counselors 11.1.18-10.31.19: FC's take payments over the phone or in person on previous balances as well as pre-payments for future services.

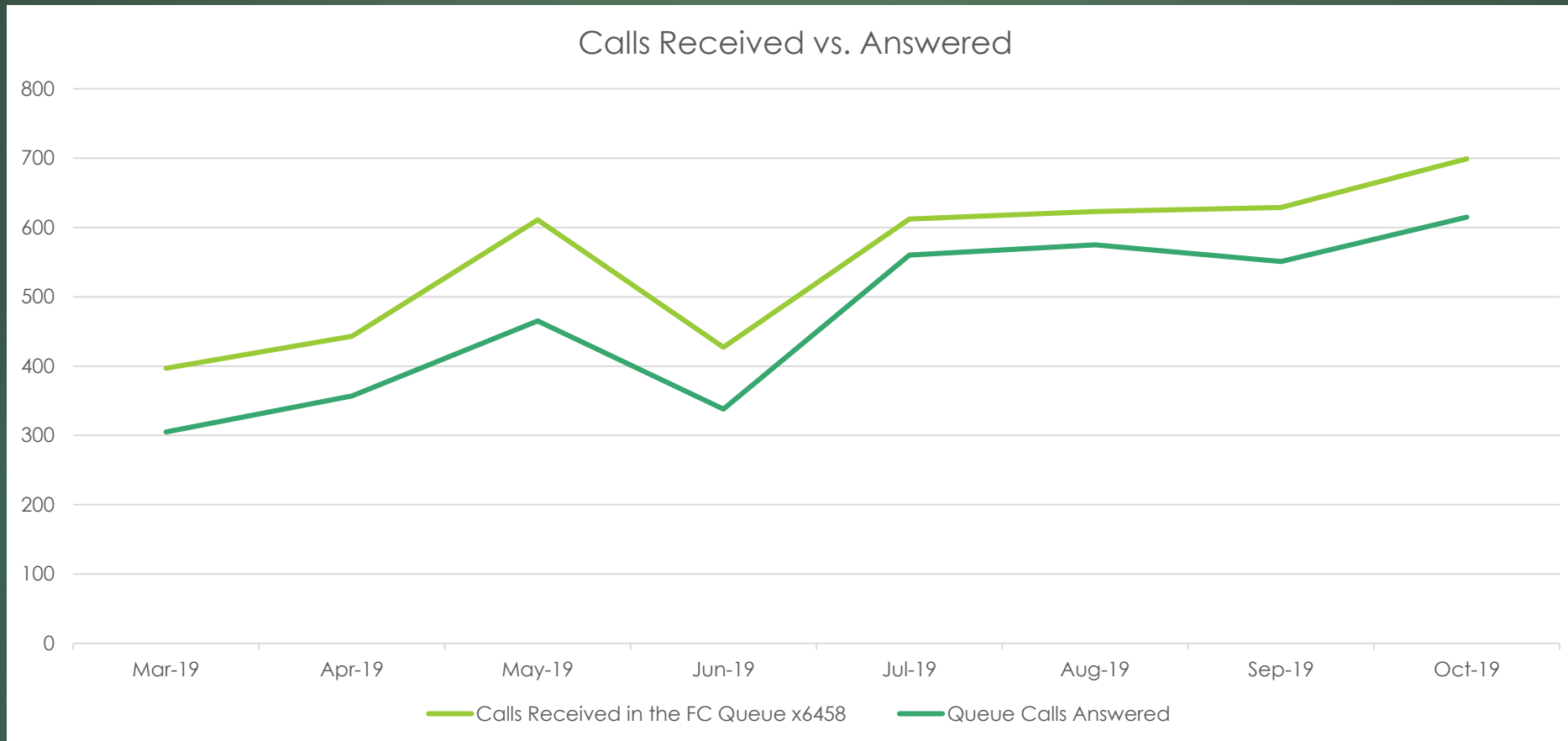


Financial Counseling Update



Patient Financial Complaints 11.1.18- 10.31.19: FC's track complaints in Feedback Manager in Quantros. All complaints are investigated and the outcome is communicated to patients by FC's. They also work closely with Quality on Care complaints. In October 2019, FC's started tracking if a complaint was "valid" meaning that through investigation, it was found that there was an error or oversight by the hospital. Of the 23 complaints that came in during October, 15 were found to be "valid".

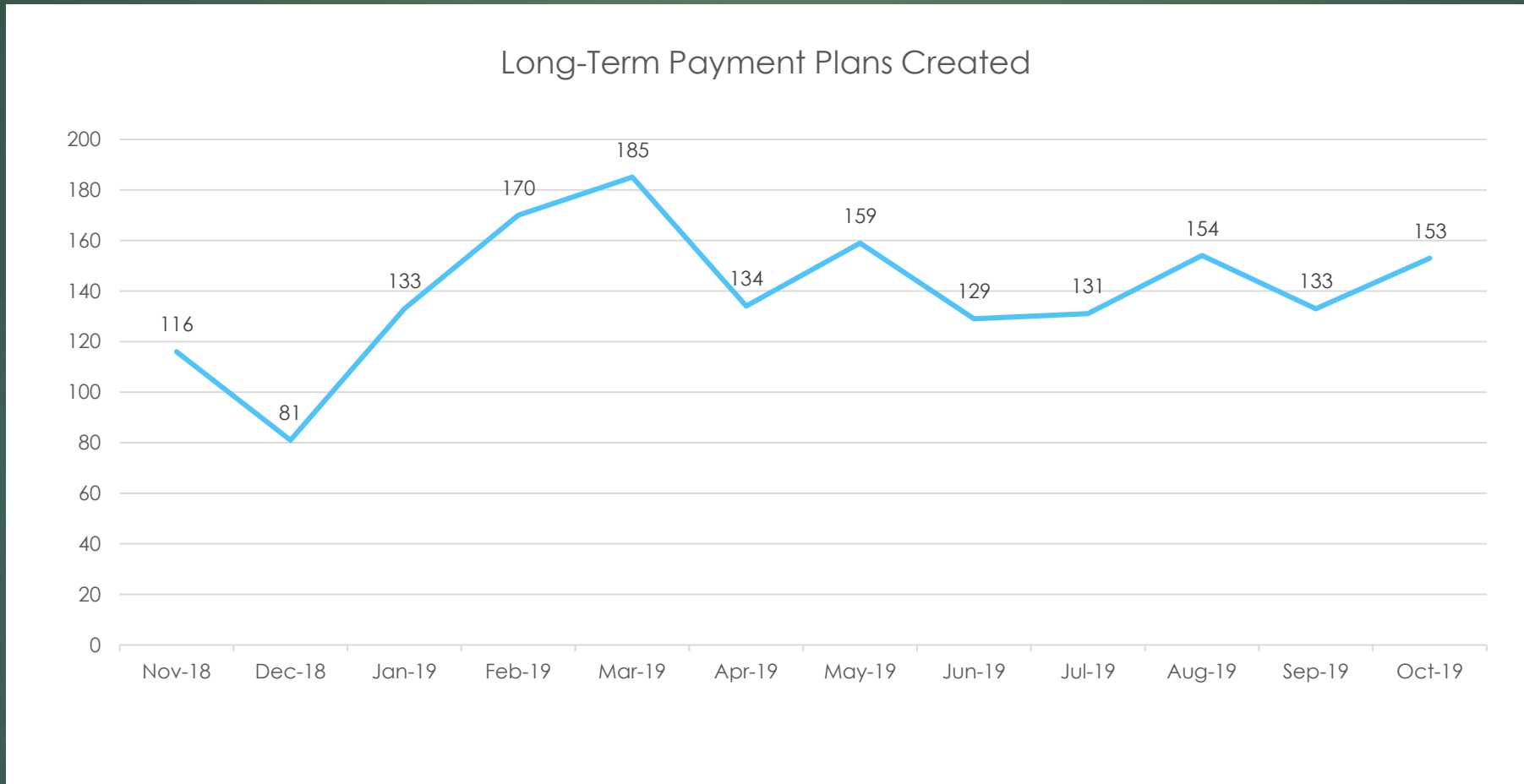
Financial Counseling Update



FC Call Statistics 3.1.19- 10.31.19: Prior to February 2019, the FC's were answering calls on individual extensions. We decided to build a Queue for more call coverage. In July 2019, we implemented the Pure Cloud system which also allowed us to track Service Level (the percentage of calls answered within 30 seconds). Our Service Levels range between 78%-88% (industry standard is 80%). All calls are recorded.



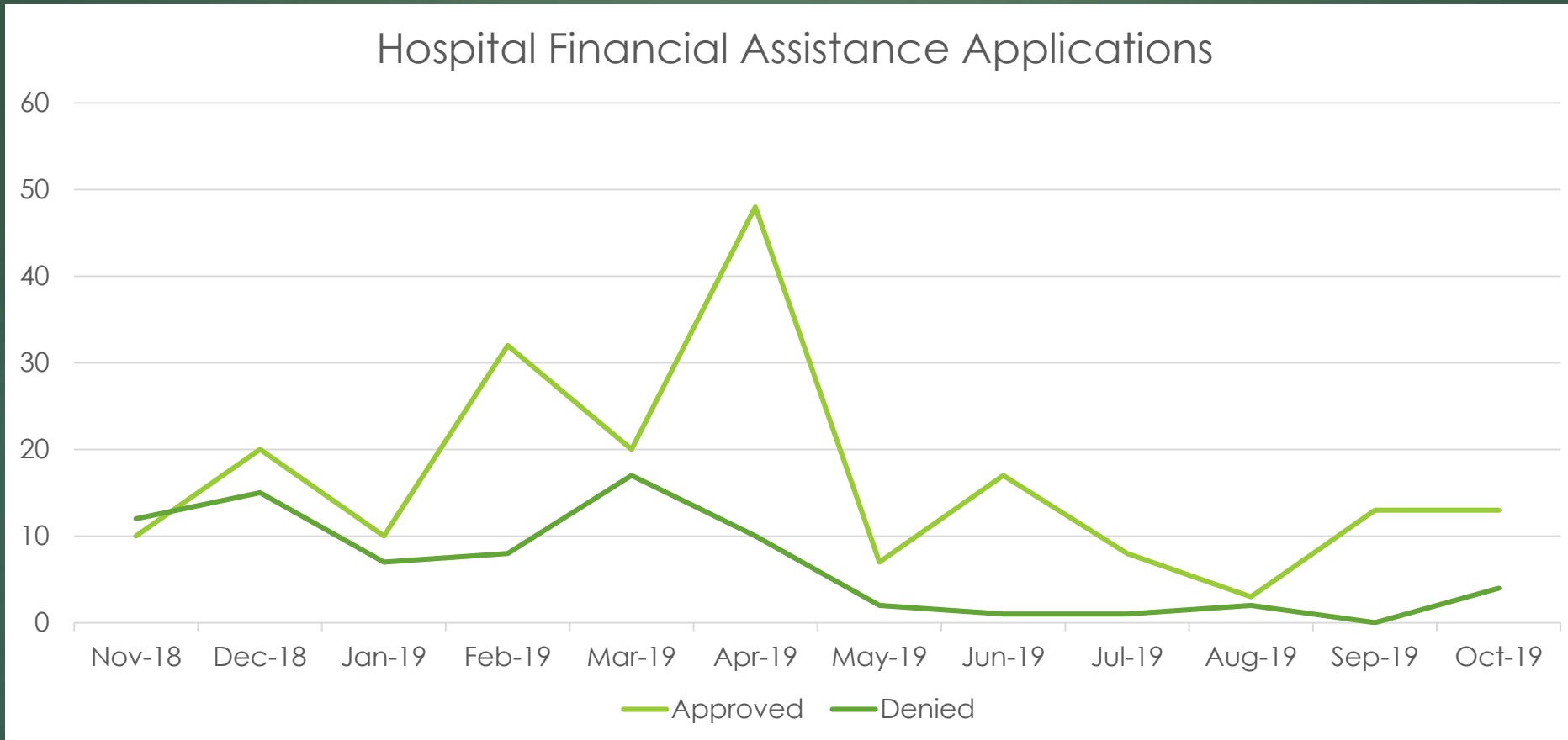
Financial Counseling Update



Long-Term Payment Plans Created by all users 11/1/18-10/31/19: Team members can create long-term, interest free payment plans for patients through partnership with HELP Financial.



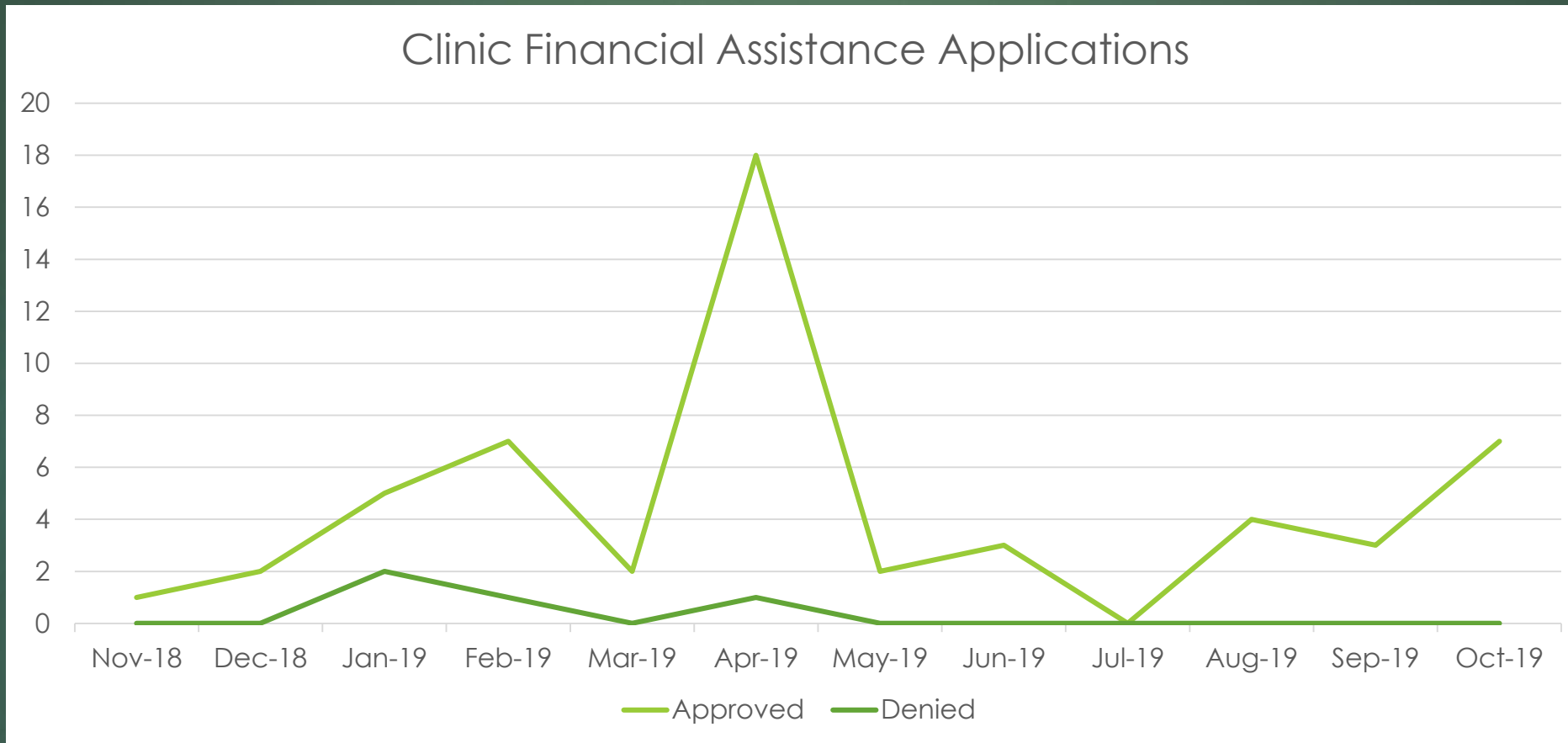
Financial Counseling Update



Hospital Services Financial Assistance Applications 11.1.18-10.31.19: Financial Counselors assist patients in completing applications and submit to leadership for review. Common reasons for denial include: over income, missing documentation, and non-qualifying services.



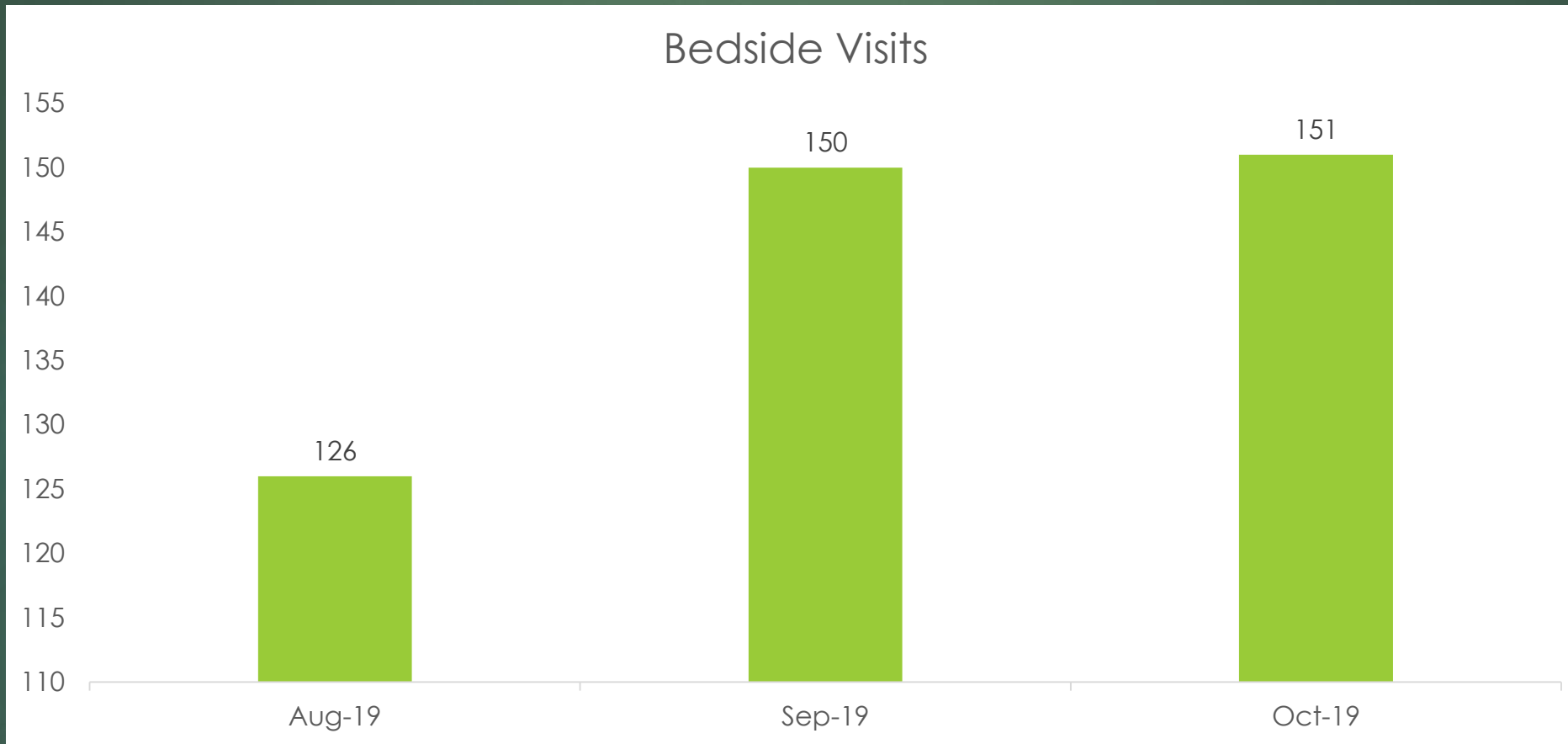
Financial Counseling Update



Clinic Services Financial Assistance Applications 11.1.18-10.31.19: Financial Counselors assist patients in completing applications and submit to leadership for review. Common reasons for denial include: over income, missing documentation, and non-qualifying services.



Financial Counseling Update



Financial Counseling Bedside Visits 8.1.19-10.31.19: In August FC's began to round on patients admitted who will likely have patient responsibility. They discuss insurance questions and offer resources. The response has been very positive.

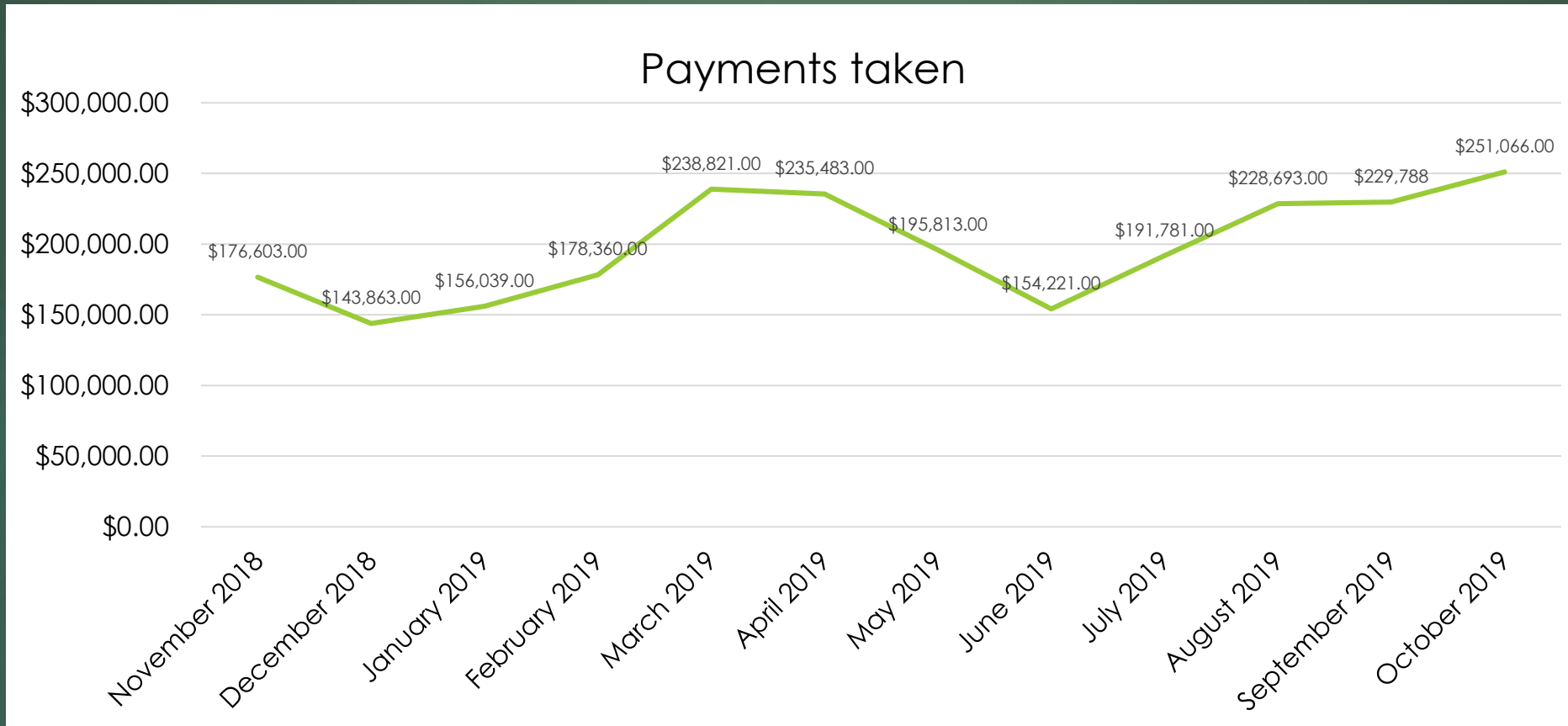


FCSR Update

- Responsibilities
 - Answers incoming calls from patients calling about statements.
 - Makes outbound calls to patient to answer any questions about statements.
 - Set up payment plans.
 - Update patient demographics.
 - Update patient coverage.
 - Take payments.
 - Screen for Financial Assistance.
 - Research refunds, create itemized statements.
 - Resolve patient complaints.
 - Call insurance company to resolve billing issues.



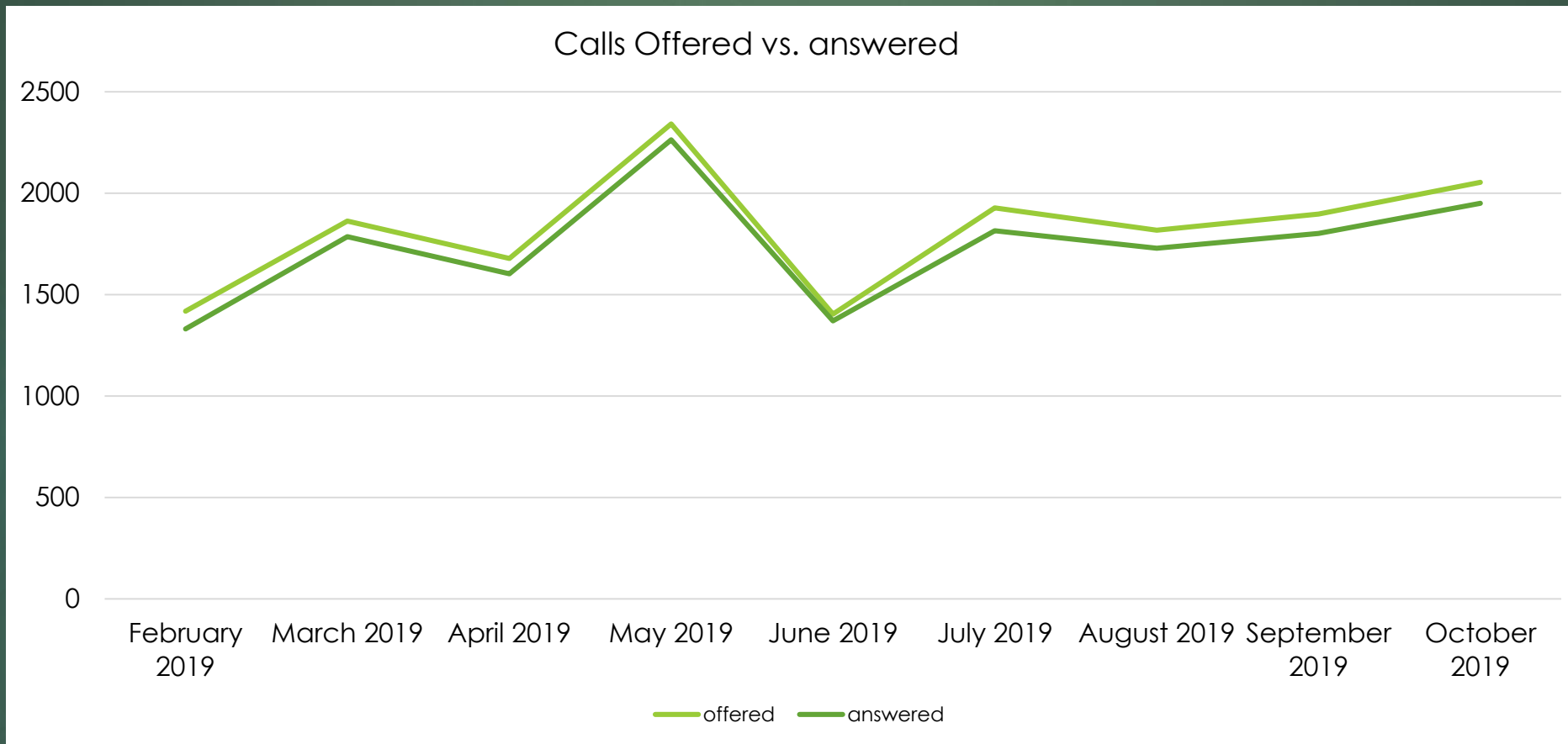
FCSR Update



Payments taken by FCSR 11/01/18 to 10/31/18. Payments are taken by phone, in person and by mail for outstanding balances.



FCSR Update



**TAHOE FOREST HOSPITAL DISTRICT
DECEMBER 2019 FINANCIAL REPORT
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16 - 30	TFH VOLUMES AND GRAPHS

Board of Directors
Of Tahoe Forest Hospital District
DECEMBER 2019 FINANCIAL NARRATIVE

The following is the financial narrative analyzing financial and statistical trends for the six months ended December 31, 2019.

Activity Statistics

- ❑ TFH acute patient days were 528 for the current month compared to budget of 505. This equates to an average daily census of 17.0 compared to budget of 16.3.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Hospice visits, Mammography, Radiation Oncology procedures, Nuclear Medicine, MRI exams, Ultrasounds, CAT Scans, Oncology Drugs Sold to Patients, Gastroenterology cases, Tahoe City Physical Therapy, Tahoe City Occupational Therapy, Physical Therapy, Speech Therapy, and Occupational Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 50.1% in the current month compared to budget of 49.8% and to last month's 53.9%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue was 50.1% compared to budget of 49.9% and prior year's 52.1%.
- ❑ EBIDA was \$3,157,341 (9.2%) for the current month compared to budget of \$990,087 (3.1%), or \$2,167,254 (6.0%) above budget. Year-to-date EBIDA was \$16,614,325 (8.1%) compared to budget of \$8,572,285 (4.4%), or \$8,042,041 (3.7%) above budget.
- ❑ Net Income was \$2,404,419 for the current month compared to budget of \$588,870 or \$1,815,549 above budget. Year-to-date Net Income was \$13,252,632 compared to budget of \$6,115,775 or \$7,136,857 above budget.
- ❑ Cash Collections for the current month were \$15,748,808 which is 99% of targeted Net Patient Revenue.
- ❑ EPIC Gross Accounts Receivables were \$86,672,291 at the end of December compared to \$85,619,380 at the end of November.

Balance Sheet

- ❑ Working Capital is at 44.8 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 171.1 days. Working Capital cash increased a net \$5,480,000. Accounts Payable increased \$1,585,000, Accrued Payroll & Related Costs increased \$933,000, the District received \$1,735,000 in Stop Loss reimbursement and \$2,037,000 from the Medicare program as in interim rate adjustment on its Inpatient claims.
- ❑ Net Patient Accounts Receivable increased approximately \$1,094,000 and Cash collections were 99% of target. EPIC Days in A/R were 76.2 compared to 75.2 at the close of November, a 1.0 days increase.
- ❑ Other Receivables decreased a net \$729,000 after booking receipt against the Health Insurance Stop Loss receivable booked in November.
- ❑ Estimated Settlements, Medi-Cal & Medicare increased \$629,000 after recording the estimated December FY20 receivable from the Rate Range IGT, Medi-Cal PRIME, and Quality Assurance Fee programs.
- ❑ Investment in TSC, LLC decreased \$371,000 after recording the District's 99% share of losses for July through October 2019.
- ❑ To comply with GASB No. 63, the District booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of December.
- ❑ Accounts Payable increased \$1,585,000 due to the timing of the final check run in the month.
- ❑ Accrued Payroll & Related Costs increased \$933,000 due to an increase in accrued payroll days in December.
- ❑ Estimated Settlements, Medi-Cal & Medicare increased \$1,537,000. The District received \$2,037,000 as in interim rate adjustment on its Medicare Inpatients and booked a portion of the payment as a liability against potential future takebacks in the latter part of FY20.

Operating Revenue

- ❑ Current month’s Total Gross Revenue was \$34,464,679, compared to budget of \$31,555,846 or \$2,908,833 above budget.
- ❑ Current month’s Gross Inpatient Revenue was \$8,713,198, compared to budget of \$8,634,444 or \$78,754 above budget.
- ❑ Current month’s Gross Outpatient Revenue was \$25,751,481 compared to budget of \$22,921,402 or \$2,830,079 below budget.
- ❑ Current month’s Gross Revenue Mix was 37.6% Medicare, 14.4% Medi-Cal, .0% County, 1.5% Other, and 46.5% Insurance compared to budget of 37.9% Medicare, 16.0% Medi-Cal, .0% County, 3.2% Other, and 42.9% Insurance. Last month’s mix was 39.6% Medicare, 15.3% Medi-Cal, -.2% County, 2.5% Other, and 42.8% Insurance. Year-to-date Gross Revenue Mix was 40.8% Medicare, 13.9% Medi-Cal, .0% County, 2.7% Other, and 42.6% Insurance compared to budget of 38.2% Medicare, 15.9% Medi-Cal, .0% County, 3.1% Other, and 42.8% Insurance.
- ❑ Current month’s Deductions from Revenue were \$17,193,419 compared to budget of \$15,834,931 or \$1,358,488 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a .28% decrease in Medicare, a 1.58% decrease to Medi-Cal, County at budget, a 1.72% decrease in Other, and Commercial was above budget 3.57%, 2) Revenues exceeded budget by 9.20%, and 3) the District booked \$500,000 of the \$2m Medicare interim rate reimbursement as a reduction to Contractual Allowances.

DESCRIPTION	December 2019 Actual	December 2019 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	5,857,062	6,280,241	423,179	
Employee Benefits	1,942,291	1,755,639	(186,652)	Negative variance in Employee Benefits related to increased use of Paid Leave during the holiday season. This offset, in part, the positive variance in Salaries & Wages.
Benefits – Workers Compensation	85,055	78,105	(6,950)	
Benefits – Medical Insurance	843,093	1,177,057	333,964	
Medical Professional Fees	1,686,488	1,498,749	(187,739)	We saw negative variances in Multi-Specialty Clinic physician fees due to the timing of transitioning to the employment model and an increase in Physical, Speech, and Occupational Therapy fees due to visits exceeding budget expectations.
Other Professional Fees	261,828	239,262	(22,566)	Negative variance in Other Professional Fees related to consulting services provided for the EPIC conversions and Managed Care consulting and contracting support.
Supplies	2,316,915	2,228,904	(88,011)	Oncology Drugs Sold to Patients revenues exceeded budget by 71.68%, creating a negative variance in Pharmaceutical supply purchases.
Purchased Services	1,749,046	1,671,180	(77,866)	Grant funds extended to Tahoe SAFE Alliance, collection agency fees, Occupational Health screenings, Information Technology network maintenance and Employee Wellness Bank services exceeded budget, creating a negative variance in Purchased Services.
Other Expenses	579,382	912,875	333,493	Senior Leadership is closely monitoring Controllable expenses, creating positive variances in most of the Other Expenses categories.
Total Expenses	15,321,159	15,842,012	520,853	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
DECEMBER 2019

	Dec-19	Nov-19	Dec-18	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 22,834,475	\$ 17,354,790	\$ 4,555,537	1
PATIENT ACCOUNTS RECEIVABLE - NET	25,711,535	24,618,015	32,759,512	2
OTHER RECEIVABLES	9,979,464	10,708,049	9,303,980	3
GO BOND RECEIVABLES	2,431,544	2,018,625	1,836,941	
ASSETS LIMITED OR RESTRICTED	7,870,372	8,110,809	7,917,545	
INVENTORIES	3,477,439	3,476,677	3,130,302	
PREPAID EXPENSES & DEPOSITS	2,544,015	2,669,773	1,877,182	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	12,721,164	12,091,998	7,708,114	4
TOTAL CURRENT ASSETS	87,570,008	81,048,735	69,089,113	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	64,390,780	64,390,780	60,460,296	1
MUNICIPAL LEASE 2018	2,901,562	2,899,655	5,818,864	
TOTAL BOND TRUSTEE 2017	20,459	20,437	20,055	
TOTAL BOND TRUSTEE 2015	824,799	687,112	963,319	
GO BOND PROJECT FUND	-	-	-	
GO BOND TAX REVENUE FUND	696,400	696,400	837,019	
DIAGNOSTIC IMAGING FUND	3,307	3,307	3,246	
DONOR RESTRICTED FUND	1,133,611	1,138,560	1,127,596	
WORKERS COMPENSATION FUND	29,130	21,967	23,992	
TOTAL	70,000,049	69,858,220	69,254,387	
LESS CURRENT PORTION	(7,870,372)	(8,110,809)	(7,917,545)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	62,129,677	61,747,411	61,336,842	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(184,713)	186,704	601,785	5
PROPERTY HELD FOR FUTURE EXPANSION	877,798	874,695	897,240	
PROPERTY & EQUIPMENT NET	177,868,828	177,719,012	167,301,132	
GO BOND CIP, PROPERTY & EQUIPMENT NET	1,792,440	1,824,259	1,855,472	
TOTAL ASSETS	330,054,038	323,400,815	301,081,584	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	407,279	410,512	446,068	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,343,392	1,448,871	1,081,858	6
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	5,556,403	5,580,107	5,840,859	
GO BOND DEFERRED FINANCING COSTS	433,265	435,200	456,480	
DEFERRED FINANCING COSTS	168,525	169,565	181,008	
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 7,908,864	\$ 8,044,256	\$ 8,006,273	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 7,847,988	\$ 6,263,304	\$ 7,534,866	7
ACCRUED PAYROLL & RELATED COSTS	12,929,114	11,996,063	10,667,183	8
INTEREST PAYABLE	518,376	435,999	381,299	
INTEREST PAYABLE GO BOND	1,489,090	1,207,150	1,589,212	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	1,698,103	161,103	771,628	9
HEALTH INSURANCE PLAN	2,042,670	2,042,670	1,463,491	
WORKERS COMPENSATION PLAN	2,396,860	2,396,860	1,887,351	
COMPREHENSIVE LIABILITY INSURANCE PLAN	1,172,232	1,172,232	1,184,419	
CURRENT MATURITIES OF GO BOND DEBT	1,330,000	1,330,000	1,330,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,585,948	2,585,948	2,331,208	
TOTAL CURRENT LIABILITIES	34,010,380	29,591,329	29,140,657	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	33,939,824	34,126,562	32,382,299	
GO BOND DEBT NET OF CURRENT MATURITIES	99,419,564	99,432,985	100,910,612	
DERIVATIVE INSTRUMENT LIABILITY	1,343,392	1,448,871	1,081,858	6
TOTAL LIABILITIES	168,713,160	164,599,748	163,515,426	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	168,116,131	165,706,763	144,444,835	
RESTRICTED	1,133,611	1,138,560	1,127,596	
TOTAL NET POSITION	\$ 169,249,743	\$ 166,845,323	\$ 145,572,431	

* Amounts included for Days Cash on Hand calculation











TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
DECEMBER 2019

1. Working Capital is at 44.8 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 171.1 days. Working Capital cash increased a net \$5,480,000. Accounts Payable increased \$1,585,000 (See Note 7), Accrued Payroll & Related Costs increased \$933,000 (See Note 8), the District received \$1,735,000 in Stop Loss reimbursement (See Note 3) and \$2,037,000 from Medicare as an interim rate adjustment on its Inpatient claims (See Note 9).
2. Net Patient Accounts Receivable increased approximately \$1,094,000 and cash collections were 99% of target. EPIC Days in A/R were 76.2 compared to 75.2 at the close of November, a 1.00 day increase.
3. Other Receivables decreased a net \$729,000 after booking receipt against the Health Insurance Stop Loss receivable booked in November.
4. Estimated Settlements, Medi-Cal & Medicare increased a net \$629,000 after recording the estimated December FY20 receivable from the Rate Range IGT, Medi-Cal PRIME, and Quality Assurance Fee programs.
5. Investment in TSC, LLC decreased \$371,000 after the District booked its 99% share of losses for July through October 2019.
6. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of December.
7. Accounts payable increased \$1,585,000 due to the timing of the final check run in the month over the holiday season.
8. Accrued Payroll & Related Costs increased \$933,000 due to an increase in accrued payroll days in December.
9. Estimated Settlements, Medi-Cal & Medicare increased \$1,537,000. This District received \$2,037,000 as an interim rate adjustment on its Medicare Inpatients. Historically we have seen the Medicare program takeback these large interim rate reimbursements so have recorded a portion of the monies as a liability against future takebacks in the latter part of the fiscal year.

**Tahoe Forest Hospital District
Cash Investment
December 2019**

WORKING CAPITAL			
US Bank	\$ 21,644,010		
US Bank/Kings Beach Thrift Store	26,571		
US Bank/Truckee Thrift Store	149,785		
US Bank/Payroll Clearing	-		
Umpqua Bank	<u>1,014,109</u>	0.35%	
Total			\$ 22,834,475
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ -	0.02%	
Capital Equipment Fund	<u>-</u>		
Total			\$ -
Building Fund	\$ -		
Cash Reserve Fund	<u>64,390,780</u>	2.04%	
Local Agency Investment Fund			\$ 64,390,780
Municipal Lease 2018			\$ 2,901,562
Bonds Cash 2017			\$ 20,459
Bonds Cash 2015			\$ 824,799
GO Bonds Cash 2008			\$ 696,400
DX Imaging Education	\$ 3,307		
Workers Comp Fund - B of A	29,130		
Insurance			
Health Insurance LAIF	-		
Comprehensive Liability Insurance LAIF	<u>-</u>		
Total			<u>\$ 32,438</u>
TOTAL FUNDS			\$ 91,700,913
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,360	0.02%	
Foundation Restricted Donations	29,521		
Local Agency Investment Fund	<u>1,095,730</u>	2.04%	
TOTAL RESTRICTED FUNDS			<u>\$ 1,133,611</u>
TOTAL ALL FUNDS			<u><u>\$ 92,834,524</u></u>

**TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
KEY FINANCIAL INDICATORS
DECEMBER 2019**

	Current Status	Desired Position	Target	<u>Bond Covenants</u>	<u>FY 2020</u> Jul 19 to Dec 19	<u>FY 2019</u> Jul 18 to June 19	<u>FY 2018</u> Jul 17 to June 18	<u>FY 2017</u> Jul 16 to June 17	<u>FY 2016</u> Jul 15 to June 16	<u>FY 2015</u> Jul 14 to June 15	<u>FY 2014</u> Jul 13 to June 14
Return On Equity: <u>Increase (Decrease) in Net Position</u> Net Position		↑	4.6%		7.8%	13.1%	5.1%	14.4%	10.9%	2.19%	.001%
EPIC Days in Accounts Receivable (excludes SNF) <u>Gross Accounts Receivable</u> 90 Days		↓	FYE 63 Days		82	69	68	55	57	60	75
<u>Gross Accounts Receivable</u> 365 Days					82	71	73	55	55	62	75
Days Cash on Hand Excludes Restricted: <u>Cash + Short-Term Investments</u> (Total Expenses - Depreciation Expense)/ by 365	 	↑	Budget FYE 147 Days Budget 2nd Qtr 147 Days Projected 2nd Qtr 159 Days	60 Days A- 214 Days BBB- 129 Days	171	179	176	191	201	156	164
EPIC Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)		↓	13%		33%	35%	22%	17%	19%	18%	22%
EPIC Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)		↓	18%		44%	42%	25%	18%	24%	23%	25%
Cash Receipts Per Day (based on 60 day lag on Patient Net Revenue)	 	↑	FYE Budget \$505,733 End 2nd Qtr Budget \$502,293 End 2nd Qtr Actual \$551,230		\$529,958	\$473,890	\$333,963	\$348,962	\$313,153	\$290,776	\$286,394
Debt Service Coverage: Excess Revenue over Exp + <u>Interest Exp + Depreciation</u> Debt Principal Payments + Interest Expense		↑	Without GO Bond 12.80 With GO Bond 2.75	1.95	5.97 3.43	20.45 4.12	9.27 2.07	6.64 3.54	6.19 2.77	3.28 1.59	2.18 1.29

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DECEMBER 2019

CURRENT MONTH				YEAR TO DATE				PRIOR YTD DEC 18
ACTUAL	BUDGET	VAR\$	VAR%	ACTUAL	BUDGET	VAR\$	VAR%	
OPERATING REVENUE								
\$ 34,464,679	\$ 31,555,846	\$ 2,908,833	9.2%	\$ 204,811,992	\$ 194,609,300	\$ 10,202,692	5.2%	1 \$ 171,905,428
Total Gross Revenue								
Gross Revenues - Inpatient								
\$ 3,261,174	\$ 3,058,779	\$ 202,395	6.6%	\$ 18,114,798	\$ 16,121,278	\$ 1,993,520	12.4%	\$ 17,322,704
5,452,025	5,575,665	(123,640)	-2.2%	30,191,316	35,296,306	(5,104,990)	-14.5%	28,724,255
8,713,198	8,634,444	78,754	0.9%	48,306,114	51,417,584	(3,111,470)	-6.1%	46,046,959
Total Gross Revenue - Inpatient								
25,751,481	22,921,402	2,830,079	12.3%	156,505,877	143,191,716	13,314,161	9.3%	125,858,469
25,751,481	22,921,402	2,830,079	12.3%	156,505,877	143,191,716	13,314,161	9.3%	125,858,469
Total Gross Revenue - Outpatient								
Deductions from Revenue:								
15,220,046	14,093,073	(1,126,973)	-8.0%	91,640,205	87,147,638	(4,492,567)	-5.2%	2 78,447,047
1,355,034	1,155,834	(199,200)	-17.2%	7,633,817	6,990,815	(643,002)	-9.2%	2 5,770,090
-	-	-	0.0%	-	-	-	0.0%	2 -
618,339	586,024	(32,315)	-5.5%	3,535,782	3,414,848	(120,934)	-3.5%	2 631,350
-	-	-	0.0%	(669,736)	-	669,736	0.0%	2 (2,558,498)
17,193,419	15,834,931	(1,358,488)	-8.6%	102,140,068	97,553,301	(4,586,767)	-4.7%	82,289,989
111,627	101,369	(10,258)	-10.1%	581,956	631,356	49,400	7.8%	540,006
1,095,612	1,009,815	85,797	8.5%	6,479,507	5,843,303	636,204	10.9%	3 5,241,514
18,478,500	16,832,099	1,646,401	9.8%	109,733,386	103,530,658	6,202,729	6.0%	95,396,959
TOTAL OPERATING REVENUE								
OPERATING EXPENSES								
5,857,062	6,280,241	423,179	6.7%	34,499,773	36,425,335	1,925,562	5.3%	4 29,314,527
1,942,291	1,755,639	(186,652)	-10.6%	11,678,699	10,957,389	(721,310)	-6.6%	4 9,386,214
85,055	78,105	(6,950)	-8.9%	461,864	468,630	6,766	1.4%	4 362,926
843,093	1,177,057	333,964	28.4%	6,118,188	7,062,342	944,154	13.4%	4 5,690,011
1,686,488	1,498,749	(187,739)	-12.5%	10,372,875	9,789,873	(583,002)	-6.0%	5 12,092,034
261,828	239,262	(22,566)	-9.4%	1,477,269	1,549,309	72,040	4.6%	5 1,032,538
2,316,915	2,228,904	(88,011)	-3.9%	14,436,978	13,805,114	(631,864)	-4.6%	6 12,745,472
1,749,046	1,671,180	(77,866)	-4.7%	9,980,386	9,589,374	(391,012)	-4.1%	7 8,116,558
579,382	912,875	333,493	36.5%	4,093,029	5,311,007	1,217,978	22.9%	8 4,303,846
15,321,159	15,842,012	520,853	3.3%	93,119,061	94,958,373	1,839,312	1.9%	83,044,126
TOTAL OPERATING EXPENSE								
3,157,341	990,087	2,167,254	218.9%	16,614,325	8,572,285	8,042,041	93.8%	12,352,833
NET OPERATING REVENUE (EXPENSE) EBIDA								
NON-OPERATING REVENUE/(EXPENSE)								
497,956	508,214	(10,258)	-2.0%	3,075,544	3,026,144	49,400	1.6%	9 3,317,744
412,919	412,919	0	0.0%	2,477,517	2,477,517	(0)	0.0%	2,249,315
158,991	162,429	(3,438)	-2.1%	997,984	959,385	38,599	4.0%	10 779,109
-	-	-	0.0%	-	-	-	0.0%	-
113,843	88,155	25,688	29.1%	218,357	528,931	(310,574)	-58.7%	11 229,514
(371,417)	-	(371,417)	0.0%	(636,498)	-	(636,498)	0.0%	12 -
-	-	-	0.0%	-	-	-	0.0%	12 -
0	-	0	0.0%	7,200	-	7,200	0.0%	13 5,850
-	-	-	0.0%	-	-	-	0.0%	14 -
(1,154,497)	(1,154,615)	118	0.0%	(6,926,981)	(6,927,693)	712	0.0%	15 (6,359,862)
(116,560)	(116,531)	(29)	0.0%	(707,046)	(706,486)	(560)	-0.1%	16 (599,685)
(294,158)	(301,788)	7,630	2.5%	(1,867,772)	(1,814,308)	(53,464)	-2.9%	(1,970,929)
(752,922)	(401,217)	(351,705)	-87.7%	(3,361,694)	(2,456,510)	(905,184)	-36.8%	(2,348,944)
TOTAL NON-OPERATING REVENUE/(EXPENSE)								
\$ 2,404,419	\$ 588,870	\$ 1,815,549	308.3%	\$ 13,252,632	\$ 6,115,775	\$ 7,136,857	116.7%	\$ 10,003,889
INCREASE (DECREASE) IN NET POSITION								
NET POSITION - BEGINNING OF YEAR				155,997,111				
NET POSITION - AS OF DECEMBER 31, 2019				\$ 169,249,743				
9.2%	3.1%	6.0%		8.1%	4.4%	3.7%		7.2%
RETURN ON GROSS REVENUE EBIDA								







TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
DECEMBER 2019

		<u>Variance from Budget</u>	
		<u>Fav / <Unfav></u>	
		<u>DEC 2019</u>	<u>YTD 2020</u>
1) <u>Gross Revenues</u>			
<p>Acute Patient Days were above budget 4.55% or 23 days. Swing Bed days were above budget 26.08% or 12 days. Inpatient Ancillary revenues were below budget due to lower acuity levels in our Swing patient population.</p> <p>Outpatient volumes were above budget in the following departments: Emergency Department visits, Clinic visits, Hospice visits, Pain Clinic procedures, Medical Supplies Sold to Patients, Laboratory tests, Diagnostic Imaging, Vascular Imaging, Mammography, Medical and Radiation Oncology procedures, Nuclear Medicine, MRI, CAT Scan, PET CT, Oncology Drugs Sold to Patients, Respiratory Therapy, Gastroenterology cases, Physical Therapy, Speech Therapy, and Occupational Therapy.</p>	<p>Gross Revenue -- Inpatient</p> <p>Gross Revenue -- Outpatient</p> <p>Gross Revenue -- Total</p>	<p>\$ 78,754</p> <p>2,830,079</p> <p>\$ 2,908,833</p>	<p>\$ (3,111,470)</p> <p>13,314,161</p> <p>\$ 10,202,692</p>
2) <u>Total Deductions from Revenue</u>			
<p>The payor mix for December shows a 0.28% decrease to Medicare, a 1.58% decrease to Medi-Cal, 1.72% decrease to Other, County at budget, and a 3.57% increase to Commercial when compared to budget. The Payor Mix for December was strong, however revenues exceeded budget by 9.2% creating a negative variance in Contractual Allowances.</p>	<p>Contractual Allowances</p> <p>Charity Care</p> <p>Charity Care - Catastrophic</p> <p>Bad Debt</p> <p>Prior Period Settlements</p> <p>Total</p>	<p>\$ (1,126,973)</p> <p>(199,200)</p> <p>(32,315)</p> <p>(120,934)</p> <p>-</p> <p>\$ (1,358,488)</p>	<p>\$ (4,492,567)</p> <p>(643,002)</p> <p>(120,934)</p> <p>669,736</p> <p>\$ (4,586,767)</p>
3) <u>Other Operating Revenue</u>			
<p>Retail Pharmacy revenues exceeded budget by 27.72%.</p> <p>Occupational Health screenings and Fitness Center revenues exceeded budget, creating a positive variance in The Center (non-therapy).</p> <p>IVCH ER Physician Guarantee is tied to collections which fell short of budget in December.</p> <p>Positive variance in Grants related to the PRIME Suboxone program.</p>	<p>Retail Pharmacy</p> <p>Hospice Thrift Stores</p> <p>The Center (non-therapy)</p> <p>IVCH ER Physician Guarantee</p> <p>Children's Center</p> <p>Miscellaneous</p> <p>Oncology Drug Replacement</p> <p>Grants</p> <p>Total</p>	<p>\$ 66,571</p> <p>(9,685)</p> <p>33,199</p> <p>(27,843)</p> <p>(8,757)</p> <p>18,197</p> <p>-</p> <p>14,115</p> <p>\$ 85,797</p>	<p>\$ 309,118</p> <p>(87,127)</p> <p>55,023</p> <p>113,371</p> <p>(7,708)</p> <p>250,948</p> <p>-</p> <p>2,579</p> <p>\$ 636,204</p>
4) <u>Salaries and Wages</u>			
<u>Employee Benefits</u>			
<p>Negative variance in PL/SL related to greater usage of Paid Leave during the Holiday season. This is offsetting, in part, the positive variance in Salaries and Wages.</p>	<p>PL/SL</p> <p>Nonproductive</p> <p>Pension/Deferred Comp</p> <p>Standby</p> <p>Other</p> <p>Total</p>	<p>\$ (231,314)</p> <p>32,244</p> <p>(44)</p> <p>11,581</p> <p>880</p> <p>\$ (186,652)</p>	<p>\$ (636,909)</p> <p>(14,141)</p> <p>(54)</p> <p>(6,662)</p> <p>(63,544)</p> <p>\$ (721,310)</p>
<u>Employee Benefits - Workers Compensation</u>			
<u>Employee Benefits - Medical Insurance</u>			
5) <u>Professional Fees</u>			
<p>Negative variance in Multi-Specialty Clinics related to the timing of physicians moving to the employment model.</p> <p>Physical, Speech, and Occupational Therapy revenues exceeded budget by 6.77%, creating negative variances in The Center (includes OP Therapy) and TFH/IVCH Therapy Services.</p> <p>Consulting services for the EPIC conversions created a negative variance in Information Technology.</p> <p>Negative variance in Managed Care related to contracting support and consultation.</p>	<p>Multi-Specialty Clinics</p> <p>The Center (includes OP Therapy)</p> <p>Oncology</p> <p>TFH/IVCH Therapy Services</p> <p>Human Resources</p> <p>Patient Accounting/Admitting</p> <p>Information Technology</p> <p>Medical Staff Services</p> <p>Truckee Surgery Center</p> <p>Respiratory Therapy</p> <p>Home Health/Hospice</p> <p>IVCH ER Physicians</p> <p>Multi-Specialty Clinics Administration</p> <p>Corporate Compliance</p> <p>Managed Care</p>	<p>\$ (90,201)</p> <p>(77,994)</p> <p>3,315</p> <p>(24,717)</p> <p>(8,727)</p> <p>-</p> <p>(31,838)</p> <p>(2,328)</p> <p>-</p> <p>-</p> <p>9,233</p> <p>(2,438)</p> <p>(1,948)</p> <p>2,000</p> <p>(14,053)</p>	<p>\$ (789,975)</p> <p>(261,182)</p> <p>(44,627)</p> <p>(39,918)</p> <p>(30,676)</p> <p>(13,500)</p> <p>(8,442)</p> <p>(8,297)</p> <p>(146)</p> <p>-</p> <p>19</p> <p>5,329</p> <p>5,860</p> <p>12,000</p> <p>24,258</p>

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
DECEMBER 2019

		Variance from Budget	
		Fav / <Unfav>	
		<u>DEC 2019</u>	<u>YTD 2020</u>
5) <u>Professional Fees (cont.)</u>	Financial Administration	2,328	28,165
	Marketing	9,008	37,642
	Sleep Clinic	8,353	55,325
	Administration	10,235	56,541
	Miscellaneous	2,465	103,297
	TFH Locums	(3,001)	357,366
	Total	\$ (210,305)	\$ (510,962)
6) <u>Supplies</u>	Pharmacy Supplies	\$ (106,937)	\$ (844,362)
Oncology Drugs Sold to Patients revenues exceeded budget by 71.68% creating a negative variance in Pharmacy Supplies.	Minor Equipment	2,005	15,979
	Patient & Other Medical Supplies	(5,850)	26,232
	Other Non-Medical Supplies	992	40,107
	Office Supplies	10,140	52,650
	Food	11,640	77,529
	Total	\$ (88,011)	\$ (631,864)
7) <u>Purchased Services</u>	Medical Records	\$ 7,323	\$ (204,631)
The District extended grant funds to Tahoe SAFE Alliance. This is creating a negative variance in Miscellaneous.	Miscellaneous	(12,101)	(196,079)
	Patient Accounting	(15,588)	(80,743)
Negative variance in Patient Accounting related to collection agency fees.	Multi-Specialty Clinics	(17,436)	(41,430)
	Diagnostic Imaging Services - All The Center	12,722	(27,728)
Occupational Health screenings created a negative variance in Multi-Specialty Clinics.	The Center	34	(14,206)
	Department Repairs	(3,210)	(9,622)
	Community Development	29	1,487
Network Maintenance service agreements and support created a negative variance in Information Technology.	Information Technology	(44,659)	7,489
	Laboratory	12,324	14,121
	Home Health/Hospice	4,095	27,715
Employee Wellness Bank services exceeded budget, creating a negative variance in Human Resources.	Pharmacy IP	5,403	54,219
	Human Resources	(26,801)	78,396
	Total	\$ (77,866)	\$ (391,012)
8) <u>Other Expenses</u>	Equipment Rent	\$ (1,152)	\$ (54,699)
The quarterly transfer of Engineering labor costs to capitalized construction projects created a positive variance in Miscellaneous.	Multi-Specialty Clinics Equip Rent	64	174
	Other Building Rent	(57)	3,562
	Physician Services	1,743	7,028
Controllable costs continue to be monitored by Senior Leadership, creating a positive variance in the remainder of the Other Expense categories.	Multi-Specialty Clinics Bldg Rent	23,170	21,216
	Dues and Subscriptions	11,496	49,872
	Human Resources Recruitment	10,875	60,005
	Insurance	18,878	82,170
	Utilities	16,919	153,919
	Marketing	32,965	213,163
	Outside Training & Travel	46,626	316,138
	Miscellaneous	171,967	365,431
	Total	\$ 333,493	\$ 1,217,978
9) <u>District and County Taxes</u>	Total	\$ (10,258)	\$ 49,400
10) <u>Interest Income</u>	Total	\$ (3,438)	\$ 38,599
11) <u>Donations</u>	IVCH	\$ (41,334)	\$ (238,242)
	Operational	67,022	(72,332)
	Capital Campaign		
	Total	\$ 25,688	\$ (310,574)
12) <u>Gain/(Loss) on Joint Investment</u>	Total	\$ (371,417)	\$ (636,498)
The District booked its 99% share in losses at the Truckee Surgery Center for the months of July through October 2019, creating a negative variance in Gain/(Loss) on Joint Venture.			
13) <u>Gain/(Loss) on Sale or Disposal of Assets</u>	Total	\$ -	\$ 7,200
15) <u>Depreciation Expense</u>	Total	\$ 118	\$ 712
16) <u>Interest Expense</u>	Total	\$ (29)	\$ (560)

**TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
KEY FINANCIAL INDICATORS
DECEMBER 2019**

	Current Status	Desired Position	Target	FY 2020 Jul 19 to Dec 19	FY 2019 Jul 18 to June 19	FY 2018 Jul 17 to June 18	FY 2017 Jul 16 to June 17	FY 2016 Jul 15 to June 16	FY 2015 Jul 14 to June 15	FY 2014 Jul 13 to June 14
Total Margin: <u>Increase (Decrease) In Net Position</u> Total Gross Revenue		↑	FYE 1.9% 2nd Qtr 3.1%	6.5%	5.7%	2.6%	7.4%	5.5%	1.0%	.01%
Charity Care: <u>Charity Care Expense</u> Gross Patient Revenue		↓	FYE 3.6% 2nd Qtr 3.6%	3.7%	3.8%	3.3%	3.1%	3.4%	3.1%	3.2%
Bad Debt Expense: <u>Bad Debt Expense</u> Gross Patient Revenue		↓	FYE 1.8% 2nd Qtr 1.8%	1.7%	.1%	.1%	-.0%	-.2%	1.6%	1.6%
Incline Village Community Hospital: EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue <Expense></u> Gross Revenue		↑	FYE 10.2% 2nd Qtr 9.2%	8.7%	11.5%	4.8%	7.9%	11.3%	9.1%	4.9%
Operating Expense Variance to Budget (Under<Over>)		↑	-0-	\$1,839,312	\$(13,825,198)	\$1,061,378	\$(9,700,270)	\$(7,548,217)	\$(6,371,653)	\$2,129,279
EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue <Expense></u> Gross Revenue		↑	FYE 3.2% 2nd Qtr 4.1%	8.1%	7.1%	4.5%	7.9%	7.3%	3.5%	2.0%

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
DECEMBER 2019

CURRENT MONTH				YEAR TO DATE				PRIOR YTD DECEMBER 2018		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
OPERATING REVENUE										
\$ 2,139,356	\$ 2,741,817	\$ (602,461)	-22.0%	Total Gross Revenue	\$ 13,537,035	\$ 13,824,758	\$ (287,723)	-2.1%	1	\$ 11,903,157
Gross Revenues - Inpatient										
\$ 16,031	\$ 18,896	\$ (2,865)	-15.2%	Daily Hospital Service	\$ 16,423	\$ 70,634	\$ (54,211)	-76.7%		\$ 34,050
18,864	19,511	(648)	-3.3%	Ancillary Service - Inpatient	18,864	40,214	(21,351)	-53.1%		25,000
34,895	38,407	(3,513)	-9.1%	Total Gross Revenue - Inpatient	35,287	110,848	(75,562)	-68.2%	1	59,050
2,104,461	2,703,410	(598,949)	-22.2%	Gross Revenue - Outpatient	13,501,748	13,713,910	(212,162)	-1.5%		11,844,107
2,104,461	2,703,410	(598,949)	-22.2%	Total Gross Revenue - Outpatient	13,501,748	13,713,910	(212,162)	-1.5%	1	11,844,107
Deductions from Revenue:										
956,710	1,090,095	133,385	12.2%	Contractual Allowances	6,000,077	5,581,213	(418,864)	-7.5%	2	4,653,202
100,664	146,543	45,879	31.3%	Charity Care	671,244	659,405	(11,839)	-1.8%	2	478,543
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
259,093	146,543	(112,550)	-76.8%	Bad Debt	532,965	659,405	126,441	19.2%	2	309,044
-	-	-	0.0%	Prior Period Settlements	(130,220)	-	130,220	0.0%	2	74,873
1,316,467	1,383,181	66,714	4.8%	Total Deductions from Revenue	7,074,065	6,900,023	(174,042)	-2.5%	2	5,515,662
100,331	129,404	(29,073)	-22.5%	Other Operating Revenue	640,252	531,777	108,475	20.4%	3	555,549
923,219	1,488,040	(564,821)	-38.0%	TOTAL OPERATING REVENUE	7,103,221	7,456,512	(353,291)	-4.7%		6,943,044
OPERATING EXPENSES										
336,408	448,877	112,469	25.1%	Salaries and Wages	1,969,716	2,207,154	237,438	10.8%	4	1,838,391
114,363	114,915	552	0.5%	Benefits	783,424	692,591	(90,833)	-13.1%	4	636,183
15,727	4,303	(11,424)	-265.5%	Benefits Workers Compensation	43,541	25,818	(17,723)	-68.6%	4	24,201
48,283	67,391	19,108	28.4%	Benefits Medical Insurance	350,216	404,346	54,130	13.4%	4	335,146
286,516	259,161	(27,355)	-10.6%	Medical Professional Fees	1,668,550	1,635,629	(32,921)	-2.0%	5	1,600,911
2,946	1,536	(1,410)	-91.8%	Other Professional Fees	10,544	9,218	(1,326)	-14.4%	5	12,624
77,080	67,499	(9,581)	-14.2%	Supplies	339,044	396,415	57,371	14.5%	6	326,176
60,654	66,071	5,418	8.2%	Purchased Services	335,582	343,026	7,444	2.2%	7	297,527
72,578	75,489	2,911	3.9%	Other	426,993	476,198	49,205	10.3%	8	433,730
1,014,555	1,105,242	90,687	8.2%	TOTAL OPERATING EXPENSE	5,927,610	6,190,395	262,785	4.2%		5,504,889
(91,335)	382,798	(474,133)	-123.9%	NET OPERATING REV(EXP) EBIDA	1,175,611	1,266,117	(90,506)	-7.1%		1,438,155
NON-OPERATING REVENUE/(EXPENSE)										
-	41,334	(41,334)	-100.0%	Donations-IVCH	9,760	248,002	(238,242)	-96.1%	9	7,032
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(65,676)	(65,043)	(633)	1.0%	Depreciation	(394,055)	(390,257)	(3,798)	-1.0%	11	(355,813)
(65,676)	(23,709)	(41,967)	-177.0%	TOTAL NON-OPERATING REVENUE/(EXP)	(384,295)	(142,255)	(242,040)	-170.1%		(348,781)
\$ (157,011)	\$ 359,089	\$ (516,100)	-143.7%	EXCESS REVENUE(EXPENSE)	\$ 791,316	\$ 1,123,862	\$ (332,546)	-29.6%		\$ 1,089,374
-4.3%	14.0%	-18.2%		RETURN ON GROSS REVENUE EBIDA	8.7%	9.2%	-0.5%			12.1%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
DECEMBER 2019**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>DEC 2019</u>	<u>YTD 2020</u>
1) Gross Revenues			
Acute Patient Days were below budget by 2 at 2 and Observation Days were above budget by 1 at 1.	Gross Revenue -- Inpatient	\$ (3,513)	\$ (75,562)
	Gross Revenue -- Outpatient	(598,949)	(212,162)
		<u>\$ (602,461)</u>	<u>\$ (287,723)</u>
Outpatient volumes were below budget in Emergency Department visits, Clinic visits, Surgery cases, Laboratory tests, Diagnostic Imaging, Cat Scans, and Drugs Sold to Patients.			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with a .78% decrease in Medicare, a 2.00% increase in Medicaid, a 3.66% decrease in Commercial insurance, a 2.45% increase in Other, and County was below budget by .01%. We saw a slight pickup in Contractual Allowances due to revenues falling short of budget by 22.0%.	Contractual Allowances	\$ 133,385	\$ (418,864)
	Charity Care	45,879	(11,839)
	Charity Care-Catastrophic Event	-	-
	Bad Debt	(112,550)	126,441
	Prior Period Settlement	-	130,220
	Total	<u>\$ 66,714</u>	<u>\$ (174,042)</u>
3) Other Operating Revenue			
IVCH ER Physician Guarantee is based on collections which fell short of budget in December.	IVCH ER Physician Guarantee	\$ (27,843)	\$ 113,371
	Miscellaneous	(1,230)	(4,896)
	Total	<u>\$ (29,073)</u>	<u>\$ 108,475</u>
4) Salaries and Wages			
	Total	<u>\$ 112,469</u>	<u>\$ 237,438</u>
Employee Benefits			
Negative variance in PL/SL related to greater usage of Paid Leave during the Holiday Season. This offset, in part, the positive variance in Salaries and Wages.	PL/SL	\$ (22,999)	\$ (100,272)
	Standby	1,231	13,854
	Other	4,824	(2,040)
	Nonproductive	17,496	(1,383)
	Pension/Deferred Comp	-	(992)
	Total	<u>\$ 552</u>	<u>\$ (90,833)</u>
Employee Benefits - Workers Compensation	Total	<u>\$ (11,424)</u>	<u>\$ (17,723)</u>
Employee Benefits - Medical Insurance	Total	<u>\$ 19,108</u>	<u>\$ 54,130</u>
5) Professional Fees			
Physician Pro Fees in Pediatrics and Orthopedic Surgery came in higher than budget estimates.	Multi-Specialty Clinics	\$ (19,521)	\$ (96,043)
	Foundation	(1,410)	(1,326)
	Administration	-	-
	Miscellaneous	776	910
Physical, Speech, and Occupational Therapy visits exceeded budget by 9.47%, creating a negative variance in Therapy Services.	Therapy Services	(14,525)	1,558
	IVCH ER Physicians	(2,438)	5,329
	Sleep Clinic	8,353	55,325
Sleep Clinic professional fees are tied to collections which fell short of budget in December, creating a positive variance in this category.	Total	<u>\$ (28,765)</u>	<u>\$ (34,247)</u>
6) Supplies			
Medical Supplies Sold to Patients revenues were above budget by 18.12%, creating a negative variance in Patient & Other Medical Supplies.	Food	\$ (1,253)	\$ (1,082)
	Imaging Film	-	-
	Office Supplies	847	1,331
	Non-Medical Supplies	2,034	1,924
	Minor Equipment	2,727	2,197
	Pharmacy Supplies	4,810	23,048
	Patient & Other Medical Supplies	(18,746)	29,954
	Total	<u>\$ (9,581)</u>	<u>\$ 57,371</u>

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
DECEMBER 2019**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>DEC 2019</u>	<u>YTD 2020</u>
7) <u>Purchased Services</u>			
Negative variance in Laboratory related to outsourced lab testing.	Miscellaneous	\$ 1,594	\$ (15,433)
	Diagnostic Imaging Services - All	810	(5,603)
	Pharmacy	-	(944)
	Foundation	1,575	(928)
	Multi-Specialty Clinics	117	(291)
	Surgical Services	-	-
	Department Repairs	1,888	739
	Laboratory	(4,862)	6,612
	EVS/Laundry	2,205	8,540
	Engineering/Plant/Communications	2,091	14,752
	Total	<u>\$ 5,418</u>	<u>\$ 7,444</u>
8) <u>Other Expenses</u>			
Natural Gas/Propane expenses created a negative variance in Utilities.	Dues and Subscriptions	\$ 1,573	\$ (8,444)
	Other Building Rent	(614)	(3,067)
	Physician Services	-	-
Negative variance in Outside Training & Travel related to tuition reimbursement.	Multi-Specialty Clinics Bldg Rent	-	-
	Insurance	1,366	2,882
	Utilities	(1,348)	3,700
Senior Leadership continues to monitor controllable expenses, lending to positive variances in most of the Other Expense categories.	Equipment Rent	681	7,397
	Marketing	4,135	8,113
	Outside Training & Travel	(4,928)	14,689
	Miscellaneous	2,045	23,933
	Total	<u>\$ 2,911</u>	<u>\$ 49,205</u>
9) <u>Donations</u>	Total	<u>\$ (41,334)</u>	<u>\$ (238,242)</u>
10) <u>Gain/(Loss) on Sale</u>	Total	<u>\$ -</u>	<u>\$ -</u>
11) <u>Depreciation Expense</u>	Total	<u>\$ (633)</u>	<u>\$ (3,798)</u>

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2019		BUDGET FYE 2020	PROJECTED FYE 2020	ACTUAL DEC 2019	PROJECTED DEC 2019	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 25,310,161		\$ 12,072,919	\$ 20,114,959	\$ 3,157,341	\$ 990,087	\$ 2,167,254	\$ 9,856,557	\$ 6,757,769	\$ 2,488,975	\$ 1,011,658
Interest Income	1,322,573		1,854,579	1,940,511	22,784	35,000	(12,216)	414,192	423,396	551,808	551,114
Property Tax Revenue	7,435,543		7,125,000	7,492,967	96,653	-	96,653	496,314	96,653	3,950,000	2,950,000
Donations	968,991		1,060,000	624,443	7,750	80,000	(72,250)	75,072	69,371	240,000	240,000
Debt Service Payments	(3,938,422)		(5,031,900)	(5,495,077)	(353,251)	(488,002)	134,751	(1,522,582)	(1,060,089)	(1,194,500)	(1,717,906)
Property Purchase Agreement	(270,643)		(811,932)	(811,930)	(67,661)	(67,661)	0	(202,982)	(202,982)	(202,983)	(202,983)
2018 Municipal Lease	(1,148,646)		(1,717,332)	(1,574,219)	(143,111)	(143,111)	0	(286,221)	(429,332)	(429,333)	(429,333)
Copier	(24,163)		(64,560)	(64,654)	(5,382)	(5,380)	(2)	(16,235)	(16,139)	(16,140)	(16,140)
2017 VR Demand Bond	(853,995)		(792,912)	(1,413,133)	-	(134,753)	134,753	(620,221)	-	(134,753)	(658,159)
2015 Revenue Bond	(1,640,975)		(1,645,164)	(1,631,142)	(137,097)	(137,097)	(0)	(396,924)	(411,636)	(411,291)	(411,291)
Physician Recruitment	(145,863)		(180,000)	(353,670)	(105,000)	-	(105,000)	(152,500)	(111,170)	(45,000)	(45,000)
Investment in Capital											
Equipment	(3,296,438)		(5,320,498)	(5,320,498)	(156,055)	(787,310)	631,255	(688,769)	(983,613)	(2,072,834)	(1,575,282)
Municipal Lease Reimbursement	4,530,323		4,650,000	3,458,279	-	-	-	-	608,279	1,000,000	1,850,000
IT/EMR/Business Systems	(3,016,084)		(4,222,246)	(4,222,246)	(40,707)	(363,284)	322,577	(667,043)	(501,585)	(1,710,041)	(1,343,577)
Building Projects/Properties	(12,443,362)		(23,169,292)	(23,169,292)	(1,111,116)	(2,248,833)	1,137,717	(2,220,489)	(3,431,604)	(7,959,640)	(9,557,559)
Capital Investments	(916,898)		-	-	-	-	-	-	-	-	-
Change in Accounts Receivable	(2,492,148)	N1	2,451,297	2,324,894	(1,093,520)	617,314	(1,710,834)	(708,340)	1,165,101	1,862,954	5,179
Change in Settlement Accounts	265,612	N2	1,615,831	467,781	907,834	(33,333)	941,167	(4,680,479)	(410,433)	(1,947,827)	7,506,520
Change in Other Assets	(5,018,346)	N3	(2,400,000)	(662,880)	1,546,860	1,134,637	412,223	3,116,473	(479,352)	(1,800,000)	(1,500,000)
Change in Other Liabilities	7,647,518	N4	(695,000)	(2,729,580)	2,600,112	2,200,000	400,112	507,806	(5,762,386)	1,100,000	1,425,000
Change in Cash Balance	16,213,160		(10,189,310)	(5,529,409)	5,479,685	1,136,275	4,343,410	3,826,212	(3,619,663)	(5,536,105)	(199,853)
Beginning Unrestricted Cash	70,805,546		87,018,706	87,018,706	81,745,570	81,745,570	-	87,018,706	90,844,918	87,225,255	81,689,151
Ending Unrestricted Cash	87,018,706		76,829,396	81,489,297	87,225,255	82,881,845	4,343,410	90,844,918	87,225,255	81,689,151	81,489,297
Expense Per Day	486,737		516,504	511,466	509,924	519,918	(9,993)	519,036	509,924	520,242	511,466
Days Cash On Hand	179		149	159	171	159	12	175	171	157	159

Footnotes:

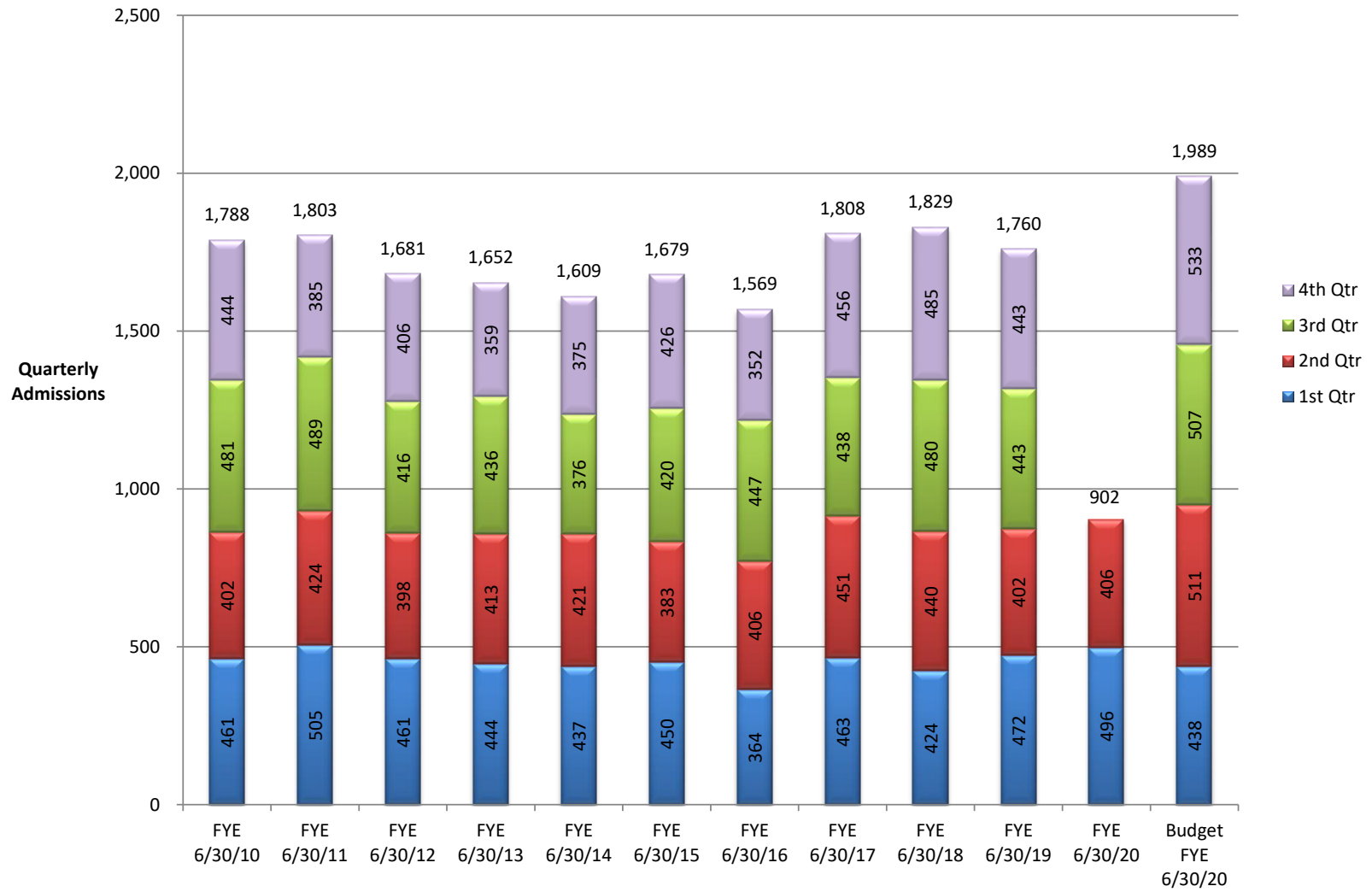
N1 - Change in Accounts Receivable reflects the 30 day delay in collections.

N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.

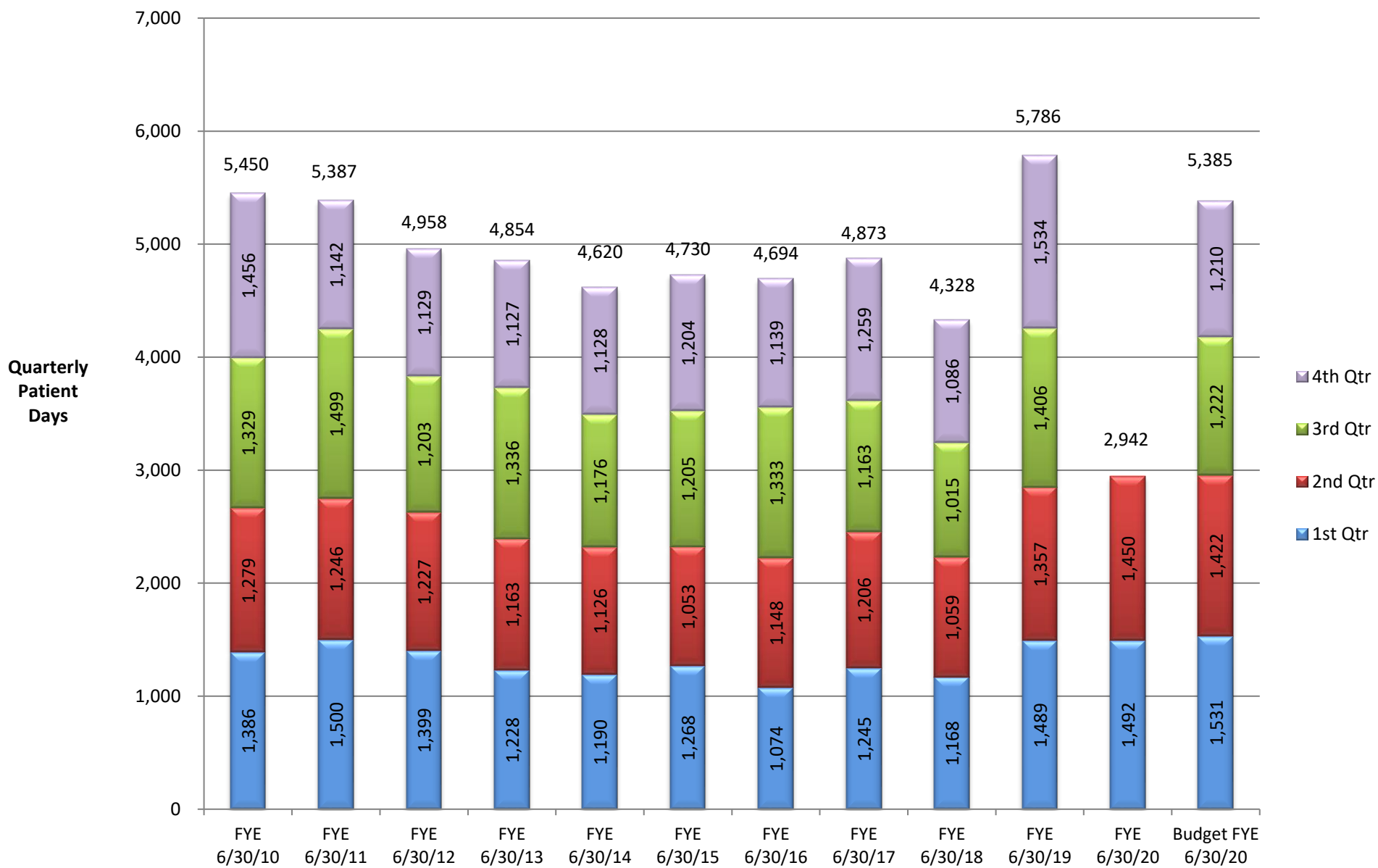
N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.

N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.

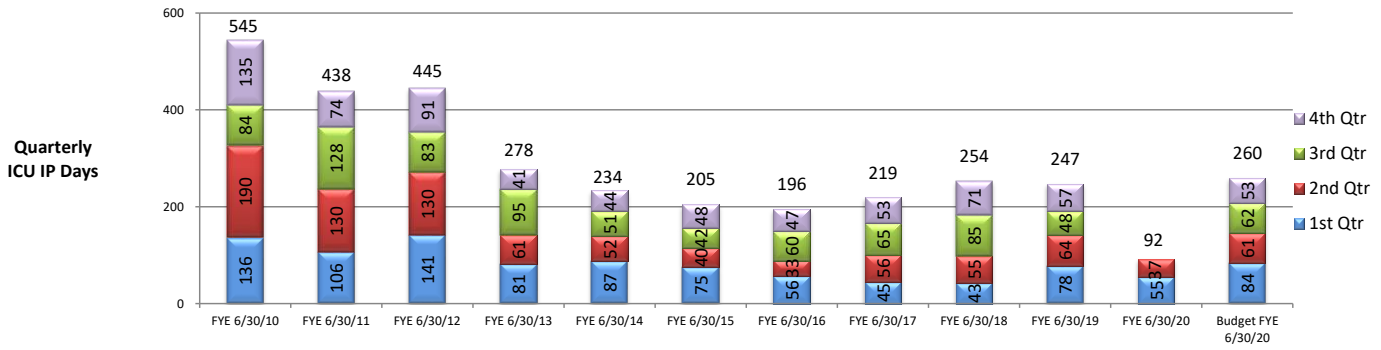
TOTAL TFH ADMISSIONS



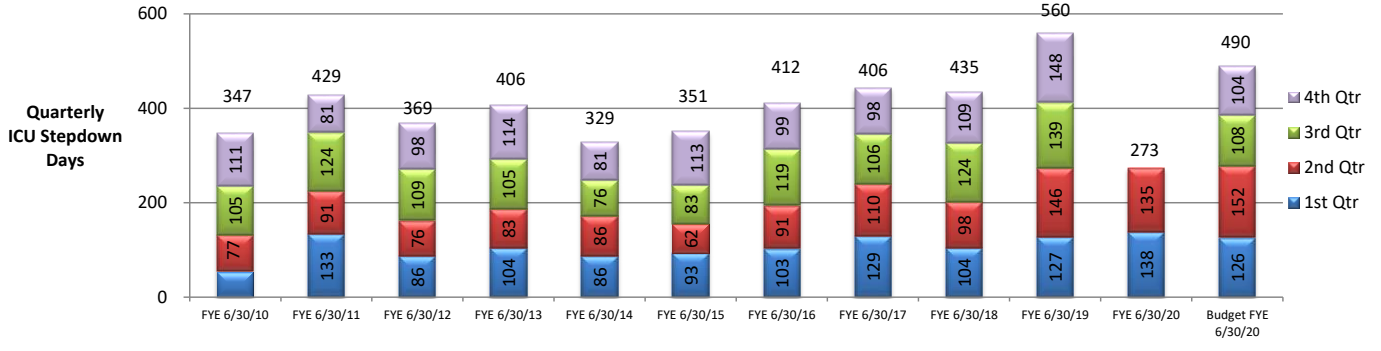
TOTAL TFH PATIENT DAYS



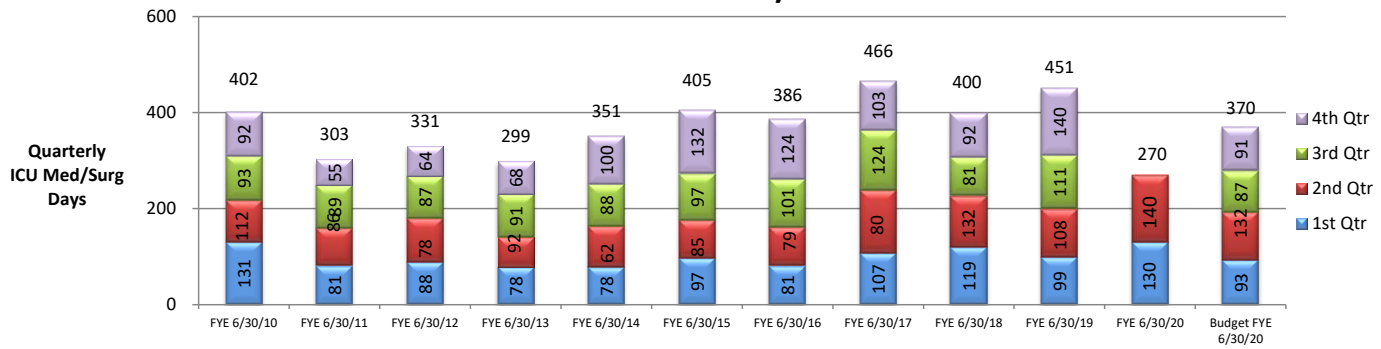
TOTAL TFH ICU INPATIENT DAYS



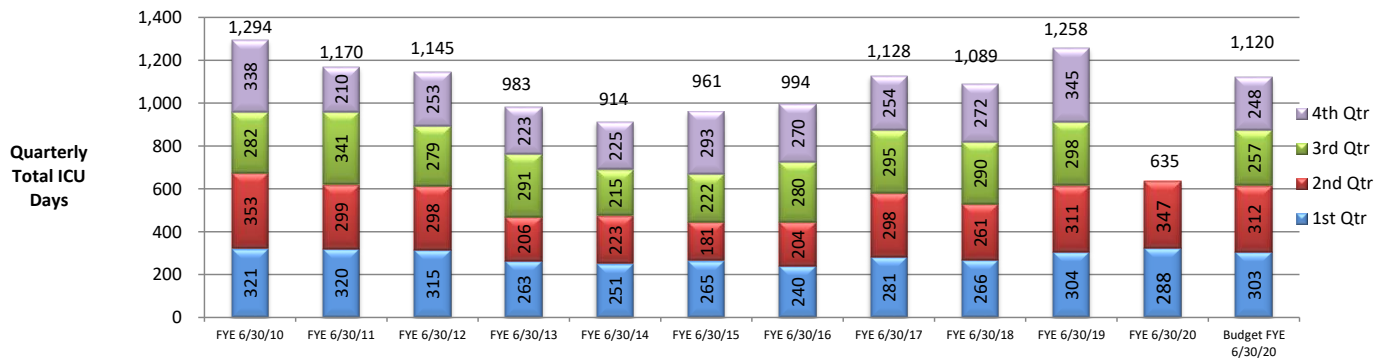
TOTAL TFH ICU STEPDOWN DAYS



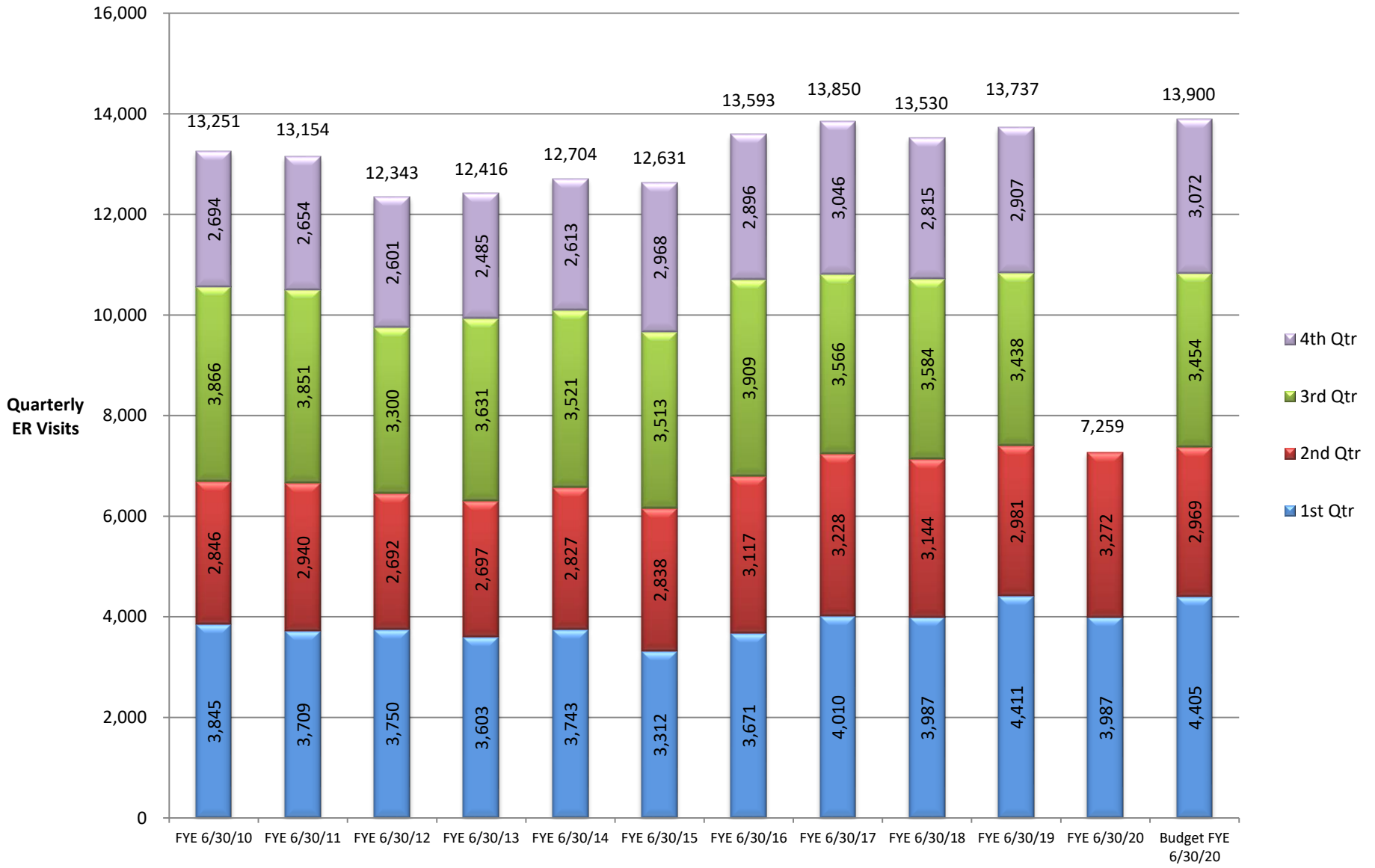
TOTAL TFH ICU MED/SURG DAYS



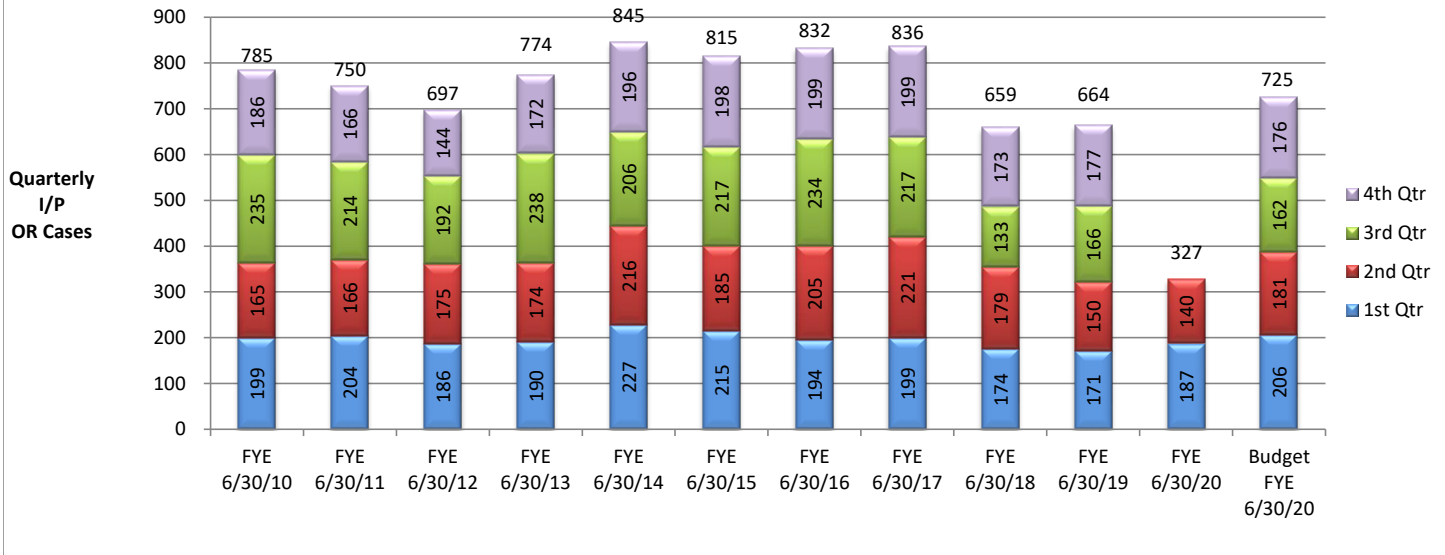
TOTAL TFH ICU DAYS



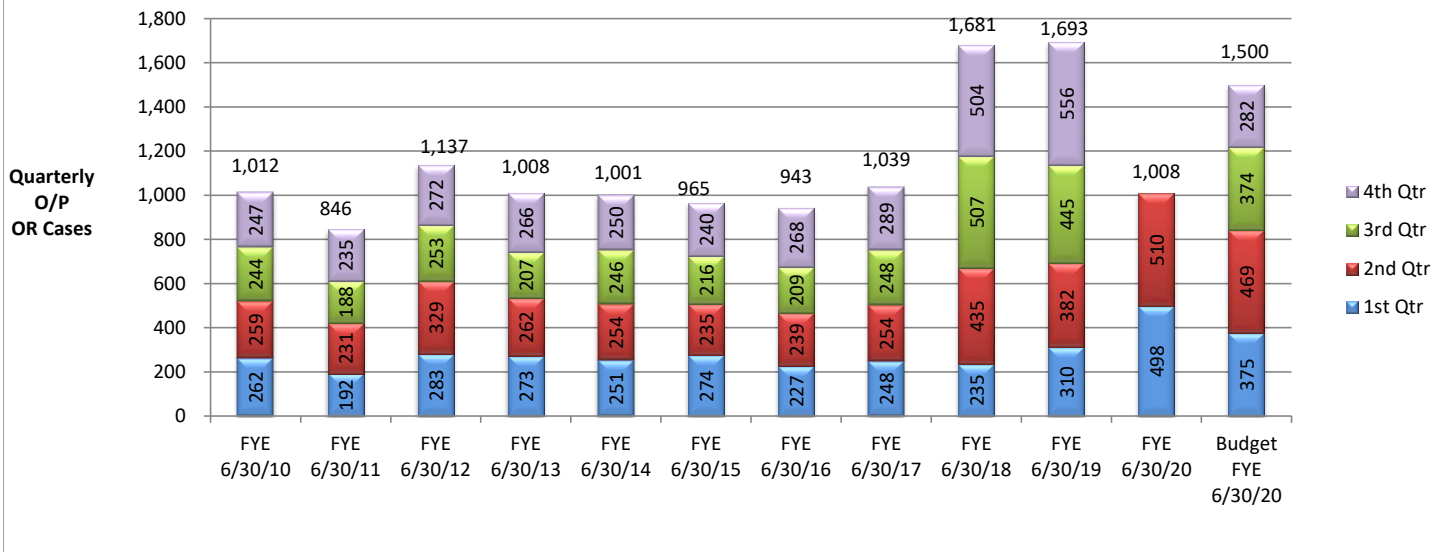
TOTAL TFH ER VISITS



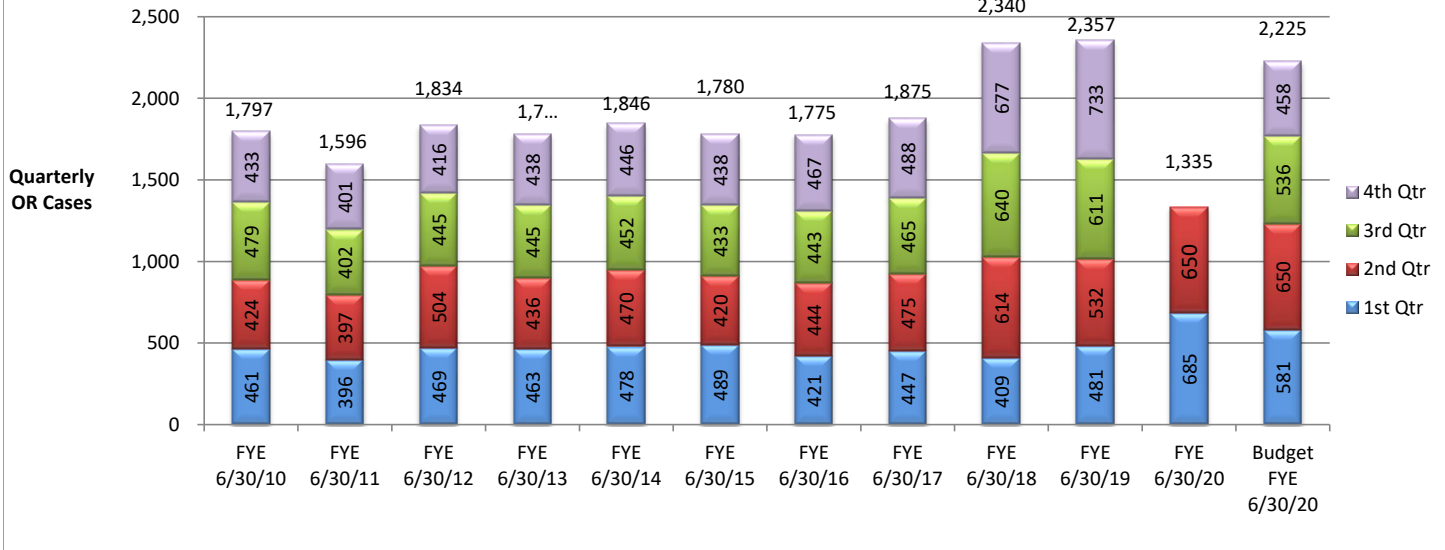
TOTAL TFH INPATIENT OR CASES



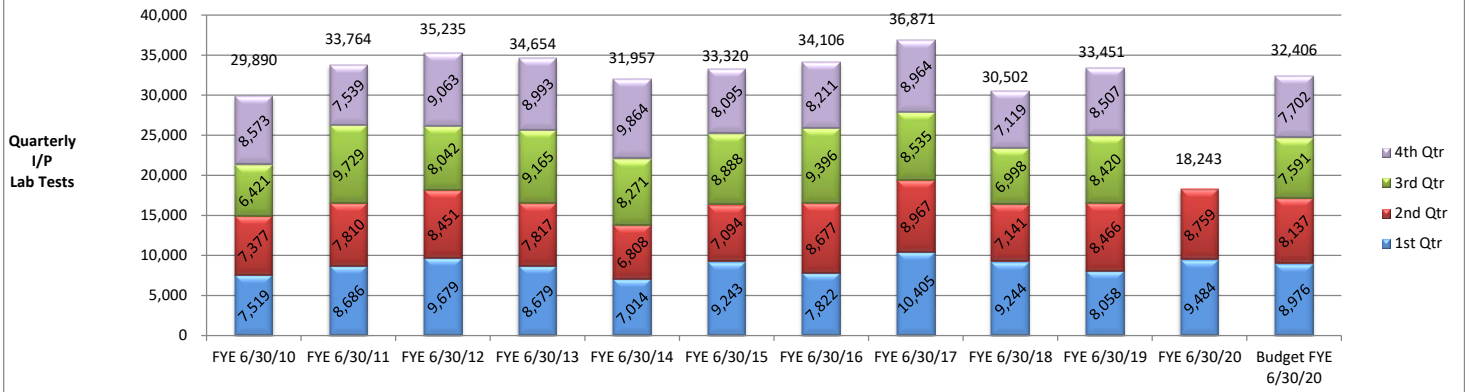
TOTAL TFH OUTPATIENT OR CASES



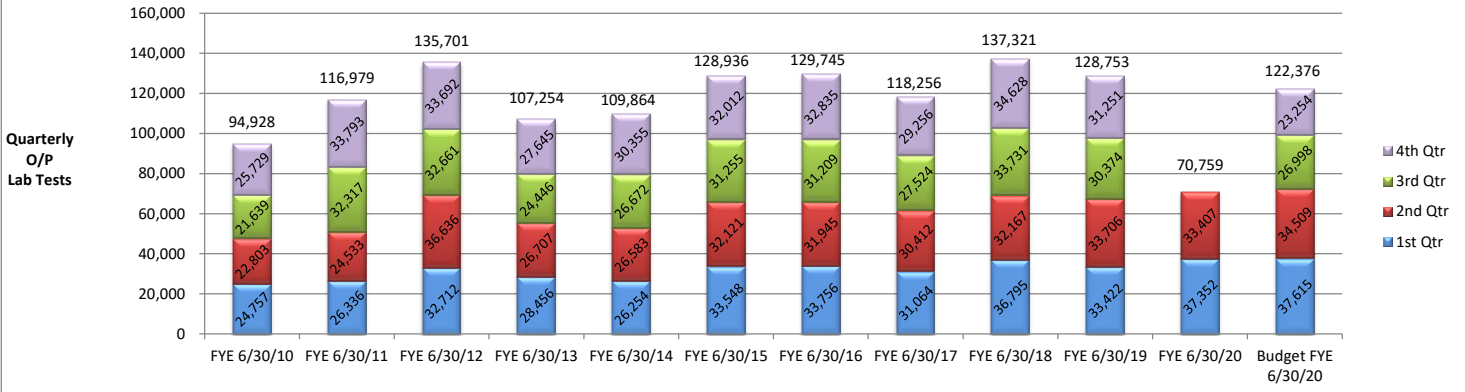
TOTAL TFH OR CASES



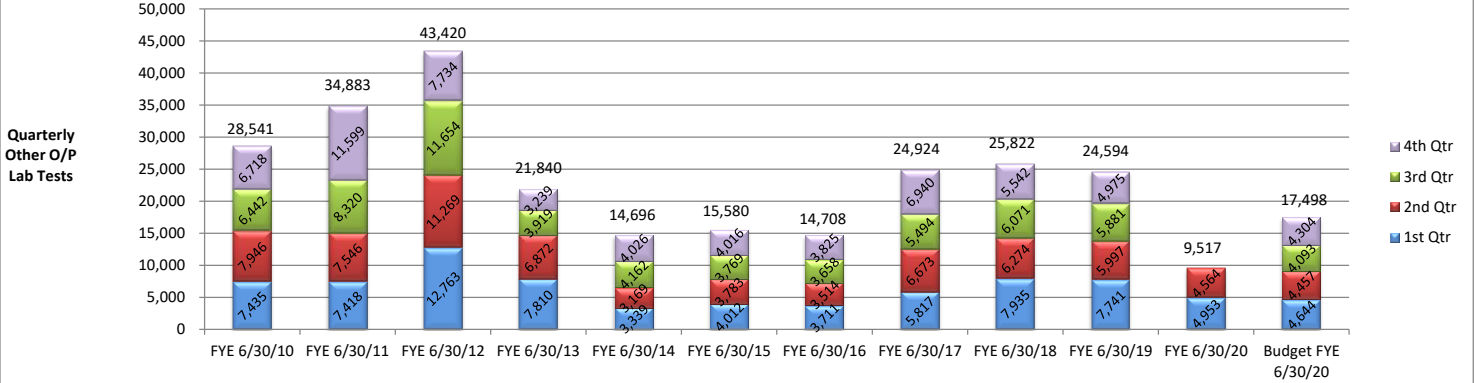
TOTAL TFH INPATIENT LAB TESTS



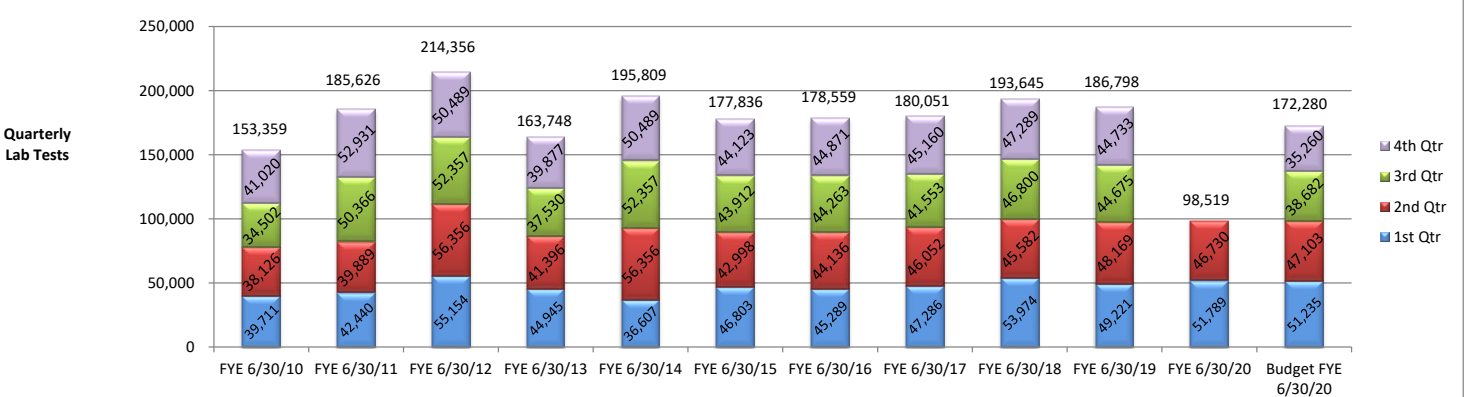
TOTAL TFH OUTPATIENT LAB TESTS



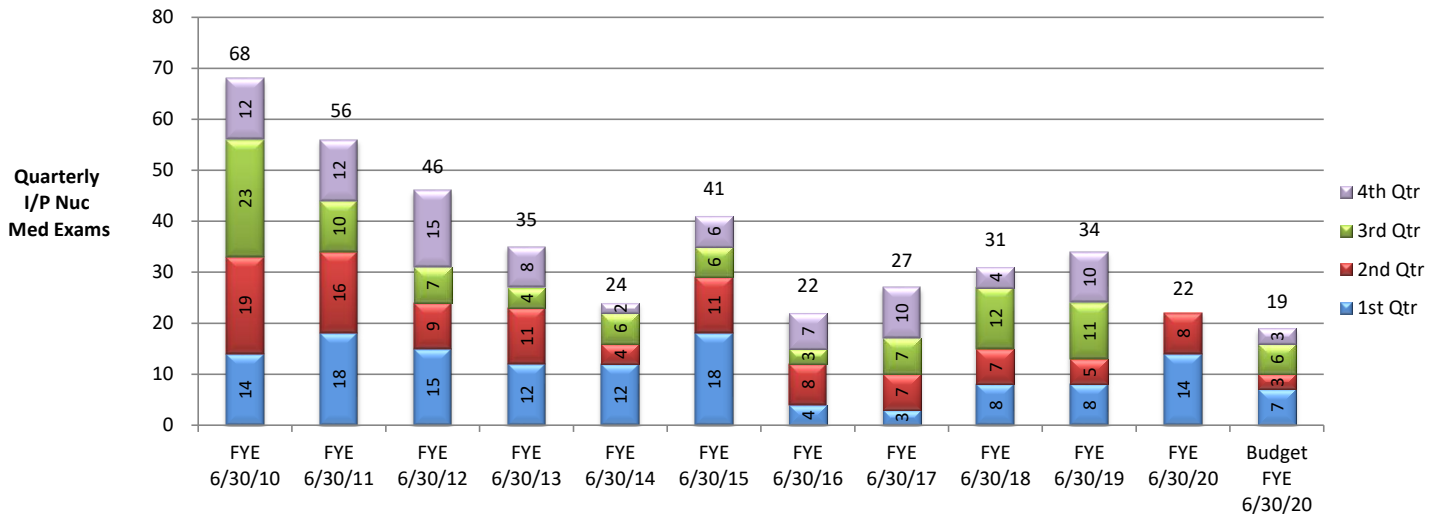
TOTAL TFH OTHER OUTPATIENT LAB TESTS



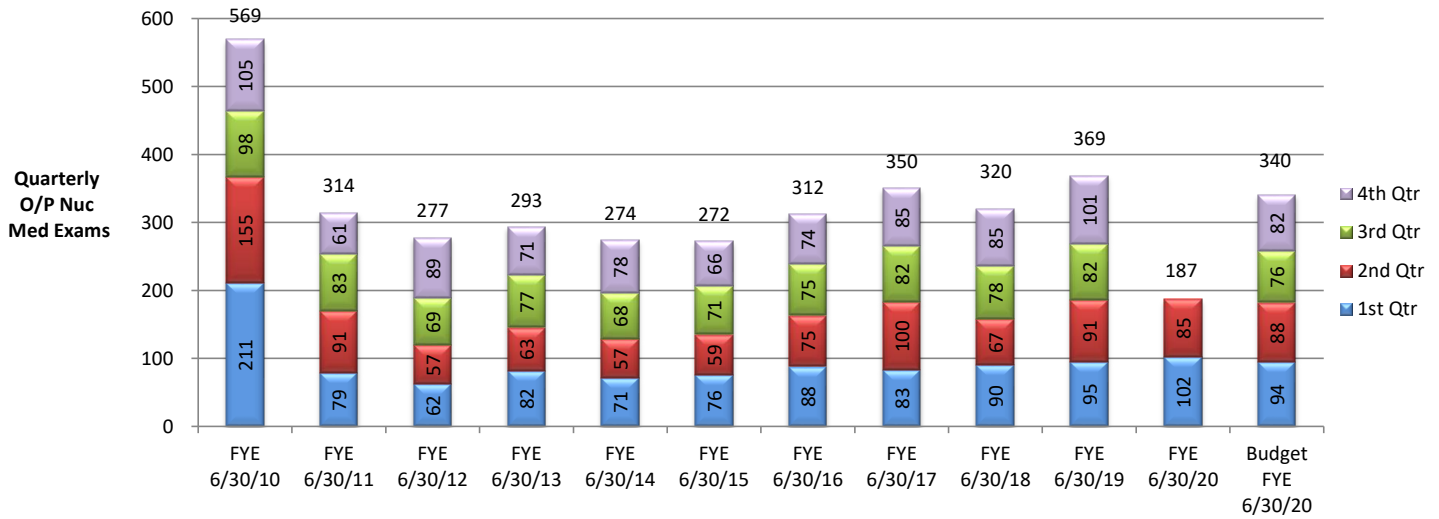
TOTAL TFH LAB TESTS



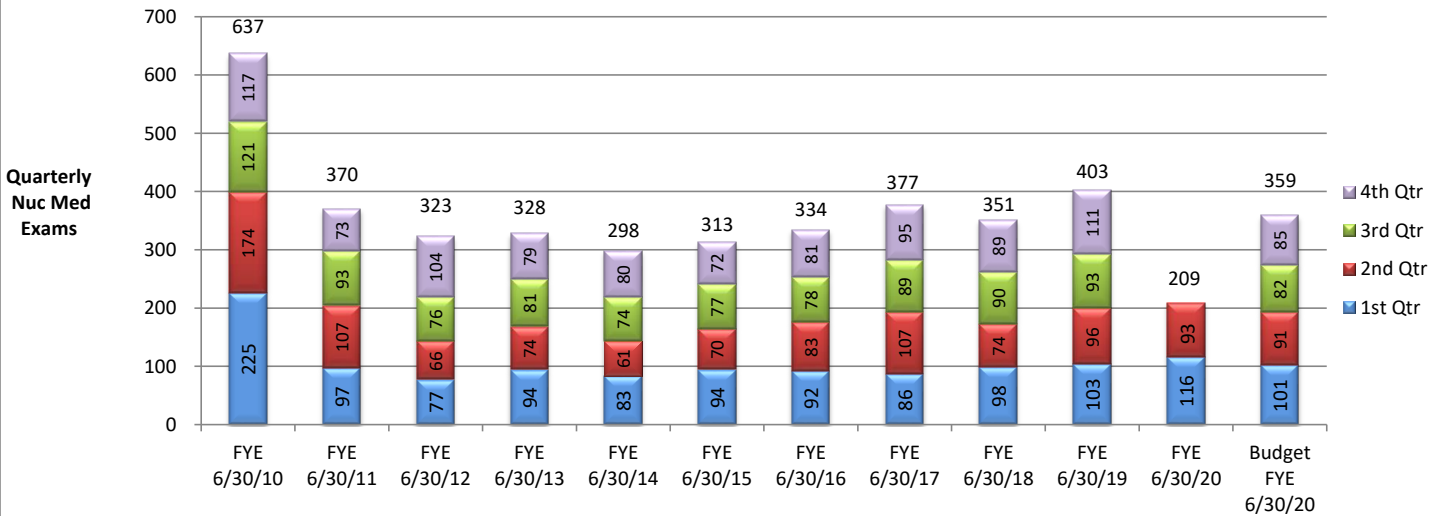
TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS



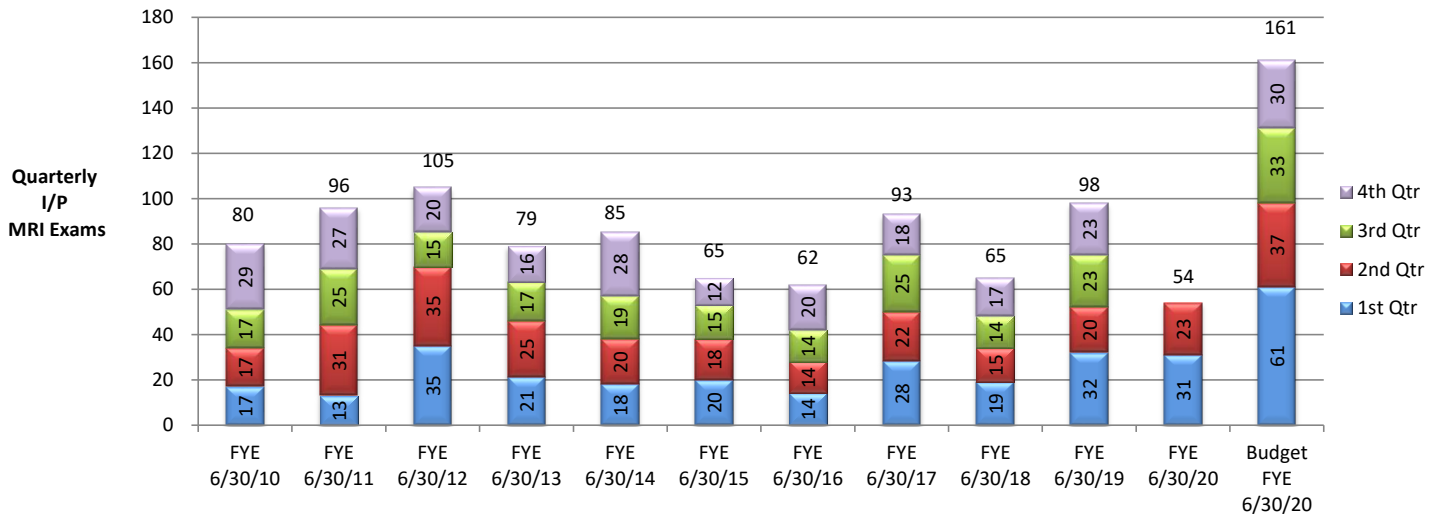
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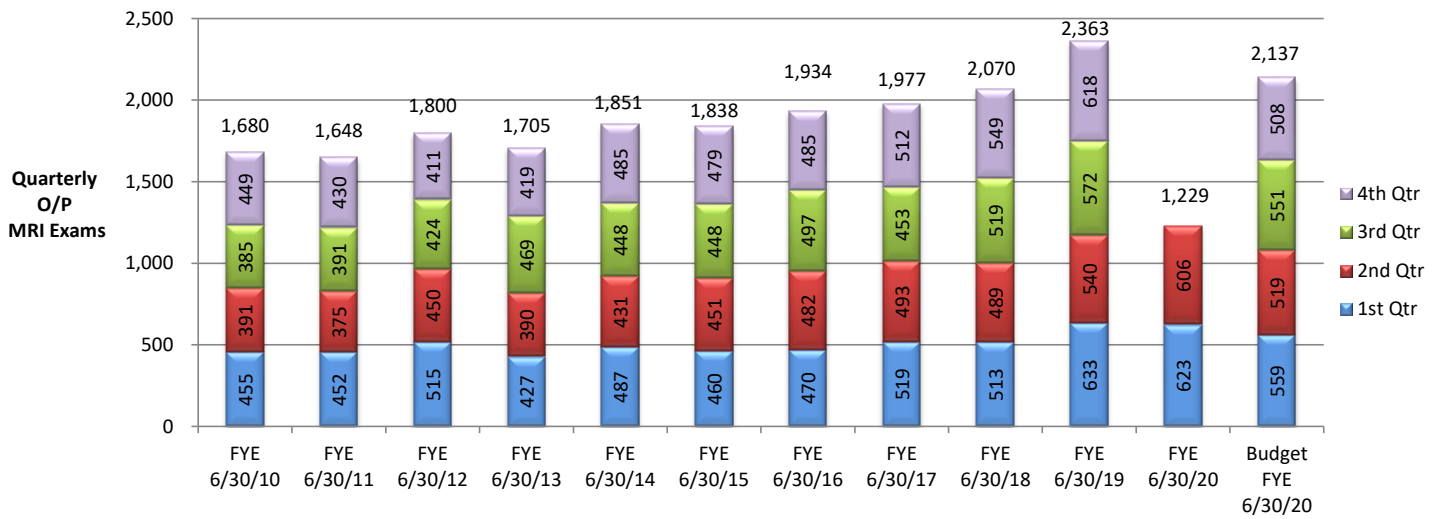
TOTAL TFH NUCLEAR MEDICINE EXAMS



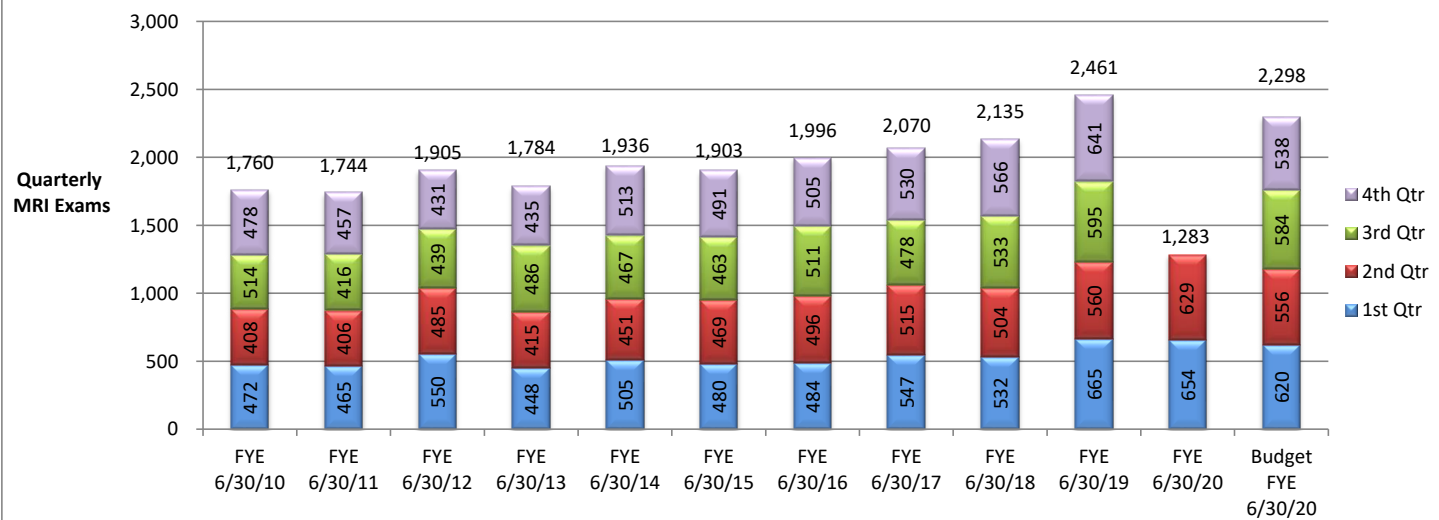
TOTAL TFH MRI INPATIENT EXAMS



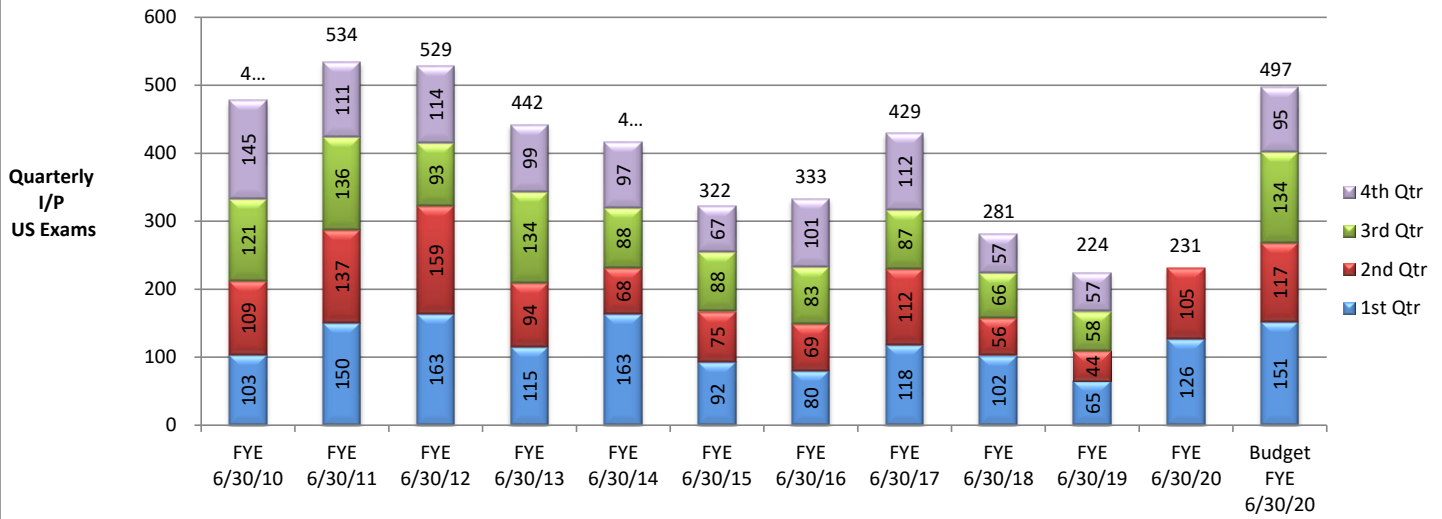
TOTAL TFH MRI OUTPATIENT EXAMS



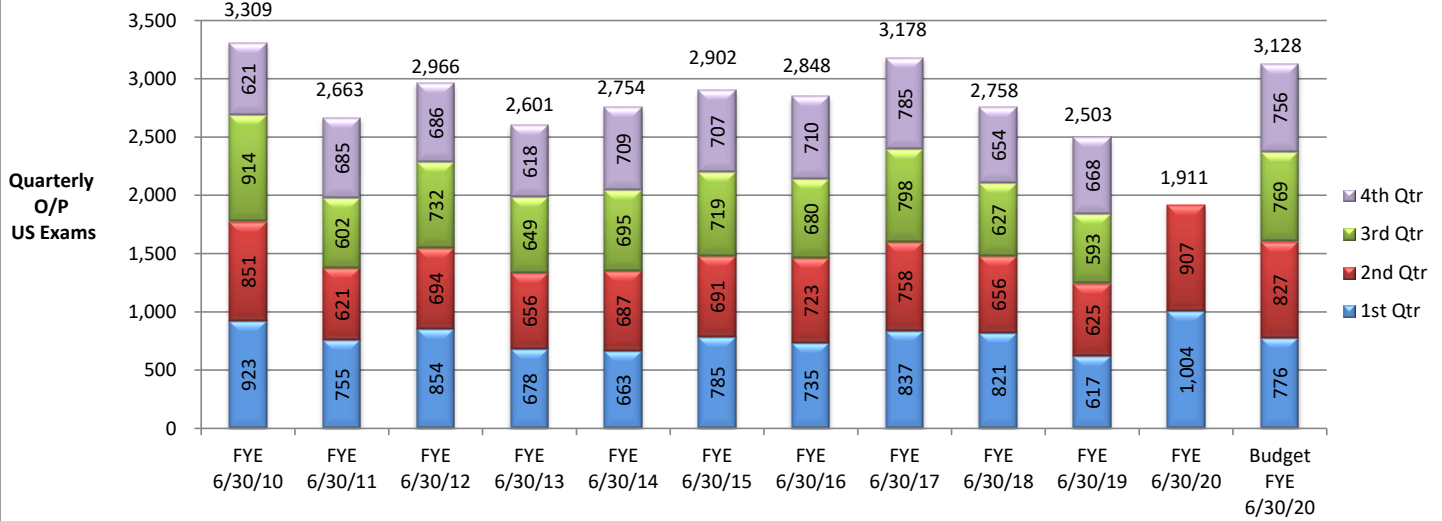
TOTAL TFH MRI EXAMS



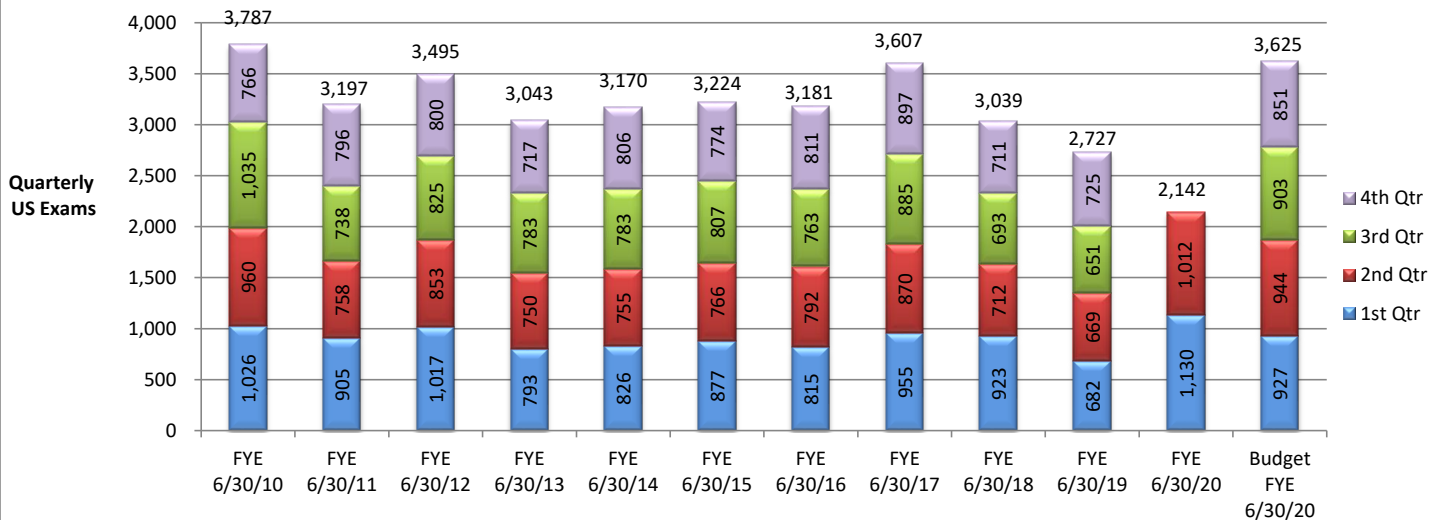
TOTAL TFH ULTRASOUND INPATIENT EXAMS



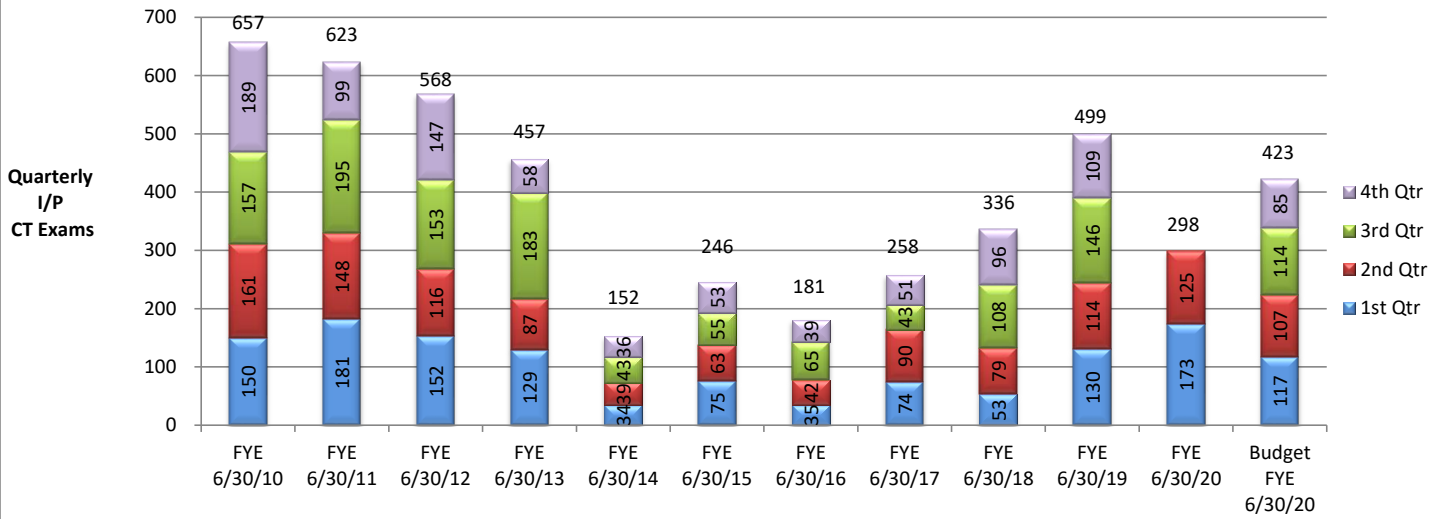
TOTAL TFH ULTRASOUND OUTPATIENT EXAMS



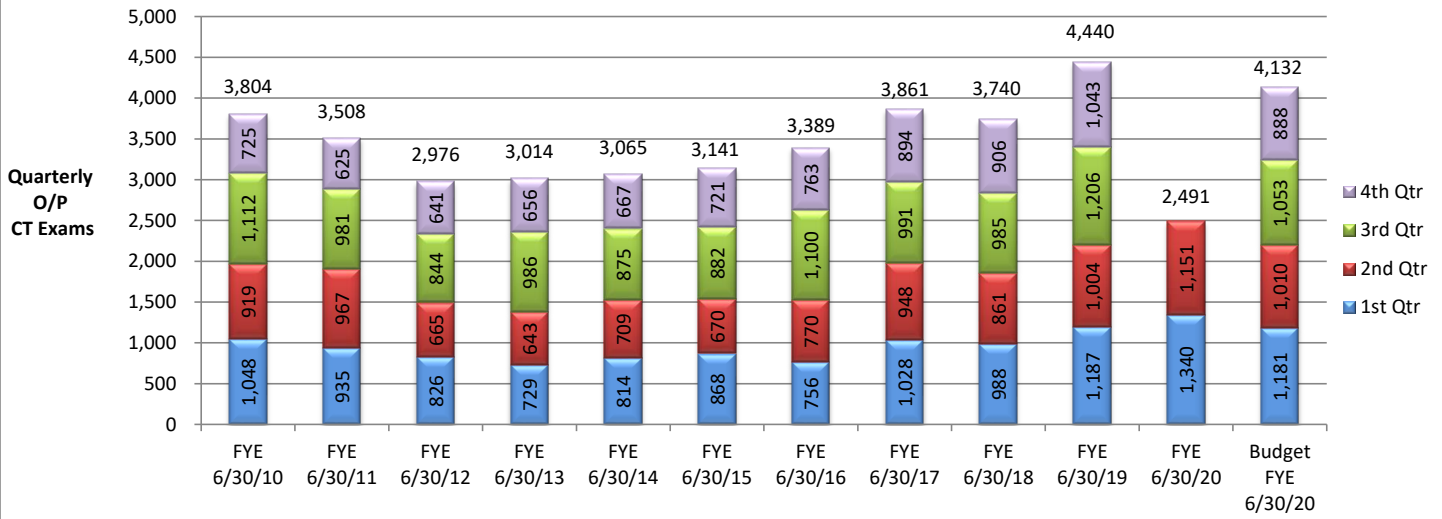
TOTAL TFH ULTRASOUND EXAMS



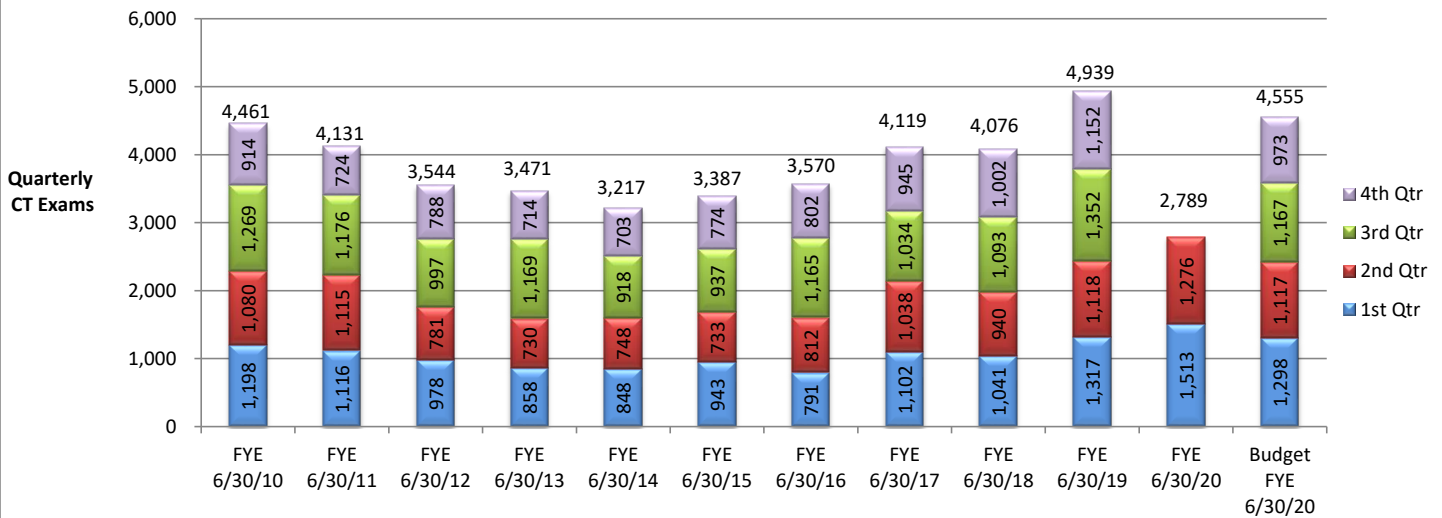
TOTAL TFH CT INPATIENT EXAMS



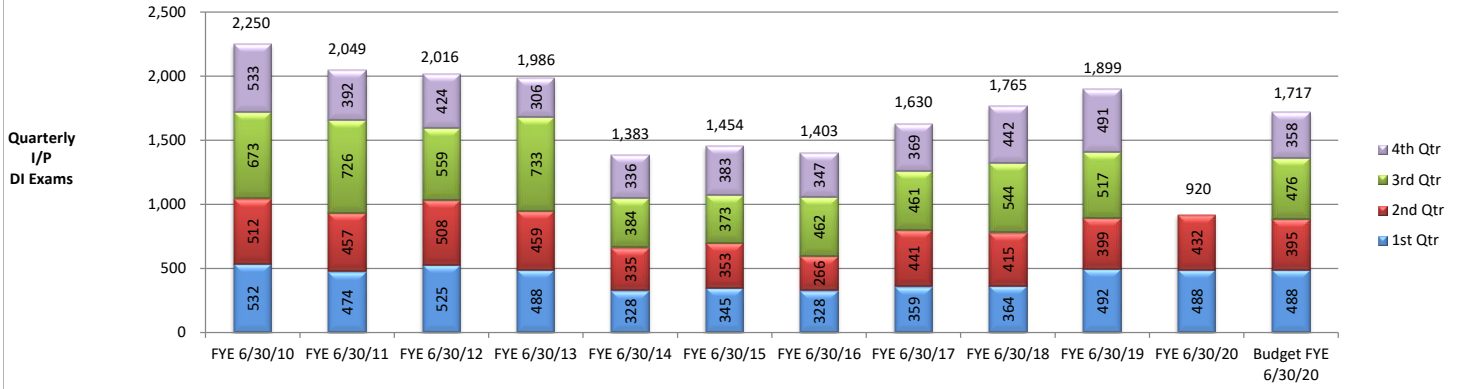
TOTAL TFH CT OUTPATIENT EXAMS



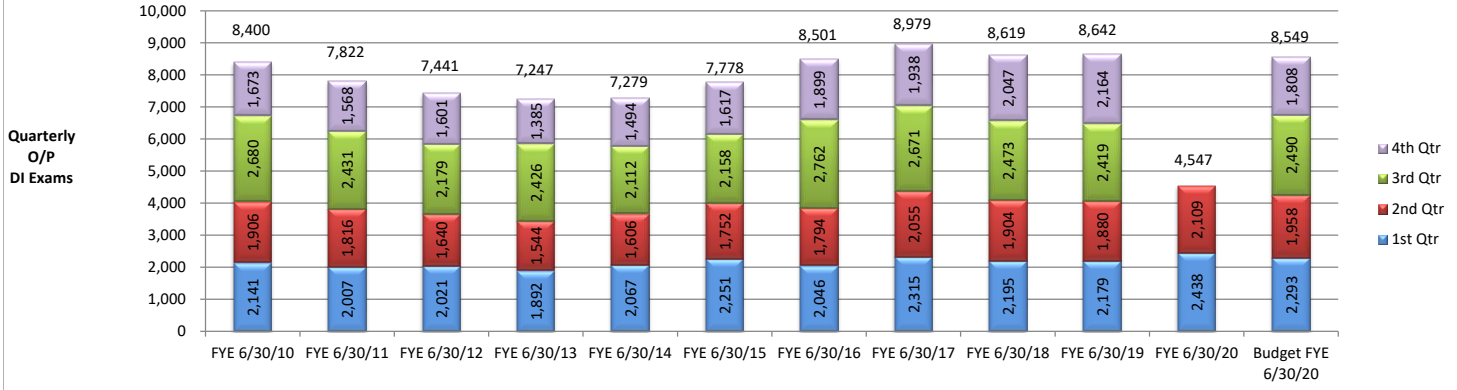
TOTAL TFH CT EXAMS



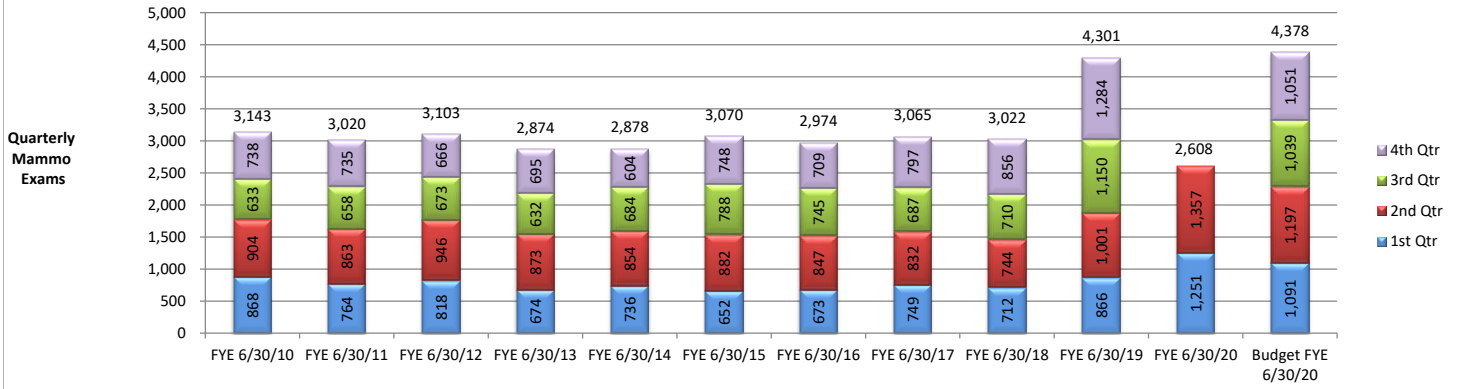
TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



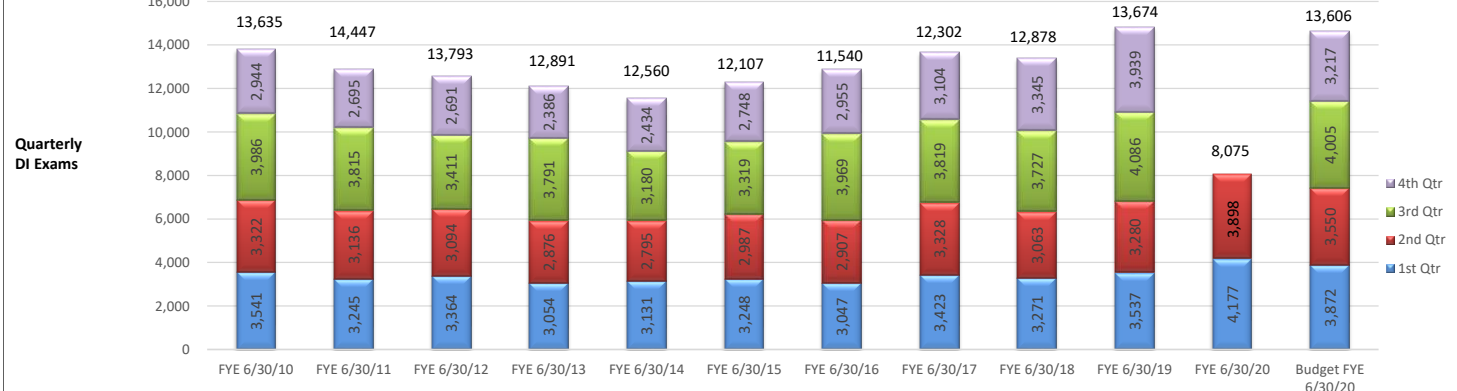
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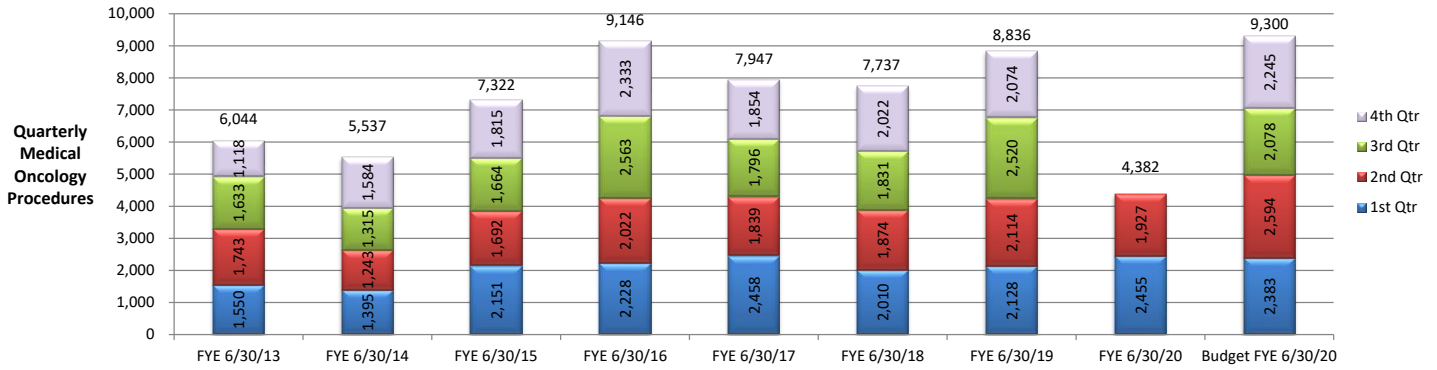
TOTAL TFH MAMMOGRAPHY EXAMS



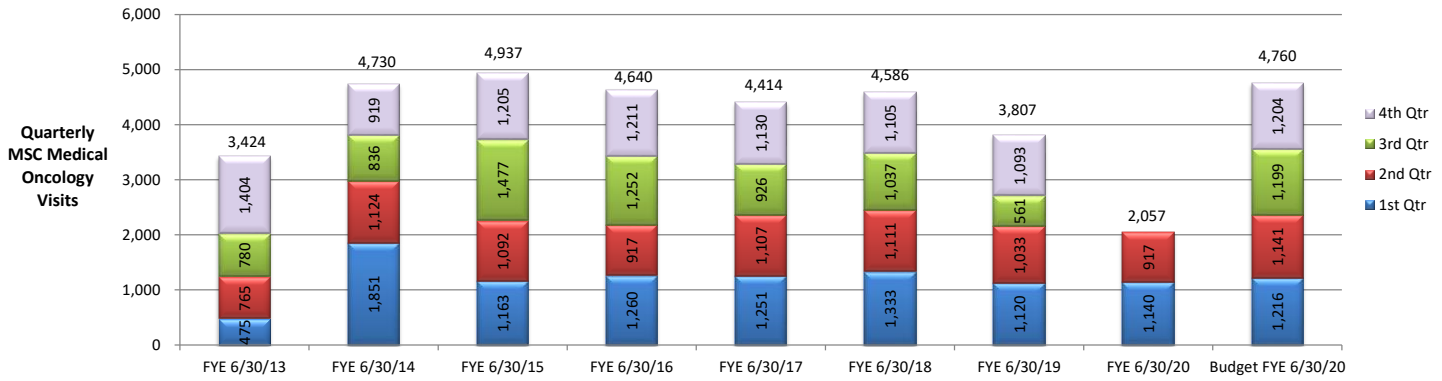
TOTAL TFH DIAGNOSTIC IMAGING EXAMS



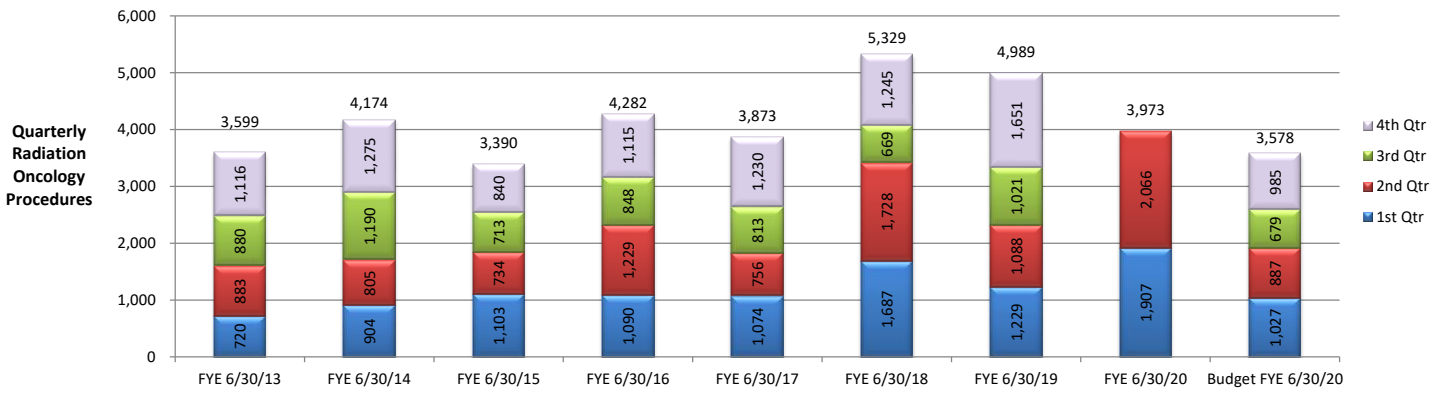
TOTAL TFH MEDICAL ONCOLOGY PROCEDURES



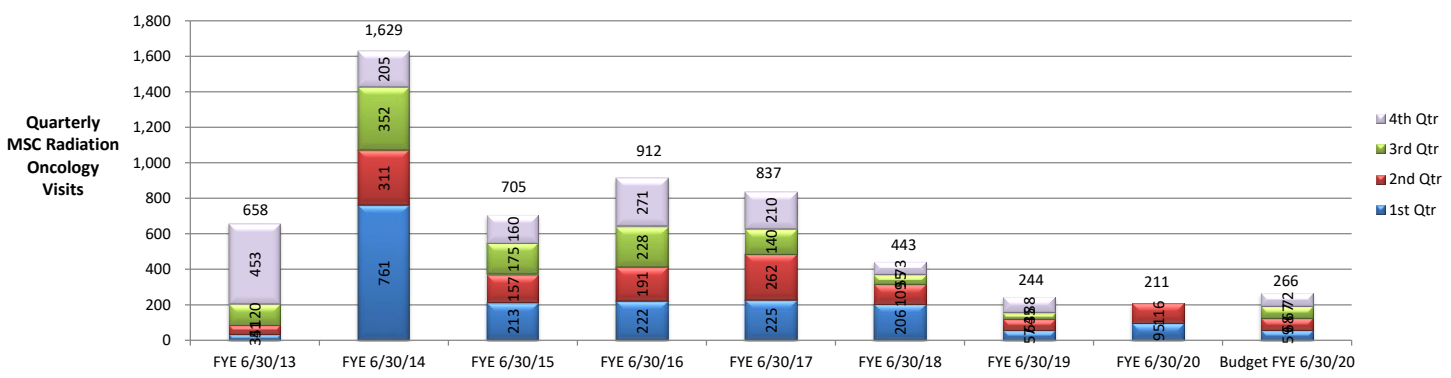
TOTAL TFH MSC MEDICAL ONCOLOGY VISITS



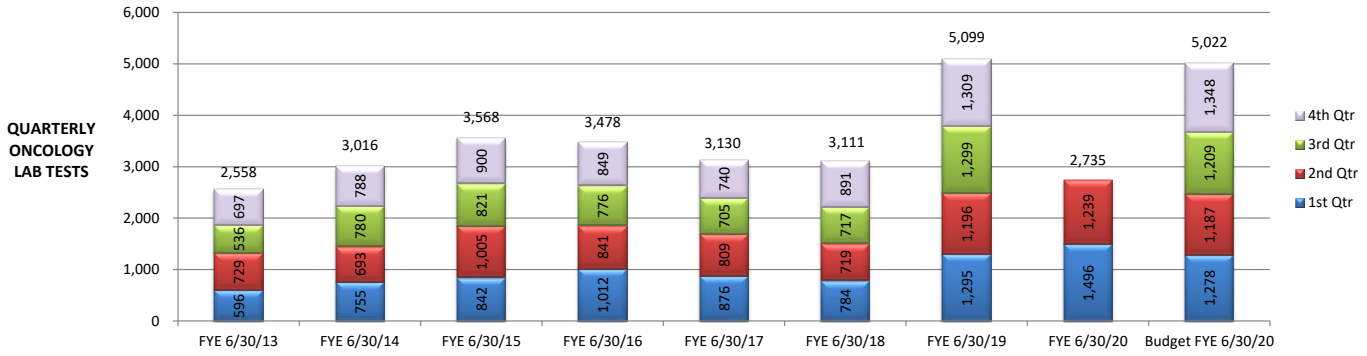
TOTAL TFH RADIATION ONCOLOGY PROCEDURES



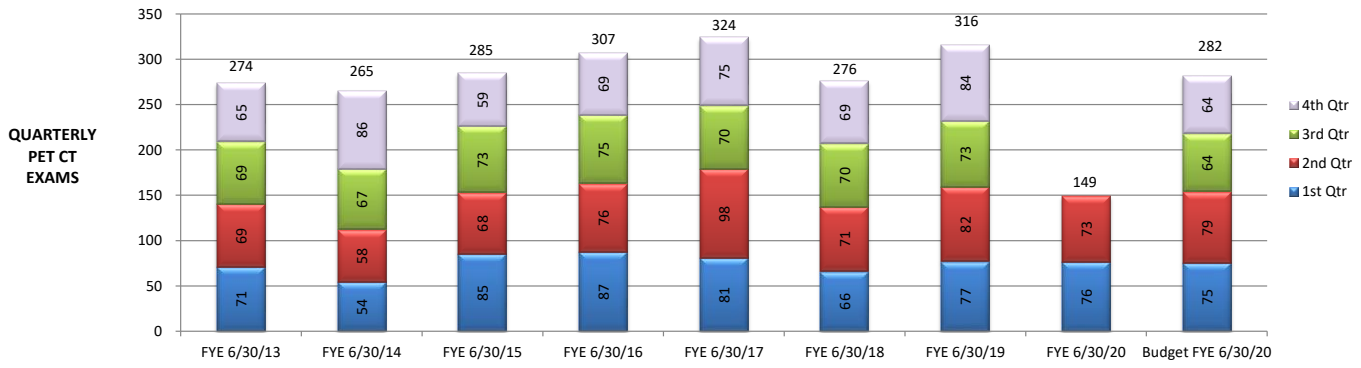
TOTAL TFH MSC RADIATION ONCOLOGY VISITS



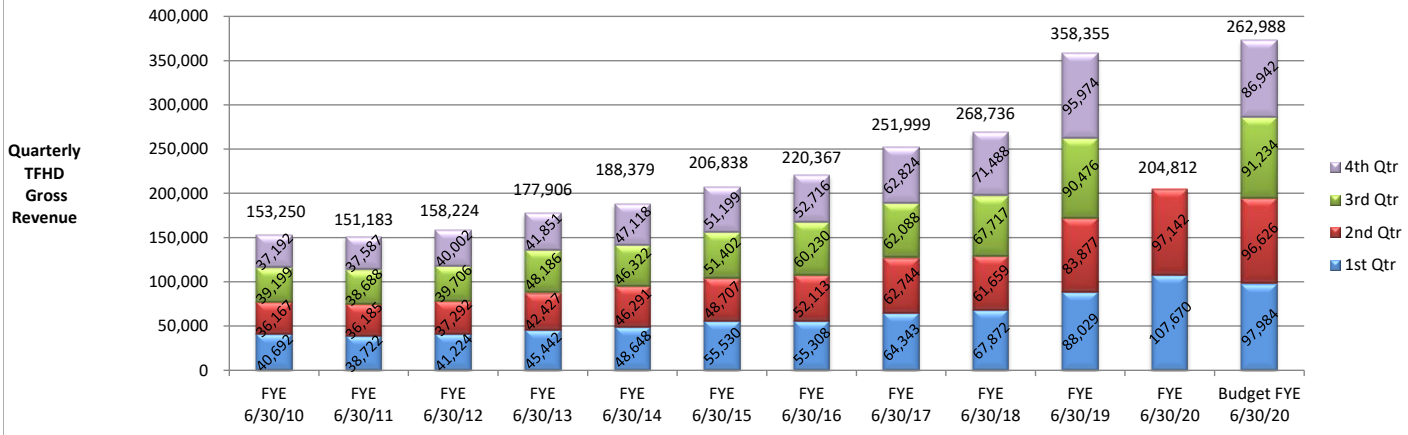
TOTAL TFH ONCOLOGY LABORATORY TESTS



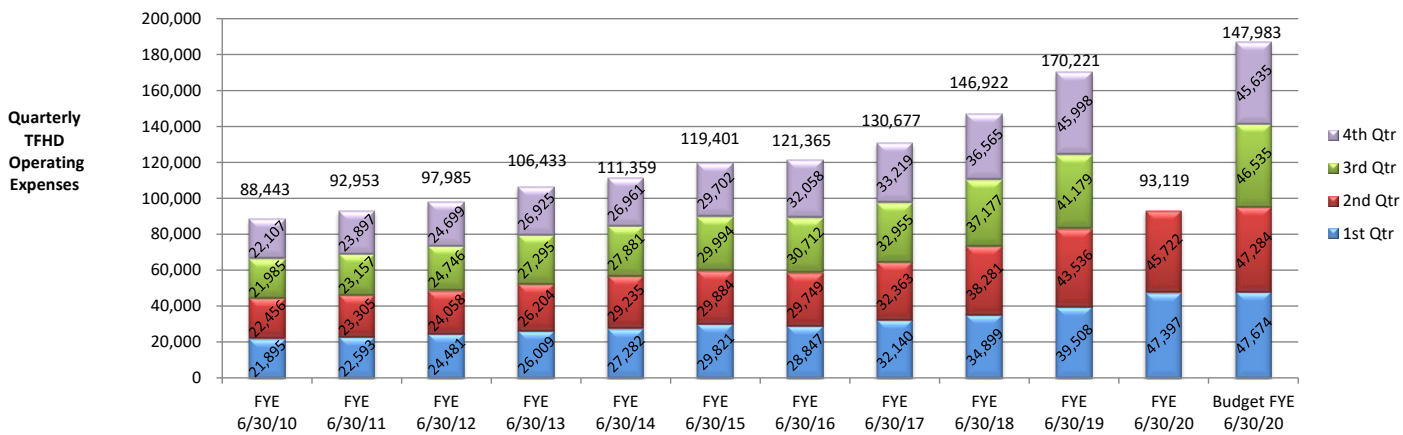
TOTAL TFH PET CT EXAMS



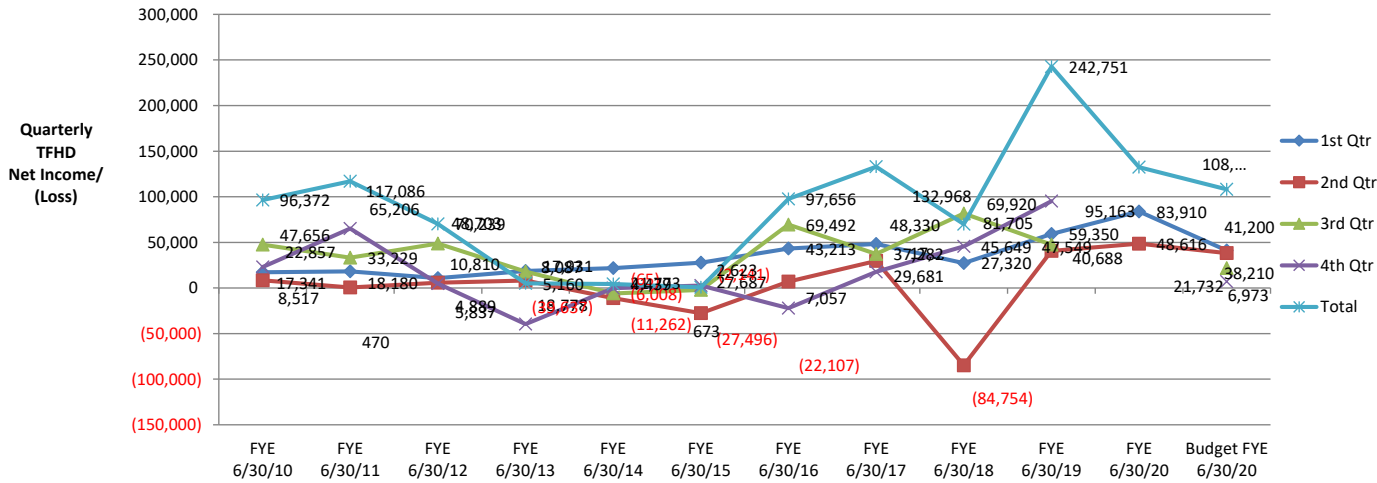
TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



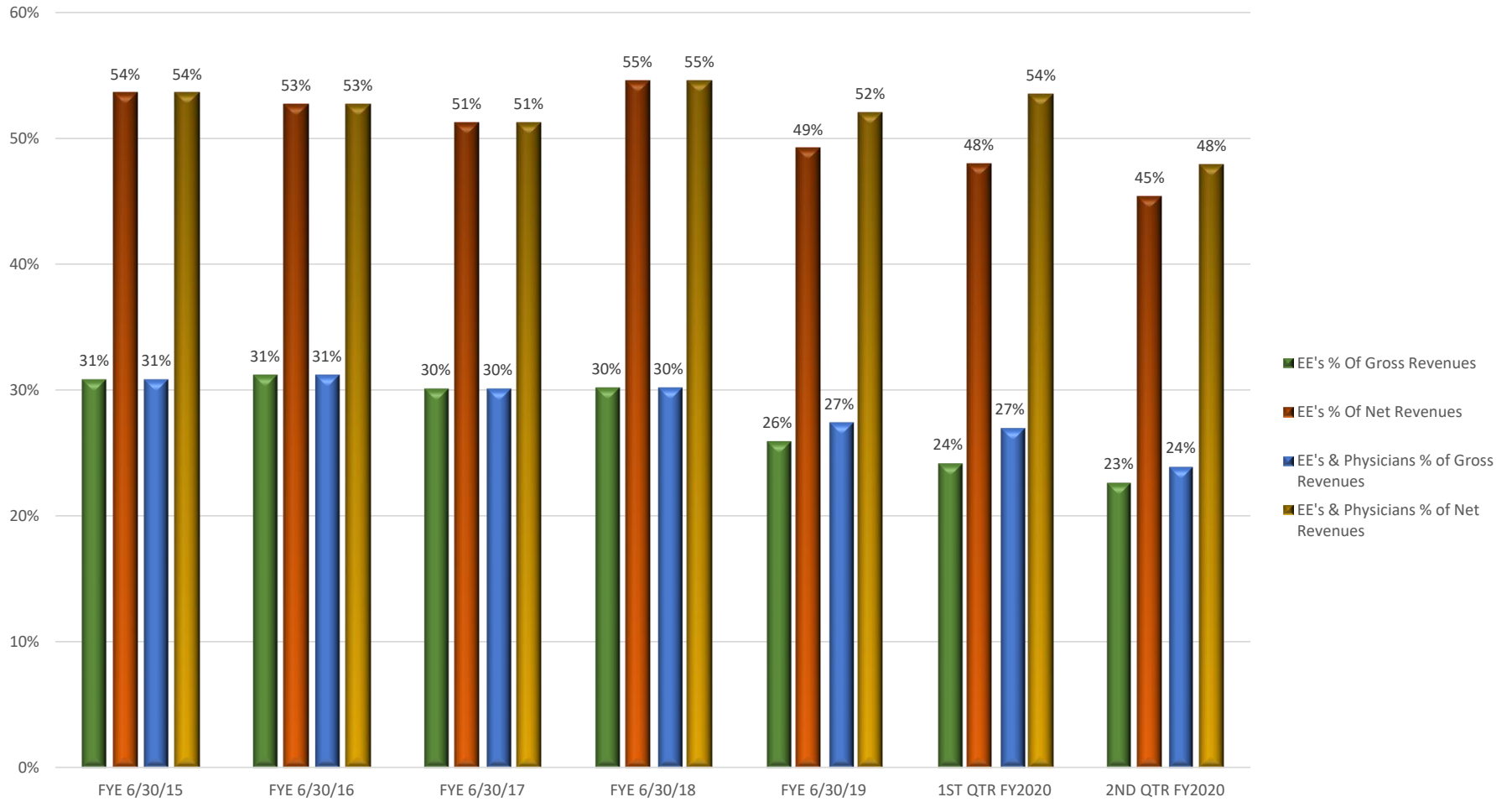
TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL NET INCOME/(LOSS) (In Hundreds)



SALARIES & BENEFITS (PHYSICIAN & EMPLOYEES) AS A PERCENTAGE OF GROSS AND NET REVENUES



**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	HOME HEALTH				HOSPICE			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	498,555	779,140	(280,585)	666,289	1,030,063	609,932	420,131	1,009,592
Deduction From Rev	227,141	354,976	127,835	152,166	597,231	353,639	(243,592)	37,691
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	271,413	424,164	(152,751)	514,123	432,832	256,294	176,539	971,901
Operating Expense:								
Salaries	343,338	371,140	27,802	400,553	166,288	156,614	(9,674)	193,571
Benefits	154,835	132,410	(22,425)	136,825	131,964	107,047	(24,917)	104,402
Professional Fees	146,593	145,868	(726)	145,440	16,775	17,520	745	18,438
Supplies	10,344	7,224	(3,120)	10,514	587	1,618	1,032	2,964
Purchased Services	26,043	28,412	2,369	20,604	23,012	49,758	26,746	66,750
Other Expenses	22,827	34,271	11,445	47,097	46,665	38,292	(8,373)	40,922
Total Operating Expenses	703,980	719,325	15,345	761,033	385,290	370,849	(14,441)	427,047
Net Operating Rev (Exp)	(432,567)	(295,161)	(137,406)	(246,910)	47,542	(114,556)	162,098	544,854
Non - Operating Rev / (Exp)								
Donations	75	3,924	(3,849)	4,600	16,210	16,350	(140)	27,284
Thrift Store Net Income	-	-	-	-	116,577	164,585	(48,008)	266,354
Employee Benefit - EE Discounts	-	-	-	-	-	-	-	-
Depreciation	(4,639)	(4,639)	-	(4,510)	(1,578)	(1,578)	-	(279)
Total Non-Operating Rev/(Exp)	(4,564)	(715)	(3,849)	90	131,209	179,357	(48,148)	293,359
Net Income/(Loss)	(437,131)	(295,876)	(141,255)	(246,820)	178,751	64,801	113,950	838,213
Units	1,523	1,908	(385)	1,662	725	652	73	1,312
Gross Revenue/Unit	327.35	408.35	(81.00)	400.90	1,420.78	935.48	485.30	769.51
Total Operating Expense/Unit	462.23	377.00	(85.23)	457.90	531.44	568.79	37.35	325.49

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	CHILDRENS CENTER				OCCUPATIONAL HEALTH			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	525,064	532,772	(7,708)	517,630	724,967	643,889	81,079	578,186
Deduction From Rev	-	-	-	-	217,697	193,350	(24,347)	157,925
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	525,064	532,772	(7,708)	517,630	507,270	450,538	56,732	420,261
Operating Expense:								
Salaries	353,893	336,121	(17,772)	286,045	300,581	354,230	53,650	278,971
Benefits	246,232	265,064	18,833	247,587	176,054	162,445	(13,609)	204,466
Professional Fees	-	-	-	-	27,502	2,150	(25,352)	49,453
Supplies	14,984	11,723	(3,261)	11,002	12,601	11,093	(1,509)	10,110
Purchased Services	1,125	2,400	1,275	1,796	107,434	85,827	(21,606)	108,108
Other Expenses	21,767	20,750	(1,016)	39,127	43,968	47,061	3,093	24,595
Total Operating Expenses	638,001	636,059	(1,942)	585,557	668,139	662,806	(5,333)	675,703
Net Operating Rev (Exp)	(112,937)	(103,287)	(9,650)	(67,927)	(160,869)	(212,268)	51,399	(255,442)
Non - Operating Rev / (Exp)								
Donations	348	576	(228)	115	-	-	-	-
Thrift Store Net Income	-	-	-	-	-	-	-	-
Employee Benefit - EE Discounts	(149,165)	(162,500)	13,335	(155,445)	-	-	-	-
Depreciation	(16,513)	(16,584)	71	(16,639)	(532)	(532)	-	(124)
Total Non-Operating Rev/(Exp)	(165,331)	(178,508)	13,178	(171,969)	(532)	(532)	-	(124)
Net Income/(Loss)	(278,268)	(281,796)	3,528	(239,896)	(161,401)	(212,800)	51,399	(255,566)
Units	11,156	11,928	(772)	11,402	1,594	1,664	(70)	751
Gross Revenue/Unit	47.07	44.67	2.40	45.40	454.81	386.95	67.86	769.89
Total Operating Expense/Unit	57.19	53.32	(3.86)	51.36	419.16	398.32	(20.84)	899.74

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	HEALTH CLINIC				RETAIL PHARMACY			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	270,546	292,208	(21,662)	335,896	1,764,594	1,455,476	309,118	1,424,398
Deduction From Rev	82,084	88,656	6,572	154,176	415,659	342,845	(72,814)	327,612
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	188,462	203,552	(15,090)	181,720	1,348,935	1,112,631	236,304	1,096,786
Operating Expense:								
Salaries	111,879	83,526	(28,353)	70,216	276,667	242,856	(33,811)	235,016
Benefits	49,944	46,611	(3,334)	55,930	143,285	103,890	(39,395)	92,140
Professional Fees	26,092	-	(26,092)	48,723	2,145	3,900	1,755	3,764
Supplies	1,128	1,337	210	2,056	864,298	869,033	4,735	834,717
Purchased Services	1,593	1,200	(393)	-	20,800	19,335	(1,465)	19,642
Other Expenses	39,631	37,216	(2,415)	16,981	42,302	28,324	(13,978)	35,038
Total Operating Expenses	230,267	169,890	(60,377)	193,906	1,349,497	1,267,338	(82,159)	1,220,317
Net Operating Rev (Exp)	(41,804)	33,662	(75,466)	(12,186)	(562)	(154,706)	154,145	(123,531)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Thrift Store Net Income	-	-	-	-	-	-	-	-
Employee Benefit - EE Discounts	-	-	-	-	-	-	-	-
Depreciation	(215)	(215)	-	(319)	(1,438)	(1,438)	-	(2,188)
Total Non-Operating Rev/(Exp)	(215)	(215)	-	(319)	(1,438)	(1,438)	-	(2,188)
Net Income/(Loss)	(42,019)	33,447	(75,466)	(12,505)	(1,999)	(156,144)	154,145	(125,719)
Units	903	1,053	(150)	1,266	18,078	16,762	1,316	16,901
Gross Revenue/Unit	299.61	277.50	22.11	265.32	97.61	86.83	10.78	84.28
Total Operating Expense/Unit	255.00	161.34	(93.66)	153.16	74.65	75.61	0.96	72.20

Employee Drug Plan

Plan Costs	(1,177,887)
Captured through Retail Rx	261,542
Net Plan Costs	(916,345)

Net Operating Income	(562)
Net Employee Drug Plan Costs	(916,345)
Net Financial Position	(916,907)

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	TOTAL SEPARATE BUSINESS ENTITIES			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	4,813,789	4,313,416	500,372	4,531,991
Deduction From Rev	1,539,812	1,333,466	(206,346)	829,570
Other Operating Revenue	-	-	-	-
Total Operating Revenue	3,273,977	2,979,951	294,026	3,702,421
<u>Operating Expense:</u>				
Salaries	1,552,645	1,544,486	(8,159)	1,464,372
Benefits	902,314	817,467	(84,847)	841,350
Professional Fees	219,107	169,438	(49,669)	265,818
Supplies	903,942	902,029	(1,913)	871,363
Purchased Services	180,008	186,933	6,925	216,900
Other Expenses	217,159	205,914	(11,244)	203,760
Total Operating Expenses	3,975,174	3,826,267	(148,907)	3,863,563
Net Operating Rev (Exp)	(701,197)	(846,316)	145,119	(161,142)
<u>Non - Operating Rev / (Exp)</u>				
Donations	16,633	20,850	(4,217)	31,999
Thrift Store Net Income	116,577	164,585	(48,008)	266,354
Employee Benefit - EE Discounts	(149,165)	(162,500)	13,335	(155,445)
Depreciation	(24,915)	(24,987)	71	(24,059)
Total Non-Operating Rev/(Exp)	(40,871)	(2,052)	(38,819)	118,849
Net Income/(Loss)	(742,068)	(848,368)	106,300	(42,293)
Units	33,979	33,967	12	33,294
Gross Revenue/Unit	141.67	126.99	14.68	136.12
Total Operating Expense/Unit	116.99	112.65	4.34	116.04

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	THERAPY SERVICES				SPORTS PERFORMANCE LAB			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	\$ 3,706,136	\$ 3,477,999	\$ 228,137	\$ 3,020,413	\$ 1,751	\$ 1,750	\$ 1	\$ 1,510
Deduction From Rev	1,535,619	1,638,498	102,879	999,757	-	-	-	-
Other Operating Revenue	7,400	5,656	1,744	7,215	-	-	-	-
Total Operating Revenue	\$ 2,177,917	\$ 1,845,156	\$ 332,760	\$ 2,027,871	\$ 1,751	\$ 1,750	\$ 1	\$ 1,510
Operating Expense:								
Salaries	\$ -	\$ 2,200	\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	30	65	35	-	-	-	-	-
Professional Fees	1,614,023	1,352,841	(261,182)	1,291,892	-	-	-	-
Supplies	41,984	30,566	(11,418)	13,372	-	-	-	-
Purchased Services	24,335	21,295	(3,041)	18,028	-	1,300	1,300	1,734
Other Expenses	1,357	6,056	4,699	332	-	-	-	-
Total Operating Expenses	\$ 1,681,730	\$ 1,413,022	\$ (268,707)	\$ 1,323,624	\$ -	\$ 1,300	\$ 1,300	\$ 1,734
Net Operating Rev (Exp)	\$ 496,187	\$ 432,134	\$ 64,053	\$ 704,247	\$ 1,751	\$ 450	\$ 1,301	\$ (224)
Non - Operating Rev / (Exp)								
Donations	25		25		-	-	-	-
Depreciation	(9,912)	(9,912)	-	(4,641)	(656)	(656)	-	(656)
Total Non-Operating Rev/(Exp)	(9,887)	(9,912)	25	(4,641)	(656)	(656)	-	(656)
Net Income/(Loss)	\$ 486,300	\$ 422,222	\$ 64,078	\$ 699,606	\$ 1,095	\$ (206)	\$ 1,301	\$ (880)
Overhead Allocation Based on Sq Ft	\$ (93,171)	\$ (97,007)	3,836	\$ (90,157)	\$ (25,666)	\$ (26,723)	1,057	\$ (24,836)
Adjusted Net Income/(Loss)	\$ 393,129	\$ 325,215	\$ 67,914	\$ 609,449	\$ (24,571)	\$ (26,929)	2,358	\$ (25,716)
Units	39,832	30,860	8,972	35,695				
Gross Revenue/Unit	\$ 93.04	\$ 112.70	\$ (19.66)	\$ 84.62				
Total Operating Expense/Unit	\$ 44.56	\$ 48.93	\$ 4.37	\$ 39.61				

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	FITNESS CENTER				HP/EDUCATION/WELLNESS			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	\$ 126,345	\$ 82,500	\$ 43,845	\$ 81,314	\$ -	\$ 17,162	\$ (17,162)	\$ 25,206
Deduction From Rev	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 126,345	\$ 82,500	\$ 43,845	\$ 81,314	\$ -	\$ 17,162	\$ (17,162)	\$ 25,206
Operating Expense:								
Salaries	\$ 7,783	\$ -	\$ (7,783)	\$ -	\$ 613	\$ -	\$ (613)	\$ 274
Benefits	564	-	(564)	-	46	-	(46)	21
Professional Fees	-	-	-	-	-	-	-	-
Supplies	93	1,431	1,338	1,642	5,208	2,367	(2,841)	5,607
Purchased Services	77,179	64,870	(12,309)	59,182	243	60	(183)	180
Other Expenses	-	-	-	-	1,484	2,212	728	718
Total Operating Expenses	\$ 85,619	\$ 66,301	\$ (19,318)	\$ 60,824	\$ 7,594	\$ 4,639	\$ (2,955)	\$ 6,800
Net Operating Rev (Exp)	\$ 40,726	\$ 16,199	\$ 24,527	\$ 20,490	\$ (7,594)	\$ 12,523	\$ (20,117)	\$ 18,406
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	(130)	(130)	-	(130)	(1,288)	(1,288)	-	(1,288)
Total Non-Operating Rev/(Exp)	(130)	(130)	-	(130)	(1,288)	(1,288)	-	(1,288)
Net Income/(Loss)	\$ 40,596	\$ 16,068	\$ 24,527	\$ 20,360	\$ (8,882)	\$ 11,235	\$ (20,117)	\$ 17,118
Overhead Allocation Based on Sq Ft	\$ (49,399)	\$ (51,433)	2,034	\$ (47,801)	\$ (71,371)	\$ (74,309)	2,939	\$ (69,062)
Adjusted Net Income/(Loss)	\$ (8,804)	\$ (35,365)	\$ 26,561	\$ (27,441)	\$ (80,253)	\$ (63,074)	\$ (17,179)	\$ (51,944)
Units								
Gross Revenue/Unit								
Total Operating Expense/Unit								

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	OCCUPATIONAL HEALTH TESTING				CENTER OPERATIONS			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	\$ 96,595	\$ 70,000	\$ 26,595	\$ 96,925	\$ -	\$ -	\$ -	\$ -
Deduction From Rev	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 96,595	\$ 70,000	\$ 26,595	\$ 96,925	\$ -	\$ -	\$ -	\$ -
Operating Expense:								
Salaries	\$ 126,313	\$ 123,920	\$ (2,393)	\$ 141,574	\$ -	\$ 7,541	\$ 7,541	\$ -
Benefits	74,301	78,111	3,810	89,986	104	224	120	-
Professional Fees	-	-	-	-	-	-	-	5,188
Supplies	-	153	153	-	1,288	416	(872)	664
Purchased Services	8,588	10,412	1,824	13,407	-	600	600	-
Other Expenses	10,305	10,064	(241)	5,455	180,726	189,169	8,443	168,958
Total Operating Expenses	\$ 219,507	\$ 222,661	\$ 3,154	\$ 250,422	\$ 182,118	\$ 197,949	\$ 15,831	\$ 174,810
Net Operating Rev (Exp)	\$ (122,912)	\$ (152,661)	\$ 29,749	\$ (153,497)	\$ (182,118)	\$ (197,949)	\$ 15,831	\$ (174,810)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	(75,136)	(77,554)	2,417	(74,021)
Total Non-Operating Rev/(Exp)	-	-	-	-	(75,136)	(77,554)	2,417	(74,021)
Net Income/(Loss)	\$ (122,912)	\$ (152,661)	\$ 29,749	\$ (153,497)	\$ (257,254)	\$ (275,503)	\$ 18,248	\$ (248,831)
Overhead Allocation Based on Sq Ft	\$ -	\$ -	\$ -	\$ -	\$ 239,607	\$ 249,473	(9,865)	\$ 231,856
Adjusted Net Income/(Loss)	\$ (122,912)	\$ (152,661)	\$ 29,749	\$ (153,497)	\$ (17,647)	\$ (26,030)	\$ 8,383	\$ (16,975)
Units								
Gross Revenue/Unit								
Total Operating Expense/Unit								

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

TOTAL CENTER FOR HEALTH & SPORTS PERFORMANCE				
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	\$ 3,930,827	\$ 3,649,411	\$ 281,417	\$ 3,225,368
Deduction From Rev	1,535,619	1,638,498	102,879	999,757
Other Operating Revenue	7,400	5,656	1,744	7,215
Total Operating Revenue	\$ 2,402,608	\$ 2,016,569	\$ 386,040	\$ 2,232,826
<u>Operating Expense:</u>				
Salaries	\$ 134,709	\$ 133,661	\$ (1,048)	\$ 141,848
Benefits	75,045	78,399	3,354	90,007
Professional Fees	1,614,023	1,352,841	(261,182)	1,297,080
Supplies	48,574	34,934	(13,640)	21,285
Purchased Services	110,345	98,537	(11,808)	92,531
Other Expenses	193,872	207,501	13,629	175,463
Total Operating Expenses	\$ 2,176,568	\$ 1,905,873	\$ (270,695)	\$ 1,818,214
Net Operating Rev (Exp)	\$ 226,040	\$ 110,695	\$ 115,345	\$ 414,612
<u>Non - Operating Rev / (Exp)</u>				
Donations	25	-	25	-
Depreciation	(87,123)	(89,540)	2,417	(80,736)
Total Non-Operating Rev/(Exp)	(87,098)	(89,540)	2,442	(80,736)
Net Income/(Loss)	\$ 138,943	\$ 21,156	\$ 117,787	\$ 333,876
Overhead Allocation Based on Sq Ft	-	-	-	-
Adjusted Net Income/(Loss)	\$ 138,943	\$ 21,156	\$ 117,787	\$ 333,876
Units	39,832	30,860	8,972	35,695
Gross Revenue/Unit	\$ 98.69	\$ 118.26	\$ (19.57)	\$ 90.36
Total Operating Expense/Unit	\$ 54.64	\$ 61.76	\$ 7.11	\$ 50.94

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	MEDICAL ONCOLOGY				MSC MEDICAL ONCOLOGY			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	2,069,203	1,878,535	190,668	1,728,078	651,524	751,090	(99,566)	662,038
Deduction From Rev	1,065,350	967,183	(98,168)	691,926	369,648	426,138	56,489	358,288
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	1,003,853	911,352	92,501	1,036,152	281,876	324,952	(43,076)	303,750
Operating Expense:								
Salaries	1,192,432	985,357	(207,075)	959,303	-	-	-	-
Benefits	476,889	481,910	5,021	498,845	-	-	-	-
Professional Fees	119,882	113,910	(5,972)	108,886	818,425	833,425	15,000	674,607
Supplies	36,694	41,052	4,358	36,560	-	-	-	-
Purchased Services	108,261	107,402	(859)	88,915	-	-	-	301
Other Expenses	161,784	188,906	27,123	165,417	-	-	-	-
Total Operating Expenses	2,095,942	1,918,537	(177,404)	1,857,926	818,425	833,425	15,000	674,908
Net Operating Rev (Exp)	(1,092,089)	(1,007,185)	(84,904)	(821,774)	(536,549)	(508,473)	(28,076)	(371,158)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	(86,751)	(86,751)	-	(86,828)	-	-	-	(148)
Total Non-Operating Rev/(Exp)	(86,751)	(86,751)	-	(86,828)	-	-	-	(148)
Net Income/(Loss)	(1,178,839)	(1,093,936)	(84,904)	(908,602)	(536,549)	(508,473)	(28,076)	(371,306)
Units	4,413	4,977	(564)	4,242	2,065	2,357	(292)	2,168
Gross Revenue/Unit	468.89	377.44	91.44	407.37	315.51	318.66	(3.16)	305.37
Total Operating Expense/Unit	474.95	385.48	(89.47)	437.98	396.33	353.60	(42.74)	311.30

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	RADIATION ONCOLOGY				MSC RADIATION ONCOLOGY			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	6,243,033	4,023,201	2,219,832	4,119,789	679,853	447,631	232,222	431,116
Deduction From Rev	3,144,363	2,026,324	(1,118,040)	1,842,751	383,547	252,536	(131,011)	243,225
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	3,098,670	1,996,877	1,101,792	2,277,038	296,306	195,094	101,211	187,891
Operating Expense:								
Salaries	127,919	185,522	57,603	315,273	-	-	-	-
Benefits	54,556	58,396	3,839	80,657	-	-	-	-
Professional Fees	202,155	163,500	(38,655)	10,968	343,389	358,389	15,000	439,469
Supplies	4,371	800	(3,571)	1,231	-	-	-	-
Purchased Services	242,817	236,990	(5,827)	234,329	-	-	-	-
Other Expenses	213	300	87	236	-	-	-	-
Total Operating Expenses	632,031	645,507	13,476	642,694	343,389	358,389	15,000	439,469
Net Operating Rev (Exp)	2,466,638	1,351,370	1,115,269	1,634,344	(47,084)	(163,295)	116,211	(251,578)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	(220,695)	(220,695)	-	(223,045)	-	-	-	(42)
Total Non-Operating Rev/(Exp)	(220,695)	(220,695)	-	(223,045)	-	-	-	(42)
Net Income/(Loss)	2,245,944	1,130,675	1,115,269	1,411,299	(47,084)	(163,295)	116,211	(251,620)
Units	3,965	1,914	2,051	2,354	211	127	84	125
Gross Revenue/Unit	1,574.54	2,101.99	(527.45)	1,750.12	3,222.05	3,524.65	(302.60)	3,448.93
Total Operating Expense/Unit	159.40	337.26	177.85	273.02	1,627.44	2,821.96	1,194.53	3,515.75

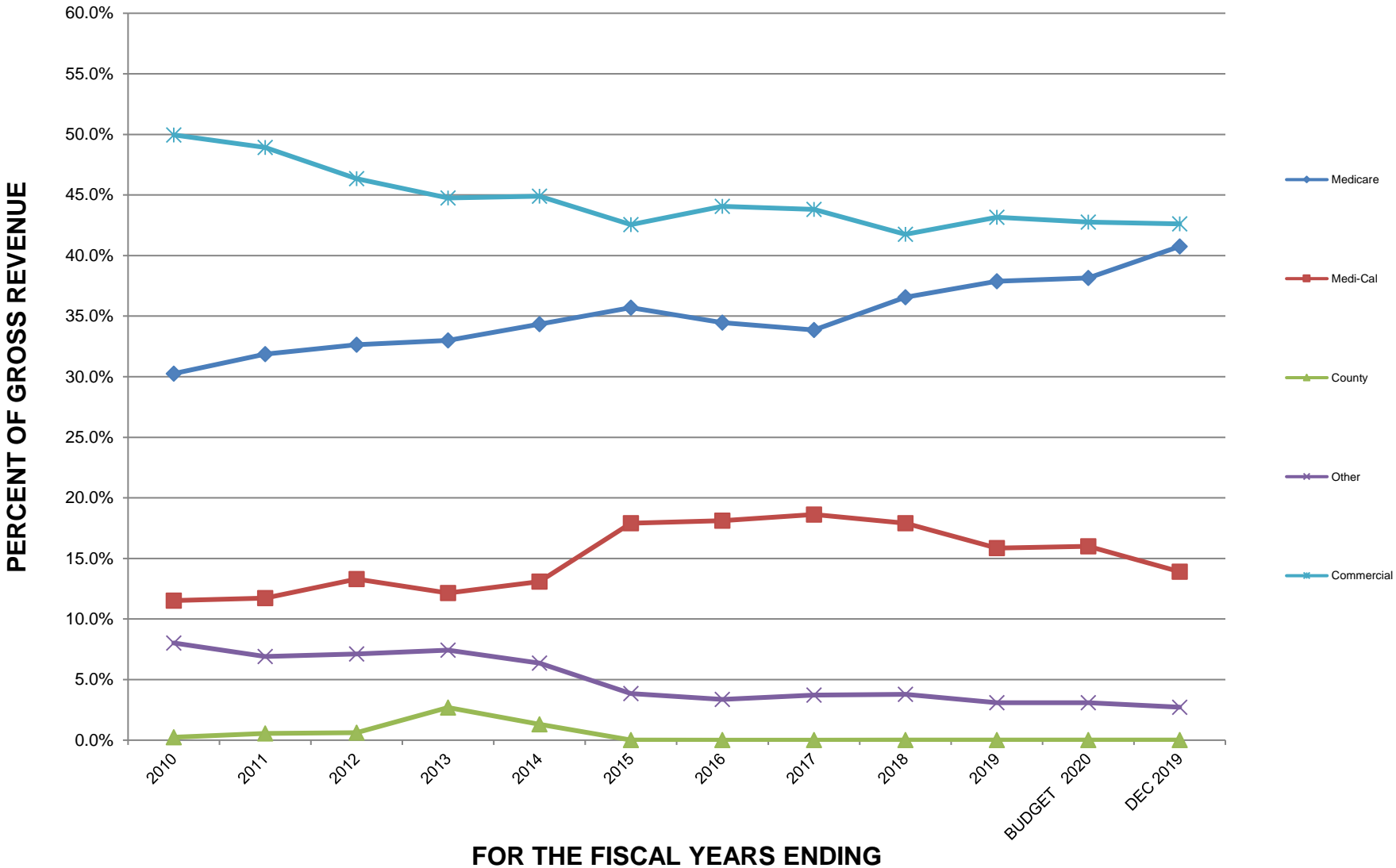
**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	<u>ONCOLOGY LAB</u>				<u>ONCOLOGY DRUGS</u>			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	217,483	196,686	20,797	193,775	17,631,615	12,366,420	5,265,195	11,825,567
Deduction From Rev	108,190	97,844	(10,346)	80,631	9,139,756	6,410,420	(2,729,336)	4,943,381
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	109,293	98,842	10,451	113,144	8,491,859	5,956,000	2,535,859	6,882,186
<u>Operating Expense:</u>								
Salaries	66,190	52,097	(14,093)	53,501	-	-	-	-
Benefits	24,085	25,617	1,532	24,594	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	4,474,301	4,114,677	(359,624)	4,302,841
Purchased Services	-	360	360	568	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Operating Expenses	90,275	78,074	(12,201)	78,663	4,474,301	4,114,677	(359,624)	4,302,841
Net Operating Rev (Exp)	19,018	20,768	(1,750)	34,481	4,017,558	1,841,322	2,176,235	2,579,345
<u>Non - Operating Rev / (Exp)</u>								
Donations	-	-	-	-	-	-	-	-
Depreciation	(351)	(351)	-	(351)	-	-	-	-
Total Non-Operating Rev/(Exp)	(351)	(351)	-	(351)	-	-	-	-
Net Income/(Loss)	18,666	20,416	(1,750)	34,130	4,017,558	1,841,322	2,176,235	2,579,345
Units	2,735	2,465	270	2,490	3,007	2,453	554	2,359
Gross Revenue/Unit	79.52	79.79	(0.27)	77.82	5,863.52	5,041.35	822.18	5,012.96
Total Operating Expense/Unit	33.01	31.67	-1.33	31.59	1,487.96	1,677.41	189.44	1,824.01

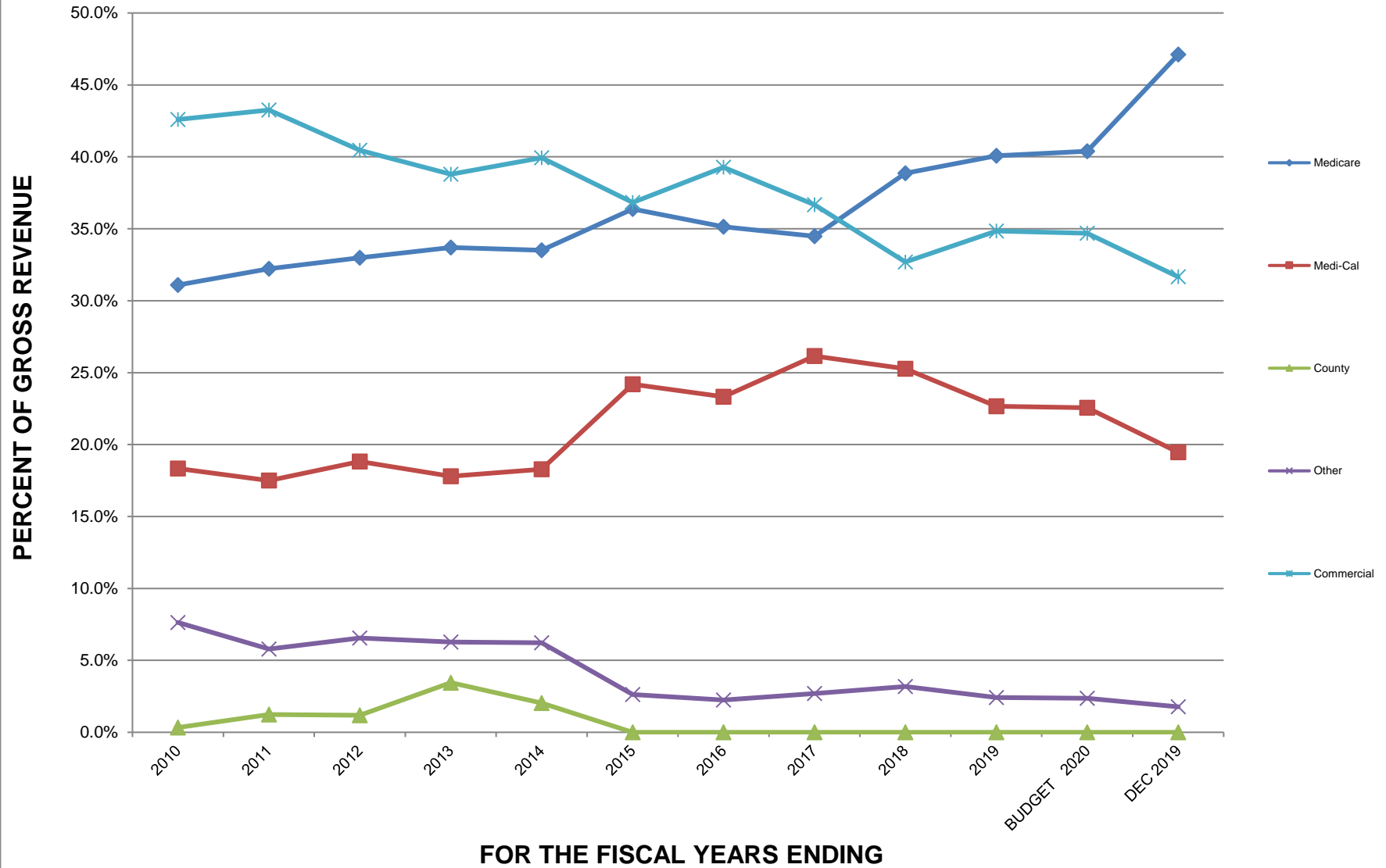
**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE SIX MONTHS ENDING DECEMBER 31, 2019**

	PET CT				TOTAL CANCER PROGRAM			
	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018	ACTUAL	BUDGET	\$ VARIANCE	PRIOR YTD DEC 2018
Gross Operating Revenue	789,149	819,283	(30,134)	807,198	28,281,860	20,482,844	7,799,016	19,767,561
Deduction From Rev	407,367	422,923	15,556	376,028	14,618,222	10,603,367	4,014,855	8,536,230
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	381,782	396,360	(14,579)	431,170	13,663,638	9,879,477	3,784,161	11,231,331
Operating Expense:								
Salaries	21,453	27,438	5,985	24,006	1,407,994	1,250,414	157,580	1,352,083
Benefits	6,969	7,927	958	7,484	562,499	573,849	(11,350)	611,580
Professional Fees	2,872	1,842	(1,030)	1,605	1,486,724	1,471,067	15,657	1,235,535
Supplies	-	-	-	-	4,515,367	4,156,530	358,837	4,340,632
Purchased Services	85,158	105,819	20,661	108,438	436,236	450,571	(14,335)	432,551
Other Expenses	106	120	14	42	162,103	189,326	(27,224)	165,695
Total Operating Expenses	116,559	143,146	26,588	141,575	8,570,922	8,091,757	(479,166)	8,138,076
Net Operating Rev (Exp)	265,223	253,214	12,009	289,595	5,092,715	1,787,721	3,304,995	3,093,255
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	95,973	98,123	(2,150)	106,663
Depreciation	-	-	-	-	(655,510)	(655,510)	-	(659,218)
Total Non-Operating Rev/(Exp)	-	-	-	-	(559,537)	(557,387)	(2,150)	(552,555)
Net Income/(Loss)	265,223	253,214	12,009	289,595	4,533,178	1,230,334	3,302,845	2,540,700
Units	149	154	(5)	158	16,545	14,447	2,098	13,896
Gross Revenue/Unit	5,296.30	5,320.02	(23.72)	5,108.85	1,709.39	1,417.79	291.60	1,422.54
Total Operating Expense/Unit	782.27	929.52	147.25	896.04	518.04	560.10	42.06	585.64

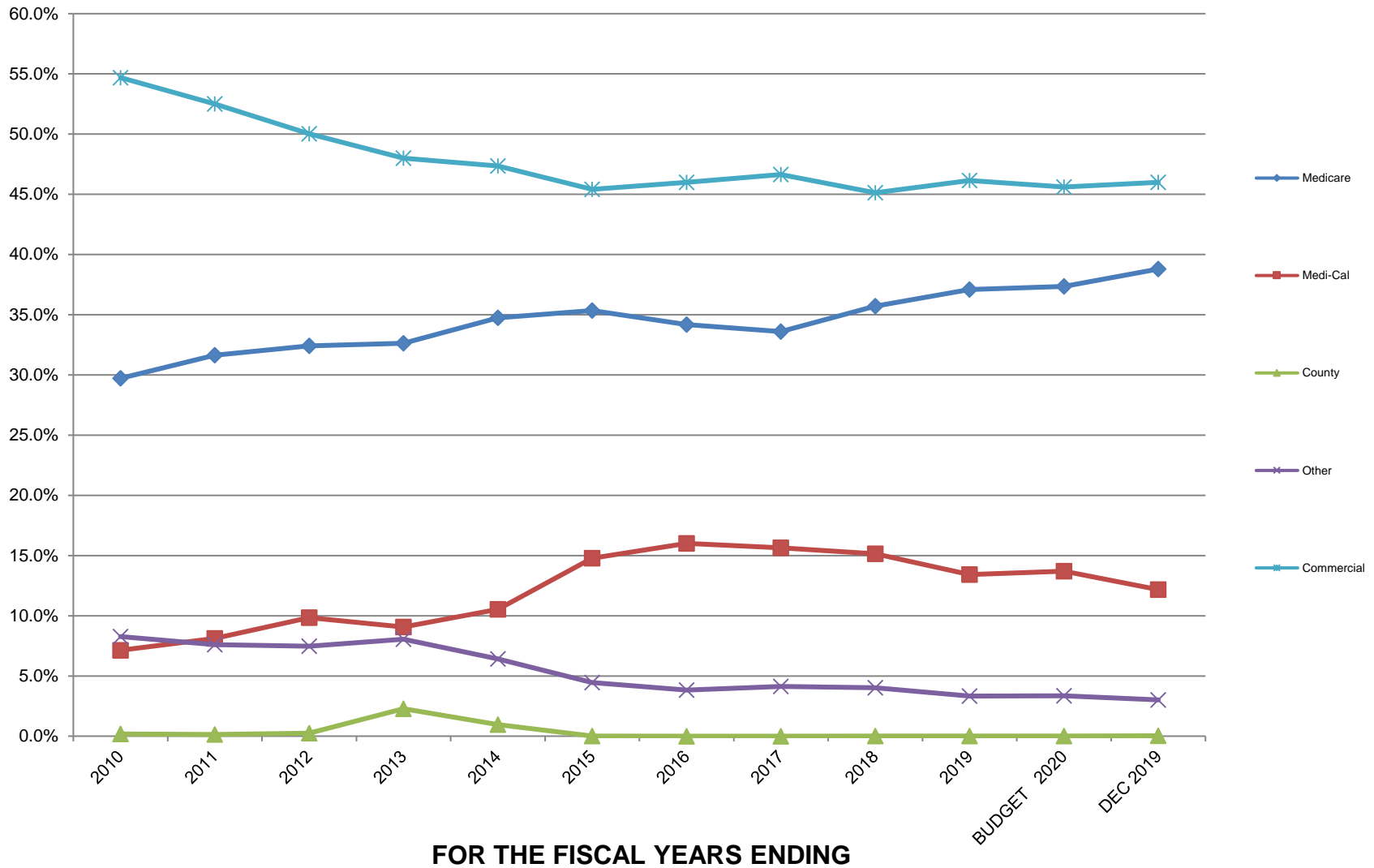
GROSS REVENUE PAYOR MIX TRENDING



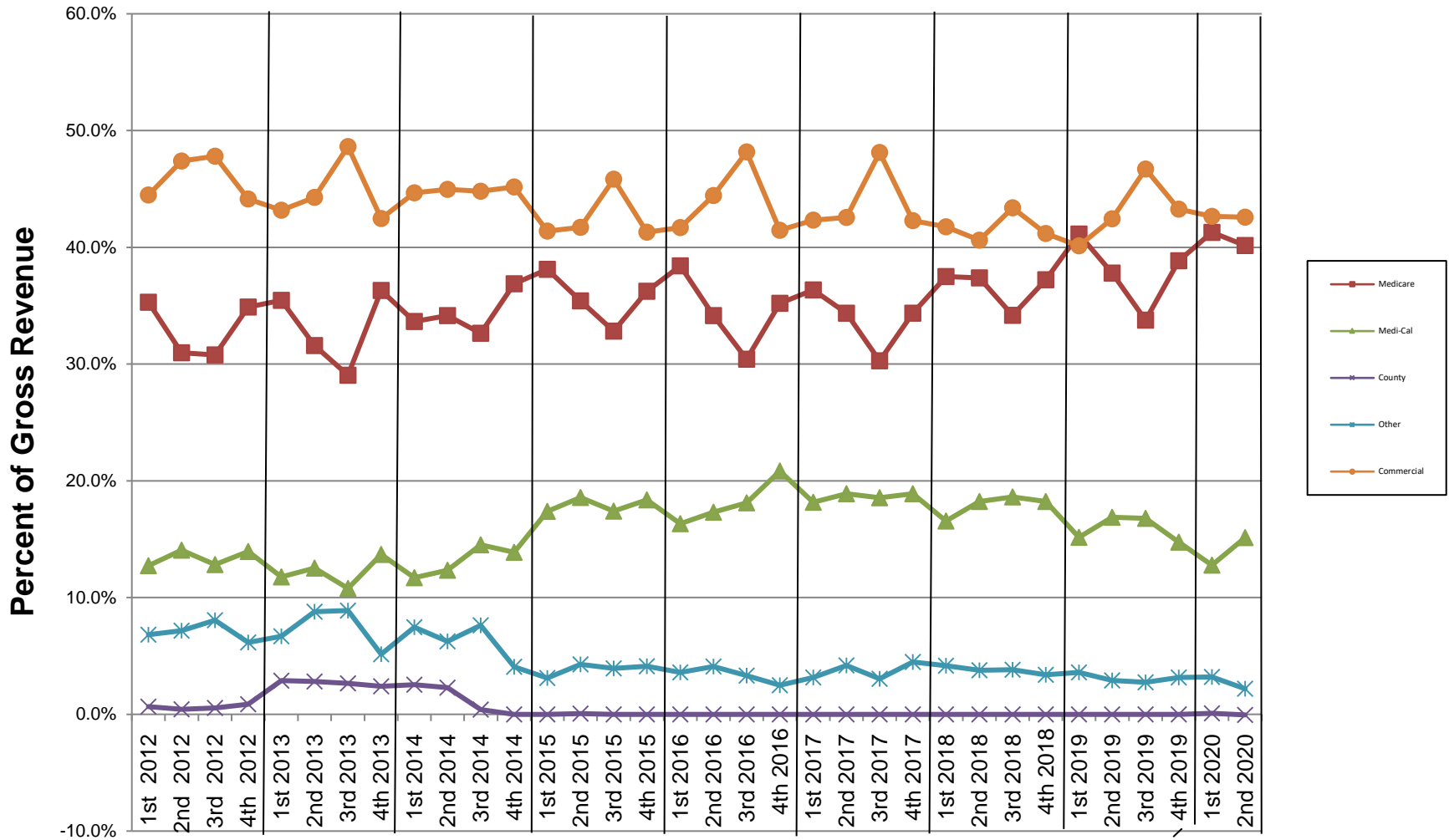
INPATIENT REVENUE PAYOR MIX TRENDING



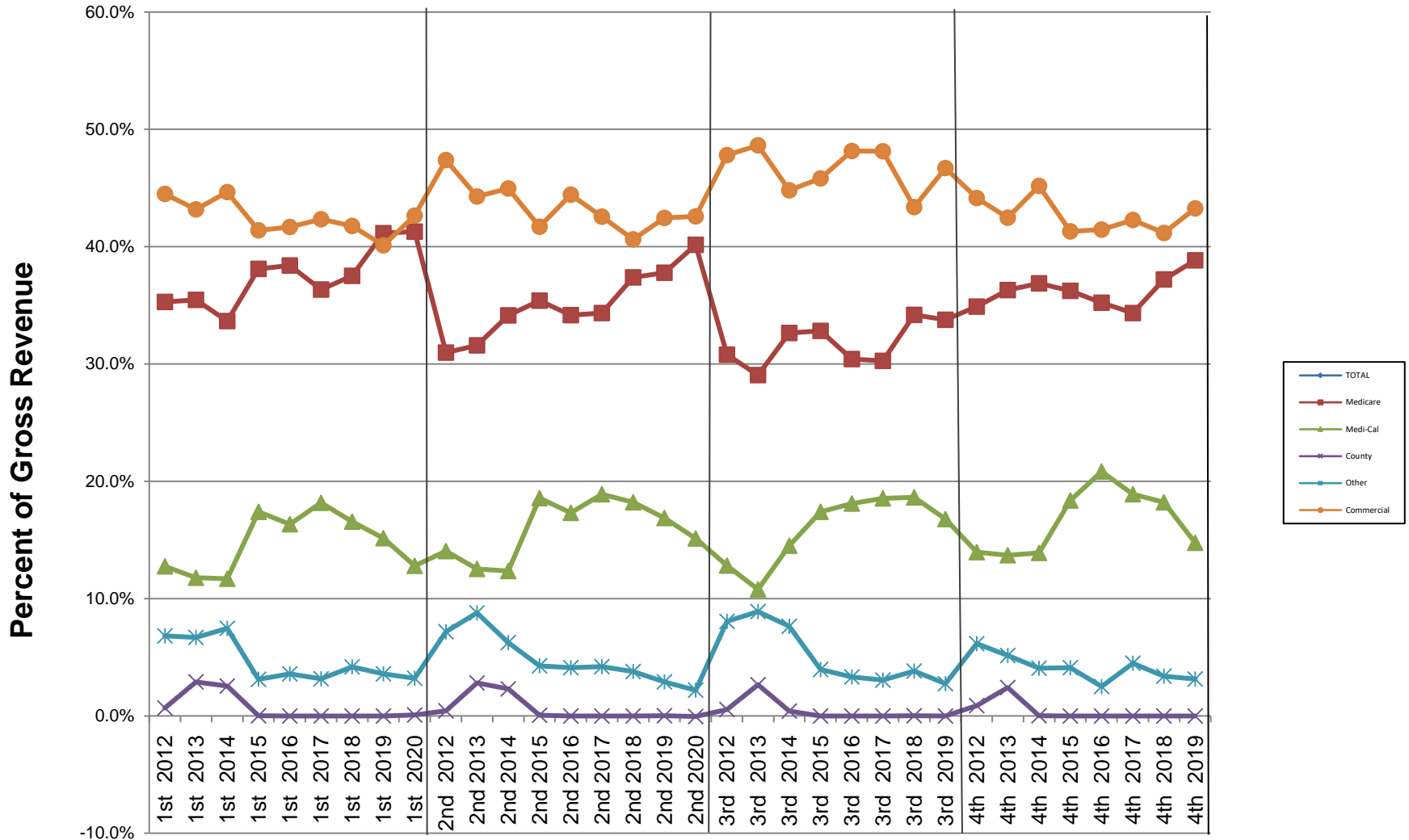
OUTPATIENT REVENUE PAYOR MIX TRENDING



Total Quarterly Percent of Gross Revenue By Payor by Fiscal Year



Total Quarterly Percent of Gross Revenue by Payor



TAHOE INSTITUTE FOR RURAL HEALTH RESEARCH
EXPENDITURE REPORT

	AS OF DECEMBER 2019				AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED
	ACTUAL	BUDGET	VAR\$	VAR%	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
OPERATING EXPENSES													
Salaries and Wages	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,518	\$ 22,142	\$ 20,860
Benefits	-	-	-	0.0%	-	-	-	-	-	-	7,550	5,586	5,372
Benefits Workers Compensation	-	-	-	0.0%	-	-	-	-	-	-	551	350	531
Benefits Medical Insurance	-	-	-	0.0%	-	-	-	-	-	-	3,662	4,317	2,752
Professional Fees	27,899	57,750	29,851	51.7%	183,132	145,724	236,510	338,264	406,761	524,544	297,311	161,339	78,688
Supplies	-	-	-	0.0%	-	289	1,619	6,083	2,108	28,462	5,806	1,059	1,961
Purchased Services	946	2,450	1,504	61.4%	6,037	4,689	48,123	35,248	22,828	18,868	2,600	1,500	-
Other	81,715	4,300	(77,415)	-1800.4%	19,220	125,889	5,984	162,378	101,408	160,597	230,932	104,828	4,730
Interest Expense	97,515	96,889	(626)	-0.6%	181,739	162,324	143,777	123,986	92,855	61,147	32,059	13,351	2,519
TOTAL OPERATING EXPENSE	\$ 208,075	\$ 161,389	\$ (46,686)	0.0%	\$ 390,128	\$ 438,915	\$ 436,013	\$ 665,959	\$ 625,960	\$ 793,618	\$ 596,989	\$ 314,471	\$ 117,413
GRANT REIMBURSEMENT FOR TBI EXPENSES	\$ (19,567)	\$ -	19,567	0.0%	\$ (88,713)	\$ (22,667)	\$ (77,207)	\$ (107,720)	\$ (120,514)	\$ (111,627)	\$ (21,987)	\$ (23,624)	\$ (1,250)
TOTAL FUNDS ADVANCED TO TIRHR	\$ (188,508)	\$ (161,389)	\$ 27,119	0.0%	\$ (301,415)	\$ (416,248)	\$ (358,806)	\$ (558,239)	\$ (505,446)	\$ (681,991)	\$ (575,002)	\$ (290,847)	\$ (116,163)
	-	-	-		-	-	-	-	-	-	-	-	-

CUMULATIVE:

Letter of Credit	\$ 3,125,000	N1
FY2011 Actual Draw Against Letter of Credit	(113,644)	
FY2012 Actual Draw Against Letter of Credit	(277,496)	
FY2013 Actual Draw Against Letter of Credit	(542,943)	
FY2014 Actual Draw Against Letter of Credit	(620,844)	
FY2015 Actual Draw Against Letter of Credit	(412,591)	
FY2016 Actual Draw Against Letter of Credit	(434,253)	
FY2017 Actual Draw Against Letter of Credit	(215,029)	
FY2018 Actual Draw Against Letter of Credit	(253,924)	
FY2019 Actual Draw Against Letter of Credit	(119,676)	
FY2020 Actual Draw Against Letter of Credit	(90,993)	
Balance on Letter of Credit	\$ 43,607	

**N1: Draws against the Letter of Credit are exclusive of
Accrued Interest Expense**

PROFESSIONAL FEES PAID ANALYSIS												
SUB ACCT & DETAIL	FY 2016 TOTAL	% OF TOTAL PRO FEES	FY 2017 TOTAL	% OF TOTAL PRO FEES	FY 2018 TOTAL	% OF TOTAL PRO FEES	FY 2019 TOTAL	% OF TOTAL PRO FEES	FY2020 BUDGET	% OF TOTAL PRO FEES	FY 2020 TOTAL	% OF TOTAL PRO FEES
320 - Physician Fees	\$ 11,965,442.21	60.8%	\$ 15,342,915.03	67.8%	\$ 16,869,634.60	69.5%	\$ 19,960,679.49	72.2%	\$ 11,761,101.00	59.1%	\$ 7,228,570.46	61.0%
Medical Director Fees	\$ 501,633.87	2.5%	\$ 467,017.48	2.1%	\$ 362,835.69	1.5%	\$ 589,038.96	2.1%	\$ 172,060.00	0.9%	\$ 167,041.32	1.4%
Medicine Call	\$ 1,283,566.56	6.5%	\$ 1,544,576.12	6.8%	\$ 1,238,658.56	5.1%	\$ 1,188,229.01	4.3%	\$ 1,853,752.00	9.3%	\$ 415,547.00	3.5%
Hospitalists Fees	\$ 725,750.68	3.7%	\$ 903,196.42	4.0%	\$ 1,048,715.78	4.3%	\$ 1,189,589.47	4.3%	\$ 96,940.00	0.5%	\$ 460,059.31	3.9%
Anesthesia Guarantee	\$ 1,135,091.07	5.8%	\$ 1,194,970.27	5.3%	\$ 1,252,715.53	5.2%	\$ 1,207,103.56	4.4%	\$ 2,046,400.00	10.3%	\$ 805,725.39	6.8%
Physician Fees	\$ 54,141.32	0.3%	\$ 280.00	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Multi-specialty Clinic Physician Fees	\$ 6,136,630.95	31.2%	\$ 9,149,552.20	40.4%	\$ 10,859,223.99	44.7%	\$ 13,558,080.07	49.1%	\$ 5,454,952.00	27.4%	\$ 4,254,812.72	35.9%
Residency Program Fees	\$ 43,729.71	0.2%	\$ 31,373.50	0.1%	\$ -	0.0%	\$ 19,042.50	0.1%	\$ 24,000.00	0.1%	\$ 13,984.50	0.1%
RNFA Fees	\$ 19,200.00	0.1%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Medical Staff Chair Fees	\$ 85,477.06	0.4%	\$ 76,016.50	0.3%	\$ 67,631.25	0.3%	\$ 63,450.00	0.2%	\$ 43,200.00	0.2%	\$ 23,475.00	0.2%
Med Staff Chairs - Wellness Neighborhood	\$ 6,383.33	0.0%	\$ 2,851.22	0.0%	\$ 9,177.03	0.0%	\$ 11,196.39	0.0%	\$ 3,600.00	0.0%	\$ 1,462.40	0.0%
Radiology Guarantee	\$ 242,814.74	1.2%	\$ 285,577.77	1.3%	\$ 233,702.97	1.0%	\$ 388,693.02	1.4%	\$ 325,627.00	1.6%	\$ 242,481.07	2.0%
Rural Prime	\$ 29,298.00	0.1%	\$ 350.00	0.0%	\$ 29,125.50	0.1%	\$ -	0.0%	\$ 900.00	0.0%	\$ -	0.0%
Health Info Technology	\$ -	0.0%	\$ -	0.0%	\$ 102,872.50	0.4%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Sleep Medicine Clinic IVCH	\$ 174,281.45	0.9%	\$ 154,306.76	0.7%	\$ 136,230.39	0.6%	\$ 180,092.41	0.7%	\$ 160,930.00	0.8%	\$ 37,017.55	0.3%
Laboratory	\$ 68,569.72	0.3%	\$ 72,803.04	0.3%	\$ 64,555.16	0.3%	\$ 101,481.27	0.4%	\$ 90,240.00	0.5%	\$ 61,293.35	0.5%
North Tahoe Emergency IVCH	\$ 1,458,873.75	7.4%	\$ 1,460,043.75	6.5%	\$ 1,464,190.25	6.0%	\$ 1,464,682.83	5.3%	\$ 1,488,500.00	7.5%	\$ 745,670.85	6.3%
321 - Therapist Fees	\$ 4,061,726.03	20.6%	\$ 4,343,390.31	19.2%	\$ 4,756,294.82	19.6%	\$ 5,393,393.38	19.5%	\$ 5,437,191.00	27.3%	\$ 3,144,304.89	26.5%
Cancer Center (Exercise for Energy)	\$ 30,776.20	0.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Cancer Center (Therapist Fees)	\$ 82,178.88	0.4%	\$ 67,445.50	0.3%	\$ 65,155.44	0.3%	\$ 68,890.06	0.2%	\$ 62,820.00	0.3%	\$ 37,382.00	0.3%
Home Health/Hospice Fees	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 303,285.90	1.1%	\$ 247,783.00	1.2%	\$ 146,464.32	1.2%
Occupational Therapy	\$ 630,952.71	3.2%	\$ 857,025.88	3.8%	\$ 690,302.00	2.8%	\$ 697,700.88	2.5%	\$ 669,965.00	3.4%	\$ 408,891.85	3.5%
Physical Therapy	\$ 3,229,893.48	16.4%	\$ 3,356,455.95	14.8%	\$ 3,928,754.09	16.2%	\$ 4,198,993.81	15.2%	\$ 4,334,735.00	21.8%	\$ 2,481,135.33	20.9%
Respiratory Therapy	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Speech Therapy	\$ 87,924.76	0.4%	\$ 62,462.98	0.3%	\$ 72,083.29	0.3%	\$ 124,522.73	0.5%	\$ 121,888.00	0.6%	\$ 70,431.39	0.6%
Other Therapist	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
323 - Legal Fees	\$ 1,136,768.84	5.8%	\$ 700,348.39	3.1%	\$ 428,923.60	1.8%	\$ 451,979.01	1.6%	\$ 435,000.00	2.2%	\$ 161,148.32	1.4%
American Medical Association	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Andy Werking	\$ 1,300.00	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
BDO USA LLO	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 7,712.50	0.0%	\$ -	0.0%	\$ -	0.0%
Beta Healthcare Group RMS	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 855.00	0.0%	\$ -	0.0%	\$ -	0.0%
Brooke barnum-Roberts	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 21,700.00	0.1%	\$ -	0.0%	\$ 18,500.00	0.2%
Carlton, Disante, & Freudenberger	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Charles P Teixeira	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Calantuono, Highsmith, Whatley-District	\$ 75,446.93	0.4%	\$ 137,693.08	0.6%	\$ 36,543.34	0.2%	\$ 31,516.82	0.1%	\$ 30,000.00	0.2%	\$ 12,055.84	0.1%
Calantuono, Highsmith, Whatley-Board	\$ 34,636.43	0.2%	\$ 14,465.00	0.1%	\$ 22,192.50	0.1%	\$ 25,836.55	0.1%	\$ 22,000.00	0.1%	\$ 11,648.50	0.1%
Calantuono, Highsmith, Whatley-TIRHR	\$ 1,925.00	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Calantuono, Highsmith, Whatley-Truckee Surgery Center	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,631.50	0.0%	\$ -	0.0%	\$ -	0.0%
Davis, Wright, Tremaine	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	0.0%
ECG Management - Corp Compliance	\$ 127,254.64	0.6%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
ECG/HLB/Coland - NewCoDevelop	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Foley & Lardner	\$ 22,192.72	0.1%	\$ 1,532.29	0.0%	\$ 1,221.18	0.0%	\$ (5,000.00)	0.0%	\$ -	0.0%	\$ -	0.0%
Foley & Lardner - TIRHR	\$ 3,080.00	0.0%	\$ 2,664.00	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Futterman, Dupree, Dodd	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Gordon, Rees, Scully, Mansukhani LLP	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,547.00	0.0%	\$ -	0.0%	\$ 11,452.75	0.1%
Healthcare Appraisers	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Hooper, Lundy, & Bookman	\$ 376,735.38	1.9%	\$ 175,633.70	0.8%	\$ 78,406.67	0.3%	\$ 117,604.93	0.4%	\$ 78,000.00	0.4%	\$ 18,002.00	0.2%
Hooper, Lundy, & Bookman - Corp Compliance	\$ 266,613.50	1.4%	\$ 94,114.00	0.4%	\$ 65,156.77	0.3%	\$ 1,349.00	0.0%	\$ 24,000.00	0.1%	\$ -	0.0%
James R Lahana	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Jams, Inc	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Judicate West	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 2,700.00	0.0%
Legal Fees HR	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ (10,000.00)	0.0%	\$ -	0.0%	\$ -	0.0%
Litigation Services & Technologies of Nevada	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,375.70	0.0%
Littler Medelson, P C	\$ -	0.0%	\$ -	0.0%	\$ 13,017.50	0.1%	\$ (3,740.89)	0.0%	\$ 25,000.00	0.1%	\$ 3,895.00	0.0%
McDonough & Holland	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Melendres & Melendres	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 3,150.00	0.0%	\$ -	0.0%	\$ 1,895.00	0.0%
Melendres & Melendres - Corp Compliance	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Morgan, Lewis, & Bock	\$ 1,900.20	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Porter Simon	\$ 32,135.86	0.2%	\$ 11,390.50	0.1%	\$ 5,835.59	0.0%	\$ 24,734.30	0.1%	\$ 12,000.00	0.1%	\$ 4,644.75	0.0%
Procopio, Cory, Hargreaves	\$ 359.78	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Rybicki & Associates P C	\$ 39,324.42	0.2%	\$ 51,017.90	0.2%	\$ 115,190.47	0.5%	\$ 102,117.35	0.4%	\$ 150,000.00	0.8%	\$ 58,562.88	0.5%
Trucker Huss	\$ 1,350.00	0.0%	\$ 1,080.00	0.0%	\$ 345.00	0.0%	\$ 27,317.50	0.1%	\$ -	0.0%	\$ 6,487.50	0.1%
Wilson Sonsini Goodrich - TIRHR	\$ 122,465.60	0.6%	\$ 177,347.02	0.8%	\$ 89,370.70	0.4%	\$ 72,953.75	0.3%	\$ 74,000.00	0.4%	\$ 9,928.40	0.1%
Wiley, Price, & Radulovich	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
William Portanova	\$ 8,328.75	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Other Legal	\$ 21,719.63	0.1%	\$ 33,410.90	0.1%	\$ 1,643.88	0.0%	\$ 25,693.70	0.1%	\$ 20,000.00	0.1%	\$ -	0.0%

PROFESSIONAL FEES PAID ANALYSIS												
SUB ACCT & DETAIL	FY 2016 TOTAL	% OF TOTAL PRO FEES	FY 2017 TOTAL	% OF TOTAL PRO FEES	FY 2018 TOTAL	% OF TOTAL PRO FEES	FY 2019 TOTAL	% OF TOTAL PRO FEES	FY2020 BUDGET	% OF TOTAL PRO FEES	FY 2020 TOTAL	% OF TOTAL PRO FEES
325 - Consulting Fees	\$ 2,526,053.69	12.8%	\$ 2,239,921.92	9.9%	\$ 2,218,853.46	9.1%	\$ 1,833,983.27	6.6%	\$ 2,270,538.00	11.4%	\$ 1,316,120.34	11.1%
Accounting	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Admitting	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Board of Directors	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 118,896.57	0.4%	\$ -	0.0%	\$ -	0.0%
Business Office	\$ -	0.0%	\$ 29,166.69	0.1%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 13,500.00	0.1%
Central Scheduling	\$ -	0.0%	\$ -	0.0%	\$ 263,739.29	1.1%	\$ 111,219.70	0.4%	\$ 16,800.00	0.1%	\$ -	0.0%
Cancer Center:												
Care Giver Support Program Development	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Radiation Oncology Consulting	\$ 1,757.80	0.0%	\$ 7,613.85	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 267,000.00	1.3%	\$ 22,250.00	0.2%
District Matters	\$ 373,072.08	1.9%	\$ 502,837.04	2.2%	\$ 142,762.89	0.6%	\$ 45,921.11	0.2%	\$ 205,200.00	1.0%	\$ 54,827.76	0.5%
Emergency Department	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Engineering / Facilities	\$ 7,731.33	0.0%	\$ 27,931.92	0.1%	\$ -	0.0%	\$ 2,250.00	0.0%	\$ -	0.0%	\$ -	0.0%
Finance Administration:												
Bond Services & Rating Agency Fees	\$ 322,571.75	1.6%	\$ 9,000.00	0.0%	\$ 650.00	0.0%	\$ -	0.0%	\$ 117,500.00	0.6%	\$ 100,000.00	0.8%
Cost Report, OSHPD, & SCO Reporting - Reimbursement Analyses	\$ 144,082.00	0.7%	\$ 109,301.80	0.5%	\$ 74,024.00	0.3%	\$ 51,451.00	0.2%	\$ 53,440.00	0.3%	\$ 51,163.00	0.4%
ICD-10 and Revenue Cycle	\$ 30,271.69	0.2%	\$ 41,068.20	0.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Audit / Tax Firm	\$ 75,000.00	0.4%	\$ 85,799.08	0.4%	\$ 78,420.06	0.3%	\$ 90,481.69	0.3%	\$ 73,160.00	0.4%	\$ 37,105.02	0.3%
Legal	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Productivity Benchmarking	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Strategic / Financial / Market Planning & Analysis	\$ -	0.0%	\$ 4,246.84	0.0%	\$ 71,480.27	0.3%	\$ 63,312.50	0.2%	\$ -	0.0%	\$ -	0.0%
Foundations	\$ 87,537.20	0.4%	\$ 43,385.57	0.2%	\$ 46,648.39	0.2%	\$ 45,941.75	0.2%	\$ 40,690.00	0.2%	\$ 21,421.25	0.2%
Health Information Technology	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
HRSA/CAREHin/NRACO	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Human Resources	\$ 97,826.82	0.5%	\$ 157,650.33	0.7%	\$ 142,755.33	0.6%	\$ 285,264.86	1.0%	\$ 248,920.00	1.3%	\$ 209,027.50	1.8%
Information Systems Conversion	\$ -	0.0%	\$ 159,282.40	0.7%	\$ 416,953.84	1.7%	\$ 291,376.03	1.1%	\$ 417,100.00	2.1%	\$ 228,294.00	1.9%
Information Technology	\$ 155,511.83	0.8%	\$ 383,742.94	1.7%	\$ 446,415.89	1.8%	\$ 173,635.05	0.9%	\$ 179,428.00	0.9%	\$ 75,962.50	0.6%
Innovation Fund	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Kaufman Hall:												
Strategic Planning	\$ 162,943.94	0.8%	\$ 20,158.13	0.1%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Orthopedic Business Planning	\$ 84,569.48	0.4%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Hospital Advisor/Budget Advisor/Cost Accounting	\$ -	0.0%	\$ -	0.0%	\$ 260,172.76	1.1%	\$ 302,500.00	1.1%	\$ 260,000.00	1.3%	\$ 231,000.00	1.9%
Marketing	\$ -	0.0%	\$ -	0.0%	\$ 8,360.00	0.0%	\$ 5,149.74	0.0%	\$ 115,000.00	0.6%	\$ 19,858.33	0.2%
Medical Records	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Medical Staff	\$ 143,162.14	0.7%	\$ -	0.0%	\$ 2,000.00	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
MSC/Managed Care	\$ 411,992.01	2.1%	\$ 224,132.38	1.0%	\$ 178,138.29	0.7%	\$ 101,449.34	0.4%	\$ 202,000.00	1.0%	\$ 220,515.07	1.9%
Nursing/Quality Consulting	\$ 61,899.39	0.3%	\$ 11,040.91	0.0%	\$ (215.00)	0.0%	\$ 686.50	0.0%	\$ -	0.0%	\$ 400.00	0.0%
Organizational Consulting/Change Management	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Pharmacy - Inpatient	\$ -	0.0%	\$ 71,618.21	0.3%	\$ -	0.0%	\$ -	0.0%	\$ 25,000.00	0.1%	\$ 10,680.00	0.1%
Physician Recruitment	\$ -	0.0%	\$ 165,190.40	0.7%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
PRIME Program	\$ -	0.0%	\$ 84,103.00	0.4%	\$ (368.07)	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Process Improvement/Baldrige	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Program Analysis / Development	\$ 77,565.40	0.4%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Retail Pharmacy	\$ 22,594.69	0.1%	\$ 8,392.92	0.0%	\$ 8,412.02	0.0%	\$ 30,093.00	0.1%	\$ 7,800.00	0.0%	\$ 2,145.05	0.0%
Skilled Nursing Facility	\$ -	0.0%	\$ 10,512.00	0.0%	\$ 10,512.00	0.0%	\$ 180.00	0.0%	\$ -	0.0%	\$ -	0.0%
Tahoe Institute for Rural Health Research	\$ 212,416.24	1.1%	\$ 71,758.14	0.3%	\$ 63,776.92	0.3%	\$ 107,794.39	0.4%	\$ 41,500.00	0.2%	\$ 17,970.86	0.2%
The Center for Health & Sports Performance	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Other Consulting	\$ 34,105.90	0.2%	\$ 9,339.17	0.0%	\$ 4,214.58	0.0%	\$ 113.36	0.0%	\$ -	0.0%	\$ -	0.0%
GRAND TOTAL TFHS	\$ 19,689,990.77	100.0%	\$ 22,626,575.65	100.0%	\$ 24,273,706.48	100.0%	\$ 27,640,035.15	100.0%	\$ 19,903,830.00	100.0%	\$ 11,850,144.01	100.0%

Credit and Collection Policy, ABD-08

PURPOSE:

- A. Tahoe Forest Hospital District (hereinafter known as "TFHD") provides high quality care to patients when they are in need of ~~healthcare hospital~~ services. All patients or their guarantor have a financial responsibility related to services received at TFHD and must make arrangements for payment to TFHD either before or after services are rendered. Such arrangements may include payment by an insurance plan, including coverage programs offered through the federal and state government. Payment arrangements may also be made directly with the patient, subject to the payment terms and conditions of TFHD.
- B. Emergency patients will always receive all medically necessary care within the scope resources available at TFHD, to assure that their medical condition is stabilized prior to consideration of any financial arrangements.
- C. The Credit and Collection Policy establishes the guidelines, policies and procedures for use by ~~TFHD hospital~~ personnel in evaluating and determining patient payment arrangements. This policy is intended to establish fair and effective means for collection of patient accounts owed to ~~TFHD the hospital~~. In addition, other TFHD policies such as the Financial Assistance Policy which contains provisions for full charity care and discount partial charity care will be considered by TFHD personnel when establishing payment arrangements for each specific patient or their guarantor.

SCOPE:

- A. The Credit and Collection Policy will apply to all patients who receive services at TFHD. This policy defines the requirements and processes used by the ~~TFHD hospital~~ Patient Financial Services department when making payment arrangements with individual patients or their account guarantors. The Credit and Collection Policy also specifies the standards and practices used by ~~TFHD the hospital~~ for the collection of debts arising from the provision of services to patients at TFHD. The Credit and Collection Policy acknowledges that some patients may have special payment arrangements as defined by an insurance contract to which TFHD is a party, or in accordance with hospital conditions of participation in state and federal programs. TFHD endeavors to treat every patient or their guarantor with fair consideration and respect when making payment arrangements.
- B. All requests for payment arrangements from patients, patient families, patient financial guarantors, physicians, hospital staff, or others shall be addressed in accordance with this policy.

POLICY:

All patients who receive care at TFHD must make arrangements for payment of any or all amounts owed for ~~hospital~~ services rendered in good faith by TFHD. TFHD reserves the right and retains sole authority for establishing the terms and conditions of payment by individual patients and/or their guarantor, subject to requirements established under state and federal law or regulation.

GENERAL PRACTICES:

- A. TFHD and the patient share responsibility for timely and accurate resolution of all patient accounts. Patient cooperation and communication is essential to this process. TFHD will make reasonable, cost-effective efforts to assist patients with fulfillment of their financial responsibility.
- B. ~~Healthospital~~ care at TFHD is available to all those who may be in need of necessary services. To facilitate financial arrangements for persons who may be of low or moderate income, both those who are uninsured or underinsured, TFHD provides the following special assistance to patients as part of the routine billing process:
 1. For uninsured patients, a written statement of charges for services rendered by ~~TFHD the hospital~~ is provided in a revenue code summary format which shows the patient a synopsis of all charges by the department in which the charges arose. Upon patient request, a complete itemized statement of charges will be provided;
 2. Patients who have third party insurance will be provided a revenue code summary statement which identifies the charges related to ~~hospital~~ services provided by TFHD.

- Insured patients will receive a balance due from patient statement once ~~TFHD~~the hospital has received payment from the insurance payer. Upon patient request, a complete itemized statement of charges will be provided;
3. A written request that the patient inform TFHD if the patient has any health insurance coverage, Medicare, ~~Healthy Families~~, Medi-Cal or other form of ~~insurance~~ coverage;
 4. A written statement informing the patient or guarantor that they may be eligible for Medicare, ~~Healthy Families~~, Medi-Cal, ~~California Children's Services Program~~, or the TFHD Financial Assistance Program, or appropriate government coverage programs;
 5. A written statement indicating how the patient may obtain an application for the Medi-Cal, ~~Healthy Families Program~~ or other appropriate government coverage program;
 6. If a patient is uninsured, an application to the Medi-Cal, ~~Healthy Families Program~~ or other appropriate government assistance program will be provided prior to discharge from the hospital;
 7. A TFHD representative is available at no cost to the patient to assist with application to relevant government assistance programs;
 8. A written statement regarding eligibility criteria and qualification procedures for full charity care and/or discount partial charity care under the TFHD Financial Assistance Program. This statement shall include the name and telephone number of ~~TFHD~~hospital personnel who can assist the patient or guarantor with information about and an application for the TFHD Financial Assistance Program.
- C. The TFHD Patient Financial Service ~~Representatives-s department- and designees are~~ is primarily responsible for the timely and accurate collection of all patient accounts. Patient Financial Service ~~Representativess personnel work- work~~ cooperatively with other ~~TFHD~~hospital departments, members of the Medical Staff, patients, insurance companies, collection agencies and others to assure that timely and accurate processing of patient accounts can occur.
- D. Accurate information provides the basis for TFHD to correctly bill patients or their insurer. Patient billing information should be obtained in advance of ~~hospital~~ services whenever possible so that verification, prior authorization or other approvals may be completed prior to the provision of services. When information cannot be obtained prior to the time of service, ~~TFHD~~ hospital personnel will work with each patient or their guarantor to assure that all necessary billing information is received by TFHD prior to the completion of services.

PROCEDURE:

- A. Each patient account will be assigned to an appropriate Patient Financial Services representative based upon the type of account payer and current individual staff workloads. The Head of Patient Financial Services ~~Manager~~ will periodically review staff workloads and may change or adjust the process or specific assignment of patient accounts to assure timely, accurate and cost-effective collection of such accounts.
- B. Once a patient account is assigned to a Patient Financial Services representative, the account details will be reviewed to assure accuracy and completeness of information necessary for the account to be billed.
- C. If the account is payable by the patient's insurer, the initial bill will be forwarded directly to the designated insurer. TFHD Patient Financial Services personnel will work with the patient's insurer to obtain any or all amounts owed on the account by the insurer. This will include calculation of contracted rates or other special arrangements that may apply. Once payment by the insurer has been determined by TFHD, any residual patient liability balance, for example a patient co-payment or deductible amount, will be billed directly to the patient. Any or all patient balances are due and payable within 30 days from the date of this first patient billing. Patients may be dispute balances or charges within XXX60 days of the balances becoming patient responsibility.
- ~~D.~~ If the account is payable only by the patient, it will be classified as a private-self-pay account. PrivateSelf- pay accounts may potentially qualify for ~~a prompt payment discount~~, government coverage programs, or financial aid under the TFHD Financial Assistance Policy. Patients with accounts in private self- pay status should contact a Patient Financial Counselor-Services representative to make payment arrangements or be screened for assistance programs. ~~obtain assistance with qualifying for one or more of these options.~~

~~D.~~

~~E.~~ In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services and subsequently is determined to qualify for full Financial Assistance ~~charity care~~ or discount partial- Financial Assistance ~~charity care~~, all amounts paid which exceed the payment obligation, if any, as determined through the Financial Assistance Program process, shall be refunded to the patient, ~~with interest~~. Any overpayment due to the patient under this obligation may not be applied to other open balance accounts or debt owed to TFHD ~~the hospital~~ by the patient or family representative. Any or all amounts owed shall be reimbursed to the patient or family representative within a reasonable time period. ~~Such interest shall begin to accrue on the first day that the patient or guarantor's payment obligation is determined through the Financial Assistance Program process. Interest payments shall be accrued at Two Percent (2%) per annum.~~

~~F.E.~~ ~~All private pay accounts may be subject to a credit history review. Any private pay patient who has applied for the TFHD Financial Assistance Program will not have a credit history review performed as an element of Financial Assistance Program qualification. TFHD will use a reputable, nationally-based credit reporting system for the purposes of obtaining the patient or guarantor's historical credit experience.~~

~~G.F.~~ TFHD offers patients a payment plan options when they are not able to settle the account in one lump sum payment. Payment plans are established on a case-by-case basis through consideration of the total amount owed by the patient to TFHD and the patient's or patient family representative's financial circumstances. Payment plans generally require a minimum monthly payment of an amount such that the term of the payment plan shall not exceed ninety (90) days ~~or three (3) monthstwelve (12) months~~. This minimum monthly payment amount shall be determined by dividing the total outstanding patient liability balance by three (3) ~~12~~. Payment plans are free of any interest charges or set-up fees. Some situations, such as patients qualified for partial financial assistance, may necessitate special payment plan arrangements based on negotiation between TFHD ~~the hospital~~ and patient or their representative. Such payment plans may be arranged by contacting a TFHD Patient Financial Counselor ~~Services representative~~. Once a payment plan has been approved, any failure to pay in accordance with the plan terms will constitute a plan default. It is the patient or guarantor's responsibility to contact ~~the~~ TFHD Patient Financial Counselor ~~Services department~~ if circumstances change and payment plan terms cannot be met. In addition, TFHD works with an outside vendor if patients need payment plan terms that exceed 12-three (3) months. Payment plan terms are subject to vendor requirements.

~~H.G.~~ Patient account balances in private-self-pay status will be considered past due after 30 days from the date of status change to self-pay or status of self-pay initial billing. ~~Accounts may be advanced to collection status according to the following schedule:~~

~~I.~~ Any or all self-private pay account balances where it is determined by TFHD that the patient or guarantor provided fraudulent, misleading or purposely inaccurate demographic or billing information may be considered as advanced for collection immediately upon such a determination by TFHD. Any such account will be reviewed and approved for advancement by the Patient Access Director ~~Revenue Cycle Director~~ ~~or~~ or her/his designee;

1.

~~J.~~ Any or all self-private pay account balances where no payment has been received, and the patient has not communicated with TFHD within 60 days of initial billing and a minimum of one bill showing details at the revenue code summary level and two ~~three~~ cycle statements have been sent to the patient or guarantor. Any such account will be reviewed and approved for advancement by the Patient Access Director ~~Revenue Cycle Director~~ ~~or~~ her/his designee;

2.

3. Any or all other self-pay ~~patient~~ accounts, including those where there has been no payment within the past 6120 days, may be forwarded to collection status when:

~~K.~~ a.

~~L.~~ Notice is provided to the patient or guarantor that payments have not been made in a timely manner and the account will be subject to collection 30 days from the notice date;

~~M.~~ ~~_____~~ ~~b.~~ The patient or guarantor refuses to communicate or cooperate with TFHD Patient Financial Services representatives or Patient Financial Counselings; and

~~N.~~ ~~_____~~ ~~c.~~ The Patient Access Director Revenue Cycle Director or her/his management designee has reviewed the account prior to forwarding it to collection status.

~~Q.H.~~ Patient accounts will not be forwarded to collection status when the patient or guarantor makes reasonable efforts to communicate with TFHD Patient Financial Services representatives or Patient Financial Counselings and makes good faith efforts to resolve the outstanding account. The TFHD Patient Access Director Revenue Cycle Director or her/his designee will determine if the patient or guarantor are continuing to make good faith efforts to resolve the patient account and may use indicators such as: application for Medi-Cal, ~~Healthy Families~~ or other government programs; application for the TFHD Financial Assistance Program; ~~regular partial payments of a reasonable amount~~; negotiation of a payment plan with TFHD and other such indicators that demonstrate the patient's effort to fulfill their payment obligation.

~~P.I.~~ After 30 days or anytime when an account otherwise becomes past due and subject to internal or external collection, TFHD will provide every patient with written notice in the following form:

1. "State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at www.ftc.gov."
2. Non-profit credit counseling services may be available in the area. Please contact the TFHD Patient Financial Counseling Services if you need more information or assistance in contacting a credit counseling service.

~~Q.J.~~ For all patient accounts where there is no 3rd party insurer *and/or* whenever a patient provides information that he or she may have high medical costs, Financial Counseling the Patient Financial Services representative will assure that the patient has been provided all elements of information as listed above ~~in number 2, parts (a) through (h)~~. ~~This will be accomplished by sending a written billing supplement with the first patient bill. The Patient Financial Services representative will document that the billing supplement was sent by placing an affirmative statement in the "notes" section of the patient's account.~~

~~R.K.~~ For all patient accounts where there is no 3rd party insurer *and/or* whenever a patient provides information that he or she may have high medical costs, TFHD will not report adverse information to a credit reporting agency or commence any civil action prior to 150 days after initial billing of the account. Furthermore, TFHD will not send an unpaid bill for such patients to an external collection agency unless the collection agency has agreed to comply with this requirement.

~~S.L.~~ If a patient or guarantor has filed an appeal for coverage of services in accordance with Health & Safety Code Section 127426, TFHD will extend the 150-day limit on reporting of adverse information to a credit reporting agency and/or will not commence any civil action until a final determination of the pending appeal has been made.

~~T.M.~~ TFHD will only utilize external collection agencies with which it has established written contractual agreements. Every collection agency performing services on behalf of TFHD must agree to comply with the terms and conditions of such contracts as specified by TFHD. All collection agencies contracted to provide services for or on behalf of TFHD shall agree to comply with the standards and practices defined in the collection agency agreement; including this Credit and Collection Policy, the TFHD Financial Assistance Policy and all legal requirements including those specified in Health & Safety Code Section 127420 et seq.

~~U.N.~~ TFHD and/or its external collection agencies will not use wage garnishments or liens on a primary residence without an order of the court. Any or all legal action to collect an outstanding patient account by TFHD and/or its collection agencies must be authorized and approved in advance, in writing by the TFHD Patient Access Director ~~D Revenue Cycle Director~~. Any such

legal action must conform to the requirements of Health & Safety Code Section 127420 et seq. ~~V.O.~~ TFHD, its collection agencies, or any assignee may use any or all legal means to pursue reimbursement, debt collection and any enforcement remedy from third-party liability settlements, tortfeasors, or other legally responsible parties. Such actions shall be conducted only with the prior written approval of the hospital director of patient financial services.

References:

[California Health and Safety Code §§127400 - 127446](#)

[TFHD Policy: Review of Accounts for Bad Debt, DPTREG-1907](#)

[TFHD Policy: Payment Plans, DPTREG-1908](#)

[TFHD Policy: Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies ABD-09](#)

Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies ABD-09

PURPOSE:

- A. Tahoe Forest Hospital District (hereinafter referred to as "TFHD") provides hospital and related medical services to residents and visitors within district boundaries and the surrounding region. As a regional ~~healthcare hospital~~ provider, TFHD is dedicated to providing high quality, customer oriented and financially strong healthcare services that meet the needs of its patients. Providing patients with opportunities for financial assistance coverage for healthcare services is also an essential element of fulfilling the TFHD mission. This policy defines the TFHD Financial Assistance Program; its criteria, systems, and methods.
- B. California acute care hospitals must comply with the "Hospital Fair Pricing Policies" law at Health & Safety Code Section 127400 et seq. (the "Fair Pricing Law"), including requirements for written policies providing discounts and charity care to financially qualified patients. Under the Fair Pricing Law, uninsured patients or patients with high medical costs who are at or below 350 percent (350%) of the federal poverty level shall be eligible to apply for participation under a hospital's charity care policy or discount payment policy. This policy is intended to fully comply with all such legal obligations by providing for both charity care and discounts to patients who qualify under the terms and conditions of the TFHD Financial Assistance Program. Additionally, although the Fair Pricing Law requires hospitals to provide financial assistance to certain qualifying patients for services they have received, it does not require hospitals to provide future services. Nevertheless, TFHD has allowed individuals to apply for financial assistance for future services under this policy. However, any individuals who qualify for such assistance will still be subject to admission and other criteria for receiving services and becoming patients, and will have to demonstrate their ability to meet any applicable financial obligation which is not covered by any discount or other financial assistance granted.
- C. The finance department has responsibility for general accounting policy and procedure. Included within this purpose is a duty to ensure the consistent timing, recording and accounting treatment of transactions at TFHD. This includes the handling of patient accounting transactions in a manner that supports the mission and operational goals of TFHD.
- D. Patients are hereby notified that a physician employed or contracted to provide services in the emergency department of TFHD's hospital in Truckee, California is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent (350%) of the federal poverty level.

DEFINITIONS:

- A. "Discount Partial Charity Care" means an amount charged for services to a patient who qualifies for financial assistance under the TFHD Financial Assistance Program which is discounted to the amount Medicare would pay for the same services or less. Discount Partial Charity Care, when granted to a patient, will in no case excuse a third party, or the patient, from their respective obligations to pay for services provided to such patient.
- B. "Elective Services" means any services which are not medically necessary services.
- C. "Emergency Services" means services required to stabilize a patient's medical condition initially provided in the TFHD emergency department or otherwise classified as "emergency services" under the federal EMTALA Law or Section 1317.1 et.seq. of the California Health & Safety Code, and continuing until the patient is medically stable and discharged, transferred, or otherwise released from treatment.
- D. "Federal Poverty Level" or "FPL" means the current poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.
- E. "Financial Assistance Program" means the TFHD Financial Assistance Program established by this policy for providing Full Charity Care or Partial Discount Charity Care (each, as defined below) to qualified patients.
- F. "Full Charity Care" means medically necessary services provided by TFHD to a patient who qualifies under the TFHD Financial Assistance Program which are not covered by a third party, and for which the patient is otherwise responsible for paying, for which the patient will not be charged. Full Charity Care, when granted to a patient, in no case will excuse a third party from its

obligation to pay for services provided to such patient.

- G. "Medically Necessary Services" means hospital-based medical services determined, based upon a medical evaluation, to be necessary to preserve a patient's life or health.
- H. "Monetary Assets" means all monetary assets of the patient's family excluding retirement or deferred compensation plans (both qualified and non-qualified under the Internal Revenue Code), not counting the first \$10,000 of such assets, nor fifty percent (50%) of the amount of such assets over the first \$10,000.
- I. "Non-Emergency Services" means medically necessary services that are not Emergency Services.
- J. "Patient" means an individual who has received Emergency Services or Non-Emergency Services at a facility operated by TFHD who is requesting financial assistance with respect to such services.
- K. "The amount Medicare would have paid" means the amount Medicare would pay for the services provided, or, in the event there is no specific amount that can be determined that Medicare would pay for such services, the highest amount payable for such services by any other state-funded program designed to provide health coverage.
- L. "Third Party Insurance" means health benefits coverage by a public or private program, insurer, health plan, employer, multiple employer trust, or any other third party obligated to provide health benefits coverage to a patient.

SCOPE:

- A. This policy applies to all TFHD patients. This policy does not require TFHD to accept as a patient and provide services to any person who does not qualify for treatment or admission under any of TFHD's applicable policies, practices, and procedures, and does not prohibit TFHD from discharging, or otherwise limiting the scope of services provided to, any person in accordance with its normal policies, practices and procedures. This policy does not require TFHD to provide patients with any services that are not medically necessary or to provide access to non-emergency services or to elective services.
- B. The acute care hospital operated by TFHD provides many specialized inpatient and outpatient services. In addition to services provided at the main hospital location, Tahoe Forest Hospital operates primary care and multi-specialty clinics, and therapy service programs at sites in the same community but not located on the main hospital campus. Tahoe Forest Hospital also operates a distinct part skilled nursing facility. Only medically necessary services provided at facilities listed on the Tahoe Forest Hospital acute care license are included within the scope of this Financial Assistance Policy. TFHD has extended this policy to services proved at the Incline Village Community Hospital location, and clinics and therapy service programs.
- C. This policy pertains to financial assistance provided by TFHD. All requests for financial assistance from patients shall be addressed in accordance with this policy.

Hospital Inpatient, Outpatient and Emergency Service Programs:

- A. Introduction:
 - 1. This policy sets forth a program to assist patients who are uninsured or underinsured in obtaining financial assistance in paying their hospital bill. Such financial assistance may include government sponsored coverage programs, Full Charity Care, and Discount Partial Charity Care.
- B. Full Charity Care and Discount Partial Charity Care Reporting
 - 1. TFHD will report actual Charity Care (including both Full Charity Care and Discount Partial Charity Care) provided in accordance with regulatory requirements of the Office of Statewide Health Planning and Development (OSHPD) as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. The hospital will maintain written documentation regarding its Charity Care criteria and, for individual patients, written documentation regarding all Charity Care determinations. As required by OSHPD, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.
 - 2. TFHD will provide OSHPD with a copy of this Financial Assistance Policy which includes the Full Charity Care and Discount Partial Charity Care policies within a single document. The Financial Assistance Policy also contains: 1) all eligibility and patient qualification

procedures; 2) the unified application for full charity care and discount partial charity care; and 3) the review process for both full charity care and discount partial charity care. Forms of these documents shall be supplied to OSHPD every two years or whenever a substantial change is made.

C. Full and Discount Charity Care Eligibility: General Process and Responsibilities:

1. Any patient whose family¹ income is less than 350% of the FPL, is ~~not~~ covered by third party insurance or if covered by third party insurance and unable to pay the patient liability amount owed after insurance has paid its portion of the account, is eligible to apply for financial assistance under the TFHD Financial Assistance Program.
2. The TFHD Financial Assistance Program utilizes a single, unified patient application for both Full Charity Care and Discount Partial Charity Care. The process is designed to give each applicant an opportunity to apply for the maximum financial assistance benefit for which he or she may qualify. The financial assistance application provides patient information necessary for determining patient qualification by the hospital and such information will be used to determine the maximum coverage under the TFHD Financial Assistance Program for which the patient or patient's family may qualify.
3. Eligible patients may apply for financial assistance under the TFHD Financial Assistance Program by completing an application consistent with application instructions, together with documentation and health benefits coverage information sufficient to determine the patient's eligibility for coverage under the program. Eligibility alone is not an entitlement to financial assistance under the TFHD Financial Assistance Program. TFHD must complete a process of applicant evaluation and determine, in accordance with this policy, whether financial assistance will be granted.
4. The TFHD Financial Assistance Program relies upon the cooperation of individual patients to determine who may be eligible for full or partial assistance. To facilitate receipt of accurate and timely patient financial information, TFHD will use a financial assistance application. All patients without adequate financial coverage by Third Party Insurance will be offered an opportunity to complete the financial assistance application. Uninsured patients will also be offered information, assistance and referral to government sponsored programs for which they may be eligible. Insured patients who are unable to pay patient liabilities after their insurance has paid, or those who experience high medical costs may also be eligible for financial assistance. Any patient who requests financial assistance will be asked to complete a financial assistance application.
5. The financial assistance application should be made as soon as there is an indication by the patient or the patient's representative that he/she may be in need of and requests financial assistance. The application form may be completed at any time prior to or within one year after discharge, or within one year after the patient became eligible, whichever comes first.
6. To the extent it deems necessary, in its sole and reasonable discretion, TFHD may require an applicant for financial assistance to provide supplemental information in addition to a complete financial assistance application to provide:
 - a. Confirmation of the patient's income and health benefits coverage;
 - b. Complete documentation of the patient's monetary assets;
 - c. Other documentation as needed to confirm the applicant's qualification for financial assistance; and
 - d. Documentation confirming the hospital's decision to provide financial assistance, if financial assistance is provided.
7. However, a completed financial assistance application may not be required if TFHD determines, in its sole discretion, that it has sufficient patient information from which to make a financial assistance qualification decision.

PROCEDURES:

A. Qualification: Full Charity Care and Discount Partial Charity Care

1. Eligibility for financial assistance shall be determined based on the patient's and/or patient's family's ability to pay and on the other factors set forth in this policy. Eligibility for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.

2. The patient and/or the patient's family representative who requests assistance in meeting their financial obligation to ~~TFHD~~~~the hospital~~ shall make every reasonable effort to provide information necessary for ~~TFHD~~~~the hospital~~ to make a financial assistance qualification determination. ~~TFHD~~~~the hospital~~ will provide guidance and assistance to patients or their family representative as reasonably needed to facilitate completion of program applications. Completion of the financial assistance application and submission of any or all required supplemental information may be required for establishing qualification for the Financial Assistance Program.
3. Whether financial assistance will be granted is determined after the patient and/or patient family representative establishes eligibility according to criteria contained in this policy, as it may be amended from time to time. While financial assistance shall not be provided on a discriminatory or arbitrary basis, ~~TFHD~~~~the hospital~~ retains full discretion, consistent with this policy, laws and regulations, to determine when a patient has provided sufficient evidence to establish eligibility for financial assistance, and what level of financial assistance an eligible patient is will receive.
4. Except as otherwise approved by TFHD, patients or their family representative must complete an application for the Financial Assistance Program in order to qualify for eligibility. The application and required supplemental documents are submitted to ~~the Patient Financial~~ ~~Counseling Services~~ ~~department~~ at TFHD. This office shall be clearly identified on the application instructions.
5. TFHD will provide personnel who have been trained to review financial assistance applications for completeness and accuracy. Application reviews will be completed as quickly as possible considering the patient's need for a timely response.
6. Approval of an application for financial assistance to eligible patients will be made only by approved ~~TFHD~~~~hospital~~ personnel according to the following levels of authority:
 - ~~a. Clinic Manager: Accounts less than \$500~~
 - ~~b.a. Financial Counselor: Accounts less than \$2,500~~
 - ~~e.b. Director of Patient- Access Financial Services: Accounts less than \$10,000~~
 - ~~d.c. Chief Financial Officer: Accounts less than \$50,000~~
 - ~~e.d. Chief Executive Officer: Accounts greater than \$50,000~~
7. Factors considered when determining whether to grant an individual financial assistance pursuant to this policy may include (but are not limited to):
 - a. Extent of Third Party Insurance;
 - b. Family income based upon tax returns or recent pay stubs;
 - c. Monetary assets, if the patient requests any level of financial assistance greater than the Basic Discount (as defined below);
 - d. The nature and scope of services for which the patient seeks financial assistance;
 - e. Family size and circumstances;
 - f. Hospital budget for financial assistance;
 - g. Other criteria set forth in this policy.
8. Financial assistance will be granted based upon consideration of each individual application for financial assistance in accordance with the Financial Assistance Program set forth in this policy.
9. Financial assistance may be granted for Full Charity Care or Discount Partial Charity Care, based upon this Financial Assistance Program policy.
10. Once granted, financial assistance will apply only to the specific services and service dates for which the application has been approved by TFHD. In cases of care relating to a patient diagnosis which requires continuous, on-going related services, the hospital, at its sole discretion, may treat such continuing care as a single case for which qualification applies to all related on-going services provided by the hospital. Other pre-existing patient account balances outstanding at the time of qualification determination by the hospital will not be included unless applied for and approved by TFHD pursuant to this policy.
11. Patient obligations for Medi-Cal/Medicaid ~~S~~share of ~~C~~ost payments will not be waived under any circumstance. However, after collection of the patient share of cost portion, any other unpaid balance relating to a Medi-Cal/ patient (such as a provided

service where coverage is denied) may be considered for financial assistance.

B. Full and Discount Partial Charity Care Qualification Criteria

1. Cap On Patient Liability For Services Rendered to Patients Eligible for Financial Assistance:

Following completion of the application process for financial assistance, if it is established that the patient's family income is at or below 350% of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the entire patient liability portion of the bill for services rendered will be no greater than the amount Medicare would have paid for the services, net of any Third Party Insurance ("the Basic Discount"). This shall apply to all medically necessary hospital inpatient, outpatient and emergency services provided by TFHD.

2. Financial Assistance For Emergency Services

If an individual receives Emergency Services and applies for financial assistance under the Financial Assistance Program, the following will apply:

- a. If the patient's family income is at or below 200% or less of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the patient will be granted Full Charity Care for Emergency Services provided.
- b. If the patient's family income is between 201% and 350% of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the patient will be granted Partial Discount Charity Care for Emergency Services provided in accordance with the following:
 - i. Patient's care is not covered by Third Party Insurance. If the services are not covered by Third Party Insurance, the patient's payment obligation will be a percentage of the gross amount the Medicare program would have paid for the service if the patient were a Medicare beneficiary. The actual percentage paid by any individual patient shall be based on the sliding scale shown in Table 1 below:

**TABLE 1
Sliding Scale Payment Schedule**

Family Percentage of FPL	Percentage of Medicare Amount Payable (subject to an additional discount if TFHD determines, in its sole discretion, that unusual circumstances warrant an additional discount).
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201 – 215% 10%

216 – 230% 20%

231 – 245% 30%

246 – 260% 40%

261 – 275% 50%

276 – 290% 60%

291 - 305% 70%

306 - 320% 80%

321 – 335% 90%

336 – 350% 100

- ii. Patient's care is covered by Third Party Insurance. If the services are covered by Third Party Insurance, but such coverage or liability is insufficient to pay TFHD's billed charges, leaving the patient responsible for a portion of the billed charges (including, without limitation, any applicable deductible or co-payment), the patient's payment obligation will be an amount equal to the difference between the gross amount paid by Third Party Insurance and the gross amount that Medicare would have paid for the service if the patient were a Medicare beneficiary. If the amount paid by Third Party Insurance exceeds what Medicare would have paid, the patient will have no further payment obligation. In no event shall the patient's obligation to pay a percentage of the unpaid amount be greater than the percentages of the amounts Medicare would pay for the same services set forth in Table 1, above.
 - c. If a patient who meets all other Financial Assistance Program requirements whose family income is either greater than 350% the current FPL, or has family income of less than 350% of the FPL and the seeks a discount for emergency services greater than the discount set forth above, then TFHD may decide, in its sole discretion, whether to provide such financial assistance, and the extent to which it will be provided, if at all. In making its decision, TFHD may consider the following factors, without limitation:
 - i. The patient's need for financial assistance.
 - ii. The extent of TFHD's limited charitable resources, and whether they are best spent providing these services at an additional discount or whether there are other patients with greater immediate need for TFHD's charitable assistance.
 - iii. Any other facts (such as the patient's monetary assets) that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for charity care.
- 3. Financial Assistance For Non-Emergency Services:**

If a patient requests financial assistance for Non-emergency Services (with the exception of primary care clinic, multi-specialty care clinic, or skilled nursing services, which are covered as described below), the following will apply:

If the patient's family income is 350% or less of FPL and meets all other Financial Assistance Program qualification requirements, the patient will be granted the Basic Discount. TFHD may decide, in its sole discretion, whether and to what extent additional financial assistance will be provided, such as whether to provide the level of assistance the patient would receive if he/she had received Emergency Services.

- a. In addition to the information required by the financial assistance application, TFHD may require the individual to provide additional information regarding the individual's family monetary assets, as it deems appropriate in its sole discretion.

- b. TFHD will decide, in its sole discretion, whether and to what extent to grant financial assistance in addition to the Basic Discount. Only medically necessary services will be considered. In making its determination, TFHD may, in addition to any other criteria set forth in this policy and without limitation, consider the following factors:
 - i. The degree of urgency that the services be performed promptly.
 - ii. Whether the services must be performed at TFHD, or whether there are other providers in the patient's geographic area that could provide the services in question.
 - iii. Whether the services can most efficiently be performed at TFHD, or whether there are other providers that could perform the services more efficiently.
 - iv. The extent, if any, that TFHD's limited charitable resources are best spent providing the requested service and whether there are others with greater immediate need for TFHD's charitable assistance.
 - v. The patient's need for financial assistance.
 - vi. Any other facts that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for financial assistance.

C. Refunds

In the event that a patient is determined to be eligible for financial assistance for services for which he/she or his/her guarantor has made a deposit or partial payment, and it is determined that the patient is due a refund because the payments already made exceed the patient's liability under this policy, any refund due shall be processed under TFHD's Credit and Collection Policy, which provides, in pertinent part, as follows:

~~" In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services and subsequently is determined to qualify for full Financial Assistance or discount partial Financial Assistance, all amounts paid which exceed the payment obligation, if any, as determined through the Financial Assistance Program process, shall be refunded to the patient. Any overpayment due to the patient under this obligation may not be applied to other open balance accounts or debt owed to TFHD by the patient or family representative. Any or all amounts owed shall be reimbursed to the patient or family representative within a reasonable time period. In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services for which the patient has requested financial assistance, and subsequently is granted financial assistance through the Financial Assistance Program, any amounts paid at a time when the patient was eligible for financial assistance which exceed the patient's payment obligation, if any, shall be refunded to the patient, with interest. Any refund due to the patient under this paragraph may not be applied to other open balance accounts or debt owed to TFHD the hospital by the patient or his/her family, representative, or guarantor. Any refunds due shall be reimbursed to the patient or his/her representative within a reasonable time. Such interest shall accrue from the first day that TFHD received payment of the amount to be refunded, at the rate set forth in Section 685.010 of the California Code of Civil Procedure."~~

D. ~~Flow Chart~~

~~Following is a flow chart describing the process for determining financial assistance for applicants for Emergency Services, Non-emergency Services, and Prior Services:~~

E. ~~Hospital-Based Primary Care and Multi-Specialty Clinics~~

~~TFHD operates certain outpatient ~~services of the hospital as~~ clinics which ~~can be are~~-located apart from the main campus of the hospital. ~~These include a multi-specialty clinic, and a primary care clinic, both of which provide mainly primary care services.~~ Because of the lower cost of ~~these services primary care procedures~~ performed on an outpatient basis, the following shall apply to ~~office visit services and professional fees~~ ~~hospital services~~ rendered in these outpatient clinics:~~

- a. Clinic patients are patients of the hospital, and will complete the same basic financial assistance application form
- b. The patient's family income will primarily be determined using pay stubs
- c. Tax returns will not be required as proof of income unless ~~Financial Counseling clinic personnel~~ determines it is reasonable and necessary due to unusual

circumstances

- d. A patient attestation letter may be used on a limited basis when appropriate to an individual patient's circumstance
- e. Subject to consideration of the factors set forth in paragraph 3 above for non-emergency services, to be determined by TFHD in its sole discretion, patients will pay a reduced fee based on the sliding scale below. If the Patient is covered by a third party obligation, the Patient's obligation will be to pay the difference between the amount paid by the third party and the amounts of the sliding scale, if any.

Clinic Sliding Scale

<i>Patient/Family FPL Qualification</i>	<i>Amount of Payment Due for Clinic Visit</i>
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<i>Incomes less than or equal to 200%</i>	\$25 flat fee, not to exceed what Medicare would pay for the clinic visit
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<i>Incomes between 201% and 350%</i>	Actual Medicare Fee Schedule
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2. Distinct Part Skilled Nursing Services

- a. Skilled nursing services are also quite different in nature than acute care inpatient, outpatient and emergency services. Patients at the distinct part skilled nursing facility are often residents at the hospital and require special programs designed to meet their long-term care needs.
- b. Given the unique nature of providing care to skilled nursing facility patients, the following financial assistance requirements shall apply:
 - i. All skilled nursing patients and/or their family representatives shall complete the TFHD financial assistance application and provide supporting documents as required by the standard application
 - ii. Patients will pay a reduced fee based on the following sliding scale

Distinct Part Skilled Nursing Sliding Scale

<i>Patient/Family FPL Qualification</i>	<i>Amount of Payment Due for Distinct Part Skilled Nursing Facility Services</i>
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<i>Incomes less than or equal to 200%</i>	50% of the Medi-Cal Payment Rate
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<i>Incomes between 201% and</i>	100% of the Medi-Cal
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	<i>Amount of Payment Due for Patient/Family FPL Qualification</i>	<i>Distinct Part Skilled Nursing Facility Services</i>
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350%	Payment Rate
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F. Payment Plans

1. When a determination to grant Discount Partial Charity Care has been made by ~~TFHD~~the hospital, the patient may be given the option to pay any or all outstanding amount due through a scheduled term payment plan, as an alternative to a single lump sum payment.
2. ~~TFHD~~the hospital will discuss payment plan options with each patient that requests to make arrangements for long-term payments. Individual payment plans will be arranged based upon the patient's ability to effectively meet the payment terms. As a general guideline, payment plans will be structured to last no longer than ~~three (3)~~ 12 months. In addition, TFHD works with an outside vendor if patients need payment plan terms that exceed three (3) months. Payment plan terms are subject to vendor requirements. ~~However, monthly payments will be negotiated so as not to exceed 10% of family income after deductions for essential living expenses.~~ ~~TFHD~~the hospital shall negotiate in good faith with the patient; however there is no obligation to accept the payment terms offered by the patient. No interest will be charged to qualified patient accounts for the duration of any payment plan arranged under the provisions of the Financial Assistance Policy.

G. Special Circumstances

1. Any application for financial assistance by or on behalf of patients covered by the Medicare Program must be made prior to service completion by TFHD.
2. If a patient is determined to be homeless he/she may be deemed eligible for charity care, in the sole discretion of TFHD.
3. Deceased patients who do not have any third party coverage, an identifiable estate, or for whom no probate hearing is to occur, may be deemed eligible for charity care, in the sole discretion of TFHD.
4. Charges for patients who receive Emergency Services for whom ~~TFHD~~the hospital is unable to issue a billing statement may be written off as Full Charity Care. All such circumstances shall be identified on the patient's account notes as an essential part of the documentation process.

H. Other Eligible Circumstances

1. TFHD deems those patients that are eligible for government sponsored low-income assistance program (e.g. Medi-Cal/Medicaid, ~~Healthy Families, California Children's Services~~ and any other applicable state or local low-income program) to be eligible under the Financial Assistance Policy when services are provided which are not covered by the governmental program. For example, services to patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of low-income patients (e.g. ~~CHDP, Healthy Families, and CCS~~) which the government program does not cover, are eligible for Financial Assistance Program coverage. Under ~~TFHD~~the hospital's Financial Assistance Policy, these resulting non-reimbursed patient account balances are eligible for full write-off as Full Charity Care. Specifically included as Charity Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other denials (e.g. restricted coverage) are to be classified as Charity Care if, at the time that the services were provided TFHD believed that the services rendered were

medically necessary.

2. The portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payor including Medi-Cal/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as charity care if:
 - a. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or
 - b. The patient otherwise qualifies for financial assistance under this policy and then only to the extent of the write-off provided for under this policy.

I. Catastrophic Care Consideration

Patients who do not qualify for charity care or discount partial charity care may nevertheless be eligible for financial assistance in the event of an illness or condition qualifying as a catastrophic event. Determination of a catastrophic event shall be made on a case-by-case basis. The determination of a catastrophic event shall be based upon the amount of the patient's liability at billed charges, and consideration of the individual's family income and assets as reported at the time of occurrence. Management may use its reasonable discretion on a case-by-case basis to determine whether and to what extent an individual or family is eligible for financial assistance based upon a catastrophic event. Financial assistance will be in the form of a percentage discount of some or all of the applicable monthly charges. The Catastrophic Event Eligibility Table will be used as a guideline by management to determine eligibility and the level of any financial assistance. The Catastrophic Event Eligibility Table does not guarantee that any individual will receive financial assistance, or the level of any assistance given.

J. Criteria for Re-Assignment from Bad Debt to Charity Care [\(Why would we do this?\)](#)

1. Any account returned to ~~TFHD~~~~the hospital~~ from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or family representative's inability to pay for services will be maintained in the Charity Care documentation ~~file~~.
2. All outside collection agencies contracted with TFHD to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change recommendation from bad debt to charity care:
 - a. Patient accounts must have no applicable insurance (including governmental coverage programs or other third party payers); and
 - b. The patient or family representative must have a credit score rating within the lowest 25th percentile of credit scores for any credit evaluation method used; and
 - c. The patient or family representative has not made a payment within 150 days of assignment to the collection agency;
 - d. The collection agency has determined that the patient/family representative is unable to pay; and/or
 - e. The patient or family representative does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score
3. All accounts recommended by ~~returned from~~ a collection agency for re-assignment from Bad Debt to Charity Care will be evaluated by ~~TFHD~~~~hospital~~ Patient Access Director, or Chief Financial Officer ~~personnel~~ prior to any re-classification within the ~~TFHD~~~~hospital~~ accounting system and records.

K. Notification

Once a determination of eligibility is made, a letter indicating the determination status will be sent to the patient or family representative. The determination status letter will indicate one of the following:

1. Approval: The letter will indicate that financial assistance has been approved, the level of assistance, and any outstanding or prospective liability by the patient.
2. Denial: If the patient is not eligible for financial assistance due to his/her income and/or monetary assets, the reasons for denial of eligibility will be explained to the patient. Any outstanding amount owed by the patient will also be identified.
3. Incomplete~~Pending~~: The applicant will be informed as to why the financial assistance application is incomplete. All outstanding information will be identified and requested to

be supplied to ~~TFHDthe Hospital~~ by the patient or family representative within a specified timeframe. In general, patients will have thirty (30) days from receipt of the application to return the completed application and applicable supporting documents.

L. Reconsideration of Eligibility Denial

1. In the event that a patient disputes ~~TFHDthe hospital's~~ determination of eligibility, the patient may file a written request for reconsideration with ~~TFHDthe Hospital~~ within 60 days of receiving notification of eligibility. The written request should contain a complete explanation of the patient's dispute and rationale for reconsideration. Any additional relevant documentation to support the patient's claim should be attached to the written appeal.
2. Any or all appeals will be reviewed by ~~TFHD'sthe hospital~~ Cehief Financial Officer. The Cehief Financial Officer or his/her designee shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the Cehief Financial Officer shall provide the patient with a written explanation of the results of the reconsideration of the patient's eligibility. All determinations by the Cehief Financial Officer shall be final. There are no further appeals.
3. All discretionary decisions by ~~TFHDthe hospital~~ shall not be subject to further review or reconsideration.

M. Public Notice

1. TFHD shall post notices informing the public of the Financial Assistance Program. Such notices shall be posted in high volume inpatient, and outpatient service areas of the hospital, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas or other common patient waiting areas of the hospital. Notices shall also be posted at any location where a patient may pay his/her bill. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance. Notices will also include information about obtaining applications for potential coverage through the California Health Benefit Exchange and other contact information related to consumer advocacy resources.
2. These notices shall be posted in English and Spanish and any other languages that are representative of the primary language of 5% or greater of residents in the hospital's service area.
3. A copy of this Financial Assistance Policy will be made available to the public on a reasonable basis.

N. Confidentiality

It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this policy should be guided by these values.

O. Good Faith Requirements

1. TFHD makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.
2. Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all Full Charity Care or Partial Discount Charity Care services when information has been intentionally withheld or inaccurate information has been intentionally provided by the patient or family representative to the extent such inaccurate or withheld information affects the eligibility of the patient for financial assistance, or any financial assistance provided at ~~TFHDthe hospital's~~ discretion. In addition, TFHD reserves the right to seek all remedies, including but not limited to civil and criminal remedies from those patients or family representatives who have intentionally withheld or provided inaccurate information in order qualify for the TFHD Financial Assistance Program.

References:

See TFHD BOD Meeting Minutes of January 26, 2015 and May 24, 2011;
The Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119)
(2010) Section 9007; Health and Safety Code Sections 127360-127360; Health and Safety Code Sections
127400-127440

¹ A patient's family is defined as: 1) For persons 18 years of age and older, spouse, domestic partner and dependent children under 21 years of age, whether living at home or not; and 2) For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.



TAHOE
FOREST
HEALTH
SYSTEM

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Department:	Board - ABD
Applicabilities:	System

Debt Management Policy, ABD-25

This Debt Management Policy (the "Debt Policy") of the TAHOE FOREST HOSPITAL DISTRICT (the "District") was approved by the Board of Directors of the District (the "Board"). The Debt Policy may be amended by the Board as it deems appropriate from time to time in the prudent management of the debt of the District.

This Debt Policy will also apply to any debt issued by any other public agency for which the Board of the District acts as its legislative body.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the District or its related entities and is intended to comply with Section 8855(i) of the California Government Code effective on January 1, 2017. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the District's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the District.

Debt, properly issued and managed, is a critical element in any financial management program. It assists in the District's effort to allocate limited resources to provide the highest quality of service to the public. The District understands that poor debt management can have ripple effects that hurt other areas of the District. On the other hand, a properly managed debt program promotes economic growth and enhances the vitality of the District for its residents and businesses.

1. Findings

This Debt Policy shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.
- Encourage those that benefit from a facility/improvement to pay the cost of that facility/improvement without the need for the expenditure of limited general fund resources.

2. Policies

A. Purposes For Which Debt May Be Issued

The District will consider the use of debt financing primarily for capital improvement projects (CIP) when the project's useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this CIP driven focus is the issuance of short-term instruments such as tax and revenue anticipation notes, which are to be used for prudent cash management purposes and conduit financing, as described below. Bonded debt should not be issued for projects with minimal public benefit or support, or to finance normal operating expenses.

If a department has any project which is expected to use debt financing, the department director is responsible for expeditiously providing the Chief Executive Officer and the Chief Financial Officer with reasonable cost estimates, including specific revenue accounts that will provide payment for the debt service. This will allow an analysis of the project's potential impact on the District's debt capacity and limitations. The department director shall also provide an estimate of any incremental operating and/or additional maintenance costs associated with the project and identify sources of revenue, if any, to pay for such incremental costs.

- i. **Long-Term Debt.** Long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and/or operated by the District.
 - a. Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its taxpayers and ratepayers.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
 - b. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
 - c. The District may use long-term debt financings subject to the following conditions:
 - The project to be financed has been or will be approved by the Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%, unless specific conditions exist that would mitigate the extension of time to repay the debt and it would not cause the District to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
 - The District estimates that sufficient income or revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
 - The District considers the improvement/facility to be of vital, time-sensitive need of the community and there are no plausible alternative financing sources
 - d. Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refundings will be considered (within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refunding. Refundings which are non-economic may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service

profile.

In general, refundings which produce a net present value savings of at least 4% of the principal amount of refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than 4% or negative savings will be considered on a case-by-case basis.

(ii) **Short-term debt.** Short-term borrowings may be issued to generate funding for cash flow needs in the form of Tax and Revenue Anticipation Notes (TRAN).

Short-term borrowings, such as commercial paper, and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Board determines that extraordinary circumstances exist, must not exceed seven years.

Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment, and such equipment leases may be longer than seven years.

(iii) **Financings on Behalf of Other Entities.** The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein. In no event will the District incur any liability or assume responsibility for payment of debt service on such debt.

B. Types of Debt

In order to maximize the financial options available to benefit the public, it is the policy of the District to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- **General Obligation (GO) Bonds:** General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include hospitals, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- **Revenue Bonds:** Revenue Bonds are limited-liability obligations tied to a specific enterprise or special fund revenue stream where the projects financed clearly benefit or relate to the enterprise or are otherwise permissible uses of the special revenue. An example of projects that would be financed by a Revenue Bond would be improvements to a health facility, which would be paid back with money raised from the rates and charges to health facility users. Generally, no voter approval is required to issue this type of obligation.
- **Lease-Backed Debt/Certificates of Participation (COP/Lease Revenue Bonds):** Issuance of Lease-backed debt is a commonly used form of debt that allows a public entity to finance projects where the debt service is secured via a lease agreement or installment sale agreement and where the payments are budgeted in the annual operating budget of the District. Lease-Backed debt does not constitute indebtedness under the state or the District's constitutional debt limit and does not require voter approval.

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

To maintain a predictable debt service burden, the District will give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is variable rate debt. The District may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of securities. When making the determination to issue bonds in a variable rate mode, consideration will be given in regards to the useful life of the project or facility being financed or the term of the project requiring the funding, market conditions, credit risk and third party risk analysis, and the overall debt portfolio structure when issuing variable rate debt for any purpose. The maximum amount of variable-rate debt should be limited to no more than 20 percent of the total debt portfolio.

The District will limit the use of derivatives, such as interest rate swaps, in its debt program. A derivative product is a financial instrument which derives its own value from the value of another instrument, usually an underlying asset such as a stock, bond, or an underlying reference such as an interest rate. Derivatives are commonly used as hedging devices in managing interest rate risk and thereby reducing borrowing costs. However, these products bear certain risks not associated with standard debt instruments.

C. Relationship of Debt to Capital Improvement Program and Budget

The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and its capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear, unless a specific revenue source has been identified for this purpose.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its operating funds.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operating budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

Except as described in Section 2.A., when refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations minimum

net present value debt service savings equal to or greater than 4% of the principal amount of refunded debt.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the District's investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the Chief Executive Officer or the Chief Financial Officer.

F. Waivers of Debt Policy

There may be circumstances from time to time when strict adherence to a provision of this Debt Policy is not possible or in the best interests of the District and the failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable laws.

All revision dates:

03/2017

Attachments:

Approval Signatures

Step Description	Approver	Date
	Harry Weis: CEO	03/2017
	Martina Rochefort: Clerk of the Board	03/2017