



TAHOE FOREST HOSPITAL DISTRICT

# 2024-01-25 Regular Meeting of the Board of Directors

(Packet revised on 01/24/2024 at 3:51 p.m.)

Tahoe Forest Hospital - Eskridge Conference Room

10121 Pine Avenue, Truckee, CA 96161



# TAHOE FOREST HOSPITAL DISTRICT

## Meeting Book - 2024-01-25 Regular Meeting of the Board of Directors

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# REGULAR MEETING OF THE BOARD OF DIRECTORS AGENDA

Thursday, January 25, 2024 at 4:00 p.m.

Tahoe Forest Hospital – Eskridge Conference Room  
10121 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **DELETIONS/CORRECTIONS TO THE POSTED AGENDA**

4. **INPUT AUDIENCE**

This is an opportunity for members of the public to comment on any closed session item appearing before the Board on this agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Clerk of the Board 24 hours prior to the meeting to allow for distribution.

5. **CLOSED SESSION**

**5.1. Hearing (Health & Safety Code § 32155) ♦**

*Subject Matter: Fourth Quarter & Annual 2023 Corporate Compliance Report*  
*Number of items: One (1)*

**5.2. Liability Claims (Gov. Code § 54956.95) ♦**

*Claimant: Alfred Rechberger*  
*Claim Against: Tahoe Forest Hospital District*

**5.3. Liability Claim (Gov. Code § 54956.95) ♦**

*Claimant: Elisa Chapman*  
*Claim Against: Tahoe Forest Hospital District*

**5.4. Approval of Closed Session Minutes ♦**

**5.4.1.** 12/21/2023 Special Meeting

**5.4.2.** 12/21/2023 Regular Meeting

**5.5. Public Employee Performance Evaluation (Government Code § 54957)**

*Title: President & Chief Executive Officer*

**5.6. TIMED ITEM – 5:30PM - Hearing (Health & Safety Code § 32155) ♦**

*Subject Matter: Medical Staff Credentials*

**APPROXIMATELY 6:00 P.M.**

6. **DINNER BREAK**

7. **OPEN SESSION – CALL TO ORDER**

8. **REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

9. **DELETIONS/CORRECTIONS TO THE POSTED AGENDA**



Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**January 25, 2024 AGENDA – Continued**

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**10. INPUT – AUDIENCE**

This is an opportunity for members of the public to address the Board 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 Board cannot take action on any item not on the agenda. The Board Chair 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.

**11. INPUT FROM EMPLOYEE ASSOCIATIONS**

This is an opportunity for members of the Employee Associations to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes.

**12. MEDICAL STAFF EXECUTIVE COMMITTEE ♦**

**12.1. Medical Executive Committee (MEC) Meeting Consent Agenda** ..... ATTACHMENT

*MEC recommends the following for approval by the Board of Directors:*

New Standardized Procedures:

- *Standardized Procedure – Lab and Imaging Results Review by the Registered Nurse*

**13. CONSENT CALENDAR ♦**

These items are expected to be routine and non-controversial. They will be acted upon by the Board without discussion. Any Board Member, staff member or interested party may request an item to be removed from the Consent Calendar for discussion prior to voting on the Consent Calendar.

**13.1. Approval of Minutes of Meetings**

**13.1.1.** 12/21/2023 Special Meeting ..... ATTACHMENT

**13.1.2.** 12/21/2023 Regular Meeting ..... ATTACHMENT

**13.2. Financial Reports**

**13.2.1.** Financial Report – December 2023 ..... ATTACHMENT

**13.3. Board Reports**

**13.3.1.** President & CEO Board Report..... ATTACHMENT

**13.3.2.** COO Board Report ..... ATTACHMENT

**13.3.3.** CNO Board Report ..... ATTACHMENT

**13.3.4.** CMO Board Report ..... ATTACHMENT

**13.3.5.** CIIO Board Report..... ATTACHMENT

**13.3.6.** CHRO Board Report ..... ATTACHMENT

**13.4. Approve Annual Resolution Authorizing Board Compensation**

**13.4.1.** Resolution 2024-01 ..... ATTACHMENT

**13.5. Affirm Annual Board Committee List & Charters**

**13.5.1.** Resolution 2024-02 ..... ATTACHMENT

**13.6. Ratify Tahoe Forest Hospital Foundation Board Member**

**13.6.1.** Lauren Lessard..... ATTACHMENT

**14. ITEMS FOR BOARD ACTION**

**14.1. Fourth Quarter 2023 and 2023 Annual Corporate Compliance Report** ♦ ..... ATTACHMENT

The Board of Directors will review and consider approval of the Fourth Quarter 2023 and 2023 Annual Corporate Compliance Report.

**14.2. 2024 Corporate Compliance Work Plan** ♦ ..... ATTACHMENT

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**January 25, 2024 AGENDA – Continued**

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The Board of Directors will review and consider approval of 2024 Corporate Compliance Work Plan.

**14.3. Renewal & Addendum to Master Services Agreement between MHM Support Services (“Mercy”) and Tahoe Forest Hospital District** ♦ ..... ATTACHMENT

The Board of Directors will review and consider approval of a renewal and addendum to the Master Services Agreement between MHM Support Services (“Mercy”) and Tahoe Forest Hospital District for Epic-as-a-service.

**15. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY**

**16. BOARD COMMITTEE REPORTS**

**17. BOARD MEMBERS REPORTS/CLOSING REMARKS**

**18. CLOSED SESSION CONTINUED**

**19. OPEN SESSION**

**20. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY**

**21. ADJOURN**

*The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is February 22, 2024 at Tahoe Forest Hospital – Eskridge Conference Room, 10121 Pine Avenue, Truckee, CA, 96161. A copy of the board meeting agenda is posted on the District’s web site ([www.tfhd.com](http://www.tfhd.com)) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting. Materials related to an item on this Agenda submitted to the Board of Directors, or a majority of the Board, after distribution of the agenda are available for public inspection in the Administration Office, 10977 Spring Lane, Truckee, CA 96161, during normal business hours.*

\*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 telephonic 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 or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Clerk of the Board at 582-3481 at least 24 hours in advance of the meeting.

## AGENDA ITEM COVER SHEET

<b>ITEM</b>	Medical Executive Committee (MEC) Consent Agenda
<b>RESPONSIBLE PARTY</b>	Johanna Koch, MD Chief of Staff
<b>ACTION REQUESTED</b>	For Board Action
<b>BACKGROUND:</b> During the January 18, 2024 Medical Executive Committee meeting, the committee made the following open session consent agenda item recommendations to the Board of Directors at the January 25, 2024 meeting.	
<u>Revised Policies</u> <ul style="list-style-type: none"> <li>• Standardized Procedure – Lab and Imaging Results Review by the Registered Nurse</li> </ul>	
<b>SUGGESTED DISCUSSION POINTS:</b> None.	
<b>SUGGESTED MOTION/ALTERNATIVES:</b> Move to approve the Medical Executive Committee Consent Agenda as presented.	

## Standardized Procedure – Lab and Imaging Results Review by the Registered Nurse

### RISK:

Electronic medical record (EMR) in-basket laboratory and imaging results must be reviewed and acted upon in a timely manner by clinical staff in order to provide safe and effective care to ambulatory patients. Registered nurse (RN) assistance with laboratory and imaging results review will lead to more timely patient care.

### POLICY:

The RN will-may assist outpatient and/or multispecialty clinic (MSC) provider with laboratory and imaging results management as outlined in this standardized procedure.

### SETTING:

This standardized procedure applies to qualified and trained RNs in the MSC and outpatient clinic setting.

### SUPERVISION:

Laboratory and imaging results are under the provider's overall direction and control, but may be delegated to qualified and trained RNs.

If at any time the RN requires clarification or provider assistance, they may confer in person, by telephone or via EMR in-basket message.

### PERSONNEL:

EMR in-basket management must be performed by an RN or providers of higher licensure.

### EXPERIENCE, TRAINING, AND EDUCATION:

The requirements of the RN:

1. Completion of unit-specific MSC or outpatient clinic orientation.
2. Completion of on-site training with one-on-one proctoring by a clinician experienced in using this protocol.
3. Review of this standardized procedure upon hire and annually thereafter.

### PROCEDURE:

1. RN will review lab and imaging results ~~in~~ EMR in-basket. [RN to review provider's results, urgent calls and my chart messages when a provider is out of the office on planned paid leave \(PL\). If a provider is out sick, their colleagues in the provider's respective pod will provide coverage. Abnormal urgent care results](#)

that need intervention will be forwarded to urgent care provider / urgent care RN to manage.

2. RN to cover entire length of provider ~~clinic leave~~<sup>PL</sup>, not just days provider is not in clinic (ie: if a provider usually only works Fridays, but ~~on vacation~~<sup>is gone</sup> for two weeks).

~~1. The RN will review in-basket laboratory and imaging results for their assigned provider at minimum of every 2 hours during business hours~~

~~3.~~ \_\_\_\_\_ The RN will review and assess patient information pertinent to the laboratory or imaging result

a. Information reviewed may include, but is not limited to:

- ~~1.~~ \_\_\_\_\_ Patient's name, medical record number, date of birth, patient's designated primary care provider.
- ~~2.~~ \_\_\_\_\_ Recent progress notes related to the laboratory or imaging result.
- ~~3.~~ \_\_\_\_\_ Prior pertinent labs or imaging studies
- ~~4.~~ \_\_\_\_\_ Patient problem list and medical history

~~4.~~ RN to make a result note on all results, either stating okay for result to wait for ordering provider to review or stating how result was managed. Results will be left in provider's in-basket. Reviewed results will be left grayed out so it is clear what results have been reviewed

5. Normal results:

~~\_\_\_\_\_~~ Make a result note

~~a.~~ Release to my chart

~~3. RN may relay to the patient that the lab or imaging result is within normal limits or does not show severe or concerning abnormality per test impression/results to patients by telephone call or My Chart messages.~~

6. Slightly abnormal results:

a. Make result note

b. Review office visit note for date lab was ordered for details.

~~\_\_\_\_\_~~ Check need for follow up per office visit plan, forward to front office to schedule if needed

~~c.~~ Release to mychart based on clinical judgement.

d. Abnormal mammogram – order reflex testing per radiology, per protocol, ensure patient has a follow up, make result note ~~and~~, leave result for provider., ~~don't release~~

~~4. Slightly abnormal results or stable abnormal results may be communicated to the patient by telephone call or My chart message. The patient may be advised to follow up with their primary care provider or the ordering provider as needed to review the results directly with a provider.~~

5.7. Concerning ~~or~~ severely abnormal results/Critical Results:

~~a. Review with provider of the day (POD).~~ POD

b. Make result note with plan

c. Create telephone encounter for communication with patient

d. Coordinate follow up

~~e. Do not release to patient~~

~~a. f. RN will forward the result to the provider on record or provider of the day and will communicate via Epic or directly via phone call or face to face for further direction.~~

~~b.~~ As per policy, Critical Value Reporting, ALB-S1700 and Critical Results Reporting Radiology DXR-66, any critical results will be communicated with the patient by the physician or NP/PA.

~~c. The RN may communicate abnormal results to the patient as directed by the physician or NP/PA.~~

g. CT, MRI, Echo, Stress Test, Xray, Ddexa – review if provider of the day ~~POD~~ intervention is needed based on clinical judgment, make result note, ensure patient has follow up as needed, leave result for provider review, do not release to patient.

~~4.8.~~ If the patients have further questions about the results or if the patient needs more information related to the test results, the RN will assist in scheduling an appointment with the ordering provider or Primary Care provider ~~CP~~ to further discuss the lab or imaging results.

**RECORD KEEPING:**

1A. All documentation will be completed in the EMR.

~~B.A.~~ a. ~~Any~~ Any relevant patient care information will be documented in the EMR.

**PERIODIC REVIEW:**

This policy will be reviewed annually by MSC Leadership and the Interdisciplinary Practice Council

**Related Policies/Forms:**



# SPECIAL MEETING OF THE BOARD OF DIRECTORS

## DRAFT MINUTES

Thursday, December 21, 2023 at 2:00 p.m.

Tahoe Forest Hospital – Eskridge Conference Room  
10121 Pine Avenue, Truckee, CA 96161

### 1. CALL TO ORDER

Meeting was called to order at 2:00 p.m.

### 2. ROLL CALL

Board: Alyce Wong, Board Chair; Michael McGarry, Vice Chair; Robert (Bob) Barnett, Secretary; Dale Chamblin, Treasurer; Mary Brown, Board Member

Staff in attendance: Martina Rochefort, Clerk of the Board

Other: David Ruderman, General Counsel

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

No changes were made to the agenda.

*Clerk of the Board departed the meeting at 2:01 p.m.*

Open Session recessed at 2:01 p.m.

### 4. CLOSED SESSION

#### 4.1. Public Employee Performance Evaluation (Government Code § 54957)

*Title: President & Chief Executive Officer*

Discussion was held on a privileged item.

*Meeting was continued at 4:00 p.m. to after the conclusion of the regular meeting.*

Open Session reconvened at 8:54 p.m.

### 5. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

No reportable action take in Closed Session.

### 6. ADJOURN

Meeting adjourned at 8:54 p.m.





**REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
DRAFT MINUTES**

Thursday, December 21, 2023 at 4:00 p.m.  
Tahoe Forest Hospital – Eskridge Conference Room  
10121 Pine Avenue, Truckee, CA 96161

**1. CALL TO ORDER**

Meeting was called to order at 4:05 p.m.

**2. ROLL CALL**

Board: Alyce Wong, Board Chair; Michael McGarry, Vice Chair; Robert (Bob) Barnett, Secretary; Dale Chamblin, Treasurer; Mary Brown, Board Member

Staff in attendance: Harry Weis, President & Chief Executive Officer; Louis Ward, Chief Operating Officer; Crystal Felix, Chief Financial Officer; Dr. Brian Evans, Chief Medical Officer; Alex MacLennan, Chief Human Resources; Matt Mushet, In-House Counsel; Dylan Crosby, Director of Facilities; Martina Rochefort, Clerk of the Board

Other: David Ruderman, General Counsel

**3. DELETIONS/CORRECTIONS TO THE POSTED AGENDA**

No changes were made to the agenda.

**4. INPUT AUDIENCE**

No public comment was received.

General Counsel read the board into Closed Session.

**Open Session recessed at 4:07 p.m.**

**5. CLOSED SESSION**

**5.1. Hearing (Health & Safety Code § 32155)**

*Subject Matter: Third Quarter 2023 Corporate Compliance Report*

*Number of items: One (1)*

Discussion was held on a privileged item.

**5.2. Conference with Real Property Negotiator (Gov. Code § 54956.8)**

*Property Parcel Numbers: 018-570-063 & 018-570-060*

*Agency Negotiator: Louis Ward*

*Negotiating Party: Gateway Village Truckee, LLC*

*Under Negotiation: Price & Terms of Payment*

Discussion was held on a privileged item.

**5.3. Approval of Closed Session Minutes**

**5.3.1. 11/16/2023 Regular Meeting**

Discussion was held on a privileged item.

**5.4. Public Employee Performance Evaluation (Government Code § 54957)**

*Title: President & Chief Executive Officer*

Discussion was held on a privileged item.

**5.5. TIMED ITEM – 5:30PM - Hearing (Health & Safety Code § 32155)**

*Subject Matter: Medical Staff Credentials*

Discussion was held on a privileged item.

**6. DINNER BREAK**

**7. OPEN SESSION – CALL TO ORDER**

Open Session reconvened at 6:05 p.m.

**8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

General Counsel shared the board heard five items in Closed Session. There was no reportable actions on items 5.1. and 5.2. Item 5.3. Closed Session Minutes was approved on a 5-0 vote. There was no reportable action on item 5.4. Item 5.5. Medical Staff Credentials was approved on a 5-0 vote.

**9. DELETIONS/CORRECTIONS TO THE POSTED AGENDA**

No changes were made to the agenda.

**10. INPUT – AUDIENCE**

No public comment was received.

**11. INPUT FROM EMPLOYEE ASSOCIATIONS**

No public comment was received.

**12. CONSENT CALENDAR**

**12.1. Approval of Minutes of Meetings**

**12.1.1. 11/16/2023 Regular Meeting**

**12.2. Financial Reports**

**12.2.1. Financial Report – November 2023**

**12.3. Board Reports**

**12.3.1. President & CEO Board Report**

**12.3.2. COO Board Report**

**12.3.3. CNO Board Report**

**12.3.4. CMO Board Report**

**12.3.5. CIIO Board Report**

**12.4. Approve Quarterly Compliance Report**

**12.4.1. Third Quarter 2023 Corporate Compliance Report**

**12.5. Approve Committee Charter**

**12.5.1.** Board Community Engagement Committee Charter

**12.6. Approve Updated Board Policy**

**12.6.1.** Investment Policy, ABD-15

Director Barnett pulled item 12.5.1. for discussion.

No public comment was received.

**ACTION:** Motion made by Director Chamblin to approve the Consent Calendar excluding item 12.5.1. as presented, seconded by Director McGarry.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**13. ITEMS FOR BOARD DISCUSSION**

**13.1. 2023 Cancer Center Quality Report**

Dr. Ahrin Koppel, Medical Director of Cancer Center Quality, provided an annual quality report from the District’s Gene Upshaw Memorial Tahoe Forest Cancer Center. Discussion was held.

**14. ITEMS FOR BOARD ACTION**

**14.1. Memorandum of Understanding**

The Board of Directors reviewed and considered approval of a Memorandum of Understanding to transfer residential housing density between Tahoe Forest Hospital District and Gateway Village Truckee, LLC. Discussion was held.

**ACTION:** Motion made by Director Barnett to approve the Memorandum of Understanding to transfer residential housing density between Tahoe Forest Hospital District and Gateway Village Truckee, LLC as presented, seconded by Director Brown.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**15. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY**

Item 12.5.1. was discussed.

Board of Directors agreed to add “Focus on community health” under Guiding Principles.

**ACTION:** Motion made by Director Barnett to approve the Board Community Engagement Committee Charter as amended, seconded by Director McGarry.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**16. BOARD OFFICER ELECTION**

**16.1. Election of 2024 Board Officers**

**ACTION:** Motion made by Director Barnett to nominate Alyce Wong as Board Chair, seconded by Director Brown.

Director Chamblin moved to close nominations, seconded by Director Barnett.  
All ayes.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**ACTION:** Director Brown nominated Director McGarry as Vice Chair. Director McGarry accepted.

Director Chamblin moved to close nominations, seconded by Director Barnett.  
All ayes.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**ACTION:** Director Wong nominated Director Brown as Secretary. Director Brown accepted.

Director Barnett moved to close nominations, seconded by Director Chamblin.  
All ayes.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**ACTION:** Director Barnett nominated Director Chamblin as Treasurer. Director Chamblin accepted.

**AYES:** Directors Brown, Chamblin, Barnett, McGarry and Wong

**Abstention:** None

**NAYS:** None

**Absent:** None

**17. BOARD COMMITTEE REPORTS**

Director McGarry provided a report from the December 4, 2023 Board Community Engagement Committee meeting.

Director Chamblin expressed thanks for the joint foundation holiday mixer.

Director Wong provided a report from the Tahoe Institute for Rural Health Research board meeting.

**18. BOARD MEMBERS REPORTS/CLOSING REMARKS**

Happy Holidays!

**19. CLOSED SESSION CONTINUED**

Not applicable.

**20. OPEN SESSION**

Not applicable.

**21. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY**

Not applicable.

**22. ADJOURN**

Meeting adjourned at 6:58 p.m.

DRAFT

**TAHOE FOREST HOSPITAL DISTRICT  
DECEMBER 2023 FINANCIAL REPORT  
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**Board of Directors**  
*Of Tahoe Forest Hospital District*  
**DECEMBER 2023 FINANCIAL NARRATIVE**

The following is the financial narrative analyzing financial and statistical trends for the six months ended December 31, 2023.

**Activity Statistics**

- ❑ TFH acute patient days were 459 for the current month compared to budget of 500. This equates to an average daily census of 14.8 compared to budget of 16.1.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Surgery cases, Lab Send Out tests, Oncology Lab tests, Medical Oncology procedures, MRI, CT Scans, PET CT, Drugs Sold to Patients, Respiratory Therapy, Gastroenterology cases, Tahoe City Physical Therapy, and Outpatient Physical and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Emergency Department visits, Hospice visits, EKG's, Diagnostic Imaging, Radiation Oncology procedures, Nuclear Medicine, Briner Ultrasound, and Tahoe City Occupational Therapy.

**Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 49.7% in the current month compared to budget of 48.0% and to last month's 50.9%. Year-to-Date Net Patient Revenue as a percentage of Gross Patient Revenue was 46.8% compared to budget of 48.0% and prior year's 49.4%.
- ❑ EBIDA was \$4,406,171 (7.9%) for the current month compared to budget of \$1,624,433 (3.1%), or \$2,781,738 (4.8%) above budget. Year-to-date EBIDA was \$15,269,432 (4.9%) compared to budget of \$7,472,613 (2.5%), or \$7,796,819 (2.4%) above budget.
- ❑ Net Income was \$5,123,496 for the current month compared to budget of \$1,379,238 or \$3,744,258 above budget. Year-to-date Net Income was \$14,331,543 compared to budget of \$5,963,601 or \$8,367,942 above budget.
- ❑ Cash Collections for the current month were \$20,921,861, which is 99% of targeted Net Patient Revenue.
- ❑ EPIC Gross Accounts Receivables were \$105,791,199 at the end of December compared to \$97,938,220 at the end of November.

**Balance Sheet**

- ❑ Working Capital is at 32.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 183.7 days. Working Capital cash decreased a net \$802,000. Accounts Payable increased \$2,357,000, Accrued Payroll & Related Costs increased \$1,666,000, and Cash Collections were 1% below target.
- ❑ Net Patient Accounts Receivable increased a net \$5,651,000 and cash collections were 99% of target. EPIC Days in A/R were 62.5 compared to 59.9 at the close of November, a 2.60 days increase.
- ❑ Estimated Settlements, Medi-Cal & Medicare increased a net \$353,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs.
- ❑ Unrealized Gain/(Loss) Cash Investment Fund decreased \$1,393,000 after recording the unrealized gains in its funds held with Chandler Investments in December.
- ❑ Investment in TSC, LLC decreased a net \$67,000 after recording the estimated loss for December.
- ❑ 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.
- ❑ To comply with GASB No. 96, the District recorded Amortization Expense for December on its Right-To-Use Subscription assets, decreasing the asset \$312,000.
- ❑ Accounts Payable increased \$2,357,000 due to the timing of the final check run in December.

December 2023 Financial Narrative

- ❑ Accrued Payroll & Related Costs increased a net \$1,666,000 due to an increase in Accrued Payroll Days.
- ❑ To comply with GASB No. 96, the District recorded a decrease in its Right-To-Use Subscription Liability for December, decreasing the liability \$272,000.

**Operating Revenue**

- ❑ Current month’s Total Gross Revenue was \$55,829,914 compared to budget of \$52,075,762 or \$3,754,152 above budget.
- ❑ Current month’s Gross Inpatient Revenue was \$8,807,447, compared to budget of \$8,475,630 or \$331,817 above budget.
- ❑ Current month’s Gross Outpatient Revenue was \$47,022,467 compared to budget of \$43,600,132 or \$3,422,335 above budget.
- ❑ Current month’s Gross Revenue Mix was 36.56% Medicare, 16.15% Medi-Cal, .0% County, 1.26% Other, and 46.03% Commercial Insurance compared to budget of 37.71% Medicare, 14.99% Medi-Cal, .0% County, 1.99% Other, and 45.30% Commercial Insurance. Last month’s mix was 42.17% Medicare, 16.25% Medi-Cal, .0% County, .25% Other, and 41.33% Commercial Insurance. Year-to-date Gross Revenue Mix was 41.03% Medicare, 15.59% Medi-Cal, .0% County, 1.14% Other, and 42.24% Commercial compared to budget of 37.90% Medicare, 14.82% Medi-Cal, .0% County, 1.96% Other, and 45.31% Commercial.
- ❑ Current month’s Deductions from Revenue were \$28,107,019 compared to budget of \$27,061,938 or \$1,045,081 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.15% decrease in Medicare, a 1.16% increase to Medi-Cal, County at budget, a .73% decrease in Other, and Commercial Insurance was above budget .72%, and 2) Revenues were above budget 7.20%.

DESCRIPTION	December 2023 Actual	December 2023 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	10,554,910	10,866,442	311,532	
Employee Benefits	3,312,925	3,226,945	(85,980)	We saw an increase in the year-to-date accrued Physician RVU Bonuses, creating a negative variance in Employee Benefits.
Benefits – Workers Compensation	65,020	108,106	43,086	
Benefits – Medical Insurance	2,698,293	1,953,389	(744,904)	We are witnessing some high dollar claims being processed, creating a negative variance in Benefits – Medical Insurance.
Medical Professional Fees	492,716	573,308	80,592	Occupational Health, Medical Oncology, Emergency Department and Hospitalist Physician Fees were below budget, creating a positive variance in Medical Professional Fees.
Other Professional Fees	243,050	341,678	98,628	Outsourced legal fees for Medical Staff and consulting services for Managed Care, Human Resources, and Information Technology were below budget, creating a positive variance in Other Professional Fees.
Supplies	4,528,330	4,254,608	(273,722)	Medical Supplies Sold to Patients revenues were above budget, creating a negative variance in Supplies.
Purchased Services	2,002,119	2,344,253	342,134	The District implemented GASB No. 96 which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use Asset where the monthly subscription amounts are written off to Amortization and Interest Expense. GASB No. 96 was recorded for December, creating positive variances in Purchased Services for Human Resources Information Technology, Accounting, Department Repairs, and Miscellaneous. Snow Removal services were also below budget for the month.
Other Expenses	1,108,796	1,221,058	112,262	We saw positive variances in Dues and Subscriptions, Outside Training & Travel, and Utility costs, creating a positive variance in Other Expenses.
Total Expenses	25,006,160	24,889,787	(116,373)	



TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 2023

	Dec-23	Nov-23	Dec-22	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
* CASH	\$ 24,993,932	\$ 25,795,884	\$ 8,331,917	1
PATIENT ACCOUNTS RECEIVABLE - NET	45,620,185	39,969,222	45,879,782	2
OTHER RECEIVABLES	15,830,847	14,876,730	13,225,650	
GO BOND RECEIVABLES	2,610,803	2,165,668	2,534,788	
ASSETS LIMITED OR RESTRICTED	11,416,323	12,154,102	10,060,871	
INVENTORIES	5,253,747	5,259,360	4,468,823	
PREPAID EXPENSES & DEPOSITS	3,837,613	4,619,685	3,173,117	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	23,726,793	23,373,831	23,608,471	3
<b>TOTAL CURRENT ASSETS</b>	<b>133,290,244</b>	<b>128,214,482</b>	<b>111,283,421</b>	
<b>NON CURRENT ASSETS</b>				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	10,337,968	10,337,968	34,788,423	1
* CASH INVESTMENT FUND	106,001,773	105,949,774	80,296,390	1
UNREALIZED GAIN/(LOSS) CASH INVESTMENT FUND	(277,893)	(1,670,886)	(4,211,945)	4
MUNICIPAL LEASE 2018	-	-	726,608	
TOTAL BOND TRUSTEE 2017	21,592	21,501	20,676	
TOTAL BOND TRUSTEE 2015	863,039	723,458	830,132	
TOTAL BOND TRUSTEE GO BOND	5,764	5,764	5,764	
GO BOND TAX REVENUE FUND	1,358,370	1,358,370	1,066,917	
DIAGNOSTIC IMAGING FUND	3,462	3,462	3,364	
DONOR RESTRICTED FUND	1,159,432	1,159,431	1,141,618	
WORKERS COMPENSATION FUND	10,768	36,736	33,344	
TOTAL	119,484,275	117,925,579	114,701,291	
LESS CURRENT PORTION	(11,416,323)	(12,154,102)	(10,060,871)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	108,067,951	105,771,477	104,640,420	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(3,708,847)	(3,641,847)	(2,707,697)	5
PROPERTY HELD FOR FUTURE EXPANSION	1,715,390	1,715,390	1,694,072	
PROPERTY & EQUIPMENT NET	198,195,312	196,038,225	192,433,687	
GO BOND CIP, PROPERTY & EQUIPMENT NET	1,791,406	1,791,406	1,844,262	
<b>TOTAL ASSETS</b>	<b>439,351,456</b>	<b>429,889,133</b>	<b>409,188,164</b>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	252,126	255,358	290,914	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	294,283	124,578	346,162	6
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	4,418,577	4,442,282	4,703,033	
GO BOND DEFERRED FINANCING COSTS	430,803	433,124	458,654	
DEFERRED FINANCING COSTS	118,591	119,632	131,075	
INTANGIBLE LEASE ASSET NET OF ACCUM AMORTIZATION	7,263,745	7,401,503	8,307,766	
RIGHT-TO-USE SUBSCRIPTION ASSET NET OF ACCUM AMORTIZATION	28,809,717	29,122,177	-	7
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 41,587,843</b>	<b>\$ 41,898,654</b>	<b>\$ 14,237,604</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 12,234,427	\$ 9,877,543	\$ 7,985,772	8
ACCRUED PAYROLL & RELATED COSTS	22,901,411	21,235,683	19,827,457	9
INTEREST PAYABLE	555,711	487,986	478,201	
INTEREST PAYABLE GO BOND	1,308,096	1,046,477	1,344,076	
SUBSCRIPTION LIABILITY	30,137,606	30,409,917	-	10
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	290,618	290,618	168,264	
HEALTH INSURANCE PLAN	2,722,950	2,722,950	2,224,062	
WORKERS COMPENSATION PLAN	3,287,371	3,287,371	2,947,527	
COMPREHENSIVE LIABILITY INSURANCE PLAN	2,586,926	2,586,926	2,082,114	
CURRENT MATURITIES OF GO BOND DEBT	2,195,000	2,195,000	1,945,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	3,979,480	3,979,480	5,594,718	
<b>TOTAL CURRENT LIABILITIES</b>	<b>82,199,597</b>	<b>78,119,951</b>	<b>44,597,191</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	25,108,130	25,311,509	27,902,615	
GO BOND DEBT NET OF CURRENT MATURITIES	90,651,543	90,669,499	93,312,010	
DERIVATIVE INSTRUMENT LIABILITY	294,283	124,578	346,162	6
<b>TOTAL LIABILITIES</b>	<b>198,253,553</b>	<b>194,225,537</b>	<b>166,157,978</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS	281,526,315	276,402,819	256,126,172	
RESTRICTED	1,159,432	1,159,431	1,141,618	
<b>TOTAL NET POSITION</b>	<b>\$ 282,685,746</b>	<b>\$ 277,562,250</b>	<b>\$ 257,267,790</b>	

\* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
DECEMBER 2023

1. Working Capital is at 32.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 183.7 days. Working Capital cash decreased a net \$802,000. Accounts Payable increased \$2,357,000 (See Note 8), Accrued Payroll & Related Costs increased \$1,666,000 (See Note 9), and Cash Collections were below target by 1% (See Note 2).
2. Net Patient Accounts Receivable increased a net \$5,651,000. Cash collections were 99% of target. EPIC Days in A/R were 62.5 compared to 59.9 at the close of November, a 2.60 days increase. The increase in A/R days is related to the increase in Gross Patient Accounts Receivable as a result of revenues exceeding budget in December.
3. Estimated Settlements, Medi-Cal & Medicare increased a net \$353,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs.
4. Unrealized Gain/(Loss) Cash Investment Fund decreased \$1,393,000 after recording the unrealized gains in its funds held with Chandler Investments for the month of December.
5. Investment in TSC, LLC decreased a net \$67,000 after recording the estimated loss for December.
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. To comply with GASB No. 96, the District recorded Amortization Expense for December on its Right-To-Use Subscription assets, decreasing the asset \$312,000.
8. Accounts Payable increased \$2,357,000 due to the timing of the final check run in December.
9. Accrued Payroll & Related Costs increased a net \$1,666,000 due to an increase in Accrued Payroll Days.
10. To comply with GASB No. 96, the District recorded a decrease in its Right-To-Use Subscription Liability for December, decreasing the liability \$272,000.

**Tahoe Forest Hospital District  
Cash Investment  
December 31, 2023**

**WORKING CAPITAL**

US Bank	\$ 23,889,151	4.96%	
US Bank/Incline Village Thrift Store	11,976		
US Bank/Truckee Thrift Store	77,040		
US Bank/Payroll Clearing	-		
Umpqua Bank	<u>1,015,765</u>	0.01%	
Total			\$ 24,993,932

**BOARD DESIGNATED FUNDS**

US Bank Savings	\$ -		
Chandler Investment Fund	<u>106,001,773</u>	4.98%	
Total			\$ 106,001,773

Building Fund	\$ -		
Cash Reserve Fund	<u>10,337,968</u>	3.96%	
Local Agency Investment Fund			\$ 10,337,968

Municipal Lease 2018			\$ -
Bonds Cash 2017			\$ 21,592
Bonds Cash 2015			\$ 863,039
GO Bonds Cash 2008			\$ 1,364,135

DX Imaging Education	\$ 3,462		
Workers Comp Fund - B of A	10,768		

Insurance			
Health Insurance LAIF	-		
Comprehensive Liability Insurance LAIF	<u>-</u>		
Total			<u>\$ 14,230</u>












<b>TOTAL FUNDS</b>			<b>\$ 143,596,668</b>
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**RESTRICTED FUNDS**

Gift Fund			
US Bank Money Market	\$ 8,373	0.10%	
Foundation Restricted Donations	27,309		
Local Agency Investment Fund	<u>1,123,750</u>	3.96%	
<b>TOTAL RESTRICTED FUNDS</b>			<b><u>\$ 1,159,432</u></b>

<b>TOTAL ALL FUNDS</b>			<b><u><u>\$ 144,756,100</u></u></b>
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**TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
KEY FINANCIAL INDICATORS  
DECEMBER 2023**

	Current Status	Desired Position	Target	<u>Bond Covenants</u>	<u>FY 2024</u> Jul 23 to Dec 23	<u>FY 2023</u> Jul 22 to June 23	<u>FY 2022</u> Jul 21 to June 22	<u>FY 2021</u> Jul 20 to June 21	<u>FY 2020</u> Jul 19 to June 20	<u>FY 2019</u> Jul 18 to June 19	<u>FY 2018</u> Jul 17 to June 18
<b>Return On Equity:</b> <u>Increase (Decrease) in Net Position</u> Net Position	 	↑	FYE 6.0% Budget 2nd Qtr 2.1%		5.1%	11.2%	13.0%	12.3%	17.1%	13.1%	5.1%
<b>EPIC Days in Accounts Receivable (excludes SNF)</b> <u>Gross Accounts Receivable</u> 90 Days  <u>Gross Accounts Receivable</u> 365 Days	 	↓	FYE 60 Days		63  66	59  62	63  67	65  67	89  73	69  71	68  73
<b>Days Cash on Hand Excludes Restricted:</b> <u>Cash + Short-Term Investments</u> (Total Expenses - Depreciation Expense)/ by 365	 	↑	Budget FYE 169 Days  Budget 2nd Qtr 157  Projected 2nd Qtr 170 Days	Bond Covenant 60 Days  A- 301 Days  BBB- 160 Days	184	197	234	272	246	179	176
<b>EPIC Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)</b>		↓	22%		31%	24%	27%	26%	31%	35%	22%
<b>EPIC Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)</b>		↓	27%		35%	33%	36%	32%	40%	42%	25%
<b>Cash Receipts Per Day (based on 60 day lag on Patient Net Revenue)</b>	 	↑	FYE Budget \$774,295  End 2nd Qtr Based on Budgeted Net Revenue \$763,585  End 2nd Qtr Based on Actual Net Revenue \$762,329		\$753,913	\$713,016	\$634,266	\$603,184	\$523,994	\$473,890	\$333,963
<b>Debt Service Coverage:</b> Excess Revenue over Exp + Interest Exp + Depreciation Debt Principal Payments + Interest Expense		↑	Without GO Bond 6.47 With GO Bond 3.64	1.95	8.77  4.75	9.74  5.25	9.72  5.22	8.33  4.49	9.50  5.06	20.45  4.12	9.27  2.07

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
DECEMBER 2023

CURRENT MONTH				YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%	ACTUAL	BUDGET	VAR\$	VAR%	DEC 2022	
<b>OPERATING REVENUE</b>									
\$ 55,829,914	\$ 52,075,762	\$ 3,754,152	7.2%	Total Gross Revenue	\$ 311,299,784	\$ 298,128,245	\$ 13,171,539	4.4% 1	\$ 276,086,613
\$ 3,844,743	\$ 4,086,500	\$ (241,757)	-5.9%	Gross Revenues - Inpatient	\$ 20,123,032	\$ 20,320,325	\$ (197,293)	-1.0%	\$ 18,834,790
4,962,704	4,389,130	573,574	13.1%	Daily Hospital Service	23,972,734	22,190,078	1,782,656	8.0%	21,471,121
8,807,447	8,475,630	331,817	3.9%	Ancillary Service - Inpatient	44,095,766	42,510,403	1,585,363	3.7%	40,305,911
47,022,467	43,600,132	3,422,335	7.8%	Total Gross Revenue - Inpatient	267,204,018	255,617,842	11,586,176	4.5%	235,780,702
47,022,467	43,600,132	3,422,335	7.8%	Gross Revenue - Outpatient	267,204,018	255,617,842	11,586,176	4.5%	235,780,702
27,894,711	25,227,828	(2,666,883)	-10.6%	Total Gross Revenue - Outpatient	164,736,059	144,539,002	(20,197,057)	-14.0%	135,133,908
(129,391)	1,041,515	1,170,906	112.4%	Deductions from Revenue:	64,605	5,962,565	5,897,960	98.9%	1,514,952
341,699	792,595	450,896	56.9%	Contractual Allowances	3,032,658	4,540,019	1,507,361	33.2%	3,449,165
28,107,019	27,061,938	(1,045,081)	-3.9%	Charity Care	(2,241,709)	-	2,241,709	0.0%	(401,999)
109,564	101,722	(7,842)	-7.7%	Bad Debt	165,591,613	155,041,586	(10,550,027)	-6.8%	139,696,026
1,579,872	1,398,674	181,198	13.0%	Prior Period Settlements	642,819	608,835	(33,984)	-5.6%	631,889
29,412,331	26,514,220	2,898,111	10.9%	Total Deductions from Revenue	9,242,904	8,325,769	917,135	11.0%	7,845,167
10,554,910	10,866,442	311,532	2.9%	Property Tax Revenue- Wellness Neighborhood	155,593,893	152,021,263	3,572,630	2.4%	144,867,643
3,312,925	3,226,945	(85,980)	-2.7%	Other Operating Revenue	61,400,591	62,641,229	1,240,638	2.0%	56,669,592
65,020	108,106	43,086	39.9%	TOTAL OPERATING REVENUE	20,061,484	20,002,204	(59,280)	-0.3%	18,967,955
2,698,293	1,953,389	(744,904)	-38.1%	Salaries and Wages	483,779	648,633	164,854	25.4%	632,684
492,716	573,308	80,592	14.1%	Benefits	13,163,928	11,720,334	(1,443,594)	-12.3%	8,969,631
243,050	341,678	98,628	28.9%	Benefits Workers Compensation	3,180,250	3,361,898	181,648	5.4%	2,889,131
4,528,330	4,254,608	(273,722)	-6.4%	Benefits Medical Insurance	1,459,114	1,799,574	340,460	18.9%	1,253,292
2,002,119	2,344,253	342,134	14.6%	Medical Professional Fees	24,086,334	24,235,569	149,235	0.6%	21,902,534
1,108,796	1,221,058	112,262	9.2%	Other Professional Fees	10,817,736	13,730,083	2,912,347	21.2%	12,416,433
25,006,160	24,889,787	(116,373)	-0.5%	Supplies	5,671,245	6,409,126	737,881	11.5%	6,289,347
4,406,171	1,624,433	2,781,738	171.2%	Purchased Services	140,324,461	144,548,650	4,224,189	2.9%	129,990,599
752,936	760,778	(7,842)	-1.0%	Other	15,269,432	7,472,613	7,796,819	104.3%	14,877,044
445,136	445,136	(0)	0.0%	TOTAL OPERATING EXPENSE	4,532,181	4,566,165	(33,984)	-0.7%	4,139,651
236,726	180,713	56,013	31.0%	NET OPERATING REVENUE (EXPENSE) EBIDA	2,670,814	2,670,814	(0)	0.0%	2,590,370
96,837	61,115	35,722	58.4%	NON-OPERATING REVENUE/(EXPENSE)	1,566,084	1,055,939	510,145	48.3%	575,204
(67,000)	(67,000)	-	0.0%	District and County Taxes	447,795	366,687	81,108	22.1%	458,106
1,409,391	100,000	1,309,391	-1309.4%	District and County Taxes - GO Bond	(298,000)	(402,000)	104,000	25.9%	(631,827)
-	-	-	0.0%	Interest Income	3,130,804	600,000	2,530,804	-421.8%	(596,678)
(1,682,807)	(1,366,161)	(316,646)	-23.2%	Donations	-	-	-	0.0%	1,000
(204,204)	(90,087)	(114,117)	-126.7%	Gain/(Loss) on Joint Investment	(10,110,755)	(8,190,705)	(1,920,050)	-23.4%	(8,051,261)
(269,689)	(269,689)	(0)	0.0%	Gain/(Loss) on Market Investments	(1,251,482)	(550,581)	(700,901)	-127.3%	(651,677)
717,325	(245,195)	962,520	392.6%	Gain/(Loss) on Sale of Equipment	(1,625,331)	(1,625,331)	(0)	0.0%	(1,668,635)
\$ 5,123,496	\$ 1,379,238	\$ 3,744,258	271.5%	Depreciation	(937,890)	(1,509,012)	571,122	37.8%	(3,835,747)
				Interest Expense	\$ 14,331,543	\$ 5,963,601	\$ 8,367,942	140.3%	\$ 11,041,297
				Interest Expense-GO Bond					
				TOTAL NON-OPERATING REVENUE/(EXPENSE)	268,354,204				
				NET POSITION - BEGINNING OF YEAR	\$ 282,685,746				
				NET POSITION - AS OF DECEMBER 31, 2023					
7.9%	3.1%	4.8%		RETURN ON GROSS REVENUE EBIDA	4.9%	2.5%	2.4%		5.4%







**TAHOE FOREST HOSPITAL DISTRICT**  
**NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**DECEMBER 2023**

		<b>Variance from Budget</b>	
		<b>Fav / &lt;Unfav&gt;</b>	
		<b>DEC 2023</b>	<b>YTD 2023</b>
<b>1) Gross Revenues</b>			
Acute Patient Days were below budget 8.20% or 41 days. Swing Bed days were below budget 60.00% or 12 days. Inpatient Ancillary Revenues were above budget 13.10% due to the higher acuity levels in our patients.	Gross Revenue -- Inpatient	\$ 331,817	\$ 1,585,363
	Gross Revenue -- Outpatient	3,422,335	11,586,176
	Gross Revenue -- Total	\$ 3,754,152	\$ 13,171,539
<p>Outpatient volumes were above budget in the following departments: Surgery cases, Laboratory tests, Lab Send Out tests, Oncology Lab tests, Mammography, Medical Oncology procedures, MRI, Ultrasounds, CT, PET CT, Drugs Sold to Patients, Oncology Drugs Sold to Patients, Respiratory Therapy, Gastroenterology cases, Tahoe City Physical Therapy, and Outpatient Physical and Occupational Therapy.</p> <p>Outpatient volumes were below budget in the following departments: Emergency Department visits, Home Health Visits, Hospice visits, EKG's, Diagnostic Imaging, Radiation Oncology procedures, Nuclear Medicine, Briner Ultrasounds, Tahoe City Occupational Therapy and Outpatient Speech Therapy.</p>			
<b>2) Total Deductions from Revenue</b>			
The payor mix for December shows a 1.15% decrease to Medicare, a 1.16% increase to Medi-Cal, 0.73% decrease to Other, County at budget, and a 0.72% increase to Commercial when compared to budget. Revenues were above budget 7.20%, and we saw a shift from Medicare into Medi-Cal, creating a negative variance in Contractual Allowances.	Contractual Allowances	\$ (2,666,883)	\$ (20,197,057)
	Charity Care	1,170,906	5,897,960
	Bad Debt	450,896	1,507,361
	Prior Period Settlements	-	2,241,709
	Total	\$ (1,045,081)	\$ (10,550,027)
<p>We are seeing fewer Charity Care applications and shifts into Bad Debt which is lending to the negative variance in Contractual Allowances.</p>			
<b>3) Other Operating Revenue</b>			
Retail Pharmacy revenues were above budget 36.13%.	Retail Pharmacy	171,177	626,261
	Hospice Thrift Stores	16,729	31,802
	The Center (non-therapy)	880	11,636
Hospice Thrift Store revenues were above budget 19.34%.	IVCH ER Physician Guarantee	(4,698)	55,579
	Children's Center	20,931	135,831
	Miscellaneous	(8,489)	102,026
Children's Center revenues were above budget 13.02%.	Oncology Drug Replacement	-	-
	Grants	(15,333)	(46,000)
	Total	\$ 181,198	\$ 917,135
<b>4) Salaries and Wages</b>			
	Total	\$ 311,532	\$ 1,240,638
<b>Employee Benefits</b>			
Paid Leave & Sick Leave were below budget, creating a positive variance in PL/SL.	PL/SL	\$ 53,234	\$ 84,070
	Nonproductive	(127,143)	90,984
We saw an increase in the year-to-date accrued Physician RVU Bonuses, creating a negative variance in Nonproductive.	Pension/Deferred Comp	(0)	7,019
	Standby	(9,923)	(64,925)
	Other	(2,147)	(176,428)
	Total	\$ (85,980)	\$ (59,280)
<b>Employee Benefits - Workers Compensation</b>			
	Total	\$ 43,086	\$ 164,854
<b>Employee Benefits - Medical Insurance</b>			
We continue to see higher claims being processed through our Third Party Administrator, creating a negative variance in Employee Benefits - Medical Insurance.	Total	\$ (744,904)	\$ (1,443,594)
<b>5) Professional Fees</b>			
Occupational Health Physician Fees and Medical Oncology fees were below budget, creating a positive variance in Multi-Specialty Clinics.	Multi-Specialty Clinics	\$ 66,873	\$ (41,564)
	Administration	(10,533)	(37,410)
	Oncology	(2,058)	(32,153)
Outsourced consulting fees for the Reliability & Management Systems project created a negative variance in Administration.	IVCH ER Physicians	(7,255)	(16,989)
	Multi-Specialty Clinics Administration	2,148	(6,202)
A decrease in Contracting support created a positive variance in Managed Care.	Marketing	258	(4,925)
	Managed Care	10,667	(2,121)
Consulting services for Bargaining Unit education and guidance were below budget, creating a positive variance in Human Resources.	Home Health/Hospice	-	-
	Patient Accounting/Admitting	-	-
A decrease in Outsourced Legal services created a positive variance in Medical Staff Services.	Respiratory Therapy	-	-
	The Center	-	-
Budgeted consulting services for Information Technology were below budget, creating a positive variance in this category.	TFH/IVCH Therapy Services	-	-
	Corporate Compliance	2,000	12,000
Emergency Department and Hospitalist physician fees were below budget, creating a positive variance in TFH Locums.	Miscellaneous	(2,639)	36,120
	Human Resources	18,820	55,306
	Medical Staff Services	13,487	77,387
	Information Technology	28,929	121,641
	TFH Locums	14,288	169,676
	Financial Administration	44,236	191,343
	Total	\$ 179,220	\$ 522,108
<p>Financial analysis projects came in below budget, creating a positive variance in Financial Administration.</p>			

**TAHOE FOREST HOSPITAL DISTRICT**  
**NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**DECEMBER 2023**

		<b>Variance from Budget</b>	
		<b>Fav / &lt;Unfav&gt;</b>	
		<b>DEC 2023</b>	<b>YTD 2023</b>
<b>6) <u>Supplies</u></b>	Pharmacy Supplies	\$ 16,266	\$ (193,148)
We saw negative variances in Other Non-Medical Supplies in the Emergency, Urgent Care, Surgery, Diagnostic Imaging, Radiation Oncology, Dietary, Pharmacy, Engineering, Central Scheduling, Medical Staff, and Retail Pharmacy Departments.	Other Non-Medical Supplies	(34,342)	(123,750)
	Food	(10,833)	(18,513)
	Office Supplies	(5,426)	6,748
	Minor Equipment	29,584	89,047
Medical Supplies Sold to Patients revenues were above budget 21.39%, creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	(268,970)	388,850
	<b>Total</b>	<b>\$ (273,722)</b>	<b>\$ 149,235</b>
<b>7) <u>Purchased Services</u></b>	Laboratory	\$ (48,929)	\$ (111,804)
Lab Send Out tests were above budget 20.54%, creating a negative variance in Laboratory.	Pharmacy IP	(8,135)	2,612
Excess order volume created a negative variance in Pharmacy IP.	Home Health/Hospice	4,170	4,841
	Community Development	2,983	17,850
	The Center	(379)	23,540
Radiology reads were below budget in Diagnostic Imaging, Nuclear Medicine, and Briner Ultrasound, creating a positive variance in Diagnostic Imaging Services - All.	Diagnostic Imaging Services - All	14,164	57,856
	Medical Records	(6,268)	66,517
	Multi-Specialty Clinics	(18,685)	99,040
Outsourced coding services were above budget, creating a negative variance in Medical Records.	Human Resources	18,389	129,556
	Information Technology	24,429	243,665
Scribe services came in above budget, creating a negative variance in Multi-Specialty Clinics.	Patient Accounting	28,019	366,195
	Miscellaneous	173,360	494,373
	Department Repairs	159,015	1,518,106
	<b>Total</b>	<b>\$ 342,134</b>	<b>\$ 2,912,347</b>
Snow Removal services were below budget, creating a positive variance in Miscellaneous.			
The District implemented GASB No. 96 as of FY23, which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use-Asset. The monthly subscription amounts are written off to Amortization and Interest Expense with an offsetting entry to Purchased Services, creating positive variances in Human Resources, Information Technology, Accounting, Department Repairs, and Miscellaneous.			
<b>8) <u>Other Expenses</u></b>	Miscellaneous	\$ (15,556)	\$ (139,288)
Timing of the transfer of Construction Labor to Construction Projects created a negative variance in Miscellaneous.	Other Building Rent	(10,835)	(47,824)
	Multi-Specialty Clinics Equip Rent	(4,350)	(9,407)
Oxygen tank rentals created a negative variance in Multi-Specialty Clinics Equipment Rent.	Multi-Specialty Clinics Bldg. Rent	(57)	(3,848)
	Insurance	1,112	(2,895)
The District implemented GASB No. 96 as of FY23, which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use-Asset. The monthly subscription amounts are written off to Amortization and Interest Expense with an offsetting entry to Other Expenses, creating a positive variance in Dues and Subscriptions.	Equipment Rent	8,346	(914)
	Physician Services	3,557	3,695
	Human Resources Recruitment	7,591	27,909
	Marketing	4,954	73,102
	Dues and Subscriptions	22,644	152,858
Electricity, Diesel, and Telephone costs were below budget, creating a positive variance in Utilities.	Outside Training & Travel	19,575	226,022
	Utilities	75,280	458,470
	<b>Total</b>	<b>\$ 112,262</b>	<b>\$ 737,881</b>
<b>9) <u>District and County Taxes</u></b>	<b>Total</b>	<b>\$ (7,842)</b>	<b>\$ (33,984)</b>
<b>10) <u>Interest Income</u></b>	<b>Total</b>	<b>\$ 56,013</b>	<b>\$ 510,145</b>
We saw increases in our interest rates with our funds held in LAIF, creating a positive variance in Interest Income.			
<b>11) <u>Donations</u></b>	IVCH	\$ (16,667)	\$ 73,569
	Operational	52,389	7,539
	<b>Total</b>	<b>\$ 35,722</b>	<b>\$ 81,108</b>
<b>12) <u>Gain/(Loss) on Joint Investment</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 104,000</b>
<b>13) <u>Gain/(Loss) on Market Investments</u></b>	<b>Total</b>	<b>\$ 1,309,391</b>	<b>\$ 2,530,804</b>
The District booked the value of unrealized gains in its holdings with Chandler Investments.			
<b>14) <u>Gain/(Loss) on Sale or Disposal of Assets</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>15) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ (316,646)</b>	<b>\$ (1,920,050)</b>
The District implemented GASB No. 96 as of FY23, which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use-Asset. The monthly subscription amounts are written off to Amortization and Interest Expense, creating a negative variance in Depreciation Expense.			
<b>16) <u>Interest Expense</u></b>	<b>Total</b>	<b>\$ (114,117)</b>	<b>\$ (700,901)</b>
The District implemented GASB No. 96 as of FY23, which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use-Asset. The monthly subscription amounts are written off to Amortization and Interest Expense, creating a negative variance in Interest Expense.			

**TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
KEY FINANCIAL INDICATORS  
DECEMBER 2023**

	<b>Current Status</b>	<b>Desired Position</b>	<b>Target</b>	<b>FY 2024 Jul 23 to Dec 23</b>	<b>FY 2023 Jul 22 to June 23</b>	<b>FY 2022 Jul 21 to June 22</b>	<b>FY 2021 Jul 20 to June 21</b>	<b>FY 2020 Jul 19 to June 20</b>	<b>FY 2019 Jul 18 to June 19</b>	<b>FY 2018 Jul 17 to June 18</b>
<b>Total Margin:</b> <u>Increase (Decrease) In Net Position</u> Total Gross Revenue		↑	FYE 2.6% 2nd Qtr 2.0%	4.6%	5.5%	6.2%	5.8%	8.5%	5.7%	2.6%
<b>Charity Care:</b> <u>Charity Care Expense</u> Gross Patient Revenue		↓	FYE 2.0% 2nd Qtr 2.0%	.0%	.01%	2.6%	3.4%	4.0%	3.8%	3.3%
<b>Bad Debt Expense:</b> <u>Bad Debt Expense</u> Gross Patient Revenue		↓	FYE 1.5% 2nd Qtr 1.5%	1.0%	1.2%	-.01%	1.2%	1.4%	.1%	.1%
<b>Incline Village Community Hospital:</b> EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue &lt;Expense&gt;</u> Gross Revenue		↑	FYE 12.0% 2nd Qtr 12.7%	12.1%	12.2%	12.2%	13.7%	.1%	11.5%	4.8%
<b>Operating Expense Variance to Budget (Under&lt;Over&gt;)</b>		↑	-0-	\$4,224,189	\$(1,499,954)	\$(10,431,192)	\$(8,685,969)	\$(9,484,742)	\$(13,825,198)	\$1,061,378
<b>EBIDA:</b> Earnings before interest, Depreciation, amortization <u>Net Operating Revenue &lt;Expense&gt;</u> Gross Revenue		↑	FYE 2.1% 2nd Qtr 2.5%	4.9%	6.3%	7.9%	7.8%	6.2%	7.1%	4.5%



INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
DECEMBER 2023

CURRENT MONTH					YEAR TO DATE				PRIOR YTD DEC 2022
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	
				<b>OPERATING REVENUE</b>					
\$ 3,740,534	\$ 3,534,451	\$ 206,083	5.8%	Total Gross Revenue	\$ 22,217,821	\$ 20,957,189	\$ 1,260,632	6.0%	1 \$ 19,282,455
				Gross Revenues - Inpatient					
\$ -	\$ -	\$ -	0.0%	Daily Hospital Service	\$ -	\$ 11,255	\$ (11,255)	-100.0%	\$ 10,719
-	1,028	(1,028)	-100.0%	Ancillary Service - Inpatient	-	10,516	(10,516)	-100.0%	11,270
-	1,028	(1,028)	-100.0%	Total Gross Revenue - Inpatient	-	21,771	(21,771)	-100.0%	1 21,989
3,740,534	3,533,423	207,111	5.9%	Gross Revenue - Outpatient	22,217,821	20,935,418	1,282,403	6.1%	19,260,466
3,740,534	3,533,423	207,111	5.9%	Total Gross Revenue - Outpatient	22,217,821	20,935,418	1,282,403	6.1%	1 19,260,466
				Deductions from Revenue:					
1,720,382	1,603,145	(117,237)	-7.3%	Contractual Allowances	10,675,094	9,499,547	(1,175,547)	-12.4%	2 8,938,787
(87,518)	70,689	158,207	223.8%	Charity Care	88,491	419,144	330,653	78.9%	2 300,350
75,811	53,017	(22,794)	-43.0%	Bad Debt	658,086	314,358	(343,728)	-109.3%	2 559,323
-	-	-	0.0%	Prior Period Settlements	(149,617)	-	149,617	0.0%	2 -
1,708,675	1,726,851	18,176	1.1%	Total Deductions from Revenue	11,272,054	10,233,049	(1,039,005)	-10.2%	2 9,798,460
62,688	67,436	(4,748)	-7.0%	Other Operating Revenue	434,660	364,963	69,697	19.1%	3 356,478
2,094,547	1,875,036	219,511	11.7%	<b>TOTAL OPERATING REVENUE</b>	<b>11,380,427</b>	<b>11,089,103</b>	<b>291,324</b>	<b>2.6%</b>	<b>9,840,473</b>
				<b>OPERATING EXPENSES</b>					
658,293	696,796	38,503	5.5%	Salaries and Wages	3,951,224	3,979,114	27,890	0.7%	4 3,538,698
199,210	203,807	4,597	2.3%	Benefits	1,147,433	1,231,669	84,236	6.8%	4 1,161,885
7,126	3,157	(3,969)	-125.7%	Benefits Workers Compensation	20,426	18,942	(1,484)	-7.8%	4 14,115
165,407	119,744	(45,663)	-38.1%	Benefits Medical Insurance	806,685	718,464	(88,221)	-12.3%	4 568,824
159,915	152,247	(7,668)	-5.0%	Medical Professional Fees	918,189	904,122	(14,067)	-1.6%	5 906,783
1,706	2,306	600	26.0%	Other Professional Fees	13,488	13,838	351	2.5%	5 13,838
78,427	62,193	(16,234)	-26.1%	Supplies	706,338	394,746	(311,592)	-78.9%	6 373,582
81,502	71,594	(9,908)	-13.8%	Purchased Services	358,295	535,192	176,897	33.1%	7 415,254
132,596	136,780	4,184	3.1%	Other	761,942	636,788	(125,154)	-19.7%	8 586,785
1,484,182	1,448,624	(35,558)	-2.5%	<b>TOTAL OPERATING EXPENSE</b>	<b>8,684,020</b>	<b>8,432,875</b>	<b>(251,145)</b>	<b>-3.0%</b>	<b>7,579,764</b>
<b>610,365</b>	<b>426,412</b>	<b>183,953</b>	<b>43.1%</b>	<b>NET OPERATING REV(EXP) EBIDA</b>	<b>2,696,407</b>	<b>2,656,228</b>	<b>40,179</b>	<b>1.5%</b>	<b>2,260,709</b>
				<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
-	16,667	(16,667)	-100.0%	Donations-IVCH	173,569	100,000	73,569	73.6%	9 228,387
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10 -
(122,785)	(121,363)	(1,422)	1.2%	Depreciation	(738,272)	(730,254)	(8,018)	-1.1%	11 (569,769)
(1,365)	(1,328)	(37)	2.8%	Interest Expense	(8,576)	(8,345)	(231)	2.8%	12 (10,362)
(124,150)	(106,024)	(18,126)	-17.1%	<b>TOTAL NON-OPERATING REVENUE/(EXP)</b>	<b>(573,279)</b>	<b>(638,599)</b>	<b>65,320</b>	<b>10.2%</b>	<b>(351,744)</b>
<b>\$ 486,215</b>	<b>\$ 320,388</b>	<b>\$ 165,827</b>	<b>51.8%</b>	<b>EXCESS REVENUE(EXPENSE)</b>	<b>\$ 2,123,127</b>	<b>\$ 2,017,629</b>	<b>\$ 105,498</b>	<b>5.2%</b>	<b>\$ 1,908,965</b>
<b>16.3%</b>	<b>12.1%</b>	<b>4.3%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>12.1%</b>	<b>12.7%</b>	<b>-0.5%</b>		<b>11.7%</b>

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
DECEMBER 2023**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>DEC 2023</b>	<b>YTD 2024</b>
<b>1) <u>Gross Revenues</u></b>			
Acute Patient Days were at budget at 0 and Observation Days were below budget by 2 at 0.	Gross Revenue -- Inpatient	\$ (1,028)	\$ (21,771)
Outpatient volumes were above budget in Surgery cases, Lab tests, Lab Send Out tests, Ultrasounds, Oncology Drugs Sold to Patients, Physical Therapy and Speech Therapy.	Gross Revenue -- Outpatient	207,111	1,282,403
Outpatient volumes were below budget in Emergency Dept visits, Diagnostic Imaging, CT Scans, Drugs Sold to Patients, and Occupational Therapy.	Total	\$ 206,083	\$ 1,260,632
<b>2) <u>Total Deductions from Revenue</u></b>			
We saw a shift in our payor mix with a 3.82% increase in Medicare, a 3.02% decrease in Medicaid, a 1.71% increase in Commercial insurance, a 2.51% decrease in Other, and County was at budget.	Contractual Allowances	\$ (117,237)	\$ (1,175,547)
We saw a shift in Payor Mix from Medicaid and Other to Medicare and Commercial and Revenues were above budget 5.8%, creating a negative variance in Contractual Allowances.	Charity Care	158,207	330,653
	Bad Debt	(22,794)	(343,728)
	Prior Period Settlement	-	149,617
	Total	\$ 18,176	\$ (1,039,005)
<b>3) <u>Other Operating Revenue</u></b>			
IVCH ER Physician Guarantee is tied to collections, coming in below budget in December.	IVCH ER Physician Guarantee	\$ (4,698)	\$ 55,579
	Miscellaneous	(50)	14,118
	Total	\$ (4,748)	\$ 69,697
<b>4) <u>Salaries and Wages</u></b>			
	Total	\$ 38,503	\$ 27,890
<b><u>Employee Benefits</u></b>			
We saw a decrease in Employer Payroll taxes, creating a positive variance in Other.	PL/SL	\$ 709	\$ 60,047
	Pension/Deferred Comp	(0)	445
	Standby	1,487	(3,574)
	Other	4,627	(9,690)
	Nonproductive	(2,226)	37,008
	Total	\$ 4,597	\$ 84,236
<b><u>Employee Benefits - Workers Compensation</u></b>			
	Total	\$ (3,969)	\$ (1,484)
<b><u>Employee Benefits - Medical Insurance</u></b>			
	Total	\$ (45,663)	\$ (88,221)
<b>5) <u>Professional Fees</u></b>			
The November ER Physicians invoice came in above accrual estimations due to extended coverage during the month, creating a negative variance in IVCH ER Physicians.	IVCH ER Physicians	\$ (7,255)	\$ (16,989)
	Administration	-	-
	Miscellaneous	-	-
	Foundation	600	350
	Multi-Specialty Clinics	(413)	2,923
	Total	\$ (7,069)	\$ (13,716)
<b>6) <u>Supplies</u></b>			
Drugs Sold to Patients volumes were below budget by 5.81%, creating a positive variance in Pharmacy Supplies.	Pharmacy Supplies	\$ 3,333	\$ (228,442)
Medical Supplies Sold to Patients revenues were above budget 52.20%, creating a negative variance in Patient & Other Medical Supplies.	Non-Medical Supplies	(458)	(61,708)
	Patient & Other Medical Supplies	(22,733)	(30,637)
	Office Supplies	87	(111)
	Food	301	1,348
	Minor Equipment	3,237	7,957
	Total	\$ (16,234)	\$ (311,592)

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
DECEMBER 2023**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>DEC 2023</b>	<b>YTD 2024</b>
<b>7) <u>Purchased Services</u></b>			
Laundry & Linen costs per week have increased, creating a negative variance in EVS/Laundry.	EVS/Laundry	\$ (4,563)	\$ (14,378)
The main hospital floors were scrubbed, waxed, and buffed, creating a negative variance in Engineering/Plant/Communications.	Laboratory	(9)	(8,639)
Equipment maintenance for Sterile Processing, Laboratory, and Diagnostic Imaging created a negative variance in Department Repairs.	Engineering/Plant/Communications	(2,926)	(4,252)
	Diagnostic Imaging Services - All	355	(3,158)
	Miscellaneous	2,210	(630)
	Pharmacy	(568)	102
	Multi-Specialty Clinics	59	1,156
	Department Repairs	(5,390)	1,722
	Foundation	923	204,974
	<b>Total</b>	<b>\$ (9,908)</b>	<b>\$ 176,897</b>
<b>8) <u>Other Expenses</u></b>			
Purchases of logowear and scrubs created a negative variance in Miscellaneous. These costs will be covered by a transfer of funds from the IVCH Foundation.	Miscellaneous	\$ (3,723)	\$ (170,106)
Mobile CT rental and oxygen tank rentals created a negative variance in Equipment Rent.	Other Building Rent	(3,920)	(23,620)
Natural Gas/Propane, Diesel, Electricity, and Telephone costs were below budget, creating a positive variance in Utilities.	Dues and Subscriptions	(1,704)	(12,757)
	Equipment Rent	(5,784)	(10,289)
	Multi-Specialty Clinics Bldg. Rent	(315)	(2,138)
	Physician Services	-	-
	Insurance	716	2,461
	Marketing	718	7,402
	Outside Training & Travel	1,436	17,252
	Utilities	16,761	66,641
	<b>Total</b>	<b>\$ 4,184</b>	<b>\$ (125,154)</b>
<b>9) <u>Donations</u></b>	<b>Total</b>	<b>\$ (16,667)</b>	<b>\$ 73,569</b>
<b>10) <u>Gain/(Loss) on Sale</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>11) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ (1,422)</b>	<b>\$ (8,018)</b>
<b>12) <u>Interest Expense</u></b>	<b>Total</b>	<b>\$ (37)</b>	<b>\$ (231)</b>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

	AUDITED FYE 2023		BUDGET FYE 2024	PROJECTED FYE 2024	ACTUAL DEC 2023	PROJECTED DEC 2023	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	31,312,720		12,535,783	20,332,602	\$ 4,406,171	\$ 1,624,433	\$ 2,781,738	6,814,877	8,454,556	2,815,796	2,247,373
Interest Income	1,348,932		2,000,000	2,375,267	169,549	75,000	94,549	582,090	793,177	500,000	500,000
Property Tax Revenue	10,063,960		10,190,000	10,256,101	-	-	-	596,999	119,101	5,400,000	4,140,000
Donations	1,574,358		6,733,375	6,825,685	16,761	26,115	(9,354)	149,171	519,826	78,344	6,078,344
Debt Service Payments	(5,216,044)		(3,981,665)	(3,976,301)	(209,548)	(209,852)	304	(1,054,410)	(914,891)	(727,486)	(1,279,514)
Property Purchase Agreement	(811,927)		(811,927)	(811,928)	(67,661)	(67,661)	-	(202,983)	(202,982)	(202,982)	(202,982)
2018 Municipal Lease	(1,717,326)		(715,553)	(715,417)	-	-	-	(429,332)	(286,086)	-	-
Copier	(63,919)		(47,871)	(42,642)	(4,790)	(5,094)	304	(10,803)	(14,531)	(15,282)	(2,025)
2017 VR Demand Bond	(840,606)		(761,145)	(761,145)	-	-	-	-	-	(97,930)	(663,215)
2015 Revenue Bond	(1,782,266)		(1,645,169)	(1,645,169)	(137,097)	(137,097)	0	(411,292)	(411,292)	(411,292)	(411,292)
Physician Recruitment	(476,666)		(1,146,666)	(859,998)	(33,333)	(116,666)	83,333	(83,333)	(63,333)	(379,999)	(333,333)
Investment in Capital											
Equipment	(2,315,113)		(4,545,602)	(4,545,602)	(998,642)	(427,080)	(571,562)	(682,703)	(2,054,687)	(923,356)	(884,856)
IT/EMR/Business Systems	(710,081)		(2,818,739)	(2,818,739)	(4,900)	(610,047)	605,147	-	(39,200)	(1,515,817)	(1,263,722)
Building Projects/Properties	(21,471,856)		(21,287,010)	(21,287,010)	(2,385,094)	(2,826,723)	441,630	(2,714,000)	(4,645,442)	(7,327,260)	(6,600,308)
Change in Accounts Receivable	(6,688,560)	N1	(2,859,354)	(3,975,872)	(5,650,963)	(4,670,910)	(980,053)	1,910,240	1,024,514	(6,597,671)	(312,955)
Change in Settlement Accounts	(8,255,522)	N2	4,265,118	2,175,581	(352,963)	(758,333)	405,370	(2,878,378)	(1,769,412)	(5,555,887)	12,379,258
Change in Other Assets	(8,902,354)	N3	(3,500,000)	(3,536,467)	515,132	(750,000)	1,265,132	(2,377,128)	190,662	(100,000)	(1,250,000)
Change in Other Liabilities	328,247	N4	(4,400,000)	(6,014,147)	3,777,877	537,542	3,240,335	(3,216,855)	(2,172,544)	(6,187,374)	5,562,626
Change in Cash Balance	(9,407,979)		(8,814,760)	(5,048,900)	(749,953)	(8,106,522)	7,356,569	(2,953,429)	(557,673)	(20,520,710)	18,982,912
Beginning Unrestricted Cash	154,252,753		144,844,775	144,844,775	142,083,626	142,083,626	-	144,844,775	141,891,346	141,333,673	120,812,962
Ending Unrestricted Cash	144,844,775		136,030,015	139,795,875	141,333,673	133,977,104	7,356,569	141,891,346	141,333,673	120,812,962	139,795,875
Operating Cash	144,844,775		136,030,015	139,795,875	141,333,673	133,977,104	7,356,569	141,891,346	141,333,673	120,812,962	139,795,875
Expense Per Day	750,945		803,035	793,382	769,434	788,583	(19,148)	753,622	769,434	787,730	793,382
Days Cash On Hand	193		169	176	184	170	14	188	184	153	176

Footnotes:

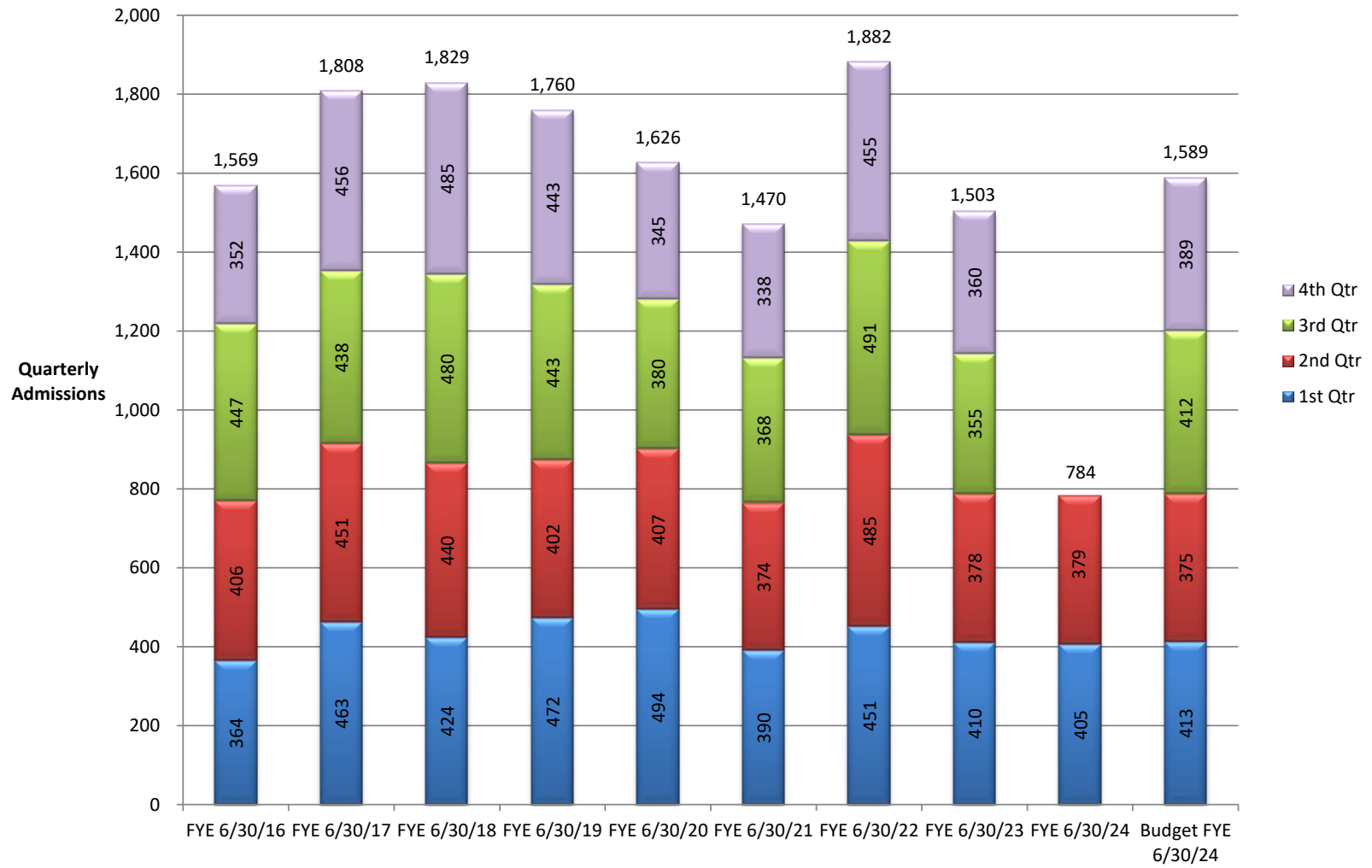
N1 - Change in Accounts Receivable reflects the 30 day delay in collections.

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

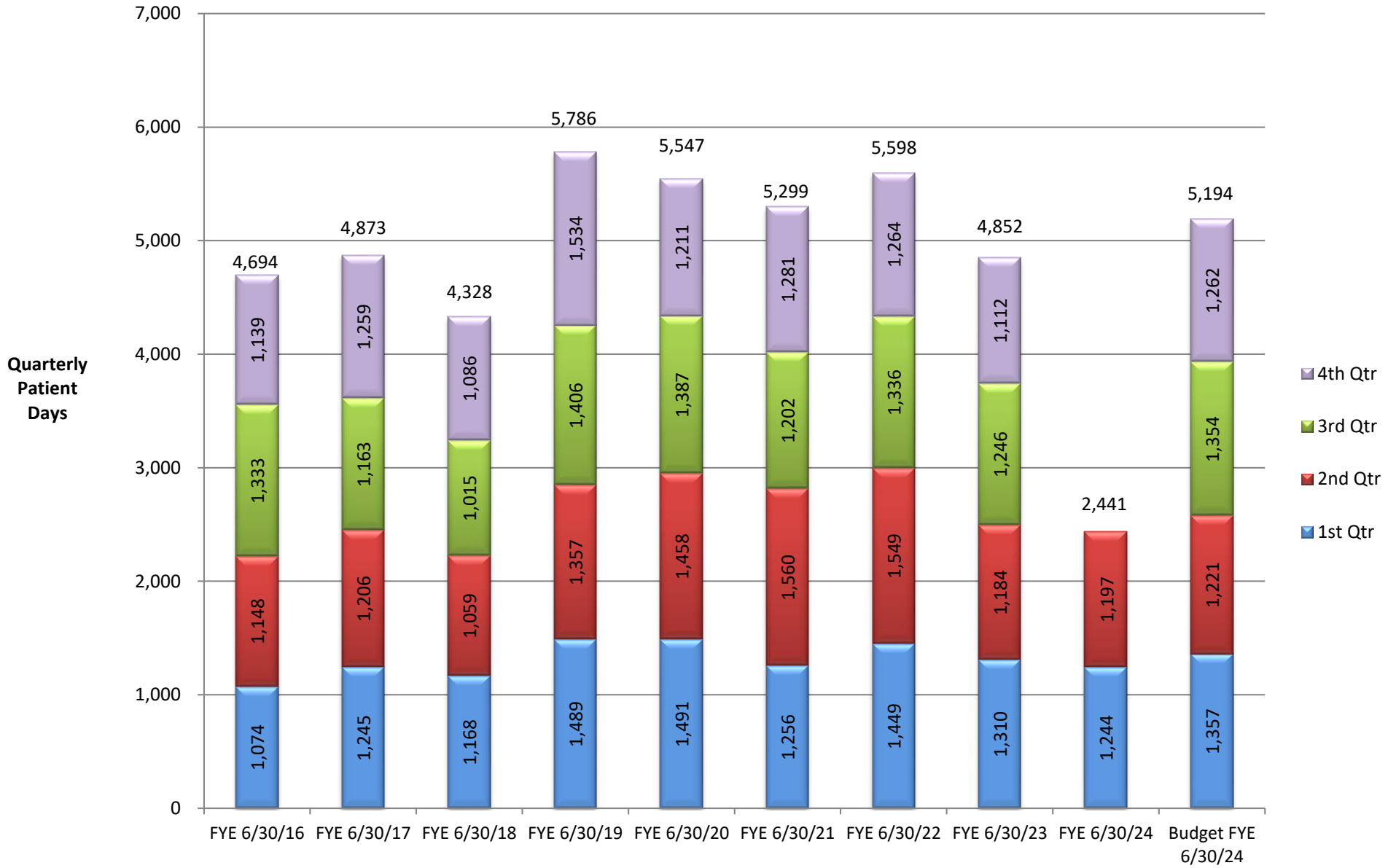
N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.

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.

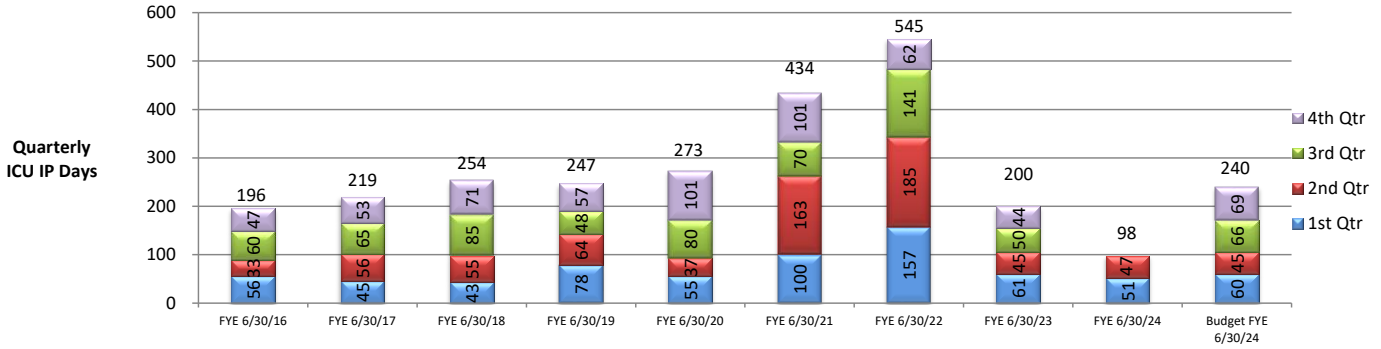
## TOTAL TFH ADMISSIONS



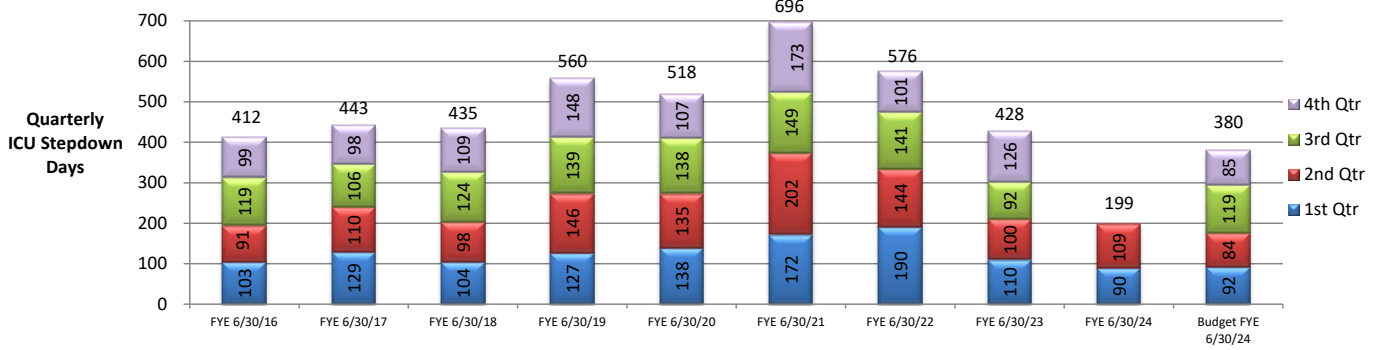
## TOTAL TFH PATIENT DAYS



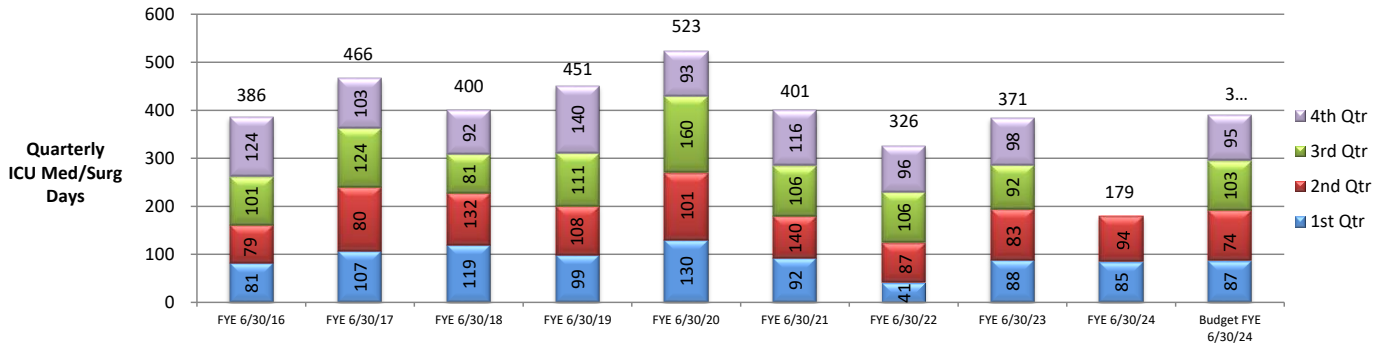
### TOTAL TFH ICU INPATIENT DAYS



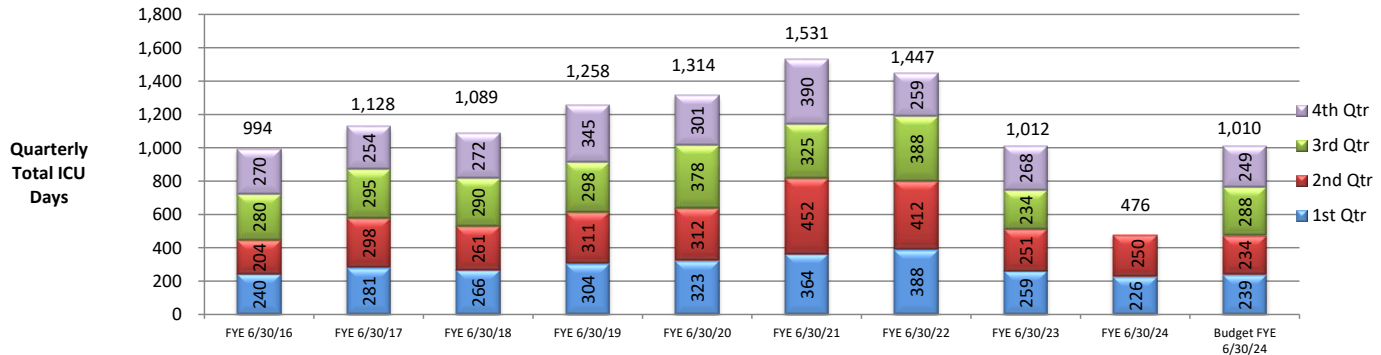
### TOTAL TFH ICU STEPDOWN DAYS



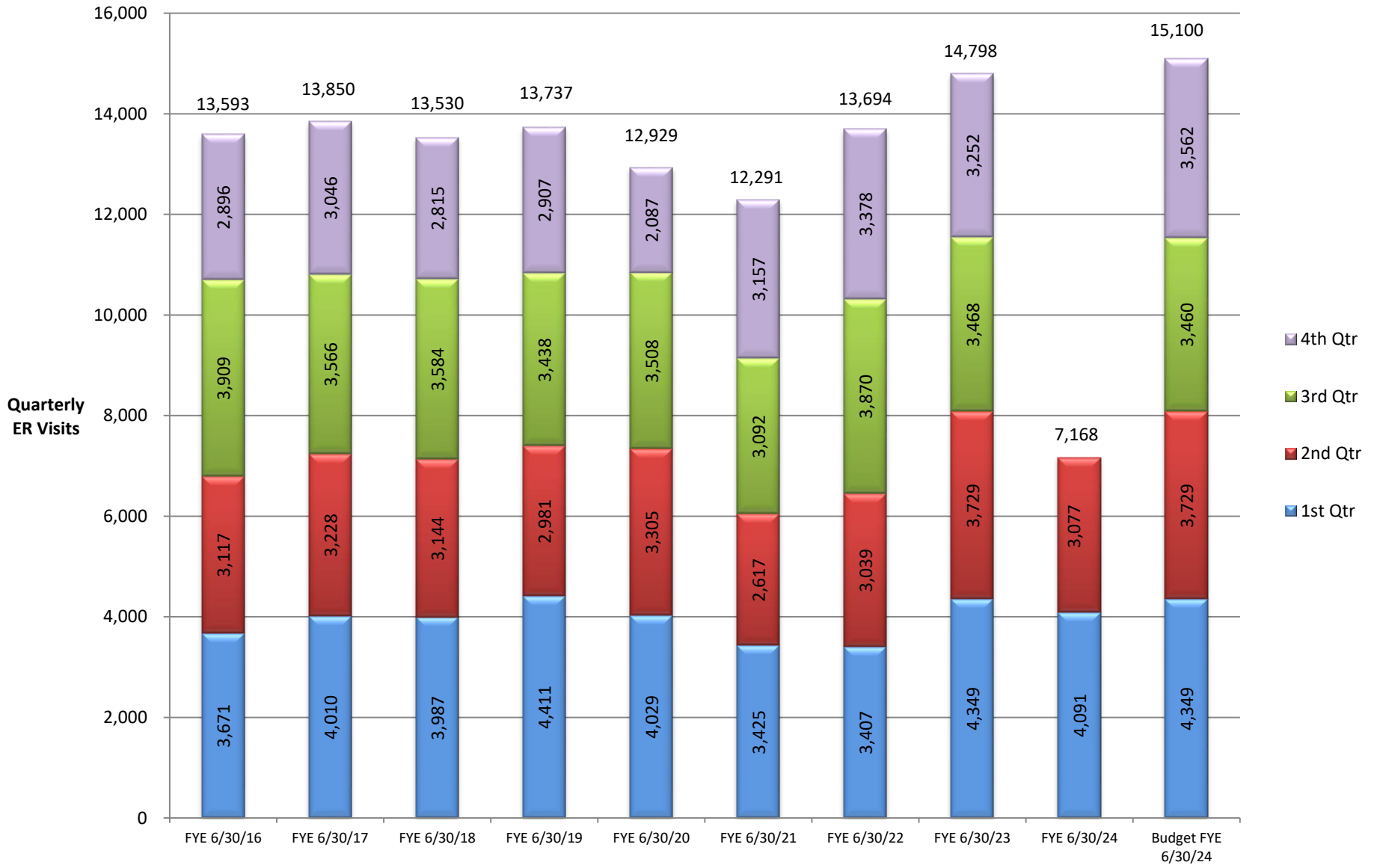
### TOTAL TFH ICU MED/SURG DAYS



### TOTAL TFH ICU DAYS

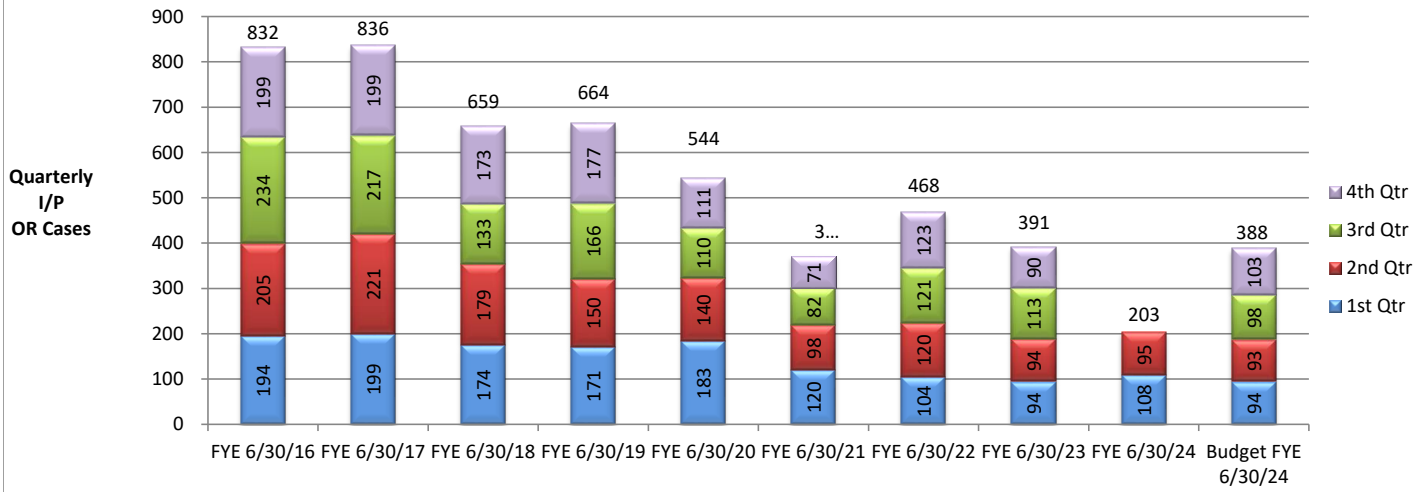


# TOTAL TFH ER VISITS

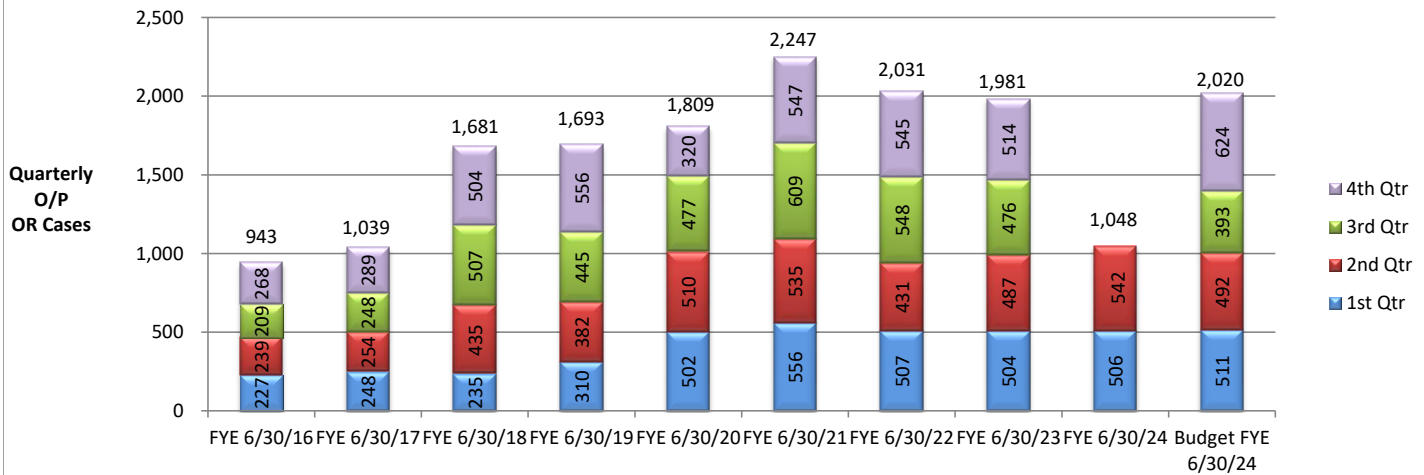




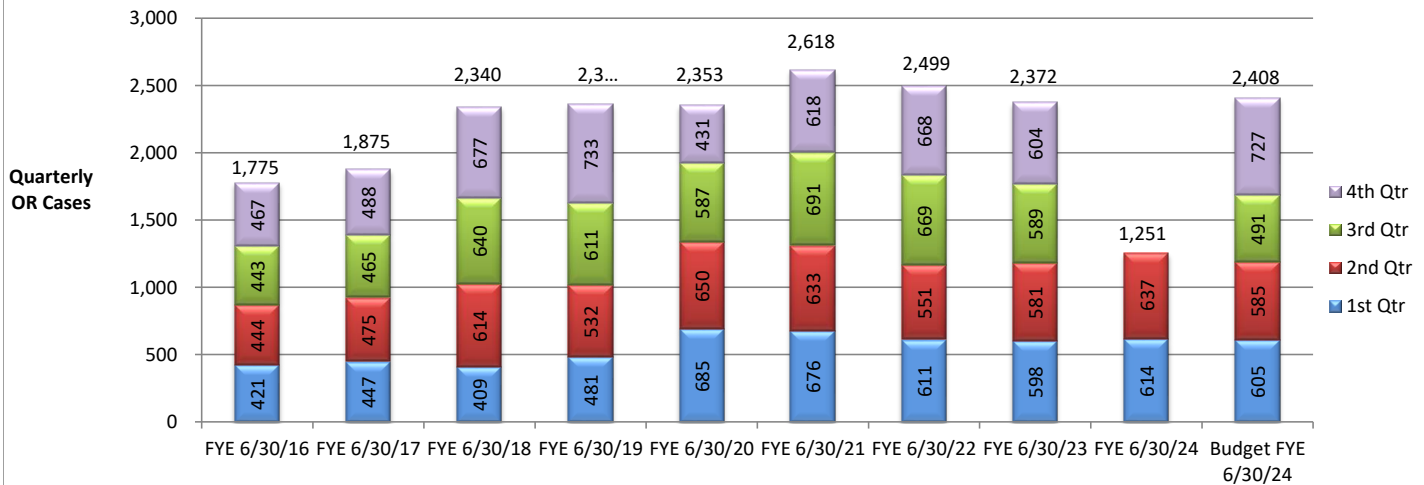
### TOTAL TFH INPATIENT OR CASES



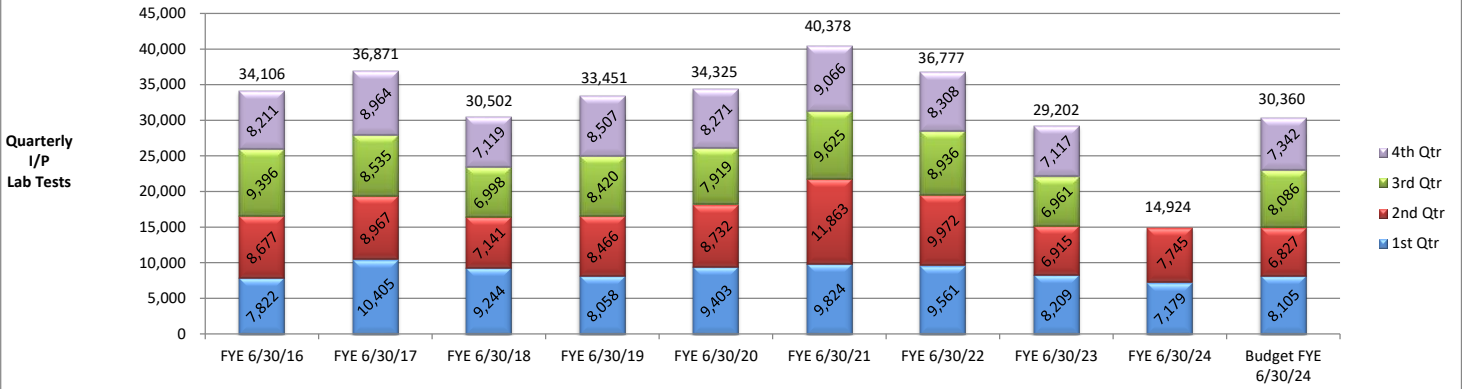
### TOTAL TFH OUTPATIENT OR CASES



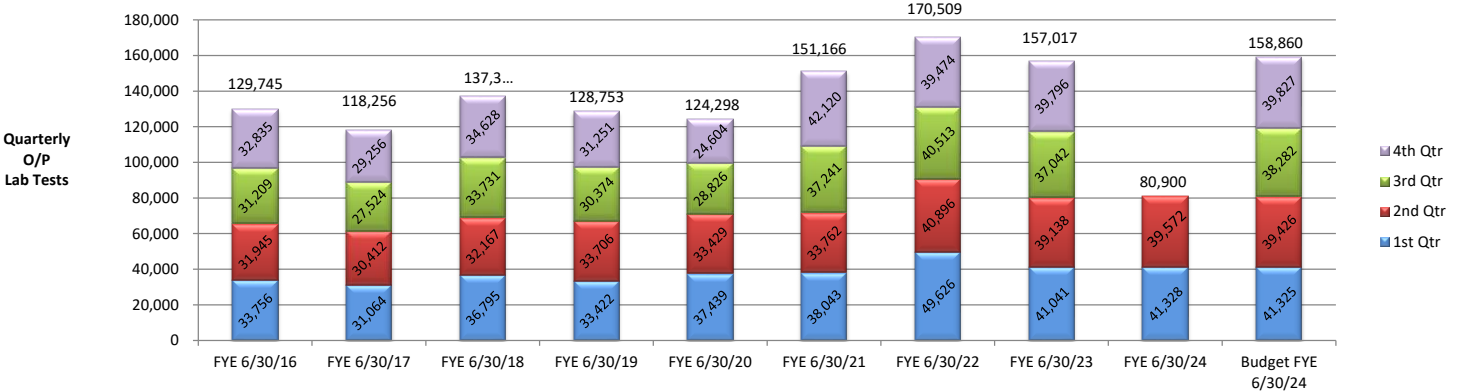
### TOTAL TFH OR CASES



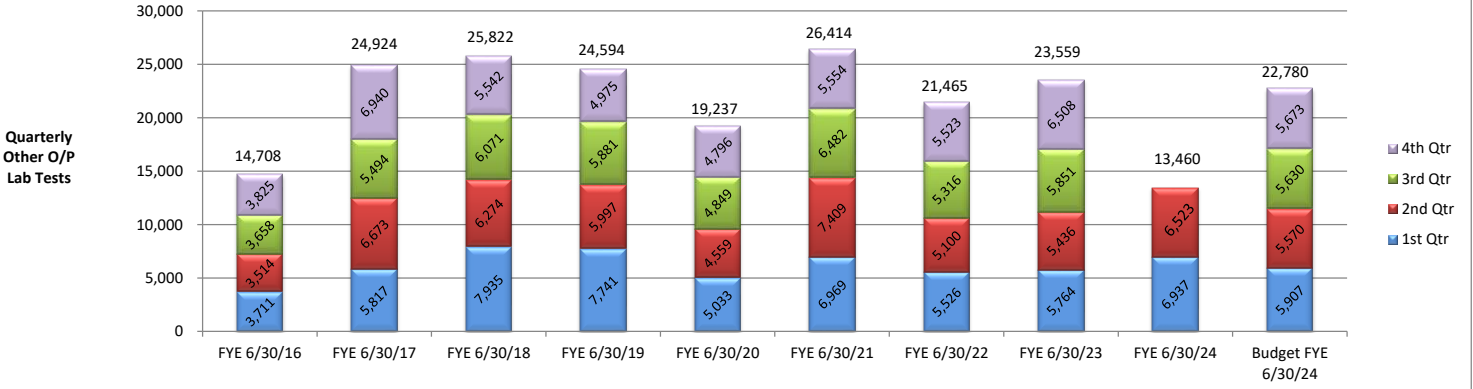
### TOTAL TFH INPATIENT LAB TESTS



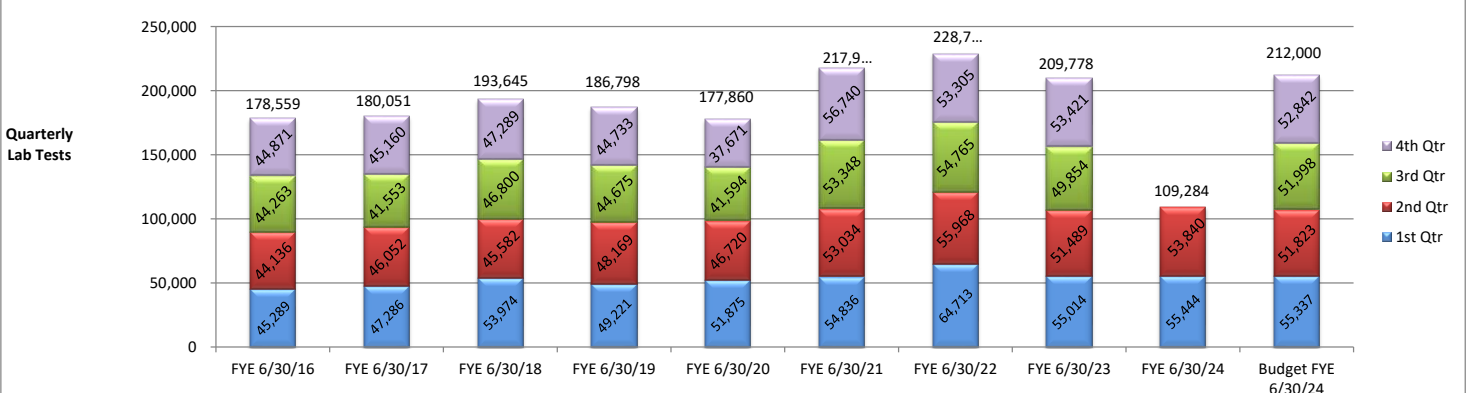
### TOTAL TFH OUTPATIENT LAB TESTS



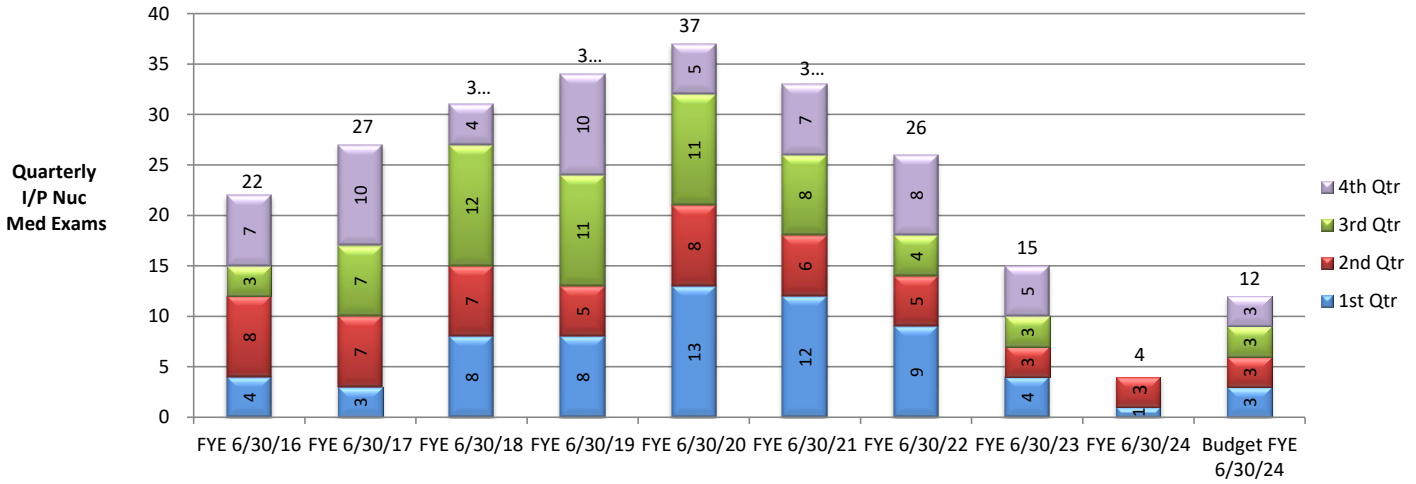
### TOTAL TFH OTHER OUTPATIENT LAB TESTS



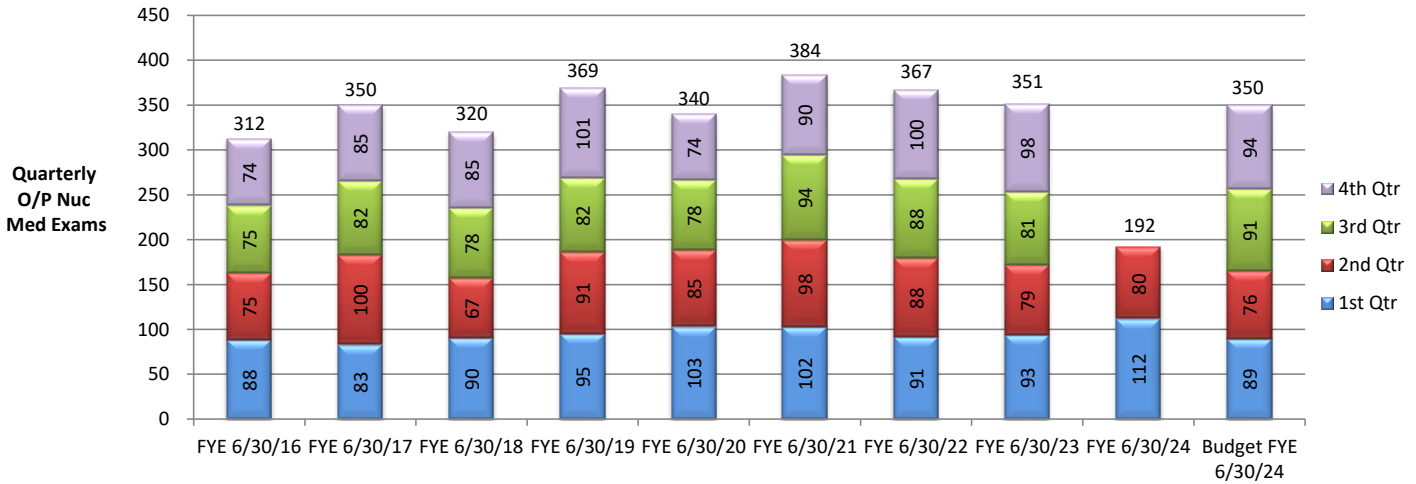
### TOTAL TFH LAB TESTS



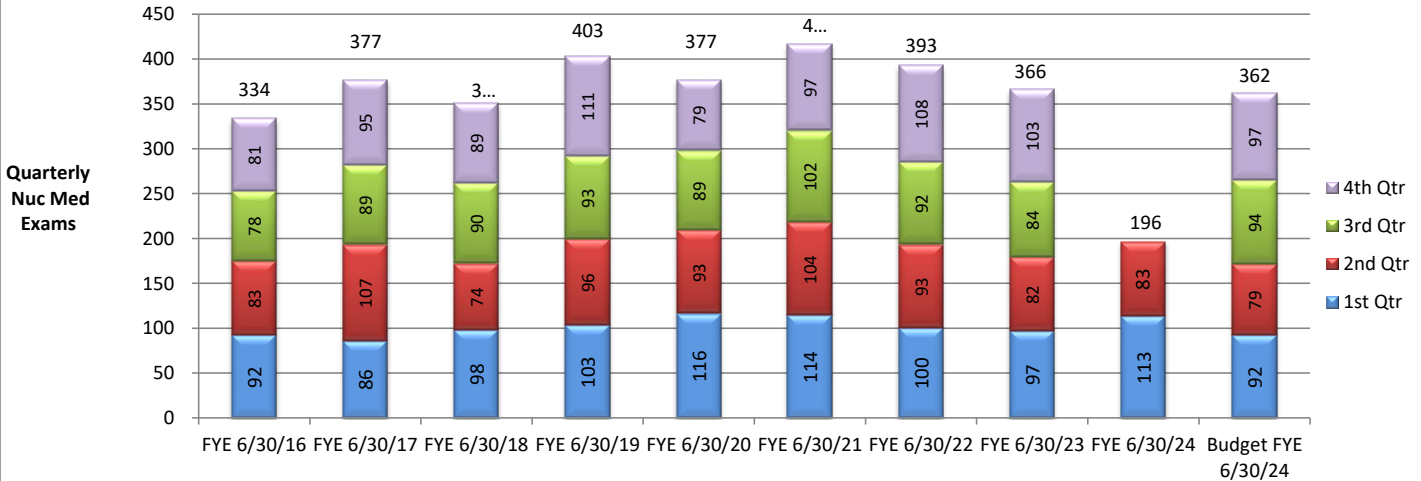
### TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS



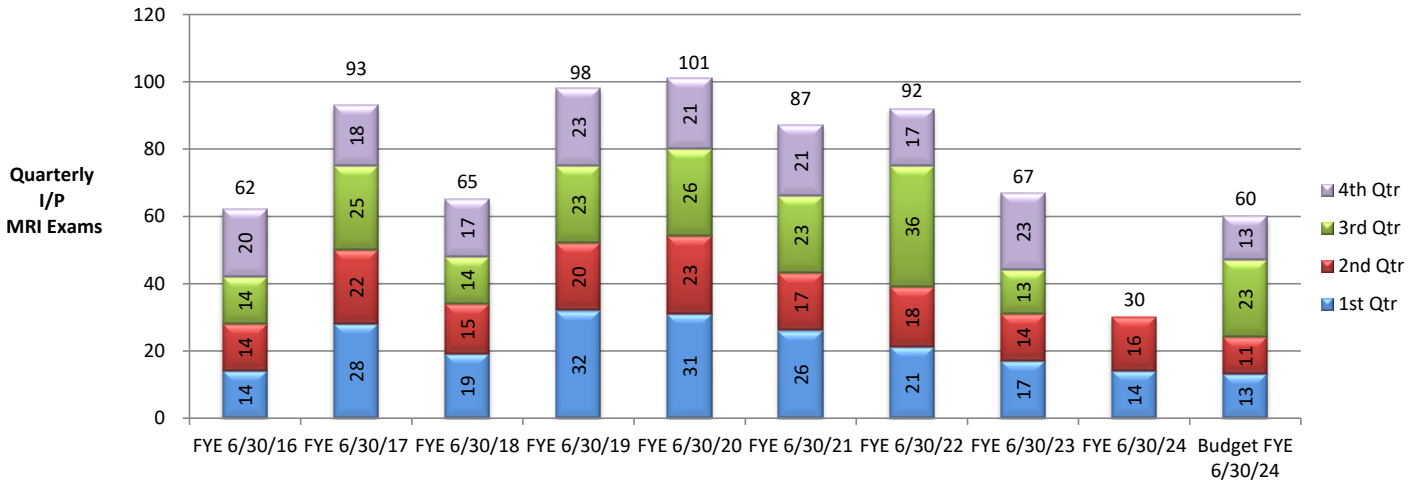
### TOTAL TFH NUCLEAR MEDICINE OUTPATIENT EXAMS



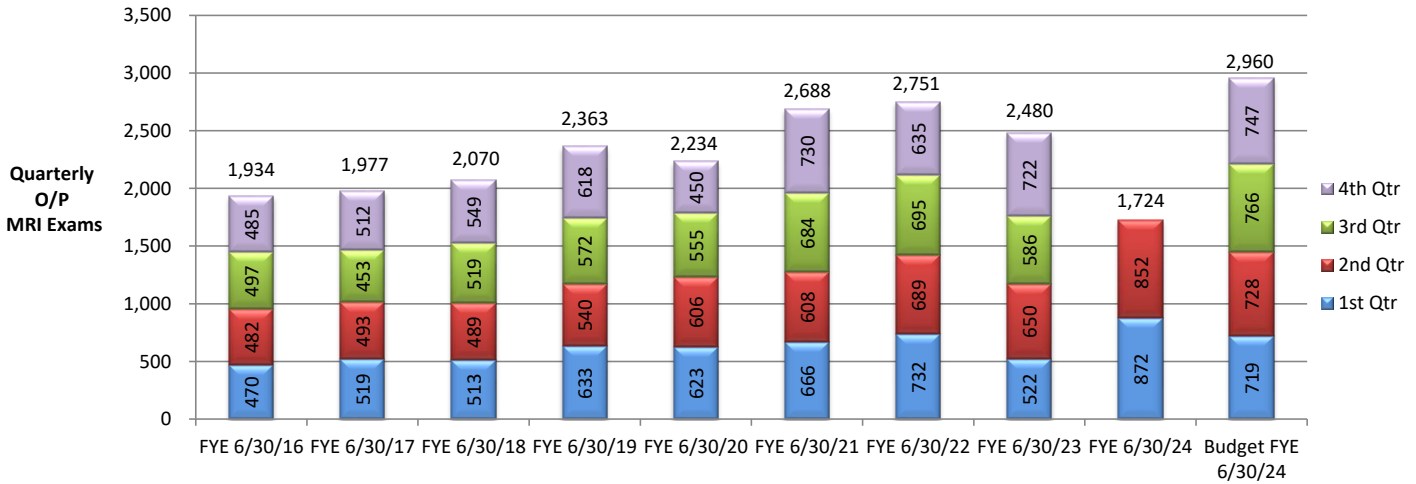
### TOTAL TFH NUCLEAR MEDICINE EXAMS



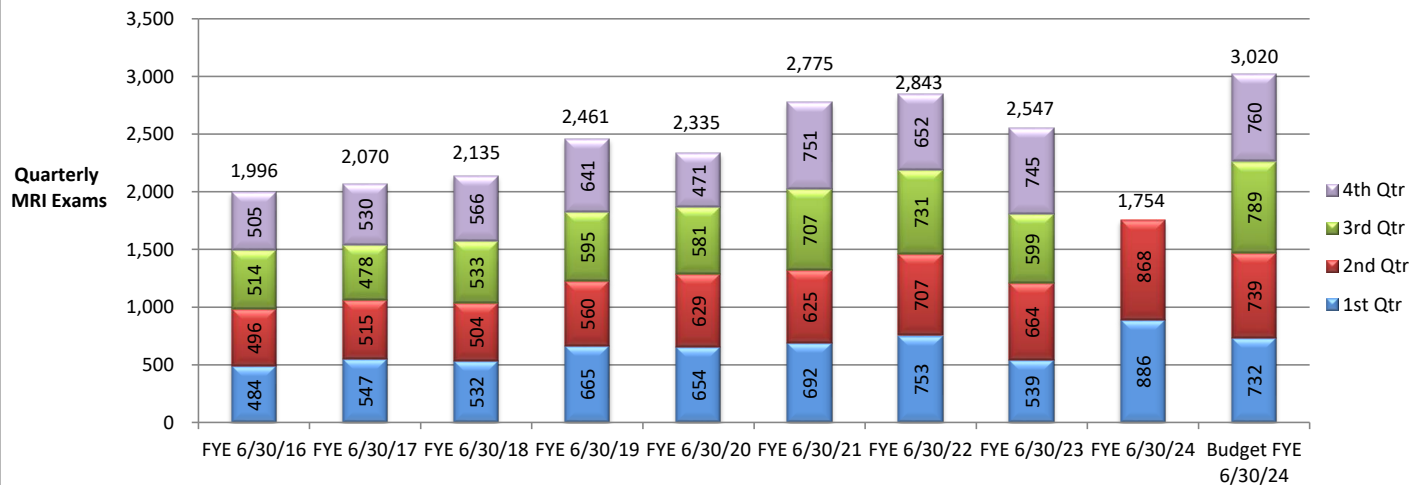
### TOTAL TFH MRI INPATIENT EXAMS



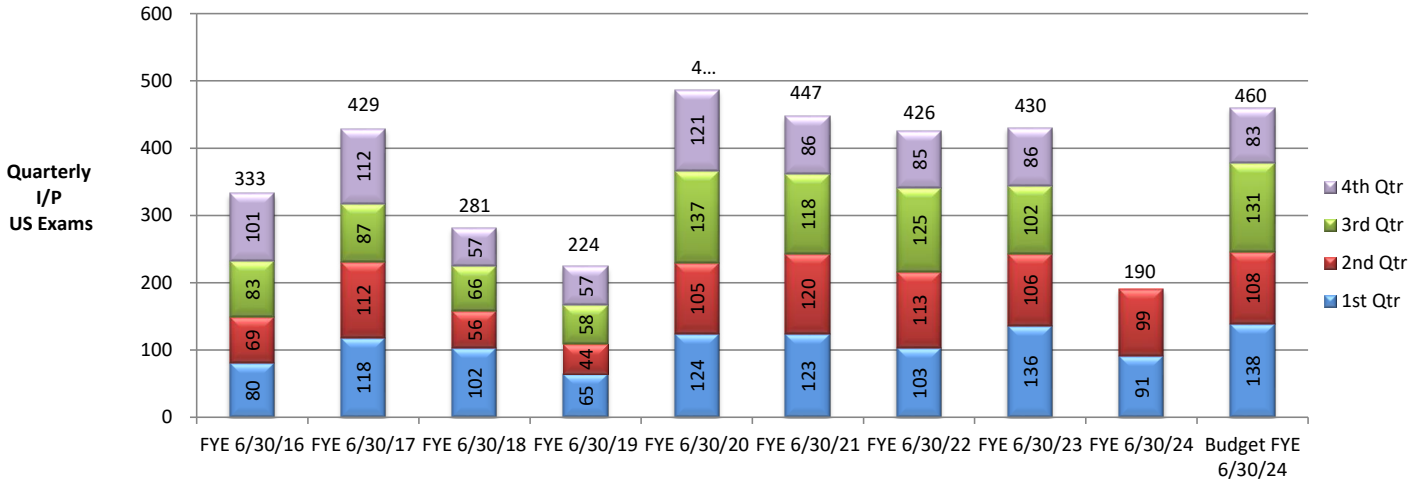
### TOTAL TFH MRI OUTPATIENT EXAMS



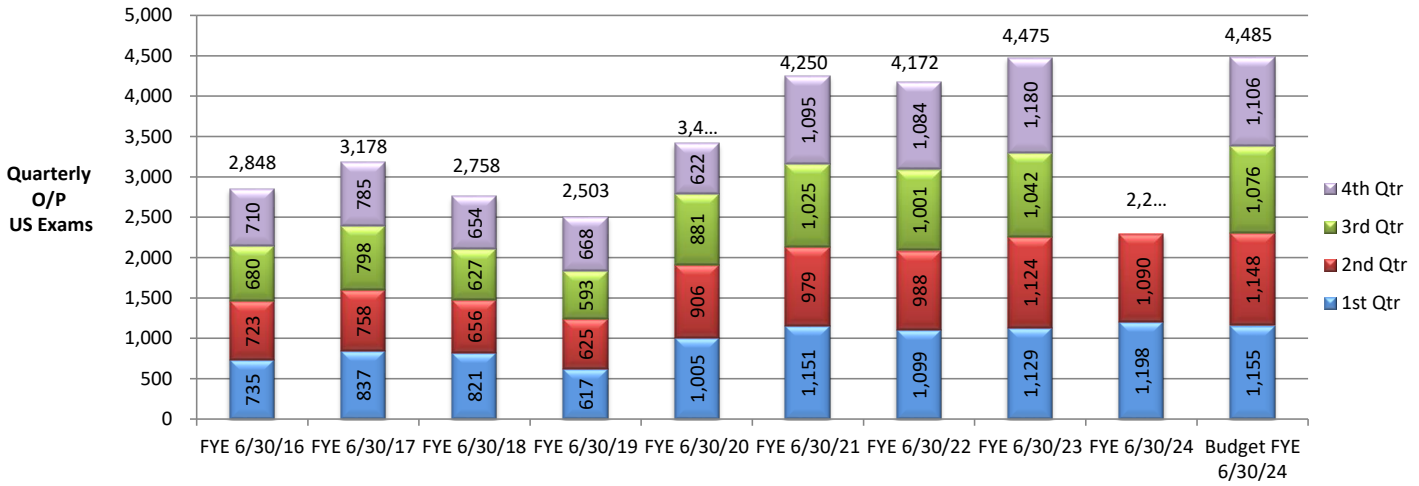
### TOTAL TFH MRI EXAMS



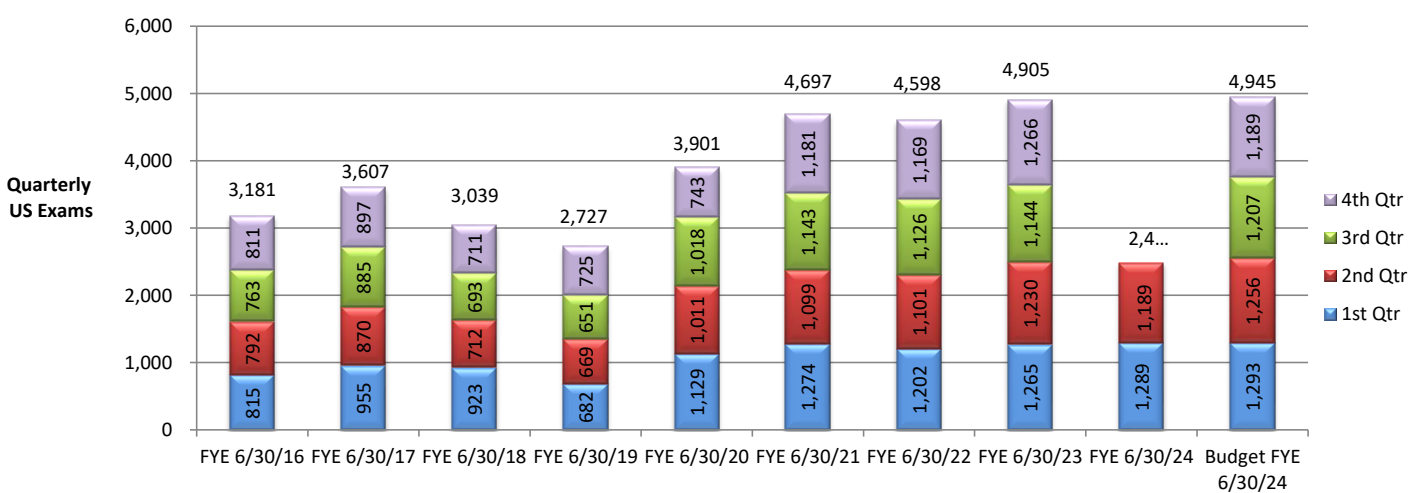
### TOTAL TFH ULTRASOUND INPATIENT EXAMS



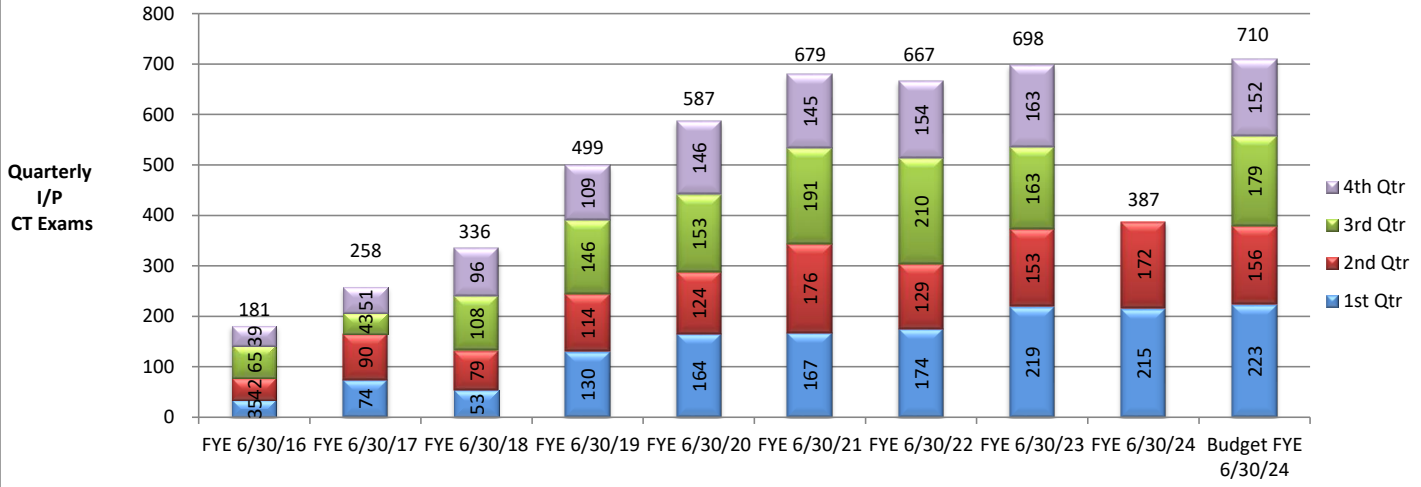
### TOTAL TFH ULTRASOUND OUTPATIENT EXAMS



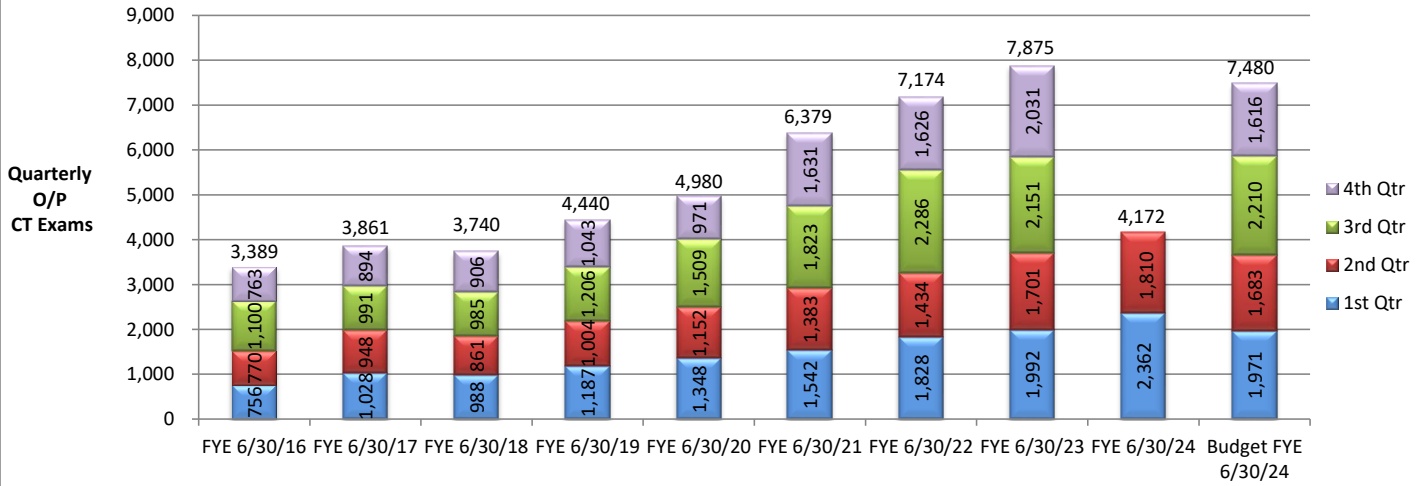
### TOTAL TFH ULTRASOUND EXAMS



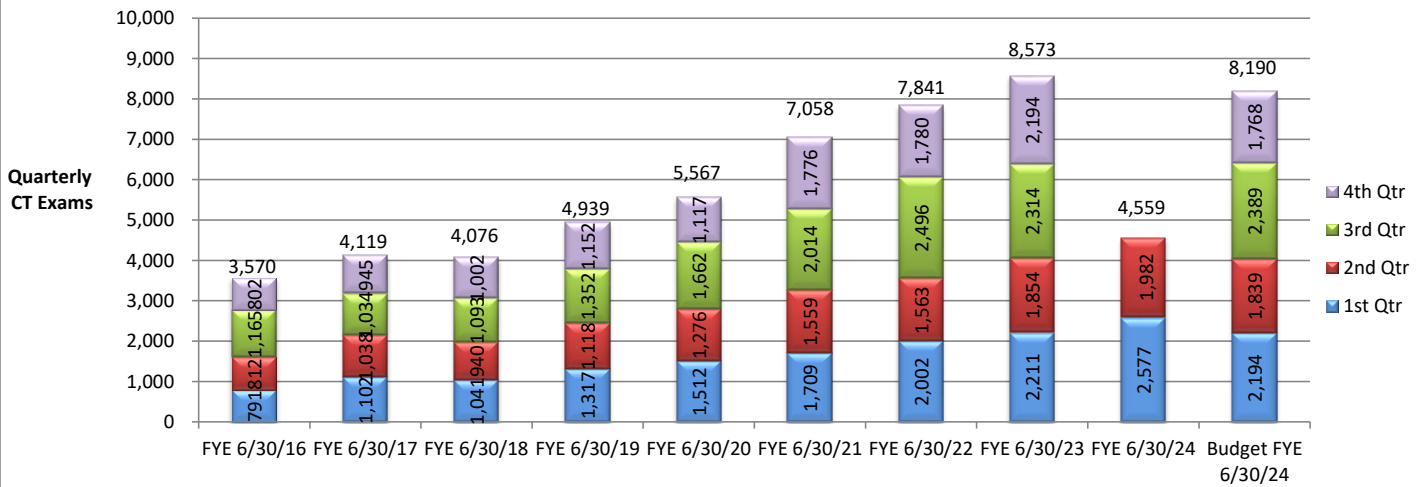
### TOTAL TFH CT INPATIENT EXAMS



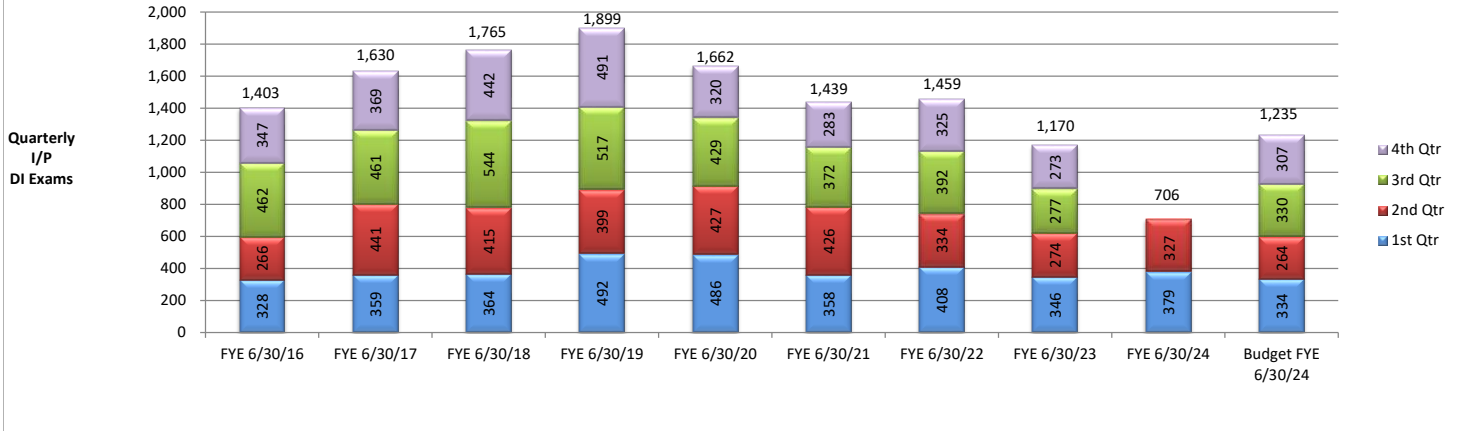
### TOTAL TFH CT OUTPATIENT EXAMS



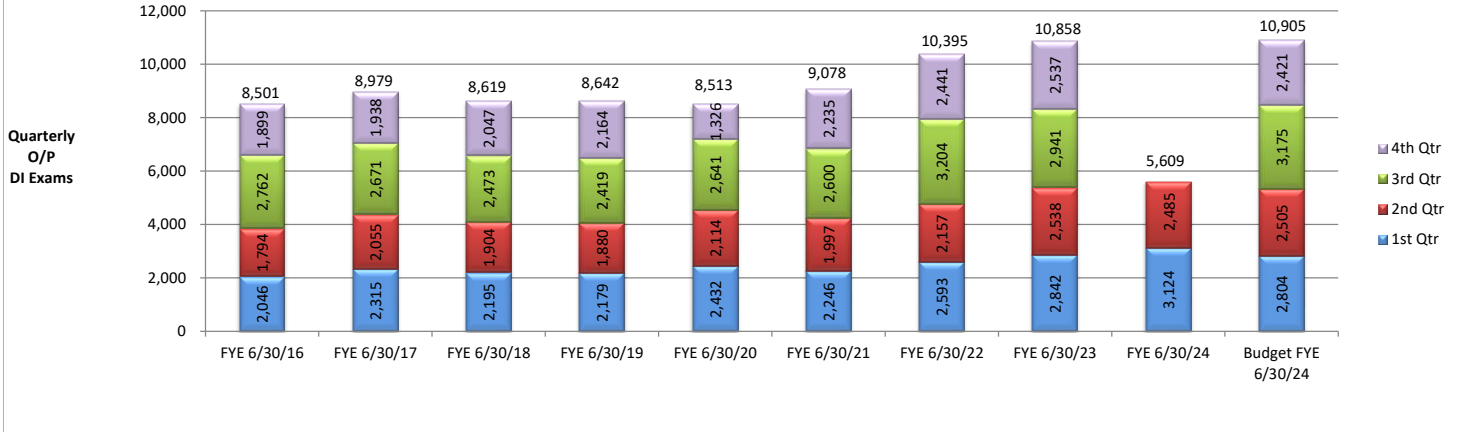
### TOTAL TFH CT EXAMS



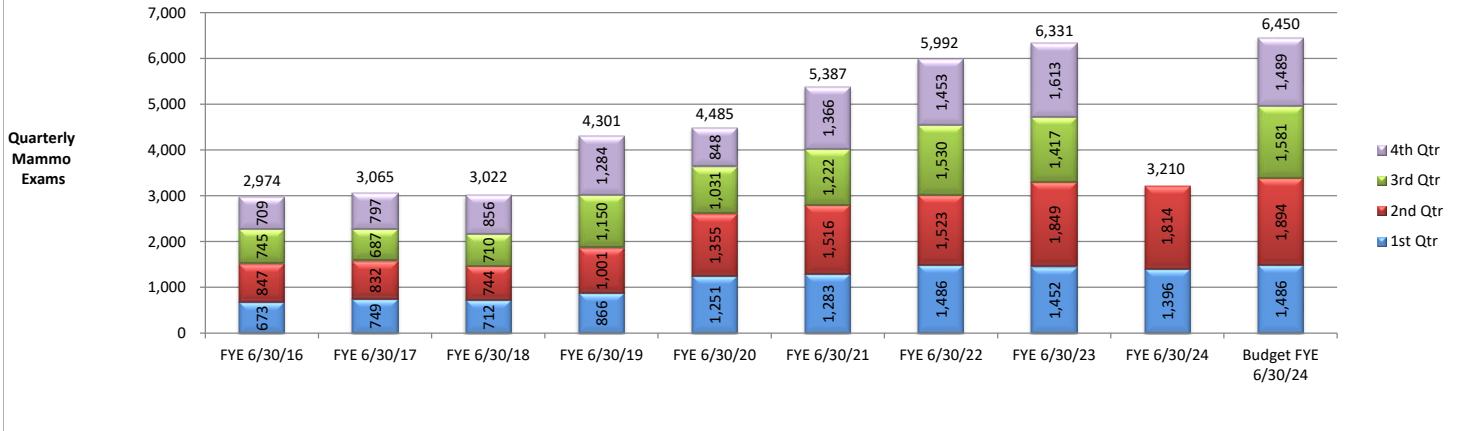
### TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



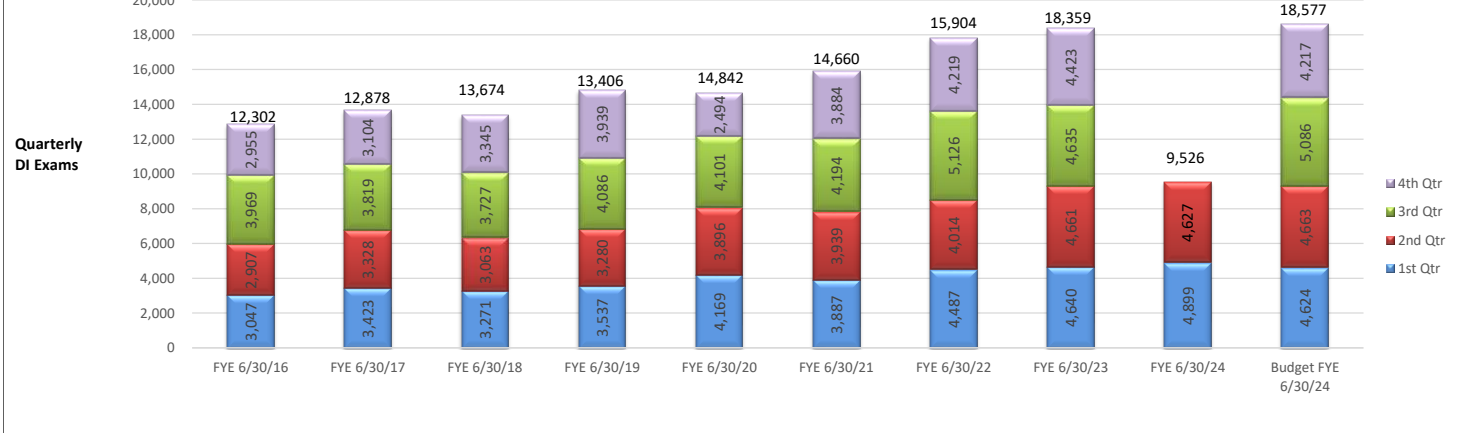
### TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS



### TOTAL TFH MAMMOGRAPHY EXAMS

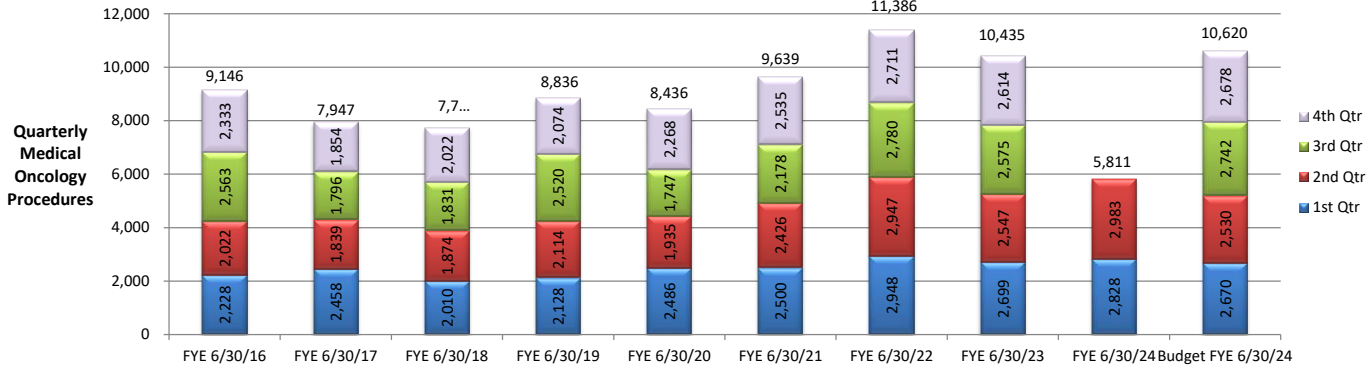


### TOTAL TFH DIAGNOSTIC IMAGING EXAMS

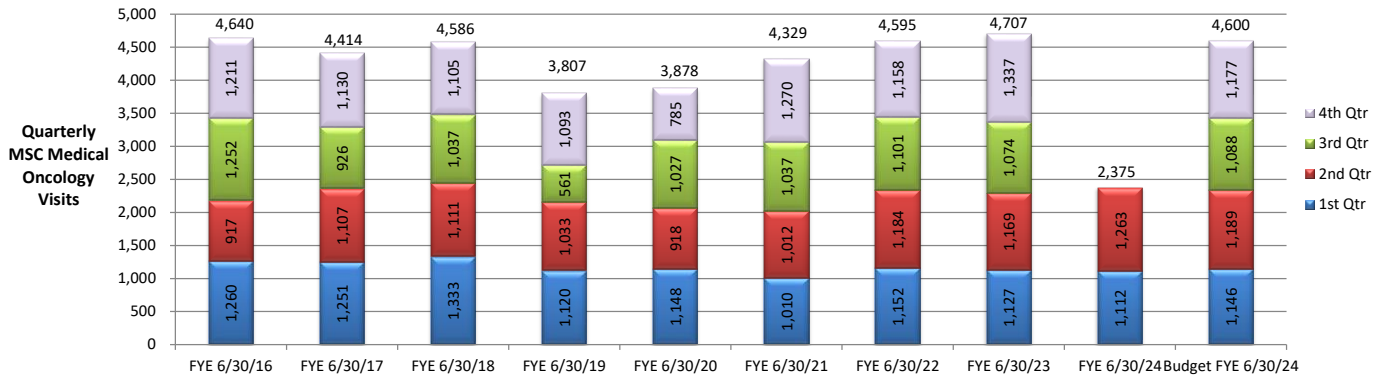




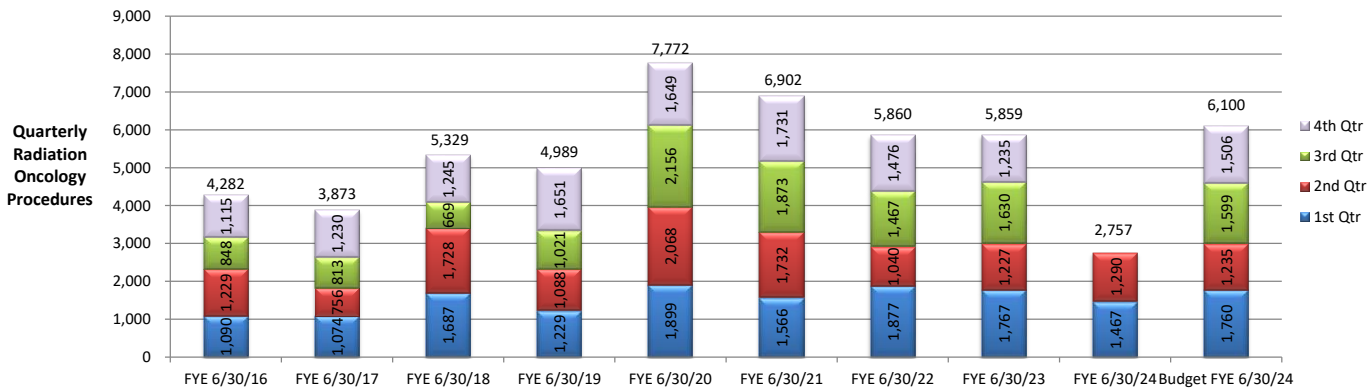
### TOTAL TFH MEDICAL ONCOLOGY PROCEDURES



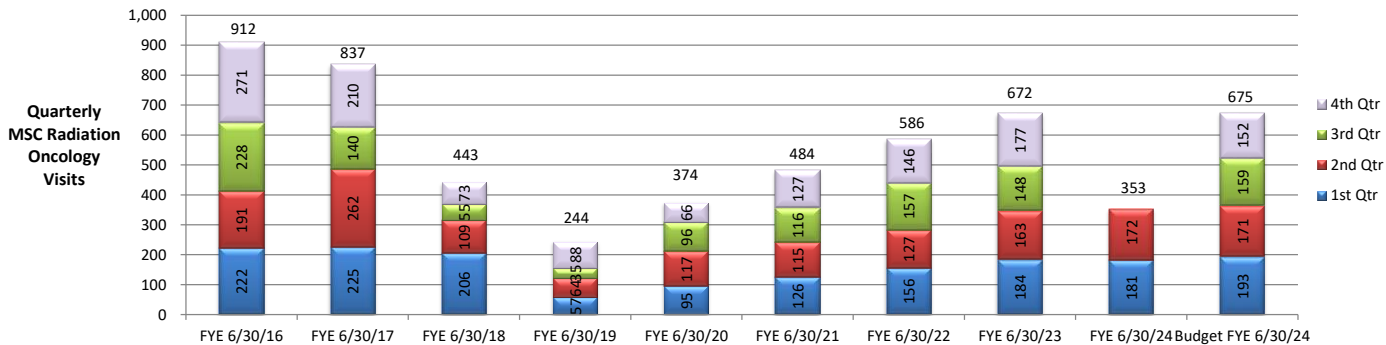
### TOTAL TFH MSC MEDICAL ONCOLOGY VISITS



### TOTAL TFH RADIATION ONCOLOGY PROCEDURES

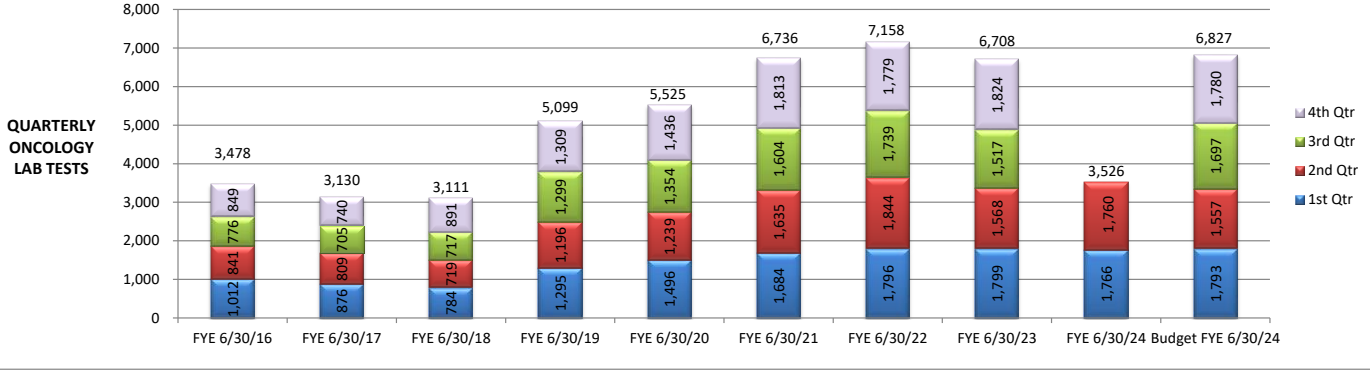


### TOTAL TFH MSC RADIATION ONCOLOGY VISITS

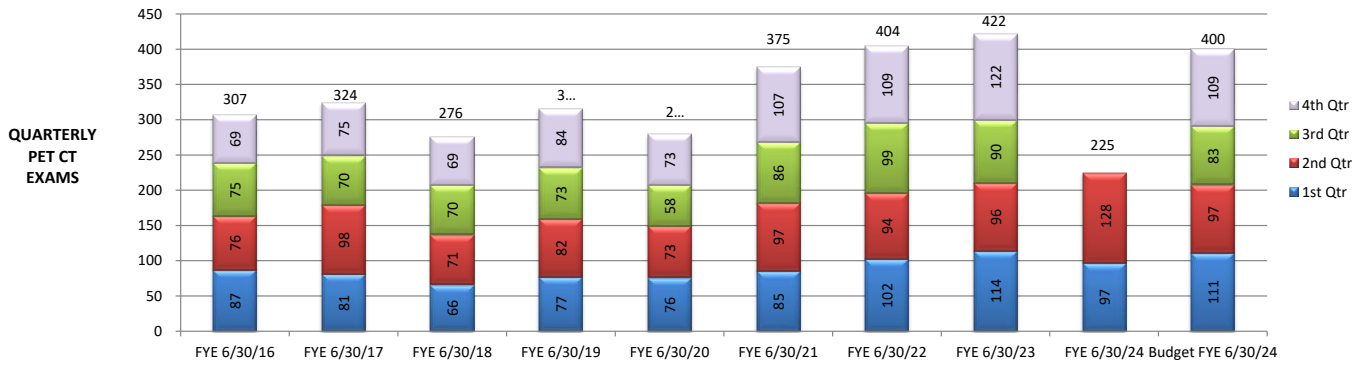




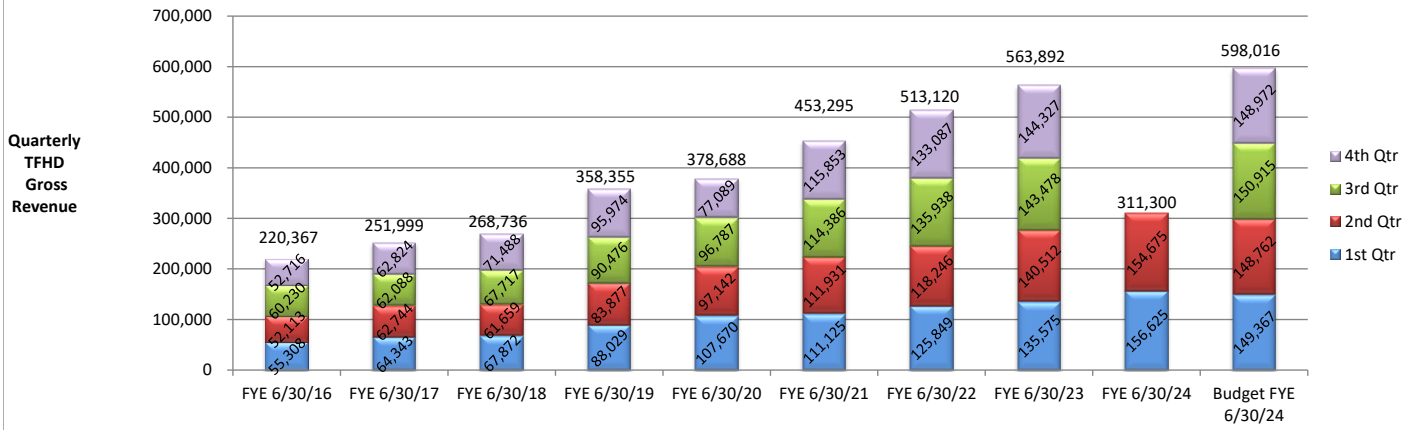
### TOTAL TFH ONCOLOGY LABORATORY TESTS



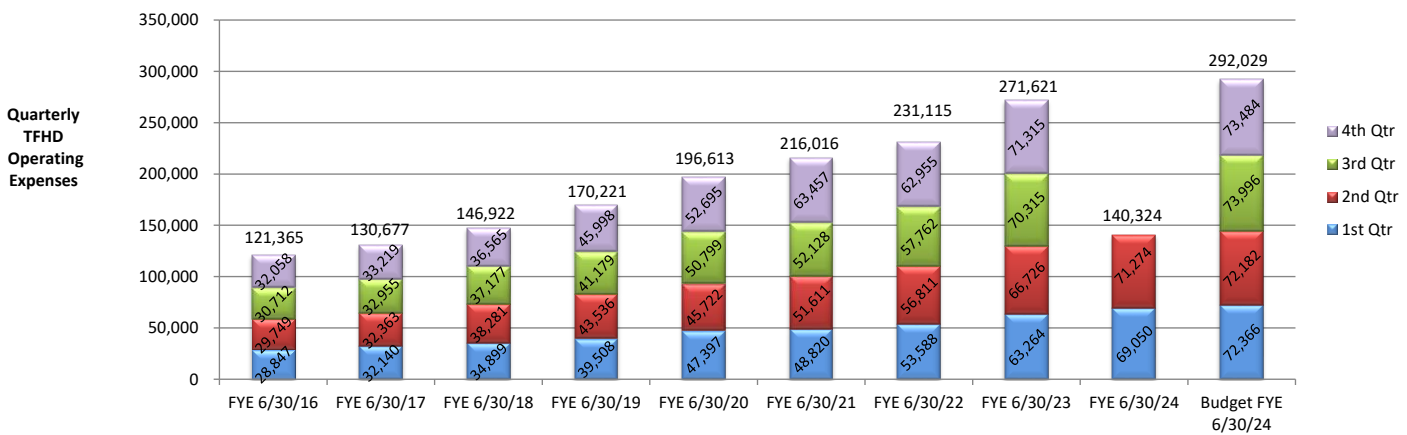
### TOTAL TFH PET CT EXAMS



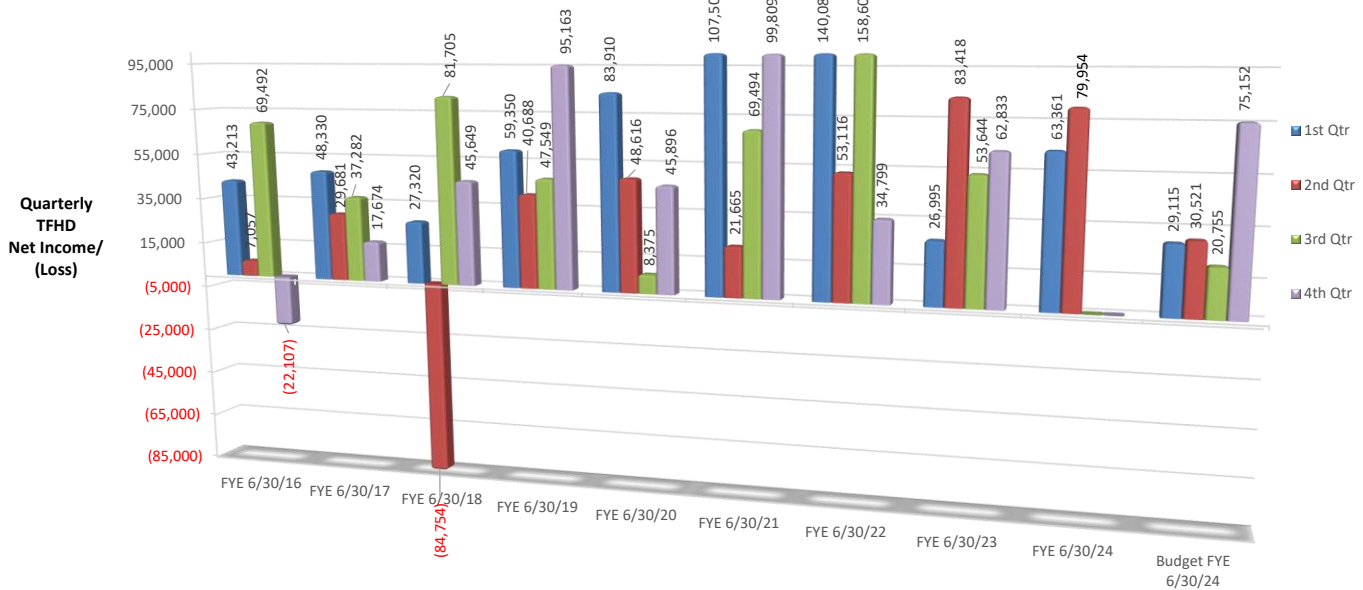
### TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



### TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



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





## Board Informational Report

**By: Harry Weis**  
President and CEO

**DATE: January 15, 2024**

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The first half of our Fiscal Year 24 fiscal year has sped by. We are still estimating an 8% approximate overall volume increase versus the previous fiscal year for this same 6 months.

We are seeing nearly an 11% increase in provider clinic visits in the first 6 months of this fiscal year versus the same time last year yielding around 138,000 provider clinic visits annualized. This is a huge change from 47,000 clinic visits in Fiscal Year 2015 and 129,000 clinic visits last fiscal year.

Patient access remains our number one focus for our patients and will likely remain a top priority for many years.

We have one more family practice physician coming and we hope to have a skilled GI physician who can also do ERCP procedures join our GI team.

Additionally, we have a psychiatrist coming to help with an upcoming retirement as well.

Our Managements Systems work continues with Vizient and developing the long-term changes from the front line in our organization does require that we give our leaders and front line staff adequate time to define the best long-term changes to honor our patients and keep our health system sustainable.

December was one of our favorite times of the year to have extra time to engage with our medical staff and our staff and thank them for their hard work in serving our patients throughout the year.

We are very focused on caring for our patients and dealing with whatever the winter throws at us.

We are really pleased with the variety of radiology equipment upgrades at IVCH! Everything we have added is the best tool in that product area for our patients.

Further, we are already at work to plan for the capital and operating budget needs of our health system for Fiscal Year 2025.

Our Truckee Tahoe Workforce Housing agency meets later this week and will choose new board officers. This agency continues to move forward building friendships and partnerships in our region. We appreciate their innovative and hard work along with their great assistance in helping our team members find homes to rent or buy.

Our collaborative with three other hospitals is growing to four other hospitals, and will be called Sierra Crest LLC. The partners right now include Mammoth Hospital (the newest edition) Barton Health, Carson Tahoe Health, Marshall Medical Center and Tahoe Forest Health System.

We are actively working on the next generation of our Epic contract with Mercy. Our prior seven year contract period is ending. We have many team members working on this important contract. At least one of the hospitals in the above “collaborative” is talking to Mercy, too.

Our leadership team is staying close to the growing set of ideas and operational management intrusion regarding the California Office of Healthcare Affordability so we may have other updates as this topic progresses.

The drop in tax revenues to the State of California of nearly 30%, is a big concern for our health system along with the growing state budget deficits. The state expenditure side of the state budget has grown tremendously every year since 1977. The state general fund disbursements were doubling for most 10-year periods since 1977.

The large and growing federal budget deficits are a huge concern for the healthcare industry as well and for all Americans.

**By: Louis Ward**  
Chief Operating Officer

**DATE: January 2024**

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### **Quality: Provide excellent patient focused quality care**

*Advance our culture of safety*

- **2024 Winter Weather alerts and preparedness**

The 2023 winter season brought considerable feedback from all levels of the TFHS team about our communication process surrounding winter weather alerts, road conditions, staffing, and power outages. With this feedback, a small team of TFHS employees met throughout the summer and fall months to improve the process that could be deployed in the 2024 season. Last year, the health system communicated winter weather alerts through email and this year we will continue to use email, however add to the communication plan text notification as employees are more likely to receive the communication outside of work hours. We have also built a larger distribution list for text and email notifications, which encompasses all TFHS employees and credentialed medical staff. A decision was also made when appropriate and information is available, we will try to communicate earlier the expected challenges staff needs to be aware of. This month we have initiated our new process twice, feedback on the new process has been very good.

### **Service: Deliver Outstanding Patient & Family Experience**

*Develop comprehensive plan for technology in a CAH*

- **Mercy Epic Contract**

Throughout the fall of 2023, a team from Tahoe Forest Health System and Mercy, our Epic Electronic Medical Record partner negotiated the terms of a new 5-year agreement. Discussions took place weekly throughout the fall and have proven to be successful as a new contract with Mercy is ready to be reviewed and considered by the District Board.

### **Community: Expand and foster community and regional relationships**

*Focus on community and population health*

- Administration has been diligently searching for the right partner to collaborate with on our goals of environmental stewardship. We believe we have found that right partner in Mazzetti. The firm has almost sixty years in the industry with expertise in Healthcare as well as California to meet our specific needs. Over the next 14 weeks, staff will collaborate with Mazzetti's experts to gather data on 3 different scopes: Scope 1: Fuels and Gases; natural gas, diesel, medical gases, refrigeration, fleet usage, etc. Scope 2: Purchased Electricity and District Utilities: Electricity and Scope 3: Miscellaneous; purchased goods, capital goods, solid waste, wastewater, business travel, employee commuting, patient travel, etc. This data will be heavily scrutinized and the carbon intensity will be reported and judged against similar

hospitals by way of size and geographical location. This representation will allow staff to understand how each specific use contributes to the carbon intensity of the Hospital as well as how this consumption compares with our industry peers. Lastly, Mazzetti will leave staff with recommendations and opportunities to consider in lowering our carbon intensity.

## **Service: Optimize Deliver Model to Achieve Operational and Clinical Efficiency**

*Implement a focused master plan*

Report provided by Dylan Crosby, Director Facilities and Construction Management

### **Active Moves:**

- No Active Moves

### **Planned Moves:**

- No Planned Moves

### **Active Projects:**

**Project:** Martis Outlook Plastics

**Background:** Staff have focused on providing health care services in the Eastern portion of Truckee. Property was acquired in 2021 at the Martis Outlook Building to realize this goal.

**Summary of Work:** Demo interiors of existing suite to build out new clinic space.

**Update Summary:** Finish work is commencing.

**Start of Construction:** Spring 2023

**Estimated Completion:** Spring 2024

**Project:** Martis Outlook Primary Care

**Background:** Staff have focused on providing health care services in the Eastern portion of Truckee. Property was acquired in 2021 at the Martis Outlook Building to realize this goal.

**Summary of Work:** Demo interiors of existing suite to build out new clinic space.

**Update Summary:** Construction is complete and the project is occupied.

**Start of Construction:** Spring 2023

**Estimated Completion:** Winter 2023

**Project:** Incline Village Community Hospital X-Ray and CT Replacement

**Background:** Incline Village Community Hospital has been provided a grant opportunity to support the replacement of the X-Ray and CT at the Hospital. Various components of the X-Ray are end of service and end of support. The CT is approaching end of service. The new CT will be replaced with a new 128 slice machine, existing 16 slices. **Summary of Work:** Provide temporary accommodations to ensure hospital can provide X-Ray and CT services during the project. Replace X-Ray and CT equipment and modify space for code compliance and improved staff and patient workflow.

**Update Summary:** Construction is complete and the project is occupied.

**Start of Construction:** Spring 2023

**Estimated Completion:** Spring 2024

**Project:** Incline Village Community Hospital Mammography

**Background:** Incline Village Community Hospital has been provided a grant opportunity to support the addition of a new Mammography Machine.

**Summary of Work:** Remodel the previous Medical Records office to create a mammography room.

**Update Summary:** The authorities having jurisdiction have accepted Plans. Demolition is complete. Utility rough-in is commencing.

**Start of Construction:** Winter 2023

**Estimated Completion:** Spring 2024

### **Projects in Planning:**

**Project:** Tahoe Forest Hospital Seismic Improvement

**Background:** In 2012, Tahoe Forest Hospital completed an expansive seismic improvement job to extend the allowance of acute care service in many of the Hospital buildings up to and beyond the 2030 deadline determined by Senate Bill 1953. This project is Phase one of three in a compliance plan to meet the full 2030 deadline.

**Summary of Work:** Upgrade four buildings (the 1978, 1990, 1993 and Med Gas) to Non-Structural Performance Category “NPC” 4 status. Renovate the Diagnostic Imaging reception, waiting room and X-Ray to increase capacity and receive new equipment. Renovate Emergency Department beds 8-15 to provide addition patient privacy. Renovate Emergency Department beds 4-7 to private rooms. Aesthetic upgrades of the 1978 and 1990 buildings including but not limited to flooring, ceilings, signage and painting.

1978 Building – Diagnostic Imaging, portions of Emergency Department

1990 Building – Portions of the Surgical Department

1993 Building – Portions of the Dietary Department

Med Gas Building – Primary Med Gas distribution building.

**Update Summary** Project has been put on hold.

**Start of Construction:** Summer 2024

**Estimated Completion:** Winter 2026

**Project:** Levon Parking Structure

**Background:** Demand for parking Tahoe Forest Hospital has far exceeded its capacity. This project is to create a staff parking structure to meet the current and future needs of staff and importantly provide accessible parking for our patients.

**Summary of Work:** Project intent is to concurrently work on this project thru the entitlements effort on the Tahoe Forest Master Plan effort. This project being dependent on the Master Plan approval. This project will provide upwards of 225 parking stalls and various biking parking opportunities to support the parking need of the Tahoe Forest campus. The use intent is for this structure to service staff being located off Levon Ave, the Hospital service corridor.

**Update Summary:** Project is in programming. Site survey has been completed and site design has commenced.

**Start of Construction:** TBD

**Estimated Completion:** TBD

**Project:** Gateway RHC Expansion

**Background:** With the longevity of the existing Gateway Building in the Master Plan staff are looking to maximize the utilization. Staff will be working to expand the current RHC to provide Dental, Ophthalmology, Behavioral Health and Out Patient Lab Services.

**Summary of Work:** Remodel 8 suites within the Building.

**Update Summary** Tenant Improvement is awaiting an approved program. Site design and demolition plan have commenced. Development permit is scheduled to be submitted at the end of January 2024

**Start of Construction:** Spring 2024

**Estimated Completion:** Fall 2026

**Project:** TFHD MEP Replacements

**Background:** In order to meet the environment required for patient care, various end of life mechanical and electrical systems are in process of being replaced.

**Summary of Work:** Replace the four air handlers that support the 1990 building, replace the air handler that supports the 1978 building, provide reliability improvements to the western addition air handler, add addition cooling to the South Building MPOE and replace end of life ATS’.

**Update Summary** Project has been awarded, site investigation is underway.

**Start of Construction:** Winter 2024

**Estimated Completion:** Summer 2026

**Project:** Tahoe City Clinic – Fabian Way

**Background:** The District has acquired new space in Tahoe City, Dollar Point, to move clinical services.

**Summary of Work:** Remodel the two structures to provide a new clinic with supported lab draw and imaging services. Site Improvements to improve parking, access and best management practices.

**Update Summary** Project is out to bid

**Start of Construction:** Fall 2024

**Estimated Completion:** Summer 2025



By: Jan Iida, RN, MSN, CEN, CENP  
Chief Nursing Officer

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**Service: Optimize delivery model to achieve operational and clinical efficiency**

- Integration of the Baxter IV pump to Epic, training for staff to begin in February. Go live in mid-March.
- Nursing held an all-nursing departments meeting January 22 with all staff to discuss efficiency between departments, Press Ganey and back to the basic of nursing care.

**Quality: Provide clinical excellence in clinical outcomes**

- The. Stroke program updates August to December 2023
  - 40 stroke alerts page
  - 24 patients had CVA/TIA
  - 9 admitted to TFH
  - 3 TNK (drug) administered
  - 5 admitted at Renown
  - 9 Transferred
- The first inpatient Tele-Neuro consult was complete on January 10.

**Growth: Meeting the needs of the community**

- The ED/Trauma program has been ask to participate by CHP, in every 15 min program with North Tahoe High School in May. Every 15 mins is a two-day program focusing on high school juniors and seniors, which challenges them to think about drinking, driving and personal safety, the responsibility of making a mature decisions and the impact their decisions have on family, friends and the community.
- Ski Areas, IVCH and TFH ED staff RN's started in December covering the four of local ski areas first aid clinics. Coverage is Friday-Sunday at Alpine, Boreal, Diamond Peak, Sugar Bowl.

**By: Brian Evans, MD, MBA**

**DATE: January 15, 2024**

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**People: Strengthen a highly-engaged culture that inspires teamwork & joy**

- The medical staff had a light meeting schedule over the holidays and many took the opportunity to relax and spend time with loved ones.
- As an expression of gratitude, medical staff members received a holiday gift; which was a multi-function emergency radio device.

**Service: Deliver Outstanding Patient & Family Experience**

- The Access to Care project has had numerous activities and accomplishments related to improving access and experience for our patients. Planning sessions and data analysis were done to prepare for a fourth “rapid improvement event” on the subject of provider templates. This will assess the framework of how patients are scheduled with doctors and APP’s. The goal is a much greater understanding of the demand for service in our community, and our current capacity. We also are preparing a realistic assessment of how much additional capacity can be created through greater operational efficiency. In addition, follow up action items from the first three rapid improvement events (CT/MRI ordering and scheduling, and clinic efficiency) continue to be implemented.
- Management systems concepts are being implemented through our engagement with Vizient. Training sessions for Tahoe Forest leaders are scheduled for January 17<sup>th</sup> and 18<sup>th</sup> to solidify these key principles.
- Under the leadership of Alix Crone, Tahoe Forest has formed a “Patient Experience Committee” with representation from all areas of the system. The committee looks at opportunities to use data to improve experience both inpatient and outpatient. Recent HCAHPS scores for our inpatient care remain at 5 stars; the highest achievable level.

**Quality: Provide excellent patient focused quality care**

- Establishing “standard work” for each element of our CMS 5 Star bundle continues. We now have structured bundles for fall prevention, surgical infection prevention, Clostridium Difficile prevention, sepsis treatment, readmission prevention, CT protocols, ED visits for chemotherapy patients, and complication prevention for total joint patients.
- We have an upgrade ready for deployment based on our event reporting software “RL Datix.” The upgrade will allow faster submissions with fewer mandatory fields, and a department based structure for efficient manager assignments. We will have greater reporting capabilities and data collection. Staff will find the interface easier and less time consuming, and this will be an important step towards high reliability and zero harm.

**Finance: Ensure strong operational & financial performance for long term sustainability**

- A Physician Compensation steering committee has been formed including members of the medical staff as well as financial experts. The group has met twice to assess financial data and a variety of payment models. The purpose of the committee is to ensure that Tahoe Forest is highly competitive with our compensation and also incentivizes activity that supports our

patients. The results of this work will ensure continued success in recruitment, retention, and performance of our clinical staff.

**Community: Expand and foster community and regional relationships**

- Partnership Health has become the Medi-Cal provider for Nevada County as of January 1. Dr. Evans hosts a remote site at Tahoe Forest for the monthly “Physician Council” meetings, which comply with the Brown Act. These meetings are an essential mechanism to increase collaboration across the state for appropriate care of our Medi-Cal patients.
- Part of the work being done to improve Behavioral Health services at Tahoe Forest involves reaching out to all of our partners across the region who provide services. There are numerous entities including other healthcare systems, FQHC’s, hospitals, counties, and individuals who provide care and we are engaged in connecting to all of them to ensure we are providing coordinated care efficiently, and with high impact.
- There is a biweekly meeting to discuss “emerging issues” in Nevada County attended by many physicians and other healthcare providers which Dr. Evans attends, to ensure our health system is coordinating with other entities. The meeting is also attended by officials from Nevada County Public health, including the Public Health Officer, Dr. Sherilynn Cooke. These meetings are a valuable source of information that benefits our district.



## Board Informational Report

**By: Jake Dorst**  
Chief Information and Innovation Officer

**DATE: January 2023**

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### **Service: Optimize delivery model to achieve operational and clinical efficiency**

Epic Contract renewal negotiations are complete. Will bring the final contract to board for review in a future meeting.

#### **Overall:**

1. Epic, January Upgrade-Reviewing tipsheets. Finalized ones will be distributed on Jan 2. Validating build. Weekly meetings with Upgrade Teams.
2. SlicerDicer, Epic's data validation and testing with Louis Ward
3. Standardizing Provider Communication-project. Epic tools and policy.
4. Epiphany project-kick off

*Epiphany software will help simplify cardiopulmonary data management with Cardio Server Cloud. Reduce server requirements, storage, and IT costs.*

5. Mercy collaboration efforts-Nursing Informatics council, projects/monthly updates, Project ANEW
7. Enhancing and cleaning up the Provider onboarding process. Directory review and clean up.
8. Updating EAF records-Epic Directory

*EAF: Facility Master File*

*Also includes information on Service Area and Location. An Epic Master File which is a subset of the Chronicles database (Epic's integrated production database)*

**Inpatient:**

1. Most of our teams time has been spent working on the smart pump project. We have basically completed the training curriculum. The next step is validation with Mercy and Baxter. Classes are scheduled for February.
2. Completed the OB circulation workflow tip sheet with the input from Kate Cooper. It is currently with the OB team to validate.
3. Order set revisions: insulin pump workflow and order set revisions.
4. Dr Dodd- Revenue optimization work

**AMB:**

1. Provider one on ones: reviewing smart list, smart phrases and MMODAL and patient lists
2. Review job/training with new analyst. Getting credentialed.
3. EPIC refreshers for support staff
4. A2C (Access2Care) on going monthly projects

**Emergency Department:**

1. NorthStar Urgent Care Clinic- GO live- Build and total support
2. Continued Smart pump project support
3. Build of track board for Tahoe City Urgent Care and Olympic Valley for ASAP (epic's ED module) wrapper portion
4. Working with clinic admin on enhancing the provider support an efficiencies in the clinics.

**Lab:**

1. Wellsky Blood Bank System Upgrade- Provided all the forms this week to HR per Mercy's request for Korchek users to have AD accounts to access the application. This is the last phase of this project. The application will be turned over to Korchek to be validated in the next couple of weeks. Their validation timeframe is 6-8 weeks so go live is looking like February.

2. Kick Off call for Epiphany EKG project. Kyle sent me the form for estimating how much storage they will need to import EKGs annually. I will return that to him early next week. We will combine the calls to have Epiphany and Mercy all on the same calls.
3. Aura SOW has been signed. I spoke to Danielle Canaday yesterday and she said this will kick off after the holiday. The first lab we will connect with will be Natera and then others will follow.
4. Visby (POC STD testing) SOW has been signed off. This is for testing to be implemented in the EDs and Urgent Care.
5. SOW has been signed for interface with Quest Las Vegas. (This will be to send Women's Center testing to them rather than Aurora due to issues we have had.) This is a new interface with a very limited test menu.

### **Surgery:**

1. Averted a crisis with all RNs losing access to our Status Board in the evening during the last case. Reported to Mercy. Turned out to be a problem affecting many hospitals. Someone flipped a switch somewhere. Many Mercy folks had to work late to fix it. If we hadn't reported it and they hadn't fixed it, many staff and many hospitals would have come into work in the morning with no patients on the Status Board. Big save. Stayed late. Was able to show RNs a workaround to chart.
2. E-consents- final touches on e-consents. Hoping to go live in January. Working on Smart phrases and Smart lists to populate into e-consents.
3. PreOp Clinic – final preparations to go live with a few test patients in the Ortho Clinic.
4. Acute Care discharge – working on developing tipsheet and more print groups so that ASD can print the discharge paperwork like the instructions tell them to.
5. Smart pump integration – tested workflow from ER to ASD/OR and med surg to ASD/OR to make sure it works smoothly. It does.

### **Project Management:**

1. Epiphany project has started.
2. Provation project starts next week.
3. We are planning for the forthcoming telephony UCS project to move to a new unified communication platform.
4. We are evaluating the various project proposals for next year.

**By: Alex MacLennan**  
Chief Human Resources Officer

**DATE: January 2024**

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**People: Aspire for a highly engaged culture that inspires teamwork & joy**

*Nurture mutual trust*

- We are about to undergo a survey to acquire certification for Collaborative Just Culture and Collaborative High-Reliability from DNV (Det Norske Veritas Group). Several members of our reliability management team have obtained roles to assist in attaining and sustaining this certification.
- The annual Holiday Party was again a successful celebration. This year, we celebrated with an Outer Space theme, and the event was a hit!

*Exemplify a culture based on the foundation of our values*

- Our Volunteers provided 1822.5 hours to date in the fiscal year.
- We organized the 3rd Quarterly Values Awards celebration to honor outstanding employees who exemplify our core values. Congratulations to the October winners: Taylor Mickiewicz for Quality, Michael Booker for Understanding, Crystal Jefferson for Excellence, Suzanne Lagrandeur for Stewardship, Lucy Aguilar for Teamwork, Sam Smith for Managerial Excellence, and Dr. Justin Ward for Physician Excellence.
  - Stay tuned for the upcoming celebration of the 4th quarter winners, with the announcement scheduled for January 17th.

*Attract, develop, and retain strong talent and promote great careers*

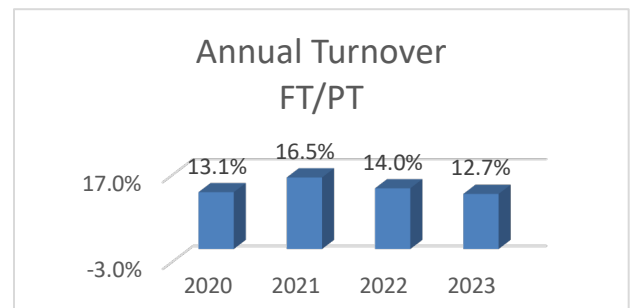
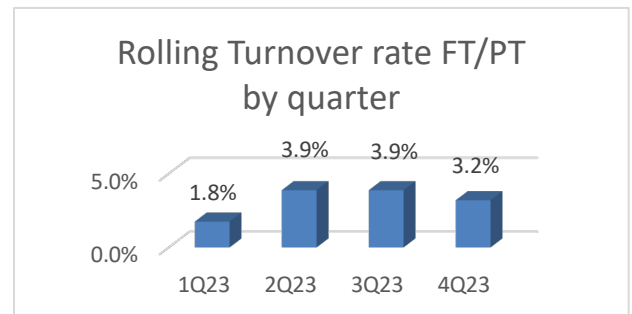
- We conducted a successful Benefits Fair, which kicked off Open Enrollment. Benefits Hub was deployed during open enrollment this year, allowing employees to choose, modify, or remove certain benefits. Benefits Hub also allows employees to see their help throughout the year and will be manageable on the UKG Mobile app later this year. We also conducted a dependent verification audit to ensure only the appropriate dependents remained on our plan.
- We hosted our Annual Winter Injury and Illness Symposium, bringing together Ski Patrol, EMS, nurses, and physicians. Attendees enjoyed a dinner gathering and earned continuing education credits through insightful presentations, notably featuring Dr. Ellen Cooper, who provided valuable insights on Level 3 Trauma.

Stats for 2023	
268	New Employees
207	Terminations
1305	Headcount as of December 31st
11.52	Average Span of Control
6.88	Average Seniority Years
11	Temporary Staff
86	Status change
163	Transfer

FY24 - current	
419	Fiscal year to date LOA's
174	Active LOA's
11	Work Comp LOA's
96	Modified (includes intermittent) Work Schedules
10	Modified Duty (excluding modified work schedule)

Turnover:

#	Term Types	Percentage
37	Involuntary	17.87%
170	Voluntary	82.13%
207		100.00%
#	Voluntary Term Reasons 2023	Percentage
46	Other	27.06%
36	Other job	21.18%
36	Moving	21.18%
11	Mutual Agreement	6.47%
10	Education	5.88%
9	Retirement/Early Retire	5.29%
7	Job Abandonment	4.12%
5	Temporary job ended	2.94%
5	Dissatisfied w/job	2.94%
5	Commute	2.94%





**RESOLUTION NO. 2024-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF TAHOE FOREST HOSPITAL DISTRICT ADOPTING A POLICY FOR COMPENSATION AND REIMBURSEMENT FOR MEMBERS OF THE BOARD OF DIRECTORS**

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**WHEREAS**, Tahoe Forest Hospital District (the “District”) is a local health care district duly formed and organized under the laws of the State of California;

**WHEREAS**, under the Local Health Care District Law (Health & Safety Code, § 32000 et seq.) the Board of Directors for the District serves without compensation unless it adopts a resolution authorizing payment of up to \$100 per meeting, up to six meetings per calendar month, as compensation to each Board Member for attendance; and

**WHEREAS**, Health and Safety Code section 32103 requires the Board of Directors, if it desires to compensate Board Members for more than five meetings per calendar month, to annually adopt a written policy describing why more than five meetings per month are necessary for the effective operation of the District.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Tahoe Forest Hospital District that:

**SECTION 1.** The Recitals above are true and correct and fully incorporated herein by this reference.

**SECTION 2.** The District hereby authorizes payment of up to \$100 per meeting, not to exceed six meetings a calendar month, as compensation to each Board Member for attendance, pursuant to the terms of the Compensation and Reimbursement Policy attached hereto as Exhibit A and incorporated herein by this reference.

**SECTION 3.** The District hereby adopts the Compensation and Reimbursement Policy attached hereto as Exhibit A.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Tahoe Forest Hospital District duly called and held in the District this 25th day of January, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

---

Chair, Board of Directors  
Tahoe Forest Hospital District

ATTEST:

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Martina Rochefort, Clerk of the Board  
Tahoe Forest Hospital District



Status **Active** PolicyStat ID **13059027**



Origination Date	05/2000
Last Approved	01/2023
Last Revised	01/2020
Next Review	01/2026

Department	Board - ABD
Applicabilities	System

## Board Compensation and Reimbursement, ABD-03

### PURPOSE:

To provide compensation and reimbursement to the Board of Directors, consistent with legislative regulations, for the performance of the duties of their office.

### POLICY:

- A. As permitted by Health and Safety Code section 32103, of the Local Health Care District Law, and required by the Political Reform Act, the payment of One Hundred Dollars (\$100.00) per meeting not to exceed six (6) meetings a month, is authorized as compensation to each member of the Board of Directors. Each member of the Board of Directors shall further be allowed his/her actual necessary traveling and incidental expenses incurred in the performance of official business of the District.
- B. Pursuant to Health and Safety Code section 32103, subdivision (a), the District finds that more than five meetings per month are necessary for the effective operation of the District because the District operates in a competitive market, often necessitating meetings to effectively resolve time-sensitive matters outside and in addition to its normal meeting schedule. Time-sensitive matters include, but are not limited to, the creation of new or expansion of existing health facilities, programs, or services; the acquisition or leasing of real property; and the consideration of appeals of actions, decisions, or recommendations of the Medical Staff affecting the professional privileges of its membership, which are governed by strict timelines pursuant to statute, local policy and bylaws. In addition, the Board of Directors operates with various standing committees that maintain flexible schedules to ensure prompt consideration of emerging issues. Finally, the District prioritizes fostering and growing community and regional relations, as demonstrated in the 2019-2021 Strategic Plan, which requires Board Members to attend meetings of governmental agencies and community organizations to represent the District. In the past, Board Members have needed to participate in more than five meetings in a calendar month to address significant matters, including but not limited to hiring a Chief Executive Officer. This policy permits the District flexibility to address these important matters promptly when they arise, while compensating Board Members for time spent

supporting the District.

- C. For the purpose of compensation, a meeting is defined as:
1. Regular and Special Board Meetings, including but not limited to continued, adjourned and emergency meetings;
  2. Board Committee meetings;
  3. Hospital District meetings at which the Board member is present as a designated Board representative (e.g., Medical Executive Committee, Bioethics Committee, IVCH Foundation, TFHS Foundation, TIRHR Board)
  4. Meetings of governmental agencies and community organizations, etc. where the Board member is representing the TFHD (i.e., Rotary, Tahoe City Breakfast Club, Truckee Daybreak Club). To be compensated, the Board member must be on the program or speaking to an item on the agenda related to the Hospital District at the request of the Board Chair or President and Chief Executive Officer.
  5. Conferences, seminars and other educational meetings do not qualify for meeting compensation.
- D. Members of the Board of Directors of the Tahoe Forest Hospital District and their eligible dependents shall be eligible to participate in the health, dental, vision and life insurance programs of Tahoe Forest Hospital District in a manner, including appropriate discounts, comparable to that offered to the Management Staff of the District.

## **PROCEDURE:**

- A. Board members are responsible for notifying the Executive Assistant in writing of meetings attended in the prior month, noting the day and purpose of each meeting prior to the last business day of each month.
- B. Board members shall also provide brief oral reports on meetings attended at the expense of TFHD at the next regular Board meeting.
- C. Board of Directors Travel Allowance
1. Meals will be reimbursed up to a daily per diem rate based on the location of the conference subject to IRS per diem guidelines.
  2. Air Fare for Board Members only.
  3. Parking and/or taxi fees and other transportation expenses will be reimbursed.
  4. If driving, mileage will be reimbursed at current IRS rates.
  5. Hotel room will be covered in full for Board Member.
    - a. If, however, the lodging is in connection with a conference or organized educational activity that does not qualify as a meeting and is conducted in compliance with California Government Code, Section 54952.2(c), including ethics training required by California Government Code, Section 53234, then lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor as long as the group rate is available to the Board member at the time of booking. If the group rate is not available, then the Board member shall use comparable lodging.

6. Tuition fees for Board Members will be paid in full.
7. Conference educational materials (books, audio tapes, etc.) not to exceed \$50.
8. Receipts are required for all reimbursable expenses.
9. Board members shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.
10. All expenses that do not fall within the adopted travel reimbursement policy of the IRS reimbursable rates shall be approved by the Board, in a public meeting before the expense is incurred.

D. Upon election or appointment to a seat on the Board of Directors of the Tahoe Forest Hospital District, the appropriate paperwork which is necessary to complete for enrollment will be given to the Board Member by the Human Resources Department. Coverage will begin on the first of the month following election or appointment to the Board of Directors and completion of the necessary enrollment forms

## References:

California Government Code, §§ 53232.2(d), (e), 53232.3(a), 53235(a), (b) (d). [§§54950 - 54963](#);  
[California Health & Safety Code, Section 32103](#)



## All Revision Dates

01/2020, 10/2017, 11/2015, 01/2014, 01/2012, 01/2010

## Approval Signatures

Step Description	Approver	Date
	Harry Weis: CEO	01/2023
	Martina Rochefort: Clerk of the Board	01/2023

**RESOLUTION NO. 2024-02**

**RESOLUTION OF THE BOARD OF DIRECTORS OF TAHOE FOREST HOSPITAL DISTRICT TO AFFIRM THE STANDING COMMITTEES FOR CALENDAR YEAR 2024**

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**WHEREAS**, Tahoe Forest Hospital District (the “District”) is a local health care district duly formed and organized under the laws of the State of California;

**WHEREAS**, the Board of Directors Bylaws require standing committees and their respective charters to be affirmed annually.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Tahoe Forest Hospital District that the following standing board committees and their respective charters attached are affirmed for 2024:

1. Finance Committee
2. Quality Committee
3. Governance Committee
4. Executive Compensation Committee.
5. Community Engagement Committee

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Tahoe Forest Hospital District duly called and held in the District this 25th day of January, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

---

Chair, Board of Directors  
Tahoe Forest Hospital District

ATTEST:

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Martina Rochefort, Clerk of the Board  
Tahoe Forest Hospital District

## Charter

### **Finance Committee Board of Directors Tahoe Forest Hospital District**

**PURPOSE:** The purpose of this document is to define the charter of the Finance Committee of the District's Board of Directors and, further, to delineate the Committee's duties and responsibilities.

**RESPONSIBILITIES:** The Finance Committee is responsible for assisting the Board in oversight of financial affairs by monitoring the organization's financial policies and the adequacy of its reporting, and recommending actions to protect and enhance the community's investment in the hospital. It will also assure that appropriate policies and procedures are in place to safeguard and preserve the assets of the hospital.

**DUTIES:**

1. Review quarterly the District operating, cash and capital budgets, budget performance and financial management and make recommendations.
2. Review financial statements quarterly.
3. Oversee the annual independent audit and supervision of any necessary corrective measures.
4. Review annually the investment of District funds.
5. Review at least semi-annually budgets and expenditures for facility projects.
6. Annually review the financial plans for consistency with hospital and system-wide strategic objectives.
7. Monitor financial indicators relative to industry benchmarks and like organizations.

**COMPOSITION:**

The Committee is comprised of at least two (2) members. The Board Treasurer shall serve as Chairperson of the Committee, and the second Committee member shall be appointed by the Board President.

**MEETING FREQUENCY:** The Committee shall meet quarterly. A report will be made to the Board of Directors, quarterly, or otherwise as requested.

**Charter**  
**Quality Committee**  
**Tahoe Forest Hospital District**  
**Board of Directors**

***PURPOSE:***

The purpose of the charter is to delineate the Committee's duties and responsibilities.

***RESPONSIBILITIES:***

The Quality Committee shall function as the standing committee of the Board responsible for providing oversight for Quality Assessment and Performance Improvement, assuring the Health System's quality of care, patient safety, and patient experience.

***DUTIES:***

1. Recommend to the Board, as necessary, policies and procedures governing quality care, patient safety, environmental safety, and performance improvement throughout the organization.
2. Assure the provision of organization-wide quality of care, treatment, and service provided and prioritization of performance improvement throughout the organization.
3. Monitor the improvement of care, treatment, and services to ensure that it is safe, beneficial, patient-centered, customer-focused, timely, efficient, and equitable.
4. Monitor the organization's performance in national quality measurement efforts, accreditation programs, and subsequent quality improvement activities.
5. Monitor the development and implementation of ongoing board education focusing on service excellence, performance improvement, risk reduction/safety enhancement, and healthcare outcomes.

***COMPOSITION:***

The Committee is comprised of at least two (2) board members as appointed by the Board Chair, the Medical Director of Quality and Chief Medical Officer.

***MEETING FREQUENCY:***

The Committee shall meet quarterly.



***Charter***  
**Governance Committee**  
**Board of Directors**  
**Tahoe Forest Hospital District**

**Purpose:**

The charter of the Governance Committee of the District's Board of Directors delineates the Committee's duties and responsibilities.

**Responsibilities:**

The Governance Committee of the Board shall function as a standing committee of the Board responsible for addressing all governance-related issues. The Committee shall develop, maintain, and implement the necessary governance-related policies and procedures that define the Hospital's governance practices.

**Duties:**

1. Conduct at least a biennial review of the Bylaws and submit recommendations to the Board of Directors for changes to Bylaws as necessary.
2. Conduct at least a triennial review of Board policies and submit recommendations to the Board of Directors for changes to the policies as necessary.
3. Develop new Board policies and procedures as necessary or as directed by the Board of Directors.
4. Advance best practices in board governance.
5. Ensure the annual board self-assessment is conducted no later than December 1.
6. Participate in the development of the Agenda for scheduled Board Retreats
7. Ensure a board goal setting process is conducted no later than April 30 and reviewed at the October board retreat.

**Composition:**

The Committee shall be comprised of two (2) Board members appointed by the Board Chair.

**Meeting Frequency:**

The Committee shall meet as needed.

**Charter**  
**Executive Compensation Committee**  
**Tahoe Forest Hospital District**  
**Board of Directors**

***PURPOSE:***

The purpose of the charter is to delineate the responsibilities and duties of the Executive Compensation Committee of the District's Board of Directors.

***RESPONSIBILITIES:***

The Executive Compensation Committee is responsible for assisting the Board in oversight of President and Chief Executive Officer (CEO) relations and the work done through the Foundations of Excellence.

***DUTIES:***

1. Oversee the identification and recruitment of the organization's CEO as directed by the Board of Directors.
2. Ensure an annual CEO performance evaluation process is in place.
3. In conjunction with the CEO, annually review and recommend modifications of goals and objectives which will be used to evaluate the performance of the CEO.
4. Review annually the CEO's comprehensive compensation package, and make recommendations to the Board of Directors as necessary.
5. Review metrics annually for the CEO's Incentive Compensation Criteria and make recommendations to the Board of Directors as necessary.
6. Review annually the CEO's Employment Agreement, and make recommendations to the Board of Directors as necessary.
7. In conjunction with the CEO, review and evaluate annually the CEO position description to ensure its continued relevance. Recommend revisions to the Board of Directors as necessary.

***COMPOSITION:***

The Committee is comprised of at least two (2) board members appointed by the Board Chair.

***MEETING FREQUENCY:***

The Committee shall meet at least once annually and then on an as needed basis.

## BOARD COMMUNITY ENGAGEMENT COMMITTEE CHARTER

### **Purpose**

The **Community Engagement Committee** of the hospital district board is established to support the Community Pillar of the Strategic Plan in our exceptionally healthy and thriving community. The Committee ensures collaboration between diverse community partners through active listening and advocacy for our community members. This committee is about improving health over just providing healthcare.

### **Definition**

Engagement is:

- The act of intentionally collaborating with individuals, communities, constituencies and organizations to help generate ideas, share best practices, better understand issues, identify concerns and considerations
- Collective problem-solving to leverage the work of our organizations
- Lifting community voice
- Ongoing and multi-directional
- Embracing a strategic approach to building lasting relationships

### **Responsibilities**

- Aid in the identification of unmet, community health needs and the means by which those gaps can be filled.
- Assist in strategic plan and budget for the community benefit, health and wellness services offered to our community.
- Provide a collaborative space for open ideas, active listening and creative problem solving for community health and wellness.
- Identify community partners to convene, discuss and collaboratively implement strategies to improve community health.
- Identify qualitative and quantitative metrics, complementary to the triannual Community Health Needs Assessment and Community Health Improvement Plan, to track Committee engagement and progress.
- Leverage media to engage the community and regularly share Committee updates on progress.
- Annually summarize and transparently report on activities related to the Community Engagement Committee including overall community benefit, health system wide community health and wellness events, charity care, housing, transportation, community grants, community sponsorships, and the activities of the Community Health Department.



### **Guiding Principles**

- **Focus on Community Health**
- **Build Trust Through Collaboration**
- **Be Agile and Evolve as we Learn**
- **Exemplify Integrity and Stewardship**
- **Prioritize Health over Healthcare**
- **Remain Curious**

### **Composition**

The committee will consist of two members of the TFHD Board of Directors.

### **Meeting Schedule**

The committee will meet quarterly.



Date: December 18, 2023

To: Tahoe Forest Hospital District Board of Directors

From: Karli Epstein, Executive Director – Tahoe Forest Health System Foundation TFHSF

Re: Request for new board member approval

Dear Tahoe Forest Hospital District:

TFHSF has recently approved Lauren Lessard to become a board member. He brings a wealth of experience, expertise, and community connections to our Foundation Board and community.

Below is Lauren Lessard's bio.

Respectfully submitted on behalf of the Tahoe Forest Health System Foundation

*Dr. Lauren Lessard is an assistant professor of Health Sciences at the University of Alaska, Anchorage and a maternal and child epidemiologist at the Institute for Circumpolar Health Studies. She has extensive experience developing research protocol and interventions addressing health disparities and inequities in communities. Dr. Lessard's previous projects focused on coordinating with practitioners and patients to address key maternal health issues including maternal and child mental health; contraception use; racial and cultural humility in clinic settings; adolescent preconception health; and co-morbidities associated with preterm birth. Dr. Lessard completed her PhD in Public Health at UCLA and her MPH at UC Berkeley in Maternal and Child Health. Prior to completing graduate school, she was a Peace Corps Volunteer in Suriname, South America, and completed her Bachelor of Arts in Political and Community Science at the University of California, Santa Cruz. She moved to Truckee in 2022 and has 3 children attending, and thriving, in local schools. Her husband is a full-time Emergency Medicine physician at Tahoe Forest and they both love the vibrant community and outdoor activities that Truckee has to offer.*



## **Board Informational Report**

**By: Linda Howard**  
Corporate Compliance  
Consultant, The Fox Group

**DATE:** January 25, 2024

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### **2023 Corporate Compliance Program Combined 4th Quarter and Annual Report (Open Session)**

The Compliance Committee is providing the Board of Directors with this 2023 Corporate Compliance Program Combined 4th Quarter and Annual Report (Open Session). This report assists the BOD to meet its obligations to be knowledgeable about the content and operation of the seven components of the Compliance Program.

2023 Corporate Compliance Program Combined 4th Quarter and Annual Report  
OPEN SESSION

Period Covered by Report: **January 1, 2023 - December 31, 2023**

**1. Written Policies and Procedures**

1.1. The District's Corporate Compliance Policies and Procedures are reviewed and updated as needed.

1.1.1. No Compliance Policies were updated in the fourth quarter of 2023.

1.1.2. No Compliance Policies were updated in 2023.

**2. Compliance Oversight / Designation of Compliance Individuals**

2.1. Corporate Compliance Committee Membership as of September 30, 2023:

Linda Howard, The Fox Group – Compliance Officer

Katherine Gaffney - Privacy Officer and Risk Manager

Garrett Smith The Fox Group – Compliance Consultant

Louis Ward, Chief Operating Officer

Jan Iida, RN- Chief Nursing Officer

Harry Weiss – Chief Executive Officer

Crystal Felix – Chief Financial Officer

Jake Dorst – Chief Information and Innovation Officer

Alex MacLennan – Chief Human Resources Officer

Matt Musher – In-house Legal Counsel

Bernice Zander, Health Information Management Director

Scott Baker, Vice President of Physician Services

Tobriah Hale, Legal and Compliance Specialist

**3. Education & Training**

3.1. All employees are assigned annual HIPAA Privacy and Security Rule training, and Compliance Program training, via Health Stream.

3.2. Code of Conduct and Health Stream compliance and privacy training for new medical staff members and physician employees are completed as part of initial orientation.

**4. Effective Lines of Communication/Reporting**

4.1. A Compliance log is maintained for all calls to the Compliance Hotline and other reports made to the Compliance Department.

4.1.1. No reports were made through the hot line in the 4<sup>th</sup> Quarter of 2023.

2023 Corporate Compliance Program Combined 4th Quarter and Annual Report  
OPEN SESSION

4.1.2. Seven calls were made through the hot line in 2023. Resulting in three privacy investigations.

4.2. HIPAA violations are reported to the Privacy Officer. The Privacy Officer maintains a log of reported events and investigations.

4.2.1. Nine reports were investigated by the Privacy Officer in the 4<sup>th</sup> Quarter of 2023.

4.2.2. Thirty-four reports were investigated by the Privacy Officer in 2023.

<b>Nature of Breach Reports 2023</b>	<b>No. of Reports YTD</b>	<b>No. of Reports 1st Quarter 2023</b>	<b>No. of Reports 2nd Quarter 2023</b>	<b>No. of Reports 3rd Quarter 2023</b>	<b>No. of Reports 4th Quarter 2023</b>
Billing/Registrations	1	1	0	0	0
Patient Results	2	1	0	0	1
Mailings	1	0	1	0	0
Electronic File	0	0	0	0	1
Faxing	2	2	0	0	0
Patient Complaint	0	0	0	0	0
Record Disposal	1	1	0	0	0
Public Disclosure	6	0	2	2	2
Employee Access	12	4	1	2	5
BAA reported breach	0	0	0	0	0
Incorrect Registration	0	0	0	0	0
Incorrect Guarantor	1	0	0	1	0
Unsecure/misdirected email	7	2	1	4	0
<b>Total</b>	<b>34</b>	<b>11</b>	<b>5</b>	<b>9</b>	<b>9</b>
	Total YTD	Q1	Q2	Q3	Q4

4.3. The Compliance Department published one article in the Pacesetter each quarter of 2023 for a total of 4 articles during the year.



**5. Enforcing Standards through well-publicized Disciplinary Guidelines**

5.1. New hires are required to complete Health Stream courses in Corporate Compliance and HIPAA. Two hundred and forty-nine (249) new hires completed training. The on-time completion rate for 2023 was 98.35%.

5.1.1. Fifty-eight (58) new hires completed the required training the 4th Quarter (98.3%)

5.1.2. Sixty-four (64) new hires completed the required training the 1st Quarter (100%)

5.1.3. Sixty-eight (68) new hires completed the required training the **2<sup>nd</sup> Quarter** (95.1%)

5.1.4. Fifty-nine (59) completed the required training the in the **3<sup>rd</sup> Quarter** (100%)

5.2. Completion of employee annual Corporate Compliance & HIPAA courses: 98.6%

5.3. All new staff hires, and newly privileged physicians, receive criminal background checks and are checked against the OIG and GSA list of exclusions prior to hiring/appointment. Members of the Medical Staff are checked against the OIG/GSA exclusion lists each month. All employees are screened against the OIG/GSA exclusion list every quarter. All vendors are checked continuously using the vendor credentialing program.

**6. Auditing & Monitoring**

6.1. As a part of the 2023 Corporate Compliance Work Plan the following 12 audits were completed during 2023:

6.1.1. One (1) audit was completed during the **4th Quarter** - Break-the-Glass. A review of possible inappropriate access to PHI revealed that all flagged access to PHI was determined to be within employees' business need.

6.1.2. Three (3) audits were completed during the **1<sup>st</sup> Quarter** - Annual Report of unauthorized, Medical Record Documentation for TCM/CCM services, Physician Payment Audit

6.1.3. Two audits (2) were completed during the **2<sup>nd</sup> Quarter** - Employee Access Audit, and Rural Health Clinic Consents.

6.1.4. Six audits (6) were completed during the **3<sup>rd</sup> Quarter** - Evaluation and Management Coding, Home Health Chart, Hospice Billing, Advance Beneficiary Notice (ABN), and HFAP Audit.

**7. Responding to Detected Offenses & Corrective Action Initiatives**

There were no investigations of suspected and actual compliance incidents initiated during the 2<sup>nd</sup>, 3<sup>rd</sup> or 4th Quarters of 2023. Three (3) investigations of suspected and actual compliance incidents were initiated during the 1st Quarter of 2023.

**8. Routine Compliance Support**

The Compliance Department provides routine support to important TFHD initiatives, such as the terms and conditions of physician employment, and questions about billing, and compliance with other laws and regulations.

**TAHOE FOREST HOSPITAL SYSTEM  
CORPORATE COMPLIANCE PROGRAM  
2024 TFHS WORK PLAN**

Tahoe Forest Hospital System is committed to full compliance with all applicable laws, rules and regulations, and to conduct itself with the highest level of business and community ethics and standards.

**Objectives identified** for focus in the current year relate to the elements of an effective compliance program as defined in the Federal Sentencing Guidelines, items identified in the OIG's ongoing Work Plan, and risk areas identified by the Tahoe Forest Health System.

OBJECTIVE / ACTION	Assigned To	GOAL	ACTION COMPLETION TARGET				STATUS
			1 <sup>ST</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	
<b>1. Policies &amp; Procedures</b>							
A. Identify, review and revise P&Ps related to Compliance	CCO	Policy approval	X	X	X	X	
<b>2. High Level Oversight</b>							
A. Corporate Compliance Officer provides quarterly and annual compliance reports to the Board of Directors. Report.	CEO/CCO	Quarterly and Annual report to Board	X	X	X	X	
B. Board Evaluation of Corporate Compliance Program	CEO/CCO	Evaluation of Compliance Program	X				
<b>3. Education, Training, &amp; Communication</b>							
A. Education and Training to the Code of Conduct via Health Stream new staff only (C of C)	CHR	100% completion of C of C training	X	X	X	X	
B. Annual Attestation to the Code of Conduct: Existing Employees and Physician	CHR/CCO	100% completion of C of C training				X	
C. Health Stream training content related to compliance and HIPAA	CHR/CCO	100% completion of Compliance/ HIPAA Training	X	X	X	X	
D. Values training including HIPAA and Compliance	CHR	100% completion of training of new hires	X	X	X	X	
E. BOD compliance training program	CCO	Annual training for Board of Directors	X				
F. Annual compliance training for Directors, Managers and Supervisors	CCO	Annual/Update training		X			
G. Medical Staff annual compliance update via Health Stream	CHR	Annual update completed		X			

**TAHOE FOREST HOSPITAL SYSTEM  
CORPORATE COMPLIANCE PROGRAM  
2024 TFHS WORK PLAN**

			ACTION COMPLETION TARGET				STATUS
OBJECTIVE / ACTION	Assigned To	GOAL	1 <sup>ST</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	
H. Bi-monthly communication to staff using the Pacesetter/other methods (Privacy, Non-discrimination, compliance reporting, etc.)	CCO	Articles published	X	X	X	X	
I. Supplier Code of Conduct	Mat Mgr./CCO	Distribute to all Vendors annually	X	X	X	X	
<b>4. Monitoring and Auditing</b>		<b>Audit and Monitoring Source</b>					
		<b>Internal Audit</b>	<b>External Audit</b>	<b>1<sup>ST</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>	<b>3<sup>rd</sup> Qtr</b>	<b>4<sup>th</sup> Qtr</b>
A. Hospital: Patient admission Criteria/appropriate patient status (2 midnight rule)	CNO/CCA	X				X	
B. Physician payment audit (annual)	CCO	X		X			
C. Employee Access Audit - EPIC	PRIVACY OFFICER/CCO	X			X		
D. Break-the-Glass Report	PRIVACY OFFICER/CCO	X		X	X	X	
E. Home Health documentation for PPS, including documentation of face-to-face visits	CNO/Dir of Trans Scvs.	X			X		
F. MSC/Clinic/Hospitalists/Cancer Center E/M billing and medical records audit	CFO/Dir HIM	X				X	
G. Medical record documentation and billing for Transitional Care Management/Chronic Care Management	CNO/CCA	X		X			
H. Hospice Billing: refunds for cases exceeding the inpatient and outpatient caps	CNO/Dir Hospice	X				X	
I. Rural Health Clinic Consents (IM/Card/Peds, IVCH)	CCO/LCS	X			X		
J. Truckee Surgery Center Medical Records/Billing Audit	CNO	X					X
K. Advance Beneficiary Notice	Patient Access	X				X	
L. Medicare Outpatient Observation Notice	Case Management/ED/Patient Access	X				X	X

**TAHOE FOREST HOSPITAL SYSTEM  
CORPORATE COMPLIANCE PROGRAM  
2024 TFHS WORK PLAN**

			ACTION COMPLETION TARGET				STATUS
OBJECTIVE / ACTION	Assigned To	GOAL	1 <sup>ST</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	
M. Rural Health Clinic Mental Health Services Billing Audit	TBD	X				X	
N. New Location or New Line of Service Billing Audit	TBD	X				X	
O. EMTALA Documentation		X		X			
P. OIG Exclusion Screening (employees /vendors)		X				X	
Q. Good Faith Estimates for Self-pay patients with scheduled appointments		X			X		
R. 340B Program Audit		X				X	
S. Sepsis Coding		X	X				
T. AD hoc Audits based on new or revised laws, regulations, or guidance							
<b>5. Response, Investigation, Corrective Action, Reporting</b>							
A. Respond, investigate, and follow up all Hotline calls/ complaints within 30 days.	CCO	100% within 30 days					Ongoing
B. HIPAA 2023 annual report of unauthorized disclosures to HHS	CFO	Timely Submission	X				
<b>6. Enforcement and Discipline</b>							
A. Enforce Exclusion policy for employees, medical staff and vendors	CHR/CCO	Audit for compliance					Ongoing
<b>7. Responding Promptly to Detected Offenses and Undertaking Corrective Action</b>							
A. Respond, investigate, and report to State and Federal authorities for HIPAA and other Compliance issues	CCO/CFO	100% timely completion					Ongoing

## AGENDA ITEM COVER SHEET

<b>ITEM</b>	Renewal & Addendum to Master Services Agreement between MHM Support Services (“Mercy”) and Tahoe Forest Hospital District
<b>RESPONSIBLE PARTY</b>	Jake Dorst, Chief Information & Innovation Officer
<b>ACTION REQUESTED?</b>	For Board Action
<p><b>BACKGROUND:</b></p> <p>TFHD has completed a successful negotiation with Mercy renewing our Epic-as-a-service contact to provide the Epic electronic medical record to TFHD.</p> <p>The renewal of our Epic EMR demonstrates the District’s unwavering commitment to providing the highest level of care delivery and business sufficiency technology tools for the community.</p>	
<p><b>SUMMARY/OBJECTIVES:</b></p> <p>The term of the contract renewal is 5 years, with an option for two 1-year extensions before our next contract re-negotiations. The goods and services that the Epic EMR provides are the only goods and services which can meet the District's need because they are the current services provider.</p> <p>The total subscription value of the contract is \$12,427,712.</p> <p>Mercy and Tahoe Forest have reaffirmed our collaboration within our business relationship towards refinement and increased efficiency of care delivery and processes in our respective organizations.</p>	
<p><b>SUGGESTED DISCUSSION POINTS:</b></p> <p>none</p>	
<p><b>SUGGESTED MOTION/ALTERNATIVES:</b></p> <p>Move to approve Amendment #1 to Master Services Agreement between MHM Support Services (“Mercy”) and Tahoe Forest Hospital District as presented and authorize the President and CEO to sign.</p>	
<p><b>LIST OF ATTACHMENTS:</b></p> <ul style="list-style-type: none"> <li>● AMENDMENT #1 TO MASTER SERVICES AGREEMENT</li> </ul>	

## **AMENDMENT #1 TO** **MASTER SERVICES AGREEMENT**

This Amendment #1 to Master Services Agreement ("**Amendment**"), executed on January 16, 2024 by and between MHM Support Services, a Missouri non-profit corporation located at 14528 S. Outer Forty, Suite 100, Chesterfield, MO 63017 ("**Mercy**"), and Tahoe Forest Hospital District, a California Health Care District Law, located at 10121 Pine Avenue, Truckee, California 96161 ("**Customer**"), is effective as of the 16<sup>th</sup> day of January, 2024 (the "**Amendment Effective Date**").

### **RECITALS**

**WHEREAS**, Mercy and Customer entered into that certain Master Services Agreement and Statement of Work (Epic Community Connect) ("**SOW**" or "**Statement of Work**"), each effective as of October 11, 2016 (as further defined in the Master Services Agreement, the "**Agreement**"); and

**WHEREAS**, the Parties have agreed to amend the Agreement on the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mercy and Customer agree to the foregoing and as follows:

**1. INCORPORATION OF RECITALS; DEFINED TERMS.** The foregoing recitals are hereby incorporated into this Amendment and made a part hereof. Any capitalized term used herein but not defined herein shall have the meaning ascribed to it in the Agreement.

**2. AMENDMENTS.**

**2.1 Section 1.2(b), Governance.** Section 1.2(b) (Governance) of the Master Terms is deleted in its entirety and replaced with the following:

(b) In an effort to promote partnerships and collaboration among Mercy and its Community Connect Partners, Customer shall have the opportunity, but not the obligation, to participate in Community Connect Collaboration Forums with the goal of fostering positive outcomes with respect to the Mercy Applications through the exchange of ideas and perspectives on planned enhancements.

**2.2 Section 2.1, Statements of Work.** The last sentence of Section 2.1 (Statements of Work) of the Master Terms is deleted in its entirety and replaced with the following:

Each Statement of Work executed by the Parties during the term shall be deemed attached to **Exhibit 1** of these Master Terms and made a part of this Agreement.

**2.3 Section 2.3, Customer's Obligations.** Section 2.3 (Customer's Obligations) of the Master Terms is deleted in its entirety and replaced with the following:

**2.3 Customer's Obligations.** Customer shall: (a) perform its obligations under each Statement of Work, (b) cooperate with Mercy in all reasonable respects in connection with

Mercy's provision of the Services and performance of its other obligations under the Agreement, and (c) provide any assistance reasonably necessary for Mercy to perform the Services including, without limitation, providing timely decisions and approvals requested by Mercy. Customer shall provide qualified Personnel to perform Customer's obligations under the Agreement, and all such Personnel shall conduct themselves in a professional, businesslike manner. If Mercy has any concerns regarding the performance or conduct of any Customer Personnel under a Statement of Work, Mercy will meet with Customer to discuss such issues, and the Parties will work together in good faith to resolve such issues. If the Parties are unable to resolve the issues within three (3) business days, Customer will remove such Customer Personnel from performing Customer's obligations under the Statement of Work and provide a replacement upon Mercy's reasonable, good cause, written request and as quickly as reasonably practicable. Mercy is not responsible or liable for any delay or failure of performance to the extent caused by Customer's delay in performing, or failing to perform, any of its obligations or rights under the Agreement. If Services are to be performed at Customer's facilities, Customer shall make available to Mercy such workspace, basic office supplies, storage space and other facilities and resources as are reasonably necessary for Mercy to perform such Services.

**2.4 Section 3.4, Rates.** Section 3.4 (Rates) of the Master Terms is deleted in its entirety and replaced with the following:

**3.4 Rates.** Fees for professional Services provided by Mercy Personnel under a Statement of Work on a time-and-materials or not-to-exceed fee basis shall be calculated using the rate and fee structure described in this Section. If a Mercy internal resource performs the professional Services, Mercy will charge Customer for such professional Services using a blended hourly rate of One Hundred Seventy Dollars (\$170.00), subject to the Annual Increase described below in this Section. If the professional Services are provided by other Mercy Personnel (*i.e.*, persons who are not Mercy internal resources), Mercy will charge Customer the cost charged to Mercy for such resource, plus a 10% markup to cover Mercy administrative costs. Mercy will notify Customer prior to execution of the applicable Statement of Work whether internal and/or external resources will be used to perform the professional Services.

Mercy shall have the right to increase the blended hourly rate described above in this Section once annually ("**Annual Increase**") in an amount equal to the greater of: (a) the most recent increase in the CPI-U; or (b) three and one-half percent (3.5%); provided however that, if in any given year of the term, the most recent increase in the CPI-U exceeds five percent (5%), then the Parties shall share in equal amounts (50/50) the amount of the rate of increase for that year that exceeds five percent (5%). For illustration:

If the Most Recent CPI-U is:	The Annual Increase Will Equal:
5.5%	5.25%
6.0%	5.5%
6.5%	5.75%
7.0%	6.00%
7.5%	6.25%
8.0%	6.50%
8.5%	6.75%
9.0%	7.00%
9.5%	7.25%
10.0%	7.50%



As used herein, "CPI-U" means the annual increase in percentage points (or fraction thereof) of the U.S. Department of Labor's Bureau of Statistics Consumer Price Index, All Urban Consumers, All Items. The Parties acknowledge and agree that the terms of this **Section 3.4** shall apply to all Statements of Work executed prior to or on the Amendment Effective Date notwithstanding any terms set forth in such Statements of Work to the contrary and any conflicting, contrary or different terms (*e.g.*, other service rate terms) set forth in such Statements of Work shall be deemed amended by this **Section 3.4**.

The Parties agree that the Annual Increase to the blended hourly rate shall be communicated in writing to Customer before implementation.

**2.5 Section 4.5, Functionality.** Section 4.5 (Functionality) of the Master Terms is deleted in its entirety and replaced with the following:

**4.5 Functionality.** Mercy represents and warrants that the Mercy Applications will have all of the material features and functionality described in these Master Terms, the applicable Statement(s) of Work and the applicable Mercy-developed Documentation (*i.e.*, Documentation original to Mercy) when operated in accordance with the Documentation.

**2.6 Section 4.7, Compliance with Laws.** Section 4.7 (Compliance with Laws) of the Master Terms is deleted in its entirety and replaced with the following:

**4.7 Compliance with Laws.** Subject to the further terms of this **Section 4.7**, Mercy represents and warrants that the Mercy Applications shall, upon first productive use and during the term of the Agreement, enable Customer to meet the requirements of any applicable federal, state or local laws and/or requirements in effect on the Effective Date to the extent such laws and/or requirements are applicable to the scope of the functional capabilities of the Mercy Applications, which may include, without limitation, accreditation requirements, requirements for participation in Medicare and Medicaid programs, applicable requirements promulgated by the Healthcare Facilities Accreditation Program ("**HFAP**") or any successor accreditation organization of Customer, and any California codes, laws and regulations affecting Customer and/or California district hospitals, including without limitation requirements of California's Office of Statewide Health Planning and Development (collectively, "**Regulatory Requirements**"). If additional software or services are required to enable Mercy to comply with the preceding representation and warranty, Mercy will use commercially reasonable efforts to acquire such software and/or services. Customer shall be responsible for any and all fees, costs and expenses for such additional software or services, on a pro-rata basis over all affected Mercy customers, which shall be documented in a Statement of Work. If Mercy is unable, after using commercially reasonable efforts, to procure such additional software and/or services, and, as a result, Customer will not be in compliance with the applicable Regulatory Requirements, then Customer shall have the right to terminate the applicable Statement(s) of Work and/or the Agreement and the terms of **Section 5.5** shall apply. Customer will provide reasonable advance notice to Mercy of Regulatory Requirements specific to the HFAP or California codes, laws and regulations affecting Customer and/or California district hospitals, and any and all new, and changes to existing, California-specific Regulatory Requirements. Any modification or enhancement to the Mercy Applications made available by the applicable Third Party Supplier to meet new or changed Regulatory Requirements (including without limitation (i) new or changed requirements of HFAP and/or requirements of any successor accreditation organization of Customer and (ii) amendments to California codes, laws and regulations affecting Customer

and/or California district hospitals that may be made from time to time) will be provided at no charge to Customer, only if Mercy makes such modification or enhancement available generally and at no charge to Mercy's customer base. Otherwise, the Parties shall enter into a Statement of Work and Customer will be responsible for any and all fees, costs and expenses in connection therewith. Mercy shall use commercially reasonable efforts to cause Epic to develop and include such modifications or enhancements in the standard Epic foundation build to reduce or eliminate the fees, costs and expenses payable by Customer for custom development Services. For the sake of clarity, except to the extent of Mercy's obligations described in this **Section 4.7**, the foregoing shall not be deemed to make Mercy otherwise responsible for Customer's compliance with Regulatory Requirements.

**2.7 Section 4.8, Compatibility and Integration.** Section 4.8 (Compatibility and Integration) of the Master Terms is deleted in its entirety and replaced with the following:

**4.8 Compatibility and Integration.** Mercy represents and warrants that all Mercy Applications (including without limitation any updates, upgrades, releases, modifications or enhancements) will be compatible with each other and will function together and operate in an integrated manner in accordance with the Documentation, and will achieve the level of interoperability, integration and data exchange set forth in the applicable Statement(s) of Work and the applicable Documentation (including without limitation Documentation developed during the Discovery and Planning Phase of the applicable Statement(s) of Work). In the event of a material breach of the foregoing warranty, Mercy shall promptly correct any nonconformity so that the Mercy Applications comply with such warranty (including without limitation by providing additional hardware or software), in all cases at no additional cost to Customer.

**2.8 Section 4.9, Security.** Section 4.9 (Security) of the Master Terms is deleted in its entirety and replaced with the following:

**4.9 Security.** Mercy represents and warrants that: (i) it will maintain a written information security policy that includes, without limitation, safeguards relating to the prevention and detection of fraud or other inappropriate use or access of systems and networks; (ii) Mercy will implement commercially reasonable physical and electronic security measures including, but not limited to, monitoring and controls that comply with such information security policy; and (iii) Mercy shall store and handle Customer's data, including but not limited to system backups, in a manner that is designed to protect the confidentiality of the data.

**2.9 Section 4.10, Meaningful Use.** Section 4.10 (Meaningful Use) of the Master Terms is deleted in its entirety.

**4.10 Meaningful Use.** A CMS EHR Certification Identification Number, current as of the Effective Date, for applicable Mercy Applications is attached as **Schedule C** to these Master Terms. Mercy will use commercially reasonable efforts to provide any available future features and functionality to meet requirements for meaningful use or MIPS under MACRA, or any successor program to either of the foregoing, and Mercy shall make any such features and functionality available to Customer to the same extent that it makes such features and functionality available to Mercy-affiliated hospitals and providers or its other customers. Customer shall be responsible for the fees, costs and expenses to acquire and implement such additional features and functionality, on a pro-rata basis over all affected Mercy customers. For the sake of clarity, the foregoing shall not be deemed to make Mercy responsible for

Customer's adoption and use of features and functionality made available by Mercy that are required for compliance with or eligibility for participation in Federal health care reimbursement or incentive programs.

**2.10 Section 4.11, Documentation.** Section 4.10 (Documentation) of the Master Terms is deleted in its entirety and replaced with the following:

**4.11 Documentation.** Mercy represents and warrants that: (i) for Documentation that is original to Mercy, the Documentation shall be, as soon as commercially reasonable, updated, amended, or revised by Mercy in all material respects as necessary for such Documentation to be accurate, complete and current in all material respects; and (ii) for Documentation related to Services that are performed through a Third Party Supplier, Mercy will provide Customer with any and all updates, amendments or revisions to such Documentation promptly after such Documentation is provided to Mercy by the applicable Third Party Supplier. Customer shall be responsible for reviewing, and disseminating and communicating, the Documentation within its organization.

**2.11 Section 5.1, Term.** Section 5.1 (Term) of the Master Terms is deleted in its entirety and replaced with the following:

The term of these Master Terms began on the Effective Date and, unless earlier terminated in accordance with the terms of the Agreement, will: (a) continue through December 31, 2028 (such period, the "**Initial Term**"); and (b) thereafter automatically renew for successive one (1)-year renewal terms (each, a "**Renewal Term**") unless either Party provides written notice of non-renewal to the other Party at least one hundred eighty (180) days in advance of the expiration of the Initial Term or then-current Renewal Term, as applicable. The term of each Statement of Work shall be specified therein.

**2.12 Section 5.3, Termination for Legal Events.** Section 5.3(b) (Termination for Legal Events) of the Master Terms is deleted in its entirety and replaced with the following:

(b) If Mercy undergoes a Change of Control, Customer may terminate the Agreement immediately upon written notice to Mercy, provided that such notice is provided to Mercy within ninety (90) days following the consummation of the Change in Control.

**2.13 Section 5.4, Effect of Termination.** The following clause is added at the end of Section 5.4 (Effect of Termination): "and all Transition Periods (if any) have expired".

**2.14 Section 5.5(d), Obligations Upon Termination or Expiration.** Section 5.5(d) (Obligations Upon Termination or Expiration) of the Master Terms and the last paragraph of Section 5.5 of the Master Terms is deleted in its entirety and replaced with the following:

(d) if Customer notifies Mercy in writing that it would like to receive transition assistance Services from Mercy in respect of the terminated Services, subject to the further terms of this **subsection (d)**, Mercy shall provide such transition assistance Services (i) in accordance with Mercy's standard processes and procedures (e.g., Mercy's Conversion Exit Strategy & Guidelines, a current copy of which will be made available to Customer upon request), and (ii) pursuant to a Statement of Work executed by the Parties that sets forth such transition assistance Services, the mutually agreed transition period for such Services (each such period, a "**Transition Period**"),

and the fees for such Services. Mercy's obligation to provide any such transition assistance Services shall be conditioned on Customer having timely paid and continuing to timely pay all amounts owed to Mercy under the Agreement. If Customer does not notify Mercy in writing that it would like to receive transition assistance Services from Mercy, then Mercy shall discontinue providing the terminated Services on the applicable termination effective date.

**2.15 Section 7.1, Limitations on Liability.** Section 7.1 (Limitations on Liability) of the Master Terms is deleted in its entirety and replaced with the following:

**7.1 Limitations on Liability.**

**(A) DAMAGES DISCLAIMER. EXCEPT AS OTHERWISE PROVIDED IN SECTION 7.1(C) AND 7.1(D) OF THE MASTER TERMS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES, OR TO ANY PERSON OR ENTITY CLAIMING BY OR THROUGH THE OTHER PARTY OR ITS AFFILIATES, FOR LOSS OF PROFITS OR USE, BUSINESS LOSSES, OR ANY OTHER CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF OR IN CONNECTION WITH THE AGREEMENT, IRRESPECTIVE OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF.**

**(B) GENERAL CAP. EXCEPT AS OTHERWISE PROVIDED IN SECTION 7.1(C) AND 7.1(D) OF THE MASTER TERMS, THE AGGREGATE, CUMULATIVE LIABILITY OF EACH PARTY TO THE OTHER PARTY OR ITS AFFILIATES, OR TO ANY PERSON OR ENTITY CLAIMING BY OR THROUGH THE OTHER PARTY OR ITS AFFILIATES, ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT, AND IRRESPECTIVE OF THE NATURE OF THE CLAIM OR ACTION, SHALL BE LIMITED TO, THE AGGREGATE FEES PAID BY CUSTOMER FOR THE SERVICES UNDER THE AGREEMENT (INCLUDING WITHOUT LIMITATION UNDER ALL STATEMENTS OF WORK) DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE OF THE EVENT GIVING RISE TO SUCH LIABILITY.**

**(C) SUPER CAP. EXCEPT AS OTHERWISE PROVIDED IN SECTION 7.1(D) OF THE MASTER TERMS, THE AGGREGATE, CUMULATIVE LIABILITY OF EACH PARTY TO THE OTHER PARTY OR ITS AFFILIATES, OR TO ANY PERSON OR ENTITY CLAIMING BY OR THROUGH THE OTHER PARTY OR ITS AFFILIATES, ARISING OUT OF OR IN CONNECTION WITH: (I) THE DISCLOSURE OF CONFIDENTIAL INFORMATION NOT PERMITTED BY THE TERMS OF THE AGREEMENT; (II) THE OBLIGATIONS SET FORTH IN SECTION 3.11 (REIMBURSEMENT OBLIGATION) OF THE STATEMENT OF WORK, EFFECTIVE JANUARY 16, 2024, OR A BREACH OF SUCH OBLIGATIONS; AND (III) THE OBLIGATIONS SET FORTH IN SECTION 7.2 (REIMBURSEMENT OBLIGATION) OF THE STATEMENT OF WORK, DATED OCTOBER 11, 2016, SHALL NOT EXCEED AN AMOUNT EQUAL TO THE AGGREGATE FEES PAID BY CUSTOMER FOR THE SERVICES UNDER THE AGREEMENT (INCLUDING WITHOUT LIMITATION UNDER ALL STATEMENTS OF WORK) DURING THE EIGHTEEN (18) MONTHS IMMEDIATELY PRECEDING THE DATE OF THE EVENT GIVING RISE TO SUCH LIABILITY. FOR THE SAKE OF CLARITY, THE TERMS OF SECTION 7.1(A) OF THE MASTER TERMS SHALL NOT APPLY TO THIS SECTION 7.1(C).**

**(D) EXCEPTIONS. THE TERMS OF SECTION 7.1(A) THROUGH 7.1(C) OF THE MASTER TERMS SHALL NOT APPLY TO: (A) A PARTY'S DEFENSE AND INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7.2.1 (INDEMNIFICATION) OF THE MASTER TERMS, OR A BREACH OF SUCH OBLIGATIONS; (B) SECTION 2.3.4 (INDEMNIFICATION) AND SECTION 5.2(e) (INFORMATION TRANSMITTED VIA EMAIL) OF THE STATEMENT OF WORK, EFFECTIVE JANUARY 16, 2024, OR A**

**BREACH OF SUCH OBLIGATIONS; OR (C) CLAIMS FOR PERSONAL INJURY, INCLUDING DEATH, CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A PARTY'S PERSONNEL. IN ADDITION, NOTHING IN THIS SECTION 7.1 SHALL LIMIT CUSTOMER'S OBLIGATION TO PAY INVOICED AMOUNTS THAT ARE DUE AND OWING UNDER THE TERMS OF THE AGREEMENT.**

**2.16 Section 7.2, Indemnification.**

**7.2 Indemnification.**

**7.2.1 Indemnified Claims.** It is the express intent of the Parties that each be responsible for its own acts or failures to act, which result in damages of the kind or nature described in this **Section 7.2.1**. Therefore, each Party (the "**Indemnifying Party**") agrees to indemnify and hold harmless the other Party, its affiliates, and their respective shareholders, directors, partners, officers, employees and agents (collectively, the "**Indemnified Party**"), from and against any and all claims asserted by a Third Party, and all damages, costs and expenses arising therefrom (including without limitation, reasonable attorneys' fees and expenses) (each, a "**Claim**") caused by its own or its officers', agents', or employees' bodily injury, including death, and tangible property damage caused by the gross negligence or willful misconduct of the Indemnifying Party's Personnel..

**2.17 Schedule A, Defined Terms.** Schedule A (Defined Terms) is amended as follows:

- a. The last sentence of the definition "Confidential Information" is deleted in its entirety and replaced with the following:

Notwithstanding the foregoing, none of the preceding inclusions or exclusions shall apply to protected health information (as defined in 45 CFR Section 160.103).

- b. The definition "Customer Failure" is deleted from Schedule A (Defined Terms) of the Master Terms.

**3. MISCELLANEOUS.** Except as provided herein, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment will take precedence. This Amendment is binding upon, and shall inure to the benefit of, Mercy and Customer and their respective beneficiaries, successors and permitted assigns. This Amendment and the Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior and contemporaneous understandings, whether written or oral, between the Parties with respect to such subject matter.

**IN WITNESS WHEREOF**, Mercy and Customer have each caused this Amendment #1 to Master Services Agreement to be executed and delivered by their duly authorized representatives.

**MHM SUPPORT SERVICES**

**TAHOE FOREST HOSPITAL DISTRICT**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_