TAHOE FOREST HOSPITAL DISTRICT

2024-10-24 Regular Meeting of the Board of Directors

(Revised on 10/22/2024 at 9:58 a.m.)

Thursday, October 24, 2024 at 4:00 p.m.

Tahoe Forest Hospital - Eskridge Conference Room

10121 Pine Avenue, Truckee, CA 96161

TAHOE FOREST HOSPITAL DISTRICT

Meeting Book - 2024-10-24 Regular Meeting of the Board of Directors

Agenda Packet Contents

TAHOE FOREST HOSPITAL DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS AGENDA

Thursday, October 24, 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. **ITEMS FOR BOARD DISCUSSION**
   5.1. Update on Municipal Lease Process..... ATTACHMENT
   The Board of Directors will receive an update on the evaluation and selection of a municipal equipment lease provider to provide $9,000,000 in financing.

6. **CLOSED SESSION**
   6.1. Public Employee Appointment (Gov. Code § 54957)
   Title: President & Chief Executive Officer
   6.2. Approval of Closed Session Minutes◈
   6.2.1. 09/19/2024 Regular Meeting
   6.2.2. 09/24/2024 Special Meeting
   6.3. TIMED ITEM – 5:30PM - Hearing (Health & Safety Code § 32155)◈
   Subject Matter: Medical Staff Credentials

7. **DINNER BREAK**
   APPROXIMATELY 6:00 P.M.

8. **OPEN SESSION – CALL TO ORDER**

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

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

11. **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.

12. 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.

13. MEDICAL STAFF EXECUTIVE COMMITTEE◈

13.1. Medical Executive Committee (MEC) Meeting Consent Agenda ..... ATTACHMENT

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

Policy Review – No Changes:

- *Computerized Physician Order Entry-CPOE, MSGEN-1701*

Policy Review – With Changes:

- *Induction and Augmentation Pitocin, DWFC-1415*
- *Postpartum-Anti-D Immune Globulin Administration, DWFC-1504*
- *WFC-Care of an Obstetric Patient in a Non Obstetric Area, DWFC-1492*
- *WFC-Hypertensive Emergencies in the Perinatal Period, DWFC 2301*
- *Labor-Maternal Sepsis Management, DWFC 2403*

14. 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.

14.1. Approval of Minutes of Meetings

14.1.1. 09/19/2024 Regular Meeting ..... ATTACHMENT

14.1.2. 09/24/2024 Special Meeting ..... ATTACHMENT

14.2. Financial Reports

14.2.1. Financial Report – September 2024 ..... ATTACHMENT*

14.3. Board Reports

14.3.1. Interim CEO/COO Board Report ..... ATTACHMENT

14.3.2. CNO Board Report ..... ATTACHMENT

14.3.3. CMO Board Report ..... ATTACHMENT

14.3.4. CIIO Board Report ..... ATTACHMENT

14.3.5. VP Provider Services Board Report ..... ATTACHMENT

15. ITEMS FOR BOARD ACTION◈

15.1. Fiscal Year 2024 Audited Financial Statements◈ ..... ATTACHMENT*

The Board of Directors will review and consider approval of the Fiscal Year 2024 Audited Financial Statements.

15.2. Resolution 2024-08◈ ..... ATTACHMENT

The Board of Directors will review and consider approval of Resolution 2024-08 to form a President and CEO Search Committee to review resumes, conduct initial interviews, and select a slate of finalists for the President and CEO position for in-person interviews with Board of Directors.

16. ITEMS FOR BOARD DISCUSSION

16.1. Urgent Care

The Board of Directors will receive an update on the volumes, growth, successes and community feedback of the Health System's Urgent Care outpatient clinics.

16.2. Sierra Center Presentation

The Board of Directors will review renderings of the new Sierra Center building.

17. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

18. BOARD COMMITTEE REPORTS

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

-ACHD Conference Takeaways

-Regular Board Meetings will be held on the third Thursday in November and December due to the holidays.

20. CLOSED SESSION CONTINUED

21. OPEN SESSION

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY

23. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is November 21, 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) 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.

TAHOE FOREST HOSPITAL DISTRICT (the "District")
FINANCE TEAM MEMORANDUM

TO: Finance Committee, Board of Directors and Executive Team

FROM: Crystal Felix, Chief Financial Officer
Gary Hicks, President, G.L. Hicks Financial (District's Financial Advisor)

DATE: October 18, 2024

SUBJECT: Evaluation and Selection of Municipal Equipment Lease Provider ("Lessor")

Background:
We are in the process of completing our evaluation of municipal lease financing term sheets and of reviewing options available to provide financing for the purchase of approximately $9,000,000 in equipment needed over the next 36 months (the "Project"). Our efforts began on September 19th with a Board overview of the process we planned to utilize to secure competitive proposals from qualified equipment leasing companies, including the process to be pursued to evaluate and select the most favorable terms and conditions available for Tahoe Forest Hospital District. On September 20th, we sent Request for Proposals to thirty-nine separate leasing companies. Term sheets/proposals were received on or just before the deadline of October 3rd from fourteen leasing companies, with ten proposals providing strong terms from experienced and reputable bank-affiliated leasing companies. Our Request for Proposal required information to be provided on more than twenty different terms and conditions that we have used as criteria in evaluating and ultimately selecting the District's preferred Lessor. The top five leasing proposals provided a range in interest rates from just over 3.80% to just below 4.20%, as of the date the proposals were submitted. In addition, all of these term sheets proposed a total of $9,000,000 in financing with terms ranging from 60 months to 84 months with various funding and reimbursement options presented. Furthermore, each of the top five proposals did not contain any material objectionable terms or conditions. The top five proposals received were from the following banks and bank subsidiary leasing companies, in alphabetical order:

- Banc of America Public Capital Corp.
- BMO Harris Investment Company, LLC
- EverBank N.A.
- First Northern Bank
- Tri Counties Bank

Analysis and Continuing Process:
Based on our evaluation of proposals received using the criteria established in the Request for Proposal, the most favorable proposal in our assessment was received from Banc of America Public Capital Corp. ("BofA"). We are now in the process of discussing funding options and alternative structures available with BofA representatives in order to negotiate the most favorable terms and conditions with BofA in meeting the needs and objectives of the District. We expect that it may take one or two weeks to complete negotiations with BofA prior to moving forward with final credit approval with BofA's credit committee.

Final credit approval should take about two weeks to complete and for the issuance of a formal commitment. With a final structure in hand, including terms and conditions that we believe to be acceptable to the District, we will request that substantially final form of the primary lease documents be prepared for the District and its finance team prior to any presentation to the District's Board of Directors for review and approval of the proposed financing. We anticipate that the equipment purchases may be financed using two or three tranches/equipment schedules over the next 12 to 15 months that will fund the equipment pursuant to a Master Lease Agreement and Equipment Schedule for each tranche.

Timing and Recommendation:
We expect to secure credit approval and a substantially complete set of lease documents by mid-November. Depending on the time it takes to complete negotiations, secure formal credit approval from the Lessor and to receive substantially final lease documents, we would expect to return to the District's Board of Directors for its final approval of this financing at either the November or December Board meeting. We are recommending that the District pursue discussions with BofA based on their proposal provided to the District and the evaluation of their proposal with others received through the competitive bid process that was conducted by management of the District.

AGENDA ITEM COVER SHEET

ITEM	Medical Executive Committee (MEC) Consent Agenda
RESPONSIBLE PARTY	Johanna Koch, MD Chief of Staff
ACTION REQUESTED	For Board Action

BACKGROUND:
During the October 17, 2024 Medical Executive Committee meeting, the committee made the following open session consent agenda item recommendations to the Board of Directors at the October 24, 2024 meeting.

Policy Review – No Changes

- Computerized Physician Order Entry-CPOE, MSGEN-1701

Policies – With Changes

- Induction and Augmentation Pitocin, DWFC-1415
- Postpartum-Anti-D Immune Globulin Administration, DWFC-1504
- WFC-Care of an Obstetric Patient in a Non Obstetric Area, DWFC-1492
- WFC-Hypertensive Emergencies in the Perinatal Period, DWFC 2301
- Labor-Maternal Sepsis Management, DWFC 2403

SUGGESTED DISCUSSION POINTS:
None.

SUGGESTED MOTION/ALTERNATIVES:
Move to approve the Medical Executive Committee Consent Agenda as presented.

Status **Active** PolicyStat ID **14727504**

Origination Date	12/2017	Department	Medical Staff - MSGEN
Last Approved	11/2023	Applicabilities	System
Last Revised	03/2022		
Next Review	11/2024		

Computerized Physician Order Entry (CPOE), MSGEN-1701

RISK:

Inconsistent computerized physician order entry (CPOE) in the Electronic Health Record (EHR) has the potential to impact patient safety and increase medication errors. In addition, inconsistent data can lead to inaccurate data captured, resulting in inadequate patient care and noncompliance with regulatory agency standards.

POLICY:

It is the expectation that all caregivers will enter orders electronically into the EHR. Physicians will enter orders as they round on patients, or remotely by logging on to the EHR in a secure manner. Physicians who use Physician Assistants or Nurse Practitioners (PA/NP) to write/enter orders on their behalf are responsible for ensuring that their PA/NP adhere to this policy.

EXCEPTIONS:

A. The use of verbal, telephone or hand written orders is to be minimized to the fullest extent possible. All orders will be entered in the TFHS EHR by the physician or their PA/NP, unless electronic communication is not feasible or the order type is restricted/ limited. Verbal, telephone, and hand-written orders are not to be used for provider convenience. Texting of patient orders and patient information is prohibited.

   1. Orders are needed and the physician/PA/NP does not have access to a device to communicate such orders electronically. This includes but is not limited to routine, STAT, and admission orders.
   2. Pre-approved typed orders for preoperative surgical/ procedure patients.
   3. Verbal orders during a bona fide emergency/situation that prevents the physician/ PA/NP from entering orders immediately.

4. Verbal orders during a procedure/surgery.
5. Computer system down time (Refer to policy: Downtime Procedures for HIS, AIT-128).
6. Care provider called away for an emergency.

PROCEDURE:

A. All physicians and PA/NP will electronically enter their patient care orders into the EHR with exceptions listed above.

B. Verbal, telephone or hand written orders that are accepted by TFHS employees will be promptly entered into the EHR by the authorized person who received the order (Refer to policy: Telephone/Verbal Orders - Receiving and Documenting, AGOV-2202).

C. Physicians and PA/NP who are unable or unwilling to do electronic order entry and do not fall into the exception guidelines listed above will be reported to the Chief Medical Officer (CMO) and/or chief of their department and managed in accordance with the Medical Staff policy *Medical Staff Professionalism Complaint Process*, MSGEN1. The CMO and/or chief of the department, or designee will address the specific circumstances of each event according to the TFHD Medical Staff Bylaws, Rules and Regulations.

D. Supervising physicians are responsible for the conduct of their PAs/NPs. Non-compliance to CPOE by a PA/NP will be reported to the appropriate supervising physician, the CMO, the chair of the Interdisciplinary Planning Committee, and/or chief of their department.

Related Policies/Forms:

Downtime Procedures for HIS, AIT-128

Telephone/Verbal Orders - Receiving and Documenting, AGOV-2202

Medical Staff Professionalism Complaint Process, MSGEN1

Medical Staff Bylaws, Rules and Regulations - MREG-2

Special Instructions / Definitions:

EHR - Electronic Health Record

CPOE - Computerized Physician Order Entry

CMO - Chief Medical Officer

All Revision Dates

03/2022, 01/2018, 12/2017

Approval Signatures

Step Description	Approver	Date
	Harry Weis: CEO	11/2023
	Dorothy Piper: Director Medical Staff Services	11/2023

Status **Active** PolicyStat ID **14841978**

Origination Date	01/2010	Department	Women and Family Center - DWFC
Last Approved	12/2023	Applicabilities	Tahoe Forest Hospital
Last Revised	12/2023		
Next Review	12/2025		

Labor - Induction and Augmentation Pitocin, DWFC-1415

RISK:

Use of Oxytocin for induction and/or augmentation of labor is associated with an increased risk for maternal and fetal infection, uterine tachysystole with subsequent abnormal fetal heart rate patterns, uterine rupture, and cesarean birth.

POLICY:

A. Responsibility for the decision to use Oxytocin for labor induction or labor augmentation rests with the attending obstetrician, and requires a physicians order. Elective induction of labor and elective cesarean birth for singleton gestations are scheduled only for women who have reached 39 completed weeks of gestation (39 weeks 0 days).

B. The physician need not remain within the hospital during the induction process, but must be available for consultation by the Labor and Delivery staff.

C. A qualified labor RN capable of handling medical and obstetrical observations will monitor the progress of labor and manage the Oxytocin administration as specified by the Obstetrician.

D. The RN will use the nursing process in evaluating the contraction pattern and the fetal response.

E. Oxytocin is a High Alert medication and requires a double check by two RN's.

F. Personnel who are pregnant, possibly pregnant or actively trying to conceive (male or female) should avoid handling these agents. If handling is unavoidable, at-risk personnel must wear all personal protective equipment (PPE). required for handling of HAZARDOUS drugs.

PROCEDURE:

A. Prior to starting induction or augmentation:

1. Verify that the physician has discussed the indications and potential risks and benefits of induction or augmentation of labor with the patient.
2. Follow routine admission procedure and perform a vaginal examination to evaluate cervical status to include dilation, effacement and fetal station as well as presenting part, status of membranes and estimated fetal weight.
    a. Pelvic assessment is performed to include pelvic adequacy and a Bishop score of ≥ 6 for non-medically indicated inductions of labor.
3. Assist the woman to a position of comfort, preferably the left or right lateral position.
4. Apply the fetal monitor and obtain a 30-minute baseline. Document fetal status and uterine activity. Before Oxytocin is administered, the FHR should be Category 1 tracing. Notify physician if the Fetal Heart Rate (FHR) is Category 2 or 3.

B. Start IV with at least an 18g angiocath.
    1. Oxytocin solution is IVPB into the mainline at closest port to the primary venipuncture site.
    2. Oxytocin solution must be administered with an infusion pump.
    3. Other intravenous medications will not be administered via the Oxytocin tubing. Solution: Use the premixed Oxytocin Solution of 500ml of 0.9% NS with 30 units of Oxytocin provided by pharmacy.

C. Assessment and Management: Oxytocin Dosage and Administration
    1. Start Oxytocin at 1mU/min and gradually increase by 1 mU/min every 30 min until adequate progress of labor is established and/or contractions are every 2-3 minutes or uterine activity reaches 150 to 240 Montevideo units.
    2. The contractions should palpate moderate or measure 50 mmHg with an intrauterine catheters (IUPC). If IUPC intensity exceeds 70 mmHg over baseline resting tone, notify physician.
    3. Once adequate labor is established, or rupture of membranes occurs, titrate Oxytocin at baseline rate necessary for continued labor progress.
    4. May increase to 20mU/min per physician's order at the discretion of the nurse. An evaluation of the attending physician is needed to increase beyond 20mU/min. This should be considered only in unusual clinical situations.

D. Maternal-Fetal Assessment
    1. Continuous electronic fetal monitoring must be used.
    2. Maternal and fetal status should be assessed every 15 min for patients receiving oxytocin for labor induction or augmentation, and every time oxytocin dose is adjusted (AWHONN [Simpson], 2009).
        a. Fetal Heart Rate assessment includes determination of baseline rate, variability, presence or absence of accelerations, presence or absence of decelerations.
        b. Uterine Activity assessment includes: contraction frequency, duration, intensity, and uterine resting tone by palpation or IUPC.

c. Maternal Response to Labor: the woman's response to the contractions i.e. not feeling contractions, comfortable with contractions with epidural analgesia etc.

d. Maternal Vital signs should be recorded at regular intervals at least every 2 hours. The frequency may be increased particularly as active labor progresses according to clinical signs and symptoms. Follow the departmental policy "Labor Patient: Admission and Care of " as described below:

i. Maternal Vital Signs

a. Latent Phase: Blood pressure and pulse every 2 hours.

b. Active/Transition Phase: Blood pressure and pulse every 1 hour.

c. Second Stage: Blood pressure and pulse every 30 minutes.

d. Temperature should be taken every 4 hours. Temperature should be taken every 2 hours if membranes are ruptured or temperature is elevated.

3. If a registered nurse is not available to clinically evaluate the effects of the Oxytocin infusion at least every 15 minutes, the infusion should be discontinued until that level of nursing care is available (AAP&ACOG, 2002;AWHONN, 2002). The attending physician shall be notified.

4. Maternal Activity

a. Encourage the woman to try alternatives to bed rest such as ambulating in the room or hall or using the birthing ball or warm shower.

b. When the woman is out of bed during Oxytocin infusion, use the electronic fetal monitoring (EFM) telemetry unit to monitor FHR and uterine activity.

E. Tachysystole

1. Tachysystole is defined as (ACOG 2009, AWHONN 2008)

a. More than 5 contractions in 10 minutes, averaged over 30 minutes.

b. If tachysystole develops regardless of fetal response, follow the tachysystole algorithm to decrease or discontinue the Oxytocin until tachysystole resolves and notify the physician.

F. Category 2 or 3 Fetal Status

1. If the FHR shows recurrent late, recurrent variables, or prolonged decelerations, or a category 3 tracing during Oxytocin administration, decrease or discontinue Oxytocin according to the fetal response to labor.

2. Assess maternal blood pressure. Consider an IV fluid bolus if the woman is hypotensive and not on fluid restrictions. If the woman has regional analgesia/ anesthesia, notify anesthesia provider. Maternal oxygen may be indicated as well as position change.

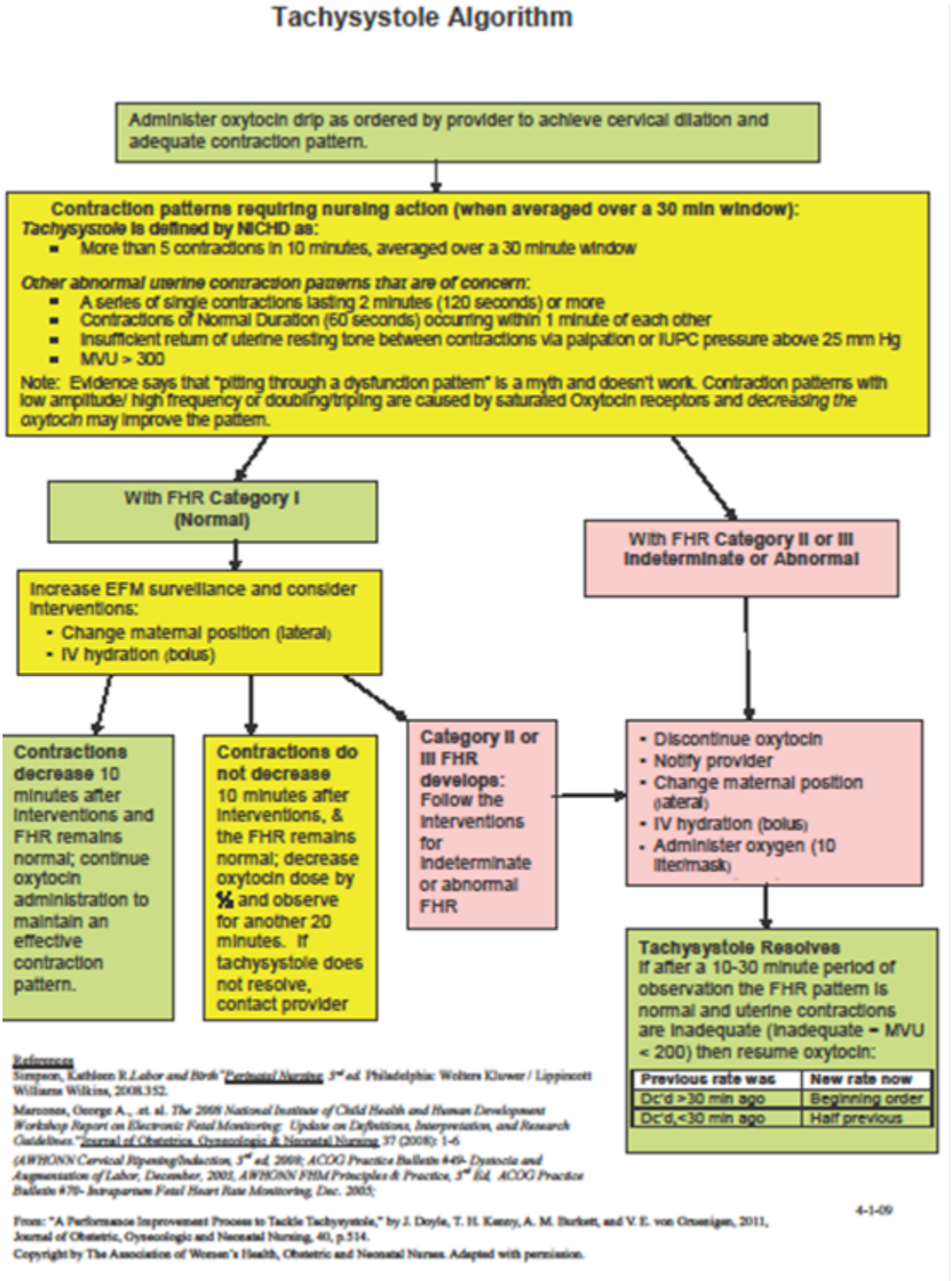
3. After intrauterine interventions have been implemented, notify physician of fetal response and discuss ongoing plan of care.

G. Epidural Analgesia/anesthesia
    1. Women receiving Oxytocin who have epidural analgesia/anesthesia should have pelvic examinations periodically as clinically indicated, to assess labor progress.

H. Resumption of Oxytocin Administration after Discontinuation due to FHR and/or Uterine Activity
    1. If the infusion has been discontinued for less than 30 minutes and the FHR is a category 1, or category 2 that physician has deemed safe to resume Oxytocin therapy, and uterine activity has returned to normal, Oxytocin may be restarted at no more than one half of the rate that it was stopped at, and then may be increased at 1m/U per minute every 30 minutes as per physician's order.
    2. If the infusion has been discontinued for more than 30 minutes and the FHR is category 1, or category 2 that physician has deemed safe to resume Oxytocin therapy and uterine activity has returned to normal, Oxytocin may be restarted at no more than 1m/U per minute and increased 1m/U per minute every 30 minutes, as per physician's order.

DOCUMENTATION

1. Oxytocin dosage in milliunits per minute, including initial and subsequent dosages, as well as times of dosage changes.
2. FHR pattern assessed before induction/augmentation is initiated.
3. FHR and uterine assessment before each increase in Pitocin and at least every 15 minutes.
4. Maternal response to labor; not feeling contractions, tolerance of contractions, using breathing techniques etc.
5. Patient pain scale report and interventions with response to interventions.
6. Nursing and medical interventions and patient's response.
7. Patient education.



Definitions of Terms

A. First Stage of Labor

1. Active phase: begins 6 cm

2. Protraction: less than 1 cm/hr
3. Arrest: no cervical change over 4 hours with adequate contractions (MVUs > 200) or over 6 hours with inadequate contractions

B. Failed induction of labor
    1. At least 24 hours
    2. At least 12-18 hours after AROM/Pitocin (possibly 24 hours)

C. Second stage arrest (with and without epidural)
    1. Nulliparous: at least 3 hours of pushing
    2. Multiparous: at least 2 hours of pushing
    3. If pushing without descent and probability of SVD low, may diagnose arrest sooner

The following terms have been defined by the National Institute of Child Health and Human Development (NICHD).

A. **Baseline:** Baseline is the approximate average (mean) FHR, rounded to increments of 5 beats per minute (bpm) during a 10-minute segment, and is documented as a single number. The baseline excludes periodic or episodic changes, periods of marked variability, and segments of the baseline that differ by greater than 25 bpm.
There must be at least 2 minutes of identifiable baseline (not necessarily continuous) in any 10-minute segment, or the baseline for that period would be indeterminate. If this is the case, the baseline may be determined from a previous 10-minute segment.
The **normal range** of the baseline is 110 to 160 bpm.
    1. **Bradycardia:** A baseline FHR less than 110 bpm
    2. **Tachycardia:** A baseline FHR greater than 160 bpm

B. **Baseline Variability:** Variability refers to fluctuations in the baseline that are irregular in amplitude and frequency. The fluctuations are visually quantitated as the amplitude from peak-to-trough (high to low) in beats per minute as follows:
    1. **Absent Variability:** Amplitude range undetectable
    2. **Minimal Variability:** Amplitude range just more than undetectable and less than or equal to 5 bpm
    3. **Moderate Variability:** Amplitude range 6 bpm to 25 bpm
    4. **Marked Variability:** Amplitude range greater than 25 bpm

C. **Acceleration:** Acceleration is a visually apparent, abrupt increase above the baseline. The onset of the acceleration to its peak is less than 30 seconds. The increase is calculated from the most recently determined portion of the baseline. The peak is 15 bpm or more, and lasting 15 seconds or longer but less than 2 minutes from onset to baseline**.**
    1. **Before 32 weeks of gestation**, accelerations are defined as visually apparent, abrupt increases above the baseline. The onset of the acceleration to its peak is less than 30 seconds. The increase is calculated from the most recently determined portion of the baseline. The peak is 10 bpm or more, and a duration of 10 seconds or longer.

2. **Prolonged acceleration** lasts 2 minutes or longer but less than 10 minutes. If the acceleration's duration is 10 minutes or longer, it is considered a baseline change.

D. **Decelerations**

1. **Early deceleration** is a visually apparent, gradual decrease, defined as the onset of the deceleration to the nadir (lowest point), 30 seconds or longer, associated with a uterine contraction. Generally, the nadir of the deceleration occurs at the same time as the peak of the contraction.
2. **Late deceleration** is a visually apparent, gradual decrease, and return to baseline FHR associated with a uterine contraction. The timing of the onset to nadir is 30 seconds or longer. The deceleration is delayed in timing so that the nadir of the deceleration occurs after the peak of the contraction.
3. **Variable deceleration** is a visually apparent, abrupt decrease in FHR below the baseline. The time from onset of the deceleration to the beginning of the nadir is less than 30 seconds. The decrease below the baseline is 15 bpm or more, lasting 15 seconds or more, but less than 2 minutes.
4. **Prolonged deceleration** is a visually apparent decrease in FHR below the baseline. The decrease from the baseline is 15 bpm or more and lasting 2 minutes or longer but less than 10 minutes from onset to return to baseline. If the deceleration lasts more than 10 minutes, it is considered a baseline change.

E. **Categories**

1. **Category I** tracings are normal and include all of the following:
    a. Baseline rate: 110 to160 bpm
    b. Baseline FHR variability: moderate
    c. Late or variable decelerations: absent
    d. Early decelerations: present or absent
    e. Accelerations: present or absent
2. **Category II** tracings include tracings that are not Category I or Category III. Examples of Category II tracings include any of the following:
    a. Baseline: Bradycardia not accompanied by absent baseline or tachycardia
    b. Baseline FHR variability: minimal or marked variability, or absent variability not accompanied by recurrent decelerations
    c. Accelerations: Absence of induced accelerations after fetal stimulation
    d. Periodic or episodic decelerations:
        i. Recurrent variable decelerations accompanied by minimal or moderate baseline variability
        ii. Prolonged deceleration lasting 2 minutes or more but less than 10 minutes
        iii. Recurrent late decelerations with moderate baseline variability
        iv. Variable decelerations with other characteristics, such as slow

return to baseline, "overshoots" or "shoulders"

3. **Category III** tracings include either of the following:
    a. Absent baseline FHR variability with recurrent late decelerations, recurrent variable decelerations, or bradycardia
    b. Sinusoidal pattern

F. **Low Risk Pregnancy,** As defined by ACOG:
    1. a low-risk pregnancy can be defined as one where there is no need for or benefit from medical intervention.

G. **Tachysystole** As defined by ACOG and AWHONN, more than 5 contractions in 10 minutes, averaged over 30 minutes.

Responsibility:

It is the responsibility of the Labor Nurse to follow physician orders related to patient management and oxytocin titration, communicating regularly with the obstetric provider utilizing NICHD approved terminology to relay any necessary concerns over FHR patterns or deviations from the plan of care.

Related Policies/Forms:

Labor- Electronic Fetal Monitoring, WFC Scheduling Cesarean Sections and Inductions

Hazardous Materials Records (MSDS), DPH-20

References:

American College of Obstetrics and Gynecologists (ACOG): Intrapartum fetal hear rate monitoring: nomenclature, interpretation, and general management principle's Practice Bulletin no. 106, 2009; Association of Women's Health, Obstetric, and Neonatal Nurses (AWHONN): Fetal heart rate monitoring. Position statement 2008; National Institute of Child; (ISMP 2007)Health and Human Development (NICHD) workshop report on electronic fetal monitoring, 2008; USP-800

All Revision Dates

12/2023, 07/2021, 04/2021, 07/2019, 06/2018, 06/2017, 05/2016, 05/2015, 05/2014, 05/2013, 01/2011, 01/2010

Attachments

Tachysystole Algorithm

Approval Signatures

Step Description	Approver	Date
	Trent Foust: Director of Acute Services	12/2023
	Ellie Cruz: Nurse Manager, W & F	12/2023

RISK:

RhD-negative patients who give birth to an RhD-positive newborn or who are otherwise exposed to RhD-positive red blood cells (RBCs) are at risk of developing anti-D antibodies. The RhD-positive fetuses/neonates of these mothers are at risk of developing hemolytic disease of the fetus and newborn (HDFN), which can be associated with serious morbidity or mortality.

POLICY:

The administration of anti-D immune globulin decreases the development of antibodies to D antigen (alloimmunization) in RhD-negative women. When indicated, RhD-negative women receive anti-D immune globin. If indicated, women may need fetomaternal hemorrhage screening to determine if additional anti-D immune globin is needed.

A. **Indications for anti-D immune globulin in RhD-negative women:**
    1. Birth - An appropriate dose of anti-D immune globulin should be administered to non-alloimmunized D-negative patients within 72 hours of delivery of a D-positive newborn, confirmed by cord blood sampling.
    2. After an antepartum event associated with an increased risk of fetomaternal bleeding. Some examples include:
        a. miscarriage or pregnancy termination (particularly at ≥10 or 12 weeks of gestation)
        b. ectopic pregnancy
        c. multifetal reduction
        d. amniocentesis
        e. chorionic villus sampling
        f. blunt abdominal trauma
        g. external cephalic version
        h. antepartum bleeding (particularly at ≥10 or 12 weeks of gestation)
        i. fetal death.

B. **In the event of an anti-D immune globulin shortage, physicians will follow the ACOG Practice Advisory in place, directing patient care accordingly.**
    1. An example from the ACOG Practice Advisory published in March, 2024 would prioritize dosing as listed below:
        a. Postpartum patients with confirmed RhD positive newborn (as most alloimmunization occurs at time of delivery)
        b. Avoid if sensitized
            i. D-negative patients who screen positive for anti-D antibodies should not receive anti-D immune globulin: It is not effective once alloimmunization to the D antigen has occurred and will not prevent a rise in maternal titer.
        c. If paternity is known and is known to be RhD negative.
            i. Routine paternal D antigen typing is not a standard of care. However, if both biologic mother and father of the fetus are known with certainty to be D-negative, then antenatal anti-D immune globulin may be omitted since the fetus must be D-negative. documenting assurance of paternity and absence of use of a donor egg from a D-positive egg donor.
        d. Noninvasive fetal *RHD* genotyping using cell-free DNA (NIPT fetal RhD testing) for patients with antepartum bleeding and/or due for 28 weeks Rhogam.
            i. Of note, this is more accurate after 11 weeks gestation.
            ii. Cord sample should still be obtained in these cases to confirm that the fetus is D-negative.
        e. Early pregnancy loss i.e., miscarriage or spontaneous abortion ≥12 weeks
            i. Anti-D immune globulin should be considered, especially in losses that are later in the first trimester, and they recommended anti-D immune globulin

for patients who undergo surgical management of their miscarriage since their risk of alloimmunization is higher.

C. **Indications for fetomaternal hemorrhage screening:**

Consult the physician for laboratory testing orders in the event of:

1. Fetal death in the second or third trimester.
2. Second- or third-trimester hemorrhage, serial indirect Coombs approximately every 3 weeks is recommended. If the Coombs test is negative, a Kleihauer-Betke test should be ordered to determine if additional anti-D immune globulin is needed.
3. Abdominal trauma.
4. Placenta previa.
5. Intrauterine manipulation.
6. Multiple gestations.
7. Abruptio placenta.
8. Manual removal of the placenta.
9. Post-birth, the American Association of Blood Banks recommends that all RhD-negative mothers who give birth to RhD-positive infants be screened for fetomaternal hemorrhage to see if anti-D immune globulin beyond the standard dose is required.

D. **Dosage and Timing:**

1. Anti-D immunoglobulin administration should take place within 72 hours of delivery of a D-positive newborn
2. If anti-D immunoglobulin is inadvertently omitted after delivery or a potentially sensitizing event, it should be given as soon as possible after recognition of the omission. Partial protection is afforded with administration within 13 days of the birth or potentially sensitizing event, and some experts recommend giving it as late as 28 days.
3. The standard 300 microgram dose of immunoglobulin is adequate to protect against maternal sensitization from as much as 15 mL fetal red cells. Rarely, maternal testing reveals fetomaternal hemorrhage exceeding this volume, necessitating additional doses of anti-D immunoglobulin. Standard Anti-D immunoglobulin administration should not be delayed while awaiting these results.

PROCEDURE:

A. When anti-D immune globulin is indicated:

1. Verify the mother's blood type.
2. Enter Rhogam Panel order into the patients Electronic Medical Record (EMR).
3. Lab will draw the patient via order in EMR.
4. There are 2 brand names, RhoGAM®/Rhophylac® issued by pharmacy and located in the Pyxis refrigerator.
5. Cross-check the lot number and the expiration date of the RhoGAM®/ Rhophylac® against the numbers on the MAR
6. Verify the mother's identification by checking her hospital wrist band and inquiring about name and date of birth, complying with safe administration practice guidelines while administering and documenting in the MAR.
7. The approved administration practice at TFHD is an intramuscular injection in a large muscle. However, large doses, if indicated, can be given using an intravenous preparation. In these cases, no more than 600 micrograms should be given every eight hours intravenously until the total calculated dose is achieved.
    a. Intravenous preparation is not to be administered by The Joseph Family Center for Women and Newborn Care. Administration shall be provided as an outpatient service in coordination with the Tahoe Forest Infusion Center.
8. If anti-D immune globulin is refused by the patient, the physician should be notified and the woman should sign a statement releasing the hospital, physician, and nurse from liability.

Related Policies/Forms:

Postpartum - Patient Care and Discharge of, DWFC-1466

Clinical Laboratory Tests; Alphabetical Specimen Collection, ALB-1120

References:

American College of Obstetricians and Gynecologists. (1999, May; Reaffirmed 2010). *Prevention of Rh D alloimmunization* (ACOG Practice Bulletin No. 4). Washington D.C.: Author.
Awhonn Templates for Protocols and Procedures for Maternity Services 3rd Ed.
Uptodate: Prevention of RhD alloimmunization in pregnancy, Apr 15, 2020

RISK:

The overall increased risk of adverse obstetric events related to non-obstetric admissions during the prei-partum period appears to be low, although definitive conclusions are limited. Pregnancy may impact maternal physiology and disease process, fetal condition, and, likewise, illness may impact care provision and management planning of future ante- and peri-partum care, it is essential that the obstetric team is notified of all pregnant and recently postnatal women who are significantly unwell, regardless of where they will be admitted within the health system to discuss risks/benefit balance in a timely manner to avoid delay in essential evaluation and/or treatment.

POLICY:

A. Obstetric patient in ICU or on Medical Surgical unit
    1. The primary care nurse will notify OB nurse as soon as possible of admission of obstetric patient, plan of care, admitting diagnosis, and pertinent orders.
    2. The primary care provider shall contact the Obstetrician to discuss pertinent aspects of maternal physiology or anatomy and recommendations about fetal monitoring.
    3. The OB nurse shall be notified of fetal monitoring orders provided by the Obstetrician.
    4. The decision to initiate fetal monitoring in addition to frequency and duration of monitoring shall be individualized, based on gestational age and medical condition.
    5. The OB nurse shall complete fetal monitoring as directed with documentation in the Electronic Medical Record (EMR), reporting any findings to the Obstetrician as needed.

B. Obstetric patients in the Emergency Department
    1. An OB nurse of the Joseph Family Center for Women and Newborn Care department will be available to assess and evaluate an OB patient presenting to the emergency department for care.
    2. Obstetric concerns include, but are not limited to, pregnancy assessment, fetal surveillance, postpartum evaluation, and lactation
    3. The OB nurse shall initiate fetal monitoring when indicated as part the perinatal screening by an RN.
    4. The decision to initiate fetal monitoring in addition to frequency and duration of monitoring shall be individualized, based on gestational age and medical condition.
    5. The OB nurse shall complete fetal monitoring as directed with documentation in the EMR, reporting any findings to the Obstetrician as needed.
    6. If ongoing care is required, the scheduled monitoring shall be posted on procedure board in The Joseph Family Center for Women and Newborn Care and plan of care relayed during shift hand-off.
    7. The patient will be transferred to the Joseph Family Center for Women and Newborn Care department if delivery is imminent, or if other perinatal concerns arise.

C. Obstetric patients requiring a Surgical/Outpatient procedure
    1. The surgeon/physician shall contact the Obstetrician to discuss pertinent aspects of maternal physiology or anatomy and recommendations about fetal monitoring.
    2. The decision to initiate fetal monitoring in addition to frequency and duration of monitoring shall be individualized, based on gestational age and medical condition as well as type of surgery/procedure.
    3. The OB nurse shall be notified of fetal monitoring orders provided by the Obstetrician.
    4. The OB nurse shall complete fetal monitoring as directed with documentation in the EMR, reporting any findings to the Obstetrician as needed.
    5. If ongoing care is required, the scheduled monitoring shall be posted on procedure board in The Joseph Family Center for Women and Newborn Care and plan of care relayed during shift hand-off.
    6. The patient will be transferred to the Joseph Family Center for Women and Newborn Care department if delivery is imminent, or if other perinatal concerns arise.

D. If the patient is postpartum, her infant may be allowed to remain with her if the following apply:
    1. The infant is under 6 months of age.
    2. The mother's attending physician approves infant's stay.
    3. A private room is available. (If there are no private rooms available, a semi-private room may be provided **only** when hospital census/bed availability allows the inactive status of the second bed.)
    4. The parents supply all infant care items (e.g., diapers, blankets, formula, etc.). Crib or bassinet may be provided, if available, from newborn nursery.
    5. The infant has a **continuous** caregiver (significant other or other adult) present in the hospital. Hospital staff will not provide routine infant care.
E. Notify Lactation Services for breastfeeding mothers. A breast pump may be available for use and breast milk shall be labeled properly and stored in the breast milk refrigerator within the Joseph Family Center for Women and Newborn Care.
F. Documentation:
    1. The OB nurse will document fetal heart tones or NST within the EMR, documented as a progress note.
    2. If an outpatient is placed on the monitor, the Obstetrician shall review the tracing and document within the EMR.

Related Policies/Forms:

Admission of Obstetrical Patient, DED-3

Structure Standards, DED-32

References:

Joint Commission of Accreditation of Health Care Organizations [JCAHO] (2006). *Comprehensive Accreditation Manual for Hospitals.* Oakbrook Terrace, IL: Author.
Rosenberg, K. D., Stull, J. D., Adler, M. R., Kasehagen, L.J., & Crivelli-Kovach, A. (2008). Impact of hospital policies on breastfeeding outcomes. *Breastfeeding Medicine, 3,* 110–116.
Templates for Protocols and Procedures for Maternity Services 3rd ed.
Guidelines for Perinatal Care 7th edition.

RISK:

Severe hypertension that is accurately measured using standard techniques and is persistent for 15 minutes or more is considered a hypertensive emergency. It can occur during pregnancy or postpartum as new acute-onset, or in women with chronic hypertension who are developing superimposed preeclampsia with acutely worsening, difficult to control, severe hypertension. Two thirds of the preeclampsia deaths in the recent California review of maternal deaths resulted from stroke. It should be noted that very few women die from seizures. Strokes can occur in women with acute-onset hypertension with systolic pressures in the 160s and diastolic pressures in the 110s. Treatment of acute-onset severe hypertension is an emergency and should take precedence over starting magnesium sulfate. The risks associated with untreated hypertensive emergency are greater than the risks of treatment.

POLICY:

If severe BP elevations persist for 15 minutes or more, administer antihypertensive medication. Either systolic ≥ 160 mm Hg or diastolic ≥ 110mm Hg

- The 15 minutes is the definition of a hypertensive emergency that needs immediate treatment, NOT the definition of preeclampsia which in other guidelines calls for elevated BPs measured 4 hours apart.
    - Severe-range BP requires the initiation of frequent BP measurements every 15 minutes for at least one hour.
- The second confirmatory blood pressure measurement should be done within 15 minutes. The 15-minute window provides a sufficient gap to formally confirm persistent elevated blood pressure that is independent of other causes, and that the patient requires treatment. More frequent readings (every 5 minute) are acceptable for observation purposes.
- Repeat BP measurement to ensure accuracy. Initial first line management can be with labetalol, hydralazine, or immediate-release PO nifedipine – the most important thing is that antihypertensive medications need to be initiated in a hypertensive emergency. After the second elevated reading, treatment should be initiated ASAP (within 30-60 minutes of verification).
- Treatment of acute-onset severe hypertension is an emergency and demands an immediate response. Aim for initiation of antihypertensive medications “as soon as possible”, ideally by 30 minutes and not more than 60 minutes from the time of initial recognition once confirmed. Ultimately, the goal is to not delay care.
- The emergency begins with the first measurement of severe hypertension. A confirmation blood pressure should be taken at 15 minutes, but calls to the physician and preparation/initiation of the medication can be started while waiting for the confirmatory BP measurement if clinically indicated. Ultimately, the goal is to not delay care.

PROCEDURE:

Upon Arrival:

A. Apply external fetal monitor (if viable fetus). Follow Electronic Fetal Monitoring, DWFC-1412
    1. Monitor the fetal heart rate continuously if a viable fetus is present.
B. Complete an admission assessment.
    1. Assess for absence or presence of:
        a. Headache
        b. Visual Changes
        c. Right upper quadrant pain or epigastric pain
        d. Nausea/vomiting
        e. General malaise

2. Assess upper and/or lower deep tendon reflexes.
3. Auscultate for lung sounds, noting any presence of rales, rhonchi, wheezing, etc.
4. Assess for generalized edema and significant, rapid weight gain.
    a. obtain a standing weight whenever possible
5. Assess maternal vital signs including: blood pressure as described below, respiratory rate, heart rate, temperature, and oxygen saturation.
    a. Assess blood pressure using an appropriately sized blood pressure cuff with patient sitting or in the upright position with the patient's arm at the level of the heart. Do not reposition the patient to her left side and retake blood pressure. It will give a false lower reading.
    b. Notify provider for:
        i. Repeated blood pressure ≥ 160 mm Hg systolic OR ≥ 110 mm Hg diastolic (taken at least 15 minutes apart)
        ii. New or worsening complaint of any of the following:
            a. Headache
            b. Visual changes
            c. Right Upper Quadrant (RUQ) or epigastric pain

C. Obtain IV access as ordered by provider.
1. Administer medications to lower blood pressure and prevent seizure activity as directed by physician.

D. Obtain and assess lab values as ordered.
1. Obtain a clean catch urine sample.
2. Report any abnormal lab values.

E. Monitor intake and output as ordered by provider.
1. If fluid overload or oligouria is suspected the use of a Foley catheter should be used with frequent assessment of urinary output, i.e. hourly.

F. Maintain activity as ordered by provider. If on bedrest, maintain side-lying position as much as possible, avoiding supine position, and change position every two hours or more often as needed.

G. Implement measures to decrease stress level, such as provision of a quiet environment and low lighting.

Ongoing assessment after antihypertensive medication administration:

A. Every 10-20 minutes based on medication administered until stable, then BP every 10 minutes x 1 hour, every 15 minutes x 1 hour, every 30 minutes x 1 hour and every one hour x 4 hours.

B. Additional BP monitoring should be done per provider order or as needed.

C. Reportable conditions to notify provider:
1. Systolic blood pressure greater than or equal to 160 mm Hg. Diastolic blood pressure less than 80 mm Hg or greater than or equal to 110 mm Hg following medication administration.
2. Category II or III fetal heart rate tracing following antihypertensive administration.
3. Sustained maternal heart rate less than 50 bpm or greater than 120 bpm during or within 30 minutes following medication administration.

Postpartum to discharge ongoing assessment:

A. Obtain blood pressure, pulse, respirations, and oxygen saturation every 4 hours.

B. Assess lung sounds every 4 hours.

C. Assess deep tendon reflexes (DTRs), clonus, edema, level of consciousness (LOC), headache (HA), visual disturbances, epigastric pain every 8 hours.

Recommended Antihypertensive Therapy: (follow physician orders)

A persistent systolic blood pressure ≥ 160 mm Hg OR ≥ 110 mm Hg diastolic persisting for 15 minutes or more, is treated with IV antihypertensive medication to protect the patient from cerebral vascular accident.

The goal of blood pressure treatment is 130-150/80-100 mm Hg to maintain perfusion.

A. Follow physician medication orders
B. Maintain bedrest during and for 3 hours following medication administration. Assess for postural hypotension prior to ambulation.
C. Hydralazine: (If used as the first-line medication)
    1. IV Push:
        a. Administer initial dose IV push over 1-2 minutes (Usual dose range is 5-10 mg).
        b. Repeat BP in 20 minutes after initial dose.
        c. If still above BP threshold, give 10 mg hydralazine IVP over 2 minutes. Repeat BP in 20 minutes.
        d. If either BP threshold is still over, switch to labetalol 20 mg IVP over 2 minutes. Repeat BP in 10 minutes.
        e. If either BP threshold is still over, give a second dose of labetalol 40 mg IVP over 2 minutes.
D. Labetalol: (If used as the first-line medication; maximum dose is 300 mg/24 hours)
    1. IV Push:
        a. Administer initial dose IV push over 2 minutes (Usual dose is 10-20 mg).
        b. Repeat BP in 10 minutes after initial dose.
        c. If still above BP threshold, give 40 mg labetalol IVP over 2 minutes. Repeat BP in 10 minutes.
        d. If still above BP threshold, give 80 mg labetalol IVP over 2 minutes. Repeat BP in 10 minutes
        e. If either BP threshold is still over, switch to hydralazine 10 mg IVP over 2 minutes. Repeat BP in 20 minutes.
        f. If either BP threshold is still over, consult with maternal-fetal medicine, internal medicine, anesthesia, or critical care subspecialists.
E. Nifedipine (Immediate Release): (If used as the first-line medication; maximum dose is 50 mg)
    1. Administer initial dose PO (Usual dose is 10 mg).
    2. Repeat BP in 20 minutes after initial dose.
    3. If still above BP threshold, give 20 mg nifedipine PO. Repeat BP in 20 minutes.
    4. If still above BP threshold, give another 20 mg nifedipine PO. Repeat BP in 20 minutes.
    5. If either BP threshold is still over, give labetalol 20mg and consult with maternal-fetal medicine, internal medicine, anesthesia, or critical care subspecialists.

Special Instructions / Definitions:

Hypertension: two blood pressure readings of ≥ 140 systolic OR ≥ 90 diastolic taken at least four hours apart

Gestational hypertension refers to hypertension without proteinuria or other signs/symptoms of preeclampsia-related end-organ dysfunction that develops after 20 weeks of gestation. Ten to 25 percent of these patients may ultimately develop signs and symptoms of preeclampsia.

Proteinuria: 0.3 gm of protein in a 24-hour urine collection

Preeclampsia refers to the new onset of hypertension and proteinuria **or** the new onset of hypertension and significant end-organ dysfunction with or without proteinuria after 20 weeks of gestation or postpartum in a previously normotensive patient

Preeclampsia with severe features (formerly severe preeclampsia) is the subset of patients with preeclampsia who have severe hypertension and/or specific signs or symptoms of significant end-organ dysfunction that signify the severe end of the preeclampsia spectrum

Preeclampsia superimposed upon chronic hypertension is diagnosed when preeclampsia occurs in a

patient with preexisting chronic hypertension (primary or secondary hypertension that precedes pregnancy or is present on at least two occasions before the 20th week of gestation or persists longer than 12 weeks postpartum). It is characterized by worsening or resistant hypertension (especially acutely), the new onset of proteinuria or a sudden increase in proteinuria, and/or significant new end-organ dysfunction after 20 weeks of gestation or postpartum in a patient with chronic hypertension

Eclampsia refers to the occurrence of a tonic-clonic seizure in a patient with preeclampsia in the absence of other neurologic conditions that could account for the seizure.

True gestational hypertension should resolve by 12 weeks postpartum. If it persists beyond 12 weeks postpartum, the diagnosis is "revised" to chronic hypertension.

Related Policies/Forms:

Labor - Electronic Fetal Monitoring, DWFC-1412

Labor - Pre-Eclamptic Patient, DWFC-1427

Labor - Magnesium Sulfate Administration, DWFC-1499

References:

UpToDate:Preeclampsia: Clinical features and diagnosis, Jan 03, 2023.

UpToDate:Gestational hypertension, May 27, 2022.

CMQCC: Hypertensive Disorders of Pregnancy Toolkit

RISK:

Obstetrical infections may require ICU admission or transfer to a tertiary care center, particularly if they are complicated by severe sepsis or septic shock. Such infections are a significant cause of maternal morbidity and mortality.

POLICY:

To provide a standard of practice that will ensure appropriate observation and interventions during the peripartum period including recognition of common risk factors such as:

- Prolonged first or second stage of labor
- Prolonged time from rupture of membranes to delivery
- Multiple intrapartum digital vaginal examinations (especially after ruptured membranes)
- Digital rather than speculum examination in patients with preterm prelabor rupture of membranes (PPROM)
- Cervical insufficiency
- Fetal scalp electrode or internal uterine pressure catheter
- Intracervical balloon catheter for cervical ripening/labor induction
- Presence of genital tract pathogens (eg, sexually transmitted infections, group B *Streptococcus*, bacterial vaginosis)
- Nulliparity
- Meconium-stained amniotic fluid
- Alcohol and tobacco use
- Previous clinical Chorioamnionitis
- Epidural analgesia

PROCEDURE:

Notify the attending provider whenever two maternal SIRs criteria are present, reporting any additional clinical findings suggestive of infection including:

- Fetal tachycardia >160 bpm
- Uterine tenderness
- Purulent or malodorus amniotic fluid

Maternal SIRS criteria (any two of the following):

- Oral Temperature instability >100.4 F or < 96.8 F
- Respiratory rate >24
- Maternal Tachycardia >110 bpm
- White Blood Cell (WBC) count >15,000 or <4000 or >10% bands

The attending physician shall initiate the Sepsis Order-set which includes:

A. A full set of labs to assess for organ dysfunction including:
    1. CBC
    2. CMP
    3. LACTIC ACID
    4. PT/PTT

B. Blood Cultures (x2)

1. Obtain blood cultures (x2) prior to administering antibiotics.
    a. Note, routine antibiotic administration for GBS (if previously ordered) shall not be delayed while awaiting collection of blood cultures.

After collection of blood cultures (x2), administer broad spectrum antibiotic as directed by the physician.

Begin rapid administration of 30mL/kg crystalloid for hypotension or lactate ≥4

A. Lab will return to collect a repeat lactic acid for any value ≥ 2

Apply vasopressors if hypotensive during or after fluid resuscitation to maintain mean arterial pressure ≥65 mm Hg

Special Instructions / Definitions / Considerations:

Consider initiating a Rapid Response and Hospitalist Consultation with possible ICU admission for evidence of septic shock, altered mental status or unresponsive

A. Persistent hypotension after 30 mL/kg crystalloid fluid or Lactate ≥ 4

In the pre-viable population with suspected Chorio, do you have the skills, equipment and staff available to deliver or complete a D&E?

- If not, consider transfer to a higher level of care

In the viable, pre-term population with a suspected uterine source, can our facility can our facility provide an appropriate level of care for a neonate of this gestation?

- If yes, notify pediatrics, deliver, and treat
- If no, consider transfer to a higher level of care

Is the patient stable enough for transport?

- If yes, initiate transport to an accepting facility with appropriate NICU level of care.
- If no, deliver with pediatrician in attendance
    - Consider requesting early of dispatch of neonatal transport team (prior to delivery). Initiating telemedicine consult at the time of delivery if the transport team has not arrived.

Debrief: participate in brief, informal information exchanges and feedback sessions following the event to enhance future patient outcomes and improve teamwork skills. Sepsis specific debrief form attached.

Disclosure:

A. If a known error or unanticipated outcome has occurred, disclosure is necessary.
B. Disclosure of the event should occur as soon as is practical after being recognized, and when the patient is ready physically and psychologically to receive the information. The Administrative Executive, Department Director/Manager, Risk Manager, and the treating physician will determine the most appropriate time and manner for disclosure.
C. Every reasonable effort should be made to notify the patient, and/or the patient's representative, with a goal of within 60 minutes, but no later than 24 hours, after the event is discovered. If it is not possible to communicate with the patient, the initial communications should begin with those members of the family or health-care proxy who will be representing the patient in further discussions.

Related Policies/Forms:

Rapid Response Team, ANS-99

Disclosure of Error or Unanticipated Outcome to Patients/Families, AQPI-1909

References:

UpToDate: Clinical chorioamnionitis, Literature review current through: Mar 2024

UpToDate: Evaluation and management of suspected sepsis and septic shock in adults, Literature review current through: Mar 2024

Survivingsepsis.org

2019 the Society of Critical Care Medicine and European Society of Intensive Care Medicine.

TAHOE FOREST HOSPITAL DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS
DRAFT MINUTES

Thursday, September 19, 2024 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 4:02 p.m.

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

Staff in Attendance: Louis Ward, Interim Chief Executive Officer/Chief Operating Officer; Jan Iida, Chief Nursing Officer; Dr. Brian Evans, Chief Medical Officer; Martina Rochefort, Clerk of the Board

Other: Mackenzie Anderson, General Counsel

3. DELETIONS/CORRECTIONS TO THE POSTED AGENDA
Item 5.2. was removed from the agenda.

4. INPUT AUDIENCE
No public comment was received.

Open Session recessed at 4:03 p.m.

5. CLOSED SESSION
5.1. Approval of Closed Session Minutes
5.1.1. 08/22/2024 Regular Meeting
Discussion was held on a privileged item.

5.2. Public Employee Appointment (Gov. Code § 54957)
Title: President & Chief Executive Officer
Item was removed from the agenda.

5.3. 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 6:00 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

General Counsel reported there were two items considered in Closed Session. Item 5.1. Closed Session Minutes were approved on a 5-0 vote. Item 5.2. was removed from the agenda so there was no discussion or action taken on the matter. Item 5.3. Medical Staff Credentials was approved on a 5-0 vote.

9. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

Item 5.2. was removed from the agenda.

10. INPUT – AUDIENCE

Public comment was received from Deirdre Henderson.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

No public comment was received.

12. MEDICAL STAFF EXECUTIVE COMMITTEE

12.1. Medical Executive Committee (MEC) Meeting Consent Agenda

MEC recommended the following for approval by the Board of Directors:

Policy Review – No Changes:

- *CPAP BiPAP, DEDI-1901*
- *IVCH Acuity Parameters, DIMS-203*
- *IVCH Telemetry, DIMS-1601*
- *Tele-Hospitalist Consultation, DIMS-2101*
- *T-piece Resuscitator, DEDI-2301*

Policy Changes:

- *AHP Guidelines*
- *Standardized Procedure – RN as First Assist-Certified*

New Privileges:

- *RN SA-C*

No public comment was received.

ACTION: **Motion made by Director Barnett to approve the Medical Executive Committee Consent Calendar as presented, seconded by Director Chamblin.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

13. CONSENT CALENDAR

13.1. Approval of Minutes of Meetings

13.1.1. 08/22/2024 Regular Meeting

13.1.2. 09/05/2024 Special Meeting

13.2. Financial Reports

13.2.1. Financial Report – August 2024

13.3. Board Reports

13.3.1. Interim CEO/COO Board Report

13.3.2. CNO Board Report

13.3.3. CMO Board Report

13.3.4. CIIO Board Report

13.4. Approve Updated Board Policy

13.4.1. New Programs and Services, ABD-18

13.5. Approval of Conflict of Interest Code Policy

13.5.1. Conflict of Interest Code, ABD-06

Director Chamblin pulled item 13.3.3. for further discussion.
No public comment was received.

ACTION: **Motion made by Director Brown to approve the Consent Calendar excluding item 13.3.3., seconded by Director McGarry.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

14. ITEMS FOR BOARD ACTION

14.1. Resolution 2024-05

The Board of Directors reviewed and considered approval of Resolution 2024-05 to express official intent regarding certain capital expenditures to be reimbursed with proceeds of an obligation. Gary Hicks provided education to the Board on municipal leases.

No public comment was received.

ACTION: **Motion made by Director Barnett to approve Resolution 2024-05 as presented, seconded by Director Chamblin.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

15. ITEMS FOR BOARD DISCUSSION

15.1. Behavioral Health

Dr. Gipanjot Dhillon, Medical Director of Behavioral Health, and Brian Parrish, Operational Director of Behavioral Health, provided an update on the District's Behavioral Health service line. Discussion was held.

No public comment was received.

15.2. Clinic Visit Report

Scott Baker, Vice President of Provider Services, reviewed the August 2024 Clinic Visit Report. Discussion was held.

No public comment was received.

16. ITEMS FOR BOARD ACTION

16.1. Resolution 2024-06

The Board of Directors reviewed and considered approval of Resolution 2024-06 to endorse Truckee Tahoe Airport District funding support of InnerRhythms non-profit dance studio. Discussion was held.

No public comment was received.

ACTION: **Motion made by Director McGarry to approve Resolution 2024-06 as presented, seconded by Director Barnett.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

16.2. Resolution 2024-07

The Board of Directors reviewed and considered approval of Resolution 2024-07 to endorse the Climate Transformation Alliance Charter. Discussion was held.

ACTION: **Motion made by Director Barnett to approve Resolution 2024-07 as presented, seconded by Director Chamblin.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

16.3. Board Culture & Norms

The Board of Directors reviewed and considered approval of a new Board Culture and Norms document. Discussion was held.

ACTION: **Motion made by Director Barnett to send the Board Culture and Norms back to a Governance Committee meeting for further edits, seconded by Director McGarry.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

17. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

Item 13.3.3. was discussed further.

ACTION: **Motion made by Director Chamblin to approve the Consent Calendar item 13.3.3. as presented, seconded by Director Barnett.**
AYES: Directors Barnett, Chamblin, Brown, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

18. BOARD COMMITTEE REPORTS
Chair Wong provided an update from the Board Governance Committee.

Director McGarry shared an update from the Tahoe Forest Health System Foundation meeting.

19. BOARD MEMBERS REPORTS/CLOSING REMARKS
Board member will attend the Association of California Hospital Districts Annual Meeting next week.

The CEO Leadership Profile was approved and WittKieffer will move forward in getting it out to the market.

The Health System is celebrating its 75th Anniversary and will host a Fall Fest and Fun Run on October 6, 2024.

20. CLOSED SESSION CONTINUED
Not applicable.

21. OPEN SESSION
Not applicable.

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY
Not applicable.

23. ADJOURN
Meeting adjourned at 8:11 p.m.

TAHOE FOREST HOSPITAL DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Tuesday, September 24, 2024 at 3:30 p.m.
Tahoe Forest Hospital – Donner Conference Room
10978 Donner Pass Road, Suite 3, Truckee, CA 96161

1. CALL TO ORDER
Meeting was called to order at 3:32 p.m.

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

Staff in Attendance: Alex MacLennan, Chief Human Resources Officer; Martina Rochefort, Clerk of the Board

Other: Mark Andrew of WittKieffer

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA
No changes were made to the agenda.

Open Session recessed at 3:33 p.m.
David Ruderman, General Counsel, joined during Closed Session.

4. CLOSED SESSION
4.1. Public Employee Appointment (Gov. Code § 54957)
Title: President & Chief Executive Officer
Discussion was held on a privileged item.

Open Session reconvened at 5:11 p.m.

5. REPORT OF ACTIONS TAKEN IN CLOSED SESSION
No reportable action was taken in Closed Session.

6. ADJOURN
Meeting adjourned at 5:11 p.m.

TAHOE FOREST HOSPITAL DISTRICT
SEPTEMBER 2024 FINANCIAL REPORT - PRE-AUDIT
INDEX

Board of Directors

Of Tahoe Forest Hospital District

SEPTEMBER 2024 FINANCIAL NARRATIVE – PRE-AUDIT

The following is the financial narrative analyzing financial and statistical trends for the three months ended September 30, 2024.

Activity Statistics

- TFH acute patient days were 309 for the current month compared to budget of 361. This equates to an average daily census of 10.3 compared to budget of 12.0.
- TFH Outpatient volumes were above budget in the following departments by at least 5%: Home Health visits, Pathology, EKGs, Radiation Oncology procedures, Ultrasound, CT Scans, PET CT, Respiratory Therapy and Tahoe City Occupational Therapy.
- TFH Outpatient volumes were below budget in the following departments by at least 5%: Emergency Department Visits, Hospice visits, Surgery cases, Blood units, Medical Oncology procedures, MRI, Briner Ultrasounds, Oncology Drugs Sold to patients, Gastroenterology cases, Tahoe City Physical Therapy, and Outpatient Physical Therapy, Physical Therapy Aquatic, Speech Therapy, and Occupational Therapy.

Financial Indicators

- Net Patient Revenue as a percentage of Gross Patient Revenue was 45.1% in the current month compared to budget of 47.1% and to last month's 47.8%. Year-to-Date Net Patient Revenue as a percentage of Gross Patient Revenue was 45.4% compared to budget of 47.0% and prior year's 45.4%.
- EBIDA was $3,152,068 (5.5%) for the current month compared to budget of $2,426,336 (4.4%), or $725,732 (1.1%) above budget. Year-to-date EBIDA was $10,353,047 (5.9%) compared to budget of $7,375,086 (4.3%), or $2,977,961 (1.5%) above budget.
- Net Income was $3,503,404 for the current month compared to budget of $1,893,536 or $1,609,868 above budget. Year-to-date Net Income was $12,081,284 compared to budget of $5,771,687 or $6,309,597 above budget.
- Cash Collections for the current month were $22,923,352, which is 88% of targeted Net Patient Revenue.
- EPIC Gross Accounts Receivables were $134,964,174 at the end of September compared to $130,632,221 at the end of August.

Balance Sheet

- Working Capital is at 87.6 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 229.6 days. Working Capital cash increased a net $2,080,000. Accounts Payable increased $212,000 and Accrued Payroll & Related Costs increased $802,000. The District received $406,000 from the CY23 HQAF program and Cash Collections were below target by 12%.
- Net Patient Accounts Receivable decreased a net $186,000. Cash collections were 88% of target. EPIC Days in A/R were 69.80 compared to 66.70 at the close of August, a 3.10 days increase.
- Estimated Settlements, Medi-Cal & Medicare increased a net $811,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs and received $406,000 from the Districts participation in the CY23 HQAF program.
- Unrealized Gain/(Loss) Cash Investment Fund increased $889,000 after recording the unrealized gains in its funds held with Chandler Investments for the month of September.
- Investment in TSC, LLC decreased a net $98,000 after recording the estimated loss for September and truing up the losses for July and August.
- To comply with GASB No. 96, the District recorded Amortization Expense for September on its Right-To-Use Subscription assets, decreasing the asset $319,000.
- Accounts Payable increased $212,000 due to the timing of the final check run in September.
- Accrued Payroll & Related Costs increased a net $802,000 due to an increase in Accrued Payroll days in September.
- To comply with GASB No. 96, the District recorded a decrease in its Right-To-Use Subscription Liability for September, decreasing the liability $288,000.

Operating Revenue

- Current month's Total Gross Revenue was $56,863,577 compared to budget of $54,846,286 or $2,017,291 above budget.
- Current month's Gross Inpatient Revenue was $6,931,209 compared to budget of $7,250,105 or $318,896 below budget.
- Current month's Gross Outpatient Revenue was $49,932,368 compared to budget of $47,596,181 or $2,336,187 above budget.
- Current month's Gross Revenue Mix was 39.93% Medicare, 18.13% Medi-Cal, .0% County, 1.05% Other, and 40.89% Commercial Insurance compared to budget of 39.71% Medicare, 15.72% Medi-Cal, .0% County, 1.22% Other, and 43.35% Commercial Insurance. Last month's mix was 38.26% Medicare, 17.82% Medi-Cal, .0% County, 1.32% Other, and 42.59% Commercial Insurance. Year-to-Date Gross Revenue Mix was 39.88% Medicare, 17.35% Medi-Cal, .0% County, 1.26% Other, and 41.51% Commercial Insurance compared to budget of 39.77% Medicare, 15.78% Medi-Cal, .0% County, 1.25% Other, and 43.20% Commercial.
- Current month's Deductions from Revenue were $31,235,593 compared to budget of $28,995,113 or $2,240,480 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 0.22% increase in Medicare, a 2.41% increase to Medi-Cal, County at budget, a 0.17% decrease in Other, and Commercial Insurance was below budget 2.46%, 2) Revenues were above budget 3.7%, and 3) AR over 90 and 120 Days increased 3.38% from August.

DESCRIPTION	September 2024 Actual	September 2024 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	10,449,631	10,882,198	382,567	
Employee Benefits	3,413,341	3,400,593	(12,748)	We saw decreased use of Paid Leave and Sick Leave, creating a positive variance in Employee Benefits. Positive variance in PL/SL was offset by a negative variance in Nonproductive pay.
Benefits – Workers Compensation	52,653	105,867	53,214	
Benefits – Medical Insurance	2,613,116	2,642,413	29,297	
Medical Professional Fees	475,513	450,010	(25,503)	Anesthesia, Diagnostic Imaging and Radiation therapy physician fees were above budget, creating a negative variance in Medical Professional Fees.
Other Professional Fees	159,689	483,260	323,571	A reclassification of legal expenses belonging to FY24, decreased use of resources for EPIC implementations and integrations, and timing of implementing a Physician Employment Management Capability technology created a positive variance in Other Professional Fees.
Supplies	4,417,011	4,325,944	(91,067)	Drugs sold to Patients and Oncology Drugs Sold to Patients revenues were above budget 20.72%, creating a negative variance in Pharmacy Supplies.
Purchased Services	1,741,339	1,854,162	112,823	Outsourced billing and collection services, Scribe services, Facility maintenance projects, and Information Technology Network Maintenance costs were below budget, creating a positive variance in Purchased Services.
Other Expenses	1,065,534	1,153,145	87,611	Outside Training & Travel, Utility costs, and Physician Recruitment expenses were below budget, creating a positive variance in Other Expenses.
Total Expenses	24,437,826	25,297,592	859,766	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 2024 PRE-AUDIT

	Sep-24	Aug-24	Sep-23	
ASSETS				
CURRENT ASSETS				
* CASH	$ 72,310,296	$ 70,230,774	$ 25,925,348	1
PATIENT ACCOUNTS RECEIVABLE - NET	47,035,887	47,221,471	46,644,699	2
OTHER RECEIVABLES	9,851,593	8,850,566	14,234,893	
GO BOND RECEIVABLES	1,366,899	911,266	1,333,569	
ASSETS LIMITED OR RESTRICTED	10,599,414	10,973,320	11,054,725	
INVENTORIES	5,563,551	5,570,054	5,268,064	
PREPAID EXPENSES & DEPOSITS	4,235,380	4,200,167	4,734,714	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	21,841,756	21,030,259	21,957,381	3
TOTAL CURRENT ASSETS	172,804,775	168,987,877	131,153,392	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	10,672,429	10,672,429	10,245,543	1
* CASH INVESTMENT FUND	106,501,373	106,462,757	105,720,455	1
UNREALIZED GAIN/(LOSS) CASH INVESTMENT FUND	3,927,819	3,038,886	(3,066,187)	4
TOTAL BOND TRUSTEE 2017	22,405	22,311	21,325	
TOTAL BOND TRUSTEE 2015	452,783	326,308	446,213	
TOTAL BOND TRUSTEE GO BOND	-	-	5,764	
GO BOND TAX REVENUE FUND	1,305,974	1,305,974	1,300,198	
DIAGNOSTIC IMAGING FUND	3,574	3,574	3,431	
DONOR RESTRICTED FUND	1,179,803	1,179,802	1,153,848	
WORKERS COMPENSATION FUND	17,793	12,191	36,963	
TOTAL	124,083,952	123,024,231	115,867,554	
LESS CURRENT PORTION	(10,599,414)	(10,973,320)	(11,054,725)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	113,484,538	112,050,911	104,812,829	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(4,207,338)	(4,109,243)	(3,565,311)	5
PROPERTY HELD FOR FUTURE EXPANSION	1,716,972	1,716,972	1,696,042	
PROPERTY & EQUIPMENT NET	195,026,411	195,417,918	195,169,976	
GO BOND CIP, PROPERTY & EQUIPMENT NET	1,891,576	1,889,868	1,791,406	
TOTAL ASSETS	480,716,934	475,954,303	431,058,335	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	223,034	226,267	261,823	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	154,402	154,402	124,578	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	4,205,235	4,228,939	4,489,691	
GO BOND DEFERRED FINANCING COSTS	409,916	412,236	437,766	
DEFERRED FINANCING COSTS	109,229	110,269	121,712	
INTANGIBLE LEASE ASSET NET OF ACCUM AMORTIZATION	11,369,439	11,393,944	7,771,798	
RIGHT-TO-USE SUBSCRIPTION ASSET NET OF ACCUM AMORTIZATION	26,160,899	26,479,590	30,684,471	6
TOTAL DEFERRED OUTFLOW OF RESOURCES	$ 42,632,154	$ 43,005,648	$ 43,891,839	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	10,880,607	10,668,248	$ 8,961,966	7
ACCRUED PAYROLL & RELATED COSTS	21,695,769	20,893,972	26,674,049	8
INTEREST PAYABLE	200,024	141,801	353,323	
INTEREST PAYABLE GO BOND	502,905	251,453	523,238	
SUBSCRIPTION LIABILITY	27,806,158	28,093,740	31,756,288	9
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,087,698	4,090,907	290,618	
HEALTH INSURANCE PLAN	2,939,536	2,939,536	2,722,950	
WORKERS COMPENSATION PLAN	2,297,841	2,297,841	3,287,371	
COMPREHENSIVE LIABILITY INSURANCE PLAN	2,771,063	2,771,063	2,586,926	
CURRENT MATURITIES OF GO BOND DEBT	2,440,000	2,440,000	2,195,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	4,126,098	4,083,191	4,268,310	
TOTAL CURRENT LIABILITIES	79,747,699	78,671,752	83,620,039	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	26,274,912	26,406,467	25,809,822	
GO BOND DEBT NET OF CURRENT MATURITIES	87,804,943	87,822,898	90,705,410	
DERIVATIVE INSTRUMENT LIABILITY	154,402	154,402	124,578	
TOTAL LIABILITIES	193,981,956	193,055,519	200,259,849	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	328,187,330	324,724,630	273,536,476	
RESTRICTED	1,179,803	1,179,802	1,153,848	
TOTAL NET POSITION	$ 329,367,132	$ 325,904,432	$ 274,690,325	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
SEPTEMBER 2024 PRE-AUDIT

1. Working Capital is at 87.6 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 229.6 days. Working Capital cash increased a net $2,080,000. Accounts Payable increased $212,000 (See Note 7) and Accrued Payroll & Related Costs increased $802,000 (See Note 8). The District received funding from the CY23 HQAF program and Cash Collections were below target by 12% (See Note 2).

2. Net Patient Accounts Receivable decreased a net $186,000. Cash collections were 88% of target. EPIC Days in A/R were 69.80 compared to 66.70 at the close of August, a 3.10 days increase.

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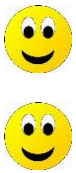
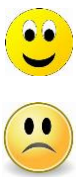
9. To comply with GASB No. 96, the District recorded a decrease in its Right-To-Use Subscription Liability for September, decreasing the liability $288,000.

Tahoe Forest Hospital District
Cash Investment
September 30, 2024 - Pre-Audit

WORKING CAPITAL				
US Bank	$ 71,113,868	4.71%		
US Bank/Incline Village Thrift Store	27,635			
US Bank/Truckee Thrift Store	140,480			
US Bank/Payroll Clearing	-			
Umpqua Bank	1,028,313	2.02%		
Total			$	72,310,296
BOARD DESIGNATED FUNDS				
US Bank Savings	$ -			
Chandler Investment Fund	106,501,373	4.52%		
Total			$	106,501,373
Building Fund	$ -			
Cash Reserve Fund	10,672,429	4.58%		
Local Agency Investment Fund			$	10,672,429
Municipal Lease 2018			$	-
Bonds Cash 2017			$	22,405
Bonds Cash 2015			$	452,783
GO Bonds Cash 2008			$	1,305,974
DX Imaging Education	$ 3,574			
Workers Comp Fund - B of A	17,793			
Insurance				
Health Insurance LAIF	-			
Comprehensive Liability Insurance LAIF	-			
Total			$	21,367
TOTAL FUNDS			$	191,286,626
RESTRICTED FUNDS				
Gift Fund				
US Bank Money Market	$ 8,378	0.09%		
Foundation Restricted Donations	27,309			
Local Agency Investment Fund	1,144,115	4.58%		
TOTAL RESTRICTED FUNDS			$	1,179,803
TOTAL ALL FUNDS			$	192,466,429

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
KEY FINANCIAL INDICATORS
SEPTEMBER 2024 – PRE-AUDIT

	Current Status	Desired Position	Target	Bond Covenants	FY 2025 Jul 24 to Sept 24	FY 2024 Jul 23 to June 24	FY 2023 Jul 22 to June 23	FY 2022 Jul 21 to June 22	FY 2021 Jul 20 to June 21	FY 2020 Jul 19 to June 20	FY 2019 Jul 18 to June 19
Return On Equity: Increase (Decrease) in Net Position Net Position		⇧	FYE 5.9% Budget 1st Qtr 1.8%		3.7%	15.4%	11.2%	13.0%	12.3%	17.1%	13.1%
EPIC Days in Accounts Receivable (excludes SNF) Gross Accounts Receivable 90 Days Gross Accounts Receivable 365 Days		⇩	FYE 60 Days		70 75	69 71	59 62	63 67	65 67	89 73	69 71
Days Cash on Hand Excludes Restricted: Cash + Short-Term Investments (Total Expenses - Depreciation Expense)/ by 365		⇧	Budget FYE 217 Days Budget 1st Qtr 203 Projected 1st Qtr 213 Days	Bond Covenant 60 Days A- 234 Days BBB- 136 Days	230	238	197	234	272	246	179
EPIC Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)		⇩	22%		38%	31%	24%	27%	26%	31%	35%
EPIC Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)		⇩	27%		45%	35%	33%	36%	32%	40%	42%
Cash Receipts Per Day (based on 60 day lag on Patient Net Revenue)		⇧	FYE Budget $850,123 End 1st Qtr Based on Budgeted Net Revenue $806,768 End 1st Qtr Based on Actual Net Revenue $893,005		$861,908	$773,102	$713,016	$634,266	$603,184	$523,994	$473,890
Debt Service Coverage: Excess Revenue over Exp + Interest Exp + Depreciation Debt Principal Payments + Interest Expense		⇧	Without GO Bond 13.12 With GO Bond 4.85	1.95	15.20 5.53	18.38 8.07	9.74 5.25	9.72 5.22	8.33 4.49	9.50 5.06	20.45 4.12

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SEPTEMBER 2024 PRE-AUDIT

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VAR$	CURRENT MONTH VAR%		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VAR$	YEAR TO DATE VAR%		PRIOR YTD SEPT 2023
				OPERATING REVENUE						
$ 56,863,577	$ 54,846,286	$ 2,017,291	3.7%	Total Gross Revenue	$ 176,272,898	$ 169,900,730	$ 6,372,168	3.8%	1	$ 156,625,048
				Gross Revenues - Inpatient						
$ 2,971,455	$ 3,431,768	$ (460,313)	-13.4%	Daily Hospital Service	$ 10,334,378	$ 10,498,605	$ (164,227)	-1.6%		$ 9,812,144
3,959,754	3,818,337	141,417	3.7%	Ancillary Service - Inpatient	13,228,611	12,404,430	824,181	6.6%		11,628,668
6,931,209	7,250,105	(318,896)	-4.4%	Total Gross Revenue - Inpatient	23,562,989	22,903,035	659,954	2.9%	1	21,440,812
49,932,368	47,596,181	2,336,187	4.9%	Gross Revenue - Outpatient	152,709,909	146,997,695	5,712,214	3.9%		135,184,236
49,932,368	47,596,181	2,336,187	4.9%	Total Gross Revenue - Outpatient	152,709,909	146,997,695	5,712,214	3.9%	1	135,184,236
				Deductions from Revenue:						
30,812,153	27,059,715	(3,752,438)	-13.9%	Contractual Allowances	93,906,897	84,043,011	(9,863,886)	-11.7%	2	83,549,913
123,352	1,096,926	973,574	88.8%	Charity Care	1,129,986	3,398,015	2,268,029	66.7%	2	471,860
300,088	838,472	538,384	64.2%	Bad Debt	1,271,896	2,596,895	1,325,000	51.0%	2	1,583,892
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2	-
31,235,593	28,995,113	(2,240,480)	-7.7%	Total Deductions from Revenue	96,308,778	90,037,921	(6,270,857)	-7.0%		85,605,665
116,264	106,683	(9,581)	-9.0%	Property Tax Revenue- Wellness Neighborhood	320,529	325,586	5,057	1.6%		342,082
1,845,646	1,766,072	79,574	4.5%	Other Operating Revenue	5,429,349	5,110,932	318,417	6.2%	3	4,503,337
27,589,894	27,723,928	(134,034)	-0.5%	TOTAL OPERATING REVENUE	85,713,998	85,299,327	414,671	0.5%		75,864,802
				OPERATING EXPENSES						
10,499,631	10,882,198	382,567	3.5%	Salaries and Wages	32,153,468	33,857,925	1,704,457	5.0%	4	30,031,703
3,413,341	3,400,593	(12,748)	-0.4%	Benefits	11,417,301	10,770,589	(646,712)	-6.0%	4	10,096,042
52,653	105,867	53,214	50.3%	Benefits Workers Compensation	148,819	317,601	168,782	53.1%	4	251,323
2,613,116	2,642,413	29,297	1.1%	Benefits Medical Insurance	7,035,049	7,927,239	892,190	11.3%	4	5,745,453
475,513	450,010	(25,503)	-5.7%	Medical Professional Fees	1,538,711	1,501,916	(36,795)	-2.4%	5	1,663,253
159,689	483,260	323,571	67.0%	Other Professional Fees	878,500	1,302,780	424,280	32.6%	5	590,570
4,417,011	4,325,944	(91,067)	-2.1%	Supplies	13,520,929	13,169,036	(351,893)	-2.7%	6	11,807,023
1,741,339	1,854,162	112,823	6.1%	Purchased Services	5,586,292	5,675,119	88,827	1.6%	7	6,165,917
1,065,534	1,153,145	87,611	7.6%	Other	3,081,883	3,402,036	320,153	9.4%	8	2,698,642
24,437,826	25,297,592	859,766	3.4%	TOTAL OPERATING EXPENSE	75,360,951	77,924,241	2,563,290	3.3%		69,049,926
3,152,068	**2,426,336**	**725,732**	**29.9%**	**NET OPERATING REVENUE (EXPENSE) EBIDA**	**10,353,047**	**7,375,086**	**2,977,961**	**40.4%**		**6,814,876**
				NON-OPERATING REVENUE/(EXPENSE)						
863,701	873,281	(9,580)	-1.1%	District and County Taxes	2,619,364	2,614,307	5,057	0.2%	9	2,245,418
455,633	455,633	0	0.0%	District and County Taxes - GO Bond	1,366,899	1,366,900	(1)	0.0%		1,335,407
251,274	238,804	12,470	5.2%	Interest Income	1,102,630	729,591	373,039	51.1%	10	677,438
84,138	110,428	(26,290)	-23.8%	Donations	228,515	331,285	(102,770)	-31.0%	11	320,839
(98,095)	(83,750)	(14,345)	-17.1%	Gain/(Loss) on Joint Investment	(265,595)	(251,250)	(14,345)	-5.7%	12	(154,464)
1,021,981	100,000	921,981	-922.0%	Gain/(Loss) on Market Investments	3,369,952	300,000	3,069,952	-1023.3%	13	313,817
-	-	-	0.0%	Gain/(Loss) on Investments - TIRHR	-	-	-	0.0%	14	-
-	-	-	0.0%	Gain/(Loss) on Disposal of Assets	-	-	-	0.0%	15	-
-	-	-	0.0%	Gain/(Loss) on Sale of Equipment	2,750	-	2,750	0.0%	16	-
(1,785,295)	(1,785,253)	(42)	0.0%	Depreciation	(5,354,752)	(5,352,821)	(1,931)	0.0%	17	(4,117,670)
(182,479)	(182,420)	(59)	0.0%	Interest Expense	(552,792)	(552,677)	(115)	0.0%	18	(283,276)
(259,523)	(259,523)	0	0.0%	Interest Expense-GO Bond	(788,734)	(788,734)	(0)	0.0%		(816,264)
351,336	(532,800)	884,136	165.9%	TOTAL NON-OPERATING REVENUE/(EXPENSE)	1,728,237	(1,603,399)	3,331,636	207.8%		(478,755)
$ 3,503,404	**$ 1,893,536**	**$ 1,609,868**	**85.0%**	**INCREASE (DECREASE) IN NET POSITION**	**$ 12,081,284**	**$ 5,771,687**	**$ 6,309,597**	**109.3%**		**$ 6,336,121**
				NET POSITION - BEGINNING OF YEAR	**317,285,848**					
				NET POSITION - AS OF SEPTEMBER 30, 2024	**$ 329,367,132**					
5.5%	**4.4%**	**1.1%**		**RETURN ON GROSS REVENUE EBIDA**	**5.9%**	**4.3%**	**1.5%**			**4.4%**

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
SEPTEMBER 2024 PRE-AUDIT

		Variance from Budget Fav / <Unfav> SEPT 2024	YTD 2025
1) Gross Revenues			
Acute Patient Days were below budget 14.4% or 52 days. Swing Bed days were above budget 15.0% or 3 days.	Gross Revenue -- Inpatient	$ (318,896)	$ 659,954
	Gross Revenue -- Outpatient	2,336,187	5,712,214
	Gross Revenue -- Total	$ 2,017,291	$ 6,372,168
Outpatient volumes were above budget in the following departments: Home Health visits, Laboratory tests, Oncology Lab, Pathology, EKG's, Radiation Oncology procedures, Nuclear Medicine, Ultrasounds, CT Scans, PET CT, Drugs Sold to Patients, Respiratory Therapy, and Tahoe City Occupational Therapy.			
Outpatient volumes were below budget in the following departments: Emergency Department Visits, Surgery Cases, Hospice Visits, Lab Send Out tests, Blood Units, Diagnostic Imaging, Mammography, Medical Oncology procedures, MRI, Briner Ultrasounds, Oncology Drugs Sold to Patients, Gastroenterology cases, Tahoe City Physical Therapy, Outpatient Physical Therapy, Physical Therapy Aquatic, Speech and Occupational Therapies.			
2) Total Deductions from Revenue			
The payor mix for September shows a 0.22% increase to Medicare, a 2.41% increase to Medi-Cal, 0.17% decrease to Other, County at budget, and a 2.46% decrease to Commercial when compared to budget. We saw a shift from Commercial into Medicare and Medi-Cal, revenues were above budget 3.70%, and AR over 90 and 120 Days increased 3.38% from August, creating a negative variance in Contractual Allowances.	Contractual Allowances	$ (3,752,438)	$ (9,863,886)
	Charity Care	973,574	2,268,029
	Bad Debt	538,384	1,325,000
	Prior Period Settlements	-	-
	Total	$ (2,240,480)	$ (6,270,857)
Positive variances in Charity Care and Bad Debt are lending to the negative variance in Contractual Allowances.			
3) Other Operating Revenue	Retail Pharmacy	$ 128,536	$ 369,460
Retail Pharmacy revenues were above budget 19.81%.	Hospice Thrift Stores	(9,491)	(13,701)
	The Center (non-therapy)	8,696	6,781
IVCH ER Physician Guarantee is tied to collections which came in below budget in September.	IVCH ER Physician Guarantee	(68,370)	(79,581)
	Children's Center	(68,831)	43,958
Children's Center revenues were below budget 26.34%.	Miscellaneous	58,367	(8,499)
	Oncology Drug Replacement	-	-
Rebates & Refunds and Prop 56 funding created a positive variance in Miscellaneous.	Grants	30,667	-
	Total	$ 79,574	$ 318,417
Funding to support the PRIME Suboxone program created a positive variance in Grants.			
4) Salaries and Wages	Total	$ 382,567	$ 1,704,457
Employee Benefits	PL/SL	$ 125,199	$ (493,956)
Decreased use of Paid Leave and Sick Leave created a positive variance in PL/SL.	Nonproductive	(170,641)	(211,202)
	Pension/Deferred Comp	(2,632)	(9,210)
An employment related matter created a negative variance in Nonproductive.	Standby	11,895	25,871
	Other	23,432	41,786
	Total	$ (12,748)	$ (646,712)
Employee Benefits - Workers Compensation	Total	$ 53,214	$ 168,782
Employee Benefits - Medical Insurance	Total	$ 29,297	$ 892,190
5) Professional Fees	Miscellaneous	$ (54,789)	$ (143,582)
Anesthesia Physician Fees and Diagnostic Imaging Physician Fees were above budget, creating a negative variance in Miscellaneous. A portion of the negative variance is related to physicians transitioning from the employment model to contracted.	Oncology	(17,478)	(33,765)
	Corporate Compliance	(713)	(2,470)
	Home Health/Hospice	-	-
	Respiratory Therapy	-	-
Radiation Therapy consulting fees created a negative variance in Oncology.	The Center	-	-
	TFH/IVCH Therapy Services	-	-
Decreased locums coverage in Women & Family and Cardiology created a positive variance in Multi-Specialty Clinics.	Human Resources	2,099	817
	TFH Locums	(109)	12,280
	Managed Care	5,505	16,176
Call Coverage was above budget, creating a negative variance in IVCH ER Physicians.	Medical Staff Services	4,319	16,219
	Multi-Specialty Clinics	39,690	17,001
Decreased use of Mercy resources for implementations/integrations created a positive variance in Information Technology.	Marketing	13,270	27,424
	Financial Administration	11,325	32,325
	Patient Accounting/Admitting	20,000	60,000
A reclassification of Legal expenses belonging to FY24 created a positive variance in Administration.	IVCH ER Physicians	(12,347)	73,425
	Information Technology	83,417	77,650
	Administration	155,528	95,160
Timing of a Physician Employment Management Capabilities and Technology Solution created a positive variance in Multi-Specialty Clinics Administration.	Multi-Specialty Clinics Administration	48,350	138,826
	Total	$ 298,067	$ 387,485

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
SEPTEMBER 2024 PRE-AUDIT

		Variance from Budget Fav / <Unfav>	
		SEPT 2024	YTD 2025
6) Supplies	Pharmacy Supplies	$ (345,332)	$ (729,986)
Drugs Sold to Patients and Oncology Drugs Sold to Patient revenues were above budget 20.72% and the timing of flue vaccine purchases creased a negative variance in Pharmacy Supplies.	Food	3,764	5,139
	Office Supplies	5,954	13,838
	Minor Equipment	(464)	17,777
	Other Non-Medical Supplies	20,689	38,524
Medical Supplies Sold to Patients revenues were below budget 15.27%, creating a positive variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	224,323	302,815
	Total	$ (91,067)	$ (351,893)
7) Purchased Services	Miscellaneous	$ (28,953)	$ (38,141)
Outsourced billing and collection services for Skilled Nursing and budgeted purchased services for Central Scheduling were above budget, creating a negative variance in Miscellaneous.	Patient Accounting	69,795	(34,033)
	Laboratory	(2,825)	(21,079)
	The Center	2,529	(3,513)
Outsourced billing and collection services were below budget, creating a positive variance in Patient Accounting.	Diagnostic Imaging Services - All	3,920	2,293
	Human Resources	(20,484)	2,542
	Pharmacy IP	5,532	3,113
Consulting and support services for the UKG post implementation and employee health screenings created a negative variance in Human Resources.	Medical Records	8,731	4,585
	Community Development	3,333	10,000
	Home Health/Hospice	5,618	12,795
Scribe services came in below budget, creating a positive variance in Multi-Specialty Clinics.	Information Technology	(3,507)	35,430
	Multi-Specialty Clinics	16,395	52,155
	Department Repairs	52,740	62,678
Facility maintenance projects, Information Technology Network Maintenance and Copy Machine Maintenance costs were below budget, creating a positive variance in Department Repairs.	Total	$ 112,823	$ 88,827
8) Other Expenses	Marketing	$ (30,457)	$ (70,722)
Community sponsorships, Marketing Campaigns for MSC Orthopedics and the Cancer Center, and Billboard advertising created a negative variance in Marketing.	Other Building Rent	(9,621)	(28,394)
	Equipment Rent	3,488	(7,952)
	Physician Services	569	(2,983)
Electricity and Natural Gas/Propane costs were below budget, creating a positive variance in Utilities.	Multi-Specialty Clinics Bldg. Rent	1,253	397
	Multi-Specialty Clinics Equip Rent	378	643
	Dues and Subscriptions	1,262	8,797
Outside Training and Travel was below budget, creating a positive variance in this category.	Human Resources Recruitment	6,490	18,002
	Insurance	6,420	18,774
Physician Recruitment expenses and budgeted Community program support and sponsorships were below budget, creating a positive variance in Miscellaneous.	Utilities	58,436	100,111
	Outside Training & Travel	24,077	113,328
	Miscellaneous	25,317	170,153
	Total	$ 87,611	$ 320,153
9) District and County Taxes	Total	$ (9,580)	$ 5,057
10) Interest Income	Total	$ 12,470	$ 373,039
Interest rates with our funds held with LAIF and our US Bank Investment account were above budget, creating a positive variance in Interest Income.			
11) Donations	IVCH	$ (47,186)	$ (148,557)
	Operational	20,896	45,787
	Total	$ (26,290)	$ (102,770)
12) Gain/(Loss) on Joint Investment	Total	$ (14,345)	$ (14,345)
13) Gain/(Loss) on Market Investments	Total	$ 921,981	$ 3,069,952
The District booked the value of unrealized gains in its holdings with Chandler Investments.			
14) Loss on Investments - TIRHR	Total	$ -	
15) Gain/(Loss) on Sale or Disposal of Assets	Total	$ -	$ -
16) Gain/(Loss) on Sale or Disposal of Equipment	Total	$ -	$ -
17) Depreciation Expense	Total	$ (42)	$ (1,931)
18) Interest Expense	Total	$ (59)	$ (115)

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
KEY FINANCIAL INDICATORS
SEPTEMBER 2024 – PRE-AUDIT

	Current Status	Desired Position	Target	FY 2025 Jul 24 to Sept 24	FY 2024 Jul 23 to June 24	FY 2023 Jul 22 to June 23	FY 2022 Jul 21 to June 22	FY 2021 Jul 20 to June 21	FY 2020 Jul 19 to June 20	FY 2019 Jul 18 to June 19
Total Margin: Increase (Decrease) In Net Position / Total Gross Revenue			FYE 2.7% 1st Qtr 3.4%	6.9%	7.6%	6.3%	6.2%	5.8%	8.5%	5.7%
Charity Care: Charity Care Expense / Gross Patient Revenue			FYE 2.0% 1st Qtr 2.0%	.64%	.0%	.0%	2.6%	3.4%	4.0%	3.8%
Bad Debt Expense: Bad Debt Expense / Gross Patient Revenue			FYE 1.5% 1st Qtr 1.5%	.72%	1.0%	1.1%	-.01%	1.2%	1.4%	.1%
Incline Village Community Hospital: EBIDA: Earnings before interest, Depreciation, amortization / Net Operating Revenue <Expense> / Gross Revenue			FYE 15.7% 1st Qtr 16.2%	17.4%	13.2%	12.2%	12.2%	13.7%	.1%	11.5%
Operating Expense Variance to Budget (Under<Over>)			-0-	$2,563,290	$11,383,207	$(1,499,954)	$(10,431,192)	$(8,685,969)	$(9,484,742)	$(13,825,198)
EBIDA: Earnings before interest, Depreciation, amortization / Net Operating Revenue <Expense> / Gross Revenue			FYE 3.7% 1st Qtr 4.3%	5.9%	7.8%	6.3%	7.9%	7.8%	6.2%	7.1%

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
SEPTEMBER 2024 PRE-AUDIT

CURRENT MONTH					YEAR TO DATE					PRIOR YTD SEPT 2023
ACTUAL	BUDGET	VAR$	VAR%		ACTUAL	BUDGET	VAR$	VAR%		
				OPERATING REVENUE						
$ 4,624,994	$ 4,029,633	$ 595,361	14.8%	Total Gross Revenue	$ 14,370,949	$ 13,181,820	$ 1,189,129	9.0%	1	$ 12,179,797
				Gross Revenues - Inpatient						
$ -	$ -	$ -	0.0%	Daily Hospital Service	$ -	$ -	$ -	0.0%		$ -
-	-	-	0.0%	Ancillary Service - Inpatient	-	-	-	0.0%		-
-	-	-	0.0%	Total Gross Revenue - Inpatient	-	-	-	0.0%	1	-
4,624,994	4,029,633	595,361	14.8%	Gross Revenue - Outpatient	14,370,949	13,181,820	1,189,129	9.0%		12,179,797
4,624,994	4,029,633	595,361	14.8%	Total Gross Revenue - Outpatient	14,370,949	13,181,820	1,189,129	9.0%	1	12,179,797
				Deductions from Revenue:						
2,383,611	1,773,285	(610,326)	-34.4%	Contractual Allowances	6,957,112	5,787,618	(1,169,494)	-20.2%	2	5,636,600
71,044	80,593	9,549	11.8%	Charity Care	133,675	263,636	129,961	49.3%	2	58,623
103,326	60,444	(42,882)	-70.9%	Bad Debt	324,020	197,727	(126,293)	-63.9%	2	345,137
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2	-
2,557,982	1,914,322	(643,660)	-33.6%	Total Deductions from Revenue	7,414,808	6,248,981	(1,165,827)	-18.7%	2	6,040,360
18,535	118,318	(99,783)	-84.3%	Other Operating Revenue	114,079	328,624	(214,545)	-65.3%	3	243,706
2,085,548	2,233,629	(148,081)	-6.6%	TOTAL OPERATING REVENUE	7,070,220	7,261,463	(191,243)	-2.6%		6,383,143
				OPERATING EXPENSES						
672,017	725,840	53,823	7.4%	Salaries and Wages	2,049,135	2,374,338	325,203	13.7%	4	1,991,539
195,306	214,062	18,756	8.8%	Benefits	675,384	701,818	26,434	3.8%	4	591,139
2,092	3,160	1,068	33.8%	Benefits Workers Compensation	6,276	9,479	3,203	33.8%	4	7,980
163,221	165,194	1,973	1.2%	Benefits Medical Insurance	439,424	495,581	56,157	11.3%	4	351,928
160,012	147,589	(12,423)	-8.4%	Medical Professional Fees	532,133	604,383	72,250	12.0%	5	455,775
1,792	2,431	639	26.3%	Other Professional Fees	6,820	7,293	473	6.5%	5	5,631
52,221	114,397	62,176	54.4%	Supplies	311,251	392,579	81,328	20.7%	6	342,620
53,238	65,706	12,468	19.0%	Purchased Services	247,541	243,297	(4,244)	-1.7%	7	156,778
98,857	99,541	684	0.7%	Other	294,810	294,075	(735)	-0.2%	8	373,555
1,398,755	1,537,920	139,165	9.0%	TOTAL OPERATING EXPENSE	4,562,774	5,122,843	560,070	10.9%		4,276,945
686,792	**695,709**	**(8,917)**	**-1.3%**	**NET OPERATING REV(EXP) EBIDA**	**2,507,447**	**2,138,620**	**368,827**	**17.2%**		**2,106,198**
				NON-OPERATING REVENUE/(EXPENSE)						
3,932	51,118	(47,186)	-92.3%	Donations-IVCH	4,798	153,355	(148,557)	-96.9%	9	173,569
-	-	-	0.0%	Gain/ (Loss) on Sale	-		-	0.0%	10	-
(203,527)	(203,527)	(0)	0.0%	Depreciation	(610,491)	(608,644)	(1,847)	-0.3%	11	(369,918)
(1,152)	(1,152)	-	0.0%	Interest Expense	(3,489)	(3,489)	-	0.0%	12	(4,392)
(200,747)	(153,561)	(47,186)	-30.7%	TOTAL NON-OPERATING REVENUE/(EXP)	(609,182)	(458,778)	(150,404)	-32.8%		(200,741)
$ 486,045	**$ 542,148**	**$ (56,103)**	**-10.3%**	**EXCESS REVENUE(EXPENSE)**	**$ 1,898,264**	**$ 1,679,842**	**$ 218,422**	**13.0%**		**$ 1,905,457**
14.8%	**17.3%**	**-2.4%**		**RETURN ON GROSS REVENUE EBIDA**	**17.4%**	**16.2%**	**1.2%**			**17.3%**

INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
SEPTEMBER 2024 PRE-AUDIT

		Variance from Budget Fav<Unfav> SEPT 2024	YTD 2025
1) Gross Revenues			
Outpatient volumes were above budget in Surgery cases, Lab Tests, Lab Send Out Tests, EKG, Diagnostic Imaging, Mammography, CT Scans, and Occupational Therapy.	Gross Revenue -- Inpatient	$ -	$ -
	Gross Revenue -- Outpatient	595,361	1,189,129
	Total	$ 595,361	$ 1,189,129
Outpatient volumes were below budget in Emergency Department Visits, Ultrasounds, Respiratory Therapy, Physical and Speech Therapies.			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with a 4.33% increase in Medicare, a 0.49% increase in Medicaid, a 5.09% decrease in Commercial insurance, a 0.27% increase in Other, and County was at budget. We saw a negative variance in Contractual Allowances due to the shift in Payor Mix from Commercial to Medicare and Medicaid, revenues were above budget by 14.8%, and A/R over 90 and 120 Days increased 4.62% from August.	Contractual Allowances	$ (610,326)	$ (1,169,494)
	Charity Care	9,549	129,961
	Bad Debt	(42,882)	(126,293)
	Prior Period Settlement	-	-
	Total	$ (643,660)	$ (1,165,827)
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections, coming in below budget in September.	IVCH ER Physician Guarantee	$ (68,370)	$ (79,581)
	Miscellaneous	(31,413)	(134,964)
	Total	$ (99,783)	$ (214,545)
Negative variance in Miscellaneous is related to the timing of the Nevada Private Hospital Provider Tax program participation.			
4) Salaries and Wages	Total	$ 53,823	$ 325,203
Employee Benefits	PL/SL	$ 654	$ (16,715)
	Pension/Deferred Comp	-	-
	Standby	1,083	(10,664)
	Other	5,327	20,097
	Nonproductive	11,692	33,717
	Total	$ 18,756	$ 26,434
Employee Benefits - Workers Compensation	Total	$ 1,068	$ 3,203
Employee Benefits - Medical Insurance	Total	$ 1,973	$ 56,157
5) Professional Fees	Multi-Specialty Clinics	$ (921)	$ (2,207)
Increased use of Call coverage and after hours Radiologic reads created a negative variance in IVCH ER Physicians.	Administration	-	-
	Foundation	640	474
	Miscellaneous	844	1,031
	IVCH ER Physicians	(12,347)	73,425
	Total	$ (11,784)	$ 72,723
6) Supplies	Non-Medical Supplies	$ (7,636)	$ (10,964)
Supply purchases for facility maintenance projects created a negative variance in Non-Medical Supplies.	Food	(289)	(1,595)
	Minor Equipment	90	(893)
	Office Supplies	483	1,066
Non-Patient Chargeable supplies were below budget, creating a positive variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	21,280	12,062
	Pharmacy Supplies	48,249	81,653
	Total	$ 62,176	$ 81,328
Drugs Sold to Patients revenues were below budget 13.41%, creating a positive variance in Pharmacy Supplies.			

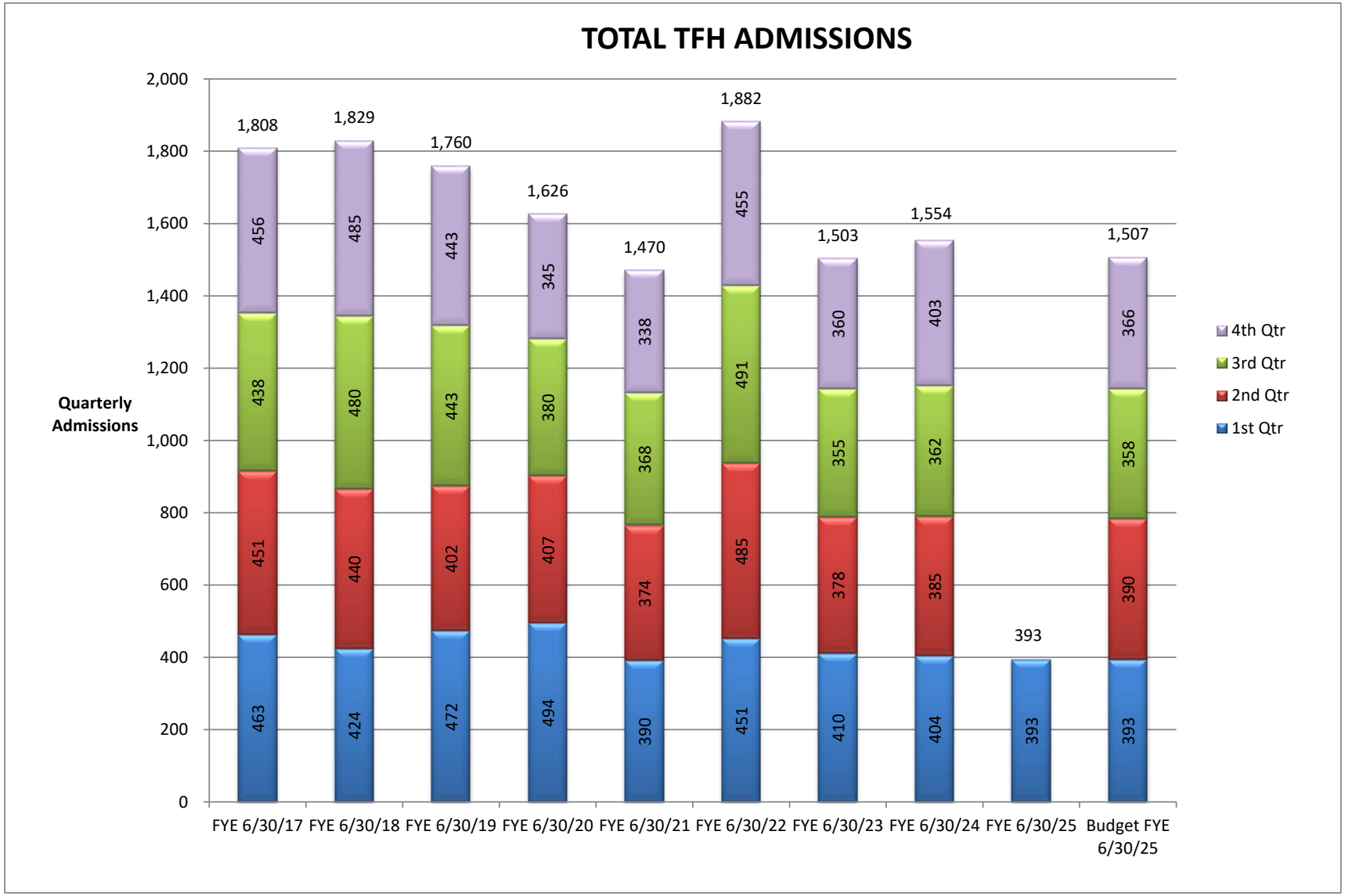
INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
SEPTEMBER 2024 PRE-AUDIT

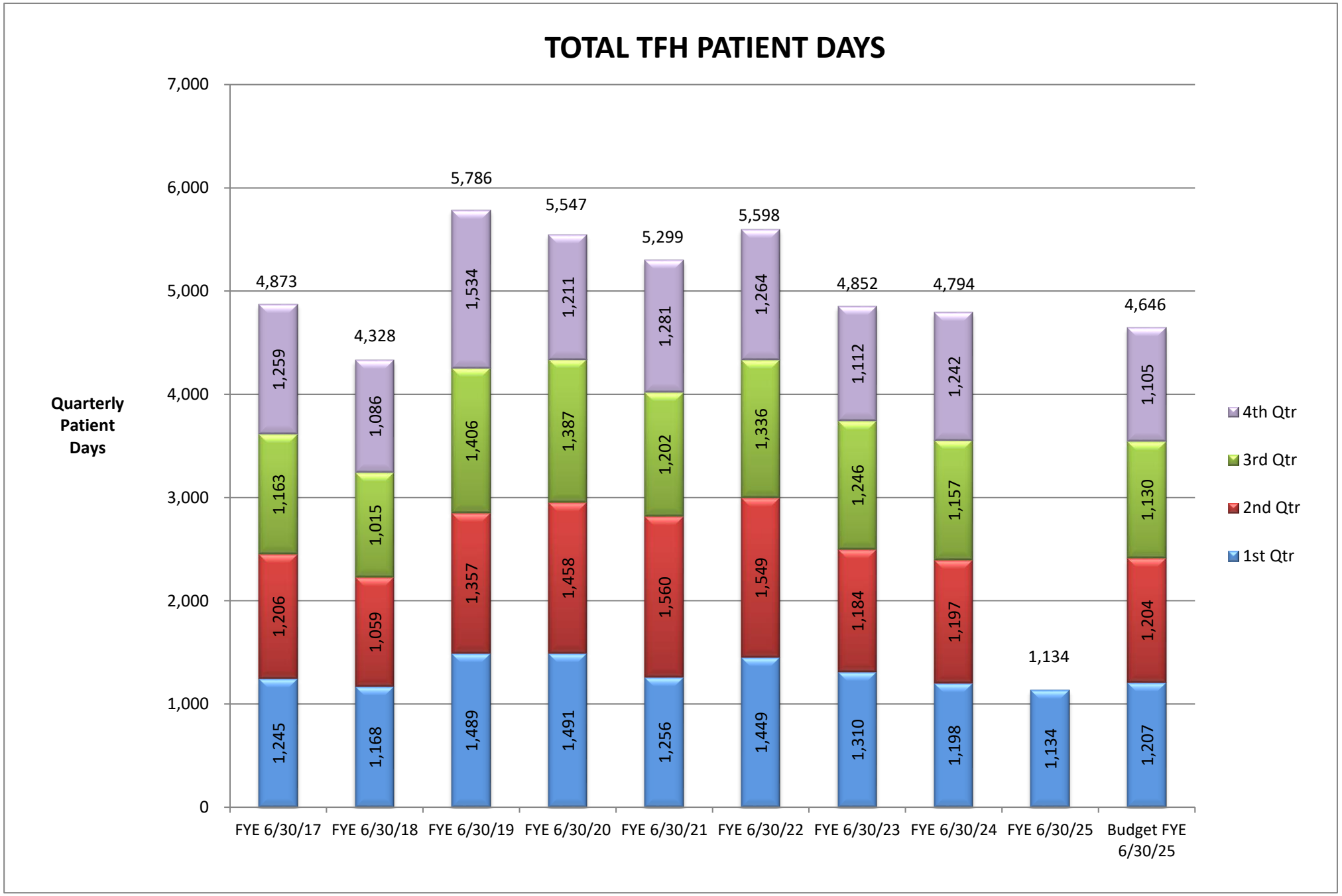
		Variance from Budget Fav<Unfav>	
		SEPT 2024	**YTD 2025**
7) Purchased Services	Engineering/Plant/Communications	$ (3,496)	$ (5,827)
Waxing, spraying, and buffing the hospital floors and security services created a negative variance in Engineering/Plant/Communications.	Foundation	4,241	(4,561)
	Diagnostic Imaging Services - All	(896)	(2,869)
	Miscellaneous	744	(2,261)
Department Repairs were below budget in Diagnostic Imaging, Ultrasound, and Engineering.	EVS/Laundry	422	(2,204)
	Multi-Specialty Clinics	281	290
	Pharmacy	742	489
	Department Repairs	4,698	4,577
	Laboratory	5,733	8,122
	Total	$ 12,468	$ (4,244)
8) Other Expenses	Other Building Rent	$ (5,531)	$ (16,592)
The transfer of labor from TFH to IVCH Laboratory created a negative variance in Miscellaneous.	Miscellaneous	(6,944)	(15,922)
	Equipment Rent	1,287	(3,412)
	Marketing	(368)	(3,149)
Outside Training and Travel was below budget, creating a positive variance in this category.	Multi-Specialty Clinics Bldg. Rent	(537)	(1,866)
	Physician Services	-	-
	Insurance	673	2,018
Natural Gas/Propane, Electricity, Water/Sewer, and Telephone costs were below budget, creating a positive variance in Utilities.	Dues and Subscriptions	362	3,497
	Outside Training & Travel	4,473	14,320
	Utilities	7,268	20,372
	Total	$ 684	$ (735)
9) Donations	Total	$ (47,186)	$ (148,557)
10) Gain/(Loss) on Sale	Total	$ -	$ -
11) Depreciation Expense	Total	$ -	$ (1,847)
12) Interest Expense	Total	$ -	$ -

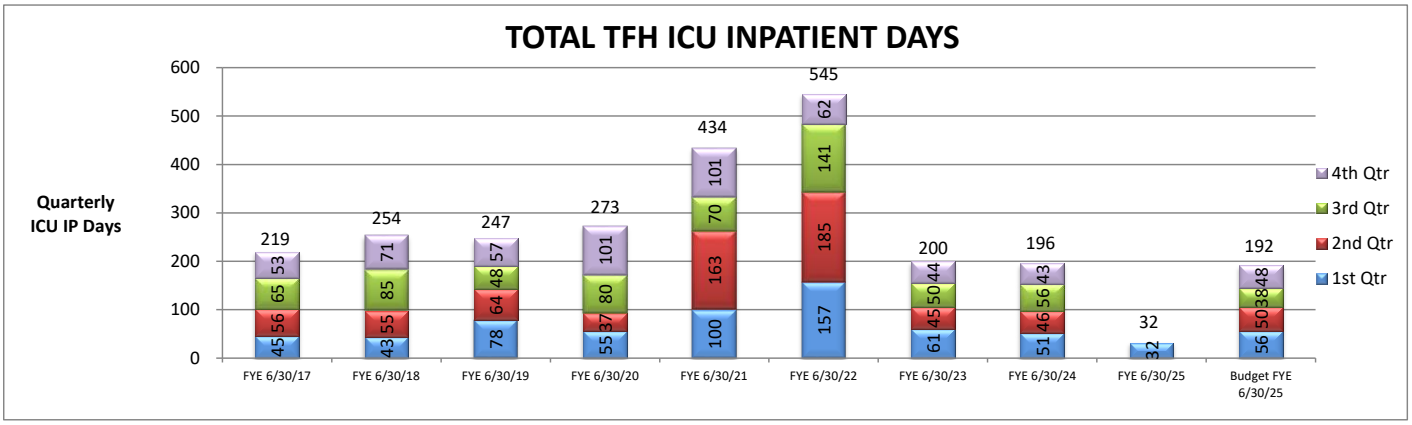
TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

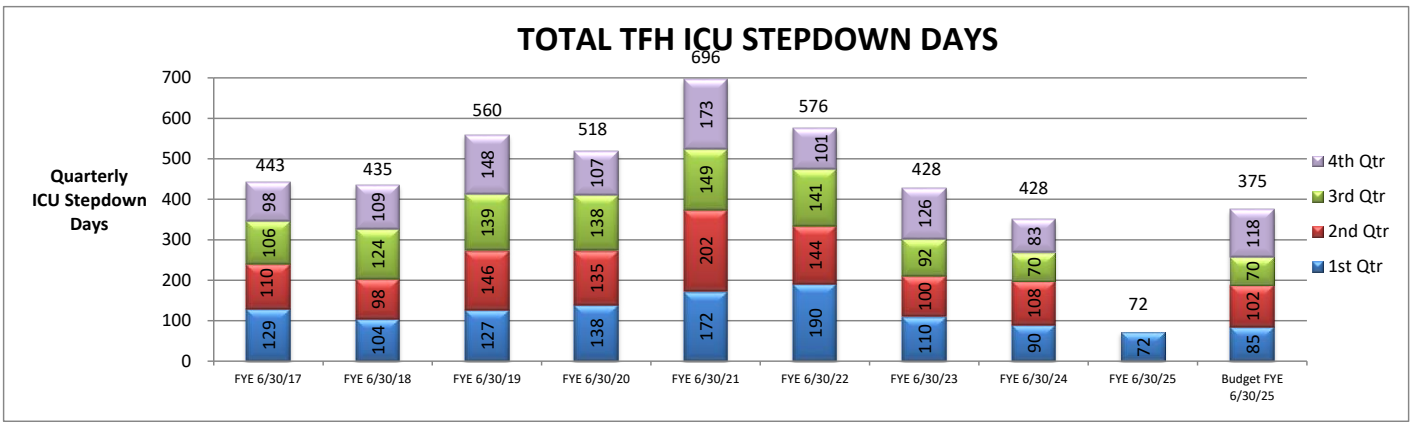
	PRE-AUDIT FYE 2024		BUDGET FYE 2025	PROJECTED FYE 2025	**ACTUAL SEPT 2024**	**BUDGET SEPT 2024**	**DIFFERENCE**	ACTUAL 1ST QTR	PROJECTED 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	50,090,103		24,816,849	27,835,514	$ 3,152,068	$ 2,426,336	$ 725,732	10,393,751	7,498,313	5,331,415	4,612,035
Interest Income	3,282,148		3,000,000	3,320,746	200,327	160,000	40,327	1,070,746	750,000	750,000	750,000
Property Tax Revenue	10,670,390		10,420,000	10,490,592	-	-	-	570,592	120,000	5,700,000	4,100,000
Donations	8,217,116		1,325,000	1,194,172	185,035	110,417	74,618	200,422	331,250	331,250	331,250
Debt Service Payments	(3,477,709)		(3,588,480)	(3,487,801)	(193,169)	(198,269)	5,100	(1,149,659)	(594,806)	(915,613)	(827,723)
Property Purchase Agreement	(811,928)		(811,927)	(811,927)	(67,661)	(67,661)	-	(202,982)	(202,982)	(202,982)	(202,982)
2018 Muni Lease/2025 Muni Lease	(715,417)		(396,294)	(396,294)	-	-	-	-	-	(198,147)	(198,147)
Copier	(41,568)		(61,200)	(45,900)	-	(5,100)	5,100	-	(15,300)	(15,300)	(15,300)
2017 VR Demand Bond	(122,530)		(743,423)	(777,718)	-	-	-	(689,828)	-	(87,890)	-
2015 Revenue Bond	(1,786,265)		(1,575,636)	(1,455,962)	(125,508)	(125,508)	(0)	(256,850)	(376,524)	(411,294)	(411,294)
Physician Recruitment	(146,666)		(1,000,000)	(750,000)	-	(83,333)	83,333	-	(250,000)	(250,000)	(250,000)
Investment in Capital											
Equipment	(4,906,204)		(3,026,710)	(3,026,710)	(499,750)	(499,337)	(413)	(815,094)	(1,164,341)	(568,088)	(479,187)
Municipal Lease Reimbursement	-		2,200,000	2,200,000	-	-	-	-	-	1,100,000	1,100,000
IT/EMR/Business Systems	(39,200)		(2,053,081)	(2,053,081)	-	(98,750)	98,750	-	(1,323,410)	(372,085)	(357,586)
Building Projects/Properties	(11,602,725)		(25,877,332)	(25,877,332)	(439,078)	(2,226,229)	1,787,151	(1,464,737)	(6,008,000)	(8,142,151)	(10,262,444)
Change in Accounts Receivable	(2,970,723)	N1	1,437,080	3,215,709	185,584	(185,744)	371,328	4,489,776	(4,934,709)	5,321,337	(1,660,694)
Change in Settlement Accounts	5,273,357	N2	2,005,000	828,690	(814,706)	(559,667)	(255,039)	(4,239,029)	(6,193,056)	7,433,775	3,827,000
Change in Other Assets	(4,969,324)	N3	(3,600,000)	(4,734,641)	(411,860)	(500,000)	88,140	(2,884,641)	500,000	(1,100,000)	(1,250,000)
Change in Other Liabilities	(9,968,099)	N4	(3,850,000)	(3,385,268)	753,688	(3,600,000)	4,353,688	(985,268)	(2,600,000)	(2,400,000)	2,600,000
Change in Cash Balance	39,452,464		2,208,325	5,770,591	2,118,139	(5,254,576)	7,372,714	5,186,858	(13,868,759)	12,219,840	2,232,651
Beginning Unrestricted Cash	144,844,775		184,297,239	184,297,239	187,365,959	187,365,959	-	184,297,239	189,484,097	175,615,338	187,835,178
Ending Unrestricted Cash	184,297,239		186,505,564	190,067,830	189,484,097	182,111,383	7,372,714	189,484,097	175,615,338	187,835,178	190,067,830
Operating Cash	184,297,239		186,505,564	190,067,830	189,484,097	182,111,383	7,372,714	189,484,097	175,615,338	187,835,178	190,067,830
Expense Per Day	773,329		860,294	853,272	825,149	853,010	(27,861)	825,149	840,085	850,104	853,272
Days Cash On Hand	238		217	223	230	213	16	230	209	221	223

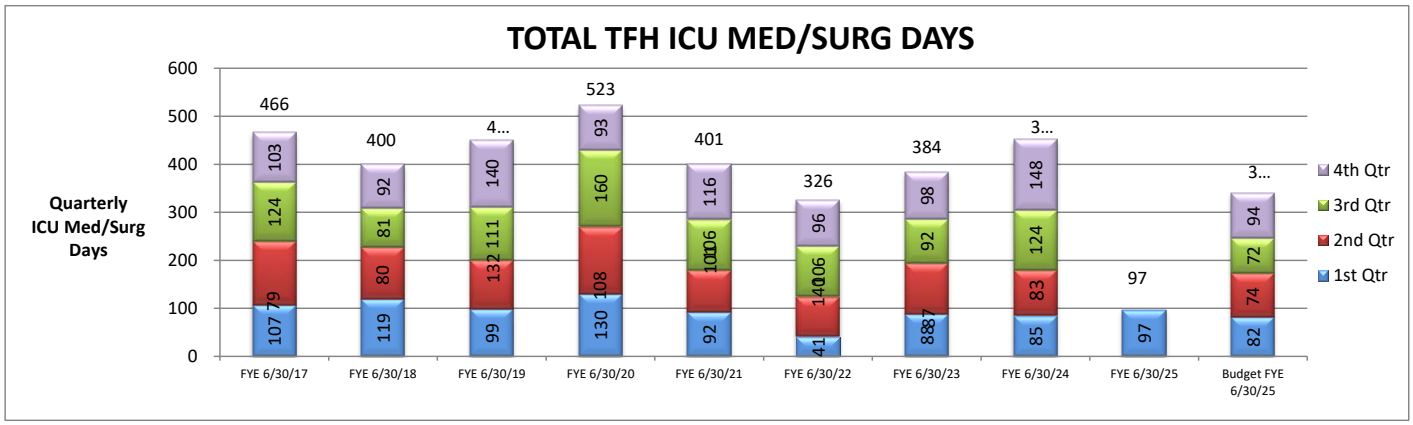
Footnotes:
N1 - Change in Accounts Receivable reflects the 30 day delay in collections.
N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.
N3 - Change in Other Assets reflect fluctuations in asset accounts 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.

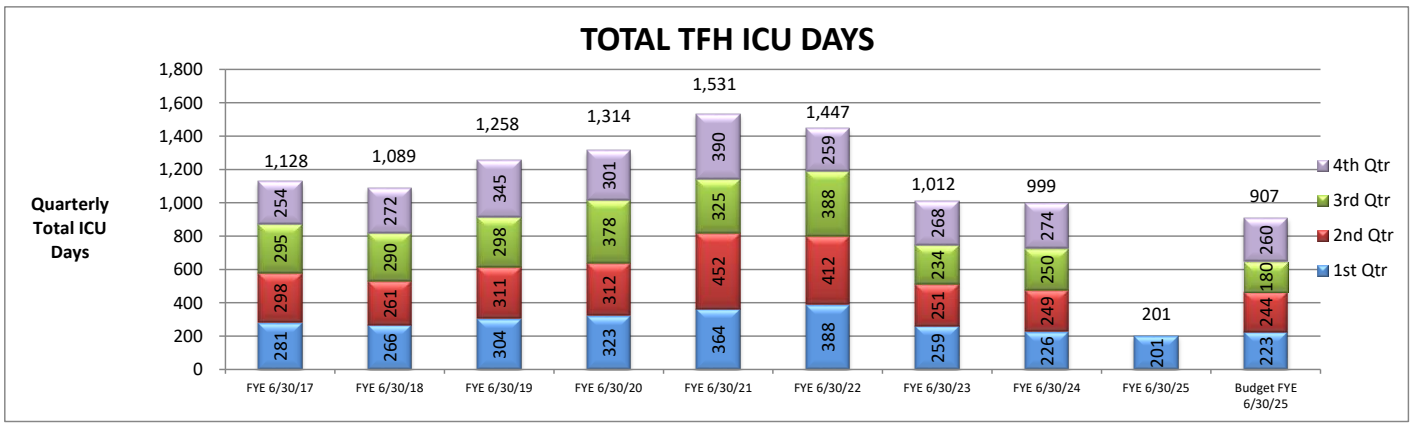

TOTAL TFH ADMISSIONS
Quarterly Admissions
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1,808
1,829
1,760
1,626
1,470
1,882
1,503
1,554
393
1,507
456
485
443
345
338
455
360
403
366
438
480
443
380
368
491
355
362
358
451
440
402
407
374
485
378
385
390
463
424
472
494
390
451
410
404
393
393
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25

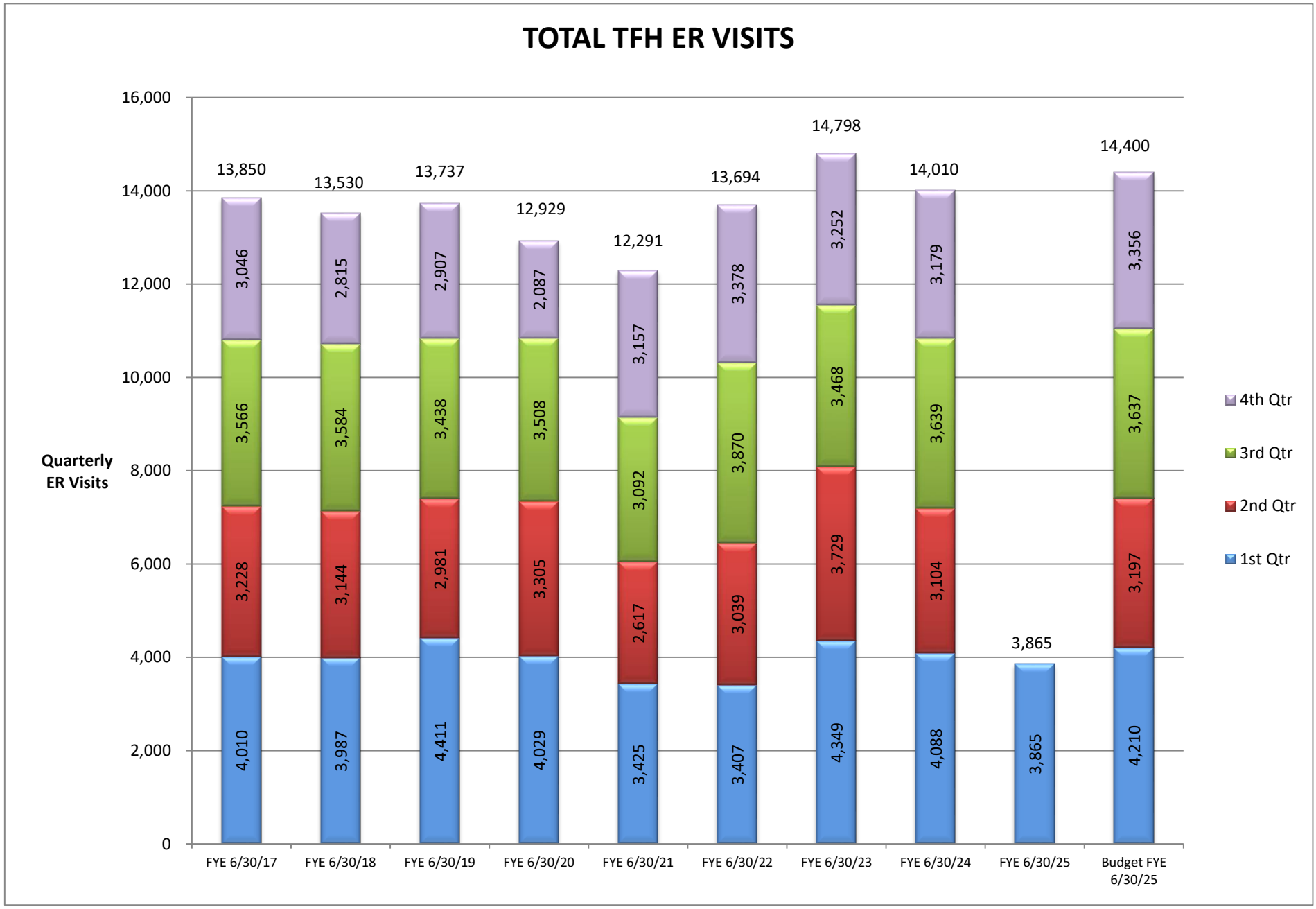

TOTAL TFH PATIENT DAYS
Quarterly Patient Days
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
4,873
4,328
5,786
5,547
5,299
5,598
4,852
4,794
1,134
4,646
1,259
1,163
1,206
1,245
1,086
1,015
1,059
1,168
1,534
1,406
1,357
1,489
1,211
1,387
1,458
1,491
1,281
1,202
1,560
1,256
1,264
1,336
1,549
1,449
1,112
1,246
1,184
1,310
1,242
1,157
1,197
1,198
1,134
1,105
1,130
1,204
1,207
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

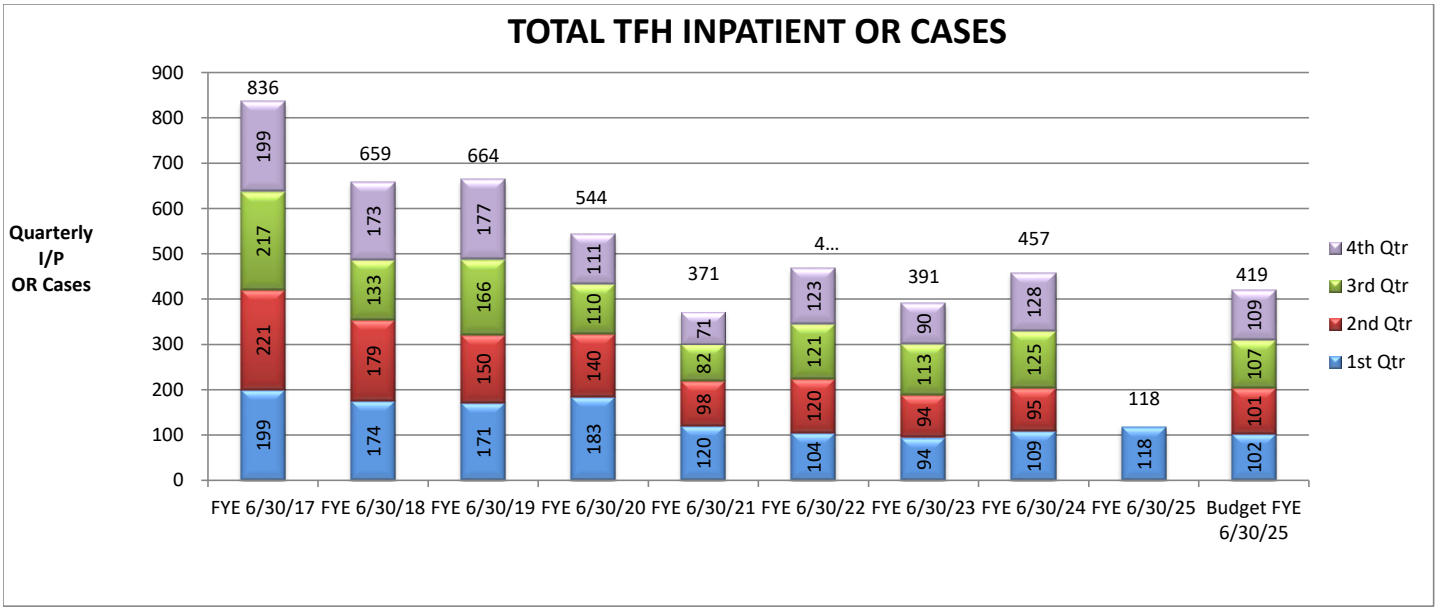

TOTAL TFH ICU INPATIENT DAYS
Quarterly ICU IP Days
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25

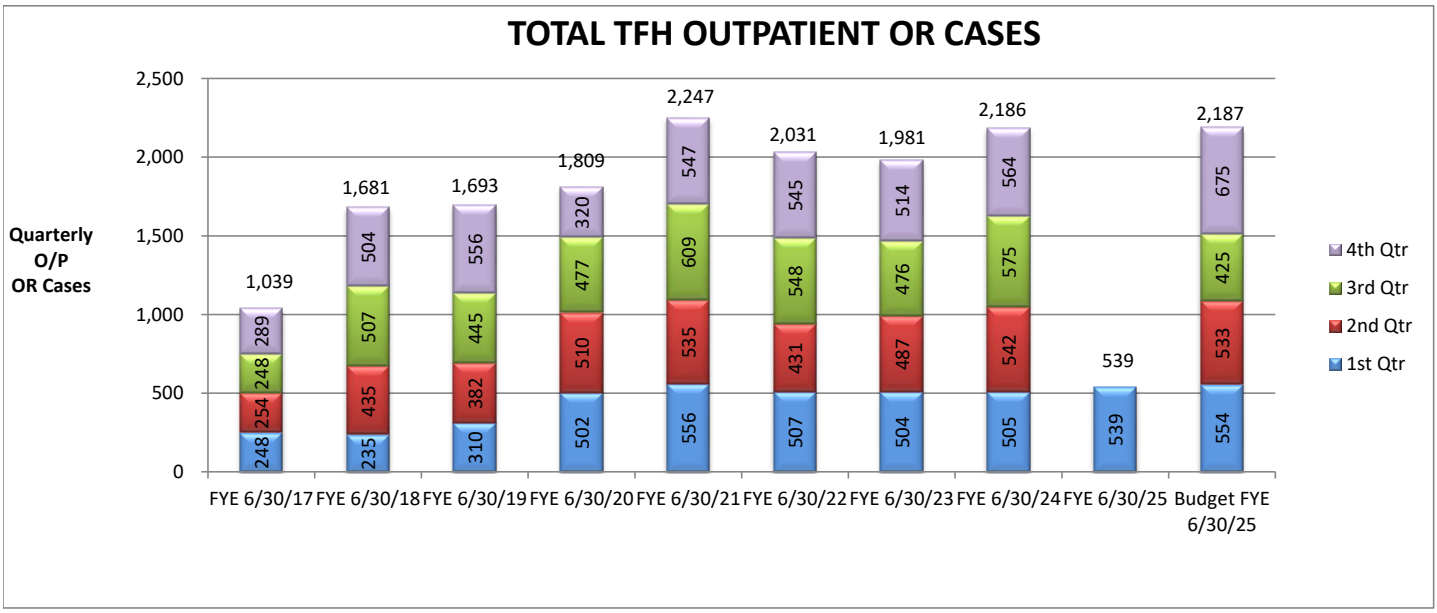

TOTAL TFH ICU STEPDOWN DAYS
Quarterly ICU Stepdown Days
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25

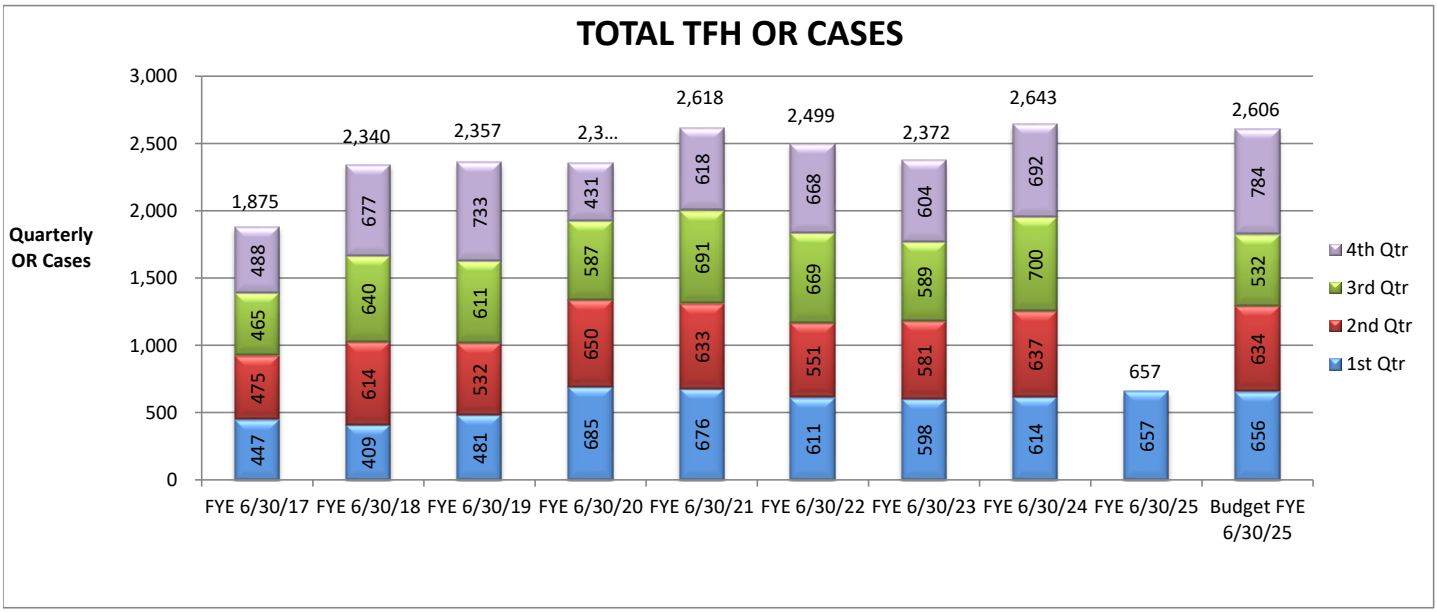

TOTAL TFH ICU MED/SURG DAYS
Quarterly ICU Med/Surg Days
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25


TOTAL TFH ICU DAYS
Quarterly Total ICU Days
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25

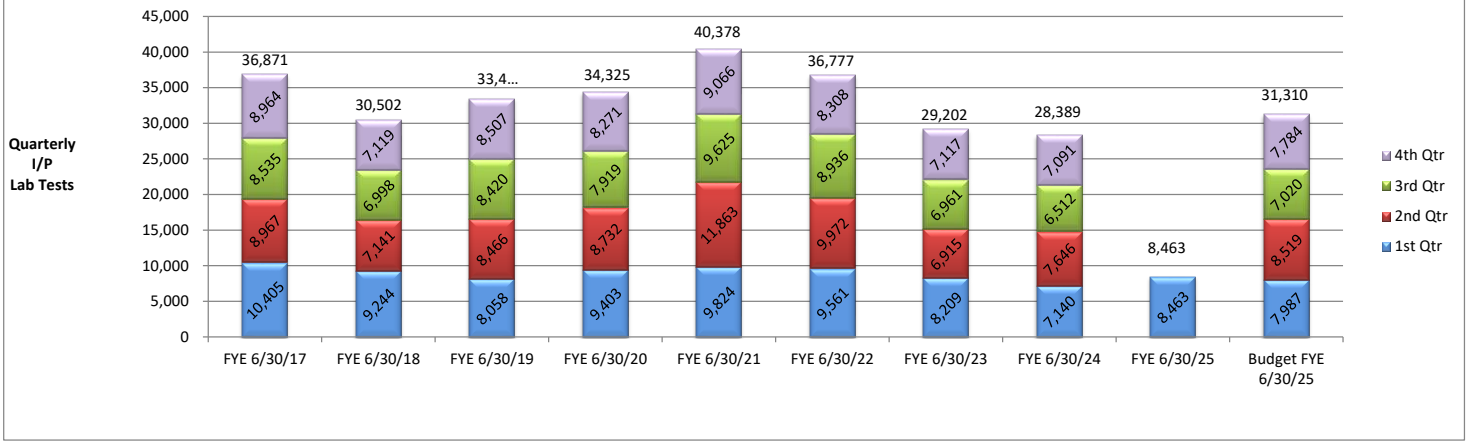

TOTAL TFH ER VISITS
Quarterly ER Visits
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
13,850
13,530
13,737
12,929
12,291
13,694
14,798
14,010
3,865
14,400
3,046
2,815
2,907
2,087
3,157
3,378
3,252
3,179
3,356
3,566
3,584
3,438
3,508
3,092
3,870
3,468
3,639
3,637
3,228
3,144
2,981
3,305
2,617
3,039
3,729
3,104
3,197
4,010
3,987
4,411
4,029
3,425
3,407
4,349
4,088
3,865
4,210
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH INPATIENT OR CASES
Quarterly I/P OR Cases
900
800
700
600
500
400
300
200
100
0
836
659
664
544
371
4...
391
457
118
419
199 221 217 199
174 179 133 173
171 150 166 177
183 140 110 111
120 98 82 71
104 120 121 123
94 94 113 90
109 95 125 128
118
102 101 107 109
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

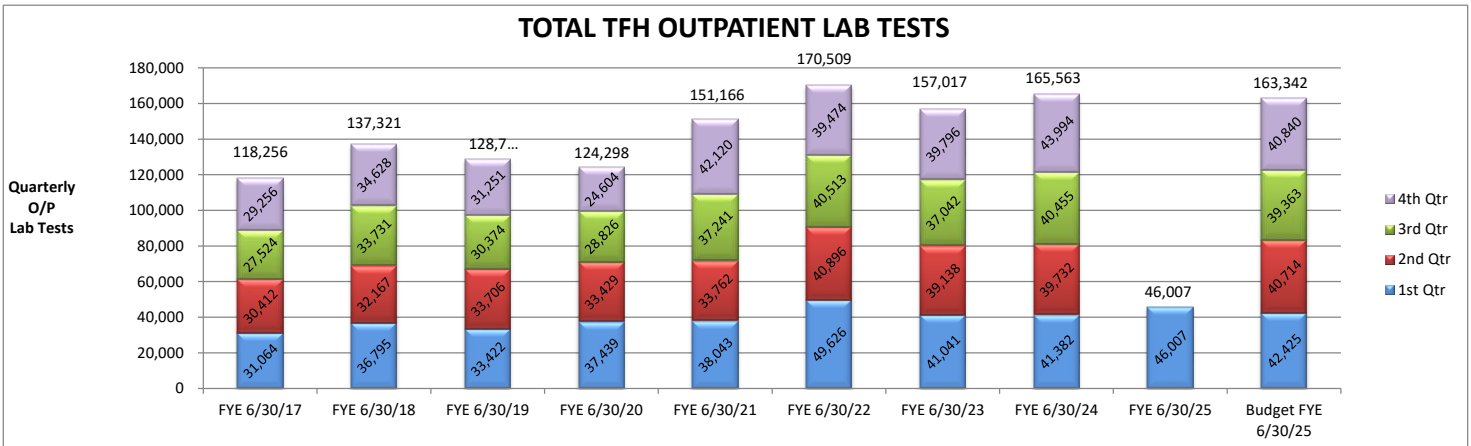

TOTAL TFH OUTPATIENT OR CASES
Quarterly O/P OR Cases
2,500
2,000
1,500
1,000
500
0
1,039
1,681
1,693
1,809
2,247
2,031
1,981
2,186
539
2,187
248 254 248 289
235 435 507 504
310 382 445 556
502 510 477 320
556 535 609 547
507 431 548 545
504 487 476 514
505 542 575 564
539
554 533 425 675
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH OR CASES
Quarterly OR Cases
3,000
2,500
2,000
1,500
1,000
500
0
1,875
2,340
2,357
2,3...
2,618
2,499
2,372
2,643
657
2,606
447 475 465 488
409 614 640 677
481 532 611 733
685 650 587 431
676 633 691 618
611 551 669 668
598 581 589 604
614 637 700 692
657
656 634 532 784
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

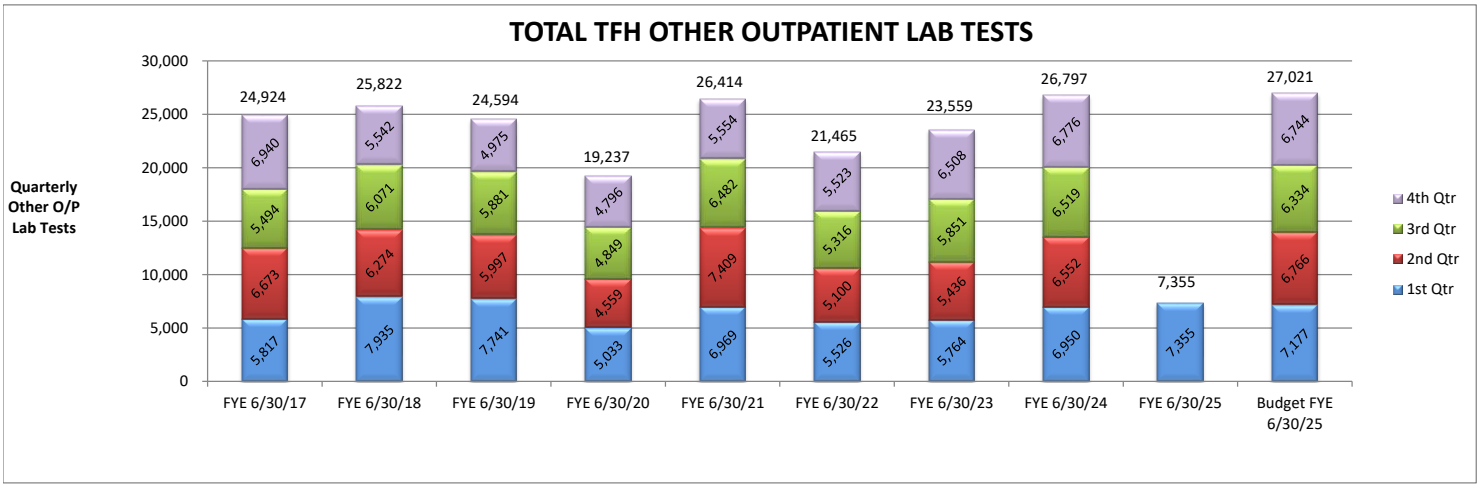
TOTAL TFH INPATIENT LAB TESTS



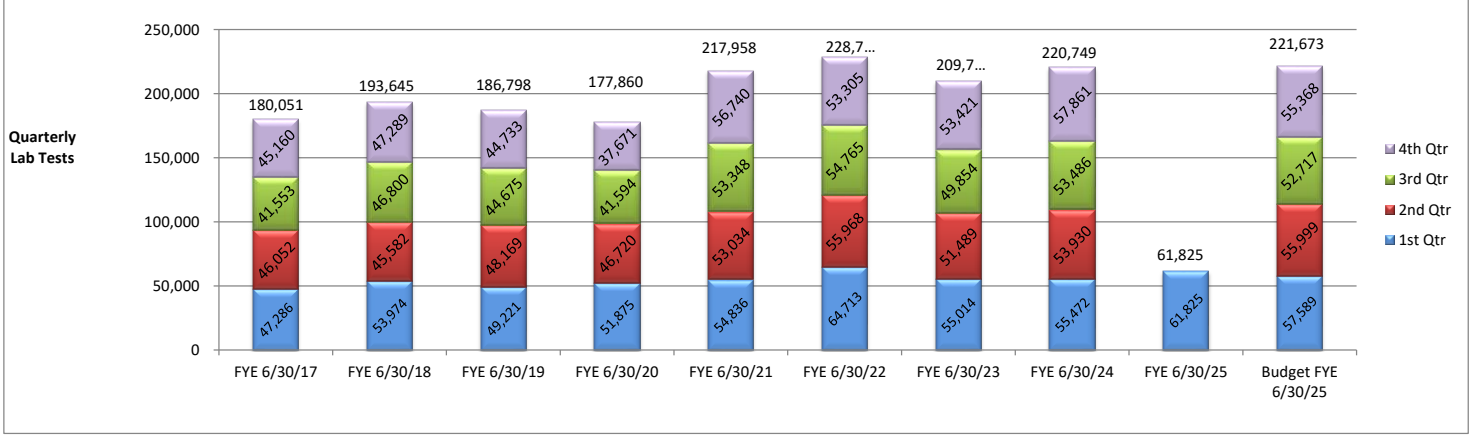
TOTAL TFH OUTPATIENT LAB TESTS



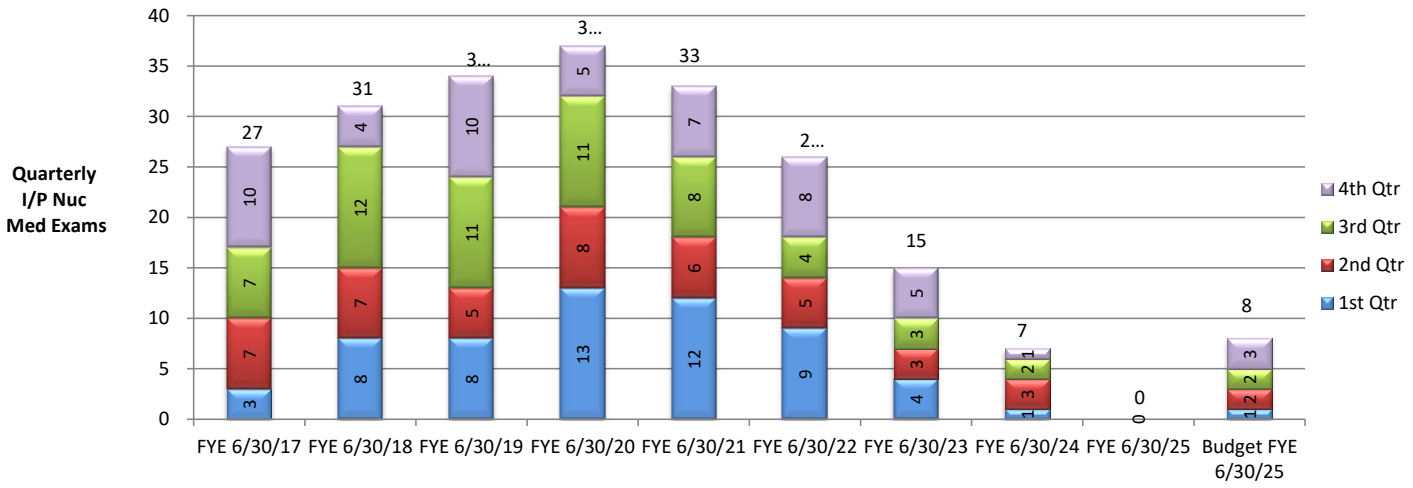
TOTAL TFH OTHER OUTPATIENT LAB TESTS



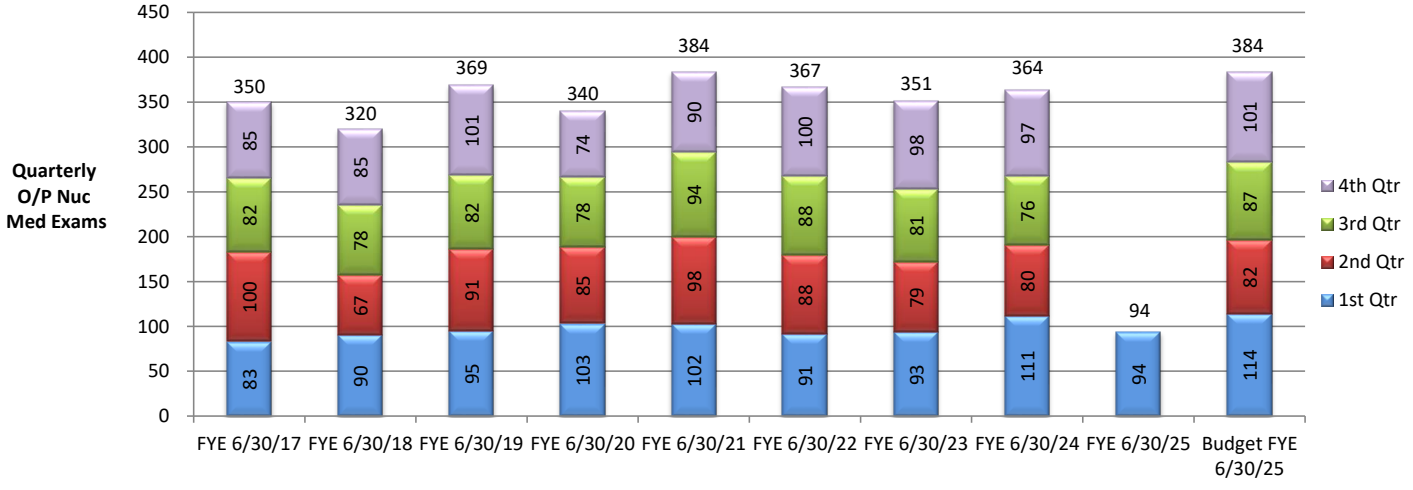
TOTAL TFH LAB TESTS



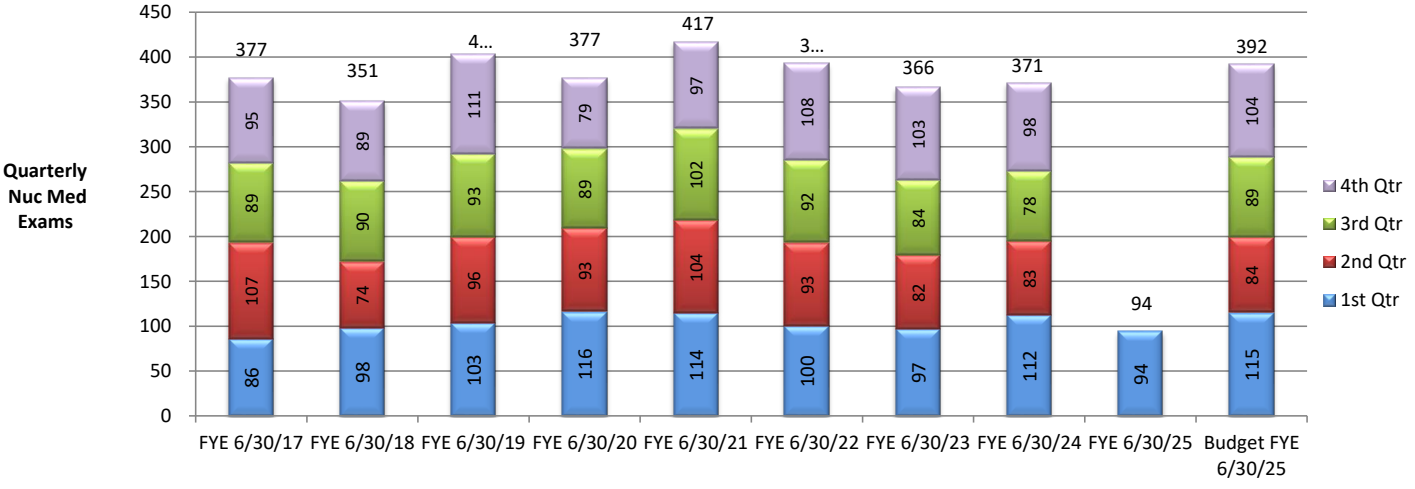
TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS

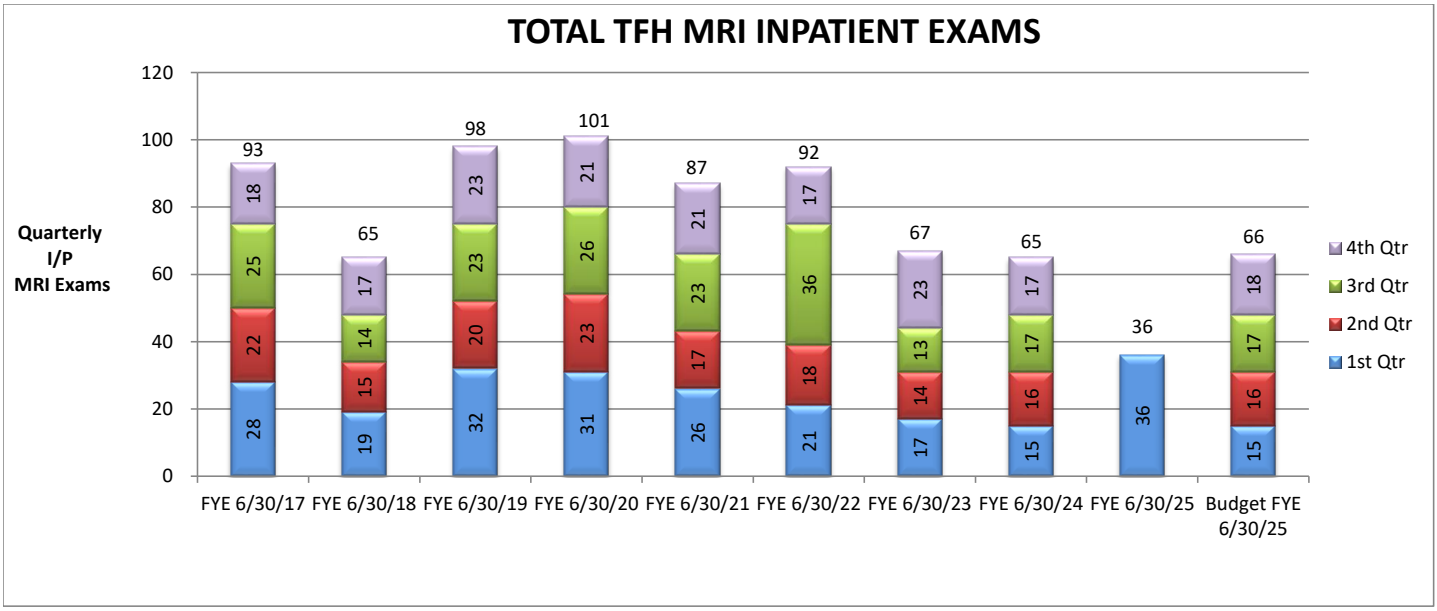


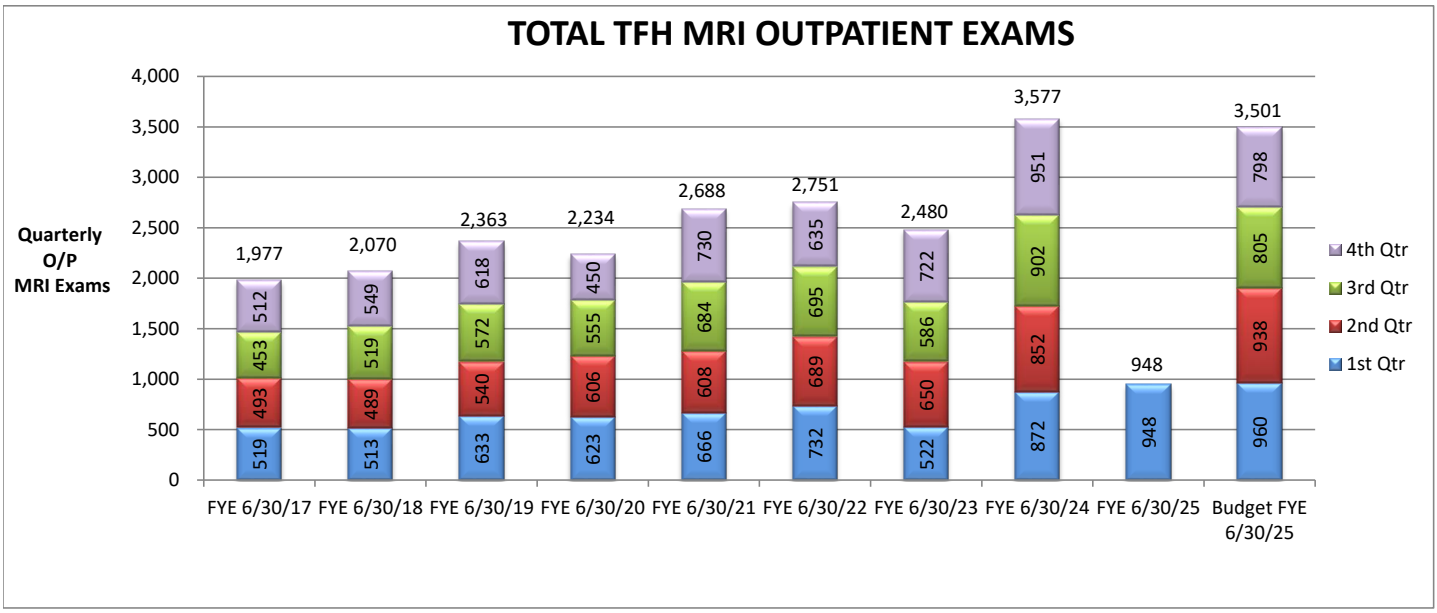
TOTAL TFH NUCLEAR MEDICINE OUTPATIENT EXAMS

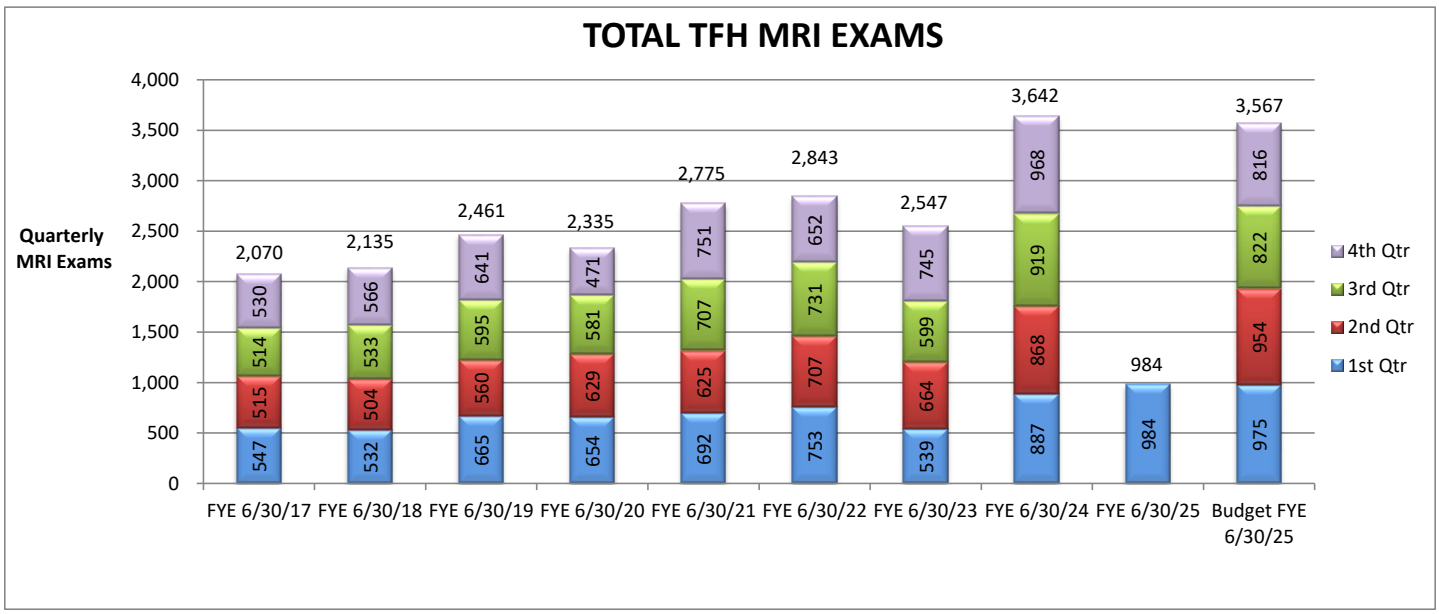


TOTAL TFH NUCLEAR MEDICINE EXAMS

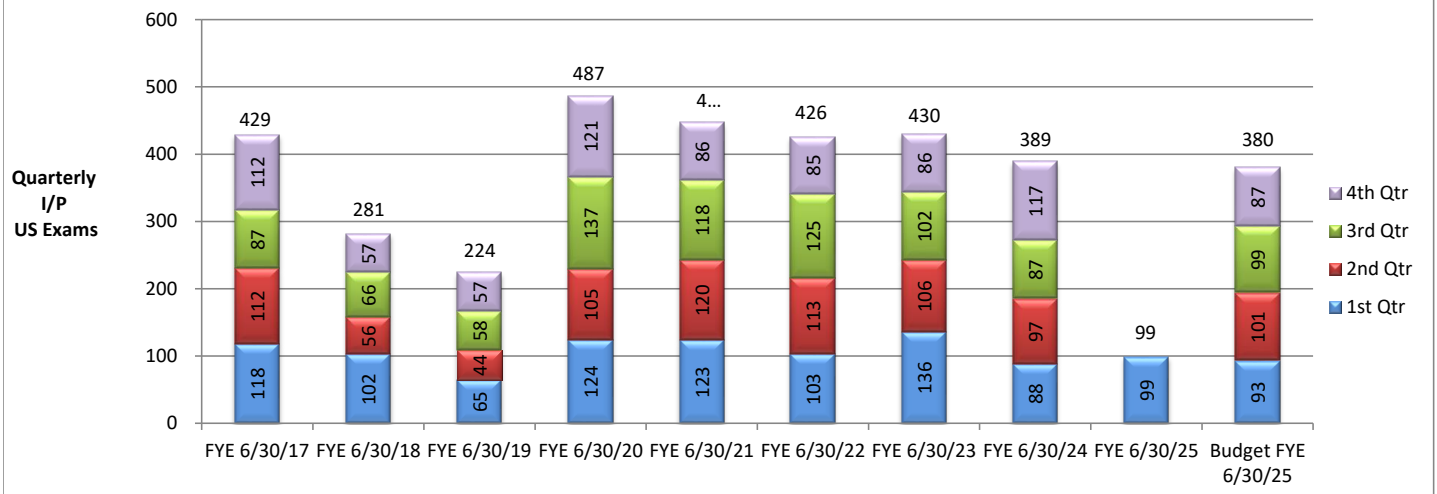



TOTAL TFH MRI INPATIENT EXAMS
Quarterly I/P MRI Exams
120
100
80
60
40
20
0
93
65
98
101
87
92
67
65
36
66
28 22 25 18
19 15 14 17
32 20 23 23
31 23 26 21
26 17 23 21
21 18 36 17
17 14 13 23
15 16 17 17
36
15 16 17 18
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

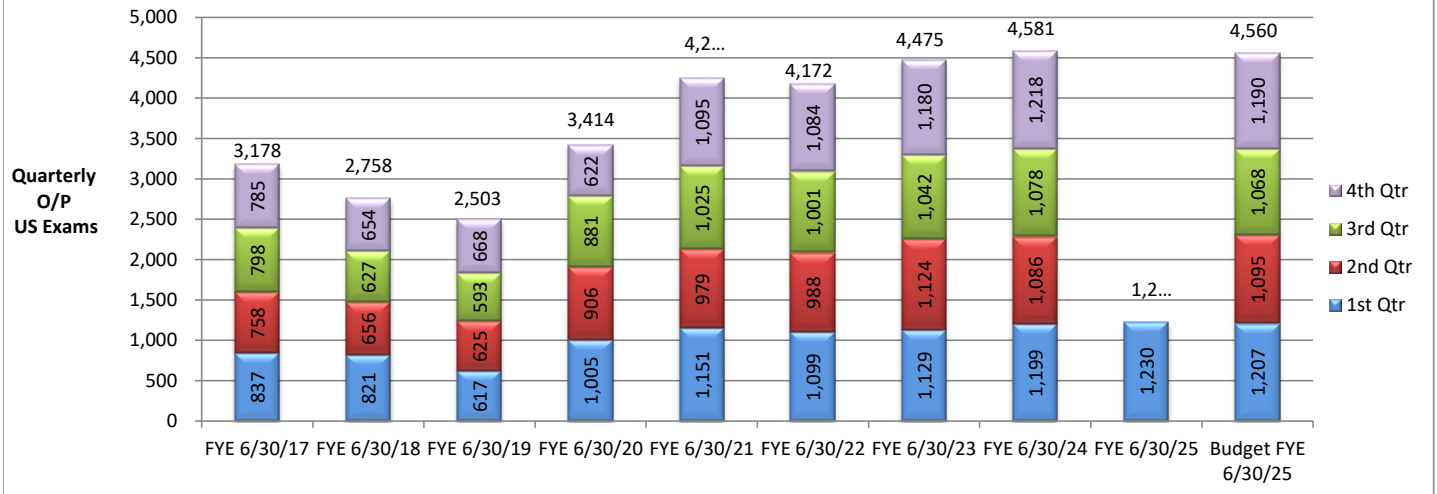

TOTAL TFH MRI OUTPATIENT EXAMS
Quarterly O/P MRI Exams
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1,977
2,070
2,363
2,234
2,688
2,751
2,480
3,577
948
3,501
519 493 453 512
513 489 519 549
633 540 572 618
623 606 555 450
666 608 684 730
732 689 695 635
522 650 586 722
872 852 902 951
948
960 938 805 798
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MRI EXAMS
Quarterly MRI Exams
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
2,070
2,135
2,461
2,335
2,775
2,843
2,547
3,642
984
3,567
547 515 514 530
532 504 533 566
665 560 595 641
654 629 581 471
692 625 707 751
753 707 731 652
539 664 599 745
887 868 919 968
984
975 954 822 816
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

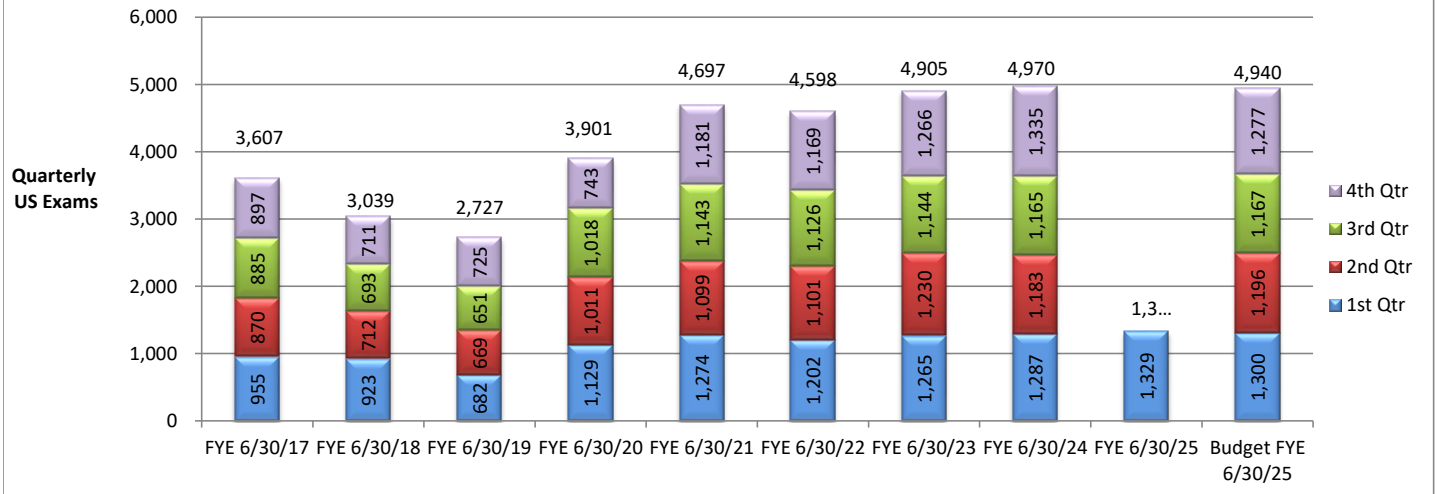
TOTAL TFH ULTRASOUND INPATIENT EXAMS

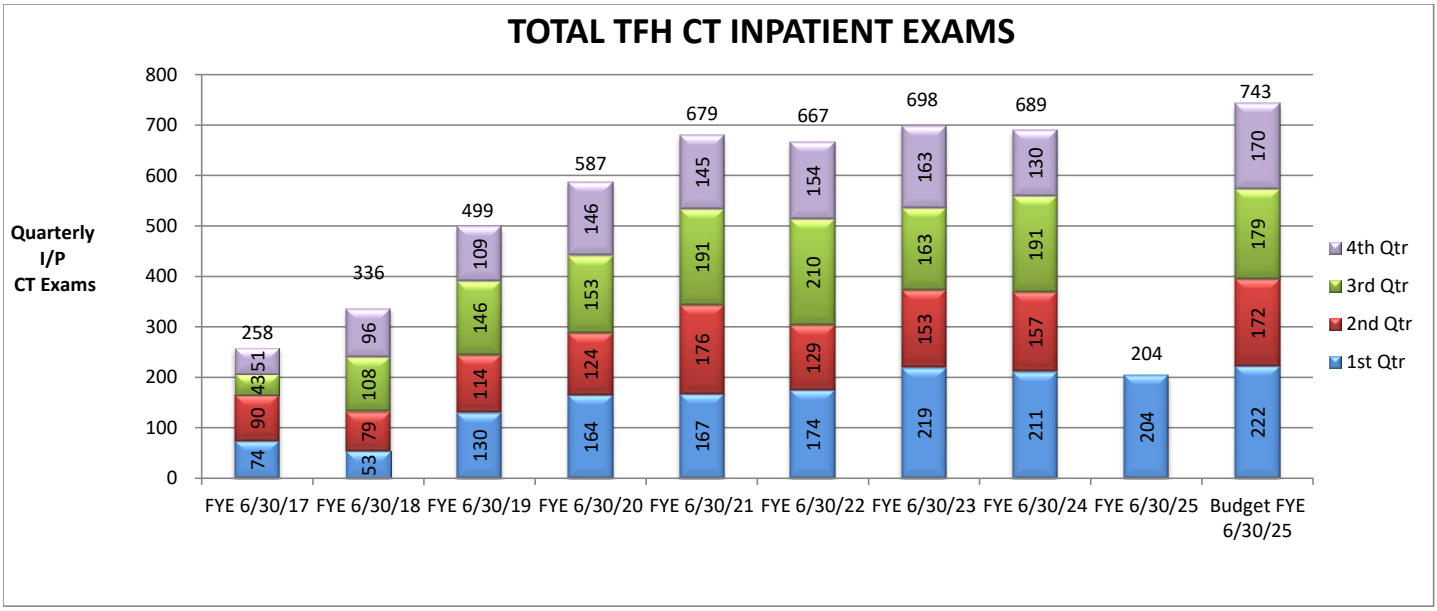


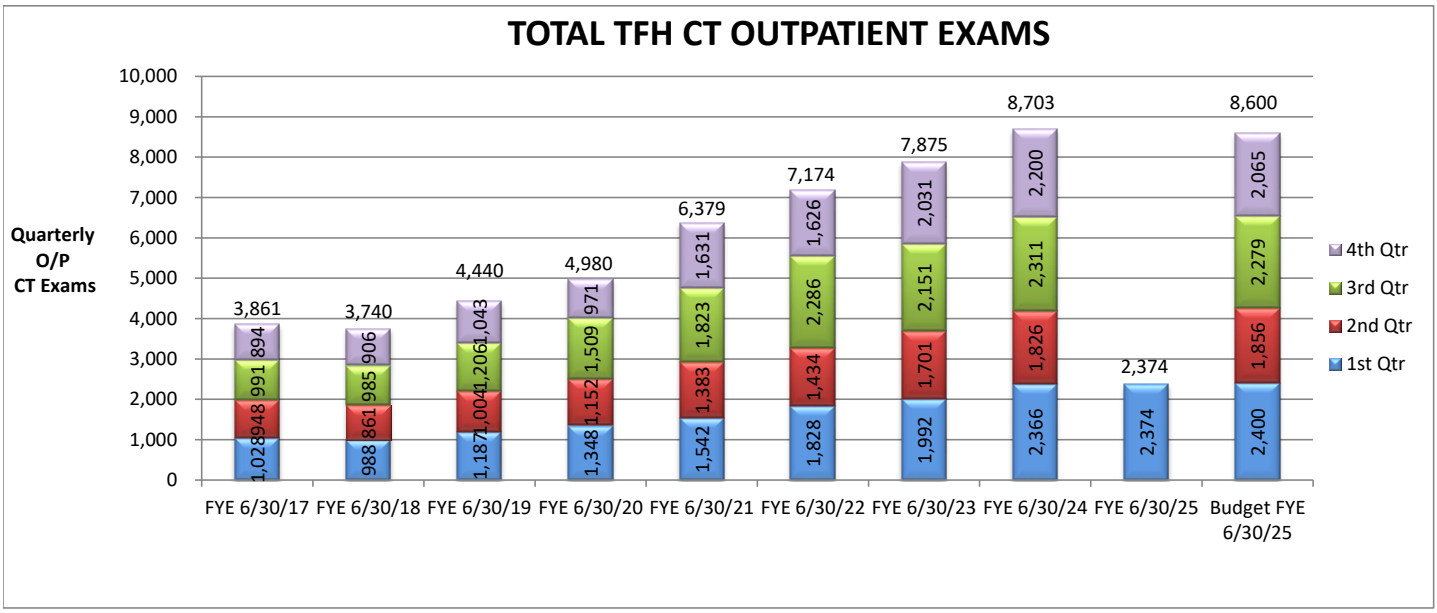
TOTAL TFH ULTRASOUND OUTPATIENT EXAMS



TOTAL TFH ULTRASOUND EXAMS




TOTAL TFH CT INPATIENT EXAMS
Quarterly I/P CT Exams
800
700
600
500
400
300
200
100
0
258
336
499
587
679
667
698
689
204
743
74 90 43 51
53 79 108 96
130 114 146 109
164 124 153 146
167 176 191 145
174 129 210 154
219 153 163 163
211 157 191 130
204
222 172 179 170
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT OUTPATIENT EXAMS
Quarterly O/P CT Exams
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,861
3,740
4,440
4,980
6,379
7,174
7,875
8,703
2,374
8,600
1,028 948 991 894
988 861 985 906
1,187 1,004 1,206 1,043
1,348 1,152 1,509 971
1,542 1,383 1,823 1,631
1,828 1,434 2,286 1,626
1,992 1,701 2,151 2,031
2,366 1,826 2,311 2,200
2,374
2,400 1,856 2,279 2,065
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
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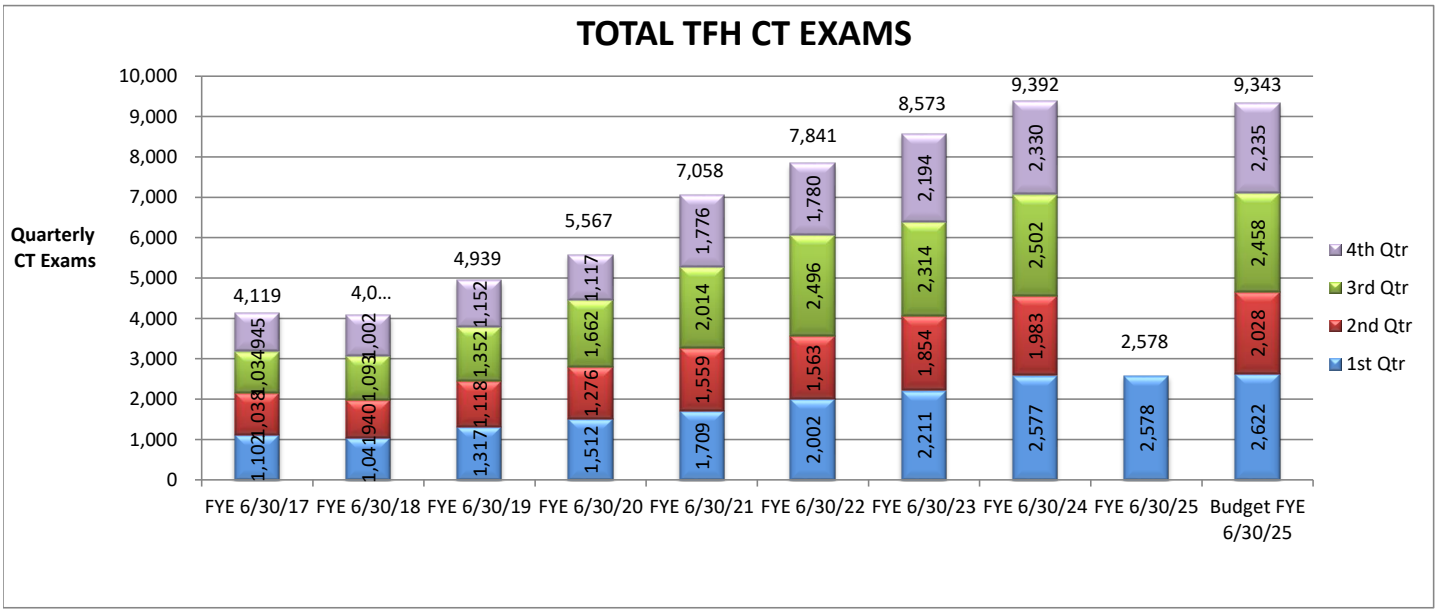
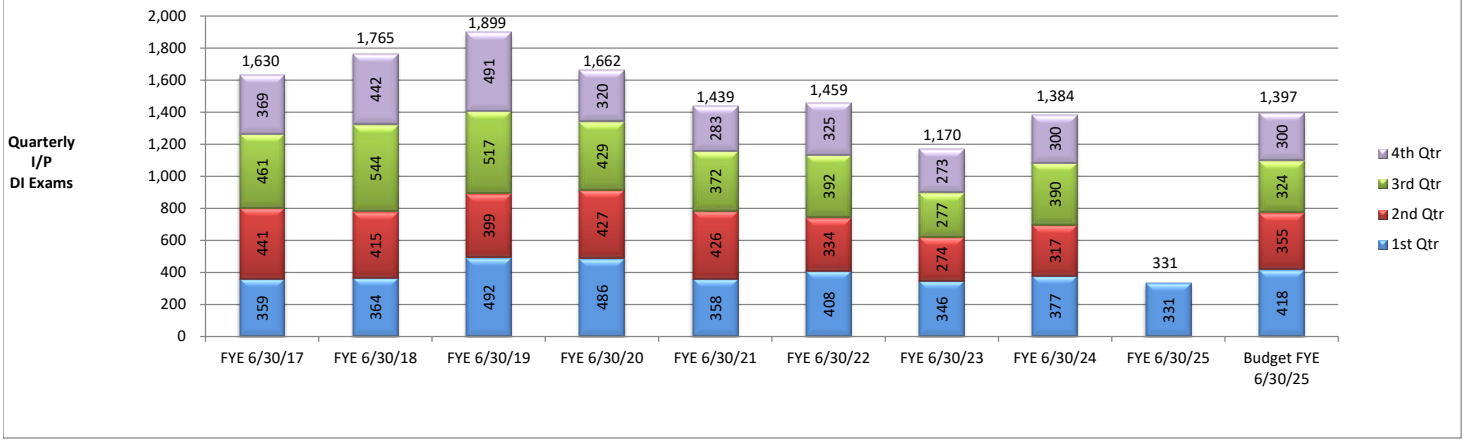
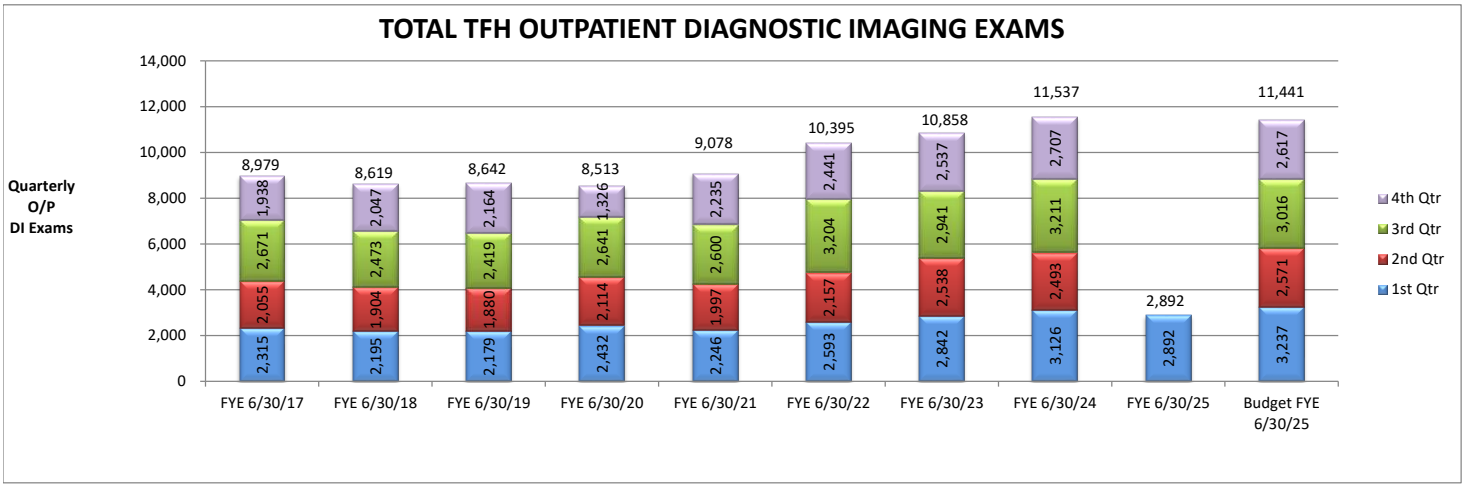
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT EXAMS
Quarterly CT Exams
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
4,119
4,0...
4,939
5,567
7,058
7,841
8,573
9,392
2,578
9,343
1,102 1,038 1,034 945
1,041 940 1,093 1,002
1,317 1,118 1,352 1,152
1,512 1,276 1,662 1,117
1,709 1,559 2,014 1,776
2,002 1,563 2,496 1,780
2,211 1,854 2,314 2,194
2,577 1,983 2,502 2,330
2,578
2,622 2,028 2,458 2,235
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

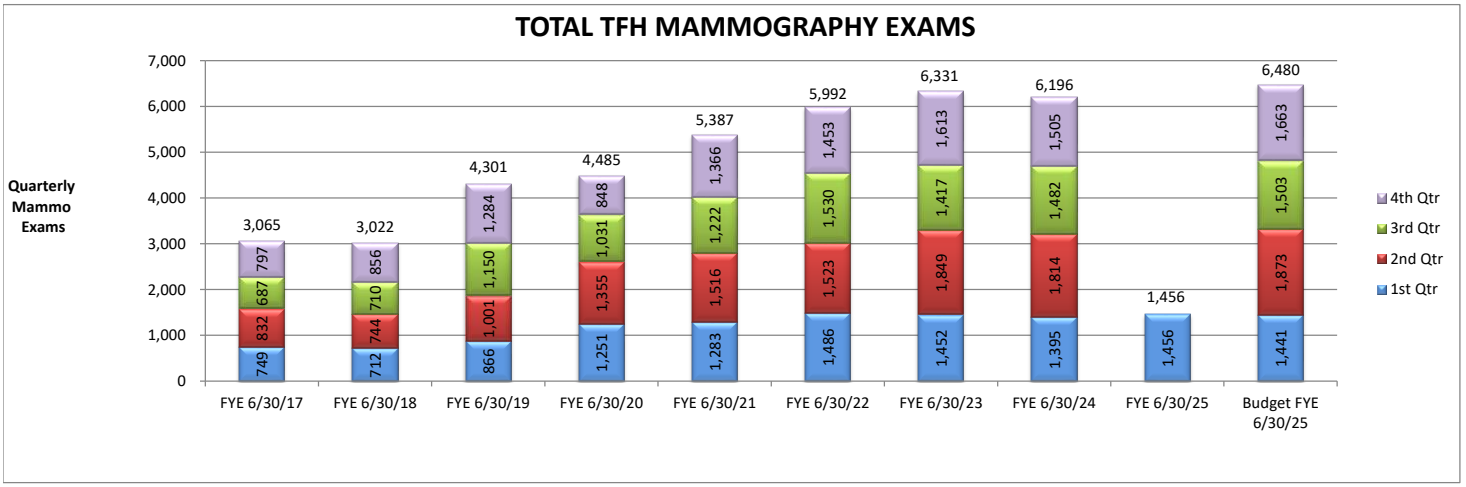
TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



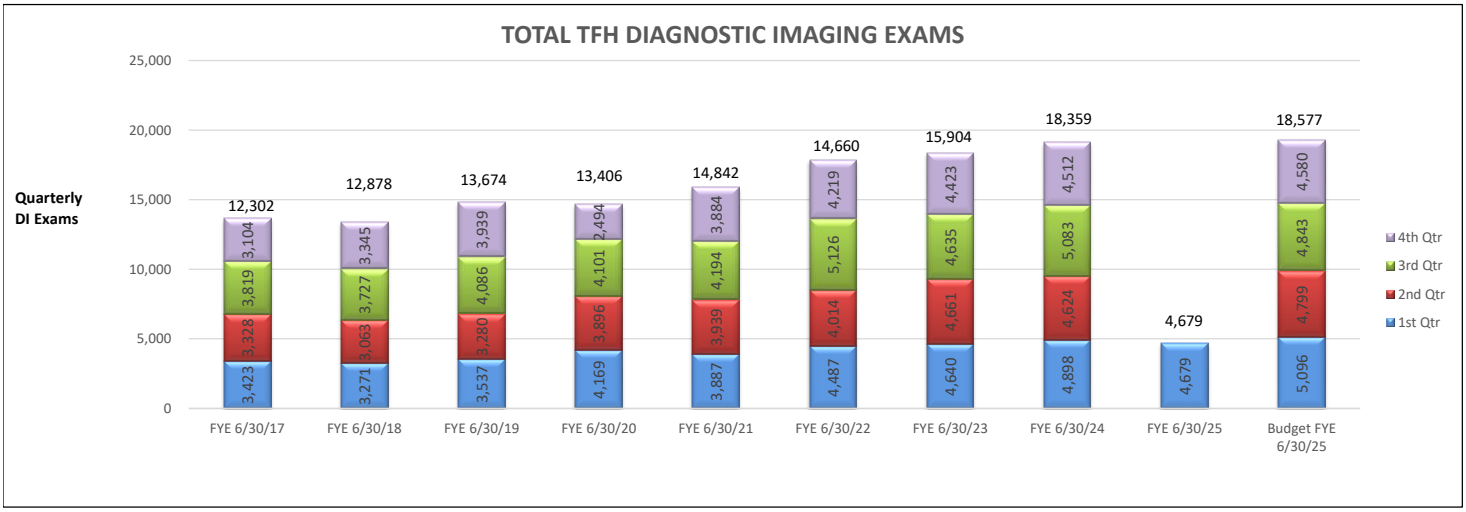
TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS

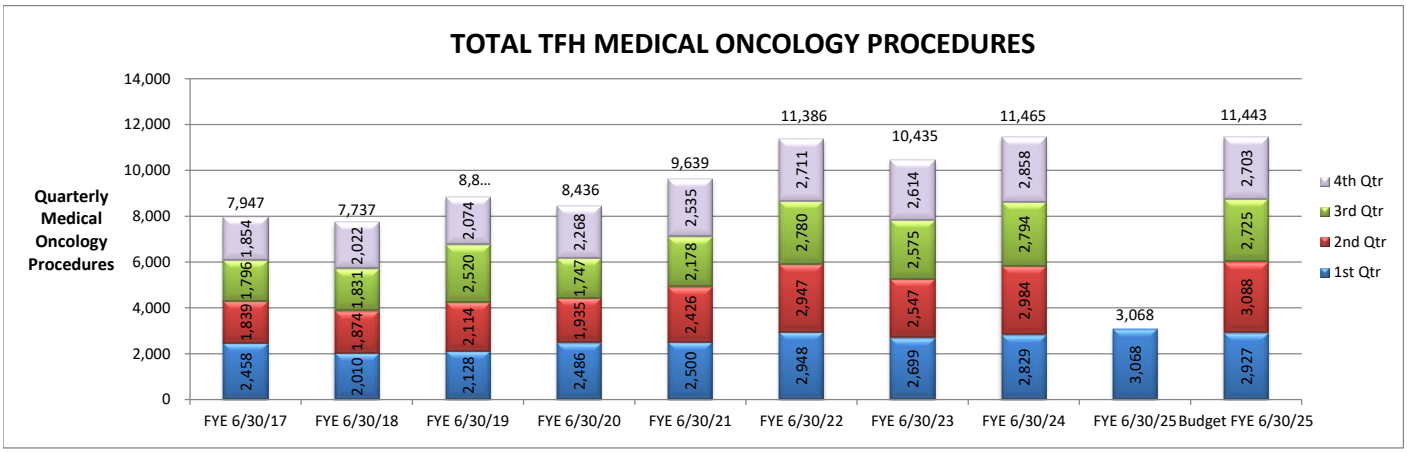


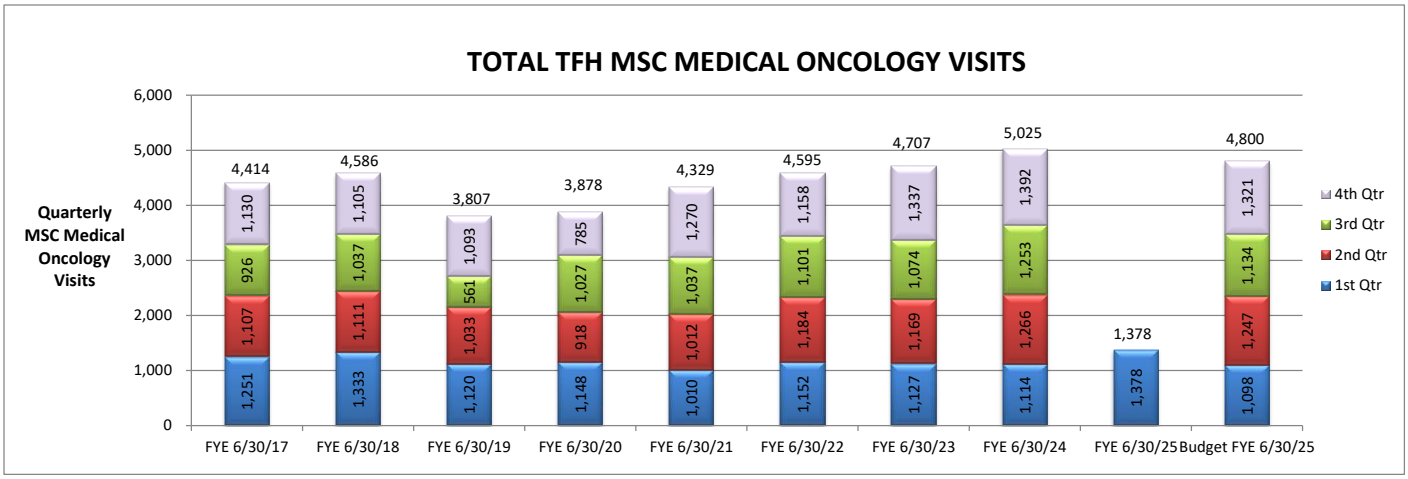
TOTAL TFH MAMMOGRAPHY EXAMS

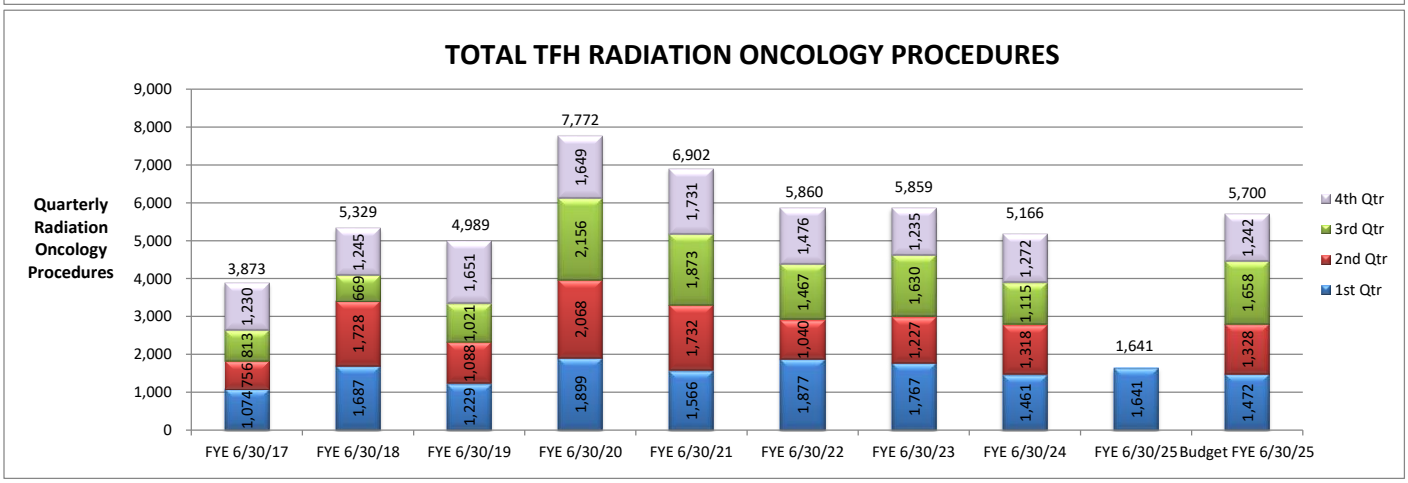


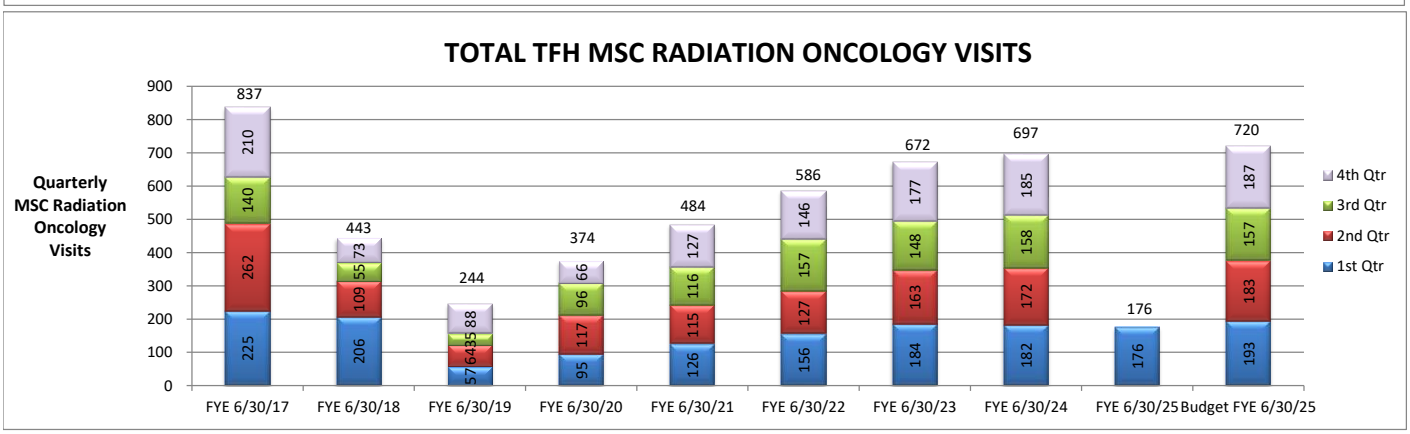
TOTAL TFH DIAGNOSTIC IMAGING EXAMS

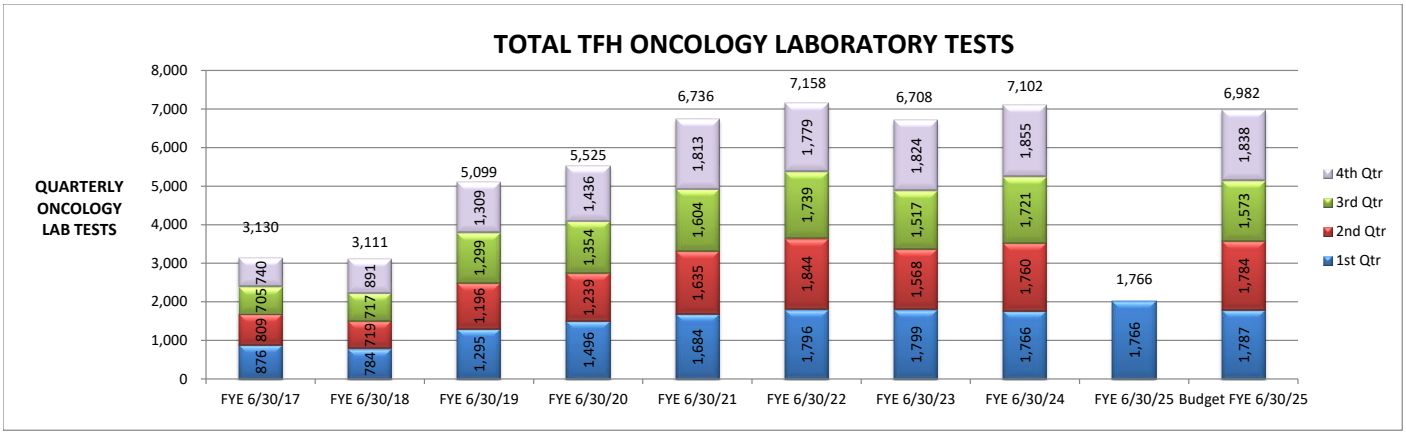


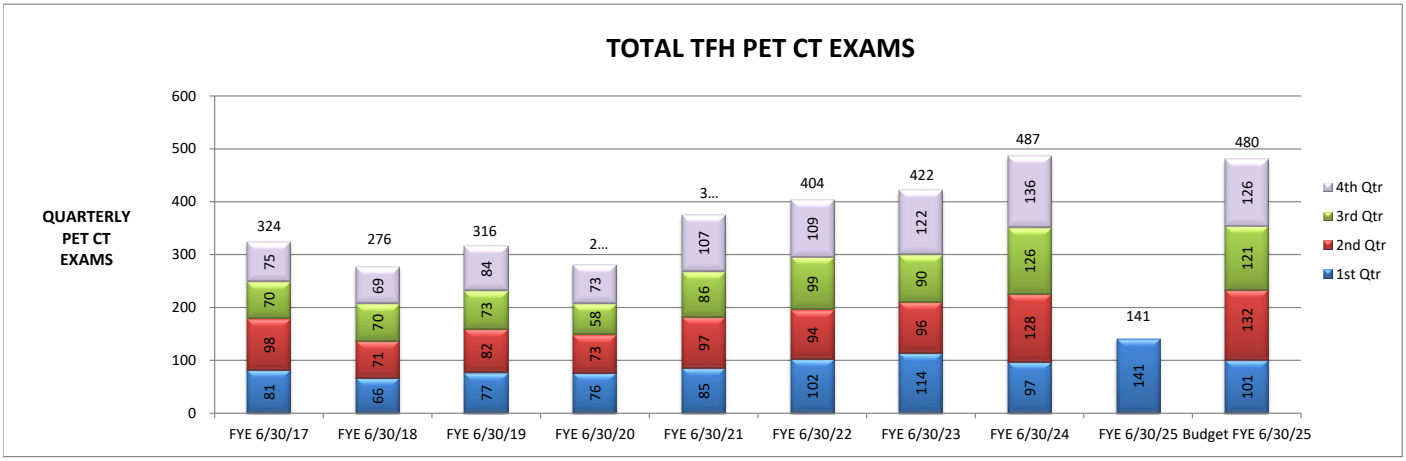

TOTAL TFH MEDICAL ONCOLOGY PROCEDURES
Quarterly Medical Oncology Procedures
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
7,947
7,737
8,8...
8,436
9,639
11,386
10,435
11,465
3,068
11,443
2,458
1,839
1,796
1,854
2,010
1,874
1,831
2,022
2,128
2,114
2,520
2,074
2,486
1,935
1,747
2,268
2,500
2,426
2,178
2,535
2,948
2,947
2,780
2,711
2,699
2,547
2,575
2,614
2,829
2,984
2,794
2,858
3,068
2,927
3,088
2,725
2,703
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MSC MEDICAL ONCOLOGY VISITS
Quarterly MSC Medical Oncology Visits
6,000
5,000
4,000
3,000
2,000
1,000
0
4,414
4,586
3,807
3,878
4,329
4,595
4,707
5,025
1,378
4,800
1,251
1,107
926
1,130
1,333
1,111
1,037
1,105
1,120
1,033
561
1,093
1,148
918
1,027
785
1,010
1,012
1,037
1,270
1,152
1,184
1,101
1,158
1,127
1,169
1,074
1,337
1,114
1,266
1,253
1,392
1,378
1,098
1,247
1,134
1,321
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

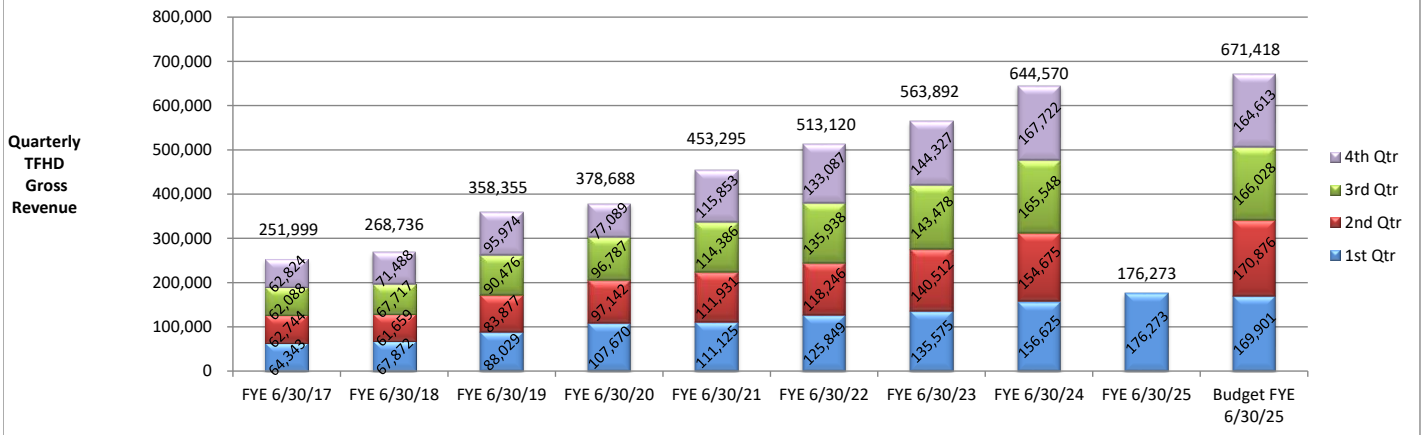

TOTAL TFH RADIATION ONCOLOGY PROCEDURES
Quarterly Radiation Oncology Procedures
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,873
5,329
4,989
7,772
6,902
5,860
5,859
5,166
1,641
5,700
1,074
756
813
1,230
1,687
1,728
669
1,245
1,229
1,088
1,021
1,651
1,899
2,068
2,156
1,649
1,566
1,732
1,873
1,731
1,877
1,040
1,467
1,476
1,767
1,227
1,630
1,235
1,461
1,318
1,115
1,272
1,641
1,472
1,328
1,658
1,242
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MSC RADIATION ONCOLOGY VISITS
Quarterly MSC Radiation Oncology Visits
900
800
700
600
500
400
300
200
100
0
837
443
244
374
484
586
672
697
176
720
225
262
140
210
206
109
55
73
57
64
35
88
95
117
96
66
126
115
116
127
156
127
157
146
184
163
148
177
182
172
158
185
176
193
183
157
187
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

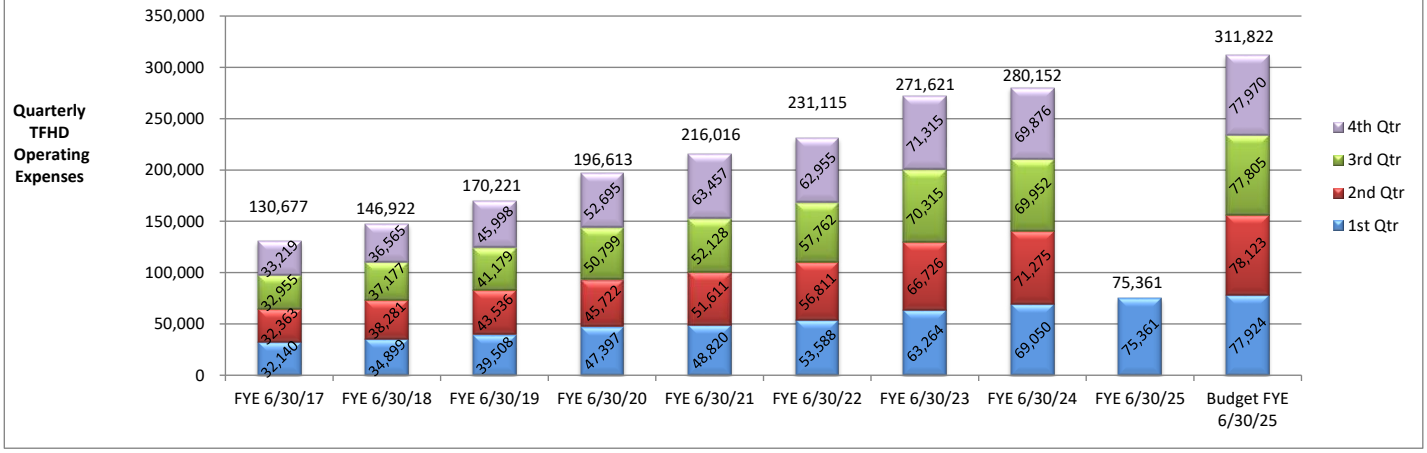

TOTAL TFH ONCOLOGY LABORATORY TESTS
QUARTERLY ONCOLOGY LAB TESTS
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,130
3,111
5,099
5,525
6,736
7,158
6,708
7,102
1,766
6,982
876 809 705 740
784 719 717 891
1,295 1,196 1,299 1,309
1,496 1,239 1,354 1,436
1,684 1,635 1,604 1,813
1,796 1,844 1,739 1,779
1,799 1,568 1,517 1,824
1,766 1,760 1,721 1,855
1,766
1,787 1,784 1,573 1,838
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH PET CT EXAMS
QUARTERLY PET CT EXAMS
600
500
400
300
200
100
0
324
276
316
2...
3...
404
422
487
141
480
81 98 70 75
66 71 70 69
77 82 73 84
76 73 58 73
85 97 86 107
102 94 99 109
114 96 90 122
97 128 126 136
141
101 132 121 126
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
FYE 6/30/24
FYE 6/30/25
Budget FYE 6/30/25
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

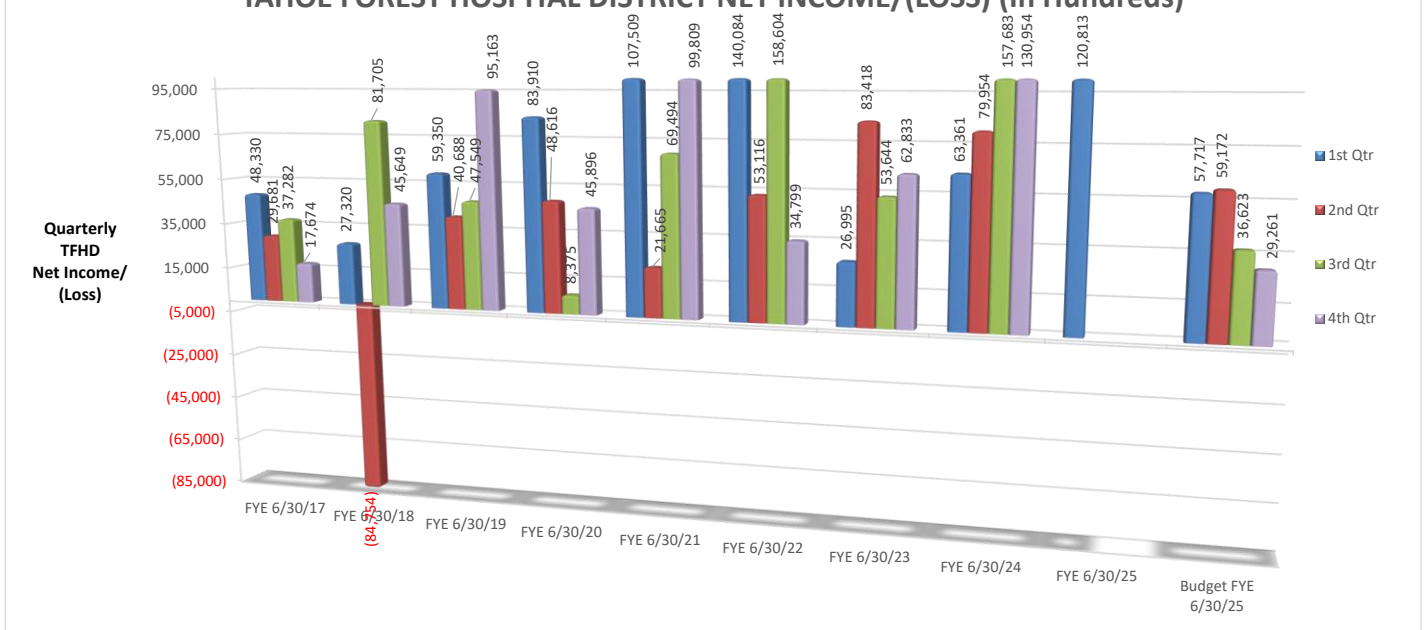
TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



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



Board Interim CEO Report

DATE: October 18, 2024

By: Louis Ward
Interim Chief Executive Officer / Chief Operating Officer

Community
Aspire to be an integrated partner in an exceptionally healthy and thriving community

- **75th Anniversary Fall Festival & Fun Run**

The 75th Anniversary Fall Festival and Fun Run at Regional Park in Truckee this month was an amazing success! There were two race options (5k or 1 mile), relay-like activities, and the festival where the community enjoyed music from Dad's Lame Playlist, featuring Tahoe Forest's own Dr. Justin Ward, Dr. Brad Thomas, and Mike Davis, RN!

Thank you to the TFHS Foundation, Staff, and Volunteers who made the day possible!

- **North Lake Tahoe Fire District Transfers - IVCH**

This month a team consisting of Administration, Dr. Abby Young, IVCH Emergency Department Medical Director, and Ellen Bjorkman, Director of Operations – IVCH met with Chief Sommers and the leadership of the North Lake Tahoe Fire District. The topic of our discussion was concerning transferring patients to neighboring hospitals. The discussion also touched on best practices when extreme weather presents or tourist volumes increase.

- **Tahoe Forest Sierra Center**

Progress continues on the Tahoe Forest Health System Sierra Center (Old Truckee RiteAid). This month, many stakeholders were consulted with on the naming of the new healthcare space set to open in 2026. We now have renderings of the interior of the space which will be widely shared starting with a presentation to the General Medical Staff and District Board this month.

People
Aspire for a highly engaged culture that inspires teamwork and joy

- **TFHS Diversity, Equity, and Inclusion (DEI) Journey**

TFHS has executed an engagement agreement with the Exeter Group. The Exeter Group has 25+ years partnering with healthcare organizations and is poised to support TFHS short-, mid-, and long-term efforts by leveraging its considerable DEI and organizational development experience. Implementing a DEI program is not only a reflection of our values but also essential for achieving our mission and vision of providing high quality, compassionate care and being the best mountain health system

in the nation. Having a DEI framework will help TFHS improve patient outcomes, enhance employee engagement, attract and retain talent, and drive innovation and excellence within our health system and the community we serve. This partnership will kick off at the beginning of 2025 after significant communication efforts at the advice of the Exeter Group. Human Resources will take a leadership role on DEI within TFHS.

- **Corporate Pointe Second Floor Expansion**

The agreement to secure and build out the second floor of our Reno Corporate Pointe location was executed this month per District Board approval. This expansion will bring a much-needed additional 13,000 square feet of space at our Reno site. As mentioned in past board meetings, the location will be used solely for clerical and administrative functions, primarily patient access scheduling departments. We look forward to the second floor expansion available for use to the employees in March 2025.

TAHOE FOREST HEALTH SYSTEM

Board CNO Report

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

DATE: October 2024

Community

Aspire to be an integrated partner in an exceptionally healthy and thriving community

- IV nationwide shortage – we are meeting daily to discuss what we have on hand and what our needs will be. We are watching closely and do not feel at this point we need to reschedule elective surgery. At this point all nursing units are task to find ways to conserve IV fluids. TFH staff was present on the Federal call with Baxter and the FDA to understand the effects of damage to the Baxter plant and next steps. We are all at 60% allocation that they believe will continue to December.
- TFH ED - October 15-16 Completed Decontamination training for ED Staff.
- IVCH ED - The ED staff completed training on the new Nitrous Machine. The Machine over 12,000 dollars was a donation from the North Lake Tahoe Community Health Care Auxiliary.
- Labor & Delivery Department
    - BETA Tier II Safety Initiative Goals
        - ✓ Perinatal Safety Collaborative (PSC) – Emergency Preparedness Project
            - Dr. Streit and Ellie Cruz have been participating in the PSC meetings monthly for the last two years with a focus on ER/OB collaboration to develop an emergency preparedness safety bundle. We will wrap up our work in December. In 2025, we have the opportunity to pilot this bundle for BETA to see if it needs modification prior to rolling out to all of BETA s a tier two goal.
        - ✓ Sepsis-
            - The goal is to reduce the overall rate of sepsis in our birthing population and improve outcomes for those that experience sepsis.
            - The four domains of sepsis include readiness, recognition, response, and reporting/learning.
            - Participation in multidisciplinary committee
            - Staff/MD training module assigned through Relias Learning
            - Drills and simulations

Service

Aspire to deliver a timely, outstanding patient and family experience

- Partnership (MediCal) - We met with Partnership on transportation needs for the Partnership MediCal patients and what services they can provide for that group of patients. Case Management and Care Coordination will be able to speak with Partnership when patients have needs for appointments and transfers.

Quality

Aspire to deliver the best possible outcomes for our patients

- Inpatient HCAHPS Q2 2025- Star rating all 5 stars except Quietness of Hospital environment, which has remained at 4 Stars. We continue to work on ways to make environment quiet.
- Perinatal Anemia QI Project – Bailey Honea, Nurse Champion
    - Working with quality, Heather Hiller and Dr. Fletcher to improve birth outcomes by improving anemia in the Peri-partum periods
    - Birth equity project, MediCal population has the highest percentage of anemia patients at admission to L&D

People

Aspire for a highly engaged culture that inspires teamwork and joy

- Ambulatory Surgery & Endoscopy Department
    - Endoscopy specific Skills Day will happen in October
- Labor & Delivery Department
    - Tammy Melrose, RN & Sandy Deason, RN will be teaching a Perinatal Loss class on October 21st

TAHOE FOREST HEALTH SYSTEM

Board CMO Report

By: Brian Evans, MD, MBA, FACEP, CPE
Chief Medical Officer

DATE: October 2024

Supply Chain Disruptions
As a result of Hurricane Helene, operations of the Baxter International plant (a major manufacturer of medical supplies) were disrupted, leading to shortages of medical infusion products. Tahoe Forest was notified that our allocation of IV fluids from Baxter were being reduced. Our system has taken numerous actions to respond to this decrease including identifying other sources of IV fluids, and implementing numerous conservation measures. Our Incident Command was opened with representation from leadership, pharmacy, materials management and all affected clinical areas. Daily inventory of our affected supplies is being tracked, and communication is distributed. Several elective cases have been rescheduled in order to conserve supplies, but this has been kept to a minimum. We are looking ahead at all scheduled cases in our procedural areas to determine if additional rescheduling is needed, and decisions are being made on a daily basis.

Starting in October, the Quality Department team will be conducting the **"Quality Education Series"** featuring an educational session once per month through March. The series will cover: Accreditation process, regulatory agencies, core measures, data reporting, event investigation, BETA Heart, Infection Prevention and Service excellence.

The **Quality Oncology Practice Initiative** (QOPI) reaccreditation survey was performed at the Gene Upshaw Cancer Center on October 2. Performance was noted to be outstanding and full reaccreditation was obtained.

Using principles from management systems, a new process improvement project was initiated on October 7 to improve **coding and documentation** support for clinicians. This is an area of opportunity for the health system to ensure that our coding, billing and documentation processes are accurate and complete.

An additional process improvement project is planned for November designed to improve **scheduling and authorizations** in the Orthopedics department. This work will improve efficiency and access for patients in Orthopedics as well as other service lines.

Work continues on improving operations in the **Behavioral Health** Department. Focus areas for this work include patient intake, management of suicidal patients, recruitment, engagement, referral process and strategic planning.

Medical Staff **Journal Club** will be held on October 29. The subjects examined will include emergency management of hypertension, and bias in medicine.

Our partnership with UC Davis was expanded to add **Pediatric Hospitalists** via telemedicine. Hospitalized pediatric patients who do not require transfer to a tertiary care facility will benefit from this service.

The Quarterly **Tahoe Forest Values Recognition Awards** were held at the Atlantis in Reno on Wednesday October 16, and Jen Lang-Ree, NP was the winner for the Quality award while Dr. Travis Hayes won the award in the physician category. The process has been changed so that instead of a "Physician" category we will now have an award category for all medical staff.

Recruitment

- Dr. Kevin Johansen (Family Medicine) will start October 21 in Truckee providing additional primary care services to the community.
- Nicholas Mills, PsyD starts in Behavioral Health team on October 21.
- Dr. Jacob Marquette Supervising MAT (Medication Assisted Therapy) starting October 28.
- Brandi Kindig, MD joins the Hospitalist team November 1.
- Angela Mendoza, MD (Family Medicine) will start November 4.
- Dr. Stephen Hoff (Otolaryngology) will start December 1, 2024. Dr. Hoff is board certified and experienced in both adult and pediatric ENT.
- Emily McGinty, NP Starting in Behavioral Health December 2.
- Michael Hodes, Audiology starting February 3
- Dr. J. Brett Fugit, Starting in Radiology April 1.

Board CIIO Report

By: Jake Dorst **DATE: 10/15/2024**
Chief Information and Innovation Officer

Service

Aspire to deliver a timely, outstanding patient and family experience.

General:

Overall (Kim) also work with items within the team as listed below and PM team:

1. HealtHIE Nv integration
2. Epic Sexual Orientation Gender Identity (SOGI) functionality investigation
3. Outside Events/Result workflow investigation
4. Home Health/Hospice Epic trainings, Credential Trainer
5. OptTime/Inpatient Affiliate Builder enhancements-Ian/Adam
6. AMB position updates and re-posting
7. SmartPump Incidence/Troubleshooting
8. Epiphany Testing/WF
9. AMB support and enhancements. Communications, Provider Efficiencies, issues
10. HelpDesk support, Mercy ticketing
11. Many Break/fixes: latency, referrals, vital machine-OR
12. 2 downtimes in the past month-Scheduled
13. MarketWare enhancements and troubleshooting-Provider Onboarding
14. MD PI Line support (provider/quality)
15. Projects reflect Jeff and those initiatives as well
16. Monthly Epic Updates-Mercy PulseChecks
17. Scanning issues-new scanner in place to track and trend-enhancements-break/fix
18. SlicerDicer review and validation, education and troubleshooting with workgroup and Mercy
19. Mercy Collaboration Meetings-Inpatient, AMB, ED
20. Fall Score AI Feature-review and troubleshooting
21. Auto Sace Device-functionality fixed and turned off
22. TOC (Epic Directory) records updated
23. Signal data support and usage-with clinics, adding access
24. Fair Warning discussions
25. Pyxis Upgrade
26. Nihon Kohden Server Upgrade: Cutover and Go-Live
27. A2C support
28. HIM/Revenue Coding support and audits

AMB:

1. Physician onboarding
2. Physician elbow support
3. Support staff training
4. Cardio server
5. 1:1 review with Dr. Albertson
6. Many clinic trainings-very busy this year
7. DAX AI support
8. Clinic builds-Kris
9. Many tickets

Lab:

1. Epiphany
2. Aura Install
3. Outside Labs-review faxing and result entry

Surgery:

1. Econsent troubleshooting-SLG placed with Epic/Mercy
2. PeriOp Clinic
    a. PAN Skills Day
    b. Trained new nurse
    c. Importing lab results
3. Troubleshooting inputting outside lab results
4. Clearing provider op note deficiency for endo at IVCH
5. InBasket messaging for Anesthesia and PAN
6. Affiliate Builder application
7. Endo quality reporting

Inpatient:

1. Attended a training for Peer Support program
2. Collaborative team working on Anesthesia nerve block billing, with Ortho surgeons & HIM team
3. Collaboration with Revenue team on charge capture updates for inpatient charges
4. Attended a meeting on provider coding integrity and optimization project
5. ECC medication reconciliation audits & tickets
6. Physician day-day asks/support/ticketing
7. Onboarding a new OBGYN Dr Emily Bevan. (open issues with GE fetal monitoring access, name change, remote access)
8. SmartPumps
9. AI fall model
10. Audit catch ups on bundles
11. Meeting with Sara Wojcik about INF2 Referrals

Emergency Department:

1. Redesign of the Hypoglycemia flowsheet build and in PRD today
2. Working on CIWA flowsheet build to add to ED triage
3. Multiple changes to Stroke quick list
4. Per request from Christine O'Farrel- created and built a new patient belongings smartphrase/smartlists for all departments to use

Project Management:

Completed:
Cash Arc (terminating)
Visby
Provation Endoscopy
EEG dept and cadwell
eConsent for surgical Procedures – go live this month
C-Diff BPA

Executing:
Access to Care
Affiliate builder education for financial analysts
Affiliate builder education for Cadence
AURA lab interface
Axiom Sandbox
Volpara IVCH
SSO for Net Health Agility
Health Equity (SOGI stuff for NV/CA – not full sogi)
Epiphany
MSC dashboards
Relyco Check Replacement
Nihon Khoden Server Upgrade
ARIA server Upgrade
Occ Health SSO (nethealth Agility)
UKG Phase 2
i2i
bright futures
OMEGA
ParEx

Initiating:
GE fetal monitors upgrade (early)
AB133 compliance reporting
Nuance Hub
SECTRA
Sympliphy
    Physician Compensation Made Fast, Easy, and Accurate
    By automating manual tasks, Simpliphy saves time, reduces errors, ensures ompliance, and provides transparency
TOMTEC Imaging software
IVCH ENDO
Sac Valley Med Share HIE
Sexual Orientation Gender Identify
PFT- Spirometer

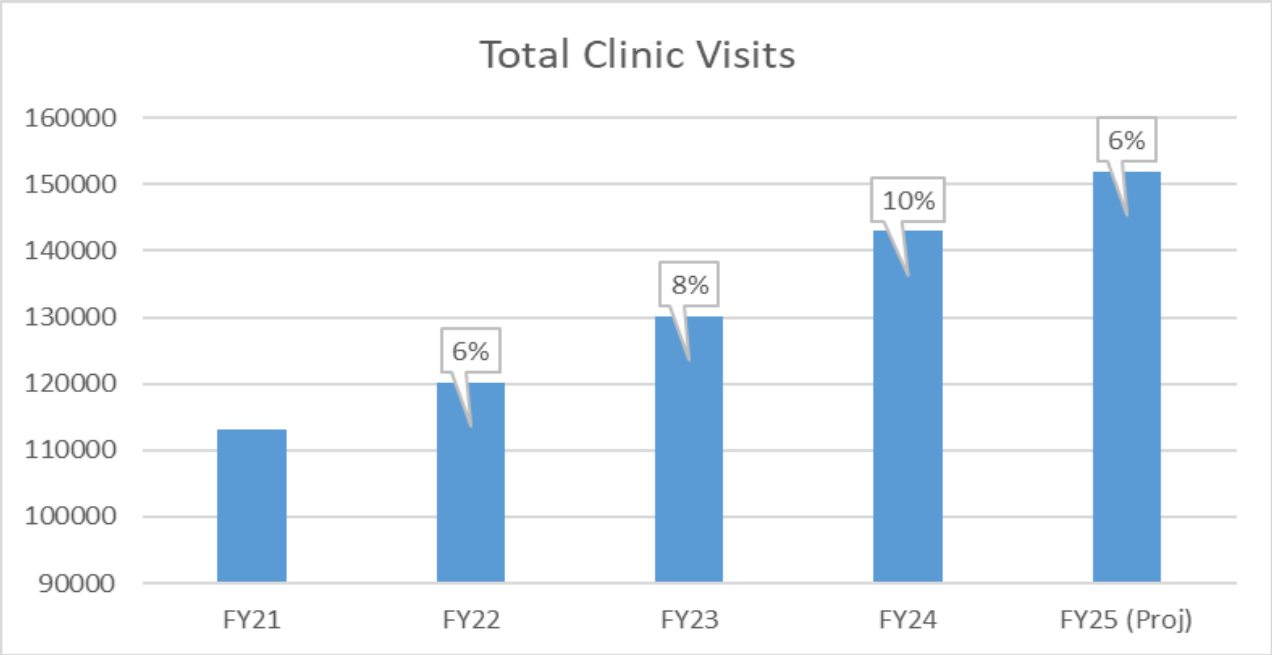
Provider Services Report

DATE: October 15, 2024

By: Scott Baker
Vice President, Provider Services

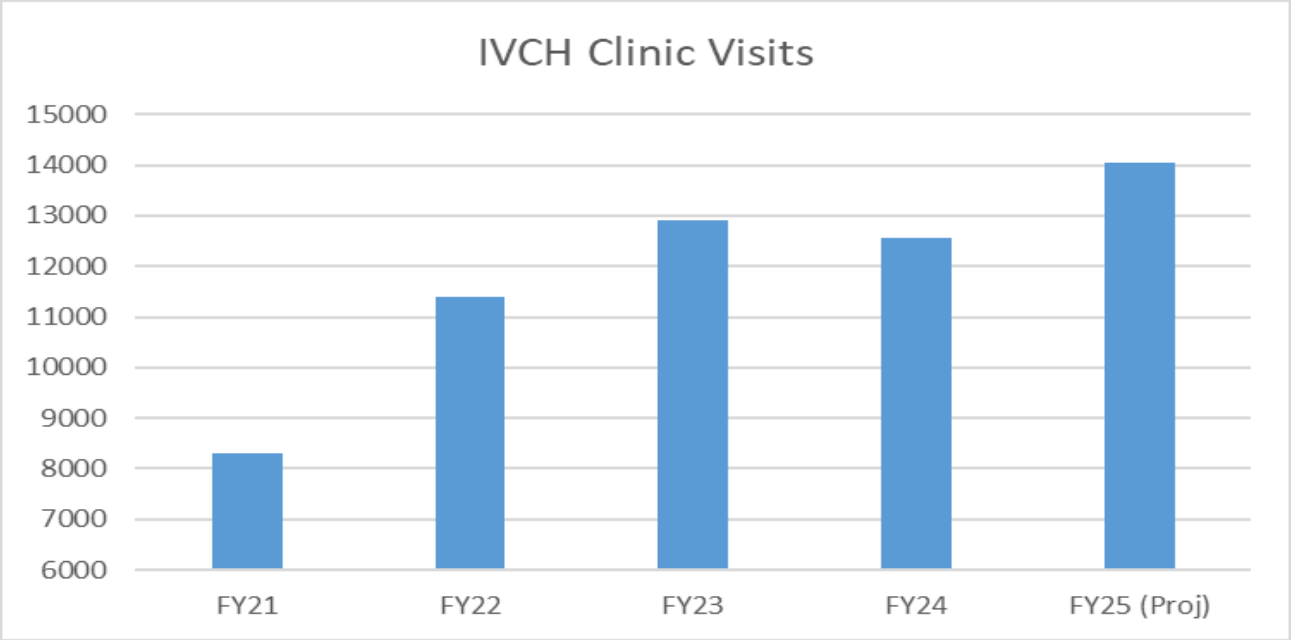
Clinic Growth

Please find attached an outline report of clinic volumes for September. This report shows both month to month comparison with September 2023 and fiscal year to date thru September compared with last year. Year to date (YTD) we continue to experience substantial growth with a 10% increase compared to FY24. As you can see in the graphs below, we have been in a steady and substantial growth trajectory (year over year % increases noted). FY25 is projected using year to date data and does not take into account planned additions, which will likely be substantial.



For the month of September, we did experience a noteable decrease in clinic volumes for OB/GYN, General Surgery, Palliative and Neurology – all due to physician/provider time off and those volumes are expected to return to normal YTD trends in October. In Cardiology, Behavioral Health and Sports Medicine we are experiencing prolonged decreases in year over year volumes due to departures of providers. We have a new Sports Medicine physician and multiple Behavioral Health providers ccurrently in the onboarding process and expect a return to previous volumes by January 1st, and we are actively recruiting for Cardiology.

In Incline Village, we had one full time physician (out of a smaller total staff) on an extended leave thru the summer which has lowered our capacity during that period. Volumes are already returning to previous levels and we expect continued growth now that we are back to full staff at that location.



We have also extended the trial period for the weekend walk-in clinic at our IVCH location until May 2025. This will make the trial period a full year with 7 day/week access for primary care walk-in capacity to ensure we have a strong understanding of the demand and opportunities for walk-in needs in that community. For the initial 5 months of the trial period, we have seen an increase in demand and a lot of very positive feedback from the community on this project.

Physician Recruitment

Recent and upcoming physician additions:
Dr. Krithika Chandrasekaran – Family Medicine – 9/16
Dr. Kari Rezac – Sports Medicine – 9/16
Dr. Emily Bevan – OB/GYN – 9/30
Nicolas Mills, PsyD – Behavioral Health – 10/7
Dr. Angela Mendoza – Family Medicine – 11/1
Dr. Brando Kendig – Hospitalist – 11/18
Dr. Stephen Hoff – ENT – 12/2
Dr. Kevin Johansen – Family Medicine – 12/2
Dr. Michael Hallenbeck – Radiology – 12/2
Emily McGinty, NP – Behavioral Health IVCH – 1/1/25
Dr. Brett Fugitt – Radiology – 4/1/25

We are also continuing to recruit for the following Medical Staff positions:
Internal Medicine physician
Medical Director – Primary Care
Cardiologist
Licensed Clinical Social Worker (LCSW)
Behavioral Health APP
Anesthesiologist

TAHOE FOREST HEALTH SYSTEM

Clinic Visit Report By Region, Specialty Type & Department Group *
For the month of September 2024 and Fiscal Year to Date 2025 with comparison to September 2023 and Fiscal Year to Date 2024

				CURRENT MONTH			FISCAL YEAR TO DATE		
Region	Group	Department	Provider	Sep 2023	Sep 2024	% Change	FY 24	FY 25	% Change
		OBGYN Total		979	821	-16.14%	2,720	2,541	-6.58%
		PEDIATRICS Total		1,037	1,066	2.80%	2,839	2,992	5.39%
		TRUCKEE IM Total		172	298	73.26%	172	840	388.37%
	PC Total			2,188	2,185	-0.14%	5,731	6,373	11.20%
		OLYMPIC VALLEY Total		243	0	-100.00%	827	0	-100.00%
		TAHOE CITY Total		640	1,016	58.75%	2,397	3,753	56.57%
		TRUCKEE Total		2,687	3,015	12.21%	8,202	10,012	22.07%
	PCUC Total			3,570	4,031	12.91%	11,426	13,765	20.47%
		AUDIOLOGY Total		0	30	100.00%	12	30	150.00%
		BEHAVIORAL HEALTH Total		376	336	-10.64%	1,266	1,113	-12.09%
		CARDIOLOGY Total		386	217	-43.78%	1,043	699	-32.98%
		ENDOCRINOLOGY Total		223	231	3.59%	651	705	8.29%
		ENT Total		156	181	16.03%	495	590	19.19%
		GASTROENTEROLOGY Total		216	365	68.98%	870	1,172	34.71%
		GENERAL SURGERY Total		150	108	-28.00%	446	407	-8.74%
		HEMATOLOGY ONCOLOGY Total		380	477	25.53%	1,231	1,522	23.64%
		NEUROLOGY Total		161	133	-17.39%	381	419	9.97%
		OCCUPATIONAL HEALTH Total		310	350	12.90%	890	1,026	15.28%
		ORTHOPEDICS Total		1,238	1,238	0.00%	3,825	3,797	-0.73%
		PALLIATIVE CARE Total		107	84	-21.50%	318	280	-11.95%
		PULMONOLOGY Total		238	251	5.46%	750	812	8.27%
		RADIATION ONCOLOGY Total		151	181	19.87%	516	522	1.16%
		SPORTS MEDICINE Total		266	131	-50.75%	711	339	-52.32%
		UROLOGY Total		263	276	4.94%	802	908	13.22%
	SPC Total			4,621	4,589	-0.69%	14,207	14,341	0.94%
CA Total				10,379	10,805	4.10%	31,364	34,479	9.93%
		INCLINE PEDIATRICS Total		26	29	11.54%	83	117	40.96%
	PC Total			26	29	11.54%	83	117	40.96%
		INCLINE PRIMARY CARE Total		597	640	7.20%	1,870	1,833	-1.98%
	PCUC Total			597	640	7.20%	1,870	1,833	-1.98%
		INCLINE BEHAVIORAL HEALTH Total		55	42	-23.64%	183	159	-13.11%
		INCLINE CARDIOLOGY Total		48	42	-12.50%	138	112	-18.84%
		INCLINE GASTROENTEROLOGY Total		34	22	-35.29%	60	69	15.00%
		INCLINE NEUROLOGY Total		0	0	100.00%	0	16	100.00%
		INCLINE OPHTHALMOLOGY Total		190	198	4.21%	522	642	22.99%
		INCLINE ORTHOPEDICS Total		68	173	154.41%	191	567	196.86%
	SPC Total			395	477	20.76%	1,094	1,565	43.05%
INCLINE Total				1,018	1,146	12.57%	3,047	3,515	15.36%
Grand Total				11,397	11,951	4.86%	34,411	37,994	10.41%

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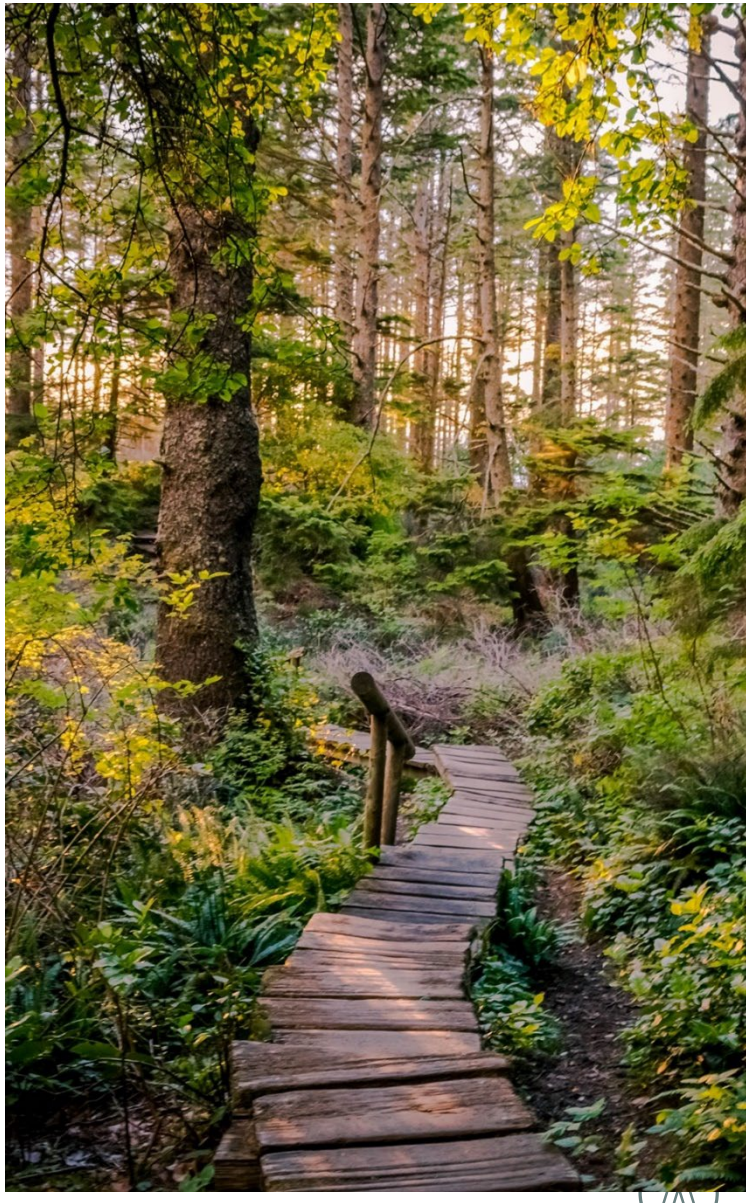
Tahoe Forest Hospital District

2024 AUDIT RESULTS

Discussion with the Board of Directors

Agenda

1. Scope of Services
2. Auditor Report
3. Significant Risks Identified
4. Matters to be Communicated to the Governing Body
5. Financial Highlights
6. Executive Session



Scope of Services

We have performed the following services for Tahoe Forest Hospital District (the "District"):

Annual Audit

- Annual combined financial statement audit as of and for the year ended June 30, 2024

Nonattest Services

- Assist management with drafting the District's combined financial statements as of and for the year ended June 30, 2024
- Review of Form 990 and other tax returns prepared by management
- Assist management with improving the District's revenue integrity function
- Assist management with an assessment of the District's accounts receivable vendor

Auditor Report

Unmodified Opinion

- Combined financial statements as of and for the year ended June 30, 2024, are presented fairly and in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Significant Risks Identified

During the audit, we identified the following:

Significant Risks	Procedures
Valuation of Patient Accounts Receivable and Patient Service Revenue	We performed a lookback analysis to determine if management's estimate was materially correct at 6/30/2023, based upon cash collections. We also analyzed subsequent cash collections on 6/30/2024 accounts receivable and performed analytical procedures on 6/30/2024 accounts receivable and net patient service revenue. Finally, we performed test procedures on management's patient accounts receivable allowance model. Revenue recognition and valuation of patient accounts receivable are considered appropriate.
Management Override of Controls	We performed inquiries of accounting and operational personnel, performed risk assessment procedures, and tested risk-based manual journal entry selections. Testing did not result in any observed instances of management override.

Matters to Be Communicated to the Governing Body

MATTERS TO BE COMMUNICATED

Significant Accounting Practices:

Our views about qualitative aspects of the District's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

MOSS ADAMS COMMENTS

The quality of the District's accounting policies and underlying estimates are discussed throughout this presentation. There were no significant changes in the District's approach to applying the critical accounting policies.

Matters to Be Communicated to the Governing Body
(continued)

MATTERS TO BE COMMUNICATED	MOSS ADAMS COMMENTS
Significant Unusual Transactions	No significant unusual transactions were identified during our audit of the District's combined financial statements.

Matters to Be Communicated to the Governing Body
(continued)

MATTERS TO BE COMMUNICATED	MOSS ADAMS COMMENTS
Uncorrected Misstatements	No uncorrected misstatements were identified as a result of our audit.

Matters to Be Communicated to the Governing Body
(continued)

MATTERS TO BE COMMUNICATED

Material, Corrected Misstatements

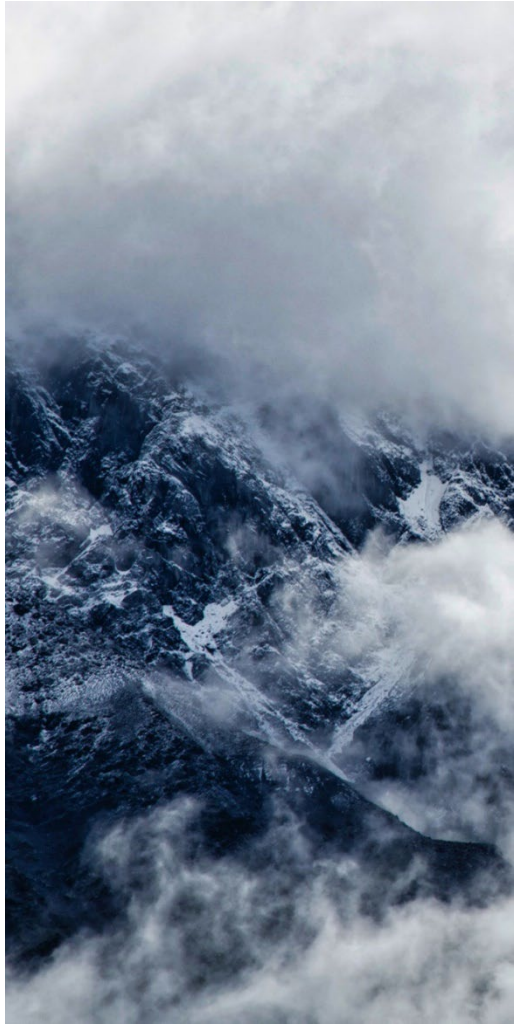
Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.

MOSS ADAMS COMMENTS

No material misstatements were identified as a result of our audit.

Other Required Communications

- Significant difficulties encountered during the audit
- Disagreements with management
- Circumstances affecting content of auditor's report
- Management's consultation with other accountants
- Management representation letter
- Other significant audit findings or issues arising from the audit



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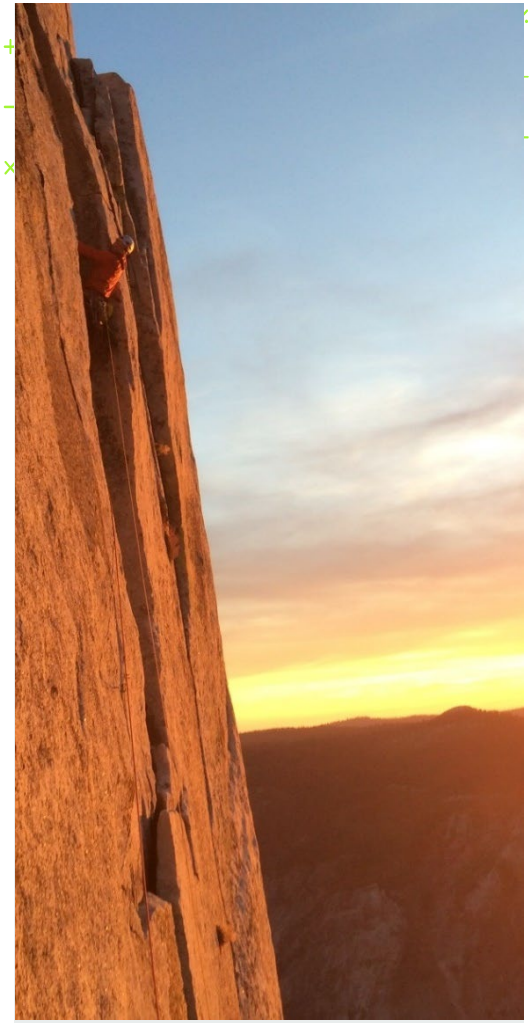
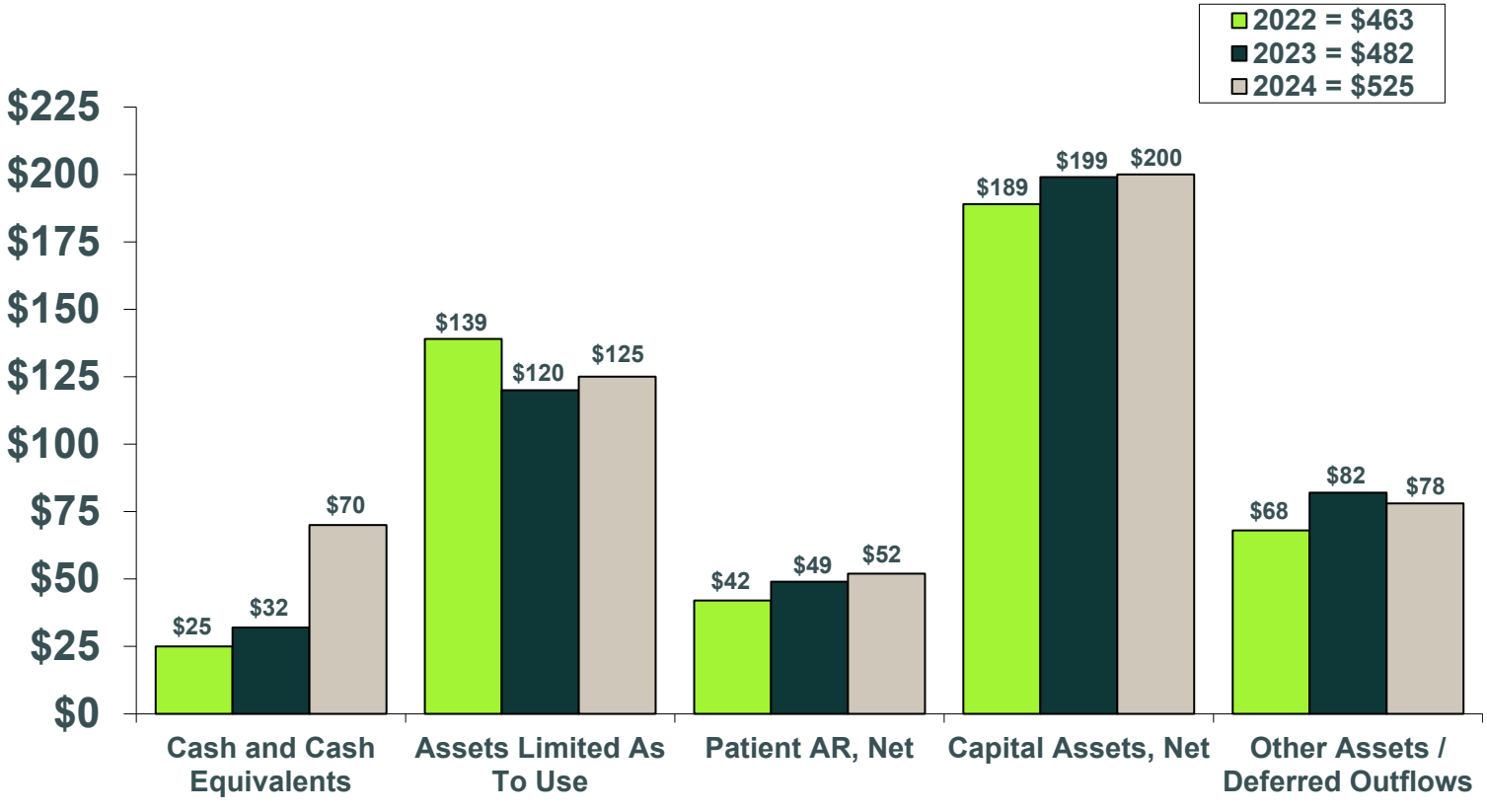
Financial Highlights



Assets and Deferred Outflows Composition (in millions) without TSC, LLC

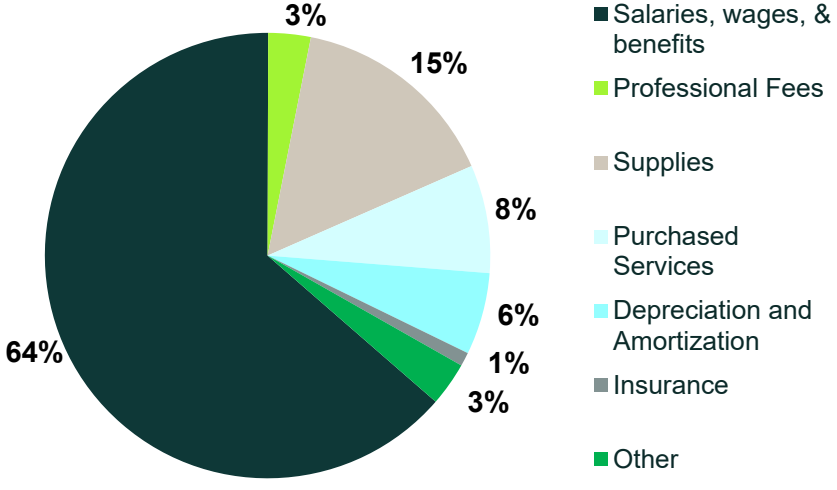


Liabilities & Net Position (in millions) without TSC, LLC

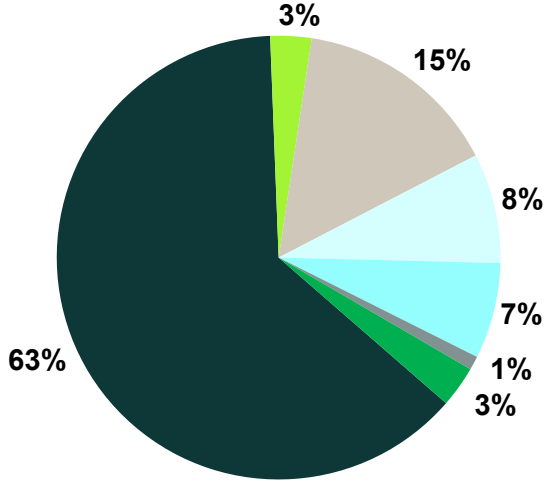
Statements of Revenues, Expenses, and Changes in Net Position – Year to Year Comparison without TSC, LLC

Total Operating Revenues and Expenses (in millions)

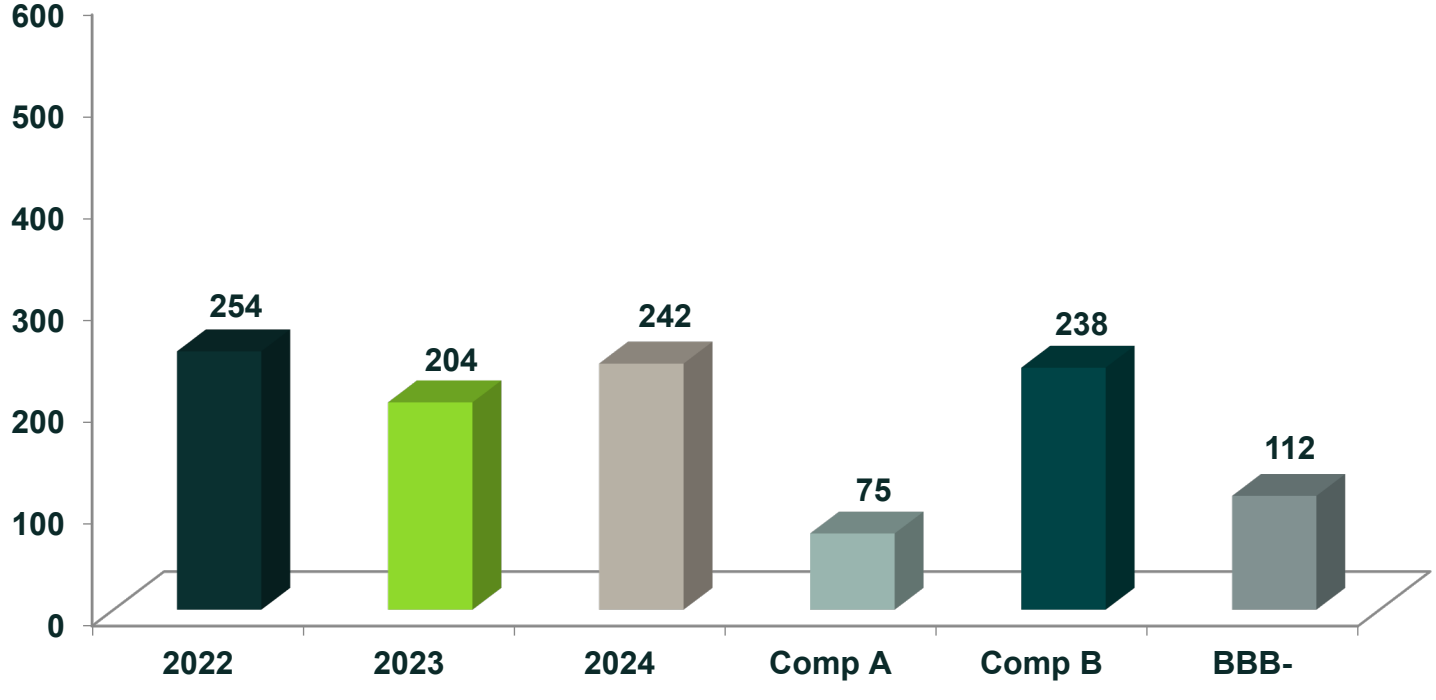
June 30, 2024
Operating Revenues - $329M



June 30, 2023
Operating Revenues - $301M



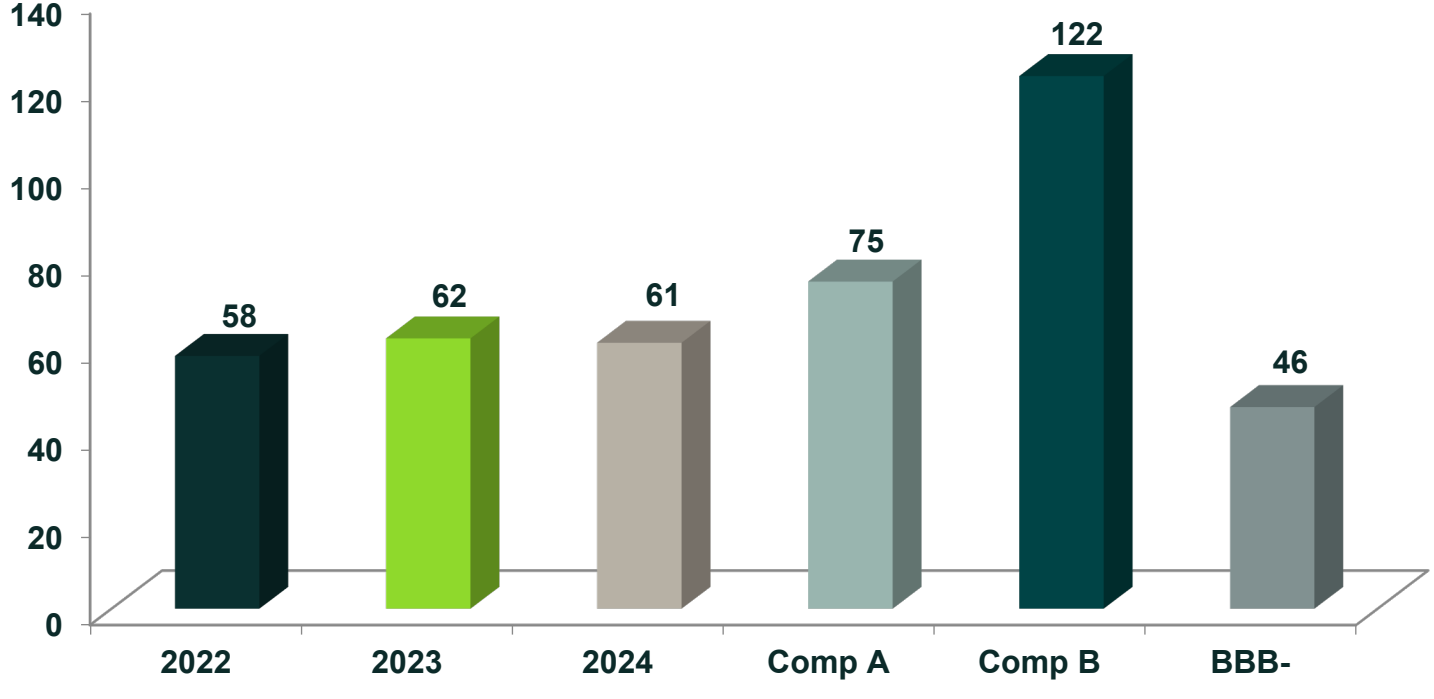
Days Cash and Investments Ratio without TSC, LLC



Debt covenant requirement – at least 60 days cash on hand

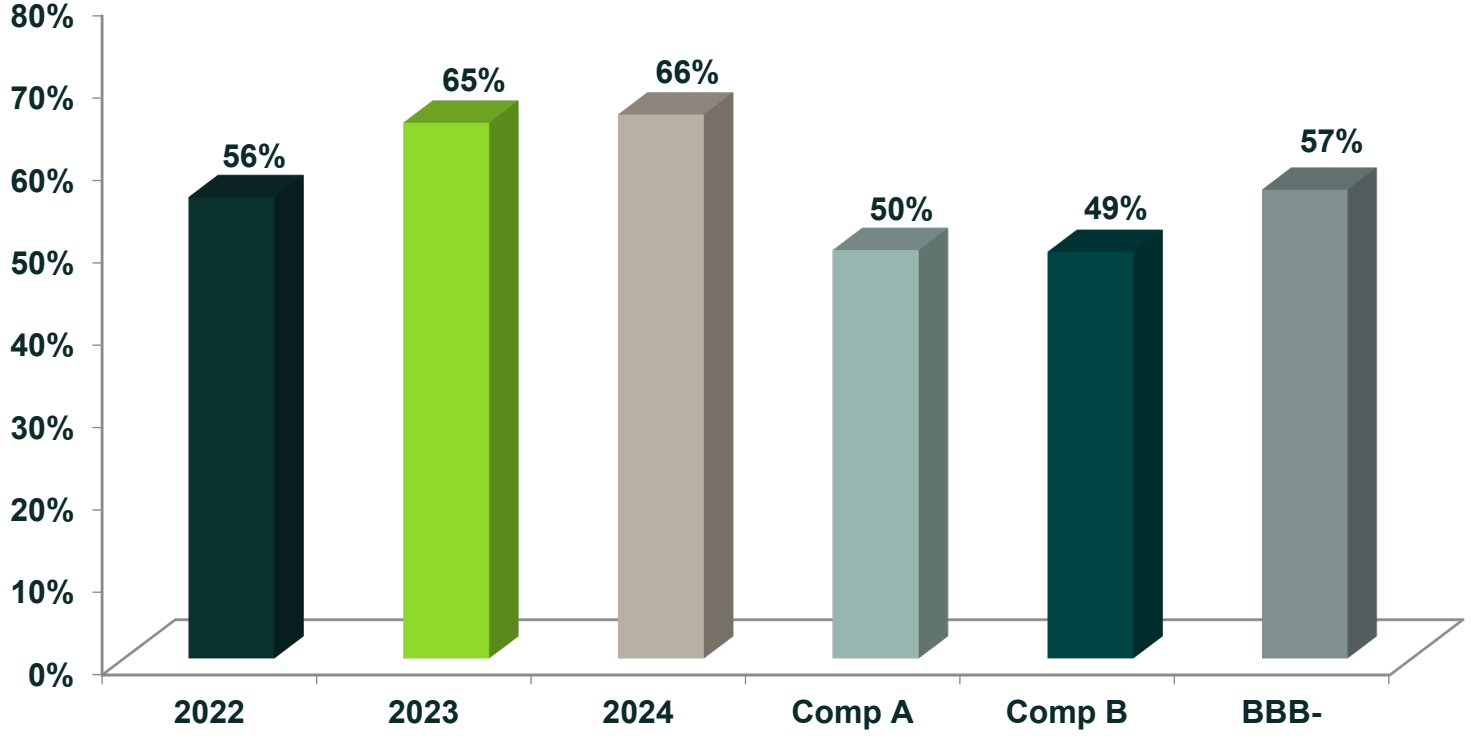
S&P - U.S. Not-for-Profit Health Care Stand-Alone Hospital Median Financial Ratios - 2023

Days in Accounts Receivable Ratio without TSC, LLC



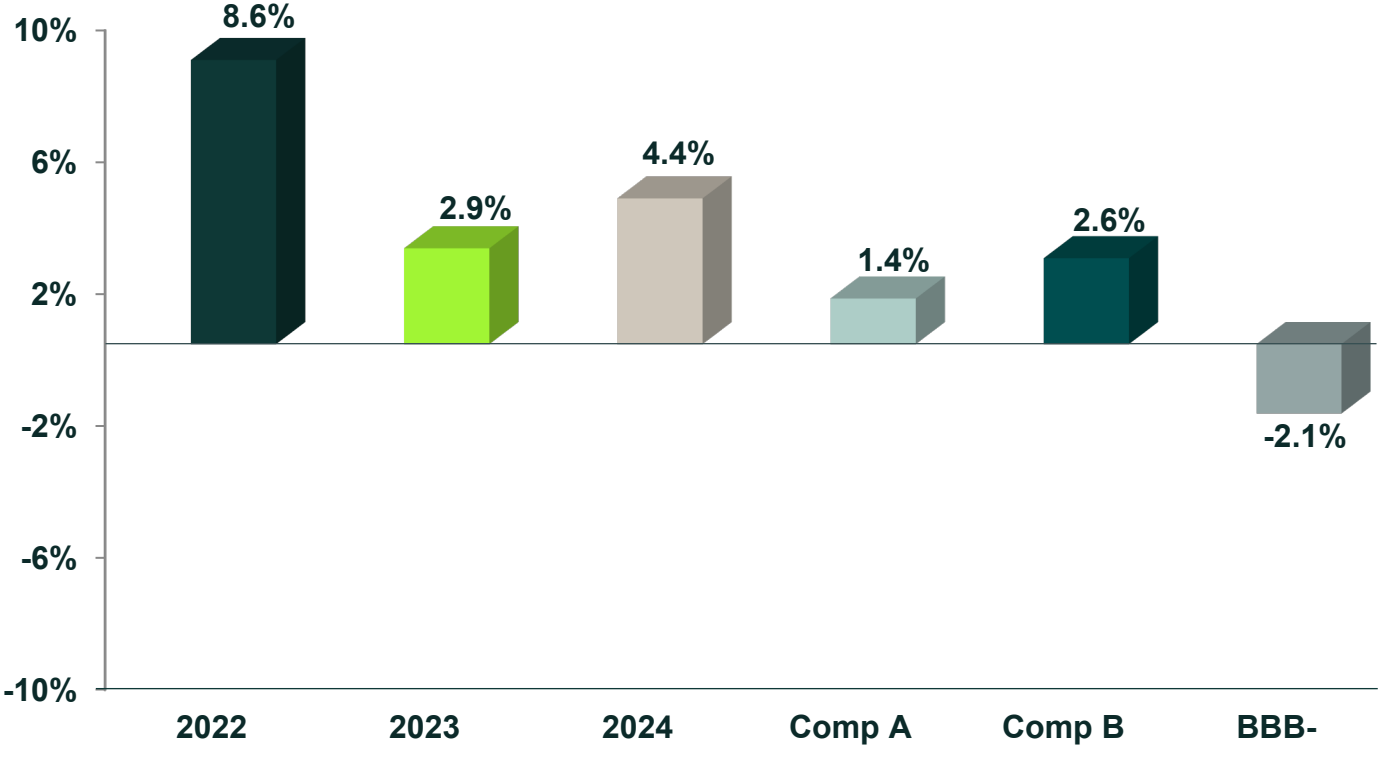
S&P - U.S. Not-for-Profit Health Care Stand-Alone Hospital Median Financial Ratios - 2023

Salaries & Benefits as a Percentage of Net Revenue without TSC, LLC



S&P - U.S. Not-for-Profit Health Care Stand-Alone Hospital Median Financial Ratios - 2023

Operating Margin (Operating Income/Total Operating Revenue) without TSC, LLC



S&P - U.S. Not-for-Profit Health Care Stand-Alone Hospital Median Financial Ratios - 2023

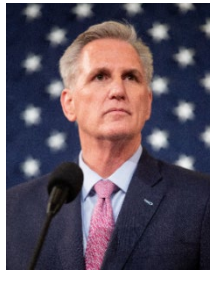
2024 Executive Health Care Conference

November 6-8, 2024

Point-Counterpoint Political Keynotes for 2024:

Val Demings

- U.S. Representative (D-FL, 2017-2023)
- First Female Police Chief for the City of Orlando, FL
- Served on House Committees on Judiciary, Intelligence, Homeland Security, and Oversight and Government Reform



Kevin McCarthy

- 55th Speaker of the House (R, CA)
- Fastest Rising Minority Leader in California State Assembly History
- Secured $2T in Deficit Reduction
- Created the Select Committee on the Chinese Communist Party

Nov. 6-8, 2024 | Las Vegas, NV
Red Rock Casino, Resort & Spa

REGISTER NOW

Register early for the best rates!

Join C-suite professionals from across the health care ecosystem to discuss the state of the industry and prepare leaders for 2025.

Brian Conner
Brian.Conner@mossadams.com
(209) 955-6114

Justen Gomes
Justen.Gomes@mossadams.com
(707) 535-4106

THANK YOU

Communications with
the Board of Directors

Tahoe Forest Hospital District

June 30, 2024

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Communications with the Board of Directors

To the Board of Directors
Tahoe Forest Hospital District

We have audited the combined financial statements of Tahoe Forest Hospital District, and its discretely presented component unit, Truckee Surgery Center, LLC, collectively (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated October ___, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated May 10, 2023 (for fiscal year ends: 2023, 2024, and 2025), we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the combined financial statements does not relieve you or management of your responsibilities.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Purpose Districts. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tahoe Forest Hospital District, and its discretely presented component unit, Truckee Surgery Center, LLC's internal control over financial reporting. Accordingly, we considered Tahoe Forest Hospital District, and its discretely presented component unit, Truckee Surgery Center, LLC's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the combined financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

The supplementary information was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our planning letter to the Board of Directors dated August 9, 2024.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tahoe Forest Hospital District, and its discretely presented component unit, Truckee Surgery Center, LLC are described in Note 1 to the combined financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the combined financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the combined financial statements were:

- Management's estimate of net patient service revenue is based on management's estimates of net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. We evaluated the key factors and assumptions used to develop the estimated net realizable amounts. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimate of the value of allowances for contractual and uncollectible accounts receivable is based on management's estimates of collectability by payor class, considering the historical payment and collection experience from each payor class. Management records the net collectible amount as the actual accounts receivable for the combined financial statements. We have gained an understanding of management's estimate methodology and examined the documentation supporting this methodology. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimate of the value of assets and liabilities for the expected eventual settlements of claims with both Medi-Cal and Medicare, in total the "estimated amounts due to or from third-party payors," is based on management's estimate of each individual settlement on an issue by issue basis. Historical trends and other information, such as communications with fiscal intermediaries, are also considered. We evaluated the key factors and assumptions used to develop the value of amounts due to or from third-party payors. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimate of uninsured losses for professional liability has been accrued as liabilities in the accompanying combined financial statements. We evaluated the key factors and assumptions used to develop the estimate of uninsured losses for professional liabilities. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimate of the liability for workers' compensation claims is recognized based on management's estimate of historical claims experience and known activity subsequent to year end. We evaluated the key factors and assumptions used to develop the estimate of the liability for workers' compensation claims. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimate of the District's operating lease right-to-use assets and lease liabilities is based on the discount rate, useful lives, and lease terms used. We have gained an understanding of management's key factors and assumptions and examined the documentation supporting the estimates. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimate of the District's subscription assets and subscription liabilities is based on the discount rate, subscription terms, and other assumptions used. We have gained an understanding of management's key factors and assumptions and examined the documentation supporting the estimates. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

- Management's estimates of the useful lives of capital assets are based on the intended use and is within accounting principles generally accepted in the United States of America. We evaluated the key factors and assumptions used to develop the estimates of the useful lives of capital assets. We found management's basis to be reasonable in relation to the combined financial statements as a whole.

Financial Statement Disclosures

The disclosures in the combined financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's combined financial statements were disclosures of significant accounting policies, net patient service revenue, assets limited as to use and investments, fair value measurement of financial instruments, patient accounts receivable, capital assets, long-term debt and capital lease obligations, right-to-use assets and lease liabilities, and subscription-based information technology arrangements in Note 1, Note 2, Note 3, Note 4, Note 5, Note 6, Note 7, Note 13, and Note 14 to the combined financial statements, respectively.

Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the District's combined financial statements.

Significant Difficulties Encountered in Performing the Audit

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the District's combined financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Circumstances that Affect the Form and Content of the Auditor's Report

There may be circumstances in which we would consider it necessary to include additional information in the auditor's report in accordance with U.S. GAAS. There were no circumstances that affected the form and content of the auditor's report.

Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements identified during the audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated October ___, 2024.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's combined financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

This information is intended solely for the use of the Board of Directors and management of Tahoe Forest Hospital District, and its discretely presented component unit, Truckee Surgery Center, LLC, and is not intended to be, and should not be, used by anyone other than these specified parties.

Rancho Cordova, California
October ___, 2024

Report of Independent Auditors and
Combined Financial Statements

Tahoe Forest Hospital District

June 30, 2024 and 2023

Table of Contents

Management's Discussion and Analysis

Tahoe Forest Hospital District
Management's Discussion and Analysis
For the Years Ended June 30, 2024, 2023, and 2022

Tahoe Forest Hospital District (the District) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District includes the following component units, which are included as blended component units of the District's combined financial statements: Tahoe Forest Health System Foundation (TFHSF), Incline Village Community Hospital Foundation (IVCHF), TIRHR, LLC (TIRHR), and the Tahoe Institute for Rural Health Research (the Institute). The District is located in Truckee, California, and Incline Village, Nevada.

Our discussion and analysis of the District financial performance provides an overview of the District's financial activities for the years ended June 30, 2024, 2023, and 2022. Please read this in conjunction with the District's combined financial statements and accompanying notes, which begin on page 14. Our discussion and analysis of the District does not include Truckee Surgery Center, LLC, which is a discretely presented component unit.

Financial Highlights for Fiscal Year 2024

- The District's increase in net position was $37.9 million for 2024 as compared to $25.7 million for 2023.
- The District's income from operations for fiscal year 2024 was $14.5 million as compared to $8.9 million for 2023.
- Nonoperating revenues were $24.0 million in fiscal year 2024 as compared to $17.6 million for 2023.

The District's combined financial statements consist of the following: combined statements of net position; combined statements of revenues, expenses, and changes in net position; and combined statements of cash flows. These combined financial statements and accompanying notes provide information about the operations of the District as of and for the fiscal years ended June 30, 2024 and 2023.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about the District's finances is, "Is the District, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses, and changes in net position report information about the District's resources and its operations in a way that helps answer this question. These two statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position (the difference between assets and liabilities) as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's patient base, and measures of quality of service it provides to the community, as well as local economic factors, in order to assess the overall financial health of the District.

The Statement of Cash Flows

The final required financial statement is the combined statement of cash flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, capital and related financing, and investing activities. It provides answers to questions such as "where did the cash come from," "what was cash used for," or "what was the change in cash balance during the reporting period?"

The District's Net Position

The District's net position is the difference between its assets and liabilities reported in the combined statements of net position found on page 14. The District's net position changed by $37.9 million for 2024 as compared to $25.7 million for 2023, as presented in the following table (amounts are in thousands):

	As of June 30,		
	2024	2023	2022
Current assets	$ 160,792	$ 121,019	$ 101,733
Capital assets	200,341	198,955	188,541
Restricted and other assets	159,423	157,301	167,413
Total assets	520,556	477,275	457,687
Deferred outflows of resources	4,593	5,017	5,729
Current liabilities	69,329	59,509	63,322
Long-term liabilities	143,604	148,470	151,492
Total liabilities	212,933	207,979	214,814
Net investment in capital assets	97,427	90,458	74,155
Restricted - expendable	4,247	7,729	6,538
Restricted - nonexpendable	604	604	79
Unrestricted	209,939	175,522	167,830
Total net position	$ 312,216	$ 274,313	$ 248,602

Operating Results and Changes in the District's Net Position

During 2024, the District's net position increased by $37.9 million as compared to $25.7 million in 2023, as presented in the following table. These increases are comprised of operating and nonoperating components and represent the total change in net position of the District. Five areas of expenses created significant differences between 2024 and 2023: salaries, wages, and benefits increased by $17.6 million, professional fees increased by $0.6 million, supplies increased $4.0 million, purchased services decreased by $0.3 million, and depreciation and amortization increased $0.7 million. The increase in salaries, wages, and benefits is due to increased staffing, merit increases, management incentive compensation bonuses, employee gain-sharing bonus program, additional employment of physicians, and increased utilization of the Districts self-insured health insurance program inclusive of high dollar claims. The increase in professional fees is primarily due to consulting for process improvement work. The increase in supplies is primarily due to pharmaceuticals and medical supply costs, which is directly connected to the increase in volumes, inflation, and supply shortages. The decrease in purchased services is primarily due lower snow removal costs and the elimination of our employee parking shuttle service. The increase in depreciation and amortization is due to a net $16.6 million increase in depreciable assets.

	Fiscal years ended June 30,		
	2024	2023	2022
Operating revenues (thousands)			
Net patient service revenues	$ 306,941	$ 284,394	$ 263,836
Other operating revenues	21,988	16,289	13,979
Total operating revenues	328,929	300,683	277,816
Operating expenses (thousands)			
Salaries and wages	133,867	122,564	99,485
Employee benefits	67,793	61,461	48,215
Professional fees	9,255	8,642	18,847
Supplies	46,679	42,662	36,925
Purchased services	24,394	24,713	22,208
Depreciation and amortization	20,445	19,757	18,209
Other operating expenses	11,994	11,959	10,152
Total operating expenses	314,426	291,758	254,041
Income from operations	14,503	8,926	23,775
Nonoperating revenue (expenses) (thousands)			
Property tax revenue	10,804	10,215	9,151
Property tax revenue - general obligation bonds	5,581	5,708	5,569
Interest expense	(5,636)	(5,804)	(6,018)
Other nonoperating revenues	13,294	7,447	935
Total nonoperating revenues	24,043	17,566	9,636
Income before other revenue, expenses, gains, and losses	38,546	26,492	33,411
Capital transfers	(642)	(780)	(561)
Increase in net position	$ 37,903	$ 25,711	$ 32,850

Operating Gains

Usually the primary component of the overall change in the District's net position is its income from operations, generally the difference between net patient service revenues and the expenses incurred to perform those services. Income from operations in 2024 was $14.5 million as compared to $8.9 million in 2023. Total nonoperating revenues in 2024 was $24.0 million as compared to $17.6 million in 2023.

These changes in the District's operations are attributable to:

- Net patient service revenues increased in 2024 by $22.5 million (7.9%) due to a combination of changes in volumes, changes in payor mix, a charge increase, less requests for patient financial assistance, and additional reimbursements related to prior periods. Inpatient census days decreased in 2024 to 4,795 from 4,868 in 2023. Adjusted patient days were up 1.2% in 2024 as compared to 2023. Inpatient charges increased by $9.4 million to $91.9 million in 2024 from $82.5 million in 2023. Outpatient charges increased by $73.5 million to $555.7 million in 2024 from $482.2 million in 2023, and as a percentage of total charges, outpatient charges increased to 85.8% of the total in 2024 from 85.4% in 2023. In addition, contractual allowances, charity care, and bad debt increased $60.3 million to $340.6 million in 2024 from $280.3 million in 2023. Prior period settlements increased $2.2 million to $3.0 million in 2024 from $0.8 million in 2023.

- An increase in other operating revenues of $5.7 million (35.0%) in 2024.

- Operating expenses increased by $22.7 million (7.8%) in 2024 due to added services and providers, additional full time equivalents (FTEs) including employed physicians, employee gain sharing program, management incentive compensation bonuses, merit increases, increased health insurance utilization, consulting for process improvement work, increased pharmaceutical and medical supply costs, and increased costs related to education and travel.

Employee salaries, wages, and benefits were $201.7 million in 2024 and $184.0 million in 2023. The components of these costs are as follows:

- Salaries and wages totaled $133.9 million in 2024 and $122.6 million in 2023. Staffing, as measured by paid FTEs, was 1,112 in 2024 and 1,060 in 2023. The employee gain-sharing program and management incentive compensation bonuses totaled $8.4 million in 2024 and $5.3 million in 2023.

- Benefits totaled $67.8 million in 2024 and $61.5 million in 2023. The benefits associated with the employee gain-sharing program and management incentive compensation bonuses totaled $2.6 million in 2024 and $2.2 million in 2023.

- Salaries, wages, and benefits per paid FTE were $181,349 in 2024 and $173,608 in 2023. If we were to remove the 2024 and 2023 gain-sharing program and management incentive compensation bonuses from salaries, wages, and benefits, then the amount per paid FTE was $171,455 in 2024 and $166,518 in 2023.

- Other changes were as follows:
  - There was an increase of $0.6 million (7.1%) in professional fees. This was primarily due to consulting services for process improvement work.
  - There was a $4.0 million (9.4%) increase in supplies primarily due to increase in pharmaceuticals and medical supply costs, which is directly connected to the increase in volumes, inflation, and supply shortages.
  - There was a $0.3 million (1.3%) decrease in purchased services primarily due to lower snow removal costs and the elimination of our employee parking shuttle service.
  - There was an increase of $0.7 million (3.5%) in depreciation and amortization expense due mainly to a net $16.6 million increase in depreciable assets.
  - Other expense category changes (utilities, insurance, dues and subscriptions, travel and education, and other) increased $0.04 million (0.3%) primarily due to an increase in education and travel costs, as well and equipment rent for two mobile CT units.

Nonoperating Revenues and Expenses

Nonoperating revenues consist of property taxes paid to the District, investment income, contributions, unrealized gains and losses, interest expense, and other various types of items not specifically related to the operations of patient care.

The District's Cash Flows

Changes in the District's cash flows are consistent with the operating income and nonoperating revenues and expenses discussed earlier.

Capital Assets

At the end of 2023, the District had $199.0 million in capital assets, net of depreciation, as detailed in the footnotes to the financial statements. At the end of 2024, the District had $200.3 million invested in capital assets, net of depreciation. In 2024, the District improved facilities and acquired new equipment for a total net investment of $16.3 million, net of disposals, as compared to $25.3 million in 2023.

Debt Borrowings

At the end of 2023, the District had $118.1 million in long-term debt borrowings outstanding including current maturities. At the end of 2024, the District had $112.6 million in long-term debt borrowings outstanding including current maturities.

There was no new debt financing in 2023 or 2024.

Statistical Analysis

	2024	2023	2022
Acute			
Admissions	1,555	1,504	1,488
Length of stay	3.08	3.24	3.73
Average daily census	13.10	13.34	15.22
Occupancy percentage	45%	46%	52%
Patient days	4,795	4,868	5,554
Total ICU days	999	1,012	1,447
Total medical/surgical days	2,508	2,499	2,936
Total obstetrics days	1,288	1,357	1,171
Total swing days	279	287	408
Nursery days	493	488	623
Deliveries	367	375	366
Skilled nursing units			
Patient days	10,948	9,422	7,473
Average daily census	29.91	25.81	20.47
Occupancy percentage	81%	70%	55%
Outpatient			
Emergency department visits	14,010	14,808	13,700
Surgical cases	2,186	1,998	2,032
Laboratory tests	169,857	169,697	170,571
Nuclear medicine	364	351	367
MRI	3,577	2,479	2,751
Ultrasounds	4,581	4,476	4,174
CAT scans	8,703	7,890	7,177
Diagnostic imaging & mammography	17,733	17,196	16,399
Medical oncology procedures	11,463	10,448	11,381
Radiation oncology procedures	5,175	5,862	5,816
PET CTs	485	418	400

Other Economic Factors: Summary Fiscal Year 2024 and Looking Forward to Fiscal Year 2025

We are pleased to report that we are completing our fiscal year (FY) 2024 in a very positive manner. FY 2024 will be the first year we will have ever exceeded $300 million in net patient service revenues, thanks to the support from our community and the patients we serve. In addition to our financial position, there has been much we have been able to accomplish.

As always, we must always recognize and honor our patients first. We have heard the challenges our patients face when trying to access care at the District and have invested significant resources to improve this situation. We have embarked on a multi-year process improvement journey embracing a management systems approach to improve access to care. With this important work and the addition of necessary providers, we expect to see improvements in our wait times for appointments for our patients in FY 2025, as well as continued growth in our provider office visits.

As the District has grown to be the second largest Critical Access Health System in the US per data extracted from the journal Modern Healthcare (dated January 2, 2023), we have had to continue to be nimble and creative in our approach to finding space and locations for providers and patients alike. We have been able to acquire a new space under a long-term lease, and purchased two new locations in order to expand services. In addition, we've been able to expand availability of current services in several existing locations by adding additional open hours per day and additional days of the week.

During FY 2024, we recognized the need to implement a few critical programs to further support our community and patients such as the Cardiac Pacemaker, Defibrillator and Right Sided Heart Catheterization program, as well as the Telestroke/Teleneurology program. Both have been quite successful with great outcomes for our patients.

We have continued to invest in equipment and technology within our District. Thanks to the Helmsley Family Trust and the IVCHF, we were able to replace our X-Ray and CT scanner at Incline Village Community Hospital, and add Mammography as a new service line too! It is wonderful to see the support from our Foundation to help us add a much needed service for our patients in Incline Village.

We have also continued to work on our remaining seismic projects, which are also tied to some equipment and technology replacement, at Tahoe Forest Hospital. In FY 2024 and 2025, we are working to update the OR suites, which requires a significant coordinated effort to keep the other rooms operational during construction. We have begun the replacement of our CT scanner. We also have X-Ray, Fluoroscopy, Nuclear Medicine, and the PET CT all on the horizon in FY 2025 and 2026. We expect to replace our Radiology PACs system in FY 2025, which stores all radiology images, which will be a great improvement for our medical staff and our patients.

Our Information Technology (IT) department has been quite busy protecting the District from the numerous cybersecurity threats. They have implemented enhanced measures and securities to keep us safe from harm. All staff members remain extremely diligent in making sure the technology infrastructure stays as secure as possible. Of course that has not been the only focus of IT. They have worked hard to support the implementation of our clinic projects such as Epiphany and the integration of the new infusion pumps with EPIC. They have also been working hard on the implementation of Microsoft Office 365, which is a huge undertaking. In FY 2025, they will be looking to upgrade our telephony/communications systems.

It is also worth mentioning that the District has been facing, and will continue to face, challenges with new legislation. One to note is the Office of Health Care Affordability (OHCA), which will put significant pressure on the District. OCHA's directives will limit revenue growth, which will force expense reductions. This will be a challenging directive to carry out based on the current economic conditions, such as labor, medical supply and pharmaceutical costs and inflation factors.

On a more upbeat note, this year we have been able to celebrate our team's success and longevity with a historic and significant milestone - 75 years of providing lifesaving health care to our community. This couldn't happen without an amazing team and community! We look forward to another 75 plus years!

We continue to look forward each year as a team. We have focused effort on our 1 year goals and our 5 year winning aspirations. We have thoughtfully incorporated resources into the FY 2025 budget to help us accomplish our goals.

Protecting at least a BBB- financial strength will be critically important, but an A- or better investment rating for the District is one of our winning aspirations and is a foundational goal. Our team's pledge is to protect the District for the long term and to not propose actions which could place long term sustainability in jeopardy.

The District's Board of Directors approved the FY 2025 budget at a board meeting in June 2024. For FY 2025, the District is budgeted to increase its net position by $18.3 million. The increase is due to the following assumptions:

- Net patient services revenue of $314.9 million.
    - Outpatient volumes are projected to increase in fiscal year 2025, primarily in the primary care and multi-specialty clinics (5.1%), gastroenterology procedures (49%), and mammography exams (6.3%). This is due to the addition of new providers in the area of primary care, specialty care, and gastroenterology, as well as increased volumes for existing providers in just about all specialty areas and primary care. Increase in mammography exams is due to the addition of mammography at our Incline Village Community Hospital location.
    - The District will increase charges by 5%. As a result, the percentages of contractual allowances are budgeted to increase with an approximate 2.5% increase in net patient service revenue percentage.
    - Other operating revenue of $20.4 million.
    - Total operating expenses of $333.4 million.
    - Overall operating expenses will increase 8.1% due to an increase in salaries, wages, and benefits due to an increase in our overall FTEs, wage increases, and medical insurance costs, professional fees related to continue process improvement work, medical supplies and pharmaceuticals related to patient volume and inflation, and depreciation due to expected increases to capital assets.
- Income from operations of $1.9 million.
    - Nonoperating revenues of $16.4 million.

Payments from Federal and State Health Care Programs

Entities doing business with governmental payors, including Medicare and Medicaid (Medi-Cal in California), are subject to risks unique to the government-contracting environment that are difficult to anticipate and quantify. Revenues are subject to adjustment as a result of examination by government agencies as well as auditors, contractors, and intermediaries retained by federal, state, or local governments (collectively Government Agents). Resolution of such audits or reviews often extends (and in some cases does not even commence until) several years beyond the year in which services were rendered and/or fees received.

Moreover, different Government Agents frequently interpret government regulations and other requirements differently. For example, Government Agents might disagree on a patient's principal medical diagnosis, the appropriate code for a clinical procedure, or many other matters. Such disagreements might have a significant effect on the ultimate payout due from the government to fully recoup sums already paid. Governmental agencies may make changes in program interpretations, requirements, or "conditions of participation," some of which may have implications for amounts previously estimated. In addition to varying interpretation and evolving codification of the regulations, standards of supporting documentation and required data are subject to wide variation.

In accordance with generally accepted accounting principles, to account for the uncertainty around Medicare and Medi-Cal revenues, the District estimates the amount of revenue that will ultimately be received under the Medicare and Medi-Cal programs. Amounts ultimately received or paid may vary significantly from these estimates.

One additional note, the State of California continues to experience fiscal difficulties. As a result, the District will continue to see pressure placed on its Medi-Cal reimbursement for the foreseeable future.

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the District, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, which address activities, events, or developments that the District expects or anticipates will or may occur in the future, contain forward-looking information.

Combined Financial Statements
as of and for the Years Ended June 30, 2024 and 2023

Tahoe Forest Hospital District
Combined Statements of Net Position
June 30, 2024 and 2023

	2024		2023	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
ASSETS				
Current assets				
Cash and cash equivalents	$ 69,761,269	$ 179,446	$ 32,011,691	$ 145,124
Patient accounts receivable, net of allowances for doubtful accounts of $8,571,259 and $105,428 in 2024 and $11,536,780 and $70,877 in 2023	51,525,666	482,863	48,554,943	268,672
Other receivables	21,174,431	5,094	16,676,986	19,719
Assets limited as to use - required for current liabilities	10,294,862	-	10,301,387	-
Estimated amounts due from third-party payors	-	-	4,605,043	-
Inventories	5,566,886	-	5,275,644	-
Prepaid expenses and deposits	2,468,469	28,943	3,593,663	15,952
Total current assets	160,791,583	696,346	121,019,357	449,467
Assets limited as to use, net of current	115,098,840	-	109,616,744	-
Investments	1,612,129	-	6,261,725	-
Right-to-use assets, net of accumulated amortization	11,666,684	-	8,114,777	-
Subscription assets, net of accumulated amortization	27,116,972	-	30,684,471	-
Capital assets				
Nondepreciable	22,842,920	-	23,854,856	-
Depreciable, net of accumulated depreciation	177,498,091	1,086,035	175,100,511	915,643
	200,341,011	1,086,035	198,955,367	915,643
Other assets				
Beneficial interest in trusts	2,026,240	-	1,875,202	-
Other noncurrent receivables	1,902,743	20,256	747,334	20,256
Total assets	$ 520,556,202	$ 1,802,637	$ 477,274,977	$ 1,385,366
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on defeasance, net	$ 4,438,430	$ -	$ 4,753,824	$ -
Accumulated decrease in fair value of hedging derivative	154,402	-	262,970	-
Total deferred outflows of resources	$ 4,592,832	$ -	$ 5,016,794	$ -
LIABILITIES				
Current liabilities				
Current maturities of long-term debt and capital lease obligations	$ 4,906,895	$ -	$ 5,336,573	$ -
Current maturities of lease liabilities	1,617,347	-	1,552,009	-
Current maturities of subscription liabilities	3,413,835	-	3,274,127	-
Accounts payable and accrued expenses	8,777,809	82,653	9,888,363	40,722
Accrued payroll and related expense	34,593,454	77,520	29,020,029	67,617
Estimated claims incurred but not reported	8,008,440	-	8,597,247	-
Estimated amounts due to third-party payors	6,244,959	-	-	-
Other accrued expenses	58,391	285	64,630	1,915
Accrued interest	1,708,137	-	1,775,858	-
Total current liabilities	69,329,267	160,458	59,508,836	110,254
Long-term debt and capital lease obligations, less current maturities	107,680,298	-	112,774,811	-
Lease liabilities, less current maturities	10,516,720	-	6,949,977	-
Subscription liabilities, less current maturities	25,251,850	-	28,482,161	-
Derivative instrument liability	154,402	-	262,970	-
Total liabilities	$ 212,932,537	$ 160,458	$ 207,978,755	$ 110,254
NET POSITION				
Net investment in capital assets	$ 97,426,692	$ -	$ 90,457,965	$ -
Restricted - expendable	4,246,752	-	7,729,496	-
Restricted - nonexpendable	603,984	-	603,984	-
Unrestricted	209,939,069	1,642,179	175,521,571	1,275,112
Total net position	$ 312,216,497	$ 1,642,179	$ 274,313,016	$ 1,275,112

See accompanying notes.

Tahoe Forest Hospital District
Combined Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	2024		2023	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
Operating revenues				
Net patient service revenue (net of provision for bad debts of $7,988,325 and $34,550 in 2024 and $10,402,441 and $90,564 in 2023)	$ 306,941,252	$ 1,981,564	$ 284,394,172	$ 1,310,165
Other operating revenue	21,987,599	-	16,288,920	-
Total operating revenues	328,928,851	1,981,564	300,683,092	1,310,165
Operating expenses				
Salaries and wages	133,866,628	1,007,303	122,564,147	905,986
Employee benefits	67,793,097	179,128	61,460,687	158,784
Professional fees	9,254,833	7,531	8,642,051	11,736
Supplies	46,678,700	522,018	42,661,991	500,069
Purchased services	24,393,942	9,972	24,712,518	71,941
Depreciation and amortization	20,444,798	119,029	19,757,056	94,421
Insurance	2,938,837	5,446	3,044,647	640
Other	9,055,024	417,561	8,914,447	654,202
Total operating expenses	314,425,859	2,267,988	291,757,544	2,397,779
Income (loss) from operations	14,502,992	(286,424)	8,925,548	(1,087,614)
Nonoperating revenues (expenses)				
Property tax revenue	10,803,913	-	10,215,129	-
Property tax revenue - general obligation bonds	5,581,281	-	5,707,806	-
Contributions, net	4,572,129	-	4,825,343	-
Investment income	3,410,928	-	1,628,402	-
Rental income	574,380	-	912,517	-
Interest expense	(5,635,909)	-	(5,803,942)	-
Net increase in the fair value of investments	4,118,668	-	365,148	-
Other nonoperating income (loss)	617,468	11,122	(284,236)	108
Total nonoperating revenues	24,042,858	11,122	17,566,167	108
Income (loss) before other revenue, expenses, gains, and losses	38,545,850	(275,302)	26,491,715	(1,087,506)
Capital transfers	(642,369)	642,369	(780,282)	780,282
Increase (decrease) in net position	37,903,481	367,067	25,711,433	(307,224)
Net position, beginning of year	274,313,016	1,275,112	248,601,583	1,582,336
Net position, end of year	$ 312,216,497	$ 1,642,179	$ 274,313,016	$ 1,275,112

See accompanying notes.

Tahoe Forest Hospital District
Combined Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024		2023	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
Cash flows from operating activities				
Cash received from patients and third-party payors	$ 314,820,531	$ 1,767,373	$ 276,142,936	$ 1,466,029
Cash received from other sources	17,659,182	25,747	13,949,718	(19,611)
Medicare accelerated payments	-	-	(5,563,499)	-
Cash paid to suppliers for goods and services	(92,604,177)	(935,218)	(92,033,912)	(1,097,900)
Cash paid to employees for services	(198,472,885)	(1,176,528)	(180,326,964)	(1,040,228)
Net cash provided by (used in) operating activities	41,402,651	(318,626)	12,168,279	(691,710)
Cash flows from noncapital financing activities				
Property tax revenues	10,781,922	-	10,299,153	-
Noncapital grants and contributions, net of other expenses	5,680,928	-	5,205,332	-
Net cash provided by noncapital financing activities	16,462,850	-	15,504,485	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(16,301,205)	(289,421)	(25,265,931)	(176,746)
Proceeds from sale of capital assets	-	-	-	-
Payments on general obligation and revenue bonds	(3,833,918)	-	(3,532,659)	-
Interest payments on general obligation and revenue bonds	(3,182,606)	-	(3,348,156)	-
Payments on long-term debt and capital leases	(1,502,655)	-	(2,441,841)	-
Interest payments on long-term debt and capital leases	(991,878)	-	(1,081,954)	-
Payments on lease liabilities	(1,630,739)	-	(1,587,767)	-
Interest payments on lease liabilities	(158,511)	-	(176,565)	-
Payments on subscription liabilities	(3,341,428)	-	(2,707,191)	-
Interest payments on subscription liabilities	(1,370,635)	-	(1,280,509)	-
Property tax revenue received for general obligation bonds	5,562,020	-	5,685,072	-
Capital transfer from Tahoe Forest Hospital District	-	642,369	-	780,282
Net cash (used in) provided by capital and related financing activities	(26,751,555)	352,948	(35,737,501)	603,536
Cash flows from investing activities				
Purchases of investments and assets limited as to use	(58,827,215)	-	(78,189,514)	-
Sales of investments and assets limited as to use	62,119,908	-	91,091,855	-
Interest received	3,410,928	-	1,628,402	-
Net cash received for rental activities	574,380	-	912,517	-
Purchases of investments in beneficial interest in trusts	-	-	(5,500)	-
Investment in Truckee Surgery Center, LLC	(642,369)	-	(780,282)	-
Net cash provided by investing activities	6,635,632	-	14,657,478	-
Net change in cash and cash equivalents	37,749,578	34,322	6,592,741	(88,174)
Cash and equivalents, beginning of year	32,011,691	145,124	25,418,950	233,298
Cash and equivalents, end of year	$ 69,761,269	$ 179,446	$ 32,011,691	$ 145,124

See accompanying notes.

Tahoe Forest Hospital District
Combined Statements of Cash Flows (Continued)
For the Years Ended June 30, 2024 and 2023

	2024		2023	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
Reconciliation of income (loss) from operations to net cash from operating activities				
Income (loss) from operations	$ 14,502,992	$ (286,424)	$ 8,925,548	$ (1,087,614)
Adjustments to reconcile income (loss) from operations to net cash from operating activities:				
Depreciation and amortization	20,444,798	119,029	19,757,056	94,421
Amortization of bond premiums/discounts and bond issuance costs	(187,618)	-	(187,617)	-
Provision for doubtful accounts	7,988,325	105,428	10,402,441	90,564
Change in assets and liabilities:				
Patient accounts receivable, net	(10,959,048)	(319,619)	(17,090,946)	65,300
Other receivables	(4,456,193)	14,625	(2,466,980)	(19,719)
Inventories	(291,242)	-	(806,379)	-
Prepaid expenses and deposits	1,125,194	(12,991)	(932,332)	148,444
Other noncurrent receivables	(1,797,778)	-	(539,035)	-
Deferred loss on defeasance, net	315,394	-	315,395	-
Accounts payable and accrued expenses	(1,110,554)	41,931	(2,324,789)	(6,255)
Accrued payroll and related expense	5,573,425	9,903	2,893,361	24,542
Medicare accelerated payments	-	-	(5,563,499)	-
Estimated claims incurred but not reported	(588,807)	-	1,343,544	-
Estimated amounts due from/to third-party payors	10,850,002	-	(1,562,731)	-
Other accrued expenses	(6,239)	9,492	5,242	(1,393)
Total adjustments	26,899,659	(32,202)	3,242,731	395,904
Net cash provided by (used in) operating activities	$ 41,402,651	$ (318,626)	$ 12,168,279	$ (691,710)
Supplemental disclosure of noncash investing and financing activities:				
Change in fair value of beneficial interest in trusts	$ 151,038	$ -	$ 116,057	$ -
Change in fair value of assets limited as to use and investments	$ 4,118,668	$ -	$ 365,148	$ -
Noncash acquisition of right-to-use assets	$ 5,350,306	$ -	$ 650,348	$ -
Noncash acquisition of subscription assets	$ 301,486	$ -	$ 7,098,212	$ -

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

A summary of significant accounting policies applied in the preparation of the accompanying combined financial statements follows:

Reporting entity – Tahoe Forest Hospital District (the District) is a political subdivision of the State of California. The District was established in 1949 under the provisions of Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The District operates Tahoe Forest Hospital in Truckee, California, and Incline Village Community Hospital in Incline Village, Nevada, which provide health care services to residents of the surrounding communities and visitors to the area. The District derives a significant portion of revenue from third-party payors, including Medicare, Medi-Cal, and commercial insurance organizations.

The District includes the following component units, which are included as blended component units of the District's combined financial statements: Tahoe Forest Health System Foundation (the TFHSF), Incline Village Community Hospital Foundation (the IVCHF), collectively (the Foundations), Tahoe Institute for Rural Health Research (the Institute), and TIRHR, LLC (TIRHR). The Institute is a nonprofit public benefit corporation and is not organized for the private gain of any person. The purposes for which the Institute is formed are for scientific research. The Institute, as a tax-exempt, nonprofit public corporation, was ill-suited to pursue proposals for support that hinged on participation by private persons in future profit. Therefore, TIRHR, a for-profit, was formed in order that research programs that the Institute was pursuing, and that were identified as potentially suitable for private investment, could be transferred. The Truckee Surgery Center, LLC (the TSC), is organized and operated for the purpose of owning and lawfully operating the facility as a Medicare certified ambulatory surgery center that principally performs musculoskeletal surgery and related anesthesia services, all consistent with the purposes of the District of furthering the health care services of the surrounding communities and visitors to the area. TSC is included in the District's combined financial statements as a discretely presented component unit.

In October 2018, the District entered into a Membership Purchase Agreement with TSC to purchase an additional 48% membership interest in TSC for $451,785, which resulted in the District owning a 99% membership interest in TSC. In fiscal years 2024 and 2023, the District advanced $642,369 and $780,282 respectively, to TSC.

In February 2024, the District filed a Certificate of Dissolution with the California Secretary of State for the Institute, which was received by the California Secretary of State in March 2024. Following this, a Notice of Correction was issued in March 2024, requesting a Nonprofit Certificate of Dissolution form and a letter from the California Attorney General confirming that the corporation has no known assets. The District subsequently submitted this request to the California Attorney General in April 2024. As of the date of dissolution, the Institute had no assets, no outstanding liabilities, and net assets were effectively reduced to zero.

The District maintains its financial records in conformity with guidelines set forth by Local Health Care District Law and the Office of Statewide Health Planning and Development of the State of California.

Basis of preparation – The combined financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable statements of the Governmental Accounting Standards Board (GASB). The proprietary fund method of accounting is followed and uses the economic resources measurement focus and the accrual basis of accounting. In addition, these statements follow generally accepted accounting principles applicable to the health care industry, which are included in the American Institute of Certified Public Accountants' Audit and Accounting Guide, *Health Care Entities,* to the extent that these principles do not contradict GASB standards.

The Foundations are not-for-profit public benefit corporations that report under Financial Accounting Standards Board standards, *Topic 958*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the combined financial statements for these differences.

Accounting standards – Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements, as well as codified pronouncements issued on or before November 30, 1989, and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts and the State Controller's Office prescribed reporting guidelines.

Use of estimates – The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amount of revenues and expenses during the reporting period. Major items requiring estimates and assumptions include net patient service revenue, allowance for contractual and doubtful accounts receivable, amounts due to or from third-party payors, uninsured losses for medical malpractice liabilities, liabilities for workers' compensation claims, right-to-use lease assets and liabilities, subscription assets and liabilities, and useful lives of capital assets. Actual results could differ from those estimates.

Cash and cash equivalents – The District considers cash and cash equivalents to include cash on deposit and investments in highly liquid debt instruments with an initial maturity of three months or less, excluding amounts whose use is limited by board designation or other arrangements. Cash and cash equivalents also include investments in the Local Agency Investment Fund (LAIF) and the State Treasurer's pooled investment program.

Assets limited as to use – Assets limited as to use consist principally of short-term money market funds, certificates of deposit, LAIF, and U.S. government and corporate fixed income securities, which are recorded at fair value. Certain assets have been designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees in accordance with the indentures relating to long-term debt. Amounts required to meet current liabilities of the District are included in current assets.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) are included in the increase in unrestricted net position unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included as the net increase in the fair value of investments and reported in the accompanying combined statements of revenues, expenses, and changes in net position. Purchase premiums and discounts are recognized in investment income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Patient accounts receivable, net – Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies, and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectability, and providing for allowances in its accounting records for estimated contractual adjustments and doubtful accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Inventories – Inventories are stated at the lower of cost or market. Cost is determined by the weighted-average, first-in, first-out method.

Beneficial interest in trusts – The TFHSF entered into agreements with Tahoe Truckee Community Foundation (TTCF) to establish cancer care endowment funds with TTCF (the TTCF Endowment). The purpose of the TTCF Endowment is to help shape the future of cancer care and provide support to the communities served by TFHSF. The TTCF Endowment is protected from obsolescence in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating the TTCF. Should the purposes for which the TTCF Endowment was created become obsolete or incapable of fulfillment, it is TTCF's Board of Director's responsibility, after contacting and being advised by the TFHSF, to revise the charitable intent of the remaining funds to use for a purpose similar to those set forth in the agreement.

The TFHSF has also been named a beneficiary under the terms of the Tahoe Forest Cancer Center General, Patient and Family, and Sustainability Grantmaking Funds (the Funds) administered by the TTCF. Under the terms of the agreement, distributions from the Funds shall be in accordance with the spending policy established by the Board of Directors of TTCF. Distributions shall be made annually or, as the parties may, from time to time, agree. Distributions in excess of TTCF's spending policy may be made to the TFHSF in any year as determined by the Board of Directors of TTCF. The TFHSF may request, at any time, that TTCF disburse up to 100% of the Funds to the TFHSF. Such a request, however, is not binding on TTCF and may be accepted or rejected, in whole or in part, by TTCF at its sole and absolute discretion. At the establishment of the Funds, the TFHSF granted variance power to TTCF. That power gives TTCF the right to distribute the income and principal of the Funds to another not-for-profit organization of its choice if the TFHSF ceases to exist or if the governing board of TTCF votes that support of the TFHSF is no longer necessary or is inconsistent with the needs of TTCF. The TTCF Endowment and the Funds had a value of $1,909,740 and $1,770,934 as of June 30, 2024 and 2023, respectively, and is reported in the combined financial statements as beneficial interest in trusts.

The IVCHF entered into agreements with The Parasol Tahoe Community Foundation (Parasol) to establish endowment and improvement funds with Parasol (the Parasol Endowment). The purpose of the Parasol Endowment is to provide support to, or for the benefit of, the Foundation and its activities in pursuit of its mission to deliver optimal health care services in the communities served by Incline Village Community Hospital. The Parasol Endowment is protected from obsolescence in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating Parasol. Should the purposes for which the Parasol Endowment was created become obsolete or incapable of fulfillment, it is Parasol's Board of Director's responsibility, after contacting and being advised by the Foundation, to revise the charitable intent of the remaining funds to use for a purpose similar to those set forth in the agreement. The Parasol Endowment had a value of $116,500 and $104,268 as of June 30, 2024 and 2023, respectively, and is reported in the combined financial statements as beneficial interest in trusts.

The Foundations' interest in the TTCF Endowment, the Fund, and the Parasol Endowment assets are recorded in the accompanying combined statements of revenues, expenses, and changes in net position. The change in fair value attributable to the interests of the Foundations are recorded in other nonoperating revenues in the accompanying combined statements of revenues, expenses, and changes in net position. This change in fair value may include community or donor gifts to the TTCF Endowment, the Fund, and the Parasol Endowment, investment results, and distributions from the TTCF Endowment, the Fund, and the Parasol Endowment.

Capital assets – Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. All purchased capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Construction-in-progress includes capitalized interest costs of related borrowings, net of interest earned on unspent proceeds of the related borrowings. It is the policy of the District to capitalize equipment costing more than $1,500. Costs of assets sold or retired are removed from the accounts in the year of sale or retirement, with any gain or loss included in the combined statements of revenues, expenses, and changes in net position.

The District periodically evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset. There were no impairment losses in 2024 and 2023.

Depreciation of capital assets and amortization of capital assets under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 2 to 40 years for land improvements, 5 to 40 years for buildings and improvements, and 3 to 20 years for equipment and software.

Routine maintenance and repairs are charged to expense as incurred. Expenditures that increase values, change capacities, or extend useful lives are capitalized.

Right-to-use assets – The District has recorded right-to-use lease assets in accordance with GASB Statement No. 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Subscription assets – The District has recorded subscription assets in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any contract payments made to the subscription-based information technology arrangements (SBITA) vendor at the commencement of the subscription term and capitalizable initial implementation cost, less any incentive payments received from the SBITA vendor at the commencement of the subscription term. The subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets.

Deferred loss on defeasance – The deferred loss on defeasance of the 1999 Series B Bonds is amortized using the straight-line method over the life of the bonds. The original amount of deferred loss on defeasance is $769,305. Accumulated amortization as of June 30, 2024 and 2023, was $536,571 and $497,783, respectively. Amortization expense for each of the years ended June 30, 2024 and 2023, was $38,788; and is estimated to be $38,788 for each of the next five years.

The deferred gain on defeasance of the Series 2006 Revenue bonds is amortized using the straight-line method over the life of the bonds. The original amount of deferred gain on defeasance is $141,300. Accumulated amortization as of June 30, 2024 and 2023, was $70,651 and $62,800, respectively. Amortization income for each of the years ended June 30, 2024 and 2023, was $7,851; and is estimated to be $7,851 for each of the next five years.

The deferred loss on defeasance of the Series A (2008) General Obligation Bonds is amortized using the effective-interest method over the life of the bonds. The original amount of deferred loss on defeasance is $2,016,320. Accumulated amortization as of June 30, 2024 and 2023 was $824,859 and $733,208, respectively. Amortization expense for each of the years ended June 30, 2024 and 2023 was $91,651; and is estimated to be $91,651 for each of the next five years.

The deferred loss on defeasance of the Series B (2010) General Obligation Bonds is amortized using the effective-interest method over the life of the bonds. The original amount of deferred loss on defeasance is $4,627,331. Accumulated amortization as of June 30, 2024 and 2023, was $1,542,442 and $1,349,636, respectively. Amortization expense for each of the years ended June 30, 2024 and 2023, was $192,806; and is estimated to be $192,806 for each of the next five years.

There was no significant gain or loss on defeasance of the Series 2002 Revenue Bonds with the Series 2017 Revenue Bonds.

There was no significant gain or loss on defeasance of the Series C (2012) General Obligation Bonds with the 2019 General Obligation Bonds.

Deferred outflows of resources – In addition to assets, the combined statements of net position include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and, as such, will not be recognized as an outflow of resources (expense/expenditures) until that time. The District has two items that qualify for reporting in this category, which are the net deferred loss on defeasance and accumulated decrease in fair value of hedging derivatives reported in the combined statement of net position. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

Compensated absences – The District's employees earn paid time off (PTO) and sick leave benefits at varying rates depending on hours worked and years of service. For most employees, PTO benefits can accumulate up to the maximum of 240 hours. Employees are paid for accumulated PTO either upon termination or retirement. Sick leave is accumulated indefinitely at a maximum of 48 hours and is not vested with the employee upon termination or retirement. Accrued PTO and sick leave liabilities included in accrued payroll and related expense as of June 30, 2024 and 2023, were $7,007,218 and $6,658,981, respectively.

The following is a summary of changes in compensated absences transactions for the years ended June 30:

	Balance as of July 1, 2023	Increases	Decreases	Balance as of June 30, 2024	Current Portion
Compensated absences	$ 6,658,981	$ 1,482,545	$ 1,134,308	$ 7,007,218	$ 7,007,218

	Balance as of July 1, 2022	Increases	Decreases	Balance as of June 30, 2023	Current Portion
Compensated absences	$ 5,898,101	$ 1,375,502	$ 614,622	$ 6,658,981	$ 6,658,981

Lease liabilities – The District recognizes lease contracts or equivalents that have a term exceeding one year and that meet the definition of an other than short-term lease. The District uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the District's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

The following is a summary of changes in lease liabilities, net for the years ended June 30:

	Balance as of July 1, 2023	Increases	Decreases	Balance as of June 30, 2024	Current Portion
Lease liabilities	$ 8,501,986	$ 5,350,306	$ 1,718,225	$ 12,134,067	$ 1,617,347

	Balance as of July 1, 2022	Increases	Decreases	Balance as of June 30, 2023	Current Portion
Lease liabilities	$ 9,439,405	$ 650,348	$ 1,587,767	$ 8,501,986	$ 1,552,009

Subscription liabilities – The District entered into various agreements for IT subscriptions. These agreements range in terms up to year 2033. Total subscription payments were $3,341,428 and $2,707,191 for fiscal years 2024 and 2023, respectively. Variable payments based upon the use of the underlying IT asset are not included in the subscription liability because they are not fixed in substance — therefore, these payments are not included in subscription assets or subscription liabilities. There were no variable subscription expenses or payments in the fiscal years ended June 30, 2024 and 2023. The District did not enter into any additional subscription agreements that have yet to commence as of June 30, 2024.

The District recognizes contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceeding $100,000 that meet the definition of an other than short-term subscription. The District uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the District's incremental borrowing rate at start of the subscription for a similar asset type and term length to the contract. Short-term subscription payments are expensed when incurred.

The following is a summary of changes in subscription liabilities, net for the years ended June 30:

	Balance as of July 1, 2023	Increases	Decreases	Balance as of June 30, 2024	Current Portion
Subscription liabilities	$ 31,756,288	$ 301,486	$ 3,392,089	$ 28,665,685	$ 3,413,835

	Balance as of July 1, 2022	Increases	Decreases	Balance as of June 30, 2023	Current Portion
Subscription liabilities	$ 27,365,267	$ 7,098,212	$ 2,707,191	$ 31,756,288	$ 3,274,127

Net position – The net position of the District is comprised of net investment in capital assets, restricted – expendable, restricted – nonexpendable, and unrestricted net positions.

Net investment in capital assets – Net investment in capital assets represents investments in all capital assets (land, construction in progress, land improvements, building and building improvements, and equipment), net of depreciation/amortization, less any debt issued to finance those capital assets.

Restricted – expendable – The restricted – expendable net position is restricted through external constraints imposed by creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation, and includes assets in self-insurance trust funds, revenue bond reserve fund assets, and net position restricted to use by donors.

Restricted – nonexpendable – The restricted – nonexpendable net position is equal to the principal portion of permanent endowments. The endowments remain intact, with unrestricted earnings on such funds available for use as expendable assets.

Unrestricted – Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets, restricted – expendable, or restricted – nonexpendable.

Statements of revenues, expenses, and changes in net position – All revenues and expenses directly related to the delivery of health care services are included in operating revenues and operating expenses in the combined statement of revenues, expenses, and changes in net position. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or investment return.

Net patient service revenues – Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Delinquent patient accounts are recorded as bad debts and transferred for collection. Recoveries are recorded, net of recovery costs estimated, as an increase to net patient service revenue.

Charity care – The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The District accepts all patients regardless of their ability to pay. Partial payments to which the District is entitled from public assistance programs on behalf of patients that meet the District's charity care criteria are reported as patient service revenue. Charity care, which is excluded from recognition as receivables or revenue in the combined financial statements, is measured on the basis of uncompensated cost. The gross charges excluded from net patient service revenue under the District's charity care policy were $513,428 and $3,420,814 for the years ended June 30, 2024 and 2023, respectively. Using the District's Medicare cost to charge ratio, the estimated cost of these charges was $228,410 and $1,567,872 for the years ended June 30, 2024 and 2023, respectively.

Other operating revenue – Other operating revenue is recorded when the revenue is earned, when performance of services occurred, and receipt of cash is reasonably assured, and primarily includes retail pharmacy revenue, Public Hospital Redesign and Incentives in Medi-Cal Program (PRIME) and Quality Incentive Pool (QIP) revenue, Hospital Quality Assurance Fee (HQAF) revenue, grant revenue, childcare center revenue, and thrift store revenue. The composition of other operating revenue for the years ended June 30, 2024 and 2023, were as follows:

	2024	2023
Retail pharmacy revenue	$ 7,342,703	$ 5,613,937
PRIME/QIP revenue	3,345,657	2,449,513
HQAF revenue	3,060,804	2,943,028
Grant revenue	2,283,833	26,404
Childcare center revenue	2,220,868	1,752,580
Thrift store revenue	1,095,635	1,160,298
Other miscellaneous revenue	2,638,099	2,343,160
Total other operating revenue	$ 21,987,599	$ 16,288,920

Property tax revenues – Property taxes are levied by Nevada and Placer Counties on the District's behalf during the year, and are intended to help finance the District's activities during the same year. The amount of property tax received is dependent upon the assessed real property valuation, as determined by Nevada and Placer Counties Assessors. Nevada and Placer Counties have established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date. These funds are used to support the general maintenance and operation of the District, including charity care and uncompensated care programs, and to service the debt on the general obligation bonds. The District received approximately 5% of its financial support from property taxes for the years ended June 30, 2024 and 2023, exclusive of property taxes received to pay principal and interest payments of the general obligation bonds.

Medicare accelerated payments – On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect operations and the general population. Centers for Medicare and Medicaid Services (CMS) distributed $50 billion of the $100 billion in the form of grants to hospitals.

As a result of the COVID-19 pandemic, CMS initiated an Accelerated Payment Program to hospitals. The accelerated payments represent advance payments for services to be provided and were based on a hospital's historical Medicare volume. In April 2020, the District received $20,380,537 in accelerated payments. CMS began recoupment of these accelerated payments in April 2021 and continued to recoup the accelerated payments from billings for services rendered until they were fully repaid. The accelerated payments were fully repaid during the fiscal year ended June 30, 2023.

Risk management – The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

The District participates in a risk management authority for comprehensive liability self-insurance. The District is also partially self-insured for employee health insurance and workers' compensation insurance, up to certain stop-loss limits. The District estimates liabilities for claims incurred but not reported based on historical claims' activity. Paid claims, estimated losses, and changes in reserves are expensed in the current period. These self-insurance programs are more fully described in Note 9.

Income taxes – The District operates under the purview of the Internal Revenue Code (IRC), Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to state or federal taxes on income.

The Foundations are exempt from federal income tax under Section 501(c)(3) of the IRC. TFHSF is also exempt under Section 23701d of the California Franchise Tax Board except to the extent of unrelated business taxable income as defined under IRC Sections 511 through 515. The Foundations have not entered into any activities that would jeopardize its tax-exempt status. Therefore, no provision for income taxes is required.

Reclassifications – Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 financial statement presentation. These reclassifications had no effect on the changes in net position.

New accounting pronouncements – In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB 101 is effective for fiscal years beginning after December 15, 2023. The District is currently assessing the impact of GASB 101 on the District's combined financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB 102). The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. GASB 102 is effective for fiscal years beginning after June 15, 2024. The District is currently assessing the impact of GASB 102 on the District's combined financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The financial statement improvements resulting from GASB 103 include changes to management's discussion and analysis, presentation of major discretely presented component units, reporting extraordinary and special items as unusual or infrequent items, changes to the proprietary statement of revenues, expenses, and changes in fund net position, definitions of operating and non-operating revenues and expenses, and the presentation of budgetary comparison information. GASB 103 is effective for fiscal years beginning after June 15, 2025. The District is currently assessing the impact of GASB 103 on the District's combined financial statements.

Note 2 – Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare: Payments for inpatient acute care services rendered to Medicare program beneficiaries are based on prospectively determined rates, which vary according to the patient diagnostic classification system. Outpatient services are generally paid under an outpatient classification system subject to certain limitations. Certain reimbursement areas are still subject to final settlement that are determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2024, Tahoe Forest Hospital and Incline Village Community Hospital cost reports through June 30, 2019, and June 30, 2022, respectively, have been audited or otherwise final settled.

Medi-Cal: Prior to July 1, 2013, inpatient acute care services rendered to Medi-Cal program beneficiaries were reimbursed under a cost reimbursement methodology; however, the District is also subject to per discharge limits. The District was paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by Medi-Cal. Per discharge limits for the District have been determined by Medi-Cal through June 30, 2011. Beginning on July 1, 2013, inpatient acute care services were rendered to Medi-Cal program beneficiaries under a diagnostic related group (DRG) methodology. Under this methodology, similar to Medicare, services are paid at prospectively determined rates per discharge according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient skilled nursing care services rendered to Medi-Cal program beneficiaries are reimbursed at prospectively determined per diem rates. Outpatient services rendered to Medi-Cal program beneficiaries are reimbursed based on prospectively determined fee schedules. At June 30, 2024, Tahoe Forest Hospital and Incline Village Community Hospital cost reports through June 30, 2022, have been audited or otherwise final settled.

Other: Payments for services rendered to other than Medicare and Medi-Cal program beneficiaries are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations, and preferred provider organizations that provide for various discounts from established rates.

Net patient service revenue is comprised of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Daily hospital service	$ 40,240,837	$ 37,396,859
Inpatient ancillary services	51,610,060	45,085,271
Outpatient services	555,701,498	482,205,164
Gross patient service revenues	647,552,395	564,687,294
Less contractual allowances and provision for doubtful accounts	(340,611,143)	(280,293,122)
Net patient service revenue at Tahoe Forest Hospital District	306,941,252	284,394,172
Net patient service revenue at Truckee Surgery Center, LLC	1,981,564	1,310,165
Total net patient service revenue	$ 308,922,816	$ 285,704,337

Gross patient service revenue, before any provision for bad debts, summarized by payor is as follows, for the years ended June 30:

	2024	2023
Commercial	43%	46%
Medicare	40%	38%
Medi-Cal	16%	14%
Others	1%	2%
Total	100%	100%

Medicare and Medi-Cal revenue accounts for a large percentage of the District's gross patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Over five years, up to $7.5 billion in combined federal and state funds will be available to participating entities from the Public Hospital Redesign and Incentives in Medi-Cal Program (PRIME), which is a successor program within the Medi-Cal waiver. As a result of participating in PRIME, the District recorded a receivable of $3,999,040 and $3,311,464 at June 30, 2024 and 2023, respectively, which is included in other receivables on the combined statements of net position. This program requires a qualitative assessment of certain metrics and is subject to future audits by CMS.

The District receives funds through the Assembly Bill 915 legislation through an intergovernmental transfer (IGT), where funds are put up by the District to be matched by the federal government. As a result of two of these IGT programs, the District recorded a receivable of $15,760,947 at June 30, 2024, for funds related to fiscal years 2024 and 2023, and a receivable of $10,871,879 at June 30, 2023, for funds related to fiscal years 2023 and 2022, which is included in other receivables on the combined statements of net position.

Note 3 – Cash and Cash Equivalents, Assets Limited as to Use, and Investments

The District has deposits held by various financial institutions in the form of operating cash and cash equivalents. All of these funds are held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for $250,000 per account that is federally insured. At June 30, 2024 and 2023, the District's cash deposits had carrying amounts of $69,761,269 and $32,011,691, and bank balances of $74,837,696 and $34,505,617, respectively. All of these funds were held in cash deposits, which are collateralized with the California Government Code (CGC), except for $250,000 per account that is federally insured by the Federal Deposit Insurance Corporation (FDIC).

The District is generally authorized, under state statute and local resolutions, to invest in demand deposits with financial institutions, savings accounts, certificates of deposit, U.S. Treasury securities, federal agency securities, State of California notes or bonds, notes or bonds of agencies within the State of California, obligations guaranteed by the Small Business Administration, bankers' acceptances, commercial paper, the LAIF, and equity securities.

As of June 30, 2024 and 2023, assets limited as to use and investments, at carrying value, consisted of the following:

	2024	2023
Assets limited as to use - required for current liabilities	$ 10,294,862	$ 10,301,387
Assets limited as to use, net of current	115,098,840	109,616,744
Investments	1,612,129	6,261,725
Total	$ 127,005,831	$ 126,179,856

As of June 30, 2024 and 2023, assets limited as to use and investments, at carrying value, have been set aside as follows:

	2024	2023
Board designated assets	$ 118,773,967	$ 113,584,253
Assets held by trustees	6,619,735	6,333,878
Unrestricted investments	1,612,129	6,261,725
Total	$ 127,005,831	$ 126,179,856

A summary of scheduled maturities by investment type at June 30, 2024 and 2023, were as follows:

	2024			
		Investment Maturities (in years)		
	Carrying Value	Less than 1	1 to 5	6 to 10+
Investment type				
Short-term money market	$ 18,681,155	$ 18,681,155	$ -	$ -
U.S. corporate fixed income securities	21,720,653	-	21,720,653	-
U.S. government fixed income securities	75,297,854	-	75,297,854	-
Local agency investment fund	11,204,344	11,204,344	-	-
Equity securities	101,825	101,825	-	-
Total	$ 127,005,831	$ 29,987,324	$ 97,018,507	$ -

	2023			
		Investment Maturities (in years)		
	Carrying Value	Less than 1	1 to 5	6 to 10+
Investment type				
Short-term money market	$ 18,275,388	$ 18,275,388	$ -	$ -
U.S. corporate fixed income securities	25,222,299	-	25,222,299	-
U.S. government fixed income securities	71,399,614	-	71,399,614	-
Local agency investment fund	11,282,555	11,282,555	-	-
Total	$ 126,179,856	$ 29,557,943	$ 96,621,913	$ -

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

Credit risk and concentration of credit risk – Investment activities of the District are governed by sections of the CGC, which specify the authorized investments that may be made by the District. The District's investment policy (the Policy) requires that all investing activities of the District comply with the CGC and also sets forth certain additional restrictions which exceed those imposed by the CGC. Investment activities of the Foundations are governed by the Internal Revenue Code; therefore, its investment activities are not subject to the same requirements as the District.

CGC, Section 53635, places the following concentration limits on LAIF, which is unrated:

> No more than 40% may be invested in eligible commercial paper; no more than 10% may be invested in the outstanding commercial paper of any single issuer; and no more than 10% of the outstanding commercial paper of any single issuer may be purchased.

CGC, Section 53601, places the following concentration limits on the District's investments:

> No more than 5% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 10% of the outstanding commercial paper of any single issuer may be purchased; no more than 30% may be invested in bankers' acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% of the value of the portfolio may be invested in reverse repurchase agreements; and no more than 30% may be invested in medium-term notes.

The District's policy maximizes the return on invested cash while minimizing risk of capital loss. The District's policy limits investments to one and one-half years, unless otherwise approved by the Board of Directors. The District was in compliance with their investment policies as of June 30, 2024.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event or failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Note 4 – Fair Value Measurement of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for instruments measured at fair value on a recurring basis and recognized in the accompanying combined statements of net position or for which the fair value is disclosed in the notes to the combined financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2024 and 2023.

Cash and cash equivalents – The carrying amount approximates fair value.

Investments – Where quoted market prices are available in active markets, investments are classified within Level 1 of the valuation hierarchy. Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, are classified within Level 2 of the valuation hierarchy.

Beneficial interest in trusts – As described in Note 1, the Foundations established the TTCF and Parasol Endowment and are the beneficiary of the Funds held at the TTCF. The fair value of the beneficial interest is estimated using the fair value of the assets held in trust reported by the trustees as of June 30, 2024 and 2023.

Hedging derivative – The fair value of the hedging derivative is valued using market to market valuations as of June 30, 2024 and 2023.

The following tables present the fair value measurements of instruments recognized in the accompanying combined statements of net position measured on a recurring basis and the level within the GASB 72 fair value hierarchy in which the fair value measurements fall at June 30:

Description	2024 Level 1	Level 2	Level 3	Total
Hedging derivative	$ -	$ (154,402)	$ -	$ (154,402)
Short-term money market	18,681,155	-	-	18,681,155
U.S. corporate fixed income securities	-	21,720,653	-	21,720,653
U.S. government fixed income securities	-	75,297,854	-	75,297,854
Equity securities	101,825	-	-	101,825
Beneficial interest in trusts	-	-	2,026,240	2,026,240
Total by fair value level	$ 18,782,980	$ 96,864,105	$ 2,026,240	$ 117,673,325
Local agency investment fund				11,204,344
Total				$ 128,877,669

Description	2023 Level 1	Level 2	Level 3	Total
Hedging derivative	$ -	$ (262,970)	$ -	$ (262,970)
Short-term money market	18,275,388	-	-	18,275,388
U.S. corporate fixed income securities	-	25,222,299	-	25,222,299
U.S. government fixed income securities	-	71,399,614	-	71,399,614
Beneficial interest in trusts	-	-	1,875,202	1,875,202
Total by fair value level	$ 18,275,388	$ 96,358,943	$ 1,875,202	116,509,533
Local agency investment fund				11,282,555
Total				$ 127,792,088

The following table summarizes the changes in the District's Level 3 financial instruments for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning balance	$ 1,875,202	$ 1,753,645
Additional amounts invested in beneficial interest in trusts	-	5,500
Change in value of beneficial interest in trusts	151,038	116,057
Ending balance	$ 2,026,240	$ 1,875,202

The table below presents information about significant unobservable inputs related to material categories of Level 3 financial instruments as of June 30, 2024 and 2023:

Description	Fair Value as of June 30, 2024	Valuation Technique	Unobservable Input	Range
Beneficial interest in trusts	$ 2,026,240	Asset fair value from Trustee	Asset fair value from Trustee	Varies

Description	Fair Value as of June 30, 2023	Valuation Technique	Unobservable Input	Range
Beneficial interest in trusts	$ 1,875,202	Asset fair value from Trustee	Asset fair value from Trustee	Varies

Note 5 – Patient Accounts Receivable

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities subject to differing economic conditions, and do not represent any concentrated credit risks to the District.

Patient accounts receivable is comprised of the following as of June 30, 2024 and 2023:

	2024	2023
Medicare and Medicare managed care	$ 23,134,533	$ 20,140,559
Medi-Cal and Medi-Cal managed care	46,667,532	24,394,843
Other payors	51,855,814	42,347,190
Self-pay	8,544,015	12,800,662
Gross patient accounts receivable	130,201,894	99,683,254
Less allowances for contractual adjustments and bad debts	(78,676,228)	(51,128,311)
Net patient accounts receivable at Tahoe Forest Hospital District	51,525,666	48,554,943
Net patient accounts receivable at Truckee Surgery Center, LLC	482,863	268,672
Total net patient accounts receivable	$ 52,008,529	$ 48,823,615

Concentration of net patient accounts receivable as of June 30, 2024 and 2023, were as follows:

	2024	2023
Commercial and other payors	71%	72%
Medicare	17%	16%
Medi-Cal	11%	10%
Self-pay	1%	2%
Total	100%	100%

Note 6 – Capital Assets

The capital asset activity of the District for the years ended June 30, 2024 and 2023, were as follows:

	2024				
	Balance June 30, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Capital assets - nondepreciable					
Land	$ 8,579,997	$ 22,900	$ -	$ -	$ 8,602,897
Construction in progress, net	14,363,891	9,191,021	-	(10,225,857)	13,329,055
Property held for future expansion	910,968	-	-	-	910,968
	23,854,856	9,213,921	-	(10,225,857)	22,842,920
Capital assets - depreciable					
Land improvements	5,788,962	-	-	95,044	5,884,006
Building and improvements	257,301,909	2,131,959	(955,060)	10,130,813	268,609,621
Equipment and software	112,048,238	4,955,325	(9,911)	-	116,993,652
Capital assets at Truckee Surgery Center, LLC	1,643,396	289,421	-	-	1,932,817
	376,782,505	7,376,705	(964,971)	10,225,857	393,420,096
Less accumulated depreciation for					
Land improvements	3,675,962	113,069	-	-	3,789,031
Building and improvements	100,923,252	9,934,236	(955,060)	-	109,902,428
Equipment and software	95,439,384	4,868,256	(9,911)	-	100,297,729
Capital assets at Truckee Surgery Center, LLC	727,753	119,029	-	-	846,782
	200,766,351	15,034,590	(964,971)	-	214,835,970
Total capital assets - depreciable, net	176,016,154	(7,657,885)	-	10,225,857	178,584,126
Total capital assets, net	$ 199,871,010	$ 1,556,036	$ -	$ -	$ 201,427,046

	2023				
	Balance June 30, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Capital assets - nondepreciable					
Land	$ 8,579,997	$ -	$ -	$ -	$ 8,579,997
Construction in progress, net	18,624,634	17,915,946	-	(22,176,689)	14,363,891
Property held for future expansion	910,968	-	-	-	910,968
	28,115,599	17,915,946	-	(22,176,689)	23,854,856
Capital assets - depreciable					
Land improvements	5,730,707	-	-	58,255	5,788,962
Building and improvements	232,912,983	2,270,492	-	22,118,434	257,301,909
Equipment and software	107,059,965	5,079,493	(91,220)	-	112,048,238
Capital assets at Truckee Surgery Center, LLC	1,466,650	176,746	-	-	1,643,396
	347,170,305	7,526,731	(91,220)	22,176,689	376,782,505
Less accumulated depreciation for					
Land improvements	3,567,574	108,388	-	-	3,675,962
Building and improvements	91,932,983	8,990,269	-	-	100,923,252
Equipment and software	89,778,134	5,752,470	(91,220)	-	95,439,384
Capital assets at Truckee Surgery Center, LLC	633,332	94,421	-	-	727,753
	185,912,023	14,945,548	(91,220)	-	200,766,351
Total capital assets - depreciable, net	161,258,282	(7,418,817)	-	22,176,689	176,016,154
Total capital assets, net	$ 189,373,881	$ 10,497,129	$ -	$ -	$ 199,871,010

Note 7 – Long-Term Debt and Capital Lease Obligations

A summary of long-term debt and capital lease obligations as of June 30, 2024 and 2023, were as follows:

	2024					
	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2024
General obligation bonds						
2016 GOB	March 2016	August 2040	2.00% - 5.00%	$1,040,000 - $3,625,000	$ 45,110,000	$ 39,170,000
2015 GOB	February 2015	August 2038	2.00% - 5.00%	$670,000 - $2,895,000	30,810,000	26,750,000
2019 GOB	September 2019	August 2042	3.00% - 5.00%	$340,000 - $2,270,000	24,710,000	23,350,000
Revenue bonds						
Series 2017	March 2017	July 2032	1.49%	$555,443 - $663,805	9,060,000	5,526,500
Series 2015	March 2015	July 2033	3.87%	$1,083,475- $1,583,873	20,979,000	13,430,569
Notes payable						
11046 Donner Pass Road	January 2019	February 2026	4.00%	$743,441 - $773,730	4,950,000	1,306,985
Opus Bank Muni Lease	October 2018	November 2023	2.82%	$714,103 - $1,671,641	8,000,000	-
Capital lease obligations						
US Bank Equipment Financing	September 2019	September 2024	8.30%	$273 monthly	18,176	734
US Bank Equipment Financing	October 2019	October 2024	8.28%	$117 monthly	7,835	474
Westamerica Bank	March 2019	March 2024	4.05%	$39,111 - $50,336	239,669	-
					$ 143,884,680	$ 109,535,262

	2023					
	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2023
General obligation bonds						
2016 GOB	March 2016	August 2040	2.00% - 5.00%	$935,000 - $3,625,000	$ 45,110,000	$ 40,210,000
2015 GOB	February 2015	August 2038	2.00% - 5.00%	$670,000 - $2,895,000	30,810,000	27,515,000
2019 GOB	September 2019	August 2042	3.00% - 5.00%	$340,000 - $2,270,000	24,710,000	23,740,000
Revenue bonds						
Series 2017	March 2017	July 2032	1.49%	$544,552 - $663,805	9,060,000	6,081,943
Series 2015	March 2015	July 2033	3.87%	$1,073,107- $1,583,873	20,979,000	14,514,044
Notes payable						
11046 Donner Pass Road	January 2019	February 2026	4.00%	$533,255 - $773,730	4,950,000	2,050,426
Opus Bank Muni Lease	October 2018	November 2023	2.82%	$714,103 - $1,671,641	8,000,000	714,103
Capital lease obligations						
US Bank Equipment Financing	September 2019	September 2024	8.30%	$273 monthly	18,176	4,936
US Bank Equipment Financing	October 2019	October 2024	8.28%	$117 monthly	7,835	2,272
Westamerica Bank	March 2019	March 2024	4.05%	$39,111 - $50,336	239,669	39,111
					$ 143,884,680	$ 114,871,835

The following tables summarize the District's long-term debt and capital lease transactions for the years ended June 30, 2024 and 2023:

	2024				
	Balance June 30, 2023	Net Borrowings and Issuance Proceeds	Payments and Bond Premium/Discount Amortization During the Year	Balance June 30, 2024	Current Portion
2016 General obligation bond	$ 40,210,000	$ -	$ (1,040,000)	$ 39,170,000	$ 1,140,000
2015 General obligation bond	27,515,000	-	(765,000)	26,750,000	865,000
2019 General obligation bond	23,740,000	-	(390,000)	23,350,000	435,000
General obligation bond premium/discount	3,239,549	-	(187,618)	3,051,931	-
Series 2017 Revenue bonds	6,081,943	-	(555,443)	5,526,500	566,551
Series 2015 Revenue bonds	14,514,044	-	(1,083,475)	13,430,569	1,125,406
11046 Donner Pass Road	2,050,426	-	(743,441)	1,306,985	773,730
Opus Bank Muni Lease	714,103	-	(714,103)	-	-
US Bank equipment financing	4,936	-	(4,201)	735	735
US Bank equipment financing	2,272	-	(1,799)	473	473
Westamerica Bank	39,111	-	(39,111)	-	-
	$ 118,111,384	$ -	$ (5,524,191)	$ 112,587,193	$ 4,906,895

	2023				
	Balance June 30, 2022	Net Borrowings and Issuance Proceeds	Payments and Bond Premium/Discount Amortization During the Year	Balance June 30, 2023	Current Portion
2016 General obligation bond	$ 41,145,000	$ -	$ (935,000)	$ 40,210,000	$ 1,040,000
2015 General obligation bond	28,185,000	-	(670,000)	27,515,000	765,000
2019 General obligation bond	24,080,000	-	(340,000)	23,740,000	390,000
General obligation bond premium/discount	3,427,166	-	(187,617)	3,239,549	-
Series 2017 Revenue bonds	6,626,495	-	(544,552)	6,081,943	555,443
Series 2015 Revenue bonds	15,557,151	-	(1,043,107)	14,514,044	1,083,475
11046 Donner Pass Road	2,764,765	-	(714,339)	2,050,426	743,441
Opus Bank Muni Lease	2,385,744	-	(1,671,641)	714,103	714,103
US Bank equipment financing	8,804	-	(3,868)	4,936	4,109
US Bank equipment financing	3,929	-	(1,657)	2,272	1,891
Westamerica Bank	89,447	-	(50,336)	39,111	39,111
	$ 124,273,501	$ -	$ (6,162,117)	$ 118,111,384	$ 5,336,573

As of June 30, 2024, the District's long-term debt and capital lease obligation requirements to maturity, excluding unamortized bond premium and bond issuance costs of $3,051,931, are as follows:

	Long-Term Debt			Capital Lease Obligations		
Years Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2025	$ 4,905,687	$ 3,585,558	$ 8,491,245	$ 1,208	$ -	$ 1,208
2026	5,010,097	3,376,546	8,386,643	-	-	-
2027	4,833,638	3,173,027	8,006,665	-	-	-
2028	5,217,416	2,965,417	8,182,833	-	-	-
2029	5,628,249	2,764,463	8,392,712	-	-	-
2030 - 2034	34,158,967	10,465,302	44,624,269	-	-	-
2035 - 2039	34,525,000	4,768,275	39,293,275	-	-	-
2040 - Thereafter	15,255,000	543,053	15,798,053	-	-	-
	$ 109,534,054	$ 31,641,641	$ 141,175,695	$ 1,208	$ -	$ 1,208

Advanced refunding – On April 13, 2006, the District advance refunded the 1999 Series A Bonds totaling $11,790,000 with Series 2006 Revenue Bonds totaling $24,347,998. The 1999 Series A Bonds were redeemed on July 1, 2009, in accordance with the escrow agreement.

On March 10, 2015, the District advance refunded the Series A (2008) General Obligation Bonds totaling $29,345,000 with the 2015 General Obligation Bonds totaling $30,810,000 at a premium of $1,040,802. Resources totaling $31,361,320 were placed in an escrow account for the purpose of generating resources for all future debt service payments.

This advance refunding was undertaken to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding general obligation bonds) of $3,631,371. As a result of the refunding, total debt service payments over the next 24 years will decrease by $5,184,014.

On May 29, 2015, the District advance refunded the Series 2006 Revenue Bonds totaling $23,240,000 with the Series 2015 Revenue Bonds totaling $20,979,000. Resources totaling $24,036,325 were placed in an escrow account for the purpose of generating resources for all future debt service payments.

This advance refunding was undertaken to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding revenue bonds) of $2,331,620. As a result of the refunding, total debt service payments over the next 22 years will decrease by $2,570,928.

On April 7, 2016, the District advance refunded the Series B (2010) General Obligation Bonds totaling $42,785,000 with the 2016 General Obligation Bonds totaling $45,110,000. Resources totaling $47,412,331 were placed in an escrow account for the purpose of generating resources for all future debt service payments.

This advance refunding was undertaken to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding general obligation bonds) of $7,718,216. As a result of the refunding, total debt service payments over the next 22 years will decrease by $10,617,709.

On March 27, 2017, the District advance refunded the Series 2002 Variable Rate Demand Revenue Bonds totaling $8,890,000 with the Series 2017 Variable Rate Demand Revenue Bonds totaling $9,060,000.

This advance refunding was undertaken to obtain an economic gain by eliminating the required line of credit associated with the Series 2002 Bonds, therefore saving approximately $100,000 annually for the District. The Series 2017 Bonds were issued on a parity as to payment and security with the District's Series 2015 Bonds.

On August 1, 2019, the District advanced refunded the Series C (2012) General Obligation Bonds totaling $25,570,000 with the 2019 General Obligation Bonds totaling $24,710,000 at a premium of $1,251,639.

This advance refunding was undertaken to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding general obligation bonds) of $860,000. As a result of the refunding, total debt service payments over the next 23 years will decrease by $4,591,190.

Note 8 – Interest Rate Swap Agreement

In May 2005, as a means to lower its borrowing costs when compared against fixed rate bonds, the District entered into an interest rate swap in connection with its Series 2002 Variable Rate Revenue Bonds. The intention of the swap was to effectively change the District's variable interest rate on the Bonds to a synthetic fixed rate of 3.54%.

The Series 2002 Bonds, and the related swap agreement, mature on July 1, 2033. The swap's original notional amount of $11,800,000 matched the variable-rate bonds at the agreement date. The swap commenced three years after the Bonds were issued (July 2002). Starting in fiscal year 2005, the notional value of the swap, and the principal amount of the associated debt, will decline with each principal payment made by the District. Under the swap, the District pays the counterparty a fixed payment of 3.54% and receives a variable payment computed as 70% of the LIBOR one-month rate.

In 2017, the 2002 bonds were defeased and the funds were used to issue the Series 2017 Revenue Bonds. The Series 2017 Revenue bonds are for a marginally larger notional amount, with the same end date, and the same interest rate based on the same driver. The swap was then found to still be effective with the new Series 2017 Revenue Bonds, and hedge accounting for the swap continued forward. At the date of defeasance, the value of the swap was approximately $1,400,000. In June 2023, the District amended the Series 2017 Revenue Bonds Indenture of Trust. As part of the amendment, effective July 1, 2023, the Series 2017 Revenue Bonds shall bear interest at a variable rate equal to 65% of the aggregate of the daily Secured Overnight Financing Rate plus 1.70%, minus 0.10%.

As interest rates have declined since execution of the swap, the swap had negative fair values of $154,402 and $262,970 as of June 30, 2024 and 2023, respectively. The swap's negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the District's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated using mathematical approximations of market values derived from proprietary models. The valuations are calculated on a mid-market basis and do not include bid/offer spread that would be reflected in an actual price quotation. It should be assumed that the actual price quotations for unwinding the transactions would be different. In connection with the fair value determination of the interest rate swap, the District has recorded a derivative instrument liability in the amount of $154,402 and $262,970 at June 30, 2024 and 2023, respectively, and a corresponding accumulated decrease in fair value of hedging derivative (deferred outflow of resources). Fair values are based on a market to market report which is considered a Level 2 fair value input.

Credit risk – As of June 30, 2024, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA-/Aa3 as of June 30, 2024. To mitigate the potential for credit risk, if the counterparty's credit quality falls below AA/Aa, the fair value of the swap will be fully collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Termination risk – The District, or the counterparty, may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the District if the counterparty's credit rating falls below A3/A-/A-. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. If at the time of termination, the swap has a negative fair value, the District would also be liable to the counterparty for a payment equal to the swap's fair value.

Note 9 – Risk Management Programs

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. The District carries insurance for medical malpractice and general comprehensive liability, and workers' compensation claims.

Workers' compensation insurance – The District is self-insured for workers' compensation claims. A stop-loss insurance contract executed with an insurance carrier covers individual claims in excess of $500,000 per plan year with an aggregate limit of $1,000,000. There were no significant changes in insurance coverage from the prior year.

Workers' compensation benefits costs from reported and unreported claims were accrued based on estimates that incorporate the District's past experience, as well as other considerations, including the nature of each claim or incident and other relevant trend factors. While the ultimate amount of workers' compensation liability is dependent on future developments, management is of the opinion that the associated liabilities for claims pending and incurred but not reported, which is included in estimated claims incurred but not reported on the combined statements of net position, is adequate to cover such claims. The liability has not been discounted. Management is aware of no potential workers' compensation liability the settlement of which, if any, would have a material adverse effect on the District's net position for the years ended June 30, 2024 and 2023.

Employee health insurance – The District is self-insured to provide group medical, dental, and vision coverage. The District funds its liability based on actual claims. A stop-loss insurance contract executed with an insurance carrier provides a specific stop-loss deductible per claim of $375,000 with an aggregate specific annual deductible of $100,000. There were no significant changes in insurance coverage from the prior year.

The liability for unpaid claims is estimated using an industry average that is based on actual claims paid. The estimated liability for claims pending and incurred but not reported at June 30, 2024 and 2023, has been included in the accompanying combined statements of net position under estimated claims incurred but not reported.

The following is a summary of the changes in the workers' compensation and employee health insurance liabilities for the years ended June 30, 2024 and 2023:

	2024			
	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Workers' compensation	$ 3,287,371	$ 250,000	$ (1,239,530)	$ 2,297,841
Employee health	2,722,950	520,537	(303,951)	2,939,536
	$ 6,010,321	$ 770,537	$ (1,543,481)	$ 5,237,377

	2023			
	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Workers' compensation	$ 2,947,527	$ 339,844	$ -	$ 3,287,371
Employee health	2,224,062	498,888	-	2,722,950
	$ 5,171,589	$ 838,732	$ -	$ 6,010,321

Medical malpractice insurance – The District participates in a joint powers agreement (JPA) with the Program BETA Risk Management Authority (the Program).

The Program was formed for the purpose of operating a comprehensive liability self-insurance program for certain hospital districts of the Association of California Healthcare Districts, Inc. (ACHD). The Program operates as a separate JPA established as a public agency separate and distinct from ACHD. Each member hospital pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the Program. The District maintains coverage on a claims-made basis.

Coverage under a claims-made policy could expose the District to a gap in coverage if the District were to terminate coverage with the Program. In order to mitigate this potential gap in coverage, the District has accrued an estimated premium to purchase an unlimited extended reporting amendment (tail coverage) in the amount of $2,771,063 and $2,586,926 for the years ended June 30, 2024 and 2023, respectively.

Note 10 – Restricted Net Assets

Net assets are maintained for the following programs and services at June 30:

	2024	2023
Restricted - expendable net assets		
Cancer prevention	$ 868,364	$ 742,893
Cancer care	1,390,365	1,251,559
Hospice and other	1,988,023	5,735,044
	$ 4,246,752	$ 7,729,496
Restricted - nonexpendable net assets		
Investments in perpetuity, TTCF Endowment	$ 519,375	$ 519,375
Investments in perpetuity, Parasol Endowment	84,609	84,609
	$ 603,984	$ 603,984

Note 11 – Employees' Retirement Plans

The District contributes to the Tahoe Forest Hospital District Employee Money Purchase Pension Plan (the MPP Plan), a defined contribution pension plan administered by the District. The MPP Plan covers employees who complete 1,000 hours of service in a calendar year. The District is required to make annual contributions to the MPP Plan equal to 3% of each eligible employee's annual compensation, plus 3% of an eligible employee's annual compensation in excess of the Social Security tax wage base. Employee contributions are voluntary and are limited to 10% of an employee's annual compensation.

The District also offers its employees a deferred compensation plan (the 457 Plan) created in accordance with Internal Revenue Code Section 457(b). The 457 Plan allows employees to defer a portion of their current compensation until future years. The District matches participant's deferrals from 3% to 7% of compensation. Employee contributions are limited to 100% of total employee compensation or the maximum amount allowable by law. The employer matching contributions under the 457 Plan are deposited into employee accounts in the MPP Plan.

Total employer contributions under the above retirement plans were $9,085,660 and $7,882,348 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, the District has accrued $3,564,775 and $4,138,765, respectively, of employer contributions related to the above retirement plans in accrued payroll and related expense on the accompanying combined statements of net position.

Note 12 – Commitments and Contingencies

Construction in progress – As of June 30, 2024 and 2023, the District had recorded $13,329,055 and $14,363,891, respectively, as construction-in-progress representing cost capitalized for various remodeling, major repair, and expansion projects on the District's premises. Estimated cost to complete all projects as of June 30, 2024, is $4,469,117.

Litigation – The District is a defendant in various legal proceedings arising out of the normal conduct of its business. In the opinion of management and its legal representatives, the District has valid and substantial defenses, and settlements or awards arising from legal proceedings, if any, will not exceed existing insurance coverage, nor will they have a material adverse effect on the net position, results of operations, or liquidity of the District.

Regulatory environment – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. The District is subject to routine surveys and reviews by federal, state, and local regulatory authorities. The District has also received inquiries from health care regulatory authorities regarding its compliance with laws and regulations. Although the District management is not aware of any violations of laws and regulations, it has received corrective action requests as a result of completed and ongoing surveys from applicable regulatory authorities. Management continually works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities. Breaches of these laws and regulations and noncompliance with survey corrective action requests could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Hospital Seismic Safety Act – The California Hospital Facilities Seismic Safety Act (SB 1953) specifies certain requirements that must be met at various dates in order to increase the probability that a California hospital can maintain uninterrupted operations following a major earthquake. Management believes that the District is currently substantially in compliance with these requirements.

Arbitrage – The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the District performed calculations of excess investment earnings on various bonds and financings and, at June 30, 2024, does not expect to incur a significant liability.

Note 13 – Right-to-Use Assets and Lease Liabilities

The District is a lessee for noncancellable leases of office space and equipment with lease terms through 2035. There are no residual value guarantees included in the measurement of the District's lease liabilities nor recognized as an expense for the years ended June 30, 2024 and 2023. The District does not have any commitments that were incurred at the commencement of the leases. The District is subject to variable equipment usage payments that are expensed when incurred. There were no amounts recognized as variable lease payments as lease expense on the combined statements of revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023. No termination penalties were incurred during the fiscal year.

	Balance as of July 1, 2023	Increases	Decreases	Balance as of June 30, 2024
Right-to-use assets	$ 12,466,431	$ 5,350,306	$ 87,486	$ 17,729,251
Less accumulated amortization	4,351,654	1,710,913	-	6,062,567
Right to use assets, net	$ 8,114,777	$ 3,639,393	$ 87,486	$ 11,666,684

	Balance as of July 1, 2022	Increases	Decreases	Balance as of June 30, 2023
Right-to-use assets	$ 11,816,083	$ 650,348	$ -	$ 12,466,431
Less accumulated amortization	2,664,154	1,687,500	-	4,351,654
Right to use assets, net	$ 9,151,929	$ (1,037,152)	$ -	$ 8,114,777

For the years ended June 30, 2024 and 2023, the District recognized $1,710,913 and $1,687,500, respectively, in amortization expense included in depreciation and amortization expense on the combined statements of revenues, expenses, and changes in net position.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Years ending June 30,	Principal Payments	Interest Payments	Total
2025	$ 1,617,347	$ 377,966	$ 1,995,313
2026	1,541,369	345,265	1,886,634
2027	1,293,426	311,617	1,605,043
2028	879,453	286,457	1,165,910
2029	758,978	266,083	1,025,061
Thereafter	6,043,494	2,046,073	8,089,567
	$ 12,134,067	$ 3,633,461	$ 15,767,528

The District evaluated the right-to-use assets for impairment and determined there was no impairment for the years ended June 30, 2024 and 2023.

Note 14 – Subscription-Based Information Technology Arrangements

The District has the following subscription assets activity as of June 30:

	Balance as of July 1, 2023	Increases	Decreases	Balance as of June 30, 2024
Subscription assets	$ 36,748,089	$ 301,486	$ 50,661	$ 36,998,914
Less accumulated amortization	6,063,618	3,818,324	-	9,881,942
Subscription assets, net	$ 30,684,471	$ (3,516,838)	$ 50,661	$ 27,116,972

	Balance as of July 1, 2022	Increases	Decreases	Balance as of June 30, 2023
Subscription assets	$ 29,649,877	$ 7,098,212	$ -	$ 36,748,089
Less accumulated amortization	2,845,189	3,218,429	-	6,063,618
Subscription assets, net	$ 26,804,688	$ 3,879,783	$ -	$ 30,684,471

For the years ended June 30, 2024 and 2023, the District recognized $3,818,324 and $3,218,429, respectively, in amortization expense included in depreciation and amortization expense on the combined statements of revenues, expenses, and changes in net position.

The future subscription payments as of June 30, 2024, were as follows:

Years ending June 30,	Principal Payments	Interest Payments	Total
2025	$ 3,413,835	$ 1,211,719	$ 4,625,554
2026	3,552,843	1,057,836	4,610,679
2027	3,422,042	894,883	4,316,925
2028	2,760,369	756,755	3,517,124
2029	2,743,498	633,508	3,377,006
Thereafter	12,773,098	1,257,584	14,030,682
	$ 28,665,685	$ 5,812,285	$ 34,477,970

The District evaluated the subscription assets for impairment and determined there was no impairment for the years ended June 30, 2024 and 2023.

Note 15 – Subsequent Events

Subsequent events are events or transactions that occur after the combined statement of net position date but before the combined financial statements are issued. The District recognizes in the combined financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the combined statement of net position, including the estimates inherent in the process of preparing the combined financial statements. The District's combined financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the combined statement of net position but arose after the combined statement of net position date and before the combined financial statements are issued.

TAHOE FOREST HOSPITAL DISTRICT
RESOLUTION NO. 2024-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TAHOE FOREST HOSPITAL DISTRICT ESTABLISHING A SEARCH COMMITTEE FOR ITS PRESIDENT AND CHIEF EXECUTIVE OFFICER

WHEREAS, Tahoe Forest Hospital District (the "District") is a hospital district duly organized and existing under the Local Health Care District Law of the State of California; and

WHEREAS, the District's Bylaws provide for the Chair of the Board of Directors of the District (the "Chair" of the "Board") to appoint new committees from time to time as deemed necessary or expedient, which may perform such functions as assigned to them by the Chair for a specified period of time or until determined to be no longer necessary and disbanded by the Chair, and further provides for the Chair to appoint such committee's chairs; and

WHEREAS, Human Resources policy AHR-113 provides a procedure for the selection of a Chief Executive Officer (CEO) in the event of a vacancy and under that policy the Board has engaged WittKieffer as an executive search firm (the "Search Firm") to identify candidates for the position of President and CEO; and

WHEREAS, the Search Firm has suggested a process to identify and select candidates for President and CEO, to review applications and resumes of candidates, and to recommend a limited pool of candidates for interviews by the Board; and

WHEREAS, based on those recommendations, the Board wishes to form a committee to assist with the search for a President and CEO (the "Search Committee") that will allow input from a representative of the Heath System's Medical Staff and Administration; and

WHEREAS, the Search Committee will facilitate the process of searching for a President and CEO, including reviewing the candidates' resumes and background materials, narrowing the top candidates, and recommending the top candidates to the Board for in person interviews.

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

Section 1. Recitals

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

Section 2. Establishment of Search Committee; Decision-Making Authority

The Search Committee is hereby established and charged with the following responsibilities and decision-making authority:

- Meet with the Search Firm to share the Board's expectations of the characteristics of an ideal candidate;

- Receive information on potential candidates from the Search Firm;
- Conduct an initial review of applications, resumes, profiles and other materials submitted ("Application Materials") by potential candidates;
- Based on that initial review, determine the top five to seven candidates for further consideration;
- Conduct interviews with the top five to seven candidates;
- Based on those interviews and those candidates' Application Materials, select the top two or three candidates for full interviews in Truckee; and
- Provide such other support to the Board as the Chair directs.

The Search Committee has no decision-making authority outside of that authority listed above. The Board reserves and retains the final decision-making authority regarding selection of the District's President and CEO.

Section 3. Committee Members and Chair

The following members are hereby appointed to the Search Committee: (1) all Members of the Board; (2) the District's Chief Financial Officer; and (3) the District's Chief of the Medical Staff.

Alyce Wong is hereby appointed as the Search Committee's chair.

The Search Committee shall have such support from the District's General Counsel, the Chief Human Resource Officer, and other District staff as the Interim President and CEO shall direct.

Section 4. Term

A. Term. The Search Committee shall exist only until it has fulfilled its responsibilities listed above, and at that time, it shall automatically be disestablished.

B. Appointments Term. Committee appointments shall be limited to the period during which the Search Committee exists.

Section 5. Ralph M. Brown Act

The Search Committee shall comply with all requirements of the Ralph M. Brown Act, Government Code sections 54950 *et seq*.

Passed and adopted this 24th day of October, 2024 at the meeting of the Tahoe Forest Hospital District Board of Directors by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

TAHOE FOREST HOSPITAL DISTRICT

BY: _____
Alyce Wong, Chair
Board of Directors

ATTEST:

_____
Mary Brown, Secretary
Board of Directors