



Board Informational Report

By: Harry Weis
President and CEO

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Our health system year over year growth has slowed a bit more than the 5.4% year over year approximate growth I reported last month. Now, we estimate after 12 full months our growth over all is approximately 4.4% over Fiscal Year 2022.

This lower level of growth is more manageable and as we have very limited clinical office space for our patients, that helps too.

We remain committed on behalf of all patients in our region to remodeling all relevant preexisting office space to be used to the max for patient care and medical staff clinical visits by removing non-patient care activities from these buildings where possible.

This calendar year all Medicaid enrollees across the US are being disenrolled from Medicaid and then they have to go through several steps to re-enroll. We have great empathy for efforts of our patients to reenroll. There are over 89 M Medicaid enrollees in the US. There over 15 million Medicaid enrollees in California, meaning that slightly more than 1 in 3 Californians utilize Medicaid.

I believe we have performed within 1% of the budgeted revenues for FY 23, so our hats are off for our finance team and their hard work in forecasting revenues.

The level of inflation on the expense side is much higher than anyone would have guessed. We are seeing supply expense growth of 18% year over year and total expense growth more than 12% higher year over year.

All of this happens with our health system only putting in a maximum of a 5% price increase. So our bottom line has contracted quite a bit year over year.

Every external regulatory and market force variable continues to change every week now and in the future. We regret to share that health systems are really struggling in Reno, Carson City, S. Lake Tahoe, Roseville, Bishop, Ridgecrest, Hollister, Watsonville, Madera, Visalia, Poway, El Centro, Montebello and list of communities goes on.

We are grateful to have the lowest staff turnover of any health system we've talked to.

We are humbled and honored to have our nurses and our medical staff recognized by Beckers Hospital Review electronic journal in July, where Tahoe Forest Hospital medical staff are recognized as one of the top 6 hospitals in CA and one of the top 347 in the US for physician communications with their patients. We were also one of the top 6 hospitals in CA and one of

the top 364 hospitals in the US for nursing communications with their patients. A big congrats to our medical staff and our nurses!

Our team is focused on the new fiscal year that began July 1.

We are also at the very beginning stage of observations and interviews of our team members in our 2-year "LEAN Management System review and improvement program for Patient Access and improving operations in general. This process should improve patient experience, team member experience and also improve our sustainability. This critical improvement topic involves a lot of leadership and team member time.

We are pleased to have a Shared Governance Leadership group in the Surgical Services area with many physician leaders involved and they have met many times.

Our Partnership Council with physician leaders have met at least 3 times already. At our recent meeting, we covered the outlook of our health system over the next few years and other key challenge variables.

Our team and select board members continues to work with the Town on critical patient and team member needs to serve a growing number of patients in our region.

It's great to see our number and variety of surgeries being performed at IVCH are growing as this allows more care to be local and it reduces volume pressure on the Truckee campus. It's also fantastic that diagnostic imaging is being modernized at IVCH too.

We are appreciative of the growing success with donors in our communities as philanthropy is growing year over year. This growth is vital to sustainable healthcare.

We are also proud of the growth and partnering with the Truckee Tahoe Workforce Housing Agency. Many team members are being helped and a few have a path to new home ownership as well. Much work is still to be done on the critical topic of workforce housing.