



TAHOE FOREST HOSPITAL DISTRICT

2024-02-22 Regular Meeting of the Board of Directors

Thursday, February 22, 2024 at 4:00 p.m.

Tahoe Forest Hospital - Eskridge Conference Room

10121 Pine Avenue, Truckee, CA 96161



TAHOE FOREST HOSPITAL DISTRICT

Meeting Book - 2024-02-22 Regular Meeting of the Board of Directors

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22. ADJOURN



REGULAR MEETING OF THE BOARD OF DIRECTORS AGENDA

Thursday, February 22, 2024 at 4:00 p.m.

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

1. **CALL TO ORDER**

2. **ROLL CALL**

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

4. **INPUT AUDIENCE**

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

5. **CLOSED SESSION**

5.1. Conference with Real Property Negotiator (Gov. Code § 54956.8) ♦

Property Parcel Numbers: 018-570-043

Agency Negotiator: Dylan Crosby

Negotiating Party: WEC 97K-28 Investment Trust

Under Negotiation: Price & Terms of Payment

5.2. Hearing (Health & Safety Code § 32155) ♦

Subject Matter: 2019-2023 Peer Review Summary Report

Number of items: One (1)

5.3. Hearing (Health & Safety Code § 32155)

Subject Matter: First & Second Quarter Fiscal Year 2024 Disclosure Summary

Number of items: One (1)

5.4. Hearing (Health & Safety Code § 32155) ♦

Subject Matter: 2023 Annual Quality Assurance/Performance Improvement Report

Number of items: Six (6)

5.5. Approval of Closed Session Minutes ♦

5.5.1. 01/25/2024 Regular Meeting

5.6. Public Employee Performance Evaluation (Government Code § 54957)

Title: President & Chief Executive Officer

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

Subject Matter: Medical Staff Credentials

5.8. Hearing (Health & Safety Code § 32155) ♦

Subject Matter: Quality Evaluation Summary Report

APPROXIMATELY 6:00 P.M.

6. **DINNER BREAK**

7. OPEN SESSION – CALL TO ORDER

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

9. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

10. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Board cannot take action on any item not on the agenda. The Board Chair may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

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

12. MEDICAL STAFF EXECUTIVE COMMITTEE ♦

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

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

Policies – No Changes:

- ICU Policies

13. CONSENT CALENDAR ♦

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

13.1. Approval of Minutes of Meetings

13.1.1. 12/21/2023 Regular Meeting - CORRECTED Minutes ATTACHMENT

13.1.2. 01/25/2023 Regular Meeting ATTACHMENT

13.2. Financial Reports

13.2.1. Financial Report – January 2024 ATTACHMENT

13.3. Board Reports

13.3.1. President & CEO Board Report ATTACHMENT

13.3.2. COO Board Report ATTACHMENT

13.3.3. CNO Board Report ATTACHMENT

13.3.4. CMO Board Report ATTACHMENT

13.3.5. CIIO Board Report ATTACHMENT

13.4. Affirm Annual Board Committee List & Charters

13.4.1. Resolution 2024-02 ATTACHMENT

14. ITEMS FOR BOARD DISCUSSION

14.1. Biannual Retirement Committee Update ATTACHMENT

The Board of Directors will receive a biannual Retirement Committee update from Multnomah Group.

15. ITEMS FOR BOARD ACTION

15.1. Operating Agreement of Sierra Health Collaborative, LLC ♦ ATTACHMENT

The Board of Directors will review and consider approval of an Operating Agreement of Sierra Health Collaborative, LLC, creating a five hospital company to collaborate with respect to best practices related to healthcare operations and care delivery, including in the areas of quality, efficiency, patient safety, cost, and overall care of patients in the communities served by the Members.

16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

17. BOARD COMMITTEE REPORTS

18. BOARD MEMBERS REPORTS/CLOSING REMARKS

19. CLOSED SESSION CONTINUED

20. OPEN SESSION

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

22. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is March 28, 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.

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 February 15, 2024 Medical Executive Committee meeting, the committee made the following open session consent agenda item recommendations to the Board of Directors at the February 22, 2024 meeting.	
<u>Policies – No Changes</u> <ul style="list-style-type: none"> • ICU Policies 	
SUGGESTED DISCUSSION POINTS: None.	
SUGGESTED MOTION/ALTERNATIVES: Move to approve the Medical Executive Committee Consent Agenda as presented.	

ICU Policies

PolicyStat Id	Title	Department	Last Approved	Next Review
14530842	Acuity Range Guidelines, DICU - 1	Intensive Care Unit - DICU	10/28/2023	10/27/2025
14635123	Admission and Discharge in the ICU, DICU - 2	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14530719	Arterial Blood Draws, DICU - 3	Intensive Care Unit - DICU	10/28/2023	10/27/2024
14355908	Arterial Groin Puncture Management, DICU - 4	Intensive Care Unit - DICU	9/22/2023	9/21/2025
14781389	Arterial Line Set-Up, DICU-5	Intensive Care Unit - DICU	11/27/2023	11/26/2025
14355748	Assessment of ICU Patient, DICU - 6	Intensive Care Unit - DICU	9/22/2023	9/21/2025
14781350	Cardioversion, DICU - 10	Intensive Care Unit - DICU	11/27/2023	11/26/2025
14781397	Central Line – Pressure Line Management, DICU - 11	Intensive Care Unit - DICU	11/27/2023	11/26/2025
14530758	Central Venous Pressure: Insertion and Measuring, DICU - 12	Intensive Care Unit - DICU	10/28/2023	10/27/2024
14355687	Closing of Intensive Care Unit, DICU - 13	Intensive Care Unit - DICU	9/22/2023	9/21/2025
14781407	Collaborative Practice Structure Standards, DICU - 14	Intensive Care Unit - DICU	11/27/2023	11/26/2025
14635110	Computer System Downtime, DICU - 16	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14781366	Coverage During Department Manager Absence, DICU - 17	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14781361	Defibrillation Procedure, DICU - 19	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14635113	Emergency Trays - Location and Restocking, DICU - 21	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14781370	Equipment Breakdown, DICU - 22	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14635102	ICU Medical Director – Role and Function, DICU - 55	Intensive Care Unit - DICU	11/27/2023	11/26/2024
13149774	Monitor Lead Placement, DICU - 29	Intensive Care Unit - DICU	2/27/2023	2/26/2025
14355900	Oral Care – Unconscious and Ventilated Patients, DICU - 33	Intensive Care Unit - DICU	9/22/2023	9/21/2025
14781345	Orientation Plan - ICU, DICU - 34	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14530836	Pacemaker – Transvenous Insertion and Standard of Care, DICU - 36	Intensive Care Unit - DICU	10/28/2023	10/27/2024
14355805	Paralytic Continuous Infusion, DICU - 38	Intensive Care Unit - DICU	9/22/2023	9/21/2025
14355638	Quality Assessment Plan, DICU - 41	Intensive Care Unit - DICU	9/22/2023	9/21/2024
14255794	Staffing Policy - ICU, DICU - 43	Intensive Care Unit - DICU	9/22/2023	9/21/2024
13151628	Structure Standards - ICU, DICU - 54	Intensive Care Unit - DICU	2/27/2023	2/27/2024
14781402	Team Leader Responsibilities, DICU - 26	Intensive Care Unit - DICU	11/27/2023	11/26/2025
14781356	Telemetry in the ICU, DICU - 47	Intensive Care Unit - DICU	11/27/2023	11/26/2024
14781373	Tracheal Suctioning, DICU - 50	Intensive Care Unit - DICU	11/27/2023	11/26/2024
12319466	Tracheostomy Care, DICU - 49	Intensive Care Unit - DICU	9/22/2022	9/21/2024
14781381	Ventilator – Patient Management, DICU - 53	Intensive Care Unit - DICU	11/27/2023	11/26/2024

ICU Policies



REGULAR MEETING OF THE BOARD OF DIRECTORS CORRECTED MINUTES

Thursday, December 21, 2023 at 4:00 p.m.

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

1. CALL TO ORDER

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

2. ROLL CALL

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

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

Other: David Ruderman, General Counsel

3. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT AUDIENCE

No public comment was received.

General Counsel read the board into Closed Session.

Open Session recessed at 4:07 p.m.

5. CLOSED SESSION

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

Subject Matter: Third Quarter 2023 Corporate Compliance Report

Number of items: One (1)

Discussion was held on a privileged item.

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

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

Agency Negotiator: Louis Ward

Negotiating Party: Gateway Village Truckee, LLC

Under Negotiation: Price & Terms of Payment

Discussion was held on a privileged item.

5.3. Approval of Closed Session Minutes

5.3.1. 11/16/2023 Regular Meeting

Discussion was held on a privileged item.

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

Title: President & Chief Executive Officer

Discussion was held on a privileged item.

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

Subject Matter: Medical Staff Credentials

Discussion was held on a privileged item.

6. DINNER BREAK

7. OPEN SESSION – CALL TO ORDER

Open Session reconvened at 6:05 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

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

9. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

No changes were made to the agenda.

10. INPUT – AUDIENCE

No public comment was received.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

No public comment was received.

12. CONSENT CALENDAR

12.1. Approval of Minutes of Meetings

12.1.1. 11/16/2023 Regular Meeting

12.2. Financial Reports

12.2.1. Financial Report – November 2023

12.3. Board Reports

12.3.1. President & CEO Board Report

12.3.2. COO Board Report

12.3.3. CNO Board Report

12.3.4. CMO Board Report

12.3.5. CIIO Board Report

12.4. Approve Quarterly Compliance Report

12.4.1. Third Quarter 2023 Corporate Compliance Report

12.5. Approve Committee Charter

12.5.1. Board Community Engagement Committee Charter

12.6. Approve Updated Board Policy

12.6.1. Investment Policy, ABD-15

Director Barnett pulled item 12.5.1. for discussion.

No public comment was received.

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

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

Abstention: None

NAYS: None

Absent: None

13. ITEMS FOR BOARD DISCUSSION

13.1. 2023 Cancer Center Quality Report

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

14. ITEMS FOR BOARD ACTION

14.1. Memorandum of Understanding

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

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

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

Abstention: None

NAYS: None

Absent: None

15. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

Item 12.5.1. was discussed.

Board of Directors discussed the following changes:

-The last sentence of the Purpose will be changed to "The committee will focus on improving Community Health."

-Add "Focus on Community Health" and strike "Prioritize Health over Healthcare" under Guiding Principles.

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

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

Abstention: None
NAYS: None
Absent: None

16. BOARD OFFICER ELECTION

16.1. Election of 2024 Board Officers

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

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

AYES: Directors Brown, Chamblin, Barnett, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

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

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

AYES: Directors Brown, Chamblin, Barnett, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

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

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

AYES: Directors Brown, Chamblin, Barnett, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

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

AYES: Directors Brown, Chamblin, Barnett, McGarry and Wong
Abstention: None
NAYS: None
Absent: None

17. BOARD COMMITTEE REPORTS

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

Director Chamblin expressed thanks for the joint foundation holiday mixer.

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

18. BOARD MEMBERS REPORTS/CLOSING REMARKS

Happy Holidays!

19. CLOSED SESSION CONTINUED

Not applicable.

20. OPEN SESSION

Not applicable.

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

Not applicable.

22. ADJOURN

Meeting adjourned at 6:58 p.m.



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

Thursday, January 25, 2024 at 4:00 p.m.
Tahoe Forest Hospital – Eskridge Conference Room
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 4:00 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: Harry Weis, President & Chief Executive Officer; Crystal Felix, Chief Financial Officer; Alex MacLennan, Chief Human Resources Officer; Matt Mushet, In-House Counsel; Martina Rochefort, Clerk of the Board

Other: David Ruderman, General Counsel

3. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

No changes were made to the agenda.

General Counsel read the board into Closed Session.

4. INPUT AUDIENCE

No public comment was received.

Open Session recessed at 4:03 p.m.

5. CLOSED SESSION

5.1. Hearing (Health & Safety Code § 32155)

Subject Matter: Fourth Quarter & Annual 2023 Corporate Compliance Report

Number of items: One (1)

Discussion was held on a privileged item.

5.2. Liability Claims (Gov. Code § 54956.95)

Claimant: Alfred Rechberger

Claim Against: Tahoe Forest Hospital District

Discussion was held on a privileged item.

5.3. Liability Claim (Gov. Code § 54956.95)

Claimant: Elisa Chapman

Claim Against: Tahoe Forest Hospital District

Discussion was held on a privileged item.

5.4. Approval of Closed Session Minutes

5.4.1. 12/21/2023 Special Meeting

5.4.2. 12/21/2023 Regular Meeting

Discussion was held on a privileged item.

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

Title: President & Chief Executive Officer

Discussion was held on a privileged item.

5.6. 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

Meeting reconvened at 6:03 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

General Counsel reported the Board of Directors considered six items in Closed Session.

There was no reportable action on item 5.1. On items 5.2. and 5.3., the Board approved a Notice of Untimely Claim filing on both. Item 5.4. Approval of Closed Session Minutes was approved on a 5-0 vote. There was no reportable action on item 5.5. Item 5.6. Medical Staff Credentials was approved on a 5-0 vote.

9. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

No changes were made to the agenda.

10. INPUT – AUDIENCE

Public comment was received from Deirdre Henderson and John Sorenson.

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:

New Standardized Procedures:

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

ACTION: Motion made by Director Barnett to approve the Medical Executive Committee Meeting Consent Agenda as presented, seconded by Director Brown.

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. 12/21/2023 Special Meeting

13.1.2. 12/21/2023 Regular Meeting

13.2. Financial Reports

13.2.1. Financial Report – December 2023

13.3. Board Reports

13.3.1. President & CEO Board Report

13.3.2. COO Board Report

13.3.3. CNO Board Report

13.3.4. CMO Board Report

13.3.5. CIO Board Report

13.3.6. CHRO Board Report

13.4. Approve Annual Resolution Authorizing Board Compensation

13.4.1. Resolution 2024-01

13.5. Affirm Annual Board Committee List & Charters

13.5.1. Resolution 2024-02

13.6. Ratify Tahoe Forest Hospital Foundation Board Member

13.6.1. Lauren Lessard

Item 13.5.1. was pulled for discussion.

No public comment was received.

ACTION: Motion made by Director Chamblin to approve the Consent Calendar excluding item 13.5.1., 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. Fourth Quarter 2023 and 2023 Annual Corporate Compliance Report

The Board of Directors reviewed and considered approval of the Fourth Quarter 2023 and 2023 Annual Corporate Compliance Report. Discussion was held.

ACTION: Motion made by Director Brown to approve the Fourth Quarter 2023 and 2023 Annual Corporate Compliance Report as presented, seconded by Director Barnett.

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

Abstention: None

NAYS: None

Absent: None

14.2. 2024 Corporate Compliance Work Plan

The Board of Directors reviewed and considered approval of 2024 Corporate Compliance Work Plan. Discussion was held.

ACTION: Motion made by Director McGarry to approve the 2024 Corporate Compliance Work Plan as presented, seconded by Director Chamblin.

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

Abstention: None

NAYS: None

Absent: None

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

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

ACTION: Motion made by Director Chamblin to approve Amendment #1 to Master Services Agreement between MHM Support Services (“Mercy”) and Tahoe Forest Hospital District as presented and authorize the President and CEO to sign, seconded by Director Brown.

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

Abstention: None

NAYS: None

Absent: None

15. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

Item 15.3.1. was discussed. This item will be brought to the next meeting for approval.

16. BOARD COMMITTEE REPORTS

Director Chamblin provided an update from the January 23, 2024 Board Finance Committee.

Director McGarry provided an update from the January 11, 2024 Tahoe Forest Health System Foundation.

17. BOARD MEMBERS REPORTS/CLOSING REMARKS

Chair Wong shared AHA Insights can help spark board agenda topics.

18. CLOSED SESSION CONTINUED

Not applicable.

19. OPEN SESSION

Not applicable.

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

Not applicable.

21. ADJOURN

Meeting adjourned at 7:02 p.m.

DRAFT

**TAHOE FOREST HOSPITAL DISTRICT
JANUARY 2024 FINANCIAL REPORT
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Board of Directors
Of Tahoe Forest Hospital District
JANUARY 2024 FINANCIAL NARRATIVE

The following is the financial narrative analyzing financial and statistical trends for the seven months ended January 31, 2024.

Activity Statistics

- ❑ TFH acute patient days were 339 for the current month compared to budget of 447. This equates to an average daily census of 10.9 compared to budget of 14.4.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Surgery cases, Laboratory tests, Lab Send Out tests, Oncology Lab tests, Mammography, Medical Oncology procedures, Nuclear Medicine, MRI, CT Scans, PET CT, Drugs Sold to Patients, Respiratory Therapy, Tahoe City Physical Therapy & Occupational Therapy, and Outpatient Physical Therapy, Physical Therapy Aquatic, Speech Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Hospice visits, and EKG's.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 46.0% in the current month compared to budget of 48.2% and to last month's 49.7%. Year-to-Date Net Patient Revenue as a percentage of Gross Patient Revenue was 46.7% compared to budget of 48.0% and prior year's 49.4%.
- ❑ EBIDA was \$4,238,424 (7.5%) for the current month compared to budget of \$1,012,658 (2.0%), or \$3,225,766 (5.5%) above budget. Year-to-date EBIDA was \$19,507,856 (5.3%) compared to budget of \$8,485,273 (2.4%), or \$11,022,583 (2.9%) above budget.
- ❑ Net Income was \$3,954,567 for the current month compared to budget of \$767,129 or \$3,187,438 above budget. Year-to-date Net Income was \$18,286,110 compared to budget of \$6,730,730 or \$11,555,380 above budget.
- ❑ Cash Collections for the current month were \$26,073,885, which is 110% of targeted Net Patient Revenue.
- ❑ EPIC Gross Accounts Receivables were \$108,829,784 at the end of January compared to \$105,791,199 at the end of December.

Balance Sheet

- ❑ Working Capital is at 36.7 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 188.3 days. Working Capital cash increased a net \$3,208,000. Accounts Payable decreased \$5,337,000, Accrued Payroll & Related Costs increased \$880,000, Cash Collections were 10% above target, and the District received its installment of property tax revenues from Nevada and Placer counties.
- ❑ Net Patient Accounts Receivable decreased a net \$1,273,000 and cash collections were 110% of target. EPIC Days in A/R were 61.4 compared to 62.5 at the close of December, a 1.10 days decrease.
- ❑ Other Receivables and GO Bond Receivables decreased \$4,768,000 and \$2,575,000, respectively, after recording the receipt of property tax revenues from the counties.
- ❑ Estimated Settlements, Medi-Cal & Medicare increased a net \$942,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs.
- ❑ Unrealized Gain/(Loss) Cash Investment Fund increased \$317,000 after recording the unrealized gains in its funds held with Chandler Investments in January.
- ❑ GO Bond Tax Revenue Fund increased a net \$1,456,000. The District received \$3,020,000 in property tax revenues from the counties and remitted the interest payments due on the General Obligation Bonds totaling \$1,564,000.
- ❑ Investment in TSC, LLC decreased a net \$113,000 after recording the estimated loss for January and truing up the losses for December.
- ❑ To comply with GASB No. 96, the District recorded Amortization Expense for January on its Right-To-Use Subscription assets, decreasing the asset \$312,000.
- ❑ Accounts Payable decreased \$5,337,000 due to the timing of the final check run in January.

January 2024 Financial Narrative

- ❑ Accrued Payroll & Related Costs increased a net \$880,000 due to an increase in Accrued Payroll Days.
- ❑ Interest Payable GO Bond decreased a net \$1,308,000 after remitting the interest payments due on the General Obligation Bonds.
- ❑ To comply with GASB No. 96, the District recorded a decrease in its Right-To-Use Subscription Liability for January, decreasing the liability \$273,000.
- ❑ Health Insurance IBNR increased \$296,000 after making an adjustment to the liability based on information received from our Third Party Administrator.

Operating Revenue

- ❑ Current month’s Total Gross Revenue was \$56,587,083 compared to budget of \$50,261,847 or \$6,325,236 above budget.
- ❑ Current month’s Gross Inpatient Revenue was \$7,414,422, compared to budget of \$7,622,901 or \$208,479 below budget.
- ❑ Current month’s Gross Outpatient Revenue was \$49,172,661 compared to budget of \$42,638,946 or \$6,533,715 above budget.
- ❑ Current month’s Gross Revenue Mix was 36.33% Medicare, 16.90% Medi-Cal, .0% County, 1.11% Other, and 45.66% Commercial Insurance compared to budget of 37.86% Medicare, 14.75% Medi-Cal, .0% County, 1.98% Other, and 45.41% Commercial Insurance. Last month’s mix was 36.56% Medicare, 16.15% Medi-Cal, .0% County, 1.26% Other, and 46.03% Commercial Insurance. Year-to-date Gross Revenue Mix was 40.30% Medicare, 15.79% Medi-Cal, .0% County, 1.14% Other, and 42.77% Commercial compared to budget of 37.90% Medicare, 14.81% Medi-Cal, .0% County, 1.96% Other, and 45.33% Commercial.
- ❑ Current month’s Deductions from Revenue were \$30,580,124 compared to budget of \$26,058,550 or \$4,521,574 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.53% decrease in Medicare, a 2.15% increase to Medi-Cal, County at budget, a .87% decrease in Other, and Commercial Insurance was above budget .25%, 2) we saw a slight increase in AR Days over 120, and 3) Revenues were above budget 12.60%.

DESCRIPTION	January 2024 Actual	January 2024 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	10,109,635	10,801,115	691,480	
Employee Benefits	3,832,154	3,424,603	(407,551)	We saw increased use of Paid Leave and Sick Leave in January, creating a negative variance in Employee Benefits. This is also lending to the positive variance in Salaries & Wages.
Benefits – Workers Compensation	144,279	108,106	(36,173)	
Benefits – Medical Insurance	2,454,732	1,953,389	(501,343)	We continue to see high dollar claims being processed and an adjustment was made to the Health Insurance IBNR liability, creating a negative variance in Benefits – Medical Insurance.
Medical Professional Fees	449,772	523,979	74,207	Anesthesia and Hospitalist Physician fees were below budget, creating a positive variance in Medical Professional Fees.
Other Professional Fees	189,002	297,601	108,599	Outsourced legal fees for Medical Staff and consulting services for Information Technology were below budget, creating a positive variance in Other Professional Fees.
Supplies	3,909,936	4,054,752	144,816	Drugs Sold to Patients revenues were above budget, however, the mix of drugs administered were lower in cost, creating a positive variance in Supplies.
Purchased Services	1,698,688	2,385,588	686,900	The District implemented GASB No. 96 which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use Asset where the monthly subscription amounts are written off to Amortization and Interest Expense. This is creating positive variances in Purchased Services for Department Repairs and Miscellaneous. Outsourced billing and collection services were also below budget in January.
Other Expenses	687,782	1,081,074	393,292	The transfer of Construction Labor to Construction in Progress projects and budgeted physician recruitment costs coming in below budget, created a positive variance in Other Expenses.
Total Expenses	23,475,978	24,630,207	1,154,229	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JANUARY 2024

	Jan-24	Dec-23	Jan-23	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 28,202,259	\$ 24,993,932	\$ 13,948,284	1
PATIENT ACCOUNTS RECEIVABLE - NET	44,346,779	45,620,185	44,558,094	2
OTHER RECEIVABLES	11,062,599	15,830,847	8,659,758	3
GO BOND RECEIVABLES	36,208	2,610,803	(114,645)	3
ASSETS LIMITED OR RESTRICTED	11,788,690	11,416,323	9,980,422	
INVENTORIES	5,259,450	5,253,747	4,453,474	
PREPAID EXPENSES & DEPOSITS	4,019,332	3,837,613	3,202,626	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	24,668,460	23,726,793	24,175,521	4
TOTAL CURRENT ASSETS	129,383,776	133,290,244	108,863,534	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	10,441,863	10,337,968	35,003,093	1
* CASH INVESTMENT FUND	106,092,672	106,001,773	80,317,065	1
UNREALIZED GAIN/(LOSS) CASH INVESTMENT FUND	39,544	(277,893)	(3,447,972)	5
MUNICIPAL LEASE 2018	-	-	726,771	
TOTAL BOND TRUSTEE 2017	21,592	21,592	20,732	
TOTAL BOND TRUSTEE 2015	1,002,136	863,039	968,999	
TOTAL BOND TRUSTEE GO BOND	-	5,764	5,764	
GO BOND TAX REVENUE FUND	2,814,150	1,358,370	2,534,969	6
DIAGNOSTIC IMAGING FUND	3,496	3,462	3,381	
DONOR RESTRICTED FUND	1,165,705	1,159,432	1,144,776	
WORKERS COMPENSATION FUND	26,880	10,768	28,722	
TOTAL	121,608,040	119,484,275	117,306,300	
LESS CURRENT PORTION	(11,788,690)	(11,416,323)	(9,980,422)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	109,819,350	108,067,951	107,325,878	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(3,821,955)	(3,708,847)	(2,803,033)	7
PROPERTY HELD FOR FUTURE EXPANSION	1,715,390	1,715,390	1,694,072	
PROPERTY & EQUIPMENT NET	198,205,341	198,195,312	195,177,586	
GO BOND CIP, PROPERTY & EQUIPMENT NET	1,791,406	1,791,406	1,857,008	
TOTAL ASSETS	437,093,307	439,351,456	412,115,045	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	248,893	252,126	287,682	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	294,283	294,283	346,162	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	4,394,872	4,418,577	4,679,329	
GO BOND DEFERRED FINANCING COSTS	428,482	430,803	456,333	
DEFERRED FINANCING COSTS	117,551	118,591	130,035	
INTANGIBLE LEASE ASSET NET OF ACCUM AMORTIZATION	7,125,987	7,263,745	8,167,073	
RIGHT-TO-USE SUBSCRIPTION ASSET NET OF ACCUM AMORTIZATION	28,497,257	28,809,717	-	8
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 41,107,327	\$ 41,587,843	\$ 14,066,613	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 6,897,142	\$ 12,234,427	\$ 9,743,441	9
ACCRUED PAYROLL & RELATED COSTS	23,781,596	22,901,411	20,775,588	10
INTEREST PAYABLE	382,456	555,711	511,180	
INTEREST PAYABLE GO BOND	(0)	1,308,096	(0)	11
SUBSCRIPTION LIABILITY	29,864,273	30,137,606	-	12
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	290,618	290,618	168,264	
HEALTH INSURANCE PLAN	3,018,487	2,722,950	2,224,062	13
WORKERS COMPENSATION PLAN	3,287,371	3,287,371	2,947,527	
COMPREHENSIVE LIABILITY INSURANCE PLAN	2,586,926	2,586,926	2,082,114	
CURRENT MATURITIES OF GO BOND DEBT	2,195,000	2,195,000	1,945,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	3,979,480	3,979,480	5,594,718	
TOTAL CURRENT LIABILITIES	76,283,349	82,199,597	45,991,894	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	24,349,100	25,108,130	27,471,777	
GO BOND DEBT NET OF CURRENT MATURITIES	90,633,587	90,651,543	93,294,055	
DERIVATIVE INSTRUMENT LIABILITY	294,283	294,283	346,162	
TOTAL LIABILITIES	191,560,320	198,253,553	167,103,888	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	285,474,608	281,526,315	257,932,995	
RESTRICTED	1,165,705	1,159,432	1,144,776	
TOTAL NET POSITION	\$ 286,640,313	\$ 282,685,746	\$ 259,077,771	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JANUARY 2024

1. Working Capital is at 36.7 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 188.3 days. Working Capital cash increased a net \$3,208,000. Accounts Payable decreased \$5,337,000 (See Note 9), Accrued Payroll & Related Costs increased \$880,000 (See Note 10), Cash Collections were above target by 10% (See Note 2), and the District received its installment of property tax revenues for Nevada and Placer counties.
2. Net Patient Accounts Receivable decreased a net \$1,273,000. Cash collections were 110% of target. EPIC Days in A/R were 61.4 compared to 62.5 at the close of December, a 1.10 days decrease.
3. Other Receivables and GO Bond Receivables decreased \$4,768,000 and \$2,575,000, respectively, after recording the receipt of property tax revenues received from Nevada and Placer counties.
4. Estimated Settlements, Medi-Cal & Medicare increased a net \$942,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs.
5. Unrealized Gain/(Loss) Cash Investment Fund increased \$317,000 after recording the unrealized gains in its funds held with Chandler Investments for the month of January.
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8. To comply with GASB No. 96, the District recorded Amortization Expense for January on its Right-To-Use Subscription assets, decreasing the asset \$312,000.
9. Accounts Payable decreased \$5,337,000 due to the timing of the final check run in January.
10. Accrued Payroll & Related Costs increased a net \$880,000 due to an increase in Accrued Payroll Days.
11. Interest Payable GO Bond decreased a net \$1,308,000 after remitting the interest payments due on the General Obligation Bonds.
12. To comply with GASB No. 96, the District recorded a decrease in its Right-To-Use Subscription Liability for January, decreasing the liability \$273,000.
13. Health Insurance IBNR increased \$296,000 after making an adjustment to the liability based on information received from our Third Party Administrator.

**Tahoe Forest Hospital District
Cash Investment
January 31, 2024**

WORKING CAPITAL			
US Bank	\$ 27,138,330	4.94%	
US Bank/Incline Village Thrift Store	6,341		
US Bank/Truckee Thrift Store	41,814		
US Bank/Payroll Clearing	-		
Umpqua Bank	<u>1,015,773</u>	0.01%	
Total			\$ 28,202,259
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ -		
Chandler Investment Fund	<u>106,092,672</u>	4.95%	
Total			\$ 106,092,672
Building Fund	\$ -		
Cash Reserve Fund	<u>10,441,863</u>	4.03%	
Local Agency Investment Fund			\$ 10,441,863
Municipal Lease 2018			\$ -
Bonds Cash 2017			\$ 21,592
Bonds Cash 2015			\$ 1,002,136
GO Bonds Cash 2008			\$ 2,814,150
DX Imaging Education	\$ 3,496		
Workers Comp Fund - B of A	26,880		
Insurance			
Health Insurance LAIF	-		
Comprehensive Liability Insurance LAIF	<u>-</u>		
Total			<u>\$ 30,377</u>
TOTAL FUNDS			\$ 148,605,049
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,373	0.10%	
Foundation Restricted Donations	27,309		
Local Agency Investment Fund	<u>1,130,023</u>	4.03%	
TOTAL RESTRICTED FUNDS			<u>\$ 1,165,705</u>
TOTAL ALL FUNDS			<u><u>\$ 149,770,755</u></u>

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JANUARY 2024

CURRENT MONTH					YEAR TO DATE					PRIOR YTD JAN 2023
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
OPERATING REVENUE										
\$ 56,587,083	\$ 50,261,847	\$ 6,325,236	12.6%	Total Gross Revenue	\$ 367,886,866	\$ 348,390,092	\$ 19,496,774	5.6%	1	\$ 325,303,343
Gross Revenues - Inpatient										
\$ 2,943,925	\$ 3,698,471	\$ (754,546)	-20.4%	Daily Hospital Service	\$ 23,066,957	\$ 24,018,796	\$ (951,839)	-4.0%		\$ 22,471,529
4,470,497	3,924,430	546,067	13.9%	Ancillary Service - Inpatient	28,443,231	26,114,508	2,328,723	8.9%		25,352,279
7,414,422	7,622,901	(208,479)	-2.7%	Total Gross Revenue - Inpatient	51,510,188	50,133,304	1,376,884	2.7%	1	47,823,808
Gross Revenue - Outpatient										
49,172,661	42,638,946	6,533,715	15.3%	Gross Revenue - Outpatient	316,376,679	298,256,788	18,119,891	6.1%		277,479,535
49,172,661	42,638,946	6,533,715	15.3%	Total Gross Revenue - Outpatient	316,376,679	298,256,788	18,119,891	6.1%	1	277,479,535
Deductions from Revenue:										
29,838,402	24,289,082	(5,549,320)	-22.8%	Contractual Allowances	194,574,460	168,828,084	(25,746,376)	-15.3%	2	159,028,222
10,232	1,005,237	995,005	99.0%	Charity Care	74,837	6,967,802	6,892,965	98.9%	2	2,021,601
731,490	764,231	32,741	4.3%	Bad Debt	3,764,148	5,304,251	1,540,103	29.0%	2	4,110,648
-	-	-	0.0%	Prior Period Settlements	(2,241,709)	-	2,241,709	0.0%	2	(401,999)
30,580,124	26,058,550	(4,521,574)	-17.4%	Total Deductions from Revenue	196,171,737	181,100,137	(15,071,600)	-8.3%		164,758,472
88,954	101,173	12,219	12.1%	Property Tax Revenue- Wellness Neighborhood	731,773	710,008	(21,765)	-3.1%		758,177
1,618,489	1,338,395	280,094	20.9%	Other Operating Revenue	10,861,393	9,664,164	1,197,229	12.4%	3	9,220,345
27,714,401	25,642,865	2,071,536	8.1%	TOTAL OPERATING REVENUE	183,308,294	177,664,127	5,644,167	3.2%		170,523,393
OPERATING EXPENSES										
10,109,635	10,801,115	691,480	6.4%	Salaries and Wages	71,510,226	73,442,344	1,932,118	2.6%	4	66,556,775
3,832,154	3,424,603	(407,551)	-11.9%	Benefits	23,893,638	23,426,808	(466,830)	-2.0%	4	22,346,652
144,279	108,106	(36,173)	-33.5%	Benefits Workers Compensation	628,057	756,739	128,682	17.0%	4	697,063
2,454,732	1,953,389	(501,343)	-25.7%	Benefits Medical Insurance	15,618,659	13,673,723	(1,944,936)	-14.2%	4	11,747,908
449,772	523,979	74,207	14.2%	Medical Professional Fees	3,630,022	3,885,877	255,855	6.6%	5	3,532,401
189,002	297,601	108,599	36.5%	Other Professional Fees	1,648,116	2,097,175	449,059	21.4%	5	1,536,712
3,909,936	4,054,752	144,816	3.6%	Supplies	27,996,270	28,290,321	294,051	1.0%	6	25,893,960
1,698,688	2,385,588	686,900	28.8%	Purchased Services	12,516,424	16,115,671	3,599,247	22.3%	7	14,869,547
687,782	1,081,074	393,292	36.4%	Other	6,359,027	7,490,196	1,131,169	15.1%	8	6,979,147
23,475,978	24,630,207	1,154,229	4.7%	TOTAL OPERATING EXPENSE	163,800,439	169,178,854	5,378,415	3.2%		154,160,165
4,238,424	1,012,658	3,225,766	318.5%	NET OPERATING REVENUE (EXPENSE) EBIDA	19,507,856	8,485,273	11,022,583	129.9%		16,363,228
NON-OPERATING REVENUE/(EXPENSE)										
856,616	761,327	95,289	12.5%	District and County Taxes	5,388,797	5,327,492	61,305	1.2%	9	4,878,274
445,136	445,136	(0)	0.0%	District and County Taxes - GO Bond	3,115,949	3,115,949	0	0.0%		3,021,879
277,500	179,607	97,893	54.5%	Interest Income	1,843,584	1,235,546	608,038	49.2%	10	712,228
85,119	61,115	24,004	39.3%	Donations	532,915	427,802	105,113	24.6%	11	526,618
(113,108)	(67,000)	(46,108)	-68.8%	Gain/(Loss) on Joint Investment	(411,108)	(469,000)	57,892	12.3%	12	(727,162)
320,303	100,000	220,303	-220.3%	Gain/(Loss) on Market Investments	3,451,107	700,000	2,751,107	-393.0%	13	167,439
-	-	-	0.0%	Gain/(Loss) on Sale of Equipment	-	-	-	0.0%	14	1,000
(1,682,807)	(1,366,387)	(316,420)	-23.2%	Depreciation	(11,793,562)	(9,557,092)	(2,236,470)	-23.4%	15	(9,393,137)
(202,925)	(89,638)	(113,287)	-126.4%	Interest Expense	(1,454,407)	(640,220)	(814,187)	-127.2%	16	(753,569)
(269,689)	(269,689)	(0)	0.0%	Interest Expense-GO Bond	(1,895,020)	(1,895,020)	(0)	0.0%		(1,945,520)
(283,856)	(245,529)	(38,327)	-15.6%	TOTAL NON-OPERATING REVENUE/(EXPENSE)	(1,221,746)	(1,754,543)	532,797	30.4%		(3,511,950)
\$ 3,954,567	\$ 767,129	\$ 3,187,438	415.5%	INCREASE (DECREASE) IN NET POSITION	\$ 18,286,110	\$ 6,730,730	\$ 11,555,380	171.7%		\$ 12,851,278
NET POSITION - BEGINNING OF YEAR					268,354,204					
NET POSITION - AS OF JANUARY 31, 2024					\$ 286,640,313					
7.5%	2.0%	5.5%		RETURN ON GROSS REVENUE EBIDA	5.3%	2.4%	2.9%			5.0%

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JANUARY 2024

		Variance from Budget	
		Fav / <Unfav>	
		JAN 2024	YTD 2024
1) Gross Revenues			
Acute Patient Days were below budget 24.16% or 108 days. Swing Bed days were above budget 57.90% or 11 days. Inpatient Ancillary Revenues were above budget 13.90% due to the higher acuity levels in our patients.	Gross Revenue -- Inpatient	\$ (208,479)	\$ 1,376,884
	Gross Revenue -- Outpatient	6,533,715	18,119,891
	Gross Revenue -- Total	\$ 6,325,236	\$ 19,496,774
<p>Outpatient volumes were above budget in the following departments: Emergency Department visits, Surgery cases, Laboratory tests, Lab Send Out tests, Oncology Lab tests, Mammography, Medical Oncology procedures, Nuclear Medicine, MRI, Ultrasounds, CT Scans, PET CT, Drugs Sold to Patients, Oncology Drugs Sold to Patients, Respiratory Therapy, Tahoe City Physical & Occupational Therapy, and Outpatient Physical Therapy, Physical Therapy Aquatic, Speech Therapy, and Occupational Therapy.</p> <p>Outpatient volumes were below budget in the following departments: Home Health Visits, Hospice visits, EKG's, Diagnostic Imaging, Radiation Oncology procedures, and Briner Ultrasounds.</p>			
2) Total Deductions from Revenue			
The payor mix for January shows a 1.53% decrease to Medicare, a 2.15% increase to Medi-Cal, 0.87% decrease to Other, County at budget, and a 0.25% increase to Commercial when compared to budget. Revenues were above budget 12.60%, we saw a shift from Medicare into Medi-Cal, and AR Days over 120 increased slightly, creating a negative variance in Contractual Allowances.	Contractual Allowances	\$ (5,549,320)	\$ (25,746,376)
	Charity Care	995,005	6,892,965
	Bad Debt	32,741	1,540,103
	Prior Period Settlements	-	2,241,709
	Total	\$ (4,521,574)	\$ (15,071,600)
<p>We are seeing fewer Charity Care applications which is lending to the negative variance in Contractual Allowances.</p>			
3) Other Operating Revenue			
Retail Pharmacy revenues were above budget 51.53%.	Retail Pharmacy	219,522	845,783
	Hospice Thrift Stores	14,038	45,840
	The Center (non-therapy)	20,250	31,886
	IVCH ER Physician Guarantee	13,297	68,877
	Children's Center	20,049	155,880
	Miscellaneous	8,271	110,297
	Oncology Drug Replacement	-	-
	Grants	(15,333)	(61,333)
	Total	\$ 280,094	\$ 1,197,229
<p>Occupational Health testing and Fitness Center revenues were above budget, creating a positive variance in The Center (non-therapy).</p> <p>IVCH ER Physician Guarantee is tied to collections which exceeded budget in January.</p> <p>Children's Center revenues were above budget 11.94%.</p>			
4) Salaries and Wages			
We saw negative variances in Paid Leave and Sick Leave which is creating a positive variance in Salaries and Wages.	Total	\$ 691,480	\$ 1,932,118
<p>Employee Benefits</p> <p>Paid Leave & Sick Leave were above budget, creating a negative variance in PL/SL.</p> <p>Negative variance in Other is related to Employer Payroll taxes on the final Management Incentive Comp Bonuses paid out in January as well as Physician Productivity Bonuses paid out in January.</p>			
	PL/SL	\$ (319,223)	\$ (235,154)
	Nonproductive	122,144	213,128
	Pension/Deferred Comp	(0)	7,019
	Standby	(22,579)	(87,505)
	Other	(187,891)	(364,319)
	Total	\$ (407,551)	\$ (466,830)
<p>Employee Benefits - Workers Compensation</p> <p>Total</p>			
		\$ (36,173)	\$ 128,682
<p>Employee Benefits - Medical Insurance</p> <p>We continue to see higher claims being processed through our Third Party Administrator and an adjustment to the Health Insurance IBNR, creating a negative variance in Employee Benefits - Medical Insurance.</p>			
	Total	\$ (501,343)	\$ (1,944,936)
5) Professional Fees			
Quality Bonuses paid out to the Radiation Oncology Physicians created a negative variance in Multi-Specialty Clinics.	Multi-Specialty Clinics	\$ (32,693)	\$ (74,257)
	Administration	3,997	(33,414)
	IVCH ER Physicians	(8,050)	(25,039)
	Oncology	15,217	(16,936)
	Marketing	608	(4,318)
	Multi-Specialty Clinics Administration	2,148	(4,054)
	Managed Care	(1,397)	(3,518)
	Home Health/Hospice	-	-
	Patient Accounting/Admitting	-	-
	Respiratory Therapy	-	-
	The Center	-	-
	TFH/IVCH Therapy Services	-	-
	Corporate Compliance	2,000	14,000
	Human Resources	3,111	58,418
	Medical Staff Services	11,100	88,487
	Miscellaneous	52,708	88,827
	Information Technology	33,054	154,695
	TFH Locums	56,179	225,855
	Financial Administration	44,825	236,168
	Total	\$ 182,806	\$ 704,914
<p>Call Coverage created a negative variance in IVCH ER Physicians.</p> <p>A decrease in Outsourced Legal services created a positive variance in Medical Staff Services.</p> <p>Anesthesia physician fees were below budget, creating a positive variance in Miscellaneous.</p> <p>Budgeted consulting services for Information Technology were below budget, creating a positive variance in this category.</p> <p>Hospitalist Physician fees were below budget with the departure of Dr. Weir, creating a positive variance in TFH Locums.</p> <p>Financial analysis projects came in below budget, creating a positive variance in Financial Administration.</p>			

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JANUARY 2024

		Variance from Budget	
		Fav / <Unfav>	
		JAN 2024	YTD 2024
6) <u>Supplies</u>	Other Non-Medical Supplies	\$ 14,385	\$ (109,365)
We saw a positive variance in Drugs Sold to Patients revenues. Volumes were above budget, however, the mix of drugs administered were lower in cost, creating a positive variance in Pharmacy Supplies.	Food	5,651	(12,861)
	Office Supplies	3,205	9,953
	Minor Equipment	(25,151)	63,897
	Pharmacy Supplies	287,705	94,557
	Patient & Other Medical Supplies	(140,980)	247,871
	Total	\$ 144,816	\$ 294,051
7) <u>Purchased Services</u>	Laboratory	\$ 5,918	\$ (105,885)
We received invoices from our Property Management Company, truing up maintenance project costs from March through December 2023, which created a negative variance in The Center.	Home Health/Hospice	(2,787)	2,054
	Pharmacy IP	2,431	5,043
	The Center	(7,104)	16,435
	Community Development	4,333	22,183
	Medical Records	1,514	68,031
	Diagnostic Imaging Services - All	14,515	72,371
	Multi-Specialty Clinics	6,239	105,280
	Human Resources	(8,379)	121,176
	Information Technology	1,827	245,492
	Miscellaneous	148,418	642,791
	Patient Accounting	276,788	642,983
	Department Repairs	243,186	1,761,292
	Total	\$ 686,900	\$ 3,599,247
8) <u>Other Expenses</u>	Other Building Rent	\$ (7,085)	\$ (54,908)
Bed rentals for Med/Surg created a negative variance in Equipment Rent.	Equipment Rent	(19,501)	(20,415)
	Multi-Specialty Clinics Equip Rent	(1,452)	(10,860)
	Multi-Specialty Clinics Bldg. Rent	(57)	(3,905)
	Insurance	3,328	433
	Physician Services	685	4,380
	Human Resources Recruitment	7,591	35,500
	Marketing	3,784	76,886
	Miscellaneous	264,585	125,296
	Dues and Subscriptions	14,850	167,708
	Outside Training & Travel	44,217	270,239
	Utilities	82,345	540,815
	Total	\$ 393,292	\$ 1,131,169
9) <u>District and County Taxes</u>	Total	\$ 95,289	\$ 61,305
10) <u>Interest Income</u>	Total	\$ 97,893	\$ 608,038
We saw an increase in our interest rates with our funds held in LAIF, creating a positive variance in Interest Income.			
11) <u>Donations</u>	IVCH	\$ 48,198	\$ 121,767
The IVCH Foundation transferred funds to the District to reimburse the purchase of logowear and scrubs, creating a positive variance in Donations - IVCH.	Operational	(24,194)	(16,655)
	Total	\$ 24,004	\$ 105,113
12) <u>Gain/(Loss) on Joint Investment</u>	Total	\$ (46,108)	\$ 57,892
13) <u>Gain/(Loss) on Market Investments</u>	Total	\$ 220,303	\$ 2,751,107
The District booked the value of unrealized gains in its holdings with Chandler Investments.			
14) <u>Gain/(Loss) on Sale or Disposal of Assets</u>	Total	\$ -	\$ -
15) <u>Depreciation Expense</u>	Total	\$ (316,420)	\$ (2,236,470)
The District implemented GASB No. 96 as of FY23, which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use-Asset. The monthly subscription amounts are written off to Amortization and Interest Expense, creating a negative variance in Depreciation Expense.			
16) <u>Interest Expense</u>	Total	\$ (113,287)	\$ (814,187)
The District implemented GASB No. 96 as of FY23, which recognizes Subscription-Based Information Technology arrangements as a Right-To-Use-Asset. The monthly subscription amounts are written off to Amortization and Interest Expense, creating a negative variance in Interest Expense.			

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JANUARY 2024

CURRENT MONTH					YEAR TO DATE				PRIOR YTD JAN 2023
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	
OPERATING REVENUE									
\$ 3,434,256	\$ 3,399,287	\$ 34,969	1.0%	Total Gross Revenue	\$ 25,652,077	\$ 24,356,477	\$ 1,295,600	5.3%	1 \$ 22,461,650
Gross Revenues - Inpatient									
\$ -	\$ 5,627	\$ (5,627)	-100.0%	Daily Hospital Service	\$ -	\$ 16,882	\$ (16,882)	-100.0%	\$ 10,719
-	2,559	(2,559)	-100.0%	Ancillary Service - Inpatient	-	13,076	(13,076)	-100.0%	11,270
-	8,186	(8,186)	-100.0%	Total Gross Revenue - Inpatient	-	29,958	(29,958)	-100.0%	1 21,989
3,434,256	3,391,101	43,155	1.3%	Gross Revenue - Outpatient	25,652,077	24,326,519	1,325,558	5.4%	22,439,661
3,434,256	3,391,101	43,155	1.3%	Total Gross Revenue - Outpatient	25,652,077	24,326,519	1,325,558	5.4%	1 22,439,661
Deductions from Revenue:									
1,384,440	1,531,387	146,947	9.6%	Contractual Allowances	12,059,534	11,030,934	(1,028,600)	-9.3%	2 10,338,186
41,595	67,986	26,391	38.8%	Charity Care	130,086	487,130	357,044	73.3%	2 335,734
150,863	50,989	(99,874)	-195.9%	Bad Debt	808,949	365,347	(443,602)	-121.4%	2 617,358
-	-	-	0.0%	Prior Period Settlements	(149,617)	-	149,617	0.0%	2 -
1,576,898	1,650,362	73,464	4.5%	Total Deductions from Revenue	12,848,952	11,883,411	(965,541)	-8.1%	2 11,291,278
68,032	54,714	13,318	24.3%	Other Operating Revenue	502,692	419,678	83,014	19.8%	3 436,074
1,925,390	1,803,639	121,751	6.8%	TOTAL OPERATING REVENUE	13,305,817	12,892,744	413,073	3.2%	11,606,446
OPERATING EXPENSES									
647,816	684,347	36,531	5.3%	Salaries and Wages	4,599,040	4,663,462	64,422	1.4%	4 4,163,669
279,258	216,854	(62,404)	-28.8%	Benefits	1,426,691	1,448,523	21,832	1.5%	4 1,371,749
3,404	3,157	(247)	-7.8%	Benefits Workers Compensation	23,831	22,099	(1,732)	-7.8%	4 16,853
150,477	119,744	(30,733)	-25.7%	Benefits Medical Insurance	957,162	838,208	(118,954)	-14.2%	4 745,012
162,150	155,747	(6,403)	-4.1%	Medical Professional Fees	1,080,339	1,059,869	(20,470)	-1.9%	5 1,065,907
1,706	2,306	600	26.0%	Other Professional Fees	15,194	16,144	950	5.9%	5 16,088
116,367	62,470	(53,897)	-86.3%	Supplies	822,706	457,216	(365,490)	-79.9%	6 425,881
79,037	71,541	(7,496)	-10.5%	Purchased Services	437,332	606,733	169,401	27.9%	7 495,508
125,827	89,335	(36,492)	-40.8%	Other	887,769	726,124	(161,645)	-22.3%	8 676,983
1,566,043	1,405,501	(160,542)	-11.4%	TOTAL OPERATING EXPENSE	10,250,063	9,838,378	(411,685)	-4.2%	8,977,650
359,348	398,138	(38,790)	-9.7%	NET OPERATING REV(EXP) EBIDA	3,055,754	3,054,366	1,388	0.0%	2,628,796
NON-OPERATING REVENUE/(EXPENSE)									
64,865	16,667	48,198	289.2%	Donations-IVCH	238,434	116,667	121,767	104.4%	9 228,387
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10 -
(122,785)	(121,389)	(1,396)	1.1%	Depreciation	(861,057)	(851,643)	(9,414)	-1.1%	11 (664,730)
(1,335)	(1,303)	(32)	2.5%	Interest Expense	(9,911)	(9,648)	(263)	2.7%	12 (11,990)
(59,255)	(106,025)	46,770	44.1%	TOTAL NON-OPERATING REVENUE/(EXP)	(632,534)	(744,624)	112,090	15.1%	(448,333)
\$ 300,093	\$ 292,113	\$ 7,980	2.7%	EXCESS REVENUE(EXPENSE)	\$ 2,423,220	\$ 2,309,742	\$ 113,478	4.9%	\$ 2,180,463
10.5%	11.7%	-1.2%		RETURN ON GROSS REVENUE EBIDA	11.9%	12.5%	-0.6%		11.7%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JANUARY 2024**

		Variance from Budget	
		Fav<Unfav>	
		JAN 2024	YTD 2024
1) Gross Revenues			
Acute Patient Days were below budget by 1 at 0 and Observation Days were at budget at 0.	Gross Revenue -- Inpatient	\$ (8,186)	\$ (29,958)
Outpatient volumes were above budget in Surgery cases, Lab tests, Lab Send Out tests, Ultrasounds, Drugs Sold to Patients, Physical Therapy and Speech Therapy.	Gross Revenue -- Outpatient	43,155	1,325,558
Outpatient volumes were below budget in Emergency Dept visits, EKG's, Diagnostic Imaging, CT Scans, Oncology Drugs Sold to Patients, and Occupational Therapy.	Total	\$ 34,969	\$ 1,295,600
2) Total Deductions from Revenue			
We saw a shift in our payor mix with a 3.06% decrease in Medicare, a 0.76% decrease in Medicaid, a 3.94% increase in Commercial insurance, a 0.13% decrease in Other, and County was at budget.	Contractual Allowances	\$ 146,947	\$ (1,028,600)
We saw a shift in Payor Mix from Medicare and Medicaid to Commercial along with Bad Debt coming in above budget, creating a positive variance in Contractual Allowances.	Charity Care	26,391	357,044
	Bad Debt	(99,874)	(443,602)
	Prior Period Settlement		149,617
	Total	\$ 73,464	\$ (965,541)
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections, coming in above budget in January.	IVCH ER Physician Guarantee	\$ 13,297	\$ 68,877
	Miscellaneous	21	14,138
	Total	\$ 13,318	\$ 83,014
4) Salaries and Wages			
Positive variance in Salaries and Wages was offset by negative variances in Paid Leave and Sick Leave.	Total	\$ 36,531	\$ 64,422
Employee Benefits			
We saw increased use of Paid Leave and Sick Leave, creating a negative variance in PL/SL.	PL/SL	\$ (20,938)	\$ 39,109
An adjustment to accrued FY23 Gain Share and Incentive Comp Bonuses created a negative variance in Nonproductive.	Pension/Deferred Comp	(0)	445
	Standby	(2,577)	(6,150)
	Other	(7,817)	(17,509)
	Nonproductive	(31,073)	5,935
	Total	\$ (62,404)	\$ 21,832
Employee Benefits - Workers Compensation	Total	\$ (247)	\$ (1,732)
Employee Benefits - Medical Insurance	Total	\$ (30,733)	\$ (118,954)
5) Professional Fees			
Call coverage created a negative variance in IVCH ER Physicians.	IVCH ER Physicians	\$ (8,050)	\$ (25,039)
	Administration	-	-
	Miscellaneous	-	-
	Foundation	600	950
	Multi-Specialty Clinics	1,647	4,567
	Total	\$ (5,803)	\$ (19,519)
6) Supplies			
Drugs Sold to Patients revenues were above budget by 43.18%, creating a negative variance in Pharmacy Supplies.	Pharmacy Supplies	\$ (49,301)	\$ (277,743)
Reagent panels for the Biofire machine in Laboratory created a negative variance in Patient & Other Medical Supplies.	Non-Medical Supplies	(1,188)	(62,896)
	Patient & Other Medical Supplies	(6,771)	(37,408)
	Office Supplies	232	120
	Food	308	1,656
	Minor Equipment	2,824	10,781
	Total	\$ (53,897)	\$ (365,490)

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JANUARY 2024**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>JAN 2024</u>	<u>YTD 2024</u>
7) <u>Purchased Services</u>			
Laundry & Linen costs per week have increased, creating a negative variance in EVS/Laundry.	EVS/Laundry	\$ (2,416)	\$ (16,794)
Outsourced Lab volumes were above budget, creating a negative variance in Laboratory.	Laboratory	(1,538)	(10,177)
The main hospital floors were scrubbed, waxed, and buffed, creating a negative variance in Engineering/Plant/Communications.	Engineering/Plant/Communications	(2,760)	(7,013)
Maintenance services for Surgery and Diagnostic Imaging created a negative variance in Department Repairs.	Diagnostic Imaging Services - All	182	(2,976)
	Miscellaneous	197	(433)
	Department Repairs	(1,734)	(13)
	Pharmacy	93	195
	Multi-Specialty Clinics	239	1,395
	Foundation	241	205,215
	Total	\$ (7,496)	\$ 169,401
8) <u>Other Expenses</u>			
The transfer of labor from TFH to IVCH Laboratory and the final purchase of staff logowear and scrubs created a negative variance in Miscellaneous.	Miscellaneous	\$ (5,877)	\$ (175,983)
A rental rate increase for the IVCH Physical Therapy building created a negative variance in Other Building Rent.	Other Building Rent	(6,940)	(30,561)
Subscription services for Ophthalmology's Alcon ORA equipment created a negative variance in Dues and Subscriptions.	Dues and Subscriptions	(3,102)	(15,859)
Oxygen tank rentals created a negative variance in Equipment Rent.	Equipment Rent	(2,936)	(13,225)
Natural Gas/Propane and Telephone expenses were above budget, creating a negative variance in Utilities.	Multi-Specialty Clinics Bldg. Rent	(315)	(2,453)
	Physician Services		
	Insurance	(1,119)	1,343
	Marketing	2,305	9,707
	Outside Training & Travel	1,018	18,270
	Utilities	(19,525)	47,117
	Total	\$ (36,492)	\$ (161,645)
9) <u>Donations</u>			
The IVCH Foundation transferred funds to the District to cover the cost of staff logowear and scrubs, creating a positive variance in Donations.	Total	\$ 48,198	\$ 121,767
10) <u>Gain/(Loss) on Sale</u>			
	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>			
	Total	\$ (1,396)	\$ (9,414)
12) <u>Interest Expense</u>			
	Total	\$ (32)	\$ (263)

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2023		BUDGET FYE 2024	PROJECTED FYE 2024	ACTUAL JAN 2024	PROJECTED JAN 2024	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	31,312,720		12,535,783	23,558,366	\$ 4,238,424	\$ 1,012,658	\$ 3,225,766	6,814,877	8,454,556	6,041,560	2,247,373
Interest Income	1,348,932		2,000,000	2,363,777	338,510	350,000	(11,490)	582,090	793,177	488,510	500,000
Property Tax Revenue	10,063,960		10,190,000	10,548,451	5,692,350	5,400,000	292,350	596,999	119,101	5,692,350	4,140,000
Donations	1,574,358		6,733,375	6,799,571	-	26,115	(26,115)	149,171	519,826	52,229	6,078,344
Debt Service Payments	(5,216,044)		(3,981,665)	(4,002,546)	(334,027)	(307,782)	(26,245)	(1,054,410)	(914,891)	(753,731)	(1,279,514)
Property Purchase Agreement	(811,927)		(811,927)	(811,928)	(67,661)	(67,661)	-	(202,983)	(202,982)	(202,982)	(202,982)
2018 Municipal Lease	(1,717,326)		(715,553)	(715,417)	-	-	-	(429,332)	(286,086)	-	-
Copier	(63,919)		(47,871)	(42,287)	(4,739)	(5,094)	355	(10,803)	(14,531)	(14,927)	(2,025)
2017 VR Demand Bond	(840,606)		(761,145)	(785,745)	(122,530)	(97,930)	(24,600)	-	-	(122,530)	(663,215)
2015 Revenue Bond	(1,782,266)		(1,645,169)	(1,647,169)	(139,097)	(137,097)	(2,000)	(411,292)	(411,292)	(413,292)	(411,292)
Physician Recruitment	(476,666)		(1,146,666)	(743,332)	-	(116,666)	116,666	(83,333)	(63,333)	(263,333)	(333,333)
Investment in Capital											
Equipment	(2,315,113)		(4,545,602)	(4,545,602)	(493,554)	(307,785)	(185,769)	(682,703)	(2,054,687)	(923,356)	(884,856)
IT/EMR/Business Systems	(710,081)		(2,818,739)	(2,818,739)	-	(505,272)	505,272	-	(39,200)	(1,010,545)	(1,768,994)
Building Projects/Properties	(21,471,856)		(21,287,010)	(21,287,010)	(748,024)	(2,442,420)	1,694,396	(2,714,000)	(4,645,442)	(5,632,864)	(8,294,704)
Change in Accounts Receivable	(6,688,560)	N1	(2,859,354)	(3,765,207)	1,273,406	(3,858,971)	5,132,377	1,910,240	1,024,514	(6,387,006)	(312,955)
Change in Settlement Accounts	(8,255,522)	N2	4,265,118	2,162,560	(941,667)	(758,333)	(183,334)	(2,878,378)	(1,769,412)	(6,372,971)	13,183,321
Change in Other Assets	(8,902,354)	N3	(3,500,000)	(3,715,948)	(679,482)	(500,000)	(179,482)	(2,377,128)	190,662	(279,482)	(1,250,000)
Change in Other Liabilities	328,247	N4	(4,400,000)	(8,394,504)	(4,942,815)	(2,562,458)	(2,380,357)	(3,216,855)	(2,172,544)	(8,567,731)	5,562,626
Change in Cash Balance	(9,407,979)		(8,814,760)	(3,840,164)	3,403,121	(4,570,916)	7,974,036	(2,953,429)	(557,673)	(17,916,369)	17,587,307
Beginning Unrestricted Cash	154,252,753		144,844,775	144,844,775	141,333,673	141,333,673	-	144,844,775	141,891,346	141,333,673	123,417,304
Ending Unrestricted Cash	144,844,775		136,030,015	141,004,611	144,736,794	136,762,757	7,974,036	141,891,346	141,333,673	123,417,304	141,004,611
Operating Cash	144,844,775		136,030,015	141,004,611	144,736,794	136,762,757	7,974,036	141,891,346	141,333,673	123,417,304	141,004,611
Expense Per Day	750,945		803,035	790,530	768,627	789,856	(21,229)	753,622	769,434	783,931	790,530
Days Cash On Hand	193		169	178	188	173	15	188	184	157	178

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.



Board Informational Report

By: Harry Weis
President and CEO

DATE: February 12, 2024

As we have closed out seven months in Fiscal Year 2024 and are half way through the month eight, we estimate we are seeing about an 8% overall growth of the health system versus the same period last fiscal year. We are happy to promote our Incline Village area of activities and they are showing a 10% increase year over year, fiscal YTD.

Patient access continues to be our number one focus and we are now on track to annualize out at roughly 141,000 provider clinic visits this year, based on the first seven months of this fiscal year versus 129,000 clinic visits last fiscal year and 117,000 in clinic visits two years back. 141,000 clinic provider visits is exactly three times the number of clinic visits we were generating back in 2015.

Management systems is a system-wide way of life but its first deep focus is on patient access and many good forward looking health systems will be using management systems and LEAN science as a way of life indefinitely for the future.

Our health system has more than 20 business sites and we have had to become licensed in new activities in several areas and carefully grow our healthcare team efficiently so that revenues are growing faster than expense each year.

We are happy to report lifetime record gross revenues in the month of January. We are grateful and humbled for the patients who choose us for their care.

Patients are coming to our care sites within our District from more than 10 counties, based on the quality and customer service our team offers. These 10 plus source counties represent where at least 75% of our patients come from.

In the last week to 10 days, our cardiologists report we have implanted at least six pacemakers. In earlier months, we were doing four to six per month. Pacemaker implantation is a new service we have only been offering for a little over a year.

This calendar year all of our MediCal managed care patient volume have moved over to Partnership Health Plan, which now serves the majority of counties in Northern California. They operate much more like an HMO with required authorizations for a patient to go from primary care to specialty care. We are working through all of these large changes with our patients and our providers as MediCal managed care operated more like a PPO plan versus an HMO plan in past years.

Our Tahoe Institute for Rural Health Research entities have been dissolved as all four of the futuristic healthcare products were not found to be financially viable to make it to the commercial marketplace. Our health system will likely take a financial hit this fiscal year of more than \$5,000,000. We are fully meeting the Rural Health Center of Excellence status requirements through our clinical trials in oncology.

Our healthcare collaborative with four other freestanding health systems is now growing in energy and focus. This month at the February board meeting, we have an updated operating agreement that has been approved by the leadership of all five health system leaders that is coming to our board for review and approval consideration.

We had a great meeting with the senior leadership of the largest health system in Reno this week. It is encouraging to report that they are back in the black from an operations perspective and continuing to expand their physician and hospital offerings to be able to care for a growing variety of injuries and illnesses. They state they desire to keep all healthcare local and are willing to help us keep patients local or return them quickly to our region.

It appears inpatient mental health beds have been downsized in the Reno market as the for-profit operator sold their facility to the county with a lower inpatient bed stipulation.

We are planning a variety of important community initiatives this calendar year as we celebrate our 75th anniversary as a health system, thanking our communities for the privilege to serve them for these past 75 years and now we look forward to the next 75 years of humble, highly skilled services to our communities.

We continue to remain vigilant on all state and federal law or rule changes to attempt to keep rural healthcare sustainable in this region for many years to come!

By: Louis Ward
Chief Operating Officer

DATE: February 14, 2024

Community

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

- **75th Anniversary Committee**

Tahoe Forest Health System celebrates a milestone celebration in 2024, our 75th Anniversary! With this milestone event, a 75th anniversary committee has been formed, led by the COO of the health system, in partnership with the Executive Director of the Foundations. A great deal of conversation occurred throughout the month of February in an effort to setup a schedule of events throughout 2024 celebrating the health systems 75th. A list of activities we have discussed or completed are as follows:

1. Designed a new 75th logo to be used throughout the year
2. Social media and website updates
3. Selected and confirmed dates for a 75th community fall festival/fun run event
4. Selected and confirmed date for a 75th Gala event
5. Began developing historical timeline and or video
6. Designed and purchased 75th anniversary team beanies / hats.

- **Community Sponsorship / Grant Policy AGOV 2401**

A new administrative policy and process aiming to provide a clear community process for grant submissions and / or community sponsorship submissions has been finalized. Administration will accept requests for sponsorships and community grants through a brand new web page found at the Tahoe Forest website. We believe this will be a much more intuitive process for our community; we are excited to see the process in action.

- **TFHS & TTSD MOU**

The District has successfully completed a Memorandum of Understanding, "MOU," with Truckee Tahoe Sanitary District, "TTSD," to support the required Seismic Improvements on Campus. To summarize the MOU, TTSD will partner with the District in the event of wastewater disruption to provide safe areas to dispose of wastewater, as reasonable able. The District will provide and be responsible for all wastewater transportation. This MOU which is intended to support and compliment the required on-site storage of wastewater and provide another resource for the District to dispose of wastewater in the event of utility disruption. Please note the on-site storage as required by current law has not been constructed and must be operation by January 1, 2030.

Finance

Aspire for long-term financial strength

- **California Hospital Association Board Meeting**

This month the 29 Directors of the California Hospital Association Board met to discuss and finalize the CHA four state advocacy priorities. The four areas of concentration are: Insurer Accountability, Seismic Reform, the Office of Health Affordability, and Preserving Rural Healthcare. Although all of these issues are important to Tahoe Forest Health System, as a CHA board member I have taken a particular interest in protecting rural healthcare throughout CA, I am delighted we were successful in elevating this topic to the four state advocacy priorities. There will be significant efforts to develop a budget/legislative solution that would provide more stable and appropriate funding for at-risk rural hospitals.

Service

Aspire to deliver a timely, outstanding patient and family experience

- **Gateway West Remodel Project**

Acquired in 2018, the Gateway West building presently accommodates our Multispecialty Clinic Management Team, Internal Medicine Cardiology, and Outpatient Lab Draw facilities. The primary objective of this remodel effort is to enhance our Rural Health Clinic's current operations under IM Cardiology, maximizing both primary care and specialist services. By relocating the MSC management team and renovating currently unused areas, the project aims to more than double the clinic's current capacity. Furthermore, the building will undergo upgrades to align with the timeless mountain modern aesthetic prevalent throughout our campus. Additionally, the site will undergo redevelopment to significantly increase parking capacity, improve pedestrian access, and support various transportation modes for both staff and patients. Pedestrian walkways will be interconnected with adjacent medical office buildings, and a revamped street crossing will enhance campus connectivity. The project is presently under review for development permits by the Town of Truckee, with subsequent submissions for interior demolition and remodeling permits. Anticipated completion is expected to welcome new patients in winter 2026.

Report provided by Dylan Crosby, Director Facilities and Construction Management

Active Moves:

- No Active Moves

Planned Moves:

- No Planned Moves

Active Projects:

Project: Martis Outlook Plastics

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

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

Update Summary: Finish work is commencing.

Start of Construction: Spring 2023

Estimated Completion: Spring 2024

Project: Incline Village Community Hospital Mammography

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

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

Update Summary: Utility work continues. The new Mammography is scheduled to be delivered in early April.

Start of Construction: Winter 2023

Estimated Completion: Spring 2024

Projects in Planning:

Project: Tahoe Forest Hospital Seismic Improvement

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

Summary of Work: Upgrade four buildings (the 1978, 1990, 1993 and Med Gas) to Non-Structural Performance Category "NPC" 4 status. Diagnostic Imaging scope includes replacing X-Ray Room 2, Fluoroscopy and CT as well as creating a new radiologist reading room and patient shower in the Emergency Department.

1978 Building – Diagnostic Imaging, portions of Emergency Department

1990 Building – Portions of the Surgical Department

1993 Building – Portions of the Dietary Department

Med Gas Building – Primary Med Gas distribution building.

Update Summary Phase 1, 1990 and 1993 NPC 4 improvement, is being bid and scheduled.

Start of Construction: Spring 2024

Estimated Completion: Winter 2026

Project: Levon Parking Structure

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

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

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

Start of Construction: TBD

Estimated Completion: TBD

Project: Gateway RHC Expansion

Background: With the longevity of the existing Gateway Building in the Master Plan staff are looking to maximize the utilization. Staff will be working to expand the current RHC to provide additional Primary Care service complimented by Specialists.

Summary of Work: Remodel 8 suites within the Building.

Update Summary Design of the interiors is underway and the Development Permit is being submitted to Town of Truckee this month.

Start of Construction: Spring 2024

Estimated Completion: Fall 2026

Project: TFHD MEP Replacements

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

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

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

Start of Construction: Winter 2024

Estimated Completion: Summer 2026

Project: Tahoe City Clinic – Fabian Way

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

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

Update Summary Project is out to bid

Start of Construction: Fall 2024

Estimated Completion: Summer 2025

Board CNO Report

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

DATE: February 14, 2024

Service

Aspire to deliver a timely, outstanding patient and family experience

- Women and Family staff and Care Coordination continue to work on an efficient process in lactation services, both inpatient and outpatient.

Quality

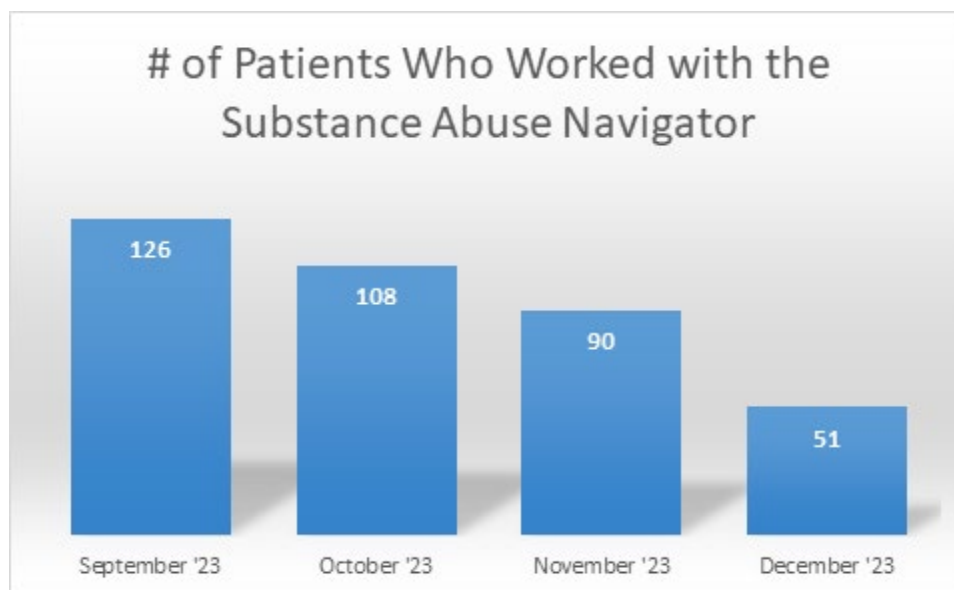
Aspire to deliver the best possible outcomes for our patients

- Jenny Parvin, ICU manager has become our new Revenue Integrity Nurse. She will be working with the Revenue Cycle and clinical teams to improve billing and documentation. Nicole Becker is now the Manager of ICU as well as Medical-surgical Unit.

Community

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

- Jason Becker Manager of the Respiratory Department will work with local EMS to educate pediatric high flow O2. This will allow for pediatric transfers from TFH ED to Renown PICU by ambulance versus Care Flight.
- The Substance Abuse Navigator met the following patients through TFH's ED. She calls patients, makes referrals and visits them in person to provide SUN services.



By: Brian Evans, MD, MBA
Chief Medical Officer

DATE: February 12, 2024

Community

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

- Dr. Evans continues to represent Tahoe Forest on the Partnership Health Physician Council and the Nevada County Providers biweekly call to track emerging issues of clinical significance as well as operational matters.

Service

Aspire to deliver a timely, outstanding patient and family experience

- Work continues on the Access to Care project which has already resulted in significant enhancements to clinic efficiency and patient flow, as well as the ordering process for advanced imaging. Leaders involved in these activities have begun “management systems training” which is a 9 module training seminar. The cohort has completed 2 of these modules. We anticipate another cohort beginning the training later this year.
- A fourth “rapid improvement event” on the subject of provider templates is planned for this month. This will assess the framework of how patients are scheduled with doctors and APP’s.
- Updates on this work will be provided at next week’s general medical staff meeting on February 20.

Quality

Aspire to deliver the best possible outcomes for our patients

- Establishing “standard work” for each element of our CMS 5 Star bundle continues. We now have structured bundles for fall prevention, surgical infection prevention, Clostridium Difficile prevention, sepsis treatment, readmission prevention, CT protocols, ED visits for chemotherapy patients, and complication prevention for total joint patients.
- A position for Risk Manager is still open and interviews are being conducted. Janet Van Gelder (Director of Quality and Regulations) is covering the open position in the interim period.

People

Aspire for a highly engaged culture that inspires teamwork and joy

- Sam Smith has agreed to a one year commitment to overseeing the “Joy in Medicine” committee as its chair. Sam provides outstanding experience, creativity and vision to this crucial role.

- Dr. Evans is attending an invitation-only conference hosted by Dr. Stephen Beeson on the subject of clinician wellness, and local leadership development in San Francisco this week.

Recruitment

- Tahoe Forest is excited to welcome the following 3 physicians to our health system. Dr. Gipanjot Dhillon will join our Behavioral Health department as medical director July 1, 2024. Dr. Dhillon is board certified in both adult and pediatric psychiatry and will be a welcome addition particularly since we have seen a significant uptick of behavioral health concerns in the last several years. Dr. Gurpreet Singh will join the Gastroenterology department on July 1 and brings extensive experience with him. In addition to general gastroenterology, he is skilled in endoscopic retrograde cholangio-pancreatography (ERCP) which is a wonderful addition to our offerings at Tahoe Forest. Dr. Krithika Chandrasekaran is a new Family Medicine provider who brings a host of skill and compassion to care for our increasing need for primary care in the Truckee area. She will join the system on September 1, 2024. We also are very pleased to welcome Kristyn McDougall, NP (Pulmonary) and Abigail Haskell, PA (Primary Care) who will join our system on March 25, 2024.

Finance

Aspire for long-term financial strength

- Our Physician Compensation steering committee meets again on 2/13/24. The group is tasked with determining the best framework for compensation for our employed physicians, while ensuring financial sustainability. Involving physicians from the beginning of the work ensures that they have a voice in this work and outcomes.
- Dashboards for each of our clinical services are being developed through Mercy Epic which will provide immediate data about productivity and other financial indicators which will help us remain sustainable.

By: Jake Dorst
Chief Information and Innovation Officer

DATE: 02/14/2024

Service

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

Project Management:

- Mercy Contract renewed.
- Preparing to present in partnership with Mercy at EPIC in Verona.
- Infusion pump integration go-live 1st week of march.
- Access to Care technology milestones achieved.
- Analyzing project proposals for FYE25 portfolio
- EPIC AURA project has kicked off.
- Provation project has kicked off.
- MSC Dashboards project will kick off in March.
- EEG department kicks off in March.
- Retail Rx IVR (medtel) has gone live.
- ENT/AUD has gone live.
- PLASTICS MSC goes live 2/25.

General:

1. SlicerDicer-data validation and testing with Louis Ward and rollout
2. Standardizing Provider Communication-project. Epic tools and policy.
3. Epiphany project-kick off
4. Mercy collaboration efforts-Nursing Informatics council, projects/monthly updates, Project ANEW
5. Enhancing and cleaning up the Provider onboarding process. Directory review and clean up.
6. Updating EAF records-Epic Directory
7. MD PI Line calls
8. AMB-A2C Projects and standardizing elbow to elbow support and Provider Efficiency Trainings
9. Jan24 Epic Upgrade-smooth rollout.

Lab:

1. Korchek finally has access and has started the third party validation of the Wellsky Blood bank Application upgrade. We have weekly calls with them now to review validation. Go live is scheduled for 3/25 week.
2. Epiphany calls have kicked off. Kyle and Jeff asked me to complete the procedure volumes sheet which I did and returned to Baxter for the Cloud. Weekly calls on Thursdays.

3. Aura- Kick off call is 1/30.
4. Epic Upgrade- Completed 1/16.
 - Kim Jacobs met with the staff and communicated the changes to staff at both hospital labs. They had no issues.
5. Visby- POC testing for STDs in the Urgent Care and ED.

Inpatient:

1. Jan Epic Upgrade for IP providers, Surgeons & Haiku
2. ECC eFax & ePrescribe project work. Continuing work on ECC optimization.
3. ASD – total joint nurse team – Ian collaborative work to fix Total Joint patient AVS-discharge instructions – success here for the team.
4. WIN with Ortho Coding RVU billing work – we got Mercy to create a Tahoe Brief Op Note template to streamline Optime coding.
5. Standard day-day physician asks.
6. SmartPump project. We have gotten through the training validation and now we move on to training the classes. Our first super user class is Thursday and then next week (end of Feb).

Outpatient:

1. ENT/Plastics Dept build.
2. Prepare upgrade materials.
3. Cardio Server-Epiphany.
4. Onboarding/Training.

ED:

1. Northstar project –now in maintenance
2. Continued project –Smart pump integration
3. Sepsis BPA for TFH/IVCH –working on this

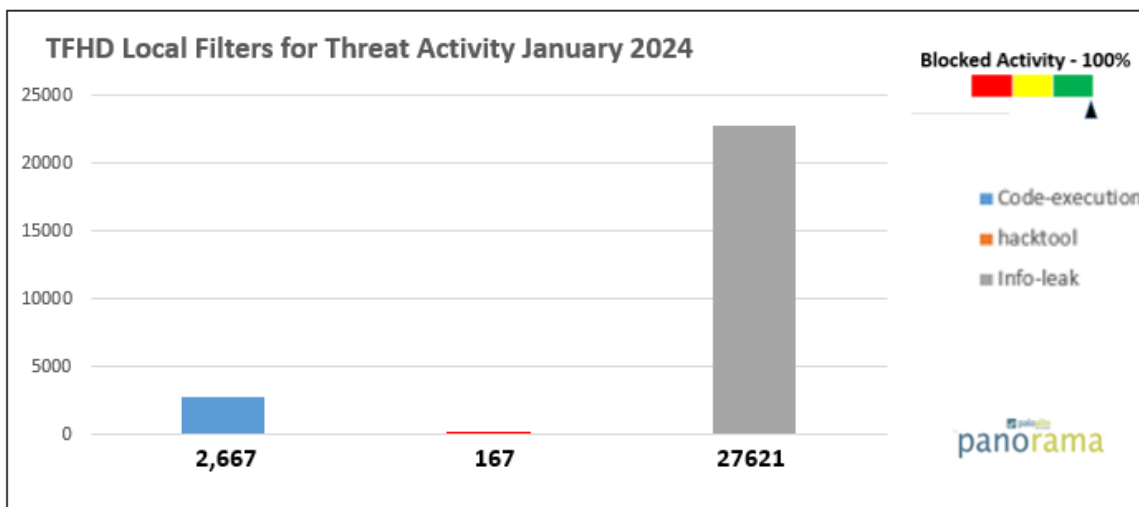
Surgery:

1. Fixed long-standing issue with vital signs warning banner populating for anesthesia when seemingly all vitals were being pulled in.
2. Implemented new vital signs warning banner for anesthesia.
3. Discovered reason that PreOp med instructions were not pulled into AVS. Problem fixed.
4. Additional paperwork options are available to print from AVS for Acute Care Discharge.
5. This coincided with the instructions Epic gives on what to print, but that was not previously available to print.
6. Finalizing e-consents.
7. Build change so that Anesthesia can add monitor in IRAD and pull in vitals.
8. First patients pushed through using new PreOp workflow between Ortho Clinic, Presurgical Clinic, and ASD.
9. Successful transition into upgrade for Epic vAug2023.
10. Achieved view only Referral Access for PAN nurses. Added it to their access template.
11. Trained new unit clerk.

Technical Team

- MedTel SIP trunk migrated to Retail Pharmacy to allow support of new telephony solution. MedTel Services offers a specialized communication solution for pharmacies and improve productivity and patient satisfaction (Pharmacy continues to tune solution).
- Eliminated old fax lines to fax server. Reduces complexity and increases availability given high availability services (fail over capabilities in the event of an outage).
- Martis Suites network configured and on-line. Use systems deployed.
- Reconfigured firewalls to better support new traffic flow for DI/Imaging considering new Purview cloud hosted solution.
- Simplified Tahoe Desktop to better support the organization and reduce the need for external contractors. The system is currently in testing with IT and will be deployed site wide by mid-March.
- Increasing security capabilities. Tested and invested in automated security patching system which will continue to greatly reduce risk.
- Officially retired the old helpdesk system. Maintaining old records should they become necessary in the future.
- Reenabled BitLocker district wide. BitLocker. BitLocker is a Windows security feature that provides deep encryption on our user and server hardware which greatly reduces data theft or exposure from lost, stolen, or inappropriately decommissioned devices.
- BIOS update process improved and automated.
 - Basic Input Output System (BIOS), stores key information about how a computer operates. Automated updates will enhance security and increase system performance.
- RSV/Flu report completed and being delivered on a regular basis.
- CyberArk deployed and now manages all privileged accounts thus greatly eliminating the ability to use these powerful accounts maliciously in our systems. This also manages external vendor access and tracks, controls and protects our footprint

Successful Threat Execution Blocks



Code Execution: Attempts to identify execution vulnerabilities that can be run by a privileged user

hacktool: riskware that is intended to provide access to computers and networks

Info-leak: Attempt to detect software vulnerabilities and craft request exploits for unprotected data

Top Threats Last Calendar Month

Panorama : 2024/01/01 - 2024/01/31

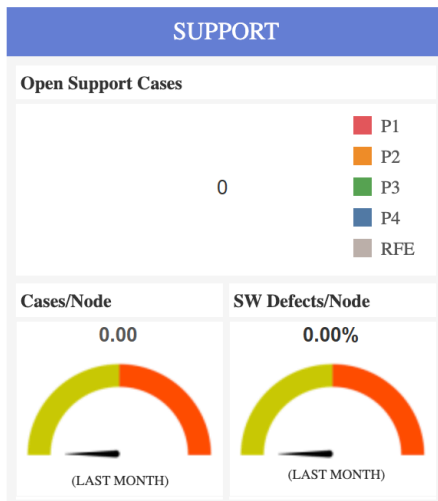
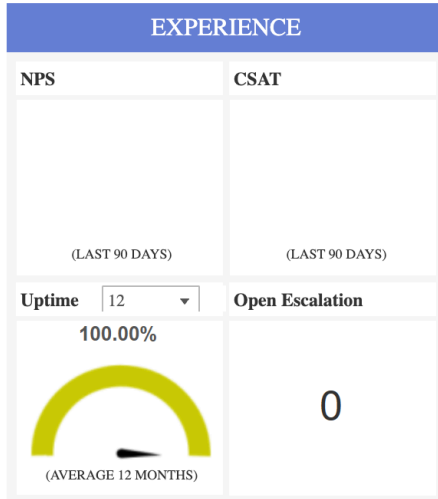
Threat ID/Name	ID	Threat Category	Threat Type	Count
Microsoft Windows NTLMSSP Detection	92322	info-leak	vulnerability	25.41 M
Microsoft Windows RPC Encrypted Data Detected	33836	code-execution	vulnerability	2.83 M
Windows Local Security Architect Isardelete access	30857	info-leak	vulnerability	571.83 k
Microsoft Windows Registry Read Attempt	34940	info-leak	vulnerability	565.25 k
SMB: User Password Brute Force Attempt	40004	brute-force	vulnerability	558.26 k
TCP SYN with data	8723	N/A	packet	245.91 k
Compromised username and/or password from previous data breach in inbound FTP login	58317	insecure-credentials	vulnerability	114.67 k
Microsoft Windows Registry Write Attempt	34941	code-execution	vulnerability	107 k
Microsoft Windows Registry Enumeration	30840	info-leak	vulnerability	90.26 k
Microsoft Windows user enumeration	30842	info-leak	vulnerability	59.95 k

Top Attackers by Source Countries Last Calendar Month

Panorama : 2024/01/01 - 2024/01/31

Source Country	Count
United States	2.85 M
Netherlands	2.88 k
Japan	2.71 k
Denmark	2.07 k
China	1.03 k
Germany	880
Canada	690
France	634
India	619
United Kingdom	499

Nutanix is our hyperconverged infrastructure (HCI) to break down legacy silos by merging compute, storage, and networking into a single, easy-to-use datacenter platform. Now, as the cloud has emerged as a critical component of IT infrastructure, Nutanix is breaking down silos once again, this time between on-premises, cloud, and the edge. We call this a hybrid multi-cloud platform. Here is our scorecard for the past 12 months showing zero downtime and no trouble tickets open with support.



RESOLUTION NO. 2024-02

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

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

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

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

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Tahoe Forest Hospital District duly called and held in the District this 22nd day of February, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Alyce Wong, Chair, Board of Directors
Tahoe Forest Hospital District

ATTEST:

Martina Rochefort, Clerk of the Board
Tahoe Forest Hospital District

BOARD COMMUNITY ENGAGEMENT COMMITTEE CHARTER

Purpose

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

Definition

Engagement is:

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

Responsibilities

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



Guiding Principles

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

Composition

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

Meeting Schedule

The committee will meet quarterly.

Charter
Executive Compensation Committee
Tahoe Forest Hospital District
Board of Directors

PURPOSE:

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

RESPONSIBILITIES:

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

DUTIES:

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

COMPOSITION:

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

MEETING FREQUENCY:

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

Charter

Finance Committee Board of Directors Tahoe Forest Hospital District

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

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

DUTIES:

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

COMPOSITION:

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

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

Charter
Governance Committee
Board of Directors
Tahoe Forest Hospital District

Purpose:

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

Responsibilities:

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

Duties:

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

Composition:

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

Meeting Frequency:

The Committee shall meet as needed.

Charter
Quality Committee
Tahoe Forest Hospital District
Board of Directors

PURPOSE:

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

RESPONSIBILITIES:

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

DUTIES:

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

COMPOSITION:

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

MEETING FREQUENCY:

The Committee shall meet quarterly.



MULTNOMAH GROUP

**Retirement Plans Oversight Presentation
Tahoe Forest Hospital District Board of Directors
Period Q3 & Q4, 2023**

February 22, 2024

Breakdown of Plans – December 31, 2023

401(1) Employer Contribution Plan	457(b) Employee Contribution Plan
<ul style="list-style-type: none">• Plan Assets increased from<ul style="list-style-type: none">• \$71.0 MM as of June 30, 2023, to• \$78.1 MM as of Dec. 31, 2023• +\$7.1 MM➤ JPMorgan US Equity Income – Multnomah Group placed it on the Watch List as we monitor a Portfolio Manager transition.➤ Invesco Developing Markets – Multnomah Group placed it on the Watch List as we monitor performance.➤ All remaining investments are scored “Satisfactory” by Multnomah Group’s Investment Committee.	<ul style="list-style-type: none">• Plan Assets increased from<ul style="list-style-type: none">• \$87.5 MM as of June 30, 2023, to• \$94.9 MM as of Dec. 31, 2023• +\$7.4 MM• Investments: Same• Participation Rate increased from:<ul style="list-style-type: none">80% as of June 30, 2023, to85.9% as of Dec. 31, 2023• Ave. Deferral Rate increased from:<ul style="list-style-type: none">9.7% as of June 30, 2023, to10.1% as of Dec 30, 2023<p><i>*Auto-enrollment is set at 6%</i></p>• Total Savings Rate (EE & ER) <u>remained the same:</u><ul style="list-style-type: none">14% as of June 30, 202314% as of Dec. 31, 2023

Q3, 2023 Activities

- **Reviewed performance of the Plan investments as of 6.30.2023**
 - All funds were rated Satisfactory by Multnomah Group’s Investment Committee.
- **The Committee its bi-annual Investment Menu Review**
 - The Committee agreed to merge the Fidelity 500 Index, the Fidelity Small Cap Index, and the Vanguard FTSE Social Index into the Fidelity Total Market Index Due to the high correlation of the three index funds to the Total Stock Market Index and to simplify the menu.
 - The Committee acknowledges that there is a brokerage account available if any participant wants to invest in a unique asset.
- **The Committee reviewed the Annual Working Group Administrative Report**
 - ✓ Replaced the Conestoga Small Cap Instl share class with the “Investor” share class to reduce the net expense ratio by 0.20%.
 - ✓ Identified forfeitures in the 457(b) Plan of \$231,024 that will be used to pay future Plan expenses.
 - ✓ Reviewed “Missing Participants.” The 457(b) has 128 Missing Participants, The 401(a), 212.
 - Elected to engage Fidelity to locate remaining Missing Participants as per the Department of Labor’s Guidance.
 - ✓ Negotiated five additional days of onsite education at no additional expense.
 - ✓ Confirmed adequate Fiduciary insurance policy is in place.

The Committee reviewed the inaugural Annual Working Group Education Report

- ✓ Planned a mix of virtual and in-person appointments throughout the coming year
- ✓ Promote 1:1 participant consultations with a Fidelity advisor.
- ✓ Distribute numerous educational flyers on different topics

Fiduciary Education

- ✓ Tier 3 – Missing Participants

Q4, 2023 Activities

- **The Committee Reviewed the performance of Plan investments as of 9.30.2023**
 - Invesco Developing Markets Invesco Developing Markets – Multnomah Group placed it on the Watch List as we monitor performance.
- **The Committee discussed the 2023 Regulatory Update & SECURE Act 2.0 Review**
 - The only mandatory provision that needed to be addressed by 12.31.23 was deferred to 1.1.26.
 - The Committee will continue to discuss multiple optional provisions.
 - There are no legally required Plan amendments for 2024.
- **Fiduciary Education**
 - ✓ Tier 3 – Settlor and Fiduciary

Questions

Disclosures

Multnomah Group is a registered investment adviser, registered with the Securities and Exchange Commission. Any information contained herein or on Multnomah Group's website is provided for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Multnomah Group does not provide legal or tax advice.

AGENDA ITEM COVER SHEET

ITEM	Approval of Sierra Health Collaborative, LLC Operating Agreement between Barton Health, Carson Tahoe Health, Mammoth District, Marshall Medical and Tahoe Forest Hospital District
RESPONSIBLE PARTY	Harry Weis, President & CEO
ACTION REQUESTED?	For Board Action
<p>BACKGROUND:</p> <p>Tahoe Forest Hospital District has been in discussion with four other regional health care systems (Barton Health, Carson Tahoe Health, Mammoth District, and Marshall Medical) for the purpose of forming a collaborative to identify best practices and cost savings opportunities for the benefits of its members for approximately 4 -5 years. TFHD Board of Directors initially voted to approve the formation of the company and initial investment of \$50,000 at its October 22, 2020 board meeting. Progress has been delayed due to the pandemic, and CEO turnover at Carson Tahoe.</p>	
<p>SUMMARY/OBJECTIVES:</p> <p>The operating agreement was formed as a Delaware LLC with five founding members, 100 Units each with a \$50,000 initial capital contribution.</p>	
<p>SUGGESTED DISCUSSION POINTS:</p> <p>I would like to suggest that the board chairs get together at some point in 2024 with the CEOs who are the board members of this entity and consider rapidly developing a strategic plan, and a budget. It is also suggested by the LLC to share a part time executive director who would be leased to this company by one of the 5 partners just like we provide the payroll and benefits structure for the Tahoe Truckee Workforce housing agency.</p>	
<p>SUGGESTED MOTION/ALTERNATIVES:</p> <p>Move to approve the Operating Agreement of Sierra Health Collaborative, LLC as presented.</p>	
<p>LIST OF ATTACHMENTS:</p> <ul style="list-style-type: none"> ● Draft LLC Operating Agreement 	

OPERATING AGREEMENT
of
Sierra Health Collaborative, LLC
(a Delaware limited liability company)

THIS OPERATING AGREEMENT (this "**Agreement**") of Sierra Health Collaborative, LLC, a Delaware limited liability company (the "**Company**"), is adopted and agreed to effective as of _____, ~~2023~~ April 1, 2024 (the "**Effective Date**"), by and among the Company members as set forth on Exhibit A, attached hereto and incorporated herein, and such other parties who become members of the Company from time to time pursuant to the terms hereof (each a "**Member**," and collectively the "**Members**").

RECITALS

A. The Company was formed under the laws of Delaware by the filing of Certificate of Formation with the Delaware Secretary of State on _____, ~~2023~~ April 1, 2024 (the "**Certificate**"), in order to, among other things, _____ engage in any lawful business purpose or activity as further set forth in (but not limited by) Section 3.1 hereof, and similar programs and initiatives designed to further the goals and objectives of the Members.

B. The Members agree that the membership in and management of the Company shall be governed by the terms set forth herein.

NOW, THEREFORE, the Members and the Company agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. Unless otherwise specified herein, capitalized terms used in this Agreement shall have the meanings ascribed thereto on Schedule 1.1 attached hereto and made a part hereof.

ARTICLE II
FORMATION

2.1 Formation. The Company was formed pursuant to the Delaware Limited Liability Company Act, 6 Del. C. §18-101 et seq., as amended from time to time (or any corresponding provisions of succeeding law) (the "**Act**"), for the purposes set forth in the Certificate, as amended, and this Agreement. The rights and liabilities of the Members shall be determined pursuant to the Act, the Certificate and this Agreement. To the extent that the rights or obligations of the Members are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company shall be “Sierra Health Collaborative, LLC.” The Company may do business under that name and under any other name or names as selected from time to time by the Board of Managers.

2.3 Registered Office and Registered Agent. The address of the Company’s registered office and registered agent for service of process in Delaware shall initially be c/o CT Corporation, 1209 N. Orange St., Wilmington, Delaware 19801. The Board of Managers may change the registered office and the registered agent of the Company as the Board of Managers deems advisable.

2.4 ~~2.1~~ Principal Place of Business. The principal place of business of the Company shall initially be at ~~[Parties considering a~~ 165 Highway 50, 2nd Floor, Stateline, Nevada address ~~89449~~. The principal place of business may be changed to a location the Board of Managers may select, and the Company may maintain additional offices at such other places as the Board of Managers deems advisable. The books and records of the Company shall be maintained at the principal place of business of the Company or at such location or locations as determined by the Board of Managers.

ARTICLE III NATURE OF BUSINESS AND POLICIES

3.1 Nature of Business. The purposes of the Company are, without limitation, as follows:

3.1.1 to collaborate with respect to best practices related to healthcare operations and care delivery, including in the areas of quality, efficiency, patient safety, cost, and overall care of patients in the communities served by the Members (sometimes hereinafter referred to as “***Our Patients***”);

3.1.2 to identify, prioritize and pursue cost saving initiatives for the benefit of the Members, which may include IT applications and opportunities to improve communications and health care reporting for Our Patients, shared back-office and administrative functions ~~such as human resources, purchasing opportunities, and other opportunities~~ identified from time to time;

3.1.3 to evaluate population health initiatives and pursue those that provide a substantial benefit to Our Patients; and

3.1.4 engage in the transaction of any or all lawful business for which Delaware limited liability companies may be organized under the laws of Delaware.

3.2 Powers. The Company may engage in any and all activities necessary, desirable or incidental to the accomplishment of the foregoing. The Company shall have all powers necessary or convenient to carry out the purposes for which it is formed, including all powers granted by the Act. Notwithstanding the foregoing, nothing herein shall be construed as a delegation of the authority of the governing

body of any Member, and the Company may not take any action on behalf of any Member.

3.3 Policies. The Company will maintain a corporate compliance policy and a conflict of interest policy, and such other policies as determined appropriate by the Board of Managers from time to time.

ARTICLE IV MEMBER MATTERS

4.1 Membership Interests. Membership Interests in the Company will be represented by units (the "**Units**"), and include all interests, rights and obligations related thereto, including, for the avoidance of doubt, all rights and obligations of such Member pursuant to this Agreement, including the additional rights of Founding Members as set forth herein. The Units issued to the Founding Members as of the Effective Date are set forth on Exhibit A.

4.2 Member Rights. Except as set forth herein, no Member shall have priority over any other Member except as herein provided. This Section 4.2 shall not apply to repayment of any loan or other indebtedness made by a Member to the Company

4.3 Capital Contributions; Capital Accounts.

4.3.1 Capital Contributions. The Members may from time to time and at any time contribute cash or other assets to the Company ("**Capital Contributions**") and the Membership Interests of the Members shall be adjusted accordingly. The initial Capital Contributions of the Founding Members are set forth on Exhibit A.

4.3.2 Capital Accounts. A capital account (the "**Capital Account**") shall be maintained for each Member on the books of the Company. Such Capital Account shall be adjusted to reflect the Member's share of allocations and distributions as provided in this Agreement, and any additional Capital Contributions by a Member to the Company or any distributions from the Company to such Member. Such Capital Accounts shall further be adjusted to conform to Treasury Regulations under the Internal Revenue Code of 1986, as amended (the "**Code**"), as interpreted in good faith by affected Members.

4.4 Distributions. Each decision as to the timing, form and amount of distributions shall be made by the Board.

4.5 Matters Requiring Approval of the Members.

~~4.5.1~~ The Company shall not engage in any of the actions described in this Section 4.5.1 without the prior approval of at least seventy-five percent (75%) of the Founding Members. If the Company desires to engage in any of the following actions, (a) the Board of Managers shall adopt a resolution, approving such transaction and declaring it advisable, and (b) such transaction shall be submitted to the Founding Members for approval or rejection:

- (a) any restatement, repeal or amendment to the Company's Certificate of Formation and/or this Agreement which alters the purposes of the Company;
- (b) the sale, exchange, lease, mortgage, pledge or other disposition of all or substantially all of the assets of the Company in a single transaction or series of related transactions;
- (c) a merger or consolidation of the Company with or into any other entity;
- (d) the dissolution of the Company as provided in Article VIII;

~~(e) the creation of, or any investment in, any entity; and~~

~~(f) admission of any new Member and the terms of such admission.~~

~~4.5.2 The Company shall not engage in any of the actions described in this Section 4.5.2 without the prior approval of at least seventy five percent (75%) of the Founding Members. If the Company desires to engage in any of the following actions, (a) the Board of Managers shall adopt a resolution, approving such transaction and declaring it advisable, and (b) such transaction shall be submitted to the Members for approval or rejection:~~

~~(e)~~ ~~(a)~~ any restatement, repeal or amendment to the Company's Certificate of Formation and/or this Agreement (other than as set forth in Section 4.5.1), provided however, no change in the Certificate of Formation or this Agreement which alters the rights of a Founding Member shall be approved without the affirmative consent of any affected Founding Member;

~~(b) the adoption or modification of annual operating and capital budgets and strategic plans for the Company;~~

~~(f)~~ ~~(c)~~ entering into any contract or arrangement by which the Company will incur or guarantee debt, or otherwise assume financial risk; and

~~(d) unless otherwise approved in the Company's operating and/or capital budget(s), the acquisition of any real property or any personal property~~

~~having an aggregate value in excess of Fifty Thousand Dollars (\$50,000);~~
~~and~~

(g) ~~(e)~~ such other matters as are expressly reserved for, or are otherwise within the power of, the Members under applicable law, the Company's Certificate of Formation or this Agreement.

4.6 Other Powers Reserved to the Founding Members. In addition to the authority of the Members as expressly set forth elsewhere in the Company's Certificate, this Agreement or required by non-waivable provisions of the Act or the Code, the Founding Members shall retain the right to take any action necessary in order to (a) carry out the tax-exempt purposes of a Member (or any of its successors) and/or any of their tax-exempt Affiliates, (b) protect or preserve the tax-exempt status of (or the bonds relating to) a Member (or its successor) and/or any of its tax-exempt Affiliates, and/or (c) protect the Medicare provider status of any Affiliates of a Member. Any action taken pursuant to this Section 4.6 shall require the prior approval of at least seventy-five percent (75%) of the Founding Members.

4.7 Actions of the Members.

4.7.1 The decisions and actions of a Member may be carried out by the Member or such other Officers or individuals granted authority to act on behalf of the Member (each, a "***Member's Authorized Representative***"), pursuant to the corporate requirements (e.g., Articles or Organization, Bylaws, etc.), as amended from time to time, or pursuant to resolutions adopted by the Member from time to time.

4.7.2 Action Without a Meeting. An action requiring the vote, approval, or consent of Members may be taken without a meeting if the action is evidenced by a written consent describing the action taken and delivered to the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section 4.7.2 is effective when all applicable Members have signed the consent, unless the consent specifies a different effective date. A consent or resolution signed by a Member and provided by facsimile, in portable document format (a/k/a pdf) or other electronic transmission shall be deemed to be written and signed for purposes of this Section 4.7.2.

4.8 Transfer of Membership Interests. Except as provided in Section 4.8.1 (Permitted Transfers), no Member may transfer all or any part of its Membership Interest in the Company, and any such proposed transfer shall be null and void and have no force and effect.

4.8.1 Permitted Transfers. A Member may, upon written notice to the Company and the other Members, transfer all, but not less than all, of its Membership Interests in the Company to a wholly-owned or controlled Affiliate of such Member without the consent of the other Members ("***Permitted Transfer***"), which Permitted Transfer shall not be effective unless and until the

transferee of the Membership Interest, if such transferee is not already a Member, executes and delivers to the Company, a Joinder Agreement substantially in the form attached hereto as Schedule 4.8.1 (“**Joinder**”).

4.9 Limitation of Liability. Each Member’s liability shall be limited as set forth in this Agreement, the Act and other applicable law. The Member will not be personally liable as a Member for any debts or losses of the Company.

4.10 Member Withdrawal. During the first calendar quarter (i.e., January 1 through March 31) of each year, any Member may give the Company prior written notice of resignation to the Company, and the withdrawal of such Member shall be effective at the end of the subsequent fiscal year following the year in which notice was given. The foregoing notice period may be reduced upon approval of at least seventy-five percent (75%) of the Founding Members (excluding, where applicable, the Founding Member to which the vote applies). In connection with the foregoing: (a) unless otherwise agreed by at least seventy-five percent (75%) of the Founding Members (excluding, where applicable, the Founding Member to which the vote applies) the withdrawn Member shall not be entitled to a return of any Capital Contribution(s) made by the withdrawn Member, any portion of the Withdrawing Member’s Capital Account or any assets, income, earnings, profits or funds, or payments or proceeds with respect the withdrawn Members Membership Interest, (b) from the date the Member gives notice of resignation, the Member’s approval shall not be required with respect to the matters described in Section 4.5, (c) the withdrawal of a Member will not relieve the withdrawn Member of any obligations or liabilities arising from their status as Member prior to the withdrawal, and (d) withdrawal shall under no circumstances relieve the withdrawn Member from its obligations to fulfill its contractual obligations to the Company.

4.11 Member Termination. Any Member’s membership interest, including a Founding Member, may be terminated upon the unanimous vote of the Founding Members (excluding, where applicable, the Founding Member to which the vote applies) if (i) the Member fails to pay delinquent amounts due to the Company within thirty (30) days after notice by the Company, (ii) the Member is found guilty of fraud or other illegal activity, whether or not involving the Company, (iii) the Member otherwise acts contrary to the best interests of the Company as reasonably determined by the voting Founding Members, or (iv) the Member undergoes a Change of Control and the voting Founding Members determine that such Member’s interests are no longer sufficiently aligned with those of the other Members. Any Member to which (ii) or (iv) above becomes or is expected to become applicable shall notify the Company promptly, but not later than the date such circumstance becomes public knowledge, and shall provide sufficient detail relating to the circumstances to allow the Founding Members to evaluate the situation in connection with the rights provided by this Section. If a Member is expelled from the Company pursuant to (i), (ii) or (iii) above, such Member shall forfeit its respective Units and Capital Account, and shall have no further rights with respect to the Company. If a Member is expelled from the Company pursuant to (iv) above, such Member shall receive an amount equal to **the greater of** such Member’s initial Capital Contribution

~~or fifty percent (50%) of the fair market value of such Member's interest in the Company, as determined by the Company in its reasonable discretion (which may, but need not, include an appraisal by a third party appraiser). [Should we simplify this? Just make it a return of capital?].~~

4.12 Members' Duties; Transactions with Affiliates. Each Member shall owe the Company only the duties of loyalty and care and the obligation of good faith and fair dealing, to be interpreted in accordance with the disclosure and voting procedures set forth in this Section 4.12 ("**Member Duties**"). No Member shall be required to participate in the Company as its sole and exclusive function. Each Member may have other business interests and may engage in other activities in addition to those relating to the Company, except as expressly prohibited pursuant to this Agreement or any other agreement entered into by such Member. In connection with the foregoing, no Member will directly or indirectly through an Affiliate of the Member engage in activities or enter into contracts that materially conflict with the Company's actual business or contracts. In addition, neither the Company, nor any Member shall have any right, by virtue of this Agreement or membership in the Company, to share or participate in the other Member's other business interests and activities, or to the income or proceeds derived therefrom. Each Member understands that the conduct of the business of the Company may involve business dealings and undertakings with Members; any Member's corporate members or governmental governing body, shareholders, partners or owners of Members and Affiliates of Members; and/or entities with which the Member has a financial interest (individually or collectively, "**Member Group**"). An act or transaction involving the Company and one or more other parties included within the Member Group which could otherwise be in violation of the Member Duties shall not be a violation if: (a) such Member notifies the Board of Managers or other Members, as applicable, of the potential violation; (b) the terms of the applicable act or transaction are substantively fair to the Company; and (c) all of the disinterested Managers or all of the disinterested Members, as applicable, approve such act or transaction after full disclosure of all material facts as requested by the approving Managers or Members. All such acts and transactions shall be on commercially reasonable terms, and when so conducted and determined in accordance with this Section 4.12 shall be deemed to satisfy the Member's Duties.

4.13 Payments. Any amounts payable by the Company to a withdrawing or expelled Member may be paid over a period not to exceed three (3) years, at the option of the Company.

ARTICLE V MANAGEMENT

5.1 Management. The business and affairs of the Company shall be managed by its Board of Managers. The Board shall, subject to the authority of the Members as expressly set forth in this Agreement or required by non-waivable provisions of the Act, have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all

decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the business of the Company, including determining, making, approving or authorizing all determinations, decisions, approvals, and actions affecting the Company and its business and affairs. The Board may, by written agreement, delegate certain of the day-to-day management activities to a third-party, provided that the Board retains ultimate authority over the Company.

5.2 Composition of the Board of Managers and Qualifications. The Board of Managers shall consist of one (1) ~~appointee and one (1) alternate (to serve when the appointee~~ Manager appointed by each Founding Member, and each Founding Member shall also designate one (1) person to serve as an alternate for the appointed Manager (to serve as the designated Manager for such Member when the appointed Manager is unavailable) ~~from each Founding Member.~~ Commencing on the Effective Date, the Board of Managers shall be comprised of five (5) Managers. No Member that is a District Hospital may appoint a person to serve as a Manager who is also a member of the governing Board of such Member. Managers serving on the Board as of the Effective Date (the "**Initial Board**") and their respective alternates are set forth on Schedule 5.2 attached hereto and incorporated herein.

5.3 Qualifications of Managers. In addition to any qualification set forth elsewhere in this Agreement, each Manager shall be a person who possesses experience of value to the Company and who will perpetuate the principles and purposes of the Company and maintain a meaningful commitment to the Company's mission to ensure its likely success.

5.4 Term, Tenure, Resignation and Removal.

5.4.1 Term. Managers shall be appointed in accordance with Section 5.2 and shall each serve a term of ~~one two (2)~~ one year. There shall be no limit to the number of terms a Manager may serve, successive or otherwise. Each Manager shall hold office until such time as his/her successor is duly elected or appointed and qualified or until his or her earlier death, resignation or removal.

5.4.2 Resignation. Any Manager may resign at any time by providing written notice to the Board and the Member that appointed them, stating the effective date of such resignation.

5.4.3 Removal of Managers. A Manager or alternate may be removed at any time by the Member that appointed them upon notice to the Chairperson. A Manager or alternate whose employment or affiliation with the Member that appointed them terminates, shall be automatically removed upon the termination of such relationship.

5.4.4 Vacancies. Any vacancy in the Board resulting from the resignation or removal of a Manager or alternate shall be filled by the Member that appointed the Manager or alternate who resigned or was removed.

5.5 Limitation on Power To Bind the Company. Unless authorized to do so by this Agreement or by the Board, no Member, Manager, Officer, employee or other agent of the Company shall have any authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose. Any of the foregoing Persons who takes any action or binds the Company in violation of this Section 5.5 shall be solely responsible for any loss and expense incurred by the Company as a result of the unauthorized action and shall indemnify and hold the Company harmless with respect to the loss or expense.

5.6 Meetings.

5.6.1 Regular Meetings. Meetings of the Board shall be held on the dates and at the times and places determined by the Board from time to time. The Board may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution (and if no such designation is made, the place of meeting shall be the principal office of the Company). Each appointed Manager shall make good faith efforts to attend at least one (1) meeting of the Board of Managers each year in person.

5.6.2 Special Meetings. Special meetings of the Board shall be held whenever called by or at the request of the Chairperson or at least one-third of the Managers. The Secretary/Treasurer of the Company shall give to each Manager (at his or her business address or by personal delivery to such Manager) at least two (2) business days advance written notice of the date, time, place and purpose of each such special meeting. Business transacted at any special meeting of the Board shall be limited to the purposes stated in the notice. Attendance of a Manager at any meeting shall constitute a waiver of notice of such meeting, except where such person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.6.3 Conference Telephone or Other Remote Communications Technology. Subject to ~~the each~~ Manager's ~~annual~~ commitment to make good faith efforts to attend ~~two at least one (21) board meetings~~ meeting of the Board of Managers annually in person pursuant to Section 5.6.1, Managers may participate in any meeting of the Board through the use of a conference telephone, video or other remote communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall be deemed equivalent to attendance in person at the meeting.

5.7 Quorum and Voting Requirements.

5.7.1 Quorum. At any meeting of the Board, a quorum for the transaction of business at such meeting shall consist of a majority of the then-sitting Managers on the Board which majority includes at least one (1) Manager ~~appointed by~~ (or alternate) representing each of at least ~~four~~ three (43)

of the Founding Members ("**Quorum**"). If less than a Quorum of the Board is present at a meeting, the Managers present shall adjourn the meeting to a different time.

5.7.2 Voting.

(a) Except as otherwise expressly provided in this Agreement, all determinations, decisions, approvals, and actions affecting the Company or its business and affairs shall be determined, made or approved by the affirmative vote of a majority of the Managers present at a meeting at which a Quorum is present. Notwithstanding the foregoing, if all of the then-sitting Managers entitled to vote on a matter are at a meeting and are deadlocked with respect to an issue, such issue shall be submitted to the Founding Members who will decide the issue.

(b) Notwithstanding the provisions of Section 5.7.1 or Section 5.7.2(a) above, the approval of the following matters shall require a vote of at least seventy-five percent (75%) of all then-sitting Managers:

- (i) the creation of, or any investment in, any entity;
- (ii) admission of any new Member, subject to the process and procedures to be established by the Members, and the terms of such admission;
- (iii) the adoption or modification of annual operating and capital budgets and strategic plans for the Company; and
- (iv) unless otherwise approved in the Company's operating and/or capital budget(s), the acquisition or sale of any real property or any personal property having an aggregate value in excess of Fifty Thousand Dollars (\$50,000).

5.8 Action Without a Meeting. Action required or permitted to be taken at a meeting of the Board may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the number of Managers required to approve the applicable action, delivered to the Company for inclusion in the minutes or for filing with the Company records. A consent or resolution signed by a Manager and provided by facsimile, in portable document format (a/k/a pdf) or other electronic transmission shall be deemed to be written and signed for purposes of this Section 5.8. In addition, action taken under this Section 5.8 is effective when the required number of Managers have signed the consent and all of the Managers have been notified of the action, unless the consent specifies a different effective date.

5.9 Officers.

5.9.1 Officers; Term of Office. The officers of the Company (the "**Officers**") shall be a Chairperson, a Vice-Chairperson, a Secretary and Treasurer, and such other officers as may be elected or appointed by the Board from time to time. The offices of Chairperson, Vice-Chairperson, Secretary and Treasurer shall each be held by a member of the Board of Managers. Except for the offices of Chairperson and Vice-Chairperson, one person may hold more than one Officer position at any given time. Except for the initial Officers, whose terms shall expire on December 31, 2024, the Officers shall each serve for a term of ~~one~~two (~~1~~2) ~~year~~years, except that, with respect to all Officers, (a) an Officer elected to fill a vacancy for a partial term shall serve the remaining term of his or her predecessor; and (b) each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or his or her resignation or removal as provided herein. Vacancies may be filled or new offices created and filled by the Board of Managers. Election of an Officer shall not of itself create contract rights. The authority, duties and responsibilities of each Officer shall be established from time to time by the Board. Except as restricted pursuant to the terms and conditions of the Act, the Board may authorize the Officers to exercise any authority of the Board in the management of the Company. The initial officers, as of the effective date of this Agreement, are set forth on Schedule 5.2.

5.9.2 Chairperson. The Chairperson of the Board of Managers (the "**Chairperson**") shall preside at all Board meetings and, in general, perform all duties incident to the position and such other duties as may be prescribed by the Board from time to time.

5.9.3 Vice-Chairperson. In the absence of the Chairperson, the Vice-Chairperson of the Board of Managers (the "**Vice-Chairperson**") shall preside at all Board meetings and, in general, perform all duties incident to the position and such other duties as may be prescribed by the Board from time to time. The Vice-Chairperson shall serve *ex officio* as the Chairperson of the Company's Finance Committee.

5.9.4 Secretary. The Secretary shall have charge of the records and correspondence of the Company. The Secretary shall give notice of and attend all meetings of the Board and shall ensure that proper minutes of all meetings of the Board are kept and maintained. In general, the Secretary shall perform all the duties which are incident to the office of Secretary, subject to the Board, and discharge such other duties as shall be prescribed from time to time by the Board. The Board may appoint an assistant Secretary, based on criteria and qualifications established by the Board, to perform the duties of the Secretary as requested from time to time.

5.9.5 Treasurer. Except as otherwise ordered by the Board, the Treasurer shall ~~have~~ensure the custody of all the funds and securities of the

Company and shall ensure the deposit of the same in such banks or depositories as the Board shall designate. The Treasurer shall ~~keep~~ensure that Company keeps proper books of account and other books showing at all times the amount of the funds and other property belonging to the Company, ~~all of which.~~ All books shall be open at all times to the inspection of the Board. The Treasurer shall, under the direction of the Board, ~~disburse~~ensure disbursement of all monies and ~~sign~~oversee signing of all checks and other instruments drawn on or payable out of the funds of the Company, which checks, however, may also be required by the Board to be signed by the Chairperson, or in case of the absence or disability of the Chairperson, as the Board shall designate. In general, the Treasurer shall perform all the duties which are incident to the office of Treasurer, subject to the Board, and discharge such other duties as shall be prescribed from time to time by the Board. The Board may appoint, based on criteria and qualifications established by the Board, an assistant Treasurer to perform the duties of the Treasurer as requested from time to time.

5.10 Board Committees.

5.10.1 Standing Committees. The Board may designate one or more standing committees as are necessary and which are not in conflict with other provisions of this Agreement, and the duties of any such standing committees shall be set forth in a resolution adopted by the Board.

5.10.2 Special Committees. The Board may designate one (1) or more special committees as are necessary and which are not in conflict with other provisions of this Agreement, and the duties of any such special committees shall be set forth in a resolution adopted by the Board. Each such special committee shall consist of two (2) or more persons appointed by the Board, who may, but need not, be Managers. A special committee shall limit its activities to the accomplishment of the tasks for which it is designated and shall have no power to act except as specifically conferred by action of the Board. Upon the completion of the tasks for which designated, such special committee shall stand dissolved.

5.10.3 Terms of Appointment. An individual appointed to a standing or special committee shall serve a term of one (1) year unless otherwise designated by the Board of Managers. A member of a committee may serve any number of consecutive terms.

5.10.4 Committee Chairpersons. The Board will designate a member of each standing or special committee to serve as its chair. An individual appointed as chair shall serve a ~~one~~two (~~1~~2) year term of office.

5.10.5 Meetings. Meetings of a standing or special committee may be called at any time by the Chairperson, the Vice- Chairperson, or the chair of such committee on not less than two (2) business days advance written notice to each member of such committee, given orally or in writing. All meetings of a standing

or special committee shall be held at the principal office of the Company or at such other place as the chair of such committee shall designate. All provisions of Section 5.6.3 (Conference Telephone or Other Remote Communications Technology) and Section 5.8 (Action Without a Meeting) shall apply to meetings of committees except as otherwise provided by the Board. At any meeting of a standing or special committee, a quorum for the transaction of business at such meeting shall consist of a majority of the then-sitting members of the committee, and the vote of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VI INDEMNIFICATION

6.1 Good Faith Acts and Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each Member, Manager, employee, officer and other agent of the Company for costs, expenses, losses and damages actually and reasonably incurred in connection with any action, suit or Proceeding arising from any act or omission performed or omitted by such party if (i) such act or omission does not constitute Willful Misconduct; (ii) such party acted (a) in good faith and on behalf of the Company; (b) in a manner reasonably believed by such Person to be in, and not opposed to, the best interests of the Company; (c) within the scope of such Person's authority; and (iii) with respect to any criminal action or Proceeding, had no reasonable cause to believe that such conduct was unlawful.

6.2 Expenses. Reasonable expenses (including reasonable attorneys' fees) incurred by any Member, Manager, employee, officer or other agent in defending a civil or criminal action, suit or Proceeding which the Company believes in good faith is covered by the indemnification provisions set forth in Section 6.1 shall be paid by the Company in advance of the final disposition of the action, suit or Proceeding, provided, however, that such Member, Manager, employee, officer or agent must agree to repay such amount, in the event that such Person is not entitled to indemnification in such action, suit or Proceeding under Section 6.1.

6.3 Other Rights. The indemnification and advancement of expenses provided by or granted pursuant to this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Certificate or this Agreement, or any other agreement, or vote of a Member or otherwise, both as to action in the Person's official capacity and as to action in another capacity while holding office, and shall continue as to a Person who has ceased to be a Member, Manager, employee, officer or agent, and shall inure to the benefit of the heirs, executors and administrators of such Person.

6.4 Insurance. ~~As~~The Company shall maintain Directors and Officers liability insurance in an amount as determined by the Board. Otherwise, as determined necessary or appropriate by the Board from time to time, the Company may purchase and maintain insurance against potential liabilities that may be

asserted against the Company or its officers, directors, employees or others providing services to or on behalf of the Company. [Each member agrees to maintain insurance of such types and amounts of coverage that is standard in the industry for similarly situated hospitals.](#)

6.5 Report. If the Company has paid indemnity or has advanced expenses to a Member, Manager, officer, employee or agent, the Company shall report the indemnification or advance in writing to the Member.

6.6 Broader Indemnification. Notwithstanding any provision in this Article VI to the contrary, in the event the Act is either amended to provide, or interpreted by judicial or other binding legal decisions to provide, broader indemnification rights than those contained herein, such broader indemnification rights shall, upon the effective date of any amendment of the Act or final determination by judicial or other binding legal decision, be provided to any Persons entitled to be indemnified pursuant to the Act, the intent of this provision being to require the Company to indemnify, to the full extent permitted by the Act, Persons whom it may indemnify thereunder.

ARTICLE VII TAX MATTERS

7.1 Tax Matters. The Members intend that the Company be treated as a partnership for federal income tax purposes and this Agreement shall be interpreted accordingly.

ARTICLE VIII DISSOLUTION AND WINDING UP

8.1 Dissolution. The Company shall be dissolved and its affairs wound up, upon the first to occur of the following events (which shall constitute “**Dissolution Events**”):

8.1.1 The consent of seventy-five percent (75%) of the Founding Members;

8.1.2 an entry of a decree of judicial dissolution or administrative dissolution; or

8.1.3 an event that makes it unlawful for all or substantially all of the business of the Company to be continued, but any cure of illegality within ninety (90) days after notice to the Company of the event is effective retroactively to the date of the event for purposes of this subparagraph.

8.2 Effect of Dissolution. Upon dissolution, the Company shall cease carrying on business, as distinguished from the winding up of Company business, but the Company is not terminated, and continues until the winding up of the affairs of the Company is completed and the certificate of cancellation have been issued by the Secretary of State. This Agreement shall remain in full force and effect and shall

continue to govern the rights and obligations of Board and the Members and the conduct of the Company's business and affairs during the period of winding up.

8.3 Distribution of Assets upon Dissolution. Upon the winding up of the Company, Company Property shall be distributed:

8.3.1 first, to creditors, to the extent permitted by law, in satisfaction of Company liabilities, including the expenses of liquidation and for the creation of reserves for contingencies which the Board considers necessary; and

8.3.2 thereafter, to the Members in accordance with their respective Unit percentage ownership.

8.4 Winding Up and Certificate of Cancellation. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonable adequate provision therefor has been made, and all of the remaining property and assets of the Company have been distributed to the Members. Upon the completion of winding up of the Company, a certificate of cancellation of the Certificate of Formation shall be filed with the Secretary of State of Delaware. The certificate of cancellation shall set forth the information required by the Act.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1 Term. The term of this Agreement shall be in perpetuity, unless and until the Company is dissolved pursuant to Article VIII above, or this Agreement is terminated by ~~mutual~~-agreement of all of the Founding Members.

9.2 Entire Agreement. This Agreement represents the entire agreement between the Members and the Company. This Agreement, including all Exhibits and Schedules attached hereto and incorporated herein (as amended from time to time), shall be deemed to express, embody and supersede all previous understandings, agreements and commitments, whether written or oral, with respect to the Members and to fully and finally set forth the entire agreement of the Members.

9.3 Rights of Creditors and Third Parties Under Agreement. The Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members and their successors and assignees. The Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Members with respect to any Capital Contribution or otherwise.

9.4 Governing Law. This Agreement and its interpretation shall be governed exclusively by its terms and by the laws of the State of Delaware, and specifically the Act.

9.5 Benefit. This Agreement shall be binding upon, and inure to the benefit of, and shall be enforceable by, the heirs, successors, legal representatives and permitted transferees of the Members and the successors and assigns of the Company. Notwithstanding the foregoing, this Agreement is intended solely for the benefit of the parties, and nothing herein shall be construed to confer any benefit on any other parties. No such other party shall be construed as a third party beneficiary with respect to this Agreement or any provision hereof.

9.6 No Waiver. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder or pursuant hereto shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or pursuant hereto.

9.7 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but, if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. If any part of any covenant or other provision in this Agreement is determined by a court of law to be overly broad thereby making the covenant unenforceable, the parties agree, and it is their desire, that the court shall substitute a judicially enforceable limitation in its place, and that as so modified the covenant shall be binding upon the parties as if originally set forth herein.

9.8 Notices. Except as otherwise provided in this Agreement, any and all notices given in connection with this Agreement to be communicated to a party shall be deemed adequately given only if in writing and personally delivered, sent registered or certified mail with postage prepaid and return receipt requested, or sent by Federal Express or other nationally recognized overnight courier, to such party at the last known address of such party as shown on the records of the Company. A written notice shall be deemed to have been given to the recipient party on the earliest of: (a) the date it shall be delivered personally to the recipient party or delivered to the required address; (b) if mailed, upon receipt if sent United States mail, postage prepaid, certified or registered mail, return receipt requested; or (c) if delivered by a reputable nationally recognized overnight carrier, on the day of delivery to the addressee.

9.9 Fiscal Year. The fiscal year of the Company shall be ~~from~~ to the calendar year.

9.10 Dispute Resolution. Any controversy or dispute arising out of or relating to the interpretation of this Agreement (“**Controversy**”), shall be resolved pursuant to the following resolution process:

9.10.1 Administrative Resolution Process. The Members shall, in good faith, attempt to resolve any Controversy as follows: (a) the Members seeking to resolve a Controversy shall each prepare a written position statement and deliver a copy thereof to the Founding Members; and (b) no later than ten (10) days after delivery of each such position statement, appropriate representatives of the Founding Members shall meet and seek, in good-faith (which may, in the discretion of the Founding Members, include non-binding mediation), to resolve the Controversy, and any resolution approved by at least seventy-five percent (75%) of the Founding Members shall be binding on the Company and the Members (collectively, the “**Administrative Resolution Process**”).

9.10.2 Arbitration.¹ If the Members are unable to resolve the Controversy through the Administrative Resolution Process, then any Member(s) holding at least 25% of the Company’s total equity interests, in the aggregate, may submit a demand for arbitration, and upon demand, any such Controversy shall be settled in accordance with the American Arbitration Association (“**AAA**”) Commercial Arbitration Rules, and judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall make written findings of fact and conclusions of law. The Members agree that the arbitrator’s findings of fact shall be final and binding upon the Members and that the arbitrator’s award shall be final, binding and enforceable upon the Members and their successors except that the Members shall have the right to appeal to a court of competent jurisdiction any conclusion of law made by such arbitrator. The Members agree that (a) one arbitrator shall be selected pursuant to the rules and procedures of the AAA, (b) the arbitrator will not have the authority to award punitive damages, and (c) the arbitrator will have the authority to award attorneys’ fees. The Members agree that the **Federal Arbitration Act and the federal substantive law promulgated relative thereto** shall be the applicable governing law regarding the application, implementation, interpretation and enforcement of the rights to arbitration as set forth in this Section 9.10. Any Member shall have the right to pursue injunctive or other equitable remedies to enforce the terms of this Section. Venue of any arbitration shall be in Washoe County, Douglas County, or Carson City, Nevada unless otherwise expressly agreed to by the parties to the arbitration.

9.10.3 Equitable Remedies. Notwithstanding any provision of this Section to the contrary, any Member may freely pursue any equitable remedy for any Controversy under this Agreement in any court of competent jurisdiction.

¹ Discuss cost and process limitations of arbitration, and whether the Members would prefer to default to litigation if the Administrative Resolution Process fails.

9.10.4 Survival. The obligations of this Section 9.10 shall survive the expiration or termination of this Agreement for any reason.

9.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute but one and the same instrument. Facsimile or pdf versions of signatures shall be as effective as original signatures.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO OPERATING AGREEMENT OF SIERRA HEALTH COLLABORATIVE, LLC]

IN WITNESS WHEREOF, the Company and the Founding Members have executed this Agreement to be effective as of the Effective Date.

SIERRA HEALTH COLLABORATIVE, LLC

By: _____
Name: _____
Title: _____

BARTON HEALTHCARE SYSTEM

By: _____
Name: Clinton Purvance, M.D.
Title: President/Chief Executive Officer

CARSON-TAHOE HEALTH SYSTEM

By: _____
Name: _____
Title: _____

MAMMOTH DISTRICT HOSPITAL

By: _____
Name: _____
Title: _____

MARSHALL MEDICAL CENTER

By: _____
Name: _____
Title: _____

TAHOE FOREST HEALTH SYSTEM

By: _____
Name: _____
Title: _____

EXHIBIT A

Membership Interests

Member/Address	Units	Initial Capital Contribution
Barton Healthcare System	100	\$50,000
Carson-Tahoe Health System	100	\$50,000
Mammoth District Hospital	100	\$50,000
Marshall Medical Center	100	\$50,000
Tahoe Forest Health System	100	\$50,000

SCHEDULE 1.1

DEFINITIONS

The following terms shall have the following meanings:

“**Act**” shall have the meaning set forth in Section 2.1.

“**Affiliate**” shall mean, with respect to a Person, any other Person controlling, controlled by or under common control with the first Person.

“**Agreement**” shall mean this Agreement including all amendments thereto which are adopted in accordance with this Agreement and the Act.

“**Board**” or “**Board of Managers**” shall mean the Board of Managers appointed to manage the affairs of the Company.

“**Capital Account**” shall have the meaning set forth in Section 4.3.2

“**Capital Contributions**” shall have the meaning set forth in Section 4.3.1.

“**Certificate**” shall have the meaning set forth in Recital A.

“**Change of Control**” ~~shall mean~~ with respect to a Person shall mean (i) the dissolution of such Person; (ii) the merger or consolidation of such Person with any third Person, unless upon completion of the merger or consolidation the corporate members or Persons who were owners of such merging Person immediately prior to such merger or consolidation will have more than fifty percent (50%) of the voting control (including, without limitation, the right to appoint or elect more than fifty percent (50%) of the governing body) of the surviving corporation or entity of such merger or consolidation; (iii) the sale or transfer of fifty percent (50%) or more ownership interests or the assets of such Person to one or more third Persons, whether by one or more transfers within any twelve (12) month period (whether by change in sponsorship or membership, by contractual arrangement(s) or any other means) that results in a transfer of fifty percent (50%) or more over the appointment of the governing body of the Person or a transfer of fifty percent (50%) or more of the assets away from the control of the governing body of the Person; or (iv) any ownership investment in such Person by a third Person who or which is in competition with any other Member.

“**Code**” shall have the meaning set forth in Section 4.3.2.

“**Company**” shall have the meaning ascribed thereto in the introductory paragraph hereof.

“**Company Property**” shall mean any Property owned by the Company.

“Dissolution Event” shall mean an event, the occurrence of which will result in the dissolution of the Company under Article VIII.

“Effective Date” shall have the meaning set forth in the introductory paragraph hereof.

“Founding Member(s)” shall mean the Members as of the Effective Date.

“Initial Board” shall have the meaning set forth in Section 5.3.1.

“Joinder” shall have the meaning set forth in Section 4.8.1.

“Manager” shall mean each member of the Board of Managers.

“Member(s)” shall have the meaning ascribed thereto in the introductory paragraph hereof.

“Member’s Authorized Representative” shall have the meaning set forth in Section 4.7.1.

“Membership Interest(s)” shall mean the ownership interest of a Member in the Company, including the right to any and all benefits to which a holder of such interests may be entitled in accordance with this Agreement or the Act, and the obligations provided in this Agreement and the Act.

“Officers” shall have the meaning set forth in Section 5.9.1.

“Organization” shall mean a Person other than a natural person, including, without limitation, corporations (both non-profit and other corporations), partnerships (both limited and general), joint ventures, limited liability companies, trusts and unincorporated associations.

“Permitted Transfer” shall have the meaning set forth in Section 4.8.1.

“Person” shall mean any individual, trust, Organization, estate, or any incorporated or unincorporated organization permitted to be a member of a limited liability company under the laws of the State of Delaware.

“Proceeding” shall mean any judicial or administrative trial, hearing or other activity, civil, criminal or investigative, the result of which may be that a court, arbitrator, or governmental agency may enter a judgment, order, decree, or other determination which, if not appealed and reversed, would be binding upon the Company, a Member or other Person subject to the jurisdiction of such court, arbitrator, or governmental agency.

“Property” shall mean any property, real or personal, tangible or intangible, including money and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

“Provider” shall mean any hospital, health care facility or integrated delivery system, or Affiliate of such hospital, health care facility or integrated delivery system.

“Quorum” shall have the meaning set forth in Section 5.7.1.

“Secretary of State” shall mean the Secretary of State of Delaware.

“Supermajority Vote” shall have the meaning set forth in Section 5.7.2(b).

“Willful Misconduct” shall mean any of the following acts or omissions:

- (a) any act or omission that constitutes fraud, reckless conduct, intentional misconduct or a knowing violation of law which results in material loss or injury to the Property or operations of the Company;
- (b) an act or omission which shows an actual or deliberate intention to cause harm to or which, if not intentional, shows an utter indifference to or conscious disregard for the interests of the Company or the Property of the Company;
- (c) theft or embezzlement of money or Property of the Company;
- (d) conviction of a crime, the commission of which shall have resulted in loss or injury to the Property or operations of the Company; or
- (e) any dishonesty resulting in material loss or injury to the Property or operations of the Company.

“Units” shall have the meaning set forth in Section 4.1.

Schedule 4.8.1

Form of Joinder Agreement

(See attached)

JOINDER AGREEMENT

This JOINDER AGREEMENT (this “Joinder”) is made as of the ____ day of _____, 20__ (the “Effective Date”), between Sierra Health Collaborative, LLC, a Delaware limited liability company (the “Company”), and _____ (the “Joining Member”) (individually, each a “Party” to this Joinder, and collectively, the “Parties”).

WHEREAS, the Joining Member seeks to acquire [INSERT NUMBER] Units of the Company; and

WHEREAS, reference is hereby made to the Operating Agreement, dated _____, 20__, as amended from time to time, by and among the Company and the other Member(s) thereto (the “Operating Agreement”); and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Operating Agreement.

NOW THEREFORE, the Parties hereby agree as follows:

1. Joinder. The Joining Member hereby acknowledges that it has received and reviewed a complete copy of the Operating Agreement and agrees that upon the full execution of this Joinder by the Parties, the Joining Member shall become a party to the Operating Agreement and shall be fully bound by, and subject to, all of the covenants, terms, and conditions of the Operating Agreement as though an original party thereto and shall be deemed, and is hereby admitted as, a Member for all purposes thereof and entitled to all the rights incidental thereto. The Company may attach the Joining Member’s signature page hereto to the Operating Agreement or any other agreement for convenience as further evidence of joinder to the Operating Agreement and may amend the applicable schedules or exhibits thereto as further evidence of the status of the Joining Member as a party to the Operating Agreement, but such attachment or such amendment shall not be required in order for such joinder to be effective. A copy of this Joinder may be provided to any person or entity as proof of any such joinder and amendment thereof, and may be relied upon as such by such person or entity as such.
2. Further Assurances. At any time or from time to time after the date hereof, the Company and Joining Member agree to cooperate with each other, and at the reasonable request of any of them, to execute and deliver any further instruments or documents and to take all such further action as the requesting Party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the Parties hereunder.
3. Affirmation. This Joinder is to be read and construed with the Operating Agreement. All provisions of the Operating Agreement shall remain in full force and effect.

4. Miscellaneous. This Joinder is effective as of the Effective Date and may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Counterparts delivered in an electronic format, such as but not limited to facsimile or pdf, shall be binding as original signatures.

IN WITNESS WHEREOF, the Parties hereto have executed this Joinder to be effective as of the Effective Date.

SIERRA HEALTH COLLABORATIVE, LLC

By: _____
Name: _____
Title _____

[JOINING MEMBER]

By: _____
Name: _____
Title _____

SCHEDULE 5.2

INITIAL BOARD OF MANAGERS

<u>Member</u>	<u>Appointee</u>	<u>Alternate</u>
<u>Barton Healthcare System</u>	<u>Clinton Purvance, MD (President & CEO)</u>	
<u>Carson Tahoe Health</u>	<u>Michelle Joy (President & CEO)</u>	
<u>Mammoth Hospital</u>	<u>Tom Parker (CEO)</u>	
<u>Marshall Medical Center</u>	<u>Siri Nelson (President & CEO)</u>	
<u>Tahoe Forest Health System</u>	<u>Harry Weis (President & CEO)</u>	

INITIAL OFFICERS

Chairperson: _____

Vice-Chairperson: _____

Secretary: _____

Treasurer: _____

Summary report:	
Litera Compare for Word 11.4.0.111 Document comparison done on 2/6/2024 12:35:44 PM	
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Intelligent Table Comparison: Active	
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Modified DMS: nd://4865-0579-6492/9/Barton Sierra Collaborative Operating Agreement.docx	
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Delete	57
Move From	7
Move To	7
Table Insert	1
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
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