



TAHOE FOREST HOSPITAL DISTRICT

2017-02-23 Board Finance Committee

Thursday, February 23, 2017 at 10:30am

Eskridge Conference Room - Tahoe Forest Hospital

10121 Pine Avenue, Truckee, CA 96161

Meeting Book - 2017-02-23 Board Finance Committee

2/23/17 Finance Committee

AGENDA

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ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

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6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports

6.1.1. Financial Report - Preliminary January 2017
* materials will be distributed at a later time.

6.1.2. MultiSpecialty Clinics Quarterly Review.pdf Page 10

6.1.3. TFHS Foundation FY2017 Q2 Financials.pdf Page 20

6.1.4. Truckee Surgery Center Oct-Dec 2016 Financial Reports.pdf Page 24

6.2. Risk Management and Insurance Summary 2017.pdf Page 36

6.3. FY2018 Preliminary Budget Timeline.pdf Page 41

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No related materials.

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

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10. ADJOURN



FINANCE COMMITTEE AGENDA

Thursday, February 23, 2017 at 10:30 a.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Chair; Greg Jellinek, M.D., Board Member

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

4. INPUT – AUDIENCE

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

5. APPROVAL OF MINUTES OF: 1/25/2016 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports

6.1.1. Financial Report – Preliminary January 2017 ATTACHMENT*

6.1.2. Multi-Specialty Clinics Quarterly Review..... ATTACHMENT

6.1.3. Tahoe Forest Health System Foundation Q2 2017 Financial Statements ATTACHMENT

6.1.4. Truckee Surgery Center LLC - Oct – Dec 2016 Financial Statements..... ATTACHMENT

6.2. Risk Management Update..... ATTACHMENT

Carl Blumberg, Risk and Patient Safety Manager, will provide the Finance Committee with an update on the District’s insurance policies and coverages

6.3. FY18 Preliminary Budget Timeline..... ATTACHMENT

The Finance Committee will review the timeline for the fiscal year 2018 budget.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... ATTACHMENT

9. NEXT MEETING DATE ATTACHMENT

10. ADJOURN

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

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

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



FINANCE COMMITTEE

DRAFT MINUTES

Wednesday, January 25, 2017 at 8:00 a.m.
Foundation Conference Room, Tahoe Forest Health System
10976 Donner Pass Road, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 8:00 a.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Greg Jellinek, M.D., Board Member

Staff: Crystal Betts, Chief Financial Officer; Jaye Chasseur, Controller; Jeremy Bennett, Director of Revenue Cycle; Martina Rochefort, Clerk of the Board

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

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 10/24/2016

Director Chamblin moved approval of the October 24, 2016 Finance Committee minutes.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports

6.1.1. Financial Report – November 2016

CFO reviewed the financial report for November 2016.

November saw quite a bit of variance on the income statement under professional fees and purchased services. CFO and Controller are going to take a closer look at the items. For example, hospitalists creating additional professional fees. Purchased services were above budget for repairs and maintenance of facilities. An FTE was added for a reduction in expense but have not seen a reduction in cost yet.

A security assessment was completed in IT. They will see negative variance and it will flip.

Director Chamblin inquired if the cash number should be more than it is. CFO stated the District is in a better position than forecasted. The number has varied due to the timing of large expenditures. The District is consistently seeing cash position improvement. The A- goal is 202 days cash on hand.

Discussion was held on bad debt.

Director Jellinek inquired if the District was receiving interest for its 186 days cash on hand. CFO stated yes, but the District is very limited on what it can invest in.

6.1.2. Financial Report – December 2016 Quarterly Packet

CFO reviewed the Accounts Receivables over 120 days indicator on page 29.

Jeremy Bennett reviewed projects that are currently being worked on related to Accounts Receivable.

The District did not have a good claims scrubber that would reduce the amount of time of doing follow up, denials and cleaning up claims later. The District tried to submit claims as it had done previously and saw \$2,250,000 in denials for December.

Kristy Lugert is the newly hired HIM director. She will be able to go back and see about getting issues resolved so claims can be released clean.

The Business Office has seen a large increase in private pay. It also had a turnover in staff.

The Business Office has partnered with MedAssist for self-pay collections and customer service. They offer extended hours, better answers to industry questions and recorded conversations. The Business Office is trying to classify patient concerns. MedAssist will also make outbound calls to request funds. The Business Office was able to make this transition without laying off staff. They have seen less complaints in the first month.

The Business Office has also partnered with HELP for patient payment plans. HELP takes the place of ClearBalance. There is no credit check, no interest, and no fees to patients. We receive most of the patient account balance up front after patient makes the first payment to HELP, and then the account comes off of our AR. HELP has more tools for patient to manage their payments.

Director Jellinek asked what happens if the patients default. If they default, it comes back to the District. The District would pay it back, send 10 day notice and then send the account off to collections.

Director Chamblin inquired if the EPIC implementation will improve this. A number of workarounds currently being done with CPSI will go away.

Discussion was held about insurance AR. A group consisting of billers was created for follow up. The District is starting to see a decrease in over 120 day for insurance payors (non self-pay).

November 1, 2017 is the targeted go live date for EPIC.

Revenue Cycle has identified areas for improvement and will begin to see improvements over the coming months of these efforts.

Revenue Cycle will be able to do much greater things with EPIC and will be able to be sure we are getting paid what we are owed for claims from insurance contracts. For example, one insurance company was ignoring the Emergency Room portion if the patient was admitted. The District was able to go back and get payment owed.

Cash and AR numbers are reflective of the last day of the month.

The payor mix saw a 4% increase in commercial payors.

Year to date operating expenses are still on track.

The Key Financial Indicators on page 33 look good.

In the benefits section, there were additional longevity bonuses that created variances. CFO has asked Human Resources to predict these.

CFO reviewed the Statement of Cash Flows.

At the end of December, the District was at 173 Days Cash on Hand.

Real properties are almost all taken care of and paid for.

Emergency Room visits are up. The District saw high volumes during the last week of December.

MRI has also been busy. Director Chamblin asked if a tech could be added or expanded hours offered. COO would need to evaluate if a tech could be added or hours expanded.

CT Exams are also up.

6.1.3. Quarterly Review of Separate Entities

CFO reviewed the financials of the separate entities.

Discussion was held about home health and hospice.

The thrift store income is \$227,000. CFO reminded the committee that the two departments combined back when home health was losing over a million dollars a year. Home Health and Hospice have shared staff. The thrift store only supports hospice and not home health. Earnings are going to recover prior year losses.

Director Jellinek stated that the volunteers think hospice money is not going to hospice. They should be educated. CFO will talk to Karen Baffone about educating the staff.

Discussion was held on the Children's Center.

They have a net operating expense. Their staff had not had wage increases in a number of years and recruitment was becoming very difficult. A change in children's center wages had to be implemented.

Discussion was held about Occupational Health.

Occupational Health needs to be looked at in connection with the health clinic. The staff is shared between occupational health and the health clinic. They are operating better than budget if you combine the two.

Discussion was held about the retail pharmacy. Scott Cooper is the new Director of Pharmacy. Changes have been made to the pharmacy - updated their system, costs related to 340b (regulated program discount drugs) administrator. The new Director of Pharmacy has ideas on how to improve and we will need to meet with him.

Therapies are doing well. Therapy services are a contract service with Agility. Ryan Solberg took the lead with therapy services and is doing well.

Discussion was held on the Total Cancer Program (page 64).

Director Chamblin asked about depreciation. Depreciation numbers are for the building and equipment. Depreciation for equipment is either five or seven years.

Director Chamblin inquired if the District will see a pickup of approximately \$400,000 in equipment depreciation soon. Yes, dependent on the useful life the equipment was amortized over.

6.1.4. Quarterly Review of Payor Mix

No discussion was held.

6.1.5. TIRHR Expenditure Report

The expenditure report will be updated with numbers from the additional letter of credit that the Board of Directors approved.

6.1.6. Truckee Surgery Center LLC - Oct – Dec 2016 Financial Statements

Financial Statements were not available at the time of Finance Committee.

6.2. 2002 Variable Rate Demand Revenue Bond Refinancing

The Board Finance Committee reviewed documents related to the refunding of the District's 2002 Variable Rate Demand Revenue Bonds.

6.2.1. Debt Management Policy

CFO reviewed the Debt Management Policy. The date on Exhibit A was removed to match the policy.

The policy was drafted by our bond counsel, Brian Quint of Quint & Thimmig, LLP.

As of January 1, 2017, the California Government Code required the District to have this debt policy.

This went through all of the District's attorneys. Board members should feel very comfortable that adequate review has been done.

The message to Board of Directors at the meeting will be that this is a requirement for the District. It was written by bond counsel and reviewed by Gary Hicks and General Counsel.

6.2.2. Debt Management – Resolution 2017-01

The resolution approves the debt management policy discussed as 6.2.1.

6.2.3. Variable Rate Refunding Revenue Bond Finance Schedule

CFO will execute the agreement on January 27, 2017, the day after the board meeting.

The bond will close on March 27, 2017.

There will be a one day cross over.

The letter of credit will not be renewed as it triggers funding.

Will have one day of having both bonds – won't have to do advanced refunding

6.2.4. Variable Rate Pricing Comparisons

CFO was concerned with the market and what if something happened to make the LIBOR go up. This analysis was done to show what would happen if the LIBOR rate went up.

This refunding eliminates renegotiating with US Bank for the letter of credit every 3 years.

This refunding is good for the District. The financial benefit is small but overall the refunding is positive and reduces risk.

6.2.5. Umpqua Bank Proposal

Umpqua Bank did ok the confidentiality clause.

Umpqua Bank agreed to a 10-25 basis point discount for a depository relationship.

This will reduce the basis points on the debt.

\$1,000,000 on deposit will give 10 basis point discount on debt.

Director Jellinek inquired if this discount was ok to do. It is a validated mechanism that the District is able to do.

The total is \$9,000,000 with 15 years left to run.

6.2.6. Umpqua Bank Credit Approval Letter

The Credit Committee at Umpqua did approve the District for credit. There should be no problems.

6.2.7. Fifth Supplemental Indenture of Trust

These are normal bond documents.

6.2.8. Fifth Supplemental Indenture – Resolution 2017-02

These are normal bond documents.

6.2.9. Bond Purchase Agreement

These are normal bond documents.

Director Chamblin inquired what the bond was originally taken for. The bond was for part of the western addition and 1999 bonds. The bonds were set up prior to the CFO joining District.

There are short term and long term benefits for District.

It has to remain a variable rate. Fixed rates were too high.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

- Financial Report – January 2017
- Financial Report – MSC 6 month Review
- TFHSF 2nd Quarter FY17 Financial Statements
- FY18 Budget Timeline

9. NEXT MEETING DATE

There will possibly be a timing issue for close of January numbers due to Controller's medical leave of absence.

10. ADJOURN

Meeting adjourned at 9:44 a.m.

Tahoe Forest Multi-Specialty Clinics
Second Quarter FY 2017 (July 2016 – Dec 2016) Report to the Finance Committee
Executive Summary
February 17, 2017

Changes to Report Format and Prior Period Comparison. Please note the following changes to the FY 2017 report format and prior period comparison.

- Beginning in July, the contracts for three of the four MSC internists (Drs. Lombard, Scholnick and Tirdel) were amended to eliminate the RVU credit for daytime hospitalist work and replace it with a direct payment per shift. This expense, along with the associated revenue, is charged to the hospitalist cost center. For the sake of consistency, an equivalent portion of Dr. Burkholder's compensation is being charged to the hospitalist cost center as well, based on the number of shifts worked. To provide a valid year over year comparison, prior year figures in this report were restated to remove the hospitalist WRVU credit, charges, net revenue and the portion of professional fee expense related to hospitalist work.
- The WRVU Summary has been updated as follows:
 - Current and prior year figures reflect actual WRVUs produced by each physician or midlevel. As noted above, the hospitalist credit has been removed, along with credits for midlevel supervision and the Incline production guarantee.
 - Because eleven of the MSC's eighteen physicians (as well as the audiologists) are now paid on a production basis, the bonus threshold continues to be reported only for the remaining seven physicians who receive fixed base compensation and are eligible to earn a production bonus if the WRVU threshold is exceeded.
 - At the request of the Board, a comparison of actual WRVUs to MGMA national median WRVUs is being provided. The national median figure reflects a three-year average and is prorated based on the number of months being reported, but is not prorated based upon the number of days or hours the physician works.
 - In order to provide a more complete view of the contribution made to Tahoe Forest by the internists who also serve as hospitalists, their FTE status as hospitalists is reflected in the rightmost column. The FTE status was calculated by dividing the average number of 12-hour shifts covered per month by 15 (considered the norm for a full-time hospitalist).

Total Operations. In the first half of FY 2017, provider FTEs increased by 4.8 (31%) relative to the first half of FY 2016, due primarily to the addition of two new service lines in the fourth quarter of FY 2016: orthopedic surgery and urology. Work Relative Value Units (WRVUs) were 45% higher than the first half of FY 2016, gross charges were 54% higher, and net revenue was 40% higher. Provider expense was 58% higher, clinic operating expense was 44% higher and the overall net loss was 73% higher than the prior year, but still approximately \$246,000 less than what was budgeted.

- In addition to the orthopedic surgeons and Dr. Bretan, there was an increase in extender FTEs year over year, with the addition of Samantha Smith in January 2016 and Melissa Rider in October 2016, both in the Internal Medicine / Cardiology clinic. The additional extenders have helped to both increase primary care access and relieve pressure on the internists. While the internists experienced a net decrease of 802 WRVUs year over year, the midlevel WRVUs increased by 1,584.

- Dr. Conyers, a General Surgeon, left the organization in October 2016 and has not been replaced. Dr. Cooper has been able to cover the majority of the elective surgeries, and the organization is relying on Drs. Kitts, Lee, Cahill and Allen to help Dr. Cooper cover the General Surgery on-call schedule. In addition, Dr. Schaffer agreed to suspend his recently implemented schedule change until a new full-time gastroenterologist can be recruited. We are actively recruiting a gastroenterologist and are preparing to move forward with an offer to the preferred candidate.
- WRVU growth was noted in Primary Care provided by midlevels (61%), ENT (18%), Neurology (13%), Pediatrics (9%), Sports Medicine (7%), and Audiology (1%). Decreases in WRVU volumes were noted for General Surgery (16%), Internal Medicine (10%), and Gastroenterology (9%). In addition, the nephrologists and pediatric pulmonologist who had been working with the MSC on a very limited part time basis did not renew their contracts.
- Of the seven physicians paid a base compensation plus bonus, two (Drs. Wicks and Schaffer) are exceeding the bonus threshold by 20% or more. Dr. Burkholder was exceeding her bonus threshold prior to her December medical leave, but is now 12% below target on a year-to-date basis. She returned from leave at the beginning of January and is expected to make up this deficit by year-end. With Dr. Conyers' departure in October, Dr. Cooper is now within 8% of her target on a year-to-date basis. Dr. Mancuso is also only 8% below target on a year-to-date basis but since converting from his locums arrangement to a PSA and increasing his hours, he has slightly exceeded his target. Dr. Bretan, the urologist who started in May 2016, is at 66% of target. We are actively working with Dr. Bretan to help him more quickly build his patient base and increase his availability. Dr. Dickinson, orthopedic surgeon, is at 62% of target after only two months, which is consistent with expectations for a new physician.
- Provider expense increased by 58%. In addition to the provider FTE additions in orthopedic surgery, urology and Internal Medicine / Cardiology, a portion of this year over year increase was fueled by locum tenens expense in ENT and Orthopedic Surgery during the first fiscal quarter. Increased productivity and the compensation changes under the FY 2017 contract further contribute to this increase.
- Total clinic operating expenses increased 44% relative to prior year, again largely related to the new service lines. Excluding the expenses associated with the two new clinics, salaries and benefits increased 19%, and total operating expenses increased 10%. The key drivers of these additional cost increases include staffing to support two additional midlevel providers, consulting services associated with the numerous initiatives within the physician services division, and travel and temporary housing associated both with both locums tenens coverage and the interim Executive Director.

Individual Clinic Highlights

ENT / Audiology. Work RVUs in the ENT Clinic increased by 17% year over year. Gross charges increased by 26%, and net revenue increased by 19%, the disparity between the gross and net revenue being caused by a decrease in commercially insured patients from 46.6% to 42.1%. Both gross and net revenue were favorably impacted by an increase in hearing aids.

Provider expense increased by 37%. In addition to the higher cost of locums coverage, Dr. Mancuso's compensation is at market median whereas Dr. Chase was paid below median based on his lower productivity. The 28% increase in medical supplies and drugs was related primarily to the increase in

hearing aids dispensed. The net operating loss in this clinic increased from \$141,843 to \$190,652. The loss is expected to decrease in future quarters with the elimination of the locums premium.

Internal Medicine / Pulmonology. Overall, Work RVUs in the Internal Medicine / Pulmonology clinic decreased by 2% relative to prior year. Gross charges increased by 2% and net revenue decreased by 5%. Operating expenses were 13% lower than prior year.

Internal Medicine / Cardiology. RVUs increased in the Internal Medicine / Cardiology clinic by 43%, largely due to the transfer of Dr. Forner from Sports Medicine to IM / Cardiology in mid-November 2015 and the addition of the two mid-levels. Both gross charges and net revenue increased 35% year over year. Provider expense increased by 43%.

In the first half of FY 16, Gastroenterology and General Surgery shared space with the IM/Cardiology clinic. Although revenue and provider expense were separately and distinctly tracked and reported, the shared clinic expenses were allocated based on provider FTEs. In FY 17, clinic operating expenses are separately tracked, and it appears based on the actual distribution of expenses that the FY 16 allocation methodology may have charged too little expense to IM/Card and too much to GI/GS. On a combined basis, the operating expense of these two clinics increased 22%, which reflects both the duplicative rent and staffing associated with operating two distinct sites and the support staff needed for additional providers in IM/Cardiology.

Pediatrics. WRVUs in the Pediatrics clinic increased 6% year over year; however gross charges decreased by 3% and net revenue increased by 5%. The disparity in these figures was related to a change in billing practice with regard to vaccines provided by the state under the VFC (Vaccines for Children) program. Nearly half of the vaccines administered in this clinic are covered under VFC. Under this program, the vaccine is provided to the hospital free of charge and the hospital is paid only for the vaccine administration. In FY 16, the hospital was billing the vaccine CPT code at its full price and writing off the difference between that full charge and the very modest vaccine administration fee. In FY 17, the hospital charged an amount that more closely aligned with the expected payment rate for the vaccine CPT codes. This change in practice decreased gross charges but had no impact on net revenue. At the same time, the number of immunizations administered for children covered under commercial insurance increased 13%, likely as a result of SB 277, the new law eliminating the “personal belief” vaccine exemption for students entering certain grades at school.

Provider expense increased by 12% based on the increased productivity and the new benefit reimbursement plan offered to the physicians. Overall clinic operating cost increased by only 3% in spite of a 21% increase in medical supplies and drugs, largely related to the increase in vaccines.

GI / General Surgery. WRVUs in the GI/General Surgery clinic decreased 13% between the first half of FY 16 and the first half of FY 17, with a 16% decrease in General Surgery and 9% in Gastroenterology. These decreases were driven by Dr. Conyers’ departure as well as Dr. Schaffer’s slight decrease in availability. To help meet the demand for screening colonoscopies, Dr. Kitts and Dr. Cahill have stepped up to help provide these services when they are in Truckee covering Emergency Department call.

Gross charges in the GI/GS clinic decreased 7% year over year and net revenue increased 2%. The financial report shows a 37% decrease in clinic operating expenses, although as discussed above, the prior year expenses may not have been accurately allocated between IM/Cardiology and GI/GS.

Incline Village. RVUs decreased in the Incline Village clinic by 25%, gross charges decreased by 26%, and net revenue decreased by 35%. Dr. Scholnick decreased his time in Incline from one and one-half days per week to one, which accounts for most of the decrease. This clinic shares space with the “Health Clinic” which is not currently reported on the MSC financials, but Dr. Sutton-Pado and the midlevel providers who staff the “Health Clinic” side are meeting the primary care needs, so that Dr. Scholnick can see more specialty cases in the Incline MSC clinic.

Orthopedic Surgery. The orthopedic surgery clinic is the busiest clinic in the MSC with 11,518 WRVUs. The provider panel has been stabilized with the addition of Dr. Foley (half time) in August and the addition of Dr. Dickinson (also half time) in November. A fourth surgeon, Dr. Haeder, has been recruited from residency and will start in August 2017. In the meantime, to help address issues with patient access, the orthopedic physician assistants, who have provided surgery assists, emergency room backup, and inpatient follow-up in the hospital, have begun seeing patients in the clinic as well.

Both revenues and expenses have come in over budget, net revenue by 100% and clinic operating expenses by 29%. The net operating loss, as a result, was 70% of what was budgeted.

Sports Medicine. WRVUs in the Sports Medicine clinic decreased by 34% due to the transfer of Dr. Forner from Sports Medicine to IM/Cardiology last November. Dr. Winans’ RVUs grew by 7%. Overall the gross charges decreased by 27%, net revenue by 31%, provider expense by 26% and clinic operating expenses by 10%.

Urology. Dr. Bretan joined the MSC in May, and in the first half of FY 17, Dr. Bretan reached 66% of his bonus threshold. Gross revenue is 7% over budget, and net revenue is 21% over budget. Clinic operating expenses are running 36% below budget, as staffing levels have been kept to a minimum until his practice reaches full capacity.

Tahoe Forest MSC - WRVU Summary
For the period July 2016 - December 2016 with comparison to prior year, bonus threshold and MGMA median

PROVIDER	CLINIC(S)	(MSC work only)	(MSC work only)	Curr Yr as % of Prior Yr	For MDs on base + bonus		(MSC work only)	Actual as % of F/T Median	(15 shifts/mo=1FTE) Hospitalist FTE	
		Jul-Dec Curr Yr	Jul-Dec Prior Yr		(MSC work only) Bonus Theshold	Actual as % of Theshold	MGMA National F/T Median			
PRIMARY CARE PROVIDERS (Including Internists with subspecialty)										
INTERNAL MEDICINE										
Burkholder (IM)	IMCARD	1,075	1,418	75.8%	1,217	88.4%	2,335	46.1%	58.9%	
Lombard (IM / Cardiology)	IMCARD	1,914	2,102	91.1%			2,849	67.2%	30.0%	
Scholnick (IM / Cardiology)	IMCARD, INCLINE	2,287	2,599	88.0%			2,898	78.9%	44.4%	
Tirdel (IM / Pulmonology)	IMPULM	2,267	2,227	101.8%			2,489	91.1%	42.2%	
SUBTOTAL - INTERNAL MEDICINE		<u>7,544</u>	<u>8,346</u>	<u>90.4%</u>						
PEDIATRICS										
Arth	PEDS	2,442	2,189	111.6%			2,518	97.0%		
Brown	PEDS	-	2,090	0.0%						
Uglum	PEDS	2,243	2,196	102.1%			2,518	89.1%		
Wicks	PEDS	2,464	-		1,957	125.9%	2,518	97.9%		
Vayner	PEDS, INCLINE	2,261	2,173	104.1%			2,518	89.8%		
SUBTOTAL - PEDIATRICS		<u>9,410</u>	<u>8,648</u>	<u>108.8%</u>						
PHYSICIAN EXTENDERS										
Beck (PA)	IMPULM	1,751	1,746	100.3%						
Lang-Ree (PNP)	PEDS	583	693	84.2%						
Mustain (NP)	IMPULM	-	150	0.0%						
Rider	IMCARD	404	-							
Shirley (NP)	IMCARD	190	-							
Smith (NP)	IMCARD	1,246	1							
SUBTOTAL - PHYSICIAN EXTENDERS		<u>4,175</u>	<u>2,591</u>	<u>161.2%</u>						
SUBTOTAL - PRIMARY CARE PROVIDERS		<u>21,129</u>	<u>19,584</u>	<u>107.9%</u>						
SPECIALISTS										
ORTHOPEDIC SURGERY										
Dodd	ORTHO	5,453	-				4,062	134.2%		
Ringnes	ORTHO	4,427	-				4,062	109.0%		
Foley	ORTHO	1,303	-				3,385	38.5%		
Dickinson	ORTHO	334	-		536	62.3%	1,354	24.7%		
SUBTOTAL - ORTHOPEDIC SURGERY		<u>11,518</u>	<u>-</u>							
GENERAL SURGERY										
Conyers	GI/GS	1,285	2,105	61.0%	1,575	81.5%	2,119	60.6%		
Cooper	GI/GS	2,312	2,192	105.5%	2,521	91.7%	3,391	68.2%		
SUBTOTAL - GENERAL SURGERY		<u>3,596</u>	<u>4,297</u>	<u>83.7%</u>						
NEPHROLOGY										
Clark	IMCARD	-	31	0.0%						
Quigley	IMCARD	-	31	0.0%						
SUBTOTAL - NEPHROLOGY		<u>-</u>	<u>62</u>	<u>0.0%</u>						

Tahoe Forest MSC - WRVU Summary

For the period July 2016 - December 2016 with comparison to prior year, bonus threshold and MGMA median

PROVIDER	CLINIC(S)	(MSC work only)	(MSC work only)	Curr Yr as % of Prior Yr	For MDs on base + bonus		(MSC work only)		(15 shifts/mo=1FTE) Hospitalist FTE	
		Jul-Dec Curr Yr	Jul-Dec Prior Yr		(MSC work only) Bonus Threshold	Actual as % of Threshold	MGMA National F/T Median	Actual as % of F/T Median		
AUDIOLOGY										
Hodes	ENT	114	130	87.1%				322	35.3%	
Schellin	ENT	122	101	119.9%				322	37.7%	
SUBTOTAL - AUDIOLOGY		235	232	101.4%						
SINGLE PROVIDER SPECIALTIES										
Bretan (Urology)	UROLOGY	1,856	-		2,810	66.0%		3,810	48.7%	
Chase / Mancuso (ENT)	ENT	2,927	2,476	118.2%	3,194	91.6%		3,430	85.3%	
Schaffer (Gastroenterology)	GI/GS	2,568	2,826	90.9%	2,132	120.4%		4,292	59.8%	
Winans (Sports Medicine)	SPORTS	1,567	1,470	106.6%				2,607	60.1%	
Fornier (Neurology)	SPORTS, IMCARD	1,391	1,234	112.7%				2,380	58.4%	
Hardy (Pediatric Pulmonology)	PEDS	-	42	0.0%						
SUBTOTAL - SINGLE PROVIDER SPECIALTIES		10,308	8,048	128.1%						
SUBTOTAL - SPECIALISTS		25,657	12,638	203.0%						
GRAND TOTAL		46,786	32,223	145.2%						

SUMMARY BY CLINIC

ENT	3,162	2,708	116.8%
GI / GENERAL SURGERY	6,164	7,122	86.5%
INCLINE VILLAGE	1,026	1,366	75.1%
INTERNAL MEDICINE / CARDIOLOGY	7,984	5,583	143.0%
INTERNAL MEDICINE / PULMONOLOGY	4,019	4,122	97.5%
ORTHOPEDIC SURGERY	11,518	-	
PEDIATRICS	9,491	8,953	106.0%
SPORTS MEDICINE	1,567	2,369	66.2%
UROLOGY	1,856	-	
GRAND TOTAL	46,786	32,223	145.2%

FY 16 MSC Income Statement July 2016 - December 2016 with comparison to Prior Year and Budget
Clinic Roll-up

	ENT / Allergy / Audiology Clinic					Internal Medicine / Pulmonology Clinic (MOB Suite 260)					Internal Medicine / Cardiology Clinic (Gateway)				
	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	714,100	566,339	126%	769,697	93%	783,252	767,627	102%	814,119	96%	1,562,040	1,157,052	135%	2,522,139	62%
Contractual Allowances	(392,834)	(295,354)	133%	(416,056)	94%	(322,911)	(281,678)	115%	(351,754)	92%	(623,195)	(464,109)	134%	(1,114,455)	56%
Net revenue	<u>321,266</u>	<u>270,985</u>	<u>119%</u>	<u>353,641</u>	<u>91%</u>	<u>460,341</u>	<u>485,949</u>	<u>95%</u>	<u>462,365</u>	<u>100%</u>	<u>938,845</u>	<u>692,943</u>	<u>135%</u>	<u>1,407,684</u>	<u>67%</u>
Other operating revenue	-	-		-		-	-		-		-	-		-	
Provider expense															
Physician fees	290,235	212,601	137%	296,524	98%	175,223	155,957	112%	174,435	100%	446,801	382,005	117%	487,041	92%
Non-physician salaries/benefits	-	-		-		84,156	78,609	107%	75,988	111%	105,248	4,722	2229%	82,401	128%
Total provider expense	<u>290,235</u>	<u>212,601</u>	<u>137%</u>	<u>296,524</u>	<u>98%</u>	<u>259,379</u>	<u>234,566</u>	<u>111%</u>	<u>250,423</u>	<u>104%</u>	<u>552,049</u>	<u>386,727</u>	<u>143%</u>	<u>569,442</u>	<u>97%</u>
Clinic Operating Expenses:															
Salaries and wages	79,018	77,264	102%	78,235	101%	78,727	100,052	79%	99,386	79%	276,302	147,646	187%	295,035	94%
Benefits	36,435	31,119	117%	39,376	93%	40,325	46,862	86%	45,135	89%	121,056	64,336	188%	142,837	85%
Admin services & supplies	14,673	19,071	77%	17,526	84%	21,050	22,257	95%	21,971	96%	62,355	24,725	252%	56,003	111%
Medical supplies & drugs	50,687	39,651	128%	74,404	68%	68,340	77,469	88%	86,379	79%	77,053	68,572	112%	320,754	24%
Building Rent / Utilities	32,963	30,104	109%	30,078	110%	40,601	40,141	101%	40,264	101%	71,297	34,494	207%	72,137	99%
Other operating expense	7,906	3,018	262%	2,939	269%	7,632	8,762	87%	9,761	78%	9,012	2,977	303%	7,558	119%
Total clinic operating expenses	<u>221,682</u>	<u>200,227</u>	<u>111%</u>	<u>242,558</u>	<u>91%</u>	<u>256,674</u>	<u>295,543</u>	<u>87%</u>	<u>302,897</u>	<u>85%</u>	<u>617,075</u>	<u>342,749</u>	<u>180%</u>	<u>894,324</u>	<u>69%</u>
Net operating margin	(190,652)	(141,843)	134%	(185,441)	103%	(55,712)	(44,160)	126%	(90,955)	61%	(230,279)	(36,534)	630%	(56,082)	411%
Allocation of administrative overhead	(48,792)	(47,840)		(43,120)		(69,914)	(85,790)		(56,377)		(142,587)	(122,334)		(171,643)	
Net profit (loss)	<u>(239,444)</u>	<u>(189,683)</u>	<u>126%</u>	<u>(228,561)</u>	<u>105%</u>	<u>(125,626)</u>	<u>(129,951)</u>	<u>97%</u>	<u>(147,332)</u>	<u>85%</u>	<u>(372,866)</u>	<u>(158,867)</u>	<u>235%</u>	<u>(227,724)</u>	<u>164%</u>
Ratios:															
Provider cost as % net revenue	90%	78%		84%		56%	48%		54%		59%	56%		40%	
Clinic op cost as % net revenue	69%	74%		69%		56%	61%		66%		66%	49%		64%	
Overhead cost as % net revenue	15%	18%		12%		15%	18%		12%		15%	18%		12%	
Clinic support FTEs	3.47	3.91	89%	4.00	87%	3.65	4.53	80%	5.00	73%	11.29	7.52	150%	13.55	83%
Provider FTEs	1.30	1.38	94%	1.38	94%	2.19	1.91	115%	1.90	115%	4.89	2.98	164%	5.10	96%
Clinic support FTEs per provider	2.67	2.84	94%	2.90	92%	1.66	2.38	70%	2.63	63%	2.31	2.53	91%	2.66	87%
Payor Mix															
Medicare	25.1%	22.8%				46.8%	45.4%				51.9%	57.2%			
Medicaid / Medi-Cal	29.9%	27.3%				10.2%	11.3%				11.9%	10.4%			
Commercial	42.1%	46.6%				41.5%	41.9%				34.7%	31.2%			
Self Pay	2.9%	3.3%				1.5%	1.4%				1.6%	1.1%			

FY 16 MSC Income Statement July 2016 - December 2016 with comparison to Prior Year and Budget
Clinic Roll-up (Page 2)

	Pediatrics Clinic					GI / General Surgery Clinic (Gateway)					Incline Village Clinic (Family Practice)				
	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	2,196,910	2,268,575	97%	2,696,215	81%	1,097,644	1,181,437	93%	1,449,432	76%	252,928	341,543	74%	378,050	67%
Contractual Allowances	(1,334,138)	(1,448,078)	92%	(1,737,534)	77%	(615,462)	(706,383)	87%	(843,961)	73%	(111,503)	(122,564)	91%	(149,475)	75%
Net revenue	<u>862,772</u>	<u>820,497</u>	<u>105%</u>	<u>958,681</u>	<u>90%</u>	<u>482,182</u>	<u>475,054</u>	<u>102%</u>	<u>605,471</u>	<u>80%</u>	<u>141,424</u>	<u>218,979</u>	<u>65%</u>	<u>228,575</u>	<u>62%</u>
Other operating revenue	<u>34,000</u>	<u>-</u>		<u>-</u>		<u>-</u>	<u>8,624</u>	<u>0%</u>	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>	
Provider expense															
Physician fees	481,459	423,327	114%	498,451	97%	498,948	581,261	86%	564,370	88%	74,250	78,420	95%	59,792	124%
Non-physician salaries/benefits	43,062	47,085	91%	46,234	93%	-	-		-		-	-		-	
Total provider expense	<u>524,521</u>	<u>470,412</u>	<u>112%</u>	<u>544,685</u>	<u>96%</u>	<u>498,948</u>	<u>581,261</u>	<u>86%</u>	<u>564,370</u>	<u>88%</u>	<u>74,250</u>	<u>78,420</u>	<u>95%</u>	<u>59,792</u>	<u>124%</u>
Clinic Operating Expenses:															
Salaries and wages	211,734	217,863	97%	232,058	91%	120,786	139,010	87%	116,648	104%	15,131	10,723	141%	41,866	36%
Benefits	102,935	104,913	98%	112,449	92%	54,560	59,144	92%	59,469	92%	16,479	17,896	92%	21,174	78%
Admin services & supplies	58,993	57,422	103%	59,364	99%	6,113	26,318	23%	20,474	30%	3,915	4,402	89%	3,758	104%
Medical supplies & drugs	205,805	170,554	121%	209,646	98%	5,946	70,641	8%	10,248	58%	7,223	20,740	35%	41,136	18%
Building Rent / Utilities	28,418	39,608	72%	39,652	72%	22,324	36,432	61%	24,062	93%	4,233	4,233	100%	4,233	100%
Other operating expense	4,923	5,883	84%	11,067	44%	960	3,051	31%	2,100	46%	447	440	102%	2,606	17%
Total clinic operating expenses	<u>612,808</u>	<u>596,243</u>	<u>103%</u>	<u>664,235</u>	<u>92%</u>	<u>210,689</u>	<u>334,597</u>	<u>63%</u>	<u>233,001</u>	<u>90%</u>	<u>47,428</u>	<u>58,434</u>	<u>81%</u>	<u>114,772</u>	<u>41%</u>
Net operating margin	(240,557)	(246,158)	98%	(250,239)	96%	(227,455)	(432,180)	53%	(191,899)	119%	19,746	82,125	24%	54,011	37%
Allocation of administrative overhead	<u>(131,033)</u>	<u>(144,852)</u>		<u>(116,894)</u>		<u>(73,231)</u>	<u>(83,867)</u>		<u>(73,827)</u>		<u>(21,479)</u>	<u>(38,659)</u>		<u>(27,871)</u>	
Net profit (loss)	<u>(371,590)</u>	<u>(391,010)</u>	<u>95%</u>	<u>(367,134)</u>	<u>101%</u>	<u>(300,687)</u>	<u>(516,047)</u>	<u>58%</u>	<u>(265,726)</u>	<u>113%</u>	<u>(1,732)</u>	<u>43,466</u>	<u>-4%</u>	<u>26,140</u>	<u>-7%</u>
Ratios:															
Provider cost as % net revenue	61%	57%		57%		103%	122%		93%		53%	36%		26%	
Clinic op cost as % net revenue	71%	73%		69%		44%	70%		38%		34%	27%		50%	
Overhead cost as % net revenue	15%	18%		12%		15%	18%		12%		15%	18%		12%	
Clinic support FTEs	8.18	11.20	73%	11.30	72%	5.01	7.50	67%	6.00	83%	0.77	0.54	143%	2.20	35%
Provider FTEs	4.20	4.34	97%	4.35	97%	2.62	3.00	87%	3.00	87%	0.49	0.61	80%	0.50	98%
Clinic support FTEs per provider	1.95	2.58	76%	2.60	75%	1.91	2.50	77%	2.00	96%	1.57	0.88	178%	4.40	36%
Payor Mix															
Medicare	0.4%	0.4%				33.9%	33.6%				27.0%	41.7%			
Medicaid / Medi-Cal	35.9%	46.0%				16.2%	15.6%				17.1%	11.9%			
Commercial	62.6%	52.5%				47.9%	50.2%				54.4%	44.3%			
Self Pay	1.2%	1.1%				2.0%	0.5%				1.5%	2.0%			

FY 16 MSC Income Statement July 2016 - December 2016 with comparison to Prior Year and Budget
Clinic Roll-up (Page 3)

	Orthopedic Surgery					Sports Medicine					Urology				
	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	3,059,789	-		1,390,500	220%	305,843	419,644	73%	266,744	115%	361,699	-		337,460	107%
Contractual Allowances	(2,139,717)	-		(930,522)	230%	(136,972)	(176,236)	78%	(126,341)	108%	(174,507)	-		(183,283)	95%
Net revenue	<u>920,072</u>	<u>-</u>		<u>459,978</u>	<u>200%</u>	<u>168,871</u>	<u>243,408</u>	<u>69%</u>	<u>140,403</u>	<u>120%</u>	<u>187,192</u>	<u>-</u>		<u>154,177</u>	<u>121%</u>
Other operating revenue	-	-		-		-	-		-		-	-		-	
Provider expense															
Physician fees	826,955	-		961,345	86%	115,489	156,494	74%	110,335	105%	207,991	-		207,991	100%
Non-physician salaries/benefits	-	-		-		-	-		-		-	-		-	
Total provider expense	<u>826,955</u>	<u>-</u>		<u>961,345</u>	<u>86%</u>	<u>115,489</u>	<u>156,494</u>	<u>74%</u>	<u>110,335</u>	<u>105%</u>	<u>207,991</u>	<u>-</u>		<u>207,991</u>	<u>100%</u>
Clinic Operating Expenses:															
Salaries and wages	299,962	-		199,200	151%	29,495	36,529	81%	46,113	64%	33,435	-		78,417	43%
Benefits	38,907	-		49,500	79%	18,837	28,284	67%	22,157	85%	33,370	-		39,717	84%
Admin services & supplies	75,481	-		68,720	110%	8,139	7,138	114%	7,520	108%	8,007	-		9,501	84%
Medical supplies & drugs	231,093	-		180,640	128%	20,252	10,761	188%	9,683	209%	5,951	-		3,419	174%
Building Rent / Utilities	80,082	-		70,975	113%	-	-		-		15,061	-		16,233	93%
Other operating expense	19,516	-		8,220	237%	-	2,157	0%	3,779	0%	56	-		2,100	3%
Total clinic operating expenses	<u>745,041</u>	<u>-</u>		<u>577,255</u>	<u>129%</u>	<u>76,724</u>	<u>84,868</u>	<u>90%</u>	<u>89,251</u>	<u>86%</u>	<u>95,881</u>	<u>-</u>		<u>149,387</u>	<u>64%</u>
Net operating margin	(651,924)	-		(1,078,621)	60%	(23,341)	2,045	-1141%	(59,183)	39%	(116,680)	-		(203,201)	57%
Allocation of administrative overhead	<u>(139,735)</u>	<u>-</u>		<u>(56,086)</u>		<u>(25,647)</u>	<u>(42,972)</u>		<u>(17,120)</u>		<u>(28,430)</u>	<u>-</u>		<u>(18,799)</u>	
Net profit (loss)	<u>(791,660)</u>	<u>-</u>		<u>(1,134,707)</u>	<u>70%</u>	<u>(48,988)</u>	<u>(40,927)</u>	<u>120%</u>	<u>(76,302)</u>	<u>64%</u>	<u>(145,109)</u>	<u>-</u>		<u>(222,001)</u>	<u>65%</u>
<u>Ratios:</u>															
Provider cost as % net revenue	90%			209%		68%	64%		79%		111%			135%	
Clinic op cost as % net revenue	81%			125%		45%	35%		64%		51%			97%	
Overhead cost as % net revenue	15%			12%		15%	18%		12%		15%			12%	
Clinic support FTEs	9.74			8.50	115%	1.27	2.38	53%	2.20	58%	1.45	-		4.00	36%
Provider FTEs	2.67			3.00	89%	0.63	1.01	62%	0.75	84%	1.16	-		1.00	116%
Clinic support FTEs per provider	3.65			2.83	129%	2.01	2.36	85%	2.93	69%	1.25			4.00	31%
<u>Payor Mix</u>															
Medicare	28.6%					29.0%	30.0%				40.0%				
Medicaid / Medi-Cal	11.6%					16.5%	17.2%				16.2%				
Commercial	56.9%					52.9%	51.7%				41.8%				
Self Pay	2.9%					1.7%	1.1%				2.1%				

FY 16 MSC Income Statement July 2016 - December 2016 vs. Prior Yr and Budget
Clinic Roll-up (Page 4)

	Administration					Total				
	Curr Yr	Prior Yr	%PY	Budget	%Bud	Curr Yr	Prior Yr	%PY	Budget	%Bud
Revenue										
Gross Charges						10,334,203	6,702,215	154%	10,624,356	97%
Contractual Allowances						(5,851,240)	(3,494,400)	167%	(5,853,381)	100%
Net revenue						<u>4,482,963</u>	<u>3,207,815</u>	140%	<u>4,770,975</u>	94%
Other operating revenue						<u>34,000</u>	<u>8,624</u>	394%	<u>-</u>	
Provider expense										
Physician fees	800	4,775	17%	12,000	7%	3,118,151	1,994,840	156%	3,372,283	92%
Non-physician salaries/benefits	-	-		-		232,465	130,416	178%	204,624	114%
Total provider expense	<u>800</u>	<u>4,775</u>		<u>12,000</u>		<u>3,350,616</u>	<u>2,125,256</u>	158%	<u>3,576,906</u>	94%
Clinic Operating Expenses:										
Salaries and wages	350,580	223,231	157%	303,732	115%	1,495,170	952,319	157%	1,490,690	100%
Benefits	79,233	68,457	116%	82,289	96%	542,137	421,011	129%	614,102	88%
Admin services & supplies	209,207	221,051	95%	162,576	129%	467,932	382,383	122%	427,413	109%
Medical supplies & drugs	2,972	-		61	4903%	675,322	458,388	147%	936,369	72%
Building Rent / Utilities	16,230	37,203	44%	11,998	135%	311,209	222,215	140%	309,632	101%
Other operating expense	<u>21,826</u>	<u>11,597</u>	188%	<u>9,082</u>	240%	<u>72,279</u>	<u>37,885</u>	191%	<u>59,211</u>	122%
Total clinic operating expenses	<u>680,048</u>	<u>561,540</u>	121%	<u>569,737</u>	119%	<u>3,564,049</u>	<u>2,474,202</u>	144%	<u>3,837,416</u>	93%
Net operating margin	(680,848)	(566,315)	120%	(581,737)	97%	(2,397,702)	(1,383,019)	173%	(2,643,348)	91%
Allocation of administrative overhead	<u>680,848</u>	<u>566,315</u>		<u>581,737</u>		<u>-</u>	<u>-</u>		<u>-</u>	
Net profit (loss)	<u>-</u>	<u>-</u>		<u>-</u>		<u>(2,397,702)</u>	<u>(1,383,019)</u>	173%	<u>(2,643,348)</u>	91%
<u>Ratios:</u>										
Provider cost as % net revenue						75%	66%		75%	
Clinic op cost as % net revenue						64%	60%		68%	
Overhead cost as % net revenue						15%	18%		12%	
Clinic support FTEs	4.07	4.92	83%	6.00	68%	48.89	42.50	115%	62.75	78%
Provider FTEs						20.15	15.23	132%	20.98	96%
Clinic support FTEs per provider						2.43	2.79	87%	2.99	81%
<u>Payor Mix</u>										
Medicare						28.7%	27.8%			
Medicaid / Medi-Cal						20.1%	25.0%			
Commercial						49.4%	45.9%			
Self Pay						1.8%	1.3%			

**TAHOE FOREST HEALTH SYSTEM FOUNDATION
STATEMENT OF FINANCIAL POSITION - BALANCE SHEET
AS OF DECEMBER 31, 2016**

	DECEMBER 31, 2016	AUDITED JUNE 30, 2016	AUDITED JUNE 30, 2015	AUDITED JUNE 30, 2014	AUDITED JUNE 30, 2013
ASSETS					
Cash and cash equivalents	\$ 842,569	\$ 694,552	\$ 629,921	\$ 636,397	\$ 578,576
Unconditional promises to give - net	11,535	16,622	28,281	86,706	187,299
Beneficial interest in Community for Cancer Care Endowment	1,414,709	1,356,049	1,274,996	1,205,980	937,938
Other assets	3,942	36,282	40,572	23,023	3,942
Total Assets	<u>\$ 2,272,754</u>	<u>\$ 2,103,505</u>	<u>\$ 1,973,770</u>	<u>\$ 1,952,106</u>	<u>\$ 1,707,755</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Due to Tahoe Forest Hospital District	\$ 143,879	\$ 100,510	\$ 1,873	\$ 18,116	\$ -
Held in trust for others	3,169	805	5,183	3,345	984
Deferred revenue	-	202,765	273,265	219,732	134,600
Total Liabilities	<u>\$ 147,048</u>	<u>\$ 304,079</u>	<u>\$ 280,321</u>	<u>\$ 241,193</u>	<u>\$ 135,584</u>
NET ASSETS					
Unrestricted	\$ 46,026	\$ 39,626	\$ 32,814	\$ 106,129	\$ 148,845
Temporarily restricted	2,079,680	1,759,800	1,660,635	1,604,784	1,423,326
Total Net Assets	<u>\$ 2,125,706</u>	<u>\$ 1,799,426</u>	<u>\$ 1,693,449</u>	<u>\$ 1,710,913</u>	<u>\$ 1,572,171</u>
Total Liabilities and Net Assets	<u>\$ 2,272,754</u>	<u>\$ 2,103,505</u>	<u>\$ 1,973,770</u>	<u>\$ 1,952,106</u>	<u>\$ 1,707,755</u>

**TAHOE FOREST HEALTH SYSTEM FOUNDATION
STATEMENTS OF ACTIVITIES - INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2016**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE			
Contributions - net	\$ 245,407	\$ 142,398	\$ 387,805
Special event revenue	-	433,790	433,790
Change in value of beneficial interest in Community for Cancer Care Endowment	-	50,400	50,400
Net assets released from restrictions	306,708	(306,708)	-
Total Support and Revenue	<u>\$ 552,115</u>	<u>\$ 319,880</u>	<u>\$ 871,995</u>
EXPENSES			
Program support	105,155	-	105,155
Costs of direct benefits to donors	182,422	-	182,422
Supporting services:			
Supplies	22,014	-	22,014
Wages and benefits	185,847	-	185,847
Outside services and fees	50,277	-	50,277
Total Supporting Services	258,138	-	258,138
Total Expenses	<u>\$ 545,715</u>	<u>\$ -</u>	<u>\$ 545,715</u>
Change in Net Assets	\$ 6,400	\$ 319,880	\$ 326,281
Net Assets - Beginning of Year	<u>\$ 39,626</u>	<u>\$ 1,759,800</u>	<u>\$ 1,799,426</u>
Net Assets - End of Year	<u><u>\$ 46,026</u></u>	<u><u>\$ 2,079,680</u></u>	<u><u>\$ 2,125,706</u></u>

TAHOE FOREST HEALTH SYSTEM FOUNDATION
STATEMENT OF REVENUE AND EXPENSE (STATEMENT OF ACTIVITIES)
AS OF DECEMBER 31, 2016

	ACTUAL					FY2017 BUDGET					VARIANCE				
	Gene Upshaw				Total	Gene Upshaw				Total	Gene Upshaw				Over/(Under) Budget
	Memorial Golf Classic	Best of Tahoe Chefs	Stewardship	Other		Memorial Golf Classic	Best of Tahoe Chefs	Stewardship	Other		Memorial Golf Classic	Best of Tahoe Chefs	Stewardship	Other	
REVENUES:															
Philanthropic Sources															
Gross Event Funds	\$ 433,790	\$ -	\$ -	\$ -	\$ 433,790	\$ 400,000	\$ 200,000	\$ -	\$ -	\$ 600,000	\$ 33,790	\$ (200,000)	\$ -	\$ -	\$ (166,210)
Other Giving	-	-	-	120,635	120,635	-	-	2,000	433,500	435,500	-	-	(2,000)	(312,865)	(314,865)
Total Philanthropic Revenues	433,790	-	-	120,635	554,424	400,000	200,000	2,000	433,500	1,035,500	33,790	(200,000)	(2,000)	(312,865)	(481,076)
Other Sources															
Grant Funds	-	-	-	10,000	10,000	-	-	-	100,000	100,000	-	-	-	(90,000)	(90,000)
Change in Value CCCE	-	-	-	54,047	54,047	-	-	-	-	-	-	-	-	54,047	54,047
Gift Tree	-	-	-	21,100	21,100	-	-	-	48,000	48,000	-	-	-	(26,900)	(26,900)
TFHD Support	-	-	-	232,424	232,424	-	-	-	504,786	504,786	-	-	-	(272,362)	(272,362)
Total Other Revenues	-	-	-	317,571	317,571	-	-	-	652,786	652,786	-	-	-	(335,215)	(335,215)
TOTAL REVENUES	\$ 433,790	\$ -	\$ -	\$ 438,205	\$ 871,995	\$ 400,000	\$ 200,000	\$ 2,000	\$ 1,086,286	\$ 1,688,286	\$ 33,790	\$ (200,000)	\$ (2,000)	\$ (648,081)	\$ (816,291)
EXPENSES:															
Salaries/Wages/Benefits	\$ -	\$ -	\$ -	\$ 185,847	\$ 185,847	\$ -	\$ -	\$ -	\$ 201,979	\$ 201,979	\$ -	\$ -	\$ -	\$ (16,132)	\$ (16,132)
Supplies	237	526	-	22,014	22,777	2,568	3,595	36	29,736	35,935	(2,331)	(3,069)	(36)	(7,722)	(13,158)
Professional Fees	-	-	-	10,313	10,313	-	-	-	21,383	21,383	-	-	-	(11,071)	(11,071)
Purchased Services	170,209	10,333	-	14,763	195,305	183,800	55,075	1,800	20,245	260,920	(13,591)	(44,743)	(1,800)	(5,482)	(65,615)
Marketing	-	-	-	-	-	-	-	-	20,120	20,120	-	-	-	(20,120)	(20,120)
Rent & Utilities	-	-	-	12,641	12,641	-	-	-	25,671	25,671	-	-	-	(13,030)	(13,030)
Other	-	1,117	-	12,560	13,677	3,600	1,090	24	19,351	24,065	(3,600)	27	(24)	(6,791)	(10,388)
TOTAL EXPENSES	\$ 170,446	\$ 11,976	\$ -	\$ 258,138	\$ 440,560	\$ 189,968	\$ 59,760	\$ 1,860	\$ 338,485	\$ 590,073	\$ (19,522)	\$ (47,784)	\$ (1,860)	\$ (80,347)	\$ (149,513)
FOUNDATION NET FUNDING	\$ 263,344	\$ (11,976)	\$ -	\$ 180,068	\$ 431,435	\$ 210,032	\$ 140,240	\$ 140	\$ 747,801	\$ 1,098,213	\$ 53,312	\$ (152,216)	\$ (140)	\$ (567,733)	\$ (666,778)
PROGRAM SUPPORT - TRANSFERS TO TFHD	\$ -	\$ -	\$ -	\$ (105,155)	\$ (105,155)	\$ -	\$ -	\$ -	\$ (467,000)	\$ (467,000)	\$ -	\$ -	\$ -	\$ 361,845	\$ 361,845
CHANGE IN NET ASSETS	\$ 263,344	\$ (11,976)	\$ -	\$ 74,913	\$ 326,281	\$ 210,032	\$ 140,240	\$ 140	\$ 280,801	\$ 631,213	\$ 53,312	\$ (152,216)	\$ (140)	\$ (205,888)	\$ (304,932)
WITHOUT TFHD SUPPORT & TRANSFERS TO TFHD	\$ -	\$ -	\$ -	\$ (127,269)	\$ (127,269)	\$ -	\$ -	\$ -	\$ (37,786)	\$ (37,786)	\$ -	\$ -	\$ -	\$ (89,483)	\$ (89,483)
FOUNDATION NET FUNDING WITHOUT TFHD SUPPORT	\$ 263,344	\$ (11,976)	\$ -	\$ (52,356)	\$ 199,012	\$ 210,032	\$ 140,240	\$ 140	\$ 243,015	\$ 593,427	\$ 53,312	\$ (152,216)	\$ (140)	\$ (295,371)	\$ (394,415)

**TAHOE FOREST HEALTH SYSTEM FOUNDATION
REVENUES**

	PRE-AUDIT FYE 6/30/2016	BUDGET FYE 6/30/2017	AS OF 12/31/2016	VARIANCE
Unrestricted:				
Area of Most Need	82,267	70,000	12,983	(57,017)
The Gift Tree	42,212	48,000	21,100	(26,900)
Designated/Restricted Funds				
Cancer Care Endowment - Patient & Family Program	28,950	-	2,900	2,900
Cancer Care Endowment - Sustainability Fund	8,200	-	975	975
Cancer Care Endowment - General Fund	39,718	-	3,500	3,500
Cancer Center - GUMTFCC	34,933	17,000	1,541	(15,459)
Cancer Center - Restricted Funds	6,143	20,000	39,683	19,683
Community for Cancer Care Endowment	-	5,000	50	(4,950)
Nutrition Coalition Fund	13,100	25,000	24,653	(347)
Patient Assistance Fund	3,612	1,500	909	(591)
Intensive Care Unit Fund	-	-	275	275
Women and Family Fund	1,050	5,000	300	(4,700)
Emergency Department Fund	802	2,000	6,202	4,202
Diagnostic Imaging	-	-	25	25
Skilled Nursing Facility Fund	625	25,000	-	(25,000)
Tahoe Forest Hospice Program fund	32,791	25,000	11,558	(13,443)
Tahoe Forest Hospice - Renee's Place	250	5,000	535	(4,465)
Wellness Neighborhood	55,958	125,000	11,947	(113,053)
Children's Center	780	5,000	5,650	650
Grateful Patient	-	10,000	-	(10,000)
Employee Assistance Fund	1,340	2,000	1,309	(691)
Employee Giving Campaign	-	75,000	-	(75,000)
Auxiliary	23,790	-	-	-
PT/ST/OT	-	-	250	250
Equipment	-	-	-	-
Quality and Regulation	-	-	-	-
Restricted Donation - Designation TBD	-	-	250	250
Restricted Donation	5,000	-	5,500	5,500
Spirit of Giving Award Fund	-	-	-	-
Home Health	25	-	-	-
Tahoe Forest Hospital Endowment Fund	2,160	15,000	-	(15,000)
Gene Upshaw Memorial Fund	600	1,000	-	(1,000)
Sub-Total	384,306	481,500	152,094	(329,406)
Designated/Restricted Funds				
Gene Upshaw Memorial Golf Classic - Event Gross Proceeds	495,519	400,000	433,790	33,790
Best of Tahoe Chefs - Event Gross Proceeds	204,951	200,000	-	(200,000)
TFHF Stewardship Fund	-	2,000	-	(2,000)
Grants - Misc	-	100,000	10,000	(90,000)
Sub Total	700,470	702,000	443,790	(258,210)
Grand Total Revenues	1,084,776	1,183,500	595,884	(587,616)

Truckee Surgery Center LLC
Balance Sheet

As of October 31, 2016
 Oct 31, 16

Sep 30, 16

ASSETS

Current Assets

Checking/Savings

Bank of the West 286,147.01 277,992.84

Petty Cash 217.22 217.22

Total Checking/Savings 286,364.23 278,210.06

Accounts Receivable

Accounts Receivable

Allowance for Doubtful Accounts -50,203.61 -49,237.31

Accounts Receivable - Other 335,275.11 254,677.58

Total Accounts Receivable 285,071.50 205,440.27

Total Accounts Receivable 285,071.50 205,440.27

Other Current Assets

Prepaid Expense

Franchise Tax Prepaid 1,133.40 1,700.06

Gen & Prof Liability Ins 1,131.51 2,263.02

HSA Contribution 6,406.46 1,297.18

Medical Supplies 653.12 0.00

Personal Property Taxes 1,826.66 2,739.98

Preventative Maint 1,512.50 2,268.75

Property Insurance 163.50 327.00

Worker's Comp 401.36 248.77

Total Prepaid Expense 13,228.51 10,844.76

Total Other Current Assets 13,228.51 10,844.76

Total Current Assets 584,664.24 494,495.09

Fixed Assets

Furniture & Fixtures 14,087.00 14,087.00

Instruments 24,241.87 24,241.87

Leasehold Improvements 853,418.00 853,418.00

Machinery & Equipment 87,129.12 87,129.12

Surgical & Medical Equipment 210,601.13 210,601.13

Accumulated Depreciation -377,908.59 -371,236.48

Goodwill 3,914,333.00 3,914,333.00

Accumulated Amortization -1,304,778.98 -1,304,778.98

Total Fixed Assets 3,421,122.55 3,427,794.66

Other Assets

Rent Deposit 20,256.00 20,256.00

Total Other Assets 20,256.00 20,256.00

TOTAL ASSETS 4,026,042.79 3,942,545.75

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 48,384.72 25,180.85

Total Accounts Payable 48,384.72 25,180.85

Truckee Surgery Center LLC
Balance Sheet

As of October 31, 2016

	<u>Oct 31, 16</u>	<u>Sep 30, 16</u>
Credit Cards		
BankCard 0177	1,697.08	0.00
BankCard 0253	677.70	494.32
Total Credit Cards	<u>2,374.78</u>	<u>494.32</u>
Other Current Liabilities		
Billing Fee Due	7,045.86	2,906.96
Compensated Absenses	26,641.29	24,787.91
Payroll Liabilities	267.72	222.32
Total Other Current Liabilities	<u>33,954.87</u>	<u>27,917.19</u>
Total Current Liabilities	<u>84,714.37</u>	<u>53,592.36</u>
Total Liabilities	<u>84,714.37</u>	<u>53,592.36</u>
Equity		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	3,327,670.01	3,327,670.01
Distributions TFH	-150.09	-150.09
Total Tahoe Forest Hospital	<u>3,327,519.92</u>	<u>3,327,519.92</u>
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	681,507.02	681,507.02
Distributions TSC Inc	-144.20	-144.20
Total Truckee Surgery Center Inc	<u>681,362.82</u>	<u>681,362.82</u>
Net Income	<u>-67,554.32</u>	<u>-119,929.35</u>
Total Equity	<u>3,941,328.42</u>	<u>3,888,953.39</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,026,042.79</u></u>	<u><u>3,942,545.75</u></u>

Truckee Surgery Center LLC
Profit & Loss YTD Comparison
October 2016

	Oct 16	Jan - Oct 16
Ordinary Income/Expense		
Income		
Patient Revenue		
Private Pay	0.00	3,397.00
Medbridge	178,938.63	1,363,788.72
Medical Record Copy Fee	30.00	90.58
Total Patient Revenue	178,968.63	1,367,276.30
Refunds		
Insurance Refund	0.00	-756.00
Patient Refund	-286.13	-2,456.16
Total Refunds	-286.13	-3,212.16
Total Income	178,682.50	1,364,064.14
Gross Profit	178,682.50	1,364,064.14
Expense		
Billing Service	8,932.60	68,028.80
General Office		
Dues and Subscriptions	888.28	5,002.33
Office Supplies	116.75	2,473.18
Postage and Delivery	79.18	691.08
Printing and Reproduction	0.00	213.11
Total General Office	1,084.21	8,379.70
Liability Gen'l, Prof Insurance	1,131.51	11,315.01
Property Insurance Expense	163.50	1,635.00
Licenses and Permits	811.00	4,417.30
Linen	1,422.20	16,827.65
Medical Supplies Total		
Gas Medical	0.00	3,142.99
Implants	4,984.08	223,991.82
Instrument Expense	0.00	4,951.99
Medical Supplies	13,615.01	126,609.34
Pharmacy	3,634.93	30,161.14
Patient Nutrition	171.59	1,637.12
Total Medical Supplies Total	22,405.61	390,494.40
Other Expenses		
Advertising & Promotion	0.00	2,423.00
Bank Charges	40.90	540.34
Cleaning Supplies	0.00	1,904.34
Educational	110.00	2,673.00
Equipment Rental/Lease	537.44	9,775.13
Interest Expense	0.00	17.28
Meals & Entertainment	0.00	792.97
Merchant Fees	38.52	893.25
Miscellaneous	-65.60	3,860.99
Travel	369.39	1,605.24
Total Other Expenses	1,030.65	24,485.54
Payroll Expenses		
Health Insurance Total		
Vision	132.50	1,172.50
Dental	658.32	6,137.72
HSA	3,203.22	32,410.16
Health	5,016.92	57,419.33
Total Health Insurance Total	9,010.96	97,139.71

Truckee Surgery Center LLC
Profit & Loss YTD Comparison
October 2016

	Oct 16	Jan - Oct 16
Employee Benefit	185.91	1,540.27
Payroll Taxes	2,692.93	35,740.75
Retirement Contribution	474.80	5,239.76
Wages	37,263.18	410,107.36
Work Comp	623.41	5,412.99
Payroll Expenses - Other	50.75	1,113.51
Total Payroll Expenses	50,301.94	556,294.35
Professional Fees		
Accounting	0.00	4,105.00
Consulting	5,025.00	9,042.50
Pension Fees	0.00	105.00
Transcription Services	270.88	3,048.08
Total Professional Fees	5,295.88	16,300.58
Rent & CAM	13,065.12	130,651.20
Repairs		
Building/Equipment Repairs	655.64	25,579.60
Instrument Refurbishing	975.69	10,895.53
Instrument Repairs	0.00	2,630.61
Maintenance-Preventative	6,226.31	32,477.51
Total Repairs	7,857.64	71,583.25
Taxes		
Property	2,310.98	22,787.96
State	566.66	5,661.34
Total Taxes	2,877.64	28,449.30
Utilities		
Alarm Monitor	72.45	1,117.31
Cable	77.79	767.29
Gas and Electric	2,507.69	26,115.13
Medical Waste	135.00	974.96
Sewer	0.00	2,307.24
Telephone	462.93	4,773.35
Utilities - Other	0.00	5.00
Total Utilities	3,255.86	36,060.28
Depreciation Expense	6,672.11	66,721.10
Total Expense	126,307.47	1,431,643.46
Net Ordinary Income	52,375.03	-67,579.32
Other Income/Expense		
Other Income		
Other Income	0.00	25.00
Total Other Income	0.00	25.00
Net Other Income	0.00	25.00
Net Income	52,375.03	-67,554.32

Truckee Surgery Center LLC
Balance Sheet

As of November 30, 2016

	<u>Nov 30, 16</u>	<u>Oct 31, 16</u>
ASSETS		
Current Assets		
Checking/Savings		
Bank of the West	256,492.48	286,147.01
Petty Cash	217.22	217.22
Total Checking/Savings	<u>256,709.70</u>	<u>286,364.23</u>
Accounts Receivable		
Accounts Receivable		
Allowance for Doubtful Accounts	-49,259.91	-50,203.61
Accounts Receivable - Other	311,884.89	335,275.11
Total Accounts Receivable	<u>262,624.98</u>	<u>285,071.50</u>
Total Accounts Receivable	<u>262,624.98</u>	<u>285,071.50</u>
Other Current Assets		
Prepaid Expense		
Franchise Tax Prepaid	566.74	1,133.40
Gen & Prof Liability Ins	0.00	1,131.51
HSA Contribution	3,203.24	6,406.46
Medical Supplies	326.56	653.12
Personal Property Taxes	913.34	1,826.66
Preventative Maint	756.25	1,512.50
Property Insurance	0.00	163.50
Worker's Comp	533.95	401.36
Total Prepaid Expense	<u>6,300.08</u>	<u>13,228.51</u>
Total Other Current Assets	<u>6,300.08</u>	<u>13,228.51</u>
Total Current Assets	<u>525,634.76</u>	<u>584,664.24</u>
Fixed Assets		
Furniture & Fixtures	14,087.00	14,087.00
Instruments	24,241.87	24,241.87
Leasehold Improvements	853,418.00	853,418.00
Machinery & Equipment	87,129.12	87,129.12
Surgical & Medical Equipment	210,601.13	210,601.13
Accumulated Depreciation	-384,580.70	-377,908.59
Goodwill	3,914,333.00	3,914,333.00
Accumulated Amortization	-1,304,778.98	-1,304,778.98
Total Fixed Assets	<u>3,414,450.44</u>	<u>3,421,122.55</u>
Other Assets		
Rent Deposit	20,256.00	20,256.00
Total Other Assets	<u>20,256.00</u>	<u>20,256.00</u>
TOTAL ASSETS	<u><u>3,960,341.20</u></u>	<u><u>4,026,042.79</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	47,311.46	48,384.72
Total Accounts Payable	<u>47,311.46</u>	<u>48,384.72</u>

Truckee Surgery Center LLC
Balance Sheet

As of November 30, 2016

	<u>Nov 30, 16</u>	<u>Oct 31, 16</u>
Credit Cards		
BankCard 0177	356.33	1,697.08
BankCard 0253	773.68	677.70
Total Credit Cards	<u>1,130.01</u>	<u>2,374.78</u>
Other Current Liabilities		
Billing Fee Due	5,964.45	7,045.86
Compensated Absenses	26,384.24	26,641.29
Payroll Liabilities	237.16	267.72
Total Other Current Liabilities	<u>32,585.85</u>	<u>33,954.87</u>
Total Current Liabilities	<u>81,027.32</u>	<u>84,714.37</u>
Total Liabilities	<u>81,027.32</u>	<u>84,714.37</u>
Equity		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	3,327,670.01	3,327,670.01
Distributions TFH	-150.09	-150.09
Total Tahoe Forest Hospital	<u>3,327,519.92</u>	<u>3,327,519.92</u>
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	681,507.02	681,507.02
Distributions TSC Inc	-144.20	-144.20
Total Truckee Surgery Center Inc	<u>681,362.82</u>	<u>681,362.82</u>
Net Income	<u>-129,568.86</u>	<u>-67,554.32</u>
Total Equity	<u>3,879,313.88</u>	<u>3,941,328.42</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,960,341.20</u></u>	<u><u>4,026,042.79</u></u>

Truckee Surgery Center LLC
Profit & Loss YTD Comparison
November 2016

	Nov 16	Jan - Nov 16
Ordinary Income/Expense		
Income		
Patient Revenue		
Private Pay	527.00	3,924.00
Medbridge	84,672.92	1,448,461.64
Medical Record Copy Fee	0.00	90.58
Total Patient Revenue	85,199.92	1,452,476.22
Refunds		
Insurance Refund	0.00	-756.00
Patient Refund	-1,005.09	-3,461.25
Total Refunds	-1,005.09	-4,217.25
Total Income	84,194.83	1,448,258.97
Gross Profit	84,194.83	1,448,258.97
Expense		
Billing Service	4,183.40	72,212.20
General Office		
Dues and Subscriptions	822.99	5,825.32
Office Supplies	261.24	2,734.42
Postage and Delivery	98.40	789.48
Printing and Reproduction	0.00	213.11
Total General Office	1,182.63	9,562.33
Liability Gen'l, Prof Insurance	1,131.51	12,446.52
Property Insurance Expense	163.50	1,798.50
Licenses and Permits	0.00	4,417.30
Linen	1,827.47	18,655.12
Medical Supplies Total		
Gas Medical	591.67	3,734.66
Implants	30,241.39	254,233.21
Instrument Expense	260.00	5,211.99
Medical Supplies	15,240.05	141,849.39
Pharmacy	1,839.68	32,000.82
Patient Nutrition	107.43	1,744.55
Total Medical Supplies Total	48,280.22	438,774.62
Other Expenses		
Advertising & Promotion	0.00	2,423.00
Bank Charges	40.90	581.24
Cleaning Supplies	101.34	2,005.68
Educational	225.00	2,898.00
Equipment Rental/Lease	1,050.49	10,825.62
Interest Expense	0.00	17.28
Meals & Entertainment	0.00	792.97
Merchant Fees	0.00	893.25
Miscellaneous	216.08	4,077.07
Travel	0.00	1,605.24
Total Other Expenses	1,633.81	26,119.35
Payroll Expenses		
Health Insurance Total		
Vision	132.50	1,305.00
Dental	658.32	6,796.04
HSA	3,203.22	35,613.38
Health	7,884.78	65,304.11
Total Health Insurance Total	11,878.82	109,018.53

Truckee Surgery Center LLC
Profit & Loss YTD Comparison
November 2016

	Nov 16	Jan - Nov 16
Employee Benefit	133.60	1,673.87
Payroll Taxes	2,980.11	38,720.86
Retirement Contribution	527.71	5,767.47
Wages	39,555.76	449,663.12
Work Comp	623.41	6,036.40
Payroll Expenses - Other	57.75	1,171.26
Total Payroll Expenses	55,757.16	612,051.51
Professional Fees		
Accounting	990.00	5,095.00
Consulting	0.00	9,042.50
Pension Fees	1,747.00	1,852.00
Transcription Services	314.12	3,362.20
Total Professional Fees	3,051.12	19,351.70
Rent & CAM	13,065.12	143,716.32
Repairs		
Building/Equipment Repairs	1,028.78	26,608.38
Instrument Refurbishing	1,238.70	12,134.23
Instrument Repairs	0.00	2,630.61
Maintenance-Preventative	651.74	33,129.25
Total Repairs	2,919.22	74,502.47
Taxes		
Property	2,310.98	25,098.94
State	566.66	6,228.00
Total Taxes	2,877.64	31,326.94
Utilities		
Alarm Monitor	72.45	1,189.76
Cable	77.79	845.08
Gas and Electric	2,735.56	28,850.69
Medical Waste	118.80	1,093.76
Sewer	0.00	2,307.24
Telephone	459.86	5,233.21
Utilities - Other	0.00	5.00
Total Utilities	3,464.46	39,524.74
Depreciation Expense	6,672.11	73,393.21
Total Expense	146,209.37	1,577,852.83
Net Ordinary Income	-62,014.54	-129,593.86
Other Income/Expense		
Other Income		
Other Income	0.00	25.00
Total Other Income	0.00	25.00
Net Other Income	0.00	25.00
Net Income	-62,014.54	-129,568.86

Truckee Surgery Center LLC
Balance Sheet

As of December 31, 2016
Dec 31, 16

Nov 30, 16

ASSETS

Current Assets

Checking/Savings

Bank of the West 261,283.10 256,492.48

Petty Cash 217.22 217.22

Total Checking/Savings 261,500.32 256,709.70

Accounts Receivable

Accounts Receivable

Allowance for Doubtful Accounts -48,899.73 -49,259.91

Accounts Receivable - Other 275,210.68 311,884.89

Total Accounts Receivable 226,310.95 262,624.98

Total Accounts Receivable 226,310.95 262,624.98

Other Current Assets

Prepaid Expense

Franchise Tax Prepaid 0.00 566.74

Gen & Prof Liability Ins 12,446.52 0.00

HSA Contribution 0.00 3,203.24

Medical Supplies 0.00 326.56

Personal Property Taxes 0.00 913.34

Preventative Maint 4,326.70 756.25

Property Insurance 1,840.67 0.00

Worker's Comp 676.54 533.95

Total Prepaid Expense 19,290.43 6,300.08

Total Other Current Assets 19,290.43 6,300.08

Total Current Assets 507,101.70 525,634.76

Fixed Assets

Furniture & Fixtures 14,087.00 14,087.00

Instruments 24,241.87 24,241.87

Leasehold Improvements 853,418.00 853,418.00

Machinery & Equipment 87,129.12 87,129.12

Surgical & Medical Equipment 215,098.69 210,601.13

Accumulated Depreciation -391,252.81 -384,580.70

Goodwill 3,914,333.00 3,914,333.00

Accumulated Amortization -1,304,778.98 -1,304,778.98

Total Fixed Assets 3,412,275.89 3,414,450.44

Other Assets

Rent Deposit 20,256.00 20,256.00

Total Other Assets 20,256.00 20,256.00

TOTAL ASSETS 3,939,633.59 3,960,341.20

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 57,154.50 47,311.46

Total Accounts Payable 57,154.50 47,311.46

Truckee Surgery Center LLC
Balance Sheet

As of December 31, 2016
 Dec 31, 16

Nov 30, 16

Credit Cards		
BankCard 0177	0.00	356.33
BankCard 0253	0.00	773.68
Total Credit Cards	0.00	1,130.01
Other Current Liabilities		
Billing Fee Due	4,286.93	5,964.45
Compensated Absenses	26,241.30	26,384.24
Payroll Liabilities	36.84	237.16
Total Other Current Liabilities	30,565.07	32,585.85
Total Current Liabilities	87,719.57	81,027.32
Total Liabilities	87,719.57	81,027.32
Equity		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	3,327,670.01	3,327,670.01
Distributions TFH	-150.09	-150.09
Total Tahoe Forest Hospital	3,327,519.92	3,327,519.92
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	681,507.02	681,507.02
Distributions TSC Inc	-144.20	-144.20
Total Truckee Surgery Center Inc	681,362.82	681,362.82
Net Income	-156,968.72	-129,568.86
Total Equity	3,851,914.02	3,879,313.88
TOTAL LIABILITIES & EQUITY	3,939,633.59	3,960,341.20

Truckee Surgery Center LLC

01/27/17

P & L Month & YTD

Accrual Basis

December 2016

	Dec 16	Jan - Dec 16
Ordinary Income/Expense		
Income		
Patient Revenue		
Private Pay	2,550.00	6,474.00
Medbridge	122,547.64	1,571,009.28
Medical Record Copy Fee	0.00	90.58
Total Patient Revenue	125,097.64	1,577,573.86
Refunds		
Insurance Refund	0.00	-756.00
Patient Refund	-50.00	-3,511.25
Total Refunds	-50.00	-4,267.25
Total Income	125,047.64	1,573,306.61
Gross Profit	125,047.64	1,573,306.61
Expense		
Billing Service	6,124.90	78,337.10
General Office		
Dues and Subscriptions	645.00	6,470.32
Office Supplies	120.89	2,855.31
Postage and Delivery	83.99	873.47
Printing and Reproduction	0.00	213.11
Total General Office	849.88	10,412.21
Liability Gen'l, Prof Insurance	1,131.50	13,578.02
Property Insurance Expense	167.33	1,965.83
Licenses and Permits	0.00	4,417.30
Linen	1,550.79	20,205.91
Medical Supplies Total		
Gas Medical	130.30	3,864.96
Implants	20,240.47	274,473.68
Instrument Expense	1,875.57	7,087.56
Medical Supplies	7,112.88	148,962.27
Pharmacy	1,651.84	33,652.66
Patient Nutrition	142.60	1,887.15
Total Medical Supplies Total	31,153.66	469,928.28
Other Expenses		
Advertising & Promotion	0.00	2,423.00
Bank Charges	40.90	622.14
Cleaning Supplies	430.66	2,436.34
Educational	0.00	2,898.00
Equipment Rental/Lease	688.11	11,513.73
Interest Expense	0.00	17.28
Meals & Entertainment	101.72	894.69
Merchant Fees	54.54	947.79
Miscellaneous	105.20	4,182.27
Travel	0.00	1,605.24
Total Other Expenses	1,421.13	27,540.48
Payroll Expenses		
Health Insurance Total		
Vision	132.50	1,437.50
Dental	658.32	7,454.36
HSA	3,203.24	38,816.62
Health	7,884.78	73,188.89
Total Health Insurance Total	11,878.84	120,897.37

Truckee Surgery Center LLC

P & L Month & YTD

December 2016

01/27/17

Accrual Basis

	Dec 16	Jan - Dec 16
Employee Benefit	4,603.81	6,277.68
Payroll Taxes	4,080.60	42,801.46
Retirement Contribution	755.88	6,523.35
Wages	53,860.83	503,523.95
Work Comp	623.41	6,659.81
Payroll Expenses - Other	82.25	1,253.51
Total Payroll Expenses	75,885.62	687,937.13
Professional Fees		
Accounting	1,100.00	6,195.00
Consulting	1,000.00	10,042.50
Pension Fees	0.00	1,852.00
Transcription Services	316.37	3,678.57
Total Professional Fees	2,416.37	21,768.07
Rent & CAM	13,065.12	156,781.44
Repairs		
Building/Equipment Repairs	2,958.38	29,566.76
Instrument Refurbishing	0.00	12,134.23
Instrument Repairs	0.00	2,630.61
Maintenance-Preventative	6,387.99	39,517.24
Total Repairs	9,346.37	83,848.84
Taxes		
Property	2,311.00	27,409.94
State	566.74	6,794.74
Total Taxes	2,877.74	34,204.68
Utilities		
Alarm Monitor	72.45	1,262.21
Cable	79.24	924.32
Gas and Electric	3,521.83	32,372.52
Medical Waste	151.20	1,244.96
Sewer	0.00	2,307.24
Telephone	457.82	5,691.03
Utilities - Other	0.00	5.00
Total Utilities	4,282.54	43,807.28
Depreciation Expense	6,672.11	80,065.32
Total Expense	156,945.06	1,734,797.89
Net Ordinary Income	-31,897.42	-161,491.28
Other Income/Expense		
Other Income		
Other Income	0.00	4,522.56
Total Other Income	0.00	4,522.56
Net Other Income	0.00	4,522.56
Net Income	-31,897.42	-156,968.72

RISK MANAGEMENT AND INSURANCE SUMMARY
FEBRUARY 2017

1. Who evaluates the property risks for TFHD? Property risks are jointly evaluated by the Safety Officer (Facilities Management), the Risk Manager and our property carrier, Alliant. A portion of the evaluation is covered in an annual Hazard Vulnerability Assessment that evaluates what are the most likely threats and, the likely severity if the threat were to occur. This activity is reported by the Safety Officer to the Environment of Care Committee. This report and other data is reviewed annually by the Risk Manager with the insurance carrier at the property policy renewal.
2. What are the property risks? E.G. Fire? Flood? Earthquake? Wild fire is the most likely catastrophic threat to the property and to life safety at the District. Wild fire would have the highest severity if it were to occur. Other threats include internal fire, earthquake, utility outages (typically weather related), cyber-crime, internal or external toxic exposure, other criminal activity and vehicle damage with personal injury. At a local elevation of at least 6,000 feet, flood damage would have to be Biblical in nature to be a threat. Along with earthquake, flood coverage is not offered in our property program. The threats are similar between Tahoe Forest and Incline.
3. Is there an industry standard that guides our property risk analysis? Yes, there are a number of reliable assessment tools for property risk analysis. Alliant uses a combination of their own tools and, periodically utilizes independent sources for value appraisal and risk assessment. The total insured values as of June 4, 2016 are \$174,100,466.
4. What are the property coverages we elect to purchase vs. self insure? All property coverage is purchased from commercial carriers. No line of property coverage is self-insured. The property program includes: boiler and machinery, scheduled property, construction and acquisitions, pollution and “all risks-all perils.” Our cyber policy is actually a “bolt-on” to our property program, covered by a single syndicate in Lloyd’s of London. The cyber policy is brokered by Alliant.
5. What is our liability coverage, i.e. self insurance and stop loss? No line of liability coverage is self-insured. We have lines of liability coverage for: professional liability (comprehensive healthcare liability), Directors and Officers, Employment Practices Liability, Auto Liability and Physical Damage. In addition to liability coverages, we have stand-alone coverage for crime and fiduciary in a single policy through a different broker. The limits for healthcare liability, including professional, bodily injury, personal injury, advertising injury and employee benefits liability are \$10M per occurrence and \$20M in annual aggregate. The limits of liability for auto coverage is \$1M combined single limit each accident. The limits of liability for fiduciary coverage are \$2M after a \$25,000 deductible (this coverage includes \$200K in separate defense costs). To my knowledge and from records provided to me, stop loss has not been quoted for our liability program.
6. Is there an industry standard for liability risk management that we follow? Yes, as in #3 above, there are a number of reliable risk assessment tools. Those evaluations are typically driven by reported claims and loss experience. BETA monitors our claims and expenses in real time, on a continuous basis. They conduct a focused risk assessment on a bi-annual basis. Their report is provided to Medical Staff Quality Committee, Medical

Executive Committee, Board Quality Committee and finally to the full Board in closed session. The Risk Manager makes a quarterly report to the full Board on all claims and filed litigation. A current report is available any time on an “as requested” basis.

7. What are the details of the D & O policy, i.e. limits, deductibles, etc.? Directors and Officers coverage has limits of \$10M per claim and \$10M in annual aggregate. Employment Practices Liability (EPL) is covered in the same line. The deductible for D & O is \$10,000. The retention (deductible) for EPL is a 50/50 co-pay for indemnity and expenses to the limits of liability.
8. Do we need to know about workers’ comp details? Risks and coverage? The Workers’ Comp program is administered by Human Resources and does not come under the purview of the Risk Manager, unless requested by HR to assist with filed or potential litigation or mediation. In general, the statutes require coverage of reasonable and necessary medical expenses to restore the injured employee to his/her previous level of wellness, provided the injury occurred during the normal course and scope of employment. The TFHD program is self-insured and has commercial stop-loss coverage for each of California and Nevada claims. California is triggered at \$500K and covers to statutory limits through Safety National. Nevada claims are fully insured to statutory limits through The Harford Insurance Group.
9. Address business interruption: Business interruption is covered in the property program. Under property coverage, limits are calculated on the organization’s revenue flow, loss tolerance and estimation of the length of any interruption. These calculations are reviewed at intervals with the Controller and our carrier. Accordingly, premiums and limits are quoted annually at policy renewal. There is a claim currently pending related to business interruption due to inclement weather and associated power outages in January 2017.
10. Are all insurance policies shopped periodically to insure competitive pricing? There is no standing practice that policies are periodically shopped for pricing. In the 2015 renewal campaign, the CFO and Risk Manager obtained a competitive quote on a combined program of coverage. Several factors led to a decision not to change carriers. One such factor of extraordinary cost would be to obtain “tail” coverage for prior acts of professional malpractice (sometimes referred to as, an extended reporting period). As long as the District remains a member of BETA, tail coverage is included for all providers ever covered by BETA. If the District were to leave BETA, the cost of tail coverage would be significant; perhaps one and one-half to two times the annual premium of the expiring policy. Both our property and liability programs are in risk-sharing pools that specialize in public entities. That is an expertise that is held by only a few carriers/brokers. Additionally but an immeasurable factor, the District enjoys a very cordial and compatible relationship with the carriers. Our professional relationships offer us considerable added-value to our insurance program.

Attachments:

BETA Certificates of Participation: Healthcare Entity Liability; D & O; Auto.

BETA Risk Management Authority ("BETARMA")

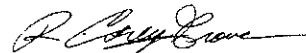
A Public Entity

CERTIFICATE OF PARTICIPATION
HEALTHCARE ENTITY COMPREHENSIVE LIABILITY COVERAGE CONTRACT

CERTIFICATE NUMBER:
HCL-16-007

ITEM 1: NAMED MEMBER: Tahoe Forest Hospital District 10121 Pine Avenue, P.O. Box 759, Truckee, CA 96160
ITEM 2: SUBSIDIARIES: Tahoe Forest Hospital Auxiliary, Tahoe Forest Health System Foundation, Incline Village Community Hospital, Tahoe Forest Thrift & Gift, NLCHC Auxiliary, Tahoe Forest Hospice, Tahoe Forest Home Health, Incline Village Community Hospital Foundation, Tahoe Institute for Rural Health Research (TIRHR)
ITEM 3: CONTRACT PERIOD: (a) Effective Date: 7/1/2016 (b) Expiration Date: 7/1/2017 at 12:01 a.m. local time for all dates at the address in Item 1
ITEM 4: RETROACTIVE DATE FOR PROFESSIONAL LIABILITY: 7/1/2004 at 12:01 a.m. local time for all dates at the address in Item 1
ITEM 5: COVERAGE AND LIMITS OF LIABILITY PROVIDED: \$10,000,000 per Claim (except as provided by Amendment) \$20,000,000 in the Aggregate (Coverages provided are indicated with an "X") Professional Liability <input checked="" type="checkbox"/> Healthcare Entity Professional Liability - Claims Made General Liability <input checked="" type="checkbox"/> Bodily Injury and Property Damage Liability - Occurrence <input checked="" type="checkbox"/> Personal Injury, Advertising Injury and Discrimination Liability - Occurrence <input checked="" type="checkbox"/> Employee Benefits Liability - Occurrence
ITEM 6: DEDUCTIBLE: See Section 7.9.B \$1,000 Indemnity Only
ITEM 7: CONTRIBUTION: See Section 7.9.A
ITEM 8: CONTRACT AND AMENDMENT FORMS ATTACHED AT ISSUANCE: HCL (07/15) 120, 130, 132, 145, 170, 203, 210, 217, 237, 259, 262, 263, 272, 273, 294, 298, 387
ITEM 9: NOTICE REQUIRED TO BE GIVEN TO BETARMA MUST BE ADDRESSED TO: BETA Risk Management Authority 1443 Danville Boulevard Alamo, CA 94507


This Certificate of Participation, the **Application(s)** and accompanying documents, and the Coverage Contract with Amendments shall constitute the Contract between BETARMA and the **Members**.



Authorized Representative of BETARMA

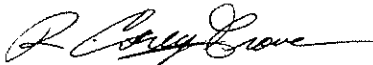


CERTIFICATE OF COVERAGE

Named Member: Tahoe Forest Hospital District 10121 Pine Avenue P.O. Box 759 Truckee, CA 96160		This document certifies that coverage is in force for the Named Member on the Issue Date below, subject to the terms and conditions of the Contract designated. It is issued as a matter of information and does not confer any rights to any Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded under the Contract. If the Contract, or coverage for any Member, is canceled for any reason or if the terms of the Contract are changed, we will notify the Named Member only. Coverage is not in effect unless and until all payments are received when due.	
Insuring Company: BETA Risk Management Authority 1443 Danville Boulevard Alamo, CA 94507 925-838-6070			
Certificate Number	Effective Date	Expiration Date	Retroactive Date
D&O-16-007	7/1/2016 at 12:01 a.m.	7/1/2017 at 12:01 a.m.	7/1/1989 at 12:01 a.m.
Type of Coverage: <input checked="" type="checkbox"/> Directors & Officers Liability - Claims Made <input checked="" type="checkbox"/> Employment Practices Liability - Claims Made		Limits of Liability: \$10,000,000 Per Claim \$10,000,000 Aggregate Per Contract Period	
Deductible: Coverage (A): \$0 each Claim Coverage (B) & (C): \$10,000 Each Claim Including Defense Expenses Coverage (D): 50/50 Co-pay Indemnity and Expense Coverage (E): \$0 each Claim			
Description of Coverage: Evidence of Directors, Officers and Trustees Liability coverage including Healthcare Entity Coverage and Employment Practices Liability coverage.			
Issue Date: June 30, 2016			
Certificate Holder: FOR INFORMATION ONLY		Authorized Representative:  R. Corey Grove Vice President, Underwriting and Client Services	



CERTIFICATE OF COVERAGE

Named Member: Tahoe Forest Hospital District 10121 Pine Avenue P.O. Box 759 Truckee, CA 96160		This document certifies that coverage is in force for the Named Member on the Issue Date below, subject to the terms and conditions of the Contract designated. It is issued as a matter of information and does not confer any rights to any Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded under the Contract. If the Contract, or coverage for any Member, is canceled for any reason or if the terms of the Contract are changed, we will notify the Named Member only. Coverage is not in effect unless and until all payments are received when due.	
Insuring Company: BETA Risk Management Authority 1443 Danville Boulevard Alamo, CA 94507 925-838-6070			
Certificate Number	Effective Date	Expiration Date	Retroactive Date
AL-16-007	7/1/2016 at 12:01 a.m.	7/1/2017 at 12:01 a.m.	N/A
Type of Coverage: <input checked="" type="checkbox"/> Automobile Liability and Physical Damage Coverage - Occurrence			
Limits of Liability: \$1,000,000 Each Accident, Combined Single Limit The Combined Single Limit is subject to the following limits: Bodily Injury and Property Damage Liability \$1,000,000 Each Accident Uninsured/Underinsured Motorist \$1,000,000 Each Accident Medical Payments \$5,000 Each Accident			
Deductibles: Comprehensive: \$250 Each Loss Collision: \$500 Each Loss			
Description of Coverage: Evidence of Automobile Liability And Physical Damage Coverage.			
Issue Date: June 30, 2016			
Certificate Holder: FOR INFORMATION ONLY		Authorized Representative:  R. Corey Grove Vice President, Underwriting and Client Services	

FY2018 Preliminary Budget Timeline

February 20th through March 3rd - Accounting

FY 2018 12-month Statistical volume analysis commences using annual historical data for the past five to seven years, comparing high, low, and average utilization by month.

FY2018 12-month Statistical volumes spread is completed factoring in any known changes to individual service lines that are expected to happen due to internal or external factors.

February 20th through March 3rd - Accounting

Departmental budget workbooks are built out in Budget Advisor.

The Statistical volumes spread is loaded into Budget Advisor.

February 20th through March 24th - Directors

A listing of employees inclusive of Job Title, Status, Pay Rule, and Scheduled hours is sent to Department Directors. Directors must complete all FTE budgets and have them reviewed and approved by Senior Leadership no later than March 24th.

March 6th through March 24th - Accounting

Preliminary Inpatient and Outpatient revenues are generated in Budget Advisor based upon the Statistical volumes and historical run rates captured in the budgeting software.

A review of volumes, revenues, and run rates by department are performed in Budget Advisor and revisions made, if necessary, to more appropriately reflect expected revenues for the upcoming fiscal year.

Volumes and revenues are finalized in Budget Advisor. Work begins on building out the Contractual Allowances model based on current reimbursement rates from Medicare, Medicaid, and Commercial payors along with establishing estimated deductions from revenue for Charity Care and Bad Debt.

March 24th - Directors

FY2018 12-month Statistical volume spread is sent to Department Directors.

March 27th through April 14th - Accounting

Staffing schedules are entered into Budget Advisor. Salary, wages and FTEs are analyzed against monthly volume spread. Paid Leave, Social Security and Medicare taxes along with other system calculated benefits are reviewed and adjusted accordingly.

April 10th through April 28th - Accounting

Work begins on budgeting non-variable expenses including, but not limited to, Purchased Services, Professional Fees, Utilities, Travel and Outside Training, Building and Equipment rents, dues and subscriptions, and marketing.

May 1st through May 12th - Accounting

Staffing schedules are finalized and work begins on budgeting the non-system generated benefits portion of payroll. These benefits include Pension & Deferred Compensation, Health Insurance, Worker's Compensation Insurance, Long-term Sick Leave, and SUI.

May 15th through May 19th – Accounting, Directors, and Senior Leaders

Meetings are scheduled with Directors to review the draft departmental budgets and revisions are made if approved by Senior Leaders.

May 22nd through May 26th – Senior Leaders and Accounting

Final review of the budget is performed by Senior Leadership members.

Final revisions to the FY2018 budget are made based on Senior Leadership feedback.

May 22nd through June 9th – Crystal and Jaye

Compilation of the FY2018 budget package is performed.

Mid June 2017 - Crystal

Budget is presented to the Board for approval at a Special Board Meeting.

FINANCE COMMITTEE

RECOMMENDED AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING

1. Financial Report – January 2017
2. Financial Report – February 2017
3. Budget Update
4. ACA Repeal/Replacement

RECOMMENDED DATE(s) AND TIME(s) FOR NEXT FINANCE COMMITTEE MEETING

1. Dates for March 2017 Finance Committee Meeting
 - a. Monday, March 20, 2017 2 hrs – Between 9am-12pm or 1-4pm
 - b. Tuesday, March 21, 2017 2 hrs – 8-10am or 1-3pm
 - c. Wednesday, March 22, 2017 2 hrs – Between 8-11am or 1:30-3:30pm