TAHOE FOREST HOSPITAL DISTRICT

2022-10-27 Regular Meeting of the Board of Directors

Thursday, October 27, 2022 at 4:00 p.m.

Pursuant to Assembly Bill 361, the Regular Meeting of the Tahoe Forest Hospital District Board of Directors for October 27, 2022 will be conducted telephonically through Zoom.

Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting.

Board Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely: Please use this web link: https://tfhd.zoom.us/j/82282082483

If you prefer to use your phone, you may call in using the numbers listed: (346) 248 7799 or (301) 715 8592, Meeting ID: 822 8208 2483

TAHOE FOREST HOSPITAL DISTRICT

Meeting Book - 2022-10-27 Regular Meeting of the Board of Directors REVISED

Agenda Packet Contents

TAHOE FOREST HOSPITAL DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS AGENDA

Thursday, October 27, 2022 at 4:00 p.m.

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Meeting ID: 822 8208 2483

Public comment will also be accepted by email to mrochefort@tfhd.com. Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting.

Oral public comments will be subject to the three minute time limitation (approximately 350 words). Written comments will be distributed to the board prior to the meeting but not read at the meeting.

1. **CALL TO ORDER**

2. **ROLL CALL**

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

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

5. **ITEMS FOR BOARD ACTION** ◈
   - **5.1. Fiscal Year 2022 Audited Financial Statements Report** ◈ ..... ATTACHMENT*
     The Board of Directors will review consider acceptance of the Fiscal Year 2022 Audited Financial Statements presented by Moss Adams.
   - **5.2. Split Dollar Life Insurance Benefit Plan** ◈ ..... ATTACHMENT
     The Board of Directors will review and consider approving a Split Dollar Life Insurance Benefit Plan.

6. **CLOSED SESSION**
   - **6.1. Approval of Closed Session Minutes** ◈
     - **6.1.1.** 9/22/2022 Regular Meeting

◈ Denotes Action Item

6.1.2. 10/13/2022 Special Meeting
6.1.3. 10/19/2022 Special Meeting

6.2. TIMED ITEM – 5:30PM - Hearing (Health & Safety Code § 32155)◈
Subject Matter: Medical Staff Credentials

APPROXIMATELY 6:00 P.M.

7. DINNER BREAK

8. OPEN SESSION – CALL TO ORDER

9. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

10. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

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

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

13. MEDICAL STAFF EXECUTIVE COMMITTEE◈

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

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

New Privilege Form:

- *Cardiology Privilege Form*

Privilege Form with Revisions:

- *General Surgery Privilege Form*

New Policy:

- *Preoperative COVID-19 Testing & Guidance for Surgery after COVID-19 Infection Policy*

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

14.1. Approval of Minutes of Meetings
14.1.1. 09/22/2022 Regular Meeting ..... ATTACHMENT
14.1.2. 10/13/2022 Special Meeting ..... ATTACHMENT
14.1.3. 10/19/2022 Special Meeting ..... ATTACHMENT

14.2. Financial Reports
14.2.1. Financial Report – September 2022 ..... ATTACHMENT

14.3. Board Reports
14.3.1. President & CEO Board Report ..... ATTACHMENT

14.3.2. COO Board Report .....ATTACHMENT
14.3.3. CNO Board Report .....ATTACHMENT
14.3.4. CIIO Board Report.....ATTACHMENT

14.4. Approve Resolution for Continued Remote Teleconference Meetings

14.4.1. Resolution 2022-18 .....ATTACHMENT

15. ITEMS FOR BOARD ACTION ◈

15.1. Second Reading of TFHD Board of Directors Bylaws ◈ ..... ATTACHMENT

The Board of Directors will review and consider approval of the TFHD Board of Directors Bylaws.

16. ITEMS FOR BOARD DISCUSSION

16.1. Fiscal Year 2022 Annual Accomplishments Report

The Board of Directors will review the Fiscal Year 2022 Annual Accomplishments Report.

17. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

18. BOARD COMMITTEE REPORTS

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

The November Regular Meeting will be held on Thursday, November 17, 2022 and the December Regular Meeting will be held on Thursday, December 15, 2022.

20. CLOSED SESSION CONTINUED, IF NECESSARY

21. OPEN SESSION

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

23. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is November 17, 2022 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.

*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.

Communication with
the Board of Directors

Tahoe Forest Hospital District

June 30, 2022

MOSSADAMS

MOSSADAMS

Communication with the Board of Directors

The Board of Directors
Tahoe Forest Hospital District

We have audited the combined financial statements of Tahoe Forest Hospital District (the "District"), and its discretely presented component unit, Truckee Surgery Center, LLC (the "TSC"), as of and for the year ended June 30, 2022, and have issued our report thereon dated October __, 2022. Professional standards require that we provide you with the following information related to our audit.

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

As stated in our engagement letter dated October 24, 2019 (for fiscal year ends: 2020, 2021, and 2022), we are responsible for forming and expressing an opinion about whether the combined financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Purpose Districts. Our audit of the combined financial statements does not relieve you or management of your responsibilities.

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

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated in our letter to the Board of Directors dated August 16, 2022.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the combined financial statements. The District implemented Government Accounting Standards Board ("GASB") Statement No. 87, *Leases* during 2022. Other than the implementation of this new accounting standard, no new accounting policies were adopted and there were no changes in the application of existing policies during 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the combined financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

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

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

- Management's estimate of the value of allowances for contractual and uncollectible accounts receivable is based on management's estimates of collectability by payor class, considering the historical payment and collection experience from each payor class. Management records the net collectible amount as the actual accounts receivable for the combined financial statements. We evaluated the key factors and assumptions used to develop the value of allowance for contractual and uncollectible accounts receivable in determining that they are reasonable in relation to the combined financial statements as a whole.

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

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

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

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

- Management's estimate of the valuation of financial instruments is based on the fair market value of those financial instruments. We evaluated the key factors and assumptions used to develop the fair market value of financial instruments in determining that they are reasonable in relation to the combined financial statements as a whole.

Financial Statement Disclosures

The disclosures in the combined financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's combined financial statements were disclosures of significant concentration of net patient accounts receivable, assets limited as to use, capital assets, long-term debt and capital lease obligations, valuation of financial instruments, and commitments and contingencies.

Significant Unusual Transactions

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

Significant Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

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

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Corrected Misstatements: There were no corrected misstatements identified.

Uncorrected Misstatements: The following summarizes the uncorrected misstatement of the combined financial statements. Management has determined that the effects are immaterial to the combined financial statements as a whole.

- Decrease in other nonoperating expense by a total of $1,092,739 related to the prior year expense incorrectly recorded in the current year and not in the prior year and decrease in unrestricted net position, beginning of year, by $1,092,739.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated November __, 2022.

Management Consultation with Other Independent Accountants

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

Other Significant Audit Findings or Issues

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

This information is intended solely for the use of the Board of Directors and management of Tahoe Forest Hospital District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Rancho Cordova, California
November __, 2022

Report of Independent Auditors and
Combined Financial Statements

Tahoe Forest Hospital District

June 30, 2022 and 2021

MOSSADAMS

Table of Contents

Management's Discussion and Analysis

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

Our discussion and analysis of the District financial performance provides an overview of the District's financial activities for the years ended June 30, 2022, 2021, and 2020. Please read this in conjunction with the District's combined financial statements and accompanying notes, which begin on page 13. Our discussion and analysis of the District does not include Truckee Surgery Center, LLC, which is a discretely presented component unit.

Financial Highlights for Fiscal Year 2022

- The District's increase in net position was $33.4 million for 2022 as compared to $27.4 million for 2021.
- The District's income from operations for fiscal year 2022 was $23.1 million as compared to $19.4 million for 2021.
- Nonoperating revenues were $10.9 million in fiscal year 2022 as compared to $8.5 million for 2021.

The District's combined financial statements consist of the following: combined statements of net position; combined statements of revenues, expenses, and changes in net position; and combined statements of cash flows. These combined financial statements and accompanying notes provide information about the operations of the District as of and for the fiscal years ended June 30, 2022, and 2021.

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

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

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

The Statement of Cash Flows

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

The District's Net Position

The District's net position is the difference between its assets and liabilities reported in the combined statements of net position found on page 13. The District's net position changed by $33.4 million for 2022 as compared to $27.5 million for 2021, as presented in the following table (amounts are in thousands):

	As of June 30,		
	2022	2021 (As restated)	2020
Current assets	$ 101,733	$ 156,493	$ 116,387
Capital assets	188,541	176,107	180,088
Restricted and other assets	140,608	80,902	77,686
Total assets	430,882	413,502	374,161
Deferred outflows of resources	5,729	6,773	7,553
Current liabilities	60,615	60,615	61,250
Long-term liabilities	126,834	143,908	132,114
Total liabilities	187,449	204,523	193,364
Net investment in capital assets	74,155	55,718	56,082
Restricted - expendable	6,538	4,969	4,205
Restricted - nonexpendable	79	75	54
Unrestricted	168,390	154,990	128,009
Total net position	$ 249,162	$ 215,752	$ 188,350

Operating Results and Changes in the District's Net Position

During 2022, the District's net position increased by $33.4 million as compared to $27.4 million in 2021, as presented in the following table. These increases are comprised of operating and nonoperating components and represent the total change in net position of the District. Five areas of expenses created significant differences between 2022 and 2021: salaries, wages, and benefits increased by $13.1 million, professional fees increased by $1.9 million, supplies increased $5.7 million, purchased services increased by $2.1 million and other increased $1.4 million. The increase in salaries, wages, and benefits is due to increased staffing, merit increases, management incentive compensation bonuses, employee gain-sharing bonus program, and the continued employment of physicians that were previously contracted professionals. The increase in professional fees is due to increased fees paid to our contracted therapy service due to increased volumes and a contract early termination agreement. The increase in supplies is primarily pharmaceuticals and medical supply costs, which is directly connected to the increase in volumes, inflation, supply shortages and COVID-19. The increase in purchased services is due to contracting for billing and collections services, medical coding services, and marketing services. The increase in other is due to equipment rent and increases in utility costs.

	Fiscal years ended June 30,		
	2022	2021 (As restated)	2020
Operating revenues (thousands)			
Net patient service revenues	$ 263,836	$ 237,686	$ 205,979
Other operating revenues	13,978	11,752	12,447
Total operating revenues	277,816	249,438	218,427
Operating expenses (thousands)			
Salaries and wages	99,485	88,958	79,154
Employee benefits	48,215	45,691	38,864
Professional fees	18,847	16,988	19,907
Supplies	36,925	31,196	28,824
Purchased services	25,669	23,601	21,363
Depreciation and amortization	15,364	14,798	13,166
Other operating expenses	10,236	8,806	9,843
Total operating expenses	254,740	230,039	211,121
Income from operations	23,076	19,399	7,306
Nonoperating revenue (expenses) (thousands)			
Property tax revenue	9,151	8,432	7,985
Property tax revenue - general obligation bonds	5,569	4,900	5,220
Interest expense	(4,758)	(4,922)	(5,056)
Other nonoperating items	935	89	18,917
Total nonoperating revenues	10,896	8,500	27,065
Income before other revenue, expenses, gains, and losses	33,972	27,899	34,371
Capital transfers	(561)	(497)	(1,293)
Increase in net position	$ 33,410	$ 27,402	$ 33,078

Operating Gains

Usually the primary component of the overall change in the District's net position is its income from operations, generally the difference between net patient service revenues and the expenses incurred to perform those services. Income from operations in 2022 was $23.1 million as compared to $19.4 million in 2021. The District did not receive any provider relief fund grants related to COVID-19 in 2022, and received only $0.378 million in 2021, that is classified as other nonoperating items. The District returned $3.946 million of the provider relief fund grants related to COVID-19 in 2021 that were received in 2020 as the District received excess funds when compared to expenses incurred and lost revenues that were related to COVID-19. Total nonoperating revenues in 2022 was $10.9 million as compared to $8.5 million in 2021.

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

- Net patient service revenues increased in 2022 by $26.2 million (11.0%) due to a combination of changes in volumes, changes in payor mix, a charge increase, and additional reimbursements related to prior periods. Inpatient census days increased in 2022 to 5,554 from 5,407 in 2021. Adjusted patient days were up 3.4% in 2022 as compared to 2021. Inpatient charges increased by $10.0 million to $94.4 million in 2022 from $84.4 million in 2021. Outpatient charges increased by $47.8 million to $418.7 million in 2022 from $368.9 million in 2021, and as a percentage of total charges, outpatient charges increased to 81.6% of the total in 2022 from 81.4% in 2021. In addition, contractual allowances, charity care, and bad debt increased $35.1 million to $253.3 million in 2022 from $218.2 million in 2021. Prior period settlements increased $1.4 million to $4.0 million in 2022 from $2.6 million in 2021.

- A increase in other operating revenues of $2.2 million (18.9%) in 2022.

- Operating expenses increased by $24.7 million (10.7%) in 2022 due to added services and providers, additional full time equivalents ("FTEs") including employed physicians, employee gain sharing program, management incentive compensation bonuses, merit increases, increased costs associated with therapy services, increased pharmaceutical and medical supply costs, costs associated with contracting billing and collections services, medical coding services, and marketing services, increased costs for equipment rent and utilities. Many of these costs have been affected by inflation and supply shortages.

Employee salaries, wages, and benefits were $147.7 million in 2022 and $134.7 million in 2021. The components of these costs are as follows:

- Salaries and wages totaled $99.5 million in 2022 and $89.0 million in 2021. Staffing, as measured by paid FTEs, was 951 in 2022 and 900 in 2021. The employee gain-sharing program and management incentive compensation bonuses totaled $6.9 million in 2022 and $7.4 million in 2021.

- Benefits totaled $48.2 million in 2022 and $45.7 million in 2021. The benefits associated with the employee gain-sharing program and management incentive compensation bonuses totaled $2.0 million in 2022 and $1.1 million in 2021.

- Salaries, wages, and benefits per paid FTE were $155,310 in 2022 and $149,611 in 2021. If we were to remove the 2022 and 2021 gain-sharing program and management incentive compensation bonuses from salaries, wages, and benefits, then the amount per paid FTE was $145,997 in 2022 and $140,196 in 2021.

- Other changes were as follows:

    - There was an increase of $1.9 million (10.9%) in professional fees. This was primarily due to services provided by our contracted therapy service, as we saw an increase in our volumes, as well as a contract early termination agreement.

    - There was a $5.8 million (18.4%) increase in supplies primarily due to increase in pharmaceuticals and medical supply costs, which is directly connected to the increase in volumes, supply shortages, and inflation.

    - There was a $2.1 million (8.8%) increase in purchased services primarily due to contracting for billing and collections services, medical coding services and marketing services.

    - There was an increase of $0.57 million (3.8%) in depreciation and amortization expense due mainly to a net $12.4 million increase in depreciable assets.

    - Other expense category changes (utilities, insurance, dues and subscriptions, travel and education, and other) increased $1.4 million (16.2%) primarily due to an increase in insurance and utilities.

Nonoperating Revenues and Expenses

Nonoperating revenues consist of property taxes paid to the District, investment income, contributions, unrealized gains and losses, interest expense, provider relief fund grants related to COVID-19, and other various types of items not specifically related to the operations of patient care.

The District's Cash Flows

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

Capital Assets

At the end of 2021, the District had $176.1 million in capital assets, net of depreciation, as detailed in the footnotes to the financial statements. At the end of 2022, the District had $188.5 million invested in capital assets, net of depreciation. In 2022, the District improved facilities and acquired new equipment for a total net investment of $25.9 million, net of disposals, as compared to $9.6 million in 2021.

Debt Borrowings

At the end of 2021, the District had $130.1 million in long-term debt borrowings outstanding including current maturities. At the end of 2022, the District had $124.3 million in long-term debt borrowings outstanding including current maturities.

There were no debt financing in 2021 or 2022.

Other Economic Factors

The District is located in Truckee, California, and Incline Village, Nevada.

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

The District's Board of Directors approved the fiscal year 2023 budget at a special board meeting in June 2022. For fiscal year 2023, the District is budgeted to increase its net position by $22.4 million. The increase is due to the following assumptions:

- Net patient services revenue of $276.1 million.
    - Outpatient volumes are projected to increase in fiscal year 2023, primarily in the multi-specialty clinics (5.0%), therapy services (1.5%), gastroenterology (4.5%) and medical oncology (9.0%). This is due to the addition of new providers in the area of primary care, as well as increased volumes for existing providers in just about all specialty areas and primary care.
    - The District will increase charges by 5%. As a result, the percentages of contractual allowances are budgeted to increase with an approximate 2.5% increase in net patient service revenue percentage.
- Other operating revenue of $14.0 million.
- Total operating expenses of $280.5 million.
    - Overall operating expenses will increase 10.3% due to an increase in salaries, wages, and benefits due to an increase in our overall FTE's and wage increases, medical supplies and pharmaceuticals related to patient volume and inflation, purchased services related to technology infrastructure, as well as coding, billing, and collection services, and other due to expected increases in utilities, insurance and marketing.

- Income from operations of $9.5 million.
- Nonoperating revenues of $12.8 million.

Payments from Federal and State Health Care Programs

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

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

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

Public Hospital Redesign and Incentives in Medi-Cal Program (PRIME) and Quality Incentive Pool (QIP)

The Public Hospital Redesign and Incentives in Medi-Cal Program ("PRIME") was created to build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California Section 1115 Bridge to Reform demonstration. Activities supported by the PRIME program are designed to accelerate efforts by participating PRIME entities to change care delivery to maximize health care value and strengthen their ability to successfully perform under risk-based alternative payment models ("APMs") in the long term, consistent with Centers for Medicare and Medicaid Services ("CMS") and Medi-Cal 2020 goals. The PRIME program is intentionally designed to be ambitious in scope and time-limited. Using evidence-based, quality improvement methods, the initial work required the establishment of performance baselines followed by target setting and the implementation and ongoing evaluation of quality improvement interventions. Participating PRIME entities consist of two types of entities: Designated Public Hospital ("DPH") systems and the District/Municipal Public Hospitals ("DMPH"). PRIME was a five-year program beginning July 1, 2015 and ending June 30, 2020. The District was a participant in the PRIME program.

The Quality Incentive Pool ("QIP") was implemented in 2019 as a result of new requirements in the federal Centers for Medicare & Medicaid Services' ("CMS") Medicaid and CHIP Managed Care Final Rule. QIP, a pay-for-performance program for California's public health care systems converts funding from previously existing supplemental payments into a value-based structure, meeting the rule's option that allows quality-based payments. QIP payments are tied to the achievement of performance on measures that assess the quality of care provided to Medi-Cal managed care enrollees.

For three years, from mid-2017 to mid-2020 QIP existed in parallel with PRIME. With the expiration of PRIME in June 2020, California had the opportunity to redesign QIP to integrate successful components from PRIME and the first few years of QIP. CMS approved a transitional program period from July to December 2020 that allowed the existing PRIME measures and critical funding to continue through December 2020 under the auspices of QIP. The purpose of this transitional period was to maintain performance improvement efforts and funding for public health care systems while a new structure and measures for QIP were identified and approved. The new QIP design began January 1, 2021, and the District is now a participant in QIP.

Cautionary Note Regarding Forward-Looking Statements

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

Statistical Analysis

	2022	2021	2020
Acute			
Admissions	1,488	1,475	1,626
Length of stay	3.73	3.67	3.41
Average daily census	15.22	14.81	15.16
Occupancy percentage	52%	51%	52%
Patient days	5,554	5,407	5,547
Total ICU days	1,447	1,531	1,311
Total medical/surgical days	2,936	2,720	2,818
Total obstetrics days	1,171	1,034	1,087
Total swing days	408	122	331
Nursery days	623	546	450
Deliveries	366	331	304
Skilled nursing units			
Patient days	7,473	8,496	9,902
Average daily census	20.47	23.28	27.05
Occupancy percentage	55%	63%	73%
Outpatient			
Emergency department visits	13,700	12,291	12,929
Surgical cases	2,032	2,247	1,809
Laboratory tests	170,571	151,166	124,298
Nuclear medicine	367	384	340
MRI	2,751	2,688	2,234
Ultrasounds	4,174	4,250	3,414
Cat scans	7,177	6,379	4,980
Diagnostic imaging & mammography	16,399	14,465	12,998
Medical oncology procedures	11,381	9,639	8,436
Radiation oncology procedures	5,816	6,902	7,772
PET CT's	400	375	280

Combined Financial Statements
As of and for the Years Ended June 30, 2022 and 2021

Tahoe Forest Hospital District
Combined Statements of Net Position
June 30, 2022 and 2021

	2022		2021 (As restated)	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
ASSETS				
Current assets				
Cash and cash equivalents	$ 25,418,950	$ 233,298	$ 91,298,018	$ 26,853
Patient accounts receivable, net of allowances for doubtful accounts of $9,901,616 and $103,209 in 2022 and $7,537,588 and $93,266 in 2021	41,866,438	424,536	35,773,985	358,190
Other receivables	14,271,296	-	13,020,382	-
Assets limited as to use - required for current liabilities	10,003,370	-	9,882,909	-
Estimated amounts due from third-party payors	3,042,312	-	-	-
Inventories	4,469,265	-	4,289,922	-
Prepaid expenses and deposits	2,661,331	164,396	2,228,183	68,063
Total current assets	101,732,962	822,230	156,493,399	453,106
Assets limited as to use, net of current	128,713,679	-	71,599,135	-
Right-to-use assets, net of accumulated amortization	9,151,929	-	6,480,830	-
Capital assets				
Nondepreciable	28,115,599	-	14,541,767	-
Depreciable, net of accumulated depreciation	160,424,964	833,318	161,565,109	757,440
	188,540,563	833,318	176,106,876	757,440
Other assets				
Beneficial interest in trusts	1,753,645	-	1,952,812	-
Other noncurrent receivables	988,581	20,256	869,252	20,256
Total assets	430,881,359	1,675,804	413,502,304	1,230,802
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on defeasance, net	5,069,219	-	5,384,615	-
Accumulated decrease in fair value of hedging derivative	660,160	-	1,387,922	-
Total deferred outflows of resources	5,729,379	-	6,772,537	-
LIABILITIES				
Current liabilities				
Current maturities of long-term debt and capital lease obligations	5,974,499	-	5,618,136	-
Current maturities of lease liabilities	1,565,219	-	1,144,564	-
Accounts payable and accrued expenses	12,213,152	46,977	7,365,875	22,261
Accrued payroll and related expense	26,126,668	43,075	24,222,769	24,429
Medicare accelerated payments	5,563,499	-	19,052,194	-
Estimated claims incurred but not reported	7,253,703	-	7,288,804	-
Estimated amounts due to third-party payors	-	-	6,703,302	-
Other accrued expenses	59,388	3,416	9,358	4,908
Accrued interest	1,859,100	-	1,792,526	-
Total current liabilities	60,615,228	93,468	73,197,528	51,598
Long-term debt and capital lease obligations, net of current portion	118,299,002	-	124,461,117	-
Lease liabilities, net of current portion	7,874,186	-	5,476,519	-
Derivative instrument liability	660,160	-	1,387,922	-
Total liabilities	187,448,576	93,468	204,523,086	51,598
NET POSITION				
Net investment in capital assets	74,154,611	-	55,718,273	-
Restricted - expendable	6,538,072	-	4,969,414	-
Restricted - nonexpendable	79,109	-	74,809	-
Unrestricted	168,390,370	1,582,336	154,989,259	1,179,204
Total net position	$ 249,162,162	$ 1,582,336	$ 215,751,755	$ 1,179,204

See accompanying notes.

Tahoe Forest Hospital District
Combined Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2022 and 2021

	2022		2021 (As restated)	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
Operating revenues				
Net patient service revenue (net of provision for bad debts of $11,795,552 and $15,119 in 2022 and $21,054,750 and $11,167 in 2021)	$ 263,836,447	$ 1,790,670	$ 237,686,222	$ 1,344,346
Other operating revenue	13,979,271	-	11,751,964	-
Total operating revenues	277,815,718	1,790,670	249,438,186	1,344,346
Operating expenses				
Salaries and wages	99,484,586	794,550	88,958,242	523,506
Employee benefits	48,215,159	110,427	45,691,609	75,186
Professional fees	18,847,495	8,200	16,988,355	5,585
Supplies	36,924,954	483,199	31,196,037	573,161
Purchased services	25,668,579	68,802	23,600,665	17,442
Depreciation and amortization	15,363,541	47,835	14,798,038	40,043
Insurance	2,466,951	4,944	1,960,625	9,862
Other	7,768,620	431,077	6,845,753	363,686
Total operating expenses	254,739,885	1,949,034	230,039,324	1,608,471
Income (loss) from operations	23,075,833	(158,364)	19,398,862	(264,125)
Nonoperating revenues (expenses)				
Property tax revenue	9,150,835	-	8,432,091	-
Property tax revenue - general obligation bonds	5,568,851	-	4,900,434	-
Contributions, net	4,128,543	-	1,954,867	-
Interest income	692,919	-	713,109	-
Rental income	669,658	-	645,750	-
Gain on disposal of assets	36,801	-	-	-
Interest expense	(4,758,404)	-	(4,921,529)	-
Unrealized loss on investments	(3,514,449)	-	-	-
Other nonoperating (loss) income	(1,078,835)	151	(3,225,187)	-
Total nonoperating revenues	10,895,919	151	8,499,535	-
Income (loss) before other revenue, expenses, gains, and losses	33,971,752	(158,213)	27,898,397	(264,125)
Capital transfers	(561,345)	561,345	(496,753)	496,753
Increase in net position	33,410,407	403,132	27,401,644	232,628
Net position, beginning of year	215,751,755	1,179,204	188,350,111	946,576
Net position, end of year	$ 249,162,162	$ 1,582,336	$ 215,751,755	$ 1,179,204

See accompanying notes.

Tahoe Forest Hospital District
Combined Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022		2021 (As restated)	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
Cash flows from operating activities				
Cash received from patients and third-party payors	$ 247,998,380	$ 1,724,324	$ 239,594,269	$ 1,092,730
Cash received from other sources	12,393,703	151	8,300,077	-
Medicare accelerated payments	(13,488,695)	-	(1,328,343)	-
Cash paid to suppliers for goods and services	(87,391,783)	(1,069,331)	(81,612,177)	(1,025,872)
Cash paid to employees for services	(146,511,621)	(886,331)	(128,337,231)	(598,875)
Net cash provided by (used in) operating activities	12,999,984	(231,187)	36,616,595	(532,017)
Cash flows from noncapital financing activities				
Property tax revenues	9,208,465	-	8,365,736	-
Noncapital grants and contributions, net of other expenses	3,814,620	-	(1,562,642)	-
Net cash provided by noncapital financing activities	13,023,085	-	6,803,094	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(26,453,097)	(123,713)	(9,885,825)	-
Proceeds from sale of capital assets	189,291	-	236,837	-
Payments on general obligation bonds	(2,896,754)	-	(2,779,840)	-
Interest payments on general obligation bonds	(3,348,156)	-	(3,509,496)	-
Payments on long-term debt and capital leases	(3,755,382)	-	(3,447,190)	-
Interest payments on long-term debt and capital leases	(1,343,674)	-	(1,461,926)	-
Property tax revenue received for general obligation bonds	5,658,257	-	4,888,300	-
Capital transfer from Tahoe Forest Hospital District	-	561,345	-	496,753
Net cash (used in) provided by capital and related financing activities	(31,949,515)	437,632	(15,959,140)	496,753
Cash flows from investing activities				
Purchases of investments related to assets limited as to use	(84,020,380)	-	(4,371,217)	-
Sales of investments related to assets limited as to use	23,270,926	-	6,079,210	-
Interest received	692,919	-	713,109	-
Net cash received for rental activities	669,658	-	645,750	-
Purchases of investments in beneficial interest in trusts	(4,400)	-	(21,300)	-
Investment in Truckee Surgery Center, LLC	(561,345)	-	(496,753)	-
Net cash (used in) provided by investing activities	(59,952,622)	-	2,548,799	-
Net change in cash and cash equivalents	(65,879,068)	206,445	30,009,348	(35,264)
Cash and equivalents, beginning of year	91,298,018	26,853	61,288,670	62,117
Cash and equivalents, end of year	$ 25,418,950	$ 233,298	$ 91,298,018	$ 26,853

See accompanying notes.

Tahoe Forest Hospital District
Combined Statements of Cash Flows (Continued)
For the Years Ended June 30, 2022 and 2021

	2022		2021 (As restated)	
	Tahoe Forest Hospital District	Truckee Surgery Center, LLC	Tahoe Forest Hospital District	Truckee Surgery Center, LLC
Reconciliation of income (loss) from operations to net cash from operating activities				
Income (loss) from operations	$ 23,075,833	$ (158,364)	$ 19,398,862	$ (264,125)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	15,363,541	47,835	14,798,038	40,043
Amortization of bond premiums/discounts and bond issuance costs	(187,618)	-	(187,618)	-
Provision for doubtful accounts	11,795,552	15,119	21,054,750	11,167
Change in assets and liabilities:				
Patient accounts receivable, net	(17,888,005)	(81,465)	(27,350,702)	(262,783)
Other receivables	(1,397,950)	-	(3,264,269)	-
Inventories	(179,343)	-	(461,343)	-
Prepaid expenses and deposits	(433,148)	(96,333)	250,320	(47,835)
Other noncurrent receivables	(680,674)	-	127,942	-
Accounts payable and accrued expenses	4,847,277	24,716	(744,859)	(7,138)
Accrued payroll and related expense	1,903,899	18,646	4,603,280	(183)
Medicare accelerated payments	(13,488,695)	-	(1,328,343)	-
Estimated amounts due from third-party payors	-	-	1,500,697	-
Estimated claims incurred but not reported	(35,101)	-	1,581,398	-
Estimated amounts due to third-party payors	(9,745,614)	-	6,703,302	-
Other accrued expenses	50,030	(1,341)	(64,860)	(1,163)
Total adjustments	(10,075,849)	(72,823)	17,217,733	(267,892)
Net cash provided by (used in) operating activities	$ 12,999,984	$ (231,187)	$ 36,616,595	$ (532,017)
Supplemental disclosure of noncash investing and financing activities:				
Gain on disposal of capital assets	$ (36,801)	$ -	$ -	$ -
Change in fair value of beneficial interest in trusts	$ (203,567)	$ -	$ 3,161,014	$ -
Change in fair value of assets limited as to use	$ (3,514,449)	$ -		$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

In October 2018, the District entered into a Membership Purchase Agreement with TSC to purchase an additional 48% membership interest in TSC for $451,785, which resulted in the District owning a 99% membership interest in TSC. In fiscal years 2022 and 2021, the District advanced $561,345 and $496,753, respectively, to TSC.

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

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

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

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

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

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

Assets limited as to use – Assets limited as to use include amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Amounts required to meet current liabilities of the District are included in current assets. Assets limited as to use also include investments in the LAIF.

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

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

Beneficial interest in trusts – The TFHSF has been named a beneficiary under the terms of the Community for Cancer Care Endowment (the "Fund") administered by the Tahoe Truckee Community Foundation ("TTCF"). Under the terms of the agreement, distributions from the Fund shall be in accordance with the spending policy established by the Board of Directors of TTCF. Distributions shall be made annually or, as the parties may, from time to time, agree. Distributions in excess of TTCF's spending policy may be made to the Foundation in any year as determined by the Board of Directors of TTCF. The TFHSF may request, at any time, that TTCF disburse up to 100% of the Fund to the TFHSF. Such a request, however, is not binding on TTCF and may be accepted or rejected, in whole or in part, by TTCF at its sole and absolute discretion. At the establishment of the Fund, the TFHSF granted variance power to TTCF. That power gives TTCF the right to distribute the income and principal of the Fund to another not-for-profit organization of its choice if the TFHSF ceases to exist or if that governing board of TTCF votes that support of TFHSF is no longer necessary or inconsistent with the needs of TTCF. The Fund had a value of $1,664,641 and $1,847,728 as of June 30, 2022 and 2021, respectively, and is reported in the combined financial statements as beneficial interest in trusts.

The IVCHF entered into agreements with The Parasol Tahoe Community Foundation ("Parasol") to establish endowment and improvement funds with Parasol. The purpose of the endowment and improvement funds is to provide support to or for the benefit of the IVCHF and its activities in pursuit of its mission to deliver optimal health care services in the communities served by Incline Village Community Hospital. The IVCHF Endowment Fund (the "Endowment") is protected from obsolescence in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating Parasol. Should the purposes for which the Endowment was created become obsolete or incapable of fulfillment, it is Parasol's Board of Director's responsibility, after contacting and being advised by the IVCHF, to revise the charitable intent of remaining funds to use for a purpose as similar to those set forth in the agreement. The Endowment had a value of $89,004 and $105,084 as of June 30, 2022 and 2021, respectively, and is reported in the combined financial statements as beneficial interest in trusts.

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

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

The District periodically evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset. There were no impairment losses in 2022 and 2021.

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

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

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

Capitalized interest – Interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. There was no interest cost capitalized for the years ended June 30, 2022 and 2021.

Deferred loss on defeasance – The deferred loss on defeasance of the 1999 Series B Bonds is amortized using the straight-line method over the life of the bonds. The original amount of deferred loss on defeasance is $769,305. Accumulated amortization as of June 30, 2022 and 2021, was $458,995 and $420,207, respectively. Amortization expense for each of the years ended June 30, 2022 and 2021, was $38,788; and is estimated to be $38,788 for each of the next five years.

The deferred gain on defeasance of the Series 2006 Revenue bonds is amortized using the straight-line method over the life of the bonds. The original amount of deferred gain on defeasance is $141,300. Accumulated amortization as of June 30, 2022 and 2021, was $54,950 and $47,100, respectively. Amortization income for each of the years ended June 30, 2022 and 2021, was $7,850; and is estimated to be $7,850 for each of the next five years.

The deferred loss on defeasance of the Series A (2008) General Obligation Bonds is amortized using the effective-interest method over the life of the bonds. The original amount of deferred loss on defeasance is $2,016,320. Accumulated amortization as of June 30, 2022 and 2021, was $641,557 and $549,906, respectively. Amortization expense for each of the years ended June 30, 2022 and 2021, was $91,651; and is estimated to be $91,651 for each of the next five years.

The deferred loss on defeasance of the Series B (2010) General Obligation Bonds is amortized using the effective-interest method over the life of the bonds. The original amount of deferred loss on defeasance is $4,627,331. Accumulated amortization as of June 30, 2022 and 2021, was $1,156,830 and $964,025, respectively. Amortization expense for each of the years ended June 30, 2022 and 2021, was $192,805; and is estimated to be $192,805 for each of the next five years.

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

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

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

Compensated absences – The District's employees earn paid time off ("PTO") and sick leave benefits at varying rates depending on hours worked and years of service. For most employees, PTO benefits can accumulate up to the maximum of 240 hours. Employees are paid for accumulated PTO either upon termination or retirement. Sick leave is accumulated indefinitely at a maximum of 48 hours and is not vested with the employee upon termination or retirement. Accrued PTO and sick leave liabilities included in accrued payroll and related expense as of June 30, 2022 and 2021, were $5,898,101 and $5,647,345, respectively.

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

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
2022	$ 5,647,345	$ 269,704	$ 18,948	$ 5,898,101	$ 5,898,101
	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
2021	$ 4,842,325	$ 1,393,572	$ 588,552	$ 5,647,345	$ 5,647,345

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

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

	Balance as of July 1, 2021 (As restated)	Increases	Decreases	Balance as of June 30, 2022	Current Portion
Lease liabilities	$ 6,621,083	$ 4,167,720	$ 1,349,398	$ 9,439,405	$ 1,565,219
	Balance as of July 1, 2020	Increases	Decreases	Balance as of June 30, 2021 (As restated)	Current Portion (As restated)
Lease liabilities	$ 7,648,636	$ -	$ 1,027,553	$ 6,621,083	$ 1,144,564

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

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

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

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

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

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

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

Charity care – The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The District accepts all patients regardless of their ability to pay. Partial payments to which the District is entitled from public assistance programs on behalf of patients that meet the District's charity care criteria are reported as patient service revenue. Charity care, which is excluded from recognition as receivables or revenue in the combined financial statements, is measured on the basis of uncompensated cost. The gross charges excluded from net patient service revenue under the District's charity care policy were, $13,477,214 and $15,499,801 for the years ended June 30, 2022 and 2021, respectively. Using the District's Medicare cost to charge ratio, the estimated cost of these charges were $6,055,824 and $6,800,507 for the years ended June 30, 2022 and 2021, respectively.

Property tax revenues – Property taxes are levied by Nevada and Placer Counties on the District's behalf during the year, and are intended to help finance the District's activities during the same year. The amount of property tax received is dependent upon the assessed real property valuation, as determined by Nevada and Placer Counties Assessors. Nevada and Placer Counties have established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date. These funds are used to support the general maintenance and operation of the District, including charity care and uncompensated care programs, and to service the debt on the general obligation bonds. The District received approximately 5% of its financial support from property taxes for the years ended June 30, 2022 and 2021, exclusive of property taxes received to pay principal and interest payments of the general obligation bonds.

CARES Act grant and Medicare accelerated payments – On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect operations and the general population. Management has not yet determined the full financial impact of these events. Centers for Medicare and Medicaid Services ("CMS") distributed $50 billion of the $100 billion in the form of grants to hospitals.

The District received approximately $100,000 and $378,000 of provider relief funds for the years ended June 30, 2022 and 2021, respectively. The District was required to and did timely sign attestations agreeing to the terms and conditions of payment. Those terms and conditions include measures to prevent fraud and misuse. Documentation is required to ensure that these funds are used for health care related expenses or lost revenue attributable to the coronavirus, limitations of out of pocket payments from certain patients, and the acceptance of several other reporting and compliance requirements. Refunding of amounts received may be required by the CARES Act grant if a receiving entity is unable to quantify the financial losses intended to be covered by the provider relief funds. For the year ended June 30, 2021, the District determined that it had not met all of the terms and conditions of the CARES Act grant, and accordingly, recognized a refundable advance of approximately $3,946,000 of provider relief funds, included in estimated amounts due to third-party payors in the combined statements of net position and other nonoperating (loss) income in the combined statements of revenues, expenses, and changes in net position. There was no provider relief funds recognized for the year ended June 30, 2022.

Separately, CMS initiated an Accelerated Payment Program to hospitals. The accelerated payments represent advance payments for services to be provided and were based on a hospital's historical Medicare volume. In April 2020, the District received $20,380,537 in accelerated payments. CMS began recoupment of these accelerated payments in April 2021 and will continue to recoup the accelerated payments from billings for services rendered until they are fully repaid. Any accelerated payments still open after 29 months from receipt will be charged interest at 4%. As of June 30, 2022 and 2021, the District had $5,563,499 and $19,052,194, respectively, in accelerated payments, included in Medicare accelerated payments in the combined statements of financial position.

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

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

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

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

New accounting pronouncements – In June 2017, the GASB issued GASB Statement No. 87, *Leases* ("GASB 87"), which intends to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 95 extended the effective date for GASB 87 to fiscal years beginning after June 15, 2021. The District adopted GASB No. 87 as of July 1, 2020. The lease contracts met the definition of a lease and the District calculated and recognized right-to-use assets, net, of $6,480,830 and lease liabilities of $6,621,083 as of June 30, 2021. The impact to beginning net position was not significant. See Note 13 for disclosure of right-to-use asset and lease liabilities and Note 14 for restatement.

In June 2018, the GASB also issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* ("GASB 89"). GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB 95 extended the effective date for GASB 89 to reporting periods beginning after December 15, 2020. The District adopted GASB 89 for the year beginning July 1, 2021. The adoption did not result in a material impact to the District's combined financial statements.

In May 2019, the GASB also issued GASB Statement No. 91, *Conduit Debt Obligation* ("GASB 91"). GASB No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB 95 extended the effective date for GASB 91 to reporting periods beginning after December 15, 2021. The District is currently assessing the impact of this standard on the District's combined financial statements.

In March 2020, the GASB also issued GASB Statement No. 93, *Replacement of Interbank Offered Rates* ("GASB 93"). GASB 93 establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Interbank Offered Rate ("LIBOR") for hedging derivative instruments. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form after December 31, 2021. The requirements of this statement, except for paragraphs 11b, 13, and 14, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. GASB 95 extended the effective date for paragraphs 13 and 14 to fiscal years beginning after June 15, 2021. The District adopted GASB 89 for the year beginning July 1, 2021. The adoption did not result in a material impact to the District's combined financial statements.

In June 2022, the GASB also issued GASB Statement No. 101, *Compensated Absences* ("GASB 101"). GASB 101 establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits. GASB 101 is effective for reporting periods beginning after December 15, 2023. The District is currently assessing the impact of this standard on the District's combined financial statements.

NOTE 2 – NET PATIENT SERVICE REVENUE

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

Medicare: Payments for inpatient acute care services rendered to Medicare program beneficiaries are based on prospectively determined rates, which vary according to the patient diagnostic classification system. Outpatient services are generally paid under an outpatient classification system subject to certain limitations. Certain reimbursement areas are still subject to final settlement that are determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2022, Tahoe Forest Hospital and Incline Village Community Hospital cost reports through June 30, 2019 and June 30, 2020, respectively, have been audited or otherwise final settled.

Medi-Cal: Prior to July 1, 2013, inpatient acute care services rendered to Medi-Cal program beneficiaries were reimbursed under a cost reimbursement methodology; however, the District is also subject to per discharge limits. The District was paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by Medi-Cal. Per discharge limits for the District have been determined by Medi-Cal through June 30, 2011. Beginning on July 1, 2013, inpatient acute care services were rendered to Medi-Cal program beneficiaries under a diagnostic related group ("DRG") methodology. Under this methodology, similar to Medicare, services are paid at prospectively determined rates per discharge according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient skilled nursing care services rendered to Medi-Cal program beneficiaries are reimbursed at prospectively determined per diem rates. Outpatient services rendered to Medi-Cal program beneficiaries are reimbursed based on prospectively determined fee schedules. At June 30, 2022, Tahoe Forest Hospital and Incline Village Community Hospital cost reports through June 30, 2020, have been audited or otherwise final settled. Medi-Cal I-IMO services are paid on a pre-determined rate and are not subject to cost reimbursement.

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

Net patient service revenue is comprised of the following for the years ended June 30, 2022 and 2021:

	2022	2021
Daily hospital service	$ 41,151,149	$ 38,736,127
Inpatient ancillary services	53,970,304	46,167,748
Outpatient services	422,018,506	370,962,255
Gross patient service revenues	517,139,959	455,866,130
Less contractual allowances and provision for doubtful accounts	(253,303,512)	(218,179,908)
Net patient service revenue at Tahoe Forest Hospital District	263,836,447	237,686,222
Net patient service revenue at Truckee Surgery Center, LLC	1,790,670	1,344,346
Total net patient service revenue	$ 265,627,117	$ 239,030,568

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

	2022	2021
Commercial	45%	45%
Medicare	37%	36%
Medi-Cal	16%	16%
Others	2%	3%
Total	100%	100%

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

Over five years, up to $7.5 billion in combined federal and state funds will be available to participating entities from the Public Hospital Redesign and Incentives in Medi-Cal Program ("PRIME"), which is a successor program within the Medi-Cal waiver. As a result of participating in PRIME, the District recorded a receivable of $2,817,793 and $600,000 at June 30, 2022 and 2021, respectively. This program requires a qualitative assessment of certain metrics and is subject to future audits by CMS.

The District receives funds through the AB 915 legislation through an intergovernmental transfer ("IGT"), where funds are put up by the District to be matched by the federal government. As a result of two of these IGT programs, the District recorded a receivable of $10,236,259 at June 30, 2022, for funds related to fiscal years 2022 and 2021, and a receivable of $11,442,897 at June 30, 2021, for funds related to fiscal years 2021 and 2020.

NOTE 3 – CASH AND CASH EQUIVALENTS AND ASSETS LIMITED AS TO USE

The District has deposits held by various financial institutions in the form of operating cash and cash equivalents. All of these funds are held in deposits, which are collateralized in accordance with the California Government Code ("CGC"), except for $250,000 per account that is federally insured. At June 30, 2022 and 2021, the District's cash deposits had carrying amounts of $25,421,717 and $91,298,018, and bank balances of $30,122,845 and $93,186,658, respectively. All of these funds were held in cash deposits, which are collateralized with the California Government Code ("CGC"), except for $250,000 per account that is federally insured by the Federal Deposit Insurance Corporation ("FDIC").

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

As of June 30, 2022 and 2021, cash and cash equivalents and assets limited as to use, at carrying value, consisted of the following:

	2022	2021
Cash and cash equivalents	$ 25,418,950	$ 91,298,018
Assets limited as to use - required for current liabilities	10,003,370	9,882,909
Assets limited as to use, net of current	128,713,679	71,599,135
Total at Tahoe Forest Hospital District	164,135,999	172,780,062
Total Truckee Surgery Center, LLC	233,298	26,853
Total	$ 164,369,297	$ 172,806,915

As of June 30, 2022 and 2021, assets limited as to use, at carrying value, have been set aside as follows:

	2022	2021
Board designated assets	$ 55,678,571	$ 75,556,021
Assets held by trustees	83,038,478	5,926,023
Total	$ 138,717,049	$ 81,482,044

A summary of scheduled maturities by investment type at June 30, 2022 and 2021, were as follows:

	2022			
		Investment Maturities (in years)		
	Carrying Value	Less than 1	1 to 5	6 to 10+
Investment type				
Cash and cash equivalents	$ 34,181,924	$ 34,181,924	$ -	$ -
U.S. corporate fixed income securities	28,392,602	-	28,392,602	-
U.S. government fixed income securities	42,188,319	-	42,188,319	-
Certificates of deposit	4,483,448	4,483,448	-	-
Local agency investment fund	55,123,004	55,123,004	-	-
Total	$ 164,369,297	$ 93,788,376	$ 70,580,921	$ -

	2021			
		Investment Maturities (in years)		
	Carrying Value	Less than 1	1 to 5	6 to 10+
Investment type				
Cash and cash equivalents	$ 97,806,916	$ 97,806,916	$ -	$ -
Local agency investment fund	74,999,999	74,999,999	-	-
Total	$ 172,806,915	$ 172,806,915	$ -	$ -

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

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

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

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

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

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

The District's policy maximizes the return on invested cash while minimizing risk of capital loss. The District's policy limits investments to one and one-half years, unless otherwise approved by the Board of Directors. The District was in compliance with their investment policies as of June 30, 2022.

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

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

NOTE 4 – FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

Following is a description of the valuation methodologies and inputs used for instruments measured at fair value on a recurring basis and recognized in the accompanying combined statements of net position or for which the fair value is disclosed in the notes to the combined financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2022 and 2021.

Beneficial interest in trusts – As described in Note 1, the Foundations are the beneficiary of funds held at TTCF and Parasol. The fair value of the beneficial interest is estimated using the fair value of the assets held in trust reported by the trustees as of June 30, 2022 and 2021.

Hedging derivative – The fair value of the hedging derivative is valued using market to market valuations as of June 30, 2022 and 2021.

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

	2022			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Hedging derivative	$ -	$ (660,160)	$ -	$ (660,160)
U.S. corporate fixed income securities	-	28,392,602	-	28,392,602
U.S. government fixed income securities	-	42,188,319	-	42,188,319
Certificates of deposit	-	4,483,448	-	4,483,448
Beneficial interest in trusts	-	-	1,753,645	1,753,645
Total by fair value level	$ -	$ 74,404,209	$ 1,753,645	76,157,854
Cash and cash equivalents				34,181,924
Total				$ 110,339,778

	2021			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Hedging derivative	$ -	$ (1,387,922)	$ -	$ (1,387,922)
Beneficial interest in trusts	-	-	1,952,812	1,952,812
Total by fair value level	$ -	$ (1,387,922)	$ 1,952,812	564,890
Cash and cash equivalents				97,806,916
Total				$ 98,371,806

The following table summarizes the changes in the District's Level 3 financial instruments for the years ended June 30, 2022 and 2021:

	2022	**2021**
Beginning balance	$ 1,952,812	$ 1,615,408
Additional amounts invested in Fund	4,400	21,300
Change in value of beneficial interest in trusts	(203,567)	316,104
Ending balance	$ 1,753,645	$ 1,952,812

The table below presents information about significant unobservable inputs related to material categories of Level 3 financial instruments as of June 30, 2022:

Description	**Fair Value as of June 30, 2022**	**Valuation Technique**	**Unobservable Input**	**Range**
Beneficial interest in trusts	$ 1,753,645	Asset fair value from Trustee	Asset fair value from Trustee	Varies

NOTE 5 – PATIENT ACCOUNTS RECEIVABLE

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

Patient accounts receivable is comprised of the following as of June 30, 2022 and 2021:

	2022	2021
Medicare and Medicare managed care	$ 22,098,870	$ 23,366,833
Medi-Cal and Medi-Cal managed care	21,239,422	21,044,919
Other payors	40,567,328	32,659,323
Self-pay	11,526,078	9,646,026
Gross patient accounts receivable	95,431,698	86,717,101
Less allowances for contractual adjustments and bad debts	(53,565,260)	(50,943,116)
Net patient accounts receivable at Tahoe Forest Hospital District	41,866,438	35,773,985
Net patient accounts receivable at Truckee Surgery Center, LLC	424,536	358,190
Total net patient accounts receivable	$ 42,290,974	$ 36,132,175

Concentration of net patient accounts receivable as of June 30, 2022 and 2021, were as follows:

	2022	2021
Commercial and other payors	72%	55%
Medicare	17%	30%
Medi-Cal	7%	9%
Self-pay	4%	6%
Total	100%	100%

NOTE 6 – CAPITAL ASSETS

The capital asset activity of the District for the years ended June 30, 2022 and 2021, were as follows:

	2022				
	Balance June 30, 2021	Increases	Decreases	Transfers	Balance June 30, 2022
Capital assets - nondepreciable					
Land	$ 7,112,997	$ 1,467,000	$ -	$ -	$ 8,579,997
Construction in progress, net	6,517,802	13,834,328	(264,703)	(1,462,793)	18,624,634
Property held for future expansion	910,968	-	-	-	910,968
	14,541,767	15,301,328	(264,703)	(1,462,793)	28,115,599
Capital assets - depreciable					
Land improvements	5,727,716	-	-	2,991	5,730,707
Building and improvements	224,484,783	6,968,398	-	1,459,802	232,912,983
Equipment and software	103,254,243	4,183,371	(377,649)	-	107,059,965
Capital assets at Truckee Surgery Center, LLC	1,342,937	123,713	-	-	1,466,650
	334,809,679	11,275,482	(377,649)	1,462,793	347,170,305
Less accumulated depreciation for					
Land improvements	3,411,831	155,743	-	-	3,567,574
Building and improvements	83,738,771	8,194,212	-	-	91,932,983
Equipment and software	84,751,031	5,516,965	(489,862)	-	89,778,134
Capital assets at Truckee Surgery Center, LLC	585,497	47,835	-	-	633,332
	172,487,130	13,914,755	(489,862)	-	185,912,023
Total capital assets - depreciable, net	162,322,549	(2,639,273)	112,213	1,462,793	161,258,282
Total capital assets, net	$ 176,864,316	$ 12,662,055	$ (152,490)	$ -	$ 189,373,881

	2021				
	Balance June 30, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Capital assets - nondepreciable					
Land	$ 3,212,997	$ 3,900,000	$ -	$ -	$ 7,112,997
Construction in progress, net	8,189,979	3,810,364	(104,255)	(5,378,286)	6,517,802
Property held for future expansion	910,968	-	-	-	910,968
	12,313,944	7,710,364	(104,255)	(5,378,286)	14,541,767
Capital assets - depreciable					
Land improvements	5,616,084	-	-	111,632	5,727,716
Building and improvements	222,810,080	1,354	(132,582)	1,805,931	224,484,783
Equipment and software	97,619,413	2,174,107	-	3,460,723	103,254,243
Capital assets at Truckee Surgery Center, LLC	1,342,937	-	-	-	1,342,937
	327,388,514	2,175,461	(132,582)	5,378,286	334,809,679
Less accumulated depreciation for					
Land improvements	3,287,141	124,690	-	-	3,411,831
Building and improvements	75,511,420	8,227,351	-	-	83,738,771
Equipment and software	79,472,567	5,278,464	-	-	84,751,031
Capital assets at Truckee Surgery Center, LLC	545,454	40,043	-	-	585,497
	158,816,582	13,670,548	-	-	172,487,130
Total capital assets - depreciable, net	168,571,932	(11,495,087)	(132,582)	5,378,286	162,322,549
Total capital assets, net	$ 180,885,876	$ (3,784,723)	$ (236,837)	$ -	$ 176,864,316

NOTE 7 – LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

A summary of long-term debt and capital lease obligations as of June 30, 2022 and 2021, were as follows:

	2022					
	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2022
General obligation bonds						
2016 GOB	March 2016	August 2040	2.00% - 5.00%	$935,000 - $3,625,000	$ 45,110,000	$ 41,145,000
2015 GOB	February 2015	August 2038	2.00% - 5.00%	$670,000 - $2,895,000	30,810,000	28,185,000
2019 GOB	September 2019	August 2042	3.00% - 5.00%	$340,000 - $2,270,000	24,710,000	24,080,000
Revenue bonds						
Series 2017	March 2017	July 2032	1.49%	$544,552 - $663,805	9,060,000	6,626,495
Series 2015	March 2015	July 2033	3.87%	$1,073,107- $1,583,873	20,979,000	15,557,151
Notes payable						
11046 Donner Pass Road	January 2019	February 2026	4.00%	$533,255 - $773,730	4,950,000	2,764,765
Opus Bank Muni Lease	October 2018	November 2023	2.82%	$714,103 - $1,671,641	8,000,000	2,385,744
Capital lease obligations						
US Bank Equipment Financing	September 2019	September 2024	8.30%	$273 monthly	18,176	8,804
US Bank Equipment Financing	October 2019	October 2024	8.28%	$117 monthly	7,835	3,929
Westamerica Bank	March 2019	March 2024	4.05%	$39,111 - $50,336	239,669	89,447
					$ 143,884,680	$ 120,846,335

	2021					
	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2021
General obligation bonds						
2016 GOB	March 2016	August 2040	2.00% - 5.00%	$840,000 - $3,625,000	$ 45,110,000	$ 41,985,000
2015 GOB	February 2015	August 2038	2.00% - 5.00%	$585,000 - $2,895,000	30,810,000	28,770,000
2019 GOB	September 2019	August 2042	3.00% - 5.00%	$340,000 - $2,270,000	24,710,000	24,370,000
Revenue bonds						
Series 2017	March 2017	July 2032	1.49%	$523,406 - $663,805	9,060,000	7,160,369
Series 2015	March 2015	July 2033	3.87%	$1,004,243 - $1,583,873	20,979,000	16,561,394
Notes payable						
11046 Donner Pass Road	January 2019	February 2026	4.00%	$533,255 - $773,730	4,950,000	3,451,139
Opus Bank Muni Lease	October 2018	November 2023	2.82%	$714,103 - $1,671,641	8,000,000	4,010,960
Capital lease obligations						
US Bank Equipment Financing	September 2019	September 2024	8.30%	$273 monthly	18,176	12,366
US Bank Equipment Financing	October 2019	October 2024	8.28%	$117 monthly	7,835	5,454
Westamerica Bank	March 2019	March 2024	4.05%	$39,111 - $50,336	239,669	137,789
					$ 143,884,680	$ 126,464,471

The following tables summarize the District's long-term debt and capital lease transactions for the years ended June 30, 2022 and 2021:

	2022				
	Balance June 30, 2021	Net Borrowings and Issuance Proceeds	Payments and Bond Premium/Discount Amortization During the Year	Balance June 30, 2022	Current Portion
2016 General obligation bond	$ 41,985,000	$ -	$ (840,000)	$ 41,145,000	$ 935,000
2015 General obligation bond	28,770,000	-	(585,000)	28,185,000	670,000
2019 General obligation bond	24,370,000	-	(290,000)	24,080,000	340,000
General obligation bond premium/discount	3,614,782	-	(187,618)	3,427,164	-
Series 2017 Revenue bonds	7,160,369	-	(533,874)	6,626,495	544,552
Series 2015 Revenue bonds	16,561,394	-	(1,004,243)	15,557,151	1,043,107
11046 Donner Pass Road	3,451,139	-	(686,374)	2,764,765	714,338
Opus Bank Muni Lease	4,010,960	-	(1,625,214)	2,385,746	1,671,641
US Bank equipment financing	12,366	-	(3,562)	8,804	3,868
US Bank equipment financing	5,454	-	(1,525)	3,929	1,657
Westamerica Bank	137,789	-	(48,342)	89,447	50,336
	$ 130,079,253	$ -	$ (5,805,752)	$ 124,273,501	$ 5,974,499

	2021				
	Balance June 30, 2020	Net Borrowings and Issuance Proceeds	Payments and Bond Premium/Discount Amortization During the Year	Balance June 30, 2021	Current Portion
2016 General obligation bond	$ 42,740,000	$ -	$ (755,000)	$ 41,985,000	$ 840,000
2015 General obligation bond	29,280,000	-	(510,000)	28,770,000	585,000
2019 General obligation bond	24,710,000	-	(340,000)	24,370,000	290,000
General obligation bond premium/discount	3,802,400	-	(187,618)	3,614,782	-
Series 2017 Revenue bonds	7,683,775	-	(523,406)	7,160,369	533,874
Series 2015 Revenue bonds	17,528,221	-	(966,827)	16,561,394	1,004,243
11046 Donner Pass Road	4,110,645	-	(659,506)	3,451,139	686,374
Opus Bank Muni Lease	5,591,038	-	(1,580,078)	4,010,960	1,625,217
US Bank equipment financing	15,644	-	(3,278)	12,366	3,561
US Bank equipment financing	6,859	-	(1,405)	5,454	1,525
Westamerica Bank	184,215	-	(46,426)	137,789	48,342
	$ 135,652,797	$ -	$ (5,573,544)	$ 130,079,253	$ 5,618,136

As of June 30, 2022, the District's long-term debt and capital lease obligation requirements to maturity, excluding unamortized bond premium and bond issuance costs of $3,427,166, are as follows:

	Long-Term Debt			Capital Lease Obligations		
Years Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 5,918,638	$ 3,938,074	$ 9,856,712	$ 55,861	$ 2,695	$ 58,556
2024	5,291,462	3,739,898	9,031,360	46,319	663	46,982
2025	4,905,687	3,542,004	8,447,691	-	-	-
2026	5,010,097	3,331,307	8,341,404	-	-	-
2027	4,833,638	3,126,038	7,959,676	-	-	-
2028 - 2032	30,377,093	12,415,050	42,792,143	-	-	-
2033 - 2037	33,952,539	6,941,206	40,893,745	-	-	-
2038 - Thereafter	30,455,001	1,766,271	32,221,272	-	-	-
	$ 120,744,155	$ 38,799,848	$ 159,544,003	$ 102,180	$ 3,358	$ 105,538

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

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

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

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

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

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

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

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

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

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

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

NOTE 8 – INTEREST RATE SWAP AGREEMENT

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

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

In 2017, the 2002 bonds were defeased and the funds were used to issue the Series 2017 Revenue Bonds. The Series 2017 Revenue bonds are for a marginally larger notional amount, with the same end date, and the same interest rate based on the same driver. The swap was then found to still be effective with the new Series 2017 Revenue Bonds, and hedge accounting for the swap continued forward. At the date of defeasance, the value of the swap was approximately $1,400,000.

As interest rates have declined since execution of the swap, the swap had negative fair values of $660,160 and $1,387,922 as of June 30, 2022 and 2021, respectively. The swap's negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the District's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated using mathematical approximations of market values derived from proprietary models. The valuations are calculated on a mid-market basis and do not include bid/offer spread that would be reflected in an actual price quotation. It should be assumed that the actual price quotations for unwinding the transactions would be different. In connection with the fair value determination of the interest rate swap, the District has recorded a derivative instrument liability in the amount of $660,160 and $1,387,922 at June 30, 2022 and 2021, respectively, and a corresponding accumulated decrease in fair value of hedging derivative (deferred outflow of resources). Fair values are based on a market to market report which is considered a Level 2 fair value input.

Credit risk – As of June 30, 2022, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA-/Aa3 as of June 30, 2022. To mitigate the potential for credit risk, if the counterparty's credit quality falls below AA/Aa, the fair value of the swap will be fully collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

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

NOTE 9 – RISK MANAGEMENT PROGRAMS

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

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

Workers' compensation benefits costs from reported and unreported claims were accrued based on estimates that incorporate the District's past experience, as well as other considerations, including the nature of each claim or incident and other relevant trend factors. While the ultimate amount of workers' compensation liability is dependent on future developments, management is of the opinion that the associated liabilities for claims pending and incurred but not reported recognized in the accompanying combined financial statements is adequate to cover such claims. The liability has not been discounted. Management is aware of no potential workers' compensation liability the settlement of which, if any, would have a material adverse effect on the District's net position for the years ended June 30, 2022 and 2021.

Employee health insurance – The District is self-insured to provide group medical, dental, and vision coverage. The District funds its liability based on actual claims. A stop-loss insurance contract executed with an insurance carrier provides a specific stop-loss deductible per claim of $350,000 with an aggregate specific annual deductible of $100,000. There were no significant changes in insurance coverage from the prior year.

The liability for unpaid claims is estimated using an industry average that is based on actual claims paid. The estimated liability for claims pending and incurred but not reported at June 30, 2022 and 2021, has been included in the accompanying combined statements of net position under estimated claims incurred but not reported.

The following is a summary of the changes in the workers' compensation and employee health insurance liabilities for the years ended June 30, 2022 and 2021:

	2022			
	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Workers' compensation	$ 3,180,976	$ -	$ (233,449)	$ 2,947,527
Employee health	2,403,683	-	(179,621)	2,224,062
	$ 5,584,659	$ -	$ (413,070)	$ 5,171,589

	2021			
	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Workers' compensation	$ 2,173,244	$ 1,007,732	$ -	$ 3,180,976
Employee health	2,171,369	232,314	-	2,403,683
	$ 4,344,613	$ 1,240,046	$ -	$ 5,584,659

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

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

Coverage under a claims-made policy could expose the District to a gap in coverage if the District were to terminate coverage with the Program. In order to mitigate this potential gap in coverage, the District has accrued an estimated premium to purchase an unlimited extended reporting amendment (tail coverage) in the amount of $2,082,114 and $1,704,145 for the years ended June 30, 2022 and 2021, respectively.

NOTE 10 – RESTRICTED NET ASSETS

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

	2022	2021
Restricted - expendable net assets		
Cancer prevention	$ 495,280	$ 622,311
Cancer care	1,872,145	1,847,728
Hospice and other	4,170,647	2,499,375
	$ 6,538,072	$ 4,969,414
Restricted - nonexpendable net assets		
Investments in perpetuity, Parasol endowment	$ 79,109	$ 74,809
	$ 79,109	$ 74,809

NOTE 11 – EMPLOYEES' RETIREMENT PLANS

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

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

Total employer contributions under the above retirement plans were $7,482,223 and $6,294,548 for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, the District has accrued $3,208,562 and $3,132,879, respectively, of employer contributions related to the above retirement plans in accrued payroll and related expense on the accompanying combined statements of net position.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Construction in progress – As of June 30, 2022 and 2021, the District had recorded $18,624,634 and $6,517,802, respectively, as construction-in-progress representing cost capitalized for various remodeling, major repair, and expansion projects on the District's premises. Estimated cost to complete all projects as of June 30, 2022, is $10,554,157.

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

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

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

Arbitrage – The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the District performed calculations of excess investment earnings on various bonds and financings and, at June 30, 2022, does not expect to incur a significant liability.

NOTE 13 – RIGHT-TO-USE ASSETS AND LEASE LIABILITIES

The District is a lessee for noncancellable leases of office space and equipment with lease terms through 2035. There are no residual value guarantees included in the measurement of the District's lease liabilities nor recognized as an expense for the years ended June 30, 2022 and 2021. The District does not have any commitments that were incurred at the commencement of the leases. The District is subject to variable equipment usage payments that are expenses when incurred. There were no amounts recognized as variable lease payments as lease expense on the combined statements of revenues, expenses and changes in net position for the years ended June 30, 2022 and 2021. No termination penalties were incurred during the fiscal year.

	Balance as of July 1, 2021 (As restated)	Increases	Decreases	Balance as of June 30, 2022
Right-to-use assets	$ 7,648,363	$ 4,167,720	$ -	$ 11,816,083
Less accumulated amortization	1,167,533	1,496,621	-	2,664,154
Right to use asstets, net	$ 6,480,830	$ 2,671,099	$ -	$ 9,151,929

	Balance as of July 1, 2020	Increases	Decreases	Balance as of June 30, 2021 (As restated)
Right-to-use assets	$ 7,648,363	$ -	$ -	$ 7,648,363
Less accumulated amortization	-	1,167,533	-	1,167,533
Right to use asstets, net	$ 7,648,363	$ (1,167,533)	$ -	$ 6,480,830

For the years ended June 30, 2022 and 2021, the District recognized $1,496,621 and $1,167,533, respectively, in amortization expense included in depreciation and amortization expense on the combined statements of revenues, expenses, and changes in net position.

The future principle and interest lease payments as of June 30, 2022, were as follows:

Years ending June 30,	Principle Payments	Interest Payments	Total
2023	$ 1,565,219	$ 174,328	$ 1,739,547
2024	1,420,176	144,521	1,564,697
2025	1,321,032	116,653	1,437,685
2026	1,160,141	91,837	1,251,978
2027	940,637	69,525	1,010,162
Thereafter	3,032,200	159,617	3,191,817
	$ 9,439,405	$ 756,481	$ 10,195,886

The District evaluated the right-to-use assets for impairment and determined there was no impairment for the years ended June 30, 2022 and 2021.

NOTE 14 – RESTATEMENTS

The adoption of GASB 87 resulted in adjustments to the prior period financial statements as follows at June 30, 2021:

	As previously presented	Adjustment	As restated
Combined Statement of Net Position			
Assets and deferred outflows:			
Lease asset, net	$ -	$ 6,480,830	$ 6,480,830
Liabilities, deferred inflows and net position:			
Current portion of lease liability	$ -	$ (1,144,564)	$ (1,144,564)
Lease liability, net of current portion	$ -	$ (5,476,519)	$ (5,476,519)
Net position, end of year	$ (215,892,008)	$ 140,253	$ (215,751,755)
Combined Statement of Revenues, Expenses and Changes in Net Position:			
Depreciation and amortization	$ 13,630,505	$ 1,167,533	$ 14,798,038
Other	$ 8,002,250	$ (1,156,497)	$ 6,845,753
Income from operations	$ 19,409,898	$ (11,036)	$ 19,398,862
Interest expense	$ 4,792,312	$ 129,217	$ 4,921,529
Total nonoperating revenues	$ 8,628,752	$ (129,217)	$ 8,499,535
Income (loss) before other revenue, expenses, gains, and losses	$ (28,038,650)	$ 140,253	$ (27,898,397)
Increase in net position	$ 27,541,897	$ (140,253)	$ 27,401,644
Combined Statement of Cash Flows:			
Cash flows from operating activities:			
Cash paid to suppliers for goods and services	$ (82,768,674)	$ 1,156,497	$ (81,612,177)
Net cash provided by operating activities	$ 35,460,098	$ 1,156,497	$ 36,616,595
Cash flows from financing activities			
Payments on long-term debt and capital leases	$ (2,290,693)	$ (1,156,497)	$ (3,447,190)
Net cash used in capital and related financing activities	$ (14,802,643)	$ (1,156,497)	$ (15,959,140)

NOTE 15 – SUBSEQUENT EVENTS

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

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Tahoe Forest Health District

Key Employee Retirement Plan Recommendation

October 2022

EBS Executive Benefit Solutions

An Innovation Institute Company

Table of Contents

Project Overview

- In November 2021, TFHD contacted EBS to engage on a project for the key employees:
  - The revised plan will cover three classes of key employees (a) Executives (b) Department Directors (c) Physicians
  - The primary goal for the plan is to provide key employees the opportunity to build supplemental retirement income through voluntary participation.
  - EBS reviewed different plan design options, and brought back a design that offers:
    - Lower annual taxable income for participants
    - A limited matching contribution
    - Future non-taxable distributions
    - Future non-taxable death benefit (for estate planning needs)

Executive Benefit Overview

Executive Benefit Overview

Competitive Disadvantage

- Non-Profit organizations face a significant competitive disadvantage in their efforts to attract and retain talented executives and professionals.
- The design of compensation and benefit programs is limited by:
  - The inability to offer equity or other performance-based compensation,
  - Additional tax restrictions and,
  - Form 990 reporting requirements.

Practical Planning Alternatives

- The following is a comparative review of:
  - Nonqualified retirement plans available to non-profits

Executive Benefit Overview (cont)

Tax Restrictions Impacting Plan Design

- IRC Section 457(f) "substantial risk of forfeiture" requirement:
  - Once vested, incentive and deferred compensation benefits become fully taxable regardless of the timing of the actual benefit payments
    - Separation from service prior to vesting results in forfeiture of the entire benefit
    - Eliminates the ability to use partial, graded or performance vesting
    - Eliminates the possibility of installment payment of benefits
  - Bottom line: non-profit and governmental entities cannot use traditional, non-qualified deferred compensation plans available to for-profit companies

Recommendation

Plan Design Overview

- Plan Purpose: Allows key employees at TFHD the ability to save for retirement in a tax advantaged way.
- Plan Structure:
  - ✓ Key employee voluntarily reduces salary for five years.
  - ✓ TFHD agrees to loan premiums to key employee for the purchase of a life insurance policy (loan regime split dollar life insurance arrangement).
  - ✓ At retirement, key employee can access cash from the policy on a non-taxable basis, if properly structured. Alternatively, key employee can use future death benefit for estate planning needs.
  - ✓ TFHD is reimbursed for premium loans at death of key employee.

Recommendation (Cont.)

Policy Rights

Employer:
- *To recover premium loans from policy cash value or death benefit*
- *Secured by Collateral Assignment*

Employee:
- *Owner of policy, subject to rights assigned to Employer*
- *Cash value and death benefit in Excess of Employer's Interest*

Cost / Benefit

Employer:
- *Conversion of compensation expense to an asset*
- *Favorable Form 990 treatment*
- *Cost is the opportunity cost of money on premium loans*
- *Can minimize 21% excise tax liability*

Employee:
- *Non-Taxable Supplemental Retirement Income*
- *Significant Life Insurance Coverage*
- *Minimal Cost*

1 – No tax cost to employee if interest accrues on the loans.

Chart provided by:

EBS Executive Benefit Solutions

Sample Participant Illustration

Plan Design Considerations

- When TFHD offered a voluntary plan to key employees in 2019, there was no participation.
- For this reason, EBS is proposing the use of a loan regime split dollar plan structure that will encourage participation, but will still be cost effective for the organization.
- The design structure proposes that TFHD offer a matching contribution to enhance the attractiveness of the program. The following pages will show the financial impact to the organization and a sample participant.

Sample Participant Illustration

Assumptions:

- Participant will lower her salary by $100,000 annually for 5 years.
- TFHD will pay a $100,000 annual premium for 5 years for a life insurance policy owned by the participant. The premium payments are treated as loans to participant.
- TFHD will offer a 15% match on “contributions” up to $50,000. However, the participant can “contribute” beyond the match limit.
- Policy distributions will be taken out over 20 years commencing at age 65.
- We will show the impact of the plan from both the participant's and the company's perspective

Sample Participation Illustration

Cash Compensation versus Split Dollar Plan

Comparison of Financial Results

	Funding		After Tax Retirement Income Annually for 20 Years (A65-84)			Cost to Organization NPV @ 4.0%		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Age	Participant Contribution For 5 Years	Tahoe Match @ 15.0% Up to $50,000 Contrib	After Tax Investment Account	Split Dollar Plan	Split $ vs Pay As Cash	After Tax Investment Account	Split Dollar Plan	Split $ vs Pay As Cash
44	100,000	7,500	39,592	68,009	172%	462,990	274,066	59%

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Sample Participation Illustration

Tahoe Forest Hospital - Hypothetcal Projection of After-Tax Retirement Income - Cash Compensation

Sample Physician, General Surgeon

			Portion of Participant's Compensation Invested			Participant's After-tax Investment Account				
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Yr	Date	Beg of Yr Age	Portion of Comp	Income Tax at 45.00% (1)	After-Tax Comp	BOY Account Balance	Deposit	Projected Benefit Distribution	Investment Earnings (2)	EOY Account Balance
1	1/1/22	44	100,000	(45,000)	55,000	0	55,000	0	2,297	57,297
2	1/1/23	45	100,000	(45,000)	55,000	57,297	55,000	0	4,689	116,985
3	1/1/24	46	100,000	(45,000)	55,000	116,985	55,000	0	7,181	179,167
4	1/1/25	47	100,000	(45,000)	55,000	179,167	55,000	0	9,778	243,944
5	**1/1/26**	**48**	**100,000**	**(45,000)**	**55,000**	**243,944**	**55,000**	**0**	**12,482**	**311,427**
6	1/1/27	49	0	0	0	311,427	0	0	13,004	324,430
7	1/1/28	50	0	0	0	324,430	0	0	13,547	337,977
8	1/1/29	51	0	0	0	337,977	0	0	14,112	352,089
9	1/1/30	52	0	0	0	352,089	0	0	14,701	366,791
10	**1/1/31**	**53**	**0**	**0**	**0**	**366,791**	**0**	**0**	**15,315**	**382,106**
11	1/1/32	54	0	0	0	382,106	0	0	15,955	398,061
12	1/1/33	55	0	0	0	398,061	0	0	16,621	414,682
13	1/1/34	56	0	0	0	414,682	0	0	17,315	431,997
14	1/1/35	57	0	0	0	431,997	0	0	18,038	450,035
15	**1/1/36**	**58**	**0**	**0**	**0**	**450,035**	**0**	**0**	**18,791**	**468,826**
16	1/1/37	59	0	0	0	468,826	0	0	19,576	488,402
17	1/1/38	60	0	0	0	488,402	0	0	20,393	508,795
18	1/1/39	61	0	0	0	508,795	0	0	21,245	530,040
19	1/1/40	62	0	0	0	530,040	0	0	22,132	552,172
20	**1/1/41**	**63**	**0**	**0**	**0**	**552,172**	**0**	**0**	**23,056**	**575,228**
21	1/1/42	64	0	0	0	575,228	0	0	24,019	599,246
22	1/1/43	65	0	0	0	599,246	0	(39,592)	17,629	577,283
23	1/1/44	66	0	0	0	577,283	0	(39,592)	16,937	554,628
24	1/1/45	67	0	0	0	554,628	0	(39,592)	16,224	531,260
25	**1/1/46**	**68**	**0**	**0**	**0**	**531,260**	**0**	**(39,592)**	**15,488**	**507,155**
26	1/1/47	69	0	0	0	507,155	0	(39,592)	14,728	482,291
27	1/1/48	70	0	0	0	482,291	0	(39,592)	13,945	456,643
28	1/1/49	71	0	0	0	456,643	0	(39,592)	13,137	430,188
29	1/1/50	72	0	0	0	430,188	0	(39,592)	12,304	402,900
30	**1/1/51**	**73**	**0**	**0**	**0**	**402,900**	**0**	**(39,592)**	**11,444**	**374,752**
31	1/1/52	74	0	0	0	374,752	0	(39,592)	10,558	345,717
32	1/1/53	75	0	0	0	345,717	0	(39,592)	9,643	315,768
33	1/1/54	76	0	0	0	315,768	0	(39,592)	8,700	284,875
34	1/1/55	77	0	0	0	284,875	0	(39,592)	7,726	253,009
35	**1/1/56**	**78**	**0**	**0**	**0**	**253,009**	**0**	**(39,592)**	**6,723**	**220,139**
36	1/1/57	79	0	0	0	220,139	0	(39,592)	5,687	186,234
37	1/1/58	80	0	0	0	186,234	0	(39,592)	4,619	151,261
38	1/1/59	81	0	0	0	151,261	0	(39,592)	3,518	115,187
39	1/1/60	82	0	0	0	115,187	0	(39,592)	2,381	77,975
40	**1/1/61**	**83**	**0**	**0**	**0**	**77,975**	**0**	**(39,592)**	**1,209**	**39,592**
41	1/1/62	84	0	0	0	39,592	0	(39,592)	0	(0)
			500,000	(225,000)	275,000		275,000	(791,846)	516,846	

462,990 <=Tahoe's Net Present Value Cost @ 4.0%

Note:
(1) Assun *Notes:*
(2) Invest (1) Income tax rate is the combined Federal and State Income tax rates.
(2) Prior to retirement, the investment return is 5.97% pretax, and 4.18% after a 30.0% blended tax rate.
After retirement, the investment return is 4.50% pretax, and 3.15% after a 30.0% blended tax rate.

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Sample Participation Illustration

Tahoe Forest Hospital - Hypothetcal Projection of After-Tax Retirement Income - Split Dollar Plan

Sample Physician

			FUNDING								Nationwide2's New Heights IUL Accumulator 2020 (5.97%)					
			{1}	{2}	{3}	{4}	{5}	{6}	{7}	{8}	{9}	{10}	{11}	{12}	{13}	{14}
Year	Date	Beg of Yr Age	Particant Contrib	Tahoe Match @ 15.0% Up to $50,000 Contrib	Total Contib (Split $ Loan)	Long-Term AFR Rate For This Loan	Annual Interest	Inputed Interest Income	Cum Loans With Interest	Tahoe Cash Flow Assuming Death Age 85	Annual Premium	Non-Taxable Withdrawal For Tax on Imputed Income [Col 6 x 45.00%]	Non-Taxable Withdrawal For Income	Policy Cash Surrender Value	Total Death Benefit	Participant's Death Ben Net of Loan [13-7]
1	1/1/2022	44	100,000	7,500	107,500	3.45%	3,709	0	111,209	(107,500)	107,500	0	0	58,723	1,983,185	1,871,976
2	1/1/2023	45	100,000	7,500	107,500	3.70%	7,814	0	226,523	(107,500)	107,500	0	0	164,387	2,088,849	1,862,326
3	1/1/2024	46	100,000	7,500	107,500	3.95%	12,340	0	346,363	(107,500)	107,500	0	0	276,171	2,200,634	1,854,271
4	1/1/2025	47	100,000	7,500	107,500	4.20%	17,312	0	471,175	(107,500)	107,500	0	0	399,176	2,318,766	1,847,591
5	**1/1/2026**	**48**	**100,000**	**7,500**	**107,500**	**4.45%**	**22,760**	**0**	**601,435**	**(107,500)**	**107,500**	**0**	**0**	**529,044**	**2,443,763**	**1,842,328**
6	1/1/2027	49	0	0	0		23,662	0	625,097	0	0	0	0	559,277	2,443,763	1,818,666
7	1/1/2028	50	0	0	0		24,601	0	649,698	0	0	0	0	590,940	2,443,763	1,794,065
8	1/1/2029	51	0	0	0		25,577	0	675,275	0	0	0	0	624,690	1,126,939	451,664
9	1/1/2030	52	0	0	0		26,592	0	701,866	0	0	0	0	658,110	1,134,970	433,104
10	**1/1/2031**	**53**	**0**	**0**	**0**		**27,647**	**0**	**729,513**	**0**	**0**	**0**	**0**	**693,343**	**1,141,686**	**412,173**
11	1/1/2032	54	0	0	0		28,745	0	758,258	0	0	0	0	737,136	1,157,304	399,046
12	1/1/2033	55	0	0	0		29,887	0	788,145	0	0	0	0	780,573	1,170,860	382,715
13	1/1/2034	56	0	0	0		31,074	0	819,219	0	0	0	0	826,565	1,206,785	387,566
14	1/1/2035	57	0	0	0		32,309	0	851,528	0	0	0	0	875,269	1,242,883	391,355
15	**1/1/2036**	**58**	**0**	**0**	**0**		**33,593**	**0**	**885,122**	**0**	**0**	**0**	**0**	**926,859**	**1,279,066**	**393,944**
16	1/1/2037	59	0	0	0		34,929	0	920,051	0	0	0	0	984,333	1,319,006	398,955
17	1/1/2038	60	0	0	0		36,319	0	956,370	0	0	0	0	1,045,329	1,358,928	402,558
18	1/1/2039	61	0	0	0		37,764	0	994,134	0	0	0	0	1,110,018	1,420,823	426,689
19	1/1/2040	62	0	0	0		39,267	0	1,033,401	0	0	0	0	1,178,623	1,485,065	451,664
20	**1/1/2041**	**63**	**0**	**0**	**0**		**40,830**	**0**	**1,074,231**	**0**	**0**	**0**	**0**	**1,251,373**	**1,551,702**	**477,471**
21	1/1/2042	64	0	0	0		42,457	0	1,116,688	0	0	0	0	1,328,526	1,620,801	504,113
22	1/1/2043	65	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,320,350	1,584,420	467,732
23	1/1/2044	66	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,311,754	1,560,987	444,299
24	1/1/2045	67	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,302,689	1,537,173	420,485
25	**1/1/2046**	**68**	**0**	**0**	**0**		**44,148**	**44,148**	**1,116,688**	**0**	**0**	**19,867**	**68,009**	**1,293,133**	**1,512,965**	**396,277**
26	1/1/2047	69	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,283,063	1,488,353	371,665
27	1/1/2048	70	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,272,443	1,463,310	346,622
28	1/1/2049	71	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,261,274	1,435,478	318,790
29	1/1/2050	72	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,249,515	1,405,707	289,019
30	**1/1/2051**	**73**	**0**	**0**	**0**		**44,148**	**44,148**	**1,116,688**	**0**	**0**	**19,867**	**68,009**	**1,237,156**	**1,372,335**	**255,647**
31	1/1/2052	74	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,224,006	1,335,031	218,343
32	1/1/2053	75	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,210,268	1,293,893	177,205
33	1/1/2054	76	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,195,549	1,283,596	166,908
34	1/1/2055	77	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,179,765	1,272,336	155,648
35	**1/1/2056**	**78**	**0**	**0**	**0**		**44,148**	**44,148**	**1,116,688**	**0**	**0**	**19,867**	**68,009**	**1,162,821**	**1,260,017**	**143,329**
36	1/1/2057	79	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,144,604	1,246,526	129,838
37	1/1/2058	80	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,124,988	1,231,735	115,047
38	1/1/2059	81	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,103,785	1,215,451	98,763
39	1/1/2060	82	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,080,914	1,197,596	80,908
40	**1/1/2061**	**83**	**0**	**0**	**0**		**44,148**	**44,148**	**1,116,688**	**0**	**0**	**19,867**	**68,009**	**1,056,179**	**1,177,968**	**61,280**
41	1/1/2062	84	0	0	0		44,148	44,148	1,116,688	0	0	19,867	68,009	1,029,359	1,156,342	39,654
42	1/1/2063	85	0	0	0		0	0	0	1,116,688	0	0	0	0	0	0
									Cash Flow Sum=>	579,188			1,360,189			

Tahoe's Net Present Value Cost @ 4.0%=> 274,066

Estimating Contributions

Estimating Contributions

- The reason to estimate contributions is to determine potential cost to TFHD.
- Under the split dollar plan design, TFHD will recover the entire cost of the premium payment, including both employee contribution and company match.
- The short-term cost to the company is the cash flow outlay of the company match.
- The following estimates are based on EBS experience with voluntary plans and are based on age, compensation, years of service.

Estimating Contributions

Estimating Deferrals

Based on Income and Age of Executives

Deferral Percentage Based on Income			
Comp From	To	Estimated Deferral %	Deferral $ at Midpoint
0	150,000	0.00%	0
150,001	200,000	7.50%	13,125
200,001	250,000	10.00%	22,500
250,001	350,000	12.50%	37,500
350,001	500,000	15.00%	63,750
500,001	1,000,000	15.00%	112,500

Deferral Probability Based on Age		
Age From	To	Estimated Probability of Deferral
30	35	25.00%
36	40	50.00%
41	45	66.67%
46	50	75.00%
51	55	66.67%
56	58	50.00%
58	65	5.00%

Estimating Contributions

Tahoe Forest - Split Dollar Plan

Estimated Contributions

				Estimated Deferrals and Tahoe Match					
		32,497,453				1,671,704	244,526	163,017	184,109
	% of Total Salaries=>	100%				5.14%	0.75%	0.50%	0.57%
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Title	Salary	Age	Estimated Deferral % Based on Comp	Probability of Deferring [based on Age]	Potential Deferral [1x3x4]	Recommended OPTION 15% Match on Up to $50,000	OPTION A 10% Match on Up to $50,000	OPTION B 15% Match on Up to $25,000
1		657,494	67	15.0%	0%	0	0	0	0
2		639,236	53	15.0%	67%	63,924	7,500	5,000	3,750
3		639,236	36	15.0%	50%	47,943	7,191	4,794	3,750
4		639,236	37	15.0%	50%	47,943	7,191	4,794	3,750
5		639,236	41	15.0%	67%	63,924	7,500	5,000	3,750
6		542,052	53	15.0%	67%	54,205	7,500	5,000	3,750
7		535,369	42	15.0%	67%	53,537	7,500	5,000	3,750
8		535,369	58	15.0%	5%	4,015	602	402	602
9		535,369	64	15.0%	5%	4,015	602	402	602
10		515,364	41	15.0%	67%	51,536	7,500	5,000	3,750
11		483,614	65	15.0%	5%	3,627	544	363	544
12		483,614	47	15.0%	75%	54,407	7,500	5,000	3,750
13		483,614	44	15.0%	67%	48,361	7,254	4,836	3,750
14		479,363	54	15.0%	67%	47,936	7,190	4,794	3,750
15		455,853	44	15.0%	67%	45,585	6,838	4,559	3,750
16		455,853	43	15.0%	67%	45,585	6,838	4,559	3,750
17		440,830	70	15.0%	0%	0	0	0	0
18		440,830	40	15.0%	50%	33,062	4,959	3,306	3,750
19		440,830	33	15.0%	25%	16,531	2,480	1,653	2,480
20		440,830	37	15.0%	50%	33,062	4,959	3,306	3,750

Estimating Contributions

21		414,800	42	15.0%	67%	41,480	6,222	4,148	3,750
22		401,527	66	15.0%	0%	0	0	0	0
23		398,000	38	15.0%	50%	29,850	4,478	2,985	3,750
24		396,552	50	15.0%	75%	44,612	6,692	4,461	3,750
25		389,705	45	15.0%	67%	38,971	5,846	3,897	3,750
26		367,912	73	15.0%	0%	0	0	0	0
27		364,478	41	15.0%	67%	36,448	5,467	3,645	3,750
28		364,478	46	15.0%	75%	41,004	6,151	4,100	3,750
29		364,478	43	15.0%	67%	36,448	5,467	3,645	3,750
30		337,509	43	12.5%	67%	28,126	4,219	2,813	3,750
31		332,948	60	12.5%	5%	2,081	312	208	312
32		331,080	49	12.5%	75%	31,039	4,656	3,104	3,750
33		318,219	36	12.5%	50%	19,889	2,983	1,989	2,983
34		290,000	60	12.5%	5%	1,813	272	181	272
35		288,932	58	12.5%	5%	1,806	271	181	271
36		283,716	45	12.5%	67%	23,643	3,546	2,364	3,546
37		270,132	55	12.5%	67%	22,511	3,377	2,251	3,377
38		270,132	41	12.5%	67%	22,511	3,377	2,251	3,377
39		270,132	38	12.5%	50%	16,883	2,532	1,688	2,532
40		270,132	35	12.5%	25%	8,442	1,266	844	1,266
41		270,132	50	12.5%	75%	25,325	3,799	2,532	3,750
42		270,132	53	12.5%	67%	22,511	3,377	2,251	3,377
43		270,132	34	12.5%	25%	8,442	1,266	844	1,266
44		270,132	37	12.5%	50%	16,883	2,532	1,688	2,532
45		270,130	39	12.5%	50%	16,883	2,532	1,688	2,532
46		267,685	39	12.5%	50%	16,730	2,510	1,673	2,510
47		248,839	36	10.0%	50%	12,442	1,866	1,244	1,866
48		248,839	32	10.0%	25%	6,221	933	622	933
49		248,839	65	10.0%	5%	1,244	187	124	187
50		248,839	51	10.0%	67%	16,589	2,488	1,659	2,488

FUTURESENSE®

Estimating Contributions

51		248,839	44	10.0%	67%	16,589	2,488	1,659	2,488
52		247,837	39	10.0%	50%	12,392	1,859	1,239	1,859
53		245,029	52	10.0%	67%	16,335	2,450	1,634	2,450
54		233,127	49	10.0%	75%	17,485	2,623	1,748	2,623
55		228,724	60	10.0%	5%	1,144	172	114	172
56		224,209	50	10.0%	75%	16,816	2,522	1,682	2,522
57		218,503	59	10.0%	5%	1,093	164	109	164
58		215,278	54	10.0%	67%	14,352	2,153	1,435	2,153
59		215,042	68	10.0%	0%	0	0	0	0
60		214,162	57	10.0%	50%	10,708	1,606	1,071	1,606
61		211,150	41	10.0%	67%	14,077	2,112	1,408	2,112
62		207,318	64	10.0%	5%	1,037	155	104	155
63		205,117	46	10.0%	75%	15,384	2,308	1,538	2,308
64		202,599	65	10.0%	5%	1,013	152	101	152
65		200,771	62	10.0%	5%	1,004	151	100	151
66		197,294	51	7.5%	67%	9,865	1,480	986	1,480
67		195,569	51	7.5%	67%	9,778	1,467	978	1,467
68		194,479	35	7.5%	25%	3,646	547	365	547
69		194,251	64	7.5%	5%	728	109	73	109
70		192,532	46	7.5%	75%	10,830	1,624	1,083	1,624

FUTURESENSE®

Estimating Contributions

71		192,525	44	7.5%	67%	9,626	1,444	963	1,444
72		191,675	31	7.5%	25%	3,594	539	359	539
73		191,126	46	7.5%	75%	10,751	1,613	1,075	1,613
74		190,000	40	7.5%	50%	7,125	1,069	713	1,069
75		188,218	62	7.5%	5%	706	106	71	106
76		186,052	42	7.5%	67%	9,303	1,395	930	1,395
77		185,400	36	7.5%	50%	6,953	1,043	695	1,043
78		185,001	63	7.5%	5%	694	104	69	104
79		183,851	52	7.5%	67%	9,193	1,379	919	1,379
80		182,239	50	7.5%	75%	10,251	1,538	1,025	1,538
81		181,670	56	7.5%	50%	6,813	1,022	681	1,022
82		179,916	62	7.5%	5%	675	101	67	101
83		179,083	53	7.5%	67%	8,954	1,343	895	1,343
84		178,581	51	7.5%	67%	8,929	1,339	893	1,339
85		176,679	43	7.5%	67%	8,834	1,325	883	1,325
86		175,637	61	7.5%	5%	659	99	66	99
87		173,304	40	7.5%	50%	6,499	975	650	975
88		170,000	47	7.5%	75%	9,563	1,434	956	1,434
89		170,000	44	7.5%	67%	8,500	1,275	850	1,275
90		170,000	48	7.5%	75%	9,563	1,434	956	1,434

FUTURESENSE®

Estimating Contributions

91		168,184	50	7.5%	75%	9,460	1,419	946	1,419
92		168,176	61	7.5%	5%	631	95	63	95
93		165,225	50	7.5%	75%	9,294	1,394	929	1,394
94		164,800	68	7.5%	0%	0	0	0	0
95		160,219	60	7.5%	5%	601	90	60	90
96		159,135	35	7.5%	25%	2,984	448	298	448
97		159,110	50	7.5%	75%	8,950	1,342	895	1,342
98		159,110	50	7.5%	75%	8,950	1,342	895	1,342
99		156,711	38	7.5%	50%	5,877	882	588	882
100		155,082	32	7.5%	25%	2,908	436	291	436
101		152,194	59	7.5%	5%	571	86	57	86
102		146,665	56	0.0%	50%	0	0	0	0
103		143,509	39	0.0%	50%	0	0	0	0
104		140,468	54	0.0%	67%	0	0	0	0
105		140,196	42	0.0%	67%	0	0	0	0
106		135,859	46	0.0%	75%	0	0	0	0
107		135,066	49	0.0%	75%	0	0	0	0
108		132,732	58	0.0%	5%	0	0	0	0
109		130,256	32	0.0%	25%	0	0	0	0
110		127,017	38	0.0%	50%	0	0	0	0

Estimating Contributions

111		121,842	38	0.0%	50%	0	0	0	0
112		120,000	36	0.0%	50%	0	0	0	0
113		118,708	46	0.0%	75%	0	0	0	0
114		117,165	36	0.0%	50%	0	0	0	0
115		117,164	35	0.0%	25%	0	0	0	0
116		116,982	64	0.0%	5%	0	0	0	0
117		110,311	40	0.0%	50%	0	0	0	0
118		110,311	55	0.0%	67%	0	0	0	0
119		110,311	37	0.0%	50%	0	0	0	0
120		110,311	41	0.0%	67%	0	0	0	0
121		106,366	42	0.0%	67%	0	0	0	0
122		103,978	39	0.0%	50%	0	0	0	0
123		103,050	35	0.0%	25%	0	0	0	0
124		98,301	37	0.0%	50%	0	0	0	0
125		97,000	32	0.0%	25%	0	0	0	0
126		91,401	37	0.0%	50%	0	0	0	0

Estimating Contributions

- Based on the analysis on the previous pages, the recommended match is understandable and attractive to the participants, while keeping overall cost to the organization manageable.
- The analysis shows that the age of the participant is a significant determining factor for potential participation.
- While a higher compensation level is also a contributing factor, it may not overcome older age in determining participation.

Projected Financial Impact

Projected Financial Impact

Tahoe Forest Hospital - Projection of Aggregate Split Dollar Plan

Organization's Perspective

	FUNDING							Nationwide's New Heights IUL Accumulator 2020 (5.97%)				Loan Receivable			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Year	Particant Contrib	Tahoe Match @ 15.0% Up to $50,000	Total Contib (Split $ Loan)	Long-Term AFR Rate For This Loan	Annual Interest	Cum Loans With Interest	Tahoe Cash Flow Assuming Death Age 85	Annual Premium	Estimated Policy Cash Surrender Value	Estimated Total Death Benefit	Participant's Death Ben Net of Loan [10-6]	Cum Premium Loan Balance [Col 6]	Cum Premium Loans Receivable Account Balance [Lesser of Col 9 or 12]	Premium Loans Valuation Reserve [Col 12-13]	Change in Premium Loans Valuation Reserve [Chg Col 14]
1	1,671,704	244,526	1,916,230	3.43%	65,727	1,981,957	(1,916,230)	1,916,230	1,046,761	35,351,057	33,369,100	1,981,957	1,046,761	935,196	(935,196)
2	1,671,704	244,526	1,916,230	3.43%	133,708	4,031,894	(1,916,230)	1,916,230	2,930,263	37,234,559	33,202,665	4,031,894	2,930,263	1,101,631	(166,435)
3	1,671,704	244,526	1,916,230	3.43%	204,021	6,152,145	(1,916,230)	1,916,230	4,922,857	39,227,171	33,075,026	6,152,145	4,922,857	1,229,288	(127,657)
4	1,671,704	244,526	1,916,230	3.43%	276,745	8,345,120	(1,916,230)	1,916,230	7,115,470	41,332,921	32,987,800	8,345,120	7,115,470	1,229,650	(363)
5	**1,671,704**	**244,526**	**1,916,230**	**3.43%**	**351,964**	**10,613,315**	**(1,916,230)**	**1,916,230**	**9,430,418**	**43,561,042**	**32,947,727**	**10,613,315**	**9,430,418**	**1,182,896**	**46,754**
6	0	0	0		364,037	10,977,351	0	0	9,969,334	43,561,042	32,583,690	10,977,351	9,969,334	1,008,018	174,878
7	0	0	0		376,523	11,353,875	0	0	10,533,739	43,561,042	32,207,167	11,353,875	10,533,739	820,135	187,882
8	0	0	0		389,438	11,743,312	0	0	11,135,346	20,088,133	8,344,821	11,743,312	11,135,346	607,966	212,169
9	0	0	0		402,796	12,146,108	0	0	11,731,071	20,231,289	8,085,181	12,146,108	11,731,071	415,037	192,929
10	**0**	**0**	**0**		**416,612**	**12,562,720**	**0**	**0**	**12,359,113**	**20,351,004**	**7,788,285**	**12,562,720**	**12,359,113**	**203,607**	**211,431**
11	0	0	0		430,901	12,993,621	0	0	13,139,741	20,629,401	7,635,780	12,993,621	12,993,621	0	203,607
12	0	0	0		445,681	13,439,302	0	0	13,914,022	20,871,042	7,431,740	13,439,302	13,439,302	0	0
13	0	0	0		460,968	13,900,270	0	0	14,733,848	21,511,420	7,611,150	13,900,270	13,900,270	0	0
14	0	0	0		476,779	14,377,049	0	0	15,602,016	22,154,881	7,777,831	14,377,049	14,377,049	0	0
15	**0**	**0**	**0**		**493,133**	**14,870,182**	**0**	**0**	**16,521,628**	**22,799,857**	**7,929,675**	**14,870,182**	**14,870,182**	**0**	**0**

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Projected Financial Impact

Tahoe Forest Hospital - Projected Cash Flow and P&L Comparison: Cash Compensation vs. Split Dollar

Based on Projected Aggregate Contributions

	CASH COMPENSATION								SPLIT DOLLAR								COMPARISON		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Year	Cash Comp	Payroll Taxes @ 2.45%	Premium Loan Including Match	Cash Flow	Change in Note Receivable	Change in Note Receivable Valuation Reserve	P&L [4+5+6]	Cum P&L	Cash Comp	Payroll Taxes @ 2.45%	Premium Loan Including Match	Cash Flow	Change in Note Receivable	Change in Note Receivable Valuation Reserve	P&L [12+13+14]	Cum P&L	ANNUAL CASH FLOW Split Dollar vs Cash Comp [Col 12 - 4]	ANNUAL P&L Split Dollar vs Cash Comp [Col 16-8]	CUM P&L Split Dollar vs Cash Comp [Cum Col 18]
1	(1,671,704)	(40,957)	0	(1,712,661)	0	0	(1,712,661)	(1,712,661)	0	0	(1,916,230)	(1,916,230)	1,981,957	(935,196)	(869,469)	(869,469)	(203,569)	843,191	843,191
2	(1,671,704)	(40,957)	0	(1,712,661)	0	0	(1,712,661)	(3,425,321)	0	0	(1,916,230)	(1,916,230)	2,049,938	(166,435)	(32,727)	(902,197)	(203,569)	1,679,933	2,523,125
3	(1,671,704)	(40,957)	0	(1,712,661)	0	0	(1,712,661)	(5,137,982)	0	0	(1,916,230)	(1,916,230)	2,120,251	(127,657)	76,364	(825,833)	(203,569)	1,789,025	4,312,150
4	(1,671,704)	(40,957)	0	(1,712,661)	0	0	(1,712,661)	(6,850,643)	0	0	(1,916,230)	(1,916,230)	2,192,975	(363)	276,383	(549,450)	(203,569)	1,989,044	6,301,193
5	**(1,671,704)**	**(40,957)**	**0**	**(1,712,661)**	**0**	**0**	**(1,712,661)**	**(8,563,304)**	**0**	**0**	**(1,916,230)**	**(1,916,230)**	**2,268,194**	**46,754**	**398,718**	**(150,732)**	(203,569)	**2,111,379**	**8,412,572**
6	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	364,037	174,878	538,915	388,184	**0**	**538,915**	8,951,487
7	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	376,523	187,882	564,405	952,589	**0**	**564,405**	9,515,893
8	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	389,438	212,169	601,607	1,554,196	**0**	**601,607**	10,117,500
9	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	402,796	192,929	595,725	2,149,921	**0**	**595,725**	10,713,225
10	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(8,563,304)**	**0**	**0**	**0**	**0**	**416,612**	**211,431**	**628,042**	**2,777,963**	**0**	**628,042**	**11,341,267**
11	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	430,901	203,607	634,508	3,412,471	**0**	**634,508**	11,975,775
12	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	445,681	0	445,681	3,858,152	**0**	**445,681**	12,421,456
13	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	460,968	0	460,968	4,319,120	**0**	**460,968**	12,882,424
14	0	0	0	0	0	0	0	(8,563,304)	0	0	0	0	476,779	0	476,779	4,795,899	**0**	**476,779**	13,359,203
15	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(8,563,304)**	**0**	**0**	**0**	**0**	**493,133**	**0**	**493,133**	**5,289,032**	**0**	**493,133**	**13,852,336**
				(8,563,304)				**(8,563,304)**				**(9,581,150)**				**5,289,032**	**(1,017,846)**	**13,852,336**	

FUTURESENSE®

Projected Financial Impact

Tahoe Forest Hospital - Projected Balance Sheet Comparison: Cash Compensation vs. Split Dollar

Based on Projected Aggregate Contributions

	CASH COMPENSATION							SPLIT DOLLAR							COMPARE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Year	Cum Cash	Loan Receivable	Cash Surrender Value of Life Insurance	Lesser of Col 2 or 3	Assets	Liabilities	Net Position	Cum Cash	Loan Receivable	Cash Surrender Value of Life Insurance	Lesser of Col 2 or 3	Assets	Liabilities	Net Position	NET POSITION Split Dollar vs Cash Comp [Col 12 - 4]
1	(1,712,661)	0	0	0	(1,712,661)	0	(1,712,661)	(1,916,230)	1,981,957	1,046,761	1,046,761	(869,469)	0	(869,469)	**843,191**
2	(3,425,321)	0	0	0	(3,425,321)	0	(3,425,321)	(3,832,460)	4,031,894	2,930,263	2,930,263	(902,197)	0	(902,197)	**2,523,125**
3	(5,137,982)	0	0	0	(5,137,982)	0	(5,137,982)	(5,748,690)	6,152,145	4,922,857	4,922,857	(825,833)	0	(825,833)	**4,312,150**
4	(6,850,643)	0	0	0	(6,850,643)	0	(6,850,643)	(7,664,920)	8,345,120	7,115,470	7,115,470	(549,450)	0	(549,450)	**6,301,193**
5	**(8,563,304)**	**0**	**0**	**0**	**(8,563,304)**	**0**	**(8,563,304)**	**(9,581,150)**	**10,613,315**	**9,430,418**	**9,430,418**	**(150,732)**	**0**	**(150,732)**	**8,412,572**
6	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	10,977,351	9,969,334	9,969,334	388,184	0	388,184	**8,951,487**
7	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	11,353,875	10,533,739	10,533,739	952,589	0	952,589	**9,515,893**
8	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	11,743,312	11,135,346	11,135,346	1,554,196	0	1,554,196	**10,117,500**
9	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	12,146,108	11,731,071	11,731,071	2,149,921	0	2,149,921	**10,713,225**
10	**(8,563,304)**	**0**	**0**	**0**	**(8,563,304)**	**0**	**(8,563,304)**	**(9,581,150)**	**12,562,720**	**12,359,113**	**12,359,113**	**2,777,963**	**0**	**2,777,963**	**11,341,267**
11	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	12,993,621	12,993,621	12,993,621	3,412,471	0	3,412,471	**11,975,775**
12	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	13,439,302	13,439,302	13,439,302	3,858,152	0	3,858,152	**12,421,456**
13	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	13,900,270	13,900,270	13,900,270	4,319,120	0	4,319,120	**12,882,424**
14	(8,563,304)	0	0	0	(8,563,304)	0	(8,563,304)	(9,581,150)	14,377,049	14,377,049	14,377,049	4,795,899	0	4,795,899	**13,359,203**
15	**(8,563,304)**	**0**	**0**	**0**	**(8,563,304)**	**0**	**(8,563,304)**	**(9,581,150)**	**14,870,182**	**14,870,182**	**14,870,182**	**5,289,032**	**0**	**5,289,032**	**13,852,336**

Implementation

Implementation

Steps to Implementation by EBS:

- Preparation of a detailed outline of plan provisions for review with legal counsel
- Development of a participant communication and enrollment plan
- Structuring of the related informal funding/financing arrangements
- Consideration of any special plan administration and/or financial reporting issues
- Ongoing plan administration and technical support

Estimated Timeline

- Approval of plan by board of directors – October 27, 2022
- Work with HR on enrollment logistics – November 2022
- Group enrollment meetings – January 9 – January 12, 2023
- Individual enrollment meetings – January 16 – February 10, 2023
- Placement of funding, plan documentation, and transition to administration – February 17 - March 31, 2023

Communication and Education Strategy

- Create tailored participant enrollment materials, including an FAQ section
- Provide group live, online webinars with follow up recording
- Offer one on one support via in-person meetings or calls
- Provide personal financial analysis, as needed
- Participant access to online portal to obtain plan information, year round

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Appendix

Recommendation (Cont.)

Here is how the policy works.

- **Step 1.** The Employer pays the premiums on an employee-owned life insurance policy, which is treated as a loan to the Employee.
- **Step 2.** The Employee uses part of the loan to assign a security interest in the policy (a collateral assignment) to the Employer. This allows for the Employer to receive a death benefit that will recover the cost of the program at the Employee's death.
- **Step 3.** The Employee uses part of the loan to pay the premiums and as the owner of the policy, will receive non-taxable income (as a retirement benefit) and a death benefit in excess of the Employer's security interest.
- **Step 4.** Annual taxes for the cost of imputed income is calculated. There is not tax to employee if interest accrues on the loans.
- **Step 5.** The premium loans are returned to the Employer either from the built-up cash surrender value or from a death benefit.

The **Policy Rights** for the Employer and Employee are shown to the right.

The **Cost/Benefit** analysis is shown on the right. In addition, here are some of the accounting treatment

- From an accounting perspective, a loan regime split dollar plan would convert compensation expense to a balance sheet asset - a loan receivable:
  - **Asset**: Tahoe Forest records a loan receivable amount for the loan provided to the employee to fund the insurance policy.
  - **Liability**: No liability is recorded because Tahoe Forest is paying the life insurance premiums instead of accruing a benefit expense.
  - **Expense**: Compensation expense is converted to a loan receivable

Policy Rights

Employer:	*Employee:*
• *To recover premium loans from policy cash value or death benefit*	• *Owner of policy, subject to rights assigned to Employer*
• *Secured by Collateral Assignment*	• *Cash value and death benefit in Excess of Employer's Interest*

Cost / Benefit

Employer:	*Employee:*
• *Conversion of compensation expense to an asset*	• *Non-Taxable Supplemental Retirement Income*
• *Favorable Form 990 treatment*	• *Significant Life Insurance Coverage*
• *Cost is the opportunity cost of money on premium loans*	• *Minimal Cost*
• *Can minimize 21% excise tax liability*	

1 – No tax cost to employee if interest accrues on the loans.

Chart provided by:

EBS Executive Benefit Solutions

FUTURESENSE®

Sample Participation Illustration

Tahoe Forest Hospital - Projected Cash Flow and P&L Comparison: Cash Compensation vs. Split Dollar

Sample Participant

		CASH COMPENSATION								SPLIT DOLLAR								COMPARISON		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Year	Beg of Yr Age	Cash Comp	Payroll Taxes @ 2.45%	Premium Loan Including Match	Cash Flow	Change in Note Receivable	Change in Note Receivable Valuation Reserve	P&L [4+5+6]	Cum P&L	Cash Comp	Payroll Taxes @ 2.45%	Premium Loan Including Match	Cash Flow	Change in Note Receivable	Change in Note Receivable Valuation Reserve	P&L [12+13+14]	Cum P&L	ANNUAL CASH FLOW Split Dollar vs Cash Comp [Col 12 - 4]	ANNUAL P&L Split Dollar vs Cash Comp [Col 16-8]	CUM P&L Split Dollar vs Cash Comp [Cum Col 18]
1	44	(100,000)	(2,450)	0	**(102,450)**	0	0	(102,450)	**(102,450)**	0	0	(107,500)	**(107,500)**	111,209	(52,486)	(48,777)	**(48,777)**	(5,050)	53,673	53,673
2	45	(100,000)	(2,450)	0	**(102,450)**	0	0	(102,450)	**(204,900)**	0	0	(107,500)	**(107,500)**	115,314	(9,650)	(1,836)	**(50,613)**	(5,050)	100,614	154,287
3	46	(100,000)	(2,450)	0	**(102,450)**	0	0	(102,450)	**(307,350)**	0	0	(107,500)	**(107,500)**	119,840	(8,056)	4,284	**(46,329)**	(5,050)	106,734	261,021
4	47	(100,000)	(2,450)	0	**(102,450)**	0	0	(102,450)	**(409,800)**	0	0	(107,500)	**(107,500)**	124,812	(1,807)	15,505	**(30,824)**	(5,050)	117,955	378,976
5	**48**	**(100,000)**	**(2,450)**	**0**	**(102,450)**	**0**	**0**	**(102,450)**	**(512,250)**	**0**	**0**	**(107,500)**	**(107,500)**	**130,260**	**(392)**	**22,368**	**(8,456)**	**(5,050)**	**124,818**	**503,794**
6	49	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	23,662	6,571	30,233	**21,777**	0	30,233	534,027
7	50	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	24,601	7,062	31,663	**53,440**	0	31,663	565,690
8	51	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	25,577	8,173	33,750	**87,190**	0	33,750	599,440
9	52	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	26,592	6,828	33,420	**120,610**	0	33,420	632,860
10	**53**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**27,647**	**7,586**	**35,233**	**155,843**	**0**	**35,233**	**668,093**
11	54	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	28,745	15,048	43,793	**199,636**	0	43,793	711,886
12	55	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	29,887	13,550	43,437	**243,073**	0	43,437	755,323
13	56	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	31,074	7,572	38,646	**281,719**	0	38,646	793,969
14	57	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	32,309	0	32,309	**314,028**	0	32,309	826,278
15	**58**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**33,593**	**0**	**33,593**	**347,622**	**0**	**33,593**	**859,872**
16	59	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	34,929	0	34,929	**382,551**	0	34,929	894,801
17	60	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	36,319	0	36,319	**418,870**	0	36,319	931,120
18	61	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	37,764	0	37,764	**456,634**	0	37,764	968,884
19	62	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	39,267	0	39,267	**495,901**	0	39,267	1,008,151
20	**63**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**40,830**	**0**	**40,830**	**536,731**	**0**	**40,830**	**1,048,981**
21	64	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	42,457	0	42,457	**579,188**	0	42,457	1,091,438
22	65	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
23	66	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
24	67	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
25	**68**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**579,188**	**0**	**0**	**1,091,438**
26	69	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
27	70	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
28	71	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
29	72	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
30	**73**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**579,188**	**0**	**0**	**1,091,438**
31	74	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
32	75	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
33	76	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
34	77	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
35	**78**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**579,188**	**0**	**0**	**1,091,438**
36	79	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
37	80	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
38	81	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
39	82	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
40	**83**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(512,250)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**579,188**	**0**	**0**	**1,091,438**
41	84	0	0	0	**0**	0	0	0	**(512,250)**	0	0	0	**0**	0	0	0	**579,188**	0	0	1,091,438
42	85	0	0	0	**0**	0	0	0	**(512,250)**	0	0	1,116,688	**1,116,688**	(1,116,688)	0	0	**579,188**	1,116,688	0	1,091,438
					(512,250)								**579,188**					**1,091,438**	**1,091,438**	

FUTURESENSE®

Sample Participation Illustration

Tahoe Forest Hospital - Projected Balance Sheet Comparison: Cash Compensation vs. Split Dollar

Sample Participant

		CASH COMPENSATION							SPLIT DOLLAR							COMPARE
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Year	Beg of Yr Age	Cum Cash	Loan Receivable	Cash Surrender Value of Life Insurance	Lesser of Col 2 or 3	Assets	Liabilities	Net Position	Cum Cash	Loan Receivable	Cash Surrender Value of Life Insurance	Lesser of Col 2 or 3	Assets	Liabilities	Net Position	NET POSITION Split Dollar vs Cash Comp [Col 12 - 4]
1	44	(102,450)	0	0	0	(102,450)	0	(102,450)	(107,500)	111,209	58,723	58,723	(48,777)	0	(48,777)	53,673
2	45	(204,900)	0	0	0	(204,900)	0	(204,900)	(215,000)	226,523	164,387	164,387	(50,613)	0	(50,613)	154,287
3	46	(307,350)	0	0	0	(307,350)	0	(307,350)	(322,500)	346,363	276,171	276,171	(46,329)	0	(46,329)	261,021
4	47	(409,800)	0	0	0	(409,800)	0	(409,800)	(430,000)	471,175	399,176	399,176	(30,824)	0	(30,824)	378,976
5	**48**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**601,435**	**529,044**	**529,044**	**(8,456)**	**0**	**(8,456)**	**503,794**
6	49	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	625,097	559,277	559,277	21,777	0	21,777	534,027
7	50	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	649,698	590,940	590,940	53,440	0	53,440	565,690
8	51	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	675,275	624,690	624,690	87,190	0	87,190	599,440
9	52	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	701,866	658,110	658,110	120,610	0	120,610	632,860
10	**53**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**729,513**	**693,343**	**693,343**	**155,843**	**0**	**155,843**	**668,093**
11	54	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	758,258	737,136	737,136	199,636	0	199,636	711,886
12	55	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	788,145	780,573	780,573	243,073	0	243,073	755,323
13	56	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	819,219	819,219	819,219	281,719	0	281,719	793,969
14	57	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	851,528	851,528	851,528	314,028	0	314,028	826,278
15	**58**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**885,122**	**885,122**	**885,122**	**347,622**	**0**	**347,622**	**859,872**
16	59	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	920,051	920,051	920,051	382,551	0	382,551	894,801
17	60	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	956,370	956,370	956,370	418,870	0	418,870	931,120
18	61	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	994,134	994,134	994,134	456,634	0	456,634	968,884
19	62	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,033,401	1,033,401	1,033,401	495,901	0	495,901	1,008,151
20	**63**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**1,074,231**	**1,074,231**	**1,074,231**	**536,731**	**0**	**536,731**	**1,048,981**
21	64	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
22	65	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
23	66	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
24	67	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
25	**68**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**1,116,688**	**1,116,688**	**1,116,688**	**579,188**	**0**	**579,188**	**1,091,438**
26	69	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
27	70	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
28	71	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
29	72	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
30	**73**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**1,116,688**	**1,116,688**	**1,116,688**	**579,188**	**0**	**579,188**	**1,091,438**
31	74	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
32	75	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
33	76	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
34	77	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
35	**78**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**1,116,688**	**1,116,688**	**1,116,688**	**579,188**	**0**	**579,188**	**1,091,438**
36	79	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
37	80	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,116,688	1,116,688	579,188	0	579,188	1,091,438
38	81	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,103,785	1,103,785	566,285	0	566,285	1,078,535
39	82	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,080,914	1,080,914	543,414	0	543,414	1,055,664
40	**83**	**(512,250)**	**0**	**0**	**0**	**(512,250)**	**0**	**(512,250)**	**(537,500)**	**1,116,688**	**1,056,179**	**1,056,179**	**518,679**	**0**	**518,679**	**1,030,929**
41	84	(512,250)	0	0	0	(512,250)	0	(512,250)	(537,500)	1,116,688	1,029,359	1,029,359	491,859	0	491,859	1,004,109
42	85	(512,250)	0	0	0	(512,250)	0	(512,250)	579,188	0	0	0	579,188	0	579,188	1,091,438

AGENDA ITEM COVER SHEET

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

BACKGROUND:
During the October 20, 2022 Medical Executive Committee meeting, the committee made the following open session consent agenda item recommendations to the Board of Directors at the October 27, 2022 meeting.

New Privilege Form

- Cardiology Privilege Form

Privilege Form with Revisions

- General Surgery Privilege Form

New Policy

- Preoperative COVID-19 Testing & Guidance for Surgery after COVID-19 Infection Policy

SUGGESTED DISCUSSION POINTS:
None.

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

TAHOE FOREST HOSPITAL DISTRICT
Department of Medicine – Cardiovascular Disease/ Invasive Cardiology
Delineated Clinical Privilege Request

SPECIALTY: CARDIOVASCULAR DISEASE/ INVASIVE CARDIOLOGY **NAME:** _____
(Please print)

Check one or more:
□ **Tahoe Forest Hospital (TFH)**
□ **Incline Village Community Hospital (IVCH)**
□ **Multi-Specialty Clinics (Tahoe Forest Health System)**

Check one: □ **Initial** □ **Change in Privileges** □ **Renewal of Privileges**

To be eligible to request these clinical privileges, the applicant must meet the following threshold criteria:

Core Education:	MD or DO
Minimum Formal Training:	**Cardiovascular Disease:** • Successful completion of an ACGME or AOA accredited fellowship in cardiovascular disease **Invasive Cardiology:** • Successful completion of an ACGME or AOA accredited fellowship in interventional cardiology
Board Certification:	Board qualification/certification required. Current ABIM Board Certification (or AOA equivalent Board); or attain Board Certification within five years of completion of training program. Maintenance of Board Certification required. *Failure to obtain board certification within the required timeframe, or failure to maintain board certification, will result in automatic termination of privileges (applies to all specialties).*
Required Previous Experience: (required for new applicants)	**Cardiovascular Disease:** • At least 50 cardiology patients, reflective of the scope of privileges requested, in the past 12 months or successful completion of an ACGME or AOA accredited residency or clinical fellowship within the past 12 months. **Invasive Cardiology:** • At least 50 coronary intervention procedures, reflective of the scope of privileges requested, in the past 12 months, or successful completion of an ACGME or AOA residency or clinical fellowship within the past 12 months.
Clinical Competency References: (required for new applicants)	Training director or appropriate department chair from another hospital where applicant has been affiliated within the past year; and two additional peer references who have recently worked with the applicant and directly observed his/her professional performance over a reasonable period of time and who will provide reliable information regarding current clinical competence, ethical character and ability to work with others. (At least one peer reference must be a general internist) Medical Staff Office will request information.
Proctoring Requirements:	See "Proctoring New Applicants" listed with procedures for specific proctoring requirements. Where applicable, additional proctoring, evaluation may be required if minimum number of cases cannot be documented.
Other:	• Current, unrestricted license to practice medicine in CA and/or NV • Malpractice insurance in the amount of $1m/$3m • Current, unrestricted DEA certificate in CA (approved for all drug schedules) and/or unrestricted Nevada State Board of Pharmacy Certificate and DEA to practice in NV • Use of Fluoroscopy Equipment: Current State of California Department of Health Services fluoroscopy certificate required. • Ability to participate in federally funded program (Medicare or Medicaid)

If you meet the threshold criteria above, you may request privileges as appropriate to your training and current competence.

TAHOE FOREST HOSPITAL DISTRICT
Department of Medicine – Cardiovascular Disease/ Invasive Cardiology
Delineated Clinical Privilege Request

Applicant: Place a check in the **(R)** column for each privilege **Requested.** Initial applicants must provide documentation of the number and types of hospital cases treated during the past 24 months. **Unless otherwise noted, privileges are available at both Hospitals and granting of privileges is contingent upon meeting all general, specific, and threshold criteria defined above.**

Recommending individual/committee must note: (A) = Recommend Approval as Requested. **NOTE:** If conditions or modifications are noted, the specific condition and reason for same must be stated on the last page.

REQUESTED	APPROVED	GENERAL PRIVILEGES - CARDIOVASCULAR DISEASE	Estimate # of procedures performed in the past 24 months	Setting	Proctoring	Reappointment Criteria
☐	☐	**CORE PRIVILEGES IN CARDIOVASCULAR DISEASE** Core privileges for cardiovascular disease include the ability to admit, evaluate, diagnose, treat, perform a history and physical exam and provide consultation to adolescent and adult patients presenting with diseases of the heart and blood vessels and management of complex cardiac conditions. Cardiologists may provide care to patients in the intensive care setting in conformance with unit policies and may assess, stabilize, and determine the disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. The core privileges in this specialty include the following procedures list and such other procedures that are extensions of the same techniques and skills: • Adult transthoracic echocardiography • Ambulatory electrocardiology monitor interpretation • Cardioversion, electrical and elective • EKG interpretation, including signal average EKG • Infusion and management of Gp IIb/IIIa, thrombolytic agents • Insertion and management of central venous catheters, pulmonary artery catheters, and arterial lines • Noninvasive hemodynamic monitoring • Pericardiocentesis • Stress echocardiography (exercise and pharmacologic stress) • Tilt table testing • Transcutaneous external pacemaker placement • Transthoracic 2D echocardiograpy, Doppler, and color Flow	_____	Inpatient Outpt	Review of 5 representative cases	Current demonstrated competence and provision of care for approximately 100 patients in last 24 months

TAHOE FOREST HOSPITAL DISTRICT
Department of Medicine – Cardiovascular Disease/ Invasive Cardiology
Delineated Clinical Privilege Request

		SPECIAL NONCORE PRIVILEGES IN CARDIOVASCULAR DISEASE **If desired, noncore privileges are requested individually in addition to requesting the core. Each individual requesting noncore privileges must meet the specific threshold criteria governing the exercise of the privilege requested, including training, required previous experience, and maintenance of clinical competence. Noncore privileges include:**				
☐	☐	**Cardiac Nuclear Scan Interpretation**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Cardiac CT and CTA**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Cardiovascular Magnetic Resonance**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Transesophageal Echocardiography, including Perioperative Studies**	_____		2 cases proctored	Current demonstrated competence and provision of care

REQUESTED	APPROVED	GENERAL PRIVILEGES - INVASIVE CARDIOLOGY	Estimate # of procedures performed in the past 24 months	Setting	Proctoring	Reappointment Criteria
☐	☐	**CORE PRIVILEGES IN INVASIVE CARDIOLOGY** Core privileges in invasive cardiology include the ability to admit, evaluate, treat, and provide consultation to adolescent and adult patients by use of specialized imaging and other diagnostic techniques to evaluate blood flow and pressure in the coronary arteries and chambers of the heart, as well as technical procedures and medications to treat abnormalities that impair the function of the cardiovascular system. Physicians may provide care to patients in the intensive care setting in conformance with unit policies. They may assess, stabilize, and determine the disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. The core privileges in this specialty include the procedures	_____	Inpatient Outpt	Review of 5 representative cases	Current demonstrated competence and provision of care for approximately 100 patients with acceptable results, reflective of the scope of privileges requested in last 24 months.

		on the following procedures list and such other procedures that are extensions of the same techniques and skills: • Endomyocardial biopsy • Femoral, brachial, or radial axillary cannulation for diagnostic angiography or percutaneous coronary intervention • Interpretation of coronary arteriograms, ventriculography, and hemodynamics				
		SPECIAL NONCORE PRIVILEGES IN INVASIVE CARDIOLOGY **If desired, noncore privileges are requested individually in addition to requesting the core. Each individual requesting noncore privileges must meet the specific threshold criteria as applicable to the applicant or reapplicant. Noncore privileges include:**				
☐	☐	**Cardiac Nuclear Scan Interpretation**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Cardiac computed tomography (CT) and computed tomography angiogram (CTA)**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Cardiovascular magnetic resonnance**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Transesophageal echocardiography**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Implantation of cardiovascular implantable electronic devices**	_____		2 cases proctored	Current demonstrated competence and provision of care
☐	☐	**Percutaneous thrombolysis/thrombectomy**	_____		2 cases proctored	Current demonstrated competence and provision of care

TAHOE FOREST HOSPITAL DISTRICT
Department of Medicine – Cardiovascular Disease/ Invasive Cardiology
Delineated Clinical Privilege Request

		SPECIAL NONCORE PRIVILEGES **If desired, noncore privileges are requested individually in addition to requesting the core. Each individual requesting noncore privileges must meet the specific threshold criteria as applicable to the applicant or reapplicant. Noncore privileges include:**				
☐	☐	**Fluoroscopy** Current Department of Health Services fluoroscopy certificate (required in CA only)	_____		None	Maintain current certificate (CA only)
☐	☐	**Intravenous Procedural Sedation**	N/A		Successfully complete test	Maintain privileges requiring the procedure
☐	☐	**Propofol (Limited to the ED and ICU)** The physician must complete the additional credentialing requirements for the use of Propofol.	Emergency Department & ICU	TFH Only	Successfully complete test	Successfully Complete test
		ADDITIONAL PRIVILEGES: A request for any additional privileges not included on this form must be submitted to the Medical Staff Office and will be forwarded to the appropriate review committee to determine the need for development of specific criteria, personnel & equipment requirements.				
		EMERGENCY: In the case of an emergency, an individual who has been granted clinical privileges is permitted to do everything possible within the scope of license, to save a patient's life or to save a patient from serious harm, regardless of staff status or privileges granted.				

I certify that I meet the minimum threshold criteria to request the above privileges and have provided documentation to support my eligibility to request each group of procedures requested. I understand that in making this request I am bound by the applicable bylaws and/or policies of the hospital and medical staff.

_____ _____

Date Department Chair Signature

Modifications or Other Comments:

_____

_____

Medical Executive Committee:_____(date of Committee review/recommendation)

☐ Privileges as requested ☐ Privileges with modifications (see modifications below) ☐ Do not recommend (explain)

Board of Directors:_____(date of Board review/recommendation)

☐ Privileges as requested ☐ Privileges with modifications (see modifications below) ☐ Do not recommend (explain)

Modifications or Other Comments:

_____

_____

Privilege Approval Dates
Department Review:
Medical Executive Committee:
Board of Directors

TAHOE FOREST HOSPITAL DISTRICT
Department of Surgery
Delineated Privilege Request

SPECIALTY: GENERAL SURGERY **NAME:** _____
(Please print)

- ☐ **Tahoe Forest Hospital (TFH)**
- ☐ **Multi-Specialty Clinic (MSC)**

Check one: ☐ **Initial** ☐ **Change in Privileges** ☐ **Renewal of Privileges**

To be eligible to request these clinical privileges, the applicant must meet the following threshold criteria:

Basic Education:	MD, DO
Minimum Formal Training:	Successful completion of an ACGME or AOA-approved residency training program in General Surgery.
Board Certification:	Board certified or board eligible by the American Board of General Surgery required (or AOA equivalent Board); or attain Board Certification within five years of completion of residency or fellowship training program.
Required Previous Experience: (required for new applicants)	Applicant must be able to document that he/she has performed 100 procedures as primary surgeon in the past 12 months. Recent residency or fellowship training experience may be applicable. If training has been completed within the last 5 years, documentation will be requested from program director attesting to competency in the privileges requested including residency/fellowship log. If training completed greater than 5 years ago, documentation will be requested from chairman of department at hospital where you have maintained active staff privileges attesting to competency in the privileges requested.
Clinical Competency References: (required for new applicants)	Training director or appropriate department chair from another hospital where applicant has been affiliated within the past year; and two additional peer references who have recently worked with the applicant and directly observed his/her professional performance over a reasonable period of time and who will provide reliable information regarding current clinical competence, ethical character and ability to work with others. At least one peer reference must be a general surgeon.
Proctoring Requirements:	See "Proctoring New Applicants" listed with procedures for specific proctoring requirements. Where applicable, additional proctoring, evaluation may be required if minimum number of cases cannot be documented.
Other:	• Current, unrestricted license to practice medicine in CA. • Malpractice insurance in the amount of $1m/$3m. • Current, unrestricted DEA certificate in CA (approved for all drug schedules). • Current State of California Department of Health Services fluoroscopy certificate required for selected (*) procedures • Ability to participate in federally funded program (Medicare or Medicaid). • Current verification as an ATLS (Advanced Trauma Life Support) provider

If you meet the threshold criteria above, you may request privileges as appropriate to your training and current competence.

TAHOE FOREST HOSPITAL DISTRICT

Department of Surgery Name: _____

APPLICANT: Place a check in the **(R)** column for each privilege **Requested.** Initial applicants must provide documentation of the number and types of hospital cases treated during the past 24 months. **At this time, privileges are available only at Tahoe Forest Hospital and granting of privileges is contingent upon meeting all general, specific, and threshold criteria defined above.**

Recommending Individual/Committee: (A) = Recommend Approval as Requested. **NOTE:** If conditions or modifications are noted, the specific condition and reason for same must be stated on the last page.

REQUESTED	APPROVED	GENERAL PRIVILEGES – GENERAL SURGERY	Estimate # of procedures performed in the past 24 months	Setting	Proctoring See below plus add'l cases at discretion of proctor	Reappointment Criteria Based on Current demonstrated competence and provision of care. Insufficient activity may require proctoring and/or additional CME
☐	☐	**Core privileges in General Surgery**: Admit (including swing admissions, ECC, and critical care unit per rules and regulations,), perform history and physical, consultations, work up, and provide pre-operative, operative and post-operative care to patients of all ages to correct or treat various conditions, illnesses, injuries, and disorders in areas of primary surgical responsibility. Core privileges also include the following; Anorectal procedures: Hemorrhoidectomy Sphincterotomy/sphincteroplasty Drainage procedure for anorectal abscess Fistula repair Occult Blood Testing Repair of rectal prolapse Pilonidal cystectomy Sinus treatment - Transanal removal of rectal tumors/polyps Breast procedures: Biopsies Mastectomy, segmental Axillary dissection Esophagus procedures: Anti-reflux procedure (lap or open) Esophageal diverticulectomy Repair of perforation Esophagectomy Esophagogastrectomy Esophageal bypass Operation for esophageal stenosis General abdomen procedures: Paracentesis Exploratory laparotomy Drainage of intra-abdominal abscess Retroperitoneal lymphadenectomy Adrenalectomy General vascular procedures: Amputations- upper and lower extremity Central venous access catheters * Portacaths using fluoroscopy* Portacaths using flat plate imaging Genitourinary/OB-GYN procedures: Hydrocelectomy Nephrectomy Ureteral surgery Cystostomy Cystectomy Hysterectomy	_____	**TFH**	1ST case proctored and 4 add'l representative cases proctored	100 cases/2 years Related CME

TAHOE FOREST HOSPITAL DISTRICT

Department of Surgery **Name:** _____

REQUESTED	APPROVED	GENERAL PRIVILEGES – GENERAL SURGERY	Estimate # of procedures performed in the past 24 months	Setting	Proctoring See below plus add'l cases at discretion of proctor	Reappointment Criteria Based on Current demonstrated competence and provision of care. Insufficient activity may require proctoring and/or additional CME
		Salpingo-oophorectomy **Core (continued):** Head and neck procedures: Lip and tongue surgery Temporal artery biopsy Thyroglossal ducts Tracheostomy Gland surgery – submandibular and parotid Brachial cleft surgery Thyroidectomy (partial or total) Parathyroidectomy Hernia procedures: Inguinofemoral, umbilical Ventral Incisional Intestinal procedures: Enterectomy Repair of perforation Ileostomy Pyloroplasty Appendectomy Colectomy (partial or total) Colectomy with ileoanal pull-through Colostomy closure Abdominoperineal resection Repair of perforation Operative choledochoscopy Liver/Biliary Tract procedures: biopsy Hepatic resections * Cholecystectomy (with or without cholangiograms) with fluoroscopy* Cholecystectomy (with or without cholangiograms) with flat plate imaging Common bile duct exploration Choledochoenteric anastomosis Choledochoscopy Pancreas/Spleen Drainage of pancreatic abscess Pancreatic resection Drainage of pancreatic pseudocyst Pancreaticojejunostomy Splenectomy Pediatric procedures General surgical procedures including appendectomy, hernia, and GI procedures Stomach (no obesity surgery - see separate section for lap banding): Gastrostomy (open) Gastric resection Repair of perforation				

TAHOE FOREST HOSPITAL DISTRICT

Department of Surgery **Name:** _____

REQUESTED	APPROVED	GENERAL PRIVILEGES – GENERAL SURGERY	Estimate # of procedures performed in the past 24 months	Setting	Proctoring See below plus add'l cases at discretion of proctor	Reappointment Criteria Based on Current demonstrated competence and provision of care. Insufficient activity may require proctoring and/or additional CME
		Vagotomy (truncal or selective with drainage procedure) Pyloromyotomy Miscellaneous procedures: Arterial Lines Biopsies CVP lines Excision/repair/graft for skin/soft tissue tumors Miscellaneous procedures (continued): Incision and drainage of abscess Major lymphadenectomies Management of trauma (e.g., chest, abdomen, extremity, head and neck) Peritoneal dialysis Simple and complex suture repair and excision of benign skin lesions Skin lacerations/split thickness skin grafts Swan ganz catheter insertion * Temporary transvenous pacemaker insertion with fluoroscopy* Temporary transvenous pacemaker insertion with flat plate imaging Thoracic procedures for trauma/ hemostasis Ventilatory management *** Denotes procedures above that require a fluoroscopy permit**				
☐	☐	**Core privileges in General Surgery (OUTPATIENT)**: Evaluate, diagnose and treat surgical patients including consultations, work up, and provide pre-operative, care to patients of all ages to correct or treat various conditions, illnesses, injuries, and disorders in areas of primary surgical responsibility. Core privileges also include the following; • Lipoma removal • Skin lesion removal • Punch biopsies • I&D of wounds • Packing of wounds • Wound Vac care • G-tube change and removal • Minor debridement • Hemorrhoids		Outpt Clinic		
☐	☐	REMOVAL FROM CORE PRIVILEGES: Should applicant's current practice limitations or current competence exclude performance of any privileges specified in the list of Core privileges, please indicate here. Applicant and/or MEC must document reasons for exclusion. **If extensive list of exclusions, initial and cross out above.** _____ _____				
		SELECTED PROCEDURES **These privileges will require documentation of experience and training prior to approval in addition to requirements outlined above.** **In those areas with multiple procedures, initial and cross out those you are NOT requesting**	Estimate # of procedures performed in the past 24 months	Setting	Proctoring See below plus add'l cases at discretion of proctor	Reappointment Criteria Based on Current demonstrated competence and provision of care . Insufficient activity may require proctoring and/or required CME

TAHOE FOREST HOSPITAL DISTRICT

Department of Surgery **Name:** _____

REQUESTED	APPROVED	GENERAL PRIVILEGES – GENERAL SURGERY	Estimate # of procedures performed in the past 24 months	Setting	Proctoring See below plus add'l cases at discretion of proctor	Reappointment Criteria Based on Current demonstrated competence and provision of care. Insufficient activity may require proctoring and/or additional CME
☐	☐	**Endoscopy/Gastroenterology:** Bronchoscopy Capsule endoscopy Colonoscopy with/without biopsy EGD – with biopsy, hemorrhage control, * ERCP – with sphincterotomy, stent placement, nasobiliary drain placement, stone extraction, lithotripsy, or biopsy * Esophageal stent placement Flexible sigmoidoscopy (with/without biopsy)/rigid sigmoidoscopy/anoscopy Foreign body removal, sclerotherapy and banding of upper GI varices Laryngoscopy Percutaneous endoscopic gastrostomy Percutaneous Liver biopsy Peritoneoscopy for diagnosis and treatment Colonpolypectomy Proctosigmoidoscopy General surgery training/certification and documentation of experience and training supporting the privileges requested *** Denotes procedures that require a fluoroscopy permit**	_____	TFH	1st case proctored and 4 add'l cases representative cases proctored	30 cases/2 years
☐	☐	**Dilation with bogie** Documentation of experience/training including 10 supervised dilations	_____	TFH	1 case proctored	2 cases/2 yeas
☐	☐	**Thoracic procedures for:** Drainage of empyema Pulmonary resection Thoracic aorta Thoracic esophagus Thoracoscopy/Thoracotomy Plication of pulmonary blebs Decortication Completion of ACGME/AOA accredited training program in general surgery, AND Completion of approved fellowship—training program in general thoracic surgery, OR Documentation of training and experience for consideration (Medical Staff Office will obtain)	_____	TFH	1st case proctored	20 cases/2 years
☐	☐	**Fluoroscopy:** Current State of California Department of Health Services fluoroscopy certificate is required for endoscopic and vascular privileges. [Must provide copy]	_____	TFH	None	Maintenance of current fluoro certificate and utilization of privileges requiring fluoro
☐	☐	**Intravenous Procedural Sedation** (see attached credentialing criteria)	N/A	TFH	Successful completion of competency test (initial appointment)	Maintain privileges requiring this procedure
☐	☐	**Lap Banding** _____ Included in residency/fellowship program (must be confirmed), OR, _____ Documentation of approved course including didactic	_____	TFH	2 cases proctored	30 cases/2 years

TAHOE FOREST HOSPITAL DISTRICT

Department of Surgery **Name: _____**

REQUESTED	APPROVED	GENERAL PRIVILEGES – GENERAL SURGERY	Estimate # of procedures performed in the past 24 months	Setting	Proctoring See below plus add'l cases at discretion of proctor	Reappointment Criteria Based on Current demonstrated competence and provision of care. Insufficient activity may require proctoring and/or additional CME
		and hands on surgery and evaluation of procedures performed (including laparoscopic experience) And documentation of 15 procedures performed in past 12 months				

☐	☐	**Vascular Surgery: (initial and cross out those that you are not requesting)** Aneurysm repair – abdominal aorta, and peripheral vessels (emergent and elective) Cervical, thoracic, or lumbar sympathectomy Diagnostic biopsy or other diagnostic procedures on blood Vessels Embolectomy or thrombectomy for all vessels excluding coronary and intracranial vessels Endarterectomy for all vessels excluding coronary and intracranial vessels Extracranial carotid and vertebral artery surgery Hemodialysis access procedures Intraoperative angiography Intraoperative angioplasty, balloon dilatation (peripheral only) Other major open peripheral vascular arterial and venous reconstructions Reconstruction, resection, repair of major vessels with anastomosis or replacement (excluding cardiopulmonary, intracranial) Sclerotherapy ~~Temporal artery biopsy~~ Thoracic outlet decompression procedures, including rib Resection Vein ligation and stripping Venous reconstruction Venous RF Ablation, stripping, phlebectomy Completion of an ACGME/AOA accredited five year residency training program in General Surgery plus one year of dedicated vascular surgery training/fellowship**;** OR, Completion of an ACGME accredited program in vascular surgery and is ABMS board qualified or certified in vascular surgery; AND, Provision of letters from the Chief of Vascular Surgery and/or Chief of Surgery at the applicant's current hospital attesting to current competence in vascular surgery (Medical Staff Office will request the letters). May be requested to submit a representative sample of discharge summaries and/or operative notes for major vascular surgery reconstructions or management of vascular surgery problems over last two years	_____	TFH	1st case proctored plus 4 add'l representative cases proctored	20 cases/2 years Vascular CME

TAHOE FOREST HOSPITAL DISTRICT

Department of Surgery **Name: _____**

		ADDITIONAL PRIVILEGES: A request for any additional privileges not included on this form must be submitted to the Medial Staff Office and will be forwarded to the appropriate review committee to determine the need for development of specific criteria, personnel & equipment requirements.				
		EMERGENCY: In the case of an emergency, any individual who has been granted clinical privileges is permitted to do everything possible within the scope of license, to save a patient's life or to save a patient from serious harm, regardless of staff status or privileges granted.				

I certify that I meet the minimum threshold criteria to request the above privileges and have provided documentation to support my eligibility to request each group of procedures requested. I understand that in making this request I am bound by the applicable bylaws and/or policies of the hospital and medical staff.

_____ _____

Date Applicant's Signature

DEPARTMENT CHAIR REVIEW

I certify that I have reviewed and evaluated this individual's request for clinical privileges, the verified credentials, quality data and/or other supporting information. Based on the information available and/or personal knowledge, I recommend the practitioner be granted:

□ privileges as requested □ privileges with modifications (see attached description of modifications) □ do not recommend (explain)

_____ _____

Date Department Chair Signature

Modifications or Other Comments:

_____

Medical Executive Committee: _____ (date of Committee review/recommendation)

□ privileges as requested □ privileges with modifications (see attached description of modifications) □ do not recommend (explain)

Board of Directors: _____(date of Board review/action)

□ privileges as requested □ with modifications (see attached description of modifications) □ not approved (explain)

PREOPERATIVE COVID-19 TESTING & GUIDANCE FOR SURGERY AFTER COVID-19 INFECTION

Preoperative COVID-19 screening remains an important tool for reducing post-operative morbidity and mortality and minimizing staff exposure to COVID-19. Community transmission of COVID-19 remains substantial in Nevada and Placer County, indicating that all patients scheduled for surgery should have a pre-operative COVID-19 test. Recommendations for preoperative testing may be updated as community transmission rates change and new evidence becomes available.

Decisions regarding surgical timing following COVID-19 infection requires careful consideration of case urgency, surgical risk, patient infectivity, and perioperative risk to the patient. Recommendations for surgical scheduling are based on currently available evidence and may be updated as new evidence becomes available on new variants and how vaccination impacts recovery from infection.

SYMPTOMS

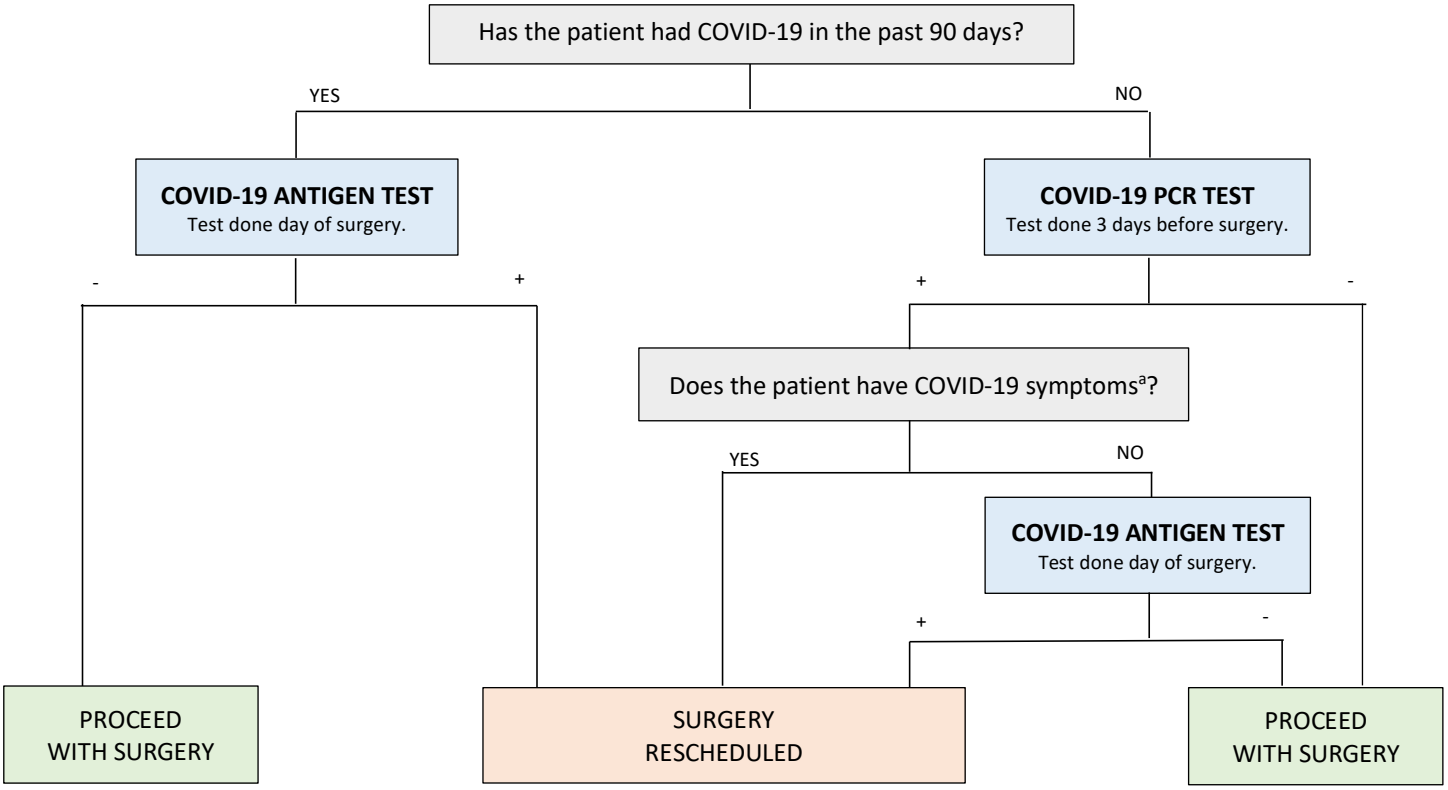
Patients reporting COVID-19 symptoms[a] prior to their elective surgery may be rescheduled

- if the patient prefers to do so
- if illness is moderate, severe, or critical[b]
- if symptoms are mild[c], but patient has significant medical co-morbidities or patient is immunocompromised[e]
- at the discretion of the surgeon and/or anesthesiologist

Patients proceeding with surgery will be tested based on the testing algorithm below. Patients being rescheduled will follow the rescheduling algorithm below.

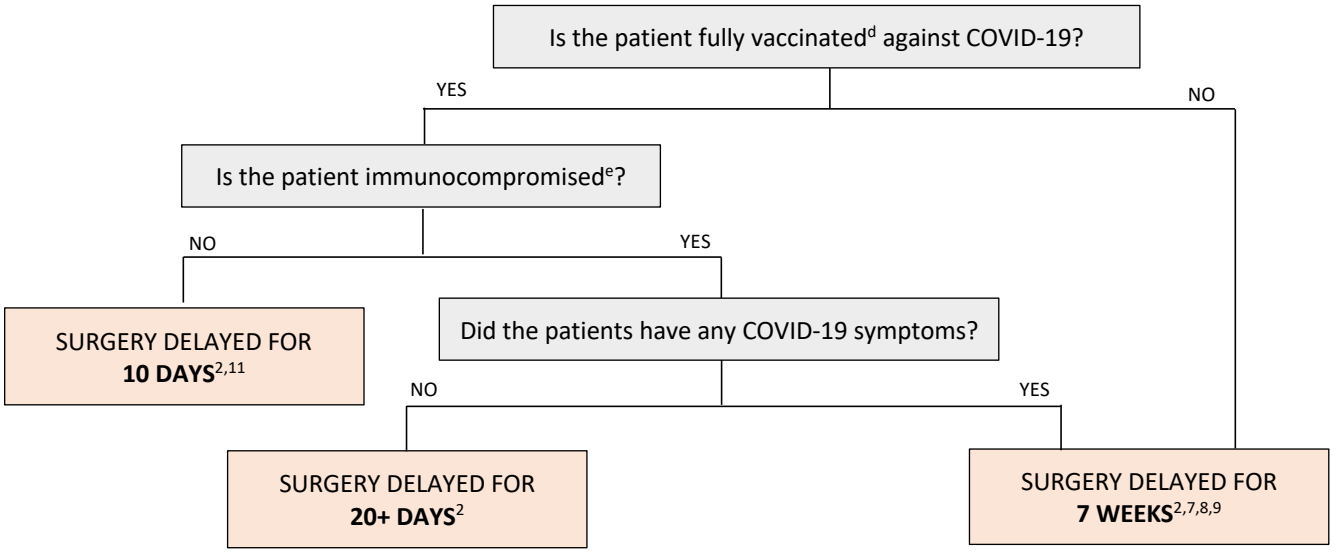
TESTING

- Patients having urgent or emergency surgery will have COVID-19 testing done as described below in the emergency room:
  - **ABBOTT ID NOW TEST** if they have *not* had COVID-19 in the past 90 days
  - **COVID-19 ANTIGEN TEST** if they have had COVID-19 in the last 90 days
- Patients having elective surgery will have COVID-19 testing done based on the following algorithm.



RESCHEDULING

- Delay is measured from the day of symptom onset or positive COVID test (Antigen, PCR, or NAAT), whichever is earlier.
- Extending the delay shall be considered if the patient has continued symptomatology[2,7,9] or is immunocompromised.
- If the surgeon deems waiting the recommended delay poses unacceptable risk to the patient, shared decision-making with the patient, surgeon, and anesthesiologist will be utilized to determine when the case should proceed. All personnel shall wear full PPE if the patient is still within the CDC recommended isolation period.
- All patients who are rescheduled due to COVID-19 will be re-evaluated via the above testing algorithm prior to their new date of surgery.



DEFINITIONS

[a]*COVID-19 symptoms* include fever, cough, sore throat, malaise, headache, muscle pain, shortness of breath, and dyspnea.
[b]*Moderate illness* is anyone who has evidence of lower respiratory tract disease by clinical assessment or imaging and an SaO2 < or = 94% on room air. *Severe illness* is anyone with RR > 30 bpm, SaO2 < 94% on room (or decrease in baseline of >3% for chronically hypoxic patients), PF Ratio < 300mHg, or lung infiltrates. *Critical illness* is any patient admitted to the intensive care unit.
[c]*Mild symptoms* are fever, cough, sore throat, malaise, headache, muscle pain without shortness of breath, dyspnea, or abnormal chest imaging.
[d]*Fully vaccinated against COVID-19* means any individual > 6 months old who has received all doses of the primary vaccine series and if > 5 years old, has received at least 1 booster shot. All shots must have been received by patient 2 weeks prior to surgery date.
[e]A patient is considered *immunocompromised* if they have a moderately to severely weakened immune system, possibly due to:

- receiving active cancer treatment for tumors or cancers of the blood,
- received an organ transplant and are taking medicine to suppress the immune system,
- received chimeric antigen receptor (CAR)-T-cell therapy or received a stem cell transplant within the last 2 years,
- has moderate or severe primary immunodeficiency (such as CVID, DiGeorge syndrome, Wiskott-Aldrich syndrome),
- has advanced or untreated HIV infection,
- is undergoing active treatment with high-dose corticosteroids or other drugs that suppress the immune response.

Patients with advanced age, end-stage renal disease, or diabetes mellitus may be considered immunocompromised to a lower degree, and clinical judgement should be utilized to determine degree of risk[2].

TESTS

- *COVID-19 Antigen Test*: Cost is free. Sensitivity is 85%+ in symptomatic patients (no data on asymptomatic patients). Turn-around time is 30 minutes.
- *COVID-19 PCR Test*: Cost is $131. Sensitivity is 97%+ in all patients. CT values can be requested. Ran daily at 1pm, results by 5pm.
- *Abbott ID Now COVID-19 NAA Test*: Cost is $301. Sensitivity is reported at 90-95% in the literature, but has been measured at 99% at TFH. Turn-around time is 30 minutes.

REFERENCES

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2. ASA and APSF. Joint Statement on Elective Surgery after COVID. 2/22/22. https://www.asahq.org/about-asa/newsroom/news-releases/2022/02/asa-and-apsf-joint-statement-on-elective-surgery-procedures-and-anesthesia-for-patients-after-covid-19-infection
3. CDC. Interim Infection Prevention and Control Recommendations for Healthcare Personnel During the Coronavirus Disease 2019 (COVID-19) Pandemic. 9/23/22. https://www.cdc.gov/coronavirus/2019-ncov/hcp/infection-control-recommendations.html
4. CDC. Stay Up to Date with COVID-19 Vaccines Including Boosters. 9/8/22. https://www.cdc.gov/coronavirus/2019-ncov/vaccines/stay-up-to-date.html#:~:text=What%20You%20Need%20to%20Know,COVID%2D19%20primary%20series%20doses
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6. COVIDSurg Collaborative. Delaying surgery for patients with a previous SARS-CoV-2 infection, *British Journal of Surgery*, Volume 107, Issue 12, November 2020, Pages e601–e602, https://doi.org/10.1002/bjs.12050
7. COVIDSurg Collaborative, GlobalSurg Collaborative. Timing of surgery following SARS-CoV-2 infection: an international prospective cohort study. Anaesthesia 2021;76:748–758. doi: 10.1111/anae.15458. Epub 2021 Mar 9. PMID: 33690889; PMCID: PMC8206995.
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9. El-Boghdadly, K., Cook, T.M., Goodacre, T., Kua, J., Denmark, S., McNally, S., Mercer, N., Moonesinghe, S.R. and Summerton, D.J. (2022), Timing of elective surgery and risk assessment after SARS-CoV-2 infection: an update. Anaesthesia, 77: 580-587. https://doi.org/10.1111/anae.15699
10. Le ST, Kipnis P, Cohn B, Liu VX. Covid-19 Vaccination and the Timing of Surgery Following Covid-19 Infection. Ann Surg. 2022 Jul 15. doi: 10.1097/SLA.0000000000005597. Epub ahead of print. PMID: 35837898.
11. Prasad NK, Lake R, Englum BR, Turner DJ, Siddiqui T, Mayorga-Carlin M, Sorkin JD, Lal BK. COVID-19 vaccination associated with reduced postoperative SARS-CoV-2 infection and morbidity. Ann Surg. 2022 Jan 1;275(1):31-36. doi: 10.1097/SLA.0000000000005176. PMID: 34417362; PMCID: PMC8678152.

TAHOE FOREST HOSPITAL DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS
DRAFT MINUTES

Thursday, September 22, 2022 at 4:00 p.m.

Pursuant to Assembly Bill 361, the Regular Meeting of the Tahoe Forest Hospital District Board of Directors for September 22, 2022 will be conducted telephonically through Zoom. Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

1. CALL TO ORDER

Meeting was called to order at 4:00 p.m.

2. ROLL CALL

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

Staff in attendance: Harry Weis, President & Chief Executive Officer; Louis Ward, Chief Operating Officer; Crystal Betts, Chief Financial Officer; Ted Owens, Executive Director of Governance; Martina Rochefort, Clerk of the Board

Other: David Ruderman, General Counsel

Absent: Director Michael McGarry

3. DELETIONS/CORRECTIONS TO THE POSTED AGENDA

No changes were made.

4. INPUT AUDIENCE

No public comment was received.

Open Session recessed at 4:02 p.m.

5. CLOSED SESSION

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

Property Parcel Numbers: 019-460-024
Agency Negotiator: Louis Ward
Negotiating Party: Marc Brown and Cathy Brown, Trustees of the Marc Brown and Cathy A. Brown Revocable Trust dated October 23, 2014
Under Negotiation: Price & Terms of Payment

Discussion was held on a privileged item.

5.2. Conference with Labor Negotiator (Gov. Code § 54957.6)

Name of District Negotiator(s) to Attend Closed Session: Alex MacLennan
Employee Organization(s): Employees Association and Employees Association of Professionals

Discussion was held on a privileged item.

5.3. Hearing (Health & Safety Code § 32155)
Subject Matter: Fourth Quarter Fiscal Year 2022 Quality Report
Number of items: One (1)

Discussion was held on a privileged item.

5.4. Approval of Closed Session Minutes
8/25/2022 Regular Meeting

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 6:00 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION
General Counsel reported there was no reportable action on items 5.1., 5.2. and 5.3. Item 5.4. Closed Session Minutes was approved on a 4-0 vote. Item 5.5. Medical Staff Credentials was approved on a 4-0 vote. Director McGarry was absent from Closed Session.

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. 08/25/2022 Regular Meeting
12.2. Financial Reports
12.2.1. Financial Report – August 2022
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. CIIO Board Report
12.3.5. CMO Board Report
12.3.6. Provider Services Board Report

12.4. Approve Resolution for Continued Remote Teleconference Meetings
12.4.1. Resolution 2022-16

12.5. Approve Updated Board Quality Committee Charter
12.5.1. Board Quality Committee Charter

12.6. Approval of Conflict of Interest Code Policy
12.6.1. Conflict of Interest Code, ABD-06

Director Wong pulled item 12.3.3. for discussion.
No public comment was received.

ACTION: **Motion made by Director Chamblin, to approve the Consent Calendar excluding item 12.3.3., seconded by Director Brown. Roll call vote taken.**
Barnett – AYE
Chamblin – AYE
Brown – AYE
Wong – AYE

13. ITEMS FOR BOARD ACTION

13.1. Fiscal Year 2021 Moss Adams Single Audit Report

Kate Jackson and Justen Gomes of Moss Adams presented the Fiscal Year 2021 Single Audit Report. Discussion was held.

No public comment was received.

ACTION: **Motion made by Director Brown, to approve the Fiscal Year 2021 Single Audit Report as presented, seconded by Director Chamblin. Roll call vote taken.**
Barnett – AYE
Chamblin – AYE
Brown – AYE
Wong – AYE

13.2. Resolution 2022-17

Rick Rybicki of Rybicki & Associates presented a resolution establishing revised rules and regulations for the administration of employer-employee relations. Discussion was held.

No public comment was received.

ACTION: **Motion made by Director Barnett, to approve Resolution 2022-17 Establishing Revised Rules and Regulations for the Administration of Employer-Employee relations as presented, seconded by Director Brown. Roll call vote taken.**
Barnett – AYE
Chamblin – AYE
Brown – AYE

Wong – AYE

13.3. First Reading of Proposed Revisions to TFHD Board of Directors Bylaws

The Board of Directors reviewed proposed revisions to the TFHD Board of Directors Bylaws. Discussion was held.

ACTION: **Motion made by Director Chamblin, to introduce proposed Board of Directors Bylaws amendments, seconded by Director Brown. Roll call vote taken.**
Barnett – AYE
Chamblin – AYE
Brown – AYE
Wong – AYE

14. ITEMS FOR BOARD DISCUSSION

14.1. Board Education

14.1.1. No Surprises Act

Crystal Betts, Chief Financial Officer, provided the Board of Directors with education on the No Surprise Act legislation. Discussion was held.

15. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

Items 12.3.3. was discussed.

16. BOARD COMMITTEE REPORTS

Director Wong shared an update from the September 7, 2022 Board Quality Committee meeting.

17. BOARD MEMBERS REPORTS/CLOSING REMARKS

Director Brown thanked Dr. Laine for his comments and praised Administrative Council for their quick work to collaborate with physicians.

18. CLOSED SESSION CONTINUED, IF NECESSARY

Not applicable.

19. OPEN SESSION

Not applicable.

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

Not applicable.

21. ADJOURN

Meeting adjourned at 7:27 p.m.

TAHOE FOREST HOSPITAL DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, October 13, 2022 at 8:30 a.m.

Springhill Suites Truckee – Conference Room
10640 East Jibboom Street
Truckee, California 96161

1. CALL TO ORDER

Meeting was called to order at 8:30 a.m.

2. ROLL CALL

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

Staff in attendance: Harry Weis, President & Chief Executive Officer; Louis Ward, Chief Operating Officer; Crystal Betts, Chief Financial Officer; Alex MacLennan, Chief Human Resources Officer; Scott Baker, Vice President of Provider Services; Martina Rochefort, Clerk of the Board

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

No changes were made to the agenda.

4. ITEMS FOR BOARD DISCUSSION

4.1. Board Education

Board of Directors discussed use of iProtean, the current digital board education platform. Board members have found the site and content useful and would like to continue for an additional year. Discussion was held.

4.2. Board Enhancement Goals Update

Board of Directors reviewed the status of their Board Enhancement Goals. Discussion was held.

4.3. AHA Rural Health Care Leadership Conference

Board of Directors discussed attending the 2023 AHA Rural Health Care Leadership Conference in San Antonio, Texas.

4.4. In-Person Board Meetings

Discussion was held on returning to in-person board meetings in the Eskridge Conference Room. The Board of Directors agreed to continue virtual meetings until the end of the year.

Open Session recessed at 9:50 a.m.

5. CLOSED SESSION

5.1. Public Employee Performance Evaluation (Gov. Code § 54957)

Title: President and Chief Executive Officer

Discussion was held on a privileged item.

6. ADJOURN

Open Session adjourned at 12:05 p.m.

TAHOE FOREST HOSPITAL DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Wednesday, October 19, 2022 at 10:00 a.m.

Pursuant to Assembly Bill 361, the Special Meeting of the Tahoe Forest Hospital District Board of Directors for October 19, 2022 will be conducted telephonically through Zoom. Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

1. CALL TO ORDER

Meeting was called to order at 10:00 a.m.

2. ROLL CALL

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

Staff in attendance: Harry Weis, President & Chief Executive Officer; Louis Ward, Chief Operating Officer; Crystal Betts, Chief Financial Officer; Matt Mushet, In-House Counsel; Ted Owens, Executive Director of Governance; Dylan Crosby, Director of Facilities and Construction Management; Martina Rochefort, Clerk of the Board

Other: Kathryn Oehlschlager of Downey Brand

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

No changes were made to the agenda.

Open Session recessed at 10:01 a.m.

4. CLOSED SESSION

4.1. Conference with Legal Counsel; Initiation of Litigation (Gov. Code § 54956.9(d)(4))

Number of Potential Cases: One (1)

Discussion was held on a privileged item.

5. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

There was no reportable action in Closed Session.

6. ADJOURN

Meeting adjourned at 11:28 a.m.

TAHOE FOREST HOSPITAL DISTRICT
SEPTEMBER 2022 FINANCIAL REPORT
INDEX

Board of Directors

Of Tahoe Forest Hospital District

SEPTEMBER 2022 FINANCIAL NARRATIVE – PRE-AUDIT

The following is the financial narrative analyzing financial and statistical trends for the three months ended September 30, 2022.

Activity Statistics

- TFH acute patient days were 386 for the current month compared to budget of 570. This equates to an average daily census of 12.9 compared to budget of 19.0.

- TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Radiation Oncology procedures, Surgery cases, EKG, Pulmonology, Tahoe City Occupational Therapy, Outpatient Physical Therapy Aquatic & Occupational Therapy.

Financial Indicators

- Net Patient Revenue as a percentage of Gross Patient Revenue was 49.49% in the current month compared to budget of 48.76% and to last month's 50.07%. Year-to-Date Net Patient Revenue as a percentage of Gross Patient Revenue was 47.86% compared to budget of 48.82% and prior year's 52.02%.

- EBIDA was $2,965,348 (6.5%) for the current month compared to budget of $2,837,611 (5.8%), or $127,737 (.6%) above budget. Year-to-Date EBIDA was $5,772,591 (4.3%) compared to budget of $8,110,611 (5.6%) or $(2,338,020) (-1.4%) below budget.

- Net Income was $586,576 for the current month compared to budget of $2,571,640 or $(1,985,064) below budget. Year-to-Date Net Income was $2,699,546 compared to budget of $7,346,657 or $(4,647,111) below budget.

- Cash Collections for the current month were $21,499,973, which is 116% of targeted Net Patient Revenue.

- EPIC Gross Accounts Receivables were $96,006,639 at the end of September compared to $95,342,547 at the end of August.

Balance Sheet

- Working Capital is at 27.0 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 207.6 days. Working Capital cash increased a net $4,020,000. Accounts Payable increased $4,280,000 and Accrued Payroll & Related Costs decreased $3,971,000. Cash Collections were above target by 16% and the District transferred $5,000,000 from its Cash Reserve Fund held with LAIF

- Net Patient Accounts Receivable increased $511,000 and cash collections were 116% of target. EPIC Days in A/R were 64.7 compared to 63.8 at the close of August, a .90 day increase.

- Estimated Settlements, Medi-Cal & Medicare decreased a net $538,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs and received $1,533,000 due from the State for underpayment of SNF Supplemental Reimbursement claims for Rate Year 2020-2021.

- Unrealized Gain/(Loss) Cash Investment Fund decreased $1,524,000 after recording the unrealized losses in its funds held with Chandler Investments for the first quarter of FY23.

- GO Bond Tax Revenue fund increased $1,483 after receiving the final FY22 property tax revenues from Placer County.

- To comply with GASB No. 63, the District booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of September.

- The District implemented GASB No. 87, requiring the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases or rental expenses. The life of the lease agreement is now classified as an Intangible Lease Asset net of its associated Accumulated Amortization.

- Accounts Payable increased $4,280,000 due to the timing of the final check run in September.

- Accrued Payroll & Related Costs decreased $3,971,000 due to twelve fewer accrued payroll days in September.

- Estimated Settlements, Medi-Cal & Medicare decreased a net $769,000. The District continues repayment of the Medicare Accelerated Payments received in FY20.

- Other Long Term Debt Net of Current Maturities decreased $592,000 after recording the GASB No. 87 entry for July, August, and September.

Operating Revenue

- Current month's Total Gross Revenue was $45,809,763 compared to budget of $48,673,766 or $2,864,003 below budget.
- Current month's Gross Inpatient Revenue was $6,472,367, compared to budget of $9,434,020 or $2,961,653 below budget.
- Current month's Gross Outpatient Revenue was $39,337,395 compared to budget of $39,239,746 or $97,649 above budget.
- Current month's Gross Revenue Mix was 39.9% Medicare, 15.5% Medi-Cal, .0% County, 2.2% Other, and 42.4% Commercial Insurance compared to budget of 37.6% Medicare, 16.1% Medi-Cal, .0% County, 2.4% Other, and 43.9% Commercial Insurance. Last month's mix was 40.7% Medicare, 13.2% Medi-Cal, .0% County, 2.4% Other, and 43.7% Commercial Insurance. Year-to-date Gross Revenue Mix was 39.9% Medicare, 14.3% Medi-Cal, .0% County, 2.2% Other, and 43.6% Commercial Insurance compared to budget of 37.3% Medicare, 16.2% Medi-Cal, .0% County, 2.4% Other, and 44.1% Commercial Insurance.
- Current month's Deductions from Revenue were $23,680,705 compared to budget of $24,874,791 or $1,194,086 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 3.38% increase in Medicare, a 3.14% decrease to Medi-Cal, County at budget, a .01% decrease in Other, and Commercial Insurance was below budget .22%, 2) Revenues were below budget 2.42%, and 3) The District received the almost $1m withheld in error due to Noridian not implementing our PIP termination correctly.

DESCRIPTION	September 2022 Actual	September 2022 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	9,337,131	9,857,274	520,143	
Employee Benefits	3,058,593	3,351,592	292,999	
Benefits – Workers Compensation	124,017	120,244	(3,773)	
Benefits – Medical Insurance	1,863,010	1,441,338	(421,672)	We saw some large medical claims paid out in September, creating a negative variance in Benefits – Medical Insurance,
Medical Professional Fees	494,692	403,242	(91,450)	Anesthesiologists who have not joined the employment model created a negative variance in Medical Professional Fees.
Other Professional Fees	157,390	295,764	138,374	Multi-Specialty Clinics performance improvement projects and Financial Analysis projects budgeted but not started in September created a positive variance in Other Professional Fees along with decreased use of legal services in Medical Staff Services.
Supplies	3,646,788	3,385,652	(261,136)	Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues were above budget 13.20%, creating a negative variance in Pharmacy Supplies.
Purchased Services	1,858,141	2,263,368	405,227	Department Repairs, Employee Health Screenings and Wellness Bank usage, Outsourced Lab testing and Information Technology were below budget.
Other Expenses	650,889	1,050,468	399,579	Marketing campaigns, Outside Training & Travel, and Multi-Specialty Clinics & Other Building Rents were below budget.
Total Expenses	21,190,650	22,168,942	978,292	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 2022 PRE-AUDIT

	Sep-22	Aug-22	Sep-21	
ASSETS				
CURRENT ASSETS				
* CASH	$ 18,630,153	$ 14,609,950	$ 24,768,815	1
PATIENT ACCOUNTS RECEIVABLE - NET	39,996,490	39,485,025	39,500,436	2
OTHER RECEIVABLES	10,928,246	9,934,971	9,588,954	
GO BOND RECEIVABLES	1,293,043	863,018	1,257,124	
ASSETS LIMITED OR RESTRICTED	11,545,574	11,611,971	10,325,622	
INVENTORIES	4,456,441	4,464,044	4,295,236	
PREPAID EXPENSES & DEPOSITS	3,179,947	3,229,555	3,295,813	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	20,680,521	21,218,930	10,960,505	3
TOTAL CURRENT ASSETS	110,710,414	105,417,465	103,992,506	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	44,608,697	49,608,697	64,384,201	1
* CASH INVESTMENT FUND	80,260,540	80,281,421	79,994,968	1
UNREALIZED GAIN/(LOSS) CASH INVESTMENT FUND	(5,034,153)	(3,510,138)	-	4
MUNICIPAL LEASE 2018	726,242	726,122	724,791	
TOTAL BOND TRUSTEE 2017	20,568	20,549	20,532	
TOTAL BOND TRUSTEE 2015	416,654	279,454	415,782	
TOTAL BOND TRUSTEE GO BOND	5,764	5,764	5,764	
GO BOND TAX REVENUE FUND	1,014,136	1,012,653	703,966	5
DIAGNOSTIC IMAGING FUND	3,352	3,352	3,343	
DONOR RESTRICTED FUND	1,139,564	1,139,564	1,137,882	
WORKERS COMPENSATION FUND	(8,520)	41,777	12,639	
TOTAL	123,152,844	129,609,215	147,403,869	
LESS CURRENT PORTION	(11,545,574)	(11,611,971)	(10,325,622)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	111,607,270	117,997,244	137,078,247	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(2,320,282)	(2,290,282)	(1,824,286)	
PROPERTY HELD FOR FUTURE EXPANSION	1,694,072	1,694,072	909,072	
PROPERTY & EQUIPMENT NET	188,855,489	187,475,593	173,682,777	
GO BOND CIP, PROPERTY & EQUIPMENT NET	1,821,450	1,795,271	1,819,488	
TOTAL ASSETS	412,368,412	412,089,362	415,657,804	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	300,611	303,844	339,400	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	343,424	660,160	1,242,989	6
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	4,774,148	4,797,852	5,058,604	
GO BOND DEFERRED FINANCING COSTS	465,616	467,937	493,467	
DEFERRED FINANCING COSTS	134,196	135,236	146,679	
INTANGIBLE LEASE ASSET NET OF ACCUM AMORTIZATION	8,339,976	8,729,086	-	7
TOTAL DEFERRED OUTFLOW OF RESOURCES	$ 14,357,972	$ 15,094,115	$ 7,281,139	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	$ 11,611,635	$ 7,331,962	$ 6,581,753	8
ACCRUED PAYROLL & RELATED COSTS	25,780,139	29,751,583	27,082,690	9
INTEREST PAYABLE	251,159	175,886	264,525	
INTEREST PAYABLE GO BOND	537,630	268,815	552,280	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	2,621,304	3,390,205	24,511,570	10
HEALTH INSURANCE PLAN	2,224,062	2,224,062	2,403,683	
WORKERS COMPENSATION PLAN	2,947,527	2,947,527	3,180,976	
COMPREHENSIVE LIABILITY INSURANCE PLAN	2,082,114	2,082,114	1,704,145	
CURRENT MATURITIES OF GO BOND DEBT	1,945,000	1,945,000	1,945,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	5,394,223	5,394,223	3,952,678	
TOTAL CURRENT LIABILITIES	55,394,793	55,511,378	72,179,300	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	28,408,774	29,001,168	25,503,431	11
GO BOND DEBT NET OF CURRENT MATURITIES	93,365,877	93,383,833	95,526,345	
DERIVATIVE INSTRUMENT LIABILITY	343,424	660,160	1,242,989	6
TOTAL LIABILITIES	177,512,869	178,556,539	194,452,066	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	248,073,951	247,487,375	227,348,995	
RESTRICTED	1,139,564	1,139,564	1,137,882	
TOTAL NET POSITION	$ 249,213,515	$ 248,626,939	$ 228,486,877	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
SEPTEMBER 2022 PRE-AUDIT

1. Working Capital is at 27.0 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 207.6 days. Working Capital cash increased a net $4,020,000. Accounts Payable increased $4,280,000 (See Note 8) and Accrued Payroll & Related Costs decreased $3,971,000 (See Note 9). Cash Collections were above target 16% (See Note 2) and the District transferred $5,000,000 from its Cash Reserve Fund held with LAIF.

2. Net Patient Accounts Receivable increased $511,000. Cash collections were 116% of target. EPIC Days in A/R were 64.7 compared to 63.8 at the close of August, a .90 day increase.

3. Estimated Settlements, Medi-Cal & Medicare decreased a net $538,000. The District recorded its monthly estimated receivables due from the Medi-Cal Rate Range, Hospital Quality Assurance Fee, and Medi-Cal PRIME/QIP programs and received $1,533,000 due from the State for underpayment of SNF Supplemental Reimbursement claims for Rate Year 2020-2021.

4. Unrealized Gain/(Loss) Cash Investment Fund decreased $1,524,000 after recording the unrealized losses in its funds held with Chandler Investments for the first quarter of FY23.

5. GO Bond Tax Revenue fund increased $1,483 after receiving the final FY22 property tax revenues from Placer County.

6. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of September.

7. The District implemented GASB No. 87, requiring the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases or rental expenses. The life of the lease agreement is now classified as an Intangible Lease Asset net of its associated Accumulated Amortization.

8. Accounts Payable increased $4,280,000 due to the timing of the final check run in September.

9. Accrued Payroll & Related Costs decreased $3,971,000 due to twelve fewer accrued payroll days in September. September had three pay periods in the month.

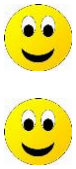
10. Estimated Settlements, Medi-Cal & Medicare decreased a net $769,000. The District continues repayment of the Medicare Accelerated Payments received in FY20.

11. Other Long Term Debt Net of Current Maturities decreased $592,000 after recording the GASB No. 87 entry for July, August, and September.

Tahoe Forest Hospital District
Cash Investment
September 30, 2022 Pre-Audit

WORKING CAPITAL				
US Bank	$ 17,080,647			
US Bank/Kings Beach Thrift Store	85,986			
US Bank/Truckee Thrift Store	447,883			
US Bank/Payroll Clearing	-			
Umpqua Bank	1,015,638	0.01%		
Total			$	18,630,153
BOARD DESIGNATED FUNDS				
US Bank Savings	$ -			
Chandler Investment Fund	80,260,540	0.27%		
Total			$	80,260,540
Building Fund	$ -			
Cash Reserve Fund	44,608,697	1.60%		
Local Agency Investment Fund			$	44,608,697
Municipal Lease 2018			$	726,242
Bonds Cash 2017			$	20,568
Bonds Cash 2015			$	416,654
GO Bonds Cash 2008			$	1,019,900
DX Imaging Education	$ 3,352			
Workers Comp Fund - B of A	(8,520)			
Insurance				
Health Insurance LAIF	-			
Comprehensive Liability Insurance LAIF	-			
Total			$	(5,168)
TOTAL FUNDS			$	145,677,586
RESTRICTED FUNDS				
Gift Fund				
US Bank Money Market	$ 8,361	0.00%		
Foundation Restricted Donations	27,309			
Local Agency Investment Fund	1,103,893	1.60%		
TOTAL RESTRICTED FUNDS			$	1,139,564
TOTAL ALL FUNDS			$	146,817,150

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
KEY FINANCIAL INDICATORS
SEPTEMBER 2022 PRE-AUDIT

	Current Status	Desired Position	Target	Bond Covenants	FY 2023 Jul 22 to Sept 22	FY 2022 Jul 21 to June 22	FY 2021 Jul 20 to June 21	FY 2020 Jul 19 to June 20	FY 2019 Jul 18 to June 19	FY 2018 Jul 17 to June 18	FY 2017 Jul 16 to June 17
Return On Equity: Increase (Decrease) in Net Position Net Position		⇧	FYE 9.1% Budget 1st Qtr 2.9%		1.1%	13.0%	12.3%	17.1%	13.1%	5.1%	14.4%
EPIC Days in Accounts Receivable (excludes SNF) Gross Accounts Receivable 90 Days Gross Accounts Receivable 365 Days		⇩	FYE 63 Days		65 69	63 67	65 67	89 73	69 71	68 73	55 55
Days Cash on Hand Excludes Restricted: Cash + Short-Term Investments (Total Expenses - Depreciation Expense)/ by 365		⇧	Budget FYE 170 Days Budget 1st Qtr 194 Projected 1st Qtr 194 Days	60 Days A- 267 Days BBB- 158 Days	208	234	272	246	179	176	191
EPIC Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)		⇩	13%		28%	27%	26%	31%	35%	22%	17%
EPIC Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)		⇩	18%		36%	36%	32%	40%	42%	25%	18%
Cash Receipts Per Day (based on 60 day lag on Patient Net Revenue)		⇧	FYE Budget $738,089 End 1st Qtr Budget $664,531		$697,239	$634,266	$603,184	$523,994	$473,890	$333,963	$348,962
Debt Service Coverage: Excess Revenue over Exp + Interest Exp + Depreciation Debt Principal Payments + Interest Expense		⇧	Without GO Bond 7.52 With GO Bond 4.13	1.95	6.64 3.71	9.72 5.22	8.33 4.49	9.50 5.06	20.45 4.12	9.27 2.07	6.64 3.54

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SEPTEMBER 2022 PRE-AUDIT

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VAR$	CURRENT MONTH VAR%		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VAR$	YEAR TO DATE VAR%		PRIOR YTD SEPTEMBER 2021
				OPERATING REVENUE						
$ 45,809,763	$ 48,673,766	$ (2,864,003)	-5.9%	Total Gross Revenue	$ 135,575,023	$ 143,992,861	$ (8,417,838)	-5.8%	1	$ 125,849,203
				Gross Revenues - Inpatient						
$ 2,927,062	$ 4,495,190	$ (1,568,128)	-34.9%	Daily Hospital Service	$ 9,621,120	$ 12,710,892	$ (3,089,772)	-24.3%		$ 11,266,678
3,545,305	4,938,830	(1,393,525)	-28.2%	Ancillary Service - Inpatient	11,459,465	14,782,060	(3,322,595)	-22.5%		12,098,315
6,472,367	9,434,020	(2,961,653)	-31.4%	Total Gross Revenue - Inpatient	21,080,585	27,492,952	(6,412,367)	-23.3%	1	23,364,993
39,337,395	39,239,746	97,649	0.2%	Gross Revenue - Outpatient	114,494,439	116,499,909	(2,005,470)	-1.7%		102,484,210
39,337,395	39,239,746	97,649	0.2%	Total Gross Revenue - Outpatient	114,494,439	116,499,909	(2,005,470)	-1.7%	1	102,484,210
				Deductions from Revenue:						
22,511,092	22,321,985	(189,107)	-0.8%	Contractual Allowances	67,616,713	65,944,283	(1,672,430)	-2.5%	2	57,101,280
-	-	-	0.0%	Managed Care Reserve	-	-	-	0.0%	2	-
209,759	1,727,856	1,518,097	87.9%	Charity Care	1,792,025	5,112,826	3,320,801	65.0%	2	4,430,118
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	
495,067	891,082	396,015	44.4%	Bad Debt	1,367,241	2,638,892	1,271,651	48.2%	2	(1,140,665)
(75,440)	-	75,440	0.0%	Prior Period Settlements	(75,440)	-	75,440	0.0%	2	-
23,140,477	24,940,923	1,800,446	7.2%	Total Deductions from Revenue	70,700,539	73,696,001	2,995,462	4.1%		60,390,733
106,207	127,873	21,666	16.9%	Property Tax Revenue- Wellness Neighborhood	295,876	344,699	48,823	14.2%		247,909
1,380,507	1,145,837	234,670	20.5%	Other Operating Revenue	3,866,444	3,611,141	255,303	7.1%	3	3,036,012
24,155,999	25,006,553	(850,554)	-3.4%	TOTAL OPERATING REVENUE	69,036,804	74,252,700	(5,215,896)	-7.0%		68,742,391
				OPERATING EXPENSES						
9,337,131	9,857,274	520,143	5.3%	Salaries and Wages	27,792,247	29,820,236	2,027,989	6.8%	4	21,135,503
3,058,593	3,351,592	292,999	8.7%	Benefits	9,881,475	9,547,343	(334,132)	-3.5%	4	7,116,826
124,017	120,244	(3,773)	-3.1%	Benefits Workers Compensation	396,086	360,732	(35,354)	-9.8%	4	251,549
1,863,010	1,441,338	(421,672)	-29.3%	Benefits Medical Insurance	4,420,091	4,324,014	(96,077)	-2.2%	4	3,912,234
494,692	403,242	(91,450)	-22.7%	Medical Professional Fees	1,529,078	1,250,630	(278,448)	-22.3%	5	3,679,527
157,390	295,764	138,374	46.8%	Other Professional Fees	623,895	880,092	256,197	29.1%	5	553,740
3,646,788	3,385,652	(261,136)	-7.7%	Supplies	9,983,475	10,242,881	259,406	2.5%	6	8,739,343
1,858,141	2,263,368	405,227	17.9%	Purchased Services	5,715,711	6,595,691	879,980	13.3%	7	5,459,276
650,889	1,050,468	399,579	38.0%	Other	2,922,154	3,120,470	198,316	6.4%	8	2,740,165
21,190,650	22,168,942	978,292	4.4%	TOTAL OPERATING EXPENSE	63,264,214	66,142,089	2,877,875	4.4%		53,588,163
2,965,348	**2,837,611**	**127,737**	**4.5%**	**NET OPERATING REVENUE (EXPENSE) EBIDA**	**5,772,591**	**8,110,611**	**(2,338,020)**	**-28.8%**		**15,154,228**
				NON-OPERATING REVENUE/(EXPENSE)						
688,383	666,717	21,666	3.2%	District and County Taxes	2,087,893	2,039,070	48,823	2.4%	9	2,080,048
431,509	431,509	(0)	0.0%	District and County Taxes - GO Bond	1,294,527	1,294,527	(0)	0.0%		1,258,607
64,471	59,003	5,468	9.3%	Interest Income	245,050	179,463	65,587	36.5%	10	132,465
-	-	-	0.0%	Interest Income-GO Bond	-	-	-	0.0%		-
-	144,437	(144,437)	-100.0%	Donations	147,030	436,051	(289,021)	-66.3%	11	137,660
(30,000)	(30,000)	-	0.0%	Gain/(Loss) on Joint Investment	(244,411)	(90,000)	(154,411)	-171.6%	12	(163,392)
(1,524,015)	25,000	(1,549,015)	6196.1%	Gain/(Loss) on Market Investments	(1,442,674)	75,000	(1,517,674)	2023.6%	13	(29,680)
-	-	-	0.0%	Gain/(Loss) on Disposal of Property	-	-	-	0.0%	14	-
-	-	-	0.0%	Gain/(Loss) on Sale of Equipment	-	-	-	0.0%	14	800
-	-	-	100.0%	COVID-19 Emergency Funding	-	-	-	100.0%	15	101,692
(1,590,293)	(1,201,183)	(389,110)	-32.4%	Depreciation	(3,992,659)	(3,603,549)	(389,110)	-10.8%	16	(3,492,144)
(141,942)	(92,639)	(49,303)	-53.2%	Interest Expense	(329,821)	(280,746)	(49,075)	-17.5%	17	(313,479)
(276,885)	(268,815)	(8,070)	-3.0%	Interest Expense-GO Bond	(837,980)	(813,770)	(24,210)	-3.0%		(858,376)
(2,378,772)	(265,971)	(2,112,801)	-794.4%	TOTAL NON-OPERATING REVENUE/(EXPENSE)	(3,073,045)	(763,954)	(2,309,091)	-302.3%		(1,145,799)
$ 586,576	**$ 2,571,640**	**$ (1,985,064)**	**-77.2%**	**INCREASE (DECREASE) IN NET POSITION**	**$ 2,699,546**	**$ 7,346,657**	**$ (4,647,111)**	**-63.3%**		**$ 14,008,429**
				NET POSITION - BEGINNING OF YEAR	**251,891,033**					
				NET POSITION - AS OF SEPTEMBER 30, 2022	**$ 254,590,579**					
6.5%	**5.8%**	**0.6%**		**RETURN ON GROSS REVENUE EBIDA**	**4.3%**	**5.6%**	**-1.4%**			**12.0%**

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
SEPTEMBER 2022 PRE-AUDIT

		Variance from Budget Fav / <Unfav>	
		SEPT 2022	YTD 2023
1) Gross Revenues			
Acute Patient Days were below budget 32.28% or 184 days. Swing Bed days were below budget 100.00% or 41 days. Inpatient Ancillary Revenues were below budget 28.21% due to the decrease in Patient Days.	Gross Revenue -- Inpatient	$ (2,961,653)	$ (6,412,368)
	Gross Revenue -- Outpatient	97,649	(2,005,471)
	Gross Revenue -- Total	$ (2,864,003)	$ (8,417,838)
Outpatient volumes were above budget in the following departments: Emergency Department visits, Radiation Oncology Procedures, Surgery cases, EKG, Pulmonology, Tahoe City Occupational Therapy, and Outpatient Physical Therapy Aquatic & Occupational Therapy.			
2) Total Deductions from Revenue			
The payor mix for September shows a 2.23% increase to Medicare, a .63% decrease to Medi-Cal, .16% decrease to Other, County at budget, and a 1.54% decrease to Commercial when compared to budget. We saw a negative variance in contractuals due to the shift in Payor Mix to Medicare and Days in AR over 120 increased in September.	Contractual Allowances	$ (189,107)	$ (1,672,430)
	Managed Care	-	-
	Charity Care	1,518,097	3,320,801
	Charity Care - Catastrophic	-	-
	Bad Debt	396,015	1,271,651
	Prior Period Settlements	75,440	75,440
	Total	$ 1,800,446	$ 2,995,462
3) Other Operating Revenue	Retail Pharmacy	54,361	30,365
Retail Pharmacy revenues were above budget 15.02%.	Hospice Thrift Stores	5,456	37,799
	The Center (non-therapy)	(2,188)	(2,043)
Thrift Store revenues were above budget 5.69%.	IVCH ER Physician Guarantee	12,867	(24,537)
	Children's Center	23,115	22,426
IVCH ER Physician Guarantee is tied to collections, coming in above budget.	Miscellaneous	141,059	191,293
	Oncology Drug Replacement	-	-
Children's Center revenues were above budget 18.95%.	Grants	-	-
	Total	$ 234,670	$ 255,303
North Tahoe Anesthesia collections and Rebates & Refunds were above budget, creating a positive variance in Miscellaneous.			
4) Salaries and Wages	Total	$ 520,143	$ 2,027,989
Employee Benefits	PL/SL	$ 140,897	$ (401,923)
We saw decreased use of Paid Leave and Sick Leave in August, creating a positive variance in PL/SL.	Nonproductive	133,662	82,468
	Pension/Deferred Comp	-	(15,000)
	Standby	(21,305)	(39,364)
	Other	39,745	39,688
	Total	$ 292,999	$ (334,132)
Employee Benefits - Workers Compensation	Total	$ (3,773)	$ (35,354)
Employee Benefits - Medical Insurance	Total	$ (421,672)	$ (96,077)
We had some large medical claims paid out in September, creating a negative variance in Employee Benefits - Medical Insurance.			
5) Professional Fees	Miscellaneous	$ (88,269)	$ (262,330)
Anesthesiologists who have not joined the employment model created a negative variance in Miscellaneous.	TFH Locums	(24,296)	(38,048)
	Human Resources	(15,310)	(12,369)
	The Center	(8,832)	(8,832)
Hospitalists Locums coverage created a negative variance in TFH Locums.	Oncology	(4,290)	(5,002)
	Home Health/Hospice	(4,790)	(4,790)
Legal services created a negative variance in Human Resources.	TFH/IVCH Therapy Services	(4,356)	(4,356)
	Truckee Surgery Center	-	-
We received the final invoices from our Contracted Therapy Services company, creating a negative variance in The Center.	Patient Accounting/Admitting	-	-
	Respiratory Therapy	-	-
	Information Technology	(7,607)	4,408
Professional services provided by Mercy Health created a negative variance in Information Technology.	IVCH ER Physicians	3,831	6,339
	Corporate Compliance	6,750	6,750
	Marketing	1,004	9,211
Reduced use of outside legal firms created a positive variance in Medical Staff Services.	Managed Care	6,667	14,549
	Multi-Specialty Clinics Administration	560	24,073
	Medical Staff Services	20,247	43,247
Locums coverage in the clinics was below budget, creating a positive variance in Multi-Specialty Clinics.	Multi-Specialty Clinics	39,436	45,046
	Administration	72,264	74,819
	Financial Administration	53,916	85,033
Budgeted Process Improvement projects have just started, creating a positive variance in Administration.	Total	$ 46,924	$ (22,251)
Financial analysis projects came in below budget, creating a positive variance in Financial Administration.			

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
SEPTEMBER 2022 PRE-AUDIT

		Variance from Budget Fav / <Unfav> SEPT 2022	YTD 2023
6) Supplies	Pharmacy Supplies	$ (477,530)	$ (516,224)
Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues were above budget 13.20%, creating a negative variance in Pharmacy Supplies.	Other Non-Medical Supplies	(16,236)	(12,414)
	Office Supplies	1,765	2,942
	Food	10,060	29,610
Medical Supplies Sold to Patients revenues were below budget 2.79%, creating a positive variance in Patient & Other Medical Supplies.	Minor Equipment	17,906	31,381
	Patient & Other Medical Supplies	202,899	724,111
	Total	$ (261,136)	$ 259,406
7) Purchased Services	Miscellaneous	$ 2,812	$ (35,900)
Scribe services budgeted under the Information Technology department created a negative variance in Multi-Specialty Clinics and a portion of the positive variance in Information Technology.	Multi-Specialty Clinics	(41,777)	(21,369)
	The Center	(3,544)	(5,610)
	Pharmacy IP	(1,907)	998
	Home Health/Hospice	2,168	1,547
Radiology reads created a negative variance in Diagnostic Imaging - All.	Diagnostic Imaging Services - All	(12,908)	7,209
	Community Development	17,500	20,000
Budgeted Department Repairs came in below budget across most departments in the District, creating a positive variance in this category.	Medical Records	12,294	48,342
	Department Repairs	22,941	74,710
	Human Resources	32,437	96,710
Employee Health screenings and Wellness Bank usage came in below budget, creating a positive variance in Human Resources.	Laboratory	133,275	137,204
	Patient Accounting	23,348	147,108
	Information Technology	218,588	409,032
Outsourced lab testing was below budget, creating a positive variance in Laboratory.	Total	$ 405,227	$ 879,980
The migration of communications to a Cloud solution and the Disaster Recovery and Business Continuance projects did not launch in September, creating a positive variance in Information Technology.			
8) Other Expenses	Miscellaneous	$ (60,991)	$ (208,370)
Transfers of Construction Labor to Construction in Progress came in above budget, creating a negative variance in Miscellaneous.	Insurance	(28,334)	(80,060)
	Utilities	(41,435)	(35,084)
	Dues and Subscriptions	(9,845)	(16,493)
Insurance renewals for the FY22/23 year came in higher than originally communicated. This is creating a negative variance in Insurance which will continue through the fiscal year.	Equipment Rent	(560)	(7,812)
	Multi-Specialty Clinics Equip Rent	(1,077)	(7,557)
	Physician Services	(1,695)	(1,695)
	Human Resources Recruitment	7,582	12,735
Natural Gas/Propane, Electricity and Telephone costs were above budget, creating a negative variance in Utilities.	Multi-Specialty Clinics Bldg. Rent	33,099	14,848
	Marketing	93,624	58,111
	Outside Training & Travel	33,777	114,993
The District implemented GASB No. 87, requiring certain lease agreements be capitalized and written off to Amortization Expense over the life of the lease. This is creating a positive variance in Multi-Specialty Clinics and Other Building Rents.	Other Building Rent	375,431	354,700
	Total	$ 399,579	$ 198,316
Marketing campaigns came in below budget, creating a positive variance in this category.			
9) District and County Taxes	Total	$ 21,666	$ 48,823
10) Interest Income	Total	$ 5,468	$ 65,587
11) Donations	IVCH	$ (60,789)	$ (181,538)
	Operational	(83,648)	(107,483)
	Total	$ (144,437)	$ (289,021)
12) Gain/(Loss) on Joint Investment	Total	$ -	$ (154,411)
13) Gain/(Loss) on Market Investments	Total	$ (1,549,015)	$ (1,517,674)
The District booked the value of losses in its holdings with Chandler Investments.			
14) Gain/(Loss) on Sale or Disposal of Assets	Total	$ -	$ -
15) COVID-19 Emergency Funding	Total	$ -	$ -
16) Depreciation Expense	Total	$ (389,110)	$ (389,110)
The District implemented GASB No. 87, requiring certain lease agreements be capitalized and written off to Amortization Expense over the life of the lease. This is creating a negative variance in Depreciation Expense.			
17) Interest Expense	Total	$ (49,303)	$ (49,075)
The District implemented GASB No. 87, requiring certain lease agreements be capitalized and Imputed Interest be recorded, creating a negative variance in Interest Expense.			

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
KEY FINANCIAL INDICATORS
SEPTEMBER 2022 PRE-AUDIT

	Current Status	Desired Position	Target	FY 2023 Jul 22 to Sept 22	FY 2022 Jul 21 to June 22	FY 2021 Jul 20 to June 21	FY 2020 Jul 19 to June 20	FY 2019 Jul 18 to June 19	FY 2018 Jul 17 to June 18	FY 2017 Jul 16 to June 17
Total Margin: Increase (Decrease) In Net Position Total Gross Revenue		⇧	FYE 4.0% 1st Qtr 5.1%	2.0%	6.3%	5.8%	8.5%	5.7%	2.6%	7.4%
Charity Care: Charity Care Expense Gross Patient Revenue		⇩	FYE 3.6% 1st Qtr 3.6%	1.3%	2.6%	3.4%	4.0%	3.8%	3.3%	3.1%
Bad Debt Expense: Bad Debt Expense Gross Patient Revenue		⇩	FYE 1.8% 1st Qtr 1.8%	1.0%	-.01%	1.2%	1.4%	.1%	.1%	-.0%
Incline Village Community Hospital: EBIDA: Earnings before interest, Depreciation, amortization Net Operating Revenue <Expense> Gross Revenue		⇧	FYE 5.1% 1st Qtr 6.4%	14.0%	12.2%	13.7%	.1%	11.5%	4.8%	7.9%
Operating Expense Variance to Budget (Under<Over>)		⇧	-0-	$2,877,875	$(10,431,192)	$(8,685,969)	$(9,484,742)	$(13,825,198)	$1,061,378	$(9,700,270)
EBIDA: Earnings before interest, Depreciation, amortization Net Operating Revenue <Expense> Gross Revenue		⇧	FYE 4.5% 1st Qtr 5.6%	4.3%	7.9%	7.8%	6.2%	7.1%	4.5%	7.9%

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
SEPTEMBER 2022 PRE-AUDIT

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VAR$	CURRENT MONTH VAR%		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VAR$	YEAR TO DATE VAR%		PRIOR YTD SEPT 2021
				OPERATING REVENUE						
$ 3,146,054	$ 3,034,318	$ 111,736	3.7%	Total Gross Revenue	$ 9,832,458	$ 9,134,470	$ 697,988	7.6%	1	$ 8,497,077
				Gross Revenues - Inpatient						
$ 1,167	$ -	$ 1,167	0.0%	Daily Hospital Service	$ 10,719	$ 4,104	$ 6,615	161.2%		$ -
1,982	1,641	341	20.7%	Ancillary Service - Inpatient	6,785	5,820	965	16.6%		3,744
3,149	1,641	1,508	91.9%	Total Gross Revenue - Inpatient	17,504	9,924	7,580	76.4%	1	3,744
3,142,906	3,032,677	110,229	3.6%	Gross Revenue - Outpatient	9,814,954	9,124,546	690,408	7.6%		8,493,333
3,142,906	3,032,677	110,229	3.6%	Total Gross Revenue - Outpatient	9,814,954	9,124,546	690,408	7.6%	1	8,493,333
				Deductions from Revenue:						
1,641,332	1,377,029	(264,303)	-19.2%	Contractual Allowances	4,368,601	4,110,784	(257,817)	-6.3%	2	3,231,406
60,305	130,476	70,171	53.8%	Charity Care	222,648	392,782	170,134	43.3%	2	415,049
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
161,636	60,686	(100,950)	-166.3%	Bad Debt	226,629	182,689	(43,940)	-24.1%	2	(107,081)
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2	-
1,863,273	1,568,191	(295,082)	-18.8%	Total Deductions from Revenue	4,817,878	4,686,255	(131,623)	-2.8%	2	3,539,374
69,205	57,321	11,884	20.7%	Other Operating Revenue	196,431	223,686	(27,255)	-12.2%	3	225,768
1,351,986	1,523,448	(171,462)	-11.3%	TOTAL OPERATING REVENUE	5,211,011	4,671,901	539,110	11.5%		5,183,471
				OPERATING EXPENSES						
586,500	615,975	29,475	4.8%	Salaries and Wages	1,789,374	1,938,924	149,550	7.7%	4	1,343,297
216,596	210,332	(6,264)	-3.0%	Benefits	643,469	608,254	(35,215)	-5.8%	4	456,299
5,048	5,313	265	5.0%	Benefits Workers Compensation	6,396	15,939	9,543	59.9%	4	8,392
118,146	91,405	(26,741)	-29.3%	Benefits Medical Insurance	280,307	274,215	(6,092)	-2.2%	4	218,612
143,851	146,972	3,121	2.1%	Medical Professional Fees	446,236	452,615	6,379	1.4%	5	710,930
2,400	2,327	(73)	-3.1%	Other Professional Fees	6,413	6,981	569	8.1%	5	7,285
56,651	82,512	25,861	31.3%	Supplies	188,147	234,082	45,935	19.6%	6	168,934
44,861	68,069	23,208	34.1%	Purchased Services	184,144	218,059	33,915	15.6%	7	209,346
51,515	115,015	63,500	55.2%	Other	292,024	336,959	44,935	13.3%	8	350,267
1,225,568	1,337,920	112,352	8.4%	TOTAL OPERATING EXPENSE	3,836,510	4,086,028	249,518	6.1%		3,473,362
126,418	**185,528**	**(59,110)**	**-31.9%**	**NET OPERATING REV(EXP) EBIDA**	**1,374,501**	**585,873**	**788,628**	**134.6%**		**1,710,109**
				NON-OPERATING REVENUE/(EXPENSE)						
-	60,789	(60,789)	-100.0%	Donations-IVCH	3,568	185,106	(181,538)	-98.1%	9	-
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
-	-	-	100.0%	COVID-19 Emergency Funding	-	-	-	100.0%	11	-
(122,699)	(77,026)	(45,673)	59.3%	Depreciation	(276,751)	(231,078)	(45,673)	-19.8%	12	(226,302)
(9,909)	-	(9,909)	#DIV/0!	Interest Expense	(9,909)	-	(9,909)	#DIV/0!	13	-
(132,608)	(16,237)	(116,371)	-716.7%	TOTAL NON-OPERATING REVENUE/(EXP)	(283,092)	(45,972)	(237,120)	-515.8%		(226,302)
$ (6,190)	**$ 169,291**	**$ (175,481)**	**-103.7%**	**EXCESS REVENUE(EXPENSE)**	**$ 1,091,408**	**$ 539,901**	**$ 551,507**	**102.1%**		**$ 1,483,807**
4.0%	**6.1%**	**-2.1%**		**RETURN ON GROSS REVENUE EBIDA**	**14.0%**	**6.4%**	**7.6%**			**20.1%**

INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
SEPTEMBER 2022 PRE-AUDIT

		Variance from Budget Fav<Unfav>	
		SEPT 2022	YTD 2023
1) Gross Revenues			
Acute Patient Days were at budget at 0 and Observation Hours were above budget by 8 at 8.	Gross Revenue -- Inpatient	$ 1,508	$ 7,580
	Gross Revenue -- Outpatient	110,228	690,408
		$ 111,736	$ 697,988
Outpatient volumes were above budget in Emergency Department visits, Surgery cases, EKG, Diagnostic Imaging, Cat Scans, and Speech Therapy.			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with a 8.46% increase in Medicare, a .07% increase in Medicaid, a 9.28% decrease in Commercial insurance, a .76% increase in Other, and County was at budget. Contractual Allowances were above budget due to the shift in Payor Mix from Commercial to Medicare and AR Days over 120 increased in September.	Contractual Allowances	$ (264,303)	$ (257,817)
	Charity Care	70,171	170,134
	Charity Care-Catastrophic Event	-	-
	Bad Debt	(100,950)	(43,940)
	Prior Period Settlement	-	-
	Total	$ (295,082)	$ (131,623)
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections, coming in above budget in September.	IVCH ER Physician Guarantee	$ 12,867	$ (24,537)
	Miscellaneous	(983)	(2,718)
	Total	$ 11,884	$ (27,255)
4) Salaries and Wages	Total	$ 29,475	$ 149,550
Employee Benefits	PL/SL	$ 8,379	$ (28,470)
Physician Engagement Bonuses created a negative variance in Nonproductive.	Pension/Deferred Comp	-	-
	Standby	1,399	(6,060)
	Other	2,045	1,180
	Nonproductive	(18,086)	(1,866)
	Total	$ (6,264)	$ (35,215)
Employee Benefits - Workers Compensation	Total	$ 265	$ 9,543
Employee Benefits - Medical Insurance	Total	$ (26,741)	$ (6,092)
5) Professional Fees	Therapy Services	$ (710)	$ (710)
We received the final invoices for services provided under our Contracted Therapy company, creating a negative variance in Therapy Services.	Administration	-	-
	Multi-Specialty Clinics	-	-
	Foundation	(73)	569
	Miscellaneous	-	751
	IVCH ER Physicians	3,831	6,339
	Total	$ 3,048	$ 6,948
6) Supplies	Office Supplies	$ (495)	$ (557)
Non-Patient Chargeable supplies were below budget, creating a positive variance in Patient & Other Medical Supplies.	Food	35	438
	Non-Medical Supplies	1,880	1,912
	Patient & Other Medical Supplies	3,584	1,931
Drugs Sold to Patients revenues were below budget 13.73%, creating a positive variance in Pharmacy Supplies.	Minor Equipment	2,418	7,870
	Pharmacy Supplies	18,438	34,341
	Total	$ 25,861	$ 45,935

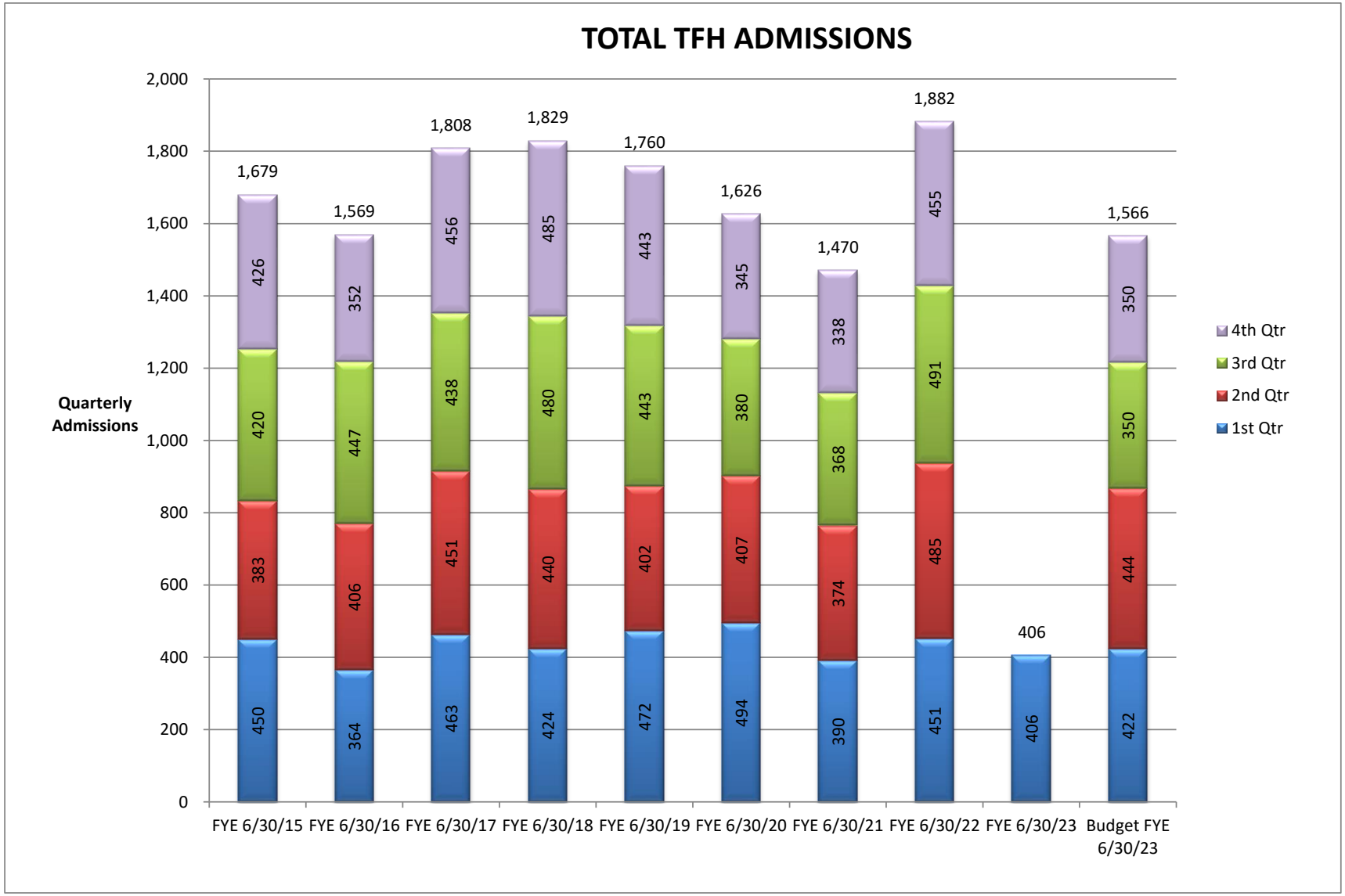
INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
SEPTEMBER 2022 PRE-AUDIT

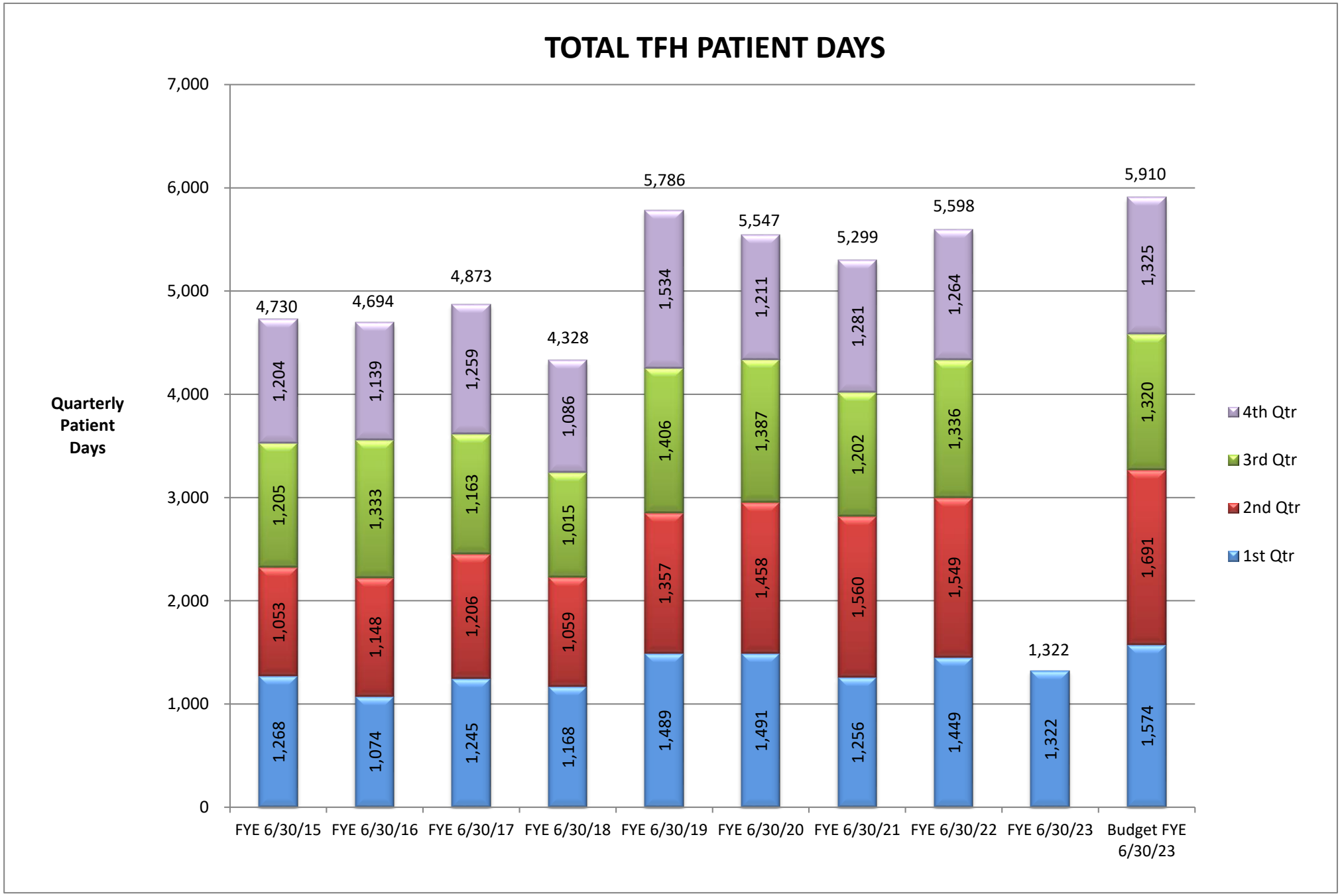
		Variance from Budget Fav<Unfav>	
		SEPT 2022	**YTD 2023**
7) Purchased Services	Foundation	$ 2,321	$ (13,530)
A performance gap analysis in Surgical Services created a negative variance in Miscellaneous.	Miscellaneous	(4,845)	(9,228)
	Diagnostic Imaging Services - All	(561)	(1,980)
	Pharmacy	(104)	(342)
Lab Send Out tests were below budget 43.90%, creating a positive variance in Laboratory.	Surgical Services	-	-
	Multi-Specialty Clinics	400	793
	EVS/Laundry	1,773	3,250
	Department Repairs	3,699	8,497
	Engineering/Plant/Communications	3,527	8,759
	Laboratory	16,997	37,696
	Total	$ 23,208	$ 33,915
8) Other Expenses	Miscellaneous	$ 1,026	$ (11,369)
Oxygen tank rentals created a negative variance in Equipment Rent.	Utilities	680	(5,357)
	Equipment Rent	(1,189)	(4,066)
The District implemented GASB No. 87, requiring certain lease agreements be capitalized and written off to Amortization Expense over the life of the lease. This is creating a positive variance in Multi-Specialty Clinics and Other Building Rents.	Physician Services	-	-
	Insurance	1,041	1,139
	Dues and Subscriptions	1,994	3,468
	Marketing	4,752	6,107
	Outside Training & Travel	3,434	10,990
	Multi-Specialty Clinics Bldg. Rent	12,339	12,339
	Other Building Rent	39,423	31,683
	Total	$ 63,500	$ 44,935
9) Donations	Total	$ (60,789)	$ (181,538)
10) Gain/(Loss) on Sale	Total	$ -	$ -
11) COVID-19 Emergency Funding	Total	$ -	$ -
12) Depreciation Expense	Total	$ (45,673)	$ (45,673)
The District implemented GASB No. 87, requiring certain lease agreements be capitalized and written off to Amortization Expense over the life of the lease. This is creating a negative variance in Depreciation Expense.			
13) Interest Expense	Total	$ (9,909)	$ (9,909)
The District implemented GASB No. 87, requiring certain lease agreements be capitalized and Imputed Interest be recorded, creating a negative variance in Interest Expense.			

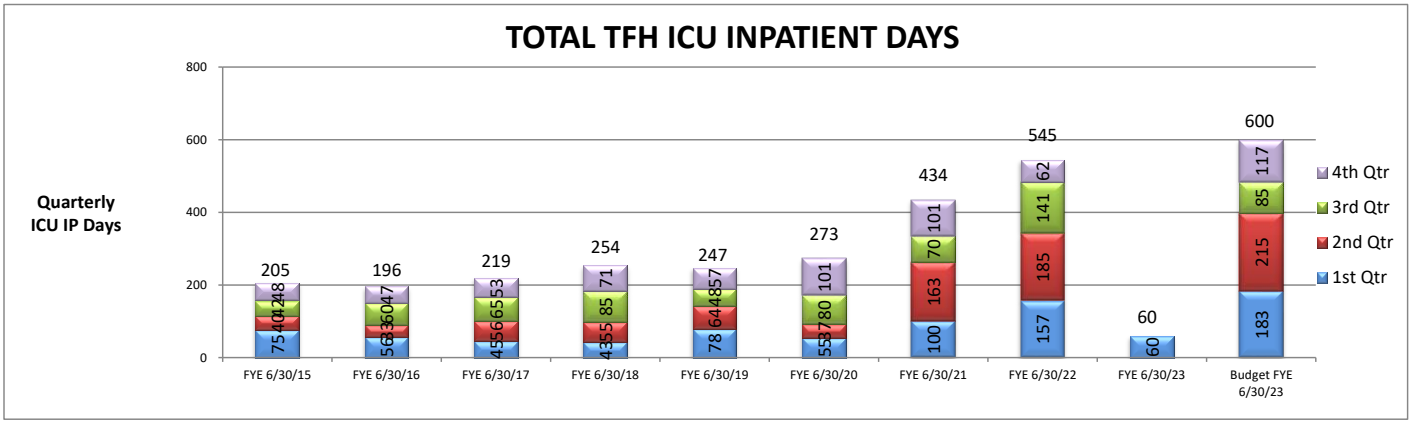
TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

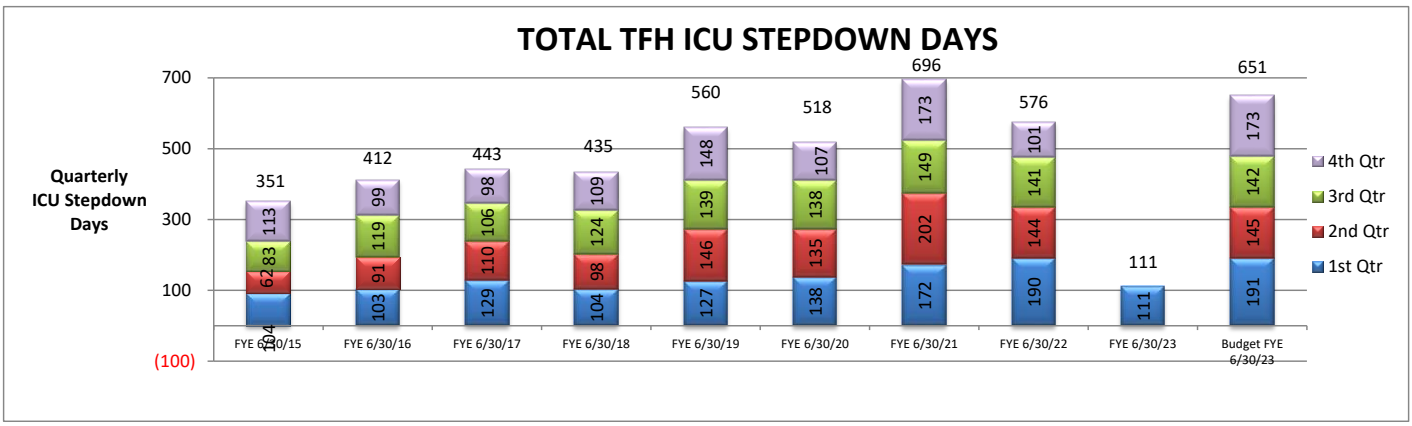
	PRE-AUDIT FYE 2022		BUDGET FYE 2023	PROJECTED FYE 2023	**ACTUAL SEPT 2022**	**BUDGET SEPT 2022**	**DIFFERENCE**	ACTUAL 1ST QTR	PROJECTED 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	40,590,405		25,383,789	23,045,767	$ 2,965,348	$ 2,837,611	$ 127,737	$ 5,772,590	$ 6,265,032	$ 6,728,165	$ 4,279,979
Interest Income	385,321		690,032	679,392	8	25,000	(24,992)	129,360	183,654	183,697	182,681
Property Tax Revenue	8,969,604		9,747,000	9,690,386	2,826	-	2,826	511,386	-	5,039,000	4,140,000
Donations	2,145,345		1,305,071	1,015,753	-	108,756	(108,756)	36,950	326,268	326,268	326,268
Emergency Funds	(1,092,739)		-	-		-		-	-	-	-
Debt Service Payments	(4,683,557)		(5,007,753)	(5,043,457)	(352,819)	(353,188)	370	(1,757,111)	(1,059,565)	(1,167,215)	(1,059,565)
Property Purchase Agreement	(812,500)		(811,927)	(811,927)	(67,661)	(67,661)	-	(202,982)	(202,982)	(202,982)	(202,982)
2018 Municipal Lease	(1,714,321)		(1,717,326)	(1,717,326)	(143,111)	(143,111)	-	(429,332)	(429,332)	(429,332)	(429,332)
Copier	(58,608)		(63,840)	(63,583)	(4,950)	(5,320)	370	(15,703)	(15,960)	(15,960)	(15,960)
2017 VR Demand Bond	(727,326)		(769,491)	(805,453)	-	-	-	(697,803)	-	(107,650)	-
2015 Revenue Bond	(1,370,802)		(1,645,169)	(1,645,169)	(137,097)	(137,097)	(0)	(411,292)	(411,292)	(411,292)	(411,292)
Physician Recruitment	(226,668)		(1,126,666)	(939,999)	(33,333)	(83,333)	50,000	(63,333)	(346,666)	(280,000)	(250,000)
Investment in Capital											
Equipment	(3,721,451)		(3,400,652)	(3,400,652)	(234,860)	(687,316)	452,456	(694,160)	(1,630,417)	(559,575)	(516,500)
IT/EMR/Business Systems	(106,850)		(1,833,753)	(1,833,753)	-	(180,628)	180,628	(86,306)	(677,564)	(423,513)	(646,370)
Building Projects/Properties	(22,004,760)		(41,773,780)	(41,773,780)	(2,371,358)	(5,101,660)	2,730,303	(6,650,405)	(14,195,095)	(11,217,200)	(9,711,080)
Change in Accounts Receivable	(5,918,012)	N1	(2,928,806)	1,797,324	(511,465)	(5,651)	(505,814)	1,869,945	653,587	(1,663,774)	937,566
Change in Settlement Accounts	(24,245,464)	N2	398,920	(4,990,163)	(230,492)	(471,103)	240,611	(7,526,353)	(4,925,270)	6,658,730	802,730
Change in Other Assets	(4,363,408)	N3	(1,850,000)	(1,660,914)	(618,037)	(50,000)	(568,037)	(1,060,914)	(400,000)	50,000	(250,000)
Change in Other Liabilities	6,881,645	N4	(3,700,000)	(5,435,014)	383,502	(1,600,000)	1,983,502	(1,235,014)	(6,050,000)	3,050,000	(1,200,000)
Change in Cash Balance	(7,390,588)		(24,096,598)	(28,849,110)	(1,000,679)	(5,561,513)	4,560,834	(10,753,364)	(21,856,036)	6,724,582	(2,964,292)
Beginning Unrestricted Cash	161,643,342		154,252,754	154,252,754	144,500,068	144,500,068	-	154,252,754	143,499,390	121,643,353	128,367,936
Ending Unrestricted Cash	154,252,754		130,156,155	125,403,644	143,499,390	138,938,555	4,560,834	143,499,390	121,643,353	128,367,936	125,403,644
Operating Cash	154,252,754		130,156,155	125,403,644	143,499,390	138,938,555	4,560,834	143,499,390	121,643,353	128,367,936	125,403,644
Expense Per Day	658,532		732,143	724,393	691,239	721,987	(30,748)	691,239	708,956	720,551	724,393
Days Cash On Hand	234		178	173	208	192	15	208	172	178	173

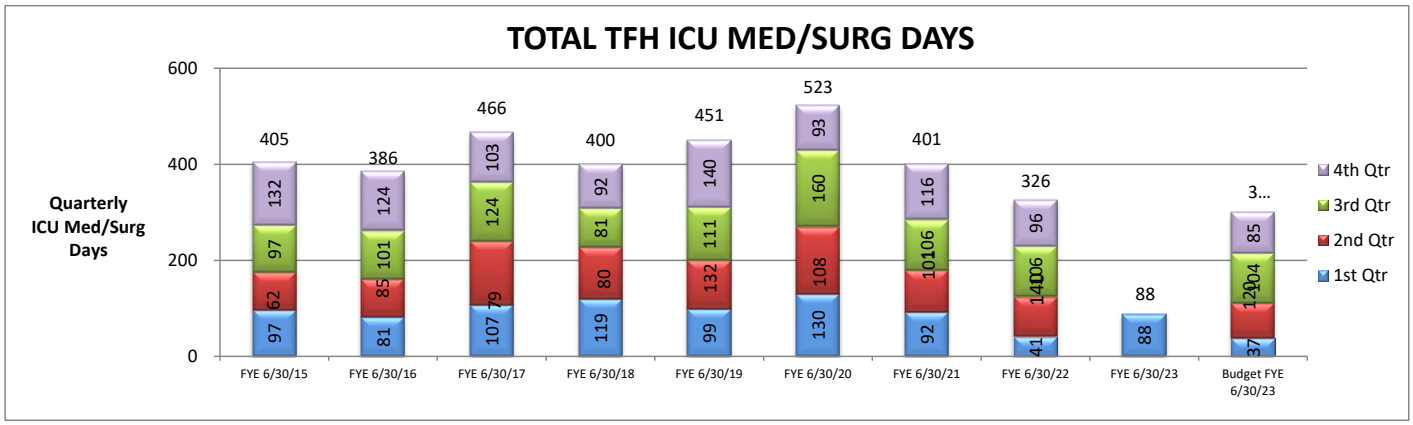
Footnotes:
N1 - Change in Accounts Receivable reflects the 30 day delay in collections.
N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.
N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.
N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.

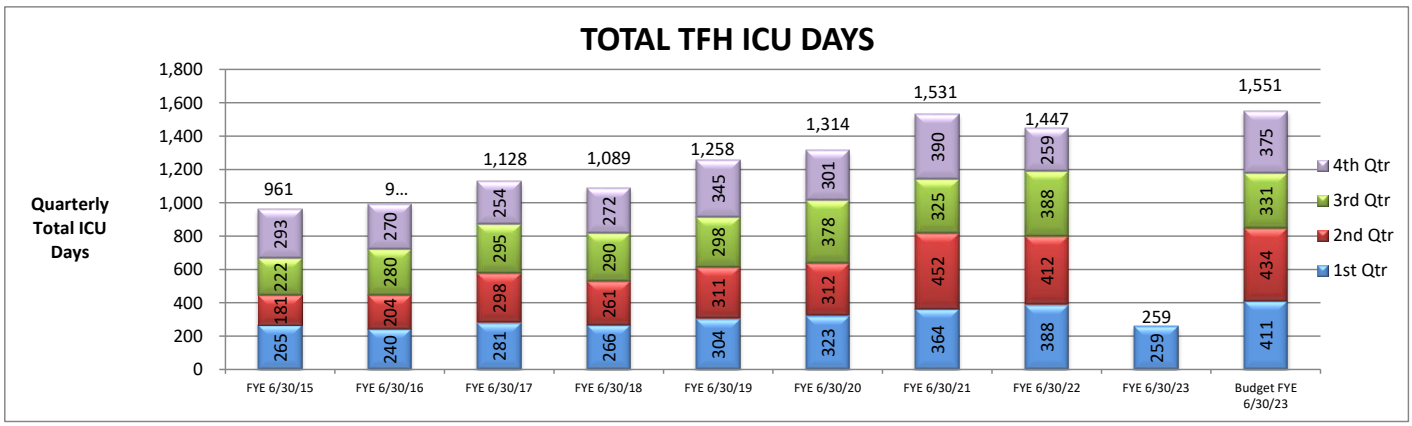

TOTAL TFH ADMISSIONS
Quarterly Admissions
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1,679
1,569
1,808
1,829
1,760
1,626
1,470
1,882
406
1,566
426
420
383
450
352
447
406
364
456
438
451
463
485
480
440
424
443
443
402
472
345
380
407
494
338
368
374
390
455
491
485
451
350
350
444
422
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23

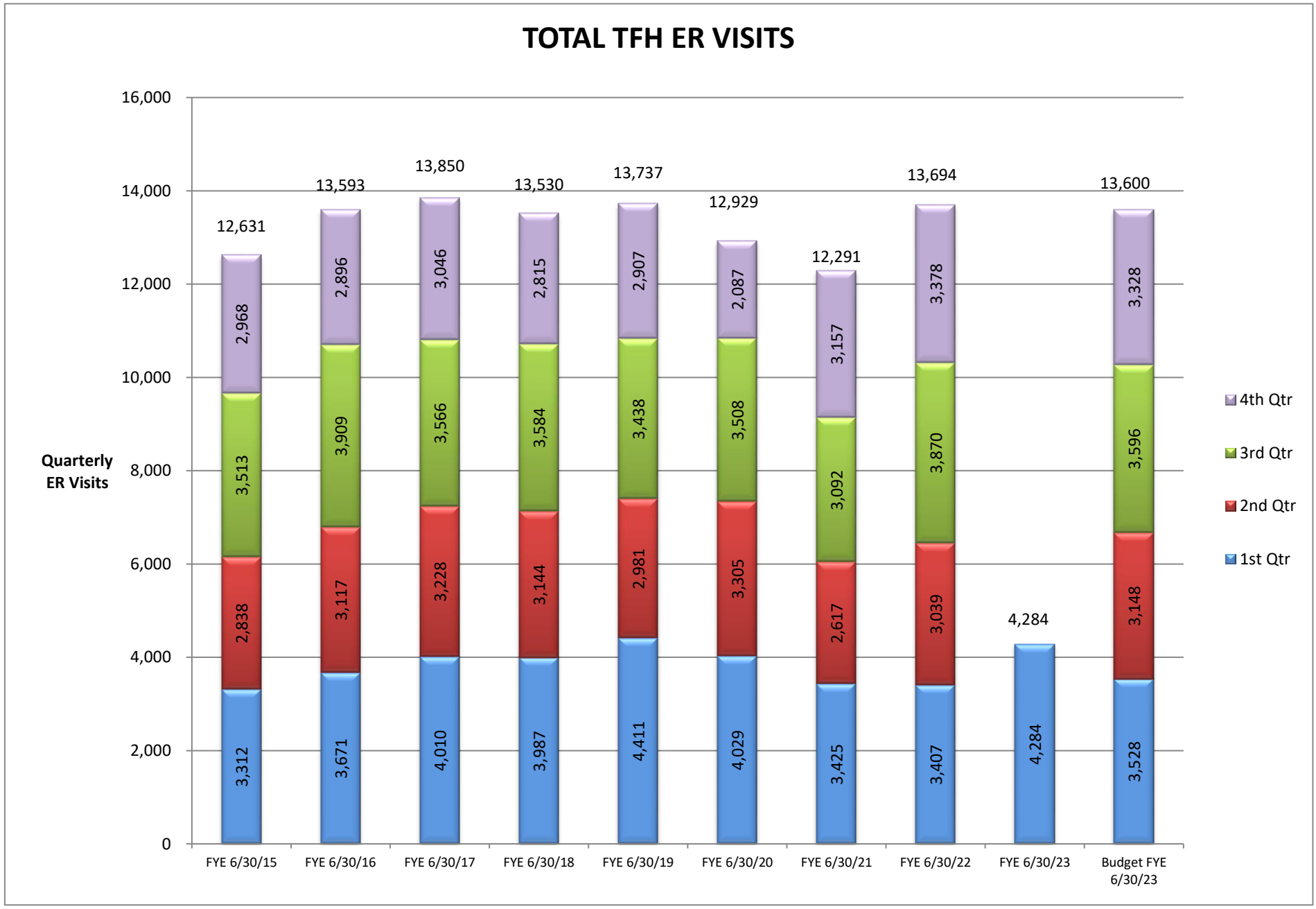

TOTAL TFH PATIENT DAYS
Quarterly Patient Days
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
4,730
4,694
4,873
4,328
5,786
5,547
5,299
5,598
1,322
5,910
1,268
1,053
1,205
1,204
1,074
1,148
1,333
1,139
1,245
1,206
1,163
1,259
1,168
1,059
1,015
1,086
1,489
1,357
1,406
1,534
1,491
1,458
1,387
1,211
1,256
1,560
1,202
1,281
1,449
1,549
1,336
1,264
1,322
1,574
1,691
1,320
1,325
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

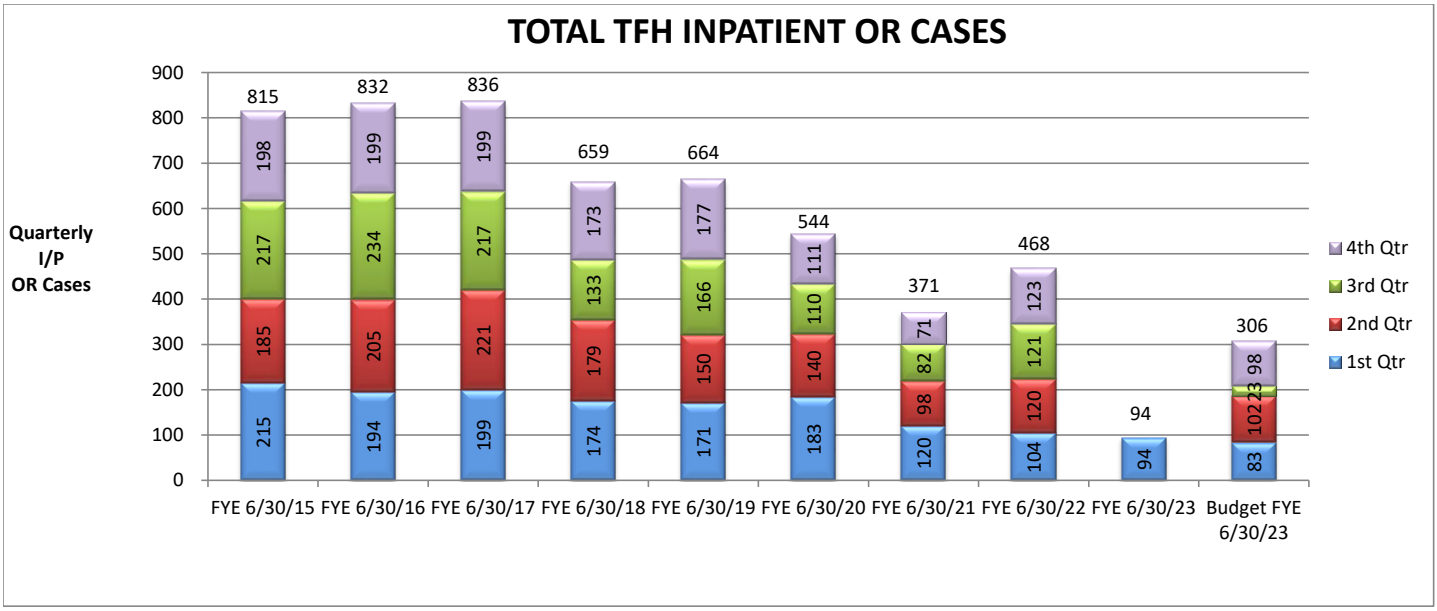

TOTAL TFH ICU INPATIENT DAYS
Quarterly ICU IP Days
800
600
400
200
0
205
196
219
254
247
273
434
545
60
600
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

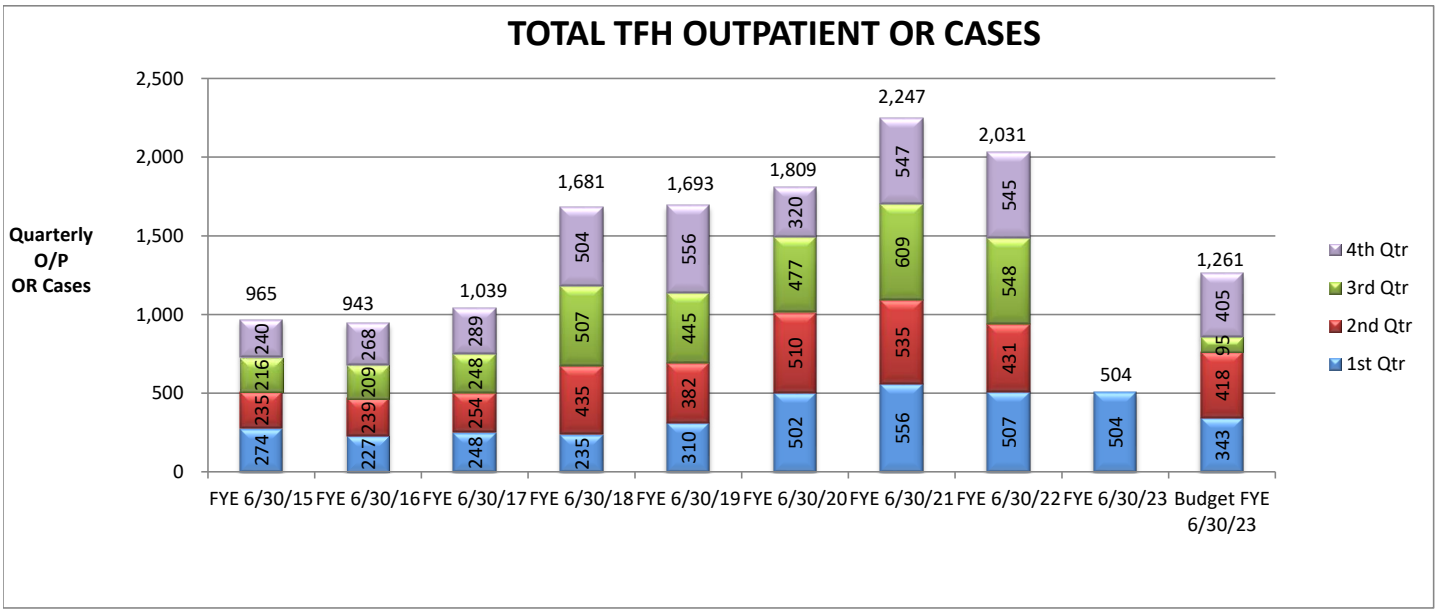

TOTAL TFH ICU STEPDOWN DAYS
Quarterly ICU Stepdown Days
700
500
300
100
(100)
351
412
443
435
560
518
696
576
111
651
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

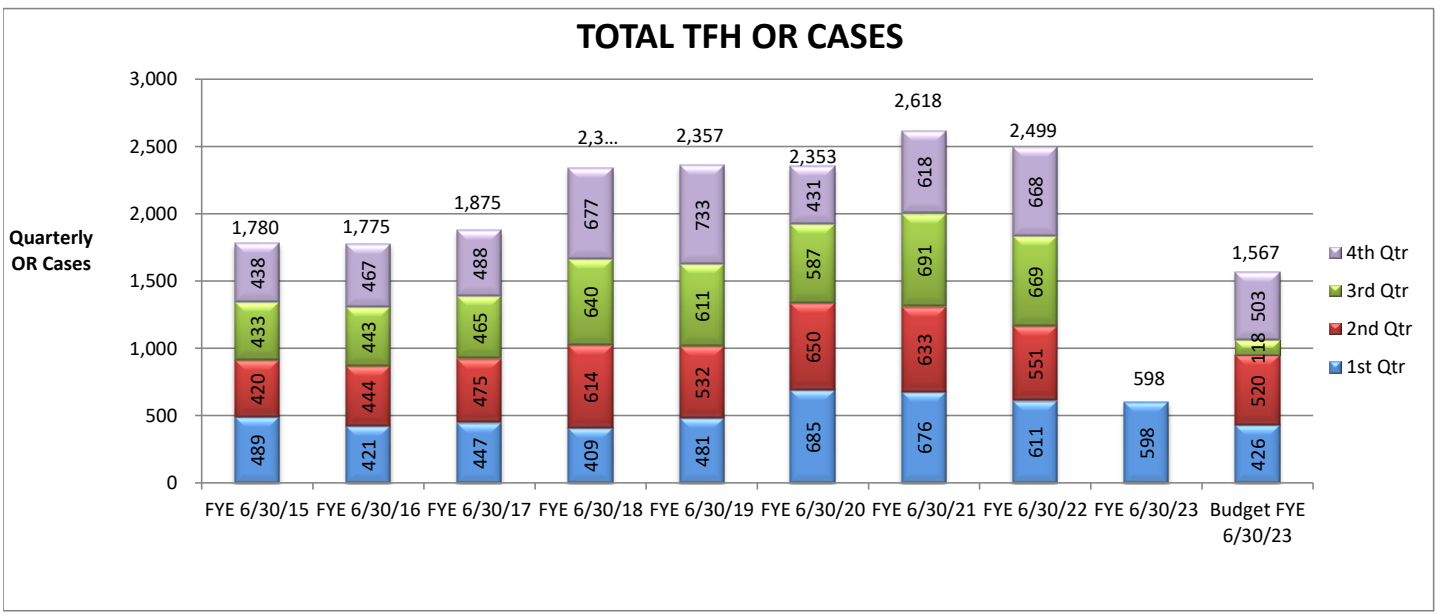

TOTAL TFH ICU MED/SURG DAYS
Quarterly ICU Med/Surg Days
600
400
200
0
405
386
466
400
451
523
401
326
88
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

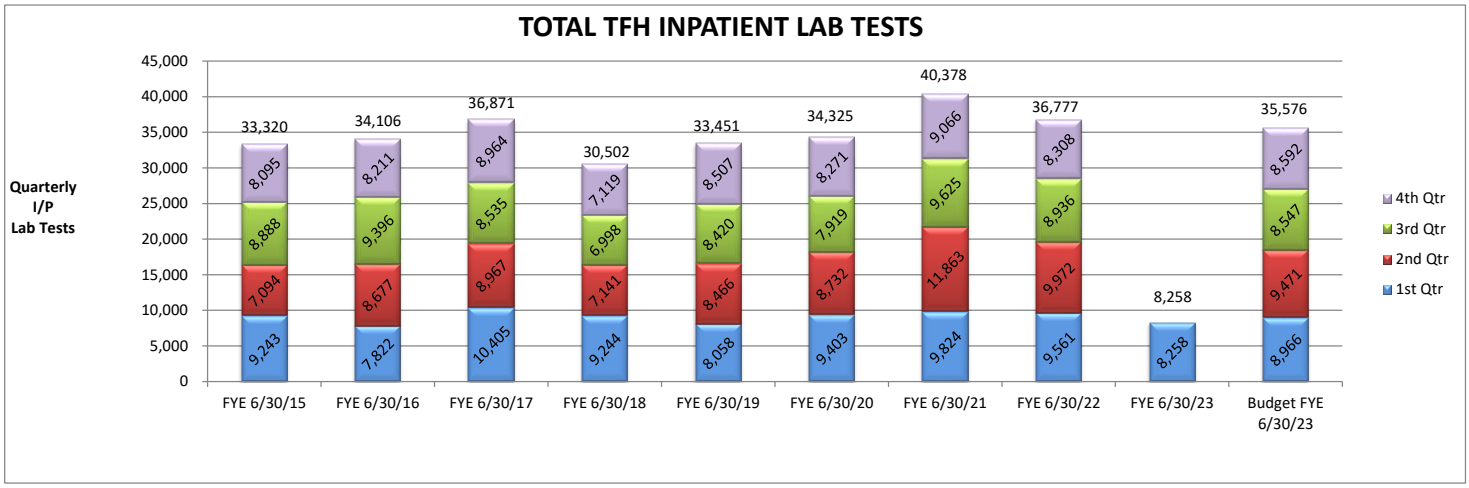

TOTAL TFH ICU DAYS
Quarterly Total ICU Days
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
961
1,128
1,089
1,258
1,314
1,531
1,447
259
1,551
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

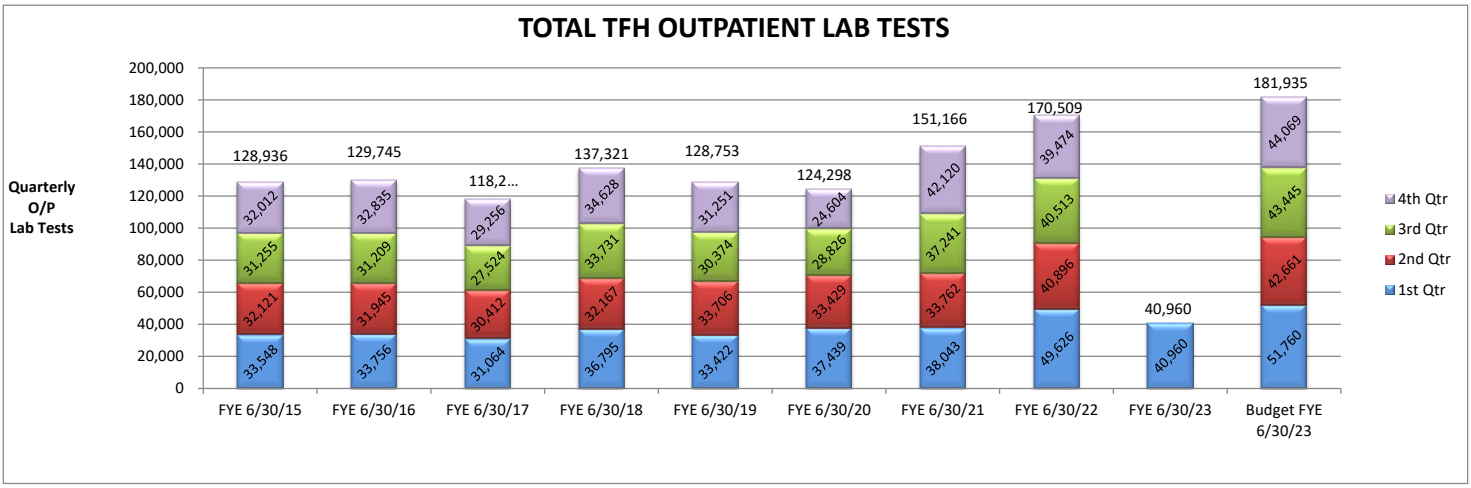

TOTAL TFH ER VISITS
Quarterly ER Visits
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
12,631
13,593
13,850
13,530
13,737
12,929
12,291
13,694
4,284
13,600
2,968
2,896
3,046
2,815
2,907
2,087
3,157
3,378
3,328
3,513
3,909
3,566
3,584
3,438
3,508
3,092
3,870
3,596
2,838
3,117
3,228
3,144
2,981
3,305
2,617
3,039
3,148
3,312
3,671
4,010
3,987
4,411
4,029
3,425
3,407
4,284
3,528
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

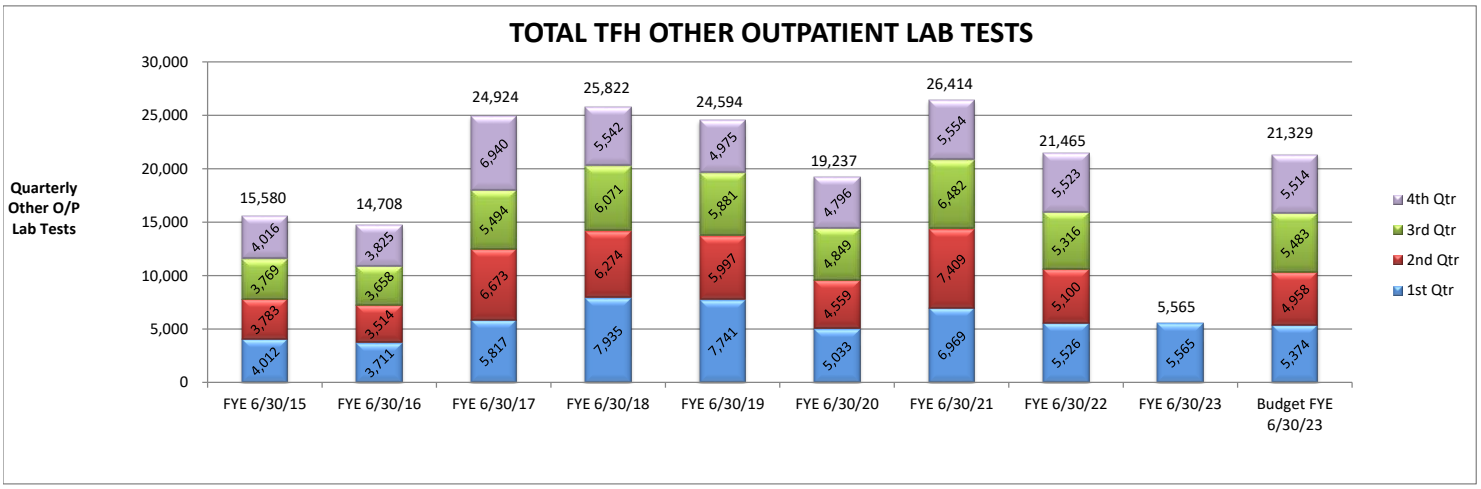

TOTAL TFH INPATIENT OR CASES
Quarterly I/P OR Cases
900
800
700
600
500
400
300
200
100
0
815
832
836
659
664
544
371
468
94
306
198
217
185
215
199
234
205
194
199
217
221
199
173
133
179
174
177
166
150
171
111
110
140
183
71
82
98
120
123
121
120
104
94
98
102
23
83
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

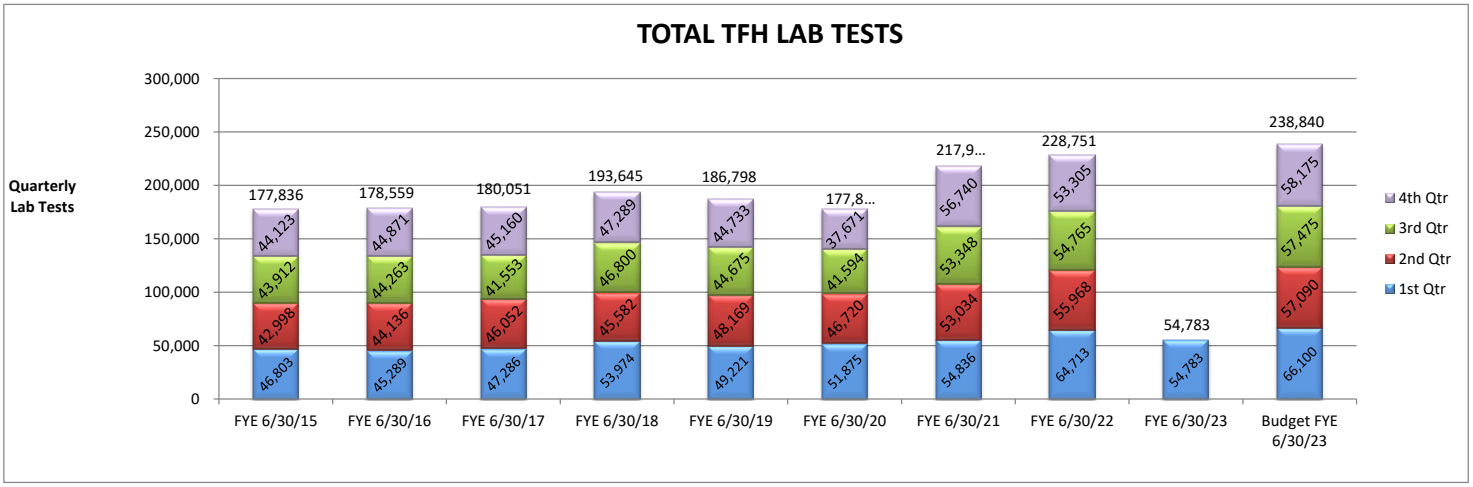

TOTAL TFH OUTPATIENT OR CASES
Quarterly O/P OR Cases
2,500
2,000
1,500
1,000
500
0
965
943
1,039
1,681
1,693
1,809
2,247
2,031
504
1,261
240
216
235
274
268
209
239
227
289
248
254
248
504
507
435
235
556
445
382
310
320
477
510
502
547
609
535
556
545
548
431
507
405
95
418
343
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH OR CASES
Quarterly OR Cases
3,000
2,500
2,000
1,500
1,000
500
0
1,780
1,775
1,875
2,3...
2,357
2,353
2,618
2,499
598
1,567
438
433
420
489
467
443
444
421
488
465
475
447
677
640
614
409
733
611
532
481
431
587
650
685
618
691
633
676
668
669
551
611
503
118
520
426
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

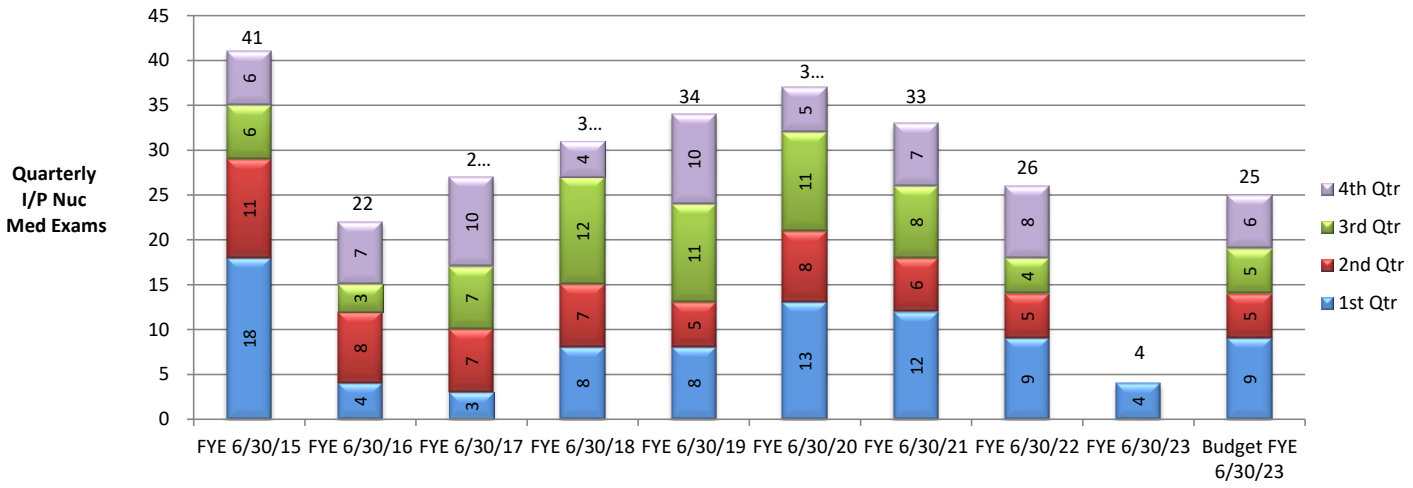

TOTAL TFH INPATIENT LAB TESTS
Quarterly I/P Lab Tests
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
33,320
34,106
36,871
30,502
33,451
34,325
40,378
36,777
8,258
35,576
8,095
8,888
7,094
9,243
8,211
9,396
8,677
7,822
8,964
8,535
8,967
10,405
7,119
6,998
7,141
9,244
8,507
8,420
8,466
8,058
8,271
7,919
8,732
9,403
9,066
9,625
11,863
9,824
8,308
8,936
9,972
9,561
8,258
8,592
8,547
9,471
8,966
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH OUTPATIENT LAB TESTS
Quarterly O/P Lab Tests
200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
128,936
129,745
118,2...
137,321
128,753
124,298
151,166
170,509
40,960
181,935
32,012
31,255
32,121
33,548
32,835
31,209
31,945
33,756
29,256
27,524
30,412
31,064
34,628
33,731
32,167
36,795
31,251
30,374
33,706
33,422
24,604
28,826
33,429
37,439
42,120
37,241
33,762
38,043
39,474
40,513
40,896
49,626
40,960
44,069
43,445
42,661
51,760
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

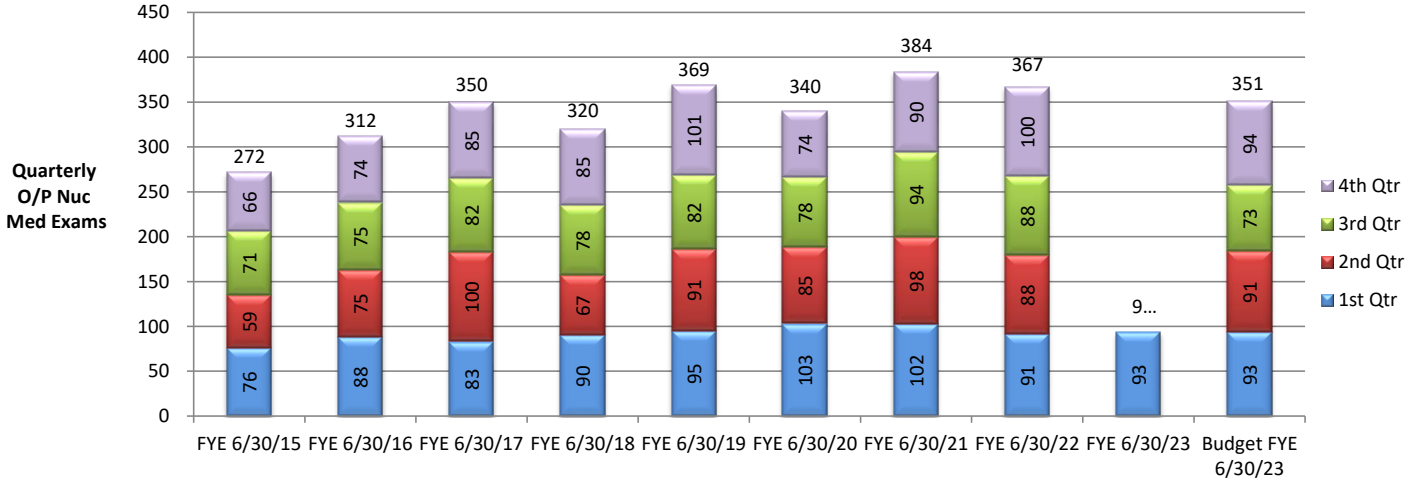

TOTAL TFH OTHER OUTPATIENT LAB TESTS
Quarterly Other O/P Lab Tests
30,000
25,000
20,000
15,000
10,000
5,000
0
15,580
14,708
24,924
25,822
24,594
19,237
26,414
21,465
5,565
21,329
4,016
3,769
3,783
4,012
3,825
3,658
3,514
3,711
6,940
5,494
6,673
5,817
5,542
6,071
6,274
7,935
4,975
5,881
5,997
7,741
4,796
4,849
4,559
5,033
5,554
6,482
7,409
6,969
5,523
5,316
5,100
5,526
5,565
5,514
5,483
4,958
5,374
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH LAB TESTS
Quarterly Lab Tests
300,000
250,000
200,000
150,000
100,000
50,000
0
177,836
178,559
180,051
193,645
186,798
177,8...
217,9...
228,751
54,783
238,840
44,123
43,912
42,998
46,803
44,871
44,263
44,136
45,289
45,160
41,553
46,052
47,286
47,289
46,800
45,582
53,974
44,733
44,675
48,169
49,221
37,671
41,594
46,720
51,875
56,740
53,348
53,034
54,836
53,305
54,765
55,968
64,713
54,783
58,175
57,475
57,090
66,100
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

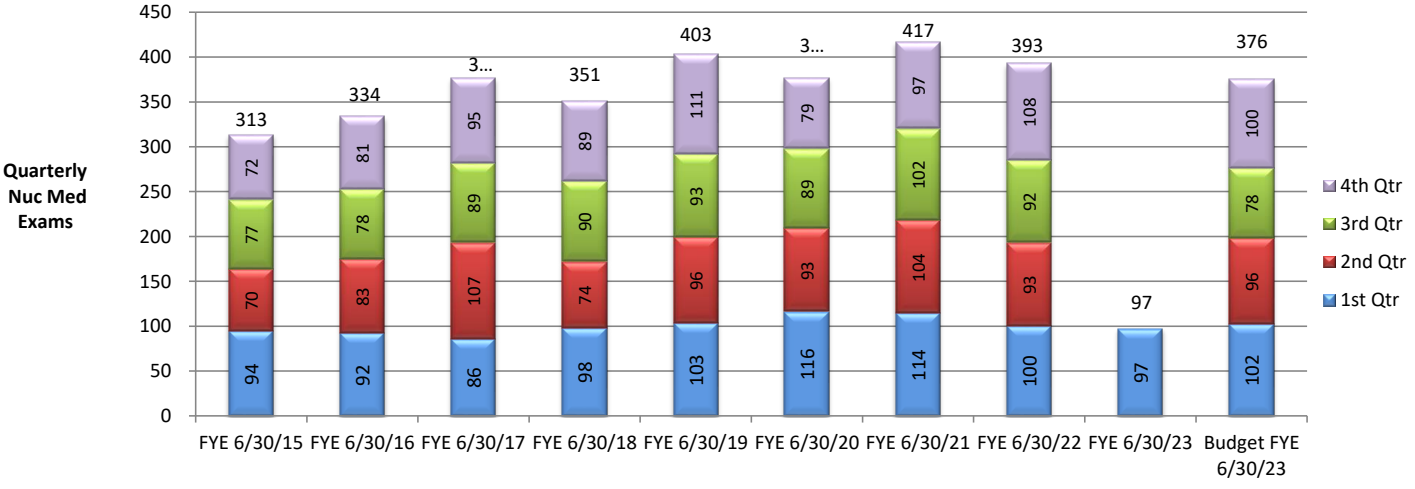
TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS

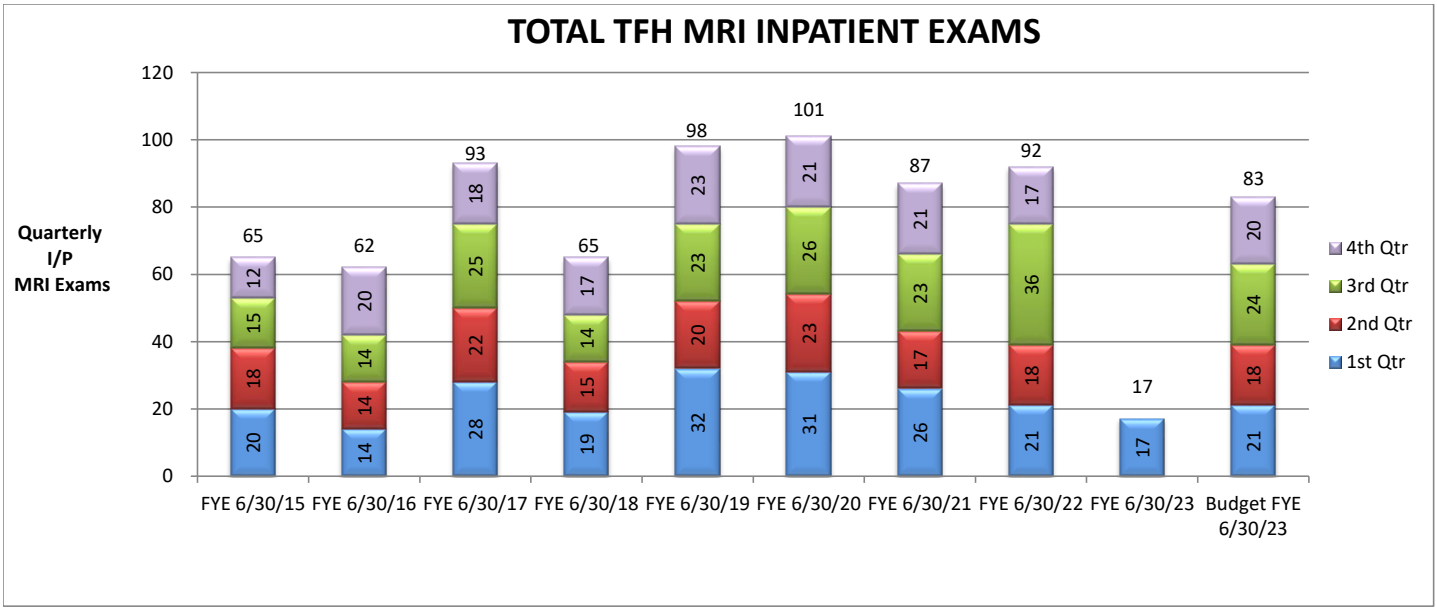


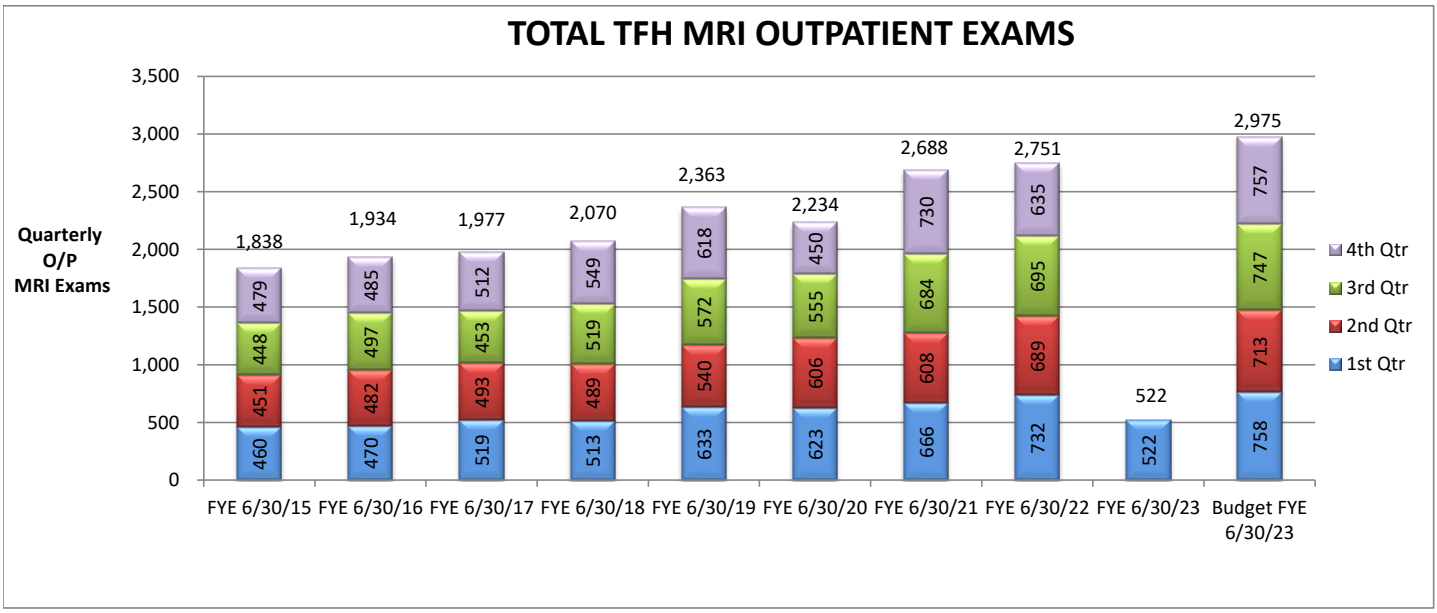
TOTAL TFH NUCLEAR MEDICINE OUTPATIENT EXAMS

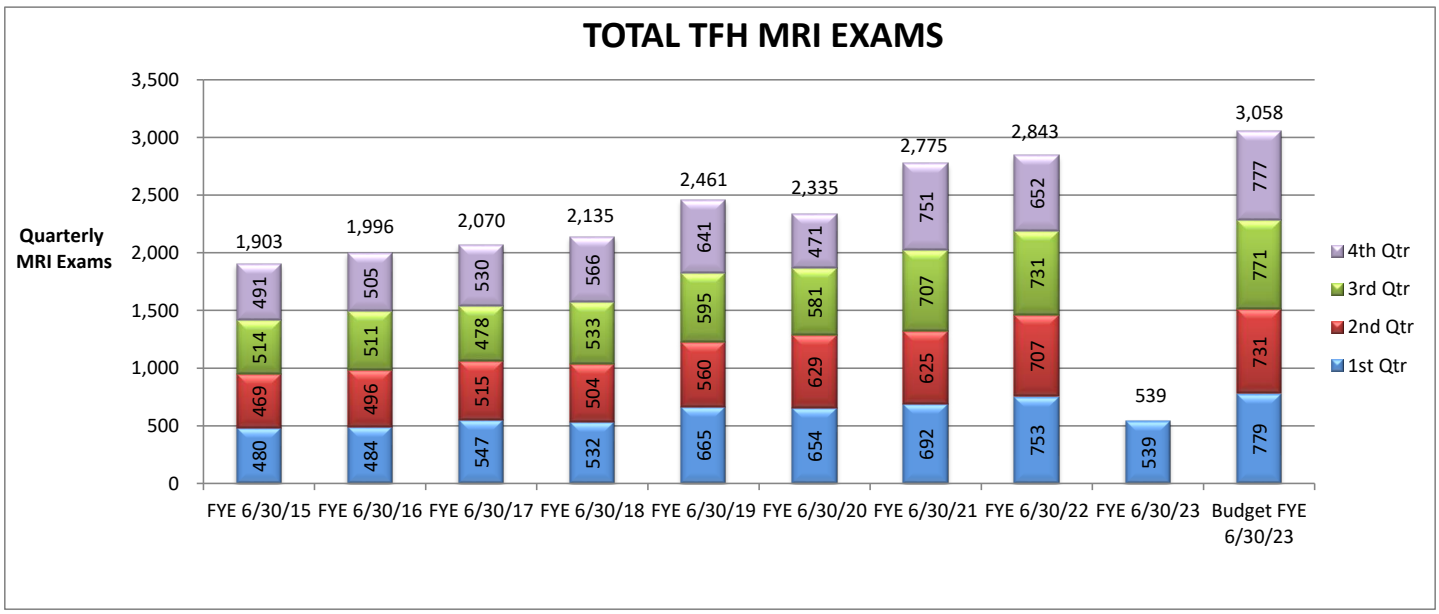


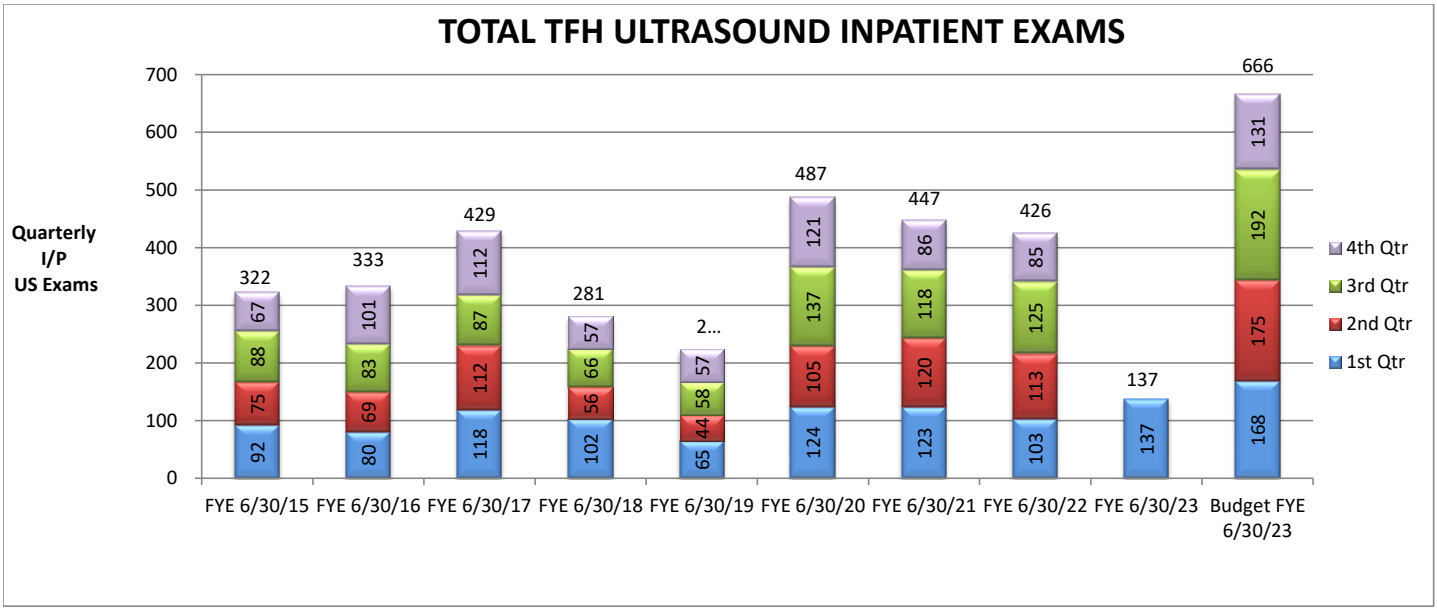
TOTAL TFH NUCLEAR MEDICINE EXAMS

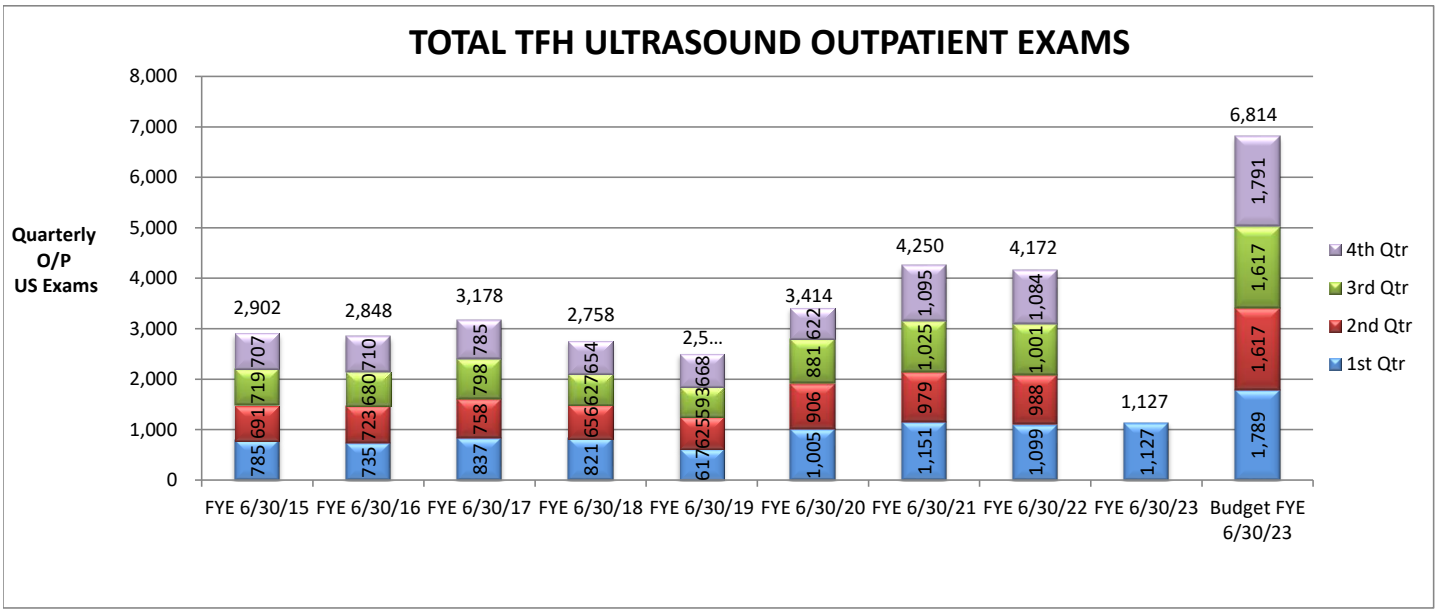


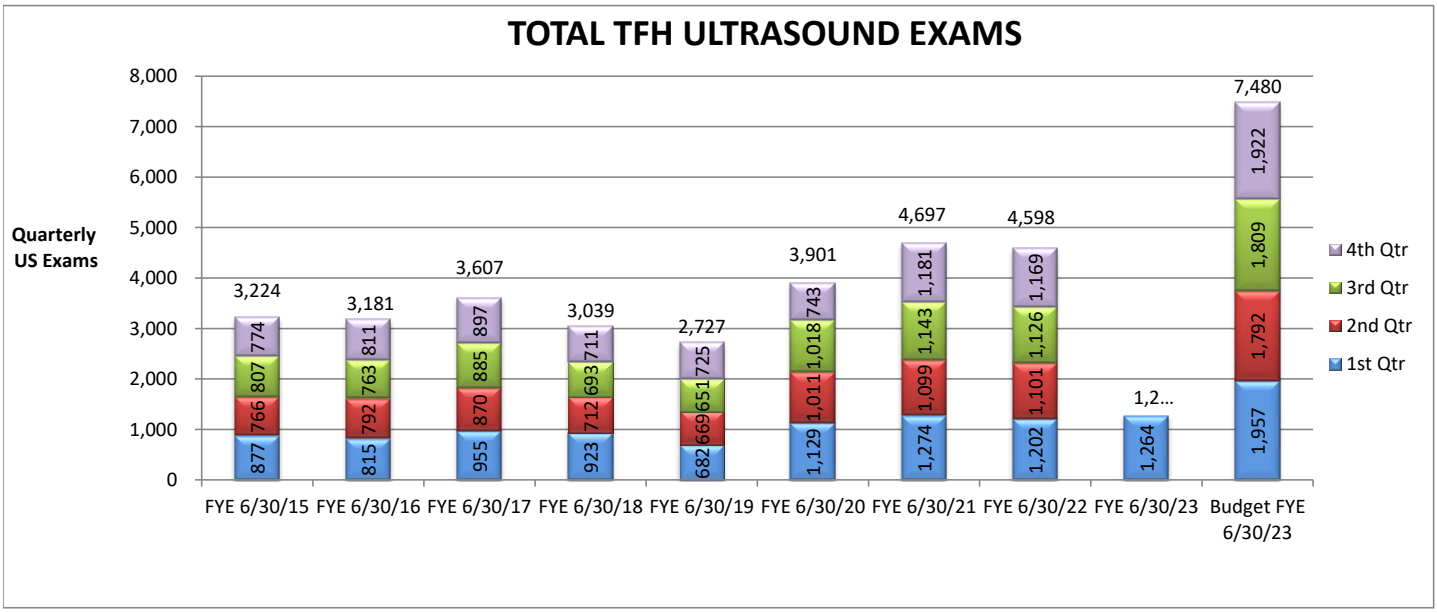

TOTAL TFH MRI INPATIENT EXAMS
Quarterly I/P MRI Exams
120
100
80
60
40
20
0
65
62
93
65
98
101
87
92
17
83
20
15
12
18
14
20
14
14
25
18
22
28
15
14
17
19
20
23
23
32
23
26
21
31
17
23
21
26
18
36
17
21
17
18
24
20
21
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

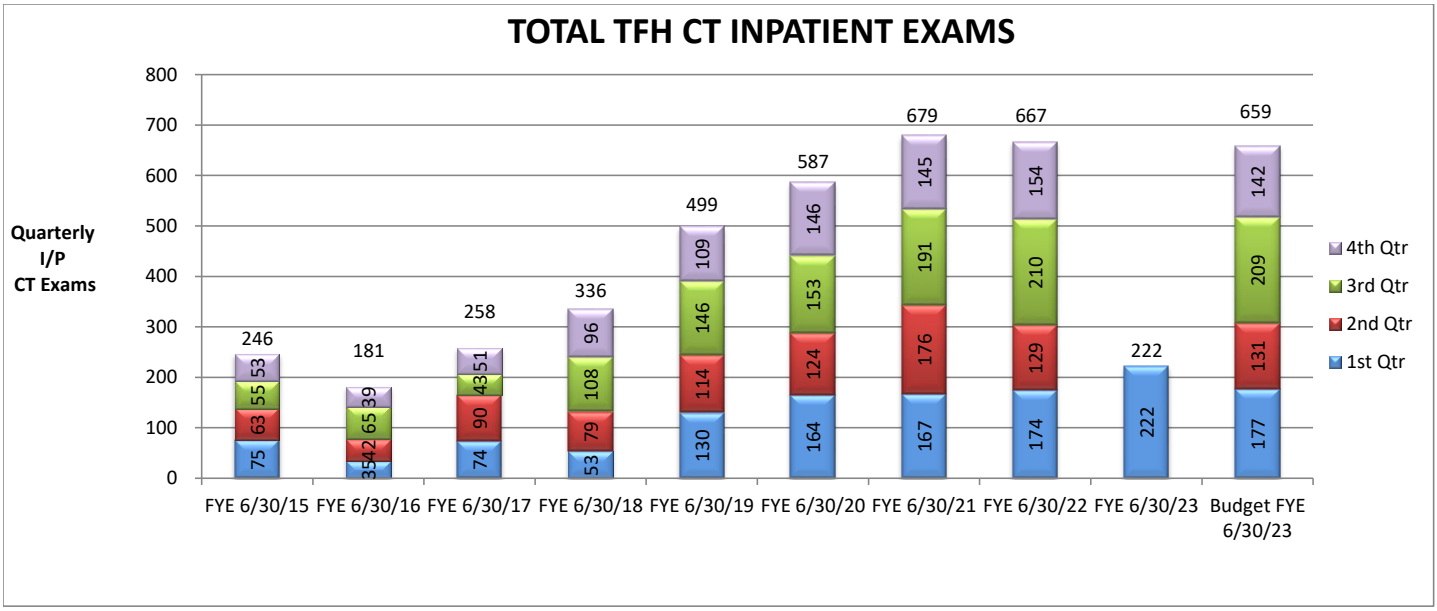

TOTAL TFH MRI OUTPATIENT EXAMS
Quarterly O/P MRI Exams
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1,838
1,934
1,977
2,070
2,363
2,234
2,688
2,751
522
2,975
479
448
451
460
485
497
482
470
512
453
493
519
549
519
489
513
618
572
540
633
450
555
606
623
730
684
608
666
635
695
689
732
757
747
713
758
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

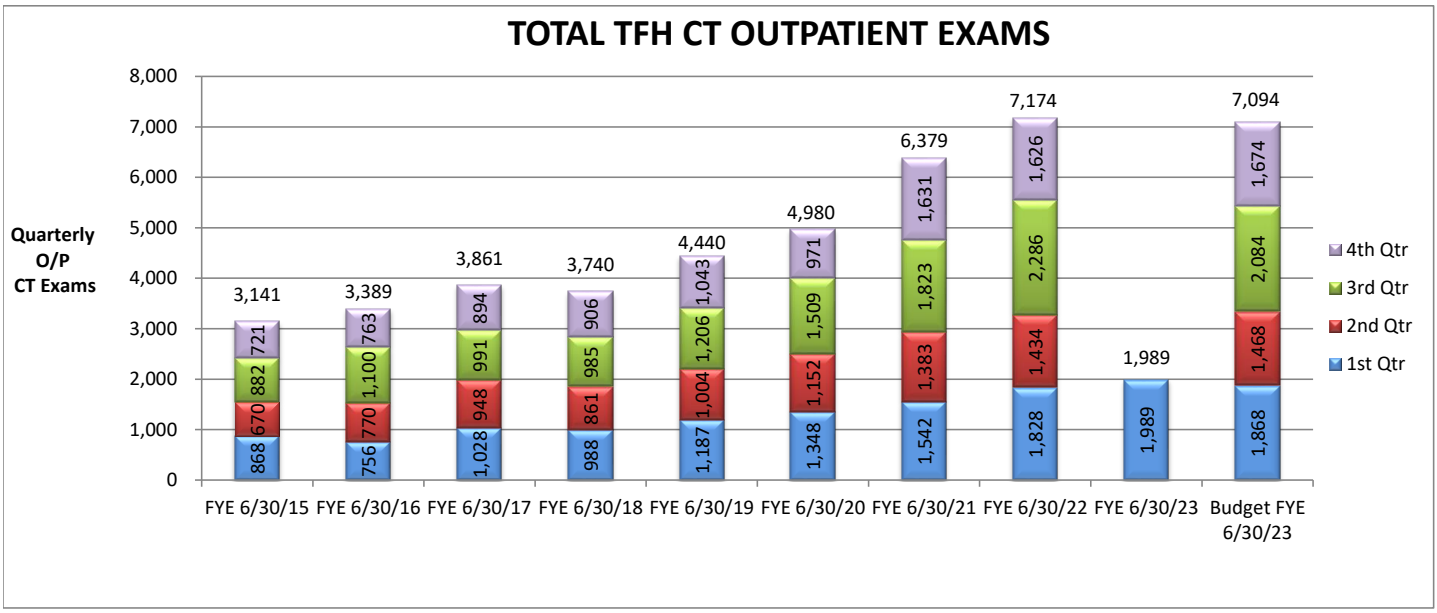

TOTAL TFH MRI EXAMS
Quarterly MRI Exams
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1,903
1,996
2,070
2,135
2,461
2,335
2,775
2,843
539
3,058
491
514
469
480
505
511
496
484
530
478
515
547
566
533
504
532
641
595
560
665
471
581
629
654
751
707
625
692
652
731
707
753
777
771
731
779
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

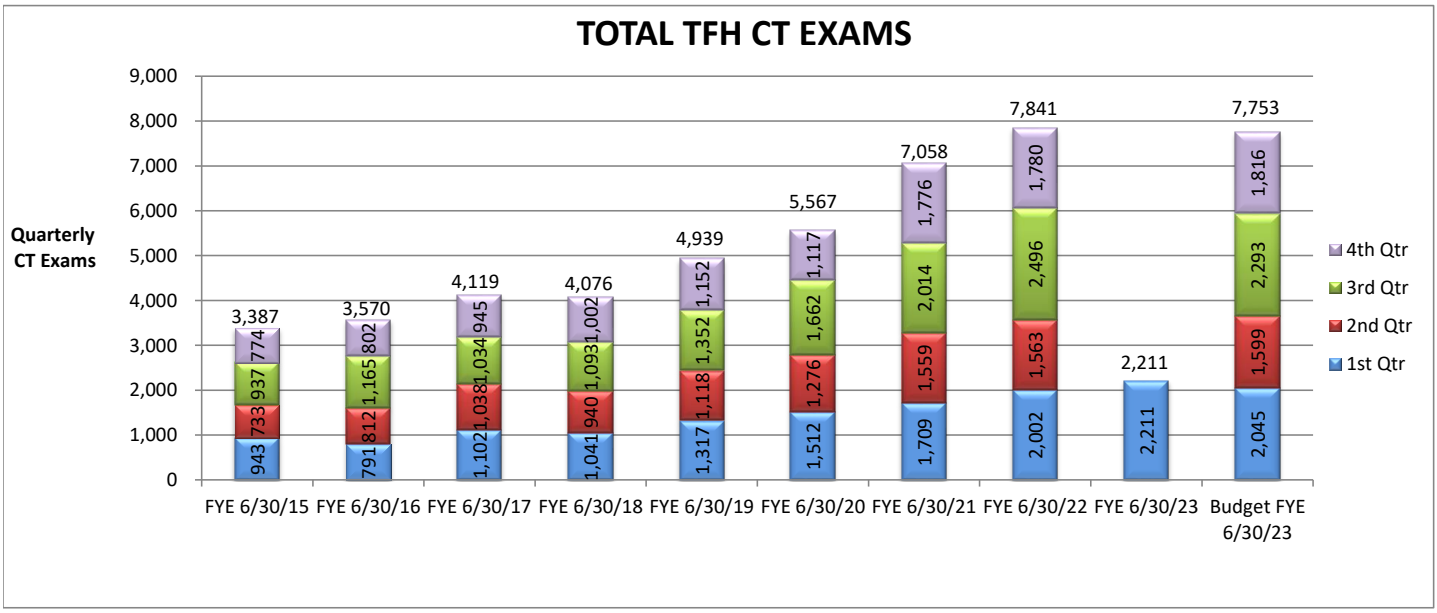

TOTAL TFH ULTRASOUND INPATIENT EXAMS
Quarterly I/P US Exams
700
600
500
400
300
200
100
0
322
333
429
281
2...
487
447
426
137
666
92 75 88 67
80 69 83 101
118 112 87 112
102 56 66 57
65 44 58 57
124 105 137 121
123 120 118 86
103 113 125 85
137
168 175 192 131
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH ULTRASOUND OUTPATIENT EXAMS
Quarterly O/P US Exams
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2,902
2,848
3,178
2,758
2,5...
3,414
4,250
4,172
1,127
6,814
785 691 719 707
735 723 680 710
837 758 798 785
821 656 627 654
617 625 593 668
1,005 906 881 622
1,151 979 1,025 1,095
1,099 988 1,001 1,084
1,127
1,789 1,617 1,617 1,791
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

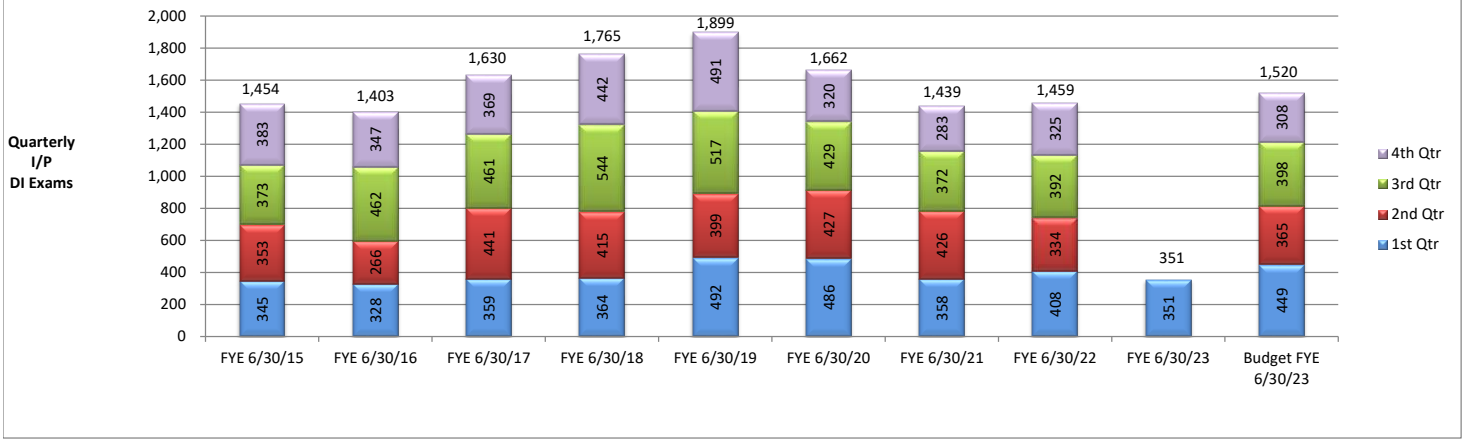

TOTAL TFH ULTRASOUND EXAMS
Quarterly US Exams
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,224
3,181
3,607
3,039
2,727
3,901
4,697
4,598
1,2...
7,480
877 766 807 774
815 792 763 811
955 870 885 897
923 712 693 711
682 669 651 725
1,129 1,011 1,018 743
1,274 1,099 1,143 1,181
1,202 1,101 1,126 1,169
1,264
1,957 1,792 1,809 1,922
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT INPATIENT EXAMS
Quarterly I/P CT Exams
800
700
600
500
400
300
200
100
0
246
181
258
336
499
587
679
667
659
75 63 55 53
35 42 65 39
74 90 43 51
53 79 108 96
130 114 146 109
164 124 153 146
167 176 191 145
174 129 210 154
222
177 131 209 142
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

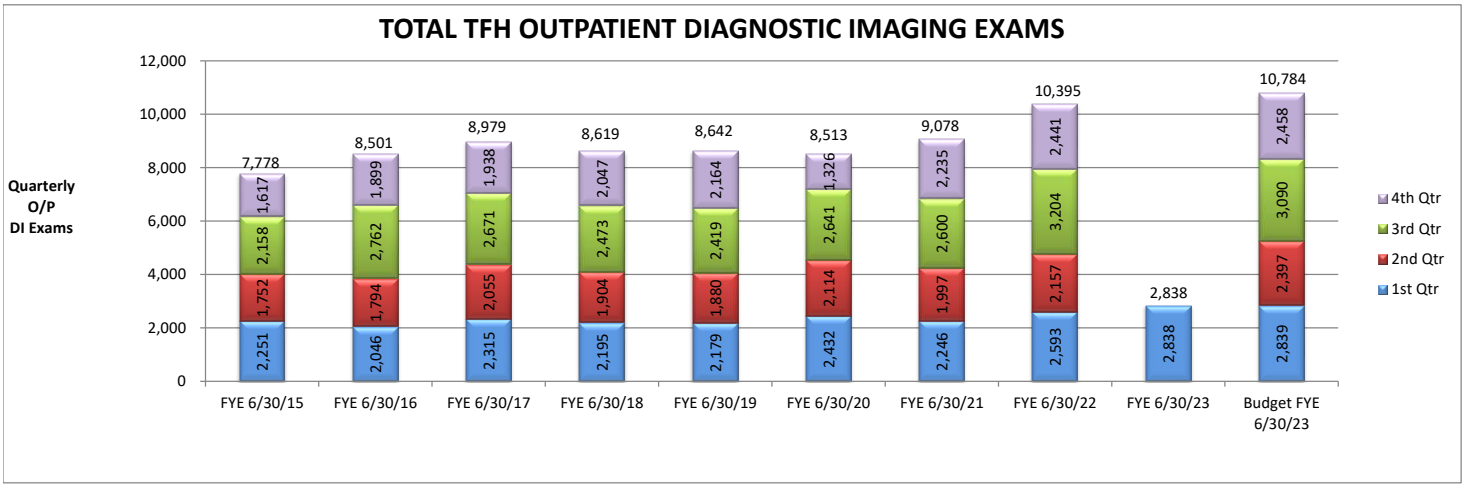

TOTAL TFH CT OUTPATIENT EXAMS
Quarterly O/P CT Exams
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,141
3,389
3,861
3,740
4,440
4,980
6,379
7,174
1,989
7,094
868 670 882 721
756 770 1,100 763
1,028 948 991 894
988 861 985 906
1,187 1,004 1,206 1,043
1,348 1,152 1,509 971
1,542 1,383 1,823 1,631
1,828 1,434 2,286 1,626
1,989
1,868 1,468 2,084 1,674
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH CT EXAMS
Quarterly CT Exams
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,387
3,570
4,119
4,076
4,939
5,567
7,058
7,841
2,211
7,753
943 733 937 774
791 812 1,165 802
1,102 1,038 1,034 945
1,041 940 1,093 1,002
1,317 1,118 1,352 1,152
1,512 1,276 1,662 1,117
1,709 1,559 2,014 1,776
2,002 1,563 2,496 1,780
2,211
2,045 1,599 2,293 1,816
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

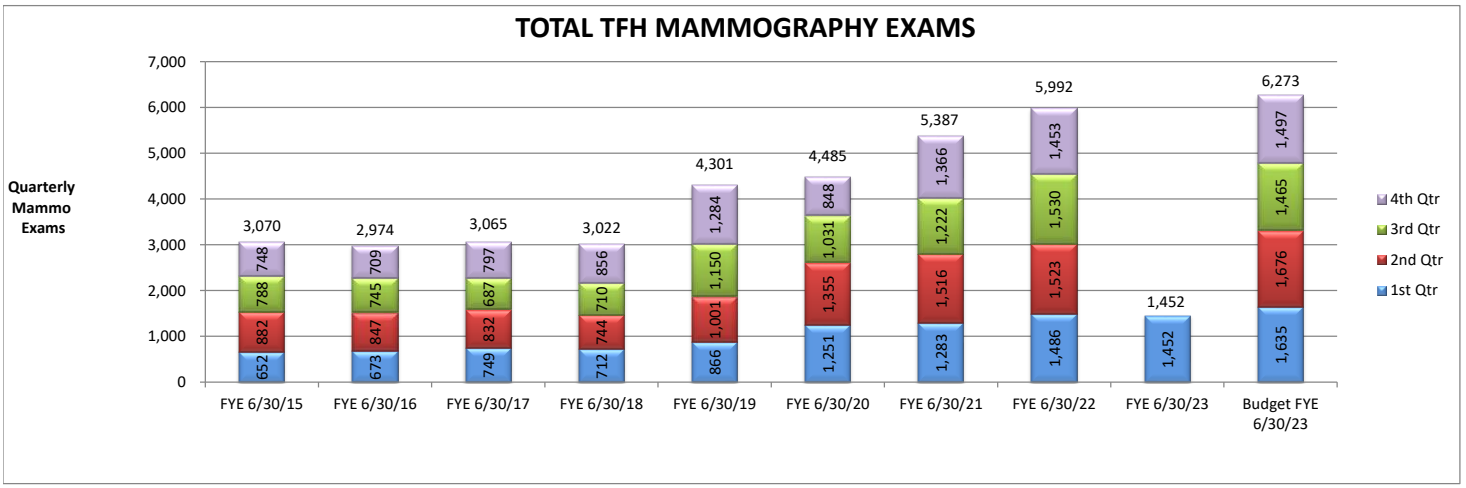
TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



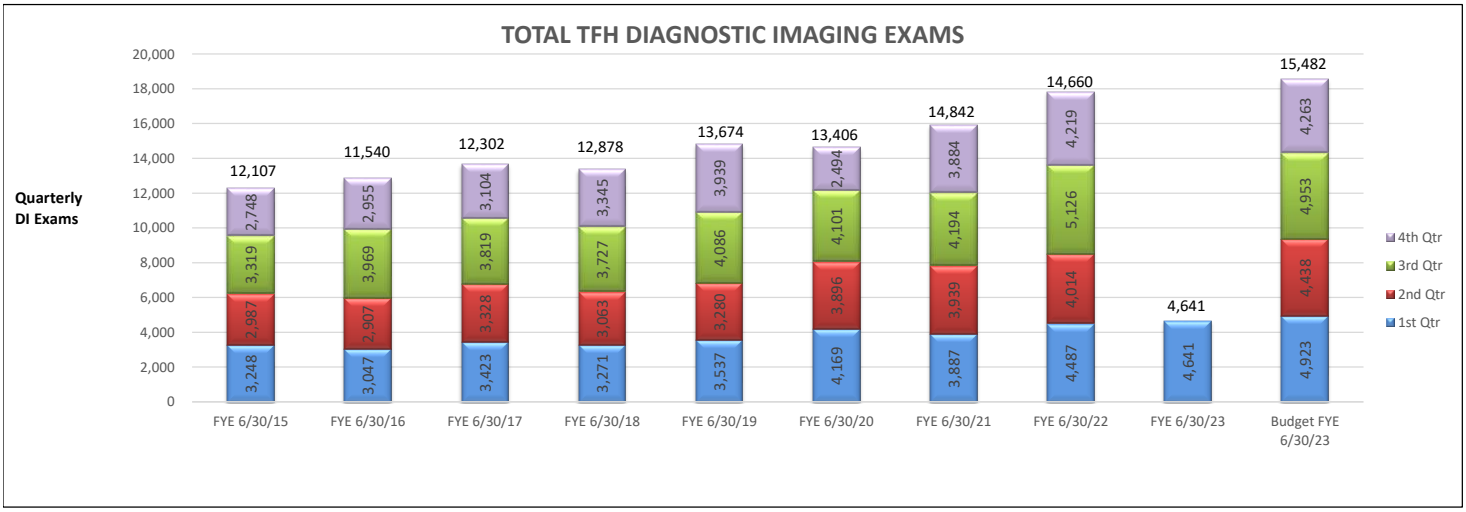
TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS

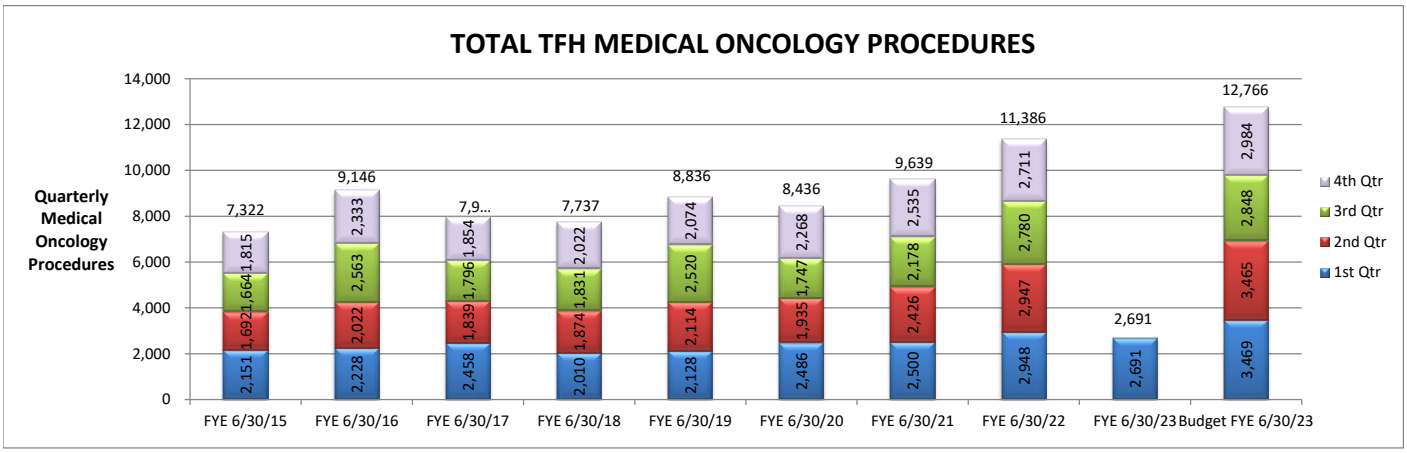


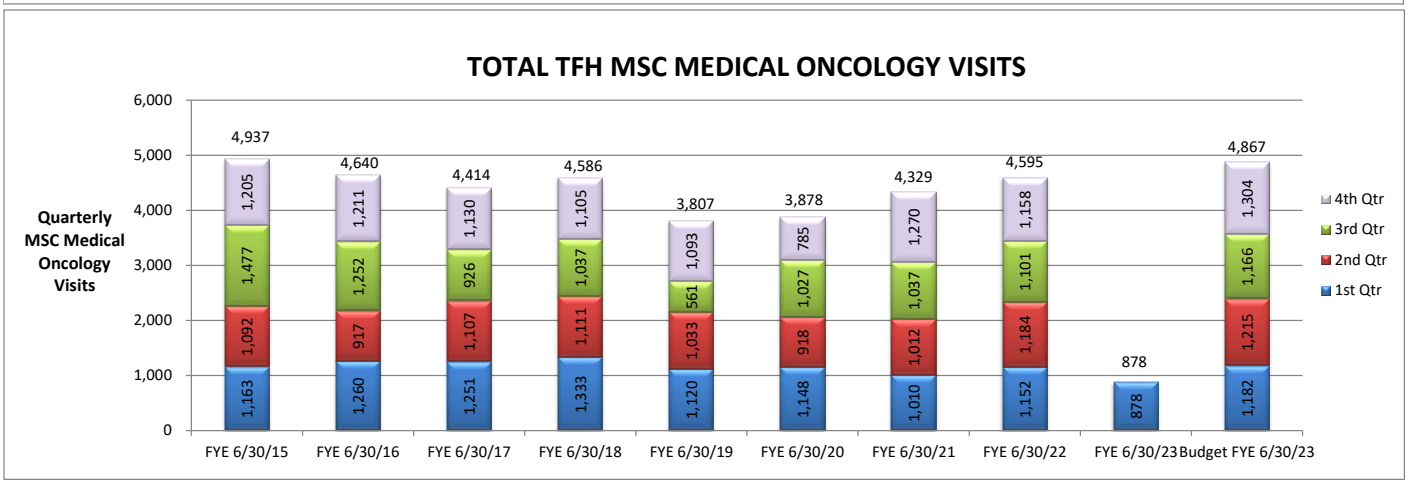
TOTAL TFH MAMMOGRAPHY EXAMS

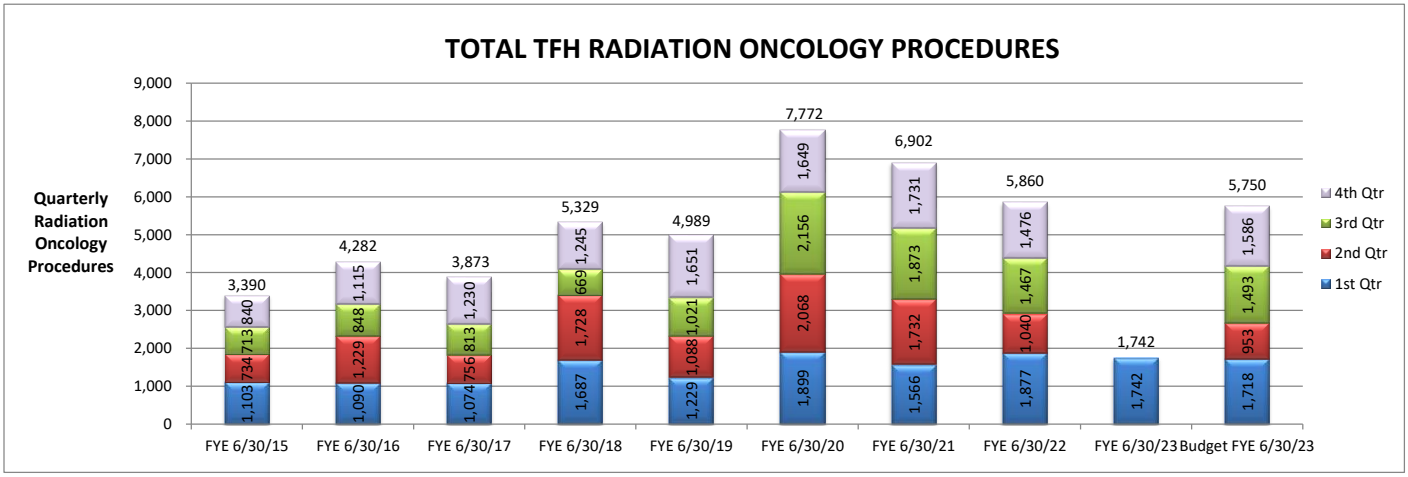


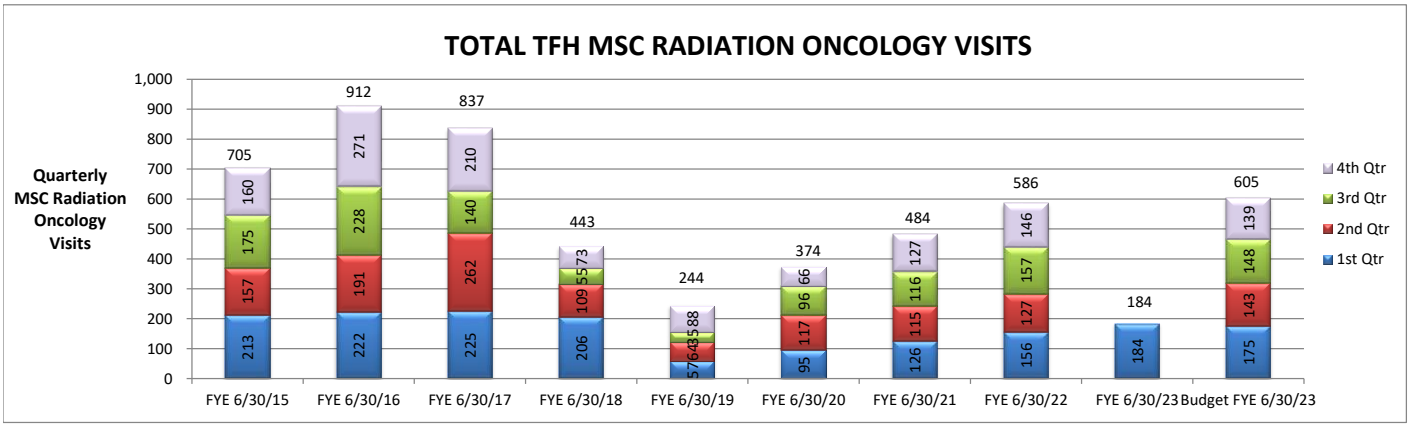
TOTAL TFH DIAGNOSTIC IMAGING EXAMS

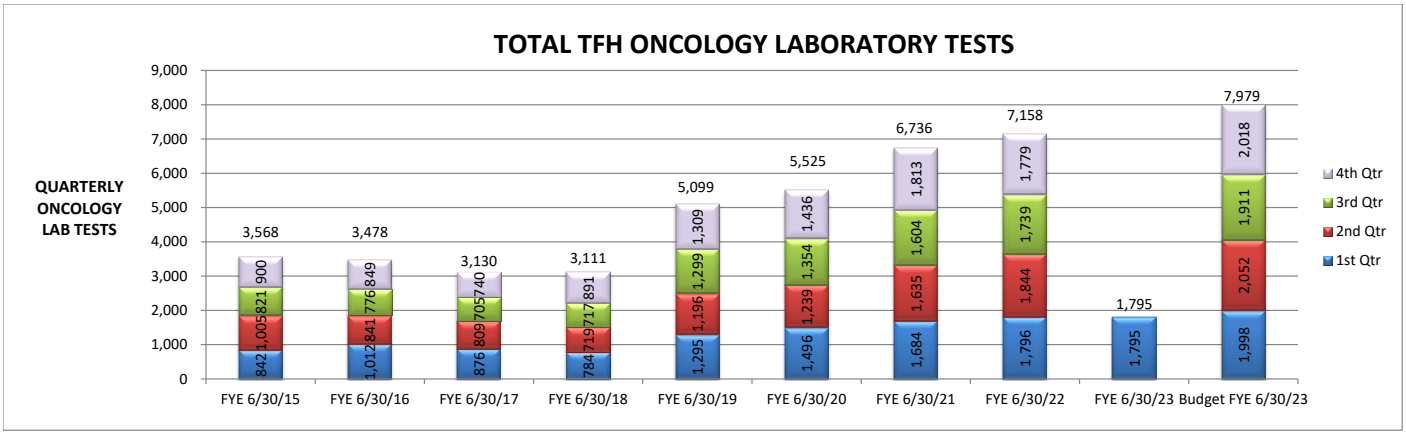


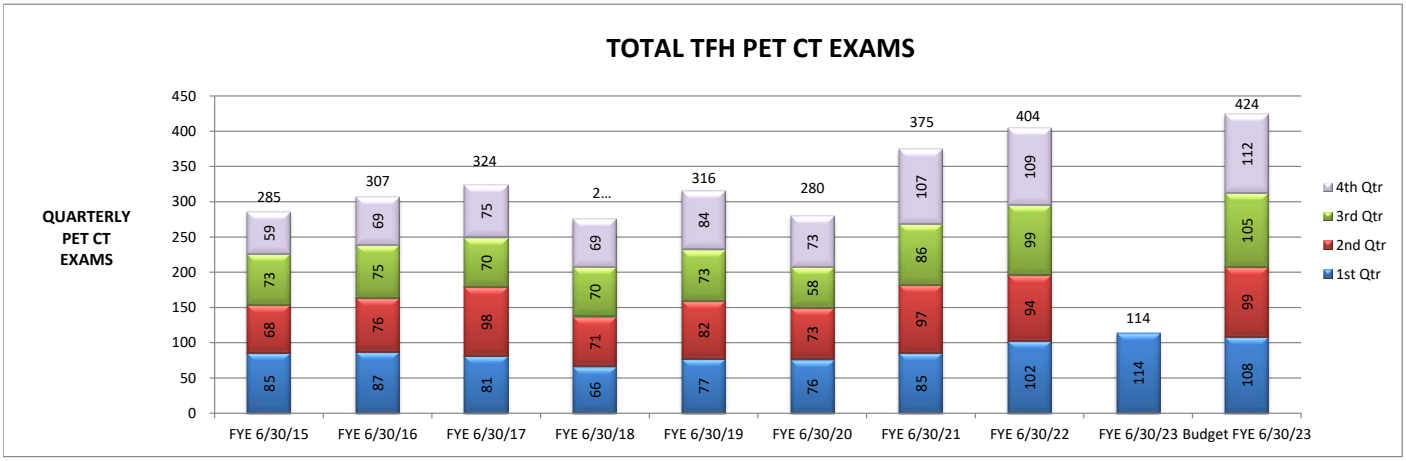

TOTAL TFH MEDICAL ONCOLOGY PROCEDURES
Quarterly Medical Oncology Procedures
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
7,322
9,146
7,9...
7,737
8,836
8,436
9,639
11,386
2,691
12,766
2,151 1,692 1,664 1,815
2,228 2,022 2,563 2,333
2,458 1,839 1,796 1,854
2,010 1,874 1,831 2,022
2,128 2,114 2,520 2,074
2,486 1,935 1,747 2,268
2,500 2,426 2,178 2,535
2,948 2,947 2,780 2,711
2,691
3,469 3,465 2,848 2,984
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MSC MEDICAL ONCOLOGY VISITS
Quarterly MSC Medical Oncology Visits
6,000
5,000
4,000
3,000
2,000
1,000
0
4,937
4,640
4,414
4,586
3,807
3,878
4,329
4,595
878
4,867
1,163 1,092 1,477 1,205
1,260 917 1,252 1,211
1,251 1,107 926 1,130
1,333 1,111 1,037 1,105
1,120 1,033 561 1,093
1,148 918 1,027 785
1,010 1,012 1,037 1,270
1,152 1,184 1,101 1,158
878
1,182 1,215 1,166 1,304
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

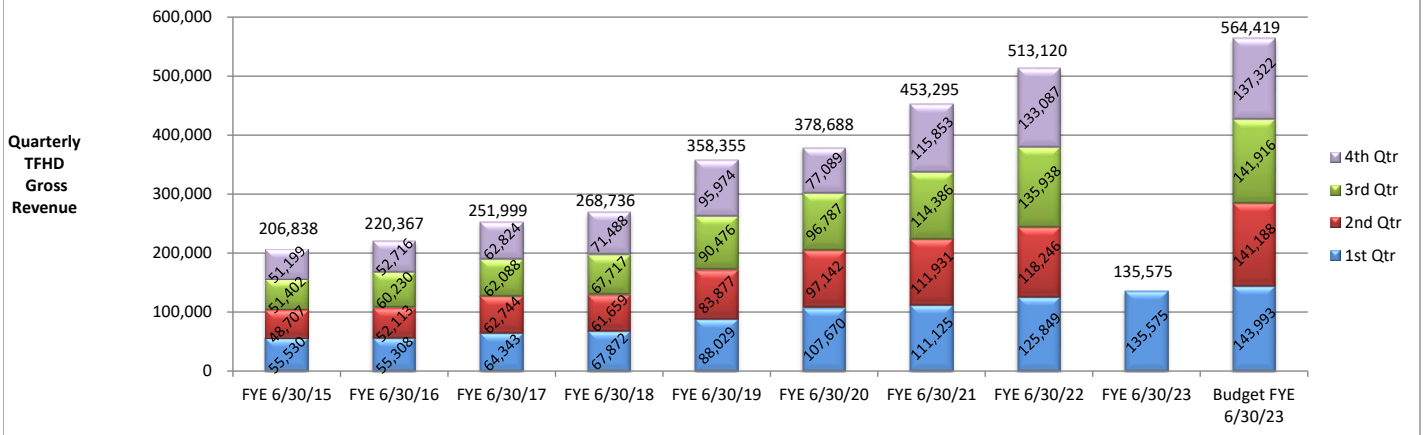

TOTAL TFH RADIATION ONCOLOGY PROCEDURES
Quarterly Radiation Oncology Procedures
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,390
4,282
3,873
5,329
4,989
7,772
6,902
5,860
1,742
5,750
1,103 734 713 840
1,090 1,229 848 1,115
1,074 756 813 1,230
1,687 1,728 669 1,245
1,229 1,088 1,021 1,651
1,899 2,068 2,156 1,649
1,566 1,732 1,873 1,731
1,877 1,040 1,467 1,476
1,742
1,718 953 1,493 1,586
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH MSC RADIATION ONCOLOGY VISITS
Quarterly MSC Radiation Oncology Visits
1,000
900
800
700
600
500
400
300
200
100
0
705
912
837
443
244
374
484
586
184
605
213 157 175 160
222 191 228 271
225 262 140 210
206 109 57 73
57 64 45 88
95 117 96 66
126 115 116 127
156 127 157 146
184
175 143 148 139
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

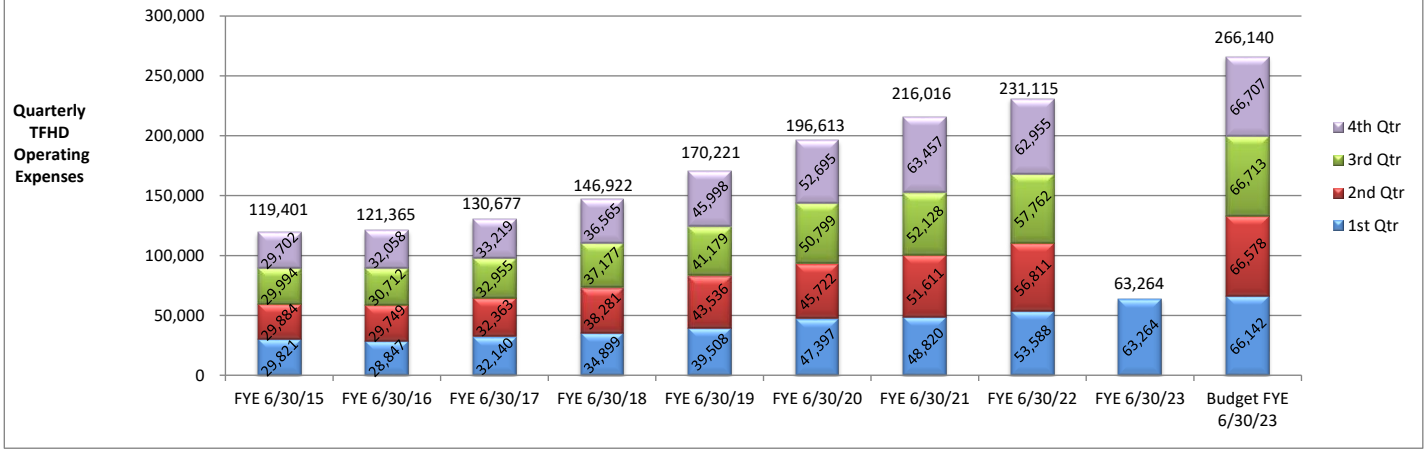

TOTAL TFH ONCOLOGY LABORATORY TESTS
QUARTERLY ONCOLOGY LAB TESTS
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,568
3,478
3,130
3,111
5,099
5,525
6,736
7,158
1,795
7,979
842 1,005 821 900
1,012 841 776 849
876 809 705 740
784 719 717 891
1,295 1,196 1,299 1,309
1,496 1,239 1,354 1,436
1,684 1,635 1,604 1,813
1,796 1,844 1,739 1,779
1,795
1,998 2,052 1,911 2,018
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr


TOTAL TFH PET CT EXAMS
QUARTERLY PET CT EXAMS
450
400
350
300
250
200
150
100
50
0
285
307
324
2...
316
280
375
404
114
424
85 68 73 59
87 76 75 69
81 98 70 75
66 71 70 69
77 82 73 84
76 73 58 73
85 97 86 107
102 94 99 109
114
108 99 105 112
FYE 6/30/15
FYE 6/30/16
FYE 6/30/17
FYE 6/30/18
FYE 6/30/19
FYE 6/30/20
FYE 6/30/21
FYE 6/30/22
FYE 6/30/23
Budget FYE 6/30/23
4th Qtr
3rd Qtr
2nd Qtr
1st Qtr

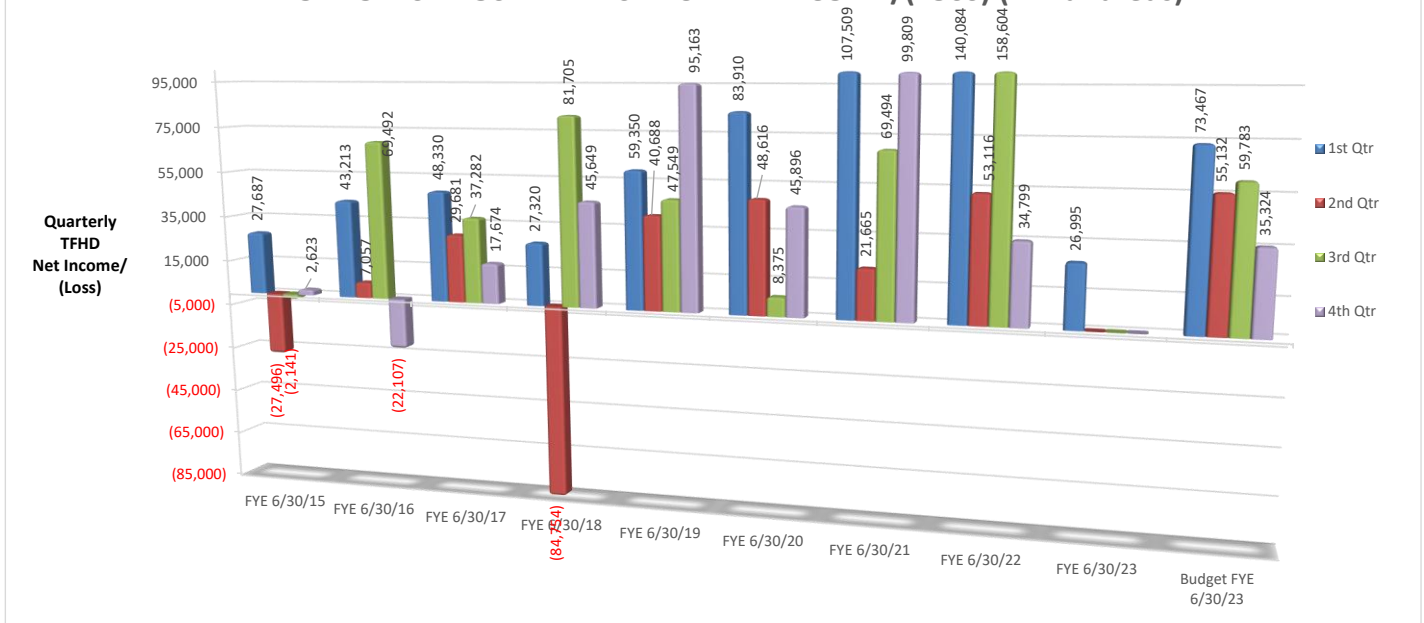
TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



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



TAHOE FOREST HOSPITAL DISTRICT

Board Informational Report

By: Harry Weis
President and CEO

DATE: 10/17/22

Tahoe Forest Health System continues to illustrate lower overall patient volumes this fiscal year versus last fiscal year. Right now, we estimate we are approximately 3% below prior fiscal year performance in overall volume changes after the first three months of our new fiscal year.

Our health system is illustrating relatively flat YTD year over year collectable revenues and a material inflation impact in the growth of expenses to run the health system year over year. The local, regional and national inflation trends and news topics are touching us vigorously in labor and in non-labor expense areas.

Our country does have its first two quarters of negative gross domestic product growth this calendar year, meaning its declining. We will see what the third quarter looks like in a few weeks. In addition, we have a serious inverted yield curve in short term interest rates versus longer-term interest rates and this suggests a longer-term downturn in the economy.

We continue to perform after three months at about 550 fewer provider office visits than we delivered during the same period last fiscal year. Improving patient access continues to be a huge priority for our health system.

Relating to the above volume and high-level financial comments, we estimate we are about 4.6 M below budget fiscal year YTD after just three months.

It is interesting that several area businesses are reporting large double-digit health insurance premium increases when our fees only grew a maximum of 5% year over year.

It appears approximately 75% of the health systems around us are losing money today based on market and regulatory variables. Therefore, we have much to be thankful for but we are being seriously impacted as well.

We have and continue to make many proactive team member changes as to how we care for patients including, new tools, space, increased staffing, increased training of staff, etc. We have also added market sensitive pay and benefit changes each year to greatly assist in this being the best health system to work.

As reported last month, we are continuing to add each year for the past seven years, several new team member services to improve team member resiliency, tracking improvements that need to be made and increased shared governance. By contrast, the focus of many of our area health systems is simply on stopping health system losses.

Our team member turnover remains low versus other area or regional health systems, but it still affects us.

The pandemic does continue and we are grateful that it is still trending downward. The flu season is also upon us as well.

The new daily cases in the US appear to be at the early June 2020 levels when the pandemic was first starting. In California, it appears new daily cases have fallen more to the May 2020 early levels of the pandemic. We are hopeful these trends continue.

Our Master Plan for the next 10 years and beyond continues to be one of the top three concerns of our health system. We do not create the increasing and ever changing demand for healthcare services in our five county region we serve. We must respond to the ever-increasing demand. Just as communities, counties, and special districts respond to water, power, sewer, schools and other growth that occurs, so must our health system respond to growth.

It is probable that 430 out of 1500 critical access hospitals in the US will face major sustainability issues over the next 5+ years so it should surprise no one when patients in rural areas are having to travel greater distances to access healthcare.

It is critical to review the state and federal law and election changes in November as this will be a guide on which laws will retain or lose support and what is the likely regulatory direction we will need to be prepared to face.

TAHOE FOREST HOSPITAL DISTRICT

Board COO Report

By: Louis Ward
Chief Operating Officer

DATE: October 2022

Service: Deliver Outstanding Patient & Family Experience

Continuously improve access to care

2nd Floor Medical Office Building (MOB) Remodel and Opening.

Staff have been meeting weekly to coordinate the planned occupancy of the 2nd Floor MOB project. The first patient day of this project is planned for November 14, 2022. Construction is planned to be completed and approved on October 28, 2022. Staff have coordinated the moving in of all supplies and equipment on October 31 and November 1. This will the space to be ready for California Department of Public Health Survey on November 4. Staff are working on confirmation of this date. This approval will allow moves to take place the week of November 7th for full occupancy and patients to be seen starting November 14. In addition to this move, staff have been diligently working on the items to be ready to see patients including EMR build for this space (on schedule), department initiation and setup, revenue cycle, policy and procedure updates, etc. The Marketing team is working on a robust effort to ensure we share this great win and expansion on patient care services to the community. This effort includes print & digital ads, social media posts, web page adjustments and wayfinding information for patients.

Service: Deliver Outstanding Patient & Family Experience

Optimize the health care delivery system and efficiencies

Perioperative Governance Committee Kick-off

This month, Clinicians, Nurse Leadership, Surgery Staff, the Truckee Surgery Center, and Administration came together to kick off a new committee, the Perioperative Governance Committee. This committee with meet regularly on the third Thursday of each month to discuss all TFHS surgical matters. Initially, this committee will be charged with working collaboratively with Optum, a third party vendor, to ensure we continue to meet the needs of the communities we serve in an efficient manner.

Quality: Provide excellent patient focused quality care

Improve quality of care and patient outcomes

COVID-19 State of Emergency to End Feb 28th

Governor Gavin Newsom announced the COVID-19 State of Emergency will end on February 28, 2023. This timeline gives the health care system needed flexibility to handle any potential surge that may occur after the holidays in January and February, in addition to providing state and local partners the time needed to prepare for this phase out and set themselves up for success afterwards.

Growth: Expand and foster community and regional relationships

Explore and engage beneficial collaborations and partnerships

Ski Resort Agreements

TFHS has delivered to all ski resorts operating first aid stations (Boreal, Sugar Bowl, Diamond Peak, and Alpine Meadows) a 2022-23 winter contract outlining the clinical services TFHS will offer to the resorts. Administration is having regular conversations with ski resort leadership prior to the ski season beginning.

Service: Optimize Deliver Model to Achieve Operational and Clinical Efficiency

Implement a focused master plan

Report provided by Dylan Crosby, Director Facilities and Construction Management

Planned Moves:

Medical Office Building 2nd Floor Occupancy Scheduled for November 14th, 2022.

Active Projects:

Project: Tahoe Forest Nurse Call Replacement

Background: In 2018, TFH completed phase 1 of the Nurse Call replacement system, which included Med Surg, ICU and Briner Imaging. This project, phase 2, will replace the remainder of the antiquated systems and condense the nurse calls at TFHD to a single more reliable system.

Summary of Work: Remove and replace existing Nurse Call Systems in Ambulatory Surgery, Emergency, Diagnostic Imaging, Respiratory and Extended Care Center Departments.

Update Summary:. Project has bee complete. Staff are awaiting closed in compliance letter from HCAI

Start of Construction: March 2022

Estimated Completion: July 2022

Project: Incline Sterile Processing Remodel & Exterior Shop Remodel

Background: Incline Village Community Hospital Sterile Processing Department ("IVCH SPD") – In preparation to offer endoscopy procedures at IVCH, this service is in need of reconfiguration and equipment upgrades to process the future instruments.

IVCH Exterior Shop Remodel "IVCH-Shop" - The exterior storage shop at IVCH is in disrepair and is not readily used due to its condition. This project is to renovate and upgrade the exterior shop to utilize for storage and relocate Engineer outside of the Hospital to provide space for patient care services.

The projects were bid together to provide economies of scale.

Summary of Work: IVCH-SPD: Create a temporary decontamination room to allow for continuity of operations during the construction timeline. Once completed, renovate the existing decontamination room and add the additional utilities needed to support the new equipment.

IVCH-Shop: Renovate shop to provide improved utility and storage as well as space to move engineering outside of the Hospital.

Update Summary: Shop: Completed. Sterile Processing: Project is awaiting equipment for installation, 98% complete.

Start of Construction: August 2021

Estimated Completion: July 2022

Project: Underground Storage and Day Tank Replacement.
Background: The existing Diesel underground storage is 30 years old in need of replacement. Staff analyzed if an above ground tank would be suitable, due to site constrained it was determined that a replacement underground tank would best serve the hospital.
Summary of Work: Removal of the existing Underground storage tank, day tank and day tank structure (not compliant). Excavate and install a new 15,000-gallon underground tank in the ambulance bay. A new day tank will be installed in the 500 KW generator room.
Update Summary: The New tank has been set and approved. The new tank cut over is scheduled for 10/25/22. Phase 2 removal of the old tank will be delayed until spring of 2023 due to winter.
Start of Construction: May 2022
Estimated Completion: July 2023

Project: Medical Office Building Renovation
Background: Outpatient clinical services are in need of additional space to meet the healthcare need of the community. To provide efficient, flexible space staff intend to renovate the entire second floor of the Medical office building and create a single use suite that can be utilized for primary care and specialty services. MOB suite 360 is also planned to be renovated to utilize the additional space that has since become available.
Summary of Work: Relocate Occupation Health, Out Patient Lab and Primary Care services in suite 360. Demo all suites. Construct new use-flexible outpatient OSHPD 3 spaces for outpatient clinical services. Include the remodel of suite 340 to create a continuous primary care suite on both the 2nd and 3rd floors of the MOB, all RHCs.
Update Summary: Project is proceeding on schedule above ceiling work is wrapping up. Staff are working on CDPH application submittals and staff & stock plans. Occupancy of the 2nd floor is scheduled for November 14th, 2022, pending CDPH Approval. The Suite 340 has been approved, scope of work is scheduled to start December 5th, 2022.
Start of Construction: March 2022
Estimated Completion: June 2023

Project: MRI Replacement
Background: The existing MRI mechanical equipment is at end of life and the existing MRI itself does not provide the function needed to provide the necessary quality of care.
Summary of Work: Renovate the existing MRI suite to provide for two changing rooms and a gurney hold area. Order and install new 3T Siemens MRI.
Update Summary: Temporary MRI has been installed and in use. Installation of the new MRI is scheduled to start December 5th, 2022, this is a three week process. First Patient is scheduled mid-January
Start of Construction: April 2022
Estimated Completion: January 2023

Project: Incline Village Community Hospital Site Improvements
Background: Demand for parking at Incline Village Community Hospital has exceeded its capacity.
Summary of Work: In the Tahoe Basin the Truckee Regional Planning Agency, "TRPA" regulates the amount of disturbed land each individual parcel can have, Incline is at its capacity. Partnered with JKAE staff have planned a transfer of development rights as the first step in increasing the available parking onsite.
Update Summary: Project is complete and in use. On last conditional item is outstanding, lighting upgrades. With backlog of equipment, this scope will complete in late Spring for final approval.
Start of Construction: Summer 2022
Estimated Completion: Spring 2023

Projects in Planning:

Project: Tahoe Forest Hospital Seismic Improvement
Background: In 2012, Tahoe Forest Hospital completed an expansive seismic improvement job to extend the allowance of acute care service in many of the Hospital buildings up to and beyond the 2030 deadline determined by Senate Bill 1953. This project is Phase one of three in a compliance plan to meet the full 2030 deadline.
Summary of Work: Upgrade four buildings (the 1978, 1990, 1993 and Med Gas) to Non-Structural Performance Category "NPC" 4 status. Renovate the Diagnostic Imaging reception, waiting room and X-Ray to increase capacity and receive new equipment. Renovate Emergency Department beds 8-15 to provide addition patient privacy. Renovate Emergency Department beds 4-7 to private rooms. Aesthetic upgrades of the 1978 and 1990 buildings including but not limited to flooring, ceilings, signage and painting.
1978 Building – Diagnostic Imaging, portions of Emergency Department
1990 Building – Portions of the Surgical Department
1993 Building – Portions of the Dietary Department
Med Gas Building – Primary Med Gas distribution building.
Update Summary Construction drawing are 95% complete, submittal of the Tenant Improvemant package to HCAI is scheduled for 10/28/22. The Seismic submittal for the 1978 building has been resubmitted to HCAI. The other 7 HCAI permits have been approved. Staff are planning the start of the 1990/1993 building(Surgery/ASD) in early December.
Start of Construction: Winter 2022
Estimated Completion: Winter 2025

Project: Incline Village Community Hospital X-Ray and CT Replacement
Background: Incline Village Community Hospital has been provided a grant opportunity to support the replacement of the X-Ray and CT at the Hospital. Various components of the X-Ray are end of service and end of support. The CT is approaching end of service. The new CT will be replaced with a new 128 slice machine, existing 16 slices.
Summary of Work: Provide temporary accommodations to ensure hospital can provide X-Ray and CT services during the project. Replace X-Ray and CT equipment and modify space for code compliance and improved staff and patient workflow.
Update Summary: Temporary CT underground scope of work has been approved by Washoe County, TRPA and DHHS, this scope of work with start next week to beat winter time conditions. The Full temporary CT plan has been submitted to Washoe County and DHHS. The Replacement plan is proceeding at a 100% design development stage.
Start of Construction: Fall 2022
Estimated Completion: Spring 2023

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: Staff are working with the design builder on programming and deliverables for the Town of Truckee Development Permit. Design Development is will be completed 10/31/22. Staff plan have submitted a predevelopment permit to the Town of Truckee and are working on coordinating with Town Staff. The Development permit will be ready to submit by 10/31/22, with Town

input at this time, staff are accessing to wait for input or push the project forward. Due to timing and delays on Town staff in regards to the Master Plan and Comments on the parking structure. Staff have had to change criteria to meet new codes that go into effect January 1st, 2022. The escalation for this change is estimated at $516,000.
Start of Construction: Spring 2024
Estimated Completion: Winter 2024

Project: Lake Street Housing
Background: On-Call housing and On-Boarding housing are critical to district operations and recruitment of talented employees.
Summary of Work: Demolish 10151 & 10145 Lake Ave to create 2 new duplex houses to be utilized for recruitment and retention. As well as create 10 new studio apartments to support the Hospitals On Boarding needs.
Update Summary: Project is on hold until the Master Plan progresses further.
Start of Construction: Summer 2023
Estimated Completion: Spring 2024

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 Staff submitted plans to the Town 7/22/22. A zoning clearance has been requested by Town Staff, this application has been deemed complete and is circulating to all local jurisdictions.
Start of Construction: Winter 2022
Estimated Completion: Spring 2023

Project: Martis Outlook Primary Care
Background: Staff have focused on providing health care services in the Eastern portion of Truckee. Property was acquired in 2021 at the Martis Outlook Building to realize this goal.
Summary of Work: Demo interiors of existing suite to build out new clinic space.
Update Summary Staff are preparing plan submittal. A zoning clearance has been requested by Town Staff, this application has been deemed complete and is circulating to all local jurisdictions.
Start of Construction: Winter 2022
Estimated Completion: Spring 2023

Project: Gateway RHC Expansion
Background: With the longevity of the exisiting Gateway Building in the Master Plan staff are looking to maximize the utilization. Staff will be working to expand the current RHC to provide Dental, Opto, Behavioral Health and Out Patient Lab Services.
Summary of Work: Remodel 8 suites within the Building.
Update Summary Request for Proposals has been published, proposals are due November 3rd, 2022.
Start of Construction: Fall 2023
Estimated Completion: Fall 2025

Project: Med Surg/ICU Remodel.
Background: With the Med Surg/ICU in use for over 17 years, the rooms are in need of updates both for aesthetics and operational efficiency.
Summary of Work: Remove and replace all finishes with Patient rooms. Remodel portions of the support space to promote operational efficiency.

Update Summary Staff have released the Request for Qualifications, August 16th, 2022, and are working on drafting the Request for Proposals.
Start of Construction: Fall 2023
Estimated Completion: Spring 2024

Project: Tahoe City Primary Care and Urgent Care Expansion.
Background: Improving access to care around our District is a key strategic goal. This project aims to separate Primary Care and Urgent Care Operations and to increase capacity significantly.
Summary of Work: Expand Urgent Care (Suite B-202) into the adjacent Suite (B-201). Suite 201 will house lab draw services ans additional support services. Remodel Suite B-206 and 207 to create a new 6 exam room Primary Care Clinic.
Update Summary Staff have released the Request for Qualifications, August 16th, 2022, and are working on drafting the Request for Proposals. Staff are negotiating the lease for additional space within the Trading Post Center.
Start of Construction: Fall 2023
Estimated Completion: Spring 2024

Project: Incline Village Community Hospital Boiler and M1 Air Handler Replacement.
Background: Replacement of original 1980s equipment essential for air flow and heating the building to improve reliability and energy efficiency. This existing equipment is end of life.
Summary of Work: Remove and Replace, like in kind, the existing M1 air handler which feeds the Western Half of the Building. Remove and Replace, like in kind, the existing boilers which provide heating hot water and domestic hot water to the entire building.
Update Summary Staff have plans submitted to Washoe County. The project has been released for bidding 10/18/22
Start of Construction: Summer 2023
Estimated Completion: Winter 2023

TAHOE FOREST HOSPITAL DISTRICT

Board CNO Report

By: Jan Iida, RN, MSN, CEN **DATE: October 2022**

Chief Nursing Officer

Service: Optimize delivery model to achieve operational and clinical efficiency

- Optum is the operating room (OR) efficiency company we have contracted to work with TFH OR, IVCH OR and Truckee Surgery Center. We have recently formed a Perioperative Governance group with Administration, Physicians and Nursing. This group will have a multidisciplinary approach to all aspects of clinical care in the three OR areas.

Quality: Provide clinical excellence in clinical outcomes

- TFHS Peak Program has started. (Professional Excellence Advancement + Kudos). This program has started with nursing and plans to disseminate to staff across the system. PEAK is an evidence –based, voluntary program that recognizes and rewards TFHS employees for engaging in professional development. (This is program based on a clinical ladder type program) Thank you to Damara Stone for her dedication to the development and roll out of this program.
- Fall prevention program, nursing is currently working on ways to improve falls. Increase rounding, increase education for PCT's and yellow gowns for patients who are high risk for falls, have all started.

Growth: Meets the needs of the community

- IVCH drive up flu vaccines on Mondays and Thursday for the community, still ongoing a big success to provide the vaccine for the IVCH community.

TAHOE FOREST HOSPITAL DISTRICT

Board Informational Report

By: Jake Dorst
Chief Information and Innovation Officer

DATE: October 2022

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

AMB:

1. Urgent Care build (also ASAP).
2. 3 New department built.
3. Onboarding/Training for many new providers.
4. Provider Efficiency training (ob-going).

In-Patient:

1. Training for (4 new OB nurses)
2. Daily break/fixes
3. Audits.
4. CGM workflow with the diabetes team.
5. Insulin pump workflow and order set.
6. Day-day provider support.
7. ECC projects and EMR support.
8. Extra time spent with new Urology provider Dr Naftulin.
9. Ian B (replacement for Natalie DeRyk), IT analyst now credentialed in OptTime and Anesthesia.

Lab:

1. iSTAT handheld blood analyzer interface connectivity and interfacing results to Epic.
2. New (replacement) Blood Culture instrument.
3. Upgrade to Wellsky (Blood Bank application).
4. Invitae interface discovery to determine if we can get an interface to allow pacemaker data to be collated.
5. Agility EHR for Occ health.
6. Glooko diabetes management software upgrade.

ED:

1. POC US project.
2. PACS HAIKU access.
3. PED SEPSIS screening flowsheet.
4. MERCY to ADD diagnosis to Medically indicated transfer form.
5. Recertification done for EPIC ASAP.

IT Operations:

· Implemented controls to mitigate Cyber threat which allows command and control of environment via internet email. Microsoft has not yet released a patch to mitigate the threat and I.T. continues to make configuration adjustment as necessary to keep the environment protected. Internet email remains currently unavailable.

· Performed Varonis POC and submitted to leadership as potential add-on project. Varonis allows I.T. to identify and control where sensitive, redundant, or stale data is located. In addition, the solution drives users to place information in controlled spaces. This capability will assist from a compliance perspective as we remove duplicate data and better control sensitive data in a secure manner.

· Ability to dial 911 implemented. Previously users had to dial 9911; however, both options are available now.

· Performed IT walkthrough with auditor, Moss Adams, primarily focused on controls around Epic access. All artifacts and processes are with the auditor for review.

· PCI audit in process. Payment Card Industry (PCI) Data Security Standard is an information security standard for organizations that handle branded credit cards from the major card schemes. The PCI Standard is mandated by the card brands but administered by the Payment Card Industry Security Standards Council. Any business entity that is handling payment card transactions needs to comply with PCI DSS regulations. Expectations are TFHS will need to focus more closely on this area once the results are made available.

· Backfilled two critical roles on IT team. PC Technician and Field Technician.

· Vendors reviewing Cancer Center Conference room for refresh/updates.

· Enterprise agreement to allow TFHS to migrate to M365 in review with Microsoft. M365 is a cloud-based family of productivity tools which will allow us much more agility when working with other cloud partners. This migration will simplify and normalize our continued efforts to protect our environment from cyber threats.

· Engaged Security Partner, Fortified, to perform 3d party security reviews with our 3d party partners. Meeting on 18 October to review agreement. This is a regulatory requirement and leveraging a cyber-partner will take the overhead off the existing team.

· SECOPS team attended Fortified Roundtable. Fortified is one of our Healthcare Security Partners. Primary focus was on email phishing and telephone vishing. Both are used by malicious parties to obtain sensitive company information or introduce malware and other cyber threats. TFHS investments for solutions in these areas were admittedly some of the best tools in the industry (Palo Alto and Aruba).

· Hardware for 2d floor installation – in progress

· Replaced Primex sensors and probes to ensure proper temperature controls across labs and other areas requiring temperature monitoring (40 sensors, 50 probes replaced across the enterprise). Includes update process with MSC Admins for more effective reporting and response.

· Nurse Call Gateway server installed

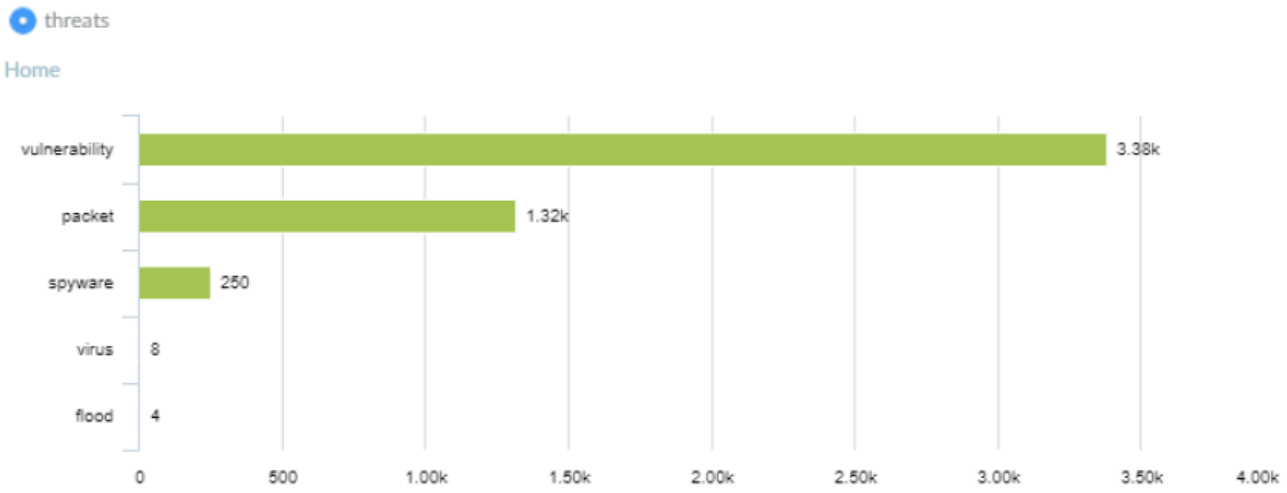
· Total HelpDesk Tickets: 769

Incoming Mail Summary Cyber Protection Results: Sep 18 – Oct 17

Key Metric: ~12% of email sent to TFHD during this time frame was valid. All others were blocked from users and stored in archive for forensics or recovery.

Message Category	%	Messages
Stopped by IP Reputation Filtering	73.9%	939,853
Stopped by Domain Reputation Filtering	0.0%	171
Stopped as Invalid Recipients	0.4%	5,241
Spam Detected	2.0%	26,016
Virus Detected	0.0%	1
Detected by Advanced Malware Protection	0.0%	6
Messages with Malicious URLs	0.0%	379
Stopped by Content Filter	0.3%	4,030
Stopped by DMARC	1.1%	13,448
S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	**76.7%**	**975,697**
Marketing Messages	6.4%	80,843
Social Networking Messages	0.1%	1,262
Bulk Messages	5.0%	63,587
Total Graymails:	**11.5%**	**145,692**
S/MIME Verification/Decryption Successful	0.0%	0
Clean Messages	11.8%	150,219
Total Attempted Messages:		**1,271,608**

Firewall Summary Protection Results– Blocked Traffic



Vulnerability: A flaw or weakness in a computer system, its security procedures, internal controls or design and implementation, which could be exploited

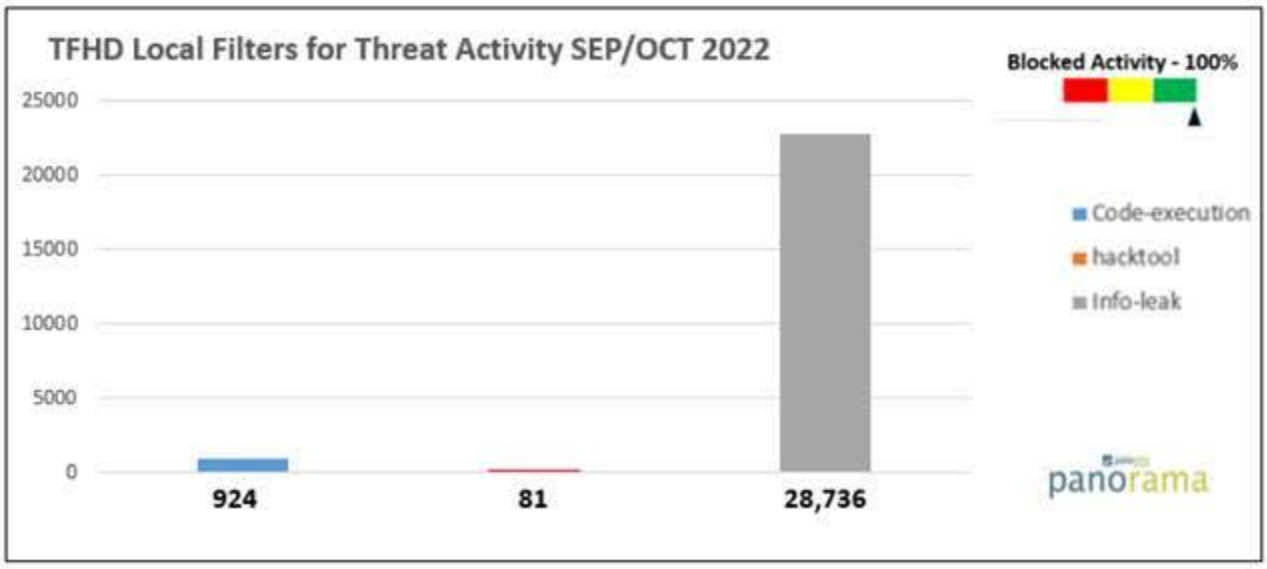
Packet: Potential traffic that can create a malicious payload when reassembled within the network

Spyware: Software that enables a user to obtain covert information about another's computer activities by transmitting data secretly

Virus: A program that replicates itself my modifying other computer programs and inserting its own code

Flood: A special algorithm to send incoming packets across a network quickly

Panorama Metrics (Execution tool protection):



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

Blocked activity is at 100 percent.

TAHOE FOREST HOSPITAL DISTRICT
RESOLUTION NO. 2022-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TAHOE FOREST HOSPITAL DISTRICT AUTHORIZING CONTINUED REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, TAHOE FOREST HOSPITAL DISTRICT ("District") is a hospital district duly organized and existing under the "Local Health Care District Law" of the State of California; and

WHEREAS, Government Code section 54953(e), as amended by Assembly Bill No. 361, allows legislative bodies to hold open meetings by teleconference without reference to otherwise applicable requirements in Government Code section 54953(b)(3), so long as the legislative body complies with certain requirements, there exists a declared state of emergency, and one of the following circumstances is met:

1. State or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body is holding the meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body has determined, by majority vote, pursuant to option 2, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, Board of Directors previously adopted Resolution No. 2022-01 finding that the requisite conditions exist for the Board of Directors to conduct teleconference meetings under California Government Code section 54953(e); and

WHEREAS, Government Code section 54953(e)(3) requires the legislative body adopt certain findings by majority vote within 30 days of holding a meeting by teleconference under Government Code section 54953(e), and then adopt such findings every 30 days thereafter; and

WHEREAS, the Board of Directors desires to continue holding its public meetings by teleconference consistent with Government Code section 54953(e).

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

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Conditions are Met. The Board of Directors hereby finds and declares the following, as required by Government Code section 54953(e)(3):

1. The Board of Directors has reconsidered the circumstances of the state of emergency declared by the Governor pursuant to his or her authority under Government Code section 8625;

2. The state of emergency continues to directly impact the ability of members of the Board of Directors to meet safely in person; and

3. State and local officials have imposed or recommended measures to promote social distancing.

PASSED AND ADOPTED at the meeting of the Tahoe Forest Hospital District Board of Directors held on the 27th day of October, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Alyce Wong Chair, Board of Directors Tahoe Forest Hospital District	Martina Rochefort Clerk of the Board Tahoe Forest Hospital District

BYLAWS OF THE BOARD OF DIRECTORS

TAHOE FOREST HOSPITAL DISTRICT

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BYLAWS OF THE BOARD OF DIRECTORS
OF
TAHOE FOREST HOSPITAL DISTRICT

Pursuant to the provisions of Sections 32104, 32125, 32128, and 32150 of the Health and Safety Code of the State of California, the Board of Directors of TAHOE FOREST HOSPITAL DISTRICT adopts these Bylaws for the government of TAHOE FOREST HOSPITAL DISTRICT.

ARTICLE I. NAME, AUTHORITY AND PURPOSE

Section 1. Name.

The name of this district shall be "TAHOE FOREST HOSPITAL DISTRICT" (hereinafter "District").

Section 2. Authority.

A. This District, having been established May 2, 1949, by vote of the residents of the District under the provisions of Division 23 of the Health and Safety Code of the State of California, otherwise known and referred to herein as "The Local Health Care District Law," and ever since that time having been operated there under, these Bylaws are adopted in conformance therewith, and subject to the provisions thereof.

B. In the event of any conflict between these Bylaws and the Local Health Care District Law, the latter shall prevail.

C. These Bylaws shall be known as the "District Bylaws."

D. Non-Discrimination: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of service, hiring, training and employment practices on the basis of age; race; color; creed; ethnicity; religion; national origin; marital status; sex; sexual orientation; gender identity or expression; disability; association; veteran or military status; or any other basis prohibited by federal, state, or local law.

Section 3. Purpose and Operating Policies.

A. Purpose.

Tahoe Forest Hospital District will strive to be the health system of choice in our region and the best mountain health system in the nation. We exist to enhance the health of our communities through excellence and compassion in all we do.

B. Operating Policies.

In order to accomplish the Mission of the District, the Board of Directors establishes the following Operating Policies:

1. Through planned development and responsible management, the assets of the District will be used to meet the service needs of the area in an efficient and cost-effective manner, after evaluation of available alternatives and other resources available to the District. This may include the development and operation of programs, services, and facilities at any location within or without the District for the benefit of the people served by the District.

2. The District shall dedicate itself to the maximum level of quality consistent with sound fiscal management and community-based needs.

3. Improvement of the health status of the area will be the primary emphasis of services offered by the District. In addition, the District may elect to provide other programs of human service outside of the traditional realm of health care, where unmet human service needs have been identified through the planning process.

ARTICLE II. BOARD OF DIRECTORS

The Board of Directors:

Section 1. Election.

There shall be five members of the Board of Directors who shall be elected for four-year terms, as provided in the Local Health Care District Law.

Section 2. Responsibilities.

Provides oversight for planning, operation, and evaluation of all District programs, services, and related activities consistent with the District Bylaws.

A. Philosophy and Objectives.

Considers the health requirements of the region and the responsibilities that the District should assume in helping to meet them.

B. Programs and Services.

1. Takes action on recommendations of the President and Chief Executive Officer or designee with regard to long- and short-range plans for the development of programs and services.

2. Provides oversight to the President and Chief Executive Officer in the implementation of programs and service plans.

3. Takes action on board policies and other policies brought forth by the President and Chief Executive Officer or designee.

4. Evaluates the results of programs and services on the basis of previously

established objectives and requirements. Receives reports from the President and Chief Executive Officer or designees and directs the President and Chief Executive Officer to plan and take appropriate actions, where warranted.

C. Organization and Staffing.

1. Selects and appoints the President and Chief Executive Officer.

2. Evaluates the continuing effectiveness of the organization.

D. Medical Staff.

1. Appoints and re-appoints all Medical Staff members.

2. Ensures that the District Medical Staff is organized to support the objectives of the District.

3. Reviews and takes final action on appeals involving Medical Staff disciplinary action.

4. Approves Medical Staff Bylaws and proposed revisions.

E. Finance.

1. Assumes responsibility for the financial soundness and success of the District and its wholly owned subsidiaries.

2. Assumes responsibility for the appropriate use of endowment funds and of other gifts to the District. Exercises trusteeship responsibility to see that funds are used for intended purposes.

3. Adopts annual budgets of the District, including both operating and capital expenditure budgets.

4. Receives and reviews periodic financial reports. Considers comments and recommendations of its Finance Committee and management staff.

5. Receives and reviews reports of the District's auditors.

6. Approves policies which govern the financial affairs of the District.

7. Authorizes officers of the District to act for the District in the execution of financial transactions.

F. Grounds, Facilities and Equipment.

1. Approves plans for development, expansion, modernization, and replacement of the District's grounds, facilities, major equipment, and other tangible assets.

2. Approves the acquisition, sale, and lease of real property.

G. External Relations.

Assumes ultimate responsibility for representing the communities served by the District and representing the District to the communities served.

H. Assessment and Continuous Improvement of Quality of Care

Ensures that the proper organizational environment and systems exist to continuously improve the quality of care provided. Responsible for a system-wide quality assessment and performance improvement program that reflects all departments and services. Reviews Quality Assessment Reports focused on indicators related to improving health outcomes and the prevention and reduction of medical errors. Provides oversight to and annually approves the written Quality Assurance / Process Improvement plan.

I. Strategic Planning.

1. Oversees the strategic planning process.

2. Establishes long-range goals and objectives for the District's programs and facilities.

Section 3. Powers.

A. Overall Operations.

The Board of Directors shall determine policies and shall have control of, and be responsible for, the overall operations and affairs of this District and its facilities.

B. Medical Staff.

The Board of Directors shall authorize the formation of a Medical Staff to be known as "The Medical Staff of Tahoe Forest Hospital District". The Board of Directors shall determine membership on the Medical Staff, as well as the Bylaws for the governance of said Medical Staff, as provided in Article VIII of these District Bylaws.

C. Auxiliary.

The Board of Directors may authorize the formation of service organizations from time to time as needed ("Auxiliary"), the Bylaws of which shall be approved by the Board of Directors.

D. Other Affiliated or Subordinate Organizations.

The Board of Directors may authorize the formation of other affiliated or subordinate organizations which it may deem necessary to carry out the purposes of the District; the Bylaws of such organizations shall be approved by the Board of Directors.

E. Delegation of Powers.

The Medical Staff, Auxiliary, and any other affiliated or subordinate organizations shall have those powers set forth in their respective Bylaws. All powers and functions not set forth in their respective Bylaws are to be considered residual powers vested in the Board of Directors.

F. Provisions to Prevail.

These District Bylaws shall override any provisions to the contrary in the Bylaws or Rules and Regulations of the Medical Staff, Auxiliary or any affiliated or subordinate organizations. In case of conflict, the provisions of these District Bylaws shall prevail.

G. Resolutions and Ordinances.

From time to time, the Board of Directors may pass resolutions regarding specific policy issues, which resolutions may establish policy for the operations of this District.

H. Residual Powers.

The Board of Directors shall have all of the other powers given to it by the Local Health Care District Law and other applicable provisions of law.

I. Grievance Process

The Board of Directors may delegate the responsibility to review and resolve grievances.

Section 4. Vacancies.

Any vacancy upon the Board of Directors shall be filled by appointment by the remaining members of the Board of Directors within sixty (60) days of the vacancy. The Board of Directors may appoint an individual without engaging in public solicitation of candidates. Notice of the vacancy shall be posted in at least three (3) places within the District at least fifteen (15) days before the appointment is made. The District shall notify the elections officials for Nevada and Placer Counties of the vacancy no later than fifteen (15) days following either the date on which the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later, and of the appointment no later than fifteen (15) days after the appointment. In lieu of making an appointment, the remaining members of the Board of Directors may within sixty (60) days of the vacancy call an election to fill the vacancy. If the vacancy is not filled by the Board of Directors or an election called within sixty (60) days, the Board of Supervisors of the County representing the larger portion of the Hospital District area in which an election to fill the vacancy would be held may fill the vacancy within ninety (90) days of the vacancy, or may order the District to call an election. If the vacancy is not filled or an election called within ninety (90) days of the vacancy, the District shall call an election to be held on the next available election date. Persons appointed to fill a vacancy shall hold office until the next District general election that is scheduled 130 or more days

after the date the District and the elections officials for Nevada and Placer Counties were notified of the vacancy and thereafter until the person elected at such election to fill the vacancy has been qualified, but persons elected to fill a vacancy shall hold office for the unexpired balance of the term of office.

Section 5. Meetings.

A. Regular Meetings.

Unless otherwise specified at the preceding regular or adjourned regular meeting, regular meetings of the Board of Directors shall be held on the fourth Thursday of each month at 4:00 PM at a location within the Tahoe Forest Hospital District boundaries, except for regular meetings for the months of November and December which shall be held on the third Thursday of the month at 4:00 PM. The Board shall take or arrange for the taking of minutes at each regular meeting.

B. Special and Emergency Meetings.

Special meetings of the Board of Directors may be held at any time and at a place designated in the notice and located within the District, except as provided in the Brown Act, upon the call of the Chair, or by not fewer than three (3) members of the Board of Directors, and upon written notice to each Director specifying the business to be transacted, which notice shall be delivered personally or by mail or e-mail and shall be received at least twenty-four (24) hours before the time of such meeting, provided that such notice may be waived by written waiver executed by each member of the Board of Directors. Notice shall also be provided within such time period to local newspapers and radio stations which have requested notice of meetings. Such notice must also be posted twenty-four (24) hours before the meeting in a location which is freely accessible to the public. In the event of an emergency situation involving matters upon which prompt action is necessary due to disruption or threatened disruption of District services (including work stoppage, crippling disaster, mass destruction, terrorist act, threatened terrorist activity or other activity which severely impairs public health, safety or both), the Board may hold a special meeting without complying with the foregoing notice requirements, provided at least one (1) hour prior telephone notice shall be given to local newspapers and radio stations which have requested notice of meetings, and such meetings shall otherwise be in compliance with the provisions of Government Code Section 54956.5. The Board shall take or arrange for the taking of minutes at each special meeting.

C. Policies and Procedures.

The Board may from time to time adopt policies and procedures governing the conduct of Board meetings and District business. All sessions of the Board of Directors, whether regular, special, or emergency, shall be open to the public in accordance with the Brown Act (commencing with Government Code Section 54950), unless a closed session is permitted under the Brown Act or Health and Safety Code Sections 32106 and 32155 or other applicable law.

Section 6. Quorum.

The presence of a majority of the Board of Directors shall be necessary to constitute a quorum to transact any business at any regular or special meeting, except to adjourn the meeting to a future date.

Section 7. Medical Staff Representation.

The Chief of the Medical Staff shall be appointed as a special representative to the Board of Directors without voting power and shall attend the meetings of the Board of Directors. In the event the Chief of Staff cannot attend a meeting, the Vice-Chief of the Medical Staff or designee shall attend in the Chief of Staff's absence.

Section 8. Director Compensation and Reimbursement of Expenses.

The Board of Directors shall be compensated in accordance with ABD-03 Board Compensation and Reimbursement policy.

Each member of the Board of Directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board or President and Chief Executive Officer, pursuant to Board policy.

Section 9. Board Self-Evaluation.

The Board of Directors will monitor and discuss its process and performance at least annually. The self-evaluation process will include comparison of Board activity to its manner of governance policies.

ARTICLE III. OFFICERS

Section 1. Officers.

The officers of the Board of Directors shall be Chair, Vice-Chair, Secretary and Treasurer who shall be members of the Board.

Section 2. Election of Officers.

The officers of the Board of Directors shall be chosen every year by the Board of Directors in December of the preceding calendar year and shall serve at the pleasure of the Board. The person holding the office of Chair of the Board of Directors shall not serve successive terms, unless by unanimous vote of the Board of Directors taken at a regularly scheduled meeting. In the event of a vacancy in any office, an election shall be held at the next regular meeting following the effective date of the vacancy to elect the officer to fill such office.

Section 3. Duties of Officers.

A. Chair. Shall preside over all meetings of the Board of Directors. Shall sign as Chair, on behalf of the District, all instruments in writing which the Chair has been authorized and obliged by the Board to sign and such other duties as set forth in these Bylaws as well as those duties charged to the president under the Local Health Care District Law. The Board Chair will serve as the chairperson of the Board Governance Committee.

B. Vice-Chair. The Vice-Chair shall perform the functions of the Chair in case of the Chair's absence or inability to act.

C. Secretary. The Secretary shall ensure minutes of all meetings of the Board of Directors are recorded and shall see that all records of the District are kept and preserved. Shall attest or countersign, on behalf of the District, all instruments in writing which the Secretary has been authorized and obligated by the Board to attest/countersign as well as those charged to the secretary under the Local Health Care District Law.

D. Treasurer. The Treasurer will serve on the Board Finance Committee and shall ensure the Board's attention to financial integrity of the District.

ARTICLE IV. COMMITTEES

Section 1. Committee Authority.

No committee shall have the power to bind the District unless the Board provides otherwise in writing.

Section 2. Ad Hoc Committees.

Ad Hoc Committees may be appointed by the Chair of the Board of Directors from time to time as deemed necessary or expedient. Ad Hoc Committees shall perform such functions as shall be assigned to them by the Chair, and shall function for the period of time specified by the Chair at the time of appointment or until determined to be no longer necessary and disbanded by the Chair of the Board of Directors. The Chair shall appoint each Ad Hoc Committee chair.

Section 3. Standing Committees.

Standing Committees and their respective charters will be affirmed annually by resolution, duly adopted by the Board of Directors.

The Chair shall recommend appointment of the members of these committees and the chair thereof, subject to the approval of the Board by majority of Directors present. Committee appointments shall be for a period of one (1) year and will be made

annually at or before the January Board meeting.

ARTICLE V. MANAGEMENT

Section 1. President and Chief Executive Officer.

The Board of Directors shall select and employ a President and Chief Executive Officer who shall act as its executive officer in the management of the District. The President and Chief Executive Officer shall be given the necessary authority to be held responsible for the administration of the District in all its activities and entities, subject only to the policies as may be adopted from time to time, and orders as may be issued by the Board of Directors or any of its committees to which it has delegated power for such action by a writing. The President and Chief Executive Officer shall act as the duly authorized representative of the Board of Directors.

Section 2. Authority and Responsibility.

The duties and responsibilities of the President and Chief Executive Officer shall be outlined in the Employment Agreement and job description. Other duties may be assigned by the Board. The President and Chief Executive Officer, personally or through delegation, hires, assigns responsibility, counsels, evaluates and (as required) terminates all District employees.

ARTICLE VI. TAHOE FOREST HOSPITAL

Section 1. Establishment

The District owns and operates Tahoe Forest Hospital, which shall be primarily engaged in providing, including but not limited to, Emergency Services, Inpatient/Observation Care, Critical Care, Diagnostic Imaging Services, Laboratory Services, Surgical Services, Obstetrical Services, and Long-Term Care Services.

ARTICLE VII. INCLINE VILLAGE COMMUNITY HOSPITAL

Section 1. Establishment

The District owns and operates Incline Village Community Hospital, which shall be primarily engaged in providing, including but not limited to, Emergency Services, Inpatient/Observation Care, Diagnostic Imaging Services, Laboratory Services, and Surgical Services.

ARTICLE VIII. MEDICAL STAFF

Section 1. Nature of Medical Staff Membership.

Membership on the Medical Staff of Tahoe Forest Hospital District is a privilege which shall be extended only to professionally competent practitioners who continuously meet the qualifications, standards, and requirements set forth herein and in the Bylaws of the Medical Staff.

Section 2. Qualifications for Membership.

A. Only physicians, dentists, oral surgeons, or podiatrists who:

1. Demonstrate and document their licensure, experience, education, training, current professional competence, good judgment, ethics, reputation, and physical and mental health status so as to establish to the satisfaction of the Medical Staff and the Board of Directors that they are professionally qualified and that patients treated by them can reasonably expect to receive high quality medical care;

2. Demonstrate that they adhere to the ethics of their respective professions and that they are able to work cooperatively with others so as not to adversely affect patient care or District operations;

3. Provide verification of medical malpractice insurance coverage; and

4. Establish that they are willing to participate in and properly discharge those responsibilities determined according to the Medical Staff Bylaws and possess basic qualifications for membership on the Medical Staff. No practitioner shall be entitled to membership on the Medical Staff, assigned to a particular staff category, or granted or renewed particular clinical privileges merely because that person: (1) holds a certain degree; (2) is licensed to practice in California, Nevada, or any other state; (3) is a member of any particular professional organization; (4) is certified by any particular specialty board; (5) had, or presently has, membership or privileges at this or any other health care facility; or (6) requires a hospital affiliation in order to participate on health plan provider panels, to obtain or maintain malpractice insurance coverage, or to pursue other personal or professional business interests unrelated to the treatment of patients at this facility and the furtherance of this facility's programs and services.

Section 3. Organization and Bylaws.

The Bylaws, Rules and Regulations, and policies of the Medical Staff shall be subject to approval of the Board of Directors of the District, and amendments thereto shall be effective only upon approval of such amendments by the Board of Directors, which shall not be withheld unreasonably. Neither the Medical Staff nor the Board of Directors may unilaterally amend the Medical Staff Bylaws or Rules and Regulations. The Bylaws of the Medical Staff shall set forth the procedure by which eligibility for Medical Staff membership and establishment of clinical privileges shall be determined, including standards for qualification. Such Bylaws shall provide that the Medical Staff,

or a committee or committees thereof, shall study the qualifications of all applicants and shall establish and delineate clinical privileges and shall submit to the Board of Directors recommendations thereon and shall provide for reappointment no less frequently than biennially. The Medical Staff shall also adopt Rules and Regulations or policies that provide associated details consistent with its Bylaws, as it deems necessary to implement more specifically the general principles established in the Bylaws.

Section 4. Appointment to Medical Staff

All appointments and reappointments to the Medical Staff shall be made by the Board of Directors as provided by the standards of the Healthcare Facility Accreditation Program. Final responsibility for appointment, reappointment, new clinical privileges, rejection, or modification of any recommendation of the Medical Staff shall rest with the Board of Directors.

All applications for appointment and reappointment to the Medical Staff shall be processed by the Medical Staff in such manner as shall be provided by the Bylaws of the Medical Staff and, upon completion of processing by the Medical Staff, the Medical Staff shall make a report and recommendation regarding such application to the Board of Directors. This recommendation will also include the request by the practitioner for clinical privileges, and the Medical Staff's recommendation concerning these privileges.

Upon receipt of the report and recommendation of the Medical Staff, the Board of Directors shall adopt, reject, or modify a favorable recommendation of the Medical Executive Committee, or shall refer the recommendation back to the Medical Executive Committee for further consideration, stating the reasons for the referral and setting a time limit within which the Medical Executive Committee shall respond.

If the Board of Directors is inclined to reject or modify a favorable recommendation, the Board shall refer the matter back to the Medical Executive Committee for further review and comments, which may include a second recommendation**.** The Executive Committee’s response shall be considered by the Board before adopting a resolution.

If the Board’s resolution constitutes grounds for a hearing under Article VII of the Medical Staff Bylaws, the President and Chief Executive Officer shall promptly inform the applicant, and he/she shall be entitled to the procedural rights as provided in that Article.

In the case of an adverse Medical Executive Committee recommendation or an adverse Board decision, the Board shall take final action in the matter only after the applicant has exhausted or has waived his/her procedural rights under the Medical Staff Bylaws. Action thus taken shall be the conclusive decision of the Board, except that the Board may defer final determination by referring the matter back for reconsideration. Any such referral shall state the reasons therefore, shall set a reasonable time limit within which a reply to the Board of Directors shall be made, and may include a directive that additional hearings be conducted to clarify issues which are in doubt. After

receiving the new recommendation and any new evidence, the Board shall make a final decision.

Conflict Resolution. The Board of Directors shall give great weight to the actions and recommendations of the Medical Executive Committee and in no event shall act in an arbitrary and capricious manner.

The Board of Directors may delegate decision-making authority to a committee of the Board; however, any final decision of the Board committee must be subject to ratification by the full Board of Directors at its next regularly scheduled meeting.

Section 5. Staff Meetings: Medical Records

The Medical Staff shall be self-governing with respect to the professional work performed in the Hospital. The Medical Staff shall meet in accordance with the minimum requirements of the Healthcare Facility Accreditation Program. Accurate, legible, and complete medical records shall be prepared and maintained for all patients and shall be the basis for review and analysis.

For purposes of this section, medical records include, but are not limited to, identification data, personal and family history, history of present illness, review of systems, physical examination, special examinations, professional or working diagnosis, treatment, gross and microscopic pathological findings, progress notes, final diagnosis, condition on discharge, and other matters as the Medical Staff shall determine.

Section 6. Medical Quality Assurance

The Medical Staff shall, in cooperation with the administration of the District, establish a comprehensive and integrated quality assurance and risk control program for the District which shall assure identification of problems, assessment and prioritization of such problems, implementation of remedial actions and decisions with regard to such problems, monitoring of activities to assure desired results, and documentation of the undertaken activities. The Board of Directors shall require, on a quarterly basis, reports of the Medical Staff's and District's quality assurance activities.

Section 7. Hearings and Appeals

Appellate review of any action, decision or recommendation of the Medical Staff affecting the professional privileges of any member of, or applicant for membership on, the Medical Staff is available before the Board of Directors. This appellate review shall be conducted consistent with the requirements of Business and Professions Code Section 809.4 and in accordance with the procedures set forth in the Medical Staff Bylaws. Nothing in these Bylaws shall abrogate the obligation of the District and the Medical Staff to comply with the requirements of Business and Professions Code Sections 809 through 809.9, inclusive. Accordingly, discretion is granted to the Medical Staff and Board of Directors to create a hearing process which provides for the least burdensome level of formality in the process while still providing a fair review and to

interpret the Medical Staff Bylaws in that light. The Medical Staff, Board of Directors, and their officers, committees, and agents hereby constitute themselves as peer review bodies under the Federal Health Care Quality Improvement Act of 1986 (42 U.S.C. § 11101 et seq.) and the California peer review hearing laws and claim all privileges and immunities afforded by the federal and state laws.

If adverse action as described in these provisions is taken or recommended, the practitioner must exhaust the remedies afforded by the Medical Staff Bylaws before resorting to legal action.

The rules relating to appeals to the Board of Directors as set forth in the Medical Staff Bylaws are as follows; capitalized terms have the meaning defined by the Medical Staff Bylaws:

A. Time For Appeal

Within ten (10) days after receipt of the decision of the Hearing Committee, either the Practitioner or the Medical Executive Committee may request an appellate review. A written request for such review shall be delivered to the President and Chief Executive Officer and the other party in the hearing. If a request for appellate review is not received by the President and Chief Executive Officer within such period, the decision of the Hearing Committee shall thereupon become final, except if modified or reversed by the Board of Directors.

It shall be the obligation of the party requesting appellate review to produce the record of the Hearing Committee's proceedings. If the record is not produced within a reasonable period, as determined by the Board of Directors or its authorized representative, appellate rights shall be deemed waived

In the event of a waiver of appellate rights by a Practitioner, if the Board of Directors is inclined to take action which is more adverse than that taken or recommended by the Medical Executive Committee, the Board of Directors must consult with the Medical Executive Committee before taking such action. If after such consultation the Board of Directors is still inclined to take such action, then the Practitioner shall be so notified. The notice shall include a brief summary of the reasons for the Board's contemplated action, including a reference to any factual findings in the Hearing Committee's Decision that support the action. The Practitioner shall be given ten (10) days from receipt of that notice within which to request appellate review, notwithstanding his or her earlier waiver of appellate rights. The grounds for appeal and the appellate procedure shall be as described below. However, even if the Practitioner declines to appeal any of the Hearing Committee's factual findings, he or she shall still be given an opportunity to argue, in person and in writing, that the contemplated action which is more adverse than that taken or recommended by the Medical Executive Committee is not reasonable and warranted. The action taken by the Board of Directors after following this procedure shall be the final action of the Hospital.

B. Grounds For Appeal

A written request for an appeal shall include an identification of the grounds of appeal, and a clear and concise statement of the facts in support of the appeal. The recognized grounds for appeal from a Hearing Committee decision are:

1. substantial noncompliance with the standards or procedures required by the Bylaws, or applicable law, which has created demonstrable prejudice; or

2. the factual findings of the Hearing Committee are not supported by substantial evidence based upon the hearing record or such additional information as may be permitted pursuant to this section; or

3. The Hearing Committee's failure to sustain an action or recommendation of the Medical Executive Committee that, based on the Hearing Committee's factual findings, was reasonable and warranted.

C. Time, Place and Notice

The appeal board shall, within thirty (30) days after receipt of a request for appellate review, schedule a review date and cause each side to be given notice of time, place and date of the appellate review. The appellate review shall not commence less than thirty (30) or more than sixty (60) days from the date of notice. The time for appellate review may be extended by the appeal board for good cause.

D. Appeal Board

The Board of Directors may sit as the appeal board, or it may delegate that function to an appeal board which shall be composed of not less than three (3) members of the Board of Directors. Knowledge of the matter involved shall not preclude any person from serving as a member of the appeal board so long as that person did not take part in a prior hearing on the action or recommendation being challenged. The appeal board may select an attorney to assist it in the proceeding, but that attorney shall not be entitled to vote with respect to the appeal.

E. Appeal Procedure

The proceedings by the appeal board shall be in the nature of an appellate review based upon the record of the proceedings before the Hearing Committee. However, the appeal board may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the Hearing Committee in the exercise of reasonable diligence, and subject to the same rights of cross-examination or confrontation that are provided at a hearing. The appeal board shall also have the discretion to remand the matter to the Hearing Committee for the taking of further evidence or for clarification or reconsideration of the Hearing Committee's decision. In such instances, the Hearing Committee shall report back to the appeal board, within such reasonable time limits as the appeal board imposes. Each party shall have the right to be represented by legal counsel before the appeal board, to present a written argument to the appeal board, to personally appear and

make oral argument and respond to questions in accordance with the procedure established by the appeal board. After the arguments have been submitted, the appeal board shall conduct its deliberations outside the presence of the parties and their representatives.

F. Decision

Within thirty (30) days after the submission of arguments as provided above, the appeal board shall send a written recommendation to the Board of Directors. The appeal board may recommend, and the Board of Directors may decide, to affirm, reverse or modify the decision of the Hearing Committee. The decision of the Board shall constitute the final decision of the Hospital and shall become effective immediately upon notice to the parties. The parties shall be provided a copy of the appeal board's recommendation along with a copy of the Board of Director's final decision.

G. Right To One Hearing

No practitioner shall be entitled to more than one (1) evidentiary hearing and one (1) appellate review on any adverse action or recommendation.

H. Exception to Hearing Rights

1. Exclusive Contracts

The hearing rights described in this Article shall not apply as a result of a decision to close or continue closure of a department or service pursuant to an exclusive contract or to transfer an exclusive contract, or as a result of action by the holder of such an exclusive contract.

2. Validity of Bylaw, Rule, Regulation or Policy

No hearing provided for in this article shall be utilized to make determinations as to the merits or substantive validity of any Medical Staff bylaw, rule, regulation or policy. Where a Practitioner is adversely affected by the application of a Medical Staff bylaw, rule, regulation or policy, the Practitioner's sole remedy is to seek review of such bylaw, rule, regulation or policy initially by the Medical Executive Committee. The Medical Executive Committee may in its discretion consider the request according to such procedures as it deems appropriate. If the Practitioner is dissatisfied with the action of the Medical Executive Committee, the Practitioner may request review by the Board of Directors, which shall have discretion whether to conduct a review according to such procedures as it deems appropriate. The Board of Directors shall consult with the Medical Executive Committee before taking such action regarding the bylaw, rule, regulation or policy involved. This procedure must be utilized prior to any legal action.

3. Department, Section or Service Formation or Elimination

A Medical Staff department, section, or service can be formed or eliminated only following a review and recommendation by the Medical Executive Committee regarding the appropriateness of the department, section, or service elimination or formation. The Board of Directors shall consider the recommendations of the Medical Executive Committee prior to making a final determination regarding the formation or elimination.

The Medical Staff Member(s) who's Privileges may be adversely affected by department, section, or service formation or elimination are not afforded hearing rights pursuant to Article VII.

ARTICLE IX. REVIEW AND AMENDMENT OF BYLAWS

At intervals of no more than two (2) years, the Board of Directors shall review these Bylaws in their entirety to ensure that they comply with all provisions of the Local Health Care District Law, that they continue to meet the needs of District administration and Medical Staff, and that they serve to facilitate the efficient administration of the District.

These Bylaws may from time to time be amended by action of the Board of Directors. Amendments may be proposed at any regular meeting of the Board of Directors by any member of the Board. Action on proposed amendments shall be taken at the next regular meeting of the Board of Directors following the meeting at which such amendments are proposed.

ADOPTION OF BYLAWS

Originally passed and adopted at a meeting of the Board of Directors of the TAHOE FOREST HOSPITAL DISTRICT, duly held on the 9th day of January, 1953 and most recently revised on the 27th day of October, 2022.

REVISION HISTORY

1975
Revised – March, 1977
Revised – October, 1978
Revised – April, 1979
Revised – March, 1982
Revised – May, 1983
Revised – February, 1985
Revised – July, 1988
Revised – March, 1990
Revised – November, 1992
Revised – February, 1993
Revised – May, 1994
Revised – April, 1996
Revised – September, 1996

Revised – April, 1998
Revised – September, 1998
Revised – March, 1999
Revised – July, 2000
Revised – January, 2001
Revised – November, 2002
Revised – May, 2003
Revised – July, 2003
Revised – September, 2004
Revised – March, 2005
Revised – December, 2005
Revised – October, 2006
Revised – March, 2007
Revised – April, 2008
Revised – January, 2009
Revised – September, 2010
Revised – September, 2012
Revised – November, 2014
Revised – December, 2015
Revised – November, 2017
Revised – November, 2018
Revised – August, 2020
Revised – October, 2022