



Board Informational Report

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CEO

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Finance Strategies:

We now believe we have achieved the budget in terms of actual net income for fiscal year 2020 even when “excluding all one time governmental monies” given to help us for the tremendous “hit” we took in volumes in the months of March, April and May. This is an amazing team achievement!! During those three months, we lost 34 M cumulative in gross revenues versus the path we were on fiscal YTD through February 29, 2020. We estimate very few hospitals achieved budget in this manner of all American hospitals who were very busy taking care of COVID-19 patients. Most American hospitals experienced low overall patient volumes in the months of March, April and May. Possibly the worst financial hit since the Great Depression.

We are really proud of our team for navigating wisely and efficiently through all of the changing rules/issues, which changed daily or weekly for many months.

We experienced a drop of 65% approximately, in weekly provider office visits during certain weeks in April vs our average weekly visit volumes fiscal year to date through February 29, 2020. Even with this 65% drop in certain weeks in April, I believe we still achieved growth in FY 20 in provider office visits of approximately 2500 over fiscal year 2019 actual performance.

Once we began a safe and thoughtful reopening it plan it has taken more than two months to recover most of the volumes and we still have a few weak spots to date.

In the month of July, we saw very strong revenue and volumes vs “last year July actual” which is being temporarily being used as the budget for July. I estimate we exceeded our budget in July by approximately 17% in gross revenues. Our July financials are not yet complete as of the writing of this memo, but it was a strong month.

August month to date gross revenues will likely beat budget as well.

To date, Tahoe Forest Hospital had 0 to 7 inpatients per day in April, 0 to 4 inpatients per day in May, 0 to 8 inpatients in June, 0 to 7 inpatients in July and 0 to 3 inpatients per day to date in August. These are inpatients that are COVID-19 positive or a rule out for COVID-19. We have also made it clear from a media perspective that virtually no patient should have an inpatient or outpatient hospital bill for COVID-19 related care.

We have admitted more than 140 inpatients with COVID type symptoms to date.

People Strategies:

Our team has been showing great skill, compassion and energy during the more than five months while the COVID-19 pandemic continues. They are truly demonstrating what “essential workers” are in America.

Our team is still awaiting the final report across our region and across all industries as to who will be named the Best Place to Work in all of Northern Nevada and the Lake Tahoe region. Hopefully, we will hear how we performed within 45 days.

We have worked to protect our team better than nearly all health systems in the country from the very hard financial hit we and other health systems experienced from the COVID-19 pandemic.

We have continued many virtual Town Halls for all team members to share the latest up to date information and to answer questions.

As we shared several months ago, our theme this year is on gratitude and thankfulness as we continue to focus on being the very best Team of One of any health system in the country.

Another important theme of our team as we continue to deal with COVID-19 for an undetermined period is “successfully living with COVID-19!”

Service Strategies:

Our team continues to deliver on year over year over year improving patient satisfaction score performance, always with the recognition that this is a never-ending journey of improvement. Our latest score as of June 30, 2020 indicates we have improved to 94.75 in fiscal year 2020 versus 94.48 in fiscal year 2019. We congratulate our team on this ever-improving performance, as this is not easy.

Quality Strategies:

We continue to have a long list of very focused Quality improvement activities year over year. We do measure year over year improvements in the quality of patient care our team provides. Our Core Measure bundle best summarizes the most important aspects in the quality of care and its showing year over year improvements. All of these activities tie back to our Strategic Plan.

Growth Strategies:

In alignment with our Strategic Plan under Growth, we continue to actively collaborate with many area health systems to the north, south, east and west of our health system, always looking for ways we can learn from each other and to also begin to examine ways we can deliver high quality care with greater efficiency. These activities are ongoing.

We have slowed our media and community group outreach discussions a bit in recent weeks as the inpatient hospital volumes have really been tapering downward the last two months

even though the number of positive lab tests is growing but appears to be slowing just a bit too.

We continue to hope to develop some surface parking completed in three areas of our campus this calendar year but with regret, our 3-level parking garage will not be started and finished this calendar year.

We are hopeful to have at least two different clinical lab equipment platforms fully available by September to allow us to perform quickly in-house COVID-19 lab tests.

We are very active on state and federal regulation matters to assure that great rural healthcare can continue here and across America in sustainable ways.