



Board Informational Report

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President and CEO

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The Health System has had double-digit growth almost every year for the past six years. In fiscal year (FY) 22, we have the lowest overall growth at roughly 7% on a year over year basis.

Provider office visits are illustrating a 1-2% growth rate over the previous year, one of the lowest year over year growth rates we have seen in the last six years.

We have had several physicians retire this fiscal year and some providers relocate to work in other areas of the country. There is active recruiting for several physician specialties. Recruitment has become a lot tougher for physicians and this trend will likely continue to toughen in future years. We will approach the board with new “tools” to help with recruiting of key employees or physicians as massive healthcare worker shortages are forecasted to increase in the future. As shared in a prior month, we are not aware of any employees or physicians who left our team to join the new hospital that opened in Reno on April 4.

We have four large in-person Town Hall sessions scheduled for all team members in June. We are really excited about this.

For the fourth year in a row, Tahoe Forest Health System has won an award as a “Best Place to Work”. We won 2nd place in the Extra Large Category. The award ceremony was held last Friday, May 13, 2022. We beat out all other healthcare systems in the Northern Nevada and Tahoe region.

We are seeing a small uptick in COVID-19 positive lab tests in May versus April and March. In March, we averaged 3.7 positive lab tests per calendar day in our tri-county region. In April, it was 3.5 positive lab tests per calendar day and now in May (month to date), it is running 4.9 positive lab tests per calendar day.

Additionally, we have had another 22 team members test positive in the first have to. Total positives for team members in March and April was 11 and 18, respectively.

So we would like to see the presence of the virus decline in our region, state and country a lot more. The virus is very friendly and contagious but appears to be a lower acuity illness.

I am pleased that our health system has increased the leadership hours of service for the Chief Medical Officer role as we have a growing list of complex improvements we need to serve our patients and our providers better in the future. Dr. Gary Gray is here now nearly full time as our Interim CMO as we continue to search for a very experienced full time CMO.

Our team has been busy working on details of the Bill Rose Park in the middle of our campus regarding ownership and the important compatibility with our new Master Plan. We did submit our complex Master Plan to the Town of Truckee back on March 11. We are hopeful they will value the urgency of the growing healthcare needs of our region, both in the town limits of Truckee and in the five counties we serve that is a huge footprint outside of the Town of Truckee. We are actually moving further out in the future slightly some of our building projects due to high levels of cost and we may have to look at the square footage of each building as well.

We as a management team are firmly committed to protecting the balance sheet of this Health System long term. We want to maintain a high investment grade just like we want high grades in the quality of care we provide.

It is very important for all to know that we are proposing to invest more than 100% of our cumulative net income of the next 10 years on Master Plan improvements across our District. So continuing superb financial performance is essential to have the cash flow for land improvements, equipment and building space to care for the needs of our patients. Timely access to care is below where we need and want it to be.

Our team and staff continue to work hard on a new labor agreement to become effective July 1, 2022. Growing healthcare workforce shortages are going to shock many health systems in the future. Retirements of workers in healthcare is climbing to new levels as well.

The update report this month by the Workforce Housing Agency will be very important as this group of seven partners is working really hard to find a growing number of housing solutions for more than 2000 workforce individuals. The rapidly growing house inflation in our local region is very damaging to us, and all small and large businesses in our region, as all of us try to meet the needs of patients or customers in the region.

We are experiencing many economic variables right now just like we saw in the 1970's and early 1980's. I believe inflation of goods and services is actually much higher than the federal inflation report states. This formula has been revised multiple times over many years, which tends to underreport the real inflation rate.

We continue to remain really active on many state and federal new bills or rules that may be damaging to healthcare or our economy.