



Board Informational Report

By: Harry Weis
President and CEO

DATE: December 2022

Our health system continues to perform about 7% below budget in terms of top line revenues year to date this fiscal year. Our November financials are not complete as of the date of this memo.

Inpatient volumes have really fallen fiscal year to date versus the prior year. We are pleased our region is experiencing much greater wellness this year than this same time last year.

Patient access remains our top priority focus. We are on track to generate about 4000 more provider office visits this year than our prior fiscal year but the demand for clinic office visits is still much stronger. We would like to report the increase in provider office visits ends at a much higher increase than 4,000 over the prior year as this fiscal year matures.

We have several new primary care physicians, mental health physicians and professionals that have recently arrived and more specialty physicians are coming this fiscal year.

We are focusing more team members to assist us in materially improving patient access via further strong clinic visits.

Our profitability is down significantly for three reasons: First, our volumes are materially lower than anticipated. Second, we are experiencing very high annual inflation where overall expenses have grown more than 19% year over year and supplies have grown 20% year over year as well. Third, our payor mix has changed to a less favorable payor mix as well.

It is important to share again that our price increase even during a period of very high inflation was only 5%.

We will take a variety of proactive steps to reduce forecasted annual capital expenditures and various operating expenses where efficiency needs to improve.

We have also shared the tough plight of several other district and non-district hospitals in CA or in our region.

We were pleased to sponsor the 30th Annual Winter Injury and Illness Symposium with great attendance on December 5, 2022. This educational program really helps all first responders and healthcare team members who attend.

We are pleased to share that our new permanent full time Chief Medical Officer, Dr. Brian Evans joined us this week! Our leadership team is now complete and we are grateful for the great work of Dr. Gary Gray over the last seven months as our interim CMO.

We are following through on a timely basis on many medical staff program changes. First, we have named and made active our first part-time Wellness Officer, Dr. Kreiss. We have also named our Medical Director of Primary Care Services, Dr. Gina Barta. Sam Smith was named Lead APP for our APP medical staff members.

We have an active Governance Council working with Optum on the surgical services efficiency and improvement review, which is a great multi-disciplinary Council.

We will have our first Partnership Council on December 7, 2022 which includes a wide variety of physician medical directors, the CMO, COO and VP of Provider Services.

We are ready to make the online educational process changes via HealthStream effective the first of 2023 as well.

We will be providing the first update on our new three-year Strategic Plan targeting to complete this in January.

Our Human Resources Department won an important award as the best HR department for Northern Nevada and the Lake Tahoe region.

Our medical staff have elected a new team of leaders for the medical staff as well.

Our non-medical staff team members are in the process of completing the annual Press Ganey survey.

Our health system is continuing to thoughtfully move forward with action steps regarding our Master Plan designed to assure that we are designing an innovative future larger health system that is appropriate for healthcare access and saving lives in the several counties we actively serve.

The health and safety of all individuals in our region is the most foundational duty of every town, county, state and healthcare district! All of the many actions of every person, town, business, county etc., have created via a “cause and effect” process, the increased “need level” for healthcare services we are attempting to respond to.

We continue to be vigilant regarding all proposed or actual state and federal regulation changes.