



## Board Informational Report

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President and CEO

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Our volumes are again growing quite robustly versus the prior fiscal year at this same seven-month interval. Last month I had estimated we were having YTD, year over year volume growth of approximately 5%. Now based on seven months of data it appears we are having 13-14% year over year growth for this seven-month period.

We continue to be very constrained for physician office space as reported in the past and we'll continue to report on this challenge. We are looking at all aspects of our clinic operations to remove all roadblocks for a higher level of efficiency.

We have the second floor of the three story medical office building remodel underway, which will allow a lot more patient throughput and will allow for mental health integration.

We have acquired business suite properties near Truckee Airport and are developing plans for primary care on the first floor and specialty care on the second floor there. Developing raw land with completed buildings is a very slow approval process.

We did have two Gastroenterologists retire in January. We have been working on recruitments for many months now and will consider interim solutions to help us meet the patient need in this area.

We have many active physician recruitments underway including primary care for many months now. Our provider office visits are growing slightly year over year, but with the most recent COVID surge and spread within the team and with recent retirements, or a few providers leaving for other important reasons, the year over year growth is not remarkable.

We are happy to have Dr. Gary Gray here. He is a very experienced physician leader and former CMO and CEO who is providing additional resources to our part time Chief Medical Officer (CMO) and Physician Services team. As a freestanding health system, it is always really helpful to have a new set of very experienced eyes review our practices and give us some guidance. We have committed to having more resources available versus less to support our medical staff in all aspects of clinic or hospital operations.

Our search for a full time CMO continues. This is a vital need for our changing health system. We hope to have news that is more productive on this by the end of February.

Our nearly 24-month journey with COVID-19 has been challenging to say the least for our health system and all health systems, families and businesses.

To put things in perspective for the 22 months of March 2020, through December 31, 2021, we averaged seven positive COVID-19 lab tests every single day from our tri-county area, which is Western Washoe, Eastern Placer and Eastern Nevada counties. We exploded to 72 positive COVID-19 lab test per day during the first 42 days of this calendar year, a 10 fold increase versus the previous 22 months. The good news is that we were at 95 positive lab tests per day for the first three weeks and it dropped to 72 and its dropping further now. We must have this explosive “blow off” of COVID cases to indicate we are much closer to the end of this pandemic.

The 7-day moving averages of new COVID-19 case for the US, CA and for NV are declining rapidly and have fallen 6 fold from a peak in early January. We hope to see more significant declines in the remaining weeks of February. We are very happy the acuity level of the latest variants is much lower than early strains of the disease.

We are pleased to have Jan Iida as our new Chief Nursing Officer, active for many weeks now and Louis Ward, our new Chief Operating Officer active with us since the first of February.

Our positive culture will stay strongly in place with these new additions to our team!

We look forward to review and approval of our Strategic Plan, our Master Plan and other important developments in the near future.

Every 40 to 60 years since our Declaration of Independence, America has faced significant economic, regulatory and other social challenges. We are again, within this large window of change cycle, which will be the second such large cycle of change since our health system was founded. So we are being very thoughtful and proactive for our future with this size and volume of change that is likely to happen over the next 2 to 7 years or so.

We remain very active in CA, NV and on US regulatory changes, and we remain hopeful that our society will enjoy a greater amount of normalcy regarding the pandemic in just the next few weeks!