



Board Informational Report

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President and CEO

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Our health system does not create any of the annual patient volume growth we treat and see in our various clinics and hospitals throughout our service area region. All of these patient activities are only a portion of the entire patient medical needs of our region as some patients still travel to many other locations for their care.

Our annual patient volume growth happens only in response to the healthcare demand needs of our communities as we listen and try to respond. Again, we did not create any of the demand annual growth.

Every action taken by every individual person, family, business, and governmental agency (including states, counties, towns) over the last 74 years is a cause, and effect or impact is the healthcare demand increases we strive to try to meet each day and each new year.

Healthcare is faltering in many communities (with about 60% of US hospitals losing money) and this is beyond our control as these are state and national policy issue challenges. Every external market variable keeps changing which is causing some patients all across America to drive much longer distances for their healthcare.

Our primary service area covers three counties yet we see patients coming from at least five counties to actively receive care from our team!

We are seeing approximately a 6% overall year over year increase in patient volumes after seven months in Fiscal Year 2023 versus Fiscal Year 2022. All of this growth is in outpatient services as inpatient is performing well below the same seven months of Fiscal Year 2022.

The health and safety of all residents or visitors is the most foundational duty for all. We serve in this humble space. We were founded in May of 1949 for many reasons, but one of those important reasons was to lower the number of avoidable healthcare tragedies that were happening earlier in this local area. It is our collective hope that history never repeats itself.

We are thrilled to offer our communities an amazing diverse, highly skilled clinical team in a rare critical access hospital/healthcare setting.

We also now have the latest 3T MRI west of the Mississippi that has just gone live in February. We have the newest technology in our robot assist total knee replacement surgery versus the older technology still being used in most other communities around us by other health systems. We have the best Mammography equipment including AI assist to provide a superb

service and we continue to have the finest full service Cancer Center in the region as well. These programs are just a few of the many great services we bring to all in our region.

Many community residents who watch our website closely or other marketing actions note we have a wide array of community health and wellness activities each month that no other critical access hospital system has.

Patient Access improvement is our first of many important priorities or goals. Overall, we have increased from 116,800 clinic visits in Fiscal Year 2022 to over 122,000 annualized clinic visits this fiscal year. We are going to perform a comprehensive “Lean” review and operational change from the first moment to the last moment of our patient process to see how we can make it more enjoyable for the patient and our team members and much more efficient. This Lean process will take several months to complete.

In the short term as we are a local healthcare company, any patient who is troubled by patient access can call (530) 582-6205 and share their concern and we’ll get on it, or they can e-mail us at info@tfhd.com and we will read their concern and begin to work on their challenge right away.

Our Mental Health provider team is growing and we now have child or youth specialists as well and any patient can talk to their primary care provider about referrals if needed.

We have invested over \$100,000,000 in capital improvements at our various health system sites in the last seven years and we have approximately \$30,000,000 more in capital investments planned during Fiscal Year 2023.

We have experienced over 18% inflation year over year, yet we only raised our prices 5%.

We are working hard with other area partners on one of the greatest challenges in this region and that is workforce housing. The Truckee Tahoe Workforce Housing agency is very focused with a new Strategic Plan that will positively impact a much larger number of employers and employees in this region. This effort is long and difficult and we are excited about the progress each year!

We will continue to monitor and engage on a wide variety of regulatory changes in California, Nevada, locally and in the US that could affect us.