



## Board Informational Report

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President and CEO

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Our health system in the first three months is showing overall growth of approximately 8% over the prior fiscal year for the same three-month period.

Further, we are seeing about 9.5% growth in provider office visits over the same three months of the prior fiscal year.

These large year over year volume growths keep happening; this high level of year over year growth is very rare for most regions of the US.

We did not create the demand for the large volume increases we have reported over the past six years; we have simply tried to listen to the tremendous unmet healthcare needs of residents in our region and have tried to respond more vigorously to these unmet needs.

We are pleased to see that Total Assets are now approximately 423M and one year ago, they were 390M.

In addition, Net Worth, "Net Assets" have improved nicely now to 240M and they were 199M at this same time last year.

I am really proud of our team performance as we continue to work on the very difficult challenge of a great patient experience here when we continue to have limited space and limited team capacity.

We do continue to receive a few patients from distant health systems who remain busy.

As we track the COVID 19 activities in our tri-county region, we are seeing just a slight drop in the last two weeks. We would like to see a more substantial drop in the next several weeks.

Last year, approximately two weeks after Veteran's Day, we hit our third surge since the pandemic began and we are hopeful that surge will not happen this year.

We are working on replacing key team members who are retiring from service here. Hopefully this time next month, we can share some success on this topic. Many companies across America are reporting an increase in the quantity of individuals who are retiring.

Further, our team is very busy on the new Fiscal Year 2023-2025 Strategic Plan. The philosophy is to make sure our Mission, Vision, Values, Foundations of Excellence are all

refined slightly to provide a more focus for our health system along with a new set of priorities for the future as well.

Workforce housing continues to be a large, very important, growing and very complex topic for us. We need to have more solutions now for our team members even when the market is very high and strong. We must also be poised to act in a large way too, if the market were to recede. We have many community partnering and brain storming discussions going on regarding this topic.

Patient Experience from many different important angles remains a key focus for our team. Keeping this topic at a very high level over the next three years will be a growing challenge, as it will take time to build out more patient care space, parking and equipment.

We are supportive of new technology for our patients and for our clinical team. Technology is moving forward briskly in healthcare. We are now planning on robotic assisted knee replacement surgery in the near future and separately we are working on the upgrade of a new 3 T MRI machine as well along with many other improvements for our patients.

We are actively monitoring and engaging on a variety of multi-state legislation as appropriate.

The month of July was very busy overall for our health system. The first half of August was also very busy. The second half of August and September month to date have been a bit slower in terms of overall activity and revenue generation, even though we've been receiving patients from fire impacted areas and COVID related patients.

Our team is privileged to receive and treat patients from Quincy, South Lake Tahoe and Susanville due to either fires, healthcare needs or COVID 19 needs.

This month is a very important month in the very busy 12 months our team faces each year as we share a small portion of the important Accomplishments and forward progress achieved over the previous fiscal year.

Further, our team is actively engaged in research, and preparation for a new 3 year Strategic Plan that will consider our changing regional healthcare needs, the changes in the more distant region, state and federal changes as well as market force changes.

It's vitally important that we have the optimal people, clinical and business structure in place to meet the unmet healthcare needs and to make the critical progress necessary to serve our patients better in each new year across our region.

Our Master Plan over the next 10 years is a vital component of our Strategic Plan. We plan on making a presentation on this vital topic before the end of the month to the Town. Every month and year this Master Plan is delayed, increases the cost of healthcare materially.

It's very likely that the next 2 to 7 years will illustrate profound changes vs the last few decades. Many major events seem to follow a 40 to 60 year cycle and we are now at 57 years since Medicare and Medicaid started. Our health system existed for 16 years before Medicare or Medicaid existed.

For the past 13 years or so we've seen the rapid growth of high deductible health plans being actively sold which has really increased the average family's household budget stress. As a result providers have really increased resources and services to improve responsiveness to patients. Healthcare payors have done very little to help hurting families when a need arises relative to these high deductible plans. All of the family stress mitigation is resting on the providers of care.

I'm very proud of our large and growing healthcare team as they have been a winner 3 years in a row in the competition of Best Places to Work vs companies in all industries, not just healthcare for Northern Nevada and the Lake Tahoe region. We came in, in 3<sup>rd</sup> place this year. In all of these 3 years, we've placed highest vs all other healthcare systems.

We are collaborating with other area partners on the critical topic of workforce housing and these efforts will only grow in size and complexity in the years ahead!

We continue to lead the State of CA relative to rural areas and many urban areas on the vital need to employ healthcare providers based on the strong conclusions of two federal agencies that healthcare providers must be employees. This transition is never easy and our focus is on treating people as we'd hope to be treated if roles were reversed.

We are also active in several state and federal legislative matters to protect high quality and sustainable healthcare!