



Board Informational Report

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President and CEO

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As I shared last month, our health system does not create even one patient visit or any of the large 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.

Again, as I shared last month our annual patient volume growth that has been quite large, happens only as we respond to the growing healthcare demands of our communities as we listen and try to respond. Again, we did not create any of the demand that has driven annual patient visit growth.

Each action taken by every individual person, family, business, and governmental agency (including states, counties, towns) over the last 74 years is the cause of all patient healthcare demands; and the effect or result, is the healthcare demand increases our team strives really hard to try to meet each day and each new year.

Healthcare is faltering more each new year in many communities (with at least 51% of US hospitals losing money) and this is beyond our control as these are major, market force, state and national policy issue challenges that in most cases are not being dealt with, wisely. Every external market variable keeps changing which is causing some patients all across America to drive much longer distances to access their healthcare.

Rural health systems need four to five major national policy changes quickly to make sure rural health systems can serve their communities across America for the long term.

We have seen at least one hospital close in our region a few years ago and two others recently cease to provide OB services.

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

We will report out next month on the update to our annual year over year overall growth that continues for eight years now. We continue to see weakness in our inpatient (IP) volumes versus budget and great outpatient (OP) strength that is strongly exceeding budget fiscal year to date.

The health and safety of all residents or visitors is the most foundational duty by every town, county, state and healthcare district for all. We serve in this humble space. We were founded

in May 1949 for many reasons, but one of those important reasons was to lower the number of avoidable serious healthcare tragedies that were happening earlier in this local area. It is our collective hope that history never repeats itself.

Our team and Board continues to strongly advocate for the health and safety of all residents of our region. The need for support now and for the future on this topic is just as strong as it was back in the 1940's when there were multiple avoidable health tragedies here.

One year after our first year of full year of operations (treating IPs and OPs), a local newspaper article cited how unified our local area is on having 24/7 healthcare! Today, its possible, healthcare availability is taken too much for granted by some in our region! The newspaper article also had a subtitle, which says, "Unity in the Community builds Hospital."

We estimate back in 1952 that our community had one or two part time or full time physicians. Today, our health system has 176 active and courtesy physicians, nurse practitioners and physician assistants. Only back in 2015, we had 115 active and courtesy medical staff members, so our team has grown by 61 new medical staff members or 53%.

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

We are grateful for a very dedicated clinical and support team here at Tahoe Forest Health system who make sure we continue to offer 24/7 care to all patients in our region, even during one of the toughest winters in the past 70 years. We thank our team!!

Back in 1952 to 1953, our health system had 1125 OP visits of all types including hospital or other visits. No provider clinic visits were reported at that point in time.

Patient Access improvement is our first of many important priorities or goals. Back in 2015, we had 47K provider office/clinic visits. Overall, we have increased to 116,800 clinic visits in FY 22 and are now performing over 123,500 annualized clinic visits this new fiscal year.

I doubt any other critical access hospital system in the US could have found the ways to triple patient clinic visits since 2015.

We have approved a comprehensive "Lean" review and operational change from the first moment to the last moment of our patient access and clinic treatment process to see how we can make the experience much more enjoyable for the patient and our team members and much more efficient. This "Lean" process will take several months to complete.

We have been performing a major Surgical Services improvement program to honor our patients, our team and to make sure we are illustrating best clinical and business practices in our surgery areas.

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