

TRUE NORTH 2030:

Tahoe Forest Health System 2027-2030 Strategy
& 2027 Budget Presentation

Health within Reach | Community Guided | Transformation



For the community, by the community



RECOGNIZED FOR EXCELLENCE

Gene Upshaw
Memorial Cancer
Center

Level III
Trauma
Center

Pediatric
Readiness
Assessment

ACHC Primary
Stroke Center

Geriatric Emergency
Department
Accreditation

Baby-Friendly®
Designation



2

STATES



6

COUNTIES



2

HOSPITALS



25

BEDS

25

TFH

4

IVCH

37

SKILLED NURSING



50K+

RESIDENTS SERVED



166K+

OUTPATIENT VISITS



\$787M

FY 26 PROJECTED
GROSS REVENUE



1.9K

WORKFORCE



95+%

PATIENT SATISFACTION



30+

SPECIALTY SERVICES



88%

LOCALS RECEIVED
CARE SINCE 2023

Last September, We Posed The Question:

"What does it mean for a health system to be the center of health in a community?"



Since then, we've taken a deep dive into who we are

TFHS FACT

41% Overall unique patient growth from FY2019 to FY2025



5,000 Voices, Data & Industry Expertise

Informed the strategy, including:

Community and team member conversations

Clinical, operations & financial data

Surveys & benchmarking

Best practices & market insights

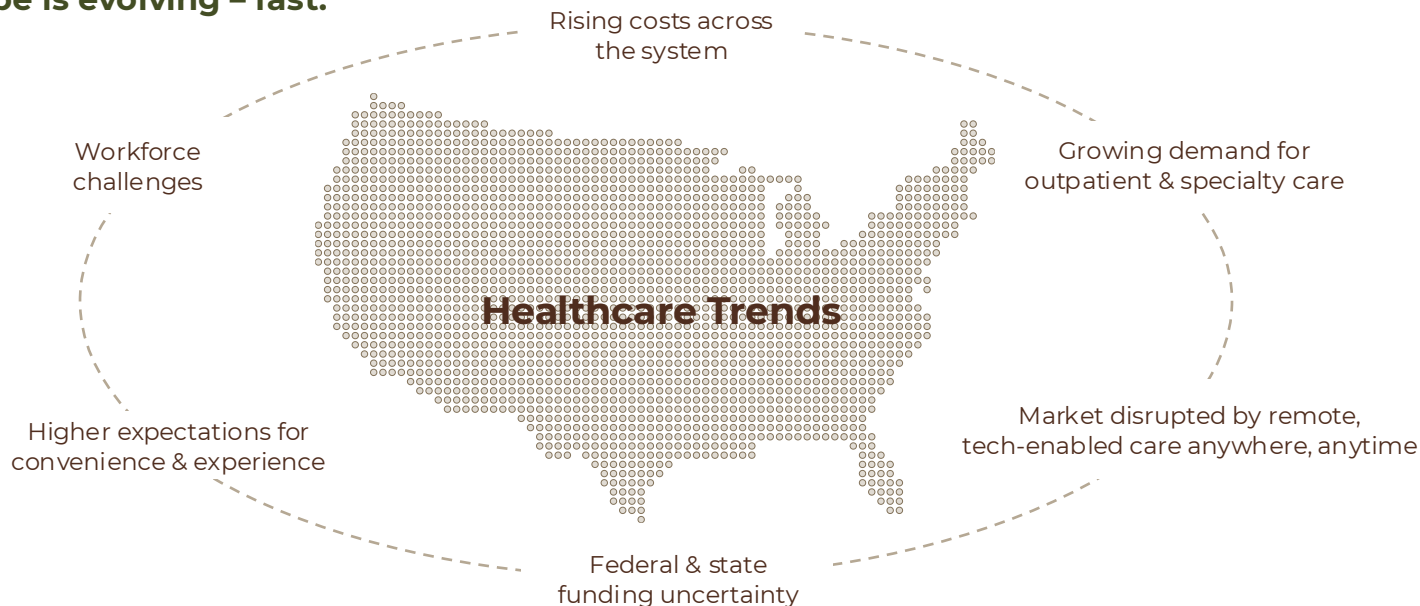
TFHS FACT

~6.5K Community and staff voices helped shape this plan



What We Heard

The landscape is evolving – fast.

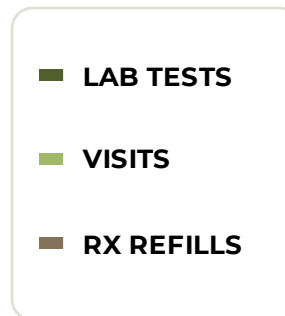
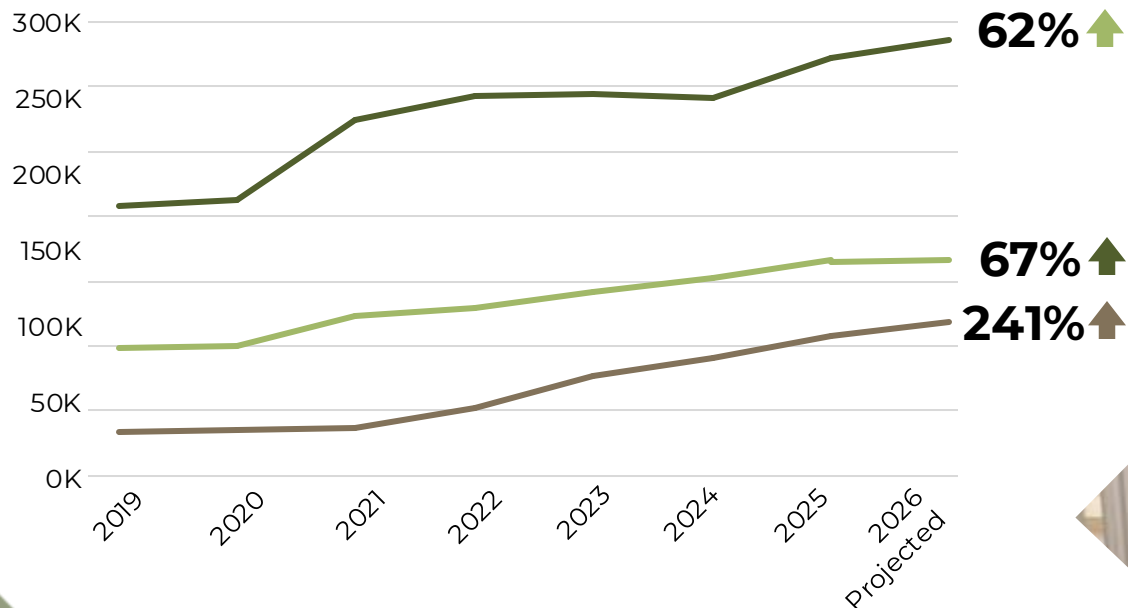


TFHS FACT

68% Growth in patients coming from outside the region since 2019



Growth at Tahoe Forest



TFHS FACT

257% Revenue growth over the past 10 years



Strategy To Action

Improve access

Invest where it matters most

Make clear, intentional choices

Adapt to changing needs



TFHS FACT

45% Of Nevada County babies born at Tahoe Forest Hospital



Tahoe Forest True North Aims:



Health Within Reach

Access, choice, lower
cost & convenience



Community Guided

Services shaped
by community



Transformation

Shared decisions,
stronger accountability





Health Within Reach

Care that is easy to access, easy to use & offers more choice

Expand options and choice

Improve cost transparency

Lower cost options

Enhance financial navigation

TFHS FACT

\$183M

Invested in space and equipment
over the past 10 years



ALREADY IN MOTION

\$700K
INVESTMENT

Mobile Clinic
1.5K visits/yr

\$59M
INVESTMENT

Sierra Center, North Shore
Clinic, Gateway West
55K clinic appointments

\$56K
INVESTMENT

Extended hours & virtual Care
for Primary Care & Pediatrics
5.1K visits/yr

\$404K
INVESTMENT

Cost transparency &
financial navigation efforts

\$2.3M
INVESTMENT

Lab Affordability Pilot



Community Guided

Care shaped by what matters most to our community

Modernize care model

Continued engagement with community & staff

Track & address trends & needs

Invest intentionally

Sustained, impactful collaboration

ALREADY IN MOTION

\$1.5M

INVESTMENT

Clinical AI tools

\$200K

INVESTMENT

Climate Action Plan

\$600K

INVESTMENT

Financial forecasting,
modeling & analysis

TFHS FACT

\$10M

Raised for Incline Village Community Hospital surgery enhancement, including \$7.8M from Dave & Cheryl Duffield Foundation

DAVE & CHERYL
DUFFIELD





Transformation

Shared decisions & stronger accountability

Align governance & executive leadership

Accelerate the culture of continuous improvement

Develop leaders for the future

Improve alignment & performance

Attract, grow & retain talent

Explore strategic collaborations, inside & out

ALREADY IN MOTION

\$240K
INVESTMENT

Governance

\$350K
INVESTMENT

Community Fall Forum

\$1.2M
INVESTMENT

True North
Transformation Center

\$400K
INVESTMENT

Workforce strategy

\$300K
INVESTMENT

Data analysis, metric
development & monitoring

TFHS FACT

87% 10 years growth in employed workforce



Measuring Success

Outcome measures — long-term progress

Operational indicators — day-to-day performance

Leading indicators — trends, risks & opportunities

JUNE BOARD MEETING:



**RECOMMEND KEY
PERFORMANCE
INDICATORS**

**OUTLINE KPI
TRANSPARENCY PLAN**

TFHS FACT

< 5%

Of ER Patients transferred when TFHS is unable to provide level of care needed



Proposed 2027 Budget

Revenue & Expenses

Full-time Equivalent Growth

Capital Investments

Key Financial Indicators



Statement of Revenue & Expense

Fiscal Year 2027 Budget

Gross Revenue	\$ 832,633,020
Deductions from Revenue	(460,194,329)
Other Operating Revenue	22,526,539
Wellness Neighborhood Revenue*	1,598,991
Total Operating Revenue	\$ 396,564,221
Operating Expenses	383,169,448
EBIDA	\$ 13,394,773
Non-Operating Expense	(16,336,869)
Property Tax Revenue	16,396,485
Net Income	\$ 13,454,390

**Amount represents property tax revenues specifically allocated to fund the wellness neighborhood program.*

Note: EBIDA – Earning Before Interest, Depreciation and Amortization

1.6%

**EBIDA BASED ON
GROSS REVENUE**



\$18M

**TOTAL ANNUAL
PROPERTY TAX
REVENUES**



Impacts on Revenue

-\$2.3M

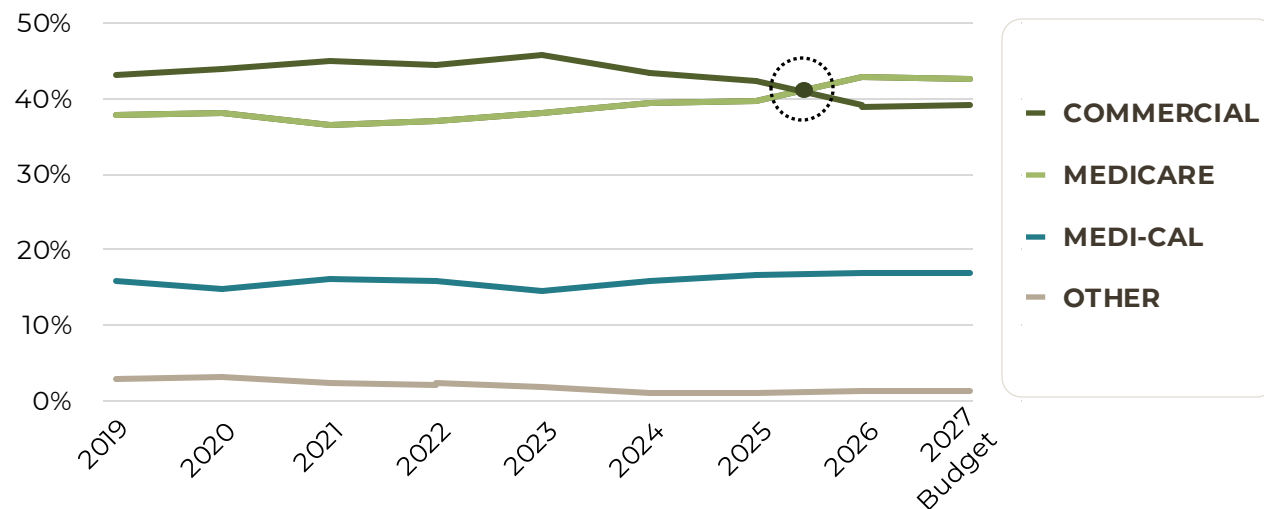
**NET REVENUE
REDUCTION PART OF
LAB AFFORDABILITY
PILOT**

25%

**PRICE REDUCTION ON
70% OF OUR LAB TESTS**



Payor Mix % Based on Total Gross Revenue



***5% CHARGEMASTER RATE INCREASE (IN AGGREGATE) EFFECTIVE AUGUST 1, 2026** 15

Full-time Equivalent (FTE) Growth

	Budget FY 2026	Projected FY 2026	Budget FY 2027	Budget FY2027 vs Projected FY 2026	Budget FY 2027 vs Budget FY 2026
Employed FTE including APP	1,145	1,054	1,169	115	24
Employed Physician FTE	73	64	72	8	-1
Total	1,218	1,118	1,241	123	23

~1.9K

WORKFORCE

**EMPLOYED ~1,400
CONTRACTED ~500**



TFHS FACT

~60% Of TFHS employees live in the communities we serve



Operating Expenses

7.3%

**INCREASE IN
OPERATING EXPENSES**



	Projected FY 2026	Budget FY 2027
Salaries, Wages and Benefits	\$ 244,558,868	\$ 256,001,182
Professional Fees		
-Clinical	7,497,587	7,564,537
-Other	4,691,460	6,688,970
Supplies	59,271,982	66,437,104
Purchased Services	27,457,697	31,759,312
Other	13,536,706	14,718,343
Total Operating Expense	\$ 357,014,300	\$ 383,169,448

TFHS FACT

66.8% Of expenses are salaries, wages & benefits (budgeted)



Capital Investments

	Projected 2026	Budget FY 2027	FY 2028	FY 2029	FY 2030
Equipment	\$ 7,012,606	\$ 6,238,750	\$ 3,476,150	\$ 1,939,500	\$ 4,045,000
Information Technology	Included in equipment total above	\$ 5,659,758	\$ 1,205,000	\$ 1,245,000	\$ 1,670,000
Projects, Construction, and Properties	\$ 46,825,788	\$ 58,553,840	\$ 40,362,800	\$ 25,805,400	\$ 57,161,180
Total	\$ 53,838,394	\$ 70,452,348	\$ 45,043,950	\$ 28,989,900	\$ 62,876,180

**\$70.5M
Funded by:**

**\$2.3M MUNICIPAL
LEASE**

\$6.4M DONATIONS

\$61.8M OPERATIONS



TFHS FACT

\$261M Total planned capital investments over next 5 years



Capital Investments

57K+

**VISIT CAPACITY
ADDED BY CAPITAL
INVESTMENTS**

 **+34%**
vs 2025

	Budget FY 2027
Mobile Clinic	\$486K
Sierra Center Clinic	\$21.2M
North Shore Clinic	\$6.7M
Gateway West Clinic	\$31.8M
Physical Therapy Renovation	\$1.0M
Incline Village Surgical Enhancements	\$8.4M
Clinical AI Technology	\$1.5M

TFHS FACT

17K Emergency visits in 2025

Balance Sheet Key Indicators

	Projected FY 2026	Budget FY 2027	Standard and Poor's A- Ratings *
Days Cash on Hand	195.6	145.4	216.5
Days in Account Receivable	56	54	45.5
MADS Coverage	5.38x	4.53x	4.1x
Unrestricted Cash to Long-term Debt	191.1%	162.1%	170.7%
Long-term Debt to Capitalization	20.9%	19.3%	25.1%

**Based on Standard & Poor's U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios 2024 – Published August 7, 2025*



**PROCEED WITH
CAUTION**

TFHS FACT

Key Indicators for Budget FY 2027 are BBB- or greater, in alignment with Fiscal Policy, ABD-11.



Income Statement Key Indicators



**PROCEED WITH
CAUTION**

	Projected FY 2026	Budget FY 2027	Standard & Poor's A- Ratings *
EBIDA Margin	13.2%	10.8%	9.7%
Operating EBIDA Margin	10.9%	7.2%	6.0%
Operating Margin	3.6%	-0.3%	1.1%
Excess Margin	5.9%	3.3%	4.1%

**Based on Standard & Poor's U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios 2024 – Published August 7, 2025*

TFHS FACT

Key Indicators for Budget FY 2027 are BBB- or greater, in alignment with Fiscal Policy, ABD-11.



Shaping Our Future

Tonight

- Accept True North Strategy
- Approve 2027 TFHD Fiscal Year Budget
- Approve TFHD Three Year Capital Plan – FY2028-2030

June

- Measurement Framework

Now to 2030

- Shared decision making
- Ready for change
- Focused investments
- Clear vision for local care
- A stronger, connected health system



Tahoe Forest Health Fall Forum: September 25

Featuring the **Thomas D. Hobday Medical Lectureship**



Jim Morrison

First skier to descend the North Face of Mount Everest via the Hornbein Couloir

Local Truckee Native, featured in National Geographic



Dr. Gurpreet Dhaliwal

One of the country's most gifted diagnosticians and renowned Speakers

Professor of medicine at UC San Francisco and among the nation's leading diagnosticians



SAVE
THE
DATE

