



TAHOE FOREST HOSPITAL DISTRICT

2021-12-14 Board Finance Committee

Tuesday, December 14, 2021 at 10:00 a.m.

Pursuant to Assembly Bill 361, the Board Finance Committee for December 14, 2021 will be conducted telephonically through Zoom.

Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting.

Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely: Please use this web link: <https://tfhd.zoom.us/j/82537200257>

If you prefer to use your phone, you may call in using the numbers below: (346) 248 7799 or (301) 715 8592, Meeting ID: 825 3720 0257

Meeting Book - 2021-12-14 Board Finance Committee

Finance Committee

AGENDA

2021-12-14 Board Finance Committee_FINAL Agenda.pdf 3

ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

2021-08-23 Board Finance Committee_DRAFT Minutes.pdf 5

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Chandler Investment Presentation.pdf 8

6.2. AR Update 11-30-2021.pdf 44

6.3. Resolution 2021-08 Nondesignated Public Hospital Bridge Loan Program.pdf 49

6.4. Financial Reports

6.4.1. November 2021 Financial Report
Materials will be distributed at a later time.

6.5. Policy Review

6.5.1. Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds- ABD-23.pd.pdf 78

6.5.2. Fiscal Policy- ABD-11.pd.pdf 84

6.5.3. Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies- ABD-09-Draft.pdf 87

6.5.4. Credit and Collection Policy- ABD-8-Draft.pdf 101

7. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 8. NEXT MEETING DATE

9. ADJOURN



FINANCE COMMITTEE AGENDA

Tuesday, December 14, 2021 at 10:00 a.m.

Pursuant to Assembly Bill 361, the Board Finance Committee for December 14, 2021 will be conducted telephonically through Zoom. Please be advised that pursuant to legislation and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

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Meeting ID: 825 3720 0257

Public comment will also be accepted by email to mrochefort@tfhd.com. Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting.

Oral public comments will be subject to the three minute time limitation (approximately 350 words). Written comments will be distributed to the board prior to the meeting but not read at the meeting.

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Chair; Mary Brown, Board Member

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. APPROVAL OF MINUTES OF: 08/23/2021 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Investment Portfolio Update ATTACHMENT

Finance Committee will receive an investment portfolio update from Chandler Asset Management.

6.2. Accounts Receivable – Post Conversion Update ATTACHMENT

Finance Committee will receive an update on the status of accounts receivable.

6.3. Resolution 2021-08 ATTACHMENT

Finance will review a resolution authorizing execution and delivery of a loan and security agreement, promissory note, and certain action in connection therewith for the California Health Facilities Financing Authority Nondesignated Public Hospital Bridge Loan Program.

6.4. Financial Reports

Finance Committee will review the following financial report:

6.4.1. November 2021 Financial Report..... ATTACHMENT*

6.5. Policy Review

Finance Committee will review the following board policies:

6.5.1. Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds,
ABD- 23..... ATTACHMENT

6.5.2. Fiscal Policy, ABD-11..... ATTACHMENT

6.5.3. Financial Assistance Program Full Charity Care and Discount Charity Care Policies,
ABD-09..... ATTACHMENT

6.5.4. Credit and Collection Policy, ABD-08..... ATTACHMENT

7. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

8. NEXT MEETING DATE

9. ADJOURN

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions. Equal Opportunity Employer. The telephonic meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

FINANCE COMMITTEE

DRAFT MINUTES

Monday, August 23, 2021 at 1:00 p.m.

Pursuant to Executive Order N-08-21 issued by Governor Newsom, the Board Finance Committee meeting for August 23, 2021 will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

1. CALL TO ORDER

Meeting was called to order at 1:01 p.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Mary Brown, Board Member

Staff in attendance: Harry Weis, President & Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Operating Officer; Jaye Chasseur, Controller; Vickie Morgan, Revenue Cycle Project Director; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 04/20/2021

Director Brown moved to approve the Board Finance Committee minutes of April 20, 2021, seconded by Director Chamblin.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Accounts Receivable (AR) – Post Conversion Update

Crystal Betts, Chief Executive Officer, reviewed the Accounts Receivable (AR) update on page 8 of the packet.

The Business Office was able to make progress by moving Emily Perez into interim manager role.

Cash collections ended at 103% of target which means collecting on old AR.

Vickie Morgan, Revenue Cycle Project Director, does not anticipate a compliance issue on split claims.

Revenue Cycle Project Director provided an update on current projects with Mercy.

CFO reviewed vendor activity and fee reductions during COVID-19 pandemic.

The clearinghouse went live with ABILITY on March 1, 2021. All claims are now being processed

through ABILITY.

Revenue Cycle Project Director departed the meeting at 1:26 p.m.

6.2. Financial Reports

Finance Committee reviewed the following financial reports:

6.2.1. FYE 06/30/2021 Updated Preliminary Financial Report

CFO reviewed the end of fiscal year financials.

There is the potential for changes as more information is received on collections. There are also invoices still coming in that belong to FY2021.

There are still a few items being worked on such as reconciliation of COVID expenses against provider relief funds and IGT supplemental fund true up.

Once the pre-audit is complete, CFO will look at what liabilities need to be booked for employee gainsharing and incentive compensation.

6.2.2. July 2021 Financial Report

CFO reviewed the July 2021 Financial Report.

Days in AR for Epic is at 66.9 days.

There is a discrepancy due to downtime during the fiscal year end. An adjustment of approximately \$2,000,000 was made by journal entry to put the revenues back in June.

Days Cash on Hand is 286 days.

Patient AR days was 67.9, 101% of target.

CFO stated General Obligation (GO) Bond tax revenue money was moved from its fund to the checking account.

CFO reviewed variances on the income statement. Radiologists were anticipated to be employed in July 2021 so Salaries and Wages were below budget.

Net income for the month of July was \$837,750 better than budget.

IVCH had a great month with strong outpatient revenues.

CFO reviewed the Statement of Cash Flows.

7. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

No discussion was held.

8. NEXT MEETING DATE

The Finance Committee will meet again next quarter.

9. ADJOURN

Meeting adjourned at 2:01 p.m.

DRAFT

Tahoe Forest Hospital District

Period Ending November 30, 2021

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1	Introduction
SECTION 2	Economic Update
SECTION 3	Account Profile
SECTION 4	Portfolio Holdings
SECTION 5	Transactions

Section 1 | Introduction



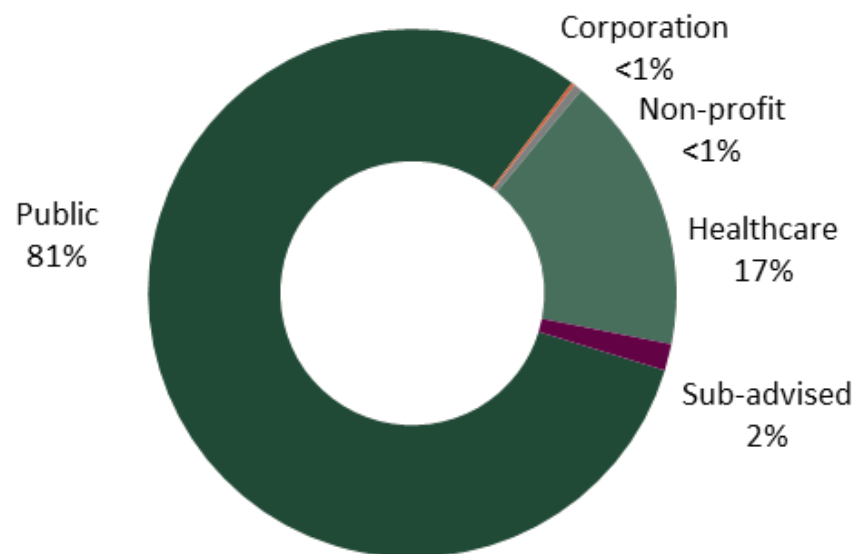
“We believe if we do what is right for our clients, our own success will follow.”

- *Independent & Employee-Owned*
 - Fixed income investment specialist since 1988
 - Founded by public agency investment professionals
 - Headquartered in San Diego, CA with offices in Bay Area

- *Custom Investment Programs*
 - Investment solutions based on your risk profile and return goals
 - Direct access to investment management team
 - Strategies for operating, short, and long-term reserves

- *Stable Team of Investment Professionals*
 - Team of investment professionals average over two decades portfolio management experience
 - Continuity provided through team approach
 - Disciplined, repeatable investment process
 - Proprietary investment analysis

Assets Under Management
\$24.8 Billion

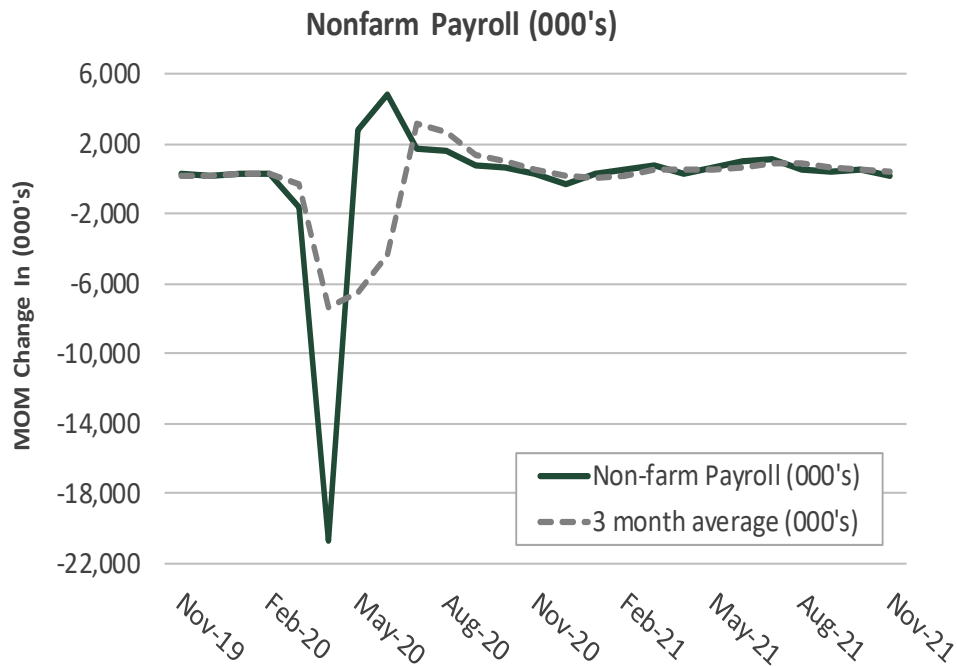


Section 2 | Economic Update

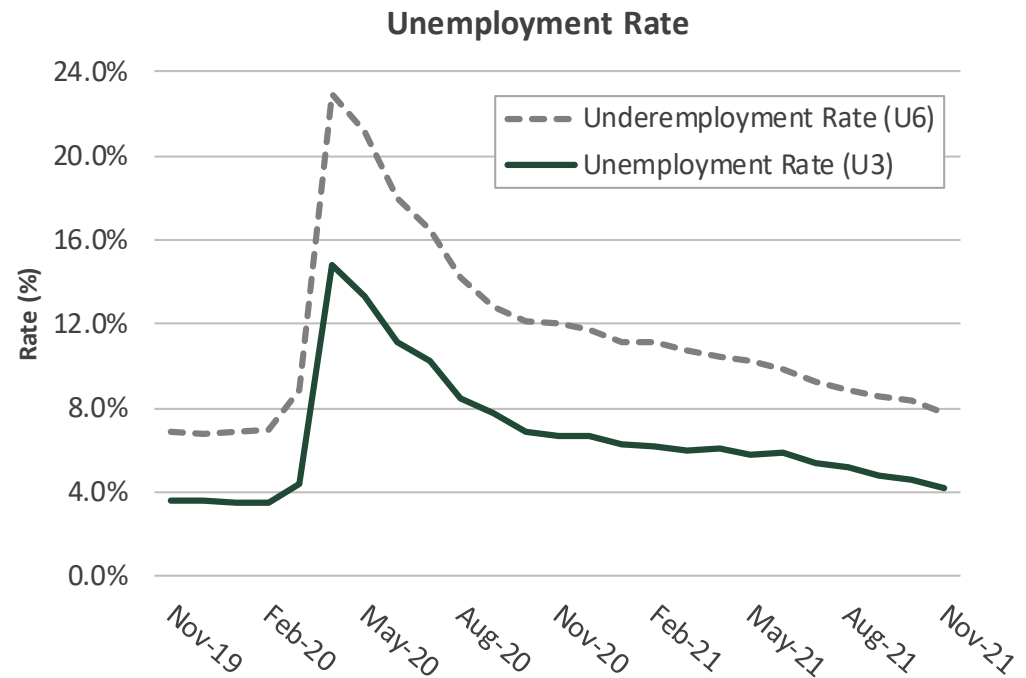
Economic Update

- Though high inflation, supply chain constraints, and the ongoing health crisis continue to impact the overall economy, recent data supports the view that economic growth has picked up in the current quarter. In our view, economic growth is likely to moderate but remain modestly above-trend in 2022, fueled in part by ongoing tailwinds from fiscal support, accommodative monetary policy, and continued progress on vaccinations. Our outlook assumes an improving global health backdrop, though risks to the downside remain. Covid infection rates in the US and on a global basis have recently increased, and the new omicron variant poses a significant risk to the outlook. Given the high level of uncertainty regarding omicron's impact on the global health situation, supply chains, and the broader economy, we expect financial market volatility will be elevated over the near-term. Inflation readings continue to run hot, but market-based inflation expectations remain relatively contained and we believe inflation may be at or near a peak. We expect supply chain bottlenecks will continue to put upward pressure on prices over the near-term but should improve next year.
- The Federal Open Market Committee (FOMC) kept the fed funds target rate unchanged in November, in a range of 0%-0.25%, but started to reduce the magnitude of their asset purchases at a pace of \$15 billion per month. The FOMC's next meeting is scheduled for December 14-15. With inflation now appearing to be more elevated and prolonged than originally anticipated, we believe the Fed may accelerate the pace of their tapering process this month in order to give them the option of hiking rates sooner, if needed. We do not believe that monetary policy is on a pre-set course and believe the Fed wishes to be positioned to respond to economic data as it evolves. We continue to believe that the Fed will take a gradual approach to normalizing monetary policy, given the ongoing uncertainties related to the pandemic, and we are not expecting a rate hike within the next six months. We expect the Fed to complete the taper process sometime in the first half of next year and announce the first rate hike in the second half of the year. For now, monetary policy remains highly accommodative. We anticipate that the Fed's gradual approach to rate hikes will put upward pressure on Treasury yields across the curve next year.
- The Treasury yield curve flattened in November and has flattened further in early December. The 2-year Treasury yield increased nearly seven basis points to 0.57% in November, the 5-year Treasury yields declined two points to 1.16%, and the 10-year Treasury yield declined nearly eleven basis points to 1.44% in the month. Given the high level of uncertainty regarding the outlook for monetary policy as well as the unknown impact of the new omicron variant, we believe an ongoing flight to quality may keep downward pressure on the longer end of the Treasury curve, at least over the near-term.

Employment



Source: US Department of Labor

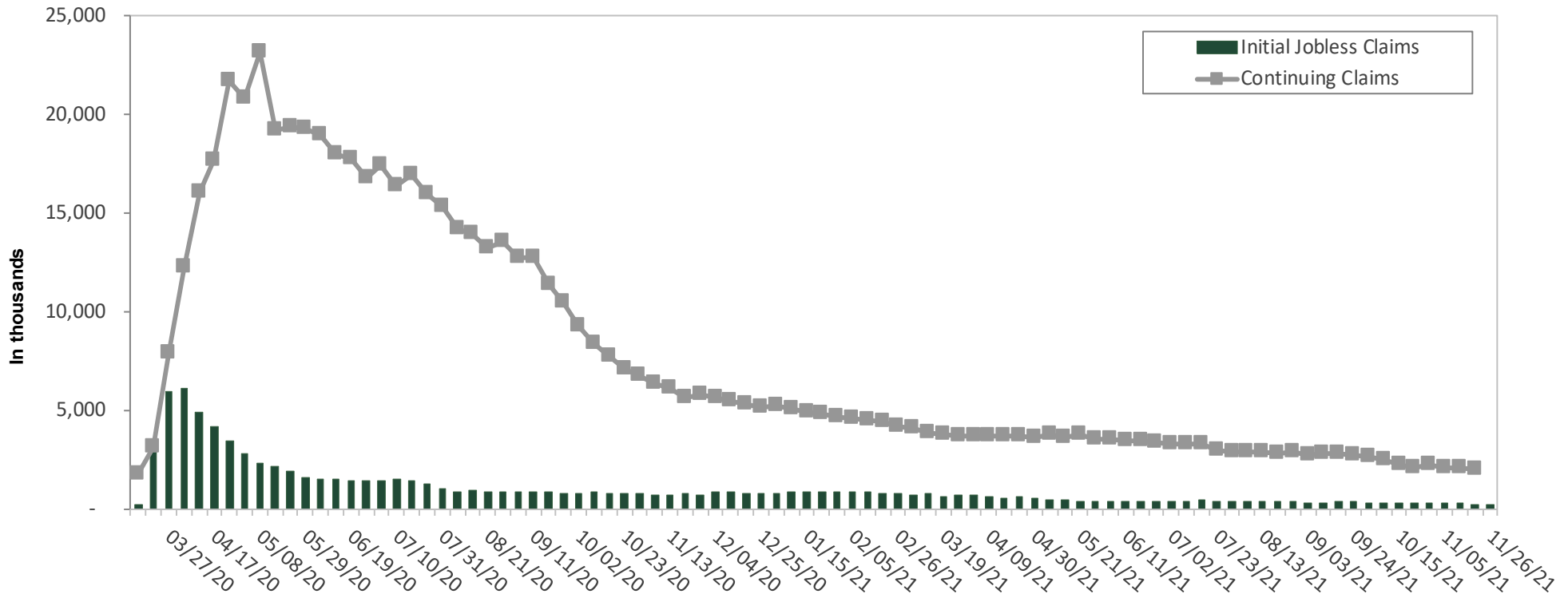


Source: US Department of Labor

Job growth was weaker than expected in November, but the unemployment rate still declined four tenths of a percent to 4.2%. We believe a variety of factors are keeping some workers out of the labor force, which has likely held back job growth despite strong demand from employers. U.S. nonfarm payrolls increased by 210,000 in November, versus the consensus forecast of 550,000. On a trailing 3-month and 6-month basis, payrolls increased an average of 378,000 and 612,000 per month, as job growth has decelerated from the summer months. The labor participation rate improved to 61.8% in November from 61.6% in October but remains lower than the pre-pandemic level of 63.4%. The employment-population ratio increased to 59.2% from 58.8%, but also remains below the pre-pandemic level of 61.1%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 7.8% in November from 8.3% in October (versus 7.0% in February 2020). Annualized average hourly earnings were up by 4.8% in November (unchanged from October), reflecting strong wage growth driven in part by the ongoing imbalance in the supply and demand for labor.

Initial Claims for Unemployment

Initial Claims For Unemployment March 13, 2020 - November 26, 2021

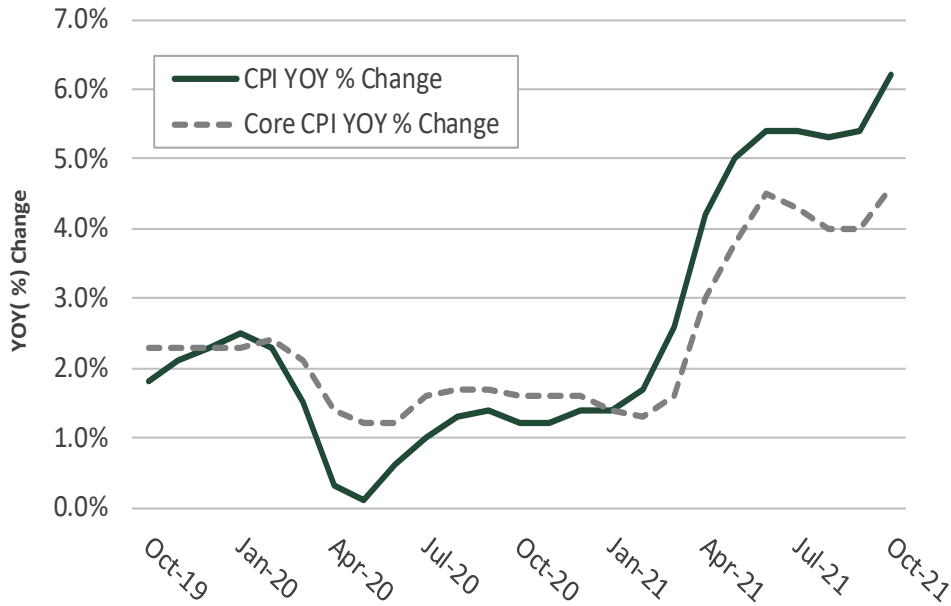


Source: US Department of Labor

In the most recent week, the number of initial jobless claims was 222,000 versus 194,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined to 1.956 million from 2.063 million in the prior week. Continuing jobless claims have declined significantly from the peak of nearly 25 million in May 2020, and are approaching pre-pandemic levels (the 2019 average was 1.7 million).

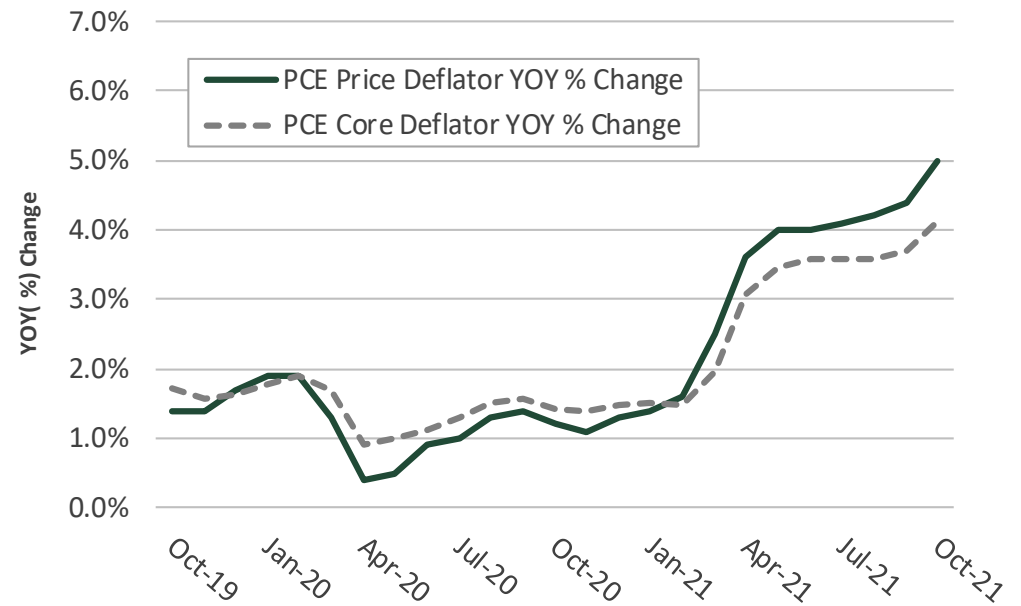
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

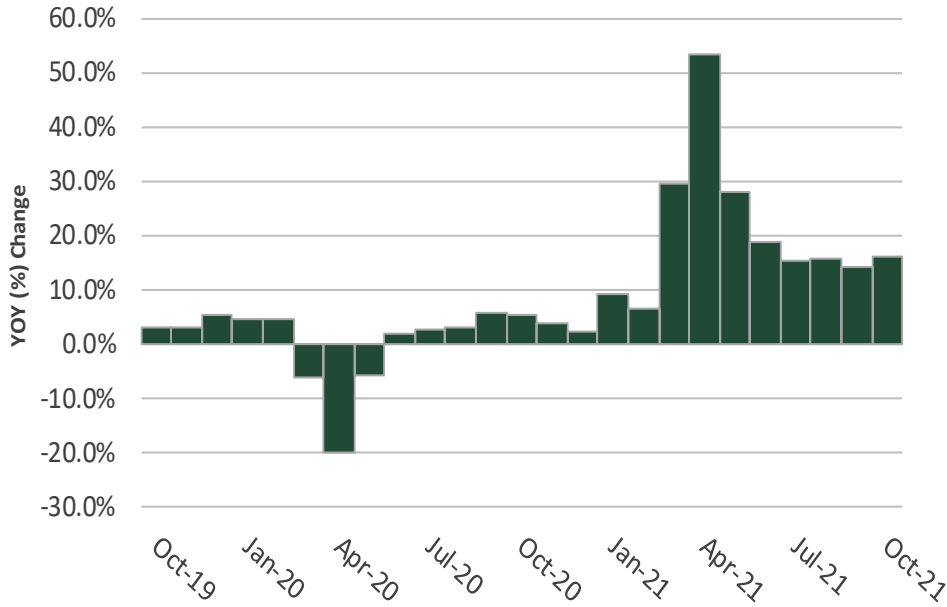


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 6.2% year-over-year in October, versus up 5.4% year-over-year in September. Core CPI (CPI less food and energy) was up 4.6% year-over-year in October (higher than expected), versus up 4.0% in September. The Personal Consumption Expenditures (PCE) index was up 5.0% year-over-year in October, up from 4.4% in September. Core PCE was up 4.1% year-over-year in October, versus up 3.7% in September. Current inflation readings continue to run well above the Fed’s longer-run target of around 2.0%. Upward pressure on inflation from supply chain bottlenecks and pandemic-related disruptions is likely to remain elevated over the near-term.

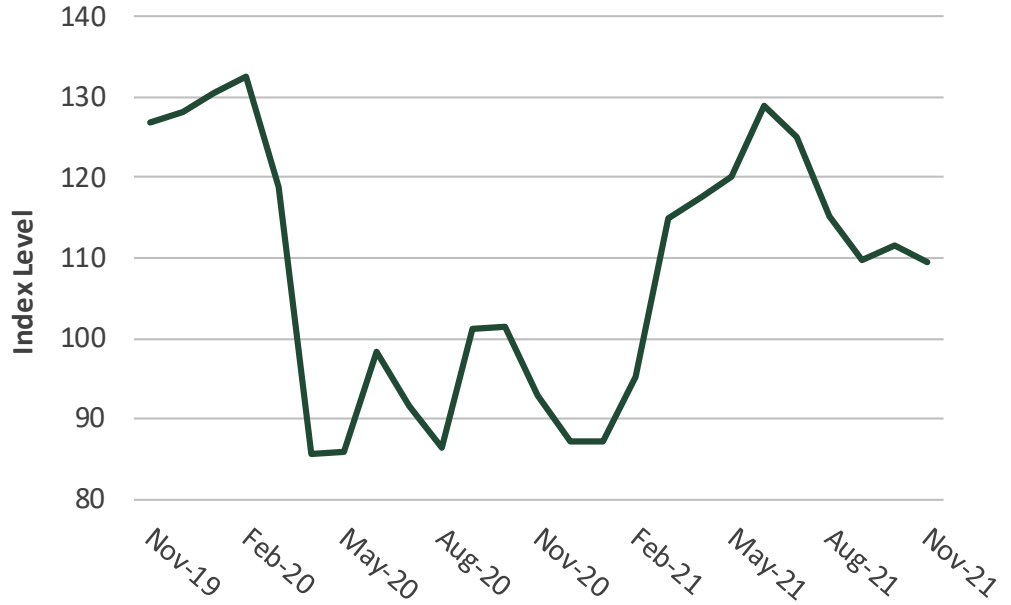
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence

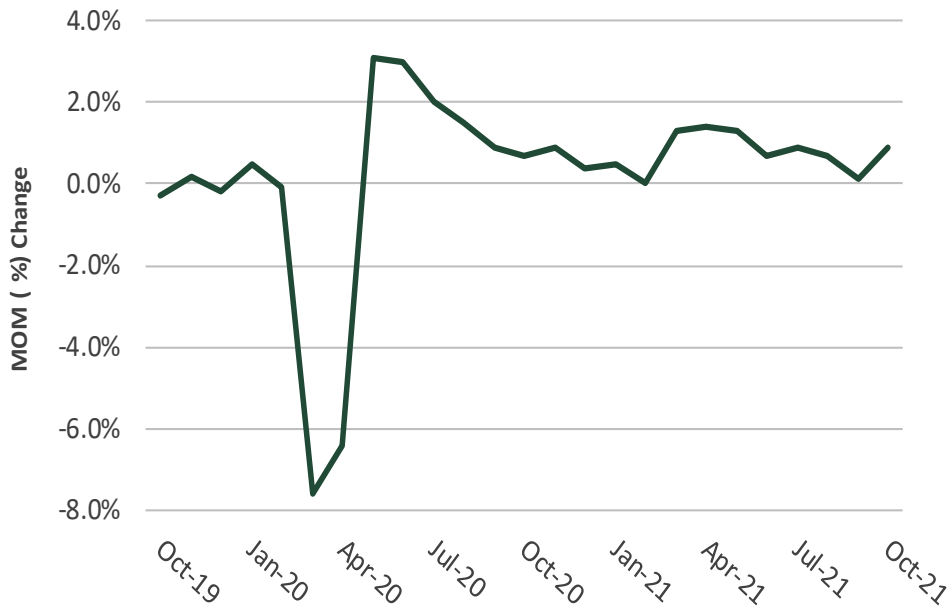


Source: The Conference Board

On a year-over-year basis, retail sales were up 16.3% in October versus up 14.3% in September. On a month-over-month basis, retail sales were stronger than expected in October, up 1.7% versus expectations of 1.4%, following a 0.8% increase in September. Overall, the pick-up in retail sales bodes well for the fourth quarter. Strength was broad-based in October, suggesting that higher prices haven't meaningfully deterred shoppers. Notably, sales in every retail category have well surpassed their pre-pandemic level and overall retail sales are up 21% from February 2020. The Consumer Confidence index declined to a slightly weaker than expected level of 109.5 in November from 111.6 in October, as inflation concerns have dragged to weigh on consumers' moods.

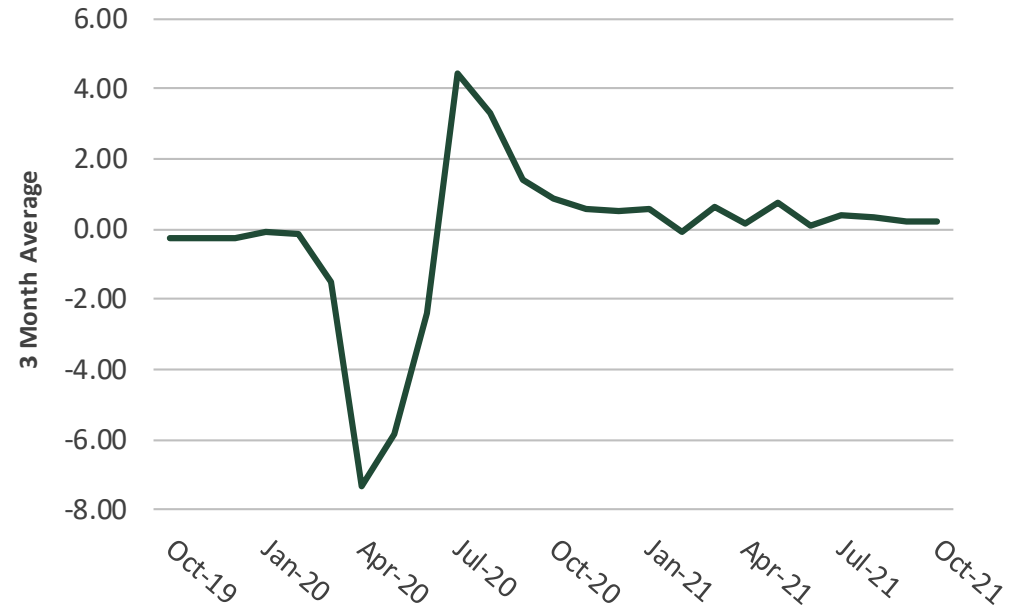
Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

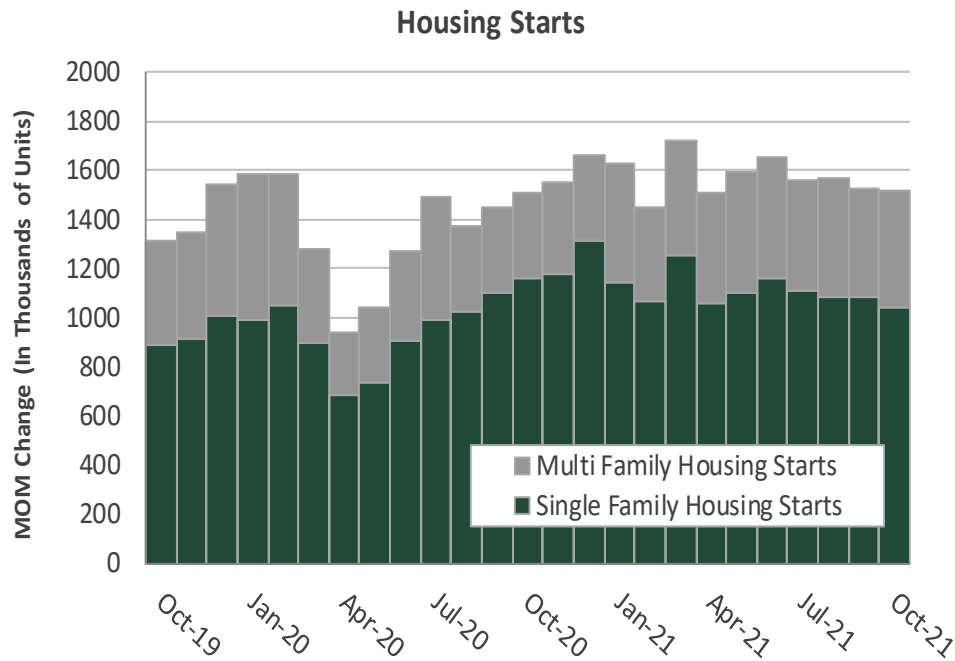
Chicago Fed National Activity Index (CFNAI)



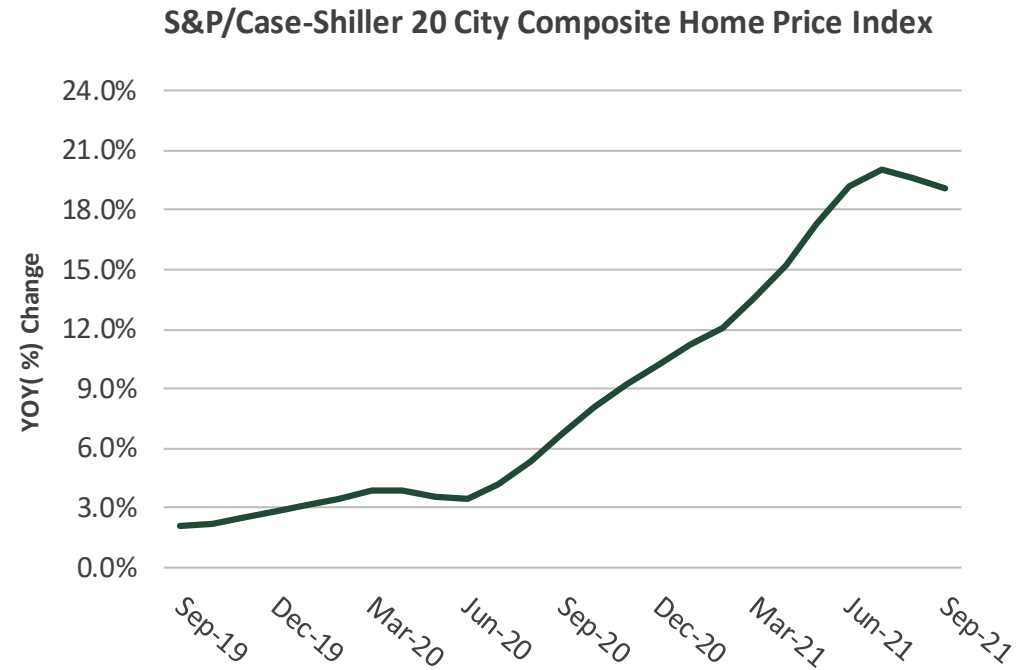
Source: Federal Reserve Bank of Chicago

The Conference Board’s Leading Economic Index (LEI) increased 0.9% month-over-month in October, slightly above expectations and driven by widespread gains, following a 0.1% increase in September. On a year-over-year basis, the LEI was up 9.3% in October versus up 9.1% in September, suggesting economic growth has accelerated in the current quarter. Despite ongoing supply chain headwinds, the Conference Board expects economic growth to remain strong through year-end. Furthermore, the Conference Board expects the economy will continue to grow at an above-trend pace in the first quarter of next year. Meanwhile, the Chicago Fed National Activity Index (CFNAI) increased to 0.76 in October from -0.18 in September, which also suggests economic activity improved in October. On a 3-month moving average basis, the CFNAI was little changed at 0.21 in October versus 0.22 in September.

Housing



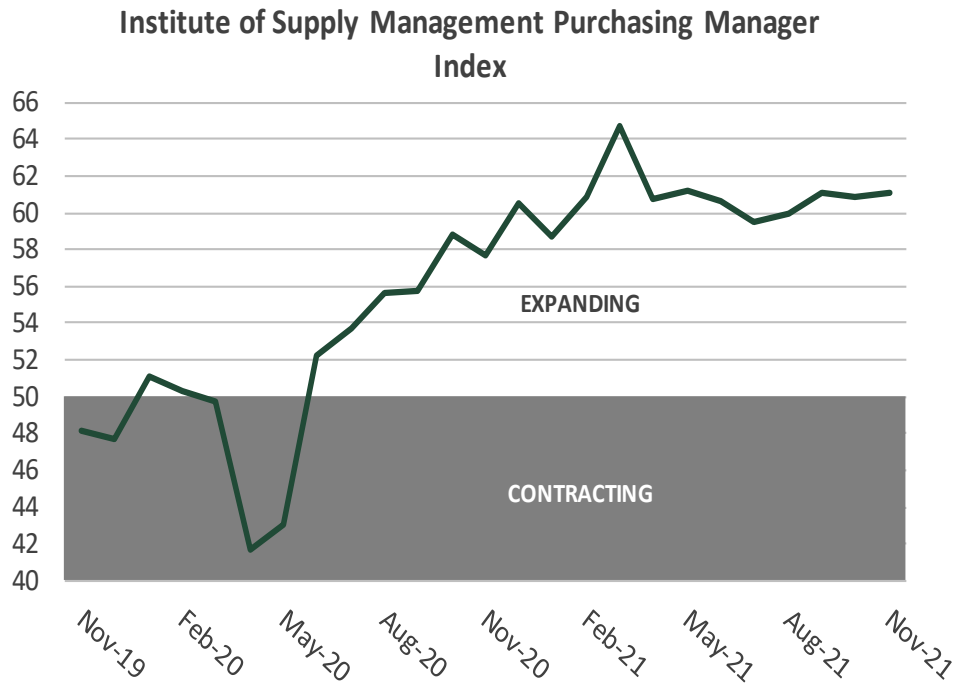
Source: US Department of Commerce



Source: S&P

Total housing starts declined 0.7% in October to an annual pace of 1,520,000. Single-family starts fell 3.9% while multi-family starts increased 7.1%, month-over-month. We believe supply chain bottlenecks and high materials and input costs have likely held back the pace of new starts, even as demand for housing seems to remain robust. On a year-over-year basis total housing starts were essentially flat in October, as a decline in single-family starts has been offset with an increase in multi-family starts. According to the Case-Shiller 20-City home price index, home prices were up 19.1% year-over-year in September versus up 19.7% year-over-year in August, suggesting the acceleration in home prices may have started to ease. However, tight supply will likely continue to support prices.

Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

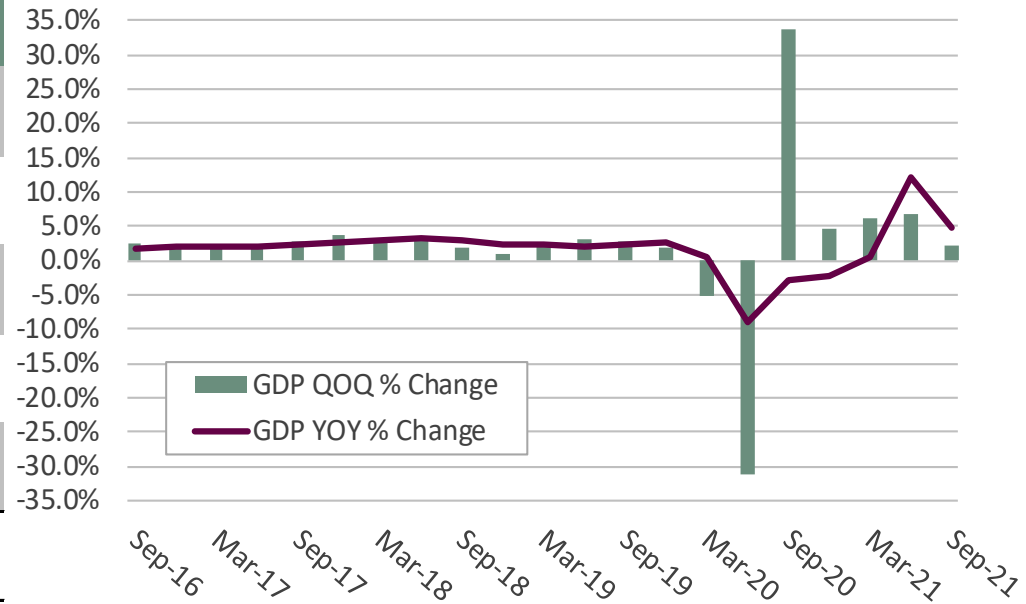
The Institute for Supply Management (ISM) manufacturing index increased to 61.1 in November from 60.8 in October, pointing to continued strength in manufacturing. Readings above 50.0 are indicative of expansion in the manufacturing sector. The Industrial Production index was up 5.1% in October, versus up 4.6% year-over-year in September. On a month-over-month basis, the Industrial Production index increased 1.6% in October, following a 1.3% decline in September. Capacity utilization jumped to 76.4% in October from 75.2% in September, suggesting that supply chain issues in the factory sector may be improving. Although capacity utilization remains well below its long-run average of 79.6%, it surpassed the pre-pandemic level of 76.3%.

Gross Domestic Product (GDP)

Components of GDP	12/20	3/21	6/21	9/21
Personal Consumption Expenditures	2.3%	7.4%	7.9%	1.2%
Gross Private Domestic Investment	4.0%	-0.4%	-0.7%	1.9%
Net Exports and Imports	-1.7%	-1.6%	-0.2%	-1.2%
Federal Government Expenditures	-0.2%	0.8%	-0.4%	-0.3%
State and Local (Consumption and Gross Investment)	0.1%	0.0%	0.0%	0.5%
Total	4.5%	6.3%	6.7%	2.1%

Source: US Department of Commerce

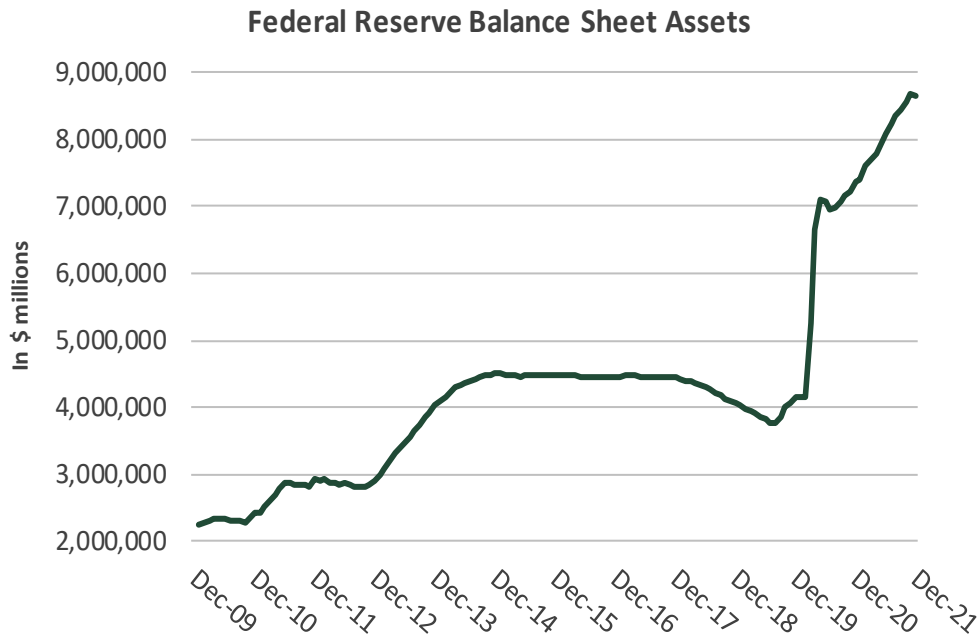
Gross Domestic Product (GDP)



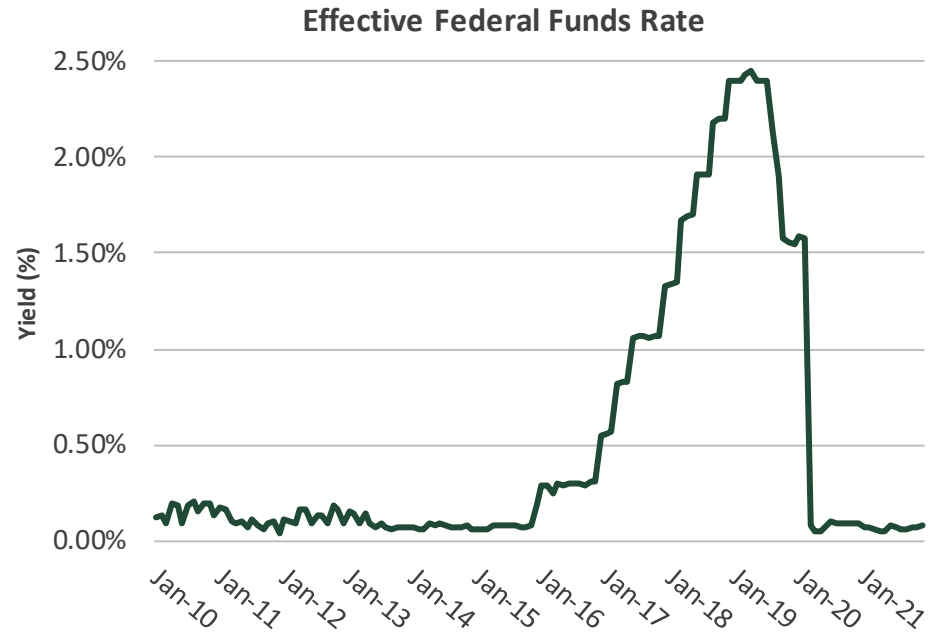
Source: US Department of Commerce

Real US gross domestic product (GDP) growth decelerated in the third quarter amid widespread supply chain disruptions and a surge in the Covid Delta variant. According to the second estimate, third quarter GDP grew at an annualized rate of 2.1% in the third quarter, up one tenth of a percent from the advance estimate. This follows a much stronger pace of growth in the first half of this year, with first and second quarter annualized GDP growth up 6.3% and 6.7%, respectively. GDP growth is expected to reaccelerate in the current quarter. The consensus forecast calls for 4.9% GDP growth in the fourth quarter. Looking further ahead, the consensus estimate calls for 2022 US GDP growth of 3.9%, which would remain well above the long-run average annual growth rate of about 1.8%.

Federal Reserve



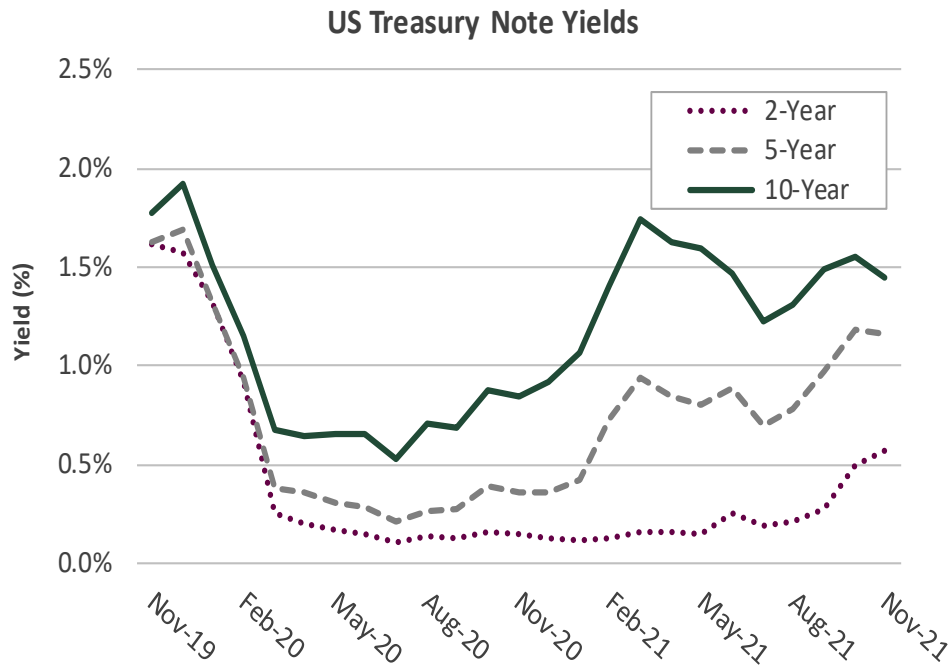
Source: Federal Reserve



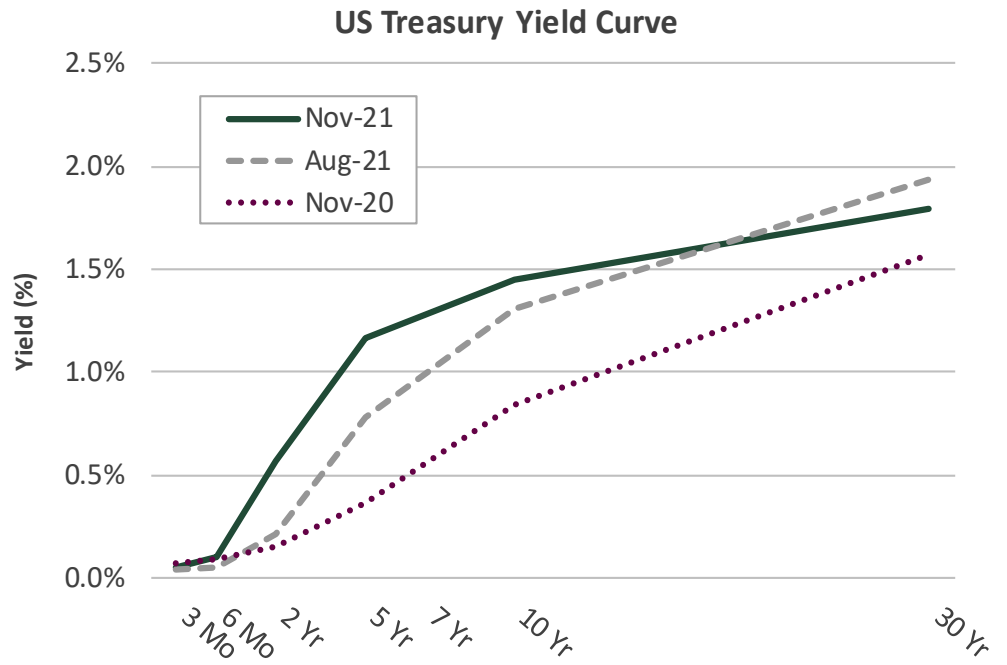
Source: Bloomberg

Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and started purchasing Treasury and agency mortgage-backed securities (MBS) to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities expired at the end of 2020, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs. In June 2021, the Fed announced plans to unwind its corporate credit facility. The Fed has started to taper their Treasury and agency MBS purchases, and the taper process is expected to be complete around the middle of next year, if not sooner.

Bond Yields



Source: Bloomberg



Source: Bloomberg

At the end of November, the 2-year Treasury yield was about 42 basis points higher and the 10-Year Treasury yield was about 61 basis points higher, year-over-year. The yield curve has recently flattened and is less steep than the historical average. The spread between the 2-year Treasury yield and 10-year Treasury yield was 88 basis points at November month-end compared to the average historical spread (since 2002) of about 135 basis points.

Section 3 | Account Profile

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the District is to achieve an annual rate of return on its portfolio that exceeds the return on a market index selected by District management.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

Tahoe Forest Hospital District

Assets managed by Chandler Asset Management are in full compliance with state law and the Client's investment policy.

Category	Standard	Comment
U.S. Treasuries	No limitation; U.S. Treasury Notes, bonds or certificates of indebtedness	Complies
Federal Agencies	30% max per Agency/GSE issuer; 20% max agency callable securities; Obligations, participation or other instruments of, or issued by, a federal agency including Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA)	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued, or unconditionally guaranteed by International Bank for Reconstruction (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB)	Complies
Municipal Securities (CA, Local Agency)	5% max per issuer; Bonds issued by the District; Bonds issued by the State of California or by any department, board, agency, or authority of the state; Bonds, notes, warrants or other evidences of indebtedness of any local agency in California	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S	Complies
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, Collateralized Mortgage Obligations	"AA" rating category or better by a NRSRO; 20% max (combined ABS/MBS/CMO); 5% max per issuer (Non-Agency issuer); Mortgage passthrough securities, collateralized mortgage obligations, mortgage backed, or other pay through bonds; Equipment lease-backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds	Complies
Negotiable Certificates of Deposit (NCD)	30% max (and Certificates of Deposit may not exceed the shareholder's equity of any depository bank or the total net worth of any depository savings and loan association); Issued by nationally or state-chartered banks, or savings and loan associations or state-licensed branches of a foreign bank; Pursuant with regulatory collateralization requirements; \$250,000 max per single bank or savings and loan association with insurance through FDIC or FSLIC, when FDIC or FSLIC is applicable	Complies
Banker's Acceptances	40% max; 30% max per commercial bank; 180 days max maturity	Complies
Commercial Paper	Prime quality or the highest rating ("A-1" or higher) by Moody's or S&P's; Issuing corporations must have total assets >\$500 million; 25% max; 5% max per issuer; 270 days maturity; 10% max of the outstanding paper of any issuing corporation	Complies
Money Market Mutual Funds	Registered with SEC under Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:(i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per Money Market Mutual Fund	Complies
Mutual Funds	Invest in securities as authorized under CGC, Section 53601 (a) to (k) and (m) to (q) inclusive and meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC, Section 53601 and with AUM >\$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund	Complies
Local Agency Investment Fund (LAIF)	Unlimited investments in the State of California Local Agency Investment Fund	Complies
Repurchase Agreements	Repurchase agreements or reverse repurchase agreements of any securities authorized by CGC section 53601; Not used by investment adviser	Complies
Max Per Issuer	5% max per issuer, except US Treasuries, Agencies, Supranationals, LAIF, Money Market Mutual Funds, Mutual Funds, or unless otherwise specified in the investment policy	Complies
Maximum Maturity	5 years max maturity; Board of Directors approval required for terms in excess of 5 years for Treasuries, Agencies, or Municipal Securities	Complies

Tahoe Forest Hospital District

	11/30/2021		9/30/2021
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.61	2.49	0.82
Average Modified Duration	2.55	2.37	0.78
Average Purchase Yield	n/a	0.62%	0.17%
Average Market Yield	0.68%	0.70%	0.18%
Average Quality**	AAA	AA+/Aa1	AAA/Aaa
Total Market Value		79,872,029	79,973,005

*ICE BofA 1-5 Yr US Treasury & Agency Index

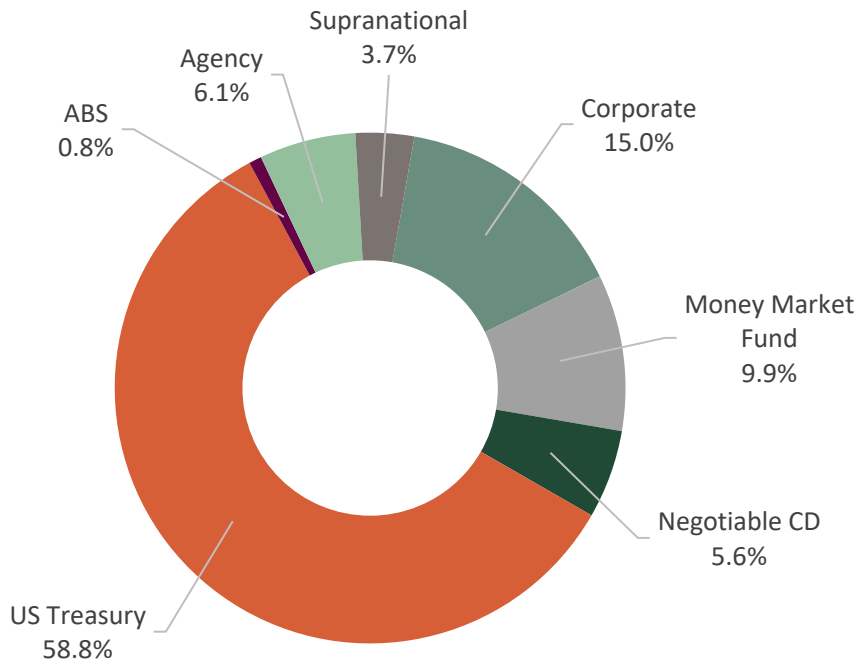
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

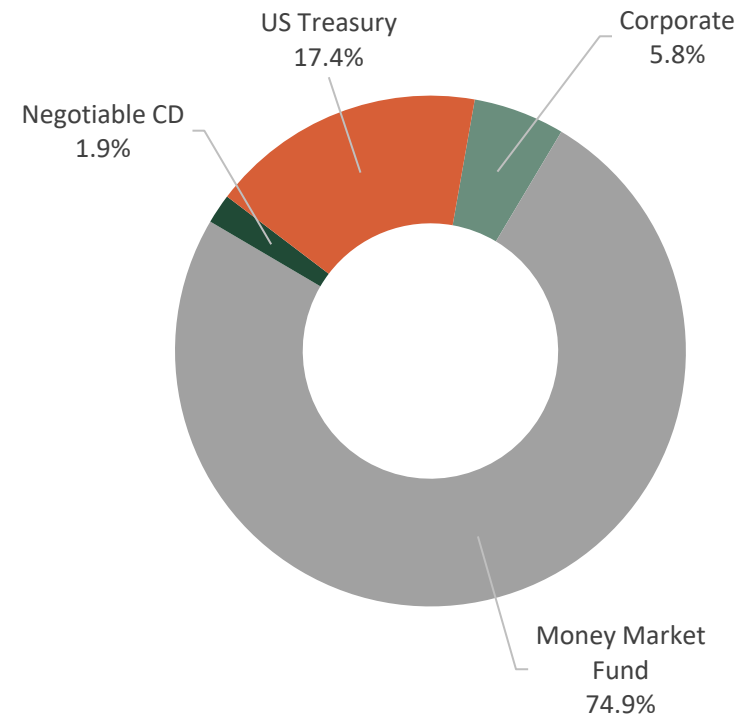
As of November 30, 2021

Tahoe Forest Hospital District

November 30, 2021



September 30, 2021



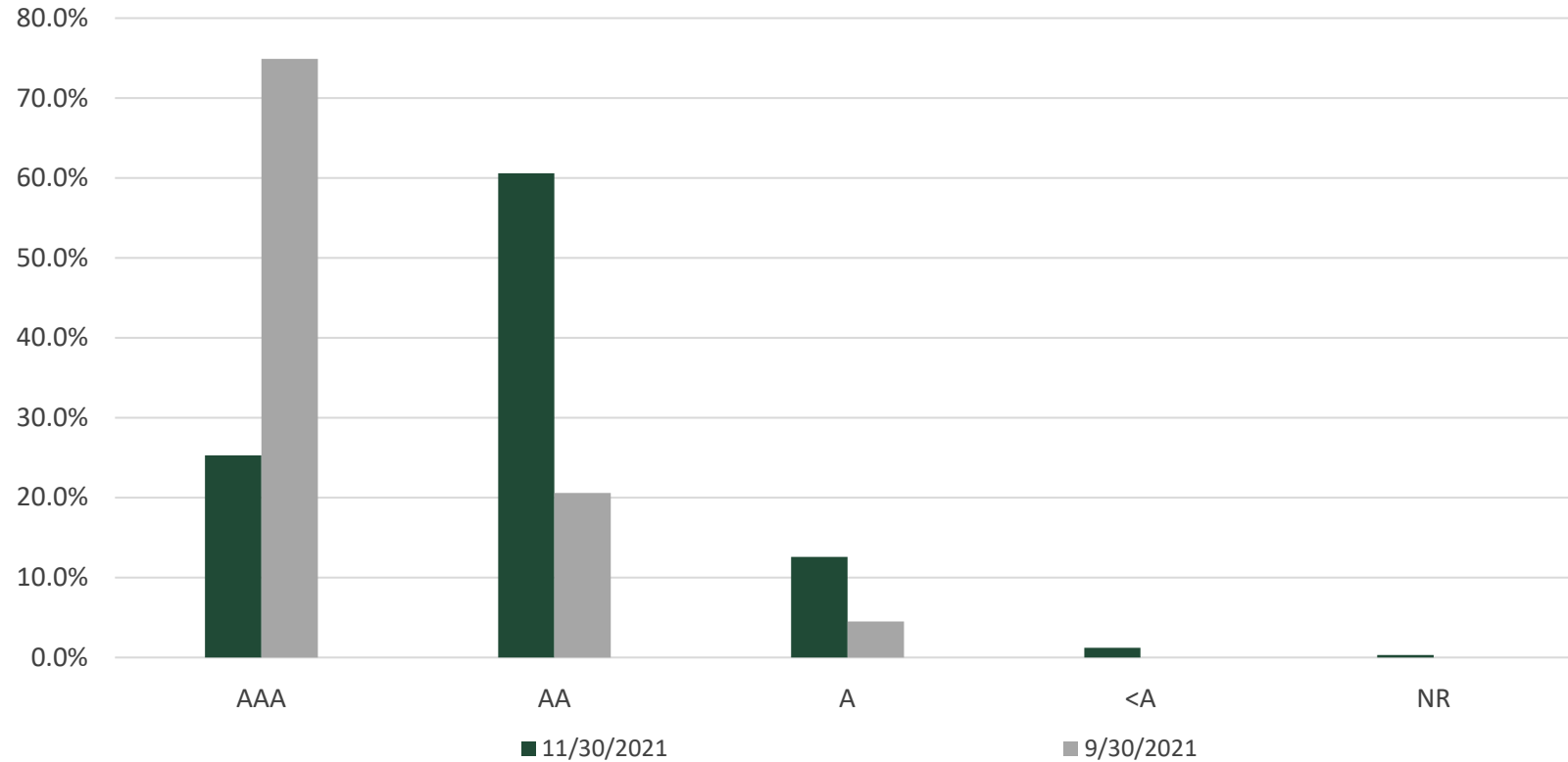
Tahoe Forest Hospital District – Account #10841

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	58.84%
First American Govt Oblig Fund	Money Market Fund	9.87%
Federal National Mortgage Association	Agency	3.06%
Federal Home Loan Mortgage Corp	Agency	3.05%
Bank of Nova Scotia Houston	Negotiable CD	1.88%
Svenska Handelsbanken NY	Negotiable CD	1.88%
MUFG Bank Ltd/NY	Negotiable CD	1.88%
Inter-American Dev Bank	Supranational	1.85%
Intl Bank Recon and Development	Supranational	1.84%
JP Morgan Chase & Co	Corporate	1.69%
Bank of America Corp	Corporate	1.62%
Toyota Motor Corp	Corporate	1.61%
Qualcomm Inc	Corporate	1.34%
Deere & Company	Corporate	1.32%
Honeywell Corp	Corporate	1.27%
Honda Motor Corporation	Corporate	1.25%
Apple Inc	Corporate	1.25%
United Health Group Inc	Corporate	1.24%
Morgan Stanley	Corporate	1.23%
Bank of Montreal Chicago	Corporate	1.23%
Honda ABS	ABS	0.33%
GM Financial Securitized Term Auto Trust	ABS	0.25%
Hyundai Auot Receivables	ABS	0.23%
TOTAL		100.00%

Quality Distribution

As of November 30, 2021

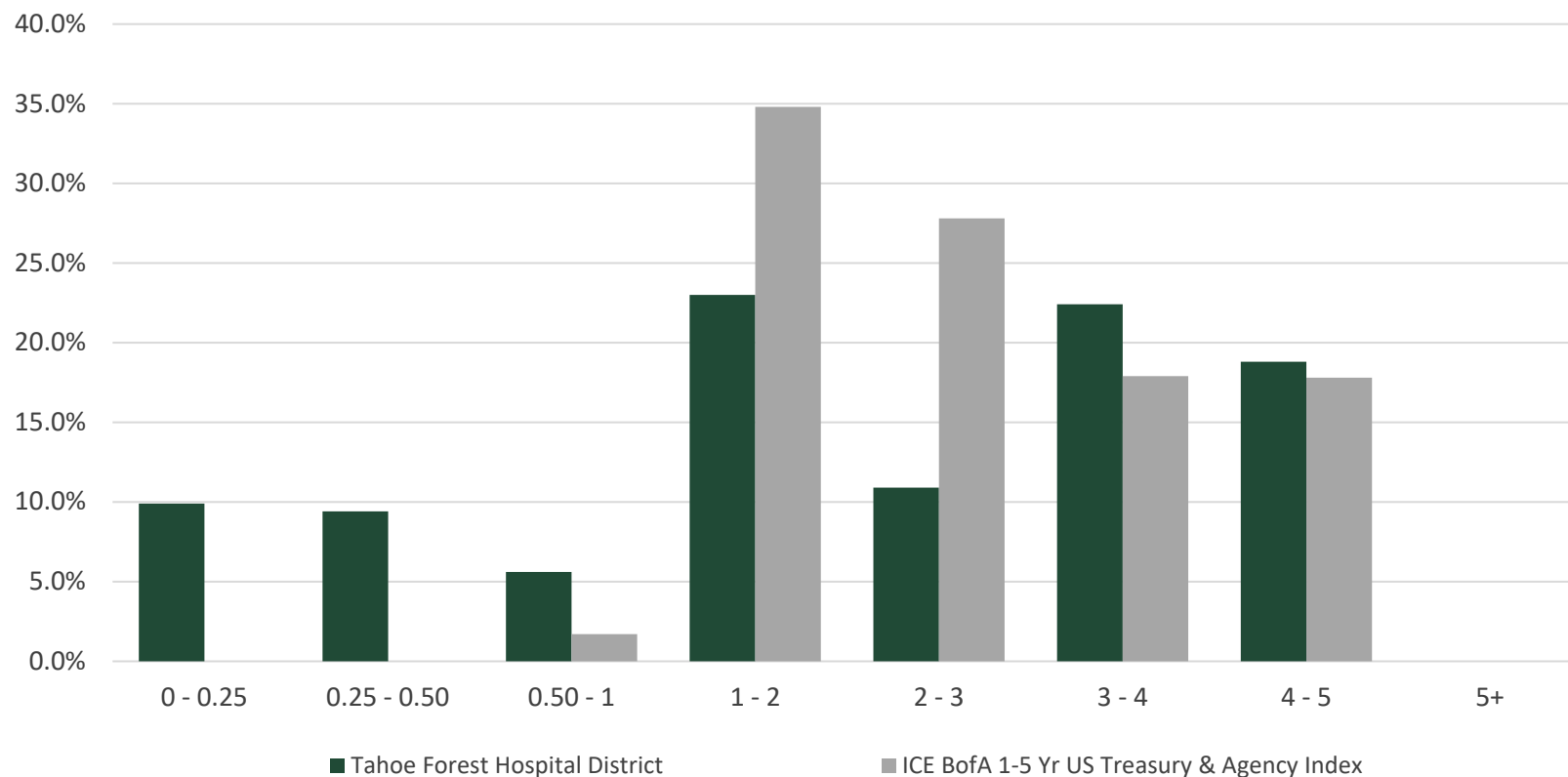
Tahoe Forest Hospital District November 30, 2021 vs. September 30, 2021



	AAA	AA	A	<A	NR
11/30/21	25.3%	60.6%	12.6%	1.2%	0.3%
09/30/21	74.9%	20.6%	4.5%	0.0%	0.0%

Source: S&P Ratings

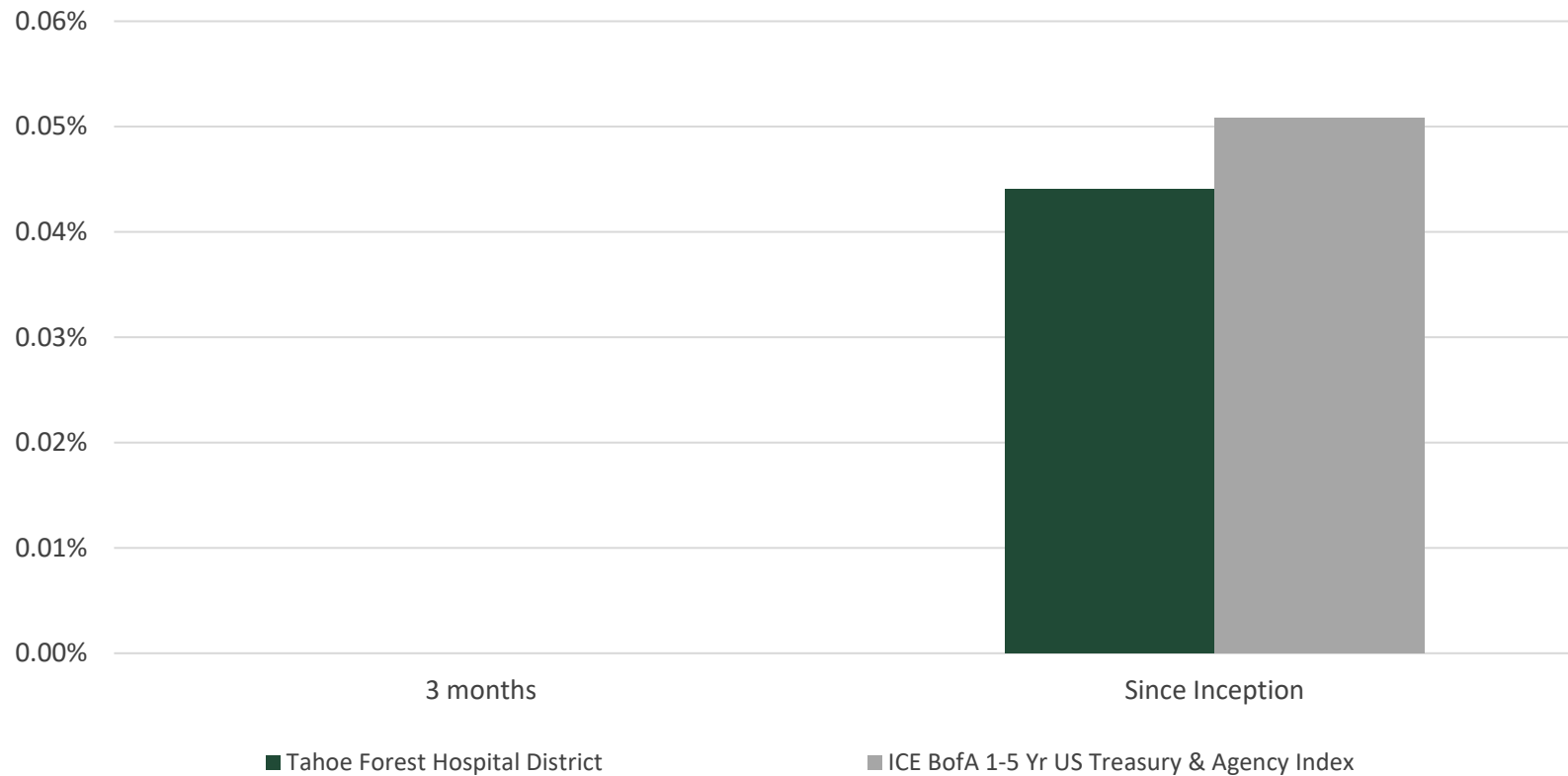
Tahoe Forest Hospital District Portfolio Compared to the Benchmark as of November 30, 2021



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	9.9%	9.4%	5.6%	23.0%	10.9%	22.4%	18.8%	0.0%
Benchmark*	0.0%	0.0%	1.7%	34.8%	27.8%	17.9%	17.8%	0.0%

*ICE BofA 1-5 Yr US Treasury & Agency Index

Tahoe Forest Hospital District Total Rate of Return Since Inception 10/31/2021



TOTAL RATE OF RETURN	Latest 3 months	Since Inception
Tahoe Forest Hospital District	0.00%	0.04%
ICE BofA 1-5 Yr US Treasury & Agency Index	0.00%	0.05%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Section 4 | Portfolio Holdings

Holdings Report

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	260,000.00	11/16/2021 0.89%	259,945.19 259,945.51	100.01 0.88%	260,020.02 44.49	0.33% 74.51	Aaa / NR AAA	4.15 2.23
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	185,000.00	11/09/2021 0.75%	184,958.71 184,959.21	99.61 0.92%	184,278.87 53.24	0.23% (680.34)	NR / AAA AAA	4.46 2.23
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	200,000.00	10/13/2021 0.68%	199,994.90 199,995.07	99.41 1.16%	198,822.20 56.67	0.25% (1,172.87)	Aaa / AAA NR	4.80 1.24
TOTAL ABS		645,000.00	0.79%	644,898.80 644,899.79	0.98%	643,121.09 154.40	0.81% (1,778.70)	Aaa / AAA Aaa	4.44 1.92
Agency									
3137EAX3	FHLMC Note 0.375% Due 09/23/2025	2,500,000.00	11/29/2021 1.11%	2,431,375.00 2,431,424.26	97.41 1.07%	2,435,307.50 1,770.83	3.05% 3,883.24	Aaa / AA+ AAA	3.82 3.77
3135G06G3	FNMA Note 0.500% Due 11/07/2025	2,500,000.00	11/29/2021 1.13%	2,439,425.00 2,439,467.12	97.82 1.07%	2,445,480.00 833.33	3.06% 6,012.88	Aaa / AA+ AAA	3.94 3.88
TOTAL Agency		5,000,000.00	1.12%	4,870,800.00 4,870,891.38	1.07%	4,880,787.50 2,604.16	6.11% 9,896.12	Aaa / AA+ Aaa	3.88 3.82
Corporate									
89236THU2	Toyota Motor Credit Corp Note 0.450% Due 01/11/2024	650,000.00	11/03/2021 0.77%	645,547.50 645,692.75	99.06 0.90%	643,877.65 1,137.50	0.81% (1,815.10)	A1 / A+ A+	2.12 2.09
06051GJH3	Bank of America Corp Callable Note Cont 10/24/2023 0.810% Due 10/24/2024	650,000.00	09/20/2021 0.61%	652,678.00 652,431.99	99.42 1.12%	646,255.35 541.13	0.81% (6,176.64)	A2 / A- AA-	2.90 1.88
46647PAH9	JP Morgan Chase & Co Callable Note 2X 3/1/2024 3.220% Due 03/01/2025	650,000.00	10/19/2021 1.02%	683,332.00 681,746.60	104.51 1.18%	679,324.75 5,232.50	0.86% (2,421.85)	A2 / A- AA-	3.25 2.16
244199BH7	Deere & Co Callable Note Cont 03/15/2025 2.750% Due 04/15/2025	1,000,000.00	10/21/2021 1.15%	1,053,100.00 1,051,511.72	104.75 1.27%	1,047,489.00 3,513.89	1.32% (4,022.72)	A2 / A A	3.38 3.14
037833DT4	Apple Inc Callable Note Cont 4/11/2025 1.125% Due 05/11/2025	1,000,000.00	Various 0.83%	1,010,556.00 1,009,985.71	99.86 1.17%	998,573.00 625.00	1.25% (11,412.71)	Aa1 / AA+ NR	3.45 3.29
747525AF0	Qualcomm Inc Callable Note Cont 2/20/2025 3.450% Due 05/20/2025	1,000,000.00	10/07/2021 1.12%	1,082,070.00 1,078,951.84	106.89 1.26%	1,068,910.00 1,054.17	1.34% (10,041.84)	A2 / A- NR	3.47 3.06
61747YEA9	Morgan Stanley Callable Note Cont 5/30/2024 0.790% Due 05/30/2025	1,000,000.00	11/10/2021 1.04%	989,370.00 989,501.64	98.52 1.39%	985,228.00 21.94	1.23% (4,273.64)	A1 / BBB+ A	3.50 2.46
438516CB0	Honeywell Intl Callable Note Cont 5/1/2025 1.350% Due 06/01/2025	1,000,000.00	11/03/2021 1.13%	1,007,440.00 1,007,288.04	100.48 1.21%	1,004,793.00 6,750.00	1.27% (2,495.04)	A2 / A A	3.50 3.31

Holdings Report

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
02665WDL2	American Honda Finance Note 1.200% Due 07/08/2025	1,000,000.00	11/10/2021 1.24%	998,610.00 998,626.71	99.45 1.36%	994,493.00 4,766.67	1.25% (4,133.71)	A3 / A- NR	3.61 3.50
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	650,000.00	09/20/2021 1.18%	670,442.50 669,348.48	101.74 1.55%	661,334.05 1,466.78	0.83% (8,014.43)	A2 / A- AA-	4.39 3.26
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	1,000,000.00	11/26/2021 1.52%	983,980.00 983,989.85	98.76 1.44%	987,567.00 511.11	1.24% 3,577.15	A3 / A+ A	4.46 4.25
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	650,000.00	09/17/2021 1.18%	648,414.00 648,479.05	98.21 1.53%	638,376.05 3,310.94	0.80% (10,103.00)	A1 / A+ A+	4.55 4.39
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	650,000.00	09/20/2021 1.22%	652,249.00 652,158.05	99.15 1.57%	644,482.80 3,858.08	0.81% (7,675.25)	A2 / A- AA-	4.55 3.43
06368FAC3	Bank of Montreal Note 1.250% Due 09/15/2026	1,000,000.00	09/23/2021 1.39%	993,110.00 993,356.89	98.08 1.67%	980,800.00 2,638.89	1.23% (12,556.89)	A2 / A- AA-	4.79 4.61
TOTAL Corporate		11,900,000.00	1.12%	12,070,899.00 12,063,069.32	1.33%	11,981,503.65 35,428.60	15.05% (81,565.67)	A2 / A A+	3.72 3.26
Money Market Fund									
31846V203	First American Govt Obligation Fund Class Y	7,885,138.52	Various 0.01%	7,885,138.52 7,885,138.52	1.00 0.01%	7,885,138.52 0.00	9.87% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund		7,885,138.52	0.01%	7,885,138.52	0.01%	7,885,138.52 0.00	9.87% 0.00	Aaa / AAA Aaa	0.00 0.00
Negotiable CD									
06417MRL1	Bank of Nova Scotia Houston Yankee CD 0.200% Due 09/21/2022	1,500,000.00	09/24/2021 0.20%	1,499,999.95 1,499,999.96	99.89 0.33%	1,498,380.00 591.67	1.88% (1,619.96)	P-1 / A-1 F-1+	0.81 0.81
86959RTWO	Svenska Handelsbanken NY Yankee CD 0.255% Due 10/14/2022	1,500,000.00	10/15/2021 0.25%	1,500,075.65 1,500,065.88	99.89 0.38%	1,498,333.50 499.38	1.88% (1,732.38)	P-1 / A-1+ F-1+	0.87 0.87
55380TXGO	MUFG Bank Yankee CD 0.250% Due 10/20/2022	1,500,000.00	10/08/2021 0.25%	1,500,000.00 1,500,000.00	99.86 0.41%	1,497,831.00 562.50	1.88% (2,169.00)	P-1 / A-1 F-1	0.89 0.89
TOTAL Negotiable CD		4,500,000.00	0.23%	4,500,075.60 4,500,065.84	0.37%	4,494,544.50 1,653.55	5.63% (5,521.34)	Aaa / AA+ Aaa	0.86 0.85

Holdings Report

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Supranational									
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	1,500,000.00	11/03/2021 1.06%	1,467,405.00 1,467,988.26	97.77 1.08%	1,466,578.50 687.50	1.84% (1,409.76)	Aaa / AAA AAA	3.91 3.85
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	1,500,000.00	11/03/2021 1.17%	1,480,635.00 1,480,944.46	98.67 1.19%	1,480,074.00 1,494.79	1.85% (870.46)	Aaa / AAA AAA	4.39 4.29
TOTAL Supranational		3,000,000.00	1.12%	2,948,040.00 2,948,932.72	1.14%	2,946,652.50 2,182.29	3.69% (2,280.22)	Aaa / AAA Aaa	4.15 4.07
US Treasury									
912796T25	US Treasury Bill 0.066% Due 03/29/2022	5,000,000.00	11/29/2021 0.07%	4,998,917.43 4,998,926.53	99.98 0.07%	4,998,926.53 0.00	6.26% 0.00	P-1 / A-1+ F-1+	0.33 0.33
912796Q36	US Treasury Bill 0.087% Due 05/26/2022	2,500,000.00	11/29/2021 0.09%	2,498,930.63 2,498,936.67	99.96 0.09%	2,498,936.67 0.00	3.13% 0.00	P-1 / A-1+ F-1+	0.48 0.48
912828P38	US Treasury Note 1.750% Due 01/31/2023	3,500,000.00	11/29/2021 0.27%	3,560,429.69 3,560,288.17	101.70 0.29%	3,559,608.50 20,472.15	4.48% (679.67)	Aaa / AA+ AAA	1.17 1.15
91282CBN0	US Treasury Note 0.125% Due 02/28/2023	3,500,000.00	10/19/2021 0.23%	3,494,941.41 3,495,369.76	99.77 0.31%	3,491,932.50 1,111.88	4.37% (3,437.26)	Aaa / AA+ AAA	1.25 1.25
91282CCD1	US Treasury Note 0.125% Due 05/31/2023	3,500,000.00	Various 0.31%	3,490,214.84 3,490,498.22	99.61 0.39%	3,486,329.00 12.01	4.36% (4,169.22)	Aaa / AA+ AAA	1.50 1.50
91282CCU3	US Treasury Note 0.125% Due 08/31/2023	3,500,000.00	Various 0.35%	3,485,964.84 3,486,298.81	99.44 0.45%	3,480,449.00 1,111.88	4.36% (5,849.81)	Aaa / AA+ AAA	1.75 1.74
91282CDA6	US Treasury Note 0.250% Due 09/30/2023	3,500,000.00	Various 0.39%	3,490,605.47 3,490,765.53	99.61 0.47%	3,486,192.50 1,490.39	4.37% (4,573.03)	Aaa / AA+ AAA	1.83 1.82
91282CCX7	US Treasury Note 0.375% Due 09/15/2024	3,000,000.00	Various 0.51%	2,988,109.38 2,988,837.16	98.92 0.77%	2,967,657.00 2,392.95	3.72% (21,180.16)	Aaa / AA+ AAA	2.79 2.77
91282CDB4	US Treasury Note 0.625% Due 10/15/2024	3,000,000.00	Various 0.77%	2,987,390.63 2,987,662.76	99.55 0.78%	2,986,407.00 2,421.02	3.74% (1,255.76)	Aaa / AA+ AAA	2.88 2.84
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	1,600,000.00	09/23/2021 0.62%	1,627,187.50 1,625,712.04	100.73 0.90%	1,611,750.40 4,574.59	2.02% (13,961.64)	Aaa / AA+ AAA	3.25 3.18
91282CAJ0	US Treasury Note 0.250% Due 08/31/2025	2,000,000.00	10/27/2021 1.01%	1,942,578.13 1,943,969.68	97.20 1.01%	1,943,984.00 1,270.72	2.44% 14.32	Aaa / AA+ AAA	3.75 3.71
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	1,600,000.00	09/17/2021 0.75%	1,575,500.00 1,576,651.44	97.34 1.06%	1,557,374.40 16.48	1.95% (19,277.04)	Aaa / AA+ AAA	4.00 3.95
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	2,000,000.00	10/27/2021 1.08%	1,971,484.38 1,972,084.71	98.55 1.09%	1,971,016.00 2,554.95	2.47% (1,068.71)	Aaa / AA+ AAA	4.33 4.24

Holdings Report

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	3,000,000.00	Various 0.93%	2,973,656.25 2,974,623.40	98.24 1.13%	2,947,266.00 5,718.23	3.70% (27,357.40)	Aaa / AA+ AAA	4.75 4.64
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	3,000,000.00	Various 1.15%	2,960,664.06 2,961,501.60	98.76 1.14%	2,962,734.00 4,471.16	3.71% 1,232.40	Aaa / AA+ AAA	4.84 4.71
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	3,000,000.00	11/16/2021 1.27%	2,979,492.19 2,979,650.90	99.91 1.14%	2,997,186.00 2,890.19	3.76% 17,535.10	Aaa / AA+ AAA	4.92 4.77
TOTAL US Treasury		47,200,000.00	0.55%	47,026,066.83 47,031,777.38	0.62%	46,947,749.50 50,508.60	58.84% (84,027.88)	Aaa / AA+ Aaa	2.48 2.44
TOTAL PORTFOLIO		80,130,138.52	0.62%	79,945,918.75 79,944,774.95	0.70%	79,779,497.26 92,531.60	100.00% (165,277.69)	Aa1 / AA+ Aaa	2.49 2.37
TOTAL MARKET VALUE PLUS ACCRUALS						79,872,028.86			

Section 5 | Transactions

Transaction Ledger

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

September 30, 2021 through November 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/08/2021	55380TXG0	1,500,000.00	MUFG Bank Yankee CD 0.25% Due: 10/20/2022	100.000	0.25%	1,500,000.00	0.00	1,500,000.00	0.00
Purchase	10/12/2021	747525AF0	1,000,000.00	Qualcomm Inc Callable Note Cont 2/20/2025 3.45% Due: 05/20/2025	108.207	1.12%	1,082,070.00	13,608.33	1,095,678.33	0.00
Purchase	10/15/2021	86959RTW0	1,500,000.00	Svenska Handelsbanken NY Yankee CD 0.255% Due: 10/14/2022	100.005	0.25%	1,500,075.65	0.00	1,500,075.65	0.00
Purchase	10/20/2021	91282CBN0	3,500,000.00	US Treasury Note 0.125% Due: 02/28/2023	99.855	0.23%	3,494,941.41	604.28	3,495,545.69	0.00
Purchase	10/20/2021	91282CCZ2	1,600,000.00	US Treasury Note 0.875% Due: 09/30/2026	98.652	1.16%	1,578,437.50	769.23	1,579,206.73	0.00
Purchase	10/20/2021	91282CDB4	1,600,000.00	US Treasury Note 0.625% Due: 10/15/2024	99.738	0.71%	1,595,812.50	137.36	1,595,949.86	0.00
Purchase	10/21/2021	362554AC1	200,000.00	GM Financial Securitized Term 2021-4 A3 0.68% Due: 09/16/2026	99.997	0.68%	199,994.90	0.00	199,994.90	0.00
Purchase	10/21/2021	46647PAH9	650,000.00	JP Morgan Chase & Co Callable Note 2X 3/1/2024 3.22% Due: 03/01/2025	105.128	1.02%	683,332.00	2,906.94	686,238.94	0.00
Purchase	10/25/2021	244199BH7	1,000,000.00	Deere & Co Callable Note Cont 03/15/2025 2.75% Due: 04/15/2025	105.310	1.15%	1,053,100.00	763.89	1,053,863.89	0.00
Purchase	10/28/2021	91282CAJ0	2,000,000.00	US Treasury Note 0.25% Due: 08/31/2025	97.129	1.01%	1,942,578.13	801.10	1,943,379.23	0.00
Purchase	10/28/2021	91282CBT7	2,000,000.00	US Treasury Note 0.75% Due: 03/31/2026	98.574	1.08%	1,971,484.38	1,153.85	1,972,638.23	0.00
Purchase	10/28/2021	91282CCZ2	1,400,000.00	US Treasury Note 0.875% Due: 09/30/2026	98.730	1.14%	1,382,226.56	942.31	1,383,168.87	0.00
Purchase	11/05/2021	438516CB0	1,000,000.00	Honeywell Intl Callable Note Cont 5/1/2025 1.35% Due: 06/01/2025	100.744	1.13%	1,007,440.00	5,775.00	1,013,215.00	0.00
Purchase	11/05/2021	4581X0DV7	1,500,000.00	Inter-American Dev Bank Note 0.875% Due: 04/20/2026	98.709	1.17%	1,480,635.00	546.88	1,481,181.88	0.00
Purchase	11/05/2021	459058JL8	1,500,000.00	Intl. Bank Recon & Development Note 0.5% Due: 10/28/2025	97.827	1.06%	1,467,405.00	145.83	1,467,550.83	0.00

Transaction Ledger

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

September 30, 2021 through November 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	11/05/2021	89236THU2	650,000.00	Toyota Motor Credit Corp Note 0.45% Due: 01/11/2024	99.315	0.77%	645,547.50	926.25	646,473.75	0.00
Purchase	11/15/2021	02665WDL2	1,000,000.00	American Honda Finance Note 1.2% Due: 07/08/2025	99.861	1.24%	998,610.00	4,233.33	1,002,843.33	0.00
Purchase	11/15/2021	61747YEA9	1,000,000.00	Morgan Stanley Callable Note Cont 5/30/2024 0.79% Due: 05/30/2025	98.937	1.04%	989,370.00	3,598.89	992,968.89	0.00
Purchase	11/17/2021	44935FAD6	185,000.00	Hyundai Auto Receivables Trust 2021-C A3 0.74% Due: 05/15/2026	99.978	0.75%	184,958.71	0.00	184,958.71	0.00
Purchase	11/17/2021	91282CDB4	1,400,000.00	US Treasury Note 0.625% Due: 10/15/2024	99.398	0.83%	1,391,578.13	793.27	1,392,371.40	0.00
Purchase	11/17/2021	91282CDG3	3,000,000.00	US Treasury Note 1.125% Due: 10/31/2026	99.316	1.27%	2,979,492.19	1,584.94	2,981,077.13	0.00
Purchase	11/24/2021	43815GAC3	260,000.00	Honda Auto Receivables Trust 2021-4 A3 0.88% Due: 01/21/2026	99.979	0.89%	259,945.19	0.00	259,945.19	0.00
Purchase	11/30/2021	3135G06G3	2,500,000.00	FNMA Note 0.5% Due: 11/07/2025	97.577	1.13%	2,439,425.00	798.61	2,440,223.61	0.00
Purchase	11/30/2021	3137EAEX3	2,500,000.00	FHLMC Note 0.375% Due: 09/23/2025	97.255	1.11%	2,431,375.00	1,744.79	2,433,119.79	0.00
Purchase	11/30/2021	912796Q36	2,500,000.00	US Treasury Bill 0.087% Due: 05/26/2022	99.957	0.09%	2,498,930.63	0.00	2,498,930.63	0.00
Purchase	11/30/2021	912796T25	5,000,000.00	US Treasury Bill 0.066% Due: 03/29/2022	99.978	0.07%	4,998,917.43	0.00	4,998,917.43	0.00
Purchase	11/30/2021	912828P38	3,500,000.00	US Treasury Note 1.75% Due: 01/31/2023	101.727	0.27%	3,560,429.69	20,305.71	3,580,735.40	0.00
Purchase	11/30/2021	91282CCD1	1,900,000.00	US Treasury Note 0.125% Due: 05/31/2023	99.613	0.38%	1,892,652.34	0.00	1,892,652.34	0.00
Purchase	11/30/2021	91282CCU3	1,900,000.00	US Treasury Note 0.125% Due: 08/31/2023	99.426	0.46%	1,889,089.84	597.03	1,889,686.87	0.00
Purchase	11/30/2021	91282CDA6	1,900,000.00	US Treasury Note 0.25% Due: 09/30/2023	99.598	0.47%	1,892,355.47	796.02	1,893,151.49	0.00

Transaction Ledger

As of November 30, 2021

Tahoe Forest Hospital District - Account #10841

September 30, 2021 through November 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	11/30/2021	91324PEC2	1,000,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due: 05/15/2026	98.398	1.52%	983,980.00	479.17	984,459.17	0.00
Subtotal			52,145,000.00				51,976,190.15	64,013.01	52,040,203.16	0.00
TOTAL ACQUISITIONS			52,145,000.00				51,976,190.15	64,013.01	52,040,203.16	0.00

Important Disclosures

As of November 30, 2021

2021 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

ICE BofA 1-5 Yr US Treasury & Agency Index

The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.



To: Finance Committee Board Members

From: Crystal Betts, CFO and Vickie Morgan, Revenue Cycle Project Director

Date: December 16, 2021

Here is an update on the AR situation as November 30, 2021.

Days in AR were as follows:

- Nov 2021 – 74.3 days
- Oct 2021 – 74.6 days
- Sept 2021 – 69.6 days
- Last AR Update: June 2021 – 66.9 days.

Amount in AR was as follows:

- Nov 2021 – \$97,211,553
- Oct 2021 – \$100,922,882
- Sept 2021 – \$95,468,034
- Last AR Update: June 2021 – \$84,218,866

Gross Revenue per Day was as follows:

- Nov 2021 – \$1,280,831
- Oct 2021 – \$1,329,532
- Sept 2021 – \$1,285,645
- Last AR Update: June 2021 – \$1,403,572

AR over 120 days old were as follows:

- | | | |
|-----------------------------|---------|-------|
| • Nov 2021 | \$34.2m | 35.2% |
| • Oct 2021 | \$33.8m | 33.5% |
| • Sept 2021 | \$31.2m | 32.6% |
| • Last AR Update: June 2021 | \$25.9m | 30.7% |

Cash Collections were as follows:

- For the entire FY 2022: 84.9% of target, or \$95.5m
- Nov 2021 87.6% of target, or \$20.1m
- Oct 2021 72.8% of target, or \$16.5m
- Sept 2021 96.8% of target, or \$19.2m
- For the entire FY 2021: 103.1% of target, or \$226.9

Claims holding (work queues listed) as of the end of November 2021 total \$5.5 million (down \$2.8m from October's \$8.3m). September was \$9.4m. Last AR Update June 2021 \$9.8m.

200 WQ

- Nov 2021 - \$2.3m
- Oct 2021 - \$2.1m
- Sept 2021 - \$2.5m
- Last AR Update June 2021 - \$2.7m

300 WQ

- Nov 2021 - \$1.5m
- Oct 2021 - \$4.6m
- Sept 2021 - \$4.7m
- Last AR Update June 2021 - \$5.6m

RHC/New MSC Claims

- Nov 2021 - \$155k
- Oct 2021 - \$345k
- Sept 2021 - \$239k
- Last AR Update June 2021 - \$291k

Credentialing Issues

- Nov 2021 - \$1.6m
- Oct 2021 - \$1.3m
- Sept 2021 - \$2.1m
- Last AR Update June 2021 - \$1.1m

Revenue Cycle Projects with Mercy and EPIC – Work started 8/4/2020

Due to the system freeze on any new work efforts by Mercy until 6/30/2021, all work on these issues were put on hold. Projects have been re-visited in July/August 2021 with only one designated to move forward at this time, which is the Insurance Plan Master update. This project was imbedded in the issues list previously shared in our last update and is now carved out as its own project to be completed in early 2022.

We have not included the list of projects in this section as there have been no changes since the last update except for what is stated above regarding the Insurance Plan Master update.

Staffing Update:

- PFS Director – Not filling at this time with a Director level, but a Manager instead. Emily Perez has agreed to take the manager position long-term. We are trying to restructure to provide her support in the PFS department and for her previous payor credentialing position. Emily is currently filing both positions at this time, which is not sustainable.
- Director of Revenue Cycle – Continued recruitment for the position. Qualified candidates are difficult to find.
- Cashier Lead has been out on out on FMLA. No return expected. Notified she will be retiring. Will recruit to fill position upon retirement.

- Had two open Cash Poster positions due to resignations. Positions were filled in October and late November. Clerical Support person moved into one of the open positions in October, now leaving the Clerical Support position open. Currently recruiting for Clerical Support position.
- 3 Patient Account Representatives are currently on intermittent FMLA – makes scheduling work efforts a challenge.
- Currently have vacant PFS positions

Staff Training and Development:

All staff have completed the 25 hour educational/custom certification program. The program covers all facets of patient financial services and staff were to review the modules and complete the courses before September 30, 2021.

Additional Items:

Changing Coding Vendor Partners

Through an RFP process, the District selected a new vendor partner for coding services, HIMagine Solutions. The contract with HIMagine was executed on 7/22/21. We began onboarding the HIMagine coders immediately, and onboarding was completed by 8/11/21. We worked with a secondary vendor partner, Managed Resources, to help us complete our training and auditing program for the new HIMagine coders. This was completed by 8/16/2021. Training sessions were conducted with the HIMagine coders for each type of coding service required by TFHD from 8/30/21 - 9/14/21. Our contract with our previous vendor Aquity was terminated 9/15/21 and the transition to HIMagine for coding services took place on that day.

During the first 30-45 days of coding by HIMagine, all coders were under audit. No claims were released until audit of the coders work was completed by Managed Resources. This caused a significant delay in billing claims out to the payors, also causing an increase to our accounts receivable, but was intentional to make sure the coders were accurate and to be sure we were not creating any compliance issues. All coders were fully released from audit by 10/31/21. We saw a significant increase in our accounts receivable during this transition period. Now that coding is caught up, it is now transitioning to the billing and follow-up teams, which began tackling the backlog in November 2021 through current.

HIMagine has done an excellent job during this transition and has since kept our outstanding coding inventory low (2 days DNFB (discharged not final billed/coded)). The DNFB had climbed as high as \$12m during the transition, and had dropped to \$4m by 11/30/21, and as of the day of this writing, we are at \$3.2m.

Catch up on Release of Information Project

Due to being short staffed in HIM (Medical Records), we had a severe backlog of requests for medical records (release of information). As of 6/30/21, we had a backlog of 1500 requests. Some of these requests are from insurance companies and payors who will not process our claims for reimbursement until records are received. We were able to contract with a vendor partner, Vital Records Control (VRC), to assist with release of information, and hire one additional staff member to assist in the department. With these changes, we have gone from 1500 requests at 6/30/21 to 40 requests at 11/30/31. Turnaround times for releases went from 4 weeks to 12 hours by 11/30/21. This is significant for our patients, external providers, and for us to get reimbursed by our payors.

Changing Billing Clearinghouse

Our contract with our previous vendor EfficientC (EC) was officially terminated 11/30/2021. All claims for both acute and post-acute services (except the skilled nursing facility) are billed 100% through our new vendor Ability. Our billing partner (CMRE) staff were trained in October and have been helping with secondary billing using this system. As of 11/30/2021, all outstanding secondary commercial claims have been billed.

In addition, we have been working to transition our patient statement printing to Ability. A solution to an issue impacting a quick transition was identified on 11/19/21 so the project is expected to fast track to an implementation date in early January 2022. This transition is estimated to save the District about \$6,500 a month (\$78,000 annually).

Transition to the Eligibility product provided by Ability was slowed for about 90 days as Ability has been updating their offering to allow for more integration with EPIC. We have been having development and scope meetings, and expect to have information to Mercy by January 2022 to restart the implementation process of a more enhanced product. A new item we expect to add with this conversion is the function that provides an automated search for every self-pay account to ensure address information is correct and more importantly a database search to any type of coverage that might be identified.

In looking at statistics from March 2021 – November 2021, the clean claim rate has dropped a bit from the low 90%. It is now about 85% for Hospital Billing (HB) accounts and 87% for Professional Billing (PB) accounts.

With the implementation of the new coding company, HIMagine, a lot of operational changes have been identified and addressed, including the refining of edits to more accurately address billing issues at initial bill generation. Target is to get the clean claim rate back in the 90 plus percent range. Even at 85% Ability is still able to bill more claims on one pass. Epic clean claim rate is still showing in the 40% range.

Billing Vendor Partners - Action Plans for Aged Accounts Receivable

Vendor Partner: CMRE

Assignment: Commercial Insurance, assigned accounts when 30 days old

Type of Billing: Professional Billing (PB), Secondary Claim Billing (HB)

CMRE has 18 FTEs assigned to the Tahoe inventory. This includes 15 production staff and 3 management team members. The entire production team is well versed and trained in working both the HB and PB sides in EPIC and are shifted as needed to maintain the respective sides.

CMRE has made a commitment to support our efforts, especially relating to accounts that are more recently assigned, and through December, to resolve these accounts within 60 days.

CMRE has analyzed their inventory, especially accounts which will be at 120 days or older by 12/01/21. A projection what the inventory will look like as of 1/1/22 – both are captured in the analysis. They are focusing on hitting the oldest of old and then hitting the new assignments

Snapshot of the Commercial active inventory all aging:

Active Inventory Summary		
HB/PB	# Of Accounts	Current Balance
HB	7,272	\$ 16,243,943
PB	3,971	\$ 1,345,346
Grand Total	11,243	\$ 17,589,289

Here is snapshot of just the HB & PB at or over 120 days old, along with the account and dollar value. Categorized inventory outlining results of action plan and deadlines for completion.

Over 120 HB Action Plan		
Action Plan	# Of Accounts	Current Balance
ACTIVE REVIEW, PAYMENT PENDING	209	\$ 1,887,180
REVIEW PENDING FOR WRITE-OFF	2,366	\$ 3,030,074
YEAR END CLOSE PLANNED	1,310	\$ 3,331,807
TFH BILLING CODING DELAY/DECISION NEEDED	425	\$ 231,711
Grand Total	4,310	\$ 8,480,772

Over 120 PB Action Plan		
Action Plan	# of Accounts	Current Balance
ACTIVE REVIEW, PAYMENT PENDING	7	\$ 1,197
REVIEW PENDING FOR WRITE-OFF	633	\$ 285,971
YEAR END CLOSE PLANNED	619	\$ 260,192
TFH BILLING CODING DELAY/DECISION NEEDED	82	\$ 25,781
Grand Total	1,341	\$ 573,142

CMRE has established a goal to complete a review of the "year end close planned" by 12/15/21. For the "review pending for write-off" with final review cleanup goal will be 12/31/21.

Vendor Partner: Novus

Assignment: Medi-Cal (Medicaid), assigned accounts when 14 days old

Type of Billing: Professional Billing (PB)

Novus currently has 4 FTE's for Tahoe Forest accounts only.

Novus has pulled together a special project to address accounts over 120 days old. Project start date of 12/3/2021, with a deadline of early January 2022. All collectible accounts have either been rebilled and pending payer processing, or in process to be billed. Novus management will be running reports each week to make sure each account is being worked or adjusted. All uncollectible accounts should be adjusted off by month end, 12/31/21. The volume should shrink considerably by month end. Depending on the need and total accounts assigned, they would add additional 2-4 staff members to this project. Novus also has a special team of "floaters" that they able to add to the workflow if needed. This team specifically assists with all projects from review to billing. Staffing will not be an issue.

Novus has committed to meeting our expectations by our requested due date.

AGENDA ITEM COVER SHEET

<p>ITEM</p>	<p>Resolution 2021-08 – Resolution Authorizing Execution and Delivery of a Loan and Security Agreement, Promissory Note, and Certain Actions in Connection therewith for the California Health Facilities Financing Authority Nondesignated Public Hospital Bridge Loan Program</p>
<p>RESPONSIBLE PARTY</p>	<p>Crystal Betts, Chief Financial Officer</p>
<p>ACTION REQUESTED?</p>	<p>Roll Call Vote to Approve Resolution 2021-08</p>
<p>BACKGROUND:</p> <p>Tahoe Forest Hospital District has been a participant in the State of California’s Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program for the programs 5 year existence under the State’s Section 1115 waiver. The PRIME program expired 6/30/2020, with funding continuing through 12/31/2020. The State has decided to move participants that previously participated in the PRIME program to the Quality Incentive Pool (QIP) program, which is a program that was in existence at the time of PRIME, and ran parallel with the PRIME program, and is being redesigned as of 1/1/2021.</p> <p>Due to this decision by the State, Tahoe Forest is now currently transitioning to the new QIP program. Because of how the new QIP program is structured, it has created a 2 year gap in funding between PRIME and QIP. In order to assist District hospitals with the transition and cushion the lack of funding over 2 years, the District Hospital Leadership Program (DHLF) worked with the California Health Facilities Financing Authority (CHFFA) to create a bridge loan program that has made \$40m available to District Hospitals. The loan funding is to help hospitals with the costs of the program during the 2 year gap period until the QIP funding starts in mid-2023. DHLF also worked with CHFFA on the allocation method for available funds, which was based on the stated needs of each of the District hospitals.</p> <p>Tahoe Forest Hospital District has applied for a loan in the amount of \$281,584. The loan is interest free and will mature 24 months from the date of the executed agreements and will be repaid in a lump sum at maturity. There is a 1% fee, or \$2,815.84, that is non-refundable. Participation in this loan program not only provides TFHD with gap funding, but also assists in demonstrating the need for funding for other District Hospitals.</p> <p>I have attached an informational sheet about the QIP program for those that would like to understand the program more.</p>	
<p>SUMMARY/OBJECTIVES:</p> <p>Resolution 2021-08 ratifies the application for the CHFFA bridge loan and authorizes the President & CEO or CFO to execute and deliver all required documents for the loan, including the Loan and Security Agreement, as well as the Promissory Note. All documents have been reviewed by in-house counsel.</p>	
<p>SUGGESTED DISCUSSION POINTS:</p> <p>This loan not only benefits Tahoe Forest Hospital District by assisting in covering the costs of the program during this transitional period, but it also helps support the need for funding for many District hospitals that would be struggling during this transitional period if this loan funding was not made available.</p>	

SUGGESTED MOTION/ALTERNATIVES:

Move to approve Resolution 2021-08 Authorizing Execution and Delivery of a Loan and Security Agreement, Promissory Note, and Certain Actions in Connection therewith for the California Health Facilities Financing Authority Nondesignated Public Hospital Bridge Loan Program.

Alternative:

Decline approval of Resolution 2021-08 and decline participation in the Nondesignated Public Hospital Bridge Loan Program.

LIST OF ATTACHMENTS:

- Resolution 2021-08
- CHFFA Loan and Security Agreement
- CHFFA Promissory Note
- CHFFA Bridge Loan Application
- Informational Sheet on transition from PRIME to QIP

**TAHOE FOREST HOSPITAL DISTRICT
RESOLUTION NO. 2021-08**

**RESOLUTION OF TAHOE FOREST HOSPITAL DISTRICT AUTHORIZING
EXECUTION AND DELIVERY OF A LOAN AND SECURITY AGREEMENT,
PROMISSORY NOTE, AND CERTAIN ACTIONS IN CONNECTION
THEREWITH FOR THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY
NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM**

WHEREAS, TAHOE FOREST HOSPITAL DISTRICT (“District”) is a hospital district duly organized and existing under the “Local Health Care District Law” of the State of California; and

WHEREAS, Tahoe Forest Hospital District (the “Borrower”) is a nondesignated public hospital as defined in Welfare and Institutions Code Section 14165.55, subdivision (l), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25; and

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed \$281,584.00 from the California Health Facilities Financing Authority (the “Lender”), such loan to be funded with the proceeds of the Lender's Nondesignated Public Hospital Bridge Loan Program; and

WHEREAS, the Borrower intends to use the funds solely to fund its working capital needs to support its operations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower as follows:

Section 1. The Board of Directors of Borrower hereby ratifies the submission of the application for a loan from the Nondesignated Public Hospital Bridge Loan Program.

Section 2. The President and Chief Executive Officer, Harry Weis, and Chief Financial Officer, Crystal Betts (each an “Authorized Officer”) are hereby authorized and directed, for and on behalf of the Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer(s) deem(s) necessary or advisable in order to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed \$281,584.00, shall not bear interest, and shall mature 24 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The Authorized Officer(s) is (are) hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially said form that includes the redirection of up to 20% of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Promissory Note (the "Note") as evidence of the Borrower's obligation to repay the loan is hereby approved. The Authorized Officer(s) is (are) hereby authorized and directed, for and on behalf of the Borrower, to execute the Note in substantially said form, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. PASSED AND ADOPTED at the meeting of the Tahoe Forest Hospital District Board of Directors held on the 16th day of December, 2021 by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

ATTEST:

Alyce Wong
Chair, Board of Directors
Tahoe Forest Hospital District

Martina Rochefort
Clerk of the Board
Tahoe Forest Hospital District

SECRETARY'S CERTIFICATE

I, Martina Rochefort, Clerk of the Board of Tahoe Forest Hospital District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of Tahoe Forest Hospital District duly and regularly held at the regular meeting place thereof on the 16th day of December, 2021, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Clerk of the Board

Date: December 16, 2021

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Loan and Security Agreement

This Loan and Security Agreement (“Agreement”) is entered into between the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (“Lender” or “Authority”), authorized by the California Health Facilities Financing Authority Act (the “Act”), having its principal place of business at 915 Capitol Mall, Room 435, Sacramento, California 95814, and **BORROWER NAME**, a nondesignated public hospital (“Borrower”) as defined in the Nondesignated Public Hospital Bridge Loan Program guidelines, having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE**.

RECITALS

A. The Borrower has applied to the Authority for a loan from the Nondesignated Public Hospital Bridge Loan Program to fund its Working Capital needs to support its operations.

B. Borrower is a nondesignated public hospital as defined in Welfare and Institutions Code 14165.55, subdivision (l), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25.

C. The Authority has determined that the Borrower’s Application meets eligibility requirements of the hereinafter defined Guidelines.

D. Borrower has requested that Lender lend Borrower certain funds from the Authority’s Nondesignated Public Hospital Bridge Loan Program’s fund balance for the following purpose: To fund its Working Capital needs to support its operations (the “Purpose”).

E. Lender is willing to lend Borrower such funds subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Waiver of Sovereign Immunity

The Borrower hereby waives any immunity it may have from lawsuits and other legal proceedings brought under this Agreement or in connection therewith that are brought by the Authority in the California Superior Court for the County of Sacramento and all courts to which appeals therefrom are available, and enforcement of any judgment of such court in any court of competent jurisdiction, to enforce the terms of this Agreement, and to

enforce and execute any order, judgment or ruling resulting therefrom against any assets or revenues of the Borrower.

If, and only if, a dispute arises between the parties over a matter for which the Borrower has provided a waiver of immunity under this Agreement (the “Dispute”), and the California Superior Court for the County of Sacramento cannot or is unwilling to hear the Dispute, then either party may request binding arbitration of the Dispute. To initiate binding arbitration of a Dispute, a party shall notify the other party in writing. The Dispute shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and subject to California law concerning arbitration, and judgment on the award rendered by the arbitrator may be entered in any court pursuant to California law concerning arbitration. One arbitrator shall preside and shall be selected by the American Arbitration Association. The arbitration shall take place in Sacramento, California. The arbitrator shall render an award within forty-five days from the conclusion of the arbitration. In the event of arbitration, the prevailing party shall be entitled to all of its costs, including reasonable attorneys’ fees, from the nonprevailing party.

ARTICLE I – DEFINITIONS

Section 1.1- CHECKWRITE means a reimbursement for Medi-Cal covered services, due to the Borrower from the California Department of Health Care Services (“DHCS”), for a particular payment period.

Section 1.2- GUIDELINES means the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by the Authority, as may be amended from time to time.

Section 1.3- LIEN means the securitization of the Loan, including but not limited to the Authority’s intercept of the Borrower’s Medi-Cal reimbursements.

Section 1.4- LOAN DOCUMENTS means this Agreement, the Promissory Note, the agreement referenced in Section 3, and the Borrower’s Application, including all exhibits to such documents.

Section 1.5- WORKING CAPITAL means those costs as defined in Government Code Section 15432, subdivision (h) and are the costs eligible for reimbursement to the Borrower from the Loan amount approved by the Authority.

Section 1.6 – DOCUMENT DATE means the date of this Agreement, which is the date Lender signs this Agreement.

Section 1.7- Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Guidelines.

2. The Loan Repayment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees to make a zero percent (0%) interest rate loan in the aggregate principal amount of **LOAN AMOUNT SPELLED OUT (\$0.00)** (the “Loan”) to Borrower. The Loan proceeds shall be disbursed to Borrower upon the satisfaction of all of the conditions precedent set forth in Sections 3, 4 and 5 of this Agreement. It is the intent of the Borrower and the Lender to

create a line of credit agreement between the Borrower and the Lender whereby the Borrower may borrow up to **LOAN AMOUNT SPELLED OUT (\$0.00)** from Lender.

(b) Borrower's obligation to repay the Loan shall be evidenced by a promissory note executed by Borrower (the "Note"), payable to the order of the Lender, in which Borrower agrees to repay the principal sum of the Loan no later than 24 months from the date of this Agreement ("Due Date"). Borrower shall have the right at any time to prepay the Note in whole or in part without premium or penalty.

(c) All payments and prepayments of principal shall, at the option of Lender, be applied first to any fees and costs owing, and after all such fees and penalties have been paid any remainder shall be applied to reduction of the principal balance.

3. Security Agreement.

To induce Lender to make the Loan, to secure Borrower's performance under this Agreement, and to ensure punctual payment of amount due under this Agreement and the Note, the Borrower hereby grants a security interest to Lender and to its successors, and assigns, for so long as Borrower has any obligations to Lender under this Agreement, and for the security and benefit of the Lender, in 20% of the Borrower's respective Medi-Cal checkwrite payments (all such rights being the "Collateral").

Borrower agrees to execute a written agreement substantially in the form set forth in Exhibit A attached hereto and incorporated herein by reference, which authorizes DHCS to redirect Borrower's checkwrite payments to the Lender, if the Loan amount is not repaid in full within 24 months of the date of this Agreement, until such time as the Loan to the Borrower made by Lender (including any fees and other loan related costs as may arise) is paid in full. By execution of the attached agreement, Borrower agrees to assign 20% of its respective Medi-Cal checkwrite payments to the Lender until the Lender notifies DHCS that the loan has been satisfied.

4. Representations and Warranties.

To induce Lender to make the Loan under this Agreement, Borrower hereby represents and warrants to Lender that as of the date hereof and, where relevant, until the Note is paid in full and all obligations under this Agreement are performed in full, that:

(a) Borrower is duly organized under applicable law, is qualified to do business and in good standing in each jurisdiction where required, and has complied with all laws necessary to conduct its business as presently conducted;

(b) Borrower has authority, and has completed all proceedings and obtained all approvals and consents necessary, to execute and deliver all documents authorizing this Loan, including, without limitation, all the Loan Documents, and the transactions contemplated by these Loan Documents;

(c) the execution, delivery and performance of the Loan Documents will not contravene, or constitute a default under or result in a lien upon assets of Borrower pursuant to any applicable law or regulation, any charter document of Borrower or any contract, agreement, judgment, order, decree, or other instrument binding upon or affecting Borrower except for, if applicable, (i) certain liens created by the Loan Documents evidencing this Loan and (ii) other liens in favor of Lender;

(d) this Agreement, the Note, the agreement referenced in Section 3 and all of the other Loan Documents constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(e) Borrower represents, except as previously disclosed to Lender, and warrants there is no financing statement, security agreement or any other document covering any required Collateral, or any part thereof, on file, recorded or in effect in any public office;

(f) except as previously disclosed to Lender in writing, there is no action, suit or proceeding, pending or threatened against Borrower which might adversely affect Borrower in any material respect;

(g) Borrower does not have any delinquent tax obligations, and all tax returns required of Borrower have been filed; and

(h) all proceeds of this Loan will be used by the Borrower solely for the Purpose as described in the Recitals and as has been approved by Lender.

5. Conditions Precedent.

Lender shall have no obligation to make the Loan under this Agreement until Lender is satisfied that all of the following conditions have been satisfied:

(a) as of the date of this Agreement, there shall exist no Event of Default, as defined in Section 7, and no event which, with the giving of notice or passage of time, or both, would constitute an Event of Default;

(b) Borrower shall have delivered to Lender a duly executed Agreement, Note, and all other requested Loan Documents;

(c) Borrower shall have delivered to Lender a resolution of the Borrower's Board of Directors duly authorizing the execution, delivery and performance by it of each of the Loan Documents as well as ratification of the submitted application; and

(d) Borrower shall have delivered any other documents reasonably required by Lender in connection with carrying out the purposes of this Agreement, including all documents specified in Sections 2, 3, 4 and 5.

6. Covenants.

From the date of this Agreement until the Note is paid in full and all obligations under this Agreement are performed, Borrower agrees that:

(a) at all times during this Agreement, Borrower shall accurately maintain, in accordance with generally accepted accounting principles, all books of account, records and documents of every kind in which all matters relating to this Loan, including, without limitation, all income, expenditures, assets, and liabilities;

(b) Borrower shall at all times maintain its corporate existence and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights, licenses, and franchises;

(c) Borrower shall not, without the prior written notification to Lender, change its name or place of business, merge, affiliate, or consolidate with any company or enterprise, or otherwise substantially change its corporate structure or the general character of its business as it is presently conducted;

(e) Borrower shall do all acts that may be necessary to maintain, preserve and protect any required Collateral;

(f) Borrower shall not use or permit any required Collateral to be used unlawfully or in violation of any provision of this Agreement, or any applicable statute, regulation, ordinance or any policy of insurance covering the Collateral;

(g) Borrower shall execute and deliver any financing statement, assignment or other writing deemed necessary or appropriate by Lender to perfect, maintain and protect its security interest under this Agreement;

(i) Borrower shall pay all taxes, assessments, and related obligations when such taxes, assessments and obligations are due and payable;

(j) Borrower shall not create, incur, assume or suffer to exist any further assignment, encumbrance, or lien upon any required Collateral without the prior written consent of Lender;

(k) Borrower shall pay all costs, fees and expenses incurred by Lender in connection with this Agreement;

(l) Borrower may not assign the Agreement or Note to any person or entity, and the Agreement or Note may not be assumed by any person or entity without the prior written consent of Lender;

(m) Borrower shall promptly notify Lender in writing of the occurrence of any event which might materially adversely affect Borrower or which constitutes, or upon notice or passage of time or both, would constitute an Event of Default; and

(n) Borrower shall pay to Lender a fee equal to one percent (1.00%) of the loan amount as a reduction in disbursement of loan proceeds to Borrower.

7. Events of Default.

A default exists, upon the occurrence and during the continuance of any of the following events (“Events of Default”):

(a) failure by Borrower to pay any principal or any other amount payable hereunder or under the Note when due in accordance with the terms of the Agreement or the Note;

(b) any representation or warranty made by Borrower in this Agreement or in any other Loan Document or financial or other statement furnished at any time under or in connection herewith or therewith shall prove to have been incorrect, false or misleading in any material respect on or as of the date when made or deemed to have been made or prior to the date when all obligations of this Agreement have been fully satisfied;

(c) failure of Borrower to fully and completely perform any obligation (except for the obligation set forth in Section 2(b) of this Agreement), covenant or agreement set forth in this Agreement or in the other Loan Documents or any agreement as may be required by Sections 3,4 and 5 herein and the failure to cure the default may, in the sole discretion of the Lender, not constitute an Event of Default unless (i) Borrower fails to commence steps to cure the failure within the fifteen (15) day period or (ii) Borrower fails to cure the failure within thirty (30) days after the date of the failure;

(d) (i) Borrower shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets, (ii) a custodian, receiver, trustee or liquidator shall have been appointed with or without the consent of Borrower, (iii) Borrower shall generally not be paying its debts as they become due, has made a general assignment for the benefit of creditors, has filed a voluntary petition in bankruptcy, or has filed a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law, (iv) Borrower shall have filed an answer admitting the material allegations of a petition in any bankruptcy, reorganization or insolvency proceeding, or taken any corporate action for the purpose of effecting the filing of such an answer, (v) a petition in bankruptcy shall have been filed against Borrower and shall not have been dismissed for a period of thirty (30) consecutive days, (vi) an order for relief shall have been entered under the Federal Bankruptcy Code against Borrower, (vii) an order, judgment or decree shall have been entered, without the application, approval or consent of Borrower, by any court of competent jurisdiction approving a petition seeking reorganization of Borrower or appointing a receiver, trustee, custodian or liquidator of Borrower or a substantial part of its assets, and the order, judgment or decree shall have continued unstayed and in effect for any period of forty-five (45) consecutive days, (viii) Borrower shall have suspended the transaction of its usual business, or (ix) Borrower shall have ceased to be authorized by the laws of this State to operate a health facility, as defined by the Act; and

(e) if the Loan amount due under this Agreement is not paid in full within twenty-four (24) months from the date of this Agreement, then at the option and upon the declaration of Lender, all amounts owed to Lender under this Agreement and the Note shall, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, become immediately due and payable, and Lender may immediately, and without expiration of any period of grace, enforce payment of all amounts owed to Lender under this Agreement and the Note and exercise any and all other remedies granted to it at law, in equity or otherwise, for the enforcement of realization of the security interests provided in this Agreement. In addition, Lender shall be entitled to recover from Borrower all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in exercising any remedies under this Agreement.

No delay in accelerating the maturity of any obligation contained in this Agreement or in taking any other action with respect to any Event of Default shall affect the rights of Lender later to take such action with respect thereto, and no waiver as to a prior occasion shall affect rights as to any other Event of Default. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect any sums owing under this Agreement, and agrees that its liability on this Agreement shall not be affected by any release of or change in any security for the payment of sums due under this Agreement.

If Borrower fails to pay its one-time installment of principal due under this Agreement by the Due Date of the one-time installment, Borrower shall pay Lender twenty percent (20%) of its respective Medi-Cal checkwrite payments due for the purpose of the handling of a delinquent payment. Borrower and Lender agree that the method of repayment represents a reasonable means of collection considering all of the circumstances existing on the date of this Agreement.

Acceptance by the Lender or holder of the Note of any installment after any default under this Agreement shall not operate to extend the time of payment of any amount then remaining unpaid or constitute a waiver of any of the other rights of the Lender or holder under the Note or this Agreement.

8. Security Agreement.

This Agreement shall constitute a security agreement with respect to any required Collateral.

9. Miscellaneous.

(a) Borrower hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Lender, Authority members, officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly,

indirectly, wholly or partially arising from or in connection with any act or omission of Borrower, its employees or agents, in applying for or accepting the Loan, or in expending or applying the funds furnished pursuant to this Agreement. This section shall survive the termination of this Agreement.

(b) The terms of this Agreement may be revised or modified only with the prior written consent of both parties.

(c) The descriptive headings in this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions of this Agreement.

(d) Any provision of this Agreement that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Agreement.

(e) This Agreement is intended by the parties to be the final expression of their agreement with respect to the terms included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement.

(f) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument.

(g) All notices given under this Agreement shall be in writing and shall be hand-delivered or mailed by registered or certified mail, postage prepaid and shall be sent to the parties' respective addresses first written above or any other address as a party may have specified in writing.

(h) Borrower waives trial by jury in any litigation arising out of or relating to this Agreement in which a holder of the Note is an adverse party and further waives the right to interpose any defense, set-off, or counterclaim of any nature or description.

(i) Lender and Borrower hereby agree that the laws of the State of California apply to this Agreement. Any legal action or proceedings brought to enforce or interpret the terms of this Agreement shall be initiated and maintained in the courts of the State of California and or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in day and year first hereinabove written.

LENDER: **CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY**, a public
instrumentality of the State of California

By: _____

Name: **Frank Moore**

Title: **Executive Director**

Date: _____

BORROWER: **BORROWER NAME**,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____

EXHIBIT A

AUTHORIZATION TO CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
REDIRECTION OF MEDI-CAL WARRANTS TO
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

1. NAME OF BORROWER (MEDI-CAL PROVIDER)		2. MEDI-CAL PROVIDER NUMBER	
BORROWER NAME			
3. MAIN CONTACT PERSON NAME		4. TELEPHONE NUMBER	
5. ADDRESS CITY STATE ZIP			
6. LOAN AMOUNT NOT TO EXCEED			
LOAN AMOUNT SPELLED OUT (\$0.00)			

Borrower hereby assigns all of its rights to 20% of its respective Medi-Cal checkwrite payments, along with any and all underlying right to reimbursement as may currently exist, to the California Health Facilities Financing Authority (CHFFA) if the Loan amount is not repaid in full within 24 months of the date of this Agreement, as part of the re-payment requirements of the Nondesignated Public Hospital Bridge Loan Program approved by CHFFA Resolution No. 2021-04 on October 28, 2021.

This assignment shall be in place until CHFFA has notified the Department of Health Care Services (DHCS) that the loan has been paid in full, whereupon the right to full future reimbursements shall revert to the Borrower.

Borrower receives Medi-Cal reimbursement via (check appropriate box):

- Paper warrants
- Electronic funds transfer (EFT)

If an EFT recipient, Borrower acknowledges and agrees to the following requirements:

Borrower shall complete an EFT cancellation form (see attached), which shall be submitted to DHCS. This form must be submitted to DHCS at least one week in advance of the applicable State Controller's Office (SCO) checkwrite issuance date.

Borrower acknowledges that after DHCS receives notice from CHFFA that Borrower's loan is paid in full, the Medi-Cal reimbursement to Borrower will be by paper warrants until such time as the Borrower reapplies for EFT and that application is effective.

Borrower assumes the responsibility of updating its address on file with DHCS and submitting to DHCS any necessary address correction using the Medi-Cal Supplemental Changes form (Form 6209).

BORROWER: **BORROWER NAME**, a nondesignated public hospital

By: _____
(Authorized Officer)

Name: AUTHORIZED OFFICER NAME

Title: TITLE OF AUTHORIZED OFFICER

EFT	Electronic Fund Transfer Authorization	<u>Department of Health Care Services – Medi-Cal:</u> This authorization remains in full force and effect until the California Medicaid Program/Title XIX receives written notification from the provider of its termination, or until the California Medicaid Program/Title XIX or appointing authority deems it necessary to terminate the agreement.
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Directions: An original pre-imprinted voided check for checking accounts, or an original bank letter for savings accounts, must be submitted with this form. The provider name, routing number and account number on either of those documents must match what is entered on this form. Photocopied documents will not be accepted. Use blue ink for signatures, including notary.

Section A

Please Print or Type

1. Name of Provider (must match name on bank account and name registered with Medi-Cal)	2. NPI OR Legacy Number (one EFT form per number)
3. Name of Main Contact Person	4. Telephone Number
5. Provider Address	City State Zip
6. Last 4 Digits of Provider Social Security Number or Complete Federal Tax ID Number (must match number registered with Medi-Cal)	

Section B

1. Bank Routing Number	2. Bank Account Number (including leading zeroes)	3. Type of Account Checking Savings
4. Bank Name		
5. Bank Address	City	State Zip

Section C (Check the appropriate box)

I hereby authorize the California Medicaid Program/Title XIX to initiate credit entries to my bank account as indicated above, and the depository named above to credit the same to such account. For changes to existing accounts, do not close an existing account until the first payment has been deposited into the new account.

I hereby **CANCEL** my EFT authorization.

I understand that by signing this form, payments issued will be from Federal and State funds, and that any falsification or concealment of a material fact may be prosecuted under Federal and State laws.

Provider Signature
Date
(Blue ink only. Must be owner or corporate officer.)

Form Must Be Notarized

Mail This Form To:
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 PO Box 13029
 Sacramento, CA 95813-4029

Express Mail Only
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 820 Stillwater Road
 West Sacramento, CA 95605

Privacy Statement (Civil Code Section 1798 et seq.): The information requested on this form is required by the Department of Health Care Services for purposes of identification and document processing. Furnishing the information requested on this form is mandatory. Failure to provide the mandatory information may result in your request being delayed or not processed.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Promissory Note (“Note”)

\$0.00

BORROWER NAME, a nondesignated public hospital having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE** (“Borrower”), for value received, hereby promises to pay to the order of CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (the “Lender” or “Holder”), at its office located at 915 Capitol Mall, Room 435, Sacramento, California 95814, or at such other place as the Holder may from time to time designate in writing, in lawful money of the United States of America, the principal sum of **LOAN AMOUNT SPELLED OUT (\$0.00)** or so much thereof as may be advanced to or for the benefit of the Borrower by the Lender in Lender’s sole and absolute discretion, until payment of such principal sum shall be discharged in no event later than 24 months from the date as more particularly provided for in that certain Loan and Security Agreement between Borrower and the Lender, dated as of the date thereof (the “Agreement”). It is the intent of the Borrower and Lender to create a line of credit agreement between Borrower and Lender whereby Borrower may borrow up to **\$000,000.00** from Lender provided, however, that Lender has no obligation to lend Borrower any amounts hereunder and the decision to lend such money lies in the sole discretion of Lender.

All payments on this Note shall, at the option of Holder, be applied first to any fees and costs owing and any remainder shall be applied to a reduction of the principal balance.

The Borrower shall be in default of this Note on the occurrence of any of the events set forth in the Agreement executed simultaneously herewith, including but not limited to the following: (i) the Borrower shall fail to meet its obligation to make the required principal payment hereunder; (ii) the Borrower shall be dissolved or liquidated; (iii) the Borrower shall make an assignment for the benefit of creditors or shall be unable to, or shall admit in writing their inability to pay their debts as they become due; (iv) the Borrower shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, or any such action shall be commenced against the undersigned; (v) the Borrower shall suffer a receiver to be appointed for it or for any of its property or shall suffer a garnishment, attachment, levy or execution.

Upon default of this Note, Lender may declare the entire amount due and owing hereunder to be immediately due and payable. Lender may also use all remedies in law and in equity to enforce and collect the amount owed under this Note. The remedies of the Holder, as provided in the Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including specifically any failure to exercise any right, remedy or recourse shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and

then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower hereby waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and non-payment, bringing of suit and diligence in taking any action to collect any sums owing hereunder, and agrees that its liability on this Note shall not be affected by any release of or change in any security for the payment of this Note.

Borrower shall have the right to prepay this Note in whole or in part at any time without penalty or premium.

Any provision of this Note or corresponding Agreement, that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Note.

Borrower agrees that the laws of the State apply to this Note. Any legal action or proceedings brought to enforce or interpret the terms of this Note shall be initiated and maintained in the courts of the State of California or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

BORROWER NAME,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____

Title **Tahoe Forest Hospital District** 12/02/2021
by **Crystal Betts** in **Nondesignated Public Hospital
Bridge Loan Program** id. 21938300
cbetts@tfhd.com

Original Submission 12/02/2021

Instructions: **The deadline to submit an Application to the California Health Facilities Financing Authority (CHFFA) for the first Funding Round is December 1, 2021. If funds remain after the first Funding Round, Applications may be submitted for a second Funding Round with a deadline of February 1, 2022. Announcements of available funding will be shared with all eligible Applicants. The Application, including supporting documentation, must be received by the Authority no later than 5:00 p.m. (Pacific Time) on the deadline dates and may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov or submitted through the online Application on the Authority's website. Please note: · Incomplete applications may result in rejection of the application. · CHFFA is not responsible for transmittal delays or failures of any kind. Authority staff is pleased to answer any questions or provide technical assistance to help you prepare your application. Please call us at (916) 653-2799.**

Fee Schedule: **· No application fee · 0% percent interest · Authority Loan Fee is 1% of the loan amount, which is due at closing and deducted from loan proceeds**

Contact Information

Please provide the following information:

Legal Name of Applicant **Tahoe Forest Hospital District**

Street Address (applicant headquarters) **10121 Pine Avenue
PO Box 759
Truckee
CA
96161
US**

County **Nevada**

Federal Tax I.D. Number **94-6004062**

Contact Person / Title **Crystal Betts, Chief Financial Officer**

Phone **+15305826656**

Email **cbetts@tfhd.com**

Loan Information:

Amount Requested: **281584.0**

Provide brief explanation of how loan proceeds will be used for working capital (i.e. payroll and utilities):

Loan proceeds will be used to assist in covering payroll costs during the bridge period from PRIME to QIP

Management/Organization Information

Provide the name and title of the person to be designated by your board to sign loan documents if financing is approved:

Crystal Betts, Chief Financial Officer

Provide a current copy of the applicable State of California operating license

[TFHD_Hospital_License-11.01.2021_10.31.2022.pdf](#)

Legal Status Questionnaire

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates; the nature of the allegation(s), charges, complaint or filing; and the outcome.

1. Financial Viability *n/a*

Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Not Applicable

2. Fraud, Corruption, or Serious Harm n/a

Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment.

One suit per our in-house counsel. Rajiv Das, a physician who filed an employment discrimination claim. This is what is known to the best of our knowledge.

Option to upload any supplemental information regarding legal disclosure n/a

Religious Affiliation Due Diligence (Only for Applicants with Religious Affiliation)

Note: You may respond directly on this form or attach additional pages as needed. CHFFA may request additional information regarding the responses to these questions.

Does the facility admit patients or residents of all religions and faiths? **Yes**

Are patients/residents ever turned away because of their religious affiliation? **No**

Does the facility grant any preference, priority, or special treatment with respect to admission, treatment, payment, etc., based on religion or faith? **No**

Does the facility focus on the needs of, market to, or target, a particular religious population? **No**

Does the facility discourage individuals from seeking admission to the facility on the basis of religion? **No**

Is it the facility's mission to serve patients/residents of a particular religion? **No**

What percentage of the patients/residents admitted and treated at the facility are of the same religious denomination as the facility's religious affiliation? **Not Applicable. No religious affiliation**

Application Certification

Please transfer the following certification language onto your organization's letterhead and have the individual with the authority to commit the agency to contract complete the following certification:
Application Certification: 1. I certify that to the best of my knowledge, the information contained in this application and the accompanying supplemental materials are true and accurate. I further understand that misrepresentation may result in the cancellation of the loan and that CHFFA is authorized to take additional actions, if needed. 2. I hereby declare that all legal disclosure information requested has been disclosed to the best of my ability. 3. I certify that loan proceeds will be used solely for working capital to support operations. 4. I certify that the Applicant is a Nondesignated Public Hospital as defined in the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by CHFFA. 5. In the event the Applicant does not pay off its loan within 24 months of the loan agreement, I hereby agree to assign all of the Applicant's rights to 20% of the Medi-Cal checkwrite payments to CHFFA until the loan amount has been satisfied. 6. I acknowledge an Authority Loan Fee is 1% of the loan amount, is due at closing and will be deducted from loan proceeds.

_____ By (Print Name) Signature
_____ Title Date Please upload the signed document below and send the original hard copy to: California Health Facilities Financing Authority 915 Capitol Mall, Suite 435 Sacramento, CA 95814

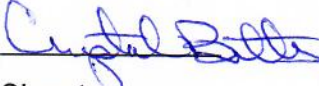
Application Certification

[Tahoe_Forest_-_CHFFA_Prime_QIP_Bridge_Loan_Certification.pdf](#)



Application Certification:

1. I certify that to the best of my knowledge, the information contained in this application and the accompanying supplemental materials are true and accurate. I further understand that misrepresentation may result in the cancellation of the loan and that CHFFA is authorized to take additional actions, if needed.
2. I hereby declare that all legal disclosure information requested has been disclosed to the best of my ability.
3. I certify that loan proceeds will be used solely for working capital to support operations.
4. I certify that the Applicant is a Nondesignated Public Hospital as defined in the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by CHFFA.
5. In the event the Applicant does not pay off its loan within 24 months of the loan agreement, I hereby agree to assign all of the Applicant's rights to 20% of the Medi-Cal checkwrite payments to CHFFA until the loan amount has been satisfied.
6. I acknowledge an Authority Loan Fee is 1% of the loan amount, is due at closing and will be deducted from loan proceeds.

<u>Crystal Betts</u>	
By (Print Name)	Signature
<u>Chief Financial Officer</u>	<u>11/30/2021</u>
Title	Date

Improving Quality and Reducing Disparities Through the Quality Incentive Pool (QIP)

For more than a decade, California’s public health care systems have been leading efforts to evolve safety-net payments from volume to value, most notably as part of California’s Section 1115 Medicaid waiver programs. The Quality Incentive Pool (QIP), a managed care directed payment program, charts a path forward outside of a waiver, ratcheting up performance and quality expectations of public health care systems, aligning more closely with State and Medi-Cal managed care plan priorities, and further integrating the improvement of health care disparities.

BACKGROUND

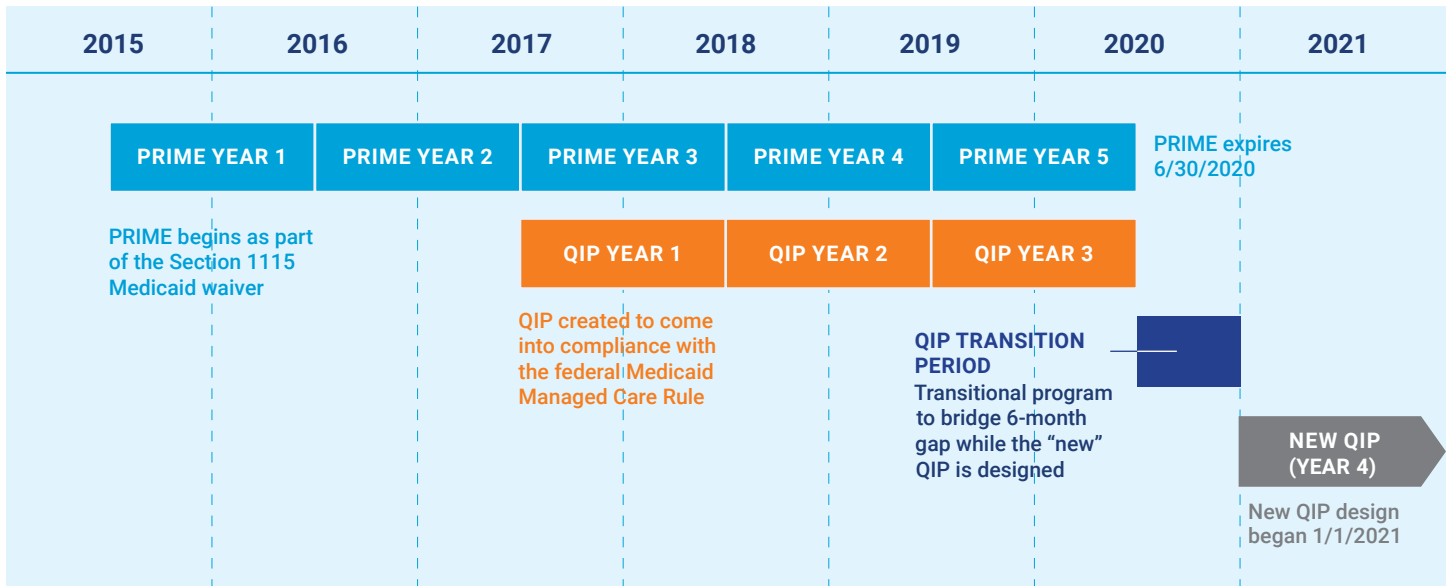
The QIP was implemented in 2017 as a result of [new requirements](#) in the federal Centers for Medicare & Medicaid Services’ (CMS) Medicaid and CHIP Managed Care Final Rule. QIP, a pay-for-performance program for [California’s public health care systems](#),* converts funding from previously existing supplemental payments into a value-based structure, meeting the rule’s option that allows quality-based payments. QIP payments are tied to the achievement of performance on measures that assess the quality of care provided to Medi-Cal managed care enrollees.

For three years, from mid-2017 to mid-2020, QIP existed in parallel with Public Hospital Redesign and Incentives in Medi-Cal (PRIME), a pay-for-performance program that was part

of California’s five-year Section 1115 Medicaid waiver, known as Medi-Cal 2020. Measures across the two programs were designed to be complementary, but not duplicative.

With the expiration of PRIME in June 2020, California had the opportunity to redesign QIP to integrate successful components from PRIME and the first few years of QIP. CMS approved a transitional program period from July to December 2020 that allowed the existing PRIME measures and critical funding to continue through December 2020 under the auspices of QIP. The purpose of this transitional period was to maintain performance improvement efforts and funding for public health care systems while a new structure and measures for QIP were identified and approved.

PRIME and QIP Evolution



* Public health care systems have participated in QIP since its inception in 2017. District & municipal public hospitals began participating in QIP starting July 2020.

PROGRAM OVERVIEW

The new QIP, which began January 1, 2021, continues to challenge public health care systems to improve quality via ambitious pay-for-performance targets in multiple domains of care. QIP payments are tied to the achievement of performance on a set of quality measures. By design, the measures in the new QIP closely align with the priorities of California's Department of Health Care Services (DHCS) and Medi-Cal managed care plans, including the State's [Managed Care Accountability Set \(MCAS\)](#).

If all public health care systems achieve their QIP performance targets, they would collectively receive approximately \$1.2 billion in federal funding annually, making QIP a very significant incentive for these systems to improve care.

MEASURES

Public health care systems are required to report each year on a total of 40 measures (see page 3 for a full list of measures). These measures are selected from:

- A **priority set of 20 measures** on which all public health care systems are required to report
- An **elective set of 31 measures** from which systems are required to choose at least 20

The program focuses on measures for conditions that represent leading causes of death in California, which align with the State's quality strategy and priorities, and that span the continuum of care provided by public hospitals and health care systems. Of the 51 measures in QIP, 24 (47%) are Healthcare Effectiveness Data and Information Set (HEDIS) measures, including all MCAS measures with a minimum performance level (to which Medi-Cal managed care plans are held accountable). Measures must also have known benchmarks applicable to the Medicaid population and meet at least one of the three following criteria: a National Quality Forum (NQF) endorsed measure, a national Medicaid performance measure, or have been used in a CMS pay-for-performance program.

The QIP is holistic and comprehensive with measures covering multiple domains of care:

- [Primary Care Access and Preventive Care](#)
- [Behavioral Health Care](#)
- [Care of Acute and Chronic Conditions](#)
- [Care Coordination](#)
- [Experience of Care](#)
- [Improving Health Equity \(see below\)](#)
- [Maternal and Perinatal Health](#)
- [Patient Safety](#)
- [Overuse/Appropriateness of Care](#)

PERFORMANCE TARGETS

As in PRIME and the first several years of QIP, performance targets are set based on a 10% gap closure methodology. For a given measure, the "gap" is the difference between the system's previous year performance and the 90th national percentile value for that measure. Systems with performance above the minimum performance threshold must "close the gap" by at least 10% each year in order to receive full funding. Systems that are already at or above the 90th percentile on a measure must maintain that level of performance in order to receive funding for that measure. Systems with performance below the minimum performance threshold at the end of the program year receive no funding for the given measure.

Improving Health Equity

QIP builds on [PRIME](#), which laid the foundation for data-driven health disparity reduction efforts. PRIME expanded the collection and use of detailed Race, Ethnicity and Language (REAL), and Sexual Orientation/Gender Identity (SOGI) data – known collectively as "REAL SO/GI" data. In QIP, public health care systems are required to reduce health disparities via one Improving Health Equity measure, which, in 2021, is focused on improving diabetes control in the Hispanic or Latinx and Black/African American populations. Systems may also choose a second Improving Health Equity measure from a sub-set of eligible QIP measures. Lastly, systems will be required to report stratified race and ethnicity data for five priority measures, which will lay the groundwork for and inform future expansion of health disparity reduction efforts in QIP.

CONCLUSION

Public health care systems are leading the way in developing and meeting the ambitious targets in pay-for-performance programs that shift payments from volume to value. The next few years will continue to challenge public health care systems to transform care and provide valuable lessons in the design of pay-for-performance programs, including the integration of health equity targets.

Priority Measures

1. Asthma Medication Ratio
2. Breast Cancer Screening*
3. Cervical Cancer Screening
4. Child and Adolescent Well-Care Visits
5. Childhood Immunization Status
6. Chlamydia Screening in Women
7. Colorectal Cancer Screening*
8. Comprehensive Diabetes Care: Eye Exam
9. Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%)
10. Controlling High Blood Pressure*
11. Developmental Screening in the First Three Years of Life
12. HIV Viral Load Suppression
13. Immunizations for Adolescents
14. Improving Equity #1
15. Influenza Immunization*
16. Timeliness of Postpartum Care
17. Timeliness of Prenatal Care
18. Tobacco Assessment and Counseling
19. Screening for Depression and Follow-Up Plan*
20. Well-Child Visits in the First 30 Months of Life

*Systems required to report race and ethnicity data

Elective Measures

1. Advance Care Plan
2. Appropriate Treatment for Upper Respiratory Infection
3. Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis
4. BIRADS to Biopsy (% of mammograms that are suspicious for or highly suggestive of malignancy that result in a biopsy within two weeks)
5. Cesarean Birth
6. Comprehensive Diabetes Care: Medical Attention for Nephropathy
7. Concurrent Use of Opioids and Benzodiazepines
8. Contraceptive Care – All Women
9. Coronary Artery Disease: ACE Inhibitor or ARB Therapy for Diabetes or Left Ventricular Systolic Dysfunction
10. Coronary Artery Disease: Antiplatelet Therapy
11. Depression Remission or Response for Adolescents and Adults
12. Discharged on Antithrombotic Therapy
13. ED Utilization of CT for Minor Blunt Head Trauma for Patients Aged ≥18 years old
14. Exclusive Breast Milk Feeding
15. Follow-Up After ED Visit for Alcohol and Other Drug Abuse or Dependence
16. Heart Failure: ACE Inhibitor or ARB or ARNI Therapy for Left Ventricular Systolic Dysfunction
17. HIV Screening
18. Improving Equity #2
19. Lead Screening in Children
20. Transitions of Care: Medication Reconciliation Post-Discharge
21. Perioperative Care: Venous Thromboembolism Prophylaxis
22. Pharmacotherapy Management of COPD Exacerbation
23. Plan All-Cause Readmissions
24. Prevention of Central Venous Catheter Related Bloodstream Infections
25. BMI Screening and Follow-Up Plan
26. Reduction in Hospital Acquired C Difficile Infections
27. Statin Therapy for The Prevention and Treatment of Cardiovascular Disease
28. Surgical Site Infection
29. Use of Imaging Studies for Low Back Pain
30. Use of Opioids at High Dosage in Persons Without Cancer
31. Weight Assessment & Counseling for Nutrition and Physical Activity for Children & Adolescents

AGENDA ITEM COVER SHEET

ITEM	Approval of Board Policy - ABD-23 Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds
RESPONSIBLE PARTY	Martina Rochefort, Clerk of the Board
ACTION REQUESTED?	For Board Action – Approval of Policy
<p>BACKGROUND:</p> <p>Board policies are reviewed on a three year rolling basis. ABD-23 Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds is due for review and approval.</p>	
<p>SUMMARY/OBJECTIVES:</p> <p>Chief Financial Officer reviewed the policy. There are no proposed edits.</p>	
<p>SUGGESTED DISCUSSION POINTS:</p> <p>None.</p>	
<p>SUGGESTED MOTION/ALTERNATIVES:</p> <p>Recommend full board approve ABD-23 Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds at the next regular board meeting.</p>	
<p>LIST OF ATTACHMENTS:</p> <ul style="list-style-type: none"> • ABD-23 Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds 	



TAHOE FOREST HEALTH SYSTEM

Origination Date:	11/2014
Last Approved:	10/2018
Last Revised:	10/2018
Next Review:	10/2021
Department:	Board - ABD
Applicabilities:	System

Post-Issuance Compliance Procedures for Outstanding Tax-Exempt Bonds, ABD-23

PURPOSE:

The purpose of these Post-Issuance Compliance Procedures, established by Tahoe Forest Hospital District (the "District"), is to maximize the likelihood that post-issuance requirements of federal income tax law and continuing disclosure requirements applicable to the various issues of bonds (the "Bonds") are met. The District reserves the right to change these policies and procedures from time to time.

PROCEDURE:

A. External Advisors / Documentation

1. The District shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. The District also shall consult with bond counsel and/or other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in the use of Bond-financed or refinanced assets.
2. The District shall determine (or obtain expert advice to determine) whether arbitrage rebate calculations have to be made for the Bond issue. If it is determined that such calculations are, or are likely to be required, the District shall engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds. The District shall make any rebate payments required on a timely basis including the signing and filing of appropriate IRS forms (e.g., Form 8038-T). Unless otherwise provided by the indenture (or similar document) relating to the Bonds, unexpended Bond proceeds shall be held by a trustee or other financial institution (unless the Bonds are general obligation bonds), and the investment of Bond proceeds shall be managed by the District. The District shall prepare (or cause the trustee or other financial institution to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds. The statements shall include a certification of compliance and a summary of information collected by the District.

B. Arbitrage Rebate and Yield

The Chief Financial Officer shall be responsible for overseeing compliance with arbitrage rebate requirements under federal tax law:

1. If, at the time of Bond issuance, based on the District's reasonable expectations, it appears likely that the Bond issue will qualify for an exemption from the rebate requirement, the District may defer taking any of the actions set forth in subsection (2) below. Not later than the time of completion of construction or acquisition of the capital projects financed with proceeds of the Bonds, and depletion of all funds from the project fund, the District shall make, determine, or cause its Rebate Service Provider to determine, whether any of the Bond proceeds qualified for a spending exception or other exception from the rebate requirements. If a rebate exception is determined to be applicable for all of the proceeds of the Bonds, the District shall prepare and keep in the permanent records of the Bond issue a memorandum evidencing this conclusion together with records of expenditure (or other records) to support such conclusion. If the transaction does not qualify for an exception to the rebate requirement, for all of the proceeds of the Bonds, the District shall initiate the steps set forth in subsection (2.2) below.
2. If, at the time of Bond issuance it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to subsection (2.1) above, the District shall:
 - a. engage the services of a Rebate Service Provider and, prior to each rebate calculation date, cause the trustee or other financial institution investing Bond proceeds to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
 - b. provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
 - c. monitor the efforts of the Rebate Service Provider;
 - d. assure the payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
 - e. during the construction period of each capital project financed in whole or in part by Bonds, monitor the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements, including during each 6-month spending period up to 6 months, 18 months or 24 months, as and if applicable, following the issue date of the Bonds;
 - f. retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements" and, upon request, provide such copies to the trustee; and
 - g. establish procedures to ensure that investments that are acquired with Bond proceeds are so acquired at their fair market value.

C. Use of Bond Proceeds and Bond Financed or Refinanced Assets

The Chief Financial Officer shall be responsible for monitoring the use of Bond proceeds and Bond financed assets:

1. monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before Bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
2. maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of

expenditures made before Bond issuance), including a final allocation of Bond proceeds as described below under "Record Keeping Requirements";

3. consulting with bond counsel and other legal counsel and advisers in the review of any change in use, or potential change in use, of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
4. maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under "Record Keeping Requirements"; and conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets and to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds; and to the extent that the District discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified Bonds or take other remedial action, if such counsel advises that a remedial action is necessary. All relevant records and contracts shall be maintained as described below.

D. Record Keeping Requirement

The Chief Financial Officer shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

1. a copy of the Bond closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of Bonds;
2. a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;
3. a copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets; and
4. a copy of all records of investments, investment agreements, credit enhancement, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

E. Continuing Disclosure Compliance Requirement

The Chief Financial Officer shall be responsible for maintaining the following Continuing Disclosure items for each issue of Bonds:

1. Annual Reports (send to Dissemination Agent 15 business days prior to the due date of December 31st for the revenue bonds and March 31st for the general obligation bonds):
 - a. Revenue Bonds: Audited financials, licensed beds, historical utilization, age distribution of active medical staff and admission percentage of top ten admitters, capitalization, days cash on hand, and debt service coverage ratio.
 - b. General Obligation Bonds: Audited financials, assessed value of taxable property in the District as shown on the recent equalized assessment role and the Placer County and Nevada County portion of property tax levies, collections and delinquencies for the most recent completed fiscal

- year.
2. Quarterly Reports (Send to Dissemination Agent 10 business days prior to the due dates April 30, July 31, October 31 and January 31):
 - a. Revenue Bonds: Unaudited quarterly balance sheet and statement of revenues and expenditures.
 - b. General Obligation Bonds: None required.
 3. Reporting to Dissemination Agent any of the following listed events within 10 business days of event:
 - a. Reportable Events:
 - i. Principal and interest payment delinquencies.
 - ii. Unscheduled draws on debt service reserves reflecting financial difficulties.
 - iii. Unscheduled draws on credit enhancements reflecting financial difficulties.
 - iv. Substitution of credit or liquidity providers, or their failure to perform.
 - v. Defeasances.
 - vi. Rating changes.
 - vii. Tender offers.
 - viii. Bankruptcy, insolvency, receivership or similar event of the obligated person.
 - ix. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
 - b. Material Reportable Events:
 - i. Non-payment related defaults.
 - ii. Modifications to rights of security holders.
 - iii. Bond calls.
 - iv. The release, substitution, or sale of property securing repayment of the securities.
 - v. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relation to any such actions, other than pursuant to its terms.
 - vi. Appointment of a successor or additional trustee, or the change of name of a trustee.
 4. Maintain the following "best practices" for upholding the continuing disclosure responsibilities, including, in particular:
 - a. Establish written policies and procedures to ensure that the District submits all documents, reports and notices required to be submitted to EMMA/MSRB in a timely manner.
 - b. Review offering documents, including the Continuing Disclosure Certificate, confirm compliance with existing continuing disclosure obligations at the time of each new issue and promptly rectify any continuing disclosure lapses.

- c. Disclose in each official statement any instances during the prior five years of any failure to comply in all material respects with applicable continuing disclosure obligations.
- d. Implement annual training for personnel involved in the bond offering and disclosure process, including familiarity with the significant events described in the Continuing Disclosure Certificate and an understanding of the District's written policies and procedures governing disclosure practices, including continuing disclosure.
- e. Identify an individual or individuals who will be responsible for reviewing and complying with the District's continuing disclosure obligations on a regular basis.
- f. Maintain a complete and accurate record of the District's continuing disclosure undertakings and filings, including electronic confirmation of continuing disclosure submissions.
- g. Develop a calendar reminder system to track annual filing deadlines and requirements.
- h. Consult with counsel as needed to resolve potential issues and address any questions.

F. Education and Training

- 1. The District shall provide responsible staff with education and training on federal tax requirements for post-issuance compliance applicable to the Bonds. The District will enable and encourage responsible staff to attend and participate in educational and training programs offered by professional organizations and other entities with regard to monitoring compliance with federal tax requirements for the Bonds.

All revision dates:

10/2018, 11/2014

Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
	Harry Weis: CEO	10/2018
	Martina Rochefort: Clerk of the Board	10/2018

AGENDA ITEM COVER SHEET

ITEM	Approval of Board Policy - ABD-11 Fiscal Policy
RESPONSIBLE PARTY	Martina Rochefort, Clerk of the Board
ACTION REQUESTED?	For Board Action – Approval of Revised Policy
<p>BACKGROUND:</p> <p>Board policies are reviewed on a three year rolling basis. Fiscal Policy, ABD-11 is due for review and approval.</p>	
<p>SUMMARY/OBJECTIVES:</p> <p>Chief Financial Officer reviewed the policy. The policy was updated to reflect the correct title for the President & Chief Executive Officer. No other edits were necessary.</p>	
<p>SUGGESTED DISCUSSION POINTS:</p> <p>None.</p>	
<p>SUGGESTED MOTION/ALTERNATIVES:</p> <p>Recommend full board approve ABD-11 Fiscal Policy at the next regular board meeting.</p>	
<p>LIST OF ATTACHMENTS:</p> <ul style="list-style-type: none"> • Fiscal Policy, ABD-11 	

Fiscal Policy, ABD-11

PURPOSE:

The purpose of this policy is to communicate the fiscal policy of the District as it relates to the operations of Tahoe Forest Hospital District and the various other services, programs and ventures which the District is or shall consider providing consistent with its Mission Statement and operating policies. It is the intention of the Board of Directors that this Fiscal Policy be disseminated to the hospital administrative and management team, as well as Medical Staff leadership, in order to achieve a broad based understanding of the fiscal goal of Tahoe Forest Hospital District. For the purposes of this policy statement, the term "services" shall apply to all hospital operations as well as other District services, programs or ventures.

POLICY:

A. RATIONALE

In view of the ever-changing reimbursement environment in which health care providers exist, the Board of Directors recognizes the importance of financial stability. A sound Fiscal Policy is necessary to assure the continuation of needed services, and as appropriate, expansion into new health-related facilities and services. To assure access to capital markets, it is in the best interest of the District to maintain strong financial performance and strong cash reserves. This philosophy is based upon, and consistent with, the Mission Statement and operating policies of the District.

B. POLICY STATEMENT

Our Fiscal Policy is to ensure the availability of capital to meet the future costs of carrying out the hospital's mission and serves as a prudent reserve to offset unexpected external forces. It will be the responsibility of the District's President & Chief Executive Officer (CEO) to implement policies and procedures consistent with the Fiscal Policy of the Board of Directors. The District shall put forth a strong effort in every fiscal year on achieving, at a minimum, the Standard and Poor's (S&P) A- rating, targeting the median ratios of the A- rating or better. At no time shall the District target financial performance that would drop the District below an investment grade rating.

PROCEDURE:

A. OPERATING MARGIN AND EXCESS (NET INCOME) MARGIN

The District, through approval by the Board of Director's, shall set an annual budget that seeks to target or maintain Operating and Excess Margins at the median S&P ratios of an A- rating or better. The President & CEO shall in turn endeavor, consistent with the President & CEO's authority under the annual budget and duly-adopted District policies, to direct District operations throughout the fiscal year so as to maintain Operating and Excess Margins at the median S&P ratios of an A- rating or better. Unusual circumstances may arise that could require setting the annual budget at ratios lower than A-, however, at no time shall the annual budget target median ratios below an investment grade rating. The President & CEO shall direct management and staff to operate the District in a manner that achieves the goals of the annual budget.

B. FUND BALANCES AND TRANSFER PROCEDURES

The President & CEO shall, consistent with the President & CEO's authority under the annual budget, this Fiscal Policy, and duly-adopted District policies, authorize the movement of funds with the goal of achieving projected Days' Cash on Hand (the number of days of average expenses) at the median S&P ratios of an A- rating or better. There shall be a strong effort to maintain this minimum Days' Cash on Hand ratio to ensure appropriate cash reserves and to sustain sufficient funding for capital needs. Unusual circumstances may arise that could require setting the annual budget Days' Cash on Hand ratio lower than A-, however at no time shall the annual budget reflect a Days' Cash on Hand ratio below an investment grade rating. At least quarterly, a report of Day's Cash on Hand shall be presented to the Board of Directors.

C. MAINTENANCE AND OPERATING FUND

All receipts and revenues of any kind from the operation of the hospital shall be paid daily into the treasury of the District and placed in the Maintenance and Operations Fund. Monies in the maintenance and Operation Fund may be expended for any of the purposes of the District.

The President & CEO will direct the allocation of monies in excess of 30 days forecasted cash to Board designated funds or transfer sufficient monies from Board designated funds into Maintenance and Operations Fund so that a minimum of 30 days working capital is maintained for the upcoming quarter. Fund transfers into Maintenance and Operations Fund from other funds to cover the minimum 30 days working capital will be in the following priority:

1. Cash Reserve Fund
2. Projects Fund

D. BOARD DESIGNATED FUNDS

Available funds will be funded in the priority order as listed. Bond Funds are held by the Bond Trustee until the fund reimburses the District for project expenditures. The reimbursed bond project expenditures will be deposited in the Maintenance and Operations Fund. Debt service is included in the Maintenance and Operations Fund.

1. Other Entity Funds:
Funds held for other entities such as Medical Staff and Auxiliary. Interest income accrues to the specific fund.
2. Projects Fund:
Board of Directors approved and designated projects. Fund to include, among others Building Funds and Capital Equipment Funds. Interest income will accrue to the Maintenance and Operations Fund.

E. CASH RESERVE FUND

Board of Directors approved funding to increase and provide sufficient reserves to sustain operational integrity; continued services at current levels; emergency purposes (safety net); credit worthiness; anticipated capital replacement needs. Interest income will accrue to the Maintenance and Operations Fund.

F. RESTRICTED FUNDS

Funds restricted to purchase assets or to fund program costs. These funds become unrestricted when the restriction is satisfied. Interest income accrues to the specific fund.

G. DONATIONS

Donated funds will be placed in the appropriate fund to be designated by the donor.

AGENDA ITEM COVER SHEET

ITEM	Approval of Board Policy - ABD-09 Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies
RESPONSIBLE PARTY	Martina Rochefort, Clerk of the Board Crystal Betts, Chief Financial Officer
ACTION REQUESTED?	For Board Action – Approval of Revised Policy
<p>BACKGROUND:</p> <p>The California legislature has approved Assembly Bill 1020 and Assembly Bill 532 which impose new regulations on Charity Care and patient accounts eligible for collections. The revised policy includes updated language compliant with the new regulations. These regulations go into effect 1/1/2022.</p>	
<p>SUMMARY/OBJECTIVES:</p> <p>Under AB 1020, patients at 400% of the Federal Poverty Level are now eligible for Financial Assistance. The previous maximum qualification level was 350%. The updated policy includes the new qualification level in its sliding scales.</p> <p>Also under AB 1020, hospitals must now make further efforts to ensure patients have been offered Financial Assistance or do not qualify prior to the accounts being forwarded to Collections. Hospitals must now send every patient a Financial Assistance application and hold the accounts for 180 days (previously 150) before forwarding to Collections.</p> <p>Under AB 532, there are new notice requirements in admissions paperwork, in-office postings, and on the hospital website. All requirements are listed within the policy.</p>	
<p>SUGGESTED DISCUSSION POINTS:</p>	
<p>SUGGESTED MOTION/ALTERNATIVES:</p> <p>Recommend full board approve ABD-09 Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies at next regular board meeting.</p>	
<p>LIST OF ATTACHMENTS:</p> <ul style="list-style-type: none"> • DRAFT Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies, ABD-09 	



TAHOE FOREST HEALTH SYSTEM

Origination Date:	N/A
Last Approved:	N/A
Last Revised:	N/A
Next Review:	N/A
Department:	Board - ABD
Applicabilities:	System

Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies, ABD-09

PURPOSE:

- A. Tahoe Forest Hospital District (hereinafter referred to as "TFHD") provides hospital and related medical services to residents and visitors within district boundaries and the surrounding region. As a regional healthcare provider, TFHD is dedicated to providing high quality, customer oriented and financially strong healthcare services that meet the needs of its patients. Providing patients with opportunities for financial assistance coverage for healthcare services is also an essential element of fulfilling the TFHD mission. This policy defines the TFHD Financial Assistance Program; its criteria, systems, and methods.
- B. California acute care hospitals must comply with the "Hospital Fair Pricing Policies" law at Health & Safety Code Section 127400 et seq. (the "Fair Pricing Law"), including requirements for written policies providing discounts and charity care to financially qualified patients. Under the Fair Pricing Law and **California Assembly Bill 1020**, uninsured patients or patients with high medical costs who are at or below **400 percent (400%)** of the federal poverty level shall be eligible to apply for participation under a hospital's charity care policy or discount payment policy. This policy is intended to fully comply with all such legal obligations by providing for both charity care and discounts to patients who qualify under the terms and conditions of the TFHD Financial Assistance Program. Additionally, although the Fair Pricing Law requires hospitals to provide financial assistance to certain qualifying patients for services they have received, it does not require hospitals to provide future services. Nevertheless, TFHD has allowed individuals to apply for financial assistance for future services under this policy. However, any individuals who qualify for such assistance will still be subject to admission and other criteria for receiving services and becoming patients, and will have to demonstrate their ability to meet any applicable financial obligation which is not covered by any discount or other financial assistance granted.
- C. The finance department has responsibility for general accounting policy and procedure. Included within this purpose is a duty to ensure the consistent timing, recording and accounting treatment of transactions at TFHD. This includes the handling of patient accounting transactions in a manner that supports the mission and operational goals of TFHD.
- D. Patients are hereby notified that a physician employed or contracted to provide services in the emergency department of TFHD's hospital in Truckee, California is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below **400 percent (400%)** of the federal poverty level.

DEFINITIONS:

- A. "Discount Partial Charity Care" means an amount charged for services to a patient who qualifies for financial assistance under the TFHD Financial Assistance Program which is discounted to the amount Medicare would pay for the same services or less. Discount Partial Charity Care, when granted to a patient, will in no case excuse a third party, or the patient, from their respective obligations to pay for services provided to such patient.
- B. "Elective Services" means any services which are not medically necessary services.
- C. "Emergency Services" means services required to stabilize a patient's medical condition initially provided in the TFHD emergency department or otherwise classified as "emergency services" under the federal EMTALA Law or Section 1317.1 et.seq. of the California Health & Safety Code, and continuing until the patient is medically stable and discharged, transferred, or otherwise released from treatment.
- D. "Federal Poverty Level" or "FPL" means the current poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.
- E. "Financial Assistance Program" means the TFHD Financial Assistance Program established by this policy for providing Full Charity Care or Discount Partial Charity Care (each, as defined below) to qualified patients.
- F. "Full Charity Care" means medically necessary services provided by TFHD to a patient who qualifies under the TFHD Financial Assistance Program which are not covered by a third party, and for which the patient is otherwise responsible for paying, for which the patient will not be billed. Full Charity Care, when granted to a patient, in no case will excuse a third party from its obligation to pay for services provided to such patient.
- G. "Medically Necessary Services" means hospital-based medical services determined, based upon a medical evaluation, to be necessary to preserve a patient's life or health.
- H. "Monetary Assets" means all monetary assets of the patient's family excluding retirement or deferred compensation plans (both qualified and non-qualified under the Internal Revenue Code), not counting the first \$10,000 of such assets, nor fifty percent (50%) of the amount of such assets over the first \$10,000.
- I. "Non-Emergency Services" means medically necessary services that are not Emergency Services.
- J. "Patient" means an individual who has received Emergency Services or Non-Emergency Services at a facility operated by TFHD who is requesting financial assistance with respect to such services.
- K. "The amount Medicare would have paid" means the amount Medicare would pay for the services provided, or, in the event there is no specific amount that can be determined that Medicare would pay for such services, the highest amount payable for such services by any other state-funded program designed to provide health coverage.
- L. "Third Party Insurance" means health benefits coverage by a public or private program, insurer, health plan, employer, multiple employer trust, or any other third party obligated to provide health benefits coverage to a patient.

SCOPE:

- A. This policy applies to all TFHD patients. This policy does not require TFHD to accept as a patient and provide services to any person who does not qualify for treatment or admission under any of TFHD's applicable policies, practices, and procedures, and does not prohibit TFHD from discharging, or otherwise limiting the scope of services provided to, any person in accordance with its normal policies, practices and

procedures. This policy does not require TFHD to provide patients with any services that are not medically necessary or to provide access to non-emergency services or to elective services.

- B. The acute care hospital operated by TFHD provides many specialized inpatient and outpatient services. In addition to services provided at the main hospital location, Tahoe Forest Hospital operates primary care and multi-specialty clinics, home health, hospice and therapy service programs at sites in the same community but not located on the main hospital campus. Tahoe Forest Hospital also operates a distinct part skilled nursing facility. Only medically necessary services provided at facilities listed on the Tahoe Forest Hospital acute care license are included within the scope of this Financial Assistance Policy. TFHD has extended this policy to services provided at the Incline Village Community Hospital location, and clinics and therapy service programs.
- C. This policy pertains to financial assistance provided by TFHD. All requests for financial assistance from patients shall be addressed in accordance with this policy.
- D. During an Access to Healthcare Crisis, TFHD may “flex” its patient financial assistance policy to meet the needs of the community in crisis. It must be proclaimed by hospital leadership and attached to this patient financial assistance document as an addendum. An Access to Healthcare Crisis may be related to an emergent situation whereby state / federal regulations are modified to meet the immediate healthcare needs of the hospital’s community during the Access to Healthcare Crisis. These changes will be included in the patient financial assistance policy as included as an addendum. Patient discounts related to an Access to Healthcare Crisis may be provided at the time of the crisis, regardless of the date of this policy (as hospital leadership may not be able to react quickly enough to update policy language in order to meet more pressing needs during the Access to Healthcare Crisis).

Hospital Inpatient, Outpatient and Emergency Service Programs:

- A. Introduction:
 - 1. This policy sets forth a program to assist patients who are uninsured or underinsured in obtaining financial assistance in paying their hospital bill. Such financial assistance may include government sponsored coverage programs, Full Charity Care, and Discount Partial Charity Care.
- B. Full Charity Care and Discount Partial Charity Care Reporting
 - 1. TFHD will report actual Charity Care (including both Full Charity Care and Discount Partial Charity Care) provided in accordance with regulatory requirements of the **California Department of Health Care Access and Information (HCAI)** as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. The hospital will maintain written documentation regarding its Charity Care criteria and, for individual patients, written documentation regarding all Charity Care determinations. As required by **HCAI**, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.
 - 2. TFHD will provide **HCAI** with a copy of this Financial Assistance Policy which includes the Full Charity Care and Discount Partial Charity Care policies within a single document. The Financial Assistance Policy also contains: 1) all eligibility and patient qualification procedures; 2) the unified application for full charity care and discount partial charity care; and 3) the review process for both full charity care and discount partial charity care. Forms of these documents shall be supplied to **HCAI** every two years or whenever a substantial change is made.
- C. Full and Discount Charity Care Eligibility: General Process and Responsibilities:
 - 1. Any patient whose family income is less than **400%** of the FPL, is not covered by third party

insurance or if covered by third party insurance and unable to pay the patient liability amount owed after insurance has paid its portion of the account, is eligible to apply for financial assistance under the TFHD Financial Assistance Program.

2. The TFHD Financial Assistance Program utilizes a single, unified patient application for both Full Charity Care and Discount Partial Charity Care. The process is designed to give each applicant an opportunity to apply for the maximum financial assistance benefit for which he or she may qualify. The financial assistance application provides patient information necessary for determining patient qualification by the hospital and such information will be used to determine the maximum coverage under the TFHD Financial Assistance Program for which the patient or patient's family may qualify.
3. Eligible patients may apply for financial assistance under the TFHD Financial Assistance Program by completing an application consistent with application instructions, together with documentation and health benefits coverage information sufficient to determine the patient's eligibility for coverage under the program. Eligibility alone is not an entitlement to financial assistance under the TFHD Financial Assistance Program. TFHD must complete a process of applicant evaluation and determine, in accordance with this policy, whether financial assistance will be granted.
4. The TFHD Financial Assistance Program relies upon the cooperation of individual patients to determine who may be eligible for full or partial assistance. To facilitate receipt of accurate and timely patient financial information, TFHD will use a financial assistance application. All patients without adequate financial coverage by Third Party Insurance will be offered an opportunity to complete the financial assistance application. Uninsured patients will also be offered information, assistance and referral to government sponsored programs for which they may be eligible. Insured patients who are unable to pay patient liabilities after their insurance has paid, or those who experience high medical costs may also be eligible for financial assistance. Any patient who **would like to receive** financial assistance will be asked to complete a financial assistance application.
5. The financial assistance application is provided **to all patients with billing statements. It is also available upon patient request.** The application form may be completed at any time prior to or within one year after discharge, or within one year after the patient became eligible, whichever comes first.
6. To the extent it deems necessary, in its sole and reasonable discretion, TFHD may require an applicant for financial assistance to provide supplemental information in addition to a complete financial assistance application to provide:
 - a. Confirmation of the patient's income and health benefits coverage;
 - b. Complete documentation of the patient's monetary assets;
 - c. Other documentation as needed to confirm the applicant's qualification for financial assistance; and
 - d. Documentation confirming the hospital's decision to provide financial assistance, if financial assistance is provided.
7. However, a completed financial assistance application may not be required if TFHD determines, in its sole discretion, that it has sufficient patient information from which to make a financial assistance qualification decision.

PROCEDURES:

A. Qualification: Full Charity Care and Discount Partial Charity Care

1. Eligibility for financial assistance shall be determined based on the patient's and/or patient's family's ability to pay and on the other factors set forth in this policy. Eligibility for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.
2. The patient and/or the patient's family representative who requests assistance in meeting their financial obligation to TFHD shall make every reasonable effort to provide information necessary for TFHD to make a financial assistance qualification determination. TFHD will provide guidance and assistance to patients or their family representative as reasonably needed to facilitate completion of program applications. Completion of the financial assistance application and submission of any or all required supplemental information may be required for establishing qualification for the Financial Assistance Program.
3. Whether financial assistance will be granted is determined after the patient and/or patient family representative establishes eligibility according to criteria contained in this policy, as it may be amended from time to time. While financial assistance shall not be provided on a discriminatory or arbitrary basis, TFHD retains full discretion, consistent with this policy, laws and regulations, to determine when a patient has provided sufficient evidence to establish eligibility for financial assistance, and what level of financial assistance an eligible patient is will receive.
4. Except as otherwise approved by TFHD, patients or their family representative must complete an application for the Financial Assistance Program in order to qualify for eligibility. The application and required supplemental documents are submitted to Financial Counseling at TFHD. This office shall be clearly identified on the application instructions. **Patients have thirty (30) days to complete the application along with supporting materials or to request an extension.**
5. TFHD will provide personnel who have been trained to review financial assistance applications for completeness and accuracy. Application reviews will be completed as quickly as possible considering the patient's need for a timely response.
6. Approval of an application for financial assistance to eligible patients will be made only by approved TFHD personnel according to the following levels of authority:
 - a. Financial Counselor: Accounts less than \$2,500
 - b. Director of Patient Access: Accounts less than \$10,000
 - c. Chief Financial Officer: Accounts less than \$50,000
 - d. Chief Executive Officer: Accounts greater than \$50,000
7. Factors considered when determining whether to grant an individual financial assistance pursuant to this policy may include (but are not limited to):
 - a. Extent of Third Party Insurance;
 - b. Family income based upon tax returns or recent pay stubs;
 - c. Monetary assets, if the patient requests any level of financial assistance greater than the Basic Discount (as defined below);
 - d. The nature and scope of services for which the patient seeks financial assistance;
 - e. Family size and circumstances;
 - f. Hospital budget for financial assistance;
 - g. Other criteria set forth in this policy.

8. Financial assistance will be granted based upon consideration of each individual application for financial assistance in accordance with the Financial Assistance Program set forth in this policy.
9. Financial assistance may be granted for Full Charity Care or Discount Partial Charity Care, based upon this Financial Assistance Program policy.
10. Once granted, financial assistance will apply only to the specific services and service dates for which the application has been approved by TFHD. In cases of care relating to a patient diagnosis which requires continuous, on-going related services, the hospital, at its sole discretion, may treat such continuing care as a single case for which qualification applies to all related on-going services provided by the hospital. Other pre-existing patient account balances outstanding at the time of qualification determination by the hospital will not be included unless applied for and approved by TFHD pursuant to this policy.
11. Patient obligations for Medi-Cal/Medicaid Share of Cost payments will not be waived under any circumstance. However, after collection of the patient share of cost portion, any other unpaid balance relating to a Medi-Cal/ patient (such as a provided service where coverage is denied) may be considered for financial assistance.

B. Full and Discount Partial Charity Care Qualification Criteria

1. Cap On Patient Liability For Services Rendered to Patients Eligible for Financial Assistance:

Following completion of the application process for financial assistance, if it is established that the patient's family income is at or below **400%** of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the entire patient liability portion of the bill for services rendered will be no greater than the amount Medicare would have paid for the services, net of any Third Party Insurance ("the Basic Discount"). This shall apply to all medically necessary hospital inpatient, outpatient and emergency services provided by TFHD.

2. Financial Assistance For Emergency Services

If an individual receives Emergency Services and applies for financial assistance under the Financial Assistance Program, the following will apply:

- a. If the patient's family income is at or below 200% or less of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the patient will be granted Full Charity Care for Emergency Services provided.
- b. If the patient's family income is between 201% and **400%** of the current FPL, and the patient meets all other Financial Assistance Program qualification requirements, the patient will be granted Partial Discount Charity Care for Emergency Services provided in accordance with the following:
 - i. Patient's care is not covered by Third Party Insurance. If the services are not covered by Third Party Insurance, the patient's payment obligation will be a percentage of the gross amount the Medicare program would have paid for the service if the patient were a Medicare beneficiary. The actual percentage paid by any individual patient shall be based on the sliding scale shown in Table 1 below:

TABLE 1

Sliding Scale Payment Schedule

Family Percentage of FPL	Percentage of Medicare Amount Payable (subject to an additional discount if TFHD determines, in its sole discretion, that unusual circumstances warrant an additional discount).

201 – 215%	10%
216 – 230%	20%
231 – 245%	30%
246 – 260%	40%
261 – 275%	50%
276 – 290%	60%
291 - 305%	70%
306 - 320%	80%
321 – 335%	90%
336 – 400%	100%

- ii. Patient's care is covered by Third Party Insurance. If the services are covered by Third Party Insurance, but such coverage or liability is insufficient to pay TFHD's billed charges, leaving the patient responsible for a portion of the billed charges (including, without limitation, any applicable deductible or co-payment), the patient's payment obligation will be an amount equal to the difference between the gross amount paid by Third Party Insurance and the gross amount that Medicare would have paid for the service if the patient were a Medicare beneficiary. If the amount paid by Third Party Insurance exceeds what Medicare would have paid, the patient will have no further payment obligation. In no event shall the patient's obligation to pay a percentage of the unpaid amount be greater than the percentages of the amounts Medicare would pay for the same services set forth in Table 1, above.
- c. If a patient who meets all other Financial Assistance Program requirements whose family income is either greater than **400%** the current FPL, or has family income of less than **400%** of the FPL and the seeks a discount for emergency services greater than the discount set forth above, then TFHD may decide, in its sole discretion, whether to provide such financial assistance, and the extent to which it will be provided, if at all. In making its decision, TFHD may consider the following factors, without limitation:
 - i. The patient's need for financial assistance.
 - ii. The extent of TFHD's limited charitable resources, and whether they are best spent providing these services at an additional discount or whether there are other patients with greater immediate need for TFHD's charitable assistance.
 - iii. Any other facts (such as the patient's monetary assets) that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for charity care.

3. Financial Assistance For Non-Emergency Services:

If a patient requests financial assistance for Non-emergency Services (with the exception of primary care clinic, multispecialty care clinic, home health, hospice or skilled nursing services, which are covered as described below), the following will apply:

If the patient's family income is **400%** or less of FPL and meets all other Financial Assistance Program qualification requirements, the patient will be granted the Basic Discount. TFHD may decide, in its sole discretion, whether and to what extent additional financial assistance will be provided, such as whether to provide the level of assistance the patient would receive if he/she had received Emergency Services.

- a. In addition to the information required by the financial assistance application, TFHD may require the individual to provide additional information regarding the individual's family monetary assets, as it deems appropriate in its sole discretion.
- b. TFHD will decide, in its sole discretion, whether and to what extent to grant financial assistance in addition to the Basic Discount. Only medically necessary services will be considered. In making its determination, TFHD may, in addition to any other criteria set forth in this policy and without limitation, consider the following factors:
 - i. The degree of urgency that the services be performed promptly.
 - ii. Whether the services must be performed at TFHD, or whether there are other providers in the patient's geographic area that could provide the services in question.
 - iii. Whether the services can most efficiently be performed at TFHD, or whether there are other providers that could perform the services more efficiently.
 - iv. The extent, if any, that TFHD's limited charitable resources are best spent providing the requested service and whether there are others with greater immediate need for TFHD's charitable assistance.
 - v. The patient's need for financial assistance.
 - vi. Any other facts that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for financial assistance.

C. Refunds

In the event that a patient is determined to be eligible for financial assistance for services for which he/she or his/her guarantor has made a deposit or partial payment, and it is determined that the patient is due a refund because the payments already made exceed the patient's liability under this policy, any refund due shall be processed under TFHD's Credit and Collection Policy, which provides, in pertinent part, as follows:

" In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services and subsequently is determined to qualify for full Financial Assistance or discount partial Financial Assistance, all amounts paid which exceed the payment obligation, if any, as determined through the Financial Assistance Program process, shall be refunded to the patient. Any overpayment due to the patient under this obligation may not be applied to other open balance accounts or debt owed to TFHD by the patient or family representative. Any or all amounts owed shall be reimbursed to the patient or family representative within a reasonable time period."

D. Primary Care and Multi-Specialty Clinics

TFHD operates certain outpatient clinics which can be located apart from the main campus of the hospital. Because of the lower cost of these services performed on an outpatient basis, the following shall apply to office visit services and professional fees rendered in these outpatient clinics:

- a. Clinic patients are patients of the hospital, and will complete the same basic financial assistance application form
- b. The patient's family income will primarily be determined using pay stubs
- c. Tax returns will not be required as proof of income unless Financial Counseling determines it is reasonable and necessary due to unusual circumstances
- d. A patient attestation letter may be used on a limited basis when appropriate to an individual patient's circumstance

- e. Subject to consideration of the factors set forth in paragraph 3 above for non-emergency services, to be determined by TFHD in its sole discretion, patients will pay a reduced fee based on the sliding scale below. If the Patient is covered by a third party obligation, the Patient's obligation will be to pay the difference between the amount paid by the third party and the amounts of the sliding scale, if any.

Clinic Sliding Scale

<i>Patient/Family FPL Qualification</i>	<i>Amount of Payment Due for Clinic Visit</i>
Incomes less than or equal to 200%	\$25 flat fee per visit
Incomes between 201% and 400%	Actual Medicare Fee Schedule

E. Home Health and Hospice Services

TFHD operates both Home Health and Hospice Services that are located apart from the hospital campus and provide care and services in patient homes per Medicare and Medi-Cal/Medicaid guidelines. Due to the lower cost related to providing care in the home for patients who are homebound verses the related additional cost of transportation and follow up in outpatient clinic or the hospital, the following shall apply to services rendered in the home setting:

1. Home Health and Hospice patients are patients of TFHD, and will complete the same basic financial assistance application form.
2. The patient's family income will primarily be determined using pay stubs.
3. Tax returns will not be required as proof of income unless Financial Counseling or Home Health and Hospice personnel determine it is reasonable and necessary due to unusual circumstances.
4. A patient attestation letter may be used on a limited basis when appropriate to an individual patient's circumstance.
5. Subject to consideration of the factors set forth above for non-emergency services, to be determined by TFHD in its sole discretion, patients will pay a reduced fee based on the sliding scale below. If the patient is covered by a third party obligation, the patient's obligation will be to pay the difference between the amount paid by the third party and the amounts of the sliding scale, if any.

Home Health and Hospice Sliding Scale

<i>Patient/Family FPL Qualification</i>	<i>Amount of Payment Due for Home Visit</i>
Incomes less than or equal to 200%	50% of the Medicare Payment Rate
Incomes between 201% and 400%	Actual Medicare Fee Schedule

F. Distinct Part Skilled Nursing Services

- a. Skilled nursing services are also quite different in nature than acute care inpatient, outpatient and emergency services. Patients at the distinct part skilled nursing facility are often residents at the hospital and require special programs designed to meet their long-term care needs.
- b. Given the unique nature of providing care to skilled nursing facility patients, the following financial assistance requirements shall apply:
 - i. All skilled nursing patients and/or their family representatives shall complete the TFHD financial assistance application and provide supporting documents as required by the standard application
 - ii. Patients will pay a reduced fee based on the following sliding scale

Distinct Part Skilled Nursing Sliding Scale

Patient/Family FPL Qualification	Amount of Payment Due for Distinct Part Skilled Nursing Facility Services
Incomes less than or equal to 200%	50% of the Medi-Cal Payment Rate
Incomes between 201% and 400%	100% of the Medi-Cal Payment Rate

G. Payment Plans

1. When a determination to grant Discount Partial Charity Care has been made by TFHD, the patient may be given the option to pay any or all outstanding amount due through a scheduled term payment plan, as an alternative to a single lump sum payment.
2. TFHD will discuss payment plan options with each patient that requests to make arrangements for long-term payments. Individual payment plans will be arranged based upon the patient's ability to effectively meet the payment terms. As a general guideline, payment plans will be structured to last no longer than three (3) months. In addition, TFHD works with an outside vendor if patients need payment plan terms that exceed three (3) months. Payment plan terms are subject to vendor requirements. TFHD shall negotiate in good faith with the patient; however there is no obligation to accept the payment terms offered by the patient. No interest will be charged to qualified patient accounts for the duration of any payment plan arranged under the provisions of the Financial Assistance Policy.

H. Special Circumstances

1. Any application for financial assistance by or on behalf of patients covered by the Medicare Program must be made prior to service completion by TFHD.
2. If a patient is determined to be homeless he/she may be deemed eligible for charity care, in the sole discretion of TFHD.
3. Deceased patients who do not have any third party coverage, an identifiable estate, or for whom no probate hearing is to occur, may be deemed eligible for charity care, in the sole discretion of TFHD.
4. Charges for patients who receive Emergency Services for whom TFHD is unable to issue a billing statement may be written off as Full Charity Care. All such circumstances shall be identified on the patient's account notes as an essential part of the documentation process.

I. Other Eligible Circumstances

1. TFHD deems those patients that are eligible for government sponsored low-income assistance program (e.g. Medi-Cal/Medicaid and any other applicable state or local low-income program) to be eligible under the Financial Assistance Policy when services are provided which are not covered by the governmental program. For example, services to patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of low-income patients which the government program does not cover, are eligible for Financial Assistance Program coverage. Under TFHD's Financial Assistance Policy, these resulting non-reimbursed patient account balances are eligible for full write-off as Full Charity Care. Specifically included as Charity Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other denials (e.g. restricted coverage) are to be classified as Charity Care if, at the time that the services were provided TFHD believed that the

services rendered were medically necessary.

2. The portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payor including Medi-Cal/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as charity care if:
 - a. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or
 - b. The patient otherwise qualifies for financial assistance under this policy and then only to the extent of the write-off provided for under this policy.

J. Catastrophic Care Consideration

1. Patients who do not qualify for charity care or discount partial charity care may nevertheless be eligible for financial assistance in the event of an illness or condition qualifying as a catastrophic event. Determination of a catastrophic event shall be made on a case-by-case basis. The determination of a catastrophic event shall be based upon the amount of the patient's liability at billed charges, and consideration of the individual's family income and assets as reported at the time of occurrence. Management may use its reasonable discretion on a case-by-case basis to determine whether and to what extent an individual or family is eligible for financial assistance based upon a catastrophic event. Financial assistance will be in the form of a percentage discount of some or all of the applicable monthly charges. The Catastrophic Event Eligibility Table will be used as a guideline by management to determine eligibility and the level of any financial assistance. The Catastrophic Event Eligibility Table does not guarantee that any individual will receive financial assistance, or the level of any assistance given.

K. Criteria for Re-Assignment from Bad Debt to Charity Care

1. **TFHD will make all attempts to deem patients are ineligible for financial assistance prior to sending accounts to collections. Patient accounts will only be assigned to collections when they are severely past due and patients have a). been determined to be ineligible for financial assistance b). have not responded to attempts to bill or offer financial assistance for 180 days.**
2. Any account returned to TFHD from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or family representative's inability to pay for services will be maintained in the Charity Care documentation. **An application may also be requested.**

L. Notification

- 1.

M. Determination

1. Once a determination of eligibility is made, a letter indicating the determination status will be sent to the patient or family representative. The determination status letter will indicate one of the following:
 1. Approval: The letter will indicate that financial assistance has been approved, the level of assistance, and any outstanding or prospective liability by the patient.
 2. Denial: If the patient is not eligible for financial assistance due to his/her income, and/or monetary assets, or type of service, the reasons for denial of eligibility will be explained to the patient. Any outstanding amount owed by the patient will also be identified.

3. Incomplete: The applicant will be informed as to why the financial assistance application is incomplete. All outstanding information will be identified and requested to be supplied to TFHD by the patient or family representative within a specified timeframe. In general, patients will have thirty (30) days from receipt of the application to return the completed application and applicable supporting documents

N. Reconsideration of Eligibility Denial

1. In the event that a patient disputes TFHD's determination of eligibility, the patient may file a written request for reconsideration with TFHD within 60 days of receiving notification of eligibility. The written request should contain a complete explanation of the patient's dispute and rationale for reconsideration. Any additional relevant documentation to support the patient's claim should be attached to the written appeal.
2. Any or all appeals will be reviewed by TFHD's Chief Financial Officer. The Chief Financial Officer or his/her designee shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the Chief Financial Officer shall provide the patient with a written explanation of the results of the reconsideration of the patient's eligibility. All determinations by the Chief Financial Officer shall be final. There are no further appeals.
3. All discretionary decisions by TFHD shall not be subject to further review or reconsideration.

O. Public Notice

1. TFHD shall post notices informing the public of the Financial Assistance Program. Such notices shall be posted in high volume inpatient, and outpatient service areas of the hospital, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas or other common patient waiting areas of the hospital. Notices shall also be posted at any location where a patient may pay his/her bill. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance. Notices will also include information about obtaining applications for potential coverage through **Covered California and Medi-Cal as well as contact information for Health Consumer Alliance.**
2. These notices shall be posted in English and Spanish and any other languages that are representative of the primary language of 5% or greater of residents in the hospital's service area.
3. **Patients are notified at the time of service that Charity Care or Financial Assistance may be available within the [Guide to Billing and Financial Assistance](#)**
4. **Patients will receive an application as part of the billing statement cycle. Additional documentation and patient information may be requested following the initial application.**
5. **TFHD displays a summary of its financial assistance program on its website.**
 - a. A copy of this Financial Assistance Policy will be made available to the public on a reasonable basis.

P. Confidentiality

It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this policy should be guided by these values.

Q. Good Faith Requirements

1. TFHD makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.
2. Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all Full Charity Care or Partial Discount Charity Care services when information has been intentionally withheld or inaccurate information has been intentionally provided by the patient or family representative to the extent such inaccurate or withheld information affects the eligibility of the patient for financial assistance, or any financial assistance provided at TFHD's discretion. In addition, TFHD reserves the right to seek all remedies, including but not limited to civil and criminal remedies from those patients or family representatives who have intentionally withheld or provided inaccurate information in order qualify for the TFHD Financial Assistance Program.

References:

See TFHD BOD Meeting Minutes of January 26, 2015 and May 24, 2011;

The Patient Protection and Affordable Care Act, Public Law 111–148 (124 Stat. 119)

(2010) Section 9007; Health and Safety Code Sections 127360-127360; Health and Safety Code Sections 127400-127440

1 A patient's family is defined as: 1) For persons 18 years of age and older, spouse, domestic partner and dependent children under 21 years of age, whether living at home or not; and 2) For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

All revision dates:

Attachments

[COVID-19 Access to Healthcare Crisis FA Addendum.pdf](#)

AGENDA ITEM COVER SHEET

ITEM	Approval of Board Policy - ABD-08, Credit and Collection Policy
RESPONSIBLE PARTY	Martina Rochefort, Clerk of the Board Crystal Betts, Chief Financial Officer
ACTION REQUESTED?	For Board Action – Approval of revised policy
<p>BACKGROUND:</p> <p>The California legislature has approved Assembly Bill 1020 which imposes new regulations on Charity Care and patient accounts eligible for collections. The federal No Surprises Act also imposes new controls on balance billing for Out of Network care.</p> <p>The revised policy includes updated language compliant with the new regulations. These regulations go into effect 1/1/2022.</p>	
<p>SUMMARY/OBJECTIVES:</p> <p>Under the No Surprises Act, patients without insurance are required to receive an estimate for scheduled care. If the estimate differs from actual charges by more than \$400, patients have access to a dispute resolution process within 120 days. The policy now reflects 120 days to dispute a balance (formerly 60 days).</p> <p>Also under the No Surprises Act, hospitals may not balance bill patients whose claims process as Out of Network without first obtaining consent. This is now included in the policy.</p> <p>The verbiage of roles within TFH has been corrected within the policy to more accurately reflect team members working with patients in this capacity (formerly Patient Financial Services, now Financial Counseling).</p> <p>Under AB 1020, hospitals must now hold accounts for 180 days (formerly 150) before sending them to collections. Hospitals must also expend more efforts to ensure patients do not qualify for Financial Assistance before sending accounts to collections. The policy now reflects these required actions.</p>	
<p>SUGGESTED DISCUSSION POINTS:</p> <p>None.</p>	
<p>SUGGESTED MOTION/ALTERNATIVES:</p> <p>Recommend full board approve ABD-08, Credit and Collection Policy as presented at the next regular meeting.</p>	
<p>LIST OF ATTACHMENTS:</p> <ul style="list-style-type: none"> • DRAFT Credit and Collection Policy, ABD-08 	



TAHOE
FOREST
HEALTH
SYSTEM

Origination Date:	N/A
Last Approved:	N/A
Last Revised:	N/A
Next Review:	N/A
Department:	<i>Board - ABD</i>
Applicabilities:	<i>System</i>

Credit and Collection Policy, ABD-8

PURPOSE:

- A. Tahoe Forest Hospital District (hereinafter known as "TFHD") provides high quality care to patients when they are in need of healthcare services. All patients or their guarantor have a financial responsibility related to services received at TFHD and must make arrangements for payment to TFHD either before or after services are rendered. Such arrangements may include payment by an insurance plan, including coverage programs offered through the federal and state government. Payment arrangements may also be made directly with the patient, subject to the payment terms and conditions of TFHD.
- B. Emergency patients will always receive all medically necessary care within the scope resources available at TFHD, to assure that their medical condition is stabilized prior to consideration of any financial arrangements.
- C. The Credit and Collection Policy establishes the guidelines, policies and procedures for use by TFHD personnel in evaluating and determining patient payment arrangements. This policy is intended to establish fair and effective means for collection of patient accounts owed to TFHD. In addition, other TFHD policies such as the [Financial Assistance Policy](#) which contains provisions for full charity care and discount partial charity care will be considered by TFHD personnel when establishing payment arrangements for each specific patient or their guarantor.

SCOPE:

- A. The Credit and Collection Policy will apply to all patients who receive services at TFHD. This policy defines the requirements and processes used by the TFHD when making payment arrangements with individual patients or their account guarantors. The Credit and Collection Policy also specifies the standards and practices used by TFHD for the collection of debts arising from the provision of services to patients at TFHD. The Credit and Collection Policy acknowledges that some patients may have special payment arrangements as defined by an insurance contract to which TFHD is a party, or in accordance with hospital conditions of participation in state and federal programs. TFHD endeavors to treat every patient or their guarantor with fair consideration and respect when making payment arrangements.
- B. All requests for payment arrangements from patients, patient families, patient financial guarantors, physicians, hospital staff, or others shall be addressed in accordance with this policy.

POLICY:

All patients who receive care at TFHD must make arrangements for payment of any or all amounts owed for services rendered in good faith by TFHD. TFHD reserves the right and retains sole authority for establishing the terms and conditions of payment by individual patients and/or their guarantor, subject to requirements

established under state and federal law or regulation.

GENERAL PRACTICES:

- A. TFHD and the patient share responsibility for timely and accurate resolution of all patient accounts. Patient cooperation and communication is essential to this process. TFHD will make reasonable, cost-effective efforts to assist patients with fulfillment of their financial responsibility.
- B. Health care at TFHD is available to all those who may be in need of necessary services. To facilitate financial arrangements for persons who may be of low or moderate income, both those who are uninsured or underinsured, TFHD provides the following special assistance to patients as part of the routine billing process:
1. For uninsured patients, a written statement of charges for services rendered by TFHD is provided in a revenue code summary format which shows the patient a synopsis of all charges by the department in which the charges arose. Upon patient request, a complete itemized statement of charges will be provided;
 2. Patients who have third party insurance will be provided a revenue code summary statement which identifies the charges related to services provided by TFHD. Insured patients will receive a balance due from patient statement once TFHD has received payment from the insurance payer. Upon patient request, a complete itemized statement of charges will be provided;
 3. A written request that the patient inform TFHD if the patient has any health insurance coverage, Medicare, Medi-Cal or other form of coverage;
 4. A written statement informing the patient or guarantor that they may be eligible for Medicare, Medi-Cal, the TFHD Financial Assistance Program, or appropriate government coverage programs;
 5. A written statement indicating how the patient may obtain an application for the Medi-Cal, or other appropriate government coverage program;
 6. If a patient is uninsured, an application to Medi-Cal, or other appropriate government assistance program will be provided prior to discharge from the hospital;
 7. A TFHD representative is available at no cost to the patient to assist with application to relevant government assistance programs;
 8. A written statement regarding eligibility criteria and qualification procedures for full charity care and/or discount partial charity care under the TFHD Financial Assistance Program. This statement shall include the name and telephone number of TFHD personnel who can assist the patient or guarantor with information about and an application for the TFHD Financial Assistance Program.
- C. The TFHD Patient Financial Service Representatives and designees are primarily responsible for the timely and accurate collection of all patient accounts. Patient Financial Services works cooperatively with other TFHD departments, members of the Medical Staff, patients, insurance companies, collection agencies and others to assure that timely and accurate processing of patient accounts can occur.
- D. Accurate information provides the basis for TFHD to correctly bill patients or their insurer. Patient billing information should be obtained in advance of services whenever possible so that verification, prior authorization or other approvals may be completed prior to the provision of services. When information cannot be obtained prior to the time of service, TFHD personnel will work with each patient or their guarantor to assure that all necessary billing information is received by TFHD prior to the completion of services.

PROCEDURE:

- A. Each patient account will be assigned to an appropriate Patient Financial Services representative or designee based upon the type of account payer and current individual staff workloads. Patient Financial Services leadership will periodically review staff workloads and may change or adjust the process or specific assignment of patient accounts to assure timely, accurate and cost-effective collection of such accounts.
- B. Once a patient account is assigned to a Patient Financial Services representative or designee, the account details will be reviewed to assure accuracy and completeness of information necessary for the account to be billed.
- C. If the account is payable by the patient's insurer, the initial bill will be forwarded directly to the designated insurer. TFHD Patient Financial Services personnel will work with the patient's insurer to obtain any or all amounts owed on the account by the insurer. This will include calculation of contracted rates or other special arrangements that may apply. Once payment by the insurer has been determined by TFHD, any residual patient liability balance, for example a patient co-payment or deductible amount, will be billed directly to the patient. Any or all patient balances are due and payable within 30 days from the date of this first patient billing. Patients may dispute balances or charges within **120** days of the balances becoming patient responsibility.
- D. **In compliance with the No Surprises Act, TFHD does not balance bill patients whose insurance claims processed as Out of Network without first providing notice and obtaining consent from the patient or guarantor.**
- E. If the account is payable only by the patient, it will be classified as a self-pay account. Self-pay accounts may potentially qualify for government coverage programs or financial aid under the TFHD Financial Assistance Policy. Patients with accounts in self-pay status **may work with Financial Counseling to** make payment arrangements or be screened for assistance programs.
- F. In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services and subsequently is determined to qualify for full Financial Assistance or discount partial Financial Assistance, all amounts paid which exceed the payment obligation, if any, as determined through the Financial Assistance Program process, shall be refunded to the patient. Any overpayment due to the patient under this obligation may not be applied to other open balance accounts or debt owed to TFHD by the patient or family representative. Any or all amounts owed shall be reimbursed to the patient or family representative within a reasonable time period.
- G. TFHD offers patients payment plan options when they are not able to settle the account in one lump sum payment. Payment plans are established on a case-by-case basis through consideration of the total amount owed by the patient to TFHD and the patient's or patient family representative's financial circumstances. Payment plans generally require a minimum monthly payment of an amount such that the term of the payment plan shall not exceed ninety (90) days or three (3) months. This minimum monthly payment amount shall be determined by dividing the total outstanding patient liability balance by three (3). Payment plans are free of any interest charges or set-up fees. Some situations, such as patients qualified for partial financial assistance, may necessitate special payment plan arrangements based on negotiation between TFHD and patient or their representative. Such payment plans may be arranged by contacting Financial Counseling. Once a payment plan has been approved, any failure to pay in accordance with the plan terms will constitute a plan default. It is the patient or guarantor's responsibility to contact Financial Counseling if circumstances change and payment plan terms cannot be met. In addition, TFHD works with an outside vendor if patients need payment plan terms that exceed three (3) months. Payment plan

terms are subject to vendor requirements.

H. Patient account balances in self-pay status will be considered past due after 30 days from the balance becoming patient responsibility. Accounts are considered self-pay when there is no insurance or other coverage to bill or residual balances remaining after insurance has processed due to unmet insurance benefits (deductible, coinsurance, etc.). Accounts may be advanced to collection status according to the following schedule:

1. Self-pay accounts, including those where there has been no payment within the past 180 days, may be forwarded to collection status when patients or guarantors have:
 - a. Received all required statements and have been notified the account will advance to collections without further action from the patient
 - b. Been provided with a financial assistance application
 - c. Been deemed ineligible for financial assistance
 - d. Not responded to any offers of financial assistance

I. Patient accounts will not be forwarded to collection status when the patient or guarantor makes reasonable efforts to communicate with TFHD and makes good faith efforts to resolve the outstanding account. Financial Counseling will determine if the patient or guarantor are continuing to make good faith efforts to resolve the patient account and may use indicators such as: application for Medi-Cal or other government programs; application for the TFHD Financial Assistance Program; negotiation of a payment plan with TFHD and other such indicators that demonstrate the patient's effort to fulfill their payment obligation.

J. After 30 days or anytime when an account otherwise becomes past due and subject to internal or external collection, TFHD will provide every patient with written notice in the following form:

1. "State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at www.ftc.gov."
2. Non-profit credit counseling services may be available in the area. Please contact the TFHD Financial Counseling if you need more information or assistance in contacting a credit counseling service.

K. For all patient accounts where there is no 3rd party insurer and/or whenever a patient provides information that he or she may have high medical costs, Financial Counseling will assure that the patient has been provided all elements of information as listed above.

L. For all patient accounts where there is no 3rd party insurer and/or whenever a patient provides information that he or she may have high medical costs, TFHD will not report adverse information to a credit reporting agency or commence any civil action prior to 180 days after initial billing of the account. Furthermore, TFHD will not send an unpaid bill for such patients to an external collection agency unless the collection agency has agreed to comply with this requirement.

M. If a patient or guarantor has filed an appeal for coverage of services in accordance with Health & Safety Code Section 127426, TFHD will extend the 180-day limit on reporting of adverse information to a credit

reporting agency and/or will not commence any civil action until a final determination of the pending appeal has been made.

- N. TFHD will only utilize external collection agencies with which it has established written contractual agreements. Every collection agency performing services on behalf of TFHD must agree to comply with the terms and conditions of such contracts as specified by TFHD. All collection agencies contracted to provide services for or on behalf of TFHD shall agree to comply with the standards and practices defined in the collection agency agreement; including this Credit and Collection Policy, the TFHD Financial Assistance Policy and all legal requirements including those specified in Health & Safety Code Section 127420 et seq.
- O. TFHD and/or its external collection agencies will not use wage garnishments or liens on a primary residence without an order of the court. Any or all legal action to collect an outstanding patient account by TFHD and/or its collection agencies must be authorized and approved in advance, in writing by TFHD. Any such legal action must conform to the requirements of Health & Safety Code Section 127420 et seq.
- P. TFHD, its collection agencies, or any assignee may use any or all legal means to pursue reimbursement, debt collection and any enforcement remedy from third-party liability settlements, tortfeasors, or other legally responsible parties. Such actions shall be conducted only with the prior written approval of the hospital director of patient financial services.

References:

[California Health and Safety Code §§127400 - 127446](#)

[Review of Accounts for Bad Debt, DPTREG-1907](#)

[Payment Plans, DPTREG-1908](#)

[Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies ABD-09](#)

All revision dates:

Attachments

No Attachments