



TAHOE FOREST HOSPITAL DISTRICT

# 2015-10-26 Board Finance Committee

Oct 26, 2015 at 01:00 PM - 03:00 PM

Eskridge Conference Room

# Meeting Book - 2015-10-26 Board Finance Committee

## Agenda

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- 5. Approve Minutes of Meeting
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- 6. Items for Committe Discussion and/or Recommendation
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# FINANCE COMMITTEE AGENDA

Monday, October 26, 2015 at 1:00 p.m.  
Eskridge Conference Room, Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**  
Dale Chamblin, Committee Chair; Greg Jellinek, M.D., 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: 09/23/2015 ..... ATTACHMENT**
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
  - 6.1. Financial Reports:
    - 6.1.1. Financial Report – September 2015 Quarterly Packet ..... ATTACHMENT
    - 6.1.2. Quarterly Review Financial Status of Separate Entities ..... ATTACHMENT
    - 6.1.3. Quarterly Review of Revenue Payor Mix ..... ATTACHMENT
    - 6.1.4. TIRHR Expenditure Report ..... ATTACHMENT
  - 6.2. Annual Policy Review
    - 6.2.1. ABD-05 Bond Fiscal Policy ..... ATTACHMENT
    - 6.2.2. ABD-08 Credit and Collection Policy ..... ATTACHMENT
    - 6.2.3. ABD-09 Financial Assistance Program Full & Discount Partial Charity Care .... ATTACHMENT
    - 6.2.4. ABD-11 Fiscal Policy ..... ATTACHMENT
    - 6.2.5. ABD-15 Investment Policy ..... ATTACHMENT
    - 6.2.6. ABD-18 New Programs and Services ..... ATTACHMENT
  - 6.3. Board Update and/or Action Items:
    - 6.3.1. Board Designated Funds ..... ATTACHMENT
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... ATTACHMENT**

9. NEXT MEETING DATE ..... ATTACHMENT

10. 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 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 (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

Wednesday, September 23, 2015 at 9:00 a.m.  
Foundation Conference Room, Tahoe Forest Health System Foundation  
10976 Donner Pass Road, Truckee, CA

### 1. CALL TO ORDER

Meeting called to order at 9:01 a.m.

### 2. ROLL CALL

Board: Dale Chamblin, Committee Chair; Greg Jellinek, M.D., Board Member

Staff: Crystal Betts, Chief Financial Officer; Jaye Chasseur, Controller; Jake Dorst, Interim Chief Executive Officer; Tim Garcia-Jay, Executive Director, MSC; Gayle McAmis, MSC Business Office; Judy Newland, CNO/COO; Martina Rochefort, Clerk of the Board

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

No changes made.

### 4. INPUT – AUDIENCE

None.

### 5. APPROVAL OF MINUTES OF: 8/20/2015

Recommendation made by Director Chamblin to approve minutes of August 20, 2015.

### 6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

#### 6.1. Financial Reports:

##### 6.1.1. Financial Report- Pre-Audit FYE 2015

Discussion took place regarding the financial audit. There were journal entries that were still outstanding that needed to be discussed with the audit partner related to approximately 6 issues; 3 IGT's, 2 Bond Refinancings, and Meaningful Use. These discussions took place and the audit partner agreed to record the journal entries as proposed by staff.

Discussion took place regarding the 3 IGT's (Intergovernmental Transfers). "Estimated Settlements, M-Cal & M-Care" will reflect the IGT receivables of approximately \$1,100,000. The IGT funds recorded at year end were not known and could not have been recorded earlier in the year. CFO became aware of the IGT funds in May/June 2015.

Discussion took place regarding revenue cycle and business office staff. Two staff members remain from Jacobus. HR will assist with recruitment. TFHD will save money by employing these positions instead of contracting.

*Judy Newland joined the meeting at 9:13am.*

The CFO reviewed the financial report for FYE 2015 highlighting twelve months ending on June 30, 2015.

#### Financial Indicators

Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.5%, compared to budget of 55.0% and prior year's 57.2%.

Year-to-date EBIDA was \$7,190,440 (3.5%) compared to budget of \$1,988,118 (1.0%) or \$5,202,322 (2.5%) over budget.

Gross Days in Accounts Receivable were 60.2, compared to the prior month of 62.1.

#### Balance Sheet

S&P Days Cash on Hand is 156.4.

Estimated Settlements, Medi-Cal and Medicare increased \$1,650,000 after recording IGT receivables related to Medi-Cal Managed Care contracts and the Medicare estimated receivable attributed to Meaningful Use Stage I Attestation.

Total Bond Trustee 2006 decreased \$2,932,000, Deferred Financing Costs increased \$225,000, Interest Payable decreased \$616,000, Current Maturities of Other Long Term Debt decreased \$771,000, and Other Long Term Debt Net of Current Maturities decreased \$1,227,000 after recording the activity related to the refunding of the 2006 Revenue Bonds.

Total Bond Trustee General Obligation (GO) Bond increased \$30,000, Deferred Outflow of Resources on Refunding and GO Bond Deferred Financing Costs increased \$2,328,970, and GO Bond Debt Net of Current Maturities increased \$2,441,000 after recording the activity related to the refinancing of the GO Bond Series A.

#### Operating Revenue

Current month's Deductions from Revenue were \$4,320,914 compared to budget of \$7,200,089 or \$2,879,175 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 3.36% increase in Medicare, a 3.24% increase to Medi-Cal, a 1.68% decrease in County, a 1.64% decrease in Other, and Commercial was below budget 3.29%, 2) revenues exceeded budget by 20.5%, 3) the District performed a year-end analysis of its Periodic Interim Payment (PIP) account which resulted in a pickup in our Medicare contractual allowances, 4) the District booked an estimated receivable from Medicare for Meaningful Use Stage I Attestation, and 5) adjustments were made to the Prior Period Settlement accounts after the audited, as-filed cost reports were completed for FY12 and FY13 and booked three IGT receivables related to Medi-Cal Managed Care contracts.

Discussion took place regarding the “bad debt” number on the financial statements. IVCH has seen a lot of variability and more dramatic swings. TFHD has seen an increase in a bad debt. Insurance exchange products cannot cross state lines unless emergency situation. It was unknown what to expect with high deductible plans. Better options for patients now to have payment plans versus getting sent to collections. FY16 budget has been adjusted to 2.4%. If payor mix changes then bad debt should decrease.

Discussion took place regarding why taxpayer revenue is showing above the line for the Wellness Neighborhood. Director Jellinek expressed concern that the community does not know taxpayer money is being used for Wellness Neighborhood and felt TFHD should publicize it. CEO will work with marketing to create a press release.

The CFO reviewed the IVCH EBIDA statement. EBIDA for the fiscal year was \$1,350,000.

Discussion took place on the IVCH siding project. Siding project has been put on hold while being vetted.

#### **6.1.2. Financial Report- Pre-Audit FYE 2015 Separate Entities**

CFO discussed financial report of separate entities. Not much has changed since last time they had been reviewed.

CFO would like audit presentation to be done for Board as a televised meeting.

#### **6.1.3. Financial Report- Pre-Audit FYE 2015 Multi-Specialty Clinics**

In FY 2015, Work Relative Value Units (WRVUs) increased by 8% relative to FY 2014. Gross charges were 12% higher, and net revenue was 3% higher. Provider expense was 15% higher, clinic operating expense was 2% higher and the overall net loss was 21% higher. However, the net loss was 15% less than budget.

Nearly all specialties experienced growth in WRVUs. Although Internal Medicine and related subspecialties were down by 2%, significant increases were seen in pediatrics (14%), general surgery (19%), GI (11%), ENT (10%), Sports Medicine (7%), Audiology (9%), and Neurology (126%). The growth in General Surgery and Neurology were fueled by the ramp-up of new physicians added in FY 14. Dr. Conyers (General Surgery) joined the MSC in August 2013 and Dr. Forner (Neurology) joined the MSC in December 2013. Demand has grown so much for neurology that a third day for Dr. Forner will be added weekly.

Dr. Higgins left the MSC's Incline Clinic at the end of January 2014. Currently, Dr. Vayner (pediatrics) and Dr. Scholnick (internal medicine / cardiology) provide the physician coverage to this clinic, but MSC management is actively recruiting and hopes to supplement their services with an additional part-time physician by the end of calendar year 2015.

The growth in charges (12%) was due to the 8% growth in RVUs, coupled with a routine 5% price increase implemented in October 2014.

The net revenue increase (3%) fell short of the growth in charges. This is partially due to the fact that nearly all of the MSC's contracts are based on fixed fee schedules, so price increases have a relatively small impact on net revenue.

Percentage of charges from Medi-Cal patients increased from 22% to 26%. In addition to the increased percentage of patients presenting with Medi-Cal, approximately two-thirds of our Medi-Cal patients transitioned from straight Medi-Cal into one of the two Medi-Cal managed care plans. Our reimbursement from these plans for routine office visits is approximately 40% less than what Medi-Cal paid, which is inconsistent with both the intent and language of these agreements.

CFO attributed the increase of Medi-Cal patients to the number of patients that now qualify for Medi-Cal that did not previously. TFHD is seeing some in-migration from the Grass Valley/Nevada City area.

Discussion took place on the California Health and Wellness Program. Anthem did not contract until recently. Managed care plans have contracts and the State holds them to it.

CFO is actively working with the plan representatives to resolve the dispute about payment rates and methodology.

Provider expense increased by 15%, in part due to the departure of less expensive provider FTEs (allergy nurse and family practitioner) and the increase in more expensive specialists. In addition, the Board approved a 15% decrease in the WRVU target in November 2013 as partial compensation for malpractice insurance and benefits. This was coupled with an increase in WRVU production. As a result, production-based bonuses were accrued for some providers who did not earn them in the past, and bonuses were larger for those who did earn them previously. The Board-approved shift from the FY 14 compensation platform to the FY 16 platform, effective in January 2015, also contributed to this increase.

Total clinic operating expenses were 2% higher than the prior year, with the largest increases noted in employee benefits (10%) and medical supplies and drugs (8%). The employee benefits are somewhat artificially inflated, as the actual self-insured health insurance cost is allocated to cost centers on the basis of budgeted FTEs rather than actual FTEs, and the MSC's actual FTEs were 11% less than budget. Had actual FTEs been used instead, the allocation would have been approximately \$90,000 less. Salaries and wages were virtually unchanged relative to the prior year. The replacement of several higher level management positions with lower cost line staff more than offset inflationary increases in wage rates.

Clinic support FTEs were 1% lower than prior year and provider FTEs were 2% lower than prior year, resulting in an FTE per provider ratio of 2.66, which was 1% higher than the prior year, but still well below the median of 3.16 reported in the 2013 MGMA Cost Survey for multispecialty groups with primary and specialty care. FTEs ran 11% below budget due to open positions.



### Individual Clinic Highlights

#### ENT | Audiology | Allergy Clinic

Work RVUs in the ENT Clinic increased by 13% year over year. This growth included a 10% increase for Dr. Chase and a 9% increase for the audiologists. Dr. Forner also temporarily worked in the ENT clinic one day per week. However gross charges increased only by 1%. The significant disparity between the RVU growth and the revenue growth is due to the suspension of the allergy program. Allergy work accounted for only 4% of Dr. Chase's RVUs, but 16% of his charges in FY 14, since the charges are driven more by the cost of the antigens and the allergy nurse than by Dr. Chase's oversight of the program. Net revenue was up by 2%.

Provider expense in this clinic was up by 15% from prior year, due to the addition of Dr. Forner and an increase in Dr. Chase's production-based incentive, which were partially offset by the elimination of the allergy nurse.

#### Internal Medicine | Pulmonology

Overall, Work RVUs in the Internal Medicine/ Pulmonology clinic increased by 0.3% relative to prior year. Dr. Tirdel's Work RVUs were 2% lower than prior year, but both of the Nurse Practitioners experienced an increase. RVUs for both Bev Mustain and Lisa Beck in this clinic were 5% higher.

Provider expense was 13% higher due to Dr. Tirdel's contract changes, coupled with an increase in Nurse Practitioner time spent in this clinic.

Operating expenses in the clinic were virtually unchanged relative to prior year.

#### Internal Medicine / Cardiology

The GI / General Surgery clinic was folded into the Internal Medicine/Cardiology space following the termination of the Mountain Medical lease in the fall of 2013. Due to the distinctly different nature of these practices, we are continuing to report them as two separate clinics. Clinic overhead costs were allocated between the two clinics for the purpose of this report.

Total WRVUs were 5% lower in the Internal Medicine | Cardiology clinic than prior year, primarily due to a 9% decrease in Dr. Lombard's RVUs and a 4% decrease in Dr. Burkholder's RVUs. In addition, Dr. Scholnick's RVUs in the Internal Medicine | Cardiology Clinic decreased by 7% due to his increased presence in the Incline clinic; however his combined RVUs for the two clinics increased by 4%. These decreases were partially offset by an increase in Lisa Beck's production; her RVUs in the Internal Medicine Cardiology Clinic increased by 31% and her overall RVUs by 16%.

Gross charges were 1% higher, and net revenue was 5% lower than prior year. Provider expense increased by 6% based on the contract changes and the production-based bonuses.

Clinic operating expenses were 1% higher than prior year.

#### Pediatrics

Work RVUs in the pediatric clinic were 11% higher than prior year. Each provider within the clinic saw growth in RVU volumes. In FY 14, volumes in this clinic were particularly hard hit in November and December when the state converted its Medi-Cal patients to managed care. Medi-Cal's share of the payor mix in this clinic grew from 46% to 49%. In addition, some changes were implemented to the patient schedule that improved visit availability.

Gross charges were 15% higher than prior year and net revenue was 2% lower. The disparity between gross charges and net revenue was almost entirely attributable to the decreased payment rates from the Medi-Cal managed care plans, coupled with the increase in the percentage of Medi-Cal patients.

Provider expense increased by 15%, and clinic operating expense increased by 1% relative to the prior year.

Notice was received that Dr. Debbie Brown is leaving Pediatrics.

#### GI / General Surgery

Provider FTEs in the GI/ General Surgery Clinic increased 4%, since both Dr. Conyers (who started in August 2013) and Dr. Schaffer (who doubled his time in late July 2013) were working full time for the entirety of FY 15. This increase in provider FTEs, coupled with continued growth in the practice, resulted in a 14% increase in Work RVUs, a 15% increase in gross charges and a 15% increase in net revenue. Provider expense increased by 12%.

Due to the staffing and supplies required to support the growth in the practice, clinic operating expense increased by 14%.

#### Incline Village

Work RVUs in the Incline Village clinic were 4% higher than prior year, in spite of Dr. Osgood's mid-year departure to spend more time in his Truckee practice. Gross charges were 13% higher, but net revenues were only 1% higher. Interestingly, this clinic had the largest increase in Medicaid, from 4% of gross charges to 13%. Provider expense was 34% higher. Clinic operating expense increased by 14%. The net operating loss increased by 151%.

#### Sports Medicine

Work RVUs in the Sports Medicine clinic were 38% higher than prior year. In addition to a 7% increase in Dr. Winans' RVUs, Dr. Forner (neurology) was added to the practice in December 2013. As a direct result of the growth, charges were 49% higher, net revenue was 32% higher, provider expense was 61% higher, and clinic operating expenses were 47% higher than the prior year. The net operating margin in this clinic decreased to just under break even.

MSC Executive Director discussed a team that was put together for succession planning of physicians. They will see what true needs are and what medical providers are needed for this community.

Discussion took place regarding a part time need for Dermatology and Pulmonology.

#### 6.1.4. Financial Report – August 2015

The CFO reviewed the financial narrative analyzing financial and statistical trends for the two months ended August 31, 2015.

##### Activity Statistics

TFH acute patient days were 273 for the current month compared to budget of 398. This equates to an average daily census of 8.81 compared to budget of 12.84.

TFH Outpatient volumes were above budget in the following departments by at least 5%: Oncology Lab, Oncology procedures, Radiation Oncology, Oncology Drugs, and Occupational Therapy.

TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Diagnostic Imaging, Mammography, MRI exams, Ultrasounds, Cat Scans, PET CT, Respiratory Therapy, and Speech Therapy.

##### Financial Indicators

Net Patient Revenue as a percentage of Gross Patient Revenue was 56.4% in the current month compared to budget of 53.4% and to last month's 58.2%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.3%, compared to budget of 53.4% and prior year's 57.4%.

EBIDA was \$1,839,240 (10.1%) for the current month compared to budget of \$925,556 (4.8%), or \$913,684 (5.2%) above budget.

Year-to-date EBIDA was \$3,762,629 (10.0%) compared to budget of \$1,792,759 (4.7%) or \$1,969,870 (5.4%) over budget.

Cash Collections for the current month were \$10,080,268 which is 87% of targeted Net Patient Revenue.

Gross Days in Accounts Receivable were 54.6, compared to the prior month of 58.1. Gross Accounts Receivables are \$31,399,650 compared to the prior month of \$32,477,468. The percent of Gross Accounts Receivable over 120 days old is 21.4%, compared to the prior month of 21.0%.

##### Balance Sheet

Working Capital Days Cash on Hand is 41.9 days. S&P Days Cash on Hand is 173.2. Working Capital cash increased \$2,951,000. Accounts Payable and Accrued Payroll & Related Costs increased \$1,378,000 and \$388,000, respectively. The District received \$525,000 from the State on its SNF Supplemental Reimbursement, Property Tax revenue in the amount of \$216,000 and various rebates and refunds totaling \$191,000.

Net Patients Accounts Receivable decreased approximately \$768,000. Cash collections were at 87% of target and days in accounts receivable were 54.6 days, a 3.5 days decrease.

Estimated Settlements, Medi-Cal and Medicare decreased a net \$460,000 after recording the receipt of the Medi-Cal SNF Supplemental Reimbursement.

G.O. Bond Tax Revenue Fund increased \$176,491. Final payment of the FY2015 property tax revenues were received during the month.

Accounts Payable increased \$1,378,000 due to the timing of the final check run in August.

Accrued Payroll & Related Costs increased \$388,000 due to an increase in payroll days to accrue at month's end.

CFO stated there was a positive shift in payor mix.

Discussion took place regarding Operating Expenses. Operating Expenses are back on track. Professional fees were the only category over budget.

## 6.2. Board Updates

### 6.2.1. FYE 2015 Financial Audit

Auditors were here during the last week of August and first week of September. Auditors did not come across any issues and have no proposed journal entries or adjustments to be made.

Discussion took place regarding the status of the Qualified Opinion of the Financial Statements. Community members have shown concern and view opinion as a negative. The Board previously agreed not to combine TFH Foundation and IVCH Foundation with TFHD financial statements because it would not accurately show health of district. Each Foundation currently has its own separate audit.

Board will need to decide if they want to proceed as they have been in the past or change financial statements to include both Foundations. If financial statements are combined the presentation of the audit report would likely be in December because the audits of the Foundations have not yet occurred this year. Finance Committee will bring to full Board for vote at September 29, 2015 meeting. CFO was directed to write up an Executive Summary.

## 7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

Reviewed as part of Section 6.2.1.

## 8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

Financial Report – September 2015 Quarterly Packet  
Quarterly Review Financial Status of Separate Entities  
Quarterly Review of Revenue Payor Mix  
TIRHR Expenditure Report  
FYE 2015 Draft Audited Financial Statements

Board designated funds clarification

**9. NEXT MEETING DATE**

The next Finance Committee meeting is scheduled for Thursday, October 22, 2015 at 1:00 p.m.

**10. ADJOURN**

**Meeting adjourned at 10:28 a.m.**

DRAFT

**TAHOE FOREST HOSPITAL DISTRICT  
SEPTEMBER 2015 FINANCIAL REPORT  
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**Board of Directors**  
*Of Tahoe Forest Hospital District*

## **SEPTEMBER 2015 FINANCIAL NARRATIVE**

The following is a financial narrative analyzing financial and statistical trends for the three months ended September 30, 2015.

### **Activity Statistics**

- ❑ TFH acute patient days were 346 for the current month compared to budget of 370. This equates to an average daily census of 11.54 compared to budget of 12.34.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Laboratory tests, Oncology Lab, Oncology procedures, Nuclear Medicine, MRI, PET CT, Pharmacy units, Oncology Pharmacy units, Physical Therapy, Speech Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgery cases, Endoscopy procedures, Ultrasound, and Respiratory Therapy.

### **Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 57.3% in the current month compared to budget of 53.3% and to last month's 56.4%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.3%, compared to budget of 53.4% and prior year's 56.2%.
- ❑ EBIDA was \$1,130,874 (6.3%) for the current month compared to budget of \$130,647 (.8%), or \$1,000,227 (5.6%) above budget. Year-to-date EBIDA was \$4,895,318 (8.9%) compared to budget of \$1,923,406 (3.5%) or \$2,971,912 (5.4%) over budget.
- ❑ Cash Collections for the current month were \$9,572,061 which is 93% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 56.3, compared to the prior month of 54.6. Gross Accounts Receivables are \$30,698,752 compared to the prior month of \$31,399,650. The percent of Gross Accounts Receivable over 120 days old is 21.8%, compared to the prior month of 21.4%.

### **Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 33.7 days. S&P Days Cash on Hand is 177.7. Working Capital cash decreased \$2,293,000. Cash collections fell short of target by 7% and the District transferred \$5,000,000 to its LAIF Cash Reserve Fund. The District received reimbursement of \$2,023,706 for funds advanced on July and August Measure C projects.
- ❑ Net Patients Accounts Receivable decreased approximately \$974,000. Cash collections were at 93% of target and days in accounts receivable were 56.3 days, a 1.70 days increase.
- ❑ G.O. Bond Project Fund decreased \$2,023,706 after reimbursing the District for funds advanced on Measure C projects in the months of July and August.
- ❑ To comply with GASB No. 63, the District booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of September.

### **Operating Revenue**

- ❑ Current month's Total Gross Revenue was \$17,833,260, compared to budget of \$16,766,428 or \$1,066,832 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$5,495,210, compared to budget of \$5,401,376 or \$93,834 above budget.
- ❑ Current month's Gross Outpatient Revenue was \$12,338,051, compared to budget of \$11,365,052 or \$972,999 above budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.

September 2015 Financial Narrative

- Current month's Gross Revenue Mix was 39.0% Medicare, 16.7% Medi-Cal, .0% County, 2.9% Other, and 41.4% Insurance compared to budget of 36.4% Medicare, 18.8% Medi-Cal, .0% County, 3.6% Other, and 41.2% Insurance. Last month's mix was 38.4% Medicare, 15.9% Medi-Cal, .0% County, 3.0% Other, and 42.7% Insurance.
- Current month's Deductions from Revenue were \$7,619,496 compared to budget of \$7,837,224 or \$217,727 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 2.63% increase in Medicare, a 2.12% decrease to Medi-Cal, a .02% decrease in County, a .77% decrease in Other, and Commercial was above budget .27%, 2) revenues exceeded budget by 6.4%, and 3) we continue to see a pickup in Bad Debt as Self-Pay and Out of Country accounts are worked.

**Operating Expenses**

DESCRIPTION	September 2015 Actual	September 2015 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,406,325	3,414,228	7,903	
Employee Benefits	1,072,191	1,113,529	41,338	We saw a positive variance in PL/SL due to fewer vacation days taken.
Benefits – Workers Compensation	47,011	60,541	13,530	
Benefits – Medical Insurance	863,508	750,099	(113,410)	
Professional Fees	1,428,483	1,422,334	(6,149)	IP and OP Therapy Services revenues exceeded budget creating a negative variance in the related Professional Fees along with Locum coverage in the Emergency Department. These negative variances were mostly offset by positive variances in the remaining Professional Fees categories.
Supplies	1,568,333	1,240,167	(328,166)	Drugs Sold to Patients and Oncology Pharmacy revenues exceeded budget by 8.60%, creating a negative variance in Pharmacy Supplies. Surgical Service line revenues were over budget by 11.35%, creating a negative variance in Patient & Other Medical Supplies. We also saw a negative budget variance in Office Supplies purchases during the month.
Purchased Services	812,430	835,518	23,088	Negative variances occurred in the Wellness Neighborhood, Medical Records, Retail Pharmacy, and Financial Administration for services provided in the Miscellaneous category. The annual contract minimum true-up remittance created a negative variance in Diagnostic Imaging – All. These budget variances were offset by positive variances in Multi-Specialty Clinics, Human Resources, Patient Accounting, and Information Technology.
Other Expenses	641,615	557,771	(83,845)	An adjustment to the Foundation receivable for BOTC and GUGC expenses created a negative variance in Other Expenses.
Total Expenses	9,839,896	9,394,186	(445,710)	



TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 2015

	Sep-15	Aug-15	Sep-14	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
* CASH	\$ 10,716,693	\$ 13,009,477	\$ 12,492,008	1
PATIENT ACCOUNTS RECEIVABLE - NET	14,332,302	15,306,144	16,278,735	2
OTHER RECEIVABLES	4,784,162	4,323,038	4,238,555	
GO BOND RECEIVABLES	793,786	398,788	1,191,058	
ASSETS LIMITED OR RESTRICTED	5,192,823	5,143,103	5,795,033	
INVENTORIES	2,306,103	2,312,070	2,514,001	
PREPAID EXPENSES & DEPOSITS	1,646,846	1,638,053	1,916,178	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,136,918	3,899,303	3,412,998	
<b>TOTAL CURRENT ASSETS</b>	<b>43,909,632</b>	<b>46,029,976</b>	<b>47,838,565</b>	
<b>NON CURRENT ASSETS</b>				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	45,759,110	40,759,110	40,655,350	1
BANC OF AMERICA MUNICIPAL LEASE	978,207	979,068	2,291,388	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	524,614	412,038	2,778,447	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	9,616,061	11,639,767	18,815,319	3
GO BOND TAX REVENUE FUND	662,645	662,645	44,944	
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,971	2,971	2,963	
DONOR RESTRICTED FUND	1,229,141	1,157,248	832,677	
WORKERS COMPENSATION FUND	218	10,613	17,876	
TOTAL	58,775,265	55,625,757	65,441,263	
LESS CURRENT PORTION	(5,192,823)	(5,143,103)	(5,795,033)	
<b>TOTAL ASSETS LIMITED OR RESTRICTED - NET</b>	<b>53,582,442</b>	<b>50,482,654</b>	<b>59,646,230</b>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	324,395	324,395	496,395	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	130,028,688	130,297,190	131,565,421	
GO BOND CIP, PROPERTY & EQUIPMENT NET	23,062,279	21,246,865	13,381,638	
<b>TOTAL ASSETS</b>	<b>251,743,789</b>	<b>249,217,433</b>	<b>253,764,602</b>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	572,130	575,363	610,919	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,928,316	1,774,439	1,608,135	4
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,993,407	2,001,045	-	
GO BOND DEFERRED FINANCING COSTS	309,097	310,281	-	
DEFERRED FINANCING COSTS	221,579	222,619	-	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 5,024,530</b>	<b>\$ 4,883,747</b>	<b>\$ 2,219,053</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 5,873,328	\$ 5,554,035	\$ 6,556,210	
ACCRUED PAYROLL & RELATED COSTS	7,887,437	7,614,695	8,028,209	
INTEREST PAYABLE	327,580	227,023	393,001	
INTEREST PAYABLE GO BOND	719,697	358,673	779,473	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	366,356	366,399	926,480	
HEALTH INSURANCE PLAN	1,307,731	1,307,731	997,635	
WORKERS COMPENSATION PLAN	404,807	404,807	1,006,475	
COMPREHENSIVE LIABILITY INSURANCE PLAN	824,203	824,203	890,902	
CURRENT MATURITIES OF GO BOND DEBT	530,000	530,000	315,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,323,994	2,323,994	2,300,830	
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,565,133</b>	<b>19,511,559</b>	<b>22,194,215</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	30,528,294	30,630,641	33,985,148	
GO BOND DEBT NET OF CURRENT MATURITIES	100,028,975	100,032,917	98,130,000	
DERIVATIVE INSTRUMENT LIABILITY	1,928,316	1,774,439	1,608,135	4
<b>TOTAL LIABILITIES</b>	<b>153,050,717</b>	<b>151,949,556</b>	<b>155,917,498</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	102,488,460	100,994,377	99,233,481	
	1,229,141	1,157,248	832,677	
<b>TOTAL NET POSITION</b>	<b>\$ 103,717,601</b>	<b>\$ 102,151,625</b>	<b>\$ 100,066,158</b>	

\* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
SEPTEMBER 2015

1. Working Capital is at 33.7 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 177.7 days. Working Capital cash decreased \$2,293,000. Cash collections fell short of target by 7% and the District transferred \$5,000,000 to its LAIF Cash Reserve Fund. The decrease was offset, in part, from the receipt of Measure C reimbursements (See Note 3) for July and August project expense advances.
2. Net Patient Accounts Receivable decreased approximately \$974,000. Cash collections were 93% of target. Days in Accounts Receivable are at 56.3 days compared to prior months 54.6 days, a 1.70 days increase.
3. GO Bond Project Fund decreased \$2,023,706 after reimbursing the District for funds advanced on Measure C projects in the months of July and August.
4. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of September.

**Tahoe Forest Hospital District  
Cash Investment  
September 2015**

<b>WORKING CAPITAL</b>			
US Bank	\$ 10,666,929		
US Bank/Kings Beach Thrift Store	14,329		
US Bank/Truckee Thrift Store	35,435		
Wells Fargo Bank			
Local Agency Investment Fund	<u>-</u>	0.335%	
Total			\$ 10,716,693
 <b>BOARD DESIGNATED FUNDS</b>			
US Bank Savings	\$ 2,297	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ 2,297
 <b>Building Fund</b>			
Cash Reserve Fund	\$ -		
Local Agency Investment Fund	<u>45,759,110</u>	0.335%	
			\$ 45,759,110
 <b>Banc of America Muni Lease</b>			
			\$ 978,207
<b>Bonds Cash 2002</b>			
			\$ 2
<b>Bonds Cash 2006</b>			
			\$ 524,614
<b>Bonds Cash 2008</b>			
			\$ 10,278,706
 <b>DX Imaging Education</b>			
Workers Comp Fund - B of A	\$ 2,971	0.335%	
	218		
 <b>Insurance</b>			
Health Insurance LAIF	-	0.335%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.335%	
Total			<u>\$ 3,189</u>
<b>TOTAL FUNDS</b>			<b>\$ 68,262,817</b>
 <b>RESTRICTED FUNDS</b>			
<b>Gift Fund</b>			
US Bank Money Market	\$ 8,368	0.03%	
Foundation Restricted Donations	\$ 298,570		
Local Agency Investment Fund	<u>922,203</u>	0.335%	
<b>TOTAL RESTRICTED FUNDS</b>			<u>\$ 1,229,141</u>
<b>TOTAL ALL FUNDS</b>			<u><u>\$ 69,491,958</u></u>

**TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
KEY FINANCIAL INDICATORS  
SEPTEMBER 2015**

	<b>Current Status</b>	<b>Desired Position</b>	<b>Target</b>	<b>Bond Covenants</b>	<b>FY 2016 Jul 15 to Sept 15</b>	<b>FY 2015 Jul 14 to June 15</b>	<b>FY 2014 Jul 13 to June 14</b>	<b>FY 2013 Jul 12 to June 13</b>	<b>FY 2012 Jul 11 to June 12</b>	<b>FY 2011 Jul 10 to June 11</b>	<b>FY 2010 Jul 09 to June 10</b>
<b>Return On Equity:</b> Increase (Decrease) in Net Position Net Position		↑	-3.1% (1)	-0.02	4.2%	2.19%	.001%	-4.0%	8.7%	6.3%	12.4%
<b>Days in Accounts Receivable (excludes SNF &amp; MSC)</b> <u>Gross Accounts Receivable</u> 90 Days		↓	FYE 63 Days		56	60	75	97	64	59	60
<u>Gross Accounts Receivable</u> 365 Days					61	62	75	93	64	59	59
<b>Days Cash on Hand Excludes Restricted:</b> <u>Cash + Short-Term Investments</u> (Total Expenses - Depreciation Expense)/ by 365		↑	Budget FYE 158 Days  Budget 1st Qtr 161 Days  Projected 1st Qtr 172 Days	60 Days  BBB- 147 Days	178	156	164	148	203	209	219
<b>Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)</b>		↓	13%		17%	18%	22%	29%	15%	11%	13%
<b>Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)</b>		↓	18%		22%	23%	25%	34%	19%	16%	18%
<b>Cash Receipts Per Day (based on 30 day lag on Patient Net Revenue) excludes managed care reserve</b>	 	↑	FYE Budget \$303,615  End 1st Qtr Budget \$321,990  End 1st Qtr Actual \$364,493		\$314,617	\$290,776	\$286,394	\$255,901	\$254,806	\$240,383	\$256,059
<b>Debt Service Coverage:</b> Excess Revenue over Exp + <u>Interest Exp + Depreciation</u> Debt Principal Payments + Interest Expense		↑	Without GO Bond 2.01 With GO Bond 1.18	1.95	2.86  1.48	3.28  1.59	2.18  1.29	.66  .89	4.83  2.70	4.35  2.45	3.48  3.00

Footnotes:

(1) Target Return on Equity was established during the FY16 budgeting process. Fiscal year 2015 ended with a higher net income than projected. Based upon the actual fiscal year end net asset number, our Target Return on Equity was 2.15%.

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
SEPTEMBER 2015

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD SEPT 2014	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
\$ 17,833,260	\$ 16,766,428	\$ 1,066,832	6.4%		\$ 55,308,430	\$ 55,159,167	\$ 149,263	0.3%	1	\$ 55,530,134
<b>OPERATING REVENUE</b>										
Total Gross Revenue					\$ 55,308,430	\$ 55,159,167	\$ 149,263	0.3%	1	\$ 55,530,134
Gross Revenues - Inpatient										
\$ 1,693,838	\$ 1,752,880	\$ (59,042)	-3.4%		\$ 4,852,307	\$ 5,487,148	\$ (634,841)	-11.6%		\$ 5,625,119
3,801,372	3,648,496	152,875	4.2%		10,015,068	12,025,261	(2,010,193)	-16.7%		13,051,637
5,495,210	5,401,376	93,834	1.7%		14,867,375	17,512,408	(2,645,034)	-15.1%	1	18,676,756
Total Gross Revenue - Inpatient					14,867,375	17,512,408	(2,645,034)	-15.1%	1	18,676,756
Gross Revenue - Outpatient					40,441,056	37,646,759	2,794,297	7.4%		36,853,378
12,338,051	11,365,052	972,999	8.6%		40,441,056	37,646,759	2,794,297	7.4%	1	36,853,378
12,338,051	11,365,052	972,999	8.6%		40,441,056	37,646,759	2,794,297	7.4%	1	36,853,378
Deductions from Revenue:										
7,145,284	6,885,615	(259,669)	-3.8%		22,266,695	22,589,880	323,185	1.4%	2	21,665,916
520,866	547,702	26,836	4.9%		1,674,690	1,802,690	128,000	7.1%	2	1,786,441
-	-	-	0.0%		-	-	-	0.0%	2	-
(46,611)	403,906	450,517	111.5%		(328,929)	1,337,760	1,666,690	124.6%	2	860,737
(43)	-	43	0.0%		(43)	-	43	0.0%	2	-
7,619,496	7,837,224	217,727	2.8%		23,612,412	25,730,330	2,117,918	8.2%		24,313,094
55,699	59,098	(3,398)	-5.8%		144,299	179,314	(35,015)	-19.5%		263,715
701,307	536,531	164,776	30.7%		1,901,818	1,625,245	276,573	17.0%	3	1,809,654
10,970,770	9,524,833	1,445,937	15.2%		33,742,136	31,233,396	2,508,740	8.0%		33,290,409
<b>OPERATING EXPENSES</b>										
3,406,325	3,414,228	7,903	0.2%		10,442,957	10,851,622	408,664	3.8%	4	10,132,572
1,072,191	1,113,529	41,338	3.7%		3,863,838	3,549,255	(314,583)	-8.9%	4	3,602,603
47,011	60,541	13,530	22.3%		138,488	181,623	43,134	23.7%	4	160,211
863,508	750,099	(113,410)	-15.1%		1,637,746	2,250,296	612,550	27.2%	4	2,063,662
1,428,483	1,422,334	(6,149)	-0.4%		4,474,295	4,241,537	(232,757)	-5.5%	5	5,167,788
1,568,333	1,240,167	(328,166)	-26.5%		4,440,396	4,032,799	(407,597)	-10.1%	6	4,403,040
812,430	835,518	23,088	2.8%		2,495,219	2,668,598	173,379	6.5%	7	2,739,392
641,615	557,771	(83,845)	-15.0%		1,353,878	1,534,261	180,383	11.8%	8	1,551,954
9,839,896	9,394,186	(445,710)	-4.7%		28,846,817	29,309,990	463,173	1.6%		29,821,222
<b>1,130,874</b>	<b>130,647</b>	<b>1,000,227</b>	<b>765.6%</b>		<b>4,895,318</b>	<b>1,923,406</b>	<b>2,971,912</b>	<b>154.5%</b>		<b>3,469,187</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
396,508	393,109	3,399	0.9%		1,212,322	1,177,305	35,016	3.0%	9	1,080,309
392,691	392,691	-	0.0%		1,178,074	1,178,074	-	0.0%		1,181,710
24,443	20,009	4,433	22.2%		76,096	60,652	15,444	25.5%	10	68,626
2,321	1,826	495	27.1%		8,429	5,599	2,831	50.6%		10,178
54,976	34,671	20,305	58.6%		69,133	104,013	(34,880)	-33.5%	11	59,767
-	(37,500)	37,500	0.0%		-	(37,500)	37,500	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(856,217)	(855,178)	(1,039)	-0.1%		(2,567,644)	(2,565,534)	(2,109)	-0.1%	15	(2,262,958)
(147,091)	(115,183)	(31,908)	-27.7%		(384,239)	(347,726)	(36,513)	-10.5%	16	(422,671)
565,655	631,239	(65,584)	10.4%		(166,153)	(74,458)	(91,695)	-123.2%		(415,485)
433,286	465,685	(32,399)	7.0%		(573,982)	(499,575)	(74,408)	-14.9%		(700,524)
<b>\$ 1,564,160</b>	<b>\$ 596,332</b>	<b>\$ 967,827</b>	<b>-162.3%</b>		<b>\$ 4,321,336</b>	<b>\$ 1,423,831</b>	<b>\$ 2,897,505</b>	<b>-203.5%</b>		<b>\$ 2,768,663</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>					<b>\$ 4,321,336</b>	<b>\$ 1,423,831</b>	<b>\$ 2,897,505</b>	<b>-203.5%</b>		<b>\$ 2,768,663</b>
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>99,396,265</b>					
<b>NET POSITION - AS OF SEPTEMBER 30, 2015</b>					<b>\$ 103,717,601</b>					
<b>6.3%</b>	<b>0.8%</b>	<b>5.6%</b>			<b>8.9%</b>	<b>3.5%</b>	<b>5.4%</b>			<b>6.2%</b>
<b>RETURN ON GROSS REVENUE EBIDA</b>					<b>8.9%</b>	<b>3.5%</b>	<b>5.4%</b>			<b>6.2%</b>

**TAHOE FOREST HOSPITAL DISTRICT**  
**NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
SEPTEMBER 2015

		<b>Variance from Budget</b>	
		<b>Fav / &lt;Unfav&gt;</b>	
		<b>SEPT 2015</b>	<b>YTD 2016</b>
<b>1) Gross Revenues</b>			
Acute Patient Days were below budget 6.49% or 24 days. Swing bed days were above budget 235.71% or 33 days.	Gross Revenue -- Inpatient	\$ 93,834	\$ (2,645,034)
	Gross Revenue -- Outpatient	972,999	2,794,297
	Gross Revenue -- Total	\$ 1,066,832	\$ 149,263
Outpatient volumes were above budget in the following departments: Emergency Department visits, Laboratory tests, Oncology Lab, Diagnostic Imaging, Oncology procedures, Nuclear Medicine, MRI exams, Cat Scans, PET CT's, Pharmacy units, Oncology Drugs, Physical Therapy, Speech Therapy, and Occupational Therapy.			
<b>2) Total Deductions from Revenue</b>			
The payor mix for September shows a 2.63% increase to Medicare, a 2.12% decrease to Medi-Cal, .77% decrease to Other, a .02% decrease to County, and a .27% increase to Commercial when compared to budget. Contractual Allowances were over budget as a result of revenues exceeding budget by 6.4%.	Contractual Allowances	\$ (259,669)	\$ 323,185
	Managed Care Reserve	-	-
	Charity Care	26,836	128,000
	Charity Care - Catastrophic	-	-
	Bad Debt	450,517	1,666,690
	Prior Period Settlements	43	43
	Total	\$ 217,727	\$ 2,117,918
We continue to see a positive pickup in Bad Debt as work continues in the Business Office on Self Pay accounts.			
<b>3) Other Operating Revenue</b>			
Retail Pharmacy revenues exceeded budget by 20.41%	Retail Pharmacy	\$ 44,404	\$ (41,433)
	Hospice Thrift Stores	12,744	43,502
	The Center (non-therapy)	(13)	(3,395)
	IVCH ER Physician Guarantee	29,250	45,067
	Children's Center	12,177	42,298
	Miscellaneous	67,464	194,285
	Oncology Drug Replacement	-	-
	Grants	(1,250)	(3,750)
	Total	\$ 164,776	\$ 276,573
Hospice Thrift Stores revenues exceeded budget by 14.71%			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in September.			
Child Care revenues also exceeded budget by 19.72%.			
A Quality Assurance Fee received from the State of California created a positive variance in Miscellaneous.			
<b>4) Salaries and Wages</b>			
<b>Employee Benefits</b>			
Positive variance in PL/SL is a result of fewer vacation days taken.	Total	\$ 7,903	\$ 408,664
Negative variance in Nonproductive related to the purchase of the annual employee and physician anniversary pins.	PL/SL	\$ 60,304	\$ (186,159)
	Nonproductive	(21,885)	(52,704)
	Pension/Deferred Comp	341	(8,230)
	Standby	(10,275)	(51,624)
	Other	12,853	(15,866)
	Total	\$ 41,338	\$ (314,583)
<b>Employee Benefits - Workers Compensation</b>	Total	\$ 13,530	\$ 43,134
<b>Employee Benefits - Medical Insurance</b>	Total	\$ (113,410)	\$ 612,550
<b>5) Professional Fees</b>			
TFH/IVCH Therapy Services revenues exceeded budget by 27.59% creating a negative variance in this category.	Miscellaneous	\$ 8,109	\$ (139,267)
	TFH/IVCH Therapy Services	(40,763)	(91,966)
	The Center (includes OP Therapy)	(47,563)	(73,511)
	Multi-Specialty Clinics	(6,266)	(43,111)
	Administration	(8,151)	(35,903)
	TFH Locums	(12,093)	(18,449)
	Corporate Compliance	23,643	(14,081)
	Multi-Specialty Clinics Admin	(4,119)	(8,151)
	Managed Care	670	(2,633)
	Home Health/Hospice	(900)	(979)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	IVCH ER Physicians	(610)	257
	Respiratory Therapy	200	600
	Marketing	2,375	7,125
	Sleep Clinic	3,501	7,521
	Information Technology	12,872	23,248
	Oncology	24,086	37,083
	Medical Staff Services	10,005	38,302
	Human Resources	31,673	40,065
	Financial Administration	(2,817)	41,091
	Total	\$ (6,149)	\$ (232,757)
The Center (includes OP Therapy) revenues exceeded budget by 37.75%, also creating a negative variance in this category.			
Negative variance in TFH Locums related to contracted Locum services to cover absences.			
Positive variance in Information Technology due to a decrease in Consulting Services needed in August.			
Positive variance in Oncology related to locums coverage coming in below budget.			
Positive variance in Medical Staff Services is a result of decreased usage of Legal services.			
Budgeted Legal and Pension services fell short of budget, creating a positive variance in Human Resources.			

**6) Supplies**

Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 8.60%, creating a negative variance in Pharmacy Supplies.

Negative variance in Office supplies related to copy machine paper, restocking employee smartcard badges in Human Resources, Patient Financial Services forms, and forms for the Surgical Services departments.

Surgical Services revenues exceeded budget by 11.35%, creating a negative variance in Patient & Other Medical Supplies.

Pharmacy Supplies	\$ (245,544)	\$ (549,149)
Food	(1,181)	(17,490)
Office Supplies	(17,208)	(17,159)
Imaging Film	(1,194)	(762)
Other Non-Medical Supplies	1,486	14,497
Minor Equipment	9,487	29,281
Patient & Other Medical Supplies	(74,012)	133,185
<b>Total</b>	<b>\$ (328,166)</b>	<b>\$ (407,597)</b>

**7) Purchased Services**

Negative variance in Miscellaneous for services provided to the Wellness Neighborhood, Medical Records for record retention and retrieval, 340B administration in the Retail Pharmacy, and Financial Administration for the Interim Arbitrate Rate Analysis on the G.O. Bond, Series B.

True-up for the annual minimum contract commitment created a negative variance in Diagnostic Imaging - All.

Positive variance in Information Technology related to a decrease in services provided for Software and Network Maintenance during the month.

Department Repairs	\$ 29	\$ (17,279)
Miscellaneous	(30,516)	(15,881)
Diagnostic Imaging Services - All	(35,898)	(13,310)
Laboratory	29	(10,480)
The Center	(5,891)	(7,911)
Pharmacy IP	(2,008)	477
Community Development	392	1,175
Medical Records	2,057	4,336
Hospice	2,757	5,223
Multi-Specialty Clinics	10,293	11,407
Human Resources	11,181	27,077
Patient Accounting	8,059	44,000
Information Technology	62,605	144,547
<b>Total</b>	<b>\$ 23,088</b>	<b>\$ 173,379</b>

**8) Other Expenses**

Subscription services provided to the Tahoe Institute of Rural Health Research and changes in the Medical Directorship over Laboratory created a negative variance in Dues and Subscriptions.

Tuition reimbursements and Interim Director travel in the Emergency Department, Surgery, Revenue Cycle, and Business Office created a negative variance in Outside Training and Travel.

Negative variance in Miscellaneous related to a receivable adjustment from the Foundation for BOTC and GUGC expenses.

Dues and Subscriptions	\$ (26,260)	\$ (24,414)
Other Building Rent	(2,035)	(6,399)
Multi-Specialty Clinics Bldg Rent	(1,580)	(1,768)
Outside Training & Travel	(17,029)	(446)
Multi-Specialty Clinics Equip Rent	(18)	(54)
Innovation Fund	-	-
Physician Services	3	11
Marketing	2,372	8,658
Equipment Rent	(107)	12,555
Insurance	4,206	14,836
Human Resources Recruitment	(4,193)	15,256
Utilities	14,413	50,183
Miscellaneous	(53,617)	111,966
<b>Total</b>	<b>\$ (83,845)</b>	<b>\$ 180,383</b>

**9) District and County Taxes**

<b>Total</b>	<b>\$ 3,399</b>	<b>\$ 35,016</b>
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**10) Interest Income**

<b>Total</b>	<b>\$ 4,433</b>	<b>\$ 15,444</b>
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**11) Donations**

IVCH	\$ (4,333)	\$ (13,000)
Operational	24,638	(21,880)
Capital Campaign	-	-
<b>Total</b>	<b>20,305</b>	<b>(34,880)</b>

**12) Gain/(Loss) on Joint Investment**

<b>Total</b>	<b>\$ 37,500</b>	<b>\$ 37,500</b>
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**13) Gain/(Loss) on Sale**

<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
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**15) Depreciation Expense**

<b>Total</b>	<b>\$ (1,039)</b>	<b>\$ (2,109)</b>
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**16) Interest Expense**

Payment for the Arbitrage rebate on the refunding of the 2006 Revenue Bonds created a negative variance in Interest Expense.

<b>Total</b>	<b>\$ (31,908)</b>	<b>\$ (36,513)</b>
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**TAHOE FOREST HOSPITAL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**KEY FINANCIAL INDICATORS**  
**SEPTEMBER 2015**

	Current Status	Desired Position	Target	FY 2016 Jul 15 to Sept 15	FY 2015 Jul 14 to June 15	FY 2014 Jul 13 to June 14	FY 2013 Jul 12 to June 13	FY 2012 Jul 11 to June 12	FY 2011 Jul 10 to June 11	FY 2010 Jul 09 to June 10
<b>Total Margin:</b> <u>Increase (Decrease) In Net Position</u> Total Gross Revenue		↑	FYE -1.4% 1st Qtr 2.6%	7.8%	1.0%	.01%	-2.2%	5.3%	3.6%	5.8%
<b>Charity Care:</b> <u>Charity Care Expense</u> Gross Patient Revenue		↓	FYE 3.3% 1st Qtr 3.3%	3.0%	3.1%	3.2%	3.2%	2.6%	3.0%	3.1%
<b>Bad Debt Expense:</b> <u>Bad Debt Expense</u> Gross Patient Revenue		↓	FYE 2.4% 1st Qtr 2.4%	-0.1%	1.6%	1.6%	4.6%	4.3%	3.8%	4.1%
<b>Incline Village Community Hospital:</b> EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue &lt;Expense&gt;</u> Gross Revenue		↑	FYE 5.3% 1st Qtr 10.0%	21.9%	9.1%	4.9%	11.5%	10.8%	12.3%	6.7%
<b>Operating Expense Variance to Budget (Under&lt;Over&gt;)</b>		↑	-0-	\$463,173	\$(6,371,653)	\$2,129,279	\$(1,498,683)	\$790,439	\$15,188	\$2,662,695
<b>EBIDA:</b> Earnings before interest, Depreciation, amortization <u>Net Operating Revenue &lt;Expense&gt;</u> Gross Revenue		↑	FYE 1.0% 1st Qtr 3.5%	8.9%	3.5%	2.0%	.9%	5.6%	5.1%	6.6%



INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
SEPTEMBER 2015

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD SEPT 2014	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
<b>OPERATING REVENUE</b>										
\$ 1,508,763	\$ 1,236,406	\$ 272,357	22.0%	Total Gross Revenue	\$ 5,036,160	\$ 4,266,530	\$ 769,630	18.0%	1	\$ 4,096,123
<b>Gross Revenues - Inpatient</b>										
\$ -	\$ 3,513	\$ (3,513)	-100.0%	Daily Hospital Service	\$ 16,574	\$ 7,027	\$ 9,547	135.9%		\$ 15,190
-	4,991	(4,991)	-100.0%	Ancillary Service - Inpatient	24,146	11,526	12,620	109.5%		13,083
-	8,504	(8,504)	-100.0%	Total Gross Revenue - Inpatient	40,720	18,553	22,167	119.5%	1	28,273
1,508,763	1,227,901	280,861	22.9%	Gross Revenue - Outpatient	4,995,440	4,247,977	747,463	17.6%		4,067,850
1,508,763	1,227,901	280,861	22.9%	Total Gross Revenue - Outpatient	4,995,440	4,247,977	747,463	17.6%	1	4,067,850
<b>Deductions from Revenue:</b>										
499,344	339,064	(160,281)	-47.3%	Contractual Allowances	1,547,505	1,171,873	(375,632)	-32.1%	2	1,166,174
49,884	42,977	(6,907)	-16.1%	Charity Care	170,455	148,679	(21,776)	-14.6%	2	135,557
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
13,195	85,953	72,759	84.6%	Bad Debt	153,316	297,358	144,042	48.4%	2	232,833
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2	-
562,423	467,993	(94,430)	-20.2%	Total Deductions from Revenue	1,871,276	1,617,911	(253,365)	-15.7%	2	1,534,564
91,779	63,110	28,669	45.4%	Other Operating Revenue	235,054	189,080	45,974	24.3%	3	236,073
1,038,119	831,522	206,597	24.8%	<b>TOTAL OPERATING REVENUE</b>	<b>3,399,938</b>	<b>2,837,699</b>	<b>562,239</b>	<b>19.8%</b>		<b>2,797,632</b>
<b>OPERATING EXPENSES</b>										
234,207	250,144	15,937	6.4%	Salaries and Wages	739,687	831,628	91,940	11.1%	4	751,290
79,348	80,067	719	0.9%	Benefits	218,630	259,421	40,791	15.7%	4	300,935
2,496	2,490	(6)	-0.2%	Benefits Workers Compensation	7,491	7,471	(20)	-0.3%	4	10,689
55,520	47,919	(7,601)	-15.9%	Benefits Medical Insurance	105,861	143,757	37,896	26.4%	4	139,232
238,577	232,542	(6,035)	-2.6%	Professional Fees	743,285	724,522	(18,763)	-2.6%	5	595,311
75,650	51,850	(23,800)	-45.9%	Supplies	196,399	172,153	(24,246)	-14.1%	6	163,891
43,482	39,707	(3,774)	-9.5%	Purchased Services	130,549	121,755	(8,794)	-7.2%	7	148,484
46,786	51,239	4,453	8.7%	Other	154,608	152,450	(2,158)	-1.4%	8	152,377
776,067	755,959	(20,108)	-2.7%	<b>TOTAL OPERATING EXPENSE</b>	<b>2,296,510</b>	<b>2,413,156</b>	<b>116,646</b>	<b>4.8%</b>		<b>2,262,209</b>
<b>262,052</b>	<b>75,564</b>	<b>186,488</b>	<b>246.8%</b>	<b>NET OPERATING REV(EXP) EBIDA</b>	<b>1,103,428</b>	<b>424,543</b>	<b>678,885</b>	<b>159.9%</b>		<b>535,423</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
-	4,333	(4,333)	-100.0%	Donations-IVCH	-	13,000	(13,000)	-100.0%	9	-
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(58,359)	(58,359)	0	0.0%	Depreciation	(175,077)	(175,078)	1	0.0%	11	(159,119)
(58,359)	(54,026)	(4,333)	-8.0%	<b>TOTAL NON-OPERATING REVENUE/(EXP)</b>	<b>(175,077)</b>	<b>(162,078)</b>	<b>(12,999)</b>	<b>-8.0%</b>		<b>(159,119)</b>
<b>\$ 203,693</b>	<b>\$ 21,538</b>	<b>\$ 182,155</b>	<b>845.8%</b>	<b>EXCESS REVENUE(EXPENSE)</b>	<b>\$ 928,351</b>	<b>\$ 262,465</b>	<b>\$ 665,886</b>	<b>253.7%</b>		<b>\$ 376,304</b>
<b>17.4%</b>	<b>6.1%</b>	<b>11.3%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>21.9%</b>	<b>10.0%</b>	<b>12.0%</b>			<b>13.1%</b>

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
SEPTEMBER 2015**

		<u>Variance from Budget</u>	
		<u>Fav&lt;Unfav&gt;</u>	
		<u>SEPT 2015</u>	<u>YTD 2016</u>
<b>1) <u>Gross Revenues</u></b>			
Acute Patient Days were below budget by 1 at 0 and Observation Days were above budget by 2 at 4.	Gross Revenue -- Inpatient	\$ (8,504)	\$ 22,167
	Gross Revenue -- Outpatient	280,861	747,463
		<u>\$ 272,357</u>	<u>\$ 769,630</u>
Outpatient volumes exceeded budget in Emergency Department visits, Laboratory tests, Diagnostic Imaging, Cat Scans, Pharmacy units, Physical Therapy, and Occupational Therapy.			
<b>2) <u>Total Deductions from Revenue</u></b>			
We saw a shift in our payor mix with an 1.92% increase in Commercial, Insurance, a 5.52% decrease in Medicare, a 3.42% increase in Medicaid, a .19% increase in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 22.0% along with continued shifts from Bad Debt.	Contractual Allowances	\$ (160,281)	\$ (375,632)
	Charity Care	(6,907)	(21,776)
	Charity Care-Catastrophic Event	-	-
	Bad Debt	72,759	144,042
	Prior Period Settlement	-	-
	Total	<u>\$ (94,430)</u>	<u>\$ (253,365)</u>
<b>3) <u>Other Operating Revenue</u></b>			
IVCH ER Physician Guarantee is tied to collections which exceeded budget estimations in September.	IVCH ER Physician Guarantee	\$ 29,250	\$ 45,067
	Miscellaneous	(581)	907
	Total	<u>\$ 28,669</u>	<u>\$ 45,974</u>
<b>4) <u>Salaries and Wages</u></b>			
	Total	<u>\$ 15,937</u>	<u>\$ 91,940</u>
<b><u>Employee Benefits</u></b>			
	PL/SL	\$ 1,068	\$ 45,508
	Standby	2,315	861
	Other	(363)	682
	Nonproductive	(2,673)	(7,557)
	Pension/Deferred Comp	371	1,297
	Total	<u>\$ 719</u>	<u>\$ 40,791</u>
<b><u>Employee Benefits - Workers Compensation</u></b>			
	Total	<u>\$ (6)</u>	<u>\$ (20)</u>
<b><u>Employee Benefits - Medical Insurance</u></b>			
	Total	<u>\$ (7,601)</u>	<u>\$ 37,896</u>
<b>5) <u>Professional Fees</u></b>			
Physical and Occupational Therapy revenues exceeded budget by 3.29% creating a negative variance in Therapy Services.	Therapy Services	\$ (5,476)	\$ (12,967)
	Multi-Specialty Clinics	(6,223)	(9,090)
	Foundation	3,072	(5,189)
	Administration	-	-
	IVCH ER Physicians	(610)	257
	Miscellaneous	(299)	704
	Sleep Clinic	3,501	7,521
	Total	<u>\$ (6,035)</u>	<u>\$ (18,763)</u>
<b>6) <u>Supplies</u></b>			
Medical Supplies Sold to Patients revenue exceeded budget by 31.25% creating a negative variance in Patient & Other Medical Supplies	Patient & Other Medical Supplies	\$ (12,587)	\$ (17,239)
	Pharmacy Supplies	(9,566)	(5,663)
	Minor Equipment	(2,452)	(3,364)
	Imaging Film	(122)	(404)
	Food	(251)	238
	Office Supplies	296	811
	Non-Medical Supplies	880	1,374
	Total	<u>\$ (23,800)</u>	<u>\$ (24,246)</u>
Drugs Sold to Patients revenue also exceeded budget by 28.61%, creating a negative variance in Pharmacy Supplies.			

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
SEPTEMBER 2015**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>SEPT 2015</b>	<b>YTD 2016</b>
<b>7) <u>Purchased Services</u></b>			
Negative variance in Diagnostic Imaging Services - All related to the annual minimum contract true-up.	Laboratory	\$ (1,138)	\$ (8,229)
	Foundation	248	(4,311)
	EVS/Laundry	(89)	(3,368)
	Diagnostic Imaging Services - All	(4,853)	(2,381)
	Surgical Services	-	-
	Pharmacy	-	307
	Miscellaneous	(901)	441
	Multi-Specialty Clinics	691	1,631
	Engineering/Plant/Communications	(1,303)	3,059
	Department Repairs	3,571	4,058
	<b>Total</b>	<b>\$ (3,774)</b>	<b>\$ (8,794)</b>
<b>8) <u>Other Expenses</u></b>			
Controllable costs continue to be monitored, creating positive variances in most of the Other Expense categories.	Miscellaneous	\$ (322)	\$ (3,840)
	Utilities	381	(1,798)
	Dues and Subscriptions	(427)	(1,034)
	Equipment Rent	898	(802)
	Other Building Rent	-	-
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Insurance	223	668
	Marketing	3,224	1,778
	Outside Training & Travel	477	2,869
	<b>Total</b>	<b>\$ 4,453</b>	<b>\$ (2,158)</b>
<b>9) <u>Donations</u></b>	<b>Total</b>	<b>\$ (4,333)</b>	<b>\$ (13,000)</b>
<b>10) <u>Gain/(Loss) on Sale</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>11) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 1</b>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

	PRE-AUDIT FYE 2015	BUDGET FYE 2016	PROJECTED FYE 2016	ACTUAL SEPT 2015	BUDGET SEPT 2015	DIFFERENCE	ACTUAL 1ST QTR	BUDGET 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 7,190,440	\$ 2,054,135	\$ 5,033,216	\$ 1,130,874	\$ 130,647	\$ 1,000,227	\$ 4,906,651	\$ 2,218	\$ 1,133,045	\$ (1,008,698)
Interest Income	97,528	107,488	110,216	-	-	-	29,198	27,087	27,104	26,827
Property Tax Revenue	5,352,075	5,420,000	5,494,907	-	-	-	309,907	70,000	2,890,000	2,225,000
Donations	757,929	923,000	884,191	20,896	60,000	(39,104)	76,191	105,000	90,000	613,000
Debt Service Payments	(3,505,561)	(3,565,581)	(3,388,710)	(247,479)	(247,478)	(0)	(1,069,568)	(742,435)	(870,355)	(706,351)
Bank of America - 2012 Muni Lease	(1,243,531)	(1,243,644)	(1,243,645)	(103,637)	(103,637)	(0)	(310,912)	(310,911)	(310,911)	(310,911)
Copier	(8,962)	(8,760)	(8,760)	(730)	(730)	0	(2,190)	(2,190)	(2,190)	(2,190)
2002 Revenue Bond	(660,296)	(668,008)	(491,136)	-	-	-	(327,132)	-	(164,004)	-
2006 Revenue Bond	(1,592,771)	-	-	-	-	-	-	-	-	-
2015 Revenue Bond	-	(1,645,169)	(1,645,169)	(143,111)	(143,111)	(0)	(429,334)	(429,334)	(393,250)	(393,250)
Physician Recruitment	(155,902)	(311,000)	(306,785)	(5,978)	(10,000)	4,022	(216,785)	(30,000)	(30,000)	(30,000)
Investment in Capital										
Equipment	(2,491,260)	(1,418,900)	(1,418,900)	(43,805)	(69,550)	25,745	(302,633)	(468,996)	(647,271)	-
Municipal Lease Reimbursement	-	2,295,723	2,295,723	-	-	-	1,319,139	500,000	476,584	-
GO Bond Project Personal Property	(186,062)	(500,180)	(500,180)	(5,399)	(12,155)	6,756	(8,587)	(216,504)	(150,044)	(125,045)
IT	(1,394,200)	(559,300)	(559,300)	(275,784)	(176,352)	(99,432)	(318,453)	(65,847)	(100,000)	(75,000)
Building Projects	(2,218,063)	(4,487,480)	(4,487,480)	(66,856)	(142,914)	76,058	(337,663)	(2,863,817)	(601,000)	(685,000)
Health Information/Business System	(230,852)	(500,000)	(500,000)	-	-	-	(1,623)	-	(248,377)	(250,000)
Capital Investments										
Properties	(600,000)	-	-	-	-	-	-	-	-	-
Measure C Scope Modifications	-	(749,287)	(749,287)	-	-	-	-	(232,175)	(258,556)	(258,556)
Change in Accounts Receivable	2,648,682	282,832	N1 545,356	973,842	572,450	401,392	522,392	(630,204)	217,927	435,241
Change in Settlement Accounts	(2,438,657)	500,000	N2 1,123,667	-	-	-	623,667	-	250,000	250,000
Change in Other Assets	(1,717,188)	(768,000)	N3 (1,626,558)	510,336	60,000	450,336	(1,531,558)	125,000	(75,000)	(145,000)
Change in Other Liabilities	(30,538)	(71,000)	N4 (798,370)	692,592	600,000	92,592	247,630	(556,000)	(325,000)	(165,000)
Change in Cash Balance	1,078,371	(1,347,550)	1,151,707	2,683,239	764,648	1,918,591	4,247,906	(4,976,673)	1,779,057	101,418
Beginning Unrestricted Cash	50,951,760	52,227,897	52,227,897	53,792,563	53,792,563	-	52,227,897	56,475,803	51,499,129	53,278,186
Ending Unrestricted Cash	52,227,897	50,880,347	53,379,604	56,475,803	54,557,212	1,918,591	56,475,803	51,499,129	53,278,186	53,379,604
Expense Per Day	333,932	321,141	319,849	317,606	322,551	(4,946)	317,606	316,480	320,720	319,849
Days Cash On Hand	156	158	167	178	169	9	178	163	166	167

Footnotes:

- N1 - Change in Accounts Receivable reflects the 30 day delay in collections. For example, in July 2015 we are collecting June 2015.  
N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.  
N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.  
N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.

Tahoe Forest Hospital  
 Operating Indicators  
 Inpatient Volumes  
 Month & YTD June 2016  
 September 30, 2015

	Sep-14 Actual	Sep-14 YTD Actual	Jul-15 Actual	Aug-15 Actual	Sep-15 Actual	Sep-15 Budget	Sep-15 Variance	Sep-15 % Variance	Sep-15 YTD Actual	Sep-15 YTD Budget	YTD Variance	YTD % Variance
<b>Acute</b>												
Admissions - (Excludes Swing)	132	450	120	116	128	136	(8.00)	-5.88%	364	434	(70)	-16.13%
Swing Admits	1	8	9	4	11	2	9.00	450.00%	24	11	13	118.18%
Total Admissions	133	458	129	120	139	138	1.00	0.72%	388	445	(57)	-12.81%
Length of Stay - Acute	2.84	2.78	2.77	2.39	2.70	2.72	(0.02)	-0.74%	2.68	2.71	0	0.00%
Length of Stay - Swing	4.50	8.67	4.00	3.40	7.83	7.00	0.83	11.86%	4.17	5.27	(1)	-18.98%
Length of Stay - Acute & Swing	2.87	2.84	2.85	2.44	2.93	2.78	0.15	5.40%	2.77	2.78	0	0.00%
LOS - Acute & Swing - Medicare	2.72	2.91	3.39	2.76	3.55	N/A	N/A	N/A	2.97	N/A	N/A	N/A
LOS - Acute & Swing - MediCal	3.00	2.91	2.83	2.27	2.14	N/A	N/A	N/A	2.93	N/A	N/A	N/A
LOS - Acute & Swing - Self Pay	3.67	2.11	3.00	2.25	3.00	N/A	N/A	N/A	2.23	N/A	N/A	N/A
LOS - Acute & Swing - Commercial	2.25	2.76	1.82	2.44	1.87	N/A	N/A	N/A	2.51	N/A	N/A	N/A
LOS - Acute & Swing - Contract	3.13	2.83	2.25	2.17	2.88	N/A	N/A	N/A	2.60	N/A	N/A	N/A
Average Daily Census - Acute	11.2	13.3	11.5	8.8	11.5	12.4	(0.90)	-7.26%	10.6	12.7	(2.1)	-16.54%
Average Daily Census - Swing	0.3	0.5	1.2	0.5	1.6	0.5	1.10	220.00%	1.1	0.6	0.5	83.33%
Avg Daily Census - Acute & Swing	11.5	13.8	12.7	9.3	13.1	12.9	0.20	1.55%	11.7	13.3	(1.6)	-12.03%
Occupancy Percentage - Acute	44.8%	53.1%	45.8%	35.2%	46.1%	47.7%	(0.02)	-3.35%	42.3%	51.2%	-8.9%	-17.38%
Occupancy Percentage - Swing	1.2%	2.0%	4.6%	2.2%	6.3%	1.8%	0.05	250.00%	4.3%	2.5%	1.8%	72.00%
Occupancy % - Acute & Swing	45.9%	55.1%	50.5%	37.4%	52.4%	49.5%	0.03	5.86%	46.7%	53.7%	-7.0%	-13.04%
Patient Days (excludes swings)	347	1,221	355	273	346	370	(24.00)	-6.49%	974	1,177	(203.0)	-17.25%
Swing Days (inc swings)	9	47	36	17	47	14	33.00	235.71%	100	58	42	72.41%
Total Patient Days	356	1,268	391	290	393	384	9.00	2.34%	1,074	1,235	(161)	-13.04%
ICU I/P Days	22	75	21	21	14	14	0.00	0.00%	56	51	5	9.80%
ICU Stepdown Days	34	93	35	37	31	29	2.00	6.90%	103	93	10	10.75%
ICU Med/Surg Days	35	97	24	20	37	32	5.00	15.63%	81	87	(6)	-6.90%
Medical/Surgical Days	185	710	207	112	188	218	(30.00)	-13.76%	507	701	(194)	-27.67%
Medical/Surgical in OB Days	0	0	0	0	0	1	(1.00)	-100.00%	0	1	(1)	-100.00%
Obstetrics Days	71	246	68	83	76	76	0.00	0.00%	227	243	(16)	-6.58%
Nursery Re-Admits	0	0	0	0	0	0	0.00	0.00%	0	1	(1)	-100.00%
Total Acute Patient Days (excludes swings)	347	1,221	355	273	346	370	(24.00)	-6.49%	974	1,177	(203)	-17.25%
M/S Swing Days	9	47	36	17	47	14	33.00	235.71%	100	58	42	72.41%
Total Patient Days (includes swings)	356	1,268	391	290	393	384	9.00	2.34%	1,074	1,235	(161)	-13.04%
Nursery Days	57	221	60	83	76	67	9.00	13.43%	219	223	(4)	-1.79%
Deliveries	25	96	30	29	35	30	5.00	16.67%	94	100	(6)	-6.00%
ICU (Med/Surg) Days	35	97	24	20	37	32	5.00	15.63%	81	87	(6)	-6.90%
IP Medical / Surgical Days	185	710	207	112	188	218	(30.00)	-13.76%	507	701	(194)	-27.67%
Medical / Surgical Days in OB	0	0	0	0	0	1	(1.00)	-100.00%	0	1	(1)	-100.00%
Total Medical / Surgical Days	220	807	231	132	225	251	(26.00)	-10.36%	588	789	(201)	-25.48%
Medical / Surgical Swings Days	9	47	36	17	47	14	33.00	235.71%	100	58	42	72.41%
Total Med/Surg Days (Inc Swings)	229	854	267	149	272	265	7.00	2.64%	688	847	(159)	-18.77%
<b>Average Daily Census</b>												
ICU I/P Days	0.7	0.8	0.7	0.7	0.5	0.5	0.00	0.00%	0.6	0.6	0.0	0.00%
ICU Stepdown Days	1.1	1.0	1.1	1.2	1.0	1.0	0.00	0.00%	1.1	1.0	0.1	10.00%
ICU Boarder Days	1.1	1.1	0.8	0.6	1.2	1.1	0.10	9.09%	0.9	0.9	0.0	0.00%
IP Medical / Surgical Days	6.0	7.7	6.7	3.6	6.3	7.3	(1.00)	-13.70%	5.5	7.6	(2.1)	-27.63%
Medical / Surgical Days in OB	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00%	0.0	0.0	0.0	0.00%
Obstetrics Days	2.3	2.7	2.2	2.7	2.5	2.5	0.00	0.00%	2.5	2.6	(0.1)	-3.85%
Newborn Re-Admits	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00%	0.0	0.0	0.0	0.00%
Total Acute Patient Average Daily Census	11.2	13.3	11.5	8.8	11.5	12.4	(0.90)	-7.26%	10.6	12.7	(2.1)	-16.54%
Medical / Surgical - Swing	0.3	0.5	1.2	0.5	1.6	0.5	1.10	220.00%	1.1	0.6	0.5	83.33%
Total Patient Avg Daily Census (Inc swing)	11.5	13.8	12.7	9.3	13.1	12.9	0.20	1.55%	11.7	13.3	(1.6)	-12.03%
<b>Skilled Nursing Unit</b>												
Patient Days	1,030	3,176	964	959	970	1,020	(50.00)	-4.90%	2,893	3,128	(235)	-7.51%
Average Daily Census	34	35	31	31	32	34	(2.00)	-5.88%	31	34	(3)	-8.82%
Occupancy Percentage	94.9%	96.6%	88.8%	88.4%	92.4%	97.1%	(0.05)	-4.84%	89.8%	97.1%	-7.3%	-7.52%
<b>Operating Room</b>												
Cases	66	215	60	65	69	61	8.00	13.11%	194	201	(7)	-3.48%
Minutes	7,908	22,519	5,197	6,588	6,876	6,435	441.00	6.85%	18,661	21,079	(2,418)	-11.47%

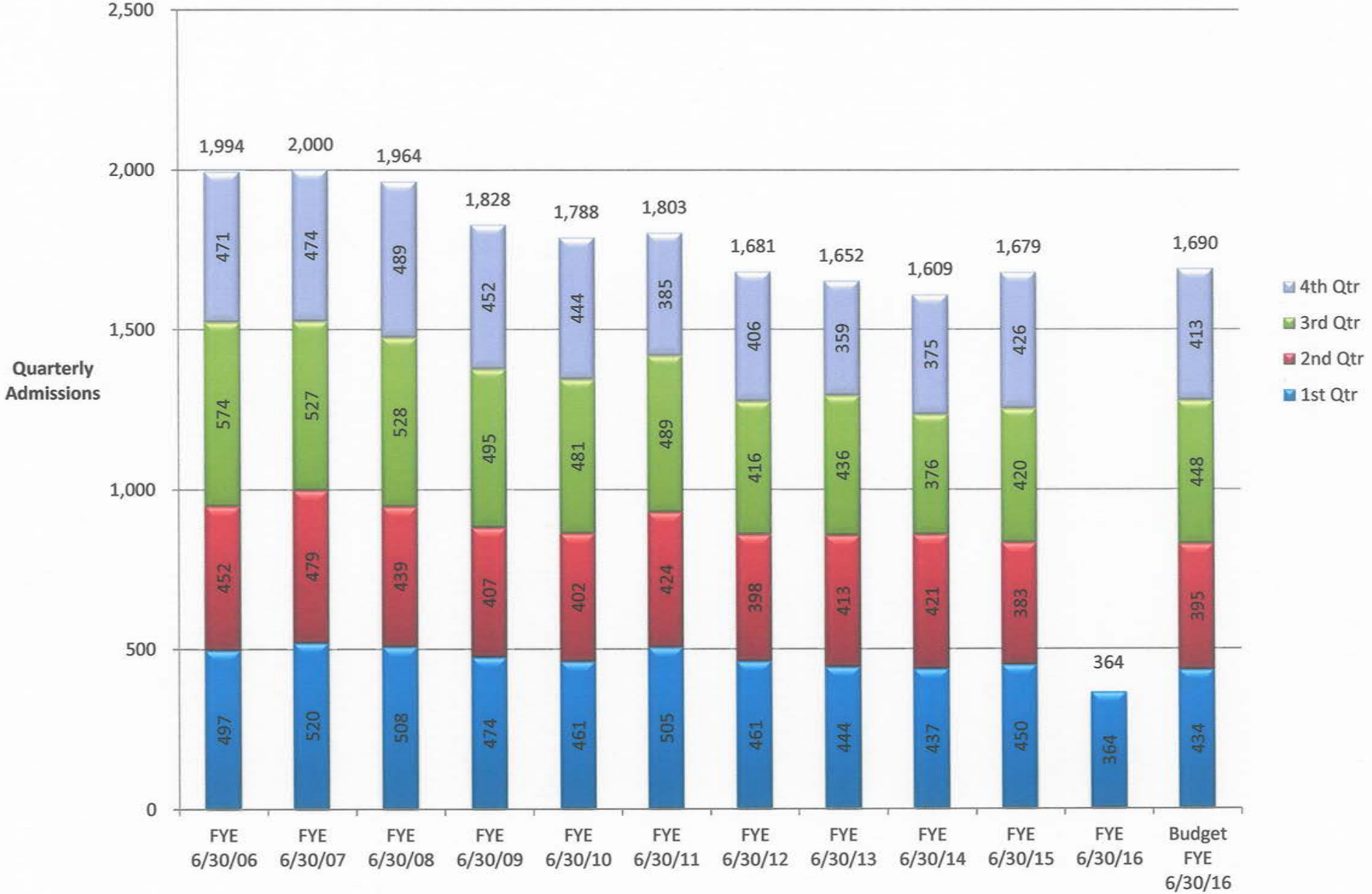
Tahoe Forest Hospital  
 Operating Indicators  
 Outpatient Volumes  
 Month & YTD June 2016

		Sep-14	Sep-14	Jul-15	Aug-15	Sep-15	Sep-15	Sep-15	Sep-15	YTD	YTD	YTD	YTD
		Actual	YTD Actual	Actual	Actual	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
<u>Outpatient</u>													
E/R Visits		878	3,312	1,397	1,240	1,034	929	105.00	11.30%	3,671	3,521	150	4.26%
TF Laboratory Tests		8,358	26,497	9,200	8,677	8,896	7,517	1,379.00	18.35%	26,773	23,354	3,419	14.64%
TC Laboratory Tests		933	3,155	1,005	854	825	911	(86.00)	-9.44%	2,684	2,869	(185)	-6.45%
IVCH Laboratory Tests		398	1,221	464	424	418	414	4.00	0.97%	1,306	1,298	8	0.62%
MOB Tests		464	1,296	719	549	567	442	125.00	28.28%	1,835	1,363	472	34.63%
Clinic Accounts Tests		606	1,379	371	331	456	573	(117.00)	-20.42%	1,158	1,426	(268)	-18.79%
Send Outs O/P Tests		1,410	4,012	1,304	1,185	1,222	1,592	(370.00)	-23.24%	3,711	4,875	(1,164)	-23.88%
	Total O/P Tests	12,169	37,560	13,063	12,020	12,384	11,449	935.00	8.17%	37,467	35,185	2,282	6.49%
Home Health Visits		260	803	472	230	255	299	(44.00)	-14.72%	957	935	22	2.35%
Radiology Exams		521	2,251	785	676	585	576	9.00	1.56%	2,046	2,167	(121)	-5.58%
Ultrasound Exams (excludes Breast US)		199	785	294	237	204	224	(20.00)	-8.93%	735	740	(5)	-0.68%
Cat Scan Exams		221	868	248	272	236	225	11.00	4.89%	756	853	(97)	-11.37%
MRI Scan Exams		136	460	168	152	150	134	16.00	11.94%	470	507	(37)	-7.30%
<u>Operating Room</u>													
Cases		71	274	89	77	61	84	(23.00)	-27.38%	227	255	(28)	-10.98%
Minutes		4,740	18,670	5,948	5,116	4,249	5,755	(1,506.00)	-26.17%	15,313	17,363	(2,050)	-11.81%

Incline Village Community Hospital  
 Operating Indicators  
 Month & YTD June 2016  
 September 30, 2015

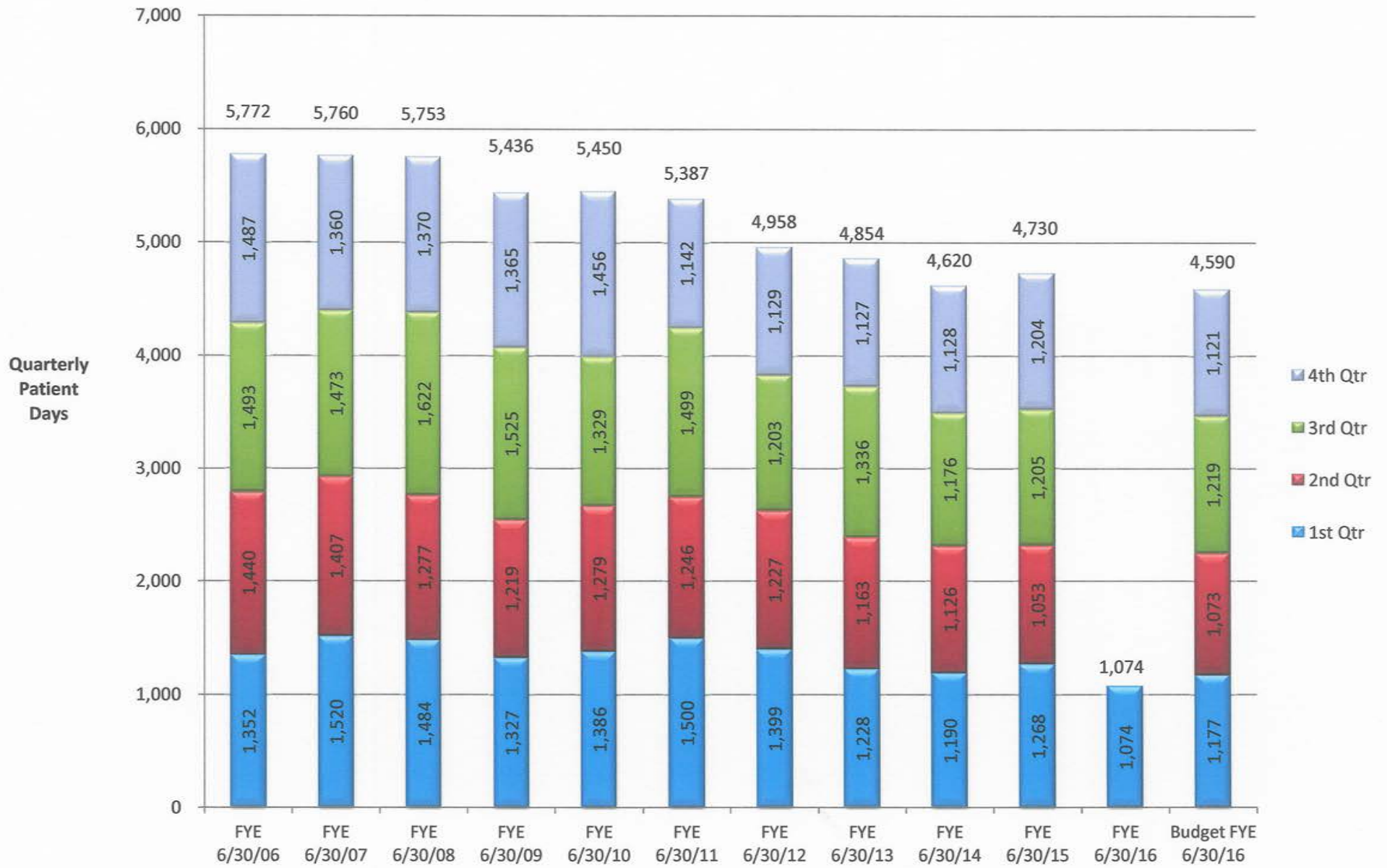
	Sep-14 Actual	Sep-14 YTD Actual	Jul-15 Actual	Aug-15 Actual	Sep-15 Actual	Sep-15 Budget	Sep-15 Variance	Sep-15 % Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance
Admissions	0	4	1	1	0	1	(1.00)	-100.00%	2	3	-1	-33.33%
Registrations	795	2,669	987	897	813	813	0.00	0.00%	2,697	2,827	(130)	-4.60%
I/P Days	0	5	4	2	0	1	(1.00)	-100.00%	6	2	4	200.00%
Observation Days	0	3	1	5	4	2	2.00	100.00%	10	7	3	42.86%
Total Days	0	8	5	7	4	3	1.00	33.33%	16	9	7	77.78%
Emergency Visits	317	1,130	467	422	330	285	45.00	15.79%	1,219	1,127	92	8.16%
<b>Surgical Services:</b>												
Cases - Inpatient	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Cases - Outpatient	5	24	6	7	8	8	0.00	0.00%	21	22	(1)	-4.55%
Total Cases	5	24	6	7	8	8	0.00	0.00%	21	22	(1)	-4.55%
Minutes	1,400	7,155	2,557	2,286	2,499	2,481	18.00	0.73%	7,342	6,735	607	9.01%
Laboratory Tests (inc EKG's)	2,644	8,394	3,322	2,816	2,928	2,278	650.00	28.53%	9,068	7,543	1,525	20.22%
Radiology - I/P Exams	0	0	1	2	0	0	0.00	0.00%	3	1	2	200.00%
Radiology - O/P Exams	57	210	62	70	77	64	13.00	20.31%	209	214	(5)	-2.34%
Radiology - ER Exams	128	481	187	201	130	116	14.00	12.07%	518	458	60	13.10%
Radiology (inc mammos) Totals	185	691	250	273	207	180	27.00	15.00%	730	673	57	8.47%
CT - I/P Exams	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
CT - O/P Exams (Inc. US)	16	51	7	15	11	13	(2.00)	-15.38%	33	42	(9)	-21.43%
CT - ER Exams	33	128	72	97	66	37	29.00	78.38%	235	146	89	60.96%
Total Cat Scan Exams	49	177	79	112	77	50	27.00	54.00%	268	188	80	42.55%
Pharmacy - I/P units	0	87	60	41	0	18	(18.00)	-100.00%	101	40	61	152.50%
Pharmacy - O/P units	564	2,447	994	896	773	627	146.00	23.29%	2,663	2,478	185	7.47%
Pharmacy Totals	564	2,534	1,054	937	773	645	128.00	19.84%	2,764	2,518	246	9.77%
IV's - Inpatient	0	2	3	0	0	1	(1.00)	-100.00%	3	2	1	50.00%
IV's - Outpatient	12	27	12	15	12	40	(28.00)	-70.00%	39	157	(118)	-75.16%
Total IV's	12	29	15	15	12	41	(29.00)	-70.73%	42	159	(117)	-73.58%
RT - I/P Procedures	0	17	28	30	0	0	0.00	0.00%	58	0	58	0.00%
RT - O/P Procedures	91	400	147	150	216	0	216.00	0.00%	513	0	513	0.00%
R/T Totals	91	417	175	180	216	0	216.00	0.00%	571	0	571	0.00%
Sleep Clinic Visits	18	40	13	26	13	14	(1.00)	-7.14%	52	43	9	20.93%
<b>Perioperative Services Minutes</b>												
OR - Inpatients	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
OR - Outpatients	332	2,004	744	760	682	668	14.00	2.10%	2,186	1,812	374	20.64%
OR - Total	332	2,004	744	760	682	668	14.00	2.10%	2,186	1,812	374	20.64%
Total ASD	897	4,359	1,603	1,332	1,586	1,580	6.00	0.38%	4,521	4,288	233	5.43%
I/P Recovery	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
O/P Recovery	171	737	210	194	231	233	(2.00)	-0.86%	635	635	0	0.00%
Total Recovery	171	737	210	194	231	233	(2.00)	-0.86%	635	635	0	0.00%
Pain Clinic	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Procedure Room	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Total Surgicenter Minutes	1,400	7,100	2,557	2,286	2,499	2,481	18.00	0.73%	7,342	6,735	607	9.01%
<b>Anesthesia - Minutes</b>												
Inpatient	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Out Patient	357	2,131	747	782	712	697	15.00	2.15%	2,241	1,891	350	18.51%
Elsewhere	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Total Anesthesia - Minutes	357	2,131	747	782	712	697	15.00	2.15%	2,241	1,891	350	18.51%
<b>Dietary</b>												
Patient Meals	61	232	83	98	73	70	3.00	4.29%	254	218	36	16.51%
Pantries	230	659	252	161	238	173	65.00	37.57%	651	557	94	16.88%
Non-patient Meals	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Total Meals	291	891	335	259	311	243	68.00	27.98%	905	775	130	16.77%
Flu Shots	74	74	0	0	0	53	(53.00)	-100.00%	0	53	(53)	-100.00%
P/T - 42 076	2,211	6,966	3,011	2,820	2,678	2,551	127.00	4.98%	8,509	8,176	333	4.07%
OT - 42 080	175	436	87	99	104	96	8.00	8.33%	290	326	-36	-11.04%
Diamond Peak - Patients Seen	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%
Incline Village Health Clinic	109	309	112	158	143	85	58.00	68.24%	413	255	158	61.96%

# TOTAL TFH ADMISSIONS

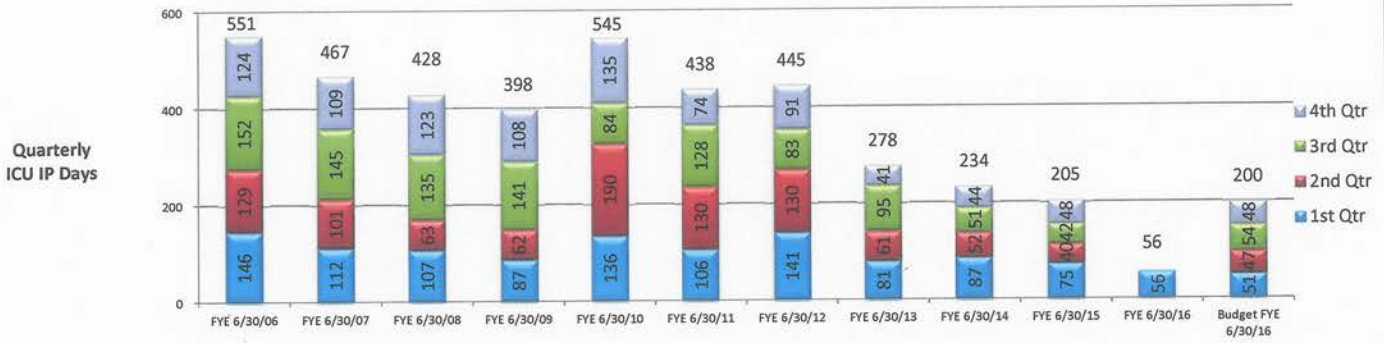




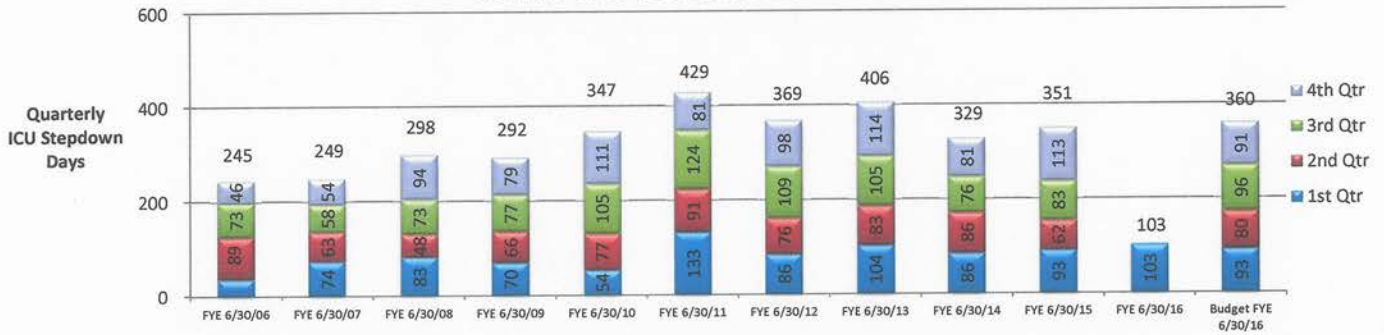
## TOTAL TFH PATIENT DAYS



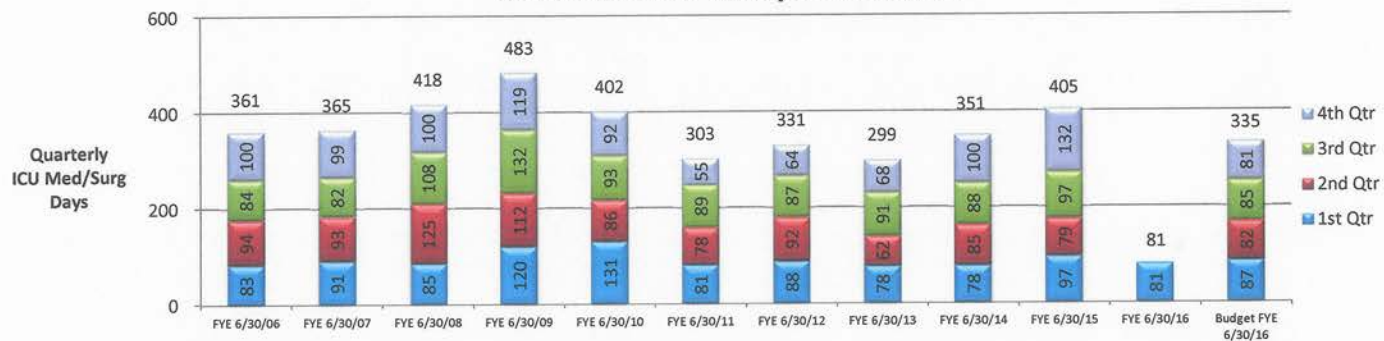
### TOTAL TFH ICU INPATIENT DAYS



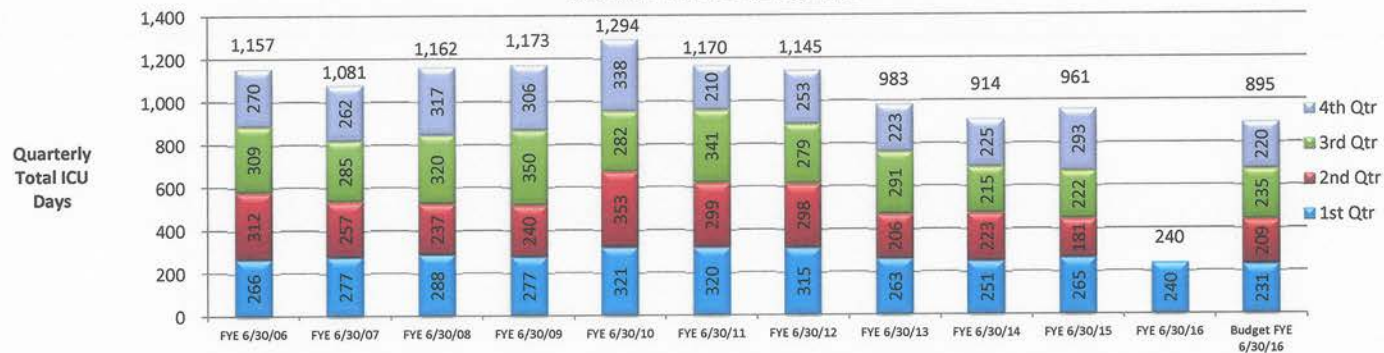
### TOTAL TFH ICU STEPDOWN DAYS



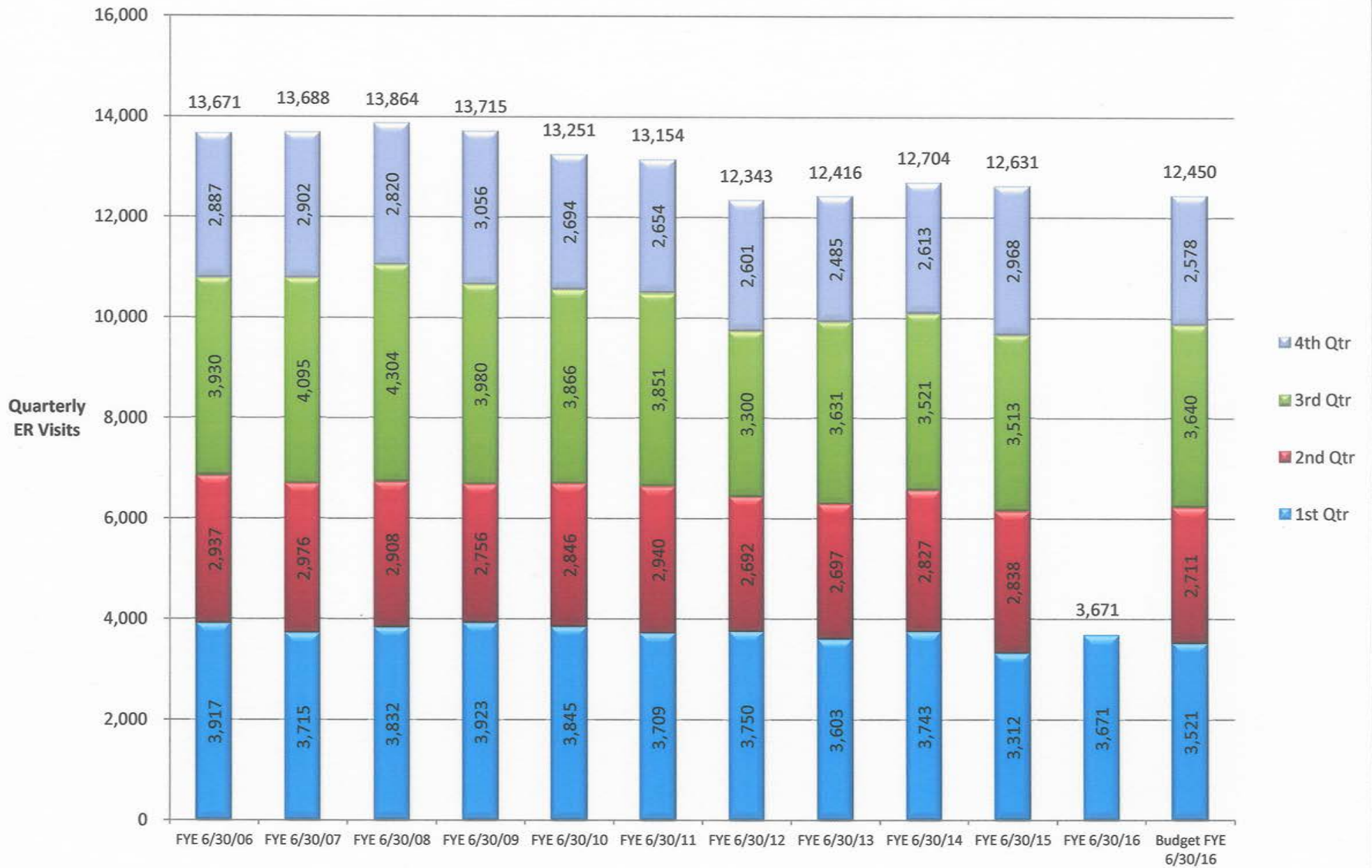
### TOTAL TFH ICU MED/SURG DAYS



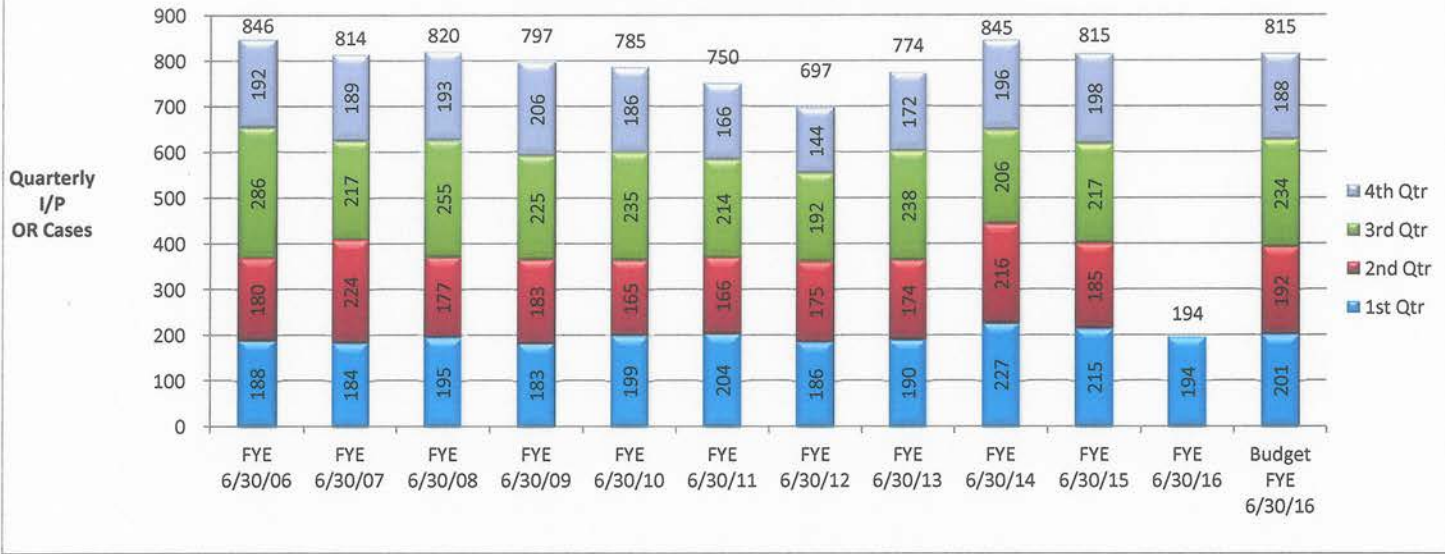
### TOTAL TFH ICU DAYS



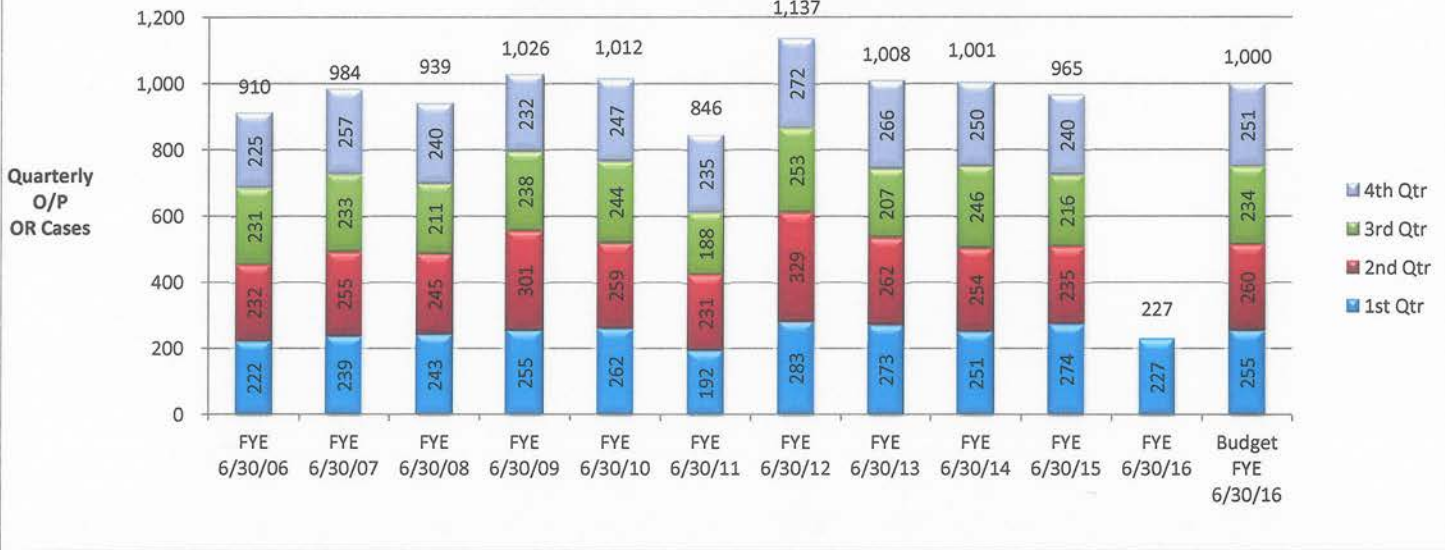
# TOTAL TFH ER VISITS



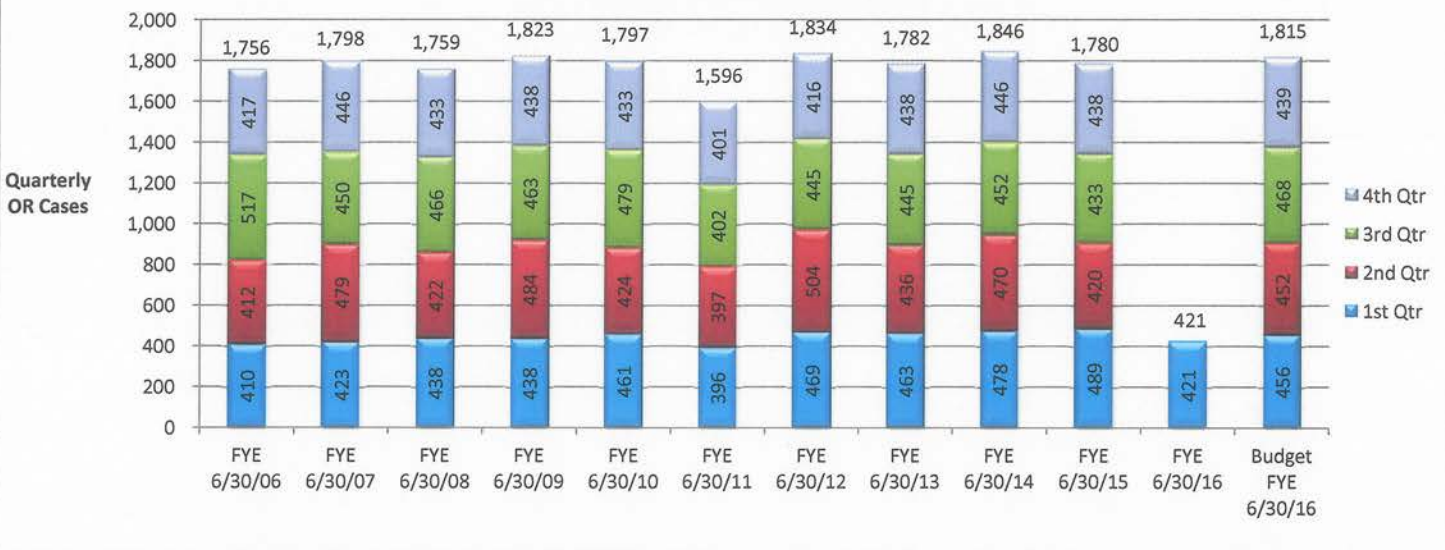
### TOTAL TFH INPATIENT OR CASES



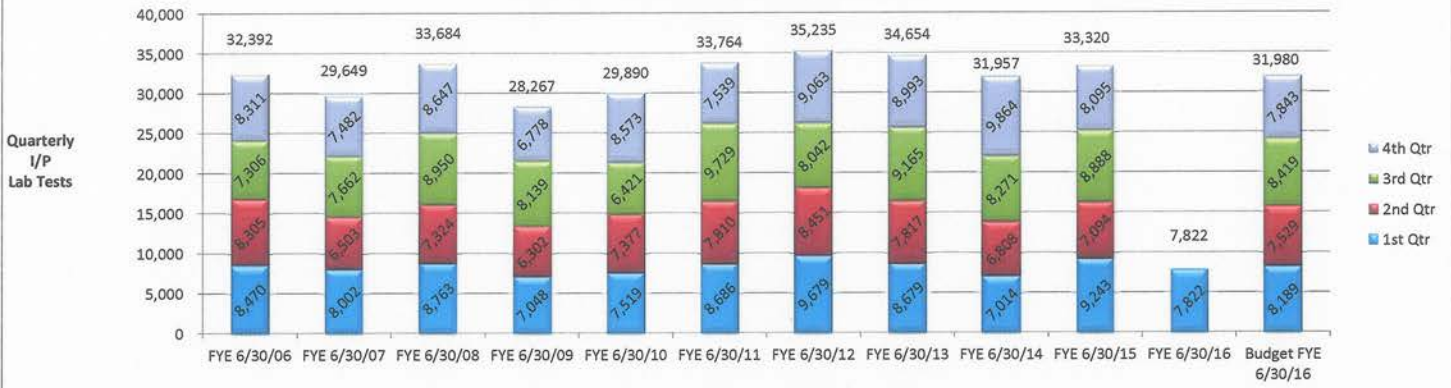
### TOTAL TFH OUTPATIENT OR CASES



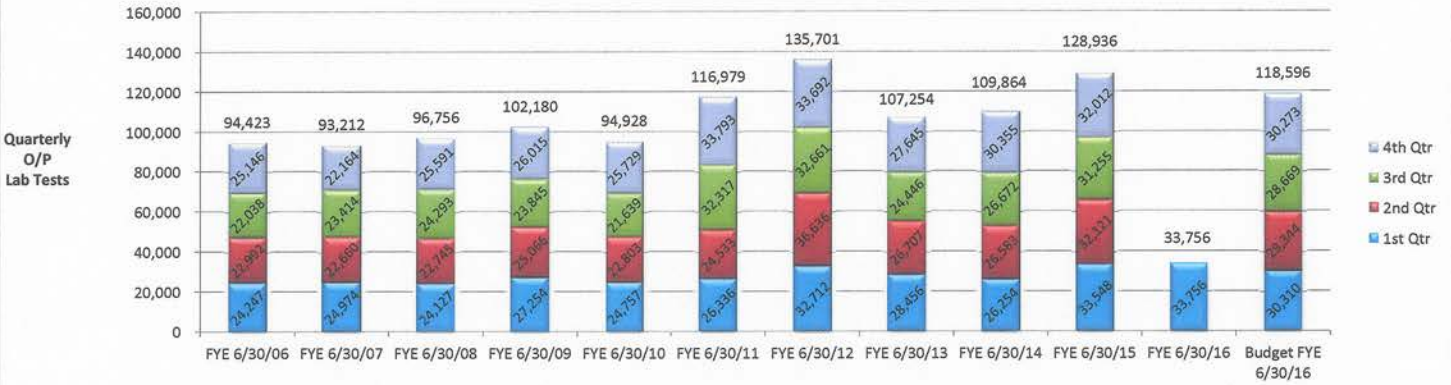
### TOTAL TFH OR CASES



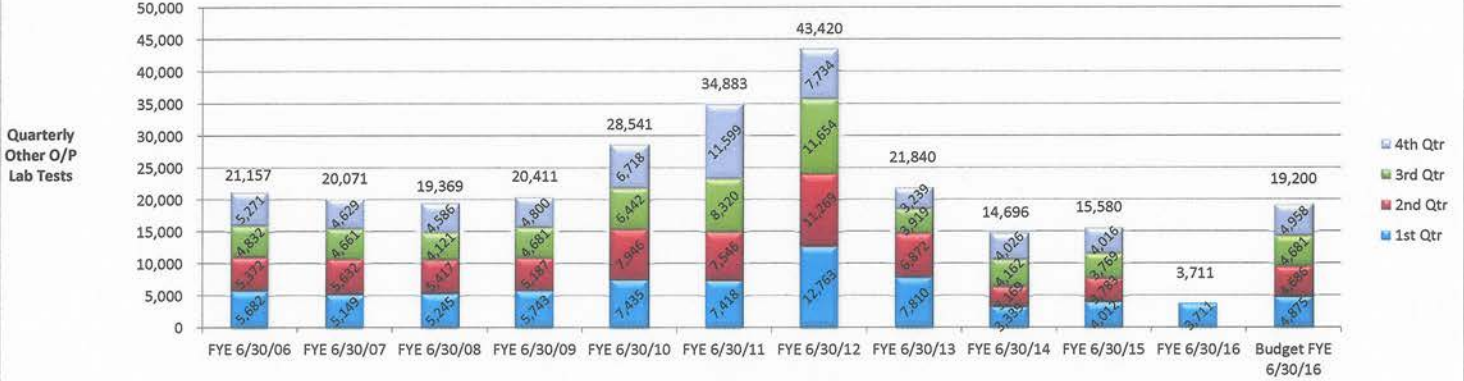
### TOTAL TFH INPATIENT LAB TESTS



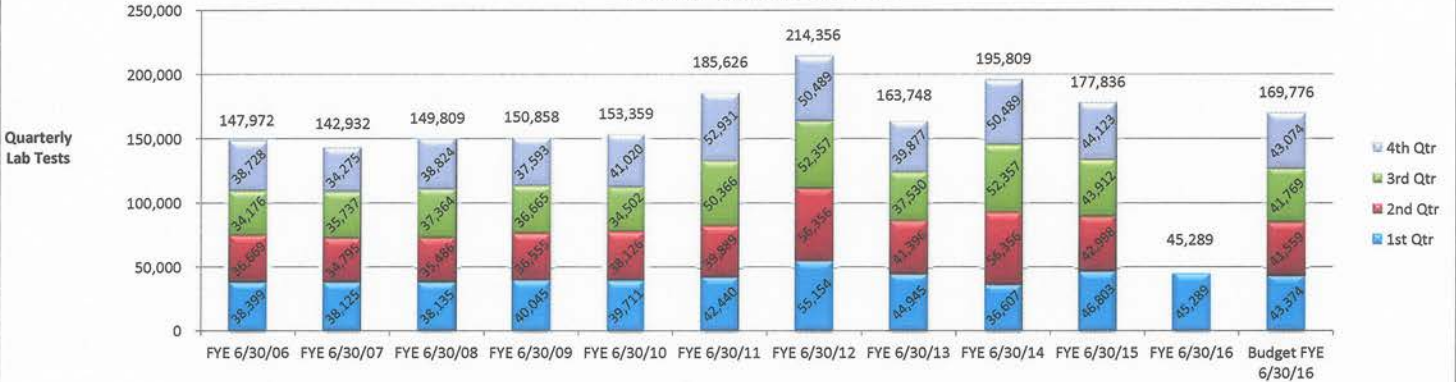
### TOTAL TFH OUTPATIENT LAB TESTS



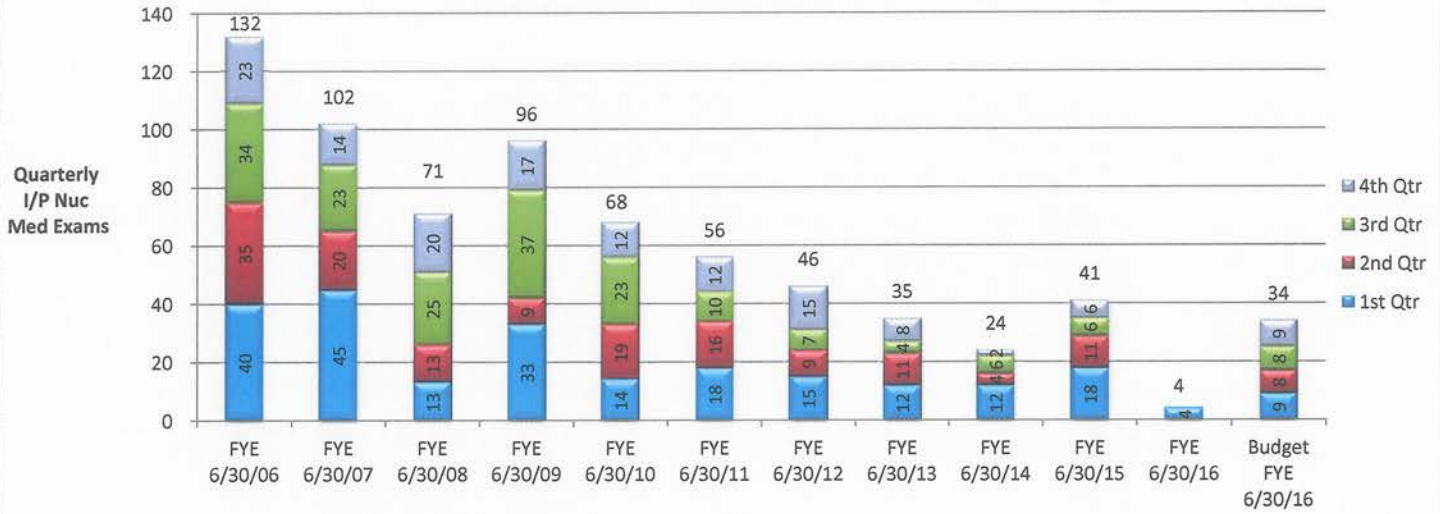
### TOTAL TFH OTHER OUTPATIENT LAB TESTS



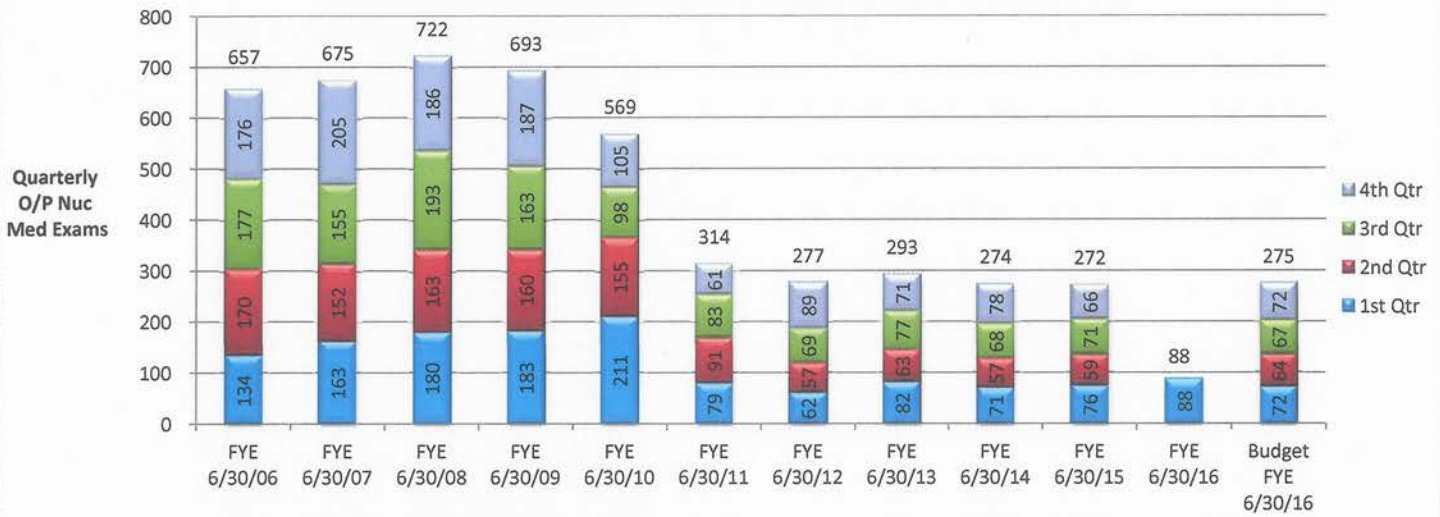
### TOTAL TFH LAB TESTS



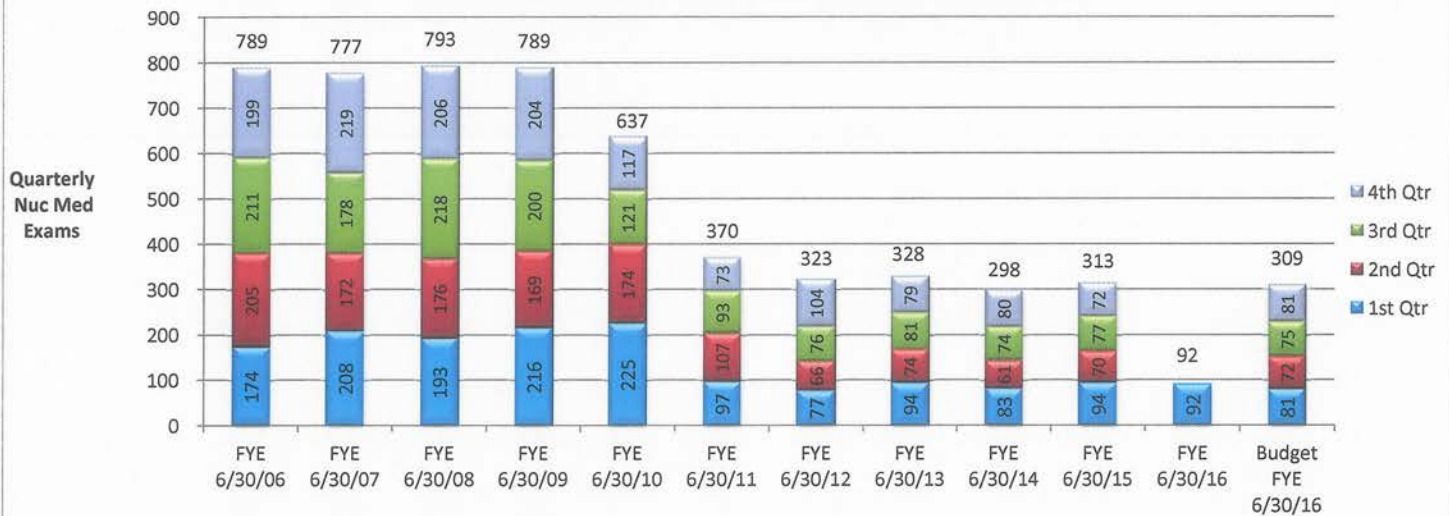
### TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS



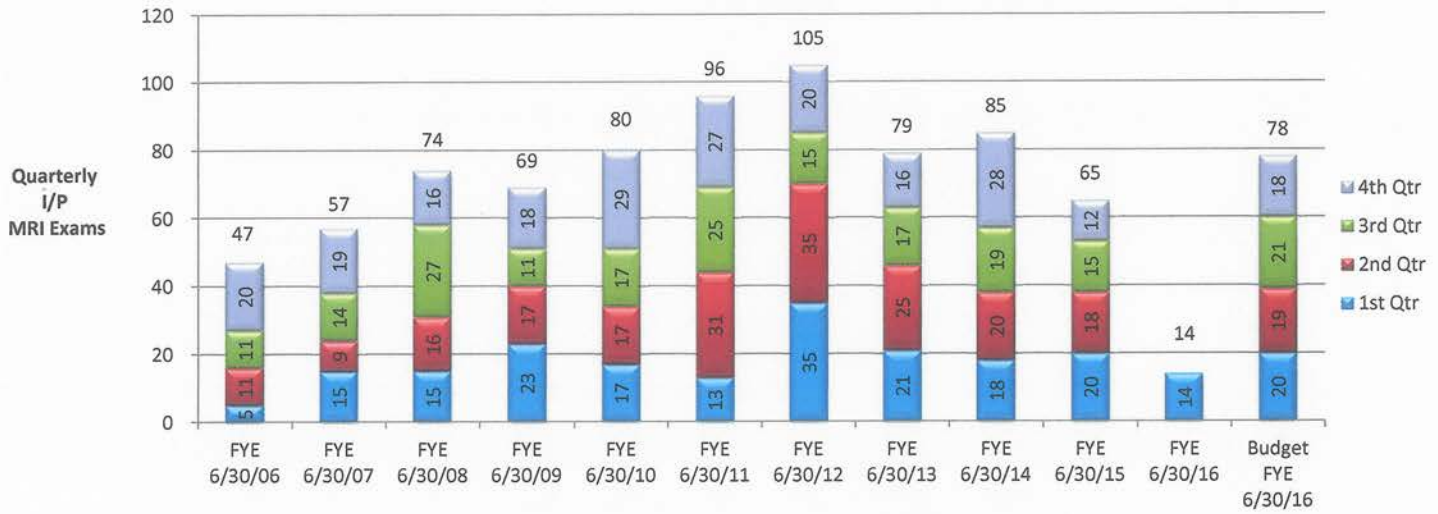
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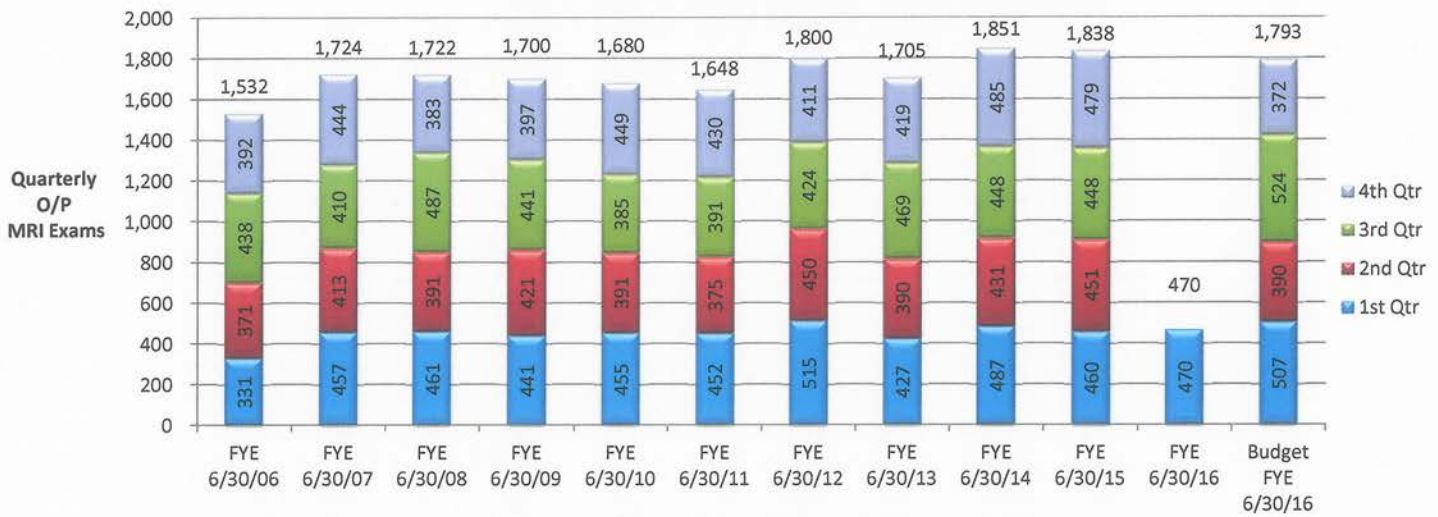
### TOTAL TFH NUCLEAR MEDICINE EXAMS



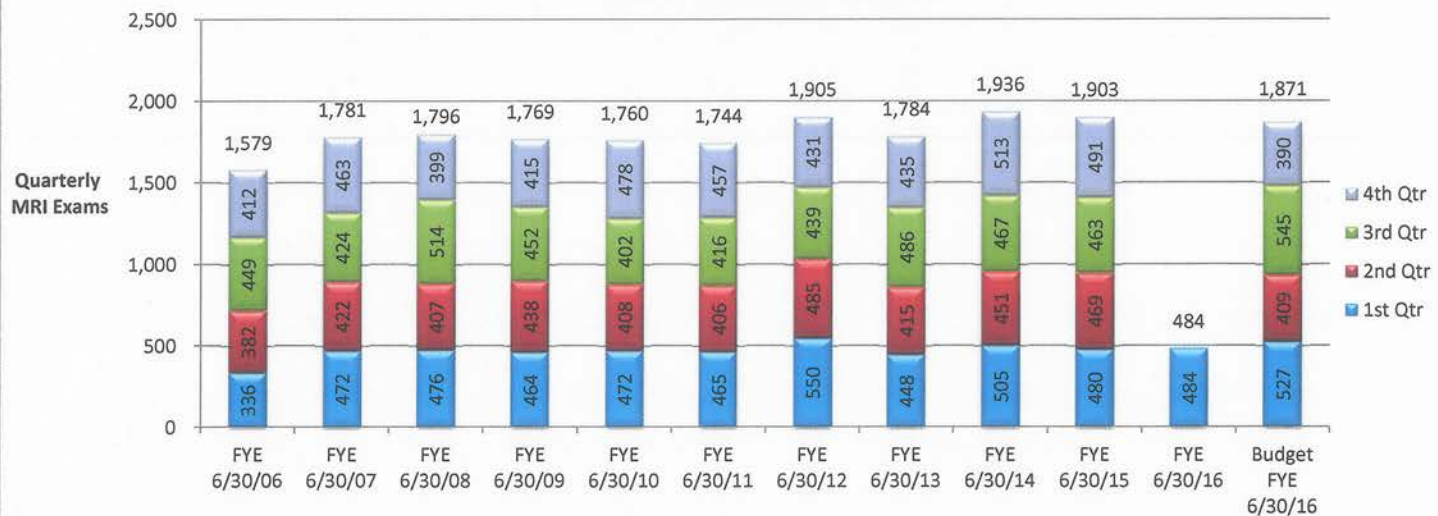
### TOTAL TFH MRI INPATIENT EXAMS



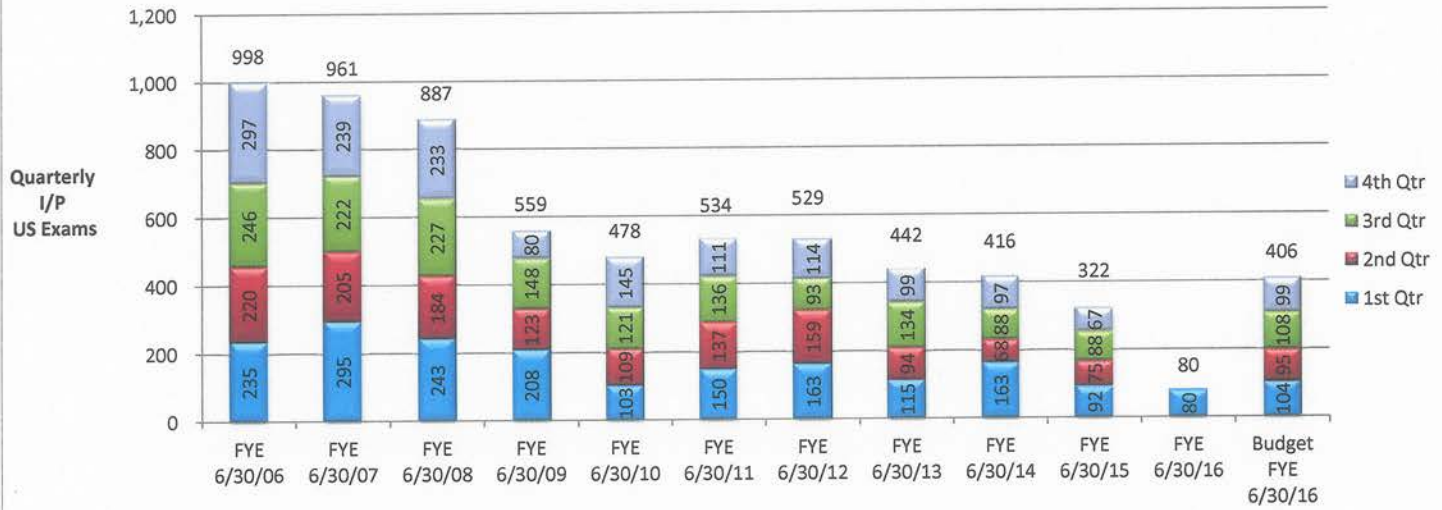
### TOTAL TFH MRI OUTPATIENT EXAMS



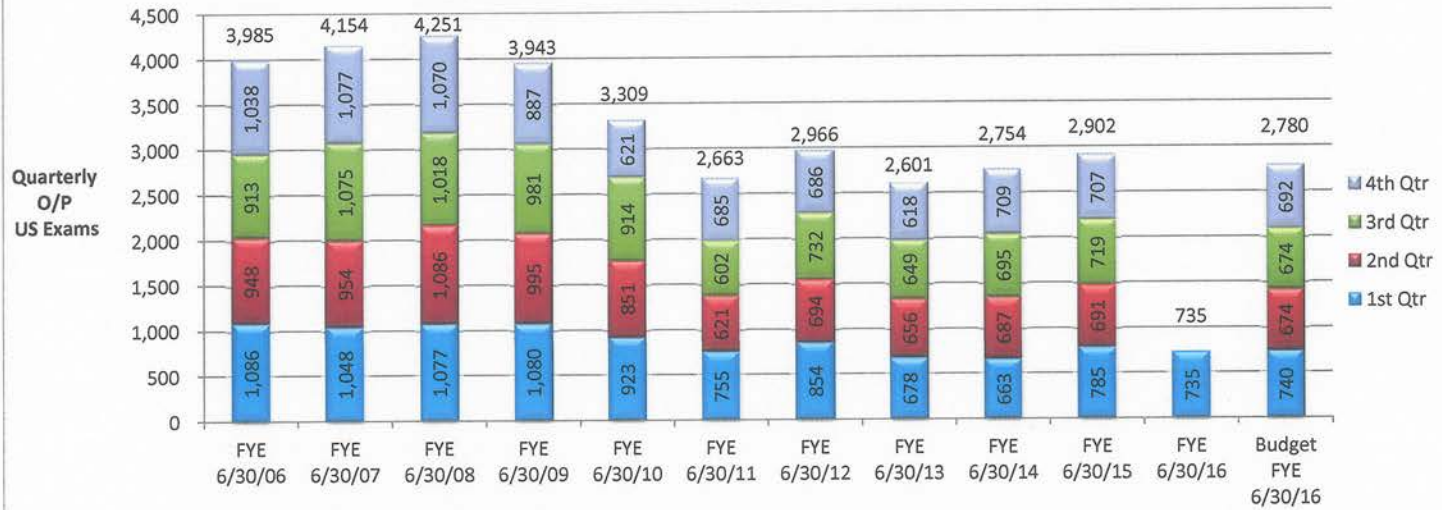
### TOTAL TFH MRI EXAMS



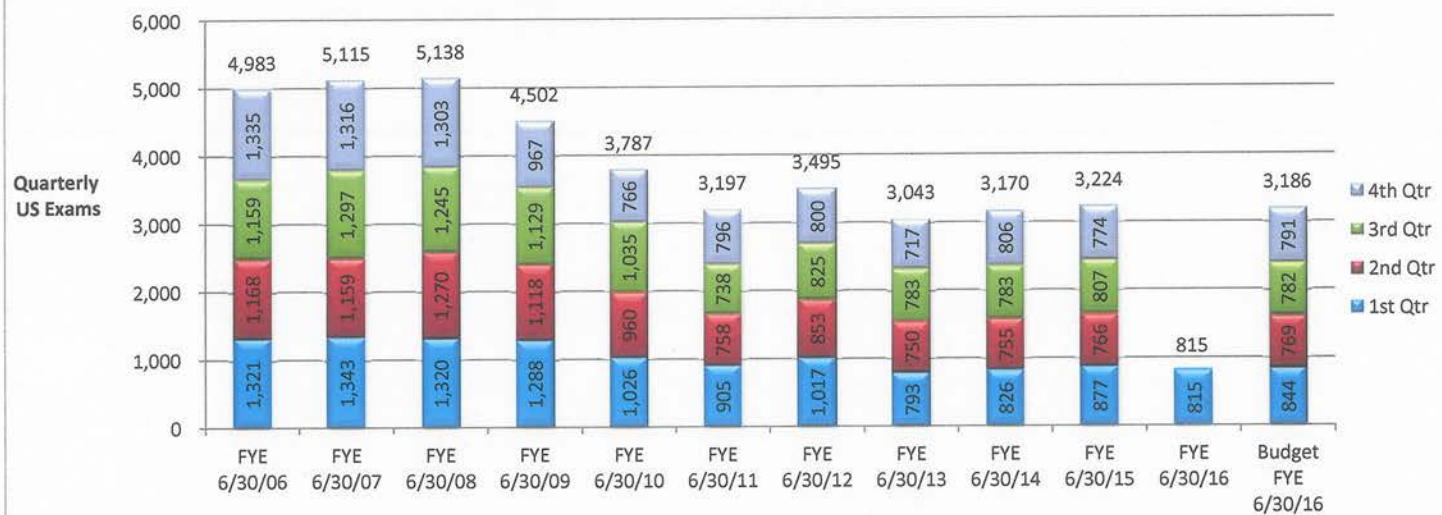
### TOTAL TFH ULTRASOUND INPATIENT EXAMS



### TOTAL TFH ULTRASOUND OUTPATIENT EXAMS

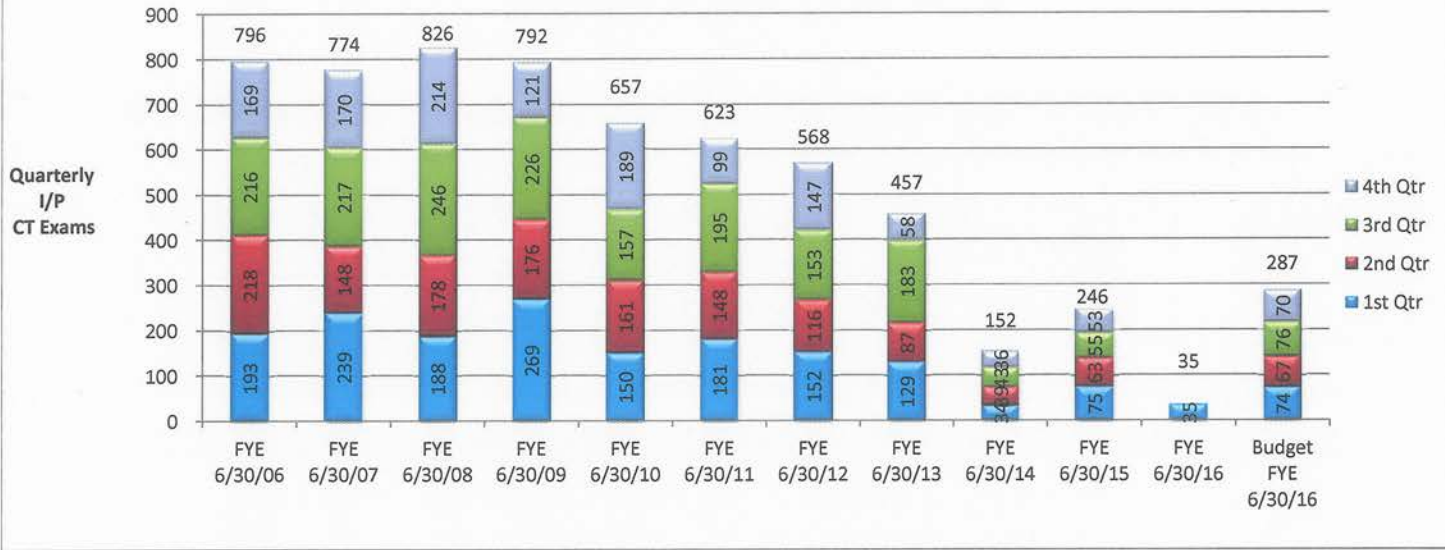


### TOTAL TFH ULTRASOUND EXAMS

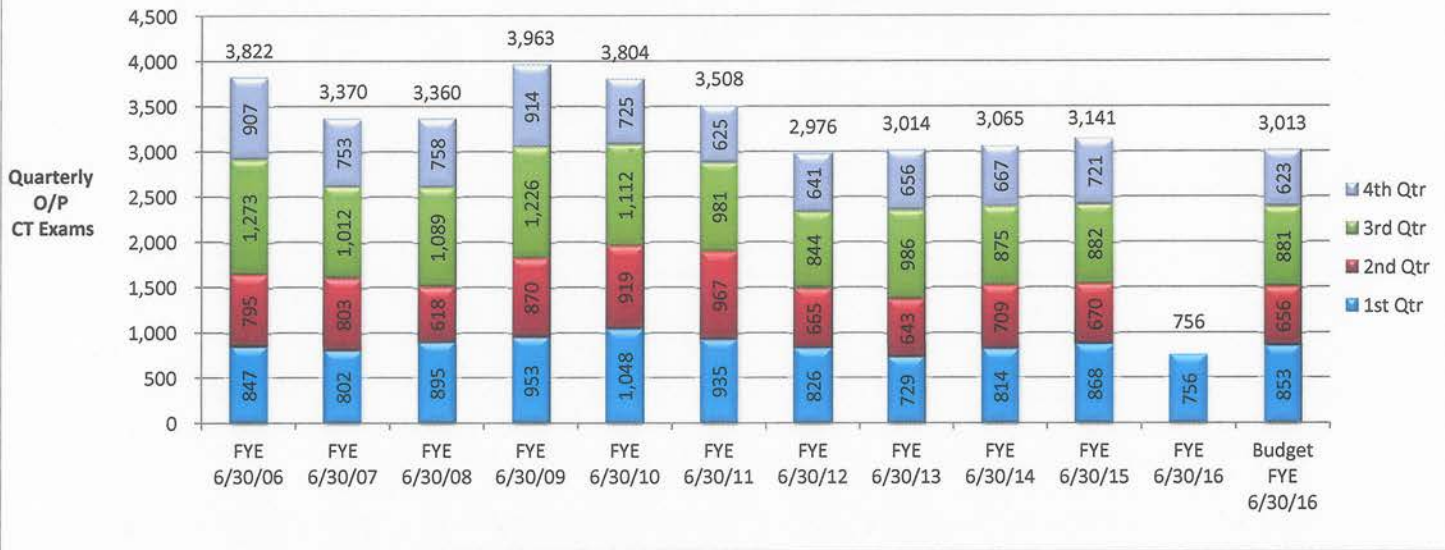




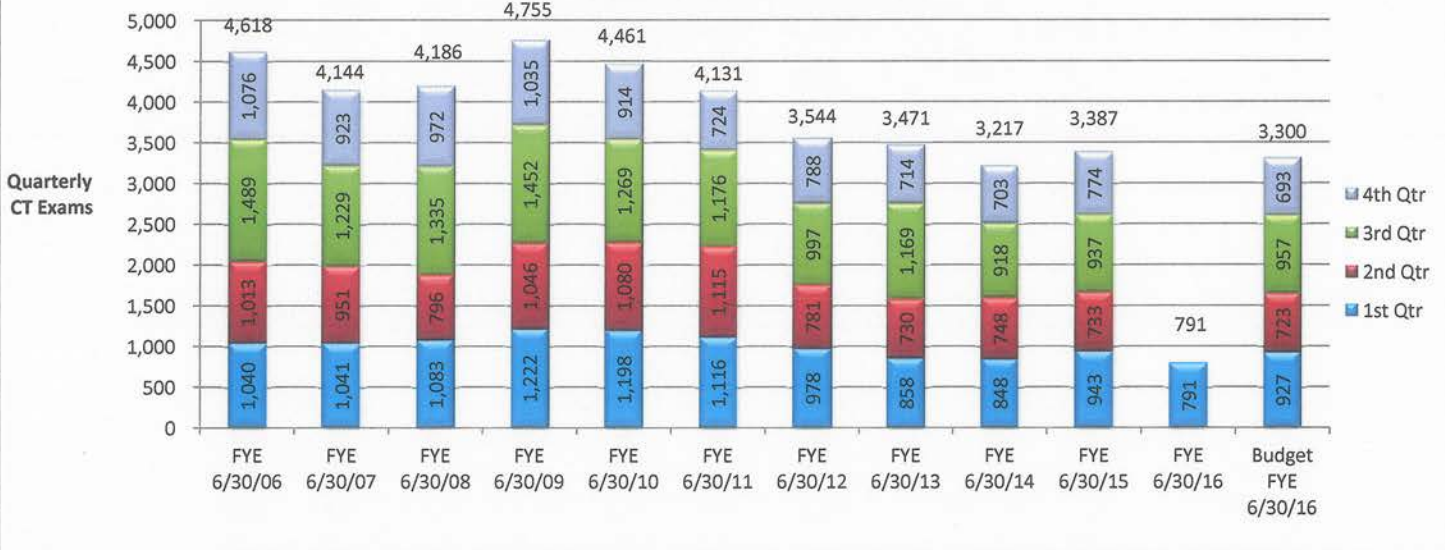
### TOTAL TFH CT INPATIENT EXAMS



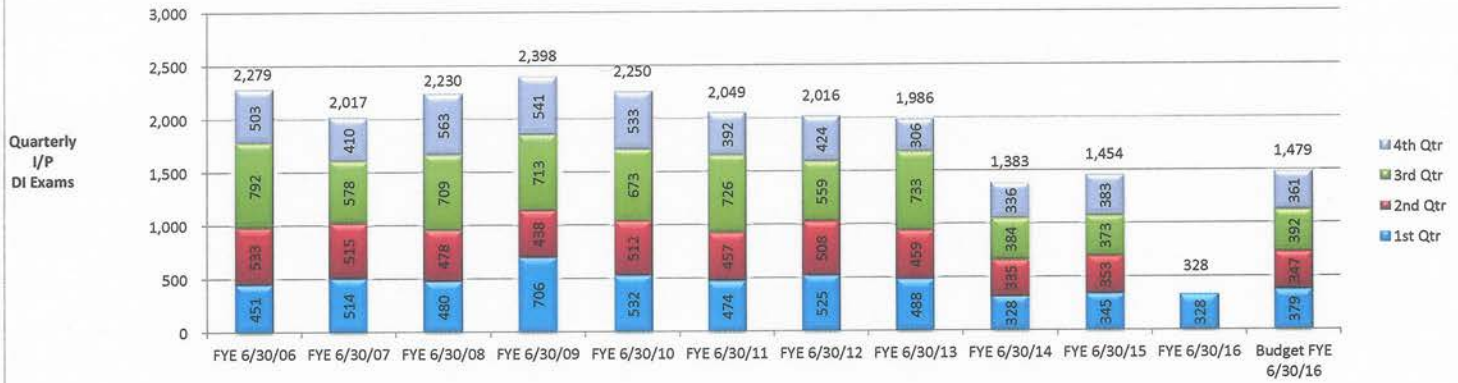
### TOTAL TFH CT OUTPATIENT EXAMS



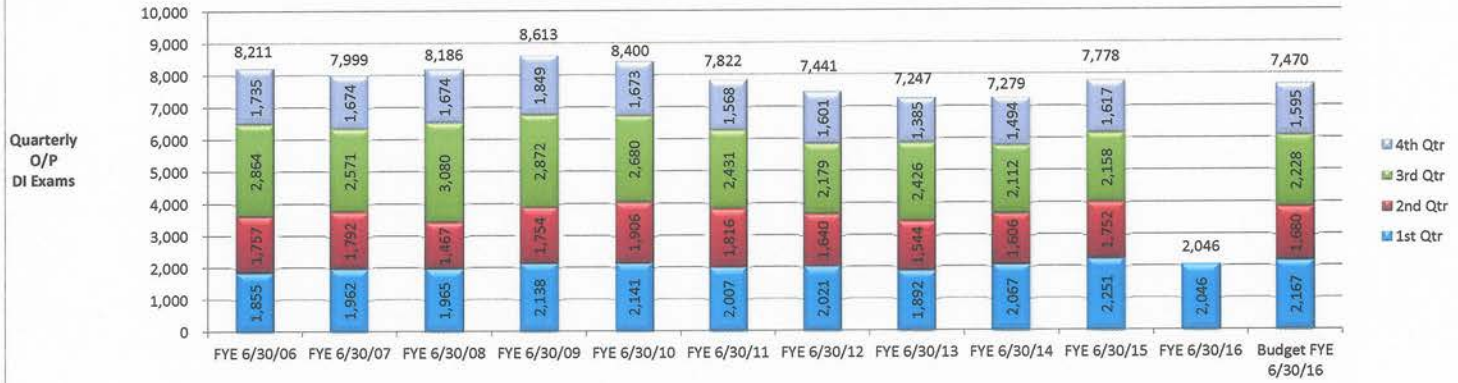
### TOTAL TFH CT EXAMS



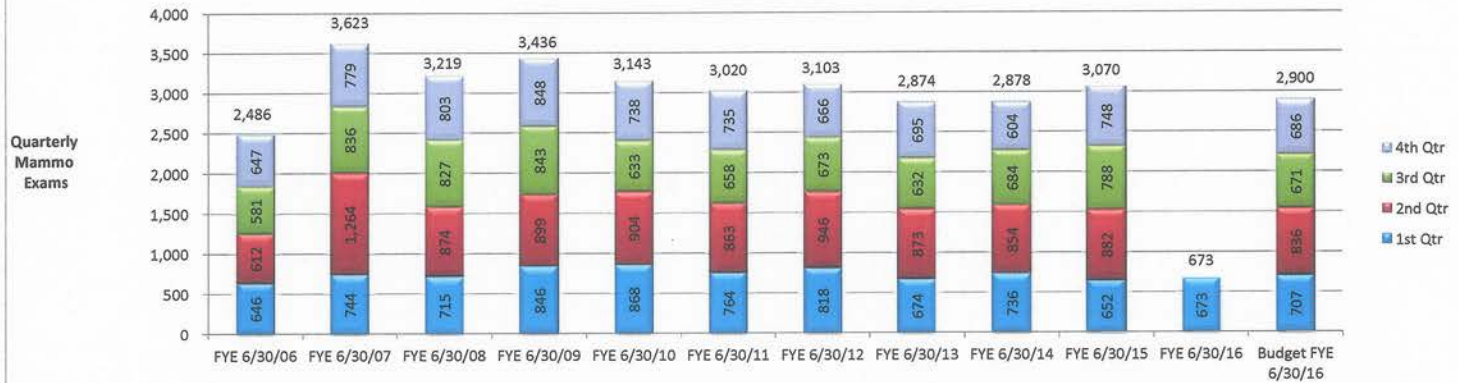
### TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



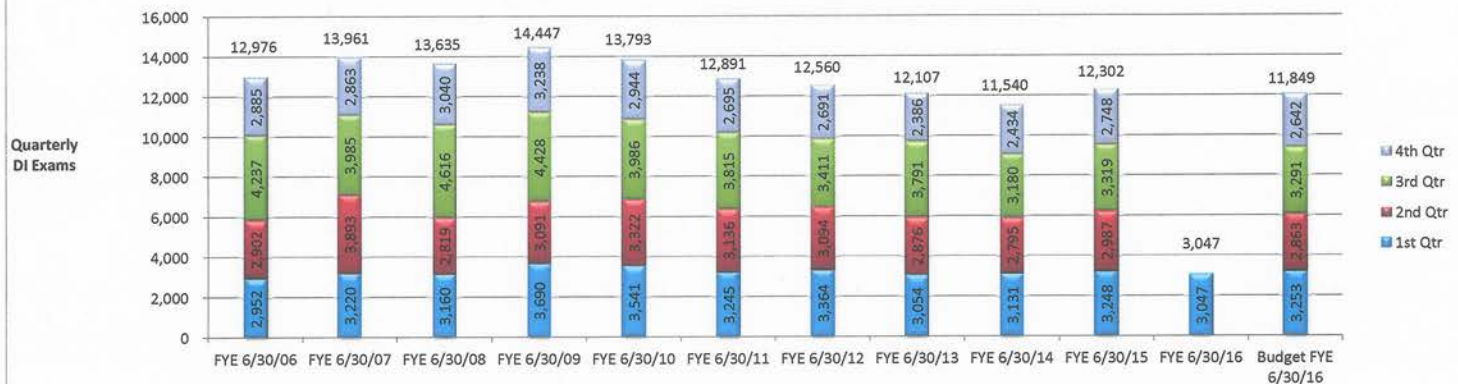
### TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS



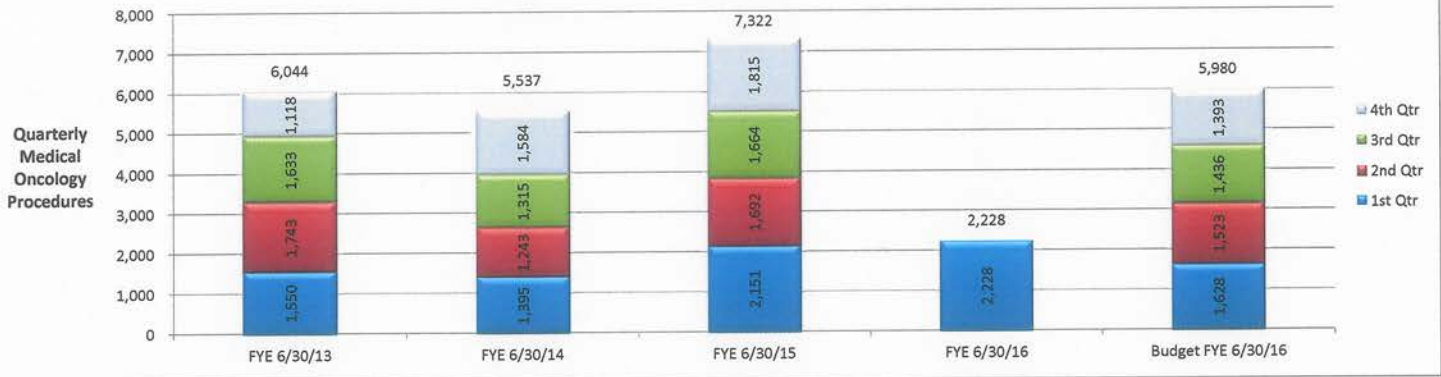
### TOTAL TFH MAMMOGRAPHY EXAMS



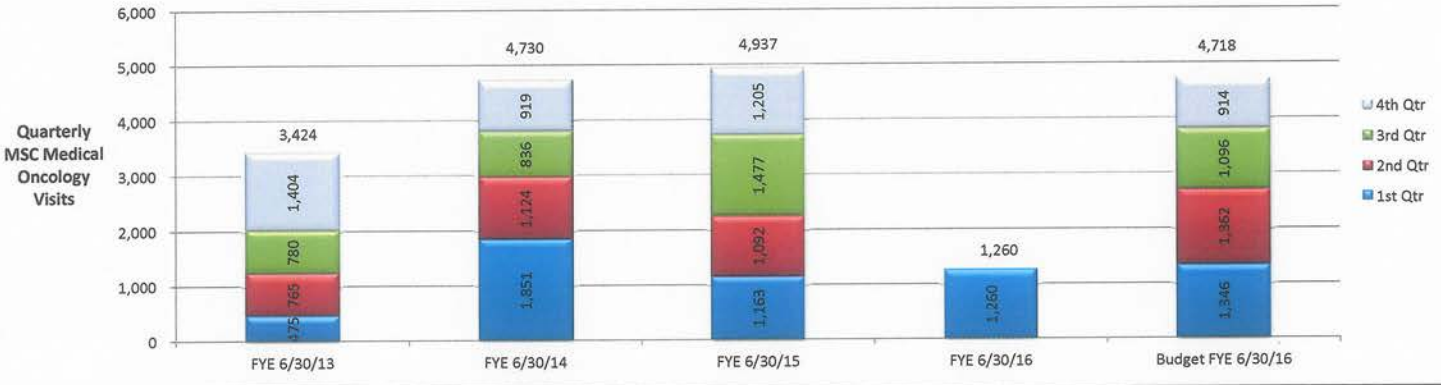
### TOTAL TFH DIAGNOSTIC IMAGING EXAMS



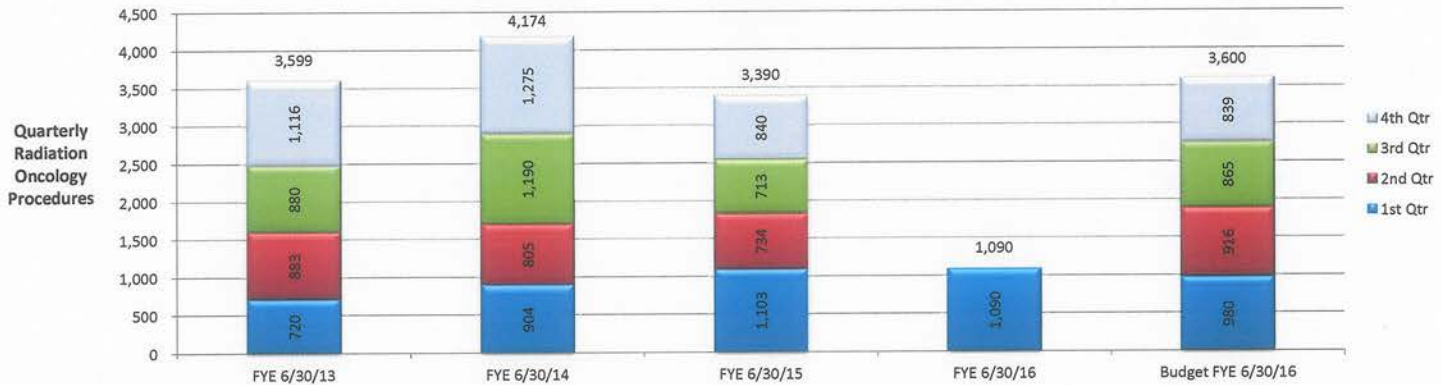
### TOTAL TFH MEDICAL ONCOLOGY PROCEDURES



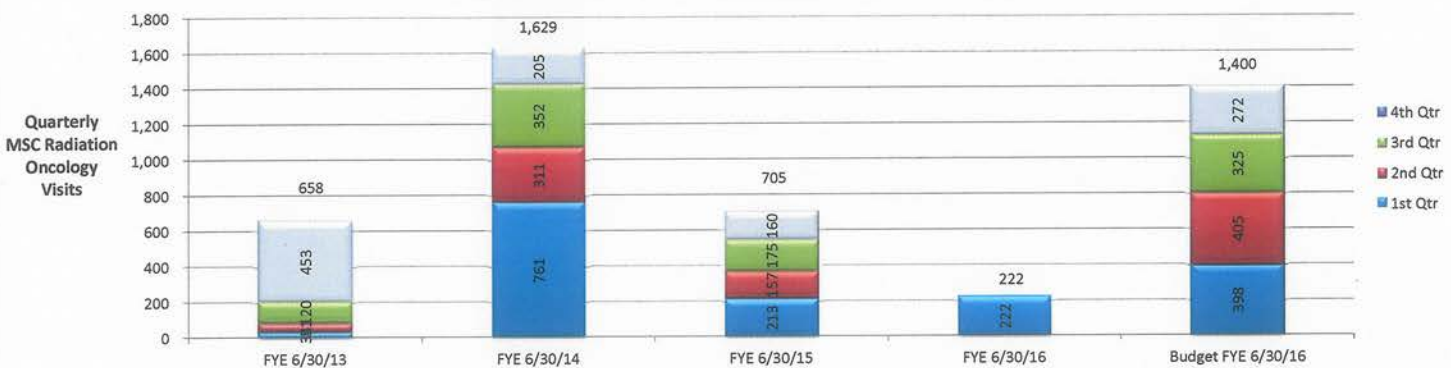
### TOTAL TFH MSC MEDICAL ONCOLOGY VISITS



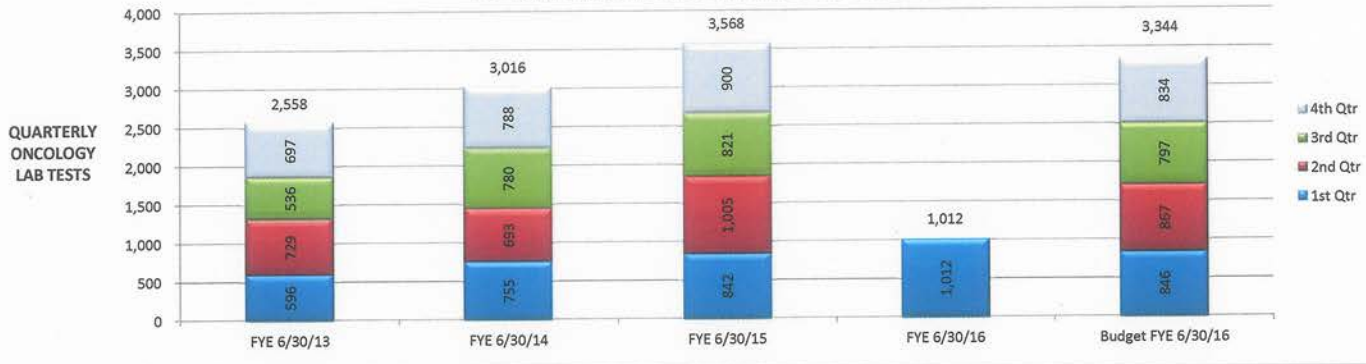
### TOTAL TFH RADIATION ONCOLOGY PROCEDURES



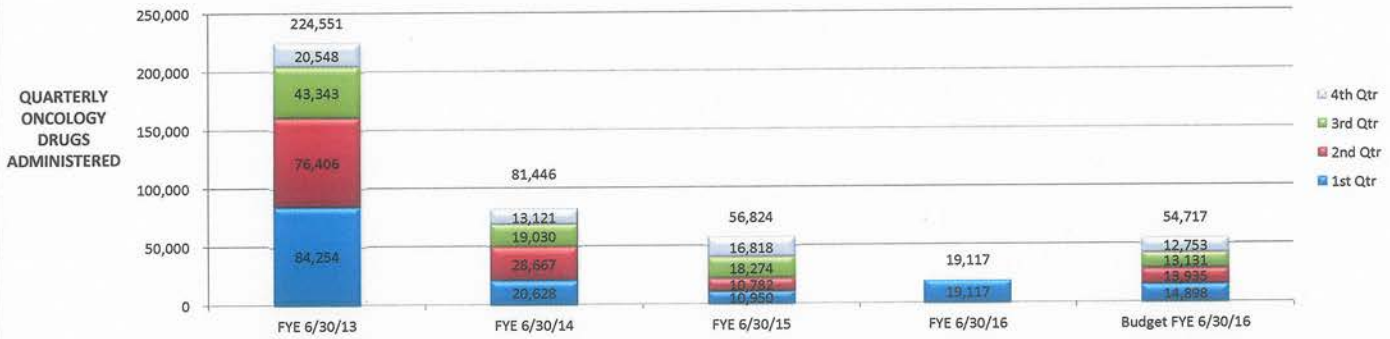
### TOTAL TFH MSC RADIATION ONCOLOGY VISITS



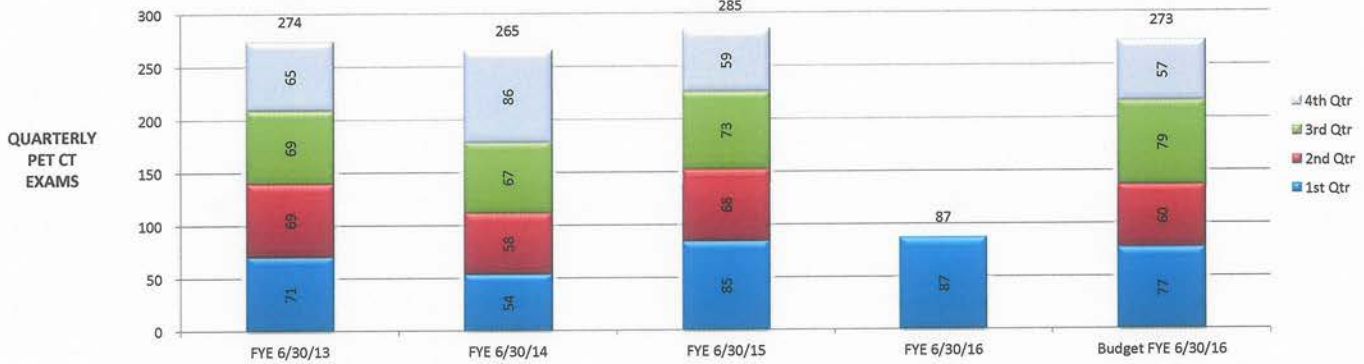
### TOTAL TFH ONCOLOGY LABORATORY TESTS



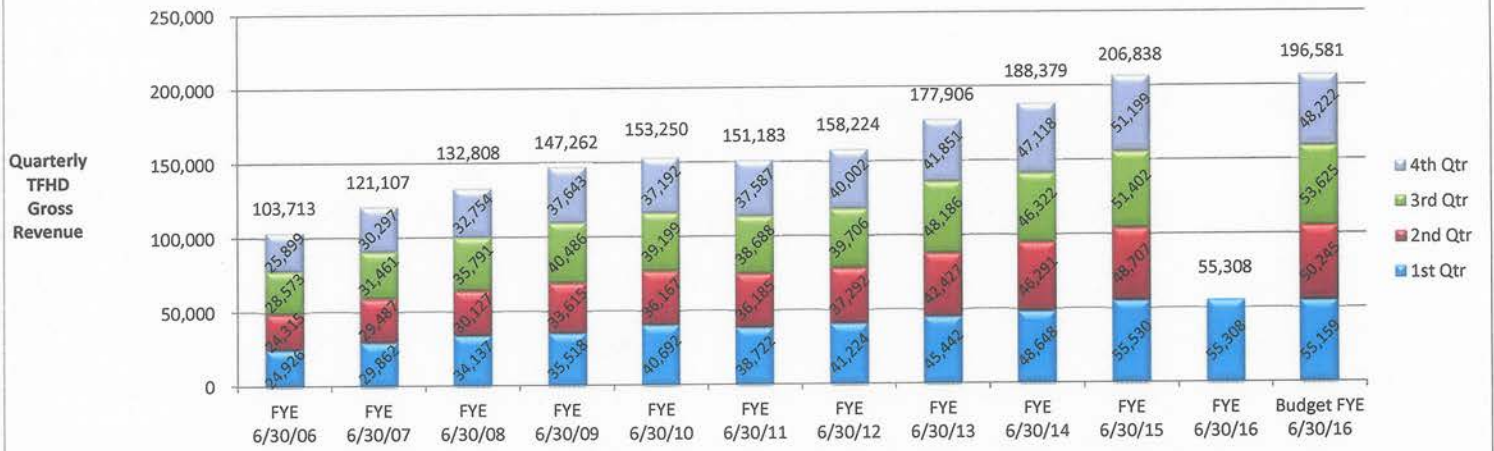
### TOTAL TFH ONCOLOGY DRUGS SOLD TO PATIENTS



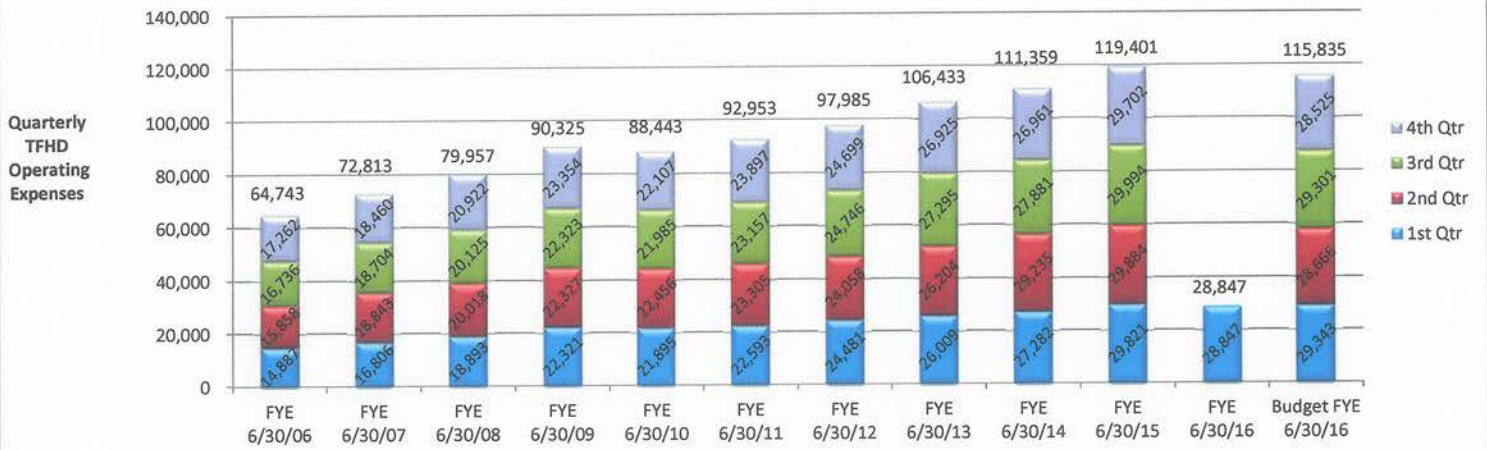
### TOTAL TFH PET CT EXAMS



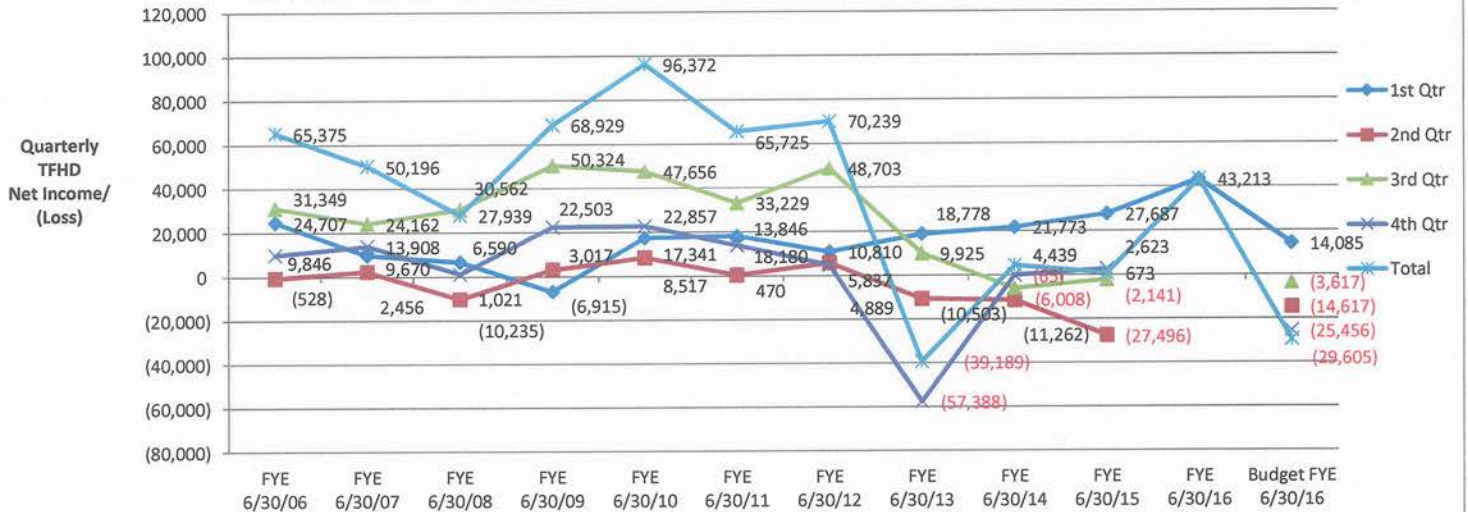
### TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



### TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



### TAHOE FOREST HOSPITAL DISTRICT TOTAL NET INCOME/(LOSS) (In Hundreds)



**TAHOE FOREST HOSPITAL DISTRICT  
SEPARATE BUSINESS ENTERPRISES  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	HOME HEALTH				HOSPICE			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 2014	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 2014
Gross Operating Revenue	496,025	534,968	(38,943)	398,247	425,895	477,586	(51,691)	499,413
Deduction From Rev	281,074	303,142	22,067	139,164	213,920	239,883	25,963	276,167
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	214,951	231,827	(16,876)	259,083	211,975	237,703	(25,727)	223,246
<b>Operating Expense:</b>								
Salaries	161,362	138,114	(23,248)	136,369	81,619	119,198	37,578	91,725
Benefits	74,935	66,627	(8,309)	74,662	59,283	73,779	14,496	76,373
Professional Fees	129	200	71	100	4,050	3,000	(1,050)	4,600
Supplies	3,716	4,385	668	5,028	11,805	20,161	8,356	23,584
Purchased Services	12,928	13,948	1,020	13,636	12,177	17,400	5,223	20,941
Other Expenses	4,814	6,446	1,633	10,415	9,827	13,210	3,383	14,876
Total Operating Expenses	257,884	229,719	(28,166)	240,210	178,762	246,748	67,986	232,099
Net Operating Rev (Exp)	(42,934)	2,108	(45,041)	18,873	33,213	(9,045)	42,259	(8,853)
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	2,390	7,200	(4,810)	2,150
Thrift Store Net Income	-	-	-	-	148,120	95,157	52,964	143,086
Employee Benefit - EE Discounts	-	-	-	-	-	-	-	-
Depreciation	(3,181)	(3,181)	-	(4,445)	(1,613)	(1,613)	-	(1,804)
Total Non-Operating Rev/(Exp)	(3,181)	(3,181)	-	(4,445)	148,897	100,743	48,154	143,432
Net Income/(Loss)	(46,115)	(1,073)	(45,041)	14,428	182,110	91,698	90,413	134,579
Units	957	933	24	803	946	1,145	(199)	1,249
Gross Revenue/Unit	518.31	573.39	(55.07)	495.95	450.21	417.11	33.10	399.85
Total Operating Expense/Unit	269.47	246.22	(23.26)	299.14	188.97	215.50	26.53	185.83

**TAHOE FOREST HOSPITAL DISTRICT  
SEPARATE BUSINESS ENTERPRISES  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	CHILDRENS CENTER				OCCUPATIONAL HEALTH			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 2014	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 2014
Gross Operating Revenue	225,720	183,421	42,298	198,294	115,797	125,988	(10,191)	103,234
Deduction From Rev	-	-	-	-	23,936	26,043	2,107	32,509
Other Operating Revenue	-	-	-	-	30	25	5	25
<b>Total Operating Revenue</b>	<b>225,720</b>	<b>183,421</b>	<b>42,298</b>	<b>198,294</b>	<b>91,891</b>	<b>99,971</b>	<b>(8,080)</b>	<b>70,750</b>
<b>Operating Expense:</b>								
Salaries	119,667	103,556	(16,111)	106,145	32,359	32,503	144	37,729
Benefits	67,525	80,282	12,757	74,508	16,698	17,903	1,205	12,836
Professional Fees	-	-	-	-	1,210	2,400	1,190	950
Supplies	8,141	4,163	(3,978)	7,509	8,915	9,336	420	11,786
Purchased Services	7,186	4,320	(2,866)	6,555	16,812	29,310	12,497	22,393
Other Expenses	7,875	7,985	110	7,668	9,750	8,052	(1,698)	11,051
<b>Total Operating Expenses</b>	<b>210,394</b>	<b>200,307</b>	<b>(10,087)</b>	<b>202,385</b>	<b>85,746</b>	<b>99,504</b>	<b>13,758</b>	<b>96,745</b>
<b>Net Operating Rev (Exp)</b>	<b>15,325</b>	<b>(16,885)</b>	<b>32,211</b>	<b>(4,091)</b>	<b>6,145</b>	<b>467</b>	<b>5,679</b>	<b>(25,995)</b>
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	750	(750)	500	-	-	-	-
Thrift Store Net Income	-	-	-	-	-	-	-	-
Employee Benefit - EE Discounts	(59,574)	(55,750)	(3,824)	(52,800)	-	-	-	-
Depreciation	(11,976)	(11,977)	1	(10,835)	-	-	-	-
<b>Total Non-Operating Rev/(Exp)</b>	<b>(71,550)</b>	<b>(66,977)</b>	<b>(4,574)</b>	<b>(63,135)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income/(Loss)</b>	<b>(56,225)</b>	<b>(83,862)</b>	<b>27,637</b>	<b>(67,226)</b>	<b>6,145</b>	<b>467</b>	<b>5,679</b>	<b>(25,995)</b>
<b>Units</b>	<b>4,863</b>	<b>4,565</b>	<b>298</b>	<b>4,604</b>	<b>654</b>	<b>626</b>	<b>28</b>	<b>608</b>
Gross Revenue/Unit	46.42	40.18	6.24	43.07	177.06	201.26	-24.20	150.10
Total Operating Expense/Unit	43.26	43.88	0.61	43.96	131.11	158.95	27.84	161.99

**TAHOE FOREST HOSPITAL DISTRICT  
SEPARATE BUSINESS ENTERPRISES  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	HEALTH CLINIC				RETAIL PHARMACY			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 2014	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 2014
Gross Operating Revenue	157,146	133,017	24,129	128,620	625,961	667,394	(41,433)	702,078
Deduction From Rev	97,596	82,610	(14,985)	80,055	196,057	248,041	51,984	300,135
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	59,550	50,407	9,144	48,565	429,904	419,353	10,552	401,943
<b>Operating Expense:</b>								
Salaries	88,672	74,550	(14,123)	77,228	86,988	97,513	10,525	88,227
Benefits	51,703	40,390	(11,312)	44,631	42,921	48,047	5,127	50,281
Professional Fees	2,400	2,400	-	3,750	-	-	-	-
Supplies	6,727	4,770	(1,957)	6,487	321,350	363,892	42,543	415,809
Purchased Services	4,579	4,057	(522)	3,995	14,700	8,086	(6,614)	8,149
Other Expenses	5,009	5,723	714	3,316	20,423	16,571	(3,852)	15,592
Total Operating Expenses	159,089	131,890	(27,199)	139,407	486,382	534,110	47,728	578,058
Net Operating Rev (Exp)	(99,539)	(81,483)	(18,056)	(90,842)	(56,478)	(114,758)	58,280	(176,115)
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	-	-	-	-
Thrift Store Net Income	-	-	-	-	-	-	-	-
Employee Benefit - EE Discounts	-	-	-	-	-	-	-	-
Depreciation	(125)	(125)	-	(125)	-	-	-	-
Total Non-Operating Rev/(Exp)	(125)	(125)	-	(125)	-	-	-	-
Net Income/(Loss)	(99,664)	(81,608)	(18,056)	(90,967)	(56,478)	(114,758)	58,280	(176,115)
Units	953	831	122	879	6,143	6,750	(607)	6,696
Gross Revenue/Unit	164.90	160.07	4.83	99.12	101.90	98.87	3.03	104.85
Total Operating Expense/Unit	166.94	158.71	-8.22	119.65	79.18	79.13	-0.05	86.33

**Employee Drug Plan**

Plan Costs	(199,258)
Captured through Retail Rx	149,058
Net Plan Costs	(50,200)

Net Operating Income	(56,478)
Net Employee Drug Plan Costs	(50,200)
<b>Net Financial Position</b>	<b>(106,678)</b>



**TAHOE FOREST HOSPITAL DISTRICT  
SEPARATE BUSINESS ENTERPRISES  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	<b>TOTAL SEPARATE BUSINESS ENTITIES</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</b>	<b>PRIOR YTD SEPT 2014</b>
Gross Operating Revenue	2,046,543	2,122,375	(75,832)	2,029,886
Deduction From Rev	812,582	899,719	87,137	828,030
Other Operating Revenue	30	25	5	25
<b>Total Operating Revenue</b>	<b>1,233,991</b>	<b>1,222,681</b>	<b>11,310</b>	<b>1,201,881</b>
<b><u>Operating Expense:</u></b>				
Salaries	570,668	565,433	(5,235)	537,423
Benefits	313,065	327,029	13,964	333,291
Professional Fees	7,789	8,000	211	9,400
Supplies	360,655	406,707	46,052	470,203
Purchased Services	68,382	77,120	8,739	75,669
Other Expenses	57,699	57,988	289	62,918
<b>Total Operating Expenses</b>	<b>1,378,257</b>	<b>1,442,278</b>	<b>64,020</b>	<b>1,488,904</b>
<b>Net Operating Rev (Exp)</b>	<b>(144,266)</b>	<b>(219,597)</b>	<b>75,330</b>	<b>(287,023)</b>
<b><u>Non - Operating Rev / (Exp)</u></b>				
Donations	2,390	7,950	(5,560)	2,650
Thrift Store Net Income	148,120	95,157	52,964	143,086
Employee Benefit - EE Discounts	(59,574)	(55,750)	(3,824)	(52,800)
Depreciation	(16,895)	(16,896)	1	(17,209)
<b>Total Non-Operating Rev/(Exp)</b>	<b>74,041</b>	<b>30,460</b>	<b>43,580</b>	<b>75,727</b>
<b>Net Income/(Loss)</b>	<b>(70,226)</b>	<b>(189,136)</b>	<b>118,911</b>	<b>(211,296)</b>
Units	14,516	14,850	(334)	14,839
Gross Revenue/Unit	140.99	142.92	(1.94)	136.79
Total Operating Expense/Unit	94.95	97.12	(2.18)	100.34

**TAHOE FOREST HOSPITAL DISTRICT  
CENTER FOR HEALTH AND SPORTS PERFORMANCE  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	THERAPY SERVICES				SPORTS PERFORMANCE LAB			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 14	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 14
Gross Operating Revenue	\$ 1,158,343	\$ 960,127	\$ 198,216	\$ 1,056,552	\$ 13,496	\$ 2,660	\$ 10,836	\$ 1,830
Deduction From Rev	383,412	317,802	(65,610)	349,719	-	-	-	-
Other Operating Revenue	330	-	330	288	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 775,262</b>	<b>\$ 642,325</b>	<b>\$ 132,937</b>	<b>\$ 707,121</b>	<b>\$ 13,496</b>	<b>\$ 2,660</b>	<b>\$ 10,836</b>	<b>\$ 1,830</b>
<b>Operating Expense:</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 881	\$ -	\$ (881)	\$ 546
Benefits	-	-	-	-	195	-	(195)	629
Professional Fees	446,281	372,370	(73,911)	403,386	-	-	-	-
Supplies	10,997	9,024	(1,974)	9,414	-	1,241	1,241	2,351
Purchased Services	17,726	17,243	(483)	13,207	3,386	2,128	(1,257)	1,856
Other Expenses	512	1,713	1,201	359	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 475,516</b>	<b>\$ 400,350</b>	<b>\$ (75,166)</b>	<b>\$ 426,366</b>	<b>\$ 4,462</b>	<b>\$ 3,369</b>	<b>\$ (1,093)</b>	<b>\$ 5,382</b>
<b>Net Operating Rev (Exp)</b>	<b>\$ 299,745</b>	<b>\$ 241,975</b>	<b>\$ 57,771</b>	<b>\$ 280,755</b>	<b>\$ 9,035</b>	<b>\$ (709)</b>	<b>\$ 9,744</b>	<b>\$ (3,552)</b>
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	-	-	-	-
Depreciation	(1,201)	(1,201)	-	(1,356)	-	-	-	-
<b>Total Non-Operating Rev/(Exp)</b>	<b>(1,201)</b>	<b>(1,201)</b>	<b>-</b>	<b>(1,356)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income/(Loss)</b>	<b>\$ 298,544</b>	<b>\$ 240,773</b>	<b>\$ 57,771</b>	<b>\$ 279,399</b>	<b>\$ 9,035</b>	<b>\$ (709)</b>	<b>\$ 9,744</b>	<b>\$ (3,552)</b>
Overhead Allocation Based on Sq Ft	\$ (52,200)	\$ (54,895)	2,695	(23,523)	\$ (14,380)	\$ (15,082)	702	\$ (6,480)
<b>Adjusted Net Income/(Loss)</b>	<b>\$ 246,344</b>	<b>\$ 185,879</b>	<b>\$ 60,466</b>	<b>\$ 255,876</b>	<b>\$ (5,345)</b>	<b>\$ (15,791)</b>	<b>\$ 10,446</b>	<b>\$ (10,032)</b>
<b>Units</b>	<b>14,969</b>	<b>12,807</b>	<b>2,162</b>	<b>14,125</b>	<b>83</b>	<b>48</b>	<b>\$ 35</b>	<b>60</b>
<b>Gross Revenue/Unit</b>	<b>\$ 77.38</b>	<b>\$ 74.97</b>	<b>\$ 2.41</b>	<b>\$ 74.80</b>	<b>\$ 162.61</b>	<b>\$ 55.42</b>	<b>\$ 107.19</b>	<b>\$ 30.50</b>
<b>Total Operating Expense/Unit</b>	<b>\$ 35.25</b>	<b>\$ 35.55</b>	<b>\$ 0.29</b>	<b>\$ 31.85</b>	<b>\$ 227.00</b>	<b>\$ 384.40</b>	<b>\$ 157.39</b>	<b>\$ 197.70</b>

**TAHOE FOREST HOSPITAL DISTRICT  
CENTER FOR HEALTH AND SPORTS PERFORMANCE  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	FITNESS CENTER				HP/EDUCATION/WELLNESS			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 14	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD SEPT 14
Gross Operating Revenue	\$ 36,637	\$ 42,166	\$ (5,529)	\$ 37,888	\$ 4,035	\$ 4,305	\$ (270)	\$ 3,811
Deduction From Rev	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 36,637	\$ 42,166	\$ (5,529)	\$ 37,888	\$ 4,035	\$ 4,305	\$ (270)	\$ 3,811
<b>Operating Expense:</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 6,593	\$ 3,189	\$ (3,404)	\$ 5,463
Benefits	-	-	-	-	1,842	2,377	535	2,747
Professional Fees	-	-	-	-	-	-	-	-
Supplies	870	1,124	254	1,209	1,290	1,529	239	1,098
Purchased Services	35,935	34,213	(1,722)	33,427	3,885	3,969	84	4,295
Other Expenses	-	-	-	-	882	1,019	137	575
Total Operating Expenses	\$ 36,805	\$ 35,336	\$ (1,469)	\$ 34,636	\$ 14,492	\$ 12,083	\$ (2,409)	\$ 14,178
Net Operating Rev (Exp)	\$ (168)	\$ 6,829	\$ (6,998)	\$ 3,252	\$ (10,457)	\$ (7,779)	\$ (2,679)	\$ (10,367)
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	-	-	-	-
Depreciation	(921)	(921)	-	(1,362)	-	-	-	(2,105)
Total Non-Operating Rev/(Exp)	(921)	(921)	-	(1,362)	-	-	-	(2,105)
Net Income/(Loss)	\$ (1,090)	\$ 5,908	\$ (6,998)	\$ 1,890	\$ (10,457)	\$ (7,779)	\$ (2,679)	\$ (12,472)
Overhead Allocation Based on Sq Ft	\$ (27,676)	\$ (29,028)	1,352	(12,472)	\$ (39,986)	\$ (41,939)	1,953	(18,019)
Adjusted Net Income/(Loss)	\$ (28,766)	\$ (23,120)	\$ (5,646)	\$ (10,582)	\$ (50,443)	\$ (49,718)	\$ (725)	\$ (30,491)
Units	571	630	(59)	598	333	462	(129)	374
Gross Revenue/Unit	\$ 64.16	\$ 66.93	(2.77)	\$ 63.36	\$ 12.12	\$ 9.32	\$ 2.80	\$ 10.19
Total Operating Expense/Unit	\$ 112.93	\$ 102.17	(10.76)	\$ 78.78	\$ 163.60	\$ 116.93	\$ (46.67)	\$ 86.09

**TAHOE FOREST HOSPITAL DISTRICT  
CENTER FOR HEALTH AND SPORTS PERFORMANCE  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	OCCUPATIONAL HEALTH TESTING				CENTER OPERATIONS			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)		ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)	
			BUDGET	PRIOR YTD SEPT 14			BUDGET	PRIOR YTD SEPT 14
Gross Operating Revenue	\$ 12,555	\$ 21,318	\$ (8,763)	\$ 17,085	\$ -	\$ -	\$ -	\$ -
Deduction From Rev	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 12,555</b>	<b>\$ 21,318</b>	<b>\$ (8,763)</b>	<b>\$ 17,085</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expense:</b>								
Salaries	\$ 3,518	\$ 3,424	\$ (94)	\$ 2,818	\$ -	\$ -	\$ -	\$ -
Benefits	2,629	2,303	(326)	1,158	-	-	-	(57)
Professional Fees	-	-	-	-	7,100	7,500	400	6,100
Supplies	150	15	(135)	-	262	141	(121)	76
Purchased Services	5,280	1,582	(3,698)	2,865	5,761	5,335	(426)	5,383
Other Expenses	-	150	150	187	91,478	99,063	7,584	92,967
<b>Total Operating Expenses</b>	<b>\$ 11,577</b>	<b>\$ 7,475</b>	<b>\$ (4,103)</b>	<b>\$ 7,028</b>	<b>\$ 104,602</b>	<b>\$ 112,039</b>	<b>\$ 7,437</b>	<b>\$ 104,469</b>
<b>Net Operating Rev (Exp)</b>	<b>\$ 977</b>	<b>\$ 13,843</b>	<b>\$ (12,866)</b>	<b>\$ 10,057</b>	<b>\$ (104,602)</b>	<b>\$ (112,039)</b>	<b>\$ 7,437</b>	<b>\$ (104,469)</b>
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	(39,468)	(39,469)	1	(39,604)
<b>Total Non-Operating Rev/(Exp)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,468)</b>	<b>(39,469)</b>	<b>1</b>	<b>(39,604)</b>
<b>Net Income/(Loss)</b>	<b>\$ 977</b>	<b>\$ 13,843</b>	<b>\$ (12,866)</b>	<b>\$ 10,057</b>	<b>\$ (144,070)</b>	<b>\$ (151,508)</b>	<b>\$ 7,438</b>	<b>\$ (144,073)</b>
Overhead Allocation Based on Sq Ft	\$ -	\$ -	\$ -	\$ -	\$ 134,242	\$ 140,944	(6,703)	\$ 60,493
<b>Adjusted Net Income/(Loss)</b>	<b>\$ 977</b>	<b>\$ 13,843</b>	<b>\$ (12,866)</b>	<b>\$ 10,057</b>	<b>\$ (9,828)</b>	<b>\$ (10,564)</b>	<b>735</b>	<b>\$ (83,580)</b>
<b>Units</b>	<b>175</b>	<b>104</b>	<b>71</b>	<b>140</b>				
Gross Revenue/Unit	\$ 71.74	\$ 204.98	\$ (133.24)	\$ 122.04				
Total Operating Expense/Unit	\$ 66.16	\$ 71.87	\$ 5.72	\$ 50.20				

**TAHOE FOREST HOSPITAL DISTRICT  
CENTER FOR HEALTH AND SPORTS PERFORMANCE  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	<b>TOTAL CENTER FOR HEALTH &amp; SPORTS PERFORMANCE</b>			
	<b>\$ VARIANCE</b>			
	<b>FAVORABLE/ (UNFAVORABLE)</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>PRIOR YTD SEPT 14</b>
Gross Operating Revenue	\$ 1,225,065	\$ 1,030,575	\$ 194,491	\$ 1,117,166
Deduction From Rev	383,412	317,802	(65,610)	349,719
Other Operating Revenue	330	-	330	288
<b>Total Operating Revenue</b>	<b>\$ 841,984</b>	<b>\$ 712,773</b>	<b>\$ 129,212</b>	<b>\$ 767,735</b>
<b><u>Operating Expense:</u></b>				
Salaries	\$ 10,992	\$ 6,614	\$ (4,378)	\$ 8,827
Benefits	4,667	4,680	13	4,477
Professional Fees	453,381	379,870	(73,511)	409,486
Supplies	13,569	13,074	(496)	14,148
Purchased Services	71,973	64,470	(7,503)	61,033
Other Expenses	92,872	101,944	9,072	94,088
<b>Total Operating Expenses</b>	<b>\$ 647,454</b>	<b>\$ 570,652</b>	<b>\$ (76,802)</b>	<b>\$ 592,059</b>
<b>Net Operating Rev (Exp)</b>	<b>\$ 194,530</b>	<b>\$ 142,120</b>	<b>\$ 52,410</b>	<b>\$ 175,676</b>
<b><u>Non - Operating Rev / (Exp)</u></b>				
Donations	-	-	-	-
Depreciation	(41,591)	(41,591)	1	(44,427)
<b>Total Non-Operating Rev/(Exp)</b>	<b>(41,591)</b>	<b>(41,591)</b>	<b>1</b>	<b>(44,427)</b>
<b>Net Income/(Loss)</b>	<b>\$ 152,939</b>	<b>\$ 100,529</b>	<b>\$ 52,410</b>	<b>\$ 131,249</b>
Overhead Allocation Based on Sq Ft	-	-	-	-
<b>Adjusted Net Income/(Loss)</b>	<b>\$ 152,939</b>	<b>\$ 100,529</b>	<b>\$ 52,410</b>	<b>\$ 131,249</b>
<b>Units</b>	<b>16,131</b>	<b>14,051</b>	<b>2,080</b>	<b>15,297</b>
<b>Gross Revenue/Unit</b>	<b>\$ 75.94</b>	<b>\$ 73.35</b>	<b>\$ 2.60</b>	<b>\$ 73.03</b>
<b>Total Operating Expense/Unit</b>	<b>\$ 40.14</b>	<b>\$ 40.61</b>	<b>\$ 0.48</b>	<b>\$ 38.70</b>

**TAHOE FOREST HOSPITAL DISTRICT  
CANCER PROGRAM  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	<b>MEDICAL ONCOLOGY</b>				<b>MSC MEDICAL ONCOLOGY</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</b>	<b>PRIOR YTD SEPT 2014</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</b>	<b>PRIOR YTD SEPT 2014</b>
Gross Operating Revenue	689,599	491,976	197,623	659,950	238,104	246,945	(8,841)	224,438
Deduction From Rev	305,473	217,931	(87,542)	263,495	98,542	102,201	3,659	92,158
Other Operating Revenue	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>384,126</b>	<b>274,044</b>	<b>110,082</b>	<b>396,455</b>	<b>139,562</b>	<b>144,744</b>	<b>(5,182)</b>	<b>132,280</b>
<b>Operating Expense:</b>								
Salaries	328,146	331,040	2,894	344,487	-	-	-	-
Benefits	148,918	171,234	22,317	159,653	-	-	-	-
Professional Fees	56,594	80,766	24,172	102,495	214,656	210,123	(4,533)	210,123
Supplies	19,076	20,534	1,458	22,347	2,908	3,078	170	1,607
Purchased Services	51,098	51,161	63	28,650	16,742	6,809	(9,933)	1,518
Other Expenses	72,118	54,729	(17,389)	60,825	-	-	-	-
<b>Total Operating Expenses</b>	<b>675,949</b>	<b>709,464</b>	<b>33,515</b>	<b>718,457</b>	<b>234,306</b>	<b>220,010</b>	<b>(14,296)</b>	<b>213,248</b>
<b>Net Operating Rev (Exp)</b>	<b>(291,823)</b>	<b>(435,420)</b>	<b>143,597</b>	<b>(322,002)</b>	<b>(94,744)</b>	<b>(75,265)</b>	<b>(19,478)</b>	<b>(80,968)</b>
<b>Non - Operating Rev / (Exp)</b>								
Donations	42,725	64,650	(21,925)	50,947	-	-	-	-
Depreciation	(29,950)	(29,950)	-	(32,242)	(84)	(84)	-	(84)
<b>Total Non-Operating Rev/(Exp)</b>	<b>12,775</b>	<b>34,700</b>	<b>(21,925)</b>	<b>18,705</b>	<b>(84)</b>	<b>(84)</b>	<b>-</b>	<b>(84)</b>
<b>Net Income/(Loss)</b>	<b>(279,048)</b>	<b>(400,720)</b>	<b>121,671</b>	<b>(303,297)</b>	<b>(94,828)</b>	<b>(75,349)</b>	<b>(19,478)</b>	<b>(81,052)</b>
Units	2,228	1,628	600	2,151	1,260	1,346	(86)	1,163
Gross Revenue/Unit	309.51	302.20	7.32	306.81	188.97	183.47	5.51	192.98
Total Operating Expense/Unit	303.39	435.79	132.40	334.01	185.96	163.45	(22.50)	183.36

**TAHOE FOREST HOSPITAL DISTRICT  
CANCER PROGRAM  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	<u>RADIATION ONCOLOGY</u>				<u>MSC RADIATION ONCOLOGY</u>			
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</u>	<u>PRIOR YTD SEPT 2014</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</u>	<u>PRIOR YTD SEPT 2014</u>
Gross Operating Revenue	1,250,069	1,081,569	168,500	1,217,141	241,409	156,979	84,430	210,442
Deduction From Rev	432,718	374391.0132	(58,327)	484,993	77,714	50534.18804	(27,179)	87,023
Other Operating Revenue	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>817,351</b>	<b>707,178</b>	<b>110,173</b>	<b>732,148</b>	<b>163,695</b>	<b>106,445</b>	<b>57,250</b>	<b>123,419</b>
<b>Operating Expense:</b>								
Salaries	106,948	73,951	(32,997)	113,333	-	-	-	-
Benefits	56,008	43,340	(12,668)	73,301	-	-	-	-
Professional Fees	47,039	59,950	12,911	25,900	132,094	130,380	(1,714)	130,379
Supplies	3,810	1,154	(2,656)	1,509	-	-	-	-
Purchased Services	103,324	83,565	(19,759)	85,505	-	-	-	-
Other Expenses	5,025	4,315	(710)	6,789	-	-	-	-
<b>Total Operating Expenses</b>	<b>322,152</b>	<b>266,275</b>	<b>(55,878)</b>	<b>306,337</b>	<b>132,094</b>	<b>130,380</b>	<b>(1,714)</b>	<b>130,379</b>
<b>Net Operating Rev (Exp)</b>	<b>495,199</b>	<b>440,904</b>	<b>54,295</b>	<b>425,811</b>	<b>31,601</b>	<b>(23,935)</b>	<b>55,536</b>	<b>(6,960)</b>
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	-	-	-	-
Depreciation	(150,793)	(150,793)	-	(150,793)	(84)	(84)	-	(84)
<b>Total Non-Operating Rev/(Exp)</b>	<b>(150,793)</b>	<b>(150,793)</b>	<b>-</b>	<b>(150,793)</b>	<b>(84)</b>	<b>(84)</b>	<b>-</b>	<b>(84)</b>
<b>Net Income/(Loss)</b>	<b>344,406</b>	<b>290,111</b>	<b>54,295</b>	<b>275,019</b>	<b>31,517</b>	<b>(24,019)</b>	<b>55,536</b>	<b>(7,044)</b>
<b>Units</b>	<b>1,090</b>	<b>980</b>	<b>110</b>	<b>1,138</b>	<b>222</b>	<b>398</b>	<b>(176)</b>	<b>213</b>
<b>Gross Revenue/Unit</b>	<b>1,146.85</b>	<b>1,103.64</b>	<b>43.21</b>	<b>1,069.54</b>	<b>1,087.43</b>	<b>394.42</b>	<b>693.01</b>	<b>987.99</b>
<b>Total Operating Expense/Unit</b>	<b>295.55</b>	<b>271.71</b>	<b>-23.84</b>	<b>269.19</b>	<b>595.02</b>	<b>327.59</b>	<b>-267.43</b>	<b>612.11</b>

**TAHOE FOREST HOSPITAL DISTRICT  
CANCER PROGRAM  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

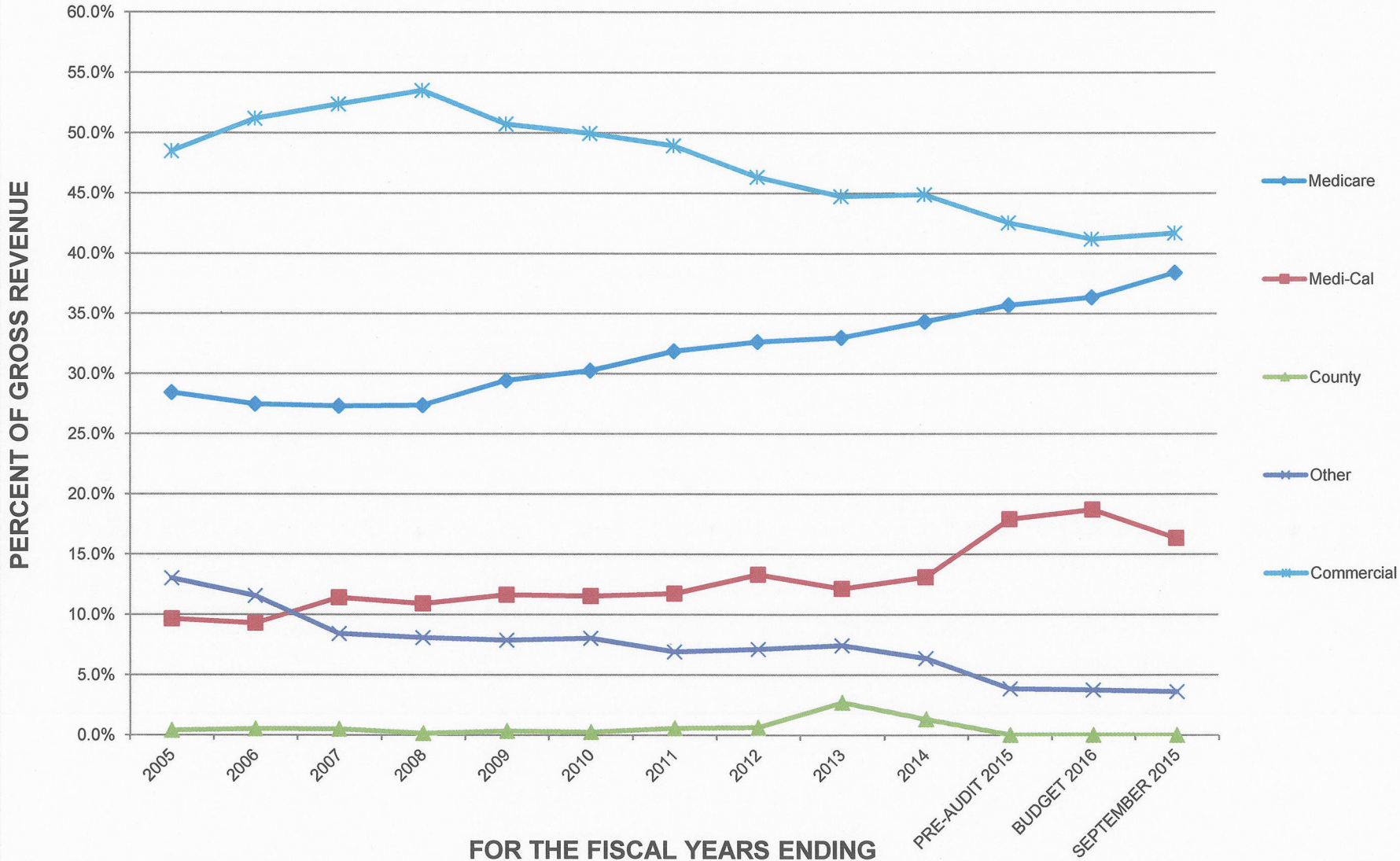
	<u>ONCOLOGY LAB</u>				<u>ONCOLOGY DRUGS</u>			
	ACTUAL	BUDGET	\$ VARIANCE		ACTUAL	BUDGET	\$ VARIANCE	
			(UNFAVORABLE)	PRIOR YTD			(UNFAVORABLE)	PRIOR YTD
			BUDGET	SEPT 2014			BUDGET	SEPT 2014
Gross Operating Revenue	72,424	62,182	10,242	66,504	6,547,043	5,946,873	600,170	5,080,022
Deduction From Rev	31,291	26,866	(4,425)	27,642	2,974,674	270,1984.352	(272,689)	2,134,668
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	41,133	35,316	5,817	38,862	3,572,369	3,244,889	327,480	2,945,354
<b>Operating Expense:</b>								
Salaries	28,848	25,357	(3,491)	28,801	-	-	-	-
Benefits	11,650	12,594	944	12,166	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-
Supplies	188	550	362	861	1,562,380	1,057,706	(504,674)	1,056,239
Purchased Services	-	-	-	-	-	-	-	-
Other Expenses	1,681	300	(1,381)	234	-	-	-	-
Total Operating Expenses	42,367	38,800	(3,567)	42,062	1,562,380	1,057,706	(504,674)	1,056,239
Net Operating Rev (Exp)	(1,234)	(3,484)	2,250	(3,200)	2,009,989	2,187,183	(177,194)	1,889,115
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Total Non-Operating Rev/(Exp)	-	-	-	-	-	-	-	-
Net Income/(Loss)	(1,234)	(3,484)	2,250	(3,200)	2,009,989	2,187,183	(177,194)	1,889,115
Units	1,012	846	166	842	18,988	14,898	4,090	10,950
Gross Revenue/Unit	71.57	73.50	-1.94	78.98	344.80	399.17	-54.37	463.93
Total Operating Expense/Unit	41.86	45.86	4.00	49.95	82.28	71.00	-11.29	96.46



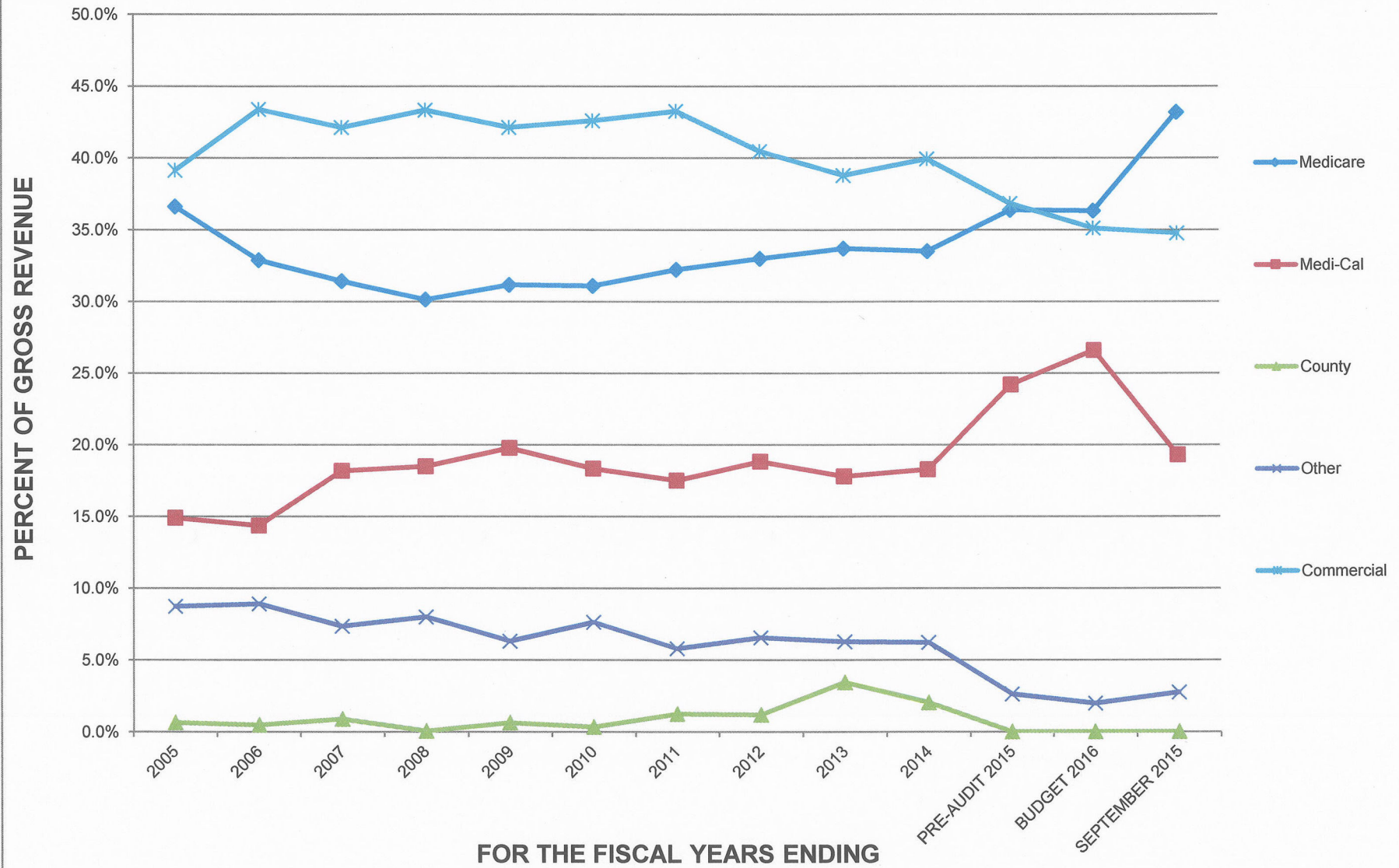
**TAHOE FOREST HOSPITAL DISTRICT  
CANCER PROGRAM  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

	<u>PET CT</u>				<u>TOTAL CANCER PROGRAM</u>			
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</u>	<u>PRIOR YTD SEPT 2014</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET</u>	<u>PRIOR YTD SEPT 2014</u>
Gross Operating Revenue	365,981	330,194	35,787	359,316	9,404,629	8,316,719	1,087,910	7,817,813
Deduction From Rev	153,650	138,626	(15,024)	150,672	4,074,061	3,612,534	461,528	3,240,651
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	212,331	191,568	20,762	208,644	5,330,567	4,704,185	626,382	4,577,163
<b>Operating Expense:</b>								
Salaries	13,004	13,929	925	10,941	476,946	444,277	32,669	497,562
Benefits	3,455	3,940	485	4,222	220,031	231,109	(11,078)	249,342
Professional Fees	-	-	-	-	450,383	481,219	(30,836)	468,897
Supplies	10,091	18,143	8,052	16,330	1,598,451	1,101,164	497,288	1,098,893
Purchased Services	46,314	45,159	(1,155)	44,161	217,478	186,694	30,784	159,834
Other Expenses	540	50	(490)	53	79,364	59,394	19,970	67,901
Total Operating Expenses	73,404	81,222	7,817	75,707	3,042,653	2,503,856	(538,796)	2,542,429
Net Operating Rev (Exp)	138,927	110,347	28,580	132,937	2,287,915	2,200,329	87,586	2,034,734
<b>Non - Operating Rev / (Exp)</b>								
Donations	-	-	-	-	42,725	64,650	(21,925)	50,947
Depreciation	(109,090)	(109,090)	-	(109,090)	(465,228)	(465,228)	-	(468,206)
Total Non-Operating Rev/(Exp)	(109,090)	(109,090)	-	(109,090)	(422,503)	(400,578)	(21,925)	(417,259)
Net Income/(Loss)	29,837	1,257	28,580	23,848	1,865,411	1,799,751	65,660	1,617,475
Units	87	77	10	85	24,887	20,173	4,714	16,542
Gross Revenue/Unit	4,206.68	4,288.24	-81.56	4,227.25	377.89	412.27	-34.38	472.60
Total Operating Expense/Unit	843.73	1,054.82	211.10	890.67	122.26	124.12	1.86	153.70

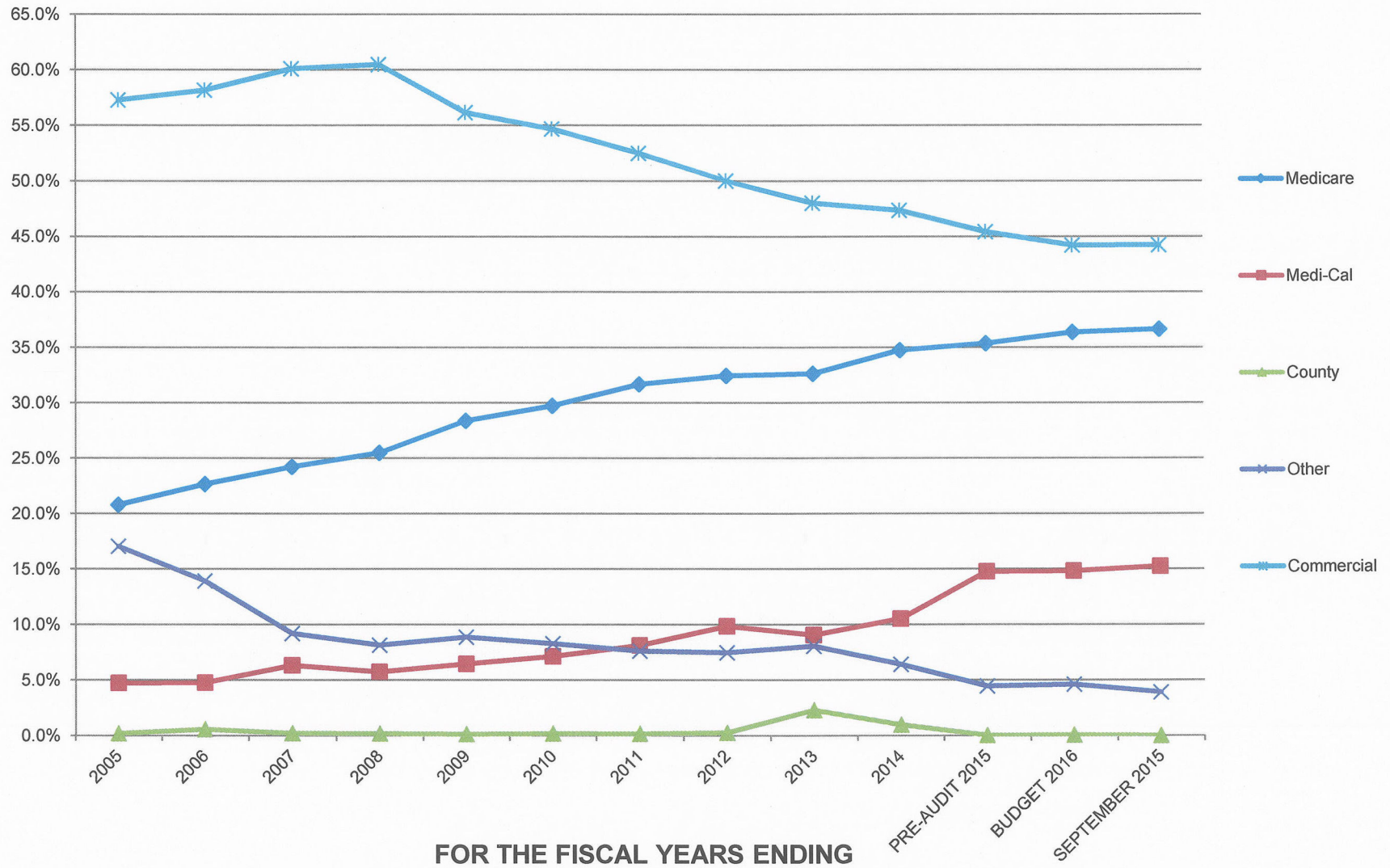
# GROSS REVENUE PAYOR MIX TRENDING



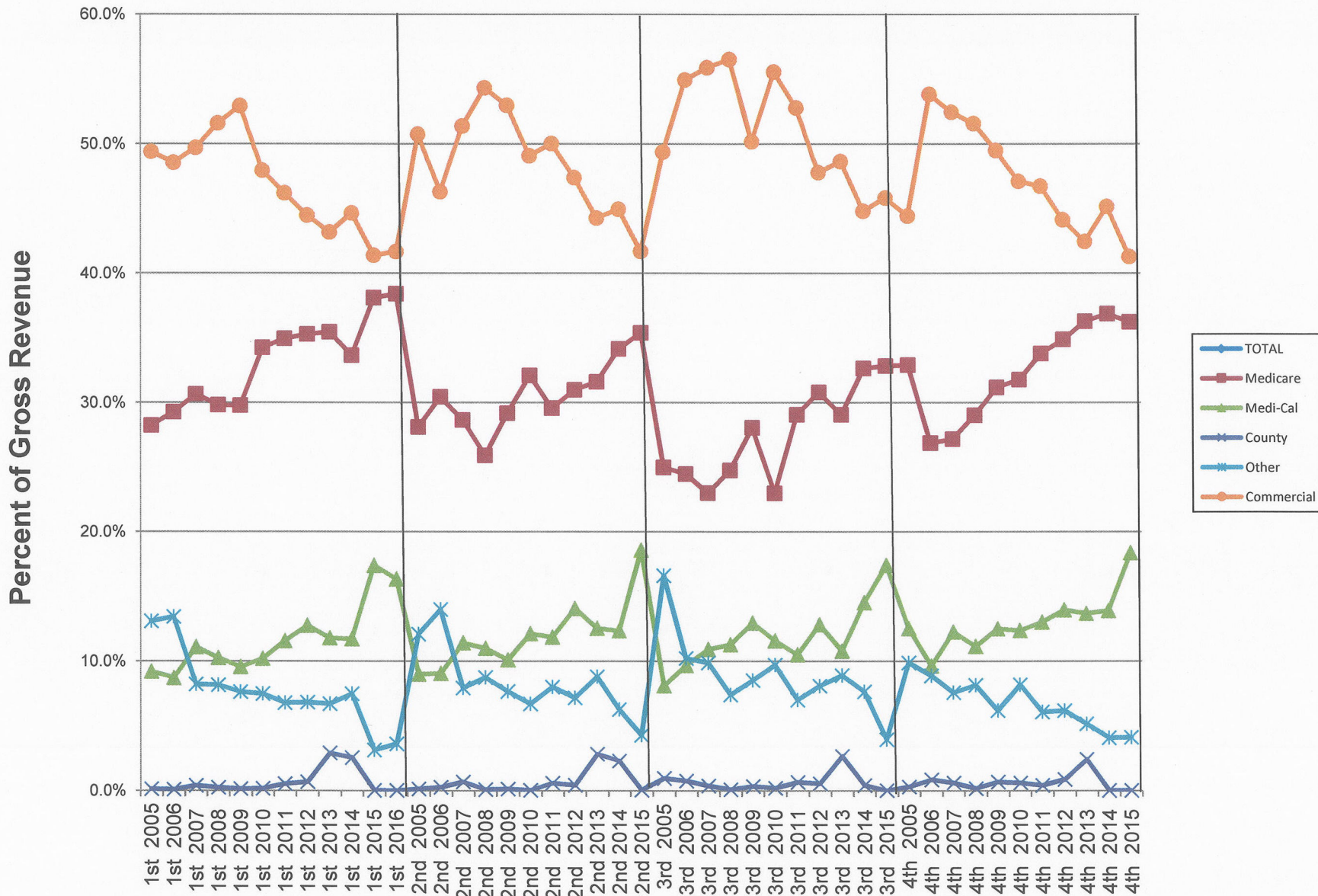
# INPATIENT REVENUE PAYOR MIX TRENDING



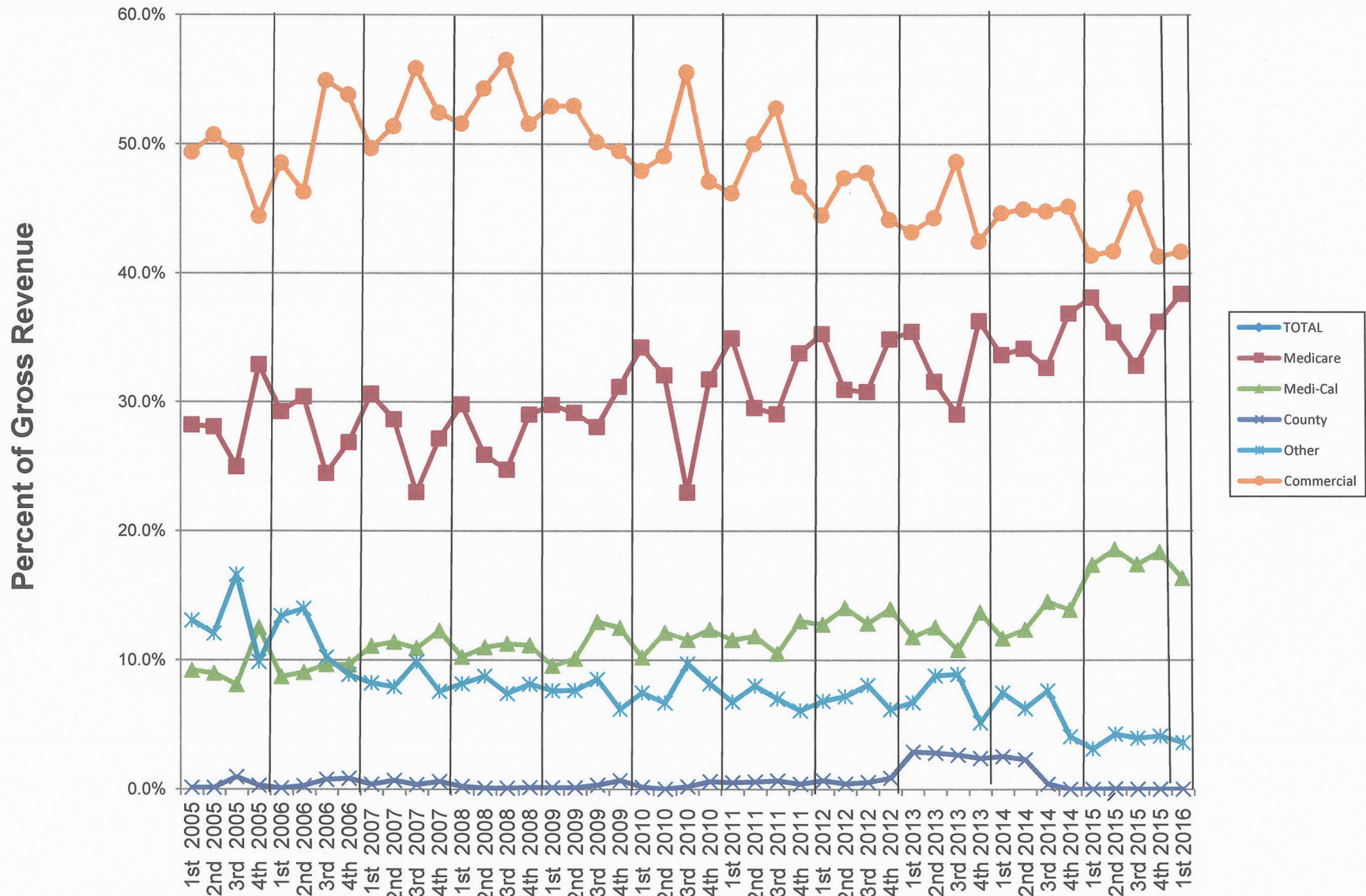
# OUTPATIENT REVENUE PAYOR MIX TRENDING



## Total Quarterly Percent of Gross Revenue by Payor



# Total Quarterly Percent of Gross Revenue By Payor by Fiscal Year





TAHOE INSTITUTE FOR RURAL HEALTH RESEARCH  
EXPENDITURE REPORT

	AS OF SEPTEMBER 30, 2015				PRE-AUDIT	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	ACTUAL	BUDGET	VAR\$	VAR%	FY2015	FY2014	FY2013	FY2012	FY2011
<b>OPERATING EXPENSES</b>									
Salaries and Wages	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 16,518	\$ 22,142	\$ 20,860
Benefits	-	-	-	0.0%	-	-	7,550	5,586	5,372
Benefits Workers Compensation	-	-	-	0.0%	-	-	551	350	531
Benefits Medical Insurance	-	-	-	0.0%	-	-	3,662	4,317	2,752
Professional Fees	144,985	-	(144,985)	#DIV/0!	406,761	524,544	297,311	161,339	78,688
Supplies	4,060	-	(4,060)	#DIV/0!	2,108	28,462	5,806	1,059	1,961
Purchased Services	13,272	-	(13,272)	#DIV/0!	22,828	18,868	2,600	1,500	-
Other	24,392	-	(24,392)	#DIV/0!	101,408	160,597	230,932	104,828	4,730
Interest Expense	27,870	-	(27,870)	#DIV/0!	92,855	61,147	32,059	13,351	2,519
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 214,577</b>	<b>\$ -</b>	<b>\$(214,577)</b>	<b>#DIV/0!</b>	<b>\$ 625,960</b>	<b>\$ 793,618</b>	<b>\$ 596,989</b>	<b>\$ 314,471</b>	<b>\$ 117,413</b>
<b>GRANT REIMBURSEMENT FOR TBI EXPENSES</b>	<b>\$ (29,338)</b>	<b>\$ -</b>	<b>29,338</b>	<b>-100.0%</b>	<b>\$ (120,514)</b>	<b>\$ (111,627)</b>	<b>\$ (21,987)</b>	<b>\$ (23,624)</b>	<b>\$ (1,250)</b>
<b>TOTAL FUNDS ADVANCED TO TIRHR</b>	<b>\$ (185,239)</b>	<b>\$ -</b>	<b>\$ 185,239</b>	<b>#DIV/0!</b>	<b>\$ (505,446.00)</b>	<b>\$ (681,991.18)</b>	<b>\$ (575,002.20)</b>	<b>\$ (290,846.57)</b>	<b>\$ (116,163.48)</b>
	-	-	-		-	-	-	-	-

**CUMULATIVE:**

Letter of Credit	\$ 2,250,000	<b>N1</b>
FY2011 Actual Draw Against Letter of Credit	(113,644)	
FY2012 Actual Draw Against Letter of Credit	(277,496)	
FY2013 Actual Draw Against Letter of Credit	(542,943)	
FY2014 Actual Draw Against Letter of Credit	(620,844)	
FY2015 Actual Draw Against Letter of Credit	(412,591)	
FY2016 Actual Draw Against Letter of Credit	(157,369)	
<b>Balance on Letter of Credit</b>	<b>\$ 125,113</b>	

**N1: Draws against the Letter of Credit are exclusive of  
Accrued Interest Expense**

		<b>Tahoe Forest Health System</b>			
		<b>Title:</b> Bond Fiscal Policy		<b>Policy/Procedure #:</b> ABD-5	
		<b>Responsible Department:</b> Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	8/08	3/10; 01/12; 1/14	3/14	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

**PURPOSE:**

The purpose is to communicate the District’s policy as it relates to costs associated with projects within the scope of the Tahoe Forest Hospital District General Obligation Bonds, Election of 2007, herein referred to as the GO Bond.

**POLICY:**

Our Policy is to ensure that all costs incurred related to projects within the scope of the General Obligation Bonds are properly reviewed, approved, tracked and reimbursed in an appropriate manner. It is the responsibility of the District’s Chief Financial Officer (CFO) to implement policies and procedures consistent with the Bond Fiscal Policy.

**PROCEDURE:**


- 1.0 During the development of the District’s Annual and Capital Budget, the Chief Facilities Development Officer will work with the construction management team to develop a three year (minimum) Cash Flow Summary detailing by quarter the expected costs to be incurred related to the approved projects identified under the GO Bond. This Cash Flow Summary will be reviewed and approved by the CFO.
- 2.0 The Cash Flow Summary will be submitted as part of the District’s Annual and Capital Budget package presented to the Board of Directors for approval.
- 3.0 As actual costs begin to be incurred, it is the responsibility of the Chief Facilities Development Officer to review and validate all invoices prior to submission to the accounting department for processing. The Review and Validation process shall consist of the following:
  - 3.1 For invoices incurred prior to the construction phase, amounts will be compared to approved contracts and validated for completion by the Chief Facilities Development Officer. Once validated he will sign, date and code the invoice with the appropriate general ledger (GL) account number and submit to the Accounting Department for processing by accounts payable. The GL account number will be established as a Construction in Progress (CIP) account number for each project identified under the GO Bond. These numbers are assigned by the Controller.
  - 3.2 For invoices incurred during construction, invoices will be compiled and summarized by the construction manager. These will then become part of the “Application and Certification for Payment” document. This document is



reviewed and signed by the Contractor, the District's Chief Facilities Development Officer, and the Architect. These expenses will be coded in the same manner as referenced to in a. above.

- 4.0 The Accounting Department, upon receipt of the "Application and Certification for Payment" and/or reviewed, approved and coded invoices, will process for payment based upon the weekly check run cycles for accounts payable. All checks will be issued from the District's primary checking account. All checks to vendors in excess of \$5,000 must be reviewed and signed by the CFO, as well as the associated check register. In the absence of the CFO, the Chief Operating Officer or the Controller may be given signing authority.
- 5.0 At the end of each month, after the month end close of the District's financial books, a GL report will be printed for each CIP account related to the GO Bond projects. Copies of all invoices that had been processed and coded to these CIP accounts will be reviewed one final time for validation of project relation, GL coding and GO Bond fund eligibility by the CFO and Chief Facilities Development Officer.
- 6.0 Once the monthly CIP reports and invoices have received final validation, the invoice copies will be batched with the CIP Reports. A GO Bond Reimbursement Summary will be created. This report will list the GL Account Number, Account Name, and cost incurred for the month that is eligible for reimbursement by GO Bond funds. The costs incurred by GL Account Number will be summed to derive the total reimbursement cost for the month. This GO Bond Reimbursement Summary will be reviewed and approved by the CFO and CEO.
- 7.0 Upon approval of the GO Bond Reimbursement Summary, the Controller will request a funds transfer moving the requested amount of GO Bond Reimbursement from the Tahoe Forest Hospital District General Obligation Bonds, Election of 2007, Project Fund account to the District's primary checking account.
- 8.0 The confirmation document from the funds transfer will be attached to the GO Bond Reimbursement Summary and related invoice copies.
- 9.0 At the monthly Citizen's Oversight Committee meetings, a copy of the GO Bond Reimbursement Summary package will be provided. This allows full disclosure of how the GO Bond funds are being used.

Related Policies/Forms:
References:
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Crystal Betts, Chief Financial Officer

	<b>Tahoe Forest Health System</b>			
	<b>Title:</b> Credit and Collection Policy		<b>Policy/Procedure #:</b> ABD-8	
	<b>Responsible Department:</b> Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:
<input checked="" type="checkbox"/>	Board		1/11; 2/12; 1/14	
<input type="checkbox"/>	Medical Staff			
<input type="checkbox"/>	Departmental			
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital				

**PURPOSE:**

Tahoe Forest Hospital District (hereinafter known as “TFHD”) provides high quality care to patients when they are in need of hospital 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.

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.

The Credit and Collection Policy establishes the guidelines, policies and procedures for use by hospital 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 the hospital. 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**

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 hospital Patient Financial Services department when making payment arrangements with individual patients or their account guarantors. The Credit and Collection Policy also specifies the standards and practices used by the hospital 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.

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 hospital 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**

- 1.0 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.
- 2.0 Hospital 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:
  - 2.1 For uninsured patients, a written statement of charges for services rendered by the hospital 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;
  - 2.2 Patients who have third party insurance will be provided a revenue code summary statement which identifies the charges related to hospital services. Insured patients will receive a balance due from patient statement once the hospital has received payment from the insurance payer. Upon patient request, a complete itemized statement of charges will be provided;
  - 2.3 A written request that the patient inform TFHD if the patient has any health insurance coverage, Medicare, Healthy Families, Medi-Cal or other form of insurance coverage;
  - 2.4 A written statement informing the patient or guarantor that they may be eligible for Medicare, Healthy Families, Medi-Cal, California Children's Services Program, or the TFHD Financial Assistance Program;
  - 2.5 A written statement indicating how the patient may obtain an application for the Medi-Cal, Healthy Families Program or other appropriate government coverage program;
  - 2.6 If a patient is uninsured, an application to the Medi-Cal, Healthy Families Program or other appropriate government assistance program will be provided prior to discharge from the hospital;
  - 2.7 A TFHD representative is available at no cost to the patient to assist with application to relevant government assistance programs;
  - 2.8 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 hospital personnel who can assist the patient or guarantor with information about and an application for the TFHD Financial Assistance Program.

- 3.0 The TFHD Patient Financial Services department is primarily responsible for the timely and accurate collection of all patient accounts. Patient Financial Services personnel work cooperatively with other hospital 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.
- 4.0 Accurate information provides the basis for TFHD to correctly bill patients or their insurer. Patient billing information should be obtained in advance of hospital 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, hospital 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:**

- 1.0 Each patient account will be assigned to an appropriate Patient Financial Services representative based upon the type of account payer and current individual staff workloads. The Patient Financial Services Director 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.
- 2.0 Once a patient account is assigned to a Patient Financial Services representative, the account details will be reviewed to assure accuracy and completeness of information necessary for the account to be billed.
- 3.0 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.
- 4.0 If the account is payable only by the patient, it will be classified as a private pay account. Private pay accounts may potentially qualify for a prompt payment discount, government coverage programs, or financial aid under the TFHD Financial Assistance Policy. Patients with accounts in private pay status should contact a Patient Financial Services representative to obtain assistance with qualifying for one or more of these options.
- 5.0 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 charity care or discount partial charity care, all amounts paid which exceed the payment obligation, if any, as determined through the Financial Assistance Program process, shall be refunded to the patient with interest. Any overpayment due to the patient under this obligation may not be applied to other open balance accounts or debt owed to the hospital 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. Such interest shall begin to accrue on the first day that the patient or guarantor's payment obligation is determined through the Financial Assistance Program process. Interest payments shall be accrued at Two Percent (2%) per annum.



- 6.0 All private pay accounts may be subject to a credit history review. Any private pay patient who has applied for the TFHD Financial Assistance Program will not have a credit history review performed as an element of Financial Assistance Program qualification. TFHD will use a reputable, nationally-based credit reporting system for the purposes of obtaining the patient or guarantor's historical credit experience.
- 7.0 TFHD offers patients a payment plan option 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 twelve (12) months. This minimum monthly payment amount shall be determined by dividing the total outstanding patient liability balance by 12. 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 the hospital and patient or their representative. Such payment plans may be arranged by contacting a TFHD Patient Financial Services representative. 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 the TFHD Patient Financial Services department if circumstances change and payment plan terms cannot be met.
- 8.0 Patient account balances in private pay status will be considered past due after 30 days from the date of initial billing. Accounts may be advanced to collection status according to the following schedule:
- 9.0 Any or all private pay account balances where it is determined by TFHD that the patient or guarantor provided fraudulent, misleading or purposely inaccurate demographic or billing information may be considered as advanced for collection immediately upon such a determination by TFHD. Any such account will be reviewed and approved for advancement by the Patient Financial Services Director or her/his designee;
- 10.0 Any or all private pay account balances where no payment has been received, and the patient has not communicated with TFHD within 60 days of initial billing and a minimum of one bill showing details at the revenue code summary level and two cycle statements have been sent to the patient or guarantor. Any such account will be reviewed and approved for advancement by the Patient Financial Services Director or her/his designee;
- 11.0 Any or all other patient accounts, including those where there has been no payment within the past 60 days, may be forwarded to collection status when:
- 12.0 Notice is provided to the patient or guarantor that payments have not been made in a timely manner and the account will be subject to collection 30 days from the notice date;
- 13.0 The patient or guarantor refuses to communicate or cooperate with TFHD Patient Financial Services representatives; and
- 14.0 The Patient Financial Services Director or her/his management designee has reviewed the account prior to forwarding it to collection status.
- 15.0 Patient accounts will not be forwarded to collection status when the patient or guarantor makes reasonable efforts to communicate with TFHD Patient Financial Services representatives and makes good faith efforts to resolve the outstanding account. The TFHD Patient Financial Services Director or her/his designee 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, Healthy Families or other government programs; application for the TFHD Financial Assistance Program; regular partial payments of a reasonable amount; negotiation of a payment plan with TFHD and other such indicators that demonstrate the patient's effort to fulfill their payment obligation.

- 16.0 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:
- 16.1 "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](http://www.ftc.gov)."
- 16.2 Non-profit credit counseling services may be available in the area. Please contact the TFHD Patient Financial Services if you need more information or assistance in contacting a credit counseling service.
- 17.0 For all patient accounts where there is no 3<sup>rd</sup> party insurer *and/or* whenever a patient provides information that he or she may have high medical costs, the Patient Financial Services representative will assure that the patient has been provided all elements of information as listed above in number 2, parts (a) through (h). This will be accomplished by sending a written billing supplement with the first patient bill. The Patient Financial Services representative will document that the billing supplement was sent by placing an affirmative statement in the "notes" section of the patient's account.
- 18.0 For all patient accounts where there is no 3<sup>rd</sup> 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 150 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.
- 19.0 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 150 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.
- 20.0 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.

- 21.0 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 the TFHD Director of Patient Financial Services. Any such legal action must conform to the requirements of Health & Safety Code Section 127420 et seq.
- 22.0 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.

Related Policies/Forms:
References: <a href="#">California Health and Safety Code §§127400 - 127446</a>
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Robert Schapper, Chief Executive Officer

	<b>Tahoe Forest Health System</b>				
	<b>Title:</b> Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies		<b>Policy/Procedure #:</b> ABD-9		
	<b>Responsible Department:</b> Administration				
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	10/24/07	2/10; 1/12; 1/14	1/09; 5/11; 2/14	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

**PURPOSE**

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 hospital 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.

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, uninsured patients or patients with high medical costs who are at or below 350 percent 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.

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.

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 350 percent of the federal poverty level.



## DEFINITIONS

- 1.0 “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.
- 2.0 “Elective Services” means any services which are not medically necessary services.
- 3.0 “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.
- 4.0 “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.
- 5.0 “Financial Assistance Program” means the TFHD Financial Assistance Program established by this policy for providing Full Charity Care or Partial Discount Charity Care (each, as defined below) to qualified patients.
- 6.0 “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 charged. 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.
- 7.0 “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.
- 8.0 “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.
- 9.0 “Non-emergency Services” means medically necessary services that are not Emergency Services.
- 10.0 “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.
- 11.0 “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.
- 12.0 “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**

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.

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, 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.

This policy pertains to financial assistance provided by TFHD. All requests for financial assistance from patients shall be addressed in accordance with this policy.

## **Hospital Inpatient, Outpatient and Emergency Service Programs**

### **Introduction**

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.

### **Full Charity Care and Discount Partial Charity Care Reporting**

TFHD will report actual Charity Care (including both Full Charity Care and Discount Partial Charity Care) provided in accordance with regulatory requirements of the Office of Statewide Health Planning and Development (OSHPD) 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 OSHPD, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.

TFHD will provide OSHPD 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 OSHPD every two years or whenever a substantial change is made.

### **Full and Discount Charity Care Eligibility: General Process and Responsibilities**

Any patient whose family<sup>1</sup> income is less than 350% of the FPL, if not covered by third party insurance or if covered by third party insurance and unable to pay the patient liability amount

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<sup>1</sup> 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.

owed after insurance has paid its portion of the account, is eligible to apply for financial assistance under the TFHD Financial Assistance Program.

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.

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.

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 requests financial assistance will be asked to complete a financial assistance application.

The financial assistance application should be made as soon as there is an indication by the patient or the patient's representative that he/she may be in need of and requests financial assistance. 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.

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:

- Confirmation of the patient's income and health benefits coverage;
- Complete documentation of the patient's monetary assets;
- Other documentation as needed to confirm the applicant's qualification for financial assistance; and
- Documentation confirming the hospital's decision to provide financial assistance, if financial assistance is provided.

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**

### **1.0 Qualification: Full Charity Care and Discount Partial Charity Care**

- 1.1 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.
- 1.2 The patient and/or the patient's family representative who requests assistance in meeting their financial obligation to the hospital shall make every reasonable effort to provide information necessary for the hospital to make a financial assistance qualification determination. The hospital 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.
- 1.3 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, the hospital 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.
- 1.4 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 the Patient Financial Services department at TFHD. This office shall be clearly identified on the application instructions.
- 1.5 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.
- 1.6 Approval of an application for financial assistance to eligible patients will be made only by approved hospital personnel according to the following levels of authority:
  - 1.6.1 Clinic Manager: Accounts less than \$500
  - 1.6.2 Financial Counselor: Accounts less than \$2,500
  - 1.6.3 Director of Patient Financial Services: Accounts less than \$10,000
  - 1.6.4 Chief Financial Officer: Accounts less than \$50,000
  - 1.6.5 Chief Executive Officer: Accounts greater than \$50,000
- 1.7 Factors considered when determining whether to grant an individual financial assistance pursuant to this policy may include (but are not limited to):

- Extent of Third Party Insurance;
  - Family income based upon tax returns or recent pay stubs;
  - Monetary assets, if the patient requests any level of financial assistance greater than the Basic Discount (as defined below);
  - The nature and scope of services for which the patient seeks financial assistance;
  - Family size and circumstances;
  - Hospital budget for financial assistance;
  - Other criteria set forth in this policy.
- 1.8 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.
- 1.9 Financial assistance may be granted for Full Charity Care or Discount Partial Charity Care, based upon this Financial Assistance Program policy.
- 1.10 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.
- 1.11 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.

## 2.0 **Full and Discount Partial Charity Care Qualification Criteria**

### 2.1 **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 350% 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.

### 2.2 **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:**

- 2.2.1 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.
- 2.2.2 If the patient's family income is between 201% and 350% 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:
  - 2.2.2.1 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**

<b>Family Percentage of FPL</b>	<b>Percentage of Medicare Amount Payable</b> (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 – 350%	100

- 2.2.2.2 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.

- 2.2.3 If a patient who meets all other Financial Assistance Program requirements whose family income is either greater than 350% the current FPL, or has family income of less than 350% 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:
  - 2.2.3.1 The patient's need for financial assistance.
  - 2.2.3.2 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.
  - 2.2.3.3 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.

2.3 **Financial Assistance For Non-Emergency Services:**

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

If the patient's family income is 350% 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.

- 2.3.1 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.
- 2.3.2 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 :
  - 2.3.2.1 The degree of urgency that the services be performed promptly.
  - 2.3.2.2 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.

- 2.3.2.3 Whether the services can most efficiently be performed at TFHD, or whether there are other providers that could perform the services more efficiently.
- 2.3.2.4 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.
- 2.3.2.5 The patient's need for financial assistance.
- 2.3.2.6 Any other facts that, in TFHD's sole discretion, are appropriate to take into account in considering the patient's request for financial assistance.

### 3.0 **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 for which the patient has requested financial assistance, and subsequently is granted financial assistance through the Financial Assistance Program, any amounts paid at a time when the patient was eligible for financial assistance which exceed the patient's payment obligation, if any, shall be refunded to the patient, with interest. Any refund due to the patient under this paragraph may not be applied to other open balance accounts or debt owed to the hospital by the patient or his/her family, representative, or guarantor. Any refunds due shall be reimbursed to the patient or his/her representative within a reasonable time. Such interest shall accrue from the first day that TFHD received payment of the amount to be refunded, at the rate set forth in Section 685.010 of the California Code of Civil Procedure."

### 4.0 **Flow Chart**

Following is a flow chart describing the process for determining financial assistance for applicants for Emergency Services, Non-emergency Services, and Prior Services:

#### 4.1 **Hospital-Based Primary Care and Multi-Specialty Clinics**

TFHD operates certain outpatient services of the hospital as clinics which are located apart from the main campus of the hospital. These include a multi-specialty clinic, and a primary care clinic, both of which provide mainly primary care services. Because of the lower cost of primary care procedures performed on an outpatient basis, the following shall apply to hospital services rendered in these outpatient clinics:

- 4.1.1 Clinic patients are patients of the hospital, and will complete the same basic financial assistance application form
- 4.1.2 The patient's family income will primarily be determined using pay stubs
- 4.1.3 Tax returns will not be required as proof of income unless clinic personnel determine it is reasonable and necessary due to unusual circumstances



- 4.1.4 A patient attestation letter may be used on a limited basis when appropriate to an individual patient's circumstance
- 4.1.5 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>
<i>Incomes less than or equal to 200%</i>	\$25 flat fee, not to exceed what Medicare would pay for the clinic visit
<i>Incomes between 201% and 350%</i>	Actual Medicare Fee Schedule

**4.2 Distinct Part Skilled Nursing Services**

4.2.1 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.

4.2.2 Given the unique nature of providing care to skilled nursing facility patients, the following financial assistance requirements shall apply:

4.2.2.1 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

4.2.2.2 Patients will pay a reduced fee based on the following sliding scale

**Distinct Part Skilled Nursing Sliding Scale**

<i>Patient/Family FPL Qualification</i>	<i>Amount of Payment Due for Distinct Part Skilled Nursing Facility Services</i>
<i>Incomes less than or equal to 200%</i>	50% of the Medi-Cal Payment Rate
<i>Incomes between 201% and 350%</i>	100% of the Medi-Cal Payment Rate

**5.0 Payment Plans**

5.1 When a determination to grant Discount Partial Charity Care has been made by the hospital, 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.

5.2 The hospital will discuss payment plan options with each patient that requests to make arrangements for 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 12 months. The hospital 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.

## 6.0 **Special Circumstances**

- 6.1 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.
- 6.2 If a patient is determined to be homeless he/she may be deemed eligible for charity care, in the sole discretion of TFHD.
- 6.3 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.
- 6.4 Charges for patients who receive Emergency Services for whom the hospital 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.

## 7.0 **Other Eligible Circumstances**

- 7.1 TFHD deems those patients that are eligible for government sponsored low-income assistance program (e.g. Medi-Cal/Medicaid, Healthy Families, California Children's Services 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 (e.g. CHDP, Healthy Families, and CCS) which the government program does not cover, are eligible for Financial Assistance Program coverage. Under the hospital'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.
- 7.2 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:
  - 7.2.1 The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or
  - 7.2.2 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.

## 8.0 **Catastrophic Care Consideration**

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.

## 9.0 **Criteria for Re-Assignment from Bad Debt to Charity Care**

- 9.1 Any account returned to the hospital 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 file.
- 9.2 All outside collection agencies contracted with TFHD to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change from bad debt to charity care:
  - 9.2.1 Patient accounts must have no applicable insurance (including governmental coverage programs or other third party payers); and
  - 9.2.2 The patient or family representative must have a credit score rating within the lowest 25<sup>th</sup> percentile of credit scores for any credit evaluation method used; and
  - 9.2.3 The patient or family representative has not made a payment within 150 days of assignment to the collection agency;
  - 9.2.4 The collection agency has determined that the patient/family representative is unable to pay; and/or
  - 9.2.5 The patient or family representative does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score
- 9.3 All accounts returned from a collection agency for re-assignment from Bad Debt to Charity Care will be evaluated by hospital personnel prior to any re-classification within the hospital accounting system and records.

## 10.0 **Notification**

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:

- 10.1 Approval: The letter will indicate that financial assistance has been approved, the level of assistance, and any outstanding or prospective liability by the patient.
- 10.2 Denial: If the patient is not eligible for financial assistance due to his/her income and/or monetary assets, the reasons for denial of eligibility will be explained to the patient. Any outstanding amount owed by the patient will also be identified.

- 10.3 Pending: 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 the Hospital by the patient or family representative.

#### 11.0 **Reconsideration of Eligibility Denial**

- 11.1 In the event that a patient disputes the hospital's determination of eligibility, the patient may file a written request for reconsideration with the Hospital 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.
- 11.2 Any or all appeals will be reviewed by the hospital 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.
- 11.3 All discretionary decisions by the hospital shall not be subject to further review or reconsideration.

#### 12.0 **Public Notice**

- 12.1 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.
- 12.2 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.
- 12.3 A copy of this Financial Assistance Policy will be made available to the public on a reasonable basis.

#### 13.0 **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.

#### 14.0 **Good Faith Requirements**

- 14.1 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.
- 14.2 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 the hospital'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.

Related Policies/Forms:
References: See TFHD BOD Meeting Minutes, 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
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Robert Schapper, Chief Executive Officer

		<b>Tahoe Forest Health System</b>			
		Title: Fiscal Policy		Policy/Procedure #: ABD-11	
		Responsible Department: Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	8/85	2/10; 01/12; 1/14	11/05; 2/06; 6/07	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

**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:**

1.0 **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 reserves. This philosophy is based upon, and consistent with, the Mission Statement and operating policies of the District.

2.0 **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 Chief Executive Officer (CEO) to implement policies and procedures consistent with the Fiscal Policy of the Board of Directors.

**PROCEDURE:**

1.0 **FUND BALANCES AND TRANSFER PROCEDURES**

The Chief Executive Officer has the authority to move funds that are consistent with Board of Directors Fiscal Policy. Days Cash On Hand (the number of days of average cash expenses) to maintain the Standard & Poors BBB- rating threshold, and sustain sufficient fund for capital equipment needs. At least quarterly, a report of fund balances will be presented to the Board of Directors.

2.0 **Maintenance and Operations 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. Moneys in the maintenance and Operation Fund may be expended for any of the purposes of the District.

3.0 The Chief Executive Officer will allocate 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:

3.1 Cash Reserve Fund

3.2 Projects Fund

4.0 **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.

4.1 **Other Entity Funds:**

Funds held for other entities such as Medical Staff and Auxiliary. Interest income accrues to the specific fund.

4.2 **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.

5.0 **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.



6.0 **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.

7.0 **Donations:**

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

Related Policies/Forms:
References:
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Robert Schapper, Chief Executive Officer

		<b>Tahoe Forest Health System</b>			
		<b>Title:</b> Investment Policy		<b>Policy/Procedure #:</b> ABD-15	
		<b>Responsible Department:</b> Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	1/90	3/10; 01/12; 1/14	7/06	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

**PURPOSE:**

The purpose of this policy is to establish Tahoe Forest Hospital District cash investment objectives, authority and responsibility, approval, instrument limitations (Appendix A, California Health & Safety Code Section 32127), concentrations, terms, reporting, judgment and care, and District Treasurer’s, Chief Executive Officer and CFO liability for all of its funds.

**POLICY:**

1.0 **OBJECTIVE**

The District’s investment objective is to maximize the return on invested cash while minimizing risk of capital loss and adhering to the investment policy as allowed for herein.

2.0 **AUTHORITY AND RESPONSIBILITY**

The District Treasurer shall have the authority and responsibility to purchase and invest prudently. The Chief Executive Officer is delegated the authority and responsibility by the District Treasurer to purchase and invest within the limitations defined below.

3.0 **APPROVAL**

The CFO will investigate and recommend investments within the guidelines of this policy but must have approval from the District Treasurer or Chief Executive Officer to implement investments.

**LIMITATIONS ON INSTRUMENTS**

The District shall adopt and use California Health & Safety Code Section 32127 as the limitation on instruments of investment. Refer to Appendix A.

**PROCEDURE:**

1.0 **CONCENTRATION OF INVESTMENTS**

- 1.1 Unlimited investments in the State Of California Local Agency Investment Fund.
- 1.2 Unlimited investment in the U.S. Government guaranteed investments.
- 1.3 Sufficient principal funds in any single bank or savings should comply with the regulatory collateralization requirements.



No more than \$100,000 principal in any single bank or savings and loan association with insurance through FDIC or FSLIC, when FDIC or FSLIC is applicable.

1.4 Banks or savings and loan associations must also have consistently profitable operations, and must have net worth ratios which exceed their regulatory requirements.

1.5 No more than \$1,000,000 in any one corporation or diversified management company.

## 2.0 **TERMS OF INVESTMENTS**

2.1 Limited to the terms specified in Government Code Section 53601 or if not specified:

2.2 Maximum terms of any investment to be one and one half (1 1/2) years.

2.3 Board of Directors' approval required for terms in excess of 1 and 2 above.

2.4 Investments must be redeemable prior to maturity, even if with a penalty, or salable in an established secondary market.

## 3.0 **REPORTING**

The District Treasurer or CFO shall report periodically to the Board of Directors of the District showing the type of investment, institution, date purchased, date of maturity, amount of deposit and rate of interest.

## 4.0 **JUDGEMENT AND CARE**

All persons authorized to make investment decisions on behalf of the District (investing public funds) are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing funds, the trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

## 5.0 **DISTRICT TREASURER LIABILITY**

When the District funds are invested in accordance with this Statement Of Investment Policy, the District Treasurer shall not be liable for any loss resulting from the default or insolvency of an authorized depository in the absence of negligence, malfeasance, misfeasance or nonfeasance on the part of the Treasurer.

## 6.0 **CFO AND CHIEF EXECUTIVE OFFICER PERFORMANCE**

As experts in the field of finance, healthcare and hospital operations, the CFO and Chief Executive Officer are expected to guide, recommend and provide oversight to the Treasurer, Board Finance Committee and Directorship in all matters related to investment activities. It is incumbent upon these above mentioned employees to ensure that all investments suggested and/or executed are in compliance with all applicable California State law, code, regulation and procedure, all federal laws and District policy.

Any and all deviation from law or policy shall be brought to the immediate attention of the Treasurer, the Board Finance Committee and brought through the Board of Directors.

**TAHOE FOREST HOSPITAL DISTRICT**

**INVESTMENT POLICY**

**LIMITATION ON INSTRUMENTS**

**APPENDIX A**

The District shall adopt and use the following as the limitation on instruments of investment.

California Health & Safety Code Section 32127, which outlines the duties of the Treasurer of the District, provides generally that any monies in the treasury of the District may be deposited in accordance with the provisions of the general laws of the State of California governing the deposit of public monies of cities or counties. That provision is supplemented by the provisions of Government Code Section 53600, et seq. which deals with investment of funds by local agencies.



Government Code Section 53601 provides that the legislative body of a local agency having money in a sinking fund or surplus money in its treasury not required for immediate necessities of the local agency may invest in the following categories based on Government Code Section 53601 beginning in 1992 with 1995, 1996 and 2002 Amendments.

- 6.1 Bonds issued by the District;
- 6.2 U.S. Treasury Notes, bonds or certificates of indebtedness;
- 6.3 Warrants, treasury notes or bonds issued by the State of California or by any department, board, agency or authority of the state;
- 6.4 Bonds, notes, warrants or other evidences of indebtedness of any local agency in California;
- 6.5 Obligations, participation or other instruments of, or issued by, a federal agency including Federal Home Loan Bank Board (FHLBB) and Federal National Mortgage Association (FNMA).
- 6.6 Bankers' acceptances provided that such documents may not exceed 180 days maturity and no more than 30 percent of surplus funds may be invested in the bankers' acceptances of any one commercial bank and 40 percent of the surplus funds total in such investments;
- 6.7 Commercial paper of prime quality or the highest rating by Moody's or Standard and Poor's, ("A" or higher) provided that issuing corporations must have total assets in excess of \$500,000,000. Purchases of eligible commercial paper may not exceed 270 days maturity or represent more than 10 percent of the outstanding paper of any issuing corporation, and purchases of commercial paper may not exceed 25 percent of the agency's surplus money.
- 6.8 Negotiable certificates of deposit issued by nationally or state chartered banks or savings and loan associations or state license branches of a foreign bank, provided that purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's surplus money (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);

- 6.9 Repurchase agreements or reverse repurchase agreements of any securities authorized by Section 53601, provided the term of repurchase agreements shall be one year or less.
- 6.10 Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section.
- 6.11 Shares of beneficial interest issued by diversified management companies, investing in the securities and obligations as authorized by subdivisions (a) to (j) inclusive, or subdivision (m) or (n) of this section and which comply with the investment restriction of this article and Article 2 (commencing with Section 53630). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or (2) Have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations as authorized by subdivisions (a) to (j), inclusive or subdivisions (m) or (n), of this section and with asset under management in excess of \$500,000,000. The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and shall not exceed 20 percent of the agency's surplus money which may be invested pursuant to this section. However no more than 10 percent of the surplus funds may be invested in shares of beneficial interest of any one mutual fund pursuant to this paragraph.
- 6.12 Notwithstanding anything to the contrary contained in this section, Section 53635 or any other provision of law, monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale or other agreement of a local agency, or certificates of participation in those bonds, indebtedness or lease installment sale, or other agreements may be invested in accordance with statutory provisions governing the issuance of those bonds, indebtedness or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture or agreement of the local agency providing for the issuance.
- 6.13 Notes, bonds or other obligations which are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirement of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

- 6.14 Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's surplus money that may be invested pursuant to this section.
- 6.15 Prohibited from borrowing short-term and using these funds to invest in long-term securities.
- 6.16 The District shall not invest in inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- 6.17 The District shall not invest any funds in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation shall not apply to the District investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, and following) that are authorized for investment pursuant to subdivision (k) of Section 53601.

Related Policies/Forms:
References:
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Robert Schapper, Chief Executive Officer

		<b>Tahoe Forest Health System</b>			
		<b>Title:</b> New Programs And Services		<b>Policy/Procedure #:</b> ABD-18	
		<b>Responsible Department:</b> Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	5/09	3/10; 03/12; 1/14		
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

**PURPOSE:**

To assist the Board of Directors in the Board’s exercise of oversight with respect to duty of care in evaluating the impact of new programs and/or services of the organization. The duty of care requires Board members to have knowledge of all reasonably available and pertinent information before taking action. The Board member must act in good faith, with the care of an ordinarily prudent businessperson in similar circumstances, and in a manner he or she reasonably believes to be in the best interest of the organization.

To assist the Board of Directors in the Board’s responsibility to set the organization’s strategic direction in a manner consistent with the organization’s mission, vision, and values.

**POLICY:**

- 1.0 The Board [or relevant Board committee] will consider the following when evaluating new programs and services:
  - 1.1 Congruence with mission, vision, and values
  - 1.2 Financial feasibility
  - 1.3 Impact on quality and safety with a requirement to meet quality related performance criteria
  - 1.4 Market potential
  - 1.5 Redundancy
  - 1.6 Impact on other organizational units [e.g., employed physician groups, independent physicians on the medical staff, the medical staff as a whole, etc.]
- 2.0 Management will present to the Board [committee] a written analysis of proposed new programs and services that addresses, at a minimum, the components listed above.
- 3.0 The Board [committee] will first consider the information presented in the analysis during a Board [committee] meeting; discussion will take place and additional information/input from others may be required. The Board [committee] will ensure that management provides the additional information/input as requested.
- 4.0 In general, Board [committee] decisions on whether to move forward with a new program or service will **not** be taken during the meeting at which the proposed new program or

service is initiated. The final decision will be made at a subsequent Board [committee] meeting in order to allow Board [committee] members to have additional time for discussion/consideration and to assess all information before voting.

Related Policies/Forms:
References:
Policy Owner: Michelle Cook, Clerk of the Board
Approved by: Robert Schapper, Chief Executive Officer

BOARD DESIGNATED FUND \$2,297.00  
SHOWN ON BALANCE SHEET

11024 Standardized Procedures:

- Pronouncement of Death By RN
- Registered Nurse First Assistant
- IV Starts In The Ambulatory Surgery Setting
- Administration of Vaccines
- Registered Nurse First Assistant Interns
- Epidural Reinjections Of Narcotics
- Nurse Practitioner In Clinic Setting
- Bicitra Administration In Ambulatory Surgery
- Valium Administration In Ambulatory Surgery
- Repair Of Lacerations In The Emergency Department
- Approval Of Laboratory Manuals

Motion carried unanimously.

Contract: Carolyn Kenngott, CRNA

Mr. Long stated that the contract has a few minor language changes yet to be incorporated and that the computation of the percentage of hospital retention is yet to be completed. He requested that the Board of Directors approve the contract in its current form recognizing that these revisions will be incorporated at a later date. It was moved by John Falk and seconded by Leonard Shaheen to direct staff to work out the details of the CRNA contract with Carolyn Kenngott and to approve the contract as presented, recognizing that further revisions will be incorporated to address the aforementioned unfinished business. Motion conceptually carried with Dr. Boone abstaining. Mr. Eskridge commented that he would still like to see the hospital do the billing for all anesthesia services.

FY 95/96 Audit Report

Mr. Bottemiller introduced Bob McClintock from the McClintock Accountancy firm, who presented the FY 95/96 Audit Report. The following points were made:

- The Finance Committee was given a more in depth presentation of the audit report, and has recommended that the Board of Directors accept the report as presented.

- McClintock Accountancy has issued a "clean" or unqualified opinion of the financial operations of the District.

- A discussion was held regarding the decreased amount in the Board Designated Funds due to the two major activities undertaken by the District in the past year - the purchase of Incline Village Health Center and the construction of the Medical Office Building. It was noted that a Five Year Projection will be presented in the next few months, which will provide guidance to the Board in their decision making for future expenditures.

- The District had a 9.3% return on equity versus a target of 10%.

It was moved by Leonard Shaheen and seconded by Howard Boone, MD to accept the FY 95/96 Audit Report as presented by McClintock Accountancy. Motion carried unanimously.



11025

**Administrator's Report**

Mr. Long pointed out the following items under his report:

•We have recently received a Letter Of Intent from Dr. Peterson outlining his interest in leasing 3500 square feet on the second floor of Incline Village Health Center. Further research is required before formal rental agreements/contracts are pursued.

•The lease agreement for the Medical Office Building (MOB) has not been finalized as yet, and it is hoped that it will be ready for presentation at the next Board meeting. The tenant improvements for hospital services are scheduled for completion by the end of October, and physician space should be ready for occupancy approximately three to four months after their lease/option to purchase agreements have been signed.

•Two members of the Foundation's Executive Committee have submitted their resignations, and the future direction/operations of the Foundation will be discussed at their upcoming Executive Committee meeting.

•A review of the original goals of Incline Village Health Center and the current status toward achieving these goals was held.

•We have received a letter from Truckee Fire District asking that payment be made on the outstanding monies they contend are due because of the revision to the retention calculation which was computed by the hospital. We will be discussing this issue with legal counsel, and following this discussion, a Special Board meeting may need to be scheduled.

**Finance Committee Meeting 9/17/96**

Dr. Boone noted that, as a result of the discussion from last month's meeting regarding Dietary services, a comment is contained in the Support Services Report of the Administrator's Report that a PIP Focus Group will be formed to review the issue.

He further stated that all of the Finance Committee recommendations have already been acted upon by the Board. He reported that an in depth discussion was held at the Finance Committee regarding the level of funds in the Board Designated Account and our desire to increase the level of said funds over time. Mr. Long commented that staff will develop the five year projections, which will provide guidelines for future expenditures.

**Personnel Committee Meeting 9/17/96**

Mr. Eskridge reported that the committee had met to discuss the future role of the Marketing position, and formulated recommendations for hospital staff to use in filling this need. Further, it was recommended that the Performance Improvement Plan look at the continuum of care from inpatient to outpatient services. Mr. Long stated that this will be broken into two segments: Home Health and Inpatient Services and Admitting/Discharge Planning and Case Management Services. Mr. Long further stated that any thoughts on how this issue should be reviewed can be given to him for incorporation into the process.

- 10% ROE is a difficult goal to achieve.
- There were no rate increases in the 96/97 FY.
- There were no population increases incorporated into the 96/97 FY

budget.

- Low census and bad payer mix were factors.

■Dr. Newman asked if the Incline Village Health Center and the Medical Office Building contributed to this low ROE. Mr. Long replied that these factors were among several – low census, growing bad debt and declining government payer reimbursement.

It was noted that the Finance Committee has recommended acceptance of the FY 97 Audit Report. It was moved by Dr. Boone and seconded by Rob Eskridge to accept the FY 97 Audit Report as presented. Motion carried unanimously.

Mr. Eskridge asked if this was the appropriate time to discuss the placement of additional cash in the Board Designated Fund. It was pointed out that this issue has been discussed at the Finance Committee; the current Board policy is being followed; and, no action is needed unless the Board wishes to revise the policy.

#### Presentation: Nurse Advice Line

Ms. Judy Newland stated:

- The hospital issued an RFP for the provision of a telephone triage and medical advice line.

- 4 responses were received to the RFP. After review of the responses, it was recommended that the Doctors & Company proposal be accepted pending further reference checks.

- Doctors & Company was selected due to the flexibility to customize the service for our area based on feedback and physician needs, and good quality assessment/quality improvement factors.

- Reference checks are still underway, but to date the information received has been positive.

- The support of our physicians is vital, and further discussions with the Medical Staff will be held.

- Currently, we are looking at offering the service to those groups the District and IPA have accepted the financial risk for, i.e. TFH Employee Health Plan and SIG.

- The timeframe is: 10/97-work with our Medical Staff; 11/97-sign the contract; 1/98-implement.

President Shaheen asked if any Board action was needed at this time. Mr. Long replied that the contract will be brought back to the Board for their approval within the next two months.

#### Administrator's Report

Mr. Long covered the following items:

**FINANCE COMMITTEE**

**RECOMMENDED AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING**

1. Financial Report – October 2015 Quarterly Packet
2. FYE 2015 Draft Audited Financial Statements
3. TFHS Foundation FYE 2015 Pre-Audit Financial Statements
4. TFHS Foundation 1<sup>st</sup> Quarter 2016 Financial Statements
5. TSC LLC July-September 2015 Quarterly Review

**RECOMMENDED DATE(s) AND TIME(s) FOR NEXT FINANCE COMMITTEE MEETING**

1. Thursday, November 19, 2015 2 hrs – 1:00-3:00pm Tahoe Conference Room
2. Friday, November 20, 2015 2 hrs – 9:00-11:00am Tahoe Conference Room