



TAHOE FOREST HOSPITAL DISTRICT

# 2017-03-21 Board Finance Committee

Tuesday, March 21, 2017 at 8:00 am

Tahoe Conference Room - Tahoe Forest Hospital

10054 Pine Avenue, Truckee, CA 96161

# Meeting Book - 2017-03-21 Board Finance Committee

3/21/17 Finance Committee

## AGENDA

2017-03-21 Finance Committee\_FINAL Agenda.pdf Page 3

ITEMS 1 - 4: See Agenda

### 5. APPROVAL OF MINUTES

2017-02-23 Finance Committee\_DRAFT Minutes.pdf Page 4

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

#### 6.1. Financial Reports

6.1.1. Financial Report - January 2017.pdf Page 10

6.1.2. Financial Report - February 2017.pdf Page 23

#### 6.2. FY18 Budget Update

6.3. ACA Repeal-Replacement.pdf Page 36

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

No related materials.

### 8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 9. NEXT MEETING DATE

### 10. ADJOURN



# FINANCE COMMITTEE AGENDA

Tuesday, March 21, 2017 at 8:00 a.m.  
Tahoe Conference Room, Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**
2. **ROLL CALL**  
Dale Chamblin, 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: 2/23/2017** ..... ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
  - 6.1. Financial Reports
    - 6.1.1. Financial Report – January 2017..... ATTACHMENT
    - 6.1.2. Financial Report – February 2017..... ATTACHMENT\*
  - 6.2. FY18 Budget Update..... ATTACHMENT\*  
The Finance Committee will receive an update on the fiscal year 2018 budget.
  - 6.3. ACA Repeal/Replacement ..... ATTACHMENT  
The Finance Committee will receive information regarding the proposed Affordable Care Act partial repeal and replacement plan.
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

Thursday, February 23, 2017 at 10:30 a.m.  
Eskridge Conference Room, Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA 96161

### 1. CALL TO ORDER

Meeting was called to order at 10:33 a.m.

### 2. ROLL CALL

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

Staff: Harry Weis, Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Nursing Officer; Gayle McAmis, MSC Billing; Carl Blumberg, Risk Manager and Patient Safety Officer; Martina Rochefort, Clerk of the Board

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

Items 6.2. and 6.1.2. will be heard first due to presenter schedules.

### 4. INPUT – AUDIENCE

No public comment was received.

### 5. APPROVAL OF MINUTES OF: 1/25/2016

Discussion was held about previous hospice discussion. CFO stated that thrift store employees understand how thrift store revenues pay for hospice services. Volunteers need to be educated and will be educated in the coming weeks.

Director Chamblin approved the January 25, 2017 Finance Committee minutes.

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

#### 6.1. Financial Reports

##### 6.1.1. Financial Report – Preliminary January 2017

The January financials are 90% complete and therefore the discussion will be regarding preliminary numbers. There are still items that need to be wrapped up. Controller is currently out on medical leave.

CFO reviewed the Statement of Net Position.

Cash went up.

Patient Accounts Receivable went down to \$18,023,758, a direction the District likes to see.

Aging categories came down which is also something we wanted to see.

The timing of the General Obligation (GO) bond payment is around this timeframe as well as normal bonds. There will be a change in interest payable.

Property tax revenues increased. More tax revenue came in than was expected. Nevada and Placer Counties give estimated assessed values. The District uses estimated assessed values for budget. Timing of payments could also be different if taxpayers pays in one installment or two installments.

CFO reviewed the January Income Statement.

Inpatient revenue was better than budget. Acute patient days were 12.5% higher. Outpatient actual was lower than budget.

\$750,000 had been built into the budget for the OB/GYNs. Revenue was built in that is not yet generating.

MRI volumes were down in January with 62 less outpatient cases. Oncology, oncology drug and Pet CT were down \$220,000. All three contribute to \$750,000.

ER volumes were down 6.6% at Tahoe Forest Hospital.

Discussion was held about the effect of weather on business. When there is a lot of snow, people are not moving around.

Year to date numbers still look strong.

The contractual allowance number was lower than budget. Payor mix showed a large number of commercial payors. CFO was not satisfied with numbers for contractual allowance and bad debt and will dive deeper into the numbers when the Controller returns from medical leave.

Depreciation is a straight line calculation. It is done a quarter to true it up.

EBIDA is not quite as good as January last year.

Cash flow was at 186 days at the end of January.

There is a change in cash due timing of payments to Mercy which are based on milestones (not dates). Director Chamblin stated the CIO's board report mentioned EPIC could be delayed due to not enough credentialed trainers. If EPIC does not hit critical milestone they do not get paid.

Account Receivables went down which resulted in an increase to cash.

The District did not get its Intergovernmental Transfer (IGT) money in January but did receive it in February.

If the District hit budget on EBIDA, spent every dollar on capital improvements, and received all IGT money, it would end the year with approximately \$69,000,000 (or 196 days cash on hand).

Director Chamblin commented there is a rumor floating around that the master plan is going to cost \$50,000,000 to implement. CEO stated that is a very premature and inaccurate estimate. The District will not do any GO bonds for the master plan. CFO stated the concept of what the District wanted to do in the Medical Office Building, 2<sup>nd</sup> floor of the cancer center, and old OB space is not new. A figure of approximately \$13,000,000 was used during the 2017 budget process from estimates already received. Members of the public could be looking at the figure for all types of capital. All years in the budget (2017-2020) add up to over \$50,000,000.

COO commented there is still data collection to do related to the master plan. COO met with board members in mid-February to introduce them to the master plan. There may be confusion with the total capital budget of which the master plan is only a part of.

Discussion was held about adding the topic to next month's board meeting. COO will add to her report. Staff was directed to add a master planning topic to the board retreat for discussion.

#### **6.1.2. Multi-Specialty Clinics Quarterly Review**

Gayle McAmis reviewed the Multi-Specialty Clinics

The big story for the Multi-Specialty Clinics was the addition of orthopedics.

Work Relative Value Units (WRVUs) were 45% higher than the first half of fiscal year 2016.

Director Chamblin noted a net loss in orthopedics and inquired what it really costs the District. CFO noted the District does assess the relevance of the health system revenue generated by specialty area.

CFO remarked the District knows orthopedics is a significant service line.

Dr. Haeder will join the orthopedic group in August and provide stability for the physicians in the practice. The District will continue to develop and grow orthopedic service line.

Director Chamblin inquired if any of the slack had been picked up since Dr. Conyers left. WRVUs in the GI/General Surgery clinic decreased 13% between the first half of FY16 and first half of FY17, with a 16% decrease in General Surgery and 9% in Gastroenterology (GI). Dr. Conyers was doing a fair share of GI cases. There is unmet demand.

Dr. Kitts is firmly planted in another area.

*Ms. McAmis departed the meeting at 11:00 a.m.*

#### **6.1.3. Tahoe Forest Health System Foundation Q2 2017 Financial Statements**

CFO reviewed the Tahoe Forest Health System Foundation's Financial Statements.

The financial statement reflect numbers 6 months into the fiscal year.

Gene Upshaw is about wrapped up. Raffle tickets to this year's Super Bowl were sold. Best of Tahoe chefs will be the next big event for the foundation.

The foundation is expecting \$75,000 to come in from the employee giving campaign.

Director Chamblin asked if the foundation was missing an opportunity for physician giving. CEO noted he has seen different programs at various hospitals. Employee giving at TFHD has not been done for years.

CEO commented the sights have been set much higher than ever been for both foundations. Timely access to healthcare drives bigger donations.

Page 23 of the agenda packet shows all categories of funds for the foundation.

A recent mail campaign gave the opportunity to clean up the database of bad addresses. The mail campaign also saw people give that had not given in a long time.

Director Chamblin believed it was a good move to reconstitute a new foundation board.

At the halfway mark, things look on track for the Foundation.

The foundation experienced changes in staffing. As of December 31, 2016, Carey Hood had left the organization and the foundation was looking for someone dedicated to Gift Tree. The position has since been hired.

Director Chamblin inquired if \$75,000 of employee giving was realistic. CEO felt the goal is realistic. Director Chamblin commented that employee giving would reflect a renewed commitment to the organization.

#### **6.1.4. Truckee Surgery Center LLC - Oct – Dec 2016 Financial Statements**

CFO reviewed Truckee Surgery Center's financial statements.

Truckee Surgery Center (TSC) operates on a calendar year basis. These are the last 3 months of their fiscal year.

CFO commented the biggest concern is the net income is upside down at -\$156,968.72. There is concern that TSC is coming into negative cash flow. CFO noted that a cash call has not yet been needed.

TSC will have a board meeting early next month.

TSC has always kept 60 days cash on hand.

CFO is expecting the analysis from Moss Adams to wrap up at the end of February.

CEO is reviewing TSC's operational feature, its role in our system, etc.

TSC used to generate \$1,500,000 of net income a year prior to the District purchasing a majority.

CFO commented there is great opportunity ahead of the District to look at the surgery center's structure. The current operating agreement states 90% of cases need to be musculoskeletal. Moss Adams is helping the District look at the different scenarios.

## **6.2. Risk Management Update**

Carl Blumberg, Risk and Patient Safety Manager, presented the Finance Committee with an update on the District's insurance policies and coverages

Previous risk management questions were summarized and updated to current information.

Director Chamblin stated the Board of Directors has duty to review this report annually.

Director Chamblin commented that wildfire is the biggest risk to the District. He inquired if anyone has come out to assess wildfire risk. Risk Manager said this assessment is done through facilities. Wildfire risk was done as part of the overall assessment. Director Chamblin inquired if the assessment was current. Risk Manager will check with Mike Ruggiero in Facilities.

A business interruption property claim is being filed from the recent winter storms. With the tree service alone, the District has reached its deductible. Lots of material is being put together for this claim

CFO asked Risk Manager to meet with Keenan to determine whether to stay with Alliant or move coverage elsewhere.

Director Jellinek asked what affect it has when the carrier (BETA) covers the hospital and physician. The Friendly Professional Corporation (PC) will have to carry coverage for any physicians employed by the Friendly PC. A stand alone physician could not receive individual BETA coverage. They can be under our umbrella for the medical group.

*Mr. Blumberg departed the meeting at 10:50 a.m.*

## **6.3. FY18 Preliminary Budget Timeline**

The Finance Committee will review the timeline for the fiscal year 2018 budget.

Items that start this week do not require assistance from the Controller.

CFO is hoping to have things wrapped up and presented to the Board of Directors in June.

The timing is tough with the system implementations of EPIC, Aparek and Kaufman Hall Axiom rolling out.



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

None.

**8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**

- Financial Report – January 2017
- Financial Report – February 2017
- Budget Update
- ACA Repeal/Replacement

**9. NEXT MEETING DATE**

The next Finance Committee meeting was scheduled for Tuesday, March 21, 2017 at 8:00 a.m.

**10. ADJOURN**

**Meeting adjourned at 11:58 a.m.**

DRAFT

**TAHOE FOREST HOSPITAL DISTRICT  
JANUARY 2017 FINANCIAL REPORT  
INDEX**

<b>PAGE</b>	<b>DESCRIPTION</b>
2 - 3	FINANCIAL NARRATIVE
4	STATEMENT OF NET POSITION
5	NOTES TO STATEMENT OF NET POSITION
6	CASH INVESTMENT
7	TFHD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
8 - 9	TFHD NOTES TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
10	IVCH STATEMENT OF REVENUE AND EXPENSE
11 - 12	IVCH NOTES TO STATEMENT OF REVENUE AND EXPENSE
13	STATEMENT OF CASH FLOW

**Board of Directors**  
*Of Tahoe Forest Hospital District*

## **JANUARY 2017 FINANCIAL NARRATIVE**

The following is the financial narrative analyzing financial and statistical trends for the seven months ended January 31, 2017.

### **Activity Statistics**

- ❑ TFH acute patient days were 439 for the current month compared to budget of 390. This equates to an average daily census of 14.17 compared to budget of 12.58.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Surgical cases, Diagnostic Imaging, and Nuclear Medicine.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Emergency Department visits, Home Health visits, Endoscopy procedures, Mammography, Oncology procedures, MRI exams, PET CT, Respiratory Therapy, Physical Therapy, and Speech Therapy.

### **Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 57.2% in the current month compared to budget of 54.2% and to last month's 59.8%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 54.5%, compared to budget of 54.1% and prior year's 58.4%.
- ❑ EBIDA was \$1,106,443 (5.4%) for the current month compared to budget of \$1,096,945 (5.2%), or \$9,498 (.2%) above budget.
- ❑ Cash Collections for the current month were \$9,970,122 which is 97% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 56.8, compared to the prior month of 54.9. Gross Accounts Receivables are \$35,074,946 compared to the prior month of \$33,331,180. The percent of Gross Accounts Receivable over 120 days old is 23.28%, compared to the prior month of 24.29%.

### **Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 27.5 days. S&P Days Cash on Hand is 185.3. Working Capital cash increased \$4,635,000. Cash collections fell short of target by 3%, Accrued Payroll & Related Liabilities increased \$497,000, the District received its first installment of property tax revenues in the amount of \$3,378,000 and a tentative settlement of \$172,000 on it FY16 Medicare Cost Report.
- ❑ Net Patients Accounts Receivable decreased approximately \$334,000. Cash collections were at 97% of target and days in accounts receivable were 56.8 days, a 1.90 days increase.
- ❑ The District received its first installment of property tax revenues from Nevada and Placer counties in the amount of \$3,378,000, decreasing Other Receivables.
- ❑ GO Bond Receivables decreased a net \$2,208,000 after recording the January receipt of property tax revenues.
- ❑ Accrued Payroll & Related Liabilities increased \$497,000 due to additional payroll days accrued at the close of January.
- ❑ The District remitted interest payments due on the G.O. Bond Series A, B, and C, decreasing Interest Payable GO Bond.

January 2017 Financial Narrative

**Operating Revenue**

- ❑ Current month's Total Gross Revenue was \$20,666,813, compared to budget of \$21,198,908 or \$532,095 below budget.
- ❑ Current month's Gross Inpatient Revenue was \$6,680,149, compared to budget of \$6,365,249 or \$314,900 above budget.
- ❑ Current month's Gross Outpatient Revenue was \$13,986,664 compared to budget of \$14,833,659 or \$846,995 below budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 30.7% Medicare, 19.8% Medi-Cal, .0% County, 1.6% Other, and 47.9% Insurance compared to budget of 34.4% Medicare, 17.4% Medi-Cal, .0% County, 3.8% Other, and 44.4% Insurance. Last month's mix was 30.1% Medicare, 15.3% Medi-Cal, .0% County, 5.8% Other, and 48.8% Insurance.
- ❑ Current month's Deductions from Revenue were \$8,850,709 compared to budget of \$9,715,998 or \$865,290 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 3.70% decrease in Medicare, a 2.49% increase to Medi-Cal, a .0% decrease in County, a 2.23% decrease in Other, and Commercial was over budget 3.45%, 2) Revenues fell short of budget by 2.50% and 2) AR Days over 90 and 120 decreased.

**Operating Expenses**

DESCRIPTION	January 2017 Actual	January 2017 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,824,671	3,992,417	167,746	
Employee Benefits	1,475,647	1,329,197	(146,450)	
Benefits – Workers Compensation	63,245	57,011	(6,233)	
Benefits – Medical Insurance	730,232	694,217	(36,015)	
Professional Fees	1,813,855	1,751,608	(62,247)	We saw negative variances in Emergency Department and Hospitalist coverage, Physical and Occupational Therapies fees, professional services provided to TIRHR and the Medi-Cal PRIME program, and consulting services and project management for Administration. These negative variances were offset, in part, by positive variances in Corporate Compliance legal fees, and Multi-Specialty Clinic Physician fees due to the Tahoe Forest Women's Center not joining the MSC structure as budgeted.
Supplies	1,526,320	1,726,312	199,992	Oncology Drugs Sold to Patients revenue fell short of budget by 7.72% creating a positive variance in Pharmacy Supplies.
Purchased Services	1,192,495	897,306	(295,189)	Snow removal and laundry & linen services, department repairs for Engineering, Mammography, Cat Scan, and surgery, and network SmartNet maintenance fees created a negative variance in Purchased Services. .
Other Expenses	630,404	614,024	(16,381)	Travel costs related to onsite EPIC discovery meetings and Management leadership training courses created a negative variance in Other Expenses.
<b>Total Expenses</b>	<b>11,256,868</b>	<b>11,062,091</b>	<b>(194,777)</b>	

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
JANUARY 2017

	Jan-17	Dec-16	Jan-16	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
* CASH	\$ 9,773,983	\$ 5,138,475	\$ 8,589,595	1
PATIENT ACCOUNTS RECEIVABLE - NET	18,824,530	19,158,542	18,253,564	2
OTHER RECEIVABLES	3,970,555	6,899,637	3,860,562	3
GO BOND RECEIVABLES	(691,230)	1,516,503	(515,640)	4
ASSETS LIMITED OR RESTRICTED	5,918,679	7,306,256	4,942,148	
INVENTORIES	2,715,736	2,706,664	2,300,041	
PREPAID EXPENSES & DEPOSITS	2,007,760	1,903,775	1,630,575	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,715,425	3,855,247	6,222,208	
<b>TOTAL CURRENT ASSETS</b>	<b>46,235,418</b>	<b>48,485,098</b>	<b>45,283,053</b>	
<b>NON CURRENT ASSETS</b>				
<b>ASSETS LIMITED OR RESTRICTED:</b>				
* CASH RESERVE FUND	56,137,411	56,042,742	45,834,718	1
BANC OF AMERICA MUNICIPAL LEASE	981,619	981,619	979,155	
TOTAL BOND TRUSTEE 2002	3	3	2	
TOTAL BOND TRUSTEE 2015	1,029,359	893,627	606,921	
GO BOND PROJECT FUND	232,266	232,394	5,533,945	
GO BOND TAX REVENUE FUND	2,102,452	1,366,886	1,380,035	
DIAGNOSTIC IMAGING FUND	3,174	3,168	2,976	
DONOR RESTRICTED FUND	1,144,350	1,142,590	1,141,630	
WORKERS COMPENSATION FUND	51,573	17,575	4,090	
<b>TOTAL</b>	<b>61,682,207</b>	<b>60,680,605</b>	<b>55,463,472</b>	
LESS CURRENT PORTION	(5,918,679)	(7,306,256)	(4,942,148)	
<b>TOTAL ASSETS LIMITED OR RESTRICTED - NET</b>	<b>55,763,528</b>	<b>53,374,349</b>	<b>50,521,324</b>	
<b>NONCURRENT ASSETS AND INVESTMENTS:</b>				
INVESTMENT IN TSC, LLC	(53,723)	(53,723)	223,258	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	131,358,966	131,483,072	128,080,074	
GO BOND CIP, PROPERTY & EQUIPMENT NET	32,468,754	32,384,674	27,372,282	
<b>TOTAL ASSETS</b>	<b>266,609,296</b>	<b>266,509,823</b>	<b>252,316,344</b>	
<b>DEFERRED OUTFLOW OF RESOURCES:</b>				
DEFERRED LOSS ON DEFEASANCE	520,412	523,645	559,201	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,612,281	1,612,281	1,880,317	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	6,388,067	6,409,772	1,982,857	
GO BOND DEFERRED FINANCING COSTS	500,975	502,909	304,360	
DEFERRED FINANCING COSTS	204,935	205,975	217,418	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 9,224,670</b>	<b>\$ 9,254,582</b>	<b>\$ 4,924,153</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 6,364,268	\$ 6,289,425	\$ 4,645,468	
ACCRUED PAYROLL & RELATED COSTS	8,622,008	8,125,051	7,075,002	5
INTEREST PAYABLE	525,762	574,158	89,486	
INTEREST PAYABLE GO BOND	28,851	1,577,459	(12,163)	6
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	232,645	200,496	366,356	
HEALTH INSURANCE PLAN	1,307,731	1,307,731	1,307,731	
WORKERS COMPENSATION PLAN	1,120,980	1,120,980	404,807	
COMPREHENSIVE LIABILITY INSURANCE PLAN	751,298	751,298	824,203	
CURRENT MATURITIES OF GO BOND DEBT	1,260,000	1,260,000	530,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	1,953,186	1,953,186	2,323,994	
<b>TOTAL CURRENT LIABILITIES</b>	<b>22,166,728</b>	<b>23,159,783</b>	<b>17,554,884</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	28,137,883	28,243,199	30,116,631	
GO BOND DEBT NET OF CURRENT MATURITIES	103,409,288	103,422,709	100,013,205	
DERIVATIVE INSTRUMENT LIABILITY	1,612,281	1,612,281	1,880,317	
<b>TOTAL LIABILITIES</b>	<b>155,326,180</b>	<b>156,437,972</b>	<b>149,565,037</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS	119,363,435	118,183,843	106,533,830	
RESTRICTED	1,144,350	1,142,590	1,141,630	
<b>TOTAL NET POSITION</b>	<b>\$ 120,507,785</b>	<b>\$ 119,326,433</b>	<b>\$ 107,675,460</b>	

\* Amounts included for Days Cash on Hand calculation

**TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
JANUARY 2017**

1. Working Capital is at 27.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 185.3 days. Working Capital cash increased a net \$4,635,000. Cash collections fell short of target by 3%, Accrued Payroll & Related Costs (See Note 5) increased \$497,000, the District received its first installment of property tax revenues (See Note 3) in the amount of \$3,378,000 and tentative settlement of \$172,000 on its FY16 Medicare Cost Report.
2. Net Patient Accounts Receivable decreased approximately \$334,000. Cash collections were 97% of target. Days in Accounts Receivable are at 56.8 days compared to prior months 54.9 days, a 1.90 days increase.
3. The District received \$3,378,000 on its first installment of Property Tax Revenues, decreasing Other Receivables.
4. GO Bond Receivables decreased a net \$2,208,000 after recording the January receipt of Property Tax Revenues.
5. Accrued Payroll & Related Liabilities increased \$497,000 due to additional payroll days accrued at the close of January.
6. The District remitted interest payments due on the G.O. Bond Series A, B, and C, decreasing Interest Payable GO Bond.

**Tahoe Forest Hospital District  
Cash Investment  
January 2017**

**WORKING CAPITAL**

US Bank	\$ 9,472,358		
US Bank/Kings Beach Thrift Store	60,780		
US Bank/Truckee Thrift Store	177,617		
US Bank/Payroll Clearing	63,208		
Local Agency Investment Fund	<u>-</u>	0.75%	
Total			\$ 9,773,963

**BOARD DESIGNATED FUNDS**

US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ -

Building Fund	\$ -		
Cash Reserve Fund	<u>56,137,411</u>	0.75%	
Local Agency Investment Fund			\$ 56,137,411

Banc of America Muni Lease			\$ 981,619
Bonds Cash 2002			\$ 3
Bonds Cash 2015			\$ 1,029,359
Bonds Cash 2008			\$ 2,334,718

DX Imaging Education	\$ 3,174	0.75%	
Workers Comp Fund - B of A	51,573		

Insurance			
Health Insurance LAIF	-	0.75%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.75%	
Total			<u>\$ 54,747</u>

<b>TOTAL FUNDS</b>			<b>\$ 70,311,820</b>
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**RESTRICTED FUNDS**

Gift Fund			
US Bank Money Market	\$ 8,363	0.03%	
Foundation Restricted Donations	\$ 98,331		
Local Agency Investment Fund	<u>1,037,656</u>	0.75%	
<b>TOTAL RESTRICTED FUNDS</b>			<b><u>\$ 1,144,350</u></b>

<b>TOTAL ALL FUNDS</b>			<b><u><u>\$ 71,456,170</u></u></b>
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TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
JANUARY 2017

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD JAN 2016	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
\$ 20,666,813	\$ 21,198,908	\$ (532,095)	-2.5%		\$ 147,753,646	\$ 140,066,651	\$ 7,686,995	5.5%	1	\$ 127,991,760
<b>OPERATING REVENUE</b>										
Total Gross Revenue					\$ 147,753,646	\$ 140,066,651	\$ 7,686,995	5.5%	1	\$ 127,991,760
<b>Gross Revenues - Inpatient</b>										
\$ 2,055,848	\$ 1,899,190	\$ 156,658	8.2%		\$ 14,091,411	\$ 12,584,180	\$ 1,507,231	12.0%		\$ 11,828,746
4,624,301	4,466,058	158,243	3.5%		28,597,932	26,935,671	1,662,261	6.2%		25,255,620
6,680,149	6,365,249	314,900	4.9%		42,689,342	39,519,851	3,169,491	8.0%	1	37,084,366
Total Gross Revenue - Inpatient					42,689,342	39,519,851	3,169,491	8.0%	1	37,084,366
<b>Gross Revenue - Outpatient</b>										
13,986,664	14,833,659	(846,995)	-5.7%		105,064,304	100,546,800	4,517,504	4.5%		90,907,394
13,986,664	14,833,659	(846,995)	-5.7%		105,064,304	100,546,800	4,517,504	4.5%	1	90,907,394
Total Gross Revenue - Outpatient					105,064,304	100,546,800	4,517,504	4.5%	1	90,907,394
<b>Deductions from Revenue:</b>										
8,270,374	8,658,672	388,299	4.5%		63,326,043	57,342,790	(5,983,254)	-10.4%	2	50,722,335
644,329	742,088	97,759	13.2%		4,393,521	4,905,544	512,024	10.4%	2	3,808,431
2,987	-	(2,987)	0.0%		28,947	-	(28,947)	0.0%	2	394,072
(110,588)	315,237	425,825	135.1%		(626,238)	2,100,629	2,726,867	129.8%	2	(577,708)
43,606	-	(43,606)	0.0%		179,377	-	(179,377)	0.0%	2	(1,133,224)
8,850,709	9,715,998	865,290	8.9%		67,301,651	64,348,963	(2,952,688)	-4.6%		53,213,906
Total Deductions from Revenue					67,301,651	64,348,963	(2,952,688)	-4.6%		53,213,906
35,147	56,103	(20,956)	-37.4%		382,064	392,853	(10,789)	-2.7%		440,700
512,060	620,023	(107,963)	-17.4%		5,568,024	5,009,505	558,519	11.1%	3	4,874,027
Property Tax Revenue- Wellness Neighborhood					382,064	392,853	(10,789)	-2.7%		440,700
Other Operating Revenue					5,568,024	5,009,505	558,519	11.1%	3	4,874,027
12,363,311	12,159,036	204,276	1.7%		86,402,083	81,120,046	5,282,037	6.5%		80,092,581
TOTAL OPERATING REVENUE					86,402,083	81,120,046	5,282,037	6.5%		80,092,581
<b>OPERATING EXPENSES</b>										
3,824,671	3,992,417	167,746	4.2%		26,889,392	27,019,837	130,444	0.5%	4	25,100,699
1,475,647	1,329,197	(146,450)	-11.0%		9,113,330	8,534,815	(578,515)	-6.8%	4	8,813,191
63,245	57,011	(6,233)	-10.9%		386,848	399,078	12,231	3.1%	4	377,827
730,232	694,217	(36,015)	-5.2%		4,356,169	4,859,518	503,349	10.4%	4	4,286,768
1,813,855	1,751,608	(62,247)	-3.6%		12,690,994	12,526,697	(164,297)	-1.3%	5	10,680,392
1,526,320	1,726,312	199,992	11.6%		11,429,707	11,968,053	538,346	4.5%	6	10,273,900
1,192,495	897,306	(295,189)	-32.9%		7,006,518	6,269,794	(736,724)	-11.8%	7	6,306,766
630,404	614,024	(16,381)	-2.7%		3,892,437	4,095,498	203,060	5.0%	8	3,482,446
11,256,868	11,062,091	(194,777)	-1.8%		75,765,395	75,673,291	(92,105)	-0.1%		69,321,989
TOTAL OPERATING EXPENSE					75,765,395	75,673,291	(92,105)	-0.1%		69,321,989
<b>1,106,443</b>	<b>1,096,945</b>	<b>9,498</b>	<b>0.9%</b>		<b>10,636,688</b>	<b>5,446,755</b>	<b>5,189,932</b>	<b>95.3%</b>		<b>10,770,592</b>
<b>NET OPERATING REVENUE (EXPENSE) EBIDA</b>										
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
499,722	450,397	49,325	11.0%		3,191,805	3,152,647	39,158	1.2%	9	2,752,098
391,933	391,933	-	0.0%		2,743,533	2,743,533	-	0.0%		2,751,231
52,088	38,503	13,585	35.3%		329,452	236,044	93,408	39.6%	10	194,046
2	-	2	0.0%		352	-	352	0.0%		15,723
60,822	38,917	21,906	56.3%		286,622	272,417	14,205	5.2%	11	232,013
-	-	-	0.0%		(97,095)	(62,500)	(34,595)	-55.4%	12	(101,137)
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(494,421)	(966,316)	471,895	48.8%		(6,298,559)	(6,764,213)	465,654	6.9%	15	(5,962,126)
(101,832)	(98,873)	(2,958)	-3.0%		(712,017)	(696,334)	(15,683)	-2.3%	16	(843,796)
(327,710)	(315,492)	(12,219)	-3.9%		(1,098,274)	(1,249,768)	151,494	12.1%		(1,529,450)
80,605	(460,931)	541,536	117.5%		(1,654,180)	(2,368,174)	713,994	30.1%		(2,491,398)
TOTAL NON-OPERATING REVENUE/(EXPENSE)					(1,654,180)	(2,368,174)	713,994	30.1%		(2,491,398)
<b>\$ 1,187,047</b>	<b>\$ 636,013</b>	<b>\$ 551,034</b>	<b>86.6%</b>		<b>\$ 8,982,507</b>	<b>\$ 3,078,581</b>	<b>\$ 5,903,926</b>	<b>191.8%</b>		<b>\$ 8,279,194</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>					<b>\$ 8,982,507</b>	<b>\$ 3,078,581</b>	<b>\$ 5,903,926</b>	<b>191.8%</b>		<b>\$ 8,279,194</b>
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>111,525,278</b>					
<b>NET POSITION - AS OF JANUARY 31, 2017</b>					<b>\$ 120,507,785</b>					
<b>5.4%</b>	<b>5.2%</b>	<b>0.2%</b>			<b>7.2%</b>	<b>3.9%</b>	<b>3.3%</b>			<b>8.4%</b>
<b>RETURN ON GROSS REVENUE EBIDA</b>					<b>7.2%</b>	<b>3.9%</b>	<b>3.3%</b>			<b>8.4%</b>



**TAHOE FOREST HOSPITAL DISTRICT**  
**NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**JANUARY 2017**

		<u>Variance from Budget</u>	
		<u>Fav / &lt;Unfav&gt;</u>	
		<u>JAN 2017</u>	<u>YTD 2017</u>
<b>1) Gross Revenues</b>			
Acute Patient Days were above budget 12.56% or 49 days. Swing Bed days were below budget 73.91% or 17 days. Inpatient Ancillary revenues exceeded budget by 3.50% due to the increase in our acute patient days.	Gross Revenue – Inpatient	\$ 314,900	\$ 3,169,835
	Gross Revenue – Outpatient	(846,995)	4,517,160
	Gross Revenue – Total	<u>\$ (532,095)</u>	<u>\$ 7,686,995</u>
Outpatient volumes were below budget in the following departments: Emergency Department visits, Home Health visits, Endoscopy procedures, Mammography exams, Oncology procedures, MRI exams, PET CTs, Respiratory Therapy, Physical Therapy, and Occupational Therapy.			
<b>2) Total Deductions from Revenue</b>			
The payor mix for January shows a 3.70% decrease to Medicare, a 2.49% increase to Medi-Cal, 2.23% decrease to Other, County at budget, and a 3.45% increase to Commercial when compared to budget. Contractual Allowances were under budget due to the shift in payor mix from Medicare and Self Pay to Commercial and Medi-Cal, a decrease to AR Days over 90 and 120 Days old, and Outpatient Revenues falling short of budget by 5.70%.	Contractual Allowances	\$ 388,299	\$ (5,983,254)
	Charity Care	97,759	512,024
	Charity Care - Catastrophic	(2,987)	(28,947)
	Bad Debt	425,825	2,728,887
	Prior Period Settlements	(43,608)	(179,377)
	Total	<u>\$ 865,290</u>	<u>\$ (2,952,688)</u>
<b>3) Other Operating Revenue</b>			
Retail Pharmacy revenues fell short of budget by 32.04%.	Retail Pharmacy	\$ (83,113)	\$ (33,454)
Excessive snow fall during the month aided in a negative variance in the Hospice Thrift Stores revenues.	Hospice Thrift Stores	(25,897)	(16,985)
	The Center (non-therapy)	(6,941)	11,255
	IVCH ER Physician Guarantee	1,543	54,942
	Children's Center	(3,043)	(5,425)
	Miscellaneous	9,488	548,186
	Oncology Drug Replacement	-	-
	Grants	-	-
	Total	<u>\$ (107,963)</u>	<u>\$ 558,519</u>
<b>4) Salaries and Wages</b>			
	Total	<u>\$ 167,746</u>	<u>\$ 130,444</u>
<b>Employee Benefits</b>			
Negative variance in PL/SL related to department closures due to heavy snow fall and planned vacations. This created a positive variance in Salaries and Wages.	PL/SL	\$ (125,177)	\$ (360,392)
	Nonproductive	(15,245)	(127,295)
	Pension/Deferred Comp	(2,258)	(3,289)
	Standby	5,316	114,458
	Other	(9,088)	(201,998)
	Total	<u>\$ (146,450)</u>	<u>\$ (578,515)</u>
<b>Employee Benefits - Workers Compensation</b>	Total	<u>\$ (6,233)</u>	<u>\$ 12,231</u>
<b>Employee Benefits - Medical Insurance</b>	Total	<u>\$ (36,015)</u>	<u>\$ 503,349</u>
<b>5) Professional Fees</b>			
Negative variance in TFH Locums related to Hospitalist and Emergency Department coverage.	TFH Locums	\$ (63,677)	\$ (298,370)
Negative variance in The Center (includes OP Therapy) related to contract true-up of services provided in prior months for Physical and Occupational Therapies.	The Center (includes OP Therapy)	(71,163)	(166,204)
Legal and Professional fees provided to TIRHR, consulting services for the Medi-Cal PRIME program, and IVCH Health Clinic physician fees created a negative variance in Miscellaneous.	Information Technology	(14,721)	(149,527)
Consulting services provided for Ambulatory Surgery strategy, Executive Retreat preparation, project management, and contract oversight created a negative variance in Administration.	Miscellaneous	(70,541)	(146,820)
Pension and benefits consulting created a negative variance in Human Resources.	Administration	(26,145)	(77,731)
Positive variance in Multi-Specialty Clinics related to Tahoe Forest Women's Center physician fees and a reduction in General Surgery physician fees.	Multi-Specialty Clinics Admin	427	(65,238)
	Oncology	(9,459)	(13,673)
	IVCH ER Physicians	(1,249)	(7,876)
	Human Resources	(13,734)	(2,221)
	Respiratory Therapy	(0)	(1)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	Home Health/Hospice	50	471
	Medical Staff Services	4,913	5,381
	Managed Care	180	14,436
	Marketing	2,375	16,625
	Sleep Clinic	2,278	18,635
	Financial Administration	5,719	28,060
	TFH/IVCH Therapy Services	23,605	86,408
	Corporate Compliance	26,301	194,758
	Multi-Specialty Clinics	142,593	398,591
	Total	<u>\$ (62,247)</u>	<u>\$ (164,297)</u>
<b>6) Supplies</b>			
Surgery revenues exceeded budget by 4.39%, creating a negative variance in Patient & Other Medical Supplies.	Minor Equipment	\$ 4,023	\$ (48,218)
Oncology Drugs Sold to Patients revenue fell short of budget by 7.72%, creating a positive variance in Pharmacy Supplies.	Food	3,097	(15,769)
	Imaging Film	(438)	1,979
	Other Non-Medical Supplies	9,198	9,225
	Office Supplies	(777)	42,085
	Patient & Other Medical Supplies	(31,663)	176,511
	Pharmacy Supplies	216,551	372,533
	Total	<u>\$ 199,992</u>	<u>\$ 538,346</u>

**TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
JANUARY 2017**

		<b>Variance from Budget</b>	
		<b>Fav / &lt;Unfav&gt;</b>	
		<b>JAN 2017</b>	<b>YTD 2017</b>
<b>7) <u>Purchased Services</u></b>	Miscellaneous	\$ (264,965)	\$ (703,088)
Snow removal services exceeded budget by 439.38% as a result of the excessive snow and blizzard in January, creating a negative variance in Miscellaneous. We also saw over budget variances in Laundry & Linen services and purchased services provided to Engineering.	Hospice	1,890	(55,400)
	Department Repairs	(17,153)	(48,093)
	Laboratory	5,392	(20,933)
	Pharmacy IP	(1,461)	(11,846)
	Diagnostic Imaging Services - All	(871)	(11,045)
	The Center	(2,214)	(6,293)
	Medical Records	7,642	3,986
	Community Development	2,700	6,369
	Multi-Specialty Clinics	230	8,678
	Information Technology	(40,385)	10,579
	Patient Accounting	5,722	35,353
	Human Resources	8,284	54,989
	<b>Total</b>	<b>\$ (295,189)</b>	<b>\$ (736,724)</b>
<b>8) <u>Other Expenses</u></b>	Outside Training & Travel	\$ (29,680)	\$ (70,092)
Onsight discovery meetings for the EPIC conversion and Management leadership courses created a negative variance in Outside Training & Travel.	Equipment Rent	(9,365)	(25,165)
	Human Resources Recruitment	(2,517)	(14,847)
	Insurance	(1,378)	(12,062)
	Utilities	(2,048)	(2,392)
	Innovation Fund	-	-
	Physician Services	9	65
	Multi-Specialty Clinics Equip Rent	417	4,177
	Other Building Rent	(1,170)	6,438
	Multi-Specialty Clinics Bldg Rent	10,849	29,348
	Marketing	(14,127)	44,360
	Dues and Subscriptions	12,038	78,792
	Miscellaneous	20,592	164,439
	<b>Total</b>	<b>\$ (16,381)</b>	<b>\$ 203,060</b>
<b>9) <u>District and County Taxes</u></b>	<b>Total</b>	<b>\$ 49,325</b>	<b>\$ 39,158</b>
<b>10) <u>Interest Income</u></b>	<b>Total</b>	<b>\$ 13,585</b>	<b>\$ 93,408</b>
<b>11) <u>Donations</u></b>	IVCH	\$ -	\$ 22,117
	Operational	21,906	(7,912)
	Capital Campaign	-	-
	<b>Total</b>	<b>21,906</b>	<b>14,205</b>
<b>12) <u>Gain/(Loss) on Joint Investment</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ (34,595)</b>
<b>13) <u>Gain/(Loss) on Sale</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>15) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ 471,895</b>	<b>\$ 465,654</b>
Depreciation was trued up for the first six months of FY17, creating a positive variance in Depreciation Expense.			
<b>16) <u>Interest Expense</u></b>	<b>Total</b>	<b>\$ (2,958)</b>	<b>\$ (15,683)</b>

INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
JANUARY 2017

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD JAN 2016	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
<b>OPERATING REVENUE</b>										
\$ 1,684,703	\$ 1,544,625	\$ 140,078	9.1%	Total Gross Revenue	\$ 11,442,892	\$ 10,972,396	\$ 470,496	4.3%	1	\$ 10,291,982
<b>Gross Revenues - Inpatient</b>										
\$ -	\$ 2,914	\$ (2,914)	-100.0%	Daily Hospital Service	\$ 29,332	\$ 17,484	\$ 11,848	67.8%		\$ 19,427
-	3,695	(3,695)	-100.0%	Ancillary Service - Inpatient	42,710	23,973	18,737	78.2%		24,665
-	6,609	(6,609)	-100.0%	Total Gross Revenue - Inpatient	72,042	41,457	30,584	73.8%	1	44,092
1,684,703	1,538,016	146,687	9.5%	Gross Revenue - Outpatient	11,370,851	10,930,939	439,912	4.0%		10,247,890
1,684,703	1,538,016	146,687	9.5%	Total Gross Revenue - Outpatient	11,370,851	10,930,939	439,912	4.0%	1	10,247,890
<b>Deductions from Revenue:</b>										
498,238	500,038	1,800	0.4%	Contractual Allowances	4,160,485	3,560,907	(599,578)	-16.8%	2	3,197,947
56,890	58,119	1,229	2.1%	Charity Care	392,048	413,064	21,017	5.1%	2	343,765
2,987	-	(2,987)	0.0%	Charity Care - Catastrophic Events	28,947	-	(28,947)	0.0%	2	-
127,531	55,801	(71,731)	-128.5%	Bad Debt	327,546	396,585	69,039	17.4%	2	409,291
-	-	-	0.0%	Prior Period Settlements	(22,833)	-	22,833	0.0%	2	(150,715)
685,647	613,958	(71,689)	-11.7%	Total Deductions from Revenue	4,886,194	4,370,557	(515,637)	-11.8%	2	3,800,288
73,229	73,280	(51)	-0.1%	Other Operating Revenue	571,687	516,708	54,979	10.6%	3	583,230
1,072,284	1,003,946	68,339	6.8%	<b>TOTAL OPERATING REVENUE</b>	<b>7,128,386</b>	<b>7,118,547</b>	<b>9,839</b>	<b>0.1%</b>		<b>7,074,924</b>
<b>OPERATING EXPENSES</b>										
267,742	278,137	10,396	3.7%	Salaries and Wages	1,825,315	2,000,902	175,586	8.8%	4	1,772,900
100,113	99,158	(955)	-1.0%	Benefits	703,462	690,533	(12,930)	-1.9%	4	534,041
1,965	1,417	(548)	-38.7%	Benefits Workers Compensation	14,166	9,917	(4,249)	-42.8%	4	16,191
45,457	44,618	(839)	-1.9%	Benefits Medical Insurance	281,187	312,329	31,142	10.0%	4	276,165
243,003	232,357	(10,646)	-4.6%	Professional Fees	1,704,703	1,674,380	(30,323)	-1.8%	5	1,639,686
47,347	82,327	34,979	42.5%	Supplies	474,609	592,998	118,389	20.0%	6	506,509
57,140	44,399	(12,741)	-28.7%	Purchased Services	311,060	308,546	(2,514)	-0.8%	7	288,166
63,747	60,482	(3,265)	-5.4%	Other	381,806	380,545	(1,261)	-0.3%	8	402,212
826,513	842,895	16,382	1.9%	<b>TOTAL OPERATING EXPENSE</b>	<b>5,696,308</b>	<b>5,970,149</b>	<b>273,841</b>	<b>4.6%</b>		<b>5,435,870</b>
<b>245,771</b>	<b>161,051</b>	<b>84,720</b>	<b>52.6%</b>	<b>NET OPERATING REV(EXP) EBIDA</b>	<b>1,432,078</b>	<b>1,148,398</b>	<b>283,680</b>	<b>24.7%</b>		<b>1,639,054</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
-	-	-	0.0%	Donations-IVCH	22,117	-	22,117	0.0%	9	35,626
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(9,668)	(64,277)	54,609	-85.0%	Depreciation	(395,327)	(449,936)	54,609	-12.1%	11	(382,585)
(9,668)	(64,277)	54,609	85.0%	<b>TOTAL NON-OPERATING REVENUE/(EXP)</b>	<b>(373,211)</b>	<b>(449,936)</b>	<b>76,725</b>	<b>17.1%</b>		<b>(346,959)</b>
<b>\$ 236,103</b>	<b>\$ 96,775</b>	<b>\$ 139,329</b>	<b>144.0%</b>	<b>EXCESS REVENUE(EXPENSE)</b>	<b>\$ 1,058,867</b>	<b>\$ 698,462</b>	<b>\$ 360,405</b>	<b>51.6%</b>		<b>\$ 1,292,095</b>
<b>14.6%</b>	<b>10.4%</b>	<b>4.2%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>12.5%</b>	<b>10.5%</b>	<b>2.0%</b>			<b>15.9%</b>

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
JANUARY 2017**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>JAN 2017</b>	<b>YTD 2017</b>
<b>1) Gross Revenues</b>			
Acute Patient Days were above below by 1 at 0 and Observation Days were at budget at 1.	Gross Revenue – Inpatient	\$ (6,609)	\$ 30,584
	Gross Revenue – Outpatient	146,687	439,912
		\$ 140,078	\$ 470,496
Outpatient volumes exceeded budget in Emergency Department visits, Laboratory tests, Diagnostic Imaging, Cat Scans, Pharmacy units, and Occupational Therapy.			
<b>2) Total Deductions from Revenue</b>			
We saw a shift in our payor mix with a .24% decrease in Commercial Insurance, a 3.32% increase in Medicare, a 1.50% decrease in Medicaid, a 1.57% decrease in Other, and County was at budget.	Contractual Allowances	\$ 1,800	\$ (599,578)
	Charity Care	1,229	21,017
	Charity Care-Catastrophic Event	(2,987)	(28,947)
	Bad Debt	(71,731)	69,039
	Prior Period Settlement		22,833
	Total	\$ (71,689)	\$ (515,637)
<b>3) Other Operating Revenue</b>			
	IVCH ER Physician Guarantee	\$ 1,543	\$ 54,942
	Miscellaneous	(1,594)	37
	Total	\$ (51)	\$ 54,979
<b>4) Salaries and Wages</b>			
	Total	\$ 10,396	\$ 175,586
<b>Employee Benefits</b>	PL/SL	\$ 1,857	\$ 7,680
	Standby	(3,525)	7,946
	Other	615	(4,967)
	Nonproductive	(100)	(26,065)
	Pension/Deferred Comp	198	2,476
	Total	\$ (955)	\$ (12,930)
<b>Employee Benefits - Workers Compensation</b>	Total	\$ (548)	\$ (4,249)
<b>Employee Benefits - Medical Insurance</b>	Total	\$ (839)	\$ 31,142
<b>5) Professional Fees</b>			
IVCH Health Clinic professional fees exceeded budget, creating a negative variance in Miscellaneous.	Miscellaneous	\$ (13,754)	\$ (61,819)
	Administration	80	(9,997)
	IVCH ER Physicians	(1,249)	(7,876)
	Foundation	(60)	(2,218)
	Multi-Specialty Clinics	933	1,813
	Sleep Clinic	2,278	18,635
	Therapy Services	1,125	31,141
	Total	\$ (10,646)	\$ (30,323)
<b>6) Supplies</b>			
Oncology Drugs Sold to Patients revenues were below budget by 100%, creating a positive variance in Pharmacy Supplies.	Food	\$ (166)	\$ (7,150)
	Office Supplies	(693)	(4,983)
	Imaging Film	216	786
	Non-Medical Supplies	(504)	2,256
	Minor Equipment	1,883	3,068
	Pharmacy Supplies	22,846	52,733
	Patient & Other Medical Supplies	11,397	71,679
	Total	\$ 34,979	\$ 118,389

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
JANUARY 2017**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>JAN 2017</b>	<b>YTD 2017</b>
<b>7) <u>Purchased Services</u></b>			
Negative variance in Engineering/Plant/Communications related to snow removal.	EVS/Laundry	\$ (3,184)	\$ (16,061)
	Engineering/Plant/Communications	(13,969)	(11,007)
	Department Repairs	(4,510)	(5,658)
	Diagnostic Imaging Services - All	(1,324)	(2,019)
Maintenance agreements on surgical equipment created a negative variance in Department repairs.	Multi-Specialty Clinics	124	(388)
	Surgical Services	-	-
	Pharmacy	307	247
	Foundation	1,302	983
	Miscellaneous	2,083	10,808
	Laboratory	6,430	20,581
	<b>Total</b>	<b>\$ (12,741)</b>	<b>\$ (2,514)</b>
<b>8) <u>Other Expenses</u></b>			
Memberships with Nevada Rural Hospital Association and dues paid to Healthie Nevada created a negative variance in Dues and Subscriptions.	Insurance	\$ (1,872)	\$ (13,127)
	Marketing	(1,596)	(8,809)
	Dues and Subscriptions	(3,370)	(7,694)
	Equipment Rent	20	(3,209)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Other Building Rent	-	-
	Outside Training & Travel	(15)	590
	Utilities	303	6,973
	Miscellaneous	3,265	24,016
	<b>Total</b>	<b>\$ (3,265)</b>	<b>\$ (1,261)</b>
<b>9) <u>Donations</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 22,117</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>\$ 54,609</b>	<b>\$ 54,609</b>
Depreciation was trued up for the first six months of the fiscal year, creating a positive variance in Depreciation Expense.			

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

	AUDITED FYE 2016	BUDGET FYE 2017	PROJECTED FYE 2017	ACTUAL JAN 2017	BUDGET JAN 2017	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 16,129,087	\$ 8,354,249	\$ 13,382,022	1,106,443	\$ 1,096,945	9,498	\$ 4,905,089	\$ 4,482,756	\$ 3,062,129	\$ 932,048
Interest Income	163,091	249,285	323,104	96,447	60,097	36,350	70,617	85,905	96,447	70,136
Property Tax Revenue	6,120,208	5,682,000	6,091,781	3,378,468	3,020,000	358,468	345,312	94,001	3,378,468	2,274,000
Donations	668,318	1,023,000	1,152,870	129,160	125,000	4,160	211,916	53,794	409,160	478,000
Debt Service Payments	(3,441,272)	(3,568,341)	(3,527,864)	(380,686)	(405,698)	25,012	(1,217,943)	(720,763)	(864,075)	(725,083)
Bank of America - 2012 Muni Lease	(1,243,650)	(1,243,644)	(1,243,647)	(103,637)	(103,637)	(0)	(310,912)	(310,912)	(310,911)	(310,911)
Copier	(8,758)	(11,520)	(11,300)	(959)	(960)	1	(2,885)	(2,656)	(2,879)	(2,880)
2002 Revenue Bond	(483,555)	(668,008)	(637,310)	(140,358)	(164,004)	23,646	(496,951)	-	(140,358)	-
2015 Revenue Bond	(1,705,309)	(1,645,169)	(1,635,608)	(135,732)	(137,097)	1,366	(407,195)	(407,195)	(409,926)	(411,292)
Physician Recruitment	(263,769)	(120,000)	-	-	-	-	-	-	-	-
Investment in Capital										
Equipment	(1,495,214)	(1,262,750)	(1,262,750)	(75,752)	(319,660)	243,908	(452,617)	(419,544)	(390,589)	-
Municipal Lease Reimbursement	1,319,139	979,000	979,000	-	-	-	-	-	-	979,000
GO Bond Project Personal Property	(432,135)	(279,000)	(999,807)	(102,739)	-	(102,739)	(532,573)	(364,495)	(102,739)	-
IT	(888,802)	(297,578)	(297,578)	26,081	(159,019)	185,100	(90,239)	(48,320)	(159,019)	-
Building Projects	(2,095,500)	(4,315,500)	(4,315,500)	(268,457)	(436,333)	167,876	(1,630,513)	(678,916)	(1,309,000)	(697,071)
Health Information/Business System	(92,807)	(7,000,000)	(7,000,000)	-	(1,300,000)	1,300,000	-	(2,051,447)	(1,979,421)	(2,969,132)
Capital Investments										
Properties	-	(2,794,000)	(2,802,193)	-	-	-	(40,000)	(2,333,193)	-	(429,000)
Measure C Scope Modifications	-	(2,476,716)	(1,755,909)	(69,361)	(346,213)	276,851	(558,626)	(261,384)	(935,899)	-
Change in Accounts Receivable	(1,194,734)	(2,183,288)	N1 (535,906)	334,012	(1,151,517)	1,485,529	(2,178,112)	(931,014)	2,274,715	298,505
Change in Settlement Accounts	1,387,101	1,175,000	N2 2,908,851	171,971	1,565,000	(1,393,029)	1,126,982	(205,102)	1,736,971	250,000
Change in Other Assets	(3,180,399)	(890,622)	N3 (1,397,422)	(138,832)	259,718	(398,550)	(687,607)	(1,034,847)	78,168	246,864
Change in Other Liabilities	3,702,607	(320,000)	N4 (67,311)	523,404	(500,000)	1,023,404	(2,392,808)	2,093	1,723,404	600,000
Change in Cash Balance	16,404,918	(8,045,261)	875,388	4,730,157	1,508,320	3,221,837	(3,121,122)	(4,330,475)	7,018,718	1,308,267
Beginning Unrestricted Cash	52,227,897	68,632,815	68,632,815	61,181,217	61,181,217	-	68,632,815	65,511,692	61,181,218	68,199,935
Ending Unrestricted Cash	68,632,815	60,778,463	69,508,202	65,911,374	62,689,537	3,221,837	65,511,692	61,181,218	68,199,935	69,508,202
Expense Per Day	340,958	355,605	355,701	355,681	355,519	162	352,658	353,874	357,258	355,701
Days Cash On Hand	201	171	195	185	176	9	186	173	191	195

Footnotes:

N1 - Change in Accounts Receivable reflects the 30 day delay in collections.

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 DISTRICT  
FEBRUARY 2017 FINANCIAL REPORT  
INDEX**

<b>PAGE</b>	<b>DESCRIPTION</b>
2 - 3	FINANCIAL NARRATIVE
4	STATEMENT OF NET POSITION
5	NOTES TO STATEMENT OF NET POSITION
6	CASH INVESTMENT
7	TFHD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
8 - 9	TFHD NOTES TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
10	IVCH STATEMENT OF REVENUE AND EXPENSE
11 - 12	IVCH NOTES TO STATEMENT OF REVENUE AND EXPENSE
13	STATEMENT OF CASH FLOW

**Board of Directors**  
*Of Tahoe Forest Hospital District*

## **FEBRUARY 2017 FINANCIAL NARRATIVE**

The following is the financial narrative analyzing financial and statistical trends for the eight months ended February 28, 2017.

### **Activity Statistics**

- ❑ TFH acute patient days were 335 for the current month compared to budget of 367. This equates to an average daily census of 11.96 compared to budget of 13.11.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Diagnostic Imaging, Ultrasounds, Respiratory Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Emergency Department visits, Home Health Visits, Surgery cases, Oncology Lab, Medical and Radiation Oncology procedures, MRI exams, PET CT, and Speech Therapy.

### **Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 59.1% in the current month compared to budget of 54.2% and to last month's 57.2%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 55.0%, compared to budget of 54.1% and prior year's 58.1%.
- ❑ EBIDA was \$1,558,706 (8.1%) for the current month compared to budget of \$933,184 (4.7%), or \$625,521 (3.4%) above budget. Year-to-date EBIDA was \$12,195,393 (7.3%) compared to budget of \$6,379,940 (4.0%), or \$5,815,454 (3.3%) over budget.
- ❑ Cash Collections for the current month were \$10,402,495 which is 78% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 54.6, compared to the prior month of 56.8. Gross Accounts Receivables are \$34,039,907 compared to the prior month of \$35,074,946. The percent of Gross Accounts Receivable over 120 days old is 19.64%, compared to the prior month of 23.28%.

### **Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 35.8 days. S&P Days Cash on Hand is 192.6. Working Capital cash increased \$3,023,000. The District received its SB239 IGT funds in the amount of \$3,637,000. Cash collections fell short of target by 22% and Accounts Payable decreased \$1,135,000.
- ❑ Net Patients Accounts Receivable increased approximately \$419,000. Cash collections were at 78% of target and days in accounts receivable were 54.6 days, a 2.20 days decrease.
- ❑ The District received \$3,637,000 from the SB239 IGT program.
- ❑ Accounts Payable decreased \$1,135,000 due to the timing of the final check run in February.



**Operating Revenue**

- ❑ Current month’s Total Gross Revenue was \$19,208,894, compared to budget of \$19,665,043 or \$456,149 below budget.
- ❑ Current month’s Gross Inpatient Revenue was \$5,447,123, compared to budget of \$5,858,374 or \$411,251 below budget.
- ❑ Current month’s Gross Outpatient Revenue was \$13,761,771 compared to budget of \$13,806,669 or \$44,898 below budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month’s Gross Revenue Mix was 28.5% Medicare, 16.5% Medi-Cal, .0% County, 4.1% Other, and 50.9% Insurance compared to budget of 34.4% Medicare, 17.2% Medi-Cal, .0% County, 3.9% Other, and 44.5% Insurance. Last month’s mix was 30.7% Medicare, 19.8% Medi-Cal, .0% County, 1.6% Other, and 47.9% Insurance.
- ❑ Current month’s Deductions from Revenue were \$7,865,431 compared to budget of \$9,014,513 or \$1,149,082 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 5.99% decrease in Medicare, a .72% decrease to Medi-Cal, a .0% decrease in County, a .21% increase in Other, and Commercial was over budget 6.50%, 2) Revenues fell short of budget by 2.30% and 3) AR Days over 90 and 120 decreased.

**Operating Expenses**

DESCRIPTION	February 2017 Actual	February 2017 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,837,646	3,690,413	(147,232)	
Employee Benefits	1,106,427	1,139,213	32,786	
Benefits – Workers Compensation	54,656	57,011	2,355	
Benefits – Medical Insurance	753,582	694,217	(59,365)	
Professional Fees	1,574,181	1,722,480	148,299	We saw positive variances in Corporate Compliance legal fees and Multi-Specialty physician fees for MSC OB/GYN, General Surgery, ENT, and Orthopedics. These positive variances were offset, in part, by negative variances in TFH Locums and Hospitalist fees, project management consulting, and contract oversight.
Supplies	1,478,634	1,597,404	118,770	Drugs Sold to Patients revenue exceeded budget by 2.92%, however, lower cost pharmaceuticals were dispensed during the month creating a positive variance in Pharmacy Supplies.
Purchased Services	908,518	872,894	(35,624)	Snow removal and laundry & linen services, department repairs for Engineering, and outsourced laboratory testing services created a negative variance in Purchased Services.
Other Expenses	660,939	583,314	(77,626)	Travel costs related to onsite EPIC discovery meetings, Management leadership training courses, tuition reimbursement, and unbudgeted building rent created a negative variance in Other Expenses.
Total Expenses	10,374,582	10,356,946	(17,637)	

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
FEBRUARY 2017

	Feb-17	Jan-17	Feb-16	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
* CASH	\$ 12,797,028	\$ 9,773,963	\$ 13,294,590	1
PATIENT ACCOUNTS RECEIVABLE - NET	19,243,926	18,824,530	17,341,902	2
OTHER RECEIVABLES	4,290,473	3,970,555	4,276,155	
GO BOND RECEIVABLES	(300,422)	(691,230)	(123,869)	
ASSETS LIMITED OR RESTRICTED	6,268,249	5,918,679	5,088,088	
INVENTORIES	2,714,077	2,715,736	2,332,842	
PREPAID EXPENSES & DEPOSITS	1,876,856	2,007,760	1,462,716	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	436,856	3,715,425	3,397,500	3
<b>TOTAL CURRENT ASSETS</b>	<b>47,327,043</b>	<b>46,235,418</b>	<b>47,069,925</b>	
<b>NON CURRENT ASSETS</b>				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	56,137,411	56,137,411	45,834,718	1
BANC OF AMERICA MUNICIPAL LEASE	981,619	981,619	979,155	
TOTAL BOND TRUSTEE 2002	3	3	2	
TOTAL BOND TRUSTEE 2015	1,165,091	1,029,359	750,032	
GO BOND PROJECT FUND	232,133	232,266	4,896,560	
GO BOND TAX REVENUE FUND	2,103,577	2,102,452	1,361,348	
DIAGNOSTIC IMAGING FUND	3,174	3,174	2,976	
DONOR RESTRICTED FUND	1,144,350	1,144,350	1,141,630	
WORKERS COMPENSATION FUND	16,235	51,573	5,870	
<b>TOTAL</b>	<b>61,783,593</b>	<b>61,682,207</b>	<b>54,972,290</b>	
LESS CURRENT PORTION	(6,268,249)	(5,918,679)	(5,088,088)	
<b>TOTAL ASSETS LIMITED OR RESTRICTED - NET</b>	<b>55,515,344</b>	<b>55,763,528</b>	<b>49,884,202</b>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(53,723)	(53,723)	202,785	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	131,173,487	131,358,966	127,581,136	
GO BOND CIP, PROPERTY & EQUIPMENT NET	32,550,137	32,468,754	28,434,198	
<b>TOTAL ASSETS</b>	<b>267,348,640</b>	<b>266,609,296</b>	<b>254,008,599</b>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	517,180	520,412	555,968	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,612,281	1,612,281	1,880,317	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	6,362,362	6,386,067	1,955,220	
GO BOND DEFERRED FINANCING COSTS	499,040	500,975	303,176	
DEFERRED FINANCING COSTS	203,894	204,935	216,378	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 9,194,758</b>	<b>\$ 9,224,670</b>	<b>\$ 4,911,058</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 5,229,240	\$ 6,364,268	\$ 5,091,997	4
ACCRUED PAYROLL & RELATED COSTS	8,832,776	8,622,008	7,434,064	
INTEREST PAYABLE	616,860	525,762	189,147	
INTEREST PAYABLE GO BOND	344,342	28,851	348,861	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	543,513	232,645	463,361	
HEALTH INSURANCE PLAN	1,307,731	1,307,731	1,307,731	
WORKERS COMPENSATION PLAN	1,120,980	1,120,980	404,807	
COMPREHENSIVE LIABILITY INSURANCE PLAN	751,298	751,298	824,203	
CURRENT MATURITIES OF GO BOND DEBT	1,260,000	1,260,000	530,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	1,953,186	1,953,186	2,323,994	
<b>TOTAL CURRENT LIABILITIES</b>	<b>21,959,926</b>	<b>22,166,728</b>	<b>18,918,165</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	28,032,444	28,137,883	30,012,849	
GO BOND DEBT NET OF CURRENT MATURITIES	103,395,868	103,409,288	100,009,263	
DERIVATIVE INSTRUMENT LIABILITY	1,612,281	1,612,281	1,880,317	
<b>TOTAL LIABILITIES</b>	<b>155,000,518</b>	<b>155,326,180</b>	<b>150,820,593</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS	120,398,529	119,363,435	106,957,434	
RESTRICTED	1,144,350	1,144,350	1,141,630	
<b>TOTAL NET POSITION</b>	<b>\$ 121,542,880</b>	<b>\$ 120,507,785</b>	<b>\$ 108,099,064</b>	

\* Amounts included for Days Cash on Hand calculation

**TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
FEBRUARY 2017**

1. Working Capital is at 35.8 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 192.6 days. Working Capital cash increased a net \$3,023,000. The District received its SB239 IGT remittance funds (See Note 3) in the amount of \$3,637,000. Cash collections fell short of target by 22% and Accounts Payable decreased \$1,135,000 (See Note 4).
2. Net Patient Accounts Receivable increased approximately \$419,000. Cash collections were 78% of target. Days in Accounts Receivable are at 54.6 days compared to prior months 56.8 days, a 2.20 days decrease.
3. The District received \$3,637,000 from the SB239 IGT program.
4. Accounts Payable decreased \$1,135,000 due to the timing of the final check run in the month.

**Tahoe Forest Hospital District  
Cash Investment  
February 2017**

<b>WORKING CAPITAL</b>			
US Bank	\$ 12,421,173		
US Bank/Kings Beach Thrift Store	76,684		
US Bank/Truckee Thrift Store	226,433		
US Bank/Payroll Clearing	72,738		
Local Agency Investment Fund	<u>-</u>	0.78%	
Total			\$ 12,797,028
 <b>BOARD DESIGNATED FUNDS</b>			
US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ -
Building Fund	\$ -		
Cash Reserve Fund	<u>56,137,411</u>	0.78%	
Local Agency Investment Fund			\$ 56,137,411
Banc of America Muni Lease			\$ 981,619
Bonds Cash 2002			\$ 3
Bonds Cash 2015			\$ 1,165,091
Bonds Cash 2008			\$ 2,335,711
DX Imaging Education	\$ 3,174	0.78%	
Workers Comp Fund - B of A	16,235		
Insurance			
Health Insurance LAIF	-	0.78%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.78%	
Total			<u>\$ 19,409</u>
<b>TOTAL FUNDS</b>			<b>\$ 73,436,271</b>
 <b>RESTRICTED FUNDS</b>			
Gift Fund			
US Bank Money Market	\$ 8,363	0.03%	
Foundation Restricted Donations	\$ 98,331		
Local Agency Investment Fund	<u>1,037,656</u>	0.78%	
<b>TOTAL RESTRICTED FUNDS</b>			<b>\$ 1,144,350</b>
<b>TOTAL ALL FUNDS</b>			<b>\$ 74,580,621</b>



TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FEBRUARY 2017

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	FEB 2016
<b>OPERATING REVENUE</b>									
\$ 19,208,894	\$ 19,665,043	\$ (456,149)	-2.3%	Total Gross Revenue	\$ 166,962,540	\$ 159,731,694	\$ 7,230,846	4.5%	1 \$ 146,536,567
<b>Gross Revenues - Inpatient</b>									
\$ 1,591,637	\$ 1,783,758	\$ (192,121)	-10.8%	Daily Hospital Service	\$ 15,683,048	\$ 14,367,938	\$ 1,315,109	9.2%	\$ 13,857,128
3,855,486	4,074,616	(219,130)	-5.4%	Ancillary Service - Inpatient	32,453,417	31,010,287	1,443,131	4.7%	29,094,628
5,447,123	5,858,374	(411,251)	-7.0%	Total Gross Revenue - Inpatient	48,136,465	45,378,225	2,758,240	6.1%	1 42,951,756
13,761,771	13,806,669	(44,898)	-0.3%	Gross Revenue - Outpatient	118,826,075	114,353,469	4,472,606	3.9%	103,584,811
13,761,771	13,806,669	(44,898)	-0.3%	Total Gross Revenue - Outpatient	118,826,075	114,353,469	4,472,606	3.9%	1 103,584,811
<b>Deductions from Revenue:</b>									
7,375,517	8,032,931	657,415	8.2%	Contractual Allowances	70,701,560	65,375,721	(5,325,839)	-8.1%	2 58,296,264
598,425	688,482	90,057	13.1%	Charity Care	4,991,945	5,594,026	602,081	10.8%	2 4,365,256
-	-	-	0.0%	Charity Care - Catastrophic Events	28,947	-	(28,947)	0.0%	2 395,319
(108,511)	293,100	401,611	137.0%	Bad Debt	(734,748)	2,393,729	3,128,477	130.7%	2 (562,761)
-	-	-	0.0%	Prior Period Settlements	179,377	-	(179,377)	0.0%	2 (1,133,224)
7,865,431	9,014,513	1,149,082	12.7%	Total Deductions from Revenue	75,167,082	73,363,477	(1,803,605)	-2.5%	61,360,854
83,771	56,443	27,328	48.4%	Property Tax Revenue- Wellness Neighborhood	465,835	449,296	16,539	3.7%	491,631
506,054	583,157	(77,103)	-13.2%	Other Operating Revenue	6,074,078	5,502,662	481,416	8.6%	3 5,761,825
11,933,288	11,290,130	643,158	5.7%	<b>TOTAL OPERATING REVENUE</b>	<b>98,335,371</b>	<b>92,410,176</b>	<b>5,925,195</b>	<b>6.4%</b>	<b>91,429,169</b>
<b>OPERATING EXPENSES</b>									
3,837,646	3,690,413	(147,232)	-4.0%	Salaries and Wages	30,727,038	30,710,250	(16,788)	-0.1%	4 28,639,807
1,106,427	1,139,213	32,786	2.9%	Benefits	10,219,757	9,674,028	(545,729)	-5.6%	4 9,967,913
54,656	57,011	2,355	4.1%	Benefits Workers Compensation	441,504	456,089	14,586	3.2%	4 420,163
753,582	694,217	(59,365)	-8.6%	Benefits Medical Insurance	5,109,751	5,553,735	443,984	8.0%	4 5,148,190
1,574,181	1,722,480	148,299	8.6%	Professional Fees	14,265,175	14,249,177	(15,998)	-0.1%	5 12,131,191
1,478,634	1,597,404	118,770	7.4%	Supplies	12,908,341	13,565,457	657,116	4.8%	6 12,182,969
908,518	872,894	(35,624)	-4.1%	Purchased Services	7,915,036	7,142,688	(772,348)	-10.8%	7 7,245,627
660,939	583,314	(77,626)	-13.3%	Other	4,553,377	4,678,812	125,435	2.7%	8 4,017,811
10,374,582	10,356,946	(17,637)	-0.2%	<b>TOTAL OPERATING EXPENSE</b>	<b>86,139,978</b>	<b>86,030,236</b>	<b>(109,742)</b>	<b>-0.1%</b>	<b>79,753,671</b>
<b>1,558,706</b>	<b>933,184</b>	<b>625,521</b>	<b>67.0%</b>	<b>NET OPERATING REVENUE (EXPENSE) EBIDA</b>	<b>12,195,393</b>	<b>6,379,940</b>	<b>5,815,454</b>	<b>91.2%</b>	<b>11,675,498</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>									
422,729	450,057	(27,328)	-6.1%	District and County Taxes	3,614,534	3,602,704	11,830	0.3%	9 3,153,375
391,933	391,933	-	0.0%	District and County Taxes - GO Bond	3,135,467	3,135,467	-	0.0%	3,143,923
48,406	36,370	12,036	33.1%	Interest Income	377,858	272,413	105,444	38.7%	10 225,003
2	-	2	0.0%	Interest Income-GO Bond	354	-	354	0.0%	16,148
16,709	38,917	(22,208)	-57.1%	Donations	303,331	311,334	(8,003)	-2.6%	11 274,614
-	-	-	0.0%	Gain/ (Loss) on Joint Investment	(97,095)	(62,500)	(34,595)	-55.4%	12 (121,610)
-	-	-	0.0%	Loss on Impairment of Asset	-	-	-	0.0%	12 -
-	-	-	0.0%	Gain/ (Loss) on Sale of Equipment	-	-	-	0.0%	13 7,500
-	-	-	0.0%	Impairment Loss	-	-	-	0.0%	14 -
(967,356)	(966,316)	(1,040)	-0.1%	Depreciation	(7,265,915)	(7,730,529)	464,614	6.0%	15 (6,818,343)
(108,323)	(96,741)	(11,583)	-12.0%	Interest Expense	(820,340)	(793,075)	(27,266)	-3.4%	16 (957,956)
(327,710)	(315,492)	(12,219)	-3.9%	Interest Expense-GO Bond	(1,425,984)	(1,565,260)	139,276	8.9%	(1,895,354)
(523,611)	(461,272)	(62,340)	-13.5%	<b>TOTAL NON-OPERATING REVENUE/(EXPENSE)</b>	<b>(2,177,792)</b>	<b>(2,829,446)</b>	<b>651,654</b>	<b>23.0%</b>	<b>(2,972,700)</b>
<b>\$ 1,035,094</b>	<b>\$ 471,913</b>	<b>\$ 563,182</b>	<b>119.3%</b>	<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 10,017,602</b>	<b>\$ 3,550,494</b>	<b>\$ 6,467,108</b>	<b>182.1%</b>	<b>\$ 8,702,798</b>
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>111,525,278</b>				
<b>NET POSITION - AS OF FEBRUARY 28, 2017</b>					<b>\$ 121,542,880</b>				
<b>8.1%</b>	<b>4.7%</b>	<b>3.4%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>7.3%</b>	<b>4.0%</b>	<b>3.3%</b>		<b>8.0%</b>

**TAHOE FOREST HOSPITAL DISTRICT**  
**NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**FEBRUARY 2017**

		<u>Variance from Budget</u>	
		<u>Fav / &lt;Unfav&gt;</u>	
		<u>FEB 2017</u>	<u>YTD 2017</u>
<b>1) Gross Revenues</b>			
Acute Patient Days were below budget 8.72% or 32 days. Swing Bed days were above budget 23.08% or 6 days. Inpatient Ancillary revenues fell short of budget by 5.40% due to the decrease in our acute patient days.	Gross Revenue -- Inpatient	\$ (411,251)	\$ 2,758,584
	Gross Revenue -- Outpatient	(44,898)	4,472,262
	Gross Revenue -- Total	<u>\$ (456,149)</u>	<u>\$ 7,230,846</u>
Outpatient volumes were below budget in the following departments: Emergency Department visits, Home Health visits, Surgical cases, Endoscopy procedures, Mammography exams, Medical and Radiation Oncology procedures, MRI exams, PET CT, and Speech Therapy.			
<b>2) Total Deductions from Revenue</b>			
The payor mix for February shows a 5.99% decrease to Medicare, a .72% decrease to Medi-Cal, .21% increase to Other, County at budget, and a 6.50% increase to Commercial when compared to budget. Contractual Allowances were under budget due to the shift in payor mix from Medicare and Medi-Cal to Commercial, a decrease to AR Days over 90 and 120 Days old, and revenues falling short of budget by 2.30%.	Contractual Allowances	\$ 657,415	\$ (5,325,839)
	Charity Care	90,057	602,081
	Charity Care - Catastrophic	-	(28,947)
	Bad Debt	401,611	3,128,477
	Prior Period Settlements	-	(179,377)
	Total	<u>\$ 1,149,082</u>	<u>\$ (1,803,605)</u>
<b>3) Other Operating Revenue</b>			
Retail Pharmacy revenues fell short of budget by 24.31%.	Retail Pharmacy	\$ (57,936)	\$ (91,380)
	Hospice Thrift Stores	(20,263)	(37,248)
	The Center (non-therapy)	(6,185)	5,070
	IVCH ER Physician Guarantee	3,450	58,392
	Children's Center	7,823	2,197
	Miscellaneous	(3,791)	544,395
	Oncology Drug Replacement	-	-
	Grants	-	-
	Total	<u>\$ (77,103)</u>	<u>\$ 481,416</u>
Continued snow fall during the month aided in a negative variance in the Hospice Thrift Stores revenues.			
<b>4) Salaries and Wages</b>			
	Total	<u>\$ (147,232)</u>	<u>\$ (16,788)</u>
<b>Employee Benefits</b>			
	PL/SL	\$ 3,552	\$ (356,840)
	Nonproductive	(3,984)	(131,278)
	Pension/Deferred Comp	197	(3,092)
	Standby	22,293	136,751
	Other	10,728	(191,270)
	Total	<u>\$ 32,786</u>	<u>\$ (545,729)</u>
<b>Employee Benefits - Workers Compensation</b>	Total	<u>\$ 2,355</u>	<u>\$ 14,586</u>
<b>Employee Benefits - Medical Insurance</b>	Total	<u>\$ (59,365)</u>	<u>\$ 443,984</u>
<b>5) Professional Fees</b>			
Negative variance in TFH Locums related to Hospitalist and Emergency Department coverage.	TFH Locums	\$ (69,340)	\$ (367,710)
	The Center (includes OP Therapy)	5,080	(161,124)
	Information Technology	(10,912)	(160,439)
	Administration	(48,963)	(126,694)
Project Management consulting fees created a negative variance in Information Technology.	Miscellaneous	33,165	(113,655)
	Multi-Specialty Clinics Admin	2,550	(62,688)
Contract oversight and project management fees created a negative variance in Administration.	Oncology	(393)	(14,065)
	IVCH ER Physicians	(1,935)	(9,811)
Legal Fees budgeted for the Corporate Compliance department fell below budget, creating a positive variance in this category.	Human Resources	(513)	(2,735)
	Respiratory Therapy	(0)	(1)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	Home Health/Hospice	-	471
Positive variance in Multi-Specialty Clinics related to Tahoe Forest Women's Center physician fees and a reduction in General Surgery, ENT, and Orthopedic physician fees.	Medical Staff Services	(3,780)	1,602
	Marketing	2,375	19,000
	Sleep Clinic	3,171	21,806
	Managed Care	9,000	23,436
	Financial Administration	(2,365)	25,695
	TFH/IVCH Therapy Services	3,843	90,251
	Corporate Compliance	36,150	230,808
	Multi-Specialty Clinics	191,166	589,757
	Total	<u>\$ 148,299</u>	<u>\$ (15,998)</u>
<b>6) Supplies</b>			
Drugs Sold to Patients revenue exceeded budget by 2.92%, however, the mix of pharmaceuticals delivered to patients created a positive variance in Pharmacy Supplies.	Minor Equipment	\$ (1,130)	\$ (49,348)
	Food	(2,212)	(17,981)
	Imaging Film	867	2,845
	Other Non-Medical Supplies	5,532	14,757
	Office Supplies	14,106	56,191
	Patient & Other Medical Supplies	19,332	195,843
	Pharmacy Supplies	82,275	454,808
	Total	<u>\$ 118,770</u>	<u>\$ 657,116</u>

**TAHOE FOREST HOSPITAL DISTRICT**  
**NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**FEBRUARY 2017**

		<b>Variance from Budget</b>	
		<b>Fav / &lt;Unfav&gt;</b>	
		<b>FEB 2017</b>	<b>YTD 2017</b>
<b>7) <u>Purchased Services</u></b>			
Services provided to Laundry & Linen and Engineering created a negative variance in Miscellaneous.	Miscellaneous	\$ (48,614)	\$ (751,682)
	Hospice	(5,483)	(60,883)
	Department Repairs	(3,785)	(51,858)
	Laboratory	(12,308)	(33,240)
	Pharmacy IP	(3,202)	(15,048)
Outsourced lab testing created a negative variance in Laboratory.	Diagnostic Imaging Services - All	(1,042)	(12,087)
	The Center	5,416	(877)
	Information Technology	(4,605)	5,974
	Medical Records	3,484	7,470
	Community Development	2,700	9,069
	Multi-Specialty Clinics	2,084	10,742
	Patient Accounting	3,960	39,313
Positive variance in human resources related to Employee Health and Pre-Employment screenings.	Human Resources	25,772	80,760
	<b>Total</b>	<b>\$ (35,624)</b>	<b>\$ (772,348)</b>
<b>8) <u>Other Expenses</u></b>			
Onsight discovery meetings for the EPIC conversion, Management leadership courses, and tuition reimbursement created a negative variance in Outside Training and Travel.	Outside Training & Travel	\$ (60,614)	\$ (130,706)
	Other Building Rent	(34,362)	(27,923)
	Equipment Rent	1,254	(23,911)
	Human Resources Recruitment	(7,172)	(22,020)
	Insurance	(1,378)	(13,441)
Unbudgeted rental expense on the Pioneer Commerce Center building created a negative variance in Other Building Rent.	Utilities	411	(1,981)
	Physician Services	9	74
	Multi-Specialty Clinics Equip Rent	877	5,053
	Multi-Specialty Clinics Bldg Rent	11,528	40,876
Positive variance in Multi-Specialty Clinics Building Rent related to MSC OB/GYN and MSC Pediatrics.	Marketing	3,445	47,805
	Dues and Subscriptions	5,681	84,473
	Miscellaneous	2,697	167,136
	<b>Total</b>	<b>\$ (77,626)</b>	<b>\$ 125,435</b>
<b>9) <u>District and County Taxes</u></b>	<b>Total</b>	<b>\$ (27,328)</b>	<b>\$ 11,830</b>
<b>10) <u>Interest Income</u></b>	<b>Total</b>	<b>\$ 12,036</b>	<b>\$ 105,444</b>
<b>11) <u>Donations</u></b>	IVCH	\$ -	\$ 22,117
	Operational	(22,208)	(30,120)
	Capital Campaign	-	-
	<b>Total</b>	<b>\$ (22,208)</b>	<b>\$ (8,003)</b>
<b>12) <u>Gain/(Loss) on Joint Investment</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ (34,595)</b>
<b>13) <u>Gain/(Loss) on Sale</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>15) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ (1,040)</b>	<b>\$ 464,614</b>
<b>16) <u>Interest Expense</u></b>	<b>Total</b>	<b>\$ (11,583)</b>	<b>\$ (27,266)</b>



INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
FEBRUARY 2017

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	FEB 2016	
<b>OPERATING REVENUE</b>										
\$ 1,333,329	\$ 1,461,919	\$ (128,590)	-8.8%	Total Gross Revenue	\$ 12,776,221	\$ 12,434,315	\$ 341,907	2.7%	1	\$ 11,708,219
<b>Gross Revenues - Inpatient</b>										
\$ 2,996	\$ 2,914	\$ 82	2.8%	Daily Hospital Service	\$ 32,328	\$ 20,398	\$ 11,930	58.5%		\$ 19,427
7,655	3,184	4,471	140.4%	Ancillary Service - Inpatient	50,364	27,157	23,207	85.5%		24,665
10,651	6,098	4,553	74.7%	Total Gross Revenue - Inpatient	82,692	47,555	35,137	73.9%	1	44,092
1,322,679	1,455,821	(133,142)	-9.1%	Gross Revenue - Outpatient	12,693,529	12,386,760	306,770	2.5%		11,664,127
1,322,679	1,455,821	(133,142)	-9.1%	Total Gross Revenue - Outpatient	12,693,529	12,386,760	306,770	2.5%	1	11,664,127
<b>Deductions from Revenue:</b>										
407,876	470,014	62,138	13.2%	Contractual Allowances	4,568,361	4,030,922	(537,440)	-13.3%	2	3,674,298
44,326	55,013	10,687	19.4%	Charity Care	436,374	468,078	31,704	6.8%	2	390,714
-	-	-	0.0%	Charity Care - Catastrophic Events	28,947	-	(28,947)	0.0%	2	8,541
89,034	52,819	(36,215)	-68.6%	Bad Debt	416,580	449,404	32,824	7.3%	2	533,152
-	-	-	0.0%	Prior Period Settlements	(22,833)	-	22,833	0.0%	2	(150,715)
541,236	577,846	36,610	6.3%	Total Deductions from Revenue	5,427,430	4,948,403	(479,026)	-9.7%	2	4,455,990
75,866	73,280	2,586	3.5%	Other Operating Revenue	647,553	589,987	57,566	9.8%	3	676,043
867,959	957,352	(89,393)	-9.3%	<b>TOTAL OPERATING REVENUE</b>	7,996,345	8,075,899	(79,554)	-1.0%		7,928,272
<b>OPERATING EXPENSES</b>										
275,900	281,212	5,312	1.9%	Salaries and Wages	2,101,215	2,282,113	180,898	7.9%	4	2,019,803
84,439	87,326	2,887	3.3%	Benefits	787,901	777,859	(10,042)	-1.3%	4	611,234
1,965	1,417	(548)	-38.7%	Benefits Workers Compensation	16,131	11,334	(4,797)	-42.3%	4	18,687
49,358	44,618	(4,740)	-10.6%	Benefits Medical Insurance	330,545	356,947	26,402	7.4%	4	331,205
196,227	219,884	23,657	10.8%	Professional Fees	1,900,930	1,894,264	(6,665)	-0.4%	5	1,854,098
66,174	74,820	8,645	11.6%	Supplies	540,783	667,817	127,034	19.0%	6	587,300
46,533	44,683	(1,850)	-4.1%	Purchased Services	357,592	353,229	(4,364)	-1.2%	7	331,356
43,493	55,127	11,633	21.1%	Other	425,299	435,671	10,372	2.4%	8	477,897
764,088	809,086	44,998	5.6%	<b>TOTAL OPERATING EXPENSE</b>	6,460,396	6,779,235	318,839	4.7%		6,231,580
<b>103,871</b>	<b>148,266</b>	<b>(44,395)</b>	<b>-29.9%</b>	<b>NET OPERATING REV(EXP) EBIDA</b>	<b>1,535,949</b>	<b>1,296,664</b>	<b>239,285</b>	<b>18.5%</b>		<b>1,696,692</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
-	-	-	0.0%	Donations-IVCH	22,117	-	22,117	0.0%	9	35,656
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(64,277)	(64,277)	-	0.0%	Depreciation	(459,604)	(514,213)	54,609	-10.6%	11	(440,944)
(64,277)	(64,277)	-	0.0%	<b>TOTAL NON-OPERATING REVENUE/(EXP)</b>	<b>(437,487)</b>	<b>(514,213)</b>	<b>76,725</b>	<b>14.9%</b>		<b>(405,288)</b>
<b>\$ 39,594</b>	<b>\$ 83,989</b>	<b>\$ (44,395)</b>	<b>-52.9%</b>	<b>EXCESS REVENUE(EXPENSE)</b>	<b>\$ 1,098,461</b>	<b>\$ 782,451</b>	<b>\$ 316,010</b>	<b>40.4%</b>		<b>\$ 1,291,404</b>
<b>7.8%</b>	<b>10.1%</b>	<b>-2.4%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>12.0%</b>	<b>10.4%</b>	<b>1.6%</b>			<b>14.5%</b>



**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
FEBRUARY 2017**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>FEB 2017</b>	<b>YTD 2017</b>
<b>1) Gross Revenues</b>			
Acute Patient Days were at budget at 1 and Observation Days were below budget by 3 at 0.	Gross Revenue -- Inpatient	\$ 4,553	\$ 35,137
	Gross Revenue -- Outpatient	(133,142)	306,770
		\$ (128,590)	\$ 341,907
Outpatient volumes fell short of budget in Emergency Department visits, Diagnostic Imaging, Pharmacy units, Surgical cases, and Physical Therapy.			
<b>2) Total Deductions from Revenue</b>			
We saw a shift in our payor mix with a 6.26% increase in Commercial Insurance, a 4.04% decrease in Medicare, a 1.36% decrease in Medicaid, a .87% decrease in Other, and County was at budget. The shift in payor mix from Medicare and Medicaid to Commercial and outpatient revenues falling short of budget by 9.1% created a positive variance in Contractual Allowances.	Contractual Allowances	\$ 62,138	\$ (537,440)
	Charity Care	10,687	31,704
	Charity Care-Catastrophic Event	-	(28,947)
	Bad Debt	(36,215)	32,824
	Prior Period Settlement		22,833
	Total	\$ 36,610	\$ (479,026)
<b>3) Other Operating Revenue</b>			
	IVCH ER Physician Guarantee	\$ 3,450	\$ 58,392
	Miscellaneous	(864)	(827)
	Total	\$ 2,586	\$ 57,566
<b>4) Salaries and Wages</b>	Total	\$ 5,312	\$ 180,898
<b>Employee Benefits</b>	PL/SL	\$ 841	\$ 8,521
	Standby	(341)	7,605
	Other	2,291	(2,675)
	Nonproductive	(100)	(26,165)
	Pension/Deferred Comp	196	2,672
	Total	\$ 2,887	\$ (10,042)
<b>Employee Benefits - Workers Compensation</b>	Total	\$ (548)	\$ (4,797)
<b>Employee Benefits - Medical Insurance</b>	Total	\$ (4,740)	\$ 26,402
<b>5) Professional Fees</b>			
IVCH Health Clinic professional fees came in below budget estimations creating a positive variance in Miscellaneous.	Miscellaneous	\$ 21,499	\$ (40,320)
	Administration	(130)	(10,127)
	IVCH ER Physicians	(1,935)	(9,811)
	Foundation	(1,077)	(3,295)
	Multi-Specialty Clinics	2,005	3,818
	Sleep Clinic	3,171	21,806
	Therapy Services	124	31,265
	Total	\$ 23,657	\$ (6,665)
Positive variance in Sleep Clinic professional fees related to collections falling short of budget.			
<b>6) Supplies</b>			
Small equipment purchases for IVCH MSC IM/Peds and Physical Therapy created a negative variance in Minor Equipment.	Food	\$ (1,688)	\$ (8,838)
	Office Supplies	104	(4,879)
	Minor Equipment	(3,487)	(419)
	Imaging Film	205	991
	Non-Medical Supplies	(958)	1,298
	Patient & Other Medical Supplies	(2,293)	69,386
	Pharmacy Supplies	16,761	69,494
	Total	\$ 8,645	\$ 127,034
Drugs Sold to Patients revenues were below budget by 30.30%, creating a positive variance in Pharmacy Supplies.			

**INCLINE VILLAGE COMMUNITY HOSPITAL  
NOTES TO STATEMENT OF REVENUE AND EXPENSE  
FEBRUARY 2017**

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>FEB 2017</b>	<b>YTD 2017</b>
<b>7) <u>Purchased Services</u></b>			
Negative variance in Engineering/Plant/Communications related to snow removal.	EVS/Laundry	\$ (3,838)	\$ (19,899)
	Engineering/Plant/Communications	(2,245)	(13,253)
	Department Repairs	2,145	(3,513)
	Diagnostic Imaging Services - All	(371)	(2,390)
	Multi-Specialty Clinics	12	(376)
	Surgical Services	-	-
	Pharmacy	307	554
	Foundation	(122)	861
	Miscellaneous	2,601	13,410
	Laboratory	(339)	20,242
	<b>Total</b>	<b>\$ (1,850)</b>	<b>\$ (4,364)</b>
<b>8) <u>Other Expenses</u></b>			
Memberships with Nevada Rural Hospital Association and American Hospital Association created a negative variance in Dues and Subscriptions.	Insurance	\$ (1,872)	\$ (14,999)
	Dues and Subscriptions	(1,447)	(9,141)
	Marketing	1,543	(7,265)
	Equipment Rent	(68)	(3,277)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Other Building Rent	311	311
	Outside Training & Travel	1,186	1,775
	Utilities	9,992	16,964
	Miscellaneous	1,989	26,005
	<b>Total</b>	<b>\$ 11,633</b>	<b>\$ 10,372</b>
<b>9) <u>Donations</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 22,117</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>\$ 54,609</b>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

	AUDITED FYE 2016	BUDGET FYE 2017	PROJECTED FYE 2017	ACTUAL FEB 2017	BUDGET FEB 2017	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 16,129,087	\$ 8,354,249	\$ 14,003,953	1,558,706	\$ 933,184	625,522	\$ 4,905,089	\$ 4,482,756	\$ 3,684,060	\$ 932,048
Interest Income	163,091	249,285	323,104	-	-	-	70,617	85,905	96,447	70,136
Property Tax Revenue	6,120,208	5,682,000	6,223,503	131,722	-	131,722	345,312	94,001	3,510,190	2,274,000
Donations	668,318	1,023,000	1,022,870	-	260,000	(260,000)	211,916	53,794	409,160	348,000
Debt Service Payments	(3,441,272)	(3,568,341)	(3,526,498)	(240,328)	(241,694)	1,366	(1,217,943)	(720,763)	(862,709)	(725,083)
Bank of America - 2012 Muni Lease	(1,243,650)	(1,243,644)	(1,243,648)	(103,637)	(103,637)	(0)	(310,912)	(310,912)	(310,912)	(310,911)
Copier	(8,758)	(11,520)	(11,299)	(959)	(960)	1	(2,885)	(2,656)	(2,878)	(2,880)
2002 Revenue Bond	(483,555)	(668,008)	(637,310)	-	-	-	(496,951)	-	(140,358)	-
2015 Revenue Bond	(1,705,309)	(1,645,169)	(1,634,242)	(135,732)	(137,097)	1,366	(407,195)	(407,195)	(408,560)	(411,292)
Physician Recruitment	(263,769)	(120,000)	-	-	-	-	-	-	-	-
Investment in Capital										
Equipment	(1,495,214)	(1,262,750)	(1,262,750)	(28,835)	(157,419)	128,584	(452,617)	(419,544)	(262,006)	(128,583)
Municipal Lease Reimbursement	1,319,139	979,000	979,000	-	-	-	-	-	-	979,000
GO Bond Project Personal Property	(432,135)	(279,000)	(1,066,513)	(66,706)	-	(66,706)	(532,573)	(364,495)	(169,445)	-
IT	(888,802)	(297,578)	(297,578)	(26,416)	(92,550)	66,134	(90,239)	(48,320)	(92,885)	(66,134)
Building Projects	(2,095,500)	(4,315,500)	(4,315,500)	(153,824)	(520,272)	366,448	(1,630,513)	(678,916)	(942,553)	(1,063,518)
Health Information/Business System	(92,807)	(7,000,000)	(5,143,929)	(523,046)	(989,711)	466,665	-	(2,051,447)	(1,165,405)	(1,927,077)
Capital Investments										
Properties	-	(2,794,000)	(2,802,193)	-	-	-	(40,000)	(2,333,193)	-	(429,000)
Measure C Scope Modifications	-	(2,476,716)	(1,689,203)	-	(433,269)	433,269	(558,626)	(261,384)	(469,277)	(399,916)
Change in Accounts Receivable	(1,194,734)	(2,183,288)	N1 (2,135,001)	(419,386)	1,179,699	(1,599,085)	(2,178,112)	(931,014)	675,620	298,505
Change in Settlement Accounts	1,387,101	1,175,000	N2 3,683,288	3,589,437	1,565,000	2,024,437	1,126,982	(205,102)	3,761,408	(1,000,000)
Change in Other Assets	(3,180,399)	(890,622)	N3 (1,522,509)	34,913	160,000	(125,087)	(687,607)	(1,034,847)	(46,919)	246,864
Change in Other Liabilities	3,702,607	(320,000)	N4 (1,000,473)	(833,162)	600,000	(1,433,162)	(2,392,808)	2,093	290,242	1,100,000
Change in Cash Balance	16,404,918	(8,045,261)	1,473,572	3,023,065	2,262,969	760,096	(3,121,122)	(4,330,475)	8,415,927	509,242
Beginning Unrestricted Cash	52,227,897	68,632,815	68,632,815	65,911,374	65,911,374	-	68,632,815	65,511,692	61,181,218	69,597,145
Ending Unrestricted Cash	68,632,815	60,778,463	70,106,386	68,934,438	68,174,342	760,096	65,511,692	61,181,218	69,597,145	70,106,386
Expense Per Day	340,958	355,605	355,782	357,861	357,596	265	352,658	353,874	357,366	355,782
Days Cash On Hand	201	171	197	193	191	2	186	173	195	197

Footnotes:

- N1 - Change in Accounts Receivable reflects the 30 day delay in collections.
- 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.



## **California Hospitals Alarmed About Expected Loss of Coverage Under the Proposed American Health Care Act**

### **Talking Points**

**March 16, 2017**

*Earlier this week, the Congressional Budget Office (CBO) released its analysis of the proposed American Health Care Act (AHCA). According to the CBO report, the AHCA as currently written would result in 14 million Americans losing their existing health care coverage next year, mostly stemming from the repeal of penalties associated with the individual mandate. By 2026, when changes to the Medicaid program would be fully implemented, the number of uninsured Americans would rise to 24 million people, according to the CBO. At that point, an estimated 52 million people — roughly 16 percent of Americans — would be without health care coverage.*

- California hospitals have long supported the goal of universal health care coverage. Over the past several years, California has made great strides in expanding health care coverage, with 91 percent of all Californians now covered. Having health care coverage helps individuals get the appropriate care they need, when they need it. Getting the proper treatment in a timely manner helps reduce health care costs.
- California's efforts to expand coverage are now at risk of being undone under the proposed AHCA. Using the CBO report and other statewide data, CHA estimates that at least 3 million Californians will lose their health care coverage if the AHCA is enacted. The people who will be most affected are our most vulnerable residents — low-income families, seniors and children.
- CHA's analysis shows that California will lose at least \$12 billion annually in Medicaid financing under the proposed AHCA, and hospitals could see their bad debt and charity care increase by more than \$3 billion a year.
- Hospitals know all too well how an increase in the number of uninsured patients will impact their ability to provide essential health care services to their community. Not that long ago, California had one of the highest uninsured rates in the nation, driving up health care costs for all, putting health care resources at risk and reducing access to necessary care for everyone. Returning to that scenario is not good for patients, communities or providers.

- California has the highest poverty rate in the nation. An estimated 6.3 million Californians, including 1.9 million children, live in poverty. These are the people who have the greatest needs and will be most impacted by the loss of health care coverage.
- Just as was the case when the Affordable Care Act (ACA) was enacted in 2010, CHA's priority today is to protect the health care safety net. Under the ACA, nearly 4 million people have gained coverage through expanded Medicaid (Medi-Cal). Additionally, 1.4 million Californians — most of whom receive premium subsidies — now have coverage through the state-based exchange, Covered California.
- As Congress moves to repeal portions of the ACA, including Medicaid expansion and premium subsidies, it is vital that a viable replacement plan be implemented to ensure that millions of Californians continue to have access to the health care safety net they need and deserve. The current version of the AHCA does not meet that test.
- California is a leading example of health care delivery system reform, and our progress toward coordinated, cost-efficient care is a model for the rest of the country. Our efforts to make measurable improvements in the quality of care provided to all patients and to dramatically reduce the number of uninsured demonstrate that a better health care system for all Californians is possible.
- As the effort to repeal and replace the ACA continues to unfold, CHA urges the members of the California congressional delegation to support a viable and affordable path to optimal coverage for all Californians.



## **American Health Care Act**

### **UPDATED Summary of Proposed Legislation March 10, 2017**

The Ways & Means Committee and the Energy & Commerce Committee considered and favorably reported the Republican leadership's plans to partially repeal and replace the Affordable Care Act (ACA), legislation known as The American Health Care Act (AHCA). The committees voted along party lines. The nonpartisan Congressional Budget Office has yet to publish its score, so it is not certain if the bills would meet the prescribed budget savings targets or how many people would lose or gain health insurance coverage as compared to current law.

Of most significance to California's hospitals, the AHCA:

- Reduces the number of insured
- Does not eliminate Medicare market basket cuts or productivity adjustments for hospitals in the ACA
- Does not restore Medicare DSH cuts
- Does not repeal the area wage index rural floor provisions
- Significantly reduces federal spending for Medicaid by phasing out the Medicaid expansion enhanced match, reduces the annual growth rate and sets per capita caps for payments.
- Does not limit states' use of provider financing.

The AHCA's key components would:

- Remove the individual mandate and penalty.
- Incentivize continuous coverage by allowing a surcharge of up to 30 percent for those with a coverage lapse of more than 63 days.
- Create age-based refundable tax credits ranging from \$2,000 to \$4,000 (beginning in 2020). The credits replace the ACA's income-based subsidies. Credits for a single household would be limited to \$14,000. Credits would be phased out for individuals earning at least \$75,000 and families earning at least \$150,000.
- Repeal essential benefit plan requirements for the Medicaid expansion population beginning December 31, 2019.
- Reinstate Medicaid DSH cuts for expansion states beginning in 2018 for 2 years. Medicaid DSH cuts for non-expansion states are repealed permanently.
- Cap Medicaid payments to states based on the number of Medicaid enrollees (a per capita cap) beginning with fiscal year 2019 Medicaid expenditures. The base year for these expenditures is 2016, and the growth rate will be based on the medical care component of the consumer price index, which is significantly lower than the current projected growth rate.
- Eliminate the enhanced Federal Medical Assistance Percentage (FMAP) for the Medicaid expansion population who enroll after 2019. "Grandfathered" expansion population enrollees (those in prior to 2020) will continue to receive the enhanced FMAP as long as they remain continuously enrolled.

- 
- Repeal the requirement for states to allow hospitals to make presumptive eligibility determinations.
  - Limit retroactive Medicaid coverage to only one month prior to the eligibility application (down from three months).
  - Require expansion states to re-determine eligibility every six months beginning October 1, 2017. States receive a 5 percent FMAP increase until December 2019 to cover administrative costs.
  - Defund Planned Parenthood for one year.
  - Eliminate many of the ACA taxes, including but not limited to the medical device tax, the drug industry excise tax and tanning salon tax, beginning in 2018. It also delays the implementation of the “Cadillac” tax (on employer sponsored insurance health benefits) until 2025.
  - Include \$100 billion for state innovation grants aimed at stabilizing the individual market over 10 years. States could use this money to create reinsurance programs or high-risk pools to cover the costs of the sickest, most expensive customers.
  - Allow insurers to charge older customers more, while dropping costs for younger customers. Currently, insurers can charge their oldest customers no more than three times as much as younger enrollees. The bill allows that to increase to a five-to-one ratio.



# Health Care Coverage is Important for Californians

March 17, 2017

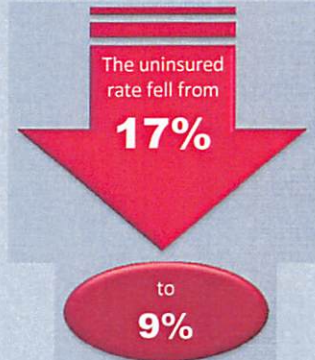
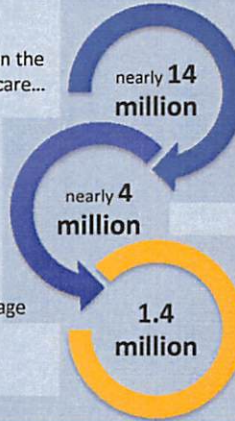
## Statewide

**91%**  
of all Californians now have health care coverage

Nearly 14 million Californians depend on the Medi-Cal program for access to health care...

Close to 4 million Californians received coverage through Medicaid...

1.4 million residents have gained coverage through Covered California, the state's insurance marketplace...



The Medicaid financing changes in the proposed AHCA will cost California at least **\$12 billion** a year.



Hard working families, seniors and children rely on health care coverage to access the care they need....

## California Hospitals Contribute to the Success of Communities and the Economy



**\$229 billion** economic contribution to the state

**\$145 billion**

Economic output activity

**\$84 billion**

Salaries and benefits impact the economy

**Nearly 1 million**

Jobs resulting from hospital employment

Including more than **431,050** good paying hospital jobs in California....

A loss of coverage for families, seniors and other individuals means an **increase** in Hospital **bad debt**, and **indigent** and **charity care** of more than \$3 billion statewide...

The impact to hospitals in California totals:

**\$ 3,094,777,879** X

The AHCA would result in a loss of coverage for **3,057,104** individuals in California.

AHCA: Means the American Health Care Act



March 17, 2017

District	Representative	Estimated	Estimated	Total	Estimated in Year 2020	
		Subsidized Enrollees	Expansion Enrollees	ACA Coverage	Loss of Medicaid Resources	Increase in Bad Debt/Charity
<b>All</b>	<b>Statewide</b>	<b>1,204,546</b>	<b>3,648,000</b>	<b>4,852,546</b>	<b>\$ 12,728,763,307</b>	<b>\$ 3,094,777,879</b>
1	Doug LaMalfa (R)	25,646	75,000	100,646	\$ 275,647,440	\$ 88,227,845
2	Jared Huffman (D)	29,213	63,000	92,213	\$ 143,788,238	\$ 50,839,886
3	John Garamendi (D)	19,077	65,000	84,077	\$ 135,054,680	\$ 30,214,012
4	Tom McClintock (R)	27,548	47,000	74,548	\$ 116,874,335	\$ 58,843,276
5	Mike Thompson (D)	24,043	60,000	84,043	\$ 322,423,997	\$ 88,716,304
6	Doris Matsui (D)	18,617	88,000	106,617	\$ 487,192,234	\$ 148,916,113
7	Ami Bera (D)	21,424	56,000	77,424	\$ 112,819,396	\$ 37,740,700
8	Paul Cook (R)	17,008	87,000	104,008	\$ 140,981,671	\$ 29,086,491
9	Jerry McNerney (D)	21,803	80,000	101,803	\$ 215,930,207	\$ 72,800,015
10	Jeff Denham (R)	23,757	86,000	109,757	\$ 222,345,714	\$ 110,777,230
11	Mark DeSaulnier (D)	22,286	54,000	76,286	\$ 65,761,347	\$ 20,309,600
12	Nancy Pelosi (D)	25,200	68,000	93,200	\$ 543,853,569	\$ 106,821,704
13	Barbara Lee (D)	25,898	69,000	94,898	\$ 350,884,121	\$ 71,326,699
14	Jackie Speier (D)	22,029	55,000	77,029	\$ 155,934,059	\$ 19,836,615
15	Eric Swalwell (D)	23,399	45,000	68,399	\$ 74,634,328	\$ 29,969,697
16	Jim Costa (D)	17,823	105,000	122,823	\$ 551,591,631	\$ 103,874,494
17	Ro Khanna (D)	22,294	43,000	65,294	\$ 17,059,353	\$ 8,655,650
18	Anna G. Eshoo (D)	18,822	33,000	51,822	\$ 640,956,360	\$ 158,342,207
19	Zoe Lofgren (D)	21,033	76,000	97,033	\$ 67,687,129	\$ 7,155,054
20	Jimmy Panetta (D)	24,814	65,000	89,814	\$ 168,391,731	\$ 66,911,100
21	David Valadao (R)	12,351	99,000	111,351	\$ 99,930,875	\$ 1,636,365
22	Devin Nunes (R)	18,070	68,000	86,070	\$ 193,186,341	\$ 29,404,676
23	Kevin McCarthy (R)	14,579	67,000	81,579	\$ 322,896,214	\$ 78,944,940
24	Salud Carbajal (D)	27,001	52,000	79,001	\$ 156,832,528	\$ 27,100,076
25	Stephen Knight (R)	18,369	58,000	76,369	\$ 32,338,118	\$ 15,645,899
26	Julia Brownley (D)	26,393	59,000	85,393	\$ 174,784,144	\$ 30,606,557
27	Judy Chu (D)	37,900	70,000	107,900	\$ 164,351,793	\$ 13,925,881
28	Adam Schiff (D)	31,469	68,000	99,469	\$ 661,941,795	\$ 94,949,614
29	Tony Cardenas (D)	20,856	107,000	127,856	\$ 367,571,039	\$ 82,618,241
30	Brad Sherman (D)	30,099	55,000	85,099	\$ 162,406,318	\$ 33,618,902
31	Pete Aguilar (D)	17,015	83,000	100,015	\$ 704,290,755	\$ 163,923,292
32	Grace Napolitano (D)	24,888	76,000	100,888	\$ 189,740,035	\$ 16,796,276
33	Ted Lieu (D)	23,286	24,000	47,286	\$ 204,726,132	\$ 23,366,042
34	Xavier Becerra (D)	20,672	107,000	127,672	\$ 923,544,257	\$ 178,946,303
35	Norma Torres (D)	21,709	83,000	104,709	\$ 124,457,605	\$ 32,462,442
36	Raul Ruiz (D)	20,286	81,000	101,286	\$ 151,026,948	\$ 33,549,600
37	Karen Bass (D)	20,106	74,000	94,106	\$ 8,133,144	\$ 93,648
38	Linda Sanchez (D)	20,052	65,000	85,052	\$ 169,978,701	\$ 18,505,752
39	Ed Royce (R)	34,331	51,000	85,331	\$ 20,710,900	\$ 16,551,472
40	Lucille Roybal-Allard (D)	14,659	119,000	133,659	\$ 178,194,327	\$ 35,483,940
41	Mark Takano (D)	17,034	79,000	96,034	\$ 201,050,042	\$ 131,862,143
42	Ken Calvert (R)	22,757	56,000	78,757	\$ 71,379,278	\$ 23,325,264
43	Maxine Waters (D)	18,422	87,000	105,422	\$ 327,038,496	\$ 104,531,729
44	Nanette Barragán (D)	14,956	104,000	118,956	\$ 181,173,641	\$ 1,894,765
45	Mimi Walters (R)	29,039	37,000	66,039	\$ 50,878,396	\$ 23,276,397
46	Lou Correa (D)	20,559	92,000	112,559	\$ 469,401,014	\$ 159,912,334
47	Alan Lowenthal (D)	22,223	76,000	98,223	\$ 322,086,897	\$ 47,534,515
48	Dana Rohrabacher (R)	29,899	47,000	76,899	\$ 159,699,247	\$ 76,263,355
49	Darrell Issa (R)	26,643	38,000	64,643	\$ 52,932,057	\$ 23,721,769
50	Duncan D. Hunter (R)	23,893	63,000	86,893	\$ 58,076,578	\$ 27,798,881
51	Juan Vargas (D)	25,435	95,000	120,435	\$ 65,860,214	\$ 23,113,155
52	Scott Peters (D)	24,015	31,000	55,015	\$ 67,759,815	\$ 16,182,843
53	Susan Davis (D)	23,846	57,000	80,846	\$ 880,574,124	\$ 197,866,122

Data Sources: CBO Report on AHCA, Statewide OSHPD, Medi-Cal, CoveredCA, and Industry estimates.