



TAHOE FOREST HOSPITAL DISTRICT

Board Finance Committee

May 21, 2015 at 02:00 PM - 04:00 PM

Eskridge Conference Room

,

Meeting Book - 2015 May 21 Board Finance Committee

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FINANCE COMMITTEE AGENDA

Thursday, May 21, 2015 at 2:00 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

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: 03/24/2015..... ATTACHMENT**
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. Financial Reports:
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 - 6.3. Board Education and Updates ATTACHMENT
 - 6.3.1. Refinancing of 2006 Revenue Bonds - Update
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... *ATTACHMENT**
9. **NEXT MEETING DATE**
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, April 23, 2015 at 3:00 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting called to order at 3:04 p.m.

2. ROLL CALL

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

Staff: Crystal Betts, Chief Financial Officer; Ginny Razo, Interim Chief Executive Officer; Judy Newland, Chief Nursing/Operations Officer; Jaye Chasseur, Controller; Patricia Barrett, Clerk of the Board

Via telephone: Jake Dorst, Chief Information Officer

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

No changes.

4. INPUT – AUDIENCE

Russ Anderson expressed concern that the TFHD profit and loss statement (PL) reflects a trend of the District operating in the red. Mr. Anderson recommends a major reorganization proposal to stop the cost drain. Mr. Anderson extended an offer to meet with the Interim CEO to review his proposal.

5. APPROVAL OF MINUTES OF: 03/24/2015

ACTION: Motion made by Director Jellinek, seconded by Director Chamblin to approve the Finance Committee minutes as presented. Approved unanimously.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports:

6.1.1. Financial Report – March 2015 Quarterly Packet

CFO provided a review of Statement of Net Position.

Working Capital is at 29.0 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 151.6 days. Working Capital cash increased \$2,193,000. Cash collections fell short of target by 9% and Accounts Payable increased \$2,126,000.

Net Patient Accounts Receivable decreased approximately \$565,000. Cash collections were 91 % of target. Days in Accounts Receivable are at 65.5 days compared to prior months 65.9 days, a .40 day decrease.

G.O. Bond Project Fund decreased \$532,000 after reimbursing the District for funds advanced on Measure C projects. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffrey swap transaction at the close of March.

Accounts Payable increased \$2,126,000 due to the timing of the final check run in the month.

It was reported that the current month's Total Gross Revenue was \$17,844,521, compared to budget of \$16,812,059 or \$1,032,462 over budget. Volumes were up in some departments and down in others.

Current month's Gross Revenue Mix was 33.6% Medicare, 15.4% Medi-Cal, .0% County, 3.5% Other, and 47.5% Insurance compared to budget of 34.3% Medicare, 13.1% Medi-Cal, 1.7% County, 6.8% Other, and 44.1% Insurance. Last month's mix was 30.8% Medicare, 19.3% Medi-Cal, .0% County, 3.6% Other, and 46.3% Insurance.

Current month's Deductions from Revenue were \$7,442,511 compared to budget of \$7,535,069 or \$92,558 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a .63% decrease in Medicare, a 2.33% increase to Medi-Cal, a 1.74% decrease in County, a 3.35% decrease in Other, and Commercial was over budget 3.40%, 2) revenues exceeded budget by 6.1 %, and 3) increased activity on the collection of outsourced, older patient accounts and patients shifting from Self Pay to Medi-Cal or the State Health Insurance Exchange programs which is creating a positive variance in Bad Debt.

Discussion took place related to impacts on cost based reimbursement for OB service.

The CFO shared that the Jacobus project should be wrapped up by the end of the fiscal year, noting that a couple of positions are filled with interim Jacobus staff while recruitment for full time employees is being completed.

Discussion took place related to oncology services and pharmacy expenses.

A review of the depreciation number was provided. Discussion took place related to how the number is reflected on the financials and whether there is another more appropriate way to reflect the number. Depreciation expense could climb as high as 10 million dollars. This would result in a negative overall bottom line, but the EBIDA line would remain positive and is a more accurate reflection of operations.

Assets decline in value each day and will need to be replaced at some time. Depreciation allows for savings to account for replacement of that asset. A portion of the depreciation would address issues that may not be covered by a future GO Bond.

Discussion took place related to expenses. Salary and benefits will still need to be addressed. CFO provided a review of the criteria and tools for benchmarking salaries and benefits.

A review of IVCH financials was provided. Financials are strong and running better than budget. 2014 was a not a normal year as EBIDA is typically around a \$1 - \$1.2 million. There continues to be unusual payor mix activity but the EBIDA appears to be going back to a level historically seen.

Community member, Gaylan Larson, asked if a proportionate amount of MSC physician costs are reflected in the financials for IVCH and it was confirmed that when costs are incurred they are reflected in the financials for whichever facility at which services were provided.

Discussion took place related to allocated costs for MSC physicians are how they are reflected in the financials.

A review of the municipal lease payment related to the pay off of the CT scanner was provided. A review of IT infrastructure and building projects was provided.

Director Jellinek inquired about the availability of Cancer Center data as it was not included in the graphs and a recommendation was made to add Cancer Center data to the graph. The CFO will sit down work with staff to identify data points that should be tracked (i.e. Pro fees, infusion, imaging, number of patients being seen, radiation therapy, overall performance). An initial draft will be included with next quarter's report for consideration and modification if necessary.

6.1.2. Quarterly Review Financial Status of Separate Entities

Home Health and Hospice service line financials were reviewed. The financials are looked at together for these two entities as they share staffing, office and other expenses. Combined they are \$80k positive.

Children's center is positive and within a few hundred dollars of budget. Occupation health is performing better than budgeted. The Health Clinic is primarily a Medi-Cal clinic and generated a loss of \$107k with a budget of \$93k.

Through the self insured benefit plan, the District paid \$432k to the Retail Pharmacy that would have otherwise gone outside the District.

Rehabilitation is \$226k better than budget.

Cancer program financial review provided.

Discussion took place related to payments received for oncology drugs and revenue trends. The interim CEO provided background related to reimbursement for drugs and an unsustainable trend to hold the manufacturers accountable for providing drugs at

appropriate cost. It was noted that hospitals will likely start to see bundled payments for each patient and a movement toward a palliative approach versus treatment. Case management will become a significant function for hospitals.

Total combined cancer program bottom line is positive but off budget primarily due to supply costs.

6.1.3. Quarterly Review of Revenue Payor Mix

Current month's Gross Revenue Mix was 33.6% Medicare, 15.4% Medi-Cal, .0% County, 3.5% Other, and 47.5% Insurance compared to budget of 34.3% Medicare, 13.1% Medi-Cal, 1.7% County, 6.8% Other, and 44.1% Insurance. Last month's mix was 30.8% Medicare, 19.3% Medi-Cal, .0% County, 3.6% Other, and 46.3% Insurance.

A request was made to have the legend colors on the payor mix graph line up in the same order that the lines show up on the graph.

Discussion took place regarding the decline in net revenue which will need to be addressed with a change to the cost of providing services or developing services that generate revenue.

6.1.4. TIRHR Expenditure Report ATTACHMENT

A review of financials was provided. Discussion took place regarding the \$2m loan extended to Tahoe Institute for Rural Health Research (TIRHR) and the status of a report to the board related to monetization of products in development.

6.2. 2016 Budget Update – FTE Report ATTACHMENT

An overview of the steps being taken to review FTE for potential costs savings was provided.

6.3. Board Education and Updates *ATTACHMENT

6.3.1. 96 Hour Physician Certification Rule – Update

The CNO updated the Committee sharing that no relief on this ruling has been provided and that the auditing process began April 1.

6.3.2. State Fiscal Year 2014-15 NDPH IGT Funding

The CFO provided a review of the Non-Designated Public Hospital Inter Governmental Transfer program as an educational item for the new committee members. As part of this program, expenditures that are demonstrated to be related to Medi-Cal or Medicare patients and certified by the District are matched by the federal government less a 20% incise to the state.

6.3.3. Standard and Poor’s Annual Surveillance for “BBB-” Rating

The CFO provided an update related to the review of the Standard and Poor’s surveillance and delays resulting from the change in CEO. The “BBB-” rating was reviewed which resulted in a downgraded outlook from stable to negative primarily due to financial income statement numbers from 2013 and 2014 which reflect a decline in traditional earnings.

Discussion took place related to the GO bond no longer being excluded from the analysis. Securing a permanent CEO to stabilize the organization, completing construction on time and on budget, and not incurring any new substantial debt will help with future reviews.

The CFO expressed that being an investment grade organization is critical for the District.

6.3.4. Refinancing of 2006 Revenue Bonds - Update

The CFO provided an update related to the refinancing

Community member, Gaylan Larson, stated that the SP report is what the public is seeing and reflects fundamental problems that need to be addressed. Director Jellinek expressed agreement with Mr. Larson.

Discussion took place regarding the Board's focus related to the bond rating and whether they want to retain it or not.

Community member, Russ Anderson, inquired as to why profit and loss statements for departments other than cancer were not provided. The CFO provided education related to State of California requirements related to capturing of revenue and costs.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

Financial Report – April 2015
Quarterly Review Multi-Specialty Clinics
Quarterly Review Truckee Surgery Center, LLC
2016 Budget update

9. NEXT MEETING DATE

The next meeting of the Board Finance Committee will take place Thursday, May 21, 2015. The Committee also reviewed tentative dates for future meetings.

10. ADJOURN

Meeting adjourned at 5:10 p.m.

Tahoe Forest Multi-Specialty Clinics
FY 15 3rd quarter (July 2014 – March 2015) Report to the Finance Committee and Board
Executive Summary
May 14, 2015

Total Operations. In the first three quarters of FY 15, Work Relative Value Units (WRVUs) increased by 11% relative to the first three quarters of FY 14. Gross charges were 14% higher, and net revenue was 7% higher. Provider expense was 15% higher, clinic operating expense was 3% higher and the overall net loss was 14% higher. However, the net loss was 12% less than budget.

- The growth was consistent across nearly all the specialties. Although Internal Medicine and related subspecialties were down by 2%, significant increases were seen in pediatrics (16%), general surgery (29%), ENT (9%), GI (10%), Sports Medicine (11%), Audiology (15%), and Neurology (282%). The growth in General Surgery and Neurology were fueled by the ramp-up of new physicians added in FY 14. Dr. Conyers (General Surgery) joined the MSC in August 2013 and Dr. Forner (Neurology) joined the MSC in December 2013.
- Dr. Higgins left the MSC's Incline Clinic at the end of January 2014 and was replaced through a combination of Samantha Smith (NP), Dr. Vayner (pediatrics) and increased rotation of Drs. Scholnick (internal medicine / cardiology) through the Incline Clinic. WRVUs in this clinic increased by 20%.
- The growth in charges (14%) was relatively consistent with the 11% growth in RVUs. A routine 5% price increase was implemented in October which also contributed to the increase in gross charges.
- The net revenue increase (7%) fell short of the growth in charges. This is partially due to the fact that nearly all of the MSC's contracts are based on fixed fee schedules, so price increases have a relatively small impact on net revenue. Equally important, our percentage of charges from Medi-Cal patients increased from 19% to 25%.
- Provider expense increased by 15%, in part due to the departure of less expensive provider FTEs (allergy nurse and family practitioner) and the increase in more expensive specialists. In addition, the Board approved a 15% decrease in the WRVU target in November 2013 as partial compensation for malpractice insurance and benefits. As a result, production-based bonuses were accrued for some providers who did not earn them in the past, and bonuses were larger for those who did earn them previously. The shift from the FY 14 compensation platform to the FY 16 platform that was approved by the Board, effective in January 2015, also contributed to this increase.
- Total clinic operating expenses were 3% higher than the prior year. There was an increase in position-specific wage rates in January 2014 based on a market analysis, but this was offset by the replacement of several higher level management positions with lower cost line staff.
- Clinic support FTEs were virtually unchanged relative to the prior year and provider FTEs were 1% lower than prior year, resulting in an FTE per provider ratio of 2.65, which was 2% higher than the prior year, but still well below the median of 3.16 reported in the 2013 MGMA Cost Survey for multispecialty groups with primary and specialty care. FTEs ran 10% below budget due to open positions.

Individual Clinic Highlights

ENT / Audiology / Allergy Clinic. Work RVUs in the ENT Clinic increased by almost 20% year over year. This growth included a 9% increase for Dr. Chase, and a 15% increase for the audiologists. Dr. Forner also temporarily worked in the ENT clinic one day per week. However gross charges increased only by 1%. The significant disparity between the RVU growth and the revenue growth is due to the suspension of the allergy program. Allergy work accounted for only 4% of Dr. Chase's RVUs, but 16% of his charges in FY 14, since the charges are driven more by the cost of the antigens and the allergy nurse than by Dr. Chase's oversight of the program. Net revenue was up by 4%.

Provider expense in this clinic was up by 12% from prior year, due to the addition of Dr. Forner and an increase in Dr. Chase's production-based incentive, which were partially offset by the elimination of the allergy nurse.

Internal Medicine / Pulmonology. Overall, Work RVUs in the Internal Medicine / Pulmonology clinic increased by 3% relative to prior year. Dr. Tirdel's Work RVUs were 4% higher than prior year and Bev Mustain's were 18% higher. However, these increases were offset by Lisa Beck's return to the Internal Medicine Cardiology clinic. In early FY 14, Bev Mustain was out on medical leave for the first two months of the fiscal year and Lisa Beck covered for her. In addition, Dr. Koch terminated her contract at the end of December 2013.

Provider expense was 15% higher due to Dr. Tirdel's contract changes, coupled with his increase in WRVUs.

Operating expenses in the clinic decreased by 2% relative to prior year.

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

Total WRVUs were 6% lower in the Internal Medicine / Cardiology clinic, primarily due to a 14% decrease in Dr. Lombard's RVUs and a 6% decrease in Dr. Burkholder's RVUs. Both of these physicians took fewer daytime hospitalist shifts in FY 15 than in FY 14, which adversely impacted their RVUs. In addition, Dr. Scholnick spent fewer days in the Internal Medicine / Cardiology Clinic as he spent more time in the Incline clinic. Dr. Scholnick's overall RVUs between the two clinics increased by 5%. These decreases were partially offset by Lisa Beck's return to the Internal Medicine / Cardiology clinic.

Gross charges were virtually unchanged, and net revenue was 3% lower than prior year. Provider expense increased by 5% based on the contract adopted in November 2013 and due to Dr. Scholnick's production-based bonuses.

Clinic operating expenses were 1% higher than prior year.

Pediatrics. Work RVUs in the pediatric clinic were 13% higher than prior year. Each provider within the clinic saw growth in RVU volumes. In FY 14, volumes in this clinic were particularly hard hit in November and December when the state converted its Medi-Cal patients to managed care. Medi-Cal's share of

the payor mix in this clinic grew from 41% to 49%. In addition, some changes were implemented to the patient schedule that improved visit availability.

Gross charges were 17% higher than prior year and net revenue was 4% higher. The relationship between gross charges and net revenues was adversely impacted by the increased percentage of patients presenting with Medi-Cal. Provider expense increased by 12% and clinic operating expense increased by 2% relative to the prior year.

GI / General Surgery. Provider FTEs in the GI / General Surgery Clinic increased 6%, since both Dr. Conyers (who started in August 2013) and Dr. Schaffer (who doubled his time in late July 2013) were working full time for the entire first half of FY 15. This increase in provider FTEs, coupled with continued growth in the practice, resulted in a 20% increase in Work RVUs, a 22% increase in gross charges and an 18% increase in net revenue. Provider expense increased by 10%.

Due to the staffing required to support the growth in the practice, clinic operating expenses increased by 9%.

With the growth in volumes, the net loss was reduced by 5%.

Incline Village. Work RVUs in the Incline Village clinic were 20% higher than prior year. With the replacement of Dr. Higgins with Samantha Smith (NP), Dr. Vayner (pediatrics) and increased shifts for Dr. Scholnick (cardiology), primary care visits to that clinic have increased. Dr. Osgood left the MSC at the end of December to spend more time in his Truckee practice, but his volumes in the first half of the year were up significantly from the prior year, so through nine months, his volumes still showed an increase of 8%.

Gross charges were 32% higher, net revenues were 14% higher, and provider expense was 41% higher. Clinic operating expense increased by 21% due to the increase in staffing and supplies required to support this clinic's growth. The net operating loss increased by 128%.

Sports Medicine. Work RVUs in the Sports Medicine clinic were 50% higher than prior year. In addition to a 11% increase in Dr. Winans' RVUs, Dr. Forner (neurology) was added to the practice in December 2013. As a direct result of the growth, charges were 61% higher, net revenue was 37% higher, provider expense was 65% higher, and clinic operating expenses were 43% higher than the prior year. The net operating margin in this clinic showed a decrease, but remained in positive territory.

Tahoe Forest MSC - RVU Summary
For the period July 2014 - March 2015 with comparison to prior year and contract targets

<u>PROVIDER</u>	<u>CLINIC(S)</u>	<u>Actual</u>	<u>Prior Yr</u>	<u>Actual as % of Prior Yr</u>	<u>Target</u>	<u>Actual as % of Target</u>
PRIMARY CARE PROVIDERS (Including Internists with subspecialty)						
FAMILY PRACTICE						
Higgins	INCLINE	-	1,031	0.0%	<i>n/a - termed</i>	
SUBTOTAL - FAMILY PRACTICE		-	1,031	0.0%		
INTERNAL MEDICINE						
Burkholder (IM)	IMCARD	3,058	3,250	94.1%	3,077	99.4%
Lombard (IM / Cardiology)	IMCARD	3,372	3,908	86.3%	3,470	97.2%
Scholnick (IM / Cardiology)	IMCARD, INCLINE	4,289	4,069	105.4%	3,470	123.6%
Tirdel (IM / Pulmonology)	IMPULM	4,798	4,621	103.8%	4,019	119.4%
SUBTOTAL - INTERNAL MEDIINE		15,518	15,847	97.9%	14,036	110.6%
PEDIATRICS						
Arth	PEDS	3,199	3,072	104.1%	2,814	113.7%
Brown	PEDS	3,704	2,855	129.7%	2,814	131.6%
Uglum	PEDS	2,899	2,718	106.6%	2,814	103.0%
Vayner	PEDS, INCLINE	3,152	2,493	126.5%	2,814	112.0%
SUBTOTAL - PEDIATRICS		12,954	11,138	116.3%	11,258	115.1%
PHYSICIAN EXTENDERS						
Beck (PA)	IMCARD, IMPULM	2,072	1,798	115.3%	<i>n/a - salaried</i>	
Lang-Ree (PNP)	PEDS	1,018	817	124.7%	<i>n/a - salaried</i>	
Mustain (NP)	IMPULM	1,731	1,470	117.7%	<i>n/a - salaried</i>	
Smith (NP)	INCLINE	370	59	622.3%	<i>n/a - salaried</i>	
SUBTOTAL - PHYSICIAN EXTENDERS		5,192	4,144	125.3%		
SUBTOTAL - PRIMARY CARE PROVIDERS		33,663	32,161	104.7%		
SPECIALISTS						
GENERAL SURGERY						
Conyers	GI/GS	3,120	1,856	168.1%	*	4,628
Cooper	GI/GS	2,797	2,739	102.1%		4,121
SUBTOTAL - GENERAL SURGERY		5,917	4,595	128.8%		8,749
NEPHROLOGY						
Clark	IMCARD	41	42	98.8%		<i>n/a - paid on production</i>
Quigley	IMCARD	63	98	64.5%		<i>n/a - paid on production</i>
SUBTOTAL - NEPHROLOGY		105	140	74.8%		
AUDIOLOGY						
Hodes	ENT	259	-			<i>n/a - paid on production</i>
Johnson	ENT	46	-			<i>n/a - paid on production</i>
Schellin	ENT	142	389	36.4%		<i>n/a - paid on production</i>
SUBTOTAL - AUDIOLOGY		447	389	114.8%		
SINGLE PROVIDER SPECIALTIES PAID ON BASE PLUS PRODUCTION BONUS						
Chase (ENT)	ENT	3,948	3,610	109.4%		3,376
Osgood (Orthopedic Surgery)	INCLINE	467	436	107.2%		791
Schaffer (Gastroenterology)	GI/GS	4,074	3,703	110.0%	*	3,983
Winans (Sports Medicine)	SPORTS	2,063	1,859	110.9%		1,662
SUBTOTAL - SINGLE PROVIDER SPECIALTIES ON BASE/BONUS		10,552	9,609	109.8%		9,812

Tahoe Forest MSC - RVU Summary

For the period July 2014 - March 2015 with comparison to prior year and contract targets

<u>PROVIDER</u>	<u>CLINIC(S)</u>	<u>Actual</u>	<u>Prior Yr</u>	<u>Actual as % of Prior Yr</u>	<u>Target</u>	<u>Actual as % of Target</u>
SINGLE PROVIDER SPECIALTIES PAID ON PRODUCTION BASIS						
Fornier (Neurology)	ENT, SPORTS	1,795	469	382.4%	<i>n/a - paid on production</i>	
Hardy (Pediatric Pulmonology)	PEDS	87	74	117.9%	<i>n/a - paid on production</i>	
Koch (Palliative Care)	IMPULM	-	38	0.0%	<i>n/a - paid on production</i>	
SUBTOTAL - SINGLE PROVIDER SPECIALTIES		<u>1,881</u>	<u>581</u>	<u>323.9%</u>		
SUBTOTAL - SPECIALISTS		<u>18,902</u>	<u>15,313</u>	<u>123.4%</u>		
GRAND TOTAL		<u>52,566</u>	<u>47,474</u>	<u>110.7%</u>		

SUMMARY BY CLINIC

ENT	4,851	4,060	119.5%
GI / GENERAL SURGERY	9,991	8,298	120.4%
INCLINE VILLAGE	2,998	2,505	119.7%
INTERNAL MEDICINE / CARDIOLOGY	10,603	11,315	93.7%
INTERNAL MEDICINE / PULMONOLOGY	7,467	7,245	103.1%
PEDIATRICS	13,254	11,783	112.5%
SPORTS MEDICINE	<u>3,401</u>	<u>2,268</u>	<u>150.0%</u>
GRAND TOTAL	<u>52,566</u>	<u>47,474</u>	<u>110.7%</u>

** July - Dec 2014 targets for these two providers reflect contract terms negotiated prior to the 15% benefit / malpractice allowance
Had these contracts been on the same platform as other providers, the target would have been 15% lower*

FY 15 MSC Income Statement July 2014 - March 2015 with comparison to Prior Year and Budget
Clinic Roll-up

	ENT / Allergy / Audiology Clinic					Internal Medicine / Pulmonology Clinic (MOB Suite 260)					Internal Medicine / Cardiology Clinic (Gateway)				
	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	919,840	912,924	101%	1,002,339	92%	1,120,295	1,048,877	107%	1,306,034	86%	1,663,355	1,660,361	100%	1,942,027	86%
Contractual Allowances	(408,657)	(421,424)	97%	(493,786)	83%	(438,274)	(385,342)	114%	(532,236)	82%	(697,137)	(668,694)	104%	(879,213)	79%
Net revenue	<u>511,183</u>	<u>491,500</u>	<u>104%</u>	<u>508,553</u>	<u>101%</u>	<u>682,021</u>	<u>663,535</u>	<u>103%</u>	<u>773,798</u>	<u>88%</u>	<u>966,218</u>	<u>991,667</u>	<u>97%</u>	<u>1,062,814</u>	<u>91%</u>
Other operating revenue	<u>16,787</u>	<u>9,114</u>	184%	-		<u>11,437</u>	<u>8,526</u>	134%	-		<u>30,454</u>	<u>24,064</u>	127%	-	
Provider expense															
Physician fees	329,374	253,502	130%	274,574	120%	271,661	238,884	114%	297,970	91%	581,832	552,829	105%	584,542	100%
Non-physician salaries/benefits	-	39,564	0%	71,903	0%	162,626	139,683	116%	151,688	107%	56,293	52,877	106%	56,701	99%
Total provider expense	<u>329,374</u>	<u>293,065</u>	<u>112%</u>	<u>346,477</u>	<u>95%</u>	<u>434,287</u>	<u>378,566</u>	<u>115%</u>	<u>449,658</u>	<u>97%</u>	<u>638,125</u>	<u>605,705</u>	<u>105%</u>	<u>641,243</u>	<u>100%</u>
Clinic Operating Expenses:															
Salaries and wages	112,966	115,241	98%	114,022	99%	137,197	130,693	105%	144,382	95%	186,367	172,281	108%	216,901	86%
Benefits	76,622	64,429	119%	62,773	122%	78,692	78,887	100%	80,633	98%	116,938	109,244	107%	123,559	95%
Admin services & supplies	31,340	29,839	105%	30,911	101%	46,895	54,740	86%	57,985	81%	42,179	49,692	85%	46,582	91%
Medical supplies & drugs	32,173	55,198	58%	64,970	50%	31,696	15,388	206%	17,158	185%	29,517	28,568	103%	32,275	91%
Building Rent / Utilities	43,967	45,985	96%	46,341	95%	43,677	61,740	71%	62,627	70%	56,042	64,037	88%	59,068	95%
Other operating expense	3,658	4,430	83%	4,209	87%	14,713	17,661	83%	15,842	93%	4,614	5,665	81%	12,002	38%
Total clinic operating expenses	<u>300,726</u>	<u>315,122</u>	<u>95%</u>	<u>323,224</u>	<u>93%</u>	<u>352,870</u>	<u>359,109</u>	<u>98%</u>	<u>378,627</u>	<u>93%</u>	<u>435,657</u>	<u>429,487</u>	<u>101%</u>	<u>490,387</u>	<u>89%</u>
Net operating margin	(102,129)	(107,574)	95%	(161,148)	63%	(93,700)	(65,614)	143%	(54,486)	172%	(77,109)	(19,462)	396%	(68,817)	112%
Allocation of administrative overhead	<u>(115,232)</u>	<u>(117,023)</u>		<u>(131,723)</u>		<u>(153,743)</u>	<u>(157,984)</u>		<u>(200,426)</u>		<u>(217,807)</u>	<u>(236,110)</u>		<u>(275,285)</u>	
Net profit (loss)	<u>(217,361)</u>	<u>(224,597)</u>	<u>97%</u>	<u>(292,871)</u>	<u>74%</u>	<u>(247,443)</u>	<u>(223,598)</u>	<u>111%</u>	<u>(254,912)</u>	<u>97%</u>	<u>(294,916)</u>	<u>(255,572)</u>	<u>115%</u>	<u>(344,102)</u>	<u>86%</u>
Ratios:															
Provider cost as % net revenue	64%	60%		68%		64%	57%		58%		66%	61%		60%	
Clinic op cost as % net revenue	59%	64%		64%		52%	54%		49%		45%	43%		46%	
Overhead cost as % net revenue	23%	24%		26%		23%	24%		26%		23%	24%		26%	
Clinic support FTEs	4.00	3.89	103%	3.80	105%	5.10	4.98	102%	5.00	102%	6.42	6.03	106%	12.75	50%
Provider FTEs	1.52	1.97	77%	2.10	72%	2.42	2.27	106%	2.30	105%	3.19	3.32	96%	3.45	93%
Clinic support FTEs per provider	2.63	1.98	133%	1.81	145%	2.11	2.19	96%	2.17	97%	2.01	1.81	111%	3.70	54%

FY 15 MSC Income Statement July 2014 - February 2015 with comparison to Prior Year and Budget
Clinic Roll-up (Page 2)

	Pediatrics Clinic					GI / General Surgery Clinic (Gateway)					Incline Village Clinic (Family Practice)				
	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	3,297,755	2,824,236	117%	3,365,575	98%	1,682,935	1,374,413	122%	1,612,286	104%	502,314	381,128	132%	396,015	127%
Contractual Allowances	<u>(2,161,238)</u>	<u>(1,731,926)</u>	125%	<u>(2,205,493)</u>	98%	<u>(914,981)</u>	<u>(721,722)</u>	127%	<u>(920,036)</u>	99%	<u>(195,377)</u>	<u>(112,769)</u>	173%	<u>(147,208)</u>	133%
Net revenue	<u>1,136,517</u>	<u>1,092,310</u>	104%	<u>1,160,082</u>	98%	<u>767,954</u>	<u>652,691</u>	118%	<u>692,250</u>	111%	<u>306,937</u>	<u>268,359</u>	114%	<u>248,807</u>	123%
Other operating revenue	<u>25,500</u>	<u>77,917</u>	33%	<u>-</u>		<u>33,575</u>	<u>18,228</u>	184%	<u>-</u>		<u>5,326</u>	<u>16,214</u>	33%	<u>-</u>	
Provider expense															
Physician fees	580,738	520,448	112%	549,300	106%	818,493	742,452	110%	789,090	104%	250,004	185,580	135%	138,010	181%
Non-physician salaries/benefits	<u>66,252</u>	<u>57,782</u>	115%	<u>56,401</u>	117%	<u>-</u>	<u>-</u>		<u>-</u>		<u>14,889</u>	<u>2,581</u>	577%	<u>-</u>	
Total provider expense	<u>646,990</u>	<u>578,230</u>	112%	<u>605,701</u>	107%	<u>818,493</u>	<u>742,452</u>	110%	<u>789,090</u>	104%	<u>264,893</u>	<u>188,161</u>	141%	<u>138,010</u>	192%
Clinic Operating Expenses:															
Salaries and wages	251,449	254,270	99%	296,430	85%	168,192	143,579	117%	163,106	103%	73,681	73,730	100%	95,647	77%
Benefits	158,386	151,782	104%	160,917	98%	94,952	87,210	109%	84,971	112%	47,448	32,220	147%	50,787	93%
Admin services & supplies	91,505	85,470	107%	90,154	101%	39,769	42,202	94%	40,506	98%	11,311	12,766	89%	13,065	87%
Medical supplies & drugs	239,471	237,037	101%	270,511	89%	27,877	24,292	115%	28,065	99%	45,078	23,825	189%	23,962	188%
Building Rent / Utilities	60,506	59,629	101%	60,425	100%	52,781	52,934	100%	51,363	103%	11,705	11,705	100%	11,705	100%
Other operating expense	<u>12,577</u>	<u>8,303</u>	151%	<u>18,365</u>	68%	<u>4,376</u>	<u>4,752</u>	92%	<u>10,436</u>	42%	<u>5,794</u>	<u>7,007</u>	83%	<u>6,684</u>	87%
Total clinic operating expenses	<u>813,894</u>	<u>796,491</u>	102%	<u>896,802</u>	91%	<u>387,946</u>	<u>354,968</u>	109%	<u>378,449</u>	103%	<u>195,016</u>	<u>161,253</u>	121%	<u>201,850</u>	97%
Net operating margin	<u>(298,867)</u>	<u>(204,495)</u>	146%	<u>(342,421)</u>	87%	<u>(404,910)</u>	<u>(426,501)</u>	95%	<u>(475,289)</u>	85%	<u>(147,646)</u>	<u>(64,841)</u>	228%	<u>(91,053)</u>	162%
Allocation of administrative overhead	<u>(256,197)</u>	<u>(260,073)</u>		<u>(300,479)</u>		<u>(173,114)</u>	<u>(155,402)</u>		<u>(179,303)</u>		<u>(69,191)</u>	<u>(63,895)</u>		<u>(64,445)</u>	
Net profit (loss)	<u>(555,064)</u>	<u>(464,568)</u>	119%	<u>(642,901)</u>	86%	<u>(578,024)</u>	<u>(581,903)</u>	99%	<u>(654,592)</u>	88%	<u>(216,837)</u>	<u>(128,736)</u>	168%	<u>(155,498)</u>	139%
						<u>(482,019)</u>	<u>(391,512)</u>		<u>(454,589)</u>						
Ratios:															
Provider cost as % net revenue	57%	53%		52%		107%	114%		114%		86%	70%		55%	
Clinic op cost as % net revenue	72%	73%		77%		51%	54%		55%		64%	60%		81%	
Overhead cost as % net revenue	23%	24%		26%		23%	24%		26%		23%	24%		26%	
Clinic support FTEs	9.22	8.85	104%	9.80	94%	5.83	4.64	126%	-		2.37	2.79	85%	3.10	76%
Provider FTEs	4.35	4.47	97%	4.50	97%	3.00	2.83	106%	3.00	100%	0.91	0.95	96%	0.80	114%
Clinic support FTEs per provider	2.12	1.98	107%	2.18	97%	1.94	1.64	119%	-		2.60	2.93	89%	3.88	67%

FY 15 MSC Income Statement July 2014 - February 2015 with comparison to Prior Year and Budget

Clinic Roll-up (Page 3)

	Sports Medicine / Neurology					Administration					Total				
	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	586,129	363,544	161%	372,494	157%						9,772,622	8,565,483	114%	9,996,770	98%
Contractual Allowances	(271,561)	(133,957)	203%	(169,718)	160%						(5,087,224)	(4,175,834)	122%	(5,347,690)	95%
Net revenue	<u>314,568</u>	<u>229,587</u>	<u>137%</u>	<u>202,776</u>	<u>155%</u>						<u>4,685,398</u>	<u>4,389,649</u>	<u>107%</u>	<u>4,649,080</u>	<u>101%</u>
Other operating revenue	<u>16,787</u>	<u>9,114</u>	184%	-							<u>139,866</u>	<u>163,177</u>	86%	-	
Provider expense															
Physician fees	200,496	121,774	165%	172,107	116%	3,750	5,100	74%	6,300	60%	3,036,347	2,620,568	116%	2,811,893	108%
Non-physician salaries/benefits	-	-		-		-	-		-		300,060	292,487	103%	336,693	89%
Total provider expense	<u>200,496</u>	<u>121,774</u>	<u>165%</u>	<u>172,107</u>	<u>116%</u>	<u>3,750</u>	<u>5,100</u>		<u>6,300</u>		<u>3,336,406</u>	<u>2,913,054</u>	<u>115%</u>	<u>3,148,586</u>	<u>106%</u>
Clinic Operating Expenses:															
Salaries and wages	55,847	36,826	152%	47,243	118%	508,972	518,883	98%	621,689	82%	1,494,671	1,445,505	103%	1,699,418	88%
Benefits	26,260	23,862	110%	26,053	101%	237,626	248,546	96%	243,821	97%	836,925	796,180	105%	833,515	100%
Admin services & supplies	13,920	10,886	128%	11,414	122%	238,333	228,990	104%	256,643	93%	515,251	514,586	100%	547,260	94%
Medical supplies & drugs	24,708	14,000	176%	16,770	147%	104	2,113	5%	1,126	9%	430,623	400,422	108%	454,837	95%
Building Rent / Utilities	270	-		-		43,773	29,417	149%	62,982	70%	312,721	325,446	96%	354,510	88%
Other operating expense	5,166	2,358	219%	3,937	131%	23,636	12,101	195%	11,624	203%	74,534	62,276	120%	83,099	90%
Total clinic operating expenses	<u>126,172</u>	<u>87,933</u>	<u>143%</u>	<u>105,417</u>	<u>120%</u>	<u>1,052,444</u>	<u>1,040,050</u>	<u>101%</u>	<u>1,197,884</u>	<u>88%</u>	<u>3,664,725</u>	<u>3,544,414</u>	<u>103%</u>	<u>3,972,639</u>	<u>92%</u>
Net operating margin	4,688	28,994	16%	(74,747)	-6%	(1,056,194)	(1,045,150)	101%	(1,204,184)	97%	(2,175,867)	(1,904,643)	114%	(2,472,145)	88%
Allocation of administrative overhead	<u>(70,911)</u>	<u>(54,663)</u>		<u>(52,522)</u>		<u>1,056,194</u>	<u>1,045,150</u>		<u>1,204,184</u>		-	-		-	
Net profit (loss)	<u>(66,223)</u>	<u>(25,670)</u>	<u>258%</u>	<u>(127,269)</u>	<u>52%</u>	<u>-</u>	<u>-</u>		<u>-</u>		<u>(2,175,867)</u>	<u>(1,904,643)</u>	<u>114%</u>	<u>(2,472,145)</u>	<u>88%</u>
Ratios:															
Provider cost as % net revenue	64%	53%		85%							71%	66%		68%	
Clinic op cost as % net revenue	40%	38%		52%							56%	57%		60%	
Overhead cost as % net revenue	23%	24%		26%							22%	24%		26%	
Clinic support FTEs	1.87	1.32	142%	1.60	117%	8.66	10.77	80%	12.35	70%	43.46	43.28	100%	48.40	90%
Provider FTEs	0.99	0.80	124%	0.83	120%						16.38	16.61	99%	16.98	97%
Clinic support FTEs per provider	1.89	1.65	114%	1.94	98%						2.65	2.60	102%	2.85	93%

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

APRIL 2015 FINANCIAL NARRATIVE

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

Activity Statistics

- ❑ TFH acute patient days were 358 for the current month compared to budget of 408. This equates to an average daily census of 11.9 compared to budget of 13.6.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Home Health visits, Surgical cases, Endoscopy procedures, Laboratory tests, Oncology Lab, Mammography, Medical Oncology procedures, MRI exams, Ultrasounds, PET CT exams, Pharmacy units, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Emergency visits, Radiation Oncology procedures, Oncology Drugs, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 55.9% in the current month compared to budget of 54.9% and to last month's 58.3%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 55.8%, compared to budget of 55.0% and prior year's 57.8%.
- ❑ EBIDA was \$178,962 (1.2%) for the current month compared to budget of \$(214,771) (-1.4%), or \$393,733 (2.6%) above budget. Year-to-date EBIDA was \$3,553,734 (2.1%) compared to budget of \$2,236,053 (1.4%) or \$1,317,681 (.7%) over budget.
- ❑ Cash Collections for the current month were \$9,383,301 which is 110% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 63.3, compared to the prior month of 65.5. Gross Accounts Receivables are \$30,073,047 compared to the prior month of \$33,213,977. The percent of Gross Accounts Receivable over 120 days old is 25.1%, compared to the prior month of 24.5%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 30.5 days. S&P Days Cash on Hand is 154.1. Working Capital cash increased \$453,000. Cash collections exceeded target by 10%, Accounts Payable decreased \$486,000 and Accrued Payroll & Related Costs decreased \$468,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$2,587,000. Cash collections were at 110% of target and days in accounts receivable were 63.3 days, a 2.20 days decrease.
- ❑ Estimated Settlements, Medi-Cal and Medicare increased \$868,000 after booking the receivable due from the Fiscal Year 2014-2015 IGT Program.
- ❑ GO Bond Project Fund decreased \$776,790 after remitting payment to the District for funds advanced on the March Measure C projects.
- ❑ Accounts Payable decreased \$486,000 due to the timing of the final check run in April.
- ❑ Accrued Payroll & Related Costs decreased \$468,000 due to fewer accrued payroll days in April.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$15,384,328, compared to budget of \$15,013,598 or \$370,730 over budget.
- ❑ Current month's Gross Inpatient Revenue was \$4,586,659, compared to budget of \$5,203,527 or \$(616,869) under budget.
- ❑ Current month's Gross Outpatient Revenue was \$10,797,670, compared to budget of \$9,810,071 or \$987,599 over budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 33.0% Medicare, 20.8% Medi-Cal, .0% County, 3.8% Other, and 42.4% Insurance compared to budget of 34.7% Medicare, 13.5% Medi-Cal, 1.7% County, 6.5% Other, and 43.6% Insurance. Last month's mix was 33.6% Medicare, 15.4% Medi-Cal, .0% County, 3.5% Other, and 47.5% Insurance.
- ❑ Current month's Deductions from Revenue were \$6,773,758 compared to budget of \$6,764,190 or \$9,568 over budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.65% decrease in Medicare, a 7.36% increase to Medi-Cal, a 1.69% decrease in County, a 2.69% decrease in Other, and Commercial was under budget 1.33%, 2) revenues exceeded budget by 2.5%, and 3) we continue seeing patients shifting from Self Pay to Medi-Cal or the State Health Insurance Exchange programs which is creating a positive variance in Bad Debt.

Operating Expenses

DESCRIPTION	April 2015 Actual	April 2015 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,342,875	3,302,306	(40,569)	
Employee Benefits	1,050,746	1,097,711	46,965	
Benefits – Workers Compensation	59,566	51,566	(8,000)	
Benefits – Medical Insurance	422,511	717,510	294,999	
Professional Fees	1,475,115	1,405,479	(69,636)	Legal and fair market value services provided to the Corporate Compliance department, an increase in Inpatient and Outpatient Therapy revenues, participation in the U.C. Davis Oncology Residency program, Pension Consulting, and IVCH ER Physician coverage created a negative variance in Professional Fees.
Supplies	1,368,464	1,145,157	(223,307)	Surgical Services revenues were over budget by 60.19% and the mix of Chemotherapy drugs coupled with more expensive compounding agents created a negative variance in the Supplies category.
Purchased Services	863,589	818,515	(45,074)	Services provided for the Best of Tahoe Chefs and Gene Upshaw Golf Classic, Corporate Compliance, Town Hall meetings, and Diagnostic Imaging reads created a negative variance in Purchased Services.
Other Expenses	518,597	554,403	35,806	Negative variance in Outside Training & Travel for Jacobus consultants, The Fox Group, Medical Staff, and Nursing Administration and Student Loan forgiveness were offset by positive variances in the remainder of the Other Expense categories.
Total Expenses	9,101,463	9,092,647	(8,816)	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
APRIL 2015

	Apr-15	Mar-15	Apr-14	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 10,064,155	\$ 9,610,865	\$ 14,407,087	1
PATIENT ACCOUNTS RECEIVABLE - NET	12,895,007	15,481,600	18,387,123	2
OTHER RECEIVABLES	4,581,942	4,306,707	4,359,695	
GO BOND RECEIVABLES	1,042,952	653,771	1,388,889	
ASSETS LIMITED OR RESTRICTED	5,725,402	5,622,680	5,708,139	
INVENTORIES	2,511,235	2,484,421	2,285,010	
PREPAID EXPENSES & DEPOSITS	1,504,357	1,424,987	1,514,923	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,257,788	3,389,901	2,376,245	3
OTHER CURRENT ASSETS	-	-	-	
TOTAL CURRENT ASSETS	42,582,837	42,974,931	50,427,111	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	40,730,601	40,705,163	33,636,217	1
BANC OF AMERICA MUNICIPAL LEASE	2,295,723	2,294,253	2,290,125	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	3,186,866	3,027,589	3,121,430	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	13,612,840	14,389,630	20,909,433	4
GO BOND TAX REVENUE FUND	549,282	549,282	395,117	
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,969	2,967	3,142	
DONOR RESTRICTED FUND	1,093,240	1,115,873	710,635	
WORKERS COMPENSATION FUND	20,529	21,983	12,279	
TOTAL	61,494,349	62,109,038	61,080,676	
LESS CURRENT PORTION	(5,725,402)	(5,622,680)	(5,708,139)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	55,768,947	56,486,358	55,372,537	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	393,277	393,277	534,016	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	128,929,380	129,395,597	117,668,475	
GO BOND CIP, PROPERTY & EQUIPMENT NET	19,540,737	18,798,045	26,861,884	
TOTAL ASSETS	248,051,531	248,884,561	251,700,376	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	588,292	591,524	627,081	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,013,085	2,013,085	1,466,352	
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 2,601,377	\$ 2,604,609	\$ 2,093,433	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 5,458,608	\$ 5,944,311	\$ 5,189,430	5
ACCRUED PAYROLL & RELATED COSTS	7,286,135	7,754,534	7,858,381	6
INTEREST PAYABLE	516,530	393,427	531,167	
INTEREST PAYABLE GO BOND	1,169,293	779,557	1,169,668	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	512,695	512,695	996,376	
HEALTH INSURANCE PLAN	997,635	997,635	860,027	
WORKERS COMPENSATION PLAN	1,006,475	1,006,475	1,392,606	
COMPREHENSIVE LIABILITY INSURANCE PLAN	890,902	890,902	887,362	
CURRENT MATURITIES OF GO BOND DEBT	315,000	315,000	50,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,300,830	2,300,830	2,301,028	
TOTAL CURRENT LIABILITIES	20,454,103	20,895,366	21,236,045	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	33,282,248	33,382,286	35,544,959	
GO BOND DEBT NET OF CURRENT MATURITIES	98,130,000	98,130,000	98,450,220	
DERIVATIVE INSTRUMENT LIABILITY	2,013,085	2,013,085	1,466,352	
TOTAL LIABILITIES	153,879,436	154,420,737	156,697,576	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	95,680,232	95,952,561	96,385,598	
RESTRICTED	1,093,240	1,115,873	710,635	
TOTAL NET POSITION	\$ 96,773,472	\$ 97,068,433	\$ 97,096,233	

* Amounts included for Days Cash on Hand calculation

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

1. Working Capital is at 30.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 154.1 days. Working Capital cash increased \$453,000. Cash collections exceeded target by 10%, Accounts Payable (See Note 5) decreased \$486,000 and Accrued Payroll & Related Costs (See Note 6) decreased \$468,000.
2. Net Patient Accounts Receivable decreased approximately \$2,587,000. Cash collections were 110% of target. Days in Accounts Receivable are at 63.3 days compared to prior months 65.5 days, a 2.20 day decrease.
3. Estimated Settlements, Medi-Cal and Medicare increased \$868,000 after booking the receivable due from the Fiscal Year 2014-2015 IGT Program.
4. G.O. Bond Project Fund decreased \$776,790 after reimbursing the District for funds advanced on Measure C projects.
5. Accounts Payable decreased \$486,000 due to the timing of the final check run in the month.
6. Accrued Payroll & Related Costs decreased \$468,000 due to fewer accrued payroll days in April.

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

WORKING CAPITAL			
US Bank	\$ 9,468,144		
US Bank/Kings Beach Thrift Store	171,816		
US Bank/Truckee Thrift Store	424,195		
Wells Fargo Bank			
Local Agency Investment Fund	<u>-</u>	0.278%	
Total			\$ 10,064,155
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ 2,297	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ 2,297
 Building Fund			
Cash Reserve Fund	\$ -		
Local Agency Investment Fund	<u>40,730,601</u>	0.278%	
			\$ 40,730,601
 Banc of America Muni Lease			
			\$ 2,295,723
Bonds Cash 1999			\$ 2
Bonds Cash 2002			\$ -
Bonds Cash 2006			\$ 3,186,866
Bonds Cash 2008			\$ 14,162,122
 DX Imaging Education			
Workers Comp Fund - B of A	\$ 2,969	0.278%	
	20,529		
 Insurance			
Health Insurance LAIF	-	0.278%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.278%	
Total			<u>\$ 23,498</u>
TOTAL FUNDS			\$ 70,465,264
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,367	0.03%	
Foundation Restricted Donations	\$ 264,986		
Local Agency Investment Fund	<u>819,887</u>	0.278%	
TOTAL RESTRICTED FUNDS			<u>\$ 1,093,240</u>
TOTAL ALL FUNDS			<u><u>\$ 71,558,504</u></u>

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

	CURRENT MONTH			YEAR TO DATE			PRIOR YTD APR 2014
	ACTUAL	BUDGET	VAR\$	ACTUAL	BUDGET	VAR\$	
	\$ 15,384,328	\$ 15,013,598	\$ 370,730	\$ 171,023,848	\$ 165,410,543	\$ 5,613,305	\$ 156,053,757
OPERATING REVENUE							
Total Gross Revenue	\$ 15,384,328	\$ 15,013,598	\$ 370,730	\$ 171,023,848	\$ 165,410,543	\$ 5,613,305	\$ 156,053,757
Gross Revenues - Inpatient	\$ 1,534,580	\$ 1,566,243	\$ (31,663)	\$ 16,969,649	\$ 16,055,196	\$ 914,452	\$ 15,753,661
Daily Hospital Service	3,052,079	3,637,284	(585,206)	39,358,433	39,037,270	321,163	35,711,466
Ancillary Service - Inpatient	4,586,659	5,203,527	(616,869)	56,328,081	55,092,466	1,235,615	51,465,127
Total Gross Revenue - Inpatient	10,797,670	9,810,071	987,599	114,695,767	110,318,076	4,377,691	104,588,630
Gross Revenue - Outpatient	10,797,670	9,810,071	987,599	114,695,767	110,318,076	4,377,691	104,588,630
Total Gross Revenue - Outpatient	10,797,670	9,810,071	987,599	114,695,767	110,318,076	4,377,691	104,588,630
Deductions from Revenue:							
Contractual Allowances	5,912,071	5,653,185	(258,886)	67,070,048	62,191,317	(4,878,731)	59,761,119
Charity Care	460,412	510,462	50,050	5,243,315	5,623,958	380,643	4,943,717
Charity Care - Catastrophic Events	-	-	-	-	-	-	-
Bad Debt	343,957	600,543	256,586	3,037,814	6,616,423	3,578,609	2,467,924
Prior Period Settlements	57,318	-	(57,318)	318,373	-	(318,373)	(1,280,336)
Total Deductions from Revenue	6,773,758	6,764,190	(9,568)	75,669,550	74,431,698	(1,237,852)	65,592,424
Property Tax Revenue- Wellness Neighborhood	51,299	96,147	(44,848)	660,773	888,965	(228,192)	385,567
Other Operating Revenue	618,556	532,321	86,235	6,338,407	5,532,522	805,886	5,881,861
TOTAL OPERATING REVENUE	9,280,425	8,877,876	402,549	102,353,479	97,400,331	4,953,148	96,428,761
OPERATING EXPENSES							
Salaries and Wages	3,342,875	3,302,306	(40,569)	34,057,514	34,226,096	168,581	33,493,913
Benefits	1,050,746	1,097,711	46,965	11,415,021	11,288,517	(126,503)	11,086,465
Benefits Workers Compensation	59,566	51,566	(8,000)	513,144	515,664	2,520	803,755
Benefits Medical Insurance	422,511	717,510	294,999	7,146,586	7,175,096	28,510	7,019,657
Professional Fees	1,475,115	1,405,479	(69,636)	17,351,081	15,902,389	(1,448,693)	15,689,012
Supplies	1,368,464	1,145,157	(223,307)	13,779,380	11,955,997	(1,823,383)	12,577,678
Purchased Services	863,589	818,515	(45,074)	8,967,354	8,372,470	(594,884)	7,974,722
Other	518,597	554,403	35,806	5,569,665	5,728,050	158,384	4,978,950
TOTAL OPERATING EXPENSE	9,101,463	9,092,647	(8,816)	98,799,745	95,164,278	(3,635,467)	93,624,152
NET OPERATING REVENUE (EXPENSE) EBIDA	178,962	(214,771)	393,733	3,553,734	2,236,053	1,317,681	2,804,609
NON-OPERATING REVENUE/(EXPENSE)							
District and County Taxes	396,709	351,861	44,848	3,827,951	3,591,114	236,836	4,249,292
District and County Taxes - GO Bond	393,903	393,903	-	3,939,033	3,939,033	-	3,956,284
Interest Income	25,205	22,698	2,507	235,082	220,995	14,087	190,292
Interest Income-GO Bond	3,086	1,032	2,054	30,622	19,534	11,088	46,449
Donations	45,082	60,951	(15,869)	408,097	609,509	(201,412)	540,615
Gain/(Loss) on Joint Investment	-	-	-	(67,418)	(168,750)	101,332	(154,046)
Loss on Impairment of Asset	-	-	-	-	-	-	-
Gain/(Loss) on Sale of Equipment	-	-	-	-	-	-	-
Impairment Loss	-	-	-	-	-	-	-
Depreciation	(809,066)	(809,066)	0	(7,993,482)	(8,090,665)	97,183	(7,437,140)
Interest Expense	(139,280)	(138,735)	(545)	(1,399,686)	(1,397,408)	(2,277)	(1,464,529)
Interest Expense-GO Bond	(389,737)	(389,723)	(14)	(3,023,930)	(2,251,778)	(772,152)	(2,867,589)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	(474,097)	(507,079)	32,981	(4,043,730)	(3,528,415)	(515,316)	(2,940,372)
INCREASE (DECREASE) IN NET POSITION	(295,135)	(721,850)	426,714	\$ (489,996)	\$ (1,292,362)	\$ 802,365	\$ (135,763)
NET POSITION - BEGINNING OF YEAR				97,263,468			
NET POSITION - AS OF APRIL 30, 2015				\$ 96,773,472			
RETURN ON GROSS REVENUE EBIDA	1.2%	-1.4%	2.6%	2.1%	1.4%	0.7%	1.8%

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

		Variance from Budget	
		Fav / <Unfav>	
		APR 2015	YTD 2015
1) Gross Revenues			
Acute Patient Days were under budget 17.51% or 66 days. Swing bed days were above budget 51.61% or 16 days.	Gross Revenue -- Inpatient	\$ (616,869)	\$ 1,235,615
	Gross Revenue -- Outpatient	987,599	4,377,691
	Gross Revenue -- Total	\$ 370,730	\$ 5,613,305
Outpatient volumes were over budget in the following departments: Home Health visits, Surgical cases, Endoscopy procedures, Laboratory, Mammography, Oncology procedures, Nuclear Medicine, MRI, Ultrasounds, Cat Scans, PET CT's, Pharmacy units, Physical Therapy, and Occupational Therapy.			
2) Total Deductions from Revenue			
The payor mix for April shows a 1.65% decrease to Medicare, a 7.36% increase to Medi-Cal, 2.69% decrease to Other, a 1.69% decrease to County, and a 1.33% decrease to Commercial when compared to budget. Contractual Allowances were over budget as a result of increased revenues and the shift in Payor Mix.	Contractual Allowances	\$ (258,886)	\$ (4,878,731)
	Managed Care Reserve	-	-
	Charity Care	50,050	380,643
	Charity Care - Catastrophic	-	-
	Bad Debt	256,586	3,578,609
	Prior Period Settlement	(57,318)	(318,373)
	Total	\$ (9,568)	\$ (1,237,852)
We saw a large pick up in Bad Debt write-off as an increasing patient population retroactively qualifies and becomes insured through the Medi-Cal and State Health Insurance Exchange programs.			
The FY2013 Medi-Cal cost report audit was concluded, resulting in an additional amount due to the State. This created a negative variance in Prior Period Settlements.			
3) Other Operating Revenue			
Retail Pharmacy revenues exceeded budget by 7.85%.	Retail Pharmacy	\$ 16,429	\$ 223,878
	Hospice Thrift Stores	4,924	(925)
	The Center (non-therapy)	(452)	17,287
	IVCH ER Physician Guarantee	34,049	172,981
	Children's Center	2,749	7,569
	Miscellaneous	14,315	118,864
	Oncology Drug Replacement	-	-
	Grants	14,220	266,232
	Total	\$ 86,235	\$ 805,886
IVCH ER Physician Guarantee is tied to collections, which exceeded budget in April.			
Positive variance in Miscellaneous attributed to Medi-Cal E.H.R. Incentive payments received.			
Positive variance in Grants related to funds received on the Wellness Neighborhood HRSA Grant.			
4) Salaries and Wages			
Negative variance in Salaries and Wages was offset by positive variances in PL/SL and Standby.	Total	\$ (40,569)	\$ 168,581
Employee Benefits			
Negative variance in Nonproductive is an employment related matter.	PL/SL	\$ 58,826	\$ 267,168
	Nonproductive	(18,781)	(246,728)
	Pension/Deferred Comp	316	2,126
	Standby	(4,906)	(53,943)
	Other	11,510	(95,126)
	Total	\$ 46,965	\$ (126,503)
Employee Benefits - Workers Compensation	Total	\$ (8,000)	\$ 2,520
Employee Benefits - Medical Insurance	Total	\$ 294,999	\$ 28,510
5) Professional Fees			
Negative variance in Corporate Compliance attributed to legal and fair market value services provided to the department.	Corporate Compliance	\$ (40,401)	\$ (711,637)
	Patient Accounting/Admitting	-	(589,530)
	Miscellaneous	31,290	(281,725)
	The Center (includes OP Therapy)	(19,216)	(174,693)
	TFH/IVCH Therapy Services	(25,718)	(137,646)
	Financial Administration	18,822	(75,809)
	Oncology	(37,178)	(61,892)
	Business Performance	-	-
	Multi-Specialty Clinics	(8,715)	346
	Human Resources	(17,496)	5,590
	Multi-Specialty Clinics Admin	(2,452)	8,371
	Marketing	1,000	9,875
	Home Health/Hospice	921	10,521
	Information Technology	(2,313)	21,399
	Administration	(13,648)	33,328
	Medical Staff Services	12,741	35,135
	IVCH ER Physicians	(22,051)	46,801
	Sleep Clinic	5,887	47,367
	Managed Care	(508)	47,709
	Respiratory Therapy	16,851	158,162
	TFH Locums	32,548	159,637
	Total	\$ (69,636)	\$ (1,448,693)
OP Physical and Occupational Therapy revenues exceeded budget by 31.72%, creating a negative variance in The Center (includes OP Therapy).			
TFH/IVCH Therapy Services revenue exceeded budget by 22.64%, creating a negative variance in this category.			
Negative variance in Oncology related to Radiation Oncology Residency program participation with U.C. Davis.			
Pension Consulting services provided to the District created a negative variance in Human Resources.			
Medical Director fees for Strategic Planning and Innovation created a negative variance in Administration.			
Negative variance in IVCH ER Physicians related to overlap coverage.			

6) Supplies

Surgical Services revenues exceeded budget by 60.19%, creating a negative variance in Patient & Other Medical Supplies

A more expensive mix of Chemotherapy drugs along with the requirement of additional compounding drugs used in the mixtures is creating a negative variance in Pharmacy Supplies.

Purchases in Retail Pharmacy, MSC Administration, The Gift Tree, and Community Health Education created a negative variance in Other Non-Medical Supplies.

Minor Equipment purchases for MSC E.N.T., Surgery, Sterile Processing, Plant Maintenance, and Retail Pharmacy attributed to the negative variance in Minor Equipment.

Patient & Other Medical Supplies	\$	(39,810)	\$	(1,088,795)
Pharmacy Supplies		(148,014)		(754,467)
Other Non-Medical Supplies		(25,229)		(49,618)
Minor Equipment		(20,684)		(49,180)
Imaging Film		(168)		6,291
Office Supplies		1,035		51,504
Food		9,563		60,882
Total	\$	(223,307)	\$	(1,823,383)

7) Purchased Services

Negative variance in Miscellaneous associated with services provided for the Best of Tahoe Chefs and Gene Upshaw Golf Classic events and services provided by The Fox Group for the Corporate Compliance department.

Annual Town Hall meetings created a negative variance in Human Resources.

Outsourced management over the retail operations of the Center for Health and Sports Performance created a negative variance in the Center.

Negative variance in Diagnostic Imaging Services - All related to Imaging reads across all departments.

Miscellaneous	\$	(25,160)	\$	(431,954)
Pharmacy IP		(3,025)		(212,886)
Patient Accounting		13,472		(70,610)
Laboratory		(4,642)		(54,853)
Human Resources		(20,536)		(19,684)
The Center		(7,050)		(16,890)
Multi-Specialty Clinics		6,163		(4,139)
Community Development		234		(2,074)
Medical Records		(534)		4,250
Hospice		835		10,911
Department Repairs		(3,085)		30,759
Information Technology		14,390		50,713
Diagnostic Imaging Services - All		(16,136)		121,573
Total	\$	(45,074)	\$	(594,884)

8) Other Expenses

Negative variance in Outside Training & Travel associated with Jacobus Consultants, The Fox Group, Medical Staff, and Nursing Administration lodging and travel.

Negative variance in Physician Services related to the forgiveness of a student loan.

Electricity, Diesel, and Natural Gas came in below budget due to the mild winter we continue to experience.

Controllable expenses continue to be monitored.

Outside Training & Travel	\$	(31,748)	\$	(332,356)
Physician Services		(28,859)		(28,957)
Multi-Specialty Clinics Equip Rent		-		(825)
Innovation Fund		-		-
Human Resources Recruitment		2,858		3,731
Other Building Rent		5,999		12,328
Multi-Specialty Clinics Bldg Rent		1,924		22,749
Equipment Rent		350		33,605
Dues and Subscriptions		6,118		41,122
Miscellaneous		8,141		41,730
Insurance		6,523		53,722
Utilities		35,329		128,806
Marketing		29,171		182,729
Total	\$	35,806	\$	158,384

9) District and County Taxes

Total	\$	44,848	\$	236,836
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10) Interest Income

Total	\$	2,507	\$	14,087
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11) Donations

IVCH	\$	(4,200)	\$	(19,909)
Operational		(11,669)		(181,503)
Capital Campaign		-		-
Total		(15,869)		(201,412)

12) Gain/(Loss) on Joint Investment

Total	\$	-	\$	101,332
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12) Gain/(Loss) on Impairment of Asset

Total	\$	-	\$	-
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13) Gain/(Loss) on Sale

Total	\$	-	\$	-
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14) Impairment Loss

Total	\$	-	\$	-
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15) Depreciation Expense

Total	\$	-	\$	97,183
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16) Interest Expense

Total	\$	(545)	\$	(2,277)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
APRIL 2015

	CURRENT MONTH			Note	YEAR TO DATE			PRIOR YTD APR 2014		
	ACTUAL	BUDGET	VAR\$		VAR%	ACTUAL	BUDGET		VAR\$	VAR%
OPERATING REVENUE										
Total Gross Revenue	\$ 1,190,626	\$ 1,035,982	\$ 154,644	14.9%	\$ 12,420,317	\$ 11,926,671	\$ 493,646	4.1%	1	\$ 11,408,857
Gross Revenues - Inpatient										
Daily Hospital Service	\$ 7,399	\$ -	\$ 7,399	0.0%	\$ 33,538	\$ 34,940	\$ (1,402)	-4.0%		\$ 42,520
Ancillary Service - Inpatient	582	3,598	(3,016)	-83.8%	55,135	60,496	(5,361)	-8.9%		58,359
Total Gross Revenue - Inpatient	7,981	3,598	4,383	121.8%	88,673	95,436	(6,763)	-7.1%	1	100,879
Gross Revenue - Outpatient										
Total Gross Revenue - Outpatient	1,182,645	1,032,384	150,261	14.6%	12,331,644	11,831,235	500,408	4.2%	1	11,307,978
Deductions from Revenue:										
Contractual Allowances	342,467	315,351	(27,116)	-8.6%	3,526,270	3,586,918	60,648	1.7%	2	3,249,543
Charity Care	39,660	35,223	(4,437)	-12.6%	402,565	405,507	2,942	0.7%	2	435,311
Charity Care - Catastrophic Events	-	-	-	0.0%	-	-	-	0.0%	2	-
Bad Debt	111,706	41,439	(70,267)	-169.6%	995,908	477,068	(518,840)	-108.8%	2	656,877
Prior Period Settlements	-	-	-	0.0%	5,409	-	(5,409)	0.0%	2	18,147
Total Deductions from Revenue	493,833	392,013	(101,820)	-26.0%	4,930,153	4,469,493	(460,660)	-10.3%	2	4,359,878
Other Operating Revenue	86,359	52,024	34,335	66.0%	735,040	565,724	169,316	29.9%	3	555,032
TOTAL OPERATING REVENUE	783,152	695,993	87,159	12.5%	8,225,205	8,022,902	202,302	2.5%		7,604,011
OPERATING EXPENSES										
Salaries and Wages	221,953	239,995	18,042	7.5%	2,434,831	2,527,035	92,204	3.6%	4	2,463,150
Benefits	79,553	85,722	6,169	7.2%	883,669	894,379	10,710	1.2%	4	867,082
Benefits Workers Compensation	3,105	2,717	(389)	-14.3%	30,946	27,165	(3,781)	-13.9%	4	19,634
Benefits Medical Insurance	38,147	48,049	9,902	20.6%	481,802	480,493	(1,309)	-0.3%	4	427,665
Professional Fees	214,803	194,490	(20,313)	-10.4%	2,096,900	2,196,802	99,902	4.5%	5	2,072,293
Supplies	57,241	43,949	(13,293)	-30.2%	516,501	489,139	(27,361)	-5.6%	6	462,333
Purchased Services	37,211	34,653	(2,558)	-7.4%	399,166	383,625	(15,541)	-4.1%	7	361,451
Other	50,857	52,436	1,579	3.0%	497,742	512,132	14,390	2.8%	8	476,086
Total Operating Expense	702,872	702,011	(861)	-0.1%	7,341,557	7,510,771	169,214	2.3%		7,149,694
NET OPERATING REV(EXP) EBIDA	80,281	(6,017)	86,298	-14.34.1%	883,648	512,132	371,516	72.5%		454,317
NON-OPERATING REVENUE/(EXPENSE)										
Donations-IVCH	-	4,200	(4,200)	-100.0%	22,091	42,000	(19,909)	-47.4%	9	77,858
Gain/ (Loss) on Sale	-	-	-	0.0%	-	-	-	0.0%	10	-
Depreciation	(53,601)	(53,601)	0	0.0%	(534,668)	(536,014)	1,345	-0.3%	11	(519,083)
TOTAL NON-OPERATING REVENUE/(EXP)	(53,601)	(49,401)	(4,200)	-8.5%	(512,578)	(494,014)	(18,564)	-3.8%		(441,225)
EXCESS REVENUE(EXPENSE)	\$ 26,680	\$ (55,419)	\$ 82,099	-148.1%	\$ 371,071	\$ 18,118	\$ 352,952	1948.1%		\$ 13,092
RETURN ON GROSS REVENUE EBIDA	6.7%	-0.6%	7.3%		7.1%	4.3%	2.8%			4.0%

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

		Variance from Budget	
		Fav<Unfav>	
		APR 2015	YTD 2015
1) Gross Revenues			
Acute Patient Days were above budget by 1 at 1 and Observation Days were over budget by 2 at 3.	Gross Revenue -- Inpatient	\$ 4,383	\$ (6,763)
	Gross Revenue -- Outpatient	150,261	500,408
		<u>\$ 154,644</u>	<u>\$ 493,646</u>
<p>Outpatient volumes exceeded budget in Emergency Department visits, Surgical cases, Laboratory tests, Cat Scans, Pharmacy units, and Occupational Therapy.</p>			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with a 1.05% increase in Commercial, Insurance, a 3.12% decrease in Medicare, a 5.10% increase in Medicaid, a 2.68% decrease in Other, and a .35% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 14.9%.	Contractual Allowances	\$ (27,116)	\$ 60,648
	Charity Care	(4,437)	2,942
	Charity Care-Catastrophic Event	-	-
	Bad Debt	(70,267)	(518,840)
	Prior Period Settlement	-	(5,409)
	Total	<u>\$ (101,820)</u>	<u>\$ (460,660)</u>
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in April.	IVCH ER Physician Guarantee	\$ 34,049	\$ 172,981
	Miscellaneous	286	(3,665)
	Total	<u>\$ 34,335</u>	<u>\$ 169,316</u>
4) Salaries and Wages			
	Total	<u>\$ 18,042</u>	<u>\$ 92,204</u>
Employee Benefits			
	PL/SL	\$ 1,419	\$ 16,191
	Standby	2,822	5,647
	Other	1,712	(11,329)
	Nonproductive	(100)	(3,274)
	Pension/Deferred Comp	316	3,475
	Total	<u>\$ 6,169</u>	<u>\$ 10,710</u>
Employee Benefits - Workers Compensation	Total	<u>\$ (389)</u>	<u>\$ (3,781)</u>
Employee Benefits - Medical Insurance	Total	<u>\$ 9,902</u>	<u>\$ 1,309</u>
5) Professional Fees			
Negative variance in Foundation related to contracted Fundraising services.	Foundation	\$ (3,332)	\$ (10,454)
	Multi-Specialty Clinics	2,659	(7,694)
	Administration	150	1,500
	Miscellaneous	48	2,729
IVCH OP Physical Therapy revenues exceeded budget by 2.30%, creating a negative variance in Therapy Services Pro Fees.	Therapy Services	(3,675)	19,652
	IVCH ER Physicians	(22,051)	46,801
Negative variance in IVCH ER Physicians related to overlap coverage.	Sleep Clinic	5,887	47,367
	Total	<u>\$ (20,313)</u>	<u>\$ 99,902</u>
Sleep Clinic Pro Fees are tied to collections which fell short of budget in April.			
6) Supplies			
Medical Supplies Sold to Patients revenues exceeded budget by 67.78%, creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (12,928)	\$ (41,709)
	Minor Equipment	(1,485)	(1,530)
	Non-Medical Supplies	905	(360)
	Food	(717)	138
Small equipment purchases for the Sterile Processing Department created a negative variance in Minor Equipment.	Imaging Film	267	1,380
	Office Supplies	496	2,122
	Pharmacy Supplies	169	12,597
	Total	<u>\$ (13,293)</u>	<u>\$ (27,361)</u>

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

		Variance from Budget	
		Fav<Unfav>	
		APR 2015	YTD 2015
7) <u>Purchased Services</u>			
Negative variance in EVS/Laundry related to Linen delivery services.	Miscellaneous	\$ 1,480	\$ (28,573)
	EVS/Laundry	(2,394)	(7,417)
	Pharmacy	100	(2,906)
Positive variance in Engineering/Plant/Communications associated with Purchased Services coming in below budget in Plant Maintenance and Engineering.	Surgical Services	-	-
	Engineering/Plant/Communications	2,626	1,331
	Multi-Specialty Clinics	693	1,758
	Department Repairs	(115)	2,381
Negative variance in Laboratory related to a maintenance agreement on equipment.	Laboratory	(2,324)	3,415
	Foundation	291	4,437
Negative variance in Diagnostic Imaging - All correlated to outsourced radiology reads.	Diagnostic Imaging Services - All	(2,914)	10,033
	Total	\$ (2,558)	\$ (15,541)
8) <u>Other Expenses</u>			
Negative variance in Outside Training & Travel due to training for the Foundation's fundraising software.	Outside Training & Travel	\$ (2,122)	\$ (16,264)
	Other Building Rent	(582)	(1,746)
	Dues and Subscriptions	(1,461)	(822)
	Multi-Specialty Clinics Equip Rent	-	-
Out of State licensing requirements in the Laboratory created a negative variance in Dues and Subscriptions.	Physician Services	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Insurance	213	2,133
	Miscellaneous	969	2,272
	Equipment Rent	3,524	2,798
	Utilities	(924)	8,823
	Marketing	1,962	17,195
	Total	\$ 1,579	\$ 14,390
9) <u>Donations</u>	Total	\$ (4,200)	\$ (19,909)
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ 1,345

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2014	BUDGET FYE 2015	PROJECTED FYE 2015	ACTUAL APR 2015	BUDGET APR 2015	BUDGET DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	ACTUAL 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 3,742,843	\$ 2,008,740	\$ 2,902,072	\$ 178,962	\$ (214,771)	\$ 393,733	\$ 3,469,494	\$ (1,330,346)	\$ 828,459	\$ (65,535)
Interest Income	90,129	96,542	124,000	26,472	25,279	1,193	19,503	25,120	52,905	26,472
Property Tax Revenue	5,285,587	5,376,000	5,372,891	-	-	-	237,157	73,132	2,877,602	2,185,000
Donations	1,132,315	600,300	524,107	-	12,000	(12,000)	221,165	146,247	91,695	65,000
Debt Service Payments	(4,308,075)	(3,926,699)	(3,675,595)	(262,915)	(271,825)	8,910	(1,123,831)	(790,940)	(954,280)	(806,564)
Bank of America - 2012 Muni Lease	(1,243,647)	(1,243,644)	(1,243,531)	(103,637)	(103,637)	(0)	(310,795)	(310,912)	(310,912)	(310,911)
Bank of America - 2007 Muni Lease	(421,721)	-	-	-	(8,750)	8,750	(2,393)	(2,197)	(1,452)	(17,500)
Copier	(100,214)	(105,000)	(23,543)	-	(8,750)	8,750	(332,811)	-	(164,064)	-
2002 Revenue Bond	(633,393)	(664,805)	(496,875)	(159,277)	(159,438)	160	(477,831)	(477,831)	(478,152)	-
2006 Revenue Bond	(1,909,100)	(1,913,250)	(1,911,646)	(5,407)	(12,500)	7,093	(27,246)	(16,112)	(16,233)	(30,407)
Physician Recruitment	(129,886)	(150,000)	(89,999)	(124,985)	(100,000)	(24,985)	(270,964)	(334,607)	(226,958)	(1,392,304)
Investment in Capital	(2,157,004)	(1,748,150)	(2,224,833)	(303)	(45,000)	44,697	-	-	-	1,250,000
Equipment	748,489	1,250,000	1,250,000	(140,499)	(50,000)	(90,499)	(113,054)	(1,092,933)	(224,567)	(350,303)
Municipal Lease Reimbursement	(703,327)	(747,761)	(484,733)	(77,060)	(100,000)	22,940	(617,090)	(596,944)	(406,209)	(290,499)
GO Bond Project Personal Property	(339,004)	(2,804,763)	(1,721,053)	-	(50,000)	50,000	(30,303)	(200,549)	-	(100,000)
IT	(1,339,652)	(3,557,916)	(2,897,303)	-	-	-	-	-	-	(600,000)
Building Projects	(349,125)	(1,105,000)	(330,852)	-	-	-	-	-	-	-
Health Information/Business System	-	-	(600,000)	-	-	-	-	-	-	-
Capital Investments	-	-	(600,000)	-	-	-	-	-	-	-
MOB Suite Acquisition-Unbudgeted	-	-	(600,000)	-	-	-	-	-	-	-
Change in Accounts Receivable	3,825,683	1,989,042	7,430,447	2,586,593	159,426	2,427,167	1,214,891	874,623	1,954,575	3,386,358
Change in Settlement Accounts	1,070,839	(900,000)	(1,116,257)	(57,318)	-	(57,318)	(310,047)	(368,631)	(380,261)	(57,318)
Change in Other Assets	527,205	(548,326)	(1,855,859)	(813,813)	(146,906)	(666,907)	(997,401)	(1,846,663)	1,618,327	(630,122)
Change in Other Liabilities	(40,000)	805,000	(4,036,914)	(830,999)	(300,000)	(530,999)	547,692	(1,069,219)	(2,884,388)	(630,999)
Change in Cash Balance	7,057,017	(3,362,991)	(829,880)	478,728	(1,094,297)	1,573,025	2,195,597	(6,566,746)	2,259,548	1,281,719
Beginning Unrestricted Cash	43,894,743	50,951,760	50,951,760	50,316,028	50,316,028	-	50,951,760	53,147,357	46,580,611	48,840,160
Ending Unrestricted Cash	50,951,760	47,588,769	50,121,880	50,794,756	49,221,732	1,573,025	53,147,357	46,580,611	48,840,160	50,121,879
Expense Per Day	311,010	316,480	326,509	329,678	317,637	12,040	328,735	329,124	332,048	326,509
Days Cash On Hand	164	150	154	154	155	(1)	162	142	147	154

Footnotes:

- N1 - Change in Accounts Receivable reflects the 60 day delay in collections. For example, in July 2014 we are collecting May 2014.
- 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.
- N5 - Change in Beginning Unrestricted Cash is different than as presented in budget package due to final adjustments for fiscal year end 2014.

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03/18/15
Accrual Basis

Truckee Surgery Center LLC
Balance Sheet
As of February 28, 2015

	<u>Feb 28, 15</u>	<u>Jan 31, 15</u>
ASSETS		
Current Assets		
Checking/Savings		
Bank of the West	295,125.19	322,352.35
Petty Cash	172.84	217.84
Total Checking/Savings	<u>295,298.03</u>	<u>322,570.19</u>
Accounts Receivable		
Accounts Receivable		
Allowance for Doubtful Accounts	-42,987.97	-29,981.07
Accounts Receivable - Other	415,125.68	310,538.12
Total Accounts Receivable	<u>372,137.71</u>	<u>280,557.05</u>
Total Accounts Receivable	372,137.71	280,557.05
Other Current Assets		
Prepaid Expense		
General Liability Insurance	11,166.76	12,407.51
HSA Contribution	2,716.68	4,379.18
Property Insurance	1,449.82	1,610.91
Worker's Comp	1,076.72	985.38
Total Prepaid Expense	<u>16,409.98</u>	<u>19,382.98</u>
Total Other Current Assets	<u>16,409.98</u>	<u>19,382.98</u>
Total Current Assets	683,845.72	622,510.22
Fixed Assets		
Furniture & Fixtures	3,087.00	3,087.00
Instruments	24,241.87	24,241.87
Leasehold Improvements	853,418.00	853,418.00
Machinery & Equipment	84,919.12	84,919.12
Surgical & Medical Equipment	90,243.76	90,243.76
Accumulated Depreciation	-219,102.38	-215,697.24
Goodwill	3,914,333.00	3,914,333.00
Accumulated Amortization	-782,867.45	-782,867.45
Total Fixed Assets	<u>3,968,272.92</u>	<u>3,971,678.06</u>
Other Assets		
Rent Deposit	20,256.00	20,256.00
Total Other Assets	<u>20,256.00</u>	<u>20,256.00</u>
TOTAL ASSETS	<u><u>4,672,374.64</u></u>	<u><u>4,614,444.28</u></u>

LIABILITIES & EQUITY

10:29 AM
03/18/15
Accrual Basis

Truckee Surgery Center LLC Balance Sheet

As of February 28, 2015

	<u>Feb 28, 15</u>	<u>Jan 31, 15</u>
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	55,786.06	55,693.95
Total Accounts Payable	<u>55,786.06</u>	<u>55,693.95</u>
Other Current Liabilities		
Franchise Tax Payable	1,133.32	566.66
Property Taxes Payable	1,924.94	962.47
Billing Fee Due	1,298.00	1,298.00
*Direct Deposit Liabilities	-15,416.60	0.00
Compensated Absenses	34,193.02	30,791.70
Payroll Liabilities	453.66	349.85
Total Other Current Liabilities	<u>23,586.34</u>	<u>33,618.83</u>
Total Current Liabilities	<u>79,372.40</u>	<u>89,312.78</u>
Total Liabilities	79,372.40	89,312.78
Equity		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	3,835,590.19	3,835,590.19
Distributions TFH	<u>-35,700.00</u>	<u>-35,700.00</u>
Total Tahoe Forest Hospital	3,799,890.19	3,799,890.19
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	670,611.55	670,611.55
Distributions TSC Inc	<u>-34,300.00</u>	<u>-34,300.00</u>
Total Truckee Surgery Center Inc	636,311.55	636,311.55
Retained Earnings	69,686.15	69,686.15
Net Income	<u>90,515.67</u>	<u>18,893.76</u>
Total Equity	<u>4,596,403.56</u>	<u>4,524,781.65</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,675,775.96</u></u>	<u><u>4,614,094.43</u></u>

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 03/18/15
 Accrual Basis

Truckee Surgery Center LLC
Profit & Loss YTD Comparison
 February 2015

	Feb 15	Jan - Feb 15
Ordinary Income/Expense		
Income		
Patient Revenue		
Private Pay	0.00	1,052.00
Medbridge	200,966.26	375,911.95
Medical Record Copy Fee	30.00	83.10
Total Patient Revenue	<u>200,996.26</u>	<u>377,047.05</u>
Total Income	<u>200,996.26</u>	<u>377,047.05</u>
Gross Profit	200,996.26	377,047.05
Expense		
Billing Service	5,011.28	13,758.56
General Office		
Dues and Subscriptions	29.00	29.00
Office Supplies	105.03	299.71
Postage and Delivery	2,028.20	3,201.43
Total General Office	<u>2,162.23</u>	<u>3,530.14</u>
Liability Gen'l, Prof Insurance	1,240.75	2,481.50
Property Insurance Expense	161.09	322.18
Licenses and Permits	0.00	0.00
Linen	1,628.32	5,306.65
Medical Supplies Total		
Gas Medical	384.53	758.58
Implants	29,763.48	47,351.71
Medical Supplies	13,763.03	29,313.03
Pharmacy	4,114.93	7,851.77
Patient Nutrition	278.07	278.07
Total Medical Supplies Total	<u>48,304.04</u>	<u>85,553.16</u>
Other Expenses		
Bank Charges	85.30	85.30
Cleaning Supplies	133.41	185.65
Educational	45.00	170.00
Equipment Rental/Lease	451.58	903.16
Interest Expense	0.00	24.62
Meals & Entertainment	0.00	0.00
Merchant Fees	163.56	349.50
Miscellaneous	52.92	102.92
Other Expenses - Other	311.00	311.00
Total Other Expenses	<u>1,242.77</u>	<u>2,132.15</u>
Payroll Expenses		
Health Insurance Total		
Vision	112.60	225.20
Dental	408.69	1,177.84
HSA	3,270.82	6,541.64
Health	6,108.49	11,732.33
Total Health Insurance Total	<u>9,900.60</u>	<u>19,677.01</u>
Employee Benefit	0.00	40.00
Payroll Taxes	2,547.36	7,800.47
Retirement Contribution	448.26	1,225.48
Wages	26,044.03	69,008.93
Work Comp	612.66	1,225.32
Payroll Expenses - Other	57.60	112.00
Total Payroll Expenses	<u>39,610.51</u>	<u>99,089.21</u>

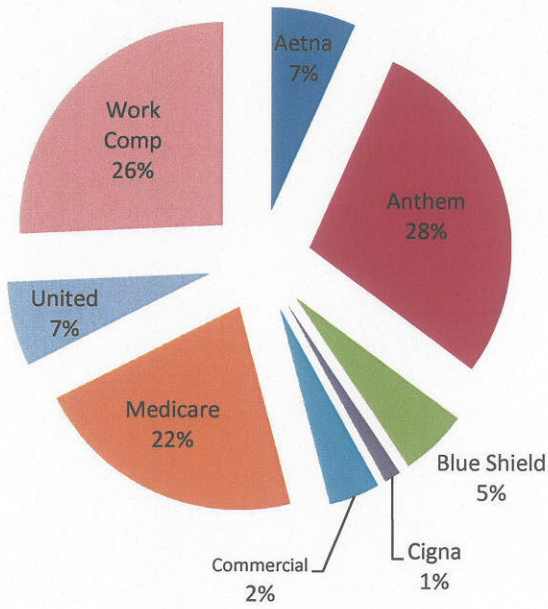
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 Accrual Basis

Truckee Surgery Center LLC
Profit & Loss YTD Comparison
February 2015

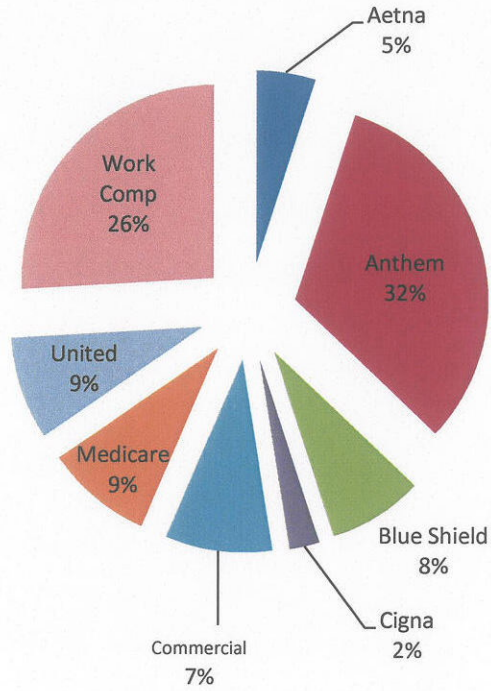
	<u>Feb 15</u>	<u>Jan - Feb 15</u>
Professional Fees		
Accounting	165.00	881.00
Consulting	0.00	500.00
Pension Fees	60.00	60.00
Transcription Services	329.48	722.51
Total Professional Fees	554.48	2,163.51
Rent & CAM	12,963.84	25,927.68
Repairs		
Building/Equipment Repairs	603.60	7,585.50
Instrument Refurbishing	558.75	1,367.21
Instrument Repairs	0.00	1,246.31
Maintenance-Preventative	8,748.00	18,216.00
Total Repairs	9,910.35	28,415.02
Taxes		
Property	2,228.47	4,456.94
State	566.66	1,133.32
Total Taxes	2,795.13	5,590.26
Utilities		
Alarm Monitor	69.00	138.00
Cable	65.89	131.78
Gas and Electric	3,060.90	6,232.87
Medical Waste	98.00	166.00
Sewer	0.00	1,153.62
Telephone	491.95	1,030.13
Total Utilities	3,785.74	8,852.40
Depreciation Expense	3,405.14	6,810.28
Total Expense	132,775.67	289,932.70
Net Ordinary Income	68,220.59	87,114.35
Net Income	68,220.59	87,114.35

JANUARY 2015

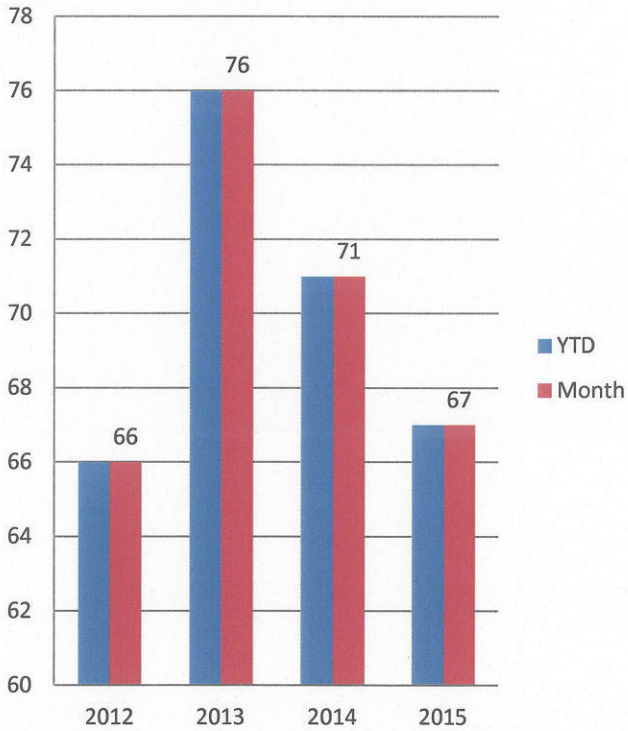
Cases by Payer



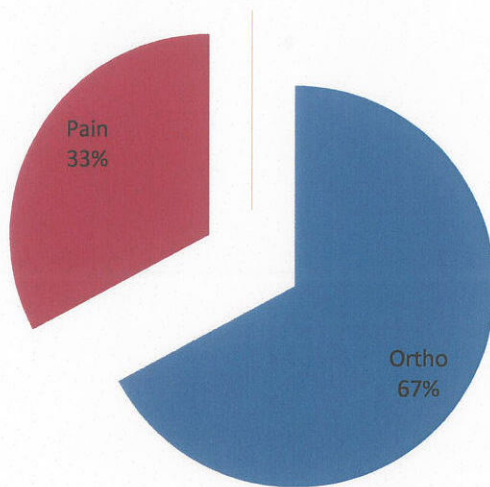
Expected Revenue by Payer



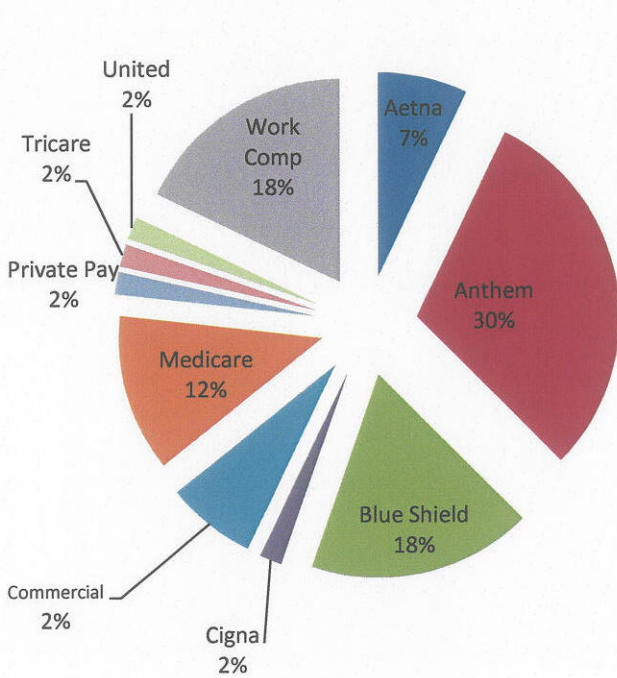
Case volume



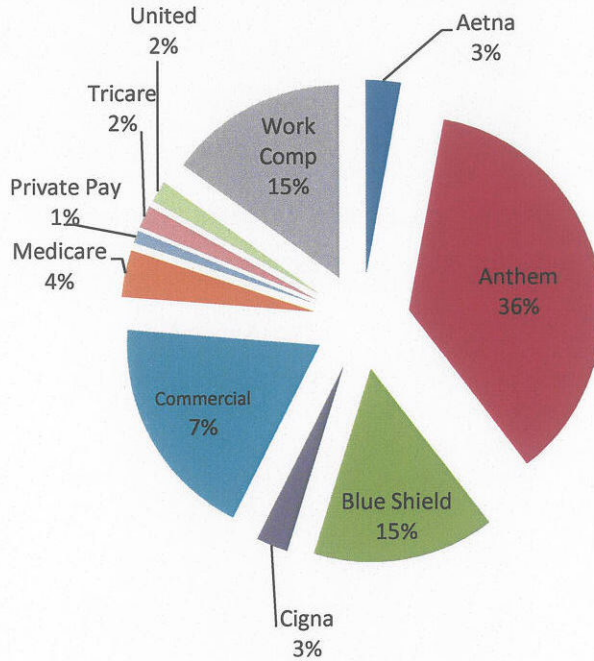
Volume by Specialty



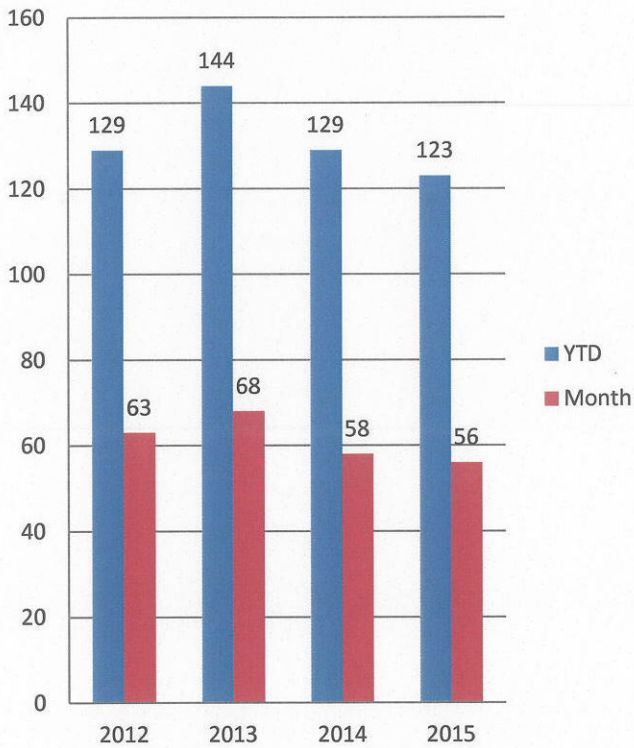
Cases by Payer



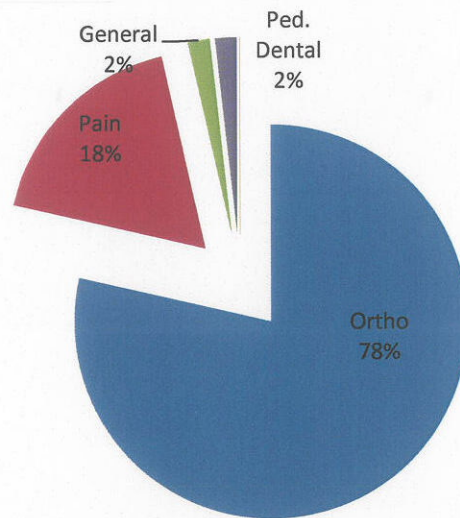
Expected Revenue by Payer



Case Volumes



Volume by Specialty





Board Informational Report

By: Crystal Betts
Chief Financial Officer

DATE: May 19, 2015

Refunding of the 2006 Revenue Bonds

On May 2, 2006, the District issued its Tahoe Forest Hospital District Revenue Bonds, Series 2006, in the original principal amount of \$27,385,000, of which \$23,240,000 principal amount remains outstanding. These bonds had a maturity in 2036, and held interest rates from 3.7% to 5.0%. These bonds were issued for the purpose of (a) refunding a portion of the 1999A Revenue Bonds, and (b) financing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District (known primarily as the Western Addition).

On March 31, 2015, the Board of Directors approved Resolution No. 2015-02 authorizing the refunding of the 2006 Revenue Bonds by issuing 2015 Bonds through public sale or private placement. It was also stipulated in the Resolution that the 2015 Bonds can only be issued if the present value savings to be realized by the District with respect to the 2006 Bonds is not less than 5% of the outstanding principal balance of the 2006 Bonds and the maturity date of the 2015 Bonds shall not be any later than the maturity date of the 2006 Bonds.

Between March 12 and April 15, 2015, the District conducted their annual bond surveillance meeting with Standards and Poor's (S&P). On April 21, 2015, S&P affirmed our BBB- rating with a change in the ratings outlook from stable to negative.

With completion of the surveillance and affirmation of the BBB- rating, we moved forward with the refunding of the 2006 Bonds. Both a public offering and private placement of the 2015 Bonds were evaluated based upon the current market. At that time a private placement produced the best value for the District and Western Alliance Public Finance was very interested based upon the information they had read in our previous official statement and our credit worthiness. A site visit was conducted on May 1, 2015 by Alex Korenets, Vice President, from Western Alliance Public Finance. The site visit went well and Mr. Korenets made a recommendation to the bank's credit committee to purchase the 2015 Bonds, which was approved.

Refunding of the 2006 Revenue Bonds (continued)

The Bond Purchase Agreement for the private placement of the Bonds with Western Alliance Public Finance was executed on May 13, 2015. The 2015 Bonds are in the principal amount of \$20,979,000, with maturity in 2033, at a 3.87% fixed interest rate. This produces a net savings of \$2.57 million and \$2.33 million in net present value savings for the District, or 10.036% net present value savings as a percentage of the par amount of the 2006 Bonds remaining outstanding. This exceeds the required 5% savings required in the resolution by 5.036%. By utilizing the debt service reserve funds and the guaranteed investment contract funds that already existed on the 2006 Bonds, we were able to reduce the principal amount financed by \$2,261,000, from \$23,240,000 to \$20,979,000. In addition, we were able to shorten the maturity from the original issuance by 3 years, from 2036 to 2033.

May 29, 2015 is the 2015 Bond closing date and notice of redemption of the 2006 Bonds will be sent by the Escrow Agent. Redemption of the 2006 Bonds will occur on July 1, 2015. This has been a successful transaction for the District.