



BOARD OF DIRECTORS' MEETING

AGENDA

THURSDAY, DECEMBER 1, 2016

CLOSED SESSION 5:00 P.M.

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM

175 First St. W., Sonoma, CA

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk, Gigi Betta at (707) 935.5004/5 at least 48 hours prior to the meeting.</p>	RECOMMENDATION	
AGENDA ITEM		
1. CALL TO ORDER	Hirsch	
2. PUBLIC COMMENT ON CLOSED SESSION	Hirsch	
3. CLOSED SESSION <ul style="list-style-type: none"> Calif. Government Code & Health and Safety Code § 3210: Trade Secrets Regarding Business Strategy Calif. Government Code § 54956.9(b)(3)(C): Conference Regarding Potential Litigation 	Hirsch	Action
4. REPORT OF CLOSED SESSION	Hirsch	Action
5. PUBLIC COMMENT SECTION	Hirsch	
6. CONSENT CALENDAR <ul style="list-style-type: none"> A. Board Minutes 11.3.16 B. FC No Minutes C. QC Minutes 9.28.16 D. GC Minutes 10.25.16 E. Medical Staff Credentialing Report 	Hirsch	Action
7. SWEARING IN OF ELECTED BOARD MEMBERS	Hirsch	Action
8. ELECTION OF 2017 OFFICERS <ul style="list-style-type: none"> Chair; 1st Vice Chair; 2nd Vice Chair; Treasurer; Secretary 	Hirsch	Action
9. FINANCIAL REPORT OCTOBER 31, 2016	Jensen	Inform
10. ADMINISTRATIVE REPORT NOVEMBER 2016	Mather	Inform
11. STAFF FORUM PRESENTATION	Mather	Inform
12. COMMITTEE REPORTS <ul style="list-style-type: none"> Revision to Resolution No. 331 Parcel Tax 	Hohorst	Action
13. BOARD COMMENTS	Board Members	Inform
14. ADJOURN	Hirsch	

6.

CONSENT



BOARD OF DIRECTORS' MEETING
MINUTES
 THURSDAY, NOVEMBER 3, 2016
 CLOSED SESSION 4:30 P.M.
 REGULAR SESSION 6:00 P.M.

BASEMENT CONFERENCE ROOM
 347 Andrieux Street, Sonoma CA

	RECOMMENDATION	
MISSION STATEMENT The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.		
1. CALL TO ORDER The meeting was called to order at 6:00 P.M. Mr. Boerum has been excused from tonight's meeting. On behalf of the board, Ms Hirsch expressed shock and sadness over Dr. Rolf Olness's untimely death. He was a beloved figure in the community for many years. Dr. Verducci has taken over the 300-patient load for the time being, and the concierge company is working on a long-term plan.		
2. PUBLIC COMMENT ON CLOSED SESSION	Hirsch	
3. CLOSED SESSION <u>Calif. Government Code & Health and Safety Code § 54947</u> Performance Evaluation Regarding Chief Executive Officer	Hirsch	
4. REPORT OF CLOSED SESSION	Hirsch	Inform
The CEO's performance evaluation was very positive and the Board thanked her for her continued service. Having met the performance objectives over the last 12 months, Ms. Mather will receive an incentive bonus of \$40, 238 and a 3% salary increase. The salary increase will be effective January 1, 2017.		
5. PUBLIC COMMENT SECTION No public comment.	Hirsch	
6. CONSENT CALENDAR	Hirsch	Action
A. Board Minutes 10.6.16 B. Board Retreat Minutes 10.17.16 C. FC Minutes 10.25.16 D. QC Minutes No Minutes E. GC Minutes 7.26.16		MOTION by Hohorst 2 nd by Rymer. All in favor.
7. REPORT ON BOARD RETREAT, OCTOBER 17, 2016	Hirsch	Inform
The Board held their annual retreat on October 17, 2016. During the morning session, the Board and CEO discussed the strategic priorities that were set in the 2017 Three-Year Rolling Strategic Plan. During the afternoon session, Ms. Hirsch led a discussion of Board responses to the Annual Assessment, with active participation from all Board members regarding areas that are going well and areas where continued work would enhance their activities.		

8. FAMILY CARE GIVING PRESENTATION	Jennie Chin Hansen RN, MSN	Inform
Ms. Chin Hansen presented on emerging roles for hospitals, community wellness and the business case for person-centered care for the older adult.		
9. OUTPATIENT DIAGNOSTIC CENTER REPORT	Kuwahara	Inform/Action
Ms. Kuwahara gave an update on the diagnostic center including volumes, current space status, proposed construction phases, reimbursements and estimated timeframe and costs.		
10. SURGERY CAPACITY AND UTILIZATION REPORT	Kobe	Inform
Mr. Kobe presented the surgical capacity analysis for 2017 which included FY16 statistics, analysis by specialty, current utilization review and a scenario for expanding utilization.		
11. FINANCIAL REPORT MONTH ENDING AUG. 31, 2016	Jensen	Inform
After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for September was (\$80,958) vs. a budgeted net loss of (\$94,121). The total net income for September after all activity was \$94,074 vs. a budgeted net income of \$59,230. Ms. Nevins commented that total current liabilities have decreased and commended Mr. Jensen, CFO on his efforts.		
12. ADMINISTRATIVE REPORT FOR SEPTEMBER 2016	Mather	Inform
After progress review on the FY17 Strategic Plan it was learned that SVH has completed many of the planned initiatives. Discussions are underway to arrive at the best use the south lot. The SVH Foundation has agreed to fundraise for the Outpatient Diagnostic Center and Surgery area. This year the Hospital has changed to a rolling 12-month average for patient satisfaction this year. Employee Forums for November are scheduled and one major area to address will be salary increases. The physician satisfaction survey goes out the week of November 7 and staff satisfaction survey goes out early in January 2017. The new SVH physicians actively practicing in Sonoma have brought outpatient volumes above those of last year.		
13. RESOLUTION No. 333 HONORING DICK FOGG	Hirsch/Hohorst	Inform
The Board saluted Dick Fogg for his leadership, thanked him for his outstanding service to the Hospital, the District, and the Community and wished him well in all his future endeavors both personal and professional.		
14. COMMITTEE REPORTS Governance Committee Mr. Hohorst recommended the Board approve Resolution No. 332 to Implement the Policy and Procedures Governing Bidding for Facilities Projects.	Hohorst	Action MOTION by Hohorst 2 nd by Rymer. All in favor.
15. BOARD COMMENTS	Board	Inform

16. ADJOURN Meeting adjourned at 7:55 PM.	Hirsch	
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**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE MEETING**

MINUTES

TUESDAY, October 25, 2016

8:00AM

**ADMINISTRATION CONFERENCE ROOM
347 ANDRIEUX STREET, SONOMA, CA 95476**

AGENDA ITEM	RECOMMENDATION	
In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District meeting, please contact the District Clerk, Gigi Betta at ebetta@svh.com or (707) 935.5004 at least 48 hours prior to the meeting.		
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS Meeting called to order at 8:00am	<i>Hohorst</i>	
2. PUBLIC COMMENT SECTION At this time, members of the public may comment on any item not appearing on the agenda. It is recommended you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up.	<i>Hohorst</i>	
3. CONSENT CALENDAR Minutes from 7.26.16	<i>Hohorst</i>	Action MOTION by Boerum to approve. All in favor.
4. PROPOSED RESOLUTION FOR ADOPTION OF FACILITIES CONTRACTING POLICY This Policy will go forward for approval at the Board meeting on Thursday, November 3, 2016.	<i>Hohorst</i>	Action MOTION by Boerum to approve. All in favor.
4. ADJOURN Meeting adjourned at 8:30am	<i>Hohorst</i>	



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
MINUTES**

**Wednesday, September 28, 2016
Schantz Conference Room**

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Michael Mainardi, MD Carol Snyder Kelsey Woodward	Howard Eisenstark, MD Ingrid Sheets Joshua Rymer Cathy Webber	Susan Idell Brian Sebastian, MD	Leslie Lovejoy Gigi Betta Allan Sendaydiego

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>	
	Meeting called to order at 5:00pm	
2. PUBLIC COMMENT	<i>Hirsch</i>	
	No public comment.	
3. CONSENT CALENDAR	<i>Hirsch</i>	Action
<ul style="list-style-type: none"> QC Minutes, 8.24.16 	Minor change made under agenda item 6.	MOTION by Eisenstark to approve <i>as amended</i> and 2 nd by Rymer. All in favor.
4. SURGERY DEPARTMENT UPDATE	<i>Sendaydiego</i>	Inform
	Mr. Sendaydiego presented the Surgical Safety Checklist, Audit Tool and the RF Assure Detection System to the Committee and gave detailed examples of how they have been effective in the SVH Surgery Department.	
5. POLICY & PROCEDURES	<i>Lovejoy</i>	Action
<ul style="list-style-type: none"> Infection Prevention Policies Infection Prevention-Aerosol Disease Control Plan Communicable Disease Reporting Multiple Policies August 2016 		MOTION by Eisenstark to approve and 2 nd by Mainardi. All in favor.
6. QUALITY REPORT SEPTEMBER 2016	<i>Lovejoy</i>	Inform/Action

AGENDA ITEM	DISCUSSION	ACTION
	The September Quality Report covered PRIME grant activities, the laboratory CLIA survey action plan, credentialing verification and the leadership dashboard.	
7. CLOSING COMMENTS/ANNOUNCEMENTS	<i>Hirsch</i>	
8. ADJOURN	<i>Hirsch</i>	
9. UPON ADJOURNMENT OF REGULAR SESSION	<i>Hirsch</i>	
10. CLOSED SESSION <ul style="list-style-type: none"> • <u>Calif. Health & Safety Code § 32155</u> Medical Staff Credentialing & Peer Review Report 		Action
11. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Inform/Action
	<p>Medical Staff Credentialing & Peer Review Report unanimously approved, there were no issues and four expeditions.</p> <p>Nancy Iredale, MSC will send a flyer to the Medical Staff inviting them to the Dr. Jaffe presentation in the Basement Conference room on October 26, 2016 at 5:00pm. There will be a short reception and refreshments prior to the presentation.</p>	
12. ADJOURNMENT AND ANNOUNCEMENTS	<i>Hirsch</i>	
	<p>The Board Quality Committee Scorecard was distributed for Committee review prior to the meeting on November 16, 2016.</p> <p>The last of the Active Aging series will be on November 3, 2016 at Vintage House from 1-3pm.</p> <p>QC plans to invite Dr. Pope, Pain Management and his partners Drs. Wu and Hau to present tin future.</p> <p>Meeting adjourned at 6:00pm</p>	

9.

FINANCE REPORT MONTH
ENDING OCTOBER 31, 2016



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: November 15, 2016
Subject: Financial Report for the Month Ending October 31, 2016

The actual loss of (\$159,837) from operations for October was \$192,667 favorable to the budgeted loss of (\$352,504). The year-to date actual loss from operations is (\$1,071,054) compared to the expected loss of (\$1,285,951). After accounting for all other activity, the October net income was \$336,844 vs. the budgeted net loss of (\$4,273) with a monthly EBIDA of 8.3% vs. a budgeted 3.6%. Year-to-date the total net income was \$354,599 favorable to budget with a year to date EBIDA of 5.2% vs. the budgeted 4.4%.

Gross patient revenue for October was \$21,720,158, \$324,633 more than expected. Inpatient gross revenue was over budget by \$852,894. Inpatient days were over budgeted expectations by 77 days and inpatient surgeries were under budget by 3 cases. Outpatient revenue was under budget by (\$785,220). Outpatient visits were under budgeted expectations by (517) visits and outpatient surgeries were under budget by (24) cases. The Emergency Room gross revenue is over budget by \$926,331 due to the continued volume increase. SNF was under budgeted expectations by (\$675,241) due to SNF patient days being under budgeted expectations by (154) days. Home Health was close to budgeted expectations with a positive variance of \$5,869.

Deductions from revenue were unfavorable to budgeted expectations by (\$267,109). The revenue deductions were offset by the CMS Prime Grant with a net amount of \$187,425 for October. Without the CMS Prime Grant, the deductions from revenue would be unfavorable to budget by (\$454,534).

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$37,135.

Operating Expenses of \$4,912,295 were favorable to budget by \$155,532. Salaries and wages were under budget by \$75,004 and agency fees over budgeted expectations by (\$8,420) which is an improvement over previous months. Supplies are over budget in October by (\$35,559) primarily due to the cost of implants being (\$56,910) over budgeted expectations. There has been an increase in total joint replacement procedures compared to last fiscal year. The costs of surgical implants are normally recovered with the insurance reimbursements. Utilities are over budget by (\$9,973) due to PG&E increasing third party gas delivery charges.



After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for October was \$81,464 vs. a budgeted net loss of (\$161,614). The total net income for October after all activity was \$336,844 vs. a budgeted net loss of (\$4,273).

EBIDA for the month of October was 8.3% vs. the budgeted 3.6%.

Patient Volumes – October

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	99	97	2	97
Newborn Discharges	9	13	-4	11
Acute Patient Days	402	325	77	325
SNF Patient Days	512	666	-154	666
Home Care Visits	880	886	-6	948
OP/ER/HHA Gross Rev.	\$13,347	\$13,249	\$98	\$13,103
Surgical Cases	126	153	-27	131

Gross Revenue Overall Payer Mix – October

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	46.1%	47.2%	-1.1%	47.1%	47.0%	0.1%
Medicare Mgd Care	8.6%	7.3%	1.3%	8.8%	7.3%	1.5%
Medi-Cal	16.6%	18.9%	-2.3%	16.9%	19.0%	-2.1%
Self Pay	2.3%	1.2%	1.1%	2.2%	1.2%	1.0%
Commercial	21.7%	20.0%	1.7%	20.1%	20.0%	0.1%
Workers Comp	2.8%	2.7%	0.1%	2.7%	2.8%	-0.1%
Capitated	1.9%	2.7%	-0.8%	2.2%	2.7%	-0.5%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for October:

For the month of October the cash collection goal was \$3,677,447 and the Hospital collected \$3,749,539, or over the goal by \$72,092. The year-to-date cash collection goal was \$13,978,254 and the hospital has collected \$15,181,021, or over goal by \$1,202,767. Days of cash on hand are 11.0 days at October 31, 2016. Accounts Receivable decreased from September, from 50.4 days to 49.7 days in October. Accounts Payable decreased by \$654,564 from September and Accounts Payable days are at 46.5.

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.
- Attachment F are the graphs for Revenue and Accounts Payable.
- Attachment G is the Statistical Analysis
- Attachment H is the Cash Forecast



Sonoma Valley Hospital
Net Revenue by Payer for the month of October 31, 2016

ATTACHMENT A

October-16

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	9,983,653	10,063,904	-80,251	-0.8%
Medicare Managed Care	1,866,395	1,559,525	306,870	19.7%
Medi-Cal	3,591,981	4,033,353	-441,372	-10.9%
Self Pay	501,574	258,823	242,751	93.8%
Commercial & Other Government	4,755,053	4,335,870	419,183	9.7%
Worker's Comp.	605,848	572,144	33,704	5.9%
Capitated	415,654	571,906	-156,252	-27.3%
Total	21,720,158	21,395,525	324,633	

YTD

	Actual	Budget	Variance	% Variance
	41,103,988	39,869,243	1,234,745	3.1%
	7,698,095	6,150,102	1,547,993	25.2%
	14,729,699	16,127,768	-1,398,069	-8.7%
	1,939,367	1,008,130	931,237	92.4%
	17,641,305	17,100,028	541,277	3.2%
	2,314,817	2,376,978	-62,161	-2.6%
	1,955,303	2,275,100	-319,797	-14.1%
	87,382,574	84,907,349	2,475,225	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,697,058	1,863,877	-166,819	-9.0%
Medicare Managed Care	318,034	247,029	71,005	28.7%
Medi-Cal	633,266	630,010	3,256	0.5%
Self Pay	178,948	103,529	75,419	72.8%
Commercial & Other Government	1,426,444	1,550,073	-123,629	-8.0%
Worker's Comp.	136,255	122,153	14,102	11.5%
Capitated	15,295	18,530	-3,235	-17.5%
Prior Period Adj/IGT	187,425	-	187,425	*
Total	4,592,725	4,535,201	57,524	1.3%

	Actual	Budget	Variance	% Variance
	6,718,355	6,933,583	-215,228	-3.1%
	1,094,680	980,979	113,701	11.6%
	2,104,188	2,463,853	-359,665	-14.6%
	718,374	401,205	317,169	79.1%
	5,790,364	6,603,303	-812,939	-12.3%
	513,143	527,499	-14,356	-2.7%
	61,990	73,742	-11,752	-15.9%
	1,810,022	-	1,810,022	*
	18,811,116	17,984,164	826,952	4.6%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	36.9%	41.1%	-4.2%	-10.2%
Medicare Managed Care	6.9%	5.4%	1.5%	27.8%
Medi-Cal	13.8%	13.9%	-0.1%	-0.7%
Self Pay	3.9%	2.3%	1.6%	69.6%
Commercial & Other Government	31.1%	34.2%	-3.1%	-9.1%
Worker's Comp.	3.0%	2.7%	0.3%	11.1%
Capitated	0.3%	0.4%	-0.1%	-25.0%
Prior Period Adj/IGT	4.1%	0.0%	4.1%	*
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
	35.8%	38.6%	-2.9%	-7.5%
	5.8%	5.5%	0.3%	5.5%
	11.2%	13.7%	-2.5%	-18.2%
	3.8%	2.2%	1.6%	72.7%
	30.8%	36.7%	-5.9%	-16.1%
	2.7%	2.9%	-0.2%	-6.9%
	0.3%	0.4%	-0.1%	-25.0%
	9.6%	0.0%	9.7%	*
	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	16.9%	18.5%	-1.6%	-8.6%
Medicare Managed Care	17.0%	15.8%	1.2%	7.6%
Medi-Cal	17.6%	15.6%	2.0%	12.8%
Self Pay	35.7%	40.0%	-4.3%	-10.8%
Commercial & Other Government	30.0%	35.7%	-5.7%	-16.0%
Worker's Comp.	22.5%	21.4%	1.1%	5.1%
Capitated	3.7%	3.2%	0.5%	15.6%
Prior Period Adj/IGT	0.9%	0.0%	0.9%	*

	Actual	Budget	Variance	% Variance
	16.3%	17.4%	-1.1%	-6.3%
	14.2%	16.0%	-1.8%	-11.3%
	14.3%	15.3%	-1.0%	-6.5%
	37.0%	39.8%	-2.8%	-7.0%
	32.8%	38.7%	-5.9%	-15.2%
	22.2%	22.2%	0.0%	0.0%
	3.2%	3.2%	0.0%	0.0%
	2.1%	0.0%	2.1%	*

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended October 31, 2016

ATTACHMENT B

CURRENT MONTH					YEAR-TO-DATE			YTD
	Actual 10/31/16	Budget 10/31/16	Favorable (Unfavorable) Variance		Actual 10/31/16	Budget 10/31/16	Favorable (Unfavorable) Variance	Prior Year 10/31/15
Inpatient Utilization								
Discharges								
1	90	80	10	Acute	352	310	42	310
2	9	17	(8)	ICU	50	63	(13)	63
3	99	97	2	Total Discharges	402	373	29	373
4	9	13	(4)	Newborn	53	52	1	52
5	108	110	(2)	Total Discharges inc. Newborns	455	425	30	425
Patient Days:								
6	299	236	63	Acute	1,236	966	270	957
7	103	89	14	ICU	396	393	3	393
8	402	325	77	Total Patient Days	1,632	1,359	273	1,350
9	14	29	(15)	Newborn	94	108	(14)	108
10	416	354	62	Total Patient Days inc. Newborns	1,726	1,467	259	1,458
Average Length of Stay:								
11	3.3	3.0	0.4	Acute	3.5	3.1	0.4	3.1
12	11.4	5.2	6.2	ICU	7.9	6.2	1.7	6.2
13	4.1	3.4	0.7	Avg. Length of Stay	4.1	3.6	0.4	3.6
14	1.6	2.2	(0.7)	Newborn ALOS	1.8	2.1	0.3	2.1
Average Daily Census:								
15	9.6	7.6	2.0	Acute	10.0	7.9	2.2	7.8
16	3.3	2.9	0.5	ICU	3.2	3.2	0.0	3.2
17	13.0	10.5	2.5	Avg. Daily Census	13.3	11.0	2.2	11.0
18	0.5	0.9	(0.5)	Newborn	0.76	0.88	(0.1)	0.88
Long Term Care:								
19	512	666	(154)	SNF Patient Days	2,307	2,526	(219)	2,526
20	30	35	(5)	SNF Discharges	115	113	2	113
21	16.5	21.5	(5.0)	Average Daily Census	18.8	20.5	(1.8)	20.5
Other Utilization Statistics								
Emergency Room Statistics								
22	852	820	32	Total ER Visits	3,607	3,457	150	3,457
Outpatient Statistics:								
23	4,586	5,103	(517)	Total Outpatients Visits	18,522	19,586	(1,064)	19,586
24	42	45	(3)	IP Surgeries	161	158	3	127
25	84	108	(24)	OP Surgeries	323	429	(106)	378
26	29	31	(2)	Special Procedures	198	131	67	131
27	880	886	(6)	Home Health Visits	3,772	3,544	228	3,794
28	336	347	(11)	Adjusted Discharges	1,310	1,291	19	1,326
29	2,380	2,603	(223)	Adjusted Patient Days (Inc. SNF)	9,989	10,331	(342)	10,586
30	76.8	84.0	(7.2)	Adj. Avg. Daily Census (Inc. SNF)	81.2	84.0	(2.8)	86.1
31	1.5890	1.4000	0.189	Case Mix Index -Medicare	1.7452	1.4000	0.345	1.5449
32	1.6497	1.4000	0.250	Case Mix Index - All payers	1.5863	1.4000	0.186	1.4616
Labor Statistics								
33	280	287	6.5	FTE's - Worked	282	285	3.0	282
34	316	320	4.1	FTE's - Paid	319	318	(1.5)	315
35	39.83	40.49	0.66	Average Hourly Rate	39.76	40.59	0.83	39.65
36	23.4	21.7	(1.7)	Manhours / Adj. Pat Day	22.4	21.6	(0.8)	20.9
37	166.1	163.0	(3.1)	Manhours / Adj. Discharge	170.8	172.4	1.7	166.8
38	23.0%	22.5%	-0.5%	Benefits % of Salaries	23.2%	22.6%	-0.6%	22.4%
Non-Labor Statistics								
39	12.6%	12.0%	-0.7%	Supply Expense % Net Revenue	11.9%	11.5%	-0.4%	10.9%
40	1,778	1,620	(158)	Supply Exp. / Adj. Discharge	1,761	1,662	(99)	1,526
41	15,066	15,044	(23)	Total Expense / Adj. Discharge	16,111	15,950	(160)	15,129
Other Indicators								
42	11.0			Days Cash - Operating Funds				
43	49.7	50.0	(0.3)	Days in Net AR	51.3	50.0	1.3	49.1
44	102%			Collections % of Net Revenue	109%			103.2%
45	46.5	55.0	(8.5)	Days in Accounts Payable	46.5	55.0	(8.5)	12.9
46	21.8%	21.9%	-0.1%	% Net revenue to Gross revenue	22.2%	21.9%	0.2%	22.8%
47	26.0%			% Net AR to Gross AR	26.0%			22.9%

Sonoma Valley Health Care District
Balance Sheet
As of October 31, 2016

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 1,785,152	\$ 947,230	\$ 1,966,866
2	Trustee Funds	1,690,566	1,690,214	1,302,578
3	Net Patient Receivables	8,643,574	8,599,231	8,029,749
4	Allow Uncollect Accts	(1,060,164)	(1,054,458)	(701,798)
5	Net A/R	7,583,410	7,544,773	7,327,952
6	Other Accts/Notes Rec	6,967,761	6,978,947	7,478,317
7	3rd Party Receivables, Net	2,451,242	2,498,653	338,629
8	Inventory	820,192	797,076	760,898
9	Prepaid Expenses	808,704	906,026	737,546
10	Total Current Assets	\$ 22,107,027	\$ 21,362,919	\$ 19,912,785
12	Property, Plant & Equip, Net	\$ 53,442,292	\$ 53,566,209	\$ 53,940,240
13	Specific Funds	186,368	486,088	282,799
14	Other Assets	144,911	144,537	143,691
15	Total Assets	\$ 75,880,598	\$ 75,559,753	\$ 74,279,516
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,398,692	\$ 4,053,256	\$ 3,209,382
17	Accrued Compensation	3,883,737	3,656,295	3,943,153
18	Interest Payable	330,797	220,532	342,768
19	Accrued Expenses	1,369,681	1,290,486	1,371,814
20	Advances From 3rd Parties	117,071	171,054	1,406,493
21	Deferred Tax Revenue	3,975,269	4,472,178	3,942,219
22	Current Maturities-LTD	1,697,025	1,693,049	1,697,025
23	Line of Credit - Union Bank	7,536,234	6,723,734	5,923,734
24	Other Liabilities	546,297	545,923	225,495
25	Total Current Liabilities	\$ 22,854,803	\$ 22,826,507	\$ 22,062,083
26	Long Term Debt, net current portion	\$ 36,881,059	\$ 36,925,354	\$ 37,284,077
27	Fund Balances:			
28	Unrestricted	\$ 12,953,705	\$ 12,735,598	\$ 12,761,165
29	Restricted	3,191,032	3,072,295	2,172,191
30	Total Fund Balances	\$ 16,144,736	\$ 15,807,892	\$ 14,933,356
31	Total Liabilities & Fund Balances	\$ 75,880,598	\$ 75,559,753	\$ 74,279,516

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 31, 2016

ATTACHMENT D

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual	Budget	\$	%		Actual	Budget	\$	%	Prior Year
					Volume Information					
1	99	97	2	2%	Acute Discharges	402	373	29	8%	373
2	512	666	(154)	-23%	SNF Days	2,307	2,526	(219)	-9%	2,526
3	880	886	(6)	-1%	Home Care Visits	3,772	3,544	228	6%	3,794
4	13,347	13,249	98	1%	Gross O/P Revenue (000's)	\$ 52,801	\$ 52,911	(110)	0%	\$ 51,328
					Financial Results					
					Gross Patient Revenue					
5	\$ 6,694,534	\$ 5,841,640	852,894	15%	Inpatient	\$ 26,537,197	\$ 23,072,313	3,464,884	15%	\$ 21,024,033
6	6,858,647	7,643,867	(785,220)	-10%	Outpatient	26,815,131	30,794,842	(3,979,711)	-13%	29,686,321
7	6,230,254	5,303,923	926,331	17%	Emergency	24,834,815	20,909,335	3,925,480	19%	20,600,774
8	1,629,163	2,304,404	(675,241)	-29%	SNF	7,885,507	8,924,095	(1,038,588)	-12%	8,674,563
9	307,560	301,691	5,869	2%	Home Care	1,309,924	1,206,764	103,160	9%	1,239,266
10	\$ 21,720,158	\$ 21,395,525	324,633	2%	Total Gross Patient Revenue	\$ 87,382,574	\$ 84,907,349	2,475,225	3%	\$ 81,224,957
					Deductions from Revenue					
11	\$ (17,159,058)	\$ (16,758,105)	(400,953)	-2%	Contractual Discounts	\$ (69,772,250)	\$ (66,514,309)	(3,257,941)	-5%	\$ (63,949,459)
12	(150,000)	(66,250)	(83,750)	-126%	Bad Debt	(500,000)	(265,000)	(235,000)	-89%	(240,000)
13	(5,800)	(35,969)	30,169	84%	Charity Care Provision	(109,230)	(143,876)	34,646	24%	(133,957)
14	187,425	-	187,425	*	Prior Period Adj/Government Program Revenue	1,810,022	-	1,810,022	*	969,694
15	\$ (17,127,433)	\$ (16,860,324)	(267,109)	2%	Total Deductions from Revenue	\$ (68,571,458)	\$ (66,923,185)	(1,648,273)	2%	\$ (63,353,722)
16	\$ 4,592,725	\$ 4,535,201	57,524	1%	Net Patient Service Revenue	\$ 18,811,116	\$ 17,984,164	826,952	5%	\$ 17,871,235
17	\$ 133,982	\$ 155,771	(21,789)	-14%	Risk contract revenue	\$ 512,301	\$ 623,084	(110,783)	-18%	\$ 618,199
18	\$ 4,726,707	\$ 4,690,972	35,735	1%	Net Hospital Revenue	\$ 19,323,417	\$ 18,607,248	716,169	4%	\$ 18,489,434
19	\$ 25,751	\$ 24,351	1,400	6%	Other Op Rev & Electronic Health Records	\$ 106,159	\$ 97,404	8,755	9%	\$ 112,459
20	\$ 4,752,458	\$ 4,715,323	37,135	1%	Total Operating Revenue	\$ 19,429,576	\$ 18,704,652	724,924	4%	\$ 18,601,893
					Operating Expenses					
21	\$ 2,221,223	\$ 2,287,807	66,584	3%	Salary and Wages and Agency Fees	\$ 8,893,684	\$ 9,035,964	142,280	2%	\$ 8,767,435
22	850,443	\$ 840,719	(9,724)	-1%	Employee Benefits	3,466,471	3,369,463	(97,008)	-3%	3,295,444
23	\$ 3,071,666	\$ 3,128,526	56,860	2%	Total People Cost	\$ 12,360,155	\$ 12,405,427	45,272	0%	\$ 12,062,879
24	\$ 402,635	\$ 397,207	(5,428)	-1%	Med and Prof Fees (excl Agency)	\$ 1,551,923	\$ 1,550,935	(988)	0%	\$ 1,345,368
25	597,250	561,691	(35,559)	-6%	Supplies	2,307,529	2,146,231	(161,298)	-8%	2,022,957
26	267,953	355,658	87,705	25%	Purchased Services	1,195,023	1,379,134	184,111	13%	1,088,758
27	277,933	293,214	15,281	5%	Depreciation	1,111,216	1,172,856	61,640	5%	1,164,199
28	110,657	100,684	(9,973)	-10%	Utilities	440,055	395,755	(44,300)	-11%	409,880
29	29,292	33,417	4,125	12%	Insurance	117,168	133,416	16,248	12%	100,899
30	33,438	35,863	2,425	7%	Interest	133,089	135,000	1,911	1%	169,742
31	121,471	161,567	40,096	25%	Other	537,111	671,849	134,738	20%	710,473
32	-	-	-	*	Matching Fees (Government Programs)	747,361	-	(747,361)	*	368,026
33	\$ 4,912,295	\$ 5,067,827	155,532	3%	Operating expenses	\$ 20,500,630	\$ 19,990,603	(510,027)	-3%	\$ 19,443,181
34	\$ (159,837)	\$ (352,504)	192,667	55%	Operating Margin	\$ (1,071,054)	\$ (1,285,951)	214,897	17%	\$ (841,288)

ATTACHMENT D

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 31, 2016**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
35	\$ (11,194)	\$ (21,610)	10,416	-48%
36	39,995	-	39,995	0%
37	(37,500)	(37,500)	-	0%
38	250,000	250,000	-	0%
39	\$ 241,301	\$ 190,890	50,411	26%
40	\$ 81,464	\$ (161,614)	243,078	-150%
41	\$ 50,224	\$ 20,698	29,526	143%
42	\$ 68,513	\$ -	68,513	0%
43	\$ 200,201	\$ (140,916)	341,117	-242%
44	246,909	246,909	-	0%
45	(110,266)	(110,266)	-	0%
46	\$ 336,844	\$ (4,273)	341,117	-7983%
	\$ 392,835	\$ 167,463		
	8.3%	3.6%		
	\$ 359,397	\$ 131,600		
	7.6%	2.8%		

Non Operating Rev and Expense
 Miscellaneous Revenue/(Expenses)
 Donations
 Physician Practice Support-Prima
 Parcel Tax Assessment Rev
Total Non-Operating Rev/Exp

Net Income / (Loss) prior to Restricted Contributions

Capital Campaign Contribution
 Restricted Foundation Contributions
Net Income / (Loss) w/ Restricted Contributions

GO Bond Tax Assessment Rev
 GO Bond Interest

Net Income/(Loss) w GO Bond Activity

EBIDA - Not including Restricted Contributions

EBDA - Not including Restricted Contributions

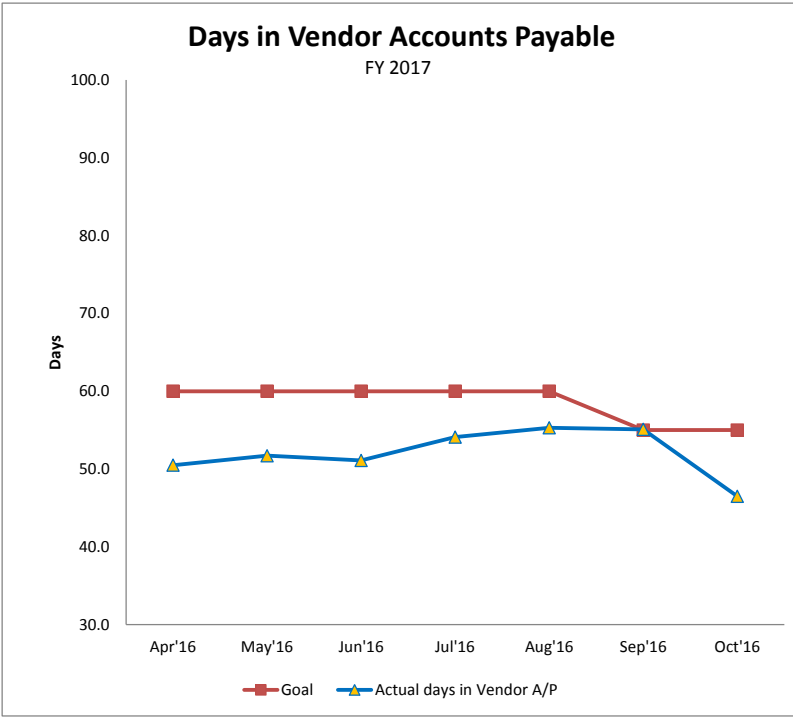
	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
	\$ (73,102)	\$ (65,936)	(7,166)	*	\$ 8,434
	53,088	-	53,088	0%	0
	(150,000)	(150,000)	-	0%	(150,000)
	1,000,378	1,000,000	378	0%	1,001,954
	\$ 830,364	\$ 784,064	46,300	6%	\$ 860,388
	\$ (240,690)	\$ (501,887)	261,197	-52%	\$ 19,100
	\$ 60,809	\$ 82,792	(21,983)	-27%	\$ 121,816
	\$ 115,384	\$ -	115,384	100%	\$ -
	\$ (64,497)	\$ (419,095)	354,598	-85%	\$ 140,916
	987,636	987,636	-	0%	971,108
	(456,707)	(456,708)	1	0%	(460,697)
	\$ 466,432	\$ 111,833	354,599	317%	\$ 651,327
	\$ 1,003,615	\$ 805,969			\$ 1,353,041
	5.2%	4.4%			7.3%
	\$ 870,526	\$ 670,969			
	4.5%	3.6%			

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended October 31, 2016

	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	29	2	
2 SNF Days	(219)	(154)	
3 Home Care Visits	228	(6)	
4 Gross O/P Revenue (000's)	(110)	98	
Financial Results			
Gross Patient Revenue			
5 Inpatient	3,464,884	852,894	Patient Days are 402 vs. budgeted expectations of 325 and inpatient surgeries are 42 vs. budgeted expectations of 45.
6 Outpatient	(3,979,711)	(785,220)	Outpatient surgeries are 84 vs. budgeted expectations 108.
7 Emergency	3,925,480	926,331	ER visits are 852 vs. budgeted visits of 820
8 SNF	(1,038,588)	(675,241)	SNF patient days are 512 vs. budgeted expected days of 666.
9 Home Care	103,160	5,869	HHA visits are 880 vs. budgeted expectations of 886.
10 Total Gross Patient Revenue	2,475,225	324,633	
Deductions from Revenue			
11 Contractual Discounts	(3,257,941)	(400,953)	
12 Bad Debt	(235,000)	(83,750)	
13 Charity Care Provision	34,646	30,169	
14 Prior Period Adj/Government Program Revenue	1,810,022	187,425	Prime Grant
15 Total Deductions from Revenue	(1,648,273)	(267,109)	
Net Patient Service Revenue	826,952	57,524	
17 Risk contract revenue	(110,783)	(21,789)	Blue Shield capitation received was under budget.
18 Net Hospital Revenue	716,169	35,735	
19 Other Op Rev & Electronic Health Records	8,755	1,400	
20 Total Operating Revenue	724,924	37,135	
Operating Expenses			
21 Salary and Wages and Agency Fees	142,280	66,584	Salaries and Wages were under budget by \$75,004 and agency fees were over budget by (\$8,420).
22 Employee Benefits	(97,008)	(9,724)	PTO was over budget by (\$10,770) and Employee benefits were under by \$1,046.
23 Total People Cost	45,272	56,860	
24 Med and Prof Fees (excl Agency)	(988)	(5,428)	
25 Supplies	(161,298)	(35,559)	Supplies are over budget due to implant costs being over budget by (\$56,910), this is due to an increase of total joint replacement procedures compared to last fiscal year. These costs are normally recovered with insurance reimbursements.
26 Purchased Services	184,111	87,705	Budgeted services not used in October.
27 Depreciation	61,640	15,281	
28 Utilities	(44,300)	(9,973)	PG&E uses a 3rd party for gas and the cost has increased for the hospital.
29 Insurance	16,248	4,125	
30 Interest	1,911	2,425	
31 Other	134,738	40,096	Budgeted other costs not used in October.
32 Matching Fees (Government Programs)	(747,361)	-	
33 Operating expenses	(510,027)	155,532	
Operating Margin	214,897	192,667	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	(7,166)	10,416	The medical offices timshare cost centers were under budget with expenses incurred and the hospital collected current and previous months rents.
36 Donations	53,088	39,995	Foundation grants received for purchased services and employee education and training.
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	378	-	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended October 31, 2016

	YTD	MONTH	
	Variance	Variance	
39			
40			
41			
42			
43			
44			
45			
46			

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Sonoma Valley Hospital
Statistical Analysis
FY 2017

ATTACHMENT G

Statistics	ACTUAL	BUDGET
	Oct-16	Oct-16
Acute		
Acute Patient Days	402	325
Acute Discharges (w/o Newborns)	99	97
SNF Days	512	666
HHA Visits	880	886
Emergency Room Visits	852	820
Gross Outpatient Revenue (000's)	\$13,347	\$13,249
Equivalent Patient Days	2,380	2,603
Births	9	12
Surgical Cases - Inpatient	42	45
Surgical Cases - Outpatient	84	108
Total Surgical Cases	126	153
Medicare Case Mix Index	1.59	1.40
Income Statement		
Net Revenue (000's)	4,727	4,691
Operating Expenses (000's)	\$4,912	\$5,068
Net Income (000's)	337	(4)
Productivity		
Total Operating Expense Per Equivalent Patient Day	\$2,064	\$1,947
Productive FTEs	280	287
Non-Productive FTE's	36	33
Total FTEs	316	320
FTEs per Adjusted Occupied Bed	4.11	3.81
Balance Sheet		
Days of Expense In General Operating Cash	11	
Net Days of Revenue in AR	50	50

ACTUAL												
Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15	Oct-15	Sep-15
407	437	386	334	386	409	426	417	404	351	316	325	376
95	105	103	95	85	97	99	101	124	109	85	97	92
624	608	563	526	529	578	580	671	710	648	544	666	607
1,042	890	960	942	844	999	879	889	933	915	1,088	948	948
897	918	940	907	940	912	945	919	864	863	841	820	871
\$13,512	\$13,336	\$12,605	\$13,465	\$13,827	\$12,542	\$14,266	\$12,049	\$12,184	\$12,274	\$11,900	\$13,103	\$12,774
2,707	2,581	2,322	2,381	2,545	2,636	2,886	2,628	2,771	2,614	2,384	2,691	2,565
14	17	14	14	13	17	17	9	17	21	14	11	11
37	39	43	31	36	26	31	34	26	32	24	36	36
81	85	73	93	87	92	110	93	98	104	90	95	91
118	124	116	124	123	118	141	127	124	136	114	131	127
1.97	1.58	1.84	1.64	1.73	1.47	1.48	1.50	1.41	1.35	1.69	1.53	1.69
4,406	4,919	5,172	4,980	4,610	4,481	4,484	4,614	4,522	4,729	4,029	4,655	4,739
\$4,807	\$5,310	\$5,472	\$5,450	\$5,267	\$5,143	\$4,968	\$4,987	\$4,932	4,829	4,665	4,931	4,931
(6)	(23)	59	(133)	(403)	(99)	(132)	39	19	575	245	104	170
\$1,776	\$2,057	\$2,356	\$2,289	\$2,069	\$1,951	\$1,721	\$1,898	\$1,780	\$1,847	\$2,022	\$1,832	\$1,922
283	286	278	287	300	292	293	296	271	277	292	299	280
36	35	42	37	32	32	33	28	48	41	30	28	32
319	321	320	324	332	324	326	324	319	317	322	327	312
3.54	3.86	4.28	4.08	4.16	3.70	3.50	3.58	3.57	3.77	4.05	3.77	3.65
6	15	11	9	9	13	10	12	14	21	9	13	18
50	50	55	57	55	50	50	52	53	51	53	47	49

Sonoma Valley Hospital
Cash Forecast
FY 2017

ATTACHMENT H

	Actual July	Actual Aug	Actual Sept	Actual Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	4,375,192	4,731,348	3,928,129	4,155,005	4,069,834	4,354,329	4,423,155	4,363,605	4,946,805	4,418,111	4,550,874	4,510,595	52,826,982
2 Capitation Revenue	127,594	124,410	126,315	133,982	155,771	155,771	155,771	155,771	155,771	155,771	155,771	155,766	1,758,464
3 Napa State	2,326	49,264	12,455	-									64,045
4 Other Operating Revenue	39,800	21,422	28,846	30,148	24,351	24,351	24,351	24,351	24,351	24,351	24,351	24,351	315,024
5 Other Non-Operating Revenue	20,788	46,700	32,026	71,410	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,617	327,804
6 Unrestricted Contributions	1,549	11,560	13,093	39,995									66,197
7 Line of Credit	190,000	(190,000)		812,500	(562,500)								250,000
Sub-Total Hospital Sources	4,757,249	4,794,704	4,140,864	5,243,040	3,707,065	4,554,060	4,622,886	4,563,336	5,146,536	4,617,842	4,750,605	4,710,329	55,608,516
Hospital Uses of Cash													
8 Operating Expenses	4,578,560	4,139,921	5,611,993	4,675,722	4,615,678	4,789,159	4,889,975	4,671,846	5,017,010	4,749,098	4,835,696	4,850,152	57,424,810
9 Less Depreciation					(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,217)	(2,345,715)
10 Add Capital Lease Payments	49,245	173,774	36,968	40,319									300,306
11 Additional AP		400,000			2,000,000	1,000,000	500,000	500,000	500,000	1,500,000		500,000	6,900,000
12 Capital - Board Approved Spending	60,776	43,811	62,997	155,782									323,366
13 Napa State													-
Total Hospital Uses	4,688,581	4,757,506	5,711,958	4,871,823	6,322,464	5,495,945	5,096,761	4,878,632	5,223,796	5,955,884	4,542,482	5,056,935	62,602,767
Net Hospital Sources/Uses of Cash	68,668	37,198	(1,571,094)	371,217	(2,615,399)	(941,885)	(473,875)	(315,296)	(77,260)	(1,338,042)	208,123	(346,606)	(6,994,251)
Non-Hospital Sources													
14 Restricted Cash/Capital Donations Donations	3,167	141,475	42,379	118,737	1,000,000								1,305,758
15 Electronic Health Records													-
16 Parcel Tax Revenue	179,365					1,600,000				1,400,000			3,179,365
17 Advancement - Foundation		400,000			(400,000)								-
18 Advancement - South Lot		263,453											263,453
19 Other:													-
20 IGT				343,950	1,283,647			300,000					1,927,597
21 IGT - AB915 (Net)								900,000					900,000
22 PRIME	375,000			1,125,000									1,500,000
Sub-Total Non-Hospital Sources	557,532	804,928	42,379	1,587,687	1,883,647	1,600,000	-	1,200,000	-	1,400,000	-	-	9,076,173
Non-Hospital Uses of Cash													
23 Matching Fees	187,575	188,984		1,120,982									1,497,541
Sub-Total Non-Hospital Uses of Cash	187,575	188,984	-	1,120,982	-	-	-	-	-	-	-	-	1,497,541
Net Non-Hospital Sources/Uses of Cash	369,957	615,944	42,379	466,705	1,883,647	1,600,000	-	1,200,000	-	1,400,000	-	-	7,578,632
Net Sources/Uses													
	438,625	653,142	(1,528,715)	837,922	(731,752)	658,115	(473,875)	884,704	(77,260)	61,958	208,123	(346,606)	
Cash and Equivalents at beginning of period	1,384,178	1,822,803	2,475,945	947,230	1,785,152	1,053,400	1,711,515	1,237,640	2,122,344	2,045,084	2,107,042	2,315,165	
Cash and Equivalents at end of period	1,822,803	2,475,945	947,230	1,785,152	1,053,400	1,711,515	1,237,640	2,122,344	2,045,084	2,107,042	2,315,165	1,968,559	

10.

ADMINISTRATIVE REPORT
NOVEMBER 2016



To: SVHCD Board of Directors
From: Kelly Mather
Date: 11/28/16
Subject: Administrative Report

Summary

The best news is that we have seen an increase in surgeries. In addition, the MRI marketing seemed to work as we reached an all time high of 140 visits. We are on track to meet budget for the first four months of the year. The expense reductions taken for the four months were effective. Finally, the long awaited cash is flowing in. The physician satisfaction survey went out this month and we hope to have results for the board at the January meeting. The staff forums were held this month and have been well received. We discussed the state of healthcare and how we are responding to the many changes. In addition, my CEO blog, focused on this subject and had positive reviews.

Dashboard and Trended Results

We have changed to a rolling 12 month average for patient satisfaction this year. September was very positive with 8/9 over the goal for Inpatient and 5/7 over the goal for Emergency. The quality pillar goal will be changed next year due to the fact that the value based purchasing score no longer reflects outcomes. It will require a new system to gather the quality metrics from each department, but it will be more reflective of quality metrics from operations. The salary increases will go into effect in January. Some staff will receive higher than 3% with our new compensation system that uses years of experience to determine salary. Staff members will receive a "total compensation" summary letter this year which should reduce some concerns about salaries.

Strategic Update:

Strategic Priorities	Update
Quality	We received 4/5 stars from CMS which puts the hospital in the top 25 th percentile on quality and safety. The new Leapfrog grade was published and we went up a grade.
1206(b) Clinic	The clinic opened on September 27, 2015. We are now investigating how to make this a rural health center next year which would increase reimbursement.
Increase Volumes	Surgeries are increasing. Outpatient volumes are also up, again. The marketing to increase SNF referrals has started and we hired an intake coordinator to increase volumes. We are looking into becoming a Bariatric Institute and have begun creating a Pain Management Center.
Parcel Tax Renewal	The parcel tax campaign committee is underway. The vote will be in March, 2017.
Physician Alignment	The new internist, Dr. Marino, starts on December 5 th . The concierge company is recruiting a replacement for Dr. Olness.
Canopy Health	Open enrollment is underway for UCSF and the CEO's of the 11 hospitals and physician organizations are meeting monthly.
Electronic Health Record	The upgrades will be complete by May of 2017.
Population Health	The Care Transitions program is now underway with the PRIME grant. We are now recruiting health coaches.

OCTOBER 2016 DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Rolling 12 month average of at least 5 out of 9 HCAHPS domain results above the 70 th percentile	1 out of 9 through September	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Rolling 12 month average of at least 4 out of 7 ERCAPS domain results above the 70 th percentile	1 out of 7 through September	6 = 5 (stretch) 5 = 4 4 = 3 (Goal) 3 = 2 2 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Safety Score at 80% or higher	68%	>85 = 5 (stretch) >80 = 4 >75 = 3 (Goal) >70 = 2 <70 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	4.33/5 or the 84 th percentile	>80th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	5.2%	>4% (stretch) >3.5%=4 >3.0% (Goal) >2.5%=2 <2.5%=1
	Efficiency and Financial Management	Meet FY 2017 Budgeted Expenses (excluding IGT)	\$19,753,269 (actual) \$19,990,603 (budget)	<2% = 5 (stretch) <1% = 4 <Budget=3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	484 YTD FY2017 505 YTD FY2016	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$53.0 mm YTD \$51.5 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	512 hours for 4 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2017 TRENDED RESULTS

MEASUREMENT	Goal FY 2017	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016
Inpatient Satisfaction	5/9	0	0	1	1								
Emergency Satisfaction	4/7	1	1	1	1								
VBP Safety score	>75	77.5	77.5	67	67								
Staff Satisfaction	>75th	84	84	84	84	91	91	91	91	84	84	84	84
FY YTD Turnover	<10%	.9	1.5	1.8	3.6	3.4	4.6	5.2	6.1	6.7	7.9	8.8	10
YTD EBIDA	>4%	4.5	3.8	4.2	5.2	5.7	6.6	6.2	6	5.6	5.2	4.7	4.4
Operating Revenue	>5m	5.1	5.0	4.5	4.7	4.1	4.7	4.5	4.6	4.5	4.3	4.6	4.9
Expense Management	<5m	4.9	5.1	4.8	4.9	4.6	4.8	4.9	4.9	4.9	5.1	5.2	5.4
Net Income	>50k	59	-23	94	336	244	575	19	203	-131	-99	-403	-132
Days Cash on Hand	>20	11	15	6	11	9	21	14	12	12	13	9	9
A/R Days	<50	55	50	50	50	53	51	53	52	50	50	55	57
Total FTE's	<315	320	321	319	316	322	317	319	324	326	324	332	324
FTEs/AOB	<4.0	4.28	3.86	3.54	4.11	4.1	3.77	3.57	3.58	3.5	3.7	4.16	4.08
Inpatient Discharges	>100	103	105	95	99	85	109	124	101	99	97	85	95
Outpatient Revenue	>\$13m	12.6	13.3	13.5	13.3	11.9	12.2	12.1	12.1	14.2	12.5	13.8	13.5
Surgeries	>130	116	124	118	126	114	136	124	127	141	118	123	124
Home Health	>950	960	890	1042	880	1088	915	933	889	879	999	844	942
Births	>15	14	17	14	9	14	24	17	9	17	17	13	14
SNF days	>600	563	608	624	512	544	648	710	671	580	578	529	526
MRI	>120	105	97	104	140	109	113	102	119	127	105	122	120
Cardiology (Echos)	>50	41	53	66	60	41	50	46	60	67	61	52	68
Laboratory	>12	11.2	12.2	11.4	12.6	11.6	11.4	11.9	12.1	12.4	12.0	11.9	11.8
Radiology	>850	902	944	1001	898	875	907	904	961	1010	963	926	1000
Rehab	>2700	2618	3008	3136	2575	2297	3003	2815	2708	2979	2780	2782	2948
CT	>300	365	327	412	367	381	323	379	352	398	333	373	348
ER	>900	940	918	897	852	841	863	864	919	945	912	940	907
Mammography	>425	400	475	421	434	406	492	446	437	432	384	457	420
Ultrasound	>300	281	310	288	288	246	290	296	304	317	325	285	255
Occupational Health	>650	602	724	741	797	681	683	600	597	757	663	679	651
Wound Care	>200	221	312	253	226	246	297	228	232	222	276	235	264

12.

REVISION TO
RESOLUTION No. 331
PARCEL TAX



Meeting Date: December 1, 2016
Prepared by: Peter Hohorst
Agenda Item Title: Parcel Tax Resolution

Recommendations:

Although the parcel tax resolution was approved at the Board meeting on October 6th, the wording of the resolution did not meet the current requirement for a ballot initiative and needed to be restated. Under new regulations that became effective on January 1, 2016, the total amount of revenue to be raised annually by a ballot initiative must be included in the ballot information. This information has been added to the parcel tax resolution and the change must now be approved by the Board.

Therefore, it is recommended that the Board approve the revised parcel tax resolution requesting the voters of the Sonoma Valley Health Care District approve, on March 7, 2017, a renewal of the parcel tax for five years at a rate of \$250 per parcel to provide adequate funding to ensure continued local access to emergency room care, acute hospital care, and other health care services.

Background:

Because our District has a higher proportion of seniors (+65) than most areas of the state (24% versus the state average of 15%.) and Medicare insurance reimburses the Hospital for patient services at a level that is below cost, community financial support is necessary to sustain the Hospital. By law, a Parcel Tax was, and still is, the only option available for a community to use in support of Hospital operations.

When the Sonoma Valley voters approved the first Parcel Tax in 2002 they understood that an Emergency Room could not be run as a stand-alone operation, but needed to be part of a Hospital. The 70% plus vote in support of the Parcel Tax in the past has indicated the voters' strong desire to retain an Emergency Room in the Valley. Because of the Parcel Tax support the Emergency Room has continued to remain open for all, regardless of the type of insurance, Medicare, Blue Shield, Kaiser, etc., and for patients with no insurance, regardless of ability to pay.

Going forward the trend for insurance reimbursement is not encouraging for a small local hospital.

- In the past year, 73.8 % of the Hospital's gross revenue came from State and Federal insurance, mostly Medicare, up from 70.2% in 2014. This rising trend is expected to continue.
- Medicare has always reimbursed hospitals at a level that is below the cost of these services.
- Medicare continues to tighten regulations and limit what will be "allowed" when a Hospital submits an invoice for medical services. These changes are then mimicked by the commercial insurance carriers, resulting in across the board reimbursement decreases.

And costs continue to rise, largely to maintain competitive salaries for nurses, physicians and staff and because of inflation's impact on the cost of medical supplies, utility bills, groceries and everything else that must be purchased.

The Hospital has responded positively to this financial challenge:

- Patient revenue has increased in each of the past four years.
- The Hospital's operating margin, although still negative, has improved in each of the past three years.
- All hospital departments had a positive contribution to overhead in 2016, the result of constant analysis and innovation.

Quality of care remains high.

- In 2016, the Hospital received a 4-star rating for quality and safety (out of a possible 5) from the Center for Medicare and Medicaid Services (CMS).
- The Hospital will earn an extra \$200,000 of reimbursement from Medicare in 2017 because of this rating. Only the top 25% of hospitals nationally qualify for this premium

Despite these and other impressive accomplishments, the Hospital has been unable to make progress on improving two important indicators of financial health.

- Cash on hand at the end of each month has averaged just 13 days during the past 24 months. (Note: one payroll is the equivalent to 9 days)
- Accounts Payable has hovered around 50 days of invoices outstanding. Most small businesses aim for a maximum of 30 days and pay some in 10 days to take discounts.

Based on these two indicators, the Hospital's margin for error in the uncertain future of health care is too small. The increase of \$55 in the parcel tax and continued aggressive management of Hospital operations will ensure that the Hospital can weather the anticipated and unanticipated changes emanating from Washington and Sacramento and continue to keep a local Emergency Room open in Sonoma Valley.

Consequences of Negative Action/Alternative Actions:

Without passage of the proposed parcel tax the District's revenues are not adequate to ensure continued local access to hospital emergency services, acute hospital care, and other critical hospital services.



SVHCD BOARD OF DIRECTORS

RESOLUTION No. 331 PARCEL TAX

WHEREAS, Sonoma Valley Health Care District (the "District") has established the mission of serving the health needs of the Sonoma Valley community through Sonoma Valley Hospital; and

WHEREAS, following the Board's adoption of District Resolution No. 308, in October of 2011, the voters of the District overwhelmingly approved the imposition of a real estate parcel tax of \$195 per taxable parcel per year for five years to provide adequate funding to ensure continued local access to emergency room care, acute hospital care, and other health care services for residents of the District; and

WHEREAS, the current parcel tax expires on June 30, 2017; and

WHEREAS, the District, like most in California, is experiencing the impact of reduced reimbursement by Federal, State and private health insurance programs, along with the decreased census in inpatient care created by changing regulations, and

WHEREAS, the reimbursement revenue from Federal and State insurance programs for these services is below the cost of providing these services; and

WHEREAS, in Fiscal Year 2016, 74% of District services provided were to patients with Federal or State health insurance, and

WHEREAS, the District is authorized under Section 53730.01 of the California Government Code to impose special taxes uniformly on all real property within its boundaries (a parcel tax); and

WHEREAS, the District is not authorized to impose any tax other than a parcel tax to support Hospital operations.

WHEREAS, without the parcel tax revenues, the District's revenues do not provide adequate funding to ensure continued local access to hospital emergency room care, acute hospital care, and other hospital services for residents of the District; and

THEREFORE, WE RESOLVE that:

1. The District hereby proposes to renew the parcel tax, as authorized under Section 53730.01 of the California Government Code that it will use to ensure continued local access to hospital emergency room care, acute hospital care, and other hospital services for residents of the District and it will not use the parcel tax for capital improvements, other than improvements made in connection with the day-to-day operational needs of the District.

2. The District hereby calls an election for March 7, 2017, to be held within the boundaries of the District, and requests the Board of Supervisors of the County of Sonoma (the "County") to consolidate that election with all other elections to be held on such date, on the measure set forth in Section 3.

3. The District hereby sets the full text of the measure to be placed on the ballot for the election of March 7, 2017, as follows:

The District will renew the parcel tax levy on each taxable parcel of land within the District, at an annual rate of up to \$250 per parcel for five (5) years.

The purpose of the parcel tax will be to supplement State and Federal insurance payments which are below the cost of providing hospital services in order to ensure continued local access to hospital emergency room care, acute hospital care, and other hospital services for residents of the District and visitors to the area.

The parcel tax will not be used for capital improvements other than improvements made in connection with the day-to-day operational needs of the District.

The District's appropriations limit will be established at an amount equal to the available funding during the first year of the parcel tax at the rate of \$250 per parcel.

The amount of money to be raised annually by the parcel tax levy is estimated to be \$3.8 million.

Taxable parcels are those that appear on the annual secured County property tax roll.

The following exemption will apply to the levy and collection of the parcel tax: with respect to multiple parcels that are contiguous and in the same ownership and that cannot be individually sold, leased (except for agricultural purposes) or financed, only one such parcel will be subject to the parcel tax.

The District will continue to employ its currently established administrative review process to grant exemptions and consider appeals with respect to contiguous parcels.

The parcel tax revenues will be deposited into a fund held by the County Treasurer.

The District will cause to be filed an annual report with its Board of Directors, commencing not later than January 1, 2018, and annually thereafter, which report will be

for the year ended June 30 of the prior year and contain information regarding the amount of parcel tax revenues collected and expended.

4. The District hereby sets the abbreviated ballot form of the measure appearing in Section 3 as follows:

Shall the Sonoma Valley Health Care District renew its expiring parcel tax for five years at up to \$250 per parcel per year in order to assure the continued operation of the hospital emergency room, offset continuing reductions in reimbursements by Federal and State health insurance programs which are below the cost of providing hospital services and ensure the availability of acute hospital care and other hospital services at Sonoma Valley Hospital? The amount of money to be raised annually by the parcel tax levy is estimated to be \$3.8 million.

5. The District hereby proposes to establish its appropriations limit under Article XIII B of the California Constitution at an amount equal to the amount of available funding for the first year of the parcel tax at the rate of \$250 per parcel. "Available funding" will have the same meaning under this Resolution as is given the term "proceeds of taxes" in Article XIII B of the California Constitution.

6. The County Tax Collector will collect the parcel tax at the same time that it collects the general and ad valorem taxes, and along with the collection of those taxes. The parcel tax will be subject to the same penalties as general and ad valorem taxes.

7. The District will impose the parcel tax only if two-thirds (2/3) of those voting approve it.

PASSED AND ADOPTED on December 1, 2016 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Jane Hirsch, Chair
SONOMA VALLEY HEALTH CARE
DISTRICT

ATTEST:

Bill Boerum, Secretary
SONOMA VALLEY HEALTH CARE
DISTRICT