



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
REGULAR MEETING **AGENDA**
Tuesday, October 27, 2015, 5:00 p.m.**

**Location: Schantz Conference Room
Sonoma Valley Hospital – 347 Andrieux Street, Sonoma CA 95476**

TOLL FREE CALL-IN NUMBER: 866 228-9900 GUEST CODE: 294221		
AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</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 that 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 for Committee consideration.	<i>Fogg</i>	
3. CONSENT CALENDAR <ul style="list-style-type: none"> • Revised FC Meeting Minutes, 8.25.15 • FC Meeting Minutes, 9.22.15 	<i>Fogg</i>	Action
4. ADMINISTRATIVE REPORT OCTOBER 2015	<i>Nevins</i>	Inform
5. FINANCIAL REPORT MONTH ENDING SEPTEMBER 30, 2015	<i>Jensen</i>	Inform
6. FINANCIAL IMPACTS THROUGH FY 2016	<i>Jensen</i>	Inform/Action
7. SCAN UPDATE	<i>Jensen</i>	Inform/Action
8. REPORT OF FINAL AUDIT 2016	<i>Jensen</i>	Inform/Action
9. CAPITAL SPENDING FY 2016	<i>Tarver</i>	Inform/Action
10. ADJOURN Next meeting November 24, 2015.	<i>Fogg</i>	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE
DISTRICT
FINANCE COMMITTEE MEETING
MINUTES**

**Tuesday, August 25, 2015
Schantz Conference Room**

Present	Excused/Absent	Staff	Public
Phil Woodward Peter Hohorst Mary Smith Stephen Berezin Sharon Nevins S. Mishra, M.D. (by phone) Steve Barclay (by phone)	Keith Chamberlin M.D., MBA Dick Fogg	Kelly Mather Ken Jensen Jeannette Tarver Michelle Donaldson Gigi Betta	Sam McCandless

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community's health care journey.</i>		
1. CALL TO ORDER	<i>Nevins</i>		
	Meeting called to order at 5:00pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
FC Meeting Minutes 7.28.15		MOTION by Woodward to approve <i>with correction</i> and 2 nd by Hohorst. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
4. ADMINISTRATIVE REPORT FOR JULY 2015	<i>Mather</i>	Inform	
	FY 2015 was more positive than the prior year; moving the financial services back to SVH with a dedicated CFO was key to overall improvement; Hospital Leadership did an excellent job controlling expenses; Surgery has made significant operational and financial changes that helped the bottom line,; EBIDA is 3.8% or \$1,971,952; Medi-Cal is now at over 20% and our commercial payer mix has dropped from 24% to 20%.; the Emergency Department experienced a 20% increase over prior year, accounts payable is \$3M verses almost \$6M at the beginning of the fiscal year; and patient satisfaction was excellent in May with many domain scores above the 90 th percentile.		
5. CAPITAL PLAN	<i>Jensen/Mather</i>	Action	
	Mr. Barclay moved approval of the Capital Plan and Mr. Hohorst seconded it. It was approved 6 to 1 with Mr. Woodward casting the no vote. Also, Mr. Jensen was asked to develop and present at a future meeting a 3-year cash plan with alternatives for funding the capital plan and paying down the line of credit as well as a related risk assessment should the cash plan's anticipated funding streams not materialize.	MOTION by Barclay to approve the Capital Plan and 2 nd by Hohorst.	
6. NURSE CALL STATION UPDATE	<i>Jensen</i>	Inform	
	The Nurse Call Station replacement equipment is in process of obtaining approvals and a temporary system is in place.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
7. FINANCIAL REPORT FOR MONTH ENDING JULY 31, 2015	<i>Jensen</i>	Inform/Action	
	<p>There have been changes to Financial Report format and presentation as follows: the Statement of Revenue and Expenses is now in 2-page landscape format; instead of itemizing the variances in the narrative as line items, they included a separate summary with more detailed explanations; the cash forecast has been split into two sections; and there's a separate schedule for gross and net revenue by payer source.</p> <p>After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for July was \$42,569 vs. a budgeted net income of \$23,876. The total net income for July after all activity was \$202,834 vs. a budgeted net income of \$204,739.</p>	MOTION	
8. AUDIT STATUS UPDATE	<i>Jensen</i>		
	<p>SVHCD independent auditors are in the process of conducting their audit at the Hospital and everything is on target. Ms. Nevins will meet with the auditors this Friday, August 28, 2015.</p> <p>The final audit report will be presented to the Audit Committee on October 27, 2015 at 4:00pm in the Schantz Conference Room.</p> <p>The Finance Committee is invited to attend the Audit Committee meeting.</p>		
9. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 5:55pm		



**SONOMA VALLEY HEALTH CARE
 DISTRICT
 FINANCE COMMITTEE MEETING
 MINUTES
 Tuesday, SEPTEMBER 22, 2015
 Schantz Conference Room**

Present	Excused/Absent	Staff	Public
Phil Woodward Peter Hohorst Mary Smith Stephen Berezin Sharon Nevins Steve Barclay (by phone) Dick Fogg	Keith Chamberlin, MD, MBA S. Mishra, M.D.	Ken Jensen Jeannette Tarver Michelle Donaldson Gigi Betta	Sam McCandless

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community's health care journey.</i>		
1. CALL TO ORDER	<i>Fogg</i>		
	Meeting called to order at 5:00pm		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
FC Meeting Minutes 8.25.15	Mr. Barclay reported that there was an omission on this Agenda and that it should have included an update on fluoroscopy. Mr. Jensen will follow up	Minutes not approved. Bring revised Minutes forward to FC meeting	Mr. Jensen will follow up with an

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>with an update and send it to the Committee.</p> <p>8.25.15 Minutes were not approved. They will be revised as follows and brought back to the 10.27.15 meeting.</p> <p><u>Agenda Item 5, Capital Plan on 8.25.15 FC Minutes was revised as follows:</u> <i>Mr. Barclay moved approval of the Capital Plan and Mr. Hohorst seconded it. It was approved 6 to 1 with Mr. Woodward casting the no vote. Also, Mr. Jensen was asked to develop and present at a future meeting a three-year cash plan with alternatives for funding the capital plan and paying down the line of credit as well as a related risk assessment should the cash plan's anticipated funding streams not materialize.</i></p> <p><u>Agenda Item 8, Audit Status Update in 8.25.15 Minutes was amended as follows:</u> <i>The Finance Committee is invited to attend the Audit Committee meeting</i></p>	on 10.27.15.	update on fluoroscopy and email it to the Committee.
1. ADMINISTRATIVE REPORT FOR AUGUST 2015	<i>Nevins</i>	Inform	
	<p>Mr. Barclay asked for the deadline to add the Parcel Tax Renewal Measure to the ballot. Mr. Hohorst informed the Committee that the deadline is October 2016 and explained this is a Special Election and if the measure should not receive 2/3 vote in spring 2017, it can be added to the General Election in November 2017.</p> <p>Ms. Mather is currently chairing a CEO Committee comprised of Sharon Nevins, Peter Hohorst, Kelly Mather, Ken Jennings and Bob Kenney to gather and</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>review perceptions in the community and to provide guidance on issues that may come up during a parcel tax campaign. This committee will not be responsible for raising funds for the Parcel Tax Campaign. The CEO Committee will be disbanded when the Board makes a decision on a renewal of the Parcel Tax in the fall of 2016. No salaried staff members will participate in the Parcel Tax Campaign.</p>		
<p>5. FINANCIAL REPORT FOR MONTH ENDING AUGUST 31, 2015</p>	<p><i>Jensen</i></p>	<p>Inform</p>	
	<p>Mr. Jensen was pleased to announce that actual financial performance for SVH for the first two months of the fiscal year was relatively on target with budgeted expectations. The actual loss of (\$229,180) from operations for August was \$94,412 better than the budgeted loss of (\$323,592). The year-to date actual loss from operations was (\$404,959) compared to the budgeted loss of (\$531,679). After accounting for all other activity, August net income was a positive \$174,563 vs. the budgeted expectation of \$92,907. Year-to-date the total net income was \$79,752 better than budget with a year to date EBIDA of 7.6% better than the budgeted 6.3%.</p> <p>ICD 10 Coding is mandated and goes live October 1, 2015. This coding is much more complicated than ICD 9 Codes and is expected to have a negative impact on cash in December and January. Management has planned on additional resources in order to mitigate impact. It appears that cash flow will be short around \$800,000 for the two month period. It is expected that the cash will eventually be</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	received. The hospital may need to access the line of credit to augment the temporary shortfall.		
6. DRAFT PLAN OF CASH SCENARIO	<i>Jensen</i>	Inform/Action	
	A full report on the Plan of Cash Scenario will be given at the next Finance Committee meeting after approval from Hospital management.		
7. AUDIT UPDATE	<i>Jensen</i>	Inform/Action	
	The final audit report will be presented at the Audit Committee meeting on October 27, 2015 at 4:00pm in the Schantz Conference Room at the Hospital.		
8. QUATERLY CAPITAL SPENDING UPDATE FOR MONTH ENDING JUNE 30, 2015	<i>Jensen</i>	Inform/Action	
9. ADJOURN	<i>Fogg</i>		
	<p><u>Announcements:</u> The Regular October Board meeting has been changed to Oct 13, 2015 at 6:00pm in the Basement Conference Room at the Hospital. Sandra Hernandez is making a presentation on the challenges small hospitals face.</p> <p>Ms. Nevins requested that Mr. Jensen present the SCAN report next month.</p> <p>Meeting adjourned at 6:00pm</p>		Ms. Nevins requested that Mr. Jensen present the SCAN report next month.

4.

CEO BOARD REPORT



To: Sonoma Valley Health Care District Board of Directors
From: Kelly Mather
Date: 10/8/15
Subject: Administrative Report

Summary

We have started off the new fiscal year well and are ahead of budget for the first three months of the year. The major focus for many of the team members this past month has been the conversion to ICD-10. A physician office staff luncheon was well attended and our team did an outstanding job preparing for this change. We are watching our cash very closely for the next few months just in case there is the anticipated slow down in receivables. Also, the leadership development institute was a great success. We continued to focus on overcoming the typical dysfunctions for teams such as conflict, accountability, trust, communication and agreeing on a common goal or vision for the organization. At this retreat, we also asked for more direct input from the team leaders on the vision for the future of SVH.

Dashboard and Trended Results

The patient satisfaction goals have been increased and while we are inconsistent, we did meet the inpatient goal in July. Emergency satisfaction is not as high as usual. There are several new physicians now working in the E.R. Progress was made on the VBP score and it is now at goal of 52 and we are .25 away from the 90th percentile again. We are succeeding in meeting our EBIDA goal and expense management has been very good. The main concern is days of cash on hand, which is still below 20 as the parcel tax monies will not be received until December. On the community outreach front, we have exceeded our goals and put on many excellent and well attended health education events in September and October.

Strategic Update

Quality: The annual Performance Improvement Fair was held on September 30th and the projects and boards were excellent this year.

Physician Outreach: The physician satisfaction survey will go out in October.

Optimization of each Service Area: OB is now complete. Home Care suspended for ICD-10 and will finish by December. The MAJOR project will be inpatient, which will start in January.

Time Share: If the pain management and the Nephrologists sign leases, the time share will be full. Marketing of our many specialist options in Sonoma begins this winter.

Outpatient Services: Satellite Healthcare will likely begin construction in December and will be in the old Emergency Department.

Employer Direct Program: We have signed the agreement and should see increased volumes for Bariatrics, Orthopedics and GYN as a result of this program.

Parcel tax renewal vote in 2017: The committee will meet again this month and has elected to schedule a vote in Spring 2017 for renewal. The length of time and amount requested has not been decided.

Population Health: We are writing a grant and are beginning a pilot for the Community Care Network for MediCal patients. The fall class for Wellness University is half way complete. The Health Roundtable sponsored education on ACE (Adverse Childhood Events) with Hanna Boys Center was well done.

Community Opinion Survey: The survey is complete with 317 respondents.

Philanthropy: The Foundation has raised \$350k toward the new 3D mammography unit. The project will cost \$550k.

AUGUST DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 9 HCAHPS domain results above the 70 th percentile	5 out of 9 in July	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain at least 5 out of 7 ERCAPS domain results above the 70 th percentile	2 out of 7 in July	7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 3 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 50 or higher	52 (80 TH percentile)	>55 = 5 (stretch) >52 = 4 >50 =3 (Goal) >47=2 <40 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	79.6% mean score at 91st percentile	>80th = 5 (stretch) >77th=4 >75th=3 (Goal) >72nd=2 <70 th =1
Finance	Financial Viability	YTD EBIDA	7.6%	>5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$9,581,461 (actual) \$9,836,210 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	247 YTD FY2014 268 YTD FY2015	>3% = 5 >2% = 4 >1% = 3 (Goal)
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$25.4 mm YTD \$21.2 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	404.25 hours for 2 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2015	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Inpatient Satisfaction	6/9	5		5	6	4	5	3	6	7	4	7	
Emergency Satisfaction	5/7	2											
Value Based Purchasing Clinical Score	>50	52									47	48	48
Staff Satisfaction	>75th	91	91	76	76	76	76	76	91	91	91	91	91
FY YTD Turnover	<10%	1.2	1.2	2.6	3.6	4.6	4.9	5.5	6.5	7.4	7.6	8	8.3
YTD EBIDA	>4%	8.2	7.6	4.9	7.3	6.5	6.7	6.9	6.2	5.4	4.7	4.2	3.8
Net Operating Revenue	>4.5m	4.48	4.6	3.8	4.7	4.0	4.1	4.4	4.6	4.1	4.1	4.1	4.5
Expense Management	<4.8m	4.7	4.8	4.4	4.6	4.4	4.3	4.6	5.0	4.7	4.8	4.6	5.1
Net Income	>50k	202	174	-381	304	67	-1	29	-211	-382	-278	74	139
Days Cash on Hand	>20	22	16	14	11	10	13	17	12	15	20	17	16
A/R Days	<50	46	45	48	51	51	49	53	48	47	47	43	47
Total FTE's	<315	313	310	303	304	303	300	299	303	310	304	307	309
FTEs/AOB	<4.0	3.6	3.77	3.49	4.01	4.1	4.12	4.12	3.46	3.79	4.05	3.91	3.36
Inpatient Discharges	>100	110	74	87	107	96	111	104	98	113	95	97	97
Outpatient Revenue	>\$11m	12.6	12.9	11.1	11.7	10.9	10.1	11.8	10.5	11.8	11.2	10.7	12.0
Surgeries	>130	125	122	122	155	118	117	129	136	137	144	118	122
Home Health	>1000	981	917	1111	1319	1090	1103	1097	1109	1232	1154	963	1014
Births	>15	16	15	21	13	16	18	11	11	16	7	11	24
SNF days	>660	619	634	597	527	580	596	654	607	669	487	626	669
MRI	>120	143	131	143	221	116	100	108	116	157	138	125	144
Cardiology (Echos)	>65	66	62	62	67	66	67	62	56	67	61	63	66
Laboratory	>12.5	12.1	12.2	13.0	13.0	11.5	11.4	12.5	11.5	12.1	12.3	11.9	12.3
Radiology	>850	1036	1011	900	1047	856	890	1111	1053	1156	1030	1014	965
Rehab	>2587	3014	2384	2468	3028	2634	3010	2478	2751	3113	3063	3008	2873
CT	>300	384	345	323	368	295	316	392	309	347	302	357	335
ER	>800	878	888	851	863	761	824	988	845	769	876	943	846
Mammography	>475	462	439	433	605	462	339	487	444	466	497	476	453
Ultrasound	>325	395	314	367	372	238	299	309	317	357	391	354	345
Occupational Health	>650	733	728	758	739	602	648	653	588	679	687	573	660

5.

FINANCIAL REPORT



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: October 27, 2015
Subject: Financial Report for the Month Ending September 30, 2015

The financial performance for Sonoma Valley Hospital continues to be on target with budgeted expectations. The actual loss of (\$178,713) from operations for September was \$270,793 better than the budgeted loss of (\$449,506). The year-to-date actual loss from operations is (\$583,672) compared to the budgeted loss of (\$981,185). After accounting for all other activity, the September net income was a positive \$169,805 vs. the budgeted expected loss of (\$33,007). Year-to-date the total net income was \$282,564 better than budget with a year to date EBIDA of 7.7% being better than the budgeted 5.0%.

For September, **gross patient revenue** was \$20,681,696, better than budget by \$2,330,335. Inpatient revenue was over budget by \$1,811,801 due to higher than expected acute patient days and inpatient surgeries along with a higher case mix than expected. Outpatient revenue was under budget by (\$434,445) due to lower than budgeted volumes and the ER gross revenue was over budget by \$1,097,583. SNF was under budget by (\$86,322) and Home Health was under budget by (\$58,282) due to volume. Home Health has had difficulty in recruiting a physical therapist. The payer mix was relatively consistent with the budget. Medi-Cal was at 19.3% of gross revenue vs. a budget of 17.5% and Commercial was at 20.5% of gross revenue vs. a budget of 21.1%.

Deductions from revenue were worse than budget by (\$1,899,810) primarily due to the gross revenue being higher than budget. The deduction would have been higher but the hospital recorded an IGT payment of \$409,840, which offset the actual amount.

After accounting for all other operating revenue, the **total operating revenue** was \$413,636 better than budget.

Operating Expenses of \$4,930,982 were over budget by \$142,843. Expenses included \$245,904 for the IGT matching payment. The significant negative variances were: Supplies were over budget due to the increased volume. Other Expenses are over budget due to annual costs which are evenly spread on the budget. Most other costs were under or close to budgeted expectations.



After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for September was \$27,886 vs. a budgeted net loss of (\$217,544). The total net income for September after all activity was \$169,805 vs. a budgeted net loss of (33,007).

EBIDA for the month of September was 7.8% vs. the budgeted 2.4%.

Patient Volumes – September

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	92	87	5	87
Newborn Discharges	10	12	-2	21
Acute Patient Days	376	319	57	291
SNF Patient Days	607	597	10	597
Home Care Visits	948	1,211	-263	1,111
OP Gross Revenue	12,774	12,169	605	11,149
Surgical Cases	127	122	5	122

Overall Payer Mix – September

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	48.3%	48.2%	0.1%	47.4%	48.7%	-1.3%
Medi-Cal	19.3%	17.5%	1.8%	19.1%	17.6%	1.5%
Self Pay	1.0%	1.9%	-0.9%	1.2%	1.8%	-0.6%
Commercial	20.5%	21.1%	-0.6%	20.7%	20.7%	0.0%
Managed MC	5.8%	4.8%	1.0%	5.9%	4.8%	1.1%
Workers Comp	2.3%	3.4%	-1.1%	2.8%	3.4%	-0.6%
Capitated	2.8%	3.1%	-0.3%	2.9%	3.0%	-0.1%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for September:

For the month of September the cash collection goal was \$3,437,115 and the Hospital collected \$3,085,355, or under the goal by \$351,760. The year-to-date cash goal is \$10,059,658 and the Hospital has collected \$10,274,795, or over the goal by \$215,137. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 18 days at September 30, 2015. Accounts Receivable increased from August, from 45.3 days to 49.4 days in September. Accounts Payable is up by \$289,773 from August and Accounts Payable days are at 48.0.

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 actual 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 September 30, 2015

ATTACHMENT A

September-15

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	10,009,863	8,797,401	1,212,462	6.6%
Medi-Cal	3,977,867	3,193,491	784,376	4.3%
Self Pay	196,386	339,184	-142,798	-0.8%
Commercial	4,269,617	3,944,644	370,903	2.0%
Medicare Managed Care	1,189,290	881,412	307,878	1.7%
Worker's Comp.	464,794	620,109	-155,315	-0.9%
Capitated	573,878	575,120	-1,242	0.0%
Total	20,681,696	18,351,361	2,376,265	13.0%

YTD

	Actual	Budget	Variance	% Variance
	28,578,389	28,058,505	519,884	0.9%
	11,519,764	10,118,478	1,401,286	2.4%
	694,811	1,031,463	(336,652)	-0.6%
	12,591,530	12,176,840	596,380	1.0%
	3,583,153	2,780,584	802,569	1.4%
	1,708,318	1,957,604	(249,286)	-0.4%
	1,754,120	1,751,739	2,381	0.0%
Total	60,430,085	57,875,213	2,736,562	4.8%

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,834,784	1,717,026	117,758	6.9%
Medi-Cal	532,270	475,711	56,559	11.9%
Self Pay	35,081	56,983	(21,902)	-38.4%
Commercial	1,496,422	1,450,278	46,144	3.2%
Medicare Managed Care	173,065	153,205	19,860	13.0%
Worker's Comp.	78,533	154,864	(76,331)	-49.3%
Capitated	23,521	19,674	3,847	19.6%
Prior Period Adj/IGT	409,840	125,250	284,590	227.2%
Total	4,583,516	4,152,991	430,525	10.4%

YTD

	Actual	Budget	Variance	% Variance
	5,488,589	5,620,283	(131,694)	-2.3%
	1,673,040	1,511,689	161,351	10.7%
	151,013	338,684	(187,670)	-55.4%
	4,282,631	4,268,580	14,052	0.3%
	554,993	433,713	121,280	28.0%
	384,701	469,978	(85,276)	-18.1%
	64,588	67,562	(2,974)	-4.4%
	766,794	375,750	391,044	104.1%
Total	13,366,350	13,086,238	280,112	2.1%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	40.0%	41.3%	-1.3%	-3.2%
Medi-Cal	11.6%	11.5%	0.2%	1.4%
Self Pay	0.8%	1.4%	-0.6%	-44.2%
Commercial	32.6%	34.9%	-2.3%	-6.5%
Medicare Managed Care	3.8%	3.7%	0.1%	2.4%
Worker's Comp.	1.7%	3.7%	-2.0%	-54.1%
Capitated	0.5%	0.5%	0.0%	8.3%
Prior Period Adj/IGT	8.9%	3.0%	5.9%	196.5%
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
	41.1%	42.9%	-1.9%	-4.4%
	12.5%	11.6%	1.0%	8.4%
	1.1%	2.6%	-1.5%	-56.3%
	32.0%	32.6%	-0.6%	-1.8%
	4.2%	3.3%	0.8%	25.3%
	2.9%	3.6%	-0.7%	-19.9%
	0.5%	0.5%	0.0%	-6.4%
	5.7%	2.9%	2.9%	99.8%
Total	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	18.3%	19.5%	-1.2%	-6.1%
Medi-Cal	13.4%	14.9%	-1.5%	-10.2%
Self Pay	17.9%	16.8%	1.1%	6.3%
Commercial	35.0%	36.8%	-1.7%	-4.7%
Medicare Managed Care	14.6%	17.4%	-2.8%	-16.3%
Worker's Comp.	16.9%	25.0%	-8.1%	-32.3%
Capitated	4.1%	3.4%	0.7%	19.8%
Prior Period Adj/IGT	2.0%	0.7%	1.3%	190.3%

	Actual	Budget	Variance	% Variance
	19.2%	20.0%	-0.8%	-4.1%
	14.5%	14.9%	-0.4%	-2.8%
	21.7%	32.8%	-11.1%	-33.8%
	34.0%	35.1%	-1.0%	-3.0%
	15.5%	15.6%	-0.1%	-0.7%
	22.5%	24.0%	-1.5%	-6.2%
	3.7%	3.9%	-0.2%	-4.5%
	1.3%	0.6%	0.6%	95.4%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended September 30, 2015**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 09/30/15</u>	<u>Budget 09/30/15</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 09/30/15</u>	<u>Budget 09/30/15</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 09/30/14</u>
				Inpatient Utilization				
				Discharges				
1	75	74	1	Acute	230	238	(8)	252
2	17	13	4	ICU	46	44	2	44
3	92	87	5	Total Discharges	276	281	(5)	296
4	10	12	(2)	Newborn	39	42	(3)	46
5	102	99	3	Total Discharges inc. Newborns	315	323	(8)	342
				Patient Days:				
6	266	230	36	Acute	721	737	(16)	707
7	110	89	21	ICU	304	292	12	294
8	376	319	57	Total Patient Days	1,025	1,029	(4)	1,001
9	27	33	(6)	Newborn	79	80	(1)	88
10	403	352	51	Total Patient Days inc. Newborns	1,104	1,109	(5)	1,089
				Average Length of Stay:				
11	3.5	3.1	0.4	Acute	3.1	3.1	0.0	2.8
12	6.5	6.7	(0.2)	ICU	6.6	6.7	(0.1)	6.7
13	4.1	3.6	0.4	Avg. Length of Stay	3.7	3.7	0.1	3.4
14	2.7	2.8	(0.0)	Newborn ALOS	2.0	1.9	(0.1)	1.9
				Average Daily Census:				
15	8.9	7.7	1.2	Acute	7.8	8.0	(0.2)	7.7
16	3.7	3.0	0.7	ICU	3.3	3.2	0.1	3.2
17	12.5	10.6	1.9	Avg. Daily Census	11.1	11.2	(0.0)	10.9
18	0.9	1.1	(0.2)	Newborn	0.86	0.87	(0.0)	0.96
				Long Term Care:				
19	607	597	10	SNF Patient Days	1,860	1,935	(75)	1,935
20	24	27	(3)	SNF Discharges	78	88	(10)	87
21	20.2	19.9	0.3	Average Daily Census	20.2	21.0	(0.8)	21.0
				Other Utilization Statistics				
				Emergency Room Statistics				
22	871	788	83	Total ER Visits	2,637	2,374	263	2,608
				Outpatient Statistics:				
23	4,632	5,009	(377)	Total Outpatients Visits	14,483	14,871	(388)	13,844
24	36	30	6	IP Surgeries	91	97	(6)	97
25	91	92	(1)	OP Surgeries	283	292	(9)	293
26	37	25	12	Special Procedures	100	93	7	93
27	948	1,211	(263)	Home Health Visits	2,846	3,669	(823)	3,366
				Home Health Patients	0	0	-	
28	303	338	(36)	Adjusted Discharges	967	982	(15)	986
29	2,565	2,705	(140)	Adjusted Patient Days (Inc. SNF)	7,895	7,879	16	7,557
30	85.5	90.2	(4.7)	Adj. Avg. Daily Census (Inc. SNF)	85.8	85.6	0.2	82.1
31	1.6861	1.4000	0.286	Case Mix Index -Medicare	1.5491	1.4000	0.149	1.5755
32	1.5490	1.4000	0.149	Case Mix Index - All payers	1.4368	1.4000	0.037	1.6072
				Labor Statistics				
33	280	281	1.1	FTE's - Worked	277	283	6.5	269
34	312	315	2.4	FTE's - Paid	311	317	5.3	306
35	39.76	39.29	(0.47)	Average Hourly Rate	39.44	39.33	(0.11)	37.70
36	20.8	19.9	(0.9)	Manhours / Adj. Pat Day	20.7	21.1	0.4	21.2
37	176.3	158.9	(17.5)	Manhours / Adj. Discharge	168.9	169.1	0.3	162.6
38	22.3%	23.3%	1.0%	Benefits % of Salaries	22.8%	22.7%	-0.1%	23.5%
				Non-Labor Statistics				
39	11.0%	11.6%	0.6%	Supply Expense % Net Revenue	10.6%	11.4%	0.9%	13.0%
40	1,717	1,477	(240)	Supply Exp. / Adj. Discharge	1,511	1,583	73	1,637
41	16,792	14,594	(2,198)	Total Expense / Adj. Discharge	15,480	15,362	(118)	14,608
				Other Indicators				
42	17.5			Days Cash - Operating Funds				
43	49.4	50.0	(0.6)	Days in Net AR	46.8	50.0	(3.2)	52.2
44	90%			Collections % of Net Revenue	102%			97.3%
45	48.0	60.0	(12.0)	Days in Accounts Payable	48.0	60.0	(12.0)	55.6
46	23.0%	23.7%	-0.7%	% Net revenue to Gross revenue	22.9%	23.6%	-0.7%	23.1%
47	25.2%			% Net AR to Gross AR	25.2%			23.8%

Sonoma Valley Health Care District
Balance Sheet
As of September 30, 2015

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 2,684,836	\$ 2,337,246	\$ 2,182,182
2	Trustee Funds	1,302,578	3,021,372	953,138
3	Net Patient Receivables	8,192,931	7,491,117	7,140,398
4	Allow Uncollect Accts	(765,241)	(670,887)	(639,759)
5	Net A/R	7,427,690	6,820,230	6,500,639
6	Other Accts/Notes Rec	7,369,070	8,199,845	8,522,094
7	3rd Party Receivables, Net	617,448	492,562	1,974,935
8	Inventory	840,056	848,309	758,803
9	Prepaid Expenses	757,259	736,862	570,564
10	Total Current Assets	\$ 20,998,937	\$ 22,456,426	\$ 21,462,355
12	Property, Plant & Equip, Net	\$ 54,275,240	\$ 54,344,324	\$ 56,247,706
13	Specific Funds	282,776	282,754	77,792
14	Other Assets	143,494	143,494	142,858
15	Total Assets	\$ 75,700,447	\$ 77,226,998	\$ 77,930,711
 Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,460,898	\$ 3,171,125	\$ 4,337,390
17	Accrued Compensation	4,624,324	4,412,862	4,083,949
18	Interest Payable	228,512	821,830	235,858
19	Accrued Expenses	1,363,575	1,173,221	3,005,235
20	Advances From 3rd Parties	1,504,676	1,593,706	400,235
21	Deferred Tax Revenue	4,434,997	4,927,774	4,643,008
22	Current Maturities-LTD	1,693,049	1,700,683	1,693,049
23	Line of Credit - Union Bank	5,923,734	5,923,734	5,698,734
24	Other Liabilities	379,887	290,576	144,243
25	Total Current Liabilities	\$ 23,613,652	\$ 24,015,511	\$ 24,241,702
26	Long Term Debt, net current portion	\$ 37,257,564	\$ 38,552,061	\$ 40,260,484
27	Fund Balances:			
28	Unrestricted	\$ 12,675,807	\$ 12,519,400	\$ 12,080,095
29	Restricted	2,153,424	2,140,026	1,348,431
30	Total Fund Balances	\$ 14,829,231	\$ 14,659,426	\$ 13,428,526
31	Total Liabilities & Fund Balances	\$ 75,700,447	\$ 77,226,998	\$ 77,930,711

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended September 30, 2015**

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
1	92	87	5	6%							
2	607	597	10	2%							
3	948	1,211	(263)	-22%							
4	12,774	12,169	605	5%							
					Volume Information						
					Acute Discharges	276	281	(5)	-2%	296	
					SNF Days	1,860	1,935	(75)	-4%	1,935	
					Home Care Visits	2,846	3,669	(823)	-22%	3,366	
					Gross O/P Revenue (000's)	\$ 38,225	\$ 35,851	2,374	7%	\$ 32,774	
					Financial Results						
					Gross Patient Revenue						
5	\$ 5,830,540	\$ 4,018,739	1,811,801	45%	Inpatient	\$ 15,599,128	\$ 14,737,907	861,221	6%	\$ 14,084,847	
6	7,174,207	7,608,652	(434,445)	-6%	Outpatient	22,220,299	22,202,379	17,920	0%	19,664,022	
7	5,287,581	4,189,998	1,097,583	26%	Emergency	15,217,706	12,806,290	2,411,416	19%	12,075,681	
8	2,076,978	2,163,300	(86,322)	-4%	SNF	6,460,952	7,005,820	(544,868)	-8%	6,852,469	
9	312,390	370,672	(58,282)	-16%	Home Care	932,000	1,122,817	(190,817)	-17%	1,034,140	
10	\$ 20,681,696	\$ 18,351,361	2,330,335	13%	Total Gross Patient Revenue	\$ 60,430,085	\$ 57,875,213	2,554,872	4%	\$ 53,711,159	
					Deductions from Revenue						
11	\$ (16,425,270)	\$ (14,213,042)	(2,212,228)	-16%	Contractual Discounts	\$ (47,501,872)	\$ (44,832,991)	(2,668,881)	-6%	\$ (41,593,645)	
12	(20,000)	(89,314)	69,314	78%	Bad Debt	(220,000)	(267,942)	47,942	18%	(340,000)	
13	(62,750)	(21,264)	(41,486)	-195%	Charity Care Provision	(108,657)	(63,792)	(44,865)	-70%	(70,000)	
14	409,840	125,250	284,590	0%	Prior Period Adj/Government Program Revenue	766,794	375,750	391,044	0%	-	
15	\$ (16,098,180)	\$ (14,198,370)	(1,899,810)	13%	Total Deductions from Revenue	\$ (47,063,735)	\$ (44,788,975)	(2,274,760)	5%	\$ (42,003,645)	
16	\$ 4,583,516	\$ 4,152,991	430,525	10%	Net Patient Service Revenue	\$ 13,366,350	\$ 13,086,238	280,112	2%	\$ 11,707,514	
17	\$ 155,878	\$ 171,184	(15,306)	-9%	Risk contract revenue	\$ 467,898	\$ 513,552	(45,654)	-9%	\$ 703,017	
18	\$ 4,739,394	\$ 4,324,175	415,219	10%	Net Hospital Revenue	\$ 13,834,248	\$ 13,599,790	234,458	2%	\$ 12,410,531	
19	\$ 12,875	\$ 14,458	(1,583)	11%	Other Op Rev & Electronic Health Records	\$ 94,523	\$ 43,374	51,149	118%	\$ 319,370	
20	\$ 4,752,269	\$ 4,338,633	413,636	10%	Total Operating Revenue	\$ 13,928,771	\$ 13,643,164	285,607	2%	\$ 12,729,901	
					Operating Expenses						
21	\$ 2,122,229	\$ 2,113,035	(9,194)	0%	Salary and Wages and Agency Fees	\$ 6,440,090	\$ 6,530,210	90,120	1%	\$ 6,042,715	
22	793,474	784,261	(9,213)	-1%	Employee Benefits	2,484,630	2,413,122	(71,508)	-3%	2,263,477	
23	\$ 2,915,703	\$ 2,897,296	(18,407)	-1%	Total People Cost	\$ 8,924,720	\$ 8,943,332	18,612	0%	\$ 8,306,192	
24	\$ 328,482	\$ 376,605	48,123	13%	Med and Prof Fees (excl Agency)	\$ 1,005,065	\$ 1,063,733	58,668	6%	\$ 1,071,684	
25	519,756	500,077	(19,679)	-4%	Supplies	1,460,923	1,554,610	93,687	6%	1,613,980	
26	271,299	352,170	80,871	23%	Purchased Services	826,236	1,056,510	230,274	22%	1,068,163	
27	290,360	283,132	(7,228)	-3%	Depreciation	874,565	849,395	(25,170)	-3%	890,413	
28	105,681	98,958	(6,723)	-7%	Utilities	302,700	296,874	(5,826)	-2%	325,030	
29	25,050	20,834	(4,216)	-20%	Insurance	75,590	62,502	(13,088)	-21%	57,765	
30	54,172	40,591	(13,581)	-33%	Interest	131,266	123,729	(7,537)	-6%	139,027	
31	174,575	155,976	(18,599)	-12%	Other	543,352	486,164	(57,188)	-12%	(249,019)	
32	245,904	62,500	(183,404)	-293%	Matching Fees (Government Programs)	368,026	187,500	(180,526)	-96%	645,940	
33	\$ 4,930,982	\$ 4,788,139	(142,843)	-3%	Operating expenses	\$ 14,512,443	\$ 14,624,349	111,906	1%	\$ 13,869,175	
34	\$ (178,713)	\$ (449,506)	270,793	60%	Operating Margin	\$ (583,672)	\$ (981,185)	397,513	41%	\$ (1,139,274)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended September 30, 2015**

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
35	\$ (5,901)	\$ 13,657	(19,558)	-143%							
36	-	5,805	(5,805)	-100%							
37	(37,500)	(37,500)	-	0%							
38	250,000	250,000	-	0%							
39	<u>\$ 206,599</u>	<u>\$ 231,962</u>	<u>(25,363)</u>	<u>-11%</u>							
40	<u>\$ 27,886</u>	<u>\$ (217,544)</u>	<u>245,430</u>	<u>-113%</u>	Non Operating Rev and Expense						
					Miscellaneous Revenue	\$ 6,481	\$ 40,971	(34,490)	-84%	\$ 68,666	
					Donations	-	17,415	(17,415)	100%	27,063	
					Physician Practice Support-Prima	(112,500)	(112,500)	-	0%	(112,500)	
					Parcel Tax Assessment Rev	751,954	750,000	1,954	0%	750,000	
					Total Non-Operating Rev/Exp	<u>\$ 645,935</u>	<u>\$ 695,886</u>	<u>(49,951)</u>	<u>-7%</u>	<u>\$ 733,230</u>	
					Net Income / (Loss) prior to Restricted Contributions	<u>\$ 62,263</u>	<u>\$ (285,299)</u>	<u>347,562</u>	<u>-122%</u>	<u>\$ (406,044)</u>	
41	\$ 13,398	\$ 35,183	(21,785)	-62%	Capital Campaign Contribution	\$ 103,049	\$ 105,549	(2,500)	-2%	\$ 172,644	
42	\$ -	\$ 20,833	(20,833)	0%	Restricted Foundation Contributions	\$ -	\$ 62,499	(62,499)	100%	\$ -	
43	<u>\$ 41,284</u>	<u>\$ (161,528)</u>	<u>202,812</u>	<u>-126%</u>	Net Income / (Loss) w/ Restricted Contributions	<u>\$ 165,312</u>	<u>\$ (117,251)</u>	<u>282,563</u>	<u>-241%</u>	<u>\$ (233,401)</u>	
44	242,777	242,777	-	0%	GO Bond Tax Assessment Rev	728,331	728,331	-	0%	458,666	
45	(114,256)	(114,256)	-	0%	GO Bond Interest	(346,441)	(346,442)	1	0%	(417,369)	
46	<u>\$ 169,805</u>	<u>\$ (33,007)</u>	<u>202,812</u>	<u>-614%</u>	Net Income/(Loss) w GO Bond Activity	<u>\$ 547,202</u>	<u>\$ 264,638</u>	<u>282,564</u>	<u>107%</u>	<u>\$ (192,103)</u>	
	\$ 372,418	\$ 106,179			EBIDA	\$ 1,068,094	\$ 687,825			\$ 623,396	
	7.8%	2.4%				7.7%	5.0%			4.9%	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended September 30, 2015

ATTACHMENT E

	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(5)	5	
2 SNF Days	(75)	10	
3 Home Care Visits	(823)	(263)	
4 Gross O/P Revenue (000's)	2,374	605	
Financial Results			
Gross Patient Revenue			
5 Inpatient	861,221	1,811,801	Acute patient days were over budget by 57, IP surgeries were over budget by 6 cases and a higher case mix than budget.
6 Outpatient	17,920	(434,445)	Outpatient visits were under budget by 377 visits.
7 Emergency	2,411,416	1,097,583	ER visits were over budget by 83 visits.
8 SNF	(544,868)	(86,322)	SNF patient days were over budget by 10 days
9 Home Care	(190,817)	(58,282)	Home Care visits were under budget by 265 visits. 120 additional visits were budgeted to reflect the hiring of a Physical Therapist.
10 Total Gross Patient Revenue	2,554,872	2,330,335	
Deductions from Revenue			
11 Contractual Discounts	(2,668,881)	(2,212,228)	Revenue deductions were unfavorable to budget due higher gross revenue compared to budget and an increase in Medi-Cal patients in the ER.
12 Bad Debt	47,942	69,314	
13 Charity Care Provision	(44,865)	(41,486)	
14 Prior Period Adj/Government Program Revenue	391,044	284,590	IGT and other program revenue is budgeted equally over 12 months. This revenue is offset with the matching fee from line 32 below.
15 Total Deductions from Revenue	(2,274,760)	(1,899,810)	
16 Net Patient Service Revenue	280,112	430,525	
17 Risk contract revenue	(45,654)	(15,306)	Blue Shield capitation received was under budget.
18 Net Hospital Revenue	234,458	415,219	
19 Other Op Rev & Electronic Health Records	51,149	(1,583)	
20 Total Operating Revenue	285,607	413,636	
Operating Expenses			
21 Salary and Wages and Agency Fees	90,120	(9,194)	Salaries are under budget by \$26,061 and agency fees are over by \$35,210.
22 Employee Benefits	(71,508)	(9,213)	PTO costs are over budgeted expectations (\$31,024) due to a high number of employees out on disability and was offset by employee benefit costs being under budget by \$21,811.
23 Total People Cost	18,612	(18,407)	
24 Med and Prof Fees (excl Agency)	58,668	48,123	
25 Supplies	93,687	(19,679)	Supplies are over budget due to volume.
26 Purchased Services	230,274	80,871	Budgeted Services not used during September.
27 Depreciation	(25,170)	(7,228)	
28 Utilities	(5,826)	(6,723)	
29 Insurance	(13,088)	(4,216)	Insurance premiums increased over budgeted expectations.
30 Interest	(7,537)	(13,581)	
31 Other	(57,188)	(18,599)	Other costs are over budget due to an annual lab cost (\$9,350) where the budget is spread evenly by month and posting of an August invoice for hospital dues that was not received until current month.
32 Matching Fees (Government Programs)	(180,526)	(183,404)	Matching fees were budgeted equally over the 12 month period, fees are offset by the income above on line 14.
33 Operating expenses	111,906	(142,843)	
34 Operating Margin	397,513	270,793	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	(34,490)	(19,558)	
36 Donations	(17,415)	(5,805)	
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	1,954	-	
39 Total Non-Operating Rev/Exp	(49,951)	(25,363)	
40 Net Income / (Loss) prior to Restricted Contributions	347,562	245,430	
41 Capital Campaign Contribution	(2,500)	(21,785)	Capital campaign donations received were under budget.
42 Restricted Foundation Contributions	(62,499)	(20,833)	SVH did not receive any restricted donations for capital in the month of September.
43 Net Income / (Loss) w/ Restricted Contributions	282,563	202,812	
44 GO Bond Tax Assessment Rev	-	-	
45 GO Bond Interest	1	-	
46 Net Income/(Loss) w GO Bond Activity	282,564	202,812	

Sonoma Valley Hospital
Statistical Analysis
FY 2016

ATTACHMENT G

Statistics	ACTUAL	BUDGET
	Sep-15	Sep-15
Acute		
Acute Patient Days	376	319
Acute Discharges (w/o Newborns)	92	87
SNF Days		
SNF Days	607	597
HHA Visits		
HHA Visits	948	1,211
Emergency Room Visits		
Emergency Room Visits	871	788
Gross Outpatient Revenue (000's)		
Gross Outpatient Revenue (000's)	\$12,774	\$12,169
Equivalent Patient Days		
Equivalent Patient Days	2,565	2,705
Births		
Births	11	12
Surgical Cases - Inpatient		
Surgical Cases - Inpatient	36	30
Surgical Cases - Outpatient		
Surgical Cases - Outpatient	91	92
Total Surgical Cases		
Total Surgical Cases	127	122
Medicare Case Mix Index		
Medicare Case Mix Index	1.69	1.40
Income Statement		
Net Revenue (000's)	4,739	4,324
Operating Expenses (000's)	4,931	4,788
Net Income (000's)	170	(33)
Productivity		
Total Operating Expense Per Equivalent Patient Day	\$1,922	\$1,770
Productive FTEs	280	281
Non-Productive FTE's	32	34
Total FTEs	312	315
FTEs per Adjusted Occupied Bed	3.65	3.49
Balance Sheet		
Days of Expense In General Operating Cash	18	
Net Days of Revenue in AR	49	50

ACTUAL												
Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14	Nov-14	Oct-14	Sep-14	Aug-14
297	352	357	373	378	401	372	390	406	364	363	291	376
74	110	97	97	95	113	98	104	111	96	107	87	104
634	619	669	626	487	669	607	654	596	580	527	597	687
917	981	1,014	963	1,154	1,232	1,109	1,097	1,103	1,090	1,319	1,111	1,109
888	878	846	943	876	954	845	988	824	761	863	851	868
\$12,910	\$12,639	\$12,065	\$10,719	\$11,237	\$11,839	\$10,541	\$11,804	\$10,084	\$10,956	\$11,748	\$11,149	\$10,410
2,679	2,651	2,757	2,432	2,255	2,579	2,455	2,667	2,227	2,457	2,347	2,603	2,510
15	15	24	11	7	16	11	11	18	15	13	21	9
26	29	35	33	33	34	33	22	31	30	35	30	41
96	96	87	85	111	103	103	107	86	88	120	92	92
122	125	122	118	144	137	136	129	117	118	155	122	133
1.52	1.44	1.76	1.69	1.71	1.42	1.46	1.46	1.42	1.41	1.52	1.51	1.65
4,612	4,483	4,564	4,137	4,100	4,175	4,618	4,448	4,080	3,861	4,641	3,727	4,422
4,863	4,718	5,103	4,698	4,875	4,783	5,046	4,634	4,472	4,457	4,629	4,461	4,778
149	203	139	74	96	(59)	(104)	202	87	102	338	(289)	134
\$1,815	\$1,780	\$1,851	\$1,932	\$2,162	\$1,854	\$2,055	\$1,738	\$2,008	\$1,814	\$1,972	\$1,714	\$1,903
273	277	273	278	276	284	278	246	258	278	272	267	274
37	36	36	29	28	26	25	53	42	25	32	36	32
310	313	309	307	304	310	303	299	300	303	304	303	305
3.58	3.66	3.36	3.91	4.05	3.79	3.46	3.48	4.12	3.93	4.01	3.49	3.77
16	22	16	17	20	15	12	17	13	9	11	14	12
45	46	47	43	47	47	48	51	49	51	51	48	45

Sonoma Valley Hospital
Cash Forecast
FY 2016

ATTACHMENT H

	Actual July	Actual Aug	Actual Sept	Forecast 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	4,210,487	3,902,069	3,870,795	4,047,606	3,826,862	4,087,498	3,655,056	3,802,298	4,150,064	3,647,515	4,378,154	3,820,488	47,398,892
2 Capitation Revenue	154,950	157,070	155,878	171,184	171,184	171,184	171,184	171,184	171,184	171,184	171,184	171,184	2,008,554
3 Napa State				786,860	93,430	93,430	93,430	93,430	93,430	93,430	93,430	93,430	1,534,300
4 Other Operating Revenue	62,250	15,411	11,738	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	219,521
5 Other Non-Operating Revenue	8,340	23,819	27,860	13,657	13,657	13,657	13,657	13,657	13,657	13,657	13,657	13,657	182,932
6 Unrestricted Contributions				5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
7 Line of Credit													-
Sub-Total Hospital Sources	4,436,027	4,098,369	4,066,271	5,038,765	4,124,591	4,385,227	3,952,785	4,100,027	4,447,793	3,945,244	4,675,883	4,118,217	51,389,200
Hospital Uses of Cash													
8 Operating Expenses	4,337,928	4,754,620	3,823,383	4,615,261	4,460,472	4,619,528	4,243,025	4,438,019	4,973,795	4,588,664	4,764,065	4,352,593	53,971,353
9 Less Depreciation				(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(2,548,188)
10 Add Capital Lease Payments	213,809	92,154	169,806	228,509	126,571	150,653	214,722	89,935	97,192	90,250	216,289	92,045	1,781,935
11 Additional AP						1,000,000				1,250,000			2,250,000
12 Capital - Board Approved Spending		66,282	7,858										74,140
13 Napa State				655,940									655,940
Total Hospital Uses	4,551,737	4,913,056	4,001,047	5,216,578	4,303,911	5,487,049	4,174,615	4,244,822	4,787,855	5,645,782	4,697,222	4,161,506	56,185,180
Net Hospital Sources/Uses of Cash	(115,710)	(814,687)	65,224	(177,813)	(179,319)	(1,101,822)	(221,830)	(144,795)	(340,062)	(1,700,538)	(21,339)	(43,289)	(4,795,980)
Non-Hospital Sources													
14 Restricted/Capital Donations Donations			406,149	11,417									417,566
15 Electronic Health Records	85,361												85,361
16 Parcel Tax Revenue	123,335					1,500,000				1,250,000			2,873,335
17 Other:													-
18 LIHP	623,866												623,866
19 IGT			244,244	409,840						450,000			1,104,084
20 IGT - AB915 (Net)								600,000			300,000		900,000
Sub-Total Non-Hospital Sources	832,562	-	650,393	421,257	-	1,500,000	-	600,000	-	1,700,000	300,000	-	6,004,212
Non-Hospital Uses of Cash													
21 Matching Fees			368,026										368,026
Sub-Total Non-Hospital Uses of Cash	-	-	368,026	-	-	-	-	-	-	-	-	-	368,026
Net Non-Hospital Sources/Uses of Cash	832,562	-	282,367	421,257	-	1,500,000	-	600,000	-	1,700,000	300,000	-	5,636,186
Net Sources/Uses	716,852	(814,687)	347,591	243,444	(179,319)	398,178	(221,830)	455,205	(340,062)	(538)	278,661	(43,289)	
Cash and Equivalents at beginning of period	2,435,080	3,151,932	2,337,245	2,684,836	2,928,281	2,748,961	3,147,139	2,925,309	3,380,513	3,040,451	3,039,913	3,318,574	
Cash and Equivalents at end of period	3,151,932	2,337,245	2,684,836	2,928,281	2,748,961	3,147,139	2,925,309	3,380,513	3,040,451	3,039,913	3,318,574	3,275,286	\$ 2,475,286
													\$ 800,000

YTD Cash Goal Available Cash
\$ 2,475,286 \$ 800,000 Note #1

Note #1 - \$800,000 reserved for board approved capital during FY 2016.

6.

FINANCIAL IMPACTS

Non Operating Revenue (excluding GO Bonds)

-Inter-governmental Transfers (IGT) will be a target for reduction. The FY 2016 Budget included over \$1.6 million in IGT revenue. Indications are that we can expect a \$250k reduction in each of the next two years.

FY 17	(\$ 250k)
FY 18	(\$ 500k)

-AB 915 Outpatient, like IGT this could be a target for reduction. However, as the government is encouraging outpatient vs inpatient services, it is expected to remain intact for at least the FY 17 year. The FY 2016 budget is \$925k.

FY 17	0
FY 18	(\$ 100k)

-Parcel Tax is expiring in 2018. A new tax is expected to be approved in March of 2017. The question is for how long and how much. Currently, the budget is at \$3 million. If the tax could be raised from \$195/ parcel to \$260 (for discussion purposes) an additional \$1 million per year would be realized.

FY 17	0
FY 18	\$1,000k

-Medicare Disproportionate Share (DSH). SVH currently receives about \$500k in Medicare DSH money each year. All indications are that this additional Medicare money will eventually go away. Estimates are at 25% per year or \$137k.

FY 17	(\$ 137k)
FY 18	(\$ 274K)

Medicare Revenue

Medicare is SVH's largest revenue group at 49%. The hospital has been attempting to operate within Medicare payment levels. There are a number of patients switching to Medicare Advantage plans such as SCAN. SVH currently receives 100% of Medicare allowed DRG payments. Currently, we are seeing a 20% of charges paid by SCAN compared to "other" Medicare patients at 23%. This is an indication that the healthier patients are moving to SCAN. Unless SCAN increases utilization scrutiny, we do not expect an immediate impact. Given the uncertainties, SVH is not expecting any revenue growth for Medicare acute. Outpatient volume has increased but at this point we do not know the impact of ICD 10. No increase is anticipated for SNF.

HOWEVER, MCr is moving towards bundled payments where the hospital gets paid for both the hospital service and the physician fee which could impact FY 18. Cannot estimate the dollar amount at this point.

FY 17 0

FY 18 0

MediCal Revenue

Medical has grown to 17.6% of SVH's business. About 50% of SVH's MCL patients are Partnership eligible. Within Partnerships guidelines they have provided some higher payments for services. Much of the additional Emergency Room revenue is due to increased MediCal eligibility due to three new aid codes and presumptive eligibility. SVH is speculating that an additional \$200k per year should be realized. The increased volume will not contribute much more as our State has one of the lowest Medicaid reimbursement.

FY17 \$ 200k

FY18 \$ 200k

Commercial Insurance

-Makes up 20.8% of SVH's business which is lower than in prior years. Most of the SVH contracts allow for about a 6% increase per year. Staff is "strategically" increasing pricing to maximize the net cash. This will generate \$300-\$500k per year. Issues that will be faced in the coming years include services moving from inpatient to outpatient; Accountable Care Organizations (ACO) which tend to pay less; Narrow networks that could contribute to volume; Bundled payments

FY17 \$ 300k

FY18 300k

Expenses:

-Salaries are typically raised in January of each fiscal year affecting six months of the salary budget. SVH's practice has been to keep compensation at the 50th percentile for Northern California hospitals. This probably is one of the easier cost increases to avoid. However, there are factors that would hinder SVH's ability to retain and recruit staff especially in licensed vocations such as physical therapists and pharmacists. Some systems have agreed to provide cost-of-living adjustments of 3 to 6% over the next several years. To be able to recruit and maintain qualified and experienced staff, SVH should continue providing cost of living adjustments each year (impacts six months of each fiscal year).

FY17 (\$ 397k)

Compounded FY18 (\$ 800k)

-Benefits are assumed to increase about 8% per year unless the employee's share of cost or coinsurance is changed. (impacts six months of the fiscal year).

FY 17 (\$ 380k)

Compounded FY18 (\$ 760k)

-All other expenses are assumed to increase at 3% per year excluding depreciation.

FY17 (\$ 543k)

Compounded FY 18 (\$1,086)

-Cost Impact Summary

FY17 (\$1,207k) or 2.2% of expenses without depreciation

FY 18 (\$2,020k) or 3.7% of expenses without depreciation but assuming \$1m additional Parcel Tax

Other Considerations

-Capital

-Line of Credit

-South Lot

7.

SCAN

SCAN, SUMMARY OF CHARGES AND PAYMENTS January 1, 2015
 THROUGH AUGUST 31, 2015

SERVICE	CHARGES	PAYMENTS	%	SVH%
-----	-----	-----	---	-----
Inpatient	\$1,345k	\$281k	20%	23%
ED	829k	76k	9%	8%
Outpatient	1,521k	125k	8%	9%
ACU	503k	96k	19%	21%
Rehab	316k	49k	16%	20%
Spec Proc	129k	19k	15%	16%
SNF	1,044	146k	14%	15%

SCAN patients appear to be less acute than our average patient. Differences in payment percentages are due to DRG assignment, levels of care and RUG coding.

9.

CAPITAL SPENDING

FY 2015 Carry Overs

Dept #	Department	DESCRIPTION	Remaining Approved Budget	Spent to Date	Remaining Balance
8450	Engineering	Fire System	120,000	5,703	114,297
8450	Engineering	Nurse Call System	100,000	94,566	5,434
			220,000	100,270	119,730

FY 2016 Budget Requests:

Dept #	Department	DESCRIPTION	ESTIMATED AMOUNT	SPENT TO DATE	REMAINING BALANCE
8450	Engineering	Fire System	18,000		18,000
8450	Engineering	Nurse Call System	150,000		150,000
7660	MRI	1.5 8 Channel Knee Coil	16,968		16,968
7660	MRI	1.5 8 CHANNEL NEUROVASCULAR ARRAY	25,200		25,200
7670	Ultrasound	OB GYN Stretcher	6,473		6,473
8340	Dietary	Computation Diet Office system. This will enable us to implement Room Service for the acute patients, and to get nutritional analysis of menu items	72,198		72,198
8340	Dietary	Boilerless Convection Steamer	7,180		7,180
6171	OB	2 Wireless Fetal Monitors	50,000		50,000
6171	OB	2 Infant Warmers	45,000		45,000
6171	OB	Carts	8,000		8,000
7630	Radiology	OR Table	10,000	6,296	3,704
7420	Surgery	Camera (eye microscope)	113,655		113,655
7420	Surgery	Eye Tray	5,513		5,513
7420	Surgery	Mini C-Arm	71,038		71,038
7420	Surgery	Colonoscope	24,250		24,250
7420	Surgery	Cautery Machine	6,027		6,027
8450	Engineering	EAH #1- Nurses Station air handler, SNF - replacement	270,000		270,000
8450	Engineering	EAH #2 - Patient room air handler, SNF - replacement	135,000		135,000
8450	Engineering	SNF chilled water pipes	750,000		750,000
8450	Engineering	Install Automatic doors by Cardio Pulmonary	25,000		25,000
8450	Engineering	Automatic door at PT-Hwy 12	25,000		25,000
8450	Engineering	SPC-4D Classification	50,000		50,000
8450	Engineering	Sewer pumps replacement in the basement	100,000		100,000
8480	Information Systems	Desktop computers/laptops/datalux all-in-one: Estimated annual refresh for computers that are more than 5 years old	50,000		50,000
8480	Information Systems	Multiple printers (Zebra, Inkjet, Laser, Dymo) & Handheld Scanners: Estimated annual refresh of printers more than 5 years old	16,000		16,000
8480	Information Systems	Kronos System Upgrade professional services from v5 to v7	15,570		15,570
8480	Information Systems	FormFast Phase II (expand use of signature pads) 14 desktop locations: Occ Health, Outpatient PT, Imaging, ER, Caridio & Admitting; includes additional server license and HL7 Interface	18,148		18,148
8480	Information Systems	CareBook SVH Implementation (Grant)	-		-
8480	Information Systems	Hospital Wireless Network Replacement	7,000		7,000
8480	Information Systems	VMWare license for 3 blade servers	9,000		9,000
8480	Information Systems	Fiber pull from new wing 1st floor to MPOE to WW basement MPOE	10,000		10,000
8480	Information Systems	Cisco POE Switches (3560) 3 @ \$4000 each	12,000		12,000
8510	Accounting	AP paperless system	70,000		70,000
	Various	Contingency	100,000		100,000
			2,292,218	6,296	2,285,922
			2,512,218	106,566	2,405,653

* Foundations Goal to raise money for these items.

Year 1 (Fiscal Year 2016)			Year 2 (FY 2017)	Year 3 (FY 2018)
Patient Care	Plant/ Building	Information Technology		
	18,000			
	150,000			
16,968				
			25,200	
6,473				
72,198				
7,180				
50,000	*			
45,000	*			
8,000	*			
10,000				
113,655				
5,513				
			71,038	
				24,250
				6,027
			270,000	
			135,000	
			325,000	425,000
	25,000			
	25,000			
			50,000	
			100,000	
		50,000		
		16,000		
			15,570	
		18,148		
		7,000		
		9,000		
		10,000		
		12,000		
		70,000		
		100,000		
334,986	218,000	292,148	991,808	455,277
845,134				

Construction In Progress (CIP)	CIP Committed	Spent Prior to Date	Remaining Balance	
E H R Implementation	6,315,356	5,294,353	1,021,003	MedOne Leases
NPC2	12,800	12,592	208	Operations
Lobby Upgrade	198,000	13,357	184,644	Operations
Phase 2 Feasibility	40,000	24,785	15,215	Operations
Nuclear Med Heat Pump	58,733	49,015	9,718	Celtic lease
ER Communication	25,596	11,378	14,217	Operations
Fluoroscopy	802,981	40,145	762,836	GE Loan
	7,453,466	5,405,479	1,245,005	