



**SONOMA VALLEY HEALTH CARE DISTRICT  
FINANCE COMMITTEE  
REGULAR MEETING **AGENDA**  
Thursday, February 26, 2015, 5:00 p.m.**

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

<b>TOLL FREE CALL-IN NUMBER: 866 228-9900 GUEST CODE: 294221</b>		
<b>AGENDA ITEM</b>	<b>RECOMMENDATION</b>	
<b>MISSION STATEMENT</b> The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Hohorst</i>	
<b>2. PUBLIC COMMENT SECTION</b> 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>Hohorst</i>	
<b>3. CONSENT CALENDAR</b> a. FC Meeting Minutes, 1.27.15	<i>Hohorst</i>	Action
<b>4. FLUOROSCOPY REPLACEMENT</b>	<i>Kuwahara</i>	Action
<b>5. FINAL 2015 WORK PLAN</b>	<i>Jensen</i>	Action
<b>6. 2016 BUDGET ASSUMPTIONS</b>	<i>Jensen</i>	Inform/Action
<b>7. AUDITOR FY2015</b>	<i>Jensen</i>	Inform
<b>8. JANUARY 2015 FINANCIALS</b>	<i>Jensen</i>	Inform
<b>9. CEO BOARD REPORT FOR FEBRUARY 2015</b>	<i>Nevins</i>	Inform
<b>10. ADJOURN</b> Next meeting March 24, 2015	<i>Hohorst</i>	

3.

# CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT  
FINANCE COMMITTEE  
MEETING MINUTES  
Tuesday, January 27, 2015  
Schantz Conference Room**

Voting Members Present	Members Excused	Staff/ Public/Other	Staff Excused
Dick Fogg Shari Glago Sharon Nevins Phil Woodward Steve Barclay Mary Smith S. Mishra, MD (by phone) Peter Hohorst Stephen Berezin	Keith Chamberlin	Sam McCandless Ken Jensen Jeannette Tarver Gigi Betta	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
<b>MISSION AND VISION STATEMENTS</b>	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the 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 members' health care journey.</i>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>			
	<u>Call to Order</u> The meeting was called to order at 5:08 pm <u>Announcement</u> On February 24, 2015 Shari Glago will Chair in Mr. Fogg's absence.		
<b>2. PUBLIC COMMENT SECTION</b>	<i>Fogg</i>		
<b>3. CONSENT CALENDAR</b>	<i>Fogg</i>		
<ul style="list-style-type: none"> <li>FC Meeting Minutes, 1.6.15</li> </ul>		Action <b>MOTION</b> to approve	.

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		by Berezin and 2 <sup>nd</sup> by Glago. All in favor.	
<b>4. PROPOSED 2015 WORK PLAN</b>	<i>Jensen</i>	Action	
	<p>Mr. Jensen presented the draft 2015 Work Plan and after Committee review, a few changes were made. Jensen will revise the Work Plan and it will be brought forward to the February 24, 2015 meeting for approval.</p> <p>Mr. Jensen met with the accounting firm of Armanino LLP to discuss plans to perform the Hospital's annual audits.</p>		Bring revised 2015 Work Plan forward to 2.24.15 meeting for approval.
<b>5. DECEMBER 2014 FINANCIALS</b>	<i>Jensen</i>	Inform	
	The month of December 2014 was favorable compared to budget by \$5,377. Net Revenue was unfavorable to budgeted expectations by (\$76,049). Expenses were favorable to budget by \$179,358. Professional fees were over budget by (\$55,745) due to an increase in the quarterly CPS Pharmacy fees. Purchased Services is over budget due to collection costs in Patient Accounting, which was reduced significantly since the beginning of the fiscal year.		
<b>6. CEO BOARD REPORT JAN. 2015</b>	<i>Nevins</i>	Inform	
	Mr. Barclay was impressed with the November 2014 Dashboard and overall results.		
<b>7. ADJOURN/DISCUSSION</b>	<i>Fogg</i>		
	<p>On February 19, 2015, SVH will meet with UCSF to discuss involvement in their ACO program.</p> <p>The Committee talked about the role SVH is planning to play in the future of primary care and how the Hospital will secure its referral base.</p> <p>The meeting was adjourned at 6:40 pm. The next meeting is on Feb. 24, 2015</p>		

4.

# FLUOROSCOPY REPLACEMENT

(copy of full lease agreement will be available at meeting)



**Meeting Date:** February 26, 2015

**Prepared by:** Dawn Kuwahara RN, Director of Ancillary Services

**Agenda Item Title:** GE Precision 500D Digital Fluoroscopy Equipment

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**Background:**

The current fluoroscopy unit is approximately 25-30 years old. The unit has been inoperable for the past 4 weeks resulting in patients being referred to other hospitals. Parts are obsolete and cannot be found. This has prevented us from performing necessary tests on inpatients. In addition, a Fluoroscopy unit is a required piece of equipment per Title 22 regulation.

**Recommendation:**

Purchase a new Fluoroscopy unit/ 60 month purchase/financing option.

**Consequences of Negative Action/Alternative Actions:**

As an acute care hospital, we are required to have this unit. Not having it affects patient safety and clinical outcomes.

**Financial Impact:**

See attached.

**Approval from Board Committee(s):**

1. SVHCD Board Finance Committee
2. SVHCD District Board of Directors

**Attachments:**

1. GE Lease Summary
2. GE Healthcare Agreement

## Lease Summary: Sonoma Valley Hospital

### GE R&F

Operating Lease			
Equipment Description	Price	Term (months)	Monthly Payment
GE Precision 500D	\$416,511	60	\$6,555
"	"	84	\$5,175

Loan				
Equipment Description	Price	Term (months)	Monthly Payment	Interest Rate
GE Precision 500D	\$416,511	60	\$7,639	3.83%
"	"	84	\$5,715	4.11%

#### Flexible Operating Lease Options

- Option to purchase at end of term for FMV
- Option to return equipment at end of term
- Option to upgrade and extend at any time
- Option to continue making payments or renew the lease at a lower monthly payment

#### **NOTE:**

- Based on your needs we are flexible and can lengthen or shorten the term or include skip payments or a low-high payment structure. No down payments or progress payments if financed through GE.
- The above prices are based upon current money rates and done in "good faith" and is subject to credit approval.
- Please contact Trace Bringhurst for additional information. Tel: 503-806-5476 or [trace.bringhurst@ge.com](mailto:trace.bringhurst@ge.com)

5.

# FINAL 2015 WORK PLAN



## 2015 Finance Committee Work Plan

January	February	March	April
<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Cash forecast thru Dec 15</li> <li>❖ Changes in Payer Mix</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Budget Assumptions</li> <li>❖ Line of Credit Update</li> <li>❖ Capital Spending Report</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ 3 Year Financial Plan</li> <li>❖ IT Review</li> <li>❖ Medicare Reimbursement Presentation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Capital Spending Report</li> <li>❖ SCAN Update</li> <li>❖ Operating Budget Review</li> <li>❖ Audit Plan</li> </ul>
May	June	July	August
<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Operating Budget Review</li> <li>❖ Insurance Review</li> <li>❖ Joint Meeting with the Board</li> <li>❖ 2 Meetings in May for Finance Committee</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statement</li> <li>❖ Patient Accounting Overview</li> <li>❖ Capital Budget Review</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Pre close report</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ <b>Audit status</b></li> </ul>
September	October	November	December
<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Audit update</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Audited Financial Statements <b>and Audit presentation</b></li> <li>❖ <b>First quarter update</b></li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Financial Policies <b>Review</b></li> <li>❖ Finance Committee Charter</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Annual Finance Committee Review</li> </ul>

6.

# 2016 BUDGET ASSUMPTIONS

## **Fiscal Year 2016 Budget Assumptions:**

**The following assumptions will be applied to the actual experience through January 2015. Other adjustments will be made as necessary to reflect the trends in health care going forward.**

**-VOLUME:** Use actual 12 months volume ending January 2015.

Do we assume any additional volume for specific departments showing significant growth.

### **-GROSS REVENUE:**

Use actual 12 months revenue ending January 2015

Add 6% Price increase

Add any additional volume

### **-CONTRACTUAL ALLOWANCES:**

Evaluating, but at this point the collection rate 20.0%

### **-WAGES AND BENEFITS:**

3% for salaries for six months

3% for benefits for six months

Issue, no parity pool for classification adjustments

Need to add "sick time" for a number of employees (\$50k)

Need to add insurance coverage 30hrs/more per week

### **-PROFESSIONAL FEES:**

3% for 12 months ending January 2015

Possibly a Vice Chief of Medical Staff

### **-SUPPLIES:**

Reduce reagents by \$50k (six months savings, Chem analyze)

3% for 12 months ending January 2015

**-FOOD:**

Expectation of food costs increasing 7% applied to 12 mo Jan

**-PURCHASED SERVICES:**

Leases expiring annualized savings \$673k beginning 2/16

(2016 actual savings = \$280k)

Remaining adjust 3%

New IT equipment required ?

**-DEPRECIATION:** Actual

**-INSURANCE:** 8% Given claims experience

**-INTEREST:** Actual

**-UTILITIES:** No increase given oil prices

**-OTHER EXPENSES:**

Rent- Actual

All other, no increase

**-NEW PROGRAMS: ?**

**-DELETE PROGRAMS: ?**

8.

# JANUARY 2015 FINANCIALS



*Healing Here at Home*

**To: SVH Finance Committee**  
**From: Ken Jensen, CFO**  
**Date: February 26, 2015**  
**Subject: Financial Report for the Month Ending January 31, 2015**

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The month of January had, after accounting for all income and expenses but not including GO bonds, net income under budget by (\$26,633). Net Hospital Revenue was short of expectations by (\$46,479). Expenses were favorable to budget by \$54,195.

**Below is a summary of significant variances for the month of January:**

GROSS REVENUE was better than budget by \$ 332,544  
Inpatient revenue was unfavorable to budget by (\$1,127,757) and  
SNF was unfavorable by (\$641,139). Outpatient revenue was  
better than budget by \$929,685 and ER revenue was above  
budget by \$1,177,159. Home Health had a small negative  
budget variance of (\$5,404). Although SNF revenue was off target,  
the net covered its direct costs.

Deductions from revenue are higher than budgeted due to lower \$ (337,971)  
inpatient volumes and changes in payer mix with lower Medicare  
and Commercial and higher MediCal volumes for both I/P and O/P.  
As a percentage of totals, Medi-Cal was 18.1% vs. a budget of 11.6%.  
Commercial patients represented 18.8% of revenue vs. an expected 23.9%.  
The bad debt reserve was over accrued, therefore no expense is reflected  
this month.

Risk Contract Revenue was under budget by \$ (41,052)

Other Revenue was under budget by \$ (77,330)

Total Operating Revenue Variance \$ (123,809)

Total Staffing costs were under budget by \$ 167,900  
Productive FTE's were 246 vs. a budget of 257.  
Total FTE's were over budget by 7.0 due to the use  
of PTO, which has been previously accrued for.

Employee benefits were over budget by \$ (96,778)  
due to an one time true-up of PTO liability as a result of the 3% salary  
increase (\$57,830) and an unanticipated increase in State Unemployment  
insurance of (\$24,667).

Professional fees were over budget by	\$	(27,434)	
Physician fees were unfavorable to budget by (\$34,691) for Napa State monthly fee being more than we accrued for, but this is off set with Napa State revenue. Other professional fees were favorable to budget by \$7,257.			
Supplies are over budget by	\$	(22,987)	
due to an adjustment to laboratory inventory.			
Other Expenses are over budget by	\$	(40,490)	
due to the SNF Penalty.			
All Other Operating Expenses	\$	73,985	
Total Expense Variance			\$ 54,195
Total Operating Margin Variance			\$ (69,614)
Non-Operating Income was unfavorable to budget	\$	(8,879)	
Capital Campaign and Restricted Contributions was favorable to budget	\$	51,860	
Net Variance			\$ (26,633)

The net income was \$167,302 vs. a budgeted net income of \$193,934. After accounting for GO bond activity (which interest cost were better than budget by \$22,326) the aggregated net income was \$201,698 vs. a budgeted net income of \$203,919.

#### Patient Volumes - January

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	104	133	-29	91
Newborn Discharges	12	15	-3	6
Acute Patient Days	390	493	-103	389
SNF Patient Days	654	705	-51	754
Home Care Visits	1,097	1,129	-32	1,040
OP Gross Revenue	\$11,804	\$9,703	\$2,101	\$9,095
Surgical Cases	129	113	16	113

#### Overall Payer Mix – January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	50.0%	51.0%	-1.0%	47.1%	50.2%	-3.1%
Medi-Cal	18.1%	11.6%	6.5%	18.6%	11.3%	7.3%
Self Pay	0.0%	3.4%	-3.4%	1.7%	3.4%	-1.7%
Commercial	18.8%	23.9%	-5.1%	21.2%	24.6%	-3.4%
Managed MC	6.8%	4.5%	2.3%	4.9%	4.4%	0.5%
Workers Comp	3.6%	2.9%	0.7%	3.5%	3.2%	0.3%
Capitated	2.7%	2.7%	0.0%	3.0%	2.9%	0.1%
Total	100.0%	100.0%		100.0%	100.0%	

**Cash Activity for January:**

For the month of January the cash collection goal was \$4,069,928 and the Hospital collected \$3,370,620 or under the goal by (\$699,308). This appears to be due to the lag in the MediCal pending accounts. The Year to date cash goal is \$24,965,693 and the Hospital has collected \$24,712,971 or under the goal by (\$252,722). The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 17 days at January 31, 2015. Accounts Receivable increased from December, from 48.9 days up to 51.2 days in January. Accounts Payable is down by \$169,336 from December due to the Hospital's efforts to decrease expenses and collect on patient accounts. Accounts Payable days are at 53.0. Total Accounts Payable at the beginning of the fiscal year was \$5,893,464 and at the end of January the Accounts Payable is \$3,877,757.

**Year to Date:**

The Hospital's YTD EBIDA is now commensurate with other hospitals at 6.9%. Our YTD expenses are over budget by (\$662,134), of which approximately \$120,000 is from FY 2014. This is made up of Surgery PO's, Anesthesia true-up and an outside consultant. Most of the variance was recognized in the first four months of the fiscal year. Furthermore, due to inaccurate forecasting during the budget process the Hospital will be over budget about \$81,000 a month due to the following; utilities, Hospitalists, Lab, Anesthesia, Prima and IT. The Hospital has continued to save costs by not replacing several positions and not spending on capital.





# **Sonoma Valley Hospital Sonoma Valley Health Care District January 31, 2015 Financial Report**

**Finance Committee  
February 26, 2015**

# Patient Volumes

## Month of January 31, 2015

	Actual	Budget	Variance	Prior Year
Acute Discharges	104	133	-29	91
Newborn Discharges	12	15	-3	6
Acute Patient Days	390	493	-13	389
SNF Patient Days	654	705	-51	754
Home Care Visits	1,097	1,129	-32	1,040
OP Gross Revenue	\$11,804	\$9,703	\$2,101	\$9,095

# Summary Statement of Revenues and Expenses Month of January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,445,607	\$ 4,569,415	\$ (123,809)	-3%	\$ 3,753,757
2Total Operating Expenses	\$ 4,634,302	\$ 4,688,497	\$ 54,195	1%	\$ 4,551,620
3Operating Margin	\$ (188,696)	\$ (119,082)	\$ (69,614)	-58%	\$ (797,863)
4NonOperating Rev/Exp	\$ 217,887	\$ 226,766	\$ (8,879)	-4%	\$ 414,504
5Net Income before Rest.Cont. & GO Bond	\$ 29,192	\$ 107,684	\$ (78,493)	-73%	\$ (383,359)
6Restricted Contribution	\$ 138,110	\$ 86,250	\$ 51,860	60%	\$ 281,546
Net Income with Restricted 7Contributions	\$ 167,302	\$ 193,934	\$ (26,633)	-14%	\$ (101,813)
8Total GO Bond Rev/Exp	\$ 34,396	\$ 9,985	\$ 24,411	244%	\$ 115,418
9Net Income with GO Bond	\$ 201,698	\$ 203,919	\$ (2,222)	-1%	\$ 13,605
10EBIDA before Restricted Contributions	\$ 347,352	\$ 465,561	\$ (118,210)		\$ 125,960
11EBIDA before Restricted Cont. %	8%	10%	-2%		3%

# Summary Statement of Revenues and Expenses Year to Date January 31, 2015 (7 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 30,006,924	\$ 29,951,704	\$ 55,220	0%	\$ 29,110,732
2Total Operating Expenses	\$ 31,909,281	\$ 31,247,147	\$ (662,134)	-2%	\$ 31,654,323
3Operating Margin	\$ (1,902,358)	\$ (1,295,443)	\$ (606,915)	-47%	\$ (2,543,591)
4NonOperating Rev/Exp	\$ 1,619,449	\$ 1,587,362	\$ 32,087	2%	\$ 1,559,120
Net Income before Rest.Cont. & 5GO Bond	\$ (282,909)	\$ 291,919	\$ (574,828)	-197%	\$ (984,471)
6Restricted Contribution	\$ 641,774	\$ 603,750	\$ 38,024	6%	\$ 3,271,949
Net Income with Restricted 7Contributions	\$ 358,865	\$ 895,669	\$ (536,804)	-60%	\$ 2,287,478
8Total GO Bond Rev/Exp	\$ 178,881	\$ 69,882	\$ 108,999	156%	\$ 807,824
9Net Income with GO Bond	\$ 537,747	\$ 965,551	\$ (427,804)	-44%	\$ 3,095,303
EBIDA before Restricted 10Contributions	\$ 2,057,669	\$ 2,797,058	\$ (739,389)		\$ 314,804
11EBIDA before Restricted Cont. %	7%	9%	-2%		1%

# Operating Revenues

## Month of January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
REVENUE					
NET PATIENT REVENUE					
1 Acute Inpatient	\$ 1,161,123	\$ 1,769,706	\$ (608,583)	-34%	\$ 1,296,368
2 Skilled Nursing Facility	\$ 446,822	\$ 423,000	\$ 23,822	6%	\$ 510,870
3 Outpatient and Emergency	\$ 2,133,427	\$ 1,948,201	\$ 185,226	10%	\$ 1,587,389
4 HomeCare	\$ 230,537	\$ 269,635	\$ (39,098)	-15%	\$ 238,852
5 Community Benefit (Charity)	\$ (21,900)	\$ (26,613)	\$ 4,713	18%	\$ (24,350)
6 Bad Debt Expense	\$ -	\$ (177,417)	\$ 177,417	100%	\$ (160,000)
7 Prior Period Adjustment	\$ 251,076	\$ -	\$ 251,076	100%	\$ -
8 TOTAL NET PATIENT REVENUE	\$ 4,201,085	\$ 4,206,512	\$ (5,427)	0%	\$ 3,449,129
RISK CONTRACTS					
9 Capitation Revenue	\$ 156,206	\$ 170,135	\$ (13,929)	-8%	\$ 158,658
10 Napa State Hospital Revenue	\$ 90,994	\$ 118,117	\$ (27,123)	-23%	\$ 130,435
11 TOTAL RISK CONTRACTS	\$ 247,200	\$ 288,252	\$ (41,052)	-14%	\$ 289,092
12 OTHER OP. REVENUE	\$ (2,679)	\$ 74,651	\$ (77,330)	-104%	\$ 15,536
13 TOTAL HOSPITAL NET REVENUE	\$ 4,445,607	\$ 4,569,415	\$ (123,809)	-3%	\$ 3,753,757

# Revenue Variances

- Total Operating Revenue was unfavorable to budget by (\$123,809).
- Overall inpatient volume was under budget by (32) discharges and inpatient surgeries were under budget by (15), and had a payer mix with higher Medi-Cal and less Medicare and Commercial than budgeted.
- Outpatient visits were over budget by 579 visits and outpatient surgeries were over budget by 31, and had a payer mix with lower Medicare and Commercial than budgeted.
- Emergency Room volume was over budget by 162 visits.
- Skilled Nursing Home volume was under budget by (51) days.
- Home Care was under budget by (32) visits.

# Operating Expenses

## Month of January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
OPERATING EXPENSES					
1 Salary and Wages and Agency	\$ 2,010,757	\$ 2,178,657	\$ 167,900	8%	\$ 1,969,404
2 Employee Benefits	\$ 883,085	\$ 766,280	\$ (116,805)	-15%	\$ 778,008
3 Total People Cost	\$ 2,893,842	\$ 2,944,937	\$ 51,095	2%	\$ 2,747,412
4 Medical and Prof Fees (excl'd Agency)	\$ 342,421	\$ 314,986	\$ (27,435)	-9%	\$ 439,626
5 Supplies	\$ 517,853	\$ 494,866	\$ (22,987)	-5%	\$ 519,126
6 Purchased Services	\$ 301,591	\$ 326,347	\$ 24,756	8%	\$ 399,597
7 Depreciation	\$ 279,127	\$ 272,198	\$ (6,929)	-3%	\$ 155,843
8 Utilities	\$ 71,800	\$ 80,567	\$ 8,767	11%	\$ 81,017
9 Insurance	\$ 19,255	\$ 20,000	\$ 745	4%	\$ 18,888
10 Interest	\$ 39,033	\$ 85,679	\$ 46,646	54%	\$ 25,717
11 Other	\$ 169,380	\$ 148,917	\$ (20,463)	-14%	\$ 164,395
12 TOTAL OPERATING EXPENSE	\$ 4,634,302	\$ 4,688,497	\$ 54,195	1%	\$ 4,551,620

# Expense Variances

## **Total operating expenses were under budget by \$54,195**

- Total productivity FTE's were under budget by 11 and Salaries and Agency fees were under budget by \$167,900 . Total FTE's were over budget by 7.0 due to the use of PTO.
- Employee Benefits are over budget by (\$96,778) due to the unbudgeted true-up of the PTO liability for the 3% increase and to SUI tax.
- Professional fees were over budget due Napa State fees being more than what was accrued for.
- Supplies are over budget due to the inventory adjustment to lab supplies.



# Non-Operating Revenue and Expenses

## Month of January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1Miscellaneous Revenue	\$ 5,157	\$ 933	\$ 4,224	453%	\$ 233,506
2 Donations Professional Center / Phys	\$ 230	\$ 10,000	\$ (9,770)	0%	\$ -
3Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ (37,500)	\$ (34,167)	\$ (3,333)	0%	\$ (56,308)
5 Tax Assessment Revenue-Parcel Tax	\$ 250,000	\$ 250,000	\$ -	0%	\$ 237,305
6 NON-OPERATING REV/EXP	\$ 217,887	\$ 226,766	\$ (8,879)	-4%	\$ 414,504
7Capital Campaign Contribution	\$ 138,110	\$ 86,250	\$ 51,860	60%	\$ 281,546
8Restricted Foundation Contribution	\$ -	\$ -	\$ -	0%	\$ -
9 Tax Assessment Revenue - GO Bond	\$ 152,326	\$ 150,241	\$ 2,085	1%	\$ 152,326
10 GO Bond Interest	\$ (117,930)	\$ (140,256)	\$ 22,326	-16%	\$ (36,907)
11TOTAL NON-OPERATING REV/EXP	\$ 390,393	\$ 323,001	\$ 67,392	21%	\$ 811,468

**SONOMA VALLEY HOSPITAL**  
**OPERATING INDICATORS**  
**For the month ended January, 2015**

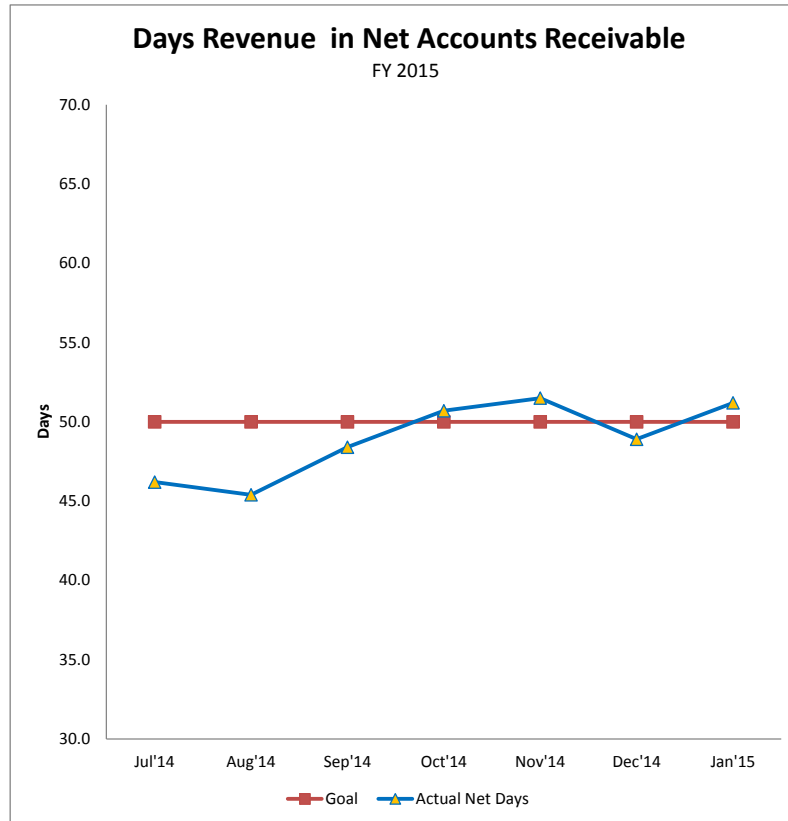
	CURRENT MONTH			YEAR-TO-DATE			
	Actual 01/31/15	Budget 01/31/15	Favorable (Unfavorable) Variance	Actual 01/31/15	Budget 01/31/15	Favorable (Unfavorable) Variance	Prior Year 01/31/14
<b>Inpatient Utilization</b>							
<b>Discharges</b>							
1 Acute	86	116	(30)	609	638	(29)	571
2 ICU	18	17	1	105	104	1	116
3 Total Discharges	104	133	(29)	714	742	(28)	687
4 Newborn	12	15	(3)	105	86	19	83
5 Total Discharges inc. Newborns	116	148	(32)	819	828	(9)	770
<b>Patient Days:</b>							
6 Acute	281	365	(84)	1,807	1,989	(182)	1,862
7 ICU	109	129	(20)	713	768	(55)	749
8 Total Patient Days	390	493	(103)	2,520	2,757	(237)	2,611
9 Newborn	22	29	(7)	190	163	27	164
10 Total Patient Days inc. Newborns	412	522	(110)	2,710	2,919	(209)	2,775
<b>Average Length of Stay:</b>							
11 Acute	3.3	3.1	0.1	3.0	3.1	(0.2)	3.3
12 ICU	6.1	7.6	(1.5)	6.8	7.4	(0.6)	6.5
13 Avg. Length of Stay	3.8	3.7	0.0	3.5	3.7	(0.2)	3.8
14 Newborn ALOS	1.8	1.9	(0.1)	1.8	1.9	0.1	2.0
<b>Average Daily Census:</b>							
15 Acute	9.1	11.8	(2.7)	8.4	9.3	(0.8)	8.7
16 ICU	3.5	4.1	(0.6)	3.3	3.6	(0.3)	3.5
17 Avg. Daily Census	12.6	15.9	(3.3)	11.7	12.8	(1.1)	12.1
18 Newborn	0.7	0.9	(0.2)	0.9	0.8	0.1	0.8
<b>Long Term Care:</b>							
19 SNF Patient Days	654	705	(51)	4,292	4,249	43	4,281
20 SNF Discharges	22	32	(10)	191	193	(2)	209
21 Average Daily Census	21.1	22.7	(1.6)	20.0	19.8	0.2	19.9
<b>Other Utilization Statistics</b>							
<b>Emergency Room Statistics</b>							
22 Total ER Visits	988	826	162	6,044	5,437	607	5,292
<b>Outpatient Statistics:</b>							
23 Total Outpatients Visits	4,891	4,312	579	32,382	29,660	2,722	29,462
24 IP Surgeries	22	37	(15)	215	227	(12)	227
25 OP Surgeries	107	76	31	693	679	14	679
26 Special Procedures	36	31	5	222	244	(22)	238
27 Home Health Visits	1,097	1,129	(32)	7,975	6,854	1,121	6,076
28 Adjusted Discharges	322	336	(14)	2,293	2,082	211	2,033
29 Adjusted Patient Days	2,667	2,440	226	17,274	15,605	1,669	15,579
30 Adj. Avg. Daily Census	86.0	78.7	7.3	80.3	72.6	7.8	72.5
31 Case Mix Index -Medicare	1.4640	1.4000	0.064	1.5054	1.4000	0.105	1.6248
32 Case Mix Index - All payers	1.3900	1.4000	(0.010)	1.5126	1.4000	0.113	1.5786
<b>Labor Statistics</b>							
33 FTE's - Worked	246	257	11.2	266	260	(6.1)	280
34 FTE's - Paid	299	292	(7.0)	303	295	(8.4)	314
35 Average Hourly Rate	38.05	42.22	4.17	37.84	38.37	0.53	36.15
36 Manhours / Adj. Pat Day	19.8	21.1	1.3	21.5	23.2	1.6	24.7
37 Manhours / Adj. Discharge	164.2	153.6	(10.6)	162.0	173.5	11.5	189.4
38 Benefits % of Salaries	25.4%	21.8%	-3.6%	23.9%	23.6%	-0.3%	22.1%
<b>Non-Labor Statistics</b>							
39 Supply Expense % Net Revenue	11.6%	11.0%	-0.6%	11.8%	11.4%	-0.4%	12.7%
40 Supply Exp. / Adj. Discharge	1,609	1,473	(137)	1,514	1,605	91	1,757
41 Total Expense / Adj. Discharge	14,883	14,368	(515)	14,417	15,477	1,060	15,900
<b>Other Indicators</b>							
42 Days Cash - Operating Funds	17.4						
43 Days in Net AR	51.2	50.0	1.2	48.9	50.0	(1.1)	50.6
44 Collections % of Net Revenue	83%			99%			100.5%
45 Days in Accounts Payable	53.0	60.0	(7.0)	53.0	60.0	(7.0)	58.8
46 % Net revenue to Gross revenue	22.9%	23.6%	-0.6%	23.1%	23.4%	-0.4%	23.7%
47 % Net AR to Gross AR	23.8%			23.8%			23.1%

**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of January 31, 2015**

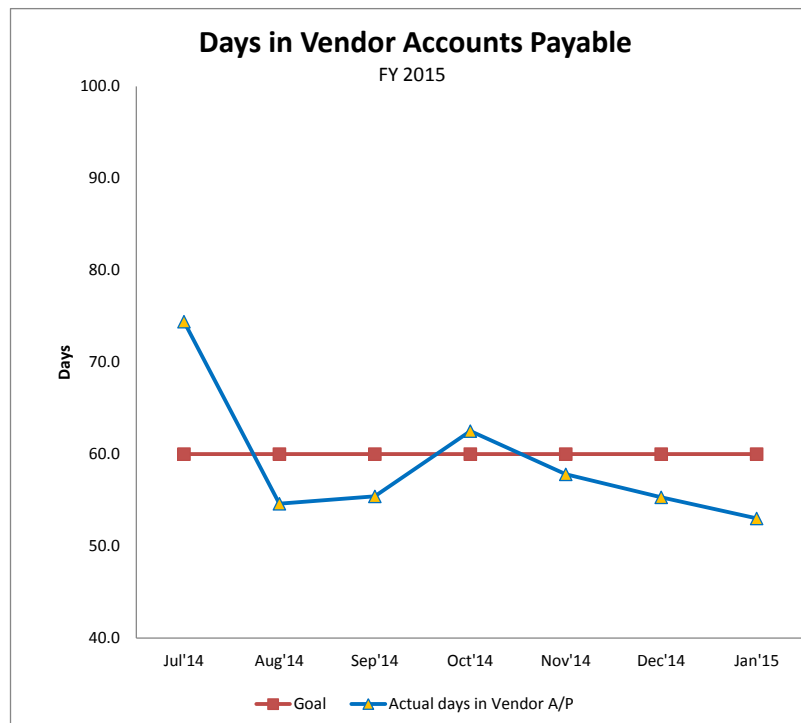
	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1 Cash	\$ 2,509,913	\$ 1,823,144	\$ 1,065,206
2 Trustee Funds	2,533,185	2,533,185	1,615,031
3 Net Patient Receivables	7,573,521	7,398,657	8,016,750
4 Allow Uncollect Accts	(628,733)	(668,956)	(1,754,440)
5 Net A/R	6,944,788	6,729,701	6,262,310
6 Other Accts/Notes Rec	4,072,447	3,999,477	4,282,451
7 3rd Party Receivables, Net	1,033,286	1,190,072	882,748
8 Due Frm Restrict Funds	-	-	-
9 Inventory	717,266	803,069	767,026
10 Prepaid Expenses	866,148	933,858	1,209,364
11 Total Current Assets	\$ 18,677,033	\$ 18,012,506	\$ 16,084,136
12 Board Designated Assets	\$ -	\$ -	\$ 5,399
13 Property, Plant & Equip, Net	55,383,289	55,654,793	19,618,513
14 Hospital Renewal Program	-	-	31,801,877
15 Unexpended Hospital Renewal Funds	-	-	4,024,455
16 Investments	-	-	-
17 Specific Funds	420,163	370,214	(3,040,793)
18 Other Assets	143,164	143,007	432,875
19 Total Assets	\$ 74,623,648	\$ 74,180,519	\$ 68,926,462
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
20 Accounts Payable	\$ 3,877,757	\$ 4,047,093	\$ 4,687,120
21 Accrued Compensation	3,815,994	3,617,860	3,557,931
22 Interest Payable	707,574	589,645	853,021
23 Accrued Expenses	1,401,006	1,210,693	1,176,471
24 Advances From 3rd Parties	552,876	31,592	230,583
25 Deferred Tax Revenue	3,033,706	3,436,032	2,096,823
26 Current Maturities-LTD	1,708,979	1,706,832	906,845
27 Line of Credit - Union Bank	5,698,734	5,698,734	-
28 Other Liabilities	144,549	144,392	4,197,540
29 Total Current Liabilities	\$ 20,941,175	\$ 20,482,873	\$ 17,706,335
30 Long Term Debt, net current portion	\$ 39,524,098	\$ 39,740,968	\$ 37,264,900
Fund Balances:			
32 Unrestricted	\$ 12,618,056	\$ 12,554,469	\$ 12,971,568
33 Restricted	1,540,319	1,402,209	983,663
34 Total Fund Balances	\$ 14,158,375	\$ 13,956,678	\$ 13,955,230
35 Total Liabilities & Fund Balances	\$ 74,623,648	\$ 74,180,519	\$ 68,926,465

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

		Month				Year-To-Date				YTD
		This Year		Variance		This Year		Variance		Prior Year
		Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information										
1	Acute Discharges	104	133	(29)	-22%	714	742	(28)	-4%	687
2	SNF Days	654	705	(51)	-7%	4,292	4,249	43	1%	4,281
3	Home Care Visits	1,097	1,129	(32)	-3%	7,975	6,854	1,121	16%	6,076
4	Gross O/P Revenue (000's)	11,804	9,703	2,101	22%	\$ 77,366	\$ 69,271	8,095	12%	\$ 66,522
Financial Results										
Gross Patient Revenue										
5	Inpatient	\$ 5,395,863	\$ 6,523,620	(1,127,757)	-17%	\$ 35,915,508	\$ 39,135,964	(3,220,456)	-8%	\$ 35,932,037
6	Outpatient	6,802,535	5,872,850	929,685	16%	45,659,102	44,402,357	1,256,745	3%	42,446,681
7	Emergency	4,661,580	3,484,421	1,177,159	34%	29,250,521	22,766,936	6,483,585	28%	22,206,656
8	SNF	2,198,939	2,840,078	(641,139)	-23%	14,684,493	17,192,772	(2,508,279)	-15%	16,706,258
9	Home Care	339,862	345,266	(5,404)	-2%	2,456,337	2,101,962	354,375	17%	1,869,028
10	Total Gross Patient Revenue	\$ 19,398,779	\$ 19,066,235	332,544	2%	\$ 127,965,962	\$ 125,599,991	2,365,971	2%	\$ 119,160,659
Deductions from Revenue										
11	Contractual Discounts	\$ (15,426,870)	\$ (14,655,693)	(771,177)	-5%	\$ (99,641,951)	\$ (96,844,550)	(2,797,401)	-3%	\$ (92,310,539)
12	Bad Debt	0	(177,417)	177,417	100%	(740,000)	(1,168,745)	428,745	37%	(1,191,955)
13	Charity Care Provision	(21,900)	(26,613)	4,713	18%	(133,600)	(175,313)	41,713	24%	(164,550)
14	Prior Period Adjustments	251,076	-	251,076	0%	281,657	-	281,657	0%	696,982
15	Total Deductions from Revenue	\$ (15,197,694)	\$ (14,859,723)	(337,971)	2%	\$ (100,233,894)	\$ (98,188,608)	(2,045,286)	2%	\$ (92,970,062)
16	Net Patient Service Revenue	\$ 4,201,085	\$ 4,206,512	(5,427)	0%	\$ 27,732,068	\$ 27,411,383	320,685	1%	\$ 26,190,597
17	Risk contract revenue	\$ 247,200	\$ 288,252	(41,052)	-14%	\$ 1,794,692	\$ 2,017,764	(223,072)	-11%	\$ 2,017,769
18	Net Hospital Revenue	\$ 4,448,285	\$ 4,494,764	(46,479)	-1%	\$ 29,526,760	\$ 29,429,147	97,613	0%	\$ 28,208,366
19	Other Op Rev & Electronic Health Records	\$ (2,679)	\$ 74,651	(77,330)	104%	\$ 480,164	\$ 522,557	(42,393)	-8%	\$ 902,366
20	Total Operating Revenue	\$ 4,445,607	\$ 4,569,415	(123,809)	-3%	\$ 30,006,924	\$ 29,951,704	55,220	0%	\$ 29,110,732
Operating Expenses										
21	Salary and Wages and Agency Fees	\$ 2,010,757	\$ 2,178,657	167,900	8%	\$ 14,058,712	\$ 13,862,934	(195,778)	-1%	\$ 13,919,528
22	Employee Benefits	863,058	766,280	(96,778)	-13%	5,423,990	5,339,369	(84,621)	-2%	5,145,391
23	Total People Cost	\$ 2,873,815	\$ 2,944,937	71,122	2%	\$ 19,482,702	\$ 19,202,303	(280,399)	-1%	\$ 19,064,920
24	Med and Prof Fees (excl'd Agency)	\$ 342,421	\$ 314,986	(27,435)	-9%	\$ 2,475,099	\$ 2,254,376	(220,723)	-10%	\$ 3,011,519
25	Supplies	517,853	494,866	(22,987)	-5%	3,471,784	3,342,489	(129,295)	-4%	3,571,177
26	Purchased Services	301,591	326,347	24,756	8%	2,331,532	2,131,716	(199,816)	-9%	2,742,803
27	Depreciation	279,127	272,198	(6,929)	-3%	2,024,047	1,905,386	(118,661)	-6%	1,131,615
28	Utilities	71,800	80,567	8,767	11%	675,308	563,969	(111,339)	-20%	549,918
29	Insurance	19,255	20,000	745	4%	134,785	140,000	5,215	4%	132,213
30	Interest	39,033	85,679	46,646	54%	316,530	599,753	283,223	47%	167,660
31	Other	189,407	148,917	(40,490)	-27%	997,493	1,107,155	109,662	10%	1,282,498
32	Operating expenses	\$ 4,634,302	\$ 4,688,497	54,195	1%	\$ 31,909,281	\$ 31,247,147	(662,134)	-2%	\$ 31,654,323
33	Operating Margin	\$ (188,696)	\$ (119,082)	(69,614)	-58%	\$ (1,902,358)	\$ (1,295,443)	(606,915)	-47%	\$ (2,543,591)
Non Operating Rev and Expense										
34	Miscellaneous Revenue	\$ 5,157	\$ 933	4,224	453%	\$ 85,089	\$ 6,531	78,558	*	\$ 302,420
35	Donations	230	10,000	(9,770)	-98%	46,859	70,000	(23,141)	33%	1,000
36	Physician Practice Support-Prima	(37,500)	(34,167)	(3,333)	10%	(262,500)	(239,169)	(23,331)	10%	(406,410)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	1,750,000	1,750,000	-	0%	1,662,110
38	Total Non-Operating Rev/Exp	\$ 217,887	\$ 226,766	(8,879)	-4%	\$ 1,619,449	\$ 1,587,362	32,087	2%	\$ 1,559,120
39	Net Income / (Loss) prior to Restricted Contributions	\$ 29,192	\$ 107,684	(78,493)	-73%	\$ (282,909)	\$ 291,919	(574,828)	-197%	\$ (984,471)
40	Capital Campaign Contribution	\$ 138,110	\$ 86,250	51,860	60%	\$ 533,198	\$ 603,750	(70,552)	-12%	\$ 3,271,949
41	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ 108,576	\$ -	108,576	100%	\$ -
42	Net Income / (Loss) w/ Restricted Contributions	\$ 167,302	\$ 193,934	(26,633)	-14%	\$ 358,865	\$ 895,669	(536,804)	-60%	\$ 2,287,478
43	GO Bond Tax Assessment Rev	152,326	150,241	2,085	1%	1,067,970	1,051,687	16,283	2%	1,066,279
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(889,089)	(981,805)	92,716	-9%	(258,455)
45	Net Income/(Loss) w GO Bond Activity	\$ 201,698	\$ 203,919	(2,222)	1%	\$ 537,747	\$ 965,551	(427,804)	44%	\$ 3,095,303
EBIDA		\$ 347,352	\$ 465,561			\$ 2,057,669	\$ 2,797,058			\$ 314,804
		7.8%	10.2%			6.9%	9.3%			1.1%



Days in A/R	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15
Actual days in A/R	46.2	45.4	48.4	50.7	51.5	48.9	51.2
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15
Actual days in Vendor A/P	74.4	54.6	55.4	62.5	57.8	55.3	53.0
Goal	60.0	60.0	60.0	60.0	60.0	60.0	60.0

**Sonoma Valley Hospital**  
Statistical Analysis  
FY 2015

Statistics	ACTUAL	BUDGET
	Jan-15	Jan-15
<b>Acute</b>		
Acute Patient Days	390	493
Acute Discharges (w/o Newborns)	104	133
<b>SNF Days</b>	654	705
<b>HHA Visits</b>	1,097	1,129
<b>Emergency Room Visits</b>	988	826
<b>Gross Outpatient Revenue (000's)</b>	\$11,804	\$9,703
<b>Equivalent Patient Days</b>	2,667	2,440
<b>Births</b>	11	15
<b>Surgical Cases - Inpatient</b>	22	37
<b>Surgical Cases - Outpatient</b>	107	76
<b>Total Surgical Cases</b>	129	113
<b>Medicare Case Mix Index</b>	1.46	1.40
<b>Income Statement</b>		
Net Revenue (000's)	4,448	4,495
Operating Expenses (000's)	4,634	4,688
Net Income (000's)	202	204
<b>Productivity</b>		
Total Operating Expense Per Equivalent Patient Day	\$1,738	\$1,921
Productive FTEs	246	257
Non-Productive FTE's	53	35
Total FTEs	299	292
FTEs per Adjusted Occupied Bed	4.12	3.71
<b>Balance Sheet</b>		
Days of Expense In General Operating Cash	17	
Net Days of Revenue in AR	51	50

ACTUAL												
Dec-14	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14	Dec-13
406	364	363	291	376	335	362	358	303	407	300	389	402
111	96	107	87	104	105	91	100	94	117	79	91	112
596	580	527	597	687	651	613	605	674	750	641	754	733
1,103	1,090	1,319	1,111	1,109	1,146	992	1,135	1,218	1,106	872	1,040	951
824	761	863	851	868	889	867	909	788	769	655	811	751
\$10,084	\$10,956	\$11,748	\$11,149	\$10,410	\$10,879	\$10,111	\$10,237	\$9,918	\$9,999	\$8,604	\$9,095	\$8,809
2,227	2,457	2,347	2,603	2,510	2,447	2,433	2,461	2,415	2,585	2,136	2,375	2,356
18	15	13	21	9	16	11	16	6	19	14	6	11
31	30	35	30	41	26	28	32	34	43	26	37	31
86	88	120	92	92	109	93	110	113	113	95	76	107
117	118	155	122	133	135	121	142	147	156	121	113	138
1.42	1.41	1.52	1.51	1.65	1.56	1.76	1.47	1.57	1.63	1.77	1.94	1.49
4,080	3,861	4,641	3,727	4,422	4,261	4,563	3,853	3,957	3,449	3,449	3,737	3,998
4,472	4,457	4,629	4,461	4,778	4,626	4,854	4,486	4,600	4,273	4,273	4,553	4,480
87	102	338	(289)	134	(37)	567	(240)	(360)	401	(12)	13	412
\$2,008	\$1,814	\$1,972	\$1,714	\$1,903	\$1,890	\$1,995	\$1,823	\$1,905	\$1,937	\$1,925	\$1,917	\$1,902
258	278	272	267	274	268	266	276	285	292	266	268	277
42	25	32	36	32	42	37	32	26	26	34	42	38
300	303	304	303	305	309	303	309	311	318	301	310	315
4.12	3.93	4.01	3.49	3.77	3.92	3.74	3.89	3.86	3.81	3.94	4.05	4.15
13	9	11	14	12	14	7	8	12	8	8	7	7
49	51	51	48	45	46	47	46	48	49	49	54	52

Sonoma Valley Hospital Statement of Cash Forecast FY 2015													
	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast TOTAL
<b>Sources</b>													
1 Patient Payments Collected	4,172,973	4,067,228	4,171,850	3,918,828	3,736,152	3,698,080	3,670,606	3,813,956	4,205,888	3,890,808	4,188,570	3,827,022	47,361,960
2 Capitation Revenue	174,782	169,048	174,633	161,642	167,479	186,147	156,206	170,135	170,135	170,135	170,135	118,122	1,988,599
3 Napa State	200,000			400,000	200,000		600,000	118,117	118,117	118,117	118,117	170,139	2,042,607
4 Other Operating Revenue	11,703	121,430	92,554	1,678	70,434	15,339	106,207	15,965	15,965	15,965	15,965	15,965	499,170
5 Other Non-Operating Revenue	11,017	933	6,996	2,262	-	1,093	2,531	933	933	933	933	933	29,498
6 Unrestricted Contributions	7,063	10,000	-	-	128,142		230	10,000	10,000	10,000	10,000	10,000	195,435
7 Line of Credit		500,000						575,000	(575,000)				500,000
8 Restricted Donations					100,042	(100,042)							-
9 Loan/Lease Proceeds	41,110	105,811		(105,811)									41,110
10 Parcel Tax Revenue	78,743					1,649,029				1,350,971			3,078,743
Other:													-
11 LIHP *												597,000	597,000
12 AT&T Lease			57,000										57,000
13 PG&E		49,542											49,542
14 Electronic Health Record							548,594				80,000		628,594
15 RAC Settlement						316,756							316,756
16 IGT				1,049,453					470,192				1,519,645
17 IGT - Add'l *									923,000	350,000			1,273,000
<b>Total Sources</b>	<b>4,697,391</b>	<b>5,023,992</b>	<b>4,503,034</b>	<b>5,428,052</b>	<b>4,402,248</b>	<b>5,766,402</b>	<b>5,084,374</b>	<b>4,704,106</b>	<b>5,339,230</b>	<b>5,906,929</b>	<b>4,583,720</b>	<b>4,739,181</b>	<b>60,178,659</b>
<b>Uses</b>													
18 Operating Expenses	2,723,611	3,634,037	2,656,718	2,841,530	3,284,240	2,460,259	2,463,732	4,976,677	4,623,332	4,512,624	4,678,056	4,472,502	43,327,319
19 Salaries	1,298,774	1,269,094	1,338,174	1,928,284	1,306,744	1,329,374	1,295,566						9,766,010
Less Depreciation								(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(1,360,990)
20 Add Capital Lease Payments	218,307	86,999	76,452	228,509	126,571	150,653	214,722	133,816	134,453	135,094	135,739	199,446	1,840,760
21 Additional AP		330,993		910,919		1,330,174	128,054	400,000				500,000	3,600,140
22 Capital - Board Approved Spending		28,416		65,479					173,650			148,950	416,495
23 Napa State						295,532	295,534		100,000	100,000	100,000	100,000	991,066
<b>Total Uses</b>	<b>4,240,692</b>	<b>5,349,539</b>	<b>4,071,344</b>	<b>5,974,722</b>	<b>4,717,555</b>	<b>5,270,460</b>	<b>4,397,606</b>	<b>5,533,829</b>	<b>4,759,237</b>	<b>4,475,520</b>	<b>4,641,597</b>	<b>5,148,700</b>	<b>58,580,800</b>
<b>Net Sources/Uses</b>	<b>456,699</b>	<b>(325,547)</b>	<b>431,690</b>	<b>(546,670)</b>	<b>(315,307)</b>	<b>495,942</b>	<b>686,769</b>	<b>(829,723)</b>	<b>579,993</b>	<b>1,431,409</b>	<b>(57,877)</b>	<b>(409,519)</b>	
Cash and Equivalents at beginning of period	1,626,337	2,083,036	1,757,489	2,189,179	1,642,509	1,327,202	1,823,144	2,509,913	1,680,190	2,260,183	3,691,592	3,633,715	
<b>Cash and Equivalents at end of period</b>	<b>2,083,036</b>	<b>1,757,489</b>	<b>2,189,179</b>	<b>1,642,509</b>	<b>1,327,202</b>	<b>1,823,144</b>	<b>2,509,913</b>	<b>1,680,190</b>	<b>2,260,183</b>	<b>3,691,592</b>	<b>3,633,715</b>	<b>3,224,196</b>	<b>YTD Cash Goal</b>
													<b>2,007,768</b>
													<b>1,216,428</b>
<b>Project Funding:</b>													
<b>Cash at beginning of period</b>	<b>1,214,263</b>	<b>396,722</b>	<b>304</b>	<b>27,369</b>	<b>133,180</b>	<b>201,805</b>	<b>301,847</b>	<b>355,625</b>	<b>29,842</b>	<b>116,092</b>	<b>202,342</b>	<b>133,395</b>	
24 Restricted Contributions	50,864	67,501	54,818	-	68,624	100,042	53,778	138,109	86,250	86,250	86,250	86,250	878,736
25 Loan/Lease Proceeds				105,811									105,811
26 Celtic Loan/(Payment)											(155,197)		(155,197)
27 Line of Credit Advances		225,000											225,000
28 Project Payments	(868,405)	(688,919)	(27,752)	-				(463,892)					(2,048,968)
<b>Cash at end of period</b>	<b>396,722</b>	<b>304</b>	<b>27,369</b>	<b>133,180</b>	<b>201,805</b>	<b>301,847</b>	<b>355,625</b>	<b>29,842</b>	<b>116,092</b>	<b>202,342</b>	<b>133,395</b>	<b>219,645</b>	
												<b>As Of 1/31/15</b>	
* These sources of income are not in the 2015 budget												Prior Year LOC - Operations	4,473,734
note 1: In March 2015 the IGT received will be \$1,043,598, of which \$575k will pay back the LOC												Current Year LOC - Operations	500,000
note 2: \$643,494 has been paid by Hospital operating funds for the Project's Celtic Loan												Total	4,973,734
												Prior Year LOC - Project	500,000
												Current Year LOC - Project	225,000
												Total	725,000
												<b>Total LOC</b>	<b>5,698,734</b>

Sonoma Valley Hospital Long Term Cash Forecast FY 2015																
	July - Dec 2014	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast July	Forecast Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast TOTAL		
Sources																
1 Patient Payments Collected	23,765,111	3,670,606	3,813,956	4,205,888	3,890,808	4,188,570	3,827,022	4,298,162	4,189,245	4,297,006	4,036,393	3,848,236	3,809,022	71,840,024		
2 Capitation Revenue	1,033,731	156,206	170,135	170,135	170,135	170,135	118,122	170,135	170,135	170,135	170,135	170,135	170,135	3,009,409		
3 Napa State	800,000	600,000	118,117	118,117	118,117	118,117	170,139	118,117	118,117	118,117	118,117	118,117	118,117	2,751,309		
4 Other Operating Revenue	313,138	106,207	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	594,960		
5 Other Non-Operating Revenue	22,301	2,531	933	933	933	933	933	933	933	933	933	933	933	35,096		
6 Unrestricted Contributions	145,205	230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	255,435		
7 Line of Credit	500,000		575,000	(575,000)										500,000		
8 Restricted Donations	-													-		
9 Loan/Lease Proceeds	41,110													41,110		
10 Parcel Tax Revenue	1,727,772				1,350,971								1,500,000	4,578,743		
Other:	-													-		
11 LIHP	-						597,000							597,000		
12 AT&T Lease	57,000													57,000		
13 PG&E	49,542													49,542		
14 Electronic Health Record	-	548,594				80,000								628,594		
15 RAC Settlement	316,756													316,756		
16 IGT	1,049,453			470,192										1,519,645		
17 IGT - Add'l	-			923,000	350,000									1,273,000		
Total Sources	29,821,118	5,084,374	4,704,106	5,339,230	5,906,929	4,583,720	4,739,181	4,613,312	4,504,395	4,612,156	4,351,543	4,163,386	5,624,172	88,047,622		
Uses																
18 Operating Expenses	17,600,396	2,463,732	4,976,679	4,623,332	4,512,624	4,678,056	4,472,502	4,143,057	5,050,225	4,114,739	4,912,909	4,728,714	3,903,322	70,180,285		
19 Salaries	8,470,444	1,295,566												9,766,010		
Less Depreciation	-	-	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(2,994,178)		
20 Add Capital Lease Payments	887,490	214,722	133,816	134,453	135,094	135,739	199,446	218,307	86,999	76,452	228,509	126,571	150,653	2,728,251		
21 Additional AP	2,572,086	128,054	400,000				500,000						1,500,000	5,100,140		
22 Capital - Board Approved Spending	93,895	-		173,650			148,950			200,000			200,000	816,495		
23 Napa State	-	295,532	295,532	100,000	100,000	100,000	100,000							991,064		
Total Uses	29,624,311	4,397,606	5,533,829	4,759,237	4,475,520	4,641,597	5,148,700	4,089,166	4,865,026	4,118,993	4,869,220	4,583,086	5,481,777	86,588,067		
Net Sources/Uses	196,807	686,769	(829,723)	579,993	1,431,409	(57,877)	(409,519)	524,147	(360,631)	493,163	(517,678)	(419,700)	142,395			
Cash and Equivalents at beginning of period	1,626,337	1,823,144	2,509,913	1,680,190	2,260,183	3,691,592	3,633,715	3,224,196	3,748,342	3,387,712	3,880,875	3,363,197	2,943,497			
Cash and Equivalents at end of period	1,823,144	2,509,913	1,680,190	2,260,183	3,691,592	3,633,715	3,224,196	3,748,342	3,387,712	3,880,875	3,363,197	2,943,497	3,085,892			
														YTD Cash Goal	2,007,768	1,078,124
Project Funding:																
Cash at beginning of period	1,214,263	301,847	355,625	29,842	116,092	202,342	133,395	219,645	305,895	236,948	323,198	409,448	340,501			
24 Restricted Contributions	341,849	53,778	138,109	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250	1,396,236		
25 Loan/Lease Proceeds	105,811													105,811		
26 Celtic Loan/(Payment)	-					(155,197)			(155,197)			(155,197)		(465,591)		
27 Line of Credit Advances	225,000													225,000		
28 Project Payments	(1,585,076)		(463,892)											(2,048,968)		
Cash at end of period	301,847	355,625	29,842	116,092	202,342	133,395	219,645	305,895	236,948	323,198	409,448	340,501	426,751			
* These sources of income are not in the 2015 budget																
note 1: In March 2015 the IGT received will be \$1,043,598, of which \$575k will pay back the LOC												Prior Year LOC - Operations		4,473,734		
note 2: \$643,494 has been paid by Hospital operating funds for the Project's Celtic Loan												Current Year LOC - Operations		500,000		
note 3: This presumes the Hospital will not receive anymore IGT monies.												Total		4,973,734		
note 4: July through Decembers are not budgeted numbers, but a 3% increase from last FY actual.												Prior Year LOC - Project		500,000		
												Current Year LOC - Project		225,000		
												Total		725,000		
												Total LOC		5,698,734		



9.

CEO BOARD  
REPORT  
FEBRUARY 2015



**To:** SVHCD Board of Directors  
**From:** Kelly Mather  
**Date:** 2/5/15  
**Subject:** Administrative Report for January 2015

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### **Summary**

January has been a very busy month, especially in the Emergency Department. However, the volumes in December were much lower than expected in most outpatient areas. Inpatient discharges seem to have stabilized and are at budget and this includes 18 births in the month of December. Medi-Cal continues to increase and was 22% of our payer mix in December, which is way up from 11% in the prior year. We have completed most of the meetings with payers to ensure our costs are covered. We have also completed the Skilled Nursing Facility optimization project, which has resulted in a positive direct margin now.

### **Organizational Results**

As demonstrated by the December dashboard, we met most of the goals this month, except for the finance goals. However, we have made excellent progress in maintaining expenses and increasing the EBIDA percentage above the prior year. We currently have \$1,710,317 positive cash flow versus \$516,603 last year at this time. The volume of patient satisfaction surveys returned for December has gone back to the average number of around 15. Staff all received their raises and satisfaction surveys are now out. The forums were very well attended with over 80% of benefitted staff in attendance. The feedback is overwhelmingly positive. The results will be out at the end of March. Productivity was excellent in December, even with many staff using paid time off.

### **Quality Update**

The Value Based Purchasing score is still high, but other hospitals are also improving. Our focus and continued improvement in patient satisfaction will be the key to this score increasing. The quality results are very good and the efficiency scores are in the top decile of the country. The physician satisfaction survey results will be presented at the quarterly Medical Staff meeting in February. The action plan is underway. Some examples, Emergency physicians are now faxing discharge summaries to the primary care physician and the time a consultant is called to the ER is now timed and document. Radiologists are providing a list of critical radiology findings that require physician to physician communication.

### **Strategic Update**

We have completed the first draft of the three year rolling strategic plan for input from the board and physicians in February. The four major strategies recommended are similar to the past, but the tactics to accomplish them have changed. In January we promoted the Compass Health Assessment program with Parkpoint, held a sold out "GirlTalk" Women's Health Education class and started the Employer Wellness programs with the Boys & Girls Club and Sonoma Valley Community Health Center. Physician and office staff meetings continue to lead to increased volumes in Surgery and Outpatient services. Several meetings were held with other hospitals such as UCSF to begin to work on commercial health plan partnerships. The SCAN Medicare Advantage plan partnership with St. Joseph Health is underway and we plan to meet quarterly to review the effectiveness.

## DECEMBER 2014 DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 8 HCAHPS domain results above the 50 <sup>th</sup> percentile	5 out of 8 (Nov) Rolling 3 month average = 5 out of 8	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain a year to date average of at least 75 <sup>th</sup> percentile	81st (rolling three month average)	>85 <sup>th</sup> = 5 (stretch) >80 <sup>th</sup> =4 >75 <sup>th</sup> =3 (Goal) <75 <sup>th</sup> = 2 <70 <sup>th</sup> = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	68	>72 = 5 (stretch) >70 =4 >68 =3 (Goal) >66=2 <66 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 <sup>th</sup> percentile or higher	2013 76% mean score at 77 <sup>th</sup> percentile	>80 <sup>th</sup> = 5 (stretch) >77 <sup>th</sup> =4 >75 <sup>th</sup> =3 (Goal) >72 <sup>nd</sup> =2 <70 <sup>th</sup> =1
Finance	Financial Viability	YTD EBIDA	6.7%	>10% (stretch) >9%=4 >8% (Goal) >7%=2 <7%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	\$27,274,979 (actual) \$26,558,650 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	779 YTD FY2015 793 YTD FY 2014	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$63.4 mm YTD \$55.8 mm prior year	
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	945 hours for 5 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



## FY 2015 TRENDED RESULTS

MEASUREMENT	Goal FY 2015	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	5/8	5	6	5	6	4	5						
Emergency Satisfaction	>75 <sup>th</sup>	79	79	80	76	78	81	89.5	89.7	88.9	89.1	89.9	90.1
Value Based Purchasing Score	>68	68	71	70	70.88	69	68						
Staff Satisfaction	>75th	76	76	76	76	76	77	77	76	76	76	76	76
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6	4.6	4.9						
YTD EBIDA	>8%	7	7	4.9	7.3	6.5	6.7	5	5	6	9	4	3
Net Operating Revenue	>4.1m	4.26	4.6	3.8	4.7	4.0	4.1	3.75	3.46	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.4	4.3	4.55	4.27	5.0	4.4	4.4	4.8
Net Income	>75	-8	35	-381	304	67	-1	13	-12	401	-360	-240	567
Days Cash on Hand	>15	14	12	14	11	10	13	7	6	11	17	8	7
A/R Days	<50	47	45	48	51	51	49	51	47	51	55	46	48
Total FTE's	<301	309	305	303	304	303	300	310	301	318	320	309	303
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.1	4.12	4.39	4.4	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	105	104	87	107	96	111	91	79	117	94	100	91
Outpatient Revenue	>\$10m	10.8	10.4	11.1	11.7	10.9	10.1	9.1	8.6	9.99	9.91	10.2	10.1
Surgeries	>130	135	133	122	155	118	117	113	121	156	147	142	121
Home Health	>1000	1146	1109	1111	1319	1090	1103	1040	872	1106	1218	1135	992
Births	>15	16	9	21	13	16	18	6	14	19	6	16	11
SNF days	>660	651	687	597	527	580	596	754	641	750	674	605	613
MRI	>120	132	139	143	221	116	100	103	108	122	103	118	124
Cardiology (Echos)	>70	49	53	62	67	66	67	45	50	55	62	61	57
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.5	11.4	13.1	11.1	13.3	12.4	13.1	13.9
Radiology	>850	968	988	900	1047	856	890	963	837	851	868	918	888
Rehab	>2587	3030	2859	2468	3028	2634	3010	2485	2403	2903	3394	2877	2945
CT	>300	376	345	323	368	295	316	332	295	334	301	332	335
ER	>800	889	868	851	863	761	824	811	655	769	788	909	716
Mammography	>475	414	417	433	605	462	339	430	445	447	404	519	429
Ultrasound	>325	348	361	367	372	238	299	290	350	438	424	497	339
Occupational Health	>575	656	678	758	739	602	648	579	504	534	595	600	618