



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

AGENDA

Tuesday, July 26, 5:00 p.m.

SCHANTZ CONFERENCE ROOM

Sonoma Valley Hospital – 347 Andrieux St., Sonoma CA 95476

TOLL FREE CALL-IN NUMBER: 866 228-9900 GUEST CODE: 294221		
In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District meeting, please contact the District Clerk, Gigi Betta at ebetta@svh.com or (707) 935.5004 at least 48 hours prior to the meeting.		
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>Nevins</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>Nevins</i>	
3. CONSENT CALENDAR FC Minutes 06.28.16	<i>Nevins</i>	Action
4. IT OUTSOURCING PROPOSAL	<i>Jensen</i>	Inform/Action
5. Q4 CAPITAL SPENDING REPORT	<i>Jensen</i>	Inform/Action
6. FINANCE REPORT MONTH ENDING JUNE 30, 2016 AND PRELIMINARY PRE-AUDIT YEAR END FINANCIALS	<i>Jensen</i>	Inform
7. ROLLING CASH EXPECTTIONS	<i>Jensen</i>	Inform/Action
8. ADMINISTRATIVE REPORT JULY 2016	<i>Nevins/Mather</i>	Inform
9. ADJOURN Next meeting August 23, 2016	<i>Nevins</i>	

3.

CONSENT



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, June 28, 2016
Schantz Conference Room

Present	Excused	Staff	Public
Sharon Nevins, Chair Peter Hohorst Susan Porth Dick Fogg Stephen Berezin Steve Barclay S. Mishra, MD (by phone) Keith Chamberlin, MD (by phone)	Mary Smith	Ken Jensen Gigi Betta Jeannette Tarver	Sam McCandless

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>		
	Meeting called to order at 5:00p.m. Ms. Nevins announced that Finance Committee member Mary Smith has resigned to allow her more time for travel and family. Ms. Smith's commitment to the Sonoma Valley Hospital Board Finance Committee over the past five years has been exemplary and much appreciated.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	No public comment.		
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
FC Minutes 05.24.16		MOTION by Barclay to approve	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		Consent and 2 nd by Hohorst. All in favor.	
4. PURCHASE OF SOUTH LOT UPDATE	<i>Jensen</i>	Inform	
	The attorney of the family that is making the loan on the South Lot is accepting of the legal opinion that a lien on the property is enforceable and escrow is underway.		
5. INSURANCE REVIEW	<i>Jensen</i>	Inform	
	Mr. Jensen presented the 2016–2017 Insurance Renewals and Schedule of Policies. Next year's increase in the cost of premiums has been covered in the budget for next fiscal year.		
6. CASH POSITION	<i>Jensen</i>	Inform	
	The Hospital's cash on hand stands at nine days. Management has implemented initiatives to reduce cash need by \$200,000 per month for the next two months. \$800,000 has been drawn from line of credit.		
7. CAPITAL PLAN	<i>Jensen</i>	Inform	
	Mr. Jensen presented the Capital Plan for fiscal year 2017. The financial support from the SVH Foundation of \$516,700 will primarily be used for surgical needs over the next several months. Mr. Jensen noted that the USDA offers low interest loans designed for small hospitals in small communities for other capital needs.		
8. PARCEL TAX COMMITTEE ASSUMPTIONS	<i>Jensen</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	The Parcel Tax Committee is developing an organization which will include a fundraising arm.		
9. FINANCE REPORT FOR MONTH ENDING MAY 31, 2016	<i>Jensen</i>	Inform	
	<p>After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for May was (\$388,346) vs. a budgeted net loss of (\$146,667). The total net loss for May after all activity was (\$403,408) vs. a budgeted net income of \$37,869. EBIDA for the month of May was - 0.8% vs. the budgeted 3.8%.</p> <p>If can't improve cash in next two months, more permanent adjustments will have to be made. Permanent adjustments will be made in September is cash position has not improved. Mr. Barclay suggests direct overhead reductions as opposed to targeting smaller expenses. Dr. Mishra reminded the Committee that Kaiser rates are more attractive to the City of Sonoma employees and that SVH is losing their business. To win them back, SVH would have to extend the City more competitive rates.</p>		
10. ADMINISTRATIVE REPORT MAY2016	<i>Nevins</i>	Inform	
	<p>Service Excellence is under goal on the Dashboard and Dr. Chamberlin asked for more detail.</p> <p>It was pointed out that Wound Care is missing all data on Trended Results Report.</p>		
11. ADJOURN	<i>Nevins</i>		
Next meeting July, 26, 2016	Adjourned at 6:20pm		

4.

IT OUTSOURCING PROPOSAL



To: SVHCD Finance Committee

Meeting Date: July 26, 2016

Prepared by: Ken Jensen, CFO and Fe Sendaydiego, CIO

Agenda Item: Contract to Outsource/Host IT Operations (Excludes Staff)

RECOMMENDATION:

Management recommends that the hospital executes a five year contract with McKesson Corporation to host the hardware and manage the IT programs at an offsite location thus eliminating the need to purchase periodic updates for both hardware and system programs at a cost of \$70,229 monthly (\$842,748 per year) based upon anticipated volume.

CURRENT SITUATION:

The Hospital currently operates its IT programs in-house on servers owned by the Hospital. As system programs require periodic updates, which the Hospital must purchase as it can afford. When updates are scheduled at certain times the hardware must also be updated. Most of our systems are McKesson products and for the most significant set of programs (PARAGON) we are two versions behind and will soon not be supported. Also, to update to the current version of PARAGON all of the Hospital owned servers will have to be replaced at a significant cost. Of concern, the current systems do not have a secondary backup site and has issues keeping up with cyber security.

BACKGROUND:

As noted, the McKesson programs are two years behind the current version and will require updating for both the software and related hardware. In addition if the electronic health record is not updated to the current version by mid-2017 Medicare will reduce its total reimbursement by \$200,000 per year until updated. After an intense evaluation, it was determined that to update everything and maintain operations in house, the first year would require \$1,579,000 in cash for the upgrades and first year operations. Years two through four would require an additional \$2,934,000 for a total five year cost of \$4,513,000 not accounting for any finance costs. McKesson has offered to host all systems in a bundled price of \$842,748 per year for five years for a total cost of \$4,213,740.

ADVANTAGES OF OUTSOURCING THE IT HOSTING:

- First year cash savings of \$736,252
- Total five year savings of \$299,260
- Hospital does not lose the \$200,000 reduction in Medicare reimbursement
- All McKesson programs are updated on a regular basis
- Servers are updated as required
- System back up, recovery and security are enhanced
- More depth in resources and hospital staff backup
- Application “fixes” are faster
- All references were positive

5.

CAPITAL SPENDING FY16

FY 2015 Carry Overs

Dept #	Department	DESCRIPTION	Remaining Approved Budget	Spent to Date	Remaining Balance
8450	Engineering	Fire System	120,000	55,649	64,351
8450	Engineering	Nurse Call System	100,000	100,000	0

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	149,567	* 433
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	Computrition 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	93,897	(21,699)
8340	Dietary	Boilerless Convection Steamer	7,180	8,146	(966)
6171	OB	2 Wireless Fetal Monitors	50,000	22,754	27,246
6171	OB	2 Infant Warmers	45,000	41,465	3,535
6171	OB	Carts	8,000	3,399	4,601
7630	Radiology	OR Table	10,000	6,296	3,704
7420	Surgery	Camera (eye microscope)	113,655	44,350	69,305
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 annul 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		67,219
		Ultra Sound (Direct Connect)		14,681	
		Replace Spring Pumps in Basement		9,100	
		Wyse D90D7 Thin Clients (45@ \$200)		9,000	

* Foundations Goal to raise money for these items.

* Celtic Lease #2

2,292,218	402,655	1,889,563
2,512,218	558,304	1,953,914

Construction In Progress (CIP)	CIP Committed	Spent Prior to Date	Remaining Balance
E H R Implementation	6,315,356	5,319,917	995,439
NPC2	12,800	14,412	(1,612)
Lobby Upgrade	198,000	148,708	49,292
Phase 2 Feasibility	40,000	24,785	15,215
Nuclear Med Heat Pump	58,733	47,048	11,685
Time Share	67,532	50,740	16,792
Flouroscopy	802,981	43,658	759,324
	7,495,402	5,649,267	1,846,135

Year 1 (Fiscal Year 2016)

Patient Care	Plant/ Building	Information Technology	Year 2 (FY 2017)	Year 3 (FY 2018)
	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		

MedOne Leases

Operations

Operations

Operations

Celtic lease

Operations

GE Loan

6.

FINANCIAL REPORT
MONTH ENDING
JUNE 30, 2016



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: July 26, 2016
Subject: Financial Report for the Month Ending June 30, 2016

June's Operating Margin for the hospital had a loss of (\$459,974), which is unfavorable to budget by (\$33,671). After accounting for all other activity, June's net loss was (\$132,927) vs. a budgeted net loss of (\$9,795). EBIDA for June was 1.1% vs. a budgeted 2.9%.

The Hospital implemented a 6% price increase primarily in outpatient services and it went into effect May 1, 2016. The price increase is not reflected in the budget for FY 2016.

Gross patient revenue for June was \$21,107,897, \$2,514,601 better than expected. Inpatient gross revenue was over budget by \$509,485, patient days were under budgeted expectations by (6) days but inpatient surgeries were over budget by 3 cases. The month of June had a higher than average Medicare case mix which means there was a higher level of acuity for inpatient services. Outpatient revenue was over budget by \$939,350. Outpatient visits were under budgeted expectations by (338) visits and outpatient surgeries were at budget at 93 cases. The positive variance in outpatient revenue is also due to the price increase implemented in May. The Emergency Room gross revenue is over budget by \$1,314,785 due to the consistent increase in volume and the price increase. SNF was under budgeted expectations by (\$248,503) due to lower than projected volume and Home Health is close to budgeted expectations with a variance of (\$516).

Deductions from revenue were unfavorable to budgeted expectations by (\$1,868,423) primarily due to gross revenue being over budget mainly in the ER with a high volume of Medicare and Medi-Cal patients. For the month of June Medi-Cal accounts accounted for 18.9% of gross revenue vs. a budgeted 17.6%. At June 30th the hospital accrued for the FY 14-15 Intergovernmental Transfer Program (IGT) of \$680,465, the net amount to the hospital after the matching fee is estimated at \$390,665 and the CMS Prime Grant with a net amount of \$187,500. Without the accrual of the government program funding, the deductions from revenue would be unfavorable to budget by (\$2,613,553).

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$597,611.

Operating Expenses of \$5,450,000 were over budget by (631,282). The IGT matching fee accounts for (\$227,300) of the operating expense variance. The other significant negative variances were: Salaries,



Wages, and Agency fees (\$68,271), Employee Benefits (\$162,374), physician and professional fees (\$59,473), supplies (70,993), and other expenses (49,806). Salaries and wages were under budget by \$34,973 but the cost of agency fees were over by (\$103,244) due to department vacancies and an increase in employees out on disability. PTO was over budget in June by (\$67,037) due to paid sick leave for per diem employees that were not budgeted, an increase in employees out on disability, an increased use of PTO over budgeted expectations, and employee benefits are over budget primarily due to the year-end true-up of accrued payroll taxes and pension costs (\$95,338). Physician fees are over budget by (\$81,600) due to an increase in physician contracts and an additional accrual at 6/30/16 for expected Prima losses but was offset by a positive variance for Professional fees of \$22,130. Supplies are over budget (\$70,993) due to minor equipment budgeted for FY 2016 and purchased in June (\$10,548), year-to-date Minor Equipment is at budget. Patient chargeable supplies are over budget (\$28,539) due to an increase in volume in the ER and IP surgeries but is offset by general supplies being under budget by \$19,390. There was also a true-up of the hospital's inventory based on year-end counts (\$51,296). Other expenses are over budget due to offsite rent adjustment for previous years (\$11,511), budgeted travel and education costs (\$6,181)(year-to-date travel and education costs are under budget by \$43,431), and an increase in hospital advertising for community events, the 2016 Wellness supplement, and the annual community report (\$19,881).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for June was (\$264,615) vs. a budgeted net loss of (\$194,334). The total net loss for June after all activity was (\$132,927) vs. a budgeted net loss of (\$9,795).

EBIDA for the month of June was 1.1% vs. the budgeted 2.9%.

Patient Volumes – June

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	95	101	-6	97
Newborn Discharges	13	12	1	24
Acute Patient Days	334	363	-29	357
SNF Patient Days	526	613	-87	669
Home Care Visits	942	1,080	-138	1,014
OP Gross Revenue	\$13,465	\$11,147	\$2,318	\$12,065
Surgical Cases	124	121	3	122

Overall Payer Mix – June

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	40.8%	49.4%	-8.6%	46.2%	49.2%	-3.0%
Medicare Mgd Care	11.5%	5.0%	6.5%	8.5%	4.9%	3.6%
Medi-Cal	18.9%	17.6%	1.3%	19.2%	17.6%	1.6%
Self Pay	1.6%	1.9%	-0.3%	0.9%	1.8%	-0.9%
Commercial	21.5%	20.3%	1.2%	19.8%	20.4%	-0.6%
Workers Comp	3.3%	2.9%	0.4%	3.0%	3.1%	-0.1%
Capitated	2.4%	2.9%	-0.5%	2.4%	3.0%	-0.6%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for June:

For the month of June the cash collection goal was \$3,644,344 and the Hospital collected \$3,496,555, or under the goal by (\$147,789). The cause of not making the goal is that MediCal withheld payments for the month of June; the payments were subsequently received in July. The year-to-date cash goal is \$41,589,913 and the Hospital has collected \$41,996,883 or over the goal by \$406,970. Days of cash on hand are 9 days at June 30, 2016. Cash was expected to be \$1 million higher due to a pledge that was not received before the end of the fiscal year. Accounts Receivable increased from May, from 54.6 days to 57.3 days in June again due primarily to Medi-Cal withholding payments for the month. Accounts Payable increased by \$38,348 from May and Accounts Payable days are at 51.1.

Year End June 30, 2016:

After accounting for all activity, the Fiscal Year ended with a net income of \$761,582 vs. a budgeted net of \$943,567. EBIDA ended up at \$2,418,527 or 4.4% vs. budgeted at \$2,101,327, or 4.0%. Accounts Payable at year end was \$3,790,283 vs. \$3,085,034 at the end of last fiscal year. Cash at June 30, 2016 was \$1,384,178 vs. \$2,435,080 at June 30, 2015. Again, SVH expected a pledge payment of \$1 million before fiscal year end that was not received.

At fiscal year June 30, 2016 the gross patient revenue is over budget by \$17,783,745 with the ER gross revenue over budget by \$13,850,603. The fiscal year-end June 30, 2016 revenue deductions were unfavorable to budget by (\$15,997,340) which includes a variance of \$1,416,501 for prior year adjustments (IGT, cost report settlements, and Prime Grant), without the prior year adjustments the variance would be (\$17,413,841). This is primarily due to significant positive variance in ER gross revenue and payer mix. Medi-Cal was 19.2% (regular and managed care) of gross revenue vs. a budgeted 17.6%. At fiscal year end June 30, 2016 expenses are over budget by (\$1,434,626). The significant expense variances at fiscal year-end are; salaries and wages (495,849), employee benefits (\$779,746), physician and professional fees (\$162,010), and supplies (\$401,148). At year-end salaries and wages were under budget by \$187,203 but agency fees were over budget by (\$683,053) due to department vacancies and an increase in employees out on disability. We are anticipating a reduction in registry costs for fiscal year 2017. PTO has been over budget during the year (\$547,123) due to increased employees out on disability, unbudgeted paid sick leave for per diem employees (this went



into effect July 1, 2015), and an increase in use over budgeted expectations overall. Employee benefits were over year-end budget by (\$232,622) due to an increase in the cost of health benefits and due to an increase in participation from open enrollment and pension costs. Physician fees were over budget for the fiscal year by (\$446,043) due to an increase in contracted costs for ER doctors, hospitalists, and support for Prima. The hospital also renegotiated the contract with our outside radiology group beginning in January 2016 that included additional compensation that was not included in the budget. The physician fees were offset by a positive variance in professional fees of \$284,034. Supplies at fiscal year-end were over budget due to the increased volume in the Emergency Room and unexpected need for drugs that are excluded from the capitation rate.

ATTACHMENTS:

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



Sonoma Valley Hospital
Net Revenue by Payer for the month of June 30, 2016

ATTACHMENT A

	June-16			
	Actual	Budget	Variance	% Variance
Gross Revenue:				
Medicare	8,599,468	9,135,343	-535,875	-5.9%
Medi-Cal	3,985,062	3,249,780	735,282	22.6%
Self Pay	322,022	340,938	-18,916	-5.5%
Commercial	4,569,154	3,856,634	712,520	18.5%
Medicare Managed Care	2,423,176	918,776	1,504,400	163.7%
Worker's Comp.	701,455	545,408	156,047	28.6%
Capitated	507,561	546,417	-38,856	-7.1%
Total	21,107,898	18,593,296	2,514,602	

	Actual	Budget	Variance	% Variance
Net Revenue:				
Medicare	1,302,274	1,658,268	-355,994	-21.5%
Medi-Cal	509,676	507,800	1,876	0.4%
Self Pay	120,085	129,182	-9,097	-7.0%
Commercial	1,579,507	1,484,840	94,667	6.4%
Medicare Managed Care	302,864	150,711	152,153	101.0%
Worker's Comp.	152,679	128,504	24,175	18.8%
Capitated	15,501	22,233	-6,732	-30.3%
Prior Period Adj/IGT	870,380	125,250	745,130	594.9%
Total	4,852,966	4,206,788	646,178	15.4%

	Actual	Budget	Variance	% Variance
Percent of Net Revenue:				
Medicare	26.8%	39.3%	-12.5%	-31.8%
Medi-Cal	10.5%	12.1%	-1.6%	-13.2%
Self Pay	2.6%	3.1%	-0.5%	-16.1%
Commercial	32.5%	35.3%	-2.8%	-7.9%
Medicare Managed Care	6.2%	3.6%	2.6%	72.2%
Worker's Comp.	3.2%	3.1%	0.1%	3.2%
Capitated	0.3%	0.5%	-0.2%	-40.0%
Prior Period Adj/IGT	17.9%	3.0%	14.9%	496.7%
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
Projected Collection Percentage:				
Medicare	15.1%	18.2%	-3.1%	-17.0%
Medi-Cal	12.8%	15.6%	-2.8%	-17.9%
Self Pay	37.3%	37.9%	-0.6%	-1.6%
Commercial	34.6%	38.5%	-3.9%	-10.1%
Medicare Managed Care	12.5%	16.4%	-3.9%	-23.8%
Worker's Comp.	21.8%	23.6%	-1.8%	-7.6%
Capitated	3.1%	4.1%	-1.0%	-24.4%
Prior Period Adj/IGT	4.1%	0.7%	3.4%	485.7%

	Actual	Budget	Variance	% Variance
YTD				
	113,125,793	111,300,793	1,825,000	1.6%
	46,939,794	39,953,691	6,986,103	17.5%
	2,227,345	4,036,242	-1,808,897	-44.8%
	48,818,486	47,297,086	1,521,400	3.2%
	20,954,742	10,985,163	9,969,579	90.8%
	7,326,609	7,272,849	53,760	0.7%
	5,957,526	6,720,725	-763,199	-11.4%
	245,350,295	227,566,549	17,783,745	

	Actual	Budget	Variance	% Variance
	19,711,544	20,719,969	-1,008,425	-4.9%
	6,772,970	6,187,431	585,539	9.5%
	824,773	1,667,115	-842,342	-50.5%
	18,242,629	17,668,880	573,749	3.2%
	2,935,290	1,719,564	1,215,726	70.7%
	1,644,118	1,752,817	-108,699	-6.2%
	205,764	251,908	-46,144	-18.3%
	2,919,501	1,502,500	1,417,001	94.3%
	53,256,589	51,470,184	1,786,405	3.5%

	Actual	Budget	Variance	% Variance
	37.0%	40.4%	-3.4%	-8.4%
	12.7%	12.0%	0.7%	5.8%
	1.5%	3.2%	-1.7%	-53.1%
	34.3%	34.3%	0.0%	0.0%
	5.5%	3.3%	2.2%	66.7%
	3.1%	3.4%	-0.3%	-8.8%
	0.4%	0.5%	-0.1%	-20.0%
	5.5%	2.9%	2.6%	89.7%
	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
	17.4%	18.6%	-1.2%	-6.5%
	14.4%	15.5%	-1.1%	-7.1%
	37.0%	41.3%	-4.3%	-10.4%
	37.4%	37.4%	0.0%	0.0%
	14.0%	15.7%	-1.7%	-10.8%
	22.4%	24.1%	-1.7%	-7.1%
	3.5%	3.7%	-0.2%	-5.4%
	1.2%	0.7%	0.5%	71.4%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended June 30, 2016**

ATTACHMENT B

	CURRENT MONTH				YEAR-TO-DATE			YTD
	Actual <u>06/30/16</u>	Budget <u>06/30/16</u>	Favorable (Unfavorable) <u>Variance</u>		Actual <u>06/30/16</u>	Budget <u>06/30/16</u>	Favorable (Unfavorable) <u>Variance</u>	Prior Year <u>06/30/15</u>
				Inpatient Utilization				
				Discharges				
1	79	88	(9)	Acute	995	1,042	(47)	1,032
2	16	13	3	ICU	173	171	2	182
3	95	101	(6)	Total Discharges	1,168	1,213	(45)	1,214
4	13	12	1	Newborn	172	165	7	173
5	108	113	(5)	Total Discharges inc. Newborns	1,340	1,378	(38)	1,387
				Patient Days:				
6	245	273	(28)	Acute	3,264	3,229	35	3,178
7	89	90	(1)	ICU	1,129	1,148	(19)	1,227
8	334	363	(29)	Total Patient Days	4,393	4,377	16	4,405
9	29	23	6	Newborn	350	313	37	332
10	363	386	(23)	Total Patient Days inc. Newborns	4,743	4,690	53	4,737
				Average Length of Stay:				
11	3.1	3.1	0.0	Acute	3.3	3.1	0.2	3.1
12	5.6	6.7	(1.1)	ICU	6.5	6.7	(0.2)	6.7
13	3.5	3.6	(0.1)	Avg. Length of Stay	3.8	3.6	0.2	3.6
14	2.2	1.9	0.3	Newborn ALOS	2.0	1.9	(0.1)	1.9
				Average Daily Census:				
15	8.2	9.1	(0.9)	Acute	8.9	8.8	0.1	8.7
16	3.0	3.0	(0.0)	ICU	3.1	3.1	(0.1)	3.4
17	11.1	12.1	(1.0)	Avg. Daily Census	12.0	12.0	0.0	12.0
18	1.0	0.8	0.2	Newborn	0.96	0.86	0.1	0.91
				Long Term Care:				
19	526	613	(87)	SNF Patient Days	7,312	7,575	(263)	7,350
20	28	28	0	SNF Discharges	327	344	(17)	333
21	17.5	20.4	(2.9)	Average Daily Census	20.0	20.7	(0.7)	20.1
				Other Utilization Statistics				
				Emergency Room Statistics				
22	907	776	131	Total ER Visits	10,648	9,541	1,107	10,508
				Outpatient Statistics:				
23	4,644	4,982	(338)	Total Outpatients Visits	57,009	58,204	(1,195)	56,464
24	31	28	3	IP Surgeries	367	378	(11)	383
25	93	93	-	OP Surgeries	1,145	1,217	(72)	1,182
26	61	34	27	Special Procedures	428	392	36	380
27	942	1,080	(138)	Home Health Visits	11,283	14,511	(3,228)	13,447
28	341	325	15	Adjusted Discharges	4,014	3,937	77	3,914
29	2,381	2,456	(75)	Adjusted Patient Days (Inc. SNF)	31,432	30,246	1,186	29,762
30	79.4	81.9	(2.5)	Adj. Avg. Daily Census (Inc. SNF)	85.9	82.6	3.2	81.3
31	1.6365	1.4000	0.237	Case Mix Index -Medicare	1.5370	1.4000	0.137	1.5476
32	1.4910	1.4000	0.091	Case Mix Index - All payers	1.4248	1.4000	0.025	1.4996
				Labor Statistics				
33	287	282	(5.2)	FTE's - Worked	286	283	(3.3)	271
34	324	316	(8.1)	FTE's - Paid	321	317	(4.0)	305
35	40.76	40.55	(0.22)	Average Hourly Rate	40.27	40.03	(0.24)	38.71
36	23.3	22.0	(1.3)	Manhours / Adj. Pat Day	21.3	21.9	0.6	21.4
37	162.7	166.0	3.3	Manhours / Adj. Discharge	166.7	167.9	1.1	162.3
38	25.9%	22.3%	-3.6%	Benefits % of Salaries	22.9%	22.4%	-0.5%	24.0%
				Non-Labor Statistics				
39	10.6%	10.5%	-0.2%	Supply Expense % Net Revenue	11.4%	10.9%	-0.4%	11.2%
40	1,557	1,411	(146)	Supply Exp. / Adj. Discharge	1,559	1,487	(71)	1,458
41	16,451	15,272	(1,179)	Total Expense / Adj. Discharge	15,323	15,258	(65)	14,905
				Other Indicators				
42	9.0			Days Cash - Operating Funds				
43	57.3	50.0	7.3	Days in Net AR	50.7	50.0	0.6	49.2
44	96%			Collections % of Net Revenue	101%			101.8%
45	51.1	60.0	(8.9)	Days in Accounts Payable	51.1	60.0	(8.9)	62.5
46	23.6%	23.7%	0.0%	% Net revenue to Gross revenue	22.4%	23.6%	-1.2%	23.1%
47	26.7%			% Net AR to Gross AR	26.7%			22.5%

Sonoma Valley Health Care District
Balance Sheet
As of June 30, 2016

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 1,384,178	\$ 1,321,389	\$ 2,435,080
2	Trustee Funds	3,420,699	3,420,173	3,021,372
3	Net Patient Receivables	9,179,396	9,071,851	7,204,545
4	Allow Uncollect Accts	(925,573)	(846,016)	(535,554)
5	Net A/R	8,253,823	8,225,835	6,668,991
6	Other Accts/Notes Rec	7,307,541	1,701,170	8,154,790
7	3rd Party Receivables, Net	1,272,923	829,488	718,680
8	Inventory	815,081	863,982	835,426
9	Prepaid Expenses	868,820	863,885	670,890
10	Total Current Assets	\$ 23,323,065	\$ 17,225,922	\$ 22,505,228
12	Property, Plant & Equip, Net	\$ 52,373,496	\$ 52,471,517	\$ 54,858,315
13	Specific Funds	445,396	382,926	239,529
14	Other Assets	144,202	144,202	143,321
15	Total Assets	\$ 76,286,159	\$ 70,224,567	\$ 77,746,393
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,790,283	\$ 3,751,935	\$ 3,085,034
17	Accrued Compensation	4,639,280	4,406,177	3,897,082
18	Interest Payable	571,281	457,025	589,645
19	Accrued Expenses	1,019,096	1,436,546	1,200,345
20	Advances From 3rd Parties	135,883	130,760	1,702,194
21	Deferred Tax Revenue	5,962,904	492,777	5,913,329
22	Current Maturities-LTD	1,496,385	1,550,434	1,496,385
23	Line of Credit - Union Bank	6,723,734	5,923,734	5,698,734
24	Other Liabilities	159,216	159,216	836,724
25	Total Current Liabilities	\$ 24,498,062	\$ 18,308,604	\$ 24,419,472
26	Long Term Debt, net current portion	\$ 36,744,412	\$ 36,739,350	\$ 39,087,923
27	Fund Balances:			
28	Unrestricted	\$ 12,071,276	\$ 12,207,370	\$ 12,188,623
29	Restricted	2,972,410	2,969,243	2,050,375
30	Total Fund Balances	\$ 15,043,685	\$ 15,176,613	\$ 14,238,998
31	Total Liabilities & Fund Balances	\$ 76,286,159	\$ 70,224,567	\$ 77,746,393

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 30, 2016**

ATTACHMENT D

Month					Year-To- Date					YTD
This Year		Variance			This Year		Variance			
Actual	Budget	\$	%		Actual	Budget	\$	%	Prior Year	
Volume Information										
1	95	101	(6)	-6%	Acute Discharges	1,168	1,213	(45)	-4%	1,214
2	526	613	(87)	-14%	SNF Days	7,312	7,575	(263)	-3%	7,350
3	942	1,080	(138)	-13%	Home Care Visits	11,283	14,511	(3,228)	-22%	13,447
4	13,465	11,147	2,318	21%	Gross O/P Revenue (000's)	\$ 153,835	\$ 136,853	16,982	12%	\$ 133,767
Financial Results										
Gross Patient Revenue										
5	\$ 5,626,455	\$ 5,116,970	509,485	10%	Inpatient	\$ 65,987,866	\$ 61,894,962	4,092,904	7%	\$ 63,018,325
6	7,524,180	6,584,830	939,350	14%	Outpatient	86,068,454	83,054,589	3,013,865	4%	80,162,097
7	5,638,816	4,324,031	1,314,785	30%	Emergency	64,328,182	50,477,579	13,850,603	27%	49,445,264
8	1,987,586	2,236,089	(248,503)	-11%	SNF	25,233,883	27,697,642	(2,463,759)	-9%	24,585,733
9	330,860	331,376	(516)	0%	Home Care	3,731,909	4,441,777	(709,868)	-16%	4,160,036
10	\$ 21,107,897	\$ 18,593,296	2,514,601	14%	Total Gross Patient Revenue	\$ 245,350,294	\$ 227,566,549	17,783,745	8%	\$ 221,371,456
Deductions from Revenue										
11	\$ (16,865,311)	\$ (14,401,174)	(2,464,137)	-17%	Contractual Discounts	\$ (193,474,850)	\$ (176,272,423)	(17,202,427)	-10%	\$ (174,116,445)
12	(250,000)	(89,306)	(160,694)	-180%	Bad Debt	(1,240,000)	(1,071,760)	(168,240)	-16%	(1,175,000)
13	(10,000)	(21,278)	11,278	53%	Charity Care Provision	(298,356)	(255,182)	(43,174)	-17%	(310,100)
14	870,380	125,250	745,130	*	Prior Period Adj/Government Program Revenue	2,919,501	1,503,000	1,416,501	0%	2,358,879
15	\$ (16,254,931)	\$ (14,386,508)	(1,868,423)	13%	Total Deductions from Revenue	\$ (192,093,705)	\$ (176,096,365)	(15,997,340)	9%	\$ (173,242,666)
16	\$ 4,852,966	\$ 4,206,788	646,178	15%	Net Patient Service Revenue	\$ 53,256,589	\$ 51,470,184	1,786,405	3%	\$ 48,128,790
17	\$ 127,104	\$ 171,183	(44,079)	-26%	Risk contract revenue	\$ 1,681,630	\$ 2,054,207	(372,577)	-18%	\$ 2,991,896
18	\$ 4,980,070	\$ 4,377,971	602,099	14%	Net Hospital Revenue	\$ 54,938,219	\$ 53,524,391	1,413,828	3%	\$ 51,120,686
19	\$ 9,956	\$ 14,444	(4,488)	-31%	Other Op Rev & Electronic Health Records	\$ 540,254	\$ 173,482	366,772	211%	\$ 438,824
20	\$ 4,990,026	\$ 4,392,415	597,611	14%	Total Operating Revenue	\$ 55,478,473	\$ 53,697,873	1,780,600	3%	\$ 51,559,510
Operating Expenses										
21	\$ 2,258,540	\$ 2,190,269	(68,271)	-3%	Salary and Wages and Agency Fees	\$ 26,949,851	\$ 26,454,002	(495,849)	-2%	\$ 24,596,986
22	946,781	\$ 784,407	(162,374)	-21%	Employee Benefits	10,304,798	9,525,052	(779,746)	-8%	9,472,238
23	\$ 3,205,321	\$ 2,974,676	(230,645)	-8%	Total People Cost	\$ 37,254,649	\$ 35,979,054	(1,275,595)	-4%	\$ 34,069,224
24	\$ 431,090	\$ 371,617	(59,473)	-16%	Med and Prof Fees (excl'd Agency)	\$ 4,405,204	\$ 4,243,194	(162,010)	-4%	\$ 4,386,266
25	530,326	459,333	(70,993)	-15%	Supplies	6,255,970	5,854,822	(401,148)	-7%	5,708,494
26	347,551	352,156	4,605	1%	Purchased Services	3,518,654	4,226,026	707,372	17%	4,232,618
27	284,962	283,132	(1,830)	-1%	Depreciation	3,461,197	3,397,579	(63,618)	-2%	3,508,397
28	94,318	98,957	4,639	5%	Utilities	1,118,495	1,187,495	69,000	6%	1,077,820
29	25,266	20,826	(4,440)	-21%	Insurance	303,070	250,000	(53,070)	-21%	231,060
30	36,285	40,245	3,960	10%	Interest	656,362	470,955	(185,407)	-39%	510,538
31	205,081	155,275	(49,806)	-32%	Other	2,051,831	1,889,506	(162,325)	-9%	2,043,563
32	289,800	62,500	(227,300)	-364%	Matching Fees (Government Programs)	657,826	750,000	92,174	12%	645,940
33	\$ 5,450,000	\$ 4,818,718	(631,282)	-13%	Operating expenses	\$ 59,683,258	\$ 58,248,632	(1,434,626)	-2%	\$ 56,413,920
34	\$ (459,974)	\$ (426,303)	(33,671)	-8%	Operating Margin	\$ (4,204,785)	\$ (4,550,759)	345,974	8%	\$ (4,854,410)
Non Operating Rev and Expense										
35	\$ (12,671)	\$ 13,657	(26,328)	-193%	Miscellaneous Revenue	\$ (100,405)	\$ 163,884	(264,289)	*	\$ 280,577

ATTACHMENT D

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 30, 2016**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
36	29,967	5,812	24,155	416%
37	(37,500)	(37,500)	-	0%
38	215,563	250,000	(34,437)	-14%
39	\$ 195,359	\$ 231,969	(36,610)	-16%
40	\$ (264,615)	\$ (194,334)	(70,281)	36%
41	\$ 3,167	\$ 35,181	(32,014)	-91%
42	\$ -	\$ 20,833	(20,833)	0%
43	\$ (261,448)	\$ (138,320)	(123,128)	89%
44	242,777	242,782	(5)	0%
45	(114,256)	(114,257)	1	0%
46	\$ (132,927)	\$ (9,795)	(123,132)	1257%
	\$ 56,632	\$ 129,044		
	1.1%	2.9%		

Donations
Physician Practice Support-Prima
Parcel Tax Assessment Rev
Total Non-Operating Rev/Exp
Net Income / (Loss) prior to Restricted Contributions
Capital Campaign Contribution
Restricted Foundation Contributions
Net Income / (Loss) w/ Restricted Contributions
GO Bond Tax Assessment Rev
GO Bond Interest
Net Income/(Loss) w GO Bond Activity
EBIDA - Not including Restricted Contributions

Year-To- Date				YTD
This Year		Variance		Prior Year
Actual	Budget	\$	%	
88,641	69,667	18,974	-27%	48,587
(450,000)	(450,000)	-	0%	(450,000)
2,967,517	3,000,000	(32,483)	-1%	2,928,263
\$ 2,505,753	\$ 2,783,551	(277,798)	-10%	\$ 2,807,427
\$ (1,699,032)	\$ (1,767,208)	68,176	-4%	\$ (2,046,983)
\$ 472,035	\$ 422,194	49,841	12%	\$ 756,340
\$ 450,000	\$ 750,000	(300,000)	100%	\$ -
\$ (776,997)	\$ (595,014)	(181,983)	31%	\$ (1,290,643)
2,913,324	2,913,329	(5)	0%	3,058,443
(1,374,745)	(1,374,748)	3	0%	(1,478,739)
\$ 761,582	\$ 943,567	(181,985)	-19%	\$ 289,061
\$ 2,418,527	\$ 2,101,327			\$ 1,971,952
4.4%	4.0%			3.8%

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended June 30, 2016

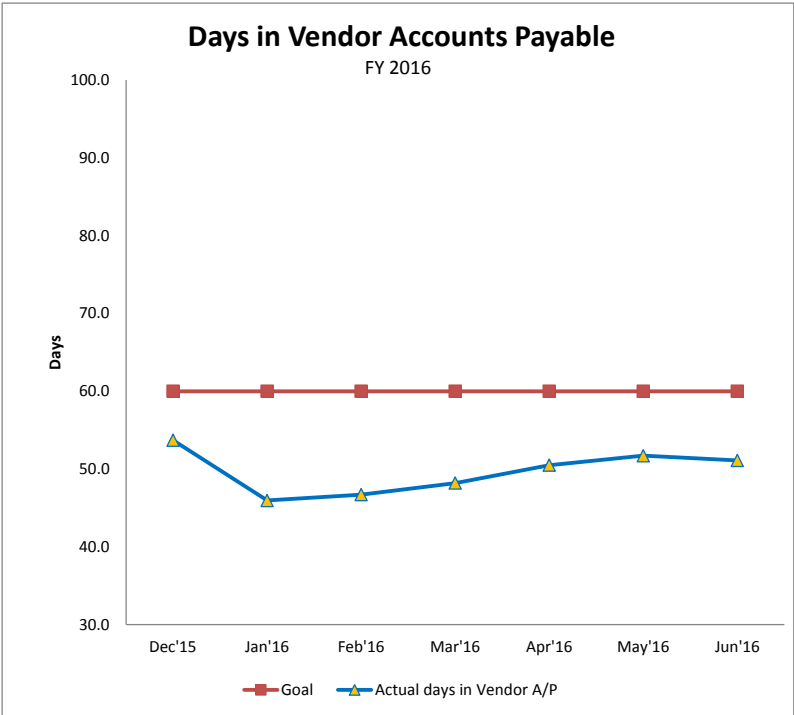
ATTACHMENT E

		YTD	MONTH	
	Description	Variance	Variance	
	Volume Information			
1	Acute Discharges	(45)	(6)	
2	SNF Days	(263)	(87)	
3	Home Care Visits	(3,228)	(138)	
4	Gross O/P Revenue (000's)	16,982	2,318	
	Financial Results			
	Gross Patient Revenue			
5	Inpatient	4,092,904	509,485	Patient days were under budgeted expectations by (6) days and Inpatient surgeries were over budget by 3 cases.
6	Outpatient	3,013,865	939,350	Outpatient visits were under budget by (338) visits and outpatient surgeries were on budget with 93 cases. The variance is partially due to the price increase that went into effect May 1st.
7	Emergency	13,850,603	1,314,785	ER visits were over budget by 131 visits and the hospital implemented a charge increase on May 1st.
8	SNF	(2,463,759)	(248,503)	SNF patient days were under budget by (87) days.
9	Home Care	(709,868)	(516)	Home Care visits were under budget by (138) visits.
10	Total Gross Patient Revenue	17,783,745	2,514,601	Gross revenue includes the 6% rate increase that was effective May 1st.
	Deductions from Revenue			
11	Contractual Discounts	(17,202,427)	(2,464,137)	The unfavorable variance is primarily due to the ER gross revenue being over budgeted expectations by \$1.3M with a high payer mix of Medicare- Managed Care and Medi-cal with reimbursement rates of 8.53% and 4.07% respectively.
12	Bad Debt	(168,240)	(160,694)	
13	Charity Care Provision	(43,174)	11,278	
14	Prior Period Adj/Government Program Revenue	1,416,501	745,130	Accrual of Prime Grant for January 2016 to June 2016 with a net amount of \$187,500 and accrual of FY 14-15 IGT of \$680,465 (matching fee in line 32, net proceeds is \$390,665).
15	Total Deductions from Revenue	(15,997,340)	(1,868,423)	
16	Net Patient Service Revenue	1,786,405	646,178	
17	Risk contract revenue	(372,577)	(44,079)	Blue Shield capitation received was under budget.
18	Net Hospital Revenue	1,413,828	602,099	
19	Other Op Rev & Electronic Health Records	366,772	(4,488)	
20	Total Operating Revenue	1,780,600	597,611	
	Operating Expenses			
21	Salary and Wages and Agency Fees	(495,849)	(68,271)	Salaries and wages are under budget by \$34,973 and the agency fees are over budget by (\$103,244) due to department vacancies and an increased employees out on disability.
22	Employee Benefits	(779,746)	(162,374)	PTO was over budget in June by (\$67,037) due to unbudgeted paid sick leave for per diem employees, an increase in employees out on disability, and an increase in use over budgeted expectations and employee benefits are over budget by (\$95,338) due to year-end true up of payroll taxes and pension.
23	Total People Cost	(1,275,595)	(230,645)	
24	Med and Prof Fees (excl Agency)	(132,010)	(29,473)	Physician fees are over budget by (\$81,600) due to an increase in physician contracts and an additional Prima accrual at 6/30/16 for expected losses but were offset by a positive variance for Professional fees of \$22,130.
25	Supplies	(401,148)	(70,993)	Supplies are over budget due to minor equipment budgeted for FY 2016 and purchased in June (\$10,548), year-to-date Minor Equipment is at budget. Patient chargeable supplies are over budget (\$28,539) due to an increase in volume in the ER and IP surgeries but is offset by general supplies being under budget by \$19,390. There was also a true-up in the hospital's inventory based on year-end counts (\$51,296).
26	Purchased Services	707,372	4,605	
27	Depreciation	(63,618)	(1,830)	
28	Utilities	69,000	4,639	
29	Insurance	(53,070)	(4,440)	Insurance premiums increased over budgeted expectations.
30	Interest	(185,407)	3,960	
31	Other	(162,325)	(49,806)	Other expenses are over budget due to education and travel costs that were budgeted for FY 2016 and utilized in June (\$6,181), (year-to-date travel and education is under budget by \$43,431) and advertising costs of (\$19,881).
32	Matching Fees (Government Programs)	92,174	(227,300)	Accrued IGT matching fee of \$289,800. This expense is offset from the revenue above from line 14.
33	Operating expenses	(1,404,626)	(601,282)	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended June 30, 2016

ATTACHMENT E

		YTD	MONTH	
	Description	Variance	Variance	
34	Operating Margin	375,974	(3,671)	
	Non Operating Rev and Expense			
35	Miscellaneous Revenue	(264,289)	(26,328)	Timeshare costs not budgeted in FY 2016.
36	Donations	18,974	24,155	Received Foundation donations in June for equipment purchased.
37	Physician Practice Support-Prima	(30,000)	(30,000)	
38	Parcel Tax Assessment Rev	(32,483)	(34,437)	
39	Total Non-Operating Rev/Exp	(307,798)	(66,610)	
			-	
40	Net Income / (Loss) prior to Restricted Contributions	68,176	(70,281)	
			-	
41	Capital Campaign Contribution	49,841	(32,014)	Capital campaign donations received from the Foundation were under budgeted expectations.
42	Restricted Foundation Contributions	(300,000)	(20,833)	There were no restricted donations in June.
43	Net Income / (Loss) w/ Restricted Contributions	(181,983)	(123,128)	
44	GO Bond Tax Assessment Rev	(5)	(5)	
45	GO Bond Interest	3	1	
46	Net Income/(Loss) w GO Bond Activity	(181,985)	(123,132)	

[illegible][illegible]

Statistics	ACTUAL	BUDGET		ACTUAL												
	Jun-16	Jun-16		May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15
Acute																
Acute Patient Days	334	363		386	409	426	417	404	351	316	325	376	297	352	357	373
Acute Discharges (w/o Newborns)	95	101		85	97	99	101	124	109	85	97	92	74	110	97	97
SNF Days	526	613		529	578	580	671	710	648	544	666	607	634	619	669	626
HHA Visits	942	1,080		844	999	879	889	933	915	1,088	948	948	917	981	1,014	963
Emergency Room Visits	907	776		940	912	945	919	864	863	841	820	871	888	878	846	943
Gross Outpatient Revenue (000's)	\$13,465	\$11,147		\$13,827	\$12,542	\$14,266	\$12,049	\$12,184	\$12,274	\$11,900	\$13,103	\$12,774	\$12,910	\$12,639	\$12,065	\$10,719
Equivalent Patient Days	2,381	2,456		2,545	2,636	2,886	2,628	2,771	2,614	2,384	2,691	2,565	2,679	2,651	2,757	2,432
Births	14	12		13	17	17	9	17	21	14	11	11	15	15	24	11
Surgical Cases - Inpatient	31	28		36	26	31	34	26	32	24	36	36	26	29	35	33
Surgical Cases - Outpatient	93	93		87	92	110	93	98	104	90	95	91	96	96	87	85
Total Surgical Cases	124	121		123	118	141	127	124	136	114	131	127	122	125	122	118
Medicare Case Mix Index	1.64	1.40		1.73	1.47	1.48	1.50	1.41	1.35	1.69	1.53	1.69	1.52	1.44	1.76	1.69
Income Statement																
Net Revenue (000's)	4,980	4,378		4,610	4,481	4,484	4,614	4,522	4,729	4,029	4,655	4,739	4,612	4,483	4,564	4,137
Operating Expenses (000's)	\$5,450	\$4,819		\$5,267	\$5,143	\$4,968	\$4,987	\$4,932	4,829	4,665	4,931	4,931	4,863	4,718	5,103	4,698
Net Income (000's)	(133)	(10)		(403)	(99)	(132)	39	19	575	245	104	170	149	203	139	74
Productivity																
Total Operating Expense Per Equivalent Patient Day	\$2,289	\$1,962		\$2,069	\$1,951	\$1,721	\$1,898	\$1,780	\$1,847	\$2,022	\$1,832	\$1,922	\$1,815	\$1,780	\$1,851	\$1,932
Productive FTEs	287	282		300	292	293	296	271	277	292	299	280	273	277	273	278
Non-Productive FTE's	37	34		32	32	33	28	48	41	30	28	32	37	36	36	29
Total FTEs	324	316		332	324	326	324	319	317	322	327	312	310	313	309	307
FTEs per Adjusted Occupied Bed	4.08	3.86		4.16	3.70	3.50	3.58	3.57	3.77	4.05	3.77	3.65	3.58	3.66	3.36	3.91
Balance Sheet																
Days of Expense In General Operating Cash	9			9	13	10	12	14	21	9	13	18	16	22	16	17
Net Days of Revenue in AR	57	50		55	50	50	52	53	51	53	47	49	45	46	47	43

Sonoma Valley Hospital
Cash Forecast
FY 2016

ATTACHMENT H

	Actual July - Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast TOTAL
Hospital Operating Sources															
1 Patient Payments Collected	20,187,564	3,961,779	3,603,555	4,085,613	4,791,244	4,154,962	3,865,547	4,020,361	4,273,644	3,960,600	3,928,857	4,412,104	3,915,173	4,021,206	73,182,208
2 Capitation Revenue	771,960	148,240	129,971	129,623	123,448	121,523	129,761	127,104							1,681,630
3 Napa State				210,198	412,573		43,100	11,233	35,000	35,000	35,000	35,000	35,000	35,000	887,104
4 Other Operating Revenue	146,387	20,950	22,412	45,740	34,129	19,479	8,275	14,196	62,250	15,411	11,738	17,936	39,052	20,950	478,906
5 Other Non-Operating Revenue	152,199	46,513	53,555	35,986	27,278	48,443	61,552	55,820	8,340	23,819	27,860	44,332	47,848	46,513	680,059
6 Unrestricted Contributions					16,045			86,720	500	500	500	500	500	500	105,765
7 Line of Credit								800,000							800,000
Sub-Total Hospital Sources	21,258,110	4,177,482	3,809,493	4,507,161	5,404,718	4,344,407	4,108,235	5,115,434	4,379,735	4,035,330	4,003,955	4,509,872	4,037,572	4,124,169	77,815,672
Hospital Uses of Cash															
8 Operating Expenses	23,021,771	3,922,568	5,624,996	4,530,885	4,931,488	5,153,295	4,809,737	4,875,379	4,621,060	4,537,752	4,906,515	4,619,403	4,252,701	4,205,700	84,013,249
9 Less Depreciation									(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(1,698,792)
10 Add Capital Lease Payments	785,145	180,181	65,514	189,093	225,377	99,234	87,030	48,987	173,809	52,154	129,806	53,230	176,146	140,181	2,405,887
11 Additional AP									400,000					750,000	1,150,000
12 Capital - Board Approved Spending	74,140	37,519	-	23,425	100,431	56,338	6,514	133,946							432,313
13 Napa State				210,198	445,743										655,941
Total Hospital Uses	23,881,056	4,140,268	5,690,510	4,953,601	5,703,039	5,308,868	4,903,281	5,058,312	4,911,737	4,306,774	4,753,189	4,389,501	4,145,715	4,812,749	86,958,598
Net Hospital Sources/Uses of Cash	(2,622,946)	37,214	(1,881,017)	(446,440)	(298,321)	(964,460)	(795,046)	57,122	(532,002)	(271,444)	(749,234)	120,371	(108,143)	(688,580)	(9,142,926)
Non-Hospital Sources															
14 Restricted/Capital Donations Donations	424,916			211,762		517	167	5,667		1,000,000					1,643,028
15 Electronic Health Records	85,361					289,253									374,614
16 Parcel Tax Revenue	123,335	1,673,328				1,113,248			178,988					1,500,000	4,588,899
17 Other:															-
18 LIHP	623,866														623,866
19 IGT	696,305						133,066					1,082,000			1,911,371
20 IGT - AB915 (Net)			850,228						296,805						1,147,033
Sub-Total Non-Hospital Sources	1,953,783	1,673,328	850,228	211,762	-	1,403,018	133,233	5,667	475,793	1,000,000	-	1,082,000	-	1,500,000	10,288,811
Non-Hospital Uses of Cash															
21 Matching Fees	368,026										541,372				909,398
Sub-Total Non-Hospital Uses of Cash	368,026	-	-	-	-	-	-	-	-	-	541,372	-	-	-	909,398
Net Non-Hospital Sources/Uses of Cash	1,585,757	1,673,328	850,228	211,762	-	1,403,018	133,233	5,667	475,793	1,000,000	(541,372)	1,082,000	-	1,500,000	9,379,413
Net Sources/Uses	(1,037,189)	1,710,542	(1,030,789)	(234,678)	(298,321)	438,557	(661,813)	62,789	(56,209)	728,556	(1,290,606)	1,202,371	(108,143)	811,420	236,487
Cash and Equivalents at beginning of period	2,435,080	1,397,891	3,108,433	2,077,644	1,842,966	1,544,645	1,983,203	1,321,389	1,384,178	1,327,969	2,056,525	765,919	1,968,290	1,860,147	
Cash and Equivalents at end of period	1,397,891	3,108,433	2,077,644	1,842,966	1,544,645	1,983,203	1,321,389	1,384,178	1,327,969	2,056,525	765,919	1,968,290	1,860,147	2,671,567	



7.

ROLLING CASH EXPECTATIONS

Sonoma Valley Hospital
4 Week Rolling Cash Expectations
July 18 through August 12

	07/18/2016	07/25/2016	08/01/2016	08/08/2016
Beginning Cash Balance at 7/15/16:	1,473,484	556,784	1,550,641	287,530
Expected Patient Cash	947,500	947,500	947,500	947,500
Expected Other Cash				
IGT/AB 915				
Parcel Tax		178,000		
Misc				
Projected Cash Balance:	2,420,984	1,682,284	2,498,141	1,235,030
Expected Out Goes:				
Payroll - 7/21/16	1,300,000			
Payroll - 8/4/16			1,300,000	
Doctors - 7/20/16	400,000			
Accounts Payable - 7/21	164,200			
Accounts Payable - 7/28		131,643		
Accounts Payable - 8/4			120,611	
Accounts Payable - 8/11				115,066
Rents/Benefits - 8/1			790,000	
Total Expected Expenses:	1,864,200	131,643	2,210,611	115,066
Projected Cash at End of Week:	556,784	1,550,641	287,530	1,119,964 *

Current AP Aging at 7/18/16	1-30 days	31-60 days	61-90 days	91-120 days	120+ days
	1,094,005	942,286	648,442	478,882	652,088
Total Accounts Payable	3,815,703				

* Does not include the Nelson Pledge

8.

ADMINISTRATIVE
REPORT
JULY 2016



To: SVHCD Board of Directors
From: Kelly Mather
Date: 6/28/16
Subject: Administrative Report

Summary

The new rolling strategic plan and the FY 2016 budget have been approved by the board. The plan is on our website and was shared with our mailing list. Cash on hand has been a major issue this past month and we have made some short term expense reductions to help improve it.

Dashboard and Trended Results

The inpatient and emergency satisfaction results continue to be inconsistent, but the trend line over the last 5 years shows we improve every year. We set the goals pretty high this year. We ended 2015 at the 90th percentile for the Value Based Purchasing score quality measure. The staff satisfaction action plans have been completed and I am attending staff meetings to discuss any concerns by department and also explain the plans for salary increases in 2017. We should meet our EBIDA goal for FY 2016, which is very positive. However, expenses have been running much higher than budgeted due to many medical leave of absences and increased physician costs. We have already met the community hours goal but still have one more month of outreach.

Strategic Update:

Strategic Priorities	Update
Quality	We will now use the Patient Safety Score from CMS for the major quality measure in FY 2017. The new Leapfrog survey will be completed this week. This survey is very time consuming.
Timeshare Offices	Several new physicians have started doing clinics in these offices and in Sonoma. This strategy has been an excellent way to recruit physicians to our community
1206(b) Clinics	We have two physicians who will start in these clinics this fall. One General Surgeon and one Pain Management physician.
Parcel Tax Renewal plan	Committee did polling and a plan is ready for fall
South Lot	We have begun the purchase of the property due to a loan from one of our major donors. Decisions for use of the land will be discussed once the property is ours.
Physician Alignment	Prima (1206I) continues and is recruiting a PCP. All hospital based physician groups received an increase in salary in FY 2016 which was over \$1 million
Electronic Health Record	A major upgrade is needed and we are recommending we outsource this to McKesson. There will still be a capital outlay, but it will be much less with this solution.
Population Health	Three levels with a focus on kids, maintaining adult health were complete. We have begun working on the PRIME grant which focuses on care transitions from the hospital and brings almost \$7 million over 5 years.

MAY 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	1 out of 9 in April	>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	4 out of 7 in April	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	53.5 (90 TH percentile for CY 2015)	>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	4.33/5 or the 84 th percentile	>80th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	4.7%	>5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$54,233,258 (actual) \$53,429,914 (budget)	<2% = 5 (stretch) <1% = 4 <Budget=3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1401 YTD FY2016 1380 YTD FY2015	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$141 mm YTD \$122 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	1694.5 hours for 11 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2015
Inpatient Satisfaction	6/9	5	5	2	6	7	8	3	4	1	1		
Emergency Satisfaction	5/7	2	3	4	5	5	6	1	2	6	4		
Value Based Purchasing	>50	52	52.2	53.5	52.5	53	53.5	n/a	n/a	n/a	n/a	n/a	48
Staff Satisfaction	>75th	91	91	91	91	91	91	91	91	84	84	84	91
FY YTD Turnover	<10%	1.2	1.2	1.8	2.8	3.4	4.6	5.2	6.1	6.7	7.9	8.8	8.3
YTD EBIDA	>4%	8.2	7.6	7.7	7.3	5.7	6.6	6.2	6	5.6	5.2	4.7	3.8
Net Patient Revenue	>4.5m	4.48	4.6	4.7	4.7	4.1	4.7	4.5	4.6	4.5	4.3	4.6	4.5
Expense Management	<4.8m	4.7	4.8	4.9	4.9	4.6	4.8	4.9	4.9	4.9	5.1	5.2	5.1
Net Income	>50k	202	174	27.8	104	244	575	19	203	-131	-99	-403	139
Days Cash on Hand	>20	22	16	18	13	9	21	14	12	12	13	9	16
A/R Days	<50	46	45	49	47	53	51	53	52	50	50	55	47
Total FTE's	<315	313	310	312	327	322	317	319	324	326	324	332	309
FTEs/AOB	<4.0	3.6	3.77	3.65	3.77	4.1	3.77	3.57	3.58	3.5	3.7	4.16	3.36
Inpatient Discharges	>100	110	74	92	97	85	109	124	101	99	97	85	97
Outpatient Revenue	>\$12m	12.6	12.9	12.7	13.1	11.9	12.2	12.1	12.1	14.2	12.5	13.8	12.0
Surgeries	>130	125	122	127	131	114	136	124	127	141	118	123	122
Home Health	>1000	981	917	948	948	1088	915	933	889	879	999	844	1014
Births	>15	16	15	11	11	14	24	17	9	17	17	13	24
SNF days	>660	619	634	607	666	544	648	710	671	580	578	529	669
MRI	>120	143	131	119	132	109	113	102	119	127	105	122	144
Cardiology (Echos)	>65	66	62	63	77	41	50	46	60	67	61	52	66
Laboratory	>12.5	12.1	12.2	11.5	11.7	11.6	11.4	11.9	12.1	12.4	12.0	11.9	12.3
Radiology	>850	1036	1011	997	1018	875	907	904	961	1010	963	926	965
Rehab	>2587	3014	2384	2773	2886	2297	3003	2815	2708	2979	2780	2782	2873
CT	>300	384	352	343	336	381	323	379	352	398	333	373	335
ER	>800	878	888	871	820	841	863	864	919	945	912	940	846
Mammography	>475	462	439	367	543	406	492	446	437	432	384	457	453
Ultrasound	>325	395	314	320	353	246	290	296	304	317	325	285	345
Occupational Health	>650	733	728	646	871	681	683	600	597	757	663	679	660
Wound Care										222	276	235	