



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
REGULAR MEETING **AGENDA**
Tuesday, April 28, 2015, 5:00 p.m.**

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

TOLL FREE CALL-IN NUMBER: 866 228-9900 GUEST CODE: 294221		
AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>	
2. PUBLIC COMMENT SECTION At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.	<i>Fogg</i>	
3. CONSENT CALENDAR a. FC Meeting Minutes, 1.27.15 (no quorum) and 3.24.15	<i>Fogg</i>	Action
4. GROWTH OVERVIEW	<i>Donaldson</i>	Inform
5. CAPITAL SPENDING REPORT	<i>Tarver</i>	Inform
6. SCAN UPDATE	<i>Jensen</i>	Inform
7. OPERATING BUDGET STATUS	<i>Jensen</i>	Inform
8. AUDIT PLAN	<i>Jensen</i>	Inform
9. MARCH 2015 FINANCIALS	<i>Jensen</i>	Inform
10. CEO BOARD REPORT APRIL 2015	<i>Nevins</i>	Inform
11. ADJOURN Next meeting May 26, 2015	<i>Fogg</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
MISSION AND VISION STATEMENTS	<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>		
1. CALL TO ORDER/ANNOUNCEMENTS			
	<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.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
3. CONSENT CALENDAR	<i>Fogg</i>		
<ul style="list-style-type: none"> FC Meeting Minutes, 1.6.15 		Action MOTION to approve	.

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		by Berezin and 2 nd by Glago. All in favor.	
4. PROPOSED 2015 WORK PLAN	<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.
5. DECEMBER 2014 FINANCIALS	<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.		
6. CEO BOARD REPORT JAN. 2015	<i>Nevins</i>	Inform	
	Mr. Barclay was impressed with the November 2014 Dashboard and overall results.		
7. ADJOURN/DISCUSSION	<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>		



**SONOMA VALLEY HEALTH CARE
DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, March 24, 2015
Schantz Conference Room**

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

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<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>		
1. CALL TO ORDER AND ANNOUNCEMENTS	<i>Fogg</i>		
	Meeting called to order at 5:00 p.m.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None		
3. CONSENT CALENDAR	<i>Fogg</i>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
<ul style="list-style-type: none"> FC Meeting Minutes, 2.26.15 	Bring Minutes from 1/6/15 forward to the FC meeting on 4/28/15.	Action MOTION by Woodward and 2 nd by Nevins to approve Minutes. All in favor.	Board Clerk will send a copy of the <u>Work Plan</u> from last meeting to Committee. <u>Bring Minutes from 1/6/15 forward to the FC meeting on 4/28/15.</u>
4. MEDICARE PROFITABILITY REPORT	<i>Lovejoy (PPT)</i>	Inform	
	Ms. Lovejoy presented <i>Incentivizing Quality Patient Care: An Evolving CMS Strategy</i> to the Committee.		
5. IS REVIEW	<i>Sendaydiego</i>	Inform	
	Ms. Sendaydiego presented an <i>Information Systems Overview including</i> what's working well and future plans through FY2107.		
6. 3-YEAR FINANCIAL PLAN	<i>Jensen</i>	Inform	
	Agenda item #6 was taken off of the Agenda and will be brought forward to the next FC meeting on 4.28.15.		
7. FEBRUARY 2015 FINANCIALS	<i>Jensen</i>	Inform	
	The month of February's net loss was (\$211,936) on a budgeted net loss of (\$42,885). Net revenue was favorable to budget by \$595,380. The net gain from the IGT program is \$470,192. The actual Net Hospital Revenue would have been unfavorable to budget by (\$448,218) without the IGT revenue. Expenses were unfavorable to budget by (\$679,256) with most of this variance attributed to		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	the IGT Program matching money of \$573,406. Actual Expense variance would have been unfavorable to budget by (\$105,850) without the IGT fee.		
8. CEO BOARD REPORT MARCH 2015	<i>Nevins</i>	Inform	
	Ms. Nevins took questions on the CEO's Board Report for March 2015.		
9. ADJOURN/DISCUSSION	<i>Fogg</i>		
	<p>Ms. Nevins informed that Selma Blanusa is no longer the ED of the Foundation, Dave Pier is now the interim ED and that a search will be conducted to find a permanent ED. The Cancer Care Center opening has been delayed.</p> <p>Mr. Barclay made a comment regarding the Finance Pillar on the CEO Dashboard for January. There was nothing positive about FY 2014 Budgeted Expenses and that expenses and operating costs continue to hurt the Hospital.</p> <p>Meeting adjourned at 6:15 p.m.</p>		

4.

GROWTH OVERVIEW

Sonoma Valley Hospital Growth Overview

Chief Revenue Officer

a new role in Health care

- One person responsible for all activities that generate revenue
- Uses data driven, results oriented approach
- Realizes both short term and long term growth strategies in the market
- Owner of generating revenue and prediction, execution, and production of processes to get there
- Revenue in health care is a cross-departmental complex process

Chief Revenue Officer

areas of interest

Identify, review and quantify

- unnecessary costs and implement changes
- revenue loss patterns and trends with recommendations to operations
- poor and inefficient patient process flow with recommendations for improvements

The CRO must foster good communication and teamwork among the various organizational functions

Example of Chief Revenue Officer Role

Skilled Nursing Facility Performance Improvement

- Reduced costs related to overutilization of non-billable services
- Template for enhancement of authorization process
- Pharmacy formulary to reduce high cost of medications
- Staffing efficiencies to capture rehab utilization group levels per day
- Reduction of Diagnosis Related Group penalties on acute side of stay

Volume Trends

	Units of Service	November	December	January	February	March
Professional Services	Visits	3466	3390	3428	3576	3792
Ancillary Services	Tests or Procedures	13,819	13,665	15,230	14,147	15,210
Surgery (inc. Endo)	Cases	145	150	167	175	176
Home Health	Visits	1093	1104	1097	1109	1230
Skilled Nursing	Patient Days	580	596	654	607	669

12 Month Rolling Average of Direct Margins

Date	SNF	Rehab	Surgery	Home Health	Outpatient Diagnostics	OB
Aug 13-July 14	1%	60%	43%	-1%	50%	-13%
Sept 13-Aug 14	2%	59%	41%	-2%	64%	-13%
Oct 13-Aug 14	2%	60%	39%	0%	65%	-6%
Nov 13-Oct 14	2%	61%	38%	9%	65%	6%
Dec 13-Nov 14	8%	63%	34%	8%	63%	-2%
Jan 14-Dec 14	8%	61%	33%	11%	64%	4%

Lessons Learned

Services

- Learning: Emphasis on volumes not always best indicator of growing services; not all growth is profitable
- Services reviewed in light of reform challenges, identified opportunities

Margins

- Learning: As the decline in reimbursement continues there will be added pressure on margins
- Developed plan which uses margins as best indicator of performance versus volumes
- Able to now identify growth opportunities within our facility

Physicians

- Learning: Need closer working relationship with providers; this was hampering efforts to monitor out-migration
- Access new market data to understand behaviors and opportunities
- Developed an approach to enhance engagement and collaboration

Next Steps

Next Steps:

- Completion of SNF cost Accounting project
- Continuation of Home Health 12 month cost accounting project
- Start of OB cost accounting project April 2015 with end date of Dec 2015
- Start of Inpatient cost accounting project January 2016
- Start of outpatient cost accounting project TBD
- Services: Deeper dive into margins per procedure and benchmark against best practice facilities
- Begin to explore growth on high margin services

QUESTIONS

5.

CAPITAL SPENDING REPORT

SVH FY2015 CAPITAL BUDGET	DEPARTMENT	PURPOSE	BOARD APPROVED	Prior Quarters Spent to Date	Spent in 3rd Quarter	Remaining Balance	Source of Funding
Fire protection	Facilities	Patient Safety, Antiquated	\$ 120,000.00	\$ -	\$ 4,175.17	\$ 115,824.83	Operations
Pyxis	Pharmacy	Cost Savings	\$ 4,000.00		\$ 4,020.41	\$ (20.41)	Operations
STI System	Laboratory	Revenue Producing	\$ 22,705.00	\$ 20,481.26		\$ 2,223.74	Operations
Locking Carts	Skilled Nursing	Patient Safety	\$ 5,000.00			\$ 5,000.00	
Transducer	Radiology	Patient Safety	\$ 3,200.00	\$ 3,200.00		\$ -	Operations
MRI Knee coil	Radiology	Quality	\$ 16,300.00			\$ 16,300.00	
Quality Notebooks	Quality	Efficiency	\$ 11,300.00	\$ 8,135.40	\$ 6,725.00	\$ (3,560.40)	Operations
Citrix	Information Services	Efficiency	\$ 100,000.00			\$ 100,000.00	
Lap tops	Home Care	Growth	\$ 18,400.00			\$ 18,400.00	
Metro phone	Information Services	Replacement	\$ 3,800.00	\$ 3,800.00		\$ -	Operations
VMWare Licenses	Information Services	Requirement	\$ 3,388.00	\$ 3,388.00		\$ -	Operations
MIC Interface to HPF	Information Services	Requirement	\$ 20,000.00			\$ 20,000.00	
HP: 50 Desktops	Information Services	Replacement	\$ 50,000.00		\$ 2,452.00	\$ 47,548.00	Operations
Microsoft Server Licenses	Information Services	Requirement	\$ 12,000.00			\$ 12,000.00	
Microsoft 53 desktop licenses	Information Services	Requirement	\$ 52,200.00			\$ 52,200.00	
HP Printer replacement	Information Services	Quality, Replacement	\$ 10,000.00			\$ 10,000.00	
East Wing Pipes	Skilled Nursing	Antiquated, Prevention	\$ 100,000.00			\$ 100,000.00	
Ability (HETS Eligibility)	Patient Financial Services	Efficiency	\$ 14,004.00			\$ 14,004.00	
Dedicated Printer for CIF	Patient Financial Services	Quality	\$ 3,000.00			\$ 3,000.00	
Uncommitted			\$ 140,000.00			\$ 140,000.00	
Uncommitted	Administration		\$ 100,000.00				
		High/Low Table with Bar		\$ 1,787.10			Operations
		Probe from GE		5,760.00			Operations
		Freezer		\$ 2,359.80			Operations
		Flood Source Nuc. Med			\$ 1,799.00	\$ 88,294.10	Operations
			\$ 809,297.00	\$ 48,911.56	\$ 19,171.58	\$ 741,213.86	

Construction In Progress (CIP)	CIP Committed	Spent Prior to FY		Remaining Balance	
		2015	Spent in FY 2015		
E H R Implementation	\$ 6,315,356.00	\$ 5,314,173.66	\$ 272,458.57	\$ 728,723.77	MedOne Leases
NPC2	\$ 12,800.00		\$ 2,189.75	\$ 10,610.25	Operations
Lobby	\$ 198,000.00	\$ 6,726.50	\$ 6,630.00	\$ 184,643.50	Donations
Nuclear Med Heat Pump	\$ 58,733.00		\$ 48,633.00	\$ 10,100.00	Celtic Lease
OP Service Center	\$ 40,000.00			\$ 40,000.00	Operations
	\$ 6,624,889.00	\$ 5,320,900.16	\$ 329,911.32	\$ 974,077.52	

There are no contracts pending for items from the Capital Budget.

9.

FINANCIALS

MARCH 2015



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: April 28, 2015
Subject: Financial Report for the Month Ending March 31, 2015

March activity was consistent with the experiences of the prior months. Gross patient revenue was better than budget by \$1,436,132. However, there was a significant change in payer mix for the month compared with expectations. Medi-Cal was 18.6% (regular and managed care) of the revenue vs. a budgeted 11.5%. Commercial insurance, which now includes the lower paying Covered California patients, was 18.9% vs. the 24.2% budgeted. The net result was an increase to the contractual allowance expense of \$1,583,938. Management is working with the Medi-Cal Managed care HMO to mitigate some of the losses due to their increased volume. Medicare was close to the budgeted 50.7% at 49.5%. The resulting net revenue was off budget by (\$147,806).

Expenses were over budget by \$94,497. The significant variances were employee benefits (\$40,655), professional fees due to a true-up of the hospitalist costs (\$21,270), and purchased services, mostly unanticipated IT costs (\$70,828).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for March was (\$382,610) vs. a budgeted gain of \$27,392. The loss was offset by a Foundation Contribution of \$286,913 restricted for the purchase of ultrasound equipment. The total loss after all activity was (\$58,801) vs. a budgeted gain of \$123,627.

Below is a summary of significant variances for the month of March:

GROSS REVENUE was better than budget \$ 1,436,132

Inpatient revenue was favorable to budget by \$247,140 and SNF was unfavorable by (\$607,523). Outpatient revenue was better than budget by \$892,250 and ER revenue was above budget by \$885,946. Home Health had a positive budget variance of \$18,319.

Deductions from revenue are unfavorable to budget \$ (1,583,938)

This is due to a significant change in payer mix this month compared to budget. Overall, Medi-Cal was 18.6% of gross revenue vs. a budget of 11.5%. Commercial insurances accounted for 18.9% of gross revenue vs. a budget of 24.2%.



Risk Contract Revenue was under budget	\$ (91,026)	
This is due to zero inpatients from Napa State Hospital in March.		
Other Revenue was under budget	<u>\$ (65,619)</u>	
due to the true-up of the E.H.R. Revenue received in January.		
Total Operating Revenue Variance		\$ (304,451)
Total Staffing costs were over budget	\$ (55,024)	
Productive FTE's were 284 vs. a budget of 278.		
Total FTE's were under budget by 2.		
The overage was due to a new Pharmacist being trained and registry from February of \$19,300.		
Employee benefits were over budget	\$ (40,655)	
primarily due to a required increase in the accrual of the State Unemployment insurance reserve of (\$25,000).		
Professional fees were over budget	\$ (21,270)	
due to a true-up of hospitalists costs from per contract.		
Purchased Services were over budget	\$ (70,828)	
primarily due to unbudgeted IT costs (\$56,181)		
All Other Operating Expenses were under budget	\$ 93,280	
Total Expense Variance		<u>\$ (94,497)</u>
Total Operating Margin Variance		\$ (398,948)
Non-Operating Income was unfavorable to budget	\$ (11,054)	
Capital Campaign and Restricted Contributions was favorable to budget	<u>\$ 203,163</u>	
Net Variance		<u><u>\$ (206,839)</u></u>

The net loss was (\$93,197) vs. a budgeted net income of \$113,642. After accounting for GO bond activity (which interest cost were better than budget by \$22,326) the aggregated net loss was (\$58,801) vs. a budgeted net income of \$123,627.



Patient Volumes – March

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	113	113	0	117
Newborn Discharges	16	16	0	19
Acute Patient Days	401	418	-17	407
SNF Patient Days	669	712	-43	750
Home Care Visits	1,232	1,160	72	1,106
OP Gross Revenue	11,839	10,043	1,797	9,999
Surgical Cases	137	156	-19	156

Overall Payer Mix – March

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	49.5%	50.7%	-1.2%	47.4%	50.3%	-2.9%
Medi-Cal	18.6%	11.5%	7.1%	18.2%	11.4%	6.9%
Self Pay	1.2%	3.3%	-2.1%	1.6%	3.4%	-1.8%
Commercial	18.9%	24.2%	-5.3%	20.9%	24.5%	-3.6%
Managed MCR	7.0%	4.3%	2.8%	5.6%	4.4%	1.2%
Workers Comp	2.2%	3.1%	-1.0%	3.3%	3.2%	0.1%
Capitated	2.6%	2.9%	-0.3%	3.0%	2.8%	0.2%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for March:

For the month of March the cash collection goal was \$3,249,826 and the Hospital collected \$3,699,606 or over the goal by \$449,780. The Year to date cash goal is \$31,554,303 and the Hospital has collected \$31,602,561 or over the goal by \$48,259. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 15 days at March 31, 2015. Accounts Receivable decreased from February, from 50.2 days up to 47.3 days in March. Accounts Payable is up by \$450,338 from February, of which \$361,717 is attributable to the GE Ultrasound invoice posted and will be paid in April with the donation received from the Foundation. Accounts Payable days are at 49.0. Total Accounts Payable at the beginning of the fiscal year was \$5,893,464 and at the end of March Accounts Payable is \$3,708,759.

Year to Date:

The Hospital's YTD EBIDA is 5.4%. Our YTD expenses are over budget by (\$1,435,887). This amount includes \$120,000 of prior year expenses, the IGT program fee of \$573,406, and \$742,000 in operating expenses. Significant variances included in the \$742,000 are attributable to inaccurate forecasting in anesthesia, Prima, utilities, hospitalists, lab, and IT services. Most of the operating expense variances were recognized in the first four months of the fiscal year.



Sonoma Valley Hospital Sonoma Valley Health Care District March 31, 2015 Financial Report

**Finance Committee
April 28, 2015**



Patient Volumes

Month of March 31, 2015

	Actual	Budget	Variance	Prior Year
Acute Discharges	113	113	0	117
Newborn Discharges	16	16	0	19
Acute Patient Days	401	418	-17	407
SNF Patient Days	669	712	-43	750
Home Care Visits	1,232	1,160	72	1,106
OP Gross Revenue	11,839	10,043	1,797	9,999

Summary Statement of Revenues and Expenses Month of March 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,184,340	\$ 4,488,791	\$ (304,451)	-7%	\$ 5,547,231
2Total Operating Expenses	\$ 4,782,662	\$ 4,688,165	\$ (94,497)	-2%	\$ 5,005,960
3Operating Margin	\$ (598,322)	\$ (199,374)	\$ (398,948)	-200%	\$ 541,271
4NonOperating Rev/Exp	\$ 215,712	\$ 226,766	\$ (11,054)	-5%	\$ (268,444)
5Net Income before Rest.Cont. & GO Bond	\$ (382,610)	\$ 27,392	\$ (410,002)	-1497%	\$ 272,827
6Restricted Contribution	\$ 289,413	\$ 86,250	\$ 203,163	236%	\$ 56,417
Net Income with Restricted 7Contributions	\$ (93,197)	\$ 113,642	\$ (206,839)	-182%	\$ 329,244
8Total GO Bond Rev/Exp	\$ 34,396	\$ 9,985	\$ 24,411	244%	\$ 71,825
9Net Income with GO Bond	\$ (58,801)	\$ 123,627	\$ (182,428)	-148%	\$ 401,069
10EBIDA before Restricted Contributions	\$ (63,716)	\$ 385,269	\$ (448,985)		\$ 1,556,218
11EBIDA before Restricted Cont. %	-2%	9%	-11%		28%

Summary Statement of Revenues and Expenses Year to Date March 31, 2015 (9 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 38,811,384	\$ 38,537,354	\$ 274,030	1%	\$ 38,250,455
2Total Operating Expenses	\$ 41,737,709	\$ 40,301,822	\$ (1,435,887)	-4%	\$ 40,933,257
3Operating Margin	\$ (2,926,326)	\$ (1,764,468)	\$ (1,161,858)	-66%	\$ (2,682,802)
4NonOperating Rev/Exp	\$ 2,048,871	\$ 2,040,894	\$ 7,977	0%	\$ 1,475,002
Net Income before Rest.Cont. & 5GO Bond	\$ (877,455)	\$ 276,426	\$ (1,153,881)	-417%	\$ (1,207,800)
6Restricted Contribution	\$ 1,004,271	\$ 776,250	\$ 228,021	29%	\$ 3,706,098
Net Income with Restricted 7Contributions	\$ 126,817	\$ 1,052,676	\$ (925,859)	-88%	\$ 2,498,298
8Total GO Bond Rev/Exp	\$ 247,673	\$ 89,852	\$ 157,821	176%	\$ 995,892
9Net Income with GO Bond	\$ 374,490	\$ 1,142,528	\$ (768,038)	-67%	\$ 3,494,190
EBIDA before Restricted 10Contributions	\$ 2,098,423	\$ 3,497,319	\$ (1,398,896)		\$ 622,530
11EBIDA before Restricted Cont. %	5%	9%	-4%		2%

Operating Revenues

Month of March 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	\$ 1,395,124	\$ 1,613,337	\$ (218,213)	-14%	\$ 1,488,288
2 Skilled Nursing Facility	\$ 382,855	\$ 427,200	\$ (44,345)	-10%	\$ 425,376
3 Outpatient and Emergency	\$ 2,040,752	\$ 2,009,610	\$ 31,142	2%	\$ 1,887,420
4 HomeCare	\$ 265,351	\$ 276,904	\$ (11,553)	-4%	\$ 263,286
5 Community Benefit (Charity)	\$ (6,000)	\$ (26,239)	\$ 20,239	77%	\$ (2,500)
6 Bad Debt Expense	\$ (100,000)	\$ (174,924)	\$ 74,924	43%	\$ (230,000)
7 Prior Period Adjustment	\$ -	\$ -	\$ -	100%	\$ 1,300,000
8 TOTAL NET PATIENT REVENUE	\$ 3,978,082	\$ 4,125,888	\$ (147,806)	-4%	\$ 5,131,870
RISK CONTRACTS					
9 Capitation Revenue	\$ 163,141	\$ 170,135	\$ (6,994)	-4%	\$ 174,028
10 Napa State Hospital Revenue	\$ 34,085	\$ 118,117	\$ (84,032)	-71%	\$ 158,074
11 TOTAL RISK CONTRACTS	\$ 197,226	\$ 288,252	\$ (91,026)	-32%	\$ 332,102
12 OTHER OP. REVENUE	\$ 9,032	\$ 74,651	\$ (65,619)	-88%	\$ 83,259
13 TOTAL HOSPITAL NET REVENUE	\$ 4,184,340	\$ 4,488,791	\$ (304,451)	-7%	\$ 5,547,232

Revenue Variances

- Total Operating Revenue was unfavorable to budget by (\$304,451).
- Overall inpatient volume was at budget with 113 discharges and inpatient surgeries were under budget by (9), and had a payer mix with higher Medi-Cal and less Commercial than budgeted.
- Outpatient visits were over budget by 683 visits and outpatient surgeries were under budget by 10, and had a payer mix with higher Medi-Cal and less Commercial than budgeted.
- Emergency Room volume was over budget by 197 visits.
- Skilled Nursing Home volume was under budget by (43) days.
- Home Care was over budget by 72 visits.

Operating Expenses

Month of March 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	\$ 2,214,239	\$ 2,159,215	\$ (55,024)	-3%	\$ 2,178,672
2 Employee Benefits	\$ 806,935	\$ 766,280	\$ (40,655)	-5%	\$ 760,936
3 Total People Cost	\$ 3,021,174	\$ 2,925,495	\$ (95,679)	-3%	\$ 2,939,608
4 Medical and Prof Fees (excl'd Agency)	\$ 353,693	\$ 332,423	\$ (21,270)	-6%	\$ 420,799
5 Supplies	\$ 456,890	\$ 495,635	\$ 38,745	8%	\$ 563,595
6 Purchased Services	\$ 397,830	\$ 327,002	\$ (70,828)	-22%	\$ 505,698
7 Depreciation	\$ 282,296	\$ 272,198	\$ (10,098)	-4%	\$ 248,464
8 Utilities	\$ 76,184	\$ 80,567	\$ 4,383	5%	\$ 89,720
9 Insurance	\$ 19,298	\$ 20,000	\$ 702	4%	\$ 18,888
10 Interest	\$ 36,598	\$ 85,679	\$ 49,081	57%	\$ 99,041
11 Other	\$ 138,699	\$ 149,166	\$ 10,467	7%	\$ 120,147
12 TOTAL OPERATING EXPENSE	\$ 4,782,662	\$ 4,688,165	\$ (94,497)	-2%	\$ 5,005,960

Expense Variances

Total operating expenses were over budget by (\$94,497)

- Total productivity FTE's were over budget by (6) and Salaries and Agency fees were over budget by (\$55,024) . Total FTE's were under budget by 2.
- Employee Benefits are over budget by (\$40,655) due to an increased accrual for state unemployment tax .
- Professional fees were over budget by (\$21,270) due to a true-up of hospitalists costs per contract.
- Purchased Services are over budget by (\$70,828) primarily due to IT costs.

Non-Operating Revenue and Expenses

Month of March 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1Miscellaneous Revenue	\$ 1,484	\$ 933	\$ 551	59%	\$ (449,495)
2 Donations Professional Center / Phys	\$ 1,728	\$ 10,000	\$ (8,272)	0%	\$ 1,359
3Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ (37,500)	\$ (34,167)	\$ (3,333)	0%	\$ (56,833)
5 Tax Assessment Revenue-Parcel Tax	\$ 250,000	\$ 250,000	\$ -	0%	\$ 236,525
6 NON-OPERATING REV/EXP	\$ 215,712	\$ 226,766	\$ (11,054)	-5%	\$ (268,444)
7Capital Campaign Contribution	\$ 2,500	\$ 86,250	\$ (83,750)	-97%	\$ 56,417
8Restricted Foundation Contribution	\$ 286,913	\$ -	\$ 286,913	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%	\$ (80,501)
11TOTAL NON-OPERATING REV/EXP	\$ 539,521	\$ 323,001	\$ 216,520	67%	\$ (140,202)

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the month ended March, 2015

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 03/31/15	Budget 03/31/15	Favorable (Unfavorable) Variance	Actual 03/31/15	Budget 03/31/15	Favorable (Unfavorable) Variance	Prior Year 03/31/14
Inpatient Utilization							
Discharges							
1 Acute	98	98	-	789	822	(33)	737
2 ICU	15	15	-	136	134	2	146
3 Total Discharges	113	113	-	925	956	(31)	883
4 Newborn	16	16	0	132	113	19	115
5 Total Discharges inc. Newborns	129	129	0	1,057	1,069	(12)	998
Patient Days:							
6 Acute	293	312	(19)	2,377	2,574	(197)	2,408
7 ICU	108	106	2	916	974	(58)	910
8 Total Patient Days	401	418	(17)	3,293	3,548	(255)	3,318
9 Newborn	32	30	2	241	215	26	227
10 Total Patient Days inc. Newborns	433	448	(15)	3,534	3,764	(230)	3,545
Average Length of Stay:							
11 Acute	3.0	3.2	(0.2)	3.0	3.1	(0.1)	3.3
12 ICU	7.2	7.0	0.2	6.7	7.3	(0.5)	6.2
13 Avg. Length of Stay	3.5	3.7	(0.2)	3.6	3.7	(0.2)	3.8
14 Newborn ALOS	2.0	1.9	0.1	1.8	1.9	0.1	2.0
Average Daily Census:							
15 Acute	9.5	10.1	(0.6)	8.7	9.4	(0.7)	8.8
16 ICU	3.5	3.4	0.1	3.3	3.6	(0.2)	3.3
17 Avg. Daily Census	12.9	13.5	(0.5)	12.0	13.0	(0.9)	12.1
18 Newborn	1.0	1.0	0	0.9	0.8	0.1	0.8
Long Term Care:							
19 SNF Patient Days	669	712	(43)	5,568	5,598	(30)	5,672
20 SNF Discharges	31	32	(1)	254	254	(0)	261
21 Average Daily Census	21.6	23.0	(1.4)	20.3	20.4	(0.1)	20.7
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	954	757	197	7,843	6,871	972	6,716
Outpatient Statistics:							
23 Total Outpatients Visits	5,112	4,429	683	42,110	38,112	3,998	37,957
24 IP Surgeries	34	43	(9)	282	296	(14)	296
25 OP Surgeries	103	113	(10)	899	887	12	887
26 Special Procedures	34	22	12	289	292	(3)	314
27 Home Health Visits	1,232	1,160	72	10,316	9,014	1,302	8,054
28 Adjusted Discharges	347	312	35	2,966	2,675	291	2,591
29 Adjusted Patient Days	2,579	2,426	153	22,308	20,213	2,096	20,303
30 Adj. Avg. Daily Census	83.2	78.3	4.9	81.4	73.8	7.6	74.1
31 Case Mix Index -Medicare	1.4160	1.4000	0.016	1.4906	1.4000	0.091	1.6412
32 Case Mix Index - All payers	1.3980	1.4000	(0.002)	1.4916	1.4000	0.092	1.5469
Labor Statistics							
33 FTE's - Worked	284	278	(5.6)	269	265	(4.6)	280
34 FTE's - Paid	310	312	2.4	304	300	(4.0)	313
35 Average Hourly Rate	40.49	39.18	(1.32)	38.45	38.35	(0.10)	36.76
36 Manhours / Adj. Pat Day	21.2	22.7	1.5	21.3	23.2	1.9	24.1
37 Manhours / Adj. Discharge	157.6	176.6	19.1	160.0	175.1	15.1	188.7
38 Benefits % of Salaries	23.1%	22.0%	-1.1%	23.8%	23.4%	-0.4%	22.4%
Non-Labor Statistics							
39 Supply Expense % Net Revenue	10.9%	11.2%	0.3%	11.4%	11.3%	-0.1%	12.2%
40 Supply Exp. / Adj. Discharge	1,316	1,588	272	1,477	1,603	127	1,754
41 Total Expense / Adj. Discharge	14,227	15,471	1,244	14,564	15,537	974	16,146
Other Indicators							
42 Days Cash - Operating Funds	14.7			48.6	50.0	(1.4)	49.8
43 Days in Net AR	47.3	50.0	(2.7)	48.6	50.0	(1.4)	49.8
44 Collections % of Net Revenue	114%			100%			101.4%
45 Days in Accounts Payable	49.0	60.0	(11.0)	49.0	60.0	(11.0)	60.5
46 % Net revenue to Gross revenue	20.6%	23.5%	-2.8%	23.1%	23.4%	-0.3%	24.3%
47 % Net AR to Gross AR	22.4%			22.4%			22.9%

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

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,177,242	\$ 1,739,015	\$ 1,255,535
2 Trustee Funds	1,825,643	1,825,643	762,010
3 Net Patient Receivables	7,061,014	7,344,678	7,888,038
4 Allow Uncollect Accts	(620,633)	(599,908)	(1,740,680)
5 Net A/R	6,440,382	6,744,770	6,147,358
6 Other Accts/Notes Rec	3,932,731	3,991,709	2,980,819
7 3rd Party Receivables, Net	1,587,264	1,593,172	1,937,910
8 Due Frm Restrict Funds	-	-	-
9 Inventory	748,486	747,898	743,867
10 Prepaid Expenses	888,146	870,127	909,717
11 Total Current Assets	\$ 17,599,894	\$ 17,512,333	\$ 14,737,216
12 Board Designated Assets	\$ -	\$ -	\$ 5,399
13 Property, Plant & Equip, Net	55,341,279	55,611,181	20,667,608
14 Hospital Renewal Program	-	-	31,801,877
15 Unexpended Hospital Renewal Funds	-	-	4,024,455
16 Investments	-	-	-
17 Specific Funds	403,430	43,942	(3,459,216)
18 Other Assets	143,164	143,164	436,558
19 Total Assets	\$ 73,487,766	\$ 73,310,619	\$ 68,213,897
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 3,708,759	\$ 3,258,421	\$ 4,471,747
21 Accrued Compensation	4,145,169	3,808,448	3,892,725
22 Interest Payable	235,858	117,929	285,340
23 Accrued Expenses	1,041,494	1,377,813	1,261,871
24 Advances From 3rd Parties	668,079	501,283	(191,739)
25 Deferred Tax Revenue	2,229,055	2,631,380	1,317,172
26 Current Maturities-LTD	1,658,687	1,709,727	910,496
27 Line of Credit - Union Bank	6,273,734	6,273,734	3,973,734
28 Other Liabilities	144,549	144,549	230,806
29 Total Current Liabilities	\$ 20,105,384	\$ 19,823,284	\$ 16,152,152
30 Long Term Debt, net current portion	\$ 39,387,264	\$ 39,433,416	\$ 37,707,628
Fund Balances:			
32 Unrestricted	\$ 12,092,301	\$ 12,440,516	\$ 13,229,305
33 Restricted	1,902,816	1,613,403	1,124,812
34 Total Fund Balances	\$ 13,995,117	\$ 14,053,919	\$ 14,354,117
35 Total Liabilities & Fund Balances	\$ 73,487,766	\$ 73,310,619	\$ 68,213,897

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

		Month				Year-To-Date				YTD
		This Year		Variance		This Year		Variance		Prior Year
		Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information										
1	Acute Discharges	113	113	-	0%	925	956	(31)	-3%	883
2	SNF Days	669	712	(43)	-6%	5,568	5,598	(30)	-1%	5,672
3	Home Care Visits	1,232	1,160	72	6%	10,316	9,014	1,302	14%	8,054
4	Gross O/P Revenue (000's)	11,839	10,043	1,797	18%	\$ 99,747	\$ 88,507	11,240	13%	\$ 85,126
Financial Results										
Gross Patient Revenue										
5	Inpatient	\$ 6,222,894	\$ 5,975,754	247,140	4%	\$ 47,204,732	\$ 50,454,012	(3,249,280)	-6%	\$ 45,787,838
6	Outpatient	7,395,239	6,502,989	892,250	14%	59,609,379	56,834,014	2,775,365	5%	54,655,471
7	Emergency	4,071,288	3,185,342	885,946	28%	36,963,730	28,909,416	8,054,314	28%	27,991,214
8	SNF	2,172,164	2,779,687	(607,523)	-22%	18,782,816	22,558,074	(3,775,258)	-17%	21,711,187
9	Home Care	372,892	354,573	18,319	5%	3,173,456	2,763,076	410,380	15%	2,479,153
10	Total Gross Patient Revenue	\$ 20,234,477	\$ 18,798,345	1,436,132	8%	\$ 165,734,114	\$ 161,518,592	4,215,522	3%	\$ 152,624,864
Deductions from Revenue										
11	Contractual Discounts	\$ (16,150,395)	\$ (14,471,294)	(1,679,101)	-12%	\$ (129,813,096)	\$ (124,518,939)	(5,294,157)	-4%	\$ (118,223,441)
12	Bad Debt	(100,000)	(174,924)	74,924	43%	(965,000)	(1,502,978)	537,978	36%	(1,808,255)
13	Charity Care Provision	(6,000)	(26,239)	20,239	77%	(161,100)	(225,448)	64,348	29%	(195,250)
14	Prior Period Adjustments	-	-	-	0%	1,325,255	-	1,325,255	0%	2,107,929
15	Total Deductions from Revenue	\$ (16,256,395)	\$ (14,672,457)	(1,583,938)	11%	\$ (129,613,941)	\$ (126,247,365)	(3,366,576)	3%	\$ (118,119,017)
16	Net Patient Service Revenue	\$ 3,978,082	\$ 4,125,888	(147,806)	-4%	\$ 36,120,173	\$ 35,271,227	848,946	2%	\$ 34,505,847
17	Risk contract revenue	\$ 197,226	\$ 288,252	(91,026)	-32%	\$ 2,199,483	\$ 2,594,268	(394,785)	-15%	\$ 2,615,222
18	Net Hospital Revenue	\$ 4,175,308	\$ 4,414,140	(238,832)	-5%	\$ 38,319,656	\$ 37,865,495	454,161	1%	\$ 37,121,068
19	Other Op Rev & Electronic Health Records	\$ 9,032	\$ 74,651	(65,619)	88%	\$ 491,728	\$ 671,859	(180,131)	-27%	\$ 1,129,387
20	Total Operating Revenue	\$ 4,184,340	\$ 4,488,791	(304,451)	-7%	\$ 38,811,384	\$ 38,537,354	274,030	1%	\$ 38,250,455
Operating Expenses										
21	Salary and Wages and Agency Fees	\$ 2,214,239	\$ 2,159,215	(55,024)	-3%	\$ 18,251,795	\$ 17,963,499	(288,296)	-2%	\$ 17,970,406
22	Employee Benefits	806,935	766,280	(40,655)	-5%	7,010,563	6,831,151	(179,412)	-3%	6,607,326
23	Total People Cost	\$ 3,021,174	\$ 2,925,495	(95,679)	-3%	\$ 25,262,358	\$ 24,794,650	(467,708)	-2%	\$ 24,577,732
24	Med and Prof Fees (excl'd Agency)	\$ 353,693	\$ 332,423	(21,270)	-6%	\$ 3,163,018	\$ 2,901,785	(261,233)	-9%	\$ 3,893,893
25	Supplies	456,890	495,635	38,745	8%	4,380,390	4,289,438	(90,952)	-2%	4,544,513
26	Purchased Services	397,830	327,002	(70,828)	-22%	3,112,549	2,784,931	(327,618)	-12%	3,682,715
27	Depreciation	282,296	272,198	(10,098)	-4%	2,587,680	2,449,782	(137,898)	-6%	1,531,711
28	Utilities	76,184	80,567	4,383	5%	829,889	725,103	(104,786)	-14%	719,280
29	Insurance	19,298	20,000	702	4%	173,338	180,000	6,662	4%	169,988
30	Interest	36,598	85,679	49,081	57%	388,197	771,111	382,914	50%	298,619
31	Other	138,699	149,166	10,467	7%	1,840,289	1,405,022	(435,267)	-31%	1,514,806
32	Operating expenses	\$ 4,782,662	\$ 4,688,165	(94,497)	-2%	\$ 41,737,709	\$ 40,301,822	(1,435,887)	-4%	\$ 40,933,257
33	Operating Margin	\$ (598,322)	\$ (199,374)	(398,948)	-200%	\$ (2,926,326)	\$ (1,764,468)	(1,161,858)	-66%	\$ (2,682,802)
Non Operating Rev and Expense										
34	Miscellaneous Revenue	\$ 1,484	\$ 933	551	59%	\$ 87,783	\$ 8,397	79,386	*	\$ (142,784)
35	Donations	1,728	10,000	(8,272)	-83%	48,587	90,000	(41,413)	46%	3,374
36	Physician Practice Support-Prima	(37,500)	(34,167)	(3,333)	10%	(337,500)	(307,503)	(29,997)	10%	(521,723)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	2,250,000	2,250,000	-	0%	2,136,135
38	Total Non-Operating Rev/Exp	\$ 215,712	\$ 226,766	(11,054)	-5%	\$ 2,048,871	\$ 2,040,894	7,977	0%	\$ 1,475,002
39	Net Income / (Loss) prior to Restricted Contributions	\$ (382,610)	\$ 27,392	(410,002)	-1497%	\$ (877,455)	\$ 276,426	(1,153,881)	-417%	\$ (1,207,800)
40	Capital Campaign Contribution	\$ 2,500	\$ 86,250	(83,750)	-97%	\$ 608,782	\$ 776,250	(167,468)	-22%	\$ 3,706,098
41	Restricted Foundation Contributions	\$ 286,913	\$ -	286,913	0%	\$ 395,489	\$ -	395,489	100%	\$ -
42	Net Income / (Loss) w/ Restricted Contributions	\$ (93,197)	\$ 113,642	(206,839)	-182%	\$ 126,817	\$ 1,052,676	(925,859)	-88%	\$ 2,498,298
43	GO Bond Tax Assessment Rev	152,326	150,241	2,085	1%	1,372,622	1,352,169	20,453	2%	1,370,931
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(1,124,949)	(1,262,317)	137,368	-11%	(375,039)
45	Net Income/(Loss) w GO Bond Activity	\$ (58,801)	\$ 123,627	(182,428)	148%	\$ 374,490	\$ 1,142,528	(768,038)	67%	\$ 3,494,190
EBIDA		(63,716)	\$ 385,269			\$ 2,098,423	\$ 3,497,319			\$ 622,530
		-1.5%	8.6%			5.4%	9.1%			1.6%

Sonoma Valley Hospital
Statistical Analysis
FY 2015

	ACTUAL	BUDGET
	Mar-15	Mar-15
Statistics		
Acute		
Acute Patient Days	401	418
Acute Discharges (w/o Newborns)	113	113
SNF Days	669	712
HHA Visits	1,232	1,160
Emergency Room Visits	954	757
Gross Outpatient Revenue (000's)	\$11,839	\$10,043
Equivalent Patient Days	2,579	2,426
Births	16	16
Surgical Cases - Inpatient	34	43
Surgical Cases - Outpatient	103	113
Total Surgical Cases	137	156
Medicare Case Mix Index	1.42	1.40
Income Statement		
Net Revenue (000's)	4,175	4,414
Operating Expenses (000's)	4,783	4,689
Net Income (000's)	(59)	124
Productivity		
Total Operating Expense Per Equivalent Patient Day	\$1,854	\$1,933
Productive FTEs	284	278
Non-Productive FTE's	26	34
Total FTEs	310	312
FTEs per Adjusted Occupied Bed	3.79	3.99
Balance Sheet		
Days of Expense In General Operating Cash	15	
Net Days of Revenue in AR	47	50

ACTUAL												
Feb-15	Jan-15	Dec-14	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14
372	390	406	364	363	291	376	335	362	358	303	407	300
98	104	111	96	107	87	104	105	91	100	94	117	79
607	654	596	580	527	597	687	651	613	605	674	750	641
1,109	1,097	1,103	1,090	1,319	1,111	1,109	1,146	992	1,135	1,218	1,106	872
845	988	824	761	863	851	868	889	867	909	788	769	655
\$10,541	\$11,804	\$10,084	\$10,956	\$11,748	\$11,149	\$10,410	\$10,879	\$10,111	\$10,237	\$9,918	\$9,999	\$8,604
2,455	2,667	2,227	2,457	2,347	2,603	2,510	2,447	2,433	2,461	2,415	2,585	2,136
11	11	18	15	13	21	9	16	11	16	6	19	14
33	22	31	30	35	30	41	26	28	32	34	43	26
103	107	86	88	120	92	92	109	93	110	113	113	95
136	129	117	118	155	122	133	135	121	142	147	156	121
1.46	1.46	1.42	1.41	1.52	1.51	1.65	1.56	1.76	1.47	1.57	1.63	1.77
4,618	4,448	4,080	3,861	4,641	3,727	4,422	4,261	4,563	3,853	3,957	3,449	3,449
5,046	4,634	4,472	4,457	4,629	4,461	4,778	4,626	4,854	4,486	4,600	4,273	4,273
(104)	202	87	102	338	(289)	134	(37)	567	(240)	(360)	401	(12)
\$2,055	\$1,738	\$2,008	\$1,814	\$1,972	\$1,714	\$1,903	\$1,890	\$1,995	\$1,823	\$1,905	\$1,937	\$1,925
278	246	258	278	272	267	274	268	266	276	285	292	266
25	53	42	25	32	36	32	42	37	32	26	26	34
303	299	300	303	304	303	305	309	303	309	311	318	301
3.46	3.48	4.12	3.93	4.01	3.49	3.77	3.92	3.74	3.89	3.86	3.81	3.94
12	17	13	9	11	14	12	14	7	8	12	8	8
48	51	49	51	51	48	45	46	47	46	48	49	49

Sonoma Valley Hospital
Statement of Cash Forecast
FY 2015

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast TOTAL
Sources													
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	3,434,793	4,315,265	3,890,808	4,188,570	3,827,022	47,092,175
2 Capitation Revenue	174,782	169,048	174,633	161,642	167,479	186,147	156,206	170,065	163,141	170,135	170,135	118,122	1,981,534
3 Napa State	200,000			400,000	200,000		600,000		200,000	118,117	118,117	170,139	2,006,373
4 Other Operating Revenue	11,703	121,430	92,554	1,678	70,434	15,339	106,207	69,036	68,800	15,965	15,965	15,965	605,076
5 Other Non-Operating Revenue	11,017	933	6,996	2,262	-	1,093	2,531		1,303	933	933	933	28,934
6 Unrestricted Contributions	7,063	10,000	-	-	128,142		230	-	1,728	10,000	10,000	10,000	177,163
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				1,157,853			2,885,625
Other:													-
11 LIHP *													-
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						1,043,598			2,093,051
17 IGT - Add'l *								603,729			350,000		953,729
Total Sources	4,697,391	5,023,992	4,503,034	5,428,052	4,402,248	5,766,402	5,084,374	4,852,623	4,750,237	5,832,409	4,933,720	4,142,181	59,416,663
Uses													
18 Operating Expenses	2,723,611	3,634,037	2,656,718	2,841,530	3,284,240	2,460,259	2,463,732	3,802,616	2,879,666	4,512,624	4,678,056	4,472,502	40,409,592
19 Salaries	1,298,774	1,269,094	1,338,174	1,928,284	1,306,744	1,329,374	1,295,566	1,352,362	1,335,152				12,453,524
Less Depreciation										(272,198)	(272,198)	(272,198)	(816,594)
20 Add Capital Lease Payments	218,307	86,999	76,452	228,509	126,571	150,653	214,722	89,935	97,192	135,094	135,739	199,446	1,759,618
21 Additional AP		330,993		910,919		1,330,174	128,054	378,608		800,000			3,878,748
22 Capital - Board Approved Spending		28,416		65,479								148,950	242,845
23 Napa State							295,532			100,000	100,000	100,000	595,532
Total Uses	4,240,692	5,349,539	4,071,344	5,974,722	4,717,555	5,270,460	4,397,606	5,623,521	4,312,010	5,275,520	4,641,597	4,648,700	58,523,265
Net Sources/Uses	456,699	(325,547)	431,690	(546,670)	(315,307)	495,942	686,769	(770,898)	438,227	556,889	292,123	(506,519)	
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	1,739,015	2,177,242	2,734,131	3,026,254	
Cash and Equivalents at end of period	2,083,036	1,757,489	2,189,179	1,642,509	1,327,202	1,823,144	2,509,913	1,739,015	2,177,242	2,734,131	3,026,254	2,519,735	YTD Cash Goal 2,007,768
													511,967

* These sources of income are not in the 2015 budget

note 1: In April 2015 the IGT received will be \$1,043,598, of which \$575k will pay back the LOC

As Of 3/31/15	
Prior Year LOC - Operations	4,473,734
Current Year LOC - Operations	1,075,000
Total	5,548,734
Prior Year LOC - Project	500,000
Current Year LOC - Project	225,000
Total	725,000
Total LOC	6,273,734

Sonoma Valley Hospital
Long Term Cash Forecast
FY 2015

	July - Dec 2014	Actual Jan	Actual Feb	Actual 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	3,434,793	4,315,265	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	71,570,238
2 Capitation Revenue	1,033,731	156,206	170,065	163,141	170,135	170,135	118,122	170,135	170,135	170,135	170,135	170,135	170,135	3,002,345
3 Napa State	800,000	600,000	-	200,000	118,117	118,117	170,139	118,117	118,117	118,117	118,117	118,117	118,117	2,715,075
4 Other Operating Revenue	313,138	106,207	69,036	68,800	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	700,866
5 Other Non-Operating Revenue	22,301	2,531	-	1,303	933	933	933	933	933	933	933	933	933	34,532
6 Unrestricted Contributions	145,205	230	-	1,728	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	237,163
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				1,157,853			80,000					1,500,000	4,465,625
Other:	-													-
11 LIHP	-								623,000					623,000
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				1,043,598									2,093,051
17 IGT - Add'l	-		603,729			350,000								953,729
Total Sources	29,821,118	5,084,374	4,852,623	4,750,237	5,832,409	4,933,720	4,142,181	4,693,312	5,127,395	4,612,156	4,351,543	4,163,386	5,624,172	87,988,626
Uses														
18 Operating Expenses	17,600,396	2,463,732	3,802,616	2,879,666	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	67,262,556
19 Salaries	8,470,444	1,295,566	1,352,362	1,335,152										12,453,524
Less Depreciation	-	-			(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(2,449,782)
20 Add Capital Lease Payments	887,490	214,722	89,935	97,192	135,094	135,739	199,446	218,307	86,999	76,452	228,509	126,571	150,653	2,647,109
21 Additional AP	2,572,086	128,054	378,608		800,000								1,500,000	5,378,748
22 Capital - Board Approved Spending	93,895	-					148,950			200,000			200,000	642,845
23 Napa State	-	295,532			100,000	100,000	100,000							595,532
Total Uses	29,624,311	4,397,606	5,623,521	4,312,010	5,275,520	4,641,597	4,648,700	4,089,166	4,865,026	4,118,993	4,869,220	4,583,086	5,481,777	86,530,532
Net Sources/Uses	196,807	686,769	(770,898)	438,227	556,889	292,123	(506,519)	604,147	262,369	493,163	(517,678)	(419,700)	142,395	
Cash and Equivalents at beginning of period	1,626,337	1,823,144	2,509,913	1,739,015	2,177,242	2,734,131	3,026,254	2,519,735	3,123,881	3,386,251	3,879,414	3,361,736	2,942,036	
Cash and Equivalents at end of period	1,823,144	2,509,913	1,739,015	2,177,242	2,734,131	3,026,254	2,519,735	3,123,881	3,386,251	3,879,414	3,361,736	2,942,036	3,084,431	YTD Cash Goal 2,007,768

1,076,663

* These sources of income are not in the 2015 budget

note 1: In April 2015 the IGT received will be \$1,043,598, of which \$575k will pay back the LOC

note 2: This presumes the Hospital will not receive anymore IGT monies.

note 3: July through Decembers are not budgeted numbers, but a 3% increase from last FY actual.

10.

CEO BOARD
REPORT
APRIL 2015



To: SVHCD Board of Directors
From: Kelly Mather
Date: 3/26/15
Subject: Administrative Report

Financial Summary

We are now 8 months into Fiscal Year 2015 and while we are still behind the budget, we have a positive EBIDA of \$2,162,139. Productivity continues to be positive as the staff has done an excellent job of flexing up without adding much in staffing costs during these busy times. Surgeries, Emergency visits, Home Care and Outpatient Revenue are all favorable to budget and higher than the prior year. Our efforts are paying off as days in accounts payable is now down to 42 which is better than goal of 60 days at \$3,258,421 down from \$4,876,954 last year. Accounts receivable is back to goal at 50 days, but we continue to work on cash collections. We've been very careful about spending capital this year so that we could improve our cash flow. But, thanks to our wonderful donors, we were able to purchase two new ultrasound machines.

Dashboard Results

The great news is that staff satisfaction survey participation was excellent again for 2015 at 77% and we came in at the **91st percentile**. This means our staff are more satisfied than 91% of the hospitals in the nation who use Press Ganey. These excellent results are due to our incredible staff engagement, teamwork and great leaders who have a passion in making SVH a great place to work. A few areas for continued improvement are offering educational opportunities and staff feeling safe to express concerns and/or feeling they are asked their opinion and have influence decisions. We continue to improve in staff satisfaction with pay, benefits and staffing. As also demonstrated by the February dashboard, we are back to the usual inpatient satisfaction scores and reviewed the percentage of surveys returned to find that we have a very good response rate of 28.8% for inpatient satisfaction and 22.8% for Emergency satisfaction. The rolling average is 5 out of 8 above the 50th percentile.

Strategic Update

We are in the final stages of completing Fiscal Year 2016 rolling strategic plan. The major focus is:

- a. Continuing to excel at our mission of providing excellent patient care through offering high quality, having a culture of safety, focusing on service excellence for all patients and maintaining high staff satisfaction.
- b. Improve hospital margins for financial stability
- c. Anticipate and prepare for continued changes in healthcare regulations and payment models through physician alignment and partnering larger hospital systems and health plans
- d. Support Sonoma Valley in becoming a healthy community

Our community health education and outreach has succeeded with excellent attendance at the aches & pains seminars from our Rehab team, selling out Girl Talk and having a great turnout for the talks on the importance of advance directives with Vintage House. In addition, we have over 50 participants in our Employer Wellness program from the Sonoma Valley Community Health Center and the Boys & Girls Club.

FEBRUARY 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 th 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 th percentile	83rd (rolling three month average)	>85 th = 5 (stretch) >80 th = 4 >75 th = 3 (Goal) <75 th = 2 <70 th = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	78	>72 = 5 (stretch) >70 = 4 >68 = 3 (Goal) >66 = 2 <66 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	2013 76% mean score at 77 th percentile	>80 th = 5 (stretch) >77 th = 4 >75 th = 3 (Goal) >72 nd = 2 <70 th = 1
Finance	Financial Viability	YTD EBIDA	6%	>10% (stretch) >9% = 4 >8% (Goal) >7% = 2 <7% = 1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses (excluding IGT)	\$36,381,641 (actual) \$35,613,657 (budget)	<2% = 5 (stretch) <1% = 4 <Budget = 3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1044 YTD FY2015 1027 YTD FY2014	>3% = 5 >2% = 4 >1% = 3 (Goal)
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$85.1 mm YTD \$76.1 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	1175 hours for 8 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 2015	Feb 2015	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	5/8	5	6	5	6	4	5	3	5				
Emergency Satisfaction	>75 th	79	79	80	76	78	81	82	83				
Value Based Purchasing Clinical Score	>68	68	71	70	70.88	69	68	78	78				
Staff Satisfaction	>75th	76	76	76	76	76	76	76	91				
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6	4.6	4.9	5.5	6.5				
YTD EBIDA	>8%	7	7	4.9	7.3	6.5	6.7	6.9	6.2	6	9	4	3
Net Operating Revenue	>4.1m	4.26	4.6	3.8	4.7	4.0	4.1	4.4	4.6	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.4	4.3	4.6	5.0	5.0	4.4	4.4	4.8
Net Income	>75	-8	35	-381	304	67	-1	29	-211	401	-360	-240	567
Days Cash on Hand	>15	14	12	14	11	10	13	17	12	11	17	8	7
A/R Days	<50	47	45	48	51	51	49	53	48	51	55	46	48
Total FTE's	<301	309	305	303	304	303	300	299	303	318	320	309	303
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.1	4.12	4.12	3.46	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	105	104	87	107	96	111	104	98	117	94	100	91
Outpatient Revenue	>\$10m	10.8	10.4	11.1	11.7	10.9	10.1	11.8	10.5	9.99	9.91	10.2	10.1
Surgeries	>130	135	133	122	155	118	117	129	136	156	147	142	121
Home Health	>1000	1146	1109	1111	1319	1090	1103	1097	1109	1106	1218	1135	992
Births	>15	16	9	21	13	16	18	11	11	19	6	16	11
SNF days	>660	651	687	597	527	580	596	654	607	750	674	605	613
MRI	>120	132	139	143	221	116	100	108	116	122	103	118	124
Cardiology (Echos)	>70	49	53	62	67	66	67	62	56	55	62	61	57
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.5	11.4	12.5	11.5	13.3	12.4	13.1	13.9
Radiology	>850	968	988	900	1047	856	890	1111	1053	851	868	918	888
Rehab	>2587	3030	2859	2468	3028	2634	3010	2478	2751	2903	3394	2877	2945
CT	>300	376	345	323	368	295	316	392	309	334	301	332	335
ER	>800	889	868	851	863	761	824	988	845	769	788	909	716
Mammography	>475	414	417	433	605	462	339	487	444	447	404	519	429
Ultrasound	>325	348	361	367	372	238	299	309	317	438	424	497	339
Occupational Health	>575	656	678	758	739	602	648	653	588	534	595	600	618