



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

AGENDA

Tuesday, June 28, 6:00 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 05.24.16 | <i>Nevins</i> | Action |
| 4. PURCHASE OF SOUTH LOT UPDATE | <i>Jensen</i> | Action |
| 5. INSURANCE REVIEW | <i>Jensen</i> | Inform/Action |
| 6. CASH POSITION | <i>Jensen</i> | Inform/Action |
| 7. CAPITAL PLAN | <i>Jensen</i> | Inform/Action |
| 8. PARCEL TAX COMMITTEE ASSUMPTIONS | <i>Jensen</i> | Inform/Action |
| 9. FINANCE REPORT FOR MONTH ENDING MAY 31, 2016 | <i>Jensen</i> | Inform |



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

AGENDA

Tuesday, June 28, 6:00 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 | |
| 10. ADMINISTRATIVE REPORT MAY2016 | <i>Nevins/Mather</i> | Inform |
| 11. ADJOURN Next meeting July, 26, 2016 | <i>Nevins</i> | |

3.

CONSENT



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, May 24, 2016
Schantz Conference Room

| Present | Excused/Absent | Staff | Public |
|--|---|--|----------------|
| Peter Hohorst Jane Hirsch Susan Porth Dick Fogg Stephen Berezin (by phone) Steve Barclay (by phone) | Sharon Nevins, Chair S. Mishra, M.D. Keith Chamberlin, M.D. | Kelly Mather Ken Jensen Gigi Betta Jeannette Tarver Sarah Dungan | 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 | <i>Fogg</i> | | |
| | Meeting called to order at 6:00pm | | |
| 2. PUBLIC COMMENT SECTION | <i>Fogg</i> | | |
| | No public comment. | | |
| 3. CONSENT CALENDAR | <i>Fogg</i> | Action | |
| FC Minutes 4.26.16 | | MOTION by Hohorst to approve Consent and 2 nd by Porth. All in favor. | |
| 4. 2017 OPERATING BUDGET | <i>Jensen</i> | Action | |
| | The Finance Committee recommends approval of the 2017 Budget by the Board at the June 2, | MOTION by Hohorst to approve a recommendation to the Board to | |

| AGENDA ITEM | DISCUSSION | ACTIONS | FOLLOW-UP |
|--|---|--|-----------|
| | 2016 meeting. | approve and 2 nd by Fogg. All in favor. | |
| 5. FINANCE REPORT FOR MONTH ENDING APRIL 30, 2016 | <i>Jensen</i> | Inform | |
| | <p>After accounting for all income and expenses, not including Restricted Contributions and GO bond activity, the net loss for April was (\$227,923) vs. a budgeted net loss of (\$233,620). The total net loss for April after all activity was (\$99,235) vs. a budgeted net loss of (\$49,083). EBIDA for the month of April was 2.5% vs. the budgeted 2.0%.</p> <p>Year-to-date, the total net income is \$382,424 better than budget with a year to date EBIDA of 5.2% vs. the budget of 4.0%.</p> | | |
| 6. ADMINISTRATIVE REPORT APRIL 2016 | <i>Mather</i> | Inform | |
| | <p>March 2016 was a good month for cash however; inpatient volumes were much lower than expected. The inpatient admissions are up over the prior year. SVH is now at a year-to-date EBIDA of 5.6%, better than prior years. The FY 2017 strategic plan, developed by a team that included two Board members and the Chief of Staff, is ready for District Board approval.</p> <p>The Cancer Care Center on the 3rd floor is not licensed for in-patient beds and therefore, can only be used for outpatient services.</p> <p>There was a consensus to bring the South Lot purchase discussion to the 6.2.16 Board meeting.</p> | | |
| 7. ADJOURN Meeting adjourned at 6:40pm | <i>Fogg</i> | | |

| AGENDA ITEM | DISCUSSION | ACTIONS | FOLLOW-UP |
|-------------------------------------|------------|---------|-----------|
| Next meeting Tuesday, June 28, 2016 | | | |

5.

INSURANCE REVIEW



2016-2017 Insurance Renewals - Schedule of Policies

| Line of Coverage | Carrier Partner | Policy Period | Limits | Deductible | 2015-2016 Expiring Premium | 2016-2017 Renewal Premium |
|---|-----------------|-----------------|----------------|-------------|----------------------------|---------------------------|
| Professional & General Liab. (Hospital) | BETA | 7/1/16 - 7/1/17 | \$15M/\$25M | \$5,000 | \$226,801 | \$261,831 |
| Professional & General Liab. (ED Docs) | BETA | 7/1/16 - 7/1/17 | \$1M/\$3M | \$5,000 | \$48,036 | \$55,385 |
| Director & Officers Liab. | BETA | 7/1/16 - 7/1/17 | \$3M | \$10,000 | \$26,402 | \$28,279 |
| Employment Practices Liab. | BETA | 7/1/16 - 7/1/17 | Shared in \$3M | \$50,000 | Incl. Above | Incl. Above |
| Auto | BETA | 7/1/16 - 7/1/17 | \$6M | \$250/\$500 | \$1,688 | \$1,688 |
| Property | HARPP | 7/1/16 - 7/1/17 | \$125M | \$25,000 | \$54,048 | \$52,322 |
| Cyber Liab. & Privacy Breach | HARPP | 7/1/16 - 7/1/17 | \$2M | \$25,000 | Incl. Above | Incl. Above |
| Crime | CHIP | 7/1/16 - 7/1/17 | \$1M | \$25,000 | \$3,315 | \$3,315 |
| Fiduciary Liab. | RLI Ins. Co. | 7/1/16 - 7/1/17 | \$1M | \$5,000 | \$3,777 | \$4,065 |
| Excess Workers' Compensation | Safety National | 7/1/16 - 7/1/17 | Statutory | \$500,000 | \$101,764 | \$101,763 |
| <u>Gross SVH Insurance Premium Total</u> | | | | | <u>\$465,831</u> | <u>\$508,648</u> |
| Less BETA Renewal Dividend | | | | | (\$13,177) | \$0 |
| Less BETA Special Dividend | | | | | (\$26,429) | \$0 |
| Less Valley Emergency Billing | | | | | (\$48,036) | (\$55,385) |
| Net SVH Insurance Premium Total | | | | | \$378,189 | \$453,263 |

Billing – BETA PL/GL for both Hospital and ED are billed monthly. All other insurance premiums are due within 30 days of policy inception.

7.

CAPITAL PLAN

Sonoma Valley Hospital
Capital Plan
FY 2017

FY 2017 Budget Requests:

Foundation Support:

| Dept # | Department | DESCRIPTION | ESTIMATED AMOUNT | FY 2017 |
|--------|------------|---|---------------------|-------------------|
| 7660 | MRI | 1.5 8 Channel Knee Coil | 16,968 | 16,968 |
| 7420 | Surgery | Mini C-Arm | 71,038 | 71,038 |
| 7420 | Surgery | Stryker Audio/Video Integration Upgrade | 387,449 | 387,449 |
| 7420 | Surgery | Wilson Frame | 5,828 | 5,828 |
| 7420 | Surgery | ECT Machine | 16,670 | 16,670 |
| 7420 | Surgery | Ureteroscope | 18,746 | 18,746 |
| | | | <u>\$ 516,699</u> | <u>\$ 516,699</u> |

Infrastructure

| Dept # | Department | DESCRIPTION | ESTIMATED AMOUNT | FY 2017 | Year 2 (FY 2018) | Year 3 (FY 2019) |
|--------|---------------------|---|---------------------|---------------------|---------------------|---------------------|
| 8480 | Information Systems | Desktop computers/laptops/datalux all-in-one: Estimated annual refresh for computers that are more than 5 years old | 25,000 | 25,000 | | |
| 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 | VMWare license for 3 blade servers | 9,000 | 9,000 | | |
| 8480 | Information Systems | PBX Replacement | 225,000 | | 225,000 | |
| 8480 | Information Systems | Back-up servers | 90,000 | | 90,000 | |
| 8480 | Information Systems | HIE Replacement (Redwood Med Net) | 100,000 | | 100,000 | |
| 8480 | Information Systems | Network Replacement | 50,000 | 50,000 | | |
| 8480 | Information Systems | Fax Server (2nd server, lab) | 15,000 | 15,000 | | |
| 8480 | Information Systems | McKesson Upgrade | 230,000 | 230,000 | | |
| 8450 | Engineering | East Wing Pipes - SNF | 300,000 | 300,000 | | |
| 8450 | Engineering | Nurse Call System - SNF | 225,000 | 225,000 | | |
| 8450 | Engineering | Install Automatic doors by Cardio Pulmonary | 25,000 | 25,000 | | |
| 8450 | Engineering | TV Cabling | 9,406 | 9,406 | | |
| 8450 | Engineering | Elevators | 375,000 | 375,000 | | |
| 8450 | Engineering | Pharmacy Relocation | 500,000 | | 500,000 | |
| 8450 | Engineering | Lobby Phase 2 (including IT) | 400,000 | 400,000 | | |
| | Various | Contingency | 400,000 | 400,000 | | |
| | | | <u>\$ 3,009,976</u> | <u>\$ 2,079,406</u> | <u>\$ 930,570</u> | <u>\$ -</u> |
| | | | <u>\$ 3,526,675</u> | <u>\$ 2,596,105</u> | | |

| Construction In Progress (CIP) | CIP Budget | Spent Prior to Date | Remaining Balance | |
|--------------------------------|------------|------------------------|----------------------|----------------------|
| E H R Implementation | 6,315,356 | 5,319,917 | 995,439 | MedOne Leases |
| Lobby Upgrade | 198,000 | 62,510 | 135,490 | Operations |
| Phase 2 Feasibility | 40,000 | 24,785 | 15,215 | Foundation |
| Nuclear Med Heat Pump | 58,733 | 45,428 | 13,305 | Celtic lease |
| Time Share | 67,532 | 46,411 | 21,121 | Operations |
| Fluoroscopy | 802,981 | 41,005 | 761,976 | GE Loan |
| Fire System | 138,000 | 16,896 | 121,104 | Operations |
| OP Diagnostic Center | 10,000,000 | - | 10,000,000 | Foundation |
| | | <u>\$ 17,620,602</u> | <u>\$ 5,556,952</u> | <u>\$ 12,063,650</u> |

9.

FINANCE REPORT FOR
MONTH ENDING MAY 31,
2016



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: June 28, 2016
Subject: Financial Report for the Month Ending May 31, 2016

May's Operating Margin for the hospital had a loss of (\$641,579), which is unfavorable to budget by (\$262,950). The year-to date actual loss from operations is (\$3,744,811) which is favorable to the budgeted year-to-date loss of (\$4,124,456). After accounting for all other activity, May's net loss was (\$403,408) vs. a budgeted net gain of \$37,869. EBIDA for May was -0.8% vs. a budgeted 3.8%. Year-to-date, the total net income is (\$58,853) unfavorable to budget with a year to date EBIDA of 4.7% vs. the budget of 4.0%.

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 May was \$21,601,064, \$2,555,282 better than expected. Inpatient gross revenue was over budget by \$667,787 due to patient days being over budgeted expectations by 15 days and inpatient surgeries over budget by 4 cases. Outpatient revenue was over budget by \$178,390. Both outpatient visits and procedures were under budgeted expectations but, due to the price increase there was a positive gross revenue variance. The Emergency Room gross revenue is over budget by \$2,178,176 due to the consistent increase in volume and the price increase. SNF was under budgeted expectations by (\$368,580) due to lower than projected volume and Home Health is under budgeted expectations due to purposely reducing services provided to Marin patients (\$100,491).

Deductions from revenue were unfavorable to budgeted expectations by (\$2,381,957) primarily due to the ER gross revenue being significantly over budget with primarily Medicare and Medi-Cal patients. Furthermore, in May the patient days were up but, the discharges were below the budgeted expectations which mean the length of stay (LOS) was up. The net result of the additional revenue is a higher contractual reserve because of the DRG type of payments with Medicare and Medi-Cal. For the month of May Medi-Cal accounts accounted for 18.3% of gross revenue vs. a budgeted 17.8% and commercial accounts accounted for 19.1% vs. a budgeted 20.6%.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$132,160.



Operating Expenses of \$5,266,773 were over budget by (395,109). The significant negative variances were: Salaries, Wages, and Agency fees (\$225,479), Employee Benefits (\$74,391), physician and professional fees (\$9,636), supplies (106,856), and interest expense (29,923). Salaries and wages were over budget by (\$67,945) and agency fees were over by (\$157,534) due to department vacancies and an increase in employees out on disability. PTO was over budget in May by (\$53,756) due to paid sick leave for per diem employees that were not budgeted, an increase in employees out on disability, and an increased use of PTO over budgeted expectations. Employee benefits are over budget by (\$20,635) due to an increase in the cost of health benefits due to an increase in participation from open enrollment and Pension costs. Physician fees are over budget by (\$35,848) due to an increase in physician contracts and were offset by a positive variance for Professional fees of \$26,212. Supplies are over budget (\$106,856) primarily in lab (\$31,173), pharmacy (\$39,201), and dietary (\$15,251). Both lab and pharmacy variances are a result of the higher volume in ER. Interest expense is over budgeted expectations due to the true up of the Celtic lease.

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%.

Patient Volumes – May

| | ACTUAL | BUDGET | VARIANCE | PRIOR YEAR |
|--------------------|----------|----------|----------|------------|
| Acute Discharges | 85 | 104 | -19 | 97 |
| Newborn Discharges | 13 | 14 | -1 | 11 |
| Acute Patient Days | 386 | 371 | 15 | 373 |
| SNF Patient Days | 529 | 605 | -76 | 626 |
| Home Care Visits | 844 | 1,237 | -393 | 963 |
| OP Gross Revenue | \$13,827 | \$11,492 | \$2,336 | \$10,719 |
| Surgical Cases | 123 | 142 | -19 | 118 |

Overall Payer Mix – May

| | ACTUAL | BUDGET | VARIANCE | YTD ACTUAL | YTD BUDGET | VARIANCE |
|-------------------|--------|--------|----------|------------|------------|----------|
| Medicare | 45.9% | 48.9% | -3.0% | 46.7% | 49.1% | -2.4% |
| Medicare Mgd Care | 10.2% | 4.9% | 5.3% | 8.3% | 4.8% | 3.5% |
| Medi-Cal | 18.3% | 17.8% | 0.5% | 19.2% | 17.7% | 1.5% |
| Self Pay | 1.0% | 1.9% | -0.9% | 0.9% | 1.8% | -0.9% |
| Commercial | 19.1% | 20.6% | -1.5% | 19.7% | 20.4% | -0.7% |
| Workers Comp | 3.5% | 3.0% | 0.5% | 3.0% | 3.2% | -0.2% |
| Capitated | 2.0% | 2.9% | -0.9% | 2.2% | 3.0% | -0.8% |
| Total | 100.0% | 100.0% | | 100.0% | 100.0% | |

Cash Activity for May:

For the month of May the cash collection goal was \$3,852,859 and the Hospital collected \$3,429,309, or under the goal by (\$423,550). The year-to-date cash goal is \$37,945,569 and the Hospital has collected \$38,500,328 or over the goal by \$554,759. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 9 days at May 31, 2016. Accounts Receivable increased from April, from 50.2 days to 54.6 days in May. Accounts Payable has increased by \$110,975 from April and Accounts Payable days are at 51.7.

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 May 31, 2016

ATTACHMENT A

| | May-16 | | | |
|-----------------------|-------------------|-------------------|------------------|------------|
| Gross Revenue: | Actual | Budget | Variance | % Variance |
| Medicare | 9,908,311 | 9,266,535 | 641,776 | 6.9% |
| Medi-Cal | 3,947,801 | 3,377,103 | 570,698 | 16.9% |
| Self Pay | 218,242 | 346,285 | -128,043 | -37.0% |
| Commercial | 4,133,729 | 3,995,079 | 138,650 | 3.5% |
| Medicare Managed Care | 2,218,552 | 930,886 | 1,287,666 | 138.3% |
| Worker's Comp. | 745,717 | 574,182 | 171,535 | 29.9% |
| Capitated | 428,711 | 555,712 | -127,001 | -22.9% |
| Total | 21,601,063 | 19,045,782 | 2,555,281 | |

| Net Revenue: | Actual | Budget | Variance | % Variance |
|-----------------------|------------------|------------------|----------------|-------------|
| Medicare | 1,669,241 | 1,668,527 | 714 | 0.0% |
| Medi-Cal | 551,508 | 501,715 | 49,793 | 9.9% |
| Self Pay | 130,945 | 207,771 | -76,826 | -37.0% |
| Commercial | 1,653,078 | 1,508,734 | 144,344 | 9.6% |
| Medicare Managed Care | 288,190 | 137,500 | 150,690 | 109.6% |
| Worker's Comp. | 163,983 | 135,283 | 28,700 | 21.2% |
| Capitated | 13,119 | 22,612 | -9,493 | -42.0% |
| Prior Period Adj/IGT | 10,653 | 125,250 | -114,597 | -91.5% |
| Total | 4,480,717 | 4,307,392 | 173,325 | 4.0% |

| Percent of Net Revenue: | Actual | Budget | Variance | % Variance |
|-------------------------|---------------|---------------|-------------|-------------|
| Medicare | 37.3% | 38.7% | -1.4% | -3.6% |
| Medi-Cal | 12.3% | 11.6% | 0.7% | 6.0% |
| Self Pay | 2.9% | 4.8% | -1.9% | -39.6% |
| Commercial | 36.9% | 35.2% | 1.7% | 4.8% |
| Medicare Managed Care | 6.4% | 3.2% | 3.2% | 100.0% |
| Worker's Comp. | 3.7% | 3.1% | 0.6% | 19.4% |
| Capitated | 0.3% | 0.5% | -0.2% | -40.0% |
| Prior Period Adj/IGT | 0.2% | 2.9% | -2.7% | -93.1% |
| Total | 100.0% | 100.0% | 0.0% | 0.0% |

| Projected Collection Percentage: | Actual | Budget | Variance | % Variance |
|----------------------------------|--------|--------|----------|------------|
| Medicare | 16.8% | 18.0% | -1.2% | -6.7% |
| Medi-Cal | 14.0% | 14.9% | -0.9% | -6.0% |
| Self Pay | 60.0% | 60.0% | 0.0% | 0.0% |
| Commercial | 40.0% | 37.8% | 2.2% | 5.8% |
| Medicare Managed Care | 13.0% | 14.8% | -1.8% | -12.2% |
| Worker's Comp. | 22.0% | 23.6% | -1.6% | -6.8% |
| Capitated | 3.1% | 4.1% | -1.0% | -24.4% |
| Prior Period Adj/IGT | 0.0% | 0.7% | -0.7% | -100.0% |

| | YTD | | | |
|--|--------------------|--------------------|-------------------|------------|
| | Actual | Budget | Variance | % Variance |
| | 104,526,322 | 102,165,450 | 2,360,872 | 2.3% |
| | 42,954,732 | 36,703,911 | 6,250,821 | 17.0% |
| | 1,905,324 | 3,695,304 | -1,789,980 | -48.4% |
| | 44,249,333 | 43,440,452 | 808,881 | 1.9% |
| | 18,531,566 | 10,066,387 | 8,465,179 | 84.1% |
| | 6,625,154 | 6,727,441 | -102,287 | -1.5% |
| | 5,449,965 | 6,174,308 | -724,343 | -11.7% |
| | 224,242,396 | 208,973,253 | 15,269,143 | |

| | Actual | Budget | Variance | % Variance |
|--|-------------------|-------------------|------------------|-------------|
| | 18,409,270 | 19,061,701 | -652,431 | -3.4% |
| | 6,263,294 | 5,679,630 | 583,664 | 10.3% |
| | 704,688 | 1,537,933 | -833,245 | -54.2% |
| | 16,663,122 | 16,184,040 | 479,082 | 3.0% |
| | 2,632,425 | 1,568,852 | 1,063,573 | 67.8% |
| | 1,491,438 | 1,624,313 | -132,875 | -8.2% |
| | 190,263 | 229,675 | -39,412 | -17.2% |
| | 2,049,121 | 1,377,250 | 671,871 | 48.8% |
| | 48,403,622 | 47,263,395 | 1,140,227 | 2.4% |

| | Actual | Budget | Variance | % Variance |
|--|---------------|---------------|-------------|-------------|
| | 38.0% | 40.3% | -2.3% | -5.7% |
| | 12.9% | 12.0% | 0.9% | 7.5% |
| | 1.5% | 3.3% | -1.8% | -54.5% |
| | 34.5% | 34.3% | 0.2% | 0.6% |
| | 5.4% | 3.3% | 2.1% | 63.6% |
| | 3.1% | 3.4% | -0.3% | -8.8% |
| | 0.4% | 0.5% | -0.1% | -20.0% |
| | 4.2% | 2.9% | 1.3% | 44.8% |
| | 100.0% | 100.0% | 0.0% | 0.0% |

| | Actual | Budget | Variance | % Variance |
|--|--------|--------|----------|------------|
| | 17.6% | 18.7% | -1.1% | -5.9% |
| | 14.6% | 15.5% | -0.9% | -5.8% |
| | 37.0% | 41.6% | -4.6% | -11.1% |
| | 37.7% | 37.3% | 0.4% | 1.1% |
| | 14.2% | 15.6% | -1.4% | -9.0% |
| | 22.5% | 24.1% | -1.6% | -6.6% |
| | 3.5% | 3.7% | -0.2% | -5.4% |
| | 0.9% | 0.7% | 0.2% | 28.6% |

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

ATTACHMENT B

| CURRENT MONTH | | | | YEAR-TO-DATE | | | YTD |
|-------------------------------------|----------|----------|--|-----------------------------------|----------|----------|--|
| | Actual | Budget | Favorable (Unfavorable) Variance | | Actual | Budget | Favorable (Unfavorable) Variance |
| | 05/31/16 | 05/31/16 | | | 05/31/16 | 05/31/16 | Prior Year 05/31/15 |
| Inpatient Utilization | | | | | | | |
| Discharges | | | | | | | |
| 1 | 74 | 90 | (16) | Acute | 916 | 954 | (38) |
| 2 | 11 | 14 | (3) | ICU | 157 | 158 | (1) |
| 3 | 85 | 104 | (19) | Total Discharges | 1,073 | 1,111 | (38) |
| 4 | 13 | 14 | (1) | Newborn | 159 | 153 | 6 |
| 5 | 98 | 118 | (20) | Total Discharges inc. Newborns | 1,232 | 1,264 | (32) |
| Patient Days: | | | | | | | |
| 6 | 294 | 280 | 14 | Acute | 3,019 | 2,956 | 63 |
| 7 | 92 | 91 | 1 | ICU | 1,040 | 1,058 | (18) |
| 8 | 386 | 371 | 15 | Total Patient Days | 4,059 | 4,014 | 45 |
| 9 | 21 | 26 | (5) | Newborn | 321 | 290 | 31 |
| 10 | 407 | 397 | 10 | Total Patient Days inc. Newborns | 4,380 | 4,304 | 76 |
| Average Length of Stay: | | | | | | | |
| 11 | 4.0 | 3.1 | 0.9 | Acute | 3.3 | 3.1 | 0.2 |
| 12 | 8.4 | 6.7 | 1.7 | ICU | 6.6 | 6.7 | (0.1) |
| 13 | 4.5 | 3.6 | 1.0 | Avg. Length of Stay | 3.8 | 3.6 | 0.2 |
| 14 | 1.6 | 1.9 | (0.3) | Newborn ALOS | 2.0 | 1.9 | (0.1) |
| Average Daily Census: | | | | | | | |
| 15 | 9.5 | 9.0 | 0.5 | Acute | 9.0 | 8.8 | 0.2 |
| 16 | 3.0 | 2.9 | 0.0 | ICU | 3.1 | 3.1 | (0.1) |
| 17 | 12.5 | 12.0 | 0.5 | Avg. Daily Census | 12.1 | 11.9 | 0.1 |
| 18 | 0.7 | 0.8 | (0.2) | Newborn | 0.96 | 0.86 | 0.1 |
| Long Term Care: | | | | | | | |
| 19 | 529 | 605 | (76) | SNF Patient Days | 6,786 | 6,962 | (176) |
| 20 | 30 | 28 | 3 | SNF Discharges | 299 | 316 | (17) |
| 21 | 17.1 | 19.5 | (2.5) | Average Daily Census | 20.2 | 20.7 | (0.5) |
| Other Utilization Statistics | | | | | | | |
| Emergency Room Statistics | | | | | | | |
| 22 | 940 | 858 | 82 | Total ER Visits | 9,741 | 8,765 | 976 |
| Outpatient Statistics: | | | | | | | |
| 23 | 4,676 | 5,031 | (355) | Total Outpatients Visits | 52,365 | 53,222 | (857) |
| 24 | 36 | 32 | 4 | IP Surgeries | 336 | 350 | (14) |
| 25 | 87 | 110 | (23) | OP Surgeries | 1,052 | 1,124 | (72) |
| 26 | 30 | 32 | (2) | Special Procedures | 367 | 358 | 9 |
| 27 | 844 | 1,237 | (393) | Home Health Visits | 10,341 | 13,431 | (3,090) |
| | | | - | Home Health Patients | 0 | 0 | - |
| 28 | 320 | 334 | (14) | Adjusted Discharges | 3,674 | 3,612 | 62 |
| 29 | 2,545 | 2,479 | 66 | Adjusted Patient Days (Inc. SNF) | 29,051 | 27,791 | 1,261 |
| 30 | 82.1 | 80.0 | 2.1 | Adj. Avg. Daily Census (Inc. SNF) | 86.5 | 82.7 | 3.8 |
| 31 | 1.7342 | 1.4000 | 0.334 | Case Mix Index -Medicare | 1.5279 | 1.4000 | 0.128 |
| 32 | 1.5420 | 1.4000 | 0.142 | Case Mix Index - All payers | 1.4188 | 1.4000 | 0.019 |
| Labor Statistics | | | | | | | |
| 33 | 300 | 281 | (18.9) | FTE's - Worked | 286 | 283 | (3.1) |
| 34 | 332 | 315 | (17.1) | FTE's - Paid | 321 | 317 | (3.6) |
| 35 | 42.34 | 40.59 | (1.75) | Average Hourly Rate | 40.23 | 39.98 | (0.24) |
| 36 | 23.1 | 22.5 | (0.6) | Manhours / Adj. Pat Day | 21.1 | 21.8 | 0.7 |
| 37 | 183.5 | 166.8 | (16.7) | Manhours / Adj. Discharge | 167.1 | 168.0 | 0.9 |
| 38 | 21.7% | 21.9% | 0.2% | Benefits % of Salaries | 22.6% | 22.4% | -0.2% |
| Non-Labor Statistics | | | | | | | |
| 39 | 12.5% | 10.5% | -2.0% | Supply Expense % Net Revenue | 11.5% | 11.0% | -0.5% |
| 40 | 1,804 | 1,409 | (395) | Supply Exp. / Adj. Discharge | 1,559 | 1,494 | (65) |
| 41 | 16,937 | 15,049 | (1,888) | Total Expense / Adj. Discharge | 15,219 | 15,257 | 38 |
| Other Indicators | | | | | | | |
| 42 | 8.7 | | | Days Cash - Operating Funds | | | |
| 43 | 54.6 | 50.0 | 4.6 | Days in Net AR | 50.0 | 50.0 | 0.0 |
| 44 | 89% | | | Collections % of Net Revenue | 101% | | 102.9% |
| 45 | 51.7 | 60.0 | (8.3) | Days in Accounts Payable | 51.7 | 60.0 | (8.3) |
| 46 | 21.4% | 23.6% | -2.3% | % Net revenue to Gross revenue | 22.3% | 23.6% | -1.3% |
| 47 | 24.9% | | | % Net AR to Gross AR | 24.9% | | 23.8% |

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

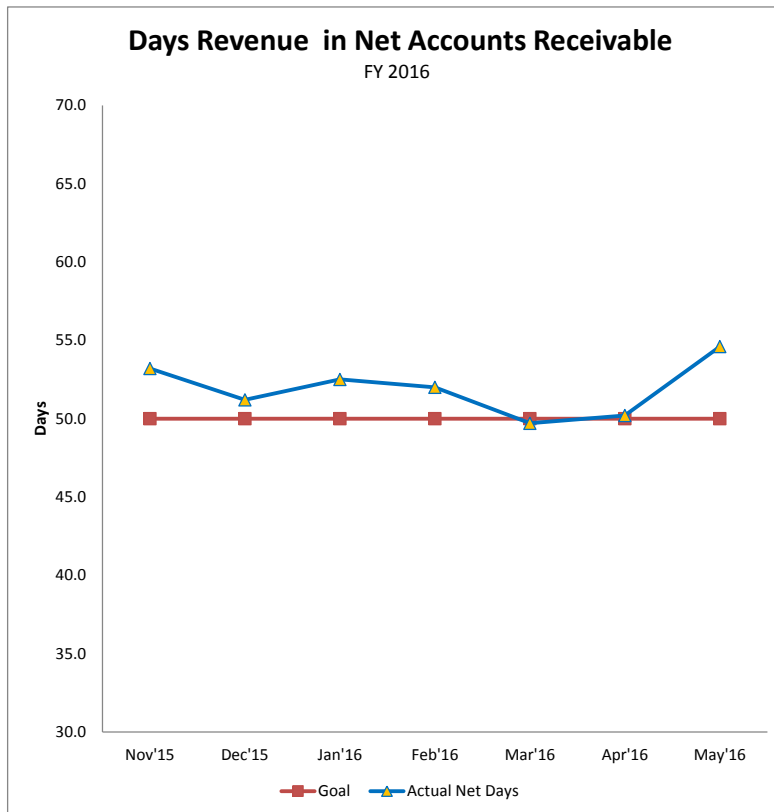
ATTACHMENT C

| | | <u>Current Month</u> | <u>Prior Month</u> | <u>Prior Year</u> |
|--|-------------------------------------|----------------------|--------------------|-------------------|
| Assets | | | | |
| Current Assets: | | | | |
| 1 | Cash | \$ 1,321,389 | \$ 1,983,203 | \$ 2,530,812 |
| 2 | Trustee Funds | 3,420,173 | 3,419,803 | 1,825,643 |
| 3 | Net Patient Receivables | 9,071,851 | 8,194,105 | 6,541,310 |
| 4 | Allow Uncollect Accts | (846,016) | (623,894) | (744,236) |
| 5 | Net A/R | 8,225,835 | 7,570,211 | 5,797,074 |
| 6 | Other Accts/Notes Rec | 1,701,170 | 1,628,167 | 3,155,208 |
| 7 | 3rd Party Receivables, Net | 829,488 | 872,289 | 645,037 |
| 8 | Inventory | 863,982 | 818,199 | 762,638 |
| 9 | Prepaid Expenses | 863,885 | 792,314 | 733,051 |
| 10 | Total Current Assets | \$ 17,225,922 | \$ 17,084,186 | \$ 15,449,463 |
| 12 | Property, Plant & Equip, Net | \$ 52,471,517 | \$ 52,684,341 | \$ 55,089,671 |
| 13 | Specific Funds | 382,926 | 382,893 | 240,092 |
| 14 | Other Assets | 144,202 | 144,203 | 143,321 |
| 15 | Total Assets | \$ 70,224,567 | \$ 70,295,623 | \$ 70,922,547 |
| Liabilities & Fund Balances | | | | |
| Current Liabilities: | | | | |
| 16 | Accounts Payable | \$ 3,751,935 | \$ 3,640,960 | \$ 2,618,288 |
| 17 | Accrued Compensation | 4,406,177 | 4,103,607 | 3,713,733 |
| 18 | Interest Payable | 457,025 | 342,768 | 471,716 |
| 19 | Accrued Expenses | 1,436,546 | 1,117,266 | 1,269,616 |
| 20 | Advances From 3rd Parties | 130,760 | 214,931 | 816,536 |
| 21 | Deferred Tax Revenue | 492,777 | 985,555 | 743,018 |
| 22 | Current Maturities-LTD | 1,550,434 | 1,604,735 | 1,550,434 |
| 23 | Line of Credit - Union Bank | 5,923,734 | 5,923,734 | 5,698,734 |
| 24 | Other Liabilities | 159,216 | 9,966 | 685,523 |
| 25 | Total Current Liabilities | \$ 18,308,604 | \$ 17,943,522 | \$ 17,567,598 |
| 26 | Long Term Debt, net current portion | \$ 36,739,350 | \$ 36,772,079 | \$ 39,188,977 |
| 27 | Fund Balances: | | | |
| 28 | Unrestricted | \$ 12,207,370 | \$ 12,467,196 | \$ 12,121,614 |
| 29 | Restricted | 2,969,243 | 3,112,826 | 2,044,358 |
| 30 | Total Fund Balances | \$ 15,176,613 | \$ 15,580,022 | \$ 14,165,972 |
| 31 | Total Liabilities & Fund Balances | \$ 70,224,567 | \$ 70,295,623 | \$ 70,922,547 |

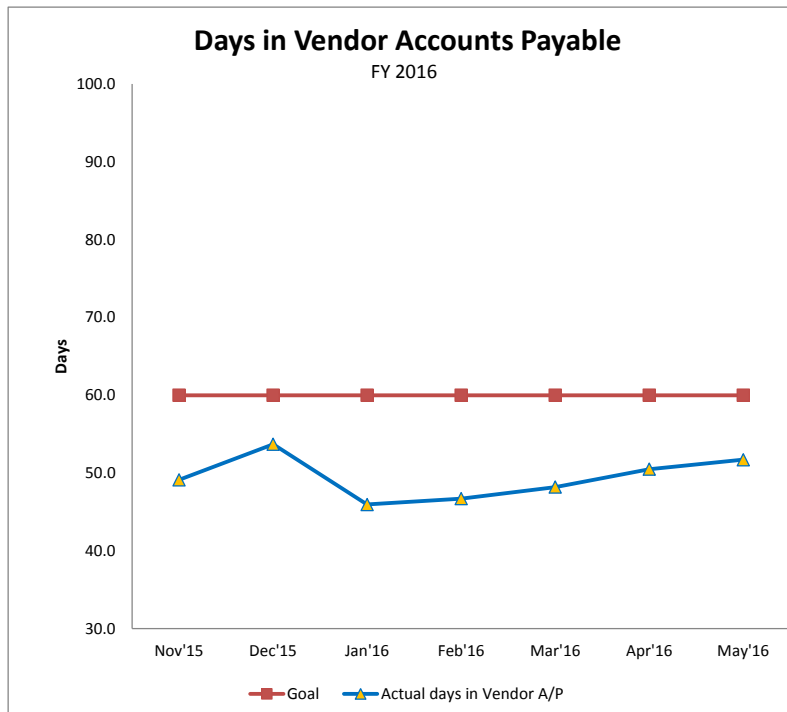
Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended May 31, 2016

| | YTD | MONTH | |
|--|---------------------|--------------------|---|
| Description | Variance | Variance | |
| Volume Information | | | |
| 1 Acute Discharges | (39) | (19) | |
| 2 SNF Days | (176) | (76) | |
| 3 Home Care Visits | (3,090) | (393) | |
| 4 Gross O/P Revenue (000's) | 14,664 | 2,336 | |
| Financial Results | | | |
| Gross Patient Revenue | | | |
| 5 Inpatient | 3,583,419 | 667,787 | Patient days were over budgeted expectations by 15 days and Inpatient surgeries were over budget by 4 cases. |
| 6 Outpatient | 2,074,515 | 178,390 | Outpatient visits were under budget by (355) visits and outpatient surgeries were under budget by (23) cases. The variance is due to the price increase that went into effect May 1st. |
| 7 Emergency | 12,535,818 | 2,178,176 | ER visits were over budget by 82 visits and the charge increase was effective May 1st. |
| 8 SNF | (2,215,256) | (368,580) | SNF patient days were under budget by (76) days. |
| 9 Home Care | (709,352) | (100,491) | Home Care visits were under budget by (393) visits. |
| 10 Total Gross Patient Revenue | 15,269,144 | 2,555,282 | Gross revenue includes the 6% rate increase that was effective May 1st. |
| Deductions from Revenue | | | |
| 11 Contractual Discounts | (14,738,290) | (2,201,248) | The unfavorable variance is primarily due to the ER gross revenue being over budgeted expectations by \$2.2M with a high payermix of Medicare and Med-cal with reimbursement rates of 7.51% and 4.64% respectively. |
| 12 Bad Debt | (7,546) | (60,686) | |
| 13 Charity Care Provision | (54,452) | (5,426) | |
| 14 Prior Period Adj/Government Program Revenue | 671,371 | (114,597) | |
| 15 Total Deductions from Revenue | (14,128,917) | (2,381,957) | |
| 16 Net Patient Service Revenue | 1,140,227 | 173,325 | |
| 17 Risk contract revenue | (328,498) | (41,423) | Blue Shield capitation received was under budget. |
| 18 Net Hospital Revenue | 811,729 | 131,902 | |
| 19 Other Op Rev & Electronic Health Records | 371,260 | 258 | |
| 20 Total Operating Revenue | 1,182,989 | 132,160 | |
| Operating Expenses | | | |
| 21 Salary and Wages and Agency Fees | (427,578) | (225,479) | Salaries and wages are over budget by (\$67,945). Agency fees are over budget by (\$157,534) due to department vacancies and an increased employees out on disability. |
| 22 Employee Benefits | (617,372) | (74,391) | PTO was over budget in May by (\$53,756) 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 (\$20,635). |
| 23 Total People Cost | (1,044,950) | (299,870) | |
| 24 Med and Prof Fees (excl Agency) | (102,537) | (9,636) | Physician fees are over budget by (\$35,848) due to an increase in physician contracts but were offset by a positive variance for Professional fees of \$26,212. |
| 25 Supplies | (330,155) | (106,856) | Supplies are over budget in Lab (\$31,173), Pharmacy (\$39,201), and Dietary (\$15,251). The unfavorable variance in lab and pharmacy are due to the higher than expected volume in the ER. |
| 26 Purchased Services | 702,767 | (9,608) | There was an increase in Repair & Maintenance costs in the surgery and radiology departments in May. |
| 27 Depreciation | (61,788) | (2,776) | |
| 28 Utilities | 64,361 | 5,619 | |
| 29 Insurance | (48,630) | (4,432) | Insurance premiums increased over budgeted expectations. |
| 30 Interest | (189,367) | (29,923) | Variance due to the true up of the Celtic financing lease - true up being spread over 6 months. |
| 31 Other | (112,519) | (127) | |
| 32 Matching Fees (Government Programs) | 319,474 | 62,500 | There were no matching fees in May. This expense is offset from the revenue above from line 14. |
| 33 Operating expenses | (803,344) | (395,109) | |
| 34 Operating Margin | 379,645 | (262,950) | |
| Non Operating Rev and Expense | | | |
| 35 Miscellaneous Revenue | (237,961) | (20,014) | Timeshare costs not budgeted in FY 2016. |

| | YTD | MONTH | |
|--|------------------|------------------|--|
| Description | Variance | Variance | |
| Donations | (5,181) | 41,285 | Received Foundation donations in May for the OB equipment purchased. |
| Physician Practice Support-Prima | - | - | |
| Parcel Tax Assessment Rev | 1,954 | - | |
| Total Non-Operating Rev/Exp | (241,188) | 21,271 | |
| | | - | |
| Net Income / (Loss) prior to Restricted Contributions | 138,457 | (241,679) | |
| | | - | |
| Capital Campaign Contribution | 81,855 | (178,766) | Capital campaign donations received from the Foundation were under budgeted expectations and there was a prior period correction for pledges receivable. |
| Restricted Foundation Contributions | (279,167) | (20,833) | There were no restricted donations in May. |
| Net Income / (Loss) w/ Restricted Contributions | (58,855) | (441,278) | |
| | | | |
| GO Bond Tax Assessment Rev | - | - | |
| GO Bond Interest | 2 | 1 | |
| | | | |
| Net Income/(Loss) w GO Bond Activity | (58,853) | (441,277) | |



| Days in A/R | Nov'15 | Dec'15 | Jan'16 | Feb'16 | Mar'16 | Apr'16 | May'16 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|
| Actual days in A/R | 53.2 | 51.2 | 52.5 | 52.0 | 49.7 | 50.2 | 54.6 |
| Goal | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |



| Days in A/P | Nov'15 | Dec'15 | Jan'16 | Feb'16 | Mar'16 | Apr'16 | May'16 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| Actual days in Vendor A/P | 49.1 | 53.7 | 45.9 | 46.7 | 48.2 | 50.5 | 51.7 |
| Goal | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |

Sonoma Valley Hospital
Statistical Analysis
FY 2016

ATTACHMENT G

| | ACTUAL | BUDGET | ACTUAL | | | | | | | | | | | | | |
|--|----------|----------|--------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | May-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 | Apr-15 | |
| Statistics | | | | | | | | | | | | | | | | |
| Acute | | | | | | | | | | | | | | | | |
| Acute Patient Days | 386 | 371 | | 409 | 426 | 417 | 404 | 351 | 316 | 325 | 376 | 297 | 352 | 357 | 373 | 378 |
| Acute Discharges (w/o Newborns) | 85 | 104 | | 97 | 99 | 101 | 124 | 109 | 85 | 97 | 92 | 74 | 110 | 97 | 97 | 95 |
| | | | | | | | | | | | | | | | | |
| SNF Days | 529 | 605 | | 578 | 580 | 671 | 710 | 648 | 544 | 666 | 607 | 634 | 619 | 669 | 626 | 487 |
| HHA Visits | 844 | 1,237 | | 999 | 879 | 889 | 933 | 915 | 1,088 | 948 | 948 | 917 | 981 | 1,014 | 963 | 1,154 |
| Emergency Room Visits | 940 | 858 | | 912 | 945 | 919 | 864 | 863 | 841 | 820 | 871 | 888 | 878 | 846 | 943 | 876 |
| Gross Outpatient Revenue (000's) | \$13,827 | \$11,492 | | \$12,542 | \$14,266 | \$12,049 | \$12,184 | \$12,274 | \$11,900 | \$13,103 | \$12,774 | \$12,910 | \$12,639 | \$12,065 | \$10,719 | \$11,237 |
| Equivalent Patient Days | 2,545 | 2,479 | | 2,636 | 2,886 | 2,628 | 2,771 | 2,614 | 2,384 | 2,691 | 2,565 | 2,679 | 2,651 | 2,757 | 2,432 | 2,255 |
| Births | 13 | 14 | | 17 | 17 | 9 | 17 | 21 | 14 | 11 | 11 | 15 | 15 | 24 | 11 | 7 |
| Surgical Cases - Inpatient | 36 | 32 | | 26 | 31 | 34 | 26 | 32 | 24 | 36 | 36 | 26 | 29 | 35 | 33 | 33 |
| Surgical Cases - Outpatient | 87 | 110 | | 92 | 110 | 93 | 98 | 104 | 90 | 95 | 91 | 96 | 96 | 87 | 85 | 111 |
| Total Surgical Cases | 123 | 142 | | 118 | 141 | 127 | 124 | 136 | 114 | 131 | 127 | 122 | 125 | 122 | 118 | 144 |
| | | | | | | | | | | | | | | | | |
| Medicare Case Mix Index | 1.73 | 1.40 | | 1.47 | 1.48 | 1.50 | 1.41 | 1.35 | 1.69 | 1.53 | 1.69 | 1.52 | 1.44 | 1.76 | 1.69 | 1.71 |
| | | | | | | | | | | | | | | | | |
| Income Statement | | | | | | | | | | | | | | | | |
| Net Revenue (000's) | 4,610 | 4,479 | | 4,481 | 4,484 | 4,614 | 4,522 | 4,729 | 4,029 | 4,655 | 4,739 | 4,612 | 4,483 | 4,564 | 4,137 | 4,100 |
| Operating Expenses (000's) | \$5,267 | \$4,872 | | \$5,143 | \$4,968 | \$4,987 | \$4,932 | 4,829 | 4,665 | 4,931 | 4,931 | 4,863 | 4,718 | 5,103 | 4,698 | 4,875 |
| Net Income (000's) | (403) | 38 | | (99) | (132) | 39 | 19 | 575 | 245 | 104 | 170 | 149 | 203 | 139 | 74 | 96 |
| Productivity | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Total Operating Expense Per Equivalent Patient Day | \$2,069 | \$1,965 | | \$1,951 | \$1,721 | \$1,898 | \$1,780 | \$1,847 | \$2,022 | \$1,832 | \$1,922 | \$1,815 | \$1,780 | \$1,851 | \$1,932 | \$2,162 |
| Productive FTEs | 300 | 281 | | 292 | 293 | 296 | 271 | 277 | 292 | 299 | 280 | 273 | 277 | 273 | 278 | 276 |
| Non-Productive FTE's | 32 | 34 | | 32 | 33 | 28 | 48 | 41 | 30 | 28 | 32 | 37 | 36 | 36 | 29 | 28 |
| Total FTEs | 332 | 315 | | 324 | 326 | 324 | 319 | 317 | 322 | 327 | 312 | 310 | 313 | 309 | 307 | 304 |
| FTEs per Adjusted Occupied Bed | 4.16 | 3.94 | | 3.70 | 3.50 | 3.58 | 3.57 | 3.77 | 4.05 | 3.77 | 3.65 | 3.58 | 3.66 | 3.36 | 3.91 | 4.05 |
| Balance Sheet | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Days of Expense In General Operating Cash | 9 | | | 13 | 10 | 12 | 14 | 21 | 9 | 13 | 18 | 16 | 22 | 16 | 17 | 20 |
| Net Days of Revenue in AR | 55 | 50 | | 50 | 50 | 52 | 53 | 51 | 53 | 47 | 49 | 45 | 46 | 47 | 43 | 47 |

Sonoma Valley Hospital
Cash Forecast
FY 2016

ATTACHMENT H

| | Actual July - Nov | Actual Dec | Actual Jan | Actual Feb | Actual Mar | Actual Apr | Actual May | Forecast 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 | 3,991,672 | 4,273,644 | 3,960,600 | 3,928,857 | 4,412,104 | 3,915,173 | 4,021,206 | 73,153,520 |
| 2 Capitation Revenue | 771,960 | 148,240 | 129,971 | 129,623 | 123,448 | 121,523 | 129,761 | | | | | | | | 1,554,526 |
| 3 Napa State | | | | 210,198 | 412,573 | | 43,100 | 93,430 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 969,301 |
| 4 Other Operating Revenue | 146,387 | 20,950 | 22,412 | 45,740 | 34,129 | 19,479 | 8,275 | 14,458 | 62,250 | 15,411 | 11,738 | 17,936 | 39,052 | 20,950 | 479,168 |
| 5 Other Non-Operating Revenue | 152,199 | 46,513 | 53,555 | 35,986 | 27,278 | 48,443 | 61,552 | 13,657 | 8,340 | 23,819 | 27,860 | 44,332 | 47,848 | 46,513 | 637,896 |
| 6 Unrestricted Contributions | | | | | 16,045 | | | 5,000 | 500 | 500 | 500 | 500 | 500 | 500 | 24,045 |
| 7 Line of Credit | | | | | | | | | | | | | | | - |
| 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 | 4,118,217 | 4,379,735 | 4,035,330 | 4,003,955 | 4,509,872 | 4,037,572 | 4,124,169 | 76,818,455 |
| 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 | 4,635,725 | 4,621,060 | 4,537,752 | 4,906,515 | 4,619,403 | 4,252,701 | 4,205,700 | 83,773,595 |
| 9 Less Depreciation | | | | | | | | (283,132) | (283,132) | (283,132) | (283,132) | (283,132) | (283,132) | (283,132) | (1,981,924) |
| 10 Add Capital Lease Payments | 785,145 | 180,181 | 65,514 | 189,093 | 225,377 | 99,234 | 87,030 | 52,045 | 173,809 | 52,154 | 129,806 | 53,230 | 176,146 | 140,181 | 2,408,945 |
| 11 Additional AP | | | | | | | | | | | | | | 750,000 | 750,000 |
| 12 Capital - Board Approved Spending | 74,140 | 37,519 | - | 23,425 | 100,431 | 56,338 | 6,514 | 500,000 | | | | | | | 798,367 |
| 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 | 4,904,638 | 4,511,737 | 4,306,774 | 4,753,189 | 4,389,501 | 4,145,715 | 4,812,749 | 86,404,924 |
| Net Hospital Sources/Uses of Cash | (2,622,946) | 37,214 | (1,881,017) | (446,440) | (298,321) | (964,460) | (795,046) | (786,421) | (132,002) | (271,444) | (749,234) | 120,371 | (108,143) | (688,580) | (9,586,469) |
| Non-Hospital Sources | | | | | | | | | | | | | | | |
| 14 Restricted/Capital Donations Donations | 424,916 | | | 211,762 | | 517 | 167 | 1,000,000 | | | | | | | 1,637,361 |
| 15 Electronic Health Records | 85,361 | | | | | 289,253 | | | | | | | | | 374,614 |
| 16 Parcel Tax Revenue | 123,335 | 1,673,328 | | | | 1,113,248 | | | 120,000 | | | | | 1,500,000 | 4,529,911 |
| 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 | 1,296,805 | 120,000 | - | - | 1,082,000 | - | 1,500,000 | 10,224,156 |
| 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 | 1,296,805 | 120,000 | - | (541,372) | 1,082,000 | - | 1,500,000 | 9,314,758 |
| Net Sources/Uses | (1,037,189) | 1,710,542 | (1,030,789) | (234,678) | (298,321) | 438,557 | (661,813) | 510,384 | (12,002) | (271,444) | (1,290,606) | 1,202,371 | (108,143) | 811,420 | (271,711) |
| 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 | 1,831,773 | 1,819,771 | 1,548,327 | 257,721 | 1,460,092 | 1,351,949 | |
| 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 | 1,831,773 | 1,819,771 | 1,548,327 | 257,721 | 1,460,092 | 1,351,949 | 2,163,369 | YTD Cash Goal Available Cash \$ 1,031,773 \$ 800,000 Note #1 |

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

10.

ADMINISTRATIVE
REPORT
JUNE 2016

To: SVHCD Board of Directors
From: Kelly Mather
Date: 5/27/16
Subject: Administrative Report

Summary

The Celebration of Women fundraiser put on by the SVH Foundation was successful again. The event is always well attended and enjoyed. The new rolling strategic plan and the FY 2016 budget are complete and ready for board approval. The budget study session was held with the Board and Finance committee this week to review the details and reach a consensus on our financial goals for next year. We are planning for a 3.4% EBIDA. We had a rather large settlement to pay off in FY 2016 and a pledge payment will be paid in June of this year. So, we hope the cash on hand is much higher than it was this past fiscal year.

Dashboard and Trended Results

The inpatient and emergency satisfaction results continue to be inconsistent and the patient experience team is now following a new action plan. The Value Based Purchasing score no longer represents many of the quality outcomes, so we are moving to a new goal for this calendar year. We ended 2015 at the 90th percentile. The leaders are completing the staff satisfaction action plans and we have budgeted another \$850,000 for salary increases in FY 2016. The inpatient discharges were higher than budget, but still under 100 per month. We also met our community hour goal 2 months early this year.

Strategic Update for FY 2016 Rolling Strategic Plan:

| Strategic Priorities | Update | Completion Date |
|-----------------------------------|--|--------------------|
| Patient Experience | We were inconsistent in meeting the goal of 70 th | Not Complete |
| Staff satisfaction | 84 th percentile. Two issues: salaries and opportunities for career advancement | Completed for 2016 |
| Patient HARM score | Quality Committee will discuss this year | Not Complete |
| Timeshare Office | Implemented two offices instead of one | Complete |
| Parcel Tax Renewal plan | Committee did polling and a plan is ready for fall | Complete |
| South Lot | A recommendation will be made to the board this month to purchase the property | August |
| Improve partnership with Medi-Cal | We made major improvements to our reimbursement with Partnership Health Plan | On-going |
| Physician Alignment | Prima (1206I) continues and is recruiting a PCP; We are now looking at 1206(b) clinics. All hospital based physician groups received an increase in salary in FY 2015 which was over \$1 million | On-going |
| Electronic Health Record | We did not update the system this year | Not Complete |
| ICD 10 Readiness | Everything went extremely well | Complete |
| Community Opinion Survey | This survey showed 93% positivity about SVH | Complete |
| Population Health | Three levels with a focus on kids, maintaining adult health were complete. A grant was received to now help people with symptoms. | |
| Advanced Health Planning | We've had several community education sessions | Complete |
| SVHF raise over \$750k | The foundation raised over \$1 million | Complete |

APRIL 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 March | >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 | 6 out of 7 in March | 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 | 5.2% | >5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1 |
| | Efficiency and Financial Management | Meet FY 2016 Budgeted Expenses | \$48,966,485 (actual) \$48,558,250 (budget) | <2% = 5 (stretch) <1% = 4 <Budget=3 (Goal) >1% = 2 >2% = 1 |
| Growth | Surgical Cases | Increase surgeries by 2% over prior year | 1278 YTD FY2016 1262 YTD FY2015 | >2% = 5 >1% = 3 < 1% = 2 |
| | Outpatient & Emergency Volumes | 2% increase (gross outpatient revenue over prior year) | \$124 mm YTD \$107 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 | 1515 hours for 7 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 2015 | May 2015 | Jun 2015 |
|------------------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Inpatient Satisfaction | 6/9 | 5 | 5 | 2 | 6 | 7 | 8 | 3 | 4 | 1 | | | |
| Emergency Satisfaction | 5/7 | 2 | 3 | 4 | 5 | 5 | 6 | 1 | 2 | 6 | | | |
| Value Based Purchasing | >50 | 52 | 52.2 | 53.5 | 52.5 | 53 | 53.5 | n/a | n/a | n/a | n/a | 48 | 48 |
| Staff Satisfaction | >75th | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 84 | 84 | 91 | 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 | 8.3 |
| YTD EBIDA | >4% | 8.2 | 7.6 | 7.7 | 7.3 | 5.7 | 6.6 | 6.2 | 6 | 5.6 | 5.2 | 4.2 | 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 | 4.1 | 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 | 4.6 | 5.1 |
| Net Income | >50k | 202 | 174 | 27.8 | 104 | 244 | 575 | 19 | 203 | -131 | -99 | 74 | 139 |
| Days Cash on Hand | >20 | 22 | 16 | 18 | 13 | 9 | 21 | 14 | 12 | 12 | 13 | 17 | 16 |
| A/R Days | <50 | 46 | 45 | 49 | 47 | 53 | 51 | 53 | 52 | 50 | 50 | 43 | 47 |
| Total FTE's | <315 | 313 | 310 | 312 | 327 | 322 | 317 | 319 | 324 | 326 | 324 | 307 | 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 | 3.91 | 3.36 |
| Inpatient Discharges | >100 | 110 | 74 | 92 | 97 | 85 | 109 | 124 | 101 | 99 | 97 | 97 | 97 |
| Outpatient Revenue | >\$12m | 12.6 | 12.9 | 12.7 | 13.1 | 11.9 | 12.2 | 12.1 | 12.1 | 14.2 | 12.5 | 10.7 | 12.0 |
| Surgeries | >130 | 125 | 122 | 127 | 131 | 114 | 136 | 124 | 127 | 141 | 118 | 118 | 122 |
| Home Health | >1000 | 981 | 917 | 948 | 948 | 1088 | 915 | 933 | 889 | 879 | 999 | 963 | 1014 |
| Births | >15 | 16 | 15 | 11 | 11 | 14 | 24 | 17 | 9 | 17 | 17 | 11 | 24 |
| SNF days | >660 | 619 | 634 | 607 | 666 | 544 | 648 | 710 | 671 | 580 | 578 | 626 | 669 |
| MRI | >120 | 143 | 131 | 119 | 132 | 109 | 113 | 102 | 119 | 127 | 105 | 125 | 144 |
| Cardiology (Echos) | >65 | 66 | 62 | 63 | 77 | 41 | 50 | 46 | 60 | 67 | 61 | 63 | 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 | 1014 | 965 |
| Rehab | >2587 | 3014 | 2384 | 2773 | 2886 | 2297 | 3003 | 2815 | 2708 | 2979 | 2780 | 3008 | 2873 |
| CT | >300 | 384 | 352 | 343 | 336 | 381 | 323 | 379 | 352 | 398 | 333 | 357 | 335 |
| ER | >800 | 878 | 888 | 871 | 820 | 841 | 863 | 864 | 919 | 945 | 912 | 943 | 846 |
| Mammography | >475 | 462 | 439 | 367 | 543 | 406 | 492 | 446 | 437 | 432 | 384 | 476 | 453 |
| Ultrasound | >325 | 395 | 314 | 320 | 353 | 246 | 290 | 296 | 304 | 317 | 325 | 354 | 345 |
| Occupational Health | >650 | 733 | 728 | 646 | 871 | 681 | 683 | 600 | 597 | 757 | 663 | 573 | 660 |
| Wound Care | | | | | | | | | | 222 | 276 | | |