



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

**AGENDA**

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

**SCHANTZ CONFERENCE ROOM**

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

<b>TOLL FREE CALL-IN NUMBER: 866 228-9900</b> <b>GUEST CODE: 294221</b>		
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 <a href="mailto:ebetta@svh.com">ebetta@svh.com</a> or (707) 935.5004 at least 48 hours prior to the meeting.		
AGENDA ITEM	RECOMMENDATION	
<b>MISSION STATEMENT</b> The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Nevins</i>	
<b>2. PUBLIC COMMENT SECTION</b> At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.		
<b>3. CONSENT CALENDAR</b> FC Minutes 7.26.16	<i>Nevins</i>	Action
<b>4. PRIME GRANT AND BUDGET</b>	<i>Lovejoy/Jensen</i>	Inform/Action
<b>5. 1206b BENEFITS AND PROJECTIONS</b>	<i>Jensen</i>	Action
<b>6. RESOLUTION No. 329 ACQUISITION OF 851 AND 853 FOURTH STREET WEST, SONOMA, CA</b>	<i>Jensen</i>	Inform/Action
<b>7. UPDATE ON ANNUAL AUDIT</b>	<i>Jensen</i>	Inform/Action
<b>8. FINANCE REPORT MONTH ENDING JULY 31, 2016</b>	<i>Jensen</i>	Inform
<b>9. ADMINISTRATIVE REPORT AUGUST 2016</b>	<i>Nevins/Mather</i>	Inform
<b>10. ADJOURN</b> Next meeting September 27, 2016	<i>Nevins</i>	

3.

# CONSENT CALENDAR



**SVHCD  
FINANCE COMMITTEE MEETING  
MINUTES  
TUESDAY, July 26, 2016  
Schantz Conference Room**

<b>Present</b>	<b>Excused</b>	<b>Staff</b>	<b>Public</b>
Sharon Nevins, Chair Peter Hohorst Susan Porth Steve Barclay S. Mishra, MD (by phone) Keith Chamberlin, MD (by phone)	Stephen Berezin Dick Fogg	Ken Jensen Gigi Betta Jeannette Tarver Fe Sendaydiego Kelly Mather	Sam McCandless

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTIONS</b>	<b>FOLLOW-UP</b>
<b>MISSION &amp; VISION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Nevins</i>		
	Meeting called to order at 5:00p.m.		
<b>2. PUBLIC COMMENT SECTION</b>	<i>Nevins</i>		
No public comment.			
<b>3. CONSENT CALENDAR</b>	<i>Nevins</i>	Action	
FC Minutes 06.28.16		<b>MOTION</b> by Hohorst to approve Consent and 2 <sup>nd</sup> by Porth. All in favor.	
<b>4. IT OUTSOURCING PROPOSAL</b>	<i>Jensen</i>	Action	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Jensen recommended that the Hospital's IT system be moved offsite and that a 5-year contract with McKesson be executed. This recommendation will be brought forward to the District Board meeting on August 4, 2016.	<b>RECOMMENDATION</b> by Hohorst to move the Hospital's IT system offsite. All in favor to bring forward to the Board on 8.4.16.	
<b>5. Q4 CAPITAL SPENDING REPORT</b>	<i>Tarver</i>	Inform/Action	
	Ms. Tarver presented the capital spending as of June 30, 2016. Included were FY15 carry overs, FY16 budget requests and construction in progress.		
<b>6. FINANCE REPORT MONTH ENDING JUNE 30, 2016 AND PRELIMINARY PRE-AUDIT YEAR END FINANCIALS</b>	<i>Jensen</i>	Inform	
	After accounting for all income and expenses not including Restricted Contributions and GO bond activity, the net loss for June was (\$264,615) vs. a budgeted net loss of (\$194,334). The total net loss for June after all activity was (\$132,927) vs. a budgeted net loss of (\$9,795). EBIDA for the month of June was 1.1% vs. the budgeted 2.9%.		
<b>7. ROLLING CASH EXPECTTIONS</b>	<i>Jensen</i>	Inform/Action	
	The rolling cash expectations or weekly forecast of cash position will be sent to the Finance Committee on a weekly basis.		
<b>8. ADMINISTRATIVE REPORT JULY 2016</b>	Mather	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>The new Rolling Strategic Plan and Fiscal-year 2016 Budget have been approved by the District Board. Both have been uploaded to the internet at <a href="http://www.svh.com">www.svh.com</a> in addition to being distributed to the Hospital's mail list. Cash on hand has been a major issue this past month and we have made some short term expense reductions to help improve it.</p> <p>SVH will submit metrics for The Leapfrog Survey in September 2016 and annually thereafter. The survey assesses hospital safety, quality, and efficiency based on national performance measures that are of interest to consumers. The measures also provide hospitals with the opportunity to improve the safety, quality, and efficiency of the care they deliver.</p> <p>The 2016 Parcel Tax will be discussed at the next Board meeting on August 4, 2016.</p> <p>Mr. Jensen gave an update on the \$1.5M PRIME grant. The grant is nonrestrictive as long as annual metrics are being met.</p>		
<b>9. ADJOURN</b>	Nevins		
Next meeting August 23, 2016	Adjourned at 6:00pm		

4.

# PRIME GRANT AND BUDGET



# PRIME GRANT: IMPROVING CARE TRANSITIONS

Finance Committee Report

Leslie Lovejoy, CQO and  
Ken Jensen, CFO

# OVERVIEW OF THE PROJECT

- ◉ How and why did SVH become involved in seeking out and applying for this grant?
- ◉ What are the grant activities and who will manage the project, who will have oversight?
- ◉ What are the measurables and what are the timelines for reporting?
- ◉ Who will be responsible for data capture and reporting?
- ◉ How are we staffing the grant and what is the projected budget?
- ◉ Can the unused portion of the funds be applied to operations?



# HISTORICAL CONTEXT

- Prior to Affordable Care Act; hospitals were not accountable for the health and well-being of patients upon discharge from the Acute side or the Emergency side of patient care.
- With the ACA came the idea that hospital quality includes post discharge outcomes and the first measure of quality was the number of patients that came back and were readmitted within 30 days.

# HISTORICAL CONTEXT

- ◉ With the emergence of the population health movement and the push to reduce hospital stays and utilization in general, hospitals can no longer afford to take the short view of patient care.
- ◉ The future of healthcare involves not only the provision of care in the hospital but also the coordination of care once the patient leaves our setting.

# HISTORICAL CONTEXT

- Hospitals to some extent, become stewards of the life long journey of health and well-being for their community members and through innovation and collaboration, become partially responsible for the health of the community they serve.
- Since this is a new concept hospitals are receiving funding, through grants for innovative ways to make the transition to population health as a strategic goal.

# WHAT IS THE PRIME GRANT?

- ◉ PRIME = Public Hospital Redesign & Incentives in Medi-Cal
- ◉ Funded by CMS and administered by DHCS; grants to tertiary care and county hospitals to fund innovation and evidence based strategies for improving healthcare delivery.
- ◉ District hospitals were initially invited to participate in 2012 then dropped. State re-invited district hospitals for this cycle of grants
- ◉ Funded over 5 years to transform an aspect of care delivery. The project must be innovative and a stretch for the hospital.

# HOW DID SVH GET INVOLVED?

- ◉ SVH became a member of the District Hospital Leadership Forum (DHLF) first through our affiliation with MGH and then on our own.
- ◉ Sherreta Lane, VP of Financial Policy for Steve Clark & Associates coordinates both advocacy activities and identifies opportunities through grants to improve care delivery for Medi-Cal patients.
- ◉ We were invited by DHLF to participate in the grant cycle.

# HOW DID SVH GET INVOLVED

- ◉ SVH strategic plan and vision aligned with the decision to explore a Community Care Model to address population health.
- ◉ It was clear that we needed a funding source to make the transition and our vision aligned with one of the project domains:  
Care Transitions for targeted high risk or high cost populations.
- ◉ The grant opportunity will allow us to make the critical first steps in a larger community care management model.

# DUAL FOCUS

- ◉ Inpatient to next provider: managing patients for at least 30 days to reduce the likelihood of readmissions
- ◉ ED patient to next provider: manage at risk patients with the primary care provider to reduce ED utilization

# WHY CARE TRANSITIONS?

- Opportunity to improve:
  1. Handoffs between providers;
  2. Manage transition over a 45 day period post hospitalization;
  3. Improve medication reconciliation on admission, at discharge and within 30 days post discharge;
  4. Explore technologies to help manage patients at home.



# WHY CARE TRANSITIONS?

- Opportunity to:

5. Develop a community health coaching role;
6. Improve the patient experience during transitions of care; and
7. Build network of community support agencies.

# GRANT POPULATION?

- ◉ Medi-Cal patients are primary, ages 18-65+
- ◉ Will also include Medicare patients as our census is low and it makes sense
- ◉ Focus on at risk patient populations and health disparities: hypertension, diabetes management, sepsis, access to a primary care provider, behavioral health, and social isolation.

# OVERSIGHT

- ◉ Project Manager: Leslie Lovejoy, CQO
- ◉ Multidisciplinary Steering Committee for Grant activities includes hospital staff, physicians, provider agencies, a consumer, and ad hoc teams. Formed in March 2015 to begin to build model.
- ◉ Board Quality Committee: oversight for grant activity progress reports as part of the district board.

# GRANT ACTIVITIES

- ◉ Revise and improve the discharge process:
  1. Improve med reconciliation and discharge instructions
  2. Provide a transfer record to patient and next provider at time of discharge
  3. Follow up phone calls with in 48 hours of discharge to review discharge instructions, confirm medication pick up and prepare for follow up appointment with primary care provider.
  4. Schedule follow up appointments within 7 days of admission to the hospital.

# GRANT ACTIVITIES

- 5. Follow up phone calls and/or home visit by Community Health Coach and/or CM/Social Worker every 7 days through 45 days post discharge with interface to the primary care provider as needed.
- 6. Build a cadre of volunteer Community Health Coaches. Collaborate with colleges, schools and community organizations to develop roles, map workflows, develop core competencies and training.

# GRANT ACTIVITIES

- ◉ Place a Community Case Manager in the ED to identify high risk, high utilizers and link them with providers and provider agencies.
- ◉ The patient experience survey calls for all patients within 14 days of discharge.
- ◉ Integrate Sound Hospitalist grant program working on care transitions for targeted illnesses into grant objectives for Medicare fee for service acute discharges.

# MEASURABLES: INFRASTRUCTURE

- ◉ Due to be completed and implemented by June 30, 2017

1. *Expand Case Management Into ED/Community and build workflow processes, risk tools, transition record, and tracking and data management. ( Will be completed by January 2017)*

2. *Build an improved medication reconciliation process at the time of discharge and ensure that medication reconciliation occurs within 30 days post discharge by the primary care provider. (Will be completed by March 2017)*

# MEASURABLES

- Infrastructure goals con't.:

*3. Build and implement a Community Health Coach program. Identify roles and responsibilities, competencies, workflow processes, reporting and data management, and a method for demonstrating value.*

*(Will be completed by June 2017)*



# MEASURABLES: PAY FOR PERFORMANCE

## ○ Metrics:

1. Medication Reconciliation and completed discharge instructions at time of discharge as measured and reported by an internal focus study;
2. Medication reconciliation within 30 days of discharge as measured by primary care provider documentation;
3. Patient leaves with a transition record and the transition record is provided to the PCP as measured and reported by an internal focus study;

# MEASURABLES: PAY FOR PERFORMANCE

4. Performance on the three Care Transitions questions from HCAHPS as measured by completion of telephonic patient experience surveys and reported from an internal focus study process;

5. 30 day all cause readmission rate as measured and reported through an internal focus study process; and

6. ED Utilization Rate as defined by grant metrics and reported using an internal focus study process.

# REPORTING TIMELINES

- ◉ First report: this was the grant application itself.
- ◉ Second (Sept 2016) and Third (March 2017) will be regarding progress on meeting infrastructure goals.
- ◉ Fourth (Sept 2017) will report on completion of infrastructure goals and baseline pay for performance goals.
- ◉ From then on, two reports per year, reporting on meeting targets for the pay for performance goals.

# OTHER REQUIREMENTS

- ◉ Participation in an annual learning collaborative each year with all the other hospitals in the grant cycle for networking and the sharing of tools, strategies and outcomes.
- ◉ Contracted relationship with Partnership (Medi-Cal Managed Care by 2018.
- ◉ Funding transfer via IGT twice per year which will require funding match to draw down the grant money.
- ◉ If we fail to meet the pay for performance metrics, we do not have to pay the money back as it is a demonstration grant.

# FUNDING

- Grant money is allocated in the following manner and is dependent on completion of project reports for the first year and a half and then on pay for performance metric reporting.
  - Year 1: 1,500,000.00
  - Year 2: 1,500,000.00
  - Year 3: 1,500,000.00
  - Year 4: 1,350,000.00
  - Year 5: 1,147,500.00
  - Total: 6,997, 500.00

# BUDGET: ESTIMATED COST OF THE GRANT ACTIVITIES

- ◉ The ED/Community Case Manager is the only position that is exclusively covered by the grant. All other staff expenses will be allocated to the grant quarterly.
- ◉ There are some software program expenses, consulting, and other expenses. (See handout)

# QUESTIONS?

**Care Transitions (PRIME)**

	FY 2017		FY 2018	
<b>Total Potential Revenue FY 17</b>	<b>\$</b>	<b>1,125,000</b>	<b>\$</b>	<b>1,500,000</b>
<b>Expenses</b>				
<b>Salaries:</b>				
Community Case Manager (\$75/hr) 1 FTE (exclusive to grant)	\$	156,000	\$	156,000
Management Oversight .4 FTE ( out of operations)	\$	88,267	\$	88,267
Social Worker (reassign .2 FTE from 8360) ( out of operations)	\$	16,715	\$	16,715
Other department allocations ( out of operations)	\$	-	\$	-
		\$ 260,982		\$ 260,982
<b>Employee Benefits:</b>				
Employee Benefits (25% of hrly rate)	\$	65,245	\$	65,245
Empl Benefits-PTO	\$	14,391	\$	14,391
		\$ 79,636		\$ 79,636
<b>Consulting:</b>				
Doctors	\$	3,000	\$	3,000
NCQA (Metric Report) pending confirmation	\$	162,000	\$	162,000
Behavioral Health Consultant	\$	13,440	\$	13,440
Documentaion	\$	15,000	\$	15,000
		\$ 193,440		\$ 193,440
<b>Supplies:</b>				
Supplies	\$	5,000	\$	5,000
Minor Equipment	\$	1,500	\$	1,500
Drugs	\$	300	\$	300
		\$ 6,800		\$ 6,800
<b>Purchase Services:</b>				
Med Mind	\$	57,121	\$	57,121
RX-Remote	\$	18,000	\$	18,000
		\$ 75,121		\$ 75,121
<b>Other:</b>				
Other	\$	3,600	\$	3,600
Mileage	\$	3,000	\$	3,000
Travel	\$	3,000	\$	3,000
Orientation/training	\$	3,000	\$	3,000
		\$ 12,600		\$ 12,600
<b>Total Expenses</b>		\$ 628,579		\$ 628,579
<b>Operating Income</b>		\$ 496,421		\$ 871,421

Teams/Steering



5.

# 1206B BENEFITS AND PROJECTIONS

Sonoma Valley Hospital  
Schedule of Benefit to the Hospital  
Dr. Azari and Dr. Kidd

**Dr. Azari - a)**

Projected annual pain management cases	120
Projected Net Revenue <b>per Case</b>	\$ 1,968
Projected Annual outpatient net revenue - Dr. Azari	<u>\$ 236,160</u>
*Prorated for FY 2017	178,576

**Dr. Kidd - b)**

Projected annual inpatient Surgery Cases	36
Projected annual outpatient Surgery Cases	36
Projected annual Endoscopy Cases	120
Projected Net revenue <b>per IP case</b>	\$ 17,446
Projected Net revenue <b>per OP case</b>	\$ 3,731
Projected Net revenue <b>per Endoscopy case</b>	\$ 2,103
Projected Annual inpatient net revenue	\$ 628,056
Projected Annual outpatient net revenue	\$ 134,298
Projected Annual Special Procedure (OP) net revenue	\$ 252,360
Project Net Revenue to Hospital - Dr. Kidd	<u>\$ 1,014,714</u>
<b>FY 2017</b> Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd	\$ 1,193,290
<b>FY 2018</b> Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd	\$ 1,250,874

**a) - Currently Azari is not practicing at SVH. Therefore, average charges and net revenue information from analysis of current pain management cases.**

**b) - This projection is based on Dr. Kidd's July 2016 volume for IP, OP, and Edoscopy**

Sonoma Valley Specialty Clinic - 1206b  
 Projected Net Income/(Loss) for Year 1 & 2

	<b>Projected 12 Months - Year 1</b>	<b>Pro Rate for FY 2017 September 27, 2016 - June 30, 2017</b>	<b>Projected FY 2018 - Year 2 - a)</b>
<b>Projected Gross Revenue:</b>			
Dr. Azari - Clinic Visits and Professional fees billed	347,681	262,904	434,602
Dr. Kidd - Clinic Visits and Professional fees billed	350,000	264,658	437,500
Projected Total Gross Revenue	\$ 697,681	\$ 527,562	\$ 872,102
Projected Contractual Allowance (Est. Payment % at 29%)	(495,353)	(374,568)	(619,192)
Projected Net Revenue	\$ 202,327	\$ 152,993	\$ 252,910
<b>Projected Operating Expenses:</b>			
Salaries & Wages - .4 FTE front desk & .4 FTE MA	39,936	30,198	49,920
Physician Fees - Based on PSA	140,610	106,324	230,000
Supplies	1,500	1,134	1,875
Medical Supplies	6,000	4,537	7,500
Minor Equipment	1,500	1,134	1,875
Purchased Services - R&M	5,850	4,424	6,143
Purchased Services - Other (3rd party Billing/E.H.R)	34,683	26,226	36,417
Rental - Lease Building (1/2 West Napa St. rent)	47,718	36,083	50,104
Utilities Other - Medical Office	4,200	3,176	4,410
Insurance - Medical Office/Equipment	1,000	756	1,000
Licenses & tax - medical offices Per PSA	3,000	2,268	3,000
Telephone/Internet	23,500	17,770	22,800
Dues & Sub - Medical Office Per PSA	4,000	3,025	4,000
Education Costs Per PSA	6,000	4,537	6,000
Other (Advertising, merchant fees, Advertising, lease of copier and other)	7,800	5,898	5,800
Projected Total Expenses	327,297	247,490	430,843
Projected Net Income/(Loss) from Clinic	\$ (124,970)	\$ (94,497)	\$ (177,933)
<b>Projected Year 1 Start-Up Costs:</b>			
IT - computers, printers, licenses, cabling, etc.		19,670	
Minor Equipment; office furniture, medical minor equipment, and medical refrigerator		17,700	
AthenaHealth - 3rd Party billing/ E.H.R. set up fee		2,400	
Signage, carpet repair/clean, etc.		2,000	
Projected Year 1 Start-up Costs		41,770	
Projected Net Income/(Loss) from Clinic - After start-up costs		(136,267)	
<b>FY 2017</b> Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd		1,193,290	
<b>FY 2018</b> Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd			1,250,874
<b>Projected Net Benefit to Sonoma Valley Hospital</b>		<b>\$ 1,057,023</b>	<b>\$ 1,072,941</b>

a) - Project 25% Growth in year 2

6.

RESOLUTION No. 329  
ACQUISITION OF 851 AND 853  
FOURTH STREET WEST,  
SONOMA, CA

**SONOMA VALLEY HEALTH CARE DISTRICT**

**RESOLUTION No. 329**

ACQUISITION OF 851 AND 853 FOURTH STREET WEST,  
SONOMA, CALIFORNIA 95476,  
APNs 018-392-001, -045

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**WHEREAS**, the District wishes to secure a \$2,000,000 loan to be used for the financing of the acquisition of vacant land located at 851 and 853 Fourth Street West, Sonoma, California.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Sonoma Valley Health Care District, as follows:

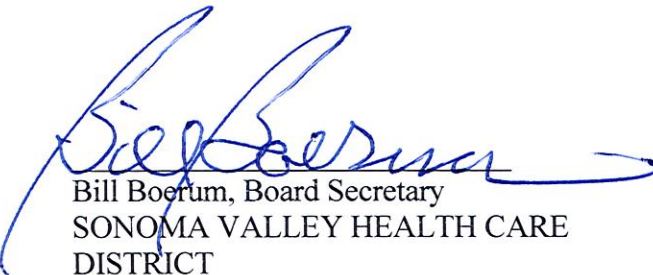
Section 1. Kelly Mather, President and CEO of Sonoma Valley Health Care District dba Sonoma Valley Hospital is hereby authorized to sign all documents necessary to purchase the property at 851 and 853 Fourth Street West, Sonoma, California.

**PASSED AND ADOPTED** on this 15<sup>th</sup> day of August, 2016, by the following vote:

Jane Hirsch	Aye
Peter Hohorst	Aye
Joshua Rymer	Aye
Sharon Nevins	Aye
Bill Boerum	Aye

Noes:	0
Absent:	0
Abstain:	0

  
Jane Hirsch, Board Chair  
SONOMA VALLEY HEALTH CARE  
DISTRICT

  
Bill Boerum, Board Secretary  
SONOMA VALLEY HEALTH CARE  
DISTRICT

8.

FINANCE REPORT  
MONTH ENDING  
JULY 31, 2016



**To:** SVH Finance Committee  
**From:** Ken Jensen, CFO  
**Date:** August 23, 2016  
**Subject:** Financial Report for the Month Ending July 31, 2016

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For the month of July the hospital experienced a lower than expected volume for outpatient services. The actual loss of (\$280,489) from operations for July was (\$17,265) unfavorable to the budgeted loss of (\$263,224). After accounting for all other activity, the July net income was a positive \$58,920 vs. the budgeted expected income of \$87,716 with an EBIDA of 4.5% vs. the budgeted 5.6%.

**Gross patient revenue** for July was \$21,359,145, (\$360,243) less than expected. Inpatient gross revenue was over budget by \$1,058,217 due to patient days being over budgeted expectations by 30 days and inpatient surgeries being over budget by 7 cases. Also, this month had a higher than average Medicare case mix of 1.84 which contributed to a higher reimbursement. Outpatient revenue was under budget by (\$2,132,663). Outpatient visits were under budgeted expectations and outpatient surgeries were under budget by (36) cases. The Emergency Room gross revenue is over budget by \$982,255 due to a continued volume increase. SNF was under budgeted expectations by (\$288,386) due to lower than projected volume and Home Health is over budgeted expectations with a positive variance of \$20,334.

**Deductions from revenue** were favorable to budgeted expectations by \$805,322 due to the accrual for the MediCal Rate Range Adjustment of \$903,647 (the net amount to the hospital after the matching fee is estimated at \$345,270) and the CMS Prime Grant with a net amount of \$125,000 for July. Without the accrual of the government program funding, the deductions from revenue would be unfavorable to budget by (\$223,325).

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$411,888.

**Operating Expenses** of \$5,471,694 were over budget by (429,153). The IGT matching fee accounts for (\$558,377) of the operating expense variance. Without the cost of the IGT matching fee the hospital would have a favorable expense variance of \$129,224. Overall, there were no significant operating expense variances to budget which reflects favorably to the hospitals cash saving plans put forth beginning in July. Salaries and wages were under budget by \$109,496 but the agency fees were over budgeted expectations by (\$47,515).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$80,477) vs. a budgeted net loss of (\$61,961). The total net income for July after all activity was \$58,920 vs. a budgeted net income of \$87,716.



After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$80,477) vs. a budgeted net loss of (\$61,961). The total net income for July after all activity was \$58,920 vs. a budgeted net income of \$87,716.

EBIDA for the month of July was 4.5% vs. the budgeted 5.6%.

#### Patient Volumes – July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	103	110	-7	110
Newborn Discharges	13	16	-3	15
Acute Patient Days	386	356	30	352
SNF Patient Days	563	619	-56	619
Home Care Visits	960	917	43	981
OP Gross Revenue	\$12,605	\$13,777	(\$1,172)	\$12,639
Surgical Cases	116	145	-29	125

#### Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	47.3%	47.0%	0.3%	47.3%	47.0%	0.3%
Medicare Mgd Care	8.1%	7.2%	0.9%	8.1%	7.2%	0.9%
Medi-Cal	17.2%	18.9%	-1.7%	17.2%	18.9%	-1.7%
Self Pay	1.6%	1.2%	0.4%	1.6%	1.2%	0.4%
Commercial	20.6%	20.1%	0.5%	20.6%	20.1%	0.5%
Workers Comp	2.4%	2.9%	-0.5%	2.4%	2.9%	-0.5%
Capitated	2.8%	2.7%	0.1%	2.8%	2.7%	0.1%
Total	100.0%	100.0%		100.0%	100.0%	

#### Cash Activity for July:

For the month of July the cash collection goal was \$3,693,925 and the Hospital collected \$3,925,818, or over the goal by \$231,893. Days of cash on hand are 10.6 days at July 31, 2016. Accounts Receivable decreased from June, from 57.3 days to 54.8 days in July. Accounts Payable increased by \$95,376 from June and Accounts Payable days are at 54.1.

#### 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 July 31, 2016**

ATTACHMENT A

July-16

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	10,078,632	10,217,118	-138,486	-1.4%
Medicare Managed Care	1,726,420	1,569,515	156,905	10.0%
Medi-Cal	3,664,872	4,106,284	-441,412	-10.7%
Self Pay	346,031	252,442	93,589	37.1%
Commercial & Other Government	4,428,226	4,366,215	62,011	1.4%
Worker's Comp.	522,074	628,144	-106,070	-16.9%
Capitated	592,890	579,670	13,220	2.3%
<b>Total</b>	<b>21,359,145</b>	<b>21,719,388</b>	<b>(360,243)</b>	

YTD

	Actual	Budget	Variance	% Variance
Medicare	10,078,632	10,217,118	-138,486	-1.4%
Medicare Managed Care	1,726,420	1,569,515	156,905	10.0%
Medi-Cal	3,664,872	4,106,284	-441,412	-10.7%
Self Pay	346,031	252,442	93,589	37.1%
Commercial & Other Government	4,428,226	4,366,215	62,011	1.4%
Worker's Comp.	522,074	628,144	-106,070	-16.9%
Capitated	592,890	579,670	13,220	2.3%
<b>Total</b>	<b>21,359,145</b>	<b>21,719,388</b>	<b>(360,243)</b>	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,521,211	1,736,910	-215,699	-12.4%
Medicare Managed Care	220,982	235,113	-14,131	-6.0%
Medi-Cal	472,768	621,604	-148,836	-23.9%
Self Pay	138,793	103,350	35,443	34.3%
Commercial & Other Government	1,529,066	1,744,303	-215,237	-12.3%
Worker's Comp.	114,961	139,134	-24,173	-17.4%
Capitated	17,846	18,781	-935	-5.0%
Prior Period Adj/IGT	1,028,647	-	1,028,647	*
<b>Total</b>	<b>5,044,274</b>	<b>4,599,195</b>	<b>445,079</b>	<b>9.7%</b>

	Actual	Budget	Variance	% Variance
Medicare	1,521,211	1,736,910	-215,699	-12.4%
Medicare Managed Care	220,982	235,113	-14,131	-6.0%
Medi-Cal	472,768	621,604	-148,836	-23.9%
Self Pay	138,793	103,350	35,443	34.3%
Commercial & Other Government	1,529,066	1,744,303	-215,237	-12.3%
Worker's Comp.	114,961	139,134	-24,173	-17.4%
Capitated	17,846	18,781	-935	-5.0%
Prior Period Adj/IGT	1,028,647	-	1,028,647	*
<b>Total</b>	<b>5,044,274</b>	<b>4,599,195</b>	<b>445,079</b>	<b>9.7%</b>

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	30.2%	37.8%	-7.6%	-20.1%
Medicare Managed Care	4.4%	5.1%	-0.7%	-13.7%
Medi-Cal	9.4%	13.5%	-4.1%	-30.4%
Self Pay	2.8%	2.3%	0.5%	21.7%
Commercial & Other Government	30.1%	37.9%	-7.8%	-20.6%
Worker's Comp.	2.3%	3.0%	-0.7%	-23.3%
Capitated	0.4%	0.4%	0.0%	0.0%
Prior Period Adj/IGT	20.4%	0.0%	20.4%	*
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	Actual	Budget	Variance	% Variance
Medicare	30.2%	37.8%	-7.7%	-20.4%
Medicare Managed Care	4.4%	5.1%	-0.7%	-13.7%
Medi-Cal	9.4%	13.5%	-4.1%	-30.4%
Self Pay	2.8%	2.3%	0.5%	21.7%
Commercial & Other Government	30.1%	37.9%	-7.8%	-20.6%
Worker's Comp.	2.3%	3.0%	-0.7%	-23.3%
Capitated	0.4%	0.4%	0.0%	0.0%
Prior Period Adj/IGT	20.4%	0.0%	20.5%	*
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	15.1%	17.0%	-1.9%	-11.2%
Medicare Managed Care	12.8%	15.0%	-2.2%	-14.7%
Medi-Cal	12.9%	15.1%	-2.2%	-14.6%
Self Pay	40.1%	40.9%	-0.8%	-2.0%
Commercial & Other Government	34.5%	40.0%	-5.5%	-13.8%
Worker's Comp.	22.0%	22.2%	-0.2%	-0.9%
Capitated	3.0%	3.2%	-0.2%	-6.3%
Prior Period Adj/IGT	4.8%	0.0%	4.8%	*

	Actual	Budget	Variance	% Variance
Medicare	15.1%	17.0%	-1.9%	-11.2%
Medicare Managed Care	12.8%	15.0%	-2.2%	-14.7%
Medi-Cal	12.9%	15.1%	-2.2%	-14.6%
Self Pay	40.1%	40.9%	-0.8%	-2.0%
Commercial & Other Government	34.5%	40.0%	-5.5%	-13.8%
Worker's Comp.	22.0%	22.2%	-0.2%	-0.9%
Capitated	3.0%	3.2%	-0.2%	-6.3%
Prior Period Adj/IGT	4.8%	0.0%	4.8%	*

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

**ATTACHMENT B**

CURRENT MONTH					YEAR-TO-DATE			YTD
	Actual 07/31/16	Budget 07/31/16	Favorable (Unfavorable) Variance		Actual 07/31/16	Budget 07/31/16	Favorable (Unfavorable) Variance	Prior Year 07/31/15
Inpatient Utilization								
Discharges								
1	88	95	(7)	Acute	88	95	(7)	95
2	15	15	-	ICU	15	15	-	15
3	103	110	(7)	Total Discharges	103	110	(7)	110
4	13	16	(3)	Newborn	13	16	(3)	16
5	116	126	(10)	Total Discharges inc. Newborns	116	126	(10)	126
Patient Days:								
6	298	261	37	Acute	298	261	37	257
7	88	95	(7)	ICU	88	95	(7)	95
8	386	356	30	Total Patient Days	386	356	30	352
9	28	23	5	Newborn	28	23	5	23
10	414	379	35	Total Patient Days inc. Newborns	414	379	35	375
Average Length of Stay:								
11	3.4	2.7	0.6	Acute	3.4	2.7	0.6	2.7
12	5.9	6.3	(0.5)	ICU	5.9	6.3	(0.5)	6.3
13	3.7	3.2	0.5	Avg. Length of Stay	3.7	3.2	0.5	3.2
14	2.2	1.4	0.7	Newborn ALOS	2.2	1.4	(0.7)	1.4
Average Daily Census:								
15	9.6	8.4	1.2	Acute	9.6	8.4	1.2	8.3
16	2.8	3.1	(0.2)	ICU	2.8	3.1	(0.2)	3.1
17	12.5	11.5	1.0	Avg. Daily Census	12.5	11.5	1.0	11.4
18	0.9	0.7	0.2	Newborn	0.90	0.74	0.2	0.74
Long Term Care:								
19	563	619	(56)	SNF Patient Days	563	619	(56)	619
20	26	29	(3)	SNF Discharges	26	29	(3)	29
21	18.2	20.0	(1.8)	Average Daily Census	18.2	20.0	(1.8)	20.0
Other Utilization Statistics								
Emergency Room Statistics								
22	940	878	62	Total ER Visits	940	878	62	878
Outpatient Statistics:								
23	4,217	5,039	(822)	Total Outpatients Visits	4,217	5,039	(822)	5,039
24	43	36	7	IP Surgeries	43	36	7	29
25	73	109	(36)	OP Surgeries	73	109	(36)	96
26	57	34	23	Special Procedures	57	34	23	34
27	960	917	43	Home Health Visits	960	917	43	981
28	316	380	(64)	Adjusted Discharges	316	380	(64)	380
29	2,322	2,666	(344)	Adjusted Patient Days (Inc. SNF)	2,322	2,666	(344)	2,651
30	74.9	86.0	(11.1)	Adj. Avg. Daily Census (Inc. SNF)	74.9	86.0	(11.1)	85.5
31	1.8410	1.4000	0.441	Case Mix Index -Medicare	1.8410	1.4000	0.441	1.4380
32	1.5910	1.4000	0.191	Case Mix Index - All payers	1.5910	1.4000	0.191	1.3530
Labor Statistics								
33	278	287	9.3	FTE's - Worked	278	287	9.3	277
34	320	319	(1.5)	FTE's - Paid	320	319	(1.5)	313
35	39.49	40.77	1.28	Average Hourly Rate	39.49	40.77	1.28	39.75
36	24.4	21.1	(3.2)	Manhours / Adj. Pat Day	24.4	21.1	(3.2)	20.8
37	179.3	148.3	(31.1)	Manhours / Adj. Discharge	179.3	148.3	(31.1)	145.5
38	23.5%	22.2%	-1.3%	Benefits % of Salaries	23.5%	22.2%	-1.3%	23.2%
Non-Labor Statistics								
39	9.9%	11.3%	1.3%	Supply Expense % Net Revenue	9.9%	11.3%	1.3%	10.0%
40	1,625	1,407	(218)	Supply Exp. / Adj. Discharge	1,625	1,407	(218)	1,186
41	17,827	13,675	(4,152)	Total Expense / Adj. Discharge	17,827	13,675	(4,152)	12,840
Other Indicators								
42	10.6			Days Cash - Operating Funds				
43	54.8	50.0	4.8	Days in Net AR	54.8	50.0	4.8	48.3
44	106%			Collections % of Net Revenue	106%			118.6%
45	54.1	55.0	(0.9)	Days in Accounts Payable	54.1	55.0	(0.9)	51.7
46	24.3%	21.9%	2.4%	% Net revenue to Gross revenue	24.3%	21.9%	2.4%	22.5%
47	25.4%			% Net AR to Gross AR	25.4%			24.1%

New Pg 43

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

**ATTACHMENT C**

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>				
Current Assets:				
1	Cash	\$ 1,822,803	\$ 1,384,178	\$ 3,151,932
2	Trustee Funds	3,420,699	3,420,699	3,021,373
3	Net Patient Receivables	8,759,013	9,179,396	7,346,106
4	Allow Uncollect Accts	(923,051)	(925,573)	(696,498)
5	Net A/R	7,835,962	8,253,823	6,649,608
6	Other Accts/Notes Rec	7,220,036	7,307,541	8,131,202
7	3rd Party Receivables, Net	1,615,467	1,272,923	97,218
8	Inventory	818,225	815,081	842,420
9	Prepaid Expenses	933,945	868,820	878,955
10	Total Current Assets	\$ 23,667,137	\$ 23,323,065	\$ 22,772,708
12	Property, Plant & Equip, Net	\$ 52,121,582	\$ 52,373,496	\$ 54,631,826
13	Specific Funds	624,979	445,396	247,317
14	Other Assets	144,537	144,202	143,494
15	Total Assets	\$ 76,558,235	\$ 76,286,159	\$ 77,795,345
<b>Liabilities &amp; Fund Balances</b>				
Current Liabilities:				
16	Accounts Payable	\$ 3,885,659	\$ 3,790,283	\$ 3,437,756
17	Accrued Compensation	4,217,183	4,639,280	4,194,116
18	Interest Payable	685,537	571,281	707,575
19	Accrued Expenses	1,227,518	1,019,096	1,263,247
20	Advances From 3rd Parties	116,712	135,883	1,694,150
21	Deferred Tax Revenue	5,465,995	5,962,904	5,420,552
22	Current Maturities-LTD	1,720,434	1,496,385	1,720,434
23	Line of Credit - Union Bank	6,913,734	6,723,734	5,923,734
24	Other Liabilities	159,551	159,216	341,885
25	Total Current Liabilities	\$ 24,392,323	\$ 24,498,062	\$ 24,703,449
26	Long Term Debt, net current portion	\$ 36,471,117	\$ 36,744,412	\$ 38,650,064
Fund Balances:				
28	Unrestricted	\$ 12,711,969	\$ 12,071,276	\$ 12,356,040
29	Restricted	2,982,827	2,972,410	2,085,792
30	Total Fund Balances	\$ 15,694,795	\$ 15,043,685	\$ 14,441,832
31	Total Liabilities & Fund Balances	\$ 76,558,235	\$ 76,286,159	\$ 77,795,345

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended July 31, 2016**

ATTACHMENT D

Month					Year-To- Date					YTD
This Year		Variance			This Year		Variance			Prior Year
Actual	Budget	\$	%	Actual	Budget	\$	%			
					Volume Information					
1	103	110	(7)	-6%	Acute Discharges	103	110	(7)	-6%	110
2	563	619	(56)	-9%	SNF Days	563	619	(56)	-9%	619
3	960	917	43	5%	Home Care Visits	960	917	43	5%	981
4	12,605	13,777	(1,171)	-9%	Gross O/P Revenue (000's)	\$ 12,605	\$ 13,777	(1,171)	-9%	\$ 12,639
					Financial Results					
					Gross Patient Revenue					
5	\$ 6,705,658	\$ 5,647,441	1,058,217	19%	Inpatient	\$ 6,705,658	\$ 5,647,441	1,058,217	19%	\$ 5,081,706
6	6,089,038	8,221,701	(2,132,663)	-26%	Outpatient	6,089,038	8,221,701	(2,132,663)	-26%	7,433,308
7	6,225,477	5,243,222	982,255	19%	Emergency	6,225,477	5,243,222	982,255	19%	4,884,453
8	2,006,658	2,295,044	(288,386)	-13%	SNF	2,006,658	2,295,044	(288,386)	-13%	2,221,444
9	332,314	311,980	20,334	7%	Home Care	332,314	311,980	20,334	7%	321,409
10	\$ 21,359,145	\$ 21,719,388	(360,243)	-2%	Total Gross Patient Revenue	\$ 21,359,145	\$ 21,719,388	(360,243)	-2%	\$ 19,942,320
					Deductions from Revenue					
11	\$ (17,193,788)	\$ (17,017,974)	(175,814)	-1%	Contractual Discounts	\$ (17,193,788)	\$ (17,017,974)	(175,814)	-1%	\$ (18,425,349)
12	(120,000)	(66,250)	(53,750)	-81%	Bad Debt	(120,000)	(66,250)	(53,750)	-81%	(150,000)
13	(29,730)	(35,969)	6,239	17%	Charity Care Provision	(29,730)	(35,969)	6,239	17%	(5,007)
14	1,028,647	-	1,028,647	*	Prior Period Adj/Government Program Revenue	1,028,647	-	1,028,647	*	2,919,501
15	\$ (16,314,871)	\$ (17,120,193)	805,322	-5%	Total Deductions from Revenue	\$ (16,314,871)	\$ (17,120,193)	805,322	-5%	\$ (15,660,855)
16	\$ 5,044,274	\$ 4,599,195	445,079	10%	Net Patient Service Revenue	\$ 5,044,274	\$ 4,599,195	445,079	10%	\$ 4,281,465
17	\$ 127,594	\$ 155,771	(28,177)	-18%	Risk contract revenue	\$ 127,594	\$ 155,771	(28,177)	-18%	\$ 201,124
18	\$ 5,171,868	\$ 4,754,966	416,902	9%	Net Hospital Revenue	\$ 5,171,868	\$ 4,754,966	416,902	9%	\$ 4,482,589
19	\$ 19,337	\$ 24,351	(5,014)	-21%	Other Op Rev & Electronic Health Records	\$ 19,337	\$ 24,351	(5,014)	-21%	\$ 59,891
20	\$ 5,191,205	\$ 4,779,317	411,888	9%	Total Operating Revenue	\$ 5,191,205	\$ 4,779,317	411,888	9%	\$ 4,542,480
					Operating Expenses					
21	\$ 2,235,401	\$ 2,297,382	61,981	3%	Salary and Wages and Agency Fees	\$ 2,235,401	\$ 2,297,382	61,981	3%	\$ 2,195,146
22	879,134	\$ 860,742	(18,392)	-2%	Employee Benefits	879,134	860,742	(18,392)	-2%	831,409
23	\$ 3,114,535	\$ 3,158,124	43,589	1%	Total People Cost	\$ 3,114,535	\$ 3,158,124	43,589	1%	\$ 3,026,555
24	\$ 390,273	\$ 384,576	(5,697)	-1%	Med and Prof Fees (excld Agency)	\$ 390,273	\$ 384,576	(5,697)	-1%	\$ 340,214
25	512,982	534,973	21,991	4%	Supplies	512,982	534,973	21,991	4%	450,286
26	287,091	328,256	41,165	13%	Purchased Services	287,091	328,256	41,165	13%	287,032
27	280,470	293,214	12,744	4%	Depreciation	280,470	293,214	12,744	4%	291,608
28	109,979	98,357	(11,622)	-12%	Utilities	109,979	98,357	(11,622)	-12%	104,392
29	29,292	33,333	4,041	12%	Insurance	29,292	33,333	4,041	12%	25,270
30	34,224	34,328	104	0%	Interest	34,224	34,328	104	0%	38,436
31	154,471	177,380	22,909	13%	Other	154,471	177,380	22,909	13%	154,466
32	558,377	-	(558,377)	*	Matching Fees (Government Programs)	558,377	-	(558,377)	*	0
33	\$ 5,471,694	\$ 5,042,541	(429,153)	-9%	Operating expenses	\$ 5,471,694	\$ 5,042,541	(429,153)	-9%	\$ 4,718,259
34	\$ (280,489)	\$ (263,224)	(17,265)	-7%	Operating Margin	\$ (280,489)	\$ (263,224)	(17,265)	-7%	\$ (175,779)

## ATTACHMENT D

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended July 31, 2016**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
35	\$ (12,866)	\$ (11,237)	(1,629)	14%
36	-	-	-	0%
37	(37,500)	(37,500)	-	0%
38	250,378	250,000	378	0%
39	<b>\$ 200,012</b>	<b>\$ 201,263</b>	<b>(1,251)</b>	<b>-1%</b>
40	<b>\$ (80,477)</b>	<b>\$ (61,961)</b>	<b>(18,516)</b>	<b>30%</b>
41	\$ 10,417	\$ 20,698	(10,281)	-50%
42	\$ -	\$ -	-	0%
43	<b>\$ (70,060)</b>	<b>\$ (41,263)</b>	<b>(28,797)</b>	<b>70%</b>
44	246,909	246,909	-	0%
45	(117,929)	(117,930)	1	0%
46	<b>\$ 58,920</b>	<b>\$ 87,716</b>	<b>(28,796)</b>	<b>-33%</b>
	\$ 234,217	\$ 265,581		
	4.5%	5.6%		

**Non Operating Rev and Expense**  
 Miscellaneous Revenue  
 Donations  
 Physician Practice Support-Prima  
 Parcel Tax Assessment Rev  
**Total Non-Operating Rev/Exp**  
  
**Net Income / (Loss) prior to Restricted Contributions**

Capital Campaign Contribution  
 Restricted Foundation Contributions  
**Net Income / (Loss) w/ Restricted Contributions**

GO Bond Tax Assessment Rev  
 GO Bond Interest

**Net Income/(Loss) w GO Bond Activity**

**EBIDA - Not including Restricted Contributions**

	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
	\$ (12,866)	\$ (11,237)	(1,629)	*	\$ 3,894
	-	-	-	0%	0
	(37,500)	(37,500)	-	0%	(37,500)
	250,378	250,000	378	0%	251,954
	<b>\$ 200,012</b>	<b>\$ 201,263</b>	<b>(1,251)</b>	<b>-1%</b>	<b>\$ 218,348</b>
	<b>\$ (80,477)</b>	<b>\$ (61,961)</b>	<b>(18,516)</b>	<b>30%</b>	<b>\$ 42,569</b>
	\$ 10,417	\$ 20,698	(10,281)	-50%	\$ 35,417
	\$ -	\$ -	-	100%	\$ -
	<b>\$ (70,060)</b>	<b>\$ (41,263)</b>	<b>(28,797)</b>	<b>70%</b>	<b>\$ 77,986</b>
	246,909	246,909	-	0%	242,777
	(117,929)	(117,930)	1	0%	(117,929)
	<b>\$ 58,920</b>	<b>\$ 87,716</b>	<b>(28,796)</b>	<b>-33%</b>	<b>\$ 202,834</b>
	\$ 234,217	\$ 265,581			\$ 372,613
	4.5%	5.7%			8.2%

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

ATTACHMENT E

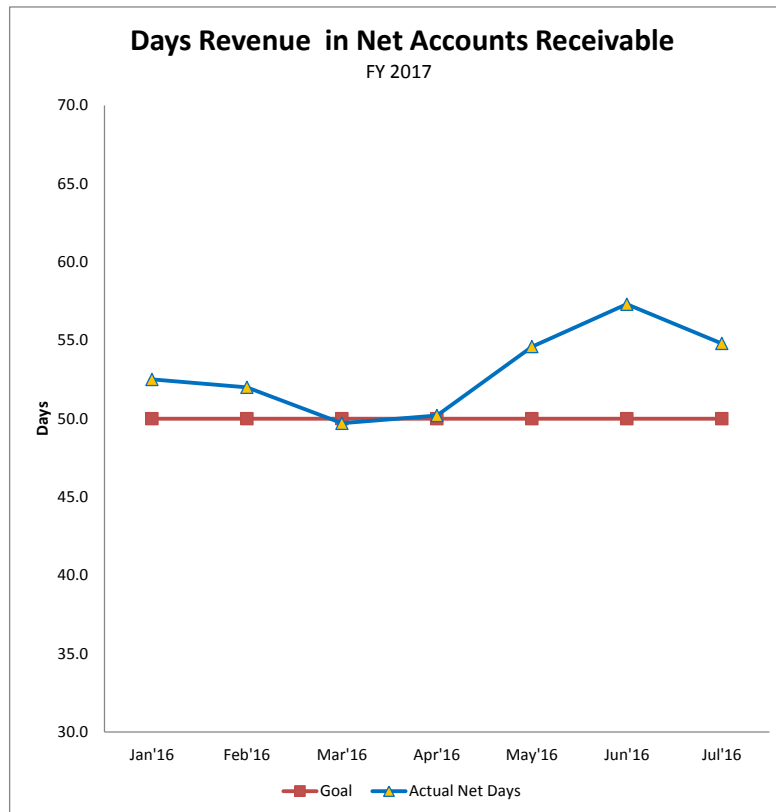
	YTD	MONTH	
Description	Variance	Variance	
<b>Volume Information</b>			
1 Acute Discharges	(7)	(7)	
2 SNF Days	(56)	(56)	
3 Home Care Visits	43	43	
4 Gross O/P Revenue (000's)	(1,171)	(1,171)	
<b>Financial Results</b>			
<b>Gross Patient Revenue</b>			
5 Inpatient	1,058,217	1,058,217	Patient Days are 386 vs. budgeted expectations of 356 and inpatient surgeries are 43 vs. budgeted expectations of 36.
6 Outpatient	(2,132,663)	(2,132,663)	Outpatient surgeries are 73 vs. budgeted expectations 109.
7 Emergency	982,255	982,255	ER visits are 940 vs. budgeted visits of 878
8 SNF	(288,386)	(288,386)	SNF patient days are 563 vs. budgeted expected days of 619.
9 Home Care	20,334	20,334	HHA visits are 960 vs. budgeted expectations of 917.
10 <b>Total Gross Patient Revenue</b>	<b>(360,243)</b>	<b>(360,243)</b>	
<b>Deductions from Revenue</b>			
11 Contractual Discounts	(175,814)	(175,814)	
12 Bad Debt	(53,750)	(53,750)	
13 Charity Care Provision	6,239	6,239	
14 Prior Period Adj/Government Program Revenue	1,028,647	1,028,647	Accrual of Prime Grant for July with a net amount of \$125,000 and accrual of FY 14-15 RR IGT of \$903,647 (matching fee in line 32, net proceeds is \$345,270).
15 <b>Total Deductions from Revenue</b>	<b>805,322</b>	<b>805,322</b>	
16 <b>Net Patient Service Revenue</b>	<b>445,079</b>	<b>445,079</b>	
17 Risk contract revenue	(28,177)	(28,177)	Blue Shield capitation received was under budget.
18 <b>Net Hospital Revenue</b>	<b>416,902</b>	<b>416,902</b>	
19 Other Op Rev & Electronic Health Records	(5,014)	(5,014)	
20 <b>Total Operating Revenue</b>	<b>411,888</b>	<b>411,888</b>	
<b>Operating Expenses</b>			
21 Salary and Wages and Agency Fees	61,981	61,981	Salaries and Wages are better than budget by \$109,496 and agency fees are over budgeted expectations by (\$47,515).
22 Employee Benefits	(18,392)	(18,392)	
23 <b>Total People Cost</b>	<b>43,589</b>	<b>43,589</b>	
24 Med and Prof Fees (excl Agency)	(5,697)	(5,697)	
25 Supplies	21,991	21,991	Lower supply costs due to lower outpatient volume.
26 Purchased Services	41,165	41,165	Budgeted purchased services not used in July
27 Depreciation	12,744	12,744	
28 Utilities	(11,622)	(11,622)	Higher PG&E costs during summer months - budget spread evenly over 12 months.
29 Insurance	4,041	4,041	
30 Interest	104	104	
31 Other	22,909	22,909	
32 Matching Fees (Government Programs)	(558,377)	(558,377)	Accrued IGT matching fee of \$558,377. This expense is offset from the revenue above from line 14.
33 <b>Operating expenses</b>	<b>(429,153)</b>	<b>(429,153)</b>	
34 <b>Operating Margin</b>	<b>(17,265)</b>	<b>(17,265)</b>	
<b>Non Operating Rev and Expense</b>			
35 Miscellaneous Revenue	(1,629)	(1,629)	
36 Donations	-	-	
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	378	378	
39 <b>Total Non-Operating Rev/Exp</b>	<b>(1,251)</b>	<b>(1,251)</b>	

New Pg 47

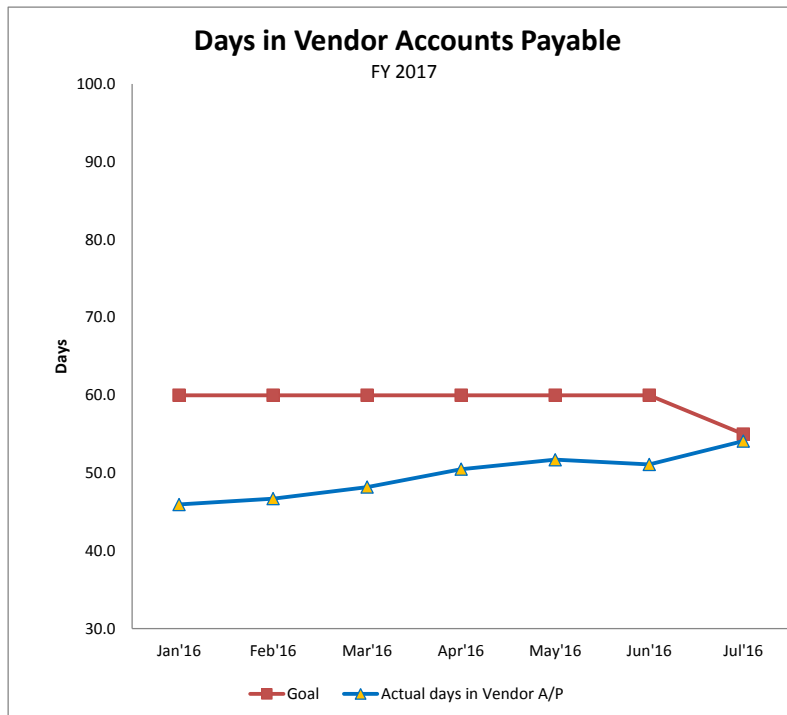
**Sonoma Valley Health Care District**  
**Statement of Revenue and Expenses Variance Analysis**  
**For the Period Ended July 31, 2016**

	YTD	MONTH	
Description	Variance	Variance	
		-	
40 Net Income / (Loss) prior to Restricted Contributions	(18,516)	(18,516)	
		-	
41 Capital Campaign Contribution	(10,281)	(10,281)	Capital campaign donations received from the Foundation were under budgeted expectations.
42 Restricted Foundation Contributions	-	-	
43 Net Income / (Loss) w/ Restricted Contributions	(28,797)	(28,797)	
44 GO Bond Tax Assessment Rev	-	-	
45 GO Bond Interest	1	1	
46 Net Income/(Loss) w GO Bond Activity	(28,796)	(28,796)	





Days in A/R	Jan'16	Feb'16	Mar'16	Apr'16	May'16	Jun'16	Jul'16
Actual days in A/R	52.5	52.0	49.7	50.2	54.6	57.3	54.8
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Jan'16	Feb'16	Mar'16	Apr'16	May'16	Jun'16	Jul'16
Actual days in Vendor A/P	45.9	46.7	48.2	50.5	51.7	51.1	54.1
Goal	60.0	60.0	60.0	60.0	60.0	60.0	55.0

**Sonoma Valley Hospital**  
Statistical Analysis  
FY 2017

ATTACHMENT G

Statistics	ACTUAL	BUDGET
	Jul-16	Jul-16
<b>Acute</b>		
Acute Patient Days	386	356
Acute Discharges (w/o Newborns)	103	110
<b>SNF Days</b>	563	619
<b>HHA Visits</b>	960	917
<b>Emergency Room Visits</b>	940	878
<b>Gross Outpatient Revenue (000's)</b>	\$12,605	\$13,777
<b>Equivalent Patient Days</b>	2,322	2,666
<b>Births</b>	14	12
<b>Surgical Cases - Inpatient</b>	43	36
<b>Surgical Cases - Outpatient</b>	73	109
<b>Total Surgical Cases</b>	116	145
<b>Medicare Case Mix Index</b>	1.84	1.40
<b>Income Statement</b>		
Net Revenue (000's)	5,172	4,755
Operating Expenses (000's)	\$5,472	\$5,043
Net Income (000's)	59	88
<b>Productivity</b>		
Total Operating Expense Per Equivalent Patient Day	\$2,356	\$1,891
Productive FTEs	278	287
Non-Productive FTE's	42	32
Total FTEs	320	319
FTEs per Adjusted Occupied Bed	4.28	3.71
<b>Balance Sheet</b>		
Days of Expense In General Operating Cash	11	
Net Days of Revenue in AR	55	50

ACTUAL												
Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15
334	386	409	426	417	404	351	316	325	376	297	352	357
95	85	97	99	101	124	109	85	97	92	74	110	97
526	529	578	580	671	710	648	544	666	607	634	619	669
942	844	999	879	889	933	915	1,088	948	948	917	981	1,014
907	940	912	945	919	864	863	841	820	871	888	878	846
\$13,465	\$13,827	\$12,542	\$14,266	\$12,049	\$12,184	\$12,274	\$11,900	\$13,103	\$12,774	\$12,910	\$12,639	\$12,065
2,381	2,545	2,636	2,886	2,628	2,771	2,614	2,384	2,691	2,565	2,679	2,651	2,757
14	13	17	17	9	17	21	14	11	11	15	15	24
31	36	26	31	34	26	32	24	36	36	26	29	35
93	87	92	110	93	98	104	90	95	91	96	96	87
124	123	118	141	127	124	136	114	131	127	122	125	122
1.64	1.73	1.47	1.48	1.50	1.41	1.35	1.69	1.53	1.69	1.52	1.44	1.76
4,980	4,610	4,481	4,484	4,614	4,522	4,729	4,029	4,655	4,739	4,612	4,483	4,564
\$5,450	\$5,267	\$5,143	\$4,968	\$4,987	\$4,932	4,829	4,665	4,931	4,931	4,863	4,718	5,103
(133)	(403)	(99)	(132)	39	19	575	245	104	170	149	203	139
\$2,289	\$2,069	\$1,951	\$1,721	\$1,898	\$1,780	\$1,847	\$2,022	\$1,832	\$1,922	\$1,815	\$1,780	\$1,851
287	300	292	293	296	271	277	292	299	280	273	277	273
37	32	32	33	28	48	41	30	28	32	37	36	36
324	332	324	326	324	319	317	322	327	312	310	313	309
4.08	4.16	3.70	3.50	3.58	3.57	3.77	4.05	3.77	3.65	3.58	3.66	3.36
9	9	13	10	12	14	21	9	13	18	16	22	16
57	55	50	50	52	53	51	53	47	49	45	46	47

Sonoma Valley Hospital  
Cash Forecast  
FY 2016

ATTACHMENT H

	Actual July	Forecast Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast TOTAL
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	4,375,192	4,430,627	4,419,141	4,518,202	4,069,834	4,354,329	4,423,155	4,363,605	4,946,805	4,418,111	4,550,874	4,510,595	53,380,470
2 Capitation Revenue	127,594	155,771	155,771	155,771	155,771	155,771	155,771	155,771	155,771	155,771	155,771	155,766	1,841,070
3 Napa State	2,326												2,326
4 Other Operating Revenue	39,800	24,351	24,351	24,351	24,351	24,351	24,351	24,351	24,351	24,351	24,351	24,351	307,661
5 Other Non-Operating Revenue	20,788	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,617	236,495
6 Unrestricted Contributions	1,549												1,549
7 Line of Credit	190,000	(190,000)											-
Sub-Total Hospital Sources	4,757,249	4,440,358	4,618,872	4,717,933	4,269,565	4,554,060	4,622,886	4,563,336	5,146,536	4,617,842	4,750,605	4,710,329	55,769,571
<b>Hospital Uses of Cash</b>													
8 Operating Expenses	4,578,560	4,775,325	4,684,186	4,812,570	4,615,678	4,789,159	4,889,975	4,671,846	5,017,010	4,749,098	4,835,696	4,850,152	57,269,255
9 Less Depreciation		(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,214)	(293,217)	(3,225,357)
10 Add Capital Lease Payments	49,245												49,245
11 Additional AP		400,000			2,000,000	1,000,000	500,000	500,000	500,000	1,500,000		500,000	6,900,000
12 Capital - Board Approved Spending	60,776												60,776
13 Napa State													-
Total Hospital Uses	4,688,581	4,882,111	4,390,972	4,519,356	6,322,464	5,495,945	5,096,761	4,878,632	5,223,796	5,955,884	4,542,482	5,056,935	61,053,919
Net Hospital Sources/Uses of Cash	68,668	(441,753)	227,900	198,577	(2,052,899)	(941,885)	(473,875)	(315,296)	(77,260)	(1,338,042)	208,123	(346,606)	(5,284,348)
<b>Non-Hospital Sources</b>													
14 Restricted/Capital Donations Donations	3,167				1,000,000								1,003,167
15 Electronic Health Records													-
16 Parcel Tax Revenue	179,365					1,600,000				1,400,000			3,179,365
17 Advancement - Foundation		400,000			(400,000)								-
18 Advancement - South Lot		150,000											150,000
19 Other:													-
20 IGT				903,647	380,000			300,000					1,583,647
21 IGT - AB915 (Net)													-
22 PRIME	375,000				1,126,000								1,501,000
Sub-Total Non-Hospital Sources	557,532	550,000	-	903,647	2,106,000	1,600,000	-	300,000	-	1,400,000	-	-	7,417,179
<b>Non-Hospital Uses of Cash</b>													
23 Matching Fees	187,575		848,305	563,000									1,598,880
Sub-Total Non-Hospital Uses of Cash	187,575	-	848,305	563,000	-	-	-	-	-	-	-	-	1,598,880
Net Non-Hospital Sources/Uses of Cash	369,957	550,000	(848,305)	340,647	2,106,000	1,600,000	-	300,000	-	1,400,000	-	-	5,818,299
Net Sources/Uses	438,625	108,247	(620,405)	539,224	53,101	658,115	(473,875)	(15,296)	(77,260)	61,958	208,123	(346,606)	
Cash and Equivalents at beginning of period	1,384,178	1,822,803	1,931,050	1,310,645	1,849,869	1,902,970	2,561,085	2,087,210	2,071,914	1,994,654	2,056,612	2,264,735	
Cash and Equivalents at end of period	1,822,803	1,931,050	1,310,645	1,849,869	1,902,970	2,561,085	2,087,210	2,071,914	1,994,654	2,056,612	2,264,735	1,918,129	

9.

ADMINISTRATIVE  
REPORT  
AUGUST 2016

**To:** SVHCD Board of Directors  
**From:** Kelly Mather  
**Date:** 7/28/16  
**Subject:** Administrative Report

## Summary

We met the majority of the goals for Fiscal Year 2016, including the financial EBIDA goal. However, expenses have been reduced due to cash flow concerns.

## Dashboard and Trended Results

The inpatient and emergency satisfaction results continue to be inconsistent, but we met the goal for May. We ended 2015 at the 90<sup>th</sup> percentile for the Value Based Purchasing score quality measure. A few members of the administrative team are meeting next week to develop an organization wide quality goal. I have been attending staff meetings to check on satisfaction and discuss any concerns by department. The conversations about salaries seem to have gone well. We met the EBIDA goal for FY 2016, which is very positive. However, expenses have been running much higher than budgeted due to many medical leave of absences and increased physician costs. We also exceeded our community hours goal for the year.

## Strategic Update:

Strategic Priorities	Update
Quality	The new Leapfrog survey has been received and a new letter grade will come out in September. This survey is very time consuming. Many area hospitals chose not to report this time.
Timeshare Offices	Dr. Pope, a pain management specialist, will start seeing patients in September at the 1 <sup>st</sup> street West time share. Dr. Azari, pain management specialist, will be at the Napa Street office.
1206(b) Clinics	We have two physicians who will start in these clinics this fall. One General Surgeon and one Pain Management physician.
Parcel Tax Renewal plan	We are sharing the plan with the board this month. The vote will be in March, 2017 by mail.
South Lot	We have begun the purchase of the property due to a loan from one of our major donors. Decisions for use of the land will be discussed once the property is ours.
Physician Alignment	Prima (1206I) has added a nurse practitioner and continues and is recruiting a PCP.
Electronic Health Record	A major upgrade is needed and we are recommending we use remote hosting with McKesson. There will still be a capital outlay, but it will be much less with this solution.
Population Health	The Care Transitions program is now underway with the PRIME grant. We expect the first payment on July 29 <sup>th</sup> .

## JUNE 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 <sup>th</sup> percentile	5 out of 9 in May	>7 = 5 (stretch) 6 = 4 <b>5 = 3 (Goal)</b> 4 = 2 <4 = 1
Service Excellence	Highly satisfied Emergency Patients	Maintain at least 5 out of 7 ERCAPS domain results above the 70 <sup>th</sup> percentile	2 out of 7 in May	7 = 5 (stretch) 6 = 4 5 = 3 (Goal) <b>4 = 2</b> 3 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 50 or higher	53.5 (90 <sup>TH</sup> percentile for CY 2015)	>55 = 5 (stretch) <b>&gt;52 = 4</b> >50 = 3 (Goal) >47 = 2 <40 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 <sup>th</sup> percentile or higher	4.33/5 or the 84 <sup>th</sup> percentile	<b>&gt;80<sup>th</sup> = 5 (stretch)</b> >77 <sup>th</sup> = 4 >75 <sup>th</sup> = 3 (Goal) >72 <sup>nd</sup> = 2 <70 <sup>th</sup> = 1
Finance	Financial Viability	YTD EBIDA	4.4%	>5% (stretch) >4.5% = 4 <b>&gt;4.0% (Goal)</b> >3/5% = 2 <3.5% = 1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$59,683,258 (actual) \$58,248,632 (budget)	<2% = 5 (stretch) <1% = 4 <Budget = 3 (Goal) >1% = 2 <b>&gt;2% = 1</b>
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1525 YTD FY2016 1502 YTD FY2015	>2% = 5 <b>&gt;1% = 3</b> < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$154 mm YTD \$138 mm prior year	<b>&gt;5% = 5 (stretch)</b> >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	1831.5 hours for 12 months	<b>&gt;1500 = 5</b> >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



## FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2015
Inpatient Satisfaction	6/9	5	5	2	6	7	8	3	4	1	1	5	
Emergency Satisfaction	5/7	2	3	4	5	5	6	1	2	6	4	2	
Value Based Purchasing	>50	52	52.2	53.5	52.5	53	53.5	n/a	n/a	n/a	n/a	n/a	n/a
Staff Satisfaction	>75th	91	91	91	91	91	91	91	91	84	84	84	84
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	10
YTD EBIDA	>4%	8.2	7.6	7.7	7.3	5.7	6.6	6.2	6	5.6	5.2	4.7	4.4
Net Patient Revenue	>4.5m	4.48	4.6	4.7	4.7	4.1	4.7	4.5	4.6	4.5	4.3	4.6	4.9
Expense Management	<4.8m	4.7	4.8	4.9	4.9	4.6	4.8	4.9	4.9	4.9	5.1	5.2	5.4
Net Income	>50k	202	174	27.8	104	244	575	19	203	-131	-99	-403	-132
Days Cash on Hand	>20	22	16	18	13	9	21	14	12	12	13	9	9
A/R Days	<50	46	45	49	47	53	51	53	52	50	50	55	57
Total FTE's	<315	313	310	312	327	322	317	319	324	326	324	332	324
FTEs/AOB	<4.0	3.6	3.77	3.65	3.77	4.1	3.77	3.57	3.58	3.5	3.7	4.16	4.08
Inpatient Discharges	>100	110	74	92	97	85	109	124	101	99	97	85	95
Outpatient Revenue	>\$12m	12.6	12.9	12.7	13.1	11.9	12.2	12.1	12.1	14.2	12.5	13.8	13.5
Surgeries	>130	125	122	127	131	114	136	124	127	141	118	123	124
Home Health	>1000	981	917	948	948	1088	915	933	889	879	999	844	942
Births	>15	16	15	11	11	14	24	17	9	17	17	13	14
SNF days	>660	619	634	607	666	544	648	710	671	580	578	529	526
MRI	>120	143	131	119	132	109	113	102	119	127	105	122	120
Cardiology (Echos)	>65	66	62	63	77	41	50	46	60	67	61	52	68
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	11.8
Radiology	>850	1036	1011	997	1018	875	907	904	961	1010	963	926	1000
Rehab	>2587	3014	2384	2773	2886	2297	3003	2815	2708	2979	2780	2782	2948
CT	>300	384	352	343	336	381	323	379	352	398	333	373	348
ER	>800	878	888	871	820	841	863	864	919	945	912	940	907
Mammography	>475	462	439	367	543	406	492	446	437	432	384	457	420
Ultrasound	>325	395	314	320	353	246	290	296	304	317	325	285	255
Occupational Health	>650	733	728	646	871	681	683	600	597	757	663	679	651
Wound Care										222	276	235	264