



FINANCE COMMITTEE REGULAR SESSION

AGENDA

Tuesday, July 25, 2017

5:00 p.m.

Location: Schantz Conference Room

Sonoma Valley Hospital, 347 Andrieux Street

Sonoma CA 95476

Call In Number 866-228-9900 guest code 294221

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a Finance Committee meeting, please contact District Clerk Stacey Finn at (707) 935.5004 at least 48 hours prior to the meeting.</p>	RECOMMENDATION	
AGENDA ITEM		
<p>MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</p>		
<p>1. CALL TO ORDER/ANNOUNCEMENTS</p>	<i>Nevins</i>	
<p>2. PUBLIC COMMENT SECTION</p>	<i>Nevins</i>	
<p>3. CONSENT CALENDAR • FC Minutes 06.27.17</p>	<i>Nevins</i>	Action
<p>4. DISCUSSION OF NEW COMMITTEE MEMBER – KIETH HUGHES</p>	<i>Nevins</i>	Inform/Action
<p>5. ADMINISTRATIVE REPORT</p>	<i>Mather</i>	Inform
<p>6. FINANCIAL REPORT FOR MONTH ENDING JUNE 30, 2017</p>	<i>Jensen</i>	Inform/ Action
<p>7. DECEMBER PARCEL ADVANCE</p>	<i>Jensen</i>	Inform/Action
<p>8. CAPITAL CASH REQUIREMENTS</p>	<i>Jensen</i>	Inform
<p>9. REVIEW OF CURRENT DEBT</p>	<i>Jensen</i>	Inform
<p>10. ADJOURN</p>	<i>Nevins</i>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JUNE 27, 2017
Schantz Conference Room**

Present	Excused	Staff	Public
Peter Hohorst John Perez Sharon Nevin Dr. Mishra Susan Porth	Steve Berezin	Ken Jensen Kelly Mather Sara Dungan Cynthia Denton	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>		
	4:04pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	No public comments		
3. CONSENT CALENDAR FC Minutes 5.23.17	<i>Nevins</i>	Action	
		MOTION by Porth to approve, 2 nd by Perez. All in favor.	
4. ADMINISTRATIVE REPORT	<i>Mather</i>	Inform	
	Ms. Mather reported with Dr. Moreno on board Prima medical group should be back on track to make up volumes soon.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Ms. Mather said that we have been working with Canopy Health, John Muir, UCSF, and 11 other hospitals in the bay area. It is a limited Knox Keen health plan that goes through other health providers. With this, it could move us into a better rate with Medicare, as much as 130%. Right now we get 70% from Medicare.</p> <p>Meritage Medical network is currently handling our IPA and we are working with them to manage our physician practices the future.</p> <p>Ms. Mather reported that surgeries are up 18% over the prior year.</p> <p>Ms. Mather reported that there were three housing proposals for the South Lot purchase and one was for us to keep it and develop it ourselves. The next Board meeting there will be a vote on whether to keep or sale. This will happen after a closed session with our attorney to create some criteria for how the Board will evaluate the proposals. If the decision is to sell the hope is that would be done in August. The goal is to have it sold in 12 months.</p> <p>Ms. Nevins requested an update on local hospitals.</p> <p>Ms. Mather reported that Sonoma West has a new leader coming in to manage the hospital. Petaluma Valley has a new management company that will manage them once the St. Joe's lease is up.</p>		
<p>5. FINANCIAL REPORT FOR MONTH ENDING MAY 31, 2017</p>	<p><i>Jensen</i></p>		
	<p>Mr. Jensen reported out the finance information for the month end of May 2017. He pointed out that the payer mix we are at 79% for government program. Mr. Jensen did a comparison to 2012 and current state. In 2012 the commercial accounts were 35% of our business. Now they are at 19%. The net range for that is 2.2 million dollars. So we kept the bottom line at the</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>average, recognizing the increase cost and decreased revenue.</p> <p>Mr. Jensen reported that the payer mixes are close to budget and that last month cash collected was 4.88 million. The highest net for patient accounting. Day's cash were at 18.5, days in AR was at 44.4, days in AP 45.2. Total gross revenue was 2.5 million dollars. Bad debt is up, and is a true up due to the auditors over accruing. Total operating revenue 5.348 million vs 4.7 million, six hundred thousand positive. Salary variances are due to agency fees. Supply variance are due to implant costs.</p> <p>Expenses were over 596 thousand net resulting in a negative loss of 329 thousand vs budgeted loss of 333 thousand. Net income with the GO bond adjustment is 16 thousand vs. a budgeted 15 thousand. EBIDA 4.1 5 vs. 1.9% IBIDA was 3.0% vs 3.2%. Cash forecast – by the end of this month we will be a 2.7 million dollars to start the fiscal year.</p>		
6. CAPITAL CASH REQUIREMENTS	<i>Jensen</i>	Inform	
	No new information to report		
7. REVIEW OF CURRENT DEBT	<i>Jensen</i>	Inform	
	No new information to report		
9. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 4:52 pm		

KEITH W. HUGHES

Keith W. Hughes is the former Chairman and C.E.O. of Dallas-based Associates First Capital, the largest public finance company in the United States. Following a merger with Citigroup in 2001, Hughes became a Vice Chairman and member of the Board of Citigroup. In 2003, Hughes became the founder and President of Hughes Family Vineyards, an artisan winery with organic vineyards in Glen Ellen, California.

After earning his M.B.A. in 1969, Hughes worked in the financial services industry at Continental Illinois Bank, in Chicago, Northwestern Bank, in Minneapolis, and Crocker Bank, in San Francisco. Hughes joined Associates First Capital in 1981 and became President and C.O.O. in 1991. He was elected Chairman and C.E.O. in 1994. The Associates became a public company under his leadership in 1996. At the time of the merger with Citigroup, Associates First Capital had achieved record earnings for twenty-six consecutive years and operated in seventeen countries and employed 36,000 people.

Hughes is currently a member of the Board of Directors of Fidelity National Information Services, Jacksonville, FL, a leading provider of core processing for domestic and international financial institutions. He was formerly on the Boards of Visa USA and Visa International, Citigroup, Texas Industries, Pilgrim's Pride and THL Credit.

Hughes is currently on the board of The Sonoma Valley Education Foundation and is an active member of Sonoma Valley Rotary. His previous nonprofit affiliations include The Boys and Girls Club of Sonoma Valley, The Green Music Center, Quarry Hill, United Way of Dallas where he was the 2000 recipient of the J. Eric Johnston award for distinguished community leadership, Children's Medical Center of Dallas, Salvation Army of Dallas, The Dallas Museum of Art and the University of Texas Southwestern Medical School Foundation.

Hughes attended Miami University in Oxford, Ohio where he received a B.S. and M.B.A. He remains active in academics through guest lecturing at the Southern Methodist University Cox School of Business and Miami University Farmer Business School.

He is married to Cheryl F. Hughes, Ph.D., a pediatric psychologist. They maintain residences in Glen Ellen, Sonoma, and Key Largo, Florida.



To: SVHCD Board of Directors
From: Kelly Mather
Date: 6/28/17
Subject: Administrative Report

Summary

Our FY 2018 budget was approved. This projects a \$4.6 million operating loss which is the same as the average we have seen in the last five years. Thank goodness Measure E passed and we were able to include the parcel tax revenue in this budget. The experience over the last six months with the two parcel tax campaigns has been enlightening. We are stepping up our communications with our community and we are addressing the misinformation and unfortunate assumptions that some have about the hospital. I am attaching the leadership salaries and comparisons to show how we make salary decisions. We are at the mid-point, even with executives who have over 25 years of experience in their roles.

Dashboard and Trended Results

The patient satisfaction results are improving again. Staff satisfaction action plans are now complete. We are very close to meeting budget for the year. Expenses are higher than expected due to the cost of the implants. Our finance team did an excellent job in forecasting our budget in these very tumultuous times. Surgery volume remains much higher at 17% over the prior year the rest of the volumes have increased since the first part of the year, especially in outpatient. We have also done a great job in community outreach this year through partnerships with other organizations such as Vintage House and La Luz.

Strategic Update from FY 2017 Strategic Plan:

Strategic Priorities	Update
Satisfaction	The scores continue to improve very slowly but we set the goals a bit too high this year. The room cleanliness score is excellent!
Quality & Safety	I have attached my proposed new performance scorecard which has a great deal more measurements of quality.
Physician Alignment	We have learned a great deal with the 1206b clinics this year. This was a very new service for SVH. Pain management continues to grow and we have a new psychiatrist, Dr. Lee, who joined Summit Pain Alliance.
Revenue Growth	Our success this year has been in growing surgery, especially general surgery and orthopedics. The prison contracts have contributed to that increase.
Technology Upgrades	The Paragon 14 upgrade is underway and this is significant. Most all of our resources will be dedicated to this project for the summer and fall. It is very difficult with our small staff and limited resources to stay current.
Financial Stability	Cash on hand is much better than last year at this time. The foundation hosted a nice event with donors who have given over \$25,000 to the hospital over the years whereby they met 14 of our new physicians.
Community Health	We led the Integrative Health Fair at Pharmaca and participated in Hit the Road Jack and the Springs Festival this month. Wellness U is scheduled for July.



MAY 2017

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Rolling 12 month average of at least 5 out of 9 HCAHPS domain results above the 70 th percentile	2 out of 9 through April	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Rolling 12 month average of at least 4 out of 7 ERCAPS domain results above the 70 th percentile	2 out of 7 through April	6 = 5 (stretch) 5 = 4 4 = 3 (Goal) 3 = 2 2 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Safety Score at 75% or higher	77%	>85 = 5 (stretch) >80 = 4 >75 = 3 (Goal) >70 = 2 <70 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	4.24/5 or the 85% mean score and 74 th percentile	>80 th = 5 (stretch) >77 th = 4 >75 th = 3 (Goal) >72 nd = 2 <70 th = 1
Finance	Financial Viability	YTD EBIDA	3.1%	>4% (stretch) >3.5% = 4 >3.0% (Goal) >2.5% = 2 <2.5% = 1
	Efficiency and Financial Management	Meet FY 2017 Budgeted Expenses (excluding IGT)	\$55,438,007 (actual) \$55,290,240 (budget)	<2% = 5 (stretch) <1% = 4 <Budget = 3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1559 YTD FY2017 1352 YTD FY2016	>2% = 5 >1% = 3 <1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$148 mm YTD \$140 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	1246.5 hours for 11 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2017 TRENDED RESULTS

MEASUREMENT	Goal FY 2017	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2016
Inpatient Satisfaction	5/9	0	0	1	2	3	3	2	3	2	6		
Emergency Satisfaction	4/7	1	1	1	1	2	3	2	3	3	7		
VBP Safety score	>75	77.5	77.5	67	67	67	67	77	77	77	77		
Staff Satisfaction	>75th	84	84	84	84	84	84	84	74	74	74	74	84
FY YTD Turnover	<10%	.9	1.5	1.8	3.6	4.2	4.8	5.6	6.3	7.2	7.7	8.4	10
YTD EBIDA	>3%	4.5	3.8	4.2	5.2	4.4	1.5	2.2	2	3	3	3.1	4.4
Operating Revenue	>5m	5.1	5.0	4.5	4.7	4.5	3.7	4.5	4.3	5.3	4.9	5.3	4.9
Expense Management	<5m	4.9	5.1	4.8	4.9	5.0	4.7	5.0	4.8	5.4	5.3	5.6	5.4
Net Income	>50k	59	-23	94	336	-270	-599	-107	307	304	-24	16	-132
Days Cash on Hand	>20	11	15	6	11	10	25	20	27	16	11	19	9
A/R Days	<50	55	50	50	50	53	51	50	46	44	47	44	57
Total FTE's	<315	320	321	319	316	319	309	316	322	322	313	319	324
FTEs/AOB	<4.0	4.28	3.86	3.54	4.11	4.35	4.03	3.74	3.54	3.93	4.22	3.73	4.08
Inpatient Discharges	>100	103	105	95	99	95	100	119	97	119	89	100	95
Outpatient Revenue	>\$13m	12.6	13.3	13.5	13.3	13.1	12.9	13.5	12.2	15.1	13.1	15.5	13.5
Surgeries	>130	116	124	118	126	161	126	148	127	189	171	173	124
Home Health	>950	960	890	1042	880	938	919	877	922	849	934	966	942
Births	>12	14	17	14	9	8	9	11	12	12	11	7	14
SNF days	>600	563	608	624	512	446	500	592	607	572	512	559	526
MRI	>120	105	97	104	140	118	130	115	107	137	121	116	120
Cardiology (Echos)	>50	41	53	66	60	51	51	55	69	89	70	70	68
Laboratory	>12	11.2	12.2	11.4	12.6	12.1	12.0	12.5	11.5	13.9	12.1	13.6	11.8
Radiology	>850	902	944	1001	898	870	934	1012	981	1159	963	1142	1000
Rehab	>2700	2618	3008	3136	2575	2286	2117	2530	2161	3020	2748	2983	2948
CT	>300	365	327	412	367	306	340	341	323	398	385	407	348
ER	>900	940	918	897	852	850	942	1000	851	941	921	1069	907
Mammography	>425	400	475	421	434	435	399	171	215	246	191	214	420
Ultrasound	>300	281	310	288	288	290	271	253	284	334	213	279	255
Occupational Health	>650	602	724	741	797	636	601	484	568	611	631	607	651
Wound Care	>200	221	312	253	226	199	225	228	238	348	239	203	264



Performance Dashboard

Prior Year/National

Patient Experience	Current Performance	FY 2018 Goal	Benchmark
Would Recommend Hospital	53rd percentile	> 60th percentile	50th percentile
Inpatient Overall Rating	55th percentile	>60th percentile	50th percentile
Home Health	91%	> 90%	> 80%
Outpatient Services	Starting 7/1/2017	% Rate My Hospital	n/a
Outpatient Surgery	Starting 10/1/17	> 60th percentile	50th percentile
Quality & Safety	YTD Performance	FY 2018 Goal	Benchmark
Hospital Acquired Infections	5 of 6 <benchmark	5 of 6 <benchmark	6 of 6 < benchmark
30 Day All- Cause Readmissions	9.40%	< 10 %	< 18.5%
Serious Safety Events	0	0	0
Overall Surgical Site Infection Rate	0.43%	0.50%	n/a
Hand Hygeine	98%	>90%	>80%
Falls	2.1	< 2.3	2.3
Pressure Ulcers	3.3	<3.7	3.7
Injuries to Staff	6	< 10	17
Adverse Drug Events with Harm	0	0	0
C Section rate	10.80%	<20%	< 20%
Wound Care time to heal	22 days	< 30 days	< 31 days
Repeat Analysis in Radiology	3.25%	< 5%	< 5%
Reportable HIPPA Privacy Events	3	0	0
SNF Star Rating	4	4	3
Hospital Star Rating	4	4	3
Our People	YTD Performance	FY 2018 Goal	Benchmark
Press Ganey Engagement Survey	74th percentile	75th percentile	50th percentile
Wellness Ambassadors	216	250	> 200
Turnover	8.40%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2018 Goal	Benchmark
EBDA	3.10%	2.89%	3%
FTE's/AOB	3.73	4	5.3
Days Cash on Hand	19	20	30
Days in Accounts Receivable	48	49	50
Length of Stay		3.85	4.03
Cost per Medicare Beneficiary	\$18,430	<\$20,000	\$20,473
Funds raised by SVHF	\$1,476,937	\$4,483,950	\$1 million
Strategic Growth	YTD Performance	FY 2018 Goal	Benchmark
Inpatient Discharges		1193	1225
Outpatient Visits		168,799	168,624
Emergency Visits		11,022	11,000
Surgeries		1,800	1,680
Births		132 or 11 per month	120
Home Health Visits		11,053	11,400
Community Benefit Hours		1200	1200

Job Title	Department Name	Job Code	FTE	Yrs. Exp	Annual Salary *	50th			
						No. Calif. 50th Percentile	Urban/Suburban 50th Percentile	Percentile 300-800 EE	50th Percentile Annual Bonus
Chief Executive Officer	Administration	4001	1.0	25+	\$ 350,085	\$ 335,120	\$ 369,000	\$ 332,000	\$ 102,160
Chief Financial Officer	Administration	4003	0.8	40+	\$ 212,193	\$ 237,500	\$ 242,300	\$ 220,000	\$ 40,650
Chief Information Officer	Information Systems	4004	1.0	16	\$ 157,602	\$ 199,510	\$ 247,230	\$ 199,510	\$ -
Chief Nursing Officer	Nursing Admin	4006	1.0	30+	\$ 225,846	\$ 215,300	\$ 216,300	\$ 190,940	\$ 53,560
Chief Revenue Officer (Business Dev)	Administration	4008	1.0	8	\$ 212,160	\$ 205,980	\$ 206,000	\$ 197,500	\$ -
Chief Medical Officer/CMIO	Administration	4011	0.5	40+	\$ 158,309	\$ 312,110	\$ 325,750	\$ 319,290	\$ 47,140
Chief Ancillary Officer (Professional Svcs)	Administration	4013	1.0	12	\$ 169,749	\$ 204,650	\$ 205,000	\$ 169,890	\$ -
Chief Quality Officer	Quality & Resource Management	4017	0.8	30+	\$ 166,816	\$ 171,460	\$ 171,460	\$ 157,000	\$ -
\$ 1,652,760						\$ 1,881,630	\$ 1,983,040	\$ 1,786,130	

Job Title	Department Name	Job Code	FTE	Yrs Exp	Annual Salary	50th			
						No. Calif. 50th Percentile	Bay Area Region 50th Percentile	Percentile 300-800 EE	50th Percentile Annual Bonus
Controller	Accounting	2101	1.0	15	\$ 131,123	\$ 145,930	\$ 165,000	\$ 135,780	\$ 12,540.00
Director of Patient Financial Services	Patient Accounting	2109	1.0	25+	\$ 131,144	N/A	N/A	\$ 145,620	\$ -
Director of Materials Management	Materials Management	2206	0.9	25	\$ 114,286	\$ 110,370	\$ 140,310	\$ 104,540	\$ 9,320.00
Director of Quality & Risk Management	Quality & Resource Management	2212	1.0	6	\$ 125,008	\$ 158,020	\$ 177,480	\$ 147,620	\$ -
Director of Information Systems	Information Systems	2224	1.0	28+	\$ 135,075	\$ 131,140	N/A	N/A	\$ -
Director of Facilities	Plant Operations	2225	1.0	26	\$ 137,530	\$ 158,160	\$ 207,630	N/A	\$ -
Director of Human Resources	Human Resources	4005	1.0	20+	\$ 158,246	\$ 178,990	\$ 198,120	\$ 177,590	\$ 29,660.00
Director of ED/ICU	Emergency	2407	1.0	18	\$ 165,506	\$ 170,990	\$ 177,000	\$ 133,590	\$ 23,820.00
Director of Healing at Home	Healing at Home	2504	1.0	23	\$ 168,979	\$ 172,320	\$ 174,100	\$ 136,690	\$ -
Director of SNF	Skilled Nursing Facility	2601	1.0	33	\$ 159,099	N/A	N/A	\$ 129,880	\$ -

NOTES OF IMPORTANCE:

* Base Annual Salary; The CEO is eligible for an annual bonus up to 20% of base salary this is significantly less than most hospitals which average 35%

- No other executives besides the CEO receive a bonus, bonuses for management are typical at many other hospitals.
- The CEO also does the COO role. Many hospitals above \$50 million in net revenue have a COO.
- The CFO does not work full time because we have determined SVH does not need this position full time.
- The CIO and the Information Services team are under resourced due to affordability and must be very hands on which is not typical at most hospitals
- The CNO oversees unit managers and performs house supervision. SVH has a very flat nursing structure.
- The CRO was previously Director of Surgery and is a Registered Nurse. She still has a strong role in surgery.
- The CMO role was reduced to part time and he also serves as the Chief Medical Information Officer.
- The Chief Ancillary Officer is responsible for most of the outpatient services and manages many people who are providing direct patient care. This is a very flat structure
- The Chief Quality Officer is responsible for several departments and also serves as the medical staff coordinator since we recently eliminated that position
- The Director of Patient Financial Services oversees both Patient Accounting & Admitting - a dual role not utilized much in No. Calif. Statewide 50th percentile is \$158,900.
- Director of SNF as a distinct part of the hospital is common in Southern Calif., but not in No. Calif. Statewide 50th percentile is \$153,230.

(Southern California typically pays less than Northern California)



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: July 25, 2017
Subject: Financial Report for the Month Ending June 30, 2017 – Pre Audit Financials

The actual loss of (\$43,739) from operations for June was \$344,936 favorable to the budgeted loss of (\$388,675). The fiscal year-end actual loss from operations is (\$4,361,038) compared to the expected loss of (\$4,467,703) and is favorable by \$106,665. After accounting for all other activity; the June net income was \$689,970 vs. the budgeted net loss of (\$39,977) with a monthly EBIDA of 8.5% vs. a budgeted 2.8%. The fiscal year-end total net income is \$1,269,598 favorable to budget with a year-end EBIDA of 3.6% vs. the budgeted 3.3%.

The Hospital implemented a 6% strategic price increase that went into effect June 1, 2017. The price increase is not reflected in the budget for June 2017.

Gross patient revenue for June was \$23,651,284, \$2,291,683 better than expected primarily due to the June 1st price increase. Inpatient gross revenue was over budget by \$545,700. Inpatient days were under budget by (21) days and inpatient surgeries were under budgeted expectations by (7) cases but there was a higher than average case mix for June. Outpatient revenue was over budget by \$938,106. Outpatient visits were over budgeted expectations by 359 visits and outpatient surgeries were over budget by 62 cases. The Emergency Room gross revenue is over budget by \$1,447,028; with ER visits over budget by 105 visits. SNF gross charges were under budgeted expectations by (\$647,429) and SNF patient days were under budget by (211) days. Home Health was over budget by \$8,278 with visits close to budget at 940 visits.

Deductions from revenue were unfavorable to budgeted expectations by (1,760,204). The unfavorable variance is due to the favorable variance in June's gross charges primarily due to the price increase. The revenue deductions were offset by the HQAF IGT of \$216,363, Prime grant of \$125,000, and the Medicare pass thru payments for FY 2017 of \$138,943. Without the additional government funding, the revenue deductions would be unfavorable to budget by (\$2,240,510).

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$498,275.

Operating Expenses of \$5,249,718 were unfavorable to budget by (\$153,339). Salaries and wages are under budget by \$186,592 and agency fees were over budget by (\$56,492). Employee benefits are over



budget by (\$90,108) due to PTO being over budget by (\$58,385) and employee health benefits being over budgeted expectations by (\$31,723). Supplies are over budget in June primarily due to the cost of implants being over budget by (\$149,891). Purchased services are over budget by (\$73,733) primarily in IT due to the outsourcing of McKesson Paragon. Interest expense is over budget in June due to the unbudgeted interest expense related to the south lot loan and the fluoroscopy project.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for June was \$105,642 vs. a budgeted net loss of (\$197,314). The total net income for June after all activity was \$689,970 vs. a budgeted net loss of (\$39,977).

EBIDA for the month of June was 8.5% vs. the budgeted 2.8%.

Patient Volumes – June

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	87	97	-10	95
Newborn Discharges	12	24	-12	14
Acute Patient Days	346	367	-21	334
SNF Patient Days	458	669	-211	526
Home Care Visits	940	947	-7	942
OP Gross Revenue	\$15,454	\$13,106	\$2,348	\$13,465
Surgical Cases	197	142	55	124

Overall Payer Mix – June

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	40.4%	47.0%	-6.6%	44.1%	47.1%	-3.0%
Medicare Mgd Care	11.0%	7.1%	3.9%	11.4%	7.2%	4.2%
Medi-Cal	22.7%	19.2%	3.5%	18.2%	19.0%	-0.8%
Self Pay	0.9%	1.1%	-0.2%	1.4%	1.2%	0.2%
Commercial	20.9%	20.1%	0.8%	20.4%	20.0%	0.4%
Workers Comp	2.6%	2.8%	-0.2%	2.7%	2.8%	-0.1%
Capitated	1.5%	2.7%	-1.2%	1.8%	2.7%	-0.9%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for June:

For the month of June the cash collection goal was \$4,056,583 and the Hospital collected \$3,916,143, or under the goal by (\$140,440). The year-to-date cash goal is \$43,285,626 and the Hospital has collected \$45,670,485 or over the goal by \$2,384,859 Days of cash on hand are 19.8 days at June 30, 2017. Accounts Receivable increased from May, from 44.5 days to 45.3 days in June. Accounts Payable increased by \$75,208 from May and Accounts Payable days are at 45.8.

Year End June 30, 2017:

After accounting for all activity, the Fiscal Year ended with a net income of \$988,081 vs. a budgeted net loss of (\$281,517). EBIDA ended at \$2,054,261 or 3.6% vs. budgeted at \$1,782,779, or 3.3%. Accounts Payable at year end was \$3,525,679 vs. \$3,790,283 at the end of last fiscal year. Cash at June 30, 2017 was \$3,166,281 vs. \$1,384,178 at June 30, 2016.

At fiscal year-end June 30, 2017 the gross patient revenue is over budget by \$12,403,758 with the inpatient gross revenue over budget by \$7,235,569 and the ER gross revenue over budget by \$12,802,192. The fiscal year-end June 30, 2017 revenue deductions were unfavorable to budget by (\$10,697,439) which is primarily due to the significant positive variance in IP and ER gross revenue.

At fiscal year-end June 30, 2017 expenses are over budget by (\$1,333,551). At year-end salaries and wages were under budget by \$470,732 due to short-term FTE adjustments taken by management during FY 2017 and effective staffing in clinical departments. Employee benefits were over year-end budget by (\$508,266) due to the unbudgeted increase in the cost of health benefits and an increase in PTO and disability expense. Supplies at fiscal year-end were over budget due to the increased volume in surgeries with the year-end implant expense being (\$762,372) over budgeted expectations. Purchased services were better than budget at year-end primarily due to Medical Records not outsourcing coding services anticipated, a savings of \$168,862. Year-end interest expense is over budgeted expectations (\$122,917) due to the unbudgeted interest expense related to the south lot loan and the fluoroscopy project.

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
Payer Mix for the month of June 30, 2017

ATTACHMENT A

June-17

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	9,545,295	10,020,737	-475,442	-4.7%
Medicare Managed Care	2,594,369	1,510,076	1,084,293	71.8%
Medi-Cal	5,349,925	4,084,533	1,265,392	31.0%
Self Pay	224,084	242,837	-18,753	-7.7%
Commercial & Other Government	4,980,602	4,338,201	642,401	14.8%
Worker's Comp.	615,824	595,423	20,401	3.4%
Capitated	341,185	567,794	-226,609	-39.9%
Total	23,651,284	21,359,601	2,291,683	

	Actual	Budget	Variance	% Variance
Medicare	117,196,827	119,328,993	-2,132,166	-1.8%
Medicare Managed Care	30,258,166	18,215,450	12,042,716	66.1%
Medi-Cal	48,129,442	48,066,499	62,943	0.1%
Self Pay	3,851,818	2,940,843	910,975	31.0%
Commercial & Other Government	54,432,217	51,204,078	3,228,139	6.3%
Worker's Comp.	7,154,540	7,145,814	8,726	0.1%
Capitated	5,051,833	6,769,408	-1,717,575	-25.4%
Total	266,074,843	253,671,085	12,403,758	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,474,223	1,678,633	-204,410	-12.2%
Medicare Managed Care	391,789	233,871	157,918	67.5%
Medi-Cal	760,039	606,235	153,804	25.4%
Self Pay	87,144	84,112	3,032	3.6%
Commercial & Other Government	1,724,540	1,779,218	-54,678	-3.1%
Worker's Comp.	130,371	127,117	3,254	2.6%
Capitated	10,664	18,411	-7,747	-42.1%
Prior Period Adj/IGT	480,306	-	480,306	*
Total	5,059,076	4,527,597	531,479	11.7%

	Actual	Budget	Variance	% Variance
Medicare	18,518,878	20,213,950	-1,695,072	-8.4%
Medicare Managed Care	4,310,154	2,765,022	1,545,132	55.9%
Medi-Cal	6,771,154	7,119,296	-348,142	-4.9%
Self Pay	1,662,104	1,220,872	441,232	36.1%
Commercial & Other Government	19,098,083	20,594,027	-1,495,944	-7.3%
Worker's Comp.	1,611,236	1,612,840	-1,604	-0.1%
Capitated	159,891	231,460	-71,569	-30.9%
Prior Period Adj/IGT	3,332,286	-	3,332,286	*
Total	55,463,786	53,757,467	1,706,319	3.2%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	29.2%	37.0%	-7.8%	-21.1%
Medicare Managed Care	7.7%	5.2%	2.5%	48.1%
Medi-Cal	15.0%	13.4%	1.6%	11.9%
Self Pay	1.7%	1.9%	-0.2%	-10.5%
Commercial & Other Government	34.1%	39.3%	-5.2%	-13.2%
Worker's Comp.	2.6%	2.8%	-0.2%	-7.1%
Capitated	0.2%	0.4%	-0.2%	-50.0%
Prior Period Adj/IGT	9.5%	0.0%	9.5%	*
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
Medicare	33.4%	37.7%	-4.4%	-11.7%
Medicare Managed Care	7.8%	5.1%	2.7%	52.9%
Medi-Cal	12.2%	13.2%	-1.0%	-7.6%
Self Pay	3.0%	2.3%	0.7%	30.4%
Commercial & Other Government	34.4%	38.3%	-3.9%	-10.2%
Worker's Comp.	2.9%	3.0%	-0.1%	-3.3%
Capitated	0.3%	0.4%	-0.1%	-25.0%
Prior Period Adj/IGT	6.0%	0.0%	6.1%	*
Total	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	15.4%	16.8%	-1.4%	-8.3%
Medicare Managed Care	15.1%	15.5%	-0.4%	-2.6%
Medi-Cal	14.2%	14.8%	-0.6%	-4.1%
Self Pay	38.9%	34.6%	4.3%	12.4%
Commercial & Other Government	34.6%	41.0%	-6.4%	-15.6%
Worker's Comp.	21.2%	21.3%	-0.1%	-0.5%
Capitated	3.1%	3.2%	-0.1%	-3.1%
Prior Period Adj/IGT	2.0%	0.0%	2.0%	*

	Actual	Budget	Variance	% Variance
Medicare	15.8%	16.9%	-1.1%	-6.5%
Medicare Managed Care	14.2%	15.2%	-1.0%	-6.6%
Medi-Cal	14.1%	14.8%	-0.7%	-4.7%
Self Pay	43.2%	41.5%	1.7%	4.1%
Commercial & Other Government	35.1%	40.2%	-5.1%	-12.7%
Worker's Comp.	22.5%	22.6%	-0.1%	-0.4%
Capitated	3.2%	3.4%	-0.2%	-5.9%
Prior Period Adj/IGT	1.3%	0.0%	1.3%	*

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended June 30, 2017**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 06/30/17</u>	<u>Budget 06/30/17</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 06/30/17</u>	<u>Budget 06/30/17</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 06/30/16</u>
				Inpatient Utilization				
				Discharges				
1	77	83	(6)	Acute	1,072	1,003	69	995
2	10	14	(4)	ICU	136	188	(52)	173
3	87	97	(10)	Total Discharges	1,208	1,191	17	1,168
4	12	24	(12)	Newborn	136	171	(35)	172
5	99	121	(22)	Total Discharges inc. Newborns	1,344	1,362	(18)	1,340
				Patient Days:				
6	268	272	(4)	Acute	3,623	3,183	440	3,264
7	78	95	(17)	ICU	1,157	1,160	(3)	1,129
8	346	367	(21)	Total Patient Days	4,780	4,343	437	4,393
9	30	54	(24)	Newborn	266	350	(84)	350
10	376	421	(45)	Total Patient Days inc. Newborns	5,046	4,693	353	4,743
				Average Length of Stay:				
11	3.5	3.3	0.2	Acute	3.4	3.2	0.2	3.3
12	7.8	6.8	1.0	ICU	8.5	6.2	2.3	6.5
13	4.0	3.8	0.2	Avg. Length of Stay	4.0	3.6	0.3	3.8
14	2.5	2.3	0.3	Newborn ALOS	2.0	2.0	0.1	2.0
				Average Daily Census:				
15	8.9	9.1	(0.1)	Acute	9.9	8.7	1.2	8.9
16	2.6	3.2	(0.6)	ICU	3.2	3.2	(0.0)	3.1
17	11.5	12.2	(0.7)	Avg. Daily Census	13.1	11.9	1.2	12.0
18	1.0	1.8	(0.8)	Newborn	0.73	0.96	(0.2)	0.96
				Long Term Care:				
19	458	669	(211)	SNF Patient Days	6,553	7,486	(933)	7,312
20	25	26	(1)	SNF Discharges	354	329	25	327
21	15.3	22.3	(7.0)	Average Daily Census	18.0	20.5	(2.6)	20.0
				Other Utilization Statistics				
				Emergency Room Statistics				
22	964	859	105	Total ER Visits	11,145	10,590	555	10,648
				Outpatient Statistics:				
23	4,782	4,423	359	Total Outpatients Visits	55,492	57,297	(1,805)	57,009
24	36	43	(7)	IP Surgeries	444	468	(24)	367
25	161	99	62	OP Surgeries	1,332	1,316	16	1,145
26	66	20	46	Special Procedures	543	372	171	428
27	940	947	(7)	Home Health Visits	11,117	11,400	(283)	11,283
28	324	318	6	Adjusted Discharges	4,073	3,948	125	4,014
29	2,328	2,681	(353)	Adjusted Patient Days (Inc. SNF)	29,503	30,738	(1,236)	31,432
30	77.6	89.4	(11.8)	Adj. Avg. Daily Census (Inc. SNF)	80.8	84.2	(3.4)	86.1
31	1.6617	1.4000	0.262	Case Mix Index -Medicare	1.6492	1.4000	0.249	1.5370
32	1.5648	1.4000	0.165	Case Mix Index - All payers	1.5673	1.4000	0.167	1.4248
				Labor Statistics				
33	278	294	16.5	FTE's - Worked	282	288	5.0	286
34	321	327	5.9	FTE's - Paid	318	320	2.3	321
35	40.82	42.41	1.59	Average Hourly Rate	40.85	41.27	0.42	40.38
36	23.6	20.9	(2.7)	Manhours / Adj. Pat Day	22.4	21.7	(0.7)	21.2
37	169.4	175.8	6.4	Manhours / Adj. Discharge	162.5	168.9	6.3	166.3
38	24.0%	21.6%	-2.4%	Benefits % of Salaries	23.1%	22.2%	-0.9%	22.9%
				Non-Labor Statistics				
39	12.1%	11.4%	-0.7%	Supply Expense % Net Revenue	12.6%	11.5%	-1.1%	11.4%
40	1,933	1,675	(258)	Supply Exp. / Adj. Discharge	1,765	1,617	(148)	1,559
41	16,642	16,475	(167)	Total Expense / Adj. Discharge	15,593	15,749	156	15,323
				Other Indicators				
42	19.8			Days Cash - Operating Funds				
43	45.3	50.0	(4.7)	Days in Net AR	48.8	50.0	(1.2)	52.7
44	97%			Collections % of Net Revenue	106%			101.0%
45	45.8	55.0	(9.2)	Days in Accounts Payable	45.8	55.0	(9.2)	28.8
46	22.0%	21.9%	0.1%	% Net revenue to Gross revenue	21.5%	21.9%	-0.5%	22.4%
47	22.5%			% Net AR to Gross AR	22.5%			26.7%

Sonoma Valley Health Care District
Balance Sheet
As of June 30, 2017

ATTACHMENT C
Pre 6/30/17 Audit

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 3,166,281	\$ 2,951,248	\$ 1,384,178
2	Trustee Funds	3,966,031	3,962,198	3,420,699
3	Net Patient Receivables	9,130,132	8,930,499	9,241,081
4	Allow Uncollect Accts	(1,441,052)	(1,412,630)	(925,573)
5	Net A/R	7,689,080	7,517,869	8,315,508
6	Other Accts/Notes Rec	7,137,441	(37,582)	7,315,041
7	3rd Party Receivables, Net	1,455,586	1,510,169	1,272,923
8	Inventory	832,006	828,042	815,081
9	Prepaid Expenses	848,434	810,003	868,820
10	Total Current Assets	\$ 25,094,859	\$ 17,541,947	\$ 23,392,250
12	Property, Plant & Equip, Net	\$ 53,261,936	\$ 53,317,990	\$ 52,341,276
13	Specific Funds	918,711	918,635	445,395
14	Other Assets	-	-	144,202
15	Total Assets	\$ 79,275,506	\$ 71,778,572	\$ 76,323,123
 Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,525,679	\$ 3,450,471	\$ 3,790,283
17	Accrued Compensation	4,406,625	4,274,878	4,043,854
18	Interest Payable	551,329	441,063	571,281
19	Accrued Expenses	1,348,489	1,466,823	1,055,778
20	Advances From 3rd Parties	510,274	160,112	135,883
21	Deferred Tax Revenue	6,808,200	496,909	5,962,904
22	Current Maturities-LTD	1,302,516	1,296,874	1,496,385
23	Line of Credit - Union Bank	6,973,734	6,973,734	5,923,734
24	Other Liabilities	1,386	1,386	959,216
25	Total Current Liabilities	\$ 25,428,232	\$ 18,562,250	\$ 23,939,318
26	Long Term Debt, net current portion	\$ 37,180,889	\$ 37,239,907	\$ 36,744,412
Fund Balances:				
28	Unrestricted	\$ 12,787,251	\$ 12,172,504	\$ 12,666,984
29	Restricted	3,879,134	3,803,912	2,972,410
30	Total Fund Balances	\$ 16,666,385	\$ 15,976,415	\$ 15,639,393
31	Total Liabilities & Fund Balances	\$ 79,275,506	\$ 71,778,572	\$ 76,323,123

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 30, 2017**

ATTACHMENT D

Pre 6/30/17 Audit

	Month				Volume Information	Year-To-Date				YTD					
	This Year		Variance			This Year		Variance							
	Actual	Budget	\$	%		Actual	Budget	\$	%						
										Prior Year					
1	87	97	(10)	-10%	Acute Discharges	1,208	1,191	17	1%	1,168					
2	458	669	(211)	-32%	SNF Days	6,553	7,486	(933)	-12%	7,312					
3	940	947	(7)	-1%	Home Care Visits	11,117	11,400	(283)	-2%	11,283					
4	15,454	13,106	2,349	18%	Gross O/P Revenue (000's)	\$ 163,815	\$ 156,032	7,783	5%	\$ 153,835					
Financial Results															
Gross Patient Revenue															
5	\$ 6,457,191	\$ 5,911,491	545,700	9%	Inpatient	\$ 78,991,841	\$ 71,756,272	7,235,569	10%	\$ 65,987,866					
6	8,872,592	7,934,486	938,106	12%	Outpatient	86,594,341	91,363,769	(4,769,428)	-5%	86,068,454					
7	6,296,385	4,849,357	1,447,028	30%	Emergency	73,595,308	60,793,116	12,802,192	21%	64,328,182					
8	1,694,910	2,342,339	(647,429)	-28%	SNF	22,997,175	25,882,754	(2,885,579)	-11%	25,233,883					
9	330,206	321,928	8,278	3%	Home Care	3,896,178	3,875,174	21,004	1%	3,731,909					
10	\$ 23,651,284	\$ 21,359,601	2,291,683	11%	Total Gross Patient Revenue	\$ 266,074,843	\$ 253,671,085	12,403,758	5%	\$ 245,350,294					
Deductions from Revenue															
11	\$ (18,764,690)	\$ (16,729,793)	(2,034,897)	-12%	Contractual Discounts	\$ (211,713,516)	\$ (198,686,998)	(13,026,518)	-7%	\$ (193,474,850)					
12	(275,000)	(66,250)	(208,750)	-315%	Bad Debt	(1,890,000)	(795,000)	(1,095,000)	-138%	(1,240,000)					
13	(32,824)	(35,961)	3,137	9%	Charity Care Provision	(365,867)	(431,620)	65,753	15%	(298,356)					
14	480,306	-	480,306	*	Prior Period Adj/Government Program Revenue	3,358,326	-	3,358,326	*	2,919,501					
15	\$ (18,592,208)	\$ (16,832,004)	(1,760,204)	10%	Total Deductions from Revenue	\$ (210,611,057)	\$ (199,913,618)	(10,697,439)	5%	\$ (192,093,705)					
Net Patient Service Revenue															
16	\$ 5,059,076	\$ 4,527,597	531,479	12%	Risk contract revenue	\$ 1,553,668	\$ 1,869,247	(315,579)	-17%	\$ 1,681,630					
17	\$ 128,918	\$ 155,766	(26,848)	-17%	Net Hospital Revenue	\$ 57,017,454	\$ 55,626,714	1,390,740	3%	\$ 54,938,219					
18	\$ 5,187,994	\$ 4,683,363	504,631	11%	Other Op Rev & Electronic Health Records	\$ 341,678	\$ 292,202	49,476	17%	\$ 540,254					
19	\$ 17,985	\$ 24,341	(6,356)	-26%	Total Operating Revenue	\$ 57,359,132	\$ 55,918,916	1,440,216	3%	\$ 55,478,473					
20	\$ 5,205,979	\$ 4,707,704	498,275	11%	Operating Expenses										
21	\$ 2,242,632	\$ 2,372,732	130,100	5%	Salary and Wages and Agency Fees	\$ 27,037,472	\$ 27,508,204	470,732	2%	\$ 26,949,851					
22	917,345	827,237	(90,108)	-11%	Employee Benefits	10,652,685	10,144,419	(508,266)	-5%	10,304,798					
23	\$ 3,159,977	\$ 3,199,969	39,992	1%	Total People Cost	\$ 37,690,157	\$ 37,652,623	(37,534)	0%	\$ 37,254,649					
24	\$ 425,173	\$ 396,863	(28,310)	-7%	Med and Prof Fees (excl Agency)	\$ 4,680,272	\$ 4,724,197	43,925	1%	\$ 4,375,204					
25	626,899	533,279	(93,620)	-18%	Supplies	7,190,489	6,383,775	(806,714)	-13%	6,255,970					
26	425,308	351,575	(73,733)	-21%	Purchased Services	3,994,314	4,160,086	165,772	4%	3,518,654					
27	285,344	293,217	7,873	3%	Depreciation	3,385,925	3,518,571	132,646	4%	3,461,197					
28	100,097	100,683	586	1%	Utilities	1,189,500	1,201,226	11,726	1%	1,118,495					
29	29,292	33,421	4,129	12%	Insurance	354,447	400,755	46,308	12%	303,070					
30	49,424	37,086	(12,338)	-33%	Interest	541,086	418,169	(122,917)	-29%	656,362					
31	148,204	150,286	2,082	1%	Other	1,661,535	1,927,217	265,682	14%	2,051,831					
32	-	-	-	*	Matching Fees (Government Programs)	1,032,445	-	(1,032,445)	*	657,826					
33	\$ 5,249,718	\$ 5,096,379	(153,339)	-3%	Operating expenses	\$ 61,720,170	\$ 60,386,619	(1,333,551)	-2%	\$ 59,653,258					
34	\$ (43,739)	\$ (388,675)	344,936	89%	Operating Margin	\$ (4,361,038)	\$ (4,467,703)	106,665	2%	\$ (4,174,785)					

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 30, 2017**

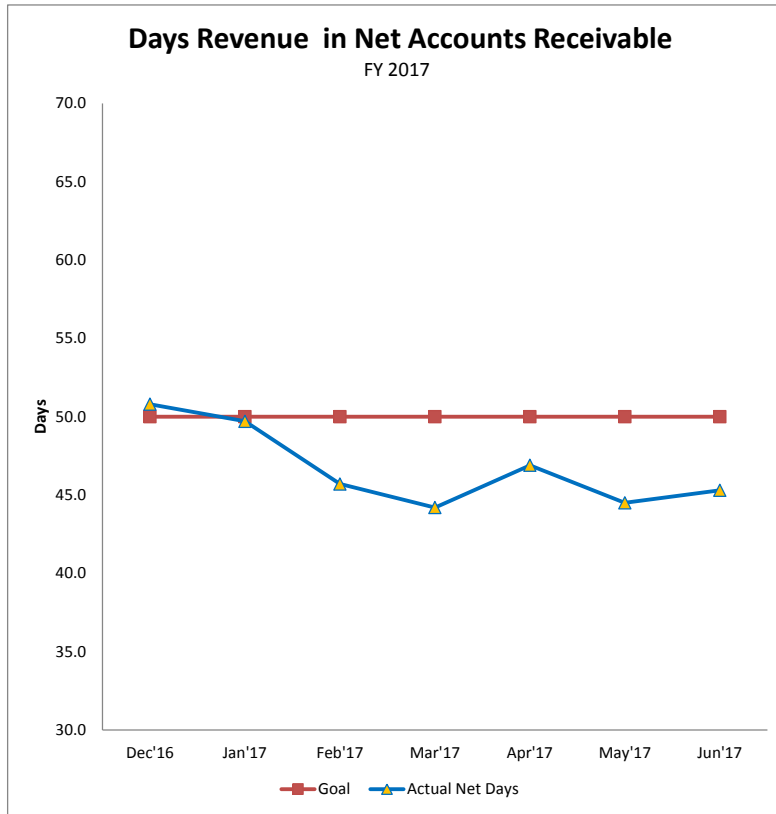
	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
35	\$ (19,470)	\$ (21,139)	1,669	-8%						\$ (100,405)	
36	7,200	-	7,200	0%						88,641	
37	(37,500)	(37,500)	-	0%						(480,000)	
38	199,151	250,000	(50,849)	-20%						2,967,517	
39	\$ 149,381	\$ 191,361	(41,980)	-22%						\$ 2,475,753	
40	\$ 105,642	\$ (197,314)	302,956	-154%	Net Income / (Loss) prior to Restricted Contributions	\$ (1,872,750)	\$ (2,153,961)	281,211	-13%	\$ (1,699,032)	
					Capital Campaign Contribution	\$ 242,983	\$ 248,376	(5,393)	-2%	\$ 472,035	
41	\$ 36,833	\$ 20,698	16,135	78%	Restricted Foundation Contributions	\$ 621,313	\$ -	621,313	100%	\$ -	
42	\$ 38,389	\$ -	38,389	0%	Net Income / (Loss) w/ Restricted Contributions	\$ (1,008,455)	\$ (1,905,585)	897,130	-47%	\$ (1,226,997)	
43	\$ 180,864	\$ (176,616)	357,480	-202%							
					GO Bond Tax Assessment Rev	3,335,371	2,962,904	372,467	13%	2,913,324	
44	619,372	246,905	372,467	151%	GO Bond Interest	(1,338,835)	(1,338,836)	1	0%	(1,374,745)	
45	(110,266)	(110,266)	-	0%	Net Income/(Loss) w GO Bond Activity	\$ 988,081	\$ (281,517)	1,269,598	-451%	\$ 311,582	
46	\$ 689,970	\$ (39,977)	729,947	-1826%							
	\$ 440,410	\$ 132,989			EBIDA - Not including Restricted Contributions	\$ 2,054,261	\$ 1,782,779			\$ 2,418,527	
	8.5%	2.8%				3.6%	3.3%			4.4%	
	\$ 390,986	\$ 95,903			EBDA - Not including Restricted Contributions	\$ 1,513,175	\$ 1,364,610				
	7.5%	2.0%				2.6%	2.4%				

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended June 30, 2017

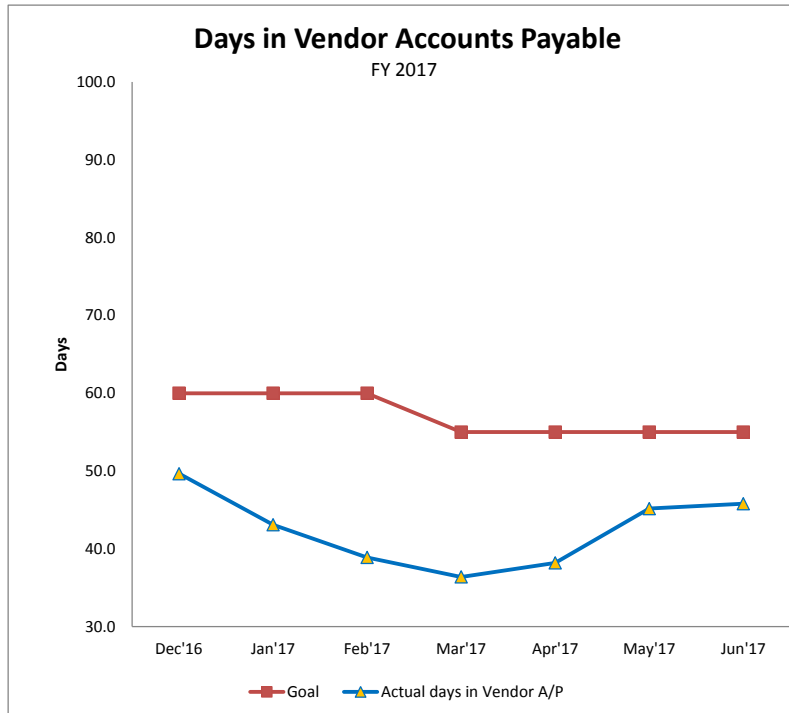
	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	17	(10)	
2 SNF Days	(933)	(211)	
3 Home Care Visits	(283)	(7)	
4 Gross O/P Revenue (000's)	7,783	2,349	
Financial Results			
Gross Patient Revenue			
5 Inpatient	7,235,569	545,700	Inpatient days were below budgeted expectations by (21) days and IP surgeries were below budget by (7) cases. The positive variance is due to the price increase that went into effect on June 1st along with a higher than budgeted case mix for June.
6 Outpatient	(4,769,428)	938,106	Outpatient visits are 4,782 vs. budgeted expectations of 4,423 visits and outpatient surgeries are 161 vs. budgeted expectations 99.
7 Emergency	12,802,192	1,447,028	ER visits are 964 vs. budgeted visits of 859.
8 SNF	(2,885,579)	(647,429)	SNF patient days are 458 vs. budgeted expected days of 669.
9 Home Care	21,004	8,278	HHA visits are 940 vs. budgeted expectations of 947.
10 Total Gross Patient Revenue	12,403,758	2,291,683	Gross revenue includes the 6% rate increase that was effective June 1st.
Deductions from Revenue			
11 Contractual Discounts	(13,026,518)	(2,034,897)	
12 Bad Debt	(1,095,000)	(208,750)	
13 Charity Care Provision	65,753	3,137	
14 Prior Period Adj/Government Program Revenue	3,358,326	480,306	HQAF IGT \$216,363, Prime grant \$125,000 and Medicare pass thru payments of \$138,943.
15 Total Deductions from Revenue	(10,697,439)	(1,760,204)	
16 Net Patient Service Revenue	1,706,319	531,479	
17 Risk contract revenue	(315,579)	(26,848)	Blue Shield capitation received was under budget.
18 Net Hospital Revenue	1,390,740	504,631	
19 Other Op Rev & Electronic Health Records	49,476	(6,356)	
20 Total Operating Revenue	1,440,216	498,275	
Operating Expenses			
21 Salary and Wages and Agency Fees	470,732	130,100	Salaries and Wages are under budget by \$186,592 and the Agency fees are over budget by (\$56,492).
22 Employee Benefits	(508,266)	(90,108)	Employee benefits are over budgeted expectations due to PTO (\$58,385) and employee benefit costs (\$31,723).
23 Total People Cost	(37,534)	39,992	
24 Med and Prof Fees (excl Agency)	43,925	(28,310)	Additional expense for Prima physician for May and June.
25 Supplies	(806,714)	(93,620)	Supplies are over budget primarily in the surgery department due to surgical implants (\$149,891).
26 Purchased Services	165,772	(73,733)	Purchased services are over budgeted expectations for June in IT due to the outsourcing of McKesson Paragon.
27 Depreciation	132,646	7,873	
28 Utilities	11,726	586	
29 Insurance	46,308	4,129	
30 Interest	(122,917)	(12,338)	Interest on the South lot loan and the flourosocopy project were not budgeted for FY 2017.
31 Other	265,682	2,082	
32 Matching Fees (Government Programs)	(1,032,445)	-	
33 Operating expenses	(1,333,551)	(153,339)	
34 Operating Margin	106,665	344,936	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	116,466	1,669	
36 Donations	108,551	7,200	Foundation grant received for the OP diagnostics center.
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	(50,471)	(50,849)	Year-end adjustmnt of parcel tax revenue.
39 Total Non-Operating Rev/Exp	174,546	(41,980)	
40 Net Income / (Loss) prior to Restricted Contributions	281,211	302,956	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended June 30, 2017

	YTD	MONTH	
Description	Variance	Variance	
		-	
41 Capital Campaign Contribution	(5,393)	16,135	Capital campaign donations received from the Foundation in June were over budgeted expectations.
42 Restricted Foundation Contributions	621,313	38,389	Foundation grant received for the Truclear surgical system.
43 Net Income / (Loss) w/ Restricted Contributions	897,130	357,480	
44 GO Bond Tax Assessment Rev	372,467	372,467	Year-end adjustment of county GO bond receipts.
45 GO Bond Interest	1	-	
46 Net Income/(Loss) w GO Bond Activity	1,269,598	729,947	



Days in A/R	Dec'16	Jan'17	Feb'17	Mar'17	Apr'17	May'17	Jun'17
Actual days in A/R	50.8	49.7	45.7	44.2	46.9	44.5	45.3
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Dec'16	Jan'17	Feb'17	Mar'17	Apr'17	May'17	Jun'17
Actual days in Vendor A/P	49.7	43.1	38.9	36.4	38.2	45.2	45.8
Goal	60.0	60.0	60.0	55.0	55.0	55.0	55.0

Sonoma Valley Hospital
 Statistical Analysis
 FY 2017

ATTACHMENT G

	ACTUAL		BUDGET		ACTUAL													
	Jun-17	Jun-17	Jun-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	
Statistics																		
Acute																		
Acute Patient Days	346	367	388	368	415	415	465	355	396	402	407	437	386	334	386			
Acute Discharges (w/o Newborns)	87	97	100	89	119	97	119	100	95	99	95	105	103	95	85			
SNF Days	458	669	559	512	572	607	592	500	446	512	624	608	563	526	529			
HHA Visits	940	947	966	934	849	922	877	919	938	880	1,042	890	960	942	844			
Emergency Room Visits	964	859	1,069	921	941	851	1,000	942	850	852	897	918	940	907	940			
Gross Outpatient Revenue (000's)	\$15,454	\$13,106	\$15,523	\$13,168	\$15,098	\$12,189	\$13,500	\$12,935	\$13,147	\$13,347	\$13,512	\$13,336	\$12,605	\$13,465	\$13,827			
Equivalent Patient Days	2,328	2,681	2,654	2,227	2,537	2,553	2,618	2,382	2,202	2,380	2,707	2,581	2,322	2,381	2,545			
Births	15	24	7	11	12	12	11	9	8	9	14	17	14	14	13			
Surgical Cases - Inpatient	36	43	30	47	40	26	38	28	38	42	37	39	43	31	36			
Surgical Cases - Outpatient	161	99	143	124	149	101	110	98	123	84	81	85	73	93	87			
Total Surgical Cases	197	142	173	171	189	127	148	126	161	126	118	124	116	124	123			
Total Special Procedures	66	20	58	44	36	41	28	40	32	29	49	63	57	61	30			
Medicare Case Mix Index	1.66	1.40	1.69	1.64	1.45	1.52	1.47	1.59	1.79	1.59	1.97	1.58	1.84	1.64	1.73			
Income Statement																		
Net Revenue (000's)	\$5,188	\$4,683	5,330	4,924	5,283	4,266	\$4,528	\$3,588	\$4,452	\$4,727	\$4,406	\$4,919	\$5,172	\$4,980	\$4,610			
Operating Expenses (000's)	\$5,250	\$5,096	\$5,678	\$5,308	\$5,395	\$4,803	\$5,026	\$4,713	\$5,047	\$4,912	\$4,807	\$5,310	\$5,472	\$5,450	\$5,267			
Net Income (000's)	\$690	(\$40)	16	-24	304	308	(\$108)	(\$600)	(\$65)	\$337	(\$6)	(\$23)	\$59	(\$133)	(\$403)			
Productivity																		
Total Operating Expense Per Equivalent Patient Day	\$2,255	\$1,901	\$2,139	\$2,383	\$2,127	\$1,881	\$1,920	\$1,979	\$2,292	\$2,064	\$1,776	\$2,057	\$2,356	\$2,289	\$2,069			
Productive FTEs	278	294	291	285	294	294	280	253	289	280	283	286	278	287	300			
Non-Productive FTE's	43	33	28	28	28	28	36	56	30	36	36	35	42	37	32			
Total FTEs	321	327	319	313	322	322	316	309	319	316	319	321	320	324	332			
FTEs per Adjusted Occupied Bed	4.14	3.66	3.73	4.22	3.93	3.54	3.74	4.03	4.35	4.11	3.54	3.86	4.28	4.08	4.16			
Balance Sheet																		
Days of Expense In General Operating Cash	20		19	11	16	27	20	25	10	11	6	15	11	9	9			
Net Days of Revenue in AR	45	50	44	47	44	46	50	51	53	50	50	50	55	57	55			

Sonoma Valley Hospital
Cash Forecast
FY 2017

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	4,375,192	4,731,348	3,928,129	4,155,005	3,905,768	4,342,807	4,110,672	4,603,390	4,630,430	3,918,173	4,826,603	4,645,037	52,172,554
2 Capitation Revenue	127,594	124,410	126,315	133,982	132,267	134,940	131,281	128,777	129,394	130,272	125,517	128,918	1,553,667
3 Napa State	2,326	49,264	12,455	-	78,395	11,460	84		64,824	41,351		17,091	277,251
4 Other Operating Revenue	39,800	21,422	28,846	30,148	24,397	20,356	77,478	46,006	82,316	48,433	65,714	34,864	519,781
5 Other Non-Operating Revenue	20,788	46,700	32,026	71,410	72,181	77,749	55,550	48,045	57,015	10,687	49,538	6,669	548,358
6 Unrestricted Contributions	1,549	11,560	13,093	39,995	799		16,968	5,312	19,842	2,907		7,200	119,225
7 Line of Credit	190,000	(190,000)		812,500	287,300		(851,142)						248,658
Sub-Total Hospital Sources	4,757,249	4,794,704	4,140,864	5,243,040	4,501,108	4,587,312	3,540,891	4,831,530	4,983,821	4,151,823	5,067,372	4,839,779	55,439,494
Hospital Uses of Cash													
8 Operating Expenses	4,578,560	4,139,921	5,611,993	4,675,722	4,283,113	4,524,239	4,696,532	4,846,020	6,578,663	4,765,207	4,613,422	5,033,300	58,346,692
9 Less Depreciation													-
10 Add Capital Lease Payments	49,245	173,774	36,968	40,319	172,462	34,339	38,355	173,920	63,444	62,097	233,001	53,375	1,131,299
11 Additional Liabilities		400,000				350,000	700,000						1,450,000
12 Capital - Board Approved Spending	60,776	43,811	62,997	155,782	7,836	25,626	151,646	89,244	139,796	70,670	122,149	208,677	1,139,010
13 Napa State													-
Total Hospital Uses	4,688,581	4,757,506	5,711,958	4,871,823	4,463,411	4,934,204	5,586,533	5,109,184	6,781,903	4,897,974	4,968,572	5,295,352	62,067,001
Net Hospital Sources/Uses of Cash	68,668	37,198	(1,571,094)	371,217	37,697	(346,892)	(2,045,642)	(277,654)	(1,798,082)	(746,151)	98,800	(455,573)	(6,627,506)
Non-Hospital Sources													
14 Restricted Cash/Capital Donations	3,167	141,475	42,379	118,737	69,984	167	1,029,121	481,238	26,470	167	1,417	71,889	1,986,211
15 Electronic Health Records						43,689				1,960			45,649
16 Parcel Tax Revenue	179,365					1,626,181					1,170,694		2,976,240
17 Advancement - Foundation		400,000				(400,000)							-
18 Advancement - South Lot		263,453											263,453
19 Other:													-
20 IGT				343,950		1,506,344	205,630					598,717	2,654,641
21 IGT - AB915 (Net)								903,363					903,363
22 PRIME	375,000			1,125,000							150,000		1,650,000
Sub-Total Non-Hospital Sources	557,532	804,928	42,379	1,587,687	69,984	2,776,381	1,234,751	1,384,601	26,470	2,127	1,322,111	670,606	10,479,558
Non-Hospital Uses of Cash													
23 Matching Fees	187,575	188,984		1,120,982	287,323					75,000	210,084		2,069,948
Sub-Total Non-Hospital Uses of Cash	187,575	188,984	-	1,120,982	287,323	-	-	-	-	75,000	210,084	-	2,069,948
Net Non-Hospital Sources/Uses of Cash	369,957	615,944	42,379	466,705	(217,339)	2,776,381	1,234,751	1,384,601	26,470	(72,873)	1,112,027	670,606	8,409,610
Net Sources/Uses	438,625	653,142	(1,528,715)	837,922	(179,642)	2,429,489	(810,891)	1,106,947	(1,771,612)	(819,024)	1,210,828	215,033	
Cash and Equivalents at beginning of period	1,384,178	1,822,803	2,475,945	947,230	1,785,152	1,605,510	4,034,999	3,224,109	4,331,056	2,559,444	1,740,420	2,951,248	
Cash and Equivalents at end of period	1,822,803	2,475,945	947,230	1,785,152	1,605,510	4,034,999	3,224,109	4,331,056	2,559,444	1,740,420	2,951,248	3,166,281	

(a) Net IGT is \$431,347

Sonoma Valley Hospital
Cash Forecast
FY 2017

ATTACHMENT H

	Actual July - Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual TOTAL
Hospital Operating Sources								
1 Patient Payments Collected	25,438,249	4,110,672	4,603,390	4,630,430	3,918,173	4,826,603	4,645,037	52,172,554
2 Capitation Revenue	779,508	131,281	128,777	129,394	130,272	125,517	128,918	1,553,667
3 Napa State	153,900	84		64,824	41,351	-	17,091	277,251
4 Other Operating Revenue	164,969	77,478	46,006	82,316	48,433	65,714	34,864	519,781
5 Other Non-Operating Revenue	320,855	55,550	48,045	57,015	10,687	49,538	6,669	548,358
6 Unrestricted Contributions	66,996	16,968	5,312	19,842	2,907	-	7,200	119,225
7 Line of Credit	1,099,800	(851,142)						248,658
Sub-Total Hospital Sources	28,024,277	3,540,891	4,831,530	4,983,821	4,151,823	5,067,372	4,839,779	55,439,494
Hospital Uses of Cash								
8 Operating Expenses	27,813,548	4,696,532	4,846,020	6,578,663	4,765,207	4,613,422	5,033,300	58,346,692
9 Less Depreciation	-							-
10 Add Capital Lease Payments	507,107	38,355	173,920	63,444	62,097	233,001	53,375	1,131,299
11 Additional Liabilities	750,000	700,000						1,450,000
12 Capital - Board Approved Spending	356,828	151,646	89,244	139,796	70,670	122,149	208,677	1,139,010
13 Napa State	-							-
Total Hospital Uses	29,427,483	5,586,533	5,109,184	6,781,903	4,897,974	4,968,572	5,295,352	62,067,001
Net Hospital Sources/Uses of Cash	(1,403,206)	(2,045,642)	(277,654)	(1,798,082)	(746,151)	98,800	(455,573)	(6,627,506)
Non-Hospital Sources								
14 Restricted Cash/Capital Donations	375,909	1,029,121	481,238	26,470	167	1,417	71,889	1,986,211
15 Electronic Health Records	43,689				1,960			45,649
16 Parcel Tax Revenue	1,805,546					1,170,694		2,976,240
17 Advancement - Foundation	-							-
18 Advancement - South Lot	263,453							263,453
19 Other:	-							-
20 IGT	1,850,294	205,630		-			598,717	2,654,641
21 IGT - AB915 (Net)	-		903,363					903,363
22 PRIME	1,500,000					150,000		1,650,000
Sub-Total Non-Hospital Sources	5,838,891	1,234,751	1,384,601	26,470	2,127	1,322,111	670,606	10,479,558
Non-Hospital Uses of Cash								
23 Matching Fees	1,784,864				75,000	210,084	-	2,069,948
Sub-Total Non-Hospital Uses of Cash	1,784,864	-	-	-	75,000	210,084	-	2,069,948
Net Non-Hospital Sources/Uses of Cash	4,054,027	1,234,751	1,384,601	26,470	(72,873)	1,112,027	670,606	8,409,610
Net Sources/Uses	2,650,821	(810,891)	1,106,947	(1,771,612)	(819,024)	1,210,828	215,033	
Cash and Equivalents at beginning of period	1,384,178	4,034,999	3,224,109	4,331,056	2,559,444	1,740,420	2,951,248	
Cash and Equivalents at end of period	4,034,999	3,224,109	4,331,056	2,559,444	1,740,420	2,951,248	3,166,281	