



FINANCE COMMITTEE REGULAR SESSION

AGENDA

Tuesday, December 19, 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 11.28.17</p>	<i>Nevins</i>	Action
<p>4. ADMINISTRATIVE REPORT DECEMBER 2017</p>	<i>Mather</i>	Inform
<p>5. FINANCIAL REPORT FOR MONTH ENDING NOVEMBER. 2017</p>	<i>Jensen</i>	Inform
<p>6. AUDIT GROUP REHIRE</p>	<i>Jensen</i>	Inform/ Action
<p>7. ADJOURN</p>	<i>Nevins</i>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, NOVEMBER 28, 2017
Schantz Conference Room**

Present	Excused	Staff	Public
John Perez Sharon Nevins Peter Hohorst Susan Porth Dr. Mishra via telephone Keith Hughes Steve Berezin		Kelly Mather Ken Jensen Sarah Dungan Jeanette Tarver	

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>		
	Called to order 5:00 p.m.		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR FC Minutes 10.24.17	<i>Nevins</i>	Action	
		MOTION: by Porth second by Perez. All in favor	
5. ADMINISTRATIVE REPORT NOVEMBER 2017	<i>Mather</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Ms. Mather reported that we are have stayed a 4 star hospital. We are the only 4 star hospital in the area, with the exception of Kaiser San Rafael.</p> <p>We are currently in conversations for collaboration with UCSF. The Board will meet with UCSF on December 15th to decide if they would like to move forward with the collaboration.</p> <p>The Breast surgeon has started to see patients. The South Lot purchase agreement is complete. We expect the full amount by October 2018. Kaiser has not responded to our requests regarding Home Care.</p> <p>Ms. Mather said that she has been working on a 5 point action plan in response the first quarter. We are also looking at specific service lines and possible partnerships for them. Group discussed the 3% increases in January.</p>		
<p>6. FINANCIAL REPORT FOR MONTH ENDING OCTOBER 31, 2017</p>	<p><i>Jensen</i></p>	<p>Inform</p>	
	<p>Mr. Jensen reported that the gross revenue volumes were down, due to the fires. He is working on an insurance claim to determine how much net revenue we lost.</p> <p>The payer mix was consistent with what our budget was.</p> <p>Cash collections for the month were \$380k over the monthly goal. Year to date cash collection was over by \$471k. Days of cash on hand was 12.5 days. AR was at 45 days and AP was at 48 days.</p> <p>Gross revenue was down 11%. Volume. Total operating revenue \$4.5 million vs a budgeted \$4.8 million. Expenses were \$341 thousand better than expected. Net operating loss was \$318 thousand vs a</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>budgeted loss of \$388 thousand. After accounting for all other activity; the October net income was \$61,788 vs. the budgeted net income of \$19,498 with a monthly EBIDA of 5.5% vs. a budgeted 3.9%. EBDA is 4.4% vs the 3.0% budgeted. Cash forecast shows us targeting to the end of the year at 2 million.</p>		
7. BOND REFINANCING - HOLD	<i>Jensen</i>	Inform/Possible Action	
	<p>After an Ad Hoc group met and recommended that the refinancing be put on hold at this point in time. It would add approximately \$500 thousand to the liabilities on the balance sheet. It would be beneficial to the collaboration with UCSF to not increase the debt.</p>	All in favor of putting the refinancing on hold	
8. OTHER	<p>Mr. Jensen said that there has been no requests to postpone or defer the parcel tax due to the fires. He did check with the attorney and deferment would be considered gifting of public funds. As a District we are not allowed to give away public funds. It was a community vote and we cannot change that by a Board of Directors vote.</p>		
10. ADJOURN	<i>Nevins</i>		
	<i>Meeting adjourned at 601pm</i>		



To: SVHCD Board of Directors
From: Kelly Mather
Date: 11/30/17
Subject: Administrative Report

Summary

After a concerning first quarter with volumes and the reduced volume in October due to the fires, we are once again reducing expenses. We are reducing overhead and continue to work on strategies to increase admissions and volumes. Surgery volumes are better than expected.

Strategic Update from FY 2018 Strategic Plan:

Strategic Priorities	Update
Highest levels of health care safety, quality and value	<ul style="list-style-type: none"> ➤ We have 4 Stars again! ➤ Performance Improvement was very successful with a lot of great projects. ➤ With our Chief Medical Officer retiring, we are planning to work with UCSF for medical direction and hope to have a Hospitalist serving this function in the future. ➤ We have participated in several debriefs after the fires and found we did well. ➤ Rate My Hospital continues to be a great tool to get feedback for outpatients.
Be the preferred hospital for patients, physicians, employers and health plans	<ul style="list-style-type: none"> ➤ 3D Mammography construction is almost complete. ➤ The campaign for the Outpatient Diagnostic Center is underway with several internal pledges. The RFP has gone out and we are expecting bids by the end of the month. ➤ We are working with several physicians to go into the 1206b clinics which will ensure retention of our very valuable doctors in Sonoma. ➤ We plan to move ahead with salary increases in January but have not decided the percentage yet. ➤ Staff forums were held this month and we talked about the concerns with the health care environment and the future of hospitals.
Implement new and enhanced revenue strategies as measured by increased direct margins in each service unit	<ul style="list-style-type: none"> ➤ We have meetings planned with UCSF this month to talk about collaboration opportunities. ➤ Dr. Alexandridis, the General and Breast surgeon, has already picked up several GI cases and is now seeing patients at the Perkins Street office. ➤ The Women’s Place strategy and costs were approved by the Foundation, and we will upgrade the 3rd floor and some sections of OB and start marketing in January. ➤ The “Conversations with a Doctor” with Dr. Saidel was completely full. ➤ There is a new Cardiologist starting this summer with Dr. Price.
Continue to improve financial stability as measured by operating margin	<ul style="list-style-type: none"> ➤ We will have the \$3.3 million for the South Lot sale in October 2018. ➤ Several management positions were eliminated and/or reduced to reduce overhead. ➤ Home Care is reducing expenses. ➤ We are looking at potential partners for service lines that do not have a positive margin.
Lead progress toward being a healthier community as measured by community benefit	<ul style="list-style-type: none"> ➤ Wellness University is almost complete with very positive reviews, again. ➤ We are part of the “Whole Person Care” pilot project with Sonoma County Health Services. ➤ We are participating in the “Sustainable Sonoma” initiatives. ➤ We completed “Continuing the Conversation” with Kiwanis this month.

OCTOBER 2017

			National
Patient Experience	Current Performance	FY 2018 Goal	Benchmark
Would Recommend Hospital	56 th percentile	> 60th percentile	50th percentile
Inpatient Overall Rating	64 th percentile	>60th percentile	50th percentile
Home Health	91%	> 90%	> 80%
Outpatient Services	4.8	Rate My Hospital	4.5
Emergency	4.6	Rate My Hospital	4.5
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	9.70%	< 10 %	< 18.5%
Serious Safety Events	0	0	0
Overall Surgical Site Infection Rate	0.43%	0.50%	n/a
Hand Hygiene	98%	>90%	>80%
Falls	2.5	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	2	< 10	17
Adverse Drug Events with Harm	0	0	0
C Section rate	11.3%	<20%	< 20%
Wound Care time to heal	22 days	< 30 days	< 31 days
Repeat Analysis in Radiology	3.25%	< 5%	< 5%
Reportable HIPAA Privacy Events	0	0	0
SNF Star Rating	5	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	232	250	> 200
Turnover	5.3%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2018 Goal	Benchmark
EBDA	.1%	2.89%	3%
FTE's/AOB	4.04	4.3	5.3
Days Cash on Hand	12.5	20	30
Days in Accounts Receivable	45	49	50
Length of Stay	3.5	3.85	4.03
Cost per Medicare Beneficiary	\$18,430	<\$20,000	\$20,473
Funds raised by SVHF	\$1,890,555	\$1,483,950	\$1 million
Strategic Growth	YTD Performance	FY 2018 Goal	Benchmark
Inpatient Discharges	344/1032	1193	1225
Outpatient Visits	17,334/52,002	57,771	55,566
Emergency Visits	3562/10,686	11,022	11,019
Surgeries	633/1899	1,800	1,680
Births	33/99	132	120
Home Health Visits	3243/9729	11,053	11,400
Community Benefit Hours	602.5/1807	1200	1200



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: December 19, 2017
Subject: Financial Report for the Month Ending November 30, 2017

The actual loss of (\$846,819) from operations for November was (\$399,492) unfavorable to the budgeted loss of (\$447,327). After accounting for all other activity; the November net loss was (\$379,509) vs. the budgeted net loss of (\$38,841) with a monthly EBIDA of -5.5% vs. a budgeted 2.7%. Of note, the year-to-date loss was negatively impacted by the loss of October volume related to the fire disaster. The actual loss is upwards of \$500,000 and a claim is in process with the District's "Loss of Income" insurance which could net between \$300,000 and \$400,000 after a deductible. This potential income has not been accounted for. Also the Health at Home service continued to not make its goal and alternatives to this service are being reviewed.

Gross patient revenue for November was \$21,186,820, (\$602,836) less than budgeted. Inpatient gross revenue was under budget by (\$211,974). Inpatient days were under budget by (85) days and inpatient surgeries were over budgeted expectations by 2 cases. Outpatient revenue was under budget by (\$29,586). Outpatient visits were over budgeted expectations by 322 visits, and outpatient surgeries were over budgeted expectations by 15 cases, however there was a higher mix of outpatient pain management cases which have lower gross charges than general or outpatient orthopedic outpatient cases. The Emergency Room gross revenue is under budget by (\$289,273) with ER visits under budgeted expectations by (34) visits. SNF gross charges were over budgeted expectations by \$36,483 and SNF patient days were over budget by 22 days. Home Health was under budget by (\$108,486) with visits under budget by (371) visits which is due to no longer seeing Kaiser HHA patients.

Gross revenue from surgical implants in November is \$862,869, with \$658,542 from inpatient surgeries and \$204,327 from outpatient surgeries, and total implant costs were (\$237,500). The net, before any revenue deductions, is \$625,369.

Deductions from revenue were favorable to budgeted expectations by \$406,272. The favorable variance is primarily due to the unfavorable variance in gross revenue of (\$602,836). In addition, the hospital received Medi-Cal quality incentive funds of \$104,247 and accrued \$62,500 for the Prime Grant.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budget by (\$203,333).



Operating Expenses of \$5,332,121 were unfavorable to budget by (\$196,159). Salaries and wages and agency fees were over budget by (\$172,001). Salaries and wages were over budget by (\$130,839) and agency fees were over budget by (\$41,162). The unfavorable variance in salaries, wages, and agency fees were due to one-time staff costs related to the SNF survey, and one-time training costs for new staff in Radiology. Other department variances are being addressed by management. Employee benefits were under budget by \$43,430. Professional fees were over budget by (\$42,080) due in part to the dietary department director being on leave and replaced by a consult. Supplies were over budget primarily in surgery due to higher than average inpatient surgeries using implants (\$118,057) and pharmacy (\$43,062). These costs are offset by additional revenue. There were no matching fees posted in November.

Administration has implemented both salary and program adjustments to improve the hospital's net income beginning in January 2018. Projected savings of \$100,000 to \$150,000 per month are expected.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for November was (\$581,583) vs. a budgeted net loss of (\$198,164). The total net loss for November after all activity was (\$379,509) vs. a budgeted net loss of (\$38,841).

EBIDA for the month of November was -5.5% vs. the budgeted 2.7%.

Patient Volumes – November

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	99	106	-7	95
Newborn Discharges	13	14	-1	8
Acute Patient Days	321	406	-85	396
SNF Patient Days	468	446	22	446
Home Care Visits	630	1,001	-371	938
OP Gross Revenue	\$12,952	\$13,361	(\$409)	\$13,147
Surgical Cases	155	138	17	161

Gross Revenue Overall Payer Mix – November

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	42.3%	45.0%	-2.7%	44.3%	45.4%	-1.1%
Medicare Mgd Care	13.2%	9.8%	3.4%	11.9%	10.0%	1.9%
Medi-Cal	15.9%	17.8%	-1.9%	17.8%	17.9%	-0.1%
Self Pay	1.4%	1.2%	0.2%	1.3%	1.2%	0.1%
Commercial	22.1%	20.8%	1.3%	20.1%	20.5%	-0.4%
Workers Comp	2.8%	3.3%	-0.5%	2.4%	3.0%	-0.6%
Capitated	2.3%	2.1%	0.2%	2.2%	2.0%	0.2%

Total	100.0%	100.0%	100.0%	100.0%
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Cash Activity for November:

For the month of November the cash collection goal was \$3,692,852 and the Hospital collected \$3,329,329 or under the goal by \$363,523. The year-to-date cash collection goal was \$18,328,733 and the Hospital has collected \$18,436,398 or over goal by 107,665. Days of cash on hand are 14.4 days at November 30, 2017. Accounts Receivable increased from October, from 45.3 days to 47.7 days in November. Accounts Payable decreased by \$408,521 from October and Accounts Payable days are at 42.4.

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 November 30, 2017

ATTACHMENT A

November-17

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	8,963,121	9,801,225	-838,104	-8.6%
Medicare Managed Care	2,795,848	2,135,389	660,459	30.9%
Medi-Cal	3,341,485	3,882,257	-540,772	-13.9%
Self Pay	294,377	267,145	27,232	10.2%
Commercial & Other Government	4,677,819	4,543,658	134,161	3.0%
Worker's Comp.	601,138	711,580	-110,442	-15.5%
Capitated	513,032	448,402	64,630	14.4%
Total	21,186,820	21,789,656	(602,836)	

	Actual	Budget	Variance	% Variance
Medicare	47,459,731	51,413,425	-3,953,694	-7.7%
Medicare Managed Care	12,766,042	11,269,736	1,496,306	13.3%
Medi-Cal	19,141,798	20,233,760	-1,091,962	-5.4%
Self Pay	1,371,454	1,406,320	-34,866	-2.5%
Commercial & Other Government	21,602,112	23,280,383	-1,678,271	-7.2%
Worker's Comp.	2,530,785	3,451,929	-921,144	-26.7%
Capitated	2,401,674	2,319,599	82,075	3.5%
Total	107,273,596	113,375,152	(6,101,556)	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,371,445	1,471,406	-99,961	-6.8%
Medicare Managed Care	396,731	274,184	122,547	44.7%
Medi-Cal	472,152	552,198	-80,046	-14.5%
Self Pay	150,132	121,204	28,928	23.9%
Commercial & Other Government	1,641,366	1,635,556	5,810	0.4%
Worker's Comp.	134,354	158,943	-24,589	-15.5%
Capitated	11,800	14,528	-2,728	-18.8%
Prior Period Adj/IGT	166,747	313,272	-146,525	-46.8%
Total	4,344,727	4,541,291	(196,564)	-4.3%

	Actual	Budget	Variance	% Variance
Medicare	7,270,387	7,807,977	-537,590	-6.9%
Medicare Managed Care	1,797,604	1,446,933	350,671	24.2%
Medi-Cal	2,819,908	2,841,725	-21,817	-0.8%
Self Pay	716,169	664,535	51,634	7.8%
Commercial & Other Government	7,144,608	8,405,783	-1,261,175	-15.0%
Worker's Comp.	529,154	817,239	-288,085	-35.3%
Capitated	74,463	75,189	-726	-1.0%
Prior Period Adj/IGT	2,294,443	1,566,360	728,083	46.5%
Total	22,646,736	23,625,741	(979,005)	-4.1%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	31.6%	32.4%	-0.8%	-2.5%
Medicare Managed Care	9.1%	6.0%	3.1%	51.7%
Medi-Cal	14.6%	19.1%	-4.5%	-23.6%
Self Pay	3.5%	2.7%	0.8%	29.6%
Commercial & Other Government	37.8%	36.0%	1.8%	5.0%
Worker's Comp.	3.1%	3.5%	-0.4%	-11.4%
Capitated	0.3%	0.3%	0.0%	0.0%
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
Medicare	32.2%	33.0%	-0.9%	-2.7%
Medicare Managed Care	7.9%	6.1%	1.8%	29.5%
Medi-Cal	22.6%	18.7%	3.9%	20.9%
Self Pay	3.2%	2.8%	0.4%	14.3%
Commercial & Other Government	31.5%	35.6%	-4.1%	-11.5%
Worker's Comp.	2.3%	3.5%	-1.2%	-34.3%
Capitated	0.3%	0.3%	0.0%	0.0%
Total	100.0%	100.0%	-0.1%	-0.1%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	15.3%	15.0%	0.3%	2.0%
Medicare Managed Care	14.2%	12.8%	1.4%	10.9%
Medi-Cal	19.1%	22.3%	-3.2%	-14.3%
Self Pay	51.0%	45.4%	5.6%	12.3%
Commercial & Other Government	35.1%	36.0%	-0.9%	-2.5%
Worker's Comp.	22.3%	22.3%	0.0%	0.0%
Capitated	2.3%	3.2%	-0.9%	-28.1%

	Actual	Budget	Variance	% Variance
Medicare	15.3%	15.2%	0.1%	0.7%
Medicare Managed Care	14.1%	12.8%	1.3%	10.2%
Medi-Cal	26.7%	21.8%	4.9%	22.5%
Self Pay	52.2%	47.3%	4.9%	10.4%
Commercial & Other Government	33.1%	36.1%	-3.0%	-8.3%
Worker's Comp.	20.9%	23.7%	-2.8%	-11.8%
Capitated	3.1%	3.2%	-0.1%	-3.1%

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

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 11/30/17</u>	<u>Budget 11/30/17</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 11/30/17</u>	<u>Budget 11/30/17</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 11/30/16</u>
Inpatient Utilization								
Discharges								
1	80	90	(10)	Acute	365	448	(83)	439
2	19	15	4	ICU	78	79	(1)	58
3	99	106	(7)	Total Discharges	443	527	(84)	497
4	13	14	(1)	Newborn	46	71	(25)	62
5	112	120	(8)	Total Discharges inc. Newborns	489	598	(109)	559
Patient Days:								
6	250	312	(62)	Acute	1,113	1,547	(434)	1,538
7	71	94	(23)	ICU	413	488	(75)	490
8	321	406	(85)	Total Patient Days	1,526	2,035	(509)	2,028
9	24	29	(5)	Newborn	78	146	(68)	109
10	345	435	(90)	Total Patient Days inc. Newborns	1,604	2,181	(577)	2,137
Average Length of Stay:								
11	3.1	3.5	(0.3)	Acute	3.0	3.5	(0.4)	3.5
12	3.7	6.2	(2.4)	ICU	5.3	6.2	(0.9)	8.4
13	3.2	3.8	(0.6)	Avg. Length of Stay	3.4	3.9	(0.4)	4.1
14	1.8	2.0	(0.2)	Newborn ALOS	1.7	2.0	0.4	1.8
Average Daily Census:								
15	8.3	10.4	(2.1)	Acute	7.3	10.1	(2.8)	10.1
16	2.4	3.1	(0.8)	ICU	2.7	3.2	(0.5)	3.2
17	10.7	13.5	(2.8)	Avg. Daily Census	10.0	13.3	(3.3)	13.3
18	0.8	1.0	(0.2)	Newborn	0.51	0.95	(0.4)	0.71
Long Term Care:								
19	468	446	22	SNF Patient Days	2,599	2,753	(154)	2,753
20	26	20	6	SNF Discharges	139	121	18	143
21	15.6	14.9	0.7	Average Daily Census	17.0	18.0	(1.0)	18.0
Other Utilization Statistics								
Emergency Room Statistics								
22	816	850	(34)	Total ER Visits	4,378	4,457	(79)	4,457
Outpatient Statistics:								
23	4,648	4,326	322	Total Outpatients Visits	21,982	23,583	(1,601)	22,753
24	34	32	2	IP Surgeries	141	175	(34)	199
25	121	106	15	OP Surgeries	647	483	164	446
26	73	26	47	Special Procedures	329	157	172	230
27	630	1,001	(371)	Home Health Visits	3,873	4,742	(869)	4,710
28	322	324	(2)	Adjusted Discharges	1,630	1,651	(21)	1,632
29	2,030	2,206	(176)	Adjusted Patient Days (Inc. SNF)	11,553	12,201	(648)	12,192
30	67.7	73.5	(5.9)	Adj. Avg. Daily Census (Inc. SNF)	75.5	79.7	(4.2)	79.7
31	1.5478	1.4000	0.148	Case Mix Index -Medicare	1.5591	1.4000	0.159	1.7548
32	1.4968	1.4000	0.097	Case Mix Index - All payers	1.4878	1.4000	0.088	1.6053
Labor Statistics								
33	316	275	(41.6)	FTE's - Worked	280	284	3.9	283
34	329	314	(14.8)	FTE's - Paid	316	325	9.1	319
35	44.06	42.93	(1.13)	Average Hourly Rate	42.17	42.01	(0.16)	39.85
36	27.7	24.3	(3.4)	Manhours / Adj. Pat Day	23.9	23.2	(0.6)	22.8
37	174.8	165.6	(9.1)	Manhours / Adj. Discharge	169.1	171.8	2.7	170.5
38	20.6%	22.8%	2.2%	Benefits % of Salaries	22.6%	22.3%	-0.3%	23.1%
Non-Labor Statistics								
39	14.0%	10.4%	-3.6%	Supply Expense % Net Revenue	11.9%	10.6%	-1.2%	12.5%
40	1,947	1,496	(452)	Supply Exp. / Adj. Discharge	1,695	1,561	(135)	1,824
41	17,083	16,343	(740)	Total Expense / Adj. Discharge	16,687	16,429	(258)	16,118
Other Indicators								
42	14.4			Days Cash - Operating Funds				
43	47.7	50.0	(2.3)	Days in Net AR	45.4	50.0	(4.6)	51.6
44	90%			Collections % of Net Revenue	101%			106.1%
45	42.4	55.0	(12.6)	Days in Accounts Payable	42.4	55.0	(12.6)	10.3
46	21.1%	21.5%	-0.3%	% Net revenue to Gross revenue	21.7%	21.4%	0.3%	21.9%
47	22.8%			% Net AR to Gross AR	22.8%			24.7%

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

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,342,550	\$ 2,020,693	\$ 1,605,510
2 Trustee Funds	2,108,022	2,106,493	1,690,858
3 Net Patient Receivables	8,385,741	8,306,715	9,232,374
4 Allow Uncollect Accts	(1,272,722)	(1,566,400)	(1,282,409)
5 Net A/R	7,113,019	6,740,315	7,949,965
6 Other Accts/Notes Rec	7,161,663	7,228,328	6,847,450
7 3rd Party Receivables, Net	981,487	2,217,756	2,847,865
8 Inventory	847,066	840,026	791,253
9 Prepaid Expenses	758,654	792,791	800,370
10 Total Current Assets	<u>\$ 21,312,461</u>	<u>\$ 21,946,402</u>	<u>\$ 22,533,271</u>
12 Property, Plant & Equip, Net	\$ 52,276,451	\$ 52,477,887	\$ 53,196,716
13 Specific Funds/ Money Market	919,177	1,243,963	224,917
14 Other Assets	-	-	144,911
15 Total Assets	<u><u>\$ 74,508,089</u></u>	<u><u>\$ 75,668,252</u></u>	<u><u>\$ 76,099,815</u></u>
Liabilities & Fund Balances			
Current Liabilities:			
16 Accounts Payable	\$ 3,294,590	\$ 3,703,111	\$ 3,709,442
17 Accrued Compensation	4,373,415	4,046,606	4,127,921
18 Interest Payable	423,103	317,328	441,062
19 Accrued Expenses	1,783,535	1,871,566	1,427,495
20 Advances From 3rd Parties	504,690	544,088	124,255
21 Deferred Tax Revenue	3,971,450	4,538,800	3,478,361
22 Current Maturities-LTD	1,291,404	1,298,638	1,052,846
23 Line of Credit - Union Bank	6,973,734	6,973,734	5,923,734
24 Other Liabilities	1,501,386	1,501,386	2,446,097
25 Total Current Liabilities	<u>\$ 24,117,307</u>	<u>\$ 24,795,257</u>	<u>\$ 22,731,213</u>
26 Long Term Debt, net current portion	\$ 35,160,401	\$ 35,263,105	\$ 37,288,791
Fund Balances:			
28 Unrestricted	\$ 11,269,063	\$ 11,705,739	\$ 12,818,796
29 Restricted	3,961,318	3,904,151	3,261,016
30 Total Fund Balances	<u>\$ 15,230,381</u>	<u>\$ 15,609,890</u>	<u>\$ 16,079,811</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 74,508,089</u></u>	<u><u>\$ 75,668,252</u></u>	<u><u>\$ 76,099,815</u></u>

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

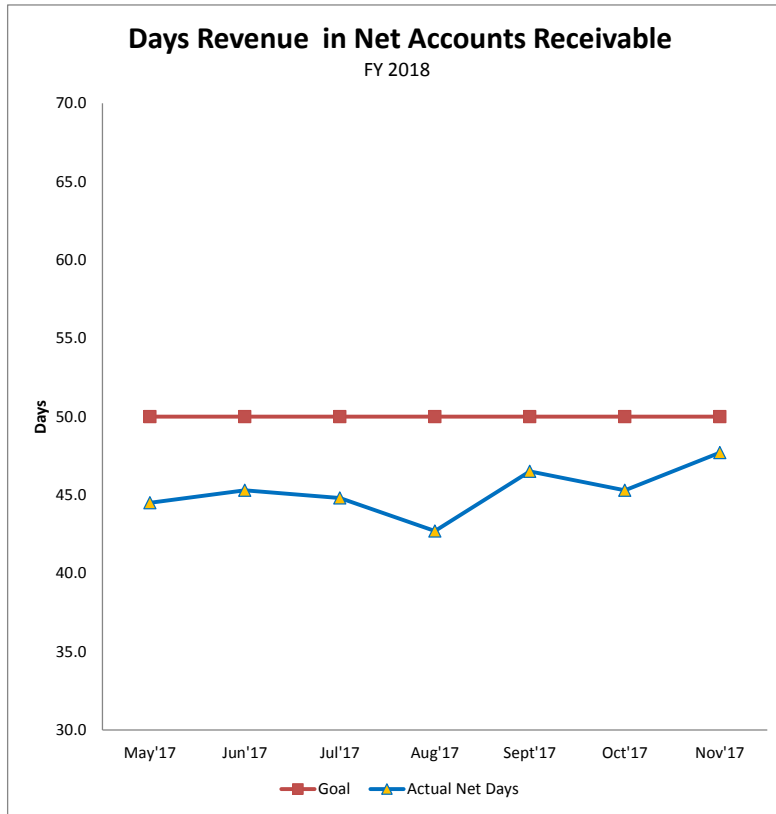
	Month				Volume Information	Year-To-Date				YTD					
	This Year		Variance			This Year		Variance							
	Actual	Budget	\$	%		Actual	Budget	\$	%						
										Prior Year					
1	99	106	(7)	-7%	Acute Discharges	443	527	(84)	-16%	497					
2	468	446	22	5%	SNF Days	2,599	2,753	(154)	-6%	2,753					
3	630	1,001	(371)	-37%	Home Care Visits	3,873	4,742	(869)	-18%	4,710					
4	12,952	13,361	(409)	-3%	Gross O/P Revenue (000's)	\$ 68,879	\$ 68,843	37	0%	\$ 65,947					
Financial Results															
Gross Patient Revenue															
5	\$ 6,559,301	\$ 6,771,275	(211,974)	-3%	Inpatient	\$ 28,554,693	\$ 34,561,667	(6,006,974)	-17%	\$ 33,109,481					
6	7,261,711	7,291,297	(29,586)	0%	Outpatient	37,908,079	36,584,079	1,324,000	4%	34,014,760					
7	5,457,253	5,746,526	(289,273)	-5%	Emergency	29,628,299	30,712,014	(1,083,715)	-4%	30,490,630					
8	1,673,503	1,637,020	36,483	2%	SNF	9,777,952	9,887,834	(109,882)	-1%	9,450,186					
9	235,052	343,538	(108,486)	-32%	Home Care	1,404,573	1,629,558	(224,985)	-14%	1,640,240					
10	\$ 21,186,820	\$ 21,789,656	(602,836)	-3%	Total Gross Patient Revenue	\$ 107,273,596	\$ 113,375,152	(6,101,556)	-5%	\$ 108,705,297					
Deductions from Revenue															
11	\$ (16,900,540)	\$ (17,439,030)	538,490	3%	Contractual Discounts	\$ (86,221,034)	\$ (90,702,736)	4,481,702	5%	\$ (86,659,673)					
12	(100,000)	(100,000)	-	0%	Bad Debt	(653,000)	(500,000)	(153,000)	-31%	(620,000)					
13	(8,300)	(22,607)	14,307	63%	Charity Care Provision	(47,269)	(113,035)	65,766	58%	(138,948)					
14	166,747	313,272	(146,525)	-47%	Prior Period Adj/Government Program Revenue	2,294,443	1,566,360	728,083	*	1,844,626					
15	\$ (16,842,093)	\$ (17,248,365)	406,272	-2%	Total Deductions from Revenue	\$ (84,626,860)	\$ (89,749,411)	5,122,551	-6%	\$ (85,573,995)					
Net Patient Service Revenue															
16	\$ 4,344,727	\$ 4,541,291	(196,564)	-4%	Risk contract revenue	\$ 650,145	\$ 642,605	7,540	1%	\$ 644,568					
17	\$ 128,781	\$ 128,521	260	0%	Net Hospital Revenue	\$ 23,296,881	\$ 24,268,346	(971,465)	-4%	\$ 23,775,870					
18	\$ 4,473,508	\$ 4,669,812	(196,304)	-4%	Other Op Rev & Electronic Health Records	\$ 87,537	\$ 94,115	(6,578)	-7%	\$ 189,256					
19	\$ 11,794	\$ 18,823	(7,029)	-37%	Total Operating Revenue	\$ 23,384,418	\$ 24,362,461	(978,043)	-4%	\$ 23,965,126					
20	\$ 4,485,302	\$ 4,688,635	(203,333)	-4%	Operating Expenses										
21	\$ 2,476,588	\$ 2,304,587	(172,001)	-7%	Salary and Wages and Agency Fees	\$ 11,624,205	\$ 11,914,007	289,802	2%	\$ 11,087,615					
22	835,512	878,942	43,430	5%	Employee Benefits	4,348,464	4,476,701	128,237	3%	4,291,081					
23	\$ 3,312,100	\$ 3,183,529	(128,571)	-4%	Total People Cost	\$ 15,972,669	\$ 16,390,708	418,039	3%	\$ 15,378,696					
24	\$ 451,411	\$ 409,331	(42,080)	-10%	Med and Prof Fees (excl Agency)	\$ 2,052,849	\$ 2,047,308	(5,541)	0%	\$ 1,967,273					
25	626,377	484,778	(141,599)	-29%	Supplies	2,763,184	2,575,683	(187,501)	-7%	2,976,608					
26	347,992	376,290	28,298	8%	Purchased Services	1,826,092	1,881,993	55,901	3%	1,557,838					
27	285,036	282,312	(2,724)	-1%	Depreciation	1,425,559	1,411,560	(13,999)	-1%	1,389,600					
28	100,577	101,622	1,045	1%	Utilities	573,094	508,110	(64,984)	-13%	531,974					
29	31,819	27,614	(4,205)	-15%	Insurance	159,095	138,070	(21,025)	-15%	146,460					
30	47,848	44,415	(3,433)	-8%	Interest	233,989	226,981	(7,008)	-3%	175,673					
31	128,961	139,638	10,677	8%	Other	599,255	696,526	97,271	14%	675,984					
32	-	86,433	86,433	*	Matching Fees (Government Programs)	775,755	432,165	(343,590)	-80%	747,361					
33	\$ 5,332,121	\$ 5,135,962	(196,159)	-4%	Operating expenses	\$ 26,381,541	\$ 26,309,104	(72,437)	0%	\$ 25,547,467					
34	\$ (846,819)	\$ (447,327)	(399,492)	-89%	Operating Margin	\$ (2,997,123)	\$ (1,946,643)	(1,050,480)	-54%	\$ (1,582,341)					

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

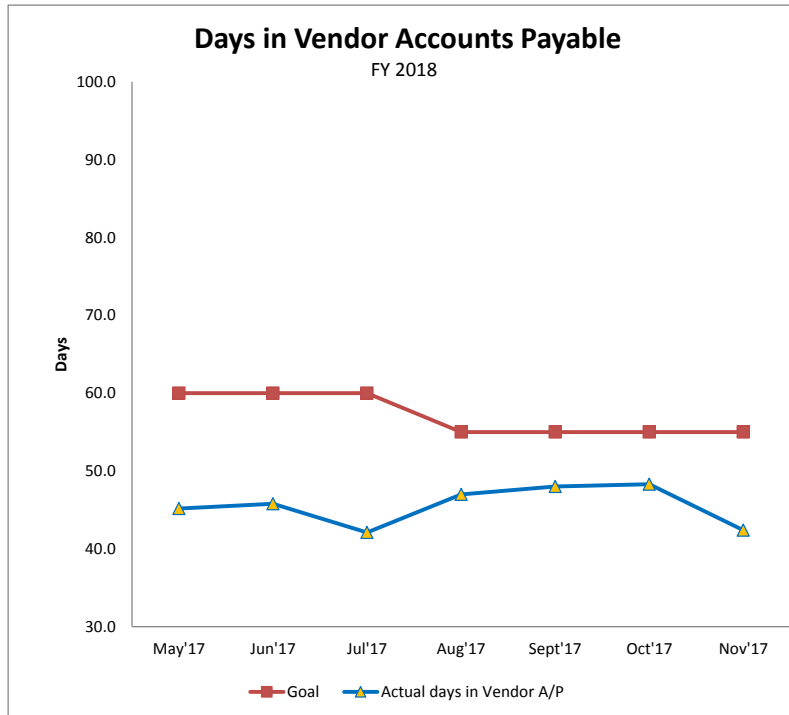
	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(84)	(7)	
2 SNF Days	(154)	22	
3 Home Care Visits	(869)	(371)	
4 Gross O/P Revenue (000's)	37	(409)	
Financial Results			
Gross Patient Revenue			
5 Inpatient	(6,006,974)	(211,974)	Inpatient days were below budgeted expectations by (85) days and IP surgeries were above budget by 2 cases.
6 Outpatient	1,324,000	(29,586)	Outpatient visits are 4,648 vs. budgeted expectations of 4,326 visits and outpatient surgeries are 121 vs. budgeted expectations 106.
7 Emergency	(1,083,715)	(289,273)	ER visits are 816 vs. budgeted visits of 850.
8 SNF	(109,882)	36,483	SNF patient days are 468 vs. budgeted expected days of 446.
9 Home Care	(224,985)	(108,486)	HHA visits are 630 vs. budgeted expectations of 1,001.
10 Total Gross Patient Revenue	(6,101,556)	(602,836)	
Deductions from Revenue			
11 Contractual Discounts	4,481,702	538,490	
12 Bad Debt	(153,000)	-	
13 Charity Care Provision	65,766	14,307	
14 Prior Period Adj/Government Program Revenue	728,083	(146,525)	Received Medi-Cal quality incentive funds of \$104,247 and accrued \$62,500 for the prime grant.
15 Total Deductions from Revenue	5,122,551	406,272	
16 Net Patient Service Revenue	(979,005)	(196,564)	
17 Risk contract revenue	7,540	260	
18 Net Hospital Revenue	(971,465)	(196,304)	
19 Other Op Rev & Electronic Health Records	(6,578)	(7,029)	
20 Total Operating Revenue	(978,043)	(203,333)	
Operating Expenses			
21 Salary and Wages and Agency Fees	289,802	(172,001)	Salaries and Wages are over budget by (\$130,839) and the Agency fees are over budget by (\$41,162).
22 Employee Benefits	128,237	43,430	
23 Total People Cost	418,039	(128,571)	
24 Med and Prof Fees (excl Agency)	(5,541)	(42,080)	Dietary department consultant (\$20,000 for October and November) while the director was out on medical leave and Chief Revenue Officer that was moved from employee to consultant (\$17,680)
25 Supplies	(187,501)	(141,599)	Supplies were over budget primarily in surgery due to higher than average inpatient surgeries using implants (\$118,057) and pharmacy (\$43,062)
26 Purchased Services	55,901	28,298	
27 Depreciation	(13,999)	(2,724)	
28 Utilities	(64,984)	1,045	
29 Insurance	(21,025)	(4,205)	
30 Interest	(7,008)	(3,433)	
31 Other	97,271	10,677	
32 Matching Fees (Government Programs)	(343,590)	86,433	No matching fees posted in November. The budgeted matching fees are spread evenly over 12 months.
33 Operating expenses	(72,437)	(196,159)	
34 Operating Margin	(1,050,480)	(399,492)	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	54,965	4,313	
36 Donations	22,321	13,843	
37 Physician Practice Support-Prima	(10,415)	(2,083)	
38 Parcel Tax Assessment Rev	-	-	
39 Extraordinary Items	(26,875)	-	
40 Total Non-Operating Rev/Exp	66,871	16,073	
		-	

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

	YTD	MONTH
Description	Variance	Variance
41 Net Income / (Loss) prior to Restricted Contributions	(983,609)	(383,419)
		-
42 Capital Campaign Contribution	(2,167)	42,751
43 Restricted Foundation Contributions	12,267	-
44 Net Income / (Loss) w/ Restricted Contributions	(1,000,384)	(340,668)
45 GO Bond Tax Assessment Rev	-	-
46 GO Bond Interest	-	-
47 Net Income/(Loss) w GO Bond Activity	(1,000,384)	(340,668)



Days in A/R	May'17	Jun'17	Jul'17	Aug'17	Sept'17	Oct'17	Nov'17
Actual days in A/R	44.5	45.3	44.8	42.7	46.5	45.3	47.7
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	May'17	Jun'17	Jul'17	Aug'17	Sept'17	Oct'17	Nov'17
Actual days in Vendor A/P	45.2	45.8	42.1	47.0	48.0	48.3	42.4
Goal	60.0	60.0	60.0	55.0	55.0	55.0	55.0

Sonoma Valley Hospital
 Statistical Analysis
 FY 2018

ATTACHMENT G

	ACTUAL		BUDGET		ACTUAL													
	Nov-17	Nov-17	Nov-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	
Statistics																		
Acute																		
Acute Patient Days	321	406	315	325	325	240	346	388	368	415	415	465	355	396	402			
Acute Discharges (w/o Newborns)	99	106	87	87	94	76	87	100	89	119	97	119	100	95	99			
SNF Days	468	446	624	479	500	528	458	559	512	572	607	592	500	446	512			
HHA Visits	630	1,001	871	789	713	870	940	966	934	849	922	877	919	938	880			
Emergency Room Visits	816	850	827	921	894	920	964	1,069	921	941	851	1,000	942	850	852			
Gross Outpatient Revenue (000's)	\$12,952	\$13,361	\$11,864	\$14,364	\$15,524	\$14,175	\$15,454	\$15,523	\$13,168	\$15,098	\$12,189	\$13,500	\$12,935	\$13,147	\$13,347			
Equivalent Patient Days	2,030	2,206	2,334	2,266	2,591	2,332	2,328	2,654	2,227	2,537	2,553	2,618	2,382	2,202	2,380			
Births	11	14	12	5	10	6	15	7	11	12	12	11	9	8	9			
Surgical Cases - Inpatient	34	32	23	33	22	29	36	30	47	40	26	38	28	38	42			
Surgical Cases - Outpatient	121	106	97	154	142	133	161	143	124	149	101	110	98	123	84			
Total Surgical Cases	155	138	120	187	164	162	197	173	171	189	127	148	126	161	126			
Total Special Procedures	73	26	52	75	77	52	66	58	44	36	41	28	40	32	29			
Medicare Case Mix Index	1.55	1.40	1.49	1.54	1.57	1.65	1.66	1.69	1.64	1.45	1.52	1.47	1.59	1.79	1.59			
Income Statement																		
Net Revenue (000's)	\$4,474	\$4,670	4,543	4,518	4,775	4,988	5,188	5,330	4,924	5,283	4,266	\$4,528	\$3,588	\$4,452	\$4,727			
Operating Expenses (000's)	\$5,332	\$5,136	\$4,872	\$5,206	\$5,380	\$5,592	\$5,250	\$5,678	\$5,308	\$5,395	\$4,803	\$5,026	\$4,713	\$5,047	\$4,912			
Net Income (000's)	(\$380)	(\$39)	\$ 62	\$ (230)	\$ (165)	\$ (198)	\$ 690	\$ 16	\$ (24)	\$ 304	\$ 308	\$ (108)	\$ (600)	\$ (65)	\$ 337			
Productivity																		
Total Operating Expense Per Equivalent Patient Day	\$2,627	\$2,209	\$2,087	\$2,297	\$2,076	\$2,398	\$2,255	\$2,139	\$2,383	\$2,127	\$1,881	\$1,920	\$1,979	\$2,292	\$2,064			
Productive FTEs	316	275	246	289	279	271	278	291	285	294	294	280	253	289	280			
Non-Productive FTE's	13	39	58	27	35	47	43	28	28	28	28	36	56	30	36			
Total FTEs	329	314	304	316	314	318	321	319	313	322	322	316	309	319	316			
FTEs per Adjusted Occupied Bed	4.86	4.27	4.04	4.19	3.75	4.23	4.14	3.73	4.22	3.93	3.54	3.74	4.03	4.35	4.11			
Balance Sheet																		
Days of Expense In General Operating Cash	14.4		12	9	11	16	20	19	11	16	27	20	25	10	11			
Net Days of Revenue in AR	48	50	45	47	43	45	45	44	47	44	46	50	51	53	50			

Sonoma Valley Hospital
Cash Forecast
FY 2018

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	4,502,585	4,253,229	4,093,599	4,253,616	3,890,115	4,168,703	4,476,616	4,409,693	4,706,455	4,322,606	4,357,338	4,351,807	51,786,363
2 Capitation Revenue	133,404	128,220	128,530	131,210	128,781	128,521	128,521	128,521	128,521	128,521	128,521	128,518	1,549,788
3 Napa State	39,561	4,166	35,361	26,125	5,181	20,762	20,762	20,762	20,762	20,762	20,762	20,762	255,728
4 Other Operating Revenue	10,971	25,415	37,380	30,930	42,863	18,823	18,823	18,823	18,823	18,823	18,823	18,827	279,323
5 Other Non-Operating Revenue	26,914	38,081	68,232	33,898	48,014								215,140
6 Unrestricted Contributions		8,478	150										8,628
7 Line of Credit													-
Sub-Total Hospital Sources	4,713,435	4,457,589	4,363,253	4,475,779	4,114,954	4,336,809	4,644,722	4,577,799	4,874,561	4,490,712	4,525,444	4,519,914	54,094,971
Hospital Uses of Cash													
8 Operating Expenses	5,146,037	5,273,336	5,040,006	4,799,145	5,326,497	5,130,853	5,338,157	5,253,569	5,505,480	5,297,652	5,370,033	5,303,034	62,783,799
9 Less Depreciation						(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,301)	(1,976,173)
10 Add Capital Lease Payments	52,503	186,389	69,999	179,596	109,938	166,323	102,110	102,526	102,944	103,364	103,786	169,180	1,448,658
11 Additional Liabilities										500,000			500,000
12 Capital Expenditures	15,965	56,034	1,755	88,906	88,829								251,489
Total Hospital Uses	5,214,505	5,515,759	5,111,761	5,067,647	5,525,264	5,014,864	5,157,955	5,073,783	5,326,112	5,618,704	5,191,507	5,189,913	63,007,774
Net Hospital Sources/Uses of Cash	(501,070)	(1,058,171)	(748,508)	(591,868)	(1,410,310)	(678,055)	(513,233)	(495,984)	(451,551)	(1,127,992)	(666,063)	(669,999)	(8,912,803)
Non-Hospital Sources													
13 Restricted Cash/Capital Donations		527,977	(727,205)	(100,755)	382,167	14,417	268,828	18,828	18,828	18,828	18,828	18,828	459,569
14 Parcel Tax Revenue	152,275		1,500,000			500,000				1,800,000			3,952,275
15 Payment - South Lot				(25,205)		(25,205)			(24,658)			(24,932)	(100,000)
16 Other:													-
17 IGT				1,877,696					860,000				2,737,696
18 IGT - AB915 (Net)								811,535					811,535
19 PRIME					1,350,000						150,000		1,500,000
Sub-Total Non-Hospital Sources	152,275	527,977	772,795	1,751,736	1,732,167	489,212	268,828	830,363	854,170	1,818,828	168,828	(6,104)	9,361,075
Non-Hospital Uses of Cash													
20 Matching Fees		509,543	266,212	675,000						75,000			1,525,755
Sub-Total Non-Hospital Uses of Cash	-	509,543	266,212	675,000	-	-	-	-	-	75,000	-	-	1,525,755
Net Non-Hospital Sources/Uses of Cash	152,275	18,434	506,583	1,076,736	1,732,167	489,212	268,828	830,363	854,170	1,743,828	168,828	(6,104)	7,835,320
Net Sources/Uses	(348,795)	(1,039,737)	(241,925)	484,868	321,857	(188,843)	(244,405)	334,379	402,619	615,836	(497,235)	(676,103)	
Cash and Equivalents at beginning of period	3,166,281	2,817,486	1,777,750	1,535,825	2,020,693	2,342,550	2,153,707	1,909,302	2,243,681	2,646,300	3,262,136	2,764,901	
Cash and Equivalents at end of period	2,817,486	1,777,750	1,535,825	2,020,693	2,342,550	2,153,707	1,909,302	2,243,681	2,646,300	3,262,136	2,764,901	2,088,798	