



**SVHCD FINANCE COMMITTEE**  
**AGENDA**  
**TUESDAY, FEBRUARY 27, 2018**  
**5:00 p.m. Regular Session**

**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 Interim District Clerk Vivian Woodall at (707) 935.5005 at least 48 hours prior to the meeting.</p>	<b>RECOMMENDATION</b>	
<b>AGENDA ITEM</b>		
<p><b>MISSION STATEMENT</b>          The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</p>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Nevins</i>	
<b>2. PUBLIC COMMENT SECTION</b>	<i>Nevins</i>	
<p><b>3. CONSENT CALENDAR</b>          • FC Minutes 01.23.18</p>	<i>Nevins</i>	Action
<b>4. BUDGET ASSUMPTIONS FOR FY 2019</b>	<i>Jensen</i>	Action
<b>5. PROPOSED AUDIT ENGAGEMENT BY ARMANINO FOR FY2018, 2019 AND 2020</b>	<i>Jensen</i>	Action
<b>6. HEALING AT HOME UPDATE</b>	<i>Jensen</i>	Inform
<b>7. 1206(b) CLINIC UPDATE</b>	<i>Jensen</i>	Inform
<b>8. ADMINISTRATIVE REPORT MARCH 2018</b>	<i>Mather</i>	Inform
<b>9. FINANCIAL REPORT FOR MONTH ENDING JANUARY 31, 2018</b>	<i>Jensen</i>	Inform
<b>10. ADJOURN</b>	<i>Nevins</i>	



**SVHCD  
FINANCE COMMITTEE MEETING  
MINUTES  
TUESDAY, JANUARY 23, 2018  
Schantz Conference Room**

<b>Present</b>	<b>Excused</b>	<b>Staff</b>	<b>Public</b>
John Perez Sharon Nevins Susan Porth Dr. Mishra via telephone Joshua Rymer Keith Hughes via telephone	Steve Berezin	Kelly Mather via telephone Ken Jensen Sarah Dungan	Peter Hohorst

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTIONS</b>	<b>FOLLOW-UP</b>
<b>MISSION &amp; VISION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Nevins</i>		
	Called to order 5:00 pm		
<b>2. PUBLIC COMMENT SECTION</b>	<i>Nevins</i>		
	None		
<b>3. CONSENT CALENDAR</b> FC Minutes 12.19.17	<i>Nevins</i>	Action	
		<b>MOTION:</b> by Rymer, 2nd by Perez. All in favor	
<b>4. UCSF COLLABORATION AGREEMENT UPDATE</b>	<i>Mather</i>	Inform	
	Ms. Mather said that UCSF expects a medical director to report to both UCSF and SVH. Two interviews are scheduled and neither currently works for UC. Duties will be similar to a CMO but will not involve the Electronic Health Record. SVH will be		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>paying the salary which is below budget for the former SVH CMO. SVH would be an affiliate of UCSF Health and use their logo. The joint committee to be formed will make recommendations to take to the Board. If these candidates do not work out, the position will be posted. The agreement is continuing with 180 days' notice.</p> <p>Ms. Nevins asked if the agreement is exclusive; it is not. Ms. Mather said SVH has two telemed programs which can continue. The next step is forming the joint committee and establishing strategic priorities. At that point she will be asking for a capital investment. The agreement and UCSF representatives will be at the February Board meeting. Potential donors feel that UCSF adds credibility.</p>		
<b>5. ADMINISTRATIVE REPORT JANUARY 2018</b>	<i>Mather</i>	Inform	
	<p>Ms. Mather reported that SVH is still four stars and SNF five stars. Management has been having discussions with an organization regarding the Home Care service; a non-disclosure agreement has been signed and they plan to issue a proposal. SVH wants to retain staff and keep the service available in the Valley. Home Care has already cut expenses, but with benefits added and volumes being down, it is losing. The Home Care Director is retiring, which was expected.</p> <p>SVH is working on a separate 1206b clinic for Drs. Mishra, Manuel and Schafer. The process will take 3-4 months. Eventually, it would be beneficial to have all physicians in the same building. If they are UCSF affiliates, they will get higher reimbursement.</p>		1206b financial projections for Feb. meeting.

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Cost reductions are complete. SVH did have two separation agreements with executives.		
<b>6. FINANCIAL REPORT FOR MONTH ENDING DECEMBER 31, 2017</b>	<i>Jensen</i>	Inform	
	<p>Mr. Jensen reviewed the December financials. Acute patient days were up a bit. The gross overall payer mix was 56.8% Medicare vs. a budget of 55.1%. Medi-Cal dropped a bit and commercial was up a bit. Cash collections were \$289k over goal for the month and \$397k over goal year to date. Days' cash were 17.6. Accounts receivable were 50.5 days due to lack of billing during the October fires. Accounts payable were 49.3 days.</p> <p>Inpatient revenue was up, and outpatient revenue was up 4%. ER visits were down, but the intensity of visit was up. Skilled Nursing was up. Total operating revenue was \$246k less than expected. \$176k of that was due to termination payout costs. The total operating margin showed a \$643k loss, or \$202k off budget.</p> <p>Mr. Jensen commented on line 38 of the Statement of Revenue and Expenses. Many taxpayers paid their parcel tax early, so the County will distribute it early this year. The total net loss for December after all activity was (\$226k) vs. (\$32k). We should start seeing improvements to the bottom line in January. He also mentioned the 2019 budget process is starting and the Committee should have major assumptions next month. Ms. Nevins asked to see tracking of expense reductions.</p>		<p>Major budget assumptions in Feb.</p> <p>Tracking of expense reductions.</p>
<b>8. ADJOURN</b>	<i>Nevins</i>		
	Ms. Nevins said she would like to revisit a work plan for the Finance Committee.		
	<i>Meeting adjourned at 5:37 pm</i>		

## **Sonoma Valley Hospital Fiscal Year 2019 Budget Assumptions**

**The following assumptions will be applied to the actual experience from February 2017 through January 2018. Other adjustments will be made as necessary to reflect current trends in healthcare going forward.**

### **VOLUME**

- Assume actual 12 months volume ending January 2018, with the assumption that volume is stable.
- Do we assume any additional volume for specific departments showing growth (Women's Place)?

### **GROSS REVENUE**

- Assume actual 12 months revenue ending January 2018.
- Add 6% price increase
- Adjust for any additional volume.

### **CONTRACTUAL ALLOWANCES**

- Assume current collection rates and adjust allowance for 6% price increase.

### **WAGES AND BENEFITS**

- 3% increase for salaries for 6-months beginning January 2019 through June 2019
- 3% increase for benefits for 6-months beginning January 2019 through June 2019 (or adjust PTO to cover costs).

### **PROFESSIONAL FEES**

- 3% increase for 12 months ending January 2018

### **SUPPLIES**

- 2% increase for inflation for 12 months ending January 2018

## **FOOD**

- 3% increase for inflation for 12 months ending January 2018

## **PURCHASED SERVICES**

- Assume actual 12 months ending January 2018.
- Purchased services to be reviewed by department and adjusted for inflation as needed.

## **DEPRECIATION**

- Current, will adjust for any new equipment (3-D Mammography equipment).

## **INSURANCE**

- 5% given claims experience – will confirm with insurance agent

## **INTEREST**

- Current, will adjust for expiring leases/loans.

## **UTILITIES**

- Assume actual 12 months ending January 2018.
- No increase given oil prices

## **OTHER EXPENSES**

- Rent/leases- current, will adjust for any new expected leases and remove any expiring.
- All other, no increase
- Will review by department



**To:** Finance Committee  
**Meeting Date:** February 27, 2018  
**Prepared by:** Ken Jensen  
**Agenda Item Title:** Proposed Audit Engagement by Armanino for FY 2018, 2019 and 2020

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**PROPOSAL:**

Management proposes that the Audit/Finance Committees and the Board of Directors accept the proposal submitted by Armanino, LLP, to engage and conduct the annual audit of Sonoma Valley Hospital's statements of net financial position for the fiscal years 2018, 2019 and 2020 at a cost of \$57,000 in year 2018, \$59,000 in year 2019 and \$61,000 in 2020.

**BACKGROUND:**

Armanino, LLP, has conducted the last three fiscal years of audits that have been conducted in accordance with GAAS in a professional and acceptable manner. A request for proposal was not done. A request for proposal was done prior to the last engagement with Armanino and the alternative proposal was about 15% higher; there is no indication that the amount would be less if bids were requested. Armanino's fee for FY 2017 was \$55,000.

**RECOMMENDATION:**

Management recommends that the Audit/Finance Committees and the Board of Directors approve the agreement with Armanino, LLP, to conduct the Sonoma Valley Hospital audit for Fiscal Years 2018, 2019 and 2020

**ATTACHMENT:**

Armanino, LLP, Engagement Letter



**To:** SVHCD Board of Directors  
**From:** Kelly Mather  
**Date:** 2/22/18  
**Subject:** Administrative Report

**Summary**

We are excited that the UCSF Collaboration Agreement has been approved and is ready for signatures. The stakeholders and community have been very positive and excited about this affiliation.

**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"> <li>➤ SVH culture of embracing change using Rapid Cycle approaches has begun.</li> <li>➤ Emergency is working on the “Stroke Readiness” certification.</li> <li>➤ We are posting the Medical Director/CMO position with UCSF.</li> <li>➤ We are using standard protocols to ensure Evidence Based Medicine is present and will ask the CMO to lead this process this Spring.</li> <li>➤ The Workplace Violence Prevention program will be complete in April.</li> <li>➤ The Hospital Quality Institute is leading the charge for all hospitals in California to publish a common quality dashboard on our websites.</li> </ul>
Be the preferred hospital for patients, physicians, employers and health plans	<ul style="list-style-type: none"> <li>➤ Staff participation in the Annual Engagement Survey is 81%.</li> <li>➤ 3D Mammography transition is underway and opens at the hospital March 5<sup>th</sup>.</li> <li>➤ We selected the Design Build team for the Outpatient Diagnostic Center.</li> <li>➤ Sonoma Family Practice transition to 1206b is underway and will be a Rural Health Center next year.</li> <li>➤ The Whole Health Weight Loss Institute opens May 1<sup>st</sup>.</li> <li>➤ Canopy Health has increased the footprint in the Bay Area and is now in San Mateo County.</li> </ul>
Implement new and enhanced revenue strategies as measured by increased direct margins in each service unit	<ul style="list-style-type: none"> <li>➤ The UCSF collaboration agreement is complete and meetings start in March. Branding and the CMO position are the first priority.</li> <li>➤ The Women’s Place launch has been very successful resulting in many new physician referrals. We are also talking with a Uro/GYN physician.</li> <li>➤ We are developing a Pain Management service line with our current physicians.</li> <li>➤ A Cardiology Center is being considered with the addition of the new Cardiologist.</li> <li>➤ Marketing for more awareness of our Primary Care Physicians in Sonoma.</li> <li>➤ The Strategic Planning Committee will do a public input session in April.</li> </ul>
Continue to improve financial stability as measured by operating margin	<ul style="list-style-type: none"> <li>➤ Looking at ideas to continue to reduce Overhead.</li> <li>➤ We will have a \$1.3 million pickup from the South Lot sale in Fall 2018.</li> <li>➤ We are looking at potential partners for Home Care.</li> <li>➤ We have found some great solar energy options.</li> <li>➤ Prima costs should be reduced this year.</li> </ul>
Lead progress toward being a healthier community as measured by community benefit	<ul style="list-style-type: none"> <li>➤ We are working with Teen Services to help improve job readiness and inspire more healthcare workers.</li> <li>➤ Doctors’ Day is March 30<sup>th</sup>.</li> <li>➤ The Capital Campaign for the Outpatient Diagnostic Center is off to a great start.</li> <li>➤ Celebration of Women is on May 10<sup>th</sup>. Tickets and sponsorships are going well.</li> </ul>



## JANUARY 2018

			National
Patient Experience	Current Performance	FY 2018 Goal	Benchmark
Would Recommend Hospital	51st percentile	> 60th percentile	50th percentile
Inpatient Overall Rating	50 <sup>th</sup> percentile	>60th percentile	50th percentile
Home Health	92%	> 90%	> 80%
Outpatient Services	4.83	Rate My Hospital	4.5
Emergency	4.47	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	1.7	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	4	< 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	253	250	> 200
Turnover	9.7%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2018 Goal	Benchmark
EBDA	-.9%	2.9%	3%
FTE's/AOB	3.68	4.3	5.3
Days Cash on Hand	23.5	20	30
Days in Accounts Receivable	51	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	\$1,935,357	\$1,483,950	\$1 million
Strategic Growth	YTD Performance	FY 2018 Goal	Benchmark
Inpatient Discharges	650/1114	1193	1225
Outpatient Visits	30,914/52,995	57,771	55,566
Emergency Visits	6293/10,788	11,022	11,019
Surgeries	1089/1866	1,800	1,680
Births	63/108	132	120
Home Health Visits	5472/9380	11,053	11,400
Community Benefit Hours	952/1632	1200	1200



Healing Here at Home

### TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2018	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
FY YTD Turnover	<10%	.9	3.1	5.3	6.8	9.7	9.7	11.3	6.3	7.2	7.7	8.4	9
Leave of Absences	<12	10	10	11	11	11	9	10					
EBDA	>3%	.1	-.9	-1.1	.1	-1.2	-1.4	2.2	2	3	3	3.1	3.6
Operating Revenue	>5m	5.0	4.8	4.6	4.6	4.5	4.5	4.9	4.3	5.3	4.9	5.3	5.2
Expense Management	<5m	5.1	5.3	5.2	4.8	5.3	5.1	5.3	4.8	5.4	5.3	5.6	5.2
Net Income	>50k	-197	-164	-230	62	-379	-226	125	307	304	-24	16	180
Days Cash on Hand	>20	16	10	9	12.5	14	17.4	23.5	27	16	11	19	20
A/R Days	<50	45	43	47	45	48	51	51	46	44	47	44	45
Total FTE's	<320	318	314	316	304	329	307	312	322	322	313	319	321
FTEs/AOB	<4.0	4.23	3.75	4.19	4.04	4.86	3.85	3.68	3.54	3.93	4.22	3.73	4.14
Inpatient Discharges	>90	76	94	87	87	99	96	111	97	119	89	100	87
Outpatient Revenue	>\$13m	14.1	15.5	14.3	11.9	12.9	14.1	14.7	12.2	15.1	13.1	15.5	15.4
Surgeries	>150	162	164	187	120	155	160	141	127	189	171	173	197
Home Health	>950	870	713	789	871	630	798	801	922	849	934	966	940
Births	>11	6	10	5	12	11	10	7	12	12	11	7	15
SNF days	>550	528	500	479	624	468	563	646	607	572	512	559	458
MRI	>120	102	134	128	100	80	105	106	107	137	121	116	109
Cardiology (Echos)	>50	62	93	73	54	80	93	96	69	89	70	70	79
Laboratory	>12	11.9	12.2	11.6	10.8	12.0	11.4	12.9	11.5	13.9	12.1	13.6	11.8
Radiology	>850	881	966	870	757	882	891	1072	981	1159	963	1142	1137
Rehab	>2700	2362	2872	2502	2078	2945	2884	2593	2161	3020	2748	2983	2802
CT	>300	326	390	354	271	272	386	346	323	398	385	407	376
ER	>900	920	894	921	827	816	919	996	851	941	921	1069	964
Mammography	>200	223	235	201	191	253	249	190	215	246	191	214	219
Ultrasound	>300	287	326	265	188	236	258	274	284	334	213	279	312
Occupational Health	>600	642	705	552	707	588	416	504	568	611	631	607	659
Wound Care	>200	226	263	287	287	203	277	204	238	348	239	203	307



**To:** SVH Finance Committee  
**From:** Ken Jensen, CFO  
**Date:** February 27, 2018  
**Subject:** Financial Report for the Month Ending January 31, 2018

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The year-to-date financial performance has not met expectations. Inpatient days, deliveries and outpatient visits were well under the budgeted volumes. Some cost adjustments were implemented in January which primarily impacted salaries in a positive way. Most of the resultant savings should continue through the balance of the fiscal year short of some costs that will be required for Medical Direction and rehab services. The October fires also contributed to a “loss of income” approximating \$300,000. It is not expected that the cost adjustments will offset the year-to date under budget performance but should mitigate some of the shortfall for the balance of the year.

The actual loss of (\$433,055) from operations for January was (\$98,764) unfavorable to the budgeted loss of (\$334,291). After accounting for all other activity; January’s net income was \$125,473 vs. the budgeted net income of \$78,206 with a monthly EBIDA of 3.1% vs. a budgeted 4.8%.

**Gross patient revenue** for January was \$24,395,130, \$947,194 over budget. Inpatient gross revenue was under budget by (\$215,800). Inpatient days were under budget by (75) days and inpatient surgeries were over budgeted expectations by 5 cases. Outpatient revenue was over budget by \$421,744. Outpatient visits were over budgeted expectations by 145 visits, and outpatient surgeries were at budgeted expectations at 109 cases. The Emergency Room gross revenue is over budget by \$338,684 with ER visits close to budgeted expectations at 996 visits. SNF gross charges were over budgeted expectations by \$413,720 and SNF patient days were over budget by 54 days. Home Health was under budget by (\$11,154) with visits under budget by (94) visits which is due to seeing a reduced number of Kaiser HHA patients.

Gross revenue from surgical implants in January is \$892,929 with \$559,972 from inpatient surgeries and \$332,957 from outpatient surgeries, and total implant costs were (\$198,943). The net, before any revenue deductions, is \$693,986.

**Deductions from revenue** were unfavorable to budgeted expectations by (\$1,017,786). Of the variance, (\$250,772) is from the budgeted governmental program payments (IGT) being spread over 12 months. The variance was also impacted by a negative shift in payer mix with Medicare volume increasing by 3.6 percentage points over budget and Commercial volume dropping by 4.4 percentage points. Without the IGT variance, the deductions from revenue variance is unfavorable by (\$767,014) which is due to the gross revenue being over budgeted expectations.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (\$108,578).

**Operating Expenses** of \$5,357,471 were favorable to budget by \$9,814. Salaries and wages and agency fees were under budget by 106,811. Salaries and wages were under budget by \$124,461 and agency fees were over budget by (\$17,650). Professional fees were over budget by (\$7,878) primarily due to non-budgeted consulting fees offset by lower administration salaries. Supplies were over budget (\$129,990) primarily in surgery due to inpatient surgery volume (\$34,258 - supplies) and (\$48,051 – implants) and in the lab (\$40,293) due to an increased use of flu kits needed in December and January. Purchased services were over budget by (\$68,257) due to additional service cost invoices for the hospital’s outsourced bio-medical repairs and maintenance covering April 2017 to November 2017 (\$24,546) and in IT (\$31,879) due to reconciling the McKesson Paragon account. There were no matching fees posted in January.

As mentioned above, the hospital implemented a cost reduction plan that took effect on January 1, 2018, with the intention of a cost savings of \$100,000 to \$150,000 monthly. For the month of January, the hospital saved \$101,891. See attachment I for details.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for January was (\$178,532) vs. a budgeted net loss of (\$85,529). The total net income for January after all activity was \$125,473 vs. a budgeted net income of \$78,206.

EBIDA for the month of January was 3.1% vs. the budgeted 4.8%.

**Patient Volumes – January**

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	111	124	-13	119
Newborn Discharges	7	15	-8	11
Acute Patient Days	394	469	-75	465
SNF Patient Days	646	592	54	592
Home Care Visits	801	895	-94	877
OP Gross Revenue	\$14,741	\$13,977	\$764	\$13,500
Surgical Cases	141	136	5	148

### Gross Revenue Overall Payer Mix – January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	43.7%	45.8%	-2.1%	44.2%	45.5%	-1.3%
Medicare Mgd Care	15.6%	9.9%	5.7%	12.6%	9.9%	2.7%
Medi-Cal	18.3%	18.1%	0.2%	17.7%	17.9%	-0.2%
Self Pay	1.9%	1.2%	0.7%	1.3%	1.2%	0.1%
Commercial	15.6%	20.0%	-4.4%	19.7%	20.5%	-0.8%
Workers Comp	2.2%	3.0%	-0.8%	2.2%	3.0%	-0.8%
Capitated	2.7%	2.0%	0.7%	2.3%	2.0%	0.3%
Total	100.0%	100.0%		100.0%	100.0%	

### Cash Activity for January:

For the month of January the cash collection goal was \$3,538,300 and the Hospital collected \$3,830,890 or over the goal by \$292,590. The year-to-date cash collection goal was \$25,118,261 and the Hospital has collected \$25,807,980 or over goal by 689,719. Days of cash on hand are 23.5 days at January 31, 2018. Accounts Receivable increased from December from 50.5 days to 51.2 days in January. Accounts Payable decreased by (\$283,763) from December and Accounts Payable days are at 45.3.

### 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
- Attachment I is the Cash Savings from cost reduction plan implemented 1/1/2018

**Sonoma Valley Hospital**  
**Payer Mix for the month of January 31, 2018**

ATTACHMENT A

**January-18**

**YTD**

<b>Gross Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	10,666,738	10,725,039	-58,301	-0.5%
Medicare Managed Care	3,809,315	2,321,798	1,487,517	64.1%
Medi-Cal	4,465,013	4,233,009	232,004	5.5%
Self Pay	452,062	287,069	164,993	57.5%
Commercial & Other Government	3,813,211	4,714,129	-900,918	-19.1%
Worker's Comp.	541,175	703,755	-162,580	-23.1%
Capitated	647,616	463,137	184,479	39.8%
<b>Total</b>	<b>24,395,130</b>	<b>23,447,936</b>	<b>947,194</b>	

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	68,514,560	72,047,235	-3,532,675	-4.9%
Medicare Managed Care	19,309,942	15,770,342	3,539,600	22.4%
Medi-Cal	27,324,071	28,419,741	-1,095,670	-3.9%
Self Pay	2,013,885	1,972,727	41,158	2.1%
Commercial & Other Government	30,375,720	32,520,016	-2,144,296	-6.6%
Worker's Comp.	3,436,919	4,828,747	-1,391,828	-28.8%
Capitated	3,518,009	3,229,440	288,569	8.9%
<b>Total</b>	<b>154,493,106</b>	<b>158,788,248</b>	<b>(4,295,142)</b>	

<b>Net Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	1,700,098	1,578,211	121,887	7.7%
Medicare Managed Care	577,266	298,084	279,182	93.7%
Medi-Cal	611,296	432,491	178,805	41.3%
Self Pay	230,552	172,241	58,311	33.9%
Commercial & Other Government	1,489,235	1,894,441	-405,206	-21.4%
Worker's Comp.	130,192	181,892	-51,700	-28.4%
Capitated	13,919	15,018	-1,099	-7.3%
Prior Period Adj/IGT	62,500	313,272	-250,772	-80.0%
<b>Total</b>	<b>4,815,058</b>	<b>4,885,650</b>	<b>(70,592)</b>	<b>-1.4%</b>

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	10,536,969	10,936,673	-399,704	-3.7%
Medicare Managed Care	2,783,504	2,024,743	758,761	37.5%
Medi-Cal	3,966,873	3,851,931	114,942	3.0%
Self Pay	1,034,614	962,679	71,935	7.5%
Commercial & Other Government	10,220,185	11,842,416	-1,622,231	-13.7%
Worker's Comp.	742,747	1,173,090	-430,343	-36.7%
Capitated	100,504	104,692	-4,188	-4.0%
Prior Period Adj/IGT	2,419,443	2,192,904	226,539	10.3%
<b>Total</b>	<b>31,804,839</b>	<b>33,089,128</b>	<b>(1,284,289)</b>	<b>-3.9%</b>

<b>Percent of Net Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	35.3%	32.3%	3.0%	9.3%
Medicare Managed Care	12.0%	6.1%	5.9%	96.5%
Medi-Cal	14.0%	15.3%	-1.3%	-8.3%
Self Pay	4.8%	3.5%	1.3%	35.8%
Commercial & Other Government	30.9%	38.8%	-7.8%	-20.2%
Worker's Comp.	2.7%	3.7%	-1.0%	-27.4%
Capitated	0.3%	0.3%	0.0%	-6.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	33.1%	33.1%	0.0%	-0.1%
Medicare Managed Care	8.8%	6.1%	2.6%	43.0%
Medi-Cal	20.1%	18.3%	1.8%	9.9%
Self Pay	3.3%	2.9%	0.3%	11.8%
Commercial & Other Government	32.1%	35.8%	-3.7%	-10.2%
Worker's Comp.	2.3%	3.5%	-1.2%	-34.1%
Capitated	0.3%	0.3%	0.0%	-0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>

<b>Projected Collection Percentage:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	15.9%	14.7%	1.2%	8.3%
Medicare Managed Care	15.2%	12.8%	2.3%	18.0%
Medi-Cal	15.1%	17.6%	-2.5%	-14.3%
Self Pay	51.0%	60.0%	-9.0%	-15.0%
Commercial & Other Government	39.1%	40.2%	-1.1%	-2.8%
Worker's Comp.	24.1%	25.8%	-1.8%	-6.9%
Capitated	2.1%	3.2%	-1.1%	-33.7%

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	15.4%	15.2%	0.2%	1.3%
Medicare Managed Care	14.4%	12.8%	1.6%	12.3%
Medi-Cal	23.4%	21.3%	2.1%	9.9%
Self Pay	51.4%	48.8%	2.6%	5.3%
Commercial & Other Government	33.6%	36.4%	-2.8%	-7.6%
Worker's Comp.	21.6%	24.3%	-2.7%	-11.0%
Capitated	2.9%	3.2%	-0.4%	-11.9%

**SONOMA VALLEY HOSPITAL  
OPERATING INDICATORS  
For the Period Ended January 31, 2018**

**ATTACHMENT B**

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 01/31/18</u>	<u>Budget 01/31/18</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 01/31/18</u>	<u>Budget 01/31/18</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 01/31/17</u>
<b>Inpatient Utilization</b>								
<b>Discharges</b>								
1	91	108	(17)	Acute	542	631	(89)	633
2	20	17	3	ICU	108	112	(4)	83
3	111	124	(13)	Total Discharges	650	743	(93)	716
4	7	15	(8)	Newborn	63	100	(37)	81
5	118	139	(21)	Total Discharges inc. Newborns	713	844	(131)	797
<b>Patient Days:</b>								
6	283	367	(84)	Acute	1,711	2,181	(470)	2,155
7	111	102	9	ICU	595	691	(96)	693
8	394	469	(75)	Total Patient Days	2,306	2,872	(566)	2,848
9	10	30	(20)	Newborn	109	205	(96)	143
10	404	499	(95)	Total Patient Days inc. Newborns	2,415	3,077	(662)	2,991
<b>Average Length of Stay:</b>								
11	3.1	3.4	(0.3)	Acute	3.2	3.5	(0.3)	3.4
12	5.6	6.2	(0.6)	ICU	5.5	6.2	(0.7)	8.3
13	3.5	3.8	(0.2)	Avg. Length of Stay	3.5	3.9	(0.3)	4.0
14	1.4	2.0	(0.6)	Newborn ALOS	1.7	2.0	0.3	1.8
<b>Average Daily Census:</b>								
15	9.1	11.8	(2.7)	Acute	8.0	10.1	(2.2)	10.0
16	3.6	3.3	0.3	ICU	2.8	3.2	(0.4)	3.2
17	12.7	15.1	(2.4)	Avg. Daily Census	10.7	13.4	(2.6)	13.2
18	0.3	1.0	(0.6)	Newborn	0.51	0.95	(0.4)	0.67
<b>Long Term Care:</b>								
19	646	592	54	SNF Patient Days	3,808	3,845	(37)	3,845
20	39	26	13	SNF Discharges	205	169	36	217
21	20.8	19.1	1.7	Average Daily Census	17.7	17.9	(0.2)	17.9
<b>Other Utilization Statistics</b>								
<b>Emergency Room Statistics</b>								
22	996	1,000	(4)	Total ER Visits	6,293	6,399	(106)	6,399
<b>Outpatient Statistics:</b>								
23	4,617	4,472	145	Total Outpatients Visits	30,914	32,413	(1,499)	32,100
24	32	27	5	IP Surgeries	197	230	(33)	265
25	109	109	-	OP Surgeries	892	698	194	654
26	65	26	39	Special Procedures	453	214	239	298
27	801	895	(94)	Home Health Visits	5,472	6,544	(1,072)	6,506
28	379	373	6	Adjusted Discharges	2,329	2,329	0	2,400
29	2,629	2,630	(1)	Adjusted Patient Days (Inc. SNF)	16,653	17,152	(500)	17,192
30	84.8	84.8	(0.0)	Adj. Avg. Daily Census (Inc. SNF)	77.5	79.8	(2.3)	80.0
31	1.5036	1.4000	0.104	Case Mix Index -Medicare	1.5533	1.4000	0.153	1.6906
32	1.4986	1.4000	0.099	Case Mix Index - All payers	1.4962	1.4000	0.096	1.5651
<b>Labor Statistics</b>								
33	276	290	14.6	FTE's - Worked	276	284	8.1	278
34	312	332	20.1	FTE's - Paid	314	325	10.9	317
35	43.25	42.46	(0.80)	Average Hourly Rate	42.41	41.99	(0.42)	39.84
36	21.0	22.3	1.3	Manhours / Adj. Pat Day	23.1	23.2	0.1	22.6
37	145.4	157.3	11.9	Manhours / Adj. Discharge	165.3	171.0	5.8	162.0
38	21.7%	21.4%	-0.3%	Benefits % of Salaries	22.5%	22.2%	-0.3%	23.1%
<b>Non-Labor Statistics</b>								
39	12.9%	10.0%	-2.9%	Supply Expense % Net Revenue	12.0%	10.5%	-1.5%	12.3%
40	1,666	1,345	(321)	Supply Exp. / Adj. Discharge	1,688	1,533	(155)	1,637
41	14,558	14,821	263	Total Expense / Adj. Discharge	16,315	16,301	(14)	15,143
<b>Other Indicators</b>								
42	23.5			Days Cash - Operating Funds				
43	51.2	50.0	1.2	Days in Net AR	47.0	50.0	(3.0)	51.2
44	108%			Collections % of Net Revenue	103%			104.3%
45	45.3	55.0	(9.7)	Days in Accounts Payable	45.3	55.0	(9.7)	13.9
46	20.1%	21.4%	-1.3%	% Net revenue to Gross revenue	21.2%	21.4%	-0.3%	21.2%
47	21.6%			% Net AR to Gross AR	21.6%			22.6%

**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of January 31, 2018**

**ATTACHMENT C**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1 Cash	\$ 2,993,592	\$ 2,026,449	\$ 3,224,109
2 Trustee Funds	3,718,674	2,109,656	1,691,454
3 Net Patient Receivables	8,921,743	8,615,759	8,118,058
4 Allow Uncollect Accts	(1,290,889)	(1,287,179)	(1,202,373)
5 Net A/R	7,630,854	7,328,580	6,915,685
6 Other Accts/Notes Rec	2,282,090	5,238,473	4,687,699
7 3rd Party Receivables, Net	542,175	1,081,279	1,750,015
8 Inventory	839,552	833,528	821,117
9 Prepaid Expenses	917,891	775,572	839,826
10 Total Current Assets	<u>\$ 18,924,828</u>	<u>\$ 19,393,537</u>	<u>\$ 19,929,905</u>
12 Property, Plant & Equip, Net	\$ 52,456,786	\$ 52,080,214	\$ 53,542,041
13 Specific Funds/ Money Market	819,334	919,250	326,047
14 Other Assets	-	-	-
15 Total Assets	<u><u>\$ 72,200,948</u></u>	<u><u>\$ 72,393,001</u></u>	<u><u>\$ 73,797,993</u></u>
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
16 Accounts Payable	\$ 3,528,042	\$ 3,811,805	\$ 3,130,186
17 Accrued Compensation	4,693,869	4,477,610	4,559,155
18 Interest Payable	634,656	528,880	661,595
19 Accrued Expenses	1,489,000	1,489,726	1,404,470
20 Advances From 3rd Parties	483,787	320,549	142,811
21 Deferred Tax Revenue	2,836,750	3,404,100	2,484,543
22 Current Maturities-LTD	1,265,517	1,285,002	1,264,928
23 Line of Credit - Union Bank	6,973,734	6,973,734	5,923,734
24 Other Liabilities	1,386	1,386	1,051,386
25 Total Current Liabilities	<u>\$ 21,906,741</u>	<u>\$ 22,292,792</u>	<u>\$ 20,622,808</u>
26 Long Term Debt, net current portion	\$ 35,164,827	\$ 35,096,302	\$ 37,802,700
Fund Balances:			
28 Unrestricted	\$ 10,992,380	\$ 11,026,005	\$ 12,078,136
29 Restricted	4,137,000	3,977,902	3,294,350
30 Total Fund Balances	<u>\$ 15,129,380</u>	<u>\$ 15,003,907</u>	<u>\$ 15,372,485</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 72,200,948</u></u>	<u><u>\$ 72,393,001</u></u>	<u><u>\$ 73,797,993</u></u>



**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended January 31, 2018**

	Month					Year-To-Date				YTD					
	This Year		Variance			This Year		Variance			Prior Year				
	Actual	Budget	\$	%		Actual	Budget	\$	%						
<b>Volume Information</b>															
1	111	124	(13)	-10%	Acute Discharges	650	743	(93)	-13%	716					
2	646	592	54	9%	SNF Days	3,808	3,845	(37)	-1%	3,845					
3	801	895	(94)	-11%	Home Care Visits	5,472	6,544	(1,072)	-16%	6,506					
4	14,741	13,977	763	5%	Gross O/P Revenue (000's)	\$ 97,671	\$ 96,559	1,112	1%	\$ 92,383					
<b>Financial Results</b>															
<b>Gross Patient Revenue</b>															
5	\$ 7,172,538	\$ 7,388,338	(215,800)	-3%	Inpatient	\$ 42,495,669	\$ 48,268,919	(5,773,250)	-12%	\$ 45,617,978					
6	7,679,373	7,257,629	421,744	6%	Outpatient	53,131,322	51,100,138	2,031,184	4%	47,619,716					
7	6,770,897	6,432,213	338,684	5%	Emergency	42,624,065	43,333,491	(709,426)	-2%	42,684,350					
8	2,475,324	2,061,604	413,720	20%	SNF	14,247,661	13,835,831	411,830	3%	13,326,241					
9	296,998	308,152	(11,154)	-4%	Home Care	1,994,389	2,249,869	(255,480)	-11%	2,284,870					
10	\$ 24,395,130	\$ 23,447,936	947,194	4%	<b>Total Gross Patient Revenue</b>	\$ 154,493,106	\$ 158,788,248	(4,295,142)	-3%	\$ 151,533,155					
<b>Deductions from Revenue</b>															
11	\$ (19,416,434)	\$ (18,752,951)	(663,483)	-4%	Contractual Discounts	\$ (124,038,963)	\$ (127,033,775)	2,994,812	2%	\$ (121,367,154)					
12	(200,000)	(100,000)	(100,000)	-100%	Bad Debt	(953,000)	(700,000)	(253,000)	-36%	(840,000)					
13	(26,138)	(22,607)	(3,531)	-16%	Charity Care Provision	(115,747)	(158,249)	42,502	27%	(180,093)					
14	62,500	313,272	(250,772)	-80%	Prior Period Adj/Government Program Revenue	2,419,443	2,192,904	226,539	*	1,969,626					
15	\$ (19,580,072)	\$ (18,562,286)	(1,017,786)	5%	<b>Total Deductions from Revenue</b>	\$ (122,688,267)	\$ (125,699,120)	3,010,853	-2%	\$ (120,417,621)					
<b>Net Patient Service Revenue</b>															
16	\$ 4,815,058	\$ 4,885,650	(70,592)	-1%	Risk contract revenue	\$ 866,697	\$ 899,647	(32,950)	-4%	\$ 910,789					
17	\$ 93,640	\$ 128,521	(34,881)	-27%	Net Hospital Revenue	\$ 32,671,536	\$ 33,988,775	(1,317,239)	-4%	\$ 32,026,323					
18	\$ 4,908,698	\$ 5,014,171	(105,473)	-2%	Other Op Rev & Electronic Health Records	\$ 116,097	\$ 131,761	(15,664)	-12%	\$ 254,604					
19	\$ 15,718	\$ 18,823	(3,105)	-16%	<b>Total Operating Revenue</b>	\$ 32,787,633	\$ 34,120,536	(1,332,903)	-4%	\$ 32,280,927					
20	\$ 4,924,416	\$ 5,032,994	(108,578)	-2%	<b>Operating Expenses</b>										
21	\$ 2,384,000	\$ 2,490,811	106,811	4%	Salary and Wages and Agency Fees	\$ 16,329,282	\$ 16,727,658	398,376	2%	\$ 15,481,908					
22	918,367	913,220	(5,147)	-1%	Employee Benefits	6,168,507	6,269,299	100,792	2%	6,169,073					
23	\$ 3,302,367	\$ 3,404,031	101,664	3%	Total People Cost	\$ 22,497,789	\$ 22,996,957	499,168	2%	\$ 21,650,981					
24	\$ 417,209	\$ 409,331	(7,878)	-2%	Med and Prof Fees (excl Agency)	\$ 2,886,031	\$ 2,865,970	(20,061)	-1%	\$ 2,704,882					
25	631,672	501,682	(129,990)	-26%	Supplies	3,931,050	3,569,561	(361,489)	-10%	3,927,235					
26	444,728	376,471	(68,257)	-18%	Purchased Services	2,639,138	2,634,935	(4,203)	0%	2,167,843					
27	286,148	282,312	(3,836)	-1%	Depreciation	1,996,225	1,976,184	(20,041)	-1%	1,959,104					
28	82,295	101,622	19,327	19%	Utilities	737,281	711,354	(25,927)	-4%	706,407					
29	31,819	27,614	(4,205)	-15%	Insurance	222,733	193,298	(29,435)	-15%	205,044					
30	46,844	43,862	(2,982)	-7%	Interest	335,175	318,647	(16,528)	-5%	279,710					
31	114,389	133,927	19,538	15%	Other	839,470	969,681	130,211	13%	938,288					
32	-	86,433	86,433	*	Matching Fees (Government Programs)	775,755	605,031	(170,724)	-28%	747,361					
33	\$ 5,357,471	\$ 5,367,285	9,814	0%	<b>Operating expenses</b>	\$ 36,860,647	\$ 36,841,618	(19,029)	0%	\$ 35,286,855					
34	\$ (433,055)	\$ (334,291)	(98,764)	-30%	<b>Operating Margin</b>	\$ (4,073,014)	\$ (2,721,082)	(1,351,932)	-50%	\$ (3,005,928)					

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended January 31, 2018**

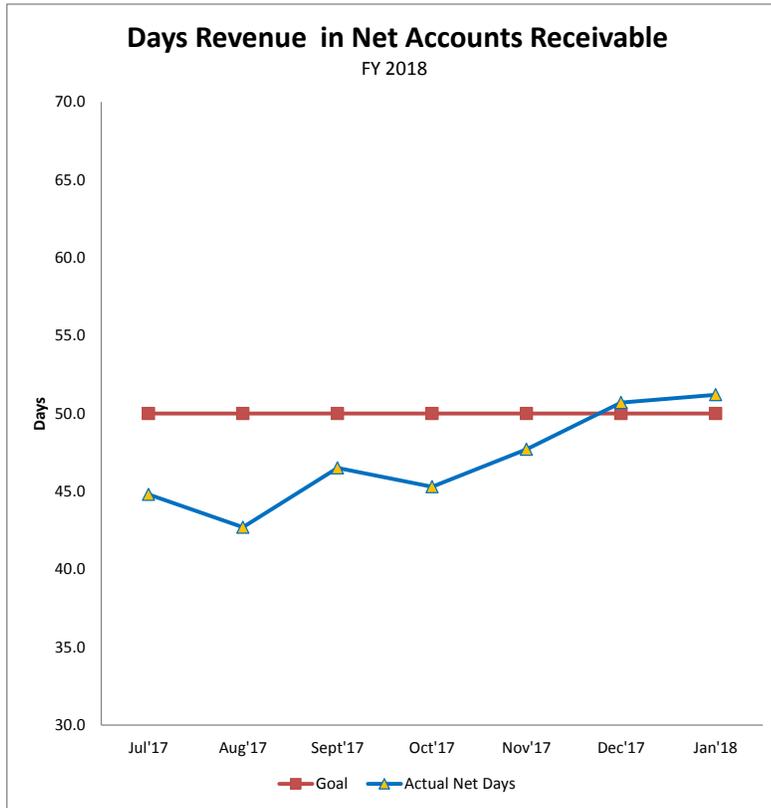
	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
<b>35</b>	\$ (6,213)	\$ (13,222)	7,009	-53%						\$ (78,993)	
<b>36</b>	835	-	835	0%						70,855	
<b>37</b>	(56,766)	(54,683)	(2,083)	4%						(262,500)	
<b>38</b>	316,667	316,667	-	0%						1,750,378	
<b>39</b>	0	0	-	0%							
<b>40</b>	<u>\$ 254,523</u>	<u>\$ 248,762</u>	<u>5,761</u>	<u>2%</u>						<u>\$ 1,479,740</u>	
<b>41</b>	<u>\$ (178,532)</u>	<u>\$ (85,529)</u>	<u>(93,003)</u>	<u>109%</u>	<b>Net Income / (Loss) prior to Restricted Contributions</b>	<u>\$ (2,279,012)</u>	<u>\$ (978,946)</u>	<u>(1,273,191)</u>	<u>130%</u>	<u>\$ (1,526,188)</u>	
<b>42</b>	\$ 21,580	\$ 18,828	2,752	15%	Capital Campaign Contribution	\$ 108,081	\$ 105,328	2,753	3%	\$ 99,679	
<b>43</b>	\$ 137,518	\$ -	137,518	0%	Restricted Foundation Contributions	\$ 149,785	\$ -	149,785	100%	\$ -	
<b>44</b>	<u>\$ (19,434)</u>	<u>\$ (66,701)</u>	<u>47,267</u>	<u>-71%</u>	<b>Net Income / (Loss) w/ Restricted Contributions</b>	<u>\$ (2,021,146)</u>	<u>\$ (873,618)</u>	<u>(1,147,528)</u>	<u>131%</u>	<u>\$ (1,426,509)</u>	
<b>45</b>	250,683	250,683	-	0%	GO Bond Tax Assessment Rev	1,754,781	1,754,781	-	0%	1,728,363	
<b>46</b>	(105,776)	(105,776)	-	0%	GO Bond Interest	(744,922)	(744,922)	-	0%	(787,505)	
<b>47</b>	<u>\$ 125,473</u>	<u>\$ 78,206</u>	<u>47,267</u>	<u>60%</u>	<b>Net Income/(Loss) w GO Bond Activity</b>	<u>\$ (1,011,287)</u>	<u>\$ 136,241</u>	<u>(1,147,528)</u>	<u>-842%</u>	<u>\$ (485,651)</u>	
	\$ 154,460	\$ 240,645			<b>EBIDA - Not including Restricted Contributions</b>	\$ 52,388	\$ 1,315,885			\$ 712,626	
	3.1%	4.8%				0.2%	3.9%			2.2%	
	\$ 107,616	\$ 196,783			<b>EBDA - Not including Restricted Contributions</b>	\$ (282,787)	\$ 997,238				
	2.2%	3.9%				-0.9%	2.9%				

**Sonoma Valley Health Care District**  
**Statement of Revenue and Expenses Variance Analysis**  
**For the Period Ended January 31, 2018**

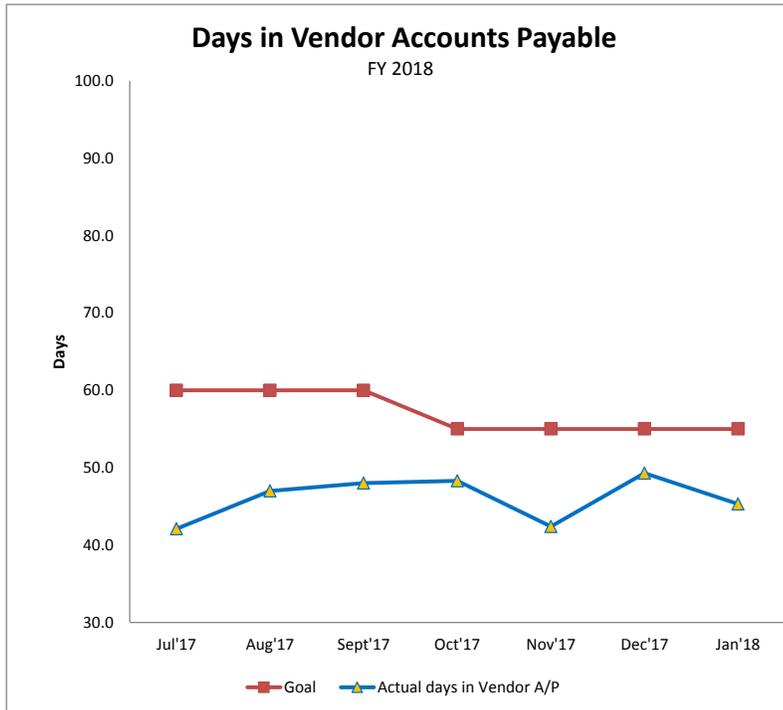
	YTD	MONTH	
Description	Variance	Variance	
<b>Volume Information</b>			
1 Acute Discharges	(93)	(13)	
2 SNF Days	(37)	54	
3 Home Care Visits	(1,072)	(94)	
4 Gross O/P Revenue (000's)	1,112	763	
<b>Financial Results</b>			
<b>Gross Patient Revenue</b>			
5 Inpatient	(5,773,250)	(215,800)	Inpatient days are 394 days vs. budgeted expectations of 469 days and inpatient surgeries are 32 vs. budgeted expectations 27.
6 Outpatient	2,031,184	421,744	Outpatient visits are 4,617 vs. budgeted expectations of 4,472 visits and outpatient surgeries are 109 vs. budgeted expectations 109.
7 Emergency	(709,426)	338,684	ER visits are 996 vs. budgeted visits of 1,000.
8 SNF	411,830	413,720	SNF patient days are 646 vs. budgeted expected days of 592.
9 Home Care	(255,480)	(11,154)	HHA visits are 801 vs. budgeted expectations of 895.
10 <b>Total Gross Patient Revenue</b>	<b>(4,295,142)</b>	<b>947,194</b>	
<b>Deductions from Revenue</b>			
11 Contractual Discounts	2,994,812	(663,483)	
12 Bad Debt	(253,000)	(100,000)	
13 Charity Care Provision	42,502	(3,531)	
14 Prior Period Adj/Government Program Revenue	226,539	(250,772)	Accrued \$62,500 for the prime grant. Budgeted payments from governmental programs spread over 12 months.
15 <b>Total Deductions from Revenue</b>	<b>3,010,853</b>	<b>(1,017,786)</b>	
16 <b>Net Patient Service Revenue</b>	<b>(1,284,289)</b>	<b>(70,592)</b>	
17 Risk contract revenue	(32,950)	(34,881)	
18 <b>Net Hospital Revenue</b>	<b>(1,317,239)</b>	<b>(105,473)</b>	
19 Other Op Rev & Electronic Health Records	(15,664)	(3,105)	
20 <b>Total Operating Revenue</b>	<b>(1,332,903)</b>	<b>(108,578)</b>	
<b>Operating Expenses</b>			
21 Salary and Wages and Agency Fees	398,376	106,811	Salaries and Wages are under budget by \$124,461 and the Agency fees are over budget by (\$17,650).
22 Employee Benefits	100,792	(5,147)	PTO is over budget by (\$20,543) and employee benefits are under budget by \$15,396.
23 <b>Total People Cost</b>	<b>499,168</b>	<b>101,664</b>	
24 Med and Prof Fees (excl Agency)	(20,061)	(7,878)	Chief Revenue Officer was moved from employee to consultant (\$17,680).
25 Supplies	(361,489)	(129,990)	Supplies were over budget primarily in surgery due to higher than budgeted inpatient surgeries (\$34,258) for supplies and (\$48,051) for implants and in the Lab (\$40,293) due to the increase use of flu kits needed in December and January.
26 Purchased Services	(4,203)	(68,257)	Purchased services are over budgeted expectations due to an additional service costs for outsourced R&M covering April 2017 to November 2017 (\$24,546) and in IT (\$31,879) due to reconciling the McKesson account.
27 Depreciation	(20,041)	(3,836)	
28 Utilities	(25,927)	19,327	
29 Insurance	(29,435)	(4,205)	
30 Interest	(16,528)	(2,982)	
31 Other	130,211	19,538	
32 Matching Fees (Government Programs)	(170,724)	86,433	No matching fees posted in January. The budgeted matching fees are spread evenly over 12 months.
33 <b>Operating expenses</b>	<b>(19,029)</b>	<b>9,814</b>	
34 <b>Operating Margin</b>	<b>(1,351,932)</b>	<b>(98,764)</b>	
<b>Non Operating Rev and Expense</b>			
35 Miscellaneous Revenue	70,166	7,009	
36 Donations	23,156	835	Foundation grants for employee education.
37 Physician Practice Support-Prima	(14,581)	(2,083)	
38 Parcel Tax Assessment Rev	-	-	
39 Extraordinary Items	(26,875)	-	
40 <b>Total Non-Operating Rev/Exp</b>	<b>78,741</b>	<b>5,761</b>	

**Sonoma Valley Health Care District**  
**Statement of Revenue and Expenses Variance Analysis**  
**For the Period Ended January 31, 2018**

	YTD	MONTH	
Description	Variance	Variance	
		-	
41 <b>Net Income / (Loss) prior to Restricted Contributions</b>	<b>(1,273,191)</b>	<b>(93,003)</b>	
		-	
42 Capital Campaign Contribution	2,753	2,752	
43 Restricted Foundation Contributions	149,785	137,518	Foundation donations; Women's Place equipment and advertising (\$46,915), Mammography project (\$85,603), and OP Diagnostic center (\$5,000).
44 <b>Net Income / (Loss) w/ Restricted Contributions</b>	<b>(1,147,528)</b>	<b>47,267</b>	
45 GO Bond Tax Assessment Rev	-	-	
46 GO Bond Interest	-	-	
47 <b>Net Income/(Loss) w GO Bond Activity</b>	<b>(1,147,528)</b>	<b>47,267</b>	



Days in A/R	Jul'17	Aug'17	Sept'17	Oct'17	Nov'17	Dec'17	Jan'18
Actual days in A/R	44.8	42.7	46.5	45.3	47.7	50.7	51.2
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Jul'17	Aug'17	Sept'17	Oct'17	Nov'17	Dec'17	Jan'18
Actual days in Vendor A/P	42.1	47.0	48.0	48.3	42.4	49.3	45.3
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
	Jan-18	Jan-18
<b>Statistics</b>		
<b>Acute</b>		
Acute Patient Days	394	469
Acute Discharges (w/o Newborns)	111	124
SNF Days	646	592
HHA Visits	801	895
Emergency Room Visits	996	1,000
Gross Outpatient Revenue (000's)	\$14,741	\$13,977
Equivalent Patient Days	2,629	2,630
Births	7	15
Surgical Cases - Inpatient	32	27
Surgical Cases - Outpatient	109	109
Total Surgical Cases	141	136
Total Special Procedures	65	26
Medicare Case Mix Index	1.50	1.40
<b>Income Statement</b>		
Net Revenue (000's)	\$4,909	\$5,014
Operating Expenses (000's)	\$5,357	\$5,367
Net Income (000's)	\$125	\$78
<b>Productivity</b>		
Total Operating Expense Per Equivalent Patient Day	\$2,038	\$2,041
Productive FTEs	276	290
Non-Productive FTE's	36	42
Total FTEs	312	332
FTEs per Adjusted Occupied Bed	3.68	3.91
<b>Balance Sheet</b>		
Days of Expense In General Operating Cash	23.5	
Net Days of Revenue in AR	51	50

ACTUAL													
Dec-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	
386	321	315	325	325	240	346	388	368	415	415	465	355	
96	99	87	87	94	76	87	100	89	119	97	119	100	
563	468	624	479	500	528	458	559	512	572	607	592	500	
798	630	871	789	713	870	940	966	934	849	922	877	919	
919	816	827	921	894	920	964	1,069	921	941	851	1,000	942	
\$14,051	\$12,952	\$11,864	\$14,364	\$15,524	\$14,175	\$15,454	\$15,523	\$13,168	\$15,098	\$12,189	\$13,500	\$12,935	
2,471	2,030	2,334	2,266	2,591	2,332	2,328	2,654	2,227	2,537	2,553	2,618	2,382	
10	11	12	5	10	6	15	7	11	12	12	11	9	
24	34	23	33	22	29	36	30	47	40	26	38	28	
136	121	97	154	142	133	161	143	124	149	101	110	98	
160	155	120	187	164	162	197	173	171	189	127	148	126	
59	73	52	75	77	52	66	58	44	36	41	28	40	
1.57	1.55	1.49	1.54	1.57	1.65	1.66	1.69	1.64	1.45	1.52	1.47	1.59	
4,466	4,474	4,543	4,518	4,775	4,988	5,188	5,330	4,924	5,283	4,266	\$4,528	\$3,588	
\$5,122	\$5,332	\$4,872	\$5,206	\$5,380	\$5,592	\$5,250	\$5,678	\$5,308	\$5,395	\$4,803	\$5,026	\$4,713	
\$ (226)	\$ (380)	\$ 62	\$ (230)	\$ (165)	\$ (198)	\$ 690	\$ 16	\$ (24)	\$ 304	\$ 308	\$ (108)	\$ (600)	
\$2,073	\$2,627	\$2,087	\$2,297	\$2,076	\$2,398	\$2,255	\$2,139	\$2,383	\$2,127	\$1,881	\$1,920	\$1,979	
255	316	246	289	279	271	278	291	285	294	294	280	253	
52	13	58	27	35	47	43	28	28	28	28	36	56	
307	329	304	316	314	318	321	319	313	322	322	316	309	
3.85	4.86	4.04	4.19	3.75	4.23	4.14	3.73	4.22	3.93	3.54	3.74	4.03	
18	14	12	9	11	16	20	19	11	16	27	20	25	
51	48	45	47	43	45	45	44	47	44	46	50	51	

Sonoma Valley Hospital  
Cash Forecast  
FY 2018

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	4,502,585	4,253,229	4,093,599	4,253,616	3,890,115	3,814,761	4,401,932	4,409,693	4,706,455	4,322,606	4,357,338	4,351,807	51,357,737
2 Capitation Revenue	133,404	128,220	128,530	131,210	128,781	122,912	93,640	93,640	93,640	93,640	93,640	93,640	1,334,896
3 Napa State	39,561	4,166	35,361	26,125	5,181	21,341	30,259	20,762	20,762	20,762	20,762	20,762	265,804
4 Other Operating Revenue	10,971	25,415	37,380	30,930	42,863	35,092	33,639	18,823	18,823	18,823	18,823	18,827	310,408
5 Other Non-Operating Revenue	26,914	38,081	68,232	33,898	48,014	43,511	47,501						306,152
6 Unrestricted Contributions		8,478	150			19,590	835						29,953
7 Line of Credit													-
<b>Sub-Total Hospital Sources</b>	<b>4,713,435</b>	<b>4,457,589</b>	<b>4,363,253</b>	<b>4,475,779</b>	<b>4,114,954</b>	<b>4,057,207</b>	<b>4,607,806</b>	<b>4,542,918</b>	<b>4,839,680</b>	<b>4,455,831</b>	<b>4,490,563</b>	<b>4,485,036</b>	<b>53,604,051</b>
<b>Hospital Uses of Cash</b>													
8 Operating Expenses	5,146,037	5,273,336	5,040,006	4,799,145	5,326,497	4,701,617	4,944,257	4,871,257	5,123,168	4,915,340	4,987,721	4,920,733	60,049,114
9 Add Capital Lease Payments	52,503	186,389	69,999	179,596	109,938	70,502	45,558	102,526	102,944	103,364	103,786	169,180	1,296,285
10 Additional Liabilities										500,000			500,000
11 Capital Expenditures	15,965	56,034	1,755	88,906	88,829	59,065	546,421						856,975
<b>Total Hospital Uses</b>	<b>5,214,505</b>	<b>5,515,759</b>	<b>5,111,761</b>	<b>5,067,647</b>	<b>5,525,264</b>	<b>4,831,184</b>	<b>5,536,236</b>	<b>4,973,783</b>	<b>5,226,112</b>	<b>5,518,704</b>	<b>5,091,507</b>	<b>5,089,913</b>	<b>62,702,375</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(501,070)</b>	<b>(1,058,171)</b>	<b>(748,508)</b>	<b>(591,868)</b>	<b>(1,410,310)</b>	<b>(773,977)</b>	<b>(928,430)</b>	<b>(430,865)</b>	<b>(386,432)</b>	<b>(1,062,873)</b>	<b>(600,944)</b>	<b>(604,877)</b>	<b>(9,098,324)</b>
<b>Non-Hospital Sources</b>													
12 Restricted Cash/Capital Donations		527,977	(727,205)	(100,755)	382,167	417	551,467	18,828	18,828	18,828	18,828	18,828	728,208
13 Parcel Tax Revenue	152,275		1,500,000			482,664	532,571			1,267,429			3,934,939
14 Payment - South Lot				(25,205)		(25,205)			(24,658)			(24,932)	(100,000)
15 Other:													-
16 IGT				1,877,696						860,000			2,737,696
17 IGT - AB915 (Net)							811,535						811,535
18 PRIME					1,350,000						150,000		1,500,000
<b>Sub-Total Non-Hospital Sources</b>	<b>152,275</b>	<b>527,977</b>	<b>772,795</b>	<b>1,751,736</b>	<b>1,732,167</b>	<b>457,876</b>	<b>1,895,573</b>	<b>18,828</b>	<b>(5,830)</b>	<b>2,146,257</b>	<b>168,828</b>	<b>(6,104)</b>	<b>9,612,378</b>
<b>Non-Hospital Uses of Cash</b>													
19 Matching Fees		509,543	266,212	675,000						75,000			1,525,755
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>-</b>	<b>509,543</b>	<b>266,212</b>	<b>675,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>1,525,755</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>152,275</b>	<b>18,434</b>	<b>506,583</b>	<b>1,076,736</b>	<b>1,732,167</b>	<b>457,876</b>	<b>1,895,573</b>	<b>18,828</b>	<b>(5,830)</b>	<b>2,071,257</b>	<b>168,828</b>	<b>(6,104)</b>	<b>8,086,623</b>
<b>Net Sources/Uses</b>	<b>(348,795)</b>	<b>(1,039,737)</b>	<b>(241,925)</b>	<b>484,868</b>	<b>321,857</b>	<b>(316,101)</b>	<b>967,143</b>	<b>(412,037)</b>	<b>(392,262)</b>	<b>1,008,384</b>	<b>(432,116)</b>	<b>(610,981)</b>	
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	2,026,449	2,993,592	2,581,555	2,189,293	3,197,677	2,765,561	
<b>Cash and Equivalents at end of period</b>	<b>2,817,486</b>	<b>1,777,750</b>	<b>1,535,825</b>	<b>2,020,693</b>	<b>2,342,550</b>	<b>2,026,449</b>	<b>2,993,592</b>	<b>2,581,555</b>	<b>2,189,293</b>	<b>3,197,677</b>	<b>2,765,561</b>	<b>2,154,580</b>	

Sonoma Valley Hospital  
Cash Forecast  
FY 2018

ATTACHMENT H

	Actual July - Dec	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
<b>Hospital Operating Sources</b>								
1 Patient Payments Collected	24,807,906	4,401,932	4,409,693	4,706,455	4,322,606	4,357,338	4,351,807	51,357,737
2 Capitation Revenue	773,056	93,640	93,640	93,640	93,640	93,640	93,640	1,334,896
3 Napa State	131,735	30,259	20,762	20,762	20,762	20,762	20,762	265,804
4 Other Operating Revenue	182,650	33,639	18,823	18,823	18,823	18,823	18,827	310,408
5 Other Non-Operating Revenue	258,651	47,501						306,152
6 Unrestricted Contributions	28,218	835						29,053
7 Line of Credit								-
<b>Sub-Total Hospital Sources</b>	<b>26,182,217</b>	<b>4,607,806</b>	<b>4,542,918</b>	<b>4,839,680</b>	<b>4,455,831</b>	<b>4,490,563</b>	<b>4,485,036</b>	<b>53,604,051</b>
<b>Hospital Uses of Cash</b>								
8 Operating Expenses	30,286,638	4,944,257	4,871,257	5,123,168	4,915,340	4,987,721	4,920,733	60,049,114
10 Add Capital Lease Payments	668,927	45,558	102,526	102,944	103,364	103,786	169,180	1,296,285
11 Additional Liabilities			-	-	500,000	-	-	500,000
12 Capital Expenditures	310,554	546,421						856,975
<b>Total Hospital Uses</b>	<b>31,266,120</b>	<b>5,536,236</b>	<b>4,973,783</b>	<b>5,226,112</b>	<b>5,518,704</b>	<b>5,091,507</b>	<b>5,089,913</b>	<b>62,702,375</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(5,083,903)</b>	<b>(928,430)</b>	<b>(430,865)</b>	<b>(386,432)</b>	<b>(1,062,873)</b>	<b>(600,944)</b>	<b>(604,877)</b>	<b>(9,098,324)</b>
<b>Non-Hospital Sources</b>								
13 Restricted Cash/Capital Donations	82,601	551,467	18,828	18,828	18,828	18,828	18,828	728,208
14 Parcel Tax Revenue	2,134,939	532,571			1,267,429			3,934,939
15 Payment - South Lot	(50,410)			(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
<b>Sub-Total Non-Hospital Sources</b>	<b>5,394,826</b>	<b>1,895,573</b>	<b>18,828</b>	<b>(5,830)</b>	<b>2,146,257</b>	<b>168,828</b>	<b>(6,104)</b>	<b>9,612,378</b>
<b>Non-Hospital Uses of Cash</b>								
20 Matching Fees	1,450,755				75,000			1,525,755
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>1,450,755</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>1,525,755</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>3,944,071</b>	<b>1,895,573</b>	<b>18,828</b>	<b>(5,830)</b>	<b>2,071,257</b>	<b>168,828</b>	<b>(6,104)</b>	<b>8,086,623</b>
<b>Net Sources/Uses</b>	<b>(1,139,832)</b>	<b>967,143</b>	<b>(412,037)</b>	<b>(392,262)</b>	<b>1,008,384</b>	<b>(432,116)</b>	<b>(610,981)</b>	
Cash and Equivalents at beginning of period	3,166,281	2,026,449	2,993,592	2,581,555	2,189,293	3,197,677	2,765,561	
<b>Cash and Equivalents at end of period</b>	<b>2,026,449</b>	<b>2,993,592</b>	<b>2,581,555</b>	<b>2,189,293</b>	<b>3,197,677</b>	<b>2,765,561</b>	<b>2,154,580</b>	



Sonoma Valley Hospital  
 Schedule of Cash Savings from Cost Reduction Plan  
 For the month of January 2018

ATTACHMENT I

<u>Department</u>	<u>Department</u>	<u>Job Code</u>	<u>Savings</u>	<u>Notes</u>
7290	Home Health	Total department	\$ 23,660	Cost reduction, net
7721	Respiratory Therapy	0000 - Management	727	Cardiopulmonary Manager
7770	Rehab	0000 - Management	9,431	Consolidation of Rehab managers (New hire in February )
8361/8750	CareTransitions/Quality	0000 - Management	2,872	Chief of Quality
8480	IT	0000 - Management	10,523	IT Manager
8510	Accounting	0000 - Management	8,386	Controller
8610	Administration	0000 - Management	6,120	CFO (.8 to .5)
8710	Medical Staff	0000 - Management	13,807	CMO/CMIO (To be replaced by UCSF CMO)
9550	Community Health	0000 - Management	3,787	Wellness Coordinator
		<b>Gross Salary savings</b>	<b>\$ 79,313</b>	
		<b>Employer portion FICA</b>	<b>6,067</b>	
		<b>Health Benefits</b>	<b>16,511</b>	
		<b>January 2018 Savings</b>	<b>\$ 101,891</b>	