



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, AUGUST 28, 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 District Clerk Stacey Finn at sfinn@svh.com or (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 <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone</i></p>	<i>Nevins</i>	
<p>3. CONSENT CALENDAR Finance Committee minutes 6.26.18 & 7.18.18</p>	<i>Nevins</i>	Inform/Action
<p>4. FY18 BUDGET</p>	<i>Dungan</i>	Inform/Action
<p>5. PROJECTION OF CASH NEEDS FOR CAPITAL EXPENDITURES</p>	<i>Mather</i>	Inform
<p>6. ADMINISTRATIVE REPORT AUGUST 2018</p>	<i>Mather</i>	Inform
<p>7. FINANCIAL REPORT MONTH END JUNE 30, 2018</p>	<i>Dungan</i>	Inform
<p>4. ADJOURN</p>	<i>Nevins</i>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JUNE 26, 2018
Schantz Conference Room**

Present	Excused	Staff	Public
Sharon Nevins Joshua Rymer Susan Porth Dr. Subhash Mishra via telephone	John Perez Keith Hughes	Kelly Mather Ken Jensen Sarah Dungan	Peter Hohorst

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 5:01 pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR FC Minutes 04.24.18	<i>Nevins</i>	Action	
		MOTION: by Rymer, 2 nd by Hohorst to approve. All in favor.	
4. MID-YEAR ACCOUNTS RECEIVABLE AUDIT UPDATE	<i>Dungan</i>	Inform	
	Ms. Dungan reported that the review of collections by the auditors of collections was reasonable at 86%. If self-pay is taken out total collections are at 95%. There are no major adjustments.		
6. FY 2019 BUDGET UPDATE	<i>Jensen</i>	Inform	
	Mr. Jensen said that the Board approved a three-month budget. At the special July 25 th Board meeting the nine month budget will be presented. It		

	was agreed to make that Board meeting a special joint meeting with Finance.		
7. ADMINISTRATIVE REPORT	<i>Mather</i>	Inform	
	<p>Ms. Mather spoke about the upcoming restructuring. The restructure will be to move us to a micro hospital platform, an ER, outpatient focused facility. Mr. Hughes suggested to having an outside consultant review the restructure. A committee discussion regarding the pros and cons of hiring a consultant ensued. Ms. Mather said that the plan had been reviewed by UCSF's CEO and he felt it was a great plan.</p> <p>Mr. Perez asked if there are plans to grow other services during the restructure. Ms. Mather responded by reviewing the strategic plan that involves growing service lines. She anticipates this will result in a financial gain over the next year. Ms. Mather reviewed the services lines that have been recently implemented and are in the growth stages. (The Women's Place, Cardiology Center, Bariatrics, and recent update with Urology) There are new strategies with UCSF starting (including tele-neurology) and the Sonoma Family Practice clinic goes live July 1st.</p>		
8. FINANCIAL REPORT FOR MONTH ENDING APRIL 30, 2018 AND MAY 31, 2018	<i>Jensen</i>	Inform	
	<p>Mr. Jensen reviewed the April payer mix with Medicare 60.7% with Medi-Cal and commercial dropping. Patient cash was \$1.1 million over the goal. Accounts Receivable was at 42.9 days, Accounts Payable was at 40.6 days and cash was at 6.8 days.</p> <p>Gross revenue was above budget due to outpatient services. The net result is \$4.4 million total operating revenue vs budget of \$4.8 million. Expenses were better than expected by \$274,000. The operating margin was a (\$651,000) loss vs a budgeted (\$447,000) Net income was (\$220,000) vs a (\$34,000) budgeted loss.</p>		

	<p>May financials were an improvement over April. The payer mix included Medicare 57.6% vs. a budgeted 54.9%, Medi-Cal was a bit above budget at 18.2% and commercial continued to be under expectations. Cash was over goal by \$496,000. Accounts Receivable was at 46.8 days and Accounts Payable was at 40 days.</p> <p>Gross revenue improved primarily due to increased inpatient acuities and outpatient surgeries. Expenses, salaries and benefits were all better than budgeted. The operating margin was a (\$305,000) loss vs a budgeted loss of (\$485,000). The total net income for May after all activity was (\$369,158) vs a budgeted net loss of (\$72,948).</p>		
9. SOUTH LOT SALE MODIFICATION & LOAN APPROVAL	<i>Jensen</i>	Inform/Action	
	<p>Mr. Jensen gave a brief history of the lease option on the South Lot that was exercised in August 2016. A private citizen lent SVH the \$2 million to purchase the property with a debt to be paid back June 30, 2018. Due to the Hopsital's financial situation, DeNova has agreed to fund the private loan amount. The interest rate will change from 5% to 6.5%. The agreement with DeNova will be modified to remove the profit participation.</p>	MOTION: by Rymer to ratify the replacement of the existing loan and the new terms DeNova agreement, 2 nd by Porth to approve. All in favor	
9. ADJOURN	<i>Nevins</i>		
	<i>Meeting adjourned at 5:55 pm</i>		



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
WEDNESDAY JULY 18, 2018
Schantz Conference Room**

Present	Excused	Staff	Public
Sharon Nevins Dr. Subhash Mishra John Perez Keith Hughes Susan Porth	Joshua Rymer	Kelly Mather Ken Jensen Sarah Dungan Celia Kruse De La Rosa	

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 pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. NINE MONTH BUDGET REVIEW	<i>Jensen</i>		
	Prior to the budget discussion Ms. Mather reviewed the OB and SNF service line analysis. An extensive analysis of the OB service included the trended patient volumes, service line direct margins, reimbursement and other identified associated costs with the service line. Based on the loss for FY2018 (through April) of (\$564,437) it is the Hospital Administrations recommendation to discontinue the OB service line by September 30, 2018.		

	<p>Ms. Mather then reviewed the SNF analysis. This analysis included reimbursement, costs of services and recent trends in patient days and volumes. Based on financial projections for the coming year and the inclusion of the full costs of the SNF services the Hospital Administration is making a recommendation for the closure of the SNF service line by September 30, 2018. A discussion about if it is possible to increase the RUG scores enough to offset the losses. Because of variables there is no assurance that RUG scores could be improved and if that improvement would result in more reimbursement.</p> <p>Ms. Mather reported that Home Health will be transferred to Hospice by the Bay. She anticipated this to happen in the near future.</p> <p>Mr. Jensen reviewed the nine month budget for October 2018 to June 2019. The net operating margin loss for the nine months budgeted (\$3,333,028). After accounting for non-operating income, the loss drops to (\$1,064,799). Including all other activity the net income is \$1,167,916 with an EBDA of 3.5%.</p>		
9. ADJOURN	<i>Nevins</i>		
	<i>Meeting adjourned at 5:56pm</i>		



To: SVH Finance Committee
From: Sonoma Valley Hospital Administration
Date: August 28, 2018
Subject: Proposed FY 2019 Budget for the 9-Months of October 2018 through June 2019

During the middle part of Fiscal Year 2018 operating budget, management needed time to review the then current operating structure before proposing an annual budget for Fiscal Year 2019. To give management time to adequately formulate a new hospital structure, the Board was presented with an approved budget for the first three months of the new fiscal year with the remaining nine months to be presented at a later time. This three month budget included the savings plan that was implemented in January 2018. Management is now presenting a proposed budget for the nine months October 2018 through June 2019. The primary assumptions are:

- Volume is based upon a 12 month rolling average and adjusted for current volume.
- Revenue includes a 6% price increase
- Contractual discounts/Bad debt are based upon actual experience
- Salaries include a 2.5% increase for all employees effective January 2019
- A significant increase in reimbursement for capitated Medi-Cal
- Proposed closing of the Skilled Nursing Unit at 12/31/2018
- Board approved closing of the Obstetrical Service unit at 10/31/2018
- Transfer of the Home Health department to non-profit with management contract at 10/31/18

The Net operating loss for the 9 months is budgeted at (\$3,339,648). After accounting for Non-Operating income, the net loss prior to restricted donations and GO bond activity is (\$1,056,261). Including all other activity the Net income is \$1,101,320 with an EBDA of 3.9%.

ATTACHMENTS:

- Attachment A - FY 2019 9-Month Budget for October 2018 through June 2019
- Attachment B - FY 2019 12-Month Budget July 1, 2018 through June 2019
- Attachment C - FY 2019 9-Month Budget Preliminary Cost Savings for October 2018 through June 2019
- Attachment D - FY 2019 12-Month Budget Payer Mix for July 2018 through June 2019
- Attachment E - FY 2019 12-Month Budget – Cash Flow for July 2018 through June 2019

Sonoma Valley Health Care District
Statement of Revenue and Expenses
FY 2019 Budget - 9 Months
October 1, 2018 through June 30, 2019

Schedule A

	FY 2019 Budget - 9 Months	
	<u>October 1, 2018 - June 30, 2019</u>	
Volume Information		
Acute Discharges		816
Patient Days		2,882
SNF Days		1,643
Emergency Room Visits		8,036
Surgeries - Inpatient		265
Surgeries - Outpatient		1,177
Special Procedures		574
Home Care Visits		800
Gross O/P Revenue (000's)	\$	131,522
Financial Results		
Gross Patient Revenue		
Inpatient	\$	56,818,319
Outpatient		71,891,868
Emergency		59,346,963
Skilled Nursing		5,791,388
Home Health		282,730
Total Gross Patient Revenue	\$	<u>194,131,268</u>
Deductions from Revenue		
Contractual Discounts	\$	(157,393,383)
Bad Debt		(900,000)
Charity Care Provision		(222,575)
Prior Period Adj/Government Program Revenue		3,172,996
Total Deductions from Revenue	\$	<u>(155,342,962)</u>
Net Patient Service Revenue	\$	38,788,306
Risk contract revenue	\$	863,991
Net Hospital Revenue	\$	39,652,297
Other Op Rev & Electronic Health Records	\$	125,717
Total Operating Revenue	\$	<u>39,778,014</u>
Operating Expenses		
Salary and Wages and Agency Fees	\$	17,645,292
Employee Benefits		6,758,496
Total People Cost	\$	24,403,788
Med and Prof Fees (excl Agency)	\$	4,490,463
Supplies		4,863,740
Purchased Services		3,334,924
Depreciation		2,617,425
Utilities		885,662
Insurance		317,881
Interest		446,679
Other - a)		961,470
Matching Fees (Government Programs)		795,630
Operating expenses	\$	<u>43,117,662</u>
Operating Margin	\$	<u>(3,339,648)</u>

Sonoma Valley Health Care District
Statement of Revenue and Expenses
FY 2019 Budget - 9 Months
October 1, 2018 through June 30, 2019

Schedule A

	FY 2019 Budget - 9 Months	
	<u>October 1, 2018 - June 30, 2019</u>	
Non Operating Rev and Expense		
Miscellaneous Revenue/(Expenses)	\$	(79,773)
Donations		24,054
Physician Practice Support-Prima		(510,894)
Parcel Tax Assessment Rev		2,850,000
Total Non-Operating Rev/Exp	\$	<u>2,283,387</u>
Net Income / (Loss) prior to Restricted Contributions	\$	<u>(1,056,261)</u>
Capital Campaign Contribution	\$	188,536
Restricted Foundation Contributions	\$	495,033
Net Income / (Loss) w/ Restricted Contributions	\$	<u>(372,692)</u>
GO Bond Tax Assessment Rev		2,289,924
GO Bond Interest		(906,912)
Net Income/(Loss) w GO Bond Activity	\$	<u>1,010,320</u>
EBIDA - Not including Restricted Contributions	\$	2,007,843
		5.0%
EBDA - Not including Restricted Contributions	\$	1,561,164
		3.9%

a) - Education, travel, rents, operating leases, dues & subscriptions, licenses & taxes, etc..

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
FY 2019 Budget**

Schedule B

	<u>July - September 2018</u>	<u>October 1, 2018 - June 30, 2019</u>	<u>Total FY 2019 Budget</u>
Volume Information			
Acute Discharges	275	816	1,091
Patient Days	957	2,882	3,839
SNF Days	1,507	1,643	3,150
Emergency Room Visits	2,735	8,036	10,771
Surgeries - Inpatient	81	265	346
Surgeries - Outpatient	429	1,177	1,606
Special Procedures	204	574	778
Home Care Visits	2,328	800	3,128
Gross O/P Revenue (000's)	\$ 43,276	\$ 131,522	\$ 174,798
Financial Results			
Gross Patient Revenue			
Inpatient	\$ 17,567,777	\$ 56,818,319	\$ 74,386,096
Outpatient	23,963,049	71,891,868	95,854,917
Emergency	18,489,415	59,346,963	77,836,378
SNF	5,648,541	5,791,388	11,439,929
Home Care	823,423	282,730	1,106,153
Total Gross Patient Revenue	\$ 66,492,205	\$ 194,131,268	\$ 260,623,473
Deductions from Revenue			
Contractual Discounts	\$ (53,349,863)	\$ (157,393,383)	\$ (210,743,246)
Bad Debt	(300,000)	(900,000)	(1,200,000)
Charity Care Provision	(74,190)	(222,575)	(296,765)
Prior Period Adj/Government Program Revenue	1,057,665	3,172,996	4,230,661
Total Deductions from Revenue	\$ (52,666,388)	\$ (155,342,962)	\$ (208,009,350)
Net Patient Service Revenue	\$ 13,825,817	\$ 38,788,306	\$ 52,614,123
Risk contract revenue	\$ 377,394	\$ 863,991	\$ 1,241,385
Net Hospital Revenue	\$ 14,203,211	\$ 39,652,297	\$ 53,855,506
Other Op Rev & Electronic Health Records	\$ 41,904	\$ 125,717	\$ 167,621
Total Operating Revenue	\$ 14,245,115	\$ 39,778,014	\$ 54,023,129
Operating Expenses			
Salary and Wages and Agency Fees	\$ 6,709,782	\$ 17,645,292	\$ 24,355,074
Employee Benefits	2,571,392	6,758,496	9,329,888
Total People Cost	\$ 9,281,174	\$ 24,403,788	\$ 33,684,962
Med and Prof Fees (excl Agency)	\$ 1,510,816	\$ 4,490,463	\$ 6,001,279
Supplies	1,657,279	4,863,740	6,521,019
Purchased Services	1,113,688	3,334,924	4,448,612
Depreciation	855,765	2,617,425	3,473,190
Utilities	361,493	885,662	1,247,155
Insurance	100,287	317,881	418,168
Interest	149,342	446,679	596,021
Other	379,179	961,470	1,340,649
Matching Fees (Government Programs)	265,209	795,630	1,060,839
Operating expenses	\$ 15,674,232	\$ 43,117,662	\$ 58,791,894
Operating Margin	\$ (1,429,117)	\$ (3,339,648)	\$ (4,768,765)

Non Operating Rev and Expense

Miscellaneous Revenue/(Expenses)	\$	(15,101)	\$	(79,773)	\$	(94,874)
Donations		8,016		24,054		32,070
Physician Practice Support-Prima		(170,298)		(510,894)		(681,192)
Parcel Tax Assessment Rev		950,000		2,850,000		3,800,000

Total Non-Operating Rev/Exp	\$	772,617	\$	2,283,387	\$	3,056,004
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Net Income / (Loss) prior to Restricted Contributions

	\$	(656,500)	\$	(1,056,261)	\$	(1,712,761)
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Capital Campaign Contribution	\$	62,847	\$	188,536	\$	251,383
Restricted Foundation Contributions	\$	165,009	\$	495,033	\$	660,042

Net Income / (Loss) w/ Restricted Contributions	\$	(428,644)	\$	(372,692)	\$	(801,336)
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GO Bond Tax Assessment Rev		761,733		2,289,924		3,051,657
GO Bond Interest		(307,313)		(906,912)		(1,214,225)

Net Income/(Loss) w GO Bond Activity	\$	25,776	\$	1,010,320	\$	1,036,096
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EBIDA - Not including Restricted Contributions	\$	348,607	\$	2,007,843	\$	2,356,450
		2.4%		5.0%		4.4%

EBDA - Not including Restricted Contributions	\$	199,265	\$	1,561,164	\$	1,760,429
		1.4%		3.9%		3.3%

Sonoma Valley Health Care District
Schedule of Preliminary Cost Savings & Additions
FY 2019 Budget - 9 Months
October 1, 2018 through June 30, 2019

Schedule C

		FY 2019 Budget - 9 Months	
		October 1, 2018 - June 30, 2019	
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Peliminary Cost Savings & Additions:			
1. Closure of Skilled Nursing Facility (Budgeted at 12/31/2018):			
	Net Revenue	(1,678,003)	
	Direct and Attributable Costs	<u>2,117,953</u>	439,950
2. Closure of Obstetrics Department at 10/31/2018:			
	Net Revenue	(819,026)	
	Direct and Attributable Costs	<u>1,252,651</u>	433,625
3. Transfer of Home Health with management contract at 10/31/2018			
	Net Revenue	(1,612,227)	
	Direct and Attributable Costs	<u>1,835,397</u>	223,169
4. Bariatric surgeries - Additional 8 cases annually			
	Direct Margin - \$144,000 annually = \$12,000/Monthly		108,000
5. Reduction in Administration - Contracted labor			
			15,912
6. Reduction in Finance Overhead Departments - Salaries			
			10,933
7. Salary increase at 2.5% - January 2019			
			(255,376)
7. Partnership Healthcare - Increase in Contract (\$650,000/Annual)			
			487,500
8. Disproportionate Share Hospital (DSH)			
	Based on reduction of Medi-Cal Days		(108,000)
9. 6% Price increase, net			
			517,817
10. Severance Pay and Retention Bonuses			
			(220,483)
11. Costs of closing/moving units			
			<u>(15,000)</u>
Total Preliminary Cost Savings & Additions			<u><u>1,638,048</u></u>

Note: Items #1 and #2 are based on Administrations analysis

Sonoma Valley Health Care District
Schedule of Payor Mix
FY 2019 Budget - 9 Months
October 1, 2018 through June 30, 2019

Schedule D

	FY 2019 Budget - 9 Months		Variance
	<u>October 1, 2018 - June 30, 2019</u>	<u>Fiscal YTD at 6/30/2018</u>	
Medicare	43.1%	44.4%	1.3%
Medicare Managed Care	12.6%	13.3%	0.7%
Medi-Cal	17.8%	17.9%	0.1%
Self Pay	1.3%	1.2%	-0.1%
Commercial	20.8%	19.0%	-1.8%
Worker's Comp.	2.4%	2.1%	-0.3%
Capitated	2.0%	2.1%	0.1%
	100.0%	100.0%	

**Sonoma Valley Health Care District
Cash Forecast - FY 2019 Budget**

Schedule E

		FY 2019 Budget	
		July 1, 2018 - September 30, 2018	October 1, 2018 - June 30, 2019
Hospital Operating Sources			
1	Patient Payments Collected	12,928,766	35,507,653
2	Capitation Revenue	377,394	863,991
3	Napa State	35,886	107,658
4	Other Operating Revenue	41,904	125,717
5	Other Non-Operating Revenue	80,019	240,057
6	Unrestricted Contributions	8,016	24,053
7	Line of Credit	-	-
Sub-Total Hospital Sources		13,471,985	36,869,129
Hospital Uses of Cash			
8	Operating Expenses	14,827,677	40,215,503
10	Add Capital Lease Payments	238,525	715,576
11	Additional Liabilities	-	-
12	Capital Expenditures	227,856	683,564
Total Hospital Uses		15,055,533	41,614,643
Net Hospital Sources/Uses of Cash		(1,583,548)	(4,745,514)
Non-Hospital Sources			
13	Restricted Cash/Capital Donations	227,856	683,564
14	Parcel Tax Revenue	950,000	2,850,000
15	Other:	-	-
16	IGT	870,165	2,610,496
17	IGT - AB915 (Net)	-	-
18	PRIME	187,500	562,500
Sub-Total Non-Hospital Sources		2,048,022	6,706,560
Non-Hospital Uses of Cash			
19	Matching Fees	265,209	795,627
Sub-Total Non-Hospital Uses of Cash		265,209	795,627
Net Non-Hospital Sources/Uses of Cash		1,782,813	5,910,933
Net Sources/Uses		199,265	1,165,419
Cash and Equivalents at beginning of period		1,671,426	1,870,691
Cash and Equivalents at end of period		1,870,691	3,036,110

Work Type	Aug '18	Sept '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19
Equipment (\$265,000)			200,000								
CT (\$1,716,515)											
IT											
IT Hardware/Software (\$50,000)											
Phone system and VOIP (\$310,000)							310,000				
Cardiology PACS System (\$300,000)											
Nurse Call (\$54,000)											
IT Contingency	-	-	-	-	-	-	31,000	-	-	-	-
Operational costs (CT \$32,500, Cardio \$10k, Decomm \$60k)							5,000	5,000	5,000	5,000	7,500
Contingency (\$895,804)											
CT (\$451,405)						9,131	5,920	2,420	2,420	2,420	2,420
Cardiology (\$365,500)					169	169	23,963	9,333	3,160	1,700	1,700
Decomm (\$77,100)	3,442	3,442	3,442	3,442							
Master Planning (\$1,800)	600	600	600								
SUBTOTAL OWNER PROJECTED COSTS:	\$ 17,542	\$ 16,042	\$ 216,042	\$ 15,442	\$ 29,438	\$ 21,300	\$ 596,938	\$ 30,753	\$ 24,580	\$ 23,120	\$ 25,620
TOTAL PROJECTED MONTHLY COSTS	\$ 410,397	\$ 364,346	\$ 312,302	\$ 83,813	\$ 95,734	\$ 83,300	\$ 796,156	\$ 109,107	\$ 61,779	\$ 50,585	\$ 53,085
TOTAL CAMPAIGN PLEDGES DUE	\$ 1,006,412	\$ 375	\$ 750	\$ -	\$ 2,272,597	\$ 500	\$ -	\$ 200,375	\$ 1,055,500	\$ 5,000	\$ 875
Ending Cash Balance	\$ 777,963	\$ 413,993	\$ 102,441	\$ 18,628	\$ 2,195,491	\$ 2,112,691	\$ 1,316,536	\$ 1,407,803	\$ 2,401,525	\$ 2,355,940	\$ 2,303,730

Board Approved Funding 2/8/18	\$ 605,000		
Board Approved Funding 7/5/18	1,323,420		
Total Board Approved Funding	\$ 1,928,420		
	Dome/Taylor	Vertran	Totals
Current Contract Totals	\$ 1,501,989	\$ 152,000	\$ 1,653,989
Paid to Date	579,825	65,340	645,165
Balance to be Paid	\$ 922,164	\$ 86,660	\$ 1,008,824



To: SVHCD Board of Directors
From: Kelly Mather
Date: 7/25/18
Subject: Administrative Report

Summary

We have shared our vision for reinventing the hospital and are getting very positive feedback from many. Of course, there are always questions and concerns. But, I am very optimistic about our future, if we restructure and face today’s reality. After 8 years of keeping all of the services at the hospital open, even when some have losses, we are now forced to make hard decisions. FY 2019 will be a year of great change. With our UCSF affiliation and an innovative Master Facility Plan, SVH will continue to thrive into the future while continuing to meet the critical healthcare needs of our community.

Strategic Update from FY 2019 Strategic Plan:

Strategic Priorities	Update
Highest levels of health care safety, quality and value	<ul style="list-style-type: none"> ➤ With the planned consolidation of Inpatient Services, we will start to move toward being the only 5 Star hospital in the Bay Area. ➤ The new dashboard will be presented at the next board meeting. ➤ Our mid-cycle accreditation survey is due any day now with CIHQ ➤ Our new CMO is off to a great start and is already beginning performance improvement projects. ➤ Our HIE (Health Information Exchange) is not effective and we are looking at options to improve the communication with physicians and ancillary services.
Be the preferred hospital for patients, physicians, employers and health plans	<ul style="list-style-type: none"> ➤ We are moving forward with the design of a Cardiology Center. ➤ We will start the Rural Health Center at Sonoma Family Practice. ➤ We are doing a Master Facility Plan for the campus which will likely include a new Medical Office Building. ➤ After an extensive analysis of Occupational Health, it was decided to maintain this service to keep our employers in the community satisfied. ➤ We are starting the Centralized Scheduling project which should include texting and email reminders for outpatient appointments.
Implement new and enhanced revenue strategies as measured by increased direct margins in each service unit	<ul style="list-style-type: none"> ➤ UCSF collaboration is now focused on Tele-neurology and bring a world renowned Urologist to do cancer screening clinics. ➤ Telemedicine and Cardiology coverage should now increase the patients that can stay in the hospital and improve the Inpatient margin. ➤ We are working with the Health Center on sharing some administrative services and having them run the pain management clinic.
Continue to improve financial stability as measured by margin	<ul style="list-style-type: none"> ➤ We recommended restructuring the hospital effective October 1st. The Home Care transfer should be finalized in August. If we discontinue services that are not highly utilized and are losing money, we should be fine. ➤ Looking at other costs savings with physician expenses.
Lead progress toward being a healthier community as measured by community benefit	<ul style="list-style-type: none"> ➤ We have exceeded the goal for community benefit hours this year. Thanks to all the leaders for going above and beyond in their volunteer efforts! ➤ We also exceeded the goal for attendees at the education events we sponsored or presented this year.

JUNE 2018

			National
Patient Experience	Current Performance	FY 2018 Goal	Benchmark
Would Recommend Hospital	79 th percentile	> 60th percentile	50th percentile
Inpatient Overall Rating	81 th percentile	>60th percentile	50th percentile
Home Health	92%	> 90%	> 80%
Outpatient Services	4.8	Rate My Hospital	4.5
Emergency	4.5	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	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	14	< 10	17
Adverse Drug Events with Harm	1	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	4	4	3
Hospital Star Rating	4	4	3
Our People	YTD Performance	FY 2018 Goal	Benchmark
Press Ganey Engagement Survey	61 st percentile	75th percentile	50th percentile
Wellness Ambassadors	253	250	> 200
Turnover	20.3%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2018 Goal	Benchmark
EBDA	.4%	2.9%	3%
FTE's/AOB	3.82	4.3	5.3
Days Cash on Hand	10.6	20	30
Days in Accounts Receivable	42	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	\$10 million	\$20 million	\$1 million
Strategic Growth	YTD Performance	FY 2018 Goal	Benchmark
Inpatient Discharges	1148/1148	1193	1225
Outpatient Visits	53,253/53,253	57,771	55,566
Emergency Visits	10,629/10,629	11,022	11,019
Surgeries	1849/1849	1,800	1,680
Births	113/113	132	120
Home Health Visits	9350/9350	11,053	11,400
Community Benefit Hours	1348/1348	1200	1200

Note: Colors demonstrate comparison to National



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: August 28, 2018
Subject: Financial Report for the Month Ending July 31, 2018

July's actual loss of (\$541,897) from operations was (\$28,223) unfavorable to the budgeted loss of (\$513,674). After accounting for all other activity; the July net income was \$213,878 vs. the budgeted net loss of (\$32,147) with a monthly EBIDA of 1.0% vs. a budgeted 1.6%.

Gross patient revenue for July was \$23,141,481; \$1,029,305 over budget. Inpatient gross revenue was under budget by (\$244,772). Inpatient days were under budget by (33) days and inpatient surgeries were under budgeted expectations by (7) cases. Outpatient revenue was under budget by (\$22,408). Outpatient visits were over budgeted expectations by 113 visits, and outpatient surgeries were under budgeted expectations by (6) cases. The Emergency Room gross revenue was over budget by \$567,088 with ER visits close to budgeted expectations at 901 visits. SNF gross charges were over budgeted expectations by \$731,768 and SNF patient days were over budget by 136 days. Home Health was under budget by (\$2,371) with visits under budget by (43) visits.

Gross revenue from surgical implants in July is \$590,532 with \$381,354 from inpatient surgeries and \$209,178 from outpatient surgeries, and total implant costs were (\$170,568). The net, before any revenue deductions, is \$419,964.

Deductions from revenue were unfavorable to budgeted expectations by (\$1,184,147). Of the variance, (\$290,055) is from the prior period adjustments or IGT payments. Without the IGT variance, the deductions from revenue variance is unfavorable by (\$894,092) which is due to gross revenue being over budgeted expectation.

Furthermore, July was an unusual month in that acute admissions were up but the length of stay was down. In addition, SNF days were up dramatically due to what appears to be early discharges from the acute unit. The net result is that a number of SNF days will not be covered resulting in a higher than expected contractual allowance and expense for salaries and registry.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (\$185,108).

Operating Expenses of \$5,114,062 were favorable to budget by \$156,885. Salaries and wages and agency fees were over budget by (\$60,265). Salaries and wages were under budget by \$28,834 and agency fees were over budget by (\$89,099). Physician and contracted labor were under budget by \$42,038 with physician's costs being under budget by \$37,357 and contracted labor under budget by \$4,681. There was no matching fee in the July.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$292,230) vs. a budgeted net loss of (\$256,759). In the month of July the hospital received \$331,168 in restricted donations from the Foundation for the Outpatient Diagnostic Center. The total net income for July after all activity was \$213,878 vs. a budgeted net loss of (\$32,147).

EBIDA for the month of July was 1.0% vs. the budgeted 1.6%.

Patient Volumes – July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	81	93	-12	76
Newborn Discharges	8	6	2	6
Acute Patient Days	291	324	-33	240
SNF Patient Days	664	528	136	528
Home Care Visits	760	803	-43	870
OP Gross Revenue	\$14,801	\$14,270	\$531	\$14,175
Surgical Cases	150	163	-13	162

Gross Revenue Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	37.7%	42.7%	-5.0%	37.7%	42.7%	-5.0%
Medicare Mgd Care	17.7%	12.7%	5.0%	17.7%	12.7%	5.0%
Medi-Cal	17.8%	17.9%	-0.1%	17.8%	17.9%	-0.1%
Self Pay	1.1%	1.4%	-0.3%	1.1%	1.4%	-0.3%
Commercial	21.3%	20.8%	0.5%	21.3%	20.8%	0.5%
Workers Comp	1.7%	2.5%	-0.8%	1.7%	2.5%	-0.8%
Capitated	2.7%	2.0%	0.7%	2.7%	2.0%	0.7%
Total	100.0%	100.0%		100.0%	100.0%	



Cash Activity for July:

For the month of July the cash collection goal was \$3,969,775 and the Hospital collected \$3,823,843 or under the goal by (\$145,932). Days of cash on hand are 19.1 days at July 31, 2018, this calculation includes the cash in the Money Market account. Accounts Receivable decreased from June, from 41.7 days to 40.6 days in July. Accounts Payable decreased by \$453,732 from June and Accounts Payable days are at 42.1.

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.
- Attachment F are the graphs for Revenue and Accounts Payable.
- Attachment G is the Statistical Analysis
- Attachment H is the Cash Forecast



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

ATTACHMENT A

July-18

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	8,685,058	9,437,594	-752,536	-8.0%
Medicare Managed Care	4,102,916	2,796,447	1,306,469	46.7%
Medi-Cal	4,121,896	3,961,149	160,747	4.1%
Self Pay	259,286	300,835	-41,549	-13.8%
Commercial & Other Government	4,940,195	4,609,102	331,093	7.2%
Worker's Comp.	397,699	561,388	-163,689	-29.2%
Capitated	634,431	445,661	188,770	42.4%
Total	23,141,481	22,112,176	1,029,305	

	Actual	Budget	Variance	% Variance
Medicare	8,685,058	9,437,594	-752,536	-8.0%
Medicare Managed Care	4,102,916	2,796,447	1,306,469	46.7%
Medi-Cal	4,121,896	3,961,149	160,747	4.1%
Self Pay	259,286	300,835	-41,549	-13.8%
Commercial & Other Government	4,940,195	4,609,102	331,093	7.2%
Worker's Comp.	397,699	561,388	-163,689	-29.2%
Capitated	634,431	445,661	188,770	42.4%
Total	23,141,481	22,112,176	1,029,305	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,283,804	1,368,894	-85,090	-6.2%
Medicare Managed Care	594,561	442,844	151,717	34.3%
Medi-Cal	626,019	517,326	108,693	21.0%
Self Pay	121,864	176,861	-54,997	-31.1%
Commercial & Other Government	1,677,612	1,626,432	51,180	3.1%
Worker's Comp.	79,937	120,249	-40,312	-33.5%
Capitated	16,368	12,346	4,022	32.6%
Prior Period Adj/IGT	62,500	352,555	-290,055	-82.3%
Total	4,462,665	4,617,507	(154,842)	-3.4%

	Actual	Budget	Variance	% Variance
Medicare	1,283,804	1,368,894	-85,090	-6.2%
Medicare Managed Care	594,561	442,844	151,717	34.3%
Medi-Cal	626,019	517,326	108,693	21.0%
Self Pay	121,864	176,861	-54,997	-31.1%
Commercial & Other Government	1,677,612	1,626,432	51,180	3.1%
Worker's Comp.	79,937	120,249	-40,312	-33.5%
Capitated	16,368	12,346	4,022	32.6%
Prior Period Adj/IGT	62,500	352,555	-290,055	-82.3%
Total	4,462,665	4,617,507	(154,842)	-3.4%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	28.8%	29.7%	-0.9%	-3.0%
Medicare Managed Care	13.3%	9.6%	3.7%	38.5%
Medi-Cal	15.4%	18.8%	-3.4%	-18.1%
Self Pay	2.7%	3.8%	-1.1%	-28.9%
Commercial & Other Government	37.6%	35.2%	2.4%	6.8%
Worker's Comp.	1.8%	2.6%	-0.8%	-30.8%
Capitated	0.4%	0.3%	0.1%	33.3%
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
Medicare	28.8%	29.7%	-1.0%	-3.4%
Medicare Managed Care	13.3%	9.6%	3.7%	38.5%
Medi-Cal	15.4%	18.8%	-3.4%	-18.1%
Self Pay	2.7%	3.8%	-1.1%	-28.9%
Commercial & Other Government	37.6%	35.2%	2.4%	6.8%
Worker's Comp.	1.8%	2.6%	-0.8%	-30.8%
Capitated	0.4%	0.3%	0.1%	33.3%
Total	100.0%	100.0%	-0.1%	-0.1%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	14.8%	14.5%	0.3%	2.1%
Medicare Managed Care	14.5%	15.9%	-1.4%	-8.7%
Medi-Cal	16.7%	22.0%	-5.3%	-24.1%
Self Pay	47.0%	58.8%	-11.8%	-20.1%
Commercial & Other Government	34.0%	35.3%	-1.3%	-3.7%
Worker's Comp.	20.1%	21.4%	-1.3%	-6.1%
Capitated	2.6%	2.8%	-0.2%	-7.1%

	Actual	Budget	Variance	% Variance
Medicare	14.8%	14.5%	0.3%	2.1%
Medicare Managed Care	14.5%	15.9%	-1.4%	-8.7%
Medi-Cal	16.7%	22.0%	-5.3%	-24.1%
Self Pay	47.0%	58.8%	-11.8%	-20.1%
Commercial & Other Government	34.0%	35.3%	-1.3%	-3.7%
Worker's Comp.	20.1%	21.4%	-1.3%	-6.1%
Capitated	2.6%	2.8%	-0.2%	-7.1%

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

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 07/31/18</u>	<u>Budget 07/31/18</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 07/31/18</u>	<u>Budget 07/31/18</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 07/31/17</u>
				Inpatient Utilization				
				Discharges				
1	71	82	(11)	Acute	71	82	(11)	57
2	10	11	(1)	ICU	10	11	(1)	19
3	81	93	(12)	Total Discharges	81	93	(12)	76
4	8	6	2	Newborn	8	6	2	8
5	89	99	(10)	Total Discharges inc. Newborns	89	99	(10)	84
				Patient Days:				
6	208	253	(45)	Acute	208	253	(45)	159
7	83	71	12	ICU	83	71	12	81
8	291	324	(33)	Total Patient Days	291	324	(33)	240
9	13	11	2	Newborn	13	11	2	7
10	304	335	(31)	Total Patient Days inc. Newborns	304	335	(31)	247
				Average Length of Stay:				
11	2.9	3.1	(0.2)	Acute	2.9	3.1	(0.2)	2.8
12	8.3	6.5	1.8	ICU	8.3	6.5	1.8	4.3
13	3.6	3.5	0.1	Avg. Length of Stay	3.6	3.5	0.1	3.2
14	1.6	1.8	(0.2)	Newborn ALOS	1.6	1.8	(0.2)	0.9
				Average Daily Census:				
15	6.7	8.2	(1.5)	Acute	6.7	8.2	(1.5)	5.1
16	2.7	2.3	0.4	ICU	2.7	2.3	0.4	2.6
17	9.4	10.5	(1.1)	Avg. Daily Census	9.4	10.5	(1.1)	7.7
18	0.4	0.4	0.1	Newborn	0.42	0.35	0.1	0.23
				Long Term Care:				
19	664	528	136	SNF Patient Days	664	528	136	528
20	31	30	1	SNF Discharges	31	30	1	23
21	21.4	17.0	4.4	Average Daily Census	21.4	17.0	4.4	17.0
				Other Utilization Statistics				
				Emergency Room Statistics				
22	901	920	(19)	Total ER Visits	901	920	(19)	920
				Outpatient Statistics:				
23	4,501	4,388	113	Total Outpatients Visits	4,501	4,388	113	4,327
24	23	30	(7)	IP Surgeries	23	30	(7)	29
25	127	133	(6)	OP Surgeries	127	133	(6)	133
26	78	52	26	Special Procedures	78	52	26	52
27	760	803	(43)	Home Health Visits	760	803	(43)	870
28	311	347	(36)	Adjusted Discharges	311	347	(36)	301
29	2,654	2,405	250	Adjusted Patient Days (Inc. SNF)	2,654	2,405	250	2,332
30	85.6	77.6	8.1	Adj. Avg. Daily Census (Inc. SNF)	85.6	77.6	8.1	75.2
31	1.3200	1.4000	(0.080)	Case Mix Index -Medicare	1.3200	1.4000	(0.080)	1.6512
32	1.4620	1.4000	0.062	Case Mix Index - All payers	1.4620	1.4000	0.062	1.5037
				Labor Statistics				
33	270	272	2.2	FTE's - Worked	270	272	2.2	271
34	310	308	(1.1)	FTE's - Paid	310	308	(1.1)	318
35	42.07	41.11	(0.96)	Average Hourly Rate	42.07	41.11	(0.96)	40.85
36	20.6	22.7	2.1	Manhours / Adj. Pat Day	20.6	22.7	2.1	24.1
37	175.6	156.9	(18.7)	Manhours / Adj. Discharge	175.6	156.9	(18.7)	186.9
38	23.1%	23.4%	0.3%	Benefits % of Salaries	23.1%	23.4%	0.3%	23.8%
				Non-Labor Statistics				
39	12.9%	12.6%	-0.3%	Supply Expense % Net Revenue	12.9%	12.6%	-0.3%	11.0%
40	1,891	1,720	(171)	Supply Exp. / Adj. Discharge	1,891	1,720	(171)	1,832
41	16,950	15,651	(1,298)	Total Expense / Adj. Discharge	16,950	15,651	(1,298)	19,161
				Other Indicators				
42	19.1			Days Cash - Operating Funds				
43	40.6	50.0	(9.4)	Days in Net AR	40.6	50.0	(9.4)	44.8
44	96%			Collections % of Net Revenue	96%			99.5%
45	42.1	55.0	(12.9)	Days in Accounts Payable	42.1	55.0	(12.9)	51.7
46	19.7%	21.5%	-1.7%	% Net revenue to Gross revenue	19.7%	21.5%	-1.7%	23.6%
47	20.7%			% Net AR to Gross AR	20.7%			23.6%

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

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>	
Assets				
Current Assets:				
1	Cash	\$ 1,488,418	\$ 1,671,423	\$ 2,817,486
2	Trustee Funds	4,437,878	4,431,932	3,966,031
3	Net Patient Receivables	7,795,112	7,792,665	8,591,450
4	Allow Uncollect Accts	(1,310,228)	(1,210,340)	(1,388,210)
5	Net A/R	6,484,884	6,582,325	7,203,240
6	Other Accts/Notes Rec	6,733,100	6,904,040	6,992,879
7	3rd Party Receivables, Net	1,174,889	1,800,325	1,571,553
8	Inventory	851,198	852,689	832,480
9	Prepaid Expenses	933,855	776,242	866,556
10	Total Current Assets	\$ 22,104,222	\$ 23,018,976	\$ 24,250,225
12	Property, Plant & Equip, Net	\$ 51,953,983	\$ 51,965,266	\$ 52,992,569
13	Specific Funds/ Money Market	1,481,343	671,315	918,789
14	Other Assets	-	-	-
15	Total Assets	\$ 75,539,548	\$ 75,655,557	\$ 78,161,583
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,360,608	\$ 3,814,340	\$ 3,169,107
17	Accrued Compensation	4,224,271	4,071,080	4,617,538
18	Interest Payable	634,649	528,873	661,595
19	Accrued Expenses	1,545,520	1,320,048	1,640,488
20	Advances From 3rd Parties	110,058	124,882	474,728
21	Deferred Tax Revenue	6,282,132	6,853,235	6,240,850
22	Current Maturities-LTD	1,133,596	1,166,918	1,307,131
23	Line of Credit - Union Bank	6,973,734	6,973,734	6,973,734
24	Other Liabilities	201,386	201,386	1,386
25	Total Current Liabilities	\$ 24,465,954	\$ 25,054,496	\$ 25,086,557
26	Long Term Debt, net current portion	\$ 34,847,171	\$ 34,592,737	\$ 37,132,265
27	Fund Balances:			
28	Unrestricted	\$ 10,806,005	\$ 10,945,354	\$ 12,063,627
29	Restricted	5,420,418	5,062,970	3,879,134
30	Total Fund Balances	\$ 16,226,423	\$ 16,008,324	\$ 15,942,761
31	Total Liabilities & Fund Balances	\$ 75,539,548	\$ 75,655,557	\$ 78,161,583

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

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
1	81	93	(12)	-13%	Acute Discharges	81	93	(12)	-13%	76	
2	664	528	136	26%	SNF Days	664	528	136	26%	528	
3	760	803	(43)	-5%	Home Care Visits	760	803	(43)	-5%	870	
4	14,801	14,270	530	4%	Gross O/P Revenue (000's)	\$ 14,801	\$ 14,270	530	4%	\$ 14,175	
Financial Results											
Gross Patient Revenue											
5	\$ 5,714,606	\$ 5,959,378	(244,772)	-4%	Inpatient	\$ 5,714,606	\$ 5,959,378	(244,772)	-4%	\$ 5,006,287	
6	7,637,489	7,659,897	(22,408)	0%	Outpatient	7,637,489	7,659,897	(22,408)	0%	7,385,263	
7	6,905,436	6,338,348	567,088	9%	Emergency	6,905,436	6,338,348	567,088	9%	6,513,046	
8	2,602,559	1,870,791	731,768	39%	SNF	2,602,559	1,870,791	731,768	39%	1,956,071	
9	281,391	283,762	(2,371)	-1%	Home Care	281,391	283,762	(2,371)	-1%	303,473	
10	\$ 23,141,481	\$ 22,112,176	1,029,305	5%	Total Gross Patient Revenue	\$ 23,141,481	\$ 22,112,176	1,029,305	5%	\$ 21,164,140	
Deductions from Revenue											
11	\$ (18,627,334)	\$ (17,722,494)	(904,840)	-5%	Contractual Discounts	\$ (18,627,334)	\$ (17,722,494)	(904,840)	-5%	\$ (17,160,706)	
12	(100,000)	(100,000)	-	0%	Bad Debt	(100,000)	(100,000)	-	0%	(100,000)	
13	(13,982)	(24,730)	10,748	43%	Charity Care Provision	(13,982)	(24,730)	10,748	43%	(22,869)	
14	62,500	352,555	(290,055)	-82%	Prior Period Adj/Government Program Revenue	62,500	352,555	(290,055)	*	974,238	
15	\$ (18,678,816)	\$ (17,494,669)	(1,184,147)	7%	Total Deductions from Revenue	\$ (18,678,816)	\$ (17,494,669)	(1,184,147)	7%	\$ (16,309,337)	
Net Patient Service Revenue											
16	\$ 4,462,665	\$ 4,617,507	(154,842)	-3%	Net Patient Service Revenue	\$ 4,462,665	\$ 4,617,507	(154,842)	-3%	\$ 4,854,803	
17	\$ 94,582	\$ 125,798	(31,216)	-25%	Risk contract revenue	\$ 94,582	\$ 125,798	(31,216)	-25%	\$ 133,404	
18	\$ 4,557,247	\$ 4,743,305	(186,058)	-4%	Net Hospital Revenue	\$ 4,557,247	\$ 4,743,305	(186,058)	-4%	\$ 4,988,207	
19	\$ 14,918	\$ 13,968	950	7%	Other Op Rev & Electronic Health Records	\$ 14,918	\$ 13,968	950	7%	\$ 10,971	
20	\$ 4,572,165	\$ 4,757,273	(185,108)	-4%	Total Operating Revenue	\$ 4,572,165	\$ 4,757,273	(185,108)	-4%	\$ 4,999,178	
Operating Expenses											
21	\$ 2,299,994	\$ 2,239,729	(60,265)	-3%	Salary and Wages and Agency Fees	\$ 2,299,994	\$ 2,239,729	(60,265)	-3%	\$ 2,294,823	
22	856,181	856,632	451	0%	Employee Benefits	856,181	856,632	451	0%	918,812	
23	\$ 3,156,175	\$ 3,096,361	(59,814)	-2%	Total People Cost	\$ 3,156,175	\$ 3,096,361	(59,814)	-2%	\$ 3,213,635	
24	\$ 461,703	\$ 503,741	42,038	8%	Med and Prof Fees (excl Agency)	\$ 461,703	\$ 503,741	42,038	8%	\$ 370,653	
25	588,553	596,968	8,415	1%	Supplies	588,553	596,968	8,415	1%	550,625	
26	349,264	370,803	21,539	6%	Purchased Services	349,264	370,803	21,539	6%	355,742	
27	290,874	285,255	(5,619)	-2%	Depreciation	290,874	285,255	(5,619)	-2%	285,332	
28	105,019	119,631	14,612	12%	Utilities	105,019	119,631	14,612	12%	113,051	
29	35,320	33,429	(1,891)	-6%	Insurance	35,320	33,429	(1,891)	-6%	31,819	
30	49,337	49,873	536	1%	Interest	49,337	49,873	536	1%	47,200	
31	77,817	126,484	48,667	38%	Other	77,817	126,484	48,667	38%	114,591	
32	-	88,402	88,402	*	Matching Fees (Government Programs)	0	88,402	88,402	100%	509,543	
33	\$ 5,114,062	\$ 5,270,947	156,885	3%	Operating expenses	\$ 5,114,062	\$ 5,270,947	156,885	3%	\$ 5,592,191	
34	\$ (541,897)	\$ (513,674)	(28,223)	-5%	Operating Margin	\$ (541,897)	\$ (513,674)	(28,223)	-5%	\$ (593,013)	

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

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
35	\$ (10,637)	\$ (5,658)	(4,979)	88%						\$ (5,211)	
36	403	2,672	(2,269)	-85%						0	
37	(56,766)	(56,766)	-	0%						(56,766)	
38	316,667	316,667	-	0%						316,667	
39	0	0	-	0%							
40	\$ 249,667	\$ 256,915	(7,248)	-3%						\$ 254,690	
41	\$ (292,230)	\$ (256,759)	(35,471)	14%	Net Income / (Loss) prior to Restricted Contributions	\$ (292,230)	\$ (256,759)	(35,471)	14%	\$ (338,323)	
42	\$ 26,280	\$ 20,949	5,331	25%	Capital Campaign Contribution	\$ 26,280	\$ 20,949	5,331	25%	\$ -	
43	\$ 331,168	\$ 55,003	276,165	0%	Restricted Foundation Contributions	\$ 331,168	\$ 55,003	276,165	100%	\$ -	
44	\$ 65,218	\$ (180,807)	246,025	-136%	Net Income / (Loss) w/ Restricted Contributions	\$ 65,218	\$ (180,807)	246,025	-136%	\$ (338,323)	
45	254,436	254,436	-	0%	GO Bond Tax Assessment Rev	254,436	254,436	-	0%	250,683	
46	(105,776)	(105,776)	-	0%	GO Bond Interest	(105,776)	(105,776)	-	0%	(110,266)	
47	\$ 213,878	\$ (32,147)	246,025	-765%	Net Income/(Loss) w GO Bond Activity	\$ 213,878	\$ (32,147)	246,025	-765%	\$ (197,906)	
	\$ 47,981	\$ 78,369			EBIDA - Not including Restricted Contributions	\$ 47,981	\$ 78,369			\$ (5,791)	
	1.0%	1.6%				1.0%	1.6%			-0.1%	
	\$ (1,356)	\$ 28,496			EBDA - Not including Restricted Contributions	\$ (1,356)	\$ 28,496				
	0.0%	0.6%				0.0%	0.6%				

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

	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(12)	(12)	
2 SNF Days	136	136	
3 Home Care Visits	(43)	(43)	
4 Gross O/P Revenue (000's)	530	530	
Financial Results			
Gross Patient Revenue			
5 Inpatient	(244,772)	(244,772)	Inpatient days are 291 days vs. budgeted expectations of 324 days and inpatient surgeries are 23 vs. budgeted expectations 30.
6 Outpatient	(22,408)	(22,408)	Outpatient visits are 4,501 vs. budgeted expectations of 4,388 visits and outpatient surgeries are 127 vs. budgeted expectations 133.
7 Emergency	567,088	567,088	ER visits are 901 vs. budgeted visits of 920.
8 SNF	731,768	731,768	SNF patient days are 664 vs. budgeted expected days of 528.
9 Home Care	(2,371)	(2,371)	HHA visits are 760 vs. budgeted expectations of 803.
10 Total Gross Patient Revenue	1,029,305	1,029,305	
Deductions from Revenue			
11 Contractual Discounts	(904,840)	(904,840)	
12 Bad Debt	-	-	
13 Charity Care Provision	10,748	10,748	
14 Prior Period Adj/Government Program Revenue	(290,055)	(290,055)	Accrual of \$62,500 for the prime grant - No IGT's in the month of July.
15 Total Deductions from Revenue	(1,184,147)	(1,184,147)	
16 Net Patient Service Revenue	(154,842)	(154,842)	
17 Risk contract revenue	(31,216)	(31,216)	
18 Net Hospital Revenue	(186,058)	(186,058)	
19 Other Op Rev & Electronic Health Records	950	950	
20 Total Operating Revenue	(185,108)	(185,108)	
Operating Expenses			
21 Salary and Wages and Agency Fees	(60,265)	(60,265)	Salaries and Wages are under budget by \$28,834 and the Agency fees are over budget by (\$89,099).
22 Employee Benefits	451	451	
23 Total People Cost	(59,814)	(59,814)	
24 Med and Prof Fees (excl Agency)	42,038	42,038	Physician fees under budget by \$37,357 and contracted labor under budget by \$4,681.
25 Supplies	8,415	8,415	
26 Purchased Services	21,539	21,539	
27 Depreciation	(5,619)	(5,619)	
28 Utilities	14,612	14,612	
29 Insurance	(1,891)	(1,891)	
30 Interest	536	536	
31 Other	48,667	48,667	
32 Matching Fees (Government Programs)	88,402	88,402	No matching fee in July
33 Operating expenses	156,885	156,885	
34 Operating Margin	(28,223)	(28,223)	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	(4,979)	(4,979)	
36 Donations	(2,269)	(2,269)	Foundation grants for employee education
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	-	-	
39 Extraordinary Items	-	-	
40 Total Non-Operating Rev/Exp	(7,248)	(7,248)	
41 Net Income / (Loss) prior to Restricted Contributions	(35,471)	(35,471)	

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

	YTD	MONTH	
Description	Variance	Variance	
		-	
42 Capital Campaign Contribution	5,331	5,331	
43 Restricted Foundation Contributions	276,165	276,165	Foundation donation for OP Diagnostic Center
44 Net Income / (Loss) w/ Restricted Contributions	246,025	246,025	
45 GO Bond Tax Assessment Rev	-	-	
46 GO Bond Interest	-	-	
47 Net Income/(Loss) w GO Bond Activity	246,025	246,025	

Sonoma Valley Hospital
 Statistical Analysis
 FY 2019

ATTACHMENT G

	ACTUAL		BUDGET		ACTUAL													
	Jul-18	Jul-18	Jul-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	
Statistics																		
Acute																		
Acute Patient Days	291	324	354	374	341	335	289	394	386	321	315	325	325	325	240	346		
Acute Discharges (w/o Newborns)	81	93	99	108	103	106	82	111	96	99	87	87	94	76	87			
SNF Days	664	528	545	423	525	566	494	646	563	468	624	479	500	528	458			
HHA Visits	760	803	871	747	755	684	821	801	798	630	871	789	713	870	940			
Emergency Room Visits	901	920	856	934	864	871	811	996	919	816	827	921	894	920	964			
Gross Outpatient Revenue (000's)	\$14,801	\$14,270	\$13,677	\$15,188	\$14,170	\$13,064	\$12,519	\$14,741	\$14,051	\$12,952	\$11,864	\$14,364	\$15,524	\$14,175	\$15,454			
Equivalent Patient Days	2,654	2,405	2,343	2,178	2,265	2,272	2,212	2,629	2,471	2,030	2,334	2,266	2,591	2,332	2,328			
Births	8	6	16	9	6	8	11	7	10	11	12	5	10	6	15			
Surgical Cases - Inpatient	23	30	28	29	30	34	16	32	24	34	23	33	22	29	36			
Surgical Cases - Outpatient	127	133	123	146	114	117	123	109	136	121	97	154	142	133	161			
Total Surgical Cases	150	163	151	175	144	151	139	141	160	155	120	187	164	162	197			
Total Special Procedures	78	52	97	72	87	75	75	65	59	73	52	75	77	52	66			
Medicare Case Mix Index	1.32	1.40	1.45	1.46	1.48	1.45	1.34	1.50	1.57	1.55	1.49	1.54	1.57	1.65	1.66			
Income Statement																		
Net Revenue (000's)	\$4,557	\$4,743	\$5,265	\$4,817	\$4,389	\$4,218	\$4,590	\$4,909	\$4,466	\$4,474	\$4,543	\$4,518	\$4,775	\$4,988	\$5,188			
Operating Expenses (000's)	\$5,114	\$5,271	\$4,968	\$5,134	\$5,053	\$5,179	\$5,270	\$5,357	\$5,122	\$5,332	\$4,872	\$5,206	\$5,380	\$5,592	\$5,250			
Net Income (000's)	\$214	(\$32)	\$ 859	\$ 369	\$ 221	\$ (395)	\$ (175)	\$ 125	\$ (226)	\$ (380)	\$ 62	\$ (230)	\$ (165)	\$ (198)	\$ 690			
Productivity																		
Total Operating Expense Per Equivalent Patient Day	\$1,927	\$2,192	\$2,120	\$2,357	\$2,231	\$2,280	\$2,382	\$2,038	\$2,073	\$2,627	\$2,087	\$2,297	\$2,076	\$2,398	\$2,255			
Productive FTEs	270	272	259	279	281	279	274	276	255	316	246	289	279	271	278			
Non-Productive FTE's	40	36	39	27	26	23	31	36	52	13	58	27	35	47	43			
Total FTEs	310	308	298	306	307	302	305	312	307	329	304	316	314	318	321			
FTEs per Adjusted Occupied Bed	3.62	3.98	3.82	4.35	4.06	4.17	3.87	3.68	3.85	4.86	4.04	4.19	3.75	4.23	4.14			
Balance Sheet																		
Days of Expense In General Operating Cash	19.1		11	6	7	7	14	24	18	14	12	9	11	16	20			
Net Days of Revenue in AR	41	50	42	47	43	43	47	51	51	48	45	47	43	45	45			

