



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, January 22, 2019

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>M 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 12.18.18</p>	<i>Nevins</i>	Inform/Action
<p>4. CAPITAL SPENDING FISCAL YEARS 2016-2019</p>	<i>Dungan</i>	Inform
<p>5. OUTPATIENT DIAGNOSTIC CENTER UPDATE</p>	<i>Mather</i>	Inform
<p>6. LINE OF CREDIT REVIEW</p>	<i>Jensen</i>	Inform
<p>7. 3 YEAR PROJECTION AND CASH FORECAST</p>	<i>Dungan</i>	Inform
<p>8. ADMINISTRATIVE REPORT JANUARY 2019</p>	<i>Mather</i>	Inform
<p>9. FINANCIAL REPORT MONTH END DECEMBER 31, 2018</p>	<i>Jensen</i>	Inform
<p>10. FINANCE COMMITTEE 2019 CALENDAR</p>	<i>Nevins</i>	Inform



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<p>AGENDA ITEM</p>		
<p>11. ADJOURN</p>	<p><i>Nevins</i></p>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, DECEMBER 18, 2018
Schantz Conference Room**

Present	Excused	Staff	Public
*Dr. Subhash Mishra via telephone *John Perez Joshua Rymer via telephone *Keith Hughes via telephone Sharon Nevins	*Susan Porth	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 4:59 pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR	<i>Nevins</i>		
	Meeting minutes from 11.27.18 reviewed.	MOTION: by Rymer 2 nd by Perez. All in favor	
4. QUARTERLY STRATEGY REPORT	<i>Mather</i>		
	Ms. Mather reviewed the Quarterly strategy report. This included the four focused priorities: UCSF North Bay Diagnostic Center, Bariatric Institute, Pain Management Service Line, and Women's Services.	Recommendation to have the Strategy report presentation quarterly.	
5. OUTPATIENT DIAGNOSTIC CENTER UPDATE	<i>Mather</i>		

	Ms. Mather reviewed the current state of the funding for the outpatient diagnostic center project.		
6. 2019 FINANCE COMMITTEE WORK PLAN	<i>Nevins</i>		
	The draft of the 2019 work plan was discussed and reviewed. Recommendation to add a Quality report in March, Cynthia Denton present patient accounting in October, and SNF Task Force recommendation report in February. Draft to be presented at the January Board meeting.		
7. ADMINISTRATIVE REPORT DECEMBER 2018	<i>Mather</i>		
	Ms. Mather reported that the five star hospital plan is underway. The new Director of Patient Care Services has started and will assist in the third floor move at the end of January.		
8. FINANCIAL REPORT MONTH END NOVEMBER 30, 2018	<i>Jensen</i>		
	Mr. Jensen reviewed the November payer mix and reported that the Accounts Receivable days were 44.5 and Accounts Payable days were 45.3. EIBDA for the month was -0.6% vs. the budgeted 2.2%. The total net loss for November after all activity was (\$94,700) vs. a budgeted net loss of (\$16,818) He also reported that the fire loss claim is still being negotiated with the insurance company. Mr. Jensen said that he met with the bank regarding the line of credit for the hospital. The net result was we can get another 3 year line of credit.	Have Mr. Kobe present next month to report on salary variances.	
8. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 5:52 pm		

Sonoma Valley Hospital
Capital Spending, CIP, and Capital Leases
 For Fiscal Years Ending June 30, 2016, 2017, 2018,
 & fiscal YTD 2019 (Q1 & Q2)

Foundation Support:						
Dept #	Department	DESCRIPTION	FY 2016	FY 2017	FY 2018	YTD FY 2019
6171	OB	Panda infant warmer	41,465			
6171	OB	Natus Hearing Screening	21,397			
	MRI	1.5 8 Channel Knee Coil		42,211		
7420	Surgery	Mini C-Arm		68,819		
7420	Surgery	Stryker Audio/Video Integration Upgrade (Tower System)		378,302		
6171	OB	Philips Fetal Monitor - 2		47,724		
7420	Surgery	TruClear Hysteroscope System		41,700		
6171	OB	Jaundice Meter JM-105			7,332	
7500	Laboratory	GramPro Slide Strainer			6,914	
7420	Surgery/A Women's Place	Mammotone Neoprobe			44,244	
7631	Mammography	3 D Hologic Equipment			428,718	
7631	Mammography	Construction/furnishings/service eqt			612,596	
7631	Mammography	3D Reading Monitor			31,102	
8340	Dietary	Walk in Freezer				8,498
Foundation Support Sub-total			\$ 62,862	\$ 578,756	\$ 1,130,906	\$ 8,498

Equipment:						
Dept #	Department	DESCRIPTION	FY 2016	FY 2017	FY 2018	YTD FY 2019
7630	Medical Imaging	Dual Tower Imaging Table	6,296			
7670	Ultrasound	GE Ultrasound - Interface Software	14,681			
6171	OB	Epidural pumps	7,962			
9552	Timeshare	X-ray Machine	42,800			
8340	Dietary	Water & Ice dispenser	5,052			
8340	Dietary	Steamer Table with Stand	8,146			
7420	Surgery	Reconditioned Microscope	7,138			
7420	Surgery	High Flow Insufflator		7,642		
7420	Surgery	Rhizo Radio Freq Ablator		21,616		
7430	Ambulatory Care	Transport Gurney 30"		4,170		
7430	Ambulatory Care	Eye Surgery Stretcher		6,801		
7420	Surgery	Signia XL Bariatric Stapler		39,655		
7630	Medical Imaging	Empower CTA injector system			22,480	
7420	Surgery	Trimano Adapter/Support Arm			17,923	
8340	Dietary	Double Oven			7,586	
7420	Surgery	Amsco Steris Table			12,500	
8700	Medical Records	Misc Furniture/ reclassified CIP			6,550	
7420	Surgery	G6 Cyclo System Optical laser			21,432	
8340	Dietary	Mobile shelving - Uline				6,909
Equipment Sub-total			\$ 92,075	\$ 79,884	\$ 88,471	\$ 6,909

Sonoma Valley Hospital
Capital Spending, CIP, and Capital Leases
For Fiscal Years Ending June 30, 2016, 2017, 2018,
& fiscal YTD 2019 (Q1 & Q2)

Information Systems/Electronic Health Records:						
Dept #	Department	DESCRIPTION	FY 2016	FY 2017	FY 2018	YTD FY 2019
8480	Information Systems	Wyse D90D7 Thin Clients	9,000			
8480	Information Systems	Single Sign On System		81,506		
8480	Information Systems	Computrition - Hospitality Suite Menu Plnr		93,897		
8480	Information Systems	E H R Phase III: E-RX & ECQM - Closed CIP			38,637	*Closed CIP
8480	Information Systems	E H R Phase IV: Purge PHI/Host One Content - Closed CIP			53,268	*Closed CIP
8480	Information Systems	E H R Phase V: Paragon 14 Upgrade - Closed CIP			55,920	*Closed CIP
8480	Information Systems	E H R Phase VI: Eligibility of Insurance Module - Closed CIP			7,964	*Closed CIP
8480	Information Systems	E H R Phase VII: HUB - Closed CIP			98,449	*Closed CIP
8480	Information Systems	9 HP Elite Notebooks			11,728	
Equipment Sub-total			\$ 9,000	\$ 175,403	\$ 265,966	\$ -
Building/Leasehold Improvements						
Dept #	Department	DESCRIPTION	FY 2016	FY 2017	FY 2018	YTD FY 2019
8450	Engineering/Plant Ops	Nurse Call System - Closed CIP	249,567			*Closed CIP
8450	Engineering/Plant Ops	Carpet - Hallway	66,282			
8450	Engineering/Plant Ops	Otto Construction - Site Bench	16,661			
8450	Engineering/Plant Ops	Automatic doors - Lobby	13,163			
9553	Timeshare - 462 W. Napa	462 W. Napa Timeshare - Closed CIP	50,740			*Closed CIP
8450	Engineering/Plant Ops	Spring pumps - 2 (basement)	9,100			
8450	Engineering/Plant Ops	NPC2 - Closed CIP	14,412			
8450	Engineering/Plant Ops	ER Communications - Closed CIP	10,853			*Closed CIP
8450	Engineering/Plant Ops	Rewire 3rd Floor TV Cable		9,406		
8450	Engineering/Plant Ops	Metro Electric - 3rd Floor Cabling			30,160	
8450	Engineering/Plant Ops	Fire Alarm 2nd floor Replacement - Closed CIP	55,649	101,458		*Closed CIP
8450	Engineering/Plant Ops	SNF Nurse Call - Closed CIP		174,625	21,135	*Closed CIP
8450	Engineering/Plant Ops	SNF Pipes - Closed CIP		109,509		*Closed CIP
8450	Engineering/Plant Ops	Lobby Upgrade - Closed CIP	135,710	46,665		*Closed CIP
8450	Engineering/Plant Ops	Additional 3rd Floor Cabling			13,460	*Closed CIP
7073	SFP Clinic - Perkins	Conklin Bros Flooring				16,859
Infrastructure Sub-total			622,137	441,663	64,755	16,859
Total Capital Assets			\$ 786,074	\$ 1,275,706	\$ 1,550,097	\$ 32,266
Recap:						
Capital Spend - Hospital			723,212	696,950	419,191	23,768
Capital Spend - Foundation			62,862	578,756	1,130,906	8,498
Total Capital Assets			\$ 786,074	\$ 1,275,706	\$ 1,550,097	\$ 32,266

Sonoma Valley Hospital
Capital Spending, CIP, and Capital Leases
 For Fiscal Years Ending June 30, 2016, 2017, 2018,
 & fiscal YTD 2019 (Q1 & Q2)

Construction In Progress (CIP)	CIP Budget	Spent to Date	CIP Balance at		CIP Balance at 12/31/2018	
			6/30/2018	Spending Fiscal YTD 2019		
ODC - Project 1	11,500,000	1,463,864	668,126	795,738	1,463,864	Foundation
Conversion of Rooms 215-217	66,110	73,715	20,576	53,139	73,715	Operations
EHR Implementation	6,315,356	5,110,075	58,703		58,703	MedOne Leases/operations
A Women's Place	61,400	55,566	52,232	3,334	55,566	Foundation
CIP - 3rd Floor Acute Care Move	230,000	19,064	-	19,064	19,064	Foundation
CIP Balance	\$ 18,172,866	\$ 6,722,283	\$ 799,637	\$ 871,275	\$ 1,670,912	

Capital Financing/Leasing:

Dept #	Department	DESCRIPTION	Previous Years	FY 2016	FY 2017	FY 2018	YTD FY 2019	Monthly Cost	Term	Final Payment	
8450	CEC Loan Phase 1	California Energy Commission loan	443,774					3,563	180 Months	6/22/2023	Bi-annual Payments
8450	CEC Loan Phase 2	California Energy Commission loan	675,452					7,796	96 Months	6/22/2022	Bi-annual Payments
8480	Med One - EHR	E.H.R. - Equipment (multiple vendors)	638,260					12,144	60 Months	12/9/2018	Financing
7660	GE - MRI Van	MRI	1,008,145					14,295	84 Months	3/1/2020	Financing
Various	First American Equipment Finance	Construction/Equipment	652,488					12,273	60 Months	12/1/2018	Financing
Various	Celtic Finance	Various Equipment	2,719,041					47,158	60 Months	9/30/2019	Quarterly Payments
Various	Celtic Finance - #2	Various Equipment		238,462				4,457	60 Months	1/31/2021	Quarterly Payments
7630	Medical Imaging	Fluoroscopy Equipment			418,171			7,717	60 Months	12/1/2021	Financing
7630	Medical Imaging	Fluoroscopy Construction Costs			401,328			12,204	36 Months	12/21/2019	Financing
7420	Surgery	Cyclo G6 Laser console with Probes				21,432		595	36 Months	2/22/2021	Interest free
7420	Surgery	Gastrosopes (3)				121,500		3,375	36 Months	1/31/2021	Operating Lease
8480	Information Systems	Citrix Netscaler				124,598	255,639	6,677	48 Months	8/1/2022	Annual payments
Capital Financing/Leasing Total			\$ 6,137,159	\$ 238,462	\$ 819,499	\$ 267,530	\$ 255,639	\$ 132,255			

SONOMA VALLEY HOSPITAL
 COST PROJECTIONS and FUNDING SUMMARY
 THROUGH AUGUST 2019
 DESIGN & PRECONSTRUCTION THROUGH PERMITTING ONLY
 1/10/2019

12/31/18
 Total Funds Received: \$ 4,240,928
 Total Spent: \$ 2,702,126
 Total Approved Funding: \$ 3,337,596

Beginning Cash Balance \$ 2,171,705 \$ 1,997,912 \$ 1,978,352 \$ 1,792,784 \$ 2,533,640 \$ 2,671,418 \$ 4,063,315 \$ 3,981,414 \$ 3,873,042 \$ 3,856,568

Work Type	Nov '18 Actuals	Dec '18 Actuals	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Totals
Design & Construction Services											
Conceptual Design for ODC											\$ -
Project 1: Imaging/CT/Hospitality	\$ 119,088	\$ 79,684	\$ 36,672	\$ 36,029	\$ 8,447	\$ 6,435	\$ 7,435	\$ 6,435	\$ 6,435	\$ 6,459	313,119
Project 2: Cardiology/Parking/Entrance	\$ 8,391	\$ 2,796	\$ 10,447	\$ 6,500	\$ 500	\$ -	----	----	----	----	28,634
Project 3: MRI/Central Scheduling/Infrastructure	\$ 36,087	\$ 27,218	\$ 75,248	\$ 85,047	\$ 84,717	\$ 136,155	\$ 84,015	\$ 90,715	\$ 8,174	\$ 14,522	641,896
Project 4: UCSF Physician Clinic/Outpatient Procedures on 2nd Floor	\$ 320	\$ -	\$ 9,517	\$ 9,517	\$ 7,506	\$ 7,516	----	----	----	----	34,376
Decommissioning Study of Central and East Wings	-	-									-
Master Planning Study	\$ 17,206	\$ -									17,206
Insurance & Fee	14,064	3,291	5,540	5,503	3,876	6,049	3,685	3,915	589	846	47,357
SUBTOTAL DBT PROJECTED COSTS:	\$195,157	\$112,989	\$143,007	\$142,047	\$100,042	\$156,155	\$95,135	\$101,065	\$15,198	\$21,827	\$ 1,082,589
Project Management	\$ 10,756	\$ 10,360	\$ 10,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 127,116
Permit Fees					\$ 98,100					\$ 120,000	218,100
Furniture (Projects 1 & 2) (Projects 3 & 4 TBD)	850	2,465	2,500	-	-	-	-	-	-	-	5,815
Equipment (Projects 1 & 2) (Projects 3 & 4 TBD)	-	-	-	-	-	-	-	-	-	-	-
IT (Projects 1 & 2)	-	-	-	-	-	-	2,000	2,000	2,300	2,300	4,000
Operational costs (temporary staff moves during construction)				-	-	-	5,000	7,500	7,501	7,502	27,503
Owner Contingency (Projects 1 & 2) (Projects 3 & 4 TBD)											162,388
SUBTOTAL OWNER PROJECTED COSTS:	\$ 17,606	\$ 12,825	\$ 12,500	\$ 12,000	\$ 110,100	\$ 12,000	\$ 26,000	\$ 28,500	\$ 28,801	\$ 148,802	\$ 544,922
TOTAL PROJECTED MONTHLY COSTS	\$ 212,763	\$ 125,814	\$ 155,507	\$ 154,047	\$ 210,142	\$ 168,155	\$ 121,135	\$ 129,565	\$ 43,999	\$ 170,629	\$ 1,627,511
TOTAL CAMPAIGN PLEDGES DUE	\$ -	\$ -	\$ 1,500	\$ 958,734	\$ 210,500	\$ 1,655,500	\$ 17,500	\$ 500	\$ 6,000	\$ -	\$ 2,850,234
TOTAL CAMPAIGN EXPENSES	\$ (20,914)	\$ (254,266)	\$ (17,333)	\$ (17,333)	\$ (17,333)	\$ (17,333)	\$ (17,333)	\$ (17,333)	\$ (17,333)	\$ (17,333)	\$ (379,178)
Ending Cash Balance	\$ 1,979,856	\$ 2,126,365	\$ 1,841,678	\$ 2,614,804	\$ 2,551,330	\$ 4,176,096	\$ 3,977,013	\$ 3,869,682	\$ 3,852,377	\$ 3,703,273	

From: Ken Jensen

Sent: Wednesday, January 09, 2019 11:55 AM

To: Ryan Bradley <Ryan.Bradley@unionbank.com>

Cc: Kelly Mather <kmather@svh.com>; Sarah Dungan <sdungan@svh.com>; 'Sharon@nevinsfamily.net' <Sharon@nevinsfamily.net>

Subject: FW: 3-Year Projection and Cash forecast

Ryan, as requested attached is the three year cash forecast and three year income summary beginning with our Fiscal year 2019. The main item in reducing the Line of Credit balance is noted in the 2020 cash forecast. It reflects paying the major portion of the proceeds from the sale of the South Lot towards the LOC. Other factors are:

- as capital leases expire, the payments that were going to the leasing companies will be applied to the LOC balance

- Health at Home, which was losing money, was transferred to Hospice

- Obstetrics, which was losing money, was closed

- Skilled Nursing has been restructured with the intent of breaking even. If break-even is not realized, other alternatives are being developed.

- the support for PRIMA Medical Foundation will be reduced by \$400k beginning with Fiscal Year 2020. PRIMA is now affiliated with UCSF and their net revenues are expected to increase reducing the need for SVH support

- employee salary increases for FY 2019 and 2020 will be delayed by at least three months

- we have seen an increase in inter-governmental support

- there has been a significant increase in outpatient special procedures

I hope this helps in your evaluation of Sonoma Valley Hospital's ability to bring the line of credit balance down the \$5 million within three years. We are open to meeting with you and/or others at Union Bank to answer any questions. I can be reached on my cell phone at 925-549-7946. Thank you for your consideration and support. Ken

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Projected FY 2019, 2020, & 2021**

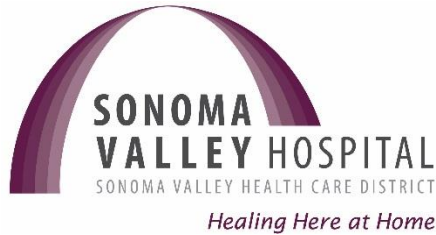
	Projected FY 2019	Projected FY 2020	Projected FY 2021
Projected Gross Patient Revenue			
Inpatient	\$ 76,785,129	\$ 79,379,356	\$ 81,973,583
Outpatient	99,931,758	101,492,457	103,053,156
Emergency	78,010,555	82,299,441	86,588,327
SNF	19,157,449	14,433,070	14,577,401
Home Care	762,447	-	-
Total Projected Gross Patient Revenue	\$ 274,647,338	\$ 277,604,324	\$ 286,192,467
Projected Deductions from Revenue			
Contractual Discounts	\$ (223,470,749)	\$ (227,509,478)	\$ (235,234,478)
Bad Debt	(1,435,000)	(1,200,000)	(1,200,000)
Charity Care Provision	(305,760)	(296,770)	(301,265)
Prior Period Adj/Government Program Revenue	3,268,274	3,200,000	3,200,000
Total Projected Deductions from Revenue	\$ (221,943,235)	\$ (225,806,248)	\$ (233,535,743)
Projected Net Patient Service Revenue	\$ 52,704,103	\$ 51,798,076	\$ 52,656,724
Risk contract revenue	\$ 1,144,867	\$ 1,151,988	\$ 1,128,000
Net Hospital Revenue	\$ 53,848,970	\$ 52,950,064	\$ 53,784,724
Other Op Rev & Electronic Health Records	\$ 180,725	\$ 167,626	\$ 170,000
Projected Total Operating Revenue	\$ 54,029,695	\$ 53,117,690	\$ 53,954,724
Projected Operating Expenses			
Salary and Wages and Agency Fees	\$ 25,818,213	\$ 24,928,382	\$ 25,248,710
Employee Benefits	9,384,138	9,295,820	9,388,778
Total People Cost	\$ 35,202,351	\$ 34,224,202	\$ 34,637,488
Med and Prof Fees (excl Agency)	\$ 5,916,917	\$ 5,999,858	\$ 6,119,855
Supplies	6,969,331	7,100,482	7,242,492
Purchased Services	4,555,938	4,530,200	4,575,502
Depreciation	3,496,037	3,490,488	3,490,488
Utilities	1,217,022	1,226,755	1,251,290
Insurance	423,841	445,034	467,286
Interest	639,265	596,548	608,479
Other	1,298,541	1,281,918	1,307,556
Matching Fees (Government Programs)	818,821	800,000	800,000
Projected Operating expenses	\$ 60,538,064	\$ 59,695,485	\$ 60,500,436
Projected Operating Margin	\$ (6,508,369)	\$ (6,577,795)	\$ (6,545,712)
Projected Non Operating Rev and Expense			
Miscellaneous Revenue/(Expenses)	\$ (165,204)	\$ (156,190)	\$ (160,697)
Donations	26,078	32,076	38,074
Physician Practice Support-Prima	(658,279)	(256,196)	(260,000)
Parcel Tax Assessment Rev	3,799,254	3,800,000	3,800,000

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Projected FY 2019, 2020, & 2021**

	<u>Projected FY 2019</u>	<u>Projected FY 2020</u>	<u>Projected FY 2021</u>
Sale of South Lot	0	1,200,000	0
Projected Total Non-Operating Rev/Exp	\$ 3,001,849	\$ 4,619,690	\$ 3,417,377
Net Income / (Loss) prior to Restricted Contributions	\$ (3,506,520)	\$ (1,958,105)	\$ (3,128,335)
Capital Campaign Contribution	\$ 177,007	\$ 88,504	\$ 44,252
Restricted Foundation Contributions	\$ 1,532,900	\$ 3,365,212	\$ 3,500,000
Net Income / (Loss) w/ Restricted Contributions	\$ (1,796,613)	\$ 1,495,611	\$ 415,917
GO Bond Tax Assessment Rev	3,053,232	3,098,232	3,143,232
GO Bond Interest	(1,214,224)	(1,150,506)	(1,113,144)
Projected Net Income/(Loss) w GO Bond Activity	\$ 42,395	\$ 3,443,337	\$ 2,446,005
Projected EBIDA - Not including Restricted Contributions	\$ 628,782 1.2%	\$ 2,128,931 4.0%	\$ 970,632 1.8%
Projected EBDA - Not including Restricted Contributions	\$ (10,483) 0.0%	\$ 1,532,383 2.9%	\$ 362,153 0.7%

Sonoma Valley Hospital
Cash Forecast
FY 2019, 2020, & 2021

	Forecast FY 2019	Forecast FY 2020	Forecast FY 2021
Hospital Operating Sources			
1 Patient Payments Collected	49,468,301	48,564,352	49,423,000
2 Capitation Revenue	1,144,867	1,151,988	1,128,000
3 Napa State	133,724	133,724	133,724
4 Other Operating Revenue	293,072	167,626	170,000
5 Other Non-Operating Revenue	352,817	352,817	352,817
6 Unrestricted Contributions	26,078	32,076	38,074
7 Line of Credit	-	-	-
Sub-Total Hospital Sources	51,418,859	50,402,583	51,245,615
Hospital Uses of Cash			
8 Operating Expenses	57,839,401	55,661,193	56,469,948
9 Add Capital Lease Payments	1,277,780	691,291	335,705
10 LOC Principal Payments	-	1,500,000	500,000
11 Capital Expenditures	1,667,873	3,453,716	3,544,252
Total Hospital Uses	60,785,054	61,306,200	60,849,905
Net Hospital Sources/Uses of Cash	(9,366,195)	(10,903,617)	(9,604,290)
Non-Hospital Sources			
12 Restricted Cash/Money Market	(73,343)		
13 Restricted Capital Donations	1,709,907	3,453,716	3,544,252
14 Parcel Tax Revenue	4,007,015	3,800,000	3,800,000
15 Payment - South Lot, Net	-	1,200,000	-
16 Other:	-	-	-
17 IGT (Net)	1,400,000	1,400,000	1,400,000
18 IGT - AB915	1,487,133	1,050,000	1,050,000
19 PRIME	1,725,000	750,000	750,000
Sub-Total Non-Hospital Sources	10,255,712	11,653,716	10,544,252
Non-Hospital Uses of Cash			
20 Matching Fees	818,821	800,000	800,000
Sub-Total Non-Hospital Uses of Cash	818,821	800,000	800,000
Net Non-Hospital Sources/Uses of Cash	9,436,891	10,853,716	9,744,252
Net Sources/Uses	70,696	(49,901)	139,962
Cash and Equivalents at beginning of period	1,671,423	1,742,119	1,692,218
Cash and Equivalents at end of period	1,742,119	1,692,218	1,832,181



To: SVHCD Board of Directors
From: Kelly Mather
Date: 1/3/19
Subject: Administrative Report

Summary

2018 was an interesting year with significant change. The UCSF affiliation was very positive for all. We have identified our strengths and what our community needs and re-invented our hospital around what we do best and services that are highly regarded and utilized. The team managed through the changes with grace and it is truly an honor working with everyone at SVH. Healing at Home is doing well as part of Hospice by the Bay.

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"> ➤ The 5 Star hospital vision is now a reality. We have a new leader for Inpatient services and the move to the 3rd floor will happen in early spring. The new patient unit is being refurbished and we plan to upgrade the rooms overtime, as well. ➤ We will have our “Stroke Ready” accreditation survey in early 2019. UCSF is overseeing this program. ➤ We have a new Medical Director of Emergency Services and he is excellent.
Be the preferred hospital for patients, physicians, employers and health plans	<ul style="list-style-type: none"> ➤ The Patient Access Center team is underway and we should pilot this change in imaging within the year. This will increase patient and physician satisfaction and efficiency will be much improved. ➤ Dr. Pathi, Urology/GYN, is seeing patients in Sonoma now. ➤ Dr. Roache, Shoulder Surgeon, is starting in March. ➤ Kaiser admitted 14 patients in December during their strike and said our care was excellent.
Implement new and enhanced revenue strategies as measured by increased direct margins in each service unit	<ul style="list-style-type: none"> ➤ The Outpatient Diagnostic Center is projected to increase revenue by over \$1 million per year and should break ground next summer. ➤ The Pain Management physicians are starting to work together on a referral network and the SV Community Health Center is partnering with us. ➤ We are promoting Bariatrics with Partnership Health Plan to health centers throughout the North Bay.
Continue to improve financial stability as measured by EBDA	<ul style="list-style-type: none"> ➤ We paid off a few more leases in 2018 and continue to decrease our debt. ➤ Prima is now an affiliate of UCSF and therefore the subsidy that is needed has decreased which reduces expenses. ➤ The SNF task force will review the 2nd quarter results with the new changes in January. We also have two expert groups looking at alternatives for the future. ➤ The South Lot sale should be complete in June. They are hoping for planning commission approved on January 10th.
Lead progress toward becoming a Healthier community	<ul style="list-style-type: none"> ➤ The PRIME grant project continues to decrease re-admissions and improve patient health. ➤ We are promoting Heart Health month in February through the “Let’s Talk about Women’s Health” series.

NOVEMBER 2018

			National
Patient Experience	Current Performance	FY 2019 Goal	Benchmark
Would Recommend Hospital	95 th	> 60th percentile	50th percentile
Inpatient Overall Rating	59 th	>60th percentile	50th percentile
Outpatient Services	4.8	Rate My Hospital	4.5
Emergency	4.5	Rate My Hospital	4.5
Quality & Safety	YTD Performance	FY 2019 Goal	Benchmark
CLABSI	0	<1	<.51
CAUTI	0	<1	<1.04
SSI – Colon Surgery	0	<1	N/A
SSI – Total Joint	2	<1.5%	N/A
MRSA Bacteremia	0	<.13	<.13
C. Diff	0	3.5	7.4/10,000 pt days
PSI – 90 Composite	1	<1	<1
Heart Failure Mortality Rate	12.5%	TBD	17.3%
Pneumonia Mortality Rate	18.1%	TBD	23.6%
Stroke Mortality Rate	14.7%	TBD	19.7%
Sepsis Mortality Rate	10.2%	<18%	25%
30 Day All- Cause Readmissions	9.30%	< 10 %	< 18.5%
Serious Safety Events	0	0	0
Falls	2	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	2	< 10	17
Adverse Drug Events with Harm	0	0	0
Reportable HIPAA Privacy Events	0	0	0
SNF Star Rating	4	4	3
Hospital Star Rating	4	4	3
Our People	YTD Performance	FY 2019 Goal	Benchmark
Staff Satisfaction Survey	61 st percentile	75th percentile	50th percentile
Turnover	16.5%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2019 Goal	Benchmark
EBDA	-1.1%	1%	3%
FTE's/AOB	4.84	4.3	5.3
Days Cash on Hand	9.6	20	30
Days in Accounts Receivable	45	49	50
Length of Stay	3.9	3.85	4.03
Funds raised by SVHF	\$15 million	\$20 million	\$1 million
Strategic Growth	YTD Performance	FY 2019 Goal	Benchmark
Inpatient Discharges	441/1058	1000	1000
Outpatient Visits	22,339/53,613	53,000	51,924
Emergency Visits	4139/9934	10,000	11,040
Surgeries + Special Procedures	1285/3084	2500	2,568
Community Benefit Hours	525/1260	1200	1200

Note: Colors demonstrate comparison to National Benchmark



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: January 22, 2018
Subject: Financial Report for the Month Ending December 31, 2018

December's actual loss of (\$634,973) from operations was (\$196,412) unfavorable to the budgeted loss of (\$438,561). After accounting for all other activity; the December net loss was (\$207,597) vs. the budgeted net income of \$47,974 with a monthly EBIDA of -0.5% vs. a budgeted 3.6%.

Gross patient revenue for December was \$21,691,084; (\$393,768) under budget. Inpatient gross revenue was over budget by \$1,321,316. Inpatient days were over budget by 52 days and inpatient surgeries were over budgeted expectations by 6 cases. Outpatient revenue was under budget by (\$178,931). Outpatient visits were under budgeted expectations by (142) visits, and outpatient surgeries were under budgeted expectations by (9) cases and special procedures were over budgeted expectations by 15 cases. The Emergency Room gross revenue was under budget by (\$826,818) with ER visits under budgeted expectations by (79). SNF gross charges were under budgeted expectations by (\$709,335) and SNF patient days were under budget by (272) days, the unfavorable variance is due to the current restructuring model which has a cap of 15 patients per day.

Deductions from revenue were favorable to budgeted expectations by \$71,187. Of the variance, \$39,767 is from the prior period adjustments or IGT payments. Without the IGT variance, the deductions from revenue variance is favorable by \$31,420 which is due to gross revenue being under budgeted expectations. The variance was also impacted by a shift in payer mix in December with Medicare volume increasing by 3.8 percentage points over budget and Commercial volume dropping by 0.7 percentage points.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (\$342,412).

Operating Expenses of \$4,725,849 were favorable to budget by \$146,000. Salaries and wages and agency fees were under budget by \$51,310 with the salaries and wages being under budget by \$105,273 and agency fees over by (\$53,963). The overage in agency fees were primarily in physical and occupational therapy (\$29,373) to support SNF patients and in outpatient physical therapy (\$27,013). Supplies were over budget (\$75,784) due to higher than budgeted inpatient volume in surgery (\$45,220) and pharmacy (\$30,488). Purchased Services are over budget by (\$22,991) in SFP Clinic (\$7,560) due to unbudgeted voicemail support maintenance and new wiring for the phones, in Clinical Lab (\$5,274) due to higher than average outside lab costs, and in Public Relations (\$9,013) due to unbudgeted costs to update signage to include UCSF logo (UCSF contributed 50%) . Utilities are over

budget due to PG&E - Gas (\$8,234) and AT&T (\$10,387), the AT&T contract is being renegotiated and the hospital will receive a credit. There was no matching fee in the December.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for December is (\$369,926) vs. a budgeted net loss of (\$181,646). The total net loss for December after all activity was (\$207,597) vs. a budgeted net income of \$47,974

EBIDA for the month of December was -0.5% vs. the budgeted 3.6%.

Patient Volumes – December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	97	92	5	96
Newborn Discharges	0	0	0	10
Acute Patient Days	370	318	52	386
SNF Patient Days	291	563	-272	563
Home Care Visits	0	0	0	798
OP Gross Revenue	\$13,583	\$14,589	(\$1,006)	\$14,051
Surgical Cases	149	152	-3	160

Gross Revenue Overall Payer Mix – December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	46.2%	42.3%	3.9%	41.9%	42.9%	-0.8%
Medicare Mgd Care	13.0%	13.1%	-0.1%	15.1%	12.8%	2.3%
Medi-Cal	15.3%	18.0%	-2.7%	17.2%	17.9%	-0.7%
Self-Pay	1.1%	1.4%	-0.3%	1.2%	1.4%	-0.2%
Commercial	20.1%	20.8%	-0.7%	20.5%	20.6%	-0.1%
Workers Comp	1.7%	2.4%	-0.7%	2.0%	2.4%	-0.4%
Capitated	2.6%	2.0%	0.6%	2.1%	2.0%	0.1%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for December:

For the month of December the cash collection goal was \$3,691,806 and the Hospital collected \$3,733,400 or over the goal by \$41,594. The year-to-date cash collection goal was \$22,723,007 and the Hospital has collected \$22,320,709 or under goal by (\$402,298). Days of cash on hand are 14.8 days at December 31, 2018, this calculation includes the cash in the Money Market account. Accounts Receivable decreased from November, from 44.5 days to 43.5 days in December. Accounts Payable increased by \$381,221 from November and Accounts Payable days are at 50.4.

ATTACHMENTS:

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



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

ATTACHMENT A

December-18

YTD

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Gross Revenue:								
Medicare	9,996,978	9,325,165	671,813	7.2%	57,947,298	56,498,814	1,448,484	2.6%
Medicare Managed Care	2,821,570	2,882,529	-60,959	-2.1%	20,811,267	16,817,409	3,993,858	23.7%
Medi-Cal	3,327,368	3,979,004	-651,636	-16.4%	23,716,642	23,543,902	172,740	0.7%
Self Pay	232,005	311,083	-79,078	-25.4%	1,703,217	1,789,629	-86,412	-4.8%
Commercial & Other Government	4,365,647	4,614,203	-248,556	-5.4%	28,280,010	27,226,209	1,053,801	3.9%
Worker's Comp.	376,311	524,365	-148,054	-28.2%	2,753,713	3,177,796	-424,083	-13.3%
Capitated	571,205	448,503	122,702	27.4%	2,908,396	2,653,222	255,174	9.6%
Total	21,691,084	22,084,852	(393,768)		138,120,543	131,706,981	6,413,562	

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Net Revenue:								
Medicare	1,363,580	1,305,523	58,057	4.4%	8,146,407	8,002,909	143,498	1.8%
Medicare Managed Care	376,115	370,074	6,041	1.6%	2,812,461	2,242,927	569,534	25.4%
Medi-Cal	401,524	541,729	-140,205	-25.9%	3,363,195	3,133,458	229,737	7.3%
Self Pay	121,107	140,211	-19,104	-13.6%	880,156	847,887	32,269	3.8%
Commercial & Other Government	1,251,570	1,463,159	-211,589	-14.5%	9,177,478	9,636,124	-458,646	-4.8%
Worker's Comp.	76,015	135,527	-59,512	-43.9%	529,481	771,483	-242,002	-31.4%
Capitated	18,507	14,543	3,964	27.3%	77,395	83,928	-6,533	-7.8%
Prior Period Adj/IGT	392,322	352,555	39,767	11.3%	1,192,711	2,115,330	-922,619	-43.6%
Total	4,000,740	4,323,321	(322,581)	-7.5%	26,179,284	26,834,046	(654,762)	-2.4%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Percent of Net Revenue:								
Medicare	34.1%	30.3%	3.8%	12.5%	31.1%	29.7%	1.3%	4.4%
Medicare Managed Care	9.4%	8.6%	0.8%	9.3%	10.7%	8.4%	2.3%	27.4%
Medi-Cal	19.8%	20.7%	-0.9%	-4.3%	17.4%	19.6%	-2.2%	-11.2%
Self Pay	3.0%	3.2%	-0.2%	-6.3%	3.4%	3.2%	0.2%	6.3%
Commercial & Other Government	31.3%	33.8%	-2.5%	-7.4%	35.1%	35.9%	-0.8%	-2.2%
Worker's Comp.	1.9%	3.1%	-1.2%	-38.7%	2.0%	2.9%	-0.9%	-31.0%
Capitated	0.5%	0.3%	0.2%	66.7%	0.3%	0.3%	0.0%	0.0%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Projected Collection Percentage:								
Medicare	13.6%	14.0%	-0.4%	-2.9%	14.1%	14.2%	-0.1%	-0.7%
Medicare Managed Care	13.3%	12.8%	0.5%	3.9%	13.5%	13.3%	0.2%	1.5%
Medi-Cal	23.9%	22.5%	1.4%	6.2%	19.2%	22.3%	-3.1%	-13.9%
Self Pay	52.2%	45.1%	7.1%	15.7%	51.7%	47.4%	4.3%	9.1%
Commercial & Other Government	28.7%	31.7%	-3.0%	-9.5%	32.5%	35.4%	-2.9%	-8.2%
Worker's Comp.	20.2%	25.8%	-5.6%	-21.7%	19.2%	24.3%	-5.1%	-21.0%
Capitated	3.2%	3.2%	0.0%	0.0%	2.7%	3.2%	-0.5%	-15.6%

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

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 12/31/18</u>	<u>Budget 12/31/18</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 12/31/18</u>	<u>Budget 12/31/18</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 12/31/17</u>
Inpatient Utilization								
Discharges								
1	85	82	3	Acute	476	471	5	451
2	12	10	2	ICU	62	68	(6)	88
3	97	92	5	Total Discharges	538	539	(1)	539
4	-	-	-	Newborn	46	24	22	56
5	97	92	5	Total Discharges inc. Newborns	584	563	21	595
Patient Days:								
6	286	247	39	Acute	1,621	1,424	197	1,428
7	84	71	13	ICU	447	484	(37)	484
8	370	318	52	Total Patient Days	2,068	1,908	160	1,912
9	-	-	-	Newborn	102	45	57	99
10	370	318	52	Total Patient Days inc. Newborns	2,170	1,953	217	2,011
Average Length of Stay:								
11	3.4	3.0	0.4	Acute	3.4	3.0	0.4	3.2
12	7.0	7.1	(0.1)	ICU	7.2	7.1	0.1	5.5
13	3.8	3.5	0.4	Avg. Length of Stay	3.8	3.5	0.3	3.5
14	0.0	0.0	-	Newborn ALOS	2.2	1.9	(0.3)	1.8
Average Daily Census:								
15	9.2	8.0	1.3	Acute	8.8	7.7	1.1	7.8
16	2.7	2.3	0.4	ICU	2.4	2.6	(0.2)	2.6
17	11.9	10.3	1.7	Avg. Daily Census	11.2	10.4	0.9	10.4
18	0.0	0.0	-	Newborn	0.55	0.24	0.3	0.54
Long Term Care:								
19	291	563	(272)	SNF Patient Days	2,771	3,150	(379)	3,162
20	20	-	20	SNF Discharges	146	143	3	166
21	9.4	18.2	(8.8)	Average Daily Census	15.1	17.1	(2.1)	17.2
Other Utilization Statistics								
Emergency Room Statistics								
22	840	919	(79)	Total ER Visits	4,979	5,449	(470)	5,297
Outpatient Statistics:								
23	4,173	4,315	(142)	Total Outpatients Visits	26,512	26,613	(101)	26,297
24	26	20	6	IP Surgeries	173	151	22	165
25	123	132	(9)	OP Surgeries	813	815	(2)	783
26	58	43	15	Special Procedures	506	383	123	388
27	-	-	-	Home Health Visits	2,027	3,837	(1,810)	4,671
28	313	271	42	Adjusted Discharges	1,902	1,944	(43)	1,950
29	1,768	2,594	(826)	Adjusted Patient Days (Inc. SNF)	13,497	14,439	(942)	14,024
30	57.0	83.7	(26.7)	Adj. Avg. Daily Census (Inc. SNF)	73.4	78.5	(5.1)	76.2
31	1.5680	1.4000	0.168	Case Mix Index -Medicare	1.4711	1.4000	0.071	1.5616
32	1.5351	1.4000	0.135	Case Mix Index - All payers	1.4954	1.4000	0.095	1.4958
Labor Statistics								
33	234	270	35.8	FTE's - Worked	267	271	3.6	276
34	281	306	25.4	FTE's - Paid	300	307	7.5	315
35	39.99	37.62	(2.37)	Average Hourly Rate	43.04	40.44	(2.60)	42.27
36	28.0	20.8	(7.2)	Manhours / Adj. Pat Day	23.3	22.3	(1.0)	23.5
37	158.3	199.5	41.1	Manhours / Adj. Discharge	165.2	165.6	0.4	169.2
38	21.4%	24.0%	2.6%	Benefits % of Salaries	22.1%	23.5%	1.4%	22.6%
Non-Labor Statistics								
39	14.7%	11.9%	-2.8%	Supply Expense % Net Revenue	13.1%	11.8%	-1.2%	11.9%
40	1,921	1,939	18	Supply Exp. / Adj. Discharge	1,837	1,675	(162)	1,692
41	15,599	18,566	2,967	Total Expense / Adj. Discharge	16,469	16,260	(209)	16,656
Other Indicators								
42	14.8			Days Cash - Operating Funds				
43	43.5	50.0	(6.5)	Days in Net AR	44.0	50.0	(6.0)	46.3
44	101%			Collections % of Net Revenue	98%			101.8%
45	50.4	55.0	(4.6)	Days in Accounts Payable	50.4	55.0	(4.6)	46.0
46	18.9%	20.0%	-1.1%	% Net revenue to Gross revenue	19.4%	20.9%	-1.5%	21.4%
47	20.6%			% Net AR to Gross AR	20.6%			22.9%

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

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,759,371	\$ 1,171,537	\$ 2,026,449
2 Trustee Funds	2,494,550	2,490,205	2,109,656
3 Net Patient Receivables	7,268,220	7,706,932	8,615,759
4 Allow Uncollect Accts	(1,296,826)	(1,280,158)	(1,287,179)
5 Net A/R	5,971,394	6,426,774	7,328,580
6 Other Accts/Notes Rec	4,984,404	6,501,899	5,238,473
7 3rd Party Receivables, Net	1,653,728	1,800,485	1,081,279
8 Inventory	846,833	841,747	833,528
9 Prepaid Expenses	784,861	775,866	775,572
10 Total Current Assets	<u>\$ 18,495,141</u>	<u>\$ 20,008,513</u>	<u>\$ 19,393,537</u>
12 Property, Plant & Equip, Net	\$ 51,425,809	\$ 51,706,430	\$ 52,080,214
13 Specific Funds/ Money Market	545,174	345,128	919,250
14 Other Assets	-	-	-
15 Total Assets	<u><u>\$ 70,466,124</u></u>	<u><u>\$ 72,060,071</u></u>	<u><u>\$ 72,393,001</u></u>
Liabilities & Fund Balances			
Current Liabilities:			
16 Accounts Payable	\$ 4,116,857	\$ 3,735,636	\$ 3,811,805
17 Accrued Compensation	3,870,474	3,822,397	4,477,610
18 Interest Payable	503,827	403,059	528,880
19 Accrued Expenses	1,523,113	1,334,097	1,489,726
20 Advances From 3rd Parties	105,388	105,388	320,549
21 Deferred Tax Revenue	3,426,617	3,997,720	3,404,100
22 Current Maturities-LTD	905,408	957,080	1,285,002
23 Line of Credit - Union Bank	6,973,734	6,973,734	6,973,734
24 Other Liabilities	201,386	1,701,386	1,386
25 Total Current Liabilities	<u>\$ 21,626,804</u>	<u>\$ 23,030,497</u>	<u>\$ 22,292,792</u>
26 Long Term Debt, net current portion	\$ 32,965,664	\$ 32,948,320	\$ 35,096,302
Fund Balances:			
28 Unrestricted	\$ 9,795,496	\$ 10,011,755	\$ 11,026,005
29 Restricted	6,078,160	6,069,499	3,977,902
30 Total Fund Balances	<u>\$ 15,873,656</u>	<u>\$ 16,081,254</u>	<u>\$ 15,003,907</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 70,466,124</u></u>	<u><u>\$ 72,060,071</u></u>	<u><u>\$ 72,393,001</u></u>

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

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD					
	This Year		Variance			This Year		Variance			Prior Year				
	Actual		\$	%		Actual	Budget	\$	%						
1	97	92	5	5%	Acute Discharges	538	539	(1)	0%	539					
2	291	563	(272)	-48%	SNF Days	2,771	3,150	(379)	-12%	3,162					
3	-	-	-	0%	Home Care Visits	2,027	3,837	(1,810)	-47%	4,671					
4	13,583	14,589	(1,006)	-7%	Gross O/P Revenue (000's)	\$ 88,433	\$ 85,499	2,933	3%	\$ 82,930					
Financial Results															
Gross Patient Revenue															
5	\$ 6,885,521	\$ 5,564,205	1,321,316	24%	Inpatient	\$ 38,416,767	\$ 34,696,418	3,720,349	11%	\$ 35,323,131					
6	7,611,105	7,790,036	(178,931)	-2%	Outpatient	50,505,575	46,607,665	3,897,910	8%	45,451,949					
7	5,971,827	6,798,645	(826,818)	-12%	Emergency	37,204,175	37,856,816	(652,641)	-2%	35,853,168					
8	1,222,631	1,931,966	(709,335)	-37%	SNF	11,231,579	11,439,929	(208,350)	-2%	11,772,337					
9	-	-	-	0%	Home Care	762,447	1,106,153	(343,706)	-31%	1,697,391					
10	\$ 21,691,084	\$ 22,084,852	(393,768)	-2%	Total Gross Patient Revenue	\$ 138,120,543	\$ 131,706,981	6,413,562	5%	\$ 130,097,976					
Deductions from Revenue															
11	\$ (17,902,666)	\$ (17,989,356)	86,690	0%	Contractual Discounts	\$ (112,086,325)	\$ (106,239,885)	(5,846,440)	-6%	\$ (104,622,529)					
12	(150,000)	(100,000)	(50,000)	-50%	Bad Debt	(885,000)	(600,000)	(285,000)	-48%	(753,000)					
13	(30,000)	(24,730)	(5,270)	-21%	Charity Care Provision	(162,645)	(148,380)	(14,265)	-10%	(89,609)					
14	392,322	352,555	39,767	11%	Prior Period Adj/Government Program Revenue	1,192,711	2,115,330	(922,619)	*	2,356,943					
15	\$ (17,690,344)	\$ (17,761,531)	71,187	0%	Total Deductions from Revenue	\$ (111,941,259)	\$ (104,872,935)	(7,068,324)	7%	\$ (103,108,195)					
Net Patient Service Revenue															
16	\$ 4,000,740	\$ 4,323,321	(322,581)	-7%	Risk contract revenue	\$ 569,433	\$ 665,391	(95,958)	-14%	\$ 773,057					
17	\$ 96,559	\$ 95,999	560	1%	Net Hospital Revenue	\$ 26,748,717	\$ 27,499,437	(750,720)	-3%	\$ 27,762,838					
18	\$ 4,097,299	\$ 4,419,320	(322,021)	-7%	Other Op Rev & Electronic Health Records	\$ 76,521	\$ 83,808	(7,287)	-9%	\$ 100,379					
19	\$ (6,423)	\$ 13,968	(20,391)	*	Total Operating Revenue	\$ 26,825,238	\$ 27,583,245	(758,007)	-3%	\$ 27,863,217					
20	\$ 4,090,876	\$ 4,433,288	(342,412)	-8%	Operating Expenses										
Salary and Wages and Agency Fees															
21	\$ 1,981,626	\$ 2,032,936	51,310	3%	Salary and Wages and Agency Fees	\$ 13,520,557	\$ 13,021,539	(499,018)	-4%	\$ 13,945,282					
22	702,848	790,455	87,607	11%	Employee Benefits	4,612,663	5,019,589	406,926	8%	5,250,140					
23	\$ 2,684,474	\$ 2,823,391	138,917	5%	Total People Cost	\$ 18,133,220	\$ 18,041,128	(92,092)	-1%	\$ 19,195,422					
24	\$ 477,409	\$ 502,249	24,840	5%	Med and Prof Fees (excl Agency)	\$ 2,889,473	\$ 3,018,648	129,175	4%	\$ 2,468,822					
25	601,095	525,311	(75,784)	-14%	Supplies	3,492,654	3,256,161	(236,493)	-7%	3,299,378					
26	390,708	367,717	(22,991)	-6%	Purchased Services	2,313,704	2,218,013	(95,691)	-4%	2,194,410					
27	289,704	290,727	1,023	0%	Depreciation	1,749,770	1,727,946	(21,824)	-1%	1,710,077					
28	101,092	82,131	(18,961)	-23%	Utilities	651,814	662,986	11,172	2%	654,986					
29	35,320	35,320	-	0%	Insurance	211,920	206,247	(5,673)	-3%	190,914					
30	59,348	49,768	(9,580)	-19%	Interest	307,054	298,374	(8,680)	-3%	288,331					
31	86,699	106,832	20,133	19%	Other	629,763	707,727	77,964	11%	725,081					
32	-	88,403	88,403	*	Matching Fees (Government Programs)	0	530,417	530,417	100%	775,755					
33	\$ 4,725,849	\$ 4,871,849	146,000	3%	Operating expenses	\$ 30,379,372	\$ 30,667,647	288,275	1%	\$ 31,503,176					
34	\$ (634,973)	\$ (438,561)	(196,412)	-45%	Operating Margin	\$ (3,554,134)	\$ (3,084,402)	(469,732)	-15%	\$ (3,639,959)					

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

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
35	\$ 3,063	\$ (5,658)	8,721	-154%						\$ 14,737	
36	-	2,672	(2,672)	-100%						22,321	
37	(54,683)	(56,766)	2,083	-4%						(340,596)	
38	316,667	316,667	-	0%						1,900,002	
39	0	0	-	0%							
40	\$ 265,047	\$ 256,915	8,132	3%						\$ 1,596,464	
41	\$ (369,926)	\$ (181,646)	(188,280)	104%	Net Income / (Loss) prior to Restricted Contributions	\$ (2,071,080)	\$ (1,542,318)	(528,762)	34%	\$ (2,043,495)	
42	\$ 83	\$ 20,949	(20,866)	-100%						\$ 86,501	
43	\$ 8,578	\$ 55,003	(46,425)	0%						\$ -	
44	\$ (361,265)	\$ (105,694)	(255,571)	242%	Net Income / (Loss) w/ Restricted Contributions	\$ (884,176)	\$ (1,086,606)	202,430	-19%	\$ (1,956,994)	
45	254,436	254,436	-	0%						1,504,098	
46	(100,768)	(100,768)	-	0%						(639,146)	
47	\$ (207,597)	\$ 47,974	(255,571)	-533%	Net Income/(Loss) w GO Bond Activity	\$ 32,824	\$ (169,606)	202,430	-119%	\$ (1,092,042)	
	\$ (20,874)	\$ 158,849			EBIDA - Not including Restricted Contributions	\$ (14,256)	\$ 484,002			\$ (45,087)	
	-0.5%	3.6%				-0.1%	1.8%			-0.2%	
	\$ (80,222)	\$ 109,081			EBDA - Not including Restricted Contributions	\$ (321,310)	\$ 185,628				
	-2.0%	2.5%				-1.2%	0.7%				

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

	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(1)	5	
2 SNF Days	(379)	(272)	
3 Home Care Visits	(1,810)	-	
4 Gross O/P Revenue (000's)	2,933	(1,006)	
Financial Results			
Gross Patient Revenue			
5 Inpatient	3,720,349	1,321,316	Inpatient days are 370 days vs. budgeted expectations of 318 days and inpatient surgeries are 26 vs. budgeted expectations 20.
6 Outpatient	3,897,910	(178,931)	Outpatient visits are 4,173 vs. budgeted expectations of 4,315 visits and outpatient surgeries are 123 vs. budgeted expectations 132.
7 Emergency	(652,641)	(826,818)	ER visits are 840 vs. budgeted visits of 919.
8 SNF	(208,350)	(709,335)	SNF patient days are 291 vs. budgeted expected days of 563.
9 Home Care	(343,706)	-	
10 Total Gross Patient Revenue	6,413,562	(393,768)	
Deductions from Revenue			
11 Contractual Discounts	(5,846,440)	86,690	
12 Bad Debt	(285,000)	(50,000)	
13 Charity Care Provision	(14,265)	(5,270)	
14 Prior Period Adj/Government Program Revenue	(922,619)	39,767	Accrual of \$62,500 for the prime grant and \$329,822 of additional expected funding from FY 2018 AB 915.
15 Total Deductions from Revenue	(7,068,324)	71,187	
16 Net Patient Service Revenue	(654,762)	(322,581)	
17 Risk contract revenue	(95,958)	560	
18 Net Hospital Revenue	(750,720)	(322,021)	
19 Other Op Rev & Electronic Health Records	(7,287)	(20,391)	
20 Total Operating Revenue	(758,007)	(342,412)	
Operating Expenses			
21 Salary and Wages and Agency Fees	(499,018)	51,310	Salaries and Wages are under budget by \$105,273 and the Agency fees are over budget by (\$53,963).
22 Employee Benefits	406,926	87,607	
23 Total People Cost	(92,092)	138,917	
24 Med and Prof Fees (excl Agency)	129,175	24,840	
25 Supplies	(236,493)	(75,784)	Supplies are over budget due to higher than budgeted inpatient volume in surgery (\$45,220) and Pharmacy (\$30,448).
26 Purchased Services	(95,691)	(22,991)	Purchased Services are over budget in SFP Clinic (\$7,560) due to unbudgeted voicemail support maintenance and new wiring for the phones, in Clinical Lab (\$5,274) due to higher than average outside lab costs, and in Public Relations (\$9,013) due to unbudgeted costs to update signage to include UCSF logo (UCSF contributed 50%) .
27 Depreciation	(21,824)	1,023	
28 Utilities	11,172	(18,961)	Utilities are over budget due to PG&E - Gas (\$8,234) and AT&T (\$10,387) - the AT&T contract is being renegotiated and the hospital will receive a credit.
29 Insurance	(5,673)	-	
30 Interest	(8,680)	(9,580)	
31 Other	77,964	20,133	
32 Matching Fees (Government Programs)	530,417	88,403	No matching fee in December.
33 Operating expenses	288,275	146,000	
34 Operating Margin	(469,732)	(196,412)	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	(60,037)	8,721	
36 Donations	(8,658)	(2,672)	
37 Physician Practice Support-Prima	10,415	2,083	
38 Parcel Tax Assessment Rev	(750)	-	
39 Extraordinary Items	-	-	
40 Total Non-Operating Rev/Exp	(59,030)	8,132	

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

	YTD	MONTH
Description	Variance	Variance
		-
41 Net Income / (Loss) prior to Restricted Contributions	(528,762)	(188,280)
		-
42 Capital Campaign Contribution	(95,247)	(20,866)
43 Restricted Foundation Contributions	826,439	(46,425)
44 Net Income / (Loss) w/ Restricted Contributions	202,430	(255,571)
45 GO Bond Tax Assessment Rev	-	-
46 GO Bond Interest	-	-
47 Net Income/(Loss) w GO Bond Activity	202,430	(255,571)

Sonoma Valley Hospital
Statistical Analysis
FY 2019

ATTACHMENT G

	ACTUAL	BUDGET	ACTUAL												
	Dec-18	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17
Statistics															
Acute															
Acute Patient Days	370	318	315	394	337	361	291	354	374	341	335	289	394	386	321
Acute Discharges (w/o Newborns)	97	92	93	92	90	85	81	99	108	103	106	82	111	96	99
SNF Days	291	563	326	405	457	628	664	545	423	525	566	494	646	563	468
HHA Visits	0	0	0	0	682	585	760	871	747	755	684	821	801	798	630
Emergency Room Visits	840	919	772	842	814	810	901	856	934	864	871	811	996	919	816
Gross Outpatient Revenue (000's)	\$13,583	\$14,589	\$13,530	\$15,824	\$13,946	\$16,762	\$14,801	\$13,677	\$15,188	\$14,170	\$13,064	\$12,519	\$14,741	\$14,051	\$12,952
Equivalent Patient Days	1,768	2,594	1,782	2,207	2,175	2,911	2,654	2,343	2,178	2,265	2,272	2,212	2,629	2,471	2,030
Births	0	0	0	9	13	14	8	16	9	6	8	11	7	10	11
Surgical Cases - Inpatient	26	20	33	34	31	26	23	28	29	30	34	16	32	24	34
Surgical Cases - Outpatient	123	132	128	141	151	139	127	123	146	114	117	123	109	136	121
Total Surgical Cases	149	152	161	175	182	165	150	151	175	144	151	139	141	160	155
Total Special Procedures	58	43	55	92	99	124	78	97	72	87	75	75	65	59	73
Medicare Case Mix Index	1.57	1.40	1.45	1.44	1.73	1.33	1.32	1.45	1.46	1.48	1.45	1.34	1.50	1.57	1.55
Income Statement															
Net Revenue (000's)	\$4,097	\$4,419	\$4,249	\$4,282	\$4,548	\$4,924	\$4,557	\$5,265	\$4,817	\$4,389	\$4,218	\$4,590	\$4,909	\$4,466	\$4,474
Operating Expenses (000's)	\$4,726	\$4,872	\$4,860	\$5,321	\$5,045	\$5,314	\$5,114	\$4,968	\$5,134	\$5,053	\$5,179	\$5,270	\$5,357	\$5,122	\$5,332
Net Income (000's)	(\$208)	\$48	(\$95)	(\$120)	\$209	\$32	\$214	\$859	\$369	\$221	(\$395)	(\$175)	\$125	(\$226)	(\$380)
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$2,673	\$2,059	\$2,727	\$2,411	\$2,319	\$1,826	\$1,927	\$2,120	\$2,357	\$2,231	\$2,280	\$2,382	\$2,038	\$2,073	\$2,627
Productive FTEs	234	270	266	278	278	278	270	259	279	281	279	274	276	255	316
Non-Productive FTEs	47	36	22	20	36	31	40	39	27	26	23	31	36	52	13
Total FTEs	281	306	288	298	314	309	310	298	306	307	302	305	312	307	329
FTEs per Adjusted Occupied Bed	4.92	3.66	4.84	4.18	4.38	3.29	3.62	3.82	4.35	4.06	4.17	3.87	3.68	3.85	4.86
Balance Sheet															
Days of Expense In General Operating Cash	14.8		10	13	13	10	19	11	6	7	7	14	24	18	14
Net Days of Revenue in AR	44	50	45	44	48	43	41	42	47	43	43	47	51	51	48

Sonoma Valley Hospital
Cash Forecast
FY 2019

ATTACHMENT H

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	4,372,057	4,288,459	3,963,236	4,597,184	4,281,345	4,244,883	3,755,938	3,717,124	4,187,658	3,746,851	4,236,718	4,080,522	49,471,975
2 Capitation Revenue	94,582	92,314	96,054	92,135	97,789	98,199	62,561	95,999	95,999	95,999	95,999	95,999	1,113,629
3 Napa State	12,295	4,713	-	24,798	8,185	-	11,962	11,962	11,962	11,962	11,962	11,961	121,762
4 Other Operating Revenue	40,299	47,536	18,852	63,629	24,975	48,665	13,968	13,968	13,968	13,968	13,968	13,973	327,769
5 Other Non-Operating Revenue	45,944	12,250	51,133	42,712	14,067	91,000	26,673	26,673	26,673	26,673	26,673	26,673	417,144
6 Unrestricted Contributions	403		415	4,175	2,381	1,159	2,672	2,672	2,672	2,672	2,672	2,672	24,565
7 Line of Credit													-
Sub-Total Hospital Sources	4,565,580	4,445,271	4,129,690	4,824,633	4,428,742	4,483,906	3,873,774	3,868,398	4,338,932	3,898,125	4,387,992	4,231,800	51,476,844
Hospital Uses of Cash													
8 Operating Expenses	4,897,828	5,636,984	5,473,847	4,825,598	4,505,452	4,768,421	4,754,651	4,521,804	4,757,866	4,853,772	4,616,406	4,501,692	58,114,321
9 Add Capital Lease Payments	44,847	193,141	46,104	46,021	195,820	34,330							560,263
10 Additional Liabilities/LOC													-
11 Capital Expenditures	331,168		286,200	408,421	110,420	11,238	75,952	75,952	75,952	75,952	75,952	75,952	1,603,159
Total Hospital Uses	5,273,843	5,830,125	5,806,151	5,280,040	4,811,692	4,813,989	4,830,603	4,597,756	4,833,818	4,929,724	4,692,358	4,577,644	60,277,743
Net Hospital Sources/Uses of Cash	(708,263)	(1,384,854)	(1,676,461)	(455,407)	(382,950)	(330,083)	(956,829)	(729,358)	(494,886)	(1,031,599)	(304,366)	(345,844)	(8,800,899)
Non-Hospital Sources													
12 Restricted Cash/Money Market	(809,886)	524,043			612,500	(200,000)		550,000	(550,000)				126,657
13 Restricted Capital Donations	357,448	8,688	286,283	409,088	116,736	5,800	75,952	75,952	75,952	75,952	75,952	75,952	1,639,755
14 Parcel Tax Revenue	207,015		1,500,000			512,117				1,900,000			4,119,132
15 Other Payments - South Lot/LOC							(250,000)						(250,000)
16 Other:													-
17 IGT (Net)									1,400,000	300,000			1,700,000
18 IGT - AB915	20,681		384,837		40,615		1,029,000		200,000				1,675,133
19 PRIME	750,000					600,000							1,350,000
Sub-Total Non-Hospital Sources	525,258	532,731	2,171,120	409,088	769,851	917,917	854,952	625,952	1,125,952	2,275,952	75,952	75,952	10,360,677
Non-Hospital Uses of Cash													
20 Matching Fees					300,000			700,000					1,000,000
Sub-Total Non-Hospital Uses of Cash	-	-	-	-	300,000	-	-	700,000	-	-	-	-	1,000,000
Net Non-Hospital Sources/Uses of Cash	525,258	532,731	2,171,120	409,088	469,851	917,917	854,952	(74,048)	1,125,952	2,275,952	75,952	75,952	9,360,677
Net Sources/Uses	(183,005)	(852,123)	494,659	(46,319)	86,901	587,834	(101,877)	(803,406)	631,066	1,244,353	(228,414)	(269,892)	
Cash and Equivalents at beginning of period	<u>1,671,423</u>	1,488,418	636,295	1,130,954	1,084,636	1,171,537	1,759,371	1,657,494	854,088	1,485,154	2,729,507	2,501,093	
Cash and Equivalents at end of period	1,488,418	636,295	1,130,954	1,084,636	1,171,537	1,759,371	1,657,494	854,088	1,485,154	2,729,507	2,501,093	2,231,201	