SONOMA VALLEY HEALTH CARE DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING AGENDA
MAY 2, 2019

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
177 FIRST STREET WEST

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Stacey Finn at sfinn@svh.com (707) 935.5004 at least 48 hours prior to the meeting.	**RECOMMENDATION**	
AGENDA ITEM		
MISSION STATEMENT *The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*		
1. CALL TO ORDER	*Rymer*	
2. PUBLIC COMMENT *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.*	*Rymer*	
3. CONSENT CALENDAR A. Board Minutes 04.04.19 B. Finance Committee Minutes 03.26.19 C. Quality Committee Minutes 03.27.19 D. Executed Policies and Procedures E. Medical Staff Credentialing Report *Pages 3-11*	*Rymer*	Action
4. SONOMA COUNTY HEALTH SERVICES	*B. Johnson*	Inform
5. ENSIGN GROUP *Pages 12- 29*	*A. Willits*	Inform
6. FINANCE COMMITTEE QUARTERLY REPORT	*Nevins*	Inform
7. STRATEGIC PLAN *Pages 30 -38*	*Mather*	Inform/Action
8. ADMINISTRATIVE REPORT MAY *Pages 39- 41*	*Mather*	Inform
9. CMO UPDATE *Page 42*	*Kidd*	Inform
10. FINANCIAL REPORT MONTH END 03.31.19 *Pages 43 - 56*	*Jensen*	Inform
11. COMMITTEE REPORT	*Board*	Inform
12. BOARD COMMENTS • SB 567 Opposition Letter *Pages 57-60* • AB 1611 Opposition Letter	*Rymer* *Mather*	Inform/Action

13. ADJOURN	*Rymer*	

Note: To view this meeting you may visit http://sonomatv.org/ or YouTube.com.

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS' MEETING
MINUTES
THURSDAY, APRIL 4, 2019
REGULAR SESSION 6:00 P.M.
COMMUNITY MEETING ROOM
177 FIRST ST EAST SONOMA, CA

	RECOMMENDATION	
MISSION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*		
CALL TO ORDER The meeting was called to order at 6:00pm.	*Rymer*	
1. PUBLIC COMMENT	*Rymer*	
None		
2. CONSENT CALENDAR A. Board Minutes 03.07.19, 03.22.19 B. Finance Committee Minutes 02.13.19, 02.26.19, 03.20.19 C. Quality Committee Minutes 02.27.19 D. Executed Policies and Procedures E. Medical Staff Credentialing Report	*Rymer*	
Policies: *New* Contract Administration- Patient Care GL8610-139 Stroke Admission Transfer Guidelines PC8610-184 *Revisions* Abbreviations and Symbols Used MR8610-102 Administration of Medications MM8610-106 Formulary Management MM8610-122 Malignant Hyperthermia Management of Patient with MM8610-105 Central Venous Catheter and Port Access and Management PC8610-120 Surgical Invasive Procedure and Site Confirmation Verification OI8610-104 Annual Medical Surveillance HR8610-164.7 Dress Code HR8610-230 Employee Assistance HR8610-355 Employee Health Services HR8610-164 Grievance Policy (Employee) HR8610-186 Harassment HR8610-188 Infections Disease Work Restrictions Exposures HR8610-164.9 Overtime HR8610-132 Pay periods and Pay Checks HR8610-124 Post Offer Pre-Employment Screening HR8610-164.1 Respiratory Protection Program HR8610-164.14		**MOTION**: by Nevins to approve, 2nd by Hirsch. All in favor

Time and Attendance Records HR8610-122 *Retire* Holiday Premium Pay HR8610-154 *Departmental* Nutrition Dry Storage 8340-173 Refrigerator Freezer Storage 8340-174 Occupational Health Department Manual		
3. SONOMA COMMUNITY HEALTH CENTER UPDATE	*C. Johnson*	
Ms. Johnson spoke about the changes that occurred in 2018 at the Health Center. These included the addition of administrative staff and a successful federal review. She reported that there has been a 5.5% increase in patients, 21.8% increase in billable visits and that they went from 9 days of cash on hand to 78 days. Currently the Health center is working on a community needs assessment. This includes community wellness, a pilot Medical Assisting program for residents of Sonoma Valley, and there is work being done to bring Optometry to the Health Center.		
4. CHIEF OF STAFF ANNUAL REPORT	*Dr. Sebastian*	
Dr. Sebastian spoke about the impact of the many changes at the hospital on the Medical Staff and how, by in large, they are very supportive of these changes. He gave an update on new physicians. This includes a new medical director in the ED, a new shoulder surgeon, and a new Occupational Medical Director. He spoke about the current projects in Medical Staff which include bringing physician proctoring and core privileges up to date. The peer review process is also being revised.		
5. NURSING ANNUAL REPORT	*M. Kobe*	
Mr. Kobe gave an overview of the patient care services. This included the vision, challenges, financial performance and accomplishments and future goals.		
6. ADMINISTRATIVE REPORT APRIL 2019	*Mather*	
Ms. Mather reported that the strategic plan is expected to be complete soon. She said that there is an action plan to create a budget with decreased overhead and expenses. The Patient Access Center is expected to be complete in the next month. She reported that the consulting contract with Ensign has been signed and are covering the SNF, as of April 1st.		
7. CMO UPDATE	*Kidd*	
Dr. Kidd reported that the peer review process is being revised. She said that the support from Informatics has been outstanding. There was a successful meeting held this week with the Medical Staff and the new Hospitalist group, Benchmark. This transition to the new group will occur at the beginning of June. There is work being done on a model for E-consults.		

She said that UCSF would like to use SVH as a pilot project on tele medicine with Geriatrics. There is also potential to bring a Geriatrician to the community.		
8. FINANCIAL REPORT MONTH END MARCH. 31, 2019	*Dungan*	Inform
Ms. Dungan reviewed the March financials. After accounting for all activity there was a loss of ($277,823) vs. a budgeted $207,385. EBDA was at -6.9%. She reported that the first portion of the fire claim was recently received.		
9. COMMITTEE REPORTS	*Board*	
Ms. Nevins presented a Finance Committee member recommendation – Mr. Arthur Grandy. Ms. Nevins also reported the Mr. Keith Hughes resigned his seat on the Finance Committee.	Nevins	**Motion**: by Nevins to approve the appointment of Mr. Grandy to the Finance Committee, 2nd by Rymer. All in favor.
10. BOARD COMMENTS	*Board*	
Mr. Boerum gave an update on the JPA and a future project.		
11. ADJOURN	*Rymer*	
Adjourned 7:18 pm		

SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, MARCH 26, 2019
Schantz Conference Room

Present	Excused	Staff	Public
Sharon Nevins *Susan Porth *Peter Hohorst *Dr. Subhash Mishra via telephone	Joshua Rymer Keith Hughes **Absent** *John Perez	Kelly Mather, CEO Ken Jensen, CFO Sarah Dungan Jane Hirsch, Board Member Michael Mainardi, Board Member	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*			
1. CALL TO ORDER/ANNOUNCEMENTS	*Nevins*		
	Called to order at 5:03 pm		
2. PUBLIC COMMENT SECTION	*Nevins*		
	None		
3. CONSENT CALENDAR	*Nevins*		
	Minutes from the 02.13, 02.26 and 03.20 meetings were reviewed.	**MOTION**: by Hohorst to approve 2nd by Porth. All in favor	
4. OUTPATIENT DIAGNOSTIC CENTER UPDATE	*Mather*		
	Ms. Mather reviewed the current state of the Outpatient Diagnostic Center capital campaign. At this point 16.7 million dollars of the 21 million has been raised. The current amount of cash on hand will allow for project one to be completed.		

5. FISCAL YEAR 2020 BUDGET UPDATE	*Jensen*		
	Mr. Jensen spoke about the plan to meet budget by July 1st.		
6. MID YEAR REVIEW	*Jensen*		
	Mr. Jensen said that the auditors will be invited in to do a mid-year review of the reserves.	.	
7. SNF UPDATE	*Hirsch*		
	Ms. Hirsch gave background on the SNF Task Force members and the work that was done to evaluate the viability of the SNF. She reported that the management company Ensign will take over the management of the SNF operations April 1st. Mr. Jensen reviewed the potential financial impact to the transition of the oversite.		
8. NEW COMMITTEE MEMBER	*Nevins*		
	Ms. Nevins spoke about Mr. Grandy's experience and made the recommendation to add him the committee. This addition to the committee will replace Mr. Hughes, per his resignation.		**Motion** by Porth to add Mr. Grandy to the Finance Committee 2nd by Hohorst. All in favor.
9. ADMINISTRATIVE REPORT 03.2019	*Mather*		
	Ms. Mather gave a report on the financial plan to meet budget by July 1st. She also gave an update on new physicians and the expansion of the Wound Care program.		
10. FINANCIAL REPORT MONTH END 02.28.2019	*Jensen*		
	Mr. Jensen reported that days of cash on hand was 4.6 days, Accounts Receivable was at 43 days, Accounts Payable was at 50 days. After all activity the total net loss for February was ($277,823) vs, a budgeted net loss of ($70.438). EBDA was -6.9% vs. the budgeted -0.2%.		

	Mr. Jensen spoke to Dr. Mainardi's question regarding the 10 day notice per H&SC 32130.1 in reference to the parcel tax note. The county's counsel responded that the ten day notice does not apply because parcel tax borrowing is different than what is in H&SC 32130.1.		
11. ADJOURN	*Nevins*		
	6:08pm		

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SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
March 27, 2019 5:00 PM
MINUTES
Schantz Conference Room

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Carol Snyder Michael Mainardi, MD Ingrid Sheets Susan Idell Howard Eisenstark, MD via telephone Cathy Webber			Danielle Jones, RN Sabrina Kidd, MD Kelly Mather, CEO Mark Kobe, CNO

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS		
	Called to order at 5:00 pm	
2. PUBLIC COMMENT		
	None	
3. CONSENT CALENDAR		Action
• QC Minutes, 02.27.19		**MOTION:** by Idell to approve, 2nd by Sheets. All in favor.
4. STRATEGIC PLAN AND FINANCIAL STABILITY	*Mather*	
	Ms. Mather gave an overview of the 2020 strategic plan. This included a review of the SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) and the four core key initiatives. She also reviewed the fiscal year 2020 draft baseline budget.	
5. QUALITY AND RESOURCE MANAGEMENT REPORT	*Jones*	
	Ms. Jones spoke about the CIHQ stroke readiness survey on April 15th – 16th.	

AGENDA ITEM	DISCUSSION	ACTION
	She also gave an overview of the current status of the CMS 5 star plan.	
6. HQI DASHBOARD	*Jones*	
	Ms. Jones reviewed the HQI dashboard data.	
7. POLICIES AND PROCEDURES	*Jones*	
	Revisions Attendance HR8610-211 Hazardous Material Spill Response CE8610-144 Hostage Active Shooter, Code Silver CE8610-147 Infant Pediatric Security, Code Pink & Purple CE8610-148 **Review/No Changes** Safety Rounds CE8610-174 Patient Controlled Analgesia (PCA) MM8610-154 **Departmental** Medical Records Release of Information – Patient Requests 8700-161	**Motion**: by Mainardi to approve 2nd by Sheets. All in favor
8. CLOSED SESSION	*Hirsch*	
	Called to order at 6:08pm	
9. REPORT OF CLOSED SESSION	*Hirsch*	
	Medical Staff Credentialing reviewed.	**MOTION:** by Mainardi to approve credentialing, 2nd by Sheets. All in favor.
10. ADJOURN	*Hirsch*	
	6:10 pm	

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

Policy and Procedures – Summary of Changes
Board Quality Committee, May 2nd, 2019

Review and Approval Requirements

The SVH departmental/organizational policies and/or procedures on the attached list have been reviewed and approved by the following organizational leaders for meeting all of the following criteria. All of these policies and procedures are:

- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

We recommend their acceptance by the Sonoma Valley Health Care District Board.

ORGANIZATIONAL

REVISIONS:

Attendance HR8610-211

Significant re-write of this policy adding language to ensure employees would not be subject to discipline/corrective action for the first three days (or 24 hours) of unscheduled absences in a calendar year (per state law); added definition of a scheduled absence, for clarity; added consequences for tardiness and early departures; created a cumulative "point" system correlating to appropriate corrective action; general reorganization to topics to provide improved reference. These revisions provide guidance on how to handle and counsel employees in situations of repetitive tardiness or early departures in addition to unscheduled absences; to ensure compliance with new and/or current federal and state laws.

Hazardous Material Spill Response CE8610-144
Hostage Active Shooter, Code Silver CE8610-147
Infant Pediatric Security Code Pink & Purple CE8610-148

All three of these policies were updated with a consistent overhead emergency paging protocol to provide a universal approach to overhead emergency paging.

REVIEWED/NO CHANGES:

Safety Rounds CE8610-174
Patient Controlled Analgesia (PCA) MM8610-154

DEPARTMENTAL

Medical Records

Release of Information-Patient Requests 8700-161

Revision made to process for request of deceased patient records. Added clarification that an advance care directive or durable healthcare power of attorney is no longer valid after a patient expires and cannot be used as proof of personal representative status. In addition, revision made to policy that clarifies that the next of kin on the death certificate can be used to determine personal representative status only when there is no probate administrator. Also clarifies that if a personal representative has been identified, family members requesting records will need to contact the personal representative to request authorization for record copies.

2019

Sonoma Valley Hospital & Ensign partnership

TABLE OF CONTENTS

- The Ensign Group Overview
- Our Local Approach
- SVH-Ensign Partnership
- Our Team

WHO IS THE ENSIGN GROUP?

Since 1999, the independent operating affiliates of the Ensign Group (ENSG) have provided communities with compassionate, post-acute care. Each business is run independently and is serviced by over 28,000 team members. We foster an entrepreneurial culture of ownership coupled with a field-driven, flat structure, which empowers local leaders and their teams to provide superior solutions to the specific medical needs of the communities they serve.*

Our affiliated entities offer a broad spectrum of post-acute care, including assisted living, skilled nursing, rehabilitative care, home health, home care, hospice, and other ancillary services, with the mission of dignifying and transforming post-acute care. Core values—celebration, accountability, passion for learning, love one another, intelligent risk taking, customer second, and ownership—guide the facilities in decision making and inspire employees to be better people, in and out of the workplace.

In recent years, there has been a significant expansion in operations. Entities affiliated with The Ensign Group are currently located across 15 states, and continued growth is expected. With that growth, the facilities, agencies and service lines are innovating and designing best-practice solutions to improve quality while controlling the costs of the care delivered. The operating entities partner with many other healthcare organizations across the involved service area, with the goal of ensuring that guests are receiving the best possible health care experience.

*References herein to the consolidated “company” and “its” assets and activities, as well as the use of the terms “we,” “us,” “its,” “our,” and similar verbiage, are not meant to imply that the Ensign Group, Inc. has direct operating assets, employees, or revenue, or that any of the affiliated entities—including facilities, home health, and hospice businesses, or the Service Center—are operated or managed by the same entity.

OUR FOCUS

Local Leadership

The focus on developing local leadership while creating superior clinical outcomes is the formula to becoming the local market operation of choice.

The Art of Caring

Affiliates work together with each guest, their family, and their attending healthcare provider to create the best care and treatment plan for each guest. Providing an environment of healing is the goal.

Core Values

Celebration. Accountability. Passion for Learning. Love One Another. Intelligent Risk. Customer Second. Ownership.

Community Partnerships

We believe that local community needs should drive our strategy and focus. Our leaders are committed to partnering with all local partners for the benefit each patient and the greater community.

MOMENTS OF TRUTH

A moment of truth is an everyday situation which is met with out-of-the-ordinary service that surpasses all reasonable expectations. We seek and strive to capture these moments of truth as they are presented through the activities of our affiliates and their employees. After all, our mission statement is this:

"Through moments of truth, we will dignify post-acute care in the eyes of the world."

PLACES WE SERVE

169 Skilled Nursing Facilities

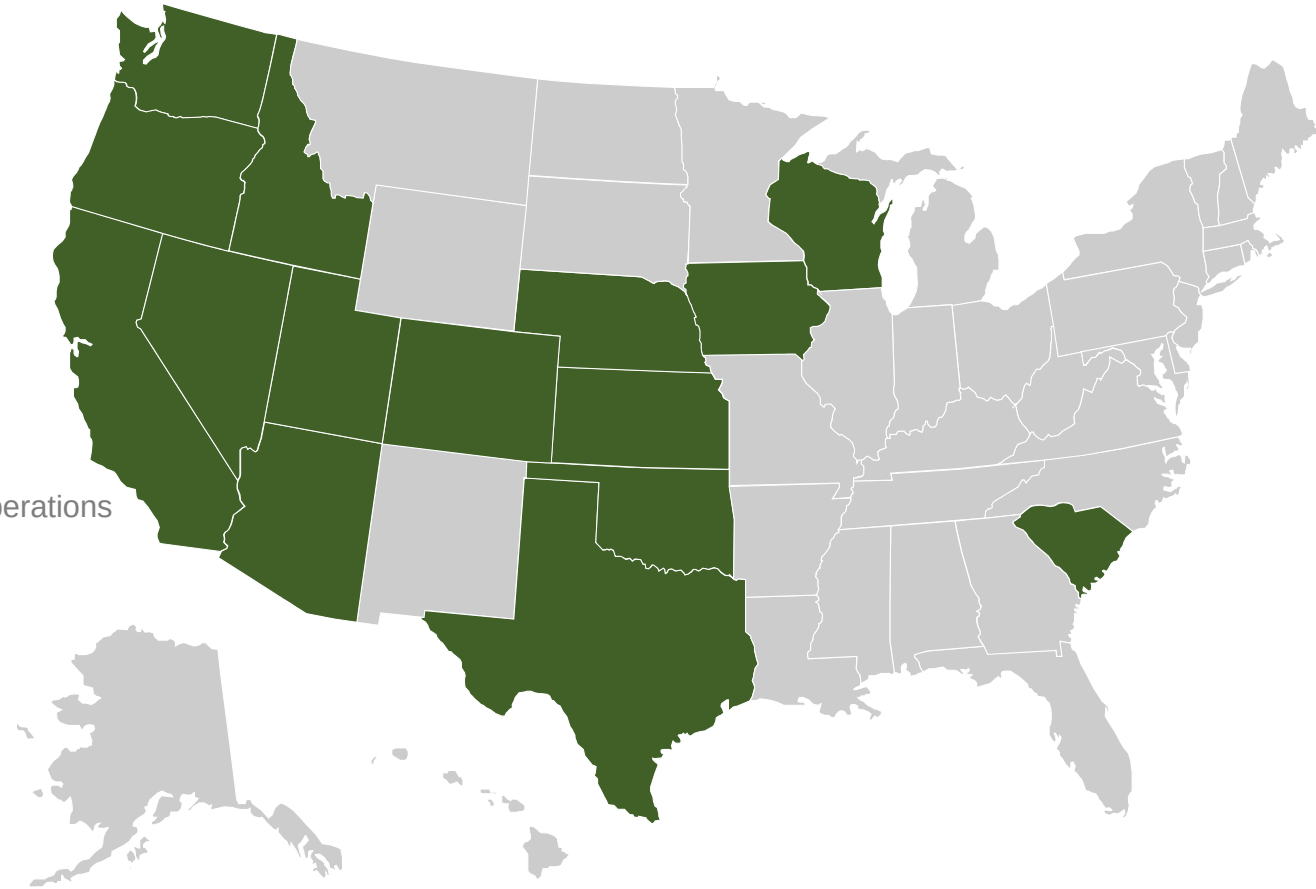
56 Assisted Living Facilities

24 Campus Facilities

54 Home Health, Hospice & Home Care Operations

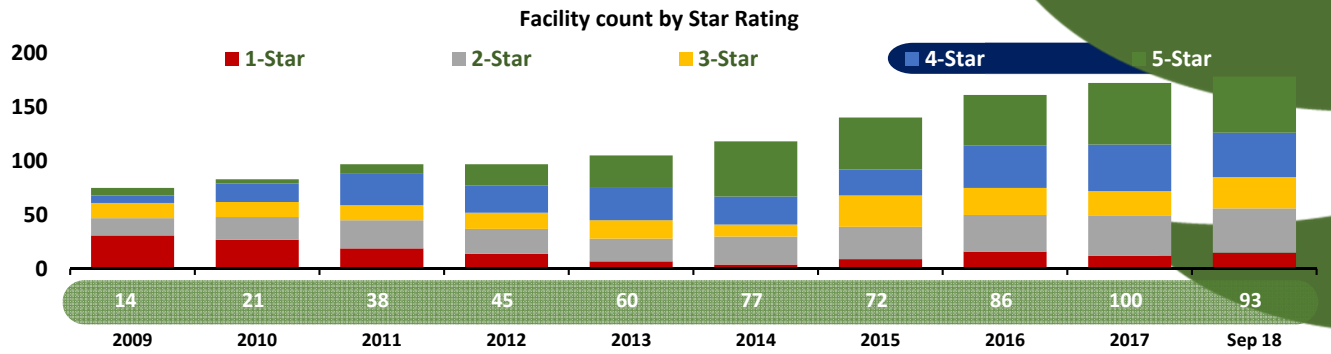
5 Mobile Diagnostic Operations

5 Medical Transport Operations

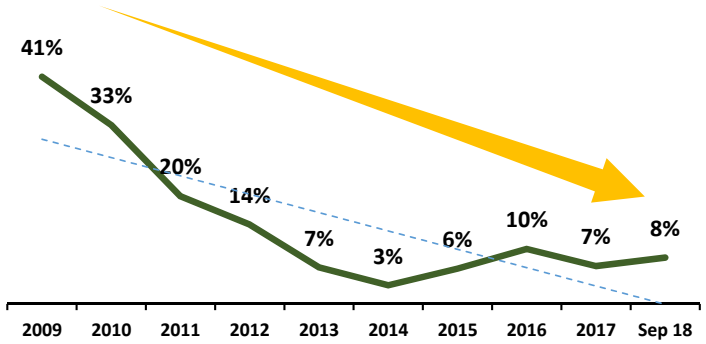


Clinical Success = Financial Success

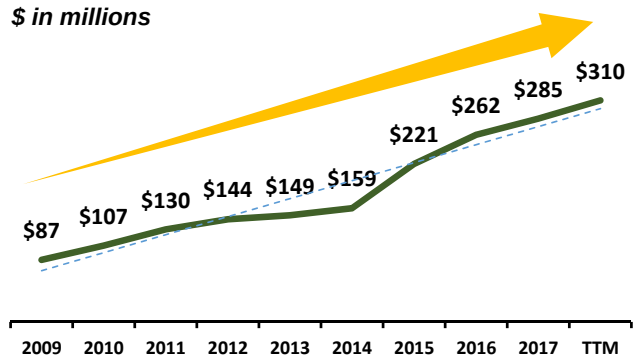
Ensign CMS Star Rating Trend



Ensign 1-Star Facility % Trend



Ensign Adjusted EBITDAR Trend



OUR LOCAL APPROACH

The Ensign Formula:

Empower Local Leadership

Local Leadership




Superior Clinical Outcomes


Local Market Operation of Choice


LOCAL FOOTPRINT AND QUALITY

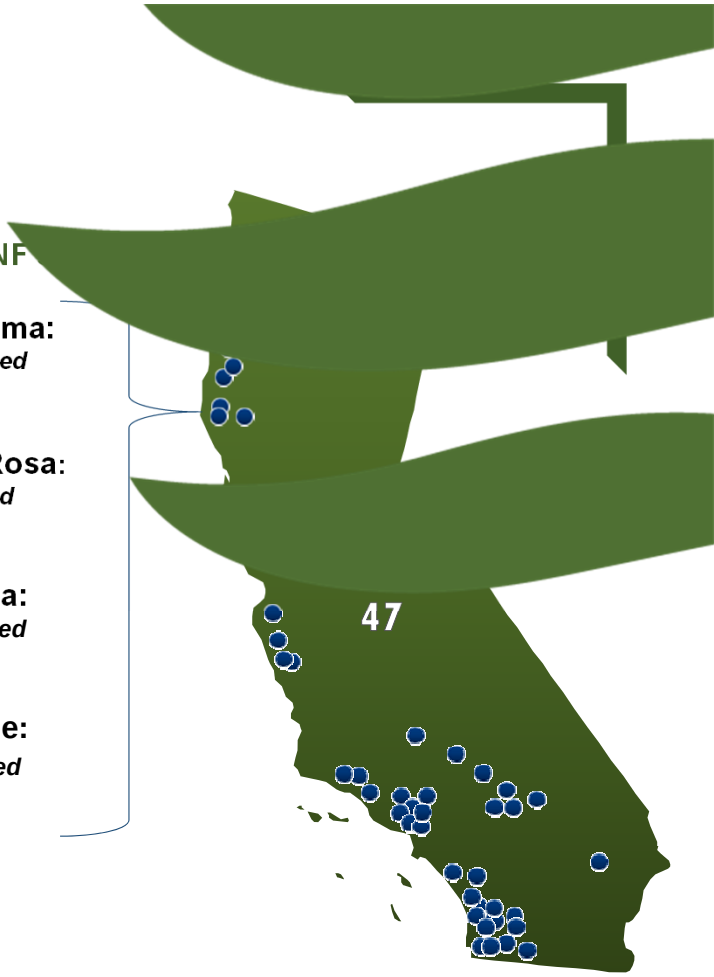
Flagstone HEALTHCARE | BE THE STANDARD **(CA SNF's)**

- **Beds: 4,517 (2018 occupancy = 91%)**
- **CMS Overall Rating: 4 STAR AVG.**
- **CMS Quality Measures: 40 of 42 = 5 STAR**
- **All-Payer Readmissions: 12%**

Flagstone
BE THE STANDARD
FUNDAMENTALS. PARTNERSHIPS. RESULTS
RE-EST. 2019
CALIFORNIA

Flagstone North (Sonoma Co. SNF

- **Broadway Villa Post Acute, Sonoma:**
  144 beds, 90% occupancy, CMS 5 Star rated
  https://broadwayvillapostacute.com/
- **Summerfield Healthcare, Santa Rosa:**
  56 beds, 92% occupancy, CMS 5 Star rated
  https://summerfieldhealthcare.net/
- **Park View Post Acute, Santa Rosa:**
  116 beds, 98% occupancy, CMS 4 Star rated
  https://parkviewpostacute.com/
- **Cloverdale Healthcare, Cloverdale:**
  76 beds, 85% occupancy, CMS 3 Star Rated
  https://cloverdalehealthcare.com/



LOCAL PARTNERSHIPS AND CONTRACTS

We are contracted with all major national and local health plans, including, but not limited to Partnership, Aet… Anthem Blue Cross, Kaiser, Sutter, Humana, VA, and many more. Given that all of our Sonoma and Mendocino Cou… Star or above, we are in most HMO and MCO preferred networks.

Additionally, we are a preferred provider for all surrounding hospitals for short and long-term care, and have long-standing relationships with the following local hospitals:

Kaiser	Santa Rosa Memorial	Sutter	Adventist Health	S… Hospital
All four of our Sonoma County SNF's have a preferred contract, and we receive about 80+ admissions per month.	We are one of two companies with a "preferred relationship" due to our consistent quality and ability to take admissions. Some of our facilities are participating in a bed reserve contract for "difficult to place patients."	Park View and Summerfield have an exclusive bed reserve contract, and receive the majority of Sutter patients needing post acute care. We have a dedicated Sutter case manager and several clinical specialty programs.	Ukiah Post Acute and Northbrook Nursing are key partners for Adventist Health in Mendocino County. We share medical directors and other key physicians to meet community health needs.	Broadway Villa has become the only 5 Star SNF in Sonoma. Together with SVH, we serve a wide range on patient needs, including long term care, behavior management, and short term rehab.

SVH-Ensign **Partnership**

Our objective is to create a sustainable and equitable partnership that will be meet the needs of SVH, the surrounding community, and Ensign's locally driven model. We will be open and flexible to ensure partnership success.

MAINTAINING THE "DISTINCT PART"

REGULATORY GUIDELINES

Under the Medicare program, SNFs are defined as an "institution (or distinct part of an institution)" that is primarily engaged in providing skilled nursing services. 42 USC § 1395i-3(a). In 2003, CMS promulgated regulations that defined what it considered to be a "distinct part" for Medicare (and Medicaid) survey and certification purposes. 42 CFR 483.5; *see also* 42 CFR 440.155(c) (incorporating 42 CFR 483.5). Under these rules, to qualify as a "distinct part" of a general acute care hospital, a SNF must meet all of the following requirements:

The SNF must be operated under common ownership and control (that is, common governance) by the hospital of which it is a distinct part, as evidenced by:

I. The SNF is wholly owned by the [hospital] of which it is a distinct part.

- *a. The SNF or NF is subject to the by-laws and operating decisions of a common governing body.*
- *b. The [hospital] of which the SNF is a distinct part has final responsibility for the distinct part's administrative decisions and personnel policies, and final approval for the distinct part's personnel actions.*
- *c. The SNF functions as an integral and subordinate part of the [hospital] of which it is a distinct part, with significant common resource usage of buildings, equipment, personnel, and services.*

II. The administrator of the SNF reports to and is directly accountable to the management of the [hospital] of which the SNF or NF is a distinct part

III. The SNF must have a designated medical director who is responsible for implementing care policies and coordinating medical care, and who is directly accountable to the management of the [hospital] of which it is a distinct part.

IV. The SNF or NF is financially integrated with the [hospital] of which Centers for Medicare & Medicaid Services, HHS § 483.10 it is a distinct part, as evidenced by the sharing of income and expenses with that [hospital], and the reporting of its costs on that [hospital]'s cost report.[1]

V. The SNF must also be physically distinguishable from the hospital complex that houses it and not consist of a random collection of individual rooms or beds that are scattered throughout the hospital. 42 CFR 483.5(b)(1).

THE PROS AND CONS | A LOOK AT 2 DIFFERENT OPTIONS

1. SUBACUTE

- Higher acuity patients (vents, trachs, feeding tubes)
- Longer LOS, less patient turnover, easier to staff
- Higher daily rate: 1-2x higher than traditional Medicaid/Medicare
- Requires piped oxygen, specific power requirements
- Few SNF-Subacute units north of San Rafael
- Very specialized, in high demand
- Greater chance for sustained financial results

2. TRADITIONAL

- Shifting to rehab-to-home, LTC, and behavior management
- Shorter LOS, higher patient turnover, difficult to staff consistently
- Changing/declining reimbursement (PDPM)
- Greater variety of patient types
- Saturated SNF market in Sonoma County, over bedded
- High demand for LTC, homeless, dementia
- Fluctuating financial results due to small economies of scale

OUR RECOMMENDATION

MAINTAIN DISTINCT PART SNF WITH SUBACUTE FOCUS (mix of traditional SNF & Su

PARTNERSHIP DETAILS *(*subject to SVH feedback and regulatory guidelines)*

1. Ensign will enter into a “management agreement” with SVH & operate under SVH’s Distinct Part SNF license.
2. Ensign will have operational control; however the administrator will report directly to the SVH board.
3. The SNF (Ensign) will be subject to any by-laws or operating needs of the SVH board.
4. The medical director will be affiliated with SVH & participate in QA & clinical oversight.
5. SVH will have some financial integration to comply with regulations.
    a. *Monthly profit sharing or fixed payments TBD based on regulations and current market value of SNF*
6. Obtain “Certificate of Occupancy” from OSPHD for a Subacute.
7. Apply for Subacute contract with the state of California.
8. Once contract is obtained, Ensign will manage the SNF/Subacute.
9. SNF/Subacute staff will be employees on an Ensign affiliate.
10. Certain onsite services will be contracted between SVH & Ensign (ex: Housekeeping, Dietary, etc.).
11. SVH patients will be given priority with SNF placement. Additional patients will be pulled from surrounding cities & communities to maintain occupancy.
12. SNF/Subacute will integrate & collaborate with local Ensign “cluster” (6 Sonoma & Mendocino SNF’s).

OPERATIONAL SUGGESTIONS…

ENSIGN SERVICES

- Administration
  - Licensed Admin, AR, AP, HR, Marketing, Admissions
- Nursing Services
  - DON, DSD, MDS, RN's/LVN, CNA's, etc.
- Therapy
  - All "in-house" PT, ST, OT, respiratory
- Ancillary
  - Pharmacy, nursing supplies, supplements, patient equipment and devices, etc.
- Other Labor:
  - Social Service, Case Management, Activities, Laundry
- Technology: Point Click Care, Rehab Optima

SVH CONTRACT SE

- Medical Director *(hourly rate or flat monthly fee)*
- Housekeeping
  - Supplies, equipment, staff
- Physical Plant/Maintenance
  - Basic supplies, equipment, staff, routine upkeep
- Dietary
  - Food, supplies, equipment, staff
  - *Ensign DSS used for MDS and weights management*
- Ancillary – Lab, X-ray

** All charges can be done on a flat fee or PPD (per patient day) amounts. Payments made monthly. With the exception of contract services, expenses specific to SNF operations or patients will be covered by Ensign. Expenses specific to the physical plant or structure will be covered by SVH.*

TIMELINE OF IMPLEMTATION

April – Operational Consulting

- Local Ensign leaders will assist SV-SNF in daily operations.
- Little-to-no changes in day-to-day management
- *Goal: Create efficiencies, maximize current operations, reduce/eliminate losses, and enhance quality outcomes*

May – Contracts, Employment Offers, etc.

- Make employment offers to SVH employee's by May 1st.
- Finalize Management Agreement and Shared Services Contracts
- Obtain OSHPD approval, submit Subacute application

July – Full Operational Integration

- Ensign will do a full transition and begin management of the SNF
- Rename the unit "Valley of the Moon Post Acute"
- *Goal: Implement proven systems and Core Values to bring added strength and results to the SV-SNF*

Late 2019 – Subacute Implementation ***(*Subject to OSHPD & State Approval)***

- Begin transitioning from traditional SNF to Subacute
- Higher patient acuity and staffing levels will follow
- *Goal: To create a model that is financial sustainable and meets the population health needs of the community*

Ensign TEAM

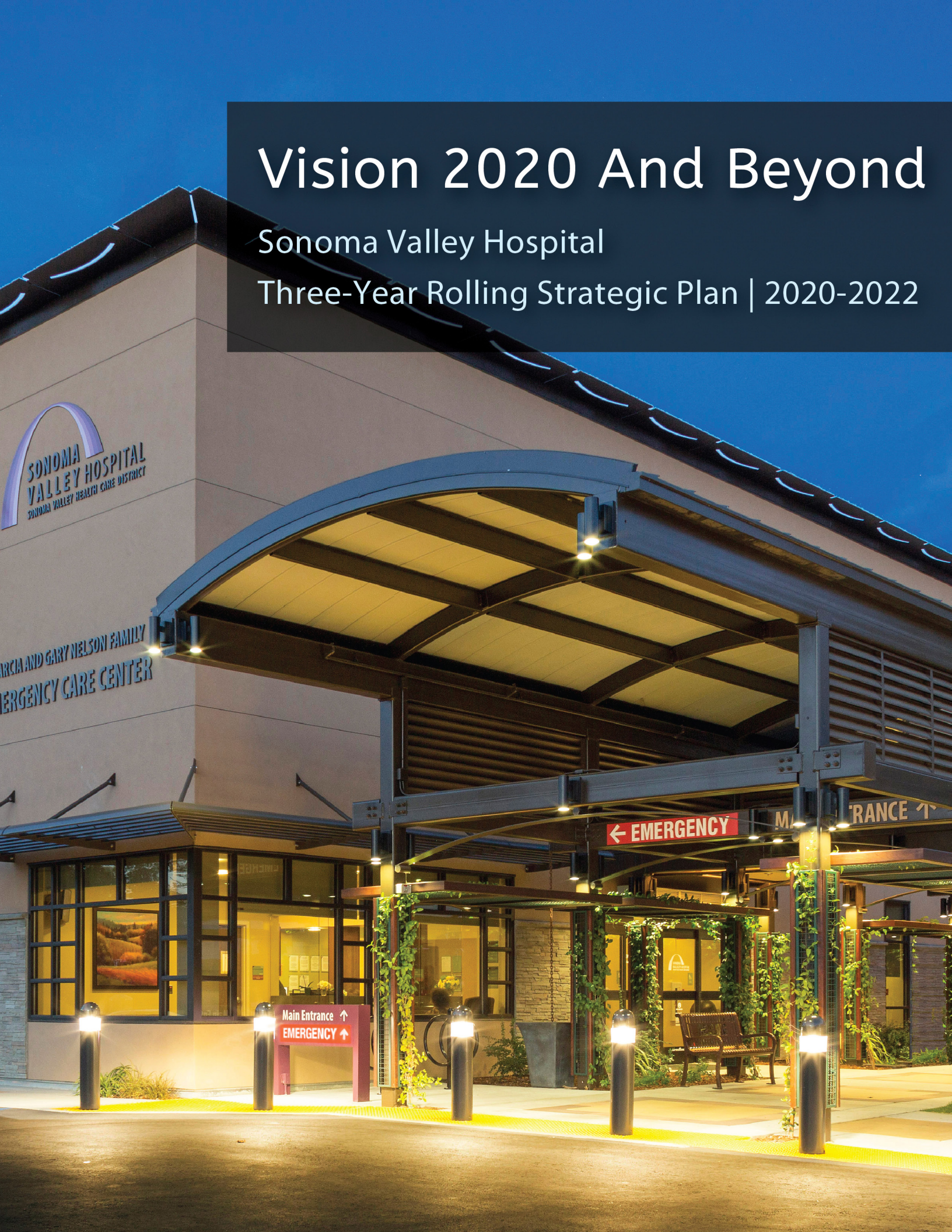
Name	Position	Cell Phone	Email
Mike Empey	Administrator, Broadway Villa	801-362-2544	mempey@ensignservices.net
Janice Diez	DON/COO, Broadway Villa	707-484-5011	jdiez@ensignservices.net
Nicole Onizuka	DOR, Broadway Villa	559-967-5776	nonizuka@ensignservices.net
Jennifer Raymond	Therapy Resource, Flagstone North	707-322-9443	jraymond@ensignservices.net
Claudia Alexander	MDS Resource, Flagstone North	707-483-2060	cbalexander@ensignservices.net
Teresa DeGuzman	Clinical Resource, Flagstone North	949-769-4671	tdeguzman@ensignservices.net
Cason Bush	Cluster Leader, Flagstone North	208-360-3840	cbush@ensignservices.net
Mira Jensen	Director of Clincal Services, Flagstone	949-677-8941	mjensen@ensignservices.net
Adam Willits	President, Flagstone	707-291-9565	awillits@ensignservices.net

Together, we look forward to partnering with SVH to bring excitement and sustainability to the SNF. We are eager to get started. Please don't hesitate to reach out to any of the above leaders.

Vision 2020 And Beyond

Sonoma Valley Hospital

Three-Year Rolling Strategic Plan | 2020-2022



Introduction

Sonoma Valley Hospital is undergoing a period of reinvention, moving from a traditional small community hospital model toward a more sustainable role within a rapidly changing healthcare system. This is necessary to respond to the new realities in healthcare, one of which is that fewer and fewer patients will stay overnight in a hospital, and that most care today is being provided on an outpatient basis and will, in the future, increasingly be provided outside of a hospital

We have learned that you cannot simply revise the traditional hospital model through cost-cutting and greater efficiencies to maintain competitiveness. While these will help, they do not address the challenges posed by the fundamental shift now underway in how healthcare is delivered. What is required is rethinking the role of a small hospital and how it serves its community while maintaining the essential emergency services the community expects. This thinking is what drives this strategic plan.

Regional Healthcare Center Vision

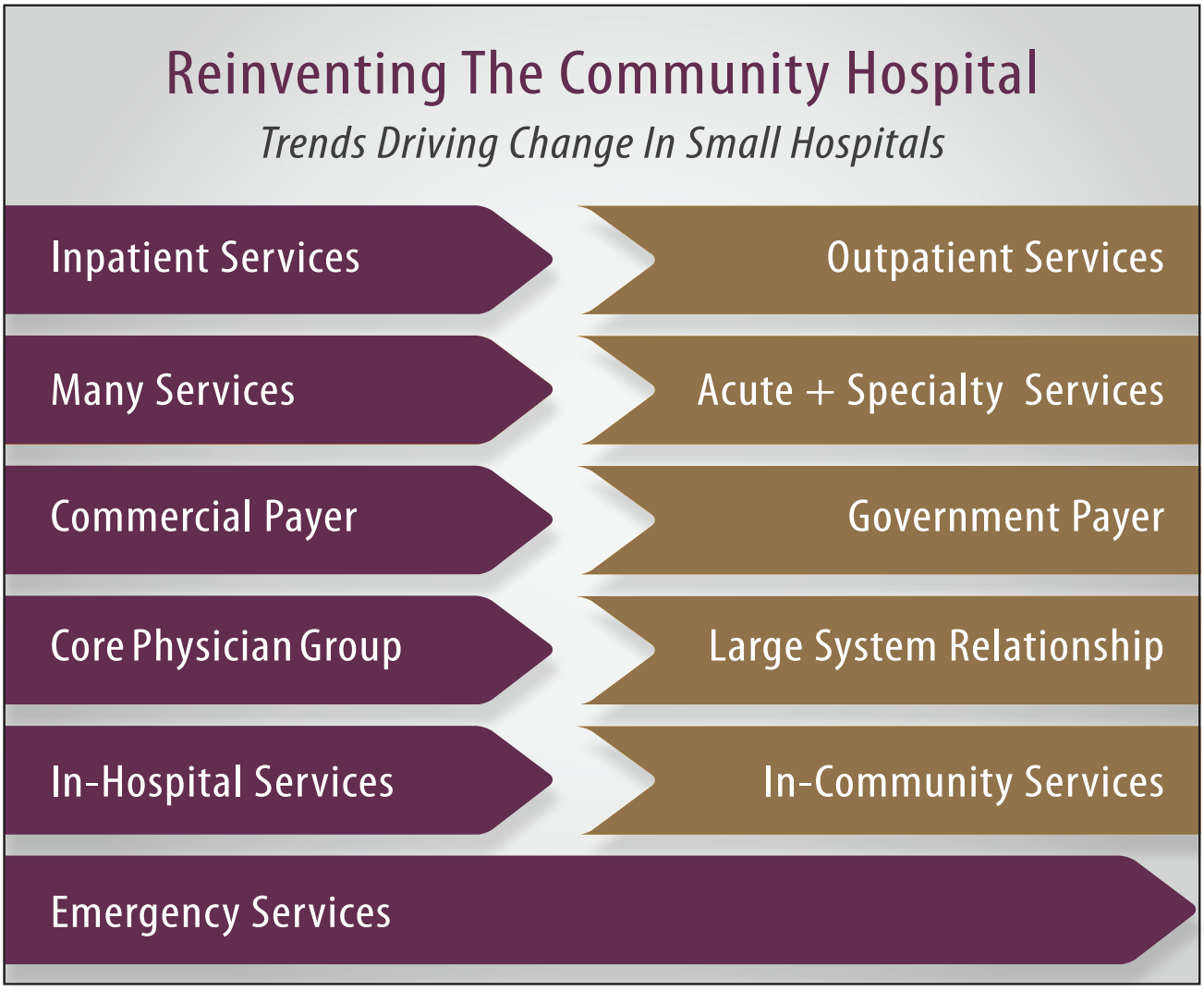
Our vision for 2020 and beyond is to become an Outstanding Regional Center for Healthcare. We must look beyond our immediate market to survive, first because the Sonoma Valley is a small market and, second, because competition in the form of large healthcare systems continues to gain market share in our service area. Our affiliation with UCSF Health and participation in Canopy Health are two steps we have taken recently to address these challenges.

This strategic plan calls for a broader vision, but it also requires imagination. We must envision a new role for our hospital if it is to be financially viable. Fortunately, some changes in healthcare that are disrupting the traditional hospital model also provide growth opportunities, especially for small, nimble and creative hospitals like ours. In responding quickly, we stay ahead of the rapid change.

Our new vision emphasizes partnership with larger providers, continued emphasis on quality service, and diversification in outpatient services, while maintaining a focus on providing excellent emergency services.

In developing this strategic plan, we gathered perspectives from internal and external interviews, including meetings with leaders at a number of larger hospitals in our region. The process was led by a steering committee that included two board members and the CEO of the hospital. We also studied industry-wide trends and those emerging in our immediate market.

This plan identifies the strategic initiatives that, over the next three years, will strengthen the hospital financially, improve us competitively, and enable us to better serve our community.



Situation Analysis

While there are many factors driving our thinking on how to best prepare SVH for the future, the following are some of the more influential we must address.

Emergency Care – Emergency Care remains the foundation of our community mission. Since opening the new Emergency Department in 2014, use has grown, although it has settled lately at around 10,000 visits per year. There are a number of reasons for this, including growing competition, the drop in covered patients and the rise of high deductibles. Patient satisfaction with our ED, according to surveys, is very high.

Community Served – Our immediate market area is small with a population of around 42,000. Of this, nearly 25 percent are age 65 and older, a group largely dependent on Medicare. We also serve a large and growing Latino population.

Payer Mix – We continue to experience a growing dependence on lower-paying Medicare and Medi-Cal payments. These two government payers now represent 76 percent of hospital gross revenue, up from 67 percent just five years ago. Learning to live on these levels of payment is essential to our survival.

SVH Changing Payer Mix*

Growing Dependence on Government Payments

2018		2013
58%	Medicare	53%
18%	Medi-Cal	14%
76%	**Government Total**	**67%**
19%	Commercial	26%
2%	Worker's Comp	3%
3%	Other	4%

**Percentage of gross revenues*

Services Realignment – Decreasing revenues from inpatient services have required us to review service lines and identify those that are not financially sustainable or widely used. This has led us to create initiatives to right-size services. We recently closed one service line (Obstetrics) because of low use and outsourced two others (Home Health Care and Skilled Nursing) so they remain available to our community. We also have responded to the dramatic decrease in inpatient care by developing new opportunities and capacities in outpatient care, such as surgery, imaging and wound care.

Competition – SVH is one of the smaller hospitals in our region and we face competition from several large and growing competitors. This includes Kaiser and several hospital systems, including Sutter Health and St. Joseph's/Providence. Kaiser is our biggest competition and controls nearly half of our marketplace. Kaiser patients can and do use the SVH Emergency Department, and Kaiser represents 46 percent of our ED revenue. Most Kaiser emergency patients needing acute care are treated and, if they require inpatient care, quickly transferred from SVH to a Kaiser facility. Other potential threats include free-standing urgent care or imaging centers and the many disrupters that are entering the healthcare market with retail and online services.

Quality and Patient Experience – There are several factors that create patient loyalty, but the most important is patient experience with the staff and physicians. SVH ranks above the national average in patient satisfaction and has set a goal of being in the top 25th percentile. Our differentiator is that we treat patients like family. As a 4 Star hospital, SVH provides excellent and efficient care that is increasingly recognized by our community. UCSF affiliation has elevated the awareness among local residents of the high quality healthcare options here at home that are more efficient, accessible and convenient.

Technology and Equipment Cost – SVH continues to invest in improved technology and equipment and yet has added very little debt over the years. The physical plant is well maintained and most of the infrastructure has been improved. The hospital has successfully relied on philanthropy for replacement of major equipment. We plan to replace the two largest pieces of imaging equipment and all the cardiology equipment by 2020. Information System costs continue to rise and it has been difficult for SVH to meet this never-ending need.

Financial Stability – Like most hospitals, SVH has seen a dramatic shift from inpatient to outpatient care and our outpatient volume has grown. The emphasis on outpatient care brings several challenges, such as increased competition and pressure on prices. There are several services that produce positive direct margins: Imaging, Surgery, Outpatient Rehabilitation, Cardiology, Wound Care and Special Procedures. SVH continues to respond to the financial challenges of running a small hospital. The major financial concern is cash on hand which results from a high proportion of payments from government programs and lack of leverage with commercial payers. The hospital relies on a parcel tax to maintain Emergency Services.

Physician Access – That so many physicians and specialists are available in this small market is largely due to the presence of the hospital. Many physicians who work in the community or at the hospital do not generate sufficient revenue to cover expenses. The hospital in recent years has brought in over 20 specialists and maintained our primary care base by financially supporting physician practices. We would not succeed without physician partners, but it is a major expense each year.

Consumerism – As patients become more knowledgeable in purchasing and using the services they receive, they expect healthcare to be more transparent, efficient and cost-effective. SVH continues to expand the cash-paying options and is a growing alternative to high-cost facilities. We are now working with organizations that send us patients directly because of our cost efficiency. As one of the very few hospitals in the Bay Area that can survive on Medicare payments, we are primed to be a leader in providing information, financial incentives and decision-making tools that appeal to the healthcare consumer.

Core Strategic Initiatives

SVH has identified four core strategic initiatives that will support our goal of achieving financial sustainability.

1. **Exceed Community Expectations in Emergency Services**
   Our Emergency Department is our core service to the community and we will continue to improve this service so it is viewed as vital and necessary for a healthy, prosperous community.

2. **Create UCSF Health Outpatient Center**
   We will use our accessibility and efficiency to create a seamless patient experience with our partner, UCSF Health, and be considered their outpatient center.

3. **Become a 5 Star Hospital**
   As a CMS 4 Star hospital, which places us among the top hospitals nationally for quality and safety, we are committed to continued improvements to earn the highest ranking and become a 5 Star hospital.

4. **Provide Access to Excellent Physicians**
   SVH will continue to ensure our community has access to physicians locally and continue to bring specialists to the community so residents can find the care they need close to home, including offering UCSF Health specialty services to the region.

Vision 2020 And Beyond – Becoming An Outstanding Regional Center For Healthcare

Following are initiatives either under way or in the planning stages that support the core strategic initiatives and will help us realize our vision of Becoming An Outstanding Regional Center For Healthcare.

Outpatient Diagnostic Center – This facility will bring 21st century diagnostic services to Sonoma Valley and serve as a diagnostic center for UCSF Health patients throughout the North Bay. It will create operational efficiencies, increase revenue and meet the needs of our community and region for years to come. In 2020, we will have the best diagnostic imaging technology in the North Bay at an accessible, convenient and desirable location.

Outpatient Diagnostic Center – CT Scan Room

UCSF Health Affiliation – This connection will continue to grow over the next few years as we jointly develop strategies that will offer easier, more efficient and lower cost access to healthcare for our patients. Several UCSF Health physicians will offer telemedicine or a satellite clinic in the hospital. We will be seen as an extension of UCSF Health and this will draw patients to Sonoma Valley from throughout the North Bay.

Emergency Services – We offer excellent, compassionate emergency services which we continue to improve, such as recently with Acute Stroke Ready Certification and access to UCSF Health physicians through telemedicine. We will continue to reduce wait times and improve the efficiency of the patient visit with access to state-of-the-art diagnostic technology. We will expand our commitment to emergency services by educating our community so they understand how vital the hospital is in saving lives and its preparations to help with natural disasters.

High Quality, Efficient Care – We continue to implement hospital-wide initiatives to improve quality and safety of care. Several new initiatives are under way within the hospital to position us to achieve 5 Star status with the Centers For Medicare and

Medicaid Services. The consolidation of Inpatient Services to the third floor and a new Hospitalist program will increase accountability and efficiency for an enhanced patient experience. We also will restructure and expand surgical services and special procedures, such as Wound Care, for greater efficiency and increased revenue.

Centralized Patient Access – We will create a centralized patient access center that will manage patients across the continuum of care using streamlined, cohesive, consistent technology and efficient workflow processes. This will lead to improved patient satisfaction, reduced wait times, improved collaboration with stakeholders and physicians, increased productivity and increased point-of-service collections.

Master Facility Planning – We have met the 2020 seismic standards for safety set by the California legislature which require that hospitals be able to remain standing in the event of a major earthquake, ensuring patient, employee and visitor safety, and our Emergency Department has met the 2030 requirements. We will continue to monitor the 2030 legislation and make decisions about the future of the facilities by 2022.

Community Engagement – While the community supports SVH, there is still a need for greater engagement and understanding of the importance of the hospital. We will continue efforts to increase community support and use of the hospital. Looking to the future, we will work to get the parcel tax approved again to help maintain emergency services.

Employee Engagement – Our core values create a healthy hospital. We will continue steps to recruit, competitively compensate and maintain excellent staff. The values of Compassion, Respect, Excellence, Accountability, Teamwork, Innovation, Nurturing and Guidance (CREATING) will be emphasized and embraced by all staff and leaders. As the hospital continues to experience significant change, we will honor and support our staff and ensure they are recognized for their service and commitment.

Physician Services – Our physicians are key to our future and success. We will continue to ensure we have enough primary care physicians for our community and, as community needs arise, such as for a geriatrician, we will lead the recruitment and help maintain these physicians in our community. We will continue to offer timeshare access to attract specialists. As digital care and telehealth gain in popularity, we will work with our physicians and the Sonoma Valley Community Health Center to improve access to care.

Canopy Health – We will expand our relationship with this dynamic Bay Area-wide health network which serves as an alternative for patients and employers to Kaiser and other large local healthcare systems. We are one of 18 hospitals in this system, which includes nearly 5,000 physicians.

Sonoma Valley Hospital

OUR MISSION:

To restore, maintain and improve the health of everyone in our community.

OUR VISION:

A trusted resource in providing exceptional, compassionate healthcare.

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
AN AFFILIATE OF UCSF HEALTH

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347 ANDRIEUX STREET • SONOMA, CA 95476
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SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: **SVHCD Board of Directors**
From: **Kelly Mather**
Date: **4/29/19**
Subject: **Administrative Report**

Summary
We are now stroke certified! After many changes have been made in this fiscal year, things are starting to come together. The FY 2020 budget is almost complete and ready for review at the May 30th special meeting. The strategic plan is coming to the board this month for review and approval.

Strategic Update from FY 2019 Strategic Plan:

Strategic Priorities	Update
Highest levels of health care safety, quality and value	➢ The 5 Star hospital plan continues with a strong focus on patient experience. The new hospitalist group will be key to this achievement as well. They begin in June. ➢ We now have the stroke certification. ➢ The Staff Satisfaction survey went out today and will be a great tool for us to assess the culture.
Be the preferred hospital for patients, physicians, employers and health plans	➢ The Patient Access Center start this week. This will include upgrading our phone system which is part of the Outpatient Diagnostic Center project. ➢ The strategic plan is complete and represented many different stakeholder views and concerns. ➢ Canopy Health is partnering with us to provide free telehealth visits this summer to their members in Sonoma Valley.
Implement new and enhanced revenue strategies as measured by increased direct margins in each service	➢ The Outpatient Diagnostic Center project has run into a few snags with power due to our old building. We hope to break ground by the end of 2019. ➢ We have a potential Geriatrician interested in joining our hospital team. ➢ A new "Management Information System" previously called "Cost Accounting" will be rolled out in June to include direct margins on all services, even small.
Continue to improve financial stability as measured by EBDA	➢ The FY 2020 budget reflects a smaller level of overhead due to the reductions in services this past year. ➢ Ensign will present at the May board meeting. The final contract is almost complete. We plan to transition staff to Ensign on July 1st. ➢ The South Lot housing project is expected to be complete this summer. Selling a portion of this lot will pay down our line of credit.
Lead progress toward becoming a Healthier community	➢ Met with a community member who would like to help lead more conversations about the hospital in people's homes. ➢ The Advanced Health Care Directive or POLST program at Vintage house was a huge success with double the attendees. ➢ Fundraising for the Outpatient Diagnostic Center continues and we are at $16.8 million raised.

MARCH 2019

Patient Experience	Current Performance	FY 2019 Goal	National Benchmark
Would Recommend Hospital	83rd	> 60th percentile	50th percentile
Inpatient Overall Rating	51st	>60th percentile	50th percentile
Outpatient Services	4.9	Rate My Hospital	4.5
Emergency	4.6	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	0	<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	9.50%	< 10 %	< 18.5%
Serious Safety Events	0	0	0
Falls	2.7	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	11	< 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	**Performance**	**FY 2019 Goal**	**Benchmark**
Staff Satisfaction Survey	61st percentile	75th percentile	50th percentile
Turnover	11.1%/13.3%	< 10%	< 15%
Financial Stability	**YTD Performance**	**FY 2019 Goal**	**Benchmark**
EBDA	3.9%	1%	3%
FTE's/AOB	4.15	4.3	5.3
Days Cash on Hand	4.6	20	30
Days in Accounts Receivable	44	49	50
Length of Stay	3.8	3.85	4.03
Funds raised by SVHF	$16.8 million	$20 million	$1 million
Strategic Growth	**YTD Performance**	**FY 2019 Goal**	**Benchmark**
Inpatient Discharges	784/1045	1000	1000
Outpatient Visits	40,347/53,796	53,000	51,924
Emergency Visits	7459/9945	10,000	11,040
Surgeries + Special Procedures	2183/2910	2500	2,568
Community Benefit Hours	891/1188	1200	1200

Note: Colors demonstrate comparison to National Benchmark

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
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TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2019	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2018	May 2018	Jun 2018
FY YTD Turnover	<10%	1.6	3.3	3.6	5.8	6.9	8.2	8.7	9.4	11.1	16.2	17.8	20.3
Leave of Absences	<12	13	11	8	10	9	8	10	9	8	15	12	11
EBDA	>1%	0	1.7	1.6	-8.9	-1.7	-2	.7	-6.9	3.9	-1.8	-1.2	.4
Operating Revenue	>4.5m	4.5	4.9	4.6	4.4	4.3	4.0	5.5	3.7	7.8	4.4	4.8	5.2
Expense Management	<5.0m	5.1	5.3	5.0	5.3	4.8	4.7	5.5	4.5	6.6	5.0	5.1	4.9
Net Income	>50k	214	32	208	-273	-95	-207	806	-277	1722	220	369	543
Days Cash on Hand	>20	19.1	10	13	13	9.6	14.8	13	4.6	4.5	6.8	6.2	10.6
A/R Days	<50	41	43	48	44	45	44	43	43	44	43	47	42
Total FTE's	<300	310	309	314	298	288	281	280	277	275	307	306	298
FTEs/AOB	<4.5	3.62	3.29	4.38	4.18	4.84	4.92	4.44	4.73	4.15	4.06	4.35	3.82
Inpatient Discharges	>90	81	85	90	92	93	97	83	76	87	103	108	99
Outpatient Revenue	>$14m	14.8	16.8	13.9	15.8	13.5	13.6	14.8	13.9	15.2	14.1	15.2	13.6
Surgeries	>150	150	165	182	175	161	149	157	155	163	144	175	151
ER	>900	901	810	814	842	772	840	789	833	858	864	934	856
Births	>11	8	14	13	9	n/a	n/a	n/a	n/a	n/a	6	9	16
SNF days	>350	664	628	457	405	326	291	345	286	357	525	423	545
MRI	>120	99	145	92	119	98	118	105	107	96	154	153	148
Cardiology (Echos)	>85	88	135	97	124	112	106	85	91	112	95	84	78
Laboratory	>12.5	12.4	13.4	11.7	13.7	12.6	11.8	12.7	11.4	12.2	11.5	12.5	13.0
Radiology	>900	894	951	929	1112	884	906	987	1050	1025	905	968	877
Rehab	>2700	2414	2860	1788	2688	2131	2380	2964	2080	2358	2455	2586	2670
CT	>350	359	387	331	392	331	367	348	355	396	367	394	358
Mammography	>200	280	243	221	269	219	246	180	220	202	202	220	221
Ultrasound	>250	181	280	246	333	233	252	240	225	340	293	311	267
Occupational Health	>600	570	639	489	833	561	452	574	535	707	774	822	625
Wound Care	>250	290	256	198	293	266	288	230	286	268	210	237	225

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To:	**SVHCD Board of Directors**
From:	**Sabrina Kidd, MD CMO**
Date:	**05.02.2019**
Subject:	**CMO Board Report**

1. What is going well:
    a. CIHQ Stroke Ready Certification obtained
    b. Ensign consulting in SNF
    c. HCAHPS scores are up for this quarter (volume of survey responses improving).
2. Follow up previous agenda items:
    a. Transition to Benchmark Hospitalist Program in process for implementation June 3-7.
    b. On-going conversations for possible geriatrician recruitment.
3. Opportunities for growth / improvement:
    a. Prime Grant – overall has been positive, but we did not receive all possible funding due to lack of documentation in medication reconciliation and discharge summaries. On-going PI work with both of these continues.
    b. Preparing for County Wide Surge Disaster Drill
    c. Preparing for CDPH General Acute Care Tri-Annual Survey (State Licensing) to occur sometime in 2019.
    d. Updating our Stroke Protocols with assistance of UCSF Neurology as a result of going through the Stroke Ready certification process.
4. Quality:
    a. The PSI fallout is due to a new case of sepsis following a hip replacement. A RCA is being conducted regarding this.
    b. Trialing a new evidence based ETOH withdrawal protocol.

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: **SVH Finance Committee**
From: **Ken Jensen, CFO**
Date: **April 23, 2019**
Subject: **Financial Report for the Month Ending March 31, 2019**

March's actual gain of $1,171,110 from operations was $1,598,365 favorable to the budgeted loss of ($427,255). For the month of March the hospital accrued the FY 17/18 Rate Range Intergovernmental Transfer (IGT) supplemental funding with projected net proceeds of $1,943,466. After accounting for all other activity; the net gain for March was $1,722,153 vs. the budgeted net gain of $54,034 with a monthly EBDA of 22.3% vs. a budgeted 2.5%.

Gross patient revenue for March was $22,753,564; ($1,406,551) under budget. Inpatient gross revenue was under budget by ($698,899). Inpatient days were under budget by (10) days and inpatient surgeries were under budgeted expectations by (4) cases. Outpatient revenue was over budget by $48,452. Outpatient visits were under budgeted expectations by (190) visits, and outpatient surgeries were under budgeted expectations by (12) cases and special procedures were over budgeted expectations by 32 cases. The Emergency Room gross revenue was under budget by ($392,906) with ER visits under budgeted expectations by (13) visits. SNF gross charges were under budgeted expectations by ($363,288) and SNF patient days were under budget by (108) days and had an average daily census of 11.5 patients.

Deductions from revenue were favorable to budgeted expectations by $4,663,194. Of the variance, $3,596,877 is from the prior period adjustments or IGT payments. Without the prior period adjustments and IGT variance, the deductions from revenue variance is favorable by $1,066,317 which is due to gross revenue being under budgeted expectations.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by $3,196,991.

Operating Expenses of $6,663,023 were unfavorable to budget by ($1,598,626). Of the variance, ($1,855,063) is attributable to the IGT matching fee. Without the matching fee, total operating expenses would be favorable to budget by $256,437. Salaries and wages and agency fees were over budget by ($6,345) with the salaries and wages being over budget by ($55,577) and agency fees under by $49,232. Supplies were under budget $142,056 primarily due to lower than budgeted volume in surgery.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net gain for March is $1,468,723 vs. a budgeted net loss of ($175,586). The hospital received donations from the Sonoma Valley Hospital Foundation for the Outpatient Diagnostic Center ($47,503) and for the Acute Care 3rd floor move ($52,259). After all activity the total net gain for March was $1,722,153 vs. a budgeted net gain of $54,034.

EBDA for the month of March was 22.3% vs. the budgeted 2.5%.

Patient Volumes – March

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	**87**	**90**	**-3**	**106**
Newborn Discharges	**0**	**0**	**0**	**8**
Acute Patient Days	**317**	**327**	**-10**	**335**
SNF Patient Days	**357**	**465**	**-108**	**566**
Home Care Visits	**0**	**0**	**0**	**684**
OP Gross Revenue	**$15,281**	**$15,626**	**($345)**	**$13,064**
Surgical Cases	**163**	**179**	**-16**	**151**

Gross Revenue Overall Payer Mix – March

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	**43.3%**	**42.8%**	**0.5%**	**42.2%**	**42.9%**	**-0.7%**
Medicare Mgd Care	**12.9%**	**12.9%**	**0.0%**	**14.5%**	**12.8%**	**1.7%**
Medi-Cal	**20.9%**	**17.8%**	**3.1%**	**18.0%**	**17.9%**	**0.1%**
Self-Pay	**1.4%**	**1.4%**	**0.0%**	**1.2%**	**1.4%**	**-0.2%**
Commercial	**19.5%**	**20.5%**	**-1.0%**	**20.4%**	**20.6%**	**-0.2%**
Workers Comp	**1.5%**	**2.6%**	**-1.1%**	**2.1%**	**2.4%**	**-0.3%**
Capitated	**0.5%**	**2.0%**	**-1.5%**	**1.6%**	**2.0%**	**-0.4%**
Total	**100.0%**	**100.0%**		**100.0%**	**100.0%**	

Cash Activity for March:

For the month of March the cash collection goal was $3,417,922 and the Hospital collected $3,428,453 or over the goal by $10,531. The year-to-date cash collection goal was $33,192,209 and the Hospital has collected $32,801,998 or under goal by ($390,211). Days of cash on hand are 4.5 days at March 31, 2019. The hospital currently has $2,584,514 out in IGT program fees. The hospital will receive $1,442,777 in early May from the HQAF IGT program and a projected $3,886,932 from the Rate Range IGT program in June. Accounts Receivable increased from February, from 43.0 days to 43.7 days in March. Accounts Payable increased by $822,957 from February and Accounts Payable days are at 60.7.

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 March 31, 2019

ATTACHMENT A

					YTD			
Gross Revenue:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	9,842,452	10,350,745	-508,293	-4.9%	86,134,606	86,067,262	67,344	0.1%
Medicare Managed Care	2,942,133	3,120,154	-178,021	-5.7%	29,492,563	25,686,551	3,806,012	14.8%
Medi-Cal	4,756,768	4,286,885	469,883	11.0%	36,646,288	35,929,568	716,720	2.0%
Self Pay	313,020	329,133	-16,113	-4.9%	2,534,672	2,731,972	-197,300	-7.2%
Commercial & Other Government	4,439,915	4,961,887	-521,972	-10.5%	41,692,599	41,443,390	249,209	0.6%
Worker's Comp.	351,823	622,646	-270,823	-43.5%	4,181,135	4,886,470	-705,335	-14.4%
Capitated	107,453	488,665	-381,212	-78.0%	3,217,353	4,028,292	-810,939	-20.1%
Total	**22,753,564**	**24,160,115**	**(1,406,551)**		**203,899,216**	**200,773,505**	**3,125,711**	

Net Revenue:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	1,272,629	1,356,104	-83,475	-6.2%	11,958,407	12,029,491	-71,084	-0.6%
Medicare Managed Care	387,479	400,581	-13,102	-3.3%	3,931,733	3,391,592	540,141	15.9%
Medi-Cal	547,504	538,646	8,858	1.6%	4,946,890	4,754,729	192,161	4.0%
Self Pay	164,429	148,346	16,083	10.8%	1,316,476	1,272,618	43,858	3.4%
Commercial & Other Government	1,389,783	1,574,170	-184,387	-11.7%	13,184,294	13,889,273	-704,979	-5.1%
Worker's Comp.	69,520	140,928	-71,408	-50.7%	706,890	1,193,104	-486,214	-40.8%
Capitated	3,042	15,845	-12,803	-80.8%	88,480	128,515	-40,035	-31.2%
Prior Period Adj/IGT	3,949,432	352,555	3,596,877	1020.2%	6,930,341	3,172,995	3,757,346	118.4%
Total	**7,783,818**	**4,527,175**	**3,256,643**	**71.9%**	**43,063,511**	**39,832,317**	**3,231,194**	**8.1%**

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Percent of Net Revenue:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	16.3%	30.0%	-13.7%	-45.7%	27.8%	30.2%	-2.5%	-8.3%
Medicare Managed Care	5.0%	8.8%	-3.8%	-43.2%	9.1%	8.5%	0.6%	7.1%
Medi-Cal	7.0%	11.9%	-4.9%	-41.2%	11.5%	11.9%	-0.4%	-3.4%
Self Pay	2.1%	3.3%	-1.2%	-36.4%	3.1%	3.2%	-0.1%	-3.1%
Commercial & Other Government	17.9%	34.8%	-16.9%	-48.6%	30.6%	34.9%	-4.3%	-12.3%
Worker's Comp.	0.9%	3.1%	-2.2%	-71.0%	1.6%	3.0%	-1.4%	-46.7%
Capitated	0.1%	0.3%	-0.2%	-66.7%	0.2%	0.3%	-0.1%	-33.3%
Prior Period Adj/IGT	50.7%	7.8%	42.9%	550.0%	16.1%	8.0%	8.1%	101.3%
Total	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**100.0%**	**100.0%**	**-8.2%**	**-8.2%**

Projected Collection Percentage:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	12.9%	13.1%	-0.2%	-1.5%	13.9%	14.0%	-0.1%	-0.7%
Medicare Managed Care	13.2%	12.8%	0.4%	3.1%	13.3%	13.2%	0.1%	0.8%
Medi-Cal	11.5%	12.6%	-1.1%	-8.7%	13.5%	13.2%	0.3%	2.3%
Self Pay	52.5%	45.1%	7.4%	16.4%	51.9%	46.6%	5.3%	11.4%
Commercial & Other Government	31.3%	31.7%	-0.4%	-1.3%	31.6%	33.5%	-1.9%	-5.7%
Worker's Comp.	19.8%	22.6%	-2.8%	-12.4%	16.9%	24.4%	-7.5%	-30.7%

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended March 31, 2019

ATTACHMENT B

	CURRENT MONTH				YEAR-TO-DATE			YTD
	Actual 03/31/19	Budget 03/31/19	Favorable (Unfavorable) Variance		Actual 03/31/19	Budget 03/31/19	Favorable (Unfavorable) Variance	Prior Year 03/31/18
				Inpatient Utilization				
				Discharges				
1	74	76	(2)	Acute	675	708	(33)	706
2	13	14	(1)	ICU	109	108	1	132
3	87	90	(3)	Total Discharges	784	816	(32)	838
4	-	-	-	Newborn	46	24	22	82
5	87	90	(3)	Total Discharges inc. Newborns	830	840	(10)	920
				Patient Days:				
6	233	230	3	Acute	2,241	2,137	104	2,174
7	84	97	(13)	ICU	699	763	(64)	756
8	317	327	(10)	Total Patient Days	2,940	2,900	40	2,930
9	-	-	-	Newborn	102	45	57	139
10	317	327	(10)	Total Patient Days inc. Newborns	3,042	2,945	97	3,069
				Average Length of Stay:				
11	3.1	3.0	0.1	Acute	3.3	3.0	0.3	3.1
12	6.5	6.9	(0.5)	ICU	6.4	7.1	(0.7)	5.7
13	3.6	3.6	0.0	Avg. Length of Stay	3.8	3.6	0.2	3.5
14	0.0	0.0	-	Newborn ALOS	2.2	1.9	(0.3)	1.7
				Average Daily Census:				
15	7.5	7.4	0.1	Acute	8.2	7.8	0.4	7.9
16	2.7	3.1	(0.4)	ICU	2.6	2.8	(0.2)	2.8
17	10.2	10.5	(0.3)	Avg. Daily Census	10.7	10.6	0.1	10.7
18	0.0	0.0	-	Newborn	0.37	0.16	0.2	0.51
				Long Term Care:				
19	357	465	(108)	SNF Patient Days	3,759	4,500	(741)	4,868
20	27	26	1	SNF Discharges	204	245	(41)	265
21	11.5	15.0	(3.5)	Average Daily Census	13.7	16.4	(2.7)	17.8
				Other Utilization Statistics				
				Emergency Room Statistics				
22	858	871	(13)	Total ER Visits	7,459	8,127	(668)	7,975
				Outpatient Statistics:				
23	4,805	4,995	(190)	Total Outpatients Visits	40,347	40,346	1	39,623
24	29	33	(4)	IP Surgeries	240	239	1	247
25	134	146	(12)	OP Surgeries	1,221	1,223	(2)	1,132
26	91	59	32	Special Procedures	722	563	159	603
27	-	-	-	Home Health Visits	2,027	3,837	(1,810)	6,977
28	347	328	19	Adjusted Discharges	2,825	3,000	(176)	2,989
29	2,052	2,241	(189)	Adjusted Patient Days (Inc. SNF)	19,145	20,938	(1,793)	21,136
30	66.2	72.3	(6.1)	Adj. Avg. Daily Census (Inc. SNF)	69.9	76.4	(6.5)	77.1
31	1.6090	1.4000	0.209	Case Mix Index -Medicare	1.4963	1.4000	0.096	1.5181
32	1.6049	1.4000	0.205	Case Mix Index - All payers	1.5330	1.4000	0.133	1.4757
				Labor Statistics				
33	255	251	(4.0)	FTE's - Worked	262	264	2.1	276
34	275	284	9.3	FTE's - Paid	292	299	6.7	312
35	43.39	41.85	(1.54)	Average Hourly Rate	42.92	40.90	(2.02)	42.66
36	23.7	22.4	(1.3)	Manhours / Adj. Pat Day	23.8	22.3	(1.5)	23.0
37	139.9	153.0	13.0	Manhours / Adj. Discharge	161.5	155.5	(6.0)	162.9
38	23.4%	23.4%	0.0%	Benefits % of Salaries	22.6%	23.7%	1.1%	22.5%
				Non-Labor Statistics				
39	12.5%	13.7%	1.2%	Supply Expense % Net Revenue	12.9%	12.3%	-0.6%	11.8%
40	1,410	1,924	514	Supply Exp. / Adj. Discharge	1,818	1,667	(151)	1,639
41	19,528	15,910	(3,618)	Total Expense / Adj. Discharge	17,134	15,610	(1,524)	16,319
				Other Indicators				
42	4.5			Days Cash - Operating Funds				
43	43.7	50.0	(6.3)	Days in Net AR	43.7	50.0	(6.3)	46.5
44	100%			Collections % of Net Revenue	99%			100.0%
45	60.7	55.0	5.7	Days in Accounts Payable	60.7	55.0	5.7	46.1
46	17.2%	19.1%	-1.9%	% Net revenue to Gross revenue	19.6%	20.3%	-0.8%	21.3%
47	18.9%			% Net AR to Gross AR	18.9%			21.3%

ATTACHMENT C

Sonoma Valley Health Care District
Balance Sheet
As of March 31, 2019

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 734,404	$ 713,920	$ 375,086
2	Trustee Funds	3,568,572	4,165,042	3,625,045
3	Net Patient Receivables	6,708,016	6,725,162	7,760,498
4	Allow Uncollect Accts	(1,173,911)	(1,211,198)	(1,199,386)
5	Net A/R	5,534,105	5,513,964	6,561,112
6	Other Accts/Notes Rec	2,918,042	2,908,909	1,838,996
7	3rd Party Receivables, Net	6,608,195	2,560,367	1,488,696
8	Inventory	840,085	843,164	829,196
9	Prepaid Expenses	956,555	897,933	845,340
10	Total Current Assets	$ 21,159,958	$ 17,603,299	$ 15,563,471
12	Property,Plant & Equip, Net	$ 51,347,570	$ 51,431,722	$ 52,062,188
13	Specific Funds/ Money Market	1,259	1,259	919,563
14	Other Assets	-	-	-
15	Total Assets	$ 72,508,787	$ 69,036,280	$ 68,545,222
	Liabilities & Fund Balances			
	Current Liabilities:			
16	Accounts Payable	$ 4,868,524	$ 4,045,567	$ 3,357,467
17	Accrued Compensation	3,392,724	3,508,838	3,832,217
18	Interest Payable	201,521	705,362	211,545
19	Accrued Expenses	1,393,047	1,402,811	1,427,213
20	Advances From 3rd Parties	105,388	105,388	112,930
21	Deferred Tax Revenue	1,713,308	2,284,410	1,702,050
22	Current Maturities-LTD	747,113	800,078	1,226,184
23	Line of Credit - Union Bank	6,723,734	6,723,734	6,973,734
24	Other Liabilities	2,351,386	201,386	1,386
25	Total Current Liabilities	$ 21,496,745	$ 19,777,574	$ 18,844,727
26	Long Term Debt, net current portion	$ 32,887,402	$ 32,856,218	$ 35,141,312
27	Fund Balances:			
28	Unrestricted	$ 11,429,135	$ 9,806,745	$ 10,276,579
29	Restricted	6,695,505	6,595,743	4,282,604
30	Total Fund Balances	$ 18,124,640	$ 16,402,488	$ 14,559,183
31	Total Liabilities & Fund Balances	$ 72,508,787	$ 69,036,280	$ 68,545,222

ATTACHMENT D

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended March 31, 2019

	Month						Year-To- Date					YTD
	This Year		Variance				This Year		Variance			
	Actual		$	%			Actual	Budget	$	%		Prior Year
					Volume Information							
1	87	90	(3)	-3%	Acute Discharges		784	816	(32)	-4%		838
2	357	465	(108)	-23%	SNF Days		3,759	4,500	(741)	-16%		4,868
3	-	-	-	0%	Home Care Visits		2,027	3,837	(1,810)	-47%		6,977
4	15,281	15,626	(345)	-2%	Gross O/P Revenue (000's)	$	132,518	$ 129,657	2,860	2%	$	123,254
					Financial Results							
					Gross Patient Revenue							
5	$ 6,079,485	$ 6,778,384	(698,899)	-10%	Inpatient	$	56,090,918	$ 54,316,383	1,774,535	3%	$	53,921,893
6	8,806,428	8,757,886	48,542	1%	Outpatient		76,083,144	70,688,649	5,394,495	8%		67,581,514
7	6,474,816	6,867,722	(392,906)	-6%	Emergency		55,727,202	57,970,145	(2,242,943)	-4%		53,226,870
8	1,392,835	1,756,123	(363,288)	-21%	SNF		15,235,505	16,692,175	(1,456,670)	-9%		18,269,817
9	-	-	-	0%	Home Care		762,447	1,106,153	(343,706)	-31%		2,552,038
10	**$ 22,753,564**	**$ 24,160,115**	**(1,406,551)**	**-6%**	**Total Gross Patient Revenue**	**$**	**203,899,216**	**$ 200,773,505**	**3,125,711**	**2%**	**$**	**195,552,132**
					Deductions from Revenue							
11	$ (18,751,397)	$ (19,860,765)	1,109,368	6%	Contractual Discounts	$	(166,250,420)	$ (162,991,613)	(3,258,807)	-2%	$	(157,651,174)
12	(150,000)	(100,000)	(50,000)	-50%	Bad Debt		(1,285,000)	(900,000)	(385,000)	-43%		(1,353,000)
13	(17,781)	(24,730)	6,949	28%	Charity Care Provision		(230,626)	(222,570)	(8,056)	-4%		(121,955)
14	3,949,432	352,555	3,596,877	*	Prior Period Adj/Government Program Revenue		6,930,341	3,172,995	3,757,346	*		4,087,838
15	**$ (14,969,746)**	**$ (19,632,940)**	**4,663,194**	**-24%**	**Total Deductions from Revenue**	**$**	**(160,835,705)**	**$ (160,941,188)**	**105,483**	**0%**	**$**	**(155,038,291)**
16	**$ 7,783,818**	**$ 4,527,175**	**3,256,643**	**72%**	**Net Patient Service Revenue**	**$**	**43,063,511**	**$ 39,832,317**	**3,231,194**	**8%**	**$**	**40,513,841**
17	$ 23,610	$ 95,999	(72,389)	-75%	Risk contract revenue	$	684,078	$ 953,388	(269,310)	-28%	$	1,072,293
18	$ 7,807,428	$ 4,623,174	3,184,254	69%	Net Hospital Revenue	$	43,747,589	$ 40,785,705	2,961,884	7%	$	41,586,134
19	$ 26,705	$ 13,968	12,737	**91%**	Other Op Rev & Electronic Health Records	$	122,605	$ 125,712	(3,107)	-2%	$	146,197
20	**$ 7,834,133**	**$ 4,637,142**	**3,196,991**	**69%**	**Total Operating Revenue**	**$**	**43,870,194**	**$ 40,911,417**	**2,958,777**	**7%**	**$**	**41,732,331**
					Operating Expenses							
21	$ 2,107,343	$ 2,100,998	(6,345)	0%	Salary and Wages and Agency Fees	$	19,578,973	$ 19,083,133	(495,840)	-3%	$	20,777,146
22	754,921	$ 786,121	31,200	4%	Employee Benefits		6,805,951	7,332,516	526,565	7%		7,812,934
23	$ 2,862,264	$ 2,887,119	24,855	1%	Total People Cost	$	26,384,924	$ 26,415,649	30,725	0%	$	28,590,080
24	$ 451,373	$ 498,249	46,876	9%	Med and Prof Fees (excld Agency)	$	4,276,052	$ 4,512,173	236,121	5%	$	3,763,141
25	489,370	631,426	142,056	22%	Supplies		5,134,710	5,001,177	(133,533)	-3%		4,899,361
26	380,179	378,785	(1,394)	0%	Purchased Services		3,467,876	3,348,206	(119,670)	-4%		3,292,473
27	277,022	290,874	13,852	5%	Depreciation		2,603,579	2,600,568	(3,011)	0%		2,573,568
28	82,197	90,431	8,234	9%	Utilities		903,764	929,879	26,115	3%		915,542
29	35,320	35,320	-	0%	Insurance		317,937	312,207	(5,730)	-2%		286,371
30	48,735	56,966	8,231	14%	Interest		454,684	469,272	14,588	3%		423,992
31	93,097	106,824	13,727	13%	Other		945,178	1,028,199	83,021	8%		1,073,315
32	1,943,466	88,403	(1,855,063)	*	Matching Fees (Government Programs)		2,584,514	795,626	(1,788,888)	*		1,491,827
33	**$ 6,663,023**	**$ 5,064,397**	**(1,598,626)**	**-32%**	**Operating expenses**	**$**	**47,073,218**	**$ 45,412,956**	**(1,660,262)**	**-4%**	**$**	**47,309,670**
34	**$ 1,171,110**	**$ (427,255)**	**$ 1,598,365**	**374%**	**Operating Margin**	**$**	**(3,203,024)**	**$ (4,501,539)**	**1,298,515**	**29%**	**$**	**(5,577,339)**

ATTACHMENT D

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended March 31, 2019

	Month						Year-To- Date					YTD
	This Year		Variance				This Year		Variance			
	Actual		$	%			Actual	Budget	$	%		Prior Year
					Non Operating Rev and Expense							
35	$ (8,190)	$ (10,904)	2,714	-25%	Miscellaneous Revenue/(Expenses)	$	(143,829)	$ (64,671)	(79,158)	*	$	(45,488)
36	2,136	2,672	(536)	-20%	Donations		10,019	24,048	(14,029)	58%		25,966
37	(13,000)	(56,766)	43,766	-77%	Physician Practice Support-Prima		(410,864)	(510,894)	100,030	-20%		(510,894)
38	316,667	316,667	-	0%	Parcel Tax Assessment Rev		2,849,253	2,850,003	(750)	0%		2,850,003
39	0	0	-	0%	Extraordinary Items		0	0	-	0%		(26,875)
40	**$ 297,613**	**$ 251,669**	**45,944**	**18%**	**Total Non-Operating Rev/Exp**	**$**	**2,304,579**	**$ 2,298,486**	**6,093**	**0%**	**$**	**2,292,712**
41	**$ 1,468,723**	**$ (175,586)**	**1,644,309**	**-936%**	**Net Income / (Loss) prior to Restricted Contributions**	**$**	**(898,445)**	**$ (2,203,053)**	**1,304,608**	**-59%**	**$**	**(3,284,627)**
42	$ -	$ 20,949	(20,949)	-100%	Capital Campaign Contribution	$	30,447	$ 188,541	(158,094)	-84%	$	140,664
43	$ 99,762	$ 55,003	44,759	0%	Restricted Foundation Contributions	$	1,773,802	$ 495,027	1,278,775	100%	$	262,806
44	**$ 1,568,485**	**$ (99,634)**	**1,668,119**	**-1674%**	**Net Income / (Loss) w/ Restricted Contributions**	**$**	**905,804**	**$ (1,519,485)**	**2,425,289**	**-160%**	**$**	**(2,881,157)**
45	254,436	254,436	-	0%	GO Bond Tax Assessment Rev		2,289,924	2,289,924	-	0%		2,256,147
46	(100,768)	(100,768)	-	0%	GO Bond Interest		(911,920)	(911,920)	-	0%		(956,474)
47	**$ 1,722,153**	**$ 54,034**	**1,668,119**	**3087%**	**Net Income/(Loss) w GO Bond Activity**	**$**	**2,283,808**	**$ (141,481)**	**2,425,289**	**-1714%**	**$**	**(1,581,484)**
	$ 1,745,745	$ 115,288	1,630,457		**EBDA - Not including Restricted Contributions**	$	1,705,134	$ 397,515	1,307,619		$	(711,059)
	22.3%	2.5%					3.9%	1.0%				-1.7%

Sonoma Valley Health Care District **ATTACHMENT E**

Statement of Revenue and Expenses Variance Analysis

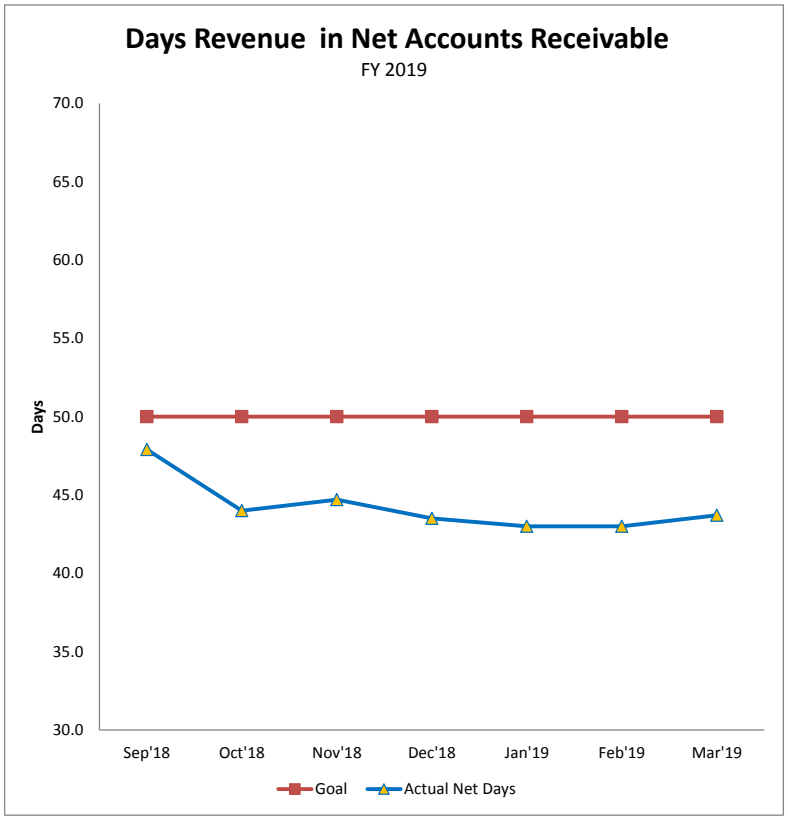
For the Period Ended March 31, 2019

		YTD	MONTH	
	Description	**Variance**	**Variance**	
	Volume Information			
1	Acute Discharges	(32)	(3)	
2	SNF Days	(741)	(108)	
3	Home Care Visits	(1,810)	-	
4	Gross O/P Revenue (000's)	2,860	(345)	
	Financial Results			
	Gross Patient Revenue			
5	Inpatient	1,774,535	(698,899)	Inpatient days are 317 days vs. budgeted expectations of 327 days and inpatient surgeries are 29 vs. budgeted expectations 33.
6	Outpatient	5,394,495	48,542	Outpatient visits are 4,805 vs. budgeted expectations of 4,995 visits and outpatient surgeries are 134 vs. budgeted expectations 146.
7	Emergency	(2,242,943)	(392,906)	ER visits are 858 vs. budgeted visits of 871.
8	SNF	(1,456,670)	(363,288)	SNF patient days are 357 vs. budgeted expected days of 465.
9	Home Care	(343,706)	-	
10	**Total Gross Patient Revenue**	**3,125,711**	**(1,406,551)**	
	Deductions from Revenue			
11	Contractual Discounts	(3,258,807)	1,109,368	
12	Bad Debt	(385,000)	(50,000)	
13	Charity Care Provision	(8,056)	6,949	
14	Prior Period Adj/Government Program Revenue	3,757,346	3,596,877	Accrual of FY 17/18 Rate Range IGT of $3,886,932 and accrual of Prime Grant of $62,500.
15	**Total Deductions from Revenue**	**105,483**	**4,663,194**	
16	**Net Patient Service Revenue**	**3,231,194**	**3,256,643**	
17	Risk contract revenue	(269,310)	(72,389)	
18	Net Hospital Revenue	**2,961,884**	**3,184,254**	
19	Other Op Rev & Electronic Health Records	(3,107)	12,737	
20	**Total Operating Revenue**	**2,958,777**	**3,196,991**	
	Operating Expenses			
21	Salary and Wages and Agency Fees	(495,840)	(6,345)	Salaries and Wages are over budget by ($55,577) and Agency fees are under budget by $49,232
22	Employee Benefits	526,565	31,200	
23	Total People Cost	**30,725**	**24,855**	
24	Med and Prof Fees (excld Agency)	236,121	46,876	
25	Supplies	(133,533)	142,056	Supplies were under budget primarily in surgery due to lower volume than budgeted.
26	Purchased Services	(119,670)	(1,394)	
27	Depreciation	(3,011)	13,852	
28	Utilities	26,115	8,234	
29	Insurance	(5,730)	-	
30	Interest	14,588	8,231	
31	Other	83,021	13,727	
32	Matching Fees (Government Programs)	(1,788,888)	(1,855,063)	FY 17/18 Rate Range IGT matching fee of $1,943,466.
33	**Operating expenses**	**(1,660,262)**	**(1,598,626)**	
34	**Operating Margin**	**1,298,515**	**1,598,365**	
	Non Operating Rev and Expense			
35	Miscellaneous Revenue	(79,158)	2,714	
36	Donations	(14,029)	(536)	
37	Physician Practice Support-Prima	100,030	43,766	
38	Parcel Tax Assessment Rev	(750)	-	
39	Extraordinary Items	-	-	
40	**Total Non-Operating Rev/Exp**	6,093	45,944	
			-	
41	**Net Income / (Loss) prior to Restricted Contributions**	**1,304,608**	**1,644,309**	

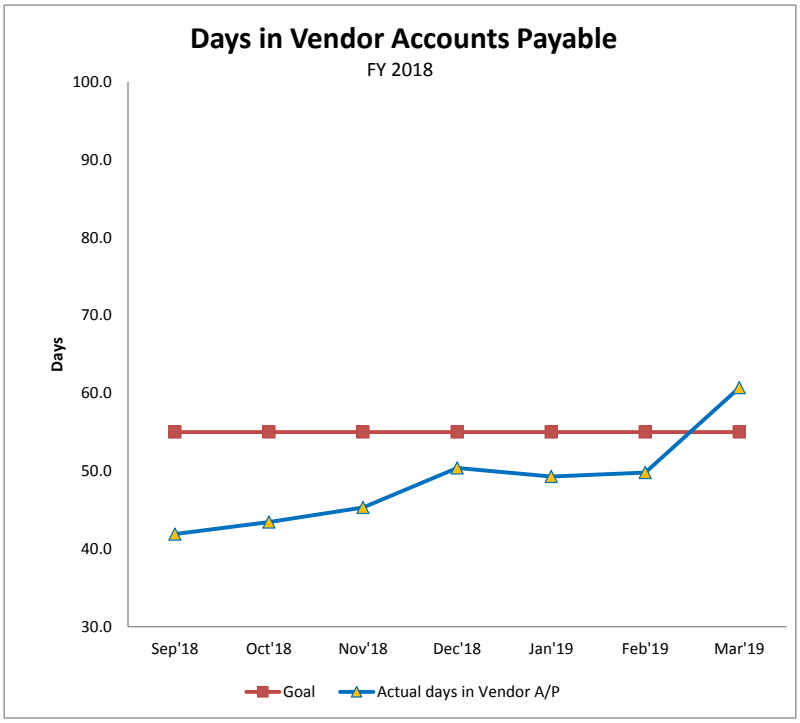
Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended March 31, 2019

ATTACHMENT E

	Description	YTD Variance	MONTH Variance	
			-	
42	Capital Campaign Contribution	(158,094)	(20,949)	
43	Restricted Foundation Contributions	1,278,775	44,759	The hospital received Foundation donations for the ODC ($47,503) and for the Acute care 3rd floor move ($52,259).
44	**Net Income / (Loss) w/ Restricted Contributions**	**2,425,289**	**1,668,119**	
45	GO Bond Tax Assessment Rev	-	-	
46	GO Bond Interest	-	-	
47	**Net Income/(Loss) w GO Bond Activity**	**2,425,289**	**1,668,119**	



Days in A/R	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19
Actual days in A/R	47.9	44.0	44.7	43.5	43.0	43.0	43.7
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19
Actual days in Vendor A/P	41.9	43.5	45.3	50.4	49.3	49.8	60.7
Goal	55.0	55.0	55.0	55.0	55.0	55.0	55.0

Sonoma Valley Hospital
Statistical Analysis
FY 2019

ATTACHMENT G

	ACTUAL	BUDGET	ACTUAL												
	Mar-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18
Statistics															
Acute															
Acute Patient Days	317	327	265	290	370	315	394	337	361	291	354	374	341	335	289
Acute Discharges (w/o Newborns)	87	90	76	83	97	93	92	90	85	81	99	108	103	106	82
SNF Days	357	465	286	345	291	326	405	457	628	664	545	423	525	566	494
HHA Visits	0	0	0	0	0	0	0	682	585	760	871	747	755	684	821
Emergency Room Visits	858	871	833	789	840	772	842	814	810	901	856	934	864	871	811
Gross Outpatient Revenue (000's)	$15,281	$15,626	$13,994	$14,826	$13,583	$13,530	$15,824	$13,946	$16,762	$14,801	$13,677	$15,188	$14,170	$13,064	$12,519
Equivalent Patient Days	2,052	2,241	1,638	1,958	1,768	1,782	2,207	2,175	2,911	2,654	2,343	2,178	2,265	2,272	2,212
Births	0	0	0	0	0	0	9	13	14	8	16	9	6	8	11
Surgical Cases - Inpatient	29	33	18	20	26	33	34	31	26	23	28	29	30	34	16
Surgical Cases - Outpatient	134	146	137	137	123	128	141	151	139	127	123	146	114	117	123
Total Surgical Cases	163	179	155	157	149	161	175	182	165	150	151	175	144	151	139
Total Special Procedures	91	59	74	51	58	55	92	99	124	78	97	72	87	75	75
Medicare Case Mix Index	1.61	1.40	1.45	1.58	1.57	1.45	1.44	1.73	1.33	1.32	1.45	1.46	1.48	1.45	1.34
Income Statement															
Net Revenue (000's)	$7,807	$4,623	$3,697	$5,505	$4,097	$4,249	$4,282	$4,548	$4,924	$4,557	$5,265	$4,817	$4,389	$4,218	$4,590
Operating Expenses (000's)	$6,663	$5,064	$4,521	$5,509	$4,726	$4,860	$5,321	$5,045	$5,314	$5,114	$4,968	$5,134	$5,053	$5,179	$5,270
Net Income (000's)	$1,722	$54	($278)	$807	($208)	($95)	($120)	$209	$32	$214	$859	$369	$221	($395)	($175)
Productivity															
Total Operating Expense Per Equivalent Patient Day	$3,247	$2,260	$2,760	$2,814	$2,673	$2,727	$2,411	$2,319	$1,826	$1,927	$2,120	$2,357	$2,231	$2,280	$2,382
Productive FTEs	255	251	248	249	234	266	278	278	278	270	259	279	281	279	274
Non-Productive FTE's	20	33	29	31	47	22	20	36	31	40	39	27	26	23	31
Total FTEs	275	284	277	280	281	288	298	314	309	310	298	306	307	302	305
FTEs per Adjusted Occupied Bed	4.15	3.93	4.73	4.44	4.92	4.84	4.18	4.38	3.29	3.62	3.82	4.35	4.06	4.17	3.87
Balance Sheet															
Days of Expense In General Operating Cash	4.5		5	13	15	10	13	13	10	19	11	6	7	7	14
Net Days of Revenue in AR	44	50	43	43	44	45	44	48	43	41	42	47	43	43	47

Sonoma Valley Hospital **ATTACHMENT H**
Cash Forecast
FY 2019

		Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual 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	4,197,482	3,957,008	3,711,986	3,746,851	4,236,718	4,080,522	49,677,731
2	Capitation Revenue	94,582	92,314	96,054	92,135	97,789	98,199	62,561	28,474	23,610	95,999	95,999	95,999	973,715
3	Napa State	12,295	4,713	-	24,798	8,185	-	-	5,135	6,174	11,962	11,962	11,961	97,185
4	Other Operating Revenue	40,299	47,536	18,852	63,629	24,975	48,665	35,012	10,595	22,415	13,968	13,968	13,973	353,886
5	Other Non-Operating Revenue	45,944	12,250	51,133	42,712	14,067	91,000	51,984	66,482	104,954	26,673	26,673	26,673	560,545
6	Unrestricted Contributions	403		415	4,175	2,381	1,159		509	2,136	2,672	2,672	2,672	19,194
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**	**4,347,039**	**4,068,202**	**3,871,275**	**3,898,125**	**4,387,992**	**4,231,800**	**51,682,256**
	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	5,387,017	4,586,118	4,035,545	4,853,772	4,716,406	5,001,692	58,688,681
9	Add Capital Lease Payments	44,847	193,141	46,104	46,021	195,820	34,330	21,314	193,464	21,780				796,821
10	Additional Liabilities/LOC													-
11	Capital Expenditures	331,168		286,200	408,421	110,420	11,238	407,402	110,181	99,762	75,952	75,952	75,952	1,992,648
	Total Hospital Uses	**5,273,843**	**5,830,125**	**5,806,151**	**5,280,040**	**4,811,692**	**4,813,989**	**5,815,733**	**4,889,763**	**4,157,087**	**4,929,724**	**4,792,358**	**5,077,644**	**61,478,150**
	Net Hospital Sources/Uses of Cash	**(708,263)**	**(1,384,854)**	**(1,676,461)**	**(455,407)**	**(382,950)**	**(330,083)**	**(1,468,694)**	**(821,561)**	**(285,812)**	**(1,031,599)**	**(404,366)**	**(845,844)**	**(9,795,893)**
	Non-Hospital Sources													
12	Restricted Cash/Money Market	(809,886)	524,043			612,500	(200,000)		544,000	650,000			(1,850,000)	(529,343)
13	Restricted Capital Donations	357,448	8,688	286,283	409,088	116,736	5,800	407,402	110,181	99,762	75,952	75,952	75,952	2,029,244
14	Parcel Tax Revenue	207,015		1,500,000			512,117			1,500,000	300,000			4,019,132
15	Other Payments - South Lot/LOC/Fire Claim							(250,000)			274,000			24,000
16	Other:													-
17	IGT											1,442,777	3,886,932	5,329,709
18	IGT - AB915	20,681		384,837		40,615		1,049,088	25,181		381,379			1,901,781
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**	**1,206,490**	**679,362**	**2,249,762**	**1,031,331**	**1,518,729**	**2,112,884**	**14,124,523**
	Non-Hospital Uses of Cash													
20	Matching Fees					300,000			641,048	1,943,466				2,884,514
	Sub-Total Non-Hospital Uses of Cash	-	-	-	-	300,000	-	-	641,048	1,943,466	-	-	-	2,884,514
	Net Non-Hospital Sources/Uses of Cash	**525,258**	**532,731**	**2,171,120**	**409,088**	**469,851**	**917,917**	**1,206,490**	**38,314**	**306,296**	**1,031,331**	**1,518,729**	**2,112,884**	**11,240,009**
	Net Sources/Uses	**(183,005)**	**(852,123)**	**494,659**	**(46,319)**	**86,901**	**587,834**	**(262,204)**	**(783,247)**	**20,484**	**(268)**	**1,114,363**	**1,267,040**	
	Cash and Equivalents at beginning of period	**1,671,423**	1,488,418	636,295	1,130,954	1,084,636	1,171,537	1,759,371	1,497,167	713,920	734,404	734,136	1,848,499	
	Cash and Equivalents at end of period	**1,488,418**	**636,295**	**1,130,954**	**1,084,636**	**1,171,537**	**1,759,371**	**1,497,167**	**713,920**	**734,404**	**734,136**	**1,848,499**	**3,115,539**	

Sonoma Valley Hospital
Cash Forecast
FY 2019

ATTACHMENT H

		Actual July - Dec	Actual Jan	Actual Feb	Actual Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
	Hospital Operating Sources								
1	Patient Payments Collected	25,747,164	4,197,482	3,957,008	3,711,986	3,746,851	4,236,718	4,080,522	49,677,731
2	Capitation Revenue	571,073	62,561	28,474	23,610	95,999	95,999	95,999	973,715
3	Napa State	49,991		5,135	6,174	11,962	11,962	11,961	97,185
4	Other Operating Revenue	243,956	35,012	10,595	22,415	13,968	13,968	13,973	353,886
5	Other Non-Operating Revenue	257,106	51,984	66,482	104,954	26,673	26,673	26,673	560,545
6	Unrestricted Contributions	8,533		509	2,136	2,672	2,672	2,672	19,194
7	Line of Credit								-
	Sub-Total Hospital Sources	**26,877,823**	**4,347,039**	**4,068,202**	**3,871,275**	**3,898,125**	**4,387,992**	**4,231,800**	**51,682,256**
	Hospital Uses of Cash								
8	Operating Expenses	30,108,130	5,387,017	4,586,118	4,035,545	4,853,772	4,716,406	5,001,692	58,688,681
9	Add Capital Lease Payments	560,263	21,314	193,464	21,780	-	-	-	796,821
10	Additional Liabilities/LOC			-	-	-	-	-	-
11	Capital Expenditures	1,147,447	407,402	110,181	99,762	75,952	75,952	75,952	1,992,648
	Total Hospital Uses	**31,815,840**	**5,815,733**	**4,889,763**	**4,157,087**	**4,929,724**	**4,792,358**	**5,077,644**	**61,478,150**
	Net Hospital Sources/Uses of Cash	**(4,938,017)**	**(1,468,694)**	**(821,561)**	**(285,812)**	**(1,031,599)**	**(404,366)**	**(845,844)**	**(9,795,893)**
	Non-Hospital Sources								
12	Restricted Cash/Money Market	126,657		544,000	650,000	-	-	(1,850,000)	(529,343)
13	Restricted Capital Donations	1,184,043	407,402	110,181	99,762	75,952	75,952	75,952	2,029,244
14	Parcel Tax Revenue	2,219,132		-	1,500,000	300,000	-	-	4,019,132
15	Other Payments - South Lot/LOC/Fire Claim		(250,000)	-	-	274,000	-	-	24,000
16	Other:			-	-	-	-	-	-
17	IGT			-	-	-	1,442,777	3,886,932	5,329,709
18	IGT - AB915	446,133	1,049,088	25,181	-	381,379	-	-	1,901,781
19	PRIME	1,350,000		-	-	-	-	-	1,350,000
	Sub-Total Non-Hospital Sources	**5,325,965**	**1,206,490**	**679,362**	**2,249,762**	**1,031,331**	**1,518,729**	**2,112,884**	**14,124,523**
	Non-Hospital Uses of Cash								
20	Matching Fees	300,000	-	641,048	1,943,466	-	-	-	2,884,514
	Sub-Total Non-Hospital Uses of Cash	300,000	-	641,048	1,943,466	-	-	-	2,884,514
	Net Non-Hospital Sources/Uses of Cash	**5,025,965**	**1,206,490**	**38,314**	**306,296**	**1,031,331**	**1,518,729**	**2,112,884**	**11,240,009**
	Net Sources/Uses	**87,948**	**(262,204)**	**(783,247)**	**20,484**	**(268)**	**1,114,363**	**1,267,040**	
	Cash and Equivalents at beginning of period	1,671,423	1,759,371	1,497,167	713,920	734,404	734,136	1,848,499	
	Cash and Equivalents at end of period	**1,759,371**	**1,497,167**	**713,920**	**734,404**	**734,136**	**1,848,499**	**3,115,539**	

April 2, 2019

The Honorable Jerry Hill
Chair, Senate Labor, Public Employment and Retirement Committee
State Capitol, Room 5035
Sacramento, CA 95814

SUBJECT: SB 567 (Caballero & Skinner) - OPPOSE

Dear Senator Hill:

I am writing today on behalf of Sonoma Valley Hospital to voice our opposition to SB 567 (Caballero and Skinner). SB 567 would establish a presumption in our workers' compensation program on a broad range of illnesses and injuries and relieve employees from having to demonstrate that certain infectious diseases, cancer, musculoskeletal injury, post-traumatic stress disorder (PTSD), and respiratory disease arose from their work environment.

Sonoma Valley Hospital regards employee safety as a high priority, yet work-related injuries can occur. In those cases, employees have access to California's no-fault workers' compensation system, which is liberally applied in favor of employees. However, when a disagreement arises, a robust resolution process is administered by the Division of Workers' Compensation.

We oppose this bill for two key reasons:

- There is no evidence that valid claims are being denied. **This bill would allow the first-ever presumption in the private sector, without any evidence to justify that expansion.** This sets a troubling precedent and has the potential to significantly alter the state's workers' compensation system. For example,
  - Out of approximately thirty (30) cases at Sonoma Valley Hospital over the last three years (2016-18), zero (0) percent were in the categories of potential infectious disease exposure, respiratory, stress or PTSD.
  - Musculoskeletal injuries totaled sixty (60) percent of cases at Sonoma Valley Hospital for the same time period. Of those eighteen (18) cases, zero (0) percent were denied, following investigation.

- Any increase in workers' compensation costs will have a direct and immediate impact on our financial ability to protect access to high-quality care. The cost of this new mandate, while difficult to quantify, would likely be astronomical. One cancer claim, which could be filed up to 10 years after employment ends, could be valued in the hundreds of thousands of dollars. We are self-insured and this bill would most definitely threaten our ability to continue operations as a small, independent, non-profit District hospital.

For these reasons, Sonoma Valley Hospital respectfully asks for a “NO” vote on SB 567.

Sincerely,

Kelly Mather, CEO
Sonoma Valley Hospital

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

April 11, 2019

The Honorable Jim Wood
Chair, Assembly Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

Subject: AB 1611 (Chiu, Wiener) – OPPOSE UNLESS AMENDED

Dear Assemblymember Wood:

Sonoma Valley Hospital is writing to oppose, unless amended, AB 1611 (Chiu, Wiener), which would shield patients who receive emergency services from "balance billing," a practice that occurs when a health insurance company only partially pays for hospital care. While our organization supports AB 1611's intent to protect patients, several of the bill's provisions would create a host of unintended consequences and jeopardize access to care.

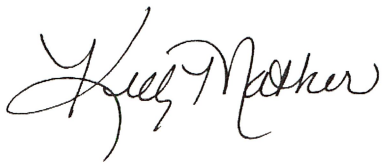
Hospitals are the places people turn to in times of greatest need — the birth of their children, treatment for devastating diseases, and critical care after an accident. During these times, patients should be focused on what matters most, not on how much they will be billed for their care. Patients should not be put in the middle of balance billing situations.

However, there is no need to establish a payment methodology, like the one proposed in AB 1611, between health insurance companies and hospitals to protect patients from balance billing. The bill proposes to tie reimbursement to Medicare. However, Medicare today reimburses hospitals well below the cost of care. If enacted as currently written, this bill would deprive the health care system of the resources needed to provide essential services, threatening access to health care services across the state. AB 1611 would also apply to post-stabilization services, creating a disincentive for health insurance companies to arrange for prompt transfer to a patient's in-network hospital. This is not in patients' best interests.

Further, AB 1611 extends balance billing protections to patients covered by Employee Retirement Income Security Act of 1974 (ERISA) plans, such as self-insured plans provided by employers and union trust funds. These federally regulated plans, which have minimal regulatory oversight, are not required to include essential health benefits, have no network adequacy requirements, no financial solvency requirements, and do not afford patients the opportunity to appeal coverage decisions to regulators.

For these reasons, we are opposed unless the bill is amended to delete the default rate provisions, limit the bill to emergency services, and delete the provisions applicable to ERISA plans.

Sincerely,



Kelly Mather
President and Chief Executive Officer

Cc: The Honorable David Chiu
The Honorable Scott Wiener
The Honorable Members of the Assembly Health Committee
Kristene Mapile, Consultant, Assembly Health Committee
Alex Kahn, Consultant, Assembly Republican Caucus