



SONOMA VALLEY HEALTH CARE DISTRICT

BOARD OF DIRECTORS

AGENDA

JUNE 6, 2019

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM

177 FIRST ST WEST

SONOMA, CA 95476

<p>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 sfynn@svh.com (707) 935.5004 at least 48 hours prior to the meeting.</p>	<p>RECOMMENDATION</p>	
<p>AGENDA ITEM</p>		
<p>MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>		
<p>1. CALL TO ORDER</p>	<p>Rymer</p>	
<p>2. PUBLIC COMMENT <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>	<p>Rymer</p>	
<p>3. CONSENT CALENDAR 1. Board Minutes 05.02.19 2. Finance Committee Minutes 04.23.19 3. Quality Committee Minutes 04.24.19 4. Policies and Procedures 5. Medical Staff Credentialing <i>Pages 3-15</i></p>	<p>Rymer</p>	<p>Action</p>
<p>4. CANOPY HEALTH <i>Pages 16- 27</i></p>	<p>J. Burnich</p>	<p>Inform</p>
<p>5. SUSTAINABLE SONOMA – AFFORDABLE HOUSING DECLARATION <i>Pages 28 - 40</i></p>	<p>C. Cornwall</p>	<p>Inform</p>
<p>6. ENSIGN MANAGEMENT TERMS <i>Pages 41 - 45</i></p>	<p>Mather/Jensen</p>	<p>Inform/Action</p>
<p>7. CEO ADMINISTRATIVE REPORT <i>Pages 46 - 48</i></p>	<p>Mather</p>	<p>Inform</p>
<p>8. CMO REPORT <i>Page 49</i></p>	<p>Kidd</p>	<p>Inform</p>
<p>9. THREE YEAR FINANCIAL GOALS <i>Page 50</i></p>	<p>Rymer/Nevins</p>	<p>Inform/Action</p>
<p>10. FINANCIALS MONTH END MAY 30, 2019 <i>Pages 51- 66</i></p>	<p>Jensen</p>	<p>Inform</p>
<p>11. THREE YEAR TRENDED RESULTS <i>Page 67</i></p>	<p>Jensen</p>	<p>Inform</p>
<p>12. COMMITTEE REPORT</p>	<p>Rymer</p>	<p>Inform</p>
<p>13. BOARD COMMENTS <ul style="list-style-type: none"> Opposition letter to SB 277 </p>	<p>Rymer</p>	<p>Inform</p>

14. ADJOURN	<i>Rymer</i>	
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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, MAY 2, 2019
REGULAR SESSION 6:00 P.M.
COMMUNITY MEETING ROOM
177 FIRST ST WEST SONOMA, CA

	RECOMMENDATION	
<p>MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i></p>		
<p>CALL TO ORDER The meeting was called to order at 6:00 pm.</p>	<i>Rymer</i>	
<p>1. PUBLIC COMMENT</p>	<i>Rymer</i>	
<p>Mr. Art Grandy, newly appointed Finance Committee member introduced himself to the Board. Mr. Boerum was absent from the meeting due another business obligation.</p>		
<p>2. CONSENT CALENDAR</p> <ul style="list-style-type: none"> 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 	<i>Rymer</i>	
<p><u>Policies:</u> <u>Revisions</u> Attendance HR8610-211 Hazardous Material Spill Response CE8610-144 Hostage Active Shooter, Code Silver CE8610-147 Infant Pediatric Security Code Pink & Purple CE8610-148 <u>Reviewed/No Changes:</u> Safety Rounds CE8610-174 Patient Controlled Analgesia (PCA) MM8610-154 <u>Departmental</u> Medical Records Release of Information-Patient Requests 8700-161</p>		<p>MOTION: by Hirsch to approve, 2nd by Nevins All in favor</p>
<p>3. SONOMA COUNTY HEALTH SERVICES</p>	<i>B. Robinson</i>	
<p>Ms. Robinson, Director of Health Services, Sonoma County spoke about personnel updates, department budget, the strategic plan, the mobile support team expansion, the behavioral health system redesign, the initiative (Access Sonoma County) that is intended to improve the safety net that the county has directed the department to engage in, and, a potential revenue measure for Sonoma Counties behavioral services. Mr. Bill Carter, Behavior Health Director, spoke about the focus on building</p>		

internal service providers, administrative departments, and improving collaborations.		
4. ENSIGN GROUP	<i>Willits</i>	
Ms. Willits gave an overview of the Ensign Group, the proposed partnership with SVH which would include a mix of traditional SNF and Subacute patients and the operational suggestions for the SNF management. The timeline of implementation was also reviewed, with the potential for Ensign to assume management of the SNF as of July 1 st , 2019.		
5. FINANCE COMMITTEE QUARTELY REPORT	<i>Nevins</i>	
Ms. Nevins gave a quarterly report from the Finance committee. She said that the first four months of the year included the mid-year review of hospital operations, development of the budget assumptions for FY2020, the capital spending plan, the draft of the proposed twelve month budget, and the development of the balance sheet metrics. She also spoke about the monthly items that are reviewed, which include the monthly financials.		
6. STRATEGIC PLAN	<i>Mather</i>	
Ms. Mather reviewed the strategic plan for 2020 and beyond. The core initiatives identified in the plan are to exceed community expectations in emergency services, create UCSF health outpatient center, become a five star hospital, and provide access to excellent physicians. Mr. Rymer spoke about Mr. Boerum's request for additions to the strategic plan. The Board reviewed these requests.		MOTION: by Hirsch to approve the plan as presented 2 nd by Nevins. All in favor
7. ADMINISTRATIVE REPORT MAY	<i>Mather</i>	
Ms. Mather reported that the staff satisfaction survey has gone out, with results expected this month. She said that she is optimistic about the budget. The Outpatient Diagnostic Center ground breaking will likely be in December rather than the anticipated September due to power issues. The south lot sale is expected to go through by July.		
8. CMO UPDATE	<i>Kidd</i>	Inform
Dr. Kidd reported that the hospital is now stoke certified. She said that the HCAPS scores were up this quarter. The transition to Benchmark, the new hospitalist group is slated to start in the beginning of June. She gave an update on the Prime Grant, which has been overall positive. She said that the hospital is in the window of CDPH triannual survey. She also reviewed the Quality metrics.		
9. FINANCIAL REPORT MONTH END 03.31.19	<i>Jensen</i>	Inform
Mr. Jensen gave the financial report for March. Days of cash on hand was 4.5. Ms. Nevins said that it has been discussed to measure and report average the days of cash on hand in addition to the end of period reporting that is currently done. After accounting for all activity, the total net gain for March was \$1,722,153 vs. a budgeted net gain of \$54,034. EBDA for the month was 22.3% vs. the budgeted 2.5%.		
9. COMMITTEE REPORTS	<i>Board</i>	

None		
10. BOARD COMMENTS	<i>Board</i>	
Ms. Mather presented SB 567 and AB 1611 opposition letters.	<i>Mather</i>	
11. ADJOURN	<i>Rymer</i>	
Adjourned 7:41 pm		



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, APRIL 23, 2019
Schantz Conference Room**

Present	Excused	Staff	Public
Sharon Nevins *Susan Porth *Peter Hohorst *Dr. Subhash Mishra via telephone Joshua Rymer via telephone *Art Grandy *John Perez		Ken Jensen, CFO Sarah Dungan	

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 at 5:00 pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR	<i>Nevins</i>		
	Minutes from the 03.26.19 meeting were reviewed.	MOTION: by Porth to approve 2 nd by Hohorst. All in favor	
4. OUTPATIENT DIAGNOSTIC CENTER UPDATE	<i>Nevins</i>		
	The committee reviewed the update in Ms. Mather's absence.		
5. FISCAL YEAR 2020 BUDGET UPDATE	<i>Jensen</i>		
	Mr. Jensen gave an update on the fiscal year 2020 budget. The goal was to get the operating margin down to \$3.8 million. At this point the		

	goal is close to being met, but not there yet. Recommendation to have the regularly scheduled finance committee meeting in May to discuss the budget prior to the joint meeting with the Board.		
6. REVIEW THIRD QUARTER FY2019 CAPITAL SPENDING	<i>Dungan</i>		
	Ms. Dungan reviewed the third quarter fiscal year 2019 capital spending. The bulk of the spending has been in CIP's for the outpatient diagnostic center. The funding was covered by the Foundation. The hospital did not enter into any new leases in quarter three.		
7. BALANCE SHEET METRICS	<i>Nevins</i>		
	Mr. Jensen reviewed the SVH financial metrics compared to Moody's as of February 2019. This will be presented quarterly to the Finance Committee. The committee reviewed and discussed the three year financial goals.		
8. ADMINISTRATIVE REPORT APRIL 2019	<i>Nevins</i>		
	Committee reviewed the administrative report in Ms. Mather's absence		
9. FINANCIAL REPORT MONTH END MARCH 31, 2019	<i>Jensen</i>		
	Mr. Jensen reported that the gross payer mix for March was as follows, Medicare at 43.3%, Medi-Cal was 20.9% and commercial was at 19.5%. Days of cash on hand was 4.5. After all activity the total net gain for March was \$1,722,153 vs. a budgeted net gain of \$54,034.		

10. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 5:55 pm		

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**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
April 24, 2019 5:00 PM
MINUTES
Schantz Conference Room**

Members Present	Members Present cont.	Excused	Public/Staff
Carol Snyder Michael Mainardi, MD Susan Idell Howard Eisenstark, MD Cathy Webber		Jane Hirsch Ingrid Sheets	Danielle Jones, RN Mark Kobe, CNO Lois Valenzuela Frederick Kretzschmar, MD

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS		
	Called to order at 5:00 pm	
2. PUBLIC COMMENT		
	None	
3. CONSENT CALENDAR		Action
<ul style="list-style-type: none"> QC Minutes, 03.27.19 		MOTION: by Idell to approve, 2 nd by Eisenstark. All in favor.
4. LABORATORY ANNUAL REPORT	<i>Valenzuela/Kretschmar</i>	
	<p>Ms. Valenzuela gave the annual Laboratory report for 2018. She reported that while the volumes in the lab were down, the proficiency testing was very good. She spoke about the cost saving measures that were done, new instrumentation purchases, as well as improved diagnostic testing. She spoke about the CLIA inspection in November of 2018. All findings were corrected and accepted. Dr. Kretschmar reviewed the Pathology Quality Improvement Program for 2018. This included review of intradepartmental consultations, peer review and external consultations.</p>	

AGENDA ITEM	DISCUSSION	ACTION
5. CNO QUARTERLY PATIENT CARE DASHBOARD	<i>Kobe</i>	
	Mr. Kobe reviewed the quarterly patient care dashboard. Per the committee request the medication scanning errors were included on the dashboard. Mr. Kobe spoke to the barriers that have been identified with decreased medication scanning in the ED. He said that this process is continually being monitored for improvements.	
6. PRIME GRANT UPDATE	<i>Lovejoy</i>	
	Deferred	
7. CEO DASHBOARD	<i>Jones</i>	
	Ms. Jones reviewed the CEO dashboard. She said that SVH just completed and passed the stroke readiness survey. Other items she spoke about were the staff satisfaction survey, the patient access center plans, the Outpatient Diagnostic Center, Ensign in SNF and the right sizing of the hospital.	
8. GOOD CATCH REPORT	<i>Jones</i>	
	Ms. Jones reviewed four good catche awards.	
9. QUALITY AND RESOURCE MANAGEMENT	<i>Jones</i>	
	Ms. Jones spoke about the CIHQ stroke ready survey and certificate, Medical staff peer review process and policy revision, STATIT goals of increasing data accessibility and standardization, Barcode override report for each department and department QAPI plans & quality monitoring with department leaders.	
10. POLICIES AND PROCEDURES	<i>Jones</i>	

AGENDA ITEM	DISCUSSION	ACTION
	<p>Revised: Code Management for Patient Emergency Code Blue QS8610-106 Code Stroke Paging NS8610-124</p> <p>Retire: Code Neonate PC8610-174</p> <p>Departmental: Surgery/Central Sterile Allografts and Tissue; Procurement for Surgical Procedures Requiring Grafting 7420-102 On Cal, Surgery 7420-135 Staff Scheduling Practices, Surgery 7420-154 Flexible Endoscopes, Reprocessing of 7471-114 Laboratory Department Manual</p>	<p>Motion: by Eisenstark to approve 2nd by Idell . All in favor</p>
11. CLOSED SESSION	<i>Mainardi</i>	
	Called to order at 6:10pm	
12. REPORT OF CLOSED SESSION	<i>Mainardi</i>	
	Medical Staff Credentialing reviewed.	<p>MOTION: by Idell to approve credentialing, 2nd by Eisenstark. All in favor.</p>
13. ADJOURN	<i>Mainardi</i>	
	6:12pm	



Policy and Procedures – Summary of Changes Board of Directors, June 6th, 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:

Code Management for Patient Emergency Code Blue QS8610-106

Updated Code team members, clarified Code Team Response to ‘outside locations’ and overhead code page response protocol, and removed OB neonatal response.

Code Stroke Paging NS8610-124

Updated to provide a consistent emergency overhead paging protocol for all codes

RETIRE:

Code Neonate PC8610-174

No longer appropriate responders due to closure of OB

DEPARTMENTAL

Surgery / Central Sterile

Allografts and Tissue; Procurement for Surgical Procedures Requiring Grafting 7420-102

update with CIHQ requirements for documentation, minor format changes/spelling changes. Aligned policy with what we are doing.

On Call, Surgery 7420-135

Create standardized, minimal call requirements, response times, and after case recovery changed for OR nurse to remain for 1 hour to assist PACU RN per 2 RN requirements. This will provide for 2 RN coverage in PACU for recovery of post-surgical patients during after- hours. The guidelines were previously unclear.

Staff Scheduling Practices, Surgery 7420-154

Revised to provide a minimum requirement of availability for per diem employees; clarified different shift possibilities to allow for some commitment from per diem staff



Flexible Endoscopes, Reprocessing of 7471-114

Revised to include a broad comprehensive overview of how we provide high quality in the critical area of scope care and cleaning and high level disinfection per recommendations from SGNA (Society of Gastroenterology Nurses and Associates) to ensure all regulations and guidelines are observed and followed for reprocessing and storing endoscopes d/t the highly detailed nature of these processes and the high risk for inadequate cleaning of such

Laboratory Departmental Manual

Table of Contents includes description of changes



APPROVALS:

Policy & Procedure Team: 3/19/19
 Medicine Committee: 4/11/19
 Medical Executive Committee: 4/18/19
 Board Quality Committee: 4/24/19
 The Board of Directors:

POLICIES/PROCEDURES MANUAL
Department-Laboratory
TABLE OF CONTENTS

Organizational Chart-Sonoma Valley Hospital	
CLS and Lab Assistant	
MR8610-102	Abbreviations and Symbols— Organizational
LB8610-102	AccuChek Inform II Glucose Monitoring System- Organizational
PCLB8610-112	Adverse Tissue Reactions—Organizational Not in the file, remove from ToF C
7500-02	Amended Reports
7500-04	Approved Panel List Add or delete tests based on updated test menu
7500-06	Approved Reference Labs name change BCP now Vitalant
LB8610-104	Chromosome Studies- Organizational
7500-08	Competency Assessment
7500-10	Computer Downtime Lab specific procedure
7500-12	Critical Value Reporting
PCLB8610-204	Critical Value Reporting Policy—Organizational combine into 1 policy “Critical Value Reporting”
7500-14	Critical Values & Critical Tests: Requiring Physician Notification—Combine into 1 policy “Critical Value Reporting”
7500-16	Discontinue Orders update for Paragon
7500-17	Emergency Release of Blood Products changed Lab Assistant to Competent Staff
7500-18	Fainting Patient delete procedure
7500-20	Fax Log Retrieval delete procedure
LB8610-106	Formalin Spill Clean Up- Kimberly updated to current policy
7500-22	House Call Retire
7500-24	Infant Heel Stick delete procedure
7500-26	Laboratory Fax Policy Update to current policy
7500-28	Laboratory Specific Disaster Plan
7500-30	Manual Entry Review Update reference
7500-32	Method Validation of Analytical Procedures Update reference
7500-34	Newborn Screening 14 Day Review OB closure
PCLB8610-205	Nitrazine Testing for Amniotic Fluid—Organizational OB closure
Nursing Blood Product Administration Policies- Organizational	
LB8610-110	Part 1-Patient Identification for Sample Collection
LB8610-112	Part 2-Pre-Transfusion Patient Preparation
LB8610-114	Part 3-Picking Up Blood from Lab & Blood Product/Patient Identification Update to current requirements for returning PRBC’s to stock.

LB8610-116	Part 4-Administration Guidelines
LB8610-118	Part 5-Post Transfusion
LB8610-120	Part 6-Massive Transfusion
7500-36	Organization Chart Sonoma Valley Hospital and Laboratory
7500-38	Out Patient and Pre-Op Urine Collection delete procedure
7500-40	Outpatient Service
LB8610-122	Pathology Specimen Handling- Organizational Remove reference to “Pathology Department” Update handling of specimens with no preservative.
7500-42	Personnel Responsibility and Accountability
	PICC Line Access Organizational
LB8610-124	Placenta Disposition- Organizational
LB8610-126	Point of Care Testing (POCT)- Organizational delete Home Care & OB
7500-46	Policy or Procedure Changes
7500-48	Pre-Operative Testing
7500-50	Priority Lab Work
7500-52	Proficiency Testing
7500-54	PTO/Time Off Requests delete procedure, subject to change
7500-56	Reagent and Supply Handling—Dating and Visual Inspection
PCLB8610-113	Record Thermometer Documentation, Failure & Backup Organizational delete, no in the file. Remove from ToF C
7500-58	Reflex Testing update changes to include PSA reflex
LB8610-130	Release of Blood Products to Nursing- Organizational
7500-60	Release of Information
7500-62	Requests for Laboratory Tests update for CPOE
7500-64	Results Reporting updated per Paragon changes
7500-66	Retention of Clinical Laboratory Records
7500-68	Retention of Clinical Laboratory Specimens
7500-70	Retention of Pathology Records
7500-72	Retention of Records—Cease of Operation
7500-74	Review of Patient Results and Quality Control
7500-78	Self-Referral Testing
7500-82	Specimen Collection 24 Hour Urine delete procedure
7500-84	Specimen Collection and Processing
7500-86	Specimen Rejection
7500-88	Specimens Collected at Outside Sites
7500-90	Staffing and Service Availability
7500-91	Synovial Fluid Exam delete procedure
PR8610-114	Facsimile (Fax) Confidentiality and Security— Organizational
7500-94	Temperature Control in the Laboratory
7500-96	Temperature Daily Checks
7500-98	Venipuncture

canopy HEALTH

Sonoma Valley Hospital Alliance Partnership

June 2019

PRESENTED BY

Jeff Burnich, MD
Chief Physician Enterprise Executive



Table of Contents

❑ Challenges & Opportunities

❑ Canopy Health

- ✓ Our Mission
- ✓ Our Alliance
- ✓ Health Plan Partners
- ✓ How can we help Sonoma Valley Hospital?



Challenges & Opportunities

You face continued financial challenges

- ***Hospital Admissions Growth “Structurally Moderated”***

- Lower acuity procedures shifting to lower cost sites of service, such as outpatient / ASCs
 - ◆ Removal of total knee and hip arthroplasty from CMS “inpatient only” list paves the way for procedures to be reimbursed in ASCs
 - ◆ ASCs could capture 60% of outpatient surgeries by 2020
- Increased penetration of high deductible health plans

- ***Macro Policy Challenges & Aging Population***

- MediCal reimbursement levels continue well below the cost of delivering services.
- Medicare Advantage patients becoming larger portion of payer mix
- Forcing hospitals to “do more with less”
- Uncompensated care could remain elevated if exchanges deteriorate and self pay admissions remain high

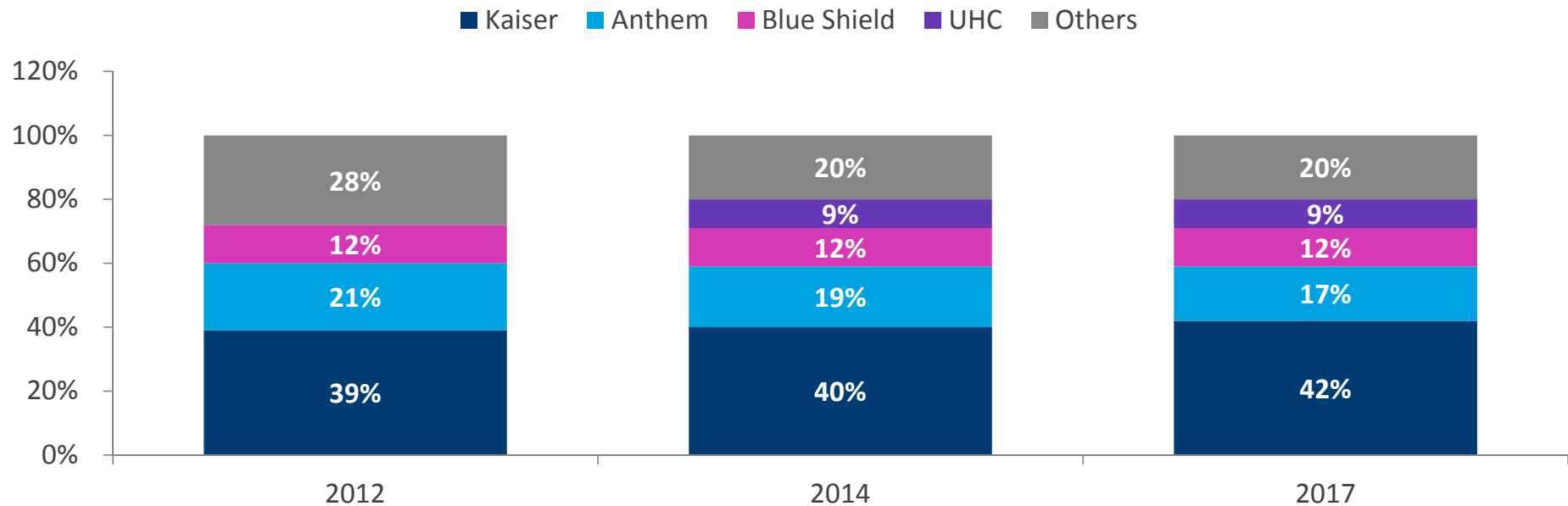
- ***Deteriorating Payor Mix***

- ***Undersupply of Physicians and increasing “burn out”***



You face continued loss of market share to Kaiser

Kaiser continues to grow share of Bay Area commercial enrollment 0.5-1% points per year ⁽¹⁾



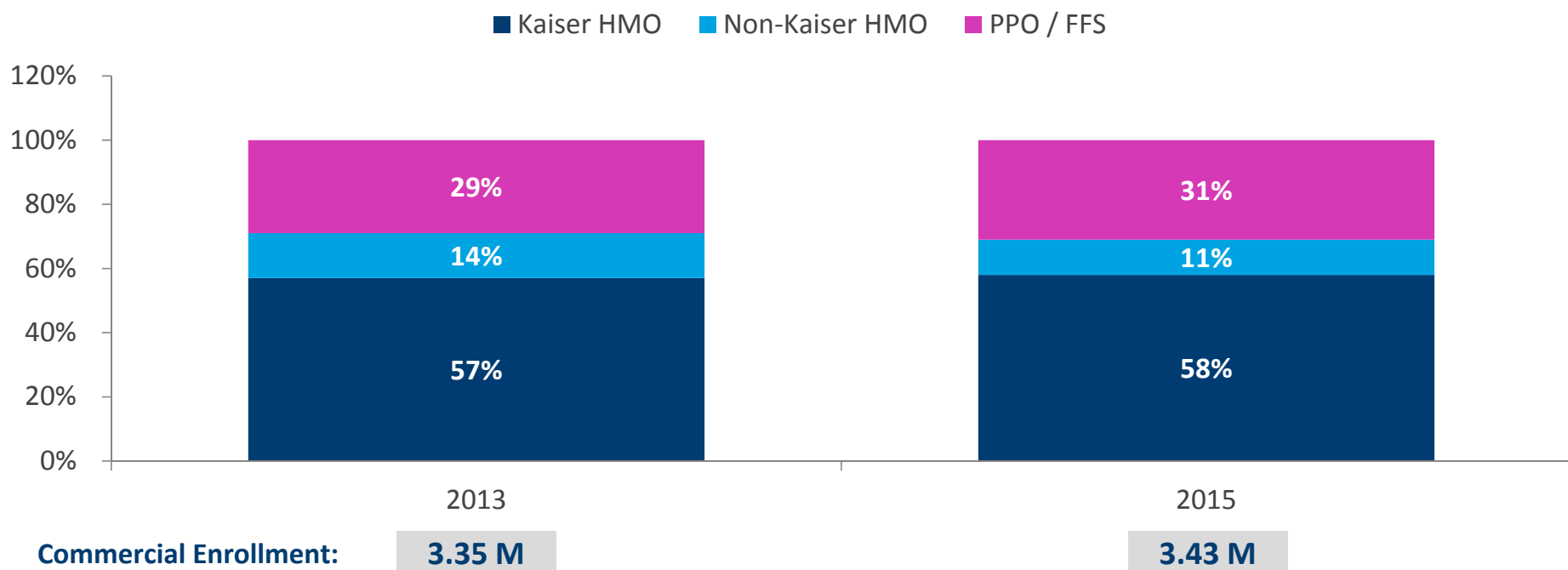
Source: (1) DRG Market Overviews, 2012, 2014, 2017.

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Membership continues to migrate from HMO to PPO

Apart from Kaiser, Commercial HMO products continue to lose share to PPOs⁽¹⁾ increasing your exposure to Sutter



Source: (1) IHA Atlas 2 database, DRG Market Overviews, BDC Advisors analysis.

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Current Medicare FFS economics are not good and Medicare Advantage is challenging

MEDICARE FFS

- Medicare FFS business is **NOT** profitable for most health systems
 - About 75% of short-term acute-care hospitals lost money treating Medicare patients in 2016, according to the Medicare Payment Advisory Commission (MedPAC) ⁽¹⁾
 - Negative, steady-state margins of ~(-10%)

EXISTING MA PLANS

- Existing MA relationships are **RESOURCE INTENSIVE** and often **UNPROFITABLE** for providers
- Kaiser is the clear market leader with ~75% market share and growing
 - Remaining 25% of the market is fragmented
- Substantial resources are required to attract these remaining members with little certainty of success

RESOURCE CONSTRAINTS

- Physicians **STRUGGLE** with documentation, Star rating performance and optimal care management
 - Limited resources to implement best-in-class solutions for accurate and complete documentation of patients' burden of illness, gap closure, care management and advanced analytics

Source: (1) Harvard Business Review, "5 Ways U.S. Hospitals Can Handle Financial Losses from Medicare Patients."

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Canopy Health

Value Proposition

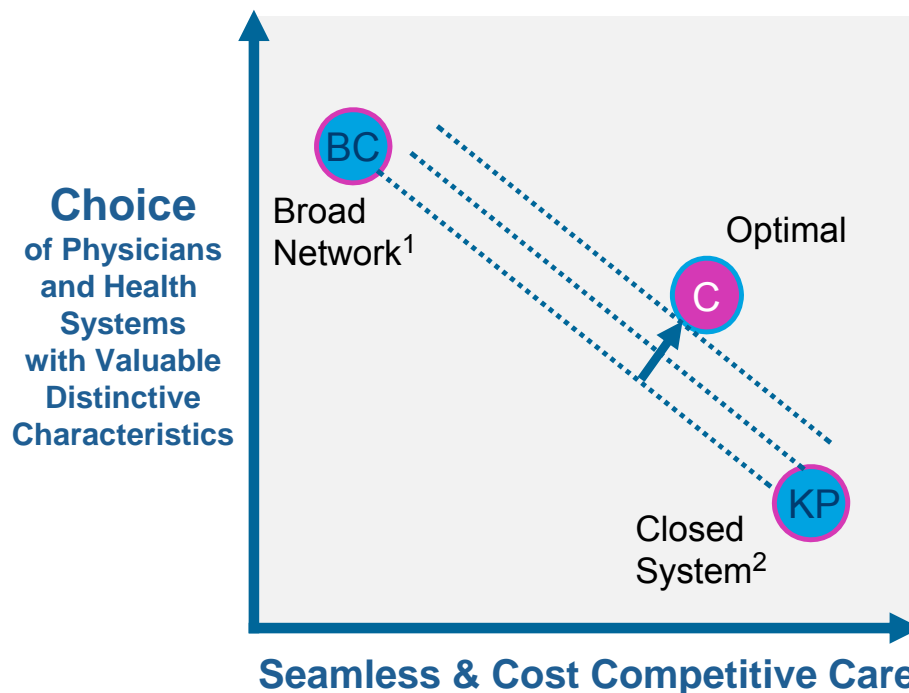
Canopy Health is founded on a transformative value proposition.

Canopy Health's Core Value Proposition

- Build a high performing network with like-minded Alliance Partners, reducing exposure to Sutter & Stanford, and positioned to compete with Kaiser
- Develop a unique value proposition
 - Easy **access** to the region's most highly regarded providers
 - **Seamless referrals and care management** across the network, managed by Alliance Partner physician groups
 - **Market competitive** pricing
 - Collaboration with health plans to **minimize administrative complications** for members and providers
 - Leapfrog over legacy infrastructure to radically **improve experience for members and providers**

¹ Broad choice of providers i.e. typical wide network health plan, e.g., Anthem.

² Closed system of providers e.g., Kaiser Permanente.



The Canopy Health Alliance Today

Renowned Physician Groups & Health Systems

Canopy Health is a single integrated network of like-minded physician groups and health systems committed to delivering high-quality, affordable care. Access and services are optimized at every level of interaction to provide our members with the highest quality of care whenever and wherever they need it.

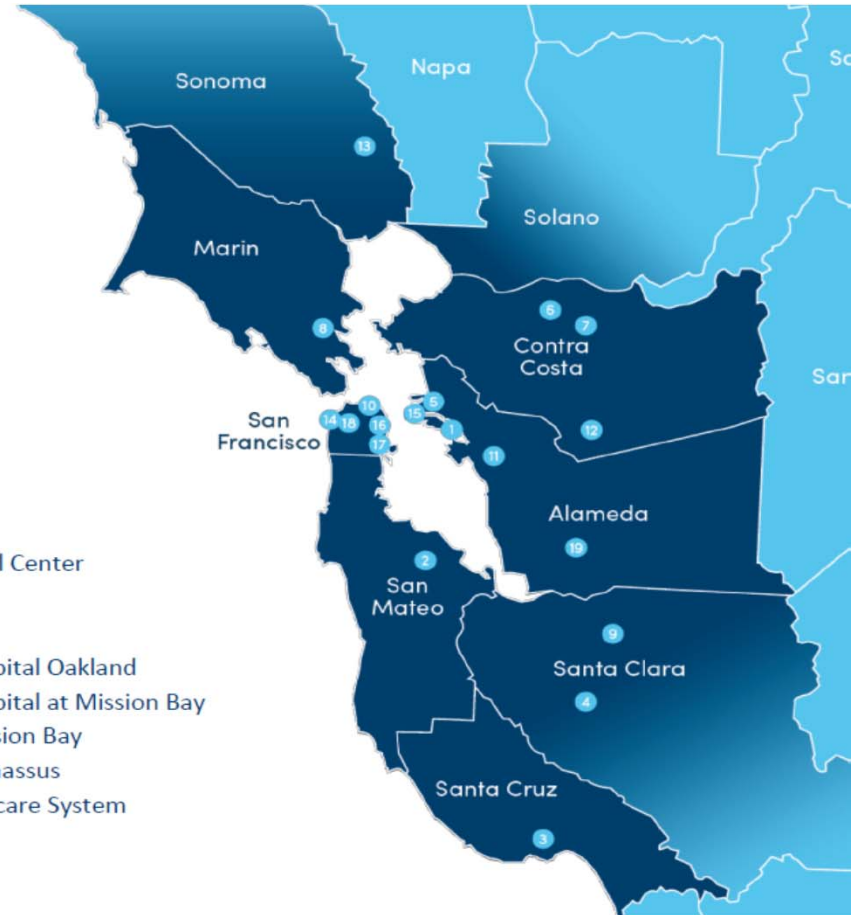


SERVICE AREA

Today

CANOPY HEALTH HOSPITALS & MEDICAL CENTERS

- | | |
|---|---|
| 1. Alameda Hospital | 11. San Leandro Hospital |
| 2. Dignity Health Sequoia Hospital | 12. San Ramon Regional Medical Center |
| 3. Dominican Hospital | 13. Sonoma Valley Hospital |
| 4. Good Samaritan Hospital | 14. St. Mary's Medical Center |
| 5. Highland Hospital | 15. UCSF Benioff Children's Hospital Oakland |
| 6. John Muir Medical Center, Concord | 16. UCSF Benioff Children's Hospital at Mission Bay |
| 7. John Muir Medical Center, Walnut Creek | 17. UCSF Medical Center at Mission Bay |
| 8. Marin General Hospital | 18. UCSF Medical Center at Parnassus |
| 9. Regional Medical Center San Jose | 19. Washington Hospital Healthcare System |
| 10. Saint Francis Memorial Hospital | |



How will Canopy Health help Sonoma Valley Hospital?

- ✓ Help you compete with Kaiser and Sutter
- ✓ Ensure your costs translate to more competitive premiums
- ✓ Support your affiliation with UCSF
- ✓ Develop more productive and collaborative relationships with our health plan partners
 - Western Health Advantage
 - United Healthcare
 - HealthNet
- ✓ Improved consumer experience

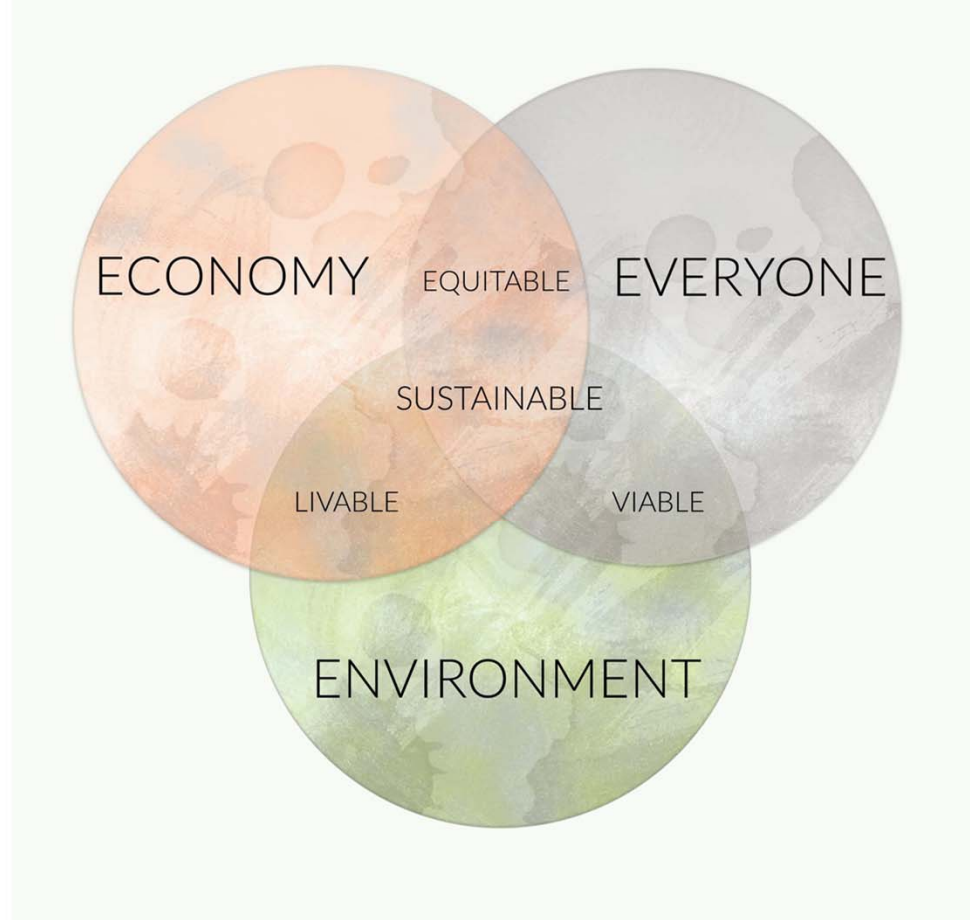
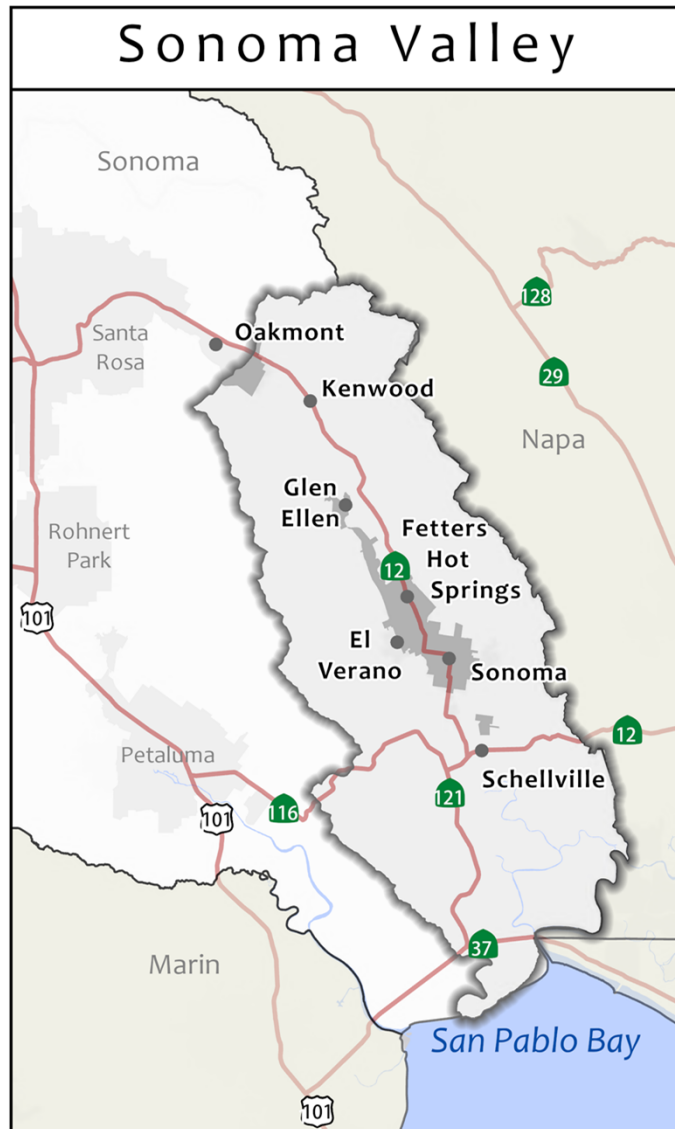


The background features three overlapping circles. The leftmost circle is orange, the top-right circle is green, and the bottom-right circle is grey. They overlap in the center, creating a complex geometric pattern.

SUSTAINABLE SONOMA

Economy. Environment. Everyone.

What is Sustainable Sonoma?



Take action on solutions to our community's biggest challenges.

Who is Sustainable Sonoma?



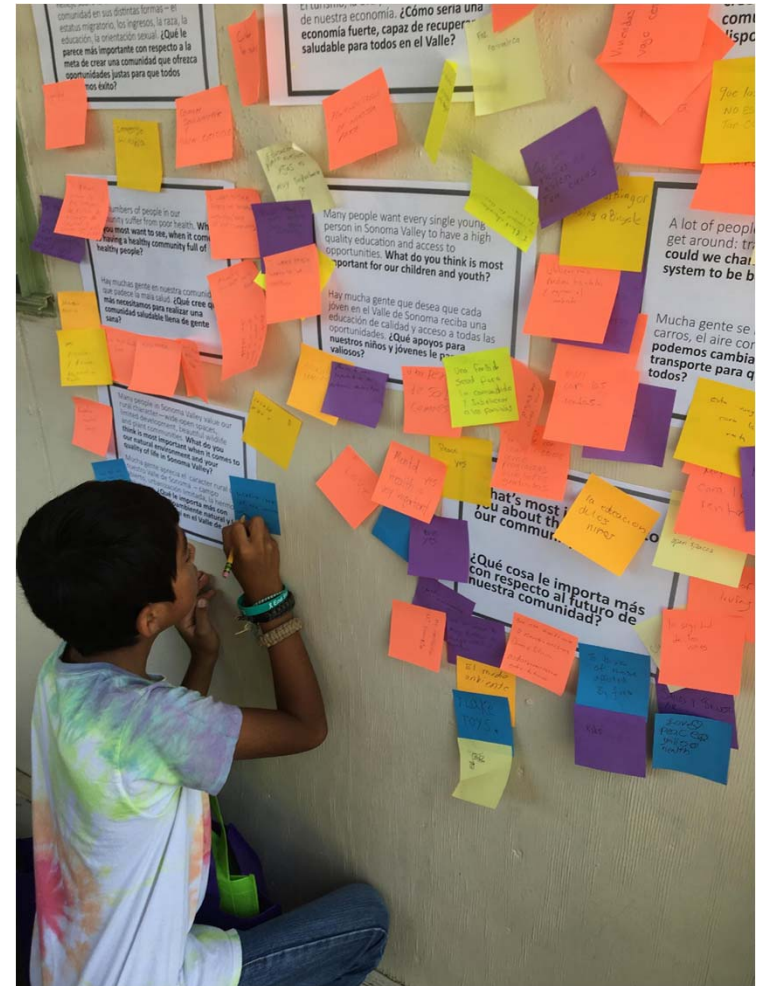
Sources of Support

- Foundations
 - W.A. Gerbode Foundation
 - Community Foundation Sonoma County's Resilience Fund
 - Impact100 2018
- Individual donors
 - Anonymous local sponsor
 - Numerous individuals--met match!
- Incubated at Sonoma Ecology Center

2018 Voices of Sonoma Valley

20 listening sessions
~350 participants
1,650 individual responses

“What’s most important to you about the future of Sonoma Valley?”



Voices of Sonoma Valley: Our Biggest Challenges

1. Housing affordability
2. Better transportation options (transit, walking, biking)
3. Equal economic opportunities, open space preservation

Sustainable Sonoma's Housing Goal

...bringing the different sectors of our community together to increase, improve and preserve housing that is affordable, for people who live or work in the Valley, within already developed areas, to create diverse, safe and complete neighborhoods.

We all either need housing ourselves, or else we need the people who need housing.

Strategy: Tackle Barriers

What serious barriers to progress can Sustainable Sonoma uniquely tackle?

- Lack of public support for more and better housing, a different housing future.
- Related, lack of private and public funding.

Sources about barriers: Community Foundation Sonoma County, elected representatives, housing experts, state-level findings.

Action on Housing 1

LEARN

- ✓ City, County, Community Foundation, state
- ✓ Be liaison between City and County

ENGAGE

- ✓ Voices of Sonoma Valley
- ✓ Public Learning Labs: inspiring speakers
 - Housing Stories video
 - Lead site visits to connect neighbors, proponents, and opponents

Action on Housing 2

COALITION

- Conversations with mixed boards, “the courage quotient”
- “Yes, But Where?” A map showing where housing projects and policies are broadly supported

CAPACITY

- Attract high-level leaders and funders
- Develop measures, succeed at housing and beyond



Why is Housing Important to You?



How We Can Help Each Other

- Sign on to Sonoma Valley Housing Declaration.
- Post SuSo as a partner/ally on your website.
- Share SuSo events in your newsletter and social media.
- Tell SuSo about your housing activities.
- In future... Support projects or policies. Speak up at key meetings about Valley housing.



To: SVH Board of Directors
From: Ken Jensen, CFO & Kelly Mather, CEO
Date: June 3, 2019
Subject: Proposal to Transfer Skilled Nursing Operations to a Contracted Operator

RECOMMENDATION TO THE BOARD OF DIRECTORS:

Management is recommending to the Sonoma Valley Hospital Board of Directors that the operation and financial risk of its Skilled Nursing Facility be transferred to Ensign (Bouverie Healthcare Services) with a guarantee of performance by Flagstone Group by approving the following three agreements:

- OPERATIONS TRANSFER AGREEMENT transfers the operation and financial responsibility for the operation of the Skilled Nursing Unit from Sonoma Valley Hospital (Operator) to Ensign (Manager). Ensign will operate under the SVH license. SNF employees will be transferred to the employment of Ensign. Ensign intends to apply for a sub-acute license in order to care for more acute patients. Ensign assures that there would be a minimum of 5 SNF beds.
- MANAGEMENT AGREEMENT is the contract required by the State to allow for a licensed facility to allow a contract manager to operate and be responsible for any of its beds. The board approved this agreement on 5/30/19 subject to legal review and some clarifications.
- SHARED SERVICES AGREEMENT identifies those services that will be shared with and paid for by Ensign. This document will be a dynamic instrument that will add and delete services that change during the years.

A TERM SHEET FOR EACH AGREEMENT IS ATTACHED

BACKGROUND:

The SNF at SVH has operated under the Hospital license and up until a few years ago it was covering its operation costs through the Medicare Cost Report. Regulations were changed to “cap” the reimbursable costs and over the years cost inflation has exceeded the “cap”. In completing the budget for FY 2018/19 and prior to some efficiencies that were implemented, the Unit was facing upwards of an \$800,000 loss. Management undertook a review of the alternatives that included closing the Unit. A task force including staff, Board and public members was established to review alternatives, including closing the unit. Even after implementing some efficiencies it was determined that the Unit would not break even. Ensign, a company well established in the long term and skilled nursing business, approached the committee and made a proposal to take over the Unit and operate it under the Hospital license at no risk to SVH. The SNF taskforce recommended that management enter into discussion with Ensign to determine if an arrangement could be established that would maintain skilled nursing beds for the community. Ensign determined that if they could use beds for both SNF and Sub-Acute care that the unit could become profitable. Contracts were proposed and negotiated that would allow Ensign to take full responsibility operating and financing the unit. This led management to the recommendation above.

Sonoma Valley Hospital/Ensign (Bouverie Healthcare Services)

Skilled Nursing Terms Summary (As of 5/23/19)

There are three agreements covering the Operations (Transfer Agreement), Ensign's Management Agreement and the Shared Services Agreement. The significant terms of each agreement are summarized as follows (Operator=SVH, Manager=Ensign):

OPERATIONS TRANSFER AGREEMENT:

- Primary purpose is to transfer operational and financial responsibility for the operations of the Skilled Nursing Unit from Sonoma Valley Hospital (Operator) to Ensign (Manager).
- The SNF will continue to operate under the SVH license.
- Manager will continue to offer SNF beds as they intend to obtain a Sub-Acute license, maintaining at least 5 Skilled Nursing beds along with up to 22 sub-acute beds. SVH will maintain the license.
- Term of the agreements is 10 years after the sub-acute license is issued and the manager has an option to renew at the 10th and 15th year.
- Manager can terminate the agreement in one year with 180 days' notice if the sub-acute license is not obtained. Both Manager and Operator can terminate the agreement with cause.
- Ensign will employ all SNF staff beginning July 1, 2019. Manager has the right to terminate any of its employees without permission from the Operator. If the Manager has issues with any of the Operators employees, it will bring any issues to the Operator's attention.
- Operator will pay out the employees and PTO liabilities before the transfer on June 28, 2019.
- Inventory will be transferred to Manager on the transfer date. At the end of the Agreement, Manager will transfer back the then inventory to the Operator.
- Equipment (except for patient beds) and furniture will be transferred to the Manager on the transfer date. At the end of the lease, the existing equipment will be transferred back to Operator. Manager can use all patient beds but if a new patient bed is purchased, the Operator will receive the patient bed back.

- Manager will be responsible for billing, collections and the maintenance of the medical record. The Manager will use the Operator's Federal Tax ID for these purposes. Operator will have access to the medical records as needed.
- Operator will be responsible for mandated government reports such as the Medicare/Medi-Cal/OSHPD reports.
- Mutual indemnification.
- Manager will meet quarterly with the Operator and present quality, safety and other required metrics. Manager will be responsible for any action plans and will report to the SVHCD Board.
- Manager will provide the Medical Director.

MANAGEMENT AGREEMENT:

- The term is 10 years, with a 180 day out at the end of one year if the sub-acute license is not received.
- Manager will include in the operating expenses a management fee of 5% of the operating expenses.
- Operator will receive the lesser of \$15,000 or the net income whichever is less each month with a reconciliation on a quarterly basis; the \$15,000 will be increased annually based on an annual CPI-based escalator (capped at 2.5% increase, with a zero floor).
- Manager will be responsible for any losses. Operator will not have any liability for any losses during the pre-sub-acute period. However, any losses incurred during that period will offset any future entitled gain sharing until the full amount of the losses is captured.
- Manager shall arrange for and maintain all necessary and proper hazard insurance covering the facility, the furniture, fixtures and equipment. Manager will obtain all necessary and proper malpractice and public liability insurance for the protection of the Manager, Tenant, and Operator and their officers, partner's agents and employees.
- Manager and Operator will meet quarterly to review operations, quality and financials. Either party will meet with one and another as requested.

SHARED SERVICES AGREEMENT:

This agreement is to identify services and related costs that will be shared by the Manager and the Operator.

- Operator shall provide food and nutrition services to SNF patients covered under this agreement. Operator will charge the Manager at an agreed to cost per meal per month.
- Operator shall provide Environmental Services and supplies under this agreement. Operator will charge the Manager the agreed upon cost per year and it will be reviewed annually.
- Manager will pay for utility costs provided by the Operator based upon the allocation made in the Medicare Cost Report each month of 7%.
- Phone and Internet services will be maintained by the Operator until further notice. Cost will be based upon the Medicare Cost report Allocation.
- Repairs and maintenance costs up to \$5,000 will be paid by the Operator as the Manager pays a monthly fee for facilities. Any costs over \$5,000 related to the SNF only will be paid by the Manager. Any costs that are shared within the operation will be mutually agreed upon and split appropriately.
- Manager will provide its own laundry and linen services.
- Operator will maintain the common areas and the Manager will pay the pro-rated costs based upon the MediCare Cost Report.
- Manager's employees will have the same access to all common areas and parking as do the Operator's employees.
- Operator is responsible for all taxes and an allocation will be pro-rated to the Manager.
- Operator will provide Lab and Imaging services to the Manager at a pre-agreed to price and will be reviewed annually.
- Operator will be allowed to bill for certain services that are allowed for under MediCare regulations.
- Operator and Manager will review costs annually. Manager and Operator will work together to save costs, but manager will pay the actual costs as adjusted annually.
- Both parties agree to share staff when identified, as appropriate, at the actual cost through a pass-through arrangement.
- Manager and Operator will meet annually to review costs for services. Both parties will agree to reasonably cooperate to revise and reduce costs for services as mutually agreed.

All agreements will be recorded with the Sonoma County Recorder's Office.



To: SVHCD Board of Directors
From: Kelly Mather
Date: 5/29/19
Subject: Administrative Report

Summary

The FY 2020 budget is complete and it seems all of the big changes we made this year will result in a much more positive operating margin for SVH in the future. The new Strategic Plan has been distributed through my blog and on the website. This will also be discussed at the Quarterly Medical Staff meeting and has had positive reviews. The Skilled Nursing Facility management agreements are complete and ready for final review. This will go live on July 1st.

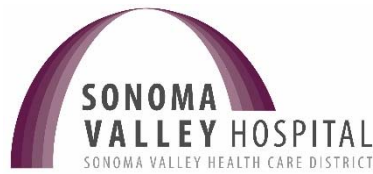
Strategic Update from FY 2020 Strategic Plan:

Strategic Priorities	Update
Exceed Community Expectations in Emergency Services	<ul style="list-style-type: none"> ➤ We now have the stroke ready certification and have been doing a lot of marketing and advertising on this achievement. ➤ The Emergency Preparedness team has been very active with the County and City lately as well as doing more training and drills to enhance our ability to be there for the community in any disaster situation. ➤ We are planning a marketing campaign around our Emergency Services this summer to continue to remind our community about what we offer here at home.
Create UCSF Health Outpatient Center	<ul style="list-style-type: none"> ➤ We have raised \$17 million towards the goal of \$21 million to complete the new CT, MRI suites and upgrade the facilities in the new Outpatient Diagnostic Center (ODC.) ➤ We plan to break ground on the first phase of the ODC by December, 2019. ➤ The Patient Access Center has begun and will continue to be rolled out over the next few months. This allows for one call to schedule and register outpatients. ➤ The Canopy Health team visited us during hospital week and is providing free telehealth visits this summer to our staff members.
Become a 5 Star Hospital	<ul style="list-style-type: none"> ➤ The new hospitalist group begins in June and we are optimistic about the partnership especially with increased physician bandwidth. ➤ Patient experience scores continue to be the major focus and are not stable. ➤ The foundation has approved a new video system for patient education for the Inpatient floor. We continue to enhance the environment on 3rd floor. ➤ The staff satisfaction survey (created by our HR department) results are in and being reviewed. These results are not as informative as with Press Ganey.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ The Prima physicians are upgrading their Electronic Health Record to be the same as UCSF as of August 1st. This will improve coordination of care. ➤ We are considering adding a Geriatrician or another Internist to our 1206b clinics. Several new specialists have started and are already busy. ➤ Continue working with UCSF to bring several physicians to Sonoma.
Healthy Hospital	<ul style="list-style-type: none"> ➤ I held staff forums in May to discuss all of the changes and answer any questions about finances, the future and other concerns. Layoffs were a major topic. ➤ The South Lot sale for housing project is expected to be complete this summer. Selling a portion of this lot will pay down our line of credit.

APRIL 2019

			National Benchmark
Patient Experience	Current Performance	FY 2019 Goal	
Would Recommend Hospital	64 th	> 60th percentile	50th percentile
Inpatient Overall Rating	62%	>60th percentile	50th percentile
Outpatient Services	4.72	Rate My Hospital	4.5
Emergency	4.53	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	2	<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	61 st percentile	75th percentile	50th percentile
Turnover	13.4%/14.6%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2019 Goal	Benchmark
EBDA	6.8%	1%	3%
FTE's/AOB	3.84	4.3	5.3
Days Cash on Hand	9.6	20	30
Days in Accounts Receivable	38	49	50
Length of Stay	3.8	3.85	4.03
Funds raised by SVHF	\$17.1 million	\$20 million	\$1 million
Strategic Growth	YTD Performance	FY 2019 Goal	Benchmark
Inpatient Discharges	871/1045	1000	1000
Outpatient Visits	45,142/54,170	53,000	51,924
Emergency Visits	8349/10,018	10,000	11,040
Surgeries + Special Procedures	2426/2911	2500	2,568
Community Benefit Hours	1025.5/1230	1200	1200

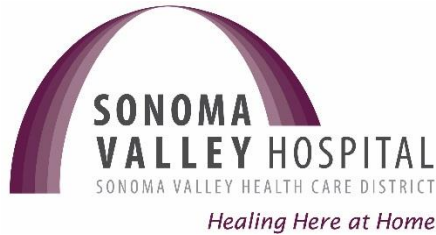
Note: Colors demonstrate comparison to National Benchmark



Healing Here at Home

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 2019	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	13.4	17.8	20.3
Leave of Absences	<12	13	11	8	10	9	8	10	9	8	8	12	11
EBDA	>1%	0	1.7	1.6	-8.9	-1.7	-2	.7	-6.9	3.9	6.8	-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	5.9	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	4.8	5.1	4.9
Net Income	>50k	214	32	208	-273	-95	-207	806	-277	1722	1686	369	543
Days Cash on Hand	>20	19.1	10	13	13	9.6	14.8	13	4.6	4.5	9.6	6.2	10.6
A/R Days	<50	41	43	48	44	45	44	43	43	44	38	47	42
Total FTE's	<300	310	309	314	298	288	281	280	277	275	267	306	298
FTEs/AOB	<4.5	3.62	3.29	4.38	4.18	4.84	4.92	4.44	4.73	4.15	3.84	4.35	3.82
Inpatient Discharges	>90	81	85	90	92	93	97	83	76	87	87	108	99
Outpatient Revenue	>\$14m	14.8	16.8	13.9	15.8	13.5	13.6	14.8	13.9	15.2	15.4	15.2	13.6
Surgeries	>150	150	165	182	175	161	149	157	155	163	163	175	151
ER	>900	901	810	814	842	772	840	789	833	858	890	934	856
Births	>11	8	14	13	9	n/a	n/a	n/a	n/a	n/a	n/a	9	16
SNF days	>350	664	628	457	405	326	291	345	286	357	362	423	545
MRI	>120	99	145	92	119	98	118	105	107	96	150	153	148
Cardiology (Echos)	>85	88	135	97	124	112	106	85	91	112	121	84	78
Laboratory	>12.5	12.4	13.4	11.7	13.7	12.6	11.8	12.7	11.4	12.2	12.1	12.5	13.0
Radiology	>900	894	951	929	1112	884	906	987	1050	1025	1057	968	877
Rehab	>2700	2414	2860	1788	2688	2131	2380	2964	2080	2358	2536	2586	2670
CT	>350	359	387	331	392	331	367	348	355	396	416	394	358
Mammography	>200	280	243	221	269	219	246	180	220	202	227	220	221
Ultrasound	>250	181	280	246	333	233	252	240	225	340	312	311	267
Occupational Health	>600	570	639	489	833	561	452	574	535	707	899	822	625
Wound Care	>250	290	256	198	293	266	288	230	286	268	346	237	225



To: SVHCD Board of Directors
From: Sabrina Kidd, MD
Date: June, 6, 2019
Subject: CMO Board Report

1. What is going well / New Items:
 - a. Ensign to assume management July 2019
 - i. Quality metrics are being confirmed and will be assessed at regular intervals.
 - b. Next General Medical Staff Meeting is June 11.
 - i. New Chief of Staff Elect, Medicine Chair, Surgery Chair elections underway for July 1 effective date.
 - c. Representatives from SVH Stroke Team will be doing some community outreach regarding stroke symptoms and initial management through Vintage House.
2. Follow up previous agenda items:
 - a. Transition to Benchmark Hospitalist Program with clinical start date of 6/7/2019.
 - b. Disaster Updates
 - i. County wide disaster drill was not as helpful as anticipated, but did occur.
 - ii. We are purchasing 2 air scrubbers with Federal/County grant funds
 - iii. The City of Sonoma Emergency Management Council is being re-convened
3. Opportunities for growth / improvement:
 - a. Meeting with Hospice by the Bay to move "Hospice Room" from SNF to 3rd floor.
 - b. Updating all order sets with new language to more accurately identify observation versus inpatient status and thus improve billing accuracy and collections.
4. Quality:
 - a. The PSI fallouts represent 2 cases – one a previously reported fall that has been reviewed and the second was reported by coding as a post-op sepsis, but upon internal review was an unrelated sepsis which is not a reportable event, but remains a fall out due to the coding.
 - b. Two Root Cause Analyses are underway – both to be reported to Board Quality in June.
 - i. Post-op falls on orthopedic patients
 - ii. Mislabeled surgical specimen
 - c. Pediatric resuscitation kits were removed from adult crash carts, but pediatric crash carts remain stocked in ED and OR. This is in preparation for tri-annual state visit. Policies were updated accordingly.



Sonoma Valley Hospital Board
Three Year Financial Board Goals
May. 2019 Finance Committee Meeting

The Finance Committee has developed revised financial goals for the next three years and submits these goals to the Board for approval at the June 2019 meeting.

The Finance Committee bases these goals on what the Committee and Administration believe are reasonably achievable during the next three years with an expressed aim of increasing the financial stability and liquidity of the hospital.

These can and should then be used as input and guidance for the development of operating budgets for FY2020 and beyond.

- Meet the board approved budget each year.
- Achieve the following balance sheet goals:
 - Strictly limit the addition of new leases or any additional balance sheet debt, except under extraordinary circumstances and with board approval.
 - Decrease the balance of the Line of Credit as follows
 - By end of year FY 2020, the Line of Credit balance is reduced to \$5.75M (pending final sale of the South Lot)
 - By end of year FY2021, the Line of Credit balance is reduced to \$5M
 - By end of year FY2022, the Line of Credit balance is reduced to \$4M
 - Increase the Days of Cash rolling average cash balance, as follows:
 - By end of year FY 2020, the Days of Cash rolling average balance is increased by an additional 10 days over prior year's rolling average
 - By end of year FY 2021, the Days of Cash rolling average balance is increased by an additional 5 days over prior year's rolling average
 - By end of year FY 2022, the Days of Cash rolling average balance is increased by an additional 5 days over prior year's rolling average



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: May 28, 2019
Subject: Financial Report for the Month Ending April 30, 2019

April's actual gain of \$1,076,636 from operations was \$1,541,068 favorable to the budgeted loss of (\$464,432). For the month of April the hospital accrued additional funds received from the FY 17/18 HQAF and Rate Range Intergovernmental Transfer (IGT) programs of \$1,627,327. After accounting for all other activity; the net gain for April was \$1,686,794 vs. the budgeted net gain of \$17,321 with a monthly EBDA of 28.2% vs. a budgeted 1.8%.

Gross patient revenue for April was \$23,221,279; \$474,484 over budget. Inpatient gross revenue was under budget by (\$207,557). Inpatient days were over budget by 13 days and inpatient surgeries were under budgeted expectations by (3) cases. Outpatient revenue was over budget by \$770,278. Outpatient visits were over budgeted expectations by 232 visits, and outpatient surgeries were over budgeted expectations by 7 cases and special procedures were over budgeted expectations by 14 cases. The Emergency Room gross revenue was over budget by \$266,174 with ER visits over budgeted expectations by 26 visits. SNF gross revenue was under budgeted expectations by (\$354,411) with SNF patient days under budget by (88) days and an average daily census of 12.1 patients.

Deductions from revenue were favorable to budgeted expectations by \$850,446. Of the variance, \$1,412,272 is from the prior period adjustments or IGT payments. Without the prior period adjustments and IGT variance, the deductions from revenue variance is unfavorable by (561,826) which is due to gross revenue being over budgeted expectations and an increase to the bad debt reserve.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$1,533,619.

Operating Expenses of \$4,853,318 were favorable to budget by \$7,449. Salaries and wages and agency fees were under budget by \$37,900 with the salaries and wages being over budget by (\$42,071) and agency fees under by \$79,971. Supplies were over budget (\$82,510) primarily in surgery due to implant costs (\$30,280) and in the pharmacy (\$87,813) due to the high costs of anti-venom needed for a snake bite patient. Purchased Services are over budget by (\$83,615) due to previous months budgeted IT costs posted to April (\$82,228). Insurance costs are over budget by (\$12,721) due to the cost of physician malpractice insurance for the Sonoma Family Practice not budgeted. There were no matching fees in April.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net gain for April is \$1,403,239 vs. a budgeted net loss of (\$212,299). The hospital received donations from the Sonoma Valley Hospital Foundation for the Outpatient Diagnostic Center (\$35,890) and for the Acute Care 3rd floor move (\$93,997). After all activity the total net gain for April was \$1,686,794 vs. a budgeted net gain of \$17,321.

EBDA for the month of April was 28.2% vs. the budgeted 1.8%.

Patient Volumes – April

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	87	93	-6	103
Newborn Discharges	0	0	0	8
Acute Patient Days	341	328	13	341
SNF Patient Days	362	450	-88	525
Home Care Visits	0	0	0	755
OP Gross Revenue	\$15,396	\$14,359	\$1,037	\$14,170
Surgical Cases	163	159	4	144

Gross Revenue Overall Payer Mix – April

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	45.5%	43.3%	2.2%	42.6%	42.9%	-0.3%
Medicare Mgd Care	10.6%	12.9%	-2.3%	14.1%	12.8%	1.3%
Medi-Cal	18.0%	17.7%	0.3%	18.0%	17.9%	0.1%
Self-Pay	1.1%	1.3%	-0.2%	1.2%	1.4%	-0.2%
Commercial	20.9%	20.3%	0.6%	20.5%	20.6%	-0.1%
Workers Comp	2.6%	2.5%	0.1%	2.1%	2.4%	-0.3%
Capitated	1.3%	2.0%	-0.7%	1.5%	2.0%	-0.5%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for April:

For the month of April the cash collection goal was \$3,334,059 and the Hospital collected \$4,187,390 or over the goal by \$853,331. The year-to-date cash collection goal was \$36,526,268 and the Hospital has collected \$36,989,388 or over goal by \$463,120. Days of cash on hand are 9.6 days at April 30, 2019. Accounts Receivable decreased from March, from 43.7 days to 37.9 days in April. Accounts Payable increased by \$1,101,989 from March and Accounts Payable days are at 74.4.

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 April 30, 2019**

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	10,577,518	9,850,869	726,649	7.4%	96,712,124	95,918,131	793,993	0.8%
Medicare Managed Care	2,451,332	2,934,954	-483,622	-16.5%	31,943,895	28,621,505	3,322,390	11.6%
Medi-Cal	4,190,937	4,022,013	168,924	4.2%	40,837,225	39,951,581	885,644	2.2%
Self Pay	244,512	301,791	-57,279	-19.0%	2,779,184	3,033,763	-254,579	-8.4%
Commercial & Other Government	4,865,001	4,617,457	247,544	5.4%	46,557,600	46,060,847	496,753	1.1%
Worker's Comp.	596,238	560,386	35,852	6.4%	4,777,373	5,446,856	-669,483	-12.3%
Capitated	295,741	459,325	-163,584	-35.6%	3,513,094	4,487,617	-974,523	-21.7%
Total	23,221,279	22,746,795	474,484		227,120,495	223,520,300	3,600,195	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	1,410,825	1,379,121	31,704	2.3%	13,369,232	13,408,612	-39,380	-0.3%
Medicare Managed Care	296,366	376,804	-80,438	-21.3%	4,228,099	3,768,396	459,703	12.2%
Medi-Cal	494,531	547,585	-53,054	-9.7%	5,441,421	5,302,314	139,107	2.6%
Self Pay	124,016	136,023	-12,007	-8.8%	1,440,492	1,408,641	31,851	2.3%
Commercial & Other Government	1,392,363	1,334,549	57,814	4.3%	14,576,657	15,223,822	-647,165	-4.3%
Worker's Comp.	124,673	144,837	-20,164	-13.9%	831,563	1,337,941	-506,378	-37.8%
Capitated	3,697	14,894	-11,197	-75.2%	92,177	143,409	-51,232	-35.7%
Prior Period Adj/IGT	1,764,827	352,555	1,412,272	400.6%	8,695,168	3,525,550	5,169,618	146.6%
Total	5,611,298	4,286,368	1,324,930	30.9%	48,674,809	44,118,685	4,556,124	10.3%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	25.1%	32.2%	-7.1%	-22.0%	27.4%	30.5%	-3.2%	-10.5%
Medicare Managed Care	5.3%	8.8%	-3.5%	-39.8%	8.7%	8.5%	0.2%	2.4%
Medi-Cal	8.8%	12.8%	-4.0%	-31.3%	11.2%	12.0%	-0.8%	-6.7%
Self Pay	2.2%	3.2%	-1.0%	-31.3%	3.0%	3.2%	-0.2%	-6.3%
Commercial & Other Government	24.8%	31.1%	-6.3%	-20.3%	29.9%	34.5%	-4.6%	-13.3%
Worker's Comp.	2.2%	3.4%	-1.2%	-35.3%	1.7%	3.0%	-1.3%	-43.3%
Capitated	0.1%	0.3%	-0.2%	-66.7%	0.2%	0.3%	-0.1%	-33.3%
Prior Period Adj/IGT	31.5%	8.2%	23.3%	284.1%	17.9%	8.0%	9.9%	123.8%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-10.0%	-10.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	13.3%	14.0%	-0.7%	-5.0%	13.8%	14.0%	-0.2%	-1.4%
Medicare Managed Care	12.1%	12.8%	-0.7%	-5.5%	13.2%	13.2%	0.0%	0.0%
Medi-Cal	11.8%	13.6%	-1.8%	-13.2%	13.3%	13.3%	0.0%	0.0%
Self Pay	50.7%	45.1%	5.6%	12.4%	51.8%	46.4%	5.4%	11.6%
Commercial & Other Government	28.6%	28.9%	-0.3%	-1.0%	31.3%	33.1%	-1.8%	-5.4%
Worker's Comp.	20.9%	25.8%	-4.9%	-19.0%	17.4%	24.6%	-7.2%	-29.3%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended April 30, 2019**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 04/30/19</u>	<u>Budget 04/30/19</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 04/30/19</u>	<u>Budget 04/30/19</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 04/30/18</u>
				Inpatient Utilization				
				Discharges				
1	76	81	(5)	Acute	751	789	(38)	801
2	11	12	(1)	ICU	120	120	-	140
3	87	93	(6)	Total Discharges	871	909	(38)	941
4	-	-	-	Newborn	46	24	22	88
5	87	93	(6)	Total Discharges inc. Newborns	917	933	(16)	1,029
				Patient Days:				
6	236	242	(6)	Acute	2,477	2,379	98	2,434
7	105	86	19	ICU	804	849	(45)	837
8	341	328	13	Total Patient Days	3,281	3,228	53	3,271
9	-	-	-	Newborn	102	45	57	152
10	341	328	13	Total Patient Days inc. Newborns	3,383	3,273	110	3,423
				Average Length of Stay:				
11	3.1	3.0	0.1	Acute	3.3	3.0	0.3	3.0
12	9.5	7.2	2.4	ICU	6.7	7.1	(0.4)	6.0
13	3.9	3.5	0.4	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	7.9	8.1	(0.2)	Acute	8.1	7.8	0.3	8.0
16	3.5	2.9	0.6	ICU	2.6	2.8	(0.1)	2.8
17	11.4	10.9	0.4	Avg. Daily Census	10.8	10.6	0.2	10.8
18	0.0	0.0	-	Newborn	0.34	0.15	0.2	0.50
				Long Term Care:				
19	362	450	(88)	SNF Patient Days	4,121	4,950	(829)	5,393
20	16	26	(10)	SNF Discharges	220	271	(51)	304
21	12.1	15.0	(2.9)	Average Daily Census	13.6	16.3	(2.7)	17.7
				Other Utilization Statistics				
				Emergency Room Statistics				
22	890	864	26	Total ER Visits	8,349	8,991	(642)	8,839
				Outpatient Statistics:				
23	4,795	4,563	232	Total Outpatients Visits	45,142	44,909	233	43,997
24	30	33	(3)	IP Surgeries	270	272	(2)	277
25	133	126	7	OP Surgeries	1,354	1,349	5	1,246
26	80	66	14	Special Procedures	802	629	173	690
27	-	-	-	Home Health Visits	2,027	3,837	(1,810)	7,732
28	306	323	(17)	Adjusted Discharges	3,130	3,323	(193)	3,360
29	2,086	2,109	(23)	Adjusted Patient Days (Inc. SNF)	21,231	23,047	(1,816)	23,401
30	69.5	70.3	(0.8)	Adj. Avg. Daily Census (Inc. SNF)	69.8	75.8	(6.0)	77.0
31	1.6553	1.4000	0.255	Case Mix Index -Medicare	1.5122	1.4000	0.112	1.5145
32	1.6312	1.4000	0.231	Case Mix Index - All payers	1.5428	1.4000	0.143	1.4794
				Labor Statistics				
33	244	247	3.0	FTE's - Worked	260	262	2.2	277
34	267	280	12.7	FTE's - Paid	290	297	7.3	311
35	42.83	41.67	(1.16)	Average Hourly Rate	42.91	40.97	(1.94)	42.74
36	21.9	22.7	0.8	Manhours / Adj. Pat Day	23.6	22.3	(1.3)	23.1
37	149.2	148.2	(1.1)	Manhours / Adj. Discharge	160.3	154.8	(5.5)	160.5
38	24.0%	24.3%	0.4%	Benefits % of Salaries	22.8%	23.8%	1.0%	22.5%
				Non-Labor Statistics				
39	11.4%	12.8%	1.4%	Supply Expense % Net Revenue	12.7%	12.3%	-0.4%	11.8%
40	2,111	1,744	(367)	Supply Exp. / Adj. Discharge	1,846	1,674	(172)	1,619
41	16,253	15,558	(694)	Total Expense / Adj. Discharge	17,048	15,605	(1,443)	16,068
				Other Indicators				
42	9.6			Days Cash - Operating Funds				
43	37.9	50.0	(12.1)	Days in Net AR	43.1	50.0	(6.9)	46.1
44	126%			Collections % of Net Revenue	101%			103.3%
45	74.4	55.0	19.4	Days in Accounts Payable	74.4	55.0	19.4	45.9
46	24.3%	19.3%	5.0%	% Net revenue to Gross revenue	20.0%	20.2%	-0.2%	21.1%
47	17.6%			% Net AR to Gross AR	17.6%			21.5%

Sonoma Valley Health Care District
Balance Sheet
As of April 30, 2019

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,553,622	\$ 734,404	\$ 1,101,646
2 Trustee Funds	3,574,837	3,568,572	3,628,488
3 Net Patient Receivables	6,023,427	6,708,016	7,523,327
4 Allow Uncollect Accts	(1,123,964)	(1,173,911)	(1,091,983)
5 Net A/R	4,899,463	5,534,105	6,431,344
6 Other Accts/Notes Rec	1,324,976	2,918,042	819,250
7 3rd Party Receivables, Net	8,166,578	6,608,195	2,333,644
8 Inventory	843,684	840,085	818,935
9 Prepaid Expenses	858,237	956,555	924,013
10 Total Current Assets	<u>\$ 21,221,397</u>	<u>\$ 21,159,958</u>	<u>\$ 16,057,320</u>
12 Property, Plant & Equip, Net	\$ 51,206,524	\$ 51,347,570	\$ 51,903,384
13 Specific Funds/ Money Market	1,259	1,259	203,518
14 Other Assets	-	-	-
15 Total Assets	<u><u>\$ 72,429,180</u></u>	<u><u>\$ 72,508,787</u></u>	<u><u>\$ 68,164,222</u></u>
Liabilities & Fund Balances			
Current Liabilities:			
16 Accounts Payable	\$ 5,970,513	\$ 4,868,524	\$ 3,137,322
17 Accrued Compensation	3,525,701	3,392,724	3,963,962
18 Interest Payable	302,289	201,521	317,320
19 Accrued Expenses	1,156,637	1,393,047	1,408,467
20 Advances From 3rd Parties	105,388	105,388	126,897
21 Deferred Tax Revenue	1,142,205	1,713,308	1,134,700
22 Current Maturities-LTD	679,654	747,113	1,206,336
23 Line of Credit - Union Bank	6,723,734	6,723,734	6,973,734
24 Other Liabilities	201,386	2,351,386	2,001,386
25 Total Current Liabilities	<u>\$ 19,807,507</u>	<u>\$ 21,496,745</u>	<u>\$ 20,270,124</u>
26 Long Term Debt, net current portion	\$ 32,810,239	\$ 32,887,402	\$ 33,113,941
Fund Balances:			
28 Unrestricted	\$ 12,986,042	\$ 11,429,135	\$ 10,020,524
29 Restricted	6,825,392	6,695,505	4,759,632
30 Total Fund Balances	<u>\$ 19,811,434</u>	<u>\$ 18,124,640</u>	<u>\$ 14,780,157</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 72,429,180</u></u>	<u><u>\$ 72,508,787</u></u>	<u><u>\$ 68,164,222</u></u>

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended April 30, 2019**

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	87	93	(6)	-6%	Acute Discharges	871	909	(38)	-4%	941	
2	362	450	(88)	-20%	SNF Days	4,121	4,950	(829)	-17%	5,393	
3	-	-	-	0%	Home Care Visits	2,027	3,837	(1,810)	-47%	7,732	
4	15,396	14,359	1,035	7%	Gross O/P Revenue (000's)	\$ 147,912	\$ 144,004	3,907	3%	\$ 137,423	
Financial Results											
Gross Patient Revenue											
5	\$ 6,466,835	\$ 6,674,392	(207,557)	-3%	Inpatient	\$ 62,557,753	\$ 60,990,775	1,566,978	3%	\$ 60,605,786	
6	8,771,586	8,001,308	770,278	10%	Outpatient	84,854,730	78,689,957	6,164,773	8%	75,716,950	
7	6,623,938	6,357,764	266,174	4%	Emergency	62,351,140	64,327,909	(1,976,769)	-3%	59,030,335	
8	1,358,920	1,713,331	(354,411)	-21%	SNF	16,594,425	18,405,506	(1,811,081)	-10%	20,360,006	
9	-	-	-	0%	Home Care	762,447	1,106,153	(343,706)	-31%	2,829,750	
10	\$ 23,221,279	\$ 22,746,795	474,484	2%	Total Gross Patient Revenue	\$ 227,120,495	\$ 223,520,300	3,600,195	2%	\$ 218,542,827	
Deductions from Revenue											
11	\$ (19,101,808)	\$ (18,688,252)	(413,556)	-2%	Contractual Discounts	\$ (185,352,228)	\$ (181,679,865)	(3,672,363)	-2%	\$ (176,264,925)	
12	(250,000)	(100,000)	(150,000)	-150%	Bad Debt	(1,535,000)	(1,000,000)	(535,000)	-54%	(1,453,000)	
13	(23,000)	(24,730)	1,730	7%	Charity Care Provision	(253,626)	(247,300)	(6,326)	-3%	(170,455)	
14	1,764,827	352,555	1,412,272	*	Prior Period Adj/Government Program Revenue	8,695,168	3,525,550	5,169,618	*	4,150,338	
15	\$ (17,609,981)	\$ (18,460,427)	850,446	-5%	Total Deductions from Revenue	\$ (178,445,686)	\$ (179,401,615)	955,929	-1%	\$ (173,738,042)	
Net Patient Service Revenue											
16	\$ 5,611,298	\$ 4,286,368	1,324,930	31%	Risk contract revenue	\$ 706,787	\$ 1,049,387	(342,600)	-33%	\$ 1,170,250	
17	\$ 22,709	\$ 95,999	(73,290)	-76%	Net Hospital Revenue	\$ 49,381,596	\$ 45,168,072	4,213,524	9%	\$ 45,975,035	
18	\$ 5,634,007	\$ 4,382,367	1,251,640	29%	Other Op Rev & Electronic Health Records	\$ 418,552	\$ 139,680	278,872	200%	\$ 158,464	
19	\$ 295,947	\$ 13,968	281,979	*	Total Operating Revenue	\$ 49,800,148	\$ 45,307,752	4,492,396	10%	\$ 46,133,499	
20	\$ 5,929,954	\$ 4,396,335	1,533,619	35%	Operating Expenses						
21	\$ 1,953,543	\$ 1,991,443	37,900	2%	Salary and Wages and Agency Fees	\$ 21,532,516	\$ 21,074,576	(457,940)	-2%	\$ 23,054,374	
22	771,899	764,542	(7,357)	-1%	Employee Benefits	7,577,850	8,097,058	(519,208)	6%	8,664,339	
23	\$ 2,725,442	\$ 2,755,985	30,543	1%	Total People Cost	\$ 29,110,366	\$ 29,171,634	61,268	0%	\$ 31,718,713	
24	\$ 447,231	\$ 497,842	50,611	10%	Med and Prof Fees (excl Agency)	\$ 4,723,283	\$ 5,010,015	286,732	6%	\$ 4,251,992	
25	645,039	562,529	(82,510)	-15%	Supplies	5,779,749	5,563,706	(216,043)	-4%	5,441,841	
26	459,208	375,593	(83,615)	-22%	Purchased Services	3,927,084	3,723,799	(203,285)	-5%	3,624,106	
27	266,763	290,874	24,111	8%	Depreciation	2,870,342	2,891,442	21,100	1%	2,853,585	
28	82,870	90,431	7,561	8%	Utilities	986,634	1,020,310	33,676	3%	1,003,569	
29	48,041	35,320	(12,721)	-36%	Insurance	365,978	347,527	(18,451)	-5%	318,190	
30	69,966	56,966	(13,000)	-23%	Interest	524,650	526,238	(1,588)	0%	469,772	
31	108,758	106,824	(1,934)	-2%	Other	1,053,937	1,135,023	81,086	7%	1,188,713	
32	-	88,403	88,403	*	Matching Fees (Government Programs)	2,584,514	884,029	(1,700,485)	*	1,491,827	
33	\$ 4,853,318	\$ 4,860,767	7,449	0%	Operating expenses	\$ 51,926,537	\$ 50,273,723	(1,652,814)	-3%	\$ 52,362,308	
34	\$ 1,076,636	\$ (464,432)	\$ 1,541,068	332%	Operating Margin	\$ (2,126,389)	\$ (4,965,971)	2,839,582	57%	\$ (6,228,809)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended April 30, 2019**

ATTACHMENT D

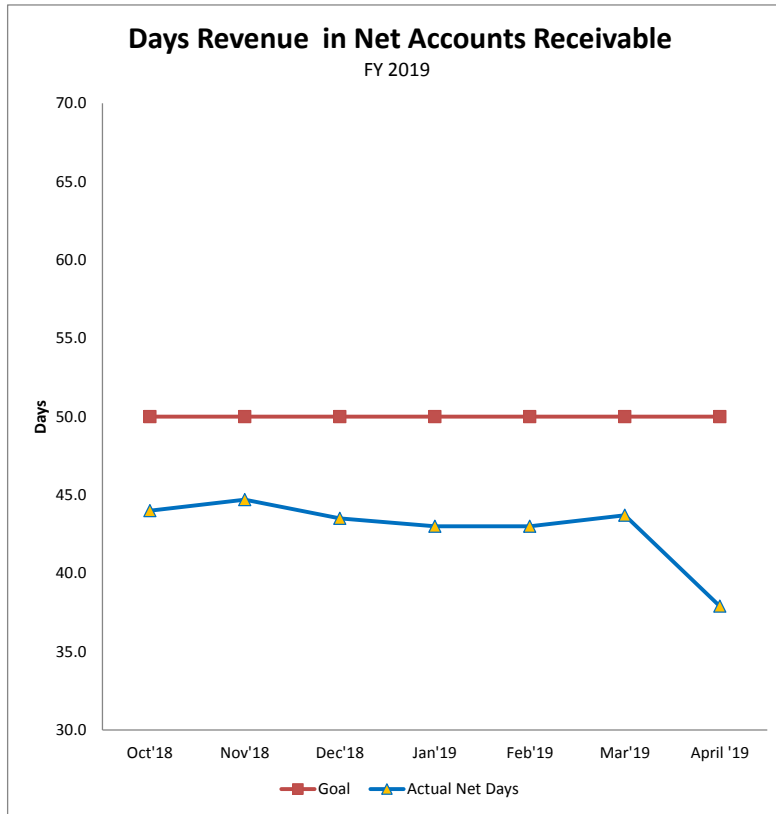
	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
35	\$ 16,342	\$ (10,440)	26,782	-257%						\$ (55,961)	
36	6,594	2,672	3,922	147%						27,046	
37	(13,000)	(56,766)	43,766	-77%						(567,660)	
38	316,667	316,667	-	0%						3,166,670	
39	0	0	-	0%						(26,875)	
40	\$ 326,603	\$ 252,133	74,470	30%						\$ 2,543,220	
41	\$ 1,403,239	\$ (212,299)	1,615,538	-761%	Net Income / (Loss) prior to Restricted Contributions	\$ 504,793	\$ (2,415,352)	2,920,145	-121%	\$ (3,685,589)	
42	\$ -	\$ 20,949	(20,949)	-100%						\$ 140,664	
43	\$ 129,887	\$ 55,003	74,884	0%						\$ 739,834	
44	\$ 1,533,126	\$ (136,347)	1,669,473	-1224%	Net Income / (Loss) w/ Restricted Contributions	\$ 2,438,929	\$ (1,655,832)	4,094,761	-247%	\$ (2,805,091)	
45	254,436	254,436	-	0%						2,506,830	
46	(100,768)	(100,768)	-	0%						(1,062,250)	
47	\$ 1,686,794	\$ 17,321	1,669,473	9638%	Net Income/(Loss) w GO Bond Activity	\$ 3,970,601	\$ (124,160)	4,094,761	-3298%	\$ (1,360,511)	
	\$ 1,670,002	\$ 78,575	1,591,427		EBDA - Not including Restricted Contributions	\$ 3,375,135	\$ 476,090	2,899,045		\$ (832,004)	
	28.2%	1.8%				6.8%	1.1%			-1.8%	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended April 30, 2019

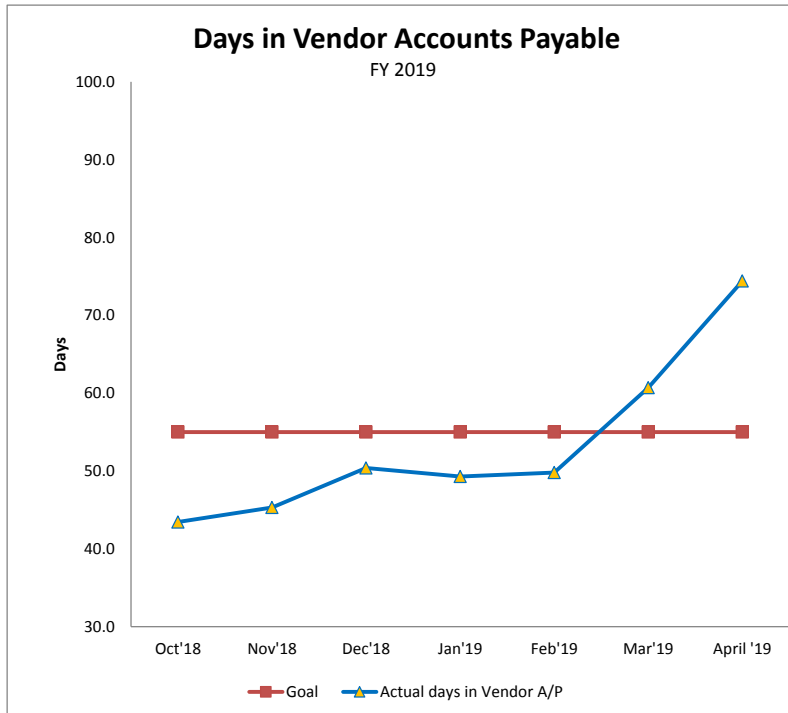
	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(38)	(6)	
2 SNF Days	(829)	(88)	
3 Home Care Visits	(1,810)	-	
4 Gross O/P Revenue (000's)	3,907	1,035	
Financial Results			
Gross Patient Revenue			
5 Inpatient	1,566,978	(207,557)	Inpatient days are 341 days vs. budgeted expectations of 328 days and inpatient surgeries are 30 vs. budgeted expectations 33.
6 Outpatient	6,164,773	770,278	Outpatient visits are 4,795 vs. budgeted expectations of 4,563 visits and outpatient surgeries are 133 vs. budgeted expectations 126.
7 Emergency	(1,976,769)	266,174	ER visits are 890 vs. budgeted visits of 864.
8 SNF	(1,811,081)	(354,411)	SNF patient days are 362 vs. budgeted expected days of 450.
9 Home Care	(343,706)	-	
10 Total Gross Patient Revenue	3,600,195	474,484	
Deductions from Revenue			
11 Contractual Discounts	(3,672,363)	(413,556)	
12 Bad Debt	(535,000)	(150,000)	
13 Charity Care Provision	(6,326)	1,730	
14 Prior Period Adj/Government Program Revenue	5,169,618	1,412,272	Accrual of additional amounts received for the FY 17/18 HQAF IGT (\$441,048) and the Rate Range IGT of (\$1,186,279) and accrual of Prime Grant (\$62,500).
15 Total Deductions from Revenue	955,929	850,446	
16 Net Patient Service Revenue	4,556,124	1,324,930	
17 Risk contract revenue	(342,600)	(73,290)	
18 Net Hospital Revenue	4,213,524	1,251,640	
19 Other Op Rev & Electronic Health Records	278,872	281,979	Received \$196,603 of fire claim and accrued final \$77,879 amount due.
20 Total Operating Revenue	4,492,396	1,533,619	
Operating Expenses			
21 Salary and Wages and Agency Fees	(457,940)	37,900	Salaries and Wages are over budget by (\$42,071) and Agency fees are under budget by \$79,971
22 Employee Benefits	519,208	(7,357)	
23 Total People Cost	61,268	30,543	
24 Med and Prof Fees (excl Agency)	286,732	50,611	
25 Supplies	(216,043)	(82,510)	Supplies were over budget primarily in surgery/implants due to higher volume in surgeries using implants and in Pharmacy due to a snake bite patient requiring anti-venom.
26 Purchased Services	(203,285)	(83,615)	Purchased services over budget due to previous months IT invoices being posted to April.
27 Depreciation	21,100	24,111	
28 Utilities	33,676	7,561	
29 Insurance	(18,451)	(12,721)	
30 Interest	1,588	(13,000)	
31 Other	81,086	(1,934)	
32 Matching Fees (Government Programs)	(1,700,485)	88,403	No matching fee in April.
33 Operating expenses	(1,652,814)	7,449	
34 Operating Margin	2,839,582	1,541,068	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	(52,376)	26,782	
36 Donations	(10,107)	3,922	
37 Physician Practice Support-Prima	143,796	43,766	
38 Parcel Tax Assessment Rev	(750)	-	
39 Extraordinary Items	-	-	
40 Total Non-Operating Rev/Exp	80,563	74,470	
		-	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended April 30, 2019

	YTD	MONTH	
Description	Variance	Variance	
41 Net Income / (Loss) prior to Restricted Contributions	2,920,145	1,615,538	
		-	
42 Capital Campaign Contribution	(179,043)	(20,949)	
43 Restricted Foundation Contributions	1,353,659	74,884	The hospital received Foundation donations for the ODC (\$35,890) and for the Acute care 3rd floor move (\$93,997).
44 Net Income / (Loss) w/ Restricted Contributions	4,094,761	1,669,473	
45 GO Bond Tax Assessment Rev	-	-	
46 GO Bond Interest	-	-	
47 Net Income/(Loss) w GO Bond Activity	4,094,761	1,669,473	



Days in A/R	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	April '19
Actual days in A/R	44.0	44.7	43.5	43.0	43.0	43.7	37.9
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	April '19
Actual days in Vendor A/P	43.5	45.3	50.4	49.3	49.8	60.7	74.4
Goal	55.0	55.0	55.0	55.0	55.0	55.0	55.0

Sonoma Valley Hospital
 Statistical Analysis
 FY 2019

ATTACHMENT G

Statistics	ACTUAL	BUDGET	ACTUAL												
	Apr-19	Apr-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
Acute															
Acute Patient Days	341	328	317	265	290	370	315	394	337	361	291	354	374	341	335
Acute Discharges (w/o Newborns)	87	93	87	76	83	97	93	92	90	85	81	99	108	103	106
SNF Days	362	450	357	286	345	291	326	405	457	628	664	545	423	525	566
HHA Visits	0	0	0	0	0	0	0	0	682	585	760	871	747	755	684
Emergency Room Visits	890	864	858	833	789	840	772	842	814	810	901	856	934	864	871
Gross Outpatient Revenue (000's)	\$15,396	\$14,359	\$15,281	\$13,994	\$14,826	\$13,583	\$13,530	\$15,824	\$13,946	\$16,762	\$14,801	\$13,677	\$15,188	\$14,170	\$13,064
Equivalent Patient Days	2,086	2,109	2,052	1,638	1,958	1,768	1,782	2,207	2,175	2,911	2,654	2,343	2,178	2,265	2,272
Births	0	0	0	0	0	0	0	9	13	14	8	16	9	6	8
Surgical Cases - Inpatient	30	33	29	18	20	26	33	34	31	26	23	28	29	30	34
Surgical Cases - Outpatient	133	126	134	137	137	123	128	141	151	139	127	123	146	114	117
Total Surgical Cases	163	159	163	155	157	149	161	175	182	165	150	151	175	144	151
Total Special Procedures	80	66	91	74	51	58	55	92	99	124	78	97	72	87	75
Medicare Case Mix Index	1.66	1.40	1.61	1.45	1.58	1.57	1.45	1.44	1.73	1.33	1.32	1.45	1.46	1.48	1.45
Income Statement															
Net Revenue (000's)	\$5,634	\$4,382	\$7,807	\$3,697	\$5,505	\$4,097	\$4,249	\$4,282	\$4,548	\$4,924	\$4,557	\$5,265	\$4,817	\$4,389	\$4,218
Operating Expenses (000's)	\$4,853	\$4,861	\$6,663	\$4,521	\$5,509	\$4,726	\$4,860	\$5,321	\$5,045	\$5,314	\$5,114	\$4,968	\$5,134	\$5,053	\$5,179
Net Income (000's)	\$1,687	\$17	\$1,722	(\$278)	\$807	(\$208)	(\$95)	(\$120)	\$209	\$32	\$214	\$859	\$369	\$221	(\$395)
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$2,327	\$2,305	\$3,247	\$2,760	\$2,814	\$2,673	\$2,727	\$2,411	\$2,319	\$1,826	\$1,927	\$2,120	\$2,357	\$2,231	\$2,280
Productive FTEs	244	247	255	248	249	234	266	278	278	278	270	259	279	281	279
Non-Productive FTE's	23	33	20	29	31	47	22	20	36	31	40	39	27	26	23
Total FTEs	267	280	275	277	280	281	288	298	314	309	310	298	306	307	302
FTEs per Adjusted Occupied Bed	3.84	3.98	4.15	4.73	4.44	4.92	4.84	4.18	4.38	3.29	3.62	3.82	4.35	4.06	4.17
Balance Sheet															
Days of Expense In General Operating Cash	9.6		5	5	13	15	10	13	13	10	19	11	6	7	7
Net Days of Revenue in AR	38	50	44	43	43	44	45	44	48	43	41	42	47	43	43

Sonoma Valley Hospital
Cash Forecast
FY 2019

ATTACHMENT H

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual 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	5,022,741	4,236,718	4,080,522	50,953,621
2 Capitation Revenue	94,582	92,314	96,054	92,135	97,789	98,199	62,561	28,474	23,610	24,319	95,999	95,999	902,035
3 Napa State	12,295	4,713	-	24,798	8,185	-	-	5,135	6,174	8,306	11,962	11,961	93,529
4 Other Operating Revenue	40,299	47,536	18,852	63,629	24,975	48,665	35,012	10,595	22,415	47,814	13,968	13,973	387,732
5 Other Non-Operating Revenue	45,944	12,250	51,133	42,712	14,067	91,000	51,984	66,482	104,954	59,194	26,673	26,673	593,066
6 Unrestricted Contributions	403		415	4,175	2,381	1,159		509	2,136	6,594	2,672	2,672	23,116
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	5,168,968	4,387,992	4,231,800	52,953,099
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	4,737,356	4,716,406	5,370,607	58,941,180
9 Add Capital Lease Payments	44,847	193,141	46,104	46,021	195,820	34,330	21,314	193,464	21,780	144,621			941,442
10 Additional Liabilities/LOC											1,400,000	400,000	1,800,000
11 Capital Expenditures	331,168		286,200	408,421	110,420	11,238	407,402	110,181	99,762	196,603	75,952	75,952	2,113,299
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	5,078,580	6,192,358	5,846,559	63,795,921
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)	90,388	(1,804,366)	(1,614,759)	(10,842,821)
Non-Hospital Sources													
12 Restricted Cash/Money Market	(809,886)	524,043			612,500	(200,000)		544,000	650,000		(2,850,000)		(1,529,343)
13 Restricted Capital Donations	357,448	8,688	286,283	409,088	116,736	5,800	407,402	110,181	99,762	129,887	75,952	75,952	2,083,179
14 Parcel Tax Revenue	207,015		1,500,000			512,117			1,500,000	155,961			3,875,093
15 Other Payments - South Lot/LOC/Fire Claim							(250,000)			196,603			(53,397)
16 Other:													-
17 IGT											7,169,044	385,310	7,554,354
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						270,000	1,620,000
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	863,830	4,394,996	731,262	15,451,667
Non-Hospital Uses of Cash													
20 Matching Fees					300,000			641,048	1,943,466	135,000	211,709		3,231,223
Sub-Total Non-Hospital Uses of Cash	-	-	-	-	300,000	-	-	641,048	1,943,466	135,000	211,709	-	3,231,223
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	728,830	4,183,287	731,262	12,220,444
Net Sources/Uses	(183,005)	(852,123)	494,659	(46,319)	86,901	587,834	(262,204)	(783,247)	20,484	819,218	2,378,921	(883,497)	
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	1,497,167	713,920	734,404	1,553,622	3,932,543	
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	1,553,622	3,932,543	3,049,046	

Sonoma Valley Hospital
Cash Forecast
FY 2019

	Actual July - Dec	Actual Jan	Actual Feb	Actual Mar	Actual 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	5,022,741	4,236,718	4,080,522	50,953,621
2 Capitation Revenue	571,073	62,561	28,474	23,610	24,319	95,999	95,999	902,035
3 Napa State	49,991		5,135	6,174	8,306	11,962	11,961	93,529
4 Other Operating Revenue	243,956	35,012	10,595	22,415	47,814	13,968	13,973	387,732
5 Other Non-Operating Revenue	257,106	51,984	66,482	104,954	59,194	26,673	26,673	593,066
6 Unrestricted Contributions	8,533		509	2,136	6,594	2,672	2,672	23,116
7 Line of Credit								-
Sub-Total Hospital Sources	26,877,823	4,347,039	4,068,202	3,871,275	5,168,968	4,387,992	4,231,800	52,953,099
Hospital Uses of Cash								
8 Operating Expenses	30,108,130	5,387,017	4,586,118	4,035,545	4,737,356	4,716,406	5,370,607	58,941,180
9 Add Capital Lease Payments	560,263	21,314	193,464	21,780	144,621	-	-	941,442
10 Additional Liabilities/LOC			-	-	-	1,400,000	400,000	1,800,000
11 Capital Expenditures	1,147,447	407,402	110,181	99,762	196,603	75,952	75,952	2,113,299
Total Hospital Uses	31,815,840	5,815,733	4,889,763	4,157,087	5,078,580	6,192,358	5,846,559	63,795,921
Net Hospital Sources/Uses of Cash	(4,938,017)	(1,468,694)	(821,561)	(285,812)	90,388	(1,804,366)	(1,614,759)	(10,842,821)
Non-Hospital Sources								
12 Restricted Cash/Money Market	126,657		544,000	650,000	-	(2,850,000)	-	(1,529,343)
13 Restricted Capital Donations	1,184,043	407,402	110,181	99,762	129,887	75,952	75,952	2,083,179
14 Parcel Tax Revenue	2,219,132		-	1,500,000	155,961	-	-	3,875,093
15 Other Payments - South Lot/LOC/Fire Claim		(250,000)	-	-	196,603	-	-	(53,397)
16 Other:			-	-	-	-	-	-
17 IGT			-	-	-	7,169,044	385,310	7,554,354
18 IGT - AB915	446,133	1,049,088	25,181	-	381,379	-	-	1,901,781
19 PRIME	1,350,000		-	-	-	-	270,000	1,620,000
Sub-Total Non-Hospital Sources	5,325,965	1,206,490	679,362	2,249,762	863,830	4,394,996	731,262	15,451,667
Non-Hospital Uses of Cash								
20 Matching Fees	300,000	-	641,048	1,943,466	135,000	211,709	-	3,231,223
Sub-Total Non-Hospital Uses of Cash	300,000	-	641,048	1,943,466	135,000	211,709	-	3,231,223
Net Non-Hospital Sources/Uses of Cash	5,025,965	1,206,490	38,314	306,296	728,830	4,183,287	731,262	12,220,444
Net Sources/Uses	87,948	(262,204)	(783,247)	20,484	819,218	2,378,921	(883,497)	
Cash and Equivalents at beginning of period	1,671,423	1,759,371	1,497,167	713,920	734,404	1,553,622	3,932,543	
Cash and Equivalents at end of period	1,759,371	1,497,167	713,920	734,404	1,553,622	3,932,543	3,049,046	

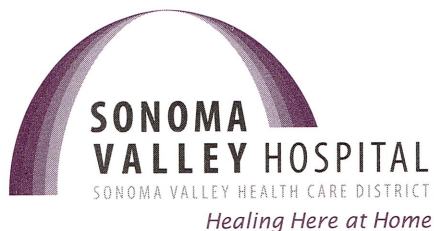
**Sonoma Valley Health Care District
Statement of Revenue and Expenses
FY 2018 Actual, and FY 2019 Projected (without OB & HHA) Compared to FY 2020 Budget**

	<u>Actual</u> FY 2018	<u>Projected</u> FY 2019 - a)	<u>Budget</u> FY 2020
Volume Information			
Acute Discharges	1,148	1,013	1,015
Patient Days	3,999	3,818	3,828
Emergency Room Visits	10,629	10,129	10,104
Surgeries - Inpatient	334	344	330
Surgeries - Outpatient	1,515	1,611	1,573
Special Procedures	859	961	900
Gross O/P Revenue (000's)	\$ 166,454	\$ 177,675	\$ 178,835
Financial Results			
Gross Patient Revenue			
Inpatient	\$ 74,185,947	\$ 74,975,677	\$ 80,635,223
Outpatient (FY 2018 includes HHA)	95,284,937	101,817,185	106,289,890
Emergency	71,169,484	75,857,521	72,545,153
SNF	24,062,441	20,036,740	22,472,368
Total Gross Patient Revenue	\$ 264,702,809	\$ 272,687,123	\$ 281,942,634
Deductions from Revenue			
Contractual Discounts	\$ (213,450,741)	\$ (224,011,164)	\$ (236,722,716)
Bad Debt	(1,903,000)	(1,735,000)	(1,800,000)
Charity Care Provision	(191,666)	(303,091)	(284,064)
Prior Period Adj/Government Program Revenue	5,286,886	9,838,776	5,798,030
Total Deductions from Revenue	\$ (210,258,521)	\$ (216,210,479)	\$ (233,008,750)
Net Patient Service Revenue	\$ 54,444,288	\$ 56,476,644	\$ 48,933,884
Risk contract revenue	\$ 1,358,417	\$ 898,786	\$ 428,180
Net Hospital Revenue	\$ 55,802,705	\$ 57,375,430	\$ 49,362,064
Other Op Revenue	\$ 186,371	\$ 446,493	\$ 705,592
Projected Total Operating Revenue	\$ 55,989,076	\$ 57,821,923	\$ 50,067,656
Projected Operating Expenses			
Salary and Wages and Agency Fees	\$ 27,680,096	\$ 24,848,492	\$ 22,018,511
Employee Benefits	10,200,053	8,980,628	7,975,375
Total People Cost	\$ 37,880,149	\$ 33,829,120	\$ 29,993,886
Med and Prof Fees (excl Agency)	5,053,429	5,802,379	5,242,232
Supplies	6,380,427	7,011,039	6,429,769
Purchased Services	4,398,278	4,686,250	4,420,345
Depreciation	3,424,202	3,452,088	3,201,156
Utilities	1,189,992	1,213,479	1,220,285
Insurance	371,828	436,620	474,990
Interest	565,797	622,603	528,625
Other	1,428,617	1,236,404	1,180,746
Matching Fees (Government Programs)	1,695,736	2,761,323	1,561,029
Projected Operating expenses	\$ 62,388,455	\$ 61,051,305	\$ 54,253,063
Projected Operating Margin	\$ (6,399,379)	\$ (3,229,382)	\$ (4,185,407)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
FY 2018 Actual, and FY 2019 Projected (without OB & HHA) Compared to FY 2020 Budget**

	<u>Actual</u> FY 2018	<u>Projected</u> FY 2019 - a)	<u>Budget</u> FY 2020
Projected Non Operating Rev and Expense			
Miscellaneous Revenue/(Expenses)	\$ (115,610)	\$ (129,581)	\$ (223,851)
Sale of South Lot	\$ -	\$ -	\$ 1,200,000
Donations	30,326	5,350	16,500
Physician Practice Support-Prima	(681,192)	(449,864)	(156,000)
Parcel Tax Assessment Rev	3,791,551	3,800,000	3,800,000
Projected Total Non-Operating Rev/Exp	\$ 3,025,075	\$ 3,225,905	\$ 4,636,649
Net Income / (Loss) prior to Restricted Contributions	\$ (3,374,304)	\$ (3,477)	\$ 451,242
Capital Campaign Contribution	\$ 143,998		
Restricted Foundation Contributions	\$ 1,039,838	\$ 2,030,233	\$ 2,518,319
Net Income / (Loss) w/ Restricted Contributions	\$ (2,190,468)	\$ 2,026,756	\$ 2,969,561
GO Bond Tax Assessment Rev	3,164,434	3,053,232	3,104,784
GO Bond Interest	(1,273,802)	(1,230,197)	(1,170,761)
Projected Net Income/(Loss) w GO Bond Activity	\$ (299,836)	\$ 3,849,791	\$ 4,903,584
Projected EBDA - Not including Restricted Contributions	\$ 49,898	\$ 3,448,611	\$ 3,652,398
	0.1%	6.0%	7.3%
FTE'S	310.0	280.3	246.1

a) - Projected FY 2019 is 10 months actual at 4/30/2019 and 2 months budgeted through 6/31/2019 without OB and HHA revenue and direct costs.



May 1, 2019

Senator Bill Dodd
State Capitol, Room 4032
Sacramento, CA 95814

SUBJECT: SB 227 (Leyva) – OPPOSE

Dear Senator Dodd:

Patient safety is Sonoma Valley Hospital's top priority. For more than a decade we have worked to meet nurse-staff ratio requirements. Nursing leadership and bedside nurses work to ensure compliance, taking into account the dynamic hospital environment and the sometimes unpredictable staff needs. Hospitals also agree with policymakers about the need to reduce health care costs, which is why we must respectfully oppose Senate Bill (SB) 227 (Leyva). **The creation of new, duplicative penalties only exacerbates health care's affordability conundrum and drives up costs for everyone.**

Despite our best efforts to comply with California's strict ratio requirements, it is not always possible to be in compliance **at all times**, due to many unforeseen circumstances — such as when more than the expected number of staff call in sick, or a multiple-car accident during rush hour causes both an influx of patients and delayed staff. Currently, when non-compliance poses a risk of harm to patients, the California Department of Public Health (CDPH) can — and does — issue a deficiency and/or administrative penalty. This bill would require CDPH to issue an administrative penalty of at least \$30,000 for **any** violation of the ratios. And contrary to recent statements, the law does not contain a "reasonable efforts" standard to allow CDPH to avoid imposing the penalty.

Conservatively, the nurse ratio mandate adds \$2.9 billion annually to the cost of hospital care in California. While the added state costs as a result of this bill would largely be attributable to increased regulatory development and enforcement costs, SB 227 could cost public and private hospitals tens of thousands of dollars should they struggle to meet the "at all times" requirement.

With hospitals working alongside policymakers to hold costs in check, now is not the time to add needless financial burdens to our state's health care system. For these reasons, Sonoma Valley Hospital respectfully asks you to oppose SB 227.

Sincerely,

Kelly Mather
President and Chief Executive Officer