



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, August 27, 2019

5:00 p.m. Regular Session

Location: Schantz Conference Room

Sonoma Valley Hospital, 347 Andrieux Street

Sonoma CA 95476

Alternative location:

1774 Stockton St, San Francisco

Call In Number 866-228-9900, guest code 294221

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a Finance Committee meeting, please contact District Clerk Stacey Finn at sfinn@sonomavalleyhospital.org or (707) 935.5004 at least 48 hours prior to the meeting.</p>	RECOMMENDATION	
AGENDA ITEM		
<p>MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</p>		
<p>1. CALL TO ORDER/ANNOUNCEMENTS</p>	<i>Nevins</i>	
<p>2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone</i></p>	<i>Nevins</i>	
<p>3. CONSENT CALENDAR Finance Committee minutes 06.25.19</p>	<i>Nevins</i>	Inform/Action
<p>4. PHYSICIAN CLINIC 2019 UPDATE</p>	<i>J. Tover</i>	Inform
<p>5. FINANCE COMMITTEE CHARTER</p>	<i>Nevins</i>	Inform
<p>6. OUTPATIENT DIAGNOSTIC CENTER UPDATE</p>	<i>Mather</i>	Inform
<p>7. ADMINISTRATIVE REPORT</p>	<i>Mather</i>	Inform
<p>8. FY2019 AUDIT UPDATE</p>	<i>Jensen</i>	Inform
<p>9. FINANCIAL REPORT MONTH END JULY 31, 2019 – FINANCIALS</p>	<i>Jensen</i>	Inform



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AGENDA ITEM		
10. FINANCIAL PACKAGE PRESENTATION REVISION	<i>Nevins</i>	Inform/Action
11. ADJOURN	<i>Nevins</i>	



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JUNE 25, 2019
Schantz Conference Room

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

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 5:02pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR	<i>Nevins</i>		
	Minutes from the 05.28.19 meeting were reviewed.	MOTION: by Hohorst to approve 2 nd by Grandy. All in favor	
4. IGT SUMMARY	<i>Dungan</i>		
	Ms. Dungan gave an overview of the IGT program and funding.		
5. REVIEW OF CAPITAL SPENDING PLAN FOR FY2020	<i>Jensen</i>		
	Mr. Jensen reported that the capital budget is not complete. To be reported out at the August meeting.		

6. FINANCIAL REPORT MONTH END MAY 31, 2019	<i>Jensen</i>		
	<p>Mr. Jensen reported that the days of cash on hand was 39.1 Accounts Receivable was at 37.2 days and Accounts Payable was at 45.3 days. After accounting for all activity the net gain for May was \$248,845 vs. the budgeted net gain of \$54,554 with a monthly EBDA of 6.6% vs. a budgeted 2.5%.</p> <p>Mr. Jensen said the cash flow going into the next fiscal year (July 1st) is expected to be at three million dollars.</p> <p>He also reported that with the fire insurance claim we received \$275,000 initially. With further discussion the insurance company paid another \$110,000.</p>		
7. OTHER			
	<p>Mr. Jensen gave an update on the status of the Ensign SNF management agreement and terms post legal review.</p> <p>Ms. Dungan reviewed the daily cash by month from July 2018 – June 2019. Ms. Nevins recommended that this be presented to the Board during the committee updates. Mr. Rymer requested that this become a monthly addition to the financial report.</p> <p>Mr. Hohorst suggested that the newborn data be replaced with observation days on attachment B.</p>		
8. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 5:41pm		



To: Sonoma Valley Healthcare District Board Finance Committee
From: Jeffrey Tover
Date: 08/27/2019
Subject: Physician Clinic Update

In 2018, Sonoma Family Practice joined Sonoma Valley Hospital under the 1206b Program along with Dr. Sabrina Kidd's practice. Because it was a new venture for the hospital, managing a primary practice has had its challenges and its benefits. The quality of patient care and employee satisfaction were the main focuses of the hospital's management staff as it resulted in a total of **664** new patients for both physician offices and scores in the most recent Employee Engagement Survey exceeding 4.5 out of a possible 5 points on average in all categories queried.

SONOMA VALLEY SPECIALTY CLINICS

DR. SABRINA KIDD – GENERAL AND COLORECTAL SURGEON

462 W. Napa Street

Dr. Sabrina Kidd operates her clinic out of the W. Napa Street location once a week seeing patients for a variety of services including pre-op appointments, surgical procedures and consultations. It is supported by two medical assistants (Total= 1.0 FTE) that assist Dr. Kidd during clinic hours and handle administrative duties such as appointment scheduling, referrals and authorizations, and billing.

Financial Analysis:

Fiscal Year	No. Visits	Revenue	Expenses	Net Revenue (Loss)
FY2019	935	177,322	316,320	(138,998)
FY2018	819	174,267	340,779	(166,512)

July 1, 2018 to June 30, 2019

Summary & Opportunities:

Due to the complexity of medical billing for surgical services performed in a hospital setting, the total revenue generated from Dr. Kidd's practice well exceeds the amounts listed above to the benefit of Sonoma Valley Hospital. She has been well received here in the community and is widely supported in the North Bay by her peers for her abilities as a surgeon. Her weekly schedules at the clinic are generally full and her outpatient surgeries are booked months in advance. We hope to continue the trend of reducing the clinic deficit in FY2020 through more efficient appointment scheduling and improved insurance reimbursements.

SONOMA VALLEY FAMILY PRACTICE – Primary Care

Subhash Mishra MD, Daisy Manuel-Arguelles DO, John Schafer MD, Selam Gebreslassie FNP

270 Perkins Street

The original Sonoma Family Practice has had roots in the town of Sonoma dating back to the 1950s. They currently serve as primary care physicians for about 5000 patients. Their clinic operates with 2.6 FTE Physicians, 1 per diem Nurse Practitioner and 6.5 FTE Clerical and Technical Support Staff. The Practice Administrator provides support to the two 1206 B Clinics and recently acquired the Occupational Health Clinic located in the hospital.

Financial Analysis

Fiscal Year	No. Visits	Revenue	Expenses	Net Revenue
FY2019	8,933	1,074,060	1,461,283	(387,223)
FY2020**	9,826	1,227,217	1,394,397	(167,180)

July 1, 2018 to June 30, 2019

****July 1, 2019 to June 30, 2020**

Summary & Opportunities:

The first fiscal year financials for the practice were hindered by a variety of problems including unforeseen issues with the EMR system, insurance carrier contracts that were delayed until the fall of 2018, and unexpected pharmaceutical expenses. The practice needed more supervision, implementation of policies and procedures that would make it run more efficiently, and a more effective charge capture process to generate more revenue. Additionally, the reimbursement fee rates paid by the top 5 commercial insurers. These payers are currently paying at a rate of 70-80% of Medicare FFS which are far below rates typically realized by most primary care practices.

To improve the financial health of the practice the following projects and protocols have been implemented:

- 1) All existing insurance plan packages have been validated and are set up correctly as to prevent payment delays.
- 2) The physicians and support staff have been fully trained on all necessary protocols and benefits related to Medicare Wellness services and have implemented an outreach program to provide this valuable service to our senior population. Other services can be included in the Wellness visit generating an additional 10-25% increase on top of the basic fee paid for the visit alone.
- 3) Inventory of pharmaceutical products are ordered as needed to reduce waste and limit storage needs.
- 4) PPO Insurance contracts are being reviewed for renegotiation to secure better reimbursement rates that are comparable to what other primary care practices are receiving in our area. This potentially could add up to an additional **\$160,000** in revenue.
- 5) To help foster further growth, the hospital administration staff are currently looking for a new physician to join the Family Practice, preferably a geriatrician, to better service our large senior population. A new physician could potentially generate an additional **\$350,000** for the practice annually.
- 6) Select staff are being cross-trained to handle front and back office duties in both physician offices and in the Occupational Health department. This will provide management the flexibility to make sure offices are well staffed during vacations or when they might be short-handed.

The primary care practice contributes a significant amount of downstream revenue to the hospital through diagnostic services and referrals to the hospital's affiliated specialists and surgeons, the plans are to reduce the variance by 50% in the coming year through efficiency and an improved patient experience.



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 1 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

Purpose:

This charter (the “Charter”) sets forth the duties and responsibilities and governs the operations of the Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Sonoma Valley Healthcare District (the “District”), a nonprofit corporation organized and existing under the California Law.

The Finance Committee’s purpose is to assist the Board in its oversight of the District’s financial affairs, including District’s financial condition, financial planning, operational, and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the District. The Finance Committee is the body which recommends to the District Board on all financial decisions.

Policy:

Duties and Responsibilities

The Committee’s primary duties and responsibilities are as follows:

- A. Review Monthly Financial Operating Performance
 1. Review the District’s monthly financial operating performance. The committee will review the monthly financial statements, including but not limited to the Statement of Revenues and Expenses, Balance Sheet and Statement of Cash Flows, prepared by management. The committee will also review other financial indicators as warranted.
 2. Review management’s plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The committee will make recommendations to the Board when necessary.
- B. Budgets
 1. Review and recommend to the Board for approval an annual operating budget for the District.
 2. Review management’s budget assumptions including volume, growth, inflation and other budget assumptions.
 3. Review and recommend to the Board for approval an annual capital expenditures budget for



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 2 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

the District. If deemed appropriate by the Committee, review and recommend to the Board for approval projected capital expenditures budgets for one or more succeeding years.

C. Debt, Financing and Refinancing

1. Evaluate and monitor the District's long and short-term indebtedness, debt structure, collateral or security, therefore, cash flows, and uses and applications of funds.
2. Evaluate and recommend to the Board for approval proposed new debt financing, including lines of credit, financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance costs; (iv) banks, investment banks, and underwriters retained or compensated by the District in connection with any financing or refinancing.
3. Review and recommend to the Board all guarantees or other obligations for the indebtedness of any third party.

D. Insurance

1. Review on an annual basis all insurance coverage's, including (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions.

E. Investment Policies

1. Review and recommend to the Board the District's cash management and cash investment policies, utilizing the advice of financial consultants as the Committee deems necessary or desirable.
2. Review and recommend to the Board the District's investment policies relating to assets of any employee benefit plans maintained and controlled by the District, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

F. General

1. Review and recommend the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for the District. Review annually the District's significant commercial and investment bank relationships.
2. Perform any other duties and responsibilities as the Board may deem necessary, advisable



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 3 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

or appropriate for the Committee to perform.

3. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.
4. Meet on a monthly basis preceding the Board meeting concerning the District's financial affairs. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.
5. The Finance Committee will be invited to attend the presentation by the District's independent auditors.
6. The Finance Committee shall review the Charter annually after the close of the fiscal year, or more often if required. If revisions are needed, they will be taken to the Board for action.
7. The Finance Committee shall report to the District Board on the status of its prior fiscal year's work plan accomplishments by after the completion of the Financial Statement Audit.



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 4 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

Organization

The Committee’s membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee’s other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Board. The committee’s membership is subject to the Approval of the District Board. The membership shall include the following:

1. Two (2) Board Members, one being the Treasurer
2. Six (6) District Citizens
3. At least one (1) member of the Medical Staff
4. District’s Chief Executive Officer (non-voting)
5. District’s Chief Financial Officer (non-voting)

Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

Resources and Authority of the Committee

The Finance Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the responsibility to recommend to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

Amendment

This Charter shall not be amended except upon approval by the Board.
| Adopted by the Board on April 5, 2012.

SONOMA VALLEY HOSPITAL
COST PROJECTIONS and FUNDING SUMMARY
FISCAL YEAR 07/2019 THROUGH 06/2020
DESIGN, PRECONSTRUCTION AND CONSTRUCTION
PREPARED 8/21/2019

	Through:	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20
Campaign													
Fundraising Goal:		\$ 21,000,000											
Total Confirmed Pledges:		\$ 15,507,044											
Total Verbal Pledges:		\$ 1,130,000											
Total Cash Gifts Collected:		\$ 975,111											
Total Committed:		\$ 17,612,155											
Total Pledge Payments Collected:		\$ 6,874,476											
Total Pledge Payments Due*:			\$ 6,882,476	\$ 6,908,476	\$ 7,513,310	\$ 7,514,310	\$ 8,746,249	\$ 8,867,918	\$ 8,867,918	\$ 9,120,418	\$ 11,250,918	\$ 11,263,418	\$ 11,288,918
*Includes \$4,110 in Uncollectible Pledges.													
Project													
Total Approved Funding:		\$ 11,957,471											
Total Spent**:		\$ 3,019,810											
Total Projected Costs:			\$ 3,341,494	\$ 3,617,009	\$ 3,903,459	\$ 4,209,293	\$ 4,451,799	\$ 4,784,045	\$ 5,300,385	\$ 6,222,474	\$ 7,165,286	\$ 8,087,941	\$ 10,241,977
**Includes \$284,583 in Campaign Expenses.													
Total Projected Cash In Hand:		\$ 4,555,867	\$ 4,242,183	\$ 3,992,667	\$ 4,311,051	\$ 4,006,217	\$ 4,995,651	\$ 4,785,073	\$ 4,268,734	\$ 3,599,144	\$ 4,786,833	\$ 3,876,677	\$ 1,748,142
	Due:	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	
Funds													
Pledge Payments		\$ 6,874,476	\$ 8,000	\$ 26,000	\$ 604,833	\$ 1,000	\$ 1,231,939	\$ 121,669	\$ -	\$ 252,500	\$ 2,130,500	\$ 12,500	\$ 25,500
Expenses													
Proj. #0 ODC		\$ 655,410	\$ 1,000	\$ 1,000	\$ 2,000	\$ 3,500	\$ 7,500	\$ 12,500	\$ 15,000	\$ 17,500	\$ 15,000	\$ 12,500	\$ 12,499
Proj. #0 MP		\$ 127,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj. #0 Decom		\$ 125,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj. #1 CT		\$ 904,397	\$ 269,270	\$ 157,324	\$ 167,253	\$ 169,071	\$ 136,677	\$ 122,306	\$ 325,604	\$ 711,320	\$ 690,736	\$ 701,159	\$ 2,043,593
IT		\$ 122,579	\$ 40,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,600	\$ 36,395	\$ 38,450	\$ 38,450
VoIP		\$ -	\$ 16,250	\$ 128,196	\$ 150,369	\$ 117,188	\$ 53,562	\$ 66,435	\$ -	\$ -	\$ -	\$ -	\$ 18,000
CT Make Ready		\$ 36,630	\$ 22,500	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ 9,000	\$ 8,504	\$ -	\$ -	\$ -
Proj. #2 Cardio		\$ 27,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj. #3 MRI		\$ 335,225	\$ 27,301	\$ 88,394	\$ 88,400	\$ 104,466	\$ 69,532	\$ 169,200	\$ 169,017	\$ 188,105	\$ 237,075	\$ 208,997	\$ 97,943
MRI Make Ready		\$ -	\$ 13,750	\$ 12,500	\$ 12,500	\$ 15,000	\$ -	\$ -	\$ 109,500	\$ 184,500	\$ 234,500	\$ 187,000	\$ 86,838
Proj. #4 UCSF Clinic		\$ 2,491	\$ 2,034	\$ 6,718	\$ 6,718	\$ 6,718	\$ 6,718	\$ 6,718	\$ 6,718	\$ 5,164	\$ -	\$ -	\$ -
3D Mammo		\$ 556,709	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Campaign Expenses		\$ 284,583	\$ 22,079	\$ 22,079	\$ 22,079	\$ 22,079	\$ 22,079	\$ 21,522	\$ -	\$ -	\$ -	\$ -	\$ -
Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 3,019,810	\$ 321,684	\$ 275,515	\$ 286,450	\$ 305,834	\$ 242,505	\$ 332,247	\$ 516,339	\$ 922,090	\$ 942,811	\$ 922,655	\$ 2,154,036



To: SVHCD Board of Directors
From: Kelly Mather
Date: 7/24/19
Subject: Administrative Report

Summary

We ended FY 2019 **50% better than budget!** The South Lot has been sold and construction has begun on the new housing. We have let our staff know that applications for the affordable housing on the lot are due in September.

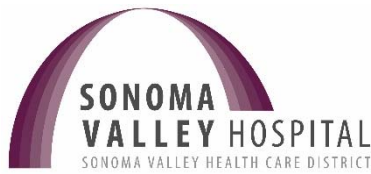
Strategic Update from FY 2020 Strategic Plan:

Strategic Priorities	Update
Exceed Community Expectations in Emergency Services	<ul style="list-style-type: none"> ➤ We continue to share the good news about being certified as “Stroke Ready.” ➤ The Foundation and the Hospital have decided to work with “Mission Minded” on our new branding as we have re-invented the hospital. ➤ The Community Perception survey is set for this fall. We did one in 2015 and it was generally positive and look forward to seeing these results in October.
Create UCSF Health Outpatient Center	<ul style="list-style-type: none"> ➤ We have raised over \$17.5 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 will move into their new home (old Inpatient Rehab area) next week. ➤ My latest blog addresses the concerns some have about why we need new advanced imaging equipment. The total cost for the Outpatient Diagnostic Center is a result of much value engineered and a reduction in some of the scope to come in under the projected budget.
Become a 5 Star Hospital	<ul style="list-style-type: none"> ➤ The new hospitalist group has implemented a number of new initiatives for improvement. ➤ Our patient handbook has been updated. ➤ We will soon be implementing the “Journey” patient education system throughout the 3rd floor. ➤ Hospice by the Bay now has a room on 3rd floor.
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 discussing recruitment of another Primary Care Physician for Prima. ➤ We have made good progress to bring several physicians from UCSF to Sonoma. ➤ An annual assessment of the Sonoma Family Practice was completed and the first year went pretty well.
Healthy Hospital	<ul style="list-style-type: none"> ➤ The staff satisfaction survey results will be shared at this board meeting with a very high rate of satisfaction for staff at over 4/5. ➤ We are moving to an Operations Leaders meeting instead of all exempt staff in Leadership since we have so many working managers now. ➤ We may have to change our health plan this year due to changes with Canopy Health and Western Health Advantage.

JUNE 2019

			National
Patient Experience	Current Performance	FY 2019 Goal	Benchmark
Would Recommend Hospital	67 th	> 60th percentile	50th percentile
Inpatient Overall Rating	62.5%	>60th percentile	50th percentile
Outpatient Services	4.74	Rate My Hospital	4.5
Emergency	4.54	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	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	16	< 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	17.7%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2019 Goal	Benchmark
EBDA	6.1%	1%	3%
FTE's/AOB	3.88	4.3	5.3
Days Cash on Hand	35	20	30
Days in Accounts Receivable	43	49	50
Length of Stay	3.8	3.85	4.03
Funds raised by SVHF	\$17.5 million	\$20 million	\$1 million
Strategic Growth	YTD Performance	FY 2019 Goal	Benchmark
Inpatient Discharges	1023	1000	1000
Outpatient Visits	54,596	53,000	51,924
Emergency Visits	10,181	10,000	11,040
Surgeries + Special Procedures	2950	2500	2,568
Community Benefit Hours	1222	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 2019	Jun 2019
FY YTD Turnover	<10%	1.6	3.3	3.6	5.8	6.9	8.2	8.7	9.4	11.1	13.4	14.5	17.7
Leave of Absences	<12	13	11	8	10	9	8	10	9	8	8	10	12
EBDA	>1%	0	1.7	1.6	-8.9	-1.7	-2	.7	-6.9	3.9	6.8	6.8	6.1
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	4.2
Expense Management	<5.0m	5.1	5.3	5.0	5.3	4.8	4.7	5.5	4.5	6.6	4.8	5.0	4.8
Net Income	>50k	214	32	208	-273	-95	-207	806	-277	1722	1686	248	15.4
Days Cash on Hand	>20	19.1	10	13	13	9.6	14.8	13	4.6	4.5	9.6	39	35
A/R Days	<50	41	43	48	44	45	44	43	43	44	38	37	43
Total FTE's	<300	310	309	314	298	288	281	280	277	275	267	266	255
FTEs/AOB	<4.5	3.62	3.29	4.38	4.18	4.84	4.92	4.44	4.73	4.15	3.84	3.80	3.88
Inpatient Discharges	>90	81	85	90	92	93	97	83	76	87	87	86	66
Outpatient Revenue	>\$14m	14.8	16.8	13.9	15.8	13.5	13.6	14.8	13.9	15.2	15.4	16.2	15.1
Surgeries	>150	150	165	182	175	161	149	157	155	163	163	166	157
ER	>900	901	810	814	842	772	840	789	833	858	890	891	941
Births	>11	8	14	13	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SNF days	>350	664	628	457	405	326	291	345	286	357	362	383	306
MRI	>120	99	145	92	119	98	118	105	107	96	150	149	150
Cardiology (Echos)	>85	88	135	97	124	112	106	85	91	112	121	113	103
Laboratory	>12.5	12.4	13.4	11.7	13.7	12.6	11.8	12.7	11.4	12.2	12.1	12.3	10.7
Radiology	>900	894	951	929	1112	884	906	987	1050	1025	1057	1044	908
Rehab	>2500	2414	2860	1788	2688	2131	2380	2964	2080	2358	2536	2539	1967
CT	>350	359	387	331	392	331	367	348	355	396	416	453	357
Mammography	>200	280	243	221	269	219	246	180	220	202	227	220	224
Ultrasound	>250	181	280	246	333	233	252	240	225	340	312	283	291
Occupational Health	>600	570	639	489	833	561	452	574	535	707	899	804	578
Wound Care	>250	290	256	198	293	266	288	230	286	268	346	311	307



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: August 27, 2019
Subject: Financial Report for the Month Ending July 31, 2019

During the month of July the hospital experienced higher than budgeted volumes in both outpatient and emergency room services and lower than budgeted inpatient volume. The higher outpatient volume along with the hospital's operating expenses being under budget led to a favorable to budget operating margin. The hospital also finalized the sale of the south lot in July with a gain on the sale of \$2,005,303 (line 33 on the Statement of Revenue and Expenses).

July's actual loss of (\$441,097) from operations was \$184,282 favorable to the budgeted loss of (\$625,379). After accounting for all other activity; the net gain for July was \$2,355,112 vs. the budgeted net income of \$1,228,129 with a monthly EBDA of 56.1% vs. a budgeted 29.7%.

Gross patient revenue for July was \$21,760,503; \$2,230,730 over budget. Inpatient gross revenue was under budget by (\$895,402). Inpatient days were under budget by (43) days and inpatient surgeries were at budget at 26 cases. Outpatient revenue was over budget by \$1,275,114. Outpatient visits were over budgeted expectations by 26 visits, outpatient surgeries were over budgeted expectations by 17 cases, and special procedures were over budget by 16 cases. The Emergency Room gross revenue was over budget by \$1,851,018 with ER visits over budgeted expectations by 191 visits.

Deductions from revenue were unfavorable to budgeted expectations by (\$2,269,379). Of the variance, (\$426,669) is from the prior period adjustments or IGT payments. Without the IGT variance, the deductions from revenue variance is unfavorable by (\$1,842,710) which is due to outpatient gross revenue being over budgeted expectations.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (61,553).

Operating Expenses of \$4,186,478 were favorable to budget by \$245,835. Salaries and wages and agency fees were under budget by \$15,481 and employee benefits were over budget by (\$36,190). Supplies were under budget in July by \$66,657 primarily due to pharmacy drug costs. Purchased Services are under budget by \$40,678 due to budgeted services not used. There were no matching fees in July.



After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net gain for July was \$1,854,897 vs. a budgeted net gain of \$860,305. The hospital received \$342,251 in restricted contributions from the Sonoma Valley Hospital Foundation in July. The total net income for July after all activity was \$2,355,112 vs. a budgeted net income of \$1,228,129.

EBIDA for the month of July was 56.1% vs. the budgeted 29.6%.

Patient Volumes – July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	72	82	-10	99
Acute Patient Days	269	312	-43	291
Observation Days	11	0	11	6
OP Gross Revenue	\$16,096	\$12,970	\$3,126	\$14,801
Surgical Cases	156	139	17	150

Gross Revenue Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	41.5%	41.9%	-0.4%	41.5%	41.9%	-0.4%
Medicare Mgd Care	14.4%	14.1%	0.3%	14.4%	14.1%	0.3%
Medi-Cal	16.7%	17.6%	-0.9%	16.7%	17.6%	-0.9%
Self Pay	2.5%	1.5%	1.0%	2.5%	1.5%	1.0%
Commercial	22.3%	20.7%	1.6%	22.3%	20.7%	1.6%
Workers Comp	1.9%	2.3%	-0.4%	1.9%	2.3%	-0.4%
Capitated	0.7%	1.9%	-1.2%	0.7%	1.9%	-1.2%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for July:

For the month of July the cash collection goal was \$4,042,837 and the Hospital collected \$3,728,489 or under the goal by (\$314,348).

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand	48.2	35.3	12.9	19.1
Accounts Receivable Days	41.8	43.0	-1.2	40.6
Accounts Payable	\$3,528,128	\$4,242,741	-\$714,613	\$3,360,608
Accounts Payable Days	53.2	53.0	0.2	42.1

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment E is the Cash Forecast



Sonoma Valley Hospital
Payer Mix for the month of July 31, 2019

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	9,078,174	8,178,777	899,397	11.0%
Medicare Managed Care	3,073,235	2,749,927	323,308	11.8%
Medi-Cal	3,628,462	3,437,193	191,269	5.6%
Self Pay	568,513	301,401	267,112	88.6%
Commercial & Other Government	4,858,475	4,047,662	810,813	20.0%
Worker's Comp.	403,043	439,234	-36,191	-8.2%
Capitated	150,601	375,579	-224,978	-59.9%
Total	21,760,503	19,529,773	2,230,730	

Actual	Budget	Variance	% Variance
9,028,174	8,178,777	849,397	10.4%
3,123,235	2,749,927	373,308	13.6%
3,628,462	3,437,193	191,269	5.6%
568,513	301,401	267,112	88.6%
4,858,475	4,047,662	810,813	20.0%
403,043	439,234	-36,191	-8.2%
150,601	375,579	-224,978	-59.9%
21,760,503	19,529,773	2,230,730	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,069,093	1,075,439	-6,346	-0.6%
Medicare Managed Care	358,270	326,416	31,854	9.8%
Medi-Cal	352,898	353,000	-102	0.0%
Self Pay	305,822	152,871	152,951	100.1%
Commercial & Other Government	1,437,486	1,222,394	215,092	17.6%
Worker's Comp.	91,068	92,327	-1,259	-1.4%
Capitated	2,666	6,836	-4,170	-61.0%
Prior Period Adj/IGT	56,500	483,169	-426,669	-88.3%
Total	3,673,803	3,712,452	(38,649)	-1.0%

Actual	Budget	Variance	% Variance
1,069,093	1,075,439	-6,346	-0.6%
358,270	326,416	31,854	9.8%
352,898	353,000	-102	0.0%
305,822	152,871	152,951	100.1%
1,437,486	1,222,394	215,092	17.6%
91,068	92,327	-1,259	-1.4%
2,666	6,836	-4,170	-61.0%
56,500	483,169	-426,669	-88.3%
3,673,803	3,712,452	(38,649)	-1.0%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	29.1%	29.0%	0.1%	0.3%
Medicare Managed Care	9.8%	8.8%	1.0%	11.4%
Medi-Cal	9.6%	9.5%	0.1%	1.1%
Self Pay	8.3%	4.1%	4.2%	102.4%
Commercial & Other Government	39.1%	32.9%	6.2%	18.8%
Worker's Comp.	2.5%	2.5%	0.0%	0.0%
Capitated	0.1%	0.2%	-0.1%	-50.0%
Prior Period Adj/IGT	1.5%	13.0%	-11.5%	-88.5%
Total	100.0%	100.0%	0.0%	0.0%

Actual	Budget	Variance	% Variance
29.1%	29.0%	0.0%	0.0%
9.8%	8.8%	1.0%	11.4%
9.6%	9.5%	0.1%	1.1%
8.3%	4.1%	4.2%	102.4%
39.1%	32.9%	6.2%	18.8%
2.5%	2.5%	0.0%	0.0%
0.1%	0.2%	-0.1%	-50.0%
1.5%	13.0%	-11.5%	-88.5%
100.0%	100.0%	11.4%	11.4%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	11.8%	13.1%	-1.3%	-9.9%
Medicare Managed Care	11.7%	11.9%	-0.2%	-1.7%
Medi-Cal	9.7%	10.3%	-0.6%	-5.8%
Self Pay	53.8%	50.7%	3.1%	6.1%
Commercial & Other Government	29.6%	30.2%	-0.6%	-2.0%
Worker's Comp.	22.6%	21.0%	1.6%	7.6%

Actual	Budget	Variance	% Variance
11.8%	13.1%	-1.3%	-9.9%
11.7%	11.9%	-0.2%	-1.7%
9.7%	10.3%	-0.6%	-5.8%
53.8%	50.7%	3.1%	6.1%
29.6%	30.2%	-0.6%	-2.0%
22.6%	21.0%	1.6%	7.6%

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

ATTACHMENT B

CURRENT MONTH					YEAR-TO-DATE			YTD
	Actual 07/31/19	Budget 07/31/19	Favorable (Unfavorable) Variance		Actual 07/31/19	Budget 07/31/19	Favorable (Unfavorable) Variance	Prior Year 07/31/18
Inpatient Utilization								
Discharges								
1	56	70	(14)	Med/Surg	56	70	(14)	71
2	16	12	4	ICU	16	12	4	10
3	72	82	(10)	Total Discharges	72	82	(10)	81
Patient Days:								
4	187	233	(46)	Med/Surg	187	233	(46)	208
5	82	79	3	ICU	82	79	3	83
6	269	312	(43)	Total Patient Days	269	312	(43)	291
7	11	-	11	Observation days	11	-	11	6
Average Length of Stay:								
8	3.3	3.3	0.0	Med/Surg	3.3	3.3	0.0	2.9
9	5.1	6.4	(1.3)	ICU	5.1	6.4	(1.3)	8.3
10	3.7	3.8	(0.1)	Avg. Length of Stay	3.7	3.8	(0.1)	3.6
Average Daily Census:								
11	6.0	7.5	(1.5)	Med/Surg	6.0	7.5	(1.5)	6.7
12	2.6	2.5	0.1	ICU	2.6	2.5	0.1	2.7
13	8.7	10.1	(1.4)	Avg. Daily Census	8.7	10.1	(1.4)	9.4
Other Utilization Statistics								
Emergency Room Statistics								
14	1,001	810	191	Total ER Visits	1,001	810	191	901
Outpatient Statistics:								
15	4,098	4,072	26	Total Outpatients Visits	4,098	4,072	26	4,501
16	26	26	-	IP Surgeries	26	26	-	23
17	130	113	17	OP Surgeries	130	113	17	127
18	85	69	16	Special Procedures	85	69	16	78
19	276	334	(58)	Adjusted Discharges	276	334	(58)	311
20	1,032	928	104	Adjusted Patient Days	1,032	928	104	2,654
21	33.3	29.9	3.4	Adj. Avg. Daily Census	33.3	29.9	3.4	85.6
22	1.4750	1.4000	0.075	Case Mix Index -Medicare	1.4750	1.4000	0.075	1.3200
23	1.4926	1.4000	0.093	Case Mix Index - All payers	1.4926	1.4000	0.093	1.4620
Labor Statistics								
24	201	208	6.8	FTE's - Worked	201	208	6.8	270
25	226	233	6.6	FTE's - Paid	226	233	6.6	310
26	43.59	42.72	(0.87)	Average Hourly Rate	43.59	42.72	(0.87)	42.07
27	38.7	44.3	5.6	Manhours / Adj. Pat Day	38.7	44.3	5.6	20.6
28	144.5	122.9	(21.5)	Manhours / Adj. Discharge	144.5	122.9	(21.5)	175.6
29	24.8%	24.2%	-0.6%	Benefits % of Salaries	24.8%	24.2%	-0.6%	23.1%
Non-Labor Statistics								
30	12.2%	13.8%	1.6%	Supply Expense % Net Revenue	12.2%	13.8%	1.6%	12.9%
31	1,634	1,550	(84)	Supply Exp. / Adj. Discharge	1,634	1,550	(84)	1,891
32	15,563	13,601	(1,962)	Total Expense / Adj. Discharge	15,563	13,601	(1,962)	16,950
Other Indicators								
33	48.2			Days Cash - Operating Funds				
34	41.8	50.0	(8.2)	Days in Net AR	41.8	50.0	(8.2)	40.6
35	92%			Collections % of Net Revenue	92%			96.3%
36	53.2	55.0	(1.8)	Days in Accounts Payable	53.2	55.0	(1.8)	42.1
37	17.0%	19.2%	-2.2%	% Net revenue to Gross revenue	17.0%	19.2%	-2.2%	19.7%
38	19.9%			% Net AR to Gross AR	19.9%			20.7%

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

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 2,869,461	\$ 3,450,014	\$ 1,488,418
2	Cash - Money Market	3,258,551	2,201,684	1,481,343
3	Net Patient Receivables	6,779,817	7,126,897	7,795,112
4	Allow Uncollect Accts	(1,324,701)	(1,185,346)	(1,310,228)
5	Net A/R	5,455,116	5,941,551	6,484,884
6	Other Accts/Notes Rec	6,955,611	7,084,570	6,733,100
7	3rd Party Receivables, Net	1,214,940	1,171,358	1,174,889
8	Inventory	898,870	901,652	851,198
9	Prepaid Expenses	885,522	1,116,922	933,855
10	Total Current Assets	\$ 23,295,999	\$ 24,682,546	\$ 22,104,222
11	Property, Plant & Equip, Net	\$ 49,553,498	\$ 50,868,938	\$ 51,953,983
12	Trustee Funds	5,016,479	5,016,479	4,437,878
13	Other Assets	-	-	-
14	Total Assets	\$ 76,108,048	\$ 77,753,168	\$ 75,539,548
Liabilities & Fund Balances				
Current Liabilities:				
15	Accounts Payable	\$ 3,528,128	\$ 4,242,741	\$ 3,360,608
16	Accrued Compensation	3,609,479	3,613,749	4,224,271
17	Interest Payable	604,593	503,825	634,649
18	Accrued Expenses	1,383,663	1,748,658	1,545,520
19	Advances From 3rd Parties	297,936	297,936	110,058
20	Deferred Tax Revenue	6,329,382	6,904,781	6,282,132
21	Current Maturities-LTD	608,272	544,598	1,133,596
22	Line of Credit - Union Bank	6,723,734	6,723,734	6,723,734
23	Other Liabilities	1,386	201,386	451,386
24	Total Current Liabilities	\$ 23,086,573	\$ 24,781,408	\$ 24,465,954
25	Long Term Debt, net current portion	\$ 30,538,725	\$ 32,844,121	\$ 34,847,171
26	Fund Balances:			
27	Unrestricted	\$ 15,271,797	\$ 13,258,937	\$ 10,806,005
28	Restricted	7,210,953	6,868,702	5,420,418
29	Total Fund Balances	\$ 22,482,750	\$ 20,127,639	\$ 16,226,423
30	Total Liabilities & Fund Balances	\$ 76,108,048	\$ 77,753,168	\$ 75,539,548

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

ATTACHMENT D

Month					Year-To- Date					YTD
This Year		Variance			This Year		Variance			
Actual		\$		%	Actual	Budget	\$	%	Prior Year	
1	72	82	(10)	-12%	Volume Information	72	82	(10)	-12%	81
2	269	312	(43)	-14%	Acute Discharges	269	312	(43)	-14%	291
3	11	-	11	0%	Patient Days	11	-	11	*	6
4	16,096	12,970	3,126	24%	Observation Days	16,096	12,970	3,125	24%	\$ 14,801
					Gross O/P Revenue (000's)					
Financial Results										
Gross Patient Revenue										
5	\$ 5,664,851	\$ 6,560,253	(895,402)	-14%	Inpatient	\$ 5,664,851	\$ 6,560,253	(895,402)	-14%	\$ 8,317,165
6	8,923,720	7,648,606	1,275,114	17%	Outpatient	8,923,720	7,648,606	1,275,114	17%	7,918,880
7	7,171,932	5,320,914	1,851,018	35%	Emergency	7,171,932	5,320,914	1,851,018	35%	6,905,436
8	\$ 21,760,503	\$ 19,529,773	2,230,730	11%	Total Gross Patient Revenue	\$ 21,760,503	\$ 19,529,773	2,230,730	11%	\$ 23,141,481
Deductions from Revenue										
9	\$ (17,888,300)	\$ (16,126,818)	(1,761,482)	-11%	Contractual Discounts	\$ (17,888,300)	\$ (16,126,818)	(1,761,482)	-11%	\$ (18,627,334)
10	(250,000)	(150,000)	(100,000)	-67%	Bad Debt	(250,000)	(150,000)	(100,000)	-67%	(100,000)
11	(4,900)	(23,672)	18,772	79%	Charity Care Provision	(4,900)	(23,672)	18,772	79%	(13,982)
12	56,500	483,169	(426,669)	-88%	Prior Period Adj/Government Program Revenue	56,500	483,169	(426,669)	*	62,500
13	\$ (18,086,700)	\$ (15,817,321)	(2,269,379)	14%	Total Deductions from Revenue	\$ (18,086,700)	\$ (15,817,321)	(2,269,379)	14%	\$ (18,678,816)
Net Patient Service Revenue										
14	\$ 3,673,803	\$ 3,712,452	(38,649)	-1%		\$ 3,673,803	\$ 3,712,452	(38,649)	-1%	\$ 4,462,665
15	\$ 26,337	\$ 35,682	(9,345)	-26%	Risk contract revenue	\$ 26,337	\$ 35,682	(9,345)	-26%	\$ 94,582
16	\$ 3,700,140	\$ 3,748,134	(47,994)	-1%	Net Hospital Revenue	\$ 3,700,140	\$ 3,748,134	(47,994)	-1%	\$ 4,557,247
17	\$ 45,241	\$ 58,800	(13,559)	-23%	Other Op Rev & Electronic Health Records	\$ 45,241	\$ 58,800	(13,559)	-23%	\$ 14,918
18	\$ 3,745,381	\$ 3,806,934	(61,553)	-2%	Total Operating Revenue	\$ 3,745,381	\$ 3,806,934	(61,553)	-2%	\$ 4,572,165
Operating Expenses										
19	\$ 1,740,377	\$ 1,755,858	15,481	1%	Salary and Wages and Agency Fees	\$ 1,740,377	\$ 1,755,858	15,481	1%	\$ 2,299,994
20	691,997	655,807	(36,190)	-6%	Employee Benefits	691,997	655,807	(36,190)	-6%	856,181
21	\$ 2,432,374	\$ 2,411,665	(20,709)	-1%	Total People Cost	\$ 2,432,374	\$ 2,411,665	(20,709)	-1%	\$ 3,156,175
22	\$ 416,717	\$ 434,081	17,364	4%	Med and Prof Fees (excl Agency)	\$ 416,717	\$ 434,081	17,364	4%	\$ 461,703
23	451,640	518,297	66,657	13%	Supplies	451,640	518,297	66,657	13%	588,553
24	329,530	370,208	40,678	11%	Purchased Services	329,530	370,208	40,678	11%	349,264
25	247,411	266,763	19,352	7%	Depreciation	247,411	266,763	19,352	7%	290,874
26	107,984	111,906	3,922	4%	Utilities	107,984	111,906	3,922	4%	105,019
27	42,476	39,582	(2,894)	-7%	Insurance	42,476	39,582	(2,894)	-7%	35,320
28	51,849	50,557	(1,292)	-3%	Interest	51,849	50,557	(1,292)	-3%	49,337
29	106,497	99,168	(7,329)	-7%	Other	106,498	99,168	(7,330)	-7%	77,817
30	-	130,086	130,086	100%	Matching Fees (Government Programs)	0	130,086	130,086	100%	0
31	\$ 4,186,478	\$ 4,432,313	245,835	6%	Operating expenses	\$ 4,186,479	\$ 4,432,313	245,834	6%	\$ 5,114,062
32	\$ (441,097)	\$ (625,379)	\$ 184,282	29%	Operating Margin	\$ (441,098)	\$ (625,379)	184,281	29%	\$ (541,897)

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

ATTACHMENT D

	Month				
	This Year		Variance		
	Actual		\$		%
33	\$ 1,991,529	\$ 1,181,058	810,471	69%	
34	1,214	1,375	(161)	-12%	
35	(13,416)	(13,416)	-	0%	
36	316,667	316,667	-	0%	
37	0	0	-	0%	
38	\$ 2,295,994	\$ 1,485,684	810,310	55%	
39	\$ 1,854,897	\$ 860,305	994,592	116%	
40	\$ -	\$ -	-	0%	
41	\$ 342,251	\$ 209,860	132,391	0%	
42	\$ 2,197,148	\$ 1,070,165	1,126,983	105%	
43	157,964	157,964	-	0%	
44	\$ 2,355,112	\$ 1,228,129	1,126,983	92%	
	\$ 2,102,308	\$ 1,127,068	975,240		
	56.1%	29.6%			

Non Operating Rev and Expense
Miscellaneous Revenue/(Expenses)
Donations
Physician Practice Support-Prima
Parcel Tax Assessment Rev
Extraordinary Items
Total Non-Operating Rev/Exp
Net Income / (Loss) prior to Restricted Contributions

Capital Campaign Contribution
Restricted Foundation Contributions
Net Income / (Loss) w/ Restricted Contributions

GO Bond Activity, Net

Net Income/(Loss) w GO Bond Activity**EBDA - Not including Restricted Contributions**

Year-To- Date					YTD
This Year		Variance			
Actual	Budget	\$	%	Prior Year	
\$ 1,991,529	\$ 1,181,058	810,471	69%	\$ (10,637)	
1,214	1,375	(161)	12%	403	
(13,416)	(13,416)	-	0%	(56,766)	
316,667	316,667	-	0%	316,667	
0	0	-	0%	0	
\$ 2,295,994	\$ 1,485,684	810,310	55%	\$ 249,667	
\$ 1,854,896	\$ 860,305	994,591	116%	\$ (292,230)	
\$ -	\$ -	-	0%	\$ 26,280	
\$ 342,251	\$ 209,860	132,391	100%	\$ 331,168	
\$ 2,197,147	\$ 1,070,165	1,126,982	105%	\$ 65,218	
157,964	157,964	-	0%	148,660	
\$ 2,355,111	\$ 1,228,129	1,126,982	92%	\$ 213,878	
\$ 2,102,307	\$ 1,127,068	975,239		\$ (1,356)	
56.1%	29.6%			0.0%	

Sonoma Valley Hospital
Cash Forecast
FY 2020

ATTACHMENT E

	Actual July	Forecast Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	4,267,579	3,313,685	3,270,938	3,562,302	3,550,396	3,532,439	3,751,470	3,542,450	3,900,174	3,665,360	3,802,680	3,701,357	43,860,830
2 Capitation Revenue	26,337	35,682	35,682	35,682	35,682	35,682	35,682	35,682	35,682	35,682	35,682	35,682	418,839
3 Napa State	2,565	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	126,106
4 Other Operating Revenue	27,168	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	673,968
5 Other Non-Operating Revenue	38,832	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,785	322,567
6 Unrestricted Contributions	12,593	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	27,718
7 Line of Credit													-
Sub-Total Hospital Sources	4,375,074	3,446,568	3,403,821	3,695,185	3,683,279	3,665,322	3,884,353	3,675,333	4,033,057	3,798,243	3,935,563	3,834,230	45,430,028
Hospital Uses of Cash													
8 Operating Expenses	4,751,297	4,223,547	4,128,158	4,282,786	4,198,462	4,473,955	4,257,949	4,116,057	4,297,725	4,308,515	4,579,074	4,204,675	51,822,200
9 Add Capital Lease Payments	111,366	184,786	45,095	45,095	184,786	45,095	32,952	171,952	32,952	157,892	18,892	18,892	1,049,752
10 Additional Liabilities/LOC			625,000							625,000			1,250,000
11 Capital Expenditures	435,215	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,859	2,743,674
Total Hospital Uses	5,297,879	4,618,193	5,008,113	4,537,741	4,593,108	4,728,910	4,500,761	4,497,869	4,540,537	5,301,267	4,807,826	4,433,426	56,865,627
Net Hospital Sources/Uses of Cash	(922,805)	(1,171,625)	(1,604,292)	(842,556)	(909,829)	(1,063,588)	(616,408)	(822,536)	(507,480)	(1,503,024)	(872,263)	(599,196)	(11,435,599)
Non-Hospital Sources													
12 Restricted Cash/Money Market	(1,056,509)	100,000	2,125,000			(500,000)		500,000		530,000	(2,000,000)		(301,509)
13 Restricted Capital Donations	342,251	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,859	2,650,710
14 Parcel Tax Revenue	100,099					2,000,000		1,000,000		600,000			3,700,099
15 Other Payments - South Lot/LOC/Fire Claim	956,411												956,411
16 Other:													-
17 IGT										2,111,515	2,111,515		4,223,030
18 IGT - AB915								900,000					900,000
19 PRIME						600,000					75,000		675,000
Sub-Total Non-Hospital Sources	342,251	309,860	2,334,860	209,860	209,860	2,309,860	209,860	2,609,860	209,860	3,451,375	396,375	209,859	12,803,740
Non-Hospital Uses of Cash													
20 Matching Fees								780,516	780,516				1,561,032
Sub-Total Non-Hospital Uses of Cash	-	-	-	-	-	-	-	780,516	780,516	-	-	-	1,561,032
Net Non-Hospital Sources/Uses of Cash	342,251	309,860	2,334,860	209,860	209,860	2,309,860	209,860	1,829,344	(570,656)	3,451,375	396,375	209,859	11,242,708
Net Sources/Uses	(580,553)	(861,765)	730,568	(632,696)	(699,969)	1,246,272	(406,548)	1,006,808	(1,078,136)	1,948,351	(475,888)	(389,337)	
Cash and Equivalents at beginning of period	3,450,014	2,869,461	2,007,696	2,738,264	2,105,568	1,405,599	2,651,871	2,245,324	3,252,132	2,173,996	4,122,348	3,646,460	
Cash and Equivalents at end of period	2,869,461	2,007,696	2,738,264	2,105,568	1,405,599	2,651,871	2,245,324	3,252,132	2,173,996	4,122,348	3,646,460	3,257,124	



To: Sonoma Valley Healthcare District Board Finance Committee
From: Peter Hohorst
Date: 08/27/2019
Subject: Recommendation for discussion – IGT budget entries

I was planning to bring this up at last month's meeting so that it could be implemented with the start of reporting for FY 2020.

I think the way the IGC budget entries are entered into the monthly budgets cause's unnecessary distortions and problems.

In my view the annual budget and by extension, the monthly budgets are intended to provide benchmarks with which to measure actual performance and to highlight areas where corrective action needs to take place.

Unfortunately in the case of monthly IGT entries the budgeted (estimate) IGT income and expense are simply the annual budget divided by 12. This means for most months of the year the actual net income and EBDA show negative comparisons to the budget and the monthly net variance is usually around \$300,000.

For some members of the public this raises concerns as to whether the hospital is being well run. It also tends to allow lesser variances in other line items to pass under the radar because by comparison they are not significant.

It would seem to me that a better approach would be to use the estimates from the cash flow projections as the monthly budget entries for IGT income and matching funds. These numbers reflect the finance department's best estimate of when the matching funds will be required and when the funds will be received. Not perfect, but certainly better than dividing the annual estimates by 12. The monthly IGT estimates are necessary for a realistic cash flow projection, so why not use them for the monthly budget?