



**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS**

**AGENDA**

**MARCH 5, 2020**

**REGULAR SESSION 6:00 P.M.**

**CITY COUNCIL CHAMBERS  
177 FIRST STREET 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 Vivian Woodall at <a href="mailto:vwoodall@sonomavalleyhospital.org">vwoodall@sonomavalleyhospital.org</a> (707) 935.5005 at least 48 hours prior to the meeting.</p>	<b>RECOMMENDATION</b>		
<b>AGENDA ITEM</b>			
<p><b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p><b>1. CALL TO ORDER</b></p>	<i>Hirsch</i>		
<p><b>2. BOARD CHAIR COMMENT</b></p>	<i>Hirsch</i>		
<p><b>3. PUBLIC COMMENT</b> <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>Hirsch</i>		
<p><b>3. CONSENT CALENDAR</b>            1. Board Minutes 02.06.20            2. Finance Committee Minutes 12.17.19            3. Quality Committee Minutes 01.22.20            4. Medical Staff Credentialing</p>	<i>Hirsch</i>	Action	Pages 3-4 Pages 5-7 Pages 8-11
<p><b>4. DISTRICT HOSPITAL LEADERSHIP FORUM PRESENTATION</b></p>	<i>Lane</i>	Inform	Pages 12-32
<p><b>5. PERIOPERATIVE SERVICES EFFICIENCY &amp; OPTIMIZATION PROJECT PRESENTATION</b></p>	<i>Lovejoy, Kobe, Clark</i>	Inform	Pages 33-52
<p><b>6. CMO REPORT</b></p>	<i>Kidd</i>	Inform	Page 53
<p><b>7. SVH OBSERVATIONS REPORT/CRITICAL ACCESS HOSPITAL STATUS UPDATE</b></p>	<i>Mather</i>	Inform	
<p><b>8. ADMINISTRATIVE REPORT FOR FEBRUARY</b></p>	<i>Mather</i>	Inform	Pages 54-56
<p><b>9. FINANCIALS FOR THE MONTH ENDED DECEMBER 31, 2019</b></p>	<i>Jensen</i>	Inform	Pages 57-66
<p><b>10. REVIEW FISCAL YEAR 2021 BUDGET ASSUMPTIONS</b></p>	<i>Jensen</i>	Inform	Pages 67-68

<b>11. RESOLUTION NO. 348 REGARDING REQUEST FOR PARCEL TAX ADVANCE</b>	<i>Jensen</i>	Action	Pages 69-76
<b>12. BOARD COMMENTS</b>	<i>Hirsch</i>		
<b>13. ADJOURN</b>	<i>Hirsch</i>		

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, FEBRUARY 6, 2020

CITY COUNCIL CHAMBERS

177 FIRST STREET WEST, SONOMA, CA 95476

	<b>RECOMMENDATION</b>	
<b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER</b>	<i>Hirsch</i>	
6:03 p.m. Dr. Mainardi excused.		
<b>2. PUBLIC COMMENT</b>	<i>Hirsch</i>	
Pete Saibene mentioned how pleased he was with the care in Skilled Nursing; the service was excellent, compassionate, confident, and teamwork was evident, both in 2018 and recently. It is valuable to the community and they are doing a great job.		
<b>3. BOARD COMMENTS</b>	<i>Hirsch</i>	
Ms. Hirsch mentioned the performance improvement project posted at the Hospital for the public to view until March 2, 2020.		
<b>4. CONSENT CALENDAR</b> <ol style="list-style-type: none"> <li>1. Board Minutes 01.09.20</li> <li>2. Quality Committee Minutes 11.20.19</li> <li>3. Governance Committee Minutes 11.14.19</li> <li>4. Governance Committee Charter</li> <li>5. Board Policies</li> <li>6. Medical Staff Credentialing</li> </ol>	<i>Hirsch</i>	Action
		<b>MOTION:</b> by Rymer to approve, 2 <sup>nd</sup> by Nevins. All in favor.
<b>5. QUALITY DEPARTMENT ANNUAL REPORT</b>	<i>Jones</i>	Inform
Ms. Jones presented the Quality annual report.		
<b>6. MARKETING AND GROWTH UPDATE</b>	<i>Kruse de la Rosa</i>	Inform
Ms. Kruse de la Rosa presented the Marketing and Growth report and mentioned that SVH is pursuing bariatric accreditation.		
<b>7. CMO REPORT</b>	<i>Kidd</i>	Inform
Dr. Kidd reported January highlights, including the new Infectious Disease telemed and Valley Emergency tele-psych programs.		

<b>8. ADMINISTRATIVE REPORT FOR FEBRUARY</b>	<i>Mather</i>	Inform
Ms. Mather mentioned department managers are doing an excellent job managing expenses. She testified recently at a joint State Senate/Assembly hearing on seismic requirements for 2030, and she hoped the law will be modified.		
<b>9. FINANCIALS FOR THE MONTH ENDED DECEMBER 31, 2019</b>	<i>Jensen</i>	Inform
Mr. Jensen discussed the payer mix for December. He mentioned Clinic revenue was included in the budget and then corrected, so the Hospital was now on track for cash. A/P days were 42.4, A/R days were 43.3, and days of cash were at 17.9. Inpatient revenue was up 8% for the month. Total operating revenue was over budget by \$341,000; however, operating expenses were over budget by \$53,000, for an operating margin of (\$400,000). Net income after all activity was \$139,000 vs. budget of (\$30,000) for the month, and \$2,461,000 vs. budget of \$924,000 year to date.		
<b>10. OUTPATIENT DIAGNOSTIC CENTER PROJECT 2: CARDIOLOGY</b>	<i>Peluso/ Kuwahara</i>	Action
Mr. Peluso gave an update on the ODC projects and funding. The CT construction project began in December. He expected to return to the Board in May for approval of the MRI project. Tonight's request is for the approval of an additional \$300,000 for cardiology equipment which is at end of life.		<b>MOTION:</b> by Rymer, 2 <sup>nd</sup> by Boerum. All in favor.
<b>11. RESOLUTION NO. 347 AUTHORIZING USE OF A FICTITIOUS BUSINESS NAME (VALLEY OF THE MOON POST ACUTE)</b>	<i>Mather</i>	Action
Ms. Mather explained that Ensign Services requested a District resolution authorizing use of "Valley of the Moon Post Acute" as the fictitious business name of the Skilled Nursing Facility.		<b>MOTION:</b> by Rymer, 2 <sup>nd</sup> by Nevins. All in favor.
<b>12. LEGISLATIVE UPDATE</b>	<i>Hirsch</i>	Inform
Ms. Hirsch mentioned Hospital administration had submitted a letter to CMS opposing its Medicaid Fiscal Accountability Regulation, CMS-2393-P and CMS-2393-N.		
<b>13. ADJOURN</b>	<i>Hirsch</i>	
Adjourned 7:23 p.m.		



**SVHCD  
FINANCE COMMITTEE MEETING  
MINUTES  
TUESDAY, DECEMBER 17, 2019  
Schantz Conference Room**

<b>Present</b>	<b>Excused</b>	<b>Staff</b>	<b>Public</b>
Sharon Nevins Susan Porth Peter Hohorst Art Grandy Dr. Subhash Mishra via telephone Joshua Rymer via telephone		Kelly Mather, CEO Ken Jensen, CFO Sarah Dungan, Controller Dawn Kuwahara Leslie Lovejoy	Bruce Flynn

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTIONS</b>	<b>FOLLOW-UP</b>
<b>MISSION &amp; VISION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Nevins</i>		
	Called to order at 5:00 pm		
<b>2. PUBLIC COMMENT SECTION</b>	<i>Nevins</i>		
	None		
<b>3. CONSENT CALENDAR</b>	<i>Nevins</i>		
	Minutes from the 11.19.19 meeting were reviewed.	<b>MOTION:</b> by Porth to approve, 2 <sup>nd</sup> by Hohorst. All in favor.	
<b>4. OUTPATIENT DIAGNOSTIC CENTER UPDATE</b>	<i>Mather</i>		
	Ms. Mather reported \$18.6 million in donations had been pledged to date for the Outpatient Diagnostic Center. The MRI project will break ground in summer 2020 after the CT project is complete.		
<b>5. PRIME GRANT PERFORMANCE UPDATE</b>	<i>Lovejoy</i>		
	CMS funds demo grant projects to improve patient care. This grant is to improve transitions		

	of care, a 5-year project. CMS selected the metrics. SVH received full reimbursement for the first two years of the project. For year 3 the hospital received \$200,000 of the \$675,000 available. SVH was already a high quality hospital so it was very challenging to improve baseline metrics. The grant will end with the final report in Oct 2020.		
<b>6. 2020 FINANCE COMMITTEE WORK PLAN</b>	<i>Nevins</i>		
	Mr. Jensen reviewed the work plan for 2020. The Outpatient Diagnostic Center update would continue as an agenda item until the project is complete and not be included on the work plan. Mr. Hohorst suggested review of the line of credit in May. Ms. Nevins thought it would be useful to review the latest three-year projection and to add that going forward. A subcommittee consisting of Mr. Grandy, Ms. Porth, and Mr. Jensen was asked to put together the three-year projection. A suggestion was made to create some alternative forecasts with the parcel tax in mind. Mr. Rymer asked about finance-related suggestions from the SVH Independent Observations Report; Ms. Nevins said this should be an agenda item for February and not on the work plan.	<b>MOTION:</b> by Hohorst to approve, 2 <sup>nd</sup> by Porth. All in favor.	See "Discussion" for follow-up items.
<b>7. ADMINISTRATIVE REPORT</b>	<i>Mather</i>		
	Ms. Mather reviewed the administrative report for December. Both urology and infectious disease consultations are now available on telemedicine from UCSF.		Mather to present branding report to FC when approved in Feb.
<b>8. FINANCIAL REPORT MONTH ENDED NOVEMBER 30, 2019</b>	<i>Jensen</i>		
	Mr. Jensen reviewed the payer mix for November, with government payers at 75.9% vs. budget of \$73.2%. Days of cash on hand were 16.9, with the		

	<p>parcel tax payment expected on December 24<sup>th</sup>. A/R days were 44.7, A/P stood at \$2.9 million, and A/P days were 42.9. Inpatient revenue was down due to acuity, outpatient revenue was up, and ER revenue was up. Expenses were well controlled, with purchased services over due to unbudgeted garden refurbishment and some repairs in Occupational Health. Net income for the month was \$101,456 vs. a budgeted \$12,471. EBDA was 0.4% vs. a budgeted (2.5%).</p>		
<b>9. ADJOURN</b>	<i>Nevins</i>		
	5:57 pm		



**SONOMA VALLEY HEALTH CARE DISTRICT  
QUALITY COMMITTEE  
January 22, 2020 5:00 PM  
MINUTES  
Schantz Conference Room**

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Susan Idell Ingrid Sheets Cathy Webber Carol Snyder	Howard Eisenstark, MD Michael Mainardi, MD		Sabrina Kidd, MD, CMO Danielle Jones, RN, Chief Quality Officer Mark Kobe, RN, CNO Mike Empey

AGENDA ITEM	DISCUSSION	ACTION
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Hirsch</i>	
	The meeting was called to order at 5:00 pm. The CNO Quarterly Patient Care Dashboard and the 2020 Work Plan were added to the agenda.	
<b>2. PUBLIC COMMENT</b>	<i>Hirsch</i>	
	None	
<b>3. CONSENT CALENDAR</b>		Action
<ul style="list-style-type: none"> <li>QC Minutes, 11.20.19</li> </ul>		<b>MOTION:</b> by Mainardi to approve, 2 <sup>nd</sup> by Sheets. All in favor.
<b>4. VALLEY OF THE MOON POST ACUTE SEMI-ANNUAL REPORT</b>	<i>Empey</i>	Inform
	Mr. Empey handed out a dashboard for the 4 <sup>th</sup> quarter 2019 Skilled Nursing Facility results and discussed the metrics. The Committee asked if he would differentiate new antipsychotic medication orders vs. established orders on future reports, as well as break out hospice patients. The facility is in final review for sub-acute status, still probably six months away.	
<b>5. CNO QUARTERLY PATIENT SERVICES DASHBOARD</b>	<i>Kobe</i>	Inform
	Mr. Kobe reported that patient falls continue to decrease. Patient experience may be reported differently in the future	



AGENDA ITEM	DISCUSSION	ACTION
	based on the hospital's new human experience program. Texting patients after visits began in the 4 <sup>th</sup> quarter 2019.	
<b>6. 2020 QUALITY COMMITTEE WORK PLAN REVIEW</b>	<i>Jones</i>	Inform/Action
	Ms. Jones felt there was no need for a work plan since the Committee would work off a standard agenda in the future.	No action
<b>7. SVH QUALITY INDICATOR PERFORMANCE AND PLAN</b>	<i>Jones</i>	Inform
	Ms. Jones gave a presentation on the new quality data reporting she planned to bring to the Committee each month. Scores were provided for all indicators in several dimensions; opportunities for improvement and plans of action were also identified.	
<b>8. PROPOSED QUALITY COMMITTEE CHARTER</b>	<i>Jones</i>	Inform
	In the interests of time, the Chair moved discussion of the Committee charter to February.	
<b>9. POLICIES AND PROCEDURES</b>	<i>Jones</i>	Action
	<p><b><u>New:</u></b>  Management of the Social Needs Patients MS8610-105  Rapid Sequence Intubation (RSI) Kit MM8610-161  Sewage Overflow Response Plan CE8610-188</p> <p><b><u>Revisions:</u></b>  Creutzfeldt-Jakob Disease Human Prion Disease IC8610-118  Investigational Drug Use MM8610-135  Pharmacy and Therapeutics Committee MM8610-129  Sterile Compounding MM8610-117  Warming Fluids for IV and Irrigation Purposes, Storage and Handling of MM8610-112  Emergency Operations Plan 2019 EP8610-100  Hospital Evacuation during Disaster EP8610-101  Surge Policy to Manage Patient Influx EP8610-102  Tracking of On-duty Staff during a Disaster EP8610-104  Fire Watch Policy CE8610-139  Acuity Ratio and Staffing Plan-Nursing NS8610-102  Admission and Discharge Criteria By Unit PC8610-102</p>	<b>MOTION:</b> by Mainardi to approve, 2 <sup>nd</sup> by Sheets. All in favor.

AGENDA ITEM	DISCUSSION	ACTION
	<p>Autotransfusion PC8610-109  Chain of Command GL8610-120  Clinical Nursing Procedures PC8610-124  Code Blue-Broselow Carts and Emergency Medications  QS8610-104  Code Stroke Paging NS8610-124  Death-Fetal or Newborn PC8610-130  Falls-Management QS8610-116  Nursing Staffing Floating and Call-Off NS8610-108  Orientation and Evaluation of Registry Personnel NS8610-110  Plan for the Provision of Nursing Care NS8610-112  Pressure Ulcer Wound Care Assessment and Management  PC8610-162  Safe Baby Surrender Policy PC8610-164  Transporting of Monitored Patients PC8610-168  Treat and Transfer of Patients GL8610-194  Weekend Coverage NS8610-118</p> <p><b><u>Reviewed/No Changes:</u></b>  Controlled Substance Distribution for Anesthesia MM8610-108  Drug Supply Chain Security MM8610-157  Floorstock Medications MM8610-121  High Alert Medications MM8610-131  Adult Hypoglycemia Protocol PC8610-108  Audibility of Clinical Monitoring Intervention Alarm  Systems QS8610-102  Dec clotting Central Venous Access Devices PC8610-132  Pain Management QS8610-120  Patient Identification QS8610-122  Scheduling of Staff Nursing NS8610-114  Universal Protocol PC8610-170  Urinary Catheter Insertion-Maintenance Removal PC6810-172  Verbal Telephone Order Policy QS6810-130</p> <p><b><u>Retire:</u></b>  Car Seat Safety PC8610-110  Nursing Education Reimbursement NS8610-104  Pediatric Informed Consent PR8610-168  Pediatric-Family Issues PC8610-152</p>	

AGENDA ITEM	DISCUSSION	ACTION
	PICC Line Insertion Peripherally Inserted Central Catheter PC8610-156 Standardized Procedure for Med Screening Exam for the Obstetrical Patient Performed by RN PC8610-166  <b>Departmental Revisions:</b> <b>Nutritional Services</b> Diet Manual 8340-151 <b>Emergency Department</b> Emergency Initial Assessment Triage 7010-01	
<b>10. CLOSED SESSION</b>	<i>Hirsch</i>	
a. <u>Calif. Health &amp; Safety Code § 32155</u> Medical Staff Credentialing & Peer Review Report	Called to order at 6:27 pm	
<b>11. REPORT OF CLOSED SESSION</b>	<i>Hirsch</i>	Inform/Action
	Medical Staff credentialing was reviewed.	<b>MOTION:</b> by Mainardi to approve credentialing, 2 <sup>nd</sup> by Eisenstark. All in favor.
<b>12. ADJOURN</b>	<i>Hirsch</i>	
	6:28 pm	

# District Hospital Leadership Forum

Sherreta Lane, Senior VP, Finance Policy

March 5, 2020

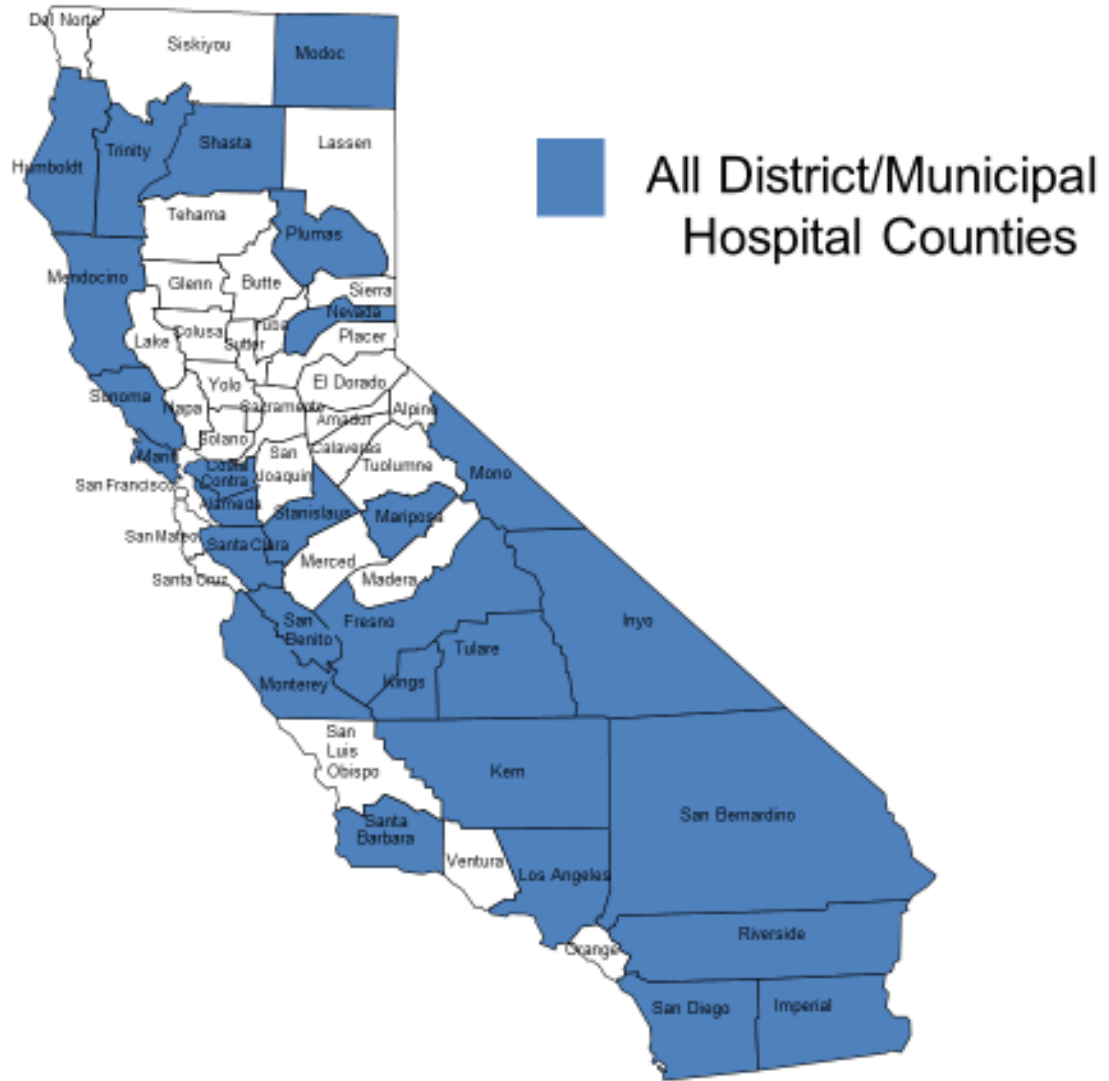


DISTRICT HOSPITAL  
LEADERSHIP FORUM

# Background

- District Hospital Leadership Forum, representing district hospitals' executive teams
- Formalized association structure in 2011
  - Initially five district hospital CEOs came together in advance of 2010 waiver in an effort for inclusion
- Currently represent the 35 district/municipal or “non-designated public hospitals” or “district/municipal public hospitals”
- DHLF formed with a sole focus of maintaining and improving reimbursement and finances for healthcare district-operated acute care hospitals
  - Currently, in aggregate DMPHs receive well over \$300 million annually in supplemental payments; all new funding since formation of the DHLF





DISTRICT HOSPITAL  
LEADERSHIP FORUM

# DHLF Executive Officers

- John McCormick, Oak Valley Hospital, President
- Donna Hefner, Sierra View Local Health Care District, Porterville, Vice President
- Gary Herbst, Kaweah Delta, Treasurer
- Pete Delgado, Salinas Memorial Hospital, Secretary
- Steve Dietlin, Tri-City Medical Center
- Chris Henry, Washington Hospital
- Louis Ward, Mayers Memorial Hospital



DISTRICT HOSPITAL  
LEADERSHIP FORUM

# Initiatives

- Initially focused on maintaining and improving reimbursement and finances for healthcare district-operated acute care hospitals
  - Current and future activities also to include delivery system transformations similar to policymakers' focus
- Currently focused on:
  - Medi-Cal Healthier California for All (formerly CalAIM), PRIME and its successor program, QIP 2 and 3
  - Implementation/continuation of various supplemental funding programs
  - Continual legislative/regulatory issues affecting district hospital finances and reimbursement (federal and state)
  - DSH replacement funding
  - Other opportunities





# Distribution of Funding

- DHLF makes recommendations to DHCS regarding funding distribution of all supplemental programs (except CPE programs)
- Members have long adopted an “all for one; one for all” approach
- Funding workgroup made up of volunteers among members
- All programs recognize rural and/or CAH districts



# IGT Program – In Perpetuity

- First successful Forum advocacy effort:
  - 2011's AB 113 provided authority for public district hospitals to use intergovernmental transfers (IGTs) to fund unreimbursed Medi-Cal FFS inpatient costs
    - Created formula so all districts could participate
  - ACA implementation increased program (more Medi-Cal beneficiaries) a portion of which does not require an IGT
    - Future amounts will be based on actual patient enrollment, etc.
  - Brought Medi-Cal inpatient fee-for-service payments to the federal upper payment limit for NDPHs



# Hospital Quality Assurance Fee

- District hospitals have participated in all the hospital quality assurance fees (HQAFs) to date in a variety of ways
- 2014-16 HQAF resulted in significant new funds for district/municipal hospitals but added significant complexity to mechanisms used
  - Allows district/municipal hospitals to maximize funds while minimizing impact on private hospitals (which fund the fee)
- 2017-19 and 2019-21 programs are continuations of 2014-16 with increase of \$35 million to \$44 million in direct grants
  - Potentially beginning 20-21 or later, DMPHs may be required to shift to a claims add-on payment for a portion of the IGT-generated funding



# Rate Range IGTs - Background

- Actuarially determined rates are a range – lower bound to higher bound
- State generally pays at the lower bound (with few exceptions)
- Leaving the difference available
- Public entities (state, counties, districts) can use public funds (IGTs) to access the match to obtain funding to the higher bound
- State has delegated all activities related to the rate range to the health plans



# Rate Range IGTs (continued)

- State assesses a 20 percent admin fee (with one exception)
  - Exception: when rate range is used to backfill AB 915 “losses” due to managed care
- Health plans MAY assess an admin fee
  - Numerous challenges with commercial plans



# Rate Range IGTs (cont)

- Requirement of rate range funds: used for services provided to Medi-Cal managed care beneficiaries; pass the “reasonableness” test
- Health plans have generally been requiring cost data and limiting rate range revenues to cost (part of their negotiations)
- Federal limitation is charges but likely to shift toward cost
  - Areas with historic managed care generally have more “room”
  - Rural areas and the expansion population are trickier to estimate based on lack of data/experience



# Rate Range – Medicaid Managed Care Rule

- DHCS no longer directs payments (including AB 915 backfill)
- Contract required
- Zero flexibility on timing of IGTs



# Other Supplemental Programs for District/Municipal Hospitals

- AB 915
  - Use outpatient certified public expenditures (CPEs) to obtain federal funds up to cost of providing care – fee-for-service only
- DP/NF supplemental
  - CPEs to obtain federal funds up to cost of providing care





# Summary – Supplemental Payments

Program	Net Annual Amount	Comments
AB 113 Medi-Cal FFS Inpatient Supplemental for non-expansion population	\$35 million	Declining due to shift to managed care
AB 113 ACA expansion amount	\$27 million*	No IGT needed for this additional amount
Hospital Quality Assurance Fee	\$108 million	IGTs to draw down funds via Medi-Cal managed care plans; direct grants to rural, CAH and DSH hospitals; managed care amounts subject to actual experience
Rate range	\$60 million	No longer directed by DHCS; some counties better situated than others (Trinity is better situated)
AB 915/915 expansion amount		
PRIME	Initially \$100 million net annually	Declines in years 4 and 5
<b>TOTAL</b>	<b>\$330 million</b>	



# Impact of Supplemental Funding Programs on Sonoma

Program	Net Funding
AB 113 (FFS Supplemental)	\$173 K
AB 113 (expansion population)	*
Quality Assurance Fee	\$957 K
Rate range IGT	\$3.5 million
PRIME*	\$573 K
Total annual amount	\$5.2 million
*some programs not included such as AB 915, DP/NF supplemental, etc.	
*PRIME contingent upon meeting metrics	



# Public Hospital Redesign and Incentives in Medi-Cal (PRIME)

- Unlike many other components of the Waiver, the public hospital incentive program (formerly called DSRIP) relies on public hospitals (county, UC, district, municipal) providing the non-federal share via an intergovernmental transfer (IGT)
- Based on DHLF advocacy, district/municipal hospitals now included in PRIME



# District/Municipal Hospitals and PRIME

- Hospitals proposed projects that met the Triple Aim
- Each project has milestones and metrics and once hospitals meet and report on the milestones/metrics, incentive funding was/is available
- PRIME advocacy was successful:
  - Diversity among hospitals (minimum of one project)
  - Application included a funded planning period (first two years) for DMPH incentive program
  - \$100 million annually for district hospitals to be drawn down using \$100 million in IGTs



# QIP (PRIME successor)

- QIP 2 – July 2020 – December 2020
- QIP 3 – January 2021 – December 2025
- Funding still to be determined (similar levels to PRIME)
  - Likely will include a floor for small hospitals
- Metric-based rather than project based
  - Focus on primary care but working with hospitals that do not provide primary care
  - Continuation of some of the metrics in PRIME



# Specific Challenges

- Medicaid Fiscal Accountability Rule (proposed)
- Changes to ACA
- Medicaid block grants
- Otherwise decrease provider reimbursement
  - State and/or federal
  - Example: 340B program
- Other “healthcare affordability” proposals



# DHLF Strategies for Challenges

- Advocacy
  - Legislative advocates (federal and state)
  - Coalitions
  - Grassroots advocacy
- Innovative waiver programs
  - Tell the story of PRIME successes
- Creativity
  - When CMS disallowed DSRIP programs, CA developed PRIME
- Alternative payment models (e.g. capitation; shared savings)
- Delivery system transformations
- Other
  - Opportunities for funding outside of upper payment limit or hospital-specific cost limits



# Questions?





# Perioperative Services Efficiency & Optimization Project

Leslie Lovejoy, RN, Ph.D. Project Manager,  
Mark Kobe RN,MS, CNO and Janine Clark, RN Manager, Perioperative Services

**SVHCD Board of Directors**

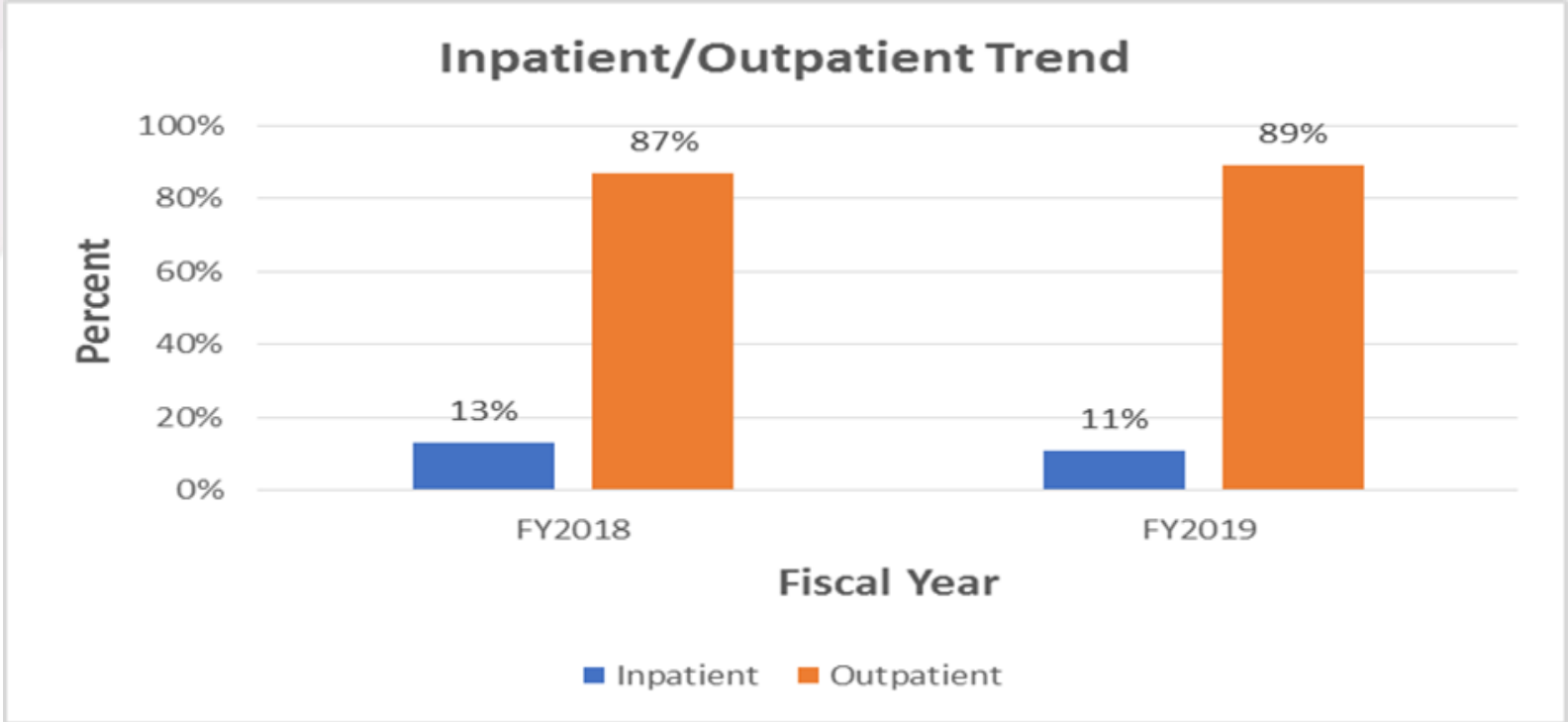
**March 5, 2020**

Project Purpose: Establish baseline performance and develop best practice strategies to maximize efficiencies in both the scale of services provided and in operations.

- Goals

1. Develop a data analytics methodology for comparing past to present performance; ✓
2. Develop metrics and a monthly reporting tool; ✓
3. Using an Ambulatory Surgical Center Model, build a more efficient staffing model; ✓
4. Build a more efficient pre-operative process; ✓ and
5. Develop cost saving strategies to optimize current and future margins. ✓

# Goal 1: Develop a data analytics methodology for comparing past to present performance.



# Goal 1: Develop a data analytics methodology for comparing past to present performance.

- We are seeing a shift to higher volume, lower acuity procedures.

Top Five Service Lines			
	FY2018	FY 2019	Ave Case Time
Endoscopy	400	1000	20-30 minutes
Orthopedics	591	538	1-3 hours
General Surgery	721	257	1-3 hours
Ophthalmology	241	328	30-45 minutes
Pain Management	600	702	10-15 minutes



# Goal 1: Develop a data analytics methodology for comparing past to present performance.

- While Inpatient margins are declining, Outpatient margins are increasing.

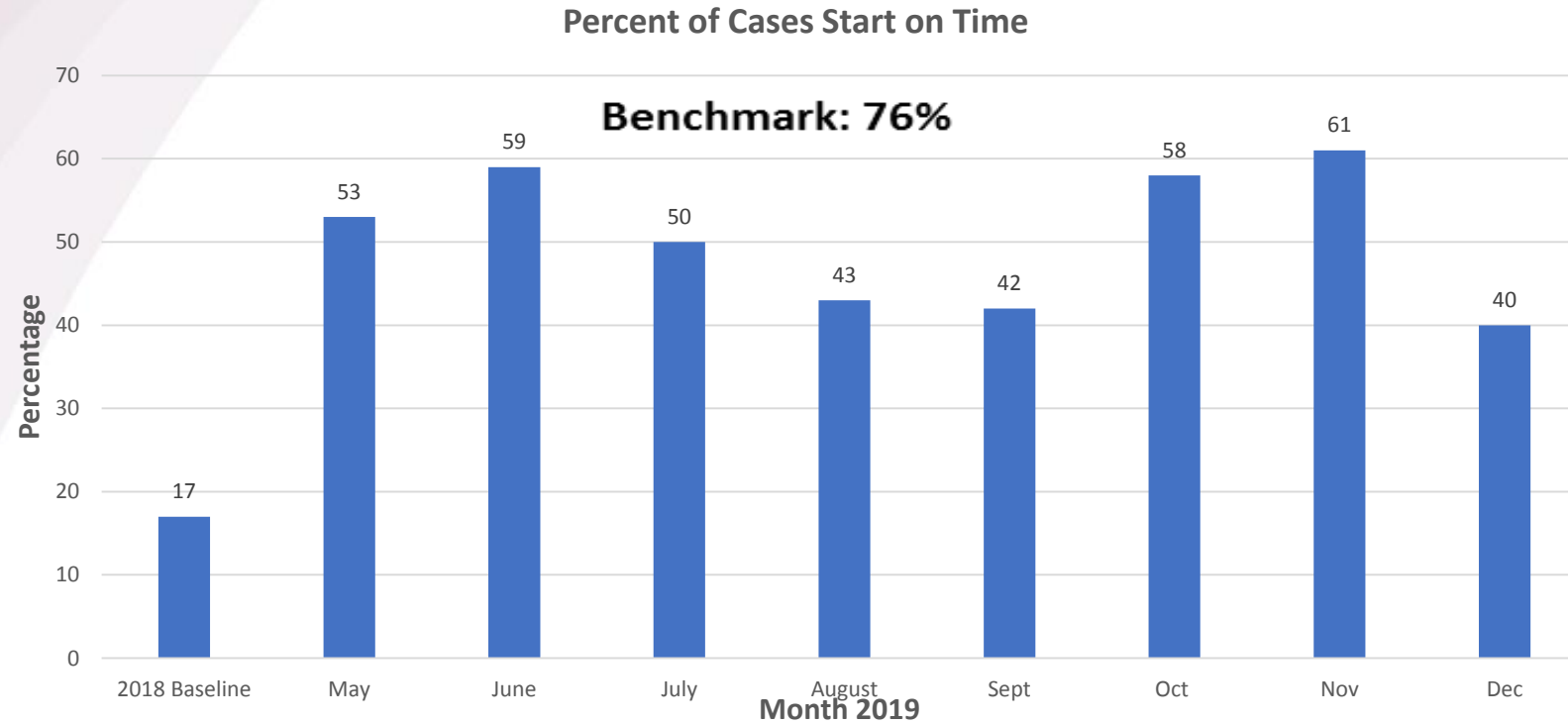
Type/Fiscal Year	Visits	Reimbursement	Direct Costs	Margin
<b>Outpatient</b>				
Fiscal Year 2018	1658	4,889,886	3,268,754	1,559,286
Fiscal Year 2019	1902	5,798,692	3,928,350	1,882,453
<b>Inpatient</b>				
Fiscal Year 2018	219	3,886,709	2,637,198	1,229,512
Fiscal Year 2019	190	3,172,573	2,421,305	751,268
<b>Endoscopy</b>				
Fiscal Year 2018	1026	1,338,400	802,627	535,773
Fiscal Year 2019	1123	1,741,390	812,765	928,634

## Goal 2: Develop metrics and a monthly reporting tool

- A monthly metrics tool was developed using evidence based practice standards and national benchmarks.
- Measure metrics include:
  - Turnaround times
  - % Block utilization
  - % after hour cases
  - First case start times

# Performance Improvement

- First Case of the Day On time Start



# Goal 3: Using and Ambulatory Surgical Center Model, build an more efficient staffing model

Using AORN best practice benchmarks, we looked at total cases, surgical hours and the basic staffing for at least one room.

Total Cases	Total Pain Management Cases	Total Surgical Cases
2957	699	2258
Total Minutes: 56,854	Total Minutes: 10,485	Total Minutes: 46,369 (777Hrs)
		2258 cases/777 Hrs = 2.9 Hrs per case



# Proposed Staffing Budget

Staffing	One Suite	Two Suites	Three Suites	Total	2020 Budget
<b>Surgery/Spec Proc 7420/7072</b>					
Surgery Manager	1				
Surgery coordinator	1				
Scrub tech	1	1	1		
Circulating RN	1	1	1		
Environmental Services	1				
Break RN		0.1			
Break Scrub		0.3			
<b>Anesthesia 7450</b>					
Anesthesia Tech	1				
<b>Central Sterile 7471</b>					
Central Sterile tech	1				
<b>Recovery/SCU 7427/7430</b>					
PACU Coordinator	1				
PACU/preop RN	1	1	1.5		
PACU/preop C N A	1				
Nurse Navigator	1				
Scheduler	1				
Preop Admin Coordinator	0.8				
<b>Total</b>	<b>12.8</b>	<b>3.4</b>	<b>3.5</b>	<b>19.7</b>	<b>19.8</b>

# Utilization Review: FY 2016

Hours per week	3 OR Suites	Current Cases per week	Annualized Capacity Hours	Current Utilization Hours
50	150 Hours	38	7880	6630

## Current Utilization is 85%

\*3 suites, 10 hrs/day, 3.5 hrs/case

\*150hr/wk x 52 wks

6630/7800=0.85



# Utilization Review: FY 2019

Hours per week	3 OR Suites	Current Cases per week	Annualized Capacity Hours	Current Utilization Hours
50	150 Hours	45	7500	6525

**Current Utilization is 87%**

\*45 cases/wk x 2.9 hrs/case x 50 wks  
#150hrs/wk x 50 wks  
 $6525/7500=0.87$

Goal 4: Build a more efficient pre-operative process and platform.

**PREOPERATIVE  
SURGICAL PATIENT  
QUESTIONNAIRE**

*There is a new and  
better way.....*

# Goal 4: Build a more efficient pre-operative process and platform.

Out with the OLD...

### Patient Reported Medication List

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Please list all prescribed medications, over-the-counter medications, vitamins and herbal supplements that you are currently taking.

Name of Medication	Dose and Usage	Frequency (for example daily, twice daily, as needed, etc.)



### Health History Questionnaire

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**Allergies:** \_\_\_\_\_ What was your reaction? \_\_\_\_\_

**Previous Surgeries/Injuries/Stroke/Cancer/BBGAS:**  None **Recent Bloodclots/Recent Bleeding:**  None

**Current Medications:** (Include over-the-counter & herbal supplements)  None  See attached Medication List **Allergies:**  None

Problems with anesthesia  Family history anesthesia problems

Exotic: \_\_\_\_\_

**Endocrinology:**  None **MD:** \_\_\_\_\_ **Last Done:** \_\_\_\_\_  Confirms in last 2 years  None

**Cardiovascular:**  None  High Blood Pressure  Heart Attack (MI)  Angina/Chest Pain  Irregular Heart Rate Heart  Valve Problems  Pacemaker/Defibrillator/ICD  Congestive Heart Failure  Other: \_\_\_\_\_

**Respiratory:**  None  Asthma/Shortness of Breath  Emphysema/COPD  Shortness of Breath  Sleep Apnea  COPD  Cigarette use: Any/never \_\_\_\_\_  QP: \_\_\_\_\_  PFT: \_\_\_\_\_  AGP \_\_\_\_\_  Out \_\_\_\_\_

**Neurology:**  None  Epilepsy/Seizures  Stroke (MI)  Neuromuscular Disease  Pain/Anxiety/Depression  Memory or Cognition Impaired  Headaches/Migraines  Other: \_\_\_\_\_

**Renal:**  None  Chronic  Hepatitis/Cirrhosis  Alcohol use: \_\_\_\_\_  Pts per day  Recreational Drugs  Other: \_\_\_\_\_

**GI:**  None  Ulcer  Liver  Gallbladder/Reflex  Kidney Disease  Other: \_\_\_\_\_

**Hematology:**  None  Clotting Disorder  History of Blood Clots  Blood Disease  Anemia  Previous Blood Transfusion  Other: \_\_\_\_\_

**Endocrine:**  None  Diabetes Type 1  Diabetes Type 2  Thyroid Disease  Other: \_\_\_\_\_

**Genetic/Hereditary:**  None  Physical Limitations  Artificial Limbs  Implants  Dentures \_\_\_\_\_

**Other:**  None  Pregnant  Yes  No  No   
Date of last menstrual period: \_\_\_\_\_

**Note Changes:** (PFI to complete this portion)

Additional Information: \_\_\_\_\_

Pre-admission RN Signature: \_\_\_\_\_ Date/Time: \_\_\_\_\_

Admitting RN Signature: \_\_\_\_\_ Date/Time: \_\_\_\_\_



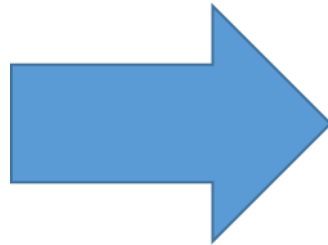
Patient Label



# ONE MEDICAL PASSPORT

...In with the NEW!

This is the new form provided to the patient in the physician's office at the time of scheduling a procedure



ONE | MEDICAL PASSPORT



## Patient Registration Guide

Physician Name: \_\_\_\_\_ Procedure Date: \_\_\_\_\_

In order to provide you with excellent care and minimize long phone interviews and paperwork, Sonoma Valley Hospital asks that you complete a Medical Passport, an online registration form that allows patients to provide complete, accurate medical information to their healthcare team in order to provide a safe and optimal patient-care experience. *You may also receive a phone call, email, or text from One Medical Passport directing you to complete your medical history.*

### How to Complete Your Medical Passport Online

Start on the homepage: [www.sonomavalleyhospital.org](http://www.sonomavalleyhospital.org)

Then click on Patient & Visitors and select Pre-Op Surgical Questionnaire link to go to the Medical Passport registration page.

#### First Time Users Only:

Click the green 'Register' button to create a Medical Passport. Choose the state and location at which your procedure is scheduled.

Answer the questions on each page, then click 'Save & Continue.' Once complete, click 'Finish' to submit your information to us. The information you provide is kept on a secure site, is password protected by you, and is never shared with anyone other than your healthcare team.



#### Returning Users Only:

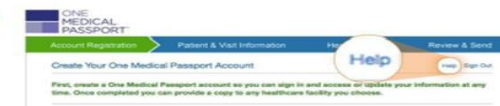
If you've previously created a Medical Passport and are having another procedure at the same or a different surgical facility, you will need to verify and/or update your information. Enter your original username and password in the 'Welcome Back' area and click 'Sign In.'

Note the username and password you select:

Username: \_\_\_\_\_ Password: \_\_\_\_\_

#### Need Help Completing a Medical Passport?

Each page has a Help link you may click for assistance. If you are unable to complete your medical history online, a pre-admission nurse from our facility will contact you by phone close to the date of your procedure to complete your history with you.



#### Please Note:

Questions regarding arrival/procedure time, billing/co-pays, pre-procedure instructions or medical concerns/test results must be directed to your physician's office or the facility directly.

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www. Sonomavalleyhospital.org

The screenshot displays the Sonoma Valley Hospital website. At the top left is the logo for Sonoma Valley Hospital, Sonoma Valley Health Care District, an affiliate of UCSF Health. A search bar is located at the top right. The main navigation bar includes links for Find a Doctor, Services, Patients & Visitors, Quality Care, Health Care District, and SVH Foundation. A dropdown menu is open under 'Patients & Visitors', listing options such as Billing, Insurance, Financial Assistance, Pay My Bill, Follow My Health, Pre-Op Surgical Questionnaire, Medical Records, Patient Privacy, Our Quality Standards, Directions, and Your Visit. A blue arrow points to the 'Follow My Health' option. The main content area features a large banner titled 'Managing Health at Home During Power Outages' with a 'Learn More' link. Below the banner are three service tiles: 'Emergency Care' with an image of the hospital building, 'Women's Health Services' with an image of a woman in a physical therapy session, and 'Surgical Services' with an image of a surgeon in an operating room. The page number '47 of 16' is visible at the bottom center.

# ONE MEDICAL PASSPORT

ONE | MEDICAL PASSPORT



Select Language | ▼

New to One Medical Passport?

Patients, Register to Create an Account

Register



- OR -

Welcome Back

Sign In to Your Account

Account username

Account password

Forgot username or password?

Sign In

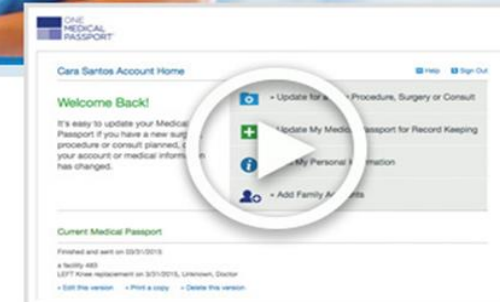


Creating a username and password keeps your account secure. » [Learn More](#)

Medical Passports are secure, online patient-controlled accounts that provide medical history information. Patients can send information to their healthcare team and easily update their Medical Passport for any subsequent procedures.

## Have Questions?

» [View the patient overview video \(2.5 minutes\)](#)

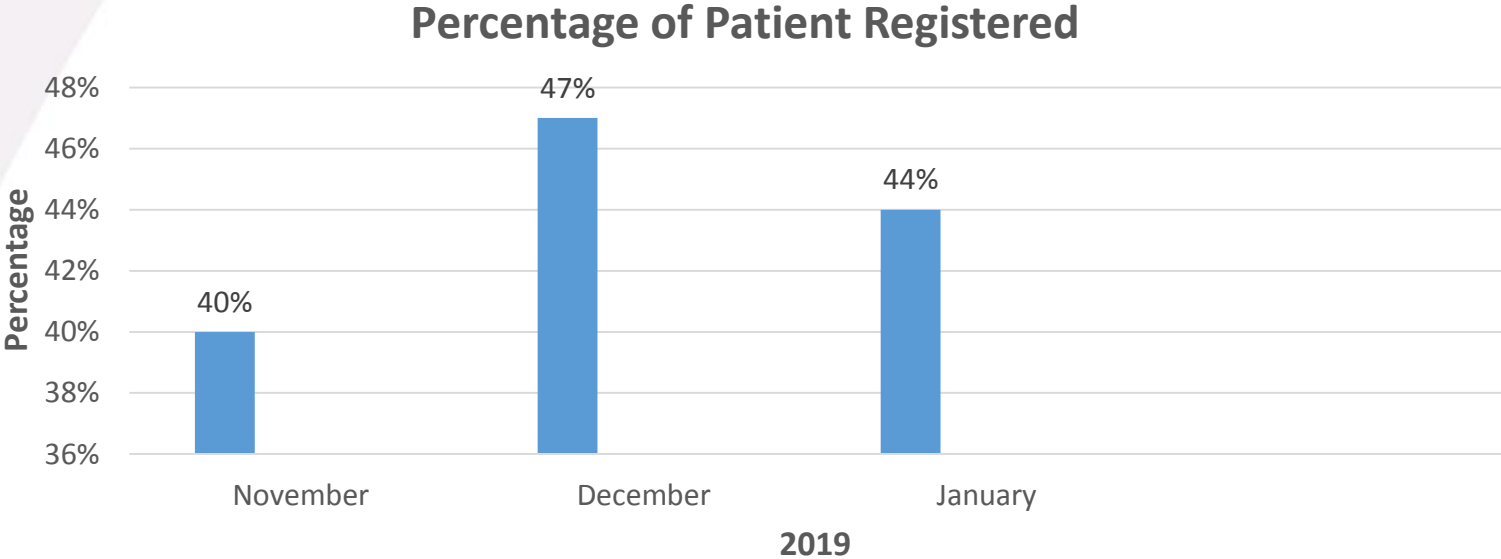




# Goal 4: Build a more efficient pre-operative process and platform

- Metrics:

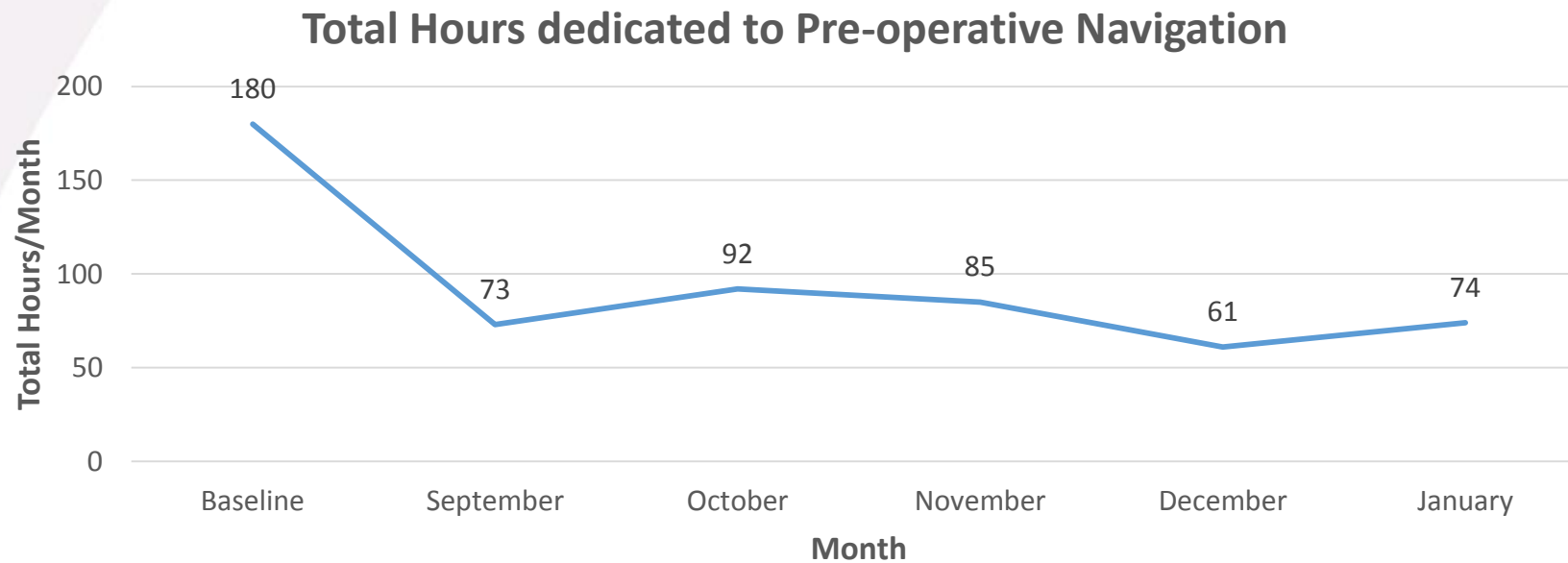
Goal 1: to increase patient use from 0% to 40% within three months



# Goal 4: Build a more efficient pre-operative process and platform

- Metric:

Goal 2: Reduce the amount of time needed for the clerical aspects of pre-op navigation.



## Goal 5: Develop cost saving strategies to optimize current and future margins

- While we have made great gains over the course of this year long project, there are two areas that need further exploration.
  1. The feasibility of some form of co-management agreement.
  2. Revisit a mixed model anesthesia contract.

# Conclusion

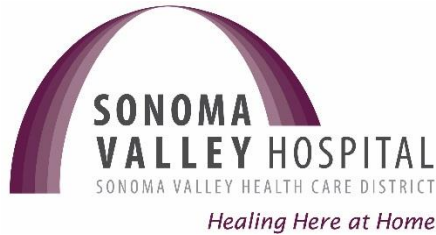
- The Perioperative Services department is an efficiently run department
- The performance improvement projects improved efficiency of workflow and staffing.
- The department is currently building on streamlining and efficiency efforts.
- Are there any questions?
- Thank You!



**To: SVHCD Board of Directors**  
**From: Sabrina Kidd, MD**  
**Meeting Date: March 5, 2020**  
**Subject: CMO Report**

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1. February Highlights included:
  - a. Coronavirus outreach and preparation continues with updates daily.
  - b. Quarterly medical staff meeting was February 11. The new venue worked well.
  - c. Visit from UCSF Surgery Department Chair and associates 2/28/2020.
2. Upcoming March events:
  - a. CIHQ Hospital and Stroke Ready survey by March 16
  - b. Awaiting Bariatric accreditation site visit. Our application has been submitted and is under review.
  - c. There is on-going recruitment to increase PCP availability in the community.
3. Quality:
  - a. No new sentinel events or new items of concern in the last month.
  - b. We have made all front line staff aware of Coronavirus protocols.



**To:** SVHCD Board of Directors  
**From:** Kelly Mather  
**Date:** 2/28/20  
**Subject:** Administrative Report

**Summary**

We are prepared for the Coronavirus thanks to our excellent physicians and leaders. The South Lot housing project is underway and estimated to finish in summer 2021. The first model home should be up this summer. Affordable rentals will be available and Accessory Dwelling Units come with 12 of the new homes which helps address the affordable housing concerns in Sonoma.

The hospital now has only 24 Acute Care beds which meets the Critical Access Hospital criteria for number of acute beds. However, we have determined that SVH cannot meet the current mileage criteria of 15 miles away from the nearest hospital on secondary roads. If we met this criteria, the hospital could have a much higher payment from Medicare.

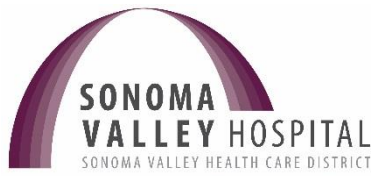
**Update from FY 2020 Strategic Plan:**

Strategic Priorities	Update
Exceed Community Expectations especially in Emergency Services	<ul style="list-style-type: none"> <li>➤ We are activating our new brand and have developed messages to the community to be seen as an asset in in which Emergency is top of mind.</li> <li>➤ We celebrated Heart Health month for Women with a program in “Conversations with a Doctor.”</li> </ul>
Create UCSF Health Outpatient Center	<ul style="list-style-type: none"> <li>➤ Construction for this project is underway and we plan to bring the next phase, MRI, to the board for approval in May.</li> <li>➤ We have raised \$19.4 million towards the goal of \$21 million toward the Capital Campaign.</li> <li>➤ UCSF is releasing their new 2025 Strategic Plan this month and it includes their vision for moving from a system to a network in which “hubs” like ours are an important part of their strategy.</li> </ul>
Become a 5 Star Hospital	<ul style="list-style-type: none"> <li>➤ Our tri-annual accreditation survey is expected in the near future. The team is ready.</li> <li>➤ We are converting to the “Human Experience” model for patient and staff and plan to complete this project next month.</li> <li>➤ We are in the midst of the annual Staff Engagement survey with a goal of at least 75% of the staff participating.</li> <li>➤ We would like to refurbish our ICU and have put in a request to the Foundation for their consideration.</li> </ul>
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> <li>➤ We have a possible candidate for a Primary Care Physician with Prima Medical Group/MarinHealth Medical Network to begin in June.</li> <li>➤ There are several UCSF specialists that are interested in coming to Sonoma.</li> <li>➤ We are making progress on bringing Dialysis to the 2<sup>nd</sup> floor with Satellite Healthcare and Nephrologists from Santa Rosa.</li> <li>➤ We are ready for the accreditation survey for Bariatrics Accreditation by June.</li> </ul>
Healthy Hospital	<ul style="list-style-type: none"> <li>➤ The Wellness 2.0 program and portal has already inspired more participation and interaction.</li> <li>➤ Performance Evaluations are underway and should be complete by April.</li> </ul>

# JANUARY 2020

			National Benchmark
<b>Patient Experience</b>	<b>Current Performance</b>	<b>FY 2020 Goal</b>	
Would Recommend Hospital	66.7%	> 70 percent	50th percentile
Inpatient Overall Rating	75%	>70 percent	50th percentile
Outpatient Services	4.7	4.5	3.8
Emergency Department	4.4	4.5	3.8
<b>Quality &amp; Safety</b>	<b>YTD Performance</b>	<b>FY 2020 Goal</b>	<b>Benchmark</b>
Central Line Infection	0	<1	<.51
Catheter Infection	0	<1	<1.04
Surgery Site Infection – Colon	1	<1	N/A
Surgery Site Infection – Joint	0	<1.5%	N/A
MRSA Bacteremia	0	<.13	<.13
C. Difficile	1	3.5	7.4/10,000 pt days
Patient Safety Indicator	.66	<1	<1
Heart Failure Mortality Rate	11.7%	13%	17.3%
Pneumonia Mortality Rate	17.5%	20%	23.6%
Stroke Mortality Rate	15.1%	15%	19.7%
Sepsis Mortality Rate	7.3%	<18%	25%
30 Day All- Cause Readmissions	14.1%	< 10 %	< 18.5%
Serious Safety Events	1	0	0
Falls	1.5	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	7	< 10	17
Adverse Drug Events with Harm	0	0	0
Reportable HIPAA Privacy Events	0	0	0
Case Mix Index	1.62	1.4	1.3
Hospital Star Rating	4	4	3
<b>Staff Satisfaction</b>	<b>Performance</b>	<b>FY 2020 Goal</b>	<b>Benchmark</b>
Staff Pulse Survey	4.17 out of 5	>3.8	75%
Turnover	5.6%/9.6%	< 15%	< 20%
<b>Financial Stability</b>	<b>YTD Performance</b>	<b>FY 2020 Goal</b>	<b>Benchmark</b>
EBDA	11.1%	3%	3%
Paid FTE's	230	<235	n/a
Days Cash on Hand	20.4	20	30
Days in Accounts Receivable	38	45	50
Length of Stay	3.8	3.85	4.03
Funds raised by SVHF	\$19.4 million	\$21 million	\$1 million
<b>Strategic Growth</b>		<b>FY 2020 Goal</b>	<b>FY 2019</b>
Inpatient Discharges	565/968	900	984
Outpatient Visits	31,598/54,168	55,000	54,596
Emergency Visits	6257/10,726	10,000	10,181
Surgeries + Special Procedures	1642/2814	3000	2950
Community Benefit Hours	662.5/1135	1000	1222

Note: Colors demonstrate comparison to National Benchmark



Healing Here at Home

### TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2020	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
FY YTD Turnover	<15%	1.7	2.6	3.9	3.9	4.8	5.6	5.6	9.4	11.1	13.4	14.5	17.7
Leave of Absences	<12	14	13	8	11	15	16	13	9	8	8	10	12
EBDA	>3%	56.1	-4	-1.1	-.3	.4	4.5	16.1	-6.9	3.9	6.8	6.8	6.1
Operating Revenue	>3.5m	3.7	3.7	3.6	3.8	3.7	4.0	5.4	3.7	7.8	5.9	4.8	4.2
Expense Management	<4.5m	4.2	4.2	4.2	4.3	4.2	4.4	5.1	4.5	6.6	4.8	5.0	4.8
Net Income	>50k	2.3m	-93	36	-76	101	180	873	-277	1722	1686	248	15.4
Days Cash on Hand	>20	38	36	28	22.5	16.9	17.9	20.4	4.6	4.5	9.6	39	35
Receivable Days	<50	42	42	44	46.2	44	44	38	43	44	38	37	43
Accounts Payable Days	>50	53	40	41	45	43	43	42					
Accounts Payable	<\$3m	3.5	2.6	2.7	3.1	2.9	2.9	2.9					
Total Paid FTE's	<235	226	226	235	233	230	230	230	277	275	267	266	255
Inpatient Discharges	>80	72	76	71	90	90	87	79	76	87	87	86	66
Patient Days	>300	269	240	312	351	319	336	321					
Observation Days	<20	11	19	17	21	18	29	12					
Average Daily Census	>10	8.7	7.7	10.4	11.3	10.6	10.8	10.4					
Outpatient Revenue	>\$15m	16.1	15.7	16.4	16.1	15.9	16.3	17.3	13.9	15.2	15.4	16.2	15.1
Surgeries	>150	156	160	143	187	193	152	150	155	163	163	166	157
Special Procedures	>75	85	81	74	74	72	57	58					
Emergency Visits	>900	1001	975	939	973	880	984	953	833	858	890	891	941
MRI	>120	122	127	138	147	145	159	138	107	96	150	149	150
Cardiology (Echos)	>85	115	67	74	107	46	85	83	91	112	121	113	103
Laboratory	>12	11.3	11.3	10.4	11.0	11.3	11.3	11.6	11.4	12.2	12.1	12.3	10.7
Radiology	>900	1005	983	980	1035	888	1033	1113	1050	1025	1057	1044	908
Rehab	>2300	1958	2928	2135	2010	2207	2181	2422	2080	2358	2536	2539	1967
CT	>350	413	433	378	406	356	433	429	355	396	416	453	357
Mammography	>200	223	243	222	250	219	216	172	220	202	227	220	224
Ultrasound	>250	281	270	280	244	255	251	234	225	340	312	283	291
Occupational Health	>675	750	737	530	753	535	660	517	535	707	899	804	578
Wound Care	>275	329	316	247	226	237	294	252	286	268	346	311	307





**To:** SVH Finance Committee  
**From:** Ken Jensen, CFO  
**Date:** February 25, 2020  
**Subject:** Financial Report for the Month Ending January 31, 2020

---

For the month of January the hospital's actual operating margin of \$321,894 was \$217,490 favorable to the budgeted operating margin of \$104,404. In January, the hospital accrued for the FY 18/19 Hospital Quality Assurance Fee (HQAF) IGT of \$1,408,802 with a matching fee of \$451,221 for a net of \$957,581. The hospital paid the matching fee in the month of January and expects to receive the funds in April. After accounting for all other activity; the net income for January was \$1,217,117 vs. the budgeted net income of \$763,249 with a monthly EBDA of 16.1% vs. a budgeted 13.4%.

**Gross patient revenue** for January was \$23,947,370, or \$1,370,750 over budget. Inpatient gross revenue was under budget by (\$516,738). Inpatient days were under budget by (21) days and inpatient surgeries were under budget by (3) cases. Outpatient gross revenue was over budget by \$691,461 primarily in the surgery department by \$618,053. Outpatient visits were at budgeted expectations of 4,859 visits, outpatient surgeries were under budgeted expectations by (11) cases, and special procedures were under budget by (25) cases. The outpatient surgeries were of a higher acuity than average. The Emergency Room gross revenue was over budget by \$1,196,027 with ER visits at budgeted expectations of 953 visits. We saw higher charges in the ER in January for CT Scans, lab charges, and pharmacy charges.

**Deductions from revenue** were unfavorable to budgeted expectations by (\$855,807) which is due to gross revenue being over budgeted expectations. The hospital also experienced a higher than average all payer Case Mix.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$517,324.

**Operating Expenses** of \$5,090,996 were unfavorable to budget by (\$299,834). Salaries and wages and agency fees were under budget by \$59,772 and employee benefits were over budget by (\$19,971). Supplies are over budget by (\$182,198) primarily due to the cost of implants being over budget by (\$182,209). Purchased services were over budget by (\$12,710) due to unbudgeted costs in Quality related to the human/patient experience initiative (\$7,500). Other costs are over budget by (\$19,509) due to the unbudgeted costs for the Service and Excellence awards dinner in January. There was a matching fee made for the upcoming HQAF IGT of \$451,221.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for January was \$606,382 vs. a budgeted net income of \$390,088. The hospital received \$447,434 in donations from the Sonoma Valley Hospital Foundation primarily for Outpatient Diagnostic Center costs. The total net income for January after all activity was \$1,217,117 vs. a budgeted net income of \$763,249.

EBDA for the month of January was 16.1% vs. the budgeted 13.4%.

#### Patient Volumes – January

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	79	90	-11	83
Acute Patient Days	321	342	-21	290
Observation Days	12	0	12	3
OP Gross Revenue	\$17,269	\$15,381	\$1,887	\$14,826
Surgical Cases	150	164	-14	157

#### Gross Revenue Overall Payer Mix – January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	41.8%	41.7%	0.1%	41.8%	41.7%	0.1%
Medicare Mgd Care	12.3%	14.1%	-1.8%	13.9%	14.1%	-0.2%
Medi-Cal	16.4%	17.6%	-1.2%	17.1%	17.6%	-0.5%
Self-Pay	1.7%	1.5%	0.2%	2.0%	1.5%	0.5%
Commercial	24.0%	20.8%	3.2%	21.8%	20.8%	1.0%
Workers Comp	3.2%	2.3%	0.9%	2.8%	2.3%	0.5%
Capitated	0.6%	2.0%	-1.4%	0.8%	2.0%	-1.2%
Total	100.0%	100.0%		100.0%	100.0%	

#### Cash Activity for January:

For the month of January the cash collection goal was \$3,598,980 and the Hospital collected \$3,626,569 or over the goal by \$27,589. The year-to-date cash collection goal was \$25,517,795 and the Hospital has collected \$25,670,804 or over goal by \$153,009.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	20.4	17.9	2.5	9.4
Accounts Receivable Days	38.0	43.3	-5.3	43.8
Accounts Payable	\$2,969,820	\$2,922,632	\$47,188	\$4,116,857
Accounts Payable Days	42.4	42.4	0.0	45.7

**ATTACHMENTS:**

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

**Sonoma Valley Hospital**  
**Payer Mix for the month of January 31, 2020**

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	10,033,589	9,409,336	624,253	6.6%	65,166,891	61,402,950	3,763,941	6.1%
Medicare Managed Care	2,953,987	3,171,484	-217,497	-6.9%	21,647,542	20,706,519	941,023	4.5%
Medi-Cal	3,916,227	3,975,763	-59,536	-1.5%	26,609,283	25,959,994	649,289	2.5%
Self Pay	412,678	349,170	63,508	18.2%	3,081,602	2,279,965	801,637	35.2%
Commercial & Other Government	5,740,125	4,706,734	1,033,391	22.0%	34,032,583	30,752,907	3,279,676	10.7%
Worker's Comp.	754,557	522,962	231,595	44.3%	4,300,081	3,423,742	876,339	25.6%
Capitated	136,207	441,171	-304,964	-69.1%	1,259,019	2,883,867	-1,624,848	-56.3%
<b>Total</b>	<b>23,947,370</b>	<b>22,576,620</b>	<b>1,370,750</b>		<b>156,097,001</b>	<b>147,409,944</b>	<b>8,687,057</b>	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	1,199,727	1,261,696	-61,969	-4.9%	7,851,982	8,045,183	-193,201	-2.4%
Medicare Managed Care	280,847	376,455	-95,608	-25.4%	2,392,719	2,457,863	-65,144	-2.7%
Medi-Cal	362,051	408,311	-46,260	-11.3%	2,631,730	2,666,091	-34,361	-1.3%
Self Pay	193,899	177,099	16,800	9.5%	1,539,546	1,156,398	383,148	33.1%
Commercial & Other Government	1,717,202	1,421,434	295,768	20.8%	10,335,420	9,381,707	953,713	10.2%
Worker's Comp.	150,911	109,927	40,984	37.3%	880,687	719,671	161,016	22.4%
Capitated	2,588	8,029	-5,441	-67.8%	26,336	52,486	-26,150	-49.8%
Prior Period Adj/IGT	1,408,802	1,038,133	370,669	35.7%	1,665,757	1,802,552	-136,795	-7.6%
<b>Total</b>	<b>5,316,027</b>	<b>4,801,084</b>	<b>514,943</b>	<b>10.7%</b>	<b>27,324,177</b>	<b>26,281,951</b>	<b>1,042,226</b>	<b>4.0%</b>

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	22.6%	26.3%	-3.7%	-14.1%	28.8%	30.6%	-1.9%	-6.2%
Medicare Managed Care	5.3%	7.8%	-2.5%	-32.1%	8.8%	9.4%	-0.6%	-6.4%
Medi-Cal	6.8%	8.5%	-1.7%	-20.0%	9.6%	10.1%	-0.5%	-5.0%
Self Pay	3.6%	3.7%	-0.1%	-2.7%	5.6%	4.4%	1.2%	27.3%
Commercial & Other Government	32.3%	29.6%	2.7%	9.1%	37.8%	35.7%	2.1%	5.9%
Worker's Comp.	2.8%	2.3%	0.5%	21.7%	3.2%	2.7%	0.5%	18.5%
Capitated	0.1%	0.2%	-0.1%	-50.0%	0.1%	0.2%	-0.1%	-50.0%
Prior Period Adj/IGT	26.5%	21.6%	4.9%	22.7%	6.1%	6.9%	-0.8%	-11.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	12.0%	13.4%	-1.4%	-10.4%	12.0%	13.1%	-1.1%	-8.4%
Medicare Managed Care	9.5%	11.9%	-2.4%	-20.2%	11.0%	11.9%	-0.9%	-7.6%
Medi-Cal	9.2%	10.3%	-1.1%	-10.7%	9.9%	10.3%	-0.4%	-3.9%
Self Pay	47.0%	50.7%	-3.7%	-7.3%	50.0%	50.7%	-0.7%	-1.4%
Commercial & Other Government	29.9%	30.2%	-0.3%	-1.0%	30.4%	30.5%	-0.1%	-0.3%
Worker's Comp.	20.0%	21.0%	-1.0%	-4.8%	20.5%	21.0%	-0.5%	-2.4%

**SONOMA VALLEY HOSPITAL  
OPERATING INDICATORS  
For the Period Ended January 31, 2020**

**ATTACHMENT B**

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual</u> <u>01/31/20</u>	<u>Budget</u> <u>01/31/20</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>		<u>Actual</u> <u>01/31/20</u>	<u>Budget</u> <u>01/31/20</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>	<u>Prior</u> <u>Year</u> <u>01/31/19</u>
<b>Inpatient Utilization</b>								
<b>Discharges</b>								
1	63	77	(14)	Med/Surg	458	497	(39)	541
2	16	14	2	ICU	107	89	18	80
3	79	90	(11)	Total Discharges	565	586	(21)	621
<b>Patient Days:</b>								
4	229	255	(26)	Med/Surg	1,582	1,656	(74)	1,820
5	92	87	5	ICU	566	565	1	538
6	321	342	(21)	Total Patient Days	2,148	2,221	(73)	2,358
7	12	-	12	<b>Observation days</b>	127	-	127	65
<b>Average Length of Stay:</b>								
8	3.6	3.3	0.3	Med/Surg	3.5	3.3	0.1	3.4
9	5.8	6.4	(0.6)	ICU	5.3	6.4	(1.1)	6.7
10	4.1	3.8	0.3	Avg. Length of Stay	3.8	3.8	0.0	3.8
<b>Average Daily Census:</b>								
11	7.4	8.2	(0.8)	Med/Surg	7.4	7.7	(0.3)	8.5
12	3.0	2.8	0.2	ICU	2.6	2.6	0.0	2.5
13	10.4	11.0	(0.7)	Avg. Daily Census	10.0	10.3	(0.3)	11.0
<b>Other Utilization Statistics</b>								
<b>Emergency Room Statistics</b>								
14	953	959	(6)	Total ER Visits	6,257	6,273	(16)	5,768
<b>Outpatient Statistics:</b>								
15	4,859	4,857	2	Total Outpatients Visits	31,598	31,795	(197)	31,238
16	26	29	(3)	IP Surgeries	164	191	(27)	193
17	124	135	(11)	OP Surgeries	977	884	93	950
18	58	83	(25)	Special Procedures	501	541	(40)	557
19	283	358	(75)	Adjusted Discharges	2,090	2,454	(364)	2,210
20	1,151	1,073	78	Adjusted Patient Days	7,932	7,001	931	15,455
21	37.1	34.6	2.5	Adj. Avg. Daily Census	36.9	32.6	4.3	71.9
22	1.5004	1.4000	0.100	Case Mix Index - Medicare	1.3720	1.4000	(0.028)	1.4867
23	1.6277	1.4000	0.228	Case Mix Index - All payers	1.5162	1.4000	0.116	1.5145
<b>Labor Statistics</b>								
24	205	220	15	FTE's - Worked	206	214	8.3	265
25	230	246	16	FTE's - Paid	230	240	10.1	297
26	45.43	43.89	(1.54)	Average Hourly Rate	44.71	43.12	(1.60)	42.95
27	6.20	7.10	0.91	FTE / Adj. Pat Day	6.23	7.36	1.14	4.13
28	35.3	40.5	5.2	Manhours / Adj. Pat Day	35.5	42.0	6.5	23.5
29	143.5	121.2	(22.2)	Manhours / Adj. Discharge	134.6	119.7	(14.9)	164.5
30	21.8%	22.2%	0.4%	Benefits % of Salaries	22.8%	23.5%	0.6%	22.2%
<b>Non-Labor Statistics</b>								
31	18.5%	11.3%	-7.2%	Supply Expense % Net Revenue	14.7%	14.0%	-0.7%	12.6%
32	2,568	1,522	(1,046)	Supply Exp. / Adj. Discharge	1,835	1,515	(320)	1,840
33	18,360	13,680	(4,680)	Total Expense / Adj. Discharge	15,099	12,969	(2,130)	16,734
<b>Other Indicators</b>								
34	15.8			Days Cash - Operating Funds				
35	38.0	50.0	(12.0)	Days in Net AR	43.0	50.0	(7.0)	43.8
36	101%			Collections % of Net Revenue	98%			98.5%
37	42.4	55.0	(12.6)	Days in Accounts Payable	42.4	55.0	(12.6)	45.7
38	16.4%	21.4%	-5.0%	% Net revenue to Gross revenue	16.7%	18.0%	-1.3%	20.2%
39	16.6%			% Net AR to Gross AR	16.6%			19.8%

**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of January 31, 2020**

**ATTACHMENT C**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1 Cash	\$ 796,491	\$ 2,340,883	\$ 1,497,167
2 Cash - Money Market	1,334,793	1,534,600	545,220
3 Net Patient Receivables	6,879,920	6,931,515	7,005,213
4 Allow Uncollect Accts	(1,219,109)	(1,318,747)	(1,325,274)
5 Net A/R	5,660,811	5,612,768	5,679,939
6 Other Accts/Notes Rec	156,233	210,748	(62,627)
7 Parcel Tax Receivable	1,691,803	1,691,803	1,777,301
8 GO Bond Tax Receivable	1,172,250	2,953,183	1,197,608
9 3rd Party Receivables, Net	2,665,272	1,172,989	1,816,212
10 Inventory	952,230	936,953	841,518
11 Prepaid Expenses	619,178	834,173	803,356
12 Total Current Assets	\$ 15,049,061	\$ 17,288,100	\$ 14,095,694
13 Property, Plant & Equip, Net	\$ 49,522,200	\$ 49,112,639	\$ 51,582,709
14 Trustee Funds - GO Bonds	4,749,788	2,965,208	4,159,115
15 Other Assets	-	-	-
16 Total Assets	\$ 69,321,049	\$ 69,365,947	\$ 69,837,518
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
17 Accounts Payable	\$ 2,969,820	\$ 2,922,632	\$ 4,003,875
18 Accrued Compensation	2,916,790	3,639,134	3,388,222
19 Interest Payable - GO Bonds	572,570	477,139	604,594
20 Accrued Expenses	1,542,200	1,685,273	1,424,734
21 Advances From 3rd Parties	-	-	105,388
22 Deferred Parcel Tax Revenue	1,583,323	1,899,990	2,855,513
23 Deferred GO Bond Tax Revenue	1,293,665	1,552,397	-
24 Current Maturities-LTD	383,942	397,582	852,842
25 Line of Credit - Union Bank	5,473,734	5,473,734	6,723,734
26 Other Liabilities	109,553	1,386	201,386
27 Total Current Liabilities	\$ 16,845,597	\$ 18,049,267	\$ 20,160,288
28 Long Term Debt, net current portion	\$ 28,717,517	\$ 28,775,862	\$ 32,996,918
29 Fund Balances:			
30 Unrestricted	\$ 15,649,549	\$ 14,879,866	\$ 10,194,750
31 Restricted	8,108,386	7,660,952	6,485,562
32 Total Fund Balances	\$ 23,757,935	\$ 22,540,818	\$ 16,680,312
33 Total Liabilities & Fund Balances	\$ 69,321,049	\$ 69,365,947	\$ 69,837,518

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended January 31, 2020**

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	79	90	(11)	-12%	Acute Discharges	565	585	(20)	-3%	621	
2	321	342	(21)	-6%	Patient Days	2,148	2,221	(73)	-3%	2,358	
3	12	-	12	0%	Observation Days	127	-	127	*	13	
4	17,269	15,381	1,887	12%	Gross O/P Revenue (000's)	113,754	100,673	13,080	13%	\$ 103,250	
<b>Financial Results</b>											
<b>Gross Patient Revenue</b>											
5	\$ 6,678,584	\$ 7,195,322	(516,738)	-7%	Inpatient	\$ 42,343,439	\$ 46,737,428	(4,393,989)	-9%	\$ 56,759,356	
6	9,813,236	9,121,775	691,461	8%	Outpatient	66,142,269	59,719,866	6,422,403	11%	59,995,719	
7	7,455,550	6,259,523	1,196,027	19%	Emergency	47,611,293	40,952,650	6,658,643	16%	43,302,076	
8	\$ 23,947,370	\$ 22,576,620	1,370,750	6%	<b>Total Gross Patient Revenue</b>	\$ 156,097,001	\$ 147,409,944	8,687,057	6%	\$ 160,057,151	
<b>Deductions from Revenue</b>											
9	(19,818,245)	(18,639,997)	(1,178,248)	-6%	Contractual Discounts	\$ (128,892,681)	\$ (121,714,841)	(7,177,840)	-6%	\$ (130,110,325)	
10	(200,000)	(150,000)	(50,000)	-33%	Bad Debt	(1,480,000)	(1,050,000)	(430,000)	-41%	(1,035,000)	
11	(21,900)	(23,672)	1,772	7%	Charity Care Provision	(65,900)	(165,704)	99,804	60%	(208,145)	
12	1,408,802	1,038,133	370,669	36%	Prior Period Adj/Government Program Revenue	1,665,757	1,802,552	(136,795)	*	2,918,409	
13	\$ (18,631,343)	\$ (17,775,536)	(855,807)	5%	<b>Total Deductions from Revenue</b>	\$ (128,772,824)	\$ (121,127,993)	(7,644,831)	6%	\$ (128,435,061)	
14	\$ 5,316,027	\$ 4,801,084	514,943	11%	<b>Net Patient Service Revenue</b>	\$ 27,324,177	\$ 26,281,951	1,042,226	4%	\$ 31,622,090	
15	\$ 24,819	\$ 35,682	(10,863)	-30%	Risk contract revenue	\$ 176,479	\$ 249,774	(73,295)	-29%	\$ 631,994	
16	\$ 5,340,846	\$ 4,836,766	504,080	10%	Net Hospital Revenue	\$ 27,500,656	\$ 26,531,725	968,931	4%	\$ 32,254,084	
17	\$ 72,044	\$ 58,800	13,244	23%	Other Op Rev & Electronic Health Records	\$ 458,901	\$ 411,600	47,301	11%	\$ 85,320	
18	\$ 5,412,890	\$ 4,895,566	517,324	11%	<b>Total Operating Revenue</b>	\$ 27,959,557	\$ 26,943,325	1,016,232	4%	\$ 32,339,404	
<b>Operating Expenses</b>											
19	\$ 1,846,062	\$ 1,905,834	59,772	3%	Salary and Wages and Agency Fees	\$ 12,583,239	\$ 12,667,988	84,749	1%	\$ 15,618,619	
20	693,002	673,031	(19,971)	-3%	Employee Benefits	4,592,485	4,632,516	40,031	1%	5,358,267	
21	\$ 2,539,064	\$ 2,578,865	39,801	2%	Total People Cost	\$ 17,175,724	\$ 17,300,504	124,780	1%	\$ 20,976,886	
22	\$ 447,274	\$ 437,078	(10,196)	-2%	Med and Prof Fees (excl Agency)	\$ 2,986,285	\$ 3,050,597	64,312	2%	\$ 3,364,015	
23	727,277	545,079	(182,198)	-33%	Supplies	3,834,571	3,717,679	(116,892)	-3%	4,066,225	
24	388,232	375,522	(12,710)	-3%	Purchased Services	2,612,063	2,606,390	(5,673)	0%	2,705,063	
25	267,107	266,763	(344)	0%	Depreciation	1,801,115	1,867,341	66,226	4%	2,038,478	
26	87,941	90,897	2,956	3%	Utilities	707,739	744,722	36,983	5%	752,435	
27	39,034	39,582	548	1%	Insurance	271,615	277,074	5,459	2%	247,240	
28	28,848	40,752	11,904	29%	Interest	246,676	345,121	98,445	29%	360,253	
29	114,998	95,489	(19,509)	-20%	Other	702,745	703,200	455	0%	737,170	
30	451,221	321,135	(130,086)	41%	Matching Fees (Government Programs)	451,221	451,221	-	0%	641,048	
31	\$ 5,090,996	\$ 4,791,162	(299,834)	-6%	<b>Operating expenses</b>	\$ 30,789,754	\$ 31,063,849	274,095	1%	\$ 35,888,813	
32	\$ 321,894	\$ 104,404	\$ 217,490	-208%	<b>Operating Margin</b>	\$ (2,830,197)	\$ (4,120,524)	1,290,327	31%	\$ (3,549,409)	

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended January 31, 2020**

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
<b>33</b>	\$ (18,763)	\$ (18,942)	179	-1%						\$ (114,514)	
<b>34</b>	-	1,375	(1,375)	-100%						7,374	
<b>35</b>	(13,416)	(13,416)	-	0%						(384,864)	
<b>36</b>	316,667	316,667	-	0%						2,215,919	
<b>37</b>	0	0	-	0%						0	
<b>38</b>	<b>\$ 284,488</b>	<b>\$ 285,684</b>	<b>(1,196)</b>	<b>0%</b>						<b>\$ 1,723,915</b>	
<b>39</b>	<b>\$ 606,382</b>	<b>\$ 390,088</b>	<b>216,294</b>	<b>55%</b>	<b>Net Income / (Loss) prior to Restricted Contributions</b>	<b>\$ 1,301,195</b>	<b>\$ (919,586)</b>	<b>2,226,225</b>	<b>-242%</b>	<b>\$ (1,825,494)</b>	
<b>40</b>	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ 30,447	
<b>41</b>	\$ 447,434	\$ 209,860	237,574	0%	Restricted Foundation Contributions	\$ 1,239,684	\$ 1,469,020	(229,336)	100%	\$ 1,563,859	
<b>42</b>	<b>\$ 1,053,816</b>	<b>\$ 599,948</b>	<b>453,868</b>	<b>76%</b>	<b>Net Income / (Loss) w/ Restricted Contributions</b>	<b>\$ 2,540,879</b>	<b>\$ 549,434</b>	<b>1,991,445</b>	<b>362%</b>	<b>\$ (231,188)</b>	
<b>43</b>	163,301	163,301	-	0%	GO Bond Activity, Net	1,137,770	1,137,770	-	0%	1,070,668	
<b>44</b>	<b>\$ 1,217,117</b>	<b>\$ 763,249</b>	<b>453,868</b>	<b>59%</b>	<b>Net Income/(Loss) w GO Bond Activity</b>	<b>\$ 3,678,649</b>	<b>\$ 1,687,204</b>	<b>1,991,445</b>	<b>118%</b>	<b>\$ 839,480</b>	
	\$ 873,489	\$ 656,851	216,638		<b>EBDA - Not including Restricted Contributions</b>	\$ 3,102,310	\$ 947,755	2,154,555		\$ 212,984	
	16.1%	13.4%				11.1%	3.5%			0.7%	

\* Operating Margin without Depreciation expense:

\$ 321,894	\$ 104,404	\$ 217,490	-208%	Operating Margin	\$ (2,830,197)	\$ (4,120,524)	\$ 1,290,327	31%
267,107	266,763	(344)	0%	Add back Depreciation	1,801,115	1,867,341	66,226	4%
<b>\$ 589,001</b>	<b>\$ 371,167</b>	<b>\$ 217,146</b>	<b>-59%</b>	<b>Operating Margin without Depreciation expense</b>	<b>\$ (1,029,082)</b>	<b>\$ (2,253,183)</b>	<b>\$ 1,356,553</b>	<b>54%</b>



**Sonoma Valley Health Care District  
Variance Analysis  
For the Period Ended January 31, 2020**

**ATTACHMENT E**

<b>Operating Expenses</b>			
Salary and Wages and Agency Fees	84,749	59,772	Salaries and wages are under budget by \$60,681 and registry costs are over budget by (\$909).
Employee Benefits	40,031	(19,971)	Paid time off (PTO) is over budget by (\$34,533) due to the increase of the PTO liability to reflect the 2% wage increase. Employee benefits are under budget by \$14,562.
<b>Total People Cost</b>	<b>124,780</b>	<b>39,801</b>	
Med and Prof Fees (excl Agency)	64,312	(10,196)	
Supplies	(116,892)	(182,198)	Supplies over budget due to surgical implant costs (\$182,209).
Purchased Services	(5,673)	(12,710)	Purchased Services over budget due to the unbudgeted cost in Quality related to the Human/Patient experience initiative.
Depreciation	66,226	(344)	
Utilities	36,983	2,956	
Insurance	5,459	548	
Interest	98,445	11,904	
Other	455	(19,509)	
Matching Fees (Government Programs)	-	(130,086)	FY 18/19 HQAF IGT matching fee.
<b>Operating expenses</b>	<b>274,095</b>	<b>(299,834)</b>	

Sonoma Valley Hospital  
Cash Forecast  
FY 2020

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	4,267,579	3,747,119	3,783,981	3,724,440	3,674,833	4,402,798	4,285,824	3,742,450	3,900,174	3,665,360	3,802,680	3,701,357	46,698,594
2 Capitation Revenue	26,337	24,434	24,943	24,298	25,643	26,005	24,819	35,682	35,682	35,682	35,682	35,682	354,889
3 Napa State	2,565	983	6,153	17,109	18,240	49,465	14,872	11,231	11,231	11,231	11,231	11,231	165,543
4 Other Operating Revenue	27,168	113,630	31,381	162,702	77,470	51,209	86,697	58,800	58,800	58,800	58,800	58,800	844,256
5 Other Non-Operating Revenue	38,832	43,824	24,455	35,838	13,448	22,627	20,495	25,795	25,795	25,795	25,795	25,785	328,484
6 Unrestricted Contributions	12,593		755	3,263	6,219	2,765	10,214	1,375	1,375	1,375	1,375	1,375	42,684
7 Line of Credit													-
<b>Sub-Total Hospital Sources</b>	<b>4,375,074</b>	<b>3,929,990</b>	<b>3,871,668</b>	<b>3,967,650</b>	<b>3,815,852</b>	<b>4,554,869</b>	<b>4,442,921</b>	<b>3,875,333</b>	<b>4,033,057</b>	<b>3,798,243</b>	<b>3,935,563</b>	<b>3,834,230</b>	<b>48,434,450</b>
<b>Hospital Uses of Cash</b>													
8 Operating Expenses	4,751,297	5,353,928	4,260,382	4,307,504	4,160,854	4,479,501	5,664,106	3,997,057	4,078,725	4,064,515	4,185,074	4,085,675	53,388,618
9 Add Capital Lease Payments	111,366	185,165	32,638	390,032	112,524	33,887	71,986	32,640	32,640	18,990	18,990	85,990	1,126,848
10 Additional Liabilities/LOC		625,000				625,000							1,250,000
11 Capital Expenditures	435,215	73,951	160,473	54,243	187,550	59,628	447,224	209,860	209,860	209,860	209,860	209,859	2,467,583
<b>Total Hospital Uses</b>	<b>5,297,879</b>	<b>6,238,044</b>	<b>4,453,493</b>	<b>4,751,778</b>	<b>4,460,928</b>	<b>5,198,016</b>	<b>6,183,316</b>	<b>4,239,557</b>	<b>4,321,225</b>	<b>4,293,365</b>	<b>4,413,924</b>	<b>4,381,524</b>	<b>58,233,050</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(922,805)</b>	<b>(2,308,055)</b>	<b>(581,825)</b>	<b>(784,129)</b>	<b>(645,076)</b>	<b>(643,147)</b>	<b>(1,740,395)</b>	<b>(364,224)</b>	<b>(288,168)</b>	<b>(495,122)</b>	<b>(478,361)</b>	<b>(547,294)</b>	<b>(9,798,599)</b>
<b>Non-Hospital Sources</b>													
12 Restricted Cash/Money Market	(1,056,509)	725,000	1,500,000			(500,000)	200,000		1,000,000		(3,900,000)		(2,031,509)
13 Restricted Capital Donations	342,251	5,000	160,473	36,918	187,550	59,628	447,224	209,860	209,860	209,860	209,860	209,859	2,288,343
14 Parcel Tax Revenue	100,099					2,108,197			1,000,000	600,000			3,808,296
15 Other Payments - South Lot/LOC/Fire Claim	956,411		51,682										1,008,092
16 Other:													-
17 IGT										1,408,802	4,500,000		5,908,802
18 IGT - AB915					31,705			1,033,318				294,488	1,359,511
19 PRIME						135,000							135,000
<b>Sub-Total Non-Hospital Sources</b>	<b>342,251</b>	<b>730,000</b>	<b>1,712,154</b>	<b>36,918</b>	<b>219,255</b>	<b>1,802,825</b>	<b>647,224</b>	<b>1,243,178</b>	<b>2,209,860</b>	<b>2,218,662</b>	<b>809,860</b>	<b>504,347</b>	<b>12,476,535</b>
<b>Non-Hospital Uses of Cash</b>													
20 Matching Fees					67,500		451,221		2,314,115				2,832,836
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,500</b>	<b>-</b>	<b>451,221</b>	<b>-</b>	<b>2,314,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,832,836</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>342,251</b>	<b>730,000</b>	<b>1,712,154</b>	<b>36,918</b>	<b>151,755</b>	<b>1,802,825</b>	<b>196,003</b>	<b>1,243,178</b>	<b>(104,255)</b>	<b>2,218,662</b>	<b>809,860</b>	<b>504,347</b>	<b>9,643,699</b>
<b>Net Sources/Uses</b>	<b>(580,553)</b>	<b>(1,578,055)</b>	<b>1,130,329</b>	<b>(747,211)</b>	<b>(493,321)</b>	<b>1,159,679</b>	<b>(1,544,392)</b>	<b>878,954</b>	<b>(392,423)</b>	<b>1,723,540</b>	<b>331,499</b>	<b>(42,947)</b>	
Operating Cash at beginning of period	3,450,014	2,869,461	1,291,406	2,421,736	1,674,525	1,181,204	2,340,883	796,491	1,675,445	1,283,022	3,006,562	3,338,061	
<b>Operating Cash at End of Period</b>	<b>2,869,461</b>	<b>1,291,406</b>	<b>2,421,736</b>	<b>1,674,525</b>	<b>1,181,204</b>	<b>2,340,883</b>	<b>796,491</b>	<b>1,675,445</b>	<b>1,283,022</b>	<b>3,006,562</b>	<b>3,338,061</b>	<b>3,295,114</b>	
Money Market Account Balance	3,258,551	2,533,925	1,034,199	1,034,330	1,035,454	1,534,600	1,334,793	1,334,793	334,793	334,793	4,234,793	4,234,793	
<b>Total Cash at End of Period</b>	<b>6,128,012</b>	<b>3,825,331</b>	<b>3,455,935</b>	<b>2,708,855</b>	<b>2,216,658</b>	<b>3,875,483</b>	<b>2,131,284</b>	<b>3,010,238</b>	<b>1,617,815</b>	<b>3,341,355</b>	<b>7,572,854</b>	<b>7,529,907</b>	
<b>Average Days of Cash on Hand</b>	<b>38.82</b>	<b>36.60</b>	<b>28.00</b>	<b>22.51</b>	<b>16.89</b>	<b>17.85</b>	<b>20.38</b>	<b>22.31</b>	<b>11.99</b>	<b>24.77</b>	<b>56.14</b>	<b>55.82</b>	



**To: SVH Finance Committee**  
**From: Ken Jensen, CFO**  
**Date: February 25, 2020**  
**Subject: Fiscal Year 2021 Budget Assumptions**

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The following assumptions will be applied to the actual experience from February 2019 through January 2020. Other adjustments will be made as necessary to reflect current trends in healthcare going forward.

**VOLUME**

- Based upon the 12 months ending January 2020 and adjusted for any program changes from FY 2020 and current volume trends.

**GROSS REVENUE**

- Gross price increase of 6% - this is allowed by most SVH contracts.

**CONTRACTUAL ALLOWANCES**

- Assume current collection rates and adjust allowance for 6% price increase.
- Payer Mix will be based upon the 12-months ending January 2020.
- Intergovernmental and supplemental payments will be based upon input from the District Hospital Leadership Group (will be conservative).

**WAGES AND BENEFITS**

- 2.0% increase for salaries for 6-months beginning January 2021 through June 2021
- Employee benefits will be based upon actual experience and estimates from the providers

**PHYSICIAN FEES & PROFESSIONAL FEES**

- Based upon current costs or final contract arrangements.

**SUPPLIES/FOOD**

- 2% increase for inflation for 12 months ending January 2020

### **PURCHASED SERVICES**

- Assume actual 12 months ending January 2020.
- Purchased services to be reviewed by department and adjusted as needed.

### **DEPRECIATION**

- Current, plus any adjustments for any new equipment

### **INSURANCE**

- Will confirm with insurance agent; expect a 3-5% increase.

### **INTEREST**

- Current, will adjust for expiring leases/loans.

### **UTILITIES**

- Assume actual 12 months ending January 2020.
- No increase given oil prices

### **OTHER EXPENSES**

- Rent/leases - current, will adjust for any new expected leases and remove any expiring.
- All other, no increase
- Will review by department



**To:** SVHCD Board of Directors  
**Meeting Date:** March 5, 2020  
**Prepared by:** Ken Jensen, CFO, and Sarah Dungan, Controller  
**Agenda Item Title:** Resolution No. 348 Authorizing the Issuance of a Tax and Revenue Anticipation Note

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**Recommendation:**

It is recommended that the Board approve Resolution No. 348 to apply to Sonoma County for an advance on the April 2020 payment of Parcel Tax funds.

**Background:**

The Hospital’s reimbursement from federal and state insurance (73% of gross revenue) is below the cost to provide the medical service to these patients. The shortfall is primarily made up from three sources:

- Commercial insurance (based on eligible billings)
- Parcel Tax proceeds
- Federal payments (IGT, Inter Governmental Transfer) for serving a disproportionate share of disadvantaged patients in the community.

The anticipated schedule for Parcel Tax proceeds and Federal Supplemental payments to the Hospital are:

•	April 1 <sup>st</sup>	HAQF IGT Proceeds	\$ 1.4 million
•	April 25 <sup>th</sup>	2nd Parcel Tax payment	\$ 1.6 million
•	May 31 <sup>st</sup>	Rate Range IGT	\$ 4.5 million (estimated)

The Federal payments require matching funds submitted with the application by the Hospital. The present cash projections show a need for \$2,312,000 in matching funds in March 2020. This presents a timing issue that disrupts the normal cash flow of the Hospital.

The ability to receive an advance from the County on the April parcel tax payment will make it possible to have operating funds on hand for payroll and accounts payable while cash is tied up in both the HAQF and Rate Range IGT’s. The interest cost on the advance amount would be at an annualized rate of 2.8%. The maximum amount of the advance available is \$1 million.

**Consequence of Negative Action/Alternative Actions:**

Providing the matching funds without the Parcel Tax advance payment would create lower cash balances as a negative consequence.

**Financial Impact:**

The cost for a \$1 million advance for the one and a half months prior to the scheduled April tax payment would be approximately \$3,000.

**Attachment:**

Resolution No. 348 Authorizing the Issuance of a Tax and Revenue Anticipation Note

**SONOMA VALLEY HEALTH CARE DISTRICT**

**RESOLUTION NO. 348**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000 AND AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER TO ENTER INTO A PARCEL TAX AGREEMENT WITH THE COUNTY OF SONOMA AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR (“ACTTC”)**

THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTH CARE DISTRICT RESOLVES AS FOLLOWS:

**WHEREAS**, pursuant to Section 53850 *et seq.* of the Government Code of the State of California (the “Government Code”) contained in Article 7.6, entitled “Temporary Borrowing,” a healthcare district may borrow money by issuing notes (the “Notes”) for any purpose for which the health care district is authorized to expend moneys, including but not limited to, current expenses, capital expenditures, investment and reinvestment, and the discharge of any obligation or indebtedness of the district; and

**WHEREAS**, pursuant to Section 53856 of the Government Code, the District may pledge its parcel tax revenue to the repayment of Notes, which shall be issued as a general obligation of the District, and to the extent not paid from the taxes pledged for the payment thereof, shall be paid with interest thereon from any other moneys of the District lawfully available therefor as required by Section 53857 of the Government Code; and

**WHEREAS**, the District desires to finance certain obligations incurred by the District in connection with prior operations and ongoing operations: and

**WHEREAS**, the District has determined that the sum of \$1,000,000 is needed to satisfy payment obligations of the District which the District anticipates will become payable prior to the receipt of anticipated parcel tax revenue, and that it is necessary that said sum be borrowed in anticipation of the receipt of taxes to be received by the District during Fiscal Year 2019–2020; and

**WHEREAS**, the District finds and determines that it is in the best interest of the District to finance its obligations through the issuance of tax and revenue anticipation notes and has determined to issue Sonoma Valley Health Care District Parcel Tax Revenue Anticipation Note, Series 2020 (the “Series 2020 Note”); and

**WHEREAS**, the Series 2020 Note shall mature on May 31, 2020, which is consistent with the requirement that repayment be made from available funds that have been received or

accrued to the District within the fiscal year in which the Notes are issued, or in a succeeding fiscal year from funds accruing in the fiscal year of issuance; and

**WHEREAS**, the District wishes to provide authority to staff to enter into a parcel tax agreement with the Sonoma County.

**WHEREAS**, the purchaser of the Note, The Sonoma County Treasury Pool, through the Sonoma County Auditor-Controller-Treasurer-Tax Collector (“ACTTC”), has requested that the District enter into a Parcel Tax Agreement to ensure payment of the Note.

**NOW, THEREFORE**, be it known that the Board of Directors of the Sonoma Valley Health Care District resolves as follows:

**Section 1.** The Series 2020 Note may be issued in order to obtain moneys to carry out the District’s purposes. The maximum principal amount of the Series 2020 Note which may be issued hereunder is limited to \$1,000,000.

**Section 2.** The Series 2020 Note shall be evidenced and issued in the principal amount of \$1,000,000. Registered ownership of the Series 2020 Note will be with the Sonoma County Treasury Pool, as purchaser of the Note, and shall not be transferred thereafter. The Series 2020 Note in the principal amount of \$1,000,000 constitutes a “note” and is being issued pursuant to the provisions of section 53854 of the California Government Code.

**Section 3.** The Series 2020 Note shall be dated as of March 5, 2020, and interest thereon shall be payable upon maturity. The Series 2020 Note shall mature on May 31, 2020, and shall bear interest at the rate of 2.80 percent per annum. If the District fails to pay the note when due, the ACTTC may retain enough of the parcel tax proceeds to satisfy the principle and interest.

**Section 4.** The Series 2020 Note shall be substantially in the form set forth in Exhibit A, attached hereto and by this reference incorporated herein.

**Section 5.** The Board of Directors have reviewed all proceedings heretofore taken relative to the authorization of the Series 2020 Note and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the Series 2020 Note do exist, have happened and have been performed in due time, form and manner as required by applicable law, and the District is now authorized, pursuant to each and every requirement of applicable law to issue the Series 2020 Note.

**Section 6.** The Series 2020 Note may be redeemed prior to Maturity at any time, without any premium.

**Section 7.** The District’s obligation to pay the principal and interest on the Series 2020 Note shall be an obligation payable from parcel tax revenues and, to the extent parcel tax revenues are insufficient therefor, subject to any existing or future liens or encumbrances thereon, from any other available moneys of the District.



**Section 8.** The District's President and Chief Executive Officer, or designee, upon the advice of the District's legal counsel or special financial consultants, is hereby authorized to do any and all things and to execute, modify and deliver any and all documents that they may deem necessary in order to effectuate the transactions contemplated by this Resolution and to otherwise carry out the purposes of this Resolution. This authorization includes entering into a Parcel Tax Agreement with the County of Sonoma ACTTC, whereby the District agrees that the Sonoma County Auditor-Controller Treasurer-Tax Collector may retain sufficient proceeds of the April 2020 installment of the District's parcel tax, and, if necessary, from future installments, to satisfy the note, prior to allocating parcel tax proceeds to the District.

**Section 9.** This Resolution shall take effect immediately upon its adoption.

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**PASSED AND ADOPTED** this 5<sup>th</sup> day of March 2020, by the following votes:

AYES:  
NOES  
ABSENT  
ABSTAIN

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Jane Hirsch  
Chair, Board of Directors  
Sonoma Valley Health Care District

ATTEST:

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Bill Boerum  
Secretary, Board of Directors  
Sonoma Valley Health Care District

**FORM OF NOTE**

United States of America  
State of California  
Sonoma County

**SONOMA VALLEY HEALTH CARE DISTRICT  
(Sonoma County, California)  
Parcel Tax Revenue Anticipation Note, Series 2020**

<b>INTEREST RATE:</b>	<b>MATURITY DATE:</b>	<b>DATED DATE:</b>
2.80%	May 31, 2020	March 5, 2020

<b>REGISTERED OWNER:</b>	SONOMA COUNTY TREASURY
<b>PRINCIPAL SUM:</b>	\$1,000,000.00

FOR VALUE RECEIVED, the Sonoma Valley Health Care District, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (the “District”), hereby acknowledges itself indebted to and promises to pay to the Owner stated above, the Principal Sum stated above in lawful money of the United States of America, on the Maturity Date stated above, or date of earlier redemption as described below, together with interest thereon in like lawful money from the date hereof until payment of such Principal Sum shall be discharged, at the Interest Rate per annum stated above.

It is hereby certified, recited, and declared that this Note is issued pursuant to the provisions of Resolution No. 348 of the Board of Directors of the District duly passed and adopted on March 5, 2020, and pursuant to Section 32130 of the California Health and Safety Code, and that all things, conditions, and acts required to exist, happen, and be performed, exist, have happened, and been performed in regular and due time, form, and manner as required by law, and that the amount of this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California.

The Principal Sum of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other monies which are held or received by the District for the fiscal year 2019-2020 and which are lawfully available for the current expenses and other obligations of the District. Specifically, the Principal Sum of the Note, together with the interest thereon, shall be payable from the proceeds of the District’s special tax on parcels of property within the District authorized at an election held on June 6, 2017 (the “Tax”).

The Note is issued as a fully registered Note, without coupons. The Note is not transferable by its registered owner.

The Note shall be redeemed at any time, without premium, upon receipt by the District of proceeds from the Tax for fiscal year 2019-2020.

If the Note is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

IN WITNESS WHEREOF, SONOMA VALLEY HEALTH CARE DISTRICT has caused this Note to be executed in its name and on its behalf by the manual signature of its President and Chief Executive Officer and attested by the manual signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

SONOMA VALLEY HEALTH CARE  
DISTRICT

By: \_\_\_\_\_  
Kelly Mather  
President and Chief Executive Officer

ATTEST:

\_\_\_\_\_  
Bill Boerum  
Secretary, Board of Directors  
Sonoma Valley Health Care District

**CLERK'S CERTIFICATE**

I, Vivian Woodall, Clerk of the Governing Board of the Sonoma Valley Health Care District of the County of Sonoma, State of California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said District, regularly held at the regular meeting place thereof, on March 5, 2020, of which meeting all the members of said Governing Board had due notice.

I further certify that said resolution has not been amended, modified, or rescinded since the date of its adoption and the same is now in full force and effect.

ATTEST: This \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Vivian Woodall, Clerk of the Governing Board  
of the Sonoma Valley Health Care District

County of Sonoma, State of California

**COUNTY TREASURER'S AUTHORIZATION**

(Per County of Sonoma Resolution 91-0271)

The attached request for borrowing is in compliance with the requirements of Article XVI, Section 6, of the State Constitution and with Resolution 91-0271 of the County of Sonoma.

Approved By:

\_\_\_\_\_  
Erick Roeser  
Auditor-Controller/Treasurer-Tax Collector  
County of Sonoma

Date: \_\_\_\_\_

Amount to be collected on Property Tax Bill \_\_\_\_\_

Amount requested \_\_\_\_\_

Percent of Property Tax Bill Requested \_\_\_\_\_  
(Not to exceed 85% of outstanding property taxes)