



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

AGENDA

THURSDAY, DECEMBER 10, 2020

REGULAR SESSION 6:00 P.M.

HELD VIA ZOOM VIDEOCONFERENCE ONLY

**To participate via Zoom videoconferencing
use the link below:**

<https://sonomavalleyhospital-org.zoom.us/j/96252686387?pwd=aTFMdkQxbHloejRXNVVQL3Exc29nUT09>

and enter the Meeting ID: 962 5268 6387, Passcode: 414471

**To participate via telephone only,
dial: 1-669 900 9128 or 1-669 219 2599**

and enter the Meeting ID: 962 5268 6387 Passcode: 414471

<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 vwoodall@sonomavalleyhospital.org at least 48 hours prior to the meeting.</p>	RECOMMENDATION		
AGENDA ITEM			
<p>MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p>1. CALL TO ORDER</p>	<i>Hirsch</i>		
<p>2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>			
<p>3. BOARD CHAIR COMMENT</p>			
<p>4. CONSENT CALENDAR a. Board Minutes 11.05.20 b. Medical Staff Credentialing</p>	<i>Chair</i>	Action	Pages 3-5
<p>5. PRESENTATION OF NEW BOARD MEMBER SWEARING IN EVENT</p>	<i>Chair</i>	Inform	
<p>6. ELECTION OF SVHCD BOARD CHAIR AND OFFICERS</p>	<i>Chair</i>	Action	
<p>7. CEO TRANSITION PLAN/APPOINTMENT OF INTERIM CEO</p>	<i>Mather/Chair</i>	Action	

8. COMMUNITY PERCEPTION SURVEY RECOMMENDATION	<i>Mather/Kenney</i>	Action	Page 6
9. BOARD RESOLUTION NO. ___ FOR BANK SIGNATURE	<i>Jensen</i>	Action	Page 7
10. REPORT OF AUDIT COMMITTEE	<i>Jensen</i>	Inform	
11. REPORT OF CEO SEARCH COMMITTEE	<i>Rymer</i>	Inform	
12. BOARD WORK PLAN AND CALENDAR FOR 2021	<i>Chair</i>	Inform/ Action	Pages 8-10
13. CMO REPORT	<i>Kidd</i>	Inform	Pages 11-12
14. ADMINISTRATIVE REPORT FOR NOVEMBER	<i>Mather</i>	Inform	Pages 13-15
15. FINANCIALS FOR THE MONTH ENDED SEPTEMBER 30, 2020	<i>Jensen</i>	Inform	Pages 16-22
16. BOARD COMMENTS <ul style="list-style-type: none"> • Legislative Letter Requesting Additional Relief for California Hospitals 	<i>Chair</i>	Inform	Pages 23-26
17. ADJOURN	<i>Chair</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, NOVEMBER 5, 2020

HELD VIA ZOOM VIDEOCONFERENCE

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Hirsch</i>	
The meeting was called to order at 5:47 pm.		
2. PUBLIC COMMENT		
None		
3. PUBLIC COMMENT ON CLOSED SESSION		
None		
4. CLOSED SESSION		
Closed session adjourned at 5:56 pm and regular session was called to order at 6:03 pm.		
5. REPORT ON CLOSED SESSIONS OF OCTOBER 27 AND NOV 5, 2020	<i>Hirsch</i>	
The closed session on October 27, 2020, was further review of the proposed expansion with UCSF. No decisions were made at that time. This evening's closed session was review and discussion of a potential claim. No actions were taken.		
6. CONSENT CALENDAR a. Board Minutes 08.06.20 b. Quality Committee Minutes 07.22.20 c. Finance Committee Minutes 07.28.20 d. Medical Staff Credentialing	<i>Hirsch</i>	Action
		MOTION: by Rymer to approve, 2 nd by Boerum. All in favor.
7. CRITICAL ACCESS HOSPITAL UPDATE	<i>Connor</i>	Inform
Mr. Connor said the Democrats had not won the senate at this point. 81 hospitals nationwide are in Sonoma's position, and therefore the price would be much smaller. 215 hospitals nationwide have 25 or fewer beds, but not critical access. Congressional research service is preparing a list of the 81 hospitals with both. Congressman Thompson will speak in January to other congressman who have those hospitals in their districts. _____ reluctant to expand the rules to allow more hospitals in. We need a Senate Republican to support the bill but have not been able to find one, especially now that we do not appear to have a Democratic Senate. Mr. Connor would like to gather some mileage data and narrow the list of hospitals further. Ms. Mather said		

<p>we may need to do some work around the isolation and traffic issues to Sonoma. Mr. Connor felt it would help if hospitals talk to other hospitals and encourage them to call their Senators.</p>		
<p>8. CEO SEARCH UPDATE</p>	<p><i>Rymer</i></p>	<p>Inform</p>
<p>Mr. Rymer introduced Mark Andrew and Luke Morris from WittKieffer. The next meeting of the CEO Search Committee is on Monday, November 9, 2020. Mr. Andrew said they are very busy right now with outreach to contacts, and phone interviews have begun. There is a broad range of interest, but it is taking slightly longer to schedule interviews due to COVID. He expected final interviews and offer would take place in January 2021. Mr. Morris added that the location, strength, and strategies of Sonoma, as well as the UCSF connection, are exciting to candidates. Diverse candidates are being heavily targeted.</p>		
<p>9. UCSF-SVH MANAGEMENT SERVICES AGREEMENT</p>	<p><i>Hirsch</i></p>	<p>Action</p>
<p>Ms. Hirsch indicated numerous discussions had taken place on this topic with the Medical Staff, hospital leadership, the community, and the Foundation Ambassadors. There is widespread enthusiasm for expansion of the affiliation with UCSF.</p> <p>A concern was raised that MarinHealth is also a UCSF affiliate. Ms. Mather said Marin is definitely involved in North Bay care. She believes UCSF will identify services that are unique to Sonoma, such as OR space, the 3T MRI, 2nd floor space, etc. Dr. Kidd said it is a partnership with both; we each have our niche and support each other's strengths.</p> <p>Mr. Boerum asked about the Affiliation Oversight Committee portion of the agreement. Mr. Rymer replied it will be a committee of the Board and will need to go through the Governance Committee.</p>		<p>MOTION: by Boerum to approve, 2nd Mainardi. All in favor.</p>
<p>10. ADDITION OF MARITESS HOCHDERFFER TO CEO SEARCH COMMITTEE</p>	<p><i>Hirsch</i></p>	<p>Action</p>
		<p>MOTION: by Rymer to approve, 2nd by Boerum. All in favor.</p>
<p>11. CMO REPORT</p>	<p><i>Kidd</i></p>	<p>Inform</p>
<p>Dr. Kidd said the hospital lost most of its connectivity on October 11, 2020. With COVID ongoing and the fires, the Incident Command team has had a very different challenge. We are able to continue 99% of services using downtime paper procedures, which is challenging. The other implication has been that we are on code stroke divert regarding ambulance traffic.</p> <p>COVID has not been a major problem this month, while numbers have gone up in the Bay Area and California. We received a ventilator on order, so now have seven total. In-house testing continues for ED and inpatients, but supplies remain limited. SVH continues to use UCSF for pre-op testing. Slow progress is being made on GI services. The Med Staff supports the UCSF affiliation agreement. Dr. Peter Carroll, world renowned cancer specialist, met with local PCPs in October. The downtime event was reported to CDPH.</p>		

12. ADMINISTRATIVE REPORT FOR OCTOBER	<i>Mather</i>	Inform
Ms. Mather said the CT was expected to be installed this month and will open in December There have been several delays. The MRI project has started slowly. An offer has been made to another primary care physician, Dr. Patel, to start next summer. Carbon Health is mostly virtual care and urgent care which we are exploring. The annual report to the community was presented as well.		
13. UPDATE ON SIGNIFICANT DOWNTIME EVENT EMERGENCY	<i>Mather</i>	Inform
Ms. Mather said SVH is finishing up the fourth week of the downtime event. On October 11, 2020, we were notified of a ransomware attack by a group in Russia which has been targeting hospitals. An immediate shutdown was initiated and Ms. Mather reached out to UCSF that same day. The imaging system was compromised. Teams began containment, including the SVH team, a forensics team, recovery experts, and a team from UCSF. A new network has been built, new workstations purchased, servers will be added, and clinical systems added. This entire process will take months. SVH will also be investing in additional security systems.		
14. RESOLUTION NO. ___ HONORING JANE HIRSCH	<i>Rymer</i>	Action
Ms. Mather complimented Ms. Hirsch’s leadership and read the resolution.		MOTION: by Boerum to approve, 2 nd by Mainardi. All in favor
15. RESOLUTION NO. ___ HONORING SHARON NEVINS	<i>Rymer</i>	Action
Ms. Mather complimented Ms. Nevins’ leadership and read the resolution.		MOTION: by Boerum to approve, 2 nd by Mainardi. All in favor
16. BOARD COMMENTS	<i>Board</i>	Inform
Board members and hospital management thanked Ms. Hirsch and Ms. Nevins for their years and various services to the District, Hospital, and community and expressed their appreciation and gratitude. Ms. Hirsch and Ms. Nevins expressed their thanks as well.		
17. ADJOURN	<i>Hirsch</i>	
Adjourned 7:40 p.m.		



Meeting Date: December 10, 2020
Prepared by: Kelly Mather and Bob Kenney
Agenda Item Title: Community Perception Survey

Recommendation:

It is recommended that the Board approve a community survey to be undertaken by Sonoma Valley Hospital in early 2021 to better understand residents' perceptions of the Hospital including level of satisfaction with services, response to the pandemic and support for the parcel tax.

Background:

In 2015 and 2019, the Hospital worked with a professional research firm to conduct a survey of Sonoma Valley residents. The findings provided insights which helped to shape the Hospital's marketing and communications efforts and were valuable in preparing for the last parcel tax vote. The Hospital proposes a third survey in early 2021 to update its understanding of how Sonoma Valley residents perceive it and determine how perceptions have changed over the past five years. The survey will cover a number of areas including:

- Satisfaction with patient care provided the community
- SVH's response to the pandemic and other emergencies such as wildfires
- Perceptions of the changes in services undertaken in 2018
- Understanding of the new or enhanced services added in recent years
- The value of the Emergency Department to the community
- The importance of the parcel tax to Hospital sustainability
- The value of the UCSF affiliation
- Overall, perceptions of the role SVH plays in the health of the community

Survey results covering these and other topics will be provided to Hospital Leadership, the District Board and the Foundation Board in a detailed report following completion of the research in the first quarter of 2021. Cost of the survey is \$33,000.

Consequences of negative/alternative actions:

Without approval of the 2021 community survey, SVH will be unable to plan and execute marketing and communications initiatives with an understanding of current community perceptions of, and level of support for, the Hospital, including planning for the next parcel tax vote.

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

RESOLUTION NO. ____

**DESIGNATION OF ADMINISTRATIVE RESPONSIBILITY
AND BANK SIGNATURE AUTHORITY**

We, the Board of Directors of the Sonoma Valley Health Care District, hereby resolve to delegate to the Interim Chief Executive Officer, Kenneth Jensen, and to SVHCD Board Member Joshua Rymer, the authority to represent the District Board and the authority to execute or accept licensing citations and grant applications and related documents in connection with Sonoma Valley Hospital. In addition we the Board of Directors hereby resolve to grant bank signature authority to Interim Chief Executive Officer Kenneth Jensen and to SVHCD Board Member Joshua Rymer. All prior authorized signatures are hereby revoked.

PASSED AND ADOPTED this 10th day of December, 2020, at Sonoma, California.

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

_____, Chair
SONOMA VALLEY HEALTH CARE DISTRICT

ATTEST:

_____, Secretary
SONOMA VALLEY HEALTH CARE DISTRICT

Sonoma Valley District Board Calendar - 2021

January	February	March	April	May	June
<ul style="list-style-type: none"> • Board Member Committee Assignments • CEO Search Update • Valley of the Moon Post Acute Semi-Annual Report 	<ul style="list-style-type: none"> • Finance Committee Quarterly Report • Quality Team Annual Report 	<ul style="list-style-type: none"> • Review FY 2022 Budget Assumptions • UCSF Affiliation Update • Community survey read-out • Information Services Annual Report 	<ul style="list-style-type: none"> • Chief of Staff Report • Approval of Parcel Tax Election • Patient Service/Surgery Annual Report 	<ul style="list-style-type: none"> • Review Updates to Five Year Rolling Strategic Plan • Finance Committee Quarterly Report • Human Resources Annual Report • Quality Committee Quarterly Report 	<ul style="list-style-type: none"> • Approve FY 2022 Budget • Appointment of CEO Compensation Committee • CEO Goals for FY 2022 • UCSF Affiliation Update
July	August	September	October	November	December
<ul style="list-style-type: none"> • Approve Capital Spending Plan • Ancillary Services Annual Report • Valley of the Moon Post Acute Semi-Annual Report 	<ul style="list-style-type: none"> • Finance Committee Quarterly Report • Quality Committee Quarterly Report • SVHF Annual Update 	<ul style="list-style-type: none"> • Chief of Staff Report • Annual Strategy Report • Marketing/PR Update • UCSF Affiliation Update • Resolution for GO Bond Tax Rate 	<ul style="list-style-type: none"> • Approve CEO Performance Evaluation/Compensation/Annual Incentive Goals • Quality Committee Quarterly Report 	<ul style="list-style-type: none"> • Approve FY 2021 Audit • SVHCD Annual Report to the Community • Finance Committee Quarterly Report 	<ul style="list-style-type: none"> • Elect District Officers • UCSF Affiliation Update

Note: Guest speakers will be slotted in over the course of the year (see page two for options)

Speakers, Education Opportunities, Briefings

Prior Guest Speakers

- Critical Access Hospital - Mike Thompson's Legislative Aid – Crozer Connor (2020)
- HCA Seismic Requirements - Dietmar Grellman (2020)
- Update on UCSF Affiliation – Shelby DeCosta (2020)
- Sonoma County Health Services, Barbie Robinson (2019)
- Sonoma Community Health Center CEO – Cheryl Johnson (2018 & 2019)
- Sonoma Valley Fire & Rescue – Steve Akre (2018)
- City of Sonoma Manager – Cathy Capriola & Bret Sackett (2018)
- Hospice by the Bay – Kitty Whitaker (2018)
- County Supervisor – Susan Gorin (2018)
- Vintage House Executive Director – Priscilla Essert (2018)

Suggestions for 2021 Speakers (solicited at the December 2020 board meeting)

- Dr Mase/Barbie Robinson

JANUARY

7 6:00 pm Regular Board of Directors
26 5:00 pm Finance Committee
27 5:00 pm Quality Committee

FEBRUARY

4 6:00 pm Regular Board of Directors
23 5:00 pm Finance Committee
24 5:00 pm Quality Committee

MARCH

4 6:00 pm Regular Board of Directors
23 5:00 pm Finance Committee
24 5:00 pm Quality Committee

APRIL

1 6:00 pm Regular Board of Directors
27 5:00 pm Finance Committee
28 5:00 pm Quality Committee

MAY

6 6:00 pm Regular Board of Directors
25 5:00 pm Finance Committee
26 5:00 pm Quality Committee

JUNE

3 6:00 pm Regular Board of Directors
22 5:00 pm Finance Committee
23 5:00 pm Quality Committee

JULY

1 6:00 pm Regular Board of Directors
27 5:00 pm Finance Committee
28 5:00 pm Quality Committee

AUGUST

5 6:00 pm Regular Board of Directors
24 5:00 pm Finance Committee
25 5:00 pm Quality Committee

SEPTEMBER

2 6:00 pm Regular Board of Directors
28 5:00 pm Finance Committee
22 5:00 pm Quality Committee

OCTOBER

7 6:00 pm Regular Board of Directors
26 5:00 pm Finance Committee
27 5:00 pm Quality Committee

NOVEMBER

4 6:00 pm Regular Board of Directors
16 5:00 pm Finance Committee
17 5:00 pm Quality Committee

DECEMBER

2 6:00 pm Regular Board of Directors
14 5:00 pm Finance Committee
15 5:00 pm Quality Committee

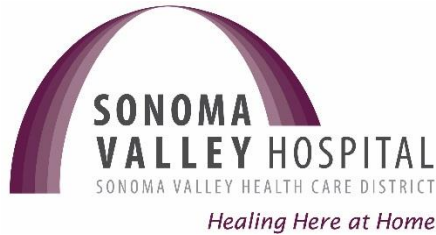
Meeting Date: December 10, 2020

Prepared by: Sabrina Kidd, MD

Agenda Item Title: CMO Board Report

1. November Highlights included:
 - a. Significant Downtime Security Event Recovery:
 - i. Recovery continues with the assistance of UCSF and Dell Recovery consultants.
 - ii. Paragon (EHR), CPOE, and some remote access have been restored.
 - iii. Code Stoke divert until PACS (imaging) is available via Remote Access
 - iv. There was a delay in reading mammography. This has been resolved.
 - b. COVID-19: November Covid-19 related census was slightly up with an average of 2-3 patients in house per day. Recent highlights include:
 - i. PPE (Personal protective equipment) / Supplies
 1. All PPE is sufficient at this time. We continue monitoring and are working to build a stockpile in case of a future surge.
 2. New Powered Air Purifying Respirators (PAPRs) arrived.
 - ii. Testing
 1. In house PCR testing continues on the Aries II machine for all ED and inpatients. Supplies remain very limited (0-48/ week).
 2. We continue drive thru testing for pre-op patients for SVH and UCSF and are processing through UCSF. Turnaround times have increased as the volume of tests has increased at the UCSF lab.
 - iii. Monoclonal Antibodies
 1. Bamlanivimab now available via Emergency Use Authorization (EUA) for outpatient infusions.
 2. Anticipate Regeneron following similar protocol soon.
 - iv. Vaccines
 1. We continue preparations for storage and distribution of a vaccine. We have registered with CDPH for vaccine distribution. We anticipate receiving our first distribution mid-December. Front line staff and physicians will receive the first doses.
 - c. GI Services:
 - i. Continuing negotiations with MarinHealth. Continuing to look for additional solutions without success at this time.
 - d. ED:
 - i. Remains on divert for stroke until PACS (Imaging) available via Remote Access.
 - ii. Census has remained low (around 20 per day).

- f. Med-Surg / ICU Updates:
 - i. They have managed well through the downtime and now have resumed documentation and ordering via Paragon.
 - ii. Two new hospitalist physicians will be joining the Benchmark team in December.
- g. Surgical Services:
 - i. We are finalizing a surgical call contract with Prima Medical Group/Marin Health
 - 1. This expands access to additional general surgeons.
 - 2. Allows for “surgicalist” model of emergent care.
 - 3. Intention to expand elective general surgery at SVH via this expanded group.
- 2. Medical Staff:
 - a. Medicine, Surgery, and MEC focused on updates regarding the downtime and Covid-19.
- 3. Quality Events:
 - a. None reported.



To: SVHCD Board of Directors
From: Kelly Mather
Date: 12/3/20
Subject: Administrative Report

Summary

We continue to recover from the October 11th Significant Downtime Event and it has been the highest priority since October 11th. This is my last Administrative report to the Board and unfortunately we don't have access to much of the data needed for the trending report. Volumes are lower due to the pandemic.

Update from 2025 Strategic Plan:

Strategic Priorities	Update
Enhance Quality and Services through the affiliation with UCSF Health	<ul style="list-style-type: none"> ➤ The new affiliation agreement with UCSF for management services has been approved and our CMO and CFO will be UCSF employees starting January 1, 2021. ➤ Dr. Peter Carroll, world renowned Cancer specialist, has begun his telecare service in Sonoma and referrals are slowly coming in. ➤ Working closely with UCSF on the recovery from the cyber-attack. ➤ A framework to track the value of the affiliation should be done this month.
Exceed Community Expectations especially in Emergency Services	<ul style="list-style-type: none"> ➤ The CT Project will be done by March 2021. The MRI (Project 3) will be up by the end of 2021. We have a plan to move Cardiology into the Outpatient Diagnostic Center area where the old CT is today, which will open up a space for UCSF physicians in the old Cardiology area when needed. ➤ Volumes have remained steady and are not rising as much as expected with COVID. Testing supply availability continues to be a major concern but we hope the vaccines eliminate this issue in the near future. ➤ We managed through the system downtime as well as can be expected and satisfaction remained high overall, but we addressed concerns and complaints. ➤ Telehealth for Emergency patients is a recommended strategy for 2021.
Ensure Patients receive Excellent, Safe care	<ul style="list-style-type: none"> ➤ The Human Experience strategy is going well and patient rounding has proven to be very informative. We have selected our top three areas to focus on for improvement and a new work plan charter has been established to take our HCAHPS scores to the top percentile. ➤ We have the funds for a new bug zapping robot this year thanks to SVHF. ➤ We have prioritized refurbishment of the ICU as our next big project to be funded by Sonoma Valley Hospital Foundation and are fundraising. ➤ A new General Surgery approach with "Surgicalists" is starting next month to improve the continuity of care.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ Our new Primary Care Physician for Sonoma starts next summer. ➤ Meritage Medical Network is partnering with us in the Sonoma Family Practice. ➤ MarinHealth (UCSF affiliate) is partnering with us on Gastroenterology. ➤ We are looking at more telehealth solutions in 2021. ➤ General Surgery call will begin in early 2021 with Prima Medical Group.
Be a Healthy Hospital	<ul style="list-style-type: none"> ➤ Health screenings are back underway. ➤ A video of Wellness U will be offered from SVH in early 2021.

SEPTEMBER 2020

			National Benchmark
Patient Experience	Current Performance	FY 2021 Goal	
Would Recommend Hospital	80%	> 70 percent	50th percentile
Inpatient Overall Satisfaction	84%	>70 percent	50 th percentile
Outpatient Services	4.82	4.5	3.8
Emergency Department	4.6	4.5	3.8
Quality & Safety	YTD Performance	FY 2021 Goal	Benchmark
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	2.7/10,000 pt days
Patient Safety Indicator	.76	<1	<1
Heart Failure Mortality Rate	11.7%	12%	12.9%
Pneumonia Mortality Rate	17.5%	20%	15.6%
Stroke Mortality Rate	15.1%	15%	13.8%
Sepsis Mortality Rate	7.3%	<18%	25%
30 Day All- Cause Readmissions	14.1%	< 15.3 %	< 15%
Serious Safety Events	0	0	0
Falls	2	< 2.3	2.3
Pressure Ulcers	4.5	<3.7	3.7
Injuries to Staff	2	< 10	17
Adverse Drug Events with Harm	0	0	0
Reportable HIPAA Privacy Events	0	0	0
Case Mix Index	1.5	1.4	1.3
Hospital Star Rating	4	4	3
Staff Satisfaction	Performance	FY 2021 Goal	Benchmark
Staff Pulse Survey	4.05 out of 5	>3.8	75%
Turnover	6.1%/18.3%	< 15%	< 20%
Financial Stability	YTD Performance	FY 2021 Goal	Benchmark
EBDA	%	>3%	3%
Paid FTE's	226	<235	235
Days Cash on Hand	63	>30	30
Days in Accounts Receivable	38.9	<45	50
Length of Stay	4.3	<4.0	4.03
Funds raised by SVHF	\$21.1 million	\$21 million	\$1 million
Strategic Growth	YTD/Projected	FY 2021 Goal	FY 2020
Inpatient Discharges	200/800	850	862
Outpatient Visits	12,125/48,500	48,000	47,802
Emergency Visits	2111/8444	10,000	9784
Surgeries + Special Procedures	472/1888	2000	2226
Community Benefit Hours	100.5/402	400	1332

Note: Colors demonstrate comparison to National Benchmark



Healing Here at Home

TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2021	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020
FY YTD Turnover	<15%	2.1	3.4	6.1		4.8	5.6	5.6	6	7.3	7.3	8.2	8.2
Leave of Absences	<12	6	8			15	16	13	9	11	13	13	9
EBDA	>3%	-8	-7	-18		.4	4.5	16.1	10.5	25.7	-13.9	253	-8.9
Operating Revenue	>3.5m	3.58	3.52	3.19		3.7	4.0	5.4	4.1	8.3	2.8	1.3	3.4
Expense Management	<4.5m	4.4	4.3	4.4		4.2	4.4	5.1	4.4	6.8	3.7	3.8	4.5
Net Income	>50k	418	658	-576		101	180	873	307	2351	-297	3600	-565
Days Cash on Hand	>30	73	68.6	63		16.9	17.9	20.4	15.7	15.6	43.1	87.1	81
Receivable Days	<50	40	39	39		44	44	38	42.5	36.9	35.5	44	49
Accounts Payable Days	>50	35	31.6	40		43	43	42	42.2	53.4	41.9	35.2	40.7
Accounts Payable	<\$3m	2.3	2.1	2.85		2.9	2.9	2.9	3.0	3.7	2.9	2.4	2.8
Total Paid FTE's	<235	230	229	226		230	230	230	231	236	190	205	225
Inpatient Discharges	>80	75	65	60		90	87	79	86	63	39	44	65
Patient Days	>300	324	314	214		319	336	321	286	218	156	179	238
Observation Days	<20	20	21	32		18	29	12	16	16	13	9	16
Average Daily Census	>10	10.5	10.1	7.1		10.6	10.8	10.4	9.9	7	5.2	5.8	7.9
Outpatient Revenue	>\$15m	16.1	14.9	14.6		15.9	16.3	17.3	16.3	12.3	7.1	10.5	14.6
Surgeries	>120	115	114	115		193	152	150	145	80	17	34	116
Special Procedures	>50	37	34	57		72	57	58	79	43	1	8	46
Emergency Visits	>800	735	723	653		880	984	953	972	745	529	645	695
MRI	>120	93	84			145	159	138	146	70	39	68	116
Cardiology (Echos)	>65	63	71			46	85	83	68	52	35	52	70
Laboratory	>11	12.6	12.1			11.3	11.3	11.6	10.9	8.7	5.5	8.5	11.1
Radiology	>900	883	806			888	1033	1113	934	684	420	572	797
Rehab	>2000	2206	1664			2207	2181	2422	2119	1626	566	1182	1984
CT	>350	382	426			356	433	429	388	335	263	367	401
Mammography	>200	213	179			219	216	172	243	243	15	87	228
Ultrasound	>250	228	253			255	251	234	238	198	110	163	272
Occupational Health	>550	580	426			535	660	517	572	544	392	380	462
Wound Care	>275	191	154			237	294	252	233	201	140	112	164

To: SVH Finance Committee
From: Ken Jensen, CFO
Date: December 2, 2020
Subject: Financial Report for the Month Ending September 30, 2020

For the month of September the hospital's actual operating margin of (\$1,153,145) was (\$355,004) unfavorable to the budgeted operating margin of (\$798,141). After accounting for all other activity; the net loss for September was (\$576,326) vs. the budgeted net income of \$2,047 with a monthly EBDA of (18.0%) vs. a budgeted (5.8%).

Please note that due to the 10/11/2020 cyber-attack all of September's month-end closing schedules and draft financial statements were lost and we have not had access to the IDEA budget drive. Accounting was able to recreate most of September's financials except the net revenue schedule and the variance analysis schedule.

Gross patient revenue for September was \$19,703,413, (\$1,429,345) under budget. Inpatient gross revenue was under budget by (\$1,204,809). Inpatient days were under budget by (80) days and inpatient surgeries were under budget by (4) cases. Outpatient gross revenue was under budget by (\$169,082). Outpatient visits were under budgeted expectations by (214) visits, outpatient surgeries were under budget by (26) cases, and special procedures were under budget by (13) cases. The Emergency Room gross revenue was under budget by (\$55,454) with ER visits under budgeted expectations by (206) visits.

Deductions from revenue were favorable to budgeted expectations by \$1,011,662 primarily due to the decreased inpatient volumes.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (\$432,625).

Operating Expenses of \$4,349,385 were favorable to budget by \$77,621. Salaries and wages and agency fees were under budget by \$101,788 due to flexing inpatient clinical staff due to lower than budgeted volumes and employee benefits were under budget by \$41,182. Supplies were over budget by (\$34,588). Purchased services were over budget by (\$58,259) primarily due to the unbudgeted invoice for the CEO recruitment firm.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for September was (\$834,345) vs. a budgeted net loss of (\$478,162). The hospital received \$71,985 in donations from the Sonoma Valley Hospital Foundation for the Outpatient Diagnostic Center costs. The total net loss for September after all activity was (\$576,326) vs. a budgeted net income of \$2,047.

EBDA for the month of September was (18.0%) vs. the budgeted (5.8%).

Patient Volumes – September

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	60	79	-19	71
Acute Patient Days	214	294	-80	312
Observation Days	32	0	32	17
OP Gross Revenue	\$14,581	\$14,805	(\$224)	\$16,433
Surgical Cases	115	145	-30	143

Cash Activity for September:

For the month of September the cash collection goal was \$3,323,750 and the Hospital collected \$3,062,755 or under the goal by (\$260,995). The year-to-date cash collection goal was \$8,581,010 and the Hospital has collected \$9,266,272 or over goal by \$685,262.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	63.0	68.6	-5.6	28.0
Accounts Receivable Days	38.9	39.0	-0.1	43.8
Accounts Payable	\$2,849,681	\$2,155,418	\$694,263	\$3,415,072
Accounts Payable Days	40.8	31.6	9.2	41.9

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer. – **Not included in September’s financial package.**
- 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 – **Not included in September’s financial package**
- Attachment F is the Cash Projection

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended September 30, 2020**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 09/30/20</u>	<u>Budget 09/30/20</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 09/30/20</u>	<u>Budget 09/30/20</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 09/30/19</u>
Inpatient Utilization								
Discharges								
1	46	62	(16)	Med/Surg	161	157	4	183
2	14	17	(3)	ICU	39	41	(2)	36
3	60	79	(19)	Total Discharges	200	198	2	219
Patient Days:								
4	140	213	(73)	Med/Surg	568	537	31	620
5	74	81	(7)	ICU	284	204	80	201
6	214	294	(80)	Total Patient Days	852	741	111	821
7	32	-	32	Observation days	73	-	73	47
Average Length of Stay:								
8	3.0	3.4	(0.4)	Med/Surg	3.5	3.4	0.1	3.4
9	5.3	4.8	0.5	ICU	7.3	5.0	2.3	5.6
10	3.6	3.7	(0.2)	Avg. Length of Stay	4.3	3.7	0.5	3.7
Average Daily Census:								
11	4.7	7.1	(2.4)	Med/Surg	1.6	1.5	0.1	1.7
12	2.5	2.7	(0.2)	ICU	0.8	0.6	0.2	0.5
13	7.1	9.8	(2.7)	Avg. Daily Census	2.3	2.0	0.3	2.2
Other Utilization Statistics								
Emergency Room Statistics								
14	653	859	(206)	Total ER Visits	2,111	2,255	(144)	2,654
Outpatient Statistics:								
15	4,217	4,431	(214)	Total Outpatients Visits	12,125	11,953	172	13,278
16	19	23	(4)	IP Surgeries	54	59	(5)	71
17	96	122	(26)	OP Surgeries	290	322	(32)	388
18	57	70	(13)	Special Procedures	128	184	(56)	240
19	231	263	(32)	Adjusted Discharges	704	681	23	872
20	822	981	(158)	Adjusted Patient Days	2,976	2,552	424	3,264
21	27.4	32.7	(5.3)	Adj. Avg. Daily Census	8.1	7.0	1.2	8.9
22	1.5500	1.4000	0.150	Case Mix Index - Medicare	1.5762	1.4000	0.176	1.3581
23	1.4820	1.4000	0.082	Case Mix Index - All payers	1.5363	1.4000	0.136	1.4589
Labor Statistics								
24	193	205	12	FTE's - Worked	205	204	(0.7)	206
25	218	228	10	FTE's - Paid	226	227	1.5	229
26	46.83	47.46	0.63	Average Hourly Rate	11.77	11.47	(0.30)	11.14
27	7.94	6.98	(0.96)	FTE / Adj. Pat Day	27.74	32.55	4.82	25.64
28	45.2	39.8	(5.5)	Manhours / Adj. Pat Day	158.1	185.5	27.4	146.1
29	161.4	148.4	(13.0)	Manhours / Adj. Discharge	668.2	695.1	26.9	547.3
30	22.3%	22.7%	0.4%	Benefits % of Salaries	21.4%	23.2%	1.8%	23.4%
Non-Labor Statistics								
31	18.6%	15.4%	-3.2%	Supply Expense % Net Revenue	16.5%	16.5%	0.0%	13.4%
32	2,525	2,084	(441)	Supply Exp. / Adj. Discharge	2,348	2,240	(108)	1,676
33	19,255	17,193	(2,062)	Total Expense / Adj. Discharge	19,106	19,500	394	14,878
Other Indicators								
34	63.0			Days Cash - Operating Funds				
35	38.9	50.0	(11.1)	Days in Net AR	39.6	50.0	(10.4)	42.9
36	92%			Collections % of Net Revenue	108%			95.1%
37	40.8	55.0	(14.2)	Days in Accounts Payable	40.8	55.0	(14.2)	43.9
38	15.9%	16.8%	-0.9%	% Net revenue to Gross revenue	15.9%	16.8%	-1.0%	16.9%
39	17.4%			% Net AR to Gross AR	17.4%			17.4%

Sonoma Valley Health Care District
Balance Sheet
As of September 30, 2020

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 2,250,201	\$ 1,966,728	\$ 2,421,736
2	Cash - Money Market	6,237,010	7,236,714	1,034,199
3	Net Patient Receivables	5,236,334	5,255,746	6,599,234
4	Allow Uncollect Accts	(1,008,759)	(978,181)	(1,358,265)
5	Net A/R	4,227,575	4,277,565	5,240,969
6	Other Accts/Notes Rec	76,928	6,953	254,152
7	Parcel Tax Receivable	3,800,000	3,800,000	3,800,000
8	GO Bond Tax Receivable	3,168,950	3,168,950	2,953,183
9	3rd Party Receivables, Net	(53,941)	334,672	1,260,665
10	Inventory	858,424	844,274	885,848
11	Prepaid Expenses	763,971	831,582	764,647
12	Total Current Assets	\$ 21,329,118	\$ 22,467,438	\$ 18,615,399
13	Property, Plant & Equip, Net	\$ 50,401,367	\$ 50,564,150	\$ 49,156,899
14	Trustee Funds - GO Bonds	3,353,793	5,668,992	2,951,154
15	Restricted Funds - Board Approved	1,000,000	-	-
16	Total Assets	\$ 76,084,278	\$ 78,700,580	\$ 70,723,452
Liabilities & Fund Balances				
Current Liabilities:				
17	Accounts Payable	\$ 2,849,681	\$ 2,155,418	\$ 2,780,037
18	Accrued Compensation	3,767,521	3,571,782	3,119,053
19	Interest Payable - GO Bonds	179,449	662,302	190,846
20	Accrued Expenses	1,422,137	1,525,926	1,501,035
21	Advances From 3rd Parties	-	-	178,436
22	Deferred Parcel Tax Revenue	2,849,987	3,166,654	2,849,991
23	Deferred GO Bond Tax Revenue	2,481,890	2,757,655	2,328,593
24	Current Maturities-LTD	309,121	309,412	473,750
25	Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26	Other Liabilities	121,966	121,966	626,386
27	Total Current Liabilities	\$ 19,455,486	\$ 19,744,849	\$ 19,521,861
28	Long Term Debt, net current portion	\$ 26,811,823	\$ 28,562,436	\$ 28,824,444
29	Fund Balances:			
30	Unrestricted	\$ 18,690,817	\$ 19,339,128	\$ 15,000,291
31	Restricted	11,126,152	11,054,167	7,376,856
32	Total Fund Balances	\$ 29,816,969	\$ 30,393,295	\$ 22,377,147
33	Total Liabilities & Fund Balances	\$ 76,084,278	\$ 78,700,580	\$ 70,723,452

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended September 30, 2020**

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	61	79	(18)	-23%	Acute Discharges	201	198	3	2%	219	
2	214	294	(80)	-27%	Patient Days	852	741	111	15%	821	
3	32	-	32	0%	Observation Days	73	-	73	*	47	
4	14,581	14,805	(224)	-2%	Gross O/P Revenue (000's)	45,090	39,064	6,026	15%	\$ 48,215	
Financial Results											
Gross Patient Revenue											
5	\$ 5,122,559	\$ 6,327,368	(1,204,809)	-19%	Inpatient	\$ 17,962,073	\$ 15,944,562	2,017,511	13%	\$ 16,213,890	
6	8,515,069	8,684,151	(169,082)	-2%	Outpatient	26,393,813	22,941,559	3,452,254	15%	27,966,415	
7	6,065,785	6,121,239	(55,454)	-1%	Emergency	18,696,345	16,122,725	2,573,620	16%	20,373,561	
8	\$ 19,703,413	\$ 21,132,758	(1,429,345)	-7%	Total Gross Patient Revenue	\$ 63,052,231	\$ 55,008,846	8,043,385	15%	\$ 64,553,866	
Deductions from Revenue											
9	(16,413,312)	(17,371,866)	958,554	6%	Contractual Discounts	\$ (52,606,138)	\$ (45,123,192)	(7,482,946)	-17%	\$ (53,006,785)	
10	(160,000)	(200,000)	40,000	20%	Bad Debt	(410,000)	(600,000)	190,000	32%	(650,000)	
11	-	(13,108)	13,108	100%	Charity Care Provision	(33,000)	(39,324)	6,324	16%	(27,800)	
12	-	-	-	*	Prior Period Adj/Government Program Revenue	-	-	-	*	-	
13	\$ (16,573,312)	\$ (17,584,974)	1,011,662	-6%	Total Deductions from Revenue	\$ (53,049,138)	\$ (45,762,516)	(7,286,622)	16%	\$ (53,684,585)	
14	\$ 3,130,101	\$ 3,547,784	(417,683)	-12%	Net Patient Service Revenue	\$ 10,003,093	\$ 9,246,330	756,763	8%	\$ 10,869,281	
15	\$ 66,139	\$ 81,081	(14,942)	-18%	Other Op Rev & Electronic Health Records	\$ 294,083	\$ 243,243	50,840	21%	\$ 169,038	
16	\$ 3,196,240	\$ 3,628,865	(432,625)	-12%	Total Operating Revenue	\$ 10,297,176	\$ 9,489,573	\$ 807,603	9%	\$ 11,038,319	
Operating Expenses											
17	\$ 1,742,223	\$ 1,850,011	107,788	6%	Salary and Wages and Agency Fees	\$ 5,535,271	\$ 5,430,038	(105,233)	-2%	\$ 5,312,332	
18	628,042	669,224	41,182	6%	Employee Benefits	1,916,098	1,989,867	73,769	4%	1,963,667	
19	\$ 2,370,265	\$ 2,519,235	148,970	6%	Total People Cost	\$ 7,451,369	\$ 7,419,905	(31,464)	0%	\$ 7,275,999	
20	\$ 416,352	\$ 416,281	(71)	0%	Med and Prof Fees (excl Agency)	\$ 1,231,310	\$ 1,256,665	25,355	2%	\$ 1,291,957	
21	582,200	547,612	(34,588)	-6%	Supplies	1,652,653	1,525,582	(127,071)	-8%	1,460,626	
22	453,259	395,000	(58,259)	-15%	Purchased Services	1,259,951	1,163,000	(96,951)	-8%	984,987	
23	257,657	266,953	9,296	3%	Depreciation	773,526	800,859	27,333	3%	740,092	
24	102,459	111,767	9,308	8%	Utilities	324,766	331,252	6,486	2%	330,279	
25	43,196	42,599	(597)	-1%	Insurance	133,398	127,797	(5,601)	-4%	118,042	
26	16,952	23,821	6,869	29%	Interest	57,219	71,463	14,244	20%	115,211	
27	107,045	103,738	(3,307)	-3%	Other	290,990	311,048	20,058	6%	317,471	
28	-	-	-	*	Matching Fees (Government Programs)	0	-	-	*	0	
29	\$ 4,349,385	\$ 4,427,006	77,621	2%	Operating expenses	\$ 13,175,182	\$ 13,007,571	(167,611)	-1%	\$ 12,634,664	
30	\$ (1,153,145)	\$ (798,141)	(355,004)	-44%	Operating Margin	\$ (2,878,006)	\$ (3,517,998)	639,992	18%	\$ (1,596,345)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended September 30, 2020**

ATTACHMENT D

	Month				Year-To- Date				YTD	
	This Year		Variance		This Year		Variance		Prior Year	
	Actual		\$	%	Actual	Budget	\$	%		
31	\$ 2,133	\$ 3,312	(1,179)	-36%	Non Operating Rev and Expense					
32	-	-	-	0%	Miscellaneous Revenue/(Expenses)					\$ 1,992,145
33	0	0	-	*	Donations					1,214
34	316,667	316,667	-	0%	Physician Practice Support-Prima					(40,248)
35	0	0	-	0%	Parcel Tax Assessment Rev					950,001
36	\$ 318,800	\$ 319,979	(1,179)	0%	Extraordinary Items					(1,628)
					Total Non-Operating Rev/Exp					\$ 2,901,484
37	\$ (834,345)	\$ (478,162)	(356,183)	74%	Net Income / (Loss) prior to Restricted Contributions					\$ 1,305,139
38	\$ -	\$ -	-	0%	Capital Campaign Contribution					\$ -
39	\$ 71,985	\$ 294,175	(222,190)	0%	Restricted Foundation Contributions					\$ 508,154
40	\$ (762,360)	\$ (183,987)	(578,373)	314%	Net Income / (Loss) w/ Restricted Contributions					\$ 1,813,293
41	186,034	186,034	-	0%	GO Bond Activity, Net					484,566
42	\$ (576,326)	\$ 2,047	(578,373)	-28255%	Net Income/(Loss) w GO Bond Activity					\$ 2,297,859
	\$ (576,688)	\$ (211,209)	(365,479)		EBDA - Not including Restricted Contributions					\$ 2,045,231
	-18.0%	-5.8%								18.5%

* Operating Margin without Depreciation expense:

\$ (1,153,145)	\$ (798,141)	\$ (355,004)	-44%	Operating Margin	\$ (2,878,006)	\$ (3,517,998)	\$ 639,992	18%
257,657	266,953	9,296	3%	Add back Depreciation	773,526	800,859	27,333	3%
\$ (895,488)	\$ (531,188)	\$ (345,708)	-69%	Operating Margin without Depreciation expense	\$ (2,104,480)	\$ (2,717,139)	\$ 667,325	23%

Sonoma Valley Hospital
Cash Forecast
FY 2021

ATTACHMENT F

	Actual July	Actual Aug	Actual 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	3,655,695	3,057,733	3,407,984	2,597,569	875,178	1,260,000	4,831,335	4,888,730	4,359,205	3,979,608	4,089,394	4,011,761	41,014,192
2 Other Operating Revenue	38,268	137,152	105,236	81,081	81,081	81,081	81,081	81,081	81,081	81,081	81,081	81,081	1,010,385
3 Other Non-Operating Revenue	73,172	15,194	22,125	23,796	23,796	23,796	23,796	23,796	23,796	23,796	23,796	23,796	324,655
4 Unrestricted Contributions	-	3,306	653										3,959
5 Line of Credit	-												-
Sub-Total Hospital Sources	3,767,135	3,213,385	3,535,999	2,702,446	980,055	1,364,877	4,936,212	4,993,607	4,464,082	4,084,485	4,194,271	4,116,638	42,353,192
Hospital Uses of Cash													
6 Operating Expenses	5,534,264	3,523,571	3,598,086	3,340,682	3,276,632	4,283,621	4,403,115	4,722,842	4,539,772	4,443,227	4,622,890	4,370,188	50,658,890
7 Add Capital Lease Payments	7,854	88,349	7,904										104,107
8 Additional Liabilities/LOC		-											-
9 Capital Expenditures	784,429	998,868	96,188	1,142,620	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	5,375,505
Total Hospital Uses	6,326,547	4,610,788	3,702,178	4,483,302	3,570,807	4,577,796	4,697,290	5,017,017	4,833,947	4,737,402	4,917,065	4,664,363	56,138,501
Net Hospital Sources/Uses of Cash	(2,559,412)	(1,397,403)	(166,179)	(1,780,856)	(2,590,752)	(3,212,919)	238,922	(23,410)	(369,865)	(652,917)	(722,794)	(547,725)	(13,785,310)
Non-Hospital Sources													
10 Restricted Cash/Money Market	1,000,000	1,000,000			3,000,000	2,000,000					(6,000,000)		1,000,000
11 Restricted Capital Donations	784,428	973,350	71,332	294,175	1,142,620	294,175	294,175	294,175	294,175	294,175	294,175	294,175	5,325,130
12 Parcel Tax Revenue	86,141					2,100,000				1,600,000			3,786,141
13 Other Payments - South Lot/Ins. Claims/HHS	340,068	49,150											389,218
14 Other:													-
15 IGT			108,320		(129,950)				1,984,768		4,470,424	120,000	6,553,562
16 IGT - AB915								250,000					250,000
17 PRIME		14,229	270,000			624,542							908,771
Sub-Total Non-Hospital Sources	2,210,637	2,036,729	449,652	294,175	4,012,670	5,018,717	294,175	544,175	2,278,943	1,894,175	(1,235,401)	414,175	18,212,822
Non-Hospital Uses of Cash													
18 Matching Fees		142,041		312,271		620,237			1,900,000				2,974,549
Sub-Total Non-Hospital Uses of Cash	-	142,041	-	312,271	-	620,237	-	-	1,900,000	-	-	-	2,974,549
Net Non-Hospital Sources/Uses of Cash	2,210,637	1,894,688	449,652	(18,096)	4,012,670	4,398,480	294,175	544,175	378,943	1,894,175	(1,235,401)	414,175	15,238,273
Net Sources/Uses	(348,775)	497,285	283,473	(1,798,952)	1,421,918	1,185,561	533,097	520,765	9,078	1,241,258	(1,958,195)	(133,550)	
Operating Cash at beginning of period	1,818,218	1,469,443	1,966,728	2,250,201	451,249	1,873,167	3,058,728	3,591,825	4,112,590	4,121,668	5,362,926	3,404,731	
Operating Cash at End of Period	1,469,443	1,966,728	2,250,201	451,249	1,873,167	3,058,728	3,591,825	4,112,590	4,121,668	5,362,926	3,404,731	3,271,181	
Money Market Account Balance - Unrestricted	8,236,372	7,236,714	6,237,010	6,237,308	3,237,308	1,237,308	1,237,308	1,237,308	1,237,308	1,237,308	7,237,308	7,237,308	
Total Cash at End of Period	9,705,815	9,203,442	8,487,211	6,688,557	5,110,475	4,296,036	4,829,133	5,349,898	5,358,976	6,600,234	10,642,039	10,508,489	
Average Days of Cash on Hand	73.00	68.60	63.00	48.54	37.09	31.18	35.05	38.83	38.89	47.90	77.23	76.27	

November 9, 2020

Sent electronically

Dear Members of the California Congressional Delegation:

On behalf of the Sonoma Valley Health Care District and its approximately 42,000 community members, Sonoma Valley Hospital and its 365 employees thank you for your commitment to supporting our fight against the COVID-19 pandemic, caring for our patients, and protecting our health care heroes. As the pandemic continues, we ask for your continued support as you work with your colleagues in the final days of the 116th Congress. In addition to protecting important Medicare and Medicaid programs, it is critical that you develop another relief package to help our nation cope with this unprecedented public health and economic challenge.

The COVID-19 pandemic has devastated California's economy, and hospitals are no exception. Hospitals answered the call to respond to COVID-19 quickly and with an extraordinary investment. They immediately created additional physical space, purchased protective and clinical equipment, beds, and supplies, hired more staff, and suspended many non-emergency services. These enormous operational and resource challenges continue to strain hospitals in unprecedented ways. Without federal aid to offset hospitals' financial losses and forthcoming reductions in the state budget, patients and communities will suffer.

First and foremost, as hospitals are facing both a financial crisis and a public health and pandemic response crisis, they need an immediate and substantial lifeline of financial resources. In addition, hospitals need support in the following ways:

1. Safeguard front-line providers from legal action
2. Improve the Medicare Accelerated and Advance Payment Program
3. Extend and expand the Federal Medical Assistance Percentage (FMAP) increase
4. Delay Medicare and Medicaid cuts to prevent program disruption
5. Support our health care workforce
6. Deploy an integrated and coordinated response
7. Eliminate regulatory and administrative burdens
8. Preserve private negotiations between hospitals and insurers

California hospitals have treated an average of over 3,700 daily COVID-19 cases since the end of March, with almost 1,200 of those daily cases being treated in ICUs. COVID-19 cases in California are beginning to surge yet again, but the state has not yet experienced the dramatic uptick of some other states. If it does, and if over the next three weeks California experiences just *half the rate of increase* in total cases that Wisconsin experienced over the previous three weeks (~53%), there will be

approximately 250,000 additional cases in California. A rapid increase of this magnitude would put enormous strain on hospitals.

California's hospitals are bracing for the fall and winter surge and implementing lessons learned from the early days of the pandemic. Our patients are benefiting from new COVID-19 therapies and approaches to critical care. It is important progress, but it does not put a dent in the work that remains to protect the stability and long-term financial viability of California's health care delivery system. Early and conservative estimates put California hospitals' losses through the end of 2020 at more than \$14 billion ([The Financial Impact of COVID-19 to California Hospitals, June 2020](#)). A more recent [report](#) notes that three-quarters of hospitals and health systems are concerned about the financial viability of their organizations, and one-third saw year-over-year operating margins decline more than 10% during the second quarter of 2020.

Hospitals are facing not only a financial crisis, but also a public health and pandemic response crisis. They need an additional and substantial financial lifeline. Without it, Californians' access to care is in jeopardy.

In May, the House of Representatives passed the HEROES Act, which includes a significant increase in support for both health care providers and our front-line heroes. It includes several, but not all, of the important steps needed for California's hospitals to continue to care for our communities. As you work to continue to fund the federal government and the next COVID-19 relief package, Sonoma Valley Hospital respectfully requests that legislation include several critical actions to support patient care, sustain our workforce, and preserve our health care infrastructure.

Support Additional Funding for Hospitals

Hospitals and health care systems need a rapid injection of federal funding to offset massive revenue losses from the suspension of non-urgent surgeries and procedures, at a time when they continue to incur major expenses related to increasing bed capacity, purchasing personal protective equipment (PPE), and hiring needed staff.

The Public Health and Social Services Emergency Fund — known as the Provider Relief Fund (PRF) — was established and funded by the CARES Act and supplemented by the Paycheck Protection Act. It is an important first step toward overcoming these financial challenges. However, as the pandemic expands, it is clear that much more will be needed for hospitals to continue to provide the high-quality care Californians deserve.

As an example of the gap between how CARES Act funds are allocated and what's needed, California's hospitals have so far received about 4.8% of the fund distributions — despite the fact that they care for about 12% of the nation's population. Future distributions from the PRF must account for hospitals' financial losses and investment in preparing for the pandemic along with the direct cost of care for COVID-19 patients. Further, it is critical that hospitals have clear and consistent guidance on

the reporting requirements for accepting these much-needed funds. *The future stability of our health care delivery system depends on additional and specifically targeted funding for hospitals.*

Safeguard Front-Line Providers from Legal Action

During this unprecedented emergency, hospitals and health care professionals continue to provide care under extraordinary circumstances — in many cases, having to make challenging decisions about how to allocate scarce medical equipment and PPE due to inadequate supplies, testing kits, ventilators, and more. *Congress should implement a limited waiver of liability for hospitals and health care professionals during the nationally designated COVID-19 emergency that will allow providers to continue delivering the best possible care under less-than-ideal conditions.*

Improve the Medicare Accelerated and Advance Payment Program

Hospitals are grateful for Congress' authorization and the Centers for Medicare & Medicaid Services' swift action to implement the Medicare Accelerated and Advance Payment Program. This program, established in the CARES Act, has quickly moved billions in much-needed Medicare funding to hospitals and other providers nationwide. Congress has responded as well with helpful modifications to the program to reduce the interest rate and extend the repayment terms.

Congress should act to forgive these loans. As the pandemic continues to grow in California, hospitals are faced with an escalation of both the public health and economic crisis. The Medicare Accelerated and Advance Payment Program has been a vital lifeline to California's health care providers, but now that we have a better understanding of the depth of the pandemic, these loans must be forgiven.

Extend and Expand the Federal Medical Assistance Percentage (FMAP) Increase

The Families First Coronavirus Response Act included a much-appreciated 6.2% temporary boost in the FMAP to support states and the health care delivery system. *It is critical that the increase be continued to assist both states and providers during this period of extreme financial duress.*

Delay Medicaid Cuts and Program Disruption

Hospitals appreciate that the CARES Act included a delay in the steep Medicaid disproportionate share hospital (DSH) reductions that were scheduled to go into effect in May. However, an additional delay is needed to allow hospitals to focus on the task at hand, which is to continue to be ready to serve vulnerable communities during this crisis — and be there for them after the crisis subsides. *Congress should eliminate the Medicaid DSH cuts set to go into effect December 12, 2020, through September 2021, ensuring more certainty during these difficult times and allowing providers to remain focused on our most vulnerable patients.*

Support our Health Care Workforce

Health care workers across the state have responded to the call of duty in unprecedented ways. Some are coming out of retirement. Others are traveling to hospitals in other parts of the state to assist in areas experiencing surges. These front-line and essential employees put themselves and their families

at risk of exposure to COVID-19 every day. *Congress should support our health care heroes with funds for childcare, meals, housing, transportation, and protection for their retirement benefits.*

Deploy an Integrated and Coordinated COVID-19 Response

Combating a pandemic like COVID-19 necessitates unprecedented levels of cooperation between states and the federal government on issues like testing, vaccine production and distribution, therapeutics, and more; as we learn more about this disease, these joint efforts must be enhanced and refined. For example, the supply chain for PPE will remain uneven as hot spots emerge in different regions of our state and across the country. Providers will need a coordinated strategy among local, state, and federal agencies to ensure an adequate supply in the coming months.

Eliminate Regulatory and Administrative Burdens

As the current PPE supply chain remains spotty at best, it is simply not feasible at this time to adhere to an even higher standard, as proposed in previous bills. Unfortunately, a provision in the HEROES Act would mandate certain PPE criteria and create a scenario where hundreds of hospitals could be out of compliance each day. *Congress should avoid adding to hospitals' burden as they work to procure supplies and protect all who work in hospitals.*

Preserve Private Negotiations Between Hospitals and Insurers

While we share the desire to protect patients from surprise medical bills, now is not the time to impose payment cuts on providers. *Importantly, COVID-19 patients are protected from surprise bills.* Hospitals in California continue to work closely with insurers to secure appropriate payments for out-of-network care while limiting patients' exposure. Setting a benchmark or other rate would eliminate hospitals' ability to negotiate and secure fair payment.

As our state labors to climb out from under the economic and societal devastation wrought by COVID-19, it is vital that its hospitals — and the critical community care they deliver — are secure. We cannot reignite our state's economy, the largest in the nation, without the health care safety net that hospitals provide.

Thank you for your continued support and attention to the needs of California's hospitals and the patients they care for.

Sincerely,



Kelly Mather
President and Chief Executive Officer
Sonoma Valley Hospital