



SVHCD FINANCE COMMITTEE

AGENDA

WEDNESDAY, JANUARY 26, 2021

5:00 p.m. Regular Session

TO BE HELD VIA ZOOM VIDEOCONFERENCE

To Participate via Zoom Videoconferencing,
use the link below:

<https://sonomavalleyhospital-org.zoom.us/j/91062089638?pwd=eGtsRzhGcTNzN00ybHZ6OVhVY2lBdz09>

and Enter the **Meeting ID: 910 6208 9638**

Password: 179140

To Participate via Telephone only (no video), dial:

1-669-900-9128 or 1-669-219-2599

and Enter the **Meeting ID: 910 6208 9638**

Password: 179140

<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 or (707) 935.5005 at least 48 hours prior to the meeting.</p>		
AGENDA ITEM	RECOMMENDATION	
<p>MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>		
<p>1. CALL TO ORDER/ANNOUNCEMENTS</p>	Boerum	
<p>2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>	Boerum	
<p>3. CONSENT CALENDAR a. Finance Committee Minutes 12.02.20 b. Finance Committee Minutes 12.15.20</p>	Boerum	Inform/Action
<p>4. OUTPATIENT DIAGNOSTIC CENTER UPDATE</p>	Kuwahara/ Sarmiento	Inform
<p>5. REVIEW FINANCE COMMITTEE 2021 WORK PLAN</p>	Jensen	Action
<p>6. PROCESS TO RECOMMEND A NEW COMMITTEE MEMBER FOR FINANCE COMMITTEE VACANCY</p>	Boerum	Inform
<p>7. ADMINISTRATIVE REPORT FOR JANUARY 2021</p>	Kuwahara	Inform

8. FINANCIAL REPORT FOR MONTH ENDED NOVEMBER 30, 2020	<i>Jensen</i>	Inform
9. FINANCIAL REPORT FOR MONTH ENDED DECEMBER 31, 2020	<i>Jensen</i>	Inform
10. REVIEW OF FY2021 YTD CAPITAL SPENDING	<i>Dungan</i>	Inform
11. ADJOURN	<i>Boerum</i>	



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
WEDNESDAY, DECEMBER 2, 2019
Via Zoom Teleconference

Present		Staff	Public	
Sharon Nevins via Zoom Joshua Rymer via Zoom Peter Hohorst via Zoom Subhash Mishra, MD via Zoom	Art Grandy via Zoom Bruce Flynn via Zoom Susan Porth via Zoom	Kelly Mather, CEO via Zoom Ken Jensen, CFO, via Zoom Sarah Dungan, Controller, via Zoom	Judith Bjorndal via Zoom	
AGENDA ITEM	DISCUSSION		ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>			
	Called to order at 5:01 pm			
2. PUBLIC COMMENT SECTION	<i>Nevins</i>			
	None			
3. CONSENT CALENDAR	<i>Nevins</i>			
a. Finance Committee Minutes 09.22.20	The minutes of 09.22.20 were reviewed.		MOTION: by Rymer to approve, 2 nd by Porth. All in favor.	
4. OUTPATIENT DIAGNOSTIC CENTER UPDATE	<i>Mather</i>			
	Ms. Mather said she hoped construction would be completed in December, with the new CT opening in February. A way was found to put cardiology into the space without extra costs. The CT project is still on budget. The MRI project will start construction this month.			
5. AMENDMENT OF SVHF-SVHCD MEMORANDUM OF UNDERSTANDING	<i>Jensen</i>			
	Ms. Mather discussed the reasoning behind the			

	language change. After discussion, she suggested that the new Board discuss this in detail with the Foundation and draft better language. This item was tabled with no action taken.		
6. SVH FOUNDATION LOAN	<i>Jensen</i>		
	The Board had agreed to restrict \$1 million in cash as the ODC project progressed. It was decided to use the \$1 million before the line of credit to save 85,000 in interest costs and change the restriction. Ms. Mather indicated that there have been so many delays in the ODC project, the use of funds is delayed as well. So the decision on this item could be delayed for now. After discussion, it was decided to table this item until the need is clearer.		
7. BANK SIGNATURE AUTHORITY	<i>Dungan</i>		
	Ms. Dungan said as of January 1, 2021, SVH will need a new signer for the bank. The bank will require a Board resolution for the signature; she suggested the signers be Mr. Jensen and Mr. Rymer.		
8. ADMINISTRATIVE REPORT NOVEMBER 2020	<i>Mather</i>		
	Ms. Mather reported that most systems were able to be recovered within a fairly short time from the cyberattack. SVH has been working closely with UCSF, has a plan and will be spending additional money to enhance security. Letters will be issued to current and former employees and patients involved. A new telehealth solution has been found for case management with 24/7 coverage. A small team continues to manage COVID issues, and the hospital has only a slightly higher census. She indicated she will stay involved with construction, marketing, the Board, and fundraising on a per diem basis until a new CEO starts. The transition plan is going well.		
9. FINANCIAL REPORT MONTH ENDED SEPTEMBER 30, 2020	<i>Jensen</i>		

	<p>Ms. Nevins said the auditors mentioned how exceptional the SVH team was to work with, how smoothly the audit went, and how engaged SVH management and Committee members were.</p> <p>Mr. Jensen said charges are being input, with the only backup currently in Imaging. We cannot bill yet without the Imaging input, and we hope to have that caught up by the end of December The hospital has applied for a Medicare advance.</p> <p>Cash collected for the month of September was \$3 million vs goal of \$3.3 million. Days' cash on hand were 63, A/R days were 39, A/P were \$2.8 million and 40.8 days. Inpatient revenue was off by \$1.2 million, outpatient visits were off by 2%, and ER visits were off by 1%. Total operating revenue was under budget by \$432,000. Expenses were primarily related to additional COVID costs, and the operating margin was off by 44%. Net income was (\$576,326) vs. budget of \$2,047; EBDA was (18.0%) vs. budget of (5.8%).</p>		
10. OPEN ENROLLMENT, UNITED HEALTHCARE	<i>Jensen</i>		
	Mr. Jensen reported that employees have been insured through Western Health Advantage for several years, and WHA broke with Canopy. SVH is moving forward with United Healthcare for 2021 since they have the Canopy network available.		
11. IGT RECOUPS	<i>Dungan</i>		
	Ms. Dungan said the State has been reconciling/auditing the NDPH IGT program for 2016, 2017, 2018, and 2019. SVH must pay back \$251,000, of which the first two payments have already been made.		
12. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 5:59 p.m.		



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES**

**TUESDAY, DECEMBER 15, 2019
Via Zoom Teleconference**

Present		Staff	Public	
Joshua Rymer via Zoom Peter Hohorst via Zoom Subhash Mishra, MD via Zoom	Art Grandy via Zoom Bruce Flynn via Zoom	Kelly Mather, CEO via Zoom Ken Jensen, CFO, via Zoom Sarah Dungan, Controller, via Zoom	Judith Bjrndal via Zoom	
AGENDA ITEM	DISCUSSION		ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Rymer</i>			
	Called to order at 5:00 pm			
2. PUBLIC COMMENT SECTION	<i>Rymer</i>			
	None			
3. FINANCIAL REPORT MONTH ENDED OCTOBER 31, 2020	<i>Jensen</i>			
	<p>Mr. Jensen reviewed the payer mix for the month of October. The cash collection goal for the month was \$3.3 million and actual cash collected was \$2.4 million. The year-to-date cash collection goal was \$11.9 million and actual collected was \$11.7 million. Subsequent months will have dropped due to the inability to send bills out starting October 11th. Days' cash were 60.1, A/R days were 53.2, A/P were \$4 million, and A/P days were 58.3. All patient volumes were down, but ER acuity was high. Total operating revenue was \$346,000 below budget. Expenses were higher than budget due to utilities. Total operating expenses were \$4.4 million, and the operating margin was (\$733,000). COVID supplies</p>			<p>The IT budget will be \$500,000 more per year. IT runs about \$3.2 million per year now. The majority of the additional budget will be UCSF salaries, plus some vendors.</p> <p>FC work plan to be discussed in Jan.</p>

	<p>for testing have gone up considerably to about \$12,000 per week; there will be a jump in November as well. The significant downtime event (SDE) costs will come through in November, December, and January. SVH does not receive complete reimbursement for testing UCSF patients. Net income was (\$235,232) vs. budget of \$223,725.</p> <p>Ms. Mather mentioned that SVH has lost the urgent care type patients to virtual care instead of using our ER. There is not enough volume to do urgent care alone, but we do plan to extend physician hours.</p> <p>Ms. Kuwahara announced that a Pfizer vaccine shipment is being picked up Sunday night with 135 doses. Dr. Kidd will be doing another town hall for employees and for the community shortly. Another shipment with Moderna vaccine is expected on Christmas eve.</p>		
<p>4. ADJOURN</p>	<p><i>Rymer</i></p>		
	<p>Meeting adjourned at 5:24 p.m.</p>		

**Sonoma Valley Hospital
Speed Report**

Open Projects Under: Outpatient Diagnostic Center

CIP: 1258.0050 & 1258.0795 Projected Through: 11/30/2020 - Status and Finance Impacts Updated Through 1/19/2020

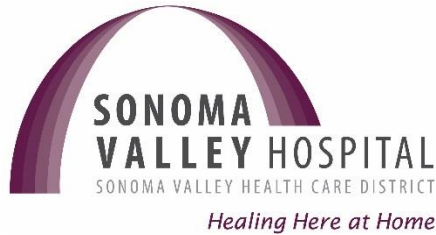
Status / Issues	Finances / Budget																													
<p align="center">Key</p> <p> ■ No Issue/Realized Risk, ■ Likely Risk, ■ Budget or Schedule at Risk </p>	Description	Board Approved Budget	Committed	Spent to Date	Exposure	Forecast																								
	Project #0 - ODC: Study Scope Complete	<table border="1"> <tr> <td>ODC Preparation</td> <td>\$ 655,689</td> <td>\$ 655,689</td> <td>\$ 655,689</td> <td>\$ -</td> <td>\$ 655,689</td> </tr> <tr> <td>Master Facility Planning</td> <td>\$ 127,812</td> <td>\$ 127,812</td> <td>\$ 127,812</td> <td>\$ -</td> <td>\$ 127,812</td> </tr> <tr> <td>Decommissioning Study</td> <td>\$ 125,622</td> <td>\$ 125,622</td> <td>\$ 125,622</td> <td>\$ -</td> <td>\$ 125,622</td> </tr> <tr> <td>Total</td> <td>\$ 909,123</td> <td>\$ 909,123</td> <td>\$ 909,123</td> <td>\$ -</td> <td>\$ 909,123</td> </tr> </table>						ODC Preparation	\$ 655,689	\$ 655,689	\$ 655,689	\$ -	\$ 655,689	Master Facility Planning	\$ 127,812	\$ 127,812	\$ 127,812	\$ -	\$ 127,812	Decommissioning Study	\$ 125,622	\$ 125,622	\$ 125,622	\$ -	\$ 125,622	Total	\$ 909,123	\$ 909,123	\$ 909,123	\$ -
ODC Preparation	\$ 655,689	\$ 655,689	\$ 655,689	\$ -	\$ 655,689																									
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Total	\$ 909,123	\$ 909,123	\$ 909,123	\$ -	\$ 909,123																									
Project #0 - Master Planning: Study Scope Complete	<p align="center">After Several Master Facility Planning meetings, the following was determined to be the best path forward:</p> <p>Enhance diagnostic services to remain viable to population: replace aging CT, locate a 3T MRI inside the hospital, improve revenue streams through Cardiology and Orthopedics on site.</p> <p>Provide more patient amenities, centralize scheduling, and upgrade technology to remain competitive.</p> <p>Leverage UCSF affiliation to provide the framework needed to thrive in Sonoma.</p> <p>The Board and CEO to continue to dialogue about future steps to meet 2030 seismic requirements.</p>																													
Project #0 - Decommissioning: Study Scope Complete	<p align="center">The study of the Central and East Wings to determine the feasibility of decommissioning these wings yielded the following:</p> <p>Cost of scope required for decommissioning exceeds any benefit to the hospital.</p> <p>The scopes of work would include building a stand-by kitchen in the west wing, removal of the SNF from the east wing, having to relocate medical records to the West Wing, and building structural and fire separations between the West Wing and the Central Wing.</p>																													
Project #1 - CT	<p>Schedule impacted by ACD002 and the Shelter-in-Place (SIP) Orders issued by Bay Area Counties in response to the pandemic. Resulted in CT Go Live sliding from 7/2020 to 9/2020.</p> <p>Schedule impacted by ACD005/6/10/12, ASI005/6, and Postponement of Crane Pick due to Med Surge patient admittance. Resulted in CT Go Live sliding from 9/2020 to 10/2020 and Imaging Wait Completion sliding from 8/2020 to 10/2020.</p> <p>Schedule impacted by ACD009 and OSHPD field staff requirement to inspect the areas above ceiling despite being unavailable for inspection during most of the month of October. Resulted in CT Go Live sliding from 10/2020 to 11/2020 and CT Machine Delivery sliding from 10/19/2020 to 11/16/2020.</p> <p>Schedule impacted by FLSO stop work notice due to temporary protective measures around an existing Fire Alarm Power Supply panel not being explicitly shown on the plans. Resulted in Imaging Wait Completion sliding from 10/2020 into 12/2020. Work to resumed 12/2020.</p> <p>Schedule impacted by additional seismic bracing per ACD015, detailing of Central & West Wing expansion, fire proofing for utilities crossing expansion joint (ACD018), and cutting of CMU wall reinforcements (post tension tendons remain unharmed). Resulted in CT Suite substantial completion sliding into 2/12/2021 and Go Live sliding from 11/2020 to 3/2021, consequently CT Machine Delivery slid from 11/16/2020 to 1/26/2021.</p> <p>CT Machine Delivery & Start-Up - 1/26/2021</p> <p>Substantial Completion of CT Suite (Phase 1A only, excludes Office 1248) - 2/17/2021</p> <p>CT Suite Go Live - 3/2021 (Contingent on CDPH)</p> <p>Office 1248 Substantial Completion – Pending Structural Review</p> <p>Imaging Wait Available for Staff Hub Relocation - 2/2021 at risk of being impacted by new Air Handler Unit (AHU) activation.</p> <p>(Vending) Micro Market Area Substantial Completion – 1/27/2021 (with exceptions, vending machine anchoring pending ACD020, targeted for 2/24/2021) - Occupancy may be impacted by new AHU activation.</p> <p>CT Phase 2 (Staff Hub/Old CT) Value Engineering (VE) Re-Design Submission to OSHPD – 1/28/2021</p> <p>CT Phase 2 VE Start - Contingent upon OSHPD Review, Projected to be 2/2021</p> <p>Old CT Demo Start - Contingent upon OSHPD Review, Projected to be 3/2021</p> <p>Substantial Completion CT Project (Phase 2) - 4/2021 at risk due to unknown duration of Phase 2 VE submittal review by OSHPD. Construction durations to be finalized the week after Phase 2 VE is submitted to OSHPD.</p>																													
Project #2 - Cardio																														
Project #3 - MRI	<p>Construction Started 12/2020 - Currently Undergoing Abatement</p> <p>MRI Delivery - 9/2/2021</p> <p>Substantial Completion - 11/19/2021</p> <p>MRI Go Live - 12/17/2021 (Contingent on CDPH)</p>																													
Project #4 - UCSF Clinic: Test Fit Complete																														
Budget Notes																														
<p>1.) 3-D Mammo equipment was purchased through a separate project by the SVH Foundation; the cost reflects construction.</p> <p>2.) Project #1 Contingency Exhausted.</p> <p>3.) Project #1 forecast to complete increased by \$124.8K above the budget. To curb additional expenses, Phase 2 undergone VE, which resulted in a cost avoidance of approximately \$125-\$150K (in addition to the forecasted cost to complete). Project #3 Contingency was reduced by the Project #2 overage. Project #3 contingency is within an acceptable range to start the project based on the risk identified to date.</p> <p>4.) Project #1 COVID related cost through 10/31/2020 amount to \$106,011. Additional costs are anticipated through 4/2021.</p> <p>5.) Project #2 Cardio uncommitted funds forecasted to be spent.</p> <p>6.) Project #3 forecast includes draft MRI Guaranteed Maximum Price overages resulting from lacking subcontractor bid coverage and Radio Frequency Shielding.</p> <p>7.) Cardiology service relocation incorporated into Project #1.</p>																														
Cash Flow/ Cost Projections																														
<p align="center">Money Raised vs. Project Expenses</p> <p>NOTE: \$21M raised as of December 2020. Due to availability of funds raised, a line of credit must be activated in May 2021.</p> <p>Projected Q3/2020 Costs: Q4/2020 Costs: \$9,310,877 - Q1/2021 Costs: \$3,318,326 - Q2/2021 Costs: \$2,598,081 - Q3/2021 Costs: \$2,103,879 - Q4/2021 Costs: \$3,668,837</p>																														

SVH Outpatient Diagnostic Center
Cash Forecast
2021-2024 & Beyond
Updated 1/19/2021

	Anticipate YTD (Jan - Dec)	YTD Rec/Used Project to date	Forecast Jan-21	Forecast Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21	Forecast Jul-21	Forecast Aug-21	Forecast Sep-21	Forecast Oct-21	Forecast Nov-21	Forecast Dec-21	Future Months Itemize	Balance	TOTAL		
Hospital Operating Sources																			
1	Pledges Collected	-	15,350,606	11,146	6,000	409,000	75,746	63,500	96,500	35,333	12,500	36,500	604,333	2,500	316,324	2,025,856	19,045,844		
2	Line of Credit	-	-	-	-	-	-	-	-	-	-	-	1,893,579	374,708	-	-	2,268,287		
3	Hospital Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Other sources	-	2,018,507	-	-	-	-	-	-	-	-	-	-	-	-	-	2,018,507		
	Total Sources	-	17,369,113	-	11,146	6,000	409,000	75,746	63,500	96,500	35,333	12,500	36,500	2,497,912	377,208	316,324	2,025,856	-	23,332,638
Hospital Uses of Cash (Active Projects)																			
5	Project 1	-	6305962	627,222	936,927	627,124	442,439	197,436	286,606	9,475	8,500	11,000	18,500	13,500	7,109	-	9,491,800		
6	Project 2	-	301948	-	13,378	14,674	-	-	-	-	-	-	-	-	-	-	330,000		
7	Project 3	-	754667	286,000	364,500	448,500	514,500	538,500	618,600	739,000	743,904	592,000	507,500	2,438,305	683,924	-	9,229,899		
8	Line of Credit Repayment Principle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,025,856	2,025,856		
	Total Active Project Uses	-	7,362,576	-	913,222	1,314,805	1,090,299	956,939	735,936	905,206	748,475	752,404	603,000	526,000	2,451,805	691,032	2,025,856	-	21,077,555
Hospital Uses of Cash (Closed Projects)																			
9	Project 0	-	909,123	-	-	-	-	-	-	-	-	-	-	-	-	-	909,123		
10	Project 4	-	8,386	-	-	-	-	-	-	-	-	-	-	-	-	-	8,386		
11	3D Mammo (Construction)	-	566,524	-	-	-	-	-	-	-	-	-	-	-	-	-	566,524		
12	Campaign Expenses	-	464,269	-	-	-	-	-	-	-	-	-	-	-	-	-	464,269		
	Total Closed Project Uses	-	1,948,301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,948,301
	Total Hospital Uses	-	9,310,877	-	913,222	1,314,805	1,090,299	956,939	735,936	905,206	748,475	752,404	603,000	526,000	2,451,805	691,032	2,025,856	-	23,025,856
	Net (Total Sources + Hospital Uses)	-	8,058,236	-	(902,076)	(1,308,805)	(681,299)	(881,193)	(672,436)	(808,706)	(713,142)	(739,904)	(566,500)	1,971,912	(2,074,597)	(374,708)	-	-	306,782
	Total Cash at End of Period	-	7,751,454	-	6,849,378	5,540,572	4,859,274	3,978,081	3,305,644	2,496,939	1,783,797	1,043,893	477,393	2,449,305	374,708	(0)	(0)	-	306,782

2021 Finance Committee Work Plan

January	February	March	April
<ul style="list-style-type: none"> • November Financials • December Financials • Review 2021 Finance Calendar • Review 2nd Quarter FY 2021 capital spending 	<ul style="list-style-type: none"> • January Financials • Review FY 2022 Budget Assumptions • IT Costs Review - Fe Sendaydiego • Audit firm engagment - FY 2021, 2022, & 2023 • Pension Plan Review - Lynn McKissock 	<ul style="list-style-type: none"> • February Financials • FY 2021 Budget Update • Engage Auditor's mid-year review 	<ul style="list-style-type: none"> • March Financials • FY 2022 Budget Update • Review 3rd Quarter FY 2021 capital spending • Risk Management Review - Danielle Jones
May	June	July	August
<ul style="list-style-type: none"> • April Financials • Review and recommend FY 2022 budget proposal 	<ul style="list-style-type: none"> • May Financials • Review capital spending plan for FY 2022 	<ul style="list-style-type: none"> • June Financials • Review pre audited FY 2021 Financials • Review 4th Quarter FY 2021 capital spending 	<ul style="list-style-type: none"> • July Financials • FY 2021 audit update
September	October	November	December
<ul style="list-style-type: none"> • August Financials • FY 2021 audit update • Review current insurance policies 	<ul style="list-style-type: none"> • September Financials • Review preliminary audit results • Review 1st Quarter FY 2022 capital spending 	<ul style="list-style-type: none"> • October Financials 	<ul style="list-style-type: none"> • November Financials • 2022 Finance Committee work plan



To: SVHCD Board of Directors
From: Administrative Team
Date: 12/31/20
Subject: Administrative Report

Summary

Over 300 vaccinations were given to staff, physicians and their office staff in December. We also continue to recover from the October 11th Significant Downtime Event. You can see that the volumes were significantly down in November due to this event.

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 is effective January 1, 2021. ➤ UCSF has been instrumental in helping us recover from the cyber-attack. ➤ A framework to track the value of the affiliation has been completed and will be used in future quarterly meetings. ➤ The second floor will be evaluated for future use by UCSF in addition to the old Emergency department.
Exceed Community Expectations especially in Emergency Services	<ul style="list-style-type: none"> ➤ The CT Project continues to experience delays and but should be done in spring, 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 are lower than the prior year due to COVID. Testing supply availability continues to be a problem but the ER patients are being tested as needed. ➤ Teleheath 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 are purchasing the 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” has begun to improve the continuity of care.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ We are evaluating the Primary Care physician needs for Sonoma with Prima Medical Group. ➤ Meritage Medical Network starts as a partner with Sonoma Family Practice in 2021. ➤ UCSF is partnering with us on Gastroenterology. ➤ We are looking at more telehealth solutions in 2021.
Be a Healthy Hospital	<ul style="list-style-type: none"> ➤ Health screenings for staff have been completed. ➤ Culture team assignments have been made and will continue to promote community trust, leadership development, rewards & recognition and wellness. ➤ A video of Wellness U will be offered from SVH in early 2021.

OCTOBER 2020

			National
Patient Experience	Current Performance	FY 2021 Goal	Benchmark
Would Recommend Hospital	80%	> 70 percent	50th percentile
Inpatient Overall Satisfaction	84%	>70 percent	50 th percentile
Outpatient Services	4.72	4.5	3.8
Emergency Department	4.52	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	6	< 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	4.8%/11.52%	< 15%	< 20%
Financial Stability	YTD Performance	FY 2021 Goal	Benchmark
EBDA	-9.1%	>3%	3%
Paid FTE's	225	<235	235
Days Cash on Hand	60.1	>30	30
Days in Accounts Receivable	53.2	<45	50
Length of Stay	4.1	<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	264/792	850	862
Outpatient Visits	12,125/48,500	48,000	47,802
Emergency Visits	2807/8421	10,000	9784
Surgeries + Special Procedures	640/1920	2000	2226
Community Benefit Hours	100.5/402	400	1332

Note: Colors demonstrate comparison to National Benchmark



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: January 26, 2021
Subject: Financial Report for the Month Ending November 30, 2020

During the month of November the hospital continued its recovery from the cyber/ransomware incident from October. Both the lab and various radiology departments needed to reduce their outpatient volumes during the month while they were on “down-time procedures” so they could better manage the process of getting results out to the patients and physicians. Furthermore, the Business department was not able to release complete bills out to our payers until mid-November causing the hospital’s cash collections to significantly fall short.

For the month of November the hospital’s actual operating margin of (\$1,407,755) was (\$801,756) unfavorable to the budgeted operating margin of (\$605,999). After accounting for all other activity; the net income for November was \$1,413,165 vs. the budgeted net income of \$194,189 with a monthly EBDA of -27.3% vs. a budgeted -0.5%.

Gross patient revenue for November was \$17,433,632, (\$5,625,373) under budget. Inpatient gross revenue was under budget by (\$1,538,795). Inpatient days were under budget by (64) days and inpatient surgeries were under budget by (6) cases. Outpatient gross revenue was under budget by (\$2,372,644). Outpatient visits were under budget by (955) cases, outpatient surgeries were under budget by (44) cases, and special procedures were under budget by (29) cases. The Emergency Room gross revenue was under budget by (\$1,713,934) with ER visits under budgeted expectations by (286) visits.

Deductions from revenue were favorable to budgeted expectations by \$4,731,684 due to the lower than budgeted gross revenue.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (\$906,791).

Operating Expenses of \$4,450,929 were favorable to budget by \$105,035. Salaries and wages and agency fees were under budget by \$98,773 due to flexing clinical staff due to lower than budgeted volumes and employee benefits were under budget by \$35,590. Supplies were under budget by \$71,711 due to lower than budgeted clinical volumes. Purchased services are over budget by (\$99,457) due primarily to the unbudgeted costs to UCSF for COVID testing and the CEO recruitment fee for November. Utilities were over budget by (\$21,950) due to an increase of PG&E (Electricity) costs over last year.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for November was (\$1,084,888) vs. a budgeted net loss of (\$286,020). The hospital received \$2,312,019 in donations from the Sonoma Valley Hospital Foundation primarily for the outpatient diagnostic center. The total net income for November after all activity was \$1,413,165 vs. a budgeted net income of \$194,189.

EBDA for the month of November was -27.3% vs. the budgeted -0.5%.

Patient Volumes – November

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	57	79	-22	90
Acute Patient Days	230	294	-64	319
Observation Days	11	0	11	18
OP Gross Revenue	\$12,645	\$16,732	(\$4,087)	\$15,845
Surgical Cases	111	161	-50	193

Gross Revenue Overall Payer Mix – November

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	42.3%	42.1%	0.2%	41.0%	42.2%	-1.2%
Medicare Mgd Care	14.6%	13.3%	1.3%	14.8%	13.3%	1.5%
Medi-Cal	15.0%	17.8%	-2.8%	18.7%	17.8%	0.9%
Self Pay	2.5%	1.9%	0.6%	1.4%	1.9%	-0.5%
Commercial	23.4%	22.2%	1.2%	21.5%	22.2%	-0.7%
Workers Comp	2.2%	2.7%	-0.5%	2.6%	2.6%	0.0%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for November:

For the month of November the cash collection goal was \$3,098,963 and the Hospital collected \$693,708 or under the goal by (\$2,405,255). The year-to-date cash collection goal was \$15,168,143 and the Hospital has collected \$12,613,767 or under goal by (\$2,554,376). The collections shortfall was due to the inability to bill claims from October 11th through mid-November.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	35.4	60.1	-24.8	16.9
Accounts Receivable Days	69.6	53.2	16.4	44.7
Accounts Payable	\$3,813,195	\$4,088,562	-\$275,367	\$2,931,441
Accounts Payable Days	53.3	58.3	-5.0	42.9

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 November 30, 2020

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	7,366,889	9,695,188	-2,328,299	-24.0%	40,764,213	42,873,877	-2,109,664	-4.9%
Medicare Managed Care	2,552,221	3,068,447	-516,226	-16.8%	14,736,948	13,535,836	1,201,112	8.9%
Medi-Cal	2,603,273	4,096,760	-1,493,487	-36.5%	18,587,570	18,069,180	518,390	2.9%
Self Pay	435,504	437,367	-1,863	-0.4%	1,435,296	1,917,964	-482,668	-25.2%
Commercial & Other Government	4,094,365	5,149,975	-1,055,610	-20.5%	21,506,288	22,742,741	-1,236,453	-5.4%
Worker's Comp.	381,380	611,268	-229,888	-37.6%	2,614,705	2,683,780	-69,075	-2.6%
Total	17,433,632	23,059,005	(5,625,373)		99,645,020	101,823,378	(2,178,358)	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	871,503	1,140,154	-268,651	-23.6%	4,822,899	5,140,975	-318,076	-6.2%
Medicare Managed Care	292,740	356,085	-63,345	-17.8%	1,691,510	1,498,832	192,678	12.9%
Medi-Cal	284,277	433,847	-149,570	-34.5%	1,921,538	1,927,792	-6,254	-0.3%
Self Pay	202,640	204,557	-1,917	-0.9%	669,543	854,133	-184,590	-21.6%
Commercial & Other Government	1,248,827	1,623,051	-374,224	-23.1%	6,645,464	7,180,343	-534,879	-7.4%
Worker's Comp.	75,208	111,190	-35,982	-32.4%	497,377	498,130	-753	-0.2%
Prior Period Adj/IGT	-	-	0	*	386,447	-	386,447	*
Total	2,975,195	3,868,884	(893,689)	-23.1%	16,634,778	17,100,205	(465,427)	-2.7%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	29.3%	29.4%	-0.1%	-0.3%	29.0%	30.1%	-1.2%	-4.0%
Medicare Managed Care	9.8%	9.2%	0.6%	6.5%	10.2%	8.8%	1.4%	15.9%
Medi-Cal	9.6%	11.2%	-1.6%	-14.3%	11.6%	11.2%	0.4%	3.6%
Self Pay	6.8%	5.3%	1.5%	28.3%	4.0%	5.0%	-1.0%	-20.0%
Commercial & Other Government	42.0%	42.0%	0.0%	0.0%	39.9%	42.0%	-2.1%	-5.0%
Worker's Comp.	2.5%	2.9%	-0.4%	-13.8%	3.0%	2.9%	0.1%	3.4%
Prior Period Adj/IGT	0.0%	0.0%	0.0%	*	2.3%	0.0%	2.3%	*
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11.8%	11.8%	0.0%	0.0%	11.8%	12.0%	-0.2%	-1.7%
Medicare Managed Care	11.5%	11.6%	-0.1%	-0.9%	11.5%	11.1%	0.4%	3.6%
Medi-Cal	10.9%	10.6%	0.3%	2.8%	10.3%	10.7%	-0.4%	-3.7%
Self Pay	46.5%	46.8%	-0.3%	-0.6%	46.6%	44.5%	2.1%	4.7%
Commercial & Other Government	30.5%	31.5%	-1.0%	-3.2%	30.9%	31.6%	-0.7%	-2.2%
Worker's Comp.	19.7%	18.2%	1.5%	8.2%	19.0%	18.6%	0.4%	2.2%

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

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 11/30/20</u>	<u>Budget 11/30/20</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 11/30/20</u>	<u>Budget 11/30/20</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 11/30/19</u>
				Inpatient Utilization				
				Discharges				
1	41	64	(23)	Med/Surg	255	285	(30)	324
2	16	15	1	ICU	66	72	(6)	75
3	57	79	(22)	Total Discharges	321	357	(36)	399
				Patient Days:				
4	134	213	(79)	Med/Surg	871	968	(97)	1,114
5	96	81	15	ICU	450	368	82	377
6	230	294	(64)	Total Patient Days	1,321	1,336	(15)	1,491
7	11	-	11	Observation days	102	-	102	86
				Average Length of Stay:				
8	3.3	3.3	(0.1)	Med/Surg	3.4	3.4	0.0	3.4
9	6.0	5.4	0.6	ICU	6.8	5.1	1.7	5.0
10	4.0	3.7	0.3	Avg. Length of Stay	4.1	3.7	0.4	3.7
				Average Daily Census:				
11	4.5	7.1	(2.6)	Med/Surg	5.7	6.3	(0.6)	7.3
12	3.2	2.7	0.5	ICU	2.9	2.4	0.5	2.5
13	7.7	9.8	(2.1)	Avg. Daily Census	8.6	8.7	(0.1)	9.7
				Other Utilization Statistics				
				Emergency Room Statistics				
14	674	960	(286)	Total ER Visits	3,481	4,205	(724)	4,320
				Outpatient Statistics:				
15	3,357	4,312	(955)	Total Outpatients Visits	19,109	20,684	(1,575)	22,323
16	17	23	(6)	IP Surgeries	84	106	(22)	113
17	94	138	(44)	OP Surgeries	492	602	(110)	726
18	50	79	(29)	Special Procedures	225	345	(120)	386
19	207	288	(80)	Adjusted Discharges	1,183	1,261	(78)	1,527
20	836	1,070	(234)	Adjusted Patient Days	4,829	4,723	106	5,701
21	27.9	35.7	(7.8)	Adj. Avg. Daily Census	31.6	30.9	0.7	37.3
22	1.6517	1.4000	0.252	Case Mix Index - Medicare	1.6369	1.4000	0.237	1.3387
23	1.4913	1.4000	0.091	Case Mix Index - All payers	1.5193	1.4000	0.119	1.4462
				Labor Statistics				
24	205	221	15	FTE's - Worked	205	213	7.9	207
25	232	247	15	FTE's - Paid	226	237	11.3	230
26	45.63	45.20	(0.44)	Average Hourly Rate	46.56	44.95	(1.60)	44.56
27	8.31	6.91	(1.40)	FTE / Adj. Pat Day	7.16	7.68	0.53	6.16
28	47.3	39.4	(8.0)	Manhours / Adj. Pat Day	40.8	43.8	3.0	35.1
29	191.0	146.6	(44.5)	Manhours / Adj. Discharge	166.4	164.0	(2.5)	131.0
30	21.0%	22.0%	1.0%	Benefits % of Salaries	21.1%	22.6%	1.5%	23.0%
				Non-Labor Statistics				
31	16.9%	14.8%	-2.0%	Supply Expense % Net Revenue	16.6%	15.7%	-0.9%	13.8%
32	2,423	1,995	(428)	Supply Exp. / Adj. Discharge	2,275	2,129	(146)	1,647
33	21,918	16,157	(5,761)	Total Expense / Adj. Discharge	19,040	17,966	(1,074)	14,284
				Other Indicators				
34	29.4			Days Cash - Operating Funds				
35	69.6	50.0	19.6	Days in Net AR	48.3	50.0	(1.7)	43.9
36	20%			Collections % of Net Revenue	83%			98.6%
37	53.3	55.0	(1.7)	Days in Accounts Payable	53.3	55.0	(1.7)	44.1
38	17.1%	16.8%	0.3%	% Net revenue to Gross revenue	16.3%	16.8%	-0.5%	16.8%
39	18.0%			% Net AR to Gross AR	18.0%			16.8%

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

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,282,218	\$ 451,249	\$ 1,181,204
2 Cash - Money Market	1,737,535	6,237,307	1,034,454
3 Net Patient Receivables	8,543,264	5,633,964	6,987,254
4 Allow Uncollect Accts	(1,368,193)	(1,009,355)	(1,362,004)
5 Net A/R	7,175,071	4,624,609	5,625,250
6 Other Accts/Notes Rec	639,092	2,365,527	164,238
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	637,274	330,206	1,317,044
10 Inventory	903,937	857,116	887,172
11 Prepaid Expenses	700,618	758,184	717,010
12 Total Current Assets	\$ 21,044,695	\$ 22,593,148	\$ 17,679,555
13 Property, Plant & Equip, Net	\$ 52,324,526	\$ 50,192,110	\$ 49,306,897
14 Trustee Funds - GO Bonds	3,353,950	3,353,911	2,960,913
15 Restricted Funds - Board Approved	1,000,000	1,000,000	-
16 Total Assets	\$ 77,723,171	\$ 77,139,169	\$ 69,947,365
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 3,813,195	\$ 4,088,562	\$ 2,931,441
18 Accrued Compensation	4,140,489	4,142,760	3,492,751
19 Interest Payable - GO Bonds	358,911	269,180	381,708
20 Accrued Expenses	1,634,497	1,608,770	1,344,244
21 Advances From 3rd Parties	-	-	59,991
22 Deferred Parcel Tax Revenue	2,216,653	2,533,320	2,216,657
23 Deferred GO Bond Tax Revenue	1,930,360	2,206,125	1,811,129
24 Current Maturities-LTD	308,542	308,831	422,646
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	\$ 19,998,347	\$ 20,753,248	\$ 18,760,687
28 Long Term Debt, net current portion	\$ 26,729,922	\$ 26,804,184	\$ 28,784,686
29 Fund Balances:			
30 Unrestricted	\$ 17,556,731	\$ 18,455,585	\$ 14,800,668
31 Restricted	13,438,171	11,126,152	7,601,324
32 Total Fund Balances	\$ 30,994,902	\$ 29,581,737	\$ 22,401,992
33 Total Liabilities & Fund Balances	\$ 77,723,171	\$ 77,139,169	\$ 69,947,365

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

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	57	79	(22)	-28%	Acute Discharges	321	357	(36)	-10%	399	
2	230	294	(64)	-22%	Patient Days	1,321	1,336	(15)	-1%	1,491	
3	11	-	11	0%	Observation Days	102	-	102	*	86	
4	12,645	16,732	(4,087)	-24%	Gross O/P Revenue (000's)	72,402	73,064	(662)	-1%	\$ 80,114	
Financial Results											
Gross Patient Revenue											
5	\$ 4,788,576	\$ 6,327,371	(1,538,795)	-24%	Inpatient	\$ 27,242,884	\$ 28,759,238	(1,516,354)	-5%	\$ 28,308,285	
6	7,436,330	9,808,974	(2,372,644)	-24%	Outpatient	42,666,821	42,877,830	(211,009)	0%	46,963,766	
7	5,208,726	6,922,660	(1,713,934)	-25%	Emergency	29,735,315	30,186,310	(450,995)	-1%	33,342,693	
8	\$ 17,433,632	\$ 23,059,005	(5,625,373)	-24%	Total Gross Patient Revenue	\$ 99,645,020	\$ 101,823,378	(2,178,358)	-2%	\$ 108,614,744	
Deductions from Revenue											
9	(14,308,037)	(18,977,013)	4,668,976	25%	Contractual Discounts	\$ (82,740,289)	\$ (83,657,633)	917,344	1%	\$ (89,357,396)	
10	(150,000)	(200,000)	50,000	25%	Bad Debt	(610,000)	(1,000,000)	390,000	39%	(1,030,000)	
11	(400)	(13,108)	12,708	97%	Charity Care Provision	(46,400)	(65,540)	19,140	29%	(34,200)	
12	-	-	-	*	Prior Period Adj/Government Program Revenue	386,447	-	386,447	*	-	
13	\$ (14,458,437)	\$ (19,190,121)	4,731,684	-25%	Total Deductions from Revenue	\$ (83,010,242)	\$ (84,723,173)	1,712,931	-2%	\$ (90,421,596)	
Net Patient Service Revenue											
14	\$ 2,975,195	\$ 3,868,884	(893,689)	-23%	Net Patient Service Revenue	\$ 16,634,778	\$ 17,100,205	(465,427)	-3%	\$ 18,193,148	
Other Op Rev & Electronic Health Records											
15	\$ 67,979	\$ 81,081	(13,102)	-16%	Other Op Rev & Electronic Health Records	\$ 425,438	\$ 405,405	20,033	5%	\$ 317,821	
16	\$ 3,043,174	\$ 3,949,965	(906,791)	-23%	Total Operating Revenue	\$ 17,060,216	\$ 17,505,610	\$ (445,394)	-3%	\$ 18,510,969	
Operating Expenses											
17	\$ 1,805,988	\$ 1,904,761	98,773	5%	Salary and Wages and Agency Fees	\$ 9,170,987	\$ 9,297,761	126,774	1%	\$ 8,916,600	
18	639,515	675,105	35,590	5%	Employee Benefits	3,204,914	3,346,608	141,694	4%	3,222,618	
19	\$ 2,445,503	\$ 2,579,866	134,363	5%	Total People Cost	\$ 12,375,901	\$ 12,644,369	268,468	2%	\$ 12,139,218	
20	\$ 432,940	\$ 434,103	1,163	0%	Med and Prof Fees (excl Agency)	\$ 2,066,414	\$ 2,130,587	64,173	3%	\$ 2,098,728	
21	502,034	573,745	71,711	12%	Supplies	2,691,911	2,685,282	(6,629)	0%	2,515,304	
22	527,790	428,333	(99,457)	-23%	Purchased Services	2,198,240	2,019,666	(178,574)	-9%	1,822,976	
23	255,023	266,953	11,930	4%	Depreciation	1,284,856	1,334,765	49,909	4%	1,269,266	
24	124,296	102,346	(21,950)	-21%	Utilities	645,257	539,171	(106,086)	-20%	531,758	
25	43,196	42,599	(597)	-1%	Insurance	224,514	212,995	(11,519)	-5%	194,798	
26	17,390	23,821	6,431	27%	Interest	91,470	119,105	27,635	23%	189,906	
27	102,757	104,198	1,441	1%	Other	500,614	519,726	19,112	4%	500,597	
28	-	-	-	*	Matching Fees (Government Programs)	0	-	-	*	0	
29	\$ 4,450,929	\$ 4,555,964	105,035	2%	Operating expenses	\$ 22,079,177	\$ 22,205,666	126,489	1%	\$ 21,262,551	
30	\$ (1,407,755)	\$ (605,999)	(801,756)	-132%	Operating Margin	\$ (5,018,961)	\$ (4,700,056)	(318,905)	-7%	\$ (2,751,582)	

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

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ 4,653	\$ 3,312	1,341	40%						\$ 2,008,989	
32	-	-	-	0%						10,696	
33	0	0	-	*						(67,080)	
34	316,667	316,667	-	0%						1,583,335	
35	1,547	0	1,547	0%						(5,444)	
36	<u>\$ 322,867</u>	<u>\$ 319,979</u>	<u>1,341</u>	<u>1%</u>						<u>\$ 3,530,496</u>	
37	<u>\$ (1,084,888)</u>	<u>\$ (286,020)</u>	<u>(798,868)</u>	<u>279%</u>	Net Income / (Loss) prior to Restricted Contributions	<u>\$ (3,389,743)</u>	<u>\$ (3,101,373)</u>	<u>(288,406)</u>	<u>9%</u>	<u>\$ 778,914</u>	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ 2,312,019	\$ 294,175	2,017,844	0%	Restricted Foundation Contributions	\$ 4,143,238	\$ 1,470,875	2,672,363	100%	\$ 732,622	
40	<u>\$ 1,227,131</u>	<u>\$ 8,155</u>	<u>1,218,976</u>	<u>14948%</u>	Net Income / (Loss) w/ Restricted Contributions	<u>\$ 753,495</u>	<u>\$ (1,630,498)</u>	<u>2,383,993</u>	<u>-146%</u>	<u>\$ 1,511,536</u>	
41	186,034	186,034	-	0%	GO Bond Activity, Net	924,470	924,470	-	0%	811,168	
42	<u>\$ 1,413,165</u>	<u>\$ 194,189</u>	<u>1,218,976</u>	<u>628%</u>	Net Income/(Loss) w GO Bond Activity	<u>\$ 1,677,965</u>	<u>\$ (706,028)</u>	<u>2,383,993</u>	<u>-338%</u>	<u>\$ 2,322,704</u>	
	\$ (829,865)	\$ (19,067)	(810,798)		EBDA - Not including Restricted Contributions	\$ (2,104,887)	\$ (1,766,608)	(338,279)		\$ 2,048,180	
	-27.3%	-0.5%				-12.3%	-10.1%			11.1%	
		\$ 29,536									

* Operating Margin without Depreciation expense:

\$ (1,407,755)	\$ (605,999)	\$ (801,756)	-132%	Operating Margin	\$ (5,018,961)	\$ (4,700,056)	\$ (318,905)	-7%
255,023	266,953	11,930	4%	Add back Depreciation	1,284,856	1,334,765	49,909	4%
<u>\$ (1,152,732)</u>	<u>\$ (339,046)</u>	<u>\$ (789,826)</u>	<u>-240%</u>	Operating Margin without Depreciation expense	<u>\$ (3,734,105)</u>	<u>\$ (3,365,291)</u>	<u>\$ (268,996)</u>	<u>-11%</u>

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended November 30, 2020**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	126,774	98,773	Salaries and wages are under budget by \$116,255 and agency fees are over budget by (\$17,482).
Employee Benefits	141,694	35,590	
Total People Cost	268,468	134,363	
Med and Prof Fees (excl Agency)	64,173	1,163	
Supplies	(6,629)	71,711	Supplies are under budget due to lower clinical volumes than budgeted.
Purchased Services	(178,574)	(99,457)	Purchased services are over budget primarily due to unbudgeted UCSF Covid testing costs and CEO recruitment firm costs.
Depreciation	49,909	11,930	
Utilities	(106,086)	(21,950)	Increase costs for PG&E electricity bills over last year.
Insurance	(11,519)	(597)	
Interest	27,635	6,431	
Other	19,112	1,441	
Matching Fees (Government Programs)	-	-	
Operating expenses	126,489	105,035	

Sonoma Valley Hospital
Cash Forecast
FY 2021

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual 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	2,690,146	615,541	3,474,670	3,731,335	4,388,730	4,059,205	3,979,608	4,089,394	4,011,761	41,161,802
2 Other Operating Revenue	38,268	137,152	105,236	168,211	117,406	81,081	81,081	81,081	81,081	81,081	81,081	81,081	1,133,841
3 Other Non-Operating Revenue	73,172	15,194	22,125	4,004	12,969	23,796	23,796	23,796	23,796	23,796	23,796	23,796	294,036
4 Unrestricted Contributions	-	3,306	653	498	5,456								9,913
5 Line of Credit	-												-
Sub-Total Hospital Sources	3,767,135	3,213,385	3,535,999	2,862,859	751,372	3,579,547	3,836,212	4,493,607	4,164,082	4,084,485	4,194,271	4,116,638	42,599,592
Hospital Uses of Cash													
6 Operating Expenses	5,534,264	3,523,571	3,598,086	3,371,953	2,861,765	5,139,823	4,206,115	3,912,000	4,364,772	4,268,227	4,447,890	4,195,188	49,423,654
7 Add Capital Lease Payments	7,854	88,349	7,904	7,929	74,551								186,586
8 Additional Liabilities/LOC		-											-
9 Capital Expenditures	784,429	998,868	96,188	1,281,930	2,357,570	294,175	294,175	294,175	294,175	294,175	294,175	294,175	7,578,209
Total Hospital Uses	6,326,547	4,610,788	3,702,178	4,661,812	5,293,886	5,433,998	4,500,290	4,206,175	4,658,947	4,562,402	4,742,065	4,489,363	57,188,449
Net Hospital Sources/Uses of Cash	(2,559,412)	(1,397,403)	(166,179)	(1,798,952)	(4,542,514)	(1,854,451)	(664,078)	287,432	(494,865)	(477,917)	(547,794)	(372,725)	(14,588,858)
Non-Hospital Sources													
10 Restricted Cash/Money Market	1,000,000	1,000,000			4,500,000						(6,000,000)		500,000
11 Restricted Capital Donations	784,428	973,350	71,332	-	2,306,562	294,175	294,175	294,175	294,175	294,175	294,175	294,175	6,194,897
12 Parcel Tax Revenue	86,141					2,046,911				1,600,000			3,733,052
13 Other Payments - South Lot/Ins. Claims/HHS	340,068	49,150			10,839								400,057
14 Other:													-
15 IGT			108,320		(129,950)				1,984,768		4,470,424	120,000	6,553,562
16 IGT - AB915											337,735		337,735
17 PRIME		14,229	270,000			712,947							997,176
Sub-Total Non-Hospital Sources	2,210,637	2,036,729	449,652	-	6,687,451	3,054,033	294,175	294,175	2,278,943	1,894,175	(897,666)	414,175	18,716,479
Non-Hospital Uses of Cash													
18 Matching Fees		142,041			313,968	620,237			1,900,000				2,976,246
Sub-Total Non-Hospital Uses of Cash	-	142,041	-	-	313,968	620,237	-	-	1,900,000	-	-	-	2,976,246
Net Non-Hospital Sources/Uses of Cash	2,210,637	1,894,688	449,652	-	6,373,483	2,433,797	294,175	294,175	378,943	1,894,175	(897,666)	414,175	15,740,234
Net Sources/Uses	(348,775)	497,285	283,473	(1,798,952)	1,830,969	579,346	(369,903)	581,607	(115,922)	1,416,258	(1,445,460)	41,450	
Operating Cash at beginning of period	1,818,218	1,469,443	1,966,728	2,250,201	451,249	2,282,218	2,861,564	2,491,661	3,073,268	2,957,346	4,373,604	2,928,144	
Operating Cash at End of Period	1,469,443	1,966,728	2,250,201	451,249	2,282,218	2,861,564	2,491,661	3,073,268	2,957,346	4,373,604	2,928,144	2,969,594	
Money Market Account Balance - Unrestricted	8,236,372	7,236,714	6,237,010	6,237,307	1,737,535	1,737,651	1,737,651	1,737,651	1,737,651	1,737,651	7,737,651	7,737,651	
Total Cash at End of Period	9,705,815	9,203,442	8,487,211	6,688,556	4,019,754	4,599,215	4,229,312	4,810,919	4,694,997	6,111,255	10,665,795	10,707,245	
Average Days of Cash on Hand	73.00	68.60	63.00	60.10	35.35	29.08	30.69	34.92	34.07	44.35	77.41	77.71	



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: January 26, 2021
Subject: Financial Report for the Month Ending December 31, 2020

During the month of December both inpatient and outpatient volumes increased over November but are still not where they were pre-COVID. Emergency room volumes have been consistently at 70% to 80% of the hospital's pre-COVID volumes during fiscal year 2021. Furthermore in December, the hospital made the matching fee of \$620,237 for the Hospital Quality Assurance Fee (HQAF). The hospital will receive \$1,984,768 in late February or early March. The HQAF is higher than budgeted because it covers an 18-month period of July 2019 through December 2020 versus the normal 12-month period.

For the month of December the hospital's actual operating margin of (\$69,181) was (\$83,684) unfavorable to the budgeted operating margin of \$14,503. After accounting for all other activity; the net income for December was \$822,986 vs. the budgeted net income of \$814,287 with a monthly EBDA of 9.8% vs. a budgeted 12.0%.

Gross patient revenue for December was \$18,686,400, (\$4,129,930) under budget. Inpatient gross revenue was under budget by (\$1,192,102). Inpatient days were under budget by (14) days and inpatient surgeries were under budget by (13) cases. Outpatient gross revenue was under budget by (\$942,163). Outpatient visits were under budget by (452) cases, outpatient surgeries were under budget by (23) cases, and special procedures were under budget by (27) cases. The Emergency Room gross revenue was under budget by (\$1,995,665) with ER visits under budgeted expectations by (262) visits.

Deductions from revenue were favorable to budgeted expectations by \$4,211,572 due to the lower than budgeted gross revenue and a higher gross HQAF IGT than expected.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$70,946.

Operating Expenses of \$5,149,638 were unfavorable to budget by (\$154,630) primarily due to the HQAF IGT matching fee being higher than budgeted (\$195,237). Salaries and wages and agency fees were under budget by \$29,850 due to flexing clinical staff due to lower than budgeted volumes and employee benefits were under budget by \$16,143. Supplies were over budget by (\$20,253) due to surgery supplies being over by (\$29,303). Utilities were over budget by (\$16,883) due to an increase of PG&E (Electricity) costs over last year.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for December was \$245,774 vs. a budgeted net income of \$334,078. The hospital received \$391,178 in donations from the Sonoma Valley Hospital Foundation primarily for the outpatient diagnostic center. The total net income for December after all activity was \$822,986 vs. a budgeted net income of \$814,287.

EBDA for the month of December was 9.8% vs. the budgeted 12.0%.

Patient Volumes – December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	65	82	-17	87
Acute Patient Days	294	308	-14	336
Observation Days	21	0	21	29
OP Gross Revenue	\$13,255	\$16,193	(\$2,938)	\$16,304
Surgical Cases	123	159	-36	152

Gross Revenue Overall Payer Mix – December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	38.4%	42.3%	-3.9%	40.6%	42.2%	-1.6%
Medicare Mgd Care	15.5%	13.3%	2.2%	14.9%	13.3%	1.6%
Medi-Cal	18.7%	17.8%	0.9%	18.7%	17.8%	0.9%
Self Pay	1.7%	1.9%	-0.2%	1.5%	1.9%	-0.4%
Commercial	23.7%	22.1%	1.6%	21.8%	22.2%	-0.4%
Workers Comp	2.0%	2.6%	-0.6%	2.5%	2.6%	-0.1%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for December:

For the month of December the cash collection goal was \$3,225,541 and the Hospital collected \$3,447,163 or over the goal by \$221,622. The year-to-date cash collection goal was \$18,393,684 and the Hospital has collected \$16,060,930 or under goal by (\$2,332,754). The year-to-date collections shortfall was due to the inability to bill claims from October 11th through mid-November. We expect to be caught up with collections by February or March.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	28.3	35.4	-7.1	17.9
Accounts Receivable Days	66.1	69.6	-3.5	43.3
Accounts Payable	\$3,229,066	\$3,813,195	-\$584,129	\$2,922,632
Accounts Payable Days	45.4	53.3	-7.9	42.4

ATTACHMENTS:

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

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

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	7,153,478	9,636,341	-2,482,863	-25.8%	47,917,691	52,510,218	-4,592,527	-8.7%
Medicare Managed Care	2,896,011	3,035,994	-139,983	-4.6%	17,632,959	16,571,830	1,061,129	6.4%
Medi-Cal	3,484,892	4,050,954	-566,062	-14.0%	22,072,462	22,120,134	-47,672	-0.2%
Self Pay	313,959	427,805	-113,846	-26.6%	1,749,255	2,345,769	-596,514	-25.4%
Commercial & Other Government	4,471,883	5,065,289	-593,406	-11.7%	25,978,171	27,808,030	-1,829,859	-6.6%
Worker's Comp.	366,177	599,947	-233,770	-39.0%	2,980,882	3,283,727	-302,845	-9.2%
Total	18,686,400	22,816,330	(4,129,930)		118,331,420	124,639,708	(6,308,288)	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	820,615	1,158,234	-337,619	-29.1%	5,643,514	6,299,209	-655,695	-10.4%
Medicare Managed Care	302,982	327,584	-24,602	-7.5%	1,994,492	1,826,416	168,076	9.2%
Medi-Cal	363,823	443,996	-80,173	-18.1%	2,285,361	2,371,788	-86,427	-3.6%
Self Pay	168,148	200,084	-31,936	-16.0%	837,691	1,054,217	-216,526	-20.5%
Commercial & Other Government	1,297,636	1,589,402	-291,766	-18.4%	7,943,100	8,769,745	-826,645	-9.4%
Worker's Comp.	72,100	109,130	-37,030	-33.9%	569,477	607,260	-37,783	-6.2%
Prior Period Adj/IGT	1,984,768	1,100,000	884,768	80%	2,371,215	1,100,000	1,271,215	*
Total	5,010,072	4,928,430	81,642	1.7%	21,644,850	22,028,635	(383,785)	-1.7%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	16.4%	23.5%	-7.1%	-30.2%	26.1%	28.5%	-2.5%	-8.8%
Medicare Managed Care	6.0%	6.6%	-0.6%	-9.1%	9.1%	8.3%	0.8%	9.6%
Medi-Cal	7.3%	9.1%	-1.8%	-19.8%	10.6%	10.8%	-0.2%	-1.9%
Self Pay	3.4%	4.1%	-0.7%	-17.1%	3.9%	4.8%	-0.9%	-18.8%
Commercial & Other Government	25.9%	32.2%	-6.3%	-19.6%	36.7%	39.8%	-3.1%	-7.8%
Worker's Comp.	1.4%	2.2%	-0.8%	-36.4%	2.6%	2.8%	-0.2%	-7.1%
Prior Period Adj/IGT	39.6%	22.3%	17.3%	78%	11.0%	5.0%	6.0%	120%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11.5%	12.0%	-0.5%	-4.2%	11.8%	12.0%	-0.2%	-1.7%
Medicare Managed Care	10.5%	10.8%	-0.3%	-2.8%	11.3%	11.0%	0.3%	2.7%
Medi-Cal	10.4%	11.0%	-0.6%	-5.5%	10.4%	10.7%	-0.3%	-2.8%
Self Pay	53.6%	46.8%	6.8%	14.5%	47.9%	44.9%	3.0%	6.7%
Commercial & Other Government	29.0%	31.4%	-2.4%	-7.6%	30.6%	31.5%	-0.9%	-2.9%
Worker's Comp.	19.7%	18.2%	1.5%	8.2%	19.1%	18.5%	0.6%	3.2%

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

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 12/31/20</u>	<u>Budget 12/31/20</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 12/31/20</u>	<u>Budget 12/31/20</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 12/31/19</u>
Inpatient Utilization								
Discharges								
1	57	66	(9)	Med/Surg	312	351	(39)	395
2	8	16	(8)	ICU	74	88	(14)	91
3	65	82	(17)	Total Discharges	386	439	(53)	486
Patient Days:								
4	189	223	(34)	Med/Surg	1,060	1,191	(131)	1,353
5	105	85	20	ICU	555	453	102	474
6	294	308	(14)	Total Patient Days	1,615	1,644	(29)	1,827
7	21	-	21	Observation days	123	-	123	115
Average Length of Stay:								
8	3.3	3.4	(0.1)	Med/Surg	3.4	3.4	0.0	3.4
9	13.1	5.3	7.8	ICU	7.5	5.1	2.4	5.2
10	4.5	3.8	0.8	Avg. Length of Stay	4.2	3.7	0.4	3.8
Average Daily Census:								
11	6.1	7.2	(1.1)	Med/Surg	5.8	6.5	(0.7)	7.4
12	3.4	2.7	0.6	ICU	3.0	2.5	0.6	2.6
13	9.5	9.9	(0.5)	Avg. Daily Census	8.8	8.9	(0.2)	9.9
Other Utilization Statistics								
Emergency Room Statistics								
14	674	936	(262)	Total ER Visits	4,155	5,141	(986)	5,304
Outpatient Statistics:								
15	3,964	4,416	(452)	Total Outpatients Visits	23,073	25,100	(2,027)	26,739
16	12	25	(13)	IP Surgeries	96	131	(35)	138
17	111	134	(23)	OP Surgeries	603	736	(133)	853
18	50	77	(27)	Special Procedures	275	422	(147)	443
19	223	282	(59)	Adjusted Discharges	1,406	1,543	(137)	1,807
20	1,009	1,060	(51)	Adjusted Patient Days	5,838	5,783	55	6,782
21	32.5	34.2	(1.6)	Adj. Avg. Daily Census	31.7	31.4	0.3	36.9
22	1.8303	1.4000	0.430	Case Mix Index - Medicare	1.6691	1.4000	0.269	1.3506
23	1.5370	1.4000	0.137	Case Mix Index - All payers	1.5223	1.4000	0.122	1.4977
Labor Statistics								
24	211	218	7	FTE's - Worked	206	214	7.7	206
25	234	243	9	FTE's - Paid	227	238	10.9	230
26	46.08	45.06	(1.03)	Average Hourly Rate	46.48	44.97	(1.51)	44.59
27	7.20	7.12	(0.08)	FTE / Adj. Pat Day	7.16	7.58	0.42	6.23
28	41.0	40.6	(0.5)	Manhours / Adj. Pat Day	40.8	43.2	2.4	35.5
29	185.5	152.3	(33.2)	Manhours / Adj. Discharge	169.5	161.9	(7.6)	133.3
30	21.5%	21.7%	0.2%	Benefits % of Salaries	21.2%	22.4%	1.2%	23.0%
Non-Labor Statistics								
31	19.6%	11.7%	-8.0%	Supply Expense % Net Revenue	17.1%	14.8%	-2.3%	14.0%
32	2,666	2,035	(630)	Supply Exp. / Adj. Discharge	2,337	2,112	(225)	1,720
33	23,495	18,025	(5,470)	Total Expense / Adj. Discharge	19,747	17,977	(1,769)	14,587
Other Indicators								
34	32.9			Days Cash - Operating Funds				
35	66.1	50.0	16.1	Days in Net AR	51.3	50.0	1.3	43.8
36	108%			Collections % of Net Revenue	87%			100.8%
37	45.4	55.0	(9.6)	Days in Accounts Payable	45.4	55.0	(9.6)	45.1
38	16.2%	21.6%	-5.4%	% Net revenue to Gross revenue	16.3%	17.7%	-1.4%	16.8%
39	16.9%			% Net AR to Gross AR	16.9%			17.3%

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

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,861,564	\$ 2,282,218	\$ 2,340,883
2 Cash - Money Market	1,737,651	1,737,535	1,534,600
3 Net Patient Receivables	7,678,304	8,543,264	6,931,515
4 Allow Uncollect Accts	(1,013,225)	(1,368,193)	(1,318,747)
5 Net A/R	6,665,079	7,175,071	5,612,768
6 Other Accts/Notes Rec	610,501	639,092	210,748
7 Parcel Tax Receivable	1,753,089	3,800,000	1,691,803
8 GO Bond Tax Receivable	3,168,950	3,168,950	2,953,183
9 3rd Party Receivables, Net	1,871,339	637,274	1,172,989
10 Inventory	889,518	903,937	936,953
11 Prepaid Expenses	653,441	700,618	834,173
12 Total Current Assets	\$ 20,211,132	\$ 21,044,695	\$ 17,288,100
13 Property, Plant & Equip, Net	\$ 52,487,746	\$ 52,324,526	\$ 49,112,639
14 Trustee Funds - GO Bonds	3,353,994	3,353,950	2,965,208
15 Restricted Funds - Board Approved	1,000,000	1,000,000	-
16 Total Assets	\$ 77,052,872	\$ 77,723,171	\$ 69,365,947
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 3,229,066	\$ 3,813,195	\$ 2,922,632
18 Accrued Compensation	3,738,782	4,140,489	3,639,134
19 Interest Payable - GO Bonds	448,641	358,911	477,139
20 Accrued Expenses	1,639,114	1,634,497	1,685,273
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	1,899,986	2,216,653	1,899,990
23 Deferred GO Bond Tax Revenue	1,654,595	1,930,360	1,552,397
24 Current Maturities-LTD	308,922	308,542	397,582
25 Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26 Other Liabilities	120,580	121,966	1,386
27 Total Current Liabilities	\$ 18,513,420	\$ 19,998,347	\$ 18,049,267
28 Long Term Debt, net current portion	\$ 26,721,564	\$ 26,729,922	\$ 28,775,862
Fund Balances:			
29 Unrestricted	\$ 17,988,539	\$ 17,556,731	\$ 14,879,866
30 Restricted	13,829,349	13,438,171	7,660,952
31 Total Fund Balances	\$ 31,817,888	\$ 30,994,902	\$ 22,540,818
32 Total Liabilities & Fund Balances	\$ 77,052,872	\$ 77,723,171	\$ 69,365,947

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

ATTACHMENT D

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	65	82	(17)	-21%							
2	294	308	(14)	-5%							
3	21	-	21	0%							
4	13,255	16,193	(2,938)	-18%							
					Volume Information						
					Acute Discharges	386	439	(53)	-12%	486	
					Patient Days	1,615	1,644	(29)	-2%	1,827	
					Observation Days	123	-	123	*	115	
					Gross O/P Revenue (000's)	85,657	89,257	(3,600)	-4%	\$ 96,418	
					Financial Results						
					Gross Patient Revenue						
5	\$ 5,431,631	\$ 6,623,733	(1,192,102)	-18%	Inpatient	\$ 32,674,515	\$ 35,382,971	(2,708,456)	-8%	\$ 35,664,855	
6	8,551,733	9,493,896	(942,163)	-10%	Outpatient	51,218,554	52,371,726	(1,153,172)	-2%	56,480,693	
7	4,703,036	6,698,701	(1,995,665)	-30%	Emergency	34,438,351	36,885,011	(2,446,660)	-7%	40,155,743	
8	\$ 18,686,400	\$ 22,816,330	(4,129,930)	-18%	Total Gross Patient Revenue	\$ 118,331,420	\$ 124,639,708	(6,308,288)	-5%	\$ 132,301,291	
					Deductions from Revenue						
9	(15,524,496)	(18,774,792)	3,250,296	17%	Contractual Discounts	\$ (98,264,785)	\$ (102,432,425)	4,167,640	4%	\$ (108,817,481)	
10	(100,000)	(200,000)	100,000	50%	Bad Debt	(710,000)	(1,200,000)	490,000	41%	(1,280,000)	
11	(36,600)	(13,108)	(23,492)	-179%	Charity Care Provision	(83,000)	(78,648)	(4,352)	-6%	(44,000)	
12	1,984,768	1,100,000	884,768	80%	Prior Period Adj/Government Program Revenue	2,371,215	1,100,000	1,271,215	116%	-	
13	\$ (13,676,328)	\$ (17,887,900)	4,211,572	-24%	Total Deductions from Revenue	\$ (96,686,570)	\$ (102,611,073)	5,924,503	-6%	\$ (110,141,481)	
14	\$ 5,010,072	\$ 4,928,430	81,642	2%	Net Patient Service Revenue	\$ 21,644,850	\$ 22,028,635	(383,785)	-2%	\$ 22,159,810	
15	\$ 70,385	\$ 81,081	(10,696)	-13%	Other Op Rev & Electronic Health Records	\$ 495,823	\$ 486,486	9,337	2%	\$ 386,857	
16	\$ 5,080,457	\$ 5,009,511	70,946	1%	Total Operating Revenue	\$ 22,140,673	\$ 22,515,121	\$ (374,448)	-2%	\$ 22,546,667	
					Operating Expenses						
17	\$ 1,906,422	\$ 1,936,272	29,850	2%	Salary and Wages and Agency Fees	\$ 11,077,409	\$ 11,234,033	156,624	1%	\$ 10,737,177	
18	662,735	678,878	16,143	2%	Employee Benefits	3,867,649	4,025,486	157,837	4%	3,899,483	
19	\$ 2,569,157	\$ 2,615,150	45,993	2%	Total People Cost	\$ 14,945,058	\$ 15,259,519	314,461	2%	\$ 14,636,660	
20	\$ 422,214	\$ 430,060	7,846	2%	Med and Prof Fees (excl Agency)	\$ 2,488,628	\$ 2,560,647	72,019	3%	\$ 2,539,011	
21	594,424	574,171	(20,253)	-4%	Supplies	3,286,335	3,259,453	(26,882)	-1%	3,107,294	
22	419,979	423,750	3,771	1%	Purchased Services	2,618,219	2,443,416	(174,803)	-7%	2,223,831	
23	253,734	266,953	13,219	5%	Depreciation	1,538,590	1,601,718	63,128	4%	1,534,008	
24	104,317	87,434	(16,883)	-19%	Utilities	749,574	626,605	(122,969)	-20%	619,798	
25	47,859	42,599	(5,260)	-12%	Insurance	272,373	255,594	(16,779)	-7%	232,581	
26	17,839	23,821	5,982	25%	Interest	109,309	142,926	33,617	24%	217,828	
27	99,878	106,070	6,192	6%	Other	600,492	625,796	25,304	4%	587,748	
28	620,237	425,000	(195,237)	46%	Matching Fees (Government Programs)	620,237	425,000	(195,237)	46%	0	
29	\$ 5,149,638	\$ 4,995,008	(154,630)	-3%	Operating expenses	\$ 27,228,815	\$ 27,200,674	(28,141)	0%	\$ 25,698,759	
30	\$ (69,181)	\$ 14,503	(83,684)	577%	Operating Margin	\$ (5,088,142)	\$ (4,685,553)	(402,589)	-9%	\$ (3,152,092)	

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

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ (1,712)	\$ 2,908	(4,620)	-159%						\$ 2,019,381	
32	-	-	-	0%						13,461	
33	0	0	-	*						(80,496)	
34	316,667	316,667	-	0%						1,900,002	
35	0	0	-	0%						(5,444)	
36	<u>\$ 314,955</u>	<u>\$ 319,575</u>	<u>(4,620)</u>	<u>-1%</u>						<u>\$ 3,846,904</u>	
37	<u>\$ 245,774</u>	<u>\$ 334,078</u>	<u>(88,304)</u>	<u>-26%</u>	Net Income / (Loss) prior to Restricted Contributions	<u>\$ (3,143,969)</u>	<u>\$ (2,767,295)</u>	<u>(376,710)</u>	<u>14%</u>	<u>\$ 694,812</u>	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ 391,178	\$ 294,175	97,003	0%	Restricted Foundation Contributions	\$ 4,534,416	\$ 1,765,050	2,769,366	100%	\$ 792,250	
40	<u>\$ 636,952</u>	<u>\$ 628,253</u>	<u>8,699</u>	<u>1%</u>	Net Income / (Loss) w/ Restricted Contributions	<u>\$ 1,390,447</u>	<u>\$ (1,002,245)</u>	<u>2,392,692</u>	<u>-239%</u>	<u>\$ 1,487,062</u>	
41	186,034	186,034	-	0%	GO Bond Activity, Net	1,110,504	1,110,504	-	0%	974,469	
42	<u>\$ 822,986</u>	<u>\$ 814,287</u>	<u>8,699</u>	<u>1%</u>	Net Income/(Loss) w GO Bond Activity	<u>\$ 2,500,951</u>	<u>\$ 108,259</u>	<u>2,392,692</u>	<u>2210%</u>	<u>\$ 2,461,531</u>	
	\$ 499,508	\$ 601,031	(101,523)		EBDA - Not including Restricted Contributions	\$ (1,605,379)	\$ (1,165,577)	(439,802)		\$ 2,228,820	
	9.8%	12.0%				-7.3%	-5.2%			9.9%	

* Operating Margin without Depreciation expense:

\$ (69,181)	\$ 14,503	\$ (83,684)	577%	Operating Margin	\$ (5,088,142)	\$ (4,685,553)	\$ (402,589)	-9%
253,734	266,953	13,219	5%	Add back Depreciation	1,538,590	1,601,718	63,128	4%
<u>\$ 184,553</u>	<u>\$ 281,456</u>	<u>\$ (70,465)</u>	<u>34%</u>	Operating Margin without Depreciation expense	<u>\$ (3,549,552)</u>	<u>\$ (3,083,835)</u>	<u>\$ (339,461)</u>	<u>-15%</u>

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

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	156,624	29,850	Salaries and wages are under budget by \$59,839 and agency fees are over budget by (\$29,989). Nursing registry companies have increased their hourly costs due to COVID-19.
Employee Benefits	157,837	16,143	
Total People Cost	314,461	45,993	
Med and Prof Fees (excl Agency)	72,019	7,846	
Supplies	(26,882)	(20,253)	Supplies are over budget due to higher than budgeted costs in surgery (\$29,303).
Purchased Services	(174,803)	3,771	The unbudgeted cost of UCSF COVID testing for December (\$37,700) was offset by various departments being under budget for purchased services.
Depreciation	63,128	13,219	
Utilities	(122,969)	(16,883)	Increase costs for PG&E electricity bills over last year.
Insurance	(16,779)	(5,260)	
Interest	33,617	5,982	
Other	25,304	6,192	
Matching Fees (Government Programs)	(195,237)	(195,237)	HQAF Matching fee higher than expected due to current IGT covering 18-months vs. 12-months.
Operating expenses	(28,141)	(154,630)	

Sonoma Valley Hospital
Cash Forecast
FY 2021

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual 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	2,690,146	615,541	3,531,959	3,731,335	4,388,730	4,059,205	3,979,608	4,089,394	4,011,761	41,219,091
2 Other Operating Revenue	38,268	137,152	105,236	168,211	117,406	166,223	81,081	81,081	81,081	81,081	81,081	81,081	1,218,983
3 Other Non-Operating Revenue	73,172	15,194	22,125	4,004	12,969	16,141	23,796	23,796	23,796	23,796	23,796	23,796	286,381
4 Unrestricted Contributions	-	3,306	653	498	5,456	-	-	-	-	-	-	-	9,913
5 Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Hospital Sources	3,767,135	3,213,385	3,535,999	2,862,859	751,372	3,714,323	3,836,212	4,493,607	4,164,082	4,084,485	4,194,271	4,116,638	42,734,368
Hospital Uses of Cash													
6 Operating Expenses	5,534,264	3,523,571	3,598,086	3,371,953	2,861,765	5,271,701	4,206,115	3,912,000	4,364,772	4,268,227	4,447,890	4,195,188	49,555,532
7 Add Capital Lease Payments	7,854	88,349	7,904	7,929	74,551	7,979	-	-	-	-	-	-	194,565
8 Additional Liabilities/LOC	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Capital Expenditures	784,429	998,868	96,188	1,281,930	2,357,570	416,954	294,175	294,175	294,175	294,175	294,175	294,175	7,700,987
Total Hospital Uses	6,326,547	4,610,788	3,702,178	4,661,812	5,293,886	5,696,634	4,500,290	4,206,175	4,658,947	4,562,402	4,742,065	4,489,363	57,451,085
Net Hospital Sources/Uses of Cash	(2,559,412)	(1,397,403)	(166,179)	(1,798,952)	(4,542,514)	(1,982,311)	(664,078)	287,432	(494,865)	(477,917)	(547,794)	(372,725)	(14,716,717)
Non-Hospital Sources													
10 Restricted Cash/Money Market	1,000,000	1,000,000	-	-	4,500,000	-	-	-	-	-	(6,000,000)	-	500,000
11 Restricted Capital Donations	784,428	973,350	71,332	-	2,306,562	391,178	294,175	294,175	294,175	294,175	294,175	294,175	6,291,900
12 Parcel Tax Revenue	86,141	-	-	-	-	2,046,911	-	-	-	1,600,000	-	-	3,733,052
13 Other Payments - South Lot/Ins. Claims/HHS	340,068	49,150	-	-	10,839	-	-	-	-	-	-	-	400,057
14 Other:	-	-	-	-	-	-	-	-	-	-	-	-	-
15 IGT	-	-	108,320	-	(129,950)	30,856	-	-	1,984,768	-	4,470,424	120,000	6,584,417
16 IGT - AB915	-	-	-	-	-	-	-	-	-	-	337,735	-	337,735
17 PRIME	-	14,229	270,000	-	-	712,947	-	-	-	-	-	-	997,176
Sub-Total Non-Hospital Sources	2,210,637	2,036,729	449,652	-	6,687,451	3,181,892	294,175	294,175	2,278,943	1,894,175	(897,666)	414,175	18,844,338
Non-Hospital Uses of Cash													
18 Matching Fees	-	142,041	-	-	313,968	620,237	-	-	1,900,000	-	-	-	2,976,246
Sub-Total Non-Hospital Uses of Cash	-	142,041	-	-	313,968	620,237	-	-	1,900,000	-	-	-	2,976,246
Net Non-Hospital Sources/Uses of Cash	2,210,637	1,894,688	449,652	-	6,373,483	2,561,656	294,175	294,175	378,943	1,894,175	(897,666)	414,175	15,868,093
Net Sources/Uses	(348,775)	497,285	283,473	(1,798,952)	1,830,969	579,345	(369,903)	581,607	(115,922)	1,416,258	(1,445,460)	41,450	
Operating Cash at beginning of period	1,818,218	1,469,443	1,966,728	2,250,201	451,249	2,282,218	2,861,564	2,491,661	3,073,268	2,957,346	4,373,604	2,928,144	
Operating Cash at End of Period	1,469,443	1,966,728	2,250,201	451,249	2,282,218	2,861,564	2,491,661	3,073,268	2,957,346	4,373,604	2,928,144	2,969,594	
Money Market Account Balance - Unrestricted	8,236,372	7,236,714	6,237,010	6,237,307	1,737,535	1,737,651	1,737,651	1,737,651	1,737,651	1,737,651	7,737,651	7,737,651	
Total Cash at End of Period	9,705,815	9,203,442	8,487,211	6,688,556	4,019,754	4,599,215	4,229,312	4,810,919	4,694,997	6,111,255	10,665,795	10,707,245	
Average Days of Cash on Hand	73.00	68.60	63.00	60.10	35.35	28.30	30.69	34.92	34.07	44.35	77.41	77.71	

Foundation Support:							
Dept #	Department	DESCRIPTION	FY 2017	FY 2018	FY 2019	FY 2020	YTD FY 2021
	MRI	1.5 8 Channel Knee Coil	42,211				
7420	Surgery	Mini C-Arm	68,819				
7420	Surgery	Stryker Audio/Video Integration Upgrade (Tower System)	378,302				
6171	OB	Philips Fetal Monitor - 2	47,724				
7420	Surgery	TruClear Hysteroscope System	41,700				
6171	OB	Jaundice Meter JM-105		7,332			
7500	Laboratory	GramPro Slide Strainer		6,914			
7420	Surgery/A Women's Place	Mammutone Neoprobe		44,244			
7631	Mammography	3 D Hologic Equipment		428,718			
7631	Mammography	Construction/furnishings/service eqt		612,596			
7631	Mammography	3D Reading Monitor		31,102			
8340	Dietary	Walk in Freezer			8,498		
7500	Laboratory	ABL Flex Plus Analyzer			16,049		
8450	Engineering/Plant Ops	Infrared Thermal Imager				10,336	
6010	ICU	Patient Lift for ICU				8,605	
8450	Engineering/Plant Ops	A Women's Place - Building Improvements (Closed CIP in FY 2020)			22,601		
8450	Engineering/Plant Ops	A Women's Place - Equipment and Furniture (Closed CIP in FY 2020)			33,280		
6170	Med-Surg	MDM Patient Journey System				71,155	
Foundation Support Sub-total			\$ 578,756	\$ 1,130,906	\$ 80,429	\$ 90,096	\$ -

Equipment:							
Dept #	Department	DESCRIPTION	FY 2017	FY 2018	FY 2019	FY 2020	YTD FY 2021
7420	Surgery	High Flow Insufflator	7,642				
7420	Surgery	Rhizo Radio Freq Ablator	21,616				
7430	Ambulatory Care	Transport Gurney 30"	4,170				
7430	Ambulatory Care	Eye Surgery Stretcher	6,801				
7420	Surgery	Signia XL Bariatric Stapler	39,655				
7630	Medical Imaging	Empower CTA injector system		22,480			
7420	Surgery	Trimano Adapter/Support Arm		17,923			
8340	Dietary	Double Oven		7,586			
7420	Surgery	Amsco Steris Table		12,500			
8700	Medical Records	Misc Furniture/ reclassified CIP		6,550			
7420	Surgery	G6 Cyclo System Optical laser		21,432			
8340	Dietary	Mobile shelving - Uline			6,909		
8480	Information Systems	GHA Technologies UCSF Telemedicine Cart			8,265		
7420	Surgery	Stryker Medical - Refurbished PI drive/attachments			15,415		
7420	Surgery	Olympus - EVIS EXERA III			29,716		
8450	Engineering/Plant Ops	UCSF signage - multiple sites			8,182		
7420	Surgery	Stryker Medical - System 8 Drill/saws			107,487		
Various		Celtic Lease payoff - various equipment				421,904	
7420	Surgery	Zimmer Biomet Intellcart System w/Evac Station				22,034	
7420	Surgery	Alcon Centurian Phaco Machine				65,250	
7420	Surgery	Olympus America - Urology equipment				62,118	
8340	Dietary	Commercial Blenders - 2				4,838	
6010	ICU	Smart IV Pumps - 27				56,994	

8450	Engineering/Plant Ops	Security Camera system - South Lot						11,660
7500	Laboratory	Bactec FX40 Blood Culture Unit						36,759
8610	Administration	History Wall Panels - Hallway						18,819
6010	ICU	Series 980S Ventilator						36,921
6010	ICU	CAPR Hood Ventilator (PPE)						14,777

Equipment Sub-total \$ 79,884 \$ 88,471 \$ 175,974 \$ 633,138 \$ 118,936

Information Systems/Electronic Health Records:

Dept #	Department	DESCRIPTION	FY 2017	FY 2018	FY 2019	FY 2020	YTD FY 2021
8480	Information Systems	Single Sign On System	81,506				
8480	Information Systems	Computrition - Hospitality Suite Menu Plnr	93,897				
8480	Information Systems	E H R Phase III: E-RX & ECQM - Closed CIP		38,637			
8480	Information Systems	E H R Phase IV: Purge PHI/Host One Content - Closed CIP		53,268			
8480	Information Systems	E H R Phase V: Paragon 14 Upgrade - Closed CIP		55,920			
8480	Information Systems	E H R Phase VI: Eligibility of Insurance Module - Closed CIP		7,964			
8480	Information Systems	E H R Phase VII: HUB - Closed CIP		98,449			
8480	Information Systems	9 HP Elite Notebooks		11,728			
8480	Information Systems	Citrix Platinum Netscaler Upgrade		255,639			
8480	Information Systems	Dell Computers - 20				17,252	
8480	Information Systems	Dragon One Speech Recognition - Physician dictation				11,300	
8480	Information Systems	Lenovo Thinkpads - Laptops					8,760
8480	Information Systems	Dell computers with monitors					25,311
8480	Information Systems	Vx Rail Server Upgrades					24,981

Equipment Sub-total \$ 175,403 \$ 521,605 \$ - \$ 28,552 \$ 59,052

Building/Leasehold Improvements

Dept #	Department	DESCRIPTION	FY 2017	FY 2018	FY 2019	FY 2020	YTD FY 2021
8450	Engineering/Plant Ops	Rewire 3rd Floor TV Cable	9,406				
8450	Engineering/Plant Ops	Metro Electric - 3rd Floor Cabling		30,160			
8450	Engineering/Plant Ops	Fire Alarm 2nd floor Replacement - Closed CIP	101,458				
8450	Engineering/Plant Ops	SNF Nurse Call - Closed CIP	174,625	21,135			
8450	Engineering/Plant Ops	SNF Pipes - Closed CIP	109,509				
8450	Engineering/Plant Ops	Lobby Upgrade - Closed CIP	46,665				
8450	Engineering/Plant Ops	Additional 3rd Floor Cabling		13,460			
7073	SFP Clinic - Perkins	Conklin Bros Flooring			16,859		
8450	Engineering/Plant Ops	Conversion of Rooms - 215-217 - Closed CIP		20,149	87,317		
8450	Engineering/Plant Ops	SNF Courtyard walkway (1/2)				5,240	
8610	Administration	Garden Murals					9,336

Infrastructure Sub-total 441,663 84,904 104,176 5,240 9,336

Total Capital Assets \$ 1,275,706 \$ 1,825,885 \$ 360,579 \$ 757,026 \$ 187,324

Recap:

Capital Spend - Hospital	696,950	694,979	280,150	666,930	187,324
Capital Spend - Foundation	578,756	1,130,906	80,429	90,096	-
Total Capital Assets	\$ 1,275,706	\$ 1,825,885	\$ 360,579	\$ 757,026	\$ 187,324

Account #	Construction In Progress (CIP)	CIP Budget	CIP Balance at 6/30/2020	Spending		CIP Balance Fiscal YTD 2021	Funding
				Fiscal YTD 2021			
1258-0050	ODC - Project CT & MRI	11,500,000	4,215,787	4,511,199		8,726,986	Foundation
1258-0440	EHR Implementation	6,315,356	44,955	-		44,955	MedOne Leases/operations
1258-0820	CIP - 3rd Floor Acute Care Move	230,000	253,006	-		253,006	Foundation
1258-0830	Wound Care Expansion	74,350	43,176			43,176	Foundation/Operations
1258-9200	ATS (Automatic Transfer Switches)	49,281	-	53,285		53,285	Operations
CIP Balance		\$ 18,168,987	\$ 4,556,924	\$ 4,564,484		\$ 9,121,408	

Capital Financing/Leasing:

Dept #	Department	DESCRIPTION	Original	Origination -		Monthly Cost	Balance at		
			Principal	Fiscal Year	Term - Months		12/31/2020	Final Payment	
8450	CEC Loan Phase 1	California Energy Commission loan	443,774	2012	180	3,563	105,334	6/22/2023	Bi-annual Payments
8450	CEC Loan Phase 2	California Energy Commission loan	675,452	2014	96	7,796	138,940	6/22/2022	Bi-annual Payments
7630	Medical Imaging	Fluoroscopy Equipment	418,171	2016	60	7,717	90,585	12/1/2021	Monthly Payments
7420	Surgery	Cyclo G6 Laser console with Probes	21,432	2018	36	595	1,190	2/22/2021	Interest free
8480	Information Systems	Citrix Netscaler	380,237	2018	48	6,677	168,437	8/1/2022	Annual payments
Capital Financing/Leasing Total			\$ 1,939,066			\$ 26,348	\$ 504,486		