



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, MAY 25, 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**
Passcode: 179140

To Participate via Telephone only, dial:
1-669-900-9128 or 1-669-219-2599
and Enter the **Meeting ID: 910 6208 9638**
Passcode: 179140

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.		
AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Boerum</i>	
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>	<i>Boerum</i>	
3. CONSENT CALENDAR a. Finance Committee Minutes 04.27.21	<i>Boerum</i>	Action
4. FY 2022 BUDGET RECOMMENDATION	<i>Jensen</i>	Action
5. GO BOND REFINANCING	<i>Boerum</i>	Action
6. ADMINISTRATIVE REPORT FOR MAY 2021	<i>Hennelly</i>	Inform
7. FINANCIAL REPORT FOR MONTH ENDED APRIL 30, 2021	<i>Jensen</i>	Inform
8. ADJOURN	<i>Boerum</i>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES**

**TUESDAY, APRIL 27, 2021
Via Zoom Teleconference**

Present	Excused	Staff	Public	
Bill Boerum via Zoom Joshua Rymer via Zoom Subhash Mishra, MD via Zoom Bruce Flynn via Zoom Art Grandy via Zoom	Peter Hohorst	Ken Jensen, CFO, via Zoom Sabrina Kidd, CMO and COO, via Zoom Sarah Dungan via Zoom Kimberly Drummond via Zoom John Hennelly, CEO, via Zoom	Wendy Lee via Telephone	
AGENDA ITEM		DISCUSSION		ACTIONS
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>Boerum</i>			
	Called to order at 5:01 pm			
2. PUBLIC COMMENT SECTION	<i>Boerum</i>			;
	Bill welcomed John Hennelly. No public were present.			
3. CONSENT CALENDAR	<i>Boerum</i>			
a. Finance Committee Minutes 02.23.21				MOTION: by Grandy to approve, 2 nd by Rymer. All in favor.
4. OUTPATIENT DIAGNOSTIC CENTER UPDATE	<i>Jensen</i>			
	Mr. Jensen reported the CT project is nearly finished. There are a couple of OSHPD issues with air flow and the door that will delay opening until June. There are issues with the MRI project regarding the contract. Ms. Drummond said funding for the MRI project was available in stages and there is no signed construction contract for the MRI at this time. There are signed pre-construction agreements.			

	Mr. Jensen said the committed amount related to the CT cost overrun is \$600,000, and SVH is disputing half of that. We have used up the CT contingency fees. There are proposed changes to the MRI project. SVH is looking for guaranteed numbers, and Vertran is only providing proposed numbers. One third party reviewer found that management costs were extended over a longer period of time than were thought necessary. Another third party reviewer will be reviewing documents as well.		
5. ADMINISTRATIVE REPORT FOR MARCH 2021	<i>Jensen</i>		
	Mr. Jensen reported that the CT project will go operational in June. Dana Fry, new Perioperative Services Director; Dave Young, new Diagnostic Imaging Director; and John Hennelly, President and CEO, are all on board.		
6. FINANCIAL REPORT FOR MONTH ENDED MARCH 31, 2020	<i>Jensen</i>		
	Mr. Jensen briefly reviewed the payer mix for March. Cash collections were over goal by \$1 million. April collections should be ahead of budget as well. Days' cash for March were 36.3, A/R days were 46.9, A/P were \$3.4 million, and A/P days were 47.2. Patient revenue was off due to inpatient. Total operating revenue was \$4.1 million, \$40,000 below budget. Operating expenses were \$4.6 million, and the operating margin was (\$533,310), \$41,000 better than budget. After accounting for all activity, net income for the month was a gain of \$338,000 vs. budget of \$225,000. The cash forecast at June 30 projects 53 days' cash.		
7. FY 2022 BUDGET UPDATE	<i>Dungan</i>		
	Ms. Dungan reviewed is a first draft of the FY 2022 budget. The next step is to go back through dept. expenses and come up with a 3.5% reduction in depts. that have variable costs. There will be a 2% labor increase in January 2022, and salaries for the		

	<p>CMO/CFO/CEO will be removed and come through under professional fees instead. Purchased services include an expected increase in IT costs. The Prime grant has ended so the hospital will not see any further proceeds from that. There is an increase in health benefits with a new provider; however, that choice was made in order to keep access to SVH's services and physicians.</p> <p>There will be a joint Board/Finance meeting on May 25th.</p>		
8. Capital spending	<i>Dungan</i>		
	Ms. Dungan briefly reviewed capital spending for the third quarter FY 2021.		
9. ADJOURN	<i>Boerum</i>		
	Meeting adjourned at 5:36 p.m.		

To: SVH Finance Committee
From: Ken Jensen, CFO & Sarah Dungan, Controller
Date: May 25, 2021
Subject: DRAFT Fiscal Year 2022 Budget for July 1, 2021 through June 30, 2022

During Fiscal Year 2021, volumes did not return to our normal levels of operations as expected and projected in the hospital's FY 2021 budget. Therefore, as we began the budget process in February 2021 it was decided to take a conservative approach and annualize the current volumes and expense trends from July 2020 through January 2021, as well as increase volumes by 10% to 15% beginning in January 2022.

Beginning in March 2021, we have seen surgery and outpatient diagnostic volumes increase while inpatient volumes have stayed consistent. The current emergency room volumes continue to run lower than normal but we are now seeing a slow increase.

The Draft FY 2022 Budget is presented with the following assumptions:

- Volume is based on the seven-month period of July 2020 through January 2021 and annualized to 12 months plus a conservative volume increase at January 2022 (excluding ICU and Med-Surg inpatient volumes).
- Gross revenue includes a 6% price increase with a projected 2.2% increase in net revenue
- Contractual discounts/bad debt are based upon current experiences and adjusted for the price increase
- Government supplemental payments (IGT) are budgeted per current information from the Department of Health Care Services and the District Hospital Leadership Forum (DHLF)
- 2% salary increase at January 2022
- UCSF management fee of \$1,009,450
- Increased IT security costs as mandated by Office of Civil Rights (OCR)
- Elimination of outsourcing COVID-19 tests to UCSF

The draft budgeted operating loss for fiscal year 2022 is (\$6,574,400) compared with the projected fiscal year-end 2021 of (\$6,821,931) with a net income after non-operating revenue and expenses of \$5,890,324 and an EBDA of 0.5% vs. the projected fiscal year-end 2021 income of \$6,179,523 and EBDA of 0.3%.

ATTACHMENTS:

- Initial FY 2022 Budget Assumptions
- Attachment A - DRAFT FY 2022 Budget
- Attachment B – FY 2021 Projected Actual as Compared to DRAFT FY 2022 Budget with Variance
- Attachment C – Schedule of Variance Analysis of FY 2021 Projected to FY 2022 Draft Budget
- Attachment D – Draft FY 2022 Budget – Schedule of Payer Mix
- Attachment E – Draft FY 2022 Budget – Cash Forecast

To: SVH Finance Committee
From: Ken Jensen, CFO & Sarah Dungan, Controller
Date: February 23, 2021
Subject: Fiscal Year 2022 Budget Assumptions

It continues to be a challenge to predict volumes during the COVID-19 pandemic. In previous year's budget assumptions we have based the budget on a rolling 12-month trend. However, this method does not seem appropriate given the last 12-months of fluctuating volumes. Therefore, the following assumptions will be applied to the actual experience from July 2020 through January 2021 annualized. Other adjustments will be made as necessary to reflect the hospital's lower volumes and any other current trends in healthcare going forward. Before finalizing the budget in May the finance team will review current volumes and trends.

VOLUME

- Based upon the 7 months from July 2020 to January 2021 annualized and adjusted for a 10% increase at January 2022 through June 2022

GROSS REVENUE

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

CONTRACTUAL ALLOWANCES

- Assume current collection rates and adjust allowance for 6% price increase
- Payer Mix will be based upon the 12-month ending January 2021
- Intergovernmental and supplemental payments will be based upon input from the District Hospital Leadership Group (will be conservative)

WAGES AND BENEFITS

- 2.0% increase for salaries for 6-months beginning January 2022 through June 2022
- Employee benefits will be based upon actual experience and estimates from the providers

PHYSICIAN FEES & PROFESSIONAL FEES

- Based upon current costs or final contract arrangements

SUPPLIES/FOOD

- Based on current lower volumes
- 2% increase for inflation for 12 months ending January 2021

PURCHASED SERVICES

- Assume actual 12 months ending January 2021
- Increase in IT security costs - mandated
- Purchased services to be reviewed by department and adjusted as needed

DEPRECIATION

- Current, plus any adjustments for any new equipment

INSURANCE

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

INTEREST

- Current, will adjust for expiring leases/loans

UTILITIES

- Assume current rates at January 2021 for July 2021 through February 2022
- Assume Unison (alternative energy onsite electricity) project to be completed by February 2022 with an estimated savings of \$10,300 for March 2022 through June 2022
- No increase expected with oil prices

OTHER EXPENSES

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

**Sonoma Valley Healthcare District
Statement of Revenue and Expenses
FY 2022 DRAFT Budget
July 1, 2021 through June 30, 2022**

Schedule A

DRAFT

FY 2022 Budget

Volume Information

Acute Discharges	764
Patient Days	3,165
Emergency Room Visits	8,696
Surgeries - Inpatient	198
Surgeries - Outpatient	1,189
Special Procedures	518
Gross O/P Revenue (000's)	\$ 195,361

Financial Results

Projected Gross Patient Revenue

Inpatient	\$ 74,235,061
Outpatient	123,035,765
Emergency	72,325,494
Total Projected Gross Patient Revenue	\$ 269,596,320

Projected Deductions from Revenue

Contractual Discounts	\$ (225,126,506)
Bad Debt	(1,800,000)
Charity Care Provision	(330,857)
Prior Period Adj/Government Program Revenue	7,085,030
Total Projected Deductions from Revenue	\$ (220,172,333)

Projected Net Patient Service Revenue

\$ 49,423,987

Other Op Revenue

\$ 1,021,776

Projected Total Operating Revenue

\$ 50,445,763

Projected Operating Expenses

Salary and Wages and Agency Fees	\$ 21,770,877
Employee Benefits	8,279,063
Total People Cost	\$ 30,049,940
Med and Prof Fees (excl Agency)	6,151,222
Supplies	6,774,922
Purchased Services	4,810,661
Depreciation	3,034,560
Utilities	1,341,561

**Sonoma Valley Healthcare District
Statement of Revenue and Expenses
FY 2022 DRAFT Budget
July 1, 2021 through June 30, 2022**

Schedule A

DRAFT

FY 2022 Budget

Insurance	562,913
Interest	215,599
Other	1,228,005
Matching Fees (Government Programs)	2,850,780
Projected Operating expenses	\$ 57,020,163
Projected Operating Margin	\$ (6,574,400)
Projected Non Operating Rev and Expense	
Miscellaneous Revenue/(Expenses)	\$ 11,709
Donations	
Parcel Tax Assessment Rev	3,800,000
Projected Total Non-Operating Rev/Exp	\$ 3,811,709
Net Income / (Loss) prior to Restricted Contributions	\$ (2,762,691)
Restricted Foundation Contributions	\$ 6,285,641
Net Income / (Loss) w/ Restricted Contributions	\$ 3,522,950
GO Bond Tax Assessment, Net	2,367,374
Projected Net Income/(Loss) w GO Bond Activity	\$ 5,890,324
Projected EBDA - Not including Restricted Contributions	\$ 271,869
	0.5%
FTE'S	231.9

**Sonoma Valley Healthcare District
Statement of Revenue and Expenses
FY 2021 Projected Actual as compared to FY 2022 Draft Budget**

Schedule B

	Projected Actual <u>FY 2021</u>	DRAFT Budget <u>FY 2022</u>	<u>Variance</u>
Volume Information			
Acute Discharges	777	764	-12
Patient Days	3,215	3,165	-50
Emergency Room Visits	8,375	8,696	321
Surgeries - Inpatient	169	198	29
Surgeries - Outpatient	953	1,189	236
Special Procedures	552	580	28
Gross O/P Revenue (000's)	\$ 179,084	\$ 195,361	\$ 16,278
Projected Gross Patient Revenue			
Inpatient	\$ 66,738,375	\$ 74,235,061	\$ 7,496,686
Outpatient	108,317,362	123,035,765	14,718,403
Emergency	70,766,163	72,325,494	1,559,331
Total Projected Gross Patient Revenue	\$ 245,821,900	\$ 269,596,320	\$ 23,774,420
Projected Deductions from Revenue			
Contractual Discounts	\$ (203,872,292)	\$ (225,126,506)	\$ (21,254,214)
Bad Debt	(1,400,000)	(1,800,000)	(400,000)
Charity Care Provision	(291,600)	(330,857)	(39,257)
Prior Period Adj/Government Program Revenue	9,034,963	7,085,030	(1,949,933)
Total Projected Deductions from Revenue	\$ (196,528,929)	\$ (220,172,333)	\$ (23,643,404)
Projected Net Patient Service Revenue	\$ 49,292,971	\$ 49,423,987	\$ 131,016
Other Op Revenue	\$ 996,825	\$ 1,021,776	\$ 24,951
Projected Total Operating Revenue	\$ 50,289,796	\$ 50,445,763	\$ 155,967
Projected Operating Expenses			
Salary and Wages and Agency Fees	\$ 22,148,893	\$ 21,770,877	\$ (378,016)
Employee Benefits	7,909,322	8,279,063	369,741
Total People Cost	\$ 30,058,215	\$ 30,049,940	\$ (8,275)
Med and Prof Fees (excl Agency)	5,321,904	6,151,222	829,318
Supplies	6,812,333	6,774,922	(37,411)
Purchased Services	5,079,089	4,810,661	(268,428)
Depreciation	3,064,445	3,034,560	(29,885)
Utilities	1,388,757	1,341,561	(47,196)
Insurance	535,665	562,913	27,248
Interest	208,492	215,599	7,107
Other	1,260,539	1,228,005	(32,534)
Matching Fees (Government Programs)	3,382,288	2,850,780	(531,508)
Projected Operating expenses	\$ 57,111,727	\$ 57,020,163	\$ (91,564)
Projected Operating Margin	\$ (6,821,931)	\$ (6,574,400)	\$ 247,531

**Sonoma Valley Healthcare District
Statement of Revenue and Expenses
FY 2021 Projected Actual as compared to FY 2022 Draft Budget**

Schedule B

	Projected Actual FY 2021	DRAFT Budget FY 2022	Variance
Projected Non Operating Rev and Expense			
Miscellaneous Revenue/(Expenses)	\$ 86,019	\$ 11,709	\$ (74,310)
Donations			
Parcel Tax Assessment Rev	3,800,004	3,800,000	(4)
Projected Total Non-Operating Rev/Exp	\$ 3,886,023	\$ 3,811,709	\$ (74,314)
Net Income / (Loss) prior to Restricted Contributions	\$ (2,935,908)	\$ (2,762,691)	\$ 173,217
Capital Campaign Contribution	\$ -	\$ -	\$ -
Restricted Foundation Contributions	\$ 6,889,863	\$ 6,285,641	\$ (604,222)
Net Income / (Loss) w/ Restricted Contributions	\$ 3,953,955	\$ 3,522,950	\$ (431,005)
GO Bond Tax Assessment, Net	2,225,568	2,367,374	141,806
Projected Net Income/(Loss) w GO Bond Activity	\$ 6,179,523	\$ 5,890,324	\$ (289,199)
Projected EBDA - Not including Restricted Contributions	\$ 128,537 0.3%	\$ 271,869 0.5%	\$ 143,332 0.3%
FTE'S	228.50	231.9	3.4

Sonoma Valley Healthcare District
Schedule of Variance Analysis of FY 2021 Projected to FY 2022 Draft Budget
FY 2022 Budget - DRAFT
July 1, 2021 through June 30, 2022

Schedule C

DRAFT

Variance Analysis

Significant Variances of FY 2021 Projected Actual to FY 2022 Budget:

Projected Revenue Variance:

Conservative volume increases after January 1, 2022 (IP surgeries, OP surgeries, ER, OP Diagnostics)

Projected Gross Revenue	7,883,917	
Projected Revenue Deductions	<u>(6,696,201)</u>	1,187,716

6% Price increase with a projected 1.7% increase in Net Revenue

Projected Gross Revenue	15,845,332	
Projected Revenue Deductions	<u>(14,952,099)</u>	893,233

Adjustment to gross Intergovernmental Transfer Program (IGT) based on current information and the elimination of the PRIME Grant (5-year grant ended 12/31/2020)

(1,949,933)

Projected Net Patient Service Revenue - Variance

131,016

Increase to shared services revenue - Valley of the Moon Post Acute

40,035

Meritage subsidy - Sonoma Family Practice (July 2021 - December 2021)

90,000

Adjustment to reflect grant revenue received in FY 2021 and other "one-time" revenue items received in FY 2021

(105,084)

24,951

Projected Total Operating Revenue - Variance

155,967

Projected Expense Variance:

Salary and Wages and Agency Fees - Variance:

2% Salary increase - January 2022

211,525

CEO, CFO, and CMO salaries moved to professional fees (UCSF)

(345,075)

Elimination of Care Transitions position (related to Prime Grant)

(104,720)

Elimination of Case Management Staff - moved to Tele case management platform - Banyan

(103,295)

Reduction in COVID drive-up testing staff

(75,290)

Increase in Physical Therapy FTE's (offset by reduction in Traveler's)

145,177

Restructure of Central Sterile staff FTE's

81,309

Increase in 1.0 FTE in dietary - staff supervisor hired in FY 2021

92,796

Other department adjustments to salaries and wages, net

86,585

Reduction in Registry/Travel Staffing

(367,028)

(378,016)

Employee Benefits Variance:

Employee Benefits - Reduction in PTO due primarily from the reduction in staff in Admin and Quality

(138,314)

Employee Benefits - Increase in cost of health benefits from changing to United Healthcare

508,055

369,741

Total People Cost - Variance

(8,275)

Medical and Professional Fees Variance:

UCSF Management Costs (CEO, CFO, & CMO)

815,397

Governance Board Consultant - Parcel Tax

25,000

Other department adjustments to professional fees, net

(11,079)

829,318

Supplies, Net Variance

(37,411)

Purchased Services Variance:

Elimination of UCSF Covid-19 testing

(455,229)

Increase in IT security Costs

180,096

Tele Case Management Platform - Banyan

142,509

Other department adjustments to purchased services, net

(135,804)

(268,428)

Depreciation - Net Variance

(29,885)

Utilities - net savings from change of electricity provider

(47,196)

Insurance - Net Variance

27,248

Interest - Net Variance

7,107

Other - Net Variance

(32,534)

Matching Fees (Government Programs)-Variance

(531,508)

Projected Operating expenses - Variance

(91,564)

Projected Operating Margin - Variance

247,531

**Sonoma Valley Health Care District
 Schedule of Payer Mix
 DRAFT FY 2022 Budget
 July 1, 2021 through June 30, 2022**

Schedule D

	DRAFT	ACTUAL
	FY 2022 Budget	FY 2021
	<u>July 1, 2021 - June 30, 2022</u>	<u>July 1, 2021 - April 30, 2021</u>
Medicare	39.7%	40.2%
Medicare Managed Care	15.4%	15.4%
Medi-Cal	19.0%	18.6%
Self Pay	1.1%	1.2%
Commercial & Other Government	21.7%	21.6%
Worker's Comp.	3.1%	3.0%
	<hr/> 100.0%	<hr/> 100.0%

**Sonoma Valley Health Care District
Cash Forecast - DRAFT FY 2022 Budget**

Schedule E

**DRAFT
FY 2022 Budget
July 1, 2021 - June 30, 2022**

Hospital Operating Sources		
1	Patient Payments Collected	42,338,957
2	Other Operating Revenue	1,021,776
3	Other Non-Operating Revenue	204,271
4	Unrestricted Contributions	
5	Line of Credit	-
	Sub-Total Hospital Sources	43,565,004
Hospital Uses of Cash		
6	Operating Expenses	51,327,385
7	Add Capital Lease Payments	440,328
8	Additional Liabilities	
9	Capital Expenditures	6,285,641
10	Line of Credit	
	Total Hospital Uses	58,053,354
	Net Hospital Sources/Uses of Cash	(14,488,350)
Non-Hospital Sources		
11	Restricted Cash/Capital Donations	6,285,641
12	Parcel Tax Revenue	3,800,000
13	Other:	
14	IGT /AB 915 IGT	7,085,030
	Sub-Total Non-Hospital Sources	17,170,671
Non-Hospital Uses of Cash		
15	Matching Fees	2,850,780
	Sub-Total Non-Hospital Uses of Cash	2,850,780
	Net Non-Hospital Sources/Uses of Cash	14,319,891
	Net Sources/Uses	(168,459)
	Cash at beginning of period (Includes MM)	8,213,972
	Cash at end of period	8,045,513
	Projected Days of Cash on Hand at Beginning of period	59.01
	Budgeted Days of Cash on Hand at end of period	57.21

SOURCES AND USES OF FUNDS

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Dated Date 08/01/2021
Delivery Date 08/01/2021

Sources:

Bond Proceeds:	
Par Amount	14,235,000.00
Premium	1,652,434.65
	<hr/>
	15,887,434.65

Uses:

Refunding Escrow Deposits:	
Cash Deposit	15,600,000.00
Delivery Date Expenses:	
Cost of Issuance	284,700.00
Other Uses of Funds:	
Additional Proceeds	2,734.65
	<hr/>
	15,887,434.65

BOND PRICING

Sonoma Valley Health Care District
 (Sonoma County, California)
 General Obligation Refunding Bonds
 --Preliminary, subject to change--
 --Uninsured--

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bonds:						
	08/01/2022	1,140,000	4.000%	0.560%	103.425	39,045.00
	08/01/2023	1,195,000	4.000%	0.840%	106.254	74,735.30
	08/01/2024	1,250,000	4.000%	1.270%	108.011	100,137.50
	08/01/2025	1,310,000	4.000%	1.480%	109.752	127,751.20
	08/01/2026	1,380,000	4.000%	1.630%	111.335	156,423.00
	08/01/2027	1,445,000	4.000%	1.780%	112.580	181,781.00
	08/01/2028	1,515,000	4.000%	1.910%	113.633	206,539.95
	08/01/2029	1,590,000	4.000%	2.030%	114.479	230,216.10
	08/01/2030	1,665,000	4.000%	2.120%	115.330	255,244.50
	08/01/2031	1,745,000	4.000%	2.200%	116.078	280,561.10
		14,235,000				1,652,434.65

Dated Date		08/01/2021	
Delivery Date		08/01/2021	
First Coupon		02/01/2022	
Par Amount		14,235,000.00	
Premium		1,652,434.65	
Production Underwriter's Discount		15,887,434.65	111.608252%
Purchase Price		15,887,434.65	111.608252%
Accrued Interest			
Net Proceeds		15,887,434.65	

BOND SUMMARY STATISTICS

Sonoma Valley Health Care District
 (Sonoma County, California)
 General Obligation Refunding Bonds
 --Preliminary, subject to change--
 --Uninsured--

Dated Date	08/01/2021
Delivery Date	08/01/2021
Last Maturity	08/01/2031
Arbitrage Yield	1.882684%
True Interest Cost (TIC)	1.882684%
Net Interest Cost (NIC)	2.029297%
All-In TIC	2.225000%
Average Coupon	4.000000%
Average Life (years)	5.890
Weighted Average Maturity (years)	5.987
Duration of Issue (years)	5.351
Par Amount	14,235,000.00
Bond Proceeds	15,887,434.65
Total Interest	3,354,000.00
Net Interest	1,701,565.35
Bond Years from Dated Date	83,850,000.00
Bond Years from Delivery Date	83,850,000.00
Total Debt Service	17,589,000.00
Maximum Annual Debt Service	1,779,900.00
Average Annual Debt Service	1,758,900.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	111.608252

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	14,235,000.00	111.608	4.000%	5.890	8,381.80
	14,235,000.00			5.890	8,381.80

	TIC	All-In TIC	Arbitrage Yield
Par Value	14,235,000.00	14,235,000.00	14,235,000.00
+ Accrued Interest			
+ Premium (Discount)	1,652,434.65	1,652,434.65	1,652,434.65
- Underwriter's Discount			
- Cost of Issuance Expense		-284,700.00	
- Other Amounts			
Target Value	15,887,434.65	15,602,734.65	15,887,434.65
Target Date	08/01/2021	08/01/2021	08/01/2021
Yield	1.882684%	2.225000%	1.882684%

BOND DEBT SERVICE

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Dated Date 08/01/2021
Delivery Date 08/01/2021

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			284,700	284,700
06/30/2023	1,140,000	4.000%	546,600	1,686,600
06/30/2024	1,195,000	4.000%	499,900	1,694,900
06/30/2025	1,250,000	4.000%	451,000	1,701,000
06/30/2026	1,310,000	4.000%	399,800	1,709,800
06/30/2027	1,380,000	4.000%	346,000	1,726,000
06/30/2028	1,445,000	4.000%	289,500	1,734,500
06/30/2029	1,515,000	4.000%	230,300	1,745,300
06/30/2030	1,590,000	4.000%	168,200	1,758,200
06/30/2031	1,665,000	4.000%	103,100	1,768,100
06/30/2032	1,745,000	4.000%	34,900	1,779,900
	14,235,000		3,354,000	17,589,000

SUMMARY OF REFUNDING RESULTS

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Dated Date	08/01/2021
Delivery Date	08/01/2021
Arbitrage yield	1.882684%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	14,235,000.00
True Interest Cost	1.882684%
Net Interest Cost	2.029297%
Average Coupon	4.000000%
Average Life	5.890
Weighted Average Maturity	5.987
Par amount of refunded bonds	15,600,000.00
Average coupon of refunded bonds	4.335777%
Average life of refunded bonds	5.902
Remaining weighted average maturity of refunded bonds	5.853
PV of prior debt to 08/01/2021 @ 2.250000%	17,358,903.64
Net PV Savings	1,779,417.69
Percentage savings of refunded bonds	11.406524%
Percentage savings of refunding bonds	12.500300%

SAVINGS

Sonoma Valley Health Care District
 (Sonoma County, California)
 General Obligation Refunding Bonds
 --Preliminary, subject to change--
 --Uninsured--

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 08/01/2021 @ 2.2500000%
06/30/2022	330,577.50	284,700.00	45,877.50	45,367.12
06/30/2023	1,881,255.00	1,686,600.00	194,655.00	189,871.84
06/30/2024	1,890,255.00	1,694,900.00	195,355.00	186,363.51
06/30/2025	1,896,855.00	1,701,000.00	195,855.00	182,731.51
06/30/2026	1,905,955.00	1,709,800.00	196,155.00	178,987.14
06/30/2027	1,921,502.50	1,726,000.00	195,502.50	174,475.80
06/30/2028	1,932,075.00	1,734,500.00	197,575.00	172,472.98
06/30/2029	1,943,225.00	1,745,300.00	197,925.00	169,003.43
06/30/2030	1,953,687.50	1,758,200.00	195,487.50	163,295.47
06/30/2031	1,963,137.50	1,768,100.00	195,037.50	159,387.14
06/30/2032	1,973,425.00	1,779,900.00	193,525.00	154,727.10
	19,591,950.00	17,589,000.00	2,002,950.00	1,776,683.04

Savings Summary

PV of savings from cash flow	1,776,683.04
Plus: Refunding funds on hand	2,734.65
	1,779,417.69
Net PV Savings	1,779,417.69

PRIOR BOND DEBT SERVICE

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			330,577.50	330,577.50
06/30/2023	1,245,000	4.000%	636,255.00	1,881,255.00
06/30/2024	1,305,000	4.000%	585,255.00	1,890,255.00
06/30/2025	1,365,000	4.000%	531,855.00	1,896,855.00
06/30/2026	1,430,000	4.000%	475,955.00	1,905,955.00
06/30/2027	1,505,000	4.100%	416,502.50	1,921,502.50
06/30/2028	1,580,000	4.250%	352,075.00	1,932,075.00
06/30/2029	1,660,000	4.250%	283,225.00	1,943,225.00
06/30/2030	1,745,000	4.500%	208,687.50	1,953,687.50
06/30/2031	1,835,000	4.500%	128,137.50	1,963,137.50
06/30/2032	1,930,000	4.500%	43,425.00	1,973,425.00
	15,600,000		3,991,950.00	19,591,950.00

SUMMARY OF BONDS REFUNDED

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
\$23,000,000 General Obligation Bonds, Election of 2008, Series B (2010), 2010B, SERIAL:					
	08/01/2022	4.000%	1,245,000.00	08/01/2021	100.000
	08/01/2023	4.000%	1,305,000.00	08/01/2021	100.000
	08/01/2024	4.000%	1,365,000.00	08/01/2021	100.000
	08/01/2025	4.000%	1,430,000.00	08/01/2021	100.000
	08/01/2026	4.100%	1,505,000.00	08/01/2021	100.000
	08/01/2027	4.250%	1,580,000.00	08/01/2021	100.000
	08/01/2028	4.250%	1,660,000.00	08/01/2021	100.000
			10,090,000.00		
\$23,000,000 General Obligation Bonds, Election of 2008, Series B (2010), 2010B, 2031TERM:					
	08/01/2031	4.500%	5,510,000.00	08/01/2021	100.000
			15,600,000.00		

ESCROW REQUIREMENTS

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Period Ending	Principal Redeemed	Total
08/01/2021	15,600,000.00	15,600,000.00
	15,600,000.00	15,600,000.00

DISCLOSURE

Sonoma Valley Health Care District
(Sonoma County, California)
General Obligation Refunding Bonds
--Preliminary, subject to change--
--Uninsured--

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a 'recommendation' or 'advice' within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Sandler expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Sandler could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Sandler as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.



To: SVHCD Board of Directors
From: Administrative Team
Date: 5/6/2021
Subject: Administrative Report

Summary: Covid cases continued to drop in April. Vaccinations of staff continue to rise. April saw growth in non-Covid volumes in both in and out patient areas. Phase 1 of the ODC is currently scheduled to open in June following the resolution of several inspection issues.

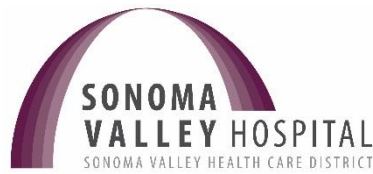
Update from 2025 Strategic Plan:

Strategic Priorities	Update
Enhance Quality and Services through the affiliation with UCSF Health	<ul style="list-style-type: none"> ➤ We continue to work with UCSF on a service agreement for IT services and a contract enabling UCSF to host EPIC for SVH. While there are some significant hurdles, the team sees opportunity given the right structure. UCSF launched an EPIC implementation at Marin Health this week. In order for SVH to realize sizable savings from UCSF, SVH would need to join the Marin implementation. UCSF has estimated that the latest possible date to join is 6/30.
Exceed Community Expectations especially in Emergency Services	<ul style="list-style-type: none"> ➤ Phase 1 of ODC should be completed in the next few weeks. The only remaining items are modifications needed after the project went through its final inspection. Opening is planned for June 2021. ➤ I have begun meeting with key community groups including Vintage House, La Luz and the Chamber of Commerce. While there are various opportunities to collaborate, one common theme is housing. All three groups expressed significant concerns about housing deficits in Sonoma. ➤ SVH Foundation, in concert with UCSF, is set to host the Women's Health Symposium on Thursday May 13th.
Ensure Patients receive Excellent, Safe care	<ul style="list-style-type: none"> ➤ Patient Satisfaction scores continue to exceed targets in most areas, aided by lower than normal volumes across the organization. ➤ SVH will reintroduce a texting service designed to allow patients to provide real time feedback to the organization. The tool has been successfully used in the past.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ The team continues to work on recruitment efforts to bring MDs to Sonoma.
Be a Healthy Hospital	<ul style="list-style-type: none"> ➤ Hospital vaccination rates are approaching 90%. ➤ HR is scheduled to implement a new HRIS system in May. The new system will make it easier for employees to access their data, make changes, converse with their superior and each other.

MARCH 2021

			National Benchmark
Patient Experience	Current Performance	FY 2021 Goal	
Would Recommend Hospital		> 70 percent	50th percentile
Inpatient Overall Satisfaction		>70 percent	50 th percentile
Outpatient Services	4.86	4.5	3.8
Emergency Department	4.68	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	0	<1	N/A
Surgery Site Infection – Joint	0	<1.5%	N/A
MRSA Bacteremia	0	<.13	<.13
C. Difficile	0	3.5	2.7/10,000 pt days
Patient Safety Indicator	0	<1	<1
Heart Failure Mortality Rate	0.0%	12%	12.9%
Pneumonia Mortality Rate	0.0%	20%	15.6%
Stroke Mortality Rate	0.0%	15%	13.8%
Sepsis Mortality Rate	5.6%	<18%	25%
30 Day All- Cause Readmissions	4.19%	< 15.3 %	< 15%
Serious Safety Events	0	0	0
Falls	0.53	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	11	< 10	17
Adverse Drug Events with Harm		0	0
Reportable HIPAA Privacy Events		0	0
Case Mix Index		1.4	1.3
Hospital Star Rating	3	4	3
Staff Satisfaction	Performance	FY 2021 Goal	Benchmark
Staff Pulse Survey	4.05 out of 5	>3.8	75%
Turnover	12.2%	< 15%	< 20%
Financial Stability	YTD Performance	FY 2021 Goal	Benchmark
EBDA	0.9%	>3%	3%
Paid FTE's	231	<235	235
Days Cash on Hand	36.3	>30	30
Days in Accounts Receivable	46.9	<45	50
Length of Stay	4.5	<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		850	862
Outpatient Visits		48,000	47,802
Emergency Visits		10,000	9784
Surgeries + Special Procedures		2000	2226
Community Benefit Hours	1121	800	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 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2020	May 2020	Jun 2020
FY YTD Turnover	<15%	2.1	3.4	3.5	3.9	7	7	8.3	10.5	12.2	7.3	8.2	8.2
Leave of Absences	<12	6	8	10	13	13	13	15	17	17	13	13	9
EBDA	>3%	-8	-7	-18	-4.4	-27		-26	-12.1	0.9	-13.9	253	-8.9
Operating Revenue	>3.5m	3.58	3.52	3.19	3.7	3.0	5.1	3.2	3.4	4.1	2.8	1.3	3.4
Net Income	>50k	418	658	-576	-235	1.4	823	-529	-666	339	-297	3600	-565
Days Cash on Hand	>30	73	68.6	63	60	35.4	32.9	30.6	31.9	36.3	43.1	87.1	81
Receivable Days	<50	40	39	39	53.2	69.6	66.1	53.7	49.9	46.9	35.5	44	49
Accounts Payable Days	>50	35	31.6	40	58.3	53.3	45.4	47.4	47.6	47.2	41.9	35.2	40.7
Accounts Payable	<\$3m	2.3	2.1	2.85	4.0	3.8	2.9	3.4	3.5	3.4	2.9	2.4	2.8
Total Paid FTE's	<235	230	229	226	204	230	227	225	234	231	190	205	225
Inpatient Discharges	>80	75	65	60	64	57	65	63	54	69	39	44	65
Patient Days	>300	324	314	214	230	230	294	230	243	309	156	179	238
Observation Days	<20	20	21	32	18	11	21	15	15	16	13	9	16
Average Daily Census	>10	10.5	10.1	7.1	3.6	10.6	9.5	7.4	8.7	10	5.2	5.8	7.9
Outpatient Revenue	>\$15m	16.1	14.9	14.6	9.4	12.6	8.6	8.6	9.1	10.4	7.1	10.5	14.6
Surgeries	>120	115	114	115	121	111	123	102	99	133	17	34	116
Special Procedures	>50	37	34	57	47	50	50	27	45	55	1	8	46
Emergency Visits	>800	735	723	653	696	674	674	673	616	769	529	645	695
MRI	>120	93	84	N/A	114	145	159	100	116	144	39	68	116
Cardiology (Echos)	>65	63	71	N/A	88	46	85	56	55	84	35	52	70
Laboratory	>11	12.6	12.1	N/A	4	9.9	15.9	10.9	10.9	12.7	5.5	8.5	11.1
Radiology	>900	883	806	N/A	241	778	1090	766	776	891	420	572	797
Rehab	>2000	2206	1664	N/A	971	2207	3463	2062	2155	5	566	1182	1984
CT	>350	382	426	N/A	117	356	525	340	432	467	263	367	401
Mammography	>200	213	179	N/A	75	129	158	192	175	188	15	87	228
Ultrasound	>250	228	253	N/A	76	189	248	188	245	319	110	163	272
Occupational Health	>550	580	426	N/A	534	331	458	365	500	491	392	380	462
Wound Care	>275	191	154	N/A	90	148	227	227	237	176	140	112	164

To: SVH Finance Committee
From: Ken Jensen, CFO
Date: May 25, 2021
Subject: Financial Report for the Month Ending April 30, 2021

During the month of April the hospital continued to experience higher outpatient volumes than previous months. Furthermore, the hospital accrued \$5,120,000 for the 2019-2020 Rate Range Intergovernmental Transfer Program (IGT) with a matching fee of \$2,149,000. The net proceeds to the hospital are projected at \$2,971,000. The matching fee was issued in April and the gross proceeds are expected to be received by the end of the fiscal year.

For the month of April the hospital's actual operating margin of \$2,370,688 was \$455,590 favorable to the budgeted operating margin of \$1,915,098. After accounting for all other activity; the net income for April was \$3,133,218 vs. the budgeted net income of \$2,715,286 with a monthly EBDA of 32.1% vs. a budgeted 29.3%.

Gross patient revenue for April was \$23,434,389; (\$288,843) under budget. Inpatient gross revenue was under budget by (\$348,173). Inpatient days were under budget by (25) day and inpatient surgeries were under budget by (3) cases. Outpatient gross revenue was over budget by \$838,308. Outpatient visits were over budget by 38 visits, outpatient surgeries were under budget by (40) cases, and special procedures were under budget by (23) cases. The Emergency Room gross revenue was under budget by (\$778,978) with ER visits under budgeted expectations by (218) visits.

Deductions from revenue were favorable to budgeted expectations by \$839,986 primarily from the accrual of the 2019-2020 Rate Range IGT.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$591,157.

Operating Expenses of \$6,751,582 were unfavorable to budget by (\$135,567) primarily due to the Rate Range IGT matching fee being higher than budgeted (\$194,120). Salaries and wages and agency fees were under budget by \$130,093 from flexing clinical staff and the CFO and CMO salary costs now in contracted labor. Contracted labor was over budget by (\$80,481) due to the UCSF contracted labor costs for the CFO and CMO and higher than budgeted legal fees in Human Resources. Utilities are over budget due to a previous month's electrical bill being posted to April.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for April was \$2,674,858 vs. a budgeted net income of \$2,235,077. In the month of April the hospital received \$272,326 in donations from the Sonoma Valley Hospital Foundation primarily for the ODC construction costs. The total net income for April after all activity was \$338,521 vs. a budgeted net income of \$225,282.

EBDA for the month of April was 32.1% vs. the budgeted 29.3%.

Patient Volumes – April

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	75	82	-7	39
Acute Patient Days	281	306	-25	156
Observation Days	12	0	12	13
OP Gross Revenue	\$17,176	\$17,117	\$59	\$7,124
Surgical Cases	123	166	-43	17

Gross Revenue Overall Payer Mix – April

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	39.0%	42.2%	-3.2%	40.2%	42.2%	-2.0%
Medicare Mgd Care	15.8%	13.3%	2.5%	15.4%	13.3%	2.1%
Medi-Cal	17.5%	17.8%	-0.3%	18.6%	17.8%	0.8%
Self Pay	0.7%	1.9%	-1.2%	1.2%	1.9%	-0.7%
Commercial	23.8%	22.2%	1.6%	21.6%	22.2%	-0.6%
Workers Comp	3.2%	2.6%	0.6%	3.0%	2.6%	0.4%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for April:

For the month of April the cash collection goal was \$3,296,420 and the Hospital collected \$3,732,156 or over the goal by \$435,736. The year-to-date cash collection goal was \$30,356,407 and the Hospital has collected \$31,038,698 or over goal by \$682,291.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	32.4	36.3	-3.9	43.1
Accounts Receivable Days	43.0	46.9	-3.9	35.5
Accounts Payable	\$3,331,798	\$3,446,736	-\$114,938	\$2,918,422
Accounts Payable Days	45.0	47.2	-2.2	41.9

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 April 30, 2021

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	9,135,313	9,987,443	-852,130	-8.5%	82,339,521	92,382,895	-10,043,374	-10.9%
Medicare Managed Care	3,693,588	3,156,883	536,705	17.0%	31,490,797	29,174,821	2,315,976	7.9%
Medi-Cal	4,105,522	4,213,515	-107,993	-2.6%	38,029,876	38,941,796	-911,920	-2.3%
Self Pay	164,596	448,436	-283,840	-63.3%	2,373,797	4,135,989	-1,762,192	-42.6%
Commercial & Other Government	5,594,604	5,289,199	305,405	5.8%	44,388,351	48,937,879	-4,549,528	-9.3%
Worker's Comp.	740,766	627,756	113,010	18.0%	6,229,238	5,789,855	439,383	7.6%
Total	23,434,389	23,723,232	(288,843)		204,851,580	219,363,235	(14,511,655)	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	1,070,924	1,274,765	-203,841	-16.0%	9,825,184	11,301,855	-1,476,671	-13.1%
Medicare Managed Care	397,943	340,581	57,362	16.8%	3,476,461	3,223,069	253,392	7.9%
Medi-Cal	446,871	446,374	497	0.1%	4,038,763	4,203,378	-164,615	-3.9%
Self Pay	92,869	209,741	-116,872	-55.7%	1,230,641	1,914,948	-684,307	-35.7%
Commercial & Other Government	1,480,275	1,593,978	-113,703	-7.1%	13,235,804	15,349,783	-2,113,979	-13.8%
Worker's Comp.	134,449	114,169	20,280	17.8%	1,170,359	1,075,795	94,564	8.8%
Prior Period Adj/IGT	5,377,844	4,470,424	907,420	20.3%	8,100,260	5,570,424	2,529,836	45.4%
Total	9,001,175	8,450,032	551,143	6.5%	41,077,472	42,639,252	(1,561,780)	-3.7%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11.9%	15.1%	-3.2%	-21.2%	23.9%	26.5%	-2.6%	-9.8%
Medicare Managed Care	4.4%	4.0%	0.4%	10.0%	8.5%	7.6%	0.9%	11.8%
Medi-Cal	5.1%	5.2%	-0.1%	-1.9%	9.9%	9.8%	0.1%	1.0%
Self Pay	1.0%	2.5%	-1.5%	-60.0%	3.0%	4.5%	-1.5%	-33.3%
Commercial & Other Government	16.4%	18.9%	-2.5%	-13.2%	32.2%	36.0%	-3.8%	-10.6%
Worker's Comp.	1.5%	1.4%	0.1%	7.1%	2.8%	2.5%	0.3%	12.0%
Prior Period Adj/IGT	59.7%	52.9%	6.8%	12.9%	19.7%	13.1%	6.6%	50.4%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11.7%	12.8%	-1.1%	-8.6%	11.9%	12.2%	-0.3%	-2.5%
Medicare Managed Care	10.8%	10.8%	0.0%	0.0%	11.0%	11.0%	0.0%	0.0%
Medi-Cal	10.9%	10.6%	0.3%	2.8%	10.6%	10.8%	-0.2%	-1.9%
Self Pay	56.4%	46.8%	9.6%	20.5%	51.8%	46.3%	5.5%	11.9%
Commercial & Other Government	26.5%	30.1%	-3.6%	-12.0%	29.8%	31.4%	-1.6%	-5.1%
Worker's Comp.	18.1%	18.2%	-0.1%	-0.5%	18.8%	18.6%	0.2%	1.1%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended April 30, 2021**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 04/30/21</u>	<u>Budget 04/30/21</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 04/30/21</u>	<u>Budget 04/30/21</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 04/30/20</u>
Inpatient Utilization								
Discharges								
1	60	66	(6)	Med/Surg	511	615	(104)	591
2	15	16	(1)	ICU	136	153	(17)	162
3	75	82	(7)	Total Discharges	647	768	(121)	753
Patient Days:								
4	202	222	(20)	Med/Surg	1,769	2,080	(311)	1,986
5	79	84	(5)	ICU	909	790	119	822
6	281	306	(25)	Total Patient Days	2,678	2,870	(192)	2,808
7	12	-	12	Observation days	181	-	181	172
Average Length of Stay:								
8	3.4	3.4	0.0	Med/Surg	3.5	3.4	0.1	3.4
9	5.3	5.3	0.0	ICU	6.7	5.2	1.5	5.1
10	3.7	3.7	0.0	Avg. Length of Stay	4.1	3.7	0.4	3.7
Average Daily Census:								
11	6.7	7.4	(0.7)	Med/Surg	5.8	6.8	(1.0)	6.5
12	2.6	2.8	(0.2)	ICU	3.0	2.6	0.4	2.7
13	9.4	10.2	(0.8)	Avg. Daily Census	8.8	9.4	(0.6)	9.2
Other Utilization Statistics								
Emergency Room Statistics								
14	766	984	(218)	Total ER Visits	6,979	9,066	(2,087)	8,444
Outpatient Statistics:								
15	4,610	4,572	38	Total Outpatients Visits	39,768	42,324	(2,556)	41,017
16	22	25	(3)	IP Surgeries	165	229	(64)	210
17	101	141	(40)	OP Surgeries	991	1,299	(308)	1,173
18	58	81	(23)	Special Procedures	460	744	(284)	624
19	281	294	(13)	Adjusted Discharges	2,389	2,722	(334)	2,789
20	1,051	1,097	(46)	Adjusted Patient Days	9,847	10,175	(328)	10,373
21	35.0	36.6	(1.5)	Adj. Avg. Daily Census	32.4	33.5	(1.1)	34.1
22	1.4897	1.4000	0.090	Case Mix Index - Medicare	1.5611	1.4000	0.161	1.3813
23	1.5050	1.4000	0.105	Case Mix Index - All payers	1.4982	1.4000	0.098	1.5307
Labor Statistics								
24	210	222	12	FTE's - Worked	208	217	9.6	204
25	226	248	22	FTE's - Paid	228	242	14.3	227
26	47.09	45.93	(1.16)	Average Hourly Rate	46.72	45.35	(1.38)	45.22
27	6.45	6.79	0.34	FTE / Adj. Pat Day	7.04	7.24	0.20	6.66
28	36.7	38.7	1.9	Manhours / Adj. Pat Day	40.1	41.3	1.1	37.9
29	137.7	144.3	6.6	Manhours / Adj. Discharge	165.3	154.2	(11.1)	141.1
30	24.1%	22.6%	-1.5%	Benefits % of Salaries	22.3%	22.5%	0.2%	22.9%
Non-Labor Statistics								
31	16.5%	19.0%	2.5%	Supply Expense % Net Revenue	17.0%	15.0%	-2.0%	12.6%
32	2,129	1,988	(141)	Supply Exp. / Adj. Discharge	2,377	2,056	(321)	1,924
33	24,378	22,801	(1,577)	Total Expense / Adj. Discharge	20,304	17,871	(2,433)	16,805
Other Indicators								
34	30.0			Days Cash - Operating Funds				
35	43.0	50.0	(7.0)	Days in Net AR	50.1	50.0	0.1	42.0
36	113%			Collections % of Net Revenue	102%			97.1%
37	45.0	55.0	(10.0)	Days in Accounts Payable	45.0	55.0	(10.0)	50.5
38	15.5%	13.0%	2.5%	% Net revenue to Gross revenue	16.3%	17.0%	-0.7%	20.8%
39	17.8%			% Net AR to Gross AR	17.8%			16.7%

Sonoma Valley Health Care District
Balance Sheet
As of April 30, 2021

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,816,185	\$ 1,275,042	\$ 2,719,200
2 Cash - Money Market	1,638,243	3,638,083	6,235,214
3 Net Patient Receivables	6,269,820	6,446,661	4,841,011
4 Allow Uncollect Accts	(979,996)	(1,006,831)	(1,299,500)
5 Net A/R	5,289,824	5,439,830	3,541,511
6 Other Accts/Notes Rec	1,624,496	1,832,721	264,593
7 Parcel Tax Receivable	185,362	1,753,089	114,617
8 GO Bond Tax Receivable	1,411,343	1,411,343	1,172,250
9 3rd Party Receivables, Net	5,220,366	184,922	573,802
10 Inventory	881,081	883,604	987,778
11 Prepaid Expenses	829,085	774,496	742,843
12 Total Current Assets	<u>\$ 19,895,985</u>	<u>\$ 17,193,130</u>	<u>\$ 16,351,808</u>
13 Property, Plant & Equip, Net	\$ 52,744,211	\$ 52,688,262	\$ 49,287,211
14 Trustee Funds - GO Bonds	4,573,552	4,573,447	4,192,341
15 Restricted Funds - Board Approved	1,000,000	1,000,000	-
16 Total Assets	<u>\$ 78,213,748</u>	<u>\$ 75,454,839</u>	<u>\$ 69,831,360</u>
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 3,331,798	\$ 3,446,736	\$ 2,918,422
18 Accrued Compensation	3,834,359	3,693,562	3,248,403
19 Interest Payable - GO Bonds	269,178	179,447	286,278
20 Accrued Expenses	1,939,694	1,822,435	1,519,187
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	633,318	949,985	633,322
23 Deferred GO Bond Tax Revenue	551,535	827,300	517,469
24 Current Maturities-LTD	277,946	285,430	347,571
25 Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26 Other Liabilities	252,412	252,412	37,836
27 Total Current Liabilities	<u>\$ 16,563,974</u>	<u>\$ 16,931,041</u>	<u>\$ 14,982,222</u>
28 Long Term Debt, net current portion	\$ 27,183,233	\$ 27,190,475	\$ 28,730,618
Fund Balances:			
29 Unrestricted	\$ 19,430,553	\$ 16,569,661	\$ 17,370,898
30 Restricted	15,035,988	14,763,662	8,747,622
31 Total Fund Balances	<u>\$ 34,466,541</u>	<u>\$ 31,333,323</u>	<u>\$ 26,118,520</u>
32 Total Liabilities & Fund Balances	<u>\$ 78,213,748</u>	<u>\$ 75,454,839</u>	<u>\$ 69,831,360</u>

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended April 30, 2021**

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	75	82	(7)	-9%	Acute Discharges	647	768	(121)	-16%	753	
2	281	306	(25)	-8%	Patient Days	2,678	2,870	(192)	-7%	2,808	
3	12	-	12	0%	Observation Days	181	-	181	*	172	
4	\$ 17,176	\$ 17,117	\$ 59	0%	Gross O/P Revenue (000's)	\$ 149,236	\$ 157,576	\$ (8,340)	-5%	\$ 149,396	
					Financial Results						
					Gross Patient Revenue						
5	\$ 6,257,909	\$ 6,606,082	(348,173)	-5%	Inpatient	\$ 55,615,311	\$ 61,786,929	(6,171,618)	-10%	\$ 55,611,561	
6	10,877,461	10,039,153	838,308	8%	Outpatient	90,264,468	92,442,247	(2,177,779)	-2%	84,837,758	
7	6,299,019	7,077,997	(778,978)	-11%	Emergency	58,971,801	65,134,059	(6,162,258)	-9%	64,878,166	
8	\$ 23,434,389	\$ 23,723,232	(288,843)	-1%	Total Gross Patient Revenue	\$ 204,851,580	\$ 219,363,235	(14,511,655)	-7%	\$ 205,327,485	
					Deductions from Revenue						
9	(19,701,058)	(19,530,516)	(170,542)	-1%	Contractual Discounts	\$ (170,458,605)	\$ (180,163,327)	9,704,722	5%	\$ (160,759,862)	
10	(100,000)	(200,000)	100,000	50%	Bad Debt	(1,170,000)	(2,000,000)	830,000	42%	(1,880,000)	
11	(10,000)	(13,108)	3,108	24%	Charity Care Provision	(245,743)	(131,080)	(114,663)	-87%	(96,465)	
12	5,377,844	4,470,424	907,420	20%	Prior Period Adj/Government Program Revenue	8,100,240	5,570,424	2,529,816	45%	-	
13	\$ (14,433,214)	\$ (15,273,200)	839,986	-5%	Total Deductions from Revenue	\$ (163,774,108)	\$ (176,723,983)	12,949,875	-7%	\$ (162,736,327)	
14	\$ 9,001,175	\$ 8,450,032	551,143	7%	Net Patient Service Revenue	\$ 41,077,472	\$ 42,639,252	(1,561,780)	-4%	\$ 42,591,158	
15	\$ 121,095	\$ 81,081	40,014	49%	Other Op Rev & Electronic Health Records	\$ 890,687	\$ 810,810	79,877	10%	\$ 679,268	
16	\$ 9,122,270	\$ 8,531,113	591,157	7%	Total Operating Revenue	\$ 41,968,159	\$ 43,450,062	\$ (1,481,903)	-3%	\$ 43,270,426	
					Operating Expenses						
17	\$ 1,819,287	\$ 1,949,380	130,093	7%	Salary and Wages and Agency Fees	\$ 18,453,094	\$ 19,035,462	582,368	3%	\$ 17,791,361	
18	681,502	702,533	21,031	3%	Employee Benefits	6,591,100	6,835,656	244,556	4%	6,568,427	
19	\$ 2,500,789	\$ 2,651,913	151,124	6%	Total People Cost	\$ 25,044,194	\$ 25,871,118	826,924	3%	\$ 24,359,788	
20	\$ 519,004	\$ 471,856	(47,148)	-10%	Med and Prof Fees (excl Agency)	\$ 4,437,002	\$ 4,357,428	(79,574)	-2%	\$ 4,237,384	
21	597,482	584,570	(12,912)	-2%	Supplies	5,676,949	5,595,858	(81,091)	-1%	5,365,237	
22	383,531	380,417	(3,114)	-1%	Purchased Services	4,234,810	4,109,583	(125,227)	-3%	3,813,177	
23	254,519	266,953	12,434	5%	Depreciation	2,553,705	2,669,530	115,825	4%	2,591,484	
24	123,304	84,604	(38,700)	-46%	Utilities	1,155,093	976,515	(178,578)	-18%	976,750	
25	43,196	42,599	(597)	-1%	Insurance	446,384	425,990	(20,394)	-5%	388,093	
26	15,729	23,821	8,092	34%	Interest	173,742	238,210	64,468	27%	307,124	
27	115,691	105,065	(10,626)	-10%	Other	1,052,650	1,071,554	18,904	2%	995,838	
28	2,198,337	2,004,217	(194,120)	10%	Matching Fees (Government Programs)	2,818,574	2,429,217	(389,357)	16%	2,765,336	
29	\$ 6,751,582	\$ 6,616,015	(135,567)	-2%	Operating expenses	\$ 47,593,103	\$ 47,745,003	151,900	0%	\$ 45,800,211	
30	\$ 2,370,688	\$ 1,915,098	\$ 455,590	-24%	Operating Margin	\$ (5,624,944)	\$ (4,294,941)	(1,330,003)	-31%	\$ (2,529,785)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended April 30, 2021**

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ (12,497)	\$ 3,312	(15,809)	-477%						\$ 1,995,066	
32	-	-	-	0%						13,461	
33	-	-	-	*						(107,328)	
34	316,667	316,667	-	0%						3,166,670	
35	0	0	-	0%						(5,444)	
36	<u>\$ 304,170</u>	<u>\$ 319,979</u>	<u>(15,809)</u>	<u>-5%</u>						<u>\$ 5,062,425</u>	
37	<u>\$ 2,674,858</u>	<u>\$ 2,235,077</u>	<u>439,781</u>	<u>20%</u>	Net Income / (Loss) prior to Restricted Contributions	<u>\$ (2,446,091)</u>	<u>\$ (1,096,766)</u>	<u>(1,349,361)</u>	<u>123%</u>	<u>\$ 2,532,640</u>	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ 272,326	\$ 294,175	(21,849)	0%	Restricted Foundation Contributions	\$ 5,741,055	\$ 2,941,750	2,799,305	100%	\$ 1,878,920	
40	<u>\$ 2,947,184</u>	<u>\$ 2,529,252</u>	<u>417,932</u>	<u>17%</u>	Net Income / (Loss) w/ Restricted Contributions	<u>\$ 3,294,964</u>	<u>\$ 1,844,984</u>	<u>1,449,980</u>	<u>79%</u>	<u>\$ 4,411,560</u>	
41	186,034	186,034	-	0%	GO Bond Activity, Net	1,854,640	1,854,640	-	0%	1,627,673	
42	<u>\$ 3,133,218</u>	<u>\$ 2,715,286</u>	<u>417,932</u>	<u>15%</u>	Net Income/(Loss) w GO Bond Activity	<u>\$ 5,149,604</u>	<u>\$ 3,699,624</u>	<u>1,449,980</u>	<u>39%</u>	<u>\$ 6,039,233</u>	
	\$ 2,929,377	\$ 2,502,030	427,347		EBDA - Not including Restricted Contributions	\$ 107,614	\$ 1,572,764	(1,465,150)		\$ 5,124,124	
	32.1%	29.3%				0.3%	3.6%			11.8%	

* Operating Margin without Depreciation expense:

\$ 2,370,688	\$ 1,915,098	\$ 455,590	-24%	Operating Margin	\$ (5,624,944)	\$ (4,294,941)	\$ (1,330,003)	-31%
254,519	266,953	12,434	5%	Add back Depreciation	2,553,705	2,669,530	115,825	4%
<u>\$ 2,625,207</u>	<u>\$ 2,182,051</u>	<u>\$ 468,024</u>	<u>-20%</u>	Operating Margin without Depreciation expense	<u>\$ (3,071,239)</u>	<u>\$ (1,625,411)</u>	<u>\$ (1,214,178)</u>	<u>-89%</u>

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended April 30, 2021**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	582,368	130,093	Salaries and wages are under budget by \$201,003 and agency fees are over budget by (\$70,910). Nursing registry companies have increased their hourly costs due to COVID-19.
Employee Benefits	244,556	21,031	
Total People Cost	826,924	151,124	
Med and Prof Fees (excl Agency)	(79,574)	(47,148)	Professional fees (contracted labor) is over budget due to CFO and CMO costs (UCSF). These costs are offset by their salary savings in Salaries and Wages.
Supplies	(81,091)	(12,912)	
Purchased Services	(125,227)	(3,114)	
Depreciation	115,825	12,434	
Utilities	(178,578)	(38,700)	Previous months utility bill (electrical) posted to April.
Insurance	(20,394)	(597)	
Interest	64,468	8,092	
Other	18,904	(10,626)	
Matching Fees (Government Programs)	(389,357)	(194,120)	19-20 Rate Range matching fee.
Operating expenses	151,900	(135,567)	

Sonoma Valley Hospital
Cash Forecast
FY 2021

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,655,695	3,057,733	3,407,984	2,690,146	615,541	3,531,959	4,446,430	3,450,250	4,027,299	4,214,216	3,516,302	3,369,621	39,983,176
2 Other Operating Revenue	38,268	137,152	105,236	168,211	117,406	166,223	123,679	100,600	84,519	95,152	81,081	81,081	1,298,609
3 Other Non-Operating Revenue	73,172	15,194	22,125	4,004	12,969	16,141	22,280	46,486	19,733	10,731	23,796	23,796	290,427
4 Unrestricted Contributions	-	3,306	653	498	5,456	-	104,664	-	4,465	14,500	-	-	133,543
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	4,697,054	3,597,336	4,136,016	4,334,599	3,621,179	3,474,498	41,705,755
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	4,968,063	4,675,467	4,243,978	4,140,376	4,372,890	4,545,188	51,107,302
7 Add Capital Lease Payments	7,854	88,349	7,904	7,929	74,551	7,979	8,004	27,931	14,093	14,726	-	-	259,319
8 Additional Liabilities/LOC	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Capital Expenditures	784,429	998,868	96,188	1,281,930	2,357,570	416,954	547,191	6,372	400,594	315,568	294,175	294,175	7,794,012
Total Hospital Uses	6,326,547	4,610,788	3,702,178	4,661,812	5,293,886	5,696,634	5,523,258	4,709,769	4,658,665	4,470,670	4,667,065	4,839,363	59,160,633
Net Hospital Sources/Uses of Cash	(2,559,412)	(1,397,403)	(166,179)	(1,798,952)	(4,542,514)	(1,982,311)	(826,205)	(1,112,433)	(522,648)	(136,071)	(1,045,886)	(1,364,865)	(17,454,878)
Non-Hospital Sources													
10 Restricted Cash/Money Market	1,000,000	1,000,000	-	-	4,500,000	-	-	(1,900,000)	-	2,000,000	-	(4,000,000)	2,600,000
11 Restricted Capital Donations	784,428	973,350	71,332	-	2,306,562	391,178	459,231	-	365,953	257,826	294,175	294,175	6,198,210
12 Parcel Tax Revenue	86,141	-	-	-	-	2,046,911	-	-	-	1,567,726	-	-	3,700,779
13 Other Payments - Ins. Claims/HHS/Grants	340,068	49,150	-	-	10,839	-	-	-	-	50,000	-	-	450,057
14 Other:	-	-	-	-	-	-	-	-	-	-	-	-	-
15 IGT	-	-	108,320	-	(129,950)	30,856	-	1,984,768	25,584	-	168,491	5,209,288	7,397,356
16 IGT - AB915	-	-	-	-	-	-	-	(60,772)	-	-	-	-	(60,772)
17 PRIME	-	14,229	270,000	-	-	712,947	-	-	-	-	-	204,166	1,201,342
Sub-Total Non-Hospital Sources	2,210,637	2,036,729	449,652	-	6,687,451	3,181,892	459,231	23,996	391,537	3,875,552	462,666	1,707,629	21,486,972
Non-Hospital Uses of Cash													
18 Matching Fees	-	142,041	-	-	313,968	620,237	-	-	-	2,198,337	-	-	3,274,582
Sub-Total Non-Hospital Uses of Cash	-	142,041	-	-	313,968	620,237	-	-	-	2,198,337	-	-	3,274,582
Net Non-Hospital Sources/Uses of Cash	2,210,637	1,894,688	449,652	-	6,373,483	2,561,656	459,231	23,996	391,537	1,677,215	462,666	1,707,629	18,212,390
Net Sources/Uses	(348,775)	497,285	283,473	(1,798,952)	1,830,969	579,345	(366,974)	(1,088,437)	(131,111)	1,541,144	(583,220)	342,764	
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	2,494,590	1,406,153	1,275,042	2,816,185	2,232,965	
Operating Cash at End of Period	1,469,443	1,966,728	2,250,201	451,249	2,282,218	2,861,564	2,494,590	1,406,153	1,275,042	2,816,185	2,232,965	2,575,729	
Money Market Account Balance - Unrestricted	8,236,372	7,236,714	6,237,010	6,237,307	1,737,535	1,737,651	1,737,760	3,637,873	3,638,083	1,638,243	1,638,243	5,638,243	
Total Cash at End of Period	9,705,815	9,203,442	8,487,211	6,688,556	4,019,754	4,599,215	4,232,350	5,044,026	4,913,125	4,454,428	3,871,208	8,213,972	
Average Days of Cash on Hand	73.00	68.60	63.00	60.10	35.35	28.30	30.56	31.92	36.34	32.35	27.81	59.01	