



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, NOVEMBER 23, 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/94673368760?pwd=QzRMOWtXK2dKdzJVOfc
2N2pqQ09TQT09](https://sonomavalleyhospital-org.zoom.us/j/94673368760?pwd=QzRMOWtXK2dKdzJVOfc2N2pqQ09TQT09)

Meeting ID: 946 7336 8760

Passcode: 027619

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+16692192599, 94673368760# US
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org.zoom.us/u/abVQJo0niY](https://sonomavalleyhospital-org.zoom.us/u/abVQJo0niY)

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Jenny Fontes at Jfontes@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 10.26.21 b. Audit Committee Minutes 10.26.21	<i>Boerum</i>	Action
4. ODC PROJECT UPDATE	<i>Hennelly</i>	Inform
5. ODC CONTRACT SETTLEMENT	<i>Hennelly</i>	Action

6. EHR CONTRACT PROPOSAL	<i>Hennelly/Kidd</i>	Action
7. QIP BRIDGE LOAN	<i>Dungan</i>	Action
8. CHIFFA HELP II LOAN	<i>Dungan</i>	Action
9. PROJECT SPENDING AND FUNDING UPDATE	<i>Dungan</i>	Inform
10. FINANCIAL REPORT FOR MONTH END OCTOBER	<i>Jensen/Dungan</i>	Inform
11. FINANCE COMMITTEE WORKPLAN REVIEW	<i>Boerum</i>	Action
12. ADJOURN	<i>Boerum</i>	



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, OCTOBER 26, 2021
Via Zoom Teleconference

Present	Excused	Staff	Public	
Bill Boerum, via Zoom Joshua Rymer, via Zoom Judy Bjorndal, via Zoom Subhash Mishra, MD via Zoom Art Grandy, via Zoom Bruce Flynn, via Zoom Peter Hohorst, via Zoom Wendy Lee, via Zoom Carl Gerlach, via Zoom Catherine Donahue, via Zoom		Jenny Fontes via Zoom Sarah Dungan via Zoom Dawn Kuwahara, CAO, via Zoom Kimberly Drummond, via Zoom John Hennelly, 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>Boerum</i>		
		Called to order at 5:00 p.m.		
2. PUBLIC COMMENT SECTION		<i>Boerum</i>		
3. CONSENT CALENDAR (ACTION)		<i>Boerum</i>		
a. Finance Committee Minutes 09.28.21			MOTION: by Flynn to approve, 2 nd by Hohorst. All in favor.	
4. DOME SETTLEMENT NEGOTIATIONS		<i>Hennelly</i>		

	Mr. Hennelly reported he is still working on negotiations with DOME. Negotiations are currently at \$1.5M, down by 35% to 40%, his goal is zero. He is working with the sub-contractors to get a discounted rate. An alternative contractor has been identified to finish the current phase of project. An RFP will be submitted for the phase two. The Finance Committee determined not give Mr. Hennelly approval for a specific negotiable amount.		
5. CAPITAL SPENDING PLAN	<i>Hennelly</i>	MOTION: by Rymer to approve, 2 nd by Hohorst. All in favor.	
	Mr. Hennelly reviewed the Capital Spending Plan document. Total FY capital needs equipment and improvements in 2022 \$4.2M, total FY capital needs in 2023 \$4.5M. Budget is just under \$5M for the ODC. Building capital needs include the elevators, café, electrical upgrades, roofs, etc. Mr. Hennelly explained that the likely EHR system has been used successfully in many other community hospitals. We will have a clear projection before we start regarding what items we need to buy, there will be connectivity to UCSF's EPIC.		
6. FINANCIAL REPORT FOR MONTH END SEPTEMBER	<i>Dungan</i>		
	Ms. Dungan reported outpatient and ER volumes were up in September. The cash collection goal for September was \$3.9M and the hospital collected under goal by \$375K. Year-to-date, under collection by \$752K. Day's cash on hand were 45.5, A/R days were 42.4, A/P was \$3.5M, A/P days were 43.1. Interest payable for GO bonds and long-term debt decreased. This reflects August principal payments of the bonds. Total operating revenue was over budget by \$616K, operating expenses worse than budget by \$335K. Net loss of \$26K vs. a budgeted loss of \$16K. EBDA of -5.7% vs. budgeted EBDA - 14.6%. Expecting \$2.6M to \$2.7M from IGT in late December 2021 or January 2022 and a matching IGT payment of \$1.3M in February 2022. Average		

	days of cash on hand beginning of September 45.5 Average Day of cash of hand at the end of the month is 47.3.		
7. NOVEMBER MEETING SCHEDULE 11/23/21	<i>Boerum</i>		
	The Finance Committee meeting schedule will remain as previously scheduled for November. The Finance Committee will meet on November 23, 2021, at 5:00 p.m.		
8. ADJOURN	<i>Boerum</i>		
	Meeting adjourned at 6:12 p.m.		



SVHCD
AUDIT COMMITTEE MEETING
MINUTES
TUESDAY, OCTOBER 26, 2021
Via Zoom Teleconference

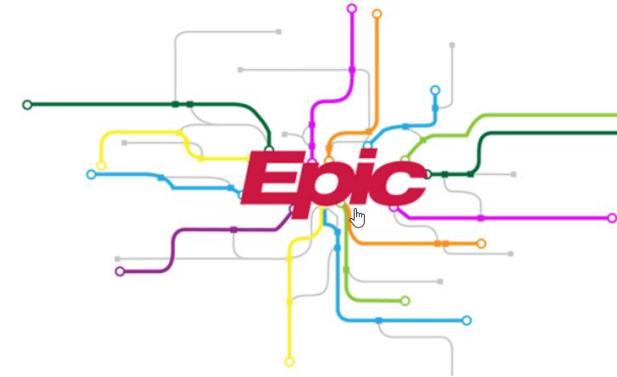
Present	Excused	Staff	Public	
Bill Boerum, via Zoom Joshua Rymer, via Zoom Art Grandy, via Zoom	Graham Smith	John Hennelly, CEO, via Zoom Ken Jensen, CFO, via Zoom Sarah Dungan, Controller, via Zoom Dawn Kuwahara via Zoom Celia Kruse De La Rosa, via Zoom Jenny Fontes, via Zoom	Bill Brause, Armanino, via Zoom Elizabeth Marek, Armanino, via Zoom Judy Bjorndal, via Zoom Susan Kornblatt Idell, via Zoom Catherine Donahue, via Zoom Carl Gerlach, via Zoom Wendy Lee, 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>Boerum</i> Called to order at 4:00 pm			
2. PUBLIC COMMENT SECTION	<i>Boerum</i> None			
3. ANNUAL AUDIT 2021	<i>Boerum</i>			

	<p>Mr. Jensen introduced Mr. Brause, audit partner, and Ms. Marek, engagement manager, both with Armanino LLP. Ms. Marek reported that the audit was done remotely this year. She shared a presentation on the audit approach and areas of focus.</p> <p>There were no significant deficiencies or weaknesses found during the audit. Ms. Marek indicated management's financial statements and the report are fairly stated in all material respects. The financials contain an unmodified opinion. Ms. Marek said the hospital received about \$5.6M in provider relief funds from Health and Human Services (HHS). Due to the level of funds exceeding the Federal threshold of \$750k, the hospital was required to complete a Single Audit related to the receipt and use of the government funds. A report will be submitted on the expenditures of the grant as of June 2021, and an additional report for the Single Audit. When report is ready will be sent to audit committee to review with Armanino LLP.</p> <p>The Committee recommended approval of the 2021 draft audit by the Board of Directors.</p>	<p>MOTION: by Rymer to recommend the draft audited financials to the Board, 2nd by Grandy. All in favor.</p>	
<p>4. ADJOURN</p>	<p><i>Boerum</i></p>		
	<p>Meeting adjourned at 4:57 p.m.</p>		

SVH EHR Solution: Community Technologies Epic *(hosted by Providence Health)* Total Cost of Acquisition Estimate

SVH | EHR Work Group

EHR Project Goals



- Interoperability
- Annual Operational Budget for all IT 5-6% of Total SVH Expenses
 - FY2021 \$3M or 5.2% of \$58M Operational Expenses Budget
 - Goal Implementation Cost: <\$3M
 - Goal Annual EHR Budget: <\$1M

Community Technologies Epic Fees

TOTAL SUMMARY COSTS	One –Time	Annual - 1st YR
Epic Client Total listed on the Contract	\$2,700,000	\$400,000
Administrative Costs	\$52,000	\$160,000
Third Party Applications	\$82,000	\$17,000
Multi-Protocol Label Switching (MPLS) Costs	\$37,000	\$80,000
Third Party Optional Software Licenses	\$37,000	\$57,000
TOTAL:	\$2,908,000	\$714,000

Annual Increase Approximately 2.5%

Technical Assessment – Hardware and Infrastructure Costs

End-user devices residing in the hospital that require updating to meet Providence technology standards/requirements (scanners, printers, e-signature pads).

Onsite Technical Assessment discovery completed by Providence analysts determined one-time capitol costs of **\$90,000**.

***Capital Costs potentially funded by Foundation**

3rd Party Application Costs

Software Retained = \$288,000/Yr.

AmerisourceBergen	RateMyHospital
BioRad Unity	SecureCheck
Blueprint	SensoScientific
CPS systems	Spacelabs
Fluency Medical Imaging Dictation	Studycast Cardiology PACS
Fuji PACS (replacing Intellispace PACS)	Tracelink
GE ViewPoint	MRS7 Mammography Reporting
GhX (Global Healthcare Exchange) EDI	NOIA
ICU Medical IV Smart Pumps	OSG Diamond
ICU Medical Mednet	Para
IDEA Budget System	Patients DB
Knowledge Portal	Pharmalogistics
Kronos	PrecisePK
MDM Journey	Pyxis
MILT	

**Software Replaced by Epic = \$240,000/Yr.
(Cost Eliminated)**

Allscripts Intelligent Coding (AIC)	PrognoCIS Occupational Health
American Hospital Formulary Service (AHFS)	PrognoCIS Wound Care
Change Healthcare - Assurance Management	ReDoc
Change Healthcare - Clearance	Tiger Connect
Collective Medical Technologies / EDIE Connection	Truven Patient Education
CURES	WebForm Imprint (FormFast)
Discharge123	Zetafax
Dr. First	Manifest Medex (MX)
FollowMyHealth	Medscribes
MedMined (BD)	

Implementation Costs to SVH - Personnel

- Project Manager Estimate **\$150,000**
- Compensation for Staff Training Estimate **\$70,000**

ERP Costs: Materials, General Ledger & Payroll

These applications are not available within Epic suite

- Recommendation at this time is to maintain Paragon “Financials” solution and plan for subsequent ERP implementation
- Current Paragon contract expires March 2023
- “Financials” only hosted by Allscripts estimated at **\$500,000 / year**

**Expect an additional approximate \$500,000 implementation fee to move to new ERP, then expect reduction to \$250,000 annual costs based on pricing from ERP vendor estimates.*

Total Cost of Acquisition Estimate

Item	Total Cost	FY2022 Cash Outflow	FY2023 Cash Outflow
Community Technologies Epic	\$2,900,000	\$700,000	\$2,200,000
Hardware & Infrastructure *Capital – Possible Foundation	\$90,000	N/A	\$90,000
SVH Implementation Costs	\$215,000	\$75,000	\$140,000
Contingency	\$300,000		\$300,000
TOTAL:	\$3,505,000	\$775,000	\$2,730,000

Cost Summary

Budget Goal	Projected Costs for EPIC with Paragon ERP	Projected Costs for EPIC with new ERP	Current Operating Budget
Implementation Cost: <\$3M	\$3,505,000 Epic *ERP Implementation: \$0	\$3,505,000 Epic *ERP Implementation: \$500,000	N/A
Annual EHR Budget <\$1M	\$720,000 Epic \$288,000 3 rd Party Apps \$500,000 ERP Paragon TOTAL: \$ 1,508,000	\$720,000 Epic \$288,000 3 rd Party Apps \$250,000 ERP (New) TOTAL: \$1,258,000	\$980,000 Allscripts \$528,000 3 rd Party Apps TOTAL: \$1,508,000

Funding for EPIC Implementation

Sonoma Valley Hospital
Projected Epic Implementation Costs and Projected Funding
FY 2022 & FY 2023

	<u>FY 2022</u>	<u>FY 2023</u>
Projected Epic Implementation	775,000	\$ 2,730,000
Funding Sources:		
E.H.R. - FY 2022 funds from Operating cash	775,000	
Cyber-attack insurance proceeds (Estimate)		
Less: outstanding lease (Allocated funds to Epic)		730,000
CHFFA Help II Loan (Epic product) - a)		2,000,000
Total Funding Sources	<u>\$ 775,000</u>	<u>\$ 2,730,000</u>

a) - Subject to both Board and CHFFA approval.

Projected Net Revenue Increase

EPIC reports that implementation of their system provides significant revenue enhancements. EPIC's architecture improves clinical documentation, which reduces denials and accurately categorizes care "levels." This often leads to higher reimbursement. These improvements lead to faster reimbursement, reducing A/R. While hospitals with high performing documentation and billing systems have seen only nominal improvements, typical gains to net revenue range from 2-5%. We would expect to begin seeing benefits in Q4 of FY23.



Thank You!



To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: November 23, 2021
Subject: QIP Bridge Loan

Recommendation:

Administration recommends to the Sonoma Valley Health Care District Finance Committee to recommend to the board for approval the Non-Designated Public Hospital Bridge Loan.

Background and Reasoning:

The QIP Bridge loan was a District Hospital Leadership Forum (DHLF) sponsored budget item for the State of California to provide needed funds for CA District hospitals to bridge the 2-year period of the Prime Grant (ended 12/31/2020) to the new QIP program. The DHLF lobbied extensively for this loan with state legislatures and it was signed by the Governor in September 2021.

Loan Details:

Sonoma Valley Health Care District is eligible for \$308,000 for the first funding round. Dependent on what remains of the initial \$40,000,000 pool of funds a second round of funding becomes available and the District is eligible for an addition \$462,000.

- 2-Year term with balloon payment at end of term
- 0% interest
- 1% Administration fee to the California Health Facilities Financing Authority
- Application due December 1, 2021 (First Round)
- Application due February 1, 2022 (Second Round)
- Secured by Medi-Cal revenue
- QIP payment to the hospital is expected at \$750,000 (FY 2024)
- DHLF has noted the possibility of the loan becoming a grant

Attachments:

California Health Facilities Financing Authority (CHFFA) Non-designated Public Hospital Bridge Loan Program

California Health Facilities Financing Authority

Nondesignated Public Hospital Bridge Loan Program

(Authority and Reference: Chapter 240, Statutes of 2021 [SB 170, Skinner], Section 25)

Section 1. Definitions

The following definitions shall apply wherever the terms are used herein.

- (a) “Applicant” means a Nondesignated Public Hospital, as further specified in Section 3, that submits an Application.
- (b) “Application” means a written and online request for a loan under the Nondesignated Public Hospital Bridge Loan Program in the form and format of the Nondesignated Public Hospital Bridge Loan Program Application CHFFA Form No. CHFFA 11 NDPH-01 (10/2021), incorporated by reference, and all other supporting documents, as described in Section 4.
- (c) “Authority” means the California Health Facilities Financing Authority.
- (d) “Borrower” means a Nondesignated Public Hospital that has been approved to receive a Program loan from the Nondesignated Public Hospital Bridge Loan Program.
- (e) “Executive Director” means the Executive Director of the Authority or his/her designee.
- (f) “Funding Round” means the time period during which Applications may be submitted for consideration of a loan.
- (g) “Loan Recipient” means a Nondesignated Public Hospital that has been approved to receive a loan.
- (h) “Nondesignated Public Hospital” means a public hospital as defined in Welfare and Institutions Code 14105.98, subdivision (a)(25) (excluding designated public hospitals) listed in Section 3.
- (i) “Program” means the Nondesignated Public Hospital Bridge Loan Program.
- (j) “Working Capital” means working capital as defined in Government Code Section 15432, subdivision (h).

Section 2. Eligibility

An Applicant shall be eligible to apply for a Program loan if all of the following conditions are met:

- (a) The Applicant is a Nondesignated Public Hospital.

(b) The Applicant intends to use loan proceeds for the sole purpose of Working Capital to support its operations.

Section 3. Maximum Loan Amounts

(a) For the first funding round, the maximum Program loan amount for each Nondesignated Public Hospital is as follows:

	Nondesignated Public Hospital	Max. Amount
(1)	Antelope Valley Hospital/Antelope Valley Healthcare District	\$2,813,000
(2)	Bear Valley Community Hospital/Bear Valley Community Healthcare District	296,000
(3)	Eastern Plumas Health Care/Eastern Plumas Health Care District	326,000
(4)	El Camino Hospital/El Camino Health Mountain View Campus	1,192,000
(5)	El Centro Regional Medical Center/City of El Centro	2,296,000
(6)	Hazel Hawkins Memorial Hospital/San Benito Healthcare District	1,253,000
(7)	Jerold Phelps Community Hospital/Southern Humboldt Community Healthcare District	511,000
(8)	John C. Fremont Healthcare District	551,000
(9)	Kaweah Delta Medical Center/Kaweah Health Medical Center	3,996,000
(10)	Kern Valley Healthcare District	601,000
(11)	Lompoc Valley Medical Center	2,062,000
(12)	Mammoth Hospital/Southern Mono Healthcare District	1,083,000
(13)	Marin General Hospital/MarinHealth Medical Center	1,384,000
(14)	Mayers Memorial Hospital/Mayers Memorial Hospital District	331,000
(15)	Modoc Medical Center/Last Frontier Healthcare District	314,000
(16)	Mountains Community Hospital/San Bernardino Mountains Community Hospital District	770,000
(17)	Northern Inyo Hospital/Northern Inyo Healthcare District	497,000
(18)	Oak Valley District Hospital/Oak Valley Hospital District	2,045,000
(19)	Palo Verde Hospital/Palo Verde Healthcare District	296,000
(20)	Palomar Pomerado Health/Palomar Health/Palomar Medical Center	3,481,000
(21)	Pioneers Memorial Hospital/Pioneers Memorial Healthcare District	1,527,000
(22)	Plumas District Hospital/Plumas Hospital District	296,000

	Nondesignated Public Hospital	Max. Amount
(23)	Salinas Valley Memorial Hospital/Salinas Valley Memorial Healthcare System	2,430,000
(24)	San Gorgonio Memorial Hospital/San Gorgonio Memorial Healthcare District	1,141,000
(25)	Seneca Healthcare District	296,000
(26)	Sierra View District Hospital/Sierra View Local Health Care District	1,473,000
(27)	Sonoma Valley Hospital/Sonoma Valley Healthcare District	308,000
(28)	Southern Inyo Hospital/Southern Inyo Healthcare District	296,000
(29)	Surprise Valley Community Hospital/Surprise Valley Health Care District	296,000
(30)	Tahoe Forest Hospital/Tahoe Valley Hospital District	994,000
(31)	Tri-City Medical Center/Tri-City Hospital District	2,405,000
(32)	Trinity Hospital/Mountain Communities Healthcare District	296,000
(33)	Washington Hospital-Fremont/Washington Township Healthcare District	2,144,000
	Total	\$40,000,000

(b) Any remaining funds after the first Funding Round shall be available in a second Funding Round and a notice of a second Funding Round will be posted on the Authority's website. Loan amounts for the second Funding Round will be determined as follows:

(1) Eligible Applicants that request any remaining loan amounts from the first Funding Round shall receive a loan up to the maximum specified in section (a).

(2) Any funds that remain will then be made available to eligible Applicants that already received loans totaling their first Funding Round maximum loan amounts.

(3) Subject to the restriction in subdivision (4), the amount available to eligible Applicants that have been approved loans totaling their first Funding Round maximum loan amounts and request additional funding will be calculated by dividing their maximum loan amount in the first Funding Round by the sum of their approved loans made in the first Funding Round and subdivision (1) multiplied by the amount calculated to be available in subdivision (2).

(4) Maximum loan amounts calculated in subdivision (3) shall be further restricted to 150% of the maximum loan amounts available in the first Funding Round.

Section 4. Loan Application

- (a) The Application CHFFA Form No. CHFFA 11 NDPH-01 (10/2021) shall be made available on the Authority's website at www.treasurer.ca.gov/chffa.
- (b) Each Application shall include the following:
 - (1) Name and title of the person to be designated by the board to sign Program loan documents if financing is approved.
 - (2) Copy of the current applicable State of California operating license.
 - (3) Certification that the intended use of the Program loan proceeds is solely for Working Capital to support operations.
 - (4) Certification that the Applicant is a Nondesignated Public Hospital.
 - (5) In the event the Applicant does not pay off its loan within 24 months of the loan agreement, agreement to assign 20% of the Applicant's Medi-Cal checkwrite payments until the loan amount has been satisfied.

- (c) The Authority shall determine whether the Application is complete. If the Authority determines that additional information is needed, the Authority shall notify the Applicant and request such information. If the Applicant fails to provide the information as requested, the Applicant shall be deemed ineligible for a Program loan.

Section 5. Application Submission

- (a) Announcements of available funding will be shared with all eligible Applicants.
 - (1) The deadline for the first Funding Round is December 1, 2021.
 - (2) If funds remain after the first Funding Round, Applications may be submitted in a second Funding Round with a deadline of February 1, 2022.
- (b) The Application, including supporting documentation, shall be received by the Authority no later than 5:00 p.m. (Pacific Time) on the deadline dates and may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov or submitted through the online Application on the Authority's website.
- (c) CHFFA is not responsible for transmittal delays or failures of any kind.

Section 6. Application Review

- (a) The Authority will evaluate and determine Program loans based on the following:
 - (1) The Applicant meets all of the eligibility criteria in Section 2.

(2) The Applicant demonstrates that use of the funds will be strictly for supporting the operations of the Nondesignated Public Hospital.

Section 7. Loan Amount and Repayment Terms

(a) The Executive Director shall be delegated the power to approve Program loans pursuant the Program guidelines herein solely to the extent there are available funds for the Program.

(b) The Executive Director shall establish the repayment period for an approved Program loan, which shall be memorialized in a written loan agreement.

(1) The Program loan repayment period shall be a maximum of 24 months from the date of the loan agreement.

(2) The total Program loan amount must be repaid in total and discharged within 24 months of the date of the loan agreement.

(c) There shall be no interest charged for these Loans.

(d) Each Loan will incur a 1% administrative fee, which is due at closing and shall be withheld from the Program loan proceeds.

(e) There shall be no penalty for early repayment of Program loan.

Section 8. Loan and Security Agreement

(a) Prior to the issuance of each Program loan, the Authority shall require each Loan Recipient to agree to terms and conditions set forth in a written loan agreement, which shall specify the loan amount, repayment period, covenants, and requirements in the event of inability to make payments or default.

(b) The loan agreement shall require each Loan Recipient to agree to all of the following:

(1) Defending, indemnifying and holding harmless the Authority and the State, and all officers, trustees, agents, and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Program.

(2) If payment of Program loan amount is not paid within 24 months of the date of the loan and security agreement, having 20% of its respective Medi-Cal checkwrite payments intercepted and offset at the state level from the Department of Health Care Services until the Program loan amount has been satisfied.

(3) Such other terms and conditions as agreed upon by the Authority and the Nondesignated Public Hospital.



To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: November 23, 2021
Subject: CHFFA Healthcare Expansion Loan Program II

Recommendation:

Administration recommends to the Sonoma Valley Health Care District Finance Committee to recommend to the board for approval to apply for the California Health Facilities Financing Authority (CHFFA) Healthcare Expansion Loan Program II (HELP II).

Reasoning:

If approved, the HELP II loan can provide low-interest funds for the implementation costs of the new E.H.R. system.

Loan Details:

- Loan proceeds up to \$2,000,000
- \$50 application fee plus 1.25% loan administration fee
- 5-Year term for equipment
- 2% fixed interest rate
- Application due by the 20th of each month
- Revenue Pledge required (Parcel tax revenue)

Attachments:

California Health Facilities Financing Authority (CHFFA) Healthcare Expansion Loan Program II Overview



CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II)

OVERVIEW

LOW FIXED INTEREST RATE

LOANS FOR
CALIFORNIA'S NON-PROFIT
SMALL AND RURAL
HEALTH FACILITIES

915 Capitol Mall, Suite 435
Sacramento, California 95814
Phone: (916) 653-2799
Website: www.treasurer.ca.gov/chffa

The California Health Facilities Financing Authority (Authority) recognizes the difficulty small and rural health facilities have in obtaining adequate financing for their capital needs. In 1995, the Authority launched the HELP II Loan Program to assist health facilities in expanding and improving services to the people of California by providing direct low cost loans.

Eligibility



General Requirements

- ◆ Must qualify as a health facility under the Authority's enabling legislation (see examples of health facilities, page 5).
- ◆ Must be one of the following:
 - A health facility with no more than \$40 million in annual gross revenues, as shown on most recent audited financials (**district hospitals are exempt from this requirement**).
 - Located in a rural Medical Service Study Area as defined by the California Healthcare Workforce Policy Commission (no maximum annual gross revenue).
 - **A district hospital (no maximum annual gross revenue).**
- ◆ Must be a non-profit 501(c)(3)organization or a public health facility (e.g. district hospital).
- ◆ Must have been in existence for at least three years performing the same type(s) of services.
- ◆ Must demonstrate evidence of fiscal soundness and the ability to meet the terms of the loan.

U_{ses} of F_{unds}



Loan proceeds up to \$2,000,000 per borrower may be used for eligible uses as listed below.

Eligible Uses:

- ◆ Purchase, construction, renovation, or remodeling of real property.
- ◆ Purchase equipment and furnishings.
- ◆ Perform feasibility studies, site tests, and surveys associated with real property.
- ◆ Pay permit fees, architectural fees, and other pre-construction costs.



Ineligible Uses:

- ◆ Appraisal fees
- ◆ Title fees
- ◆ Financial advisor fees
- ◆ Authority loan fees

Loan proceeds up to \$1,000,000 may be used to refinance existing debt. The existing debt must qualify as an eligible use under the HELP II Loan Program.

- ◆ Refinance existing debt, but only when a single obligation is paid in full.

Loan Information

Terms

- ◆ 2 percent fixed interest rate for property acquisition, construction, renovation, and equipment.
- ◆ 3 percent fixed interest rate for loan refinancing.
- ◆ Loan amounts of \$25,000 to \$2,000,000.
- ◆ Repayment Period:
 - Maximum of 20 years for property acquisition, construction, and renovation.
 - Maximum of 15 years for loan refinancing.
 - Maximum of 5 years for equipment.
- ◆ Maximum loan-to-value ratio of 95 percent.
- ◆ Borrowers must contribute a minimum of 5 percent toward project costs. This 5 percent must be in the form of cash or documented project expenditures, subject to Authority approval. For refinancing transactions, the 5 percent may come from the equity in the property.
- ◆ Revenue pledge required. Additional collateral (equipment and/or real estate) is also required.
- ◆ Fully amortized loans.
- ◆ No prepayment penalties.
- ◆ Loans can be funded approximately 60 days from the date of application.

Standard Covenants

Applicants receiving loans must:

- ◆ Submit audited annual financial statements, and if requested by the Authority, quarterly unaudited financial statements and budgets.
- ◆ Maintain adequate property and business insurance.
- ◆ Notify the Authority of any significant changes in corporate existence prior to the occurrence (i.e. merger, consolidation, structure or name change).

Fees & Charges



- ◆ \$50 non-refundable application fee.
- ◆ Once approved, there is a one-time fee payable at closing equal to 1.25 percent of the loan amount. This one-time fee is used to defray loan administration and closing costs.
- ◆ Title and escrow fees may be required for transactions involving real estate.
- ◆ There are no ongoing program fees.

GENERAL INFORMATION

- ◆ Applications are accepted on a continual basis. Applications are due by the 20th of each month in order to be considered at the next month's Authority Board meeting (meetings are generally held the last Thursday of the month). Visit our website at www.treasurer.ca.gov/chffa for the list of meeting dates.
- ◆ Applicants are required to attend the meeting to present their proposals and answer questions from members of the Authority Board.
- ◆ The Authority staff may require a site visit to evaluate the Project and the Applicant's operations.
- ◆ HELP II Loan borrowers must comply with California's prevailing wage law under Labor Code section 1720, et seq. for public works projects. The Authority recommends consulting legal counsel.

H_ealth F_acilities D_efined



To be eligible for financing, an Applicant must have non-profit status and qualify as a health facility under the Authority's enabling statute – Section 15432(d) of the Government Code. With few exceptions, a facility must be licensed by the State of California. If an Applicant is unsure about eligibility, please contact the Authority.

Examples of qualifying health facilities include, but are not limited to:

- General Acute Care Hospitals
- Adult Day Health Centers
- Alcoholism Recovery Facilities ⁽¹⁾
- Chemical Dependency Facilities
- Child Day Care Facilities ⁽²⁾
- Community Clinics
- Community Mental Health Facilities Center ⁽³⁾
- Community Work-Activity Program (Accredited)⁽⁴⁾
- Residential Facility for Persons with Developmental Disabilities
- Multilevel Care Facilities⁽⁵⁾
- Acute Psychiatric facilities
- Public Health Centers (e.g. District Hospital)
- Rehabilitation Facilities
- Skilled Nursing / Intermediate Care Facilities

(1) Services must include residential care that provides a 24-hour stay.

(2) Must be operated in conjunction with a licensed health facility.

(3) State license is not required; however program must be certified by the State of California, Department of Health Care Services.

(4) Includes sheltered workshops.

(5) Arrangement where a Residential Facility for the Elderly operates in conjunction with a Skilled Nursing Facility, Intermediate Care Facility, or a General Acute Care Hospital.

Sonoma Valley Hospital
 Project/Capital Costs and Projected Funding
 FY 2022 & FY 2023

<u>Projects/Capital items:</u>	<u>FY 2022</u>	<u>FY 2023</u>
ODC:		
Projected Dome Settlement	\$ 1,000,000	
CT Phase 1 - Est. of Completion (over the costs of what was budgeted)		1,000,000
E.H.R. Implementation	775,000	\$ 2,730,000
Approved/Planned (subj to approval) Capital:		
Capital - Equipment	272,137	240,000
Capital - IT Equipment	-	100,000
Capital - Building Improvements	320,400	592,537 1,580,000 1,920,000
Total Estimated Projects/Capital Items	2,367,537	5,650,000
Funding Sources:		
E.H.R. - FY 2022 funds from Operating cash	775,000	
Capital Items - FY 2022 funds from Operating Cash	592,537	
Capital Items - FY 2023 funds from Operating Cash (Dependent on operating cash available)		1,920,000
Board Designated \$1M - a)		1,000,000
Cyber-attack insurance proceeds (Estimate \$850,000)		
Less: outstanding lease	120,000	730,000
CHFFA Help II Loan (Epic product) - b)		2,000,000
Funding Gap - funded from operating cash - c)	880,000	
Total Funding Sources (Estimate)	\$ 2,367,537	\$ 5,650,000
Funding Gap	\$ -	\$ -

Other Possible Sources:

- * Applied for Phase 4 funding of provider relief funds from the CARES Act
- * Capital items related to Epic funded by the Foundation
- * Increased referrals (benefit from increased operability from new E.H.R.)
- * Increased volumes from ODC (CT in late FY 2022)

a) - In September 2020 the board approved to designate \$1M of cash to go towards any funding shortfalls that may occur between the timing of ODC construction costs vs. pledged funds collected by the Foundation. The board may release the designation.

b) - Subject to both Board and CHFFA approval.

c) - Subject to Board approval the hospital will apply for the QIP bridge loan that will contribute an additional \$770,000 to operating capital during FY 2022.



To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: November 23, 2021
Subject: Financial Report for the Month Ending October 31, 2021

In October we saw inpatient volumes close to budget which was an increase from previous months. Outpatient and emergency room volumes continue to be over budgeted volumes. During the month of October the hospital made a matching fee for the July to December 2020 Rate Range Intergovernmental transfer program (IGT) and accrued for the gross proceeds which will be received in December or January. The budget for October reflects a 12-month rate range period which is reflected in the variances.

For the month of October the hospital's actual operating margin of \$333,286 was (\$2,009,226) unfavorable to the budgeted operating margin of \$2,342,512. After accounting for all other activity; the net income for October was \$848,817 vs. the budgeted net income of \$3,381,746 with a monthly EBDA of 14.3% vs. a budgeted 32.9%. Without the net proceeds of the IGT the operating margin would be (\$1,200,023) and (\$342,535) unfavorable to the budgeted operating margin of (\$857,488).

Gross patient revenue for October was \$23,585,407; \$913,819 over budget. Inpatient gross revenue was under budget by (\$110,810). Inpatient days were over budget by 32 days and inpatient surgeries were under budget by (2) cases. Outpatient gross revenue was over budget by \$182,460. Outpatient visits were over budget by 79 visits, outpatient surgeries were over budget by 3 cases, and special procedures were over budget by 16 cases. The Emergency Room gross revenue was over budget by \$842,169 with ER visits over budgeted expectations by 152 visits.

Deductions from revenue were unfavorable to budgeted expectations by (\$3,742,540) due to higher gross revenue than budgeted and an additional reserve posted to reflect lower payments received for ambulatory care (outpatient surgeries) services than previously reserved for (\$1,172,150). The hospital accrued for the 6-month period of July to December 2020 Rate Range IGT which is unfavorable to the 12-month period budgeted for a variance of (\$2,570,390).

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by \$(2,776,316).

Operating Expenses of \$5,743,279 were favorable to budget by \$767,090 due to the favorable variance of the IGT matching fee made in October. Without the matching fee variance, total expenses would be \$4,646,978 compared to a budget of \$4,510,369 for an unfavorable variance of (\$136,609). Salaries and wages and agency fees were over budget by (\$82,718) due to increased costs in nursing departments, respiratory therapy, and social services. Due to COVID we are experiencing much higher rates for agency fees for nurses and other clinical positions. Professional fees were over budget by (\$72,636) due to higher than budgeted UCSF management costs including the new IT director. Supplies are under budget by \$51,012 due to lower supply costs in the surgery department. Purchased services are over budget (\$40,989) primarily due to IT services which include the 15% of increased costs for Paragon Allscripts.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for October was \$643,346 vs. a budgeted net income of \$2,660,155. In the month of October the hospital received \$25,554 in donations from the Sonoma Valley Hospital Foundation. The total net income for October after all activity was \$848,817 vs. a budgeted net income of \$3,381,746.

EBDA for the month of October was 14.3% vs. the budgeted 32.9%.

Patient Volumes – October

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	65	80	-15	64
Acute Patient Days	294	262	32	230
Observation Days	15	0	15	18
OP Gross Revenue	\$17,578	\$16,553	\$1,025	\$14,667
Surgical Cases	121	120	1	121

Gross Revenue Overall Payer Mix – October

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	36.7%	39.7%	-3.0%	35.6%	39.7%	-4.1%
Medicare Mgd Care	12.8%	15.4%	-2.6%	15.3%	15.4%	-0.1%
Medi-Cal	18.9%	18.9%	0.0%	17.7%	19.1%	-1.4%
Self Pay	1.4%	1.1%	0.3%	2.1%	1.1%	1.0%
Commercial	25.3%	21.8%	3.5%	25.8%	21.6%	4.2%
Workers Comp	4.9%	3.1%	1.8%	3.5%	3.1%	0.4%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for October:

For the month of October the cash collection goal was \$3,749,446 and the Hospital collected \$3,341,408 or under the goal by (\$408,038). The year-to-date cash collection goal was \$15,468,338 and the Hospital has collected \$14,307,723 or under goal by (\$1,160,615). At October month-end an in depth AR analysis was done and found that ambulatory care services (outpatient surgeries) for commercial payers were being paid at a lower percentage than the 12-month historical data. Therefore, an additional reserve was posted to October's contractual allowance. Another review will be done for the November month-end AR.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	40.0	45.5	-5.5	60.1
Accounts Receivable Days	45.9	42.4	3.5	53.2
Accounts Payable	\$3,699,027	\$3,519,605	\$179,422	\$4,088,562
Accounts Payable Days	45.8	43.1	2.7	58.3

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 October 31, 2021

ATTACHMENT A

	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Gross Revenue:								
Medicare	8,640,572	8,987,064	-346,492	-3.9%	34,185,575	33,671,074	514,501	1.5%
Medicare Managed Care	3,015,467	3,492,857	-477,390	-13.7%	14,680,259	13,092,149	1,588,110	12.1%
Medi-Cal	4,447,121	4,285,581	161,540	3.8%	17,002,928	16,200,627	802,301	5.0%
Self Pay	327,577	241,632	85,945	35.6%	2,036,861	904,499	1,132,362	125.2%
Commercial & Other Government	5,998,793	4,955,514	1,043,279	21.1%	24,832,635	18,406,100	6,426,535	34.9%
Worker's Comp.	1,155,877	708,940	446,937	63.0%	3,349,028	2,600,210	748,818	28.8%
Total	23,585,407	22,671,588	913,819		96,087,286	84,874,659	11,212,627	
Net Revenue:								
Medicare	847,979	1,095,846	-247,867	-22.6%	3,695,631	4,065,175	-369,544	-9.1%
Medicare Managed Care	333,812	403,076	-69,264	-17.2%	1,632,743	1,510,834	121,909	8.1%
Medi-Cal	466,503	451,272	15,231	3.4%	1,795,081	1,685,927	109,154	6.5%
Self Pay	154,453	91,168	63,285	69.4%	867,773	341,268	526,505	154.3%
Commercial & Other Government	1,295,257	1,387,645	-92,388	-6.7%	6,297,632	5,250,661	1,046,971	19.9%
Worker's Comp.	203,897	131,225	72,672	55.4%	595,833	481,299	114,534	23.8%
Prior Period Adj/IGT	2,629,610	5,200,000	-2,570,390	-49%	2,751,308	5,200,000	-2,448,692	*
Total	5,931,511	8,760,232	(2,828,721)	-32.3%	17,636,001	18,535,164	(899,163)	-4.9%
Percent of Net Revenue:								
Medicare	14.3%	12.5%	1.8%	14.40%	21.0%	21.9%	-1.0%	-4.57%
Medicare Managed Care	5.6%	4.6%	1.0%	21.74%	9.3%	8.2%	1.1%	13.41%
Medi-Cal	7.9%	5.2%	2.7%	51.92%	10.2%	9.1%	1.1%	12.09%
Self Pay	2.6%	1.0%	1.6%	160.00%	4.9%	1.8%	3.1%	172.22%
Commercial & Other Government	21.9%	15.8%	6.1%	38.61%	35.6%	28.3%	7.3%	25.80%
Worker's Comp.	3.4%	1.5%	1.9%	126.67%	3.4%	2.6%	0.8%	30.77%
Prior Period Adj/IGT	44.3%	59.4%	-15.1%	-25.42%	15.6%	28.1%	-12.5%	-44.48%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%
Projected Collection Percentage:								
Medicare	9.8%	12.2%	-2.4%	-19.7%	10.8%	12.1%	-1.3%	-10.7%
Medicare Managed Care	11.1%	11.5%	-0.4%	-3.5%	11.1%	11.5%	-0.4%	-3.5%
Medi-Cal	10.5%	10.5%	0.0%	0.0%	10.6%	10.4%	0.2%	1.9%
Self Pay	47.2%	37.7%	9.5%	25.2%	42.6%	37.7%	4.9%	13.0%
Commercial & Other Government	21.6%	28.0%	-6.4%	-22.9%	25.4%	28.5%	-3.1%	-10.9%
Worker's Comp.	17.6%	18.5%	-0.9%	-4.9%	17.8%	18.5%	-0.7%	-3.8%

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended October 31, 2021

ATTACHMENT B

CURRENT MONTH				YEAR-TO-DATE				YTD
	Actual 10/31/21	Budget 10/31/21	Favorable (Unfavorable) Variance		Actual 10/31/21	Budget 10/31/21	Favorable (Unfavorable) Variance	Prior Year 10/31/20
Inpatient Utilization								
1	47	64	(17)	Discharges				
2	18	16	2	Med/Surg	190	208	(18)	214
3	65	80	(15)	ICU	61	57	4	50
				Total Discharges	251	265	(14)	264
4	196	172	24	Patient Days:				
5	98	90	8	Med/Surg	683	677	6	737
6	294	262	32	ICU	342	355	(13)	354
				Total Patient Days	1,025	1,032	(7)	1,091
7	15	-	15	Observation days	98	-	98	91
Average Length of Stay:								
8	4.2	2.7	1.5	Med/Surg	3.6	3.3	0.3	3.4
9	5.4	5.6	(0.2)	ICU	5.6	6.2	(0.6)	7.1
10	4.5	3.3	1.2	Avg. Length of Stay	4.1	3.9	0.2	4.1
Average Daily Census:								
11	6.3	5.5	0.8	Med/Surg	5.6	5.5	0.0	6.0
12	3.2	2.9	0.3	ICU	2.8	2.9	(0.1)	2.9
13	9.5	8.5	1.0	Avg. Daily Census	8.3	8.4	(0.1)	8.9
Other Utilization Statistics								
Emergency Room Statistics								
14	764	612	152	Total ER Visits	3,158	2,448	710	2,807
Outpatient Statistics:								
15	4,726	4,647	79	Total Outpatients Visits	18,788	17,842	946	15,752
16	15	17	(2)	IP Surgeries	44	63	(19)	67
17	106	103	3	OP Surgeries	436	371	65	398
18	61	45	16	Special Procedures	222	162	60	175
19	255	296	(41)	Adjusted Discharges	1,164	938	226	976
20	1,153	970	184	Adjusted Patient Days	4,733	3,644	1,089	3,993
21	37.2	31.3	5.9	Adj. Avg. Daily Census	38.5	29.6	8.9	32.5
22	1.6670	1.4000	0.267	Case Mix Index -Medicare	1.4206	1.4000	0.021	1.6332
23	1.5059	1.4000	0.106	Case Mix Index - All payers	1.3606	1.4000	(0.039)	1.5263
Labor Statistics								
24	211	209	(2)	FTE's - Worked	206	205	(1.2)	205
25	225	231	6	FTE's - Paid	229	226	(3.2)	225
26	47.86	44.64	(3.23)	Average Hourly Rate	45.24	44.49	(0.76)	46.80
27	6.05	7.38	1.33	FTE / Adj. Pat Day	5.96	7.63	1.67	6.92
28	34.5	42.0	7.6	Manhours / Adj. Pat Day	34.0	43.5	9.5	39.4
29	155.9	137.7	(18.2)	Manhours / Adj. Discharge	138.2	169.0	30.9	161.2
30	22.9%	23.9%	1.0%	Benefits % of Salaries	24.3%	24.7%	0.4%	21.2%
Non-Labor Statistics								
31	15.7%	6.5%	-9.2%	Supply Expense % Net Revenue	15.6%	11.9%	-3.6%	16.0%
32	2,031	1,922	(109)	Supply Exp. / Adj. Discharge	2,005	2,359	354	2,243
33	22,727	22,274	(453)	Total Expense / Adj. Discharge	17,349	21,418	4,069	18,430
Other Indicators								
34	35.3			Days Cash - Operating Funds				
35	45.9	50.0	(4.1)	Days in Net AR	42.5	50.0	(7.6)	43.0
36	88%			Collections % of Net Revenue	92%			98.7%
37	45.8	55.0	(9.2)	Days in Accounts Payable	45.8	55.0	(9.2)	45.5
38	14.0%	38.7%	-24.7%	% Net revenue to Gross revenue	15.6%	21.9%	-6.3%	16.6%
39	18.5%			% Net AR to Gross AR	18.5%			17.8%

Sonoma Valley Health Care District
Balance Sheet
As of October 31, 2021

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 2,757,988	\$ 2,190,544	\$ 451,249
2	Cash - Money Market	2,639,564	4,639,373	6,237,307
3	Net Patient Receivables	6,867,754	6,896,918	5,633,964
4	Allow Uncollect Accts	(1,591,027)	(1,540,144)	(1,009,355)
5	Net A/R	5,276,727	5,356,774	4,624,609
6	Other Accts/Notes Rec	1,783,817	1,861,476	2,365,527
7	Parcel Tax Receivable	3,800,000	3,800,000	3,800,000
8	GO Bond Tax Receivable	2,601,816	2,601,816	3,168,950
9	3rd Party Receivables, Net	2,649,085	10,903	330,206
10	Inventory	958,509	956,962	857,116
11	Prepaid Expenses	918,154	936,852	758,184
12	Total Current Assets	<u>\$ 23,385,660</u>	<u>\$ 22,354,700</u>	<u>\$ 22,593,148</u>
13	Property,Plant & Equip, Net	\$ 51,852,224	\$ 52,035,381	\$ 50,192,110
14	Trustee Funds - GO Bonds	3,714,834	3,714,802	3,353,911
15	Restricted Funds - Board Approved	1,000,000	1,000,000	1,000,000
16	Total Assets	<u>\$ 79,952,718</u>	<u>\$ 79,104,883</u>	<u>\$ 77,139,169</u>
Liabilities & Fund Balances				
Current Liabilities:				
17	Accounts Payable	\$ 3,699,027	\$ 3,519,605	\$ 4,088,562
18	Accrued Compensation	3,964,248	3,719,865	4,142,760
19	Interest Payable - GO Bonds	107,919	56,023	269,180
20	Accrued Expenses	1,910,845	1,809,503	1,608,770
21	Advances From 3rd Parties	-	-	-
22	Deferred Parcel Tax Revenue	2,533,336	2,850,003	2,533,320
23	Deferred GO Bond Tax Revenue	1,854,497	2,086,309	2,206,125
24	Current Maturities-LTD	409,747	417,385	308,831
25	Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26	Other Liabilities	235,159	243,786	121,966
27	Total Current Liabilities	<u>\$ 20,188,512</u>	<u>\$ 20,176,213</u>	<u>\$ 20,753,248</u>
28	Long Term Debt, net current portion	\$ 25,121,415	\$ 25,134,696	\$ 26,804,184
29	Fund Balances:			
30	Unrestricted	\$ 19,149,094	\$ 18,325,831	\$ 18,455,585
31	Restricted	15,493,697	15,468,143	11,126,152
32	Total Fund Balances	<u>\$ 34,642,791</u>	<u>\$ 33,793,974</u>	<u>\$ 29,581,737</u>
33	Total Liabilities & Fund Balances	<u>\$ 79,952,718</u>	<u>\$ 79,104,883</u>	<u>\$ 77,139,169</u>

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 31, 2021**

ATTACHMENT D

		Month			
		This Year		Variance	
		Actual	\$	%	
1		65	80	(15)	-19%
2		294	262	32	12%
3		15	-	15	0%
4	\$	17,578	\$ 16,553	\$ 1,025	6%
5	\$	6,007,309	\$ 6,118,119	(\$110,810)	-2%
6		10,766,831	10,584,371	182,460	2%
7		6,811,267	5,969,098	842,169	14%
8	\$	23,585,407	\$ 22,671,588	\$ 913,819	4%
9		(20,073,906)	(18,933,785)	(1,140,121)	-6%
10		(200,000)	(150,000)	(50,000)	-33%
11		(9,600)	(27,571)	17,971	65%
12		2,629,610	5,200,000	(2,570,390)	-49%
13	\$	(\$17,653,896)	\$ (13,911,356)	\$ (3,742,540)	27%
14	\$	5,931,511	\$ 8,760,232	(\$2,828,721)	-32%
15	\$	145,054	\$ 92,649	\$ 52,405	57%
16	\$	6,076,565	\$ 8,852,881	(\$2,776,316)	-31%
17	\$	1,902,363	\$ 1,819,645	(\$82,718)	-5%
18		670,889	\$ 677,103	6,214	1%
19	\$	2,573,252	\$ 2,496,748	(\$76,504)	-3%
20	\$	585,574	\$ 512,938	(\$72,636)	-14%
21		517,995	569,007	51,012	9%
22		432,548	391,559	(\$40,989)	-10%
23		228,334	252,880	24,546	10%
24		125,049	120,319	(\$4,730)	-4%
25		53,877	46,909	(\$6,968)	-15%
26		16,389	17,966	1,577	9%
27		113,960	102,043	(\$11,917)	-12%
28		1,096,301	2,000,000	903,699	-45%
29	\$	5,743,279	\$ 6,510,369	\$ 767,090	12%
30	\$	333,286	\$ 2,342,512	\$ (2,009,226)	86%

	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
Volume Information					
Acute Discharges	251	265	(14)	-5%	264
Patient Days	1,025	1,032	(7)	-1%	1,091
Observation Days	98	-	98	*	91
Gross O/P Revenue (000's)	\$ 75,254	\$ 60,880	\$ 14,373	24%	\$ 59,638
Financial Results					
Gross Patient Revenue					
Inpatient	\$ 20,833,672	\$ 23,994,427	(3,160,755)	-13%	\$ 22,454,308
Outpatient	45,999,943	38,237,343	7,762,600	20%	35,230,491
Emergency	29,253,671	22,642,889	6,610,782	29%	24,526,589
Total Gross Patient Revenue	\$ 96,087,286	\$ 84,874,659	\$ 11,212,627	13%	\$ 82,211,388
Deductions from Revenue					
Contractual Discounts	\$ (80,263,843)	\$ (70,829,211)	(9,434,632)	-13%	\$ (68,045,805)
Bad Debt	(900,000)	(600,000)	(300,000)	-50%	(460,000)
Charity Care Provision	(38,750)	(110,284)	71,534	65%	(46,000)
Prior Period Adj/Government Program Revenue	2,751,308	5,200,000	(2,448,692)	-47%	-
Total Deductions from Revenue	\$ (78,451,285)	\$ (66,339,495)	\$ (12,111,790)	18%	\$ (68,551,805)
Net Patient Service Revenue					
	\$ 17,636,001	\$ 18,535,164	(899,163)	-5%	\$ 13,659,583
Other Op Rev & Electronic Health Records	\$ 377,372	\$ 370,596	6,776	2%	\$ 357,459
Total Operating Revenue	\$ 18,013,373	\$ 18,905,760	\$ (892,387)	-5%	\$ 14,017,042
Operating Expenses					
Salary and Wages and Agency Fees	\$ 7,273,521	\$ 7,051,484	(222,037)	-3%	\$ 7,364,999
Employee Benefits	2,725,515	2,684,612	(40,903)	-2%	2,565,399
Total People Cost	\$ 9,999,036	\$ 9,736,096	(262,940)	-3%	\$ 9,930,398
Med and Prof Fees (exclu Agency)	\$ 2,290,980	\$ 2,047,129	(243,851)	-12%	\$ 1,633,474
Supplies	2,333,580	2,212,204	(121,376)	-5%	2,189,877
Purchased Services	1,789,311	1,592,035	(197,276)	-12%	1,670,450
Depreciation	970,160	1,011,520	41,360	4%	1,029,833
Utilities	550,309	481,987	(68,322)	-14%	520,961
Insurance	206,520	187,636	(18,884)	-10%	181,318
Interest	64,831	71,864	7,033	10%	74,080
Other	435,585	402,916	(32,669)	-8%	397,858
Matching Fees (Government Programs)	1,125,795	2,000,000	874,205	-44%	0
Operating expenses	\$ 19,766,107	\$ 19,743,387	\$ (22,720)	0%	\$ 17,628,249
Operating Margin					
	\$ (1,752,734)	\$ (837,627)	(915,107)	-109%	\$ (3,611,207)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 31, 2021**

ATTACHMENT D

Month					
	This Year		Variance		
	Actual	\$	\$	%	
31	\$ (6,607)	\$ 976	(7,583)	-777%	
32	-	-	-	0%	
33	-	-	-	*	
34	316,667	316,667	-	0%	
35	-	-	-	0%	
36	\$ 310,060	\$ 317,643	(7,583)	-2%	
37	\$ 643,346	\$ 2,660,155	(2,016,809)	-76%	
38	\$ -	\$ -	-	0%	
39	\$ 25,554	\$ 523,803	(498,249)	0%	
40	\$ 668,900	\$ 3,183,958	(2,515,058)	-79%	
41	179,917	197,788	(17,871)	-9%	
42	\$ 848,817	\$ 3,381,746	(2,532,929)	-75%	
	\$ 871,680	\$ 2,913,035	(2,041,355)		
	14.3%	32.9%			

	Year-To- Date				YTD
	Actual	Budget	\$	Variance	
Non Operating Rev and Expense					
Miscellaneous Revenue/(Expenses)	\$ (46,446)	\$ 3,904	(50,350)	*	\$ 40,696
Donations	-	-	-	0%	498
Physician Practice Support-Prima	-	-	-	*	0
Parcel Tax Assessment Rev	1,266,668	1,266,668	-	0%	1,266,668
Extraordinary Items	-	-	-	0%	(1,511)
Total Non-Operating Rev/Exp	\$ 1,220,222	\$ 1,270,572	(50,350)	-4%	\$ 1,306,351
Net Income / (Loss) prior to Restricted Contributions	\$ (532,512)	\$ 432,945	(965,457)	-223%	\$ (2,304,856)
Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -
Restricted Foundation Contributions	\$ 276,141	\$ 2,095,212	(1,819,071)	100%	\$ 1,831,219
Net Income / (Loss) w/ Restricted Contributions	\$ (256,371)	\$ 2,528,157	(2,784,528)	-110%	\$ (473,637)
GO Bond Activity, Net	504,582	785,069	(280,487)	-36%	738,436
Net Income/(Loss) w GO Bond Activity	\$ 248,211	\$ 3,313,226	(3,065,015)	-93%	\$ 264,799
EBDA - Not including Restricted Contributions	\$ 437,648	\$ 1,444,465	(1,006,817)		\$ (1,275,023)
	2.4%	7.6%			-9.1%

* Operating Margin without Depreciation expense:

\$ 333,286	\$ 2,342,512	\$ (2,009,226)	86%
228,334	252,880	24,546	10%
\$ 561,620	\$ 2,595,392	\$ (1,984,680)	78%

Operating Margin	\$ (1,752,734)	\$ (837,627)	\$ (915,107)	-109%
Add back Depreciation	970,160	1,011,520	41,360	4%
Operating Margin without Depreciation expense	\$ (782,574)	\$ 173,893	\$ (873,747)	550%

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended October 31, 2021**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	(222,037)	(82,718)	Salaries and wages are over budget by (\$33,524) and agency fees are over by (\$49,194). Wages and agency fees are over budget in ICU, Med-Surg, Emergency Room, Respiratory Therapy, and Social Services.
Employee Benefits	(40,903)	6,214	
Total People Cost	(262,940)	(76,504)	
Med and Prof Fees (excl Agency)	(243,851)	(72,636)	Professional fees are over budget due to higher than budgeted UCSF management costs including the unbudgeted position of IT director which is offset by a savings in salaries & wages.
Supplies	(121,376)	51,012	Supplies are under budget in surgery due to less implant costs incurred than budgeted.
Purchased Services	(197,276)	(40,989)	Purchased services are over budget in IT services (\$40,294), part of the overage is the increase in monthly costs for the extension of Paragon.
Depreciation	41,360	24,546	
Utilities	(68,322)	(4,730)	
Insurance	(18,884)	(6,968)	
Interest	7,033	1,577	
Other	(32,669)	(11,917)	
Matching Fees (Government Programs)	874,205	903,699	6-month Rate Range IGT matching fee vs. 12-month Rate Range matching fee.
Operating expenses	(22,720)	767,090	

Sonoma Valley Hospital
Cash Forecast
FY 2022

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,768,614	3,604,012	3,741,094	3,556,171	3,535,250	3,531,361	3,667,320	3,580,044	3,818,142	3,646,790	3,763,729	3,682,225	43,894,753
2 Other Operating Revenue	50,926	33,133	27,360	158,301	92,649	92,649	77,649	77,649	77,649	77,649	77,649	77,637	920,900
3 Other Non-Operating Revenue	10,121	10,229	9,624	10,574	14,516	14,516	14,516	14,516	14,516	14,516	14,516	14,518	156,679
4 Unrestricted Contributions	14,875			6,564									21,439
5 Line of Credit													-
Sub-Total Hospital Sources	3,844,535	3,647,375	3,778,079	3,731,610	3,642,415	3,638,526	3,759,485	3,672,209	3,910,307	3,738,955	3,855,894	3,774,380	44,993,770
Hospital Uses of Cash													
6 Operating Expenses	5,686,921	4,339,055	4,171,999	4,009,059	4,152,649	4,175,711	4,344,976	4,184,325	4,333,791	4,287,496	4,359,788	4,319,071	52,364,841
7 Add Capital Lease Payments	116,550	26,560	34,320	20,919	22,166	89,458	14,502	14,502	14,502	14,502	14,502	14,502	82,109
8 Additional Liabilities/LOC													-
9 Capital Expenditures	114,099	104,421	21,501	56,972	584,262	2,284,262	620,512	620,512	620,512	620,512	620,512	525,511	6,793,588
Total Hospital Uses	5,917,571	4,470,037	4,227,821	4,086,949	4,759,077	6,549,431	4,979,990	4,819,339	4,968,805	4,922,510	4,994,802	4,926,691	59,623,022
Net Hospital Sources/Uses of Cash	(2,073,036)	(822,662)	(449,742)	(355,339)	(1,116,662)	(2,910,905)	(1,220,505)	(1,147,130)	(1,058,498)	(1,183,555)	(1,138,908)	(1,152,311)	(14,629,252)
Non-Hospital Sources													
10 Restricted Cash/Money Market			1,000,000	2,000,000			(2,000,000)						1,000,000
11 Restricted Capital Donations	107,079	101,291	27,342	19,084	525,512	525,512	525,512	525,512	525,512	525,512	525,512	525,511	4,458,891
12 Parcel Tax Revenue	164,000					2,050,000	308,000		1,662,000				3,876,000
13 Other Payments - Ins. Claims/HHS/Grants/Loans								462,000					850,000
14 Other:													1,620,000
15 IGT			51,360				2,674,000	1,298,801					89,000
16 IGT - AB915			70,338										405,338
17 QIP													-
Sub-Total Non-Hospital Sources	271,080	101,291	1,149,040	2,019,084	525,512	2,575,512	1,507,512	1,824,313	987,512	2,187,512	860,512	1,464,511	15,473,390
Non-Hospital Uses of Cash													
18 Matching Fees	29,494		1,096,301		397,247						44,500		1,567,542
Sub-Total Non-Hospital Uses of Cash	-	29,494	-	1,096,301	-	397,247	-	-	-	-	44,500	-	1,567,542
Net Non-Hospital Sources/Uses of Cash	271,080	71,797	1,149,040	922,783	525,512	2,178,265	1,507,512	1,824,313	987,512	2,187,512	816,012	1,464,511	13,905,848
Net Sources/Uses	(1,801,956)	(750,865)	699,298	567,444	(591,150)	(732,640)	287,007	677,183	(70,986)	1,003,957	(322,896)	312,200	
Operating Cash at beginning of period	4,044,067	2,242,111	1,491,246	2,190,544	2,757,988	2,166,838	1,434,198	1,721,205	2,398,388	2,327,402	3,331,359	3,008,463	
Operating Cash at End of Period	2,242,111	1,491,246	2,190,544	2,757,988	2,166,838	1,434,198	1,721,205	2,398,388	2,327,402	3,331,359	3,008,463	3,320,663	
Money Market Account Balance - Unrestricted	5,638,824	5,639,115	4,639,373	2,639,564	2,639,564	2,639,564	4,639,564	4,639,564	4,639,564	4,639,564	4,639,564	4,639,564	
Total Cash at End of Period	7,880,935	7,130,361	6,829,917	5,397,552	4,806,402	4,073,762	6,360,769	7,037,952	6,966,966	7,970,923	7,648,027	7,960,227	

Average Days of Cash on Hand

58.8 52.3 45.5 40.0

Days of Cash on Hand at End of Month

54.6 50.1 47.3 35.3 32.7 27.7 43.3 47.9 47.4 54.2 52.0 54.2