



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, MARCH 22, 2022

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/93270771849?pwd=VizsUTROdE0ralRkZnhKcGRtUTF1dz09&from=addon>

Meeting ID: 932 7077 1849

Passcode: 582460

One tap mobile

+16692192599, 94673368760# US

+16699009128, 94673368760# US

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+1 669 900 9128

Find your local number: <https://sonomavalleyhospital-org.zoom.us/u/abVQJo0niY>

<p>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.</p>		
AGENDA ITEM	RECOMMENDATION	
<p>MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>		
<p>1. CALL TO ORDER/ANNOUNCEMENTS</p>	<i>Boerum</i>	
<p>2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>	<i>Boerum</i>	
<p>3. CONSENT CALENDAR a. Finance Committee Minutes 02.22.22</p>	<i>Boerum</i>	Action
<p>4. BRIDGE LOAN RESOLUTION 365</p>	<i>Dungan</i>	Action
<p>5. FY 2023 BUDGET UPDATE</p>	<i>Dungan</i>	Inform
<p>6. ENGAGE AUDITORS MID-YEAR REVIEW</p>	<i>Dungan</i>	Inform

7. DISCUSS LOAN BALANCE PAYDOWN	<i>Boerum</i>	Inform
8. FINANCIAL REPORT FOR MONTH END FEBRUARY 2022	<i>Dungan</i>	Inform
9. ADJOURN	<i>Boerum</i>	



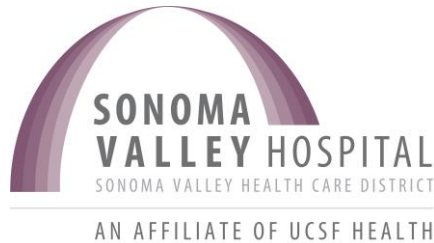
SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, FEBRUARY 22, 2022
Via Zoom Teleconference

Present	Not Present/Excused	Staff	Public	
Bill Boerum via Zoom Judy Bjorndal via Zoom Catherine Donahue via Zoom Bruce Flynn via Zoom Carl Gerlach via Zoom Art Grandy via Zoom Peter Hohorst via Zoom Wendy Lee via Zoom	Joshua Rymer Subhash Mishra (MD)	Ben Armfield via Zoom Kimberly Drummond via Zoom Sarah Dungan via Zoom Jenny Fontes via Zoom John Hennelly via Zoom Dave Pier 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 a. INTRODUCTION OF BEN ARMFIELD (CFO)		<i>Hennelly</i>		
		Called to order at 5:01 p.m. Mr. Hennelly introduced the new Chief Financial Officer Mr. Ben Armfield.		
2. PUBLIC COMMENT SECTION		<i>Boerum</i>		
		None		
3. CONSENT CALENDAR (ACTION)		<i>Boerum</i>	Action	
a. Finance Committee Minutes 01.25.22			MOTION: by Grandy to approve with revisions, 2 nd by Boerum. All in favor.	

4. BRIDGE LOAN RESOLUTION 364	<i>Dungan</i>	Inform	
	Ms. Dungan reviewed the Bridge Loan Resolution 364. The loan is a two-year loan at 0% interest with a 1% administrative fee. Ms. Dungan will include a brief cover memo at the Board meeting. The committee suggested legal review of the document.		
5. LINE OF CREDIT RENEWAL	<i>Dungan</i>	Action	
	Ms. Dungan reviewed the Line of Credit Renewal (LOC). Currently the LOC is at 5.5M, with a term of 2 years, interest rate changed to 2.5% term SOFR. Ms. Dungan suggested keeping the LOC as is, with a focus on completing ODC and implementing EPIC. Mr. Hennelly said Finance will review and determine the costs/impacts of paying down portions of the LOC. Mr. Boerum suggested this topic be discussed at the next meeting.	MOTION: by Grandy to approve, 2 nd by Hohorst. All in favor.	
6. REVIEW FY 2023 BUDGET ASSUMPTIONS	<i>Dungan</i>	Inform	
	Ms. Dungan reviewed the FY 2023 Budget Assumptions. HR is analyzing market rates for health care workers; labor costs are expected to increase on the 2023 budget. Ms. Dungan will report on the increases in upcoming meetings. Ms. Dungan may increase budget for a GI physician and CT levels may increase by 10%. Gross revenue is based on volume assumptions and there is a 6% annual price increase. Contractional allowances are based on current payment percentages, there is an additional revenue reduction for price increase. Next year SVH will receive a 12-month rate rage and IGT. The Foundation will pay 100K annually in 2023 and 2024 for the new project manager for the ODC and ICU. Ms. Dungan said Finance is always looking at		

	contracts for ways to decrease costs. Current inflation rates and Epic profitability were not included in this review.		
7. REVENUE ANALYSIS/PROFITABILITY a. Report of sub-committee	<i>Boerum</i>	Inform	
	The sub-committee requested a deeper dive into revenues. A written report will be provided by the sub-committee at the next FC meeting.		
8. FINANCIAL REPORT FOR MONTH END JANUARY 2022	<i>Dungan</i>		
	Ms. Dungan reviewed the financial report for month end January 2022. Inpatient and ER volumes increased. Ms. Dungan said she accrued 375K for the AB 915 outpatient supplement payment. Days cash on hand were 54.3, A/R days were 41.4, A/P was \$4.2M, A/P days were 52.1. EBDA was -2.3%. In January 2.7M was received for the rate range IGT, 2M was put back into money market. Operating cash was about 9M, average days cash on hand was 54.3, cash on hand at the end of the month was 59.7. The second IGT was received.		
9. ODC UPDATE	<i>Hennelly</i>		
	Mr. Hennelly said they have transitioned from Dome and Taylor to SKA Architects and GMH for the first phase of the CT. The CT and MRI are now two separate projects. CT will be a direct contract with GMH, and they will bid out for the MRI project. Ms. Drummond reviewed the Status of the ODC presentation which included a CT suite remodel update. 345K has been authorized by		

	<p>the BOD, by March 2022 they will know if additional work is needed. The project will be incrementally funded according to the knowledge they have.</p> <p>Ms. Drummond reviewed the MRI Suite Remodel Update. An informal bid is needed to complete the MRI demolition. Amended plans will be submitted to HCAI for review in April. A special Board meeting may be needed in March for approval. 6.2M is remaining of the 9.35M approved by the Board. No costs have been awarded for this project yet.</p>		
10. 2022 STRATEGIC INITIATIVES DISCUSSION	<i>Hennelly</i>		
	<p>Mr. Hennelly discussed his 2022 Strategic Initiatives. He said growth initiatives were divided into short term and long-term projects. Short term goals are leveraging EPIC, maximizing connectivity between SVH and UCSF, and increasing service lines. The second phase is looking at long term goals, such as opportunities to create destination projects, aggregating services in the community into a larger ambulatory center, an integration of a clinically integrated network with UCSF, and a strategic plan for seismic upgrades. Mr. Boerum is requesting strategic financial objectives in the plan. Ms. Lee would like primary and secondary care pathways mapped out before EPIC implementation.</p>		
11. ADJOURN	<i>Boerum</i>		
	Meeting adjourned at 6:39 p.m.		



To: SVH Board of Directors
From: Sarah Dungan, Controller
Date: April 7, 2022
Subject: QIP Bridge Loan – Resolution No. 365 (Funding Round Two)

Recommendation:

Administration recommends to the Sonoma Valley Health Care District Board of Directors to approve the Non-Designated Public Hospital Bridge Loan resolution number 365.

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 12/31/2021) 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.

The Finance Committee approved to recommend the QIP Bridge loan to the Board of Directors back in November 2021 and the board approved the loan with the condition that a waiver would be issued by Union Bank allowing Sonoma Valley Hospital to secure the loan with Medi-Cal Revenue. The waiver was issued by Union Bank and is noted in amendment six (6) of the Line of Credit renewal.

Loan Details:

Sonoma Valley Health Care District has been approved for \$308,000 for the first funding round and \$300,487.45 for the second funding round. A resolution needs to be approved for each round of funding.

- 2-Year term with balloon payment at end of term
- 0% interest
- 1% Administration fee to the California Health Facilities Financing Authority
- Secured by Medi-Cal revenue
- DHLF has noted the possibility of the loan becoming a grant

Attachments:

- Resolution Number 365
- California Health Facilities Financing Authority Non-designated Public Hospital Bridge Loan Program Loan and Security Agreement (Template – for reference)
- California Health Facilities Financing Authority Non-designated Public Hospital Bridge Promissory Note (Template – for reference)

RESOLUTION 365 OF SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING
EXECUTION AND DELIVERY OF A LOAN AND SECURITY AGREEMENT,
PROMISSORY NOTE, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM

Nondesignated Public Hospital Bridge Loan Program

WHEREAS, Sonoma Valley Health Care District (the “Borrower”) is a nondesignated public hospital as defined in Welfare and Institutions Code Section 14165.55, subdivision (1), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25; and

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed **\$300,487.45** from the California Health Facilities Financing Authority (the “Lender”), such loan to be funded with the proceeds of the Lender's Nondesignated Public Hospital Bridge Loan Program; and

WHEREAS, the Borrower intends to use the funds solely to fund its working capital needs to support its operations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower as follows:

Section 1. The Board of Directors of Borrower hereby ratifies the submission of the application for a loan from the Nondesignated Public Hospital Bridge Loan Program.

Section 2. John Hennelly, President and Chief Executive Officer is an “Authorized Officer” and is hereby authorized and directed, for and on behalf of the Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer deem(s) necessary or advisable in order to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed **\$300,487.45**, shall not bear interest, and shall mature 24 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The Authorized Officers is hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially said form that includes the redirection of up to 20% of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Promissory Note (the “Note”) as evidence of the Borrower's obligation to repay the loan is hereby approved. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Note in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Date of Adoption: _____

SECRETARY'S CERTIFICATE

I, _____, Secretary of SONOMA VALLEY HEALTH CARE DISTRICT, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of SONOMA VALLEY HEALTH CARE DISTRICT duly and regularly held at the regular meeting place thereof on the ____ day of _____, 20__, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Secretary

Date: _____

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Loan and Security Agreement

This Loan and Security Agreement (“Agreement”) is entered into between the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (“Lender” or “Authority”), authorized by the California Health Facilities Financing Authority Act (the “Act”), having its principal place of business at 915 Capitol Mall, Room 435, Sacramento, California 95814, and **BORROWER NAME**, a nondesignated public hospital (“Borrower”) as defined in the Nondesignated Public Hospital Bridge Loan Program guidelines, having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE**.

RECITALS

A. The Borrower has applied to the Authority for a loan from the Nondesignated Public Hospital Bridge Loan Program to fund its Working Capital needs to support its operations.

B. Borrower is a nondesignated public hospital as defined in Welfare and Institutions Code 14165.55, subdivision (l), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25.

C. The Authority has determined that the Borrower’s Application meets eligibility requirements of the hereinafter defined Guidelines.

D. Borrower has requested that Lender lend Borrower certain funds from the Authority’s Nondesignated Public Hospital Bridge Loan Program’s fund balance for the following purpose: To fund its Working Capital needs to support its operations (the “Purpose”).

E. Lender is willing to lend Borrower such funds subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Waiver of Sovereign Immunity

The Borrower hereby waives any immunity it may have from lawsuits and other legal proceedings brought under this Agreement or in connection therewith that are brought by the Authority in the California Superior Court for the County of Sacramento and all courts to which appeals therefrom are available, and enforcement of any judgment of such court in any court of competent jurisdiction, to enforce the terms of this Agreement, and to

enforce and execute any order, judgment or ruling resulting therefrom against any assets or revenues of the Borrower.

If, and only if, a dispute arises between the parties over a matter for which the Borrower has provided a waiver of immunity under this Agreement (the “Dispute”), and the California Superior Court for the County of Sacramento cannot or is unwilling to hear the Dispute, then either party may request binding arbitration of the Dispute. To initiate binding arbitration of a Dispute, a party shall notify the other party in writing. The Dispute shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and subject to California law concerning arbitration, and judgment on the award rendered by the arbitrator may be entered in any court pursuant to California law concerning arbitration. One arbitrator shall preside and shall be selected by the American Arbitration Association. The arbitration shall take place in Sacramento, California. The arbitrator shall render an award within forty-five days from the conclusion of the arbitration. In the event of arbitration, the prevailing party shall be entitled to all of its costs, including reasonable attorneys’ fees, from the nonprevailing party.

ARTICLE I – DEFINITIONS

Section 1.1- CHECKWRITE means a reimbursement for Medi-Cal covered services, due to the Borrower from the California Department of Health Care Services (“DHCS”), for a particular payment period.

Section 1.2- GUIDELINES means the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by the Authority, as may be amended from time to time.

Section 1.3- LIEN means the securitization of the Loan, including but not limited to the Authority’s intercept of the Borrower’s Medi-Cal reimbursements.

Section 1.4- LOAN DOCUMENTS means this Agreement, the Promissory Note, the agreement referenced in Section 3, and the Borrower’s Application, including all exhibits to such documents.

Section 1.5- WORKING CAPITAL means those costs as defined in Government Code Section 15432, subdivision (h) and are the costs eligible for reimbursement to the Borrower from the Loan amount approved by the Authority.

Section 1.6 – DOCUMENT DATE means the date of this Agreement, which is the date Lender signs this Agreement.

Section 1.7- Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Guidelines.

2. The Loan Repayment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees to make a zero percent (0%) interest rate loan in the aggregate principal amount of **LOAN AMOUNT SPELLED OUT (\$0.00)** (the “Loan”) to Borrower. The Loan proceeds shall be disbursed to Borrower upon the satisfaction of all of the conditions precedent set forth in Sections 3, 4 and 5 of this Agreement. It is the intent of the Borrower and the Lender to

create a line of credit agreement between the Borrower and the Lender whereby the Borrower may borrow up to **LOAN AMOUNT SPELLED OUT (\$0.00)** from Lender.

(b) Borrower's obligation to repay the Loan shall be evidenced by a promissory note executed by Borrower (the "Note"), payable to the order of the Lender, in which Borrower agrees to repay the principal sum of the Loan no later than 24 months from the date of this Agreement ("Due Date"). Borrower shall have the right at any time to prepay the Note in whole or in part without premium or penalty.

(c) All payments and prepayments of principal shall, at the option of Lender, be applied first to any fees and costs owing, and after all such fees and penalties have been paid any remainder shall be applied to reduction of the principal balance.

3. Security Agreement.

To induce Lender to make the Loan, to secure Borrower's performance under this Agreement, and to ensure punctual payment of amount due under this Agreement and the Note, the Borrower hereby grants a security interest to Lender and to its successors, and assigns, for so long as Borrower has any obligations to Lender under this Agreement, and for the security and benefit of the Lender, in 20% of the Borrower's respective Medi-Cal checkwrite payments (all such rights being the "Collateral").

Borrower agrees to execute a written agreement substantially in the form set forth in Exhibit A attached hereto and incorporated herein by reference, which authorizes DHCS to redirect Borrower's checkwrite payments to the Lender, if the Loan amount is not repaid in full within 24 months of the date of this Agreement, until such time as the Loan to the Borrower made by Lender (including any fees and other loan related costs as may arise) is paid in full. By execution of the attached agreement, Borrower agrees to assign 20% of its respective Medi-Cal checkwrite payments to the Lender until the Lender notifies DHCS that the loan has been satisfied.

4. Representations and Warranties.

To induce Lender to make the Loan under this Agreement, Borrower hereby represents and warrants to Lender that as of the date hereof and, where relevant, until the Note is paid in full and all obligations under this Agreement are performed in full, that:

(a) Borrower is duly organized under applicable law, is qualified to do business and in good standing in each jurisdiction where required, and has complied with all laws necessary to conduct its business as presently conducted;

(b) Borrower has authority, and has completed all proceedings and obtained all approvals and consents necessary, to execute and deliver all documents authorizing this Loan, including, without limitation, all the Loan Documents, and the transactions contemplated by these Loan Documents;

(c) the execution, delivery and performance of the Loan Documents will not contravene, or constitute a default under or result in a lien upon assets of Borrower pursuant to any applicable law or regulation, any charter document of Borrower or any contract, agreement, judgment, order, decree, or other instrument binding upon or affecting Borrower except for, if applicable, (i) certain liens created by the Loan Documents evidencing this Loan and (ii) other liens in favor of Lender;

(d) this Agreement, the Note, the agreement referenced in Section 3 and all of the other Loan Documents constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(e) Borrower represents, except as previously disclosed to Lender, and warrants there is no financing statement, security agreement or any other document covering any required Collateral, or any part thereof, on file, recorded or in effect in any public office;

(f) except as previously disclosed to Lender in writing, there is no action, suit or proceeding, pending or threatened against Borrower which might adversely affect Borrower in any material respect;

(g) Borrower does not have any delinquent tax obligations, and all tax returns required of Borrower have been filed; and

(h) all proceeds of this Loan will be used by the Borrower solely for the Purpose as described in the Recitals and as has been approved by Lender.

5. Conditions Precedent.

Lender shall have no obligation to make the Loan under this Agreement until Lender is satisfied that all of the following conditions have been satisfied:

(a) as of the date of this Agreement, there shall exist no Event of Default, as defined in Section 7, and no event which, with the giving of notice or passage of time, or both, would constitute an Event of Default;

(b) Borrower shall have delivered to Lender a duly executed Agreement, Note, and all other requested Loan Documents;

(c) Borrower shall have delivered to Lender a resolution of the Borrower's Board of Directors duly authorizing the execution, delivery and performance by it of each of the Loan Documents as well as ratification of the submitted application; and

(d) Borrower shall have delivered any other documents reasonably required by Lender in connection with carrying out the purposes of this Agreement, including all documents specified in Sections 2, 3, 4 and 5.

6. Covenants.

From the date of this Agreement until the Note is paid in full and all obligations under this Agreement are performed, Borrower agrees that:

(a) at all times during this Agreement, Borrower shall accurately maintain, in accordance with generally accepted accounting principles, all books of account, records and documents of every kind in which all matters relating to this Loan, including, without limitation, all income, expenditures, assets, and liabilities;

(b) Borrower shall at all times maintain its corporate existence and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights, licenses, and franchises;

(c) Borrower shall not, without the prior written notification to Lender, change its name or place of business, merge, affiliate, or consolidate with any company or enterprise, or otherwise substantially change its corporate structure or the general character of its business as it is presently conducted;

(e) Borrower shall do all acts that may be necessary to maintain, preserve and protect any required Collateral;

(f) Borrower shall not use or permit any required Collateral to be used unlawfully or in violation of any provision of this Agreement, or any applicable statute, regulation, ordinance or any policy of insurance covering the Collateral;

(g) Borrower shall execute and deliver any financing statement, assignment or other writing deemed necessary or appropriate by Lender to perfect, maintain and protect its security interest under this Agreement;

(i) Borrower shall pay all taxes, assessments, and related obligations when such taxes, assessments and obligations are due and payable;

(j) Borrower shall not create, incur, assume or suffer to exist any further assignment, encumbrance, or lien upon any required Collateral without the prior written consent of Lender;

(k) Borrower shall pay all costs, fees and expenses incurred by Lender in connection with this Agreement;

(l) Borrower may not assign the Agreement or Note to any person or entity, and the Agreement or Note may not be assumed by any person or entity without the prior written consent of Lender;

(m) Borrower shall promptly notify Lender in writing of the occurrence of any event which might materially adversely affect Borrower or which constitutes, or upon notice or passage of time or both, would constitute an Event of Default; and

(n) Borrower shall pay to Lender a fee equal to one percent (1.00%) of the loan amount as a reduction in disbursement of loan proceeds to Borrower.

7. Events of Default.

A default exists, upon the occurrence and during the continuance of any of the following events (“Events of Default”):

(a) failure by Borrower to pay any principal or any other amount payable hereunder or under the Note when due in accordance with the terms of the Agreement or the Note;

(b) any representation or warranty made by Borrower in this Agreement or in any other Loan Document or financial or other statement furnished at any time under or in connection herewith or therewith shall prove to have been incorrect, false or misleading in any material respect on or as of the date when made or deemed to have been made or prior to the date when all obligations of this Agreement have been fully satisfied;

(c) failure of Borrower to fully and completely perform any obligation (except for the obligation set forth in Section 2(b) of this Agreement), covenant or agreement set forth in this Agreement or in the other Loan Documents or any agreement as may be required by Sections 3,4 and 5 herein and the failure to cure the default may, in the sole discretion of the Lender, not constitute an Event of Default unless (i) Borrower fails to commence steps to cure the failure within the fifteen (15) day period or (ii) Borrower fails to cure the failure within thirty (30) days after the date of the failure;

(d) (i) Borrower shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets, (ii) a custodian, receiver, trustee or liquidator shall have been appointed with or without the consent of Borrower, (iii) Borrower shall generally not be paying its debts as they become due, has made a general assignment for the benefit of creditors, has filed a voluntary petition in bankruptcy, or has filed a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law, (iv) Borrower shall have filed an answer admitting the material allegations of a petition in any bankruptcy, reorganization or insolvency proceeding, or taken any corporate action for the purpose of effecting the filing of such an answer, (v) a petition in bankruptcy shall have been filed against Borrower and shall not have been dismissed for a period of thirty (30) consecutive days, (vi) an order for relief shall have been entered under the Federal Bankruptcy Code against Borrower, (vii) an order, judgment or decree shall have been entered, without the application, approval or consent of Borrower, by any court of competent jurisdiction approving a petition seeking reorganization of Borrower or appointing a receiver, trustee, custodian or liquidator of Borrower or a substantial part of its assets, and the order, judgment or decree shall have continued unstayed and in effect for any period of forty-five (45) consecutive days, (viii) Borrower shall have suspended the transaction of its usual business, or (ix) Borrower shall have ceased to be authorized by the laws of this State to operate a health facility, as defined by the Act; and

(e) if the Loan amount due under this Agreement is not paid in full within twenty-four (24) months from the date of this Agreement, then at the option and upon the declaration of Lender, all amounts owed to Lender under this Agreement and the Note shall, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, become immediately due and payable, and Lender may immediately, and without expiration of any period of grace, enforce payment of all amounts owed to Lender under this Agreement and the Note and exercise any and all other remedies granted to it at law, in equity or otherwise, for the enforcement of realization of the security interests provided in this Agreement. In addition, Lender shall be entitled to recover from Borrower all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in exercising any remedies under this Agreement.

No delay in accelerating the maturity of any obligation contained in this Agreement or in taking any other action with respect to any Event of Default shall affect the rights of Lender later to take such action with respect thereto, and no waiver as to a prior occasion shall affect rights as to any other Event of Default. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect any sums owing under this Agreement, and agrees that its liability on this Agreement shall not be affected by any release of or change in any security for the payment of sums due under this Agreement.

If Borrower fails to pay its one-time installment of principal due under this Agreement by the Due Date of the one-time installment, Borrower shall pay Lender twenty percent (20%) of its respective Medi-Cal checkwrite payments due for the purpose of the handling of a delinquent payment. Borrower and Lender agree that the method of repayment represents a reasonable means of collection considering all of the circumstances existing on the date of this Agreement.

Acceptance by the Lender or holder of the Note of any installment after any default under this Agreement shall not operate to extend the time of payment of any amount then remaining unpaid or constitute a waiver of any of the other rights of the Lender or holder under the Note or this Agreement.

8. Security Agreement.

This Agreement shall constitute a security agreement with respect to any required Collateral.

9. Miscellaneous.

(a) Borrower hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Lender, Authority members, officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly,

indirectly, wholly or partially arising from or in connection with any act or omission of Borrower, its employees or agents, in applying for or accepting the Loan, or in expending or applying the funds furnished pursuant to this Agreement. This section shall survive the termination of this Agreement.

(b) The terms of this Agreement may be revised or modified only with the prior written consent of both parties.

(c) The descriptive headings in this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions of this Agreement.

(d) Any provision of this Agreement that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Agreement.

(e) This Agreement is intended by the parties to be the final expression of their agreement with respect to the terms included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement.

(f) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument.

(g) All notices given under this Agreement shall be in writing and shall be hand-delivered or mailed by registered or certified mail, postage prepaid and shall be sent to the parties' respective addresses first written above or any other address as a party may have specified in writing.

(h) Borrower waives trial by jury in any litigation arising out of or relating to this Agreement in which a holder of the Note is an adverse party and further waives the right to interpose any defense, set-off, or counterclaim of any nature or description.

(i) Lender and Borrower hereby agree that the laws of the State of California apply to this Agreement. Any legal action or proceedings brought to enforce or interpret the terms of this Agreement shall be initiated and maintained in the courts of the State of California and or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in day and year first hereinabove written.

LENDER: **CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY**, a public
instrumentality of the State of California

By: _____

Name: **Frank Moore**

Title: **Executive Director**

Date: _____

BORROWER: **BORROWER NAME**,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____

EXHIBIT A

AUTHORIZATION TO CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
REDIRECTION OF MEDI-CAL WARRANTS TO
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

1. NAME OF BORROWER (MEDI-CAL PROVIDER)		2. MEDI-CAL PROVIDER NUMBER	
BORROWER NAME			
3. MAIN CONTACT PERSON NAME		4. TELEPHONE NUMBER	
5. ADDRESS CITY STATE ZIP			
6. LOAN AMOUNT NOT TO EXCEED			
LOAN AMOUNT SPELLED OUT (\$0.00)			

Borrower hereby assigns all of its rights to 20% of its respective Medi-Cal checkwrite payments, along with any and all underlying right to reimbursement as may currently exist, to the California Health Facilities Financing Authority (CHFFA) if the Loan amount is not repaid in full within 24 months of the date of this Agreement, as part of the re-payment requirements of the Nondesignated Public Hospital Bridge Loan Program approved by CHFFA Resolution No. 2021-04 on October 28, 2021.

This assignment shall be in place until CHFFA has notified the Department of Health Care Services (DHCS) that the loan has been paid in full, whereupon the right to full future reimbursements shall revert to the Borrower.

Borrower receives Medi-Cal reimbursement via (check appropriate box):

- Paper warrants
- Electronic funds transfer (EFT)

If an EFT recipient, Borrower acknowledges and agrees to the following requirements:

Borrower shall complete an EFT cancellation form (see attached), which shall be submitted to DHCS. This form must be submitted to DHCS at least one week in advance of the applicable State Controller's Office (SCO) checkwrite issuance date.

Borrower acknowledges that after DHCS receives notice from CHFFA that Borrower's loan is paid in full, the Medi-Cal reimbursement to Borrower will be by paper warrants until such time as the Borrower reapplies for EFT and that application is effective.

Borrower assumes the responsibility of updating its address on file with DHCS and submitting to DHCS any necessary address correction using the Medi-Cal Supplemental Changes form (Form 6209).

BORROWER: **BORROWER NAME**, a nondesignated public hospital

By: _____
(Authorized Officer)

Name: AUTHORIZED OFFICER NAME

Title: TITLE OF AUTHORIZED OFFICER

EFT	Electronic Fund Transfer Authorization	<u>Department of Health Care Services – Medi-Cal:</u> This authorization remains in full force and effect until the California Medicaid Program/Title XIX receives written notification from the provider of its termination, or until the California Medicaid Program/Title XIX or appointing authority deems it necessary to terminate the agreement.
-----	--	---

Directions: An original pre-imprinted voided check for checking accounts, or an original bank letter for savings accounts, must be submitted with this form. The provider name, routing number and account number on either of those documents must match what is entered on this form. Photocopied documents will not be accepted. Use blue ink for signatures, including notary.

Section A

Please Print or Type

1. Name of Provider (must match name on bank account and name registered with Medi-Cal)	2. NPI OR Legacy Number (one EFT form per number)
3. Name of Main Contact Person	4. Telephone Number
5. Provider Address	City State Zip
6. Last 4 Digits of Provider Social Security Number or Complete Federal Tax ID Number (must match number registered with Medi-Cal)	

Section B

1. Bank Routing Number	2. Bank Account Number (including leading zeroes)	3. Type of Account Checking Savings
4. Bank Name		
5. Bank Address	City	State Zip

Section C (Check the appropriate box)

I hereby authorize the California Medicaid Program/Title XIX to initiate credit entries to my bank account as indicated above, and the depository named above to credit the same to such account. For changes to existing accounts, do not close an existing account until the first payment has been deposited into the new account.

I hereby CANCEL my EFT authorization.

I understand that by signing this form, payments issued will be from Federal and State funds, and that any falsification or concealment of a material fact may be prosecuted under Federal and State laws.

Provider Signature
Date
(Blue ink only. Must be owner or corporate officer.)

Form Must Be Notarized

Mail This Form To:
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 PO Box 13029
 Sacramento, CA 95813-4029

Express Mail Only
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 820 Stillwater Road
 West Sacramento, CA 95605

Privacy Statement (Civil Code Section 1798 et seq.): The information requested on this form is required by the Department of Health Care Services for purposes of identification and document processing. Furnishing the information requested on this form is mandatory. Failure to provide the mandatory information may result in your request being delayed or not processed.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Promissory Note (“Note”)

\$0.00

BORROWER NAME, a nondesignated public hospital having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE** (“Borrower”), for value received, hereby promises to pay to the order of CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (the “Lender” or “Holder”), at its office located at 915 Capitol Mall, Room 435, Sacramento, California 95814, or at such other place as the Holder may from time to time designate in writing, in lawful money of the United States of America, the principal sum of **LOAN AMOUNT SPELLED OUT (\$0.00)** or so much thereof as may be advanced to or for the benefit of the Borrower by the Lender in Lender’s sole and absolute discretion, until payment of such principal sum shall be discharged in no event later than 24 months from the date as more particularly provided for in that certain Loan and Security Agreement between Borrower and the Lender, dated as of the date thereof (the “Agreement”). It is the intent of the Borrower and Lender to create a line of credit agreement between Borrower and Lender whereby Borrower may borrow up to **\$000,000.00** from Lender provided, however, that Lender has no obligation to lend Borrower any amounts hereunder and the decision to lend such money lies in the sole discretion of Lender.

All payments on this Note shall, at the option of Holder, be applied first to any fees and costs owing and any remainder shall be applied to a reduction of the principal balance.

The Borrower shall be in default of this Note on the occurrence of any of the events set forth in the Agreement executed simultaneously herewith, including but not limited to the following: (i) the Borrower shall fail to meet its obligation to make the required principal payment hereunder; (ii) the Borrower shall be dissolved or liquidated; (iii) the Borrower shall make an assignment for the benefit of creditors or shall be unable to, or shall admit in writing their inability to pay their debts as they become due; (iv) the Borrower shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, or any such action shall be commenced against the undersigned; (v) the Borrower shall suffer a receiver to be appointed for it or for any of its property or shall suffer a garnishment, attachment, levy or execution.

Upon default of this Note, Lender may declare the entire amount due and owing hereunder to be immediately due and payable. Lender may also use all remedies in law and in equity to enforce and collect the amount owed under this Note. The remedies of the Holder, as provided in the Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including specifically any failure to exercise any right, remedy or recourse shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and

then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower hereby waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and non-payment, bringing of suit and diligence in taking any action to collect any sums owing hereunder, and agrees that its liability on this Note shall not be affected by any release of or change in any security for the payment of this Note.

Borrower shall have the right to prepay this Note in whole or in part at any time without penalty or premium.

Any provision of this Note or corresponding Agreement, that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Note.

Borrower agrees that the laws of the State apply to this Note. Any legal action or proceedings brought to enforce or interpret the terms of this Note shall be initiated and maintained in the courts of the State of California or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

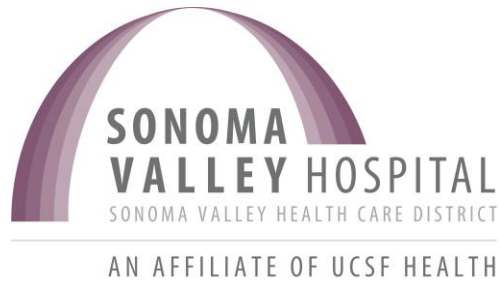
BORROWER NAME,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____



To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: March 22, 2022
Subject: Financial Report for the Month Ending February 28, 2022

For the month of February the hospital's actual operating margin of (\$1,031,785) was (\$188,352) unfavorable to the budgeted operating margin of (\$843,433). After accounting for all other activity; the net loss for February was (\$566,517) vs. the budgeted net income of \$195,801 with a monthly EBDA of -13.8% vs. a budgeted -7.5%.

Gross patient revenue for February was \$22,030,455; (\$493,850) under budget. Inpatient gross revenue was under budget by (\$1,121,505). Inpatient days were under budget by (13) days and inpatient surgeries were at budget at 16 cases. Outpatient gross revenue was under budget by (\$320,008). Outpatient visits were under budget by (38) visits, outpatient surgeries were under budget by (11) cases, and special procedures were under budget by (2) cases. The Emergency Room gross revenue was over budget by \$947,663 with ER visits under budgeted expectations by (5) visits.

Deductions from revenue were favorable to budgeted expectations by \$683,143 due to lower gross revenue than budgeted and the accrual of the QIP IGT to be received by fiscal year-end.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$189,355.

Operating Expenses of \$4,836,066 were unfavorable to budget by (\$377,707). Salaries and wages were under budget by \$71,616 and agency fees are over by (\$94,496). Professional fees were over budget by (\$41,332) due to higher than budgeted UCSF management costs including the new IT director. Supplies are over budget by (\$204,644) due to the laboratory (\$106,048) for increased costs for COVID testing supplies as well as January invoices posted to February, and in surgery (\$58,238) for implant costs, and in Pharmacy (\$18,406) for high cost drugs. Other expenses were over budget due to recruitment costs (\$76,972) for a technical supervisor and manager for the laboratory.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for February was (\$746,434) vs. a budgeted net loss of (\$525,790). The total net loss for February after all activity was (\$566,517) vs. a budgeted net income of \$195,801.



EBDA for the month of February was -13.8% vs. the budgeted -7.5%.

Patient Volumes – February

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	49	80	-31	54
Acute Patient Days	242	255	-13	243
Observation Days	5	0	5	15
OP Gross Revenue	\$17,087	\$16,459	\$628	\$15,030
Surgical Cases	104	115	-11	99

Gross Revenue Overall Payer Mix – February

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	35.1%	39.6%	-4.5%	36.6%	39.7%	-3.1%
Medicare Mgd Care	20.4%	15.4%	5.0%	17.3%	15.4%	1.9%
Medi-Cal	15.7%	19.1%	-3.4%	16.7%	19.1%	-2.4%
Self Pay	0.8%	1.1%	-0.3%	1.6%	1.1%	0.5%
Commercial	23.5%	21.7%	1.8%	24.7%	21.6%	3.1%
Workers Comp	4.5%	3.1%	1.4%	3.1%	3.1%	0.0%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for February:

For the month of February the cash collection goal was \$3,663,224 and the Hospital collected \$3,262,390 or under the goal by (\$400,834). The year-to-date cash collection goal was \$29,825,541 and the Hospital has collected \$28,949,455 or under goal by (\$876,086).

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	58.5	54.3	4.2	31.9
Accounts Receivable Days	40.8	41.4	-0.6	49.9
Accounts Payable	\$4,402,661	\$4,248,742	\$153,919	\$3,465,299
Accounts Payable Days	52.8	52.1	0.7	47.6

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 February 28, 2022

ATTACHMENT A

	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Gross Revenue:								
Medicare	7,739,315	8,890,307	-1,150,992	-12.9%	69,650,302	69,251,839	398,463	0.6%
Medicare Managed Care	4,492,715	3,474,661	1,018,054	29.3%	32,955,754	26,937,786	6,017,968	22.3%
Medi-Cal	3,451,936	4,302,177	-850,241	-19.8%	31,677,598	33,259,857	-1,582,259	-4.8%
Self Pay	177,503	248,138	-70,635	-28.5%	3,064,214	1,861,935	1,202,279	64.6%
Commercial & Other Government	5,187,055	4,915,737	271,318	5.5%	47,105,082	37,928,172	9,176,910	24.2%
Worker's Comp.	981,931	693,285	288,646	41.6%	5,920,728	5,371,677	549,051	10.2%
Total	22,030,455	22,524,305	(493,850)		190,373,678	174,611,266	15,762,412	

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Net Revenue:								
Medicare	909,604	1,035,628	-126,024	-12.2%	7,825,944	8,286,775	-460,831	-5.6%
Medicare Managed Care	461,127	400,976	60,151	15.0%	3,475,926	3,083,620	392,306	12.7%
Medi-Cal	350,361	453,019	-102,658	-22.7%	3,243,081	3,472,263	-229,182	-6.6%
Self Pay	53,553	93,622	-40,069	-42.8%	1,257,784	702,508	555,276	79.0%
Commercial & Other Government	1,645,805	1,425,705	220,100	15.4%	12,647,613	10,901,052	1,746,561	16.0%
Worker's Comp.	149,155	128,327	20,828	16.2%	978,542	981,853	-3,311	-0.3%
Prior Period Adj/IGT	156,965	-	156,965 *		4,655,565	6,835,000	-2,179,435	-31.9%
Total	3,726,570	3,537,277	189,293	5.4%	34,084,455	34,263,071	(178,616)	-0.5%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Percent of Net Revenue:								
Medicare	24.4%	29.3%	-4.9%	-16.7%	23.0%	24.2%	-1.3%	-5.4%
Medicare Managed Care	12.4%	11.3%	1.1%	9.7%	10.2%	9.0%	1.2%	13.3%
Medi-Cal	9.4%	12.8%	-3.4%	-26.6%	9.5%	10.1%	-0.6%	-5.9%
Self Pay	1.4%	2.6%	-1.2%	-46.2%	3.7%	2.1%	1.6%	76.2%
Commercial & Other Government	44.2%	40.4%	3.8%	9.4%	37.0%	31.8%	5.2%	16.4%
Worker's Comp.	4.0%	3.6%	0.4%	11.1%	2.9%	2.9%	0.0%	0.0%
Prior Period Adj/IGT	4.2%	0.0%	4.2% *		13.7%	19.9%	-6.2%	-31.2%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Projected Collection Percentage:								
Medicare	11.8%	11.6%	0.2%	1.7%	11.2%	12.0%	-0.8%	-6.7%
Medicare Managed Care	10.3%	11.5%	-1.2%	-10.4%	10.5%	11.4%	-0.9%	-7.9%
Medi-Cal	10.1%	10.5%	-0.4%	-3.8%	10.2%	10.4%	-0.2%	-1.9%
Self Pay	30.2%	37.7%	-7.5%	-19.9%	41.0%	37.7%	3.3%	8.8%
Commercial & Other Government	31.7%	29.0%	2.7%	9.3%	26.8%	28.7%	-1.9%	-6.6%
Worker's Comp.	15.2%	18.5%	-3.3%	-17.8%	16.5%	18.3%	-1.8%	-9.8%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended February 28, 2022**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual</u> <u>02/28/22</u>	<u>Budget</u> <u>02/28/22</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>		<u>Actual</u> <u>02/28/22</u>	<u>Budget</u> <u>02/28/22</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>	<u>Prior</u> <u>Year</u> <u>02/28/21</u>
Inpatient Utilization								
Discharges								
1	39	64	(25)	Med/Surg	370	469	(99)	400
2	10	16	(6)	ICU	117	121	(4)	103
3	49	80	(31)	Total Discharges	487	590	(103)	503
Patient Days:								
4	147	167	(20)	Med/Surg	1,358	1,373	(15)	1,364
5	95	88	7	ICU	712	720	(8)	724
6	242	255	(13)	Total Patient Days	2,070	2,093	(23)	2,088
7	5	-	5	Observation days	172	-	172	153
Average Length of Stay:								
8	3.8	2.6	1.2	Med/Surg	3.7	2.9	0.7	3.4
9	9.5	5.5	4.0	ICU	6.1	6.0	0.1	7.0
10	4.9	3.2	1.8	Avg. Length of Stay	4.3	3.5	0.7	4.2
Average Daily Census:								
11	5.3	6.0	(0.7)	Med/Surg	5.6	5.7	(0.1)	5.6
12	3.4	3.1	0.3	ICU	2.9	3.0	(0.0)	3.0
13	8.6	9.1	(0.5)	Avg. Daily Census	8.5	8.6	(0.1)	8.6
Other Utilization Statistics								
Emergency Room Statistics								
14	665	670	(5)	Total ER Visits	6,020	4,964	1,056	5,444
Outpatient Statistics:								
15	4,484	4,522	(38)	Total Outpatients Visits	36,784	35,873	911	30,568
16	16	16	-	IP Surgeries	87	130	(43)	120
17	88	99	(11)	OP Surgeries	823	768	55	780
18	41	43	(2)	Special Procedures	419	334	85	347
19	218	297	(78)	Adjusted Discharges	2,196	2,110	85	1,842
20	1,078	946	132	Adjusted Patient Days	9,309	7,471	1,838	7,605
21	38.5	33.8	4.7	Adj. Avg. Daily Census	38.3	30.7	7.6	31.3
22	1.3715	1.4000	(0.029)	Case Mix Index - Medicare	1.4032	1.4000	0.003	1.5979
23	1.5234	1.4000	0.123	Case Mix Index - All payers	1.3971	1.4000	(0.003)	1.5095
Labor Statistics								
24	217	217	0	FTE's - Worked	205	208	3.0	206
25	227	240	13	FTE's - Paid	227	230	2.7	228
26	49.12	45.89	(3.23)	Average Hourly Rate	46.25	44.80	(1.44)	46.45
27	5.90	7.10	1.20	FTE / Adj. Pat Day	5.93	7.47	1.55	7.28
28	33.6	40.5	6.9	Manhours / Adj. Pat Day	33.8	42.6	8.8	41.5
29	166.0	129.0	(37.0)	Manhours / Adj. Discharge	143.2	150.8	7.6	171.3
30	27.7%	26.1%	-1.7%	Benefits % of Salaries	24.9%	24.7%	-0.1%	22.0%
Non-Labor Statistics								
31	20.6%	15.9%	-4.7%	Supply Expense % Net Revenue	16.9%	13.1%	-3.8%	16.0%
32	3,518	1,897	(1,620)	Supply Exp. / Adj. Discharge	2,290	2,119	(170)	2,432
33	22,402	15,310	(7,093)	Total Expense / Adj. Discharge	18,077	18,479	402	20,050
Other Indicators								
34	60.0			Days Cash - Operating Funds				
35	40.8	50.0	(9.2)	Days in Net AR	42.1	50.0	(7.9)	51.4
36	89%			Collections % of Net Revenue	97%			97.1%
37	52.8	55.0	(2.2)	Days in Accounts Payable	52.8	55.0	(2.2)	46.9
38	16.9%	15.7%	1.2%	% Net revenue to Gross revenue	15.7%	19.7%	-4.0%	17.9%
39	15.9%			% Net AR to Gross AR	15.9%			17.0%

Sonoma Valley Health Care District
Balance Sheet
As of February 28, 2022

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 3,342,020	\$ 3,205,068	\$ 1,406,153
2 Cash - Money Market	5,844,185	5,843,923	3,637,873
3 Net Patient Receivables	7,124,422	6,940,346	6,194,073
4 Allow Uncollect Accts	(2,117,220)	(2,001,175)	(951,947)
5 Net A/R	5,007,202	4,939,171	5,242,126
6 Other Accts/Notes Rec	1,778,140	1,950,454	2,026,449
7 Parcel Tax Receivable	1,665,888	1,665,888	1,753,089
8 GO Bond Tax Receivable	1,225,217	1,225,217	1,411,343
9 3rd Party Receivables, Net	495,689	1,637,526	215,106
10 Inventory	1,044,623	1,043,635	892,181
11 Prepaid Expenses	923,701	945,661	688,079
12 Total Current Assets	\$ 21,326,665	\$ 22,456,543	\$ 17,272,399
13 Property, Plant & Equip, Net	\$ 51,557,815	\$ 51,704,726	\$ 52,536,643
14 Trustee Funds - GO Bonds	5,091,558	5,091,525	5,111,704
15 Designated Funds - Board Approved	1,000,000	1,000,000	1,000,000
16 Total Assets	\$ 78,976,038	\$ 80,252,794	\$ 75,920,746
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 4,402,661	\$ 4,248,742	\$ 3,465,299
18 Accrued Compensation	3,613,514	3,573,156	3,498,407
19 Interest Payable - GO Bonds	315,500	263,605	628,104
20 Accrued Expenses	1,797,166	2,183,118	1,741,627
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	1,266,668	1,583,335	1,266,652
23 Deferred GO Bond Tax Revenue	927,249	1,159,061	1,103,065
24 Current Maturities-LTD	348,292	348,292	292,889
25 Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26 Other Liabilities	1,578,083	1,586,783	252,412
27 Total Current Liabilities	\$ 19,722,867	\$ 20,419,826	\$ 17,722,189
28 Long Term Debt, net current portion	\$ 25,047,129	\$ 25,060,409	\$ 27,203,755
Fund Balances:			
29 Unrestricted	\$ 18,568,602	\$ 19,135,119	\$ 16,601,558
30 Restricted	15,637,440	15,637,440	14,393,244
31 Total Fund Balances	\$ 34,206,042	\$ 34,772,559	\$ 30,994,802
32 Total Liabilities & Fund Balances	\$ 78,976,038	\$ 80,252,794	\$ 75,920,746

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended February 28, 2022**

ATTACHMENT D

	Month				Year-To-Date				YTD	
	This Year		Variance		This Year		Variance		Prior Year	
	Actual		\$	%	Actual	Budget	\$	%		
	Volume Information									
1	49	80	(31)	-39%	Acute Discharges	487	590	(103)	-17%	503
2	242	255	(13)	-5%	Patient Days	2,070	2,093	(23)	-1%	2,088
3	5	-	5	0%	Observation Days	172	-	172	*	153
4	\$ 17,087	\$ 16,459	\$ 628	4%	Gross O/P Revenue (000's)	\$ 147,980	\$ 125,776	\$ 22,204	18%	\$ 114,065
	Financial Results									
	Gross Patient Revenue									
5	\$ 4,943,648	\$ 6,065,153	(1,121,505)	-18%	Inpatient	\$ 42,393,654	\$ 48,834,845	(6,441,191)	-13%	\$ 43,143,203
6	9,981,667	10,301,675	(320,008)	-3%	Outpatient	89,881,832	79,313,727	10,568,105	13%	68,963,090
7	7,105,140	6,157,477	947,663	15%	Emergency	58,098,192	46,462,694	11,635,498	25%	45,341,580
8	\$ 22,030,455	\$ 22,524,305	(493,850)	-2%	Total Gross Patient Revenue	\$ 190,373,678	\$ 174,611,266	15,762,412	9%	\$ 157,447,873
	Deductions from Revenue									
9	(18,356,675)	(18,809,457)	452,782	2%	Contractual Discounts	\$ (159,381,818)	\$ (145,762,627)	(13,619,191)	-9%	\$ (130,888,409)
10	(100,000)	(150,000)	50,000	33%	Bad Debt	(1,500,000)	(1,200,000)	(300,000)	-25%	(970,000)
11	(4,175)	(27,571)	23,396	85%	Charity Care Provision	(62,970)	(220,568)	157,598	71%	(233,000)
12	156,965	-	156,965	*	Prior Period Adj/Government Program Revenue	4,655,565	6,835,000	(2,179,435)	-32%	2,708,950
13	\$ (18,303,885)	\$ (18,987,028)	683,143	-4%	Total Deductions from Revenue	\$ (156,289,223)	\$ (140,348,195)	(15,941,028)	11%	\$ (129,382,459)
14	\$ 3,726,570	\$ 3,537,277	189,293	5%	Net Patient Service Revenue	\$ 34,084,455	\$ 34,263,071	(178,616)	-1%	\$ 28,065,414
15	\$ 77,711	\$ 77,649	62	0%	Other Op Rev & Electronic Health Records	\$ 756,116	\$ 711,192	44,924	6%	\$ 680,275
16	\$ 3,804,281	\$ 3,614,926	189,355	5%	Total Operating Revenue	\$ 34,840,571	\$ 34,974,263	\$ (133,692)	0%	\$ 28,745,689
	Operating Expenses									
17	\$ 1,779,122	\$ 1,756,242	(22,880)	-1%	Salary and Wages and Agency Fees	\$ 14,540,454	\$ 14,255,735	(284,719)	-2%	\$ 14,654,336
18	672,975	696,130	23,155	3%	Employee Benefits	5,542,855	5,436,737	(106,118)	-2%	5,246,610
19	\$ 2,452,097	\$ 2,452,372	275	0%	Total People Cost	\$ 20,083,309	\$ 19,692,472	(390,837)	-2%	\$ 19,900,946
20	\$ 553,996	\$ 512,664	(41,332)	-8%	Med and Prof Fees (excl Agency)	\$ 4,574,347	\$ 4,097,648	(476,699)	-12%	\$ 3,451,608
21	767,489	562,845	(204,644)	-36%	Supplies	5,027,904	4,472,379	(555,525)	-12%	4,480,480
22	383,217	405,938	22,721	6%	Purchased Services	3,386,164	3,187,029	(199,135)	-6%	3,445,326
23	223,283	252,880	29,597	12%	Depreciation	1,882,471	2,023,040	140,569	7%	2,045,458
24	119,604	104,118	(15,486)	-15%	Utilities	989,492	918,486	(71,006)	-8%	944,150
25	53,762	46,909	(6,853)	-15%	Insurance	416,949	375,272	(41,677)	-11%	359,992
26	14,654	17,966	3,312	18%	Interest	129,989	143,728	13,739	10%	140,998
27	189,482	102,667	(86,815)	-85%	Other	972,870	812,130	(160,740)	-20%	818,817
28	78,482	-	(78,482)	*	Matching Fees (Government Programs)	1,601,524	2,600,000	998,476	-38%	620,237
29	\$ 4,836,066	\$ 4,458,359	(377,707)	-8%	Operating expenses	\$ 39,065,019	\$ 38,322,184	(742,835)	-2%	\$ 36,208,012
30	\$ (1,031,785)	\$ (843,433)	(188,352)	-22%	Operating Margin	\$ (4,224,448)	\$ (3,347,921)	(876,527)	-26%	\$ (7,462,323)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended February 28, 2022**

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ (1,276)	\$ 976	(2,252)	-231%						\$ 25,434	
32	6,126	-	6,126	0%						498	
33	-	-	-	*						0	
34	316,667	316,667	-	0%						2,533,336	
35	(36,166)	-	(36,166)	0%						36	
36	<u>\$ 285,351</u>	<u>\$ 317,643</u>	<u>3,874</u>	<u>-10%</u>						<u>\$ 2,559,304</u>	
37	<u>\$ (746,434)</u>	<u>\$ (525,790)</u>	<u>(220,644)</u>	<u>42%</u>	Net Income / (Loss) prior to Restricted Contributions	<u>\$ (1,832,672)</u>	<u>\$ (806,777)</u>	<u>(927,962)</u>	<u>115%</u>	<u>\$ (4,903,019)</u>	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ -	\$ 523,803	(523,803)	0%	Restricted Foundation Contributions	\$ 419,884	\$ 4,190,424	(3,770,540)	100%	\$ 5,098,311	
40	<u>\$ (746,434)</u>	<u>\$ (1,987)</u>	<u>(744,447)</u>	<u>37466%</u>	Net Income / (Loss) w/ Restricted Contributions	<u>\$ (1,412,788)</u>	<u>\$ 3,383,647</u>	<u>(4,796,435)</u>	<u>-142%</u>	<u>\$ 195,292</u>	
41	179,917	197,788	(17,871)	-9%	GO Bond Activity, Net	1,224,250	1,576,221	(351,971)	-22%	1,482,572	
42	<u>\$ (566,517)</u>	<u>\$ 195,801</u>	<u>(762,318)</u>	<u>-389%</u>	Net Income/(Loss) w GO Bond Activity	<u>\$ (188,538)</u>	<u>\$ 4,959,868</u>	<u>(5,148,406)</u>	<u>-104%</u>	<u>\$ 1,677,864</u>	
	\$ (523,151)	\$ (272,910)	(250,241)		EBDA - Not including Restricted Contributions	\$ 49,799	\$ 1,216,263	(1,166,464)		\$ (2,857,561)	
	-13.8%	-7.5%				0.1%	3.5%			-9.9%	

* Operating Margin without Depreciation expense:

\$ (1,031,785)	\$ (843,433)	\$ (188,352)	-22%	Operating Margin	\$ (4,224,448)	\$ (3,347,921)	\$ (876,527)	-26%	\$ (7,462,323)
223,283	252,880	29,597	12%	Add back Depreciation	1,882,471	2,023,040	140,569	7%	2,045,458
<u>\$ (808,502)</u>	<u>\$ (590,553)</u>	<u>\$ (158,755)</u>	<u>-37%</u>	Operating Margin without Depreciation expense	<u>\$ (2,341,977)</u>	<u>\$ (1,324,881)</u>	<u>\$ (735,958)</u>	<u>-77%</u>	<u>\$ (5,416,865)</u>

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended February 28, 2022**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	(284,719)	(22,880)	Salaries and wages are under budget by \$71,616 and agency fees are over by (\$94,496). Agency fees are over budget in emergency room, surgery, respiratory therapy, radiology, MRI, and OP physical therapy.
Employee Benefits	(106,118)	23,155	Paid time off is under budget by \$27,343 and employee benefits are over by (\$4,188).
Total People Cost	(390,837)	275	
Med and Prof Fees (excl Agency)	(476,699)	(41,332)	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	(555,525)	(204,644)	Supplies are over budget in the lab (\$106,048) due to increased costs for COVID testing supplies as well as January invoices posted to February, and in surgery (\$58,238) for implant costs, and in Pharmacy (\$18,406) for high cost drugs.
Purchased Services	(199,135)	22,721	
Depreciation	140,569	29,597	
Utilities	(71,006)	(15,486)	
Insurance	(41,677)	(6,853)	
Interest	13,739	3,312	
Other	(160,740)	(86,815)	Other expenses are over budget due to recruiting costs for a technical supervisor and manager for the lab (\$76,972)
Matching Fees (Government Programs)	998,476	(78,482)	
Operating expenses	(742,835)	(377,707)	

Sonoma Valley Hospital
Cash Forecast
FY 2022

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual 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	3,899,456	4,078,858	3,650,080	3,486,789	3,715,092	3,543,740	3,660,679	3,579,175	44,283,761
2 Other Operating Revenue	50,926	33,133	27,360	158,301	168,773	44,417	57,192	298,629	80,485	80,485	80,485	80,485	1,160,671
3 Other Non-Operating Revenue	10,121	10,229	9,624	10,574	10,823	9,676	11,783	17,553	14,516	14,516	14,516	14,518	148,450
4 Unrestricted Contributions	14,875			6,564	12,201		8,303	6,126					48,068
5 Line of Credit													-
Sub-Total Hospital Sources	3,844,535	3,647,375	3,778,079	3,731,610	4,091,253	4,132,951	3,727,358	3,809,097	3,810,093	3,638,741	3,755,680	3,674,178	45,640,950
Hospital Uses of Cash													
6 Operating Expenses	5,686,921	4,339,055	4,171,999	4,009,059	3,881,749	5,466,683	4,329,164	4,812,819	4,280,801	4,184,506	4,256,798	4,216,081	53,635,634
7 Add Capital Lease Payments	116,550	26,560	34,320	20,919	15,355	93,827	13,280	13,280	14,502	14,502	14,502	82,109	459,706
8 Additional Liabilities/LOC													-
9 Capital Expenditures	114,099	104,421	21,501	56,972	29,172	308,751	190,985	66,365	1,170,500	1,245,500	638,012	638,012	4,584,290
Total Hospital Uses	5,917,571	4,470,037	4,227,821	4,086,949	3,926,275	5,869,260	4,533,429	4,892,464	5,465,803	5,444,508	4,909,312	4,936,202	58,679,631
Net Hospital Sources/Uses of Cash	(2,073,036)	(822,662)	(449,742)	(355,339)	164,978	(1,736,310)	(806,072)	(1,083,367)	(1,655,710)	(1,805,767)	(1,153,632)	(1,262,024)	(13,038,681)
Non-Hospital Sources													
10 Restricted Cash/Money Market			1,000,000	2,000,000	(1,203,742)		(2,000,000)						(203,742)
11 Restricted Capital Donations	107,079	101,291	27,342	19,084	8,258		146,527		333,000	333,000	525,512	525,511	2,126,604
12 Parcel Tax Revenue	164,000					2,134,112				1,662,000			3,960,112
13 Other Payments - Ins. Claims/HHS/Grants/Loans					1,203,742	173,982			308,000	303,000	850,000		2,838,724
14 Other:													-
15 IGT			51,360				2,717,483	1,298,801				89,000	4,156,644
16 IGT - AB915			70,338								382,000		452,338
17 QIP					42,180					156,964			199,144
Sub-Total Non-Hospital Sources	271,080	101,291	1,149,040	2,019,084	50,438	2,308,094	864,010	1,298,801	641,000	2,454,964	1,757,512	614,511	13,529,824
Non-Hospital Uses of Cash													
18 Matching Fees		29,494		1,096,301		398,059		78,482			44,500		1,646,836
Sub-Total Non-Hospital Uses of Cash	-	29,494	-	1,096,301	-	398,059	-	78,482	-	-	44,500	-	1,646,836
Net Non-Hospital Sources/Uses of Cash	271,080	71,797	1,149,040	922,783	50,438	1,910,035	864,010	1,220,319	641,000	2,454,964	1,713,012	614,511	11,882,989
Net Sources/Uses	(1,801,956)	(750,865)	699,298	567,444	215,416	173,725	57,939	136,952	(1,014,710)	649,197	559,380	(647,513)	
Operating Cash at beginning of period	4,044,067	2,242,111	1,491,246	2,190,544	2,757,988	2,973,404	3,147,129	3,205,068	3,342,020	2,327,310	2,976,507	3,535,887	
Operating Cash at End of Period	2,242,111	1,491,246	2,190,544	2,757,988	2,973,404	3,147,129	3,205,068	3,342,020	2,327,310	2,976,507	3,535,887	2,888,374	
Money Market Account Balance - Undesignated	5,638,824	5,639,115	4,639,373	2,639,564	3,843,478	3,843,684	5,843,923	5,844,185	5,844,185	6,844,185	6,844,185	6,844,185	
Total Cash at End of Period	7,880,935	7,130,361	6,829,917	5,397,552	6,816,883	6,990,813	9,048,991	9,186,205	8,171,495	9,820,692	10,380,072	9,732,559	
Average Days of Cash on Hand	58.8	52.3	45.5	40.0	36.6	46.3	54.3	58.5					
Days of Cash on Hand at End of Month	54.6	50.1	47.3	35.3	45.1	46.0	59.7	60.0	55.6	66.8	70.6	66.2	