



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, AUGUST 23, 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=ViszUTROdE0ralRkZnhKcGRtUTFldz09&from=addon>

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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 07.26.22	<i>Boerum</i> Action
4. ODC UPDATE	<i>Drummond</i> Inform
5. REPORT ON MEETING WITH GARY HICKS, FINANCIAL ADVISOR	<i>Boerum</i> Inform
6. REPORT AND RECCOMENDATIONS OF SUB-COMMITTEE	<i>Boerum</i> Inform

<ul style="list-style-type: none"> • CAPITAL PROJECT REVIEW • EHR/EPIC IMPLEMENTATION • UCSF AFFILIATION AGREEMENT • BANDWIDTH NEEDS • FINANCE COMMITTEE MINUTES 		
7. RESOLUTION 367 FOR GO BOND TAX RATE	<i>Armfield</i>	Action
8. STRATEGIC PLANNING DISCUSSION AND FOLLOW UP	<i>Hennelly/ Armfield</i>	Inform
9. CAPITAL AND CASH FLOW PLAN	<i>Armfield</i>	Inform
10. FINANCIAL REPORT FOR MONTH END JULY 2022	<i>Armfield</i>	Inform
11. ADJOURN	<i>Boerum</i>	



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JULY 26, 2022
Via Zoom Teleconference

Present		Not Present/Excused	Staff	Public	
Bill Boerum 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 via Zoom		Subhash Mishra (MD) via Zoom	Ben Armfield via Zoom Kimberly Drummond via Zoom Jenny Fontes via Zoom John Hennelly via Zoom Dawn Kuwahara via Zoom Celia Kruse De La Rosa via Zoom	Judy Bjorndal via Zoom	
AGENDA ITEM			DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT					
<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>					
1. CALL TO ORDER/ANNOUNCEMENTS			<i>Rymer</i>		
			Called to order at 5:00 p.m.		
2. PUBLIC COMMENT SECTION			<i>Rymer</i>		
			None		
3. CONSENT CALENDAR (ACTION)			<i>Rymer</i>	Action	
a. Finance Committee Minutes 06.28.22				MOTION: by Flynn to approve 2 Nd by Grandy. All in favor.	
4. ODC UPDATE			<i>Hennelly</i>	Inform	
The breakers have been replaced and the test and balance are done and has been submitted to HCAI. HCAI leadership has changed. Ms. Drummond met with the new leadership and said they are making every effort to move forward. CT training will be delayed if there is no occupancy.					

Ms. Drummond reported that the team, in conjunction with the architects, are reviewing new options for the MRI location and looking at the cost of work. They are reviewing options that fit within the budget.			
5. UNISON ENERGY <i>Tim Lukes (Co-CEO)</i>	<i>Lukes/Drummond/Armfield</i>	Action	
Mr. Armfield introduced Mr. Tim Lukes, Co-CEO at Unison Energy. Mr. Lukes answered the committee's key questions. He said Unison is backed by two private equity firms, Hunt Capital, and AIM. They sign long term contracts with their clients. They have long term financials and are stable financially. They only bill for electricity produced, their risk exposures are related to their clients' financial stability only (i.e., if the clients go out of business). They have a wide variety of clients; it is a stable business. Debt service coverage is about 60%. They have reserves in the bank for major maintenance and it is budgeted for many years. Each project has its own SPV which includes equipment and contracts into a hold code. The committee will recommend option 2 to the BOD to extend ESA term to 25 years.		MOTION: by Grandy to approve 2 Nd by Flynn. All in favor.	
6. FINANCIAL REPORT FOR MONTH END JUNE 2022	<i>Armfield</i>	Inform	
Mr. Armfield said June was a positive month. Net income in June was \$920K, exceeding budget of \$80K provider relief funds were recognized and there was no impact on cash in June. YTD there was an operating loss of \$7M falling short of the budget in the prior year. If you remove IGT funding, the operating margin did exceed both budget and prior year by 14% to 15%. Mr. Armfield will bring more information on departmental collaboration opportunities, management solutions, supply chains opportunities to the next FC meeting for recommendations. He also suggested adding cash flow projections to the August FC meeting.			
7. ADJOURN	<i>Rymer</i>		
	Meeting adjourned at 6:36 p.m.		



To: Finance Committee

From: Wendy Lee, Catherine Donahue, and Carl Gerlach
Sub-committee

Date: August 23, 2022

Subject: Recommendations

We have prioritized these recommendations and would look for these items to begin to be incorporated into the meetings effective for the August 29, 2022, meeting. We realize that the majority of these items are being addressed by hospital administration – John, Ben and others – as regular routine, but we ask that they be brought forward to us with sufficient time to consider and address.

1. Capital Project Review. [Sample Template Attached]. This template will inherently improve project monitoring, transparency, trouble-shooting, discipline and accountability for project delivery. This template also introduces the practice of risk management and risk mitigations. We would like to see this template applied to the current set of Capital Projects – (1) EPIC Implementation, (2) MRI and (3) Co-generation Project. With the EPIC implementation scheduled for go-live in less than 4 months, a review of this project is of greatest urgency.

2. EHR/EPIC Implementation

- Is interoperability of EPIC with UCSF in-scope for the current project and what connections are defined?
- Is Resolute (EPIC's Revenue Management Module) being implemented?
- Primary Care integration with EPIC?

3. UCSF Affiliation Agreement. Provide an update to include Oversight and Steering Committee meetings outcomes. Any progress / initiatives towards revenue enhancement and cost reduction.

4. Bandwidth Needs

- Update on critical resource needs and potential solutions to include new roles, either FTEs or consultants.
- Critical needs for (1) Revenue Cycle Management, (2) EPIC Implementation and (3) MRI Project.

5. Finance Committee Minutes. Request Jenny Fontes to maintain a running list of the (1) Action Items, who is accountable for the Action Item and the Due Date, (2) Open Discussions, and (3) Decisions Made from each Finance Committee Meeting. A review / status of Action Items should be made a standard Agenda Item for each Finance Committee Meeting.

These recommendations are being made to improve Capital Project execution, which has a history of over schedule over budget, and to improve the ability of the Finance Committee to perform our responsibilities of (1) Developing and Managing the SVH Budget, and (2) Establishing Financial Objectives and Goals.

We look forward to implementation of these recommendations. If you have any questions, please feel free to reach out to Carl, Catherine, or me.

Best, on behalf of Carl Gerlach, Catherine Donohue, and Wendy Lee.



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: August 23, 2022
Subject: Resolution No. 367 - Setting the Tax Rate for the 2022-23 Fiscal Year GO Bonds

Recommendation:

Management recommends the approval of the General Obligation Bonds tax rate of \$19.90 per \$100,000 of the assessed value of the secured property in the District.

Background and Reasoning:

This is consistent with prior year resolutions. The total assessed value of the secured property in the District is \$12,257,508,661. The tax required to assure payment of the principle, interest, and reasonable reserve for the Bonds for Fiscal Year 2022-2023 is \$2,444,728. The rate, calculated per the Sonoma County's approved formula is \$19.90 per \$100,000 of assessed valuation.

Consequences of Negative Action/Alternative Actions:

Without the resolution, the County is directed to apply the most recently provided tax rate.

Financial Impact:

The resolution will instruct the County to collect the General Obligation Bond tax to be paid to the bond holders.

Selection Process and Contract History:

The Hospital has done similar resolutions in the past and the same methodology was applied for setting the tax rate for 2022-23.

Other Items of Note:

The 2022-23 tax rate calculation and resolution has been reviewed by our consultant Gary Hicks, who has been a subject matter expert for SVH in this space for many years.

Attachments:

Resolution No. 367



SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 367

RESOLUTION SETTING THE TAX RATE FOR THE 2022-23 FISCAL YEAR FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE SONOMA VALLEY HEALTH CARE DISTRICT (SONOMA COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2008

WHEREAS, by resolution, adopted by the Board of Directors (the "Board") of the Sonoma Valley Health Care District (the "District") on August 6, 2008, the Board determined and declared that public interest and necessity demanded the need to raise moneys for the expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District (the "Project"), and the Board called an election to be held within the boundaries of the District in accordance with the California Elections Code;

WHEREAS, a special municipal election was held in the District on November 4, 2008 and thereafter canvassed pursuant to law;

WHEREAS, an election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purpose of raising money for the Project in the maximum aggregate principal amount of \$35,000,000, payable from the levy of an *ad valorem* tax against all taxable property in the District;

WHEREAS, pursuant to Chapter 4 of Division 23 (commencing with section 32300) of the California Health and Safety Code (the "Act"), the District is empowered to issue general obligation bonds;

WHEREAS, the District sold, on January 27, 2009, an initial series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$12,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series A (2009)" (the "2009 Bonds"); and

WHEREAS, the District sold, on August 1, 2010, an additional series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$23,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series B (2010)" (the "2010 Bonds"); and

WHEREAS, the District sold, on January 28, 2014, a refunding series of bonds for the purpose of refunding the 2009 Bonds in the aggregate principal amount of \$12,437,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) 2014 General Obligation Refunding Bonds" (the "2014 Bonds"); and

WHEREAS, the District sold, on July 28, 2021, a refunding series of bonds for the purpose of refunding the 2010 Bonds in the aggregate principal amount of \$15,825,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) 2021 General Obligation Refunding Bonds" (the "2021 Bonds" and together with the 2014 Bonds, the "Bonds"); and

WHEREAS, Sonoma County (the "County") has requested that the District provide to the County the tax rate required for Fiscal Year 2022-23 to pay principal and interest on the Bonds and to provide a reasonable reserve;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTH CARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. All of the recitals herein are true and correct. To the extent that the recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made thereby.

Section 2. Tax Rate; Remittance.

(a) Based upon the County's estimate of assessed valuation of all secured property in the District (\$12,257,508,661) the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2022-23 is \$19.90 per \$100,000 of assessed valuation. It is the intent of the District to provide to the County, by resolution, the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2022-23 and each Fiscal Year thereafter, so long as the Bonds remain outstanding. However, in the event the District fails to provide a tax rate in any year, the County is directed to apply the most recently provided tax rate in such year.

(b) The District hereby delegates to the County Board of Supervisors the authority to annually levy and collect the annual *ad valorem* property taxes required for the payment of the principal of and interest on the Bonds.

(c) The District hereby requests that such amounts, as collected, be remitted directly to The Bank of New York Mellon Trust Company, N.A., the District's paying agent for the Bonds.

Section 3. Request for Necessary County Actions. The County Board of Supervisors and the County Auditor-Controller-Treasurer-Tax Collector, and other officials of the County, are hereby directed to take whatever action that may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District at the tax rate specified in Section 2(a) above.

Section 4. General Authority. The Chair, the Secretary, the Chief Executive Officer and the Chief Financial Officer, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps which they or any of them might deem necessary or appropriate in order to give effect to this resolution.

Section 5. Effective Date. This resolution shall take effect immediately on and after its adoption.

* * * * *

PASSED AND ADOPTED this 1st day of September 2022, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Joshua M. Rymer
Chair, Board of Directors
Sonoma Valley Health Care District

ATTEST:

Judith Bjorndal
Secretary, Board of Directors
Sonoma Valley Health Care District



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: August 23, 2022
Subject: 5-Year Capital Spending Plan

OVERVIEW:

Enclosed is our 5-year capital spending plan, which reflects projected hospital capital expenditures from fiscal year 2023 through fiscal year 2027. The capital plan itself was originally presented to the Finance Committee back in June and included a high-level projection of both our capital needs and financial trajectory over a 5-year period. We are bringing this back to the committee this month for the purposes of providing additional context and detail into some of the priorities, initiatives, and actionable tactics that will help achieve the hospital's goal of financial viability.

CAPITAL PLAN OVERVIEW:

This capital spending plan is reflective of capital purchases that are currently projected to be funded directly by Sonoma Valley Hospital. In other words, this excludes capital items that are being funded directly by the Sonoma Valley Hospital Foundation.

As was discussed during the budget planning session, FY23 is a critical year for the hospital and our capital spending plan reflects the significance of such. We are projecting to spend \$4.38M in capital expenditures next fiscal year. Roughly 90% of this (or \$4M) is earmarked for the completion of two milestone projects: the Epic EMR implementation (\$2,798,000), and the completion of the Outpatient Diagnostic Center (ODC) (\$1,200,000) – which are the projected incremental costs required to complete the MRI work that will not be covered by foundation contributions. The remaining \$384,000 is for emergent capital needs related to end of life equipment and hardware, critical physical plant improvements, and specific surgical equipment and instrumentation that are required to both support the service as well as facilitate further service line growth.

It is worth noting that even looking at next fiscal year, there are quite a few moving pieces and looming unknowns related to specific projects that required us to estimate the capital outlay in some situations. For example, we budgeted \$1,200,000 to fund the additional costs and completion of the Outpatient Diagnostic Center (ODC). The total required outlay to support the completion of this is currently unknown and most likely will not be able to be fully quantified until we get through the demolition phase of the project.

IMPACT:

In conjunction with estimating our capital planning trajectory, we are also including a cash flow summary (*III. Projected Cash Flow Summary*) that quantifies the impact to our days cash on hand. The impact to our days cash is dependent upon the following assumptions: the projected capital outlay for each respective year, and the year over year change in total funding sources (dollars coming in) and uses (dollars going out).

Based on a projected capital outlay of \$4.38M, we are projecting to go to 41.2 by the end of fiscal year 2023. The budgeted reduction is obviously significant, but it is largely driven by the implementation of Epic and the completion of the ODC. We paired down our capital spending plan to prioritize these big-ticket projects and once these projects are completed our capital spending is projected to re-align to historical levels.

This spending plan also represents a conservative estimate as this does not include additional non-hospital funding sources that are currently being pursued. As these sources are vetted further for feasibility and fit, procurement of additional funding would have a material impact on our estimated days cash on hand.



ROADMAP TO FINANCIAL VIABILITY:

Community support is one of the hospital's biggest strengths. Financially, the support the Community has provided SVH through parcel tax revenues, general obligation bonds, and philanthropic donations have been invaluable. Historically, the parcel tax revenue the hospital receives, close to \$3.8M in FY22, was designed to "fill the gap", or cover the deficit created due to systemic failures and shortfalls of other payment vehicles.

Prior to the pandemic, Sonoma Valley Hospital's financial performance was trending towards operational profitability. In FY19, parcel taxes covered the overall operating loss of (\$2.9M), and the hospital had a positive contribution to cash flow, posting a positive operating margin excluding depreciation of \$394,000.

Unfortunately, COVID-19 was upon us midway through FY20 and the financial gap has widened due to the continued financial fallout from the pandemic.

SVH Operating Margin by FY	FY22	FY21	FY20	FY19
Operating Margin	\$ (7,017,390)	\$ (6,402,371)	\$ (6,542,384)	\$ (2,997,743)
Operating Margin (excl. Depr)	\$ (4,234,000)	\$ (3,346,000)	\$ (3,434,000)	\$ 394,000
Op Revenues as a % of Op Expenses	88%	89%	88%	95%

Financial Objectives

To fully meet the growing needs of this community and to ensure the go-forward health of the organization, we feel strongly about the need of developing a financial viability plan that starts to trim the financial gap and targets getting back to pre-pandemic levels. It is with this in mind that we are beginning the communication of our goal of achieving financial viability, which is for the hospital to achieve an operational "break-even" status in our operating margin (excluding depreciation) by the end of fiscal year 2027. Specific objectives identified:

Strategic Objectives

- Generate a positive operating margin (excluding depreciation) by the end of fiscal year 2027
- Fund 100% of total "routine" capital spend from operations
- Maintain average days cash on hand in excess of 50.0 days
- Develop strategy for paying down line of credit

Strategic Initiatives

The strategic initiatives identified that will achieve these objectives are below:

- Strategic Growth Priorities
- Revenue Cycle Enhancement
- Disciplined Cost Management

Strategic Growth Priorities

Strategic initiatives focusing on program and volume growth are covered in detail in the developing overall strategic plan. These initiatives will be the most significant contributors for revenue generation through data-driven, strategic investments to grow targeted service-lines. Some, but not all, of the strategic growth opportunities that have been prioritized for FY23 are below:

- Outpatient Diagnostic Center (ODC)
- GI Physician Recruitment
- Physical Therapy Expansion
- Destination Program Development



- Orthopedic Program Growth
- Primary Care Strategy
- Cardiology Expansion

Revenue Cycle Enhancement

Improving revenue cycle performance is the most significant priority from a business operations standpoint and needs to be THE area of focus in the near-term.

In addition to the overall complement of services (and their respective volumes) that are performed, the dollars SVH brings in can be grouped into two critical buckets:

1. Reimbursement payment rates negotiated with third party payors; and
2. The ability to collect what is owed to us, or revenue cycle management

SVH has opportunities to improve in both. Currently, SVH's net revenues (as a % of gross revenue) have been hovering around ~15% for some time. We are currently benchmarking this against our market competitors, but this is historically low for an acute care hospital. Our commercial/third party reimbursement contracts also appear to be below our peers, some well below, and have not seen an adjustment in multiple years. Certainly, challenges exist as SVH is a small, independent district hospital and lacks the leverage larger facilities/health systems enjoy. Regardless, there are avenues available for improvement and the development of a payor contracting plan is essential.

Revenue Cycle Enhancement Initiatives & Tactics

- **Develop Payor Contracting Strategy**– through payor contracting reviews and renegotiations, we will achieve more alignment between our payor contracts and our existing footprint of services. This will result in higher per case reimbursements across all of our managed care payors.

ACTIONS

- Review and assess opportunities to strategically align with the current operating model of the hospital | FY23 (currently ongoing)
 - Identify and evaluate opportunities to partner with third-party for renegotiating specific payor contracts | FY23 (currently ongoing)
 - Review historical financial performance by benefit plan and develop metric baselines for measurement | FY23
 - Develop KPIs (annual yields per payor contract, contribution margin by payor contract) and set milestones for renegotiation by contract and targeted price increase | FY23
- **Revenue Cycle Steering Committee** – the launch of the Revenue Cycle Steering Committee will be tasked with identifying hospital specific revenue cycle issues and opportunities and will have annual targets related to the identification and implementation of revenue enhancement opportunities.

ACTIONS

- Create steering committee of subject matter experts (revenue cycle, medical records, case management, professional providers, etc.) that identifies and solves revenue cycle issues and opportunities in collaborative, team-oriented structure | FY23 (currently being formalized)
 - Identify actionable quick wins that are actionable | FY23
 - Develop process for report-outs and specific KPIs for measurement of success and tracking concurrent progress | FY23
- **Denial Management** – improve financial revenue collections through enhanced, disciplined denial management.

ACTIONS



- Develop formal, structured process for triaging and tracking payor denials | FY23
- Develop timeline of report outs to the revenue cycle steering committee | FY23
- Develop KPIs for on-going tracking | FY23
- **EPIC Revenue Cycle Enhancements** – we also plan to see numerous benefits with the transition to Epic, especially as it relates to our revenue cycle processes and workflows. Automated workflows and gained efficiencies will result in further revenue cycle enhancements and bottom-line performance.

Disciplined Cost Management

Effective management of resources is also critical. SVH needs to continue efforts to strive for operational excellence by enhancing our culture of cost accountability and continuous performance improvement.

Cost Management Initiatives & Tactics

- **Labor Management and Productivity**

ACTIONS

- Develop new process and tool for review of staffing requisitions and FTE approvals | FY23
- Develop process for reviewing and approving all traveler requests | FY23
- Assess need for departmental tools such as labor productivity reporting and volume adjusted staffing reports | FY23

- **Monthly Departmental Reviews**

ACTIONS

- Enhance our culture of accountability related to achieving SVH goals by implementing departmental monthly operating reviews (DMORs) | FY23 3rd Qtr

- **Supply Cost Optimization**

ACTIONS

- Seek opportunities with affiliations (UCSF) to leverage relationships for preferred pricing | FY23

WRAP-UP:

This plan, although certainly fluid, is an executive-level summary that provides a foundation for our financial “roadmap” and where we are looking to go – both in the short and long term. As it currently stands, we are vetting the prioritization and sequencing of these opportunities. As the overall strategic plan gets finalized, we will also be sharing an overall master plan that includes more details on strategic and financial tactics that will allow us to achieve our goal of financial viability over time.

ATTACHMENTS:

- 5-Year Capital Spending Plan



Sonoma Valley Hospital
5 Year Capital Spending Plan
July 2022

I. 5-Year Capital Spending Plan Summary							
Project/Equipment	Proj Cost	BUDGET FY23	PROJ FY24	PROJ FY25	PROJ FY26	PROJ FY27	Additional Comments
EHR Implementation - CT Epic	\$ 3,500,000	\$ 2,798,000					Implementation costs related to Epic implementation
Air Handler & Exhaust Fan	\$ 3,100,000				\$ 1,550,000	\$ 1,550,000	Replacement
MRI / ODC	\$ 1,200,000	\$ 1,200,000					Addtl costs over ODC budget (current cost is an estimate)
Elevators - NPC Compliance - Replace jacks/doors	\$ 550,000		\$ 550,000				2030 Seismic Regulation
Enterprise Resource Planning (ERP) Implementation	\$ 500,000		\$ 250,000	\$ 250,000			New ERP - Cost is currently an estimate
Security Access - Exterior doors	\$ 250,000			\$ 250,000			
Structural - SPC4D Compliance, Analysis	\$ 150,000		\$ 150,000				Dependent upon seismic regulations
Anchorage - NPC Assessment	\$ 120,000				\$ 120,000		Non-Performance Compliance Assessment
Kitchen - Cooking & Serving Table	\$ 85,000		\$ 85,000				
GI Suite - Medivator compliance	\$ 82,720						To bring medivator room to compliance
Surgical trays	\$ 60,000	\$ 60,000					Cost is currently estimated - need to refine
MRI patient monitor	\$ 60,000	\$ 60,000					Replacement (End of Life)
Medivator	\$ 54,000	\$ 54,000					End of life
EKG Machines - 4	\$ 52,000	\$ 52,000					Replacement (End of Life)
Cataract Surgery Equipment	\$ 50,000	\$ 50,000					Cost is currently estimated - need to refine
Sewer pumps in the basement	\$ 40,000	\$ 40,000					
Pipes - replacement (East Wing) corroded	\$ 25,000	\$ 25,000					Split with Ensign
3-Bay Sink Surgery	\$ 23,000	\$ 23,000					Would need HCAI
Electric Parallel Bars	\$ 10,000	\$ 10,000					
Kitchen - Pass-thru warming cabinet	\$ 10,000	\$ 10,000					Need to get further info./Forefront
Nursing - Hovermat	\$ 5,898						
Physical Therapy / OP Services Expansion	TBD		TBD	TBD			
Routine Capital Pool / Contingency	\$ 600,000		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$150,000 / year for routine capital items starting in FY24
TOTAL PROPOSED CAPITAL SPENDING	\$ 10,527,618	\$ 4,382,000	\$ 1,185,000	\$ 650,000	\$ 1,820,000	\$ 1,700,000	

II. Projected Operational Margin Analysis	BUDGET FY23	PROJ FY24	PROJ FY25	PROJ FY26	PROJ FY27	FY23-27 Chg	% Chg
Total Operating Revenue	\$ 54,964,398	\$ 59,661,459	\$ 63,278,197	\$ 65,213,151	\$ 67,152,888	\$ 12,188,490	22%
Total Operating Expenses (less Depreciation)	\$ 58,583,664	\$ 61,386,854	\$ 64,035,869	\$ 65,573,769	\$ 67,150,117	\$ 8,566,453	15%
Operating Margin (excl. Depreciation)	\$ (3,619,266)	\$ (1,725,395)	\$ (757,672)	\$ (360,618)	\$ 2,771	\$ 3,622,037	100%
Net Revenue Annual Increases		10.0%	7.0%	3.5%	3.4%		
Operating Expense Annual Increases		5.0%	4.5%	2.5%	2.5%		

III. Projected Cash Flow Summary	BUDGET FY23	PROJ FY24	PROJ FY25	PROJ FY26	PROJ FY27	FY23-27 Chg	% Chg
Hospital Sources & (Uses)							
Net Hospital Sources / (Uses) from Operations	\$ (7,836,504)	\$ (5,942,633)	\$ (4,974,910)	\$ (4,577,856)	\$ (4,214,467)		
Capital Expenditures (SVH Funded)	\$ (4,382,000)	\$ (1,185,000)	\$ (650,000)	\$ (1,820,000)	\$ (1,700,000)		
Other: Reclassification of \$1M Board Designated Funds	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -		
Net Hospital Sources (Uses) of Cash	\$ (11,218,504)	\$ (7,127,633)	\$ (5,624,910)	\$ (6,397,856)	\$ (5,914,467)	\$ 5,304,037	47%
Non-Hospital Sources & (Uses)							
Restricted Cash/Capital Donations	\$ -	\$ -	\$ -	\$ -	\$ -		
Parcel Tax Revenue	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000		
IGT Revenue	\$ 6,737,099	\$ 6,737,099	\$ 6,737,099	\$ 6,737,099	\$ 6,737,099		
IGT Matching Fees (Expense)	\$ (2,519,861)	\$ (2,519,861)	\$ (2,519,861)	\$ (2,519,861)	\$ (2,519,861)		
Other: Healthcare Loan Expansion Program	\$ -	\$ -	\$ -	\$ -	\$ -		
Net Non-Hospital Sources (Uses) of Cash	\$ 8,017,238	\$ 8,017,238	\$ 8,017,238	\$ 8,017,238	\$ 8,017,238	\$ -	0%
Net Sources / (Uses) of Cash	\$ (3,201,266)	\$ 889,605	\$ 2,392,328	\$ 1,619,382	\$ 2,102,771	\$ 5,304,037	166%
Cash at beginning of period (Includes MM)	\$ 9,523,589	\$ 6,322,323	\$ 7,211,929	\$ 9,604,256	\$ 11,223,639		
Cash at end of period	\$ 6,322,323	\$ 7,211,929	\$ 9,604,256	\$ 11,223,639	\$ 13,326,410	\$ 7,004,086	111%
Projected Days of Cash on Hand at Beginning of period	63.92	41.16	44.72	56.99	64.97		
Budgeted Days of Cash on Hand at end of period	41.16	44.72	56.99	64.97	75.26	34.10	83%
Projected Annual Change in Days Cash	(22.76)	3.56	12.27	7.98	10.29		



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: August 23, 2022
Subject: Financial Report for July 2022

OVERALL PERFORMANCE – MONTH:

Financial performance from operations in July was very similar to our performance in June. Our operating margin was favorable compared to budget and now marks the fourth straight month where the hospital's operating performance exceeded the monthly target. The operating margin of (\$751,087) in July was 28% better than what was budgeted for the month, while our Operating EDDBA (operating margin excluding depreciation) of (\$521,027) was 36% better than budget as well.

After accounting for all operating and non-operating revenues and expenses (including parcel tax and GO bond activity), SVH posted a net loss of (\$290,120), which fell short of our total budgeted loss of (\$127,954).

Table 1 | Operating Margin - July 2022

	Month of July 2022				Year To Date July 2022							
	Current Year		Variance		Current Year		Variance		Prior Year		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Margin	\$ (751,087)	\$ (1,042,214)	\$ 291,127	28%	\$ (751,087)	\$ (1,042,214)	\$ 291,127	28%	\$ (630,496)	\$ (120,591)	-19%	
Operating EBDA*	\$ (521,546)	\$ (813,127)	\$ 291,581	36%	\$ (521,546)	\$ (813,127)	\$ 291,581	36%	\$ (383,471)	\$ (138,075)	-36%	

* Operating Margin less Depreciation

NET REVENUE and OPERATING EXPENSES:

Net revenue did exceed budget for July by 8%, which was a positive given that our volumes, particularly surgical cases, weren't as strong as prior months. \$3.8M of net revenue was booked for the month of July.

Operating expenses tracked very close to budget and ended up coming in just under for the month. They also were flat with the prior year. Staffing remains a challenge in some hard to recruit areas, but we continue to manage and flex labor appropriately. Our total FTEs this year are 3% less than what we were running in the prior year.

Table 3 | Operating Revenues & Expenses - July 2022

	Month of July 2022				Year To Date July 2022							
	Current Year		Variance		Current Year		Variance		Prior Year		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
Net Patient Revenue	\$ 3,885,256	\$ 3,585,870	\$ 299,386	8%	\$ 3,885,256	\$ 3,585,870	\$ 299,386	8%	\$ 4,018,131	\$ (132,875)	-3%	
Total Operating Revenue	\$ 3,964,934	\$ 3,690,593	\$ 274,341	7%	\$ 3,964,934	\$ 3,690,593	\$ 274,341	7%	\$ 4,094,122	\$ (129,188)	-3%	
Total Operating Expenses	\$ 4,716,021	\$ 4,732,807	\$ 16,786	0%	\$ 4,716,021	\$ 4,732,807	\$ 16,786	0%	\$ 4,724,618	\$ 8,597	0%	
SVH FTEs (Paid)	224.0	231.5	7.4	3%	224.0	231.5	7.4	3%	231.0	7.0	3%	

VOLUMES:

Surgical volumes for the month took a hit in July, particularly on the outpatient side. Outpatient surgeries were ~ 30% off both budget and prior year. Most of the decrease is from some of our more



consistent surgeons and should only be a short-term dip. Inpatient surgeries continue to maintain levels consistent with our recent run-rate.

The hospital's emergency room continues to be busy as volumes for the month exceeded budget by over 10%. Total outpatient visits fell below budget in July. Some of this relates to continuing staffing challenges the hospital faces in some key areas, coupled with a slower month on the surgical side. We have been successful in addressing some of these gaps and anticipate total OP volumes increasing going forward.

Table 4 | Patient Volumes - July 2022

	Month of July 2022				Year To Date July 2022							
	Current Year		Variance		Current Year		Variance		Prior Year		Variance	
	Actual	Budget	Var	%	Actual	Budget	Var	%	Actual	Var	%	
Acute Discharges	60	62	(2)	-3%	60	62	(2)	-3%	69	(9)	-13%	
Acute Patient Days	284	257	27	11%	284	257	27	11%	221	63	29%	
IP Surgeries	18	13	5	38%	18	13	5	38%	15	3	20%	
OP Surgeries	76	109	(33)	-30%	76	109	(33)	-30%	115	(39)	-34%	
Total Surgeries	94	122	(28)	-23%	94	122	(28)	-23%	130	(36)	-28%	
Special Procedures	47	46	1	2%	47	46	1	2%	67	(20)	-30%	
Total Outpatient Visits	4,057	4,588	(531)	-12%	4,057	4,588	(531)	-12%	4,656	(599)	-13%	
Total ER Visits	818	733	85	12%	818	733	85	12%	807	11	1%	

CASH ACTIVITY:

We missed our cash goal for the month, collecting 95%, or \$3.8M, of the \$4.0M target in July. However, we are tracking positive for the month of August and anticipate exceeding our goal this month.

Days cash continues to be strong with days remaining over our target of 50.

Table 5 | Cash / Revenue Cycle Indicators- July 2022

	Current Year		Variance		Prior Year		Variance	
	Jul-22	Jun-22	Var	%	Jul-21	Var	%	
Days Cash on Hand - Avg	53.8	58.6	(4.8)	-8%	65.5	(11.7)	-18%	
A/R Days	40.9	41.2	(0.3)	-1%	40.3	0.6	1%	
A/P Days	57.6	50.0	7.7	15%	51.0	6.6	13%	

MONTHLY FINANCE UPDATES:

Much of this past month has been focused on our FY23 financial audit as fieldwork is completing this week. Some of the items we had planned on bringing forward to the committee for action this month will now be presented for approval at September's meeting.

Please see below for a summary of those key initiatives and the work we are prioritizing in the month ahead:

Financial Audit:

As mentioned above, we are in the middle of our FY23 financial audit and auditors were here on-site this past week as they started their audit fieldwork. They will continue to be on-site through this week and our focus will remain on coordinating remaining items with them to stay on schedule.



Departmental Collaboration Opportunities:

We have been evaluating opportunities to engage third party partners to help us in a couple key areas. We have completed our due diligence and plan on bringing a recommendation forward to the Finance Committee next month.

Cyber-Attack Insurance Claim:

We are finishing our responses to the initial correspondence that requested additional documentation and detail surrounding our \$1.5M claim. We will have our response submitted within the next couple of weeks and will await further follow-up.

Revenue Cycle Payor Contracting Review:

Our work continues in performing due diligence with potential partners to engage in this initiative. We are working with multiple third-party firms to assess our opportunities within the managed care contracting space. We have received statements of work and are currently evaluating the potential opportunities.

Departmental Staffing Updates:

Recruitment efforts are ongoing for Sarah Dungan's replacement. As mentioned last month we did fill our AP accountant vacancy and that individual started with us full-time last week.

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 Cash Projection



Sonoma Valley Hospital
Payer Mix for the month of July 31, 2022

ATTACHMENT A

Gross Revenue	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	7,868,717	8,801,290	-932,573	-10.6%	7,868,717	8,801,290	-932,573	-10.6%
Medicare Managed Care	4,804,387	3,933,604	870,783	22.1%	4,804,387	3,933,604	870,783	22.1%
Medi-Cal	4,429,972	3,894,226	535,746	13.8%	4,429,972	3,894,226	535,746	13.8%
Self Pay	523,590	407,728	115,862	28.4%	523,590	407,728	115,862	28.4%
Commercial & Other Gov't	6,029,260	5,862,981	166,279	2.8%	6,029,260	5,862,981	166,279	2.8%
Worker's Comp.	1,213,922	722,807	491,115	67.9%	1,213,922	722,807	491,115	67.9%
Total	24,869,847	23,622,636	1,247,211	5.3%	24,869,847	23,622,636	1,247,211	5.3%

Net Revenue	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	931,695	1,032,363	-100,668	-9.8%	931,695	1,032,363	-100,668	-9.8%
Medicare Managed Care	493,281	453,938	39,343	8.7%	493,281	453,938	39,343	8.7%
Medi-Cal	473,941	410,062	63,878	15.6%	473,941	410,062	63,878	15.6%
Self Pay	90,971	122,318	-31,347	-25.6%	90,971	122,318	-31,347	-25.6%
Commercial & Other Gov't	1,692,430	1,433,396	259,034	18.1%	1,692,430	1,433,396	259,034	18.1%
Worker's Comp.	202,939	133,792	69,147	51.7%	202,939	133,792	69,147	51.7%
Prior Period Adj/IGT	-	-	0	*	-	-	0	*
Total	3,885,256	3,585,870	299,387	8.3%	3,885,256	3,585,870	299,387	8.3%

Percent of Net Revenue	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	24.0%	28.8%	-4.8%	-16.7%	24.0%	28.8%	-4.9%	-17.1%
Medicare Managed Care	12.7%	12.7%	0.0%	0.3%	12.7%	12.7%	0.0%	0.3%
Medi-Cal	12.2%	11.4%	0.8%	6.7%	12.2%	11.4%	0.8%	6.7%
Self Pay	2.3%	3.4%	-1.1%	-31.4%	2.3%	3.4%	-1.1%	-31.4%
Commercial & Other Gov't	43.6%	40.0%	3.6%	9.0%	43.6%	40.0%	3.6%	9.0%
Worker's Comp.	5.2%	3.7%	1.5%	40.0%	5.2%	3.7%	1.5%	40.0%
Prior Period Adj/IGT	0.0%	0.0%	0.0%	*	0.0%	0.0%	0.0%	*
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

Net Revenue as a % of Gross	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11.8%	11.7%	0.1%	0.9%	11.8%	11.7%	0.1%	0.9%
Medicare Managed Care	10.3%	11.5%	-1.3%	-11.0%	10.3%	11.5%	-1.3%	-11.0%
Medi-Cal	10.7%	10.5%	0.2%	1.6%	10.7%	10.5%	0.2%	1.6%
Self Pay	17.4%	30.0%	-12.6%	-42.1%	17.4%	30.0%	-12.6%	-42.1%
Commercial & Other Government	28.1%	24.4%	3.6%	14.8%	28.1%	24.4%	3.6%	14.8%
Worker's Comp.	16.7%	18.5%	-1.8%	-9.7%	16.7%	18.5%	-1.8%	-9.7%
TOTAL	15.6%	15.2%			15.6%	15.2%		

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended July 31, 2022

ATTACHMENT B

CURRENT MONTH					YEAR-TO-DATE			YTD
	Actual	Budget	Favorable		Actual	Budget	Favorable	Prior
	07/31/22	07/31/22	(Unfavorable)		07/31/22	07/31/22	(Unfavorable)	Year
			Variance				Variance	07/31/21
Inpatient Utilization								
Discharges								
1	47	48	(1)	Med/Surg	47	48	(1)	55
2	13	14	(1)	ICU	13	14	(1)	14
3	60	62	(2)	Total Discharges	60	62	(2)	69
Patient Days:								
4	177	171	6	Med/Surg	177	171	6	179
5	107	86	21	ICU	107	86	21	42
6	284	257	27	Total Patient Days	284	257	27	221
7	8	-	8	Observation days	8	-	8	31
Average Length of Stay:								
8	3.8	3.6	0.2	Med/Surg	3.8	3.6	0.2	3.3
9	8.2	6.2	2.0	ICU	8.2	6.2	2.0	3.0
10	4.7	4.1	0.6	Avg. Length of Stay	4.7	4.1	0.6	3.2
Average Daily Census:								
11	5.7	5.5	0.2	Med/Surg	5.7	5.5	0.2	5.8
12	3.5	2.8	0.7	ICU	3.5	2.8	0.7	1.4
13	9.2	8.3	0.9	Avg. Daily Census	9.2	8.3	0.9	7.1
Other Utilization Statistics								
Emergency Room Statistics								
14	818	733	85	Total ER Visits	818	733	85	807
Outpatient Statistics:								
15	4,057	4,588	(531)	Total Outpatients Visits	4,057	4,588	(531)	4,656
16	18	13	5	IP Surgeries	18	13	5	15
17	76	109	(33)	OP Surgeries	76	109	(33)	115
18	47	46	1	Special Procedures	47	46	1	67
19	227	248	(21)	Adjusted Discharges	227	248	(21)	332
20	1,075	1,027	48	Adjusted Patient Days	1,075	1,027	48	1,064
21	34.7	33.1	1.6	Adj. Avg. Daily Census	34.7	33.1	1.6	34.3
22	1.7145	1.4000	0.315	Case Mix Index -Medicare	1.7145	1.4000	0.315	1.3078
23	1.6153	1.4000	0.215	Case Mix Index - All payers	1.6153	1.4000	0.215	1.3637
Labor Statistics								
24	195	210	15	FTE's - Worked	195	210	15.2	202
25	224	231	7	FTE's - Paid	224	231	7.4	231
26	47.53	46.39	(1.13)	Average Hourly Rate	47.53	46.39	(1.13)	44.19
27	6.46	6.99	0.53	FTE / Adj. Pat Day	6.46	6.99	0.53	6.73
28	36.8	39.8	3.0	Manhours / Adj. Pat Day	36.8	39.8	3.0	38.4
29	174.2	165.1	(9.2)	Manhours / Adj. Discharge	174.2	165.1	(9.2)	122.9
30	24.0%	25.6%	1.6%	Benefits % of Salaries	24.0%	25.6%	1.6%	24.7%
Non-Labor Statistics								
31	14.8%	17.0%	2.2%	Supply Expense % Net Revenue	14.8%	17.0%	2.2%	16.0%
32	2,534	2,462	(72)	Supply Exp. / Adj. Discharge	2,534	2,462	(72)	1,937
33	20,993	19,468	(1,525)	Total Expense / Adj. Discharge	20,993	19,468	(1,525)	14,496
Other Indicators								
34	53.8			Days Cash - Operating Funds				
35	40.9	50.0	(9.1)	Days in Net AR	40.9	50.0	(9.1)	40.3
36	95%			Collections % of Cash Goal	95%			99.1%
37	57.6	55.0	2.6	Days in Accounts Payable	57.6	55.0	2.6	51.0
38	15.6%	15.2%	0.4%	% Net revenue to Gross revenue	15.6%	15.2%	0.4%	16.2%
39	15.0%			% Net AR to Gross AR	15.0%			17.3%

Sonoma Valley Health Care District
Balance Sheet
As of July 31, 2022
UNAUDITED

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 1,688,209	\$ 2,493,558	\$ 2,242,111
2	Cash - Money Market	6,095,597	5,845,329	5,638,824
3	Net Patient Receivables	6,723,103	6,701,039	6,592,553
4	Allow Uncollect Accts	(1,456,290)	(1,426,077)	(1,477,415)
5	Net A/R	5,266,813	5,274,962	5,115,138
6	Other Accts/Notes Rec	2,050,614	1,604,206	1,818,190
7	Parcel Tax Receivable	3,800,000	4,007,928	3,800,000
8	GO Bond Tax Receivable	2,485,089	2,485,089	2,601,816
9	3rd Party Receivables, Net	10,905	10,905	10,905
10	Inventory	1,042,858	1,037,598	948,036
11	Prepaid Expenses	1,146,889	828,299	1,078,794
12	Total Current Assets	\$ 23,586,974	\$ 23,587,874	\$ 23,253,814
13	Property, Plant & Equip, Net	\$ 52,665,866	\$ 52,121,398	\$ 52,389,263
14	Trustee Funds - GO Bonds	5,754,812	5,752,065	6,115,089
15	Designated Funds - Board Approved	-	1,000,000	1,000,000
16	Total Assets	\$ 82,007,652	\$ 82,461,337	\$ 82,758,166
Liabilities & Fund Balances				
Current Liabilities:				
17	Accounts Payable	\$ 4,760,845	\$ 4,187,686	\$ 3,313,114
18	Accrued Compensation	3,357,472	3,694,715	3,648,969
19	Interest Payable - GO Bonds	269,295	217,400	538,371
20	Accrued Expenses	1,881,655	1,845,632	1,918,872
21	Advances From 3rd Parties	-	-	-
22	Deferred Parcel Tax Revenue	3,483,333	3,800,000	3,483,337
23	Deferred GO Bond Tax Revenue	2,277,999	2,485,090	2,549,933
24	Current Maturities-LTD	217,475	301,957	430,034
25	Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26	Other Liabilities	106,158	106,158	252,412
27	Total Current Liabilities	\$ 21,827,967	\$ 22,112,372	\$ 21,608,776
28	Long Term Debt, net current portion	\$ 25,560,448	\$ 25,476,513	\$ 26,819,927
29	Fund Balances:			
30	Unrestricted	\$ 18,569,059	\$ 18,822,273	\$ 18,989,953
31	Restricted	16,050,179	16,050,179	15,339,510
32	Total Fund Balances	\$ 34,619,238	\$ 34,872,452	\$ 34,329,463
33	Total Liabilities & Fund Balances	\$ 82,007,652	\$ 82,461,337	\$ 82,758,166

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 31, 2022**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
1	60	62	(2)	-3%
2	284	257	27	11%
3	-	-	-	0%
4	\$ 18,317	\$ 17,729	\$ 590	3%
5	\$ 6,570,220	\$ 5,912,481	\$ 657,739	11%
6	9,545,916	11,225,081	(1,679,165)	-15%
7	8,771,469	6,503,611	2,267,858	35%
8	\$ 24,887,605	\$ 23,641,173	1,246,432	5%
9	(20,886,403)	(19,842,285)	(1,044,118)	-5%
10	(100,000)	(200,000)	100,000	50%
11	(15,946)	(13,018)	(2,928)	-22%
12	-	-	-	*
13	\$ (21,002,349)	\$ (20,055,303)	(947,046)	5%
14	\$ 3,885,256	\$ 3,585,870	299,386	8%
15	\$ 79,678	\$ 104,723	(25,045)	-24%
16	\$ 3,964,934	\$ 3,690,593	274,341	7%
17	\$ 1,880,707	\$ 1,896,854	16,147	1%
18	709,979	679,062	(30,917)	-5%
19	\$ 2,590,686	\$ 2,575,916	(14,770)	-1%
20	\$ 545,205	\$ 595,303	50,098	8%
21	575,604	609,994	34,390	6%
22	425,442	428,039	2,597	1%
23	229,541	229,087	(454)	0%
24	172,238	141,935	(30,303)	-21%
25	53,384	52,833	(551)	-1%
26	25,388	(23,325)	(48,713)	209%
27	98,533	123,025	24,492	20%
28	-	-	-	*
29	\$ 4,716,021	\$ 4,732,807	16,786	0%
30	\$ (751,087)	\$ (1,042,214)	\$ 291,127	28%

Volume Information

Acute Discharges	60	62	(2)	-3%
Patient Days	284	257	27	11%
Observation Days	-	-	-	*
Gross O/P Revenue (000's)	\$ 18,317	\$ 17,729	\$ 589	3%

Financial Results**Gross Patient Revenue**

Inpatient	\$ 6,570,220	\$ 5,912,481	657,739	11%
Outpatient	9,545,916	11,225,081	(1,679,165)	-15%
Emergency	8,771,469	6,503,611	2,267,858	35%

Total Gross Patient Revenue**Deductions from Revenue**

Contractual Discounts	\$ (20,886,403)	\$ (19,842,285)	(1,044,118)	-5%
Bad Debt	(100,000)	(200,000)	100,000	50%
Charity Care Provision	(15,946)	(13,018)	(2,928)	-22%
Prior Period Adj/Government Program Revenue	-	-	-	*

Total Deductions from Revenue**Net Patient Service Revenue**

Other Op Rev & Electronic Health Records

Total Operating Revenue**Operating Expenses**

Salary and Wages and Agency Fees

Employee Benefits

Total People Cost

Med and Prof Fees (excl'd Agency)

Supplies

Purchased Services

Depreciation

Utilities

Insurance

Interest

Other

Matching Fees (Government Programs)

Operating expenses**Operating Margin**

	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
	60	62	(2)	-3%	69
	284	257	27	11%	221
	-	-	-	*	31
	\$ 18,317	\$ 17,729	\$ 589	3%	\$ 19,624
	\$ 6,570,220	\$ 5,912,481	657,739	11%	\$ 5,146,317
	9,545,916	11,225,081	(1,679,165)	-15%	12,026,381
	8,771,469	6,503,611	2,267,858	35%	7,617,466
	\$ 24,887,605	\$ 23,641,173	1,246,432	5%	\$ 24,790,164
	\$ (20,886,403)	\$ (19,842,285)	(1,044,118)	-5%	\$ (20,548,733)
	(100,000)	(200,000)	100,000	50%	(200,000)
	(15,946)	(13,018)	(2,928)	-22%	(23,300)
	-	-	-	*	-
	\$ (21,002,349)	\$ (20,055,303)	(947,046)	5%	\$ (20,772,033)
	\$ 3,885,256	\$ 3,585,870	299,386	8%	\$ 4,018,131
	\$ 79,678	\$ 104,723	(25,045)	-24%	\$ 75,991
	\$ 3,964,934	\$ 3,690,593	\$ 274,341	7%	\$ 4,094,122
	\$ 1,880,707	\$ 1,896,854	16,147	1%	\$ 1,803,453
	709,979	679,062	(30,917)	-5%	701,974
	\$ 2,590,686	\$ 2,575,916	(14,770)	-1%	\$ 2,505,427
	\$ 545,205	\$ 595,303	50,098	8%	\$ 535,448
	575,604	609,994	34,390	6%	643,402
	425,442	428,039	2,597	1%	468,891
	229,541	229,087	(454)	0%	247,025
	172,238	141,935	(30,303)	-21%	146,934
	53,384	52,833	(551)	-1%	48,877
	25,388	(23,325)	(48,713)	*	16,716
	98,533	123,025	24,492	20%	111,898
	0	-	-	*	0
	\$ 4,716,021	\$ 4,732,807	16,786	0.4%	\$ 4,724,618
	\$ (751,087)	\$ (1,042,214)	291,127	28%	\$ (630,496)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 31, 2022**

	Month					Year-To- Date					YTD
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$		%	Actual	Budget	\$		%	
31	\$ (10,896)	\$ 480,208	(491,104)		*	\$ (10,896)	\$ 480,208	(491,104)		*	\$ (15,323)
32	-	-	-		0%	-	-	-		0%	0
33	-	-	-		*	-	-	-		*	0
34	316,667	316,667	-		0%	316,667	316,667	-		0%	316,667
35	-	-	-		0%	-	-	-		0%	0
36	\$ 305,771	\$ 796,875	(491,104)		-62%	\$ 305,771	\$ 796,875	(491,104)		-62%	\$ 301,344
37	\$ (445,316)	\$ (245,339)	(199,977)		82%	\$ (445,316)	\$ (245,339)	(199,977)		82%	\$ (329,152)
38	\$ -	\$ -	-		0%	\$ -	\$ -	-		0%	\$ -
39	\$ -	\$ (4,884)	4,884		0%	\$ -	\$ (4,884)	4,884		100%	\$ 121,954
40	\$ (445,316)	\$ (250,223)	(195,093)		78%	\$ (445,316)	\$ (250,223)	(195,093)		78%	\$ (207,198)
41	155,196	122,269	32,927		27%	155,196	122,269	32,927		27%	142,081
42	\$ (290,120)	\$ (127,954)	(162,166)		127%	\$ (290,120)	\$ (127,954)	(162,166)		127%	\$ (65,117)
	\$ (215,775)	\$ (16,252)	(199,523)			\$ (215,775)	\$ (16,252)	(199,523)			\$ (82,127)
	-5.4%	-0.4%				-5.4%	-0.4%				-2.0%
	\$ (521,546)	\$ (813,127)	291,581		36%	\$ (521,546)	\$ (813,127)	291,581		36%	\$ (383,471)

* Operating Margin without Depreciation expense:

\$ (751,087)	\$ (1,042,214)	\$ 291,127	28%	Operating Margin	\$ (751,087)	\$ (1,042,214)	\$ 291,127	28%	\$ (630,496)
229,541	229,087	(454)	0%	Add back Depreciation	229,541	229,087	(454)	0%	247,025
\$ (521,546)	\$ (813,127)	\$ 290,673	36%	Operating Margin without Depreciation expense	\$ (521,546)	\$ (813,127)	\$ 290,673	36%	\$ (383,471)

Sonoma Valley Hospital
Cash Forecast
FY 2023

ATTACHMENT E

	Actual July	Forecast Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,924,051	3,734,519	3,621,207	3,989,228	3,869,771	3,843,928	4,065,106	3,872,360	4,237,155	3,996,942	4,132,251	4,022,275	47,308,793
2 Other Operating Revenue	19,072	104,723	104,723	104,723	104,723	104,723	104,723	104,723	104,723	104,723	104,723	104,732	1,171,034
3 Other Non-Operating Revenue	10,204	10,801	10,801	10,801	10,801	10,801	10,801	10,801	10,801	10,801	10,801	10,806	129,020
4 Unrestricted Contributions													-
5 Line of Credit													-
Sub-Total Hospital Sources	3,953,328	3,850,043	3,736,731	4,104,752	3,985,295	3,959,452	4,180,630	3,987,884	4,352,679	4,112,466	4,247,775	4,137,813	48,608,848
Hospital Uses of Cash													
6 Operating Expenses	5,333,189	4,601,024	4,526,007	4,678,557	4,594,131	4,649,093	4,779,230	4,598,493	4,831,885	4,710,812	4,795,189	4,755,861	56,853,471
7 Add Capital Lease Payments	13,501												13,501
8 Additional Liabilities/LOC													-
9 Capital Expenditures	354,797	34,000	34,000	34,000	34,000	2,234,000							2,724,797
Total Hospital Uses	5,701,488	4,635,024	4,560,007	4,712,557	4,628,131	6,883,093	4,779,230	4,598,493	4,831,885	4,710,812	4,795,189	4,755,861	59,591,770
Net Hospital Sources/Uses of Cash	(1,748,160)	(784,981)	(823,276)	(607,805)	(642,836)	(2,923,641)	(598,600)	(610,609)	(479,206)	(598,346)	(547,414)	(618,048)	(10,982,922)
Non-Hospital Sources													
10 Restricted Cash/Money Market	750,000			4,000,000			(3,000,000)						1,750,000
11 Restricted Capital Donations	210												210
12 Parcel Tax Revenue	192,601					2,134,000				1,502,000			3,828,601
13 Other Payments - Ins. Claims/HHS/Grants/Loans			1,500,000										1,500,000
14 Other:													-
15 IGT							5,400,000	688,278				41,568	6,129,846
16 IGT - AB915										227,253			227,253
17 QIP											380,000		380,000
18 HELP II LOAN						2,000,000							2,000,000
Sub-Total Non-Hospital Sources	942,811	-	1,500,000	4,000,000	-	4,134,000	2,400,000	688,278	-	1,729,253	380,000	41,568	15,815,910
Non-Hospital Uses of Cash													
18 Matching Fees					2,258,179	240,898	-	-	-	-	20,784		2,519,861
Sub-Total Non-Hospital Uses of Cash	-	-	-	-	2,258,179	240,898	-	-	-	-	20,784	-	2,519,861
Net Non-Hospital Sources/Uses of Cash	942,811	-	1,500,000	4,000,000	(2,258,179)	3,893,102	2,400,000	688,278	-	1,729,253	359,216	41,568	13,296,049
Net Sources/Uses													
	(805,349)	(784,981)	676,724	3,392,195	(2,901,015)	969,461	1,801,400	77,669	(479,206)	1,130,907	(188,198)	(576,480)	
Operating Cash at beginning of period	2,493,558	1,688,209	903,228	1,579,952	4,972,147	2,071,132	3,040,593	4,841,993	4,919,662	4,440,456	5,571,363	5,383,165	
Operating Cash at End of Period	1,688,209	903,228	1,579,952	4,972,147	2,071,132	3,040,593	4,841,993	4,919,662	4,440,456	5,571,363	5,383,165	4,806,685	
Money Market Account Balance - Undesignated	5,845,329	5,845,329	5,845,329	1,845,329	1,845,329	1,845,329	4,845,329	4,845,329	4,845,329	4,845,329	4,845,329	4,845,329	
Total Cash at End of Period	7,533,538	6,748,557	7,425,281	6,817,476	3,916,461	4,885,922	9,687,322	9,764,991	9,285,785	10,416,692	10,228,494	9,652,014	
Average Days of Cash on Hand	54.8												
Days of Cash on Hand at End of Month	53.8	45.5	49.2	45.2	25.6	32.6	62.8	59.5	59.6	66.3	66.1	60.9	