



**SVHCD FINANCE COMMITTEE
MEETING
AGENDA**

TUESDAY, April 23, 2024

6:00 p.m. Regular Session

**To Be Held in Person at
Sonoma Valley Hospital, 347 Andrieux Street
Administrative Conference Room
and Via Zoom Videoconference**

Join Zoom Meeting

<https://sonomavalleyhospital-org.zoom.us/j/93308479693>

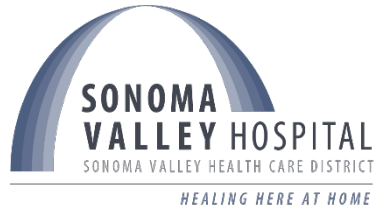
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AGENDA ITEM	RECOMMENDATION	
In compliance with the Americans with Disabilities Act, if you require special accommodations to attend a District meeting, please contact the Board Clerk, Whitney Reese, at wreese@sonomavalleyhospital.org or 707.935.5005 at least 48 hours prior to the meeting.		
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 03.27.24	<i>Boerum</i>	Action
4. FY 2025 BUDGET ASSUMPTIONS	<i>Armfield</i>	Inform
5. IGT UPDATE	<i>Armfield</i>	Inform
6. INSURANCE POLICY REVIEW (RISK MGMT)	<i>Armfield</i>	Inform
7. LONG RANGE FINANCIAL PLAN	<i>Armfield</i>	Inform
8. FINANCIAL REPORT FOR MONTH END MAR. 2024	<i>Armfield</i>	Inform
9. ADJOURN	<i>Boerum</i>	



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, MARCH 26, 2024
In Person at Sonoma Valley Hospital
347 Andrieux Street
and Via Zoom Teleconference

Present	Not Present/Excused	Staff/Public	
Bill Boerum, in person Catherine Donahue, in person Dennis Bloch, in person Robert Crane, in person Wendy Myatt Lee, in person Ed Case, in person Dan Kittleson, via zoom Subhash Mishra, via zoom Graham Smith, via zoom	Carl Gerlach	Ben Armfield, CFO, in person Jessica Winkler, Chief Nursing Officer, in person Lois Fruzynski, Accounting Manager, in person Dave Pier, ED of SVH Foundation, via zoom Whitney Reese, Board Clerk, in person	
AGENDA ITEM	DISCUSSION		ACTIONS
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Bill Boerum</i>		
	None		
2. PUBLIC COMMENT SECTION	None		
3. CONSENT CALENDAR	<i>Bill Boerum</i>		Action
a. Finance Committee Minutes 02.27.24			MOTION: by Mr. Bloch to approve as corrected, 2 nd by Ms. Donahue. All in favor
4. FY 2025 BUDGET ASSUMPTIONS	<i>Ben Armfield</i>		Inform
	<ul style="list-style-type: none"> Discussion focused on budgeting challenges due to concerns about loss of patient volumes with Dr Brown's departure. Potential recruitment of Dr. Walter would mitigate volume loss. 		

	<ul style="list-style-type: none"> • Emphasis on strategic planning and importance of maintaining communication with physicians and physician groups for continued referrals. • Consideration of temporary privileges for incoming physicians to minimize disruptions in service provision. • Negotiations with Anthem likely involve proposals with fixed increases of 9% in year one. Concerns include difficulty of re-entry and long-term stability if contract is canceled. • Wage considerations include benchmarking against other hospitals and addressing living costs and competitiveness. • Budget assumptions for MRI, physical therapy volume projections, and pricing strategies are being reviewed. • Insurance policy reviews are planned. • Cash flow management is a priority, with discussions on IGT funds. 	
5. FY 2025 BUDGET PREPERATION	<i>Bill Boerum</i>	Inform
	Boerum spoke about the May 28 th joint meeting with the Board of Directors & Finance Committee. Discussion was had about a preliminary budget for review at the April meeting. Armfield expressed that SVH will likely have a good idea on the framework of the budget for April's meeting. It was suggested that an additional Finance Committee meeting may be needed prior to the joint meeting.	
6. REVENUE ANALYSIS/PROFITABILITY	<i>Ben Armfield</i>	Inform
<i>Verbal update on progress. Report will be presented May 2024</i>	Progress in accessing and analyzing data has been made since implementing Epic, particularly in cost accounting and profitability reporting. Effort has been invested by the vendor to obtain necessary data, but further refinement is needed in data organization and grouping for meaningful comparisons, especially between Epic and the previous system, Paragon. CFO will continue to refine the data to ensure its comparable and useful for decision-making. Discussion was had about how understanding profitability is crucial, especially given the significant revenue from outpatient services. CFO agreed with a request for a future breakdown of revenue by payer and service type.	
7. FINANCIAL REPORT FOR MONTH END FEB. 2024	<i>Ben Armfield</i>	Inform
	The hospital experienced a decrease in surgical volumes, leading to lower revenue for the month. Efforts to reduce expenses have been made, including operating with minimum staffing levels. Armfield presented a cash forecast analysis, isolating day-to-day operational cash	

	flows and highlighting the need to focus on positive cash flow from operations. Strategies discussed emphasized the importance of maximizing revenue-generating opportunities from new investments and improving cash flow by reducing days in receivables. Committee members proposed bringing in CEO to report on growth programs and exploring the possibility of hiring a grant writer or using UCSF's grant writing team to access additional funding opportunities.	
8. ADJOURN	<i>Bill Boerum</i>	
	Meeting adjourned at 7:32p.m.	



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/30/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER James+Gable Insurance Brokers 111 N Sepulveda Blvd Ste 325 Manhattan Beach, CA 90266	CONTACT NAME: Neil Plant PHONE (A/C No. Ext): 310-937-2020	FAX (A/C, No):	
	E-MAIL ADDRESS: nplant@james-gable.com		
INSURED Sonoma Valley Health Care District Sonoma Valley Hospital 347 Andrieux St Sonoma, CA 95476	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: BETA Risk Management Authority		N/A
	INSURER B: Arch Insurance Company		11150
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			HCL-23-033	7/1/2023	7/1/2024	EACH OCCURRENCE	\$ 15,000,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:							MED EXP (Any one person)	\$
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PERSONAL & ADV INJURY	\$ 15,000,000	
	OTHER:						GENERAL AGGREGATE	\$ 25,000,000	
							PRODUCTS - COMP/OP AGG	\$	
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY			AL-23-033	7/1/2023	7/1/2024	COMBINED SINGLE LIMIT (Ea accident)	\$ 6,000,000	
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$	
	<input type="checkbox"/> OWNED AUTOS ONLY	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident)	\$	
	<input type="checkbox"/> HIRED AUTOS ONLY	<input type="checkbox"/> NON-OWNED AUTOS ONLY					PROPERTY DAMAGE (Per accident)	\$	
								\$	
	<input type="checkbox"/> UMBRELLA LIAB						EACH OCCURRENCE	\$	
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE	\$	
	DED							\$	
	RETENTION \$							\$	
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WCX 0068157 01	7/1/2023	7/1/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER		
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				Y	E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
								E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	<input checked="" type="checkbox"/> PROFESSIONAL LIABILITY (CLAIMS-MADE)			HCL-23-033	7/1/2023	7/1/2024	EACH CLAIM	\$15,000,000	
	RETROACTIVE DATE: 07/01/04						AGGREGATE	\$25,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of coverage**Workers' Compensation Self-Insured Retention: \$500,000 Per Claim****See attached for additional policies****CERTIFICATE HOLDER****CANCELLATION**

For Information Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ADDITIONAL REMARKS SCHEDULE

AGENCY James+Gable Insurance Brokers		NAMED INSURED Sonoma Valley Health Care District Sonoma Valley Hospital 347 Andrieux St Sonoma, CA 95476	
POLICY NUMBER		EFFECTIVE DATE: 07/01/23	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: **CERTIFICATE OF LIABILITY INSURANCE**

TYPE OF INSURANCE: Directors & Officers Liability / Employment Practices Liability
INSURER: BETA Risk Management Authority
NAIC #: N/A
POLICY NUMBER: D&O-23-033
POLICY EFFECTIVE DATES: 07/01/23 - 07/01/24
LIMITS: \$3,000,000 Per Claim / \$3,000,000 Aggregate

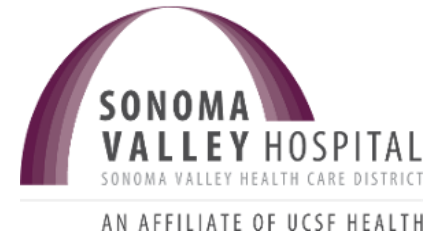
TYPE OF INSURANCE: Fiduciary Liability
INSURER: Hudson Insurance Company
NAIC #: 25054
POLICY NUMBER: SFD31211082-05
POLICY EFFECTIVE DATES: 07/01/23 - 07/01/24
LIMITS: \$1,000,000

TYPE OF INSURANCE: Cyber Liability
INSURER: Syndicate 2623/623 at Lloyd's of London (Beazley)
NAIC #: N/A
POLICY NUMBER: FN2305500
POLICY EFFECTIVE DATES: 07/01/23 - 07/01/24
LIMITS: \$2,000,000

TYPE OF INSURANCE: Crime
INSURER: National Union Fire Insurance Company of Pittsburgh, Pa.
NAIC #: 19445
POLICY NUMBER: CHIP2324
POLICY EFFECTIVE DATES: 07/01/23 - 07/01/24
LIMITS: \$1,000,000

TYPE OF INSURANCE: Property
INSURER: Hospital All Risk Property Program (HARPP)
NAIC #: See attached Schedule of Insurers
POLICY NUMBER: APIP2023 (Dec 06)
POLICY EFFECTIVE DATES: 07/01/23 - 07/01/24
LIMITS: \$125,000,000 All Risk Limit
\$100,000,000 Boiler & Machinery Breakdown

2023-2024 Insurance Renewal Proposals



JAMES + GABLE
INSURANCE BROKERS, INC.

2023-2024 Insurance Renewal Proposals

Executive Summary

Line of Coverage	Carrier	Policy Period	Limits	Deductible	7/1/22-7/1/23 Premium	7/1/23-7/1/24 Premium
Professional & General Liability (Hospital)	BETA	7/1/23 - 7/1/24	\$15M/\$25M	\$5K	\$342,265	\$388,939
Professional & General Liability (ED Docs)	BETA	7/1/23 - 7/1/24	\$1M/\$3M	\$5K	\$76,120	\$83,649
Director & Officers Liability	BETA	7/1/23 - 7/1/24	\$3M	\$10K	\$68,799	\$87,375
Employment Practices Liability	BETA	7/1/23 - 7/1/24	Shared Limit	\$75K	Incl Above	Incl Above
Auto Liability	BETA	7/1/23 - 7/1/24	\$6M	\$250/\$500	\$1,954	\$2,071
Property	HARPP	7/1/23 - 7/1/24	\$125M	\$100K	\$218,344	\$311,279
Cyber Liability & Privacy Breach	HARPP	7/1/23 - 7/1/24	\$2M	\$50K	Incl Above	Incl Above
Crime	AIG	7/1/23 - 7/1/24	\$1M	\$25K	\$3,864	\$3,863
Fiduciary Liability	Hudson	7/1/23 - 7/1/24	\$1M	\$10K	\$5,380	\$5,470
Excess Workers' Compensation	Arch	7/1/23 - 7/1/24	Statutory	\$500K	\$109,619	\$112,543
Gross SVH Insurance Premium Total					\$826,354	\$995,189
Less BETA Annual Dividend					-\$20,677	-\$13,187
Less BETA Multi-Line Dividend					\$0	N/A
Less USACS ED Billing					-\$76,120	-\$83,649
Net SVH Insurance Premium Total					\$729,548	\$898,353

NOTES

- BETA PL/GL for both Hospital and ED are billed monthly; all other insurance premiums are due within 30 days of policy inception

2023-2024 Insurance Renewal Proposals

Hospital Professional Liability & General Liability

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal
Carrier	BETA	BETA
Limits	\$15M/\$25M	\$15M/\$25M
Deductible	\$5,000	\$5,000
Gross Hospital Premium	\$342,265	\$388,939
Annual Dividend	-\$20,677	-\$13,187
Multi-Line Dividend	\$0	N/A
Net Hospital Premium	\$321,588	\$375,752

NOTES

- Professional Liability rates are increasing due to changes in the Medical Injury Compensation Reform Act as follows:
 - Current law limits claim recovery of non-economic damages to \$250K
 - The 2022 bill increases that limit to \$350K for non-death cases and \$500K for wrongful death cases effective 1/1/23 and followed by incremental increases over 10 years to \$750K for non-death cases and \$1M for wrongful death cases.
 - Actuarial estimates on the increase in ultimate annual claim costs are between 4.7% and 17%
- Premium increasing 13.6% due to a 6% base rate increase and an increase in overall exposures (census and provider FTEs)
- BETA provided a second renewal option with a \$25K deductible for \$379,943 gross premium; moving to a \$25K deductible for \$9K in premium savings is not supported by SVH's loss history (i.e., paid deductible would exceed premium savings)
- Annual Dividend of \$13,187 will be paid in two installments in October 2023 and April 2024; Multi-Line Dividend is being eliminated this year
- SVH did not qualify for the ED Risk Management Initiative Credit this year
- Risk Management Resource Funds: \$4,321 for 23-24 renewal term; \$3,828 remaining for 22-23 policy term as of 5/31/23

2023-2024 Insurance Renewal Proposals

ED Professional Liability

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal
Carrier	BETA	BETA
Limits	\$1M/\$3M	\$1M/\$3M
Deductible	\$5,000	\$5,000
ED Premium	\$76,120	\$83,649

NOTES

- Premium is increasing due to BETA's 6% base rate increase and a slight increase in ED census
- Per SVH's contract with USACS, the annual premium is passed through to USACS on a monthly basis; the monthly premium installment is debited on the monthly invoices paid by USACS

2023-2024 Insurance Renewal Proposals

Professional Liability & General Liability Claim Development

Hospital Total Incurred Losses

Policy Period	As of 5/31/20	As of 5/31/21	As of 5/31/22	As of 5/31/23
2012-2013	\$15,154	\$15,154	\$15,154	\$15,154
2013-2014	\$39,828	\$39,828	\$39,828	\$39,828
2014-2015	\$437,009	\$437,009	\$437,009	\$437,009
2015-2016	\$0	\$0	\$0	\$0
2016-2017	\$43,575	\$43,575	\$43,575	\$43,575
2017-2018	\$0	\$0	\$0	\$0
2018-2019	\$956	\$20,956	\$18,936	\$18,936
2019-2020	\$120,000	\$200,000	\$353,119	\$338,751
2020-2021	-	\$60,000	\$60,000	\$60,000
2021-2022	-	-	\$255,000	\$253,900
2022-2023	-	-	-	\$0
	\$656,522	\$816,521	\$1,222,620	\$1,207,153

Emergency Department Total Incurred Losses

Policy Period	As of 5/31/20	As of 5/31/21	As of 5/31/22	As of 5/31/23
2012-2013	\$1,041,335	\$1,041,335	\$1,041,335	\$1,041,335
2013-2014	\$0	\$0	\$0	\$0
2014-2015	\$187,519	\$187,519	\$187,519	\$187,519
2015-2016	\$291	\$291	\$291	\$291
2016-2017	\$15,438	\$15,438	\$15,438	\$15,438
2017-2018	\$1,653	\$1,653	\$1,653	\$1,653
2018-2019	\$400	\$400	\$400	\$400
2019-2020	\$0	\$0	\$0	\$0
2020-2021	-	\$10,000	\$179	\$179
2021-2022	-	-	\$0	\$0
2022-2023	-	-	-	\$0
	\$1,246,636	\$1,256,636	\$1,246,815	\$1,246,815

2023-2024 Insurance Renewal Proposals

Professional Liability & General Liability

Census Data

Category	7/1/21 – 7/1/22		7/1/22 – 7/1/23 Estimated	7/1/23 – 7/1/24 Estimated
	Estimated	Actual		
Acute Care Beds	3,322	3,300	3,322	3,290
Total High Acuity ER Visits	4,954	5,251	4,954	5,051
Total Low Acuity ER Visits	3,737	4,055	3,737	3,959
Outpatient Visits (excluding ER)	53,894	62,694	53,894	58,040
Counseling	1,316	1,178	1,316	1,342
Outpatient Surgeries	1,247	1,233	1,247	1,344
Inpatient Surgeries	198	158	198	188
Bariatric Surgeries	38	17	38	35

NOTES

- Census is increasing by 4.7%

2023-2024 Insurance Renewal Proposals

Directors & Officers Liability and Employment Practices Liability

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal
Carrier	BETA	BETA
D&O Limit EPL Limit	\$3M Shared w/ D&O	\$3M Shared w/ D&O
D&O Deductible EPL Deductible	\$10,000 \$75,000	\$10,000 \$75,000
Premium	\$68,799	\$87,375

NOTES

- Premium is increasing 27% due to a 5% base rate increase, a 5% increase in exposures, and an additional 17% due to SVH's adverse loss experience (see Loss Experience table below); current loss ratio for the period of 2012-2021 is 329%
- BETA provided a second renewal option with a \$100K EPL deductible for \$84,137; moving to a \$100K deductible for just \$3K in premium savings is not supported by SVH's loss history (i.e., paid deductible would exceed premium savings)

Loss Experience

Policy Period	Premium	Claims	As of 5/31/22	As of 5/31/23
2012-2013	\$27,489	0	\$0	\$0
2013-2014	\$27,489	0	\$0	\$0
2014-2015	\$27,489	2	\$50,974	\$50,974
2015-2016	\$26,402	1	\$43,720	\$43,720
2016-2017	\$28,279	0	\$0	\$0
2017-2018	\$28,400	0	\$0	\$0
2018-2019	\$29,820	3	\$547,900	\$547,900
2019-2020	\$32,803	1	\$185,032	\$185,032
2020-2021	\$39,035	1	\$80,000	\$325,000
2021-2022	\$55,039	4	\$50,000	\$387,500
2022-2023	\$68,799	0	-	\$0
	\$391,044	12	\$957,625	\$1,540,125

2023-2024 Insurance Renewal Proposals

Auto Liability

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal
Carrier	BETA	BETA
Combined Single Limit	\$6M	\$6M
Comprehensive Deductible	\$250	\$250
Collision Deductible	\$500	\$500
Premium	\$1,954	\$2,071

NOTES

- BETA is applying a 6% base rate increase to all members this year
- Coverage for one vehicle (2012 Chevy Colorado) and Hired & Non-Owned Auto Liability

2023-2024 Insurance Renewal Proposals

Property / Pollution / Cyber Liability

	7/1/22 - 7/1/23 Expiring	7/1/23 - 7/1/24 Renewal
Carrier	HARPP	HARPP
Total Insurable Value <i>Valuation Basis: Repair or Replacement Cost</i>	\$152,258,527	\$167,674,145
Annual Premium	\$218,344	\$311,279
All Risk Limit <i>All Perils & Coverages, subject to Sublimits listed below</i>	\$125,000,000	\$125,000,000
Deductible - All Other Perils	\$100,000	\$100,000
Deductible - Wildfire	\$250,000	\$250,000
Flood	Not Covered	Not Covered
Earthquake	Not Covered	Not Covered
Business Interruption	\$100,000,000	All Risk Limit
Extra Expense	\$50,000,000	\$50,000,000
Business Interruption/Extra Expense Waiting Period	24 Hours	24 Hours
Miscellaneous Unnamed Locations	\$5,000,000	\$5,000,000
Course of Construction	\$25,000,000	\$25,000,000
Increased Cost of Construction (Code/Ordinance)	\$50,000,000	\$50,000,000
Communicable Disease	Not Covered	Not Covered
Boiler Explosion & Machinery Breakdown Limit	\$100,000,000	\$100,000,000
Boiler Explosion & Machinery Breakdown Deductible	\$25,000	\$25,000
Pollution Liability Limit	\$2,000,000	\$2,000,000
Pollution Liability Retention	\$50,000	\$50,000
Cyber Liability Limit	\$2,000,000	\$2,000,000
Breach Response Sublimit*	\$1,000,000	\$1,000,000
Business Interruption Sublimit	\$750,000	\$750,000
Cyber Extortion (Ransomware) Sublimit	\$750,000	\$750,000
Cyber Crime (Phishing, Fraudulent Transfers) Sublimit	\$75,000	\$75,000
Cyber Liability Retention	\$50,000	\$50,000

**Breach Response sublimit drops to \$500K if Beazley service providers are not used*

2023-2024 Insurance Renewal Proposals

Property / Pollution / Cyber Liability

NOTES

- Total Insurable Values increasing from \$152,258,527 to \$167,674,145: HARPP applied a 7.5% inflation trend factor to all Building and Business Personal Property values; BI value was updated from \$25.7M to \$31.7M per BI worksheet
- The property insurance market is facing significant headwinds due to loss experience on natural disasters in recent years (e.g., wildfires, Hurricane Ian, large West Coast storms, etc.)
- Net Rate increasing 29%; this is in line with the current market conditions where we are seeing hospital property rate increases ranging from 30 to 50 percent this year

Statement of Values

Policy Loc No.	Address	City, ST ZIP	Description	Real Property	Business Personal Property	BI/Rents	Total Insurable Values
1	347 Andrieux Street	Sonoma, CA 95476	Hospital	\$91,856,219	\$34,137,929	\$31,713,975	\$157,708,123
1B	347 Andrieux Street	Sonoma, CA 95476	West Wing	Included Above	Included Above	Included Above	Included Above
1C	347 Andrieux Street	Sonoma, CA 95476	East Wing	Included Above	Included Above	Included Above	Included Above
1D	347 Andrieux Street	Sonoma, CA 95476	Central Wing	Included Above	Included Above	Included Above	Included Above
1E	347 Andrieux Street	Sonoma, CA 95476	Mobile MRI (Modular Van)	\$1,180,600	\$0	\$0	\$1,180,600
1H	347 Andrieux Street	Sonoma, CA 95476	New Wing	Included Above	Included Above	Included Above	Included Above
1I	347 Andrieux Street	Sonoma, CA 95476	COC: Outpatient Diagnostic Center	\$6,463,472	\$1,495,137		\$7,958,609
16	19312 Sonoma Highway	Sonoma, CA 95476	Physical Therapy/Finance	\$0	\$405,158	\$0	\$405,158
17	853 West 4th Street	Sonoma, CA 95476	South Parking Lot	\$65,676	\$0	\$0	\$65,676
18	462 West Napa St	Sonoma, CA 95476	Medical Offices	\$0	\$123,527	\$0	\$123,527
20	270 Perkins Street	Sonoma, CA 95476	Sonoma Valley Family Practice	\$0	\$232,452	\$0	\$232,452
				\$99,565,967	\$36,394,203	\$31,713,975	\$167,674,145

2023-2024 Insurance Renewal Proposals

Crime Insurance

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal
Carrier	AIG	AIG
Limit	\$1M	\$1M
Deductible	\$25K	\$25K
Premium	\$3,864	\$3,863

Fiduciary Liability

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal
Carrier	Hudson Ins Co	Hudson Ins Co
Limit	\$1M	\$1M
Retention	\$10K	\$10K
Premium	\$5,380	\$5,470

NOTES

- Insured Plans:
 - Sonoma Valley Health Care District Retirement and Savings Plan
 - Sonoma Valley Health Care District 457 Deferred Compensation Plan
 - VALIC 403(b)
 - VALIC 457

2023-2024 Insurance Renewal Proposals

Excess Workers' Compensation

	7/1/22 – 7/1/23 Expiring	7/1/23 – 7/1/24 Renewal Option 1	7/1/23 – 7/1/25 Renewal Option 2
Carrier	Arch	Arch	Arch
Limit	Statutory	Statutory	Statutory
Self-Insured Retention	\$500K	\$500K	\$500K
Estimated Annual Payroll	\$21,849,480	\$22,445,688	\$22,445,688
Net Rate	\$0.50	\$0.50	\$0.50
Deposit Premium	\$109,619	\$112,543	\$112,543*
Minimum Premium	\$98,657	\$101,289	\$101,289*

**Per Year; billed in two annual installments*

NOTES

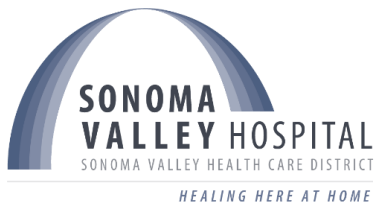
- Premium increasing 3% due to a 3% increase in payroll; rate remains flat (Premium = Payroll x Rate)
- Arch has offered a two-year renewal option, locking in the \$0.50 rate until 7/1/25 regardless of losses, changes in market conditions, etc.

2023-2024 Insurance Renewal Proposals

Excess Workers' Compensation

Loss Experience

Policy Period	Claims	As of 4/30/22	As of 4/11/23
2012-2013	4	\$113,404	\$113,404
2013-2014	7	\$240,398	\$240,398
2014-2015	6	\$15,533	\$15,533
2015-2016	6	\$231,891	\$231,891
2016-2017	13	\$423,432	\$423,432
2017-2018	10	\$184,049	\$184,049
2018-2019	17	\$223,228	\$223,228
2019-2020	12	\$309,823	\$296,515
2020-2021	15	\$196,049	\$280,812
2021-2022	11	\$77,827	\$117,296
2022-2023	5	-	\$18,652
Total	106	\$2,015,635	\$2,145,210
Average	9.6	\$201,563	\$195,019



To: SVHCD Finance Committee
 From: Ben Armfield, Chief Financial Officer
 Date: April 23, 2024
 Subject: Long Range Financial Plan

OVERVIEW:

Enclosed is a first pass working document that begins to lay out our long-range financial plan. This is a fluid document that we plan on refining throughout the FY25 budget process and as new initiatives are potentially identified. The framework of this financial plan focuses on the net cash contribution (sources/uses) generated from hospital operations (cash collections coming in vs. cash outlays going out). Historically, the hospital has operated at a deficit, even when accounting for IGT monies. The parcel tax (\$3.8M annually) was designed to cover the gap and get the hospital to a break/even, but other systemic challenges as well as the continued financial fallout from the pandemic have caused this gap to widen.

Looking at last year (FY23), the monthly gap in cash from operations (including IGT monies) was \$665,000/month. In order for our parcel tax revenues to fully close this gap this deficit needs to get down to \$315,000/month. In other words, we need to basically cut our current monthly gap in half. This gap is actually on track to close slightly by the end of this fiscal year due to an increase in our IGT funding.

	Actual FY23	Estimated FY24
Hospital Collections	4,056,988	4,077,291
Hospital Operating Payments (excl Capital)	5,036,806	5,074,143
Payments vs. Cash Outlays (AP)	(979,818)	(996,852)
12-month IGT Net Spread - Baseline	314,627	436,897
Net Hospital Sources/(Uses) w IGT	(665,191)	(559,955)
12-month Parcel Tax Spread	315,728	316,667
Net Hospital Sources/(Uses) w IGT & Parcel	(349,463)	(243,288)

In order to ensure go-forward financial health of the organization, we feel strongly that this is the key indicator we want to focus on. Our goal over the next couple of fiscal years is to trim the gap of our net hospital sources/uses (with IGT) to a level that our parcel taxes covers the remaining. Based on what we estimate for FY24, we need to improve our monthly performance by \$243,000/month, or \$2.9 million annually.

INITIATIVES :

The attached financial plan includes our current projections through the end of fiscal year 2028. While fluid, this hopefully provides a framework to better understand the key initiatives (both strategic growth priorities and financial revenue enhancement initiatives) that are either planned to be implemented or are already in action.

Strategic Growth Priorities

Strategic initiatives focusing on program and volume growth. These initiatives will be the most significant contributors for revenue generation through data-driven, strategic investments to grow targeted service-lines. The key strategic growth priorities included in this long-range plan are below:

Strategic Service Line Initiatives Currently Planned/In-Action:

Physical Therapy Expansion	January 2025
MRI Expansion	May 2024
Orthopedic Recruitment #1 (Dr. Walter)	June 2024
Orthopedic Recruitment #2	Fiscal Year 2026-2027
1206(b) Clinic Integration	June 2024

Revenue Cycle Enhancement

Currently, SVH's net revenues (as a % of gross revenue) have been hovering around ~15%. This is not sustainable in the long-term. Improving revenue cycle performance and rightsizing our reimbursement rates is one of the most significant priorities from a business operations standpoint in the near-term. We have been successful in renegotiating a couple of contracts this year, but we plan on resetting a number of others over the next couple of fiscal years as well.

In addition to our reimbursement contracts, we are also focusing on our current IGT funding amounts. We feel there is an opportunity for our IGT dollars to increase, which we are currently pursuing. We have identified the following revenue enhancement initiatives for prioritization in this next fiscal year:

Revenue Enhancement Initiatives Currently Planned / In-Action:

Anthem Contract Renegotiation	May 2024
Additional Contract Renegotiations	Fiscal Year 2025 – Fiscal Year 2027
Direct Hospital Directed Payment Program	Fiscal Year 2025
IGT Resetting	Fiscal Year 2025

WRAP-UP:

This plan, although certainly fluid, is intended to be a first pass that provides a foundation for our financial “roadmap” and where we are looking to go – both in the short and long term. Our hope is that this can continue to get refined and become a document both management and the committee utilize to measure progress going forward.

ATTACHMENTS:

- Hospital Sources/(Uses) Long Range Financial Projection

Sonoma Valley Hospital - Long Term Cash Sources / (Uses) Projection

DRAFT

	Actual FY23	Estimated FY24	Estimated FY25	Estimated FY26	Estimated FY27	Estimated FY28	Comments
Hospital Collections	4,056,988	4,077,291	4,158,837	4,221,219	4,263,432	4,306,066	
Hospital Operating Payments (excl Capital)	5,036,806	5,074,143	5,124,884	5,227,382	5,331,929	5,438,568	Assumed a 1%-3% annual inflation per year
Payments vs. Cash Outlays (AP)	(979,818)	(996,852)	(966,047)	(1,006,162)	(1,068,498)	(1,132,502)	
12-month IGT Net Spread - Baseline	314,627	436,897	436,897	436,897	436,897	436,897	
Net Hospital Sources/(Uses) w IGT	(665,191)	(559,955)	(529,150)	(569,265)	(631,601)	(695,605)	
12-month Parcel Tax Spread	315,728	316,667	316,667	316,667	316,667	316,667	
Net Hospital Sources/(Uses) w IGT & Parcel	(349,463)	(243,288)	(212,484)	(252,599)	(314,934)	(378,938)	Projected hospital sources/uses gap based on status-quo
Net Capital Expenditures (less Foundation)	(131,441)	(71,809)	TBD	TBD	TBD	TBD	FY25-FY28 projected capital spend currently TBD and getting refined as part of the FY25 budget process.
Impact of Planned Initiatives (below)	-	-	130,700	259,800	347,100	431,600	See Below
Net Hospital Sources w/ Net Cap Exp & Planned Initiatives	(480,904)	(315,097)	(81,784)	7,201	32,166	52,662	
Other Funding Sources/(Uses)	333,838	54,167	-	-	-	-	
Total Net Sources (Uses) - Monthly	(147,066)	(260,930)	(81,784)	7,201	32,166	52,662	Projected total monthly gap based on status-quo
Total Net Sources (Uses) - Annual	(1,764,788)	(3,131,160)	(981,402)	86,416	385,991	631,940	Projected total monthly gap based on status-quo
Total Cash - Beginning of Year	8,338,887	6,574,099	3,442,939	2,461,537	2,547,953	2,933,944	
Total Cash - End of Year	6,574,099	3,442,939	2,461,537	2,547,953	2,933,944	3,565,884	

Strategic Service-Line Initiatives

Physical Therapy Expansion	\$	21,600	\$	36,400	\$	38,400	\$	38,400	Based on business plan presented to BOD Est. go-live 1/1/25
3 Telsa MRI Expansion	\$	65,100	\$	81,400	\$	97,700	\$	130,200	Estimated incremental exams per/day (FY25-4, FY26-5, FY27-6, FY28-8)
Orthopedic Recruitment #1 - Dr. Walter	\$	-	\$	15,000	\$	25,000	\$	30,000	Assumes 1-year income guarantee and assumes a break-even in that first year. Projected to be fully ramped up by end of FY26.
Orthopedic Recruitment #2	\$	-	\$	-	\$	15,000	\$	25,000	Projected to bring on additional orthoped by FY27. Assumes 1-year income guarantee and assumes a break-even in that first year.
1206(b) Clinic	\$	(33,000)	\$	(31,000)	\$	(29,000)	\$	(28,000)	Incremental impact of bringing general surgeons into 1206(b) clinic. Financial value of surgical volume included in baseline run-rate.
<u>Revenue Enhancement Initiatives</u>									
Anthem Contract Renegotiation	\$	23,000	\$	43,000	\$	65,000	\$	81,000	Based on agreed-to rate increase. Assumes 50% capture of quality incentives.
Additional Payor Contract Negotiations	\$	10,000	\$	20,000	\$	40,000	\$	60,000	Based on historical volumes and estimated 4% rate increases annually. Projected timeline FY25 - Blue Shield, Health Net, United Health Care, FY26 - Aetna, Cigna
Direct Hospital Directed Payment Program	\$	29,000	\$	58,000	\$	58,000	\$	58,000	New IGT program for District Hospitals starting in FY25. FY25 will be pro-rated based on 6-months. Annual IGT should net ~ \$700,000.
IGT Resetting	\$	80,000	\$	80,000	\$	80,000	\$	80,000	IGT resetting includes estimated reductions in both HQAF and QIP IGT. Additional net IGT estimated based on resetting Rate Range IGT rates with Partnership Health Plan. If successful, will increase Rate Range IGT by an estimated \$1.2 million annually.
Distressed Hospital Loan Repayment	\$	-	\$	(43,000)	\$	(43,000)	\$	(43,000)	Planned repayment of \$3.1 million loan received through the Distressed Hospital Loan Program (DHLP).
SubTotal - Impact of New Initiatives	\$	130,700	\$	259,800	\$	347,100	\$	431,600	



To: SVHCD Finance Committee
 From: Ben Armfield, Chief Financial Officer
 Date: April 23, 2024
 Subject: Financial Report for March 2024

1. OVERALL PERFORMANCE | MONTH

Table 1 | Overall Performance - March 2024

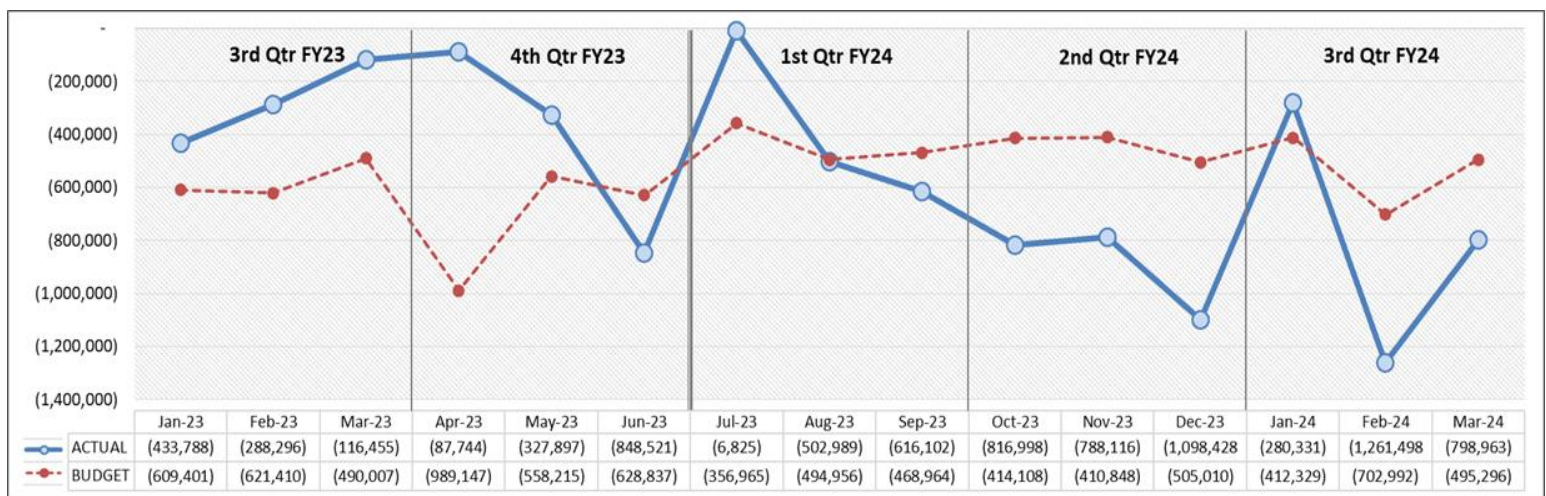
	Current Year Month		Variance		Current Year YTD		Variance		Prior Year YTD		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Margin	\$ (740,063)	\$ (265,495)	\$ (474,568)	-179%	\$ (7,348,984)	\$ (4,418,278)	\$ (2,930,706)	-66%	\$ (5,313,770)	\$ (2,035,214)	-38%	
Operating EBDA	\$ (312,502)	\$ 7,472	\$ (319,974)	-4282%	\$ (3,421,119)	\$ (1,991,575)	\$ (1,429,545)	-72%	\$ (3,062,991)	\$ (358,128)	-12%	
Net Income (Loss)	\$ 2,230,539	\$ 453,275	\$ 1,777,264	392%	\$ 943,172	\$ 2,050,597	\$ (1,107,425)	-54%	\$ 1,320,650	\$ (377,477)	-29%	

Table 1b | IGT Amounts in Income Statement - March 2024

	Current Year Month		Current Year YTD		Prior Year YTD
	Actual	Budget	Actual	Budget	Actual
IGT Revenue	\$ 780,000	\$ 617,176	\$ 5,812,445	\$ 4,489,754	\$ 4,445,713
IGT Expense	\$ (293,539)	\$ (114,408)	\$ (3,063,537)	\$ (2,219,860)	\$ (2,525,867)
IGT Net Income	\$ 486,461	\$ 502,768	\$ 2,748,908	\$ 2,269,894	\$ 1,919,846

As has been discussed at length over the past couple of months, March was certainly notable as it marked the first full month following the departure of our busiest Orthopedic surgeon, Dr. Brown. Given previous months' performance with his surgical and ancillary volumes still in the hospital's run-rate, we were bracing for a further downturn in March. While we missed budget, which was all but expected, I am pleased to report that the month of March was an improvement from February – both in operational and cash flow performance.

Graph 1.1 | SVH Trended Operating EBDA (excluding IGT funding)



Key Drivers in Month's Performance:

Surgical Volumes

Our surgical volumes saw a further regression from February's levels. We performed 133 surgeries in March, which is well off our budgeted targets and down from the 140 we performed in February. Of the 133 surgical cases, 33 were orthopedics. That is roughly half of what we have been averaging this fiscal year, and probably where we will be landing until our new orthopedic surgeon comes on board.

The good news on the surgical volume side is that our other key service lines (GI, general surgery) all saw upticks compared to February as well as their respective 6 month trend.

Emergency Room Utilization

Emergency room utilization increased in March, exceeding both budget and current year trend. March was the second busiest month in the ER we have had this fiscal year. With March's rebound, ER volumes now exceed both budget and prior year from a year-to-date perspective.

Ancillary Volumes

We did see a drop in some of our imaging volumes, but perhaps not as severe as anticipated given Dr. Brown's departure. MRI volumes did see a pullback, which was expected given that Dr. Brown was a significant referral source for those services, but other imaging volumes such as CT exams maintained their recent volume levels.

March was a big month for outpatient therapy. OP PT visits were the second highest they have been this year, and OP OT volumes set a new fiscal year high.

Net Revenue

We did fall short of budget in net revenue, as expected. Much of this relates to Dr. Brown and Ortho. However, we did see an improvement in overall net revenue compared to February. We did have IGT activity during month as we made our matching fee pay-in to our HQAF (Hospital Quality Assurance Fee) IGT program. Accruing for this IGT resulted in \$486,471 of net income (\$780,000 in revenue and \$293,539 in expense). Payment for this IGT is expected to be received in May.

Operating Expenses

The team's hard work continues in proactively managing expenses in an attempt to balance out the shortfall in revenues. We ran under budget in operating expenses by 11% in March, and is the second month in a row that we ran under budget by at least 5%. The 230 paid FTEs in March came in nearly 10% under budget, which shows the hard work that has been put in to try and align staffing levels with the softer volumes.

Cash

One of the bright spots in March was cash collections as we collected just over \$4.2 million for the month. This is a welcomed turnaround from the \$3.6 million that was both collected in February and also projected to be collected in March.

We are bracing for some potential pullback from this in future months as some of the uptick is due to the strong January we just experienced roughly sixty days ago. These lower volume months will most likely pull this back under \$4.0 million, but we are also using the opportunity to work down our active A/R which will help mitigate the gap caused by the orthopedic transition.

Our 'Open A/R', which accounted for over 55% of our total accounts receivable at the end of January, has decreased by nearly 15% in two months, and as of mid-April has decreased by over 20%.

Our cash was propped up in March by a \$1,099,230 QIP IGT payment, which had been initially planned to be received in April. The net cash impact of IGT activity in March was \$805,701 after accounting for the HQAF IGT matching fee payment of \$293,539 (discussed above in net revenue).

We did make the first of two CHFFA Bridge Loan paybacks in March, repaying \$308,000 of the \$610,000 zero-interest loan the hospital received back in early calendar year 2022. The remaining \$302,000 will be repaid in May.

In total, our cash increased by over \$300,000 in February, which exceeded our projection. Looking ahead, we will be coming into some high dollar payments over the next few months which will continue to provide some cash relief. This includes our remaining parcel tax payment of \$1.5 million (May) and roughly \$4.0 million in remaining net IGT proceeds over the next couple of months.

Other Updates:

Orthopedics

- **Orthopod Recruitment:** We are pleased to report that we have officially signed a new orthopedic surgeon, Dr. Chris Walter. He is coming to us from Petaluma where he predominately worked within the Providence Health System. His arrangement will be very similar to Dr. Brown's as he will be hired through Marin Health Medical Group. Dr. Walter will be officially joining us in late June and will utilize the existing clinic space in the hospital that had been occupied by Dr. Brown.
- **Orthopedic Referral Patterns:** We are closely collaborating with Marin Health to ensure existing referral patterns are not impacted prior to the arrival of Dr. Walter.
- **Supplementing Ortho Volumes:** In addition to the referral streams created through Marin Health and local physicians in our District, Dr. Brown did extensive work with the California State Prisons (CDCR). This contract is a favorable one for the hospital from a financial perspective and we have been working on a plan to protect this referral source in the interim. One of our existing orthopedic surgeons who already does work with CDCR patients started to absorb a more

significant portion of this volume, which will help ensure this referral source stays active. We are hopeful this will help provide some level of stability through this transition.

Anthem Contract Negotiations: We are pleased to report that we reached agreement on a 4-year contract with Anthem. We are currently finalizing the actual contract which will be effective May 1st. This was a big lift and was stressful for all involved. Overall, this renegotiation will result in a cumulative +30% increase and will generate roughly \$2.5 million (based on current volume levels) in incremental cash flow over the 4-year term. We have agreed to hold claims until May 1st, eliminating the need to re-bill claims once the new rates are loaded into their system.

Other Contract Negotiations: Now that the Anthem negotiation is done, we are finalizing our plan for the next wave of reimbursement contracts we would like to pursue. HealthNet, United Health Care, and Blue Shield are most likely the agreements we will be prioritizing, and we will be presenting this framework over the next couple of months.

Physical Therapy Expansion: The outpatient PT expansion project is currently in the design phase. The next significant milestone is relocating the hospital's finance department over to the hospital, which is planned for the first weekend in June. This will free up the space and allow for the construction work to begin. We are planning on this project to be complete by January 2025.

Temporary MRI Project: The temporary MRI project has just one remaining step in order to go-live, which is an on-site inspection by the local CDPH office. We continue to plan for live training in the next few weeks and we are hopeful to be surveyed during that same time frame. We are hopeful that we will gain occupancy to start treating patients in May. We continue to work with UCSF on redirecting their extensive backlog of patients waiting for MRI services in the city. Our media and advertising campaigns kick off in April, which will focus on print in select areas as well as a much larger reach for digital media. Focus will be on diagnostic and wound care services.

Distressed Hospital Loan Program: We've received confirmation that our Distressed Hospital Loan Program funds will be arriving by the end of the month.

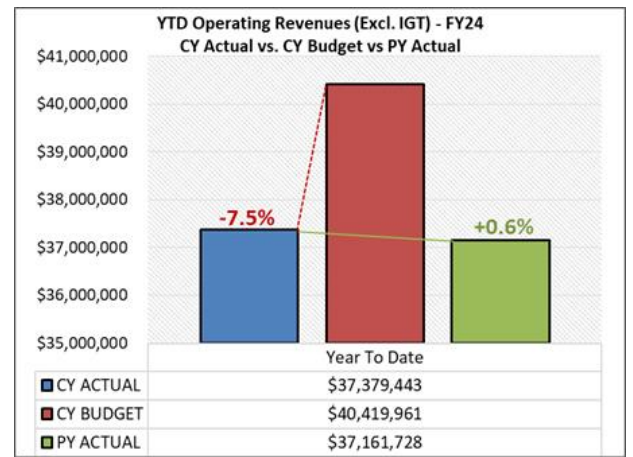
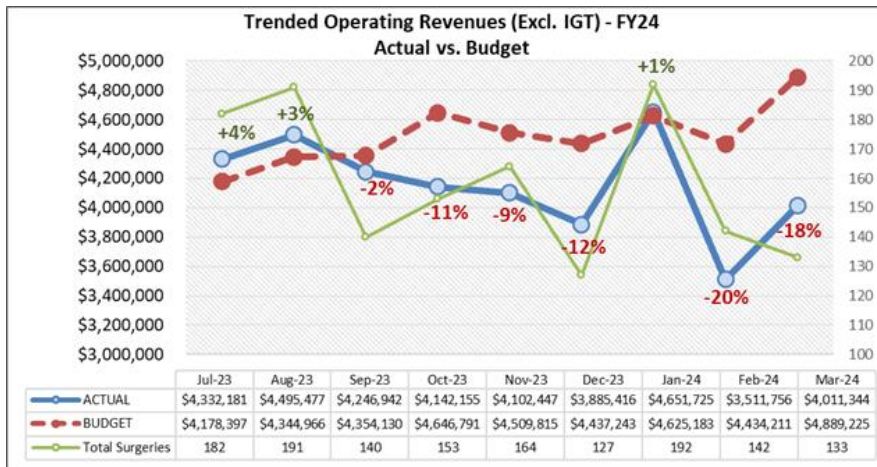
Audit Update: Last month the board of directors approved a recommendation put forward by management and the audit committee to transition the District's assurance services from Armanino to Moss Adams. Transition kick-off meetings are scheduled for next week.

2. NET REVENUE AND VOLUME SUMMARY:

Table 2 | Net Patient Revenue – Actual vs. Budget - March 2024 (Excluding IGT)

	Current Year Month		Variance		Current Year YTD		Variance		Prior Year YTD		Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%	
Gross Revenue	\$ 25,889,667	\$ 31,861,599	\$ (5,971,932)	-19%	\$250,791,487	\$ 262,108,484	\$ (11,316,998)	-4%	\$ 240,864,067	\$ 9,927,419	4%	
Net Patient Revenue	\$ 3,918,642	\$ 4,796,420	\$ (877,778)	-18%	\$ 36,550,793	\$ 39,584,707	\$ (3,033,914)	-8%	\$ 36,327,229	\$ 223,564	1%	
NPR as a % of Gross	15.1%	15.1%	0.5%		14.6%	15.1%	-3.5%		15.1%	-3.4%		
Tot Operating Revenue	\$ 4,011,344	\$ 4,889,225	\$ (877,881)	-18%	\$ 37,379,443	\$ 40,419,961	\$ (3,040,518)	-8%	\$ 37,161,728	\$ 217,714	1%	

Graph 2.1 | SVH Trended Operating Revenue FY24 (excluding IGT funding)



Graph 2.2 | SVH Trended Surgeries (Total) | FY23 – FY24 YTD

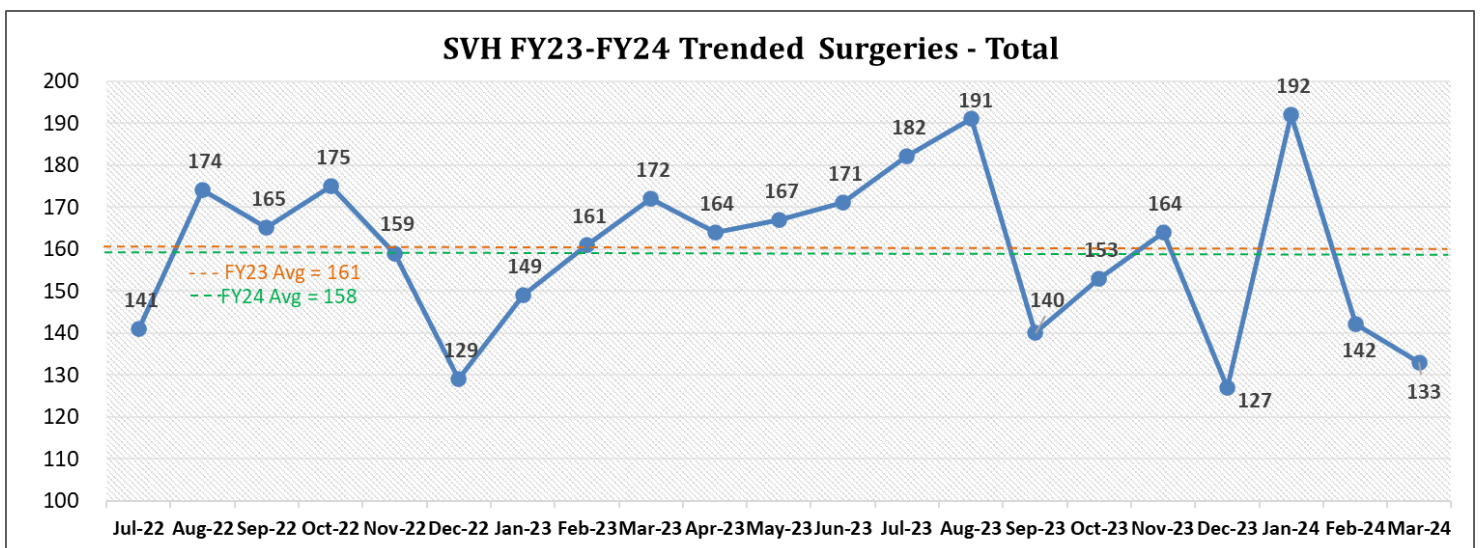


Table 2.3 | Surgical Volumes Top 4 Service Lines – March 2024 vs Prior Month & Six-Month Trend

Service Line	Current Month vs. Previous Month				6 Month Trend						Current Month vs. 6 Month Trend		
	Mar24	Feb24	Var	% Var	Sep23	Oct23	Nov23	Dec24	Jan24	Feb24	6 Month Trend	Var	% Var
Orthopedics	33	40	(7)	-18%	65	70	51	49	67	40	57	(24)	-42%
Gastroenterology	62	59	3	5%	46	47	62	47	67	59	55	7	13%
Ophthalmology	18	20	(2)	-10%	12	17	21	11	22	20	17	1	5%
General	15	11	4	36%	10	15	17	10	18	11	14	2	11%
SubTotal	128	130	(2)	-2%	133	149	151	117	174	130	142	(14)	-10%
Other	5	12	(7)	-58%	7	4	13	10	18	12	11	(6)	-53%
Grand Total	133	142	(9)	-6%	140	153	164	127	192	142	153	(20)	-13%

Table 2.4 | Patient Volumes – March 2024

	Month of March 2024				Year To Date March 2024						
	Current Year		Variance		Current Year		Variance		Prior Year		Variance
	Actual	Budget	Var	%	Actual	Budget	Var	%	Actual	Var	%
Acute Patient Days	192	282	(90)	-32%	2,314	2,464	(150)	-6%	2,478	(164)	-7%
Average Daily Census	6.2	9.1	(2.9)	-32%	8.4	9.0	(0.5)	-6%	9.0	(0.6)	-7%
Acute Discharges	59	60	(1)	-2%	629	541	88	16%	612	17	3%
IP Surgeries	6	13	(7)	-54%	119	120	(1)	-1%	141	(22)	-16%
OP Surgeries/Spec Proc	127	198	(71)	-36%	1,305	1,466	(161)	-11%	1,284	21	2%
Total Surgeries / Procedures	133	211	(78)	-37%	1,424	1,586	(162)	-10%	1,425	(1)	0%
Total Outpatient Visits	4,993	4,979	14	0%	46,246	40,852	5,394	13%	41,232	5,014	12%
Emergency Room Visits	875	855	20	2%	7,624	7,697	(73)	-1%	7,262	362	5%

Table 2.5 | Outpatient Volumes Trended – Last 6 Months

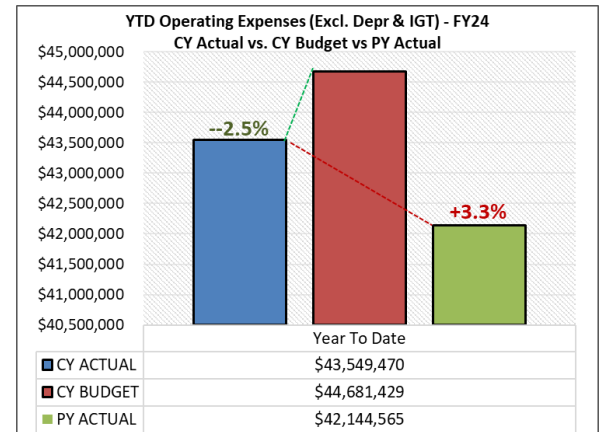
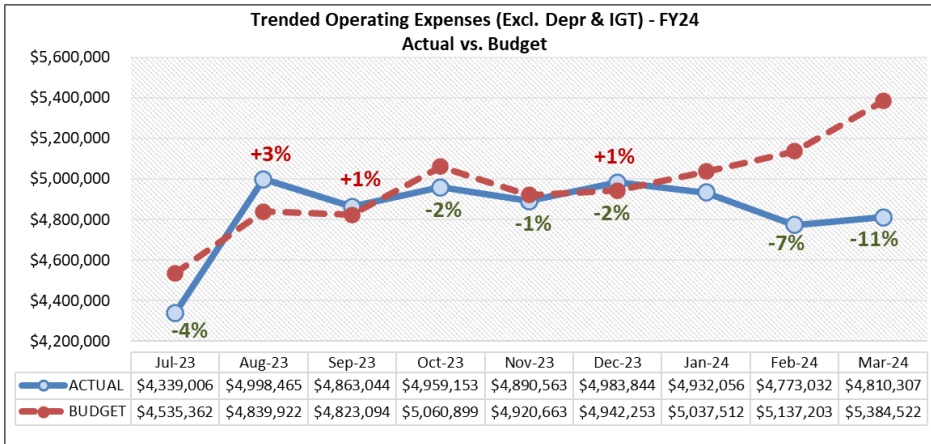
Department	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Last 6 Months
Lab	1,312	1,284	1,181	1,337	1,261	1,271	
Medical Imaging	1,002	997	945	949	896	858	
Physical Therapy	1,207	1,195	1,151	1,238	1,238	1,351	
CT Scanner	407	370	358	409	355	368	
Occ. Health	348	280	273	291	230	209	
Mammography	296	271	241	222	233	232	
Occupational Therapy	184	211	126	194	202	317	
Ultrasound	239	220	206	244	242	220	
Wound Care	192	129	136	174	166	175	
MRI	129	114	136	140	167	123	
ECHO	124	117	104	113	135	110	
Speech Therapy	44	51	38	45	49	45	
Other	19	12	26	24	30	14	
TOTAL	5,503	5,251	4,921	5,380	5,204	5,293	
Emergency Room	818	780	890	868	779	875	

3. OPERATING EXPENSE SUMMARY:

Table 3 | Operating Expenses – Actual vs. Budget – March 2024 (Excluding IGT)

	Current Year Month		Variance		Current Year YTD		Variance		Prior Year YTD		Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Expenses	\$ 5,237,868	\$ 5,657,489	\$ 419,621	7%	\$ 47,477,334	\$ 47,108,133	\$ (369,202)	-1%	\$ 44,395,345	\$ (3,081,990)	-7%	
Operating Exp. Excl. Depr.	\$ 4,810,307	\$ 5,384,522	\$ 574,215	11%	\$ 43,549,470	\$ 44,681,429	\$ 1,131,959	3%	\$ 42,144,565	\$ (1,404,905)	-3%	
Worked FTEs	210.1	224.6	14.5	6%	214.2	218.5	4.3	2%	211.8	(2.4)	-1%	

Graph 3.1 | SVH Trended Operating Expenses (excluding Depreciation & IGT funding) – FY24

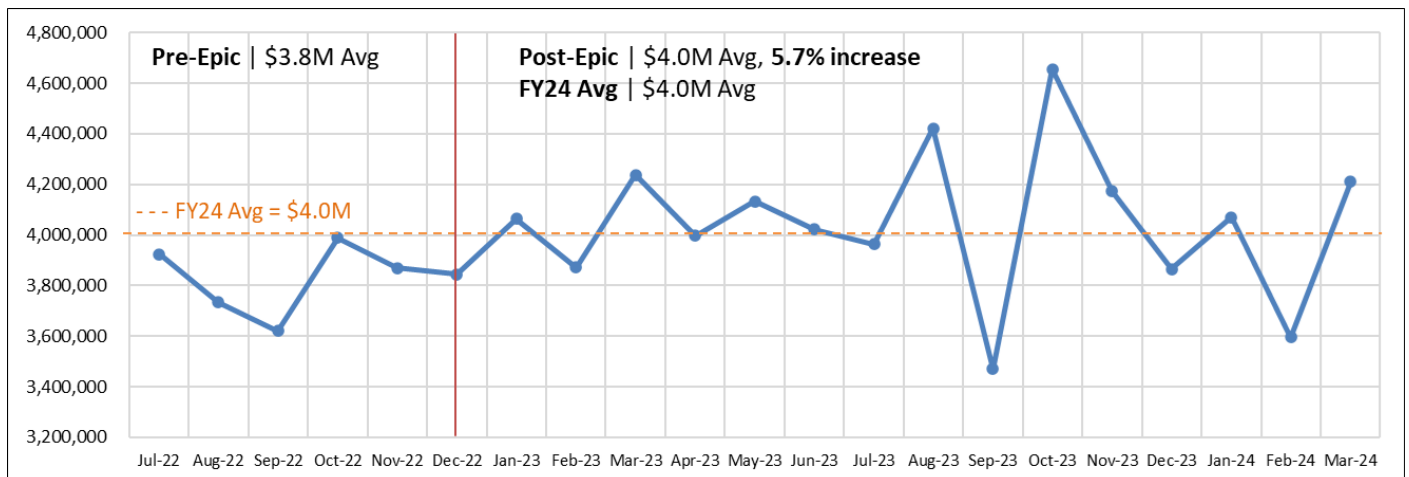


4. CASH ACTIVITY SUMMARY:

Table 4 | Cash / Revenue Cycle Indicators - March 2024

	Mar-24	Feb-24	Var	%
Days Cash on Hand	16.3	14.1	2.2	16%
A/R Days	56.5	60.3	(3.8)	-6%
A/P Days	64.0	69.4	(5.4)	-8%

Graph 4.1 | Cash Collections Trended FY22 – Present | Pre-Epic v. Post-Epic



ATTACHMENTS:

- Attachment A is the Payer Mix Analysis
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D is the Balance Sheet Variance Analysis - **NEW**
- Attachment E (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 F is the Trended Income Statement
- Attachment G is the Cash Projection

**Sonoma Valley Hospital
Payer Mix for the month of March, 2024**

ATTACHMENT A

	MONTH			
Gross Revenue	Actual	Budget	Variance	% Variance
Medicare	10,620,574	11,582,429	-961,854	-3.0%
Medicare Managed Care	4,318,450	5,500,861	-1,182,411	-3.7%
Medi-Cal	4,187,310	6,165,877	-1,978,567	-6.2%
Self Pay	445,037	178,399	266,638	0.8%
Commercial & Other Governn	5,906,461	7,468,888	-1,562,427	-4.9%
Worker's Comp.	385,475	1,189,382	-803,907	-2.5%
Total	25,863,307	32,085,836	-6,222,529	-19.4%

	YEAR TO DATE			
	Actual	Budget	Variance	% Variance
Medicare	94,458,456	94,573,500	-115,043	0.0%
Medicare Managed Care	44,898,978	44,904,885	-5,908	0.0%
Medi-Cal	40,145,355	50,119,358	-9,974,003	-3.8%
Self Pay	3,783,345	1,419,506	2,363,839	0.9%
Commercial & Other Governn	60,687,716	60,530,157	157,559	0.1%
Worker's Comp.	6,643,714	9,591,211	-2,947,497	-1.1%
Total	250,617,564	261,138,617	-10,521,053	-4.0%

	MONTH		
Payor Mix	Actual	Budget	Variance
Medicare	41.1%	36.1%	5.0%
Medicare Managed Care	16.7%	17.1%	-0.4%
Medi-Cal	16.2%	19.2%	-3.0%
Self Pay	1.7%	0.6%	1.2%
Commercial & Other Governn	22.8%	23.3%	-0.4%
Worker's Comp.	1.5%	3.7%	-2.2%
Total	100.0%	100.0%	

	YEAR TO DATE		
	Actual	Budget	Variance
Medicare	37.7%	36.2%	1.5%
Medicare Managed Care	17.9%	17.2%	0.7%
Medi-Cal	16.0%	19.2%	-3.2%
Self Pay	1.5%	0.5%	1.0%
Commercial & Other Governn	24.2%	23.2%	1.0%
Worker's Comp.	2.7%	3.7%	-1.0%
Total	100.0%	100.0%	

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended March 31, 2024**

ATTACHMENT B

CURRENT MONTH				YEAR-TO-DATE			YTD	
Actual	Budget	Favorable		Actual	Budget	Favorable	Prior	
03/31/24	03/31/24	(Unfavorable)		03/31/24	03/31/24	(Unfavorable)	Year	
		Variance				Variance	03/31/23	
Inpatient Utilization								
Discharges								
1	40	48	(8)	Med/Surg	467	432	35	438
2	19	12	7	ICU	162	109	53	174
3	59	60	(1)	Total Discharges	629	541	88	612
Patient Days:								
4	113	181	(68)	Med/Surg	1,530	1,594	(64)	1,568
5	79	101	(22)	ICU	784	870	(86)	910
6	192	282	(90)	Total Patient Days	2,314	2,464	(150)	2,478
7	14	-	14	Observation days	188	-	188	140
Average Length of Stay:								
8	2.8	3.8	(0.9)	Med/Surg	3.28	3.69	(0.41)	3.6
9	4.2	8.2	(4.1)	ICU	4.84	8.00	(3.16)	5.2
10	3.3	4.7	(1.4)	Avg. Length of Stay	3.68	4.55	(0.87)	4.0
Average Daily Census:								
11	3.6	5.8	(2.2)	Med/Surg	5.6	5.8	(0.2)	5.7
12	2.5	3.3	(0.7)	ICU	2.9	3.2	(0.3)	3.3
13	6.2	9.1	(2.9)	Avg. Daily Census	8.4	9.0	(0.5)	9.0
Other Utilization Statistics								
Emergency Room Statistics								
14	875	855	20	Total ER Visits	7,624	7,697	(73)	7,262
Outpatient Statistics:								
15	5,293	4,979	314	Total Outpatients Visits	46,546	40,852	5,694	41,232
16	6	13	(7)	IP Surgeries	119	120	(1)	141
17	127	183	(56)	OP Surgeries / Special Procedures	1,305	1,451	(146)	1,284
18	343	269	74	Adjusted Discharges	2,908	2,310	597	2,585
19	1,116	1,259	(144)	Adjusted Patient Days	10,697	10,526	171	10,601
20	36.0	40.6	(4.6)	Adj. Avg. Daily Census	38.9	38.3	0.6	38.5
21	1.3070	1.4000	(0.093)	Case Mix Index -Medicare	1.3900	1.4000	(0.010)	1.4703
22	1.2966	1.4000	(0.103)	Case Mix Index - All payers	1.3791	1.4000	(0.021)	1.4514
Labor Statistics								
23	210	225	15	FTE's - Worked	214	218	4.3	212
24	231	247	17	FTE's - Paid	237	241	4.0	234
25	50.47	53.41	2.94	Average Hourly Rate	49.05	51.67	2.62	49.59
26	6.41	6.09	(0.32)	FTE / Adj. Pat Day	6.08	6.29	0.20	6.08
27	36.5	34.7	(1.8)	Manhours / Adj. Pat Day	34.7	35.8	1.2	34.7
28	118.8	162.3	43.5	Manhours / Adj. Discharge	127.5	163.2	35.7	142.1
29	27.1%	22.3%	-4.8%	Benefits % of Salaries	25.6%	24.0%	-1.5%	23.8%
Non-Labor Statistics								
30	10.1%	12.7%	2.7%	Supply Expense % Net Revenue	13.9%	13.3%	-0.7%	14.3%
31	1,381	2,563	1,182	Supply Exp. / Adj. Discharge	2,029	2,531	503	2,253
32	16,261	21,623	5,362	Total Expense / Adj. Discharge	17,515	21,538	4,022	18,319
Other Indicators								
33	16.3			Days Cash - Operating Funds				
34	56.5	50.0	6.5	Days in Net AR	61.6	50.0	11.6	44.8
35	123%			Collections % of Cash Goal	102%			95.2%
36	64.0	55.0	9.0	Days in Accounts Payable	64.0	55.0	9.0	46.4
37	18.2%	17.0%	1.2%	% Net revenue to Gross revenue	16.9%	16.8%	0.1%	16.9%
38	32.9%			% Net AR to Gross AR	32.9%			31.8%

Sonoma Valley Health Care District

ATTACHMENT C

Balance Sheet
As of March 31, 2024
UNAUDITED

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	2,309,441	1,993,989	2,754,515
3 Net Patient Receivables	10,622,423	10,616,258	9,543,437
4 Allow Uncollect Accts	(3,394,622)	(3,161,490)	(1,435,473)
5 Net A/R	7,227,802	7,454,768	8,107,964
6 Other Accts/Notes Rec	2,722,866	3,732,259	639,303
7 Parcel Tax Receivable	1,740,944	1,740,944	1,741,233
8 GO Bond Tax Receivable	947,285	947,285	906,105
9 3rd Party Receivables, Net	1,957,223	2,323,119	4,695,155
10 Inventory	1,034,630	1,029,859	1,083,944
11 Prepaid Expenses	913,915	1,001,830	761,027
12 Total Current Assets	\$ 18,854,105	\$ 20,224,053	\$ 20,689,245
13 Property, Plant & Equip, Net	\$ 58,393,550	\$ 56,442,211	\$ 56,740,855
14 Trustee Funds - GO Bonds	4,772,376	5,007,814	4,650,265
15 Designated Funds - Board Approved	-	-	-
16 Total Assets	<u>\$ 82,020,031</u>	<u>\$ 81,674,078</u>	<u>\$ 82,080,365</u>
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 7,725,921	\$ 9,010,416	\$ 8,153,183
18 Accrued Compensation	4,267,173	3,895,505	3,939,588
19 Interest Payable - GO Bonds	45,029	254,795	51,758
20 Accrued Expenses	583,639	418,062	1,156,068
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	949,997	1,266,664	949,997
23 Deferred GO Bond Tax Revenue	654,367	872,489	621,273
24 Current Maturities-LTD	217,475	217,475	217,475
25 Line of Credit - Union Bank	4,973,734	4,973,734	5,473,734
26 Other Liabilities	93,916	93,916	57,511
27 Total Current Liabilities	\$ 19,511,251	\$ 21,003,056	\$ 20,620,588
28 Long Term Debt, net current portion	\$ 25,625,963	\$ 26,018,743	\$ 25,165,467
Fund Balances:			
30 Unrestricted	\$ 21,187,377	\$ 21,187,378	\$ 17,957,335
31 Restricted	15,695,440	13,464,901	18,336,974
32 Total Fund Balances	\$ 36,882,817	\$ 34,652,279	\$ 36,294,309
33 Total Liabilities & Fund Balances	<u>\$ 82,020,031</u>	<u>\$ 81,674,078</u>	<u>\$ 82,080,364</u>

Sonoma Valley Health Care District
 Balance Sheet Variance Analysis
 As of March 31, 2024

ATTACHMENT D

Assets	Monthly Change	Current Month	Prior Month	Prior Year	Variance Commentary
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CURRENT ASSETS

Cash	315,452	2,309,441	1,993,989	2,754,515	Cash increased by \$300K in March. Total hospital sources cash receipts of \$4.2M vs. AP/Capital Lease Payments of \$4.5M. Net IGT cashflow of \$805,000. Bridge Loan repayment of \$308,000.
Net A/R	(226,966)	7,227,802	7,454,768	8,107,964	Net A/R decreased with increased focus on reducing hospital's Open A/R.
Other Receivables	(1,375,289)	7,368,318	8,743,607	7,981,795	Other Receivables decreased due to QIP IGT payment of \$1.0 million that was received in March.
Inventory	4,771	1,034,630	1,029,859	1,083,944	
Prepaid Expenses	(87,915)	913,915	1,001,830	761,027	
TOTAL CURRENT ASSETS	(1,369,948)	18,854,105	20,224,053	20,689,245	

NON-CURRENT ASSETS

Net Fixed Assets	1,951,339	58,393,550	56,442,211	56,740,855	\$2.3 million added to ODC CIP. \$400,000 of depreciation.
Trustee Funds - GO Bonds	(235,438)	4,772,376	5,007,814	4,650,265	
TOTAL ASSETS	345,953	82,020,031	81,674,078	82,080,365	

Liabilities / Fund Balance	Monthly Change	Current Month	Prior Month	Prior Year	Variance Commentary
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CURRENT LIABILITIES

Accounts Payable	(1,284,495)	7,725,921	9,010,416	8,153,183	A/P decreased due to payouts on ODC project (invoices had been sitting in AP @ February month-end). Also continued efforts to paydown vendor invoices further reduced our A/P spend.
Accrued Expenses	537,245	4,850,812	4,313,567	5,095,657	
Interest Payable	(209,766)	45,029	254,795	51,758	Interest payment was made on GO Bonds
Deferred Revenues	(534,789)	1,604,364	2,139,153	1,571,270	Deferred revenue decreased due to the monthly revenue recognition of our parcel taxes (\$316,667/month) and GO bond proceeds (\$218,122/month).
Line of Credit	0	4,973,734	4,973,734	5,473,734	
Other Liabilities	(0)	311,391	311,391	274,986	
TOTAL CURRENT LIABILITIES	(1,491,805)	19,511,251	21,003,056	20,620,588	

NON-CURRENT LIABILITIES

Long Term Debt	(392,780)	25,625,963	26,018,743	25,165,467	
TOTAL LIABILITIES	(1,884,586)	45,137,214	47,021,799	45,786,055	

FUND BALANCES

Fund Balance	2,230,538	36,882,817	34,652,279	36,294,309	Net income of \$2,230,539
TOTAL LIABILITIES & FUND BALANCES	345,953	82,020,031	81,674,078	82,080,364	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
For the Period Ended March 31, 2024**

ATTACHMENT E

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
1	59	60	(1)	-2%	Acute Discharges	629	545	84	16%	599	
2	192	282	(90)	-32%	Patient Days	2,314	2,441	(127)	-5%	2,540	
3	17	-	17	0%	Observation Days	191	-	191	*	140	
4	\$ 21,438	\$ 24,731	\$ (3,292)	-13%	Gross O/P Revenue (000's)	\$ 196,359	\$ 200,813	\$ (4,455)	-2%	\$ 183,611	
Financial Results											
Gross Patient Revenue											
5	\$ 4,451,229	\$ 7,130,279	\$ (2,679,050)	-38%	Inpatient	\$ 54,432,968	\$ 61,295,206	(6,862,238)	-11%	\$ 57,038,123	
6	12,014,729	14,603,986	(2,589,257)	-18%	Outpatient	119,375,218	119,727,453	(352,235)	0%	109,697,544	
7	9,423,709	10,127,334	(703,625)	-7%	Emergency	76,983,300	81,085,826	(4,102,526)	-5%	74,128,400	
8	\$ 25,889,667	\$ 31,861,599	(5,971,932)	-19%	Total Gross Patient Revenue	\$ 250,791,487	\$ 262,108,484	(11,316,998)	-4%	\$ 240,864,067	
Deductions from Revenue											
9	(21,920,503)	(26,872,335)	4,951,832	18%	Contractual Discounts	\$ (213,278,869)	\$ (220,959,526)	7,680,657	3%	\$ (198,722,770)	
10	(216,128)	(160,130)	(55,998)	-35%	Bad Debt	(1,053,662)	(1,313,948)	260,287	20%	(5,477,605)	
11	165,606	(32,713)	198,319	606%	Charity Care Provision	91,838	(250,302)	342,140	*	(336,463)	
12	780,000	617,176	162,824	26%	Prior Period Adj/Government Program Revenue	5,812,445	4,489,754	1,322,691	29%	4,445,713	
13	\$ (21,191,025)	\$ (26,448,003)	5,256,978	-20%	Total Deductions from Revenue	\$ (208,428,248)	\$ (218,034,023)	9,605,774	-4%	\$ (200,091,125)	
14	\$ 4,698,642	\$ 5,413,596	(714,954)	-13%	Net Patient Service Revenue	\$ 42,363,238	\$ 44,074,462	(1,711,224)	-4%	\$ 40,772,942	
15	\$ 92,702	\$ 92,806	(104)	0%	Other Op Rev & Electronic Health Records	\$ 828,650	\$ 835,254	(6,604)	-1%	\$ 834,499	
16	\$ 4,791,344	\$ 5,506,402	(715,058)	-13%	Total Operating Revenue	\$ 43,191,888	\$ 44,909,715	\$ (1,717,828)	-4%	\$ 41,607,441	
Operating Expenses											
17	\$ 2,056,165	\$ 2,333,771	277,606	12%	Salary and Wages and Agency Fees	\$ 18,182,905	\$ 18,909,767	726,862	4%	\$ 18,220,392	
18	925,525	763,961	(161,564)	-21%	Employee Benefits	6,919,576	6,602,102	(317,474)	-5%	6,383,680	
19	\$ 2,981,690	\$ 3,097,733	116,043	4%	Total People Cost	\$ 25,102,481	\$ 25,511,869	409,388	2%	\$ 24,604,072	
20	\$ 639,293	\$ 689,803	50,510	7%	Med and Prof Fees (excl'd Agency)	\$ 5,308,203	\$ 5,691,174	382,971	7%	\$ 5,090,658	
21	473,260	689,781	216,521	31%	Supplies	5,899,819	5,848,980	(50,839)	-1%	5,825,294	
22	372,201	542,529	170,328	31%	Purchased Services	3,783,432	4,090,071	306,639	7%	3,829,070	
23	427,561	272,967	(154,594)	-57%	Depreciation	3,927,864	2,426,703	(1,501,161)	-62%	2,250,779	
24	119,082	159,120	40,038	25%	Utilities	1,430,192	1,562,074	131,882	8%	1,517,631	
25	66,583	66,758	175	0%	Insurance	617,804	610,821	(6,984)	-1%	498,339	
26	54,108	48,094	(6,014)	-13%	Interest	519,942	400,846	(119,096)	-30%	332,308	
27	104,090	90,705	(13,385)	-15%	Other	887,596	965,594	77,998	8%	447,192	
28	293,539	114,408	(179,131)	157%	Matching Fees (Government Programs)	3,063,537	2,219,860	(843,677)	38%	2,525,867	
29	\$ 5,531,407	\$ 5,771,897	240,490	4%	Operating Expenses	\$ 50,540,871	\$ 49,327,993	(1,212,878)	-2.5%	\$ 46,921,212	
30	\$ (740,063)	\$ (265,495)	\$ (474,568)	-179%	Operating Margin	\$ (7,348,984)	\$ (4,418,278)	(2,930,706)	-66%	\$ (5,313,770)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
For the Period Ended March 31, 2024**

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
31	\$ 37,899	\$ 4,744	33,155	*							
32	(1,459)	-	(1,459)	0%							
33	-	-	-	*							
34	316,667	316,667	-	0%							
35	-	-	-	0%							
36	\$ 353,107	\$ 321,411	31,696	10%							
37	\$ (386,956)	\$ 55,916	(442,872)	*							
38	\$ -	\$ -	-	0%							
39	\$ 2,442,308	\$ 238,530	2,203,778	0%							
40	\$ 2,055,352	\$ 294,447	1,760,906	598%							
41	175,187	158,829	16,358	10%							
42	\$ 2,230,539	\$ 453,275	1,777,264	392%							
	\$ 40,605	\$ 328,883	(288,278)								
	\$ (312,502)	\$ 7,472	(319,974)	4282%							
					Non Operating Rev and Expense						
					Miscellaneous Revenue/(Expenses)	\$ 189,683	\$ 42,640	147,042	*	\$ 67,072	
					Donations	(12,129)	-	(12,129)	0%	-	
					Physician Practice Support-Prima	-	-	-	*	-	
					Parcel Tax Assessment Rev	2,850,003	2,850,003	-	0%	2,850,003	
					Extraordinary Items	-	-	-	0%	-	
					Total Non-Operating Rev/Exp	\$ 3,027,557	\$ 2,892,643	134,913	5%	\$ 2,917,075	
					Net Income / (Loss) prior to Restricted Contributions	\$ (4,321,427)	\$ (1,525,634)	(2,795,793)	-183%	\$ (2,396,695)	
					Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
					Restricted Foundation Contributions	\$ 3,692,684	\$ 2,146,770	1,545,914	100%	\$ 2,286,795	
					Net Income / (Loss) w/ Restricted Contributions	\$ (628,743)	\$ 621,136	(1,249,879)	*	\$ (109,900)	
					GO Bond Activity, Net	1,571,915	1,429,461	142,454	10%	1,430,550	
					Net Income/(Loss) w GO Bond Activity	\$ 943,172	\$ 2,050,597	(1,107,425)	-54%	\$ 1,320,650	
					EBDA - Not including Restricted Contributions	\$ (393,563)	\$ 901,069	(1,294,631)		\$ (145,916)	
					Operating EBDA - Not including Restricted Contributions	\$ (3,421,119)	\$ (1,991,575)	(1,429,545)	-72%	\$ (3,062,991)	

**Sonoma Valley Health Care District
FY24 Trended Income Statement
For the Period Ended March 31, 2024**

ATTACHMENT F

	July	August	September	October	November	December	January	February	March	FY24 YTD
1 Acute Discharges	58	67	69	82	73	83	75	63	59	629
2 Patient Days	235	286	252	291	278	251	300	229	192	2,314
3 Observation Days	17	17	20	20	28	31	26	15	17	191
4 Gross O/P Revenue (000's)	\$ 22,427	\$ 23,002	\$ 20,977	\$ 22,806	\$ 21,941	\$ 20,765	\$ 23,302	\$ 19,700	\$ 21,438	\$ 196,359
Financial Results										
Gross Patient Revenue										
5 Inpatient	\$ 5,270,930	\$ 6,185,291	\$ 7,042,659	\$ 6,940,541	\$ 6,215,214	\$ 6,065,731	\$ 6,699,890	\$ 5,561,483	\$ 4,451,229	\$ 54,432,968
6 Outpatient	13,362,380	14,480,581	12,732,428	14,061,243	14,065,738	12,406,069	14,442,618	11,809,432	12,014,729	119,375,218
7 Emergency	9,064,276	8,521,398	8,244,129	8,744,996	7,875,077	8,359,376	8,859,696	7,890,643	9,423,709	76,983,300
8 Total Gross Patient Revenue	\$ 27,697,586	\$ 29,187,271	\$ 28,019,216	\$ 29,746,780	\$ 28,156,029	\$ 26,831,176	\$ 30,002,204	\$ 25,261,558	\$ 25,889,667	\$ 250,791,487
Deductions from Revenue										
9 Contractual Discounts	(23,186,323)	(24,519,220)	(23,700,704)	(25,666,646)	(24,259,529)	(23,383,497)	(25,246,761)	(21,395,686)	(21,920,503)	(213,278,869)
10 Bad Debt	(100,000)	(150,286)	(150,000)	(150,000)	(106,666)	111,925	(90,000)	(202,507)	(216,128)	(1,053,662)
11 Charity Care Provision	(164,591)	(109,767)	(5,598)	127,064	209,720	231,540	(122,013)	(240,123)	165,606	91,838
12 IGT Revenue	-	-	-	723,542	-	-	888,369	3,420,534	780,000	5,812,445
13 Total Deductions from Revenue	\$ (23,450,914)	\$ (24,779,273)	\$ (23,856,302)	\$ (24,966,040)	\$ (24,156,475)	\$ (23,040,032)	\$ (24,570,405)	\$ (18,417,782)	\$ (21,191,025)	\$ (208,428,248)
14 Net Patient Service Revenue	\$ 4,246,672	\$ 4,407,997	\$ 4,162,914	\$ 4,780,740	\$ 3,999,554	\$ 3,791,144	\$ 5,431,799	\$ 6,843,776	\$ 4,698,642	\$ 42,363,238
15 Other Operating Revenue	\$ 85,509	\$ 87,480	\$ 84,028	\$ 84,957	\$ 102,893	\$ 94,272	\$ 108,295	\$ 88,514	\$ 92,702	\$ 828,650
16 Total Operating Revenue	\$ 4,332,181	\$ 4,495,477	\$ 4,246,942	\$ 4,865,697	\$ 4,102,447	\$ 3,885,416	\$ 5,540,094	\$ 6,932,290	\$ 4,791,344	\$ 43,191,888
Operating Expenses										
17 Salary and Wages and Agency Fees	\$ 1,945,424	\$ 2,110,281	\$ 1,945,277	\$ 2,136,304	\$ 1,959,289	\$ 2,088,632	\$ 1,915,551	\$ 2,025,982	\$ 2,056,165	\$ 18,182,905
<i>Salary and Wages</i>	1,766,285	1,885,862	1,749,318	1,939,968	1,744,843	1,922,201	1,772,345	1,816,411	1,883,557	\$ 16,480,790
<i>Agency Fees</i>	179,139	224,419	195,959	196,336	214,446	166,431	143,206	209,571	172,608	\$ 1,702,114
18 Employee Benefits	735,985	707,955	744,685	738,614	771,746	754,958	810,879	729,229	925,525	6,919,576
19 Total People Cost	\$ 2,681,409	\$ 2,818,236	\$ 2,689,962	\$ 2,874,918	\$ 2,731,035	\$ 2,843,590	\$ 2,726,430	\$ 2,755,211	\$ 2,981,690	25,102,481
20 Med and Prof Fees (excl Agency)	\$ 557,320	\$ 599,056	\$ 541,334	\$ 571,881	\$ 567,236	\$ 551,402	\$ 659,636	\$ 621,045	\$ 639,293	\$ 5,308,203
21 Supplies	460,649	762,524	752,597	797,037	683,130	656,453	761,387	552,783	473,260	5,899,819
22 Purchased Services	305,875	410,360	431,618	372,986	563,672	550,338	396,842	379,540	372,201	3,783,432
23 Depreciation	240,214	238,993	501,633	696,387	539,719	431,329	456,946	395,082	427,561	3,927,864
24 Utilities	157,932	159,965	197,864	101,670	136,391	134,835	165,776	256,678	119,082	1,430,192
25 Insurance	66,583	81,160	66,697	68,488	66,583	68,544	66,583	66,583	66,583	617,804
26 Interest	42,598	43,202	71,611	56,224	49,503	46,487	71,737	84,472	54,108	519,942
27 Other	66,641	123,963	111,361	115,949	93,013	132,195	83,665	56,720	104,090	887,596
28 Matching Fees (IGT)	-	-	-	211,693	-	-	293,000	2,265,305	293,539	3,063,537
29 Operating expenses	\$ 4,579,220	\$ 5,237,458	\$ 5,364,677	\$ 5,867,233	\$ 5,430,282	\$ 5,415,173	\$ 5,682,002	\$ 7,433,419	\$ 5,531,407	\$ 50,540,871
30 Operating Margin	\$ (247,039)	\$ (741,982)	\$ (1,117,735)	\$ (1,001,536)	\$ (1,327,835)	\$ (1,529,757)	\$ (141,908)	\$ (501,129)	\$ (740,063)	\$ (7,348,984)
Non Operating Rev and Expense										
31 Miscellaneous Revenue/(Expenses)	\$ 27,167	\$ 15,794	\$ 12,459	\$ 42,493	\$ 3,662	\$ 16,366	\$ 19,303	\$ 14,540	\$ 37,899	\$ 189,683
32 Donations	-	-	-	-	-	(4,287)	(2,797)	(3,586)	(1,459)	(12,129)
33 Physician Practice Support-Prima	-	-	-	-	-	-	-	-	-	-
34 Parcel Tax Assessment Rev	316,667	316,667	316,667	316,667	316,667	316,667	316,667	316,667	316,667	2,850,003
35 Extraordinary Items	-	-	-	-	-	-	-	-	-	-
36 Total Non-Operating Rev/Exp	\$ 343,834	\$ 332,461	\$ 329,126	\$ 359,160	\$ 320,329	\$ 328,746	\$ 333,173	\$ 327,621	\$ 353,107	\$ 3,027,557
37 Net Income / (Loss) prior to Rest. Cont.	\$ 96,795	\$ (409,521)	\$ (788,609)	\$ (642,376)	\$ (1,007,506)	\$ (1,201,011)	\$ 191,265	\$ (173,508)	\$ (386,956)	\$ (4,321,427)
38 Capital Campaign Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39 Restricted Foundation Contributions	\$ 1,638	\$ 103,076	\$ 213,884	\$ -	\$ 78,280	\$ 330,142	\$ 7,169	\$ 516,187	\$ 2,442,308	\$ 3,692,684
40 Net Income / (Loss) w/ Rest. Cont.	\$ 98,433	\$ (306,445)	\$ (574,725)	\$ (642,376)	\$ (929,226)	\$ (870,869)	\$ 198,434	\$ 342,679	\$ 2,055,352	\$ (628,743)
41 GO Bond Activity, Net	170,419	175,187	175,187	175,187	175,187	175,187	175,187	175,187	175,187	1,571,915
42 Net Income/(Loss) w GO Bond Activity	\$ 268,852	\$ (131,258)	\$ (399,538)	\$ (467,189)	\$ (754,039)	\$ (695,682)	\$ 373,621	\$ 517,866	\$ 2,230,539	\$ 943,172
EBDA - Not including Rest. Cont.	\$ 337,009	\$ (170,528)	\$ (286,976)	\$ 54,011	\$ (467,787)	\$ (769,682)	\$ 648,211	\$ 221,574	\$ 40,605	\$ (393,563)
Operating EBDA	\$ (6,825)	\$ (502,989)	\$ (616,102)	\$ (305,149)	\$ (788,116)	\$ (1,098,428)	\$ 315,038	\$ (106,047)	\$ (312,502)	\$ (3,421,119)
Operating EBDA excl IGT	\$ (6,825)	\$ (502,989)	\$ (616,102)	\$ (816,998)	\$ (788,116)	\$ (1,098,428)	\$ (280,331)	\$ (1,261,276)	\$ (798,963)	\$ (6,170,027)

Sonoma Valley Hospital
Cash Forecast
FY 2024

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,964,672	4,421,352	3,469,614	4,656,688	4,173,049	3,866,074	4,070,379	3,595,869	4,209,602	3,600,000	3,600,000	3,600,000	47,227,300
2 Other Operating Revenue	26,197	172,302	37,453	95,192	283,068	93,447	117,466	153,075	20,376	150,750	228,646	115,291	1,493,262
3 Other Non-Operating Revenue	42,960	4,386	10,108	43,877	12,352	11,224	17,442	5,578	11,180	7,800	7,800	7,800	182,508
4 Unrestricted Contributions		1,250	861	2,651	7,716	380	7,169	3,420	309				23,756
5 Line of Credit													-
Sub-Total Hospital Sources	4,033,829	4,600,406	3,517,792	4,798,212	4,476,030	3,971,076	4,212,456	3,758,139	4,241,467	3,758,550	3,836,446	3,723,091	48,927,493
Hospital Uses of Cash													
6 Operating Expenses / AP Payments	5,152,114	5,121,241	4,128,841	4,998,884	5,056,542	5,222,290	4,196,863	5,323,592	4,549,822	5,193,670	5,034,948	5,014,191	58,992,998
7 Add Capital Lease Payments	64,932	65,051	389,160	194,558	370,013	69,578	270,605	88,998					1,512,895
8 Add: Bridge Loan Paybacks									308,000		302,000		610,000
9 Add: CHFFA Help II Loan Repayments	30,833	30,833	30,833	30,833	30,833	31,987	35,056	35,056	35,056	30,833	30,833	30,833	383,819
10 Line of Credit Paydown											3,100,000		3,100,000
11 Capital Expenditures	157,689	152,213	177,157	27,616	116,996	421,333	330,101	530,867	2,294,905	125,000	600,125	423,577	5,357,578
SVH Capital	156,051	50,387	(35,866)	27,616	31,724	94,223	296,795	4,000	5,375	125,000	100,000	165,000	1,020,304
Foundation Capital	1,638	101,825	213,023		85,272	327,110	33,306	526,867	2,289,530		500,125	258,577	4,337,272
Total Hospital Uses	5,405,567	5,369,338	4,725,991	5,251,892	5,574,384	5,745,188	4,832,623	5,978,513	7,187,782	5,349,503	9,067,906	5,468,601	69,957,290
Net Hospital Sources/Uses of Cash	(1,371,738)	(768,932)	(1,208,199)	(453,679)	(1,098,354)	(1,774,112)	(620,167)	(2,220,374)	(2,946,316)	(1,590,953)	(5,231,461)	(1,745,510)	(21,029,796)
Non-Hospital Sources													
12 Restricted Capital Donations	1,638	101,826	213,023	6,249	85,272	327,110	26,137	516,187	2,442,308		500,125	258,577	4,478,452
13 Parcel Tax Revenue	179,984					2,059,056				1,560,959			3,800,000
14 Other Payments								861,768			398,232		1,260,000
15 Other:													
16 IGT - HQAF VII (CY22)				39,262	684,280								723,542
17 IGT - QIP (PY 5/CY22)									1,099,230				1,099,230
18 IGT - Rate Range								2,500,000			5,500,000		8,000,000
19 IGT - HQAF VIII (CY23)											780,000		780,000
20 IGT - AB113 (SFY22-23)												151,000	151,000
21 Distressed Hospital Loan Program										3,100,000			3,100,000
Sub-Total Non-Hospital Sources	181,622	101,826	213,023	45,511	769,552	2,386,167	26,137	3,877,955	3,555,307	4,660,959	7,178,357	409,577	23,405,992
Non-Hospital Uses of Cash													
22 Matching Fees	-	-	-	211,693				2,458,305	293,539	47,471	-	-	3,011,008
23 IGT Rate Range Advance Repayment												2,500,000	2,500,000
Sub-Total Non-Hospital Uses of Cash	-	-	-	211,693	-	-	-	2,458,305	293,539	47,471	-	2,500,000	5,511,008
Net Non-Hospital Sources/Uses of Cash	181,622	101,826	213,023	(166,182)	769,552	2,386,167	26,137	1,419,650	3,261,768	4,613,488	7,178,357	(2,090,423)	17,894,985
Net Sources/Uses	(1,190,116)	(667,106)	(995,176)	(619,862)	(328,803)	612,054	(594,030)	(800,724)	315,452	3,022,535	1,946,896	(3,835,933)	(3,134,812)
Total Cash at beginning of period	6,574,099	5,383,983	4,717,993	3,723,688	3,104,501	2,776,218	3,388,743	2,794,713	1,993,989	2,309,441	5,331,976	7,278,873	
Total Cash at End of Period	5,383,983	4,716,877	3,722,817	3,103,826	2,775,698	3,388,272	2,794,713	1,993,989	2,309,441	5,331,976	7,278,873	3,442,939	
Average Days of Cash on Hand													
	40.1	35.8	26.3	25.5	20.5	22.4	20.3	14.5	15.7				
Days of Cash on Hand at End of Month													
	39.7	33.3	25.6	21.9	20.9	21.5	19.8	14.1	16.3	37.7	51.4	24.3	