



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE MEETING**

AGENDA

Tuesday, May 24, 6:00 p.m.

SCHANTZ CONFERENCE ROOM

Sonoma Valley Hospital – 347 Andrieux St., Sonoma CA 95476

TOLL FREE CALL-IN NUMBER: 866 228-9900		
GUEST CODE: 294221		
<p>In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District meeting, please contact the District Clerk, Gigi Betta at ebetta@svh.com or (707) 935.5004 at least 48 hours prior to the meeting.</p>		
AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>	
2. PUBLIC COMMENT SECTION 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 Committee 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 Committee consideration.	<i>Fogg</i>	
3. CONSENT CALENDAR • FC Minutes 04.26.16	<i>Fogg</i>	Action
4. 2017 OPERATING BUDGET	<i>Jensen</i>	Action
5. FINANCE REPORT FOR MONTH ENDING APRIL 30, 2016	<i>Jensen</i>	Inform
6. ADMINISTRATIVE REPORT APRIL 2016	<i>Fogg /Mather</i>	Inform
7. ADJOURN Next meeting June 28, 2016	<i>Fogg</i>	

3.

CONSENT



**SONOMA VALLEY HEALTH CARE
 DISTRICT
 FINANCE COMMITTEE MEETING
 MINUTES
 TUESDAY, April 26, 2016
 Schantz Conference Room**

Present	Excused/Absent	Staff	Public
Sharon Nevins, Chair Peter Hohorst Susan Porth S. Mishra, M.D. (by phone) Dick Fogg Stephen Berezin Steve Barclay	Keith Chamberlin, M.D.	Kelly Mather Ken Jensen Gigi Betta Jeannette Tarver	

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	<i>Nevins</i>		
	Meeting called to order at 5:00pm		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
FC Minutes 3.22.16	Agenda Item 6 from 3.22.16 minutes amended as follows. <i>FROM: ... requested a higher allowance for FICA taxes for the fiscal year.</i> <i>TO: ... requested a higher allowance for FICA taxes for the 3rd quarter of the fiscal year.</i>	MOTION by Hohorst to approve <i>as amended</i> and second by Berezin. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
4. 3RD QUARTER CAPITAL SPENDING	<i>Tarver</i>	Inform/Action	
	In addition to the budget requests included in the Capital Spending Report FY16, repair of Hospital elevators has been added.		
5. 9-MONTH FINANCIAL REVIEW	<i>Jensen</i>	Inform/Action	
	Operations should be \$500k better than expected		
6. SOUTH LOT UPDATE	<i>Jensen</i>	Inform/Action	
	SVH is considering an option to purchase the South Lot for 1.7M; the lot has appraised at 2.6M. A few developers have expressed interested in development and selling the property would be an option. If SVH decides to purchase the lot, the bank will only lend up to ½ the value of the property. The 3 rd option is to extend the line of credit but Mr. Jensen does not recommend this option. A full presentation of all options will be presented to FC in May 2016.		
7. 1206B CLINIC UPDATE	<i>Jensen</i>	Inform/Action	
	A consultant has been hired to help expedite the process and the budget may be available next month.		
8. 2017 BUDGET STATUS REVIEW	<i>Jensen</i>	Inform/Action	
	The proposed budget will be presented to FC in		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	May and brought to the Board in June.		
9. PRE-AUDIT PLANNING	<i>Jensen</i>	Inform/Action	
	Control testing will be complete at end of May and field testing will begin sometime in August. The goal is to bring the final audit to the Board for approval in November 2016.		
10. FINANCE REPORT FOR MONTH ENDING MARCH 31, 2016	<i>Jensen</i>	Inform	
	Mr. Jensen shared great news for the Hospital: for the month of March cash collections for patient accounts were \$4,155,402. <u>This is the highest the hospital has collected to date.</u> As for the YTD EBIDA the Hospital is at 5.6% vs. the budgeted 4.2%. We are anticipating ending the fiscal year on budget with a 4% EBIDA. After accounting for all income and expenses, the net loss for March was (\$260,640) vs. a budgeted net loss of (\$25,985). The total net loss for March after all activity was (\$131,602) vs. a budgeted net income of \$158,552.		
11. ADMINISTRATIVE REPORT MARCH 2016	<i>Nevins or Mather</i>	Inform	
	Staff satisfaction results are in and the two major areas of improvement are salary levels and lack of opportunity for advancement. All satisfaction results will be shared with the Board on May 5? The Leapfrog Group is an advocate of hospital transparency and patient safety and results from their survey were discussed.		
12. ADJOURN Next meeting May 24, 2016	<i>Nevins</i>		
	Mr. Barclay believes a longer-term view would		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>be beneficial for the Hospital and the Committee agreed that a regular status report from the SVH Foundation would assist future planning regarding the development of legacy and endowment gifts.</p> <p>Meeting adjourned at 6:15pm</p>		

4.

2017 OPERATING BUDGET

Sonoma Valley Hospital Fiscal Year 2016/2017 Budget Proposal

The budget proposal was developed to assure the maintenance of existing services and programs at Sonoma Valley Hospital. When the budget was developed for Fiscal Year 2015/2016, 12 months of actual expenses and revenues through January 2015 were used as the base for developing the new budget. Year-to-date for the current year has held fairly close to the expectations of the FY 15/16 Budget. The FY 16/17 budget was developed using 12 month actual expenses and revenues through January 2016 just as was done for the prior year. The net result is a better confidence in the budget being proposed. In the last two years there has been a dramatic shift in the hospital's payer mix. The government programs, Medicare and MediCal, now make up around 75% of the gross revenue generated by the hospital. The EBIDA for FY 15/16 is expected to be between 4.0-4.5%. The new budget has an expected EBIDA of 3.4%.

In order to retain physicians in the hospital's service area and to provide office space for new physicians, the budget includes revenues and costs for two time-share locations. The net additional cost for the first year of operation is \$298,186. The new budget assumes \$865,000 in new net revenue for the new physicians that will occupy the time share space. The budget does not include the budget for a proposed 1206b clinic which will be presented later in the year. The 1206b clinic will absorb some of the vacant space in the time-share offices thus mitigating the additional loss.

Revenue:

- Volume was assumed to remain flat in the base budget and was subsequently adjusted to reflect additional physicians who have elected to establish a practice in Sonoma.
- A strategically applied price increase of 6% is planned to be effective July 1, 2016. A price survey of other area hospitals showed that SVH was in the 50th percentile for a number of procedures. The 6% strategic price increase will bring the hospital to approximately the 75th percentile.

Contractual Allowances:

- The deduction from revenues takes into account SVH's current payer mix.
- The budget accounts for AB 915 Supplemental Outpatient payments but does not include any Inter-governmental net payments.

Expenses:

- Salaries and Benefits**- The hospital continues to deal with pay parity with other Northern California healthcare providers. The budget assumes a 1.5% pool (3% annual) for salary adjustments. There is an additional \$300,000 parity pool in the budget. There is no decision at this point on how the total salary increase pool will be distributed.
- The PTO accrual balances will increase by 3% due to the salary increase.

-Other Expenses:

- In general, all other costs were increased from 0% to 3% depending upon the costing review.
- The budget also includes additional \$360,000 for physician services.

-Non-Operating Revenue and Expenses:

- The most significant change in this cost is attributable to the increased support required for PRIMA (the medical foundation) and the cost of the time-shares.

The net loss from operations prior to Restricted Contributions is (\$2,029,378), vs the base budget loss of (\$2,187,024).

After accounting for Restricted Contributions and GO Bond activity, the **EBIDA** for the FY 2016/2017 is \$1,919,016 vs \$1,888,298 projected for FY 2016 from the base budget.

Attachment A is the Statement of Revenue and Expense which includes the proposed budget compared to the twelve month base.

Attachment B is the Payer Mix used for the budget.

Attachment C identifies the significant changes in each account identifying the specific reasons.

Attachment D is the Summary of Sources and Uses of cash for the fiscal year.

Attachments E-1 and E-2 are budgets for the two time-share offices.

Attachment F is a schedule of current debt

Capital is not part of this request.

Sonoma Valley Health Care District
Statement of Revenue and Expenses

	Approved FY16 Budget	This Year Base Budget	Proposed FY17 Budget
Financial Results			
Gross Patient Revenue			
5	\$ 61,894,962	\$ 64,132,446	\$ 71,756,272
6	81,933,424	84,495,388	90,836,207
7	50,477,579	55,680,801	60,793,116
8	27,697,642	25,069,342	25,882,754
9	4,441,777	3,911,493	3,875,174
10	<u>\$ 226,445,384</u>	<u>\$ 233,289,470</u>	<u>\$ 253,143,523</u>
Deductions from Revenue			
11	\$ (177,199,423)	\$ (183,340,932)	\$ (198,312,431)
12	(1,071,760)	(795,000)	(795,000)
13	(255,182)	(431,620)	(431,620)
14	2,430,000	2,143,895	-
15	<u>\$ (176,096,365)</u>	<u>\$ (182,423,657)</u>	<u>\$ (199,539,051)</u>
16	\$ 50,349,019	\$ 50,865,813	\$ 53,604,472
17	\$ 3,175,372	\$ 2,497,719	\$ 1,869,247
18	<u>\$ 53,524,391</u>	<u>\$ 53,363,532</u>	<u>\$ 55,473,719</u>
19	\$ 173,482	\$ 137,697	\$ 292,202
20	<u>\$ 53,697,873</u>	<u>\$ 53,501,229</u>	<u>\$ 55,765,921</u>
Operating Expenses			
21	\$ 26,454,002	\$ 25,731,485	\$ 27,471,787
22	\$ 9,525,052	\$ 9,928,130	9,504,891
23	<u>\$ 35,979,054</u>	<u>\$ 35,659,615</u>	<u>\$ 36,976,678</u>
24	\$ 4,176,278	\$ 4,383,078	\$ 4,422,374
25	5,854,822	5,825,608	6,336,905
26	4,226,026	3,834,929	4,666,092
27	3,397,579	3,518,571	3,518,571
28	1,187,495	1,080,896	1,180,280
29	250,000	273,014	400,000
30	470,955	556,751	429,823
31	1,956,422	2,038,312	1,946,290
32	750,000	1,191,039	
33	<u>\$ 58,248,631</u>	<u>\$ 58,361,813</u>	<u>\$ 59,877,013</u>
34	<u>\$ (4,550,758)</u>	<u>\$ (4,860,584)</u>	<u>\$ (4,111,092)</u>
Non Operating Rev and Expense			
35	\$ 163,886	\$ 202,927	\$ (274,286)
36	69,667	1,916	
37	(468,000)	(461,500)	(644,000)
38	3,000,000	2,930,217	3,000,000
39	<u>\$ 2,765,553</u>	<u>\$ 2,673,560</u>	<u>\$ 2,081,714</u>
40	<u>\$ (1,785,205)</u>	<u>\$ (2,187,024)</u>	<u>\$ (2,029,378)</u>
41	\$ 422,194	\$ 777,413	\$ 248,372
42	\$ 750,000	\$ 749,687	\$ -
43	<u>\$ (613,011)</u>	<u>\$ (659,924)</u>	<u>\$ (1,781,006)</u>
44	2,913,329	3,689,915	2,962,904
45	(1,374,478)	(1,393,111)	(1,327,182)
46	<u>\$ 925,840</u>	<u>\$ 1,636,880</u>	<u>\$ (145,284)</u>
EBIDA	\$ 2,083,329	\$ 1,888,298	\$ 1,919,016
	3.9%	3.5%	3.4%

Sonoma Valley Hospital Payer Mix - Budget FY 2017

	Base Budget	Budget FY 2017	Variance	% Variance
Medicare	110,708,875	119,328,993	8,620,118	7.2%
Medicare Managed Care	16,861,157	18,215,450	1,354,293	7.4%
Medi-Cal	11,826,286	13,030,111	1,203,825	9.2%
Medi-Cal Managed Care	32,008,475	35,036,388	3,027,913	8.6%
Self Pay	2,755,618	2,940,843	185,225	6.3%
Commercial	46,466,039	50,676,516	4,210,477	8.3%
Worker's Comp.	6,474,811	7,145,814	671,003	9.4%
Capitated	6,188,209	6,769,408	581,199	8.6%
Total	233,289,470	253,143,523	19,854,053	

	Base Budget	Budget FY 2017	Variance
Medicare	47.5%	47.1%	-0.3%
Medicare Managed Care	7.2%	7.2%	0.0%
Medi-Cal	5.1%	5.1%	0.1%
Medi-Cal Managed Care	13.7%	13.8%	0.1%
Self Pay	1.2%	1.2%	0.0%
Commercial	19.9%	20.0%	0.1%
Worker's Comp.	2.8%	2.8%	0.0%
Capitated	2.7%	2.7%	0.0%
	100.0%	100.0%	

Sonoma Valley Hospital
FY 2017 Budget

GL #	Dept.			Comments
A. Base Adjustments				
1		Revenue	1,100,000	
2		Salaries	(550,000)	
3		Parity	(300,000)	
4		Benefits	(493,000)	
5		Med and Prof Fees	(90,000)	\$90k increase on Prima (Non-Operating)
6		Supplies	(182,000)	
7		Purchase Services	(101,000)	
8		Depreciation	(106,000)	
9		Utilities	(24,000)	
10		Insurance	(76,000)	
11		Interest	205,000	Leases being completed
		Total A	(617,000)	
B. Accepted Adjustments				
1	Over all	Eliminate Supply Increase	182,000	No built in increase
2	8770-0000 Foundation	Director's Pay	(25,000)	Increase in Foundation Directors pay
3	8670-9000 Auxiliary	Auxiliary Appreciation	(5,000)	Increase for the party for Auxilary
4	6170-2500 Med/Surg	Med/Surg Registry	(40,000)	Increase due to maternity leaves
5	7290-2500 Home Care	Home Care Registry	(30,000)	Increase
6	8610-8600 Admin	AHA Dues	10,000	Not renewing our membership
7	8620-8600 Board	ACHD Dues	20,000	Not renewing our membership
8	8650-6900 HR	Press Ganey	(10,000)	Increase in the Employee Survey
9	8440-6200 Env. Serv	Xenex Maintenance	(15,000)	Requesting for Foundation to cover
10	8400-8700 Purchasing	Outside Training in Materials	(2,715)	Conference and Training for Director and Buyer
11	8750-0000 Case Manag	1.0 FTE Case Management		Pending grant
12	8700-6900 Med. Rec	Eclipse Medical Coding	(80,000)	Coding Service
13	8612-2200 Marketing	Travel for Director of Marketing	(8,000)	
14	6010-2500 ICU	ICU Registry	10,000	Reduction of registry
15	8620-6900 Board	2016 Election Costs	(20,000)	Board Elections
16	8620-2200 Board	Consultants for Parcel Tax	(30,000)	Consultants for Parcel Tax elections
17	8450-6200 Engineering	R&M increase	(48,700)	Maintenance Contracts that are needed
18	8450-6900 Engineering	Security	(67,000)	Security guard
19	7500-6900 Lab	Lab Couriers	(9,000)	
20	7630-6200 Radiology	GE Maintenance	(43,500)	Ultrasound yearly maintenance contract
21	7670-8300 Ultra sound	License for Ultra Sounds	(10,800)	
22	7680-2100 CT Scan	CT Registry	44,000	Reduction of registry
23	7450-2000 Anest.	ACM Increase	(180,000)	Anesthesiologist increase
24	7630-2000 Radiology	Radiologist	(180,000)	New contract for a radiologist
25	6170-2000 Med/Surg	Napa State Services	71,000	Decrease in Napa State patients
26	7011-2000 ED	ER Physicians	24,000	Decrease in ER payment
27	8615-2000 Prima	Prima Director	12,000	Decrease in Napa State patients
28	8615-2000 Prima	Prima Sponsorship	(46,000)	\$90k included in A above.
29	7560-2010 Cardio	Cardio Director	(12,000)	Increase with an additional \$1k/mo
30	8610-9020 Comm. Trust	Reduce to \$5k	5,000	Reduced based off last years figure
31	8610-9030 Growth	Reduce to \$7k	3,000	Reduced based off last years figure
32	8610-9040 Green Team	Reduce to \$3k	7,000	Reduced based off last years figure
33	8480-8500 Mamo	Telephone lines for Mammo	(45,000)	Offset with Foundation donation
34	8710-6900 Med Staff	Credentiailling	(16,000)	\$35k for outsourcing creditialing (netted with \$19k)
35	8710-0500 Med Staff	FTE to .8 effective 9/1/16	6,024	Savings in reduction to Med Staff employee
36	7011-2000 Doctors	Pediactric Call (Jan 2017)	(9,125)	Extra \$50/day for 6 months
	Michelle	Add'l Revenue from expected new market	865,000	\$75k-ECT's, \$60k-Employer Direct, \$480k-Surgeries, \$120k-Bariatrics, \$130k Solano Prison
37				
38	8650-2300 HR	HR Legal Claims	(5,000)	Policy Review
39	7012-2000 Hospitalist	Sound Physicians	(150,000)	Increase for the yearly cap
40	7740-0200 Wound Care	.3 FTE IP RN for Wound Care	(30,576)	For quality
		Total B	140,608	
		Total A and B	(476,392)	

C. Denied Requests:		
1	7420-0200 Surgery	.6 FTE RN Surgery (74,019) Surgery Staff for quality
2	7420-0100 Surgery	.6 FTE Tech Surgery (43,618) Surgery Staff for quality
3	7420-3000 Surgery	Bariatric Staples (64,000)
4	7450-0100 Anest.	.1 FTE Anesthesiology (5,826) Increase FTE's to a 1.0 FTE
5	8530-0500 Pt. Accting	1.0 FTE Superuser in PFS (93,600) Add'l FTE for running, creating reports
6	8612-5200 Marketing	Postage for Marketing (5,000) Mailings for marketing
7	8612-6900 Marketing	Marketing (25,000) Marketing projects
8	8612-8950 Marketing	Advertising (34,000) Advertising projects
9	7010-0100 ED	1.23 FTEs for ED Tech (46,051)
10	8480-0100 IT	1.0 Security Analysis (83,200) Security for IT
11	8480-0100 IT	1.0 Physician Analyses (128,960) Physician IT
12	8480-4900 IT	Minor Equipment (35,000) Removed all Minor Equipment
14	8710-0500 Med Staff	.1 FTE for Med Staff (6,024) Increase FTE's to a 1.0 FTE
15	6171-0200 OB	.1 FTE for Sweet Success (12,536) Time allocated for the Sweet Success program
16	8610-9000 Admin	Increase for catch all (88,000) Kelly's just in cases
17	8650-2300 HR	HR Legal Claims (30,000) Just in case for any HR legal claims.
Total C		(774,834)

FY 2016/2017 Budget**Cash Projections**

Projected cash at 6/30/16 \$ 2,917,793

Sources

Cash from patient revenue	\$ 53,604,472	
Risk contract review	1,869,252	
Other operating revenue	277,202	
Misc. revenue	23,900	
Donations (unrestricted)	-	
Parcel Tax	3,000,000	
Capital Campaign	248,372	
Restricted contributions	-	
Total Sources		<u>\$ 59,023,198</u>
Total Cash Available		<u>\$ 61,940,991</u>

Uses

Salaries & Benefits	\$ 36,975,978	
Operating expenses	21,259,908	
Other support	298,186	
Total Uses		<u>\$ 58,534,072</u>

Cash at 6/30/17 (excluding capital) \$ 3,406,919

1st street west Timeshare	DRAFT annual FY 17	
Total Potential Revenue FY 17	\$ 155,676	
1st street west Timeshare expenses		
Salaries:		
Front office staff (\$28/hr) FT Pass Through Clerical	\$ 58,240	
Medical Office Coordinator (\$30/hr)	\$ 62,400	
Medical Assistant (\$20/hr) 16hr/wk Pass Through	\$ 16,640	
	<u> </u>	\$ 137,280
Employee Benefits:		
Employee Benefits (25% of hrly rate)	\$ 9,600	
Empl Benefits-PTO	\$ 5,711	
	<u> </u>	\$ 15,311
Supplies:		
Supplies -Front office staff	\$ 7,200	
minor equipment total	\$ 3,000	
	<u> </u>	\$ 10,200
Purchase Services:		
IT service contract	\$ 30,000	starting June 1st 2016
*Fax/Copier maintenance	\$ 1,000	
Fax/Copier monthly per copy fee + shredding	\$ 1,500	
	<u> </u>	\$ 32,500
Utilities:		
Utilities (PG&E)	\$ 3,600	
	<u> </u>	\$ 3,600
Other:		
Magazine subscription	\$ 150	
License fee for MMPC	\$ 5,000	
Orientation/training	\$ 2,160	
Lease Payment Suites K& L (3rd floor)	\$ 130,236	
FMV equipment (excl. IT hardware)	\$ 11,060	payment monthly/ 12 mns Oct 2016
	<u> </u>	\$ 148,606
Total Expenses		<u>\$ 347,497</u>
Operating Income		<u><u>\$ (191,821)</u></u>

462 West Napa Street	Annual/budget assumptions	Notes
Total Gross Revenue	\$ 55,740	
Timeshare expenses		
Supplies:		
Supplies -Front office staff	\$ 3,000	
		\$ 3,000
Purchase Services:		
Cleaning/linens/medical waste management	\$ 21,600	Spiffys, \$250/wk
Maintenance	\$ 2,400	
Landscaping	\$ 3,000	
Bay Area Alarm System	\$ 300	
Water cooler	\$ 200	Nestle
Orkin Pest control	\$ 960	
Wes County Linens	\$ 1,200	
Shred bins	\$ 300	
Fax/Copier monthly per copy fee	\$ 1,000	Shredit \$21.00/mn
IT needs:	\$ 21,350	Quote from At&t per Beverly updated 12/22/15
		\$ 52,310
Utilities:		
Utilities (PG&E)-triple net lease	\$ 9,000	
		\$ 9,000
Insurance:		
insurance	\$ 1,000	
		\$ 1,000
Other:		
taxes	\$ 5,750	
Magazine subscription	\$ 150	
Lease Payment 1st & 2nd floor	\$ 88,711	
Fax/Copier lease payment	\$ 2,184	for 59 months
		\$ 96,795
Total Expenses		\$ 162,105
Operating Income		\$ (106,365)

Sonoma Valley Hospital
Current Debt-

	Original Principal	Origination - Fiscal Year	Term - Months	Rate	Monthly Payment	Balance 6/30/2016	Balance 6/30/17
Med One - EHR	638,260	2014	60	8.50%	12,144	349,073	215,126
GE - MRI Van	1,008,145	2013	84	4.99%	14,295	585,584	439,959
Creekridge Capital	170,390	2012	60	4.60%		15,728	0
First American Radiology Equipme	652,488	2014	60	4.87%	12,273	341,630	208,021
Celtic	2,500,000	2014	60	3.45%	45,423	1,715,654	1,206,555
Celtic #2	236,487	2016	60	4.94%	4,098	220,257	175,260
Total Leases					76,090	3,227,926	2,244,922
First Financial Buy Out	147,550	2016	12	7.50%	12,800	25,364	0
CEC Loan Phase 1	443,774	2012	180	1.00%		288,388	248,415
CEC Loan Phase 2	716,562	2015	180	1.00%		543,486	455,148
GO Bonds A	12,437,000	2014	20	See Amortization Sch		12,146,000	11,782,000
GO Bonds B	23,000,000	2011	20	See Amortization Sch		22,055,000	21,080,000
Total Payments & Debt						<u>\$ 38,286,165</u>	<u>\$ 35,810,485</u>

5.

FINANCE REPORT
FOR MONTH ENDING
APRIL 30, 2016



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: May 24, 2016
Subject: Financial Report for the Month Ending April 30, 2016

April's Operating Margin for the hospital had a loss of (\$355,981), which is favorable to budget by \$109,601. The year-to-date actual loss from operations is (\$3,103,232) which is favorable to the budgeted year-to-date loss of (\$3,745,826). In the month of April the hospital received its final E.H.R. incentive payment from CMS in the amount of \$289,253. After accounting for all other activity, the April net loss was (\$99,235) vs. a budgeted net loss of (\$49,083). The April EBIDA was 2.5% vs. a budgeted 2.0%. Year-to-date, the total net income is \$382,424 better than budget with a year to date EBIDA of 5.2% vs. the budget of 4.0%.

Gross patient revenue for April was \$20,049,429, \$1,728,479 better than expected. Inpatient gross revenue was over budget by \$871,748 due to patient days being over budgeted expectations by 111 days. Outpatient revenue was under budget by (84,294) due to a lower than budgeted volume for both outpatient visits and procedures. The Emergency Room gross revenue is over budget by \$1,470,294 due to the consistent increase in volume. SNF was under expectations by (\$448,406) due to lower than projected volume. Home Health is under budgeted expectations due to purposely reducing services provided to Marin patients (\$80,863).

Deductions from revenue were unfavorable to budgeted expectations by (\$1,515,559) primarily due to the ER gross revenue being significantly over the budgeted. This was offset by an accrual of additional IGT funds for FY 2014/15 of \$122,413. For the month of April Medi-Cal accounts accounted for 19.4% of gross revenue vs. a budgeted 17.1% and commercial accounts accounted for 18.3% vs. a budgeted 20.3%

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$454,911.

Operating Expenses of \$5,142,764 were over budget by (345,310). The significant negative variances were: Salaries, Wages, and Agency fees (\$67,228), Employee Benefits (\$105,197), physician and professional fees (\$25,192), supplies (96,661), interest expense (26,651), and Other Expenses (\$75,995). Salaries and wages were at budget but agency fees were over by (\$65,336) due to ICU, Med-Surg, and OP Physical Therapy. PTO was over budget in April by (\$62,568) due to paid sick leave for per diem employees that were not budgeted and an increased use of PTO in April primarily in Med-Surg, OB, and



SNF. Employee benefits are over budget by (\$42,629) due to an increase in the cost of health benefits and employer contributions to the pension plan due to an increase in participation in employee benefits. Physician fees are over budget by (\$25,192) due to an increase in physician contracts (\$42,142). Physician fees were offset by a positive variance for Professional fees of \$16,949. Supplies are over budget (\$96,661) primarily in Pharmacy (\$99,833) due to a high use of pharmaceuticals excluded from the capitated rate including \$50,000 for Anti-venom needed for a snake bite patient seen in April. Interest expense is over budgeted expectations due to the true up of the Celtic lease. Other expenses are over budget due to a Calif. Department of Public Health Penalty (\$37,500) and the hospitals portion of the EMTALA penalty (\$25,000).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for April was (\$227,923) vs. a budgeted net loss of (\$233,620). The total net loss for April after all activity was (\$99,235) vs. a budgeted net loss of (\$49,083).

EBIDA for the month of April was 2.5% vs. the budgeted 2.0%.

Patient Volumes – April

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	97	79	18	95
Newborn Discharges	16	13	3	7
Acute Patient Days	409	298	111	378
SNF Patient Days	578	674	-96	487
Home Care Visits	999	1,328	-329	1,154
OP Gross Revenue	\$12,542	\$11,143	\$1,399	\$11,237
Surgical Cases	118	147	-29	144

Overall Payer Mix – April

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	48.9%	49.9%	-1.0%	46.7%	49.2%	-2.5%
Medicare Mgd Care	7.8%	4.7%	3.1%	8.1%	4.7%	3.4%
Medi-Cal	19.4%	17.1%	2.3%	19.3%	17.6%	1.7%
Self Pay	0.4%	1.8%	-1.4%	0.8%	1.8%	-1.0%
Commercial	18.3%	20.3%	-2.0%	19.7%	20.4%	-0.7%
Workers Comp	2.6%	3.2%	-0.6%	2.9%	3.3%	-0.4%
Capitated	2.6%	3.0%	-0.4%	2.5%	3.0%	-0.5%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for April:

For the month of April the cash collection goal was \$3,358,750 and the Hospital collected \$3,364,856, or over the goal by \$6,106. The year-to-date cash goal is \$34,092,710 and the Hospital has collected

\$35,071,018 or over the goal by \$978,308. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 13 days at April 30, 2016. Accounts Receivable increased from March, from 49.7 days to 50.2 days in April. Accounts Payable has increased by \$210,689 from March and Accounts Payable days are at 50.5.

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.
- Attachment F are the graphs for Revenue and Accounts Payable.
- Attachment G is the Statistical Analysis
- Attachment H is the Cash Forecast



Sonoma Valley Hospital
Net Revenue by Payer for the month of April 30, 2016

ATTACHMENT A

April-16

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	9,795,072	9,087,223	707,849	7.8%
Medi-Cal	3,891,476	3,123,079	768,397	24.6%
Self Pay	74,675	325,305	-250,630	-77.0%
Commercial	3,663,048	3,786,008	-122,960	-3.2%
Medicare Managed Care	1,588,687	873,943	714,744	81.8%
Worker's Comp.	520,958	582,869	-61,911	-10.6%
Capitated	515,513	542,523	-27,010	-5.0%
Total	20,049,429	18,320,950	1,728,479	

	Actual	Budget	Variance	% Variance
	94,618,011	92,898,915	1,719,096	1.9%
	39,006,931	33,326,808	5,680,123	17.0%
	1,687,082	3,349,019	-1,661,937	-49.6%
	40,115,604	39,445,373	670,231	1.7%
	16,313,014	9,135,501	7,177,513	78.6%
	5,879,437	6,153,259	-273,822	-4.5%
	5,021,254	5,618,596	-597,342	-10.6%
Total	202,641,333	189,927,471	12,713,862	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,759,195	1,625,451	133,744	8.2%
Medi-Cal	592,283	495,207	97,076	19.6%
Self Pay	44,804	195,183	-150,379	-77.0%
Commercial	1,477,332	1,407,906	69,426	4.9%
Medicare Managed Care	226,070	137,828	88,242	64.0%
Worker's Comp.	120,602	137,330	-16,728	-12.2%
Capitated	16,451	22,075	-5,624	-25.5%
Prior Period Adj/IGT	122,413	125,250	-2,837	-2.3%
Total	4,359,150	4,146,230	212,920	5.1%

	Actual	Budget	Variance	% Variance
	16,740,029	17,393,174	-653,145	-3.8%
	5,711,786	5,177,915	533,871	10.3%
	573,743	1,330,162	-756,419	-56.9%
	15,010,044	14,675,306	334,738	2.3%
	2,344,236	1,431,354	912,882	63.8%
	1,327,455	1,489,030	-161,575	-10.9%
	177,145	207,064	-29,919	-14.4%
	2,038,468	1,252,000	786,468	62.8%
Total	43,922,906	42,956,004	966,901	2.3%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	40.4%	39.2%	1.2%	3.1%
Medi-Cal	13.6%	11.9%	1.7%	14.3%
Self Pay	1.0%	4.7%	-3.7%	-78.7%
Commercial	33.8%	34.1%	-0.3%	-0.9%
Medicare Managed Care	5.2%	3.3%	1.9%	57.6%
Worker's Comp.	2.8%	3.3%	-0.5%	-15.2%
Capitated	0.4%	0.5%	-0.1%	-20.0%
Prior Period Adj/IGT	2.8%	3.0%	-0.2%	-6.7%
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
	38.1%	40.5%	-2.5%	-6.2%
	13.0%	12.1%	0.9%	7.4%
	1.3%	3.1%	-1.8%	-58.1%
	34.3%	34.1%	0.2%	0.6%
	5.3%	3.3%	2.0%	60.6%
	3.0%	3.5%	-0.5%	-14.3%
	0.4%	0.5%	-0.1%	-20.0%
	4.6%	2.9%	1.8%	62.1%
Total	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	18.0%	17.9%	0.1%	0.6%
Medi-Cal	15.2%	15.9%	-0.7%	-4.4%
Self Pay	60.0%	60.0%	0.0%	0.0%
Commercial	40.3%	37.2%	3.1%	8.3%
Medicare Managed Care	14.2%	15.8%	-1.6%	-10.1%
Worker's Comp.	23.2%	23.6%	-0.4%	-1.7%
Capitated	3.2%	4.1%	-0.9%	-22.0%
Prior Period Adj/IGT	0.6%	0.7%	-0.1%	-14.3%

	Actual	Budget	Variance	% Variance
	17.7%	18.7%	-1.0%	-5.3%
	14.6%	15.5%	-0.9%	-5.8%
	34.0%	39.7%	-5.7%	-14.4%
	37.4%	37.2%	0.2%	0.5%
	14.4%	15.7%	-1.3%	-8.3%
	22.6%	24.2%	-1.6%	-6.6%
	3.5%	3.7%	-0.2%	-5.4%
	0.1%	0.7%	-0.6%	-85.7%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended April 30, 2016**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 04/30/16</u>	<u>Budget 04/30/16</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 04/30/16</u>	<u>Budget 04/30/16</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 04/30/15</u>
				Inpatient Utilization				
				Discharges				
1	82	65	17	Acute	842	863	(21)	871
2	15	14	1	ICU	146	144	2	149
3	97	79	18	Total Discharges	988	1,008	(20)	1,020
4	16	13	3	Newborn	146	139	7	138
5	113	92	21	Total Discharges inc. Newborns	1,134	1,147	(13)	1,158
				Patient Days:				
6	322	201	121	Acute	2,725	2,676	49	2,646
7	87	97	(10)	ICU	948	967	(19)	1,029
8	409	298	111	Total Patient Days	3,673	3,643	30	3,675
9	37	24	13	Newborn	300	264	36	257
10	446	322	124	Total Patient Days inc. Newborns	3,973	3,907	66	3,932
				Average Length of Stay:				
11	3.9	3.1	0.8	Acute	3.2	3.1	0.1	3.0
12	5.8	6.7	(0.9)	ICU	6.5	6.7	(0.2)	6.9
13	4.2	3.8	0.5	Avg. Length of Stay	3.7	3.6	0.1	3.6
14	2.3	1.9	0.4	Newborn ALOS	2.1	1.9	(0.2)	1.9
				Average Daily Census:				
15	10.7	6.7	4.0	Acute	8.9	8.8	0.2	8.7
16	2.9	3.2	(0.3)	ICU	3.1	3.2	(0.1)	3.4
17	13.6	9.9	3.7	Avg. Daily Census	12.0	11.9	0.1	12.0
18	1.2	0.8	0.4	Newborn	0.98	0.87	0.1	0.84
				Long Term Care:				
19	578	674	(96)	SNF Patient Days	6,257	6,357	(100)	6,055
20	30	31	(1)	SNF Discharges	269	289	(20)	281
21	19.3	22.5	(3.2)	Average Daily Census	20.5	20.8	(0.3)	19.9
				Other Utilization Statistics				
				Emergency Room Statistics				
22	912	792	120	Total ER Visits	8,801	7,907	894	8,719
				Outpatient Statistics:				
23	4,666	5,009	(343)	Total Outpatients Visits	47,689	48,191	(502)	47,285
24	26	34	(8)	IP Surgeries	300	318	(18)	315
25	92	113	(21)	OP Surgeries	965	1,014	(49)	1,010
26	42	35	7	Special Procedures	337	326	11	334
27	999	1,328	(329)	Home Health Visits	9,497	12,194	(2,697)	11,470
				Home Health Patients	0	0	-	-
28	339	283	56	Adjusted Discharges	3,354	3,278	76	3,284
29	2,636	2,501	135	Adjusted Patient Days (Inc. SNF)	26,506	25,311	1,195	24,573
30	87.9	83.4	4.5	Adj. Avg. Daily Census (Inc. SNF)	86.9	83.0	3.9	80.6
31	1.4674	1.4000	0.067	Case Mix Index -Medicare	1.5073	1.4000	0.107	1.5125
32	1.3429	1.4000	(0.057)	Case Mix Index - All payers	1.4065	1.4000	0.007	1.4905
				Labor Statistics				
33	292	283	(8.8)	FTE's - Worked	285	283	(1.6)	270
34	324	317	(6.7)	FTE's - Paid	319	317	(2.3)	304
35	40.92	40.54	(0.38)	Average Hourly Rate	40.00	39.92	(0.08)	38.45
36	21.0	21.7	0.7	Manhours / Adj. Pat Day	20.9	21.8	0.8	21.5
37	163.2	191.6	28.4	Manhours / Adj. Discharge	165.5	168.2	2.6	160.9
38	23.4%	22.2%	-1.1%	Benefits % of Salaries	22.7%	22.4%	-0.3%	23.9%
				Non-Labor Statistics				
39	12.7%	10.9%	-1.8%	Supply Expense % Net Revenue	11.4%	11.0%	-0.3%	11.4%
40	1,673	1,664	(9)	Supply Exp. / Adj. Discharge	1,535	1,503	(33)	1,478
41	15,610	17,494	1,884	Total Expense / Adj. Discharge	15,055	15,278	223	14,685
				Other Indicators				
42	12.7			Days Cash - Operating Funds				
43	50.2	50.0	0.2	Days in Net AR	49.6	50.0	(0.4)	49.6
44	100%			Collections % of Net Revenue	103%			103.1%
45	50.5	60.0	(9.5)	Days in Accounts Payable	50.5	60.0	(9.5)	61.0
46	22.3%	23.7%	-1.3%	% Net revenue to Gross revenue	22.4%	23.6%	-1.2%	23.1%
47	25.1%			% Net AR to Gross AR	25.1%			25.9%

Sonoma Valley Health Care District
Balance Sheet
As of April 30, 2016

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,983,203	\$ 1,544,645	\$ 2,973,579
2 Trustee Funds	3,419,803	2,286,037	1,825,643
3 Net Patient Receivables	8,194,105	8,150,659	6,852,498
4 Allow Uncollect Accts	(623,894)	(718,232)	(680,729)
5 Net A/R	7,570,211	7,432,427	6,171,769
6 Other Accts/Notes Rec	1,628,167	3,875,906	3,193,255
7 3rd Party Receivables, Net	872,289	875,069	938,297
8 Inventory	818,199	915,675	755,552
9 Prepaid Expenses	792,314	845,029	820,866
10 Total Current Assets	<u>\$ 17,084,186</u>	<u>\$ 17,774,788</u>	<u>\$ 16,678,961</u>
12 Property, Plant & Equip, Net	\$ 52,684,341	\$ 52,968,535	\$ 55,338,981
13 Specific Funds	382,893	439,199	101,455
14 Other Assets	144,203	143,918	143,321
15 Total Assets	<u><u>\$ 70,295,623</u></u>	<u><u>\$ 71,326,440</u></u>	<u><u>\$ 72,262,718</u></u>
Liabilities & Fund Balances			
Current Liabilities:			
16 Accounts Payable	\$ 3,640,960	\$ 3,430,271	\$ 3,305,748
17 Accrued Compensation	4,103,607	4,211,103	3,671,223
18 Interest Payable	342,768	228,513	353,787
19 Accrued Expenses	1,117,266	1,483,266	1,118,830
20 Advances From 3rd Parties	214,931	186,530	857,138
21 Deferred Tax Revenue	985,555	1,478,332	1,486,037
22 Current Maturities-LTD	1,604,735	1,658,687	1,604,735
23 Line of Credit - Union Bank	5,923,734	5,923,734	5,698,734
24 Other Liabilities	9,966	158,932	723,926
25 Total Current Liabilities	<u>\$ 17,943,522</u>	<u>\$ 18,759,368</u>	<u>\$ 18,820,158</u>
26 Long Term Debt, net current portion	\$ 36,772,079	\$ 36,887,816	\$ 39,350,966
Fund Balances:			
28 Unrestricted	\$ 12,467,196	\$ 12,566,598	\$ 12,050,153
29 Restricted	3,112,826	3,112,659	2,041,441
30 Total Fund Balances	<u>\$ 15,580,022</u>	<u>\$ 15,679,257</u>	<u>\$ 14,091,594</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 70,295,623</u></u>	<u><u>\$ 71,326,440</u></u>	<u><u>\$ 72,262,718</u></u>

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended April 30, 2016**

ATTACHMENT D

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
1	97	79	18	23%							
2	578	674	(96)	-14%							
3	999	1,328	(329)	-25%							
4	12,542	11,143	1,399	13%							
					Volume Information						
					Acute Discharges	988	1,008	(20)	-2%	1,020	
					SNF Days	6,257	6,357	(100)	-2%	6,055	
					Home Care Visits	9,497	12,194	(2,697)	-22%	11,470	
					Gross O/P Revenue (000's)	\$ 126,543	\$ 114,214	12,329	11%	\$ 110,983	
					Financial Results						
					Gross Patient Revenue						
5	\$ 5,477,131	\$ 4,605,383	871,748	19%	Inpatient	\$ 54,426,927	\$ 51,511,295	2,915,632	6%	\$ 52,673,217	
6	6,747,773	6,832,067	(84,294)	-1%	Outpatient	71,569,442	69,673,317	1,896,125	3%	66,623,168	
7	5,469,356	3,999,062	1,470,294	37%	Emergency	52,100,852	41,743,210	10,357,642	25%	40,817,536	
8	2,030,259	2,478,665	(448,406)	-18%	SNF	21,421,045	23,267,721	(1,846,676)	-8%	20,305,534	
9	324,910	405,773	(80,863)	-20%	Home Care	3,123,067	3,731,928	(608,861)	-16%	3,542,385	
10	\$ 20,049,429	\$ 18,320,950	1,728,479	9%	Total Gross Patient Revenue	\$ 202,641,333	\$ 189,927,471	12,713,862	7%	\$ 183,961,841	
					Deductions from Revenue						
11	\$ (15,658,092)	\$ (14,189,392)	(1,468,700)	-10%	Contractual Discounts	\$ (159,655,229)	\$ (147,118,187)	(12,537,042)	-9%	\$ (144,475,990)	
12	(150,000)	(89,314)	(60,686)	-68%	Bad Debt	(840,000)	(893,140)	53,140	6%	(1,065,000)	
13	(4,600)	(21,264)	16,664	78%	Charity Care Provision	(261,666)	(212,640)	(49,026)	-23%	(204,100)	
14	122,413	125,250	(2,837)	-2%	Prior Period Adj/Government Program Revenue	2,038,468	1,252,500	785,968	0%	1,735,013	
15	\$ (15,690,279)	\$ (14,174,720)	(1,515,559)	11%	Total Deductions from Revenue	\$ (158,718,427)	\$ (146,971,467)	(11,746,960)	8%	\$ (144,010,077)	
					Net Patient Service Revenue						
16	\$ 4,359,150	\$ 4,146,230	212,920	5%	Risk contract revenue	\$ 1,424,765	\$ 1,711,840	(287,075)	-17%	\$ 2,468,296	
17	\$ 121,523	\$ 171,184	(49,661)	-29%	Net Hospital Revenue	\$ 45,347,671	\$ 44,667,844	679,827	2%	\$ 42,420,060	
18	\$ 4,480,673	\$ 4,317,414	163,259	4%	Other Op Rev & Electronic Health Records	\$ 515,582	\$ 144,580	371,002	257%	\$ 496,848	
19	\$ 306,110	\$ 14,458	291,652	*	Total Operating Revenue	\$ 45,863,253	\$ 44,812,424	1,050,829	2%	\$ 42,916,908	
20	\$ 4,786,783	\$ 4,331,872	454,911	11%	Operating Expenses						
21	\$ 2,264,788	\$ 2,197,560	(67,228)	-3%	Salary and Wages and Agency Fees	\$ 22,205,670	\$ 22,003,571	(202,099)	-1%	\$ 20,318,778	
22	882,251	777,054	(105,197)	-14%	Employee Benefits	8,493,824	7,950,843	(542,981)	-7%	7,816,289	
23	\$ 3,147,039	\$ 2,974,614	(172,425)	-6%	Total People Cost	\$ 30,699,494	\$ 29,954,414	(745,080)	-2%	\$ 28,135,067	
24	\$ 366,798	\$ 341,606	(25,192)	-7%	Med and Prof Fees (excl Agency)	\$ 3,622,872	\$ 3,529,971	(92,901)	-3%	\$ 3,522,925	
25	567,382	470,721	(96,661)	-21%	Supplies	5,148,418	4,925,118	(223,300)	-5%	4,854,657	
26	369,858	352,170	(17,688)	-5%	Purchased Services	2,809,325	3,521,700	712,375	20%	3,433,414	
27	283,454	283,132	(322)	0%	Depreciation	2,890,327	2,831,315	(59,012)	-2%	2,895,606	
28	87,402	98,958	11,556	12%	Utilities	930,838	989,580	58,742	6%	909,511	
29	25,266	20,834	(4,432)	-21%	Insurance	252,538	208,340	(44,198)	-21%	192,550	
30	63,003	36,352	(26,651)	-73%	Interest	554,100	394,656	(159,444)	-40%	418,737	
31	232,562	156,567	(75,995)	-49%	Other	1,690,547	1,578,155	(112,392)	-7%	1,604,421	
32	0	62,500	62,500	100%	Matching Fees (Government Programs)	368,026	625,000	256,974	41%	645,940	
33	\$ 5,142,764	\$ 4,797,454	(345,310)	-7%	Operating expenses	\$ 48,966,485	\$ 48,558,250	(408,235)	-1%	\$ 46,612,829	
34	\$ (355,981)	\$ (465,582)	109,601	24%	Operating Margin	\$ (3,103,232)	\$ (3,745,826)	642,594	17%	\$ (3,695,921)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended April 30, 2016**

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
35	\$ (84,442)	\$ 13,657	(98,099)	-718%						\$ 227,642	
36	-	5,805	(5,805)	-100%						48,587	
37	(37,500)	(37,500)	-	0%						(375,000)	
38	250,000	250,000	-	0%						2,500,000	
39	<u>\$ 128,058</u>	<u>\$ 231,962</u>	<u>(103,904)</u>	<u>-45%</u>						<u>\$ 2,401,229</u>	
40	<u>\$ (227,923)</u>	<u>\$ (233,620)</u>	<u>5,697</u>	<u>-2%</u>	Non Operating Rev and Expense						
					Miscellaneous Revenue	\$ (81,377)	\$ 136,570	(217,947)	*	\$ 227,642	
					Donations	11,584	58,050	(46,466)	80%	48,587	
					Physician Practice Support-Prima	(375,000)	(375,000)	-	0%	(375,000)	
					Parcel Tax Assessment Rev	2,501,954	2,500,000	1,954	0%	2,500,000	
					Total Non-Operating Rev/Exp	<u>\$ 2,057,161</u>	<u>\$ 2,319,620</u>	<u>(262,459)</u>	<u>-11%</u>	<u>\$ 2,401,229</u>	
					Net Income / (Loss) prior to Restricted Contributions	<u>\$ (1,046,071)</u>	<u>\$ (1,426,206)</u>	<u>380,135</u>	<u>-27%</u>	<u>\$ (1,294,692)</u>	
					Capital Campaign Contribution	\$ 612,451	\$ 351,830	260,621	74%	\$ 747,406	
41	\$ 167	\$ 35,183	(35,016)	-100%	Restricted Foundation Contributions	\$ 450,000	\$ 708,334	(258,334)	100%	\$ -	
42	\$ -	\$ 20,833	(20,833)	0%	Net Income / (Loss) w/ Restricted Contributions	<u>\$ 16,380</u>	<u>\$ (366,042)</u>	<u>382,423</u>	<u>-104%</u>	<u>\$ (547,286)</u>	
43	<u>\$ (227,756)</u>	<u>\$ (177,604)</u>	<u>(50,152)</u>	<u>28%</u>							
					GO Bond Tax Assessment Rev	2,427,770	2,427,770	-	0%	1,865,640	
44	242,777	242,777	-	0%	GO Bond Interest	(1,146,233)	(1,146,234)	1	0%	(1,242,879)	
45	(114,256)	(114,256)	-	0%	Net Income/(Loss) w GO Bond Activity	<u>\$ 1,297,917</u>	<u>\$ 915,494</u>	<u>382,424</u>	<u>42%</u>	<u>\$ 75,476</u>	
46	<u>\$ (99,235)</u>	<u>\$ (49,083)</u>	<u>(50,152)</u>	<u>102%</u>							
	\$ 118,534	\$ 85,863			EBIDA - Not including Restricted Contributions	\$ 2,398,356	\$ 1,799,765			\$ 2,019,652	
	2.5%	2.0%				5.2%	4.0%			4.7%	

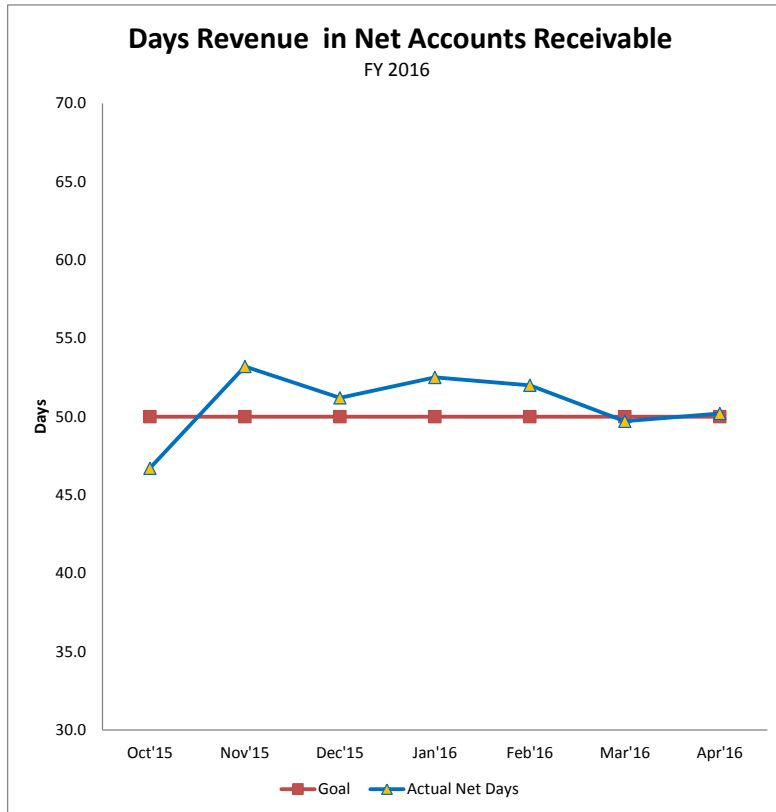
Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended April 30, 2016

ATTACHMENT E

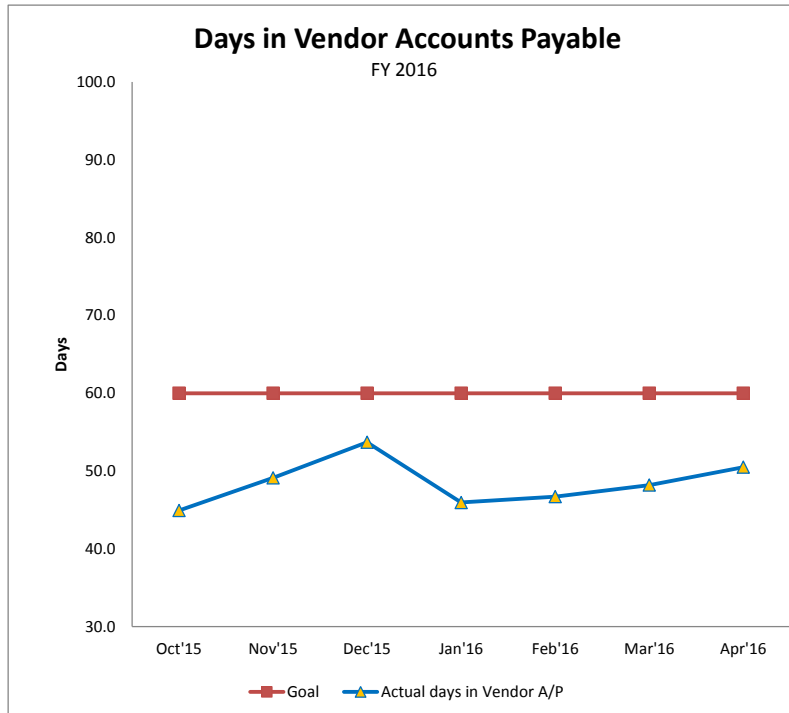
	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(20)	18	
2 SNF Days	(100)	(96)	
3 Home Care Visits	(2,697)	(329)	
4 Gross O/P Revenue (000's)	12,329	1,399	
Financial Results			
Gross Patient Revenue			
5 Inpatient	2,915,632	871,748	Inpatient surgeries were under budget by (8) cases, and was offset by acute patient days being over budget by 111 days.
6 Outpatient	1,896,125	(84,294)	Outpatient visits were under budget by (343) visits and outpatient surgeries were under budget by (21) cases.
7 Emergency	10,357,642	1,470,294	ER visits were over budget by 120 visits and had a higher than expected case mix (higher acuity).
8 SNF	(1,846,676)	(448,406)	SNF patient days were under budget by (96) days.
9 Home Care	(608,861)	(80,863)	Home Care visits were under budget by (329) visits.
10 Total Gross Patient Revenue	12,713,862	1,728,479	
Deductions from Revenue			
11 Contractual Discounts	(12,537,042)	(1,468,700)	The unfavorable variance in revenue deductions is primarily due to the ER gross revenue being over budgeted expectations by \$1.47M and IP gross revenue being over budget by \$872K. Furthermore, Medi-Cal was 19.4% of gross revenue vs. 17.1% budgeted and commercial accounts were 18.3% of gross revenue vs. 20.3% budgeted..
12 Bad Debt	53,140	(60,686)	
13 Charity Care Provision	(49,026)	16,664	
14 Prior Period Adj/Government Program Revenue	785,968	(2,837)	
15 Total Deductions from Revenue	(11,746,960)	(1,515,559)	
16 Net Patient Service Revenue	966,902	212,920	
17 Risk contract revenue	(287,075)	(49,661)	Blue Shield capitation received was under budget.
18 Net Hospital Revenue	679,827	163,259	
19 Other Op Rev & Electronic Health Records	371,002	291,652	The hospital received the final CMS E.H.R. payment of \$289,253
20 Total Operating Revenue	1,050,829	454,911	
Operating Expenses			
21 Salary and Wages and Agency Fees	(202,099)	(67,228)	Salaries & wages were at budgeted expectations and agency costs over were budget (\$65,336).
22 Employee Benefits	(542,981)	(105,197)	PTO was over budget in April by (\$62,568) due to unbudgeted paid sick leave for per diem employees and an increase in use over budgeted expectations. Employee benefits are over budget by (\$42,629) due to an increase in the cost of health benefits and pension costs due to increased participation in hospital benefits.
23 Total People Cost	(745,080)	(172,425)	
24 Med and Prof Fees (excl'd Agency)	(92,901)	(25,192)	Physician fees are over budget by (\$42,142) due to an increase in physician contracts. Physician fees were offset by a positive variance for Professional fees of \$16,949.
25 Supplies	(223,300)	(96,661)	Supplies are over budget due to an increase use of pharmaceuticals excluded from the capitation rate including antivenom for a snake bite patient with a cost of \$50,000.
26 Purchased Services	712,375	(17,688)	
27 Depreciation	(59,012)	(322)	
28 Utilities	58,742	11,556	
29 Insurance	(44,198)	(4,432)	Insurance premiums increased over budgeted expectations.
30 Interest	(159,444)	(26,651)	Variance due to the true up of the Celtic financing lease - true up being spread over 6 months.
31 Other	(112,392)	(75,995)	Variance due to a Dept of Public Health penalty of (\$37,500) and EMTALA penalty cost of (\$25,000)
32 Matching Fees (Government Programs)	256,974	62,500	There were no matching fees in April. This expense is offset from the revenue above from line 14.
33 Operating expenses	(408,235)	(345,310)	
34 Operating Margin	642,594	109,601	
Non Operating Rev and Expense			

**Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended April 30, 2016**

	YTD	MONTH	
Description	Variance	Variance	
35 Miscellaneous Revenue	(217,947)	(98,099)	Western Health Advantage (WHA) share of Risk pool (\$66,000) for 3rd quarter - currently the payable to WHA is a net (\$33,000).
36 Donations	(46,466)	(5,805)	No unrestricted donations received in April.
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	1,954	-	
39 Total Non-Operating Rev/Exp	(262,459)	(103,904)	
		-	
40 Net Income / (Loss) prior to Restricted Contributions	380,135	5,697	
		-	
41 Capital Campaign Contribution	260,621	(35,016)	Capital campaign donations received from the Foundation were under budgeted expectations.
42 Restricted Foundation Contributions	(258,334)	(20,833)	There were no restricted donations in April.
43 Net Income / (Loss) w/ Restricted Contributions	382,423	(50,152)	
44 GO Bond Tax Assessment Rev	-	-	
45 GO Bond Interest	1	-	
46 Net Income/(Loss) w GO Bond Activity	382,424	(50,152)	



Days in A/R	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16
Actual days in A/R	46.7	53.2	51.2	52.5	52.0	49.7	50.2
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16
Actual days in Vendor A/P	44.9	49.1	53.7	45.9	46.7	48.2	50.5
Goal	60.0	60.0	60.0	60.0	60.0	60.0	60.0

Statistics	ACTUAL	BUDGET	ACTUAL												
	Apr-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15
Acute															
Acute Patient Days	409	298	426	417	404	351	316	325	376	297	352	357	373	378	401
Acute Discharges (w/o Newborns)	97	79	99	101	124	109	85	97	92	74	110	97	97	95	113
SNF Days	578	674	580	671	710	648	544	666	607	634	619	669	626	487	669
HHA Visits	999	1,328	879	889	933	915	1,088	948	948	917	981	1,014	963	1,154	1,232
Emergency Room Visits	912	792	945	919	864	863	841	820	871	888	878	846	943	876	954
Gross Outpatient Revenue (000's)	\$12,542	\$11,143	\$14,266	\$12,049	\$12,184	\$12,274	\$11,900	\$13,103	\$12,774	\$12,910	\$12,639	\$12,065	\$10,719	\$11,237	\$11,839
Equivalent Patient Days	2,636	2,501	2,886	2,628	2,771	2,614	2,384	2,691	2,565	2,679	2,651	2,757	2,432	2,255	2,579
Births	17	13	17	9	17	21	14	11	11	15	15	24	11	7	16
Surgical Cases - Inpatient	26	34	31	34	26	32	24	36	36	26	29	35	33	33	34
Surgical Cases - Outpatient	92	113	110	93	98	104	90	95	91	96	96	87	85	111	103
Total Surgical Cases	118	147	141	127	124	136	114	131	127	122	125	122	118	144	137
Medicare Case Mix Index	1.47	1.40	1.48	1.50	1.41	1.35	1.69	1.53	1.69	1.52	1.44	1.76	1.69	1.71	1.42
Income Statement															
Net Revenue (000's)	4,481	4,317	4,484	4,614	4,522	4,729	4,029	4,655	4,739	4,612	4,483	4,564	4,137	4,100	4,175
Operating Expenses (000's)	\$5,143	\$4,797	\$4,968	\$4,987	\$4,932	4,829	4,665	4,931	4,931	4,863	4,718	5,103	4,698	4,875	4,783
Net Income (000's)	(99)	(49)	(132)	39	19	575	245	104	170	149	203	139	74	96	(59)
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$1,951	\$1,918	\$1,721	\$1,898	\$1,780	\$1,847	\$2,022	\$1,832	\$1,922	\$1,815	\$1,780	\$1,851	\$1,932	\$2,162	\$1,854
Productive FTEs	292	283	293	296	271	277	292	299	280	273	277	273	278	276	284
Non-Productive FTE's	32	34	33	28	48	41	30	28	32	37	36	36	29	28	26
Total FTEs	324	317	326	324	319	317	322	327	312	310	313	309	307	304	310
FTEs per Adjusted Occupied Bed	3.70	3.80	3.50	3.58	3.57	3.77	4.05	3.77	3.65	3.58	3.66	3.36	3.91	4.05	3.79
Balance Sheet															
Days of Expense In General Operating Cash	13		10	12	14	21	9	13	18	16	22	16	17	20	15
Net Days of Revenue in AR	50	50	50	52	53	51	53	47	49	45	46	47	43	47	47

Sonoma Valley Hospital
Cash Forecast
FY 2016

ATTACHMENT H

	Actual July - Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast TOTAL
Hospital Operating Sources															
1 Patient Payments Collected	20,187,564	3,961,779	3,603,555	4,085,613	4,791,244	4,154,962	4,549,338	3,991,672	4,273,644	3,960,600	3,928,857	4,412,104	3,915,173	4,021,206	73,837,311
2 Capitation Revenue	771,960	148,240	129,971	129,623	123,448	121,523									1,424,765
3 Napa State				210,198	412,573		93,430	93,430	35,000	35,000	35,000	35,000	35,000	35,000	1,019,631
4 Other Operating Revenue	146,387	20,950	22,412	45,740	34,129	19,479	14,458	14,458	62,250	15,411	11,738	17,936	39,052	20,950	485,351
5 Other Non-Operating Revenue	152,199	46,513	53,555	35,986	27,278	48,443	13,657	13,657	8,340	23,819	27,860	44,332	47,848	46,513	590,001
6 Unrestricted Contributions					16,045		5,000	5,000	500	500	500	500	500	500	29,045
7 Line of Credit															-
Sub-Total Hospital Sources	21,258,110	4,177,482	3,809,493	4,507,161	5,404,718	4,344,407	4,675,883	4,118,217	4,379,735	4,035,330	4,003,955	4,509,872	4,037,572	4,124,169	77,386,103
Hospital Uses of Cash															
8 Operating Expenses	23,021,771	3,922,568	5,624,996	4,530,885	4,931,488	5,153,295	4,480,933	4,635,725	4,621,060	4,537,752	4,906,515	4,619,403	4,252,701	4,205,700	83,444,791
9 Less Depreciation							(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(283,132)	(2,265,056)
10 Add Capital Lease Payments	785,145	180,181	65,514	189,093	225,377	99,234	176,289	52,045	173,809	52,154	129,806	53,230	176,146	140,181	2,498,204
11 Additional AP														750,000	750,000
12 Capital - Board Approved Spending	74,140	37,519	-	23,425	100,431	56,338		500,000							791,853
13 Napa State				210,198	445,743										655,941
Total Hospital Uses	23,881,056	4,140,268	5,690,510	4,953,601	5,703,039	5,308,868	4,374,090	4,904,638	4,511,737	4,306,774	4,753,189	4,389,501	4,145,715	4,812,749	85,875,733
Net Hospital Sources/Uses of Cash	(2,622,946)	37,214	(1,881,017)	(446,440)	(298,321)	(964,460)	301,793	(786,421)	(132,002)	(271,444)	(749,234)	120,371	(108,143)	(688,580)	(8,489,630)
Non-Hospital Sources															
14 Restricted/Capital Donations Donations	424,916			211,762		517		1,000,000							1,637,194
15 Electronic Health Records	85,361					289,253									374,614
16 Parcel Tax Revenue	123,335	1,673,328				1,113,248			120,000					1,500,000	4,529,911
17 Other:															-
18 LIHP	623,866														623,866
19 IGT	696,305						122,413				1,082,000				1,900,718
20 IGT - AB915 (Net)			850,228			296,805									1,147,033
Sub-Total Non-Hospital Sources	1,953,783	1,673,328	850,228	211,762	-	1,403,018	419,218	1,000,000	120,000	-	-	1,082,000	-	1,500,000	10,213,336
Non-Hospital Uses of Cash															
21 Matching Fees	368,026										541,372				909,398
Sub-Total Non-Hospital Uses of Cash	368,026	-	-	-	-	-	-	-	-	-	541,372	-	-	-	909,398
Net Non-Hospital Sources/Uses of Cash	1,585,757	1,673,328	850,228	211,762	-	1,403,018	419,218	1,000,000	120,000	-	(541,372)	1,082,000	-	1,500,000	9,303,938
Net Sources/Uses	(1,037,189)	1,710,542	(1,030,789)	(234,678)	(298,321)	438,557	721,011	213,579	(12,002)	(271,444)	(1,290,606)	1,202,371	(108,143)	811,420	814,309
Cash and Equivalents at beginning of period	2,435,080	1,397,891	3,108,433	2,077,644	1,842,966	1,544,645	1,983,203	2,704,214	2,917,793	2,905,791	2,634,347	1,343,741	2,546,111	2,437,969	
Cash and Equivalents at end of period	1,397,891	3,108,433	2,077,644	1,842,966	1,544,645	1,983,203	2,704,214	2,917,793	2,905,791	2,634,347	1,343,741	2,546,111	2,437,969	3,249,389	
															YTD Cash Goal
															\$ 2,117,793
															Available Cash
															\$ 800,000
															Note #1

Note #1 - \$800,000 reserved for board approved capital during FY 2016.

6.

ADMINISTRATIVE
REPORT
APRIL 2016



To: SVHCD Board of Directors
From: Kelly Mather
Date: 4/27/16
Subject: Administrative Report

Summary

March was a good month for cash collections and outpatient volumes. The Emergency department and Occupational Health had the highest number of visits on record in March. However, the inpatient volumes were much lower than expected this past month. The good news is that the inpatient admissions are up over the prior year. We are now at year to date EBIDA of 5.6%, which is better than prior years. The parcel tax for the spring has been received and this will significantly help our cash on hand. The new FY 2017 strategic plan is ready for board review and approval and was developed by a great team that included two board members and our Chief of Staff.

Dashboard and Trended Results

The inpatient and emergency satisfaction results continue to be inconsistent and the patient experience team is now developing a more robust monitoring system. The Value Based Purchasing score continues to be at the 90th percentile. The staff satisfaction results have been shared with the staff at the forums this month and we are at the 84th percentile compared to all healthcare facilities. The score was 4.33/5. Fourteen departments scored above 4.15, nine departments were above 3.8 and only three departments scored below 3.8. The two major areas of opportunity are a perception that the “pay is fair” and that we need more opportunities for career advancement. An action plan for each department is due in June.

Strategic Update

Strategic Priorities	Update	Completion Date
1206b Clinic	We have engaged a consultant to help us execute this strategy and a budget will be ready in May.	June
Recruit another General Surgeon	Dr. Sawyer starts in June	June
Staff Compensation	Salary increases of 1.5% will be implemented July 1 for all staff who received a longevity payment.	July
South Lot	A presentation of options will be done for the board in June	June
Physician Time Share Offices	Dr. Weiss’ office opened on April 4 th . There is space for a few more physicians in this office. The 1 st street West office is now full.	Complete
Cancer Support Sonoma	We are meeting with the Department of Health Services to determine the best solution for this service placement on May 13 th	May

MARCH DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 9 HCAHPS domain results above the 70 th percentile	3 out of 9 in February	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain at least 5 out of 7 ERCAPS domain results above the 70 th percentile	1 out of 7 in February	7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 3 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 50 or higher	53.5 (90 TH percentile)	>55 = 5 (stretch) >52 = 4 >50 = 3 (Goal) >47 = 2 <40 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	4.33/5 or the 84 th percentile	>80th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	5.6%	>5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$43,823,721 (actual) \$43,760,796 (budget)	<2% = 5 (stretch) <1% = 4 <Budget=3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1160 YTD FY2016 1118 YTD FY2015	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$114 mm YTD \$96 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	1420 hours for 7 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2015	May 2015	Jun 2015
Inpatient Satisfaction	6/9	5	5	2	6	7	8	3	2				
Emergency Satisfaction	5/7	2	3	4	5	5	6	1	1				
Value Based Purchasing	>50	52	52.2	53.5	52.5	53	53.5	53.5			47	48	48
Staff Satisfaction	>75th	91	91	91	91	91	91	91	91	84	91	91	91
FY YTD Turnover	<10%	1.2	1.2	1.8	2.8	3.4	4.6	5.2	6.1	6.7	7.6	8	8.3
YTD EBIDA	>4%	8.2	7.6	7.7	7.3	5.7	6.6	6.2	6	5.6	4.7	4.2	3.8
Net Operating Revenue	>4.5m	4.48	4.6	4.7	4.7	4.1	4.7	4.5	4.6	4.5	4.1	4.1	4.5
Expense Management	<4.8m	4.7	4.8	4.9	4.9	4.6	4.8	4.9	4.9	4.9	4.8	4.6	5.1
Net Income	>50k	202	174	27.8	104	244	575	19	203	-131	-278	74	139
Days Cash on Hand	>20	22	16	18	13	9	21	14	12	12	20	17	16
A/R Days	<50	46	45	49	47	53	51	53	52	50	47	43	47
Total FTE's	<315	313	310	312	327	322	317	319	324	326	304	307	309
FTEs/AOB	<4.0	3.6	3.77	3.65	3.77	4.1	3.77	3.57	3.58	3.5	4.05	3.91	3.36
Inpatient Discharges	>100	110	74	92	97	85	109	124	101	99	95	97	97
Outpatient Revenue	>\$12m	12.6	12.9	12.7	13.1	11.9	12.2	12.1	12.1	14.2	11.2	10.7	12.0
Surgeries	>130	125	122	127	131	114	136	124	127	141	144	118	122
Home Health	>1000	981	917	948	948	1088	915	933	889	879	1154	963	1014
Births	>15	16	15	11	11	14	24	17	9	17	7	11	24
SNF days	>660	619	634	607	666	544	648	710	671	580	487	626	669
MRI	>120	143	131	119	132	109	113	102	119	127	138	125	144
Cardiology (Echos)	>65	66	62	63	77	41	50	46	60	67	61	63	66
Laboratory	>12.5	12.1	12.2	11.5	11.7	11.6	11.4	11.9	12.1	12.4	12.3	11.9	12.3
Radiology	>850	1036	1011	997	1018	875	907	904	961	1010	1030	1014	965
Rehab	>2587	3014	2384	2773	2886	2297	3003	2815	2708	2979	3063	3008	2873
CT	>300	384	352	343	336	381	323	379	352	398	302	357	335
ER	>800	878	888	871	820	841	863	864	919	945	876	943	846
Mammography	>475	462	439	367	543	406	492	446	437	432	497	476	453
Ultrasound	>325	395	314	320	353	246	290	296	304	317	391	354	345
Occupational Health	>650	733	728	646	871	681	683	600	597	757	687	573	660
Wound Care										222			