



**SONOMA VALLEY HEALTH CARE DISTRICT  
FINANCE COMMITTEE  
REGULAR MEETING **AGENDA**  
Tuesday, January 27, 2015, 5:00 p.m.**

**Location: Schantz Conference Room  
Sonoma Valley Hospital – 347 Andrieux Street, Sonoma CA 95476**

<b>TOLL FREE CALL-IN NUMBER: 866 228-9900 GUEST CODE: 294221</b>		
<b>AGENDA ITEM</b>	<b>RECOMMENDATION</b>	
<b>MISSION STATEMENT</b> The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Glago</i>	Action
<b>2. PUBLIC COMMENT SECTION</b> 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>Glago</i>	
<b>3. CONSENT CALENDAR</b> a. FC Meeting Minutes, 1.6.15	<i>Glago</i>	Action
<b>4. PROPOSED 2015 WORK PLAN</b>	<i>Jensen</i>	Discuss/Action
<b>5. DECEMBER 2014 FINANCIALS</b>	<i>Jensen</i>	Inform
<b>6. CEO BOARD REPORT FOR JANUARY 2015</b>	<i>Nevins</i>	Inform
<b>7. ADJOURN</b> Next meeting February 24, 2015	<i>Glago</i>	

3.

# CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT  
FINANCE COMMITTEE  
MEETING MINUTES  
Tuesday, January 6, 2015  
Schantz Conference Room**

Voting Members Present	Members Excused	Staff/ Public/Other	Staff Excused
Dick Fogg Sharon Nevins Phil Woodward Steve Barclay Stephen Berezin Mary Smith S. Mishra, MD (by phone) Keith Chamberlin (by phone) Shari Glago (by phone)	Peter Hohorst	Sam McCandless Ken Jensen Jeannette Tarver Joshua Rymer Gigi Betta	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
<b>MISSION AND VISION STATEMENTS</b>	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<p><u>Call to Order:</u> The meeting was called to order at 5:06pm.</p> <p><u>Announcements:</u></p> <ul style="list-style-type: none"> <li>This meeting takes the place of the December 2014 meeting which was moved forward due to the holidays.</li> <li>Stephen Berezin is excused from the next FC meeting on 1.27.15.</li> </ul>		
<b>2. PUBLIC COMMENT SECTION</b>	<i>Fogg</i>		
	None.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
<b>3. CONSENT CALENDAR</b>	<i>Fogg</i>		
<ul style="list-style-type: none"> <li>• FC Meeting Minutes, 11.25.14</li> <li>• FC Annual Performance Report for 2014</li> </ul>	<p>Board Clerk will add:  <i>Respectfully submitted, Dick Fogg, Chairman.</i>  <i>On behalf of the SVH Board FC Board members</i> (list of names)  to the Annual Performance Report. The report was approved as amended.</p>	<p>Action  <b>MOTION</b> to approve <i>as amended</i> by Barclay and 2<sup>nd</sup> by Smith. All in favor.</p>	<p>Bring the approved FC Annual Performance Report to the Board meeting, February 5, 2015 for approval.</p>
<b>4. NOVEMBER 2014 FINANCIALS</b>	<i>Jensen</i>	Inform	
	<p>Mr. Jensen summarized variances and cash advances for the month of November 2014. The month of November was favorable compared to budget by \$121,164 and net revenue was favorable as well. Expenses were unfavorable however, have seen improvement over previous months. Physical Therapy, Purchased Services and Salaries were over budget.</p> <p>Mr. Barclay commented that the Financial presentation at this meeting is a concise and clear way to present at future FC meetings.</p>		<p>Mr. Jensen will add a separate line for OB under Patient Volumes (page 2 of the CFO Summary).</p>
<b>5. CASH FORECAST</b>	<i>Jensen</i>	Inform	
	<p><u>Changes to Cash Forecast format:</u></p> <ul style="list-style-type: none"> <li>• Next month, the first six months/columns of the Cash Forecast will be combined into one column; the January-June 2015 columns will remain the same; and July through December 2015 columns will be added.</li> <li>• Also beginning next month the Cash Forecast will be rolled into the Financials and presented as one agenda item.</li> </ul> <p>Mr. Woodward asked for more information on future cash flow, cash operations, capital equipment expenses and a schedule showing plans to pay down the Hospital's line of credit.</p> <p>There was a discussion about the Cash Forecast, specifically lines 16 and 27 and their usefulness on the report. A decision was reached to include a footnote rather than</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>remove the lines from the report.</p> <p>SVH have been in compliance for the duration of the existing line of credit and Mr. Jensen will report to the FC if any negative variances occur.</p> <p>Mr. Jensen distributed the <i>SVH Line of Credit Ratios Compliance Test</i> which was requested by the Committee at the November 2014 meeting. In addition, he circulated the Promissory Note between SVHCD and Union Bank.</p> <p>A Parcel Tax strategy is currently being developed and will be included in the SVH Strategic Plan 2015.</p>		
<p><b>6. CEO BOARD REPORT DECEMBER 2014</b></p>		<p>Inform</p>	
	<p>The CEO Administrative Report for January 2015 was distributed to the Committee. Ms. Nevins talked about SCAN enrollment and there were no other comments.</p>		
<p><b>7. ADJOURN</b></p>	<p><i>Fogg</i></p>		
	<p>The meeting was adjourned at 6:15pm. The next meeting is on January 27, 2015</p>		

4.

# 2015 WORK PLAN

## 2015 Finance Committee Work Plan

January	February	March	April
<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Cash forecast thru Dec 15</li> <li>❖ Changes in Payer Mix</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Budget Assumptions</li> <li>❖ Line of Credit Update</li> <li>❖ Capital Spending Report</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ 3 Year Financial Plan</li> <li>❖ IT Review</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Capital Spending Report</li> <li>❖ SCAN Update</li> <li>❖ First pass Budget</li> <li>❖ Audit Plan</li> </ul>
May	June	July	August
<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Operating Budget <b>Proposal</b></li> <li>❖ Capital Budget <b>Proposal</b></li> <li>❖ Insurance Review</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statement</li> <li>❖ Any 2016 Budget Approval</li> <li>❖ Patient Accounting Overview</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Capital Budget approval</li> <li>❖ Pre close report</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ <b>Audit status</b></li> </ul>
September	October	November	December
<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Audit update</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Audited Financial Statements <b>and Audit presentation</b></li> <li>❖ <b>First quarter update</b></li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Financial Policies <b>Review</b></li> <li>❖ Finance Committee Charter</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monthly Financial Statements</li> <li>❖ Annual Finance Committee Review</li> </ul>

5.

DECEMBER 2014  
FINANCIALS



**Sonoma Valley Hospital  
Sonoma Valley Health Care District  
December 31, 2014 Financial Report**

**Finance Committee  
January 27, 2015**

# Patient Volumes

## Month of December 31, 2014

	Actual	Budget	Variance	Prior Year
Acute Discharges	111	110	1	112
Newborn Discharges	17	11	6	11
Acute Patient Days	406	410	-4	402
SNF Patient Days	596	678	-82	733
Home Care Visits	1,103	1,009	94	951
OP Gross Revenue	\$10,084	\$9,302	\$782	\$8,809

# Summary Statement of Revenues and Expenses Month of December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,095,054	\$ 4,231,035	\$ (135,981)	-3%	\$ 4,131,893
2Total Operating Expenses	\$ 4,316,984	\$ 4,496,342	\$ 179,358	4%	\$ 4,477,749
3Operating Margin	\$ (221,930)	\$ (265,307)	\$ 43,377	16%	\$ (345,855)
4NonOperating Rev/Exp	\$ 221,238	\$ 226,766	\$ (5,528)	-2%	\$ 218,563
5Net Income before Rest.Cont. & GO Bond	\$ (692)	\$ (38,541)	\$ 37,849	-98%	\$ (127,292)
6Restricted Contribution	\$ 53,778	\$ 86,250	\$ (32,472)	-38%	\$ 424,403
Net Income with Restricted 7Contributions	\$ 53,086	\$ 47,709	\$ 5,377	11%	\$ 297,111
8Total GO Bond Rev/Exp	\$ 34,396	\$ 9,985	\$ 24,411	244%	\$ 115,418
9Net Income with GO Bond	\$ 87,482	\$ 57,694	\$ 29,788	52%	\$ 412,529
10EBIDA before Restricted Contributions	\$ 321,909	\$ 319,336	\$ 2,573		\$ 459,753
11EBIDA before Restricted Cont. %	8%	8%	0%		11%

# Summary Statement of Revenues and Expenses Year to Date December 31, 2014 (6 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 25,561,317	\$ 25,382,289	\$ 179,028	1%	\$ 25,356,975
2Total Operating Expenses	\$ 27,274,979	\$ 26,558,650	\$ (716,329)	-3%	\$ 27,102,703
3Operating Margin	\$ (1,713,662)	\$ (1,176,361)	\$ (537,301)	-46%	\$ (1,745,728)
4NonOperating Rev/Exp	\$ 1,401,562	\$ 1,360,596	\$ 40,966	3%	\$ 1,144,617
Net Income before Rest.Cont. & 5GO Bond	\$ (312,100)	\$ 184,235	\$ (496,335)	-269%	\$ (601,111)
6Restricted Contribution	\$ 503,664	\$ 517,500	\$ (13,836)	-3%	\$ 2,990,403
Net Income with Restricted 7Contributions	\$ 191,564	\$ 701,735	\$ (510,171)	-73%	\$ 2,389,292
8Total GO Bond Rev/Exp	\$ 144,485	\$ 59,897	\$ 84,588	141%	\$ 692,406
9Net Income with GO Bond	\$ 336,049	\$ 761,632	\$ (425,583)	-56%	\$ 3,081,698
EBIDA before Restricted 10Contributions	\$ 1,710,317	\$ 2,331,497	\$ (621,180)		\$ 516,603
11EBIDA before Restricted Cont. %	7%	9%	-2%		2%

# Operating Revenues

## Month of December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
REVENUE					
NET PATIENT REVENUE					
1 Acute Inpatient	\$ 1,478,188	\$ 1,555,922	\$ (77,734)	-5%	\$ 911,419
2 Skilled Nursing Facility	\$ 318,644	\$ 406,800	\$ (88,156)	-22%	\$ 483,929
3 Outpatient and Emergency	\$ 1,789,194	\$ 1,854,086	\$ (64,892)	-3%	\$ 1,812,260
4 HomeCare	\$ 250,490	\$ 241,503	\$ 8,987	4%	\$ 242,715
5 Community Benefit (Charity)	\$ (20,200)	\$ (24,806)	\$ 4,606	19%	\$ (51,800)
6 Bad Debt Expense	\$ -	\$ (165,374)	\$ 165,374	100%	\$ (161,955)
7 Prior Period Adjustment	\$ -	\$ -	\$ -	100%	\$ 487,980
8 TOTAL NET PATIENT REVENUE	\$ 3,816,316	\$ 3,868,132	\$ (51,816)	-1%	\$ 3,724,548
RISK CONTRACTS					
9 Capitation Revenue	\$ 77,872	\$ 170,135	\$ (92,263)	-54%	\$ 172,133
10 Napa State Hospital Revenue	\$ 186,147	\$ 118,117	\$ 68,030	58%	\$ 100,870
11 TOTAL RISK CONTRACTS	\$ 264,019	\$ 288,252	\$ (24,233)	-8%	\$ 273,004
12 OTHER OP. REVENUE	\$ 14,719	\$ 74,651	\$ (59,932)	-80%	\$ 134,341
13 TOTAL HOSPITAL NET REVENUE	\$ 4,095,054	\$ 4,231,035	\$ (135,981)	-3%	\$ 4,131,893

# Revenue Variances

- Total Operating Revenue unfavorable to budget by (\$135,981).
- Overall inpatient volume were over budget by 1 discharge, and had a payer mix with higher Medi-Cal and less Medicare and Commercial than budgeted.
- Outpatient visits were over budget by 520 visits and outpatient surgeries were under budget by (21), and had a payer mix with lower Medicare and Commercial than budgeted.
- Emergency Room volume was over budget by 55 visits.
- Skilled Nursing Home volume was under budget by (82) days.
- Home Care was over budget by 94 visits.

# Operating Expenses

## Month of December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
OPERATING EXPENSES					
1 Salary and Wages and Agency	\$ 1,899,032	\$ 2,000,214	\$ 101,182	5%	\$ 2,003,945
2 Employee Benefits	\$ 784,298	\$ 766,280	\$ (18,018)	-2%	\$ 722,356
3 Total People Cost	\$ 2,683,330	\$ 2,766,494	\$ 83,164	3%	\$ 2,726,301
4 Medical and Prof Fees (excl'd Agency)	\$ 388,168	\$ 332,423	\$ (55,745)	-17%	\$ 439,515
5 Supplies	\$ 408,629	\$ 464,441	\$ 55,812	12%	\$ 513,019
6 Purchased Services	\$ 309,330	\$ 298,847	\$ (10,483)	-4%	\$ 416,675
7 Depreciation	\$ 280,432	\$ 272,198	\$ (8,234)	-3%	\$ 156,097
8 Utilities	\$ 71,174	\$ 80,567	\$ 9,393	12%	\$ 56,887
9 Insurance	\$ 19,255	\$ 20,000	\$ 745	4%	\$ 18,888
10 Interest	\$ 42,168	\$ 85,679	\$ 43,511	51%	\$ 31,727
11 Other	\$ 114,497	\$ 175,693	\$ 61,196	35%	\$ 118,641
12 TOTAL OPERATING EXPENSE	<u>\$ 4,316,984</u>	<u>\$ 4,496,342</u>	<u>\$ 179,358</u>	4%	<u>\$ 4,477,749</u>

# Expense Variances

## **Total operating expenses were under budget by \$179,358**

- Total productivity FTE's were over budget by (1) and Salaries and Agency fees were under budget by \$101,182 . Total FTE's were over budget by 7.6 due to the use of PTO during the holidays.
- Employee Benefits are over budget by \$18,018 due to the recording of the stop loss insurance from Western Health Advantage contract for \$20,660.
- Professional fees were over budget by \$55,745 due to the quarterly true-up of \$79,309 for CPS Pharmacy fees.



# Non-Operating Revenue and Expenses

## Month of December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1Miscellaneous Revenue	\$ 8,738	\$ 933	\$ 7,805	837%	\$ 37,348
2 Donations Professional Center / Phys	\$ -	\$ 10,000	\$ (10,000)	0%	\$ -
3Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ (37,500)	\$ (34,167)	\$ (3,333)	0%	\$ (56,285)
5 Tax Assessment Revenue-Parcel Tax	\$ 250,000	\$ 250,000	\$ -	0%	\$ 237,500
6 NON-OPERATING REV/EXP	\$ 221,238	\$ 226,766	\$ (5,528)	-2%	\$ 218,563
7Capital Campaign Contribution	\$ 53,778	\$ 86,250	\$ (32,472)	-38%	\$ 424,403
8Restricted Foundation Contribution	\$ -	\$ -	\$ -	0%	\$ -
9 Tax Assessment Revenue - GO Bond	\$ 152,326	\$ 150,241	\$ 2,085	1%	\$ 152,326
10 GO Bond Interest	\$ (117,930)	\$ (140,256)	\$ 22,326	-16%	\$ (36,907)
11TOTAL NON-OPERATING REV/EXP	\$ 309,412	\$ 323,001	\$ (13,589)	-4%	\$ 758,384



**To: SVH Finance Committee**  
**From: Ken Jensen, CFO**  
**Date: January 27, 2015**  
**Subject: Financial Report for the Month Ending December 31, 2014**

The month of December, after accounting for all income and expenses but not including GO bonds, was favorable compared to budget by \$5,377. Net Revenue was unfavorable to budgeted expectations by (\$76,049). Expenses were favorable to budget by \$179,358. Professional fees were over budget by (\$55,745) due to an increase in the quarterly CPS Pharmacy fees. Purchased Services is over budget due to collection costs in Patient Accounting, which has been reduced significantly since the beginning of the fiscal year.

**Below is a summary of the variances for the month of December:**

GROSS REVENUE was better than budget by	\$ 366,339
<p>Inpatient revenue was favorable to budget by \$333,530 and SNF was unfavorable by (\$749,113). Outpatient revenue was unfavorable to budget by (\$141,872) but was offset by a favorable ER revenue variance of \$888,591. Home Health had a favorable to budget variance of \$35,203.</p>	
Deductions from revenue are higher than budgeted due to changes in payer mix with lower Medicare and Commercial and higher MediCal volumes for both I/P and O/P. As a percentage of totals, Medi-Cal was 22.2% vs. a budget of 11.3%. This amount includes \$316,756 of RAC settlement that was received this month. The actual expense would have been \$734,911 before the RAC settlement.	\$ (418,155)
Risk Contract Revenue was under budget by	\$ (24,233)
Other Revenue was under budget by due to the Electronic Health Record	<u>\$ (59,932)</u>
Total Operating Revenue Variance	\$ (135,981)
Total Staffing costs were under budget by	\$ 101,182
<p>Productive FTE's were 258 vs. a budget of 257. Total FTE's were over budget by 7.6 due to the use of PTO during the holidays.</p>	
Professional fees were over budget by	\$ (55,745)
<p>This was due to the quarterly true up of \$79,309 for CPS Pharmacy fees.</p>	

Other Expense Variances	\$ 133,921
Total Expense Variance	<u>\$ 179,358</u>
Total Operating Margin Variance	\$ 43,377
Non-Operating Income was unfavorable to budget	\$ (5,528)
Capital Campaign and Restricted Contributions was unfavorable to budget	<u>\$ (32,472)</u>
Net Variance	<u>\$ 5,377</u>

The net income was \$53,086 vs. a budgeted net income of \$47,709. After accounting for GO bond activity the aggregated net income was \$87,482 vs. a budgeted net income of \$57,694.

#### Patient Volumes - December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	111	110	1	112
Newborn Discharges	17	11	6	11
Acute Patient Days	406	410	-4	402
SNF Patient Days	596	678	-82	733
Home Care Visits	1,103	1,009	94	951
OP Gross Revenue	\$10,084	\$9,302	\$782	\$8,809
Surgical Cases	117	138	-21	138

#### Overall Payer Mix – December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	47.3%	51.3%	-4.0%	46.6%	50.1%	-3.5%
Medi-Cal	22.2%	11.3%	10.9%	18.7%	11.3%	7.4%
Self Pay	0.0%	3.4%	-3.4%	2.1%	3.4%	-1.3%
Commercial	20.9%	23.9%	-2.0%	21.7%	24.7%	-3.0%
Managed MC	4.0%	4.3%	-0.3%	4.4%	4.4%	0.0%
Workers Comp	2.6%	3.0%	-0.4%	3.4%	3.2%	0.2%
Capitated	3.0%	2.8%	0.2%	3.1%	2.9%	0.2%
Total	100.0%	100.0%		100.0%	100.0%	

**Cash Activity for December:**

For the month of December the cash collection goal was \$3,273,228 and the Hospital collected \$3,300,612 or over the goal by \$27,384. The Year to date cash goal is \$20,895,765 and the Hospital has collected \$21,342,351 or over the goal by \$446,586. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 13 days at December 31, 2014. Accounts Receivable decreased from November, from 51.5 days down to 48.9 days in December. Accounts Payable is down by \$249,668 from November due to receiving the parcel tax and due to the Hospital's efforts to decrease expenses and collect on patient accounts. Accounts Payable days are at 55.3. Total Accounts Payable at the beginning of the fiscal year was \$5,893,464 and at the end of December the Accounts Payable were \$4,047,093.

**Year to Date:**

The Hospital's YTD EBIDA is now commensurate with other hospitals at 6.7%. Our YTD expenses are over budget by (\$716,329), of which approximately \$120,000 is from FY 2014. This is made up of Surgery PO's, Anesthesia true-up and an outside consultant. Furthermore, due to inaccurate forecasting during the budget process the Hospital will be over budget about \$81,000 a month due to the following; utilities, Hospitalists, Lab, Anesthesia, Prima and IT. The Hospital has continued to save costs by not replacing several positions and not spending on capital.



**SONOMA VALLEY HOSPITAL**  
**OPERATING INDICATORS**  
**For the month ended December, 2014**

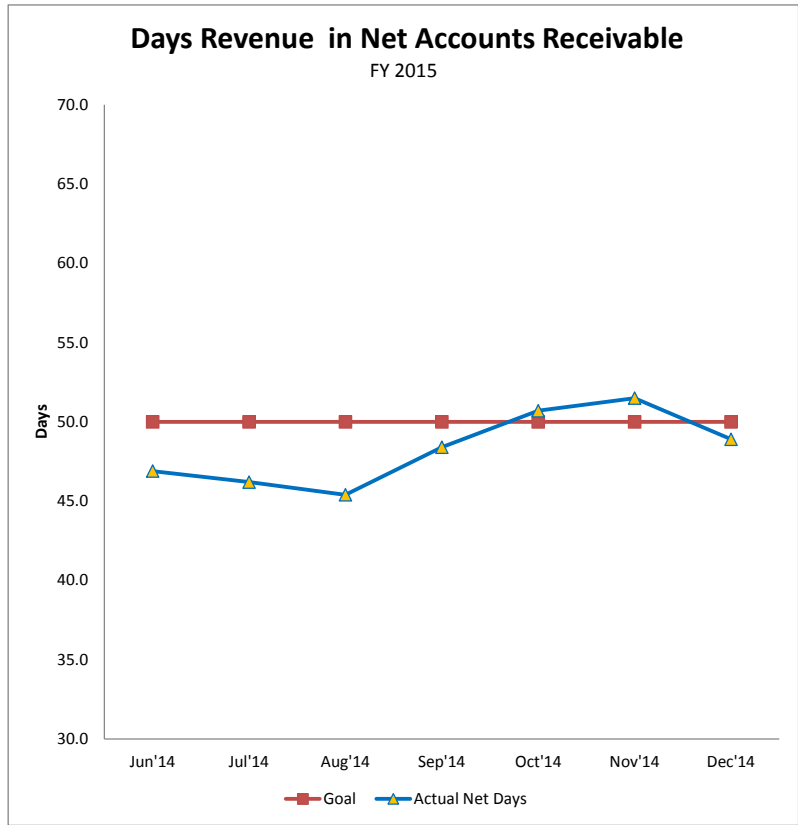
	CURRENT MONTH			YEAR-TO-DATE			
	Actual 12/31/14	Budget 12/31/14	Favorable (Unfavorable) Variance	Actual 12/31/14	Budget 12/31/14	Favorable (Unfavorable) Variance	Prior Year 12/31/13
<b>Inpatient Utilization</b>							
<b>Discharges</b>							
1 Acute	99	94	5	523	522	1	493
2 ICU	12	16	(4)	87	87	-	103
3 Total Discharges	111	110	1	610	609	1	596
4 Newborn	17	11	6	93	70	23	76
5 Total Discharges inc. Newborns	128	121	7	703	679	24	672
<b>Patient Days:</b>							
6 Acute	296	290	6	1,526	1,624	(98)	1,588
7 ICU	110	120	(10)	604	639	(35)	634
8 Total Patient Days	406	410	(4)	2,130	2,263	(133)	2,222
9 Newborn	32	21	11	168	134	34	146
10 Total Patient Days inc. Newborns	438	431	7	2,298	2,397	(99)	2,368
<b>Average Length of Stay:</b>							
11 Acute	3.0	3.1	(0.1)	2.9	3.1	(0.2)	3.2
12 ICU	9.2	7.5	1.7	6.9	7.3	(0.4)	6.2
13 Avg. Length of Stay	3.7	3.7	(0.1)	3.5	3.7	(0.2)	3.7
14 Newborn ALOS	1.9	1.9	(0.0)	1.8	1.9	0.1	1.9
<b>Average Daily Census:</b>							
15 Acute	9.5	9.3	0.2	8.3	8.8	(0.5)	8.6
16 ICU	3.5	3.9	(0.3)	3.3	3.5	(0.2)	3.4
17 Avg. Daily Census	13.1	13.2	(0.1)	11.6	12.3	(0.7)	12.1
18 Newborn	1.0	0.7	0.3	0.9	0.7	0.2	0.8
<b>Long Term Care:</b>							
19 SNF Patient Days	596	678	(82)	3,638	3,544	94	3,527
20 SNF Discharges	30	31	(1)	169	161	8	171
21 Average Daily Census	19.2	21.9	(2.6)	19.8	19.3	0.5	19.2
<b>Other Utilization Statistics</b>							
<b>Emergency Room Statistics</b>							
22 Total ER Visits	824	769	55	5,056	4,610	446	4,481
<b>Outpatient Statistics:</b>							
23 Total Outpatients Visits	4,380	3,860	520	27,491	25,348	2,143	25,176
24 IP Surgeries	31	31	-	193	190	3	190
25 OP Surgeries	85	107	(22)	586	603	(17)	603
26 Special Procedures	25	33	(8)	186	213	(27)	201
27 Home Health Visits	1,103	1,009	94	6,878	5,725	1,153	5,036
28 Adjusted Discharges	318	295	22	1,971	1,746	225	1,764
29 Adjusted Patient Days	2,257	2,282	(25)	14,608	13,165	1,443	13,202
30 Adj. Avg. Daily Census	72.8	73.6	(0.8)	79.4	71.5	7.8	71.8
31 Case Mix Index -Medicare	1.4178	1.4000	0.018	1.5123	1.4000	0.112	1.5724
32 Case Mix Index - All payers	1.4860	1.4000	0.086	1.5330	1.4000	0.133	1.5501
<b>Labor Statistics</b>							
33 FTE's - Worked	258	257	(0.6)	269	260	(8.9)	282
34 FTE's - Paid	300	292	(7.6)	304	295	(8.6)	315
35 Average Hourly Rate	35.86	38.76	2.90	37.80	37.72	(0.08)	36.19
36 Manhours / Adj. Pat Day	23.5	22.6	(0.8)	21.8	23.5	1.7	25.0
37 Manhours / Adj. Discharge	166.8	174.7	7.9	161.7	177.4	15.7	187.1
38 Benefits % of Salaries	25.3%	23.4%	-1.9%	23.7%	23.9%	0.3%	22.6%
<b>Non-Labor Statistics</b>							
39 Supply Expense % Net Revenue	10.0%	11.2%	1.2%	11.8%	11.4%	-0.4%	12.5%
40 Supply Exp. / Adj. Discharge	1,287	1,572	285	1,498	1,631	132	1,730
41 Total Expense / Adj. Discharge	14,084	15,694	1,609	14,340	15,690	1,349	15,685
<b>Other Indicators</b>							
42 Days Cash - Operating Funds	12.6						
43 Days in Net AR	48.9	50.0	(1.1)	48.5	50.0	(1.5)	50.7
44 Collections % of Net Revenue	101%			103%			100.1%
45 Days in Accounts Payable	55.3	60.0	(4.7)	55.3	60.0	(4.7)	58.1
46 % Net revenue to Gross revenue	22.5%	23.4%	-0.9%	23.1%	23.4%	-0.3%	24.1%
47 % Net AR to Gross AR	26.1%			26.1%			22.9%

**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of December 31, 2014**

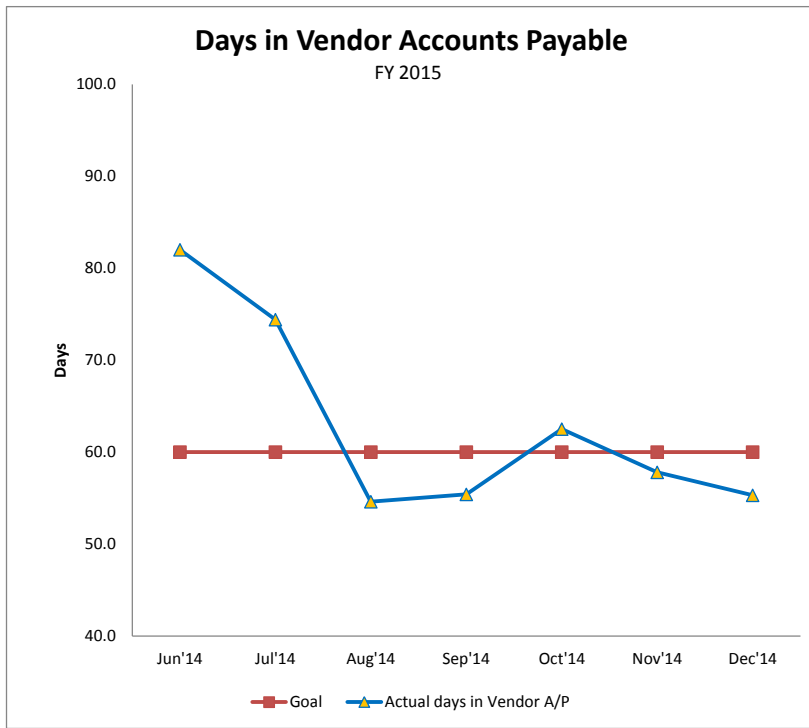
	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1	\$ 1,823,144	\$ 1,372,455	\$ 1,033,782
2	2,533,185	953,138	540,405
3	7,398,657	7,852,453	7,792,070
4	(668,956)	(909,670)	(1,641,569)
5	6,729,701	6,942,783	6,150,501
6	3,999,477	7,263,285	5,818,600
7	1,190,072	1,188,104	2,032,600
8	-	-	-
9	803,069	786,003	819,147
10	933,858	918,220	1,292,396
11	<u>\$ 18,012,506</u>	<u>\$ 19,423,987</u>	<u>\$ 17,687,430</u>
12	\$ -	\$ -	\$ 5,384
13	55,654,793	55,768,947	18,719,211
14	-	-	31,801,877
15	-	-	4,024,455
16	-	-	-
17	370,214	276,506	(2,668,187)
18	143,007	143,007	425,913
19	<u>\$ 74,180,519</u>	<u>\$ 75,612,447</u>	<u>\$ 69,996,084</u>
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
20	\$ 4,047,093	\$ 4,296,761	\$ 4,586,205
21	3,617,860	3,515,449	3,444,582
22	589,645	471,716	710,351
23	1,210,693	1,487,437	1,385,503
24	31,592	691,952	1,000,312
25	3,436,032	3,838,357	2,486,649
26	1,706,832	1,703,099	850,698
27	5,698,734	5,698,734	-
28	144,392	144,392	4,188,919
29	<u>\$ 20,482,873</u>	<u>\$ 21,847,898</u>	<u>\$ 18,653,219</u>
30	\$ 39,740,968	\$ 39,895,354	\$ 37,401,239
Fund Balances:			
32	\$ 12,554,469	\$ 12,520,765	\$ 12,585,357
33	1,402,209	1,348,431	1,356,268
34	<u>\$ 13,956,678</u>	<u>\$ 13,869,196</u>	<u>\$ 13,941,626</u>
35	<u>\$ 74,180,519</u>	<u>\$ 75,612,447</u>	<u>\$ 69,996,084</u>

**Sonoma Valley Health Care District**  
**Statement of Revenue and Expenses**  
**Comparative Results**  
**For the Period Ended December 2014**

	Month				Year-To-Date				YTD	
	This Year		Variance		This Year		Variance		Prior Year	
	Actual	Budget	\$	%	Actual	Budget	\$	%		
<b>Volume Information</b>										
1	Acute Discharges	111	110	1	1%	610	609	1	0%	596
2	SNF Days	596	678	(82)	-12%	3,638	3,544	94	3%	3,527
3	Home Care Visits	1,103	1,009	94	9%	6,878	5,725	1,153	20%	5,036
4	Gross O/P Revenue (000's)	10,084	9,302	782	8%	\$ 65,562	\$ 59,569	5,993	10%	\$ 57,427
<b>Financial Results</b>										
<b>Gross Patient Revenue</b>										
5	Inpatient	\$ 5,971,548	\$ 5,638,018	333,530	6%	\$ 30,519,645	\$ 32,612,344	(2,092,699)	-6%	\$ 30,510,614
6	Outpatient	5,768,481	5,910,353	(141,872)	-2%	38,856,567	38,529,507	327,060	1%	36,999,745
7	Emergency	3,971,459	3,082,868	888,591	29%	24,588,941	19,282,515	5,306,426	28%	18,879,723
8	SNF	2,082,405	2,831,518	(749,113)	-26%	12,485,554	14,352,694	(1,867,140)	-13%	13,699,781
9	Home Care	344,446	309,243	35,203	11%	2,116,475	1,756,696	359,779	20%	1,547,242
10	Total Gross Patient Revenue	\$ 18,138,339	\$ 17,772,000	366,339	2%	\$ 108,567,183	\$ 106,533,756	2,033,427	2%	\$ 101,637,105
<b>Deductions from Revenue</b>										
11	Contractual Discounts	\$ (14,301,823)	\$ (13,713,688)	(588,135)	-4%	\$ (84,215,081)	\$ (82,188,857)	(2,026,224)	-2%	\$ (78,420,465)
12	Bad Debt	0	(165,374)	165,374	100%	(740,000)	(991,328)	251,328	25%	(1,031,955)
13	Charity Care Provision	(20,200)	(24,806)	4,606	19%	(111,700)	(148,700)	37,000	25%	(140,200)
14	Prior Period Adjustments	-	-	-	0%	30,581	-	30,581	0%	696,982
15	Total Deductions from Revenue	\$ (14,322,023)	\$ (13,903,868)	(418,155)	3%	\$ (85,036,200)	\$ (83,328,885)	(1,707,315)	2%	\$ (78,895,638)
16	Net Patient Service Revenue	\$ 3,816,316	\$ 3,868,132	(51,816)	-1%	\$ 23,530,983	\$ 23,204,871	326,112	1%	\$ 22,741,467
17	Risk contract revenue	\$ 264,019	\$ 288,252	(24,233)	-8%	\$ 1,547,492	\$ 1,729,512	(182,020)	-11%	\$ 1,728,678
18	Net Hospital Revenue	\$ 4,080,335	\$ 4,156,384	(76,049)	-2%	\$ 25,078,475	\$ 24,934,383	144,092	1%	\$ 24,470,145
19	Other Op Rev & Electronic Health Records	\$ 14,719	\$ 74,651	(59,932)	80%	\$ 482,842	\$ 447,906	34,936	8%	\$ 886,830
20	Total Operating Revenue	\$ 4,095,054	\$ 4,231,035	(135,981)	-3%	\$ 25,561,317	\$ 25,382,289	179,028	1%	\$ 25,356,975
<b>Operating Expenses</b>										
21	Salary and Wages and Agency Fees	\$ 1,899,032	\$ 2,000,214	101,182	5%	\$ 12,047,955	\$ 11,684,277	(363,678)	-3%	\$ 11,950,125
22	Employee Benefits	784,298	766,280	(18,018)	-2%	4,560,932	4,573,089	12,157	0%	4,367,383
23	Total People Cost	\$ 2,683,330	\$ 2,766,494	83,164	3%	\$ 16,608,887	\$ 16,257,366	(351,521)	-2%	\$ 16,317,508
24	Med and Prof Fees (excl Agency)	\$ 388,168	\$ 332,423	(55,745)	-17%	\$ 2,132,678	\$ 1,939,390	(193,288)	-10%	\$ 2,571,894
25	Supplies	408,629	464,441	55,812	12%	2,953,931	2,847,623	(106,308)	-4%	3,052,052
26	Purchased Services	309,330	298,847	(10,483)	-4%	2,029,941	1,805,369	(224,572)	-12%	2,343,206
27	Depreciation	280,432	272,198	(8,234)	-3%	1,744,920	1,633,188	(111,732)	-7%	975,771
28	Utilities	71,174	80,567	9,393	12%	603,508	483,402	(120,106)	-25%	468,901
29	Insurance	19,255	20,000	745	4%	115,530	120,000	4,470	4%	113,325
30	Interest	42,168	85,679	43,511	51%	277,497	514,074	236,577	46%	141,944
31	Other	114,497	175,693	61,196	35%	808,086	958,238	150,152	16%	1,118,103
32	Operating expenses	\$ 4,316,984	\$ 4,496,342	179,358	4%	\$ 27,274,979	\$ 26,558,650	(716,329)	-3%	\$ 27,102,703
33	Operating Margin	\$ (221,930)	\$ (265,307)	43,377	16%	\$ (1,713,662)	\$ (1,176,361)	(537,301)	-46%	\$ (1,745,728)
<b>Non Operating Rev and Expense</b>										
34	Miscellaneous Revenue	\$ 8,738	\$ 933	7,805	837%	\$ 79,932	\$ 5,598	74,334	*	\$ 68,914
35	Donations	-	10,000	(10,000)	-100%	46,629	60,000	(13,371)	22%	1,000
36	Physician Practice Support-Prima	(37,500)	(34,167)	(3,333)	10%	(225,000)	(205,002)	(19,998)	10%	(350,103)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	1,500,000	1,500,000	-	0%	1,424,805
38	Total Non-Operating Rev/Exp	\$ 221,238	\$ 226,766	(5,528)	-2%	\$ 1,401,562	\$ 1,360,596	40,966	3%	\$ 1,144,617
39	Net Income / (Loss) prior to Restricted Contributions	\$ (692)	\$ (38,541)	37,849	-98%	\$ (312,100)	\$ 184,235	(496,335)	-269%	\$ (601,111)
40	Capital Campaign Contribution	\$ 53,778	\$ 86,250	(32,472)	-38%	\$ 395,088	\$ 517,500	(122,412)	-24%	\$ 2,990,403
41	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ 108,576	\$ -	108,576	100%	\$ -
42	Net Income / (Loss) w/ Restricted Contributions	\$ 53,086	\$ 47,709	5,377	11%	\$ 191,564	\$ 701,735	(510,171)	-73%	\$ 2,389,292
43	GO Bond Tax Assessment Rev	152,326	150,241	2,085	1%	915,644	901,446	14,198	2%	913,953
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(771,159)	(841,549)	70,390	-8%	(221,547)
45	Net Income/(Loss) w GO Bond Activity	\$ 87,482	\$ 57,694	29,788	-52%	\$ 336,049	\$ 761,632	(425,583)	56%	\$ 3,081,698
	EBIDA	\$ 321,909	\$ 319,336			\$ 1,710,317	\$ 2,331,497			\$ 516,603
		7.9%	7.5%			6.7%	9.2%			2.0%



Days in A/R	Jun'14	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
Actual days in A/R	46.9	46.2	45.4	48.4	50.7	51.5	48.9
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Jun'14	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
Actual days in Vendor A/P	82.0	74.4	54.6	55.4	62.5	57.8	55.3
Goal	60.0	60.0	60.0	60.0	60.0	60.0	60.0



**Sonoma Valley Hospital**  
**Statistical Analysis**  
**FY 2015**

Statistics	ACTUAL	BUDGET	ACTUAL												
	Dec-14	Dec-14	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14	Dec-13	Nov-13
<b>Acute</b>															
Acute Patient Days	406	410	364	363	291	376	335	362	358	303	407	300	389	402	318
Acute Discharges (w/o Newborns)	111	110	96	107	87	104	105	91	100	94	117	79	91	112	85
<b>SNF Days</b>	596	678	580	527	597	687	651	613	605	674	750	641	754	733	531
<b>HHA Visits</b>	1,103	1,009	1,090	1,319	1,111	1,109	1,146	992	1,135	1,218	1,106	872	1,040	951	903
<b>Emergency Room Visits</b>	824	769	761	863	851	868	889	867	909	788	769	655	811	751	665
<b>Gross Outpatient Revenue (000's)</b>	\$10,084	\$9,302	\$10,956	\$11,748	\$11,149	\$10,410	\$10,879	\$10,111	\$10,237	\$9,918	\$9,999	\$8,604	\$9,095	\$8,809	\$9,325
<b>Equivalent Patient Days</b>	2,227	2,283	2,457	2,347	2,603	2,510	2,447	2,433	2,461	2,415	2,585	2,136	2,375	2,356	2,145
<b>Births</b>	18	11	15	13	21	9	16	11	16	6	19	14	6	11	14
<b>Surgical Cases - Inpatient</b>	31	31	30	35	30	41	26	28	32	34	43	26	37	31	26
<b>Surgical Cases - Outpatient</b>	86	107	88	120	92	92	109	93	110	113	113	95	76	107	109
<b>Total Surgical Cases</b>	117	138	118	155	122	133	135	121	142	147	156	121	113	138	135
<b>Medicare Case Mix Index</b>	1.42	1.40	1.41	1.52	1.51	1.65	1.56	1.76	1.47	1.57	1.63	1.77	1.94	1.49	1.76
<b>Income Statement</b>															
Net Revenue (000's)	4,080	4,156	3,861	4,641	3,727	4,422	4,261	4,563	3,853	3,957	3,449	3,449	3,737	3,998	3,757
Operating Expenses (000's)	4,472	4,497	4,457	4,629	4,461	4,778	4,626	4,854	4,486	4,600	4,273	4,273	4,553	4,480	4,361
Net Income (000's)	87	58	102	338	(289)	134	(37)	567	(240)	(360)	401	(12)	13	412	(57)
<b>Productivity</b>															
Total Operating Expense Per Equivalent Patient Day	\$2,008	\$1,970	\$1,814	\$1,972	\$1,714	\$1,903	\$1,890	\$1,995	\$1,823	\$1,905	\$1,937	\$1,925	\$1,917	\$1,902	\$2,033
Productive FTEs	258	257	278	272	267	274	268	266	276	285	292	266	268	277	288
Non-Productive FTE's	42	35	25	32	36	32	42	37	32	26	26	34	42	38	25
Total FTEs	300	292	303	304	303	305	309	303	309	311	318	301	310	315	313
FTEs per Adjusted Occupied Bed	4.12	3.97	3.93	4.01	3.49	3.77	3.92	3.74	3.89	3.86	3.81	3.94	4.05	4.15	4.39
<b>Balance Sheet</b>															
Days of Expense In General Operating Cash	13		9	11	14	12	14	7	8	12	8	8	7	7	11
Net Days of Revenue in AR	49	50	51	51	48	45	46	47	46	48	49	49	54	52	54

**Sonoma Valley Hospital  
Statement of Cash Forecast  
FY 2015**

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast TOTAL
<b>Sources</b>													
1 Patient Payments Collected	4,172,973	4,067,228	4,171,850	3,918,828	3,736,152	3,698,080	4,286,512	3,813,956	4,205,888	3,890,808	4,188,570	3,827,022	47,977,867
2 Capitation Revenue	174,782	169,048	174,633	161,642	167,479	186,147	170,135	170,135	170,135	170,135	170,135	118,122	2,002,528
3 Napa State	200,000			400,000	200,000		118,117	118,117	118,117	118,117	118,117	170,139	1,560,724
4 Other Operating Revenue	11,703	121,430	92,554	1,678	70,434	15,339	15,965	15,965	15,965	15,965	15,965	15,965	408,928
5 Other Non-Operating Revenue	11,017	933	6,996	2,262	-	1,093	933	933	933	933	933	933	27,899
6 Unrestricted Contributions	7,063	10,000	-	-	128,142		10,000	10,000	10,000	10,000	10,000	10,000	205,205
7 Line of Credit		500,000											500,000
8 Restricted Donations					100,042	(100,042)							-
9 Loan/Lease Proceeds	41,110	105,811		(105,811)									41,110
10 Parcel Tax Revenue	78,743					1,649,029				1,350,971			3,078,743
Other:													-
11 LIHP *									596,000				596,000
12 AT&T Lease			57,000										57,000
13 PG&E		49,542											49,542
14 Electronic Health Record							548,594						548,594
15 RAC Settlement						316,756							316,756
16 IGT				1,049,453									1,049,453
17 IGT - Add'l *								400,000					400,000
<b>Total Sources</b>	<b>4,697,391</b>	<b>5,023,992</b>	<b>4,503,034</b>	<b>5,428,052</b>	<b>4,402,248</b>	<b>5,766,402</b>	<b>5,150,256</b>	<b>4,529,106</b>	<b>5,117,038</b>	<b>5,556,929</b>	<b>4,503,720</b>	<b>4,142,181</b>	<b>58,820,348</b>
<b>Uses</b>													
18 Operating Expenses	2,723,611	3,634,037	2,656,718	2,841,530	3,284,240	2,460,259	4,713,348	4,401,677	4,623,332	4,512,624	4,678,056	4,472,502	45,001,935
19 Salaries	1,298,774	1,269,094	1,338,174	1,928,284	1,306,744	1,329,374							8,470,444
Less Depreciation							(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(1,633,188)
20 Add Capital Lease Payments	218,307	86,999	76,452	228,509	126,571	150,653	133,182	133,816	134,453	135,094	135,739	199,446	1,759,220
21 Additional AP		330,993		910,919		1,330,174	400,000	400,000					3,372,086
22 Capital - Board Approved Spending		28,416		65,479					173,650			148,950	416,495
23 Napa State							591,066	100,000	100,000	100,000	100,000	100,000	1,091,066
<b>Total Uses</b>	<b>4,240,692</b>	<b>5,349,539</b>	<b>4,071,344</b>	<b>5,974,722</b>	<b>4,717,555</b>	<b>5,270,460</b>	<b>5,565,398</b>	<b>4,763,295</b>	<b>4,759,237</b>	<b>4,475,520</b>	<b>4,641,597</b>	<b>4,648,700</b>	<b>58,478,058</b>
<b>Net Sources/Uses</b>	<b>456,699</b>	<b>(325,547)</b>	<b>431,690</b>	<b>(546,670)</b>	<b>(315,307)</b>	<b>495,942</b>	<b>(415,142)</b>	<b>(234,189)</b>	<b>357,801</b>	<b>1,081,409</b>	<b>(137,877)</b>	<b>(506,519)</b>	
Cash and Equivalents at beginning of period	1,626,337	2,083,036	1,757,489	2,189,179	1,642,509	1,327,202	1,823,144	1,408,002	1,173,813	1,531,614	2,613,023	2,475,146	
<b>Cash and Equivalents at end of period</b>	<b>2,083,036</b>	<b>1,757,489</b>	<b>2,189,179</b>	<b>1,642,509</b>	<b>1,327,202</b>	<b>1,823,144</b>	<b>1,408,002</b>	<b>1,173,813</b>	<b>1,531,614</b>	<b>2,613,023</b>	<b>2,475,146</b>	<b>1,968,627</b>	<b>YTD Cash Goal</b> <b>2,007,768</b>
													<b>(39,141)</b>
<b>Project Funding:</b>													
<b>Cash at beginning of period</b>	<b>1,214,263</b>	<b>396,722</b>	<b>304</b>	<b>27,369</b>	<b>133,180</b>	<b>201,805</b>	<b>301,847</b>	<b>155,625</b>	<b>11,978</b>	<b>98,228</b>	<b>184,478</b>	<b>115,531</b>	
24 Restricted Contributions	50,864	67,501	54,818	-	68,624	100,042	53,778	86,250	86,250	86,250	86,250	86,250	826,877
25 Loan/Lease Proceeds				105,811									105,811
26 Celtic Loan/(Payment)								(155,197)			(155,197)		(310,394)
27 Line of Credit Advances		225,000					300,000	300,000					825,000
28 Project Payments	(868,405)	(688,919)	(27,752)	-			(500,000)	(374,700)					(2,459,776)
<b>Cash at end of period</b>	<b>396,722</b>	<b>304</b>	<b>27,369</b>	<b>133,180</b>	<b>201,805</b>	<b>301,847</b>	<b>155,625</b>	<b>11,978</b>	<b>98,228</b>	<b>184,478</b>	<b>115,531</b>	<b>201,781</b>	
Remaining Balance to Complete Project	1,591,371	902,452	874,700	874,700	874,700	874,700	374,700	(0)	(0)	(0)	(0)	(0)	

\* These sources of income are not in the 2015 budget  
note 1: Partnership IGT of \$300k-\$400k is not reflected in this projection  
note 2: \$643,494 has been paid by Hospital operating funds for the Project's Celtic Loan

Prior Year LOC - Operations	4,473,734
Current Year LOC - Operations	500,000
<b>Total</b>	<b>4,973,734</b>
Prior Year LOC - Project	500,000
Current Year LOC - Project	225,000
<b>Total</b>	<b>725,000</b>
<b>Total LOC</b>	<b>5,698,734</b>

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# CEO REPORT JANUARY 2015



**To: Sonoma Valley Health Care District Board of Directors**  
**From: Kelly Mather**  
**Date: 1/2/15**  
**Subject: Administrative Report**

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### **Summary**

We had a very nice holiday party in December and it was a joy to celebrate the many accomplishments and teamwork that was demonstrated in 2014. It was not an easy year for many, but SVH has made positive progress in light of some very difficult environmental changes. While the financial challenges continue, we have made excellent progress toward achieving more stability. For example, the first 5 months of FY 2015 SVH has an EBIDA margin of \$1,388,088 versus \$456,072 in the prior year. While this is not quite at budget, it is almost \$1 million more cash than the prior year. Medi-Cal continues to increase and was 18% of our payer mix in November. This trend is still of major concern as payments for these patients are very low. We continue to work with payers and work on our efficiency to improve margins. We have made some great progress on margins in the Skilled Nursing Facility and Surgery.

### **Organizational Results**

As demonstrated by the November dashboard, we struggled to meet the goals this month. We had a very low number of patient satisfaction surveys returned (only 5) so we will continue to monitor the rolling average. Staff all received letters about their raise before the holidays and we have had many notes of thanks. The satisfaction surveys begin in mid January and staff forums to review our current “state of the hospital” will be held in January, as well. While it was a tough year, my visits with the departments revealed that majority of staff are satisfied with their leaders and our organization. I look forward to seeing the results for 2014. For November, all volumes were down except for Home Care and OB. Emergency visits were much lower than prior months, which is a bit unexpected. We have analyzed the volumes and it seems to be a result of vacations. Productivity was not as good as usual in November, either. The analysis shows that staff education and other health requirements accounted for the variance. This trend will not continue.

### **Quality Update**

The leapfrog results for 2014 have revealed SVH received another “A” rating and we were notified to be in the top 10% for maternal outcomes in the state of California. The physician satisfaction survey is complete and an analysis will be presented at the January board meeting. The results were overall positive (3.6/5) and more importantly, point to areas of strength and opportunity. 27 physicians completed the survey and the action plan is underway.

### **Strategic Update**

We are in the process of updating the three year rolling strategic plan with a first draft expected at the February board meeting. Several marketing initiatives were successful in December, including the new SCAN Medicare Advantage health plan that has a zero premium and allows patients to use the services at SVH. Over 500 members signed up with our local primary care physicians. Several programs will be marketed first quarter including Pelvic Health in rehab. We have two organizations signed up to do pilot programs for the Employer Wellness program and they start in January.

## NOVEBER DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 8 HCAHPS domain results above the 50 <sup>th</sup> percentile	4 out of 8 (Nov) Rolling 3 month average = 5 out of 8	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain a year to date average of at least 75 <sup>th</sup> percentile	78 <sup>th</sup> (rolling three month average)	>85 <sup>th</sup> = 5 (stretch) >80 <sup>th</sup> =4 >75 <sup>th</sup> =3 (Goal) <75 <sup>th</sup> = 2 <70 <sup>th</sup> = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	70.88	>72 = 5 (stretch) >70 =4 >68 =3 (Goal) >66=2 <66 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 <sup>th</sup> percentile or higher	2013 76% mean score at 77 <sup>th</sup> percentile	>80 <sup>th</sup> = 5 (stretch) >77 <sup>th</sup> =4 >75 <sup>th</sup> =3 (Goal) >72 <sup>nd</sup> =2 <70 <sup>th</sup> =1
Finance	Financial Viability	YTD EBIDA	6.5%	>10% (stretch) >9%=4 >8% (Goal) >7%=2 <7%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	\$22,950,816 (actual) \$22,062,308 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	663 YTD FY2015 661 YTD FY 2014	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$53.7mm YTD \$48.7mm prior year	
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	783 hours for 5 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



### FY 2015 TRENDED RESULTS

MEASUREMENT	Goal FY 2015	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	5/8	5	6	5	6	4							
Emergency Satisfaction	>75 <sup>th</sup>	79	79	80	76	78	89.7	89.5	89.7	88.9	89.1	89.9	90.1
Value Based Purchasing Score	>68	68	71	70	70.88	69							
Staff Satisfaction	>75th	76	76	76	76	76	77	77	76	76	76	76	76
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6	4.6							
YTD EBIDA	>8%	7	7	4.9	7.3	6.5	6	5	5	6	9	4	3
Net Operating Revenue	>4.1m	4.26	4.6	3.8	4.7	4.0	4.1	3.75	3.46	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.4	4.4	4.55	4.27	5.0	4.4	4.4	4.8
Net Income	>75	-8	35	-381	304	67	412	13	-12	401	-360	-240	567
Days Cash on Hand	>15	14	12	14	11	10	7	7	6	11	17	8	7
A/R Days	<50	47	45	48	51	51	52	51	47	51	55	46	48
Total FTE's	<301	309	305	303	304	303	315	310	301	318	320	309	303
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.1	4.39	4.39	4.4	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	105	104	87	107	96	112	91	79	117	94	100	91
Outpatient Revenue	>\$10m	10.8	10.4	11.1	11.7	10.9	8.8	9.1	8.6	9.99	9.91	10.2	10.1
Surgeries	>130	135	133	122	155	118	138	113	121	156	147	142	121
Home Health	>1000	1146	1109	1111	1319	1090	951	1040	872	1106	1218	1135	992
Births	>15	16	9	21	13	16	11	6	14	19	6	16	11
SNF days	>660	651	687	597	527	580	733	754	641	750	674	605	613
MRI	>120	132	139	143	221	116	83	103	108	122	103	118	124
Cardiology (Echos)	>70	49	53	62	67	66	50	45	50	55	62	61	57
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.5	12.5	13.1	11.1	13.3	12.4	13.1	13.9
Radiology	>850	968	988	900	1047	856	877	963	837	851	868	918	888
Rehab	>2587	3030	2859	2468	3028	2634	2899	2485	2403	2903	3394	2877	2945
CT	>300	376	345	323	368	295	285	332	295	334	301	332	335
ER	>800	889	868	851	863	761	751	811	655	769	788	909	716
Mammography	>475	414	417	433	605	462	489	430	445	447	404	519	429
Ultrasound	>325	348	361	367	372	238	307	290	350	438	424	497	339
Occupational Health	>575	656	678	758	739	602	535	579	504	534	595	600	618