

**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS**

**AGENDA**

**THURSDAY, JUNE 6, 2024  
REGULAR SESSION 6:00 P.M.**

**Held in Person at  
Council Chambers  
177 First Street West, Sonoma  
and via Zoom Videoconferencing**

**To participate via Zoom videoconferencing, use the link below:**

**Join Zoom Meeting**

<https://sonomavalleyhospital-org.zoom.us/j/98359610569>

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+12133388477,,98359610569#

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Whitney Reese, Board Clerk at <a href="mailto:wreese@sonomavalleyhospital.org">wreese@sonomavalleyhospital.org</a> at least 48 hours prior to the meeting.</p>	<b>RECOMMENDATION</b>		
<b>AGENDA ITEM</b>			
<p><b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p><b>1. CALL TO ORDER</b></p>	<i>Judith Bjorndal, MD</i>		
<p><b>2. PUBLIC COMMENT</b> <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>			
<p><b>3. BOARD CHAIR COMMENTS</b></p>	<i>Judith Bjorndal, MD</i>		
<p><b>4. REPORT ON CLOSED SESSION</b></p>	<i>Judith Bjorndal, MD</i>		
<p><b>5. CONSENT CALENDAR</b> a. Board Minutes – 05.02.24 b. Finance Committee Minutes – 04.23.24 c. Quality Committee Minutes – 04.24.24 d. Medical Staff Credentialing e. Policies and Procedures</p>	<i>Judith Bjorndal, MD</i>	Action	Pages a. 3 -5 b. 6 - 8 c. 9 - 11 e. 12 -21
<p><b>6. BY THE BAY HEALTH CEO PRESENTATION</b></p>	<i>Skelly Wingard, RN, MSN</i>	Action	

<b>7. DESTINATION PROGRAMMING INITIATIVE</b>	<i>Bill Boerum</i>	Action	Pages 22 - 32
<b>8. SVHF ANNUAL UPDATE</b>	<i>Dave Pier</i>	Inform	Pages 33 - 42
<b>9. LINE OF CREDIT RENEWAL</b>	<i>Ben Armfield</i>	Action	Pages 43 - 79
<b>10. APPROVE FY 2025 BUDGET</b>	<i>Ben Armfield</i>	Action	Pages 80 - 106
<b>11. APPOINTMENT OF CEO COMPENSATION COMMITTEE</b>	<i>Judith Bjorndal, MD</i>	Action	
<b>12. CEO REPORT</b>	<i>John Hennelly</i>	Inform	Pages 107 -110
<b>13. CMO UPDATE</b>	<i>Sabrina Kidd, MD</i>	Inform	Page 111
<b>14. FINANCIALS FOR MONTH END MARCH 2024</b>	<i>Ben Armfield</i>	Inform	Pages 112 -124
<b>15. COMMITTEE UPDATES</b>	<i>Judith Bjorndal, MD</i>	Action	
<b>16. BOARD COMMENTS</b>	<i>Judith Bjorndal, MD</i>	Inform	
<b>17. ADJOURN</b>	<i>Judith Bjorndal, MD</i>	Inform	

Note: To view this meeting, you may visit <http://sonomatv.org/> or YouTube.com.



**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS' REGULAR MEETING**

**MINUTES**

THURSDAY, MAY 2, 2024

**HELD IN PERSON AT 177 FIRST STREET WEST, SONOMA,  
AND VIA ZOOM TELECONFERENCE**

	<b>RECOMMENDATION</b>	
<b>SONOMA VALLEY HOSPITAL BOARD MEMBERS</b> 1. Judith Bjorndal, MD, Chair, Present 2. Susan Kornblatt Idell, Secretary, via zoom 3. Denise M. Kalos, Second Vice Chair, Excused 4. Bill Boerum, Treasurer, Present 5. Wendy Lee Myatt, First Vice Chair, Present		
<b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
<b>CLOSED SESSION</b> With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code: <b>REPORT INVOLVING TRADE SECRET</b>		
<b>1. CALL TO ORDER</b>	<i>Bjorndal</i>	Called to order at 6:00 p.m.
<b>2. PUBLIC COMMENT</b>  Discussion with public during Destination Hospital Initiative.		
<b>3. BOARD CHAIR COMMENTS</b>	<i>Bjorndal</i>	
Nurse Appreciation and National Hospital weeks are the next two weeks, with lots of activities planned.		
<b>4. CONSENT CALENDAR</b>	<i>Bjorndal</i>	Action
a. Board Minutes – 04.04.24 b. Finance Committee Minutes – 03.26.24 c. Quality Committee Minutes – 03.27.24 d. Governance Committee Minutes – 03.13.24 e. Medical Staff Credentialing f. Policies and Procedures		<b>MOTION:</b> by Boerum to approve, 2 <sup>nd</sup> by Myatt Lee. All in favor.
<b>5. DESTINATION HOSPITAL INITIATIVE</b>	<i>Boerum</i>	Inform
Boerum recommended considering a destination hospital strategy to be undertaken with UCSF, sharing his thoughts in a cover memo and sharing a tourism presentation and a RFP in collaboration with John Hennelly and USCF's Ted Abraham and Shelby Decosta. Mark Bodenhamer, CEO of the Sonoma Valley Chamber of Commerce, presented the benefits of medical tourism for the local economy and the hospital's financial viability. Bodenhamer highlighted the potential of scheduling surgeries during non-peak times to optimize hospital utilization and offered support to facilitate connections with businesses and promote the initiative through their extensive newsletter network. Robust discussion followed with Board members, SVH Staff, and community members.		

<ul style="list-style-type: none"> <li>• Importance of assessing the risks and costs associated with building a reputation and scaling services.</li> <li>• Need for a thorough market assessment to identify viable service lines and determine patient demand.</li> <li>• Agreement on using an RFP process to outline expectations, assess market opportunities, and evaluate costs.</li> <li>• Discussion on potential funding sources, including the foundation and local tourism improvement associations.</li> <li>• Next Steps: Plan to refine the proposal, form the ad hoc committee (emphasis on involving community members), and revisit the discussion in the next meeting for further action.</li> </ul>		
<p><b>6. HUMAN RESOURCES ANNUAL REPORT</b></p>	<p><i>Lynn McKissock</i></p>	<p>Inform</p>
<p>McKissock's presentation highlighted the HR department's efforts to support hospital programs and foster a healthy work environment, detailing key 2023 projects such as adapting to new legislation, conducting a compensation analysis, enhancing staff education, and implementing conflict resolution training. She discussed transitioning to a self-insured medical insurance plan for 2024 and emphasized workplace violence prevention and compliance programs. McKissock noted improved employment metrics, with decreased turnover and increased internal promotions, despite recruitment challenges due to high living costs, and concluded on a positive note regarding employee engagement survey scores, with ongoing attention to benefits concerns.</p>		
<p><b>7. ANNUAL HOSPITAL COMMUNITY REPORT</b></p>	<p><i>Dawn Castelli / John Hennelly</i></p>	<p>Inform</p>
<p>Hennelly acknowledged Castelli's significant part in preparing the presentation and shared her regrets at being unable to attend the meeting. The report highlights the organization's ongoing commitment to community service, emphasizing age-friendly health system and improved emergency care with a new local physician group. Hennelly mentioned key community partnerships with Vintage House and La Luz for outreach programs, and detailed recent capital projects including a new MRI service and expanded therapy programs. Marketing efforts are being enhanced to promote outpatient services in surrounding areas. Significant service statistics for the year were noted, with a substantial portion of services reimbursed through public sector funding.</p>		
<p><b>8. CEO REPORT</b></p>	<p><i>John Hennelly</i></p>	<p>Inform</p>
<p>Hennelly reported that the MRI project is complete, but the state inspection is still pending, which has delayed training and patient scheduling. The fire department has conducted emergency preparedness training with the hospital staff, meeting state requirements. Goal to start scheduling patients by mid-June but may need to reschedule if delays persist. The PT project is ongoing, with continued fundraising and a lease agreement extension expected to support it, targeting a late fall opening. Master planning is progressing with an upcoming meeting scheduled.</p>		
<p><b>9. CMO UPDATE</b></p>	<p><i>Dr. Sabrina Kidd</i></p>	<p>Inform</p>
<p>Dr. Kidd reports a brief update celebrating the end of the mask mandate hospital-wide, except where infection prevention requires. New quality metrics are being developed for hospitals and ED groups to improve programs. A recent well-attended medical staff meeting was appreciated. Key updates include the orthopedics clinic starting on June 24th, the 1206 B clinic's progress, and the onboarding of new staff members, including a new ED nursing director and a social worker.</p>		
<p><b>10. FINANCIALS FOR MONTH END MARCH 2024</b></p>	<p><i>Ben Armfield</i></p>	<p>Inform</p>

<p>First, Armfield provided an update on U.S. Bank following the acquisition of Union Bank. He explains that their \$5.5 million line of credit, with a \$4.9 million outstanding balance, was recently renewed through April, and they are now negotiating a longer-term renewal. U.S. Bank proposed a four-month extension rather than a long-term renewal, which initially perplexed the Finance Committee, leading them to reject the proposal and seek clarification. After further discussions, it became clear that U.S. Bank views this as a temporary measure to facilitate further assessment of the hospital's financial situation and to allow the hospital to receive a \$3 million distressed loan from the state to pay down the line of credit. The committee is pushing back on some terms and is awaiting a formal agreement from the bank. Concerns were raised about potential defaults and the impact on other agreements, but the situation appears stable as they continue negotiations.</p> <p>Next, Armfield presented March's financials. Despite a decline in surgical volumes, ancillary services like CT scans and outpatient therapy remained busy. Cost management efforts led to operating expenses coming in under budget by 11%. Armfield anticipates a positive shift in cash position with the receipt of significant IGT funds in April, easing financial concerns. Looking ahead, there are plans to bring in a new orthopedic surgeon and explore additional revenue streams through new IGT programs starting next year, indicating a cautiously optimistic outlook despite ongoing challenges.</p>		
<p><b>11. COMMITTEE UPDATES</b></p> <ul style="list-style-type: none"> <li>Finance Committee Quarterly Report</li> </ul>		Inform
<p>Boerum commented on the Finance Committee's increased concern over the hospital's financial condition, noting frustration over a lack of specifics on actions to address it. They discussed budget concerns and formed an ad hoc budget committee to delve deeper into the budget and make recommendations. There is need for initiatives to increase utilization of recently built capacity, PT expansion and MRI.</p>		
<p><b>12. BOARD COMMENTS</b></p>		Inform
<p>n/a</p>		
<p><b>13. ADJOURN</b></p>	<i>Bjorndal</i>	Inform
<p>Bjorndal</p>		Adjourned at



**SVHCD**  
**FINANCE COMMITTEE MEETING**  
**MINUTES**  
**TUESDAY, APRIL 23, 2024**  
**In Person at Sonoma Valley Hospital**  
**347 Andrieux Street**  
**and Via Zoom Teleconference**

Present	Not Present/Excused	Staff/Public
Bill Boerum, in person Dennis Bloch, in person Wendy Myatt Lee, in person Ed Case, in person Subhash Mishra, MD, via zoom Catherine Donahue, via zoom	Robert Crane Graham Smith	Ben Armfield, CFO, in person Lois Fruzynski, Accounting Manager, in person Judith Bjordal, MD, via zoom Dave Pier, ED of SVH Foundation, via zoom Dan Kittleson, via zoom Whitney Reese, Board Clerk, in person

**MISSION & VISION STATEMENT**

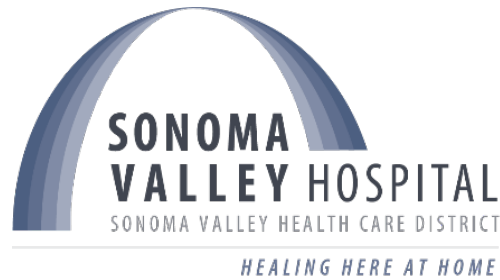
*The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*

AGENDA ITEM	DISCUSSION	ACTIONS
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Bill Boerum</i>	
	1. Bob Crane and Graham Smith excused 2. An agreement with Anthem has been reached (John/Ben to further inform) 3. Addition to current agenda: review US Bank line of credit terms, as it was just received today and expires on the 30 <sup>th</sup> .	<b>MOTION:</b> by Myatt Lee to add #3 to current agenda, 2 <sup>nd</sup> by Bloch. All in favor
<b>2. PUBLIC COMMENT SECTION</b>	None	
<b>3. CONSENT CALENDAR</b>	<i>Bill Boerum</i>	Action
a. Finance Committee Minutes 03.27.24		<b>MOTION:</b> by Case to approve, 2 <sup>nd</sup> by Bloch. All in favor
<b>*Added: US BANK LINE OF CREDIT TERMS</b>	<i>Ben Armfield</i>	Inform
	Armfield detailed the terms of the new loan agreement presented by US Bank with only 7 days notice. The bank has assigned new portfolio managers multiple times, complicating negotiations. New terms reduce the line of credit from \$5.5M to \$2.5M and change interest rate structure. <b>Motion:</b>	<b>MOTION:</b> by Bloch/Boerum to approve, 2 <sup>nd</sup> by Case. All in favor

	<ol style="list-style-type: none"> <li>1. Finance Committee does not recommend accepting terms as proposed</li> <li>2. Finance Committee recommends we extend our current agreement to Aug. 31</li> </ol> <p>Next Steps:</p> <ul style="list-style-type: none"> <li>• Seek clarification on potential default implications for other agreements.</li> <li>• Consider alternative banking relationships for better terms and local management: <ul style="list-style-type: none"> <li>○ Summit Bank highly recommended by Catherine Donahue</li> <li>○ Bank of Marin highly recommended by Dave Pier</li> </ul> </li> </ul>	
<b>4. FY 2025 BUDGET ASSUMPTIONS</b>	<i>Ben Armfield</i>	Inform
	<p>No significant changes in assumptions since last review. Key Discussion Points:</p> <ul style="list-style-type: none"> <li>• Focus on achieving more realistic and actionable financial goals.</li> <li>• Concerns about the lack of new initiatives in the long-range plan.</li> <li>• Emphasis on improving revenue growth and operational efficiency.</li> <li>• Agreement on the necessity to enhance cash flow and stabilize finances.</li> </ul> <p>Motion to form an ad-hoc subcommittee to refine the budget with CFO, prior to May's joint meeting between the Finance Committee and the Board of Directors.</p> <p>Volunteer members of ad-hoc subcommittee:</p> <ol style="list-style-type: none"> <li>1. Wendy Myatt Lee</li> <li>2. Ed Case</li> <li>3. Dennis Bloch</li> </ol>	<b>MOTION:</b> by Bloch to approve ad-hoc committee, 2 <sup>nd</sup> by Myatt Lee. All in favor
<b>5. IGT UPDATE</b>	<i>Ben Armfield</i>	Inform
	<p>The discussion centered on the opportunity to increase the hospital's IGT (Intergovernmental Transfer) funds, particularly through the rate range IG program. Armfield highlighted that they have been working over the past two months to explore this potential. Currently, the net benefit from the program is about \$2.8 million annually, but there is an opportunity to increase it to approximately \$5.8 million. This increase is based on recent data and consultation with experts. However, to achieve this, the hospital would need to make a \$5.7 million matching payment by October. The board discussed the logistics, potential benefits, and the next steps required to finalize this increase, including preparing detailed cost reports and engaging with the partnership.</p>	
<b>6. INSURANCE POLICY REVIEW (RISK MGMT)</b>	<i>Ben Armfield</i>	Inform
<i>Verbal update on progress. Report will be presented May 2024</i>	<p>New renewal proposals are expected in 30 days, and the topic will be revisited then. The risk management review is scheduled for August, despite concerns about timing. It was clarified that the current discussion includes existing coverage information and is meant to inform future discussions once new details are received.</p>	

<b>7. LONG RANGE FINANCIAL PLAN</b>	<i>Ben Armfield</i>	Inform
	Armfield outlined the hospital's current financial status, revealing a significant monthly cash deficit and highlighting the impact of parcel taxes and IGT (Intergovernmental Transfer) monies. He presented projections showing a potential improvement in the financial position by fiscal year 2028, contingent on successful revenue enhancement initiatives and IGT funds. The discussion included suggestions for interim funding strategies and the importance of strategic financial planning post-budget approval. Future discussions will refine these plans, focusing on increasing volumes and securing necessary funding.	
<b>8. FINANCIAL REPORT FOR MONTH END MAR. 20204</b>	<i>Ben Armfield</i>	Inform
	<p>Armfield presented detailed financial report for March 2024. Emphasis was made on addressing occupancy issues and coordinating a CDPH survey despite scheduling conflicts. Expected rate increase and \$3 million distress loan by April 30th.</p> <ul style="list-style-type: none"> <li>• Next time, restricted contributions will be shown separately to provide a clearer picture of net income.</li> <li>• Moss Adams will be the new auditors for the upcoming year.</li> </ul> <p>Interim agreement with Anthem finalized:  Year 1: Fixed 9.5% increase.  Years 2 and 3: Fixed 7% increase, plus 1% for quality metrics.  Year 4: Fixed 4% increase, plus 3% for quality metrics.  Potential 35% total increase if all metrics are met.</p>	
<b>9. ADJOURN</b>	<i>Bill Boerum</i>	
	Meeting adjourned at 7:41p.m.	





**SONOMA VALLEY HEALTH CARE DISTRICT  
QUALITY COMMITTEE**  
**Wednesday, April 24, 2024, 5:00 PM**  
**MINUTES**  
**Via Zoom Teleconference**

<b>Members Present – In Person</b>	<b>Excused</b>	<b>Public/Staff – Via Zoom</b>
Judith Bjorndal, MD (interim chair) Carl Speizer, MD Carol Snyder Howard Eisenstark, MD Michael Mainardi, MD	Susan Kornblatt Idell	Denise Kalos, via zoom Kylie Cooper, RN BSN CPHQ MBA, Director of Quality and Risk Mgmt. Stephanie Montecino, Infection Preventionist Paul Amara, MD, FACOG, via zoom Whitney Reese, Board Clerk

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Bjorndal</i>	
	Bjorndal is filling in for Susan Kornblatt Idell, as Committee Chair, to run the meeting.	
<b>2. PUBLIC COMMENT SECTION</b>	<i>Bjorndal</i>	
	No public comments	
<b>3. CONSENT CALENDAR</b> Minutes 03.27.24	<i>Bjorndal</i>	<b>ACTION</b>
		<i>Motion to approve Speizer, 2<sup>nd</sup> by Snyder</i>

<b>4. INFECTION PREVENTION ANNUAL RISK ASSESSMENT / PLAN</b>	<i>Stephanie Montecino, Infection Preventionist</i>	INFORM
	<p>Montecino presented the following topics:</p> <ul style="list-style-type: none"> <li>• What does an Infection Preventionist do?</li> <li>• Infection Prevention 2023 Quality Metrics</li> <li>• Key Concepts to an (ICRA)</li> <li>• The updated ICRA with No Mitigation recommendation changes for 2024</li> <li>• What microorganisms are identified as a threat during construction</li> </ul> <p>Discussion highlighted the challenges in diagnosing community-acquired infections like C diff, especially when symptoms are not immediately visible. Montecino and Cooper discussed the hospital's improved testing protocols and low infection rates due to nurse-driven stool sample testing and antibiotic stewardship measures.</p> <p>A question was raised regarding comparing infection rates with other hospitals and it was suggested to focus on internal data when infection rates are low. Cooper explained the challenges in comparing data due to outdated information and discusses the hospital's successful strategies, including probiotic usage and nurse education. The use of a new drug, fidaxomicin, has been very successful at decreasing reoccurrence.</p> <p>Infection control during hospital construction is emphasized, detailing measures to minimize airborne contaminants and ensure staff and patient safety. Mitigation recommendations include portable hygiene stations, HVAC systems with filtration, partitions, negative pressure rooms, and hand hygiene protocols.</p>	<i>Stephanie Montecino presented the Quality department's Infection Prevention Annual Risk Assessment / Plan</i>
<b>5. QUALITY COMMITTEE CHARTER</b>	<i>Bjorndal</i>	ACTION
		<i>Motion to recommend to Board of Directors for approval by Speizer, 2<sup>nd</sup> by Eisenstark</i>
<b>6. QUALITY INDICATOR PERFORMANCE &amp; PLAN</b>	<i>Cooper</i>	INFORM

	<p>Cooper presented data for March 2024. A few takeaways:</p> <ul style="list-style-type: none"> <li>• The PSI 90 showed significant improvement from the previous month.</li> <li>• One patient experienced a fall. Root cause analysis was conducted, and monitoring plans will be implemented to prevent similar incidents.</li> <li>• Readmissions significantly improved from February, with four cases. Efforts are being made to work with hospitalists to reduce readmissions and improve observation status admission.</li> <li>• Focus on geriatric care is emphasized, with plans for a nurse practitioner to provide care for patients over 65 in primary care offices.</li> <li>• Goals for stroke certification were met.</li> <li>• Efforts are underway to streamline processes in the Emergency Department, including reducing the time from arrival to discharge decision and improving bed placement.</li> <li>• Patient satisfaction scores were generally high across different departments, with hand and physical therapy receiving particularly high ratings.</li> </ul>	<i>Kylie Cooper presented the Quality department's March 2024 data</i>
<b>7. POLICIES AND PROCEDURES</b>	<i>Cooper</i>	INFORM
	<p>Cooper presented to the for approval to the Board of Directors:</p> <ul style="list-style-type: none"> <li>• AccuChek Inform II Glucose Monitoring System</li> <li>• Clozapine REMS Procedure</li> </ul>	<i>Cooper presented to committee</i>
<b>8. CLOSED SESSION:</b> a. Calif. Health & Safety Code §32155: Medical Staff Credentialing & Peer Review Report	<i>Bjorndal</i>	ACTION
		<i>Motion to recommend to Board of Directors for approval Speizer, 2<sup>nd</sup> by Mainardi</i>
<b>9. ADJOURN</b>	<i>Bjorndal</i>	
	Meeting adjourned at 5:56 pm	

## Document Tasks By Committee

Listing of currently pending and/or upcoming document tasks grouped by committee.

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/03/2024 12:25 AM

### Report Parameters

**Filtered by:** Document Set: - All Available Document Sets -  
 Committee: 09 BOD-Board of Directors  
 Include Current Tasks: Yes  
 Include Upcoming Tasks: No

**Grouped by:** Committee

**Sorted by:** Document Title

### Report Statistics

Total Documents: 21

**Committee:** 09 BOD-Board of Directors

**Committee Members:** Finn, Stacey (sfinn), Newman, Cindi (cnewman), Reese, Whitney (wreese)

### Current Approval Tasks (due now)

Document	Task/Status	Pending Since	Days Pending
<b>Accountability &amp; Responsibility in Case Management</b> <i>Case Management/UM Dept</i>	Pending Approval	6/3/2024	0
Summary Of Changes: <b>Reviewed. Changed Chief Quality Officer to Director of Quality. No other changes made.</b>			
Moderators: <b>Newman, Cindi (cnewman)</b>			
Lead Authors: <b>Cooper, Kylie (kcooper)</b>			
Approvers: <b>Kidd, Sabrina (skidd) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 04 MS-Performance Improvement/Pharmacy &amp; Therapeutics Committee - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b>			
<b>Department Specific Performance Improvement (PI) Plan</b> <i>Quality Assessment &amp; Performance Imp. Policies (QA)</i>	Pending Approval	6/3/2024	0
Summary Of Changes: <b>Reviewed. Removed reference to Annual PI Fair which no longer occurs. Updated staff titles.</b>			
Moderators: <b>Newman, Cindi (cnewman)</b>			
Lead Authors: <b>Cooper, Kylie (kcooper)</b>			
ExpertReviewers: <b>00 Clinical P&amp;P multidisciplinary review</b>			
Approvers: <b>Kidd, Sabrina (skidd) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 04 MS-Performance Improvement/Pharmacy &amp; Therapeutics Committee - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b>			
<b>Discharge Planning</b> <i>Discharge Planning (DP)</i>	Pending Approval	6/3/2024	0
Summary Of Changes: <b>Added information regarding Patient Choice form for selecting a SNF or Home Health Agency and documentation within the medical record</b>			
Moderators: <b>Newman, Cindi (cnewman)</b>			
Lead Authors: <b>Cooper, Kylie (kcooper)</b>			
Approvers: <b>Winkler, Jessica (jwinkler), 00 Clinical P&amp;P multidisciplinary review - (Committee) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 03 MS-Surgery Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b>			
<b>Flexible Endoscopes-Reprocessing</b> <i>Central Sterile Dept</i>	Pending Approval	6/3/2024	0

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/03/2024 12:25 AM

Listing of currently pending and/or upcoming document tasks grouped by committee.

Summary Of Changes:	<b>Per CIHQ include reprocessing of Bronchoscopes only prior to use on an as needed basis.</b>		
	<b>Removed from flexible endoscope reprocessing cleaning "every 7-14 days". added clean "prior to use". Per manufacturers recommendations.</b>		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	Cornell, Kelli (kcornell)		
Approvers:	Winkler, Jessica (jwinkler) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		
<b>Instrument, Cleaning and Processing of</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Central Sterile Dept</i>			
Summary Of Changes:	<b>Removed any reference to Cidex/Cidex OPA- which is no longer used in surgery department. Updated reference, owner, authors. Under "Procedure", #7- removed the words "pipe cleaner" as we do not use those. Added line number 5, that states "Prior to decontamination the instruments should be sprayed with approved moisture agent to keep the gross soil moist for easier manual cleaning." Removed procedure line 13 as it unnecessarily singles out laryngeal blade cleaning (including soaking in Cidex OPA), but the entire policy describes such cleaning processes.</b>		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	Cornell, Kelli (kcornell)		
Approvers:	Winkler, Jessica (jwinkler) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		
<b>Media Communications</b>	<b>Pending Approval</b>	<b>5/7/2024</b>	<b>27</b>
<i>Human Resources Policies (HR)</i>			
Summary Of Changes:	<b>Language edits to clarify that only the hospital President &amp; CEO (or their designee) shall communicate with the media about patients and hospital business, including operations, services, medical staff, employees, and volunteers. Updated references.</b>		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	McKissock, Lynn (lmckissock)		
Approvers:	Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)		
<b>NEW: Fire Safety - MRI 7630.24-147</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Diagnostic Services Dept Policies</i>			
Summary Of Changes:	<b>Replaces old version with much more detailed information</b>		
	<b>Updated Purpose to emphasize that the "Magnet is always on".</b>		
	<b>Added Definitions for MR Zones and MR safe/conditional/unsafe objects.</b>		
	<b>Updated procedure section with current guidelines from the American College of Radiology and MRI Safety website.</b>		
	<b>Updated References.</b>		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	Young, Dave (dyoung)		
ExpertReviewers:	Medical Director-Diagnostic Radiology, Tarca, Joseph (jtarca)		
Approvers:	Kuwahara, Dawn (dkuwahara) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		
<b>NEW: MRI Safety and Pregnancy</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Radiology Services Policies (RD)</i>			
Summary Of Changes:	<b>New policy--Guidance and information for performing MRI on pregnant patients.</b>		
	<b>WHY:</b>		
	<b>Medical Imaging using ionizing radiation should be avoided on pregnant patients, particularly in the 1st trimester. In some cases, MRI is an option that is accepted as safer for a developing fetus. Patients should be informed and consented for these</b>		

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/03/2024 12:25 AM

Listing of currently pending and/or upcoming document tasks grouped by committee.

**procedures which are performed under specific guidelines.**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Young, Dave (dyoung)**  
 ExpertReviewers: **Medical Director-Diagnostic Radiology**  
 Approvers: **Kuwahara, Dawn (dkuwahara) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Patient Resuscitation Code Status</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Targeted Quality &amp; Safety Initiatives Policies (QS)</i>			

Summary Of Changes: **Updated code status categories to match options available in EPIC.**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Kidd, Sabrina (skidd)**  
 ExpertReviewers: **Cooper, Kylie (kcooper), Winkler, Jessica (jwinkler)**  
 Approvers: **01 P&P Committee -> 02 MS-Medicine Department - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Patient Safety Evaluation System</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Quality Assessment &amp; Performance Imp. Policies (QA)</i>			

Summary Of Changes: **Reviewed, no changes**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Cooper, Kylie (kcooper)**  
 ExpertReviewers: **Newman, Cindi (cnewman)**  
 Approvers: **Kidd, Sabrina (skidd) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Patient Transport</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Diagnostic Services Dept Policies</i>			

Summary Of Changes: **Revised title to reflect policy is for all Diagnostic Services department.  
 Added purpose,  
 Added definitions for MR Zones and MR safe objects.  
 Added procedures specific for patients being transported to MRI.**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Young, Dave (dyoung)**  
 ExpertReviewers: **Medical Director-Diagnostic Radiology**  
 Approvers: **Kuwahara, Dawn (dkuwahara) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Performance Improvement Plan</b>	<b>Pending Approval</b>	<b>6/3/2024</b>	<b>0</b>
<i>Quality Assessment &amp; Performance Imp. Policies (QA)</i>			

Summary Of Changes: **Reviewed, no changes**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Cooper, Kylie (kcooper)**  
 ExpertReviewers: **00 Clinical P&P multidisciplinary review, Newman, Cindi (cnewman)**  
 Approvers: **Kidd, Sabrina (skidd) -> 01 P&P Committee - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/03/2024 12:25 AM

Listing of currently pending and/or upcoming document tasks grouped by committee.

Protective and Advocacy Services <i>Case Management/UM Dept</i>	Pending Approval	6/3/2024	0
<p>Summary Of Changes: <b>Changed "the social worker will work with patient, judicial agency and healthcare team in identifying the specific needs of the patient" to "the social worker, or member of the case management team, will work with patient, judicial agency and healthcare team in identifying the specific needs of the patient".</b></p> <p><b>No other changes made. References up to date.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Cooper, Kylie (kcooper)</b></p> <p>Approvers: <b>Kidd, Sabrina (skidd) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
Resources Available for Managing the Labor and Delivery Patient in the ED 7010-22 <i>Emergency Dept</i>	Pending Approval	6/3/2024	0
<p>Summary Of Changes: <b>Removed call the OB/GYN for consultation as we no longer have OB in house</b></p> <p><b>Updated transfer facilities and phone numbers</b></p> <p><b>Updated the statement "ED physician shall assess the patient for safe transfer" to "the ED physician shall assess the patient for stabilization up to the capabilities of the hospital and if needed a safe transfer within the EMTALA guidelines" to meet EMTALA compliance</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Winkler, Jessica (jwinkler), MANAGER, ED (edmanager)</b></p> <p>Approvers: <b>00 Clinical P&amp;P multidisciplinary review -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
RETIRE 24 Hour Cardiac Monitor Scanning <i>Cardio Dept</i>	Pending Approval	6/3/2024	0
<p>Summary Of Changes: <b>Retire Policy</b></p> <p><b>We don't perform these tests.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Young, Dave (dyoung)</b></p> <p>Approvers: <b>Kuwahara, Dawn (dkuwahara) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
Retire Cardiac Exercise Test (Treadmill) <i>Cardio Dept</i>	Pending Approval	6/3/2024	0
<p>Summary Of Changes: <b>Retire Policy</b></p> <p><b>This is an procedure, not a policy.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Young, Dave (dyoung)</b></p> <p>Approvers: <b>Kuwahara, Dawn (dkuwahara) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
Routine Department Disinfection Procedure 7630-229 <i>Diagnostic Services Dept Policies</i>	Pending Approval	6/3/2024	0
<p>Summary Of Changes: <b>Updated title to reflect policy is for all Diagnostic Services areas.</b></p> <p><b>Added details to Procedure for specifics about cleaning and waste removal for MRI.</b></p> <p><b>Added reference to the hospital's terminal clean policy for isolation patients.</b></p>			

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/03/2024 12:25 AM

Listing of currently pending and/or upcoming document tasks grouped by committee.

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Young, Dave (dyoung)  
 ExpertReviewers: Medical Director-Diagnostic Radiology  
 Approvers: Kuwahara, Dawn (dkuwahara) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Scheduling of Staff Nursing</b> <i>Nursing Services Policies (NS)</i>	Pending Approval	6/3/2024	0
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Summary Of Changes: Added language that the nurse manager "or their designee" will create the schedule; added that scheduling requests should be submitted three weeks prior to start of schedule; added reference to HR policy on PTO; removed language about the "S Drive" and changed it to the "Sharepoint site"; removed reference to employees making change requests via a paper form on the obsolete scheduling tab on the intranet and instead added that this should be done via email. Removed language that open shifts will be posted; Added CIHQ reference.

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Winkler, Jessica (jwinkler)  
 Approvers: 00 Clinical P&P multidisciplinary review -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Storage of Food for Patients Brought in from Non-Facility Source</b> <i>Food (Nutrition) Services Policies (NU)</i>	Pending Approval	6/3/2024	0
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Summary Of Changes: Reviewed, no changes.

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Taylor, Jane (jtaylor)  
 ExpertReviewers: Finn, Bridget (bfinn), Tremain, Alesha (atremain)  
 Approvers: Winkler, Jessica (jwinkler) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Telephone Advice PC7010-05</b> <i>Emergency Dept</i>	Pending Approval	6/3/2024	0
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Summary Of Changes: Added language from the American College of Emergency Physicians (ACEP) on why it is not advisable to provide medical advice over the phone; clarified that the SVH policy is not to give medical advice over the phone; clarified that such calls must be given to a licensed practitioner (ie. MD or RN) to assess the nature of the call; clarified that callers should see PCP for simple, non-urgent issues or call 911 for urgent concerns. Added ACEP reference.

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Winkler, Jessica (jwinkler), MANAGER, ED (edmanager)  
 Approvers: 00 Clinical P&P multidisciplinary review -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Weekend Coverage</b> <i>Nursing Services Policies (NS)</i>	Pending Approval	6/3/2024	0
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Summary Of Changes: One spelling correction. Removed reference to mandated staffing ratio as that is implied- this policy outlines weekend and holiday commitment from staff on patient care units

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Winkler, Jessica (jwinkler)  
 Approvers: 00 Clinical P&P multidisciplinary review -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)



SUBJECT: Fire Safety - MRI  
SECTION: Safety

POLICY #7630-147

PAGE 1 OF 2

DEPARTMENT: Medical Imaging

EFFECTIVE: 10/01

REVIEW/REVISED: 1/05, 9/07, 2/15, 11/18

**PURPOSE:**

To provide guidelines and direction for safe and effective action in the event of fire

**PROCEDURE:**

- In the event of fire on the unit, practice R-A-C-E (Rescue-Alarm-Contain-Evacuate or Extinguish). The first priority is the safe evacuation of the patient and other personnel.
  - Close the door between the patient scan room and the fire.
  - Remove the patient from the unit, by the most direct safe route.
  - Take the patient to a safe area.
- Second priority is to sound the alarm to initiate the proper fire fighting safety procedures.
- Third priority is to contain or extinguish the fire, if possible. DO NOT allow yourself to be endangered in an attempt to extinguish the fire.
- Finally, return to the area of the unit to offer information about the equipment (magnetic fringe field, cryogenics, etc.) as needed by the fire fighting professionals.
- Proper use of on-board fire extinguishers includes the following:
  - Determine if the fire can be fought using fire extinguishers without endangering personal safety.
  - The fire extinguishers in the MRI units are of the Halon or dry chemical type and can be used for Class A, B and C fires.
    - To operate the fire extinguisher, remove it from the quick-release bracket, hold it upright in either hand by the handgrip, with the spray nozzle pointing forward. Slide the red safety catch down with the thumb, direct the nozzle towards the base of the fire source, squeeze the lever with the palm of the hand.

SUBJECT: Fire Safety - MRI  
SECTION: Safety

POLICY #7630-147

PAGE 2 OF 2

DEPARTMENT: Medical Imaging

EFFECTIVE: 10/01

REVIEW/REVISED: 1/05, 9/07, 2/15, 11/18

- When you squeeze the lever, an indicator disc will fall off from the rear of the operating head of the extinguisher and the extinguisher is released in a wide flat pattern.
- Maximum extinguishing effect is obtained if the fire-fighter keeps moving towards the base of the fire source as it is extinguished.
- All extinguishers are to be inspected periodically and all certifications shall be kept current. Any extinguisher which has been wholly or partially discharged shall be recharged and re-certified or shall be replaced.

**OWNER:**

Director of Ancillary Services

**AUTHORS/REVIEWERS:**

Sonya Todorova, Medical Imaging Manager  
Adam Nevitt, MD, Radiology Medical Director

**APPROVALS:**

Policy & Procedure Team: 7/17/18  
Surgery Committee: 9/13/18  
Medical Executive Committee: 9/20/18  
Board Quality Committee: 9/26/18  
The Board of Directors: 11/1/18



SUBJECT: MRI Safety and Pregnancy

POLICY: RS8610-2401

DEPARTMENT: Organizational

Page 1 of 3

EFFECTIVE:

REVISED:

**NEW POLICY**

Guidance and information for performing MRI on pregnant patients.

**WHY:**

Medical Imaging using ionizing radiation should be avoided on pregnant patients, particularly in the 1<sup>st</sup> trimester. In some cases, MRI is an option that is accepted as safer for a developing fetus. Patients should be informed and consented for these procedures which are performed under specific guidelines.

**OWNER:**

Chief Ancillary Officer

**AUTHORS/REVIEWERS:**

Chief Ancillary Officer  
Director of Diagnostic Services  
Medical Director of Diagnostic Services  
Board Quality Committee



SUBJECT: MRI Safety and Pregnancy

POLICY: RS8610-2401

DEPARTMENT: Organizational

Page 2 of 3

EFFECTIVE:

REVISED:

**PURPOSE:**

To provide information and clarification for performing MRI imaging on pregnant patients.

**POLICY:**

Pregnant patients can undergo MRI scans at any stage of pregnancy if, in the judgement of the attending radiologist and/or the referring physician, the risk-benefit ratio to the patient warrants that the study be performed.

1. Pregnant patients undergoing MRI will require written informed consent to document that they understand the potential risks/benefits of the MRI procedure, know the available alternatives and that they wish to proceed with MRI.
2. Gadolinium-based contrast agents should not be routinely given to pregnant patients. A risk-benefit assessment should be discussed between the patient, the attending radiologist and the referring physician. The radiologist will give final approval and dosage for any gadolinium administration.

Females of reproductive age will be screened for pregnancy before permitting them access to MR imaging Zones 3 and 4.

**PROCEDURE:**

**SCREENING AND CONSENT OF PREGNANT MRI PATIENTS**

To date, there has been no indication that the use of clinical MR imaging during pregnancy has produced any adverse effects on the fetus. Pregnant patients can be accepted to undergo an MR exam at any stage of pregnancy if it is determined by the referring clinician and/or attending radiologist that the risk – benefit ratio warrants that the study be performed.

1. The referring physician will screen the patient for pregnancy and obtain informed written consent.
  - a. The patient must provide written informed consent to document that they understand the risks/benefits of the MR procedure to be performed, the alternative diagnostic options available to them (if any), and that they wish to proceed.
  - b. The signed informed consent will be given to the MRI Technologist and scanned into the EMR and PACS.

SUBJECT: MRI Safety and Pregnancy

POLICY: RS8610-2401

DEPARTMENT: Organizational

Page 3 of 3

EFFECTIVE:

REVISED:

2. MRI Technologist is to scan pregnant patient in NORMAL operating mode for no more than 30 minutes at 3T or less unless directed differently by the radiologist.
3. MR contrast should not be routinely administered to pregnant patients. The radiologist will determine if contrast will be given and what dose to administer.

*\*\* The preponderance of research studies has failed to demonstrate any reproducible harmful effects of exposure of the mother or developing fetus to the 3T or weaker magnetic fields used in routine clinical MR practice. Theoretical concerns include time-varying gradient and RF magnetic fields, potential acoustically related safety issues, and heat deposition in tissue, respectively. There is not much peer-reviewed literature regarding the acoustic safety of fetal scanning, but the majority of published material on this topic has failed to find deleterious effects on newborn hearing if exposed to MRI in utero. The thermally related theoretical concerns are mitigated by results from experiments in pregnant pigs exposed to standard MR sequences commonly used in clinical practice that are associated with relatively high specific absorption rate (SAR) levels (i.e., half-Fourier single-shot spin echo). Such studies failed to demonstrate substantial heating in fetal tissues or amniotic fluid when imaging at 3T with normal-operating-mode SAR levels and a maximum scan time of 30 minutes. Therefore, 3T MR examinations performed within Normal Operating Mode should be considered safe in pregnant patients. At this point, the safety of imaging pregnant patients at field strengths greater than 3T (i.e., 7T) is unclear.*

**REFERENCES:**

MRI Guidance Document on MRI Safe Practices (draft): 2023  
Center for Improvement in Healthcare Quality, Standard RD-1

**OWNER:**

Chief Ancillary Officer

**AUTHORS/REVIEWERS:**

Chief Ancillary Officer  
Director of Diagnostic Services  
Medical Director of Diagnostic Services  
Board Quality Committee

**APPROVALS:**

Policy & Procedure Team:  
Surgery Committee:  
Medical Executive Committee:  
The Board of Directors:

To: Board of Directors – Sonoma Valley Health Care District  
From: Bill Boerum, Board Member  
Subject: Destination Hospital Initiative

June 6, 2024

**Background:**

For a number of years through multiple district boards and hospital administrations, the hospital's capacities have been underutilized, our surgical suites and beds to name two metrics. This – in addition to our patient and payer mix - has resulted in insufficient net patient revenues to cover operating expenses. For the 2025 budget, we expect another year of net operating losses, though a reversal in trajectory. We need another channel of revenues to help sustain the hospital.

Over the same period, Sonoma Valley has grown in its allure as a national visitor destination, Sonoma Valley has its distinctive attributes: a recognized wine tourism destination; colorful history, a casual resort atmosphere; and easy accessibility from the greater Bay Area and from elsewhere in California (from which there is a very high proportion of visitors), and from around the rest of the country.

From time-to-time, the subject of “medical tourism” or “destination hospital” has come up in board discussions. At our April meeting, during the UCSF Health affiliation annual report, the topic came up with the chair of strategy team of the Affiliates Network, Dr. Ted Abraham, Chief Medical Officer of the Network with whom I had met separately. During last month's board meeting we heard remarks by Mark Bodenhamer, CEO of the Sonoma Valley Chamber of Commerce who while not representing the Chamber with an endorsement of our initiative, did say that there are a number of Chamber members who as providers are in health, healthcare-related, and wellness activities which could add to the infrastructure of a destination hospital.

It is evident that our affiliate, UCSF Health has an interest in a “destination hospital” strategy in which SVH has a special role, and such a destination as we have, can serve a sliver of its substantial patient base including their remote and visiting patients. This is evident in the attached, jointly composed document presented last month. The factors supporting a destination strategy are well stated in the document. One of the key aspects recommended is preparation of a Request For Proposal. This is attached as a suggested format, which is actually a “proof of concept” document. In discussing the document with Dr. Abraham, he recommended a three-year plan with modest goals. These included the goal of increasing the census by five beds and

identifying two or three specialties such as orthopedics and bariatrics among the four he mentioned.

**Recommendations:**

- The Board give its support for an initiative for a joint destination hospital strategy with UCSF Health which would not only include the identified service lines, but also broadly include, for example utilization of the Outpatient Diagnostic Center and related auxiliary services as well as physical therapy;
- Form an Ad Hoc Board Committee to work with the Administration and the Affiliates Network strategy team to develop the concept with milestones and deliverables using the RFP document as a guide;
- The Ad Hoc Committee would be composed of five members, two board members plus three from the community from constituencies determined by the Board Chair, complementing the effort with their expertise while ensuring that none of the “destination” patient activities threaten provision of services to the community;
- Authorize expenditure of up to \$30,000 for researching and analyzing various market dimensions as well as SVH data and metrics to compose the program document (RFP) or three-year business plan.

**Financial Impact:**

It is not likely that there is sufficient bandwidth among current staff to work on this project in a dedicated way. Separate consulting resources are needed. Such an estimated \$30,000 first stage project is not in the 2025 budget. Therefore, separate funding is needed for it as a long-term investment. The Sonoma Valley Hospital Foundation or individuals could be the source.

# Sonoma Valley Hospital

## Concierge Medicine Program Proposal

Ted Abraham  
John Hennelly  
Shelby Decosta

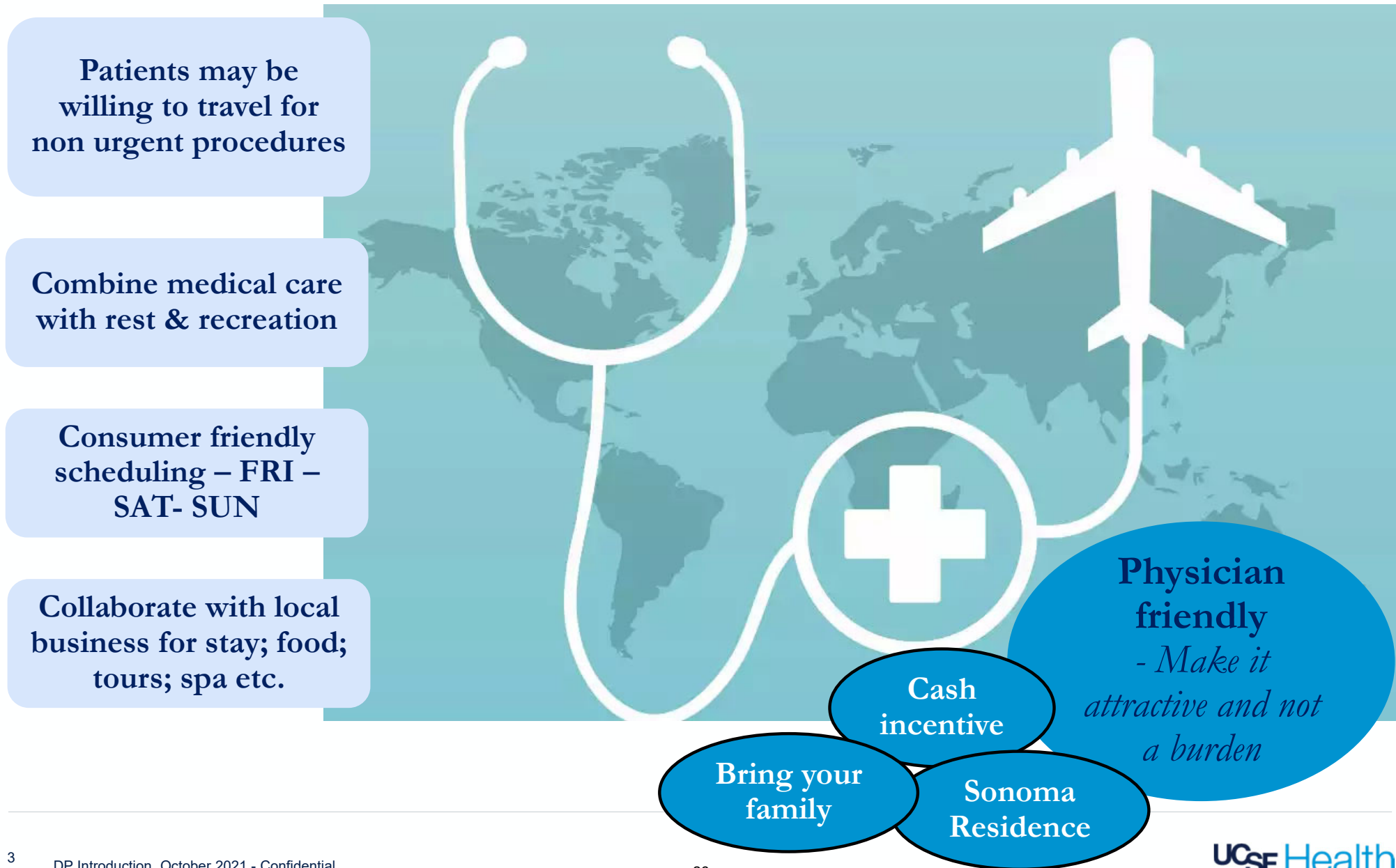


# Rationale

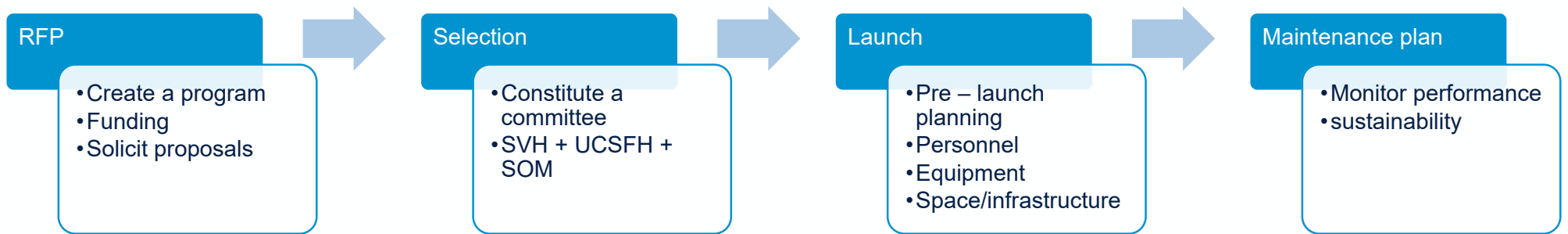
SVH is in an Idyllic location + has Capacity + Needs Growth



# Potential for Medical Tourism



# The Process



# Proposal

## Key aspects

- Launch a competitive RFP process
- Agree on tentative budget
- Fund 1-2 programs (or more if budget allows)
  - Start small
  - Keep it blue sky
    - Do not limit the scope or creativity of the ideas
  - May focus on proposals for which
    - Infrastructure exists or easily acquired
    - Lends itself to in and out surgical or minor procedures or treatments
    - Potential to become a permanent program at SVH
    - Target specialties may be – endocrine, GI, general surgery, bariatrics, ortho, dermatology/cosmetic surgery, cancer, geriatrics
    - Should we consider birthing center (midwifery based?)

# REQUEST FOR PROPOSALS

## Sonoma Valley Hospital – UCSF Health Program Initiative

### OVERVIEW

Sonoma Valley Hospital (SVH) is a full-service acute care district hospital located in the city of Sonoma, California, providing compassionate expert care to the 42,000 residents of the Sonoma Valley Health Care District. Sonoma Valley Hospital was founded in 1945 and moved to the current hospital in 1957, and subsequently expanded in the 1970's. The Hospital has 24 acute care beds and maintains a 27-bed Skilled Nursing Facility. SVH is the sole provider of acute inpatient care in the Sonoma Valley and offers a 24-hour emergency room, inpatient services with an ICU, surgical services and outpatient clinical testing and treatment. In 2018, the Hospital announced an affiliation with UCSF Health to create an integrated health care network.

This RFP seeks to promote and support the development and growth of marquee collaborative clinical programs at SVH that fully leverage the modernized SVH facilities and the presence of a UCSF-employed SVH leadership team.

### The Objective

*The overall objective is to increase the availability of particular UCSF programs of excellence at SVH*

- Need #1: Expand range of primary and secondary clinical services at SVH - outpatient and inpatient
- Need #2: Develop programs of excellence at SVH that would attract Sonoma county and non-county patients
- Need #3: Optimize the utilization of SVH outpatient and inpatient space and staff

### The Opportunity

*SVH & UCSF Health seek to support a Strategic Initiative to establish a clinical program at SVH. The ideal target program would demonstrate exceptional volume and margin growth with a modest investment, through a thoughtful investment approach and multidisciplinary collaboration. The ideal proposal would address the following topics:*

- Goal #1: Align with the UCSF Vision 2025 goals
- Goal #2: Focus on Strategic Growth
- Goal #3: Develop innovative programs

### The Offering

*Explain the offering*

- SVH/UCSF Health seek to support 1-2 programs through this competitive RFP process
- While there is no pre-specified area of interest, we are interested in programs that can start small and scale up; whose infrastructure needs are already existing or easily acquired; lends itself to inpatient or outpatient procedural or surgical treatments; has the potential to become a permanent program at SVH
- Potential specialties could include (but would not be restricted to) endocrine; gastrointestinal; general surgery; bariatrics; orthopedics; dermatology/cosmetic medicine; plastic surgery; geriatrics; cancer; birthing center;

# PROPOSAL

*Provide background information, including a brief background on your program and specific issues to be addressed. You may also choose to include the results of any related research, project history, and additional factors that impact the UCSF's needs, emerging trends or impending regulations.*

*Show your understanding of the benefits SVH/UCSF can expect. For example, describe the risks--what might be lost--if appropriate action is not taken and compare this to the benefits they can achieve with a positive course of action. If applicable, identify potential areas of concern for SVH/UCSF and how you can address them. Such items may be fundamental issues that appear trivial, but are often overlooked by competing proposals.*

*Describe how your capabilities and proposed solution align with the SVH/UCSF's goals for the project, including how your qualifications can uniquely address the current opportunity.*

## Client's Company

1. Program Organization
  - a. Strong physician & administrative leadership
  - b. Multidisciplinary workgroup
  - c. Eye toward ALIGNMENT with UCSF Health priorities
  - d. Clinical, financial, strategic, & operational representation / expertise
2. Access and Capacity
  - a. Framework for supporting program growth and ROI
  - b. Resource needs with ROI analysis
  - c. Program monitoring
  - d. Tracking of volumes and financials by program over time
3. Quality and Outcomes
  - a. Quality Metrics
  - b. Outcomes – Clinical, Logistic, Financial
4. Market Position
  - a. Quality Differentiation
  - b. Innovation/Uniqueness
  - c. Market share – current and anticipated
5. Financial Impact
  - a. Program revenue
  - b. Contribution margin

## Rationale

*Describe your reasons for developing the project as you have proposed it. You may need to justify why you have chosen your unique approach. Consider including the following points in your rationale.*

- Research
- Market opportunities
- Alignment with mission
- Current resources/technology

### Execution Strategy

Provide details of execution strategy including proven methodologies, qualified personnel, and your approach to managing deliverables. Include description of project methods, including how the project will be developed, a proposed timeline of events, and reasons for why you suggest developing the project as described.

*Summarize your strategy based on your market research and your experience in providing similar services to other clients, etc.*

### Technical/Project Approach

*Describe the details of how the project will be managed from start to finish. This will include your specific methodologies for completing deliverables, project management tools and techniques, communications with the SVH/UCSF leadership, methods to evaluate and mitigate risk, and how the project will be evaluated.*

### Resources

*Describe the resources you have in place or plan to acquire or need, including but not limited to qualified providers/technical support/other staff, facilities, and technology.*

### Project Deliverables

Following is a complete list of all project deliverables:

Deliverable	Description
Deliverable #1	Brief description

### Timeline for Execution

*Summarize the timeline of project-related events from start to finish.*

*In the table that follows, include all important dates related to the project, broken down by date and duration. Use meaningful descriptions related to your project. Items can include project milestones, implementation schedules, etc.*

Description	Start Date	End Date	Duration
Project Start			

Milestone 1			
Milestone 2			
Phase 1 Complete			
Milestone 3			
Milestone 4			
Phase 2 Complete			
Milestone 5			
Milestone 6			
Project End			

## EXPECTED RESULTS

*Describe the results expected from the project and why your approach will achieve those results.*

### Financial Benefits

- Result #1: Brief description of desired result
- Result #2: Brief description of desired result
- Result #3: Brief description of desired result

### Technical Benefits

- Result #1: Brief description of desired result
- Result #2: Brief description of desired result
- Result #3: Brief description of desired result

### Other Benefits

*Use this section to describe less tangible benefits such as increased morale or improved customer satisfaction.*





SONOMA VALLEY HOSPITAL  
**FOUNDATION**

*Inspiring Support for Sonoma Valley Hospital*

# SVHF 2023 Objectives

- Finish the fundraising appeal for PT Expansion initiative
- Deepen our relationships with existing donors
- Develop the next fundraising strategy with SVH
- Expand donor base and fundraising capacity for SVHF
- Strengthen Board with additional community leaders
- Help ensure completion of projects from previous fundraising (ICU and ODC)



# How The Foundation Helps SVH

- \$1million distributed for Outpatient Diagnostic Center construction
- Began \$2M fundraising initiative for PT Expansion. To date have raised \$1.42M.
- \$760k granted to fund a portion of Epic/MyChart expense
- \$220k additional funds to support ICU remodel (total \$625k grant)
- \$111k grant for Faxitron Breast Scope
- \$72k grant for 4 EKG's that are compatible with Epic
- \$30k funding for continued education for SVH employees
- \$28k distributed for ICU preliminary design work
- \$17k grant for new radiometer for the lab
- \$12k provided for Project Pink; free mammograms for uninsured Sonoma women
- \$8k funded new geriatric chairs for med surg and ER
- SVH hired a project manager for capital projects with \$200k funding approved in 2022
- Sharing our story with our community and supporters

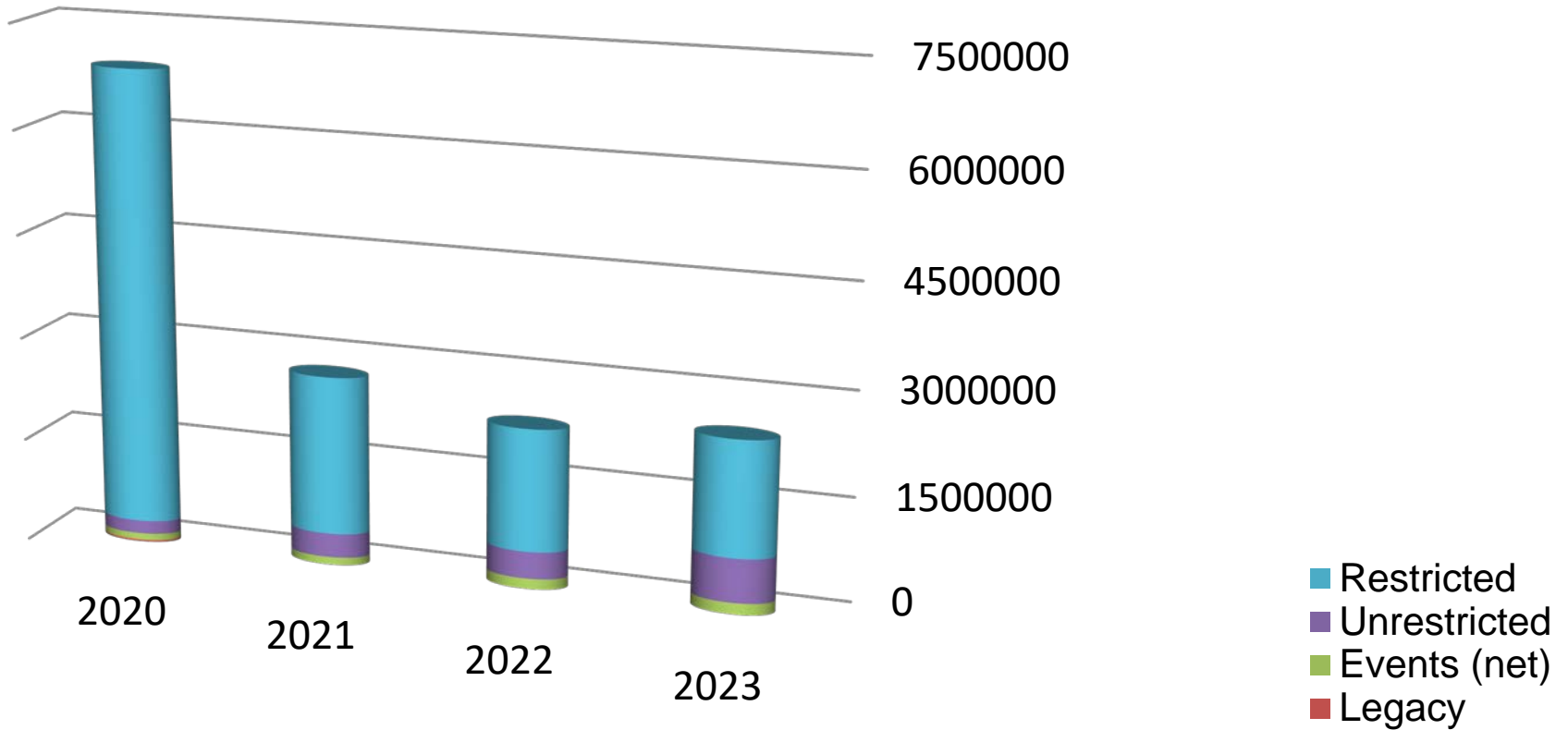


# 10-Year Historical Support \$29M

- Outpatient Diagnostic Center
- 3D Mammography
- Lifesaving Equipment—Anesthesia Machines, Surgery Tables
- Epic/MyChart
- Multiple Ultrasound Machines
- Integrated Stryker Systems for Surgical Suites
- ICU Remodel
- Xenex Robots



# SVHF Revenue



# Strategic Priorities

1. RAISE FUNDS REQUIRED TO MEET THE CAPITAL AND SERVICE NEEDS OF SONOMA VALLEY HOSPITAL
2. SUPPORT SVH AS IT STRENGTHENS ITS AFFILIATION WITH UCSF HEALTH
3. DEVELOP AND IMPLEMENT MARKETING STRATEGY AND BRAND THAT CREATES CONTINUOUS DIALOGUE WITH TARGETED COMMUNITIES IN SONOMA VALLEY
3. PROVIDE PRUDENT FINANCIAL MANAGEMENT OF ALL FOUNDATION RESOURCES
4. DEVELOP AND GROW THE BOARD OF DIRECTORS TO MEET THE NEEDS OF THE FOUNDATION
5. EMPLOY BEST PRACTICES FOR A 501c (3) HEALTH CARE FOUNDATION



# SVHF Production Benchmark

## SVHF Fundraising Ratios (Cash Basis Revenue)

	Operating Expenses	Cash Donations Received	ROI Cash	Cost To Raise a Dollar
**2024	\$ 353,500	\$ 2,191,794	\$ 6.20	\$ 0.16
2023	\$ 335,020	\$ 2,491,211	\$ 7.44	\$ 0.13
2022	\$ 344,537	\$ 2,312,318	\$ 6.71	\$ 0.15
2021	\$ 312,589	\$ 2,743,003	\$ 8.78	\$ 0.11
2020	\$ 294,725	\$ 6,887,161	\$ 23.37	\$ 0.04
		<b>Industry Standard for Foundation Our Size</b>	<b>\$ 2.79</b>	<b>\$ 0.36</b>



# Completing Projects Funds Have Been Raised For

- **Highest Priority From Foundation Perspective**
- **ODC--MRI**
- **ICU remodel—projected into 2025**





# SVHF Teamwork

- **Board and Volunteers**
- **Team**
- **Relationship with SVH**



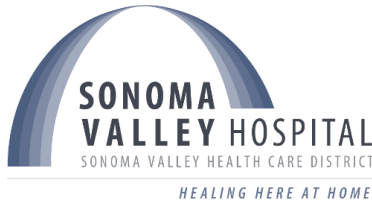
# Questions?



SONOMA VALLEY HOSPITAL  
**FOUNDATION**

*Inspiring Support for Sonoma Valley Hospital*

contact@svhfoundation.com • svhfoundation.com  
707.935.5070 • 347 Andrieux<sup>42</sup> Street, Sonoma, CA 95476 • f



To: SVHCD Board of Directors  
From: Ben Armfield, Chief Financial Officer  
Date: June 6, 2024  
Subject: Line of Credit Renewal with US Bank

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Included in your materials is a formal agreement that extends our current line of credit with US Bank. This matter was initially discussed in last month's board meeting, and I am now presenting the final document for your consideration.

**Key Terms:**

**Purpose:** To extend our current line of credit with US Bank, which matured at the end of April.

**Renewal Period:** This is a 4-month renewal which will extend our credit relationship with US Bank until 8/31/2024.

**Interest Rate:** Prime interest rate, which is currently ~8%. This is very similar to the current interest rate we are paying, which is SOFR + 2.50% (YTD we are right at 8%).

**Distressed Hospital Loan Funds:** The \$3.1 million loan from the State to be used to pay down existing line of credit balance, which will reduce our LOC outstanding from \$4.9 million to \$1.9 million. Note that our plan all along was to use these funds to pay down our revolver.

**Line of Credit Limit:** The available credit on the line will get adjusted from \$5.5 million to \$2.5 million after the \$3 million pay down.

**Finance Committee:**

This extension will provide the necessary runway for the hospital to continue discussions with US Bank regarding a longer-term, multi-year renewal, while also allowing us to evaluate alternative options for a long-term relationship.

The finance committee reviewed and approved this agreement during the meeting on 5/28, and formally recommends it for approval by the board.

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**Attachments**

Amended and Restated Line of Credit Loan Agreement – SVH/US Bank

## AMENDED AND RESTATED LOAN AGREEMENT

This AMENDED AND RESTATED LOAN AGREEMENT (as amended and effect from time to time, this “Agreement”), dated as of June 6th, 2024, is by and between the SONOMA VALLEY HEALTHCARE DISTRICT, a California health care district (the “Borrower”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, the “Lender”).

### RECITALS

WHEREAS, Union Bank, N.A. (the “Prior Lender”) and the Borrower previously executed an Amended and Restated Loan Agreement, dated as of April 8, 2014, as amended by a First Amendment to Amended and Restated Loan Agreement, dated January 22, 2016, a Second Amendment to Amended and Restated Loan Agreement, dated September 6, 2016, a Third Amendment to Amended and Restated Loan Agreement, dated May 30, 2017, a Fourth Amendment to Amended and Restated Loan Agreement, dated January 25, 2019, a Fifth Amendment to Amended and Restated Loan Agreement, dated March 30, 2020, and a sixth Amendment to Amended and Restated Loan Agreement, dated January 25, 2022 (collectively, the “Prior Agreement”), pursuant to which the Prior Lender agreed to provide loans to the Borrower to provide a source of funds for the purposes set forth in the Prior Agreement in an amount not-to-exceed five million five hundred thousand dollars (\$5,500,000), (the “Prior Commitment Amount”), of which \$4,973,734.30 is outstanding under the Prior Agreement as of the date hereof; and

WHEREAS, pursuant to that certain Security Agreement dated as of April 8, 2014 between the Borrower and the Prior Lender (as amended, the “Prior Security Agreement”), the District pledged and assigned to the Prior Lender, as security for the Prior Agreement, all present and thereafter acquired personal property, including, but not limited to all accounts, chattel paper, Swap Contract (as defined in the Security Agreement), instruments, contract rights, general intangibles, goods, equipment, inventory, documents, certificates of title, deposit accounts, returned or repossessed goods, fixtures, commercial tort claims, insurance claims, rights and policies, letter of credit rights, investment property, supporting obligations, and the proceeds, products, parts, accessories, attachments, accessions, replacements, substitutions, additions, and improvements of or to each of the foregoing (collectively, the “Prior Collateral”); and

WHEREAS, the Borrower has requested that the Lender, as the successor of the Prior Lender, execute that certain Subordination Agreement (the “Subordination”), among the District, the Lender and the California Health Facilities Financing Authority (“CHFFA”), to subordinate its interest in 20% of all Medi-Cal checkwrite payments with respect to Medi-Cal reimbursements due to the District from the California Department of Health Care Services, and the Bank has agreed to execute the Subordination upon the terms set forth there and herein; and

WHEREAS, the Lender, as the successor of the Prior Lender, and the Borrower have agreed to amend and restate the Prior Agreement to, among other reasons, (i) replace the Prior Lender with the Lender, (ii) decrease the Prior Commitment amount to two million five hundred thousand dollars (\$2,500,000) (the “New Commitment Amount”) after the Subordination

Agreement is executed and the Borrower will repay \$3,073,734.30 (the “Required Repayment Amount”) of the \$4,973,734.30 outstanding as of the date hereof, and one million nine hundred thousand dollars (\$1,900,000) will be outstanding after the Subordination Agreement is executed and the Borrower makes a payment to the Lender and (iii) make certain other changes to the Prior Agreement and execute a new security agreement to amend and restate the Prior Security Agreement; and

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Lender to make loans to the Borrower, the Borrower, the Lender hereby agree as follows:

## **ARTICLE I** **DEFINITIONS**

1.1. Definitions. As used in this Agreement:

“Anti-Corruption Laws” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and any other anti-corruption law applicable to the Borrower and its Subsidiaries.

“Authorized Officer” means the Chief Financial Officer of the Borrower, acting singly.

“Board” means the Board of Governors of the Federal Reserve System.

“Borrowing Notice” means irrevocable notice in the form of Exhibit B or as permitted by Section 2.11.

“Business Day” means a day (other than a Saturday or Sunday) on which banks generally are open in California for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

“Capital Expenditures” means, without duplication, any expenditures for purchase or other acquisition of any Property that would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower [and its Subsidiaries] prepared in accordance with GAAP.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements, or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Closing Date” means the date of this Agreement.

“Code” means the Internal Revenue Code of 1986.

“Collateral” has the meaning set forth in the Security Agreement.

“Collateral Documents” means, collectively, the Security Agreement, all other agreements, instruments and documents now or hereafter executed that create, perfect or evidence Liens upon the Collateral as security for payment of the Obligations.

“Credit Extension” means the making of a Revolving Loan.

“Days Cash on Hand” means the ratio of cash plus marketable securities, unrestricted investments, board designated investments divided by daily cash operating expenses plus daily cash interest expense. Board designated investments includes level 1, 2,3 and net asset value.

“Default” means an event that with the lapse of time or the giving of notice, or both, would be an Event of Default.

“Default Rate” means, for any day, rate of interest per annum equal to the Prime Rate plus 5%.

“EBIDA” means, with respect to any fiscal period, for the Borrower and its Subsidiaries calculated on a consolidated basis, the sum of earnings before interest, depreciation and amortization, including one-time non-recurring expenses as approved by Lender.

“Event of Default” is defined in Article VII.

“Facility Termination Date” means August 31, 2024, or any earlier date on which the Revolving Commitment Amount is reduced to zero or the Revolving Commitment is otherwise terminated pursuant to the terms hereof.

“Fixed Charge Coverage Ratio” means, for any period of determination, the ratio of EBIDA, minus dividends, minus distributions, minus Maintenance Capital Expenditures divided by (b) the sum of all scheduled principal payments on short- and long-term debt and capital leases, plus interest expense, plus rental or lease expense. Adjustments for Medi-Cal Patient and GO Bond revenue along with associated principal and interest to be made at the Lender’s discretion.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States, applied in a manner consistent with that used in preparing the financial statements referred to in Section 5.4, subject to Section 1.2.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory

capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Indebtedness” of a Person means, without duplication, such Person’s (a) obligations for borrowed money (including the Obligations under this Agreement and the other Loan Documents), (b) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (d) obligations evidenced by notes, acceptances, or other instruments, (e) obligations to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (f) capitalized lease obligations, (g) obligations as an account party with respect to standby and commercial letters of credit, (h) guaranties and other contingent obligations of such Person, (i) Swap Obligations, and (j) any other obligation for borrowed money or other financial accommodation that in accordance with GAAP would be shown as a liability on the consolidated balance sheet of such Person.

“Indemnitee” means the Lender, its affiliates, and each of their directors, officers, employees, agents, advisors, and representatives.

“Indemnified Taxes” means Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document, other than Excluded Taxes and Other Taxes.

“Investment” of a Person means (a) any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; (b) bonds, mutual funds, notes, debentures or other securities (including warrants or options to purchase securities) owned by such Person; (c) any deposit accounts and certificates of deposit owned by such Person; (d) structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person; and (e) the acquisition, directly or indirectly, of any going-concern business or all or substantially all of the assets of any Person or division, whether through purchase of assets, merger or otherwise.

“Law” means, collectively, all international, foreign, federal, state, provincial, and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lien” means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including the interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement).

“Loans” means the loan that has been previously made under the Prior Agreement by the Prior Lender under the Prior Commitment of which of [one million nine hundred thousand dollars (\$1,900,000)] will continue to be being maintained by the Lender under the New Commitment and any subsequent Revolving Loan.

“Loan Documents” means this Agreement, the Collateral Documents, the Note[s], and any other document or agreement now or in the future executed by the Borrower for the benefit of the Lender in connection with this Agreement.

“Maintenance Capital Expenditures” means 50% of the Borrower’s depreciation expense for the period specified.

“Material Adverse Effect” means a material adverse effect on (a) the business, Property, liabilities (actual and contingent), operations or condition (financial or otherwise), results of operations, or prospects of the Borrower taken as a whole, (b) the ability of the Borrower to perform its obligations under the Loan Documents, or (c) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Lender under the Loan Documents.

“Modify” and “Modification” are defined in Section 2.13(a).

“New Commitment Amount” has the meaning set forth in the recitals hereto.

“Note” is defined in Section 2.10(a).

“Obligations” means (a) all unpaid principal of and accrued and unpaid interest on the Loans, (b) all obligations in connection with any banking services that are provided to the Borrower by the Lender, including credit cards, credit card processing services, debit cards, purchase cards, stored value cards, freight payable transactions, automated clearing house or wire transfer services, and treasury management, including controlled disbursement, consolidated account, lockbox, overdraft, return items, sweep and interstate depository network services, (c) all accrued and unpaid fees, and (d) all expenses, reimbursements, indemnities and other obligations of the Borrower to any Indemnitee arising under the Loan Documents (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Payment Date” means the last day of each month, or, if such day is not a Business Day, the immediately succeeding Business Day.



“Prime Rate” means, for any day, the fluctuating rate of interest per annum equal to the “Prime Rate” listed in the “Money Rates” section of The Wall Street Journal as of such day or, if The Wall Street Journal is not published on a particular day, then the “Prime Rate” listed in the “Money Rates” section of The Wall Street Journal for the immediately preceding Business Day. If The Wall Street Journal ceases to exist or to publish a prime rate from which the Prime Rate is then determined, then the Prime Rate shall be the rate determined by Lender as its prime commercial lending rate for such day for loans denominated in U.S. Dollars made in the United States. Lender may make loans to its customers at, below or above such prime commercial lending rate, and the prime commercial lending rate referred to herein is not intended to be the best rate offered to customers of Lender. Any change in the Prime Rate shall take effect on the date specified in the publication or announcement of such change. Each determination of the Prime Rate by the Lender will be conclusive and binding on the Borrower absent manifest error.

“Prior Agreement” has the meaning set forth in the recitals hereto.

“Prior Collateral” has the meaning set forth in the recitals to this Agreement.

“Prior Commitment Amount” has the meaning set forth in the recitals hereto.

“Prior Lender” has the meaning set forth in the recitals hereto.

“Prior Security Agreement” has the meaning set forth in the recitals hereto.

“Property” of a Person means all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

“Regulation U” means Regulation U of the Board and any other regulation or official interpretation of the Board relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

“Required Repayment Amount” has the meaning set forth in the recitals hereto.

“Revolving Commitment” means the obligation, if any, of the Lender to make [Revolving] Loans to the Borrower in an aggregate principal amount outstanding at any time not to exceed the Revolving Commitment Amount upon the terms and subject to the conditions and limitations of this Agreement.

“Revolving Commitment Amount” means \$2,500,000, of which one million nine hundred thousand dollars (\$1,900,000) will be outstanding after payment of the Required Payment Amount and as such amount may be modified (a) pursuant to Section 2.5 or (b) otherwise from time to time pursuant to the terms hereof.

“Revolving Exposure” means, at any time, the aggregate principal amount of the Loans outstanding.

“Revolving Loan” means a loan made pursuant to Section 2.1(a).

“Sanctions” means sanctions administered or enforced from time to time by the U.S. government, including those administered by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

“Security Agreement” means the Amended and Restated Security Agreement dated as of the Closing Date by and among the Borrower and the Lender, amended and restating the Prior Security Agreement.

“Subordination Agreement” has the meaning set forth in the recitals hereto.

[“Subordinated Indebtedness” means any Indebtedness (a) the payment of which is subordinated to payment of the Obligations, (b) that is unsecured or secured only by Liens that are subordinated in priority to the Liens of the Lender, and (c) none of the principal of which is payable until at least 180 days after the Facility Termination Date, in each case to the Lender’s written satisfaction.]

“Subsidiary” of a Person means any corporation, partnership, limited liability company, association, joint venture, or similar business organization more than 50% of the outstanding Equity Interests having ordinary voting power of which at the time is owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries. Unless otherwise expressly provided, “Subsidiary” means a Subsidiary of the Borrower.

“Swap” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, fixed-price physical delivery contracts, whether or not exchange traded, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, including any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement, including any such obligations or liabilities under any such master agreement.

“Swap Obligation” means, with respect to any Person, any and all obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swaps and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap.

“Tangible Net Worth” means Borrower’s net worth increased by indebtedness subordinated to Lender and decreased by patents, licenses, trademarks, trade names, goodwill and other similar intangible assets, organizational expenses, security deposits, prepaid costs and expenses and monies due from affiliates (including officers, shareholders and directors).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“UCC” means the Uniform Commercial Code as in effect from time to time in California or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

1.2. Interpretation. The foregoing definitions apply equally to the singular and plural forms of the defined terms. In this Agreement, in the computation of a period from a specified date to a later specified date, unless otherwise stated the word “from” means “from and including” and the words “to” and “until” mean “to but excluding.” The words “hereof,” “herein,” and “hereunder” refer to this Agreement as a whole and not to any particular provision. References to Sections, Articles, Exhibits, and Schedules are to this Agreement unless otherwise expressly provided. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” Unless the context otherwise clearly requires, “or” has the inclusive meaning represented by the phrase “and/or.” All covenants, terms, definitions or other provisions incorporated by reference into this Agreement are so incorporated as if fully set forth herein, and such incorporation includes all necessary definitions and related provisions but includes only amendments agreed to by the Lender and survives any termination of such other agreements until the Obligations are irrevocably paid in full and the Revolving Commitment is terminated. Any reference to any Law includes all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and, unless otherwise specified, refers to such Law as amended, modified, supplemented, replaced, or succeeded from time to time. References to any document, instrument or agreement (a) include all exhibits, schedules and other attachments thereto, (b) include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to time to the extent not otherwise stated herein or prohibited hereby and in effect at any given time. All accounting terms used herein must be interpreted and all accounting determinations hereunder must be made in accordance with GAAP in a manner consistent with that used in preparing the financial statements referred to in Section 5.4.

## **ARTICLE II** **THE LOANS**

2.1. Prior Loans and Loans; Maturity Date. (a) The Lender and the Borrower hereby acknowledge that the Prior Commitment Amount is being reduced to the New Commitment Amount pursuant to the terms of this Agreement, and that after repayment of the Required Payment Amount, which the Borrower shall repay after the Subordination Agreement is executed, but no later than June 15, 2024, [one million nine hundred thousand dollars (\$1,900,000)] will be outstanding hereunder. . The Lender hereby also agrees that if any amount of the New

Commitment Amount is repaid prior to the Maturity Date, the Lender has agreed that, on the terms and conditions set forth in this Agreement, it will make from the Closing Date until the Facility Termination Date, revolving loans to the Borrower in U.S. Dollars upon the request of the Borrower, only if, after giving effect to the making of each such loan, the Revolving Exposure does not exceed the Revolving Commitment Amount. Subject to the terms of Section 4.2 of this Agreement, the Borrower may borrow, repay and reborrow the Revolving Loans at any time before the Facility Termination Date.

(b) The Lender and the Borrower agree that all Loans due hereunder shall be repaid on or before August 31, 2024 (the “Maturity Date”), unless such is hereby extended by the Lender in its sole and absolute discretion.

2.2. Required Payments; Termination. If at any time the Revolving Exposure exceeds the Revolving Commitment Amount, the Borrower must immediately make a payment on the Revolving Loans in an amount sufficient to eliminate such excess. The Borrower must pay all unpaid Obligations under the Loan Documents in full on the Facility Termination Date.

2.3. Fees and Expenses.

(a) Notwithstanding anything in the Loan Documents to the contrary, the Borrower shall reimburse the Lender within ten (10) days of delivery of invoice by the Lender for all attorneys’ fees and all other costs, fees and out-of-pocket disbursements incurred by the Lender in connection with the preparation, execution, delivery, administration, defense, and enforcement of this Agreement or any of the other Loan Documents.

(b) If the Borrower shall fail to pay any amount payable hereunder as and when due and payable, each such unpaid amount shall bear interest for each day from and including the date it was payable until paid in full at the Default Rate.

2.4. Minimum Amount of Each Loan. Each Loan must be in the minimum amount of \$100,000 and in integral multiples of \$100,000; *provided, however*, that any Revolving Loan may be in the amount of the excess of the Revolving Commitment Amount over the Revolving Exposure.

2.5. Voluntary Prepayments. The Borrower may prepay the Loans in whole or in part at any time without premium or penalty. Any prepayment of principal shall be accompanied by a payment of interest accrued to date thereon.

2.6. Borrowing Requests. The Borrower must give the Lender a Borrowing Notice no later than 11:00 a.m. (Pacific time) two Business Days before the borrowing date for a Loan specifying the date, which must be a Business Day, and the amount of such Loan.

2.7. Interest Rates. Interest on each Loan shall accrue at an annual rate equal to Prime Rate adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation.

2.8. Rates Applicable After Event of Default. Notwithstanding anything to the contrary in Section 2.7, during the continuance of an Event of Default, at the option of the Lender (or, in

the case of an Event of Default under Section 7.1(b), (f), or (g), automatically), the Loan[s] shall bear interest at the rate otherwise applicable thereto plus 5% per annum.

2.9. Method of Payment.

(a) All payments of the Obligations under this Agreement and the other Loan Documents shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Lender at the Lender's address specified pursuant to Section 8.15 by noon (Pacific time) on the date when due. The Lender may charge the account of the Borrower with the Lender for each payment of Obligations as it becomes due.

(b) Principal of the Revolving Loans is payable on the Facility Termination Date.

2.10. Evidence of Indebtedness.

(a) The Loans shall be evidenced by a note (the "Note") payable to the Lender in a principal amount equal to the Revolving Commitment Amount originally in effect.

(b) The Lender will also maintain accounts in which it will record (i) the amount of each Loan, which shall initially be in the amount of \$4,973,734.30 as of the Closing Date, but shall be reduced to [one million nine hundred thousand dollars (\$1,900,000)] after payment of the Required Payment no later than June 15, 2024, (ii) the amount of any principal or interest due and payable or to become due and payable hereunder, and (iii) the amount of any sum received by the Lender hereunder. The entries maintained in such accounts shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; provided that the failure of the Lender to maintain such accounts or any error therein shall not affect the obligation of the Borrower to pay the Obligations in accordance with their terms.

2.11. Reserved.

2.12. Interest Payment Dates; Interest and Fee Basis. Interest is payable beginning on May 31, 2024, and on the same date of each consecutive month thereafter (except that if a given month does not have such a date, the last day of such month), plus a final interest payment with the final payment of principal. Interest accrued pursuant to Section 2.8 is payable on demand. Interest and fees hereunder are calculated for actual days elapsed on the basis of a 360-day year. Interest is payable for the day a Loan is made but not for the day of any payment on the amount paid if payment is received before noon (Pacific time). Notwithstanding anything to the contrary in the Agreement, any interest or principal that is otherwise payable on a day that is not a Business Day shall be payable on the immediately succeeding Business Day unless such succeeding Business Day falls in a new calendar month, in which case such interest or principal shall be payable on the immediately preceding Business Day.

2.13. Limitation of Interest. Notwithstanding any provision in any Loan Document, the total liability of the Borrower for payment of interest pursuant hereto, including late charges, shall not at any time exceed the maximum non-usurious rate of interest permitted by applicable Law stated as a rate per annum, and if any payments by the Borrower include interest in excess of such

rate, the Lender will apply the excess first to reduce the unpaid balance of the Obligations, then to reduce the balance of any other Indebtedness of the Borrower to the Lender, then to the Borrower.

### **ARTICLE III** **YIELD PROTECTION; TAXES**

#### 3.1. Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;
- (ii) subject the Lender to any Taxes (other than Indemnified Taxes and Other Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or
- (iii) impose on the Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans,

and the result of any of the foregoing shall be to increase the cost to the Lender of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any Loan, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount), then, upon request of the Lender, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If the Lender determines that any Change in Law affecting the Lender or any lending office of the Lender or the Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of this Agreement, the Revolving Commitment, or the Loans to a level below that which the Lender or the Lender's holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy), then from time to time the Borrower must pay to the Lender such additional amount or amounts as will compensate the Lender or the Lender's holding company for any such reduction suffered.

3.2. Certificates for Reimbursement; Delay in Requests. A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in Section 3.1 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within 10 days after receipt thereof. Failure or delay on the part of the Lender to demand compensation pursuant to Section 3.1 shall not constitute a waiver of the Lender's right to demand such compensation.

#### 3.3. Taxes.

(a) All payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law requires the deduction or withholding of any Tax from any such payment, then the Borrower may make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.3) the Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law or at the option of the Lender timely reimburse it for the payment of any Other Taxes.

(c) The Borrower shall indemnify the Lender, within 10 days after demand, for the full amount of any Indemnified Taxes including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.3) payable or paid by the Lender or required to be withheld or deducted from a payment to the Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 3.3, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(e) Each party's obligations under this Section 3.3 survive any assignment of rights by the Lender, the termination of the Revolving Commitment and the repayment, satisfaction or discharge of all Obligations.

#### **ARTICLE IV**

#### **CONDITIONS PRECEDENT**

4.1. Effectiveness of this Agreement. This Agreement will not become effective unless each of the following conditions is satisfied:

- (a) The Lender shall have received the following:
  - (i) Each Loan Document executed by the Borrower, together with such other instruments and documents as the Lender requests to obtain a perfected, first-priority Lien on the Collateral;

- (ii) Such title and lien searches, environmental reports, evidence of insurance, endorsements, surveys, appraisals, and other due diligence as the Lender requires with respect to the Collateral and Property of the Borrower;
- (iii) Such evidence as the Lender requires regarding the organization, power and authority, and authorization of the Borrower with respect to the Loan Documents.

(b) The Borrower shall have provided to the Lender the documentation and other information requested in connection with “know your customer” and anti-money-laundering Laws, in each case at least five days before the Closing Date.

(c) The Lender shall have received such other resolutions, consents, agreements, documents, opinions, instruments and certificates as the Lender requires.

4.2. Each Credit Extension. The Lender shall not be required to make any Credit Extension hereafter unless on the date thereof:

(a) (i) For any initial Revolving Loan hereunder, the Lender shall have received all fees and other amounts due and payable including, but not limited to, the Required Repayment Amount to be repaid from a loan from CHFFA pursuant to that certain Loan and Security Agreement, dated as of \_\_\_\_\_, 2024, between CHFFA and the Borrower.

(ii) An executed copy of the Subordination Agreement has been provided to the Lender.

(b) No Default or Event of Default exists or would result therefrom.

(c) The representations and warranties in Article V are true and correct.

(d) The Lender shall have received a Borrowing Notice, which constitutes a representation and warranty by the Borrower that the conditions in Section 4.2(a) and (b) have been satisfied.

## **ARTICLE V**

### **REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to the Lender that:

5.1. Existence and Standing. The Borrower is duly and properly incorporated or formed, validly existing and in good standing under the laws of California as hospital district and has all requisite authority to conduct its business in the State of California and the County of Sonoma.

5.2. Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution, delivery, and performance by the Borrower of the Loan Documents to which it is a party have been duly authorized by proper proceedings and are legal, valid and binding obligations enforceable against the Borrower in accordance with their terms, except as



enforceability may be limited by bankruptcy, insolvency or similar Laws affecting the enforcement of creditors' rights generally.

5.3. No Conflict; Government Consents. Neither the execution and delivery by the Borrower of the Loan Documents to which it is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (a) any Law, order, writ, judgment, injunction, decree or award binding on the Borrower, (b) the Borrower's organizational documents, or (c) any agreement to which the Borrower is a party or subject, or by which it or its Property is bound, conflict with or be a default thereunder, or result in or require the creation or imposition of any Lien on the Property of the Borrower. No order, consent, adjudication, approval, license, authorization, or validation of, filing, recording or registration with, exemption by, or other action in respect of any Governmental Authority that has not been obtained is required in connection with the execution, delivery, and performance of the Loan Documents or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. Financial Statements. The audited consolidated financial statements of the Borrower and its Subsidiaries most recently delivered to the Lender, and their unaudited financial statements for the fiscal periods ending thereafter, were prepared in accordance with Section 1.2 and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5. Material Adverse Change. Other than as disclosed to the Lender, since February 2024 there has been no change in the business, Property, prospects, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries that could reasonably be expected to have a Material Adverse Effect.

5.6. Taxes. The Borrower has filed all required Tax returns and have paid all Taxes due, if any, except any Taxes that are being contested in good faith as to which adequate reserves have been provided in accordance with GAAP. No Tax Liens have been filed and no claims are being asserted with respect to any such Taxes. The charges, accruals and reserves on the books of the Borrower in respect of any Taxes or other governmental charges are adequate.

5.7. Litigation and Contingent Obligations. There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that is material or seeks to prevent, enjoin or delay the making of any Credit Extensions. The Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8. Subsidiaries. Schedule 5.8 contains an accurate list of all Subsidiaries as of the Closing Date, setting forth their respective jurisdictions of organization and the percentage of their respective Equity Interests owned by the Borrower. All issued and outstanding Equity Interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such Equity Interests) duly authorized and issued and are fully paid and non-assessable.

5.9. Employee Benefits. The Borrower is compliance with all Laws with respect to any employee benefit plans applicable to it.

5.10. Accuracy of Information.

(a) No information, exhibit or report furnished by the Borrower to the Lender contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements therein not misleading.

5.11. Material Agreements. The Borrower is not subject to any material restriction. The Borrower is not in default of (a) any material agreement or (b) any Material Indebtedness Agreement.

5.12. Compliance with Laws. The Borrower is in compliance in all material respects with all applicable Laws.

5.13. Ownership of Properties. The Borrower has good title, free of all Liens other than Liens permitted hereunder, to all of the Property reflected in the Borrower's most recent consolidated financial statements provided to the Lender as owned by the Borrower (other than Property disposed of in a transaction permitted by Section 6.12(a)).

5.14. Reserved.

5.15. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940.

5.16. Solvency. In each case with respect to the Borrower and its Subsidiaries on a consolidated basis, (a) the fair value of their assets will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of their Property will exceed the amount required to pay their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) they will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) they will not have unreasonably small capital with which to conduct their businesses as now conducted and proposed to be conducted after the Closing Date. The Borrower does not intend to, or believes that it will, incur debts beyond its ability to pay as they mature.

5.18. Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws. The Borrower and its directors, officers, and employees and, to the knowledge of the Borrower, the agents of the Borrower are in compliance with Anti-Corruption Laws and all applicable Sanctions in all material respects. The Borrower has implemented and maintain in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions. Neither the Borrower nor any director, officer, employee, agent, or affiliate of the Borrower is an individual or entity that is, or is 50% or more owned (individually or in the aggregate, directly or indirectly) or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (a) the target of any Sanctions or (b) located, organized or resident in a country or territory that is the subject of Sanctions (at the time of this Agreement, Cuba, Iran,

North Korea, Syria, Crimea, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, and the Kherson and Zaporizhzhia regions of Ukraine).

## **ARTICLE VI COVENANTS**

Until (a) Obligations under the Loan Documents have been irrevocably paid full and (b) the Lender no longer has any commitment to provide any financial accommodations under any Loan Document:

6.1. Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting in accordance with GAAP, and furnish to the Lender:

(a) within 120 days after the close of each of its fiscal years, an unqualified (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP) audit report, with no going concern modifier, certified by independent certified public accountants acceptable to the Lender, prepared in accordance with GAAP on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period, related profit and loss and reconciliation of surplus statements, and a statement of cash flows, accompanied by any management letter prepared by said accountants;

(b) within thirty (30) days after the close of each quarterly period, [for itself and its Subsidiaries], consolidated unaudited balance sheets as at the close of each such period and consolidated profit and loss and reconciliation of surplus statements (including sufficient detail for independent calculation of the financial covenants set forth in Section 6.20) and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer;

(c) within sixty (60) days after the close of each fiscal year, projected monthly balance sheets, income statements, and cash flow statements of the Borrower for such fiscal year.

(d) within twenty-five (25) days after the end of each month, a compliance certificate showing financial covenant calculations and certified by an officer of the Borrower.

(e) within twenty-five (25) days after the end of each month, a monthly cash flow forecast in form and substance satisfactory to the Lender,

(f) within twenty-five (25) days after the end of each month, [for itself and its Subsidiaries], consolidated unaudited balance sheets as at the close of each such period and consolidated profit and loss and reconciliation of surplus statements (including sufficient detail for independent calculation of the financial covenants set forth in Section 6.20) and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer;

(g) within twenty-five (25) days after the end of each month, a monthly break down of revenue sources which shall identify Medi Cal Payments.

(h) within thirty (30) days after the end of each quarter, a compliance certificate in substantially the form of Exhibit C.

(i) such other information as the Lender from time to time reasonably requests, including information and documentation reasonably requested by the Lender for purposes of compliance with applicable “know your customer” requirements under the PATRIOT Act, the Beneficial Ownership Regulation, or other anti-money laundering Laws.

## 6.2. Financial Covenants.

(a) Minimum EBIDA. For the periods ending April 30, 2024, May 31, 2024 and June 30, 2024, the Borrower shall maintain minimum monthly consolidated EBIDA of (i) \$1,300,00.00 for the 1-month ended April 30, 2024, (ii) \$1,100,000.00 for the 2-months ended May 31, 2024; (iii) \$800,000.00 for the 3-months ended June 30, 2024. Adjustments for nonrecurring or unusual items are at the Lender’s sole discretion.

(b) Fixed Charge Coverage Ratio. Not later than 30 days after the end of each fiscal quarter-end, together with the financial statements, Borrower shall provide to the Lender a certificate showing the calculation of the Fixed Charge Coverage Ratio for the then most-recently ended four quarters.

(c) Minimum Days Cash On Hand. Borrower shall maintain minimum Days Cash on Hand of 45 days as of May 31, 2024 and 20 days as of June 30, 2024 and 20 days as of July 31, 2024.

(d) Maximum Debt to Tangible Net Worth. The Borrower shall maintain a ratio of total liabilities to Tangible Net Worth of not greater than 2.50:1, to be measured on a quarterly basis.

6.3 Use of Proceeds. The Borrower will[, and will cause each Subsidiary to,] use the proceeds of the Credit Extensions for general corporate purposes. The Borrower will not, and will not permit any Subsidiary to, use any of the proceeds of the Loans to purchase or carry any “margin stock” (as defined in Regulation U). The Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (b)(i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as Lender, underwriter, advisor, investor, or otherwise).

6.4. Notice of Material Events. The Borrower will, and will cause each Subsidiary to, give notice to the Lender, promptly and in any event within [five][fifteen] days after an officer of the Borrower obtains knowledge thereof, of:

(a) any Default or Event of Default;

(b) the commencement of any action or proceeding by or before any arbitrator or Governmental Authority affecting the Borrower or affiliate thereof that seeks to prevent, enjoin, or delay a Credit Extension or is otherwise material;

(c) any other development, financial or otherwise, that would reasonably be expected to have a Material Adverse Effect, and

(d) any change in Borrower's officers and other senior management, Borrower's name or state of organization, and the location of Borrower's assets.

Each notice delivered under this Section 6.3 must be accompanied by a statement of an officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

6.5. Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and fields of enterprise as it is conducted in on the Closing Date, do all things necessary to remain duly incorporated or organized, validly existing and in good standing in its jurisdiction of incorporation or organization, maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, and keep in full force and effect all rights, contracts, intellectual property, permits, licenses, franchises, and other authorizations material to the conduct of its business.

6.6. Insurance. The Borrower will, and will cause each Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all their Property, liability insurance and environmental insurance in such amounts, subject to such deductibles and self-insurance retentions and covering such Properties and risks as is consistent with sound business practice, and the Borrower will furnish to the Lender upon request full information as to the insurance carried. The Lender shall be named as lender loss payee and additional insured with respect to any such insurance, and each provider of any such insurance must agree to give the Lender 30 days' prior written notice before such policy is cancelled.

6.7. Compliance with Laws and Material Contractual Obligations. The Borrower will, and will cause each Subsidiary to, (a) comply in all material respects with all Laws and (b) perform in all material respects its obligations under material agreements to which it is a party. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The Borrower will not, and will not permit any Subsidiary to, use or allow any tenants or subtenants to use its Property for any business activity that violates any Law or that supports a business that violates any Law.

6.8. Maintenance of Properties. The Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, ordinary wear and tear excepted, and make all repairs, renewals and replacements necessary to properly conduct its business at all times.

6.9. Books and Records; Inspection. The Borrower will, and will cause each Subsidiary to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions related to its business and activities. The Borrower will[, and will cause

each Subsidiary to,] permit the Lender, by its representatives and agents, at the Borrower's expense, to inspect the Property, books and financial records of the Borrower, to examine and make copies of the books of accounts and other financial records of the Borrower, and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the foregoing by, their officers at such reasonable times and intervals as the Lender designates.

6.10. Acquisitions. The Borrower shall not, without the prior written consent of the Lender, make any acquisitions.

6.11. Further Assurances. As promptly as possible but in any event within 30 days after a Subsidiary is organized or acquired, the Borrower must provide the Lender with notice thereof describing in reasonable detail the material Property of such Subsidiary and must cause each such Subsidiary to deliver to the Lender (i) an updated Schedule 5.8, and (ii) such other resolutions, documentation and legal opinions as the Lender may request. The Borrower must promptly correct any ambiguity, omission, defect, inconsistency or error in any Loan Document or in the execution, acknowledgment or recordation thereof.

6.12. Indebtedness. The Borrower shall not, without the prior written consent of the Lender, lend or otherwise extend credit to any of its partners, owners, employees, any entity which directly or indirectly owns any interest in the Borrower, any entity which Borrower indirectly owns any interest, or any third-party.

6.13. Merger. The Borrower will not, and will not permit any Subsidiary to, merge or consolidate with or into any other Person, divide, or liquidate or dissolve.

6.14. Sale of Property. The Borrower will not, and will not permit any Subsidiary to, lease, sell, transfer, or otherwise dispose of its Property to any other Person, except for:

(a) sales of inventory, or used, worn-out or surplus equipment, all in the ordinary course of business;

6.15. Investments. The Borrower will not, and will not permit any Subsidiary to, make or suffer to exist any Investments, or commitments therefor, or create any Subsidiary or become or remain a partner in any partnership or joint venture, except:

(a) Cash and cash equivalents;

(b) Investments in any Subsidiary organized under the laws of any of the United States of America or the District of Columbia (subject to Section 6.11); and

6.16. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, or suffer to exist any Lien in, of, or on the Property of the Borrower, except (a) Liens securing Indebtedness permitted under Section 6.10(b);

6.17. Reserved.

6.19. Subordinated Indebtedness. The Borrower will not, and will not permit any Subsidiary to, make any amendment or modification to any agreement evidencing or governing

any Subordinated Indebtedness, or directly or indirectly voluntarily repay, prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness other than as permitted under the applicable subordination agreement.

6.20. Accounting Changes, Etc. The Borrower shall not, and must not permit any Subsidiary to, (a) make any material change in accounting treatment or reporting practices or change its fiscal year or (b) amend any of its organizational documents.

## **ARTICLE VII**

### **DEFAULTS AND REMEDIES**

7.1. Events of Default. Each of the following events is an “Event of Default”:

(a) any representation or warranty made or deemed made by or on behalf of the Borrower in connection with any Loan Document is materially false on the date made;

(b) nonpayment of principal, interest, Reimbursement Obligations, fees, or any other Obligation when due;

(c) the breach of any of Sections 6.1 through 6.7, and 6.12 through 6.20;

(d) the breach of any of the other terms of this Agreement or any other Loan Document that is not remedied within 30 days after the earlier of (i) the Borrower becoming aware of such breach and (ii) the Lender notifying the Borrower of such breach;

(e) any default in respect of any Material Indebtedness;

(f) the Borrower (i) has an order for relief entered with respect to it under the federal bankruptcy Laws, (ii) makes an assignment for the benefit of creditors, (iii) applies for, seeks, consents to, or acquiesces in the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any of its Property, (iv) institutes any proceeding seeking an order for relief under the federal bankruptcy Laws or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any Law relating to bankruptcy, insolvency or reorganization or relief of debtors or fails to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) takes any action to authorize or effect any of the foregoing actions set forth in this Section 7.1(f), (vi) fails to contest in good faith any appointment or proceeding described in this Section 7.1(f), or (vii) fails to pay, or admits in writing its inability to pay, its debts generally as they become due;

(g) without the application, approval or consent of the Borrower, a receiver, trustee, examiner, liquidator or similar official is appointed for the Borrower or any of its Property, or a proceeding described in Section 7.1(f) is instituted against the Borrower, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for 30 days;

(h) any Governmental Authority condemns, seizes or otherwise appropriates, or takes custody or control of, all or any portion of the Property of the Borrower;

(i) the Borrower fails within 30 days to pay, obtain a stay with respect to, or otherwise discharge one or more (i) judgments or orders for the payment of money more than \$1,000,000 in the aggregate or (ii) nonmonetary judgments or orders that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(j) (i) any Loan Document fails to remain in full force or effect or any action is taken to discontinue or to assert the invalidity or unenforceability of any Loan Document; (ii) any Guarantor repudiates or purports to revoke the Guaranty, denies that it has any further liability under the Guaranty, or dies; or (iii) any Collateral Document fails to create a valid and perfected first-priority security interest in any Collateral, except as permitted by the Loan Documents, or fails to remain in full force and effect, or any action is taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document; or

(k) any occurrence or event that has a Material Adverse Effect.

## 7.2. Acceleration; Remedies.

(a) If any Event of Default described in Section 7.1(f) or (g) occurs, the Revolving Commitment shall automatically terminate and the Obligations under this Agreement and the other Loan Documents shall immediately become due and payable without any action by the Lender. If any other Event of Default occurs, the Lender may terminate the Revolving Commitment or declare the Obligations under this Agreement and the other Loan Documents to be due and payable, or both, whereupon such Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby waives.

(b) Upon the occurrence and during the continuation of any Event of Default, the Lender may exercise all rights and remedies under the Loan Documents and enforce all other rights and remedies under applicable Law, including, but not limited to, exercising all of its remedies under the Collateral Documents. The Lender may apply any amounts it receives on account of the Obligations in its sole discretion.

(c) Additionally, from and after the occurrence and during the continuance of an Event of Default, all amounts owing to the Lender hereunder shall bear interest at the Default Rate.

7.3. Preservation of Rights. No delay or omission of the Lender to exercise any right under the Loan Documents will impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein, and any Credit Extension notwithstanding an Event of Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute a waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right. All remedies in the Loan Documents or under applicable Law afforded are cumulative and available to the Lender until (a) the Obligations have been irrevocably paid and performed in full and (b) the Revolving Commitment has terminated.



## ARTICLE VIII GENERAL PROVISIONS

8.1. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein must be in writing and must be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows: (a) if to the Borrower, at 347 Andrieux Street, Sonoma, CA 95475, Attention: Benjamin Armfield, Chief Financial Officer, email: [barmfield@sonomavalleyhospital.org](mailto:barmfield@sonomavalleyhospital.org); and (b) if to the Lender, at 9467 Milliken Ave, Rancho Cucamonga, CA 91730, Attention and email: [sagwest.la@usbank.com](mailto:sagwest.la@usbank.com). Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (or, if not sent during normal business hours for the recipient, at the opening of business on the next business day for the recipient), except that notices to the Lender under Article II shall not be effective until actually received. Notwithstanding the foregoing, the Lender or the Borrower may, in its discretion, agree to accept electronic communications pursuant to procedures approved by it or as it otherwise determines. Email communications are deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), or if not sent during the normal business hours of the recipient, at the opening of business on the next business day for the recipient. Any party hereto may change its address or facsimile number above by notice to the other party hereto as provided in this Section 8.1.Modifications. Notwithstanding any provision to the contrary herein, no amendment, modification, or waiver of any provision of any Loan Document or consent to any departure therefrom is effective unless in writing and signed by the Lender, and then such amendment, modification, waiver, or consent is effective only in the specific instance and for the purpose for which given.

### 8.2. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay all out-of-pocket expenses incurred by the Lender and its affiliates (including the reasonable fees, charges and disbursements of counsel) in connection with due diligence, preparation, administration, negotiation, execution, delivery, amendment, administration, enforcement, and collection of the Loan Documents.

(b) The Borrower shall indemnify each Indemnitee against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of counsel for any Indemnitee), incurred by or asserted against any Indemnitee by any Person arising out of, in connection with, or as a result of (i) the execution, delivery, or performance of any Loan Document, (ii) the use of the proceeds of any Credit Extension, (iii) any environmental liability related in any way to the Borrower, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the applicable Indemnitee.

(c) To the fullest extent permitted by applicable Law, the Borrower hereby waives any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, the transactions contemplated by the Loan Documents.

(d) All amounts due under this Section 8.3 are payable promptly after demand therefor. The obligations under this Section 8.3 shall survive the termination of this Agreement.

8.3. Successors and Assigns. The Loan Documents are binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that the Borrower may not assign its rights or obligations under the Loan Documents without the prior written consent of the Lender. The Lender may at any time sell, assign, transfer, grant participations in, or otherwise dispose of any portion of its rights and obligations under the Loan Documents to any other Person. This Agreement confers no right or benefit upon any Person other than the parties to this Agreement and their permitted successors and assigns.

8.4. Setoff. The Borrower grants the Lender a security interest in all deposits, credits and deposit accounts (including all account balances, whether provisional or final and whether or not collected or available) of the Borrower with the Lender or any affiliate of the Lender to secure the Obligations. In addition to, and without limitation of, any rights of the Lender under applicable Law, if any Event of Default occurs, the Borrower authorizes the Lender to offset and apply all such deposits and other amounts toward the payment of the Obligations, whether or not the Obligations, or any part thereof, are then due and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to the Lender.

8.5. Payments Set Aside. If any payment by or on behalf of the Borrower to the Lender, or the Lender's exercise of its right of setoff, is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, the obligation originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

8.6. Survival. All covenants, agreements, representations and warranties made by the Borrower in any Loan Document or pursuant thereto shall be considered to have been relied upon by the Lender and shall survive the execution and delivery thereof and the Credit Extensions, regardless of any investigation made by or on behalf of the Lender and notwithstanding that the Lender may have had notice of any default at the time of any Credit Extension, and shall continue in full force and effect as long as any Obligation or the Revolving Commitment remains outstanding. Sections 3.1, 3.2, 3.4, 9.3, and 9.7 shall survive and remain in full force and effect regardless of the consummation of the Credit Extensions, the payment of the Obligations, the expiration or termination of the Revolving Commitment or the termination of any Loan Document.

8.7. Governmental Regulation. Anything in this Agreement to the contrary notwithstanding, the Lender need not extend credit to the Borrower in violation of any Law.

8.8. Headings. Section headings are for convenience of reference only and shall not govern the interpretation of any of the provisions of the Loan Documents.

8.9. Entire Agreement. The Loan Documents embody the entire agreement and understanding between the Borrower and the Lender and supersede all prior agreements and understandings between the Borrower and the Lender relating to the subject matter thereof.

8.10. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are severable.

8.11. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, (a)(i) no fiduciary, advisory, or agency relationship is intended to be or has been created, irrespective of whether the Lender has advised or is advising the Borrower on other matters, (ii) any services regarding this Agreement provided by the Lender are arm's-length commercial transactions between the Borrower and affiliates, on the one hand, and the Lender, on the other hand, (iii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iv) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by the Loan Documents; and (b)(i) the Lender is acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its affiliates, or any other Person and (B) the Lender has no obligation to the Borrower or any of its affiliates with respect to the transactions contemplated hereby except as expressly set forth in the Loan Documents; and (iii) the Lender and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its affiliates, and the Lender has no obligation to disclose any of such interests to the Borrower or its affiliates. To the fullest extent permitted by Law, the Borrower waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

8.12. USA PATRIOT Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the PATRIOT Act.

8.13. Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties in different counterparts), each of which is an original, but all of which when taken together are a single contract.

8.14. Document Imaging; Telecopy and PDF Signatures; Electronic Signatures. Without notice to or consent of the Borrower, the Lender may create electronic images of any Loan Documents and destroy paper originals of any such imaged documents. Such images have the same legal force and effect as the paper originals and are enforceable against the Borrower and any other parties thereto. The Lender may convert any Loan Document into a "transferrable record" as such term is defined under, and to the extent permitted by, applicable law, with the image of such instrument in the Lender's possession constituting an "authoritative copy." If the Lender agrees,

in its sole discretion, to accept delivery by telecopy or PDF of an executed counterpart of a signature page of any Loan Document or other document required to be delivered under the Loan Documents, such delivery will be valid and effective as delivery of an original manually executed counterpart of such document for all purposes. If the Lender agrees, in its sole discretion, to accept any electronic signatures of any Loan Document or other document required to be delivered under the Loan Documents, the words “execution,” “signed,” and “signature,” and words of like import, in or referring to any document so signed will be deemed to include electronic signatures and/or the keeping of records in electronic form, which will be of the same legal effect, validity and enforceability as a manually executed signature and/or the use of a paper-based recordkeeping system, to the extent and as provided for in any applicable law. The Lender may rely on any such electronic signatures without further inquiry.

8.15. Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of California.

8.16. Jurisdiction. The Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any other Indemnitee in any way relating to any Loan Document in any forum other than the courts of the State of California sitting in Los Angeles, and of the United States District Court for the Central District, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such state court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right of the Lender to bring any action or proceeding against the Borrower or its properties in the courts of any jurisdiction.

8.17. Waiver of Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection to the laying of venue of any action or proceeding arising out of or relating to any Loan Document in any court referred to in Section 8.18. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum in any such action or proceeding.

8.18. Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 8.1. Nothing in this Agreement shall affect the right of any party hereto to serve process in any other manner permitted by applicable Law.

8.19. GENERAL RELEASE IN FAVOR OF BANK. AS OF THE CLOSING DATE, THE BORROWER, FOR ITSELF AND ITS PAST, AND PRESENT, EMPLOYEES, AGENTS, MANAGERS, MEMBERS, ATTORNEYS, REPRESENTATIVES, SUCCESSORS, ASSIGNS, AND ALL PERSONS OR ENTITIES CLAIMING BY, THROUGH OR UNDER ANY OF

THEM (AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, COLLECTIVELY, THE “RELEASING PARTIES”) HEREBY:

- I. ACKNOWLEDGES, AGREES, AND AFFIRMS THAT, TO ITS KNOWLEDGE AFTER COMMERCIALY REASONABLE INQUIRY AND INVESTIGATION, IT DOES NOT HAVE ANY, DEFENSES, CLAIMS, COUNTERCLAIMS OR RIGHTS RECOUPMENT OR RIGHTS OF SET-OFF, LEGAL OR EQUITABLE, ARISING OUT OF OR IN CONNECTION WITH THE LOANS, THE LOAN AGREEMENTS OR THE LOAN DOCUMENTS, OR ANY KNOWLEDGE OF ANY FACTS OR CIRCUMSTANCES THAT MIGHT GIVE RISE TO OR BE THE BASIS OF ANY SUCH CLAIMS, DEFENSES, OFFSETS, RIGHTS OF RECOUPMENT, OR COUNTERCLAIMS;
- II. WAIVES, RELEASES, ACQUITS, SATISFIES AND FOREVER DISCHARGES THE LENDER AND ITS DIRECT AND INDIRECT AFFILIATES, SUBSIDIARIES, PARENTS, CONTROLLING PERSONS, AGENTS, REPRESENTATIVES, ATTORNEYS AND SUCCESSORS AND ASSIGNS (THE “LENDER RELEASED PARTIES”) FROM ANY AND ALL MANNER OF DEBTS, ACCOUNTS, BONDS, WARRANTIES, REPRESENTATIONS, COVENANTS, PROMISES, CONTRACTS, CONTROVERSIES, AGREEMENTS, LIABILITIES, OBLIGATIONS, EXPENSES, DAMAGES, JUDGMENTS, EXECUTIONS, ACTIONS, CLAIMS (INCLUDING, WITHOUT LIMITATION, CROSSCLAIMS, COUNTERCLAIMS, RIGHTS OF SET-OFF AND RECOUPMENT), DEMANDS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER, WHETHER AT LAW OR IN EQUITY, WHETHER KNOWN OR UNKNOWN, THAT ANY OF THE RELEASING PARTIES NOW HAS OR MAY HEREAFTER HAVE BY REASON OF ANY ACT, OMISSION, MATTER, CAUSE OR THING, FROM THE BEGINNING OF THE WORLD TO AND INCLUDING THE FORBEARANCE EFFECTIVE DATE, INCLUDING MATTERS ARISING OUT OF OR RELATING TO THE LOAN AND THE LOAN DOCUMENTS, INCLUDING THE ORIGINATION, FUNDING, SERVICING, OR ADMINISTRATION THEREOF AND ANY OTHER AGREEMENT OR TRANSACTION BETWEEN ANY OF THE RELEASING PARTIES AND THE LENDER RELEASED PARTIES CONCERNING THE LOAN (ALL OF THE FOREGOING RELEASED CLAIMS ARE SOMETIMES REFERRED TO AS THE “RELEASED CLAIMS”); PROVIDED, HOWEVER, THAT THE FOREGOING RELEASE SHALL NOT APPLY TO ANY FUTURE BREACH OF ANY OF THE OBLIGATIONS, COVENANTS OR AGREEMENTS OF THE LENDER RELEASED PARTIES THAT ARE EXPRESSLY SET FORTH IN THIS AMENDED LOAN AGREEMENT OR

TO ANY OTHER MATTERS ARISING AFTER THE EFFECTIVE DATE AND THE SAME SHALL NOT BE DEEMED RELEASED CLAIMS;

- III. AGREES THAT IT IS THE INTENTION OF EACH OF THE RELEASING PARTIES THAT THE FOREGOING RELEASE SHALL BE EFFECTIVE WITH RESPECT TO ALL MATTERS, PAST AND PRESENT, KNOWN AND UNKNOWN, SUSPECTED AND UNSUSPECTED;
- IV. ACKNOWLEDGES THAT THE LENDER IS SPECIFICALLY RELYING UPON EACH OF THE RELEASING PARTIES' ACKNOWLEDGEMENTS AND AGREEMENTS IN THIS SECTION IN EXECUTING THIS AMENDED LOAN AGREEMENT, AND THAT IN THE ABSENCE OF SUCH AGREEMENTS THE LENDER WOULD BE UNWILLING TO AGREE TO THE TERMS PROVIDED FOR IN THIS AMENDED LOAN AGREEMENT;
- V. AGREES THAT ALL RELEASES AND DISCHARGES BY EACH OF THE RELEASING PARTIES IN THIS AMENDED LOAN AGREEMENT SHALL HAVE THE SAME EFFECT AS IF EACH RELEASED OR DISCHARGED MATTER HAD BEEN THE SUBJECT OF A LEGAL PROCEEDING, ADJUDICATED TO FINAL JUDGMENT FROM WHICH NO APPEAL COULD BE TAKEN AND THEREIN DISMISSED WITH PREJUDICE;
- VI. AGREES THAT THE PROVISIONS OF THIS SECTION 8.21 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND PAYMENT IN FULL OF THE OBLIGATIONS AND SHALL BE IN ADDITION TO ANY INDEMNITIES SET FORTH IN ANY OF THE LOAN DOCUMENTS; AND
- VII. EXPRESSLY, KNOWINGLY, AND INTENTIONALLY WAIVES ALL RIGHTS AND PROTECTIONS UNDER THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE OF THE STATE OF CALIFORNIA, WHICH PROVIDES:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

\_\_\_\_\_ INITIALS ON BEHALF OF BORROWER

THE PROVISIONS OF THIS SECTION 8.21 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

8.20. WAIVER OF JURY TRIAL. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED

HEREBY. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN THE CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrower and the Lender have executed this Agreement as of the date first above written.

SONOMA VALLEY HEALTHCARE DISTRICT, a  
California health care district

By: \_\_\_\_\_  
Name:  
Title:

U.S. BANK NATIONAL ASSOCIATION, a  
national banking association

By: \_\_\_\_\_  
Name:  
Title:



**EXHIBIT A**

**FORM OF NOTE**

[\_\_\_\_\_], 2024

Sonoma Valley Healthcare District, a California health care district (the “Borrower”), promises to pay to the order of U.S. Bank National Association (the “Lender”) the maximum principal amount of \$4,973.734.30, which such amount shall be reduced to TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) after payment of the Required Repayment Amount as described in the hereinafter defined Agreement, or, if less, the aggregate unpaid principal amount of all Revolving Loans, in immediately available funds, together with interest on the unpaid principal amount hereof, at the rates and on the dates set forth in the Agreement. The Borrower hereby acknowledges that as of the date hereof, (\$4,973.734.30 is currently outstanding under the Agreement (as defined below) and as described further therein, and that it is required to repay the Required Payment Amount no later than June 15, 2024. The Borrower shall pay the remaining principal of and accrued and unpaid interest on the Revolving Loans in full on the Facility Termination Date.

This Note is the Note issued pursuant to, and is entitled to the benefits of, the Amended and Restated Loan Agreement, dated as of [\_\_\_\_\_], 2024 (as amended, restated, supplemented, or otherwise modified from time to time, the “Agreement”), by and between the Borrower and the Lender. Reference is made to the Agreement for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Revolving Note may be prepaid or its maturity date accelerated. This Note is secured pursuant to the Collateral Documents as more specifically described in the Loan Documents. Capitalized terms used and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

In the event of default hereunder, the undersigned agrees to pay all costs and expenses of collection, including reasonable attorneys’ fees. The undersigned waives demand, presentment, notice of nonpayment, protest, notice of protest and notice of dishonor.

This Note shall be governed by, and construed in accordance with, the law of the State of California.

SONOMA VALLEY HEALTHCARE DISTRICT, a  
California health care district

By: \_\_\_\_\_  
Name:  
Title:]



**EXHIBIT B**

**FORM OF BORROWING NOTICE**

TO: U.S. Bank National Association (the “Lender”)

Capitalized terms used herein have the meanings ascribed to such terms in the Amended and Restated Loan Agreement (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), dated as of [\_\_\_\_], 2024, by and between the Sonoma Valley Healthcare District (the “Borrower”) and the Lender. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement.

The Borrower hereby gives to the Lender a request for borrowing pursuant to Section 2.6 of the Agreement, and the Borrower hereby requests to borrow on [\_\_\_\_], 20[\_\_\_], an amount of \$[\_\_\_\_\_] in Revolving Loans.

The Borrower hereby certifies to the Lender that:

WITH RESPECT TO THE INITIAL BORROWING REQUEST ONLY: (i) Borrower has paid the Lender all fees and other amounts due and payable including, but not limited to, the Required Repayment Amount to be repaid from a loan from CHFFA pursuant to that certain Loan and Security Agreement, dated as of \_\_\_\_\_, 2024, between CHFFA and the Borrower; (ii) An executed copy of the Subordination Agreement has been provided to the Lender.]

[ii][i]the representations and warranties in Article V of the Agreement are true and correct as of the date hereof;

[iii][ii]at the time of and immediately after giving effect to such Loan, no Default or Event of Default has occurred and is continuing;

and [iv][iii] all other relevant conditions set forth in Section 4.2 of the Agreement have been satisfied.

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Notice to be executed by its authorized officer as of the date set forth below.

Dated: [\_\_\_\_], 20[\_\_\_]

SONOMA VALLEY HEALTHCARE DISTRICT, a  
California health care district

By: \_\_\_\_\_  
Name:  
Title:]



**EXHIBIT C**

**FORM OF COMPLIANCE CERTIFICATE**

To: U.S. Bank National Association

This Compliance Certificate is furnished pursuant to the Amended and Restated Loan Agreement, dated as of [\_\_\_\_\_], 2024 (as amended, restated, supplement, or otherwise modified from time to time, the “Agreement”), by and between the Sonoma Valley Healthcare District (the “Borrower”) and U.S. Bank National Association. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected \_\_\_\_\_ of the Borrower.
2. I have reviewed the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements.
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, any Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below.
4. Schedule I hereto sets forth financial data and computations evidencing the Borrower’s compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

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The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this [\_\_\_\_\_] day of [\_\_\_\_\_] , 20[\_\_\_].

SONOMA VALLEY HEALTHCARE DISTRICT, a  
California health care district

By: \_\_\_\_\_

Name:

Title:

SCHEDULE I TO COMPLIANCE CERTIFICATE

Compliance as of [\_\_\_\_\_], 2024 with Section [6.1] [6.24] of the Agreement

[insert relevant [calculations][financial information]]

# SVH FY25 DRAFT BUDGET

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June 6, 2024



# FY25 Budget | Goals & Guiding Principles

## Achieve Financial Improvement | Realize Growth | Regain Trajectory

- **Operational Improvement** | Budget financial improvement from operations
- **Cash Improvement From Operations** | Achieve significant improvement in net cash inflow/outflow from operations
- **Build back to FY23 financial performance** to re-establish trajectory towards an operational break-even
- **Budget Growth** | Budget growth despite transition in surgical services
  - MRI Expansion
  - PT Expansion
  - 1206(B) Clinic Expansion
  - Orthopedic Recruitment
  - Revenue Enhancement Initiatives

# SVH FY25 DRAFT BUDGET



**General Methodology**



**FY25 Budget Target Setting**



**Global Budget Assumptions**

# FY25 Budget Assumptions | General Methodology

- **General Methodology**

- Fiscal year 2025 budget is based on our current fiscal year baseline, July-February
- Adjusted based on anticipated impacts of planned strategic initiatives and known external factors
- FY 2025 Budget is compared to FY 2024 Estimated Actual & FY 2023 Actual

- **Fiscal Year 2024 Estimated Actual**

- Based on current fiscal year run-rate, **July 2023 through March 2024**
- Projected April 2024 – June 2024 based on monthly averages of February 2024 & March 2024
- IGT Income & Foundation Donations for April-June based on known estimates

	FY24 Estimated Actual	FY24 Annualization	Change	% Chg
Operating Margin	\$ (9,874,468)	\$ (9,061,943)	\$ (812,525)	-9.0%
Operating EBDA	\$ (4,712,640)	\$ (3,824,791)	\$ (887,849)	-23.2%
Operating Margin w Parcel	\$ (5,885,724)	\$ (5,073,198)	\$ (812,525)	-16.0%
Operating EBDA w Parcel	\$ (912,636)	\$ (24,787)	\$ (887,849)	3581.9%
Net Income (excl SVHF Donations)	\$ (3,788,248)	\$ (2,975,722)	\$ (812,525)	27.3%
Net Patient Revenue	\$ 55,235,145	\$ 56,267,986	\$ (1,032,841)	-1.8%
Operating Revenue	\$ 56,588,154	\$ 57,604,750	\$ (1,016,596)	-1.8%
Operating Expenses	\$ 66,462,623 <sup>83</sup>	\$ 66,666,693	\$ (204,071)	-0.3%

# FY25 Budget | Setting Margin Target

- FY 2025 Budget Target Setting**

- For FY 2025 Budget, we targeted getting back to 2023 levels (FY23 Operating EBDA & Operating EBDA with Parcel Tax)

- Would result in \$1.9M improvement from FY24**

	FY24 Estimated Actual	FY23 ACTUAL	Change	% Chg
Operating Margin	\$ (9,874,468)	\$ (5,712,559)	\$ (4,161,909)	-72.9%
Operating EBDA	\$ (4,712,640)	\$ (2,752,281)	\$ (1,960,359)	-71.2%
Operating Margin w Parcel	\$ (5,885,724)	\$ (1,853,044)	\$ (4,032,680)	-217.6%
Operating EBDA w Parcel	\$ (912,636)	\$ 1,023,842	\$ (1,936,478)	-189.1%
Net Income (excl SVHF Donations)	\$ (3,788,248)	\$ 55,418	\$ (3,843,666)	-6935.8%
Net Patient Revenue	\$ 55,235,145	\$ 54,605,365	\$ 629,781	1.2%
Operating Revenue	\$ 56,588,154	\$ 56,207,348	\$ 380,806	0.7%
Operating Expenses	\$ 66,462,623	\$ <sup>84</sup> 61,919,907	\$ 4,542,716	7.3%

\$1.9M Gap (FY24 Est. Act vs. FY23 Actual)

\$1.9M Gap (FY24 Est. Act vs. FY23 Actual)

# FY25 Budget Assumptions & Themes

- **Volumes**

- Based on current year baseline
- Budgeted disruption / transition | Orthopedics (- Dr. Brown, + New Orthopod)
- Budgeted growth | MRI (3T Magnet), OP PT Expansion, 1206B Clinic (new in FY25)

- **Revenue**

- Net patient revenue driven by budgeted volumes
- Budgeted revenue enhancements | Medi-Cal IGT Adjustment, Anthem Contract, Other Contract Negotiations
- Budgeted revenue due to growth | MRI (3T Magnet), OP PT Expansion, 1206B Clinic (new in FY25)

- **Expenses**

- Based on current year baseline
- Annual merit increases of 3%
- Inflation of 5% for drugs, 5% for blood, and 3% for other supplies
- FTEs based on July-March and adjusted based on department volumes
- Investments to support strategic growth | Orthopedic recruitment, 1206(B) Clinic, PT Expansion

# FY25 Budget | FY23 -> FY25 Roll Forward

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**FY23 to FY24 Roll Forward**



**FY24 to FY25 Budget Roll Forward**



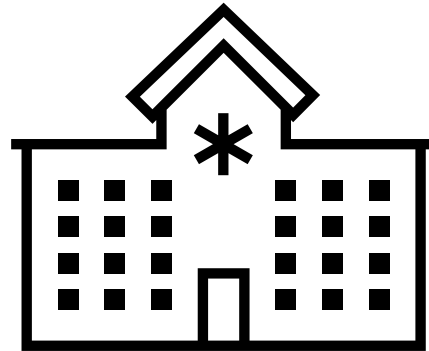
**FY25 Budget Highlights**



**FY25 Budget High Level Summary**

# SVH Operations Roll Forward | FY23 Actual – FY24 Estimated Actual

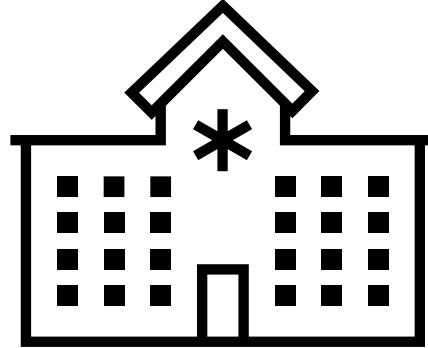
FY23 ACTUAL	\$
Net Patient Revenue	\$ 54.6M
Other Operating Revenue	\$ 1.6M
Parcel Taxes	\$ 3.8M
<b>TOTAL Revenues</b>	<b>\$ 60.0M</b>
Labor	\$ 33.1M
Supplies	\$ 7.9M
Purch/Contracted Serv	\$ 11.7M
Utilities, Insurance, Interest	\$ 2.9M
Other (w IGT fee)	\$ 3.3M
Depreciation	\$ 3.0M
<b>TOTAL Operating Expenses</b>	<b>\$ 61.9M</b>
Operating Margin w Parcel	(\$ 1.9M)
Operating EBDA w Parcel	\$ 1.0M



FY24 ESTIMATED ACTUAL	\$	YOY CHG
Net Patient Revenue	\$ 55.2M	\$ 0.6M
Other Operating Revenue	\$ 1.4M	(\$ 0.2M)
Parcel Taxes	\$ 3.8M	-
<b>TOTAL Revenues</b>	<b>\$ 60.4M</b>	<b>\$ 0.4M</b>
Labor	\$ 33.7M	\$ 0.6M
Supplies	\$ 7.6M	(\$ 0.3M)
Purch/Contracted Serv	\$ 12.1M	\$ 0.4M
Utilities, Insurance, Interest	\$ 3.5M	\$ 0.6M
Other (w IGT fee)	\$ 4.3M	\$ 1.0M
Depreciation	\$ 5.2M	\$ 2.2M
<b>TOTAL Operating Expenses</b>	<b>\$ 66.5M</b>	<b>\$ 4.5M</b>
Operating Margin w Parcel	(\$ 6.1M)	(\$ 4.1M)
Operating EBDA w Parcel	(\$ 0.9M)	(\$ 1.9M)

# SVH Operations Roll Forward | FY24 Estimated Actual to FY25 Draft Budget

FY24 ESTIMATED ACTUAL	\$
Net Patient Revenue	\$ 55.2M
Other Operating Revenue	\$ 1.4M
Parcel Taxes	\$ 3.8M
<b>TOTAL Revenues</b>	<b>\$ 60.4M</b>
Labor	\$ 33.7M
Supplies	\$ 7.6M
Purch/Contracted Serv	\$ 12.1M
Utilities, Insurance, Interest	\$ 3.5M
Other (w IGT fee)	\$ 4.3M
Depreciation	\$ 5.2M
<b>TOTAL Operating Expenses</b>	<b>\$ 66.5M</b>
<b>Operating Margin w Parcel</b>	<b>(\$ 6.1M)</b>
<b>Operating EBDA w Parcel</b>	<b>(\$ 1.0M)</b>



FY25 BUDGET	\$	YOY CHG
Net Patient Revenue	\$ 60.8M	\$ 5.6M
Other Operating Revenue	\$ 1.3M	(\$ 100K)
Parcel Taxes	\$ 3.8M	-
<b>TOTAL Revenues</b>	<b>\$ 65.9M</b>	<b>\$ 5.5M</b>
Labor	\$ 35.1M	\$ 1.4M
Supplies	\$ 7.6M	-
Purch/Contracted Serv	\$ 13.0M	\$ 0.9M
Utilities, Insurance, Interest	\$ 3.5M	-
Other (w IGT fee)	\$ 5.6M	\$ 1.3M
Depreciation	\$ 5.9M	\$ 0.7M
<b>TOTAL Operating Expenses</b>	<b>\$ 70.7M</b>	<b>\$ 4.2M</b>
<b>Operating Margin w Parcel</b>	<b>(\$ 4.9M)</b>	<b>\$ 1.2M</b>
<b>Operating EBDA w Parcel</b>	<b>\$ 1.0M</b>	<b>\$ 2.0M</b>



# FY25 Budget | Highlights

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- **Resets Trajectory** | FY25 Budget regains positive traction and resets trajectory towards an operational break-even
  - **Operational Improvement** | **+\$2.0 Million** improvement from operations vs FY24 | Operating EBDA (\$1.0M) in FY24 to +\$1.0M in FY25
  - **Cash** | **+\$2.5 Million** improvement in Net Sources / (Uses) from Operations vs FY24
- 
- **Operating Revenue** | **+\$5.5 Million, +9.7%** compared to FY24
    - *Growth* | MRI Expansion, PT Expansion, Orthoped Recruitment, 1206(B) Clinic Expansion
    - *Revenue Enhancements* | IGT Funding Increase, Reimbursement Contract Resetting (Anthem)
  - **Operating Expenses** | **+\$4.2 Million, +6.4%** increase compared to FY24
    - *Increased Depreciation* | **+15%** compared to FY24 for 3T MRI, PT Expansion
    - *IGT Matching Fee* | **+\$1.3 Million** budgeted for additional net IGT funding
  - **Operating Expenses w/o Depr.** | **+\$3.5 Million, +5%** vs FY24
    - *Physician Fees* | Orthoped Recruitment, 1206(B) Clinic
    - *Salaries & Wages* | Additional labor resources to support growth efforts

# FY25 Draft Budget | High Level Summary

	FY25 Budget	FY24 Estimated Actual	Change	% Chg	FY23 ACTUAL	Change	% Chg
Operating Margin	\$ (8,607,215)	\$ (9,874,468)	\$ 1,267,253	12.8%	\$ (5,712,559)	\$ (2,894,656)	-50.7%
★ Operating EBDA	\$ (2,706,760)	\$ (4,712,640)	\$ 2,005,880	42.6%	\$ (2,752,281)	\$ 45,521	1.7%
Operating Margin w Parcel	\$ (4,730,822)	\$ (5,885,724)	\$ 1,154,902	19.6%	\$ (1,853,044)	\$ (2,877,778)	-155.3%
★ Operating EBDA w Parcel	\$ 1,043,240	\$ (912,636)	\$ 1,955,876	214.3%	\$ 1,023,842	\$ 19,398	1.9%
Net Income (excl SVHF Donations)	\$ (2,474,547)	\$ (3,788,248)	\$ 1,313,701	34.7%	\$ 55,418	\$ (2,529,965)	-4565.3%
Net Patient Revenue	\$ 60,773,650	\$ 55,235,145	\$ 5,538,505	10.0%	\$ 54,605,365	\$ 6,168,286	11.3%
Operating Revenue	\$ 62,098,916	\$ 56,588,154	\$ 5,510,762	9.7%	\$ 56,207,348	\$ 5,891,568	10.5%
Operating Expenses	\$ 70,706,131	\$ 66,462,623	\$ 4,243,508	6.4%	\$ 61,919,907	\$ 8,786,224	14.2%

BUDGET TARGET COMPARISON	FY25 Budget	FY23 ACTUAL	Difference	%
★ Operating EBDA	\$ (2,706,760)	\$ (2,752,281)	\$ 45,521	1.7%
★ Operating EBDA w Parcel	\$ 1,043,240	\$ 1,023,842	\$ 19,398	1.9%

# FY25 Budget | Volumes

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- **Main Budgeted Themes**

- **Ancillary Growth** | MRI Expansion, Physical Therapy Expansion
  - **Surgical volumes** | Orthopedic Transition
- 

- **Surgical Volumes** | **-2.1%** compared to FY24

- Kept Surgical volumes flat with exception of Orthopedic Transition
  - Dr. Brown Departure | Impact = **-18 cases/month**
  - Dr. Walter Arrival | Impact = **+17 cases/month**

- **MRI Volumes** | **Doubling Utilization** compared to FY24 due to 3 Tesla MRI Magnet

- MRI Scans / Working Day | FY24 = 4.5 FY25 = 10.3

- **Physical Therapy** | **+25%** increase compared to FY24

- Expansion budgeted to come online January 2025

- **Inpatient Volumes** | Flat, **0.8%** increase vs FY24

# FY25 Budget | Key Initiatives

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**FY25 Budgeted Key Initiatives**




**Risk Analysis of Key Initiatives**




**Key Drivers of Change – FY24 to FY25**

# FY25 Key Budget Initiatives


## MRI 3T Magnet

- Temp location 2024
- Permanent location 2025
- FY25 Budgeted Revenue Growth : \$1,250,000
- **FY25 Risk Analysis** | 


## PT Expansion

- Opening Fall 2024
- FY25 Budgeted Revenue Growth : \$475,000
- **FY25 Risk Analysis** | 


## Orthopedist Recruitment

- Start late June
- Replacement for Dr Brown
- FY25 Budgeted Revenue Growth : \$- net
- **FY25 Risk Analysis** | 


## 1206(b) Clinic Expansion

- Start June 1
- Dr. Kidd & Dr. Alexandridis Joining 1206(b)
- FY25 Budgeted Revenue Growth : \$225,000
- **FY25 Risk Analysis** | 


## Market Penetration Expansion

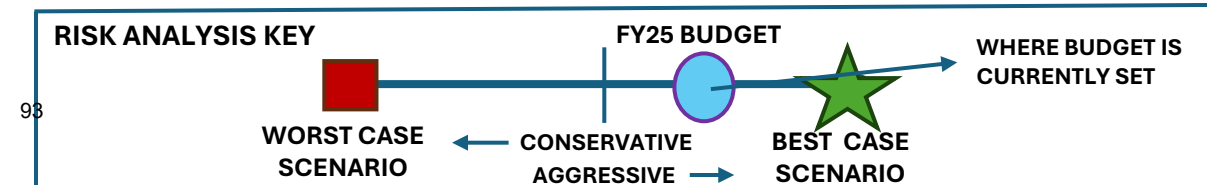
- Napa, Petaluma – Mainly Lab | Also Imaging Services
- 100-mile radius – 3T MRI Services
- UCSF referral enhancements
- FY25 Budgeted Revenue Growth : minimal
- **FY25 Risk Analysis** | 

## Medi-Cal IGT Adjustment

- Ongoing negotiation, amounts not approved
- Resetting of Rate Range IGT
- FY25 Budgeted Revenue Growth : \$2,600,000
- **FY25 Risk Analysis** | 
- **FY25 Risk if IGT Approved** | 

## Reimbursement Contract Resetting

- Anthem contract complete. Other contracts currently being renegotiated
- FY25 Budgeted Revenue Growth : \$425,000
- **FY25 Risk Analysis** | 



# MRI Expansion | Risk Analysis

**FY25 Budgeted Net Revenue Growth = \$1,250,000**

**Risk(s) :** Referral Sources, Integration with UCSF | Budgeting to double based on current utilization

**Additional Upside :** Budgeted volumes only 50% of total capacity

	FY25 Budget			Worst-Case Scenario			Best-Case Scenario		
	New 3T Magnet	Existing Magnet	TOTAL	New 3T Magnet	Existing Magnet	TOTAL	New 3T Magnet	Existing Magnet	TOTAL
Scans - Existing	-	1,134	1,134	-	1,134	1,134	-	1,134	1,134
Scans - Growth	2,016	(554)	1,462	504	(504)	-	2,772	-	2,772
<b>Total Scans - FY25 Budget</b>	<b>2,016</b>	<b>580</b>	<b>2,596</b>	<b>504</b>	<b>630</b>	<b>1,134</b>	<b>2,772</b>	<b>1,134</b>	<b>3,906</b>
% Volume Growth vs. FY24			129%			0%			244%
Scans/Working Day	8.0	2.3	10.3	2.0	2.5	4.5	11.0	4.5	15.5
MRI Scan Capacity/Day	12.0	8.0	20.0	12.0	8.0	20.0	12.0	8.0	20.0
% of Capacity	67%	29%	52%	17%	31%	23%	92%	56%	78%
Total Revenue - Existing	\$ -	\$ 969,600	\$ 969,600	\$ -	\$ 969,600	\$ 969,600	\$ -	\$ 969,600	\$ 969,600
<b>Total Revenue - Growth</b>	<b>\$ 1,723,700</b>	<b>\$ (474,000)</b>	<b>\$ 1,249,700</b>	<b>\$ 430,900</b>	<b>\$ (430,900)</b>	<b>\$ -</b>	<b>\$ 2,370,100</b>	<b>\$ -</b>	<b>\$ 2,370,100</b>
<b>Total Revenue - FY25 Budget</b>	<b>\$ 1,723,700</b>	<b>\$ 495,600</b>	<b>\$ 2,219,300</b>	<b>\$ 430,900</b>	<b>\$ 538,700</b>	<b>\$ 969,600</b>	<b>\$ 2,370,100</b>	<b>\$ 969,600</b>	<b>\$ 3,339,700</b>

## WORST-CASE



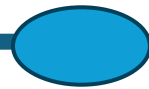
### Worst Case:

Referrals don't come in like anticipated and MRI volumes between the two magnets only maintain current pace. No incremental volume.

Total Scans per Working Day | 4.5  
Total Scans as a % of Capacity | 23%

Revenue Impact vs. FY24 | \$-  
Revenue Impact on FY25 Budget | **(\$1,250,000)**

## FY25 BUDGET



### FY25 Budget:

Achieve 8 scans/working day on new 3T while scans on existing magnet decrease from 4.5/day to 2.3/day.

Total Scans per Working Day | 10.3  
Total Scans as a % of Capacity | 52%

Revenue Impact vs. FY24 | **\$1,250,000**  
Revenue Impact on FY25 Budget | \$-

## BEST-CASE



### Best Case:

Referrals exceed expectations, new magnet operates near full capacity (90%) while maintaining historical volumes on existing magnet

Total Scans per Working Day | 15.5  
Total Scans as a % of Capacity | 78%

Revenue Impact vs. FY24 | **\$2,370,000**  
Revenue Impact on FY25 Budget | **\$1,120,400**

Conservative Aggressive

# PT Expansion | Risk Analysis

**FY25 Budgeted Net Revenue Growth = \$475,500**

**Risk(s) :** Dependencies – Construction, recruitment and retention of additional physical therapists

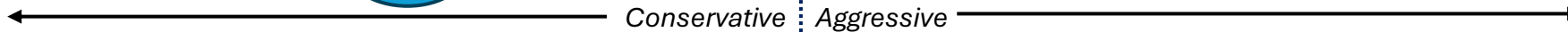
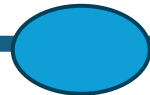
**Additional Upside :** Budgeted 50% growth once operational, could be much higher given demand and capacity

	Budgeted	Worst-Case	Best-Case
OP PT Visits - Existing	14,090	14,090	14,090
OP PT Visits - Growth	3,523	1,174	9,393
<b>Total OP PT Visits - FY25 Budget</b>	<b>17,613</b>	<b>15,264</b>	<b>23,483</b>
% Volume Growth vs. FY24	25%	8%	67%
Expansion Go-Live	January 2025	May 2025	November 2024
# of Months Expansion Operational	6	4	8
% Vol Growth vs. FY24 once Operational	50%	25%	100%
<b>Total Revenue Growth - FY25 Budget</b>	<b>\$ 475,500</b>	<b>\$ 158,500</b>	<b>\$ 1,268,100</b>

**WORST-CASE**

**FY25 BUDGET**

**BEST-CASE**



**Worst Case:**

Construction delays push back go-live until March. Staffing constraints can't keep pace with volume demand and limit growth to 25% once operational.

**Revenue Impact vs. FY24 | \$158,000**

**Revenue Impact on FY25 Budget | (\$317,000)**

**FY25 Budget:**

Expansion becomes operational January 2025. Staffing in place by go-live to meet volume demand, but inefficiencies due to 'growing pains' of operational ramp-up limit growth to 50% once operational.

**Revenue Impact vs. FY24 | \$475,000**

**Revenue Impact on FY25 Budget | \$-**

**Best Case:**

Construction finishes a couple months early, staffing fully in place by November to meet volume demand as referrals continue to increase. OP PT volumes double compared to historical once operational.

**Revenue Impact vs. FY24 | \$1,268,000**

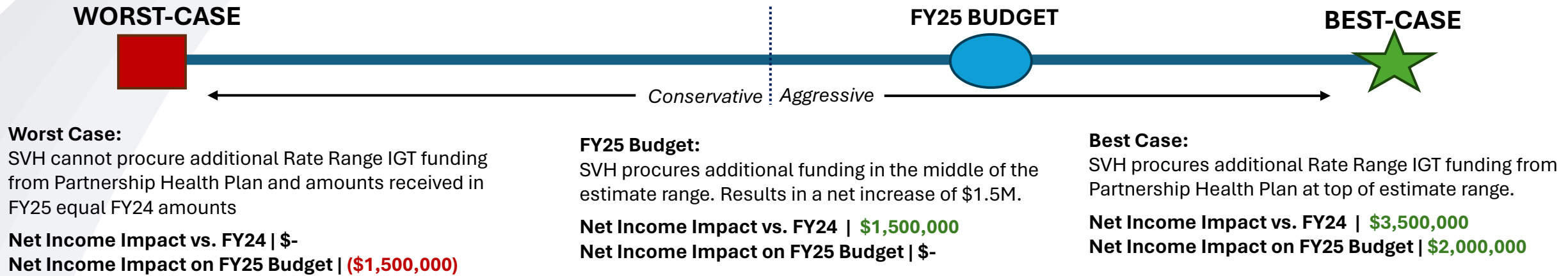
**Revenue Impact on FY25 Budget | \$790,000**

# Rate Range (Medi-Cal) IGT | Risk Analysis

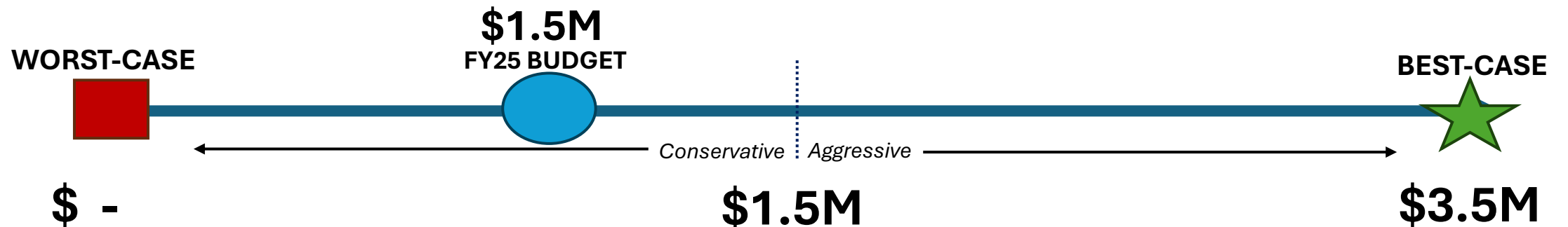
## IGT Funding Increase | FY25 Net Impact = \$1.5 Million\*

**Risk(s)** : Incremental funding not yet approved | External Forces & Dependencies – State of CA, Partnership Health Plan

**Additional Upside** : Data supports increase up to \$3.5 Million (Top of Estimated Range)



## Estimated Range of Net Increase



\*Net Impact = Revenue less matching fee



# FY24 vs FY25 Draft Budget – Key Drivers

	FY24 Est.	FY25 Budget	Chg	% Chg	Key Drivers
Net Patient Revenue	\$ 55.3M	\$ 60.8M	\$ 5.6M	+11%	MRI Expansion (\$1.25M), PT Expansion (\$475K), IGT Increase (\$2.6M), Anthem Renegotiation (\$350K), ED Volume Increase (\$250K), 1206(B) Clinic Revenue (\$225K), Other Price Increases (\$150K), Ortho Recruitment (\$- net)
Other Operating Revenue	\$ 1.3M	\$ 1.3M	(\$ 100K)	-	No change
Parcel Taxes	\$ 3.8M	\$ 3.8M	-	-	No change
<b>TOTAL Revenues</b>	<b>\$ 60.4M</b>	<b>\$ 65.9M</b>	<b>\$ 5.5M</b>	<b>+9.0%</b>	
Labor	\$ 33.7M	\$ 35.1M	\$ 1.4M	+4.1%	3% Merit Increases & Additional Market Adjustments (\$860K), 8.5 FTE additions - 7.0 to support growth initiatives, 1.5 net FTE true-ups (\$650K)
Supplies	\$ 7.6M	\$ 7.6M	-	-	Global inflation (3% supplies, 5% blood & drugs, netted by anticipated decrease in implant costs + overall supply reduction initiative (\$-)
Purch/Contracted Serv	\$ 12.1M	\$ 13.0M	\$ 0.9M	+7.5%	1206(b) General Surgery Clinic (\$550K), Orthoped Income Guarantee (\$75K), Orthopedic Call Contract Adjustment (\$135K)
Utilities, Insurance, Interest	\$ 3.5M	\$ 3.5M	-	-	+6% increase in Utilities, 10% increase in Insurance, netted against \$220K reduction (30%) in interest expense (paying down LOC)
Other (w IGT fee)	\$ 4.2M	\$ 5.6M	\$ 1.3M	+30.2%	Increase in IGT Matching Fee (\$1.3M)
Depreciation	\$ 5.2M	\$ 5.9M	\$ 0.7M	+14.0%	MRI 3T Magnet (\$325K), PT Expansion (\$100K), True-up of full year depreciation for assets placed into service in FY24 (\$285K)
<b>TOTAL Operating Expenses</b>	<b>\$ 66.5M</b>	<b>\$ 70.7M</b>	<b>\$ 4.2M</b>	<b>+6.4%</b>	
<b>Operating Margin w Parcel</b>	<b>(\$ 6.0M)</b>	<b>(\$ 4.9M)</b>	<b>\$ 1.2M</b>	<b>+23%</b>	<b>+\$1.2M in Operating Margin</b>
<b>Operating EBDA w Parcel</b>	<b>(\$ 0.8M)</b>	<b>\$ 1.0M</b>	<b>\$ 2.0M</b>	<b>+250%</b>	<b>+\$2.0M in Operating EBDA</b>

# FY25 Budget | Annual Cash Flow Projection

	FY25 ANNUAL	FY25 MONTHLY
Total Hospital Sources of Cash	\$ 62,737,749	\$ 5,228,146
Total Hospital Operating Uses of Cash	\$ 66,054,913	\$ 5,504,576
Net Hospital Sources / (Operating Uses) of Cash	\$ (3,317,164)	\$ (276,430)
Parcel Tax Revenue	\$ 3,750,000	\$ 312,500
Net Sources / (Uses) of Cash Before SVH Capital	\$ 432,836	\$ 36,070
Hospital Funded Capital Expenditures *	\$ 950,000	\$ 79,167
Total Net Sources / (Uses) of Cash	\$ (517,164)	\$ (43,097)
Projected Cash at Beginning of Fiscal Year	\$ 3,897,957	
Projected Cash at End of Fiscal Year	\$ 3,380,793	
Projected Days Cash on Hand - Beginning FY 2025	27.5	
Budgeted Days Cash on Hand - End FY 2025	20.2	

\* Does not include SVHF (Foundation) supported capital

Net Positive Cash Flow Prior to SVH funded Capital

+\$2.5M improvement from FY24

FY25 Days Cash Risk



# FY25 DRAFT BUDGET SCHEDULES

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- **Schedule A | High Level Budget Comparison Summary**
  - FY25 Budget v FY24 Estimated Actual v FY23 Actual
- **Schedule B | Income Statement Comparison**
  - FY24 Estimated Actual to FY25 Budget
- **Schedule C | Variance Analysis / FY24 to FY25 Crosswalk**
  - FY24 Estimated Actual to FY25 Budget
- **Schedule D | Cash Flow Forecast**
  - FY25

Sonoma Valley Hospital  
 Schedule A - Budget Comparison Summary  
 FY 2025 Budget vs. FY24 Estimated Actual vs. FY23 Actual

Schedule A

	FY25 Budget	FY24 Estimated Actual	Change	% Chg	FY23 ACTUAL	Change	% Chg
<b>Operating Margin</b>	\$ (8,607,215)	\$ (9,874,468)	\$ 1,267,253	12.8%	\$ (5,712,559)	\$ (2,894,656)	-50.7%
<b>Operating EBDA</b>	\$ (2,706,760)	\$ (4,712,640)	\$ 2,005,880	42.6%	\$ (2,752,281)	\$ 45,521	1.7%
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<b>Net Income (excl SVHF Donations)</b>	\$ (2,474,547)	\$ (3,788,248)	\$ 1,313,701	34.7%	\$ 55,418	\$ (2,529,965)	-4565.3%
Net Patient Revenue	\$ 60,773,650	\$ 55,235,145	\$ 5,538,505	10.0%	\$ 54,605,365	\$ 6,168,286	11.3%
Operating Revenue	\$ 62,098,916	\$ 56,588,154	\$ 5,510,762	9.7%	\$ 56,207,348	\$ 5,891,568	10.5%
Operating Expenses	\$ 70,706,131	\$ 66,462,623	\$ 4,243,508	6.4%	\$ 61,919,907	\$ 8,786,224	14.2%

<b>BUDGET TARGET COMPARISON</b>	FY25 Budget	FY23 ACTUAL	Difference	%
<b>Operating EBDA</b>	\$ (2,706,760)	\$ (2,752,281)	\$ 45,521	1.7%
<b>Operating EBDA w Parcel</b>	\$ 1,043,240	\$ 1,023,842	\$ 19,398	1.9%

NPR as a % of Gross Revenue	17.8%	16.9%		16.9%
NPR (w.o. IGT) as a % of Gross	14.8%	14.3%		14.9%
<b>FTEs - Total</b>	<b>245.67</b>	<b>237.14</b>	8.5	3.6%
			<b>234.60</b>	11.1
				4.7%

Sonoma Valley Hospital  
Schedule B -Income Statement Comparison  
FY 2025 Draft Budget vs. FY 2024 Estimated Actual & FY 2023 Actual

Schedule B

	FY 2025		FY 2024		FY25 Budget vs FY24 Est Act		FY 2023		FY25 Budget vs FY23 Actual	
	BUDGET	ESTIMATED ACTUAL	Variance		ACTUAL	Variance				
			\$	%		\$	%			
<b>Volume Information</b>										
Acute Discharges	839	839	1	0.1%	799	40	4.8%			
Patient Days	3,033	3,032	1	0.0%	3,319	-286	-9.4%			
Length of Stay	3.68	3.68	0	0.0%	4.01	0	-9.0%			
Emergency Room Visits	10,427	10,105	322	3.2%	9,804	623	6.0%			
Surgeries - Inpatient	142	151	-9	-5.9%	182	-40	-28.5%			
Surgeries - Outpatient	1,680	1,686	-6	-0.3%	1,735	-55	-3.2%			
Surgeries - Total	1,822	1,837	-14	-0.8%	1,917	-95	-5.2%			
Gross O/P Revenue (000's)	\$ 268,779	\$ 257,814			\$ 248,095	20,684	7.7%			
<b>Financial Results</b>										
<b>Gross Patient Revenue</b>										
Inpatient	\$ 72,254,628	\$ 69,452,037	\$ 2,802,592	4.0%	\$ 75,808,041	\$ (3,553,413)	-4.9%			
Outpatient	165,028,326	154,858,926	10,169,401	6.6%	149,029,072	15,999,254	9.7%			
Emergency	103,750,287	102,954,828	795,459	0.8%	99,066,005	4,684,282	4.5%			
<b>Total Gross Patient Revenue</b>	<b>\$ 341,033,242</b>	<b>\$ 327,265,790</b>	<b>\$ 13,767,452</b>	<b>4.2%</b>	<b>\$ 323,903,119</b>	<b>\$ 17,130,123</b>	<b>5.0%</b>			
<b>Deductions from Revenue</b>										
Contractual Discounts	\$ (288,791,768)	\$ (278,302,134)	\$ (10,489,634)	3.8%	\$ (273,349,820)	\$ (15,441,948)	5.3%			
Bad Debt	(1,608,804)	(1,872,470)	263,666	-14.1%	(1,797,247)	188,443	-11.7%			
Charity Care Provision	(317,580)	(255,800)	(61,780)	24.2%	(536,234)	218,654	-68.9%			
IGT Revenue	10,458,560	8,399,759	2,058,801	24.5%	6,385,547	4,073,013	38.9%			
<b>Total Deductions from Revenue</b>	<b>\$ (280,259,591)</b>	<b>\$ (272,030,645)</b>	<b>\$ (8,228,947)</b>	<b>3.0%</b>	<b>\$ (269,297,754)</b>	<b>\$ (10,961,837)</b>	<b>3.9%</b>			
<b>Net Patient Service Revenue</b>	<b>\$ 60,773,650</b>	<b>\$ 55,235,145</b>	<b>\$ 5,538,505</b>	<b>10.0%</b>	<b>\$ 54,605,365</b>	<b>\$ 6,168,286</b>	<b>10.1%</b>			
Other Op Revenue	\$ 1,325,266	\$ 1,353,009	\$ (27,743)	-2.1%	\$ 1,601,983	\$ (276,718)	-20.9%			
<b>Total Operating Revenue</b>	<b>\$ 62,098,916</b>	<b>\$ 56,588,154</b>	<b>\$ 5,510,762</b>	<b>9.7%</b>	<b>\$ 56,207,348</b>	<b>\$ 5,891,568</b>	<b>9.5%</b>			
<b>Operating Expenses</b>										
Salary and Wages (incl Agency Fees)	\$ 25,434,278	\$ 24,306,125	\$ 1,128,153	4.6%	\$ 24,512,942	\$ 921,336	3.6%			
Employee Benefits	9,656,543	9,399,459	257,083	2.7%	8,574,988	1,081,555	11.2%			
<b>Total People Cost</b>	<b>\$ 35,090,821</b>	<b>\$ 33,705,585</b>	<b>\$ 1,385,236</b>	<b>4.1%</b>	<b>\$ 33,087,929</b>	<b>\$ 2,002,891</b>	<b>5.7%</b>			
Med and Prof Fees (excl Agency)	8,236,473	7,429,826	806,647	10.9%	6,807,499	1,428,974	17.3%			
Supplies	7,586,265	7,618,885	(32,621)	-0.4%	7,902,327	(316,062)	-4.2%			
Purchased Services	4,809,128	4,701,042	108,086	2.3%	4,933,862	(124,734)	-2.6%			
Depreciation	5,900,455	5,161,828	738,627	14.3%	2,960,278	2,940,177	49.8%			
Utilities	2,102,509	1,993,833	108,676	5.5%	1,813,069	289,440	13.8%			
Insurance	896,833	817,554	79,279	9.7%	658,490	238,343	26.6%			
Interest	478,753	727,813	(249,060)	-34.2%	470,649	8,104	1.7%			
Other	1,222,605	1,208,765	13,840	1.1%	1,013,952	208,653	17.1%			
IGT Matching Fees	4,382,290	3,097,492	1,284,798	41.5%	2,271,852	2,110,438	48.2%			
<b>Total Operating Expenses</b>	<b>\$ 70,706,131</b>	<b>\$ 66,462,623</b>	<b>\$ 4,243,508</b>	<b>6.4%</b>	<b>\$ 61,919,907</b>	<b>\$ 8,786,224</b>	<b>12.4%</b>			
<b>Total Operating Margin</b>	<b>\$ (8,607,215)</b>	<b>\$ (9,874,468)</b>	<b>\$ 1,267,253</b>	<b>12.8%</b>	<b>\$ (5,712,559)</b>	<b>\$ (2,894,656)</b>	<b>33.6%</b>			
<b>Total Operating EBDA</b>	<b>\$ (2,706,760)</b>	<b>\$ (4,712,640)</b>	<b>\$ (1,267,253)</b>	<b>26.9%</b>	<b>\$ (2,752,281)</b>	<b>\$ 45,521</b>	<b>1.7%</b>			

Sonoma Valley Hospital  
 Schedule B -Income Statement Comparison  
 FY 2025 Draft Budget vs. FY 2024 Estimated Actual & FY 2023 Actual

Schedule B

	FY 2025 <u>BUDGET</u>	FY 2024 <u>ESTIMATED ACTUAL</u>	FY25 Budget vs FY24 Est Act		FY 2023 <u>ACTUAL</u>	FY25 Budget vs FY23 Actual	
			Variance			Variance	
			\$	%		\$	%
<b>Non Operating Revenue and Expense</b>							
Parcel Tax Assessment Rev	\$ 3,750,000	\$ 3,800,004	(50,004)	-1.3%	\$ 3,776,123	(26,123)	-0.7%
Miscellaneous Revenue/(Expenses)	126,393	188,741	\$ (62,347)	-33.0%	83,392	\$ 43,001	34.0%
<b>Total Non-Operating Rev/Exp</b>	<b>\$ 3,876,393</b>	<b>\$ 3,988,745</b>	<b>\$ (112,351)</b>	<b>-2.8%</b>	<b>\$ 3,859,516</b>	<b>\$ 16,878</b>	<b>0.4%</b>
<b>Net Income / (Loss) prior to GO Bonds</b>	<b>\$ (4,730,822)</b>	<b>\$ (5,885,724)</b>	<b>\$ 1,154,902</b>	<b>-19.6%</b>	<b>\$ (1,853,044)</b>	<b>\$ (2,877,778)</b>	<b>60.8%</b>
GO Bond Tax Assessment, Net	2,256,275	2,097,476	158,799	7.6%	1,908,462	347,813	15.4%
<b>Net Income / (Loss) with GO Bonds</b>	<b>\$ (2,474,547)</b>	<b>\$ (3,788,248)</b>	<b>\$ 1,313,701</b>	<b>-34.7%</b>	<b>\$ 55,418</b>	<b>\$ (2,529,965)</b>	<b>102.2%</b>
Restricted Foundation Contributions	\$ 1,888,914	\$ 3,851,584	\$ (1,962,670)	-51.0%	\$ 2,938,039	\$ (1,049,125)	-55.5%
<b>Operating EBDA</b>	<b>\$ (2,706,760)</b>	<b>\$ (4,712,640)</b>	<b>\$ 2,005,880</b>	<b>-42.6%</b>	<b>\$ (2,752,281)</b>	<b>\$ 45,521</b>	<b>1.7%</b>
	-4.4%	-8.3%	4.0%		-4.9%		
<b>Operating EBDA with Parcel Taxes</b>	<b>\$ 1,043,240</b>	<b>\$ (912,636)</b>	<b>\$ 1,955,876</b>	<b>214.3%</b>	<b>\$ 1,023,842</b>	<b>\$ 19,398</b>	<b>1.9%</b>
	1.7%	-1.6%			1.8%		
<b>Paid FTE'S</b>	<b>245.7</b>	<b>237.1</b>	<b>8.5</b>	<b>3.6%</b>	<b>234.6</b>	<b>11.1</b>	<b>4.7%</b>

Sonoma Valley Healthcare District  
 Schedule C - Variance Analysis of FY 2024 Estimated Actual to FY 2025 Draft Budget  
 FY 2025 Budget - DRAFT

Schedule C

Variance Analysis

<b>Net Patient Revenue</b>	
	<b>Net Patient Revenue - FY24 ESTIMATED ACTUAL \$ 55,235,145</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
Revenue enhancements gained from Anthem Contract Negotiation	350,000
Budgeted revenue enhancement from additional Managed Care Contract adjustments	75,000
Net Revenue impact from Anticipated Price Increases	150,000
Net Revenue Impact of Estimated IGT Increase	2,600,000
<u>Projected Revenue Changes From Budgeted Growth/Expansion:</u>	
Physical Therapy Expansion   Expansion Go-Live January 2025	475,000
MRI   3Tesla MRI Operational Full FY25	1,250,000
Surgery   Net Impact of Orthopedic Surgery Transition	-
Emergency Room   3% increase in ER visits	250,000
1206(b) Clinic   Anticipated revenue due to 2 surgeons joining 1206(b) Clinic	225,000
All Other Changes	163,505
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 5,538,505</b>
	<b>Net Patient Revenue - FY25 BUDGET \$ 60,773,650</b>
	Change From FY24 Estimated Actual \$ 5,538,505
	% Change 10.0%

<b>Salaries &amp; Wages</b>	
	<b>Salaries &amp; Wages - FY24 ESTIMATED ACTUAL \$ 24,306,125</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
3% Merit Adjustment Salary Increases & Additional Allotment for Market Adjustments	861,300
<u>Salary Increases from FTE Additions (net 8.5 FTE adds from FY24 to FY25 Budget):</u>	
OP Therapy   3.7 FTE add to support budgeted volume growth	
1206(b) Clinic   2.5 FTE of clinic staff to support new 1206(b) Clinic	
MRI   1.0 FTE add to support 3 Tesla magnet	
Emergency Room Manager   1.0 FTE for new ER Manager	
FTE 'True-Ups'   3.3 FTE increase for truing up positions hired mid-year FY23	
FTE Attrition   -3.0 FTE budgeted reduction for vacancies and leaves of budgeted positions	
Salary cost reduction in Surgery due to 2% reduction in surgical volumes	(85,000)
Salary cost reduction due to replacement of 3.5 FTEs worth of Travelers	(327,600)
All Other Changes	(53,747)
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 1,128,153</b>
	<b>Salaries &amp; Wages - FY25 BUDGET \$ 25,434,278</b>
	Change From FY24 Estimated Actual \$ 1,128,153
	% Change 4.6%

<b>Employee Benefits</b>	
	<b>Employee Benefits - FY24 ESTIMATED ACTUAL \$ 9,399,459</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
Estimated increase in Health Insurance expense	280,900
Estimated reduction in PTO to normalize increase in FY24 related to furloughs	(22,900)
All Other Changes	(917)
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 257,083</b>
	<b>Employee Benefits - FY25 BUDGET \$ 9,656,542</b>
	Change From FY24 Estimated Actual \$ 257,083

**Medical and Professional Fees**

<b>Medical and Professional Fees - FY24 ESTIMATED ACTUAL</b>	<b>\$ 7,429,826</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
<i>Physician / Professional Fee Changes:</i>	
2-SVH Surgeons Joining 1206(B)	555,600
Adjustment to Orthopedic Surgery Call Contract	135,000
Estimated Net Expense Orthoped Recruitment (1-Yr Salary Guarantee)	75,000
<i>Other Professional Fee Changes:</i>	
UCSF Management Fees   3% COLA Adjustment	55,000
<i>All Other Changes</i>	<i>(13,953)</i>
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 806,647</b>
<b>Medical and Professional Fees - FY25 BUDGET</b>	<b>\$ 8,236,473</b>
Change From FY24 Estimated Actual	\$ 806,647
% Change	10.9%

**Supplies**

<b>Net Patient Revenue - FY24 ESTIMATED ACTUAL</b>	<b>\$ 7,618,885</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
3% Global Inflation Adjustment	185,800
5% Inflation in cost for Blood Units & Pharmaceuticals/Drugs	75,500
Budgeted supply reduction to align with budgeted surgical volumes	(198,500)
Budgeted supply reduction   Estimated savings due to better pricing on implants	(98,800)
<i>All Other Changes</i>	<i>3,379</i>
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ (32,621)</b>
<b>Supplies - FY25 BUDGET</b>	<b>\$ 7,586,264</b>
Change From FY24 Estimated Actual	\$ (32,621)
% Change	-0.4%

**Purchased Services**

<b>Purchased Services - FY24 ESTIMATED ACTUAL</b>	<b>\$ 4,701,042</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
1206(B) Clinic Purchased Services   Billing expense & Other Purchased Services for new Clinic	47,500
Food & Nutrition   4% COLA adjustment for Forefront contract	11,500
New Contracts   New contracts related to integration applications for Epic	32,000
Purchased Services Reclass   Reclass various contract costs from Other Expenses to Purch Serv	65,900
Pre-Epic Contracts   Various contracts sunsetting (no longer needed post-Epic)	(45,100)
<i>All Other Changes</i>	<i>(3,714)</i>
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 108,086</b>
<b>Purchased Services - FY25 BUDGET</b>	<b>\$ 4,809,128</b>
Change From FY24 Estimated Actual	\$ 108,086
% Change	2.3%

**Depreciation**

<b>Depreciation - FY24 ESTIMATED ACTUAL</b>	<b>\$ 5,161,828</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>	
MRI 3 Tesla Magnet   Incremental depreciation for MRI magnet, in-service all of FY25	325,000
PT Expansion   Incremental depreciation for PT Expansion, starting in January 2025	100,000
True-Up depreciation expense to full year for assets placed into service in FY24	285,500
<i>All Other Changes</i>	<i>28,127</i>
<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 738,627</b>



	<b>Depreciation - FY25 BUDGET</b>	<b>\$ 5,900,455</b>
	Change From FY24 Estimated Actual	\$ 738,627
	% Change	14.3%
<b>Utilities</b>		
	<b>Utilities - FY24 ESTIMATED ACTUAL</b>	<b>\$ 1,993,833</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>		
		108,600
	Estimated increases with PG&E	
	All Other Changes	76
	<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 108,676</b>
	<b>Utilities - FY25 BUDGET</b>	<b>\$ 2,102,509</b>
	Change From FY24 Estimated Actual	\$ 108,676
	% Change	5.5%
<b>Insurance</b>		
	<b>Insurance - FY24 ESTIMATED ACTUAL</b>	<b>\$ 817,554</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>		
	Expected increase in Insurance base coverage cost - All Lines (10% increase in total)	78,983
	<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 79,279</b>
	<b>Insurance - FY25 BUDGET</b>	<b>\$ 896,833</b>
	Change From FY24 Estimated Actual	\$ 79,279
	% Change	9.7%
<b>Interest</b>		
	<b>Interest - FY24 ESTIMATED ACTUAL</b>	<b>\$ 727,813</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>		
	Line of Credit   Projected savings in interest expense through \$3.1M LOC paydown	(240,000)
	All Other Changes	(9,060)
	<b>Total Projected Changes for FY25 Budget</b>	<b>\$ (249,060)</b>
	<b>Interest - FY25 BUDGET</b>	<b>\$ 478,753</b>
	Change From FY24 Estimated Actual	\$ (249,060)
	% Change	-34.2%
<b>Other Expenses</b>		
	<b>Other Expenses - FY24 ESTIMATED ACTUAL</b>	<b>\$ 1,208,765</b>
<b>Changes of Note - FY24 Estimated Actual to FY25 Budget:</b>		
	1206(B) Clinic Expenses   Rent & Licenses (new for FY25)	56,500
	Non-Recurring Dues/Licenses   Costs not repeating in FY25	(15,800)
	Purchased Services Reclass   Reclass various contract costs from Other Expenses to Purch Serv	(65,900)
	All Other Changes	39,040
	<b>Total Projected Changes for FY25 Budget</b>	<b>\$ 13,840</b>
	<b>Other Expenses - FY25 BUDGET</b>	<b>\$ 1,222,605</b>
	Change From FY24 Estimated Actual	\$ 13,840
	% Change	1.1%

**Sonoma Valley Hospital**  
**Schedule D - Cash Forecast - FY 2025 Budget**

**Schedule D**

**DRAFT**  
**FY 2025 Budget**

**Hospital Sources of Cash**

<b>1</b>	Patient Payments Collected	\$	51,236,434
<b>2</b>	Other Patient Payments Collected - IGT		10,458,560
<b>3</b>	Other Revenue - Operating & Non-Operating Revenue		1,042,755
<b>4</b>	Unrestricted Contributions		-
<b>Sub-Total Hospital Sources of Cash</b>		<b>\$</b>	<b>62,737,749</b>

**Hospital Operating Uses of Cash**

<b>5</b>	Operating Expenses & Lease Payments	\$	61,302,623
<b>7</b>	Add: IGT Matching Fees		4,382,290
<b>8</b>	Add: Bridge Loan Paybacks		-
<b>9</b>	Add: CHFFA Help II Loan Repayments		370,000
<b>10</b>	Add: Line of Credit / Debt Paydowns		-
<b>Total Hospital Operating Uses of Cash</b>		<b>\$</b>	<b>66,054,913</b>

**Net Hospital Sources / (Operating Uses) of Cash** **\$ (3,317,164)**

**Non-Hospital Sources/(Uses) of Cash**

**Non-Hospital Sources**

<b>11</b>	Parcel Tax Revenue	\$	3,750,000
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**Non-Hospital Uses**

<b>12</b>	n/a	\$	-
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**Total Net Non-Hospital Sources/Uses of Cash** **\$ 3,750,000**

**Net Sources / (Uses) of Cash Before SVH Funded Capital Expenditures** **\$ 432,836**

<b>13</b>	Hospital Funded Capital Expenditures *	\$	950,000
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**Total Net Sources / (Uses) of Cash** **\$ (517,164)**

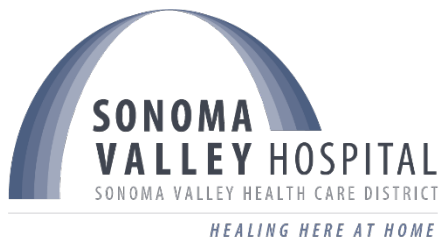
Projected Cash at Beginning of Fiscal Year	\$	3,897,957
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**Projected Cash at End of Fiscal Year** **\$ 3,380,793**

**Projected Days Cash on Hand - Beginning FY 2025** **27.5**

**Budgeted Days Cash on Hand - End FY 2025** **20.2**

\* Does not include any SVHF (Foundation) funded capital expenditures



To: SVHCD Board of Directors  
From: John Hennelly  
Date: 06.06.24  
Subject: CEO Report

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## Strategic Plan

As related to our new **strategic plan**, our efforts in FY24 will focus on:

- *Campus Realignment*: discussions with UCSF regarding how they might participate, business plan development on SNF, Sub Acute, Memory Care service lines; working to engage a firm to assist with the development of a master facility plan.
- *Community Care*: market sizing for various community opportunities, urgent care, diagnostic center, specialty clinics, PT/OT
- *Sustainability*: business plan development on GI, cardiology, orthopedics, and UCSF clinical services
- *Seismic*: continued research on possible options. The hospital has engaged HED to assist in the assessment.

The fourth quarter has started with a bang with increased activity in many areas. Payments from the state, coupled with the settlement of the Anthem agreement set us up for a strong finish to FY24. Staffing has stabilized in most areas and leadership positions are largely filled. Master Facility Planning is in its initial stage as the hospital brings our contractor, HED, up to speed.

## Operations

SVH celebrated the sunseting of the latest Sonoma County **mask mandate** effective 4/30/24. All people are supported in wearing masks as appropriate, but the organization will no longer universally don masks.

**Volumes** in April were better than expected.

- Surgeries, budgeted at 203, came in at 169, well above the 133 logged in March. Our general surgeons, Drs Alexandridis and Kidd, along with orthopedists Drs Harf and Weiss accounted for a majority of this volume. While below budget, this marks a significant recovery from Q3 volumes.
- Acute discharges came in just above budget (3) and remain over prior year at 699 vs 679.
- Outpatient Visits continue to exceed both budget and prior year at 52,000 YTD vs 46,000 PY.
- ER visits again exceeded budget (7) and continue 5% over prior YTD at 8486 vs 8071.

**April financials** were positive across the board exceeding both budget and prior year. The operating margin outperformed budget by \$400,000 making up most of what was lost in March. Net Income, benefiting from timely IGT payments, yielded a gain of \$2.5m. YTD the Net Income of the organization sits only \$500,000 behind budget and is \$275k ahead of FY23. The organization continues to effectively manage expenses with operating expenses, excluding depreciation, coming in 11% under budget at \$4.65m.

Recruitment for the next **Chief Medical Officer** by UCSF is underway. A diverse committee of physicians and hospital leaders are interviewing candidates.

In June, the hospital will be welcoming two local general **surgeons** into the District's 1206b clinic and the relocation of Dr Chris Walter from Petaluma into Marin's orthopedic clinic.

Additionally, the hospital has deployed an advanced practice nurse, Becky Spear, to the same 1206b clinic to provide **specialized geriatric primary care support**.

## Capital

The temporary **MRI project** is nearing completion. The final inspection from the State is tentatively scheduled in June. Once complete, we will begin-scanning patients expanding services as corresponding training occurs.

The permanent MRI project is underway. Bid packages have gone out for the demolition work. We expect to identify a contractor in late June for Board approval.

The **ICU renovation** plan is complete and under review with HCAI. We expect approval in July. We will issue a public bid package in the next few weeks based on the drawings submitted to HCAI. We expect construction to begin in late Fall. The project is scheduled for completion in early 2025.

The **PT expansion** plan review is complete. We will submit for City permit mid-May. We expect construction to be completed in late Fall. The Foundation has raised roughly 70% of the \$2m needed to fund the project.

**Seismic** investigative work continues as we explore both compliance with existing regulations as well as campus redesign to avoid retrofitting work. The state senate passed SB1432 in May which would push the 2030 requirements out further. The bill continues to move through the legislature.

# SVH Performance Score Card

## 1. Quality and Safety

Objective	Target	MAR.24	APR.24	Trend	Supporting detail
<b>Infection Prevention</b>					
Central Line Blood Stream Infection CLABSI per 10k pt days	<1	0.00	0.00	↔	
Catheter Associated Urinary Tract Infection- CAUTI per 10k pt days	<1	0.00	0.00	↔	
CDIFF Infection per 10k pt days	<0.9	0.00	0.00	↔	
Patient Fall per 1000 pt days	<3.75	10.42	0.00	↑	
Patient fall with injury per 1000 pt days	<3.75	5.21	0.00	↑	
Surgical Site Infections per 1000 Acute Care Admissions	0.00	0.00	0.00	↔	

<b>Core Measures</b>					
Sepsis Early Management Bundle % compliant	>81%	100 (n=5)	66.7 (n=3)	↓	
Severe Sepsis 3 hour Bundle % compliant	>94%	100 (n=5)	66.7 (n=3)	↓	
Severe Sepsis 6 hr Bundle % compliant	100.00	100 (n=5)	100 (n=1)	↔	
Core OP 23- Head CT within 45 mins % compliant	70.00	100 (n=1)	N/A	↔	

<b>Mortality</b>					
Acute Care Mortality Rate %	<15.3	3.50	2.90	↑	Lower is better

<b>ED</b>					
Core OP 18b Median Time ED arrival to ED Departure mins	<132	177 (n=31)	157 (n=27)	↑	
Core Op 22 ED Left without being seen LWBS	<2%	0.2 (n=2)	0.2 (n=2)	↔	

<b>PSI 90</b>					
PSI 90 Composite Acute Care Admissions	0.00	9.80	0.00	↑	

<b>Preventable Harm</b>					
Preventable Harm Events Rate % of risk events graded Minor-Major	0.00	0.11	0.03	↑	

<b>Readmissions</b>					
Readmissions to Acute Care within 30 days %	<15.3	7.69 (n=4)	1.56 (n=1)	↑	Lower is better

## 2. Employees

Objective	Target	MAR.24	APR.24	Trend	Supporting Detail
Turnover	<3%	0.6	0.6	↔	
Workplace Injuries	<20 Per Year	3 (QTR 1)	0 (QTR 2)	↑	

## 3. Patient Experience

Objective	Target	FEB.24	MAR.24	Trend	Supporting Detail
<b>Outpatient Ambulatory Services</b>					
Recommend Facility	>90%	80 (n=20)	83 (n=24)	↑	Top Box Scores. % of patients that ranked us 5/5
Communication	>90%	94 (n=20)	96 (n=25)	↑	
Discharge Instructions	>95%	99 (n=20)	99 (n=25)	↔	
<b>HCAHPS</b>					
Recommend the hospital	>90%	63 (n=8)	91 (n=11)	↑	Top Box Scores. % of patients that ranked us 5/5
Communication with Nurse	>90%	83 (n=8)	88 (n=11)	↑	
Communication with Doctor	>90%	67 (n=8)	88 (n=11)	↑	
Cleanliness of Hospital	>90%	88 (n=8)	82 (n=11)	↓	
Communication about medicines	>90%	50 (n=7)	39 (n=9)	↓	
Discharge Information	>90%	87 (n=8)	76 (n=9)	↓	

## 4. Volume

Objective	Target	MAR.24	APR.24	Trend	Supporting Detail
<b>Patient Visits</b>					
Emergency Visits	>855	875.0	862.0	↓	
Surgical Volume Outpatient	>140	132.0	161.0	↑	
Surgical Volume Inpatient	>13	6.0	16.0	↑	
Inpatient Discharges	>70	57.0	70.0	↑	

## 5. Financial

Objective	Target	MAR.24	APR.24	Trend	Supporting Detail
Operating EBDA in %	>-4.0%	-19.9%	22.8%	↑	
Days Cash on Hand month end	>42	16.3	51.6	↑	
Net Revenue (\$M) (annualized)	>\$58	\$ 55.4	\$ 58.0	↑	



## Scorecard Definitions for Quality Metrics

### **Central Line Associated Blood Stream Infection (CLABSI)**

Blood stream infection found in a patient with a central line in place and has been >48 hours since admission.

### **Catheter Associated Urinary Tract Infection (CAUTI)**

Urinary tract infection found in a patient who has a catheter in place and has been >48hrs since admission.

### **CDIFF (Clostridium Difficile)**

Clostridium Difficile found from a stool sample in a patient that has been admitted >48hrs

### **Sepsis Early Management**

Obtain Blood Cultures BEFORE antibiotics

Administer Antibiotics

Obtain Lactate Level

Lactate Level repeated (if elevated)

### **Severe Sepsis 3 hour bundle**

All above included plus-

Administer 30ml/kg of crystalloid for hypotension or Lactate >4

Focused MD exam

### **Severe Sepsis 6 hour bundle (septic shock only)**

Lactate greater than 4 or

If persistent hypotension with 1 hour of fluid administration add Vasopressor

Shock reassessment by physician

### **Mortality**

Acute care mortality benchmark is derived from CMS 5-star rating benchmark which is 15.3%.

Our average mortality rate each month is around 2-6%, most of our deaths are expected and are related to palliative care/hospice patients.

### **PSI 90**

Summarizes patient safety across multiple indicators including-

Pressure Ulcers

Falls with Hip Fracture

Perioperative (while in surgery) complications

Postoperative complications

### **Preventable Harm**

Unintended physical injury resulting from or contributed to by medical care (including the absence of indicated medical treatment), that requires additional monitoring, treatment or hospitalization, or that results in death. This is a percentage of risk events that have a significance level of minor-major harm.

Derived from the risk events entered into our risk reporting platform.

Examples of risk events are- patient falls, surgical complications, mis-diagnosis, repeat visits, code blue, AMA, transfers to other facilities, documentation issues.

Goal is 0. Alarm is set at 5.0 which is the benchmark set by UCSF and chosen by Dr Kidd

### **Readmissions**

Percentage of patients that get readmitted to the hospital within 30 days of discharge.



**To:** SVHCD Board of Directors  
**From:** Sabrina Kidd, MD  
**Meeting Date:** June 6, 2024  
**Subject:** CMO Report

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**May Highlights Included:**

1. Contracts:
  - a. The Infectious Disease Contract with Dr. Desruisseau through Marin Health has been renewed.
  - b. The Imaging Contract with California Advanced Imaging Medical Consultants (the same group used at MarinHealth) was renewed.
2. Sonoma Valley Specialty Clinic (1206b)
  - a. Becky Spear NP (Geriatrics) is now seeing patients at SVSC Family Practice on Perkins St. 3 days per week.
  - b. Drs. Alexandridis and Kidd (General / Breast / Colorectal Surgery) joined the SVSC (also on Perkins St) as of June 1.
3. Medical Staff:
  - a. April meetings included: Medicine & Surgery Committees, MEC/Peer Review, PI/PT.
  - b. Dr. Walter (orthopedic surgery) is now on Medical Staff and on target to start clinic June 24.
  - c. We are adding 14 new tele-psychiatry providers through Access Tele-care to ensure we do not have coverage gaps for the ED and Hospitalist services.



To: SVHCD Board of Directors  
 From: Ben Armfield, Chief Financial Officer  
 Date: June 6, 2024  
 Subject: Financial Report for April 2024

## 1. OVERALL PERFORMANCE | MONTH

**Table 1 | Overall Performance - April 2024**

	Current Year Month		Variance		Current Year YTD		Variance		Prior Year YTD		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Margin	\$ 959,271	\$ 372,721	\$ 586,550	157%	\$ (6,489,713)	\$ (3,332,015)	\$ (3,157,698)	-95%	\$ (4,076,445)	\$ (2,413,268)	-59%	
Operating EBDA	\$ 1,382,090	\$ 645,688	\$ 736,402	114%	\$ (2,139,029)	\$ (632,345)	\$ (1,506,685)	-238%	\$ (1,588,078)	\$ (550,951)	-35%	
Operating EBDA w Parcel	\$ 1,698,757	\$ 962,355	\$ 736,402	77%	\$ 1,027,641	\$ 2,534,325	\$ (1,506,685)	-59%	\$ 1,578,592	\$ (550,951)	-35%	
Net Income (Loss)	\$ 2,693,757	\$ 1,091,491	\$ 1,602,266	147%	\$ 3,536,929	\$ 3,855,630	\$ (318,701)	-8%	\$ 3,102,224	\$ 434,706	14%	

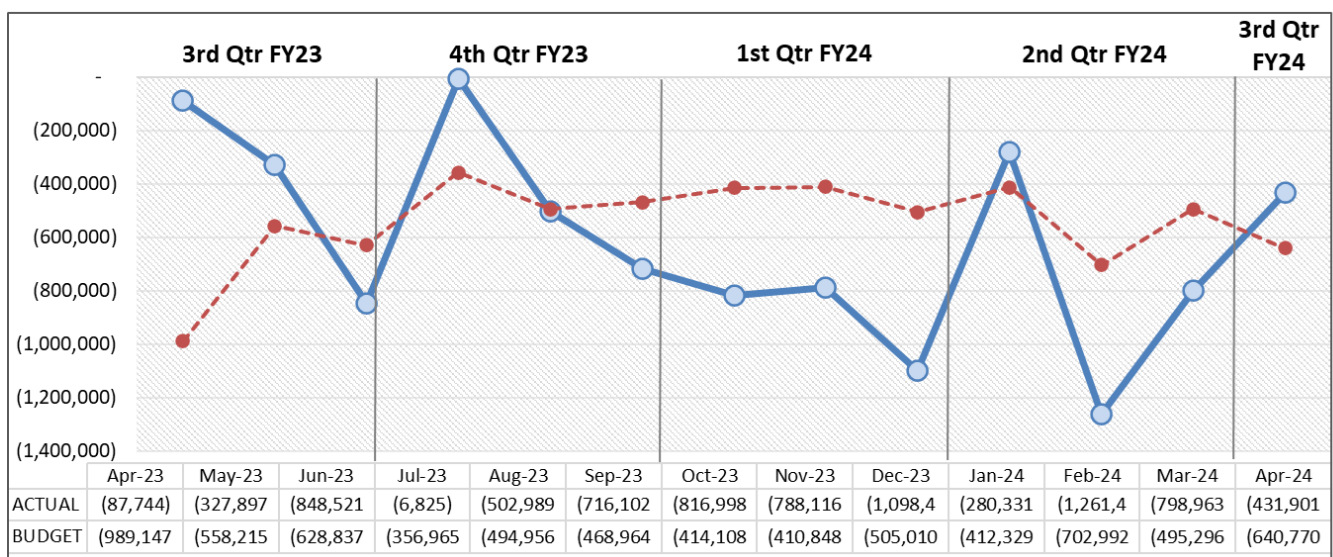
**Table 1b | IGT Amounts in Income Statement - April 2024**

	Current Year Month		Current Year YTD		Prior Year YTD
	Actual	Budget	Actual	Budget	Actual
IGT Revenue	\$ 1,861,463	\$ 1,286,458	\$ 7,673,908	\$ 6,489,754	\$ 6,065,998
IGT Expense	\$ (47,472)	\$ -	\$ (3,111,009)	\$ (2,219,860)	\$ (2,583,495)
IGT Net Income	\$ 1,813,991	\$ 1,286,458	\$ 4,562,899	\$ 4,269,894	\$ 3,482,503

April was a very positive month for the hospital – marking the second consecutive month where our financial results exceeded the 'rebased' expectations given this transition period. The hospital posted a whopping \$1.4 million in Operating EBDA in April – which cuts our YTD budget deficit in half, and now brings the hospital's Operating EBDA up to a net positive YTD when including our parcel taxes.

An IGT true-up was a big piece of this, but even when excluding the IGT revenue, April delivered one of the better financial months the hospital has experienced this fiscal year. Volume growth in key areas certainly helped, as did continued cost control – expenses (excl depr) ran +10% under budget for the month.

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





## **Key Drivers in Month's Performance:**

### **Rate Range IGT True-Up**

The biggest contributor to this was a true-up to our Rate Range IGT. We booked \$1.8 million in incremental net revenue (*and also net income*) to true up to the \$5.3 million of IGT funding we received at the end of April (*we booked \$3.4 million in net revenue upon making the matching fee payment in February*). We also booked \$198,000 of net revenue (\$151,000 net income) for one of our 'smaller' IGTs.

### **Surgical Volumes**

Surgical volumes, while missing budget, ran 30% higher than March volumes and also exceeded the prior 6-month trend by over 10%. This is notable, especially given the departure of Dr. Brown just over one month ago. Our general surgeons, who also provide GI services, were particularly busy, as their volumes in April were up +20% compared to the last 6 months. Our ortho volumes also experienced a significant uptick from March due to our existing orthopods doing more work here in April.

#### **Surgical Volumes Top 4 Service Lines – April 2024 vs Prior Month & 6-Month Trend**

Service Line	Current Month vs. Previous Month				6 Month Trend						Current Month vs. 6 Month Trend		
	Apr24	Mar24	Var	% Var	Oct23	Nov23	Dec23	Jan24	Feb24	Mar24	6 Month Trend	Var	% Var
Orthopedics	46	33	13	39%	70	51	49	67	40	33	52	(6)	-11%
Gastroenterology	73	62	11	18%	47	62	47	67	59	62	57	16	27%
Ophthalmology	18	18	-	0%	17	21	11	22	20	18	18	(0)	-1%
General	17	15	2	13%	15	17	10	18	11	15	14	3	19%
<b>SubTotal</b>	<b>154</b>	<b>128</b>	<b>26</b>	<b>20%</b>	<b>149</b>	<b>151</b>	<b>117</b>	<b>174</b>	<b>130</b>	<b>128</b>	<b>142</b>	<b>13</b>	<b>9%</b>
Other	15	5	10	200%	4	13	10	18	12	5	10	5	45%
<b>Grand Total</b>	<b>169</b>	<b>133</b>	<b>36</b>	<b>27%</b>	<b>153</b>	<b>164</b>	<b>127</b>	<b>192</b>	<b>142</b>	<b>133</b>	<b>152</b>	<b>17</b>	<b>11%</b>

### **Emergency Room & Ancillary Volumes**

Emergency room volumes continue to keep pace with budget and are now outpace the prior year by 5%. Ancillary volumes were also up as well (+10% compared to budget), which was led by physical therapy where volumes in April set a new fiscal year high for the second consecutive month. This growth is encouraging, especially with the planned expansion on the horizon.

### **Operating Expenses**

What continues to be a significant driver in mitigating the recent volume fluctuations has been our ability to manage costs. Our team continues to do an outstanding job managing resources and expenses - April's operating costs came in over 10% below budget (excluding depreciation). Cost control during times of volume pullbacks can be very difficult for a hospital like Sonoma Valley, as we do not have the ability to "flex down to volumes", or reduce staffing levels, like larger hospitals and health systems. The fact that we operated at more than 10% below budget speaks volumes about the work our team continues to do to manage costs.

## Cash Collections

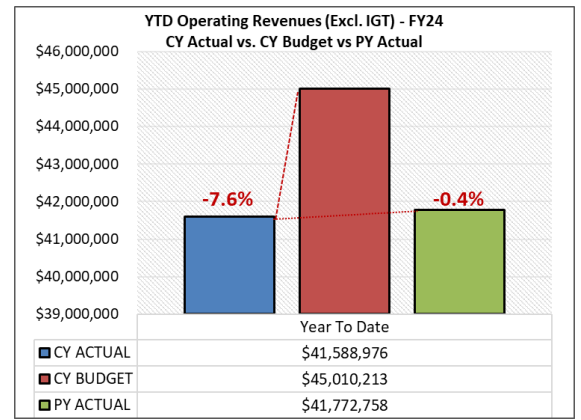
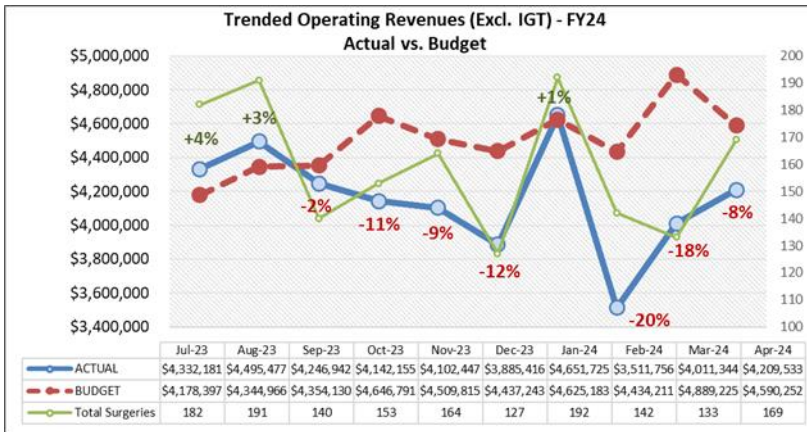
April proved to be a banner month for cash, driven by \$5.3 million received for our Rate Range IGT, our remaining Parcel Tax payment of \$1.5 million, and a great month in cash collections. April's collections totaled \$4.5 million – which far surpassed the \$3.6 million that had been projected. This significantly changed our cash position from March, as we ended April with over 50 days cash on hand. Important to note that we still project to end the year close to 25 days cash on hand.

## 2. NET REVENUE AND VOLUME SUMMARY:

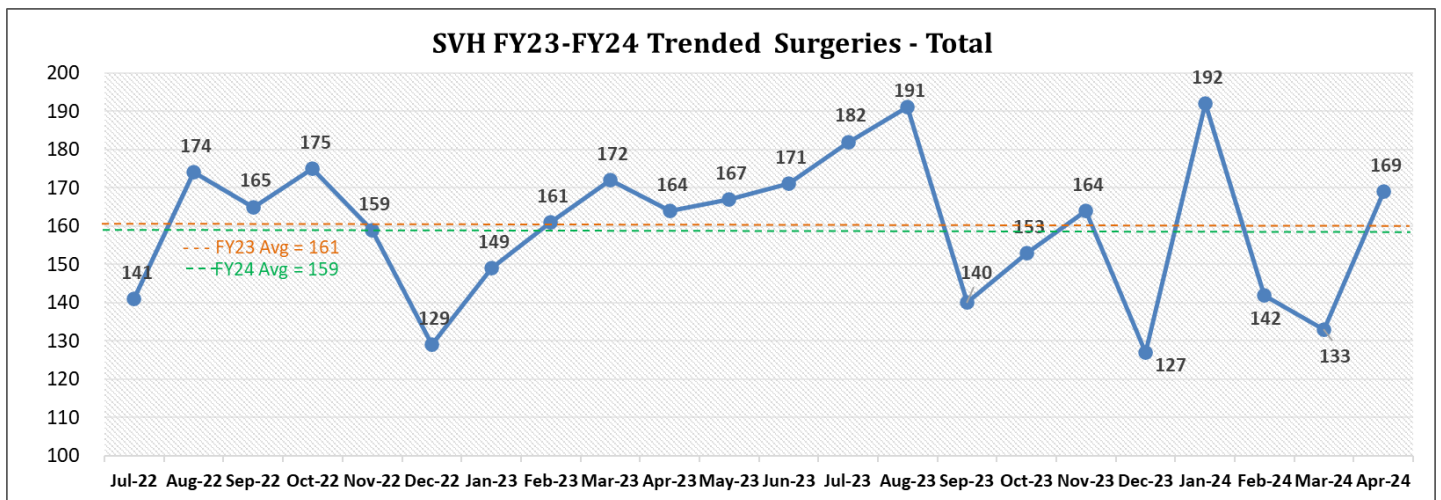
**Table 2 | Net Patient Revenue – Actual vs. Budget - April 2024 (Excluding IGT)**

	Current Year Month		Variance		Current Year YTD		Variance		Prior Year YTD		Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%	
Gross Revenue	\$ 27,914,053	\$ 29,881,544	\$ (1,967,491)	-7%	\$ 278,705,540	\$ 291,990,028	\$ (13,284,488)	-5%	\$ 269,037,409	\$ 9,668,130	4%	
Net Patient Revenue	\$ 4,107,233	\$ 4,497,446	\$ (390,214)	-9%	\$ 40,658,026	\$ 44,082,154	\$ (3,424,128)	-8%	\$ 40,610,421	\$ 47,605	0%	
NPR as a % of Gross	14.7%	15.1%	-2.2%		14.6%	15.1%	-3.4%		15.1%	-3.4%		
Tot Operating Revenue	\$ 4,209,533	\$ 4,590,252	\$ (380,719)	-8%	\$ 41,588,976	\$ 45,010,213	\$ (3,421,237)	-8%	\$ 41,772,758	\$ (183,783)	0%	

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



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



**Table 2.3 | Patient Volumes – April 2024**

	Current Year Month		Variance		Current Year YTD		Variance		PY YTD		Variance	
	Actual	Budget	Var	%	Actual	Budget	Var	%	Actual	Var	%	
Acute Patient Days	230	273	(43)	-16%	2,544	2,737	(193)	-7%	2,736	(192)	-7%	
Average Daily Census	7.7	9.1	(1.4)	-16%	8.3	9.0	(0.6)	-7%	9.0	(0.6)	-7%	
Acute Discharges	70	58	12	20%	699	600	99	17%	679	20	3%	
IP Surgeries	16	13	3	23%	135	133	2	2%	155	(20)	-13%	
OP Surgeries/Spec Proc	153	190	(37)	-19%	1,458	1,641	(183)	-11%	1,434	24	2%	
<b>Total Surgeries / Procedures</b>	<b>169</b>	<b>203</b>	<b>(34)</b>	<b>-17%</b>	<b>1,593</b>	<b>1,774</b>	<b>(181)</b>	<b>-10%</b>	<b>1,589</b>	<b>4</b>	<b>0%</b>	
Total Outpatient Visits	5,186	4,632	554	12%	51,732	45,484	6,248	14%	45,670	6,062	13%	
Emergency Room Visits	862	855	7	1%	8,486	8,552	(66)	-1%	8,071	415	5%	

**Table 2.4 | Outpatient Volumes Trended – Last 6 Months**

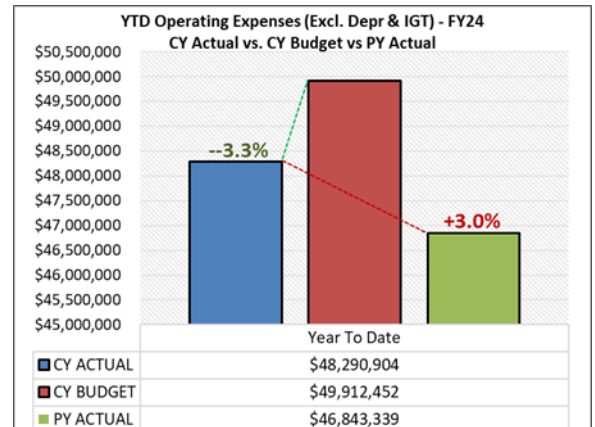
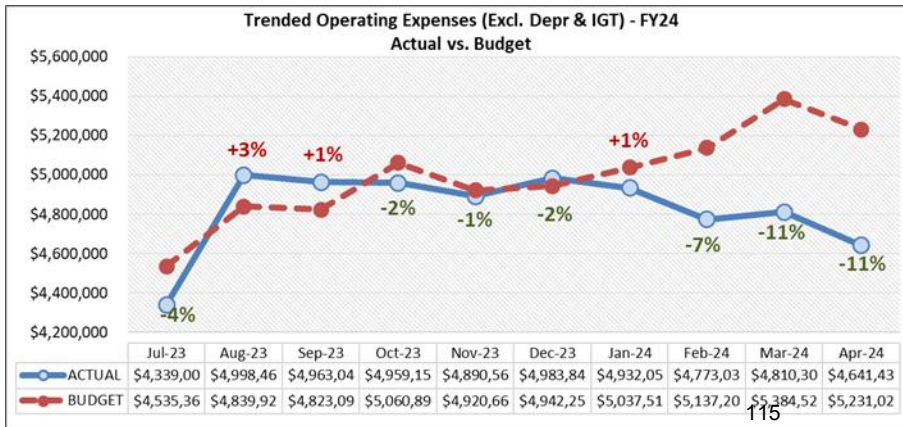
Department	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Last 6 Months
Lab	1,284	1,181	1,337	1,261	1,271	1,407	
Medical Imaging	997	945	949	896	858	857	
Physical Therapy	1,195	1,151	1,238	1,238	1,351	1,365	
CT Scanner	370	358	409	355	368	387	
Occ. Health	280	273	291	230	209	300	
Mammography	271	241	222	233	232	241	
Occupational Therapy	211	126	194	202	317	224	
Ultrasound	220	206	244	242	220	198	
Wound Care	129	136	174	166	175	201	
MRI	114	136	140	167	123	127	
ECHO	117	104	113	135	110	104	
Speech Therapy	51	38	45	49	45	53	
Other	12	26	24	30	14	22	
<b>TOTAL</b>	<b>5,251</b>	<b>4,921</b>	<b>5,380</b>	<b>5,204</b>	<b>5,293</b>	<b>5,486</b>	
Emergency Room	780	890	868	779	875	862	

**3. OPERATING EXPENSE SUMMARY:**

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

	Current Year Month		Variance		Current Year YTD		Variance		Prior Year YTD		Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Expenses	\$ 5,064,253	\$ 5,503,989	\$ 439,736	8%	\$ 52,641,587	\$ 52,612,122	\$ (29,466)	0%	\$ 49,331,707	\$ (3,309,881)	-7%	
Operating Exp. Excl. Depr.	\$ 4,641,434	\$ 5,231,022	\$ 589,588	11%	\$ 48,290,904	\$ 49,912,452	\$ 1,621,548	3%	\$ 46,843,339	\$ (1,447,565)	-3%	
Worked FTEs	215.0	222.4	7.4	3%	214.3	218.9	4.6	2%	212.8	(1.5)	-1%	

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



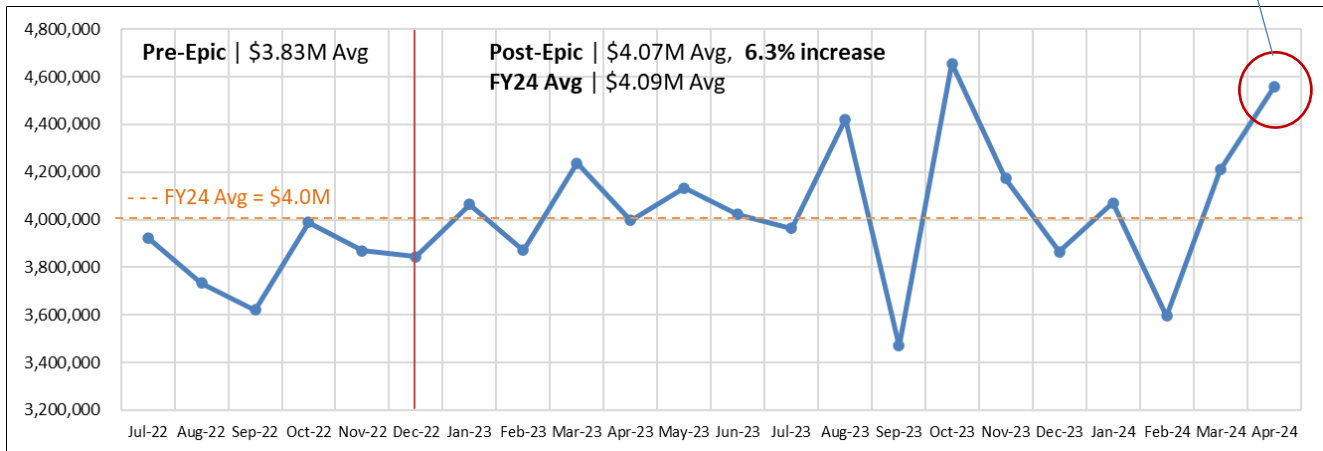
#### 4. CASH ACTIVITY SUMMARY:

**Table 4 | Cash / Revenue Cycle Indicators - April 2024**

	Apr-24	Mar-24	Var	%
Days Cash on Hand	51.6	16.3	35.3	217%
A/R Days	55.5	56.5	(1.0)	-2%
A/P Days	57.6	64.0	(6.4)	-10%

Second highest cash collection month since the start of last fiscal year

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



#### ATTACHMENTS:

- Attachment A is the Payer Mix Analysis
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D is the Balance Sheet Variance Analysis
- Attachment E (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment F is the Trended Income Statement
- Attachment G is the Cash Projection

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

**ATTACHMENT A**

Gross Revenue	MONTH				YEAR TO DATE			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	9,363,166	10,888,182	-1,525,017	-5.1%	103,821,622	105,461,682	-1,640,060	-0.6%
Medicare Managed Care	5,033,625	5,170,402	-136,777	-0.5%	49,932,603	50,075,287	-142,684	0.0%
Medi-Cal	4,729,241	5,781,117	-1,051,875	-3.5%	44,874,596	55,900,475	-11,025,878	-3.8%
Self Pay	160,407	165,214	-4,807	0.0%	3,943,752	1,584,720	2,359,032	0.8%
Commercial & Other Governn	8,051,467	6,990,841	1,060,626	3.5%	68,739,183	67,520,997	1,218,186	0.4%
Worker's Comp.	553,941	1,110,025	-556,085	-1.8%	7,197,655	10,701,236	-3,503,582	-1.2%
<b>Total</b>	<b>27,891,847</b>	<b>30,105,781</b>	<b>-2,213,934</b>	<b>-7.4%</b>	<b>278,509,411</b>	<b>291,244,397</b>	<b>-12,734,987</b>	<b>-4.4%</b>

Payor Mix	MONTH			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance
Medicare	33.6%	36.2%	-2.6%	37.3%	36.2%	1.1%
Medicare Managed Care	18.0%	17.2%	0.9%	17.9%	17.2%	0.7%
Medi-Cal	17.0%	19.2%	-2.2%	16.1%	19.2%	-3.1%
Self Pay	0.6%	0.5%	0.0%	1.4%	0.5%	0.9%
Commercial & Other Governn	28.9%	23.2%	5.6%	24.7%	23.2%	1.5%
Worker's Comp.	2.0%	3.7%	-1.7%	2.6%	3.7%	-1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	

**SONOMA VALLEY HOSPITAL**  
**OPERATING INDICATORS**  
**For the Period Ended April 30, 2024**

**ATTACHMENT B**

<b>CURRENT MONTH</b>				<b>YEAR-TO-DATE</b>			<b>YTD</b>
<b>Actual</b>	<b>Budget</b>	<b>Favorable</b>		<b>Actual</b>	<b>Budget</b>	<b>Favorable</b>	<b>Prior</b>
<u>04/30/24</u>	<u>04/30/24</u>	<u>(Unfavorable)</u>	<u>Variance</u>	<u>04/30/24</u>	<u>04/30/24</u>	<u>(Unfavorable)</u>	<u>Year</u>
						<u>Variance</u>	<u>04/30/23</u>
<b>Inpatient Utilization</b>							
<b>Discharges</b>							
1	49	46	3	Med/Surg	516	479	37
2	21	12	9	ICU	183	121	62
3	70	58	12	Total Discharges	699	600	99
<b>Patient Days:</b>							
4	157	175	(18)	Med/Surg	1,687	1,769	(82)
5	73	98	(25)	ICU	857	968	(111)
6	230	273	(43)	Total Patient Days	2,544	2,737	(193)
7	19	-	19	Observation days	207	-	207
<b>Average Length of Stay:</b>							
8	3.2	3.8	(0.6)	Med/Surg	3.27	3.69	(0.43)
9	3.5	8.2	(4.8)	ICU	4.68	8.02	(3.34)
10	3.3	4.7	(1.4)	Avg. Length of Stay	3.64	4.57	(0.93)
<b>Average Daily Census:</b>							
11	5.2	5.8	(0.6)	Med/Surg	5.5	5.8	(0.3)
12	2.4	3.3	(0.8)	ICU	2.8	3.2	(0.4)
13	7.7	9.1	(1.4)	Avg. Daily Census	8.3	9.0	(0.6)
<b>Other Utilization Statistics</b>							
<b>Emergency Room Statistics</b>							
14	862	855	7	Total ER Visits	8,486	8,552	(66)
<b>Outpatient Statistics:</b>							
15	5,486	4,632	854	Total Outpatients Visits	52,032	45,484	6,548
16	16	13	3	IP Surgeries	135	133	2
17	153	175	(22)	OP Surgeries / Special Procedures	1,458	1,626	(168)
18	325	252	73	Adjusted Discharges	3,233	2,563	671
19	1,069	1,180	(111)	Adjusted Patient Days	11,766	11,705	60
20	35.6	39.3	(3.7)	Adj. Avg. Daily Census	38.6	38.4	0.2
21	1.3462	1.4000	(0.054)	Case Mix Index - Medicare	1.3856	1.4000	(0.014)
22	1.3355	1.4000	(0.065)	Case Mix Index - All payers	1.3748	1.4000	(0.025)
<b>Labor Statistics</b>							
23	215	222	7	FTE's - Worked	214	219	4.6
24	241	245	4	FTE's - Paid	237	241	4.1
25	49.97	53.27	3.30	Average Hourly Rate	49.14	51.83	2.69
26	6.75	6.23	(0.52)	FTE / Adj. Pat Day	6.14	6.28	0.14
27	38.5	35.5	(3.0)	Manhours / Adj. Pat Day	35.0	35.8	0.8
28	126.4	166.1	39.7	Manhours / Adj. Discharge	127.4	163.5	36.1
29	29.4%	23.3%	-6.0%	Benefits % of Salaries	25.9%	24.0%	-2.0%
<b>Non-Labor Statistics</b>							
30	6.1%	11.6%	5.5%	Supply Expense % Net Revenue	13.2%	12.9%	-0.3%
31	1,112	2,663	1,551	Supply Exp. / Adj. Discharge	1,968	2,544	577
32	15,844	22,028	6,183	Total Expense / Adj. Discharge	17,378	21,586	4,208
<b>Other Indicators</b>							
33	51.6			Days Cash - Operating Funds			
34	55.5	50.0	5.5	Days in Net AR	61.0	50.0	11.0
35	114%			Collections % of Cash Goal	103%		
36	57.6	55.0	2.6	Days in Accounts Payable	57.6	55.0	2.6
37	21.4%	19.4%	2.0%	% Net revenue to Gross revenue	17.4%	17.3%	0.0%
38	32.3%			% Net AR to Gross AR	32.3%		

**Sonoma Valley Health Care District**

**ATTACHMENT C**

**Balance Sheet  
As of April 30, 2024  
UNAUDITED**

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>				
Current Assets:				
1	Cash	8,218,030	2,309,441	10,224,577
3	Net Patient Receivables	10,469,927	10,622,423	9,295,766
4	Allow Uncollect Accts	(3,497,552)	(3,394,622)	(1,581,837)
5	Net A/R	6,972,374	7,227,802	7,713,929
6	Other Accts/Notes Rec	1,606,260	2,722,866	1,578,759
7	Parcel Tax Receivable	240,316	1,740,944	203,861
8	GO Bond Tax Receivable	947,285	947,285	906,105
9	3rd Party Receivables, Net	(1,580,158)	1,957,223	402,417
10	Inventory	1,026,376	1,034,630	1,088,633
11	Prepaid Expenses	830,070	913,915	810,133
12	<b>Total Current Assets</b>	<b>\$ 18,260,554</b>	<b>\$ 18,854,105</b>	<b>\$ 22,928,415</b>
13	Property, Plant & Equip, Net	\$ 59,396,074	\$ 58,393,550	\$ 56,679,223
14	Trustee Funds - GO Bonds	4,791,498	4,772,376	4,666,114
15	Designated Funds - Board Approved	-	-	-
16	<b>Total Assets</b>	<b>\$ 82,448,126</b>	<b>\$ 82,020,031</b>	<b>\$ 84,273,752</b>
<b>Liabilities &amp; Fund Balances</b>				
Current Liabilities:				
17	Accounts Payable	\$ 6,424,599	\$ 7,725,921	\$ 6,680,915
18	Accrued Compensation	4,397,707	4,267,173	4,169,775
19	Interest Payable - GO Bonds	89,766	45,029	99,460
20	Accrued Expenses	532,976	583,639	1,339,706
21	Advances From 3rd Parties	-	-	-
22	Deferred Parcel Tax Revenue	633,330	949,997	633,330
23	Deferred GO Bond Tax Revenue	436,245	654,367	414,182
24	Current Maturities-LTD	217,475	217,475	217,475
25	Line of Credit - Union Bank	4,973,734	4,973,734	5,473,734
26	Other Liabilities	92,742	93,916	57,511
27	<b>Total Current Liabilities</b>	<b>\$ 17,798,574</b>	<b>\$ 19,511,251</b>	<b>\$ 19,086,089</b>
28	Long Term Debt, net current portion	\$ 25,072,978	\$ 25,625,963	\$ 27,111,937
29	Fund Balances:			
30	Unrestricted	\$ 21,187,377	\$ 21,287,378	\$ 19,657,211
31	Restricted	18,389,197	15,595,440	18,418,515
32	<b>Total Fund Balances</b>	<b>\$ 39,576,574</b>	<b>\$ 36,882,818</b>	<b>\$ 38,075,726</b>
33	<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 82,448,126</b>	<b>\$ 82,020,032</b>	<b>\$ 84,273,752</b>

Sonoma Valley Health Care District  
 Balance Sheet Variance Analysis  
 As of April 30, 2024

Assets	Monthly Change	Current Month	Prior Month	Prior Year	Variance Commentary
<b>CURRENT ASSETS</b>					
Cash	5,908,589	8,218,030	2,309,441	10,224,577	Cash increased by \$5.9 million in April. Majority due to receipt of Rate Range IGT of \$5,287,665 and a Parcel Tax payment of \$1,500,627. Cash collections \$4.5 million beat re-forecasted \$3.6 million estimate for the month.
Net A/R	(255,427)	6,972,374	7,227,802	7,713,929	Net A/R decreased with increased focus on reducing hospital's Open A/R.
Other Receivables	(6,154,615)	1,213,703	7,368,318	3,091,142	Other Receivables decreased due to Rate Range IGT and Parcel Tax payments.
Inventory	(8,254)	1,026,376	1,034,630	1,088,633	
Prepaid Expenses	(83,845)	830,070	913,915	810,133	Monthly amortization and reversal of prior month accruals.
<b>TOTAL CURRENT ASSETS</b>	<b>(593,552)</b>	<b>18,260,554</b>	<b>18,854,105</b>	<b>22,928,415</b>	

<b>NON-CURRENT ASSETS</b>					
Net Fixed Assets	1,002,525	59,396,074	58,393,550	56,679,223	\$1.15M add to Outpatient Diagnostic Center project.
Trustee Funds - GO Bonds	19,122	4,791,498	4,772,376	4,666,114	
<b>TOTAL ASSETS</b>	<b>428,095</b>	<b>82,448,126</b>	<b>82,020,031</b>	<b>84,273,752</b>	

Liabilities / Fund Balance	Monthly Change	Current Month	Prior Month	Prior Year	Variance Commentary
<b>CURRENT LIABILITIES</b>					
Accounts Payable	(1,301,322)	6,424,599	7,725,921	6,680,915	A/P decreased due to continued efforts to paydown vendor invoices and eliminate payables aged greater than 90 days.
Accrued Expenses	79,871	4,930,683	4,850,812	5,509,481	
Interest Payable	44,737	89,766	45,029	99,460	
Deferred Revenues	(534,789)	1,069,575	1,604,364	1,047,512	Deferred revenue decreased due to the monthly revenue recognition of our parcel taxes (\$316,667/month) and GO bond proceeds (\$218,122/month).
Line of Credit	-	4,973,734	4,973,734	5,473,734	
Other Liabilities	(1,174)	310,217	311,391	274,986	
<b>TOTAL CURRENT LIABILITIES</b>	<b>(1,712,677)</b>	<b>17,798,574</b>	<b>19,511,251</b>	<b>19,086,089</b>	

<b>NON-CURRENT LIABILITIES</b>					
Long Term Debt	(552,985)	25,072,978	25,625,963	27,111,937	
<b>TOTAL LIABILITIES</b>	<b>(2,265,661)</b>	<b>42,871,552</b>	<b>45,137,214</b>	<b>46,198,026</b>	

<b>FUND BALANCES</b>					
Fund Balance	2,693,756	39,576,574	36,882,818	38,075,726	Net income of \$2,693,757
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>428,095</b>	<b>82,448,126</b>	<b>82,020,032</b>	<b>84,273,752</b>	



**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
For the Period Ended April 30, 2024**

**ATTACHMENT E**

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
<b>1</b>	70	58	12	20%							
<b>2</b>	230	273	(43)	-16%							
<b>3</b>	19	-	19	0%							
<b>4</b>	\$ 21,913	\$ 22,973	\$ (1,059)	-5%							
					<b>Volume Information</b>						
					Acute Discharges	699	603	96	16%	666	
					Patient Days	2,544	2,714	(170)	-6%	2,798	
					Observation Days	210	-	210	*	152	
					Gross O/P Revenue (000's)	\$ 218,271	\$ 223,786	\$ (5,515)	-2%	\$ 204,624	
					<b>Financial Results</b>						
					<b>Gross Patient Revenue</b>						
<b>5</b>	\$ 6,001,401	\$ 6,908,913	\$ (907,512)	-13%	Inpatient	\$ 60,434,369	\$ 68,204,118	(7,769,750)	-11%	\$ 64,180,506	
<b>6</b>	12,349,015	13,559,974	(1,210,959)	-9%	Outpatient	131,724,233	133,287,427	(1,563,194)	-1%	123,072,241	
<b>7</b>	9,563,637	9,412,657	150,980	2%	Emergency	86,546,937	90,498,483	(3,951,545)	-4%	81,784,662	
<b>8</b>	\$ 27,914,053	\$ 29,881,544	(1,967,491)	-7%	<b>Total Gross Patient Revenue</b>	\$ 278,705,540	\$ 291,990,028	(13,284,488)	-5%	\$ 269,037,409	
					<b>Deductions from Revenue</b>						
<b>9</b>	(21,690,696)	(25,203,141)	3,512,445	14%	Contractual Discounts	\$ (234,969,565)	\$ (246,162,667)	11,193,102	5%	\$ (220,400,488)	
<b>10</b>	(2,013,340)	(150,260)	(1,863,080)	-1240%	Bad Debt	(3,067,002)	(1,464,208)	(1,602,794)	-109%	(7,690,037)	
<b>11</b>	(102,784)	(30,697)	(72,087)	-235%	Charity Care Provision	(10,946)	(280,999)	270,053	96%	(336,463)	
<b>12</b>	1,861,463	1,286,458	575,005	45%	Prior Period Adj/Government Program Revenue	7,673,908	6,489,754	1,184,154	18%	6,065,998	
<b>13</b>	\$ (21,945,357)	\$ (24,097,639)	2,152,282	-9%	<b>Total Deductions from Revenue</b>	\$ (230,373,605)	\$ (241,418,120)	11,044,514	-5%	\$ (222,360,990)	
					<b>Net Patient Service Revenue</b>	\$ 48,331,934	\$ 50,571,908	(2,239,974)	-4%	\$ 46,676,419	
<b>14</b>	\$ 5,968,696	\$ 5,783,904	184,792	3%	Other Op Rev & Electronic Health Records	\$ 930,950	\$ 928,059	2,890	0%	\$ 1,162,337	
<b>15</b>	\$ 102,300	\$ 92,806	9,494	10%	<b>Total Operating Revenue</b>	\$ 49,262,884	\$ 51,499,967	\$ (2,237,084)	-4%	\$ 47,838,756	
<b>16</b>	\$ 6,070,996	\$ 5,876,710	194,286	3%							
					<b>Operating Expenses</b>						
<b>17</b>	\$ 2,054,463	\$ 2,230,337	175,874	8%	Salary and Wages and Agency Fees	\$ 20,237,368	\$ 21,140,103	902,736	4%	\$ 20,338,331	
<b>18</b>	856,322	754,157	(102,165)	-14%	Employee Benefits	7,775,898	7,356,259	(419,639)	-6%	7,111,370	
<b>19</b>	\$ 2,910,785	\$ 2,984,494	73,709	2%	Total People Cost	\$ 28,013,266	\$ 28,496,362	483,097	2%	\$ 27,449,701	
<b>20</b>	\$ 579,135	\$ 669,542	90,407	14%	Med and Prof Fees (excl'd Agency)	\$ 5,887,338	\$ 6,360,716	473,378	7%	\$ 5,629,584	
<b>21</b>	361,713	671,186	309,473	46%	Supplies	6,361,532	6,520,166	158,634	2%	6,516,825	
<b>22</b>	403,065	542,479	139,414	26%	Purchased Services	4,186,497	4,632,550	446,053	10%	4,170,362	
<b>23</b>	422,819	272,967	(149,852)	-55%	Depreciation	4,350,683	2,699,670	(1,651,013)	-61%	2,488,367	
<b>24</b>	151,806	159,120	7,314	5%	Utilities	1,581,998	1,721,194	139,196	8%	1,611,529	
<b>25</b>	98,995	66,758	(32,237)	-48%	Insurance	716,799	677,578	(39,221)	-6%	551,723	
<b>26</b>	20,453	48,094	27,641	57%	Interest	540,395	448,940	(91,455)	-20%	383,198	
<b>27</b>	115,482	89,351	(26,131)	-29%	Other	1,003,078	1,054,945	51,867	5%	530,416	
<b>28</b>	47,472	-	(47,472)	*	Matching Fees (Government Programs)	3,111,009	2,219,860	(891,149)	40%	2,583,495	
<b>29</b>	\$ 5,111,725	\$ 5,503,989	392,264	7%	<b>Operating Expenses</b>	\$ 55,752,596	\$ 54,831,982	(920,614)	-1.7%	\$ 51,915,202	

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
For the Period Ended April 30, 2024**

**ATTACHMENT E**

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
<b>30</b>	\$ 959,271	\$ 372,721	\$ 586,550	-157%	<b>Operating Margin</b>	\$ (6,489,713)	\$ (3,332,015)	(3,157,698)	-95%	\$ (4,076,445)	
					<b>Non Operating Rev and Expense</b>						
<b>31</b>	\$ 40,512	\$ 4,744	35,768	*	Miscellaneous Revenue/(Expenses)	\$ 230,195	\$ 47,385	182,810	*	\$ 53,725	
<b>32</b>	67	-	67	0%	Donations	(12,062)	-	(12,062)	0%	-	
<b>33</b>	-	-	-	*	Physician Practice Support-Prima	-	-	-	*	-	
<b>34</b>	316,667	316,667	-	0%	Parcel Tax Assessment Rev	3,166,670	3,166,670	-	0%	3,166,670	
<b>35</b>	-	-	-	0%	Extraordinary Items	-	-	-	0%	-	
<b>36</b>	\$ 357,246	\$ 321,411	35,835	11%	<b>Total Non-Operating Rev/Exp</b>	\$ 3,384,803	\$ 3,214,055	170,748	5%	\$ 3,220,395	
<b>37</b>	\$ 1,316,517	\$ 694,132	622,385	90%	<b>Net Income / (Loss) prior to Restricted Contributions</b>	\$ (3,104,910)	\$ (117,960)	(2,986,950)	-2532%	\$ (856,050)	
<b>38</b>	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
<b>39</b>	\$ 1,202,053	\$ 238,530	963,523	0%	Restricted Foundation Contributions	\$ 4,894,737	\$ 2,385,301	2,509,436	100%	\$ 2,368,336	
<b>40</b>	\$ 2,518,570	\$ 932,663	1,585,907	170%	<b>Net Income / (Loss) w/ Restricted Contributions</b>	\$ 1,789,827	\$ 2,267,341	(477,513)	-21%	\$ 1,512,286	
<b>41</b>	175,187	158,829	16,358	10%	GO Bond Activity, Net	1,747,102	1,588,290	158,813	10%	1,589,938	
<b>42</b>	\$ 2,693,757	\$ 1,091,491	1,602,266	147%	<b>Net Income/(Loss) w GO Bond Activity</b>	\$ 3,536,929	\$ 3,855,630	(318,701)	-8%	\$ 3,102,224	
	\$ 1,739,336	\$ 967,099	772,237		EBDA - Not including Restricted Contributions	\$ 1,245,773	\$ 2,581,710	(1,335,937)		\$ 1,632,317	
	\$ 1,382,090	\$ 645,688	736,402	-114%	<b>Operating EBDA - Not including Restricted Contributions</b>	\$ (2,139,029)	\$ (632,345)	(1,506,685)	-238%	\$ (1,588,078)	

**Sonoma Valley Health Care District**  
**FY24 Trended Income Statement | Last 6 Months**  
**For the Period Ended April 30, 2024**

ATTACHMENT F

								FY24 YTD Month	
		November	December	January	February	March	April	FY24 YTD	Avg
1	Acute Discharges	73	83	75	63	59	70	699	70
2	Patient Days	278	251	300	229	192	230	2,544	254
3	Observation Days	28	31	26	15	17	19	210	21
4	Gross O/P Revenue (000's)	\$ 21,941	\$ 20,765	\$ 23,302	\$ 19,700	\$ 21,438	\$ 21,913	\$ 218,271	\$ 21,827
<b>Financial Results</b>									
<b>Gross Patient Revenue</b>									
5	Inpatient	\$ 6,215,214	\$ 6,065,731	\$ 6,699,890	\$ 5,561,483	\$ 4,451,229	\$ 6,001,401	\$ 60,434,369	\$ 6,043,437
6	Outpatient	14,065,738	12,406,069	14,442,618	11,809,432	12,014,729	12,349,015	131,724,233	13,172,423
7	Emergency	7,875,077	8,359,376	8,859,696	7,890,643	9,423,709	9,563,637	86,546,937	8,654,694
8	<b>Total Gross Patient Revenue</b>	<b>\$ 28,156,029</b>	<b>\$ 26,831,176</b>	<b>\$ 30,002,204</b>	<b>\$ 25,261,558</b>	<b>\$ 25,889,667</b>	<b>\$ 27,914,053</b>	<b>\$ 278,705,540</b>	<b>\$ 27,870,554</b>
<b>Deductions from Revenue</b>									
9	Contractual Discounts	(24,259,529)	(23,383,497)	(25,246,761)	(21,395,686)	(21,920,503)	(21,690,696)	(234,969,565)	(23,496,957)
10	Bad Debt	(106,666)	111,925	(90,000)	(202,507)	(216,128)	(2,013,340)	(3,067,002)	(306,700)
11	Charity Care Provision	209,720	231,540	(122,013)	(240,123)	165,606	(102,784)	(10,946)	(1,095)
12	IGT Revenue	-	-	888,369	3,420,534	780,000	1,861,463	7,673,908	767,391
13	<b>Total Deductions from Revenue</b>	<b>\$ (24,156,475)</b>	<b>\$ (23,040,032)</b>	<b>\$ (24,570,405)</b>	<b>\$ (18,417,782)</b>	<b>\$ (21,191,025)</b>	<b>\$ (21,945,357)</b>	<b>\$ (230,373,605)</b>	<b>\$ (23,037,361)</b>
14	<b>Net Patient Service Revenue</b>	<b>\$ 3,999,554</b>	<b>\$ 3,791,144</b>	<b>\$ 5,431,799</b>	<b>\$ 6,843,776</b>	<b>\$ 4,698,642</b>	<b>\$ 5,968,696</b>	<b>\$ 48,331,934</b>	<b>\$ 4,833,193</b>
15	Other Operating Revenue	\$ 102,893	\$ 94,272	\$ 108,295	\$ 88,514	\$ 92,702	\$ 102,300	\$ 930,950	\$ 93,095
16	<b>Total Operating Revenue</b>	<b>\$ 4,102,447</b>	<b>\$ 3,885,416</b>	<b>\$ 5,540,094</b>	<b>\$ 6,932,290</b>	<b>\$ 4,791,344</b>	<b>\$ 6,070,996</b>	<b>\$ 49,262,884</b>	<b>\$ 4,926,288</b>
<b>Operating Expenses</b>									
17	Salary and Wages and Agency Fees	\$ 1,959,289	\$ 2,088,632	\$ 1,915,551	\$ 2,025,982	\$ 2,056,165	\$ 2,054,463	\$ 20,237,368	\$ 2,023,737
18	Employee Benefits	771,746	754,958	810,879	729,229	925,525	856,322	7,775,898	777,590
19	Total People Cost	\$ 2,731,035	\$ 2,843,590	\$ 2,726,430	\$ 2,755,211	\$ 2,981,690	\$ 2,910,785	28,013,266	2,801,327
20	Med and Prof Fees (excl Agency)	\$ 567,236	\$ 551,402	\$ 659,636	\$ 621,045	\$ 639,293	\$ 579,135	\$ 5,887,338	\$ 588,734
21	Supplies	683,130	656,453	761,387	552,783	473,260	361,713	6,361,532	636,153
22	Purchased Services	563,672	550,338	396,842	379,540	372,201	403,065	4,186,497	418,650
23	Depreciation	539,719	431,329	456,946	395,082	427,561	422,819	4,350,683	435,068
24	Utilities	136,391	134,835	165,776	256,678	119,082	151,806	1,581,998	158,200
25	Insurance	66,583	68,544	66,583	66,583	66,583	98,995	716,799	71,680
26	Interest	49,503	46,487	71,737	84,472	54,108	20,453	540,395	54,040
27	Other	93,013	132,195	83,665	56,720	104,090	115,482	1,003,078	100,308
28	Matching Fees (IGT)	-	-	293,000	2,265,305	293,539	47,472	3,111,009	311,101
29	<b>Operating expenses</b>	<b>\$ 5,430,282</b>	<b>\$ 5,415,173</b>	<b>\$ 5,682,002</b>	<b>\$ 7,433,419</b>	<b>\$ 5,531,407</b>	<b>\$ 5,111,725</b>	<b>\$ 55,752,596</b>	<b>\$ 5,575,260</b>
30	<b>Operating Margin</b>	<b>\$ (1,327,835)</b>	<b>\$ (1,529,757)</b>	<b>\$ (141,908)</b>	<b>\$ (501,129)</b>	<b>\$ (740,063)</b>	<b>\$ 959,271</b>	<b>\$ (6,489,713)</b>	<b>\$ (648,971)</b>
<b>Non Operating Rev and Expense</b>									
31	Miscellaneous Revenue/(Expenses)	\$ 3,662	\$ 16,366	\$ 19,303	\$ 14,540	\$ 37,899	\$ 40,512	\$ 230,195	\$ 23,019
32	Donations	-	(4,287)	(2,797)	(3,586)	(1,459)	67	(12,062)	(1,206)
33	Physician Practice Support-Prima	-	-	-	-	-	-	-	-
34	Parcel Tax Assessment Rev	316,667	316,667	316,667	316,667	316,667	316,667	3,166,670	316,667
35	Extraordinary Items	-	-	-	-	-	-	-	-
36	<b>Total Non-Operating Rev/Exp</b>	<b>\$ 320,329</b>	<b>\$ 328,746</b>	<b>\$ 333,173</b>	<b>\$ 327,621</b>	<b>\$ 353,107</b>	<b>\$ 357,246</b>	<b>\$ 3,384,803</b>	<b>\$ 338,480</b>
37	<b>Net Income / (Loss) prior to Rest. Cont.</b>	<b>\$ (1,007,506)</b>	<b>\$ (1,201,011)</b>	<b>\$ 191,265</b>	<b>\$ (173,508)</b>	<b>\$ (386,956)</b>	<b>\$ 1,316,517</b>	<b>\$ (3,104,910)</b>	<b>\$ (310,491)</b>
38	Capital Campaign Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Restricted Foundation Contributions	\$ 78,280	\$ 330,142	\$ 7,169	\$ 516,187	\$ 2,442,308	\$ 1,202,053	\$ 4,894,737	\$ 489,474
40	<b>Net Income / (Loss) w/ Rest. Cont.</b>	<b>\$ (929,226)</b>	<b>\$ (870,869)</b>	<b>\$ 198,434</b>	<b>\$ 342,679</b>	<b>\$ 2,055,352</b>	<b>\$ 2,518,570</b>	<b>\$ 1,789,827</b>	<b>\$ 178,983</b>
41	GO Bond Activity, Net	175,187	175,187	175,187	175,187	175,187	175,187	1,747,102	174,710
42	<b>Net Income/(Loss) w GO Bond Activity</b>	<b>\$ (754,039)</b>	<b>\$ (695,682)</b>	<b>\$ 373,621</b>	<b>\$ 517,866</b>	<b>\$ 2,230,539</b>	<b>\$ 2,693,757</b>	<b>\$ 3,536,929</b>	<b>\$ 353,693</b>
<b>EBDA - Not including Rest. Cont.</b>									
		\$ (467,787)	\$ (769,682)	\$ 648,211	\$ 221,574	\$ 40,605	\$ 1,739,336	\$ 1,245,773	\$ 124,577
<b>Operating EBDA</b>									
		\$ (788,116)	\$ (1,098,428)	\$ 315,038	\$ (106,047)	\$ (312,502)	\$ 1,382,090	\$ (2,139,029)	\$ (213,903)
<b>Operating EBDA excl IGT</b>									
		\$ (788,116)	\$ (1,098,428)	\$ (280,331)	\$ (1,261,276)	\$ (798,963)	\$ (431,901)	\$ (6,701,929)	\$ (670,193)

Sonoma Valley Hospital  
Cash Forecast  
FY 2024

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Forecast May	Forecast Jun	TOTAL
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	3,964,672	4,421,352	3,469,614	4,656,688	4,173,049	3,866,074	4,070,379	3,595,869	4,209,602	4,556,724	3,600,000	3,600,000	48,184,024
2 Other Operating Revenue	26,197	172,302	37,453	95,192	283,068	93,447	117,466	153,075	20,376	116,256	228,646	115,291	1,458,768
3 Other Non-Operating Revenue	42,960	4,386	10,108	43,877	12,352	11,224	17,442	5,578	11,180	17,993	7,800	7,800	192,701
4 Unrestricted Contributions		1,250	861	2,651	7,716	380	7,169	3,420	309	628			24,384
5 Line of Credit													-
<b>Sub-Total Hospital Sources</b>	<b>4,033,829</b>	<b>4,600,406</b>	<b>3,517,792</b>	<b>4,798,212</b>	<b>4,476,030</b>	<b>3,971,076</b>	<b>4,212,456</b>	<b>3,758,139</b>	<b>4,241,467</b>	<b>4,691,601</b>	<b>3,836,446</b>	<b>3,723,091</b>	<b>49,860,544</b>
<b>Hospital Uses of Cash</b>													
6 Operating Expenses / AP Payments	5,152,114	5,121,241	4,128,841	4,998,884	5,056,542	5,222,290	4,196,863	5,323,592	4,549,822	4,976,215	5,034,948	5,014,191	58,775,543
7 Add Capital Lease Payments	64,932	65,051	389,160	194,558	370,013	69,578	270,605	88,998		332,689			1,845,583
8 Add: Bridge Loan Paybacks									308,000		300,487		608,487
9 Add: CHFFA Help II Loan Repayments	30,833	30,833	30,833	30,833	30,833	31,987	35,056	35,056	35,056	35,056	35,056	35,056	396,488
10 Line of Credit Paydown							-					3,100,000	3,100,000
11 Capital Expenditures	157,689	152,213	177,157	27,616	116,996	421,333	330,101	530,867	2,294,905	1,233,345	600,125	423,577	6,465,923
SVH Capital	156,051	50,387	(35,866)	27,616	31,724	94,223	296,795	4,000	5,375	31,920	100,000	165,000	927,225
Foundation Capital	1,638	101,825	213,023		85,272	327,110	33,306	526,867	2,289,530	1,201,425	500,125	258,577	5,538,697
<b>Total Hospital Uses</b>	<b>5,405,567</b>	<b>5,369,338</b>	<b>4,725,991</b>	<b>5,251,892</b>	<b>5,574,384</b>	<b>5,745,188</b>	<b>4,832,623</b>	<b>5,978,513</b>	<b>7,187,782</b>	<b>6,718,664</b>	<b>5,970,616</b>	<b>8,572,824</b>	<b>71,192,024</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(1,371,738)</b>	<b>(768,932)</b>	<b>(1,208,199)</b>	<b>(453,679)</b>	<b>(1,098,354)</b>	<b>(1,774,112)</b>	<b>(620,167)</b>	<b>(2,220,374)</b>	<b>(2,946,316)</b>	<b>(2,027,063)</b>	<b>(2,134,171)</b>	<b>(4,849,733)</b>	<b>(21,331,479)</b>
<b>Non-Hospital Sources</b>													
12 Restricted Cash/Money Market													-
12 Restricted Capital Donations	1,638	101,826	213,023	6,249	85,272	327,110	26,137	516,187	2,442,308	1,201,425	500,125	258,577	5,679,877
13 Parcel Tax Revenue	179,984					2,059,056				1,500,627			3,739,668
14 Other Payments								861,768					861,768
15 Other:													
16 IGT - HQAF VII (CY22)				39,262	684,280								723,542
17 IGT - QIP (PY 5/CY22)									1,099,230				1,099,230
18 IGT - Rate Range								2,500,000		5,281,071			7,781,071
19 IGT - HQAF VIII (CY23)											780,000		780,000
20 IGT - NDPH (SFY22-23)												151,000	151,000
21 IGT - NDPH (SFY23-24)												160,613	160,613
22 Distressed Hospital Loan Program												3,100,000	3,100,000
<b>Sub-Total Non-Hospital Sources</b>	<b>181,622</b>	<b>101,826</b>	<b>213,023</b>	<b>45,511</b>	<b>769,552</b>	<b>2,386,167</b>	<b>26,137</b>	<b>3,877,955</b>	<b>3,555,307</b>	<b>7,983,123</b>	<b>1,280,125</b>	<b>3,670,190</b>	<b>24,090,537</b>
<b>Non-Hospital Uses of Cash</b>													
23 Matching Fees	-	-	-	211,693	-	-	-	2,458,305	293,539	47,472	86,484	-	3,097,493
24 IGT Rate Range Advance Repayment										2,500,000			2,500,000
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,458,305</b>	<b>293,539</b>	<b>47,472</b>	<b>2,586,484</b>	<b>-</b>	<b>5,597,493</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>181,622</b>	<b>101,826</b>	<b>213,023</b>	<b>(166,182)</b>	<b>769,552</b>	<b>2,386,167</b>	<b>26,137</b>	<b>1,419,650</b>	<b>3,261,768</b>	<b>7,935,651</b>	<b>(1,306,359)</b>	<b>3,670,190</b>	<b>18,493,045</b>
<b>Net Sources/Uses</b>	<b>(1,190,116)</b>	<b>(667,106)</b>	<b>(995,176)</b>	<b>(619,862)</b>	<b>(328,803)</b>	<b>612,054</b>	<b>(594,030)</b>	<b>(800,724)</b>	<b>315,452</b>	<b>5,908,589</b>	<b>(3,440,530)</b>	<b>(1,179,543)</b>	<b>(2,838,435)</b>
Total Cash at beginning of period	6,574,099	5,383,983	4,717,993	3,723,688	3,104,501	2,776,218	3,388,743	2,794,713	1,993,989	2,309,441	8,218,030	4,777,500	
<b>Total Cash at End of Period</b>	<b>5,383,983</b>	<b>4,716,877</b>	<b>3,722,817</b>	<b>3,103,826</b>	<b>2,775,698</b>	<b>3,388,272</b>	<b>2,794,713</b>	<b>1,993,989</b>	<b>2,309,441</b>	<b>8,218,030</b>	<b>4,777,500</b>	<b>3,597,957</b>	
<b>Average Days of Cash on Hand</b>	<b>40.1</b>	<b>35.8</b>	<b>26.3</b>	<b>25.5</b>	<b>20.5</b>	<b>22.4</b>	<b>20.3</b>	<b>14.5</b>	<b>15.7</b>	<b>21.4</b>			
<b>Days of Cash on Hand at End of Month</b>	<b>39.7</b>	<b>33.3</b>	<b>25.6</b>	<b>21.9</b>	<b>20.9</b>	<b>21.5</b>	<b>19.8</b>	<b>14.1</b>	<b>16.3</b>	<b>51.6</b>	<b>33.8</b>	<b>25.4</b>	