SVHCD FINANCE COMMITTEE MEETING

AGENDA

TUESDAY, MARCH 25, 2025

5:00 p.m. Regular Session

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

sonomavalleyhospital-org.zoom.us/j/94662918236

Meeting ID: 946 6291 8236
Passcode: 052184

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AGENDA ITEM

In compliance with the Americans with Disabilities Act, if you require special accommodations to attend a District meeting, please contact the Board Clerk, Whitney Reese, at wreese@sonomavalleyhospital.org or 707.935.5005 at least 48 hours prior to the meeting.

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

1. CALL TO ORDER/ANNOUNCEMENTS	*Case*	
2. PUBLIC COMMENT SECTION *At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the 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.*	*Case*	
3. CONSENT CALENDAR • Finance Committee Minutes 02.25.25	*Case*	Action *Pages 2 - 3*
4. DISTRIC HOSPITAL LEADERSHIP FORM (DHLF)	*Nathan Davis, SVP Finance, DHLF*	Action *Pages 4 - 14*
5. INVESTMENT POLICY (P-2022.02.16-1)	*Case*	Action *Page 15 - 21*
6. CIP PROJECT	*Armfield & Hennelly*	Action *Page 22 - 23*
7. SVH CAPITAL PROJECT TRACKER	*Armfield & Hennelly*	Inform *Pages 24 - 26*
8. FY26 BUDGET ASSUMPTIONS	*Armfield*	Inform *Pages 27 - 29*
9. FINANCIAL CLASS CONTRIBUTION MARGIN ANALYSIS	*Armfield*	Inform *Pages 30 - 31*
10. FINANCIAL REPORTS FOR MONTH END FEBRUARY 2025	*Armfield*	Inform *Pages 32 - 41*
11. ADJOURN	*Case*	

SVHCD
FINANCE COMMITTEE MEETING

MINUTES

TUESDAY, FEBRUARY 25, 2025
In Person at Sonoma Valley Hospital
347 Andrieux Street
and Via Zoom Teleconference

Present	Not Present/Excused	Staff/Public
Ed Case, in person Dennis Bloch, in person Carl Gerlach, in person Catherine Donahue, in person Robert Crane, in person Subhash Mishra, MD, via zoom	Graham Smith	Ben Armfield, SVH CFO, in person John Hennelly, SVH CEO, in person Lois Fruzynski, SVH Accounting Manager, in person Whitney Reese, SVH Board Clerk, in person Leslie Peterson, Sonoma Valley Hospital Foundation, in person Dawn Kuwahara, RN BSN, SVH Chief Ancillary Officer, in person Wendy Lee Myatt, via zoom

MISSION & VISION STATEMENT
The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.

AGENDA ITEM	DISCUSSION	ACTIONS
1. CALL TO ORDER/ANNOUNCEMENTS	*Ed Case*	Meeting called to order 5:01pm
2. PUBLIC COMMENT SECTION	None	
3. CONSENT CALENDAR	*Ed Case*	Action
Finance Committee Minutes 1.28.25		**MOTION:** Motion to approve by Crane, 2nd by Bloch. All in favor.
4. FY2025 AUDIT ENGAGEMENT	*Ed Case*	Action
Katherine Djiauw and Chris Pritchard with Moss Adams introduced to Finance Committee, regarding engagement for a second year. The committee was provided an overview of the audit scope, key risk areas, and timeline, with interim procedures set for March and final reporting by November. The team emphasized focus areas such as accounts receivable, revenue recognition, and internal controls. The committee requested efforts to expedite the final audit report for presentation at the November board meeting. Updates on regulatory changes and financial reporting standards were also discussed, as well as requests for consolidating the report as much as possible this year.		**MOTION:** Motion to recommend to Board of Directors for approval by Bloch, 2nd by Crane. All in favor.
5. 2025 WORK PLAN	*Ed Case & Ben Armfield*	Action
Case & Armfield absorbed Audit Committee's work plan into a revised Finance Committee work plan and added additional items according to previous committee discussion. September meeting has been eliminated.		**MOTION:** Motion to recommend to Board of Directors for approval by Crane, 2nd by

		Gerlach. All in favor.
6. REVISED FINANCE COMMITTEE CHARTER	*Ben Armfield*	Action
Case and Armfield absorbed the Audit Committee Charter into a revised Finance Committee Charter.		**MOTION:** Motion to recommend to Board of Directors for approval by Bloch, 2nd by Crane. All in favor.
7. ACCOUNTS RECEIVABLE REVIEW	*Ben Armfield*	Inform
As of January 2025, gross AR stands at $17 million, with 55% unbilled due to strategic operational holds that help ensure billing accuracy. While the discharge-to-billing time is slightly higher than ideal (targeting under 7 days), this approach significantly reduces denial rates, keeping them below industry benchmarks. The transition to Epic has streamlined billing and increased visibility into denials. However, challenges remain with contract calculations, requiring additional manual adjustments to ensure accurate financial reporting. Some discrepancies exist between Epic's contractual estimates and actual payments received, prompting continued evaluations. A mid-year audit review is planned to ensure financial accuracy. The team continues refining AR management processes, ensuring timely and accurate claims processing while minimizing inefficiencies and revenue losses. Feedback is encouraged to enhance reporting effectiveness.		
8. INVESTMENT POLICY (P-2022.02.16-1)	*Ed Case*	Inform
Case presented a draft of a new investment policy. Feedback requested from members so that FC can approve a final version at next meeting.		
9. FINANCIAL REPORTS FOR MONTH END JANUARY 2025	*Ben Armfield*	Inform
Armfield and Case worked to make changes to monthly financial reports, focusing on a condensed narrative. January was a fiscal year high in terms of performance. Revenues exceeded expectations by 6%, driven by growth in PT and ER volumes, along with a higher-than-budgeted Rate Range IGT net benefit of $6.7 million. Surgical volumes remained below budget due to provider changes, but outpatient services, including physical therapy and emergency visits, saw record highs. Efforts are underway to improve MRI volumes through partnerships, with UCSF expressing interest in collaboration. Discussions with UCSF also focus on optimizing Epic integration, physician recruitment, and potential investment in an infusion center. Additionally, financial reporting adjustments aim to provide a clearer picture of operations, and leadership is working to align priorities with UCSF as their agreement renewal approaches.		
10. ADJOURN	*Ed Case*	Meeting adjourned at 6:06 pm

District Hospital Leadership Forum Overview

Sonoma Valley Health Care District

Nathan Davis
Senior Vice President, Finance Policy

March 25, 2025

DISTRICT HOSPITAL LEADERSHIP FORUM

About the District Hospital Leadership Forum

Established in 2011, the District Hospital Leadership Forum (DHLF) was created to advocate on behalf of district hospital's financial interests. Today, DHLF represents all 33 district and municipal hospitals across California.

District and municipal hospitals are local governments responsible for providing the health care needs of their communities. Over two-thirds are rural, and more than half have a critical access hospital (CAH) designation. In most communities they are the sole provider of health care services.

DISTRICT HOSPITAL LEADERSHIP FORUM

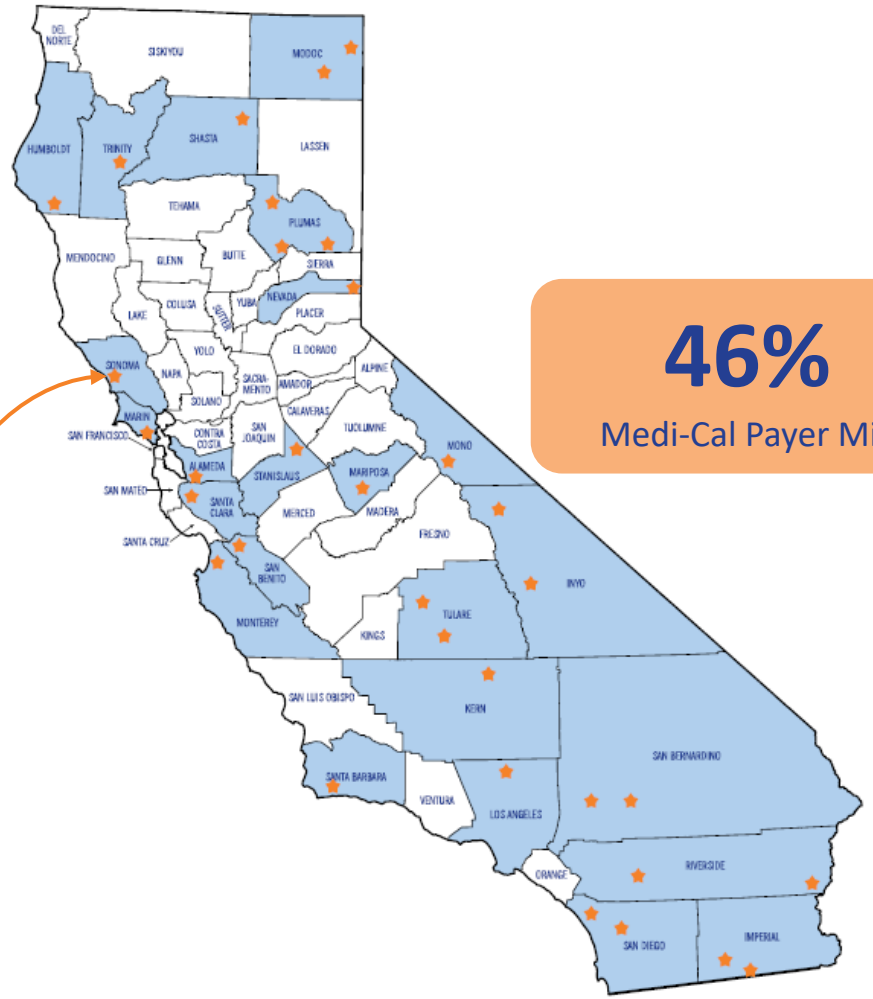
District Hospitals in California

33
INDEPENDENT PUBLIC HOSPITALS

18 Critical Access Hospitals (CAH)

Over **2/3** are Rural

Antelope Valley Hospital, Landcaster
Bear Valley Community Hospital, Big Bear Lake
Eastern Plumas HealthCare, Portola
El Camino Hospital, Mountain View
El Centro Regional Medical Center, El Centro
Hazel Hawkins Memorial Hospital, Hollister
Jerold Phelps Community Hospital, Garberville
John C. Fremont Healthcare District, Mariposa
Kaweah Health Medical Center, Visalia
Kern Valley Healthcare District, Lake Isabella
Lompoc Valley Medical Center, Lompoc
Mammoth Hospital, Mammoth Lakes
MarinHealth Medical Center, Greenbrae
Mayers Memorial Hospital, Fall River Mills
Modoc Medical Center, Alturas
Northern Inyo Hospital, Bishop
Oak Valley Hospital, Oakdale
Palo Verde Hospital, Blythe
Palomar Health, Escondido
Pioneers Memorial Hospital, Brawley
Plumas District Hospital, Quincy
Salinas Valley Health, Salinas
Mountains Community Hospital, San Bernardino (Lake Arrowhead)
San Gorgonio Memorial Hospital, Banning
Seneca Hospital, Chester
Sierra View Medical Center, Porterville
Sonoma Valley Hospital, Sonoma
Southern Inyo Hospital, Lone Pine
Surprise Valley Hospital, Cedarville
Tahoe Forest Hospital District, Truckee
Tri-City Medical Center, Oceanside
Trinity Hospital, Weaverville
Washington Hospital, Fremont



46%
Medi-Cal Payer Mix

DHLF Advocacy Focus

Medicare
DHLF tracks Medicare regulations and payment program updates. DHLF will weigh in on specific topics of concern, but Medicare policy changes very slowly thus requiring less time devotion.

Commercial
While commercial insurance typically reimburses hospitals the best for services, these managed care plans contract and work directly with hospital providers. DHLF tends to share information about plans amongst members and provides feedback on individual managed care plan policy changes that are harmful to all providers, however little of our time is spent in this area of healthcare.

Medi-Cal
DHLF has a specific focus on the Medi-Cal program as this is where DHLF is able to increase financing for district hospitals. Medi-Cal now covers 15 million Californians and thus represents a very large component of the healthcare space.

DISTRICT HOSPITAL LEADERSHIP FORUM

Medi-Cal Hospital Financing

Medi-Cal spending for hospitals, regardless on the Medi-Cal delivery system, can be best categorized through two primary payment types:

1) **Base payments**—payments for patient care services that are directly from the state based on an established Medi-Cal fee schedule, or via Medi-Cal managed care plans based on contracted or non-contracted rates.
   - *Non-federal share of payments = typically state General Fund appropriations*

2) **Supplemental payments**—payments that are typically calculated based on retroactive time periods and provided in lump sum amounts from either the state or via the Medi-Cal managed care plans.
   - *Non-federal share of payments = typically state General Fund appropriations*
   - *Commonly referred to as "self-financing"*

DISTRICT HOSPITAL LEADERSHIP FORUM

Medi-Cal Supplemental Payments

- **Supplemental Payment Basics**
  - Different rules apply depending on the delivery system (FFS vs. MC)
  - Vast majority of supplemental payments are “self-financed”

- **FFS**:
  - CMS requires Upper Payment Limit (UPLs) demonstrations
  - Payments authorized via State Plan
  - No “network provider” requirements

- **Managed Care**:
  - Current regulations (42 CFR 436) allow for “actuarial soundness”
  - Managed care contracts include directed payment requirements
  - State imposed “network provider” requirements

DISTRICT HOSPITAL LEADERSHIP FORUM

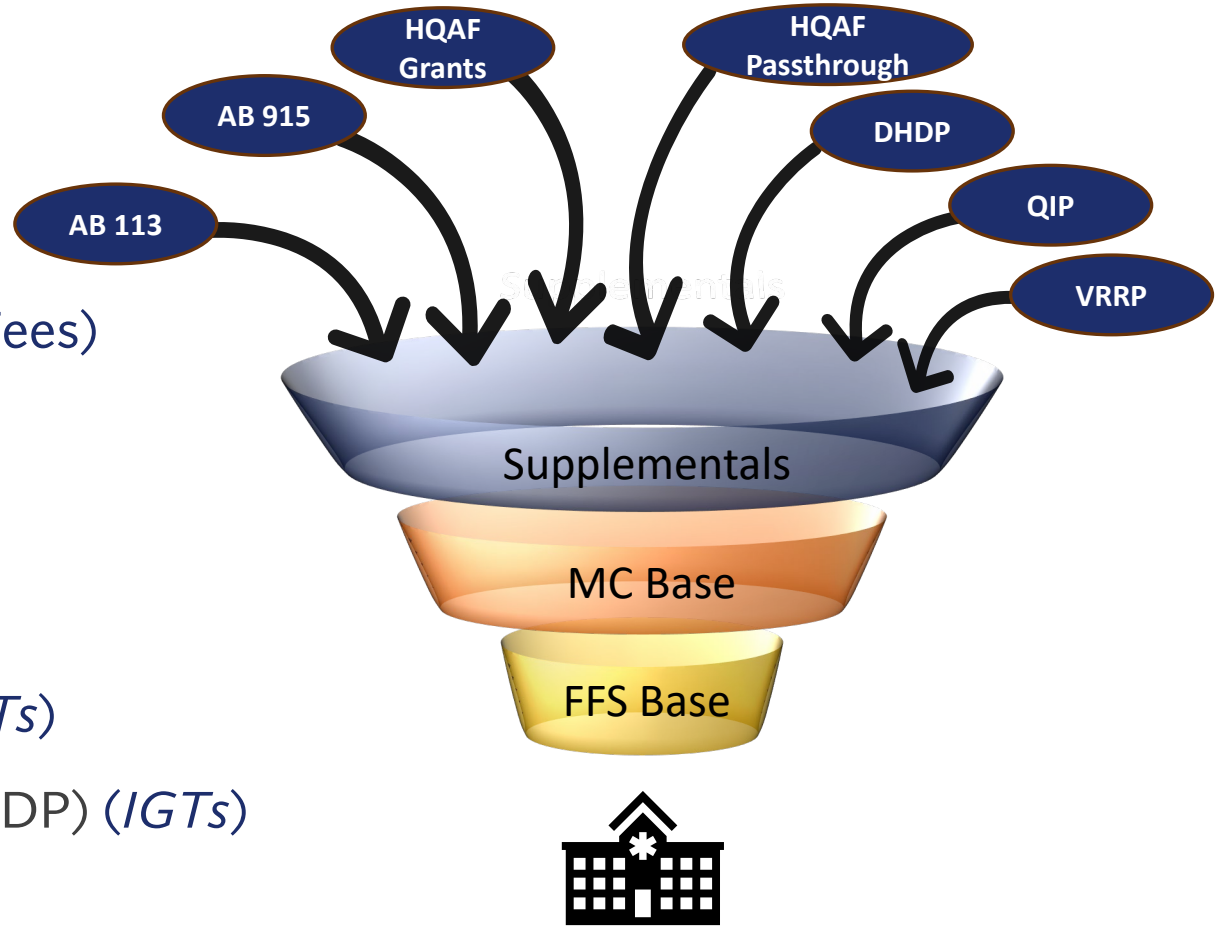
Supplemental Payment Programs —Snapshot

Fee-For-Service

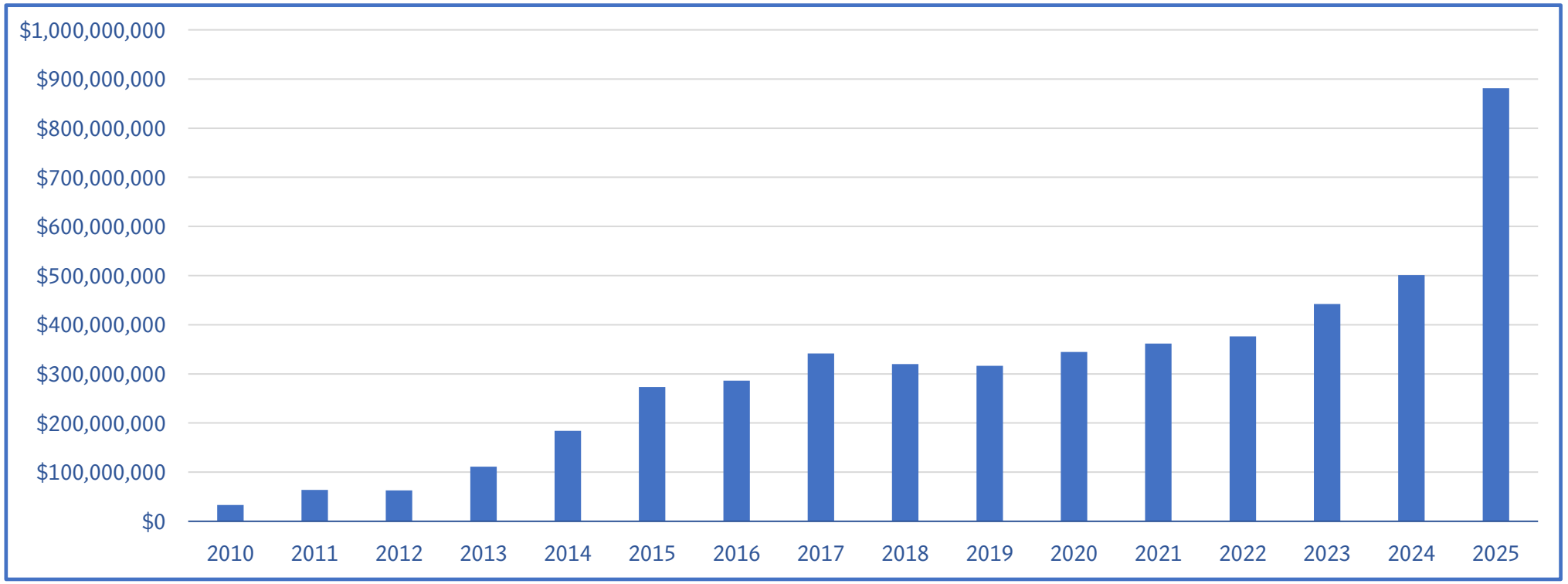
- Inpatient: AB 113 (IGT supported)
- Outpatient: AB 915 (CPE program)
- Hospital Quality Assurance Fee Grants (Private Fees)

Managed Care

- Quality Incentive Program (QIP) (*IGTs*)
- Hospital Quality Assurance Fee Passthrough (*IGTs*)
- District Hospital Directed Payment Program (DHDP) (*IGTs*)
- Voluntary Rate Range Program (VRRP) (*IGTs*)



DHLF Focus – Medi-Cal Supplementals



- The DHLF has focused on advocating for and creating Medi-Cal supplemental revenue streams to District hospitals since its inception. This chart shows funding created by DHLF for district hospitals.

- In 2025 Medi-Cal net supplemental revenues to district hospitals has grown to $881 million.

DISTRICT HOSPITAL LEADERSHIP FORUM

Distressed Hospital Loan Program (DHLP)

- SFY 2023-24 Budget Act established the Distressed Hospital Loan Program (DHLP)—***$300M Funding***
- The DHLP focused on lending to hospitals experiencing financial distress.
- As you can see from the table, Sonoma Valley was not the only district struggling.
- 16 Hospitals received loans, 9 of which are district hospitals.
- Overall, Districts received more than 51% of the loan allocations available ($150.7 million).

★ Indicates a District Hospital

Facility Name	Loan Award
Chinese Hospital	$10,350,000
Dameron Hospital Association	$29,000,000
El Centro Regional Medical Center ★	$28,000,000
Hayward Sisters Hospital, dba St. Rose Hospital	$17,650,000
Hazel Hawkins Memorial ★	$10,000,000
John C. Fremont Healthcare District ★	$9,350,000
Kaweah Delta Health Care District ★	$20,750,000
Madera Community Hospital	$57,000,000
Martin Luther King, Jr. Community Hospital	$14,000,000
Palo Verde Hospital ★	$8,500,000
Pioneers Memorial Healthcare District ★	$28,000,000
Ridgecrest Regional Hospital	$5,500,000
San Gorgonio Memorial Healthcare District ★	$9,800,000
Sonoma Valley Hospital ★	$3,100,000
Tri-City Medical Center ★	$33,200,000
Watsonville Community Hospital	$8,300,000

Look into the Future

1. California continues to rely on self-financing supplemental payment reimbursement structures (e.g., HQAF, DHDP, MCO Tax), and given annual State budget deficits, this is unlikely to change. Until new state General Fund investments are made, the importance of Medi-Cal supplemental payments for hospitals will be critical.

2. DHCS (and CMS) are focusing more on supplemental payments that are quality-based—less of a focus on utilization to preserve access.

DISTRICT HOSPITAL LEADERSHIP FORUM

Look into the Future - *continued*

3. Federal administration looking at Medicaid Program Cuts
   - Possible reduction or elimination of the floor Federal Medical Assistance Percentage (FMAP) formula.
     - Impact – The California Hospital Association estimates that reducing the FMAP floor could remove between $8 and $15 billion from California's health care delivery system.
   - Update/eliminate supplemental funding programs including provider taxes and IGT
     - Impact – Supplemental funding to hospitals could shrink or disappear completely depending on the severity of the changes to the rules that govern these programs.
   - Impose cuts to the Disproportionate Share Hospital Program
     - Impact – Hospitals participating in this program that see higher percentages of Medi-Cal patients will receive less funding.
   - Continued search for federal programs that demonstrate waste, fraud, and abuse.
     - Impact – If cuts are not well researched or erroneous, damaging effects to hospital funding streams could occur.

DISTRICT HOSPITAL LEADERSHIP FORUM

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SUBJECT: SVHCD Investment Policy PAGE 1 of ~~7~~6

REVISED: ~~02.25.25~~04.03.25 EFFECTIVE: TBD

Introduction

This statement of investment policy was adopted by the Board of Directors of Sonoma Valley Health Care District (SVHCD) on ~~"Date"~~April 3, 2025, to provide for the creation of, and guidelines for the management of, various funds held by the organization. These policies supersede any and all prior actions regarding investment policies.

Purpose

For the purposes of managing investment risk and optimizing investment returns within acceptable risk parameters, the following funds will be created, as needed, and held as separate investment pools.

- **Operating Fund**
- **Short-term Reserve Fund**
- **Long-term Reserve Fund**

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the mission of SVHCD and accurately reflects current financial conditions:
   A. The Finance Committee shall review this investment policy annually.
   B. The Finance Committee will recommend any changes in this policy to the Board of Directors.
2. The following procedures will be used to determine the dollar amounts to be placed in each of the various funds.
   A. The Chief Executive Officer (CEO) or his/her designee will recommend the dollar amounts to be held in the Operating Fund and Short-term Reserve Fund.
   B. The Finance Committee will recommend the dollar amounts to be held in the Long-Term Reserve Fund.

Delegation of Authority

The Finance Committee is a fiduciary and is responsible for directing and monitoring the investment management of the various fund assets on behalf of SVHCD. As such, the Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to Investment Management Consultant, Investment Manager, Custodian, and additional specialists.

It is anticipated that the services of a registered investment manager may be sought to manage portions of the Long-term Reserve Fund. The following procedures shall be followed to engage a new or replace a current investment manager:

~~1.~~A. The Treasurer and the Finance Committee will recommend the hiring or replacement of an investment manager to the Board of Directors.

~~2.~~B. The Treasurer and the Finance Committee will nominate prospective candidates and send a Request for Proposal to each candidate.

~~3.~~C. The Treasurer and the Finance Committee will review proposals and interview candidates to determine appropriate investment manager(s).

D. The Finance Committee will make the hiring recommendation to the Board of Directors, who shall have the final approval.

~~4.~~E. Investment Manager performance and engagement shall be reviewed by the Finance Committee with a report to the Board of Directors on an annual basis.

Operating Fund

Purpose

The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of SVHCD in a timely manner.

Investment Objectives

The investment objectives of the Operating Fund are:

- Preservation of capital;
- Liquidity; and
- Benchmark investment return within the constraints above and safety and security of all investments.
- ~~To optimize the investment return within the constraints above.~~

Investment Guidelines

Allowable Investments

The Chief Executive Officer (CEO) and Treasurer if authorized by the Board of Directors will invest the Operating Fund as follows:

1. Interest bearing Savings Account with a Bank with a rating of AA- or better within the FDIC insurance limits
2. Certificates of Deposit at insured commercial banking organizations with a rating of AA- or better within the FDIC Insurance limits;;
3. Money market funds;
4. Interest bearing checking accounts;
5. Direct obligations of the U.S. Government, its agencies and instrumentalities.

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Maturity

The maturities on investments for the Operating Fund shall be 12 months or less.

Reporting

The Chief Executive Officer (CEO) or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors;

- Schedule of investments;
- Interest income year to date

Short-term Reserve Fund

Purpose

The purpose of the Short-term Reserve Fund is to meet the expenses occurring as a result of unanticipated activities and to improve the return on the funds held for expenditure for up to five years.

Investment Objectives

The investment objectives of the Short-term Fund are:

- Preservation of capital;
- Liquidity; and
- To benchmark investment return within the constraints above and safety and security of all investments.
- ~~To optimize the investment return within the constraints above.~~

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Investment Guidelines

Allowable Investments

The Chief Executive Officer (CEO) and Treasurer if authorized by the Board of Directors will invest the Short-term Fund as follows:

1. Interest bearing savings account
2. Certificates of Deposit at insured commercial banking institutions;

3. Money market funds that invest in government backed securities;
4. Interest bearing checking accounts;
5. Direct obligations of the U.S. Government, its agencies and instrumentalities.
6. Mutual funds that invest in direct obligations of the U.S. Government, its agencies and instrumentalities.

Maturity

The Short-term fund shall have a weighted average maturity of three years or less. The maximum maturity shall be 5 years.

Reporting

The Chief Executive Officer (CEO) or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors:

- Schedule of Investments which includes schedule of performance since purchase or last 5 years;
- Interest Income year to date;
- Current yield

Long-term Reserve Fund

Purpose

The purpose of the Long-term Reserve Fund is to provide secure long-term funding for the mission of SVHCD. The assets of the Long-term Reserve Fund shall be managed in such a way as to facilitate the organization's goals and objectives as outlined by the Board of Directors. Expenditure of the principal is board designated unless otherwise designated by the donor(s) in part or in whole. Also, at the discretion of the Board of Directors, up to 100% of the yearly total return may be utilized for program and agency expenses unless restricted for specific purposes by the donor(s).

Investment Objectives

In order to meet its needs, the investment strategy of the Long-term Reserve Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management of the Long- term Reserve Fund shall be:

- Long-term growth of capital – To emphasize the Long-term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of

a comparable market index is anticipated, though management should strive to contain it.

- Preservation of purchasing power – To achieve returns in excess of the rate of inflation plus spending over the investment time horizon in order to preserve purchasing power of agency and Trust assets. Risk control is an important element in the investment of Trust assets.

Investment Guidelines

General Principles

1. Investments shall be made solely in the interest of SVHCD and Long-term Reserve Fund.
2. The assets shall be invested with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
3. Investment of these funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. SVHCD may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times by investment in Short-term cash equivalents to provide safety, liquidity and return.

Specific Investment Goals

Over the investment time horizon established it is the goal of the Long-term Reserve Fund assets to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index.

The goal of the investment manager shall be to meet or exceed the market index selected and agreed upon by the Finance Committee that most closely corresponds to the general principles stated above.

Diversification

Investment management of the assets of the Long-term Reserve Fund shall be in accordance with the following asset allocation guidelines:

Asset Class	Minimum	Maximum	Target

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Equities	30%	70%	50%
Fixed Income	30%	70%	35%
Cash Equivalents	0%	20%	7.5%
Real Assets	0%	10%	5%
Alternatives	0%	10%	2.5%

The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate portfolio, such disciplines must fit within the overall asset allocation guidelines established in this statement.

The Finance Committee will meet annually to monitor and re-evaluate investment allocation in reference to the Long-term Reserve Fund Asset classes.

Allowable Assets

The Long-term Reserve Fund requires that all investment assets be invested in marketable securities, defined as securities that can be traded quickly and efficiently for the Long-term Reserve Fund, with minimal impact on market price.

1. Cash Equivalents
    - Treasury bills
    - Money market funds (AAA rated only)
    - Commercial paper (minimum rating of A1/P1)
    - Banker's acceptances (minimum rating of B1)
    - Repurchase agreements
    - Certificates of deposit
2. Fixed Income Securities
    - U.S. Government and Agency securities
    - Corporate notes and bonds (investment grade, at least BBB)
    - Mortgage-backed bonds (minimum rating of B1)
    - Preferred stock
    - Convertible notes and bonds (minimum rating of BBB-)
3. Equity Securities
    - Common stocks
    - ~~Convertible notes and bonds~~
    - Convertible preferred stocks
    - American Depository Receipts of non-US companies (ADRs)
4. Mutual Funds that invest in securities as allowed in this statement

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To ensure marketability and liquidity, equity investments shall be executed through nationally recognized exchanges such as the New York Stock Exchange, American Stock Exchange and NASDAQ.

Performance Reporting

The Long-term Reserve Fund will be evaluated at least semi-annually on a total return basis. The evaluation will be based on the stated investment goals.

Comparisons will show results for the year-to-date. The report will be prepared by the Treasurer and will be presented to the Finance Committee at least semiannually. The Finance Committee will present a report to the Board of Directors at least annually.

To: SVHCD Finance Committee
From: Kimberly Drummond, Chief, Support Services
Date: March 25, 2025
Subject: Lab Equipment Replacement Project

THE ASK

Management seeks Board approval to move forward with replacing multiple pieces of lab equipment that have reached end of life and end of service. The current Beckman chemistry analyzer suite of 7 pieces of equipment with a deionized water system is planned to be replaced with an OrthoQuidell chemistry analyzer suite that does not require a 3rd party water treatment system. The current Beckman Hematology analyzer is planned to be replaced with a Sysmex Hematology system. The overall project cost is $311,000. for the replacement of the equipment to include facility compliance and IT upgrades including an interface with the Electronic Health Record.

OVERVIEW

The current Beckman chemistry analyzer suite comprises 7 pieces of equipment to provide testing redundancy. This suite of equipment is part of a reagent/consumable and service contract cost agreement and budgeted at an annual cost of $327K. The new OrthoQuidell equipment will provide the same testing redundancy at a significant cost savings due the upgraded testing methodology which requires less reagent/consumable product with no annual price escalations over the life of the contract. Additional savings will be realized as the 3rd Party water treatment equipment will be removed.

The current Beckman hematology analyzer is a reagent/consumable and service contract agreement budgeted at an annual cost of $25K with a 3.10% annual increase for reagent/consumable products. The new Sysmex hematology analyzer is a planned capital expense of $108K but will have a significant reduction in annual reagent/consumable costs at $4,800 annual costs with 0% reagent and 3% consumable product annual increase.

PROPOSED PROJECT BUDGET

DESIGN	$69,560.00
CONSTRUCTION	$25,000.00
IT HARDWARE, CABLING, INTERFACE	$80,247.48
PERMIT & SPECIAL INSPECTIONS	$15,000.00
CAPITAL EQUIPMENT	$108,000.00
CONTINGENCY	$13,238.00
PROJECT TOTAL	**$311,045.48**

FINANCIAL DETAILS

	Chemistry Analyzer		Hematology Analyzer		TOTAL	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
	Beckman	OrthoQuidell	Beckman	Sysmex	Beckman	ASK
One-Time Capital Outlay						
Equipment Costs	$ -	$ -	$ -	$ 108,000	$ -	$ 108,000
Construction Costs	-	101,523	-	101,523	-	203,046
Capital Costs Total	**$ -**	**$ 101,523**	**$ -**	**$ 209,523**	**$ -**	**$ 311,046**
Annual Costs						
Reagent Consumables	$ 290,000	$ 104,000	$ 24,917	$ 4,756	$ 314,917	$ 108,756
Service Contract Cost	37,000	25,000	23,600	14,740	60,600	39,740
Annual Costs Total	**$ 327,000**	**$ 129,000**	**$ 48,517**	**$ 19,496**	**$ 375,517**	**$ 148,496**
Annual Reagent Increase	3.1%	3.0%	3.1%	3.0%		
5-Year Cost Comparison						
Capital Outlay Costs Total	$ -	$ 101,523	$ -	$ 209,523	$ -	$ 311,046
5-Year Annual Costs Total	1,739,580	684,900	258,097	103,496	1,997,677	788,396
Total 5-Year Cost	**$ 1,739,580**	**$ 786,423**	**$ 258,097**	**$ 313,019**	**$ 1,997,677**	**$ 1,099,442**
Annual Average	$ 347,916	$ 157,285	$ 51,619	$ 62,604	$ 399,535	$ 219,888
				Estimated Average Annual Savings (compared to current state)		**$ (179,647)**
						-45%

RECOMMENDATION

Given the importance of refreshing these vital pieces of equipment along with the significant costs savings available, management recommends the Board approval to move forward with this lab project.

Sonoma Valley Healthcare District

Capital Project Tracker

March 2025

Project - Physical Therapy Expansion

Project Start Date			Project Budget			Project Completion Date		
At Original Concept	At Board Approval	Actual Start	At Original Concept	At Board Approval	Current Estimate	At Original Concept	At Board Approval	Current Estimate
Late Fall 2023 / Early Winter 2024	January 2024	January 2024	$1.5M-$2.5M	$ 2,300,000	$ 2,300,000	Fall 2024	January 2025	July 2025

Project Overview Narrative - The project concept was initially developed in 2023 due to market demand and a lack of capacity, as patient wait times consistently exceeded six weeks. The original concept was formulated by SVH management, with initial cost estimates ranging from $1.5 to $2.5 million. The intent was to partner with the SVH Foundation and fund 100% of the project through philanthropic support. The SVH Board approved the project in Fall 2023 with an estimated project cost of $2,300,000, of which $2,000,000 was planned to be funded through the SVH Foundation. At the time of board approval, the estimated project completion timeline was 12 months.

Updates on Current Estimates - The current projected cost remains at $2,300,000, consistent with the estimate provided to the board. However, the project has encountered delays during both the design and permitting processes, each causing multiple months of setbacks. Additional unforeseen delays arose due to procurement challenges, particularly regarding HVAC equipment, which has significantly impacted the timeline. These delays have shifted the estimated completion date from January 2025 to July 2025.

Despite these timeline adjustments, the project remains fully funded, with the SVH Foundation successfully raising $2,000,000. The remaining $300,000 will be funded through SVH operations, with $200,000 allocated from tenant improvement allowances within the existing Physical Therapy lease agreement.

Project - 3T MRI Permanent Location

Project Start Date			Project Budget			Project Completion Date		
At Original Concept	At Board Approval	Actual Start	At Original Concept	At Board Approval	Current Estimate	At Original Concept	At Board Approval	Current Estimate
2017	2019	2019	$ 35,000,000	$21,000,000	$24,000,000	2017	2020	2025

Project Overview Narrative - Management initiated the Outpatient Diagnostic Center (ODC) project to enhance diagnostic services and infrastructure while replacing critical equipment that was nearing end-of-life status. The project was originally conceived for a 2017 construction start date with an estimated cost of $35 million. This initial estimate included significant contingency funding to account for power

deficiencies, the potential replacement of the hospital-owned transformer, and uncertainties regarding renovations of older structures to meet current building codes.

However, it was determined that a $30 million+ project was not feasible, as the goal was to secure 100% philanthropic funding. Consequently, the project scope was refined, and the board officially approved a revised budget of $21,000,000 in 2018.

The project was divided into two main phases:

- **Phase One (Completed - August 2022)**: Introduced a state-of-the-art 128-slice CT scanner, offering high-quality diagnostic imaging, improved patient comfort, and reduced scan times. Additionally, a larger and more comfortable patient waiting area was established, along with public space upgrades. Multiple studies were conducted, including a decommissioning study to assess cost-effective building strategies, a master facility plan, and a retrofit plan for the West Wing inpatient building to meet 2030 seismic compliance. These studies now form the basis of SVH's current master facility plan.
- **Phase Two (In Progress)**: Includes the installation of a new 3 Tesla MRI (completed July 2024), updated ultrasound and X-ray equipment, and enhanced spaces and equipment for cardiology and laboratory services.

Updates on Current Estimates - The project timeline for the 3T MRI Permanent Location has faced delays due to unforeseen circumstances that have impacted both cost and scheduling.

One of the primary drivers of cost variance was the unexpected removal of the original design/build team, leading to a $1 million settlement. As a result, a redesign was required due to compliance issues with OSHPD (now HCAI) that made renovation in the original MRI location unfeasible. The project was subsequently pivoted to a modular building, with a planned hospital tie-in, targeting completion in Q1 2025.

The modular building redesign delay also necessitated the early deployment of the MRI in a temporary location by Q1 2024, adding $1.2 million to the overall project costs.

Prior to the design/build team change, the project was already experiencing COVID-19-related disruptions, including supply chain constraints and unprecedented increases in material and labor costs, which further extended the completion date beyond initial projections. These factors have required continuous adjustments to both budget and scheduling to ensure successful project delivery while maintaining continuity of imaging services.

These delays, coupled with the settlement issue and early mobilization of a temporary MRI structure, have increased the overall project cost to an estimated $24 million. The project is currently on hold, and at the last review, it was estimated to be fully completed by the end of 2025.

Project – ICU Upgrade

Project Start Date			Project Budget			Project Completion Date		
At Original Concept	At Board Approval	Actual Start	At Original Concept	At Board Approval	Current Estimate	At Original Concept	At Board Approval	Current Estimate
2020	2020	2020	$ 327,000	$ 327,000	$ 630,000	2021	2021	May 2025

Project Overview Narrative - The ICU Upgrade project was originally developed in 2020, before the onset of the COVID-19 pandemic, with the goal of refreshing and upgrading ICU rooms and supporting clinical infrastructure. The initial scope did not require a permit and was estimated at $330,000. However, due to COVID-19, the project was placed on indefinite hold.

In 2023, SVH reassessed the project and determined that a portion of the scope now required permitting. The revised project and budget were presented to the board in 2024, with a new estimated cost of $630,000, of which $601,000 was secured through the SVH Foundation.

Updates on Current Estimates - The ICU Upgrade project has encountered delays due to external and logistical challenges:

- COVID-19-related setbacks significantly delayed the project.
- The HCAI compliance review process triggered a required architectural redesign and cost reforecasting.
- Significant delays in design and cost reforecasting occurred due to competing high-priority projects, such as ODC, and SVH's lack of internal project management resources.
- Coordination challenges between outsourced project management and the transition to an internal project manager also contributed to delays in design and reforecasting.

Despite these obstacles, the team remains committed to ensuring that the ICU upgrades meet all regulatory requirements and operational needs while minimizing disruptions to patient care.

Currently, the project is in Phase 2 of a 3-phase construction schedule, with a new outsourced project manager overseeing the remaining work. Construction remains on track for completion in May 2025.

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
HEALING HERE AT HOME

To: SVHCD Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: March 25, 2025
Subject: FY26 Budget Assumptions

OVERALL COMMENTARY

As we prepare for the FY26 budget cycle, it is important to acknowledge both our recent financial performance and the challenges ahead. We are currently exceeding our FY25 budget, which had already assumed a $1.5 million improvement from FY24. While this positive momentum is encouraging, we anticipate that FY26 will present a more complex budgeting environment.

A key factor influencing our outlook is the ongoing uncertainty surrounding potential budget cuts to Medicare and Medi-Cal, which could materially impact reimbursement rates and supplemental funding streams. This is particularly relevant to our Intergovernmental Transfer (IGT) program, which saw a significant increase in net benefit this year. While this funding has been instrumental in strengthening our financial position, estimating its range for FY26 remains challenging given the shifting policy landscape.

We have the following assumptions in mind as we enter the FY26 budget cycle. Please note that these are assumptions, and values are subject to change as we get into more detailed discussions surrounding next year's expectations. Key assumptions of note:

VOLUMES

- FY26 budgeted volumes will be based on an annualization of this fiscal year's run-rate - July 2024 to January 2025.

Specific Volume Assumptions of Note:

- **MRI** – Budgeting further volume growth specific to the usage of the 3 Tesla magnet. We currently are averaging about 9 scans per day, or ~180/month. We plan to budget around 12 scans/day in FY26, or ~250/month, which would align with the board approved business plan.
- **Surgical Volumes** – Preliminarily budgeting an increase in OR cases due to the continued ramp-up of Dr. Walter. We will be contemplating further adjustments to surgical volumes in the coming weeks.
- **Physical Therapy** – Planning to budget volumes consistent with the business plan that was presented and approved by the board. This would represent 1,590 budgeted visits per month, which is a +10% increase compared to current year run-rate.
- **Emergency Room** – Preliminarily will be budgeting increase in ER volumes that align more with our current utilization. Currently averaging nearly 30 visits per day in FY25 (29.8) but have been averaging closer to 31-32 in the most recent 4-6 months.

- **Imaging** – Contemplating further adjustment to imaging volumes to account for the continued ramp-up of Dr. Walter.
- **Other Volumes** – Will continue to review other areas

GROSS REVENUE

- Gross revenues for the organization driven by budgeted volumes and current charge pricing per our active chargemaster.
- Gross Price Increase – Currently performing market study with third party to assess current charge levels in comparison to peers. We are planning to make proposed price adjustments based on the findings of the analysis underway.

NET PATIENT REVENUE & CONTRACTUAL ALLOWANCES

- Collection Rates - Utilize current year-to-date collection rates by payor as baseline and adjust contractual allowance based on finalized gross price increases.
- Payor Mix - Will be based upon current year-to-date run-rate.
- Supplemental Funding - Intergovernmental and supplemental payments include the 12-month Rate Range IGT, HQAF IGT, and the District Hospital Directed Payment Program IGT. Budgeting the overall net benefit for anticipated IGT programs will be a fluid process. Contemplating a number of different scenarios, but preliminarily, we are looking to set budgeted IGT levels to be consistent with FY25 budget.

FTEs, WAGES, AND BENEFITS

- FTEs - based upon current FY25 run-rate (July 2024 – January 2025)
- Wages – 3.0% annual increase for salaries for 6-months beginning January 2026.
- Potential base wage adjustments based on ongoing 3rd party analysis for positions identified as below market.
- Employee Benefits – The District converted to a new health plan in January 2024, so FY26 will now reflect a full year of cost related to the new benefit plan.

PHYSICIAN FEES & PROFESSIONAL FEES

- Based upon current costs and/or anticipated final contract arrangements.
- 1206(b) Movement – Adjusting for activity in the 1206(b) to reflect the departure of Dr. Kidd (was at SVH from July-October in FY25).

SUPPLIES/FOOD

- Based on current fiscal year run-rate and adjusted by department based on FY26 budgeted volumes.

- Global inflation adjustment of 3 - 5% for supply and food costs.
- FY26 budget will reflect new supply pricing on Zimmer/Orthopedic implant costs.
- Additional adjustments contemplated for estimated cost savings related to potential GPO change.

PURCHASED SERVICES

- Purchased services will be budgeted based on current and projected services by department.

INTEREST

- Based on current run-rate and adjusted for any new or expiring leases and/or loans.
- Interest expense should decrease in FY26 but will be based on estimated usage of line of credit with Summit Bank.

DEPRECIATION

- Based on current year and adjusted for anticipated additions and/or retirements of assets.
- FY26 Budget will contemplate additional depreciation with the following projects projected to come on-line in FY26 - Physical Therapy Expansion, Permanent MRI/ODC, and ICU Upgrade.

INSURANCE

- Will confirm with insurance agent. Overall increase expected to be between 10-15%.

UTILITIES

- Current and expected future rates to be reviewed. Contemplating Unison Energy agreement and impact on FY26 utility costs.

OTHER EXPENSES

- Rent/leases- current, will adjust for any new expected leases and remove any expiring. Will review all other expenses in detail by department**.**

To: SVHCD Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: March 25, 2025
Subject: Financial Class Contribution Margin Analysis

OVERVIEW

This memo provides an overview of the attached Contribution Margin Analysis by Financial Class for Fiscal Year 2024. This analysis examines the financial performance of different payer categories, highlighting their contributions to the hospital's bottom line.

The report is presented in two views:

1. **Contribution Margin Analysis by Financial Class** – This section categorizes performance based on payer types, such as Medicare, Medi-Cal, and Commercial.
2. **Contribution Margin Analysis by Financial Clas and Product** – This further breaks down each financial class by payer product, such as Commercial HMO vs. PPO.

CONTRIBUTION MARGIN EXPLAINED

The contribution margin represents revenue minus direct costs. Unlike net income, which accounts for all operational expenses (including overhead), contribution margin only considers costs directly related to patient care (e.g., staffing, supplies, and direct services). Contribution margin does not include overhead costs such as depreciation, administrative overhead, insurance and interest.

This helps provide insights into how each payer class supports the hospital's overall financial health.

VARIANCES BETWEEN PAYOR PRODUCTS

There are significant differences in contribution margins among different payer products within the same financial class. This is primary driven by a couple key factors:

- **Contract Structure:** Some contracts are fee-for-service (FFS), where payment is based on services rendered, while others are percentage-of-charges (% of Charges), where reimbursement is tied to hospital charges.
- **Negotiated Rates:** Variability in rates between PPO and HMO contracts leads to differing financial outcomes. PPOs typically offer higher reimbursement rates.

CONCLUSION & NEXT STEPS

This analysis serves as a foundational step in walking through payer profitability for the hospital. Over the coming months, we will engage in deeper discussions to refine our payer contracting strategy, evaluating opportunities to optimize reimbursement rates and improve financial sustainability.

ATTACHMENT: SVH Financial Class Contribution Margin Analysis – FY24

SVH Financial Class Contribution Margin Analysis

I. Contribution Margin Analysis by Financial Class

Fiscal Year 2024

	Volume		Contribution Margin by Total Dollars (rounded)				Contribution Margin Per Encounter			
Financial Class	Visits	Mix	Revenue	Dir Cost	Cont Margin	Cont Marg %	Revenue	Dir Cost	Cont Margin	Cont Marg %
Medicare	26,904	41%	$ 13,150,000	$ (14,070,000)	$ (920,000)	-7%	$ 489	$ (523)	$ (34)	-7%
Commercial	13,211	20%	19,550,000	(6,660,000)	12,890,000	66%	1,480	(504)	976	66%
Medicare HMO	10,405	16%	4,750,000	(5,400,000)	(650,000)	-14%	457	(519)	(62)	-14%
MediCal HMO	8,185	12%	7,210,000	(4,460,000)	2,750,000	38%	881	(545)	337	38%
Workers Comp	3,722	6%	1,200,000	(820,000)	380,000	32%	321	(222)	100	31%
Self Pay	2,245	3%	210,000	(250,000)	(40,000)	-19%	93	(111)	(17)	-19%
Medi-Cal	761	1%	740,000	(630,000)	110,000	15%	970	(827)	143	15%
Other Gov't	698	1%	1,930,000	(1,710,000)	220,000	11%	2,759	(2,446)	313	11%
Other	46	0%	460,000	(250,000)	210,000	46%	10,061	(5,360)	4,700	47%
Grand Total	**66,177**	**100%**	**$ 49,200,000**	**$ (34,240,000)**	**$ 14,960,000**	**30%**	**$ 743**	**$ (517)**	**$ 226**	**30%**

II. Contribution Margin by Financial Class, Financial Class Product (HMO, PPO, etc.)

Fiscal Year 2024

	Volume		Contribution Margin by Total Dollars (rounded)				Contribution Margin Per Encounter			
Financial Class / Product	Visits	Mix	Revenue	Dir Cost	Cont Margin	Cont Marg %	Revenue	Dir Cost	Cont Margin	Cont Marg %
Medicare	**26,904**	**41%**	**$ 13,150,000**	**$ (14,070,000)**	**$ (920,000)**	**-7%**	**$ 489**	**$ (523)**	**$ (34)**	**-7%**
Medicare	26,904	41%	13,150,000	(14,070,000)	(920,000)	-7%	489	(523)	(34)	-7%
Commercial	**13,211**	**20%**	**19,550,000**	**(6,660,000)**	**12,890,000**	**66%**	**1,480**	**(504)**	**976**	**66%**
Commercial PPO	6,558	10%	8,790,000	(2,830,000)	5,960,000	68%	1,340	(432)	908	68%
Commercial HMO	4,602	7%	7,710,000	(2,850,000)	4,860,000	63%	1,675	(618)	1,056	63%
Commecial - Other	1,774	3%	2,550,000	(710,000)	1,840,000	72%	1,437	(400)	1,037	72%
Commecial - Capitation	277	0%	510,000	(280,000)	230,000	45%	1,830	(993)	837	46%
Medicare HMO	**10,405**	**16%**	**4,750,000**	**(5,400,000)**	**(650,000)**	**-14%**	**457**	**(519)**	**(62)**	**-14%**
Medicare HMO	10,405	16%	4,750,000	(5,400,000)	(650,000)	-14%	457	(519)	(62)	-14%
MediCal HMO	**8,185**	**12%**	**7,210,000**	**(4,460,000)**	**2,750,000**	**38%**	**881**	**(545)**	**337**	**38%**
MediCal HMO	8,185	12%	7,210,000	(4,460,000)	2,750,000	38%	881	(545)	337	38%
Workers Comp	**3,722**	**6%**	**1,200,000**	**(820,000)**	**380,000**	**32%**	**321**	**(222)**	**100**	**31%**
Workers Comp	3,722	6%	1,200,000	(820,000)	380,000	32%	321	(222)	100	31%
Self Pay	**2,245**	**3%**	**210,000**	**(250,000)**	**(40,000)**	**-19%**	**93**	**(111)**	**(17)**	**-19%**
Self Pay	2,245	3%	210,000	(250,000)	(40,000)	-19%	93	(111)	(17)	-19%
Medi-Cal	**761**	**1%**	**740,000**	**(630,000)**	**110,000**	**15%**	**970**	**(827)**	**143**	**15%**
Medi-Cal	761	1%	740,000	(630,000)	110,000	15%	970	(827)	143	15%
Other Gov't	**698**	**1%**	**1,930,000**	**(1,710,000)**	**220,000**	**11%**	**2,759**	**(2,446)**	**313**	**11%**
Other Gov't - VA	425	1%	370,000	(430,000)	(60,000)	-16%	877	(1,007)	(130)	-15%
Other Gov't - CDCR	191	0%	1,440,000	(1,190,000)	250,000	17%	7,537	(6,212)	1,325	18%
Other Gov't	82	0%	110,000	(90,000)	20,000	18%	1,388	(1,134)	254	18%
Other	**46**	**0%**	**460,000**	**(250,000)**	**210,000**	**46%**	**10,061**	**(5,360)**	**4,700**	**47%**
Other	46	0%	460,000	(250,000)	210,000	46%	10,061	(5,360)	4,700	47%
Grand Total	**66,177**	**100%**	**$ 49,200,000**	**$ (34,240,000)**	**$ 14,960,000**	**30%**	**$ 743**	**$ (517)**	**$ 226**	**30%**

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
HEALING HERE AT HOME

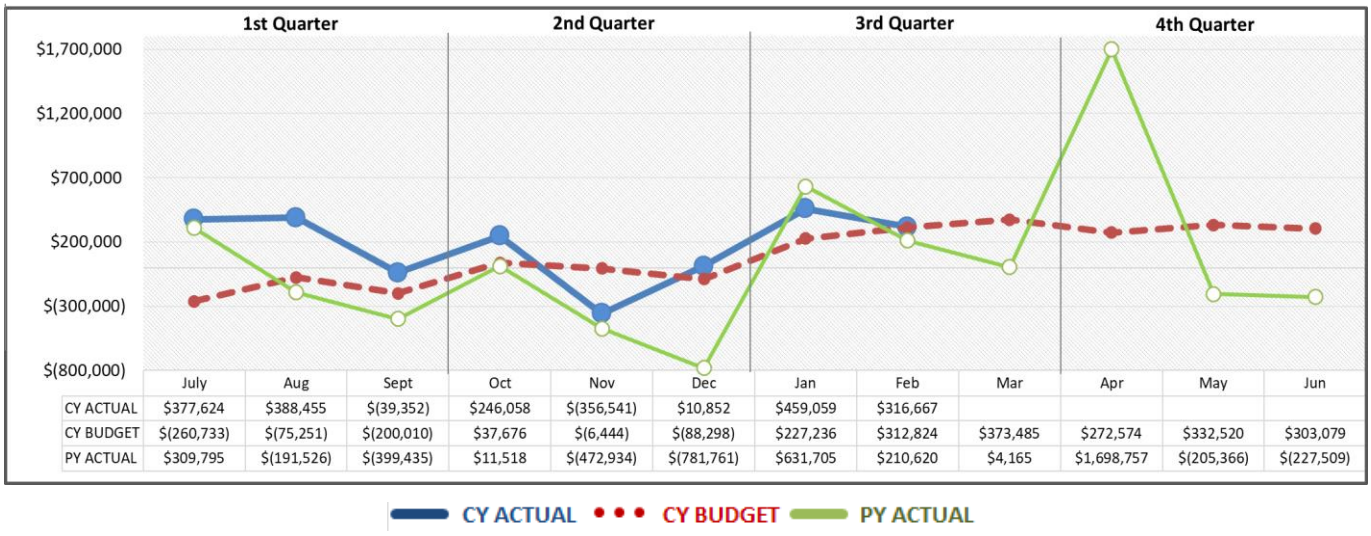
To: SVHCD Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: March 25, 2025
Subject: Financial Report for February 2025

OVERALL PERFORMANCE SUMMARY

February was yet another strong month for the hospital. While not quite hitting January's mark, February's Operating EBDA did exceed budget, making it 7 out of 8 months in this fiscal year that operations has exceeded budget targets. Key highlights include:

- **Operating EBDA** (with Parcel Taxes) – When including parcel tax revenues, the hospital posted a positive Operating EBDA of **$347,700** exceeding the budget of **$312,800** by **$34,900**. January's performance was a fiscal year high, beating the previous high of July by nearly 20%.
- **Operating Revenues** – Exceeded budget by **8%,** or **$398,000**, driven primarily by the increase in our IGT revenue accrual due to the Rate Range IGT funding coming in higher than budgeted levels. Other contributing areas include outpatient physical therapy, wound care, and cardiology.
- **Operating Expenses** - Exceeded budget by **7%,** or **$370,000**. Due to the additional IGT accrual stemming from receiving a higher Rate Range IGT allotment, the vast majority of expense overrun in February relates to our IGT matching fee accrual. Operating expenses in February exceeded budget by less than 3% when excluding depreciation and IGT matching fees.
- **Cash** – The hospital ended the month with **34.5** Days Cash on Hand.

Trended Operating EBDA (Includes Parcel Taxes)



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
CY ACTUAL	$377,624	$388,455	$(39,352)	$246,058	$(356,541)	$10,852	$459,059	$316,667				
CY BUDGET	$(260,733)	$(75,251)	$(200,010)	$37,676	$(6,444)	$(88,298)	$227,236	$312,824	$373,485	$272,574	$332,520	$303,079
PY ACTUAL	$309,795	$(191,526)	$(399,435)	$11,518	$(472,934)	$(781,761)	$631,705	$210,620	$4,165	$1,698,757	$(205,366)	$(227,509)

Overall Performance (In 1000s, Includes Parcel Taxes) | February 2025

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	Actual	Budget	Var	%	PY Actual	Var	%
Operating Margin	$(168.5)	$(178.9)	$ 10.3	6%	$(2,776.2)	$(4,046.6)	$ 1,270.4	31%	$ (4,182.3)	$1,406.1	34%
Operating EBDA	$ 347.7	$ 312.8	$ 34.9	11%	$ 1,433.9	$ (53.0)	$ 1,486.9	2805%	$ (682.0)	$2,115.9	310%
Net Income (Loss)	$ 17.9	$ 9.2	$ 8.7	94%	$(1,281.0)	$(2,541.8)	$ 1,260.8	50%	$ (2,539.8)	$1,258.8	50%

DRIVERS IN MONTHLY PERFORMANCE

While overall volumes did come down from January due to the shortened month, February still delivered a better than budgeted performance in overall facility volumes. Key drivers in February's performance include:

- **Inpatient Activity** – Relative to its recent run-rate, the hospital did see a spike in inpatient activity in February with both patient days and discharges exceeding budget by 20%.
- **Physical Therapy** – PT volumes remain robust while construction on the expansion project continues. The budget increased by 50% starting in January, which equates to a budget of 1,590 monthly visits between now and the end of the year. It will be very challenging to hit those numbers prior to the expansion being complete, but the team has done great work in maximizing their current footprint to accommodate further growth despite the construction delay. We provided care for 1,412 visits in February, which falls short of budget but also represents a 30% increase over our prior year baseline.
- **Emergency Room** – Volumes continue to be robust in our ER. We had 993 visits in January, ~32 per day. The goal with the new medical group was to achieve 30+ per day. So far this year we are averaging just above 30, which exceeds our budget and prior year run-rate by over 5%.
- **Surgical Volumes** - Surgical volumes picked up again in February, driven by further increases in Orthopedics and GI volumes. We performed 145 surgeries in February, which was 10 (or 6%) short of our monthly budget, but also represents the busiest month in the OR since October.
- **Wound Care** - We have seen a continued surge in wound care this fiscal year, This service provides favorable financial returns for the District, so it is encouraging to see consistent, monthly growth in this service line. Our current fiscal year volumes are up nearly 40% from the prior year. We have been intentional about promoting and marketing this service so it is encouraging to see such positive returns.

OTHER FINANCE UPDATES

- **Rate Range Program Updates** – Negotiations continue with our health plans regarding our allotment for the upcoming CY24 Rate Range Program (paid out in FY26). in relation to our funding allotment. We hope to know more in the coming weeks.
- **ERP**– Internal evaluation on a new ERP solution will conclude next week and we will be bringing forward a recommendation to this committee in April on proposed next steps.
- **FY26 Budget Planning** – Planning continues on our FY26 budget. Departmental meetings are being scheduled and budget meetings will commence in the next two weeks.

FINANCE REPORT ATTACHMENTS:

- Attachment A Income Statement
- Attachment B Balance Sheet
- Attachment C Cash Flow Forecast
- Attachment D Key Performance Indicators | Volumes & Statistics
- Attachment E Fiscal Year 2025 Business Plan Tracker

Historical Attachments Selected for Removal

- Attachment F Key Performance Indicators | Overall Performance
- Attachment G Income Statement
- Attachment H Trended Income Statement

Sonoma Valley Health Care District
Income Statement (in 1000s)
For the Period Ended February 28, 2025

ATTACHMENT A

		Month				Year-To- Date						
Revenues		**CYM Actual**	**CYM Budget**	**Var**	**%**	**YTD Actual**	**YTD Budget**	**Var**	**%**	**PYTD Actual**	**Var**	**%**
1	Net Patient Revenue	$ 4,386.1	$ 4,351.4	34.7	1%	$ 33,717.6	$ 32,292.4	1,425.2	4%	$ 32,632.2	1,085.5	3%
2	IGT Program Revenue	1,235.2	871.5	363.6	42%	7,699.6	6,972.4	727.2	10%	5,032.4	2,667.2	53%
3	Parcel Tax Revenue	316.7	312.5	4.2	1%	2,533.3	2,500.0	33.3	1%	2,533.3	-	0%
4	Other Operating Revenue	94.3	92.0	2.3	2%	790.6	735.9	54.6	7%	735.9	54.6	7%
5	**Total Revenue**	**$ 6,032.2**	**$ 5,627.5**	**404.7**	**7%**	**$ 44,741.1**	**$ 42,500.8**	**2,240.4**	**5%**	**$ 40,933.9**	**3,807.2**	**9%**
Operating Expenses		**CYM Actual**	**CYM Budget**	**Var**	**%**	**YTD Actual**	**YTD Budget**	**Var**	**%**	**PYTD Actual**	**Var**	**%**
6	Labor / Total People Cost	$ 2,930.4	$ 2,851.8	78.6	3%	$ 23,057.7	$ 23,106.4	(48.7)	0%	$ 22,118.5	939.2	4%
7	Professional Fees	627.8	685.8	(58.0)	-8%	5,395.1	5,421.9	(26.8)	0%	4,670.3	724.8	16%
8	Supplies	707.5	630.1	77.4	12%	4,997.7	4,801.8	195.9	4%	5,528.0	(530.3)	-10%
9	Purchased Services	404.7	400.8	4.0	1%	3,162.0	3,256.0	(94.1)	-3%	3,416.6	(254.6)	-7%
10	Depreciation	516.3	491.7	24.6	5%	4,210.1	3,993.6	216.5	5%	3,500.3	709.8	20%
11	Interest	26.0	29.4	(3.4)	-12%	297.9	235.6	62.4	26%	465.8	(167.9)	-36%
15	Other	393.6	351.6	42.0	12%	3,016.7	2,810.5	206.2	7%	2,646.5	370.2	14%
16	IGT Program Expense	594.4	365.2	229.2	63%	3,380.0	2,921.5	458.5	16%	2,770.0	610.0	22%
17	**Operating Expenses**	**$ 6,200.8**	**$ 5,806.4**	**394.4**	**7%**	**$ 47,517.3**	**$ 46,547.4**	**969.9**	**2%**	**$ 45,116.2**	**2,401.1**	**5%**
18	**Operating Margin**	**$ (168.5)**	**$ (178.9)**	**10.3**	**6%**	**$ (2,776.2)**	**$ (4,046.6)**	**1,270**	**31%**	**$ (4,182.3)**	**1,406.1**	**34%**
Non Operating Income		**CYM Actual**	**CYM Budget**	**Var**	**%**	**YTD Actual**	**YTD Budget**	**Var**	**%**	**PYTD Actual**	**Var**	**%**
19	GO Bond Activity, Net	162.8	177.6	(14.8)	-8%	1,291.4	1,420.6	(129.1)	-9%	1,396.7	(105.3)	-8%
20	Misc Revenue/(Expenses)	23.6	10.5	13.1	124%	203.8	84.3	119.5	142%	245.8	(42.0)	-17%
21	**Total Non-Op Income**	**$ 186.4**	**$ 188.1**	**(1.7)**	**-1%**	**$ 1,495.2**	**$ 1,504.8**	**(9.6)**	**-1%**	**$ 1,642.5**	**(147.3)**	**-9%**
22	**Net Income (Loss)**	**$ 17.9**	**$ 9.2**	**8.7**	**94%**	**$ (1,281.0)**	**$ (2,541.8)**	**1,260.8**	**50%**	**$ (2,539.8)**	**1,258.8**	**50%**
23	Restricted Foundation Contr.	52.1	157.4	(105.3)	-67%	2,038.0	1,259.3	778.7	62%	1,144.0	893.9	78%
24	**Change in Net Position**	**$ 70.0**	**$ 166.6**	**(96.6)**	**-58%**	**$ 757.0**	**$ (1,282.5)**	**2,039.5**	**159%**	**$ (1,395.7)**	**2,152.7**	**154%**
25	**Operating EBDA**	**$ 347.7**	**$ 312.8**	**34.9**	**11%**	**$ 1,433.9**	**$ (53.0)**	**1,486.9**	**2805%**	**$ (682.0)**	**2,115.9**	**310%**

Sonoma Valley Health Care District **ATTACHMENT B**

Balance Sheet

As of February 28, 2025

Expressed in 1,000s

		Current Month	Prior Month	FYE 2024 Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 5,379.6	$ 7,036.5	$ 3,748.6
2	Net Patient Receivables	8,526.5	8,318.8	11,860.2
3	Allow Uncollect Accts	(903.8)	(933.2)	(4,323.2)
4	Net Accounts Receivable	$ 7,622.8	$ 7,385.6	$ 7,537.0
5	Parcel Tax Receivable	1,730.7	1,730.7	-
6	GO Bond Tax Receivable	975.3	975.3	-
7	Other Receivables	2,195.3	1,941.7	1,647.5
8	Inventory	947.7	949.5	913.4
9	Prepaid Expenses	1,087.0	1,170.2	637.5
10	Total Current Assets	$ 19,938.3	$ 21,189.6	$ 14,484.0
11	Property,Plant & Equip, Net	$ 60,242.8	$ 60,663.8	$ 61,734.0
12	Trustee Funds - GO Bonds	5,010.4	4,995.5	5,957.3
13	Other Assets - Deferred IGT Expense	2,806.1	3,507.6	-
14	**Total Assets**	**$ 87,997.7**	**$ 90,356.5**	**$ 82,175.3**
	Liabilities & Fund Balances			
	Current Liabilities:			
15	Accounts Payable	$ 7,956.0	$ 7,754.1	$ 6,443.4
16	Accrued Compensation	4,020.9	4,024.8	3,648.8
17	Interest Payable - GO Bonds	481.3	447.5	189.4
18	Accrued Expenses	222.6	366.7	409.6
19	Deferred IGT Revenue	6,022.2	7,455.8	-
20	Deferred Parcel Tax Revenue	1,266.7	1,583.3	-
21	Deferred GO Bond Tax Revenue	802.5	1,003.1	-
22	Line of Credit - Summit Bank	-	-	4,973.7
23	Other Liabilities	-	57.5	57.5
24	Total Current Liabilities	$ 20,772.2	$ 22,910.4	$ 15,939.9
25	Long Term Debt, net current portion	$ 27,955.9	$ 27,981.6	$ 27,457.8
26	Total Fund Balance	$ 39,269.6	$ 39,464.6	$ 38,777.6
27	**Total Liabilities & Fund Balances**	**$ 87,997.7**	**$ 90,356.5**	**$ 82,175.3**

Cash Indicators	Current Month	Prior Month	Prior Year FYE
Days Cash	34.5	45.1	22.7
A/R Days	57.2	57.6	60.1
A/P Days	66.4	64.3	55.1

Sonoma Valley Health Care District **ATTACHMENT C**

Cash Forecast (In 1000s)

	FY 2025	**Actual July**	**Actual Aug**	**Actual Sept**	**Actual Oct**	**Actual Nov**	**Actual Dec**	**Actual Jan**	**Actual Feb**	***Forecast* Mar**	***Forecast* Apr**	***Forecast* May**	***Forecast* Jun**	**TOTAL**
	Hospital Operating Sources													
1	Patient Payments Collected	$ 4,211.7	$ 4,169.5	$ 4,265.7	$ 4,281.0	$ 4,115.5	$ 3,960.7	$ 4,215.3	$ 3,754.9	$ 4,300.0	$ 4,300.0	$ 4,300.0	$ 4,300.0	$ 50,174.2
2	Other Operating Revenue	316.7	106.8	46.0	192.7	75.3	88.8	115.0	107.7	20.0	110.0	100.0	100.0	1,379.0
3	Other Non-Operating Revenue	12.1	20.9	11.4	5.4	16.2	18.0	24.2	13.5	11.3	18.6	3.6	8.0	163.3
4	Unrestricted Contributions	-	8.2	9.5	9.1	6.0	7.6	-	-	-	-	-	-	40.4
5	**Sub-Total Hospital Sources**	**$ 4,540.5**	**$ 4,305.4**	**$ 4,332.6**	**$ 4,488.2**	**$ 4,212.9**	**$ 4,075.1**	**$ 4,354.5**	**$ 3,876.2**	**$ 4,331.3**	**$ 4,428.6**	**$ 4,403.6**	**$ 4,408.0**	**$ 51,756.8**
	Hospital Uses of Cash													
6	Operating Expenses / AP Payments	$ 5,003.0	$ 4,703.6	$ 4,628.1	$ 5,681.0	$ 5,589.2	$ 5,094.6	$ 5,422.8	$ 5,437.3	$ 4,954.0	$ 5,680.0	$ 5,803.0	$ 5,977.0	$ 63,973.7
7	Term Loan Paydown	-	-	-	-	-	116.6	89.7	73.6	38.5	38.5	38.5	38.5	433.9
8	Bridge Loan Payback	-	-	-	-	-	-	758.2	-	-	-	-	-	758.2
9	Capital Expenditures	66.0	1,047.6	177.6	185.2	230.8	7.6	-	109.2	25.0	100.0	100.0	50.0	2,099.0
10	**Total Hospital Uses**	**$ 5,068.9**	**$ 5,751.3**	**$ 4,805.7**	**$ 5,866.2**	**$ 5,820.0**	**$ 5,218.8**	**$ 6,270.7**	**$ 5,620.2**	**$ 5,017.5**	**$ 5,818.5**	**$ 5,941.5**	**$ 6,065.5**	**$ 67,264.8**
	Net Hospital Sources/Uses of Cash	**$ (528.5)**	**$ (1,445.8)**	**$ (473.1)**	**$ (1,378.0)**	**$ (1,607.1)**	**$ (1,143.7)**	**$ (1,916.3)**	**$ (1,743.9)**	**$ (686.2)**	**$ (1,389.9)**	**$ (1,537.9)**	**$ (1,657.5)**	**$ (15,508.0)**
	Non-Hospital Sources													
12	Restricted Cash/Money Market													-
11	Restricted Capital Donations	$ 66.0	$ 986.4	$ 177.6	$ 51.6	$ 216.7	$ -	$ -	$ 87.0	$ -	$ -	$ -	$ -	$ 1,585.3
12	Parcel Tax Revenue	142.5	-	-	1,612.0	-	446.6	-	-	-	1,754.8	-	-	3,955.9
13	Other Payments	-	-	-	653.0	-	-	-	-	-	-	-	-	653.0
14	IGT Payments	-	-	0.9	-	27.0	-	12,553.3	-	-	-	573.0	1,495.0	14,649.1
15	Distressed Hospital Loan Program	3,100.0	-	-	-	-	-	-	-	-	-	-	-	3,100.0
16	Line of Credit Payoff Funding - New Bank	-	-	-	-	1,900.0	-	-	-	-	-	-	-	1,900.0
17	Line of Credit Draw - New Bank	-	-	-	-	5,400.0	-	-	-	-	-	-	-	5,400.0
18	**Sub-Total Non-Hospital Sources**	**3,308**	**986**	**178**	**2,317**	**7,544**	**447**	**12,553**	**87**	**-**	**1,755**	**573**	**1,495**	**31,243**
	Non-Hospital Uses of Cash													
19	IGT Matching Fee Payments	$ -	$ -	$ -	$ -	$ 5,157.6	$ -	$ -	$ -	$ 230.0	$ 496.4	$ -	$ -	$ 5,883.9
20	Line of Credit Payoff - US Bank LOC	3,100.0	-	-	-	1,895.5	-	-	-	-	-	-	-	4,995.5
21	Line of Credit Repayment - New LOC	-	-	-	-	-	-	5,400.0	-	-	-	-	-	5,400.0
22	**Sub-Total Non-Hospital Uses of Cash**	**$ 3,100.0**	**$ -**	**$ -**	**$ -**	**$ 7,053.1**	**$ -**	**$ 5,400.0**	**$ -**	**$ 230.0**	**$ 496.4**	**$ -**	**$ -**	**$ 16,279.4**
23	**Net Non-Hospital Sources/Uses of Cash**	**$ 208.4**	**$ 986.4**	**$ 178.4**	**$ 2,316.6**	**$ 490.5**	**$ 446.6**	**$ 7,153.3**	**$ 87.0**	**$ (230.0)**	**$ 1,258.4**	**$ 573.0**	**$ 1,495.0**	**$ 14,963.8**
24	**Net Sources/Uses**	**$ (320.1)**	**$ (459.4)**	**$ (294.7)**	**$ 938.6**	**$ (1,116.5)**	**$ (697.1)**	**$ 5,237.1**	**$ (1,656.9)**	**$ (916.2)**	**$ (131.5)**	**$ (964.9)**	**$ (162.5)**	**$ (544.2)**
25	Total Cash at beginning of period	$ 3,748.6	$ 3,428.5	$ 2,969.1	$ 2,674.5	$ 3,613.0	$ 2,496.5	$ 1,799.4	$ 7,036.5	$ 5,379.6	$ 4,463.4	$ 4,331.9	$ 3,367.0	
26	**Total Cash at End of Period**	**$ 3,428.5**	**$ 2,969.1**	**$ 2,674.5**	**$ 3,613.0**	**$ 2,496.5**	**$ 1,799.4**	**$ 7,036.5**	**$ 5,379.6**	**$ 4,463.4**	**$ 4,331.9**	**$ 3,367.0**	**$ 3,204.4**	
27	**Days of Cash on Hand at End of Month**	**22.0**	**19.0**	**17.1**	**23.2**	**16.0**	**11.5**	**45.1**	**34.5**	**28.6**	**27.8**	**21.6**	**21.4**	

Sonoma Valley Health Care District **ATTACHMENT D**

Key Performance Indicators | Volumes & Statistics

For the Period Ended February 28, 2025

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
Inpatient Volume											
Acute Patient Days	308	257	51	20%	1,995	2,104	(109)	-5%	2,122	(127)	-6%
Acute Discharges	86	72	14	19%	534	578	(44)	-8%	570	(36)	-6%
Average Length of Stay	3.6	3.6	0.0	1%	3.7	3.6	0.1	3%	3.7	0.0	0%
Average Daily Census	11.0	9.2	1.8	20%	8.2	8.7	(0.4)	-5%	8.7	(1)	-6%
Surgical Volume											
IP Surgeries	12	10	2	26%	71	83	(12)	-14%	113	(42)	-37%
OP Surgeries	133	145	(12)	-8%	1,036	1,051	(15)	-1%	1,178	(142)	-12%
Total Surgeries	**145**	**155**	**(10)**	**-6%**	**1,107**	**1,134**	**(27)**	**-2%**	**1,291**	**(184)**	**-14%**
Other Outpatient Activity											
Total Outpatient Visits	5,565	5,100	465	9%	45,290	40,800	4,490	11%	41,253	4,037	10%
Emergency Room Visits	887	871	16	2%	7,347	6,730	617	9%	6,749	598	9%

Payor Mix	Actual	Budget	%	Actual	Budget	%
Medicare	38.7%	37.7%	1.0%	37.3%	37.9%	-0.6%
Medicare Mgd Care	19.3%	18.3%	1.1%	20.7%	18.3%	2.4%
Medi-Cal	21.1%	16.2%	4.9%	18.2%	16.2%	2.1%
Commercial	17.3%	23.9%	-6.6%	20.6%	23.8%	-3.2%
Other	3.5%	3.9%	-0.4%	3.2%	3.8%	-0.6%
Total	**100.0%**	**100.0%**		**100.0%**	**100.0%**	

Payor Mix calculated based on gross revenues

Trended Outpatient Visits by Area

	Most Recent Six Months							YoY Monthly Averages			
Department	**Sep-24**	**Oct-24**	**Nov-24**	**Dec-24**	**Jan-25**	**Feb-25**	**Last 6 Months**	**FY25**	**FY24**	**Chg**	**% Chg**
Lab	1,269	1,443	1,328	1,211	1,461	1,189		1,322	1,297	25	2%
Medical Imaging	878	1,019	791	917	1,122	980		947	927	21	2%
Physical Therapy	1,411	1,481	1,278	1,337	1,500	1,412		1,408	1,154	253	22%
CT Scanner	458	472	442	426	435	423		442	380	61	16%
Occ. Health	162	255	252	229	251	259		250	282	(32)	-11%
Mammography	215	275	234	230	287	260		240	240	(0)	0%
Occ. Therapy	294	205	167	210	190	159		205	205	(0)	0%
Ultrasound	233	252	183	163	235	206		218	217	1	1%
Wound Care	209	277	236	254	280	264		245	177	68	38%
MRI	182	222	151	190	163	176		175	131	43	33%
ECHO	141	147	110	89	104	148		120	115	6	5%
Speech Therapy	66	69	31	69	80	65		67	49	18	36%
Other	26	30	19	8	28	24		23	20	3	14%
TOTAL	**5,544**	**6,147**	**5,222**	**5,333**	**6,136**	**5,565**		**5,661**	**5,195**	**466**	**9%**
Emergency Room	862	894	814	972	993	873		917	868	48	6%

Sonoma Valley Hospital | FY25 Business Plan Tracker — **ATTACHMENT E**

Through February 2025

Initiative	Investment	Measurable Outcome *	Financial Impact	Volumes / Impact	July	August	September	October	November	December	January	February	March	April	May	June	YTD
3T MRI	**$1 Million (Temp Trailer)**	**MRI Exams |** Incremental Growth over Baseline (>120 scans/month)	**Incremental Revenue | $1,250,000**	**VOLUMES**	***3T went live August 2023**												
				Baseline (FY24)	95	95	95	95	95	95	95	95	95	95	95	95	760
				FY25 Budget	178	196	184	214	215	215	225	225	230	235	240	240	1,651
				FY25 Actual	**130**	**182**	**182**	**222**	**151**	**190**	**163**	**176**					**1,396**
				Actual vs. Budget	**(48)**	**(14)**	**(2)**	**8**	**(64)**	**(25)**	**(62)**	**(49)**					**(255)**
				FINANCIAL IMPACT | INCREMENTAL REVENUE													
				FY25 Budgeted	$ 71,400	$ 86,300	$ 76,100	$ 102,200	$ 103,000	$ 103,000	$ 111,600	$ 111,600	$ 115,900	$ 120,100	$ 124,400	$ 124,400	$ 765,200
				FY25 Actual	$ 30,000	$ 74,700	$ 74,700	$ 109,000	$ 48,100	$ 81,500	$ 58,400	$ 69,500					$ 545,900
				Actual vs. Budget	**$ (41,400)**	**$ (11,600)**	**$ (1,400)**	**$ 6,800**	**$ (54,900)**	**$ (21,500)**	**$ (53,200)**	**$ (42,100)**					**$ (219,300)**
Physical Therapy Expansion	**$2.3 Million**	**Patient Visits |** 25% growth over FY24 baseline **(50% starting in January)**	**Incremental Revenue | $475,000**	**VOLUMES**													
				Baseline (FY24)				1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	5,500
				FY25 Budgeted				1,100	1,100	1,100	1,590	1,590	1,590	1,590	1,590	1,590	6,480
				FY25 Actual				**1,481**	**1,278**	**1,337**	**1,500**	**1,412**					**7,008**
				Actual vs. Budget	**-**	**-**	**-**	**381**	**178**	**237**	**(90)**	**(178)**					**528**
				FINANCIAL IMPACT | INCREMENTAL REVENUE													
				FY25 Budgeted				$ -	$ -	$ -	$ 56,400	$ 56,400	$ 56,400	$ 56,400	$ 56,400	$ 56,400	$ 112,800
				FY25 Actual				$ 43,800	$ 20,500	$ 27,300	$ 46,000	$ 35,900					$ 173,500
				Actual vs. Budget				**43,800**	**20,500**	**27,300**	**(10,400)**	**(20,500)**					**$ 60,700**
Orthopedist Recruit	**TBD**	**Surgical Cases |** Exceed 190 surgeries (16/month)	**Incremental Revenue | $1,615,000**	**VOLUMES**	***Started performing surgeries late August24**												
				Baseline (FY24)	-	-	-	-	-	-	-	-	-	-	-	-	-
				FY25 Budgeted	5	5	10	10	15	15	15	20	20	25	25	25	95
				FY25 Actual	**-**	**11**	**15**	**18**	**15**	**11**	**22**	**15**					107
				Actual vs. Budget	**(5)**	**6**	**5**	**8**	**-**	**(4)**	**7**	**(5)**					**12**
				FINANCIAL IMPACT | INCREMENTAL REVENUE													
				FY25 Budgeted	$ 35,000	$ 35,000	$ 70,000	$ 70,000	$ 105,000	$ 105,000	$ 105,000	$ 140,000	$ 140,000	$ 175,000	$ 175,000	$ 175,000	$ 665,000
				FY25 Actual	$ -	$ 77,000	$ 105,000	$ 126,000	$ 105,000	$ 77,000	$ 154,000	$ 105,000					$ 749,000
				Actual vs. Budget	**$ (35,000)**	**$ 42,000**	**$ 35,000**	**$ 56,000**	**$ -**	**$ (28,000)**	**$ 49,000**	**$ (35,000)**					**$ 84,000**
ROSA Robot Orthopedic Cases	**TBD | Incremental Operational Costs**	**ROSA Joint Replacement Volumes |** Exceed 124 surgeries over 12 month period (~10/month)	**Operational Costs | $ -**	**VOLUMES**													
				FY25 Target								6	6	6	6	6	6
				FY25 Actual								**4**					4
				Actual vs. Target								**(2)**					**(2)**
				FINANCIAL IMPACT													
				ROSA Lease Cost								$ (2,500)	$ -	$ -	$ -	$ -	$ (2,500)
				Implant Supply Savings								$ 8,060					$ 8,060
				Rebate Savings *(savings will kick-in once total annual spend exceeds $500,000)*								$ -					$ -
				Actual vs. Target								**$ 5,560**					**$ 5,560**
		GRAND TOTAL | Actual vs. Budget			**$ (76,400)**	**$ 30,400**	**$ 33,600**	**$ 106,600**	**$ (34,400)**	**$ (22,200)**	**$ (14,600)**	**$ (92,040)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (69,040)**

Sonoma Valley Health Care District **ATTACHMENT F**

Overall Performace | Key Performance Indicators

For the Period Ended February 28, 2025

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	Actual	Budget	Var	%	PY Actual	Var	%
Operating Margin	$ (168.5)	$ (178.9)	$ 10.3	6%	$ (2,776.2)	$ (4,046.6)	$ 1,270.4	31%	$ (4,182.3)	$ 1,406.1	34%
Operating EBDA	$ 347.7	$ 312.8	$ 34.9	11%	$ 1,433.9	$ (53.0)	$ 1,486.9	2805%	$ (682.0)	$ 2,115.9	310%
Net Income (Loss)	$ 17.9	$ 9.2	$ 8.7	94%	$ (1,281.0)	$ (2,541.8)	$ 1,260.8	50%	$ (2,539.8)	$ 1,258.8	50%

Operating Revenue Summary (All Numbers in 1000s)

Net Patient Revenue	$ 5,621.3	$ 5,223.0	$ 398.3	8%	$ 41,417.2	$ 39,264.8	$ 2,152.4	5%	$ 37,664.6	$ 3,752.6	10%
NPR as a % of Gross	18.4%	18.4%	0.1%		17.5%	17.8%	-1.4%		16.7%	4.7%	
Operating Revenue	$ 5,715.6	$ 5,315.0	$ 400.6	8%	$ 42,207.8	$ 40,000.8	$ 2,207.0	6%	$ 38,400.5	$ 3,807.2	10%

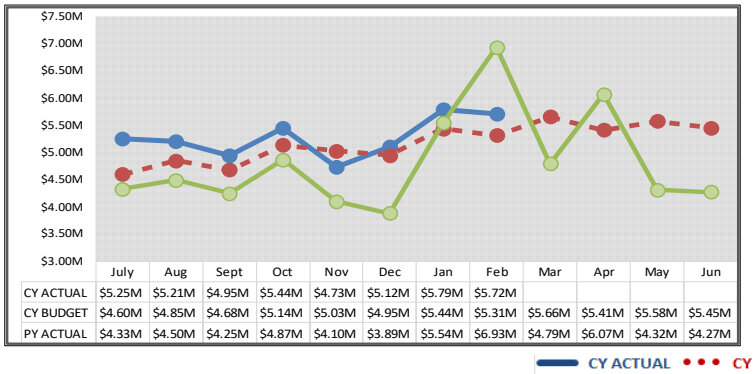
Operating Expense Summary (All Numbers in 1000s)

Operating Expenses	$ 6,200.8	$ 5,806.4	$ 394.4	7%	$ 47,517.3	$ 46,547.4	$ 969.9	2%	$ 45,116.2	$ 2,401.1	5%
Op Exp. Excl. Depr.	$ 5,684.5	$ 5,314.7	$ 369.8	7%	$ 43,307.2	$ 42,553.8	$ 753.5	2%	$ 41,615.9	$ 1,691.3	4%
Worked FTEs	206.50	225.78	(19.28)	-9%	214.48	217.73	$ (3.25)	-1%	214.76	(0.28)	0%

Trended Operating Revenue & Operating Expense Graphs

Trended Operating Revenues

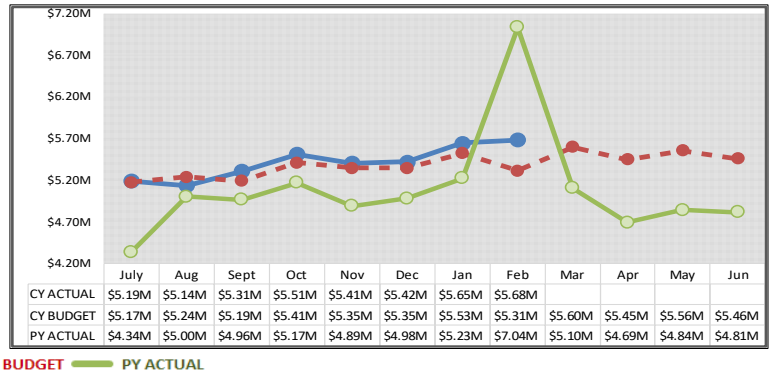
CY Actual vs CY Budget vs PY Actual



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
CY ACTUAL	$5.25M	$5.21M	$4.95M	$5.44M	$4.73M	$5.12M	$5.79M	$5.72M				
CY BUDGET	$4.60M	$4.85M	$4.68M	$5.14M	$5.03M	$4.95M	$5.44M	$5.31M	$5.66M	$5.41M	$5.58M	$5.45M
PY ACTUAL	$4.33M	$4.50M	$4.25M	$4.87M	$4.10M	$3.89M	$5.54M	$6.93M	$4.79M	$6.07M	$4.32M	$4.27M

Trended Operating Expenses (excl Depreciation)

CY Actual vs CY Budget vs PY Actual



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
CY ACTUAL	$5.19M	$5.14M	$5.31M	$5.51M	$5.41M	$5.42M	$5.65M	$5.68M				
CY BUDGET	$5.17M	$5.24M	$5.19M	$5.41M	$5.35M	$5.35M	$5.53M	$5.31M	$5.60M	$5.45M	$5.56M	$5.46M
PY ACTUAL	$4.34M	$5.00M	$4.96M	$5.17M	$4.89M	$4.98M	$5.23M	$7.04M	$5.10M	$4.69M	$4.84M	$4.81M

CY ACTUAL • • • CY BUDGET PY ACTUAL

Cash Indicators

	Current Month	Prior Month	Var	% Var
Days Cash	34.5	45.1	(10.6)	-24%
A/R Days	57.2	57.6	(0.4)	-1%
A/P Days	66.4	64.3	2.1	3%

Sonoma Valley Health Care District **ATTACHMENT G**

Income Statement (In 1000s)

For the Period Ended February 28, 2025

		Month				Year-To- Date						
		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
1	**Total Gross Patient Revenue**	**$ 30,551.8**	**$ 28,428.3**	**2,123.5**	**7%**	**$ 236,275.7**	**$ 220,967.7**	**15,308.1**	**7%**	**$ 224,901.8**	**11,373.9**	**5%**
	Deductions from Revenue											
2	Contr. Discounts & Bad Debt	(26,165.6)	(24,076.9)	(2,088.8)	9%	(202,558.1)	(188,675.2)	(13,882.9)	7%	(192,269.7)	(10,288.4)	5%
3	IGT Program Revenue	1,235.2	871.5	363.6	42%	7,699.6	6,972.4	727.2	10%	5,032.4	2,667.2	53%
4	**Total Revenue Adjustments**	**$ (24,930.5)**	**$ (23,205.3)**	**(1,725.1)**	**7%**	**$ (194,858.5)**	**$ (181,702.8)**	**(13,155.6)**	**7%**	**$ (187,237.2)**	**(7,621.3)**	**4%**
5	**Net Patient Service Revenue**	**$ 5,621.3**	**$ 5,223.0**	**398.3**	**8%**	**$ 41,417.2**	**$ 39,264.8**	**2,152.4**	**5%**	**$ 37,664.6**	**3,752.6**	**10%**
6	Other Operating Revenue	94.3	92.0	2.3	2%	790.6	735.9	54.6	7%	735.9	54.6	7%
7	**Total Operating Revenue**	**$ 5,715.6**	**$ 5,315.0**	**400.6**	**8%**	**$ 42,207.8**	**$ 40,000.8**	**2,207.0**	**6%**	**$ 38,400.5**	**3,807.2**	**10%**
	Operating Expenses	**CYM Actual**	**CYM Budget**	**Var**	**%**	**YTD Actual**	**YTD Budget**	**Var**	**%**	**PYTD Actual**	**Var**	**%**
8	Salary and Wages (w Agency)	$ 2,198.4	$ 2,048.6	149.9	7%	$ 16,736.3	$ 16,626.2	110.1	1%	$ 16,126.7	609.6	4%
9	Employee Benefits	732.0	803.2	(71.3)	-9%	6,321.4	6,480.2	(158.8)	-2%	5,991.8	329.6	6%
10	Total People Cost	$ 2,930.4	$ 2,851.8	78.6	3%	$ 23,057.7	$ 23,106.4	(48.7)	0%	$ 22,118.5	939.2	4%
11	Med and Prof Fees	627.8	685.8	(58.0)	-8%	5,395.1	5,421.9	(26.8)	0%	4,670.3	724.8	16%
12	Supplies	707.5	630.1	77.4	12%	4,997.7	4,801.8	195.9	4%	5,528.0	(530.3)	-10%
13	Purchased Services	404.7	400.8	4.0	1%	3,162.0	3,256.0	(94.1)	-3%	3,416.6	(254.6)	-7%
14	Depreciation	516.3	491.7	24.6	5%	4,210.1	3,993.6	216.5	5%	3,500.3	709.8	20%
15	Utilities	143.7	175.2	(31.5)	-18%	1,354.7	1,401.7	(47.0)	-3%	1,311.1	43.6	3%
16	Insurance	86.0	74.7	11.2	15%	684.1	597.9	86.3	14%	551.2	132.9	24%
17	Interest	26.0	29.4	(3.4)	-12%	297.9	235.6	62.4	26%	465.8	(167.9)	-36%
18	Other	163.9	101.6	62.2	61%	977.9	810.9	167.0	21%	784.2	193.7	25%
19	IGT Program Expense	594.4	365.2	229.2	63%	3,380.0	2,921.5	458.5	16%	2,770.0	610.0	22%
20	**Operating Expenses**	**$ 6,200.8**	**$ 5,806.4**	**394.4**	**7%**	**$ 47,517.3**	**$ 46,547.4**	**969.9**	**2%**	**$ 45,116.2**	**2,401.1**	**5%**
21	**Operating Margin**	**$ (485.2)**	**$ (491.4)**	**6.2**	**1%**	**$ (5,309.5)**	**$ (6,546.6)**	**1,237**	**19%**	**$ (6,715.7)**	**1,406.1**	**26%**
	Non Operating Rev and Expense											
22	Parcel Tax Assessment Rev	$ 316.7	$ 312.5	4.2	1%	$ 2,533.3	$ 2,500.0	33.3	1%	$ 2,533.3	-	0%
23	Misc Revenue/(Expenses)	23.6	10.5	13.1	124%	203.8	84.3	119.5	142%	245.8	(42.0)	-17%
24	**Total Non-Op Rev/(Exp)**	**$ 340.3**	**$ 323.0**	**17.3**	**5%**	**$ 2,737.1**	**$ 2,584.3**	**152.9**	**6%**	**$ 2,779.2**	**(42.0)**	**-2%**
25	**Net Income Prior to GO Bond**	**$ (144.9)**	**$ (168.3)**	**23.4**	**14%**	**$ (2,572.4)**	**$ (3,962.4)**	**1,390.0**	**35%**	**$ (3,936.5)**	**1,364.1**	**35%**
26	GO Bond Activity, Net	162.8	177.6	(14.8)	-8%	1,291.4	1,420.6	(129.1)	-9%	1,396.7	(105.3)	-8%
27	**Net Income / With GO Bond**	**$ 17.9**	**$ 9.2**	**8.7**	**94%**	**$ (1,281.0)**	**$ (2,541.8)**	**1,260.8**	**50%**	**$ (2,539.8)**	**1,258.8**	**50%**
28	Restricted Foundation Contr.	52.1	157.4	(105.3)	-67%	2,038.0	1,259.3	778.7	62%	1,144.0	893.9	78%
29	**Change in Net Position**	**$ 70.0**	**$ 166.6**	**(96.6)**	**-58%**	**$ 757.0**	**$ (1,282.5)**	**2,039.5**	**159%**	**$ (1,395.7)**	**2,152.7**	**154%**
30	**Operating EBDA**	**$ 31.1**	**$ 0.3**	**30.8**	**9493%**	**$ (1,099.4)**	**$ (2,553.0)**	**1,453.6**	**57%**	**$ (3,215.4)**	**2,115.9**	**66%**
31	**Operating EBDA w Parcel**	**$ 347.7**	**$ 312.8**	**34.9**	**11%**	**$ 1,433.9**	**$ (53.0)**	**1,486.9**	**2805%**	**$ (682.0)**	**2,115.9**	**310%**

Sonoma Valley Health Care District **ATTACHMENT H**

FY25 6 Month Trended Income Statement (in 1000s)

For the Period Ended February 28, 2025

		September	October	November	December	January	February	FY25 YTD	FY24 YTD	%
		FY25	FY25	FY25	FY25	FY25	FY26	Mth Avg	Mth Avg	Chg
1	**Gross Patient Revenue**	**$ 28,160.2**	**$ 32,372.6**	**$ 27,204.0**	**$ 28,999.5**	**$ 31,867.4**	**$ 30,522.8**	**$ 29,508.5**	**$ 27,676.6**	**7%**
	Deductions from Revenue									
2	Contr. Discounts & Bad Debt	$ (24,201.1)	$ (27,926.2)	$ (23,468.6)	$ (24,888.9)	$ (27,436.8)	$ (26,165.6)	$ (25,319.8)	$ (23,605.2)	7%
3	IGT Revenue	871.5	871.5	871.5	871.5	1,235.2	1,235.2	962.5	656.8	47%
4	**Total Deductions from Revenue**	**$ (23,329.5)**	**$ (27,054.7)**	**$ (22,597.1)**	**$ (24,017.3)**	**$ (26,201.6)**	**$ (24,930.5)**	**$ (24,357.3)**	**$ (22,948.4)**	**6%**
5	**Net Patient Service Revenue**	**$ 4,830.7**	**$ 5,317.9**	**$ 4,606.9**	**$ 4,982.2**	**$ 5,665.7**	**$ 5,592.3**	**$ 5,151.2**	**$ 4,728.2**	**9%**
6	Other Operating Revenue	120.0	123.8	128.0	133.0	125.8	123.3	124.8	92.7	35%
7	**Total Operating Revenue**	**$ 4,950.7**	**$ 5,441.7**	**$ 4,734.9**	**$ 5,115.2**	**$ 5,791.5**	**$ 5,715.6**	**$ 5,276.0**	**$ 4,821.0**	**9%**
	Operating Expenses									
8	Salary & Wages (w/ Agency)	$ 2,063.3	$ 2,155.2	$ 2,103.7	$ 2,088.2	$ 1,984.2	$ 2,198.4	$ 2,092.0	$ 2,026.2	3%
9	Employee Benefits	738.8	737.8	853.5	870.3	823.3	732.0	790.2	785.4	1%
10	Total People Cost	2,802.0	2,893.0	2,957.1	2,958.5	2,807.6	2,930.4	2,882.2	2,811.6	3%
11	Med and Prof Fees	670.5	665.2	678.1	644.4	810.7	627.8	674.4	598.8	13%
12	Supplies	630.0	746.0	666.5	624.9	641.9	707.5	624.7	626.8	0%
13	Purchased Services	352.5	410.1	371.0	433.7	358.0	404.7	395.2	413.6	-4%
14	Depreciation	519.1	582.2	455.0	516.7	523.2	516.3	526.3	441.0	19%
15	Utilities	205.3	169.0	143.0	120.2	169.7	143.7	169.3	162.1	4%
16	Insurance	144.2	85.4	86.1	81.5	81.5	86.0	85.5	68.3	25%
17	Interest	13.6	38.8	55.0	99.2	23.2	26.0	37.2	59.3	-37%
18	Other	123.4	139.6	86.0	93.6	162.2	163.9	122.2	100.0	22%
19	Matching Fees (IGT)	365.2	365.2	365.2	365.2	594.4	594.4	422.5	266.5	59%
20	**Operating Expenses**	**$ 5,825.8**	**$ 6,094.6**	**$ 5,863.1**	**$ 5,937.7**	**$ 6,172.3**	**$ 6,200.8**	**$ 5,939.7**	**$ 5,547.9**	**7%**
21	**Operating Margin**	**$ (875.1)**	**$ (652.9)**	**$ (1,128.2)**	**$ (822.5)**	**$ (380.8)**	**$ (485.2)**	**$ (663.7)**	**$ (727.0)**	**9%**
	Non Operating Rev and Expense									
22	Parcel Tax Revenue	$ 316.7	$ 316.7	$ 316.7	$ 316.7	$ 316.7	$ 316.7	$ 316.7	$ 316.7	0%
23	Misc. Revenue/(Exp)	33.6	70.7	16.2	32.6	1.1	23.6	25.5	35.7	-29%
24	**Total Non-Op Rev/Exp**	**$ 350.2**	**$ 387.3**	**$ 332.8**	**$ 349.2**	**$ 317.7**	**$ 340.3**	**$ 342.1**	**$ 352.4**	**-3%**
25	**Net Income / (Loss) Excl GO Bond**	**$ (524.9)**	**$ (265.5)**	**$ (795.4)**	**$ (473.2)**	**$ (63.1)**	**$ (144.9)**	**$ (321.6)**	**$ (374.5)**	**14%**
26	GO Bond Activity, Net	162.8	162.8	162.0	162.8	162.8	162.8	161.4	174.8	-8%
27	**Net Income/(Loss) Incl GO Bond**	**$ (362.1)**	**$ (102.7)**	**$ (633.4)**	**$ (310.4)**	**$ 99.7**	**$ 17.9**	**$ (160.1)**	**$ (199.8)**	**20%**
28	Rest. Foundation Contr	177.7	60.7	222.7	7.6	464.9	52.1	254.7	449.2	-43%
29	**Change in Net Position**	**$ (184.4)**	**$ (42.0)**	**$ (410.8)**	**$ (302.8)**	**$ 564.6**	**$ 70.0**	**$ 94.6**	**$ 249.4**	**-62%**
30	**Operating EBDA**	**$ (356.0)**	**$ (70.6)**	**$ (673.2)**	**$ (305.8)**	**$ 142.4**	**$ 31.1**	**$ (137.4)**	**$ (285.9)**	**52%**
31	**Operating EBDA w Parcel**	**$ (39.4)**	**$ 246.1**	**$ (356.5)**	**$ 10.9**	**$ 459.1**	**$ 347.7**	**$ 179.2**	**$ 30.8**	**483%**