



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
REGULAR MEETING AGENDA
Tuesday, January 28, 2014, 5:00 p.m.**

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

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>	
2. PUBLIC COMMENT SECTION At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.		
3. CONSENT CALENDAR: A. FC Meeting Minutes, 01.07.14	<i>Fogg</i>	Action
4. 2009 SERIES-A GO BOND REFINANCING	<i>Fogg</i>	Inform
5. DECEMBER 2013 FINANCIALS AND RAC UPDATE	<i>Cox</i>	Inform
6. PROJECTED CASH FLOWS	<i>Tarver</i>	Inform
7. OB UPDATE	<i>Mather</i>	Inform
8. SVH FOUNDATION AUDIT UPDATE	<i>Untermann</i>	Inform
9. PATIENT BILLING UPDATE	<i>Cox</i>	Inform
10. ADJOURN Next meeting February 25, 2014, 5:00 p.m.	<i>Cox</i>	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, January 7, 2014 (December 2013 meeting)
Schantz Conference Room**

Members Present (9)	Members Present cont.	Staff/ Public/Other (8)	Other cont.	Excused/Absent (2)
Dick Fogg Phil Woodward Subhash Mishra, M.D. Richard Conley Peter Hohorst Shari Glago	Sharon Nevins Steve Barclay Mary Smith	Rick Reid Gary Hicks Brian Quint David Cox Sam McCandless Jeanette Tarver Gigi Betta	D. Paul Amara, M.D.	Keith Chamberlin, M.D. Kelly Mather

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>		
	Mr. Fogg welcomed Brian Quint, attorney with Quint & Thimmig LLP, Gary Hicks and David Cox, CFO, Marin General Hospital. On behalf of the entire Committee, Ms. Nevins thanked Mr. Reid for all of his contributions to the Committee and wished him the very best in his new position as CFO at a small hospital in central Michigan. His last day at SVH is January 10, 2014. As far as his replacement, a new Controller will start January 27, 2014.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None.		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Minutes 12.3.13	Mr. Fogg noted that on the minutes from the meeting on 12.3.13, Mary Smith and Steve Barclay were "excused" rather than "absent".	MOTION by Nevins to approve and 2nd by Conley.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		All in favor.	
4. 2009 SERIES-A GO BOND REFINANCING	<i>Fogg/Hicks</i>	Action	
	<p>Mr. Hicks and Mr. Quint explained the refinancing and advanced refunding processes for the Hospital's 2009 Series-A GO Bond.</p> <p><i>The Finance Committee (by a unanimous roll call vote) recommends to the district Board that the SVH 2009 Series-A GO Bond be approved in accordance with the wording of the Resolution.</i></p> <p>By roll call vote, all in favor.</p>	MOTION by Barclay to approve and 2 nd by Glago. By roll call vote: 9 ayes.	
5. CELL PHONE LEASE AGREEMENT	<i>Reid</i>	Action	
	<i>The Finance Committee recommends to the district Board that the Cell Phone Lease agreement be approved.</i>	MOTION by Hohorst to approve and 2 nd by Woodward. All in favor.	
6. OB FINANCIALS	<i>Reid</i>	Inform/Action	
	<p>Mr. Reid distributed his <i>Estimate of Financials for OB Services</i> (not included in the agenda package) and reviewed the results with the Committee.</p> <p>The district Board and CEO will inform and discuss this issue at the January 9, 2014 Board meeting and bring it back to the meeting on February 6, 2014 for action.</p> <p>Dr. Amara challenged the Estimate of Financials for OB Services as simplistic and misrepresentative of the entire picture.</p> <p>Sam McCandless went on record as saying that when he read the article about the OB plans in the Sonoma Index Tribune, he found it shocking. How can the SVH raise \$11 million to complete construction for a new ER wing but cannot take care of these patients? Most of which are single Hispanic mothers (Dr. Amara confirmed that 70% of patients delivering at SVH are indeed Hispanic).</p> <p><i>The FC endorses the Estimate of Financials for OB Services to as a fair representation of the direct costs and revenues of the OB Services Program on an accrual (not cash) basis.</i></p> <p>By roll call vote: 1 against, 6 in favor, 2 abstains.</p>	<p>MOTION by Barclay to approve and 2nd by Conley.</p> <p>By roll call vote: 6 ayes, 1 nay (Mishra) and 2 abstains (Nevins/Hohorst).</p>	Mr. Reid to change the title of this attachment to: <i>Estimate of Direct Costs for OB Services – Accrual Basis.</i>
7. REVIEW OF CHARITY CARE POLICY AND BAD DEBT POLICY	<i>Reid</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Reid reviewed both the Charity Care and Bad Debt policies with the Committee.		
8. RAC UPDATE	<i>Reid</i>	Inform	
9. SVH FOUNDATION AUDIT UPDATE	<i>Reid</i>	Inform	
	<p>The Requests for Proposal for Audit Services (RFPs) were mailed out to thirteen local CPAs on December 17, 2013. To date, the Hospital has received one proposal for \$7,500 from Susan Goranson, CPA with offices in Santa Rosa, CA.</p> <p>The SVH Foundation Board will make the final selection and once the Audit has been prepared, the Finance Committee will be invited to the presentation.</p>		
10. FINANCE COMMITTEE CHARTER REVIEW	<i>Fogg</i>	Inform/Discuss	
	<p>Mr. Woodward went on record as stating that he is very concerned that the FC spends too much time discussing strategy and planning and he believes that these areas do not fall under the Committee's jurisdiction. Furthermore, Mr. Woodward would like to see the FC spend a lot more time on cash flow operations and fundraising.</p> <p>Mr. Barclay would like to see two-year plan or budget calendar in the future. Mr. Cox responded with the announcement that a budget calendar is currently being developed and will be able to look forward any number of years.</p>		Board Clerk to delete the word "by" from the last sentence on the last page of the FC Charter.
11. PATIENT BILLING UPDATE	<i>Reid</i>	Inform	
	Mr. Reid distributed the <i>November/December 2013 Revenue Cycle Report</i> (not included in the agenda package) and reviewed its contents with the Committee.		
12. NOVEMBER 2013 FINANCIALS	<i>Reid</i>	Inform	
13. PROJECTED CASH FLOWS	<i>Reid</i>	Inform	
	Mr. Reid distributed a REVISED <i>Significant Unbudgeted Cash Flow Events for FY14</i> showing total new cash of \$2.5 million. Also included is Mr. Reid's suggested cash plan for these monies.		
14. PRIMA CLINIC FUNDING REQUEST	<i>Reid</i>	Inform	
	The report is still being developed and not available at this meeting.		
15. ADJOURN/FINAL COMMENTS	<i>Fogg</i>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Adjourn 7:20 pm Mr. Woodward expressed his concerns about the cash flow statements for a second time and asked that his concerns be a part of the meeting minutes. Mr. Woodward and Mr. Fogg will meet to discuss these concerns.</p>		

5.

DECEMBER 2013
FINANCIALS AND
RAC UPDATE

**Sonoma Valley Hospital
Sonoma Valley Health Care District
December 31, 2013 Financial Report**

Finance Committee

January 28, 2014

December's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	112	120	-8	117
Acute Patient Days	402	443	-41	456
SNF Patient Days	733	697	36	671
Home Health Care Visits	951	1,075	-124	940
Outpatient Gross Revenue (in thousands)	\$8,809	\$8,654	\$155	\$8,302
Surgical Cases	138	125	13	126

Summary Statement of Revenues and Expenses Month of December 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 4,131,893	\$ 4,535,460	\$ (403,567)	-9%	\$ 4,238,675
2 Total Operating Expenses	\$ 4,480,356	\$ 4,569,338	\$ 88,982	2%	\$ 4,481,870
3 Operating Margin	\$ (348,463)	\$ (33,878)	\$ (314,585)	-929%	\$ (243,195)
4 NonOperating Rev/Exp	\$ 335,965	\$ 298,029	\$ 37,936	13%	\$ 333,047
5 Net Income before Restricted Cont.	\$ (12,498)	\$ 264,151	\$ (276,649)	-105%	\$ 89,852
6 Restricted Contribution	\$ 424,403	\$ 90,097	\$ 334,306	371%	\$ 43,788
7 Net Income with Restricted Contributions	\$ 411,905	\$ 354,248	\$ 57,657	16%	\$ 133,640
8 EBIDA before Restricted Contributions	\$ 212,233	\$ 500,244	\$ (288,011)		\$ 328,466
9 EBIDA before Restricted Cont. %	5%	11%	-6%		8%
10 Net Income without GO Bond Activity	\$ 294,504	\$ 235,588	\$ 58,916		\$ 10,084

Summary Statement of Revenues and Expenses Year to Date December 31, 2013 (6 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 25,356,975	\$ 25,780,814	\$ (423,839)	-2%	\$ 24,165,153
2 Total Operating Expenses	\$ 27,055,153	\$ 27,124,836	\$ 69,683	0%	\$ 25,913,196
3 Operating Margin	\$ (1,698,179)	\$ (1,344,022)	\$ (354,157)	-26%	\$ (1,748,043)
4 NonOperating Rev/Exp	\$ 1,799,767	\$ 1,794,182	\$ 5,585	0%	\$ 1,915,399
5 Net Income before Restricted Cont.	\$ 101,588	\$ 450,160	\$ (348,572)	-77%	\$ 167,356
6 Restricted Contribution	\$ 2,979,444	\$ 1,214,773	\$ 1,764,671	145%	\$ 430,761
7 Net Income with Restricted Contributions	\$ 3,081,032	\$ 1,664,933	\$ 1,416,099	85%	\$ 598,117
8 EBIDA before Restricted Contributions	\$ 1,441,718	\$ 1,920,104	\$ (478,386)		\$ 1,609,587
9 EBIDA before Restricted Cont. %	6%	7%	-1%		7%
10 Net Income without GO Bond Activity	\$ (602,818)	\$ (266,708)	\$ (336,110)		\$ (573,982)

December's Operating Revenues

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
REVENUE					
NET PATIENT REVENUE					
1 Acute Inpatient	\$ 911,419	\$ 1,823,868	\$ (912,449)	-50%	\$ 1,553,277
2 Skilled Nursing Facility	\$ 483,929	\$ 468,669	\$ 15,260	3%	\$ 403,938
3 Outpatient and Emergency	\$ 1,812,261	\$ 1,947,840	\$ (135,579)	-7%	\$ 1,721,862
4 HomeCare	\$ 242,715	\$ 228,803	\$ 13,912	6%	\$ 220,317
5 Community Benefit (Charity)	\$ (51,800)	\$ (177,601)	\$ 125,801	71%	\$ (51,967)
6 Bad Debt Expense	\$ (161,955)	\$ (212,605)	\$ 50,650	24%	\$ (250,000)
7 Prior Period Adjustment	\$ 487,980	\$ -	\$ 487,980	0%	\$ -
8 TOTAL NET PATIENT REVENUE	\$ 3,724,549	\$ 4,078,974	\$ (354,425)	-9%	\$ 3,597,427
RISK CONTRACTS					
9 Capitation Revenue	\$ 172,133	\$ 164,178	\$ 7,955	5%	\$ 173,560
10 Napa State Hospital Revenue	\$ 100,870	\$ 157,739	\$ (56,869)	-36%	\$ 314,145
11 TOTAL RISK CONTRACTS	\$ 273,003	\$ 321,917	\$ (48,914)	-15%	\$ 487,705
12 OTHER OP. REVENUE	\$ 134,341	\$ 134,569	\$ (228)	0%	\$ 153,543
13 TOTAL HOSPITAL NET REVENUE	\$ 4,131,893	\$ 4,535,460	\$ (403,567)	-9%	\$ 4,238,675

Revenue Variances

- Total Operating Revenue under budget by (\$403,567)
 - Overall inpatient volume was under budget by 8 discharges and there was lower commercial insured patients
 - Skilled Nursing Home volume was over budget by 36 days
 - Outpatient was over budget in volume, but had higher Medicare patients and lower commercial insured patients.
 - Home Care volume was under budget by 124 visits.
 - Bad Debts and Charity Care were favorable to budget by \$176,451.
 - Prior Period Adjustment is for under statement of PPS payments for the years of 1999-2008 for \$487,980.

December's Operating Expense

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
OPERATING EXPENSES					
1 Salary and Wages and Agency	\$ 2,003,945	\$ 2,040,357	\$ 36,412	2%	\$ 1,994,500
2 Employee Benefits	\$ 722,355	\$ 773,377	\$ 51,022	7%	\$ 715,160
3 Total People Cost	\$ 2,726,300	\$ 2,813,734	\$ 87,434	3%	\$ 2,709,660
4 Medical and Prof Fees (excl'd Agency)	\$ 439,515	\$ 401,010	\$ (38,505)	-10%	\$ 485,726
5 Supplies	\$ 513,141	\$ 503,725	\$ (9,416)	-2%	\$ 503,958
6 Purchased Services	\$ 416,675	\$ 424,717	\$ 8,042	2%	\$ 405,041
7 Depreciation	\$ 156,097	\$ 187,558	\$ 31,461	17%	\$ 180,238
8 Utilities	\$ 56,887	\$ 77,354	\$ 20,467	26%	\$ 85,711
9 Insurance	\$ 18,888	\$ 18,699	\$ (189)	-1%	\$ 19,375
10 Interest	\$ 33,709	\$ 13,610	\$ (20,099)	-148%	\$ 28,365
11 Other	\$ 119,144	\$ 128,931	\$ 9,787	8%	\$ 63,796
12 TOTAL OPERATING EXPENSE	\$ 4,480,356	\$ 4,569,338	\$ 88,982	2%	\$ 4,481,870

Expense Variances

Total operating expenses were under budget by \$88,982

- Total productivity FTE's were under budget at 277, or \$36,412 under budget.
- Employee benefits were under budget by \$51,022. Of this health insurance was under budget by \$25,528 and Paid Time Off was under budget by \$15,848.
- Medical and Professional Fees were over budget by (\$38,505), (\$33,150) is due to additional Prima Physician call.

December's Non-Operating Items

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1 Miscellaneous Revenue	\$ 4,742	\$ 4,166	\$ 576	14%	\$ 20,689
2 Donations	\$ 32,607	\$ 3,334	\$ 29,273	0%	\$ 10,000
Professional Center / Phys					
3 Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ (56,285)	\$ (65,630)	\$ 9,345	0%	\$ (65,630)
5 Tax Assessment Revenue-Parcel Tax	\$ 237,500	\$ 237,500	\$ -	0%	\$ 244,432
6 Tax Assessment Revenue - GO Bond	\$ 152,326	\$ 153,584	\$ (1,258)	-1%	\$ 153,567
7 GO Bond Interest	\$ (34,925)	\$ (34,925)	\$ -	0%	\$ (30,011)
8 NON-OPERATING REV/EXP	\$ 335,965	\$ 298,029	\$ 37,936	13%	\$ 333,047
9 Capital Campaign Contribution	\$ 424,403	\$ 90,097	\$ 334,306	371%	\$ 43,788
10 Restricted Foundation Contribution	\$ -	\$ -	\$ -	0%	\$ -
11 TOTAL NON-OPERATING REV/EXP	\$ 760,368	\$ 388,126	\$ 372,242	96%	\$ 376,835



To: SVH Finance Committee
From: David Cox, Interim CFO
Date: January 28, 2014
Subject: Financial Report for the Month Ending December 31, 2013

Overall Results for December 2013

Overall for December, SVH has net income after the restricted contributions of \$411,905 on budgeted income of \$354,248, for a favorable variance of \$57,657. Total net patient service revenue was under budget by (\$354,425), or 9%, which includes a prior period adjustment of \$487,980 for an appeal won on an understatement of PPS payments for the period of 1999 through 2008. Results reflect a national trend of a decrease in inpatient utilization and increase in outpatient utilization.

There has also been a shift in payer mix from Commercial to Medicare, which has negatively affected our overall collection ratio; 24.3% compared to the budget of 26.0 percent. Other operating revenue is slightly under budget by (\$228), bringing the total operating revenue to \$4,131,893 or (\$403,567) under budget. Expenses were \$4,480,356 on a budget of \$4,569,338 or \$88,982 under budget. The EBIDA prior to the restricted donations for the month was \$212,233 or 5.1%.

Patient Volumes - December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	112	120	-8	117
Acute Patient Days	402	443	-41	456
SNF Patient Days	733	697	36	671
Home Care Visits	951	1,075	-124	940
OP Gross Revenue	\$8,809	\$8,654	\$155	\$8,302
Surgical Cases	138	125	13	126

Overall Payer Mix - December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	53.2%	50.0%	3.2%	49.4%	49.2%	0.2%
Medi-Cal	6.9%	10.7%	-3.8%	11.2%	10.7%	0.5%
Self Pay	3.5%	3.7%	-0.2%	3.2%	3.8%	-0.6%
Commercial	26.0%	28.5%	-2.5%	26.5%	29.2%	-2.7%
Managed MC	3.6%	2.9%	0.7%	4.6%	2.9%	1.7%
Workers Comp	3.2%	1.4%	1.8%	3.2%	1.5%	1.7%
Capitated	3.6%	2.8%	0.8%	1.9%	2.7 %	-0.8%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for December were \$4.1 million on a budget of \$4.5 million or (\$403,567) under budget. Below are December's favorable variances:

- Skilled Nursing Home volume was over budget by 36 days.
- Bad Debts and Charity Care were favorable to budget by \$176,451.
- A prior period adjustment of \$487,980 for the Medicare appeal.

Offset by the following unfavorable variances:

- Overall inpatient volume was under budget by 8 discharges.
- Outpatient was over budget in volume, but had higher Medicare patients and lower commercial insured patients.
- Home Care volume was under budget by 124 visits.

The net effect is Net Patient Revenue is under budget by (\$354,425) or 9%.

Expenses

December's expenses were \$4.5 million on a budget of \$4.6 million or under budget by \$88,982. The following is a summary of the operating expense variances for the month of December:

- Total productivity FTE's were under budget at 277 on a budget of 281, or \$36,412 under budget.
- Employee benefits were under budget by \$51,022, of this health insurance was under budget by \$25,528 and Paid Time Off was under budget by \$15,848.
- Medical and Prof Fees are over budget by (\$38,505), (\$33,150) is due to additional Prima Physician call.

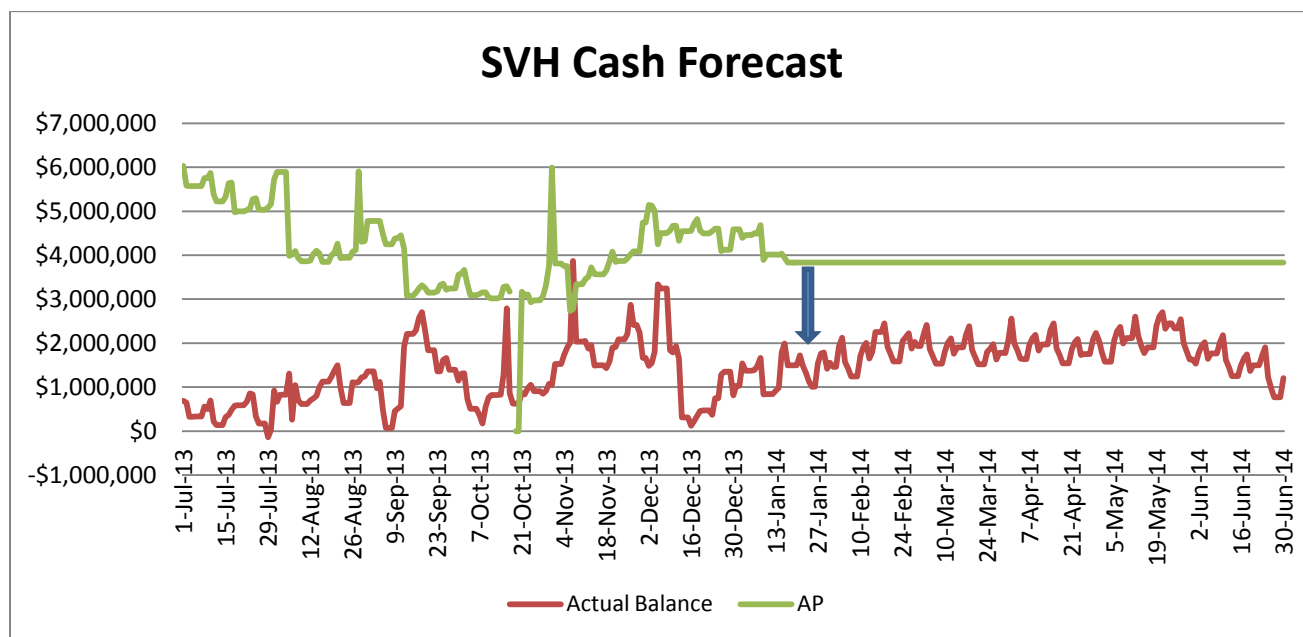
Cash Collections on Patient Receivables:

For the month of December the cash collection goal was \$3,532,566, the Hospital collected \$3,727,653 or over the goal by \$195,087. Year to date the Hospital patient collections goal was \$20,079,823 and had collection of \$20,091,129 or \$11,306 over the goal.

RAC Activity

	November	Year to Date
Payments to Medicare	\$16,617	\$583,845
Appeals Won and Repaid to the Hospital	\$0	\$105,815
Payments from Rebilling Received	\$0	\$0

Days in Cash are at 7 and Days in Net A/R at 54. The organization's cash forecast is presented below:



Capital Campaign Summary:

For the month of December, the Hospital received \$424,403 in capital campaign donations. The total amount received from the Capital Campaign to date is \$7,404,144 offset with spending of \$6,094,630. The funds are included on line 17, Specific Funds on the Balance Sheet. Included on line 17 is also \$21,469 for miscellaneous restricted funds, \$114,552 received from the Foundation for the X-ray machine and \$32,270 for the Health Round Table, all of which have been reduced by spending of \$121,782.

	Cash Receipts	Spending	Balance
Emergency Dept.	\$1,511,046	\$1,337,170	\$173,876
Operating Room	\$0	\$0	\$0
Art Work/Lobby	\$400,000	\$122,992	\$277,008
General	\$5,230,305	\$4,634,468	\$595,837
Children's Area	\$250,000	\$0	\$250,000
Interest Earned	\$12,793	\$0	\$12,793
Total Capital Campaign	\$7,404,144	\$6,094,630	\$1,309,514
X-Ray Machine	\$114,552	\$114,552	\$0
Misc. Restricted Funds	\$21,469	\$0	\$21,469
Health Round Table	\$32,515	\$7,230	\$25,285
Total Specific Funds	\$7,572,680	\$6,216,412	\$1,356,268

These comparisons are for actual FY 2014 compared to actual FY 2013. These are not budget comparisons.

ER Visits

	ER – Inpatient				ER - Outpatient			
	CY	PY	Change	%	CY	PY	Change	%
July	109	109	0	0%	641	729	-88	-12.1%
Aug	94	106	-12	-11.3%	695	778	-83	-10.7%
Sept	105	111	-6	-5.6%	690	677	13	1.9%
Oct	60	95	-35	-32.4%	671	706	-35	-5.2%
Nov	72	101	-29	-27.1%	593	631	-38	-6.0%
Dec	95	100	-5	-4.2%	656	693	-37	-5.9%
YTD	535	622	-87	-13.9%	3,946	4,214	-268	-6.4%

**OPERATING INDICATORS
SONOMA VALLEY HOSPITAL**

For the month ended December, 2013

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 12/31/13	Budget 12/31/13	Favorable (Unfavorable) Variance	Actual 12/31/13	Budget 12/31/13	Favorable (Unfavorable) Variance	Prior Year 12/31/12
Inpatient Utilization							
Discharges							
1 Acute	95	99	(4)	494	575	(81)	622
2 ICU	17	21	(4)	103	124	(21)	61
3 Total Discharges	112	120	(8)	597	699	(102)	683
4 Newborn	13	14	(1)	76	81	(5)	71
5 Total Discharges inc. Newborns	125	120	(9)	673	780	(107)	754
Patient Days:							
6 Acute	294	319	(25)	1,588	1,809	(221)	1,950
7 ICU	108	124	(16)	634	736	(102)	475
8 Total Patient Days	402	443	(41)	2,222	2,545	(323)	2,425
9 Newborn	20	30	(10)	146	179	(33)	164
10 Total Patient Days inc. Newborns	422	473	(51)	2,368	2,724	(356)	2,589
Average Length of Stay:							
11 Acute	3.1	3.2	(0.1)	3.2	3.1	0.1	3.1
12 ICU	6.4	5.9	0.4	6.2	5.9	0.2	7.8
13 Avg. Length of Stay	3.6	3.7	(0.1)	3.7	3.6	0.1	3.6
14 Newborn ALOS	1.5	2.2	(0.7)	1.9	2.2	0.3	2.3
Average Daily Census:							
15 Acute	9.5	10.3	(0.8)	8.6	9.8	(1.2)	10.6
16 ICU	3.5	4.0	(0.5)	3.4	4.0	(0.6)	2.6
17 Avg. Daily Census	13.0	14.3	(1.3)	12.1	13.8	(1.8)	13.2
18 Newborn	0.6	1.0	(0.3)	0.8	1.0	(0.2)	0.9
Long Term Care:							
19 SNF Patient Days	733	697	36	3,527	3,790	(263)	3,817
20 SNF Discharges	33	34	(1)	171	213	(42)	201
21 Average Daily Census	23.6	22.5	1	19.2	20.6	(1)	20.7
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	751	787	(36)	4,481	4,886	(405)	4,836
Outpatient Statistics:							
23 Total Outpatients Visits	4,025	3,819	206	25,176	25,246	(70)	24,341
24 IP Surgeries	31	41	(10)	190	224	(34)	222
25 OP Surgeries	107	84	23	603	560	43	557
26 Special Procedures	34	35	(1)	201	207	(6)	231
27 Home Health Visits	951	1,075	(124)	5,036	5,175	(139)	5,695
28 Adjusted Discharges	301	315	(14)	1,766	1,996	(230)	1,938
29 Adjusted Patient Days	2,356	2,328	28	13,217	13,857	(641)	13,686
30 Adj. Avg. Daily Census	76.0	75.1	0.9	71.8	75.3	(3.5)	74.4
31 Case Mix Index -Medicare	1.4946	1.4000	0.095	1.5724	1.4000	0.172	1.4695
32 Case Mix Index - All payers	1.4900	1.4000	0.090	1.5501	1.4000	0.150	1.2206
Labor Statistics							
33 FTE's - Worked	277	281	4.0	282	276	(5.4)	281
34 FTE's - Paid	315	317	1.5	315	312	(3.1)	320
35 Average Hourly Rate	35.99	35.67	(0.33)	36.19	35.95	(0.24)	34.56
36 Manhours / Adj. Pat Day	23.6	24.0	0.4	25.0	23.6	(1.4)	24.5
37 Manhours / Adj. Discharge	185.0	177.8	(7.1)	187.0	163.8	(23.2)	173.0
38 Benefits % of Salaries	22.4%	23.3%	0.9%	22.6%	23.8%	1.1%	23.0%
Non-Labor Statistics							
39 Supply Expense % Revenue	3%	3%	0%	3%	3%	0%	3%
40 Supply Exp. / Adj. Discharge	1,704.71	1,601.59	(103)	1,728.80	1,499.33	(229)	1,549.70
41 Total Expense / Adj. Discharge	15,187.27	12,633.39	(2,554)	15,674.80	13,889.95	(1,785)	13,665.92
Other Indicators							
42 Days Cash - Operating Funds	7.0						
43 Days in Net AR	54.0	50.0	4.0	52.3	50.0	2.3	51.36
44 Collections % of Net Revenue	100%			100%			
45 Days in Accounts Payable	61.5	60.0	1.5	57.8	60.0	(2)	-
46 % Net revenue to Gross revenue	23.5%	26.0%	-2.4%	24.1%	24.9%	-0.9%	24.7%
47 % Net AR to Gross AR	22.9%			22.9%			22.2%

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of December 31, 2013

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,033,782	\$ 1,666,525	\$ 2,006,788
2 Trustee Funds	540,405	540,405	339,459
3 Net Patient Receivables	7,660,490	8,545,283	8,172,226
4 Allow Uncollect Accts	(1,641,569)	(1,754,699)	(1,629,821)
5 Net A/R	6,018,921	6,790,584	6,542,405
6 Other Accts/Notes Rec	5,330,620	6,263,404	4,552,278
7 3rd Party Receivables, Net	2,578,963	1,998,099	44,923
8 Due Frm Restrict Funds	-	-	-
9 Inventory	819,147	816,861	887,934
10 Prepaid Expenses	1,292,396	1,013,432	1,198,317
11 Total Current Assets	<u>\$ 17,614,234</u>	<u>\$ 19,089,310</u>	<u>\$ 15,572,104</u>
12 Board Designated Assets	\$ 5,384	\$ 5,384	\$ 186,193
13 Property, Plant & Equip, Net	11,065,061	11,126,088	10,669,234
14 Hospital Renewal Program	39,456,026	37,902,595	20,592,634
15 Unexpended Hospital Renewal Funds	-	-	13,894,487
16 Investments	-	-	-
17 Specific Funds	1,356,268	2,320,475	2,496,822
18 Other Assets	425,913	427,571	313,616
19 Total Assets	<u>\$ 69,922,886</u>	<u>\$ 70,871,423</u>	<u>\$ 63,725,090</u>
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 4,586,205	\$ 4,737,512	\$ 7,349,043
21 Accrued Compensation	3,444,582	3,306,031	3,038,895
22 Interest Payable	710,351	567,681	714,262
23 Accrued Expenses	1,312,277	1,463,240	255,629
24 Advances From 3rd Parties	1,000,311	1,868,922	1,305,849
25 Deferred Tax Revenue	2,486,649	2,866,515	2,377,805
26 Current Maturities-LTD	850,698	845,797	1,365,409
27 Other Liabilities	4,188,919	4,188,919	83,975
28 Total Current Liabilities	<u>\$ 18,579,992</u>	<u>\$ 19,844,617</u>	<u>\$ 16,490,867</u>
29 Long Term Debt, net current portion	\$ 37,401,269	\$ 37,497,710	\$ 37,738,378
Fund Balances:			
31 Unrestricted	\$ 4,876,664	\$ 4,888,538	\$ 6,929,057
32 Restricted	9,064,961	8,640,558	2,566,788
33 Total Fund Balances	<u>\$ 13,941,625</u>	<u>\$ 13,529,096</u>	<u>\$ 9,495,845</u>
34 Total Liabilities & Fund Balances	<u>\$ 69,922,886</u>	<u>\$ 70,871,423</u>	<u>\$ 63,725,090</u>

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended December 2013**

	Month				Year-To-Date				YTD Prior Year
	This Year		Variance		This Year		Variance		
	Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information									
1 Acute Discharges	112	120	(8)	-7%	597	699	(102)	-15%	683
2 SNF Days	733	697	36	5%	3,527	3,790	(263)	-7%	3,817
3 Home Care Visits	951	1,075	(124)	-12%	5,038	5,175	(137)	-3%	5,695
4 Gross O/P Revenue (000's)	8,809	8,654	155	2%	\$ 57,427	\$ 54,364	3,063	6%	\$ 51,040
Financial Results									
Gross Patient Revenue									
5 Inpatient	\$ 5,225,066	\$ 5,902,954	(677,888)	-11%	\$ 30,510,615	\$ 32,716,409	(2,205,794)	-7%	\$ 30,327,356
6 Outpatient & Emergency	8,514,242	8,359,939	154,303	2%	55,884,728	52,972,833	2,911,895	5%	49,359,779
7 SNF	2,962,548	2,398,536	564,012	24%	13,699,781	13,067,868	631,913	5%	12,472,738
8 Home Care	295,240	294,532	708	0%	1,541,982	1,391,197	150,785	11%	1,679,744
9 Total Gross Patient Revenue	\$ 16,997,096	\$ 16,955,961	41,135	0%	\$ 101,637,106	\$ 100,148,307	1,488,799	1%	\$ 93,839,617
Deductions from Revenue									
10 Contractual Discounts	\$ (13,546,772)	\$ (12,486,781)	(1,059,991)	-8%	\$ (77,715,356)	\$ (74,949,596)	(2,765,760)	-4%	\$ (69,916,834)
11 Bad Debt	(161,955)	(212,605)	50,650	24%	(1,031,955)	(1,255,726)	223,771	18%	(1,600,000)
12 Charity Care Provision	(51,800)	(177,601)	125,801	71%	(148,327)	(901,087)	752,760	84%	(1,195,531)
13 Prior Period Adjustments	487,980	-	487,980	0%	696,982	-	696,982	0%	-
14 Total Deductions from Revenue	\$ (13,272,547)	\$ (12,876,987)	(883,540)	7%	\$ (78,895,638)	\$ (77,106,409)	(1,789,229)	2%	\$ (72,712,365)
15 Net Patient Service Revenue	\$ 3,724,549	\$ 4,078,974	(354,425)	-9%	\$ 22,741,468	\$ 23,041,898	(300,430)	-1%	\$ 21,127,252
16 Risk contract revenue	\$ 273,003	\$ 321,917	(48,914)	-15%	\$ 1,728,677	\$ 1,931,502	(202,825)	-11%	\$ 2,055,531
17 Net Hospital Revenue	\$ 3,997,552	\$ 4,400,891	(403,339)	-9%	\$ 24,470,145	\$ 24,973,400	(503,255)	-2%	\$ 23,182,783
18 Other Op Rev & Electronic Health Records	\$ 134,341	\$ 134,569	(228)	0%	\$ 886,830	\$ 807,414	79,416	10%	\$ 982,370
19 Total Operating Revenue	\$ 4,131,893	\$ 4,535,460	(403,567)	-9%	\$ 25,356,975	\$ 25,780,814	(423,839)	-2%	\$ 24,165,153
Operating Expenses									
20 Salary and Wages and Agency Fees	\$ 2,003,945	\$ 2,040,357	36,412	2%	\$ 11,950,124	\$ 11,916,055	(34,069)	0%	\$ 11,588,955
21 Employee Benefits	722,355	773,377	51,022	7%	4,367,381	4,613,304	245,923	5%	4,332,086
22 Total People Cost	\$ 2,726,300	\$ 2,813,734	87,434	3%	\$ 16,317,505	\$ 16,529,359	211,854	1%	\$ 15,921,041
23 Med and Prof Fees (excl'd Agency)	\$ 439,515	\$ 401,010	(38,505)	-10%	\$ 2,511,486	\$ 2,355,029	(156,457)	-7%	\$ 2,278,180
24 Supplies	513,141	503,725	(9,416)	-2%	3,052,343	2,992,541	(59,802)	-2%	3,003,608
25 Purchased Services	416,675	424,717	8,042	2%	2,343,278	2,603,589	260,311	10%	2,353,109
26 Depreciation	156,097	187,558	31,461	17%	975,771	1,174,212	198,441	17%	1,079,035
27 Utilities	56,887	77,354	20,467	26%	468,901	494,124	25,223	5%	503,443
28 Insurance	18,888	18,699	(189)	-1%	113,328	112,193	(1,135)	-1%	121,250
29 Interest	33,709	13,610	(20,099)	-148%	154,809	91,096	(63,713)	-70%	183,130
30 Other	119,144	128,931	9,787	8%	1,117,732	772,693	(345,039)	-45%	470,400
31 Operating expenses	\$ 4,480,356	\$ 4,569,338	88,982	2%	\$ 27,055,153	\$ 27,124,836	69,683	0%	\$ 25,913,196
32 Operating Margin	\$ (348,463)	\$ (33,878)	(314,585)	-929%	\$ (1,698,179)	\$ (1,344,022)	(354,157)	-26%	\$ (1,748,043)
Non Operating Rev and Expense									
33 Miscellaneous Revenue	\$ 4,742	\$ 4,166	576	14%	\$ 36,492	\$ 25,001	11,491	46%	\$ 88,321
34 Donations	32,607	3,334	29,273	0%	44,574	21,093	23,481	*	10,000.00
35 Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	-
36 Physician Practice Support-Prima	(56,285)	(65,630)	9,345	-14%	(410,510)	(393,780)	(16,730)	4%	(393,780)
37 Parcel Tax Assessment Rev	237,500	237,500	-	0%	1,424,805	1,425,000	(195)	0%	1,469,522
38 GO Bond Tax Assessment Rev	152,326	153,584	(1,258)	-1%	913,956	921,504	(7,548)	-1%	921,402
39 GO Bond Interest	(34,925)	(34,925)	-	0%	(209,550)	(204,636)	(4,914)	2%	(180,066)
40 Total Non-Operating Rev/Exp	\$ 335,965	\$ 298,029	37,936	13%	\$ 1,799,767	\$ 1,794,182	5,585	0%	\$ 1,915,399
41 Net Income / (Loss) prior to Restricted Contributions	\$ (12,498)	\$ 264,151	(276,649)	-105%	\$ 101,588	\$ 450,160	(348,572)	-77%	\$ 167,356
42 Capital Campaign Contribution	\$ 424,403	\$ 90,097	334,306	371%	\$ 2,979,444	\$ 1,214,773	1,764,671	145%	\$ 316,427
43 Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$ 114,334
44 Net Income / (Loss) w/ Restricted Contributions	\$ 411,905	\$ 354,248	57,657	16%	\$ 3,081,032	\$ 1,664,933	1,416,099	85%	\$ 598,117
45 Net Income w/o GO Bond Activity	\$ 294,504	\$ 235,589	58,915	-25%	\$ (602,818)	\$ (266,708)	(336,110)	-126%	\$ (573,980)

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended

	<u>Current Month</u>	<u>Year To Date</u>
Operating Activities		
Net Income (Loss)	411,905	3,081,032
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	156,097	975,771
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	771,663	507,101
(Increase)/Decrease Other receivables and other assets	353,578	30,582
(Increase)/Decrease Prepaid expenses	(278,964)	(217,984)
(Increase)/Decrease in Inventories	(2,286)	(24,513)
(Decrease)/Increase in Deferred revenues	(1,248,477)	(3,027,996)
(Decrease)/Increase in Accounts payable, accrued expenses	(20,425)	(47,576)
Net Cash Provided/(Used) by operating activities	<u>143,091</u>	<u>1,276,417</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(95,070)	(1,366,380)
Net Purchases of property, plant and equipment - GO Bond Purchases	(1,553,431)	(7,654,149)
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	964,207	7,002,989
(Payment)/Refund of Deposits	-	-
Net cash Provided/(Used) by investing activities	<u>(684,294)</u>	<u>(2,017,540)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(91,540)	(363,497)
Proceeds (Repayments) from Borrowings - Other		
Net Intercompany Borrowings/(Repayments)		
Change in Post Retirement Obligations & Other Net Assets	-	-
Net Equity Transfers to related entities (Cash and Non-Cash)		
Net cash Provided/(Used) by financing activities	<u>(91,540)</u>	<u>(363,497)</u>
Net increase/(Decrease) in cash and cash equivalents	<u>(632,743)</u>	<u>(1,104,620)</u>
Cash and Equivalents at beginning of period	<u>1,666,525</u>	<u>2,138,402</u>
Cash and Equivalents at December 31, 2013	<u><u>1,033,782</u></u>	<u><u>1,033,782</u></u>

Sonoma Valley Hospital
Statistical Analysis
FY 2014

Statistics	ACTUAL	BUDGET	ACTUAL												
	Dec-13	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12	Nov-12
Acute															
Acute Patient Days	402	443	318	374	405	385	338	323	396	315	447	449	613	456	351
Acute Discharges	112	120	85	91	107	102	100	87	99	88	122	128	159	117	104
SNF Days	733	697	531	606	585	615	457	470	638	589	725	678	707	671	638
HHA Visits	951	1,075	903	941	745	736	760	990	1,140	1,101	1,067	1,001	1,076	940	921
Emergency Room Visits	751	787	665	731	795	789	750	716	795	729	757	710	852	793	732
Gross Outpatient Revenue (000's)	\$8,809	\$8,654	\$9,325	\$10,248	\$9,173	\$9,801	\$10,071	\$8,353	\$9,289	\$8,906	\$8,167	\$8,065	\$8,805	\$8,302	\$8,485
Equivalent Patient Days	2,356	2,328	2,145	2,342	2,157	2,256	1,945	1,892	2,266	2,237	2,422	2,314	2,594	2,353	2,213
Births	11	14	14	12	13	11	15	8	15	12	16	11	19	13	14
Surgical Cases - Inpatient	31	41	26	32	33	35	33	30	42	25	35	33	38	32	35
Surgical Cases - Outpatient	107	84	109	103	87	95	102	86	105	90	96	80	78	94	95
Total Surgical Cases	138	125	135	135	120	130	135	116	147	115	131	113	116	126	130
Medicare Case Mix Index	1.49	1.40	1.76	1.52	1.47	1.64	1.54	1.58	1.62	1.50	1.55	1.36	1.52	1.51	1.47
Income Statement															
Net Revenue (000's)	3,998	4,401	3,757	4,459	3,937	4,251	4,068	3,821	3,324	3,986	3,945	3,938	4,006	4,085	3,679
Operating Expenses (000's)	4,480	4,569	4,361	5,022	4,339	4,441	4,413	4,694	4,529	4,407	4,577	4,353	4,632	4,482	4,235
Net Income (000's)	412	354	(57)	990	883	440	185	732	(651)	149	251	114	237	134	174
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$1,902	\$1,962	\$2,033	\$2,144	\$2,011	\$1,968	\$2,269	\$2,481	\$1,999	\$1,970	\$1,890	\$1,881	\$1,786	\$1,905	\$1,914
Productive FTEs	277	281	288	282	279	286	279	277	282	286	291	290	284	284	266
Non-Productive FTE's	38	36	25	29	41	30	36	40	28	34	31	32	37	33	47
Total FTEs	315	317	313	312	320	315	315	317	311	320	322	322	321	317	313
FTEs per Adjusted Occupied Bed	4.39	4.28	4.39	4.12	4.45	4.33	4.25	4.25	4.25	4.29	4.12	3.77	3.84	4.24	4.24
Balance Sheet															
Days of Expense In General Operating Cash	7		11	7	8	11	8	7	12	17	15	9	9	14	7
Net Days of Revenue in AR	52		54	48	50	53	50	62	59	55	51	53	51	53	52

Sonoma Valley Hospital
Current RAC Activity
01/22/2013

At RAC for Review

# of Cases	5
Dollar at Risk	\$ 45,414.98

Currently under Appeal

# of Cases	103
Amount	\$ 749,431.18

Waiting Retraction	\$ 137,702.58
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Appeals Won

# of Cases	21
Amount	\$ 139,177.18

6.

PROJECTED CASH FLOWS

(attachments to be distributed at meeting)

7.

OB UPDATE

(attachments to be distributed at meeting)

9.

PATIENT BILLING
UPDATE



November/December 2013 Revenue Cycle Report

Rolling Month End Stats

Sonoma Valley Month End Stats	July	August	September	October	November	December
Avg Gross Revenue Day	\$ 513,813	\$ 520,341	\$ 549,642	\$ 559,292	\$ 541,043	\$ 534,635
Collection Target (Net Revenue)	\$3,147,819	\$3,224,017	\$3,638,907	\$3,361,442	\$3,175,072	\$3,532,566
Total AR Collections	\$3,271,438	\$3,265,144	\$3,203,939	\$3,387,372	\$3,235,582	\$3,727,653
Over/Under Goal	\$ 123,619	\$ 41,127	\$ (434,968)	\$ 25,930	\$ 60,510	\$ 195,087
AR Days Target	45	45	45	45	45	45
AR Days	49	53	50	49	50	49
Medical Records: Discharged not final billed						
Volume	300	484	688	520	526	360
Gross Revenue	\$2,246,088	\$1,963,715	\$2,058,643	\$2,854,668	\$3,544,917	\$2,598,971
# of days (per avg gross revenue day)	4.4	3.8	3.7	5.1	6.6	4.9

Process Improvement Efforts

- Claims - Initial request for bridge routines (edits) requested from Relay Health to assist with billing improvements have been completed. Four new routines have been added. Training of internal resource to continue bridge routine maintenance is still in progress as there was turn-over at Relay and we are now working with a new rep.
- Commercial / Medi-Cal Zero Balance Accounts (ZBA) Project - Triage has been actively working these accounts and have identified 300k of underpayments for Commercial payers which they are reprocessing for payment.
- Medi-Cal Aged Account Project 60+ day follow-up – Kenneth & Associates set up for remote access but they are having difficulty with E-Premis access for claim resubmission. This issue has been escalated to Relay Health as PFS, IT and Kenneth & Associates have been unable to resolve the issue.
- Commercial / Medicare Aged Account Project 60+ days- California Medical Billing Services – remote access has been established, payer website access complete. Waiting for Medicare access. Work commenced mid-December.

- Convergent the new vendor for Worker's Comp claims was set up we sent the first file in DEC. We should begin to see results within 45-60 days. These are complicated accounts.
- Productivity standards for PFS follow-up staff has been rolled out. Staff not quite meeting the standard which will be reviewed with the new PFS Director and necessary action will be taken.
- Met with Registration at SVH to discuss issues with Medi-Cal authorization process and retro-activity. Developing better work processes to obtain authorization to reduce denials. Still work in progress.
- Reports enhanced for Finance to better assist with contractual calculations and calculating net revenue. Reviewing aged accounts with leadership.
- New Patient Financial Services Director hired. Kathryn Kyle will begin on January 6, 2014. Kathryn will have oversight of the CBO and Admitting Departments.
- HIM – coding volumes will reduce once 3M is upgraded in JAN 2014
- HIM – ICD10 readiness – Coders are in training. Assessing other operational needs.
- There will be the first ICD-10 readiness committee meeting on January 16, 2014.
- We are in the process of standardizing Release of Information with MGH and PDH
- HIM Director assigned to the FormFast Project