



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
REGULAR MEETING AGENDA
Tuesday, June 24, 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, 05.27.14	<i>Fogg</i>	Action
4. PHASE I HOSPITAL PROJECT SUMMARY AND BUDGET	<i>Coss</i>	Inform/Action
5. CAPITAL BUDGET AND 5-YEAR INFRASTRUCTURE AND BUILDING DEVELOPMENT PLAN	<i>Mather</i>	Inform/Action
6. MAY 2014 FINANCIALS	<i>Cox</i>	Inform
7. CASH FLOW FORECAST	<i>Cox</i>	Inform
8. PUBLIC HOSPITAL INTER-GOVERNMENTAL TRANSFER PROGRAM (IGT) AND PROMISSORY NOTE FOR LOAN	<i>Cox</i>	Action
9. NET REVENUE ANALYSIS	<i>Cox</i>	Inform
10. ADJOURN Next meeting July 22, 2014	<i>Fogg</i>	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, May 27, 2014
Schantz Conference Room**

Voting Members Present		Staff/ Public/Other	Excused/Absent
1. Dick Fogg 2. Phil Woodward 3. Peter Hohorst 4. Sharon Nevins 5. Shari Glago	6. Steve Barclay 7. Mary Smith 8. Stephen Berezin 9. Keith Chamberlin, MD (by phone)	David Cox Kelly Mather Gigi Betta	S. Mishra, MD Bernadette Jensen Jeannette Tarver

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<p><i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community.</i></p> <p><i>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></p>		
1. CALL TO ORDER	<p><i>Fogg</i></p> <p>Call to order 5:01PM</p> <ul style="list-style-type: none"> • Mr. Fogg announced that the Board approved the FC recommendation to purchase a new portable chest x-ray machine at a capital cost of \$190,200. • Board Clerk was asked to send an e-copy to the Committee of the Press Democrat article, <i>Health of Our Hospitals</i>. 		
2. PUBLIC COMMENT SECTION	<p><i>Fogg</i></p> <p>None.</p>		
3. CONSENT CALENDAR	<p><i>Fogg</i></p>	Action/Inform	
<p>A. FC Minutes 4.28.14</p> <p>B. Revised Capital Acquisition Policy</p>	<p>A. The Minutes from 4.28.14 were approved with the following two corrections:</p> <ul style="list-style-type: none"> • Under item 7 Budget Assumptions, add “of controllable expenses” after \$51M. • Under item 5 Cash Flow, add that Mr. Woodward strongly suggests that project cash flows are forecasted for a MINIMUM of 6 months. 	<p>MOTION by to approve Glago to approve Minutes <i>as amended</i> and 2nd by Smith. All in favor.</p>	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	B. Capital Acquisition Policy was not an action item, brought to the Committee for informational purposes only.		
4. APRIL 2014 FINANCIALS	Cox	Inform	
	<ul style="list-style-type: none"> • Mr. Woodward asked Mr. Cox to breakdown Other Liabilities on the Balance Sheet. • In response to Mr. Hohorst's concerns, Ms. Mather offered to look into the "repatriation" of Kaiser ER patients from the Sonoma Valley to Santa Rosa area. 		
5. CASH FLOW FORECAST	Cox	Inform	
	<ul style="list-style-type: none"> • Mr. Cox will extend the Cash Flow through the year 2015, month by month. • Over the next few months, Mr. Cox plans to rebuild the overall cash flow forecast model. Under the new model, Mr. Woodward asked that he move Borrowing under Financing Activities. • In response the Mr. Woodward's additional requests, Mr. Cox promised to: <ul style="list-style-type: none"> ❖ Clarify the treatment of donations and capital campaigns ❖ provide more detail on things like debt, and ❖ breakout the Line of Credit. 		
6. RAC ANALYSIS	Cox	Inform	
	Mr. Cox gave the RAC update and there were many questions on clarification. The Committee as a whole had difficulty understanding the analysis as presented and asked that the format be revised such that it is easier to follow. Mr. Cox agreed.		
7. FY2015 OPERATING BUDGET	Mather	Action/Recommendation	
	<ul style="list-style-type: none"> • Mr. Cox presented the FY2015 Operating Budget and took questions and comments. • Ms. Nevins suggested that under Discussion/Patient Volumes, Mr. Cox reword the 2nd sentence to better define 2% growth. • Mr. Cox will review revisions to the Kaufman model and try to get this to the Board Clerk by May 29, 2014 for inclusion in the 		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Board Package.</p> <ul style="list-style-type: none"> • Committee also requested more detail on 8880-Misc. Overhead/Other and discussed long-term need for revenue growth concurrent with the FY15 emphasis on tightly managed expenses. • Ms. Mather will present the long-term capital plan at the next Finance Committee meeting. • Mr. Cox will follow up with his staff about producing Profitability by Payer report. • There was a discussion on the OB Analysis and Mr. Fogg requested that the financial impact analysis be brought back to the Finance Committee for review before the August 7, 2014 Board presentation . No decision was made. • <i>The FC endorses the FY2015 Operating Budget contingent upon a cash flow schedule being available to Board no later than the time they vote on the budget.</i> Roll call vote of the 9 Committee members present (see above) followed. All in favor. 		
8. ADJOURN	<i>Fogg</i>		
	Adjourn 6:20 PM		

4.

PHASE I HOSPITAL
PROJECT SUMMARY
AND BUDGET



Sonoma Valley Hospital

Phase I Hospital Project Summary – June 2014

The Sonoma Valley Phase I Hospital Project is at the final stage of completion. As this chapter closes we wanted to highlight our accomplishments and project challenges while recognizing the many teams who contributed to the project's success.

It all began with the project vision and community support. The Sonoma Community supported the GO Bond and provided an additional \$11 Million in Philanthropy. Because of the early project planning, supported by Management, the Hospital Board and the many user groups set the stage for a successful project. Starting with Project accomplishments, we hope to provide a high level summary for your information.

Major Project Accomplishments

Project funding: Sonoma County supported a \$31 Million Bond measure with \$2.2 Million in Leased Medical Equipment and \$700,000 CEC Loans along with very generous donors contributing over \$11 Million to support the project!

Hospital Staff and Department Support: All of the staff at SVH contributed to the success of the project but special recognition is given to the following: Two South Nursing Unit, Surgical Department, ER staff, Information Technology, Engineering, Accounting, Materials Management, Marketing, the Move Activation Team, Medical Staff, Finance Committee, CEO Construction Committee and the Design Build Team.

Hospital Improvements: Phase I Building Project included a new South parking lot, loading dock, new Emergency Department with nine treatment rooms, three new OR's, Post and Pre-Operative services, Central Processing and patient waiting. Two South improvements included interior finishes, Nursing Station, Patient Isolation Room, storage, new restrooms, patient showers, nurse call system, and patient room upgrades. In the Central Plant, we replaced the emergency generators, chillers, boilers and domestic hot water.

Department Satisfaction: Currently the OR is trending 70 cases above FY 2013 and added four blocks to the schedule. The ED has spikes in volume during the day shift and reports very high volumes at night, too early to call a trend. Both Departments report high satisfaction from staff and physicians with the ED in the 80th percentile nationally.

Information Technology: The Project developed a new server room, new fiber and copper loop around the campus, IT Room, main point of entry (MPOE) rooms for the campus at the new wing, new third floor west wing Intermediate distribution feed (IDF) Room and a new phone system for the new wing. The IT portion of the project was installed on time with without any interruption of service.

Project Budget Update: The Phase I Hospital Project Board approved budget equals \$43,809,376 including the renovations on the second floor. As of June 12, 2014 we are reporting a positive variance of \$ 8,895 that includes approximately \$ 1,784,842 in remaining payments including \$576,911 in retainage for Otto. The following is a Master Budget Summary:

Sonoma Valley Hospital - Phase 1 Budget

Description	Board Approved Budget	Estimate for Project Completion 6/18/2014
CATEGORY 1 Permits & Fees	690,231	773,889
CATEGORY 2 Construction	32,038,811	32,162,015
CATEGORY 3 Medical & Other Equipment	2,520,176	2,057,410
CATEGORY 4 Fixtures & Furniture	456,437	489,438
CATEGORY 5 Communications	1,400,466	1,499,566
CATEGORY 6 Professional Services	4,504,108	4,610,118
CATEGORY 7 Administration	1,648,660	1,561,220
CATEGORY 8 Owner's Contingency	550,487	486,326
CATEGORY 9 SVH Transfers and Added Equipment	0	160,500
Design Build PROJECT TOTALS	43,809,376	43,800,481

Major Project Challenges

Neighborhood Disruption: There were many days and nights of traffic disruption, street closures and parking issues. These consistent disruptions including noise, lasted for over a year and a half, both day and night. The

Hospital had a team working to notify and manage risk issues, but still the neighborhood was impacted. We appreciate the neighborhood's patience and tolerance throughout the duration of the Project.

Hospital Noise and Disruption: The hospital patients and staff including the second floor endured endless noise impacts and utility shut downs. Throughout the duration of construction not a week went by without one or two utility shut downs. Shutdowns included power, hot and cold water, heat and IT service interruptions. Nursing, Engineering, IT and the Facility Coordinator worked to reduce the impact and calm the nerves of both patient and staff. There is no denying the noise and disruption issue had an impact and we are all relieved it's over!

Two South Construction Delay: In September 2013, the project team was expecting an OSHPD Permit for the renovation on two south. Instead, we were informed that two ADA staff restrooms would be required. The Design Build Team worked to first mitigate the request and then submitted corrective plans in order to obtain an OSHPD permit. We received an OSHPD permit in December 2013 and started the project in January 2014. This added two months to our schedule, created two additional construction phases, and added more expense to the project.

Project Master Schedule: The master contract schedule identified November 12, 2013 as the completion date. We obtained Staff and stock on November 25, 2013. We worked with OSHPD for over two months to obtain occupancy. On February 3, 2014, we received a Certificate of Occupancy from OSHPD. Licensing reviewed the project for patient care on February 5 and 6th, 2014 and granted patient occupancy. The project Move Activation Team started the move to the new building on February 7, 2014 and completed the move on February 10, 2014. The schedule was later than planned, but hospital construction in California is difficult and challenging.

Every building project has its own story. Each building, a unique story only known by the people involved. Some a quick read, others a novel. Sonoma Valley Hospital was an adventure with an interesting beginning, packed with dynamic characters and sub plots. The ending was filled with celebration and wellness. The new Sonoma Valley Hospital Emergency and Surgery Department now stands to support patient care for Sonoma County citizens for the next half century.

	Description	Reforecast Approved Budget	Estimated Spent to Date 6/10/14	Commitments	Estimate for Project Completion 6/30/2014	Variance	Notes
CATEGORY 1 Permits & Fees							
1.01	OSHPD Permit Fees	482,800	340,332	482,800	442,800	40,000	0.0164 % of completed construction. Estimated for \$27 M in construction X .0164%- to be confirmed
1.02	Local Jurisdiction Permits & Fees	39,294	70,587	70,587	70,587	-31,293	City and County Permits, Connection and Inspections: Sewer, Storm Drain, Water, School District fees.
1.03	Utility Connection Fees	85,000	177,365	141,472	177,365	-92,365	City of Sonoma Water connection fees calculated - \$35,893
1.04	Closed Projects	83,137	83,137	83,137	83,137	0	Closed
TOTAL CATEGORY # 1		690,231	671,421	777,996	773,889	-83,658	
CATEGORY 2 Construction							
2.01	Otto/NLA (Including Change Orders 1-7)	26,962,214	26,515,437	27,112,214	27,212,214	-250,000	OR HVAC, South Lot, New Wing, CUP, Loading Dock, 4th Street, plus CO 1 to 7, including Otto Changes. CO#19
2.02	Otto/NLA - Design Contingency	894,763	565,024	894,763	894,763	0	Contractor contingency for existing work part of GMP
2.03	Otto/NLA Change Orders 8-9	581,916	549,820	581,916	581,916	0	Release of Otto retention outstanding.
2.04	Otto/NLA Change Order 10 - GMP Negotiations	145,109	129,790	145,109	145,109	0	Release of Otto retention outstanding.
2.05	Otto/NLA Change Order 11 Med Gas System Upgrade	290,000	262,967	276,807	276,807	13,193	Release of Otto retention outstanding.
2.06	Otto/NLA 2 West - (Design)	143,444	0	0	0	143,444	Negotiated as part of Processed Change Order#8 - Costs in Budget ID 2.03.
2.07	Closed Projects	206,587	206,587	206,587	206,587	0	Closed
2.08	Facilities Transfer (CEO/CFO approved various)	290,333	290,333	290,333	290,333	0	CEO/CFO approved transfer of Rosa Construction work - need Attachment C with pricing. Line Item managed by Finance.
2.09	Facilities Transfer (BOD approved 8/12)	1,500,000	1,500,000	1,500,000	1,500,000	0	BOD approved Facilities List transfer on 8/3/12. Directed to be Complete. Line Item managed by Finance.
2.10	2 West Construction - 2/7/13 Approved	850,548	767,257	853,952	853,952	-3,404	2nd floor nurse Station, isolation room and clean utility, Surgery Waiting room.
2.11	2 West Patient Room Renovation - 2/7/13 Approved.	173,897	196,633	173,897	200,334	-26,437	Includes \$77,304 in Furniture.
TOTAL CATEGORY # 2		32,038,811	30,983,848	32,035,578	32,162,015	-123,204	

CATEGORY 3 Medical & Other Equipment							
3.01	Emergency Department	481,262	308,135	308,135	308,135	173,127	Owner approved equipment budget - Per equipment list
3.02	Operating Room Suite	686,057	371,615	371,615	371,615	314,442	Owner approved equipment budget- Stryker booms
3.03	Central Processing Department	424,677	418,364	418,364	418,364	6,313	Owner approved equipment budget - Per equipment list
3.04	Post-Op/Pre-Op	306,670	337,786	337,786	337,786	-31,116	Owner approved equipment budget- Per equipment list.
3.05	Closed Projects	621,510	621,510	621,510	621,510	0	Closed
TOTAL CATEGORY # 3		2,520,176	2,057,410	2,057,410	2,057,410	462,766	Reconciliation completed with Purchasing.

CATEGORY 4 Fixtures & Furniture							
4.01	Televisions	10,000	0	0	0	10,000	Allowance
4.02	Furniture & Furnishings	275,500	250,668	253,168	253,168	22,332	Allowance - Jan. 2012 start planning. Add \$50,500 - 2 West projects.
4.03	Signage Fabrication and Install	153,528	216,606	205,203	225,171	-71,643	Allowance for interior and exterior signage January 2013 start planning
4.04	Increment 1 Phasing and Directional Signage	17,409	11,100	11,100	11,100	6,309	Allowance - Additional temporary site phasing and directional signage
4.05	Closed Projects	0	0	0	0	0	Closed
TOTAL CATEGORY # 4		456,437	478,374	469,471	489,438	-33,001	

CATEGORY 5 Communications							
5.01	IT Infrastructure Cabling & Equipment	173,147	146,743	147,268	157,605	15,542	Allowance for facility backbone wiring projects and unknown infrastructure. Consultant Scope verification. IT med equip allowance.
5.02	IDF and Telecom Facilities	258,665	207,160	196,894	221,766	36,899	Backbone wiring, cabinets, etc for new IDF and Server Rooms with Exterior connections-Metroscope/Teecom.
5.03	New Wing Cable	95,450	160,864	160,864	160,865	-65,415	Backbone data/telecom wiring required for New Wing - Metroscope
5.04	Add 2 West - Med/Surg Unit Nurse Call System	175,000	217,319	234,812	244,812	-69,812	Nurse call system and for 2 West - submitted to OSHPD. Otto Mark up not included. Arch not included.
5.05	Closed Projects	698,204	714,518	714,518	714,518	-16,314	Backbone data/telecom wiring required for moves and IDF equipment - Closed
TOTAL CATEGORY # 5		1,400,466	1,446,604	1,454,356	1,499,566	-99,100	

CATEGORY 6 Professional Services							
6.01	Project Management	2,285,495	2,440,187	2,400,402	2,429,642	-144,147	Jtec Contract - \$2,131,495. Owner - 14mons @ 11k a Month - \$154,000 Forecasted till end April.
6.02	Geotechnical Engineering	127,055	99,483	99,483	103,000	24,055	Geotechnical engineering and materials testing during construction
6.03	Hazardous Material/Asbestos	150,000	52,649	82,149	90,000	60,000	Allowance - Asbestos materials removal above OR ceilings
6.04	OSHPD Field Observation	287,000	373,765	365,765	381,765	-94,765	OSHPD required inspector fees - Per Contract
	Materials Testing & Inspection	236,875	191,783	189,312	199,783	37,092	Construction materials testing and special inspections.
6.06	Building Commissioning (Limited)	70,000	55,971	50,939	55,971	14,029	Allowance for Owner directed building systems commissiiong
6.07	Reimbursables	79,597	78,478	78,478	81,871	-2,274	Printing, postage, limited services etc.
6.08	Closed Projects	1,268,086	1,268,086	1,268,086	1,268,086	0	Closed
	TOTAL CATEGORY #6	4,504,108	4,560,402	4,534,614	4,610,118	-106,010	

CATEGORY 7 Administration							
7.01	Lease Space	1,058,213	1,058,213	1,058,213	1,058,213	0	South Lot rental through November 2013. Then operational cost, per Rick Reid.
7.02	Legal Services	420,447	410,897	410,897	412,850	7,597	Labor Compliance Monitoring, DBT Agreement Development.
7.03	Decommissioning	110,000	11,809	11,809	11,809	98,191	Allowance for decommissioning CUP areas
7.04	Moving and Storage	60,000	30,445	60,000	70,750	-10,750	Allowance for New Wing equipment moving and storage
7.05	Closed Projects	0	0	0	0	0	
	TOTAL CATEGORY #7	1,648,660	1,511,365	1,540,919	1,561,220	95,038	

CATEGORY #8 Owner's Contingency							
8.01	Project Contingency	550,487	205,716	486,326	486,326	64,161	Does not include 4th Street light. Includes \$10,000 for Donor Wall and Fountain Design and construction. Includes Otto Changes - CO#19.
	TOTAL CATEGORY #8	550,487	205,716	486,326	486,326	64,161	

CATEGORY #9 SVH Transfers and Added Equipment							
9.01	Transfers and Added Equipment	0	0	0	160,500	-160,500	Owner Added 6/10/14
	TOTAL CATEGORY #9	0	0	0	160,500	-160,500	

Design Build PROJECT TOTALS		43,809,376	41,915,139	43,356,670	43,800,481	8,895	
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Assumptions and Clarifications:

1. IP/Voice is an Owner lease item, required for New Wing activation.
- ~~2. Construction for 2 West Med/Sug unit renovation has been omitted – Requires Funding.~~
3. Donor wall and fountain allowance funded in Contingency.
4. Construction for Materials Management annex has been omitted - Funded for Design only.
5. Design and Construction of 2 West nurse call is included, does not include any changes.
6. Does not include Peripherals - move existing.
7. IT Network Equipment and design not included, Funded by IT Budget.
- ~~8. It scope is not complete and still a Project Risk.~~
9. Paid to date amounts are calculated through Accounts Payable
10. Column B is a Fixed Project Budget through Construction, Adjusted 2-7-13 per Board Approval.
11. Funding and Scope Approved per Board Request dated 2-7-13
12. As of 2-11-14 General Ledger not available for reconciliation.
13. All Invoices and Purchase Orders Charged to Phase 1 Budget require Kevin Coss and Rick Reid (CFO) signatures.

5.

CAPITAL BUDGET

Sonoma Valley Hospital

FY 2015 Capital Budget

ITEM	DEPARTMENT	PURPOSE	APPROVED
Fire protection	Facilities	Patient Safety, Antiquated	\$ 120,000.00
Nurse Call	Facilities	Antiquated System	\$ 140,000.00
Pyxis	Pharmacy	Cost Savings	\$ 4,000.00
STI System	Laboratory	Revenue Producing	\$ 22,705.00
Locking Carts	Skilled Nursing	Patient Safety	\$ 5,000.00
Transducer	Radiology	Patient Safety	\$ 3,200.00
MRI Knee coil	Radiology	Quality	\$ 16,300.00
Quality Notebooks	Quality	Efficiency	\$ 11,300.00
Citrix	Information Services	Efficiency	\$ 100,000.00
Lap tops	Home Care	Growth	\$ 18,400.00
Metro phone	Information Services	Replacement	\$ 3,800.00
VMWare Licenses	Information Services	Requirement	\$ 3,388.00
MIC Interface to HPF	Information Services	Requirement	\$ 20,000.00
HP: 50 Desktops	Information Services	Replacement	\$ 50,000.00
Microsoft Server Licenses	Information Services	Requirement	\$ 12,000.00
Microsoft 53 desktop licenses	Information Services	Requirement	\$ 52,200.00
HP Printer replacement	Information Services	Quality, Replacement	\$ 10,000.00
East Wing Pipes	Skilled Nursing	Antiquated, Prevention	\$ 100,000.00
Ability (HETS Eligibility)	Patient Financial Services	Efficiency	\$ 14,004.00
Dedicated Printer for CIF	Patient Financial Services	Quality	\$ 3,000.00
Uncommitted	Administration		\$ 100,000.00
			\$ 809,297.00
PHILANTHROPY			FUNDRAISING
New Lab & Lobby Draw area	Organization	Quality, Efficiency, Replacement	\$ 500,000.00
1st Floor Carpeting	Organization	Patient Safety, Quality	\$ 115,000.00
Space Lab EKG system	Nursing	Efficiency	\$ 100,000.00
Radiolographic/Fluor Room	Radiology	Quality, Efficiency, Replacement	\$ 600,000.00
Ultrasound machines	Radiology	Quality, Efficiency, Replacement	\$ 425,575.00
Phone System	Organization	Quality, Efficiency	\$ 200,000.00
Physician I.T. Integration	Organization	Quality, Efficiency	\$ 70,000.00
			\$ 2,010,575.00

Sonoma Valley Hospital

FY 2015 Capital Budget

ON HOLD

Nuclear Medicine	Radiology	Replacement	\$ 175,000.00
Care In Sync	Chief Medical Officer	Quality, Efficiency, Revenue	\$ 60,000.00
Single Sign On	Chief Medical Officer	Quality, Efficiency	\$ 100,000.00
PCON Contract Auditory Tool	Patient Financial Services	Capture more revenue	\$ 60,000.00
Denial Management System	Patient Financial Services	Prevent revenue reductions	\$ 21,600.00
Physical Therapy E H R	Rehab	Quality, Efficiency	\$75,000,000

Sonoma Valley Hospital

FY 2015 Capital Budget

	QTR 1	QTR 2	QTR 3	QTR 4
\$	120,000.00			
		\$ 140,000.00		
\$	4,000.00			
\$	22,705.00			
		\$ 5,000.00		
		\$ 3,200.00		
				\$ 16,300.00
\$	2,300.00		\$ 9,000.00	
				\$ 100,000.00
\$	4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00
\$	3,800.00			
\$	3,388.00			
			\$ 20,000.00	
\$	12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00
			\$ 12,000.00	
\$	13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00
\$	2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
			\$ 100,000.00	
\$	14,004.00			
\$	3,000.00			
\$	202,847.00	\$ 180,850.00	\$ 173,650.00	\$ 148,950.00

5 YEAR PLAN – HOSPITAL INFRASTRUCTURE & BUILDING DEVELOPMENT				PROJECTED ESTIMATED COSTS					
ISSUE	PLAN	CURRENT AGE	ULE	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL
FACILITY INFRASTRUCTURE ITEMS									
Fire alarm System - Approved FY2015	Install modules and replace existing antiquated devices with addressable devices – smoke detectors, visual/audio strobes, etc.	25-30 yrs	10 yr/device	\$ 120,000	\$ 100,000	\$ 25,000			\$ 245,000
East Wing pipes - Approved FY2015	Chill water pipes & fan coils & plumbing fixture replacement - 1st 3 yrs. = 90% SNF; FY18/19 = 100% East Wing	30+ yrs	25 yrs	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Nurse call system - Approved FY2015	System replacement: SNF, 3rd Floor Units - All systems completed FY15	30+ yrs	10 yrs	\$ 140,000					\$ 140,000
Air Handler Units (AHU) - East Wing	Replace 7 AHU's; upgrade electrical power to units that increase in motor size - Replace 2 per year FY16-18; 1 - FY19	30+ yr/unit	25 yr/unit		\$ 450,000	\$ 550,000	\$ 410,000	\$ 300,000	\$ 1,710,000
Air Handler Units (AHU) - Central Wing	Replace 7 AHU's; upgrade electrical power to units that increase in motor size - Part of backfill/Phase II Renovations or Replace 2 per year FY16-18; 1 - FY19	40+ yr/unit	25 yr/unit		\$ 310,000	\$ 500,000	\$ 500,000	\$ 60,000	\$ 1,370,000
Exhaust fans	Replace 1 large Exhaust fan - West Wing	40+ yrs	30 yrs					\$ 50,000	\$ 50,000
Medical Air systems – 2 redundant systems	Need to replace oldest system (1971)	40+ yrs	20 yrs					\$ 90,000	\$ 90,000
Vacuum systems – 2 redundant systems	Need to replace both systems (1971 & 1981)	30+ & 40+ yrs	20 yrs				\$ 100,000	\$ 100,000	\$ 200,000
Boiler Roof	Replace when AHU-11 Central Wing is replaced	15 yrs	30-40 yrs		\$ 25,000				\$ 25,000
Electrical panel replacement	Replace 120 panels in West, Central & East Wings - panels not repairable/salvaged parts	30-50 yrs	20 yrs		\$ 140,000	\$ 140,000	\$ 140,000	\$ 70,000	\$ 490,000
Replace Automatic Transfer Switches	Switches transfer power from regular to emergency power. Replace 3 switches - 1970 - research if they can be replaced independently	40+ yrs	15 yrs				\$ 300,000		\$ 300,000
Sewer pumps	Replace two pumps West Wing - basement flooding prevention	40+ yrs	10 yrs		\$ 70,000				\$ 70,000
Elevator modification & controls	Seal passenger elevator pits against water intrusion (X2)	40+ yrs	20 yrs		\$ 15,000				\$ 15,000
TOTAL - FACILITY INFRASTRUCTURE ITEMS				\$ 360,000	\$ 1,210,000	\$ 1,315,000	\$ 1,550,000	\$ 770,000	\$ 5,205,000
CORRECTIVE ACTION ITEMS - AGENCY REQUIRED									
Pyxis machine anchoring	Open permit with OSHPD. Anchor 10 units; purchase 3 anchors; OSHPD Change Order/IOR inspection - SVH Engineering to install			\$ 16,000					\$ 16,000
Deadend public corridor	Open corridor in Central Wing from HR to Occupational Health Corridor - includes OSHPD/Architect/MEP Engineering					\$ 300,000			\$ 300,000
CONTINGENCY - 10%				\$ 1,600					\$ 1,600
TOTAL - CORRECTIVE ACTION ITEMS - AGENCY REQUIRED				\$ 17,600	\$ -	\$ 300,000	\$ -	\$ -	\$ 317,600

Assumptions & Clarifications

Confirm funding needs by project at schematic design - most projects are at "Identified" stage

Some project cost estimates have some scope definition and documentation

Facility infrastructure projects have been reviewed/developed with Director of Facilities & Plant Operations Manager

Corrective action items/Agency required are preliminary estimates and total exposure should be within 10% of total amount requested

6.

MAY 2014
FINANCIALS



To: SVH Finance Committee
From: David Cox, CFO, MGH
Date: June 24, 2014
Subject: Financial Report for the Month Ending May 31, 2014

Overall Results for May 2014

SVH has a net loss before the restricted contributions of (\$265,791) on a budgeted income of \$12,439 for an unfavorable difference of (\$278,230). Total net patient service revenue was under budget by (\$627,613). Risk contract revenue is under budget by (\$73,789), which is due to Napa State’s decision to discontinue inpatients due to low patient volumes. Other operating revenue is under budget by (\$55,872) due to the receipt of the Electronic Health Record Phase 1 money in January. Phase 2 of the Electronic Health Record money is being accrued at \$64,369 per month with an anticipated receipt of the money in January 2015. This brings the total operating revenue to \$3,932,130 or (\$757,274) under budget. Expenses were \$4,485,863 on a budget of \$4,856,335 or \$370,472 better than budget. The EBIDA prior to the restricted donations for the month was \$143,808 or 3.7%.

Patient Volumes - May

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	100	101	-1	99
Acute Patient Days	358	453	-95	396
SNF Patient Days	605	660	-55	638
Home Care Visits	1,135	1,300	-165	1,140
OP Gross Revenue	\$10,237	\$9,553	\$684	\$9,289
Surgical Cases	142	132	10	147

Overall Payer Mix - May

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	47.5%	49.5%	-2.0%	50.8%	49.4%	1.4%
Medi-Cal	19.1%	10.6%	8.5%	13.1%	10.7%	2.4%
Self Pay	1.7%	3.7%	-2.0%	2.8%	3.8%	-1.0%
Commercial	20.9%	29.1%	-8.2%	23.1%	29.1%	-6.0%
Managed MC	4.9%	2.8%	2.1%	4.6%	2.8%	1.8%
Workers Comp	3.6%	1.5%	2.1%	3.2%	1.5%	1.7%
Capitated	2.3%	2.8%	-0.5%	2.4%	2.7 %	-0.3%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for May were \$3.9 million on a budget of \$4.7 million or (\$757,274) under budget.

Net Patient Revenue is under budget by (\$627,613) or 15%, due to the following:

- Home Care was under budget by 165 visits, but offset with a better case mix.
- Charity Care was favorable to budget by \$177,815.

This is off set with:

- Overall inpatient volume was under budget by 1 discharge and had a poor case mix.
- Outpatient was over budget in volume and had higher Medicare patients and lower commercial insured patients.
- Skilled Nursing Home volume was under budget by 55 days.
- Bad Debt was over budget by \$25,167 due to a self pay SNF patient.

Expenses

May's expenses were \$4.5 million on a budget of \$4.9 million or better than budget by \$370,472. The following is a summary of the operating expense variances for the month of May:

- Total productivity FTE's were under budget at 276 on a budget of 290, or \$65,585 under budget.
- Employee Benefits were under budget by \$27,473, due to health insurance being under budget by \$18,260 and State Unemployment Insurance under budget by \$12,568.
- Medical and Prof Fees are over budget by (\$43,552), (\$43,300) is due to additional Prima surgery call increase that started last summer.
- Supplies are under budget by \$104,606, due to all departments limiting their spending on supplies. Surgery supplies were also under budget by (\$67,612) due to May's surgery case mix.
- Purchased Services are under budget by \$122,188, due to all departments being under budget and due to Patient Financial Services contract with Palm Drive Hospital for the collection of PDH's accounts receivable in May of \$62,471.

Cash Collections on Patient Receivables:

For the month of May the cash collection goal was \$3,568,584 the Hospital collected \$3,615,273 or over the goal by \$46,689. Year to date the Hospital patient collections goal was \$35,895,971 and had collection of \$37,026,587 or \$1,130,616 over the goal. The cash collection goal is based upon net hospital revenue from 60 days ago. Days of cash on hand are 8 days at May 31, 2014. Note: Accounts payable went down from \$5,005,757 in April to \$4,324,358 and days in accounts payable are 57.3. SVH has reduced our accounts payable by more than \$2 million since the start of the 2014 fiscal year.

Year to Date Activity:

For fiscal year 2014 year to date, our net loss prior to restricted contributions and GO Bond activity is currently (\$1,422,970) or (\$798,624) worse than budget. This is due to the over estimated revenue budget and higher than expected reductions in inpatient volumes. SVH is projecting for an overall loss of (\$1,500,000) for Fiscal year 2014. From June forward, we expect operating expenses to be closer to \$4.3 million due o recent reductions in physician fees by \$100,000 per month and the reduction in other expenses such as shared services with Palm Drive and Marin General Hospital employees.



Sonoma Valley Hospital
Statistical Analysis
FY 2014

Statistics	ACTUAL	BUDGET	ACTUAL												
	May-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13
Acute															
Acute Patient Days	358	453	303	407	300	389	402	318	374	405	385	338	323	396	315
Acute Discharges	100	101	94	117	79	91	112	85	91	107	102	100	87	99	88
SNF Days	605	660	674	750	641	754	733	531	606	585	615	457	470	638	589
HHA Visits	1,135	1,300	1,218	1,106	872	1,040	951	903	941	745	736	760	990	1,140	1,101
Emergency Room Visits	909	886	788	769	655	811	751	665	731	795	789	750	716	795	729
Gross Outpatient Revenue (000's)	\$10,237	\$9,553	\$9,918	\$9,999	\$8,604	\$9,095	\$8,809	\$9,325	\$10,248	\$9,173	\$9,801	\$10,071	\$8,353	\$9,289	\$8,906
Equivalent Patient Days	2,461	2,382	2,415	2,585	2,136	2,375	2,356	2,145	2,342	2,157	2,256	1,945	1,892	2,266	2,237
Births	16	14	6	19	14	6	11	14	12	13	11	15	8	15	12
Surgical Cases - Inpatient	32	42	34	43	26	37	31	26	32	33	35	33	30	42	25
Surgical Cases - Outpatient	110	90	113	113	95	76	107	109	103	87	95	102	86	105	90
Total Surgical Cases	142	132	147	156	121	113	138	135	135	120	130	135	116	147	115
Medicare Case Mix Index	1.47	1.40	1.57	1.63	1.77	1.94	1.49	1.76	1.52	1.47	1.64	1.54	1.58	1.62	1.50
Income Statement															
Net Revenue (000's)	3,853	4,555	3,957	3,449	3,449	3,737	3,998	3,757	4,459	3,937	4,251	4,068	3,821	3,324	3,986
Operating Expenses (000's)	4,486	4,856	4,600	4,273	4,273	4,553	4,480	4,361	5,022	4,339	4,441	4,413	4,694	4,529	4,407
Net Income (000's)	(240)	82	(360)	401	(12)	13	412	(57)	990	883	440	185	732	(651)	149
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$1,823	\$2,039	\$1,905	\$1,937	\$2,000	\$1,917	\$1,902	\$2,033	\$2,144	\$2,011	\$1,968	\$2,269	\$2,481	\$1,999	\$1,970
Productive FTEs	276	290	285	292	266	268	277	288	282	279	286	279	277	282	286
Non-Productive FTE's	32	36	26	26	34	42	38	25	29	41	30	36	40	28	34
Total FTEs	309	325	311	318	301	310	315	313	312	320	315	315	317	311	320
FTEs per Adjusted Occupied Bed	3.89	4.28	3.86	3.81	3.94	4.05	4.15	4.39	4.12	4.45	4.33	4.25	4.25	4.25	4.29
Balance Sheet															
Days of Expense In General Operating Cash	8		12	8	8	7	7	11	7	8	11	8	7	12	17
Net Days of Revenue in AR	46		48	49	49	54	52	54	48	50	53	50	62	59	55

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

	Month				Year-To-Date				YTD Prior Year
	This Year		Variance		This Year		Variance		
	Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information									
1 Acute Discharges	100	101	(1)	-1%	1,078	1,308	(230)	-18%	1,279
2 SNF Days	605	660	(55)	-8%	6,951	7,133	(182)	-3%	7,154
3 Home Care Visits	1,135	1,300	(165)	-13%	10,409	11,275	(866)	-8%	11,080
4 Gross O/P Revenue (000's)	10,237	9,553	685	7%	\$ 105,281	\$ 99,944	5,337	5%	\$ 94,271
Financial Results									
Gross Patient Revenue									
5 Inpatient	\$ 4,569,546	\$ 6,101,578	(1,532,032)	-25%	\$ 54,751,186	\$ 62,033,769	(7,282,583)	-12%	\$ 57,572,011
6 Outpatient & Emergency	9,878,094	9,191,831	686,263	7%	102,086,761	96,866,544	5,220,217	5%	91,066,049
7 SNF	1,962,821	2,276,884	(314,063)	-14%	26,019,278	24,599,791	1,419,487	6%	23,482,745
8 Home Care	359,205	360,887	(1,682)	0%	3,194,660	3,077,672	116,988	4%	3,204,818
9 Total Gross Patient Revenue	\$ 16,769,666	\$ 17,931,180	(1,161,514)	-6%	\$ 186,051,884	\$ 186,577,776	(525,892)	0%	\$ 175,325,623
Deductions from Revenue									
10 Contractual Discounts	\$ (12,904,361)	\$ (13,285,614)	381,253	3%	\$ (143,905,011)	\$ (138,812,211)	(5,092,800)	-4%	\$ (130,264,670)
11 Bad Debt	(250,000)	(224,833)	(25,167)	-11%	(2,208,255)	(2,339,436)	131,181	6%	(2,675,000)
12 Charity Care Provision	(10,000)	(187,815)	177,815	95%	(235,250)	(1,806,368)	1,571,118	87%	(2,017,928)
13 Prior Period Adjustments	-	-	-	0%	2,107,929	-	2,107,929	0%	(836,022)
14 Total Deductions from Revenue	\$ (13,164,361)	\$ (13,698,262)	533,901	-4%	\$ (144,240,587)	\$ (142,958,015)	(1,282,572)	1%	\$ (135,793,620)
15 Net Patient Service Revenue	\$ 3,605,305	\$ 4,232,918	(627,613)	-15%	\$ 41,811,297	\$ 43,619,761	(1,808,464)	-4%	\$ 39,532,003
16 Risk contract revenue	\$ 248,128	\$ 321,917	(73,789)	-23%	\$ 3,120,049	\$ 3,541,087	(421,038)	-12%	\$ 3,457,227
17 Net Hospital Revenue	\$ 3,853,433	\$ 4,554,835	(701,402)	-15%	\$ 44,931,346	\$ 47,160,848	(2,229,502)	-5%	\$ 42,989,230
18 Other Op Rev & Electronic Health Records	\$ 78,697	\$ 134,569	(55,872)	42%	\$ 1,291,801	\$ 1,480,259	(188,458)	-13%	\$ 1,618,083
19 Total Operating Revenue	\$ 3,932,130	\$ 4,689,404	(757,274)	-16%	\$ 46,223,147	\$ 48,641,107	(2,417,960)	-5%	\$ 44,607,313
Operating Expenses									
20 Salary and Wages and Agency Fees	\$ 2,107,716	\$ 2,173,301	65,585	3%	\$ 22,113,144	\$ 22,503,691	390,547	2%	\$ 21,738,032
21 Employee Benefits	745,906	773,379	27,473	4%	8,075,728	8,426,265	350,537	4%	8,079,200
22 Total People Cost	\$ 2,853,622	\$ 2,946,680	93,058	3%	\$ 30,188,872	\$ 30,929,956	741,084	2%	\$ 29,817,232
23 Med and Prof Fees (excl Agency)	\$ 412,338	\$ 368,786	(43,552)	-12%	\$ 4,728,735	\$ 4,261,559	(467,176)	-11%	\$ 4,133,398
24 Supplies	418,757	523,363	104,606	20%	5,489,934	5,554,306	64,372	1%	5,663,455
25 Purchased Services	319,305	441,423	122,118	28%	4,379,320	4,790,142	410,822	9%	4,512,502
26 Depreciation	251,954	277,142	25,188	9%	2,028,026	2,559,922	531,896	21%	1,960,662
27 Utilities	64,210	132,354	68,144	51%	874,706	1,155,894	281,188	24%	813,966
28 Insurance	18,887	18,699	(188)	-1%	207,763	205,688	(2,075)	-1%	214,563
29 Interest	5,319	4,689	(630)	-13%	325,450	458,672	133,222	29%	302,871
30 Other	141,471	143,199	1,728	1%	1,796,265	1,494,413	(301,852)	-20%	992,868
31 Operating expenses	\$ 4,485,863	\$ 4,856,335	370,472	8%	\$ 50,019,071	\$ 51,410,552	1,391,481	3%	\$ 48,411,517
32 Operating Margin	\$ (553,733)	\$ (166,931)	(386,802)	-232%	\$ (3,795,924)	\$ (2,769,445)	(1,026,479)	-37%	\$ (3,804,204)
Non Operating Rev and Expense									
33 Miscellaneous Revenue	\$ 2,681	\$ 4,167	(1,486)	-36%	\$ (152,867)	\$ 45,835	(198,702)	*	\$ 156,663
34 Donations	-	3,333	(3,333)	-100%	444,099	208,694	235,405	*	650,646
35 Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	-
36 Physician Practice Support-Prima	11,761	(65,630)	77,391	-118%	(565,413)	(721,930)	156,517	-22%	(721,930)
37 Parcel Tax Assessment Rev	273,500	237,500	36,000	15%	2,647,135	2,612,500	34,635	1%	2,693,538
38 Total Non-Operating Rev/Exp	\$ 287,942	\$ 179,370	108,572	61%	\$ 2,372,954	\$ 2,145,099	227,855	11%	\$ 2,778,917
39 Net Income / (Loss) prior to Restricted Contributions	\$ (265,791)	\$ 12,439	(278,230)	-2237%	\$ (1,422,970)	\$ (624,346)	(798,624)	128%	\$ (1,025,287)
40 Capital Campaign Contribution	\$ 47,800	\$ 85,954	(38,154)	-44%	\$ 3,331,307	\$ 1,507,886	1,823,421	121%	\$ 370,893
41 Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$ -
42 Net Income / (Loss) w/ Restricted Contributions	\$ (217,991)	\$ 98,393	(316,384)	-322%	\$ 1,908,337	\$ 883,540	1,024,797	116%	\$ (654,394)
43 GO Bond Tax Assessment Rev	152,326	153,584	(1,258)	-1%	1,675,583	1,689,424	(13,841)	-1%	1,689,237
44 GO Bond Interest	(173,981)	(170,308)	(3,673)	2%	(689,886)	(712,543)	22,657	-3%	(330,121)
45 Net Income/(Loss) w GO Bond Activity	\$ (239,646)	\$ 81,669	(321,315)	393%	\$ 2,894,034	\$ 1,860,421	1,033,613	-56%	\$ 704,722

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of May 31, 2014

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,193,602	\$ 1,793,052	\$ 1,804,380
2 Trustee Funds	762,010	762,010	1,263,697
3 Net Patient Receivables	7,676,562	8,028,724	9,386,703
4 Allow Uncollect Accts	(1,730,081)	(1,800,483)	(1,454,077)
5 Net A/R	5,946,481	6,228,241	7,932,626
6 Other Accts/Notes Rec	2,203,382	2,197,966	341,917
7 3rd Party Receivables, Net	1,826,981	1,725,610	196,514
8 Due Frm Restrict Funds	-	-	-
9 Inventory	744,475	766,137	881,191
10 Prepaid Expenses	1,112,787	1,221,350	1,224,325
11 Total Current Assets	<u>\$ 13,789,718</u>	<u>\$ 14,694,366</u>	<u>\$ 13,644,650</u>
12 Board Designated Assets	\$ 5,402	\$ 5,402	\$ 186,468
13 Property, Plant & Equip, Net	53,128,909	53,054,235	10,698,381
14 Hospital Renewal Program	-	-	25,906,659
15 Unexpended Hospital Renewal Funds	-	-	8,028,979
16 Investments	-	-	-
17 Specific Funds	895,807	496,265	2,214,441
18 Other Assets	426,365	428,023	263,474
19 Total Assets	<u>\$ 68,246,201</u>	<u>\$ 68,678,291</u>	<u>\$ 60,943,052</u>
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 4,324,358	\$ 5,005,757	\$ 3,876,519
21 Accrued Compensation	3,292,553	3,988,357	3,009,609
22 Interest Payable	570,681	428,011	571,410
23 Accrued Expenses	1,336,798	1,434,691	844,271
24 Advances From 3rd Parties	322,652	174,667	1,514,354
25 Deferred Tax Revenue	537,521	927,346	384,885
26 Current Maturities-LTD	911,931	911,205	800,202
27 Other Liabilities	4,697,662	4,197,662	2,424,868
28 Total Current Liabilities	<u>\$ 15,994,156</u>	<u>\$ 17,067,696</u>	<u>\$ 13,426,118</u>
29 Long Term Debt, net current portion	\$ 38,497,996	\$ 37,616,900	\$ 37,918,367
Fund Balances:			
31 Unrestricted	\$ 12,578,262	\$ 12,865,708	\$ 6,697,026
32 Restricted	1,175,787	1,127,987	2,901,541
33 Total Fund Balances	<u>\$ 13,754,049</u>	<u>\$ 13,993,695</u>	<u>\$ 9,598,567</u>
34 Total Liabilities & Fund Balances	<u>\$ 68,246,201</u>	<u>\$ 68,678,291</u>	<u>\$ 60,943,052</u>

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)	(239,646)	2,894,034
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	251,954	2,028,026
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	281,760	579,541
(Increase)/Decrease Other receivables and other assets	(105,129)	3,909,350
(Increase)/Decrease Prepaid expenses	108,563	(38,375)
(Increase)/Decrease in Inventories	21,662	50,159
(Decrease)/Increase in Deferred revenues	(241,840)	(5,654,783)
(Decrease)/Increase in Accounts payable, accrued expenses	(832,425)	(68,435)
Net Cash Provided/(Used) by operating activities	<u>(755,101)</u>	<u>3,699,517</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(326,629)	(44,482,484)
Net Purchases of property, plant and equipment - GO Bond Purchases	-	31,801,877
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	(399,542)	7,241,827
(Payment)/Refund of Deposits	-	-
Net cash Provided/(Used) by investing activities	<u>(726,171)</u>	<u>(5,438,780)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	881,822	794,463
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>881,822</u>	<u>794,463</u>
Net increase/(Decrease) in cash and cash equivalents	<u>(599,450)</u>	<u>(944,800)</u>
Cash and Equivalents at beginning of period	<u>1,793,052</u>	<u>2,138,402</u>
Cash and Equivalents at May 31, 2014	<u><u>1,193,602</u></u>	<u><u>1,193,602</u></u>

**OPERATING INDICATORS
SONOMA VALLEY HOSPITAL**

For the month ended May, 2014

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 05/31/14	Budget 05/31/14	Favorable (Unfavorable) Variance	Actual 05/31/14	Budget 05/31/14	Favorable (Unfavorable) Variance	Prior Year 05/31/13
Inpatient Utilization							
Discharges							
1 Acute	79	80	(1)	889	1,082	(193)	1,167
2 ICU	21	21	-	188	226	(38)	112
3 Total Discharges	100	101	(1)	1,077	1,308	(231)	1,279
4 Newborn	16	14	2	140	149	(9)	142
5 Total Discharges inc. Newborns	116	115	1	1,217	1,457	(240)	1,421
Patient Days:							
6 Acute	269	329	(60)	2,886	3,455	(569)	3,694
7 ICU	89	124	(35)	1,093	1,340	(247)	951
8 Total Patient Days	358	453	(95)	3,979	4,795	(816)	4,645
9 Newborn	29	30	(1)	266	328	(62)	319
10 Total Patient Days inc. Newborns	387	483	(96)	4,245	5,123	(878)	4,964
Average Length of Stay:							
11 Acute	3.4	4.1	(0.7)	3.2	3.2	0.1	3.2
12 ICU	4.2	5.9	(1.7)	5.8	5.9	(0.1)	8.5
13 Avg. Length of Stay	3.6	4.5	(0.9)	3.7	3.7	0.0	3.6
14 Newborn ALOS	1.8	2.2	(0.4)	1.9	2.2	0.3	2.2
Average Daily Census:							
15 Acute	8.7	10.6	(1.9)	8.6	10.3	(1.7)	11.0
16 ICU	2.9	4.0	(1.1)	3.3	4.0	(0.7)	2.8
17 Avg. Daily Census	11.5	14.6	(3.1)	11.9	14.3	(2.4)	13.9
18 Newborn	0.9	1.0	(0.0)	0.8	1.0	(0.2)	1.0
Long Term Care:							
19 SNF Patient Days	605	660	(55)	6,951	7,133	(182)	7,154
20 SNF Discharges	27	37	(10)	322	386	(64)	363
21 Average Daily Census	19.5	21.3	(2)	20.7	21.3	(1)	21.4
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	909	886	23	8,413	8,876	(463)	8,679
Outpatient Statistics:							
23 Total Outpatients Visits	4,656	4,249	407	47,425	46,280	1,145	44,308
24 IP Surgeries	32	42	(10)	362	424	(62)	395
25 OP Surgeries	110	90	20	1,110	1,021	89	1,006
26 Special Procedures	32	40	(8)	381	355	26	403
27 Home Health Visits	1,135	1,300	(165)	10,407	11,275	(868)	11,080
28 Adjusted Discharges	326	296	30	3,223	3,647	(425)	3,552
29 Adjusted Patient Days	2,472	2,382	90	25,177	25,689	(512)	25,522
30 Adj. Avg. Daily Census	79.7	76.8	2.9	75.2	76.7	(1.5)	76.2
31 Case Mix Index -Medicare	1.4668	1.4000	0.067	1.6145	1.4000	0.214	1.4874
32 Case Mix Index - All payers	1.3934	1.4000	(0.007)	1.5310	1.4000	0.131	1.4720
Labor Statistics							
33 FTE's - Worked	276	290	13.5	280	282	2.6	284
34 FTE's - Paid	309	325	16.8	312	317	4.7	320
35 Average Hourly Rate	38.67	36.36	(2.32)	37.07	36.19	(0.88)	35.64
36 Manhours / Adj. Pat Day	22.0	24.1	2.1	23.7	23.6	(0.1)	23.9
37 Manhours / Adj. Discharge	167.2	194.4	27.2	185.1	166.0	(19.1)	171.8
38 Benefits % of Salaries	21.8%	22.0%	0.2%	22.4%	23.1%	0.7%	23.1%
Non-Labor Statistics							
39 Supply Expense % Revenue	2%	3%	0%	3%	3%	0%	3%
40 Supply Exp. / Adj. Discharge	1,284.41	1,769.88	485	1,703.60	1,522.89	(181)	1,594.56
41 Total Expense / Adj. Discharge	14,256.61	12,633.39	(1,623)	15,911.13	14,489.13	(1,422)	13,926.60
Other Indicators							
42 Days Cash - Operating Funds	8.0						
43 Days in Net AR	45.7	50.0	(4.3)	51.8	50.0	1.8	59.2
44 Collections % of Net Revenue	101%			125%			
45 Days in Accounts Payable	57.3	60.0	(2.7)	57.3	60.0	(2.7)	-
46 % Net revenue to Gross revenue	23.0%	25.4%	-2.4%	24.1%	25.3%	-1.1%	24.5%
47 % Net AR to Gross AR	23.8%			23.8%			23.3%

**Sonoma Valley Hospital
Sonoma Valley Health Care District
May 2014 Financial Report**

**Finance Committee
June 24, 2014**



May's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	100	101	-1	99
Acute Patient Days	358	453	-95	396
SNF Patient Days	605	660	-55	638
Home Health Care Visits	1,135	1,300	-165	1,140
Outpatient Gross Revenue (in thousands)	\$10,237	\$9,135	\$684	\$9,289
Surgical Cases	142	132	10	147

Summary Statement of Revenues and Expenses Month of May 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 3,932,130	\$ 4,689,404	\$ (757,274)	-16%	\$ 3,335,550
2Total Operating Expenses	\$ 4,485,863	\$ 4,856,335	\$ 370,472	8%	\$ 4,528,788
3Operating Margin	\$ (553,733)	\$ (166,931)	\$ (386,802)	-232%	\$ (1,193,238)
4NonOperating Rev/Exp	\$ 287,942	\$ 179,370	\$ 108,572	61%	\$ 327,097
5Net Income before Rest.Cont. & GO Bond	\$ (265,791)	\$ 12,439	\$ (278,230)	-2237%	\$ (866,141)
6Restricted Contribution	\$ 47,800	\$ 85,954	\$ (38,154)	-44%	\$ 68,958
Net Income with Restricted 7Contributions	\$ (217,991)	\$ 98,393	\$ (316,384)	-322%	\$ (797,183)
8Total GO Bond Rev/Exp	\$ (21,655)	\$ (16,724)	\$ (4,931)	29%	\$ 123,556
9Net Income with GO Bond	\$ (239,646)	\$ 81,669	\$ (321,315)	-393%	\$ (673,627)
10EBIDA before Restricted Contributions	\$ 143,808	\$ 447,854	\$ (304,046)		\$ (554,878)
11EBIDA before Restricted Cont. %	4%	10%	-6%		-17%

Summary Statement of Revenues and Expenses Year to Date May 31, 2014 (11 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 46,223,147	\$ 48,641,107	\$ (2,417,960)	-5%	\$ 44,607,313
2Total Operating Expenses	\$ 50,019,071	\$ 51,410,552	\$ 1,391,481	3%	\$ 48,411,517
3Operating Margin	\$ (3,795,924)	\$ (2,769,445)	\$ (1,026,479)	-37%	\$ (3,804,204)
4NonOperating Rev/Exp	\$ 2,372,954	\$ 2,145,099	\$ 227,855	11%	\$ 2,778,917
5Net Income before Rest.Cont. & GO Bond	\$ (1,422,970)	\$ (624,346)	\$ (798,624)	128%	\$ (1,025,287)
6Restricted Contribution Net Income with Restricted	\$ 3,331,307	\$ 1,507,886	\$ 1,823,421	121%	\$ 370,893
7Contributions	\$ 1,908,337	\$ 883,540	\$ 1,024,797	116%	\$ (654,394)
8Total GO Bond Rev/Exp	\$ 985,697	\$ 976,881	\$ 8,816	1%	\$ 1,359,116
9Net Income with GO Bond	\$ 2,894,034	\$ 1,860,421	\$ 1,033,613	56%	\$ 704,722
10EBIDA before Restricted Contributions	\$ 2,606,089	\$ 4,083,672	\$ (1,477,583)		\$ 1,609,139
11EBIDA before Restricted Cont. %	6%	8%	-3%		4%

May'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	\$ 1,358,251	\$ 1,948,024	\$ (589,773)	-30%	\$ 1,460,411
2 Skilled Nursing Facility	\$ 334,942	\$ 440,578	\$ (105,636)	-24%	\$ 369,650
3 Outpatient and Emergency	\$ 1,871,086	\$ 1,976,611	\$ (105,525)	-5%	\$ 2,094,280
4 HomeCare	\$ 301,026	\$ 280,353	\$ 20,673	7%	\$ 242,375
5 Community Benefit (Charity)	\$ (10,000)	\$ (187,815)	\$ 177,815	95%	\$ (90,500)
6 Bad Debt Expense	\$ (250,000)	\$ (224,833)	\$ (25,167)	-11%	\$ (455,000)
7 Prior Period Adjustment	\$ -	\$ -	\$ -	100%	\$ -
8 TOTAL NET PATIENT REVENUE	\$ 3,605,305	\$ 4,232,918	\$ (627,613)	-15%	\$ 3,621,216
RISK CONTRACTS					
9 Capitation Revenue	\$ 175,278	\$ 164,178	\$ 11,100	7%	\$ 176,274
10 Napa State Hospital Revenue	\$ 72,850	\$ 157,739	\$ (84,889)	-54%	\$ 62,200
11 TOTAL RISK CONTRACTS	\$ 248,128	\$ 321,917	\$ (73,789)	-23%	\$ 238,474
12 OTHER OP. REVENUE	\$ 78,697	\$ 134,569	\$ (55,872)	-42%	\$ 154,973
13 TOTAL HOSPITAL NET REVENUE	\$ 3,932,130	\$ 4,689,404	\$ (757,274)	-16%	\$ 4,014,663

Revenue Variances

- Total Operating Revenue under budget by (\$757,274)
 - Overall inpatient volume was under budget by 1 discharge and had a poor case mix.
 - Skilled Nursing Home volume was under budget by 55 days
 - Outpatient was over budget in volume, but had higher Medicare patients and lower commercial insured patients.
 - Home Care volume was under budget by 165 visits.
 - Charity Care was favorable to budget by \$177,815.
 - Bad Debt was unfavorable to budget by (\$25,167) due to a SNF self pay patient.

May'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	\$ 2,107,716	\$ 2,173,301	\$ 65,585	3%	\$ 2,071,876
2 Employee Benefits	\$ 745,906	\$ 773,379	\$ 27,473	4%	\$ 719,615
3 Total People Cost	\$ 2,853,622	\$ 2,946,680	\$ 93,058	3%	\$ 2,791,491
4 Medical and Prof Fees (excl'd Agency)	\$ 412,338	\$ 368,786	\$ (43,552)	-12%	\$ 424,431
5 Supplies	\$ 418,757	\$ 523,363	\$ 104,606	20%	\$ 556,953
6 Purchased Services	\$ 319,305	\$ 441,423	\$ 122,118	28%	\$ 424,295
7 Depreciation	\$ 251,954	\$ 277,142	\$ 25,188	9%	\$ 146,437
8 Utilities	\$ 64,210	\$ 132,354	\$ 68,144	51%	\$ 76,606
9 Insurance	\$ 18,887	\$ 18,699	\$ (188)	-1%	\$ 19,044
10 Interest	\$ 5,319	\$ 4,689	\$ (630)	-13%	\$ 11,259
11 Other	\$ 141,471	\$ 143,199	\$ 1,728	1%	\$ 78,272
12 TOTAL OPERATING EXPENSE	\$ 4,485,863	\$ 4,856,335	\$ 370,472	8%	\$ 4,528,788

Expense Variances

Total operating expenses were better than budget by \$370,472

- Total productivity FTE's were under budget at 276, or \$65,585 under budget.
- Employee Benefits were under budget by \$27,473, due to health insurance and State Unemployment being under budget by \$18,260 and \$12,568
- Medical and Professional Fees were over budget by (\$43,552), (\$43,300) is due to additional Prima Physician call
- Supplies were under budget by \$104,606 due to cost savings in all departments
- Purchase Services were under budget by \$122,188 due to all departments being under budget and due to Patient Financial Services contract with Palm Drive Hospital for the collection of their accounts receivable for \$62,471 for services in May.

May's Non-Operating Items

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1Miscellaneous Revenue	\$ 2,681	\$ 4,167	\$ (1,486)	-36%	\$ 20,266
2 Donations	\$ -	\$ 3,333	\$ (3,333)	0%	\$ 127,443
3 Professional Center / Phys Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ 11,761	\$ (65,630)	\$ 77,391	0%	\$ (65,630)
5 Tax Assessment Revenue-Parcel Tax	\$ 273,500	\$ 237,500	\$ 36,000	15%	\$ 245,018
6 NON-OPERATING REV/EXP	\$ 287,942	\$ 179,370	\$ 108,572	61%	\$ 327,097
7Capital Campaign Contribution	\$ 47,800	\$ 85,954	\$ (38,154)	-44%	\$ 68,958
8Restricted Foundation Contribution	\$ -	\$ -	\$ -	0%	\$ -
9 Tax Assessment Revenue - GO Bond	\$ 152,326	\$ 153,584	\$ (1,258)	-1%	\$ 153,567
10 GO Bond Interest	\$ (173,981)	\$ (170,308)	\$ (3,673)	2%	\$ (30,011)
11TOTAL NON-OPERATING REV/EXP	\$ 314,087	\$ 248,600	\$ 65,487	26%	\$ 519,611

Balance Sheet

- Cash was stable at \$1.19 million, which is 9 Days Cash on Hand.
- Net Days in A/R are at 49, but there are recent system related issues that could delay claims somewhat next month.
- Trade accounts payable were paid down to \$4.3 million, a \$681,399 reduction.
- We took a cash advance on the Line of Credit from Union Bank of \$500,000 to pay down Accounts Payable.
- We are working to close the Celtic equipment financing, which will add \$700,000 to the lease.
- The remaining cost of the project is approximately \$3.5 million and, with the transaction above, we will have adequate cash to complete pending receipt of pledges.

8.

IGT PROGRAM AND PROMISSORY NOTE



To: SVH Finance Committee
From: David Cox, CFO
Date: June 18, 2014
Subject: 2014 IGT Program and Loan

After significant review and adjustment by the State of California, the 2014 IGT program that is sponsored through Partnership Health Plan has been approved and it is good news for Sonoma Valley. SVH has been included in the surplus allocation, and will receive a net benefit of \$824,218 in September. SVH will have to fund \$1,115,986 in July and then will receive back a total of \$1,940,204 in September, for the net gain.

Since this was not budgeted or previously accrued, this will be a windfall gain in income and cash, and a positive variance in 2015 operations.

Due to SVH's current cash constraints, we have approached a donor and gained consent for a short term loan of \$1.1 million at an interest rate of 5.0%. The loan is expected to outstanding for approximately eight weeks, which would result in interest expense of \$8,500.

Management requests approval of SVH's participation in the IGT program and approval of the short term loan.

Promissory Note attached.



PROMISSORY NOTE

\$1,100,000

**July __, 2014
Sonoma, California**

1. **Principal.** For value received, Sonoma Valley Hospital, a California public agency (“**Borrower**”) hereby promises to pay to Gary Nelson, an individual (“**Lender**”), at its office at 347 Andrieux Street, Sonoma, CA, or at such other place as the holder hereof may from time to time designate in writing, or to order, the principal amount of One Million One Hundred Thousand Dollars (\$1,100,000), together with all accrued interest thereon as provided herein.

2. **Use of Loan Funds.** Borrower shall use the Advances solely for the purpose of funding its operating needs.

3. **Interest.** The principal balance of this Note (defined below) shall bear interest at a rate of five percent (5.00%) per annum.

4. **Payments.** Borrower agrees to pay interest on the principal amount, and to repay to Lender the full principal amount no later than September 30, 2014. Borrower may pre-pay any amount due to Lender hereunder without penalty or further interest, meaning that following a pre-payment by Borrower in its discretion, interest will only be deemed to continue to accrue following the date of the pre-payment to the extent that there remains a principal balance. If at any time Borrower pre-pays the remaining principal balance in full then no further interest will be deemed to have accrued after the date that the remaining principal balance was pre-paid in full. All payments made by Borrower prior to the Maturity Date shall first be applied to accrued and unpaid interest and then to the outstanding principal balance. All payments under this Note shall be made in lawful money of the United States of America in immediately available funds at Lender’s office set forth in Section 1 above, or at such other place or to such account as the holder hereof shall have designated to Borrower in writing.

5. **Collection Costs/Attorneys’ Fees.** Should the indebtedness represented by this Note or any part thereof be collected at law or in equity or in bankruptcy, receivership or other court proceedings, or this Note be placed in the hands of attorneys for collection after default, Borrower agrees to pay, in addition to the amounts payable hereto, reasonable attorneys’ and collection fees. Borrower agrees that if any legal action, arbitration, or other proceeding is necessary to enforce this Note, the prevailing party will be entitled to reasonable attorneys’ fees in addition to any other relief to which that party may be entitled. Such attorneys’ fees shall include those incurred to enter and/or confirm any arbitration award in a court of competent jurisdiction, to prosecute or defend any appeal, and/or to enforce any judgment. These provisions are applicable to the entire Note. All parties hereto, whether as makers, endorsers, guarantors or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor, and consent to any extension of time with respect to any payment due under this Note, and to the addition or release of any party.

6. **Default/Remedies.** Time is of the essence hereof. Provided Lender has provided Borrower with at least ten (10) days advance written notice describing the act(s), omission(s) or circumstance(s) giving rise to the alleged default (during which time Borrower shall have the right to cure any alleged default) in the event of any default in the payment of any amount due and payable under this Note (a “**Default**”), then the entire amount due hereunder shall, at the option of the holder of this Note, become immediately due and payable without further notice or demand and the holder of this Note shall have and may exercise any or all of the rights and remedies provided herein or under applicable law. From and after any Default, the entire unpaid principal amount and all unpaid interest that accrued as of the date of such Default, shall automatically bear an annual interest rate of ten percent (10%) (the “**Default Rate**”). In addition, if any payment is ten or more days overdue, Lender will have the option to assess a late charge of five percent (5%) of the amount so overdue. In connection therewith, Borrower agrees that (i) because of such late payment, Lender will incur certain costs and expenses including, without limitation, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount; (ii) it would be impractical or extremely difficult to fix the exact amount of such costs in such event; and (iii) the Default Rate and the late charge are reasonable and good faith estimates of such costs. The application of the Default Rate or the assessment of a late charge to any such late payment as described in this Section 6 will not be interpreted or deemed to extend the period for payment or otherwise limit any of Lender’s remedies hereunder or under applicable law. No delay or failure of the holder of this Note in the exercise of any right or remedy provided for hereunder shall be deemed a waiver of such right by the holder hereof, and no exercise of any right or remedy shall be deemed a waiver of any other right or remedy which the holder may have.

7. **Interest Rate Limitation.** All agreements between Borrower and Lender are expressly limited, so that in no event or contingency, whether because of the advancement of the proceeds of this Note, acceleration of maturity of the unpaid principal balance, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance, or retention of the money to be advanced under this Note exceed the highest lawful rate permissible under applicable usury laws. If, under any circumstances, fulfillment of any provision of this Note, after timely performance of such provision is due, shall involve exceeding the limit of validity prescribed by law that a court of competent jurisdiction deems applicable, then, ipso facto, the obligations to be fulfilled shall be reduced to the limit of such validity. If, under any circumstances, Lender shall ever receive as interest an amount that exceeds the highest lawful rate, the amount that would be excessive interest shall be applied to reduce the unpaid principal balance under this Note and not to pay interest, or, if such excessive interest exceeds the unpaid principal balance under this Note, such excess shall be refunded to Borrower. This provision shall control every other provision of this Note.

8. **Miscellaneous.** This Note shall be construed and enforceable according to the laws of the State of California for all purposes except when federal law applies (including, without limitation, any federal usury ceiling or other federal law preempting state usury laws, which, from time to time, is applicable to the indebtedness evidenced by this Note). The pleading of any statute of limitations as a defense to the obligations evidenced by this Note is waived to the fullest extent permissible by law. If any provision of this Note, or the application of it to any party or circumstance, is held void, invalid, or unenforceable by a court of competent jurisdiction, the remainder of this Note, and the application of such provision to other parties or

circumstances, shall not be affected thereby, the provisions of this Note being severable in any such instance. Borrower represents and warrants to Lender that the proceeds of this Note will be used solely for the purpose allowed hereunder and that no portion of it will be used for personal, family, or household purposes. The parties agree that this Note is a product of their joint effort. As a result, any rules of construction, including but not limited to Civil Code section 1654 and the rule that a contract should be construed against the drafter, shall not apply.

IN WITNESS WHEREOF, this Note has been duly executed and delivered by the Borrower as of the date set forth above.

BORROWER:

Sonoma Valley Hospital
A California Public Agency

By: _____
Its : _____
Kelly Mather,
Chief Executive Officer

LENDER:

Gary Nelson
An Individual

By: _____
Gary Nelson

9.

NET REVENUE ANALYSIS

2014 Gross Revenue (January YTD Annualized)						
		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
1	01 MEDICARE	33,301,663	45,394,467	22,065,797	1,976,908	102,738,835
2	03 MEDI-CAL	2,868,879	3,560,657	1,056,357	-	7,485,893
3	04 CMSP	3,436,427	3,423,569	-	9,651	6,869,647
4	12 WORKERS COMPENSATION	1,554,221	4,847,341	-	-	6,401,562
5	15 SELF PAY	1,335,730	4,702,734	1,045,995	-	7,084,460
6	22 COMMERCIAL	8,626,334	27,201,335	690,005	1,128,370	37,646,044
7	75 MEDICARE MGD CARE	2,571,047	5,344,220	1,033,425	-	8,948,692
8	78 MEDI-CAL MGD CARE	4,206,601	8,525,472	2,747,720	71,928	15,551,721
9	79 OTHER GOV'T	2,373,276	2,933,474	-	-	5,306,750
10	96 COMM CAP	1,323,599	4,903,824	-	12,753	6,240,177
11		61,597,778	110,837,093	28,639,300	3,199,610	204,273,780
12						
13	Step 1: 2015 Gross Revenue (Based on Volume Changes)					
14		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
15	01 MEDICARE	33,277,402	45,188,291	21,859,176	2,365,506	102,690,376
16	03 MEDI-CAL	2,849,208	3,551,161	1,040,682	-	7,441,052
17	04 CMSP	3,425,464	3,423,569	-	11,571	6,860,604
18	12 WORKERS COMPENSATION	1,554,221	4,835,917	-	-	6,390,138
19	15 SELF PAY	1,361,856	4,682,087	1,045,995	-	7,089,938
20	22 COMMERCIAL	8,614,822	27,135,033	690,005	1,349,519	37,789,380
21	75 MEDICARE MGD CARE	2,565,767	5,319,942	1,033,425	-	8,919,135
22	78 MEDI-CAL MGD CARE	4,206,601	8,505,634	2,724,959	86,404	15,523,598
23	79 OTHER GOV'T	2,374,999	2,942,702	-	-	5,317,701
24	96 COMM CAP	1,323,599	4,886,639	-	15,304	6,225,542
25		61,553,940	110,470,975	28,394,244	3,828,305	204,247,463
26						
27	Step 2: Enter the 2015 Gross Rate Increase Based on PARA Analysis					
28		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
29	01 MEDICARE	5%	5%	5%	5%	
30	03 MEDI-CAL	5%	5%	5%	5%	
31	04 CMSP	5%	5%	5%	5%	
32	12 WORKERS COMPENSATION	5%	5%	5%	5%	
33	15 SELF PAY	5%	5%	5%	5%	
34	22 COMMERCIAL	5%	5%	5%	5%	
35	75 MEDICARE MGD CARE	5%	5%	5%	5%	
36	78 MEDI-CAL MGD CARE	5%	5%	5%	5%	
37	79 OTHER GOV'T	5%	5%	5%	5%	
38	96 COMM CAP	5%	5%	5%	5%	
39						
40						
41	Step 3: 2015 Gross Revenue (Volume and Rate Adjusted)					
42		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
43	01 MEDICARE	34,941,273	47,447,706	22,952,135	2,483,781	107,824,895
44	03 MEDI-CAL	2,991,668	3,728,719	1,092,716	-	7,813,104
45	04 CMSP	3,596,738	3,594,747	-	12,150	7,203,635
46	12 WORKERS COMPENSATION	1,631,932	5,077,713	-	-	6,709,645
47	15 SELF PAY	1,429,949	4,916,191	1,098,295	-	7,444,435
48	22 COMMERCIAL	9,045,563	28,491,784	724,506	1,416,995	39,678,849
49	75 MEDICARE MGD CARE	2,694,056	5,585,939	1,085,097	-	9,365,092
50	78 MEDI-CAL MGD CARE	4,416,931	8,930,916	2,861,207	90,725	16,299,778
51	79 OTHER GOV'T	2,493,749	3,089,837	-	-	5,583,586
52	96 COMM CAP	1,389,779	5,130,971	-	16,069	6,536,819
53		64,631,637	115,994,524	29,813,956	4,019,720	214,459,837
54						

55	Step 4A: Payer Mix 1	INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
56	01 MEDICARE	54.1%	40.9%	77.0%	61.8%	50.3%
57	03 MEDI-CAL	4.6%	3.2%	3.7%	0.0%	3.6%
58	04 CMSP	5.6%	3.1%	0.0%	0.3%	3.4%
59	12 WORKERS COMPENSATION	2.5%	4.4%	0.0%	0.0%	3.1%
60	15 SELF PAY	2.2%	4.2%	3.7%	0.0%	3.5%
61	22 COMMERCIAL	14.0%	24.6%	2.4%	35.3%	18.5%
62	75 MEDICARE MGD CARE	4.2%	4.8%	3.6%	0.0%	4.4%
63	78 MEDI-CAL MGD CARE	6.8%	7.7%	9.6%	2.3%	7.6%
64	79 OTHER GOV'T	3.9%	2.7%	0.0%	0.0%	2.6%
65	96 COMM CAP	2.2%	4.4%	0.0%	0.4%	3.0%
66		30.1%	54.1%	13.9%	1.9%	100.0%
67						
81	Step 5: 2014 Collection Ratios					
82		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
83	01 MEDICARE	25.5%	14.5%	14.0%	91.5%	20.1%
84	03 MEDI-CAL	61.0%	6.0%	4.0%	0.0%	27.3%
85	04 CMSP	16.0%	6.0%	0.0%	41.0%	11.0%
86	12 WORKERS COMPENSATION	31.0%	21.0%	0.0%	0.0%	23.9%
87	15 SELF PAY	32.0%	34.5%	31.0%	0.0%	35.2%
88	22 COMMERCIAL	33.5%	37.5%	26.0%	55.5%	38.3%
89	75 MEDICARE MGD CARE	29.0%	12.0%	16.0%	0.0%	17.3%
90	78 MEDI-CAL MGD CARE	24.0%	9.0%	27.5%	32.0%	16.4%
91	79 OTHER GOV'T	6.0%	2.0%	0.0%	0.0%	3.9%
92	96 COMM CAP	0.2%	15.0%	0.0%	0.0%	11.8%
93		26.8%	19.9%	15.9%	76.9%	22.5%
	Actual 2014 Collection Ratio					22.5%
94						
108	Step 6: Estimate the Actual Payment Increases for 2015					
109		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
110	01 MEDICARE	2.5%	2.5%	1.0%	1.0%	1.8%
111	03 MEDI-CAL	2.5%	2.5%	2.5%	2.5%	2.5%
112	04 CMSP	0.0%	0.0%	0.0%	0.0%	0.0%
113	12 WORKERS COMPENSATION	2.0%	2.0%	2.0%	2.0%	2.0%
114	15 SELF PAY	5.0%	5.0%	5.0%	5.0%	5.0%
115	22 COMMERCIAL	3.0%	3.0%	3.0%	3.0%	3.0%
116	75 MEDICARE MGD CARE	0.0%	0.0%	0.0%	0.0%	0.0%
117	78 MEDI-CAL MGD CARE	0.0%	0.0%	0.0%	0.0%	0.0%
118	79 OTHER GOV'T	2.0%	2.0%	2.0%	2.0%	2.0%
119	96 COMM CAP	0.0%	0.0%	0.0%	0.0%	0.0%
120		2.1%	2.2%	1.1%	1.7%	1.8%
121						
135	Step 7: Determine Estimated 2015 Collection Ratios					
136		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
137	01 MEDICARE	24.9%	14.2%	13.4%	88.0%	19.2%
138	03 MEDI-CAL	59.5%	5.9%	3.9%	0.0%	26.1%
139	04 CMSP	15.2%	5.7%	0.0%	39.0%	10.5%
140	12 WORKERS COMPENSATION	30.1%	20.4%	0.0%	0.0%	22.8%
141	15 SELF PAY	32.0%	34.5%	31.0%	0.0%	33.5%
142	22 COMMERCIAL	32.9%	36.8%	25.5%	54.4%	36.3%
143	75 MEDICARE MGD CARE	27.6%	11.4%	15.2%	0.0%	16.5%
144	78 MEDI-CAL MGD CARE	22.9%	8.6%	26.2%	30.5%	15.7%
145	79 OTHER GOV'T	5.8%	1.9%	0.0%	0.0%	3.7%
146	96 COMM CAP	0.2%	14.3%	0.0%	0.0%	11.3%
147		26.1%	19.4%	15.3%	74.4%	21.9%
	Actual 2015 Budget					21.8%
148						

149	Step 8: 2015 Net Revenue					
150		INPATIENT	OUTPATIENT	SNF	HOME HEALTH	Total
151	01 MEDICARE	8,697,881	6,716,110	3,082,816	2,186,082	20,682,889
152	03 MEDI-CAL	1,781,467	218,396	42,668	-	2,042,532
153	04 CMSP	548,074	205,414	-	4,744	758,233
154	12 WORKERS COMPENSATION	491,445	1,035,853	-	-	1,527,298
155	15 SELF PAY	457,584	1,696,086	340,388	-	2,494,057
156	22 COMMERCIAL	2,972,544	10,480,906	184,783	771,453	14,409,687
157	75 MEDICARE MGD CARE	744,073	638,393	165,348	-	1,547,814
158	78 MEDI-CAL MGD CARE	1,009,584	765,507	749,364	27,649	2,552,104
159	79 OTHER GOV'T	145,350	60,031	-	-	205,381
160	96 COMM CAP	3,122	732,996	-	-	736,118
161		16,851,124	22,549,693	4,565,367	2,989,928	46,956,112
	Actual 2015 Net Revenue Budgeted					\$ 46,833,652