



Mission Statement: The Mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.

FINANCE COMMITTEE MEETING
 TUESDAY, DECEMBER 27, 2011 – 5:00 P.M.
 Sonoma Valley Hospital
 Schantz Conference Room
 347 Andrieux Street, Sonoma, CA 95476

BE COURTEOUS – TURN OFF YOUR CELLULAR TELEPHONES AND PAGERS WHILE THE MEETING IS IN SESSION

AGENDA

ITEM	RESPONSIBLE	ACTION
I. <u>CALL TO ORDER/ANNOUNCEMENTS</u>	Boerum	Inform/Action
II. <u>PUBLIC COMMENT</u> <i>At this time, members of the public may comment on any item <u>not appearing on the agenda</u>. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>		
III. <u>CONSENT CALENDAR:</u> a. Prior Meeting Minutes – November 29, 2011	Boerum	Action
IV. <u>NOVEMBER 2011 FINANCIALS</u>	Reid	Inform
V. <u>PROPOSED FINANCE COMMITTEE CHARTER</u>	Reid	Inform/Approve
VI. <u>REVENUE CYCLE PERFORMANCE INDICATORS</u>	Reid	Inform
VII. <u>ADJOURN TO JANUARY 24, 2011</u>		

III.a.

PRIOR MEETING
MINUTES 11.29.11



Healing Here at Home

FINANCE COMMITTEE MEETING MINUTES

November 29, 2011 – 5:00 p.m.

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

Committee: Richard Fogg, Chairman; Peter Hohorst, Shari Glago, Sharon Nevins, Mary Smith, Madolyn Agrimonti, Mark Wills, MD, William Boerum

Appointed Staff: Kelly Mather, CEO, Rick Reid, CFO, Jeannette Tarver, Accounting Manager

I. CALL TO ORDER/ANNOUNCEMENTS: Mr. Fogg welcomed the Committee and public. A brief discussion took place on whether the meeting will be held on December 27th. Ms. Nevins proposed that the meeting be held on December 20th. The Committee decided to keep the meeting on the December 27th as scheduled. Motion moved to keep the meeting held on the 27th as originally scheduled.

II. PUBLIC COMMENT: None

III. CONSENT CALENDAR: Mr. Fogg proposed revisions on the public comment section of the minutes from the November 29th meeting as follows:

- 1) The Committee amends the October minutes to include the public comments regarding the increase of snakebites occurring on Montini Trail Property and that the increase in the number of snake bite incidents can adversely affect the hospital's finances.

The Committee approved the November 29, 2011, meeting minutes as revised above.

IV. OCTOBER 2011 FINANCIALS:

Mr. Reid reported in October 2011 we had a net loss for the month of \$164,000 on a budgeted net income of \$111,000. Mr. Reid stated that he meets with every department director and goes over their operating expenses line by line reviewing all accounting and variances within the department. The departments have to report every variance over \$500 or 5%. There was a discussion on the solutions to resolve this issue or what can we do when they do go over these variances.

Mr. Reid reported that on a year-to-date basis our net income was \$104,356 on a budget of \$465,000, or \$360,00 less than what we planned on. Net revenue was below what our planned revenue was by \$944,000 and our expenses were

\$507,000 under budget. Staff continues to do a good job of adjusting the size of the hospital from a financial perspective to meet those volumes. SNF was down by 101 days. The beds that were closed in October were opened on November 4th. Total patient revenues were under budget and discharges were under budget. Mr. Reid had spoken to other hospital colleagues and they stated their volumes were also down.

Mr. Fogg commented on Napa State Revenue. Mr. Reid responded that some of Napa State is up in Medicare numbers and commercial numbers. Mr. Reid met with the Director of Napa State and confirmed we are getting approximately 95% of the Napa State volumes.

Mr. Reid reported that our salaries were better than budgeted by \$5,000. Ms. Mather stated the nursing units are at the 50th percentile benchmark, which is unheard of for a small hospital. The hospital continues to have good expense management.

V. 2011 OB FINANCIAL REPORT

Mr. Reid reviewed the June 30, 2011, financial analysis for the OB department. Ms. Mather stated that Medi-Cal disproportionate share adjustment is credited to OB, but if disproportionate shares go down then we would have to close OB. Ms. Mather reported that we are concerned about volumes, which trended on a regular basis using quarterly volumes for our assumptions. Ms. Mather reviewed 2009, 2010, 2011 data which is where we developed the budget assumptions for 2012.

VI. 2012 TRENDING AGAINST BUDGET ASSUMPTIONS

Ms. Mather reported on the quarterly volumes for departments with projected growth from July 2008 through present. She projected the FY 2012 volumes and explained why departments were over/under compared to budget.

VII. OPERATIONAL IMPROVEMENT IN THE FINANCIAL DEPARTMENT

Ms. Tarver gave a brief summary on the changes and improvements in the finance department that have allowed for month end to be completed by the 10th business day and to gain comfort that the balances are reasonably stated at month end. Ms. Glago wanted to add that she has seen a significant improvement in the staff and hospital and how things are done.

VIII. ADJOURN TO DECEMBER 27, 2011: Mr. Fogg thanked the public for their interest and attendance. The meeting was adjourned at 7:30 p.m.

Richard Fogg, Chairman

IV.

NOV. 2011
FINANCIALS

**Sonoma Valley Hospital
Sonoma Valley Health Care District
November 30, 2011 Financial
Report**

Finance Committee

December 27, 2011

Summary Statement of Revenues and Expenses Month of November 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
Total Operating Revenue	\$ 3,681,011	\$ 4,028,542	\$ (347,531)	-9%	\$ 4,282,876
Total Operating Expenses	\$ 3,972,949	\$ 4,262,644	\$ 289,695	7%	\$ 4,093,024
Operating Margin	\$ (291,938)	\$ (234,102)	\$ (57,836)	25%	\$ 189,852
NonOperating Rev/Exp	\$ 308,227	\$ 302,598	\$ 5,629	2%	\$ 305,144
Net Income	\$ 16,289	\$ 68,496	\$ (52,207)	-76%	\$ 494,996
 EBIDA	 \$ 232,987	 \$ 305,280	 \$ (72,293)		 \$ 686,725
EBIDA Percentage	6%	8%	-1%		16%
Net Income without GO Bond Activity	\$ (104,688)	\$ (54,299)	\$ (50,389)		\$ 353,743

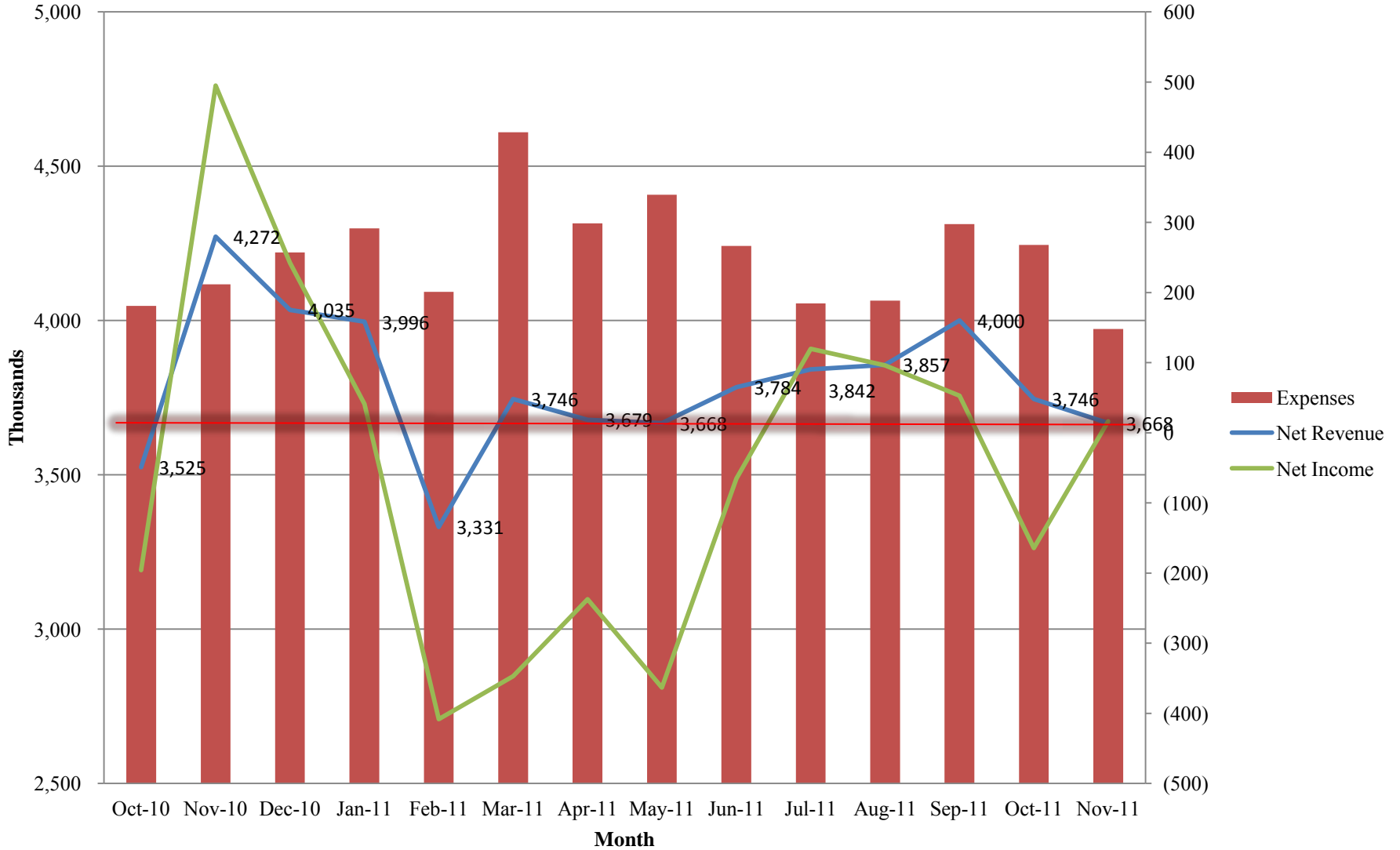
Summary Statement of Revenues and Expenses Year to Date November 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
Total Operating Revenue	\$ 19,175,478	\$ 20,467,960	\$ (1,292,482)	-6%	\$ 18,570,572
Total Operating Expenses	\$ 20,650,561	\$ 21,447,303	\$ 796,742	4%	\$ 19,121,518
Operating Margin	\$ (1,475,083)	\$ (979,343)	\$ (495,740)	51%	\$ (550,946)
NonOperating Rev/Exp	\$ 1,595,728	\$ 1,512,990	\$ 82,738	5%	\$ 1,419,663
Net Income	\$ 120,645	\$ 533,647	\$ (413,002)	-77%	\$ 868,717
EBIDA	\$ 1,188,262	\$ 1,665,355	\$ (477,093)		\$ 1,817,978
EBIDA Percentage	6%	8%	-2%		10%
Net Income without GO Bond Activity	\$ (497,135)	\$ (80,328)	\$ (416,807)		\$ 514,822

November's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	133	144	-11	145
Acute Patient Days	449	519	-70	525
SNF Patient Days	543	711	-168	664
Outpatient Gross Revenue	\$7,863	\$7,544	320	\$6,263
Surgical Cases	144	156	-12	158
Productive FTE	256	282	-26	268
Total FTEs	295	315	-20	306

Sonoma Valley Hospital Net Revenue / Expenses / Net Income FY 2011 - 2012



November'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	\$ 1,671,454	\$ 1,613,189	\$ 58,265	4%	\$ 1,947,226
2	Skilled Nursing Facility	\$ 179,798	\$ 499,324	\$ (319,526)	-64%	\$ 484,102
3	Outpatient and Emergency	\$ 1,839,943	\$ 1,783,916	\$ 56,027	3%	\$ 1,549,566
4	HomeCare	\$ 212,764	\$ 193,908	\$ 18,856	10%	\$ 182,807
5	Community Benefit (Charity)	\$ (72,000)	\$ (21,627)	\$ (50,373)	233%	\$ (2,200)
6	Bad Debt Expense	\$ (475,000)	\$ (344,716)	\$ (130,284)	38%	\$ (187,185)
7	TOTAL NET PATIENT REVENUE	\$ 3,356,959	\$ 3,723,994	\$ (367,035)	-10%	\$ 3,974,316
RISK CONTRACTS						
8	Capitation Revenue	\$ 188,273	\$ 187,961	\$ 312	0%	\$ 196,243
9	Napa State Hospital Revenue	\$ 122,275	\$ 104,409	\$ 17,866	17%	\$ 101,181
10	TOTAL RISK CONTRACTS	\$ 310,548	\$ 292,370	\$ 18,178	6%	\$ 297,424
11	OTHER OPER REVENUE	\$ 13,504	\$ 12,178	\$ 1,326	11%	\$ 11,136
12	TOTAL HOSPITAL NET REVENUE	\$ 3,681,011	\$ 4,028,542	\$ (347,531)	-9%	\$ 4,282,876

Revenue Variances

- Total Patient Revenue under budget by \$367,035
- Below budget revenue directly relate to volume and payer mix
 - Total Inpatient Discharges under budget by 11, Medicare discharges under budget by 17. Commercial and Medi-Cal volumes and rates were over budget by 18 days and 5 days – Net Impact \$58,265
 - SNF Days under budget by 168 days and a large patient adjustment for \$160,000, resulting in a loss of \$319,526.
 - Outpatient Charges over budget by \$56,027, due to the price increase.
 - Home Care over budget by 87 days. Due to higher volume revenue is over budget by \$18,856.
 - Charity and Bad Debt are over budget by \$50,373 and \$130,284 due to higher charity cases in November and \$552,870 in bad debt write offs.

November'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	\$ 1,676,734	\$ 1,856,019	\$ 179,285	10%	\$ 1,733,814
2 Employee Benefits	\$ 554,545	\$ 611,866	\$ 57,321	9%	\$ 577,670
3 Medical Agency Fees	\$ 46,442	\$ 44,654	\$ (1,788)	-4%	\$ 110,574
4 Total People Cost	\$ 2,277,721	\$ 2,512,539	\$ 234,818	9%	\$ 2,422,058
Medical and Prof Fees (excl'd Agency)					
5 Medical and Prof Fees (excl'd Agency)	\$ 431,964	\$ 449,418	\$ 17,454	4%	\$ 392,545
6 Supplies	\$ 475,968	\$ 536,205	\$ 60,237	11%	\$ 626,636
7 Purchased Services	\$ 365,775	\$ 311,573	\$ (54,202)	-17%	\$ 274,586
8 Depreciation	\$ 155,662	\$ 164,824	\$ 9,162	6%	\$ 148,903
9 Utilities	\$ 93,048	\$ 72,425	\$ (20,623)	-28%	\$ 83,744
10 Insurance	\$ 20,041	\$ 20,847	\$ 806	4%	\$ 19,075
11 Interest	\$ 28,446	\$ 41,140	\$ 12,694	31%	\$ 18,162
12 Other	\$ 124,324	\$ 153,673	\$ 29,349	19%	\$ 107,315
13 TOTAL OPERATING EXPENSE	\$ 3,972,949	\$ 4,262,644	\$ 289,695	7%	\$ 4,093,024

Expense Variances

- Total operating expenses were under budget by \$289,695
- Total productivity FTE's were under budget at 256 on a budget of 282. Total salaries under budget by a total of \$179,285.
- Employee benefits were under budget by \$57,321 of which \$78,000 a 6/30/11 audit accrual. Health insurance is over budget by \$29,422.
- Supplies are under budget by \$60,237 due to lower than budgeted volumes.
- Purchased Services over budget by \$54,202 due to R&M costs and Chancellor Consulting.
- Utilities are over budget by \$20,623 due to higher electricity cost and correction in billing for sewer services.
- Other Expenses were also favorable by \$29,349 largely due to the lease for the EHR has not begun.

November's Non-Operating Items

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1 Revenue	\$ 1,460	\$ 3,001	\$ (1,541)	-51%	\$ 9,808
2 Donations	\$ 11,517	\$ 10,000	\$ 1,517	15%	\$ -
3 Professional Center / Phys Recruitment	\$ (245)	\$ (698)	\$ 453	-65%	\$ (5,654)
4 Physician Practice Support - Prima	\$ (70,500)	\$ (70,000)	\$ (500)	0%	\$ (84,263)
5 Tax Assessment Revenue-Parcel Tax	\$ 245,018	\$ 237,500	\$ 7,518	3%	\$ 244,000
6 Tax Assessment Revenue - GO Bond	\$ 153,567	\$ 153,615	\$ (48)	0%	\$ 165,917
7 GO Bond Interest	\$ (32,590)	\$ (30,820)	\$ (1,770)	6%	\$ (24,664)
<hr/>					
8 TOTAL NON-OPERATING REV/EXP	\$ 308,227	\$ 302,598	\$ 5,629	2%	\$ 305,144



To: SVH Finance Committee
From: Rick Reid, CFO
Date: December 27, 2011
Subject: Financial Report for the Month Ending November 30, 2011

Presented below are the results and analysis for the month ending November 30, 2011.

Overall Results for November 2011

Overall for November, SVH has net income of \$16,289 on a budget of \$68,496, an unfavorable difference of \$52,207. Total net revenue was below by budget by \$348,857. This brought the total operating revenue to \$3,681,011 or \$347,531 below budget. The loss was reduced by total expenses being \$3,972,949 on a budget of \$4,262,644 or \$289,695 under budget. The EBIDA for the month was \$232,987.

Net Operating Revenues

Net operating revenues for November were \$3.7 million on a budget of \$4 million or \$348,000 / 9% under budget.

Inpatient Net Revenue:

- 11 discharges under budget
- 17 Medicare discharges under budget, the impact was (\$192,765)
- Medi-Cal volume was higher than budget by 18 days and payment rate was higher than budget by \$129,210
- Commercial volume and rates were over budget, resulting in a \$147,825 positive variance net revenue

Skilled Nursing Home:

- Volume was under budget by 168 days, impact (\$121,593)
- A large patient adjustment was recorded for (\$160,000). This related to a patient that did not qualify for Medi-Cal.

Outpatient:

- Reimbursement exceeded budget by \$56,027. This is a direct result of the price increase.

Charity care and Bad Debt:

- Over budget by \$50,373 and \$130,284, respectively. This is due to more charity care write offs for the month of November and \$552,870 in bad debt were written off.

Denials:

- There was \$118,949 of denials in the month of November. The majority are for Medicare. These accounts are currently being reviewed and will be appealed if warranted.



Expenses

November's expenses were \$4.0 million on a budget of \$4.3 million or under budget by \$290,000.

The following is a summary of the operating expense variances for the month of November:

- Total productivity FTE's were under budget at 256 on a budget of 282. Total salaries under budget by a total of \$179,285.
- Employee benefits were under budget by \$57,321 of which approximately \$78,000 relates to a 6/30/11 audit accrual. Health insurance is over budget by \$29,422.
- Supplies are under budget by \$60,237 due to lower than budgeted volumes.
- Purchased services variance is over budget by \$54,202 due to higher repair & maintenance costs and Chancellor Consulting. This relates to the community service event sponsored by the Hospital. This was a very successful event with over 150 people in attendance.
- Utilities are over budget by \$20,623, due to higher electricity cost and catch up billing for sewer services.
- Other Expenses were also favorable by \$29,349 largely due to the lease for the EHR not being expensed.



Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
Current Month November 2011

	This Year		Variance		Last Year Actual	
	Actual	Budget	\$	%		
Volume Information						
1	Acute Discharges	133	144	(11)	-8%	145
2	SNF Days	543	711	(168)	-24%	664
3	Home Care Visits	1,024	946	78	8%	877
4	Gross O/P Revenue (000's)	7,863	7,544	320	4%	6,263
Financial Results						
Net Fee For Service Revenue						
5	Acute Inpatient	\$ 1,671,454	\$ 1,613,189	58,265	4%	\$ 1,947,226
6	SNF	179,798	499,324	(319,526)	-64%	484,102
7	Outpatient	1,839,943	1,783,916	56,027	3%	1,549,566
8	Home Care	212,764	193,908	18,856	10%	182,807
9	Charity Care Provision	(72,000)	(21,627)	(50,373)	*	(2,200)
10	Bad Debt	(475,000)	(344,716)	(130,284)	-38%	(187,185)
11	Total Net Revenue	\$ 3,356,959	\$ 3,723,994	(367,035)	-10%	\$ 3,974,316
12	Risk contract revenue	\$ 310,548	\$ 292,370	18,178	6%	\$ 297,424
13	Net Hospital Revenue	\$ 3,667,507	\$ 4,016,364	(348,857)	-9%	\$ 4,271,740
14	Other Operating Revenue	\$ 13,504	\$ 12,178	1,326	11%	\$ 11,136
15	Total Operating Revenue	\$ 3,681,011	\$ 4,028,542	(347,531)	-9%	\$ 4,282,876
Operating Expenses						
16	Salary and Wages	\$ 1,676,734	\$ 1,856,019	179,285	10%	\$ 1,733,814
17	Employee Benefits	554,545	\$ 611,866	57,321	9%	577,670
18	Medical Agency Fees	46,442	44,654	(1,788)	-4%	110,574
19	Total People Cost	\$ 2,277,721	\$ 2,512,539	234,818	9%	\$ 2,422,058
20	Med and Prof Fees (excl Agency)	\$ 431,964	\$ 449,418	17,454	4%	\$ 392,545
21	Supplies	475,968	536,205	60,237	11%	626,636
22	Purchased Services	365,775	311,573	(54,202)	-17%	274,586
23	Depreciation	155,662	164,824	9,162	6%	148,903
24	Utilities	93,048	72,425	(20,623)	-28%	83,744
25	Insurance	20,041	20,847	806	4%	19,075
26	Interest	28,446	41,140	12,694	31%	18,162
27	Other	124,324	153,673	29,349	19%	107,315
28	Operating expenses	\$ 3,972,949	\$ 4,262,644	289,695	7%	\$ 4,093,024
29	Operating Margin	\$ (291,938)	\$ (234,102)	57,836	-25%	\$ 189,852
Non Operating Rev and Expense						
30	Revenue	\$ 1,460	\$ 3,001	(1,541)	-51%	\$ 9,808
31	Donations	11,517	10,000	1,517	15%	0
32	Professional Center/Phys Recruit	(245)	(698)	453	-65%	(5,654)
33	Physician Practice Support-Prima	(70,500)	(70,000)	(500)	1%	(84,263)
34	Parcel Tax Assessment Rev	245,018	237,500	7,518	3%	244,000
35	GO Bond Tax Assessment Rev	153,567	153,615	(48)	0%	165,917
37	GO Bond Interest	(32,590)	(30,820)	(1,770)	6%	(24,664)
37	Total Non-Operating Rev/Exp	\$ 308,227	\$ 302,598	5,629	2%	\$ 305,144
38	Net Income / (Loss)	\$ 16,289	\$ 68,496	(52,207)	-76%	\$ 494,996
39	Net Income w/o GO Bond Activity	\$ (104,688)	\$ (54,299)	(50,389)	93%	\$ 353,743

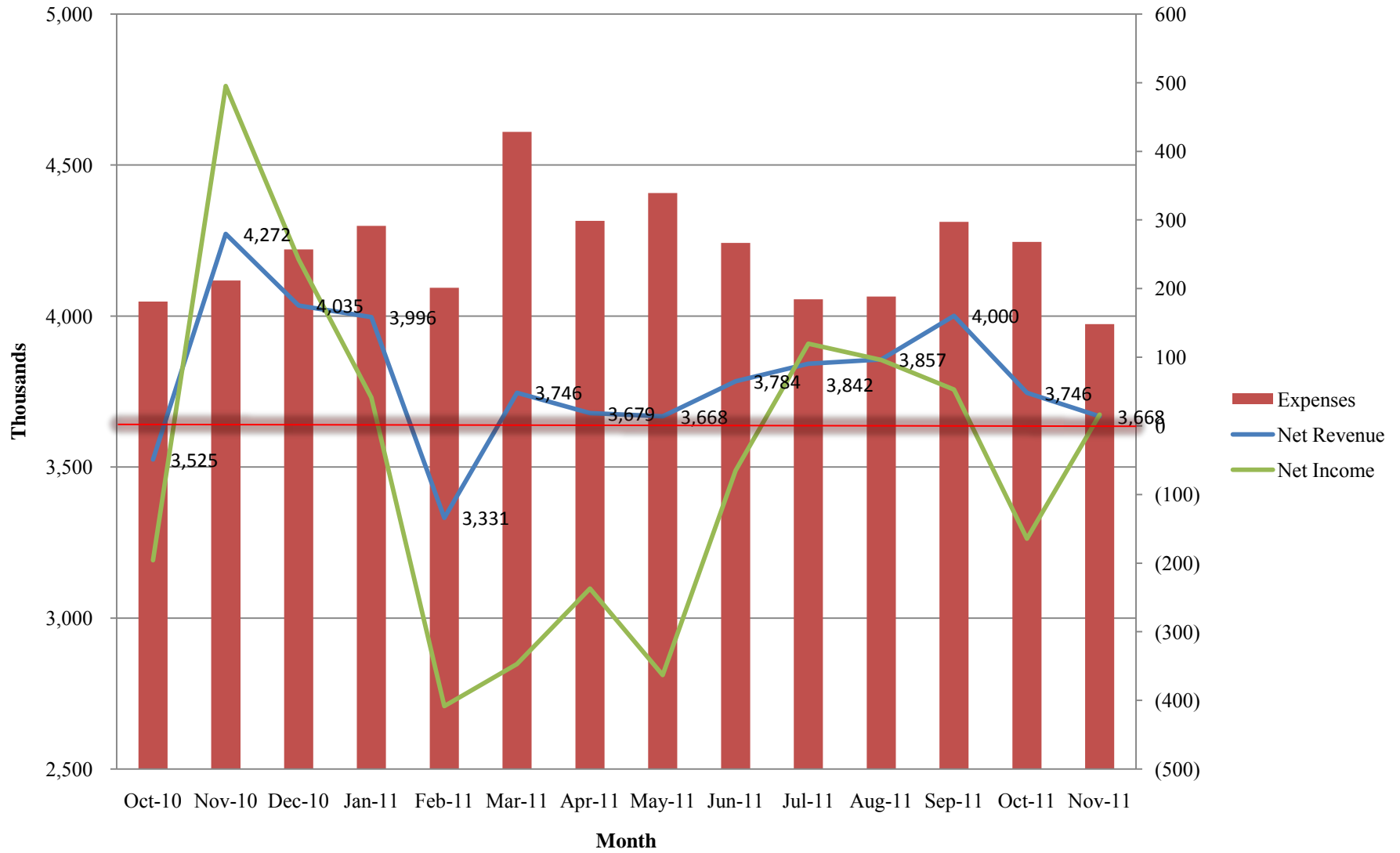
Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
Fiscal Year 2012

	This Year		Variance		Last Year
	Actual	Budget	\$	%	
Volume Information					
1 Acute Discharges	646	732	(86)	-12%	659
2 SNF Days	2,869	3,623	(754)	-21%	3,585
3 Home Care Visits	4,741	4,516	225	5%	4,390
4 Gross Outpatient Revenue (000's)	\$ 38,002	\$ 38,093	(91)	0%	\$ 31,425
Financial Results					
Net Fee For Service Revenue					
5 Acute Inpatient	\$ 7,656,330	\$ 8,301,831	(645,501)	-8%	\$ 7,491,188
6 SNF	1,721,831	2,544,886	(823,055)	-32%	2,385,606
7 Outpatient	8,996,341	9,022,863	(26,522)	0%	7,815,199
8 Home Care	940,916	932,395	8,521	1%	949,054
9 Charity Care Provision	(121,100)	(109,614)	(11,486)	-10%	(97,600)
10 Bad Debt Expense	(1,675,000)	(1,747,141)	72,141	4%	(1,227,185)
11 Total Net Revenue	17,519,318	18,945,220	(1,425,902)	-8%	17,316,262
12 Risk Contract Revenue	1,593,381	1,461,850	131,531	9%	1,200,529
13 Net Hospital Revenue	19,112,699	20,407,070	(1,294,371)	-6%	18,516,791
14 Other Operating Revenue	62,779	60,890	1,889		53,781
15 Total Operating Revenue	\$ 19,175,478	\$ 20,467,960	(1,292,482)	-6%	\$ 18,570,572
Operating Expenses					
16 Salary and Wages	\$ 8,884,000	\$ 9,378,988	494,988	5%	\$ 8,770,864
17 Employee Benefits	3,173,348	3,094,613	(78,735)	-3%	2,909,749
18 Medical Agency Fees	299,891	227,486	(72,405)	-32%	453,871
19 Total People Cost	12,357,239	12,701,087	343,848	3%	12,134,484
20 Med and Prof Fees (excl'd Agency)	2,273,020	2,249,964	(23,056)	-1%	1,587,842
21 Supplies	2,438,471	2,709,559	271,088	10%	2,504,383
22 Purchased Services	1,554,666	1,555,546	880	0%	1,133,781
23 Depreciation	779,206	824,120	44,914	5%	749,016
24 Utilities	395,335	362,125	(33,210)	-9%	377,876
25 Insurance	101,377	104,235	2,858	3%	95,375
26 Interest	138,358	153,488	15,130	10%	57,703
27 Other	612,889	787,179	174,290	22%	481,058
28 Operating Expenses	\$ 20,650,561	\$ 21,447,303	796,742	4%	\$ 19,121,518
29 Operating Margin	\$ (1,475,083)	\$ (979,343)	(495,740)	-51%	\$ (550,946)
Non Operating Rev and Expense					
30 Revenue	22,212	15,005	7,207	48%	42,488
31 Donations	15,117	50,000	(34,883)	70%	3,500
32 Professional Center/Phys Recruit	(1,420)	(3,490)	2,070	-59%	(33,288)
33 Physician Practice Support-Prima	(283,050)	(350,000)	66,950	-19%	(375,079)
34 Parcel Tax Assessment Rev	1,225,089	1,187,500	37,589	3%	1,428,147
35 GO Bond Tax Assessment Rev	767,833	768,075	(242)	0%	496,437
37 GO Bond Interest	(150,053)	(154,100)	4,047	-3%	(142,542)
37 Total Non-Operating Rev/Exp	1,595,728	1,512,990	82,738	5%	1,419,663
38 Net Income / (Loss)	120,645	533,647	(413,002)	-77%	868,717
39 Net Income w/o GO Bond Activity	(497,135)	(80,328)	(416,807)	519%	514,822

Sonoma Valley Health Care District
Balance Sheet
Fiscal Year 2012
As of November 30, 2011

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1	\$ 2,697,044	\$ 3,458,514	\$ 4,705,568
2	143,815	143,815	-
3	6,977,434	6,774,397	6,908,824
4	4,570,601	4,967,659	4,490,200
5	(1,616,977)	(1,674,712)	(2,078,072)
6	945,763	905,763	921,498
7	-	-	-
8	949,504	931,580	686,708
9	1,236,571	1,499,103	2,476,988
10	<u>\$ 15,903,755</u>	<u>\$ 17,006,119</u>	<u>\$ 18,111,714</u>
11	\$ 253,467	\$ 253,467	\$ 252,226
12	9,747,141	9,774,234	7,857,704
13	10,749,182	9,680,044	4,624,215
14	21,595,995	22,224,376	26,220,192
15	36,984	36,984	36,074
16	545,976	31,745	61,326
17	517,350	424,610	293,630
18	<u>\$ 59,349,850</u>	<u>\$ 59,431,579</u>	<u>\$ 57,457,081</u>
Liabilities & Fund Balances			
Current Liabilities:			
19	\$ -	\$ -	\$ 20,425
20	4,034,944	3,478,640	2,590,729
21	3,439,951	3,403,514	3,194,353
22	575,138	431,528	548,703
23	391,007	749,459	1,873,230
24	605,696	597,056	77,932
25	2,790,087	3,188,671	2,869,416
26	1,383,480	1,293,799	1,152,766
27	<u>\$ 13,220,303</u>	<u>\$ 13,142,667</u>	<u>\$ 12,327,554</u>
28	\$ 38,503,773	\$ 38,679,526	\$ 37,721,330
29	Fund Balances:		
30	\$ 7,577,130	\$ 7,560,843	\$ 7,346,973
31	48,644	48,543	61,224
32	<u>\$ 7,625,774</u>	<u>\$ 7,609,386</u>	<u>\$ 7,408,197</u>
33	<u>\$ 59,349,850</u>	<u>\$ 59,431,579</u>	<u>\$ 57,457,081</u>

Sonoma Valley Hospital Net Revenue / Expenses / Net Income FY 2011 - 2012



Sonoma Valley Hospital
Statistical Analysis
FY 2012

	ACTUAL	BUDGET
	Nov-11	Nov-11
Statistics		
Acute		
Acute Patient Days	449	519
Acute Discharges	133	144
SNF Days	543	711
HHA Visits	1,024	946
Gross Outpatient Revenue (000's)	\$7,863	\$7,544
Equivalent Patient Days	2,115	2,416
Births	19	15
Surgical Cases - Inpatient	43	43
Surgical Cases - Outpatient	101	102
Total Surgical Cases	144	145
Medicare Case Mix Index	1.39	1.40
Income Statement		
Net Revenue (000's)	3,668	4,016
Operating Expenses (000's)	3,973	4,263
Net Income (000's)	16	68
Productivity		
Total Operating Expense Per Equivalent Patient Day	\$1,878	\$1,764
Productive FTEs	256	282
Non-Productive FTE's	39	33
Total FTEs	295	315
FTEs per Adjusted Occupied Bed	4.19	
Balance Sheet		
Days of Expense In General Operating Cash	23	
Days of Revenue in AR	58	
Bad Debt Write-Offs as a % of Priv\Othr Rev	78.5%	
Bad Debt Recoveries as a % of Write-Offs	7.5%	

ACTUAL												
Oct-11	Sep-11	Aug-11	Jul-11	Jun-11	May-11	Apr-11	Mar-11	Feb-11	Jan-11	Dec-10	Nov-10	Oct-10
456	552	372	444	468	548	515	586	480	518	513	525	474
134	136	115	128	144	159	130	148	130	146	144	145	126
633	567	470	656	520	555	579	712	636	622	815	664	737
881	962	954	984	1,082	970	1,047	841	854	858	899	905	799
\$7,493	\$7,667	\$7,569	\$7,409	\$6,961	\$6,489	\$6,727	\$6,628	\$6,364	\$6,949	\$6,313	\$6,263	\$6,255
2,281	2,272	1,956	2,341	2,113	2,190	2,231	2,427	2,227	2,264	2,482	2,226	2,348
11	17	18	16	18	19	16	14	11	13	13	17	13
39	43	30	36	35	40	34	59	36	40	42	51	37
87	83	95	92	108	105	101	81	92	94	81	107	95
126	126	125	128	143	145	135	140	128	134	123	158	132
1.44	1.52	1.25	1.38	1.34	1.41	1.42	1.44	1.31	1.48	1.50	1.69	1.47
3,746	4,000	3,857	3,842	3,784	3,668	3,679	3,746	3,331	3,996	4,035	4,272	3,525
4,245	4,312	4,064	4,056	4,242	4,407	4,315	4,610	4,093	4,299	4,220	4,118	4,048
(164)	53	96	120	(65)	(363)	(237)	(347)	(408)	41	242	495	(196)
\$1,861	\$1,898	\$2,116	\$1,765	\$2,008	\$2,015	\$1,934	\$1,899	\$1,838	\$1,899	\$1,700	\$1,850	\$1,724
283	280	272	271	268	279	285	297	290	282	275	268	274
30	34	37	36	35	27	36	27	27	26	34	38	30
314	314	309	306	303	307	321	324	317	308	309	306	304
4.26	4.14	4.90	4.06	4.31	4.34	4.32	4.14	3.98	4.21	3.86	4.12	
29	27	18	22	29	42	33	34	37	34	41	41	32
57	57	56	54	51	47	50	50	53	56	48	52	54
69.2%	68.6%	56.5%	81.1%	80.3%	80.4%	79.9%	80.6%	79.0%	76.5%	78.7%	72.7%	77.7%
9.0%	12.2%	7.5%	6.2%	7.5%	7.8%	9.7%	8.6%	8.5%	9.7%	9.2%	10.2%	9.7%

Sonoma Valley Hospital
Statement of Cash Flows
Fiscal Year 2012

	<u>Current Month</u>	<u>Year To Date</u>
Operating Activities		
Net Income (Loss)	16,289	120,645
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	155,663	779,206
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	(260,772)	(732,329)
(Increase)/Decrease Other receivables and other assets	264,316	4,032,828
(Increase)/Decrease Prepaid expenses	262,532	(37,548)
(Increase)/Decrease in Inventories	(17,924)	(74,092)
(Decrease)/Increase in Deferred revenues	(389,944)	(1,495,512)
(Decrease)/Increase in Accounts payable, accrued expenses	377,899	975,624
Net Cash Provided/(Used) by operating activities	<u>408,059</u>	<u>3,568,822</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(128,570)	(3,971,597)
Net Purchases of property, plant and equipment - GO Bond Purchases	(1,069,138)	(1,855,367)
Net Proceeds and Distributions from investments	-	(924)
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	101	17,926
Change in Limited Use Cash	114,150	2,267,602
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	<u>(1,083,457)</u>	<u>(3,542,360)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(86,072)	(515,962)
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>(86,072)</u>	<u>(515,962)</u>
Net increase/(Decrease) in cash and cash equivalents	<u>(761,470)</u>	<u>(489,500)</u>
Cash and Equivalents at beginning of period	<u>3,458,514</u>	<u>3,186,544</u>
Cash and Equivalents at November 30, 2011	<u><u>2,697,044</u></u>	<u><u>2,697,044</u></u>

V.

PROPOSED
FINANCE COMM.
CHARTER

**SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTHCARE DISTRICT**

FINANCE COMMITTEE CHARTER

This charter (the “Charter”) sets forth the duties and responsibilities and governs the operations of the Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Sonoma Valley Healthcare District (the “District”), a nonprofit corporation organized and existing under the California Law.

I. Purpose

The Committee’s purpose is to assist the Board in its oversight of the District’s financial affairs, including District’s financial condition, financial planning, operational and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the District.

II. Duties and Responsibilities

The Committee’s primary duties and responsibilities are as follows:

A. Review Monthly Financial Operating Performance

1. Review the District’s monthly financial operating performance. The Committee will review the monthly financial statements, including but not limited to, the Statement of Revenues and Expenses, Balance Sheet and Statement of Cash Flows, prepared my management. The Committee will also review other financial indicators as warranted.
2. Review management’s plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The Committee will make recommendations to the Board when necessary.

B. Budgets

1. Review and recommend to the Board for approval an annual operating budget for the District.
2. Review and recommend to the Board for approval an annual capital expenditures budget for the District. If deemed appropriate by the Committee, review and

recommend to the Board for approval projected capital expenditures budgets for one or more succeeding years.

C. Debt, Financing and Refinancing

1. Evaluate and monitor the District's long and short-term indebtedness, debt structure, collateral or security therefore, cash flows, and uses and applications of funds.
2. Evaluate and recommend to the Board for approval proposed debt financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance costs; (iv) banks, investment banks and underwriters retained or compensated by the Corporation in connection with any financing or refinancing.
3. Review and approve all guarantees or other obligations for the indebtedness of any third party.

D. Insurance

1. Review and recommend to the Board for approval the District's insurance coverage's, including: (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions.

E. Investment Policies

1. Review and approve the District's cash management and cash investment policies, utilizing the advice of financial consultants as the Committee deems necessary or desirable.
2. Review and approve the District's investment policies relating to assets of any employee benefit plans maintained and controlled by the District, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

F. General

1. Select and terminate the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for the District. Review periodically the District's significant commercial and investment bank relationships.
2. Perform any other duties and responsibilities as the Board may deem necessary, advisable or appropriate for the Committee to perform.
3. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.
4. Report on monthly basis to the Board concerning the District's financial affairs. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.

III. Organization

The Committee's membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee's other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the District's Nominating and Governance Committee.

The Committee's membership is subject to the Approval of the District Board. The membership shall include the following:

1. Two (2) Board Members, one being the Treasurer
2. Six (6) District Citizens
3. One (1) member of the Medical Staff
4. District's Chief Executive Officer (non-voting)
5. District's Chief Financial Officer (non-voting)

IV. Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

V. Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

VI. Amendment

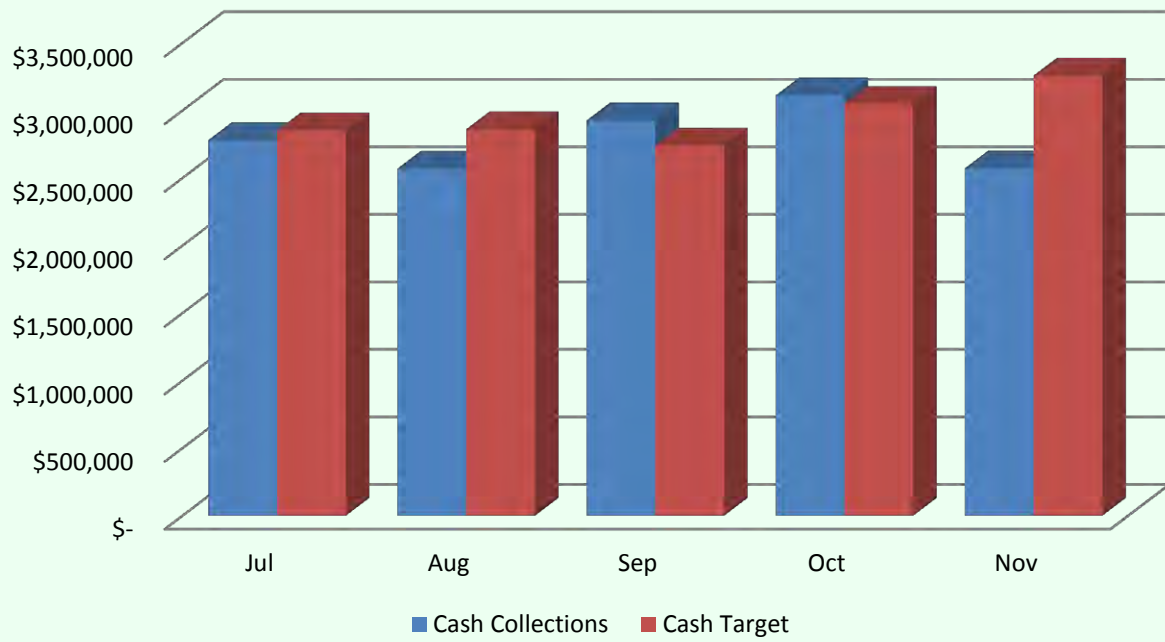
This Charter shall not be amended except upon approval by the Board.

Adopted by the Board on _____, 2012.

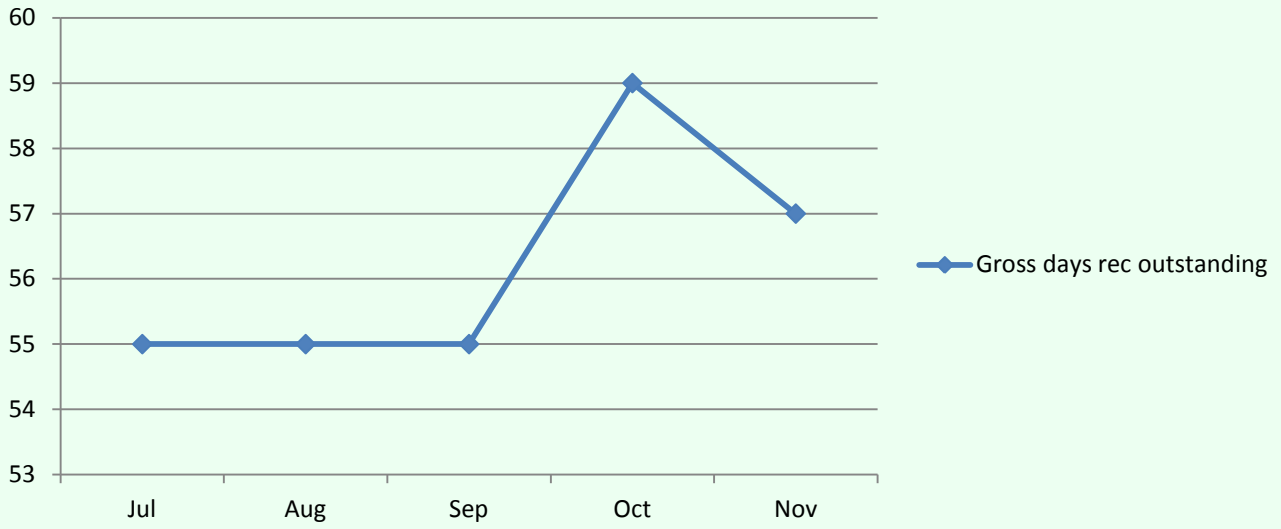
VI.

REVENUE CYCLE
PERFORMANCE
INDICATORS

Cash Collections



Gross Days Outstanding



Point-of-Service Collections

