

8.

CONSTRUCTION UPDATE

Sonoma Valley Hospital - Phase 1 - Expansion.

Project Update/ Dashboard - Increment 1 & 3

Friday, December 14, 2012

| Schedule | Target | Actual |
|---------------------------|------------|----------------------|
| MRI relocation | 9/26/2012 | 9/26/2012 |
| Complete New Entrance | 9/27/2012 | 9/27/2012 |
| Start New Building | 9/27/2012 | 9/27/2012 |
| Install Footings | 12/31/2012 | Dependant on weather |
| Steel Top Out | 2/13/2013 | |
| Deck Pour Completion | 4/9/2013 | |
| Enclose Building Exterior | 7/8/2013 | |
| Interior Wall Close Up | 6/28/2013 | |
| Permanent Power | 8/23/2013 | |
| Substantial Completion | 10/28/2013 | |
| Final Completion | 11/12/2013 | On Schedule |
| Generator On Line | 5/31/2013 | |
| Chillers On Line | 5/13/2013 | |
| Contract | Target | Actual |
| GMP Sign off | 11/30/2012 | In Progress |

| Budget | |
|-------------------------------------|---------------------|
| July Approved Budget | \$39,739,376 |
| August Approved Infrastructure | \$1,500,000 |
| Total Board Approved Budget | \$41,239,376 |
| Board Review Meeting, October 9th | \$1,369,624 |
| CEO Committee Recommended Two West | \$1,200,000 |
| Total Requested Budget | \$43,809,000 |
| Project Contingency | \$465,432 |
| Donor Wall/Fountain Utilities | \$22,307 |
| South Lot Fence Extention 48' | \$13,320 |
| IT Basement Fire Alarm Change Order | \$40,000 |
| Remaining Project Contengency | \$389,805 |
| Code | Est Dollar Amount |
| None at this Time | \$0 |

| Critical Issues | Comments |
|---------------------------|-----------------------------|
| DIA for South Parking Lot | In progress |
| IT Network Coordination | 1-Oct Outstanding |
| Potential Weather Delay | In progress On Schedule |
| Project Funding | Outstanding |
| PG&E Coordination | In progress In Progress |
| NPC -3 Extention | 10/15/2012 Pending Approval |
| Facility Impacts | |
| Building Pad Compaction | 5-Nov Pending |
| Concrete Foundation Pour | 21-Dec Street Coordination |
| Chiller Installation | 1/4/2012 Street closure |
| Upcoming Activites | |
| Building Pad Foundations | 19-Nov Complete |
| Foundation Compaction | Complete |
| Steel Erection | 1/7/2012 |

| Owner Decisions | Target Date | Completion Date |
|--|-------------|-----------------|
| Security Final Operation Sign Off | 11/16/2012 | In Progress |
| IS Infrastructure and Cabling | 10/1/2012 | In Progress |
| IS Network Equipment Final Design | 11/1/2012 | In Progress |
| Voice IP / vs. Tele Switch - RFP released 11/24/12 | 11/19/2012 | 11/22/2012 |
| Site Signage - Exterior | 11/1/2012 | 11/4/2012 |
| Nurse Call - 2 west - Submitted to OSHPD | 10/31/2012 | 11/5/2012 |
| Equipment list/plan/cutsheets - User sign off | 10/15/2012 | 10/15/2012 |
| Med Gas Room/ MPOE room- Submitted to OSHPD | 10/19/2012 | 11/12/2012 |
| Materials Management - Submitted to OSHPD | 10/19/2012 | 11/1/2012 |
| Licencing - Prepare Project Description | 11/30/2012 | 11/30/2012 |
| Donor Wall and Fountain | 1/1/2013 | In Progress |
| Two west Waiting Room | 2/15/2013 | In Progress |
| Licencing - Prepare Project Description | 11/30/2012 | 11/30/2012 |
| Medical Equipment Project coordination | 1/30/2013 | In Progress |

| | | | |
|-------------------------|------------------------------|---------------|----------|
| Critical or High Impact | Potential Unresolved/ Impact | Risk / Medium | On Track |
|-------------------------|------------------------------|---------------|----------|



**SONOMA VALLEY HOSPITAL
PROJECT BUDGET
NEW PROJECT BUDGET 01/03/13**

January 3, 2013

| A | B | M | E | G | H | N | |
|--------------------------------------|--|-------------------------------|--------------------------------------|---|-------------------|------------------------------|---|
| Description | Reforecast Approved Budget | Paid Through 11/16/2012 | Commitments Through 11/16/2012 | Estimate at Completion 11/12/2013 | Variance (D-G) | Notes (Refer to Column B) | |
| CATEGORY 1 Permits & Fees | | | | | | | |
| 1.01 | OSHPD Permit Fees | 442,800 | 223,858 | 234,691 | 442,800 | 0 | 0.0164 % of completed construction. Estimated \$27M in construction X .0164% equals \$442,800. |
| 1.02 | Local Jurisdiction Permits & Fees | 39,294 | 36,781 | 36,781 | 39,294 | 0 | City and County Permits, Connection and Inspections: Sewer, Storm Drain, Water, School District fees. |
| 1.03 | Utility Connection Fees | 85,000 | 23,713 | 23,713 | 85,000 | 0 | PG&E engineering fees, to be confirmed 2/1/13. |
| 1.04 | Closed Projects | 83,137 | 63,226 | 83,137 | 83,137 | 0 | See Attachment A with pricing |
| TOTAL CATEGORY # 1 | | 650,231 | 347,577 | 378,321 | 650,231 | 0 | |
| CATEGORY 2 Construction | | | | | | | |
| 2.01 | Otto/NLA (Including Change Orders 1-7) | 26,962,214 | 9,302,802 | 26,962,214 | 26,962,214 | 0 | OR HVAC, South Lot, New Wing, CUP, Loading Dock, 4th Street, plus CO 1 to 7 |
| 2.02 | Otto/NLA - Design Contingency | 894,763 | 0 | 894,763 | 894,763 | 0 | Contractor contingency for existing work part of GMP |
| 2.03 | Otto/NLA Change Orders 8-9 | 581,916 | 0 | 0 | 581,916 | 0 | Pending Change Orders 8 and 9 - See Summary. |
| 2.04 | Otto/NLA Change Order 10 - GMP Negotiations | 145,109 | 0 | 0 | 145,109 | 0 | Including Extended General Conditions- See Summary. |
| 2.05 | Otto/NLA Med Gas System Upgrade | 290,000 | 0 | 0 | 290,000 | 0 | To Be Change order #11. |
| 2.06 | Otto/NLA 2 West - (Design) | 143,444 | 0 | 0 | 143,444 | 0 | Design and OSHPD plan approval for Med/Surg unit renovation. OSHPD permit estimated on 4013. |
| 2.07 | Closed Projects | 206,587 | 206,587 | 206,587 | 206,587 | 0 | See Attachment B with Pricing |
| 2.08 | Facilities Transfer (CEO/CFO approved various) | 290,333 | 213,207 | 290,333 | 290,333 | 0 | CEO/CFO approved transfer of Rosa Construction work need Attachment C with pricing |
| 2.09 | Facilities Transfer (BOD approved 8/12) | 1,500,000 | 1,054,898 | 1,119,459 | 1,500,000 | 0 | BOD approved Facilities List transfer on 8/3/12 |
| TOTAL CATEGORY # 2 | | 31,014,366 | 10,777,493 | 29,473,356 | 31,014,366 | 0 | |

**SONOMA VALLEY HOSPITAL
PROJECT BUDGET
NEW PROJECT BUDGET 01/03/13**

January 3, 2013

| | A Description | B Reforecast Approved Budget | M Paid Through 11/16/2012 | E Commitments Through 11/16/2012 | G Estimate at Completion 11/12/2013 | H Variance (D-G) | N Notes (Refer to Column B) |
|------|---|---------------------------------------|------------------------------------|---|--|------------------------|--|
| | CATEGORY 3 Medical & Other Equipment | | | | | | |
| 3.01 | Emergency Department | 481,262 | 10,362 | 69,082 | 481,262 | 0 | Owner approved equipment budget - Per equipment list |
| 3.02 | Operating Room Suite | 686,057 | 99,599 | 382,984 | 686,057 | 0 | Owner approved equipment budget- Per equipment list |
| 3.03 | Central Processing Department | 424,677 | 0 | 0 | 424,677 | 0 | Owner approved equipment budget - Per equipment list |
| 3.04 | Post-Op/Pre-Op | 306,670 | 0 | 0 | 306,670 | 0 | Owner approved equipment budget- Per equipment list. |
| 3.05 | Closed Projects | 621,510 | 620,910 | 621,510 | 621,510 | 0 | See Attachmet D with pricing |
| | TOTAL CATEGORY # 3 | 2,520,176 | 730,871 | 1,073,577 | 2,520,176 | 0 | |
| | CATEGORY 4 Fixtures & Furniture | | | | | | |
| 4.01 | Televisions | 10,000 | 0 | 0 | 10,000 | 0 | Allowance |
| 4.02 | Furniture & Furnishings | 225,000 | 0 | 0 | 225,000 | 0 | Allowance - Jan. 2012 start planning |
| 4.03 | Signage Fabrication and Install | 153,528 | 9,364 | 10,060 | 153,528 | 0 | Allowance for interior and exterior signage January 2013 start planning |
| 4.04 | Increment 1 Phasing and Directional Signage | 17,409 | 0 | 0 | 17,409 | 0 | Allowance - Additional temporary site phasing and directional signage |
| 4.05 | Closed Projects | 0 | 0 | 0 | 0 | 0 | See Attachment E with pricing |
| | TOTAL CATEGORY # 4 | 405,937 | 9,364 | 10,060 | 405,937 | 0 | |
| | CATEGORY 5 Communications | | | | | | |
| 5.01 | IT Infrastructure Cabling & Equipment | 173,147 | | 0 | 173,147 | 0 | Allowance for facility backbone wiring projects and unknown infrastructure. Consultant Scope verification. |
| 5.02 | IDF and Telecom Facilities | 258,665 | 5,204 | 20,015 | 258,665 | 0 | Backbone wiring, cabinets, etc for new IDF and Server Rooms with Exterior connections-Metroscope/Teecom. |
| 5.03 | New Wing Cable | 95,450 | 0 | 0 | 95,450 | 0 | Backbone data/telcom wiring required for New Wing - Metroscope |
| 5.04 | Add 2 West - Med/Surg Unit Nurse Call System | 175,000 | 0 | 142,867 | 175,000 | 0 | Nurse call system and for 2 West - submitted to OSHPD |
| 5.05 | Closed Projects | 698,204 | 714,518 | 698,204 | 698,204 | 0 | Backbone data/telcom wiring required for moves and IDF equipment - See Attachment F with pricing |
| | TOTAL CATEGORY # 5 | 1,400,466 | 719,723 | 861,086 | 1,400,466 | 0 | |

**SONOMA VALLEY HOSPITAL
PROJECT BUDGET
NEW PROJECT BUDGET 01/03/13**

January 3, 2013

| A | B | M | E | G | H | N | |
|---|----------------------------------|-------------------------------|--------------------------------------|---|-------------------|------------------------------|---|
| Description | Reforecast Approved Budget | Paid Through 11/16/2012 | Commitments Through 11/16/2012 | Estimate at Completion 11/12/2013 | Variance (D-G) | Notes (Refer to Column B) | |
| CATEGORY 6 Professional Services | | | | | | | |
| 6.01 | Project Management | 2,285,495 | 1,642,487 | 1,925,668 | 2,285,495 | 0 | Jtec Contract - \$2,131,495. Owner - 14mons @ 11k a Month - \$154,000 |
| 6.02 | Geotechnical Engineering | 127,055 | 110,532 | 109,055 | 127,055 | 0 | Geotechnical engineering and materials testing during construction |
| 6.03 | Hazardous Material/Asbestos | 150,000 | 13,675 | 13,675 | 150,000 | 0 | Allowance - Asbestos materials removal above OR ceilings |
| 6.04 | OSHPD Field Observation | 287,000 | 77,765 | 201,765 | 287,000 | 0 | OSHPD required inspector fees - Per Contract |
| 6.05 | Materials Testing & Inspection | 236,875 | 50,629 | 143,180 | 236,875 | 0 | Construction materials testing and special inspections. |
| 6.06 | Building Commissioning (Limited) | 70,000 | 0 | 0 | 70,000 | 0 | Allowance for Owner directed building systems commissioning |
| 6.07 | Reimbursables | 79,597 | 69,420 | 70,261 | 79,597 | 0 | Printing, postage, limited services etc. |
| 6.08 | Closed Projects | 1,268,086 | 1,266,179 | 1,256,780 | 1,268,086 | 0 | See Attachment G with pricing |
| TOTAL CATEGORY #6 | | 4,504,108 | 3,230,688 | 3,720,384 | 4,504,108 | 0 | |
| CATEGORY 7 Administration | | | | | | | |
| 7.01 | Lease Space | 1,058,213 | 877,875 | 854,635 | 1,058,213 | 0 | South Lot rental through November 2013 |
| 7.02 | Legal Services | 420,447 | 368,735 | 410,447 | 420,447 | 0 | Labor Compliance Monitoring, DBT Agreement Development. |
| 7.03 | Decommissioning | 110,000 | 11,809 | 11,809 | 110,000 | 0 | Allowance for decommissioning CUP areas |
| 7.04 | Moving and Storage | 60,000 | 4,575 | 9,149 | 60,000 | 0 | Allowance for New Wing equipment moving and storage |
| 7.05 | Closed Projects | 0 | 0 | 0 | 0 | 0 | |
| TOTAL CATEGORY #7 | | 1,648,660 | 1,262,993 | 1,286,041 | 1,648,660 | 0 | |

**SONOMA VALLEY HOSPITAL
PROJECT BUDGET
NEW PROJECT BUDGET 01/03/13**

January 3, 2013

| A | B | M | E | G | H | N |
|--|----------------------------------|-------------------------------|--------------------------------------|---|-------------------|------------------------------|
| Description | Reforecast Approved Budget | Paid Through 11/16/2012 | Commitments Through 11/16/2012 | Estimate at Completion 11/12/2013 | Variance (D-G) | Notes (Refer to Column B) |
| CATEGORY #8 Owner's Contingency | | | | | | |
| 8.01 | Project Contingency | 465,432 | 0 | 75,627 | 465,432 | 0 |
| TOTAL CATEGORY #8 | | 465,432 | 0 | 75,627 | 465,432 | 0 |
| Design Build PROJECT TOTALS | | 42,609,376 | 17,078,708 | 36,878,451 | 42,609,376 | 0 |

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 omitted - Requires Funding (Underground Funded only).
4. Construction for Materials Management annex has been omitted - Funded for Design only.
5. Design and Construction of 2 West nurse call is included.
6. Does not include Peripherals - move existing.
7. IT Network Equipment and design not included.
8. It scope is not complete and still a Project Risk.
9. Paid to date amounts are calculated through Accounts Payable Reconciliation data.
10. Column B is a Fixed Project Budget through Construction.

9.

FINANCIALS
NOV. 2012

**Sonoma Valley Hospital
Sonoma Valley Health Care District
November 30, 2012 Financial Report**

District Board
January 10, 2013

November's Patient Volumes

| | Actual | Budget | Variance | Prior Year |
|--|----------------|----------------|-----------------|-------------------|
| Acute Discharges | 104 | 132 | -28 | 133 |
| Acute Patient Days | 351 | 466 | -115 | 449 |
| SNF Patient Days | 638 | 628 | 10 | 543 |
| Outpatient Gross Revenue (in thousands) | \$8,485 | \$8,154 | \$331 | \$7,863 |
| Surgical Cases | 130 | 129 | 1 | 144 |

Summary Statement of Revenues and Expenses Month of November 30, 2012

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> | <u>Percentage</u> | <u>Prior Year</u> |
|---|---------------|---------------|-----------------|-------------------|-------------------|
| 1 Total Operating Revenue | \$ 3,692,363 | \$ 3,907,183 | \$ (214,820) | -5% | \$ 3,681,011 |
| 2 Total Operating Expenses | \$ 4,234,580 | \$ 4,341,147 | \$ 106,567 | 2% | \$ 3,972,949 |
| 3 Operating Margin | \$ (542,217) | \$ (433,964) | \$ (108,253) | -25% | \$ (291,938) |
| 4 NonOperating Revenue/Expenses | \$ 463,087 | \$ 459,942 | \$ 3,145 | 1% | \$ 308,227 |
| 5 Net Income before Restricted Contributions | \$ (79,130) | \$ 25,978 | \$ (105,108) | -405% | \$ 16,289 |
| 6 Restricted Contribution | \$ 252,890 | \$ 47,500 | \$ 205,390 | 432% | \$ - |
| 7 Net Income with Restricted Contributions | \$ 173,760 | \$ 73,478 | \$ 100,282 | 136% | \$ 16,289 |
| 8 EBIDA before Restricted Contributions | \$ 128,274 | \$ 281,342 | \$ (153,068) | | \$ 232,987 |
| 9 EBIDA before Restricted Cont. % | 3% | 7% | -4% | | 6% |
| 10 Net Income without GO Bond Activity | \$ 50,204 | \$ (54,844) | \$ 105,048 | | \$ (104,688) |

Summary Statement of Revenues and Expenses Year to Date November 30, 2012

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> | <u>Percentage</u> | <u>Prior Year</u> |
|---|----------------|----------------|-----------------|-------------------|-------------------|
| 1 Total Operating Revenue | \$ 19,211,061 | \$ 19,479,624 | \$ (268,563) | -1% | \$ 19,175,478 |
| 2 Total Operating Expenses | \$ 21,431,382 | \$ 21,790,832 | \$ 359,450 | 2% | \$ 20,650,561 |
| 3 Operating Margin | \$ (2,220,321) | \$ (2,311,208) | \$ 90,887 | 4% | \$ (1,475,083) |
| 4 NonOperating Revenue/Expenses | \$ 2,300,450 | \$ 2,299,710 | \$ 740 | 0% | \$ 1,595,728 |
| 5 Net Income before Restricted Contributions | \$ 80,129 | \$ (11,498) | \$ 91,627 | 797% | \$ 120,645 |
| 6 Restricted Contribution | \$ 384,290 | \$ 237,500 | \$ 146,790 | 62% | \$ - |
| 7 Net Income with Restricted Contributions | \$ 464,419 | \$ 226,002 | \$ 238,417 | 105% | \$ 120,645 |
| 8 EBIDA before Restricted Contributions | \$ 1,283,746 | \$ 1,265,322 | \$ 18,424 | | \$ 1,189,254 |
| 9 EBIDA before Restricted Cont. % | 7% | 6% | 0% | | 6% |
| 10 Net Income without GO Bond Activity | \$ (537,651) | \$ (653,108) | \$ 115,457 | | \$ (497,135) |



To: SVH Finance Committee
From: Rick Reid, CFO
Date: January 2, 2013
Subject: Financial Report for the Month Ending November 30, 2012

Presented below are the results and analysis for the month ending November 30, 2012.

Overall Results for November 2012

Overall for November, SVH has net income of \$173,761 on budgeted income of \$73,478, for a favorable difference of \$100,283. Total net revenue was under budget by (\$215,663). This brought the total operating revenue to \$3,692,364 or (\$214,819) under budget. Expenses were \$4,234,580 on a budget of \$4,341,147 or \$106,567 under budget. The EBIDA prior to the restricted donations for the month was \$128,274 or 3.5%.

Patient Volumes

| | ACTUAL | BUDGET | VARIANCE | PRIOR YEAR |
|--------------------|---------|---------|----------|------------|
| Acute Discharges | 104 | 132 | -28 | 133 |
| Acute Patient Days | 351 | 466 | -115 | 449 |
| SNF Patient Days | 638 | 628 | 10 | 543 |
| OP Gross Revenue | \$8,485 | \$8,154 | \$331 | \$7,863 |
| Surgical Cases | 130 | 129 | 1 | 144 |

Overall Payer Mix - November

| | ACTUAL | BUDGET |
|------------|--------|--------|
| Medicare | 49.4% | 47.2% |
| Medi-Cal | 13.5% | 13.3% |
| Commercial | 33.8% | 36.1% |
| Self Pay | 3.3% | 3.4% |
| Total | 100% | 100% |

Net Operating Revenues

Net operating revenues for November were \$3.7 million on a budget of \$3.9 million or \$(214,819) under budget.

Inpatient Net Revenue is under budget by (\$388,379) or 24%, due to the following:

- Medicare discharges under budget by 4, the impact was (\$47,405), offset by favorable rates of \$56,080

- Medi-Cal patient days under budget by 40, with an unfavorable rate variance for a total impact of (\$146,517)
- Other patient days under budget by 8, the impact was (\$72,841), offset by favorable rates of \$18,604
- Commercial patient days under budget by 34, with an unfavorable rate variance for a total impact of (\$196,301)

Skilled Nursing Home:

- Volume was over budget by 10 days and patient acuity was under budget, net impact \$3,917

Outpatient:

- Volume was over budget for a favorable impact of \$129,677, offsite by unfavorable Reimbursements of (\$81,479)

Home Care:

- Volume was over budget by 13 visits or \$8,517 over budget

Expenses

November's expenses were \$4.2 million on a budget of \$4.3 million or under budget by \$106,567.

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

- Total productivity FTE's were under budget at 266, on a budget of 288. Total salaries and Agency Fees under budget by a total of \$68,978.
- Employee benefits were over budget by (\$33,003) due to paid time off over by (\$34,737) all due to flexing within departments.
- Professional Fees are under budget by \$25,091 due to Emergency medical staff being under budget by \$28,958.
- Supplies are over budget by (\$119,816) due to Surgery supplies being over (\$138,358) due to surgery case mix.
- Purchase services are under budget by \$73,536 due to Information Systems invoices from prior months and properly allocated to future periods.
- Other expenses were under budget by \$38,246 due to reduced spending in Administration.

Capital Campaign Summary:

For the month of November the Hospital received \$252,890 in capital campaign donations. The total amount received from the Capital Campaign to date is \$2,317,244. The funds are included on line 16, Specific Funds on the Balance Sheet. Included on line 16 is also \$21,762 for miscellaneous restricted funds and \$114,334 received from the Foundation for the X-ray machine.

| | Receipts | Spending | Balance |
|-------------------------------|--------------------|------------|--------------------|
| Emergency Dept. | \$1,001,000 | \$0 | \$1,001,000 |
| Operating Room | \$0 | \$0 | \$0 |
| General | \$1,316,244 | \$0 | \$1,316,244 |
| Total Capital Campaign | \$2,317,244 | \$0 | \$2,317,244 |
| X-Ray Machine | \$114,334 | \$0 | \$114,334 |
| Misc. Restricted Funds | \$21,762 | \$0 | \$21,762 |
| Total Specific Funds | \$2,453,340 | \$0 | \$2,453,340 |

Other Outpatient Volume Comparison

These comparisons are for actual FY 2013 compared to actual FY 2012. These are not budget comparisons.

Outpatient & ER Visits

| | OP Visits | | | | ER – Inpatient | | | | ER - Outpatient | | | |
|------|-----------|--------|--------|--------|----------------|-----|--------|-------|-----------------|-------|--------|-------|
| | CY | PY | Change | % | CY | PY | Change | % | CY | PY | Change | % |
| July | 4,091 | 4,304 | -213 | -5.0% | 109 | 114 | -5 | -4.4% | 729 | 772 | -43 | -5.6% |
| Aug | 4,392 | 4,692 | -300 | -6.4% | 106 | 105 | 1 | .9% | 778 | 718 | 60 | 8.4% |
| Sept | 3,888 | 4,757 | -869 | -18.3% | 111 | 107 | 4 | 3.1% | 677 | 693 | -16 | 2.3% |
| Oct | 4,456 | 4,640 | -184 | -4.0% | 95 | 108 | -13 | -12% | 706 | 679 | 27 | 4.0% |
| Nov | 3,931 | 4,582 | -651 | -14.2% | 101 | 107 | -6 | -5.6% | 631 | 632 | -1 | -0.2% |
| YTD | 20,758 | 22,975 | -2,217 | -9.6% | 522 | 541 | -19 | -3.5% | 3,521 | 3,494 | 27 | .1% |
| | | | | | | | | | | | | |

Outpatient Procedures

| | Nov 2012 | Nov 2011 | Change | CY YTD | PY YTD | Change |
|----------------------|----------|----------|--------|--------|--------|--------|
| Labor & Delivery | 0 | 0 | 0 | 3 | 0 | 3 |
| ACU | 0 | 0 | 0 | 9 | 6 | 3 |
| Clinical Lab | 1,305 | 1,648 | -343 | 6,752 | 7,853 | -1,101 |
| ECHO | 46 | 60 | -14 | 263 | 307 | -44 |
| EKG | 139 | 139 | 0 | 715 | 769 | -54 |
| Medical Imaging | 524 | 628 | -104 | 2,683 | 3,253 | -570 |
| Mammography | 274 | 283 | - | 1,265 | 1,325 | -60 |
| Nuclear Medicine | 19 | 26 | -7 | 113 | 125 | -12 |
| MRI | 82 | 75 | 7 | 396 | 408 | -12 |
| Ultrasound | 211 | 216 | -5 | 1,158 | 1,181 | -23 |
| CT Scanner | 166 | 176 | -10 | 852 | 883 | -31 |
| Wound Care | 137 | 76 | 61 | 465 | 468 | -3 |
| Offsite PT | 693 | 816 | -123 | 3,917 | 4,036 | -119 |
| Occ. Health | 245 | 312 | -67 | 1,512 | 1,780 | -268 |
| Speech Therapy | 24 | 23 | 1 | 93 | 117 | -24 |
| Offsite Occ. Therapy | 66 | 104 | -38 | 562 | 464 | 98 |
| Total | 3,931 | 4,582 | -651 | 20,758 | 22,975 | -2,217 |

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended November 2012**

| | Month | | | | Year-To-Date | | | | YTD Prior Year | |
|--------------------------------------|---|-----------------|-----------------|-----------|--------------|-----------------|-----------------|-------------|-------------------|-----------------|
| | This Year | | Variance | | This Year | | Variance | | | |
| | Actual | Budget | \$ | % | Actual | Budget | \$ | % | | |
| Volume Information | | | | | | | | | | |
| 1 | Acute Discharges | 104 | 132 | (28) | -21% | 566 | 625 | (59) | -9% | 646 |
| 2 | SNF Days | 638 | 628 | 10 | 2% | 3,146 | 3,360 | (214) | -6% | 2,869 |
| 3 | Home Care Visits | 921 | 908 | 13 | 1% | 4,755 | 4,608 | 147 | 3% | 4,732 |
| 4 | Gross O/P Revenue (000's) | 8,485 | 8,154 | 331 | 4% | \$ 42,737 | \$ 41,674 | 1,063 | 3% | \$ 38,002 |
| Financial Results | | | | | | | | | | |
| Gross Patient Revenue | | | | | | | | | | |
| 5 | Inpatient | \$ 4,558,366 | \$ 5,343,906 | (785,540) | -15% | \$ 24,980,043 | \$ 25,595,287 | (615,244) | -2% | \$ 24,571,541 |
| 6 | Outpatient & Emergency | 8,213,753 | 7,886,660 | 327,093 | 4% | 41,332,428 | 40,318,321 | 1,014,107 | 3% | 36,727,695 |
| 7 | SNF | 2,297,403 | 1,887,197 | 410,206 | 22% | 10,187,400 | 9,885,080 | 302,320 | 3% | 8,946,959 |
| 8 | Home Care | 271,357 | 267,103 | 4,254 | 2% | 1,404,743 | 1,355,356 | 49,387 | 4% | 1,274,214 |
| 9 | Total Gross Patient Revenue | \$ 15,340,879 | \$ 15,384,866 | (43,987) | 0% | \$ 77,904,614 | \$ 77,154,044 | 750,570 | 1% | \$ 71,520,409 |
| Deductions from Revenue | | | | | | | | | | |
| 10 | Contractual Discounts | \$ (11,557,022) | \$ (11,285,084) | (271,938) | -2% | \$ (58,072,249) | \$ (56,703,936) | (1,368,313) | -2% | \$ (51,761,707) |
| 11 | Bad Debt | (120,000) | (329,647) | 209,647 | 64% | (1,350,000) | (1,653,158) | 303,158 | 18% | (1,675,000) |
| 12 | Charity Care Provision | (286,443) | (171,648) | (114,795) | -67% | (952,542) | (860,806) | (91,736) | -11% | (564,383) |
| 13 | Prior Period Adjustments | - | - | - | 0% | - | - | - | 0% | - |
| 14 | Total Deductions from Revenue | \$ (11,963,465) | \$ (11,786,379) | (177,086) | * | \$ (60,374,791) | \$ (59,217,900) | (1,156,891) | * | \$ (54,001,090) |
| 15 | Net Patient Service Revenue | \$ 3,377,414 | \$ 3,598,487 | (221,073) | -6% | \$ 17,529,823 | \$ 17,936,144 | (406,321) | -2% | \$ 17,519,319 |
| 16 | Risk contract revenue | \$ 302,068 | \$ 296,658 | 5,410 | 2% | \$ 1,567,826 | \$ 1,483,290 | 84,536 | 6% | \$ 1,593,381 |
| 17 | Net Hospital Revenue | \$ 3,679,482 | \$ 3,895,145 | (215,663) | -6% | \$ 19,097,649 | \$ 19,419,434 | (321,785) | -2% | \$ 19,112,700 |
| 18 | Other Operating Revenue | \$ 12,882 | \$ 12,038 | 844 | 7% | \$ 113,412 | \$ 60,190 | 53,222 | 88% | \$ 62,779 |
| 19 | Total Operating Revenue | \$ 3,692,364 | \$ 3,907,183 | (214,819) | -5% | \$ 19,211,061 | \$ 19,479,624 | (268,563) | -1% | \$ 19,175,479 |
| Operating Expenses | | | | | | | | | | |
| 20 | Salary and Wages and Agency Fees | \$ 1,868,585 | \$ 1,937,563 | 68,978 | 4% | \$ 9,594,455 | \$ 9,774,287 | 179,832 | 2% | \$ 9,183,891 |
| 21 | Employee Benefits | 732,330 | 699,327 | (33,003) | -5% | 3,616,926 | 3,523,695 | (93,231) | -3% | 3,173,348 |
| 22 | Total People Cost | \$ 2,600,915 | \$ 2,636,890 | 35,975 | 1% | \$ 13,211,381 | \$ 13,297,982 | 86,601 | 1% | \$ 12,357,239 |
| 23 | Med and Prof Fees (excl Agency) | \$ 363,193 | \$ 388,284 | 25,091 | 6% | \$ 1,858,084 | \$ 1,963,140 | 105,056 | 5% | \$ 2,273,020 |
| 24 | Supplies | 615,215 | 495,399 | (119,816) | -24% | 2,499,706 | 2,408,647 | (91,059) | -4% | 2,438,471 |
| 25 | Purchased Services | 304,786 | 378,322 | 73,536 | 19% | 1,882,438 | 1,905,666 | 23,228 | 1% | 1,554,666 |
| 26 | Depreciation | 149,513 | 199,672 | 50,159 | 25% | 898,797 | 998,360 | 99,563 | 10% | 779,206 |
| 27 | Utilities | 78,034 | 82,610 | 4,576 | 6% | 417,732 | 413,050 | (4,682) | -1% | 394,343 |
| 28 | Insurance | 19,375 | 20,374 | 999 | 5% | 101,875 | 101,870 | (5) | 0% | 101,377 |
| 29 | Interest | 27,880 | 25,681 | (2,199) | -9% | 154,765 | 128,405 | (26,360) | -21% | 139,350 |
| 30 | Other | 75,669 | 113,915 | 38,246 | 34% | 406,604 | 573,712 | 167,108 | 29% | 612,889 |
| 31 | Operating expenses | \$ 4,234,580 | \$ 4,341,147 | 106,567 | 2% | \$ 21,431,382 | \$ 21,790,832 | 359,450 | 2% | \$ 20,650,561 |
| 32 | Operating Margin | \$ (542,216) | \$ (433,964) | (108,252) | -25% | \$ (2,220,321) | \$ (2,311,208) | 90,887 | 4% | \$ (1,475,082) |
| Non Operating Rev and Expense | | | | | | | | | | |
| 33 | Electronic Health Records & Misc. Rev. | \$ 160,143 | \$ 147,250 | 12,893 | 9% | \$ 785,730 | \$ 736,250 | 49,480 | 7% | \$ 22,212 |
| 34 | Donations | - | - | - | 0% | - | - | - | 0% | 15,117 |
| 35 | Professional Center/Phys Recruit | - | - | - | 0% | - | - | - | 0% | (1,420) |
| 36 | Physician Practice Support-Prima | (65,630) | (65,630) | - | 0% | (328,150) | (328,150) | - | 0% | (283,050) |
| 37 | Parcel Tax Assessment Rev | 245,018 | 250,000 | (4,982) | -2% | 1,225,090 | 1,250,000 | (24,910) | -2% | 1,225,089 |
| 38 | GO Bond Tax Assessment Rev | 153,567 | 158,333 | (4,766) | -3% | 767,835 | 791,665 | (23,830) | -3% | 767,833 |
| 39 | GO Bond Interest | (30,011) | (30,011) | - | 0% | (150,055) | (150,055) | - | 0% | (150,053) |
| 40 | Total Non-Operating Rev/Exp | \$ 463,087 | \$ 459,942 | 3,145 | 1% | \$ 2,300,450 | \$ 2,299,710 | 740 | 0% | \$ 1,595,728 |
| 41 | Net Income / (Loss) prior to Restricted Contributor | \$ (79,129) | \$ 25,978 | (105,107) | -405% | \$ 80,129 | \$ (11,498) | 91,627 | * | \$ 120,646 |
| 42 | Capital Campaign Contribution | \$ 252,890 | \$ 47,500 | 205,390 | 432% | \$ 269,956 | \$ 237,500 | 32,456 | 14% | \$ - |
| 43 | Restricted Foundation Contributions | \$ - | \$ - | - | 0% | \$ 114,334 | \$ - | 114,334 | 100% | \$ - |
| 44 | Net Income / (Loss) w/ Restricted Contributions | \$ 173,761 | \$ 73,478 | 100,283 | 136% | \$ 464,419 | \$ 226,002 | 238,417 | 105% | \$ 120,646 |
| 45 | Net Income w/o GO Bond Activity | \$ 50,205 | \$ (54,844) | 105,049 | 192% | \$ (537,651) | \$ (653,108) | 115,457 | 18% | \$ (497,134) |

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of November 30, 2012

| | <u>Current Month</u> | <u>Prior Month</u> | <u>Prior Year</u> | |
|--|-------------------------------------|--------------------|-------------------|---------------|
| Assets | | | | |
| Current Assets: | | | | |
| 1 | Cash | \$ 1,046,269 | \$ 1,610,070 | \$ 2,697,044 |
| 2 | Trustee Funds | 339,459 | 339,459 | 143,815 |
| 3 | Net Patient Receivables | 8,080,021 | 9,135,553 | 6,977,434 |
| 4 | Other Accts/Notes Rec | 4,360,687 | 4,966,606 | 4,570,601 |
| 5 | Allow Uncollect Accts | (1,675,948) | (2,403,484) | (1,616,977) |
| 6 | 3rd Party Receivables | 1,467,524 | 1,243,352 | 945,763 |
| 7 | Due Frm Restrict Funds | - | - | - |
| 8 | Inventory | 933,079 | 1,006,343 | 949,504 |
| 9 | Prepaid Expenses | 1,255,270 | 1,027,932 | 1,236,571 |
| 10 | Total Current Assets | \$ 15,806,361 | \$ 16,925,831 | \$ 15,903,755 |
| 11 | Board Designated Assets | \$ 186,193 | \$ 186,193 | \$ 253,467 |
| 12 | Property, Plant & Equip, Net | 10,701,170 | 10,733,972 | 9,747,141 |
| 13 | Hospital Renewal Program | 18,571,818 | 17,662,442 | 10,749,182 |
| 14 | Unexpended Hospital Renewal Funds | 14,008,248 | 14,679,830 | 21,595,995 |
| 15 | Investments | - | 1,497 | 36,984 |
| 16 | Specific Funds | 2,453,340 | 2,200,464 | 545,976 |
| 17 | Other Assets | 315,277 | 329,937 | 517,350 |
| 18 | Total Assets | \$ 62,042,407 | \$ 62,720,166 | \$ 59,349,850 |
| Liabilities & Fund Balances | | | | |
| Current Liabilities: | | | | |
| 19 | Accounts Payable | \$ 5,590,883 | \$ 5,332,841 | \$ 4,034,944 |
| 20 | Accrued Compensation | 2,831,352 | 3,570,074 | 3,439,951 |
| 21 | Interest Payable | 571,410 | 428,557 | 575,138 |
| 22 | Accrued Expenses | 228,312 | 185,589 | 391,007 |
| 23 | Advances From 3rd Parties | 1,349,994 | 1,370,428 | 605,696 |
| 24 | Deferred Tax Revenue | 2,776,389 | 3,174,973 | 2,790,087 |
| 25 | Current Maturities-LTD | 1,398,707 | 1,508,538 | 1,383,480 |
| 26 | Other Liabilities | 83,975 | 96,975 | - |
| 27 | Total Current Liabilities | \$ 14,831,022 | \$ 15,667,975 | \$ 13,220,303 |
| 28 | Long Term Debt, net current portion | \$ 37,849,221 | \$ 37,864,203 | \$ 38,503,773 |
| 29 | Fund Balances: | | | |
| 30 | Unrestricted | \$ 6,849,164 | \$ 6,927,878 | \$ 7,577,130 |
| 31 | Restricted | 2,513,000 | 2,260,110 | 48,644 |
| 32 | Total Fund Balances | \$ 9,362,164 | \$ 9,187,988 | \$ 7,625,774 |
| 33 | Total Liabilities & Fund Balances | \$ 62,042,407 | \$ 62,720,166 | \$ 59,349,850 |

Sonoma Valley Hospital
Statistical Analysis
FY 2013

| | ACTUAL | BUDGET |
|--|---------|---------|
| | Nov-12 | Nov-12 |
| Acute | | |
| Acute Patient Days | 351 | 466 |
| Acute Discharges | 104 | 132 |
| | | |
| SNF Days | 638 | 628 |
| HHA Visits | 921 | 908 |
| Emergency Room Visits | 732 | 747 |
| Gross Outpatient Revenue (000's) | \$8,485 | \$8,154 |
| Equivalent Patient Days | 2,213 | 2,328 |
| Births | 14 | 16 |
| Surgical Cases - Inpatient | 35 | 38 |
| Surgical Cases - Outpatient | 95 | 91 |
| Total Surgical Cases | 130 | 129 |
| | | |
| Medicare Case Mix Index | 1.47 | 1.40 |
| | | |
| | | |
| Income Statement | | |
| Net Revenue (000's) | 3,679 | 3,895 |
| Operating Expenses (000's) | 4,235 | 4,341 |
| Net Income (000's) | 174 | 73 |
| | | |
| Productivity | | |
| Total Operating Expense Per Equivalent Patient Day | \$1,914 | \$1,865 |
| Productive FTEs | 266 | 288 |
| Non-Productive FTEs | 47 | 30 |
| Total FTEs | 313 | 318 |
| FTEs per Adjusted Occupied Bed | 4.24 | |
| | | |
| Balance Sheet | | |
| | | |
| Days of Expense In General Operating Cash | 7 | |
| Net Days of Revenue in AR | 51 | |

| | ACTUAL | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Oct-12 | Sep-12 | Aug-12 | Jul-12 | Jun-12 | May-12 | Apr-12 | Mar-12 | Feb-12 | Jan-12 | Dec-11 | Nov-11 | Oct-11 |
| | | | | | | | | | | | | | |
| | 443 | 347 | 432 | 396 | 354 | 363 | 436 | 435 | 399 | 448 | 455 | 449 | 456 |
| | 121 | 109 | 117 | 115 | 107 | 116 | 129 | 128 | 145 | 125 | 130 | 133 | 134 |
| | | | | | | | | | | | | | |
| | 576 | 617 | 682 | 633 | 688 | 729 | 618 | 672 | 567 | 662 | 685 | 543 | 633 |
| | 1,043 | 802 | 1,052 | 937 | 941 | 989 | 997 | 1,023 | 950 | 967 | 913 | 911 | 1,024 |
| | 801 | 788 | 884 | 838 | 810 | 863 | 717 | 783 | 692 | 791 | 741 | 739 | 787 |
| | \$8,935 | \$8,151 | \$9,014 | \$8,153 | \$7,667 | \$8,120 | \$7,880 | \$8,707 | \$7,983 | \$8,640 | \$7,838 | \$7,863 | \$7,493 |
| | 2,214 | 2,202 | 2,509 | 2,202 | 2,355 | 2,362 | 2,236 | 2,451 | 2,214 | 2,412 | 2,374 | 2,115 | 2,281 |
| | 9 | 11 | 16 | 9 | 15 | 6 | 23 | 11 | 10 | 9 | 17 | 19 | 11 |
| | 37 | 37 | 40 | 41 | 28 | 37 | 38 | 37 | 31 | 33 | 43 | 43 | 39 |
| | 91 | 97 | 98 | 82 | 92 | 99 | 99 | 117 | 84 | 99 | 89 | 101 | 87 |
| | 128 | 134 | 138 | 123 | 120 | 136 | 137 | 154 | 115 | 132 | 132 | 144 | 126 |
| | | | | | | | | | | | | | |
| | 1.29 | 1.49 | 1.40 | 1.61 | 1.50 | 1.64 | 1.36 | 1.29 | 1.40 | 1.32 | 1.47 | 1.39 | 1.44 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | 3,963 | 3,707 | 3,926 | 3,822 | 4,832 | 3,741 | 3,739 | 3,925 | 3,867 | 3,924 | 4,247 | 3,668 | 3,746 |
| | 4,407 | 4,221 | 4,312 | 4,257 | 5,278 | 4,686 | 4,413 | 4,372 | 4,160 | 4,230 | 4,584 | 3,973 | 4,245 |
| | 67 | 65 | 127 | 31 | 889 | 343 | (14) | 24 | 36 | 23 | (13) | 16 | (164) |
| | | | | | | | | | | | | | |
| | \$1,990 | \$1,917 | \$1,719 | \$1,933 | \$2,241 | \$1,984 | \$1,974 | \$1,784 | \$1,879 | \$1,746 | \$1,931 | \$1,878 | \$1,861 |
| | 281 | 291 | 284 | 281 | 285 | 285 | 274 | 271 | 272 | 266 | 274 | 256 | 283 |
| | 36 | 39 | 37 | 41 | 34 | 28 | 28 | 28 | 26 | 35 | 27 | 39 | 30 |
| | 316 | 330 | 321 | 322 | 318 | 313 | 302 | 303 | 299 | 300 | 302 | 295 | 314 |
| | 4.43 | 4.37 | 3.97 | 4.53 | 4.05 | 4.11 | 4.05 | 3.84 | 3.80 | 3.84 | 3.94 | 4.19 | 4.26 |
| | | | | | | | | | | | | | |
| | 12 | 14 | 13 | 14 | 13 | 15 | 20 | 16 | 20 | 25 | 23 | 23 | 29 |
| | 53 | 50 | 50 | 50 | 48 | 47 | 46 | 45 | 44 | 45 | 45 | 43 | 40 |

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) | 173,761 | 464,419 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 149,513 | 898,799 |
| Net changes in operating assets and liabilities: | | |
| (Increase)/Decrease Patient accounts receivable - net | 327,996 | (472,487) |
| (Increase)/Decrease Other receivables and other assets | 396,407 | 2,176,953 |
| (Increase)/Decrease Prepaid expenses | (227,338) | (685,790) |
| (Increase)/Decrease in Inventories | 73,264 | (68,942) |
| (Decrease)/Increase in Deferred revenues | (419,018) | (1,593,178) |
| (Decrease)/Increase in Accounts payable, accrued expenses | (307,688) | (230,074) |
| Net Cash Provided/(Used) by operating activities | <u>166,897</u> | <u>489,700</u> |
| Investing Activities | | |
| Net Purchases of property, plant and equipment - Other Fixed Assets | (116,712) | (325,980) |
| Net Purchases of property, plant and equipment - GO Bond Purchases | (909,376) | (4,629,501) |
| Net Proceeds and Distributions from investments | 1,497 | 36,839 |
| Net Book Value of Assets Disposed | - | - |
| Change in Restricted Funds | - | - |
| Change in Limited Use Cash | 418,706 | 4,308,429 |
| (Payment)/Refund of Deposits | - | - |
| Net cash Provided/(Used) by investing activities | <u>(605,885)</u> | <u>(610,213)</u> |
| Financing Activities | | |
| Proceeds (Repayments) from Borrowings - Banks & Carriers | (124,813) | (624,067) |
| 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>(124,813)</u> | <u>(624,067)</u> |
| Net increase/(Decrease) in cash and cash equivalents | <u>(563,801)</u> | <u>(744,580)</u> |
| Cash and Equivalents at beginning of period | <u>1,610,070</u> | <u>1,790,849</u> |
| Cash and Equivalents at November 30, 2012 | <u><u>1,046,269</u></u> | <u><u>1,046,269</u></u> |

10.

ADMIN.
REPORT



To: Sonoma Valley Health Care District Board of Directors
From: Kelly Mather
Date: 1/3/12
Subject: Administrative Report

Summary:

We have ended the first five months of the fiscal year ahead of budget. November was a low volume month due to the holiday. We managed to the volumes as best as we could. In December we had our annual staff party and excellence awards.

Phase 1 Construction Project & Campus Expansion Plans

The Construction Committee has reviewed the proposed budget and scope increases for the New Wing (Phase 1) project. Recommendations have been made and we now await the Finance Committee’s recommendation on the project affordability. We anticipate meeting our fundraising targets due to recent pledges. We are still on track to open in fall 2013. We are re-evaluating our options for a medical office building.

Strategic Planning & Marketing

The marketing and communications plan for 2013 is underway with a special focus on increasing surgeries, especially inpatient surgeries such as total joint replacement and bariatrics. The Women’s Health service line is being reviewed with a community advisory group of local women and we expect to launch this line in April with our new physician, Dr. Bose. Western Health Advantage will continue to work with brokers to increase enrollment in Sonoma. We should have the number of enrollees next month. The “Healing Here at Home” tag line will be a major feature with marketing geared to attract the attention of people leaving our community for care.

Leadership and Organizational Results (Dashboard)

As you can see from the November dashboard, our results for patient satisfaction are very high in November. The Value Based Purchasing clinical score is up to 91% and expected to reach 100% again now that the Electronic Health Record changes have been implemented. The staff satisfaction survey is being done in January and we are hoping to exceed our goal of 75%. Community benefit and outreach activities for December included the “Giving Tree.” The hospital also received a grant with the Sonoma Valley Health Roundtable as the fiscal agent to increase education and services for diabetes.

Philanthropy

The Hospital capital campaign now has pledges of \$7 million (\$2 million of this is a matching grant), which means we are likely going to be at \$9 million in the next few months. We have an excellent Steering committee which includes Darius Anderson, Simon Blattner, and David Good thus far. Each of these gentlemen is now working on gift approaches. We have many major donors left on our list to do gift approaches and the campaign has not yet reached the “community” phase. Staff participation in the campaign is outstanding.



NOVEMBER 2012 DASHBOARD

| PERFORMANCE GOAL | OBJECTIVE | METRIC | ACTUAL RESULT | GOAL LEVEL |
|---------------------------|-------------------------------------|--|--|---|
| Service Excellence | High In-Patient Satisfaction | Press Ganey percentile ranking of current mean score | Inpatient 88.8 mean at 78th percentile | >70 th = 5 (stretch) >60 th = 4 >50 th = 3 (Goal) >40 th = 2 <40 th =1 |
| | High Out-Patient Satisfaction | Press Ganey monthly mean score | Outpatient 93.7% Surgery 91.9 % Emergency 87.2% | >93% = 5 (stretch) >92%=4 >91% =3 (Goal) >90%=2 <90%=1 |
| Quality | Excellent Clinical Outcomes | Value Based Purchasing Clinical Score | 91% | 100% for 12 mos= 5 100% 6/12 mos=4 100% 3/12 mos =3 >90%=2 <80%=1 |
| People | Highly Engaged and Satisfied Staff | Press Ganey percentile ranking of current mean score | 2012 74.7% mean score at 58 th percentile (survey 1/2013) | >70 th = 5 (stretch) >65 th =4 >60 th =3 (Goal) >55 th =2 <55 th =1 |
| Finance | Financial Viability | YTD EBIDA | 9% (after restricted contributions) | >10% (stretch) >9%=4 >8% (Goal) <7%=2 <6%=1 |
| | Efficiency and Financial Management | FY 2013 Budgeted Expenses | \$21,431,382 (actual) \$21,790,832 (budget) | <2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1 |
| Growth | Inpatient Volumes | 1% increase (acute discharges over prior year) | 566 YTD FY 2013 646 YTD FY 2012 | >2% (stretch) (Outpt) >1%=4 >0% (Goal) <0%=2 (Inpt) <5%=1 |
| | Outpatient Volumes | 2% increase (gross outpatient revenue over prior year) | \$42.74 million YTD \$38.0 million in 2012 | |
| Community | Community Benefit Hours | Hours of time spent on community benefit activities | 673 hours in just 5 months | >1000 = 5 >800 = 4 >600 = 3 >400 = 2 >200 = 1 |



FY 2012 TRENDED RESULTS

| MEASUREMENT | Goal | Jul 2012 | Aug 2012 | Sep 2012 | Oct 2012 | Nov 2012 | Dec 2011 | Jan 2012 | Feb 2012 | Mar 2012 | Apr 2012 | May 2012 | Jun 2012 |
|---------------------------------------|--------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Inpatient Satisfaction | >86% | 86.3 | 85.6 | 85.2 | 84.2 | 88.8 | 87.6 | 86.5 | 88.2 | 83.7 | 87.5 | 87.9 | 86.9 |
| Outpatient Satisfaction | >92% | 91. | 94.2 | 94.4 | 92 | 93.7 | 92.2 | 90.5 | 90.5 | 91.6 | 91.7 | 91 | 90.9 |
| Surgery Satisfaction | >92% | 90.2 | 91.9 | 90.8 | 93.8 | 91.9 | 92.2 | 91.5 | 93.7 | 92.9 | 91.5 | 90.1 | 90.5 |
| Emergency Satisfaction | >85% | 87.3 | 88.2 | 82.5 | 84.5 | 87.2 | 84.1 | 81.9 | 85.6 | 87.8 | 88.9 | 88.7 | 88.2 |
| Value Based Purchasing Clinical Score | >75 | 100 | 90 | 90 | 91 | 91 | 83.2 | 70 | 88.8 | 100 | 100 | 100 | 100 |
| Staff Satisfaction | 75% | 75 | 72 | 72 | 72 | 72 | 72 | 72 | 75 | 75 | 75 | 75 | 75 |
| Turnover | <12% | 7.9 | 7.9 | 7.6 | 7.6 | 7.6 | 9.0 | 9.0 | 9.0 | 7.9 | 7.9 | 7.9 | 7.9 |
| EBIDA | >8% | 9 | 9 | 8 | 8 | 9 | 5 | 6 | 6 | 6 | 6 | 7 | 9 |
| Net Revenues | >3.9m | 3.83 | 3.98 | 3.7 | 3.96 | 3.68 | 4.26 | 3.9 | 3.9 | 3.9 | 3.76 | 3.76 | 4.85 |
| Expense Management | <4.3m | 4.2 | 4.3 | 4.2 | 4.4 | 4.2 | 4.5 | 4.2 | 4.1 | 4.3 | 4.4 | 4.7 | 5.2 |
| Net Income | >50 | 29 | 125 | 65 | 55 | -79 | -12 | 23 | 35 | 25 | -15 | 342 | 889 |
| Days Cash on Hand | >35 | 16 | 13 | 14 | 12 | 17 | 18 | 25 | 20 | 16 | 18 | 15 | 13 |
| A/R Days | <55 | 50 | 50 | 50 | 53 | 51 | 61 | 63 | 57 | 59 | 59 | 59 | 60 |
| Total FTE's | <321 | 322 | 321 | 330 | 316 | 313 | 303 | 300 | 299 | 303 | 302 | 313 | 318 |
| FTEs/AOB | <4.5 | 4.53 | 4.53 | 4.37 | 4.43 | 4.24 | 3.94 | 3.84 | 3.8 | 3.84 | 4.05 | 4.1 | 4.06 |
| Inpatient Discharges | >148 | 115 | 117 | 109 | 121 | 104 | 130 | 125 | 145 | 152 | 129 | 116 | 107 |
| Outpatient Revenue | \$7.5m | 8.1 | 9.0 | 8.1 | 8.9 | 8.4 | 7.83 | 8.6 | 8.0 | 8.7 | 7.8 | 8.1 | 7.7 |
| Surgeries | >130 | 123 | 138 | 97 | 128 | 130 | 132 | 132 | 115 | 154 | 137 | 136 | 120 |
| Home Health | >900 | 937 | 1052 | 802 | 1043 | 921 | 913 | 967 | 950 | 1023 | 997 | 989 | 941 |
| Births | >15 | 9 | 16 | 11 | 9 | 14 | 17 | 9 | 10 | 11 | 23 | 6 | 15 |
| SNF days | >630 | 633 | 682 | 617 | 576 | 638 | 685 | 662 | 567 | 672 | 618 | 729 | 688 |
| MRI | >120 | 84 | 95 | 82 | 130 | 97 | 101 | 96 | 93 | 141 | 94 | 149 | 83 |
| Cardiology (Echos) | >70 | 78 | 56 | 74 | 72 | 88 | 71 | 93 | 75 | 92 | 74 | 77 | 68 |
| Laboratory | >12.5 | 12.6 | 12.9 | 11.7 | 13.7 | 14.2 | 12.8 | 13.4 | 12.8 | 14.0 | 14.5 | 12.5 | 12.6 |
| Radiology | >850 | 892 | 876 | 811 | 931 | 991 | 1023 | 1006 | 961 | 1011 | 1143 | 899 | 790 |
| Rehab | >2587 | 2612 | 2798 | 2455 | 2471 | 2175 | 2240 | 2135 | 2526 | 2690 | 2674 | 2697 | 2520 |
| CT | >356 | 304 | 326 | 281 | 327 | 318 | 358 | 323 | 336 | 278 | 293 | 419 | 301 |
| ER | >775 | 838 | 823 | 788 | 801 | 739 | 741 | 791 | 804 | 783 | 717 | 863 | 810 |
| Mammography | >475 | 404 | 487 | 472 | 629 | 572 | 553 | 440 | 519 | 493 | 458 | 539 | 481 |
| Ultrasound | >300 | 312 | 352 | 275 | 336 | 345 | 307 | 319 | 336 | 319 | 336 | 314 | 321 |
| Occupational Health | >550 | 585 | 538 | 465 | 521 | 451 | 449 | 526 | 574 | 521 | 462 | 615 | 567 |

11.B.

QUALITY
COMMITTEE

ANNUAL REVIEW OF 2012 WORK PLAN

The Quality Committee, a sub-committee of the District Board established a work plan to guide discussions regarding the multifaceted dimensions that provide definition to and improve understanding of the term “quality” and how the organization works to provide our patients with the highest level of safe, quality patient care.

Topics were identified for each meeting that promotes in-depth discussion while meeting regulatory requirements that demonstrate District Board oversight of efforts to improve patient outcomes while creating a safe environment for patients, employees and physicians. Each session included Medical Staff credentialing, a monthly quality priorities report, policy and procedure approval at least quarterly, and an in-depth discussion of a particular topic. Committee members were provided with best practice education through articles on each topic as available.

2012 Topical Presentations

January: The Patient Experience. Press Ganey Patient Satisfaction Survey data was discussed and actions implemented to improve. The committee received a report on patient complements and complaints and the process for addressing both.

February: The Culture of Quality and Patient Safety. Committee members were provided with data from the AHRQ Culture of Safety survey that employees responded to in December. Strengths and weaknesses within the hospital culture were noted and discussed what actions would be taken to improve.

March: The Environment of Care. The committee received the annual 2011 evaluation of the Environment of Care Management Plans and the goals for 2012 were accepted. The functions of all plans, the Safety Committee, and the Safety Officer were discussed.

April: The Quality Assurance/Performance Improvement Program. The committee received the 2011 evaluation of the organization’s Performance Improvement Program and accepted the goals for the 2012 program. There was also discussion regarding CMS Core Measures and Value Based Purchasing and the implications for the hospital.

May: Preventing Hospital Acquired Infections. The committee received the 2011 annual Infection Control Report along with education about the infection “never events” and accepted the goals for 2012.

June: Reducing Patient Risk. Hospital data was provided to demonstrate current efforts to reduce risk to patients, including a report of sentinel events and near misses. The risk

management process was discussed and Pharmacy presented on the risks involved with medication administration and current strategies in place to reduce that risk.

July: Managing Human Resources. The committee received the 2011 annual Human Resources and Employee Health report. There was discussion on the hospital's use of the Studor Group and the Leadership Development Institute and its value. Data was presented regarding employee satisfaction, staff turnover, the implementation of the Health Stream Competency training product.

August: Reducing Waste through Utilization and Resource Management. The committee had a high level discussion regarding strategies to reduce waste and improve resource stewardship. Strategies discussed included the formation of the Medicare Breakeven Team, vendor contracting, employee incentives programs and other national best practices.

September: The Electronic Health Record & Meaningful Use. The committee received a presentation on the implementation of the electronic health record and our progress on meeting Stage I Meaningful Use.

October: Service Line Patient Care Outcomes. This presentation was not completed this year and is deferred to the next year work plan.

November: Insuring Performance Excellence. The committee received and accepted a presentation involving the hospital's contracting process and the required annual evaluation of vendor and professional contracts. The committee was educated to the extent and breadth of the contract initiation and evaluation process.

December: Evaluation of the Quality Committee Work Plan.

2013 Topical Presentations Suggestions

Many of the topics above are part of the regulatory requirements that must be met for Quality Oversight. As such they will need to remain on the topical agenda. What can change is the way in which we talk about them. For example, when we talk about the Patient Experience, we can focus more on performance improvement efforts and data that demonstrates the effectiveness of those efforts.

Required: Annual Performance Improvement Evaluation and Goals report, Infection Control Annual Report, Annual Risk Management Report, Annual Environment of Care Report, Annual Human Resources Report and Annual Contract Evaluation Report.

Suggestions: Service Line Patient Outcomes, Performance Improvement Team Presentations, Utilization Management Efforts and Outcomes, Meaningful Use Stage 2, Quarterly Dashboard discussions, and the Culture of Safety Initiative that we are just beginning to roll out to staff. We could also do a session or two on trends and best practices in Quality and Safety. I would also suggest performance improvement reports from the Outpatient side of the organization.