

November 8, 2022

TO: Legal Counsel

News Media

Salinas Californian  
El Sol  
Monterey County Herald  
Monterey County Weekly  
KION-TV  
KSBW-TV/ABC Central Coast  
KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE – COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **MONDAY, DECEMBER 12, 2022, at 12:00 P.M.,** in the **DOWNING RESOURCE CENTER, ROOMS A, B, & C, at SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA,** or via **TELECONFERENCE** (visit [svmh.com/virtualboardmeeting](http://svmh.com/virtualboardmeeting) for *Access Information*).

Pursuant to SVMHS Board Resolution No. 2022-17, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado  
President/Chief Executive Officer

Committee Members: \_\_\_\_\_, Chair; Juan Cabrera, Vice Chair; Pete Delgado, President/CEO; Augustine Lopez, Chief Financial Officer; Clement Miller, Chief Operating Officer; Tarun Bajaj, M.D. Medical Staff Member; Sanjeev Tandon, Community Member Harry; Wardwell, Community Member

**FINANCE COMMITTEE  
DECEMBER 2022 - COMMITTEE OF THE WHOLE  
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, DECEMBER 12, 2022, 12:00 P.M.  
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**Salinas Valley Memorial Hospital  
450 E. Romie Lane, Salinas, California  
or via Teleconference  
(Visit [svmh.com/virtualboardmeeting](http://svmh.com/virtualboardmeeting) for Access Information)**

*Pursuant to SVMHS Board Resolution No. 2022-17, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.*

**AGENDA**

1. Call to Order / Roll Call
2. Approve Minutes of the Finance Committee Meeting of November 14, 2022 (DELGADO)
  - Motion/Second
  - Action by Committee/Roll Call Vote
3. Financial and Statistical Review (LOPEZ)
4. Public Input

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

5. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, January 23, 2023 at 12:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at [www.svmh.com](http://www.svmh.com), and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM  
FINANCE COMMITTEE  
COMMITTEE OF THE WHOLE  
MEETING MINUTES  
NOVEMBER 14, 2022**

*Pursuant to SVMHS Board Resolution No. 2022-16, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.*

The Finance Committee convened at 12:00 p.m. in the Downing Resource Center, Rooms A, B, & C.

**Committee Members Present:**

Tarun Bajaj, MD, Augustine Lopez, Clement Miller, Harry Wardwell and Chair Richard Turner.  
Via teleconference: Juan Cabrera and Sanjeev Tandon.

**Committee Members Absent:**

Pete Delgado

**Other Board Members Present, Constituting Committee of the Whole:**

Via Teleconference: Regina Gage and Victor Rey.

A quorum was present and the meeting was called to order at 12:04 p.m. by Chair Turner.

*Tarun Bajaj, MD., joined the meeting at 12:01 p.m.*

*Regina Cage joined the meeting at 12:02 p.m.*

*Victor Rey joined the meeting at 12:10 p.m.*

*Juan Cabrera joined the meeting at 12:25 p.m.*

**APPROVE THE MINUTES OCTOBER 24, 2022**

Approve the minutes of the Finance Committee meeting for October 24, 2022. This information was included in the Committee packet.

No public comment received.

**MOTION:**

Upon motion by Committee member Lopez, and second by Committee member Bajaj, MD, the minutes of the Finance Committee for October 24, 2022 were approved as presented.

Ayes: Committee members: Bajaj, MD, Tandon, Wardwell, and Chair Turner; Noes: None; Abstentions: Committee members Lopez and Miller; Absent: Committee members Cabrera and Delgado. Motion carried.

### **CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF RL DATIX RISK AND FEEDBACK MODULES**

Brenda Bailey, Risk Manager reported Salinas Valley Memorial Healthcare System (SVMHS) currently operates under an existing Master Service Agreement with RLDatix for a hospital safety reporting system. SVMHS Administration is requesting an upgrade to its current hospital safety reporting with RLDatix to a newer module under the existing Master Services Agreement, RLDatix Solution Six System. This new module better aligns the hospital with industry best practices in healthcare safety reporting. The current Patient Safety-Event Management (WeCare), Patient Relations, and RCA modules are under the current RLDatix contract supplement at an annual cost of \$78,391.08. SVMHS has negotiated an early exit for these (3) modules at a cost savings of \$32,167.63. This savings will reduce of the cost of implementation of the new module in the first year. The cost over three (3) years for the upgrade to RLDatix Solution Six System is the amount of four hundred ninety-nine thousand five hundred ninety dollars (\$499,590.00). The background/situation/rationale and financial implications were included in the packet

No public comment.

#### **MOTION:**

Upon motion by Committee member Miller, and second by Committee member Bajaj, MD, the Finance Committee recommends the Board of Directors approve the RLDatix Solution Six System Module under the Master Services Agreement between Salinas Valley Memorial Healthcare System and RLDatix North America, Inc. for a total cost of \$499,590.00 over a three-year term..

Ayes: Committee members: Bajaj, MD, Lopez, Miller, Tandon, Wardwell, and Chair Turner; Noes: None; Abstentions: None; Absent: Committee members: Cabrera and Delgado; Motion carried.

### **REVIEW BALANCED SCORECARD – FY23 YTD OCTOBER 2022**

Augustine Lopez, Chief Financial Officer, reviewed the Balanced Scorecard Summary for fiscal year 2023, year-to-date October 2022, which provided an overview of the metrics and performance of the SVMHS organizational goals for Service, People, Quality, Finance, Growth, and Community. This information was included in the Committee packet.

Clement Miller, Chief Operating Officer, stated that there is a need to rely on traveler nurses. A weekly service line meeting reviews scores and allows for feedback.

### **FINANCIAL AND STATISTICAL REVIEW**

Augustine Lopez, Chief Financial Officer, provided a financial and statistical performance review for the month ending October 2022. This information was included in the Committee packet.

Key highlights of the financial summary for October 2022 were: (1) Income from operations was \$0.7M with an operating margin of 1.1%, (2) Net income was -\$0.8M with a net income margin of -1.4%; (3) Inpatient gross revenues 9%, favorable to the budget but total net patient revenues were \$2.2M/4% above budget; (4) Emergency Department gross revenues were 9% favorable to the budget; (5) Outpatient gross revenues were 10% favorable to the budget in Infusion Therapy, Radiology, Surgery and Cardiology; (6) Payor mix was unfavorable to the budget; (7) Total normalized net patient revenues were \$51.0M, which was favorable to the budget by \$1.6M or 4.8%; (8) Inpatient surgeries were above budget and higher than expected outpatient business; (9) Average daily census was 132, 15% above budget and total admissions were above budget by 20%; (10) Total acute average length of stay (ALOS) Medicare traditional ALOS CMI adjusted was 9% unfavorable at 2.57 days with a Case Mix Index if 1.7; (11) Operating revenues were above expenses; (13) Days cash on hand was 333 (number will continue to decrease due to the construction project); days of net accounts receivable is 49.

Outpatient Surgeries were 6% (14 cases) above budget at 256; COVID cases decreased to 13 cases, a decrease of 73% over prior month; Out Patient Observation cases were below budget by 37% at 101.

Committee member Wardwell stated that he was recently admitted to the hospital and that the patient satisfaction was successful and further added that he had an amazing experience.

## **PUBLIC INPUT**

No public comment received.

## **CLOSED SESSION**

Chair Turner announced that the item to discuss in Closed Session is *Report Involving Trade Secrets – Trade Secrets, Strategic Planning, Proposed New Programs and Services*. The meeting recessed into Closed Session under the Closed Session protocol at 12:30 p.m.

## **RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION**

The Committee reconvened Open Session at 12:30 p.m., Chair Turner reported that in Closed Session, the Committee discussed *Report Involving Trade Secrets – Trade Secrets, Strategic Planning, Proposed New Programs and Services*.

No action taken in the Closed Session.

**CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF MASTER SERVICE AGREEMENT BETWEEN SVMHS AND VESTA SOLUTIONS GROUP, LLC FOR TELERADIOLOGY COVERAGE SERVICES FOR SVMH AND SVMC.**

Allen Radner, MD, Chief Medical Officer, and John Tejada, Chief Operating Officer Salinas Valley Medical Clinic / Director of Business Development, reported SVMHS has utilized nighttime teleradiology coverage (currently StatRad) through a contractual relationship with the independent Radiology group Salinas Valley Radiologists, Inc. (SVR). SVR presently holds a hospital-based exclusive radiology contract with Salinas Valley Memorial Healthcare System (SVMHS), which is set to expire on December 16, 2022. As of the expiration date of the agreement, SVR will no longer be providing radiology coverage for SVMHS. It is SVMHS's intent and proposal to offer radiology services through a hybrid model of contracted providers within the Salinas Valley Medical Clinic and via teleradiology. SVMHS Administration requests approval to enter into a one (1) year agreement for teleradiology services with Vesta Teleradiology. This will allow coverage, as needed for radiology coverage 24 hours/day, 365 days/year. The background/situation/rationale and financial implications were included in the packet

Utilizing this cost effective hybrid model of contracted providers within the SVMHS/SVMC, and teleradiology enables SVMHS to provide comprehensive radiology services at less cost than contracting with additional radiologists under a wRVU productivity payment model, overhead, and healthcare benefits coverage.

No public comment received.

**MOTION:**

Upon motion by Committee member Wardwell, second by Committee member Miller, the Finance Committee recommends the Board of Directors approve the master service agreement between Salinas Valley Memorial Healthcare System and Vesta Solution Group, LLC for Teleradiology coverage services for Salinas Valley Memorial Healthcare System and Salinas Valley Medical Clinic.

Ayes: Committee members: Bajaj, MD, Lopez, Miller, Tandon, Wardwell, and Chair Turner;  
Noes: None; Abstentions: None; Absent: Committee members: Cabrera and Delgado; Motion carried.

**CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF CONTRACT AGREEMENT FOR TELERADIOLOGY SERVICES BETWEEN RADLIX, LLC AND SVMHS/SVMC**

John Tejada, COO SVMC / Director of Business Development, and Allen Radner, MD, CMO, reported SVMHS has utilized daytime radiology coverage through a contractual relationship with the independent Radiology group Salinas Valley Radiologists, Inc. (SVR). SVR presently holds a hospital-based exclusive radiology contract with Salinas Valley Memorial Healthcare System (SVMHS) which expires on December 16, 2022. As of the expiration date of the agreement, SVR will no longer be providing radiology coverage for SVMHS/Salinas Valley Medical Clinic

(SVMC). It is SVMHS/SVMC's intent and proposal to offer radiology services through a hybrid model of contracted providers within the Salinas Valley Medical Clinic and via teleradiology. SVMHS/SVMC Administration requests approval to enter into a one (1) year agreement for teleradiology services with RADlinx, LLC. This will allow coverage, as needed for radiology coverage during the business hours of our SVMC Imaging Centers. The background/situation/rationale and financial implications were included in the packet

No public comment received.

**MOTION:**

Upon motion by Committee member Bajaj, MD, second by Committee member Lopez, the Finance Committee recommends the Board of Directors approve the contract agreement for teleradiology services between RADLinx, LLC and Salinas Valley Memorial Healthcare System and Salinas Valley Medical Clinic.

Ayes: Committee members: Bajaj, MD, Cabrera, Lopez, Miller, Tandon, Wardwell, and Chair Turner; Noes: None; Abstentions: None; Absent: Committee member Delgado. Motion carried.

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 12:55 p.m. The December 2022 Finance Committee Meeting is scheduled for **Monday, December 12, 2022 at 12:00 p.m.**

**ATTEST:**

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Richard Turner, Chair  
Finance Committee

/es

**SALINAS VALLEY MEMORIAL HOSPITAL  
SCHEDULES OF NET PATIENT REVENUE  
November 30, 2022**

	<u>Month of November,</u>		<u>Five months ended November 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	2,053	1,682	9,723	7,992
Medi-Cal	1,082	1,026	5,557	4,920
Commercial insurance	895	801	3,926	3,671
Other patient	98	135	505	550
Total patient days	<u>4,128</u>	<u>3,644</u>	<u>19,711</u>	<u>17,133</u>
Gross revenue:				
Medicare	\$ 98,555,971	\$ 89,266,471	\$ 495,914,641	\$ 444,987,881
Medi-Cal	69,880,176	53,975,563	329,928,527	280,224,223
Commercial insurance	55,150,166	48,816,334	263,670,875	243,762,670
Other patient	<u>7,985,184</u>	<u>9,735,644</u>	<u>40,985,119</u>	<u>40,944,557</u>
Gross revenue	<u>231,571,497</u>	<u>201,794,012</u>	<u>1,130,499,162</u>	<u>1,009,919,330</u>
Deductions from revenue:				
Administrative adjustment	542,573	365,762	1,242,728	1,527,692
Charity care	452,357	857,807	3,594,966	5,234,927
Contractual adjustments:				
Medicare outpatient	26,264,780	27,301,095	146,550,732	139,564,145
Medicare inpatient	43,877,421	40,105,808	217,227,444	190,007,963
Medi-Cal traditional outpatient	3,115,903	2,970,132	16,093,264	13,166,418
Medi-Cal traditional inpatient	5,381,718	4,370,077	23,378,779	28,868,195
Medi-Cal managed care outpatient	29,240,501	21,856,728	133,055,180	111,326,675
Medi-Cal managed care inpatient	23,111,034	19,534,667	120,289,867	99,250,087
Commercial insurance outpatient	18,950,929	16,386,971	89,700,417	82,623,778
Commercial insurance inpatient	20,600,241	16,954,680	97,335,812	81,231,775
Uncollectible accounts expense	3,918,025	3,669,799	19,554,056	18,717,065
Other payors	<u>829,103</u>	<u>883,591</u>	<u>4,558,927</u>	<u>2,876,260</u>
Deductions from revenue	<u>176,284,585</u>	<u>155,257,115</u>	<u>872,582,172</u>	<u>774,394,980</u>
Net patient revenue	<u>\$ 55,286,912</u>	<u>\$ 46,536,897</u>	<u>\$ 257,916,990</u>	<u>\$ 235,524,350</u>
Gross billed charges by patient type:				
Inpatient	\$ 123,757,004	\$ 107,252,158	\$ 596,912,215	\$ 529,016,040
Outpatient	76,776,952	67,667,817	388,652,541	344,137,199
Emergency room	<u>31,037,540</u>	<u>26,874,037</u>	<u>144,934,405</u>	<u>136,766,091</u>
Total	<u>\$ 231,571,496</u>	<u>\$ 201,794,012</u>	<u>\$ 1,130,499,161</u>	<u>\$ 1,009,919,330</u>



**SALINAS VALLEY MEMORIAL HOSPITAL  
STATEMENTS OF REVENUE AND EXPENSES  
November 30, 2022**

	<u>Month of November,</u>		<u>Five months ended November 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 55,286,912	\$ 46,536,897	\$ 257,916,990	\$ 235,524,350
Other operating revenue	974,157	839,739	3,806,587	4,795,603
Total operating revenue	<u>56,261,069</u>	<u>47,376,636</u>	<u>261,723,577</u>	<u>240,319,953</u>
Operating expenses:				
Salaries and wages	16,922,532	14,716,435	87,092,024	77,028,437
Compensated absences	3,041,626	2,577,696	14,240,826	13,614,648
Employee benefits	7,433,562	5,768,821	37,302,348	34,455,397
Supplies, food, and linen	6,627,842	6,639,982	33,593,273	31,244,463
Purchased department functions	4,658,075	3,612,486	20,761,103	16,328,796
Medical fees	2,098,008	1,964,758	9,551,956	9,800,010
Other fees	4,178,407	2,177,101	13,889,111	7,117,934
Depreciation	2,007,177	2,065,950	9,470,232	9,137,765
All other expense	1,406,176	1,254,400	7,800,360	6,892,864
Total operating expenses	<u>48,373,405</u>	<u>40,777,629</u>	<u>233,701,233</u>	<u>205,620,314</u>
Income from operations	<u>7,887,664</u>	<u>6,599,007</u>	<u>28,022,344</u>	<u>34,699,639</u>
Non-operating income:				
Donations	(500,000)	166,667	1,301,378	833,333
Property taxes	333,333	333,333	1,666,667	1,666,667
Investment income	2,636,873	(539,526)	(1,507,462)	(2,822,087)
Taxes and licenses	0	0	0	0
Income from subsidiaries	(3,289,616)	(1,762,960)	(15,285,277)	(13,435,782)
Total non-operating income	<u>(819,410)</u>	<u>(1,802,486)</u>	<u>(13,824,694)</u>	<u>(13,757,869)</u>
Operating and non-operating income	7,068,253	4,796,521	14,197,650	20,941,770
Net assets to begin	<u>866,974,399</u>	<u>826,499,809</u>	<u>859,845,002</u>	<u>810,354,560</u>
Net assets to end	<u>\$ 874,042,652</u>	<u>\$ 831,296,330</u>	<u>\$ 874,042,652</u>	<u>\$ 831,296,330</u>
Net income excluding non-recurring items	\$ 7,068,253	\$ 4,796,521	\$ 14,197,650	\$ 20,459,992
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>0</u>	<u>481,778</u>
Operating and non-operating income	<u>\$ 7,068,253</u>	<u>\$ 4,796,521</u>	<u>\$ 14,197,650</u>	<u>\$ 20,941,770</u>

**SALINAS VALLEY MEMORIAL HOSPITAL  
SCHEDULES OF INVESTMENT INCOME  
November 30, 2022**

	Month of November,		Five months ended November 30,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	\$ 164,860	\$ 137,000	\$ 705,696	\$ 708,722
Discounts and scrap sale	259,325	257,633	534,754	552,480
Sale of products and services	88,232	25,256	253,209	415,509
Clinical trial fees	0	600	0	21,478
Stimulus Funds	0	0	0	0
Rental income	145,992	162,287	842,813	804,923
Other	315,748	256,963	1,470,115	2,292,491
<b>Total</b>	<b>\$ 974,157</b>	<b>\$ 839,739</b>	<b>\$ 3,806,587</b>	<b>\$ 4,795,603</b>
Detail of investment income:				
Bank and payor interest	\$ 968,192	\$ 78,623	\$ 2,769,636	\$ 460,996
Income from investments	1,668,681	(615,616)	(4,094,547)	(3,306,176)
Gain or loss on property and equipment	0	(2,532)	(182,551)	23,093
<b>Total</b>	<b>\$ 2,636,873</b>	<b>\$ (539,526)</b>	<b>\$ (1,507,462)</b>	<b>\$ (2,822,087)</b>
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (111,770)	\$ (139,471)	\$ (908,702)	\$ (990,900)
Neurological Clinic	(12,047)	(48,543)	(304,371)	(283,581)
Palliative Care Clinic	(79,251)	(82,294)	(327,015)	(439,449)
Surgery Clinic	(134,218)	(115,277)	(690,614)	(641,585)
Infectious Disease Clinic	(26,451)	(30,361)	(146,410)	(143,150)
Endocrinology Clinic	(194,621)	(134,494)	(806,969)	(663,096)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(438,292)	(244,442)	(2,106,205)	(1,997,183)
OB/GYN Clinic	(401,220)	(153,594)	(1,446,870)	(1,559,830)
PrimeCare Medical Group	(758,596)	(17,564)	(2,394,173)	(2,017,582)
Oncology Clinic	(107,818)	(68,126)	(1,298,752)	(1,444,774)
Cardiac Surgery	(368,742)	(146,980)	(1,203,158)	(780,474)
Sleep Center	(55,564)	(52,460)	(99,596)	(156,938)
Rheumatology	(64,385)	(68,775)	(300,553)	(264,531)
Precision Ortho MDs	(344,796)	(80,753)	(1,775,261)	(1,227,787)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	(6,132)	(36,154)	(181,546)	(254,434)
Vaccine Clinic	0	(46,471)	(683)	(82,182)
Dermatology	(1,343)	(54,381)	(77,398)	(119,205)
Hospitalists	0	0	0	0
Behavioral Health	(32,677)	(77,246)	(150,164)	(362,524)
Pediatric Diabetes	(46,126)	(59,679)	(228,380)	(234,717)
Neurosurgery	(17,899)	(20,749)	(146,591)	(120,994)
Multi-Specialty-RR	16,825	31,976	64,046	50,576
Radiology	(230,896)	(84,842)	(866,632)	(1,196,516)
Salinas Family Practice	(53,339)	13,613	(454,376)	(375,839)
Urology	20,154	0	(457,190)	0
Total SVMC	(3,449,204)	(1,717,067)	(16,307,563)	(15,306,695)
Doctors on Duty	84,670	(311,670)	397,775	166,004
Vantage Surgery Center	0	55,213	0	150,516
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	131,188	210,512	596,143	1,245,882
Aspire/CHI/Coastal	(74,597)	(88,341)	(132,122)	(120,610)
Apex	0	7,044	0	67,042
21st Century Oncology	(18,264)	37,205	(46,210)	158,220
Monterey Bay Endoscopy Center	36,591	44,144	206,699	203,859
<b>Total</b>	<b>\$ (3,289,616)</b>	<b>\$ (1,762,960)</b>	<b>\$ (15,285,277)</b>	<b>\$ (13,435,782)</b>

**SALINAS VALLEY MEMORIAL HOSPITAL  
BALANCE SHEETS  
November 30, 2022**

	<u>Current year</u>	<u>Prior year</u>
<b>A S S E T S</b>		
Current assets:		
Cash and cash equivalents	\$ 284,817,161	\$ 328,724,105
Patient accounts receivable, net of estimated uncollectibles of \$29,973,183	85,648,398	83,066,255
Supplies inventory at cost	7,742,643	8,738,670
Other current assets	<u>19,748,368</u>	<u>12,111,594</u>
Total current assets	<u>397,956,569</u>	<u>432,640,624</u>
Assets whose use is limited or restricted by board	<u>153,117,308</u>	<u>147,551,374</u>
Capital assets:		
Land and construction in process	44,208,973	37,065,568
Other capital assets, net of depreciation	<u>195,147,275</u>	<u>203,729,231</u>
Total capital assets	<u>239,356,248</u>	<u>240,794,799</u>
Other assets:		
Investment in Securities	142,841,904	143,928,669
Investment in SVMC	11,647,436	13,600,249
Investment in Aspire/CHI/Coastal	1,511,578	3,656,282
Investment in other affiliates	23,860,209	21,398,142
Net pension asset	<u>(562,697)</u>	<u>3,714,164</u>
Total other assets	<u>179,298,430</u>	<u>186,297,506</u>
Deferred pension outflows	<u>95,401,205</u>	<u>50,119,236</u>
	<u>\$ 1,065,129,760</u>	<u>\$ 1,057,403,539</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 65,194,445	\$ 56,318,359
Due to third party payers	17,909,653	53,987,693
Current portion of self-insurance liability	<u>17,797,144</u>	<u>17,659,524</u>
Total current liabilities	100,901,242	127,965,576
Long term portion of workers comp liability	<u>14,058,922</u>	<u>14,556,513</u>
Total liabilities	<u>114,960,164</u>	<u>142,522,089</u>
Pension liability	<u>76,126,944</u>	<u>83,585,120</u>
Net assets:		
Invested in capital assets, net of related debt	239,356,248	240,794,799
Unrestricted	<u>634,686,404</u>	<u>590,501,531</u>
Total net assets	<u>874,042,652</u>	<u>831,296,330</u>
	<u>\$ 1,065,129,760</u>	<u>\$ 1,057,403,539</u>

SALINAS VALLEY MEMORIAL HOSPITAL  
SUMMARY INCOME STATEMENT  
November 30, 2022

	<u>Month of November,</u>		<u>Five months ended November 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 55,286,912	\$ 46,536,897	\$ 257,916,990	\$ 235,524,350
Other operating revenue	974,157	839,739	3,806,587	4,795,603
Total operating revenue	<u>56,261,069</u>	<u>47,376,636</u>	<u>261,723,577</u>	<u>240,319,953</u>
Total operating expenses	48,373,405	40,777,629	233,701,233	205,620,314
Total non-operating income	<u>(819,410)</u>	<u>(1,802,486)</u>	<u>(13,824,694)</u>	<u>(13,757,869)</u>
Operating and non-operating income	<u>\$ 7,068,253</u>	<u>\$ 4,796,521</u>	<u>\$ 14,197,650</u>	<u>\$ 20,941,770</u>

SALINAS VALLEY MEMORIAL HOSPITAL  
 BALANCE SHEETS  
 November 30, 2022

	<u>Current year</u>	<u>Prior year</u>
<b>ASSETS:</b>		
Current assets	\$ 397,956,569	\$ 432,640,624
Assets whose use is limited or restricted by board	153,117,308	147,551,374
Capital assets	239,356,248	240,794,799
Other assets	179,298,430	186,297,506
Deferred pension outflows	<u>95,401,205</u>	<u>50,119,236</u>
	<u>\$ 1,065,129,760</u>	<u>\$ 1,057,403,539</u>
<b>LIABILITIES AND EQUITY:</b>		
Current liabilities	100,901,242	127,965,576
Long term liabilities	14,058,922	14,556,513
	76,126,944	83,585,120
Net assets	<u>874,042,652</u>	<u>831,296,330</u>
	<u>\$ 1,065,129,760</u>	<u>\$ 1,057,403,539</u>

**SALINAS VALLEY MEMORIAL HOSPITAL**  
**STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL**  
**November 30, 2022**

	Month of November,				Five months ended November 30,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 231,571,497	\$ 202,877,354	28,694,143	14.14%	\$ 1,130,499,162	\$ 1,034,664,126	95,835,036	9.26%
Deductions from revenue	176,284,585	156,658,675	19,625,910	12.53%	872,582,172	796,963,582	75,618,590	9.49%
Net patient revenue	55,286,912	46,218,678	9,068,234	19.62%	257,916,990	237,700,544	20,216,446	8.51%
Other operating revenue	974,157	1,374,687	(400,530)	-29.14%	3,806,587	6,873,433	(3,066,846)	-44.62%
<b>Total operating revenue</b>	<b>56,261,069</b>	<b>47,593,365</b>	<b>8,667,704</b>	<b>18.21%</b>	<b>261,723,577</b>	<b>244,573,977</b>	<b>17,149,600</b>	<b>7.01%</b>
Operating expenses:								
Salaries and wages	16,922,532	15,780,086	1,142,446	7.24%	87,092,024	80,625,020	6,467,004	8.02%
Compensated absences	3,041,626	3,056,343	(14,717)	-0.48%	14,240,826	15,191,794	(950,968)	-6.26%
Employee benefits	7,433,562	6,622,386	811,176	12.25%	37,302,348	35,909,422	1,392,926	3.88%
Supplies, food, and linen	6,627,842	6,213,598	414,244	6.67%	33,593,273	31,680,883	1,912,390	6.04%
Purchased department functions	4,658,075	3,490,994	1,167,081	33.43%	20,761,103	17,455,034	3,306,069	18.94%
Medical fees	2,098,008	2,026,754	71,254	3.52%	9,551,956	10,133,771	(581,815)	-5.74%
Other fees	4,178,407	1,918,626	2,259,781	117.78%	13,889,111	10,593,680	3,295,431	31.11%
Depreciation	2,007,177	1,910,820	96,357	5.04%	9,470,232	9,526,434	(56,202)	-0.59%
All other expense	1,406,176	1,732,165	(325,989)	-18.82%	7,800,360	8,765,813	(965,453)	-11.01%
<b>Total operating expenses</b>	<b>48,373,405</b>	<b>42,751,772</b>	<b>5,621,633</b>	<b>13.15%</b>	<b>233,701,233</b>	<b>219,881,852</b>	<b>13,819,381</b>	<b>6.28%</b>
<b>Income from operations</b>	<b>7,887,664</b>	<b>4,841,593</b>	<b>3,046,071</b>	<b>62.91%</b>	<b>28,022,344</b>	<b>24,692,125</b>	<b>3,330,219</b>	<b>13.49%</b>
Non-operating income:								
Donations	(500,000)	166,667	(666,667)	-400.00%	1,301,378	833,333	468,045	56.17%
Property taxes	333,333	333,333	(0)	0.00%	1,666,667	1,666,667	0	0.00%
Investment income	2,636,873	129,915	2,506,957	1929.68%	(1,507,462)	649,577	(2,157,040)	-332.07%
Income from subsidiaries	(3,289,616)	(3,472,193)	182,577	-5.26%	(15,285,277)	(17,275,661)	1,990,384	-11.52%
<b>Total non-operating income</b>	<b>(819,410)</b>	<b>(2,842,277)</b>	<b>2,022,867</b>	<b>-71.17%</b>	<b>(13,824,694)</b>	<b>(14,126,084)</b>	<b>301,389</b>	<b>-2.13%</b>
<b>Operating and non-operating income \$</b>	<b>7,068,254</b>	<b>\$ 1,999,316</b>	<b>5,068,938</b>	<b>253.53%</b>	<b>\$ 14,197,650</b>	<b>\$ 10,566,041</b>	<b>3,631,608</b>	<b>34.37%</b>

**SALINAS VALLEY MEMORIAL HOSPITAL**

**PATIENT STATISTICAL REPORT**

For the month of Nov and five months to date

	<u>Month of Nov</u>		<u>Five months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	38	42	213	195	(18)
Other Admissions	102	98	475	443	(32)
Total Admissions	140	140	688	638	(50)
Medi-Cal Patient Days	62	64	326	303	(23)
Other Patient Days	152	135	781	(104)	(885)
Total Patient Days of Care	214	199	1,107	199	(908)
Average Daily Census	7.1	6.6	7.2	1.3	(5.9)
Medi-Cal Average Days	1.6	1.6	1.6	1.6	0.1
Other Average Days	1.1	1.5	1.6	-0.2	(1.9)
Total Average Days Stay	1.6	1.5	1.6	0.3	(1.3)
<u>ADULTS &amp; PEDIATRICS</u>					
Medicare Admissions	355	414	1,594	1,958	364
Medi-Cal Admissions	279	310	1,198	1,463	265
Other Admissions	418	317	1,505	1,575	70
Total Admissions	1,052	1,041	4,297	4,996	699
Medicare Patient Days	1,435	1,718	6,886	8,088	1,202
Medi-Cal Patient Days	1,071	1,122	5,082	5,766	684
Other Patient Days	1,011	1,477	4,752	(9,537)	(14,289)
Total Patient Days of Care	3,517	4,317	16,720	4,317	(12,403)
Average Daily Census	117.2	143.9	109.3	28.2	(81.1)
Medicare Average Length of Stay	4.1	4.3	4.2	4.2	(0.1)
Medi-Cal Average Length of Stay	3.8	3.3	3.4	3.5	0.0
Other Average Length of Stay	2.5	3.6	2.5	-4.8	(7.3)
Total Average Length of Stay	3.4	3.8	3.3	0.8	(2.5)
Deaths	31	17	131	103	(28)
Total Patient Days	3,731	4,516	17,827	4,516	(13,311)
Medi-Cal Administrative Days	2	6	76	38	(38)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	2	6	76	38	(38)
Percent Non-Acute	0.05%	0.13%	0.43%	0.84%	0.42%

**SALINAS VALLEY MEMORIAL HOSPITAL**  
**PATIENT STATISTICAL REPORT**  
For the month of Nov and five months to date

	<u>Month of Nov</u>		<u>Five months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	286	463	1,327	463	(864)
Heart Center	36	431	1,326	431	(895)
Monitored Beds	819	642	3,897	642	(3,255)
Single Room Maternity/Obstetrics	349	347	1,759	347	(1,412)
Med/Surg - Cardiovascular	778	990	3,177	990	(2,187)
Med/Surg - Oncology	304	226	1,419	226	(1,193)
Med/Surg - Rehab	445	633	2,059	633	(1,426)
Pediatrics	93	153	442	153	(289)
Nursery	214	199	1,107	199	(908)
Neonatal Intensive Care	122	0	404	0	(404)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	73.33%	118.72%	66.72%	116.39%	
Heart Center	8.00%	95.78%	57.78%	93.90%	
Monitored Beds	101.11%	79.26%	94.34%	77.71%	
Single Room Maternity/Obstetrics	31.44%	31.26%	31.07%	30.65%	
Med/Surg - Cardiovascular	57.63%	73.33%	46.14%	71.90%	
Med/Surg - Oncology	77.95%	57.95%	71.34%	56.81%	
Med/Surg - Rehab	57.05%	81.15%	51.76%	79.56%	
Med/Surg - Observation Care Unit	0.00%	84.71%	0.00%	83.04%	
Pediatrics	17.22%	28.33%	16.05%	27.78%	
Nursery	43.23%	40.20%	21.93%	19.71%	
Neonatal Intensive Care	36.97%	0.00%	24.00%	0.00%	



**SALINAS VALLEY MEMORIAL HOSPITAL**  
**PATIENT STATISTICAL REPORT**  
For the month of Nov and five months to date

	<u>Month of Nov</u>		<u>Five months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	145	132	674	617	(57)
C-Section deliveries	57	38	229	181	(48)
Percent of C-section deliveries	39.31%	28.79%	33.98%	29.34%	-4.64%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	15,902	18,841	97,490	98,916	1,426
Out-Patient Operating Minutes	26,884	29,659	126,026	132,968	6,942
Total	42,786	48,500	223,516	231,884	8,368
Open Heart Surgeries	9	16	58	68	10
In-Patient Cases	133	119	702	688	(14)
Out-Patient Cases	265	298	1,246	1,379	133
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	35	28	191	134	(57)
High Risk	467	637	2,231	2,802	571
More Than One Resource	2,629	3,059	13,142	15,024	1,882
One Resource	1,542	3,089	8,508	11,413	2,905
No Resources	83	93	480	464	(16)
Total	<u>4,756</u>	<u>6,906</u>	<u>24,552</u>	<u>29,837</u>	<u>5,285</u>

**SALINAS VALLEY MEMORIAL HOSPITAL**  
**PATIENT STATISTICAL REPORT**  
For the month of Nov and five months to date

	Month of Nov		Five months to date		Variance
	2021	2022	2020-21	2021-22	
<b>CENTRAL SUPPLY</b>					
In-patient requisitions	16,315	15,295	102,118	105,727	3,609
Out-patient requisitions	6,250	6,730	67,967	63,426	-4,541
Emergency room requisitions	1,375	698	11,273	8,349	-2,924
Interdepartmental requisitions	7,849	7,115	49,644	44,398	-5,246
Total requisitions	31,789	29,838	231,002	221,900	-9,102
<b>LABORATORY</b>					
In-patient procedures	42,107	38,721	253,735	241,589	-12,146
Out-patient procedures	9,286	11,597	76,062	80,263	4,201
Emergency room procedures	9,433	11,145	60,934	76,430	15,496
Total patient procedures	60,826	61,463	390,731	398,282	7,551
<b>BLOOD BANK</b>					
Units processed	318	297	1,996	1,965	-31
<b>ELECTROCARDIOLOGY</b>					
In-patient procedures	1,041	1,068	6,566	6,885	319
Out-patient procedures	349	302	2,706	2,668	-38
Emergency room procedures	1,045	1,148	6,142	7,127	985
Total procedures	2,435	2,518	15,414	16,680	1,266
<b>CATH LAB</b>					
In-patient procedures	64	77	512	607	95
Out-patient procedures	51	71	571	625	54
Emergency room procedures	0	0	1	0	-1
Total procedures	115	148	1,084	1,232	148
<b>ECHO-CARDIOLOGY</b>					
In-patient studies	298	371	2,033	2,406	373
Out-patient studies	138	156	1,262	1,520	258
Emergency room studies	2	1	16	5	-11
Total studies	438	528	3,311	3,931	620
<b>NEURODIAGNOSTIC</b>					
In-patient procedures	140	165	1,109	1,090	-19
Out-patient procedures	24	27	169	164	-5
Emergency room procedures	0	0	0	0	0
Total procedures	164	192	1,278	1,254	-24

**SALINAS VALLEY MEMORIAL HOSPITAL**  
**PATIENT STATISTICAL REPORT**  
For the month of Nov and five months to date

	<u>Month of Nov</u>		<u>Five months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<b>SLEEP CENTER</b>					
In-patient procedures	0	0	1	0	-1
Out-patient procedures	183	167	1,315	1,153	-162
Emergency room procedures	0	0	0	0	0
<b>Total procedures</b>	<b>183</b>	<b>167</b>	<b>1,316</b>	<b>1,153</b>	<b>-163</b>
<b>RADIOLOGY</b>					
In-patient procedures	1,654	1,429	9,708	8,710	-998
Out-patient procedures	416	356	4,323	2,915	-1,408
Emergency room procedures	1,217	1,382	7,939	8,809	870
<b>Total patient procedures</b>	<b>3,287</b>	<b>3,167</b>	<b>21,970</b>	<b>20,434</b>	<b>-1,536</b>
<b>MAGNETIC RESONANCE IMAGING</b>					
In-patient procedures	105	141	860	890	30
Out-patient procedures	127	77	953	768	-185
Emergency room procedures	14	6	80	49	-31
<b>Total procedures</b>	<b>246</b>	<b>224</b>	<b>1,893</b>	<b>1,707</b>	<b>-186</b>
<b>MAMMOGRAPHY CENTER</b>					
In-patient procedures	2,718	3,550	20,910	24,711	3,801
Out-patient procedures	2,696	3,518	20,790	24,527	3,737
Emergency room procedures	3	0	3	8	5
<b>Total procedures</b>	<b>5,417</b>	<b>7,068</b>	<b>41,703</b>	<b>49,246</b>	<b>7,543</b>
<b>NUCLEAR MEDICINE</b>					
In-patient procedures	12	14	86	94	8
Out-patient procedures	61	78	506	541	35
Emergency room procedures	1	0	4	4	0
<b>Total procedures</b>	<b>74</b>	<b>92</b>	<b>596</b>	<b>639</b>	<b>43</b>
<b>PHARMACY</b>					
In-patient prescriptions	111,491	94,299	636,356	605,331	-31,025
Out-patient prescriptions	10,439	11,319	99,978	104,283	4,305
Emergency room prescriptions	5,342	7,197	36,983	48,996	12,013
<b>Total prescriptions</b>	<b>127,272</b>	<b>112,815</b>	<b>773,317</b>	<b>758,610</b>	<b>-14,707</b>
<b>RESPIRATORY THERAPY</b>					
In-patient treatments	29,606	21,738	156,457	131,478	-24,979
Out-patient treatments	143	981	3,391	7,896	4,505
Emergency room treatments	373	194	1,179	1,583	404
<b>Total patient treatments</b>	<b>30,122</b>	<b>22,913</b>	<b>161,027</b>	<b>140,957</b>	<b>-20,070</b>
<b>PHYSICAL THERAPY</b>					
In-patient treatments	2,256	2,396	16,109	16,284	175
Out-patient treatments	99	170	1,751	2,108	357
Emergency room treatments	0	0	0	0	0
<b>Total treatments</b>	<b>2,355</b>	<b>2,566</b>	<b>17,860</b>	<b>18,392</b>	<b>532</b>

**SALINAS VALLEY MEMORIAL HOSPITAL**  
**PATIENT STATISTICAL REPORT**  
For the month of Nov and five months to date

	<u>Month of Nov</u>		<u>Five months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<b>OCCUPATIONAL THERAPY</b>					
In-patient procedures	1,445	1,660	9,403	10,682	1,279
Out-patient procedures	74	99	797	1,086	289
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,519</u>	<u>1,759</u>	<u>10,200</u>	<u>11,768</u>	<u>1,568</u>
<b>SPEECH THERAPY</b>					
In-patient treatments	348	525	2,682	3,077	395
Out-patient treatments	23	28	171	200	29
Emergency room treatments	0	0	0	0	0
Total treatments	<u>371</u>	<u>553</u>	<u>2,853</u>	<u>3,277</u>	<u>424</u>
<b>CARDIAC REHABILITATION</b>					
In-patient treatments	0	0	0	0	0
Out-patient treatments	498	401	2,637	4,268	1,631
Emergency room treatments	0	0	1	0	-1
Total treatments	<u>498</u>	<u>401</u>	<u>2,638</u>	<u>4,268</u>	<u>1,630</u>
<b>CRITICAL DECISION UNIT</b>					
Observation hours	<u>378</u>	<u>344</u>	<u>1,866</u>	<u>2,252</u>	<u>386</u>
<b>ENDOSCOPY</b>					
In-patient procedures	85	78	626	636	10
Out-patient procedures	12	29	159	223	64
Emergency room procedures	0	0	0	0	0
Total procedures	<u>97</u>	<u>107</u>	<u>785</u>	<u>859</u>	<u>74</u>
<b>C.T. SCAN</b>					
In-patient procedures	537	596	3,803	4,027	224
Out-patient procedures	445	281	3,598	2,517	-1,081
Emergency room procedures	433	552	3,208	4,164	956
Total procedures	<u>1,415</u>	<u>1,429</u>	<u>10,609</u>	<u>10,708</u>	<u>99</u>
<b>DIETARY</b>					
Routine patient diets	17,554	21,351	113,154	130,102	16,948
Meals to personnel	19,345	21,421	144,216	152,161	7,945
Total diets and meals	<u>36,899</u>	<u>42,772</u>	<u>257,370</u>	<u>282,263</u>	<u>24,893</u>
<b>LAUNDRY AND LINEN</b>					
Total pounds laundered	<u>99,573</u>	<u>100,531</u>	<u>710,088</u>	<u>689,921</u>	<u>-20,167</u>

# Financial Performance Review

## November 2022

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**Augustine Lopez**  
**Chief Financial Officer**



# Consolidated Financial Summary

## For the Month of November 2022

\$ in Millions	For the Month of November 2022				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 64.1	\$ 55.5	\$ 8.6		15.5%
Operating Expense	\$ 59.6	\$ 54.5	\$ (5.1)		-9.4%
<b>Income from Operations*</b>	<b>\$ 4.5</b>	<b>\$ 1.0</b>	<b>\$ 3.5</b>		<b>350.0%</b>
<i>Operating Margin %</i>	7.0%	1.9%	5.1%		268.42%
Non Operating Income**	\$ 4.4	\$ 1.0	\$ 3.4		340.0%
<b>Net Income</b>	<b>\$ 8.9</b>	<b>\$ 2.0</b>	<b>\$ 6.9</b>		<b>345.0%</b>
<i>Net Income Margin %</i>	13.8%	3.7%	10.1%		273.0%

### Overall favorable financial performance was driven by:

We successfully received payments on older aged accounts receivable totaling \$2.5 million. Had we not received this payment, our income from operations would have been \$2.0 million with an operating margin of 3.2%. Other key drivers included:

- Higher than budgeted patient volume for both in IP and OP, however, payor mix was unfavorable, but an improvement over last month.
- This is coupled with higher utilization of contract labor (\$2.4M) and overtime labor.
- Total gross revenues were over budget by \$29 million (13%):
  - ✓ Medicare and Medi-Cal were significantly over budget by \$24 million (35%) while Commercial was over budget by 11%.
  - ✓ Inpatient acuity/CMI remains lower than budget
  - ✓ Total admissions were 216 admits (26%) above budget, of those 185 (86%) were Medicare/Medi-Cal
- Total net patient revenues were \$8.6 million (16%) above budget driven by:
  - ✓ Increased patient volume
  - ✓ Additionally, OP infusion cases were at 994, 28% above budget
  - ✓ IP and OP surgical cases were above budget by 12% and 14%, respectively
- Increased patient volume and staffing challenges continue to require higher than expected contract labor and overtime utilization.
- Overall Labor Productivity was favorable by 13% (134 FTEs ~ \$1.9 million) due to staffing efficiencies and unfilled budgeted positions.

Non Operating Income was higher than budgeted due to better than expected gains in investment income.

# Consolidated Financial Summary

## Year-to-Date November 2022

\$ in Millions	FY 2022 YTD November			
	Actual	Budget	Variance fav (unfav)	
			\$VAR	%VAR
Operating Revenue	\$ 301.3	\$ 284.0	\$ 17.3	6.1%
Operating Expense	\$ 289.1	\$ 278.0	\$ (11.1)	-4.0%
<b>Income from Operations*</b>	<b>\$ 12.2</b>	<b>\$ 6.0</b>	<b>\$ 6.2</b>	<b>103.3%</b>
<i>Operating Margin %</i>	4.0%	2.1%	1.9%	90.5%
Non Operating Income**	\$ 4.3	\$ 4.9	\$ (0.6)	-12.2%
<b>Net Income</b>	<b>\$ 16.5</b>	<b>\$ 10.9</b>	<b>\$ 5.6</b>	<b>51.4%</b>
<i>Net Income Margin %</i>	5.5%	3.8%	1.7%	44.7%

# SVMH Financial Highlights November 2022

Gross Revenues were Favorable

- **Gross Revenues** were 14 % favorable to budget
- **IP Gross Revenues** were 13% favorable to budget
- **ED Gross Revenues** were 20% favorable to budget
- **OP Gross Revenues** were 13% favorable to budget in the following areas:
  - Infusion Therapy
  - Surgery
  - Radiology

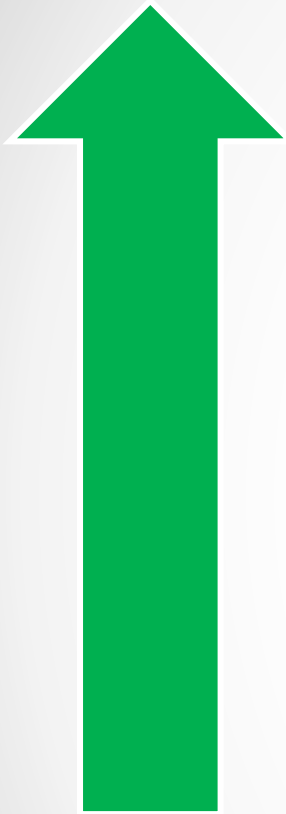
- **Commercial:** 11% above budget
- **Medicaid:** 25% above budget
- **Medicare:** 10% above budget

Payor Mix – unfavorable  
*Governmental admissions are up 30% from budget.*

**Total Normalized Net Patient Revenues** were \$55.3M, which was Favorable to budget by \$9.0M or 20%



# Financial Summary – November 2022



- 1) Higher than expected Inpatient business:
  - Average daily census was at 138, 20% above budget of 115
- 2) Total admissions were 26% (217 admits) above budget
  - ER admissions were 30% above budget (189 admits)
- 3) ER Outpatient visits were above budget by 47% at 5,770, of this Medi-Cal utilization represents 60%
- 4) Inpatient Surgeries were 12% (16 cases) above budget at 152
- 5) Higher than expected Outpatient business:
  - Predominantly in Infusion Therapy, Surgery and Radiology
- 6) Outpatient Surgeries were 14% (34 cases) above budget at 265
- 7) COVID cases were up one case compared to prior month with 19 discharges
- 8) OP Observation cases were below budget by 23% at 127
- 9) Deliveries were 2% (3 deliveries) above budget at 137

10) Medicare Traditional ALOS CMI adjusted was 12% unfavorable at 2.64 days with a Case Mix Index of 1.67



# COVID Inpatient Discharge Cases

## Payor Mix Analysis

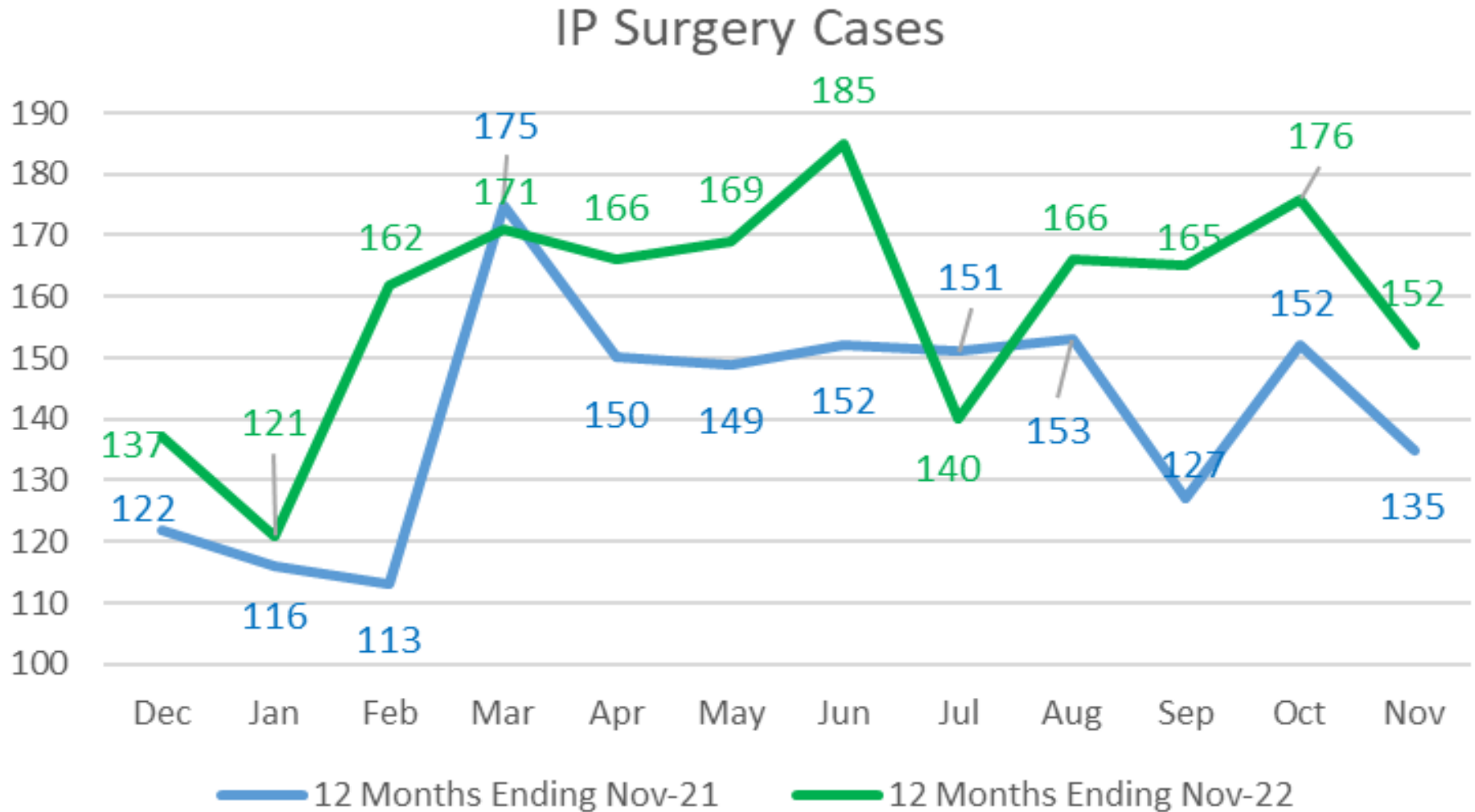
### Nov 2021 thru Nov 2022

Cases	Month												
Payor	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22
Medicare	5	18	82	59	9	9	18	25	44	31	7	13	14
Medi-Cal	6	12	44	27	2	1	4	5	25	10	4	3	5
Commercial	11	11	38	14	3		1	11	7	5	2	2	
Other	1		3			1			2	3			
<b>Grand Total</b>	<b>23</b>	<b>41</b>	<b>167</b>	<b>100</b>	<b>14</b>	<b>11</b>	<b>23</b>	<b>41</b>	<b>78</b>	<b>49</b>	<b>13</b>	<b>18</b>	<b>19</b>

COVID Inpatient cases increased during November compared to prior month.

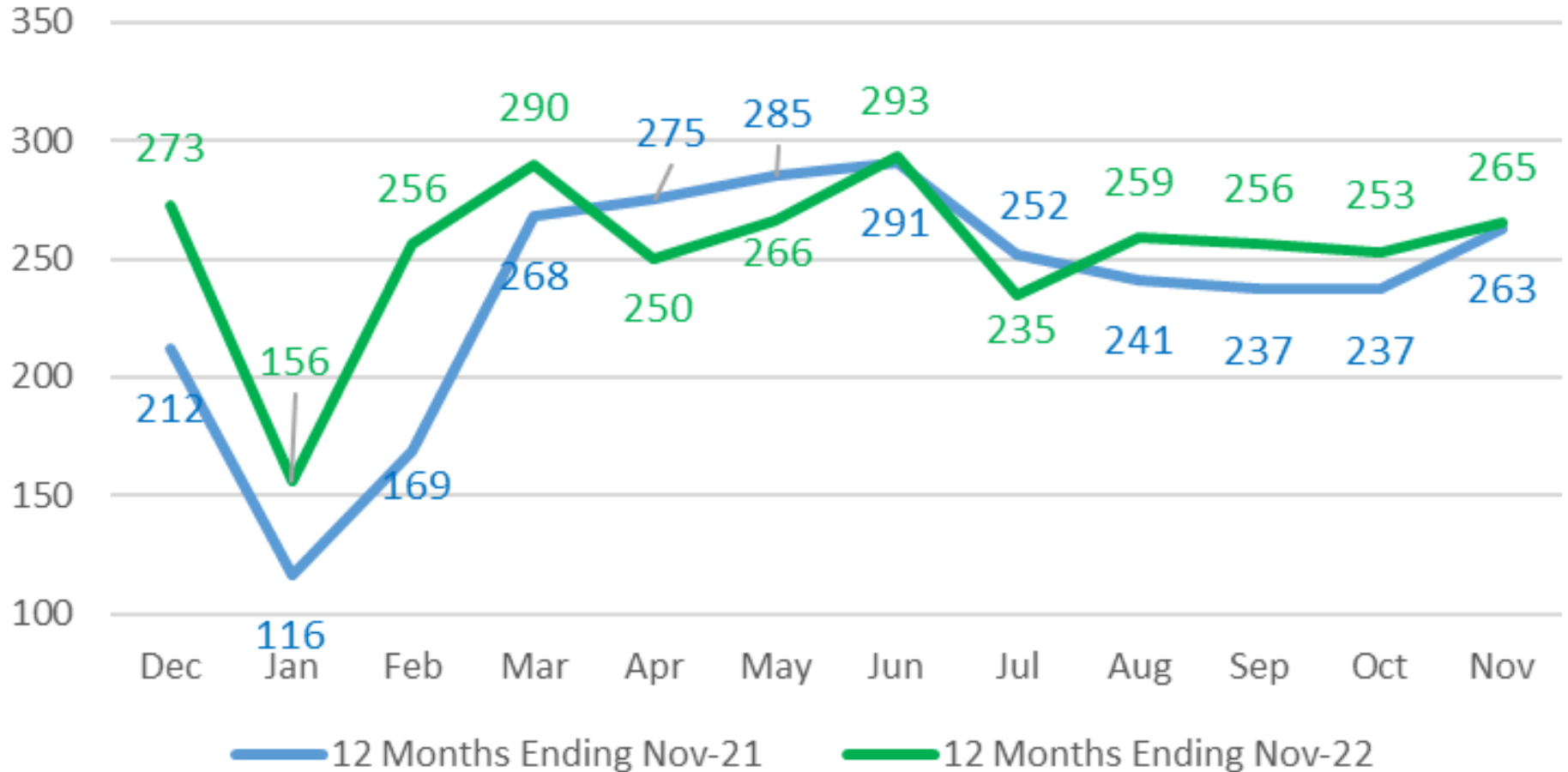
Note: COVID Criteria is based any DX U07.1

# IP Surgery Cases – November 2022

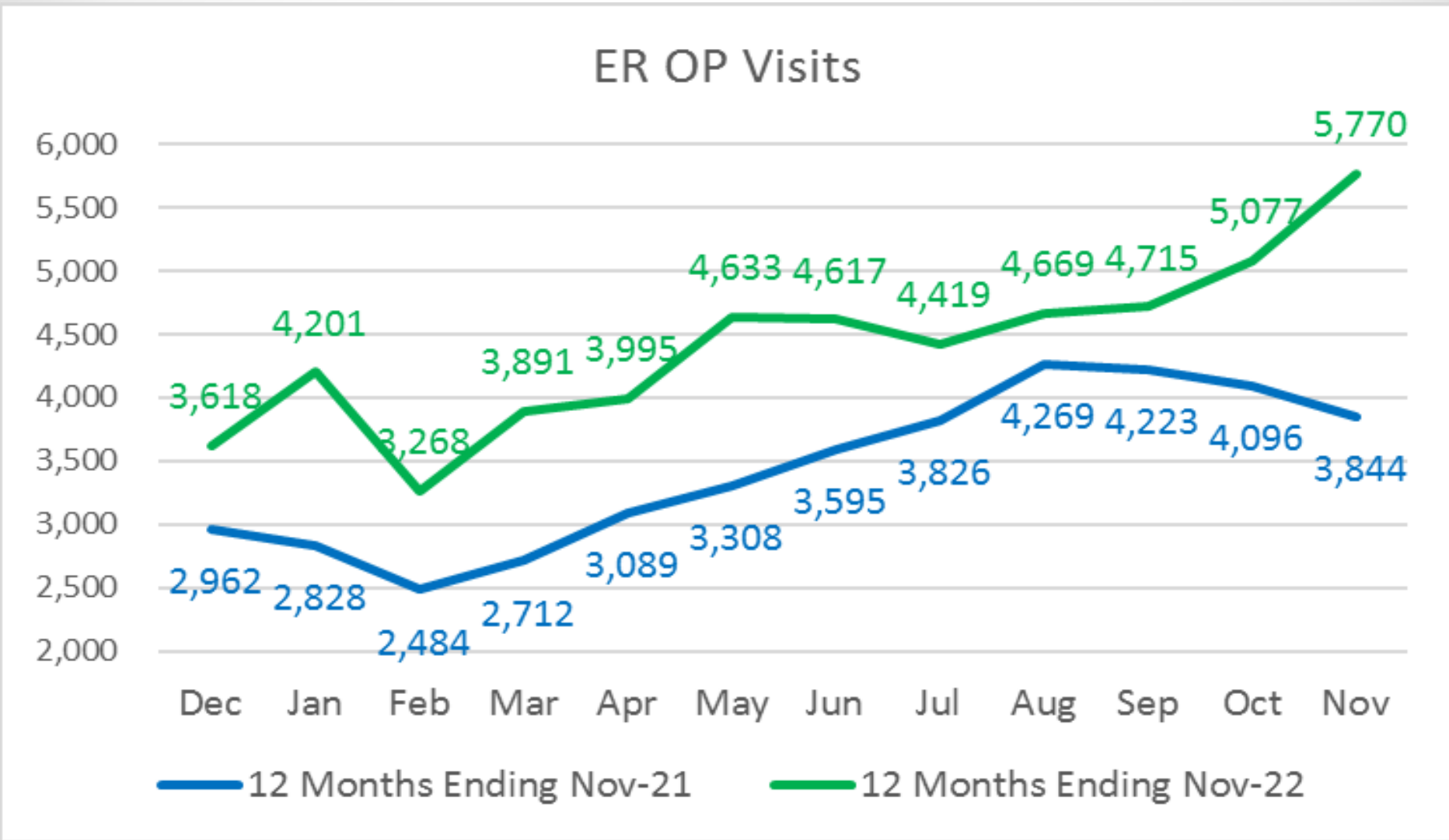


# OP Surgery Cases – November 2022

OP Surgery Cases

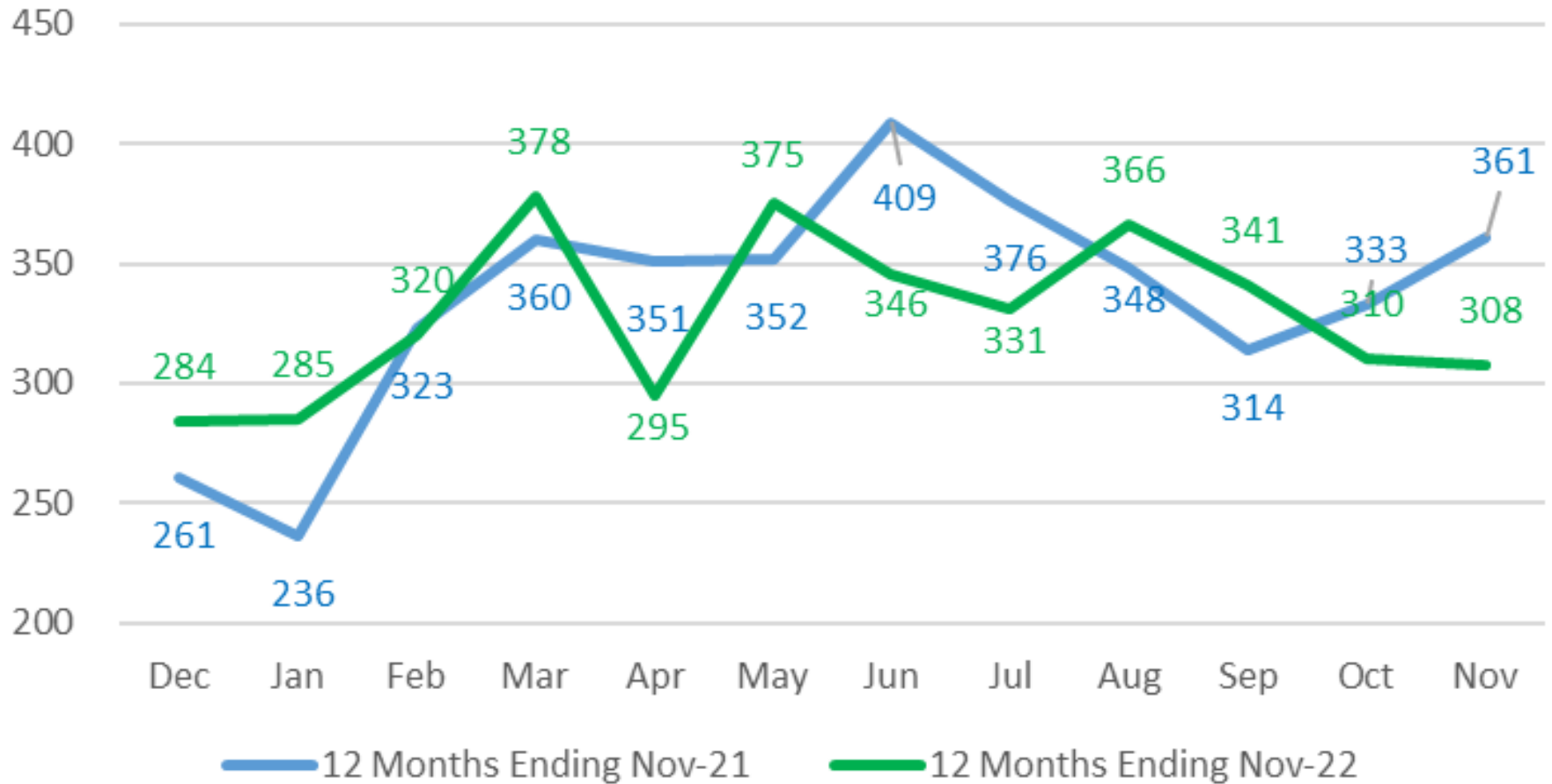


# ER OP Visits – November 2022



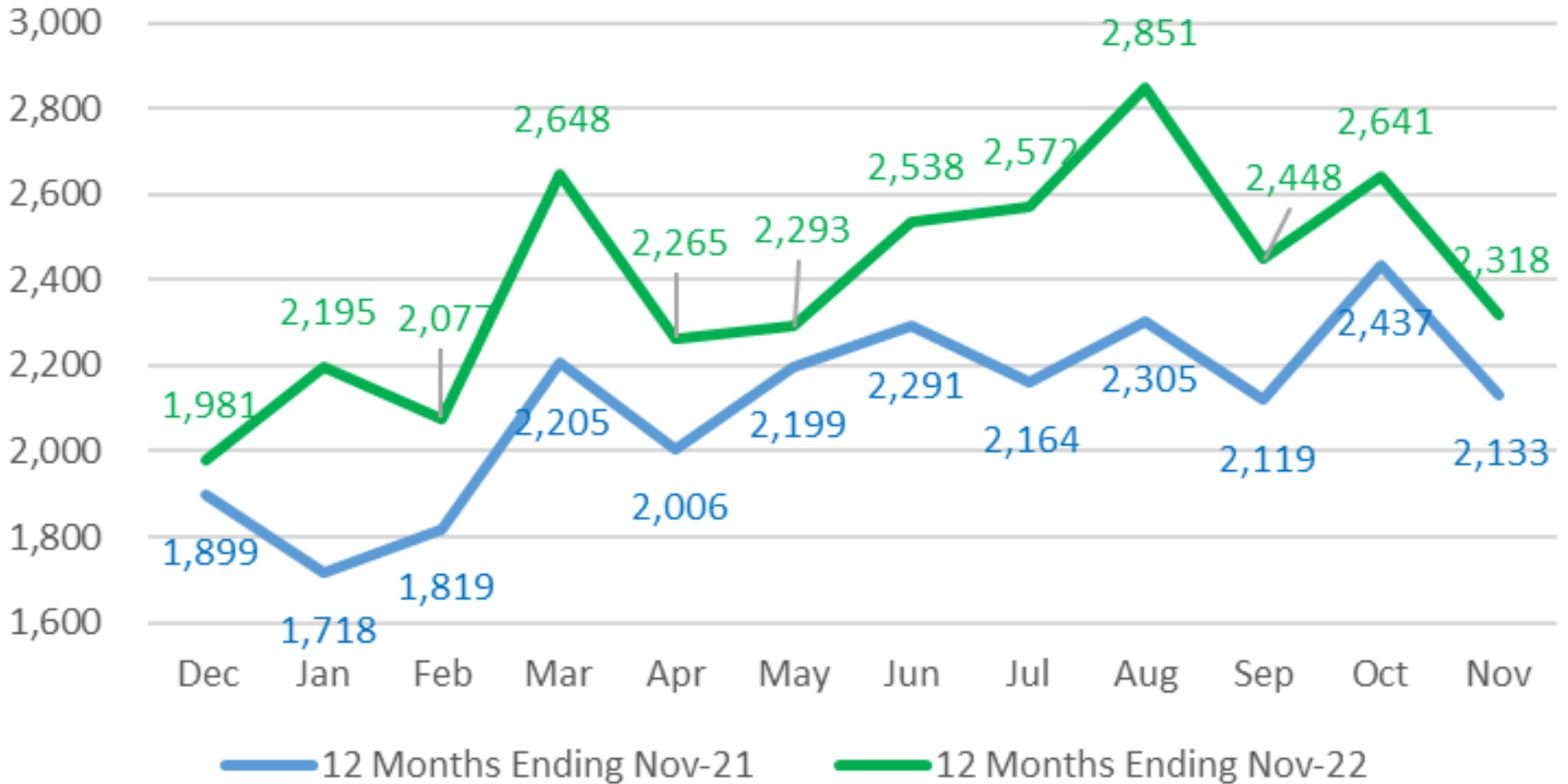
# Cath Lab – November 2022

## Cath Lab - Procedures



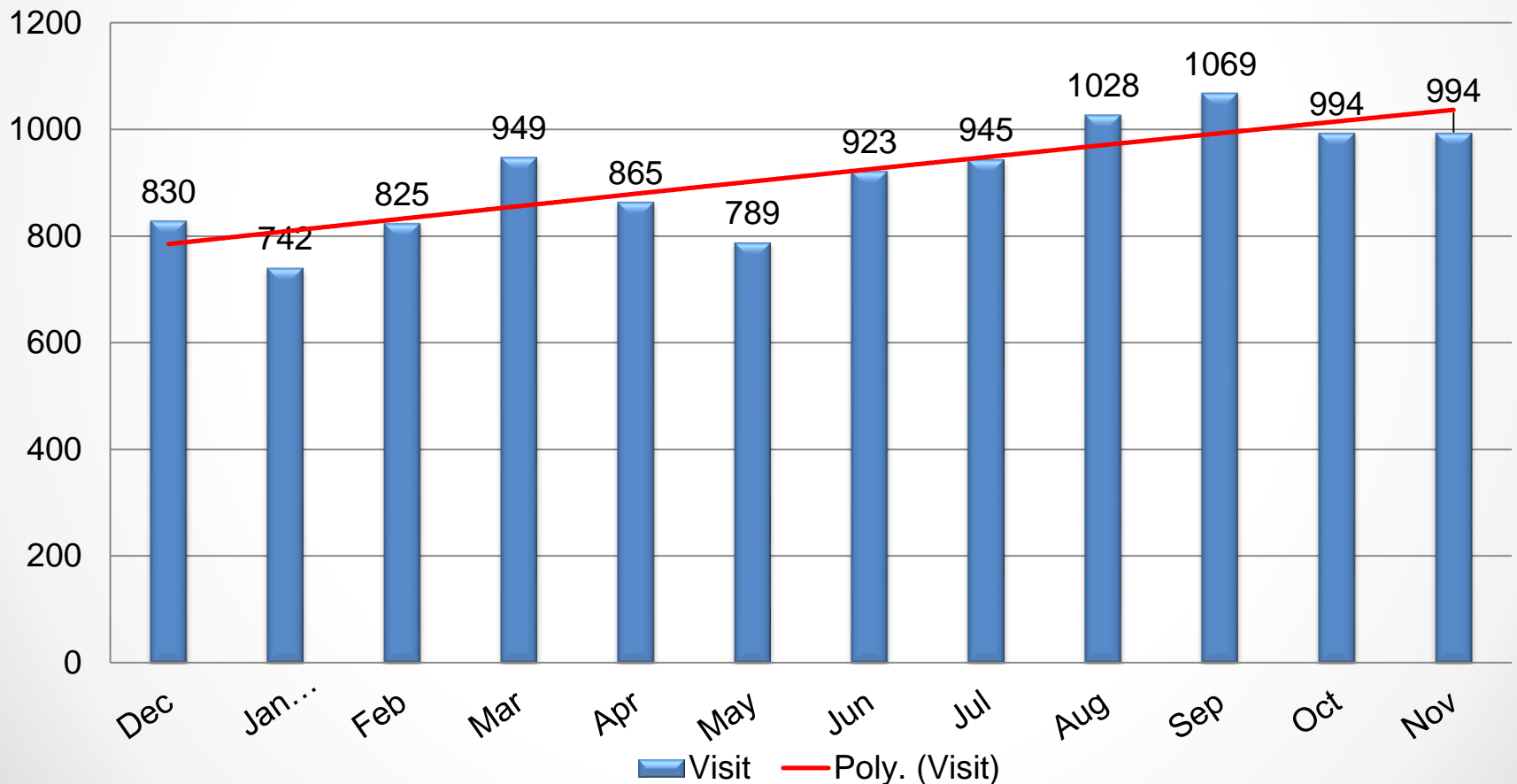
# Mammography – November 2022

## Mammography - Procedures



# OP Infusion - Rolling 12 Month Trend (Includes Botox)

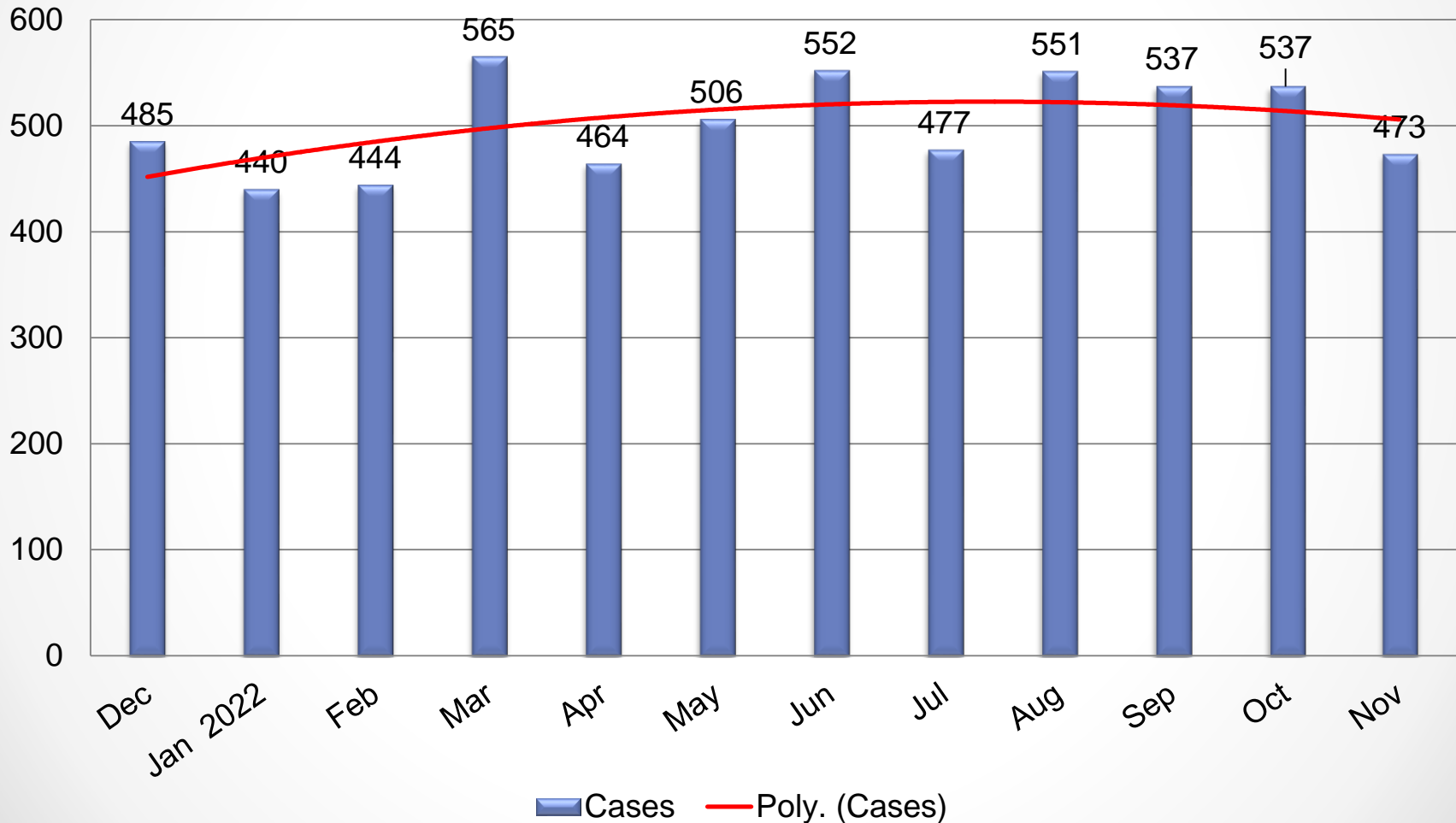
## December 2021 thru November 2022





# CDOC Cases - Rolling 12 Month Trend

## December 2021 thru November 2022

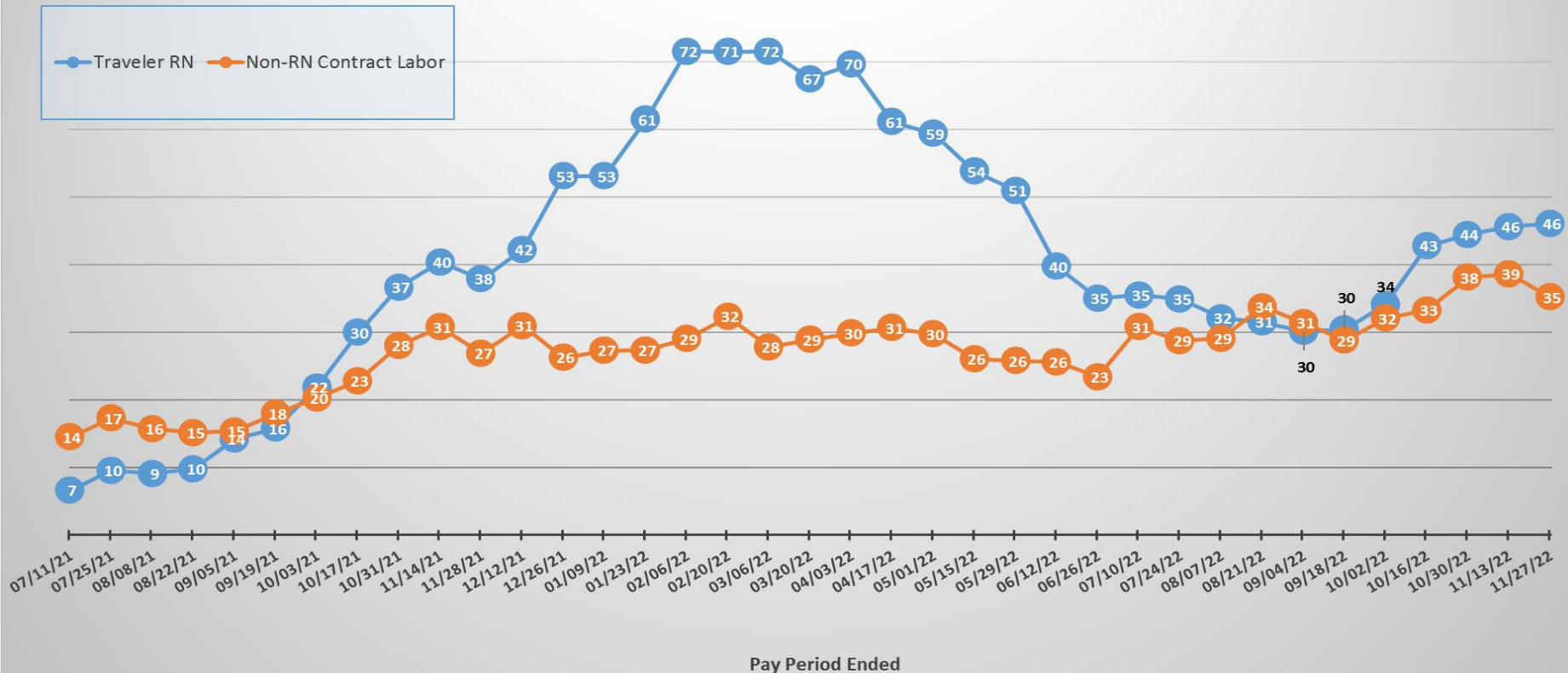


# Labor Productivity – November 2022

- 1. Worked FTEs:** During the month of November, worked FTEs on a PAADC basis were **12.8%** favorable at **5.83** with a target of **6.68**. *When reviewed on a unit by unit level, the variance was 134 FTEs positive (\$1.9m)*. The key drivers included higher volume than budgeted (138) and budgeted positions not filled. Average Daily Census increased to 138 (+3.9%) compared to 132 in October, and was 19.7% above budget.
- 2. Paid FTEs:** On a PAADC basis paid FTEs were **13.1%** favorable to budget at **7.01 actual vs. 8.07 budget**. Paid FTE decreased from 1,815 in October to 1,804 in November.

# Contract Labor FTE By Pay Period

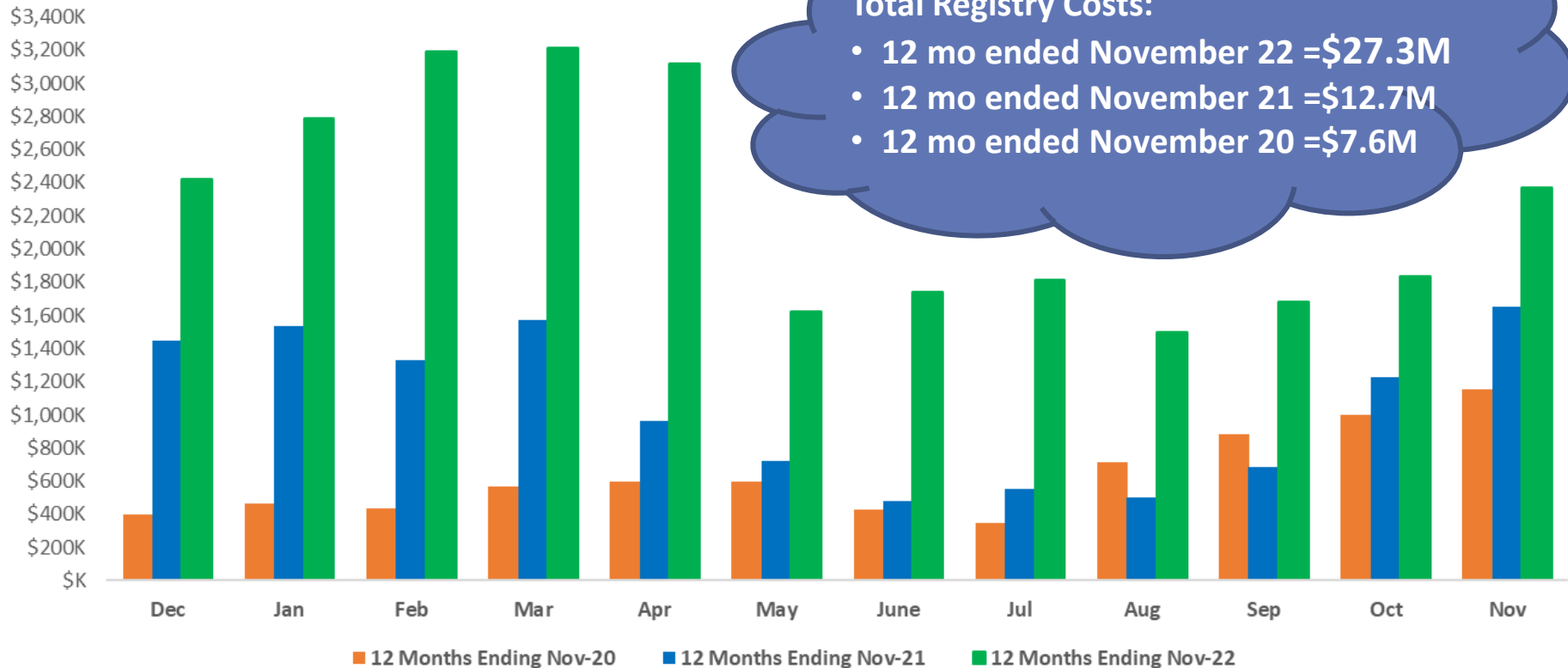
Contract Labor - FTE By Pay Period - PP Ended 11/27/2022 (FY22 to Current)



Contract labor continues to be utilized as direct result of staff shortages (national issue). Overall use of RN contract labor stayed flat in November and non-nursing contract labor was somewhat lower. Contract labor is used to offset the loss of staff from the Covid vaccine mandates, hiring challenges, and volume growth.

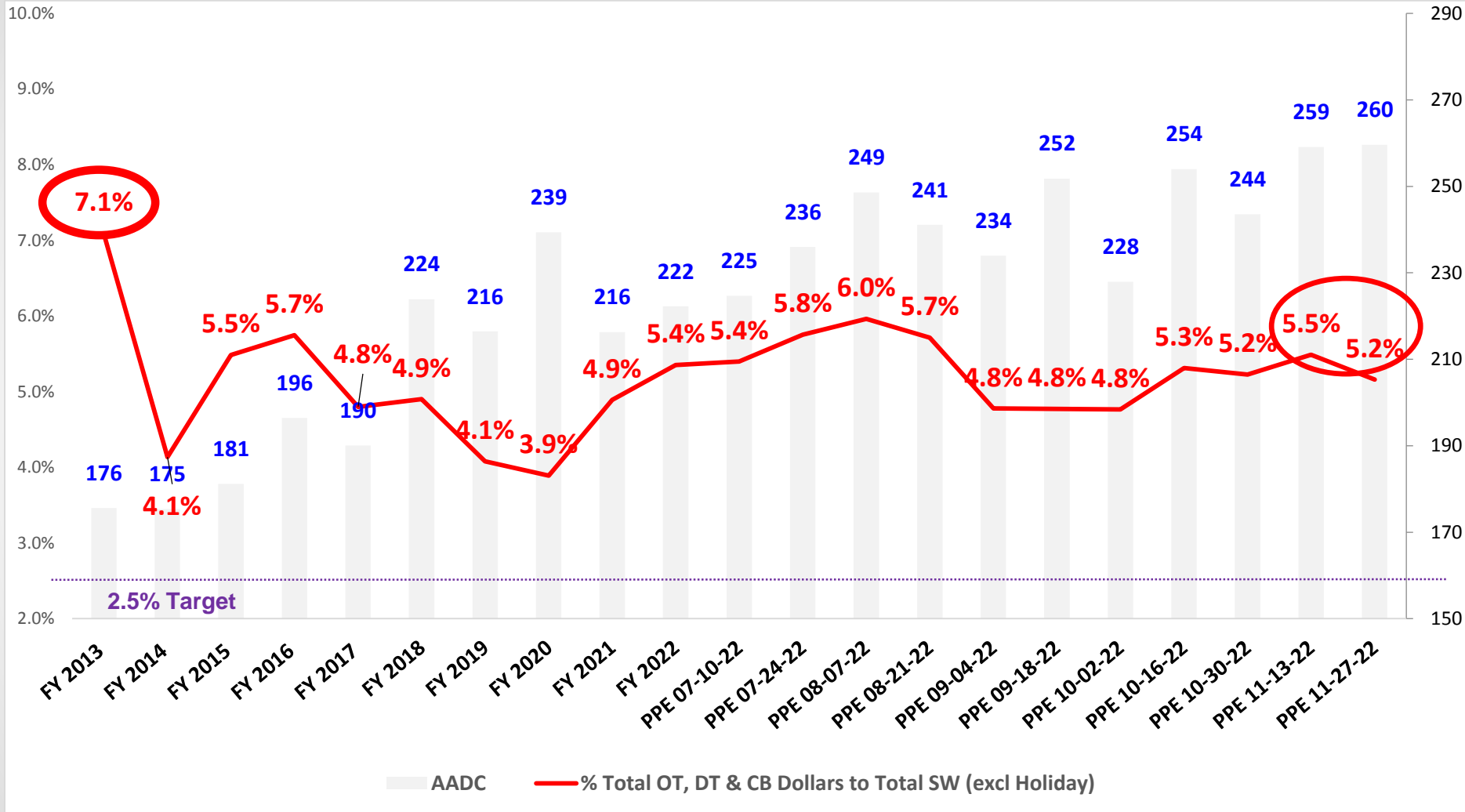
# Contract Labor Utilization

Contract Labor Dollars  
(\$ in thousands)



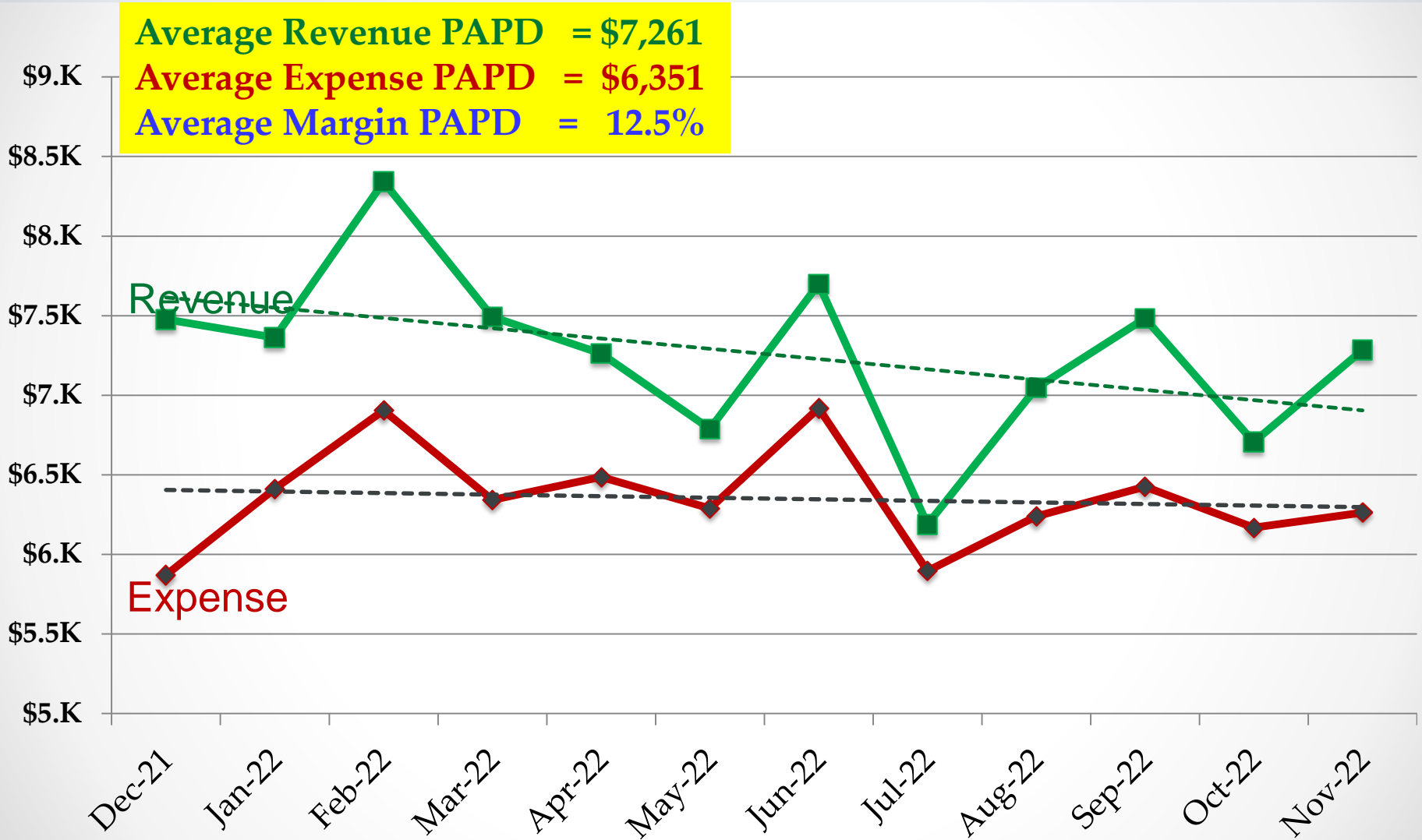
# % of Total OT, DT & CB Dollars to Total S&W

## Updated Thru PPE 11-27-22



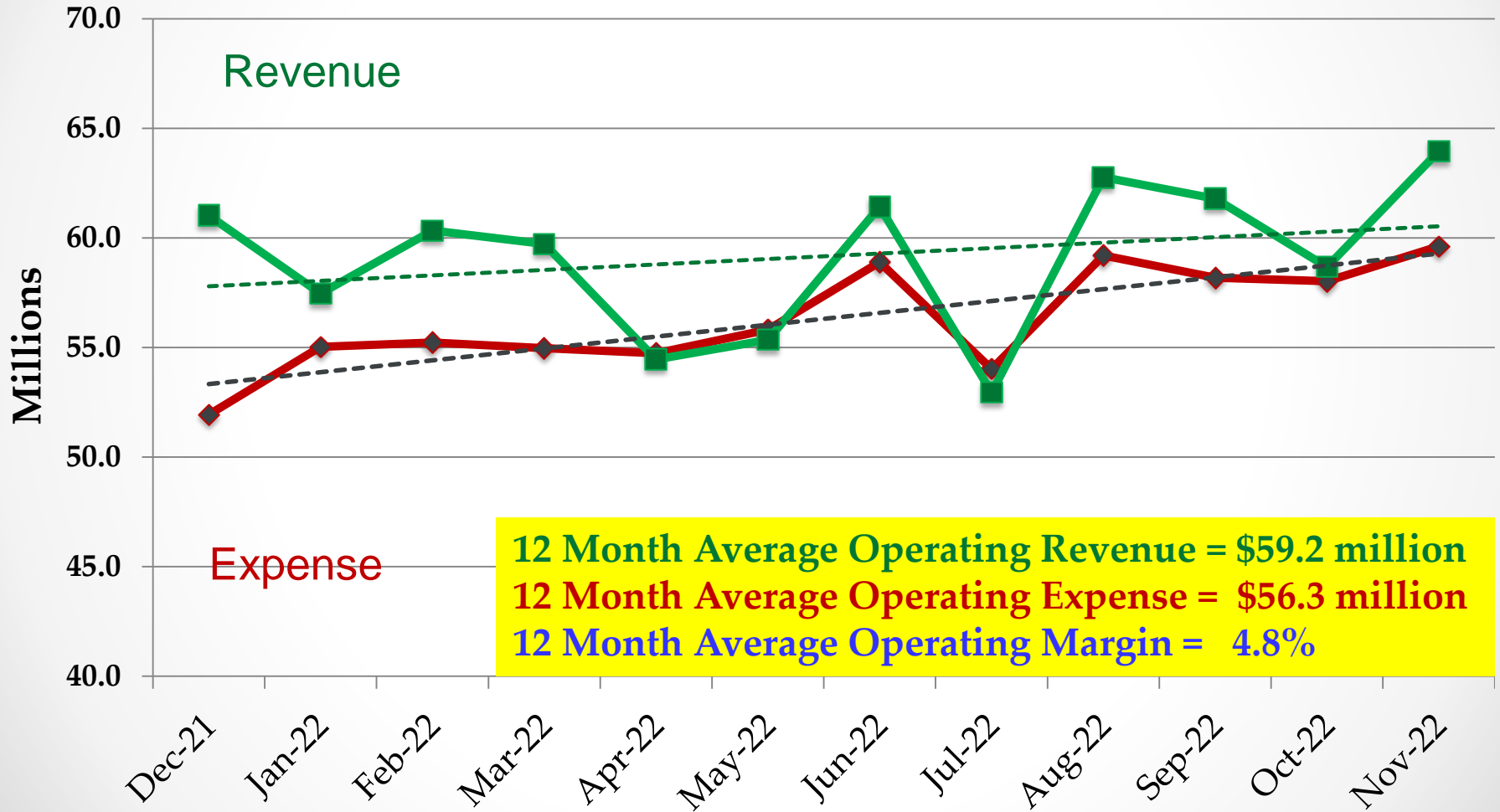
# SVMH Revenues & Expenses Per Adjusted Patient Day (Normalized)

## Rolling 12 Months: December 21 to November 22



# SVMHS Operating Revenues & Expenses (Normalized)

## Rolling 12 Months: December 21 to November 22



# SVMHS Key Financial Indicators

Statistic	YTD	SVMHS		S&P A+ Rated		YTD	
	Nov 22	Target	+/-	Hospitals	+/-	Nov-21	+/-
Operating Margin*	4.0%	5.0%	Red	4.0%	Green	6.3%	Red
Total Margin*	5.4%	6.0%	Red	6.6%	Red	7.4%	Red
EBITDA Margin**	7.9%	7.4%	Green	13.6%	Red	10.5%	Red
Days of Cash*	337	305	Green	249	Green	371	Red
Days of Accounts Payable*	52	45	Green	-		44	Green
Days of Net Accounts Receivable*	47	45	Yellow	49	Green	52	Green
Supply Expense as % NPR	12.8%	14.0%	Green	-		13.3%	Green
SWB Expense as % NPR	53.2%	53.0%	Yellow	53.7%	Green	52.4%	Green
Operating Expense per APD*	6,204	6,739	Green	-		6,287	Green

\*These metrics have been adjusted for normalizing items

\*\*Metric based on Operating Income (consistent with industry standard)

\*\*\*Metric based on 90 days average net revenue (consistent with industry standard)

Days of Cash and Accounts Payable metrics have been adjusted to **exclude** accelerated insurance payments (COVID-19 assistance)



# Salinas Valley Memorial Healthcare System

Days Cash on Hand = 333 Days (\$586M)

November 2022



2014

2015

2016

2017

2018

2019

2020

2021

2022

# ASSETS WHOSE USE IS LIMITED

	<b><u>November-22</u></b>		<b><u>YTD</u></b>	
Beginning balance	\$	150,622,424	\$	148,632,659
Investment income or (loss)		1,494,884		(515,351)
Transfer		1,000,000		5,000,000
Ending balance	\$	153,117,308	\$	153,117,308

# ROUTINE CAPITAL EXPENDITURES Through November 2022

Fiscal Month	FY 2023 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,666,667	417,301	1,249,366	Starbucks Renovation	227,378
August	1,666,667	865,174	2,050,858	Omnicell Conversion	12,427
September	1,666,667	1,452,278	2,265,247		
October	1,666,667	746,115	3,185,799		
November	1,666,667	704,795	4,147,670	Other CIP	0
December	1,666,667		5,814,337	Total Improvements	239,805
January	1,666,667		7,481,004	CDW-Computers and other IT equipment	225,213
February	1,666,667		9,147,670	Olympus America	205,474
March	1,666,667		10,814,337	Intuitive Surgical - Surgery Robot add-ons	18,026
April	1,666,667		12,481,004		
May	1,666,667		14,147,670	Other equip	16,277
June	1,666,667		15,814,337	Total Equipment	464,990
<b>YTD TOTAL</b>	<b>20,000,000</b>	<b>4,185,663</b>	<b>15,814,337</b>	<b>Grand Total</b>	<b>704,795</b>

# *QUESTIONS / COMMENTS*

# *PUBLIC INPUT*

# **ADJOURNMENT**

*The next Finance Committee Meeting is  
scheduled for Monday, January 23, 2023 at  
12:00 p.m.*