

**HEALDSBURG DISTRICT HOSPITAL
SUMMARY STATEMENT OF OPERATIONS
(PRELIMINARY - SUBJECT TO CHANGE)**

	Monthly			Year to Date		
	Feb/2020	Feb/2019	Budget 2020	Feb/2020	Feb/2019	Budget 2020
Net Operating Income (Loss)	(1,271,511)	(495,817)	(987,883)	(2,444,277)	(1,073,168)	(1,755,235)
Increase(Decrease) in Net Position	(997,908)	(230,337)	(722,403)	(1,878,392)	(515,355)	(1,197,422)

CFO SUMMARY

February 2020 Results

Net Patient Revenue

The most significant impact on net patient revenue in February 2020 was the decline in the collection percentage. The Net to Gross percentage in February 2020 was 37% and the same percentage in February 2019 was 39%.

Operating Margin

Operating Margin worsened for February 2020 (-30%) compared to the same month in 2019 (-12%) primarily due to the decrease in the Net to Gross percentage discussed above and \$425 thousand in Medi-Cal supplemental outpatient funding that was received in 2019.

Medicare Case Mix Index

Medicare CMI was 1.4629 for February 2020 vs. 1.2786 in February 2019, and higher than the goal of 1.0000.

Days Cash on Hand

This trend continues in a moderately strong position (45 days) but is less than the 51 days in February 2019.

Compensation Ratio

This efficiency measure is comparable (74% vs. 73%) to the same month year vs. year but well short of the goal of 60%.

Patient Days

Despite one extra day in 2020, February patient days were below prior year's February actual and goal by 71 and 69 days, respectively.

Net Days Revenue in Accounts Receivable

This collection measure shows 51 in February 2020 and 42 in January 2019. Although up front current collections are improving, overall, older accounts are accumulating and collections on current accounts have also decreased. The Hospital currently has \$2.1 million of Sub-Acute that we should collect in April.

Up Front Collections

The \$38 thousand in February 2020 almost reached the goal of \$40 thousand. This is the second straight month of strong up-front collections after the implementation of the new methodology.

Other Statistics

	<u>February 2020</u>	<u>February 2019</u>
Surgeries	298	331
Outpatient visits	3,785	3,542
Clinic visits	1,253	1,005
ER visits	718	641

**HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF NET POSITION
THIS MONTH vs LAST MONTH
(PRELIMINARY - SUBJECT TO CHANGE)**

	This Month Feb-29-2020	Last Month Jan-31-2020	Variance	
			\$	%
1 Assets				
2 Cash and Cash Equivalents				
3 Unrestricted	6,427,320	7,366,913	(939,593)	-12.8%
4 Board Designated	1,809,000	1,821,000	(12,000)	-0.7%
5 Restricted	3,820,824	3,820,303	522	0.0%
6 Accounts Receivable				
7 Gross	33,958,196	30,823,430	3,134,765	10.2%
8 Reserves	(26,542,819)	(24,545,020)	(1,997,800)	8.1%
9 Net Accounts Receivable	7,415,377	6,278,411	1,136,966	18.1%
10 Other Accounts Receivable	2,747,314	3,322,957	(575,642)	-17.3%
11 Inventory	801,437	824,406	(22,968)	-2.8%
12 Pre-Paid Expenses	374,373	379,688	(5,315)	-1.4%
13 Total Current Assets	23,395,645	23,813,677	(418,032)	-1.8%
14 Fixed Assets				
15 Land & Buildings	14,158,940	14,158,940	0	0.0%
16 Equipment	10,897,055	10,897,055	0	0.0%
17 Construction In Process	2,694,138	2,586,540	107,598	4.2%
18 Depreciation	(18,738,506)	(18,529,253)	(209,253)	-1.1%
19 Total Property & Equip.	9,011,626	9,113,281	(101,655)	-1.1%
20 Investments & Long-Term Assets	128,617	128,617	0	0.0%
21 Total Assets	32,535,888	33,055,575	(519,686)	-1.6%
22 Liabilities				
23 Vendor AP	2,343,407	1,899,694	443,713	23.4%
24 Other Payables	4,974,573	4,986,573	(12,000)	-0.2%
25 Accrued Payroll, Taxes & Benefits	2,609,841	2,586,299	23,542	0.9%
26 Other Current Liabilities	744,013	721,047	22,966	3.2%
27 Total Current Liabilities	10,671,834	10,193,612	478,222	4.7%
28 Long-Term Liabilities	10,576,000	10,576,000	0	0.0%
29 Total Liabilities	21,247,834	20,769,612	478,222	2.3%
30 Net Position				
31 Prior Year Earnings	13,166,446	13,166,446	0	0.0%
32 Current Earnings	(1,878,392)	(880,484)	(997,908)	113.3%
33 Total Net Position	11,288,055	12,285,963	(997,908)	-8.1%
34 Total Liabilities & Net Position	32,535,888	33,055,575	(519,686)	-1.6%

STATEMENT OF NET POSITION AS OF FEBRUARY 29, 2020 COMPARED TO JANUARY 31, 2020 (PAGE 2)

Line 3: Unrestricted Cash and Cash Equivalents decreased \$940 thousand in spite of the receipt of \$850 thousand from the PRIME IGT. This is due to losses from operations and another month of slow cash collections. Also, due to the timing of IGT receipts and parcel tax settlements, February is historically a low month for our cash position. Unrestricted and Board Designated Cash and Cash Equivalents is actually up \$117 from the prior year (see page 3).

Lines 6-9: Gross and Net Accounts Receivable increased \$3.1 million and \$1.1 million, respectively. Overall, cash collections remain slow after the reopening from the Kincade fire. Also, \$2.1 million is outstanding from Sub-Acute that should be collected in April.

Line 10: Other Accounts Receivable decreased \$576 thousand from the receipt of the PRIME IGT discussed above offset by the monthly accrual of parcel tax revenue.

Line 5: Vendor AP increased \$444 thousand primarily from the timing of invoices received.

**HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF NET POSITION
THIS YEAR vs LAST YEAR
(PRELIMINARY - SUBJECT TO CHANGE)**

	This Fiscal Year Feb-29-2020	Last Fiscal Year Feb-28-2019	Variance	
			\$	%
1 Assets				
2 Cash and Cash Equivalents				
3 Unrestricted	6,427,320	6,555,962	(128,642)	-2.0%
4 Board Designated	1,809,000	1,563,000	246,000	15.7%
5 Restricted	3,820,824	5,774,421	(1,953,597)	-33.8%
6 Accounts Receivable				
7 Gross	33,958,196	24,681,180	9,277,016	37.6%
8 Reserves	(26,542,819)	(19,136,990)	(7,405,829)	-38.7%
9 Net Accounts Receivable	7,415,377	5,544,190	1,871,187	33.8%
10 Other Accounts Receivable	2,747,314	2,835,081	(87,767)	-3.1%
11 Inventory	801,437	795,384	6,053	0.8%
12 Pre-Paid Expenses	374,373	260,957	113,416	43.5%
13 Total Current Assets	23,395,645	23,328,995	66,651	0.3%
14 Fixed Assets				
15 Land & Buildings	14,158,940	13,520,967	637,973	4.7%
16 Equipment	10,897,055	10,075,509	821,547	8.2%
17 Construction In Process	2,694,138	2,768,847	(74,708)	-2.7%
18 Depreciation	(18,738,506)	(16,985,908)	(1,752,599)	10.3%
19 Total Property & Equip.	9,011,626	9,379,414	(367,788)	-3.9%
20 Investments & Long-term Assets	128,617	113,182	15,435	13.6%
21 Total Assets	32,535,888	32,821,591	(285,702)	-0.9%
22 Liabilities				
23 Vendor AP	2,343,407	3,739,372	(1,395,965)	-37.3%
24 Other Payables	4,974,573	3,815,552	1,159,021	30.4%
25 Accrued Payroll, Taxes & Benefits	2,609,841	2,253,856	355,985	15.8%
26 Other Current Liabilities	744,013	725,885	18,127	2.5%
27 Total Current Liabilities	10,671,834	10,534,665	137,168	1.3%
28 Long Term Liabilities	10,576,000	11,193,000	(617,000)	-5.5%
29 Total Liabilities	21,247,834	21,727,665	(479,832)	-2.2%
30 Net Position				
31 Prior Year Earnings	13,166,446	11,609,280	1,557,166	13.4%
32 Current Earnings	(1,878,392)	(515,355)	(1,363,037)	264.5%
33 Total Net Position	11,288,055	11,093,925	194,130	1.7%
34 Total Liabilities & Net Position	32,535,888	32,821,591	(285,702)	-0.9%

STATEMENT OF NET POSITION AS OF FEBRUARY 29, 2020 COMPARED TO FEBRUARY 28, 2019 (PAGE 3)

Line 5: Restricted Cash and Cash Equivalents were down \$2.0 million due to the drawdown of the funds from the OPUS Bank account restricted for capital.

Lines 6- 9: Gross Accounts Receivable was up \$9.3 million from the prior year due to increased revenues and an increase in the age of AR. Net Accounts Receivable is up \$1.9 million due to the slowdown in collections since the Kincade Fire as cash collected lags patient revenues.

Line 23: Vendor AP was down \$1.4 million due to a concerted effort to pay down amounts owed to vendors that is now possible due to the improved cash position.

Line 24: Other Payables increased \$1.2 million primarily from the \$1 million in reserve from a Kincade Fire insurance settlement.

Line 28: Long-Term Liabilities were down \$617 thousand from scheduled principal payments made for the 2016 COP.

**HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF OPERATIONS
2020 ACTUAL vs BUDGET
(PRELIMINARY - SUBJECT TO CHANGE)**

	MONTHLY				YEAR TO DATE			
	Actual	Budget	Variance		Actual	Budget	Variance	
	Feb-20		\$	%	Feb-20		\$	%
1 Gross Patient Revenue:								
2 Inpatient Routine	1,861,706	2,174,855	(313,149)	-14.4%	3,852,923	4,078,058	(225,135)	-5.5%
3 Inpatient Ancillary	2,315,727	1,863,760	451,967	24.3%	4,140,085	3,628,127	511,958	14.1%
4 Total Inpatient	4,177,433	4,038,615	138,818	3.4%	7,993,008	7,706,185	286,823	3.7%
5 Outpatient	7,079,238	5,678,293	1,400,945	24.7%	13,926,299	12,146,768	1,779,531	14.7%
6 Total Gross Patient Revenue	11,256,670	9,716,908	1,539,762	15.8%	21,919,307	19,852,953	2,066,354	10.4%
7 Contractual Expenses	6,879,644	5,641,583	(1,238,061)	-21.9%	13,137,930	11,431,416	(1,706,514)	-14.9%
8 Bad Debt Expense	191,759	197,070	5,311	2.7%	382,325	388,892	6,567	1.7%
9 Total Revenue Deductions	7,071,403	5,838,653	(1,232,750)	-21.1%	13,520,255	11,820,308	(1,699,947)	-14.4%
10 Net Patient Revenue	4,185,268	3,878,255	307,013	7.9%	8,399,052	8,032,645	366,407	4.6%
11 Other Revenue	41,725	504,919	(463,194)	-91.7%	107,259	611,581	(504,322)	-82.5%
12 Total Operating Revenue	4,226,992	4,383,174	(156,182)	-3.6%	8,506,311	8,644,226	(137,915)	-1.6%
13 Operating Expense:								
14 Salaries & Wages	2,112,903	2,204,449	(91,546)	-4.2%	4,241,675	4,428,395	(186,720)	-4.2%
15 Benefits	761,768	883,876	(122,108)	-13.8%	1,764,228	1,850,871	(86,643)	-4.7%
16 Contract Labor	204,994	203,806	1,188	0.6%	374,583	319,511	55,072	17.2%
17 Medical Pro Fees	389,988	403,181	(13,193)	-3.3%	746,030	780,734	(34,704)	-4.4%
18 Other Professional Fees	106,428	54,149	52,279	96.5%	124,619	81,970	42,649	52.0%
19 Purchased Services	334,272	265,214	69,058	26.0%	577,721	464,075	113,646	24.5%
20 Supplies	919,610	749,344	170,266	22.7%	1,861,436	1,243,783	617,653	49.7%
21 Repairs & Maintenance	80,971	81,171	(200)	-0.2%	142,968	129,970	12,998	10.0%
22 Rents & Leases	120,894	88,720	32,174	36.3%	236,520	254,053	(17,533)	-6.9%
23 Utilities	106,897	54,739	52,158	95.3%	133,670	98,349	35,321	35.9%
24 Other Direct Expenses	127,997	149,016	(21,019)	-14.1%	283,575	280,966	2,609	0.9%
25 Interest Expense	22,529	24,139	(1,610)	-6.7%	45,057	48,278	(3,221)	-6.7%
26 Depreciation & Amortization	209,253	209,253	0	0.0%	418,507	418,506	1	0.0%
27 Total Operating Expenses	5,498,503	5,371,057	127,446	2.4%	10,950,589	10,399,461	551,128	5.3%
28 Net Operating Income (Loss)	(1,271,511)	(987,883)	(283,628)	-28.7%	(2,444,277)	(1,755,235)	(689,042)	-39.3%
29 Total Non-Operating	273,603	265,480	8,123	3.1%	565,886	557,813	8,073	1.4%
30 Revenue Over (Under) Expenses	(997,908)	(722,403)	(275,505)	-38.1%	(1,878,392)	(1,197,422)	(680,970)	56.9%
31 Capital Contributions	0	0	0	0.0%	0	0	0	0.0%
32 Change in Net Position	(997,908)	(722,403)	(275,505)	-38.1%	(1,878,392)	(1,197,422)	(680,970)	56.9%

SUMMARY STATEMENT OF OPERATIONS ACTUAL VS BUDGET (PAGE 4)

Lines 1 - 10: Gross Patient Revenue was favorable by \$1.5 million for the month and \$2.1 million for the year, primarily due to Surgical Services and the ER. Revenue deductions were over budget by \$1.2 million for the month and \$1.7 million for the year due to increased Gross Patient Revenue and slower cash collections.

Line 11: Other Revenue was under budget \$463 thousand for the month and \$504 thousand for the year due to the timing of the quarterly Medi-Cal Hospital Quality Assurance Fee payments. No payment has been received for 2020.

Line 20: Supplies were unfavorable compared to budget by \$170 thousand for the month and \$618 thousand for the year due to Surgical Services, primarily implants and prosthesis.

**HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF OPERATIONS
ACTUAL 2020 vs ACTUAL 2019
(PRELIMINARY - SUBJECT TO CHANGE)**

	MONTHLY				YEAR TO DATE			
	ACTUAL		Variance		ACTUAL		Variance	
	Feb-20	Feb-19	\$	%	Feb-20	Feb-19	\$	%
1 Gross Patient Revenue								
2 Inpatient Routine	1,861,706	2,000,910	(139,204)	-7.0%	3,852,923	3,821,932	30,991	0.8%
3 Inpatient Ancillary	2,315,727	1,962,771	352,955	18.0%	4,140,085	3,737,319	402,767	10.8%
4 Total Inpatient	4,177,433	3,963,681	213,751	5.4%	7,993,008	7,559,251	433,758	5.7%
5 Outpatient	7,079,238	5,681,228	1,398,010	24.6%	13,926,299	12,149,702	1,776,597	14.6%
6 Total Gross Patient Revenue	11,256,670	9,644,909	1,611,761	16.7%	21,919,307	19,708,952	2,210,355	11.2%
7 Contractual Expenses	6,879,644	5,641,580	(1,238,064)	-21.9%	13,137,930	11,431,411	(1,706,518)	-14.9%
8 Bad Debt Expense	191,759	197,070	5,312	2.7%	382,325	388,892	6,567	1.7%
9 Total Revenue Deductions	7,071,403	5,838,650	(1,232,753)	-21.1%	13,520,255	11,820,303	(1,699,952)	-14.4%
10 Net Patient Revenue	4,185,268	3,806,259	379,008	10.0%	8,399,052	7,888,649	510,403	6.5%
11 Other Revenue	41,725	504,919	(463,195)	-91.7%	107,259	611,582	(504,322)	-82.5%
12 Total Operating Revenue	4,226,992	4,311,179	(84,186)	-2.0%	8,506,311	8,500,230	6,081	0.1%
13 Operating Expense:								
14 Salaries & Wages	2,112,903	1,849,240	263,663	14.3%	4,241,675	3,632,670	609,006	16.8%
15 Benefits	761,768	781,284	(19,516)	-2.5%	1,764,228	1,733,081	31,147	1.8%
16 Contract Labor	204,994	161,167	43,827	27.2%	374,583	296,271	78,312	26.4%
17 Medical Pro Fees	389,988	403,182	(13,194)	-3.3%	746,030	813,618	(67,588)	-8.3%
18 Other Professional Fees	106,428	51,482	54,946	106.7%	124,619	85,215	39,405	46.2%
19 Purchased Services	334,272	242,922	91,350	37.6%	577,721	492,494	85,228	17.3%
20 Supplies	919,610	718,502	201,108	28.0%	1,861,436	1,226,569	634,866	51.8%
21 Repairs & Maintenance	80,971	75,126	5,844	7.8%	142,968	134,752	8,215	6.1%
22 Rents & Leases	120,894	88,619	32,275	36.4%	236,520	255,592	(19,072)	-7.5%
23 Utilities	106,897	53,148	53,748	101.1%	133,670	103,789	29,881	28.8%
24 Other Direct Expenses	127,997	149,018	(21,022)	-14.1%	283,575	332,736	(49,161)	-14.8%
25 Interest Expense	22,529	24,139	(1,610)	-6.7%	45,057	48,278	(3,220)	-6.7%
26 Depreciation & Amortization	209,253	209,167	86	0.0%	418,507	418,334	173	0.0%
27 Total Operating Expenses	5,498,503	4,806,996	691,507	14.4%	10,950,589	9,573,398	1,377,191	14.4%
28 Net Operating Income (Loss)	(1,271,511)	(495,817)	(775,694)	-156.4%	(2,444,277)	(1,073,168)	(1,371,110)	-127.8%
29 Total Non-Operating	273,603	265,480	8,123	3.1%	565,886	557,813	8,073	1.4%
30 Revenue Over (Under) Expenses	(997,908)	(230,337)	(767,571)	-333.2%	(1,878,392)	(515,355)	(1,363,037)	-264.5%
31 Capital Contributions	0	0	0	0.0%	0	0	0	0.0%
32 Change in Net Position	(997,908)	(230,337)	(767,571)	-333.2%	(1,878,392)	(515,355)	(1,363,037)	-264.5%

SUMMARY STATEMENT OF OPERATIONS ACTUAL 2020 VS ACTUAL 2019 (PAGE 5)

Lines 6 - 10: Gross Patient Revenue was up \$1.6 million for the month and \$2.2 million for the year primarily from increases in Surgical Services and ER, and the 5% price increase effective April 1st. Net Patient Revenue was up \$379 thousand for the month and \$510 thousand for the year, which is consistent with the increase in Gross Patient Revenue coupled with slower cash collections.

Line 11: Other Revenue was down \$463 thousand for the month and \$504 thousand for the year due to the timing of the quarterly Medi-Cal Hospital Quality Assurance Fee payments. No payment has been received for 2020.

Lines 14 and 15: Salaries & Wages and Benefits were up \$244 thousand for the month and \$640 thousand for the year. The primary reasons were the lump sum salary adjustments and wage increases in December, and increase in FTE's of 27 from the prior year. Benefits were consistent when the expectation is they would have increased similar to salaries. A decrease in employee health plan costs from reinsurance reimbursements offset benefit increases in other areas.

Line 20: Supplies were up \$201 thousand for the month and \$635 thousand for the year due to increases in Surgical Services, primarily implants and prosthesis.

**HEALDSBURG DISTRICT HOSPITAL
KEY STATISTICS
ACTUAL 2020 vs ACTUAL 2019 & BUDGET 2020
(PRELIMINARY - SUBJECT TO CHANGE)**

	MONTH						YEAR TO DATE							
	Current 2020	Prior 2019	Variance		Goals or Budget	Variance		Current 2020	Prior 2019	Variance		Goals or Budget	Variance	
			#	%		#	%			\$	%		\$	%
1 Days Cash on Hand	45.35	51.48	(6.13)	-11.90%	60.00	(14.65)	-24.41%	47.12	53.49	(6.37)	-11.91%	60.00	(12.88)	-21.46%
2 Gross Days Revenue in Accounts Receivable	87.48	74.21	13.27	17.89%	60.00	27.48	45.81%	92.95	75.14	17.82	23.71%	60.00	32.95	54.92%
3 Net Days Revenue in Accounts Receivable	51.38	42.24	9.14	21.64%	40.00	11.38	28.45%	52.97	42.17	10.80	25.62%	40.00	12.97	32.43%
4 Days Expense In Accounts Payable	12.90	23.71	(10.81)	-45.58%	25.00	(12.10)	-48.39%	13.41	24.64	(11.23)	-45.58%	25.00	(11.59)	-46.37%
5 Case Mix														
6 Medicare	1.4629	1.2786	0.1843	14.41%	1.0000	0.4629	46.29%	1.3387	1.2515	0.0872	6.97%	1.0000	0.3387	33.87%
7 All Payers	1.3828	1.2574	0.1254	9.97%	1.0000	0.3828	38.28%	1.3152	1.2406	0.0746	6.01%	1.0000	0.3152	31.52%
8 Patient Days														
9 Med/Surg	139	158	(19)	-12.03%	190	(51)	-26.84%	271	301	(30)	-9.97%	340	(69)	-20.29%
10 ICU	28	61	(33)	-54.10%	37	(9)	-24.32%	50	91	(41)	-45.05%	64	(14)	-21.88%
11 Swing	40	80	(40)	-50.00%	70	(30)	-42.86%	99	110	(11)	-10.00%	96	3	3.13%
12 Sub-Acute	476	455	21	4.62%	455	21	4.62%	1,002	937	65	6.94%	937	65	6.94%
13 Patient Admissions														
14 Med/Surg	51	56	(5)	-8.93%	63	(12)	-19.47%	103	107	(4)	-3.74%	113	(10)	-9.12%
15 ICU	15	14	1	7.14%	12	3	21.62%	23	21	2	9.52%	21	2	7.81%
16 Swing	3	8	(5)	-62.50%	18	(15)	-82.86%	10	16	(6)	-37.50%	24	(14)	-58.33%
17 Sub-Acute	0	1	(1)	0.00%	1	(1)	-100.00%	0	2	(2)	-100.00%	3	(3)	0.00%
18 Average Length of Stay														
19 Med/Surg	2.50	2.82	(0.32)	-11.39%	3.00	(0.50)	-16.67%	2.40	2.81	(0.41)	-14.68%	3.00	(0.60)	-20.00%
20 ICU	3.10	4.36	(1.26)	-28.85%	3.00	0.10	3.33%	3.30	4.33	(1.03)	-23.85%	3.00	0.30	10.00%
21 Swing	8.00	10.00	(2.00)	-20.00%	4.00	4.00	100.00%	9.00	6.88	2.13	30.91%	4.00	5.00	125.00%
22 Average Daily Census														
23 Med/Surg	4.79	5.45	(0.66)	-12.03%	6.79	(1.99)	-29.36%	4.52	5.02	(0.50)	-9.97%	6.79	(2.27)	-33.44%
24 ICU	0.97	2.10	(1.14)	-54.10%	1.32	(0.36)	-26.93%	0.83	1.52	(0.68)	-45.05%	1.32	(0.49)	-36.94%
25 Swing	1.38	2.76	(1.38)	-50.00%	2.50	(1.12)	-44.83%	1.65	1.83	(0.18)	-10.00%	2.50	(0.85)	-34.00%
26 Sub-Acute	16.41	15.69	0.72	4.62%	16.25	0.16	1.01%	16.70	15.62	1.08	6.94%	16.25	0.45	2.77%
27 Compensation Ratio	74%	73%	0%	0.33%	60%	14%	22.64%	76%	72%	4%	5.84%	60%	16%	26.61%
28 Total Surgeries	298	331	(33)	-9.97%	283	15	5.30%	605	659	(54)	-8.19%	525	80	15.24%
29 Total Outpatient Visits	3,785	3,542	243	6.86%	3,894	(109)	-2.79%	7,603	7,471	132	1.77%	8,069	(466)	-5.78%
30 Total Clinic Visits	1,253	1,005	248	24.68%	1,365	(112)	-8.21%	2,449	2,184	265	12.13%	2,759	(310)	-11.24%
31 Total ER Visits	718	641	77	12.01%	625	93	14.88%	1,471	1,373	98	7.14%	1,367	104	7.61%

KEY STATISTICS – ACTUAL 2020 VS ACTUAL 2019 AND BUDGET 2020 (PAGE 6)

Line 1: Days Cash on Hand is down 6 days for the month and year due to losses from operations and slower cash collections, coupled with an increase in expenses. It is also 15 days lower than the goal of 60.

Line 2: Gross Days Revenue in Accounts Receivable is up 13 days for the month and 18 days for the year due to an overall increase in the aging of Accounts Receivable and slower cash collections.

Line 4: Days Expense in Accounts Payable is down 11 days for the month and the year as the improved cash position has facilitated more timely payments to vendors, and average daily expenses have also increased over the prior year by \$20 thousand/day .

Lines 8-12: Despite one extra day in 2020, February Patient Days were below prior year's February actual and goal by 71 and 69 days, respectively. For the year, Patient Days are reasonable to prior year and goal as a strong census in Sub-Acute has offset unfavorable variances in other areas.

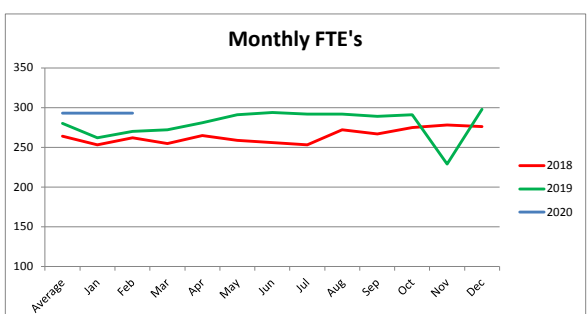
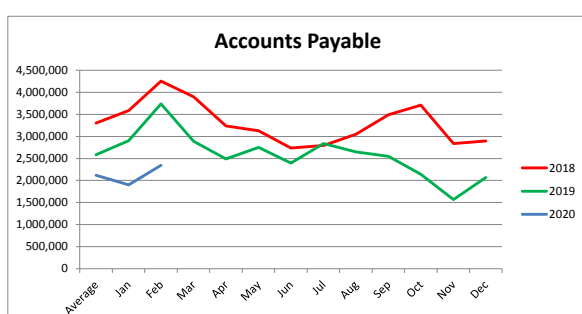
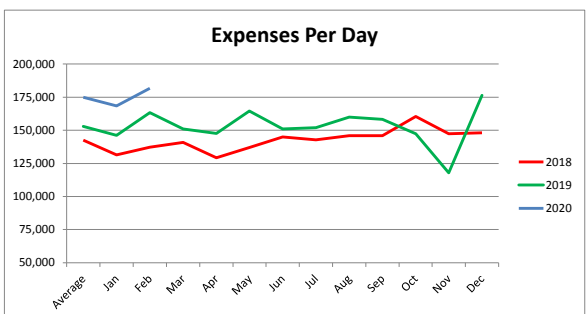
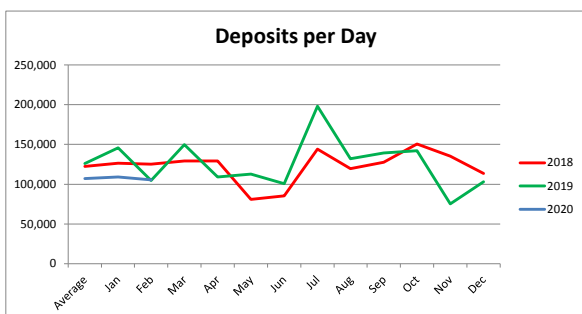
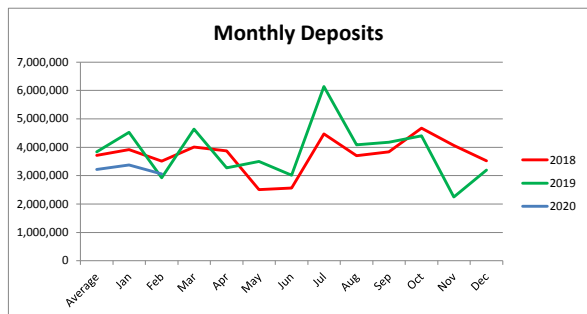
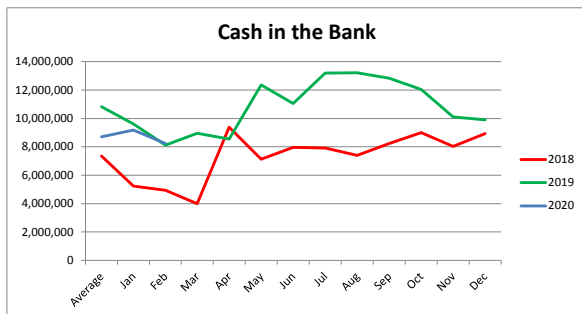
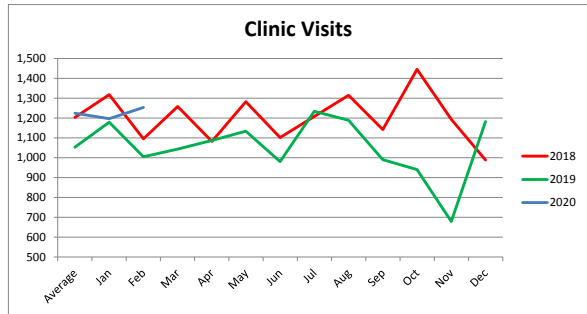
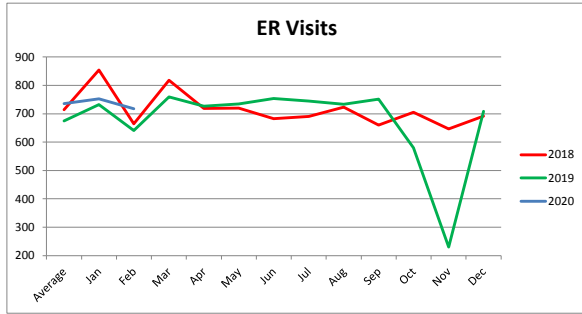
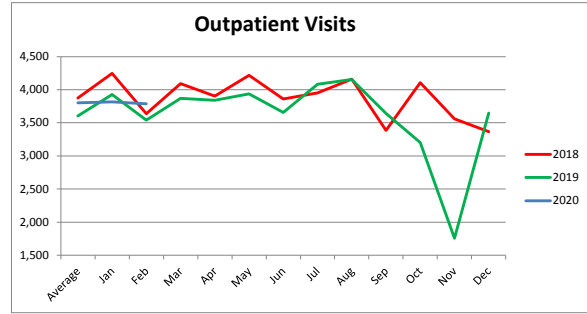
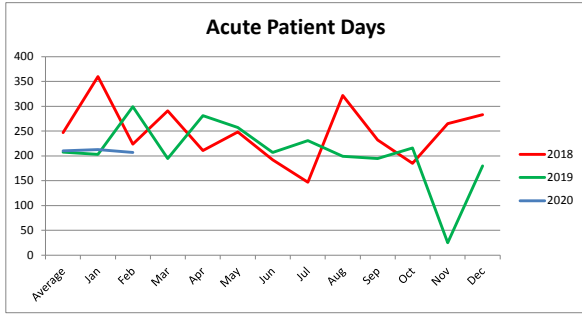
Line 27: Compensation ratio increased as labor costs outpaced increases in patient revenues. This is primarily due to an increase in FTE's of 27, while patient revenue increases are largely in line with the annual charge master increase of 5 percent.

Line 29: Total Outpatient Visits were favorable to both the prior month and the year, but are both below the goal. Decreases in HPG, Lab, and Woundcare were slightly offset by increased visits from the new clinic in Sebastopol. The unfavorable variances with budget for the month and year are primarily due to Sebastopol.

KEY STATISTICS - DEFINITIONS AND CONTEXT (PAGE 6)

- **Days Cash on Hand:** Measures the number of days the hospital could continue paying its operating expenses from existing unrestricted cash and investments in the absence of any future cash collections. A higher ratio indicates greater financial flexibility. A good days cash on hand for a critical access hospital is at least 60 days.
- **Days Revenue in Accounts Receivable:** Measures the amount of time between patient discharge and when payment is received. This directly impacts cash flows for the facility and is a measure of the efficiency of the billing and collection in the revenue cycle. Gross and net days in accounts receivable are close in value in high functioning revenue cycles. A lower ratio indicates greater financial flexibility. A good days in AR for a critical access hospital is 45 days or less.
- **Days Expense in Accounts Payable:** Measures the average amount of time that elapses before the hospital meets its current liabilities. In other words, the number of days of cash expenses that are outstanding (not currently paid). High values for the average payment period often indicate a lack of liquidity.
- **Case Mix:** Case Mix Index (CMI) is a measure of the average severity level of a hospital's procedures. The CMI of a hospital reflects the diversity, clinical complexity and the needs for resources in the population of all the patients in the hospital.
- **Patient Days:** The total number of days for all patients for an episode of care
- **Patient Admissions:** Patient admission to the hospital
- **Average Length of Stay (ALOS):** The average length of stay in hospitals is often used as an indicator of efficiency. All other things being equal, a shorter stay will reduce the cost per discharge and shift care from inpatient to less expensive post-acute settings.
- **Average Daily Census:** The average number of patients treated during a day.
- **Compensation Ratio:** The total of salaries & wages, benefits, and contract labor divided by net patient revenue. This measures the percentage of patient revenue that is labor costs, and is a common metric for evaluating efficiency and productivity within the labor force. High values generally indicate labor intensive organizations, employment of medical staff, and/or older property, plant and equipment.
- **Surgeries:** There is a strong correlation in hospitals between surgery volumes and operating margins.
- **Outpatient Visits:** An outpatient hospital service is any type of medical or surgical care performed at a hospital that your doctor does not expect will be an overnight hospital stay. In some cases, you may stay overnight in the hospital, but not be admitted as an inpatient (this would be considered outpatient service).
- **Clinic Visits:** a patient who is not hospitalized overnight but who visits clinic or associated facility for diagnosis or treatment
- **ER Visits:** Significant not only because of the visit, but also the transfer of patients to the hospital for other services.

**HEALDSBURG DISTRICT HOSPITAL
KEY METRICS -THREE YEAR HISTORICAL TRENDS
(PRELIMINARY - SUBJECT TO CHANGE)**



**HEALDSBURG DISTRICT HOSPITAL
KEY METRICS - CURRENT YEAR MONTHLY TRENDS
(PRELIMINARY - SUBJECT TO CHANGE)**

