

June 15, 2023

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 HEALTH**¹ will be held **MONDAY, JUNE 19, 2023, AT 12:00 P.M., DOWNING RESOURCE CENTER ROOMS A, B & C, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA** or via **TELECONFERENCE** (*visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.SalinasValleyHealth.com/virtualboardmeeting) for Access Information*).



Pete Delgado
President/Chief Executive Officer

Committee Members: Joel Hernandez Laguna, 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
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**MONDAY, JUNE 19, 2023, 12:00 P.M.
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California
or via Teleconference**

(Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.salinasvalleyhealth.com/virtualboardmeeting) for Access Information)

AGENDA

1. Call to Order / Roll Call
2. Approve Minutes of the Finance Committee Meeting of May 22, 2023 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
3. Review Balanced Scorecard (LOPEZ)
4. Financial Performance Review (LOPEZ)
5. 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.
6. Review and Consider Recommendation for Board Approval of (FY2024) Operating & Capital Budget (LOPEZ)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
7. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, July 24, 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.SalinasValleyHealth.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 831-759-3050. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

**SALINAS VALLEY HEALTH¹
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES MAY 22, 2023**

Committee Members Present:

In person: Chair Joel Hernandez Laguna, Vice Chair Juan Cabrera, Tarun Bajaj, MD., Pete Delgado, and Augustine Lopez

Via teleconference: Harry Wardwell

Committee Members Absent: Clement Miller and Sanjeev Tandon

Other Board Members Present, Constituting Committee of the Whole: Catherine Carson and Rolando Cabrera, MD. (via teleconference)

Juan Cabrera in at 12:14 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Joel Hernandez Laguna called the meeting to order at 12:01 p.m. in the Downing Resource Center, Rooms A, B, and C.

2. APPROVE MINUTES OF THE FINANCE COMMITTEE April 17, 2023

The Finance Committee meeting minutes of April 17, 2023 were included in the Committee packet.

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee member Delgado, and second by Committee member Lopez, the minutes of April 17, 2023 of the Finance Committee were approved as presented.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Bajaj, MD., Delgado, Lopez, Wardwell

Noes: None;

Abstentions: None;

Absent: Vice Chair Cabrera, Miller, and Tandon

Motion Carried

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

3. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF MICROSOFT ENTERPRISE AGREEMENT LICENSING RENEWAL THROUGH CDW GOVERNMENT, A SUPPLIER OF SALINAS VALLEY HEALTH'S GROUP PURCHASING ORGANIZATION AND CONTRACT AWARD

BOARD DISCUSSION:

Committee Member Lopez asked how many licenses we currently have within the agreement. Audrey Parks, Chief Information Officer, responded that we have between twenty-two to twenty-six hundred licenses.

Committee Member Lopez asked if will we be moving into cloud base and how would we purchase the licenses. Audrey Parks, Chief Information Officer, responded that we will be moving into a cloud base in the future and that licenses would be purchased through CDW a third-party company.

Director Cabrera asked if this contract has enough licenses to meet our needs. Audrey Parks, Chief Information Officer, responded we purchase extra licenses to consider growth in staff.

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee member Delgado, second by Committee member Lopez, the Finance Committee recommends the Board of Directors approve the Microsoft Enterprise Agreement Licensing Renewal through CDW Government, a Supplier of Salinas Valley Health's Group Purchasing Organization and Contract Award in the amount of \$2,319,121.32.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Bajaj MD., Delgado, Lopez, Wardwell

Noes: None;

Abstentions: None;

Absent: Vice Chair Cabrera, Miller, and Sanjeev

4. REVIEW BALANCED SCORECARD

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the Balanced Scorecard year to date March 2023.

5. FINANCIAL PERFORMANCE REVIEW

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the Financial Performance Review. A full report was included in the packet.

6. PUBLIC INPUT

No public comment

7. CLOSED SESSION

Chair Hernandez Laguna announced that the items to be discussed in Closed Session a *Report Involving Trade Secrets*. The meeting recessed into Closed Session under the Closed Session protocol at 12:47 p.m.

8. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 1:30 p.m.

Chair Hernandez Laguna announced in Closed Session, the Board *Report Involving Trade Secrets*. No action was taken.

9. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF CONSULTING CONTRACT WITH GUIDEHOUSE INC. FOR AN OPERATIONAL AND STRATEGIC ASSESSMENT PLUS A DATA/TECHNOLOGY FEE AND EXPENSE REIMBURSEMENT, SUBJECT TO FINAL LEGAL REVIEW AND NEGOTIATIONS ON TERMS AND CONDITIONS.

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee Member Delgado, and second by Director Cabrera, the Finance Committee recommends the Board of Directors consider approval of consulting contract with Guidehouse Inc. for an operational and strategic assessment plus a data/technology fee and expense reimbursement, subject to final legal review and negotiations on terms and conditions.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Vice Chair Cabrera, Bajaj MD., Delgado, Lopez, Wardwell

Noes: None;

Abstentions: None;

Absent: Miller, and Sanjeev

10. ADJOURNMENT

There being no other business, the meeting was adjourned at 1:32 p.m. The next Finance Committee Meeting is scheduled for **Monday, June 19, 2023 at 12:00 p.m.**

Joel Hernandez Laguna, Chair

Balanced Scorecard

Year To Date: April 2023

Monthly Scorecard Service (30%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
I. Service														
Average of Inpatient HCAHPS Scores	72.7	72.8	71.6	69.8	72.4	75.6	68.7	72.2	73.1	76.7	72.5	75.1	-3.4%	74.8
Emergency Room Press Ganey Score	59.7	58.8	60.2	54.6	54.1	54.2	57.9	61.9	60.0	61.5	58.3	59.7	-2.3%	58.7
Average of Ambulatory HCAHPS Scores	90.6	89.2	92.6	89.5	92.3	91.3	91.5	93.4	92.0	93.5	91.6	92.0	-0.4%	92.0

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score is based on maintaining prior year goals
- ER HCAHPS Score FY 2022 Baseline was 58.7. Rationale: Baseline = Threshold is based on FY 2022 Actuals. Target is +1.0 from baseline. Max is +2.0 from baseline.
- Ambulatory HCAHPS Score FY 2022 Baseline was 92.0. Baseline = Target is based on FY 2022 Actuals. Threshold is -1.0 from the baseline. Max is +1.0 from the baseline.

Monthly Scorecard

Quality & Safety Processes – ER (8%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
Emergency Room Efficiencies														
Median length of stay for non-admits (in minutes)	183.0	180.0	173.0	169.0	179.0	182.0	183.0	174.0	180.5	193.0	179.0	181.0	1.1%	170.0
Median time from admit decision to time of admission to nursing unit (in minutes)	82.0	80.0	75.0	77.0	76.5	81.0	82.0	79.0	71.0	71.0	77.0	81.0	4.9%	79.0

Source: Meditech

ER - LOS for Non-Admits in Minutes: Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) Maximum is based on Feb22 thru Aug22 = 177.0. The Target is a 4 minute increase from the Max, and the Threshold is an 8 minute increase from the Max. **Rationale:** SVMH ER has recently experienced a higher volume level, including a surge of patients. According to CMS, the latest available data from 2021 indicates that the State Rate is 196 minutes and the National Rate is 203 minutes for comparable size hospitals.

ER - Time to Admit in Minutes: Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Baseline = Target is based on FY 2022 Actuals. The Threshold is a 2 minute decrease from the Baseline, and the Max is a 2 minute increase from the Baseline.

Rationale: The ER average daily census is currently averaging at about 186 patients a day compared to the baseline period of 128 (Jul21-Jan22), or a 45% increase in ER census. We also have continued challenges with COVID and respiratory isolation. The vast increase of volume leads to limited space availability and delays. We have put forth a new initiative called the “Big 5 Handover Process”, which is a streamline handover process between the ED and progressive care, which may reduce admit time.

Monthly Scorecard

Quality & Safety Processes – OR (8%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
Operating Room Efficiencies														
Turnover Time (Wheels out / Wheels in) (in minutes)	29.9	28.5	29.1	29.7	29.3	32.1	31.2	28.7	28.6	28.5	29.6	29.5	-0.2%	28.3
Percentage of 1st Case On Time Start Time	90.2%	92.2%	93.6%	83.0%	94.7%	90.1%	89.1%	93.3%	89.8%	94.5%	91.1%	93.0%	-2.1%	95.0%

Turnover Time Measurement: Source is from the **PICIS OR Nurse Record**. Calculate minutes elapsed between the wheels out & wheels in of the next case. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partition by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 2023 Goals are the same as prior year to continue high efficiency performance and strive to maintain sustainability at these levels. Planning to reduce minutes may cause patient safety risks and other concerns, especially considering the Covid-19 ongoing pandemic and the impact its had in our hospital capacity as well as in our perioperative operations. Additionally, our OPS department has moved over to the other side of the building into 1 Main, which means the nurse, anesthesiologist and surgeon now have to go that distance to interview and mark the patient. While this isn't a huge distance, it can add 1-2 minutes to each start and/or turnover.

Percentage of 1st case On Time Start Time

- Source is from PICIS for 1st scheduled case of the day in each OR room where the scheduled time is between 07:00 AM and 08:59 AM
- Cases in which the patient is Wheeled In at least zero minutes prior to the case
- **National benchmark goals range from 70% to 80%**
- FY 2023 Max = FY 2022 Baseline = 95.0%. FY 2023 Target is 2% from Max. FY 2023 Threshold is 4% from Max.

Monthly Scorecard

Quality & Safety Processes – HAC & Hand Hygiene (4%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline	
Hospital Acquired Conditions															
CLABSI SIR (Standard Infection Ratio)	0.00			0.65			0.67				0.44	0.30	-46.4%	0.16	
# of CLABSI EVENTS	0	0	0	1	0	0	1	0	0						
CAUTI SIR (Standard Infection Ratio)	0.61			0.49			0.00				0.36	0.47	22.5%	0.46	
# of CAUTI EVENTS	0	1	0	0	0	1	0	0	0						
CDI SIR (Standard Infection Ratio)	0.68			0.75			0.28				0.57	0.45	-26.6%	0.48	
# of CDI EVENTS	2	1	1	0	2	3	0	0	2						
Hospital Acquired Conditions Average	0.43			0.63			0.32				0.46	0.41	-12.5%	0.37	
Hand Hygiene (Percentage of successful Hand Hygiene observations)	99.5%	96.9%	97.4%	95.5%	97.5%	97.3%	96.3%	97.0%	95.3%	96.3%	96.9%	75.0%	29.2%	89.1%	



Hospital Acquired Conditions

- Source: National Healthcare Safety Network (NHSN) & BD Health Insight Interface
- Hospital Acquired Conditions will be measured **quarterly**
- **Rationale for Targets: Utilizing last years FY targets for sustainment and ongoing prevention practices. Process improvement measures for CLABSI, CAUTI for data improvements, and CDI process improvement focusing on expanding our antimicrobial stewardship program**
- Acronyms:
 1. CLABSI (Central Line Associated Bloodstream Infection)
 2. CAUTI (Catheter Associated Urinary Tract Infection)
 3. CDI (Clostridium Difficile Infection)

Hand Hygiene

- Source: Hand Hygiene Auditing Tool populated by SVMHS staff / leaders direct observations (now on STAR net Main Page)
- Hand Hygiene will be measured **monthly**
- **Rationale for Targets:**
 - Sustaining targets from last FY for expansion and on-boarding of hand hygiene goals to all SVMHS departments.
 - Hand Hygiene process improvement measures last FY with Nursing collaboration, expansion to all staff auditing monthly which will directly effect the target goal.
 - Created new interactive Hand Hygiene Dashboard for leaders/staff to view data by department/unit and staff, posted on the StarNet Infection Prevention page

Monthly Scorecard

Finance (20%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
IV. Finance														
Income from Operations (Normalized) (\$ in Millions)	\$2,030	\$6,289	\$7,724	\$4,092	\$7,733	\$9,746	\$5,109	\$2,815	\$1,542	\$12,989	\$72,085	\$58,906	22.4%	\$83,662
Operating Margin (Normalized)	4.5%	11.5%	14.1%	8.0%	13.8%	16.5%	9.6%	5.8%	3.0%	21.6%	10.9%	10.1%	7.8%	13.9%



- Target Methodology is based on SVMH's 100% of FY 2023 Board Approved Annual Operating Budget

Monthly Scorecard

Growth (10%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
V. Growth														
Grow New Service line Bariatric Surgery	1	1	0	2	0	0	2	1	0	0	7	25	-72.0%	-
Implement e-Visits in SVMC	0	0	0	25	31	25	59	35	50	31	256	100	156.0%	-
Implement MyChart Inpatient	0	0	0	2,326	2,102	1,927	2,085	1,675	2,171	1,811	14,097	15,000	-6.0%	-

- **Grow New Service Line Bariatric Surgery:** CDC estimates 42.4% of U.S. adults had obesity and 9.2% had severe obesity in 2017, the highest incidence ever recorded in America. Metabolic/bariatric surgery is the most effective and durable treatment for severe obesity leading to significant weight loss and the improvement, prevention, or resolution of many related diseases. The initial program meeting was conducted during November 2021. The 1st surgery was performed successfully on 7/13/22. We are excited about this new service line and medical service to our community.
- **Implement e-Visits in SVMC:** MyChart adoption for SVMC has increased to over 40% over the last year. This continues to be a significant focus as we expand functionality for patient engagement and develop MyChart as our digital front door for the clinic. This was one of our FY'22 organizational goals. As a result of increasing our patient adoption the number of messages to our providers has increased dramatically. Messaging your doctor can be a convenient way to get medical advice. Patients can send a note through MyChart whenever they have time – day or night – and our providers will typically reply in a timely fashion. Depending on the patient needs and schedule, this can be a great alternative to an in-person, video or telephone visit. The issue for our providers is the time involved to engage in more than a simple response can be extensive and is not billed for currently. We are giving our providers the ability to determine whether a message exchange should be billed to insurance. Even if a message is billed to insurance, many patients won't have to pay anything. For those who do, out-of-pocket expenses for this type of care vary by insurance plan and are generally low.
- **Implement MyChart Inpatient in SVMH:** There's a regulatory requirement which goes into effect the first week of October. It is a component of the 21st Century CURES ACT which must provide patient requests of their inpatient record, real time. We are implementing MyChart Inpatient to comply with the requirement. The current patient portal doesn't meet 21st Century CURES requirements so we are at risk of missing the Promoting Interoperability metrics. Each occurrence of patient information blocking as it is termed is fineable up to \$1M. Currently, what is in scope for documentation view to comply is Discharge summaries, Progress notes, Lab and Radiology results. Out of scope are scanned documents, nursing documentation, provider messaging (inpatient), scheduling (hospital departments), bill pay (inpatient), and COVID vaccination status.

Monthly Scorecard Community (5%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
VI. Community														
Employees Complete the Real Age Test via the SVMHS wellness platform, Wellness Your Way				97	24	50	224	178	95	18	686	600	14.3%	-



- A **New Employee Wellness Platform**, Wellness Your Way, will launch in October 2022. It will serve all SVMHS employees and members of their households who are covered by our health plan.
- All users of Wellness Your Way will be encouraged to complete the Real Age Test. The information provided by the user in the Real Age Test will allow customization of the platform for the user.
- Users will be able to complete the Real Age Test anytime after the launch of the platform. For the purposes of this Pillar Goal metric, all Real Age Tests completed by SVMHS employees between the launch of the platform through June 30, 2023 will count toward the goal.

Questions / Comments?



Financial Performance Review

May 2023

Augustine Lopez
Chief Financial Officer

Consolidated Financial Summary For the Month of May 2023

\$ in Millions	For the Month of May 2023			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue*	\$ 63.7	\$ 58.5	\$ 5.2	8.9%
Operating Expense	\$ 59.2	\$ 57.4	\$ (1.8)	-3.1%
Income from Operations	\$ 4.5	\$ 1.1	\$ 3.4	309.1%
<i>Operating Margin %</i>	7.0%	1.8%	5.2%	288.89%
Non Operating Income**	\$ 6.1	\$ 1.0	\$ 5.1	510.0%
Net Income	\$ 10.6	\$ 2.1	\$ 8.5	404.8%
<i>Net Income Margin %</i>	16.6%	3.5%	13.1%	374.3%

*Normalizing revenue items included above are:

- \$0.5M Medi-Cal - Rate Range Program (FY 2022)

Consolidated Financial Summary – Normalized For the Month of May 2023

\$ in Millions	For the Month of May 2023			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue*	\$ 63.2	\$ 58.5	\$ 4.7	8.0%
Operating Expense	\$ 59.2	\$ 57.4	\$ (1.8)	-3.1%
Income from Operations	\$ 4.0	\$ 1.1	\$ 2.9	263.6%
<i>Operating Margin %</i>	6.3%	1.8%	4.5%	250.0%
Non Operating Income	\$ 6.1	\$ 1.0	\$ 5.1	510.0%
Net Income	\$ 10.1	\$ 2.1	\$ 8.0	381.0%
<i>Net Income Margin %</i>	15.9%	3.5%	12.4%	354.3%

*Normalizing revenue items excluded from the above are:

- \$0.5M Medi-Cal - Rate Range Program (FY 2022)

Executive Summary: Favorable Financial Performance

- *Salinas Valley Health as a system had a strong financial performance overall. After normalizing for a Rate Range Program payment totaling \$494k, Income from Operations of \$4.0 million was favorable by \$2.9 million compared to budget of \$1.1 million.*
- The favorable results were attributable to stronger than expected outpatient business, including outpatient infusion services, various ancillary services (CT & MRI scans) as well as outpatient surgeries. Overall, lower than expected operating costs were seen in contract labor, overtime and Worked FTEs.
- Non-operating income was favorable by \$5.1 million due to equity in subsidiary income, higher than projected investment income, and donations received from the SVH Foundation totaling \$1.2 million.

Executive Summary: Favorable Financial Performance

- *The strong financial performance was partially offset in the following areas:*
 - ✓ The Average Daily Census (116) was overbudget by 1% and lower than last month by 8%.
 - ✓ The payer mix for the month showed marginal improvement from April: Commercial revenue was 4% above budget for the month. However, Medicare and Medi-Cal were higher than budget by 14% and 25%, respectively.
 - ✓ Total admissions were 2% above budget, of those 78% were governmental payers.
 - ✓ Medicare ALOS CMI adjusted, was 2.9 days, unfavorable by 20% to budget.
- In addition to the above opportunities, Medicare CMI was 1.68, a decline from last month by 15%. This was driven by:
 - ✓ Fewer than expected inpatient surgical cases in the following areas:
 - ✓ Neurosurgery
 - ✓ Orthopedics
 - ✓ Urology
 - ✓ Vascular
 - ✓ The decline in the CMI / Patient Acuity was specifically seen in:
 - ✓ Fewer than expected Spinal Fusion cases
 - ✓ Fewer than expected Cardiology – Electrophysiology cases
 - ✓ Fewer than expected Septicemia cases
 - ✓ Fewer than expected Tracheostomy cases

Consolidated Financial Summary

Year-to-Date May 2023

\$ in Millions	FY 2023 YTD May			
	Actual	Budget	Variance fav (unfav)	
			\$VAR	%VAR
Operating Revenue*	\$ 684.4	\$ 624.2	\$ 60.2	9.6%
Operating Expense**	\$ 649.3	\$ 611.7	\$ (37.6)	-6.1%
Income from Operations	\$ 35.1	\$ 12.5	\$ 22.6	180.8%
<i>Operating Margin %</i>	5.1%	2.0%	3.1%	155.0%
Non Operating Income***	\$ 23.3	\$ 10.7	\$ 12.6	117.8%
Net Income	\$ 58.4	\$ 23.2	\$ 35.2	151.7%
<i>Net Income Margin %</i>	8.5%	3.7%	4.8%	129.7%

***Normalizing revenue items in Operations include:**

- \$4.9M Rate Range Program (FY 2022)
- \$1.8M AB915 OP Supplemental Payments (FY 21)

****Normalizing expense items in Operations include:**

- \$2.4M in Salaries & Wages related to the Employee Retention Grants from the State

*****Normalizing items in Non-Operating Income includes:**

- \$5.1M FEMA Funds recognized

In addition:

- \$2.4M received in payments related to the Employee Retention Grants from State of California (SB 184)

Consolidated Financial Summary - Normalized Year-to-Date May 2023

\$ in Millions	FY 2023 YTD May			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 677.7	\$ 624.2	\$ 53.5	8.6%
Operating Expense	\$ 646.8	\$ 611.7	\$ (35.1)	-5.7%
Income from Operations	\$ 30.9	\$ 12.5	\$ 18.4	147.2%
<i>Operating Margin %</i>	4.6%	2.0%	2.6%	130.0%
Non Operating Income	\$ 16.3	\$ 10.7	\$ 5.6	52.3%
Net Income	\$ 47.2	\$ 23.2	\$ 24.0	103.4%
<i>Net Income Margin %</i>	7.0%	3.7%	3.3%	89.2%

SVHMC Revenue Highlights May 2023

Gross Revenues were 15% Favorable to budget

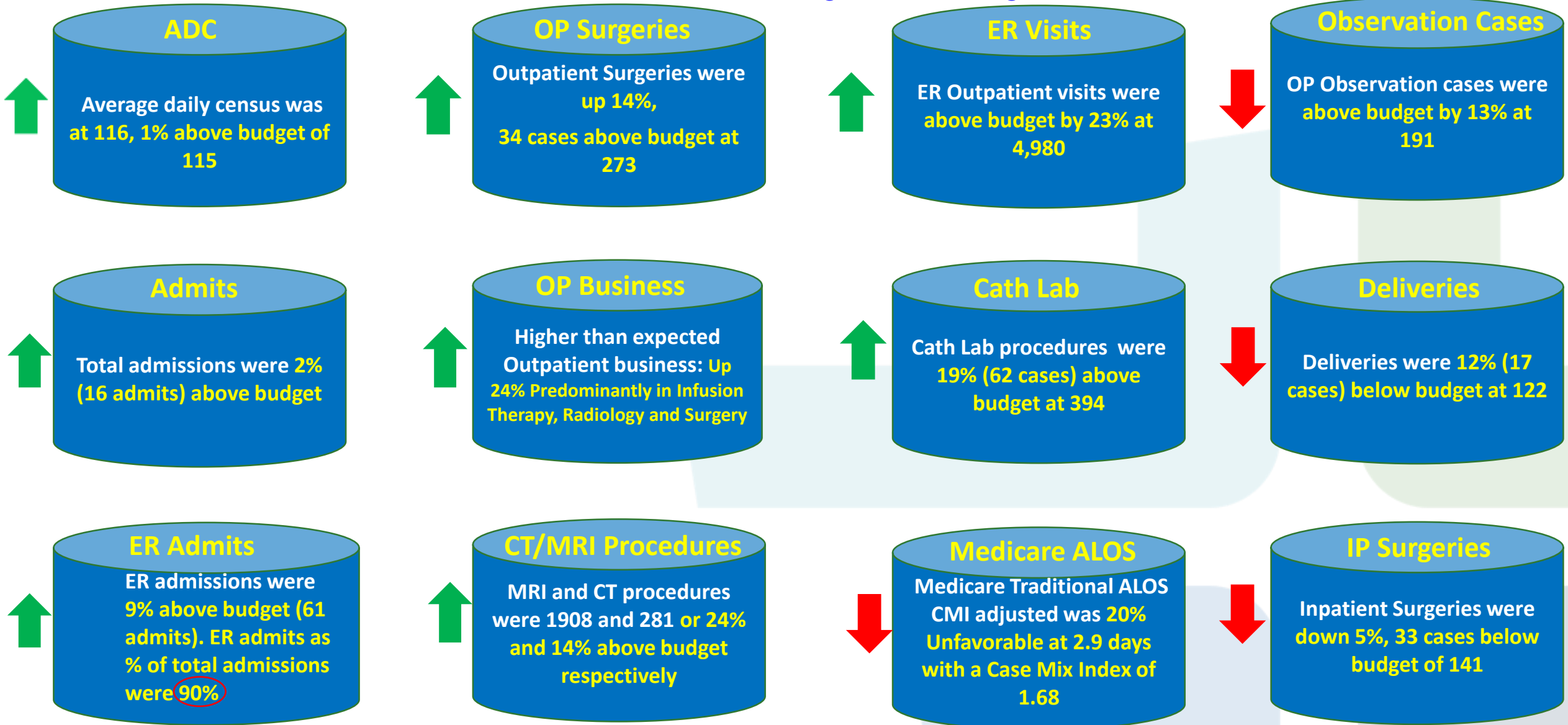
- IP Gross Revenues were 6% favorable to budget
- ED Gross Revenues were 23% favorable to budget
- OP Gross Revenues were 25% favorable to budget in the following areas:
 - Infusion Therapy
 - Radiology
 - Surgery

- Commercial: 4% below budget
- Medicaid: 25% above budget
- Medicare: 14% above budget

**Payor Mix –
materially
unfavorable**

Total Normalized Net Patient Revenues were \$53.2M, which was Favorable to budget by \$4.7M or 9.8%

Financial Summary – May 2023



COVID Inpatient Discharge Cases

Payor Mix Analysis

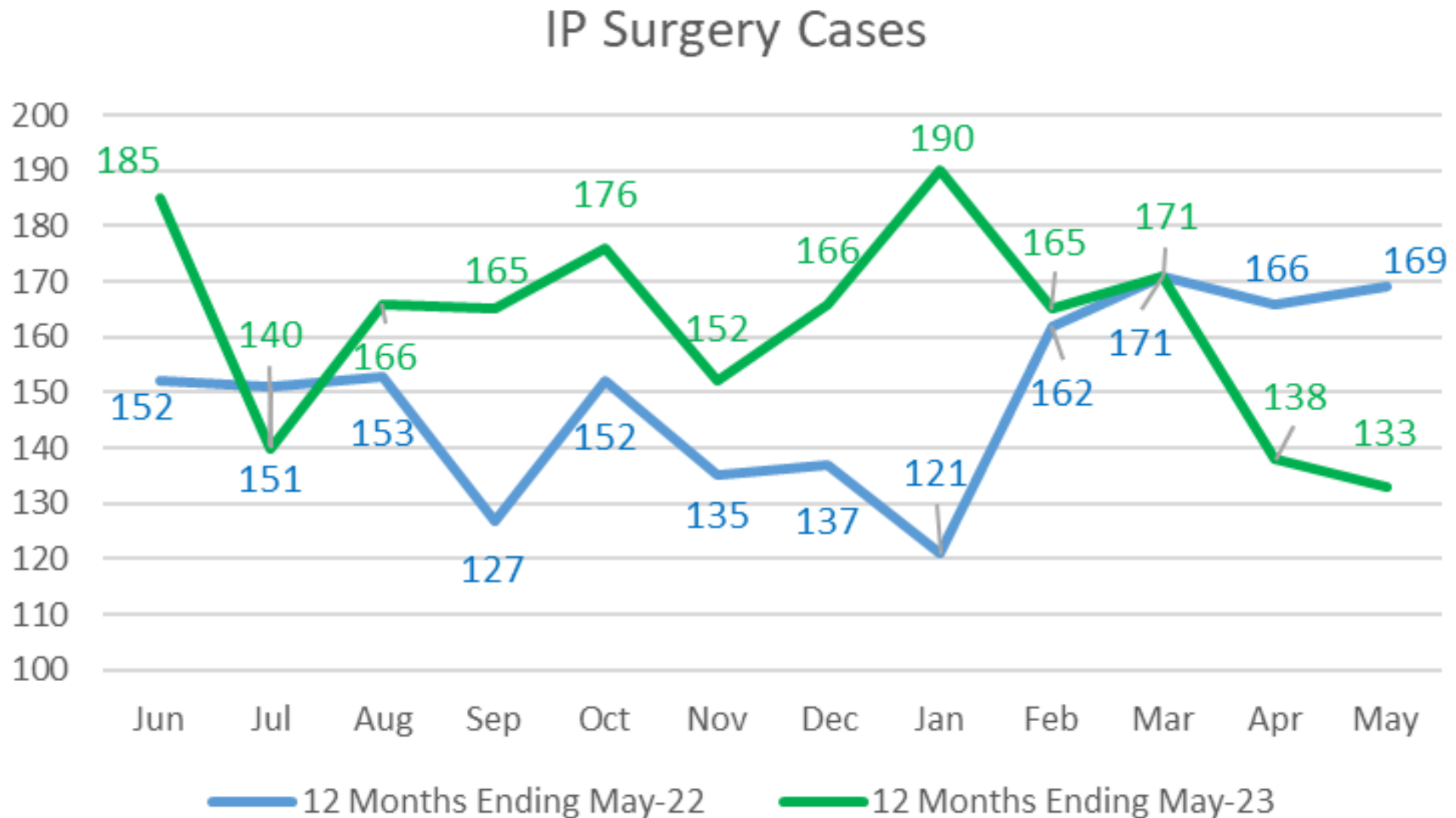
Jun 2022 thru May 2023

Cases	Month											
Payor	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23
Medicare	25	44	31	7	13	14	11	19	32	19	9	14
Medi-Cal	5	25	10	4	3	5	5	8	5	10	4	3
Commercial	11	7	5	2	2			5	1	1	2	
Other		2	3				4	2	2			1
Grand Total	41	78	49	13	18	19	20	34	40	30	15	18

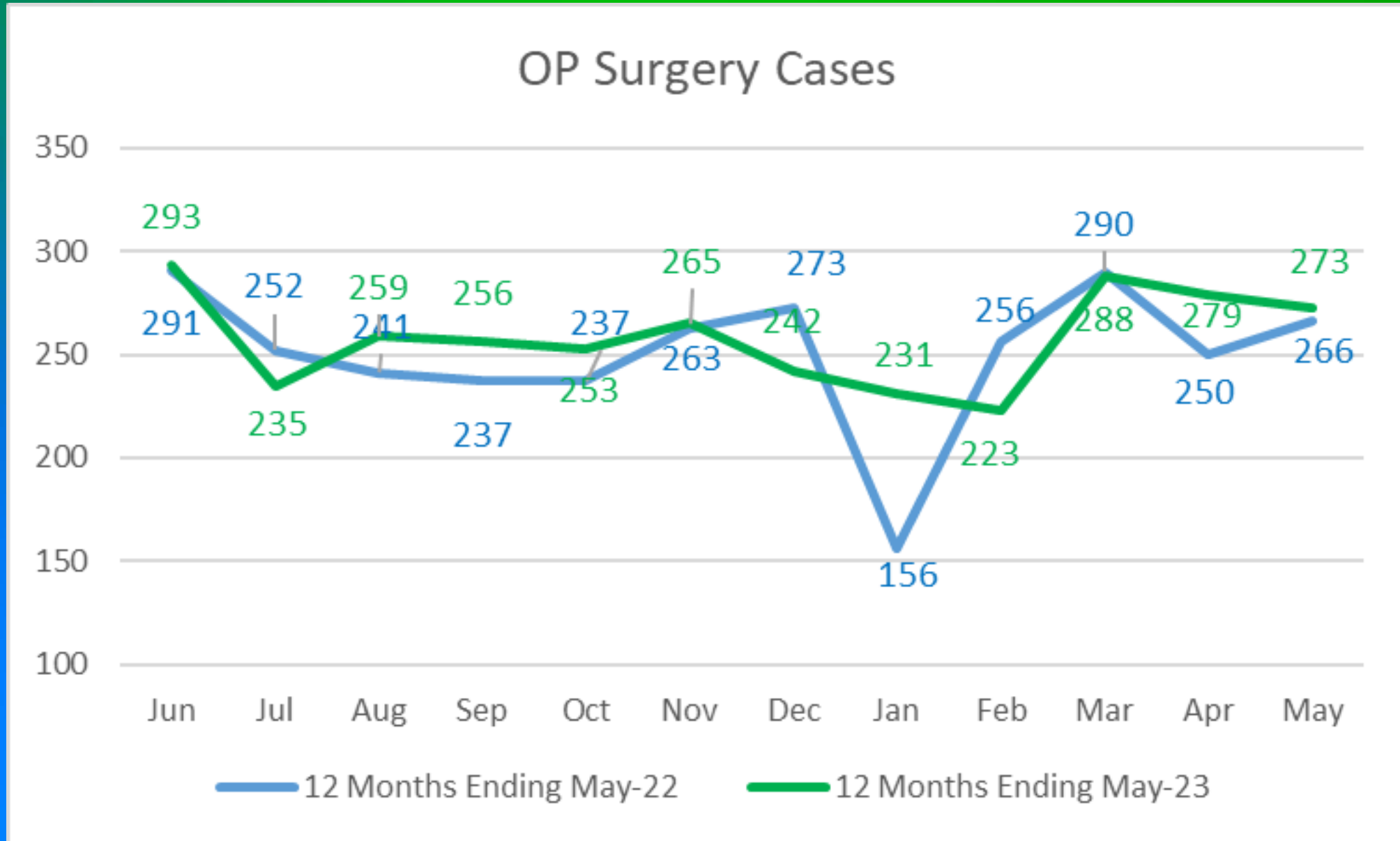
Note: COVID Criteria is based any DX U07.1

COVID Inpatient cases Increased during May compared to prior month.

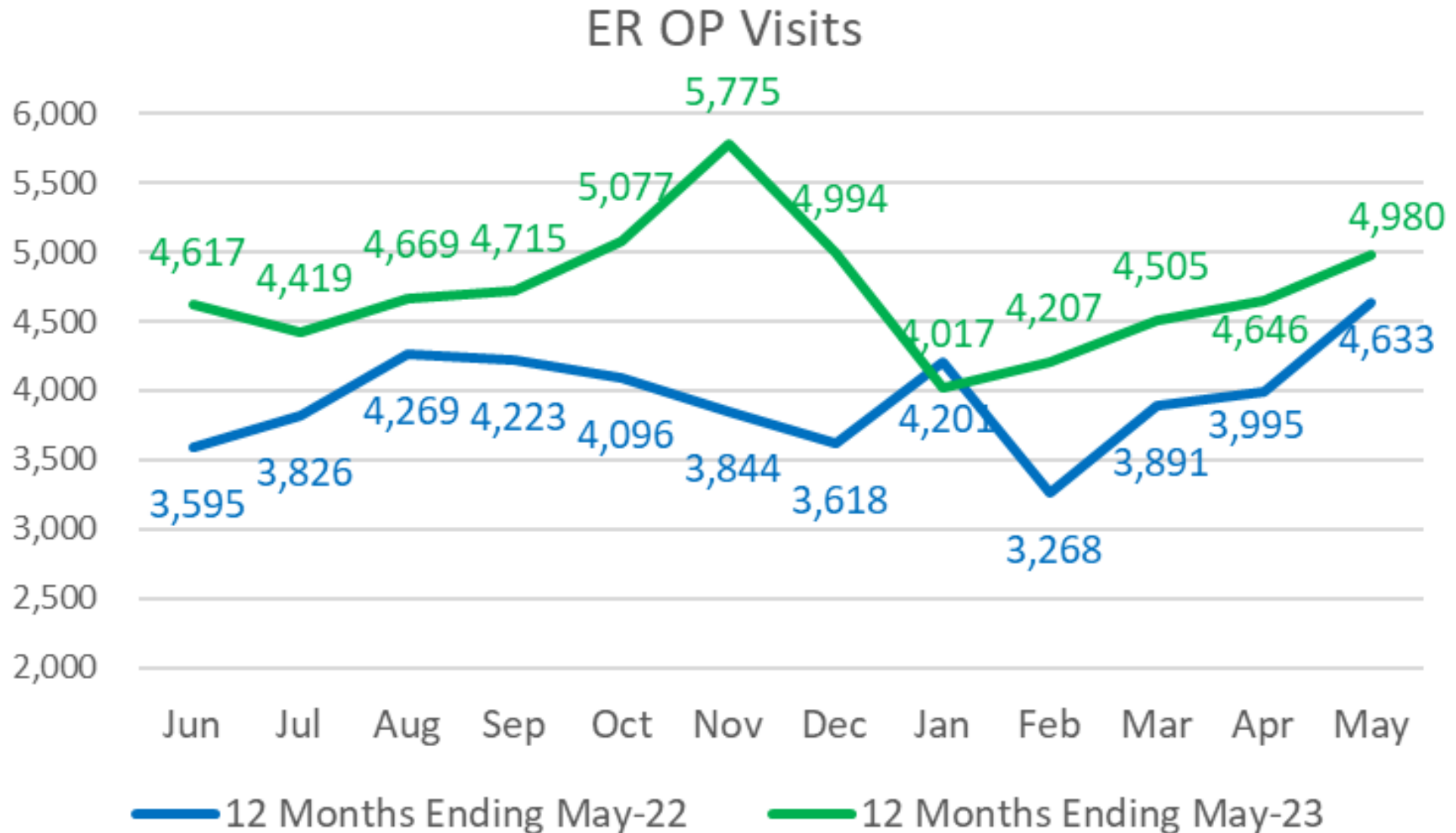
IP Surgery Cases – May 2023



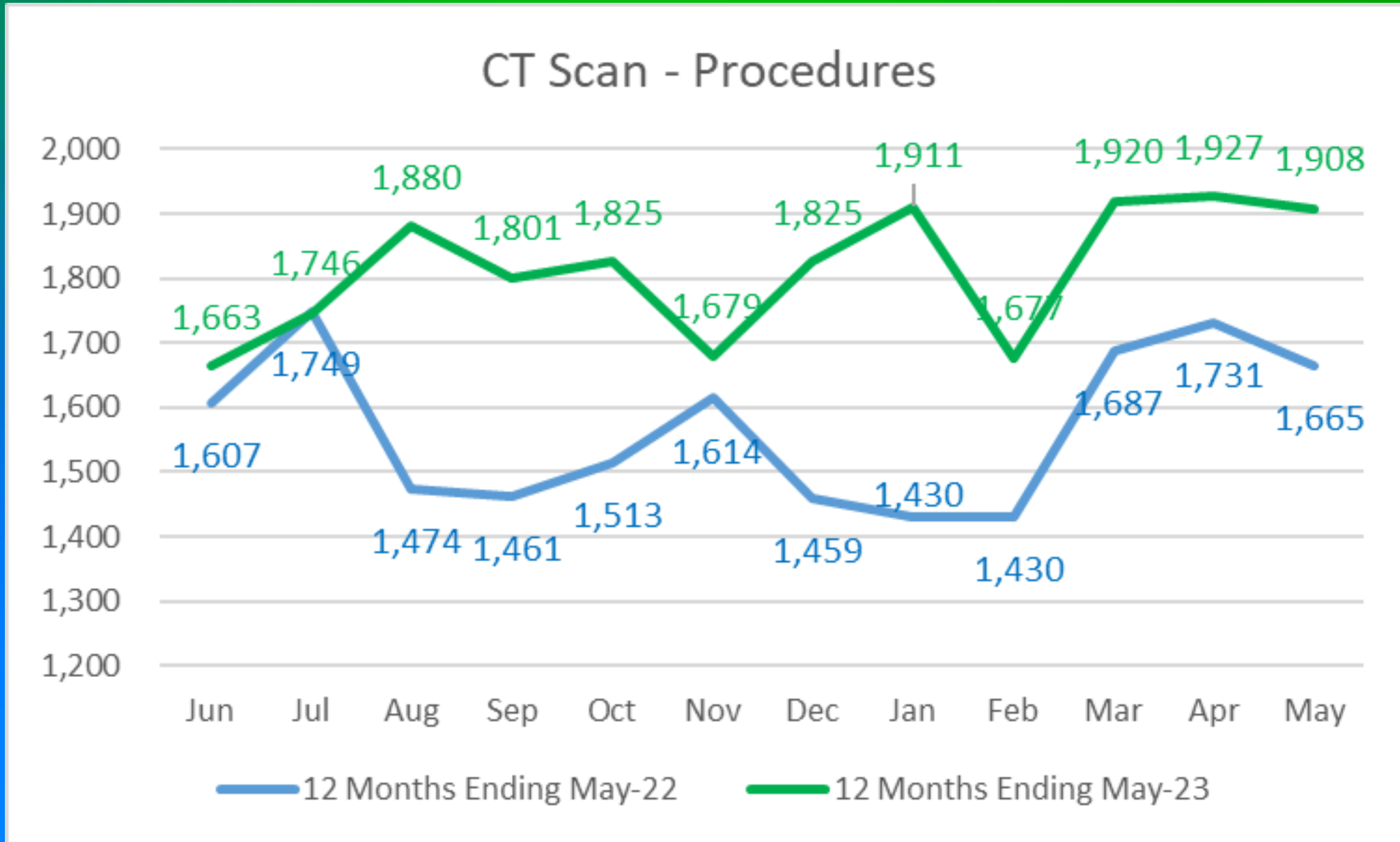
OP Surgery Cases – May 2023



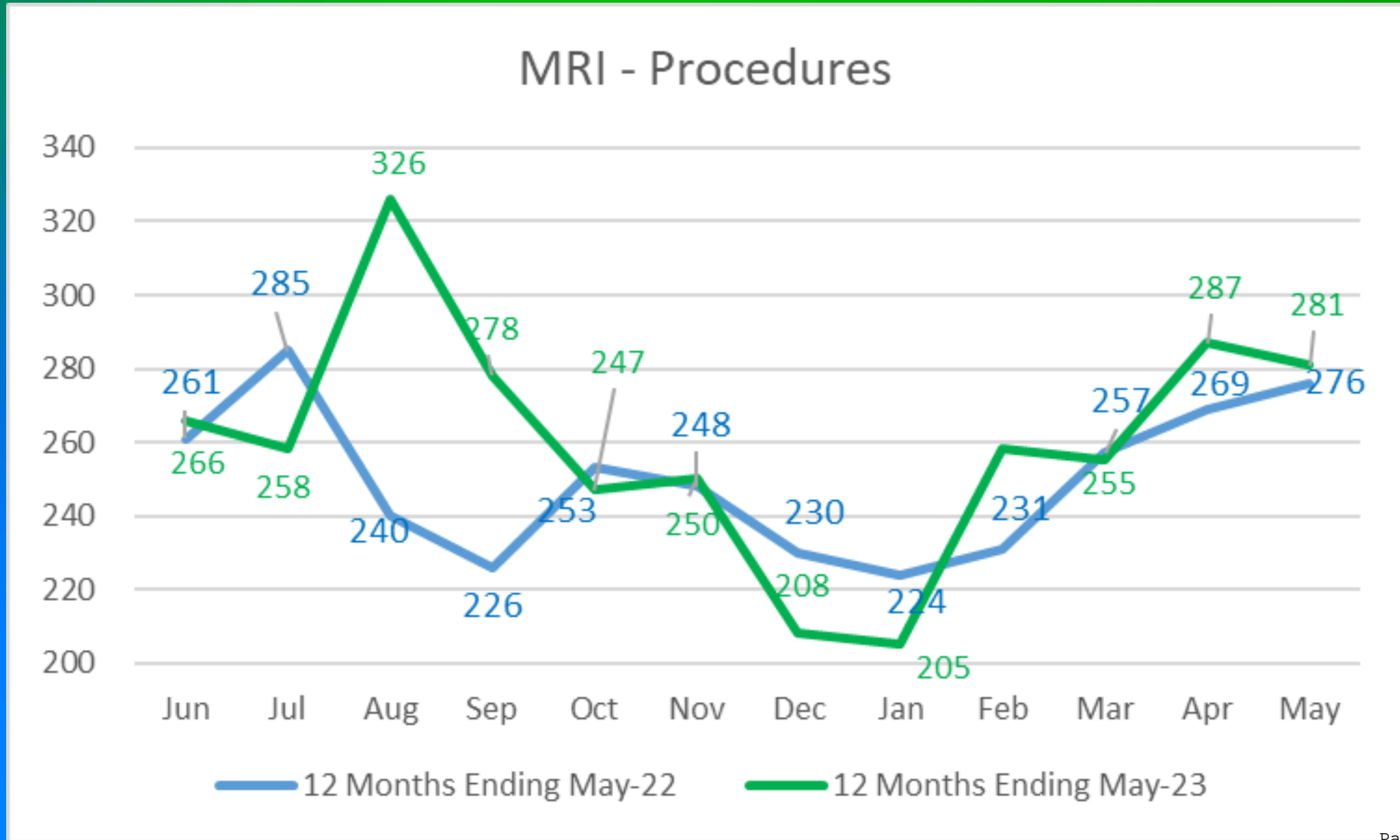
ER OP Visits – May 2023



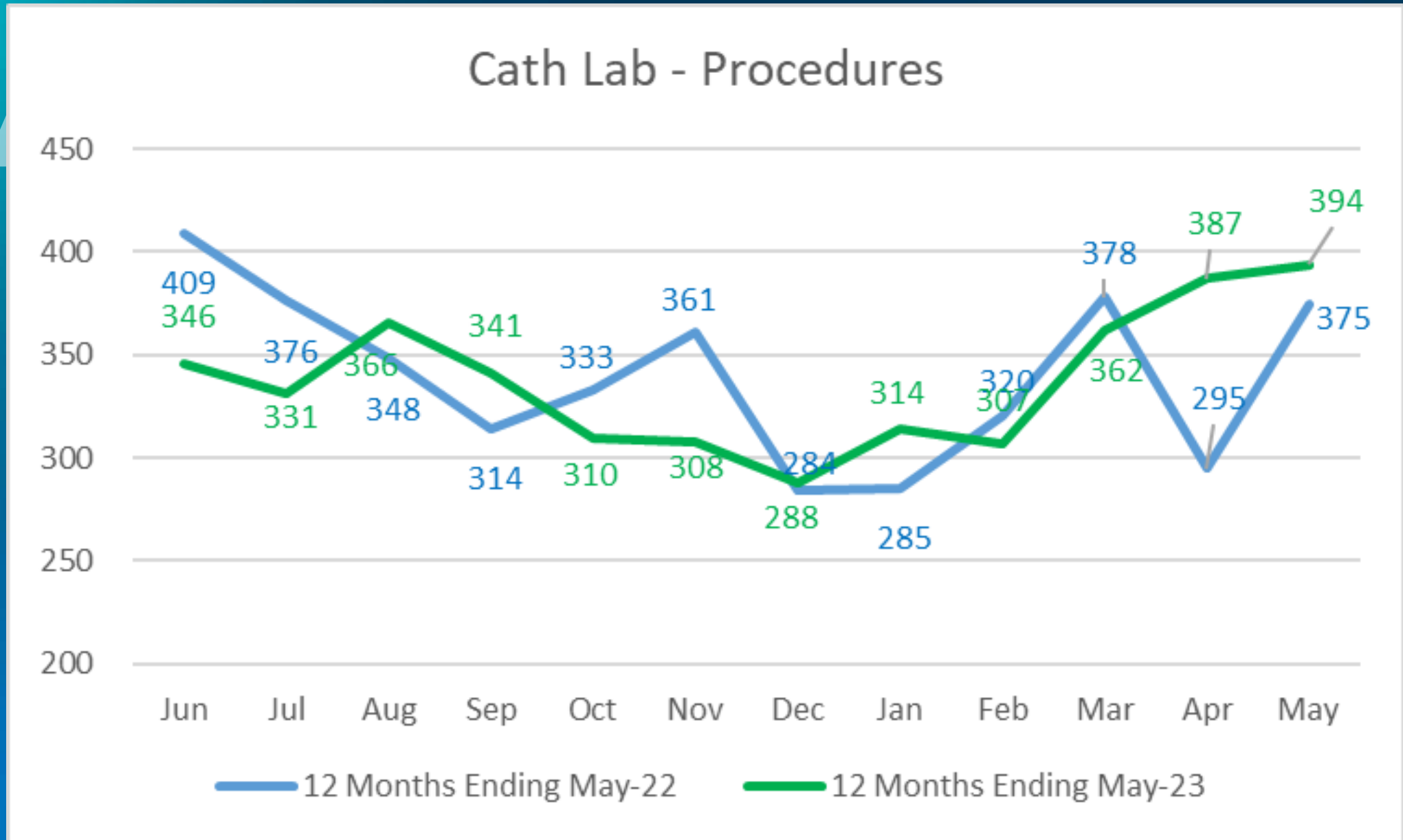
CT Scans – May 2023



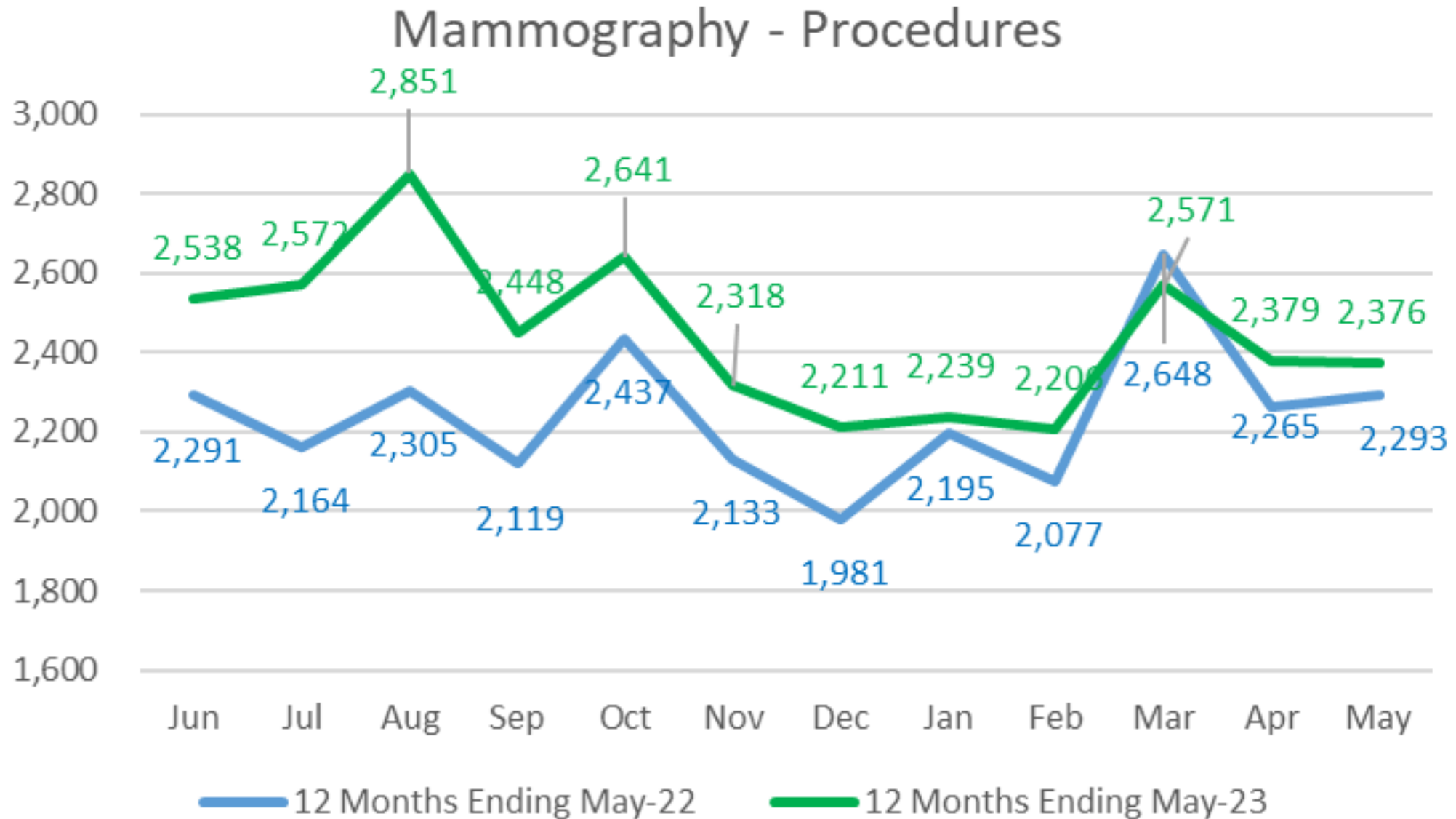
MRI – May 2023



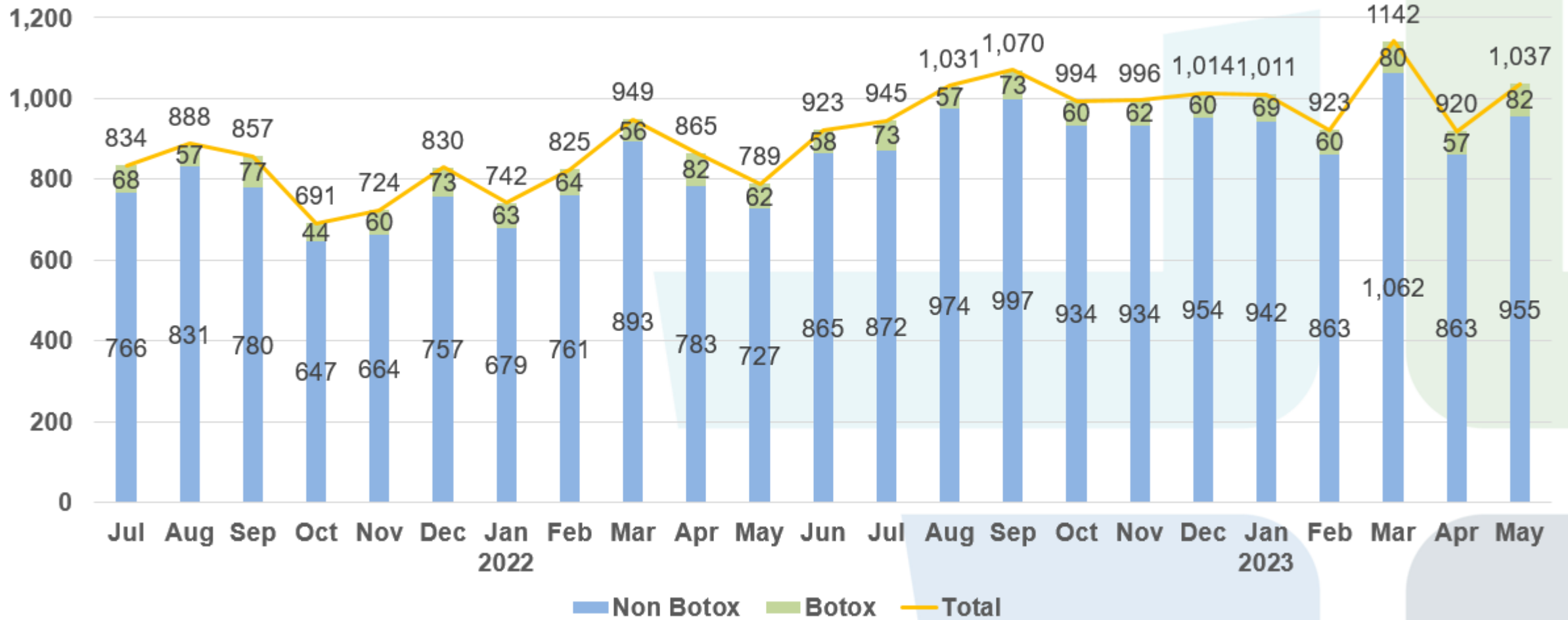
Cath Lab – May 2023



Mammography – May 2023

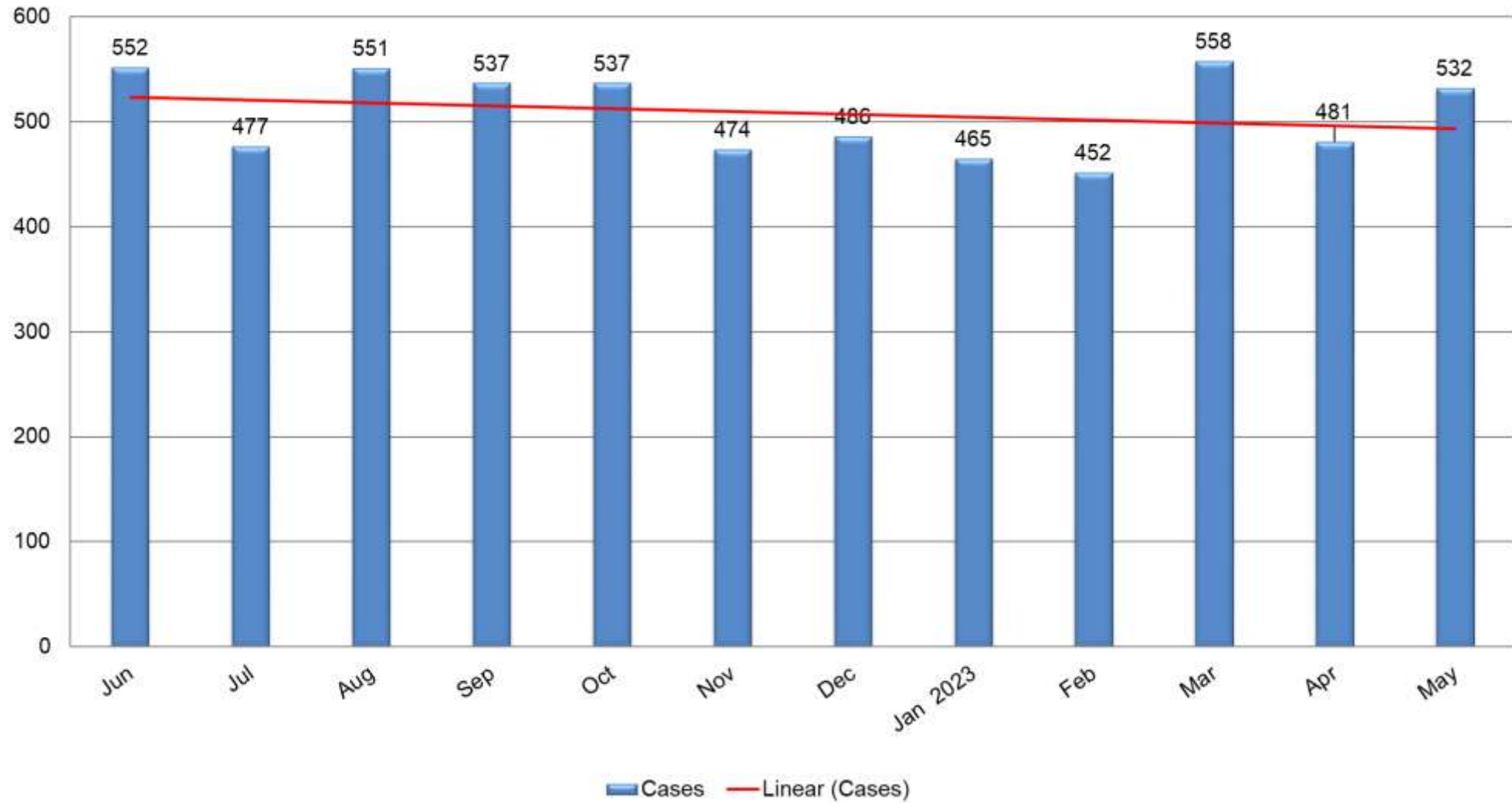


OP Infusion Trend- (Includes Botox) July 2021 through – May 2023



CDOC Cases - Rolling 12 Month Trend

June 2022 thru May 2023



Labor Productivity – May 2023

- 1. Worked FTEs:** During the month of May, worked FTEs on a PAADC basis were 2.9% favorable at **6.77** with a target of **6.98**. *When reviewed on a unit by unit level, the variance was 5 FTEs Positive (\$69k).* Average Daily Census decreased to 116 compared to 126 in April, and was 1% above budget. Worked FTE decreased to 1,577 in May (1,602 in April).
- 2. Paid FTEs:** On a PAADC basis paid FTEs were **3.2%** favorable to budget at **7.86 actual vs. 8.12 budget**. Paid FTE decreased slightly from 1,834 in April to 1,830 in May.

Contract Labor FTE By Month FY22 and FY23 YTD May



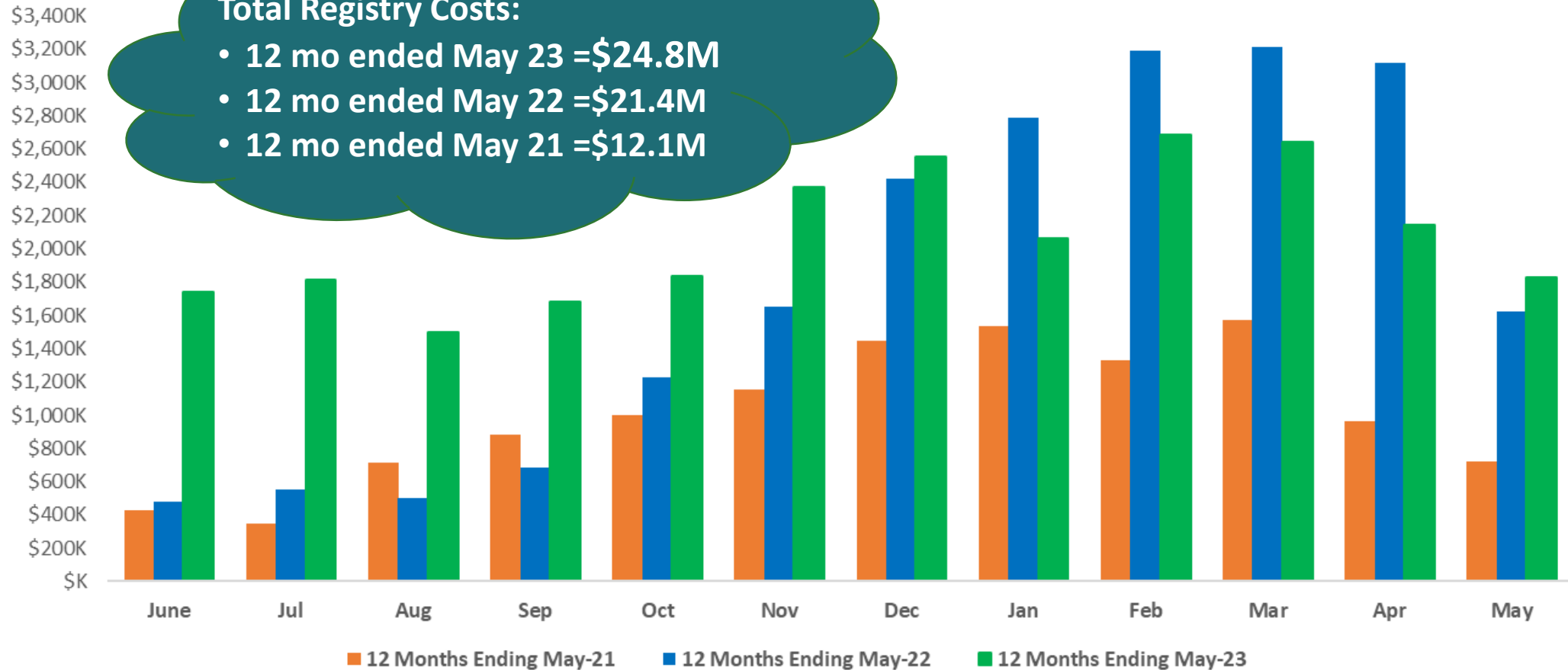
Contract labor continues to be utilized as direct result of staff shortages (national issue), and high volumes. Contract labor came down approximately 16 FTEs in May compared to April, and 34 FTEs compared to the recent Peak in February. Both RNs (11 FTEs) and Non-RNs (5 FTEs) contract labor showed a reduction in May compared to April.

Contract Labor Utilization

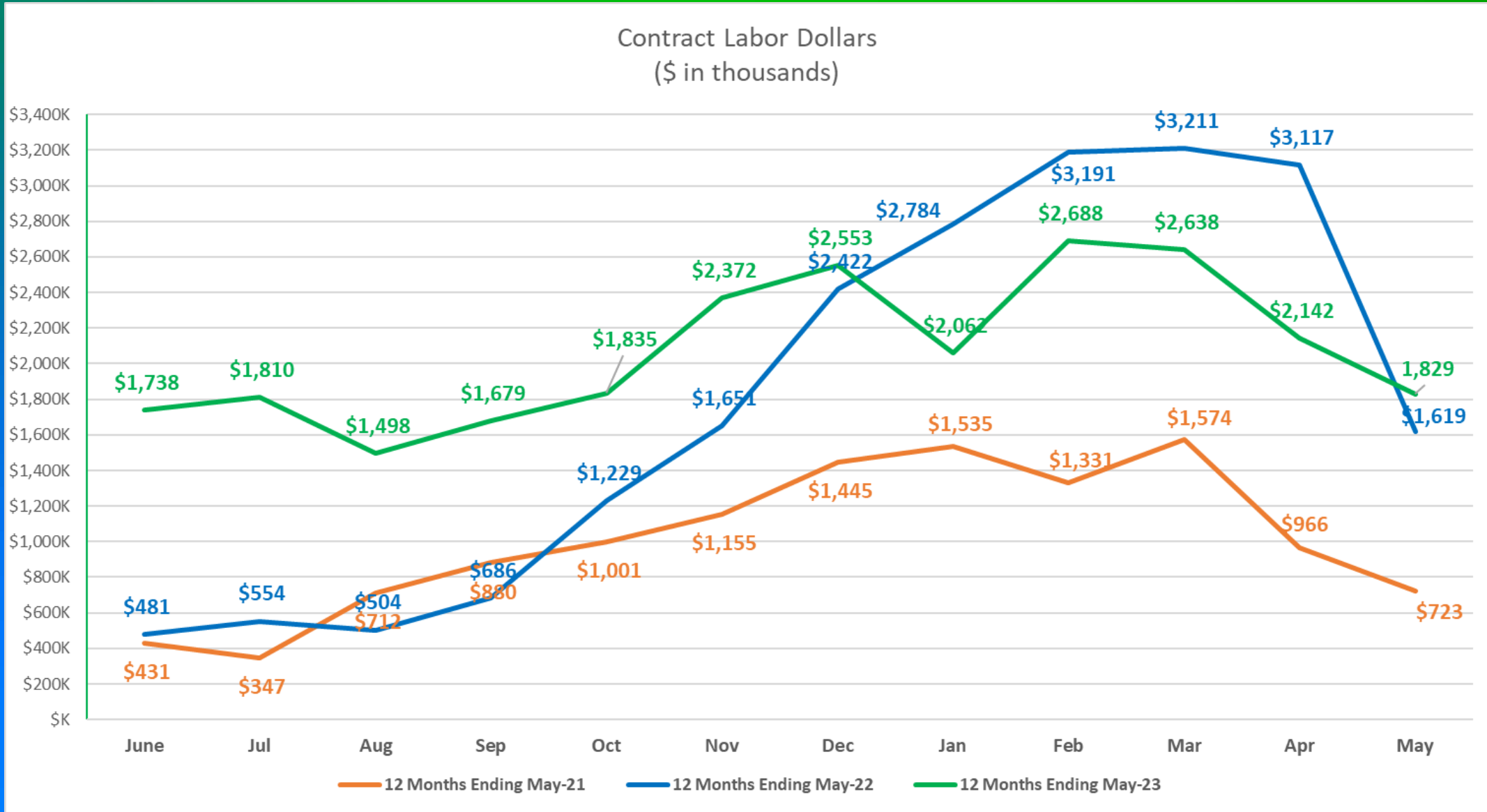
Contract Labor Dollars
(\$ in thousands)

Total Registry Costs:

- 12 mo ended May 23 = \$24.8M
- 12 mo ended May 22 = \$21.4M
- 12 mo ended May 21 = \$12.1M

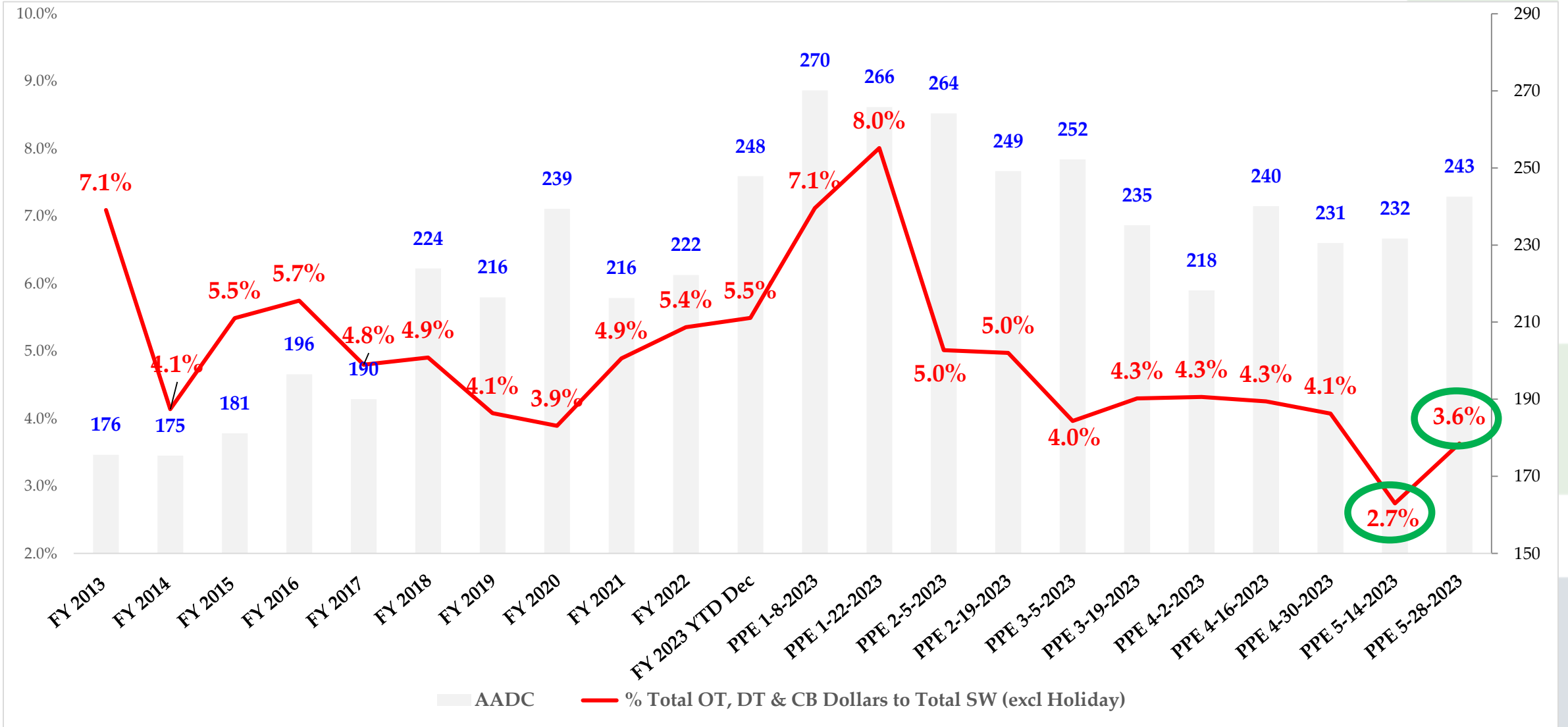


Contract Labor – May 2023



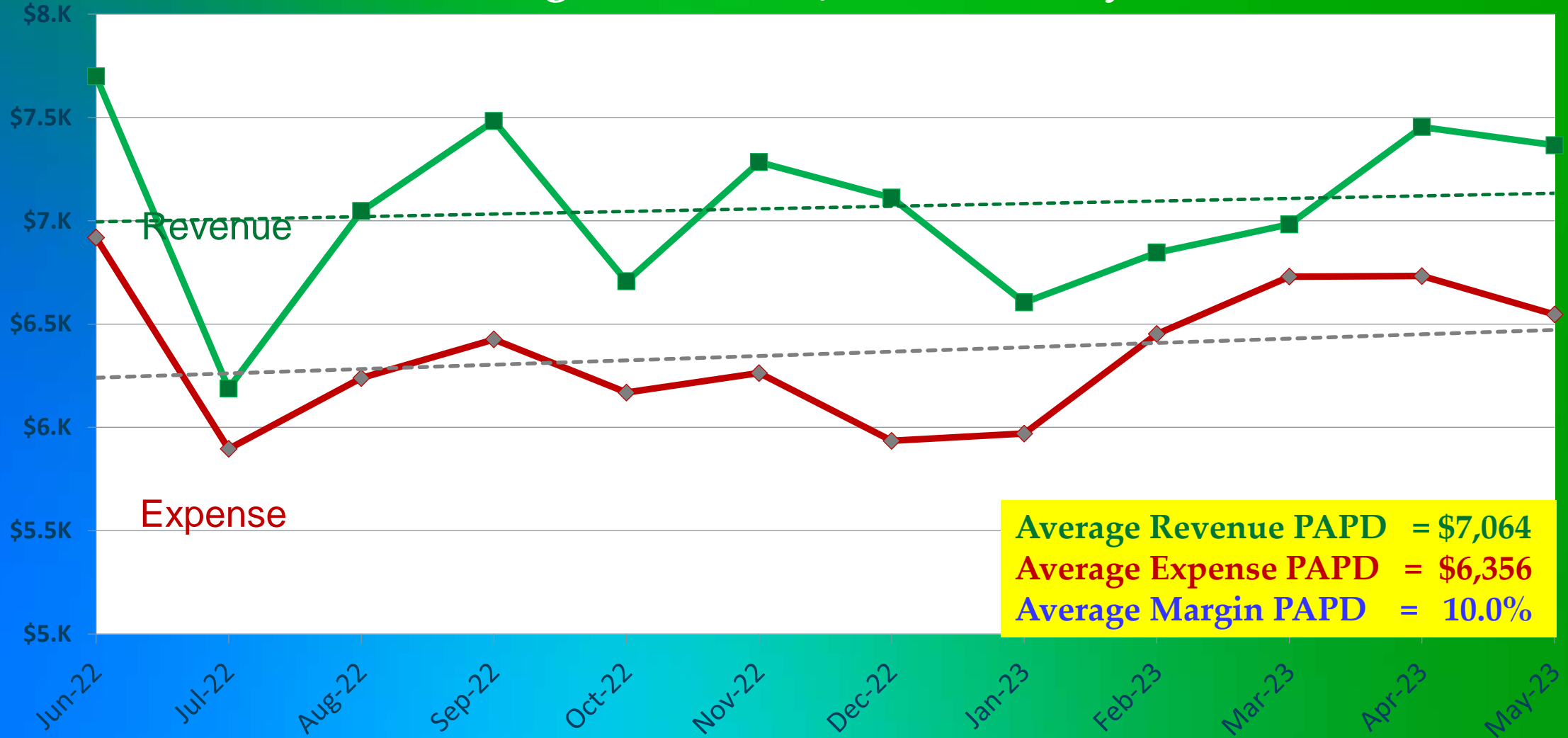
% of Total OT, DT & CB Dollars to Total S&W

Updated Thru PPE 5-28-23



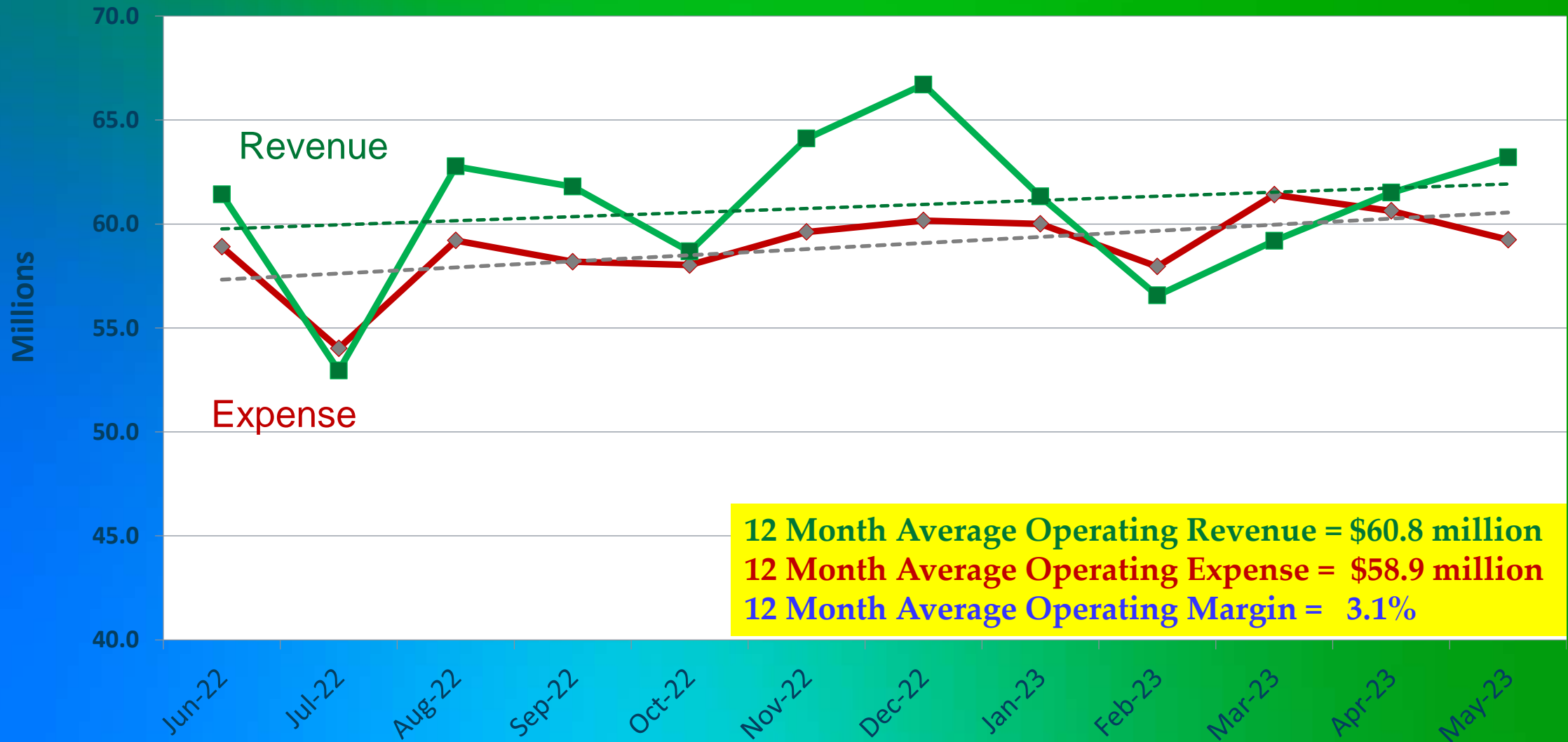
SVHMC Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: June 22 to May 23



SVH Revenues & Expenses (Normalized)

Rolling 12 Months: June 22 to May 23



Salinas Valley Health Key Financial Indicators

Statistic	YTD	SVH		S&P A+ Rated		YTD	
	5/31/23	Target	+/-	Hospitals	+/-	5/31/22	+/-
Operating Margin*	4.2%	5.0%		4.0%		6.6%	
Total Margin*	6.6%	6.0%		6.6%		5.9%	
EBITDA Margin**	8.2%	7.4%		13.6%		10.7%	
Days of Cash*	338	305		249		341	
Days of Accounts Payable*	52	45		-		47	
Days of Net Accounts Receivable*	49	45		49		55	
Supply Expense as % NPR	12.7%	14.0%		-		12.9%	
SWB Expense as % NPR	52.5%	53.0%		53.7%		51.2%	
Operating Expense per APD*	6,249	6,739		-		6,318	

*These metrics have been adjusted for normalizing items

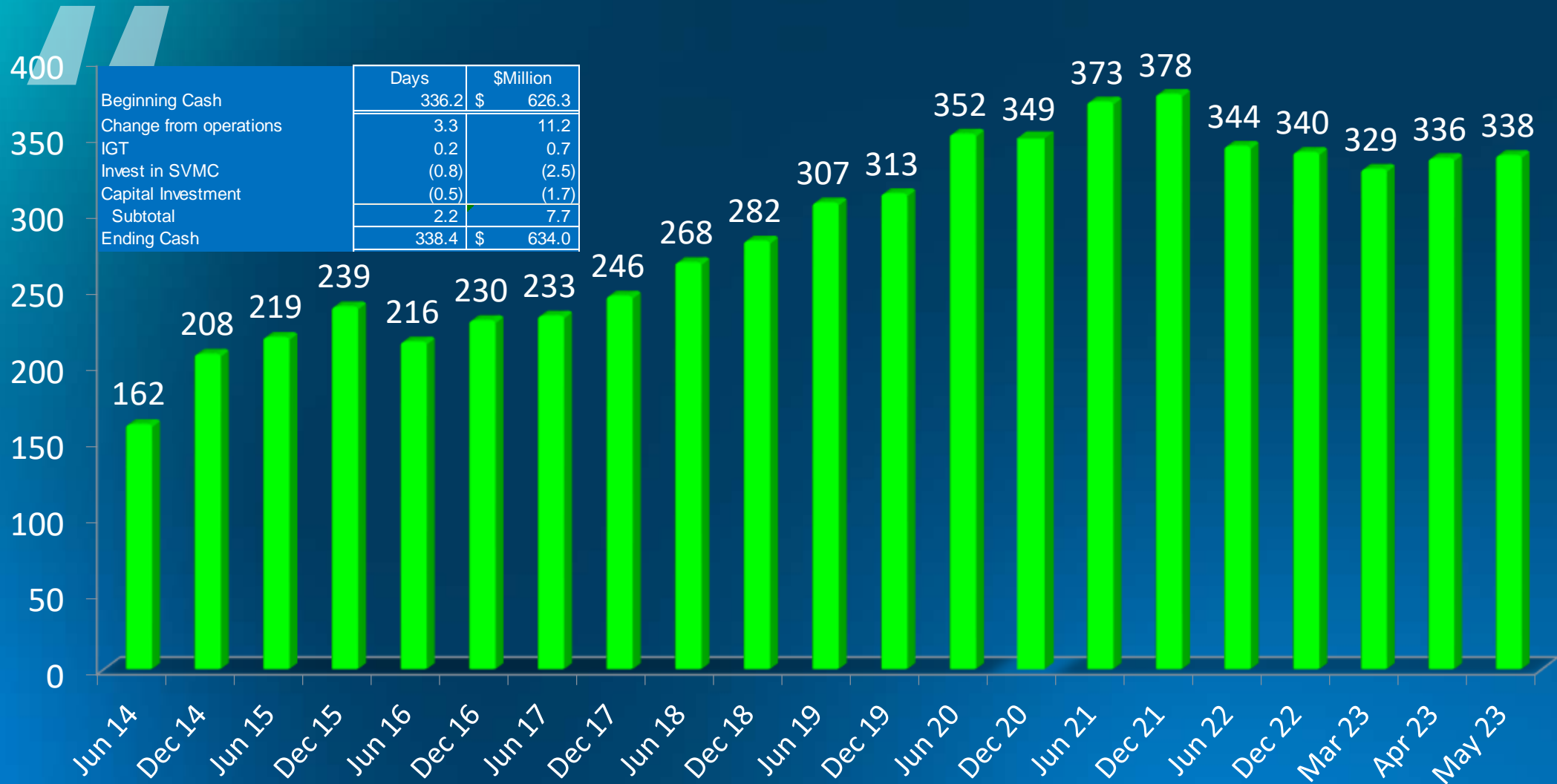
**Metric based on Operating Income (consistent with industry standard)

***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 Health

Days Cash on Hand = 338 Days (\$634M) - May 2023



Routine Capital Expenditures Through May 2023

Fiscal Month	FY 2023 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,666,667	417,301	1,249,366	Emergency Generator Redundancy	25,461
August	1,666,667	865,174	2,050,858	OB C-Section OR Room	8,436
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		
December	1,666,667	2,079,034	3,735,303	Total Improvements	33,897
January	1,666,667	609,423	4,792,546	Network Improvements & PCs for Information Services	768,338
February	1,666,667	981,650	5,477,563	Workstations for Admitting and Case Management	51,115
March	1,666,667	446,191	6,698,038	Lobby Seating Furniture for Administration	36,892
April	1,666,667	223,172	8,141,533	Tourniquet System for Surgery Dept	33,267
May	1,666,667	1,016,874	8,791,326	Other Miscellaneous	93,365
June	1,666,667		10,457,992	Total Equipment	982,977
YTD TOTAL	20,000,000	9,542,008	10,457,992	Grand Total	1,016,874

Questions / Comments

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
May 31, 2023

	<u>Month of May,</u>		<u>Eleven months ended May 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,684,616	\$ 46,127,137	\$ 577,006,658	\$ 537,377,634
Other operating revenue	2,172,850	1,050,765	17,898,078	13,508,895
Total operating revenue	<u>54,857,466</u>	<u>47,177,902</u>	<u>594,904,736</u>	<u>550,886,529</u>
Total operating expenses	47,265,683	44,631,025	520,887,493	468,357,233
Total non-operating income	<u>2,863,275</u>	<u>(3,993,614)</u>	<u>(16,728,110)</u>	<u>(38,705,769)</u>
Operating and non-operating income	<u>\$ 10,455,059</u>	<u>\$ (1,446,738)</u>	<u>\$ 57,289,134</u>	<u>\$ 43,823,527</u>

SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
May 31, 2023

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 443,660,407	\$ 400,982,318
Assets whose use is limited or restricted by board	157,882,515	148,424,283
Capital assets	243,759,762	239,040,048
Other assets	173,318,052	228,689,616
Deferred pension outflows	<u>95,857,027</u>	<u>50,119,236</u>
	<u>\$ 1,114,477,763</u>	<u>\$ 1,067,255,501</u>
LIABILITIES AND EQUITY:		
Current liabilities	104,000,896	115,204,230
Long term liabilities	16,644,243	14,288,063
Lease deferred inflows	1,642,999	0
Pension liability	79,111,485	83,585,120
Net assets	<u>913,078,140</u>	<u>854,178,089</u>
	<u>\$ 1,114,477,763</u>	<u>\$ 1,067,255,501</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
May 31, 2023**

	<u>Month of May,</u>		<u>Eleven months ended May 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,749	1,897	21,870	19,388
Medi-Cal	1,138	999	12,890	10,789
Commercial insurance	596	710	8,061	8,160
Other patient	123	96	1,381	1,210
Total patient days	<u>3,606</u>	<u>3,702</u>	<u>44,202</u>	<u>39,547</u>
Gross revenue:				
Medicare	\$ 108,533,041	\$ 101,335,632	\$ 1,158,444,536	\$ 1,025,520,833
Medi-Cal	74,151,405	62,176,941	781,325,408	621,634,239
Commercial insurance	55,149,226	49,650,786	572,150,620	543,564,234
Other patient	9,652,934	7,721,389	96,843,918	88,989,539
Gross revenue	<u>247,486,606</u>	<u>220,884,748</u>	<u>2,608,764,482</u>	<u>2,279,708,844</u>
	73.8%	74.0%	74.4%	72.3%
Deductions from revenue:				
Administrative adjustment	558,645	279,149	3,014,033	3,287,908
Charity care	612,690	1,128,993	6,900,247	9,038,495
Contractual adjustments:				
Medicare outpatient	36,066,197	30,742,514	337,192,850	303,545,000
Medicare inpatient	40,549,698	45,163,802	510,450,299	451,421,745
Medi-Cal traditional outpatient	2,658,159	3,576,523	36,229,315	32,576,612
Medi-Cal traditional inpatient	5,196,564	6,512,438	58,540,773	66,025,585
Medi-Cal managed care outpatient	30,782,462	25,124,113	311,636,608	241,771,635
Medi-Cal managed care inpatient	27,787,607	21,702,601	284,545,963	211,133,445
Commercial insurance outpatient	22,503,497	18,767,795	203,510,164	182,951,789
Commercial insurance inpatient	21,888,807	17,626,357	220,023,944	190,345,758
Uncollectible accounts expense	4,530,415	3,963,591	43,134,124	41,573,189
Other payors	1,667,249	169,734	16,579,504	8,660,049
Deductions from revenue	<u>194,801,990</u>	<u>174,757,611</u>	<u>2,031,757,824</u>	<u>1,742,331,211</u>
Net patient revenue	<u>\$ 52,684,616</u>	<u>\$ 46,127,137</u>	<u>\$ 577,006,658</u>	<u>\$ 537,377,634</u>
	21.29%	20.88%	22.12%	23.57%
Gross billed charges by patient type:				
Inpatient	\$ 123,611,612	\$ 115,220,721	\$ 1,399,986,371	\$ 1,219,214,152
Outpatient	89,980,196	75,440,291	884,548,844	767,663,230
Emergency room	33,894,799	30,223,736	324,229,268	292,831,462
Total	<u>\$ 247,486,607</u>	<u>\$ 220,884,748</u>	<u>\$ 2,608,764,483</u>	<u>\$ 2,279,708,844</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
May 31, 2023**

	<u>Month of May,</u>		<u>Eleven months ended May 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,684,616	\$ 46,127,137	\$ 577,006,658	\$ 537,377,634
Other operating revenue	<u>2,172,850</u>	<u>1,050,765</u>	<u>17,898,078</u>	<u>13,508,895</u>
Total operating revenue	<u>54,857,466</u>	<u>47,177,902</u>	<u>594,904,736</u>	<u>550,886,529</u>
Operating expenses:				
Salaries and wages	16,310,483	16,616,963	185,459,007	171,145,238
Compensated absences	2,942,162	3,036,554	31,798,016	30,170,963
Employee benefits	7,640,179	7,626,449	86,913,639	75,411,618
Supplies, food, and linen	6,821,514	6,306,021	75,291,499	69,701,677
Purchased department functions	3,957,066	3,776,831	45,271,053	38,004,670
Medical fees	3,208,301	1,444,422	24,111,704	20,110,148
Other fees	2,799,575	2,286,871	32,132,506	27,592,076
Depreciation	1,840,083	2,114,577	22,174,304	20,561,820
All other expense	<u>1,746,320</u>	<u>1,422,337</u>	<u>17,735,765</u>	<u>15,659,023</u>
Total operating expenses	<u>47,265,683</u>	<u>44,631,025</u>	<u>520,887,493</u>	<u>468,357,233</u>
Income from operations	<u>7,591,783</u>	<u>2,546,877</u>	<u>74,017,243</u>	<u>82,529,296</u>
Non-operating income:				
Donations	1,391,915	166,667	9,758,339	1,909,206
Property taxes	333,333	333,333	3,666,667	3,666,667
Investment income	786,758	832,106	6,846,700	(11,729,183)
Taxes and licenses	0	0	0	(29,074)
Income from subsidiaries	<u>351,269</u>	<u>(5,325,720)</u>	<u>(36,999,816)</u>	<u>(32,523,385)</u>
Total non-operating income	<u>2,863,275</u>	<u>(3,993,614)</u>	<u>(16,728,110)</u>	<u>(38,705,769)</u>
Operating and non-operating income	10,455,059	(1,446,738)	57,289,134	43,823,527
Net assets to begin	<u>902,623,081</u>	<u>855,624,827</u>	<u>855,789,006</u>	<u>810,354,562</u>
Net assets to end	<u>\$ 913,078,140</u>	<u>\$ 854,178,089</u>	<u>\$ 913,078,140</u>	<u>\$ 854,178,089</u>
Net income excluding non-recurring items	\$ 10,455,059	\$ (1,446,738)	\$ 57,289,134	\$ 37,531,151
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>6,292,376</u>
Operating and non-operating income	<u>\$ 10,455,059</u>	<u>\$ (1,446,738)</u>	<u>\$ 57,289,134</u>	<u>\$ 43,823,527</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
May 31, 2023**

	Month of May,		Eleven months ended May 31,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	\$ 178,866	\$ 139,721	\$ 1,803,683	\$ 1,542,531
Discounts and scrap sale	293,535	283,031	1,214,491	1,334,564
Sale of products and services	62,458	33,874	419,360	714,471
Clinical trial fees	0	0	0	27,700
Stimulus Funds	0	0	0	0
Rental income	303,630	230,902	1,985,114	1,821,171
Other	1,334,361	363,237	12,475,430	8,068,458
Total	\$ 2,172,850	\$ 1,050,765	\$ 17,898,078	\$ 13,508,895
Detail of investment income:				
Bank and payor interest	\$ 1,456,866	\$ 107,460	\$ 9,781,997	\$ 967,327
Income from investments	(670,107)	671,989	(1,733,047)	(14,406,255)
Gain or loss on property and equipment	0	52,657	(1,202,250)	1,709,745
Total	\$ 786,758	\$ 832,106	\$ 6,846,700	\$ (11,729,183)
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (85,701)	\$ (170,787)	\$ (1,843,899)	\$ (2,020,149)
Neurological Clinic	(28,018)	(62,178)	(712,287)	(609,252)
Palliative Care Clinic	(85,759)	(50,196)	(766,657)	(863,144)
Surgery Clinic	(135,980)	(147,789)	(1,578,081)	(1,397,208)
Infectious Disease Clinic	(29,324)	(35,534)	(338,379)	(287,491)
Endocrinology Clinic	(162,582)	(144,794)	(1,898,292)	(1,374,401)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(434,256)	(539,013)	(5,301,157)	(4,622,964)
OB/GYN Clinic	(354,036)	(223,298)	(3,633,241)	(3,646,003)
PrimeCare Medical Group	(526,078)	(1,123,783)	(7,304,234)	(5,566,811)
Oncology Clinic	(453,752)	(434,072)	(3,077,487)	(2,577,048)
Cardiac Surgery	(451,113)	(553,920)	(3,307,299)	(2,277,942)
Sleep Center	(51,899)	(66,917)	(415,586)	(366,893)
Rheumatology	(57,929)	(75,056)	(682,678)	(611,261)
Precision Ortho MDs	(286,885)	(567,107)	(4,211,239)	(3,242,423)
Precision Ortho-MRI	0	(190)	0	(190)
Precision Ortho-PT	(26,849)	(61,609)	(397,364)	(531,807)
Vaccine Clinic	0	(5,864)	(683)	(58,413)
Dermatology	(25,118)	(34,918)	(211,634)	(188,452)
Hospitalists	0	0	0	0
Behavioral Health	(43,545)	(35,112)	(378,380)	(684,937)
Pediatric Diabetes	(46,730)	(53,904)	(503,954)	(472,080)
Neurosurgery	(27,953)	(2,458)	(337,098)	(246,396)
Multi-Specialty-RR	9,594	(12,239)	80,734	89,264
Radiology	2,466,268	(247,386)	(497,495)	(2,549,826)
Salinas Family Practice	(107,603)	(135,868)	(1,145,286)	(1,068,887)
Urology	(13,004)	(69,540)	(975,553)	(240,135)
Total SVMC	(958,252)	(4,853,532)	(39,437,229)	(35,414,849)
Doctors on Duty	(191,556)	(522,839)	515,961	78,816
Vantage Surgery Center	0	(18,965)	0	222,007
LPCH NICU JV	1,387,567	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	142,323	2,873	1,590,881	2,239,637
Coastal	27,287	(23,219)	31,882	(275,270)
Apex	0	0	0	103,759
GenesisCare USA	(76,364)	55,096	(104,986)	119,984
Monterey Bay Endoscopy Center	20,263	34,866	403,674	402,531
Total	\$ 351,269	\$ (5,325,720)	\$ (36,999,816)	\$ (32,523,385)

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
May 31, 2023**

	<u>Current year</u>	<u>Prior year</u>
Current assets:		
Cash and cash equivalents	\$ 335,122,374	\$ 286,918,297
Patient accounts receivable, net of estimated uncollectibles of \$25,764,255	82,417,143	89,094,797
Supplies inventory at cost	7,966,981	7,775,688
Current portion of lease receivable	546,861	0
Other current assets	<u>17,607,048</u>	<u>17,193,536</u>
	<u>443,660,407</u>	<u>400,982,318</u>
 Assets whose use is limited or restricted by board	 <u>157,882,515</u>	 <u>148,424,283</u>
Capital assets:		
Land and construction in process	57,215,843	39,224,682
Other capital assets, net of depreciation	<u>186,543,919</u>	<u>199,815,367</u>
	<u>243,759,762</u>	<u>239,040,048</u>
Other assets:		
Right of use assets, net of amortization	5,622,496	0
Long term lease receivable	1,186,426	0
Investment in securities	139,936,836	141,949,866
Investment in SVMC	6,404,238	8,793,387
Investment in Aspire/CHI/Coastal	1,675,583	1,712,098
Investment in other affiliates	22,858,662	21,133,374
Net pension asset	<u>(4,366,189)</u>	<u>55,100,891</u>
	<u>173,318,052</u>	<u>228,689,616</u>
 Deferred pension outflows	 <u>95,857,027</u>	 <u>50,119,236</u>
	<u>\$ 1,114,477,763</u>	<u>\$ 1,067,255,501</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 64,216,959	\$ 56,743,623
Due to third party payers	18,344,007	40,278,792
Current portion of notes payable	0	0
Current portion of self-insurance liability	18,668,976	18,181,815
Current portion of lease liability	<u>2,770,954</u>	<u>0</u>
	<u>104,000,896</u>	<u>115,204,230</u>
 Long term portion of notes payable	 0	 0
Long term portion of workers comp liability	13,543,194	14,288,063
Long term portion of lease liability	<u>3,101,049</u>	<u>0</u>
	<u>120,645,139</u>	<u>129,492,292</u>
 Lease deferred inflows	 1,642,999	 0
Pension liability	79,111,485	83,585,120
Net assets:		
Invested in capital assets, net of related debt	243,759,762	239,040,048
Unrestricted	<u>669,318,378</u>	<u>615,138,041</u>
	<u>913,078,140</u>	<u>854,178,089</u>
	<u>\$ 1,114,477,763</u>	<u>\$ 1,067,255,501</u>

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
May 31, 2023

	Month of May,				Eleven months ended May 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 247,486,606	\$ 215,925,569	31,561,037	14.62%	\$ 2,608,764,482	\$ 2,296,034,631	312,729,851	13.62%
Deductions from revenue	194,801,990	167,478,169	27,323,821	16.31%	2,031,757,824	1,774,868,557	256,889,267	14.47%
Net patient revenue	52,684,616	48,447,400	4,237,216	8.75%	577,006,658	521,166,073	55,840,585	10.71%
Other operating revenue	2,172,850	1,374,687	798,163	58.06%	17,898,078	15,121,553	2,776,525	18.36%
Total operating revenue	54,857,466	49,822,087	5,035,379	10.11%	594,904,736	536,287,626	58,617,110	10.93%
Operating expenses:								
Salaries and wages	16,310,483	17,216,325	(905,842)	-5.26%	185,459,007	179,177,015	6,281,992	3.51%
Compensated absences	2,942,162	2,605,998	336,164	12.90%	31,798,016	31,336,036	461,980	1.47%
Employee benefits	7,640,179	7,480,050	160,129	2.14%	86,913,639	79,256,434	7,657,205	9.66%
Supplies, food, and linen	6,821,514	6,417,896	403,618	6.29%	75,291,499	69,367,941	5,923,558	8.54%
Purchased department functions	3,957,066	3,491,015	466,051	13.35%	45,271,053	38,401,042	6,870,011	17.89%
Medical fees	3,208,301	2,026,754	1,181,547	58.30%	24,111,704	22,294,297	1,817,407	8.15%
Other fees	2,799,575	1,872,390	927,185	49.52%	32,132,506	21,978,271	10,154,235	46.20%
Depreciation	1,840,083	1,941,518	(101,435)	-5.22%	22,174,304	21,183,336	990,968	4.68%
All other expense	1,746,320	1,767,161	(20,841)	-1.18%	17,735,765	19,228,797	(1,493,032)	-7.76%
Total operating expenses	47,265,683	44,819,107	2,446,576	5.46%	520,887,493	482,223,169	38,664,324	8.02%
Income from operations	7,591,783	5,002,980	2,588,803	51.75%	74,017,243	54,064,457	19,952,786	36.91%
Non-operating income:								
Donations	1,391,915	166,667	1,225,248	735.15%	9,758,339	1,833,333	7,925,006	432.27%
Property taxes	333,333	333,333	(0)	0.00%	3,666,667	3,666,667	0	0.00%
Investment income	786,758	129,915	656,843	505.59%	6,846,700	1,429,070	5,417,630	379.10%
Income from subsidiaries	351,269	(3,650,173)	4,001,442	-109.62%	(36,999,816)	(38,264,203)	1,264,387	-3.30%
Total non-operating income	2,863,275	(3,020,258)	5,883,533	-194.80%	(16,728,110)	(31,335,133)	14,607,023	-46.62%
Operating and non-operating income	\$ 10,455,058	\$ 1,982,722	8,472,337	427.31%	\$ 57,289,133	\$ 22,729,324	34,559,809	152.05%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	35	42	431	413	(18)
Other Admissions	95	83	1,052	937	(115)
Total Admissions	130	125	1,483	1,350	(133)
Medi-Cal Patient Days	56	67	671	671	0
Other Patient Days	153	141	1,721	1,580	(141)
Total Patient Days of Care	209	208	2,392	2,251	(141)
Average Daily Census	6.7	6.7	7.1	6.7	(0.4)
Medi-Cal Average Days	1.6	1.7	1.6	1.7	0.1
Other Average Days	0.7	1.6	1.6	1.7	0.1
Total Average Days Stay	1.6	1.7	1.6	1.7	0.1
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	412	341	3,892	4,336	444
Medi-Cal Admissions	281	284	2,637	3,212	575
Other Admissions	405	288	3,337	3,394	57
Total Admissions	1,098	913	9,866	10,942	1,076
Medicare Patient Days	1,696	1,428	16,692	18,447	1,755
Medi-Cal Patient Days	1,000	1,188	11,125	13,273	2,148
Other Patient Days	1,398	1,053	12,217	12,700	483
Total Patient Days of Care	4,094	3,669	40,034	44,420	4,386
Average Daily Census	132.1	118.4	119.5	132.6	13.1
Medicare Average Length of Stay	4.1	4.0	4.3	4.2	(0.0)
Medi-Cal Average Length of Stay	3.1	3.6	3.5	3.6	0.1
Other Average Length of Stay	3.6	2.9	2.8	3.0	0.2
Total Average Length of Stay	3.7	3.5	3.5	3.6	0.1
Deaths	23	11	308	267	(41)
Total Patient Days	4,303	3,877	42,426	46,671	4,245
Medi-Cal Administrative Days	0	8	212	93	(119)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	8	212	93	(119)
Percent Non-Acute	0.00%	0.21%	0.50%	0.20%	-0.30%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	256	301	3,034	3,306	272
Heart Center	419	351	3,369	3,849	480
Monitored Beds	745	628	8,228	7,360	(868)
Single Room Maternity/Obstetrics	370	305	3,939	3,654	(285)
Med/Surg - Cardiovascular	923	846	8,123	10,022	1,899
Med/Surg - Oncology	144	282	2,827	3,092	265
Med/Surg - Rehab	573	411	5,182	5,582	400
Pediatrics	151	85	1,156	1,326	170
Nursery	209	208	2,392	2,251	(141)
Neonatal Intensive Care	141	50	1,272	1,471	199
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	63.52%	74.69%	69.67%	75.91%	
Heart Center	90.11%	75.48%	67.04%	76.60%	
Monitored Beds	89.01%	75.03%	90.97%	81.37%	
Single Room Maternity/Obstetrics	32.26%	26.59%	31.78%	29.48%	
Med/Surg - Cardiovascular	66.16%	60.65%	53.88%	66.48%	
Med/Surg - Oncology	35.73%	69.98%	64.91%	71.00%	
Med/Surg - Rehab	71.09%	50.99%	59.49%	64.09%	
Med/Surg - Observation Care Unit	0.00%	77.80%	0.00%	83.55%	
Pediatrics	27.06%	15.23%	19.17%	21.99%	
Nursery	40.86%	40.66%	21.64%	20.36%	
Neonatal Intensive Care	41.35%	14.66%	34.52%	39.92%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	133	129	1,412	1,300	(112)
C-Section deliveries	44	29	459	412	(47)
Percent of C-section deliveries	33.08%	22.48%	32.51%	31.69%	-0.81%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	22,055	17,328	214,205	216,919	2,714
Out-Patient Operating Minutes	26,790	30,538	277,037	302,542	25,505
Total	48,845	47,866	491,242	519,461	28,219
Open Heart Surgeries	16	14	131	154	23
In-Patient Cases	165	109	1,578	1,477	(101)
Out-Patient Cases	270	297	2,788	3,089	301
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	30	28	355	361	6
High Risk	552	759	5,214	6,980	1,766
More Than One Resource	2,984	3,033	28,779	32,434	3,655
One Resource	1,941	2,013	18,340	22,623	4,283
No Resources	86	116	923	1,080	157
Total	<u>5,593</u>	<u>5,949</u>	<u>53,611</u>	<u>63,478</u>	<u>9,867</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
CENTRAL SUPPLY					
In-patient requisitions	14,953	13,813	165,851	166,782	931
Out-patient requisitions	9,744	10,628	102,481	105,783	3,302
Emergency room requisitions	650	667	10,800	8,280	-2,520
Interdepartmental requisitions	6,561	6,063	67,008	75,401	8,393
Total requisitions	31,908	31,171	346,140	356,246	10,106
LABORATORY					
In-patient procedures	35,748	35,562	384,141	432,858	48,717
Out-patient procedures	10,555	11,323	123,429	115,613	-7,816
Emergency room procedures	13,039	12,929	122,502	142,338	19,836
Total patient procedures	59,342	59,814	630,072	690,809	60,737
BLOOD BANK					
Units processed	343	344	3,368	3,435	67
ELECTROCARDIOLOGY					
In-patient procedures	1,096	1,112	10,918	12,424	1,506
Out-patient procedures	363	442	4,052	4,057	5
Emergency room procedures	1,206	1,294	11,463	12,753	1,290
Total procedures	2,665	2,848	26,433	29,234	2,801
CATH LAB					
In-patient procedures	98	117	997	1,124	127
Out-patient procedures	111	93	1,018	906	-112
Emergency room procedures	0	0	0	1	1
Total procedures	209	210	2,015	2,031	16
ECHO-CARDIOLOGY					
In-patient studies	453	412	4,002	4,385	383
Out-patient studies	189	230	2,358	2,659	301
Emergency room studies	1	3	9	15	6
Total studies	643	645	6,369	7,059	690
NEURODIAGNOSTIC					
In-patient procedures	155	143	1,673	1,544	-129
Out-patient procedures	16	23	271	220	-51
Emergency room procedures	0	0	0	0	0
Total procedures	171	166	1,944	1,764	-180

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
SLEEP CENTER					
In-patient procedures	1	0	1	2	1
Out-patient procedures	133	186	1,858	1,587	-271
Emergency room procedures	0	0	0	1	1
Total procedures	<u>134</u>	<u>186</u>	<u>1,859</u>	<u>1,590</u>	<u>-269</u>
RADIOLOGY					
In-patient procedures	1,262	1,364	13,677	15,844	2,167
Out-patient procedures	359	507	4,403	4,443	40
Emergency room procedures	1,511	1,555	14,222	16,723	2,501
Total patient procedures	<u>3,132</u>	<u>3,426</u>	<u>32,302</u>	<u>37,010</u>	<u>4,708</u>
MAGNETIC RESONANCE IMAGING					
In-patient procedures	152	147	1,459	1,662	203
Out-patient procedures	115	144	1,202	1,167	-35
Emergency room procedures	8	7	79	66	-13
Total procedures	<u>275</u>	<u>298</u>	<u>2,740</u>	<u>2,895</u>	<u>155</u>
MAMMOGRAPHY CENTER					
In-patient procedures	3,726	3,906	39,647	43,624	3,977
Out-patient procedures	3,703	3,883	39,378	43,238	3,860
Emergency room procedures	0	0	12	9	-3
Total procedures	<u>7,429</u>	<u>7,789</u>	<u>79,037</u>	<u>86,871</u>	<u>7,834</u>
NUCLEAR MEDICINE					
In-patient procedures	16	24	170	215	45
Out-patient procedures	92	116	846	1,018	172
Emergency room procedures	0	0	5	2	-3
Total procedures	<u>108</u>	<u>140</u>	<u>1,021</u>	<u>1,235</u>	<u>214</u>
PHARMACY					
In-patient prescriptions	84,820	89,138	941,279	1,049,628	108,349
Out-patient prescriptions	15,114	17,227	163,522	167,312	3,790
Emergency room prescriptions	8,851	9,692	79,205	96,789	17,584
Total prescriptions	<u>108,785</u>	<u>116,057</u>	<u>1,184,006</u>	<u>1,313,729</u>	<u>129,723</u>
RESPIRATORY THERAPY					
In-patient treatments	15,938	16,020	196,695	197,577	882
Out-patient treatments	1,296	1,276	13,052	12,423	-629
Emergency room treatments	306	396	2,549	4,506	1,957
Total patient treatments	<u>17,540</u>	<u>17,692</u>	<u>212,296</u>	<u>214,506</u>	<u>2,210</u>
PHYSICAL THERAPY					
In-patient treatments	2,891	2,564	26,481	28,168	1,687
Out-patient treatments	350	278	3,318	2,265	-1,053
Emergency room treatments	0	0	0	2	2
Total treatments	<u>3,241</u>	<u>2,842</u>	<u>29,799</u>	<u>30,435</u>	<u>636</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
OCCUPATIONAL THERAPY					
In-patient procedures	1,264	1,748	15,894	17,614	1,720
Out-patient procedures	138	225	1,674	1,900	226
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,402</u>	<u>1,973</u>	<u>17,568</u>	<u>19,514</u>	<u>1,946</u>
SPEECH THERAPY					
In-patient treatments	384	487	4,838	5,193	355
Out-patient treatments	37	31	315	282	-33
Emergency room treatments	0	0	0	0	0
Total treatments	<u>421</u>	<u>518</u>	<u>5,153</u>	<u>5,475</u>	<u>322</u>
CARDIAC REHABILITATION					
In-patient treatments	0	0	0	1	1
Out-patient treatments	481	678	6,020	5,888	-132
Emergency room treatments	0	0	1	0	-1
Total treatments	<u>481</u>	<u>678</u>	<u>6,021</u>	<u>5,889</u>	<u>-132</u>
CRITICAL DECISION UNIT					
Observation hours	<u>376</u>	<u>390</u>	<u>3,687</u>	<u>4,649</u>	<u>962</u>
ENDOSCOPY					
In-patient procedures	93	93	997	923	-74
Out-patient procedures	29	43	323	647	324
Emergency room procedures	0	0	0	0	0
Total procedures	<u>122</u>	<u>136</u>	<u>1,320</u>	<u>1,570</u>	<u>250</u>
C. T. SCAN					
In-patient procedures	585	682	6,508	8,072	1,564
Out-patient procedures	368	452	3,881	4,474	593
Emergency room procedures	711	770	6,828	7,568	740
Total procedures	<u>1,664</u>	<u>1,904</u>	<u>17,217</u>	<u>20,114</u>	<u>2,897</u>
DIETARY					
Routine patient diets	21,417	20,876	207,920	256,545	48,625
Meals to personnel	21,865	28,924	239,344	275,181	35,837
Total diets and meals	<u>43,282</u>	<u>49,800</u>	<u>447,264</u>	<u>531,726</u>	<u>84,462</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>101,458</u>	<u>102,836</u>	<u>1,083,735</u>	<u>1,123,764</u>	<u>40,029</u>

PUBLIC INPUT

“An Integrated Healthcare Delivery System”

Operating & Capital Budget Fiscal Year 2024

Augustine Lopez
Chief Financial Officer

Salinas Valley Health Medical Center (SVHMC)

Key Operating Budget Assumptions

- **Operating Margin % : 0.4%**
- **Budget FY 2024 – Incorporates patient volumes based on trends**

Statistic	FY 2024 Budget
ADC	127
Admissions	11,306
ALOS	4.1
IP Surgery	1,803
OP Surgery	2,956
OP Visits	131,198
Deliveries	1,446
ER Admissions	8,815
ER OP Visits	57,154
Total ER Admissions % of Admissions	86.0%

Consolidated FY 2024 Budget Compared to FY 2023 Projection

	FY 2024 Budget	FY 2023 Projection		
PL SUMMARY	CONSOLIDATED TOTAL	CONSOLIDATED TOTAL	CONSOLIDATED Variance	% Change
GROSS PATIENT REVENUE	3,031,451,266	3,041,449,549	(9,998,284)	-0.3%
NET PATIENT REVENUE	697,312,386	708,720,019	(11,407,634)	-1.6%
Yield	23.0%	23.3%	-0.3%	-1.3%
OTHER REVENUE	27,500,996	27,506,979	(5,983)	0.0%
TOTAL REVENUE	724,813,382	736,226,998	(11,413,617)	-1.6%
TOTAL OPERATING EXPENSES	721,734,945	708,879,702	(12,855,244)	-1.8%
OPERATING MARGIN	3,078,436	27,347,296	(24,268,860)	-88.7%
OPERATING MARGIN %	0.4%	3.7%	-3.3%	-88.6%
EBITDA	34,156,405	56,216,090	(22,059,686)	-39.2%
EBITDA %	4.7%	7.6%	-2.9%	-38.3%
OTHER NON OPERATING INCOME	22,919,607	22,220,959	698,648	3.1%
TOTAL MARGIN	25,998,043	49,568,255	(23,570,212)	-47.6%
TOTAL MARGIN %	3.6%	6.7%	-3.1%	-46.7%

SVH

Capital Budget

Fiscal Year 2024

Salinas Valley Health Capital Budget Summary FY 2024

FY2024 Capital Budget Summary

Total Routine Capital (includes \$1.7m from FY23 Budget from delayed CT/Nuc.Med)	\$	19.9m
Total Strategic Capital (Including SVH Clinics)	\$	9.7m
Master Facility Planning & Design (<i>Garage \$36m Total, Done FY24</i>)	\$	8.4m
Seismic Upgrade (<i>\$62.5m <u>Preliminary</u> Total, Done FY27</i>)	\$	4.0m
Total Proposed Capital Budget For FY2024	\$	41.9m

Salinas Valley Health

Routine Capital Budget Summary

FY 2024

Sources of Capital - Total Capital

General Operating Funds	\$	41.9m
Total Sources of Capital	\$	41.9m

Proposed Uses Of Routine Capital

Carryover Projects Started in FY2023 or Prior

1 CT Scanner (\$4m total over FY23-24)	\$	2.5m
2 Nuclear Medicine Camera (\$3.3m total over FY23-24)	\$	1.9m
3 Liquid Oxygen Tank Replacement (\$2.8m FY23-24)	\$	2.3m
4 High Speed elevator modernization (\$2.8m total over FY22-25)	\$	1.3m
5 Rebranding - Signage and Facilities (\$2.2m over FY23-24)	\$	0.9m
Subtotal Carryover Projects	\$	8.9m

Salinas Valley Health

Routine Capital Budget Summary

FY 2024

New Capital Under Consideration

Facilities/Construction

1	Angio/Special Procedures Suite (\$3.3m over FY24-25)	\$	0.8m
2	Cath Lab 3 Replacement (\$3.6m over FY24-26)	\$	0.4m
3	X-ray Room 1 (\$1.4m over FY24-26)	\$	0.3m
4	X-ray Room 2 (\$1.4m over FY24-25) *	\$	0.3m
5	Other Projects < \$200k	\$	0.1m

* X-Ray Room #3 remodel was completed in Feb. 2021

Total New - Facilities/Construction	\$	2.0m
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Salinas Valley Health

Routine Capital Budget Summary

FY 2024

New Capital Under Consideration (Continued)

Equipment

1	Operating Room and Cath Lab Inventory Management Solution (\$1.2m over FY24-25)	\$	0.6m
2	Replace Stryker Orthopedic Instruments / Equipment	\$	0.5m
3	IV Pump replacement (old pumps recalled, pending FDA approval on replacements)	\$	0.4m
4	Dish Washing Machine/ Conveyor Belt replacment	\$	0.3m
5	Replace NICU Bedside Monitors (11)	\$	0.3m
6	HillRom Hospital Beds Project (113 beds over 3 years, FY24 22 Beds, Progressive Care and Med/Surg.)	\$	0.3m
7	Replace Heart Lung Machine (We have 3 total, 2 end of life - one replaced in FY23, one in FY24	\$	0.3m
8	Laboratory Air Handling Unit (AHU) (\$1.6m over FY24-25)	\$	0.3m
9	Replace Ultrasonic Aspirator System (Sonopet)	\$	0.2m
10	Other Projects < \$200k	\$	2.0m
Total New - Equipment		\$	5.1m

Salinas Valley Health

Routine Capital Budget Summary

FY 2024

Information Technology

1 New Human Resources and Payroll System	\$	1.0m
2 Server lifecycle replacement	\$	0.6m
3 Hospital Desktop Computers/Lifecycle Replacement	\$	0.4m
4 Replacement of obsolete Cisco 3850 series network switches	\$	0.4m
5 Cardiology PACS Upgrade (Operations)	\$	0.2m
6 Other Information Technology < \$200k	\$	1.3m

Total New - Information Technology (Hospital Wide)	\$	4.0m
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Total Fiscal Year 2024 Routine Capital	\$	19.9m
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Salinas Valley Health

Strategic Capital Budget Summary

FY 2024

Strategic Capital Under Consideration

1 MRI Buildout Inside Hospital (\$8m Total FY24-25)	\$	4.0m
2 MRI Upgrades Clinics	\$	3.0m
3 SVH Clinics Capital	\$	1.1m
4 Vascular Clinic - Tenant Improvement 212 SJ Street	\$	0.5m
5 Other	\$	1.1m
Total Strategic Capital Requests	\$	9.7m

Strategic Capital Targets:

Return on investment > 30%

Payback period of 4-5 years or less

QUESTIONS / COMMENTS

ADJOURNMENT