



May 18, 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 HEALTH¹** will be held **MONDAY, MAY 22, 2023, AT 12:00 P.M., HEART CENTER TELECONFERENCE ROOM, 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*).

A handwritten signature in black ink, appearing to read "Pete Delgado", written in a cursive style.

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, MAY 22, 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 April 17, 2023 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
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 (LOPEZ / PARKS)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
4. Review Balanced Scorecard (LOPEZ)
5. Financial Performance Review (LOPEZ)
6. 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.
7. Closed Session
8. Reconvene Open Session / Report on Closed Session

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

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. (LOPEZ)

- Staff Report
- Committee Questions to Staff
- Public Comment
- Committee Discussion/Deliberation
- Motion/Second
- Action by Committee/Roll Call Vote

10. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, June 19, 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.

**FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH**

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

REPORT INVOLVING TRADE SECRET

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility):

Trade secrets, strategic planning/proposed new programs and services

Estimated date of public disclosure: (Specify month and year): _____

ADJOURN TO OPEN SESSION

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

**SALINAS VALLEY HEALTH¹
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES APRIL 17, 2023**

Committee Members Present:

Joel Hernandez Laguna, Chair, Juan Cabrera, Vice-Chair, Pete Delgado, Augustine Lopez, Clement Miller, Tarun Bajaj, MD, Harry Wardwell.

Committee Members Absent: Sanjeev Tandon

Other Board Members Present, Constituting Committee of the Whole:

Rolando Cabrera, MD and Catherine Carson, Victor Rey (*all via Teleconference*).

Tarun Bajaj, MD, joined the meeting at 12:06 p.m.

Victor Rey joined the meeting at 12:08 p.m.

Victor Rey left the meeting at 12:30 p.m.

Juan Cabrera joined the meeting at 12:47 p.m.

Catherine Carson left the meeting at 12:55 p.m.

CALL TO ORDER/ROLL CALL

A quorum was present and Joel Hernandez Laguna called the meeting to order at 12:03 p.m. in the Heart Center Teleconference Room.

APPROVE MINUTES OF THE FINANCE COMMITTEE MARCH 20, 2023

The Finance Committee meeting minutes of March 20, 2023 were included in the Committee packet.

No public comment received.

MOTION:

Upon motion by Committee member Delgado, and second by Committee member Lopez, the minutes of the Finance Committee for March 20, 2023 approved as presented.

Ayes: Committee members: Delgado, Hernandez Laguna, Lopez, Miller, Wardwell; Noes: None; Abstentions: None; Absent: Bajaj, J. Cabrera, Tandon; Motion carried.

CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF SEVENTH AMENDMENT CALIFORNIA COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

Clement Miller, COO, Gary Ray, CAO/SVHC, and Earl Strotman, Director of Facilities Management & Construction reported Salinas Valley Health requires Property Management services for a number of off-site locations servicing the needs of patients, visitors and staff served under the Salinas Valley Health umbrella. Property Management services is either handled in-house or out-sourced. Presently we do not have in-house capabilities to facilitate these duties and to staff up to accommodate this is not desirable at this time. The present vendor for Property Management services meets or exceeds expectations and has a good rapport with both owner's representative and building stakeholders. A full report including background/situation/rationale and financial implications of the agreement was included in the packet.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

No public comment was received.

Discussion: In the future can we look for 5 year contracts? This can be addressed in the future. Any anticipated property changes on this contract in the next three years? Contracts are based on square footage. It would take a lot of square feet loss to change the contract.

MOTION:

Upon motion by Committee member Delgado, and second by Committee member Wardwell, the Finance Committee recommends the Board of Directors consider approval of Seventh Amendment to Management Agreement between Salinas Valley Health and California Commercial Real Estate Services for a 3 (three) year term commercial property services contract in the amount of \$1,661,776.00

Ayes: Committee members: Bajaj, Delgado, Hernandez Laguna, Lopez, Miller, Wardwell; Noes: None; Abstentions: None; Absent: J. Cabrera, Tandon; Motion carried.

CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF CHANGE HEALTHCARE STRATUS IMAGING PROPOSAL AS SOLE SOURCE AND CONTRACT AWARD

Clement Miller, COO, Augustine Lopez, CFO, and Audrey Parks, CIO, reported Salinas Valley Health currently uses Change Healthcare's picture archiving and communications system (PACS) for both radiology imaging and cardiovascular imaging studies. Once the images are captured, they are reviewed and processed by our providers. PACS securely stores and digitally transmits electronic images and clinically-relevant reports for patient care related activities. We are seeking ways to improve our provider experience by making our image and study access more streamlined for our referring physicians, reduce storage costs by shifting archival storage to the cloud with improved security, and positioning our PACS for improved application performance in the future with a fully cloud-based option. A full report including background/situation/rationale and financial implications of the agreement was included in the packet.

No public comment was received.

Discussion: Are there any risks of moving to a new system? IT has assessed security for documents 'at rest' and 'in transit;' IT is confident with security for both of these. How will this impact providers? Providers will not have to worry about software updates and speed of use will increase. The archive is bundled into this proposal as well which will accommodate our growth and the size of the images will continue to grow. Will this be easier to get images from Montage? Montage has a different PACS system; image sharing is being discussed with Montage and EPIC. Implementation process? Will be 3 months.

MOTION:

Upon motion by Committee member Delgado, and second by Committee member Bajaj, the Finance Committee recommends the Board of Directors consider approval of Change Healthcare Stratus Imaging proposal as sole source and contract award in the estimated amount of **Error! Reference source not found.**over a 5-year term.

Ayes: Committee members: Bajaj, Delgado, Hernandez Laguna, Lopez, Miller, Wardwell; Noes: None; Abstentions: None; Absent: J. Cabrera, Tandon; Motion carried.

BALANCED SCORECARD

Augustine Lopez, Chief Financial Officer and team, reviewed the Balanced Scorecard Summary for fiscal year 2023, year-to-date February 2023, which provided an overview of the metrics and performance of the Salinas Valley Health organizational goals for Service, People, Quality, Finance, Growth, and Community. A full report was included in the Committee packet.

Discussion: Lisa Paulo, MSN/MPA, RN, CNO, reported on strategies being taken to improve HCAHPS scores and will present a larger report at the Board meeting. Chair Hernandez Laguna commended the team to improve scores in February and March. Dr. Bajaj reported nationally there are less bariatric surgery referrals due to drug shortages causing delays in scheduling surgeries.

FINANCIAL AND STATISTICAL REVIEW

Augustine Lopez, Chief Financial Officer, provided a financial and statistical performance review for the month ending March 2023.

Key highlights of the financial summary for March 2023 include: (1) Income from operations was -\$2.2M with an operating margin of -2.7%, (2) Net income was 2.4M with a net income margin of 4.0%; (3) Gross revenues were 18% favorable to budget; (4) Inpatient gross revenues were 15% favorable to budget (5) Payor mix was unfavorable to budget due to Medicaid 40% and Medicare 17% above budget; (6) Average daily census was at 124, 8% above budget of 115 and total admissions were 10% above budget; (7) COVID cases were 30 with a ALOS of 9.3 days; (8) Medicare Traditional ALOS CMI adjusted was 5% unfavorable at 2.42 days with a Case Mix of 1.80; (9) Operating Margin 3.7%, Total margin 2.9%, Days cash on hand was 329; and days of net accounts receivable is 48; (10) Contract labor utilization 12 month ending February 2023 was \$25.6M.

Discussion: Key issues are payor mix with heavy governmental usage and high contract labor expense/workforce issues. Commercial business is not less but commercial business percentage to total business is lower. What are payor mix projections are for the future? What can we do with contracted labor? Traveler use is based on vacancies and increased census. Administration has a team working on recruiting nurses. Staffing is being managed closely. 15 minute overtime is being tightened; what caused the incremental OT? Contract rates for travelers is being addressed. LOAs are being addressed. Mr. Delgado reported CHA is working to educate government on these universal healthcare challenges.

FY23 CAPITAL SPENDING UPDATE

David Sullivan, Project Lead, Bogard Construction, provided a FY23 YTD March Capital Spending update including total project spend and (over) under spend for each line item. A full report was included in the Committee packet.

PUBLIC INPUT

No public comment received.

CLOSED SESSION

Chair Hernandez Laguna announced that items to be discussed in Closed Session as listed on the posted Agenda are *Report Involving Trade Secrets, strategic planning/proposed new programs and services*.

The meeting recessed into Closed Session under the Closed Session Protocol at 1:05 p.m.

RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 1:26 p.m.

Chair Hernandez Laguna announced in Closed Session, the Board *Report Involving Trade Secrets - Trade secrets, strategic planning/proposed new programs and services*. No action was taken.

CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE HUMAN CAPITAL MANAGEMENT PROJECT AS COMPETITIVE SOLICITATION AND CONTRACT AWARD SUBJECT TO FINAL NEGOTIATION AND LEGAL REVIEW OF CONTRACTS AND AGREEMENTS.

No public comment.

MOTION:

Upon motion by Committee Member Cabrera, and second by Committee Member Miller, the Finance Committee recommends the Board of Directors consider approval of the human capital management project as competitive solicitation and contract award subject to final negotiation and legal review of contracts and agreements.

Ayes: Committee members: Bajaj, J. Cabrera, Delgado, Hernandez Laguna, Lopez, Miller, Wardwell; Noes: None; Abstentions: None; Absent: Tandon; Motion carried.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:28 p.m. The next Finance Committee Meeting is scheduled for **Monday, May 22, 2023 at 12:00 p.m.**

Joel Hernandez Laguna, Chair

/KmH

Board Paper: Review and Approval by Board

Agenda Item: 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

Executive Sponsor: Augustine Lopez, Chief Financial Officer
Audrey Parks, Chief Information Officer

Date: May 15, 2023

Executive Summary

Microsoft Enterprise Agreement Renewal, 3-year term

Salinas Valley Health renews the Enterprise Microsoft Agreement for three-year terms per Microsoft licensing terms. Our current three-year agreement is up for renewal and includes essential licensing for our computing devices including Microsoft operating systems such as Windows 10 and Microsoft Office licensed products such as Microsoft Outlook and Microsoft Word. Licensing agreements come with support and software assurance, the right to update the software with applicable patches and upgrades.

This year’s renewal reflects the following material changes.

1. Pricing includes discounts afforded government businesses through the Riverside County contract. These are among the deepest discounts available.
2. This enterprise agreement includes applicable Microsoft licensing for both Salinas Valley Health Medical Center and Salinas Valley Health Clinics.

VENDOR:	Microsoft, through CDW-Government, LLC
1. Proposed contract signing date	May 29, 2023
2. Term of agreement	June 28, 2023 – June 27, 2026
3. Renewal terms	Not auto-renewing
4. Termination provision(s)	None
5. Payment terms	Invoiced annually, net 30
6. Annual costs	\$773,040.44

General Description	Qty	Unit cost	Extended
Core CAL	3061	\$ 36.81	\$ 112,673.48
Exchange	9	\$ 260.95	\$ 2,348.59
Office Professional	2132	\$ 104.25	\$ 222,261.00
Power BI	1	\$ 90.76	\$ 90.76
Project	57	\$ 158.53	\$ 9,036.24
SharePoint	3	\$ 1,222.78	\$ 3,668.34
SQL CAL	2569	\$ 37.54	\$ 96,440.26
SQL Server	94	\$ 660.35	\$ 62,072.56
System Center	946	\$ 30.81	\$ 29,141.98
Visio	190	\$ 100.67	\$ 19,127.62
Windows Enterprise	2569	\$ 46.73	\$ 120,039.24
Windows Remote Desktop	741	\$ 39.71	\$ 29,424.63
Windows Server	1272	\$ 52.45	\$ 66,715.74
		Year 1	\$ 773,040.44
		Year 2	\$ 773,040.44
		Year 3	\$ 773,040.44
		Grand Total	\$ 2,319,121.32

General descriptions have been consolidated for simplicity. See attached quote for details.

7. Cost over life of agreement	\$2,319,121.32 (\$773,040.44 for each of the 3-years)
8. Budgeted (yes or no)	Yes, pending approval of the FY2024 operating budget by the Board of Directors
9. Contract	1001.2533

Recommendation

Consider recommendation for Board approval of the three-year 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.

Attachments

- CDW quote dated April 26, 2023
- Vizient contract brief for CDW Government, LLC



**Enterprise Quote
for**

VSL Specialist Brent Cameron
Channel Price Sheet Month March

Salinas Valley Memorial Healthcare System (820A0388)

Unless otherwise noted, All Quotes expire upon current month's end

EA Renewal Quote
Customer to make three annual payments to CDW-G

Microsoft Part #	Description	Level	Quantity	Year 1		Year 2		Year 3	
				Price	Extended	Price	Extended	Price	Extended
W06-00021	Core CAL ALng SA DCAL	D	1256	\$38.03	\$ 47,765.68	\$ 38.03	\$ 47,765.68	\$ 38.03	\$ 47,765.68
W06-01069	Core CAL ALng SA Platform DCAL	D	1805	\$35.96	\$ 64,907.80	\$ 35.96	\$ 64,907.80	\$ 35.96	\$ 64,907.80
395-02504	Exchange Server Ent ALng SA	D	2	\$728.64	\$ 1,457.28	\$ 728.64	\$ 1,457.28	\$ 728.64	\$ 1,457.28
312-02257	Exchange Server Standard ALng SA	D	7	\$127.33	\$ 891.31	\$ 127.33	\$ 891.31	\$ 127.33	\$ 891.31
269-12442	Office Professional Plus ALng SA Platform	D	2132	\$104.25	\$ 222,261.00	\$ 104.25	\$ 222,261.00	\$ 104.25	\$ 222,261.00
NK4-00002	Power BI Pro Sub Per User	D	1	\$90.76	\$ 90.76	\$ 90.76	\$ 90.76	\$ 90.76	\$ 90.76
H30-00238	Project Professional ALng SA 1 Server CAL	D	21	\$210.56	\$ 4,421.76	\$ 210.56	\$ 4,421.76	\$ 210.56	\$ 4,421.76
076-01912	Project Standard ALng SA	D	36	\$128.18	\$ 4,614.48	\$ 128.18	\$ 4,614.48	\$ 128.18	\$ 4,614.48
H04-00268	SharePoint Server ALng SA	D	3	\$1,222.78	\$ 3,668.34	\$ 1,222.78	\$ 3,668.34	\$ 1,222.78	\$ 3,668.34
359-00792	SQL CAL ALng SA Device CAL	D	2569	\$37.54	\$ 96,440.26	\$ 37.54	\$ 96,440.26	\$ 37.54	\$ 96,440.26
810-04760	SQL Server Enterprise ALng SA	D	2	\$1,545.36	\$ 3,090.72	\$ 1,545.36	\$ 3,090.72	\$ 1,545.36	\$ 3,090.72
7JQ-00343	SQL Server Enterprise Core ALng SA 2L	D	17	\$2,472.77	\$ 42,037.09	\$ 2,472.77	\$ 42,037.09	\$ 2,472.77	\$ 42,037.09
228-04433	SQL Server Standard ALng SA	D	65	\$161.47	\$ 10,495.55	\$ 161.47	\$ 10,495.55	\$ 161.47	\$ 10,495.55
7NQ-00292	SQL Server Standard Core ALng SA 2L	D	10	\$644.92	\$ 6,449.20	\$ 644.92	\$ 6,449.20	\$ 644.92	\$ 6,449.20
9EP-00208	System Center DC Core ALng SA 2L	D	390	\$49.09	\$ 19,145.10	\$ 49.09	\$ 19,145.10	\$ 49.09	\$ 19,145.10
9EN-00198	System Center Standard Core ALng SA 2L	D	556	\$17.98	\$ 9,996.88	\$ 17.98	\$ 9,996.88	\$ 17.98	\$ 9,996.88
D87-01159	Visio Professional ALng SA	D	62	\$109.96	\$ 6,817.52	\$ 109.96	\$ 6,817.52	\$ 109.96	\$ 6,817.52
D86-01253	Visio Standard ALng SA	D	123	\$56.50	\$ 6,949.50	\$ 56.50	\$ 6,949.50	\$ 56.50	\$ 6,949.50
MX3-00117	Visual Studio Ent MSDN ALng SA	D	5	\$1,072.12	\$ 5,360.60	\$ 1,072.12	\$ 5,360.60	\$ 1,072.12	\$ 5,360.60
KV3-00368	Win Enterprise Device ALng SA	D	461	\$48.72	\$ 22,459.92	\$ 48.72	\$ 22,459.92	\$ 48.72	\$ 22,459.92
KV3-00353	Win Enterprise Device ALng SA Platform	D	2108	\$46.29	\$ 97,579.32	\$ 46.29	\$ 97,579.32	\$ 46.29	\$ 97,579.32
6VC-01254	Win Remote Desktop Services CAL ALng SA UCAL	D	735	\$23.69	\$ 17,412.15	\$ 23.69	\$ 17,412.15	\$ 23.69	\$ 17,412.15
6XC-00299	Win Remote Desktop Services Ext Con ALng SA	D	6	\$2,002.08	\$ 12,012.48	\$ 2,002.08	\$ 12,012.48	\$ 2,002.08	\$ 12,012.48
9EA-00278	Win Server DC Core ALng SA 2L	D	378	\$125.87	\$ 47,578.86	\$ 125.87	\$ 47,578.86	\$ 125.87	\$ 47,578.86
R39-00396	Win Server External Connector ALng SA	D	6	\$330.12	\$ 1,980.72	\$ 330.12	\$ 1,980.72	\$ 330.12	\$ 1,980.72
9EM-00270	Win Server Standard Core ALng SA 2L	D	888	\$19.32	\$ 17,156.16	\$ 19.32	\$ 17,156.16	\$ 19.32	\$ 17,156.16

Year 1 Total \$ 773,040.44 Year 2 Total \$ 773,040.44 Year 3 Total \$ 773,040.44

Three Year Total \$ 2,319,121.32

Notes

No Tax Referenced
Riverside Contract: PSA-0001522
Current Enrollment# 65849611
Agreement End Date: 6/30/2023

Terms & Conditions

Terms and Conditions of sales and services projects are governed by the terms at:

<http://www.cdwg.com/content/terms-conditions/product-sales.aspx>

IT0031

CDW Government LLC

IT Hardware and Software Value Added Resellers

- Desktop/Workstations
- Notebooks/Laptops
- Tablets/eBook Readers
- Servers Storage and Memory products
- Displays & Projectors
- Networking Equipment
- Audio & Video
- Printers & Scanners Software Products
- IT Service

Effective dates: 01/01/2014 - 12/31/2023

Multi-source contract

OTHER CONTRACTS IN THIS CATEGORY IT0032 - Paragon Development Systems (PDS) IT VAR, IT0033 - PC Connection/MoreDirect/Gov Connection IT VAR, IT0034 - Insight Direct IT VAR

PREVIOUS CONTRACTS IN THIS CATEGORY IT132X - Eplus Technology, Inc., IT178X - CDW Government LLC, IT194X - Insight Public Sector, Inc., SVC1003X - Paragon Development Systems, U0919CX - PC Connection Information Tech Svcs, U0919GX - GovConnection Computer Services, U0919X - MoreDirect Information Tech Svcs

DISTRIBUTION Direct from the supplier

Agreement access

TO ACTIVATE CONTRACT TIERS - For those who have access to request tiers, click the purple "Activate Now" button on the catalog contract details page to launch the online activation process. Follow the prompts and provide all requested data until you reach the Submit stage. If requesting a different tier, click the purple "Request a New Tier" button and follow the same process.

ADDITIONAL FORM REQUIRED This contract requires an end user agreement or Supplier provided form. The form is completed as part of the online activation process described above.

Pricing and terms

PRICING Pricing detail is available from the Contract Documents area of the contract details page in Vizient Catalog.

PRICE TIERS Refer to Vizient Catalog for tier eligibility requirements. If you qualify for a different tier from the one your facility is currently on, click the "Request a New Tier" button on the Facility Status line to initiate a new tier request with the supplier. Follow the prompts and provide all requested data until you reach the Submit stage.

PRICE PROTECTION Firm Price, Entire Term of the agreement but may be subject to reduction due to market conditions.

CONTRACT TERM Initial term is effective through 12/31/2023; shall not automatically renew past 12/31/2021 without mutual agreement of Parties.

CONTRACT AND PRODUCT UPDATES Product and price updates, promotions, supplier news and other changes that occur during the term of this contract are shared via Vizient Catalog. They can be viewed at the Contract News link on the contract details page.

Contract process and award rationale

COMPETITIVE CONTRACTING PROCESS Vizient awards product agreements to the suppliers that offer best overall value, as determined through a comprehensive contracting process that follows the principles of the American Bar Association's Model Procurement Code and involves participating member organizations to the greatest practical degree. The process uses member-driven criteria and a weighted award decision tool that considers financial and product specification/quality factors. This contract was awarded based solely on the results of this process.

Based solely upon the results of this process, Vizient awarded this category as described on page 1.

Request for proposal

Vizient issued a request for proposal in March 2013.

The RFP was issued to these suppliers: : CDW Government LLC, ePlus Technology Inc., Insight Direct USA Inc., Kyocera, Paragon Development Systems Inc., PC Connection/MoreDirect, Inc. /GovConnection, Inc. Inc. Presidio, Sentinel Technologies, SHI International Corp., System Design Advantage LLC, The Ergonomic Group Inc., Upstate Wholesale Supply, and Zones Inc..

Responses were received from these suppliers: CDW Government LLC, ePlus Technology Inc., Insight Direct USA Inc., Kyocera, Paragon Development Systems Inc., PC Connection/MoreDirect, Inc. /GovConnection, Inc. Inc. Presidio, Sentinel Technologies, SHI International Corp., System Design Advantage LLC, The Ergonomic Group Inc., Upstate Wholesale Supply, and Zones Inc. .

Proposal evaluation

In addition to financial value, the proposals were evaluated based on the following product specification /quality factors, which were developed and weighted by Vizient's Information Technology Council in February 2013:

- breadth and depth of offering, supplier capabilities/member value, member preference, and terms and conditions

Member input

A member preference survey was conducted in April 2013 in conjunction with the request for proposal to assess which suppliers' members find acceptable and prefer to use. Results were factored into the award recommendation.

Best-and-final offer

Based on the scoring results, CDW Government, Insight Direct, Paragon Development Systems, and PC Connection/MoreDirect/GovConnection were invited to submit their best-and-final pricing offer in October 2013.

Award validation

Based on the proposal scorecard results and the recommendation of the council, Vizient awarded this category as described above.

Vizient wishes to thank the members of the Information Technology Council for their valuable direction and input into this award decision.

Board/CEO – Packet Submission Checklist

Salinas Valley Health Microsoft Licensing: 2023 - 2026

The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to Assistant to CFO by 4:00 p.m. on the Tuesday that falls three (3) weeks before Board week.

- BOARD/CEO PAPER** – required for all submissions; see attached instructions/sample
- KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper
- CONTRACT** – negotiated final with vendor signature **#1001.2533**
- PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):
 - If for **data processing/telecommunications goods/services** of more than \$25,000, check applicable option and include documentation: **CIO must review.**
 - RFP documentation (*see attached RFP responses and scorecard from 3 respondents*)
 - If sole source – provide detailed justification (see attachment)
 - If GPO, submit qualifying verification from Materials Management
 - If for **professional/other services or medical/surgical equipment and supplies** more than \$350,000, check applicable option and include documentation:
 - RFP documentation
 - If GPO, submit qualifying verification from Materials Management
 - If emergency – as designated by Board
 - If for **non-medical materials/supplies** more than \$25,000, check applicable option and include documentation:
 - Invitation for bids documentation
 - If sole source – provide detailed justification (see Attachment 3B)
 - If GPO, submit qualifying verification from Materials Management

Legal counsel/Contract Administrator reviewed: No or Yes, By Whom: Natalie James,

SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:

Signature	Title/Department	Date
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REVIEWED BY:

CIO (if applicable): _____ Date: _____

Director of MM/Designee in lieu of Compliance: _____ Date: _____

Balanced Scorecard

Year To Date: March 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	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	72.1	75.1	-4.0%	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	57.9	59.7	-2.9%	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	91.4	92.0	-0.7%	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	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	178.0	181.0	1.7%	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	78.0	81.0	3.7%	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	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	29.7	29.5	-0.6%	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%	90.7%	93.0%	-2.5%	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	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%	96.9%	75.0%	29.3%	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:
 - CLABSI (Central Line Associated Bloodstream Infection)
 - CAUTI (Catheter Associated Urinary Tract Infection)
 - 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	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	\$62,775	\$58,906	6.6%	\$83,662
Operating Margin (Normalized)	4.5%	11.5%	14.1%	8.0%	13.8%	16.5%	9.6%	5.8%	3.0%	9.7%	10.1%	-4.1%	13.9%

- Target Methodology is based on SVMH's 100% of FY 2023 Board Approved Annual Operating Budget
- *FY 2023 Budget is subject to change following final determination of the Plan of Finance for the Master Facility Plan and any material changes resulting from the Final CCAH contract that is under negotiations.*

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	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	7	25	-72.0%	-
Implement e-Visits in SVMC	0	0	0	25	31	25	59	35	50	225	100	125.0%	-
Implement MyChart Inpatient	0	0	0	2,326	2,102	1,927	2,085	1,675	2,171	12,286	15,000	-18.1%	-

- **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	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	668	600	11.3%	-



- 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

April 2023

Augustine Lopez
Chief Financial Officer

Consolidated Financial Summary For the Month of April 2023

\$ in Millions	For the Month of April 2023			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue*	\$ 74.7	\$ 56.4	\$ 18.3	32.4%
Operating Expense	\$ 60.6	\$ 55.1	\$ (5.5)	-10.0%
Income from Operations	\$ 14.1	\$ 1.3	\$ 12.8	984.6%
<i>Operating Margin %</i>	18.9%	2.2%	16.7%	759.09%
Non Operating Income**	\$ 3.8	\$ 1.0	\$ 2.8	280.0%
Net Income	\$ 17.9	\$ 2.3	\$ 15.6	678.3%
<i>Net Income Margin %</i>	23.9%	3.9%	20.0%	512.8%

***Normalizing revenue items included above are:**

- \$4.4M Medi-Cal - Rate Range Program (FY 2022)
- \$1.8M Medi-Cal - AB915 OP Supplemental Payments (FY 2021 & FY2022)

****Normalizing non-operating revenue income**

included above of \$2.4M received in Employee Retention Grants from State of California (SB 184)

In addition:

- \$7.0M Medi-Cal - QIP Program: Annual Lump Sum Budgeted Payment Received (CY 2021)

Consolidated Financial Summary – Normalized

For the Month of April 2023

\$ in Millions	For the Month of April 2023				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue*	\$ 61.5	\$ 56.4	\$ 5.1	9.0%	
Operating Expense	\$ 60.6	\$ 55.1	\$ (5.5)	-10.0%	
Income from Operations	\$ 0.9	\$ 1.3	\$ (0.4)	-30.8%	
<i>Operating Margin %</i>	1.4%	2.2%	-0.8%	-36.4%	
Non Operating Income	\$ 1.3	\$ 1.0	\$ 0.3	30.0%	
Net Income	\$ 2.2	\$ 2.3	\$ (0.1)	-4.3%	
<i>Net Income Margin %</i>	3.6%	3.9%	-0.3%	-7.7%	

*Normalizing revenue items excluded from the above are:

- \$4.4M Medi-Cal - Rate Range Program (FY 2022)
- \$1.8M Medi-Cal - AB915 OP Supplemental Payments (FY 2021 & FY2022)

**Normalizing non-operating revenue excluded

from the above of \$2.4M received in Employee Retention Grants from State of California (SB 184)

In addition:

- \$7.0M Medi-Cal - QIP Program: Annual Lump Sum Budgeted Payment Received (CY 2021)

Executive Summary: Unfavorable Financial Performance

- Normalizing for the Rate Range Program, AB 915 and QIP payments totaling \$13.2 million, Income from Operations was \$900,000 (0.1%) compared to a budget of \$1.3 million (2.2% operating margin). This shortfall was primarily due to the following:
 - ✓ The payor mix for the month continues to be unfavorable: Commercial revenue was 2% below budget for the month while Medicare and Medi-Cal were above budget by 19% and 26%, respectively.
 - ✓ If the payor mix would have been at budget, there would have been an additional \$3.0 million of improved net revenue.
- ✓ Total admissions were 59 admits (7%) above budget, of those 79% were governmental payors
- ✓ Medicare ALOS CMI adjusted, was 2.2 days, favorable 6% to budget. Medicare CMI was 1.97
- Total normalized consolidated operating revenues were \$5.1 million (6.1%) above budget driven by:
 - ✓ Higher than expected patient volume in both inpatient and outpatient
 - ✓ OP surgical cases were above budget by 21% (inpatient surgical cases were on target)
 - ✓ OP infusion cases were 18% (142 cases) above budget
- Consolidated operating expenses were above budget by \$5.5M (10%) driven by:
 - ✓ Higher patient volumes drove an increase predominantly in:
 - ✓ Labor Cost, Supplies, Other Professional Fees and Purchased Services
 - ✓ Contract Labor was \$2.1 million, an improvement of \$500,000 from the prior month
 - ✓ Due to high patient volumes, expenses were higher than budgeted in supplies, other professional fees and purchased services
- Non-operating income was favorable by \$3.4 million due to State funding of the Employee Retention Credit of \$2.4 million and higher returns from investment income.

Consolidated Financial Summary Year-to-Date April 2023

\$ in Millions	FY 2023 YTD April				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue*	\$ 620.4	\$ 565.8	\$ 54.6	9.7%	
Operating Expense	\$ 591.7	\$ 554.3	\$ (37.4)	-6.7%	
Income from Operations	\$ 28.7	\$ 11.5	\$ 17.2	149.6%	
<i>Operating Margin %</i>	4.6%	2.0%	2.6%	130.0%	
Non Operating Income**	\$ 19.3	\$ 9.7	\$ 9.6	99.0%	
Net Income	\$ 48.0	\$ 21.2	\$ 26.8	126.4%	
<i>Net Income Margin %</i>	7.7%	3.7%	4.0%	108.1%	

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

- \$4.4M Rate Range Program (FY 2022)
- \$1.8M AB915 OP Supplemental Payments (FY 21)

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

- \$5.1M FEMA Funds recorded

In addition:

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

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

\$ in Millions	FY 2023 YTD April			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 614.2	\$ 565.8	\$ 48.4	8.6%
Operating Expense	\$ 591.7	\$ 554.3	\$ (37.4)	-6.7%
Income from Operations	\$ 22.5	\$ 11.5	\$ 11.0	95.7%
<i>Operating Margin %</i>	3.7%	2.0%	1.7%	85.0%
Non Operating Income	\$ 12.3	\$ 9.7	\$ 2.6	26.8%
Net Income	\$ 34.8	\$ 21.2	\$ 13.6	64.2%
<i>Net Income Margin %</i>	5.7%	3.7%	2.0%	54.1%

SVHMC Revenue Highlights April 2023

Gross Revenues were 15% Favorable to budget

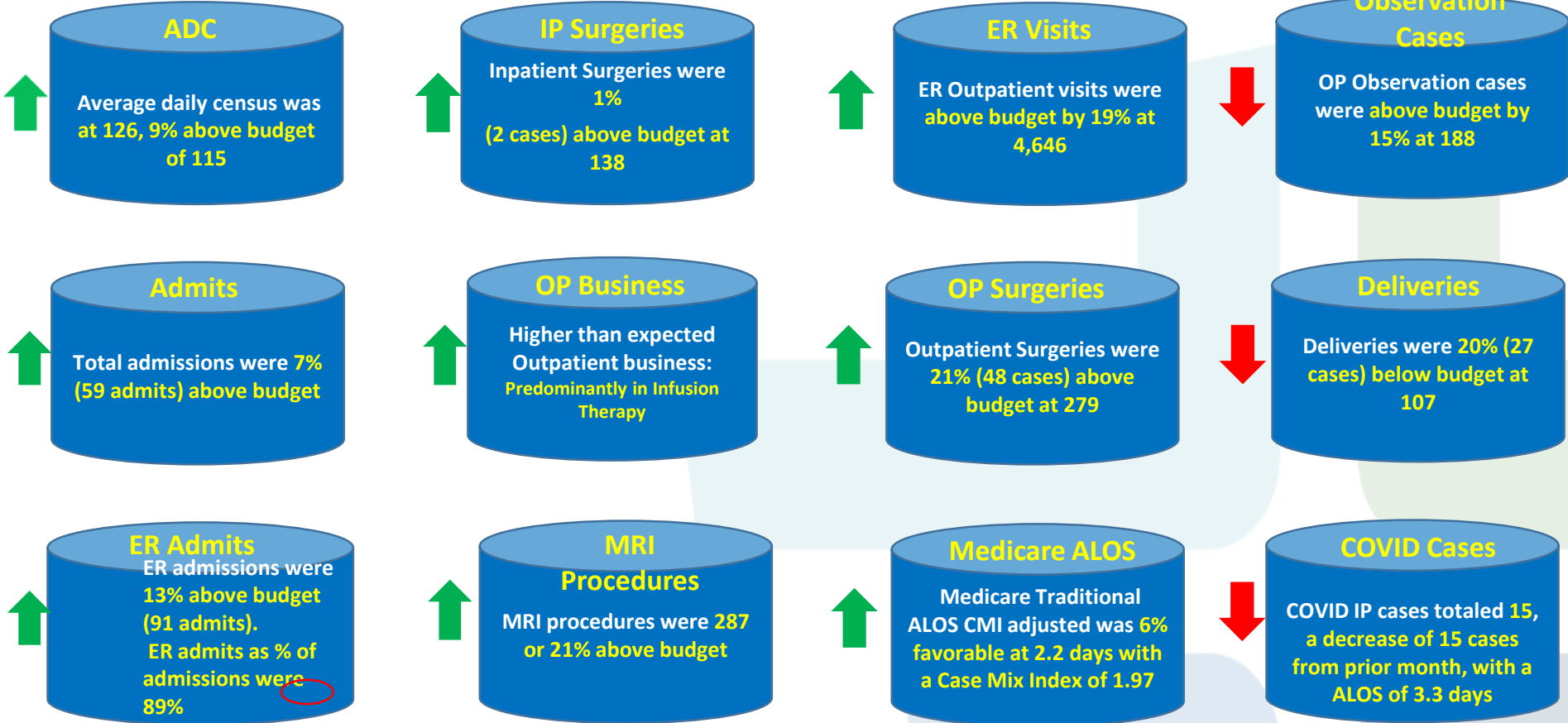
- IP Gross Revenues were 16% favorable to budget
- ED Gross Revenues were 16% favorable to budget
- OP Gross Revenues were 14% favorable to budget in the following areas:
 - Infusion Therapy

- Commercial: 2% below budget
- Medicaid: 26% above budget
- Medicare: 19% above budget

Payor Mix – **materially unfavorable**

Total Normalized Net Patient Revenues were \$51.9M, which was Favorable to budget by \$4.7M or 10.1%

Financial Summary – April 2023

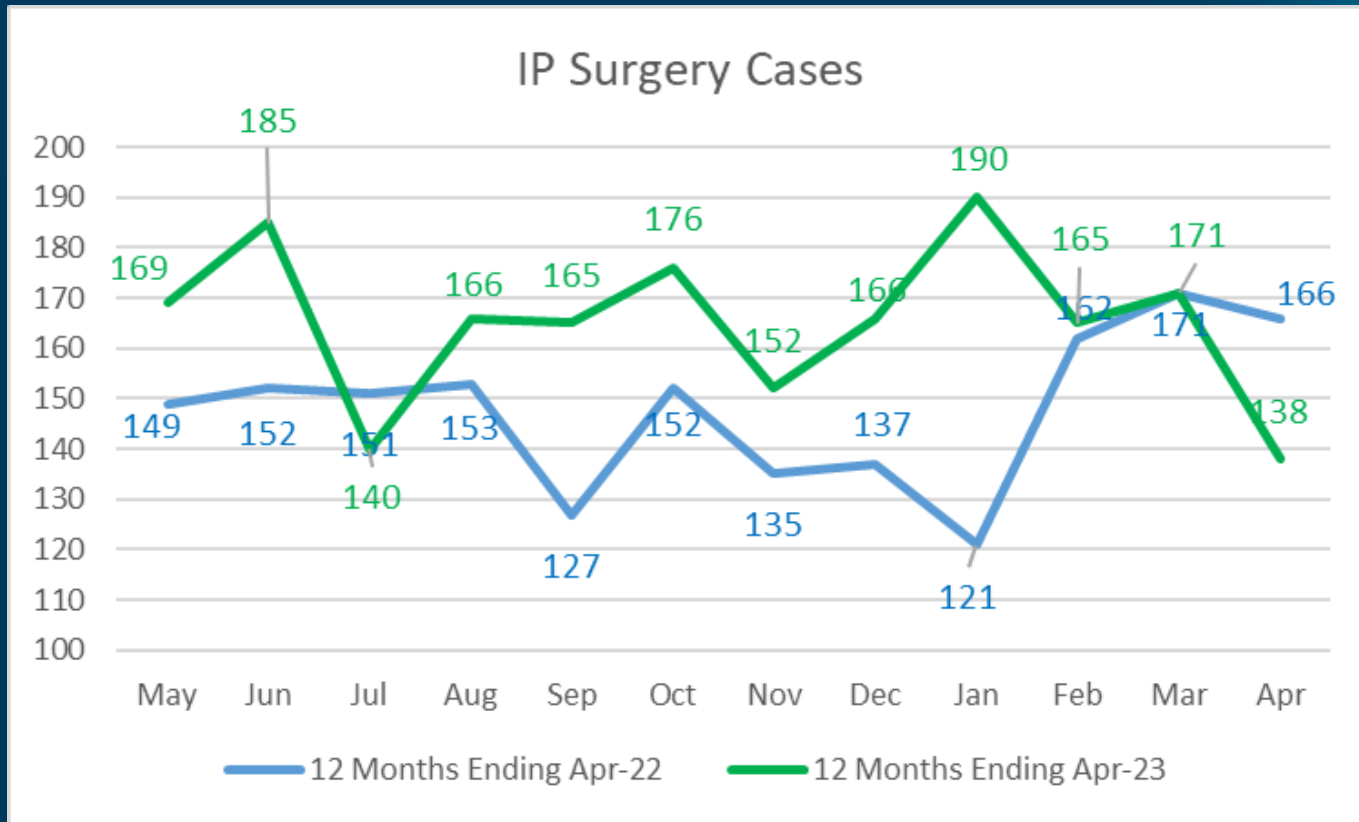


COVID Inpatient Discharge Cases Payor Mix Analysis May 2022 thru Apr 2023

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

COVID Inpatient cases decreased during April compared to prior month.

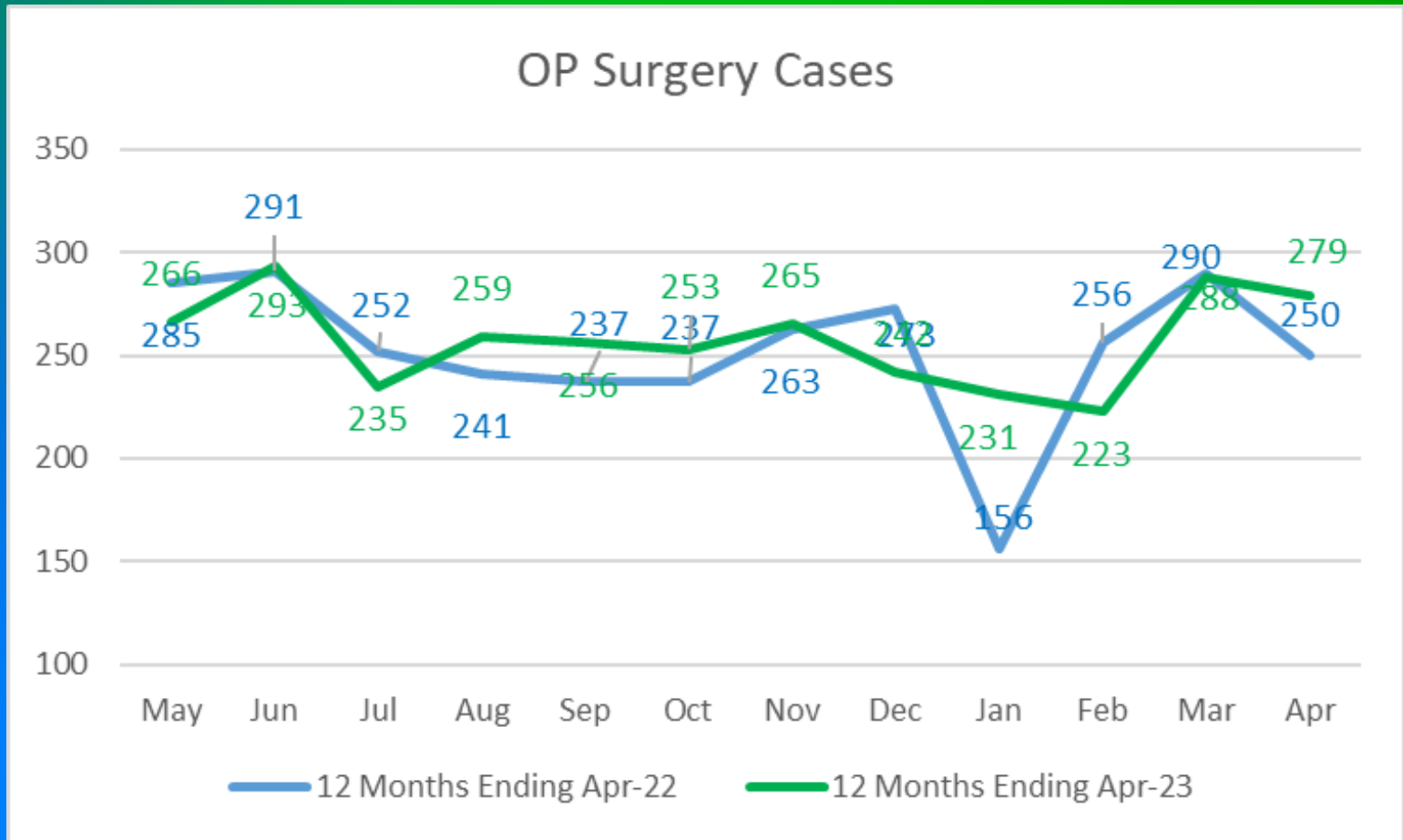
IP Surgery Cases – April 2023

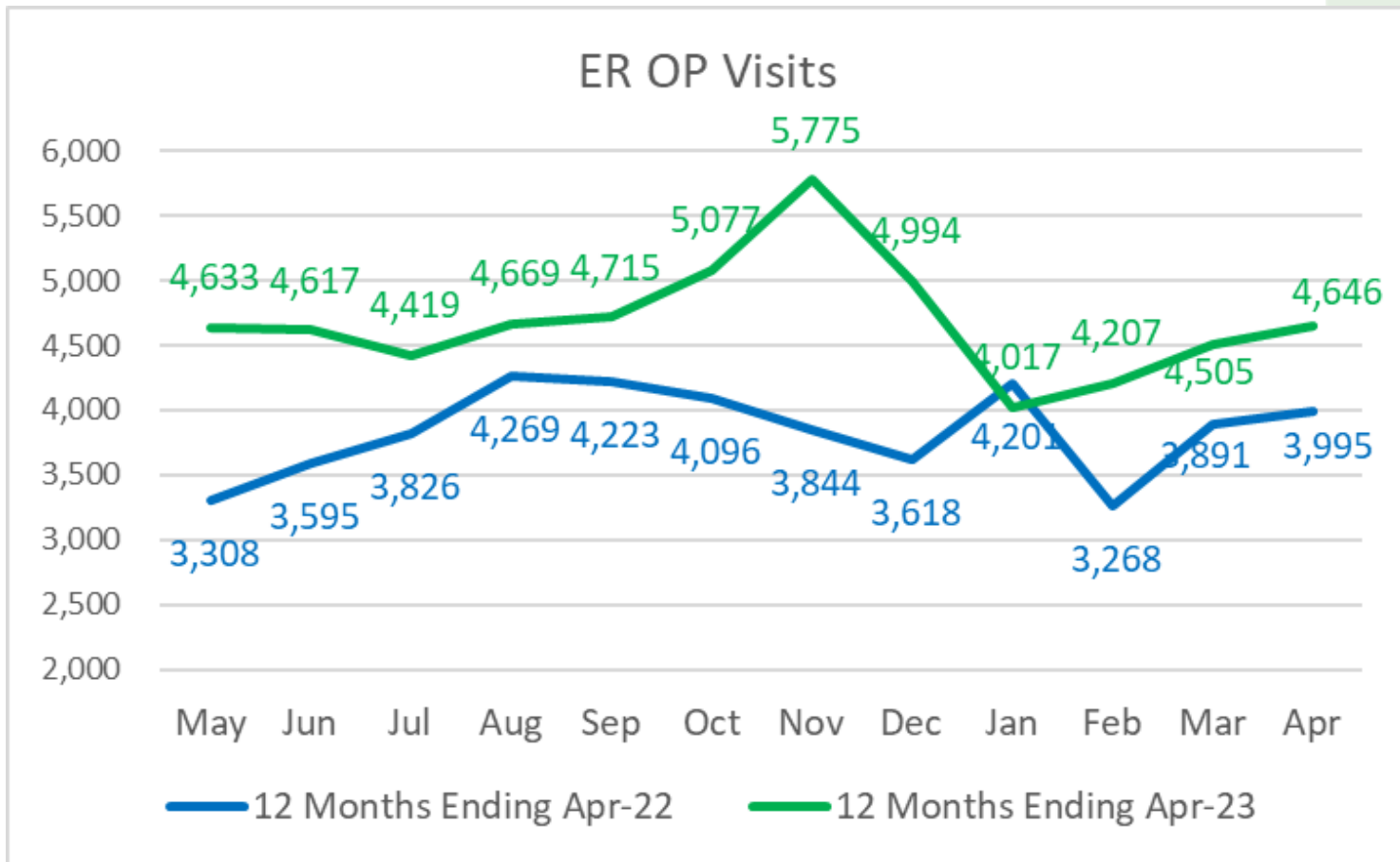


Compared to Prior Month:

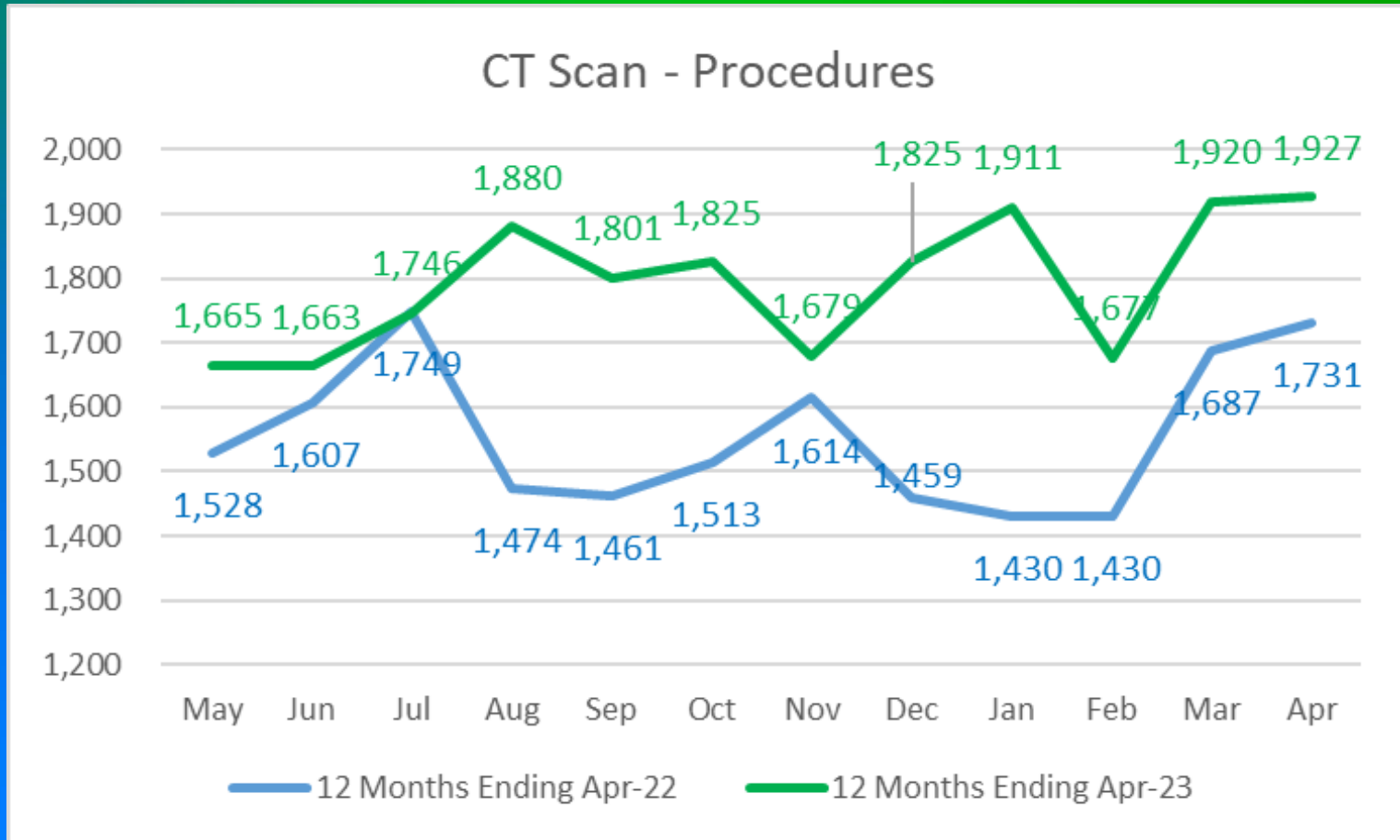
- Urology down (11)
- Orthopedics down (8)
- Vascular & Thoracic down (6)
- General Surgery down (3)
- Podiatry down (2)

OP Surgery Cases – April 2023

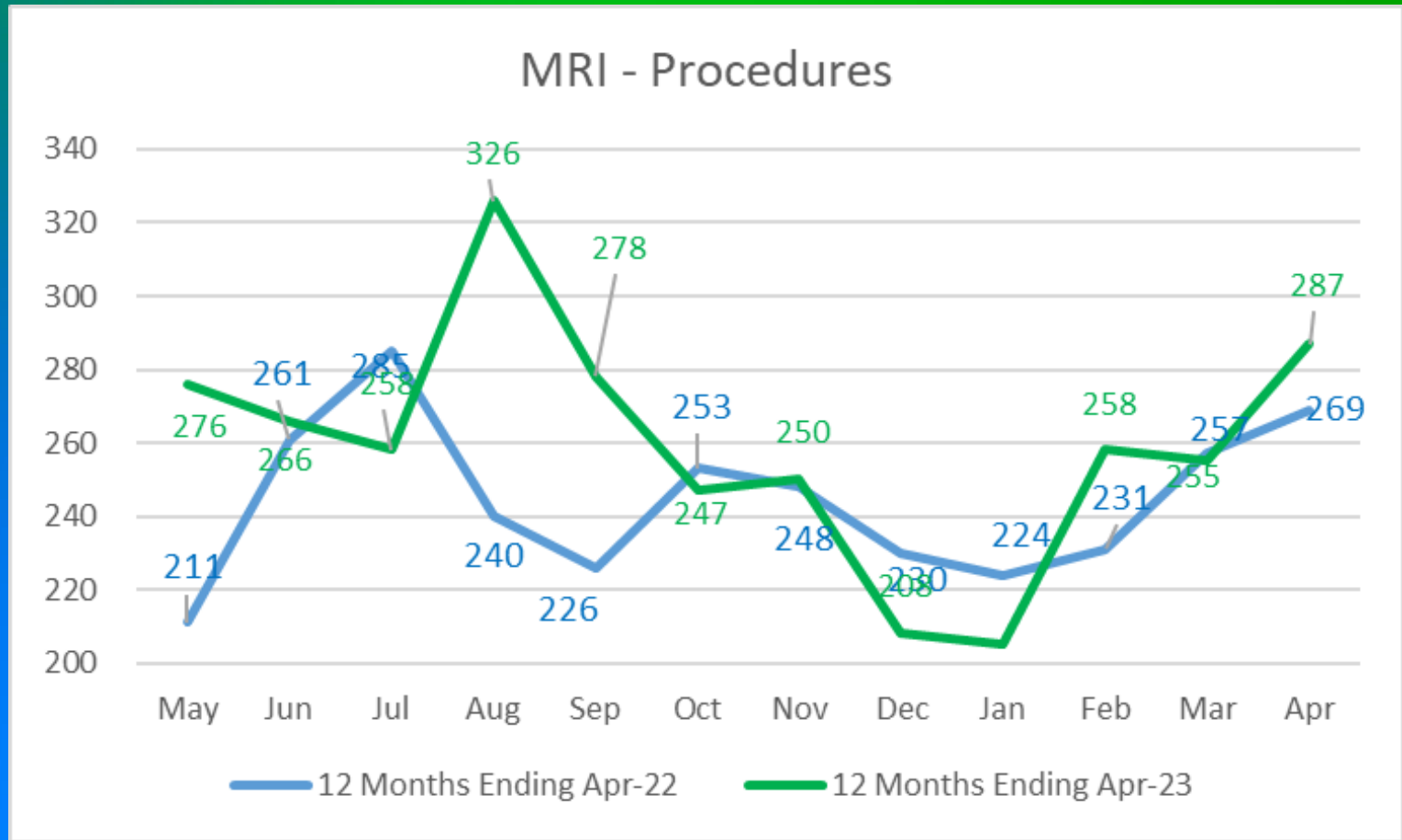




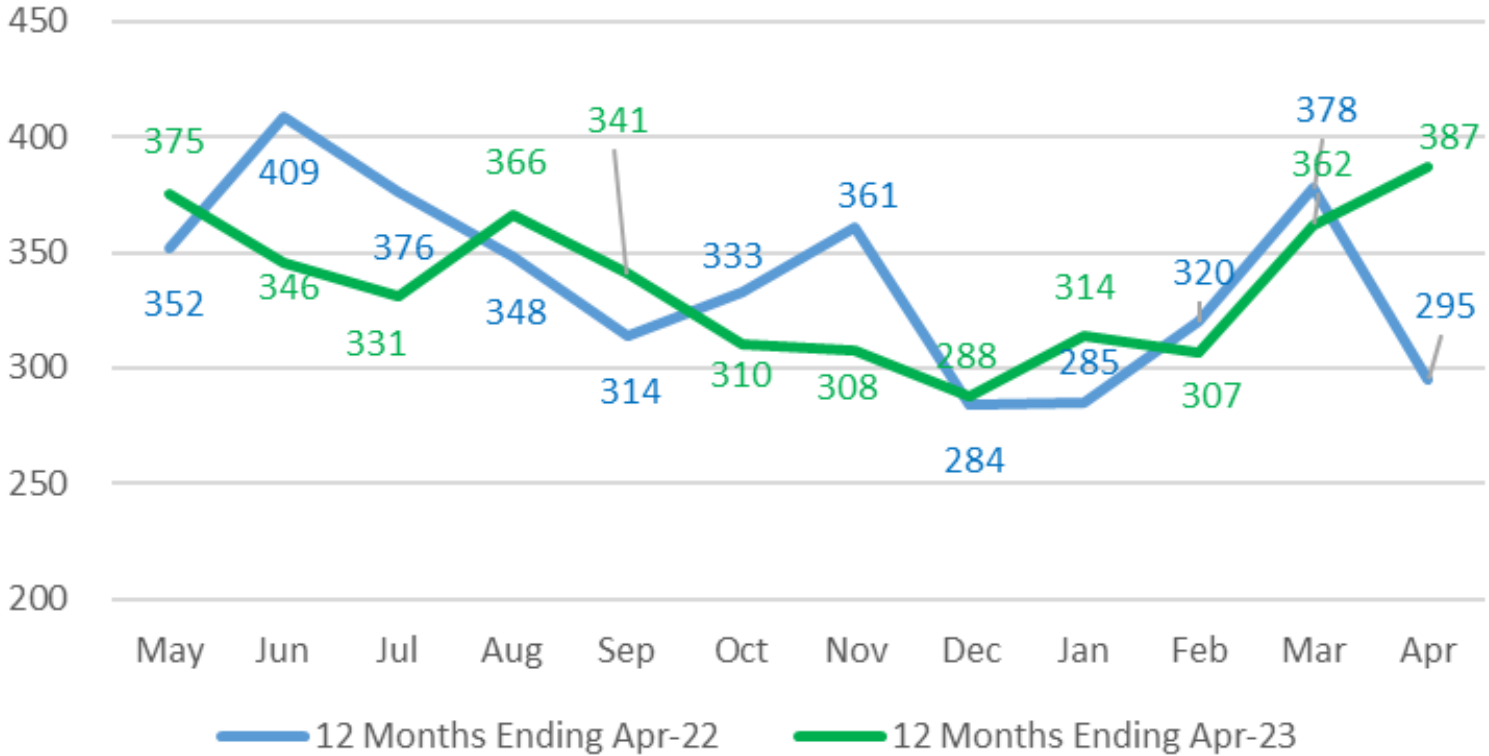
CT Scans – April 2023



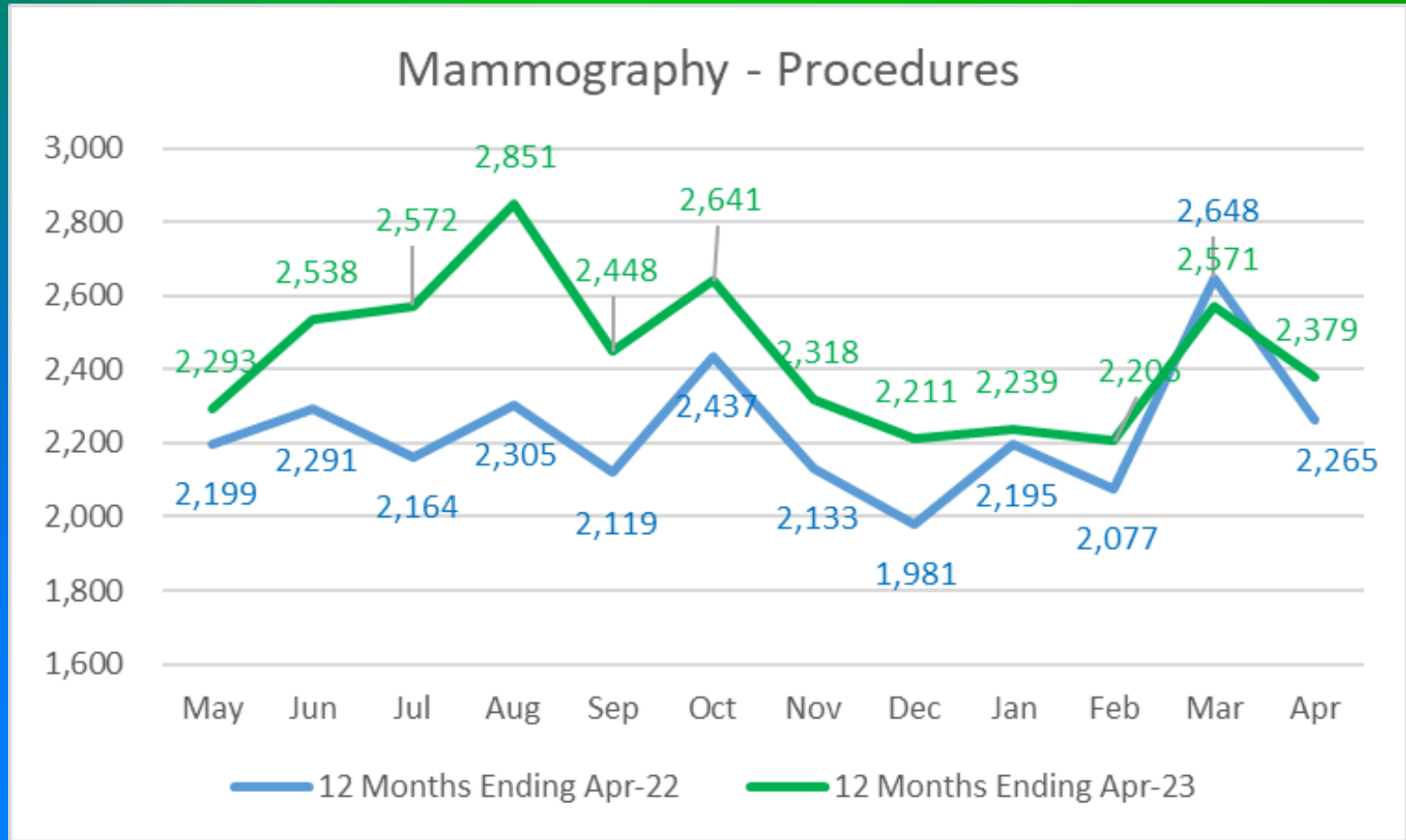
MRI – April 2023

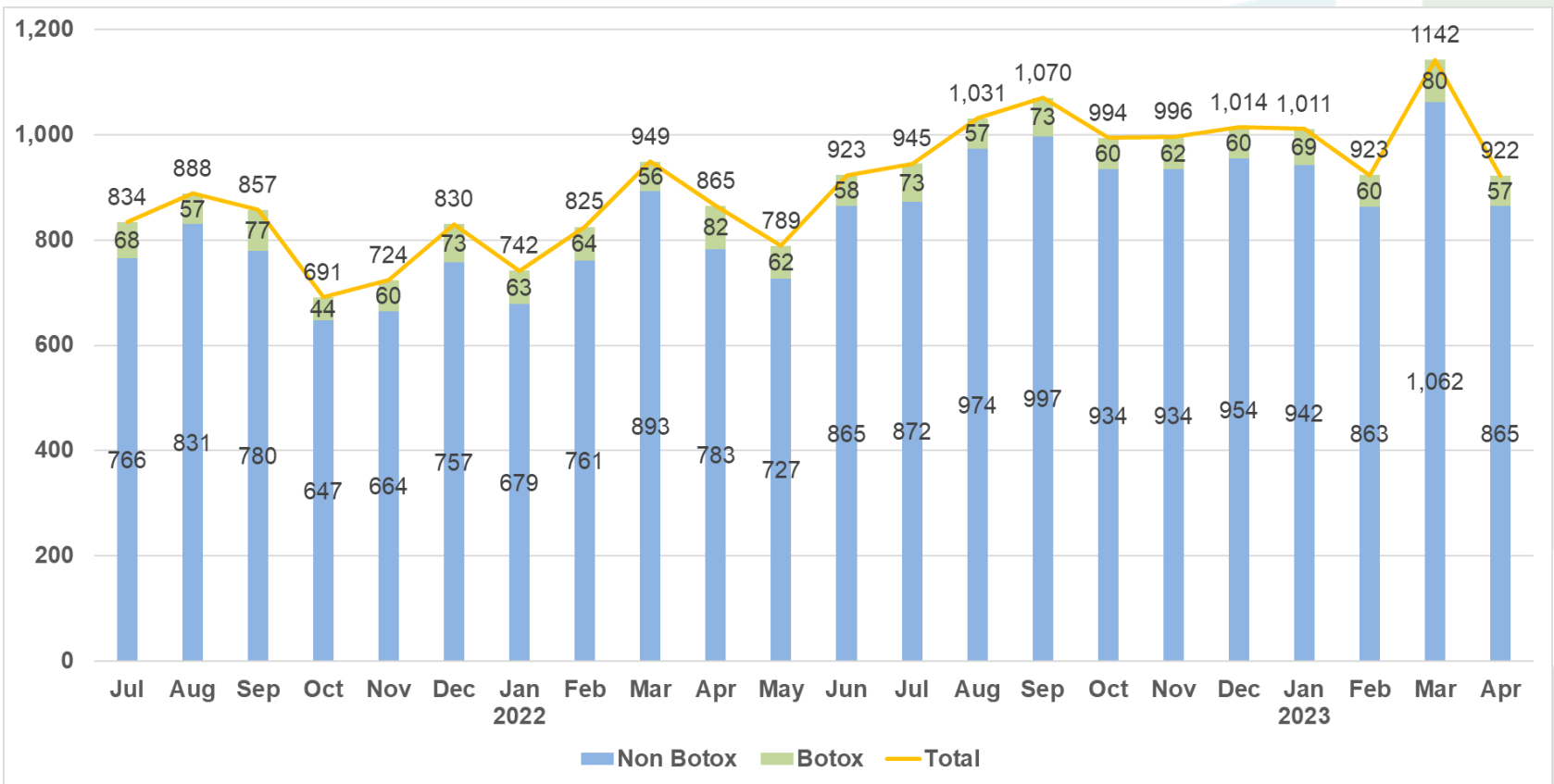


Cath Lab - Procedures



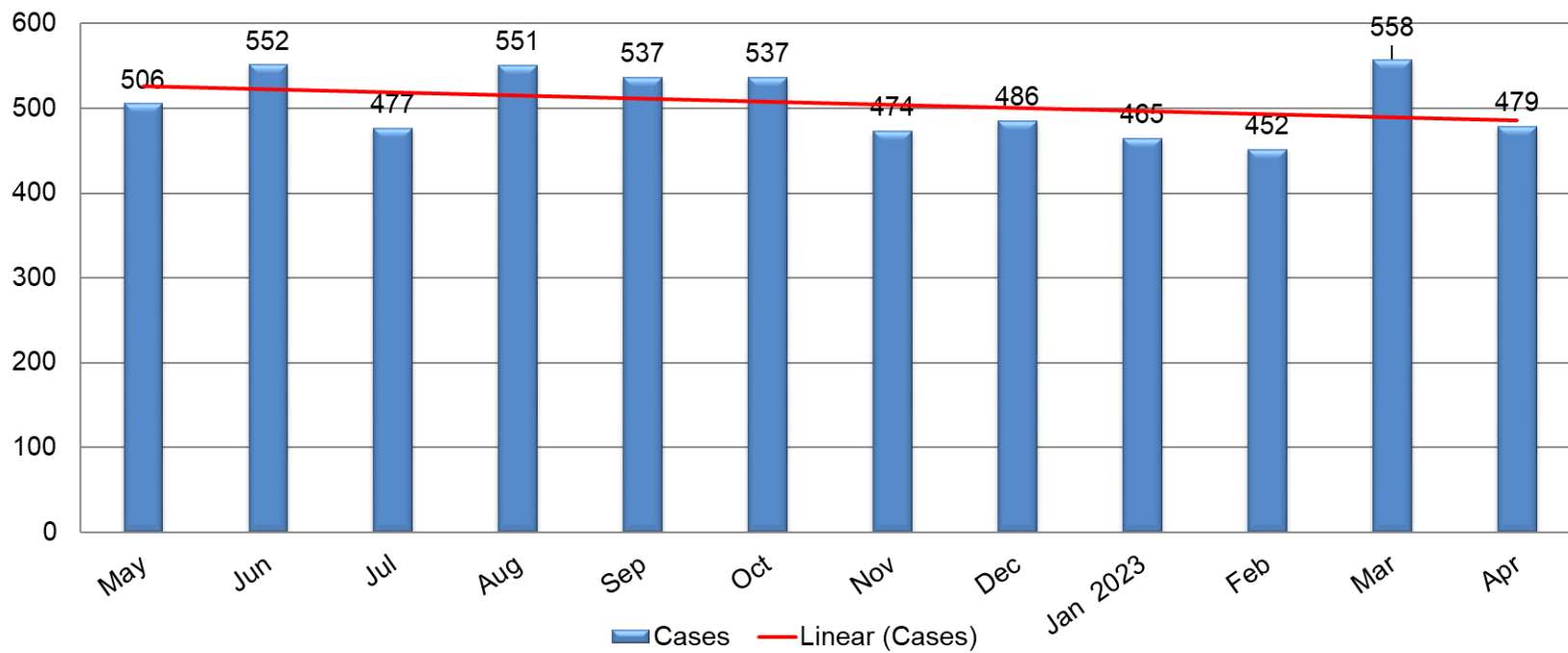
Mammography – April 2023





CDOC Cases - Rolling 12 Month Trend

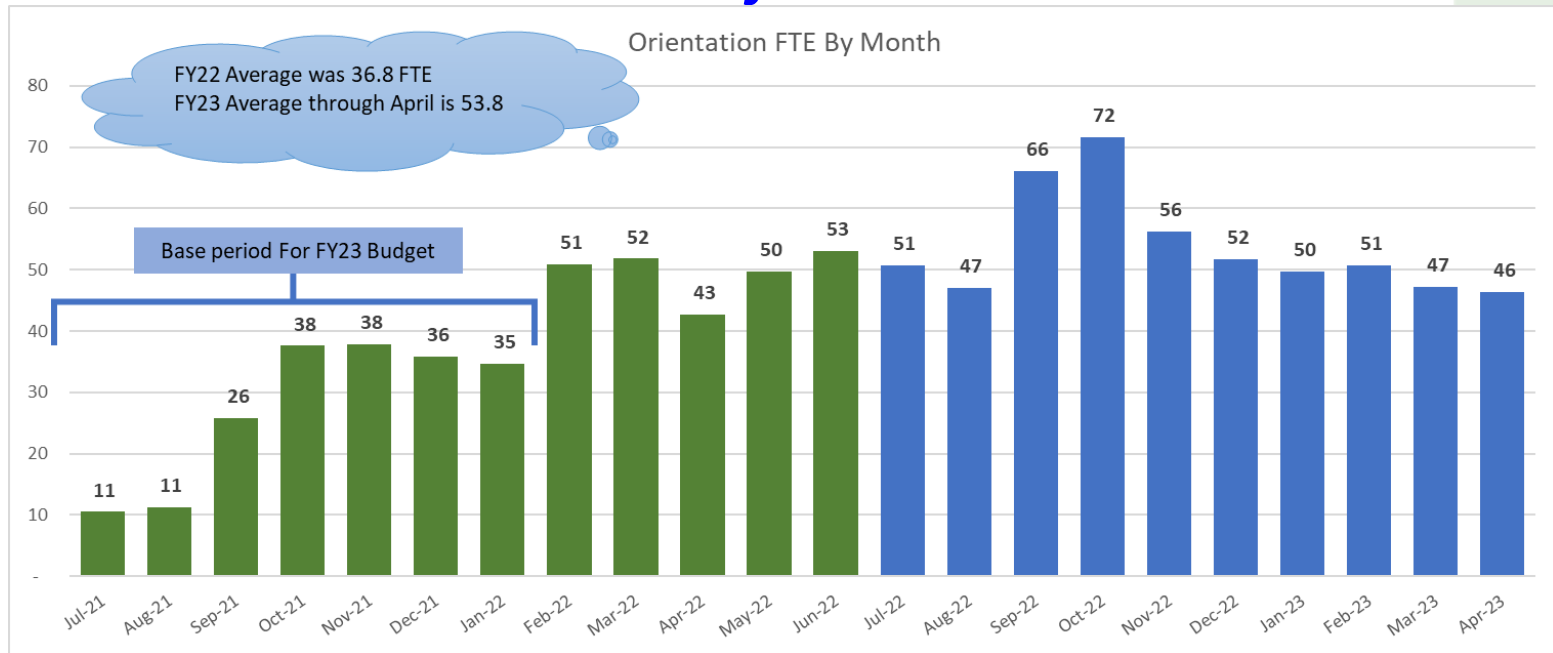
May 2022 thru April 2023



1. Worked FTEs: During the month of April, worked FTEs on a PAADC basis were 1.0% unfavorable at **6.90** with a target of **6.83**. *When reviewed on a unit by unit level, the variance was **17.3 FTEs Negative (\$-251k)**.* Average Daily Census increased to 126 compared to 124 in March, and was 9% above budget. Worked FTE increased to 1,602 in April (1,598 in March)

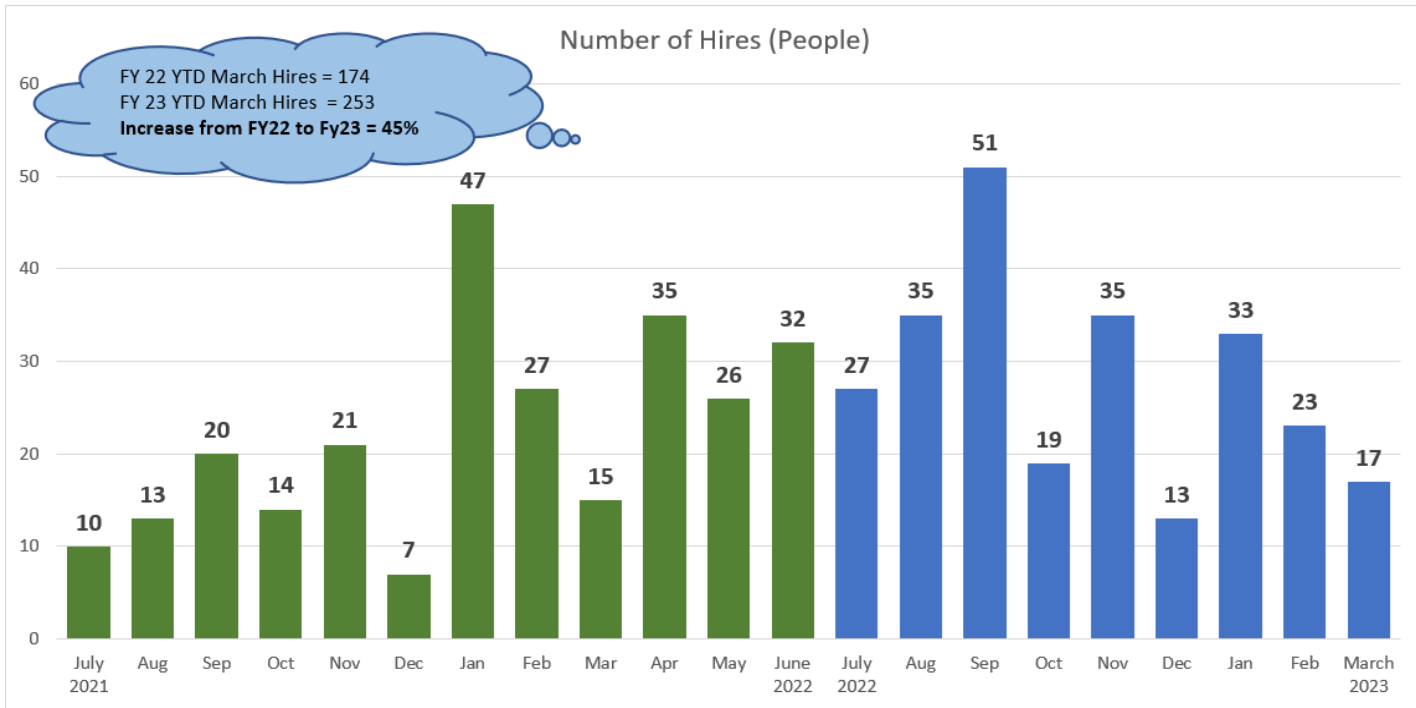
2. Paid FTEs: On a PAADC basis paid FTEs were **1.0%** favorable to budget at **7.90 actual vs. 7.99 budget**. Paid FTE increased slightly from 1,827 in March to 1,834 in April.

Labor Productivity – Orientation time



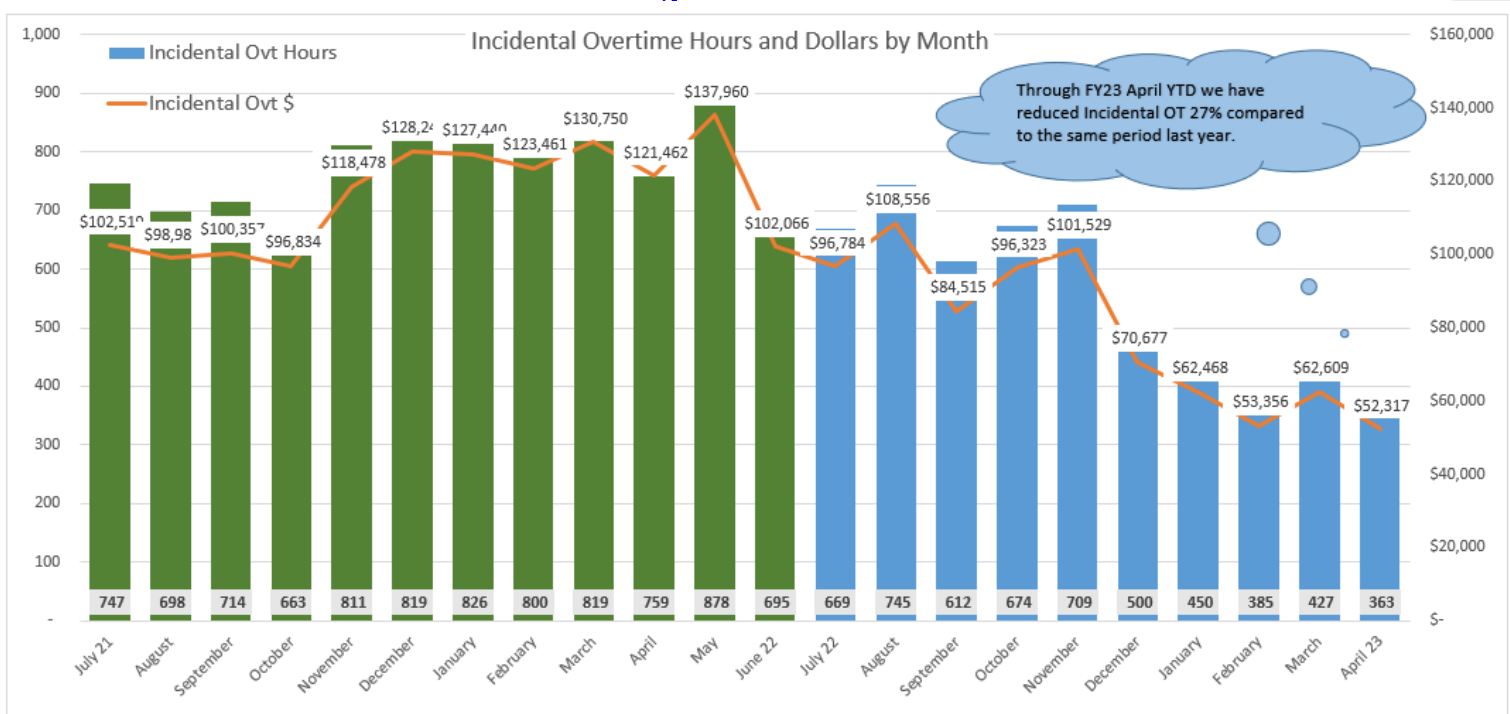
- Orientation time (training of new/moving employees) has increased sharply in FY23 compared to last year. This is due to increasing staff turnover experienced after the Covid period, and the need to increase staff to meet higher volumes. This increase was not anticipated to the degree it has happened and is impacting our ability to meet the productivity budget in the short term.

Labor Productivity – Hiring New Staff



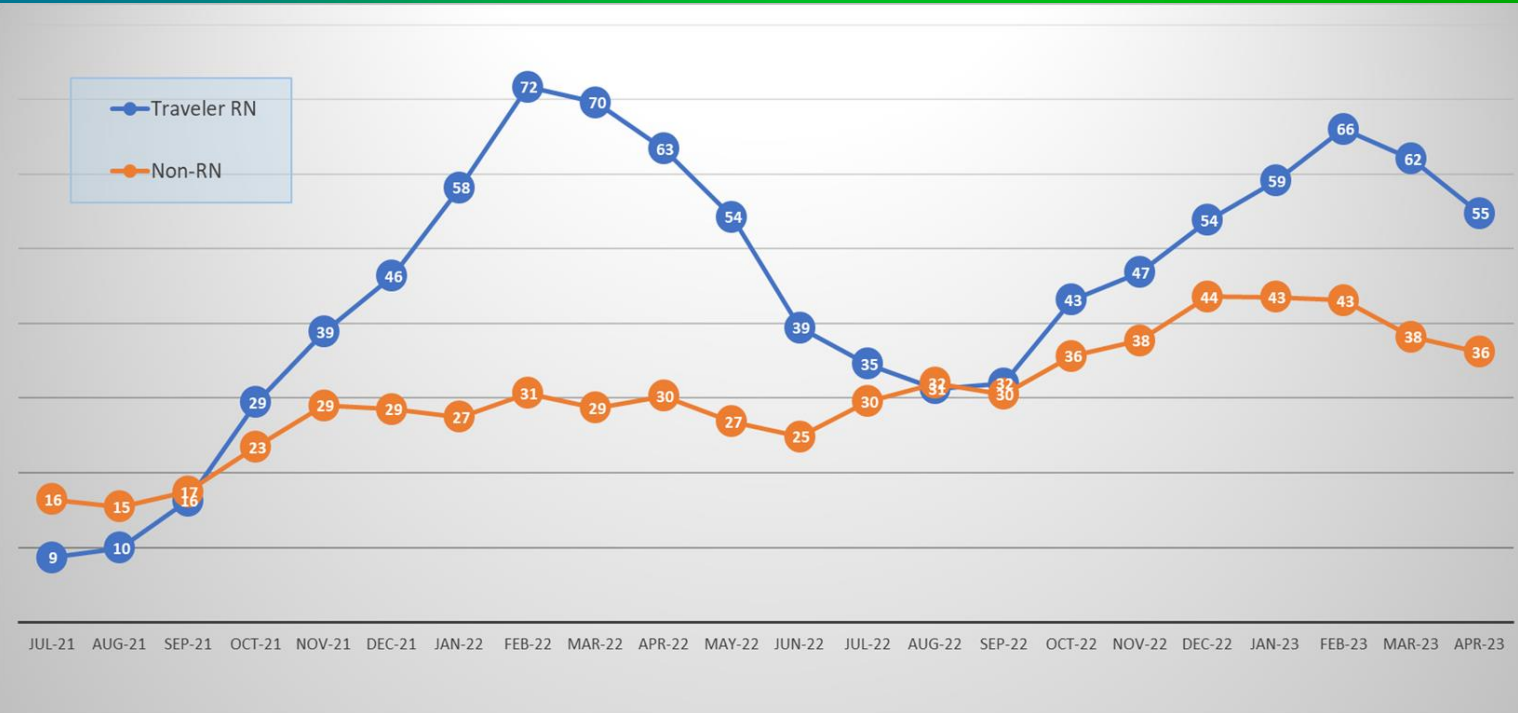
- YTD March staff hiring has increased 45% over the same period last year. While this is a major contributor to reducing contract labor and overtime, it is also a short-term driver of higher orientation costs.

Labor Productivity – Incidental Overtime



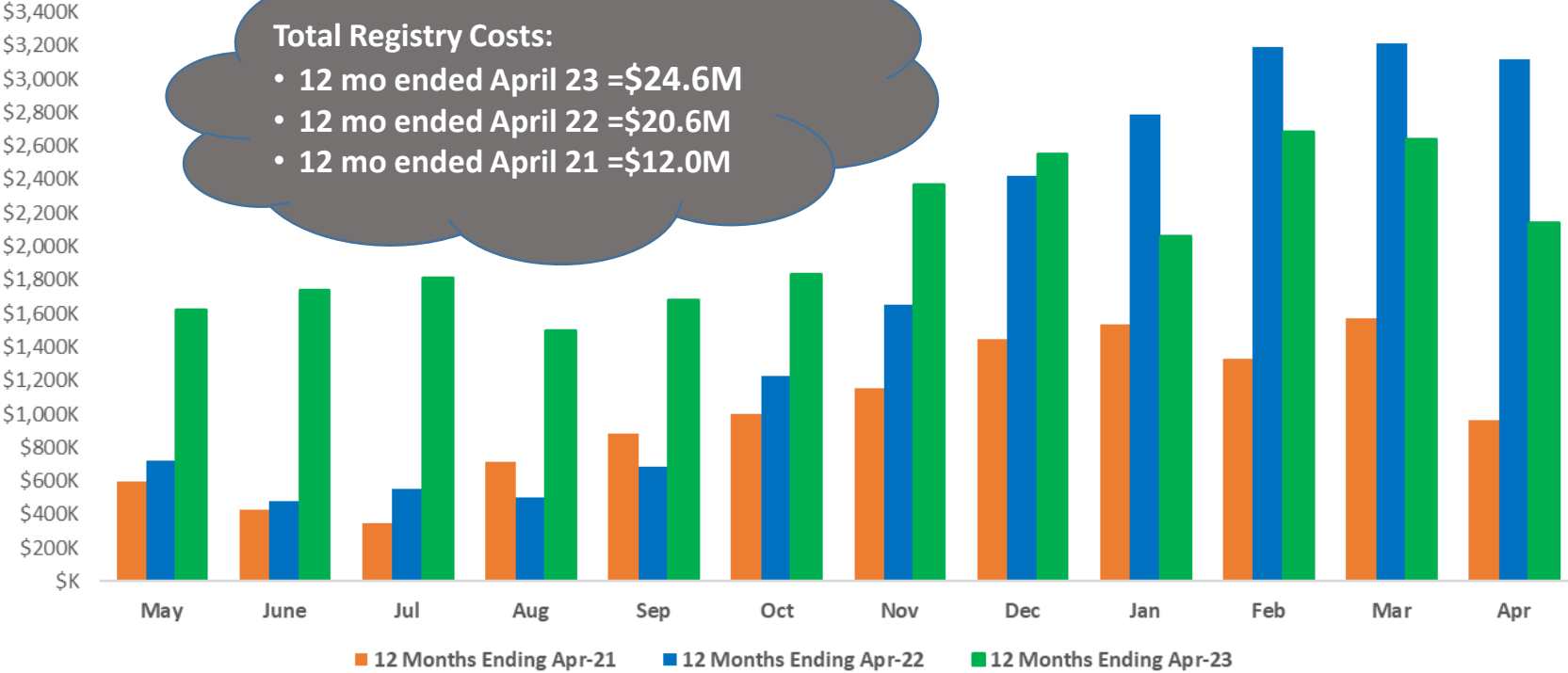
Incidental Overtime is incurred overtime that is under 1.0 hour in a shift but over an employee's daily approved hours. This is typically unplanned and is a type of overtime that can be reduced through unit based initiatives. This has been a strong focus in the nursing units and operating room since January and the monthly incidental overtime spending has been reduced significantly. Initiatives have been implemented hospital wide to align with the efforts in nursing.

Contract Labor FTE By Month FY22 and FY23 YTD April

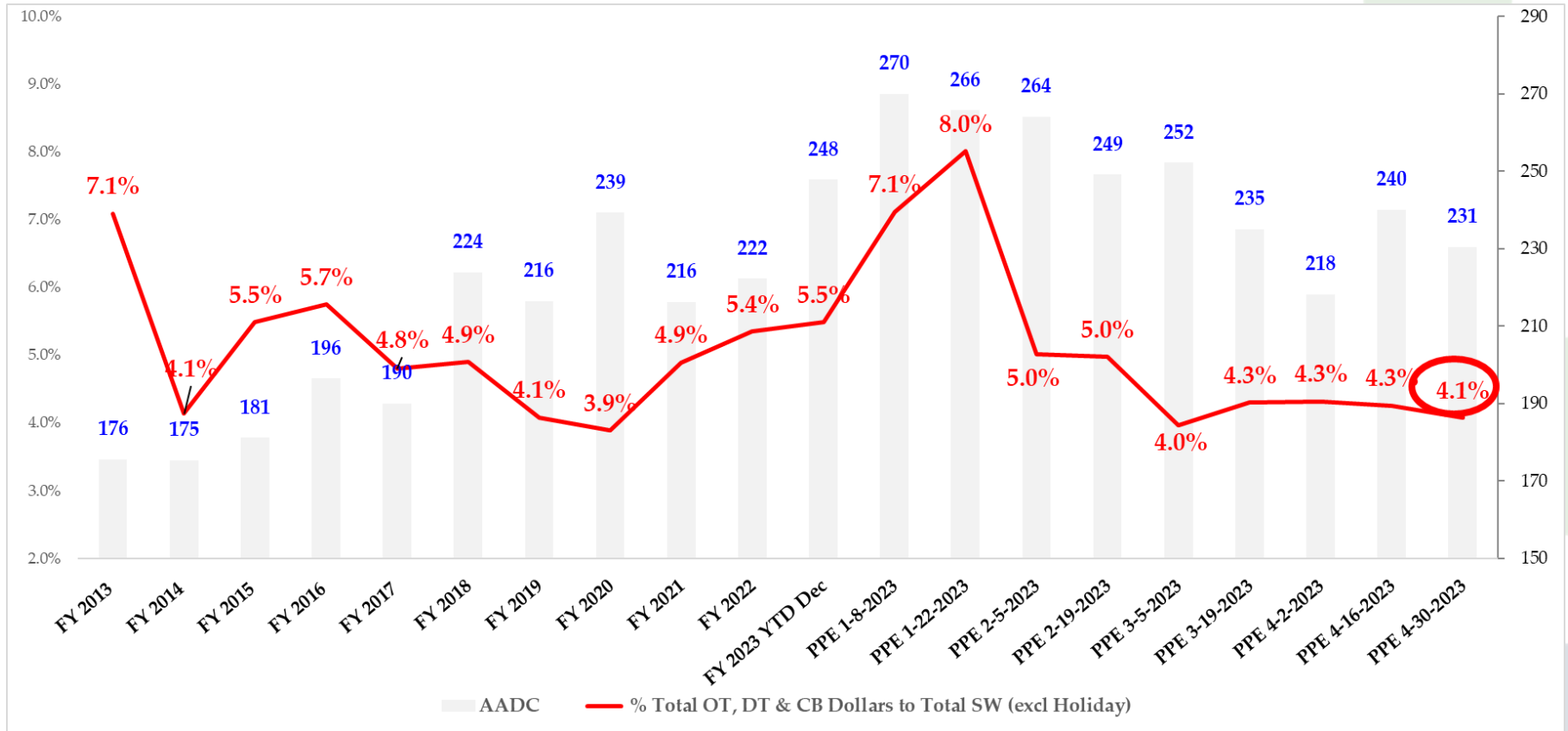


Contract labor continues to be utilized as direct result of staff shortages (national issue), and high volumes. Contract labor was down approximately 9 FTEs in April compared to prior months. Both RNs (7 FTEs) and Non-RNs (2 FTEs) contract labor showed a reduction compare to the prior month.

Contract Labor Dollars
(\$ in thousands)

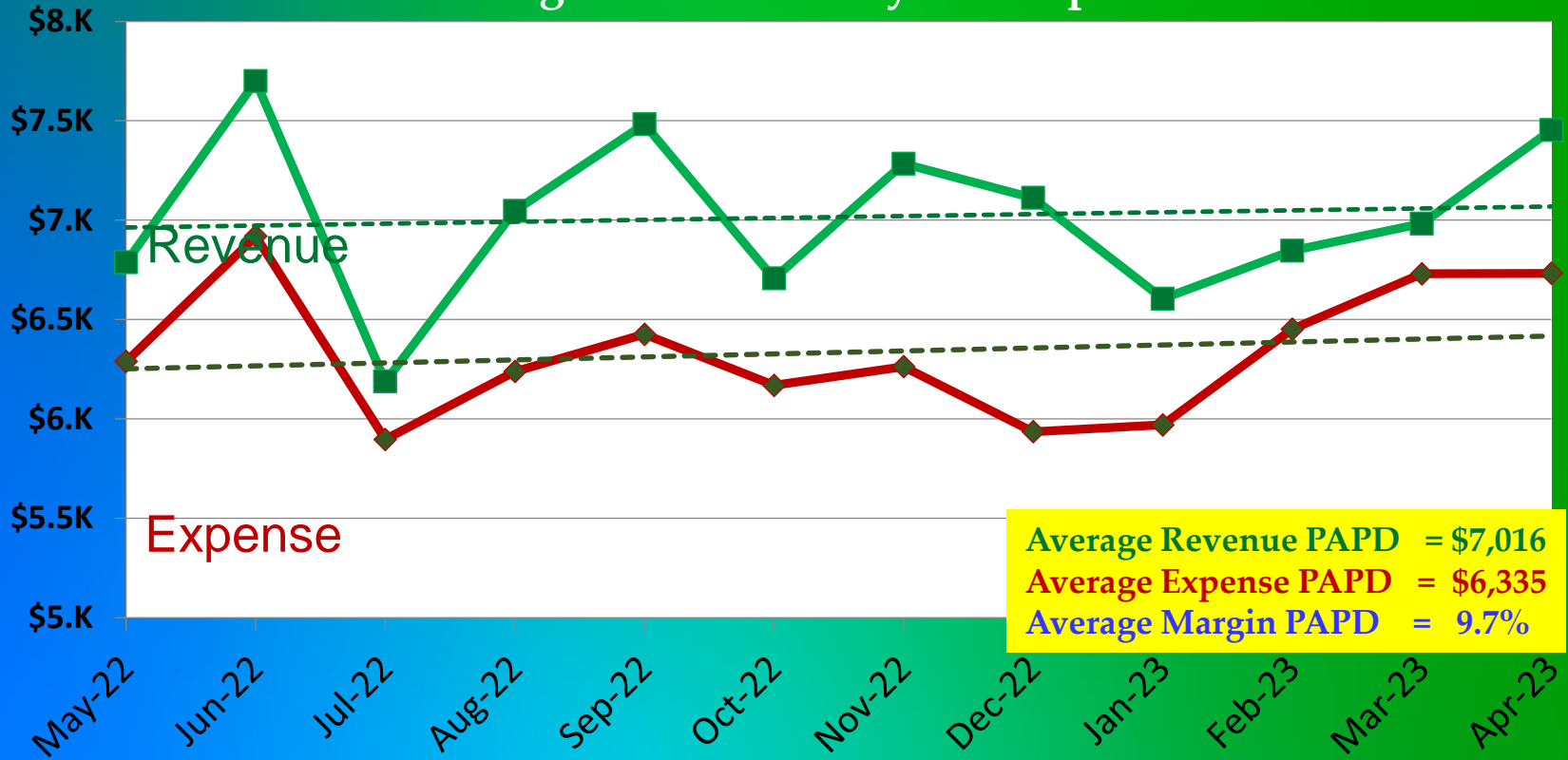


% of Total OT, DT & CB Dollars to Total S&W Thru PPE 4-30-23



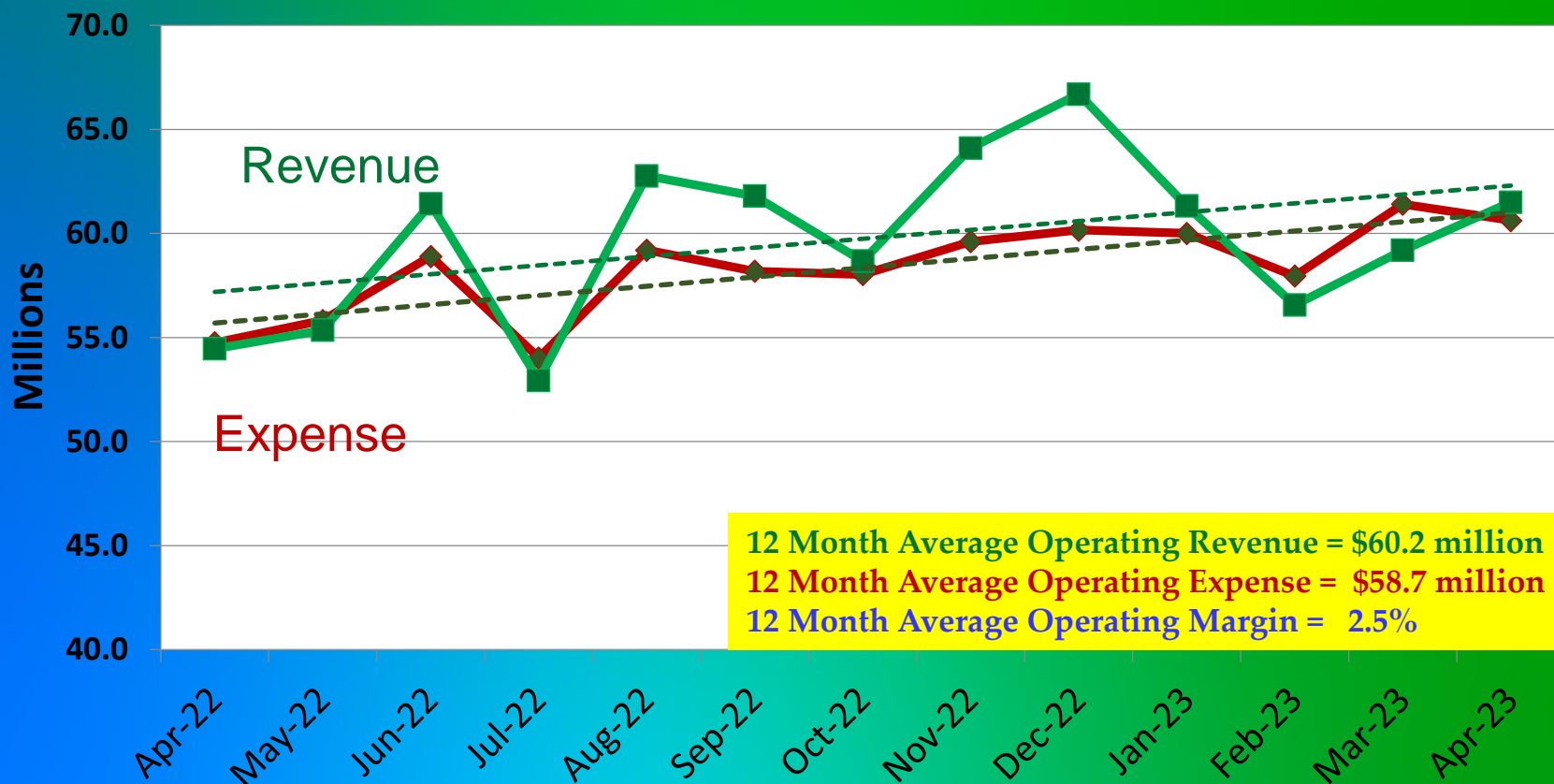
SVHMC Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: May 22 to April 23



SVH Revenues & Expenses (Normalized)

Rolling 12 Months: April 22 to April 23



Salinas Valley Health Key Financial Indicators

Statistic	YTD	SVMHS		S&P A+ Rated		YTD	
	4/30/23	Target	+/-	Hospitals	+/-	4/30/22	+/-
Operating Margin*	3.7%	5.0%	Red	4.0%	Red	7.6%	Red
Total Margin*	6.0%	6.0%	Green	6.6%	Red	7.1%	Red
EBITDA Margin**	7.7%	7.4%	Green	13.6%	Red	11.6%	Red
Days of Cash*	337	305	Green	249	Green	345	Red
Days of Accounts Payable*	52	45	Green	-		50	Green
Days of Net Accounts Receivable*	48	45	Red	49	Green	51	Green
Supply Expense as % NPR	12.9%	14.0%	Green	-		12.9%	Green
SWB Expense as % NPR	53.2%	53.0%	Red	53.7%	Green	50.5%	Red
Operating Expense per APD*	6,273	6,739	Green	-		6,318	Red

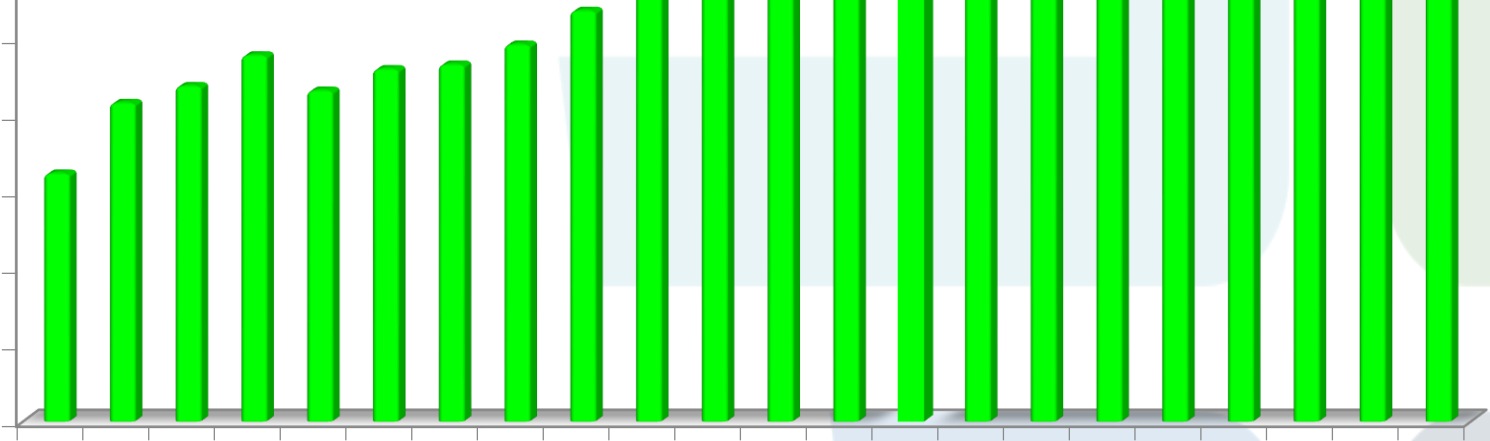
*These metrics have been adjusted for normalizing items

**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)

	Days	\$Million
Beginning Cash	329.0	\$ 607.1
Change from operations	1.8	4.6
IGT,QIP, State Grant, FEMA	8.0	20.3
Invest in SVMC	(1.0)	(2.5)
Capital Investment	(0.7)	(1.8)
Subtotal	8.1	20.6
Ending Cash	337.1	\$ 627.7



Routine Capital Expenditures Through April 2023

Fiscal Month	FY 2023 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,666,667	417,301	1,249,366	Omnicell Conversion for Pharmacy Disbursing System	20,882
August	1,666,667	865,174	2,050,858	Nuclear Medicine Camera	7,730
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 Miscellaneous	500
December	1,666,667	2,079,034	3,735,303	Total Improvements	29,112
January	1,666,667	609,423	4,792,546	Furniture for Info Services	60,717
February	1,666,667	981,650	5,477,563	Bladder Scanners (3) for Central Supply	36,375
March	1,666,667	446,191	6,698,038	Network Equipment for Info Systems Services	35,684
April	1,666,667	223,172	8,141,533	Monitors (5) for Emergency Dept	24,576
May	1,666,667		9,808,200	Other Miscellaneous	36,708
June	1,666,667		11,474,866	Total Equipment	194,060
YTD TOTAL	20,000,000	8,525,134	11,474,866	Grand Total	223,172

Questions / Comments

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
April 30, 2023

	<u>Month of April,</u>		<u>Ten months ended April 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 58,084,461	\$ 44,660,977	\$ 524,322,042	\$ 491,250,497
Other operating revenue	8,114,714	3,775,273	15,725,228	12,458,130
Total operating revenue	<u>66,199,175</u>	<u>48,436,250</u>	<u>540,047,270</u>	<u>503,708,627</u>
Total operating expenses	47,009,348	43,229,245	473,621,809	423,726,205
Total non-operating income	<u>(1,527,865)</u>	<u>(1,550,911)</u>	<u>(19,591,386)</u>	<u>(34,712,155)</u>
Operating and non-operating income	<u>\$ 17,661,962</u>	<u>\$ 3,656,094</u>	<u>\$ 46,834,075</u>	<u>\$ 45,270,267</u>

SALINAS VALLEY MEMORIAL HOSPITAL
 BALANCE SHEETS
 April 30, 2023

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 430,752,880	\$ 422,735,565
Assets whose use is limited or restricted by board	158,016,957	146,810,333
Capital assets	241,433,633	239,351,739
Other assets	178,199,484	217,878,519
Deferred pension outflows	<u>95,857,027</u>	<u>50,119,236</u>
	<u>\$ 1,104,259,981</u>	<u>\$ 1,076,895,392</u>
LIABILITIES AND EQUITY:		
Current liabilities	103,980,309	123,397,382
Long term liabilities	16,902,107	14,288,063
Lease deferred inflows	1,642,999	0
Pension liability	79,111,485	83,585,120
Net assets	<u>902,623,081</u>	<u>855,624,827</u>
	<u>\$ 1,104,259,981</u>	<u>\$ 1,076,895,392</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
April 30, 2023**

	<u>Month of April,</u>		<u>Ten months ended April 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,929	1,674	20,121	17,491
Medi-Cal	1,109	999	11,752	9,790
Commercial insurance	581	647	7,465	7,450
Other patient	152	183	1,258	1,114
Total patient days	<u>3,771</u>	<u>3,503</u>	<u>40,596</u>	<u>35,845</u>
Gross revenue:				
Medicare	\$ 109,557,112	\$ 93,225,740	\$ 1,049,911,497	\$ 924,185,201
Medi-Cal	72,464,646	58,209,733	707,174,003	559,457,298
Commercial insurance	50,466,973	44,310,607	517,001,393	493,913,448
Other patient	<u>8,568,032</u>	<u>10,595,381</u>	<u>87,190,984</u>	<u>81,268,150</u>
Gross revenue	<u>241,056,763</u>	<u>206,341,461</u>	<u>2,361,277,877</u>	<u>2,058,824,096</u>
Deductions from revenue:				
Administrative adjustment	179,008	367,745	2,455,388	3,008,759
Charity care	698,431	504,804	6,287,557	7,909,502
Contractual adjustments:				
Medicare outpatient	29,810,038	28,685,432	301,126,654	272,802,485
Medicare inpatient	48,513,678	40,098,977	469,900,601	406,257,943
Medi-Cal traditional outpatient	2,622,546	2,948,238	33,571,156	29,000,089
Medi-Cal traditional inpatient	4,319,253	3,990,943	53,344,209	59,513,148
Medi-Cal managed care outpatient	30,187,198	22,370,434	280,854,145	216,647,521
Medi-Cal managed care inpatient	20,842,201	22,499,784	256,758,356	189,430,844
Commercial insurance outpatient	19,417,708	17,395,413	181,006,667	164,183,995
Commercial insurance inpatient	21,085,097	16,068,753	198,135,138	172,719,401
Uncollectible accounts expense	3,986,399	3,794,554	38,603,709	37,609,598
Other payors	<u>1,310,745</u>	<u>2,955,406</u>	<u>14,912,255</u>	<u>8,490,315</u>
Deductions from revenue	<u>182,972,302</u>	<u>161,680,484</u>	<u>1,836,955,835</u>	<u>1,567,573,600</u>
Net patient revenue	<u>\$ 58,084,461</u>	<u>\$ 44,660,977</u>	<u>\$ 524,322,042</u>	<u>\$ 491,250,497</u>
Gross billed charges by patient type:				
Inpatient	\$ 130,582,607	\$ 108,442,170	\$ 1,276,374,759	\$ 1,103,993,431
Outpatient	79,568,284	72,684,563	794,568,648	692,222,939
Emergency room	<u>30,905,873</u>	<u>25,214,728</u>	<u>290,334,469</u>	<u>262,607,727</u>
Total	<u>\$ 241,056,764</u>	<u>\$ 206,341,461</u>	<u>\$ 2,361,277,876</u>	<u>\$ 2,058,824,096</u>

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
April 30, 2023

	Month of April,		Ten months ended April 30,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	\$ 58,084,461	\$ 44,660,977	\$ 524,322,042	\$ 491,250,497
Other operating revenue	8,114,714	3,775,273	15,725,228	12,458,130
Total operating revenue	66,199,175	48,436,250	540,047,270	503,708,627
Operating expenses:				
Salaries and wages	14,576,020	15,122,043	169,148,524	154,528,275
Compensated absences	3,492,842	2,951,866	28,855,854	27,134,409
Employee benefits	9,813,071	5,051,787	79,273,460	67,785,168
Supplies, food, and linen	7,173,182	6,487,735	68,469,985	63,395,655
Purchased department functions	3,823,713	3,888,172	41,313,987	34,227,839
Medical fees	1,982,177	2,065,564	20,903,402	18,665,726
Other fees	2,688,657	3,760,758	29,332,930	25,305,205
Depreciation	1,826,428	1,888,084	20,334,222	18,447,243
All other expense	1,633,258	2,013,236	15,989,445	14,236,685
Total operating expenses	47,009,348	43,229,245	473,621,809	423,726,205
Income from operations	19,189,827	5,207,005	66,425,461	79,982,422
Non-operating income:				
Donations	2,606,456	166,667	8,366,424	1,742,540
Property taxes	333,333	333,333	3,333,333	3,333,333
Investment income	1,714,706	(416,004)	6,059,942	(12,561,289)
Taxes and licenses	0	(29,074)	0	(29,074)
Income from subsidiaries	(6,182,360)	(1,605,833)	(37,351,085)	(27,197,665)
Total non-operating income	(1,527,865)	(1,550,911)	(19,591,386)	(34,712,155)
Operating and non-operating income	17,661,962	3,656,094	46,834,075	45,270,267
Net assets to begin	884,961,119	851,968,733	855,789,006	810,354,560
Net assets to end	\$ 902,623,081	\$ 855,624,827	\$ 902,623,081	\$ 855,624,827
Net income excluding non-recurring items	\$ 17,661,962	\$ 3,656,094	\$ 46,834,075	\$ 38,977,891
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	0	0	0	6,292,376
Operating and non-operating income	\$ 17,661,962	\$ 3,656,094	\$ 46,834,075	\$ 45,270,267

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
April 30, 2023**

	<u>Month of April,</u>		<u>Ten months ended April 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of other operating income:				
Dietary revenue	\$ 276,024	\$ 141,986	\$ 1,624,817	\$ 1,402,810
Discounts and scrap sale	93,965	5,354	920,956	1,051,533
Sale of products and services	14,617	23,370	356,902	680,597
Clinical trial fees	0	0	0	27,700
Stimulus Funds	0	0	0	0
Rental income	129,320	140,571	1,681,484	1,590,269
Other	7,600,788	3,463,992	11,141,069	7,705,221
Total	\$ 8,114,714	\$ 3,775,273	\$ 15,725,228	\$ 12,458,130
Detail of investment income:				
Bank and payor interest	\$ 1,128,137	\$ 82,818	\$ 8,325,132	\$ 859,867
Income from investments	586,568	(2,468,427)	(1,062,940)	(15,078,244)
Gain or loss on property and equipment	0	1,969,605	(1,202,250)	1,657,088
Total	\$ 1,714,706	\$ (416,004)	\$ 6,059,942	\$ (12,561,289)
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (261,690)	\$ (171,117)	\$ (1,758,198)	\$ (1,849,362)
Neurological Clinic	(99,820)	(55,365)	(684,269)	(547,074)
Palliative Care Clinic	(48,441)	(83,836)	(680,898)	(812,948)
Surgery Clinic	(166,338)	(144,483)	(1,442,101)	(1,249,419)
Infectious Disease Clinic	(26,832)	(17,279)	(309,055)	(251,957)
Endocrinology Clinic	(209,283)	(104,702)	(1,735,710)	(1,229,607)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(887,922)	(192,694)	(4,866,901)	(4,083,951)
OB/GYN Clinic	(500,970)	(561,539)	(3,279,205)	(3,422,705)
PrimeCare Medical Group	(1,552,589)	(582,525)	(6,778,156)	(4,443,028)
Oncology Clinic	(360,011)	192,754	(2,623,735)	(2,142,976)
Cardiac Surgery	(349,825)	(248,018)	(2,856,186)	(1,724,022)
Sleep Center	(62,467)	(25,462)	(363,687)	(299,976)
Rheumatology	(108,738)	(52,833)	(624,749)	(536,205)
Precision Ortho MDs	(661,438)	(98,206)	(3,924,354)	(2,675,316)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	(35,266)	(13,753)	(370,515)	(470,198)
Vaccine Clinic	0	314	(683)	(52,549)
Dermatology	(23,756)	(13,870)	(186,516)	(153,534)
Hospitalists	0	0	0	0
Behavioral Health	(40,052)	(64,813)	(334,835)	(649,825)
Pediatric Diabetes	(44,115)	(37,333)	(457,224)	(418,176)
Neurosurgery	(51,795)	(37,014)	(309,145)	(243,938)
Multi-Specialty-RR	474	26,547	71,140	101,503
Radiology	(1,442,282)	(163,456)	(2,963,763)	(2,302,440)
Salinas Family Practice	(141,183)	(135,089)	(1,037,683)	(933,019)
Urology	(158,411)	(100,593)	(962,549)	(170,595)
Total SVMC	(7,232,750)	(2,684,365)	(38,478,977)	(30,561,317)
Doctors on Duty	694,466	800,563	707,517	601,655
Vantage Surgery Center	0	20,418	0	240,972
LPCH NICU JV	0	0	(1,387,567)	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	222,191	225,918	1,448,559	2,236,764
Coastal	34,034	(13,413)	4,595	(252,051)
Apex	0	0	0	103,759
21st Century Oncology	24,758	(2,134)	(28,622)	64,888
Monterey Bay Endoscopy Center	74,941	47,180	383,411	367,665
Total	\$ (6,182,360)	\$ (1,605,833)	\$ (37,351,085)	\$ (27,197,665)

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
April 30, 2023**

	<u>Current year</u>	<u>Prior year</u>
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 321,753,911	\$ 308,893,695
Patient accounts receivable, net of estimated uncollectibles of \$25,469,267	83,591,939	89,712,467
Supplies inventory at cost	8,103,578	7,891,918
Current portion of lease receivable	546,861	0
Other current assets	<u>16,756,591</u>	<u>16,237,485</u>
Total current assets	<u>430,752,880</u>	<u>422,735,565</u>
Assets whose use is limited or restricted by board	<u>158,016,957</u>	<u>146,810,333</u>
Capital assets:		
Land and construction in process	53,803,445	38,387,373
Other capital assets, net of depreciation	<u>187,630,188</u>	<u>200,964,366</u>
Total capital assets	<u>241,433,633</u>	<u>239,351,739</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	145,492,305	127,635,026
Investment in SVMC	5,420,585	13,546,591
Investment in Coastal	1,648,295	1,735,316
Investment in other affiliates	22,561,651	21,784,222
Net pension asset	<u>(3,732,274)</u>	<u>53,177,364</u>
Total other assets	<u>178,199,484</u>	<u>217,878,519</u>
Deferred pension outflows	<u>95,857,027</u>	<u>50,119,236</u>
	<u>\$ 1,104,259,981</u>	<u>\$ 1,076,895,392</u>
 L I A B I L I T I E S A N D N E T A S S E T S		
Current liabilities:		
Accounts payable and accrued expenses	\$ 64,164,293	\$ 60,652,678
Due to third party payers	18,368,337	44,383,634
Current portion of self-insurance liability	18,676,725	18,361,070
Current portion of lease liability	<u>2,770,954</u>	<u>0</u>
Total current liabilities	103,980,309	123,397,382
Long term portion of workers comp liability	13,801,058	14,288,063
Long term portion of lease liability	<u>3,101,049</u>	<u>0</u>
Total liabilities	<u>120,882,416</u>	<u>137,685,445</u>
Lease deferred inflows	1,642,999	0
Pension liability	<u>79,111,485</u>	<u>83,585,120</u>
Net assets:		
Invested in capital assets, net of related debt	241,433,633	239,351,739
Unrestricted	<u>661,189,448</u>	<u>616,273,088</u>
Total net assets	<u>902,623,081</u>	<u>855,624,827</u>
	<u>\$ 1,104,259,981</u>	<u>\$ 1,076,895,392</u>

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
April 30, 2023

	Month of April,				Ten months ended April 30,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 241,056,763	\$ 208,963,673	32,093,090	15.36%	\$ 2,361,277,877	\$ 2,080,109,062	281,168,815	13.52%
Deductions from revenue	182,972,302	161,820,561	21,151,741	13.07%	1,836,955,835	1,607,390,388	229,565,447	14.28%
Net patient revenue	58,084,461	47,143,112	10,941,349	23.21%	524,322,042	472,718,673	51,603,369	10.92%
Other operating revenue	8,114,714	1,374,687	6,740,027	490.30%	15,725,228	13,746,866	1,978,362	14.39%
Total operating revenue	66,199,175	48,517,799	17,681,376	36.44%	540,047,270	486,465,540	53,581,730	11.01%
Operating expenses:								
Salaries and wages	14,576,020	16,240,125	(1,664,105)	-10.25%	169,148,524	161,960,690	7,187,834	4.44%
Compensated absences	3,492,842	2,591,696	901,146	34.77%	28,855,854	28,730,038	125,816	0.44%
Employee benefits	9,813,071	7,309,849	2,503,222	34.24%	79,273,460	71,776,385	7,497,075	10.45%
Supplies, food, and linen	7,173,182	6,213,598	959,584	15.44%	68,469,985	62,950,045	5,519,940	8.77%
Purchased department functions	3,823,713	3,490,994	332,719	9.53%	41,313,987	34,910,027	6,403,960	18.34%
Medical fees	1,982,177	2,026,754	(44,577)	-2.20%	20,903,402	20,267,543	635,859	3.14%
Other fees	2,688,657	2,125,854	562,803	26.47%	29,332,930	20,105,881	9,227,049	45.89%
Depreciation	1,826,428	1,945,170	(118,742)	-6.10%	20,334,222	19,241,818	1,092,404	5.68%
All other expense	1,633,258	1,732,165	(98,907)	-5.71%	15,989,445	17,461,636	(1,472,191)	-8.43%
Total operating expenses	47,009,348	43,676,205	3,333,143	7.63%	473,621,809	437,404,062	36,217,747	8.28%
Income from operations	19,189,827	4,841,593	14,348,234	296.35%	66,425,461	49,061,477	17,363,984	35.39%
Non-operating income:								
Donations	2,606,456	166,667	2,439,789	1463.87%	8,366,424	1,666,667	6,699,757	401.99%
Property taxes	333,333	333,333	(0)	0.00%	3,333,333	3,333,333	(0)	0.00%
Investment income	1,714,706	129,915	1,584,790	1219.86%	6,059,942	1,299,155	4,760,787	366.45%
Income from subsidiaries	(6,182,360)	(3,298,672)	(2,883,688)	87.42%	(37,351,085)	(34,614,030)	(2,737,055)	7.91%
Total non-operating income	(1,527,865)	(2,668,756)	1,140,891	-42.75%	(19,591,386)	(28,314,875)	8,723,489	-30.81%
Operating and non-operating income	\$ 17,661,962	\$ 2,172,837	15,489,125	712.85%	\$ 46,834,075	\$ 20,746,602	26,087,473	125.74%

SALINAS VALLEY MEMORIAL HOSPITAL

PATIENT STATISTICAL REPORT

For the month of Apr and ten months to date

	<u>Month of Apr</u>		<u>Ten 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	31	33	396	371	(25)
Other Admissions	87	77	957	854	(103)
Total Admissions	118	110	1,353	1,225	(128)
Medi-Cal Patient Days	53	61	615	604	(11)
Other Patient Days	131	145	1,568	1,439	(129)
Total Patient Days of Care	184	206	2,183	2,043	(140)
Average Daily Census	6.1	6.9	7.2	6.7	(0.5)
Medi-Cal Average Days	1.8	1.9	1.6	1.7	0.1
Other Average Days	0.7	1.9	1.7	1.7	0.1
Total Average Days Stay	1.6	1.9	1.6	1.7	0.1
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	380	373	3,480	3,995	515
Medi-Cal Admissions	277	263	2,391	2,928	537
Other Admissions	387	295	3,027	3,106	79
Total Admissions	1,044	931	8,898	10,029	1,131
Medicare Patient Days	1,459	1,611	14,996	17,019	2,023
Medi-Cal Patient Days	1,016	1,152	10,125	12,085	1,960
Other Patient Days	1,530	1,077	10,819	11,647	828
Total Patient Days of Care	4,005	3,840	35,940	40,751	4,811
Average Daily Census	133.5	128.0	118.2	134.0	15.8
Medicare Average Length of Stay	3.9	4.4	4.3	4.3	(0.0)
Medi-Cal Average Length of Stay	3.6	3.8	3.5	3.6	0.1
Other Average Length of Stay	4.1	2.9	2.8	3.0	0.2
Total Average Length of Stay	3.9	3.7	3.5	3.6	0.1
Deaths	31	27	285	256	(29)
Total Patient Days	4,189	4,046	38,123	42,794	4,671
Medi-Cal Administrative Days	21	4	212	85	(127)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	21	4	212	85	(127)
Percent Non-Acute	0.50%	0.10%	0.56%	0.20%	-0.36%

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

	<u>Month of Apr</u>		<u>Ten 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	331	293	2,778	3,005	227
Heart Center	409	354	2,950	3,498	548
Monitored Beds	728	644	7,483	6,732	(751)
Single Room Maternity/Obstetrics	351	313	3,569	3,349	(220)
Med/Surg - Cardiovascular	841	760	7,200	9,176	1,976
Med/Surg - Oncology	131	308	2,683	2,810	127
Med/Surg - Rehab	524	448	4,609	5,171	562
Pediatrics	149	86	1,005	1,241	236
Nursery	184	206	2,183	2,043	(140)
Neonatal Intensive Care	123	179	1,131	1,421	290
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	84.87%	75.13%	70.29%	76.04%	
Heart Center	90.89%	78.67%	64.69%	76.71%	
Monitored Beds	89.88%	79.51%	91.17%	82.02%	
Single Room Maternity/Obstetrics	31.62%	28.20%	31.73%	29.77%	
Med/Surg - Cardiovascular	62.30%	56.30%	52.63%	67.08%	
Med/Surg - Oncology	33.59%	78.97%	67.89%	71.10%	
Med/Surg - Rehab	67.18%	57.44%	58.31%	65.42%	
Med/Surg - Observation Care Unit	0.00%	89.22%	0.00%	84.13%	
Pediatrics	27.59%	15.93%	18.37%	22.68%	
Nursery	37.17%	41.62%	21.76%	20.36%	
Neonatal Intensive Care	37.27%	54.24%	33.82%	42.49%	

SALINAS VALLEY MEMORIAL HOSPITAL
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	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	108	99	1,279	1,171	(108)
C-Section deliveries	28	36	415	383	(32)
Percent of C-section deliveries	25.93%	36.36%	32.45%	32.71%	0.26%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	19,284	16,444	192,150	199,591	7,441
Out-Patient Operating Minutes	24,898	28,776	250,247	272,004	21,757
Total	44,182	45,220	442,397	471,595	29,198
Open Heart Surgeries	6	15	115	140	25
In-Patient Cases	161	110	1,413	1,368	(45)
Out-Patient Cases	255	307	2,518	2,792	274
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	30	40	325	333	8
High Risk	481	828	4,662	6,221	1,559
More Than One Resource	2,739	2,875	25,795	29,401	3,606
One Resource	1,578	1,818	16,399	20,610	4,211
No Resources	84	109	837	964	127
Total	<u>4,912</u>	<u>5,670</u>	<u>48,018</u>	<u>57,529</u>	<u>9,511</u>

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	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
CENTRAL SUPPLY					
In-patient requisitions	14,733	14,686	150,898	152,969	2,071
Out-patient requisitions	10,069	10,072	92,737	95,155	2,418
Emergency room requisitions	728	961	10,150	7,613	-2,537
Interdepartmental requisitions	6,327	6,219	60,447	69,338	8,891
Total requisitions	<u>31,857</u>	<u>31,938</u>	<u>314,232</u>	<u>325,075</u>	<u>10,843</u>
LABORATORY					
In-patient procedures	36,386	38,458	348,393	397,296	48,903
Out-patient procedures	10,550	10,945	112,874	104,290	-8,584
Emergency room procedures	11,807	13,479	109,463	129,409	19,946
Total patient procedures	<u>58,743</u>	<u>62,882</u>	<u>570,730</u>	<u>630,995</u>	<u>60,265</u>
BLOOD BANK					
Units processed	<u>332</u>	<u>260</u>	<u>3,025</u>	<u>3,091</u>	<u>66</u>
ELECTROCARDIOLOGY					
In-patient procedures	997	1,179	9,822	11,312	1,490
Out-patient procedures	330	407	3,689	3,615	-74
Emergency room procedures	1,056	1,234	10,257	11,459	1,202
Total procedures	<u>2,383</u>	<u>2,820</u>	<u>23,768</u>	<u>26,386</u>	<u>2,618</u>
CATH LAB					
In-patient procedures	83	130	899	1,007	108
Out-patient procedures	102	85	907	813	-94
Emergency room procedures	0	0	0	1	1
Total procedures	<u>185</u>	<u>215</u>	<u>1,806</u>	<u>1,821</u>	<u>15</u>
ECHO-CARDIOLOGY					
In-patient studies	380	467	3,549	3,973	424
Out-patient studies	263	267	2,169	2,429	260
Emergency room studies	1	1	8	12	4
Total studies	<u>644</u>	<u>735</u>	<u>5,726</u>	<u>6,414</u>	<u>688</u>
NEURODIAGNOSTIC					
In-patient procedures	133	130	1,518	1,401	-117
Out-patient procedures	24	20	255	197	-58
Emergency room procedures	0	0	0	0	0
Total procedures	<u>157</u>	<u>150</u>	<u>1,773</u>	<u>1,598</u>	<u>-175</u>

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	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
SLEEP CENTER					
In-patient procedures	0	1	0	2	2
Out-patient procedures	153	160	1,725	1,401	-324
Emergency room procedures	0	0	0	1	1
Total procedures	<u>153</u>	<u>161</u>	<u>1,725</u>	<u>1,404</u>	<u>-321</u>
RADIOLOGY					
In-patient procedures	1,280	1,401	12,415	14,480	2,065
Out-patient procedures	370	458	4,044	3,936	-108
Emergency room procedures	1,411	1,506	12,711	15,168	2,457
Total patient procedures	<u>3,061</u>	<u>3,365</u>	<u>29,170</u>	<u>33,584</u>	<u>4,414</u>
MAGNETIC RESONANCE IMAGING					
In-patient procedures	165	187	1,307	1,515	208
Out-patient procedures	100	119	1,087	1,023	-64
Emergency room procedures	5	2	71	59	-12
Total procedures	<u>270</u>	<u>308</u>	<u>2,465</u>	<u>2,597</u>	<u>132</u>
MAMMOGRAPHY CENTER					
In-patient procedures	3,659	3,891	35,921	39,718	3,797
Out-patient procedures	3,649	3,856	35,675	39,355	3,680
Emergency room procedures	2	0	12	9	-3
Total procedures	<u>7,310</u>	<u>7,747</u>	<u>71,608</u>	<u>79,082</u>	<u>7,474</u>
NUCLEAR MEDICINE					
In-patient procedures	19	17	154	191	37
Out-patient procedures	75	76	754	902	148
Emergency room procedures	0	0	5	2	-3
Total procedures	<u>94</u>	<u>93</u>	<u>913</u>	<u>1,095</u>	<u>182</u>
PHARMACY					
In-patient prescriptions	79,602	91,756	856,459	960,490	104,031
Out-patient prescriptions	14,089	15,650	148,408	150,085	1,677
Emergency room prescriptions	7,862	8,782	70,354	87,097	16,743
Total prescriptions	<u>101,553</u>	<u>116,188</u>	<u>1,075,221</u>	<u>1,197,672</u>	<u>122,451</u>
RESPIRATORY THERAPY					
In-patient treatments	14,296	19,381	180,757	181,557	800
Out-patient treatments	892	1,296	11,756	11,147	-609
Emergency room treatments	129	467	2,243	4,110	1,867
Total patient treatments	<u>15,317</u>	<u>21,144</u>	<u>194,756</u>	<u>196,814</u>	<u>2,058</u>
PHYSICAL THERAPY					
In-patient treatments	2,403	2,210	23,590	25,604	2,014
Out-patient treatments	262	278	2,968	1,987	-981
Emergency room treatments	0	0	0	2	2
Total treatments	<u>2,665</u>	<u>2,488</u>	<u>26,558</u>	<u>27,593</u>	<u>1,035</u>

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	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
OCCUPATIONAL THERAPY					
In-patient procedures	1,269	1,251	14,630	15,866	1,236
Out-patient procedures	120	187	1,536	1,675	139
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,389</u>	<u>1,438</u>	<u>16,166</u>	<u>17,541</u>	<u>1,375</u>
SPEECH THERAPY					
In-patient treatments	544	592	4,454	4,706	252
Out-patient treatments	18	17	278	251	-27
Emergency room treatments	0	0	0	0	0
Total treatments	<u>562</u>	<u>609</u>	<u>4,732</u>	<u>4,957</u>	<u>225</u>
CARDIAC REHABILITATION					
In-patient treatments	0	0	0	1	1
Out-patient treatments	462	644	5,539	5,210	-329
Emergency room treatments	1	0	1	0	-1
Total treatments	<u>463</u>	<u>644</u>	<u>5,540</u>	<u>5,211</u>	<u>-329</u>
CRITICAL DECISION UNIT					
Observation hours	<u>276</u>	<u>437</u>	<u>3,311</u>	<u>4,259</u>	<u>948</u>
ENDOSCOPY					
In-patient procedures	88	66	904	830	-74
Out-patient procedures	19	59	294	604	310
Emergency room procedures	0	0	0	0	0
Total procedures	<u>107</u>	<u>125</u>	<u>1,198</u>	<u>1,434</u>	<u>236</u>
C. T. SCAN					
In-patient procedures	695	749	5,923	7,390	1,467
Out-patient procedures	347	455	3,513	4,022	509
Emergency room procedures	685	723	6,117	6,798	681
Total procedures	<u>1,727</u>	<u>1,927</u>	<u>15,553</u>	<u>18,210</u>	<u>2,657</u>
DIETARY					
Routine patient diets	19,084	20,660	186,503	235,669	49,166
Meals to personnel	21,426	23,295	217,479	246,257	28,778
Total diets and meals	<u>40,510</u>	<u>43,955</u>	<u>403,982</u>	<u>481,926</u>	<u>77,944</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>95,294</u>	<u>100,446</u>	<u>982,277</u>	<u>1,020,928</u>	<u>38,651</u>

PUBLIC INPUT

CLOSED SESSION

*(Report on Item to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board of Directors Approval of Consulting Contract with Guidehouse Inc.

Executive Sponsor: Pete Delgado, Chief Executive Officer
 Augustine Lopez, Chief Financial Officer

Date: May 22, 2023

Executive Summary

Salinas Valley Health is entering a system-wide examination of opportunities for reduced spending and increased revenue to ensure our sustainable success into the future. We are recommending the engagement of outside expertise to assist with an operational and strategic assessment of the organization.

Background/Situation/Rationale

Like healthcare systems across the country, we are experiencing a challenging environment. More than half of United States hospitals are seeing negative margins. A number of factors have contributed to this—the pandemic, staffing challenges, inflationary costs, payor challenges and more.

It is critical that we work to make healthcare affordable and accessible to the people of our community. To do this effectively, we propose engaging Guidehouse, a consulting firm with expertise in healthcare. Phase I of our journey with Guidehouse will include a comprehensive strategic and operational assessment of Salinas Valley Health over a 12-week period. During this time, Guidehouse will work with us to create a detailed assessment of our organization and opportunities, with a focus on prioritizing quick wins that will better position the organization for long-term growth.

The assessment will also include a high-level implementation plan and a projection of the required resourcing to support implementation and achievement of impact over a 12–18-month process.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial Implications

The essential terms of the proposed contract are as follows:

Key Contract Terms	Guidehouse Inc.
1. Proposed effective date	June 1, 2023
2. Term of agreement	Commencing June 1, 2023 ending August 30 th , 2023
3. Renewal terms	None
4. Cost	<ul style="list-style-type: none"> • Flat Fee of \$625,000 paid in 4 installments of \$156,250 • Reimbursement for travel and transportations expenses, such as mileage (payable at Salinas Valley Health’s standard IRS rates), tolls, parking, airfare, hotel accommodations, and meals). • Research Data and Technology Fee equal to five percent (5%) of fees (not to exceed \$31,250)
5. Budgeted (indicate y/n)	Funding for the July/August activity is included in the FY24 Budget

Recommendation

Consider recommendation for Board of Directors approval of consulting contract with Guidehouse Inc. for an operational and strategic assessment at the cost of \$625,000 plus a data/technology fee (not to exceed \$31,250) and expense reimbursement, subject to final legal review and negotiations on terms and conditions.

ADJOURNMENT