

February 18, 2021

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 **PERSONNEL, PENSION AND INVESTMENT COMMITTEE - COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **TUESDAY, FEBRUARY 23, 2021, AT 12:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C, AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR BY PHONE OR VIDEO (Visit [svmh.com/virtualboardmeeting](http://svmh.com/virtualboardmeeting) for Access Information).**

Please note: Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado  
President/Chief Executive Officer

**Committee Members: Regina M. Gage – Chair; Richard Turner – Vice Chair; Pete Delgado – President/Chief Executive Officer; Augustine Lopez – Chief Financial Officer; Michelle Childs, Chief Human Resources Officer; and Glenn Berry, M.D. – Medical Staff Member**

**PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING  
FEBRUARY 2021 - COMMITTEE OF THE WHOLE  
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM  
TUESDAY, FEBRUARY 23, 2021  
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C  
SALINAS VALLEY MEMORIAL HOSPITAL  
450 E. ROMIE LANE, SALINAS, CALIFORNIA  
OR BY PHONE OR VIDEO  
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**AGENDA**

1. Approval of Minutes from the Personnel, Pension and Investment Committee Meeting of December 15, 2020 (DELGADO)
  - Motion/Second
  - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Adrian Jordan, MD, (ii) the Contract Terms for Dr. Jordan’s Recruitment Agreement, and (iii) the Contract Terms for Dr. Jordan’s Hospitalist Services Professional Services Agreement (RADNER/CALLAHAN)
  - Staff Report
  - Committee Questions to Staff
  - Motion/Second
  - Public Comment
  - Committee Discussion/Deliberation
  - Action by Committee/Roll Call Vote
3. Employer Contribution to the Defined Contribution Plan (CHILDS)
4. Financial and Statistical 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. No Closed Session
7. Adjournment – The March 2021 Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, March 23, 2021, at 12:00 p.m.**

Notes: 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. 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 Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations. The Committee packet is available at the Committee Meeting, at [www.svmh.com](http://www.svmh.com), and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

**MINUTES OF THE DECEMBER 2020 PERSONNEL, PENSION AND  
INVESTMENT COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**TUESDAY, DECEMBER 15, 2020  
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C  
SALINAS VALLEY MEMORIAL HOSPITAL  
450 E. ROMIE LANE, SALINAS, CALIFORNIA  
OR BY PHONE OR VIDEO  
(Visit [svmh.com/virtualboardmeeting](http://svmh.com/virtualboardmeeting) for Access Information)**

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

Committee Members Present: Regina M. Gage, Chair; Pete Delgado in person; Glenn Berry, M.D., Augustine Lopez, and Michelle Childs by teleconference.

Absent: Richard Turner.

Other Board Members Present, Constituting Committee of the Whole: Victor Rey, Jr., Constituting Committee of the Whole.

Also Present: Karen Schroeder, Derek Ames, Chris Cunningham, Alan Edwards in person; Audrey Parks, Lindsey Parnell, Scott Cleveland, Steven Kjar, and Frank Salb by teleconference.

A quorum was present and the meeting was called to order at 12:03 p.m. by Regina M. Gage.

**APPROVAL OF MINUTES FROM THE PERSONNEL, PENSION AND INVESTMENT  
COMMITTEE MEETING OF NOVEMBER 17, 2020**

Pete Delgado, President/Chief Executive Officer, recommended the Personnel, Pension and Investment Committee approve the minutes of the Personnel, Pension and Investment Committee Meeting of November 17, 2020. This information was included in the Committee packet.

No Public Comment.

MOTION: The Personnel, Pension and Investment Committee approves the minutes of the Personnel, Pension and Investment Committee Meeting of November 17, 2020, as presented. Moved/Seconded/Roll Call Vote: Ayes: Gage, Delgado, Lopez, Childs, Noes: None; Abstentions: None; Absent: Turner, Berry; Motion Carried.

**FINANCIAL AND STATISTICAL REVIEW**

Augustine Lopez, Chief Financial Officer, provided a financial and statistical performance review for the month ending November 30, 2020. This information was included in the Committee packet.

Key highlights of the consolidated financial summary for November were: (1) income from operations was \$3.3 million with an operating margin of 6.0%; (2) inpatient and outpatient volumes were higher than expected; (3) gross revenues were favorable to budget; (4) payor mix was favorable to budget; (5) total net patient revenues were favorable to budget; (6) average daily census and ER admissions were above budget; (7) Medicare average length of stay case mix adjusted was on budget with a case mix index of 1.9; (8) total acute average length of stay was unfavorable to budget; and (9) overtime increased.

Dr. Berry joined the meeting at 12:15 p.m.

There was brief discussion among the Committee regarding travel nurses hired to work with the Hospital's team to support the care of COVID-19 patients, and the training of nurses from throughout the Hospital in the event of a continued surge of COVID-19 patients.

### **CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF ASSET ALLOCATION FOR PENSION PLAN CHANGE TO 65% EQUITIES / 35% FIXED INCOME**

Augustine Lopez, Chief Financial Officer, reported that he has been in discussion with representatives of Lockton Investment Advisors (LIA) to review the current market and anticipated conditions. LIA holds the 3(38) discretionary liability to the Employees' Defined Benefit Pension Plan. Mr. Lopez introduced Steven Kjar, Vice President, LIA and Frank Salb, LIA's Chief Investment Officer, and Chair of the 3(38) Discretionary Investment Committee, who provided a review of the recommendation for Board approval to change the asset allocation for the Employee's Defined Benefit Pension Plan.

LIA began the presentation by recognizing and extending appreciation to the Hospital, staff, and providers for their exceptional efforts to keep the community safe during the pandemic.

Mr. Kjar reported that in 2016, a rigorous process was taken to develop the asset allocation investment strategy for the Employees' Defined Benefit Pension Plan of 40% fixed income, 55% equities and 5% real estate. Objectives were to provide a well-diversified portfolio with lower than market level of risk and low volatility, recognizing the long-term nature of the defined benefit pension plan. In early April 2020, when the market produced an asset allocation for assets of the Plan of approximately 45% fixed income, 51-52% equities, and 4% real estate, a decision was made to rebalance the portfolio back to the original asset allocation objective of 40% fixed income, 55% equities and 5% real estate. The current market has produced an asset allocation of 61% equities, 4% real estate, and 35% fixed income. LIA has been in discussion with Hospital Administration to discuss the current market and is recommending a change in asset allocation to 65% equities (including real estate), and 35% fixed income.

Mr. Salb provided an overview of the current asset allocation for the Employees' Defined Benefit Pension Plan and the recommended change to improve performance of the plan and funded status. This information was included in the Committee packet. A rigorous process is conducted to estimate return assumption based on a multi-decade horizon. The District has reduced the discount rate and investment return assumption from 7.5% to 6.5% in recent years. Mr. Salb presented three different asset allocation alternatives to the Committee. These alternatives all projected an expected

investment return. Additionally, these alternatives also displayed a drawdown in assets based on the 2008 market correction. The three alternatives displayed included the current asset allocation strategy of 60% equities, 40% fixed income; Alternative #1: 65% equities, 35% fixed income; and Alternative #2: 70% equities, 30% fixed income. Based on the current market environment and low level interest rates, LIA is recommending a change in asset allocation to 65% equities (including real estate), and 35% fixed income, instead of rebalancing the portfolio back to the original asset allocation objective of 60% equities, 40% fixed income.

Mr. Lopez confirmed that given the uncertainty of the effect of the COVID-19 pandemic on hospital operations, along with managed care contract negotiations, a change in asset allocation to 65% equities, 35% fixed income is recommended. This new asset allocation is designed to align the investments with the objectives of the District and also reflects the anticipated returns to fixed income investments in the projected short term. In addition, LIA and Hospital Administration would continue to periodically monitor the recommended change in the asset allocation investment strategy.

There was discussion among the Committee and LIA regarding this recommended change. Mr. Salb noted that the recommendation to move to 65% equities is an incremental change to the current equity allocation, and that additional risk would be assumed if asset allocation was changed to 70% equities. Mr. Salb also noted that for similar pension plans, the highest asset allocation to equities among LIA clients is approximately 70%. After careful review and consideration by the Committee, there was consensus that changing the asset allocation investment strategy of the Employees' Defined Benefit Pension Plan to 65% equities (including real estate), and 35% fixed income is prudent given the current market conditions.

Dr. Berry made several comments regarding the investment markets. He believes that bonds are not necessarily less risky than equities, and are currently too expensive. Dr. Berry agrees that the Committee should allocate more to equities and he would advocate a more aggressive allocation than the proposed 65% equities/35% fixed income allocation. Dr. Berry also indicated that stock selection of equity securities will be very important. His final comments indicated that he believes interest rates will increase in the future. Dr. Berry stated that he agreed with the change in the asset allocation to 65% equities (including real estate) and 35% fixed income at this time.

No Public Comment.

**MOTION:** The Personnel, Pension and Investment Committee recommends that the Board of Directors approve the change in the asset allocation investment strategy for the Employees' Defined Benefit Pension Plan to 65% equities (including real estate), and 35% fixed income, as presented. Moved/Seconded/Roll Call Vote: Ayes: Gage, Delgado, Lopez, Childs, Berry; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

## **PUBLIC INPUT**

None.

**NO CLOSED SESSION**

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 12:44 p.m. The January 2021 Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, January 26, 2021, at 12:00 p.m.**

Regina M. Gage, Chair  
Personnel, Pension and Investment Committee

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**RECOMMENDATION OF THE DECEMBER 2020 PERSONNEL,  
PENSION AND INVESTMENT COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**December Committee Meeting  
Meeting of December 15, 2020  
To the Board of Directors**

1. **RECOMMEND BOARD APPROVAL OF ASSET ALLOCATION FOR PENSION  
PLAN CHANGE TO 65% EQUITIES / 35% FIXED INCOME**

RECOMMENDATION: Recommends that the Board of Directors approve the change in the asset allocation investment strategy for the Employees' Defined Benefit Pension Plan to 65% equities (including real estate), and 35% fixed income, as presented.

## Board Paper: Personnel, Pension and Investment Committee

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**Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Adrian Jordan, MD, (ii) the Contract Terms for Dr. Jordan's Recruitment Agreement, and (iii) the Contract Terms for Dr. Jordan's Hospitalist Services Professional Services Agreement**

Executive Sponsor: Allen Radner, MD, Chief Medical Officer  
Stacey Callahan, Physician Services Coordinator

Date: February 11, 2021

### Executive Summary

In 2017, Salinas Valley Memorial Healthcare System (SVMHS) transitioned the hospitalist program to operate under Salinas Valley Medical Clinic (SVMC) rather than under a third party. SVMHS Administration determined that staffing the program as part of SVMC would provide more effective operation of the program. Since this transition, the SVMC Hospitalist Program continues to focus on increasing patient satisfaction, referring community provider satisfaction, and improved retention of hospitalist physician staffing. As identified at the start of the program transition, the growth SVMHS has experienced in the adult daily census, the need to recruit and retain additional hospitalists to the program remains a priority. In addition, one of the current full-time hospitalists will be reducing to a part time schedule in March, thus emphasizing the need for another part-time hospitalist to provide care to the inpatient population.

The recommended physician, Dr. Adrian Jordan, received his Doctor of Medicine degree at National University of Ireland, Galway in 2011. He received training at Western Training Practice in General Practice in Ireland. Dr. Jordan will be graduating in June from the Family Medicine Residency Program at Natividad Medical Center. Dr. Jordan is excited to stay in in community and set down roots upon completion of his training. He plans to join SVMC in September as a part-time hospitalist.

### Background/Situation/Rationale

The proposed physician recruitment requires the execution of two agreements:

**(1) Professional Services Agreement** which includes the following terms:

- Professional Services Agreement that provides W-2 relationship for IRS reporting.
- Two (2) year term
- Physician compensation for services of one hundred forty nine dollars and ninety six cents (\$149.96) per hour for the hours of 7am-7pm, one hundred fifty nine dollars and ninety six cents (\$159.96) per hour for the hours of 7pm-7am
  - Expectation of the eight (8) twelve (12) hour shifts per month and no less than ninety six (96) twelve (12) hour shift per year
  - Physicians that work Hospitalist shifts in excess of one hundred eighty (180) twelve (12) hour shifts per year, will be paid an additional seventy dollars (\$70.00) per hour credited during each excess shift
- 0.5 Full-Time Equivalent (FTE)
- Eligible to participate in the Performance Incentive Program. Bonus payments are made at an interval aligned with the SVMHS fiscal year and carry eligibility requirement of at least one thousand (1,000) hours worked during the measurement period and a current PSA at time of payment in order to qualify
- Access to SVMHS Health Plan. Physician premium is projected based on 15% of SVMHS cost
- Access to SVMHS 403(b) and 457 retirement plans. 5% base contribution to 403b plan that vests after 3 years. Based on federal contribution limits this contribution is capped at fourteen thousand five hundred dollars (\$14,500) annually
- One thousand dollars (\$1,000) annual stipend for Continuing Medical Education (CME)
- The physician will receive an occurrence based professional liability policy through BETA Healthcare Group



**(2) Recruitment Agreement** that provides a recruitment incentive and does not exceed the value of twenty thousand dollars (\$20,000.00)

## Meeting our Mission, Vision, Goals

### Strategic Plan Alignment:

The addition of Dr. Jordan to the SVMC Hospitalist program is aligned with SVMHS' strategic priorities for service, quality, finance and growth pillars. We continue to develop SVMC infrastructure that engages our physicians in a meaningful way, promotes efficiencies in care delivery and creates opportunities for expansion of services. This investment provides a platform for growth that can be developed to better meet the needs of the residents of our District by opening up access to care regardless of insurance coverage or ability to pay for services.

### Pillar/Goal Alignment:

Service     People     Quality     Finance     Growth     Community

## Financial/Quality/Safety/Regulatory Implications

The compensation proposed in the agreement has been reviewed by HealthWorks, an independent valuation and compensation consulting firm, to confirm that the terms contemplated are both commercially reasonable and fair market value.

## Recommendation

Administration requests that the Personnel, Pension and Investment Committee recommend to the SVMHS Board of Directors approval of the following:

- (i) **The Findings Supporting Recruitment of Adrian Jordan, MD,**
  - **That the recruitment of a hospitalist to Salinas Valley Medical Clinic is in the best interest of the public health of the communities served by the district; and**
  - **That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract an appropriately qualified physician to practice in the communities served by the District;**
- (ii) **The Contract Terms of the Recruitment Agreement for Dr. Jordan; and**
- (iii) **The Contract Terms of the Hospitalist Services Professional Services Agreement for Dr. Jordan.**

## Attachments

- (1) Curriculum Vitae for Adrian Jordan, MD

Curriculum Vitae  
**ADRIAN JORDAN**



**EDUCATION**

**Medical School** National University of Ireland, Galway (2005-2011)  
**Post-Graduate** Western Training Program in General Practice, Ireland (2013-2017)  
Natividad Family Medicine Residency (Expected Graduation June 2021)

**LICENSURE**

**Current** California Postgraduate Training License\*  
**Work Eligibility** Permanent Residency

*\*Board Certification in Family Medicine and California Physician and Surgeon License expected prior to graduation*

**PROFESSIONAL EXPERIENCE**

**2018 – present** **Natividad Family Medicine Residency**  
30 weeks of inpatient medicine, 5 weeks ICU, 10 weeks night float  
Elective rotations in Hospitalist Procedures and Anesthesia  
Resident Chair of the Medical Student Committee  
Resident Daily Education Coordinator

**2017 – 2018** **Locum General Practitioner, Ireland**  
Rural Primary Care Clinics, Spiddal and Kiltormer Medical Centers

**2013 – 2017** **Senior Resident, Western Training Program in General Practice, Ireland**  
Including hospital medicine posts in Emergency Medicine (6 months), Nephrology (3 months), Care of the Elderly (3 months), Pediatrics (6 months)

**2012 - 2013** **Senior Resident, Stroke Rehabilitation Unit**  
6 months at the Queen Alexandra Hospital, Portsmouth, UK

**2011 - 2012** **Medical / Surgical Internship**

**QUALIFICATIONS & RESEARCH**

**Medical School** MB BCh BAO, graduated with honors (2011)  
**Post-Graduate** Member of the Irish College of General Practitioners (2017)  
**Research** Antenatal Pertussis Vaccination (*Irish Medical Journal*, 2017)

## Memorandum

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To: Personnel, Pension and Investment Committee  
From: Michelle Childs  
Chief Human Resources Officer  
Date: February 18, 2021  
Re: Employer Contribution to the Defined Contribution Plan

Non-affiliated employees and SVMC physicians are eligible for the Defined Contribution Plan (i.e. 403b plan) which offers employer basic and matching contributions to eligible employees. In the first quarter of each year, the employer contribution is made based on eligibility in the prior year.

On February 10, 2021, SVMH made the calendar year 2020 basic and matching contributions to the defined contribution plan as follows:

**SVMH (10<sup>th</sup> year of eligibility):**

\$2,375,658: Basic Contribution (5% of eligible compensation)  
\$2,903,833: Matching Contribution (100% match from 3-8% of eligible compensation)  
**\$5,279,491: Total Employer Contribution**

427 employees received the employer contribution.

**SVMC (6<sup>th</sup> year of eligibility):**

\$1,420,637: Basic Contribution (5% of eligible compensation)  
\$0: Matching Contribution (not eligible)  
**\$1,420,637: Total Employer Contribution**

107 district clinic physicians and non-physicians received an employer contribution.

**Employer Contribution Grand Total: \$6,700,128**

# Financial Performance Review

## January 2021

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



# Consolidated Financial Summary

## For the Month of January 2021

### Profit/Loss Statement

\$ in Millions	For the Month of January 2021				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 59.0	\$ 52.1	\$ 6.9		13.2%
Operating Expense	\$ 53.6	\$ 49.5	\$ (4.1)		-8.3%
<b>Income from Operations*</b>	<b>\$ 5.4</b>	<b>\$ 2.6</b>	<b>\$ 2.8</b>		<b>107.7%</b>
<i>Operating Margin %</i>	9.1%	5.0%	4.1%		82.00%
Non Operating Income	\$ 1.0	\$ 0.6	\$ 0.4		66.7%
<b>Net Income</b>	<b>\$ 6.4</b>	<b>\$ 3.2</b>	<b>\$ 3.2</b>		<b>100.0%</b>
<i>Net Income Margin %</i>	10.9%	6.2%	4.7%		75.8%

**\*No Normalizing items in January**

**Favorable results due to:**

- Higher than expected inpatient volumes coupled with a higher collection rate

# Consolidated Financial Summary

## Year-to-Date January 2021

### Profit/Loss Statement

\$ in Millions	FY 2021 YTD January				
	Actual	Budget	Variance fav (unfav)		
			\$VAR	%VAR	
Operating Revenue	\$ 392.9	\$ 335.8	\$ 57.1	17.0%	
Operating Expense	\$ 361.5	\$ 340.6	\$ (20.9)	-6.1%	
<b>Income from Operations*</b>	<b>\$ 31.4</b>	<b>\$ (4.8)</b>	<b>\$ 36.2</b>	<b>754.2%</b>	
<i>Operating Margin %</i>	8.0%	-1.4%	9.4%	671.4%	
Non Operating Income**	\$ 11.4	\$ 5.8	\$ 5.6	96.6%	
<b>Net Income</b>	<b>\$ 42.8</b>	<b>\$ 1.0</b>	<b>\$ 41.8</b>	<b>4180.0%</b>	
<i>Net Income Margin %</i>	10.9%	0.3%	10.6%	3533.3%	

**\* Income from Operations includes:**

- \$0.2M** Prior Year Medicare Cost Report Settlement
- \$1.4M** AB113 Intergovernmental Transfer Payment  
Related to FY18 & FY19 (ACA Pop Health Supplement)

**\$1.6M Total Normalizing Items, Net**

**Favorable results due to:**

- Higher than expected inpatient and outpatient volumes, coupled with favorable labor productivity in the first two months of the year and favorable payor mix in Nov and Dec

\*\*Favorable variance in non-operating income is predominantly due to higher than expected investment returns

# Consolidated Financial Summary

## Year-to-Date January 2021 - Normalized

### Profit/Loss Statement

\$ in Millions	FY 2021 YTD January				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 391.3	\$ 335.8	\$ 55.5	16.5%	
Operating Expense	\$ 361.5	\$ 340.6	\$ (20.9)	-6.1%	
<b>Income from Operations</b>	<b>\$ 29.8</b>	<b>\$ (4.8)</b>	<b>\$ 34.6</b>	<b>720.8%</b>	
<i>Operating Margin %</i>	7.6%	-1.4%	9.0%	642.9%	
Non Operating Income**	\$ 11.4	\$ 5.8	\$ 5.6	96.6%	
<b>Net Income</b>	<b>\$ 41.2</b>	<b>\$ 1.0</b>	<b>\$ 40.2</b>	<b>4020.0%</b>	
<i>Net Income Margin %</i>	10.5%	0.3%	10.2%	3400.0%	

# SVMH Financial Highlights January 2021

Gross Revenues were favorable

- **Gross Revenues** were **8% favorable** to budget
- **IP gross revenues** were **26% favorable** to budget
- **ED gross revenues** were **10% unfavorable** to budget

- **OP gross revenues** were **15% unfavorable** to budget in all areas, including the following:

- Infusion Therapy <8%>
- Surgery <50%>
- Central Supply <44%>

- **Commercial: 4% above** budget
- **Medicaid: 4% above** budget
- **Medicare: 13% above** budget

Payor Mix - unfavorable to budget

Total Net Patient Revenues were \$52.1M, which was **favorable** to budget by **\$8.0M** or **18.1%**



# Financial Summary – January 2021



## 1) Higher than expected Inpatient business:

- Average daily census was at 138, 22% above budget of 113

## 2) Total admissions were 3% or 29 admits above budget.

- ER admissions were 17% above budget (107 admits)
- ER admissions (including OB ED) were 91% of total acute admissions

## 3) OP Observation cases were 1% (2 cases) below budget at 142



## 4) Outpatient business:

- Lower than expected patient volumes in all outpatient service lines
- Total OP visits were 9% below budget (745 visits)

## 5) ER Outpatient visits were below budget by 9% (275 visits);

- Compared to July, visits decreased from 4,456 to 2,833 (a 36% decline)

## 6) Outpatient Surgeries were 54% (133 cases) below budget at 115

## 7) Inpatient Surgeries were 23% (34 cases) below budget at 117

## 8) Deliveries were 25% (39 deliveries) below budget at 118

## 9) Total Acute ALOS was 15% unfavorable at 4.8 vs 4.1 days budgeted

## 10) Medicare ALOS CMI adjusted was 13% unfavorable at 2.8 days with a Case Mix Index of 2.0



# CMI – All Discharges (with & without COVID)

## Based on Discharges

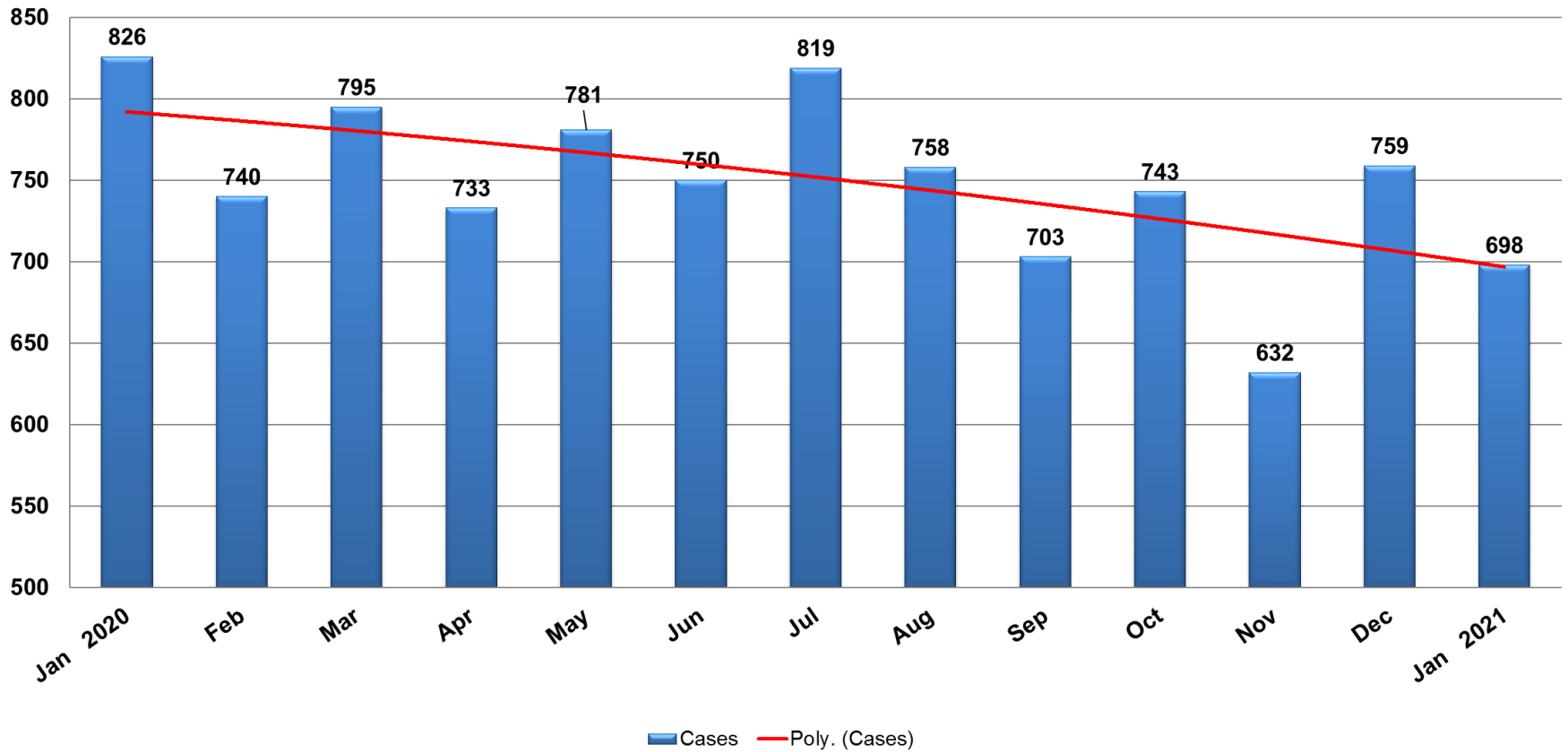
### July 2020 thru January 2021

All Payors	All Discharges				COVID Discharges Only				Discharges Excluding COVID			
Month	All Payor CMI	Discharges	ADC	ALOS	All Payor CMI	Discharges	ADC	ALOS	All Payor CMI	Discharges	ADC	ALOS
7/31/2020	1.58	906	118	4.0	2.08	108	17	4.8	1.51	798	101	3.9
8/31/2020	1.68	859	117	4.2	2.32	89	18	6.4	1.60	770	99	4.0
9/30/2020	1.70	818	112	4.1	2.27	58	15	7.7	1.66	760	98	3.8
10/31/2020	1.64	864	115	4.1	2.39	55	13	7.5	1.59	809	102	3.9
11/30/2020	1.76	784	110	4.2	2.32	93	18	5.7	1.68	691	92	4.0
12/31/2020	1.76	852	121	4.4	2.15	222	45	6.2	1.62	630	77	3.8
1/31/2021	1.81	891	139	4.8	2.33	289	65	7.0	1.56	602	74	3.8
<b>Total</b>	<b>1.71</b>	<b>5,974</b>	<b>119</b>	<b>4.3</b>	<b>2.27</b>	<b>914</b>	<b>27</b>	<b>6.4</b>	<b>1.61</b>	<b>5,060</b>	<b>92</b>	<b>3.9</b>

Medicare	Medicare Discharges				Medicare COVID Discharges Only				Medicare Discharges Excluding COVID			
Month	Medicare CMI	Discharges	ADC	ALOS	Medicare CMI	Discharges	ADC	ALOS	Medicare CMI	Discharges	ADC	ALOS
7/31/2020	1.69	334	44	4.1	1.82	32	5	5.0	1.68	302	39	4.0
8/31/2020	1.82	314	51	5.1	2.41	27	7	8.1	1.77	287	44	4.8
9/30/2020	1.90	285	45	4.7	2.11	16	4	7.9	1.89	269	41	4.5
10/31/2020	1.80	331	47	4.4	2.45	19	4	7.1	1.76	312	43	4.2
11/30/2020	1.88	304	48	4.7	2.29	30	8	7.9	1.83	274	40	4.4
12/31/2020	1.95	322	51	4.9	1.92	95	16	5.3	1.96	227	35	4.8
1/31/2021	1.97	361	65	5.6	2.31	134	30	6.9	1.78	227	36	4.9
<b>Total</b>	<b>1.86</b>	<b>2,251</b>	<b>50</b>	<b>4.8</b>	<b>2.19</b>	<b>353</b>	<b>11</b>	<b>6.5</b>	<b>1.81</b>	<b>1,898</b>	<b>40</b>	<b>4.5</b>

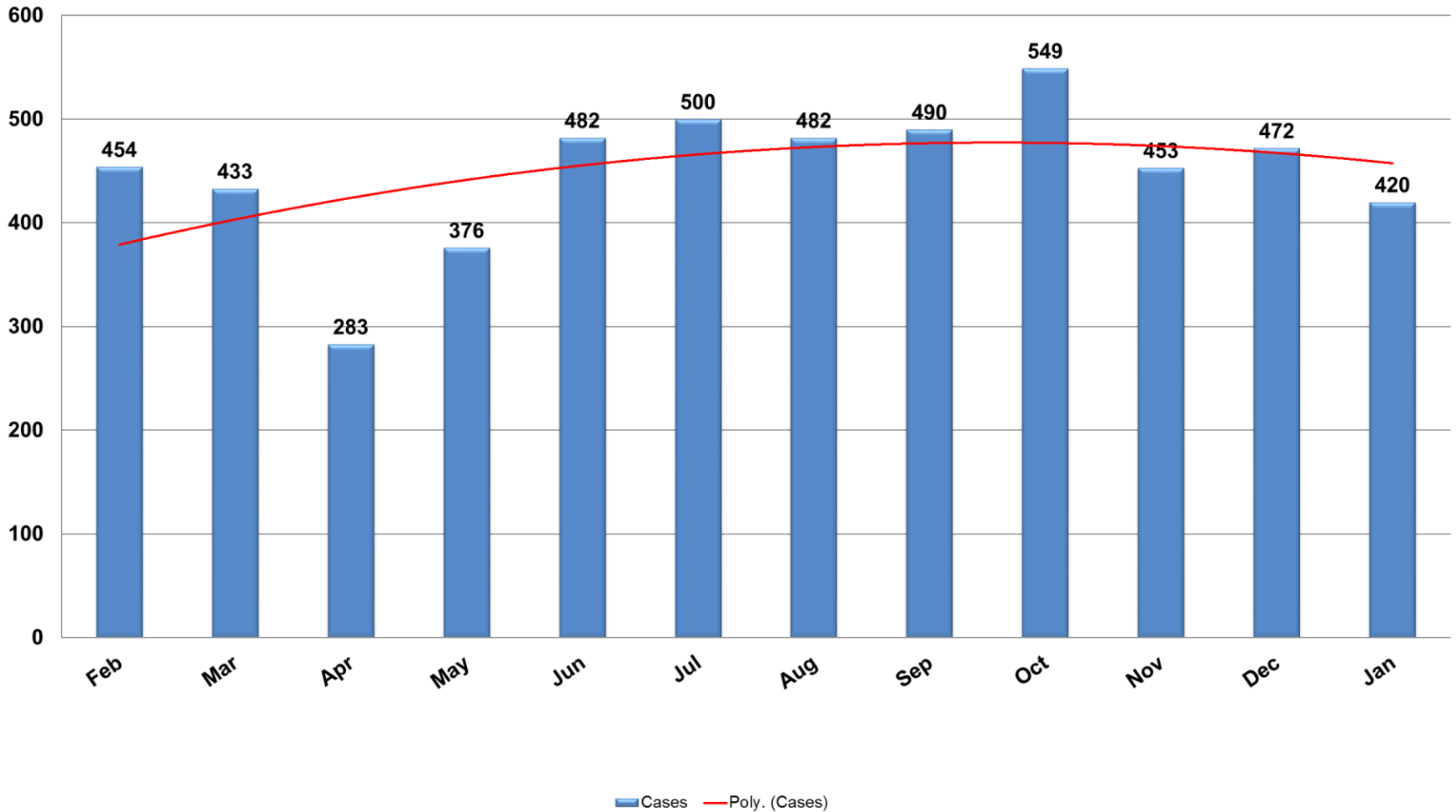
# OP Infusion Service Line

OP Infusion  
Cases Trend - Jan 2020 thru Jan 2021



# Cardiac Diagnostic O/P Center (CDOC)

Cases - Rolling 12 Month Trend  
Feb 2020 thru Jan 2021



# Labor Productivity – January 2021



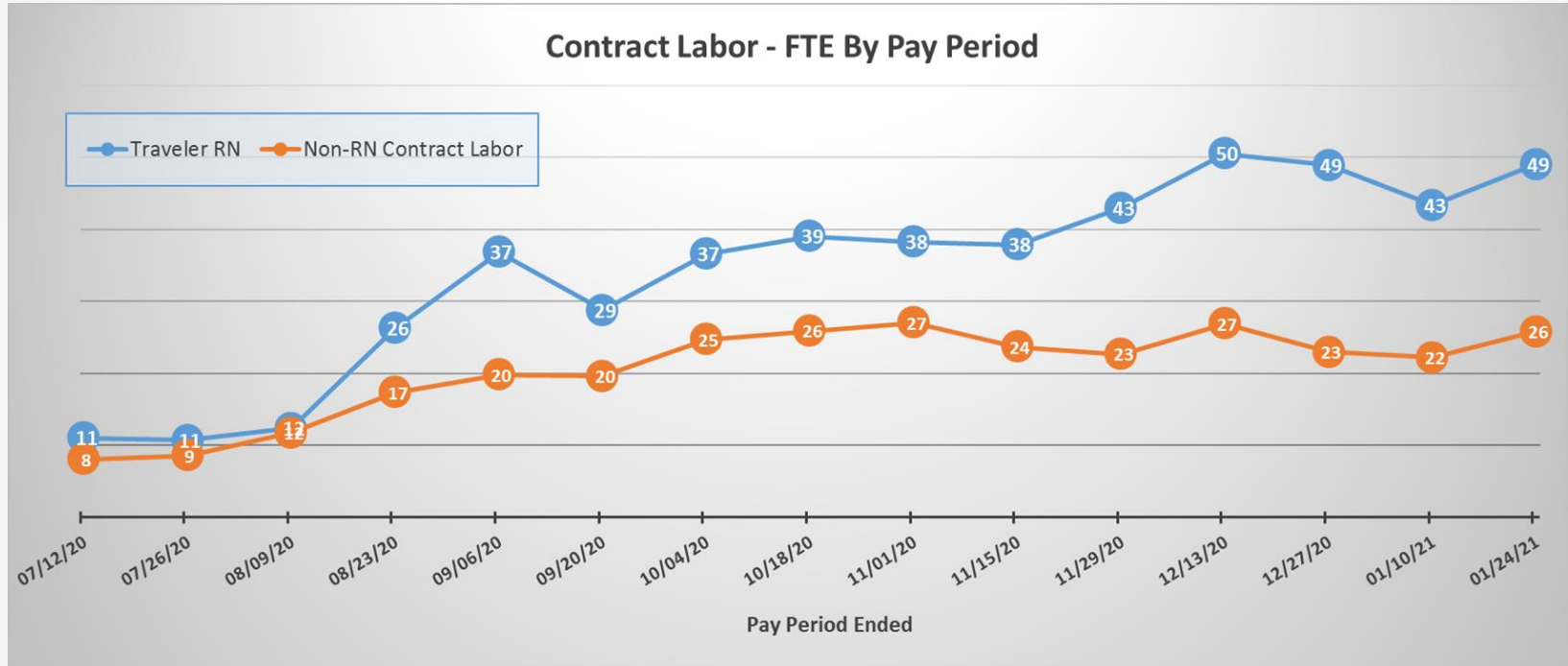
1) **Worked FTEs** on a PAADC basis were 11.5% **unfavorable** to budget at **(7.00 actual vs. 6.27 budget)**



2) **Paid FTEs** on a PAADC basis were 10.5% **unfavorable** to budget at **(8.22 actual vs. 7.44 budget)**

*✓ When reviewed on a unit by unit level, the value of the negative variance for salaries, wages and benefits for January was 142 FTEs and \$2.3M. This was driven by higher than expected patient acuity, coverage for increase in leave of absences and sick calls, and a continued need for Covid related additional staff.*

# Contract Labor FTE By Pay Period

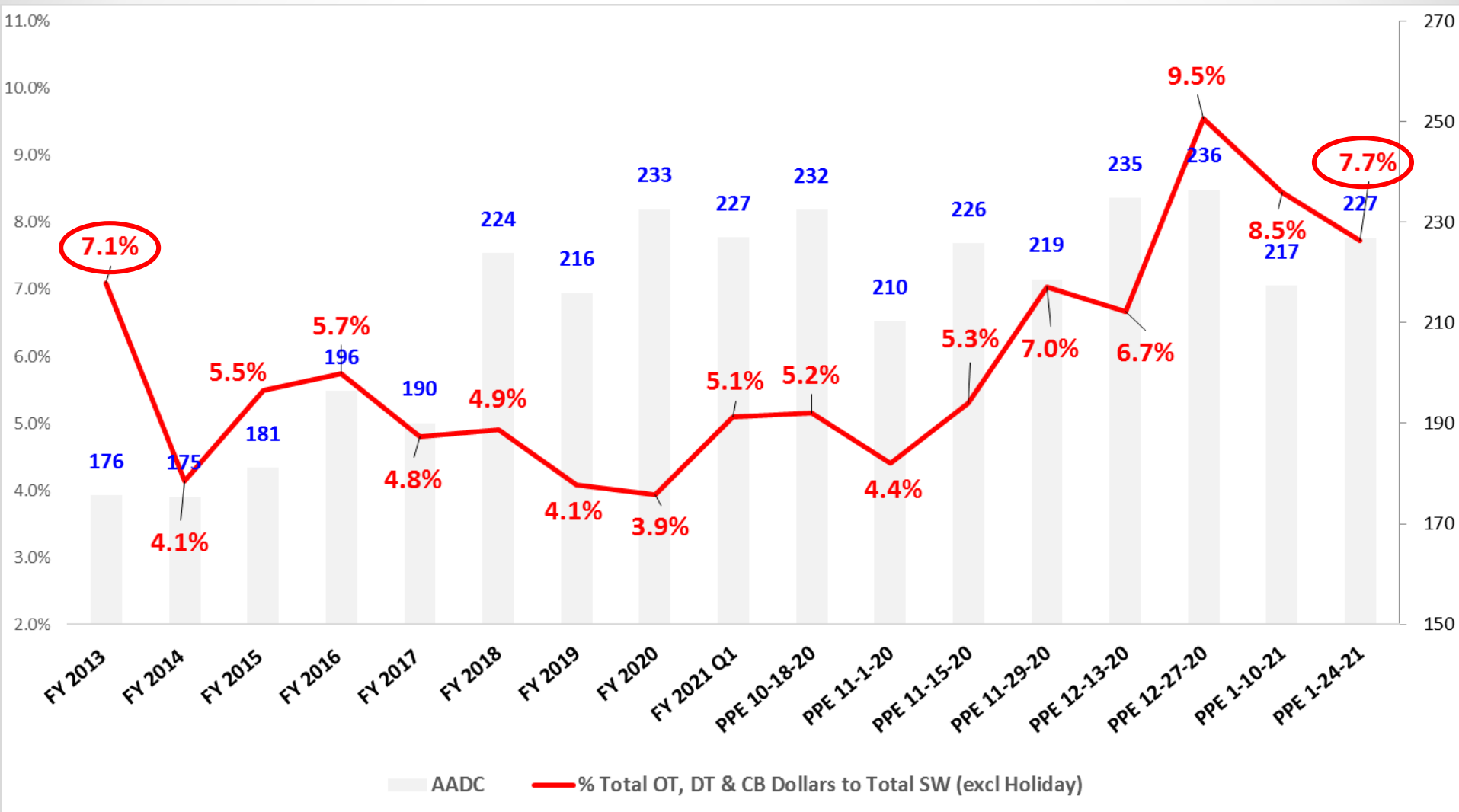


The total contract labor FTE has increased from approximately 19 FTE at the beginning of the FY to about 75 FTE over the last two pay periods as a result of the sharp increase in Covid cases and patient acuity.

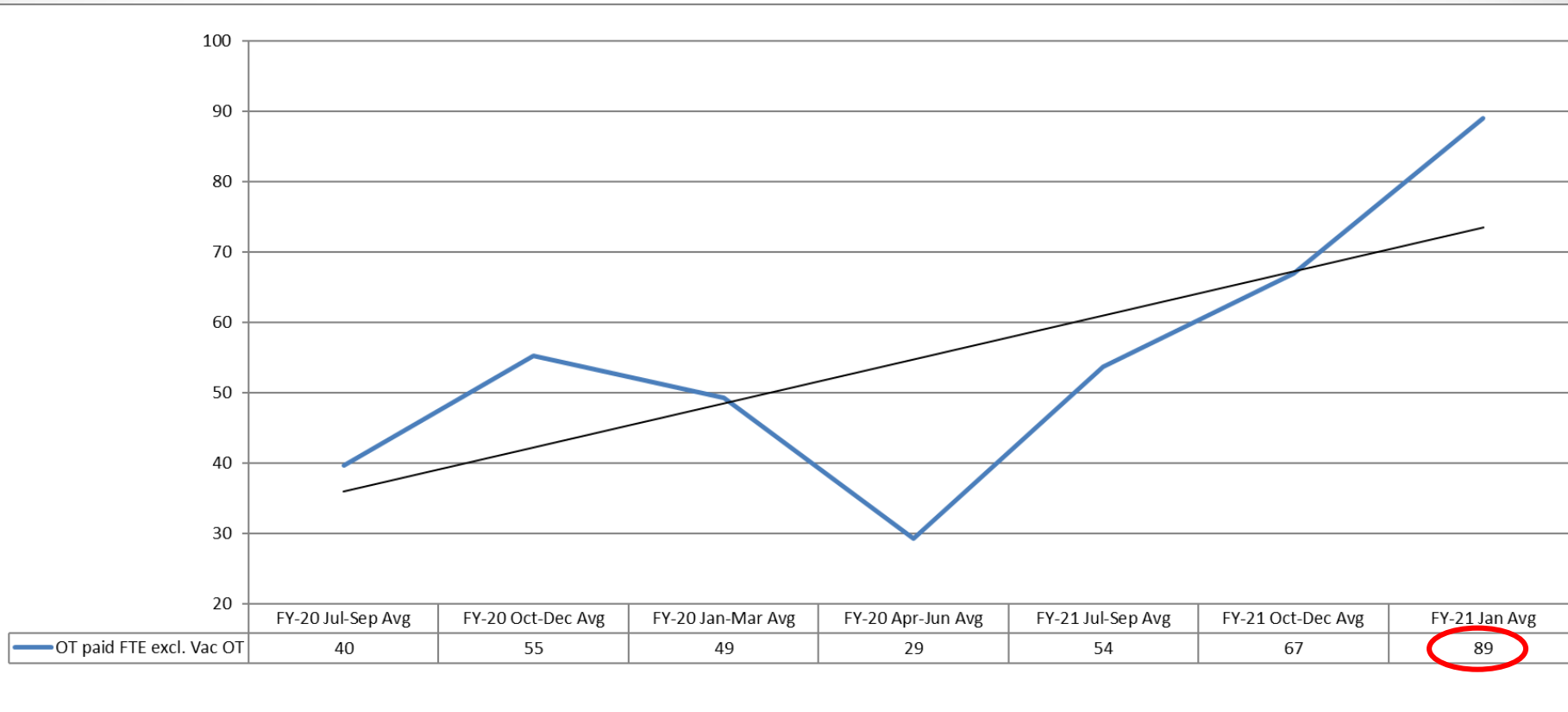
10

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

## Updated Thru PPE 1-24-21



# Overtime Paid FTEs



Note that overtime FTEs exclude holiday pay



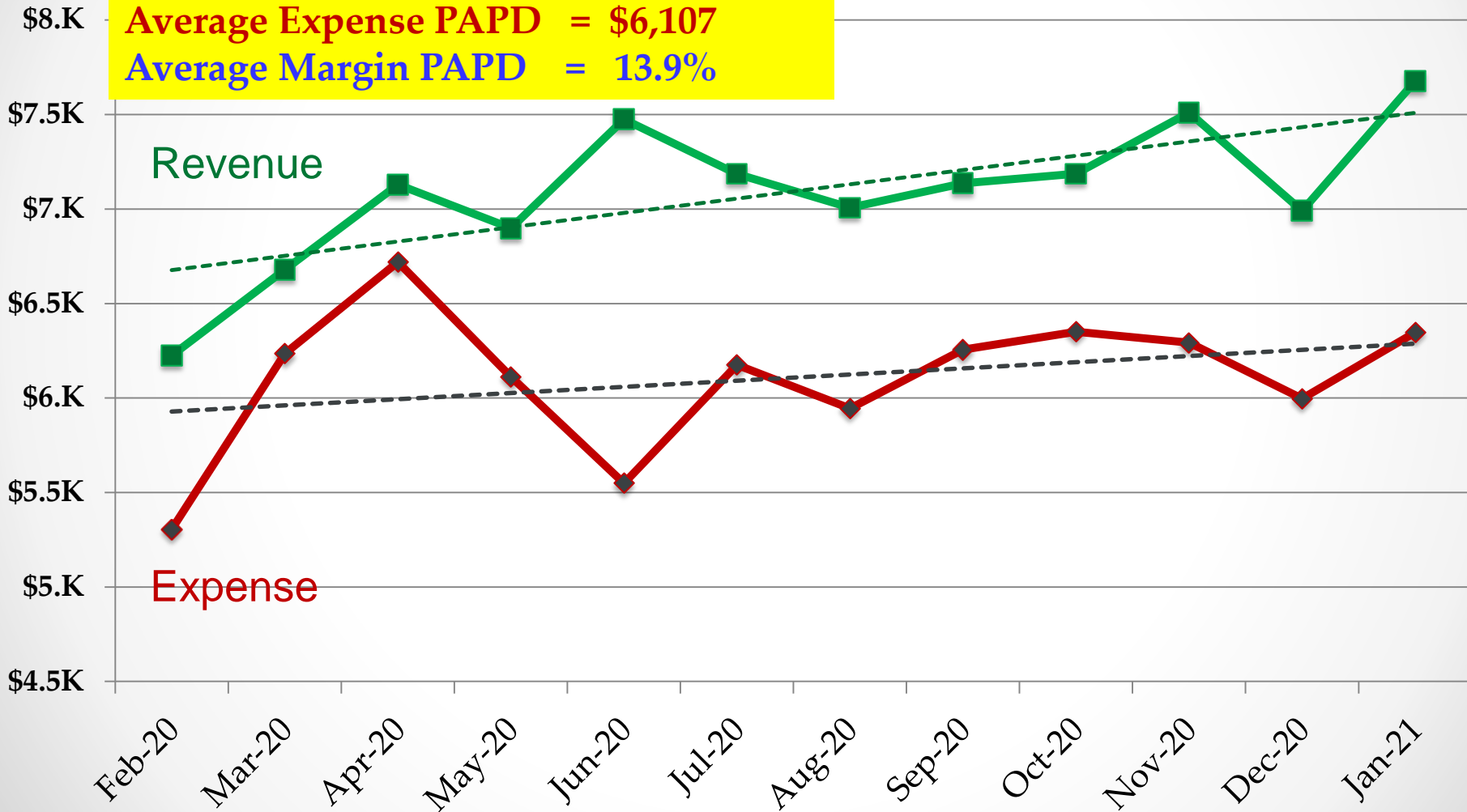
# SVMH Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: February 20 to January 21

Average Revenue PAPD = \$7,092

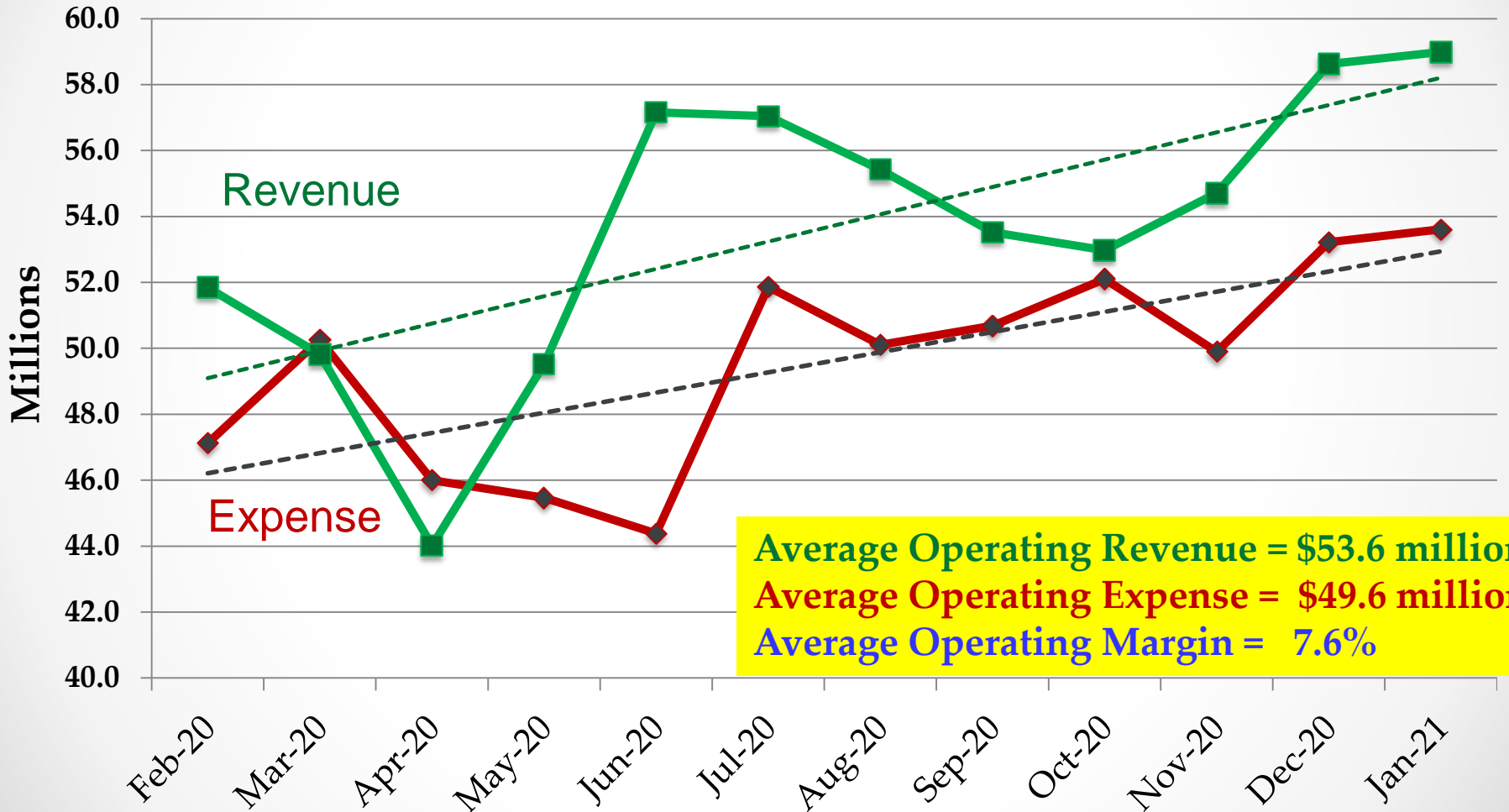
Average Expense PAPD = \$6,107

Average Margin PAPD = 13.9%



# SVMHS Operating Revenues & Expenses (Normalized)

Rolling 12 Months: February 20 to January 21



# SVMHS Key Financial Indicators

	YTD	SVMHS		S&P A+ Rated		YTD	
Statistic	Jan-21	Target	+/-	Hospitals	+/-	Jan-20	+/-
Operating Margin*	7.6%	9.0%	Red	4.0%	Green	15.6%	Red
Total Margin*	10.5%	10.8%	Yellow	6.6%	Green	18.6%	Red
EBITDA Margin**	11.7%	13.4%	Red	13.6%	Red	18.8%	Red
Days of Cash*	347	305	Green	249	Green	317	Green
Days of Accounts Payable*	50	45	Green	-		50	Green
Days of Net Accounts Receivable***	55	45	Red	49	Red	50	Red
Supply Expense as % NPR	12.9%	15.0%	Green	-		11.8%	Red
SWB Expense as % NPR	53.8%	53.0%	Yellow	53.7%	Yellow	49.1%	Red
Operating Expense per APD*	6,193	4,992	Red	-		5,202	Red

\*These metrics have been adjusted for normalizing items

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

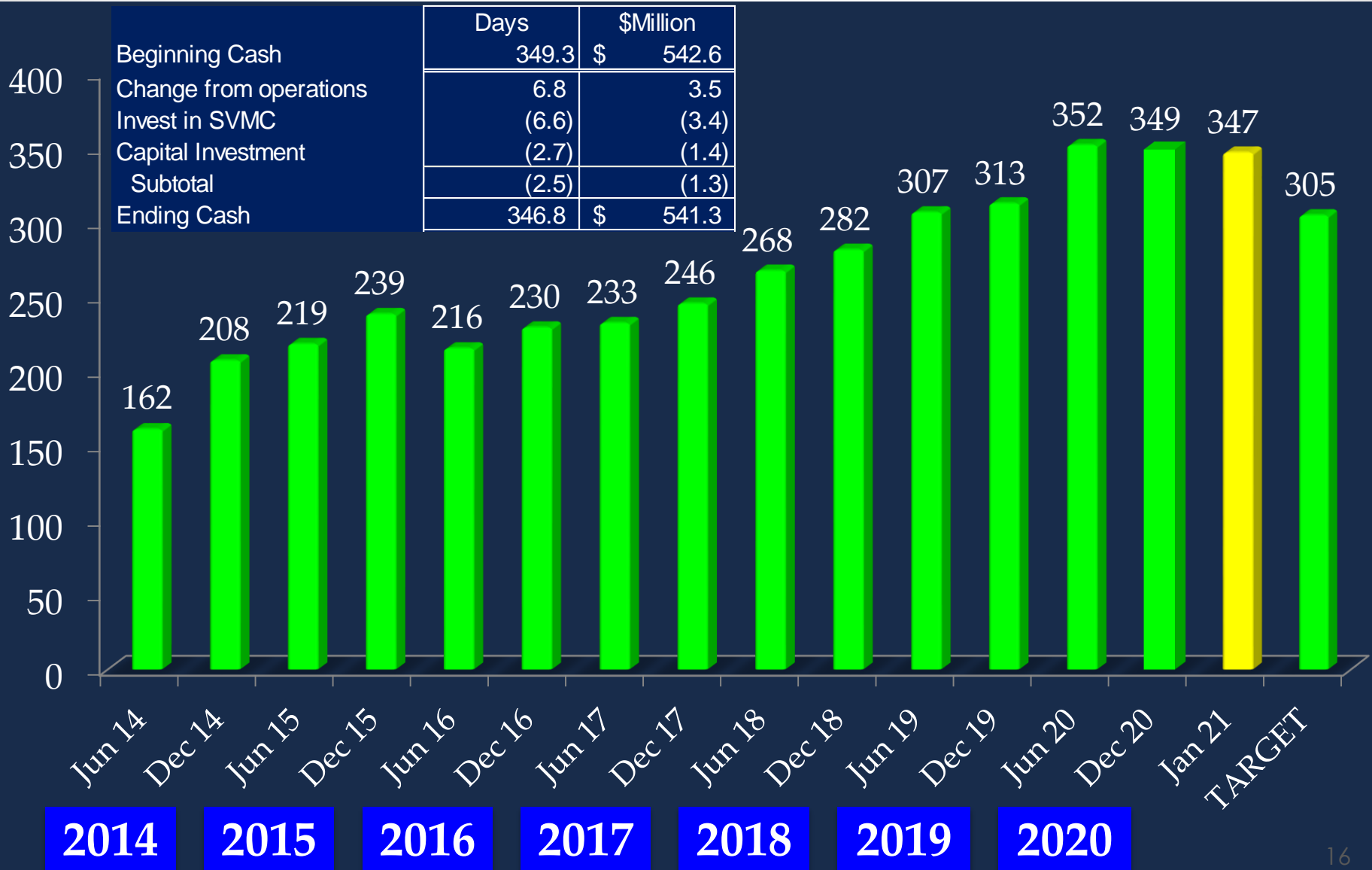
\*\*\*Metric based on 90 days average net revenue (consistent with industry standard)

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

# Salinas Valley Memorial Healthcare System

Days Cash on Hand = 347 Days (\$541M)

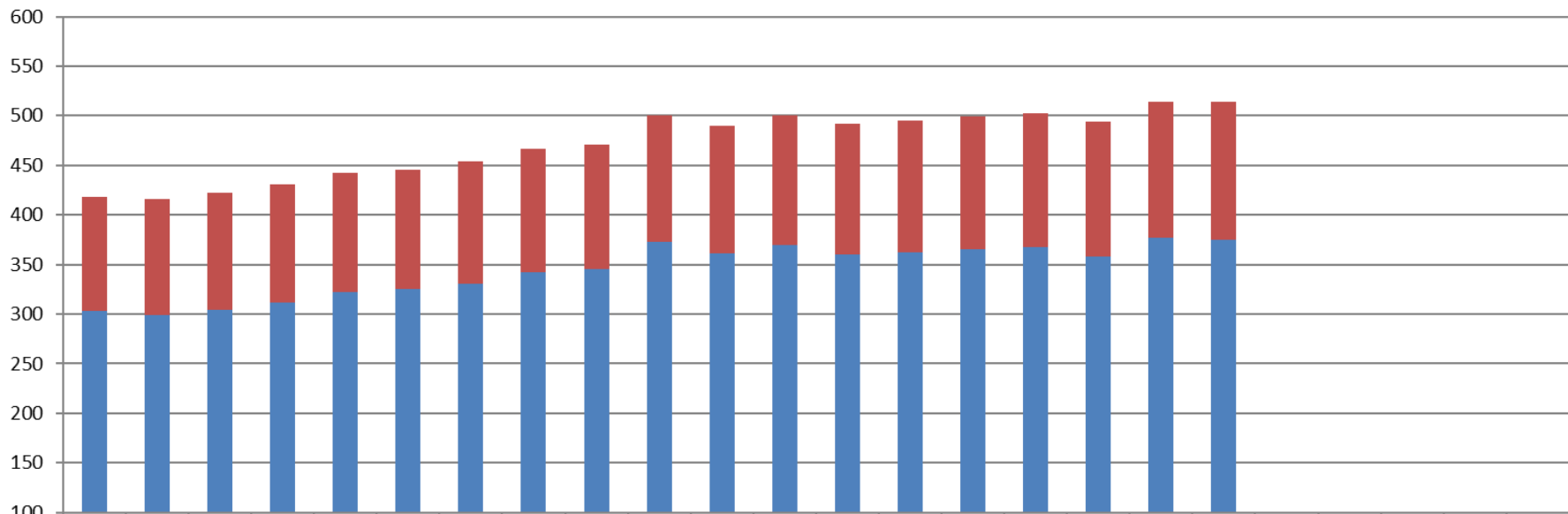
January 2021



# SVMH - Cash and Investments

## Hospital Cash and Investments

in millions



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total	418	416	422	431	442	446	454	467	471	500	490	500	492	495	499	502	494	514	514	0	0	0	0	0
Restricted	115	117	118	119	120	121	123	125	126	127	129	130	132	133	134	135	136	137	139					
Operating	303	299	304	312	322	325	331	342	345	373	361	370	360	362	365	367	358	377	375					

# ASSETS WHOSE USE IS LIMITED

	<u>January-21</u>		<u>YTD</u>	
Beginning balance	\$	137,490,684	\$	130,408,693
Investment income or (loss)		126,560		1,208,552
Transfer		1,000,000		7,000,000
Ending balance	\$	138,617,245	\$	138,617,245

# ROUTINE CAPITAL EXPENDITURES Through January 2021

Fiscal Month	2020-21 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,825,000	123,919	1,701,081		
August	1,825,000	1,370,100	2,155,981	XRay Room Remodel	214,505
September	1,825,000	306,189	3,674,792	558 Abbott Street Renovation	106,740
October	1,825,000	1,048,209	4,451,583	Telecom/PBX Relocation Project	65,871
November	1,825,000	1,731,024	4,545,559	Other CIP	63,284
December	1,825,000	2,282,165	4,088,394	Total Improvements	450,401
January	1,825,000	1,234,713	4,678,681	Video Conferencing System (DRC)	188,589
February	1,825,000		6,503,681	IT Digital Storage	168,005
March	1,825,000		8,328,681	IT Server Capacity Expansion	134,064
April	1,825,000		10,153,681	IT Equipment (SVMC Admin Operations)	98,227
May	1,825,000		11,978,681	Other Equipment	195,428
June	1,825,000		13,803,681	Total Equipment	784,312
<b>YTD TOTAL</b>	<b>21,900,000</b>	<b>8,096,319</b>	<b>13,803,681</b>	<b>Grand Total</b>	<b>1,234,713</b>

# *QUESTIONS / COMMENTS*



SALINAS VALLEY MEMORIAL HOSPITAL  
SUMMARY INCOME STATEMENT  
January 31, 2021

	<u>Month of January,</u>		<u>Seven months ended January 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,093,651	\$ 50,726,711	\$ 341,762,921	\$ 341,649,722
Other operating revenue	1,100,917	802,767	9,042,060	9,867,402
Total operating revenue	<u>53,194,568</u>	<u>51,529,478</u>	<u>350,804,981</u>	<u>351,517,124</u>
Total operating expenses	43,029,898	40,729,604	290,880,695	272,016,543
Total non-operating income	<u>(4,517,015)</u>	<u>714,354</u>	<u>(20,371,347)</u>	<u>(9,773,255)</u>
Operating and non-operating income	<u>\$ 5,647,655</u>	<u>\$ 11,514,228</u>	<u>\$ 39,552,939</u>	<u>\$ 69,727,326</u>

SALINAS VALLEY MEMORIAL HOSPITAL  
 BALANCE SHEETS  
 January 31, 2021

	<u>Current year</u>	<u>Prior year</u>
<b>ASSETS:</b>		
Current assets	\$ 410,871,460	\$ 289,436,747
Assets whose use is limited or restricted by board	138,617,245	122,927,003
Capital assets	258,439,413	249,398,209
Other assets	187,407,642	187,832,365
Deferred pension outflows	<u>83,379,890</u>	<u>62,468,517</u>
	<u>\$ 1,078,715,650</u>	<u>\$ 912,062,842</u>
<b>LIABILITIES AND EQUITY:</b>		
Current liabilities	152,234,647	81,336,352
Long term liabilities	14,780,831	17,645,000
	126,340,336	108,929,468
Net assets	<u>785,359,836</u>	<u>704,152,022</u>
	<u>\$ 1,078,715,650</u>	<u>\$ 912,062,842</u>

**SALINAS VALLEY MEMORIAL HOSPITAL  
SCHEDULES OF NET PATIENT REVENUE  
January 31, 2021**

	<u>Month of January,</u>		<u>Seven months ended January 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	2,155	2,208	12,099	13,557
Medi-Cal	1,121	1,080	7,617	7,555
Commercial insurance	918	756	5,589	5,994
Other patient	92	111	980	773
Total patient days	<u>4,286</u>	<u>4,155</u>	<u>26,285</u>	<u>27,879</u>
Gross revenue:				
Medicare	\$ 89,275,838	\$ 99,254,893	\$ 568,607,622	\$ 599,096,745
Medi-Cal	53,083,675	58,459,044	373,422,605	369,431,688
Commercial insurance	48,822,980	46,238,586	346,982,400	344,785,811
Other patient	7,967,921	9,087,934	60,479,514	60,193,466
Gross revenue	<u>199,150,414</u>	<u>213,040,456</u>	<u>1,349,492,141</u>	<u>1,373,507,709</u>
Deductions from revenue:				
Administrative adjustment	590,340	399,449	2,370,481	2,464,073
Charity care	1,263,827	1,514,164	6,516,386	7,213,469
Contractual adjustments:				
Medicare outpatient	19,223,263	27,250,282	166,825,661	181,630,416
Medicare inpatient	43,362,590	47,131,414	259,891,083	278,904,943
Medi-Cal traditional outpatient	2,018,330	3,182,452	13,726,968	21,209,530
Medi-Cal traditional inpatient	8,099,914	6,076,797	55,390,282	38,862,766
Medi-Cal managed care outpatient	15,277,900	23,307,714	123,741,299	142,170,541
Medi-Cal managed care inpatient	20,441,324	17,479,600	132,418,675	124,324,406
Commercial insurance outpatient	12,665,333	16,030,667	106,302,052	100,276,136
Commercial insurance inpatient	20,180,991	15,208,564	108,064,998	102,639,090
Uncollectible accounts expense	3,216,019	3,627,132	24,819,272	24,492,325
Other payors	716,932	1,105,508	7,662,063	7,670,290
Deductions from revenue	<u>147,056,763</u>	<u>162,313,745</u>	<u>1,007,729,220</u>	<u>1,031,857,987</u>
Net patient revenue	<u>\$ 52,093,651</u>	<u>\$ 50,726,711</u>	<u>\$ 341,762,921</u>	<u>\$ 341,649,722</u>
Gross billed charges by patient type:				
Inpatient	\$ 125,522,978	\$ 114,112,219	\$ 754,859,351	\$ 731,360,054
Outpatient	51,559,925	69,213,082	447,584,701	455,245,708
Emergency room	22,067,511	29,715,156	147,048,090	186,901,948
Total	<u>\$ 199,150,414</u>	<u>\$ 213,040,456</u>	<u>\$ 1,349,492,142</u>	<u>\$ 1,373,507,709</u>

**SALINAS VALLEY MEMORIAL HOSPITAL  
STATEMENTS OF REVENUE AND EXPENSES  
January 31, 2021**

	<u>Month of January,</u>		<u>Seven months ended January 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,093,651	\$ 50,726,711	\$ 341,762,921	\$ 341,649,722
Other operating revenue	<u>1,100,917</u>	<u>802,767</u>	<u>9,042,060</u>	<u>9,867,402</u>
Total operating revenue	<u>53,194,568</u>	<u>51,529,478</u>	<u>350,804,981</u>	<u>351,517,124</u>
Operating expenses:				
Salaries and wages	16,567,936	15,069,167	113,265,665	101,876,401
Compensated absences	2,526,510	2,555,957	18,688,981	18,114,773
Employee benefits	7,703,965	8,340,391	51,975,992	52,467,656
Supplies, food, and linen	6,334,207	6,029,937	43,808,456	39,665,052
Purchased department functions	3,172,890	3,320,666	21,448,862	21,098,655
Medical fees	1,901,467	1,596,100	11,947,514	11,642,242
Other fees	1,842,158	1,145,464	9,079,385	7,551,071
Depreciation	1,811,371	1,698,815	12,487,903	11,791,301
All other expense	<u>1,169,394</u>	<u>973,107</u>	<u>8,177,937</u>	<u>7,809,392</u>
Total operating expenses	<u>43,029,898</u>	<u>40,729,604</u>	<u>290,880,695</u>	<u>272,016,543</u>
Income from operations	<u>10,164,670</u>	<u>10,799,874</u>	<u>59,924,286</u>	<u>79,500,581</u>
Non-operating income:				
Donations	166,667	166,667	1,666,667	1,170,867
Property taxes	333,333	333,333	2,333,333	2,333,333
Investment income	(71,821)	2,150,552	2,037,743	2,023,325
Taxes and licenses	0	0	0	0
Income from subsidiaries	<u>(4,945,194)</u>	<u>(1,936,198)</u>	<u>(26,409,090)</u>	<u>(15,300,780)</u>
Total non-operating income	<u>(4,517,015)</u>	<u>714,354</u>	<u>(20,371,347)</u>	<u>(9,773,255)</u>
Operating and non-operating income	5,647,655	11,514,228	39,552,939	69,727,326
Net assets to begin	<u>779,712,181</u>	<u>692,637,794</u>	<u>745,806,898</u>	<u>634,424,696</u>
Net assets to end	<u>\$ 785,359,836</u>	<u>\$ 704,152,022</u>	<u>\$ 785,359,836</u>	<u>\$ 704,152,022</u>
Net income excluding non-recurring items	\$ 5,647,655	\$ 11,514,228	\$ 37,933,830	\$ 69,902,683
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>1,619,109</u>	<u>(175,357)</u>
Operating and non-operating income	<u>\$ 5,647,655</u>	<u>\$ 11,514,228</u>	<u>\$ 39,552,939</u>	<u>\$ 69,727,326</u>

**SALINAS VALLEY MEMORIAL HOSPITAL  
SCHEDULES OF INVESTMENT INCOME  
January 31, 2021**

	<u>Month of January,</u>		<u>Seven months ended January 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of other operating income:				
Dietary revenue	\$ 126,487	\$ 145,474	\$ 945,762	\$ 1,192,758
Discounts and scrap sale	(666)	218,957	222,654	1,068,159
Sale of products and services	11,317	13,633	161,250	159,409
Clinical trial fees	0	0	46,128	0
Stimulus Funds	0	0	0	0
Rental income	145,184	130,444	1,115,503	1,003,298
Other	818,595	294,259	6,550,763	6,443,778
<b>Total</b>	<b>\$ 1,100,917</b>	<b>\$ 802,767</b>	<b>\$ 9,042,060</b>	<b>\$ 9,867,402</b>
Detail of investment income:				
Bank and payor interest	\$ 109,167	\$ 303,745	\$ 972,614	\$ 1,634,278
Income from investments	(179,871)	1,846,807	1,036,496	385,390
Gain or loss on property and equipment	(1,117)	0	28,633	3,657
<b>Total</b>	<b>\$ (71,821)</b>	<b>\$ 2,150,552</b>	<b>\$ 2,037,743</b>	<b>\$ 2,023,325</b>
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (82,010)	\$ (162,027)	\$ (1,255,723)	\$ (733,602)
Neurological Clinic	(119,245)	(97,104)	(568,205)	(500,423)
Palliative Care Clinic	(111,340)	(8,660)	(545,008)	(376,696)
Surgery Clinic	(218,412)	(68,161)	(1,169,287)	(584,430)
Infectious Disease Clinic	(38,830)	(8,815)	(211,777)	(168,042)
Endocrinology Clinic	(236,882)	(124,636)	(1,332,827)	(894,352)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(530,306)	(222,181)	(3,463,636)	(3,002,962)
OB/GYN Clinic	(402,268)	(76,790)	(2,541,658)	(1,194,868)
PrimeCare Medical Group	(1,436,277)	(384,130)	(6,682,646)	(3,741,925)
Oncology Clinic	(250,280)	(136,702)	(1,814,162)	(1,416,994)
Cardiac Surgery	(373,472)	(83,391)	(1,231,757)	(611,614)
Sleep Center	(109,029)	(55,609)	(480,335)	(489,322)
Rheumatology	(82,615)	(36,905)	(402,838)	(149,458)
Precision Ortho MDs	(587,681)	(220,925)	(2,842,668)	(1,868,805)
Precision Ortho-MRI	(100)	548	(1,363)	6,637
Precision Ortho-PT	(64,833)	24,652	(329,496)	(3,667)
Dermatology	(49,153)	16,031	(227,452)	29,250
Hospitalists	0	(2)	0	(2)
Behavioral Health	(95,848)	(48,919)	(504,644)	(334,312)
Pediatric Diabetes	(37,436)	(23,139)	(235,601)	(207,249)
Neurosurgery	(68,755)	(9,867)	(249,665)	(123,095)
Multi-Specialty-RR	(30,025)	21,976	(1,878)	82,904
Radiology	(322,591)	0	(1,463,122)	0
Total SVMC	(5,247,388)	(1,704,756)	(27,555,748)	(16,283,027)
Doctors on Duty	218,535	251,430	207,688	499,109
Assisted Living	(7,965)	(4,836)	(49,548)	(40,863)
Salinas Valley Imaging	0	(22,465)	(19,974)	22,844
Vantage Surgery Center	28,591	61,369	145,340	134,247
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	133,147	159,115	545,786	1,025,986
Aspire/CHI/Coastal	(104,430)	(695,085)	(306,472)	(1,046,204)
Apex	(8,268)	55,221	39,189	118,980
21st Century Oncology	(12,454)	(35,319)	(116,907)	106,331
Monterey Bay Endoscopy Center	55,038	(872)	701,556	161,816
<b>Total</b>	<b>\$ (4,945,194)</b>	<b>\$ (1,936,198)</b>	<b>\$ (26,409,090)</b>	<b>\$ (15,300,780)</b>

**SALINAS VALLEY MEMORIAL HOSPITAL  
BALANCE SHEETS  
January 31, 2021**

	<b>Current year</b>	<b>Prior year</b>
<b>A S S E T S</b>		
Current assets:		
Cash and cash equivalents	\$ 297,450,193	\$ 186,121,157
Patient accounts receivable, net of estimated uncollectibles of \$24,204,049	93,746,118	83,266,423
Supplies inventory at cost	8,605,987	6,257,737
Other current assets	11,069,163	13,791,431
Total current assets	410,871,460	289,436,747
Assets whose use is limited or restricted by board	138,617,245	122,927,003
Capital assets:		
Land and construction in process	47,426,417	58,204,673
Other capital assets, net of depreciation	211,012,996	191,193,537
Total capital assets	258,439,413	249,398,209
Other assets:		
Investment in Securities	148,230,694	145,365,041
Investment in SVMC	7,679,960	13,285,751
Investment in Aspire/CHI/Coastal	4,503,941	3,494,866
Investment in other affiliates	25,484,532	21,895,532
Net pension asset	1,508,515	3,791,175
Total other assets	187,407,642	187,832,365
Deferred pension outflows	83,379,890	62,468,517
	<b>\$ 1,078,715,650</b>	<b>\$ 912,062,842</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 59,187,515	\$ 53,776,672
Due to third party payers	74,900,827	10,020,934
Current portion of self-insurance liability	18,146,305	17,538,746
Total current liabilities	152,234,647	81,336,352
Long term portion of workers comp liability	14,780,831	17,645,000
Total liabilities	167,015,478	98,981,352
Pension liability	126,340,336	108,929,468
Net assets:		
Invested in capital assets, net of related debt	258,439,413	249,398,209
Unrestricted	526,920,423	454,753,813
Total net assets	785,359,836	704,152,022
	<b>\$ 1,078,715,650</b>	<b>\$ 912,062,842</b>

**SALINAS VALLEY MEMORIAL HOSPITAL**  
**STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL**  
**January 31, 2021**

	Month of January,				Seven months ended January 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 199,150,414	\$ 184,927,301	14,223,113	7.69%	\$ 1,349,492,141	\$ 1,174,468,613	175,023,528	14.90%
Deductions from revenue	147,056,763	140,823,958	6,232,805	4.43%	1,007,729,220	891,098,998	116,630,222	13.09%
Net patient revenue	52,093,651	44,103,343	7,990,308	18.12%	341,762,921	283,369,615	58,393,306	20.61%
Other operating revenue	1,100,917	919,590	181,327	19.72%	9,042,060	6,437,127	2,604,933	40.47%
<b>Total operating revenue</b>	<b>53,194,568</b>	<b>45,022,932</b>	<b>8,171,636</b>	<b>18.15%</b>	<b>350,804,981</b>	<b>289,806,742</b>	<b>60,998,239</b>	<b>21.05%</b>
Operating expenses:								
Salaries and wages	16,567,936	14,361,059	2,206,877	15.37%	113,265,665	98,098,068	15,167,597	15.46%
Compensated absences	2,526,510	2,913,076	(386,566)	-13.27%	18,688,981	19,998,689	(1,309,708)	-6.55%
Employee benefits	7,703,965	7,863,997	(160,032)	-2.03%	51,975,992	50,974,407	1,001,585	1.96%
Supplies, food, and linen	6,334,207	5,336,093	998,114	18.70%	43,808,456	35,587,353	8,221,103	23.10%
Purchased department functions	3,172,890	3,121,448	51,442	1.65%	21,448,862	21,755,277	(306,415)	-1.41%
Medical fees	1,901,467	1,697,824	203,643	11.99%	11,947,514	11,886,484	61,030	0.51%
Other fees	1,842,158	827,445	1,014,713	122.63%	9,079,385	5,975,944	3,103,441	51.93%
Depreciation	1,811,371	1,789,255	22,116	1.24%	12,487,903	12,524,787	(36,884)	-0.29%
All other expense	1,169,394	1,417,902	(248,508)	-17.53%	8,177,937	9,880,700	(1,702,763)	-17.23%
<b>Total operating expenses</b>	<b>43,029,898</b>	<b>39,328,099</b>	<b>3,701,799</b>	<b>9.41%</b>	<b>290,880,695</b>	<b>266,681,711</b>	<b>24,198,984</b>	<b>9.07%</b>
<b>Income from operations</b>	<b>10,164,670</b>	<b>5,694,833</b>	<b>4,469,837</b>	<b>78.49%</b>	<b>59,924,286</b>	<b>23,125,031</b>	<b>36,799,255</b>	<b>159.13%</b>
Non-operating income:								
Donations	166,667	166,667	0	0.00%	1,666,667	1,166,667	500,000	42.86%
Property taxes	333,333	333,333	(0)	0.00%	2,333,333	2,333,333	(0)	0.00%
Investment income	(71,821)	160,094	(231,914)	-144.86%	2,037,743	1,120,655	917,088	81.84%
Income from subsidiaries	(4,945,194)	(3,143,458)	(1,801,736)	57.32%	(26,409,090)	(26,962,213)	553,123	-2.05%
<b>Total non-operating income</b>	<b>(4,517,015)</b>	<b>(2,483,365)</b>	<b>(2,033,650)</b>	<b>81.89%</b>	<b>(20,371,347)</b>	<b>(22,341,559)</b>	<b>1,970,211</b>	<b>-8.82%</b>
<b>Operating and non-operating income \$</b>	<b>5,647,655</b>	<b>\$ 3,211,468</b>	<b>2,436,187</b>	<b>75.86%</b>	<b>\$ 39,552,939</b>	<b>\$ 783,472</b>	<b>38,769,466</b>	<b>4948.42%</b>

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

	Month of Jan		Seven months to date		Variance
	2020	2021	2019-20	2020-21	
<b><u>NEWBORN STATISTICS</u></b>					
Medi-Cal Admissions	37	37	321	314	(7)
Other Admissions	108	81	787	674	(113)
Total Admissions	145	118	1,108	988	(120)
Medi-Cal Patient Days	59	56	519	468	(51)
Other Patient Days	171	150	1,353	1,089	(264)
Total Patient Days of Care	230	206	1,872	1,557	(315)
Average Daily Census	7.4	6.6	8.7	7.2	(1.5)
Medi-Cal Average Days	1.6	1.5	1.7	1.6	(0.2)
Other Average Days	0.9	1.9	1.7	1.6	(0.1)
Total Average Days Stay	1.6	1.8	1.7	1.6	(0.1)
<b><u>ADULTS &amp; PEDIATRICS</u></b>					
Medicare Admissions	466	351	2,778	2,262	(516)
Medi-Cal Admissions	295	251	1,803	1,671	(132)
Other Admissions	423	277	2,326	1,976	(350)
Total Admissions	1,184	879	6,907	5,909	(998)
Medicare Patient Days	2,001	1,819	12,232	1,344	(10,888)
Medi-Cal Patient Days	1,063	1,166	7,695	1,048	(6,647)
Other Patient Days	1,021	1,292	7,157	23,887	16,730
Total Patient Days of Care	4,085	4,277	27,084	26,279	(805)
Average Daily Census	131.8	138.0	126.0	122.2	(3.7)
Medicare Average Length of Stay	4.3	5.0	4.4	0.6	(3.8)
Medi-Cal Average Length of Stay	3.6	3.6	3.7	0.5	(3.1)
Other Average Length of Stay	2.4	4.0	2.3	9.1	6.8
Total Average Length of Stay	3.5	4.2	3.4	3.8	0.4
Deaths	25	97	189	284	95
Total Patient Days	4,315	4,483	28,956	27,836	(1,120)
Medi-Cal Administrative Days	4	8	52	164	112
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	4	8	52	164	112
Percent Non-Acute	0.09%	0.18%	0.18%	0.59%	0.41%



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

	<u>Month of Jan</u>		<u>Seven months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2019-20</u>	<u>2020-21</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	323	292	2,012	1,786	(226)
Heart Center	378	360	2,464	2,406	(58)
Monitored Beds	959	888	6,410	6,302	(108)
Single Room Maternity/Obstetrics	356	315	3,013	2,457	(556)
Med/Surg - Cardiovascular	843	905	5,445	5,252	(193)
Med/Surg - Oncology	303	304	1,789	1,335	(454)
Med/Surg - Rehab	483	574	2,991	3,065	74
Pediatrics	45	172	778	609	(169)
Nursery	230	206	1,872	1,557	(315)
Neonatal Intensive Care	68	72	781	889	108
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	80.15%	72.46%	71.99%	63.90%	
Heart Center	81.29%	77.42%	76.40%	74.60%	
Monitored Beds	114.58%	106.09%	110.42%	108.56%	
Single Room Maternity/Obstetrics	31.04%	27.46%	37.88%	30.89%	
Med/Surg - Cardiovascular	60.43%	64.87%	56.28%	54.28%	
Med/Surg - Oncology	75.19%	75.43%	64.01%	47.76%	
Med/Surg - Rehab	59.93%	71.22%	53.51%	54.83%	
Med/Surg - Observation Care Unit	0.00%	74.95%	0.00%	59.59%	
Pediatrics	8.06%	30.82%	20.10%	15.74%	
Nursery	44.97%	40.27%	26.38%	21.95%	
Neonatal Intensive Care	19.94%	21.11%	33.02%	37.59%	

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

	<u>Month of Jan</u>		<u>Seven months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2019-20</u>	<u>2020-21</u>	
<b><u>DELIVERY ROOM</u></b>					
Total deliveries	142	114	1,097	975	(122)
C-Section deliveries	41	36	352	292	(60)
Percent of C-section deliveries	28.87%	31.58%	32.09%	29.95%	-2.14%
<b><u>OPERATING ROOM</u></b>					
In-Patient Operating Minutes	23,473	15,342	161,105	143,526	(17,579)
Out-Patient Operating Minutes	25,848	10,849	191,311	154,560	(36,751)
Total	49,321	26,191	352,416	298,086	(54,330)
Open Heart Surgeries	8	11	82	83	1
In-Patient Cases	181	115	1,205	992	(213)
Out-Patient Cases	273	117	2,005	1,702	(303)
<b><u>EMERGENCY ROOM</u></b>					
Immediate Life Saving	43	43	225	234	9
High Risk	728	570	4,486	3,650	(836)
More Than One Resource	2,807	2,170	19,350	14,872	(4,478)
One Resource	1,829	950	10,778	9,394	(1,384)
No Resources	64	31	350	278	(72)
Total	<u>5,471</u>	<u>3,764</u>	<u>35,189</u>	<u>28,428</u>	<u>(6,761)</u>

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

	Month of Jan		Seven months to date		Variance
	2020	2021	2019-20	2020-21	
<b>CENTRAL SUPPLY</b>					
In-patient requisitions	15,586	16,315	108,545	102,118	-6,427
Out-patient requisitions	10,231	6,250	74,281	67,967	-6,314
Emergency room requisitions	3,383	1,375	22,719	11,273	-11,446
Interdepartmental requisitions	7,328	7,849	50,998	49,644	-1,354
Total requisitions	<u>36,528</u>	<u>31,789</u>	<u>256,543</u>	<u>231,002</u>	<u>-25,541</u>
<b>LABORATORY</b>					
In-patient procedures	38,736	42,107	249,350	253,735	4,385
Out-patient procedures	10,642	9,286	74,295	76,062	1,767
Emergency room procedures	11,318	9,433	73,541	60,934	-12,607
Total patient procedures	<u>60,696</u>	<u>60,826</u>	<u>397,186</u>	<u>390,731</u>	<u>-6,455</u>
<b>BLOOD BANK</b>					
Units processed	<u>313</u>	<u>318</u>	<u>2,014</u>	<u>1,996</u>	<u>-18</u>
<b>ELECTROCARDIOLOGY</b>					
In-patient procedures	1,140	1,041	7,491	6,566	-925
Out-patient procedures	522	349	3,414	2,706	-708
Emergency room procedures	1,044	1,045	6,901	6,142	-759
Total procedures	<u>2,706</u>	<u>2,435</u>	<u>17,806</u>	<u>15,414</u>	<u>-2,392</u>
<b>CATH LAB</b>					
In-patient procedures	85	64	588	512	-76
Out-patient procedures	77	51	608	571	-37
Emergency room procedures	0	0	0	1	1
Total procedures	<u>162</u>	<u>115</u>	<u>1,196</u>	<u>1,084</u>	<u>-112</u>
<b>ECHO-CARDIOLOGY</b>					
In-patient studies	359	298	2,158	2,033	-125
Out-patient studies	232	138	1,458	1,262	-196
Emergency room studies	3	2	11	16	5
Total studies	<u>594</u>	<u>438</u>	<u>3,627</u>	<u>3,311</u>	<u>-316</u>
<b>NEURODIAGNOSTIC</b>					
In-patient procedures	174	140	1,257	1,109	-148
Out-patient procedures	33	24	159	169	10
Emergency room procedures	0	0	1	0	-1
Total procedures	<u>207</u>	<u>164</u>	<u>1,417</u>	<u>1,278</u>	<u>-139</u>

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

	Month of Jan		Seven months to date		Variance
	2020	2021	2019-20	2020-21	
<b>SLEEP CENTER</b>					
In-patient procedures	0	0	0	1	1
Out-patient procedures	208	183	1,480	1,315	-165
Emergency room procedures	0	0	0	0	0
<b>Total procedures</b>	<b>208</b>	<b>183</b>	<b>1,480</b>	<b>1,316</b>	<b>-164</b>
<b>RADIOLOGY</b>					
In-patient procedures	1,478	1,654	9,385	9,708	323
Out-patient procedures	488	416	3,082	4,323	1,241
Emergency room procedures	1,548	1,217	10,299	7,939	-2,360
<b>Total patient procedures</b>	<b>3,514</b>	<b>3,287</b>	<b>22,766</b>	<b>21,970</b>	<b>-796</b>
<b>MAGNETIC RESONANCE IMAGING</b>					
In-patient procedures	151	105	997	860	-137
Out-patient procedures	75	127	598	953	355
Emergency room procedures	6	14	83	80	-3
<b>Total procedures</b>	<b>232</b>	<b>246</b>	<b>1,678</b>	<b>1,893</b>	<b>215</b>
<b>MAMMOGRAPHY CENTER</b>					
In-patient procedures	3,616	2,718	26,576	20,910	-5,666
Out-patient procedures	3,615	2,696	26,475	20,790	-5,685
Emergency room procedures	0	3	7	3	-4
<b>Total procedures</b>	<b>7,231</b>	<b>5,417</b>	<b>53,058</b>	<b>41,703</b>	<b>-11,355</b>
<b>NUCLEAR MEDICINE</b>					
In-patient procedures	24	12	144	86	-58
Out-patient procedures	78	61	607	506	-101
Emergency room procedures	0	1	3	4	1
<b>Total procedures</b>	<b>102</b>	<b>74</b>	<b>754</b>	<b>596</b>	<b>-158</b>
<b>PHARMACY</b>					
In-patient prescriptions	96,294	111,491	640,547	636,356	-4,191
Out-patient prescriptions	16,474	10,439	116,224	99,978	-16,246
Emergency room prescriptions	9,219	5,342	55,615	36,983	-18,632
<b>Total prescriptions</b>	<b>121,987</b>	<b>127,272</b>	<b>812,386</b>	<b>773,317</b>	<b>-39,069</b>
<b>RESPIRATORY THERAPY</b>					
In-patient treatments	17,676	29,606	110,102	156,457	46,355
Out-patient treatments	124	143	3,967	3,391	-576
Emergency room treatments	555	373	2,938	1,179	-1,759
<b>Total patient treatments</b>	<b>18,355</b>	<b>30,122</b>	<b>117,007</b>	<b>161,027</b>	<b>44,020</b>
<b>PHYSICAL THERAPY</b>					
In-patient treatments	2,699	2,256	17,716	16,109	-1,607
Out-patient treatments	224	99	1,948	1,751	-197
Emergency room treatments	0	0	0	0	0
<b>Total treatments</b>	<b>2,923</b>	<b>2,355</b>	<b>19,664</b>	<b>17,860</b>	<b>-1,804</b>

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

	Month of Jan		Seven months to date		Variance
	2020	2021	2019-20	2020-21	
<b>OCCUPATIONAL THERAPY</b>					
In-patient procedures	1,837	1,445	10,359	9,403	-956
Out-patient procedures	91	74	903	797	-106
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,928</u>	<u>1,519</u>	<u>11,262</u>	<u>10,200</u>	<u>-1,062</u>
<b>SPEECH THERAPY</b>					
In-patient treatments	397	348	2,622	2,682	60
Out-patient treatments	27	23	175	171	-4
Emergency room treatments	0	0	2	0	-2
Total treatments	<u>424</u>	<u>371</u>	<u>2,799</u>	<u>2,853</u>	<u>54</u>
<b>CARDIAC REHABILITATION</b>					
In-patient treatments	0	0	0	0	0
Out-patient treatments	519	498	3,386	2,637	-749
Emergency room treatments	0	0	0	1	1
Total treatments	<u>519</u>	<u>498</u>	<u>3,386</u>	<u>2,638</u>	<u>-748</u>
<b>CRITICAL DECISION UNIT</b>					
Observation hours	<u>396</u>	<u>378</u>	<u>2,188</u>	<u>1,866</u>	<u>-322</u>
<b>ENDOSCOPY</b>					
In-patient procedures	108	85	662	626	-36
Out-patient procedures	35	12	214	159	-55
Emergency room procedures	0	0	0	0	0
Total procedures	<u>143</u>	<u>97</u>	<u>876</u>	<u>785</u>	<u>-91</u>
<b>C.T. SCAN</b>					
In-patient procedures	671	537	4,614	3,803	-811
Out-patient procedures	239	445	1,882	3,598	1,716
Emergency room procedures	619	433	4,453	3,208	-1,245
Total procedures	<u>1,529</u>	<u>1,415</u>	<u>10,949</u>	<u>10,609</u>	<u>-340</u>
<b>DIETARY</b>					
Routine patient diets	21,185	17,554	142,568	113,154	-29,414
Meals to personnel	26,732	19,345	177,547	144,216	-33,331
Total diets and meals	<u>47,917</u>	<u>36,899</u>	<u>320,115</u>	<u>257,370</u>	<u>-62,745</u>
<b>LAUNDRY AND LINEN</b>					
Total pounds laundered	<u>107,963</u>	<u>99,573</u>	<u>926,892</u>	<u>710,088</u>	<u>-216,804</u>

# *PUBLIC INPUT*

*NO CLOSED SESSION*

*ADJOURNMENT – THE MARCH 2021  
PERSONNEL, PENSION AND  
INVESTMENT COMMITTEE MEETING  
IS SCHEDULED FOR TUESDAY,  
MARCH 23, 2021, AT 12:00 P.M.*