



BOARD OF DIRECTORS' MEETING
AGENDA
 THURSDAY, **SEPTEMBER 1, 2016**
REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
 177 First Street West, Sonoma, CA

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk, Gigi Betta at (707) 935.5004/5 at least 48 hours prior to the meeting.	RECOMMENDATION	
AGENDA ITEM		
MISSION STATEMENT The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER .	Hirsch	
2. PUBLIC COMMENT SECTION	Hirsch	
3. CONSENT CALENDAR A. Special Board Minutes 8.15.16 B. Board Minutes 8.4.16 C. FC Minutes 7.26.16 D. QC Minutes 7.27.16 E. GC No Minutes F. Policy IC7471-114 & PC7420-107 Surgical Services G. Multiple Policies June 2016 H. MEC Credentialing Report 8.18.16	Hirsch	Action
4. REPORT ON SPECIAL BOARD SESSION, AUG. 15, 2016 A. Resolution No.329 Acquisition of 851-853 Fourth Street West, Sonoma, CA B. Revision to Board Minutes 6.2.16	Hirsch	Inform/Action
5. MARKETING AND COMMUNITY RELATIONS REPORT	Kenney/ Kruse de la Rosa	Inform
6. OVERVIEW OF QUALITY ACTIVITIES	Lovejoy	Inform/Action
7. REVIEW OF PRIME GRANT	Lovejoy	Inform/Action
8. McKESSON REMOTE HOST CONTRACT	Sendaydiego	Inform/Action
9. 1206b BUDGET BENEFITS AND BUDGET	Jensen	Action

10. FINANCIAL REPORT FOR MONTH ENDING JULY 31, 2016	Jensen	Inform
11. ADMINISTRATIVE REPORT FOR AUGUST 2016	Mather	Inform
12. COMMITTEE REPORTS	Hohorst	Inform/Action
13. BOARD COMMENTS	Board Members	Inform
14. ADJOURN	Hirsch	

3.

CONSENT



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS**

MINUTES

SPECIAL CALL-IN SESSION

Monday, August 15, 2016, 9:30am

Conference calls will take place from following locations:

- 347 Andrieux St, Sonoma CA 95476
- 320 Davila Court, Sonoma CA 95476
- 31 Second Street East, Sonoma CA 95476
- 20580 Palmer Ave., Sonoma CA 95476
- 124000 Wolf Run, Glen Ellen, CA 95442
- Linden Ave, Carpinteria, CA

CONFERENCE CALL-IN INFORMATION

1-866 228-9900, Code: 294221#

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AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER Meeting called to order at 9:30am. All Board Members and Kelly Mather, CEO were in attendance.	Hirsch	
2. PUBLIC COMMENT	Hirsch	
3. RESOLUTION 329 ACQUISITION OF 851 AND 853 FOURTH STREET WEST, SONOMA, CA 95476	Hirsch	Action
		MOTION by Hohorst to approve Res. 329 and 2 nd by Boerum. All in favor.
4. REVISION OF SVHCD BOARD MEETING MINUTES FROM JUNE 2, 2016	Hirsch	Action
Under Agenda Item 12 <u>South Lot Option to Purchase and CEO Authorization to Sign</u> , the following revisions were made: The South Lot Committee recommends establishing an entity to exercise the option to purchase the South Lot before 8.29.16 and the negotiation of a \$1.8 \$2.0 million loan. It is further recommended that the Ms. Mather, CEO be authorized to establish an entity to secure the proposed loan and also be authorized to sign the necessary loan documents.	Hirsch	MOTION by Hohorst to approve revision and 2 nd by Boerum. All in favor.
5. ADJOURN Meeting adjourned at 9:40am	Hirsch	



BOARD OF DIRECTORS' MEETING

MINUTES

THURSDAY, AUGUST 4, 2016

CLOSED SESSION 5:00 P.M.

REGULAR SESSION 6:00 P.M.

	RECOMMENDATION	
MISSION STATEMENT The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.		
1. CALL TO ORDER	Hirsch	
2. PUBLIC COMMENT ON CLOSED SESSION	Hirsch	
3. CLOSED SESSION <u>Calif. Government Code & Health and Safety Code § 32106-</u> Trade secrets regarding business strategy	Hirsch	
4. REPORT OF CLOSED SESSION No report of Closed Session	Hirsch	Action
5. PUBLIC COMMENT SECTION In attendance was Community Member Brian Johnson.	Hirsch	
6. CONSENT CALENDAR A. Board Minutes 6.2.16 B. FC Minutes 6.28.16 C. QC Minutes 6.22.16 D. Policy & Procedures E. MEC Credentialing Report 7.21.16	Hirsch	Action
Policy #IM8480-07 Information Systems Cyber Attack was not approved and will be returned to QC for additional detail. There were minor corrections to both the FC Minutes 6.28.16 and the Active Shooter/Code Silver policy (both approved as amended).		MOTION by Rymer to approve all but #IM8480-07 and 2 nd by Boerum. All in favor.
		Bring Policy #M8480-07 back to QC 8.24.16
7. HOSPICE BY THE BAY PRESENTATION Hospice by the Bay was founded in 1975 and was the first hospice in California and the second in the United States. In addition to history and background, Ms. Whitaker, CEO addressed its financial status and metrics, service areas, family satisfaction and presence in Sonoma County. She also spoke to the Affiliation with UCSF and Palliative Care Collaboration (Pilot) with UCSF and Blue Shield.	Kitty Whitaker	Inform
8. CHIEF OF STAFF REPORT Dr. Chamberlin gave his quarterly report presenting on the Performance Improvement Committee progress, timely physician documentation, pediatric surgery guidelines, medical staff dues increase, restructuring of the medical provider onboarding process and the Quarterly Joint Conference Committee.	Chamberlin	Inform

9 MCKESSON EHR REMOTE HOSTING CONTRACT	Sendaydiego	Inform
The McKesson Contract was removed from the Agenda and will be brought back to the Board for approval after revision.		
10. FINANCIAL REPORT MONTH ENDING JUNE 30, 2016	Jensen	Inform
After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for June was (\$264,615) vs. a budgeted net loss of (\$194,334). The total net loss for June after all activity was (\$132,927) vs. a budgeted net loss of (\$9,795). EBIDA for the month of June was 1.1% vs. the budgeted 2.9%.		
11. ADMINISTRATIVE REPORT FOR JULY 2016	Mather	Inform
The inpatient and emergency satisfaction results continue to be inconsistent, but we met the goal for May. We ended 2015 at the 90 th percentile for the Value Based Purchasing score quality measure. A few members of the administrative team are meeting next week to develop an organization wide quality goal. The conversations about salaries seem to have gone well. We met the EBIDA goal for FY 2016, which is very positive. However, expenses have been running much higher than budgeted due to many medical leave of absences and increased physician costs. Mr. Boerum brought a Facebook posting to the attention of the Board and proposed additional discussion on capacity utilization.		
12. GOVERNANCE COMMITTEE REPORTS	Hohorst	Action
1) Proposed revision SVHCD Conflict of Interest Code 2) Proposed revision SVHCD District By-law		MOTION by Hohorst to approve 1 & 2 and 2 nd by Boerum. All in favor.
13. BOARD COMMENTS	Board Members	Inform
Ms. Nevins congratulated Sonoma Valley Hospital on receiving the CMS awarded noting that Moody was very impressed with the 4-star rating. Jennie Chin Hansen Senior Strategic Advisor and Immediate Past CEO of the American Geriatrics Society will present at the SVHCD Board meeting on November 3, 2016.		
14. ADJOURN	Hirsch	



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, July 26, 2016
Schantz Conference Room

Present	Excused	Staff	Public
Sharon Nevins, Chair Peter Hohorst Susan Porth Steve Barclay S. Mishra, MD (by phone) Keith Chamberlin, MD (by phone)	Stephen Berezin Dick Fogg	Ken Jensen Gigi Betta Jeannette Tarver Fe Sendaydiego Kelly Mather	Sam McCandless

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>			
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>		
	Meeting called to order at 5:00p.m.		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
No public comment.			
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
FC Minutes 06.28.16		MOTION by Hohorst to approve Consent and 2 nd by Porth. All in favor.	
4. IT OUTSOURCING PROPOSAL	<i>Jensen</i>	Action	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Jensen recommended that the Hospital's IT system be moved offsite and that a 5-year contract with McKesson be executed. This recommendation will be brought forward to the District Board meeting on August 4, 2016.	RECOMMENDATION by Hohorst to move the Hospital's IT system offsite. All in favor to bring forward to the Board on 8.4.16.	
5. Q4 CAPITAL SPENDING REPORT	<i>Tarver</i>	Inform/Action	
	Ms. Tarver presented the capital spending as of June 30, 2016. Included were FY15 carry overs, FY16 budget requests and construction in progress.		
6. FINANCE REPORT MONTH ENDING JUNE 30, 2016 AND PRELIMINARY PRE-AUDIT YEAR END FINANCIALS	<i>Jensen</i>	Inform	
	After accounting for all income and expenses not including Restricted Contributions and GO bond activity, the net loss for June was (\$264,615) vs. a budgeted net loss of (\$194,334). The total net loss for June after all activity was (\$132,927) vs. a budgeted net loss of (\$9,795). EBIDA for the month of June was 1.1% vs. the budgeted 2.9%.		
7. ROLLING CASH EXPECTATIONS	<i>Jensen</i>	Inform/Action	
	The rolling cash expectations or weekly forecast of cash position will be sent to the Finance Committee on a weekly basis.		
8. ADMINISTRATIVE REPORT JULY 2016	Mather	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>The new Rolling Strategic Plan and Fiscal-year 2016 Budget have been approved by the District Board. Both have been uploaded to the internet at www.svh.com in addition to being distributed to the Hospital's mail list. Cash on hand has been a major issue this past month and we have made some short term expense reductions to help improve it.</p> <p>SVH will submit metrics for The Leapfrog Survey in September 2016 and annually thereafter. The survey assesses hospital safety, quality, and efficiency based on national performance measures that are of interest to consumers. The measures also provide hospitals with the opportunity to improve the safety, quality, and efficiency of the care they deliver.</p> <p>The 2016 Parcel Tax will be discussed at the next Board meeting on August 4, 2016.</p> <p>Mr. Jensen gave an update on the \$1.5M PRIME grant. The grant is nonrestrictive as long as annual metrics are being met.</p>		
9. ADJOURN	Nevins		
Next meeting August 23, 2016	Adjourned at 6:00pm		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE**

MINUTES

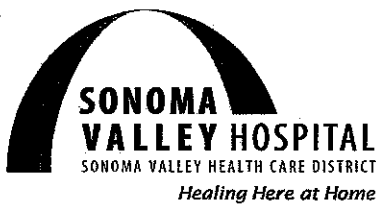
**Wednesday, July 27, 2016
Schantz Conference Room**

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Michael Mainardi, MD Kelsey Woodward Susan Idell Carol Snyder	Brian Sebastian, MD Howard Eisenstark, MD Ingrid Sheets Joshua Rymer Cathy Webber		Leslie Lovejoy Gigi Betta Robbie Cohen, MD

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>	
	The meeting was called to order at 5:00pm	
2. PUBLIC COMMENT	<i>Hirsch</i>	
	No public comment.	
3. CONSENT CALENDAR	<i>Hirsch</i>	Action
QC Minutes, 6.22.16		MOTION by Eisenstark and 2 nd by Idell. All in favor.
4. ANNUAL RISK MANAGEMENT REPORT	<i>Lovejoy</i>	Inform
	<p>Ms. Lovejoy shared the Risk Management report which focuses on strategies to minimize adverse effects and potential losses to the Hospital.</p> <p>FY16 was mixed year in terms of mediating risk and meeting risk reduction. Detailed in the report were FY16 goals and risk reduction strategies as well as the goals and strategies for next fiscal year.</p> <p>Ms Lovejoy also reviewed the claims history from 2010-15, analysis of adverse events, patients relations summary and Good Catch summary,</p>	This report was noticed as an <i>Inform</i> item therefore no action could be taken. The report will be brought forward to the August 24, 2016 meeting for approval under the Consent Calendar.
5. POLICY & PROCEDURES	<i>Lovejoy</i>	Action

AGENDA ITEM	DISCUSSION	ACTION
<ul style="list-style-type: none"> IS Department #IM8480-07 HR Department #HR8610-143 Multiple Organizational #CE8610-147 	Dr. Eisenstark's requested that IS Department policy #IM8480-07 be returned to the IS Department manager for revision and additional details.	MOTION by Rymer to approve all but #IM8480-07 and 2 nd by Eisenstark. All in favor.
6. QUALITY REPORT JULY 2016	<i>Lovejoy</i>	Inform/Action
	<p>Ms. Lovejoy clarified the PRIME grant structure and action plan. The grant does not have to be <i>matched</i> but the Hospital does need to establish an IGT and <i>fund it</i> up front. It's a non restrictive grant provided metrics are met.</p> <p>Other July 2016 priorities included CLIA Licensing Survey, COV selection and personnel changes in the Quality Department.</p> <p>The Prime Grant will be presented to the Board as information only on 9.1.16.</p>	MOTION by to approve Idell and 2 nd by Eisenstark. All in favor.
7. CLOSING COMMENTS/ANNOUNCEMENTS	<i>Hirsch</i>	
8. ADJOURN	<i>Hirsch</i>	
9. UPON ADJOURNMENT OF REGULAR SESSION	<i>Hirsch</i>	
10. CLOSED SESSION: <u>Calif. Health & Safety Code § 32155</u> Medical Staff Credentialing & Peer Review Report	<i>Sebastian</i>	Action
11. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Inform/Action
12. ADJOURNMENT AND ANNOUNCEMENTS	<i>Hirsch</i>	
	<p>Meeting adjourned at 6:010pm.</p> <p>In lieu of the Regular Quality Committee meeting on October 26, 2016, there will be a presentation by Dr. Rory Jaffe, Medical Director at the California</p>	

AGENDA ITEM	DISCUSSION	ACTION
	Hospital Patient Safety Organization. His presentation will be preceded by a short reception in the SVH Basement Conference Room beginning at 5:00pm.	



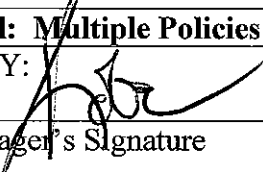
Policy and Procedure - Approvals Signature Page

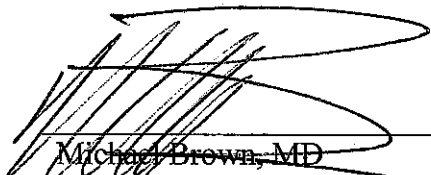
Review and Approval Requirements

The SVH departmental/organizational policies and/or procedures on the attached list have been reviewed and approved by the following organizational leaders for meeting all of the following criteria. All of these policies and procedures are:

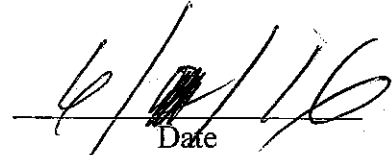
- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

We recommend their acceptance by the Quality Committee and that the Quality Committee forward them to the Sonoma Valley Health Care District Board with a recommendation to approve.


Organizational: Multiple Policies June List 2016	
APPROVED BY: 	DATE: 5-22-16
Director's/Manager's Signature	Printed Name Mark Kobe, RN MPA




Michael Brown, MD
Chair Surgery Committee



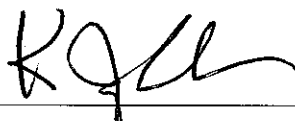
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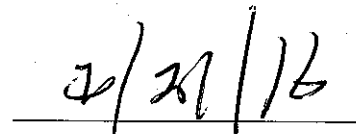
Douglas S Campbell, MD
Chair Medicine Committee



Date



Keith J. Chamberlin, MD MBA
President of Medical Staff



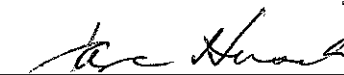
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Kelly Malher
Chief Executive Officer



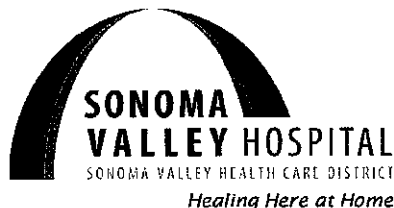
Date



Jane Hirsch
Chair, Board of Directors



Date



Policy Submission Summary Sheet

Title of Document: **Organizational Policies**

New Document or Revision written by: **Multiple June List**

Date of Document: **5-18-16**

Type: <input checked="" type="checkbox"/> Revision <input checked="" type="checkbox"/> New Policy	Regulatory: <input checked="" type="checkbox"/> CIHQ <input checked="" type="checkbox"/> CMS <input checked="" type="checkbox"/> CDPH <input type="checkbox"/> Other:
Organizational: <input checked="" type="checkbox"/> Clinical <input checked="" type="checkbox"/> Non-Clinical	<input type="checkbox"/> Departmental <input type="checkbox"/> Interdepartmental (list departments effected)

Please briefly state changes to existing document/form or overview of new document/form here:
 (include reason for change(s) or new document/form)

PR8610-103 Aid in Dying - New Policy addressing the hospital's response to California End of Life Option Act.

PC8610-109 Autotransfusion Protocol – New Policy

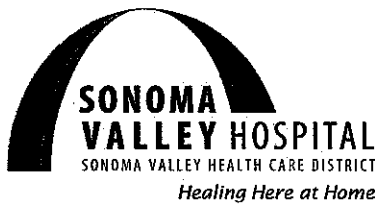
QS860-106 Code Management for Patient Emergency - Code Blue - Revised; Code Blue to be announced in the all areas including ED; updated ED response protocol The operator will announce Code Blue and location on the overhead paging system three (3) times in succession, ten (10) seconds apart; Code Blues will not be announced overhead for codes occurring in the Emergency Department.

GL8610-126 Code of Conduct - Revised; changed reporting format to E-Notification on policy and form.
Code of Conduct Form – Reviewed, no changes

GL8610-136 Conflict Management - Revised; added to align with District Board policy; In the event of a conflict between the Medical Staff and the District Board and or Administration that cannot be resolved informally, the conflict resolution process described in section 14.6 of the Medical Staff By-Laws shall be followed. Outlines the process according to Section 14.6 of the By-Laws.

MM8610-105 Malignant Hyperthermia, Management of the Patient with - Revised; Deleted Sterile Water 1L bags, tubing, and stockcock from Contents list; Added Sterile Water 100ml vials x12, added locations for insulin vials, increased number of alcohol pads and mini-spikes to 30 each

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	5/17/2016	Yes	
Surgery Committee	6/01/2016	Yes	Mark Kobe to present
Medicine Committee	6/09/2016	Yes	Chris/Mark to present
P.J. or P.T. Committee	n/a		
Medical Executive Committee	6/16/2016	Yes	
Board Quality	8/24/2016	Yes	
Board of Directors	9/01/2016		




Policy and Procedure - Approvals Signature Page

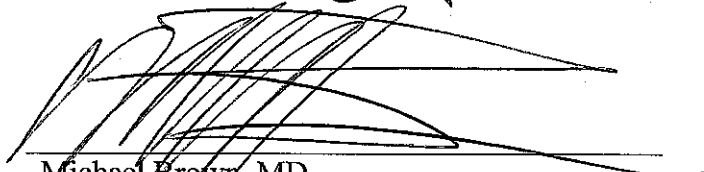
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- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

We recommend their acceptance by the Quality Committee and that the Quality Committee forward them to the Sonoma Valley Health Care District Board with a recommendation to approve.

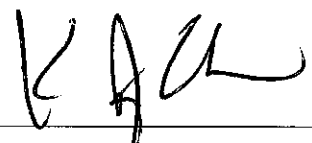
Departmental: Surgical Services IC7471-114 Flexible Endoscopes Reprocessing of, PC7420-107 Attire and Traffic in the Operating Room	
APPROVED BY:	DATE:
Director of Surgical Services	5-22-16
Director's/Manager's Signature	Printed Name
	Allan Sendaydiego, RN BSN


Michael Brown, MD
Chair Surgery Committee

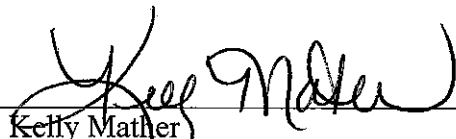
7/26/16
Date


Douglas S Campbell, MD
Chair Medicine Committee

6/9/16
Date


Keith J. Chamberlin, MD MBA
President of Medical Staff

2/21/16
Date


Kelly Mather
Chief Executive Officer

7/21/16
Date


Jane Hirsch
Chair, Board of Directors

7/27/16
Date



Policy Submission Summary Sheet

Title of Document: **Organizational Policies**

New Document or Revision written by: **Multiple – May List**

Date of Document: **5-18-16**

Type: <input checked="" type="checkbox"/> Revision <input type="checkbox"/> New Policy	Regulatory: <input checked="" type="checkbox"/> CIHQ <input checked="" type="checkbox"/> CMS <input checked="" type="checkbox"/> CDPH <input type="checkbox"/> Other:
Organizational: <input checked="" type="checkbox"/> Clinical <input checked="" type="checkbox"/> Non-Clinical	<input checked="" type="checkbox"/> Departmental <input type="checkbox"/> Interdepartmental (list departments effected)

Please briefly state changes to existing document/form or overview of new document/form here:
 (include reason for change(s) or new document/form)

IC7471-114 Flexible Endoscopes, Reprocessing of – Revised; added instructions that Scope Buddy to be left full of decontamination fluid or clean rise water - never to left air-purged and stored empty between use.

PC7420-107 Attire and Traffic in the Operating Room – Revised; added surgical masks should be replaced for each procedure; masks to be removed and discarded when leaving Surgery Department and Surgery Care Unit areas.

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	5/17/2016	Yes	
Surgery Committee	6/01/2016	Yes	Allan to present
Medicine Committee	6/09/2016	Yes	Allan to present
P.I. or P. T. Committee	n/a		
Medical Executive Committee	6/16/2016	Yes	
Board Quality	6/22/16	No	Not agendized
Board of Directors	7/7/16	No	Not agendized
Board Quality	8/24/2016	Yes	
Board of Directors	9/01/2016	Yes	



SUBJECT: Flexible Endoscopes, Reprocessing of

POLICY # IC7471-114

DEPARTMENT: Central Sterile

PAGE 1 of 3

EFFECTIVE: 2/96

APPROVED BY: Director of Surgical Services

REVISED: 8/01, 9/06, 8/13,
5/16

Purpose:

To prevent disease transmission through use of flexible endoscopy equipment

Policy:

Flexible endoscopes will be manually cleaned in the reprocessing room and placed in the Medivator DSD-201 endoscope reprocessor for decontamination and high level disinfection following each use.

Procedure:

1. Immediately after procedure is complete, wipe down insertion tube and distal tip with disinfectant. With tip in enzyme solution, suction appropriate amount of fluid through scope until suction tubing is clear. Turn off light source/processor, air/water bottle, and suction tubing from light guide.
2. Disconnect scope from processor and then cap EVE (camera) connector, and place in transport container and carry to reprocessing room in a covered container or bag.
3. Materials/equipment needed in the reprocessing room:
 - Personal protective equipment (gloves, gown, facemask, eyewear).
 - Sink of enzymatic solution prepared according to manufacturer's directions
 - Channel cleaning brushes
 - Lint free wash cloth
4. In reprocessing room, scope is removed from transport container and bag to do macro leak test. Look for major leaks, (rapid drop in pressure). If this occurs, **discontinue reprocessing and call for technical assistance.**
5. Place scope in enzymatic cleaning solution and check for micro leaks while leaving leak tester attached to scope. Do not submerge leak tester. If no leaks are found, disconnect leak tester after lifting connector out of the solution and continue reprocessing.
6. Air/water suction and channel suction valves (if applicable) are removed and cleaned.
7. Brush suction valve housing and biopsy port housing, then pass channel brush from control section to suction barb inlet, to* biopsy port inlet, and then to distal tip (1, 2, 3 method). NOTE: use triple pulsating technique as you work brush through scope. *To be brushed with a 1 ½" cleaning brush.
8. Scopes are then flushed with a power flush (Scope Buddy®). Scopes are placed into the Medivator CER-2 reprocessor so that they will be completely submerged and cleaning lines are attached at the proximal suction and air/water connectors, and the water jet channel.
8. If the "Scope Buddy" was unused for an extended period of time such as overnight or over the weekend, it should be left full of decontamination fluid or clean rinse water. This



SUBJECT: Flexible Endoscopes, Reprocessing of

POLICY # IC7471-114

DEPARTMENT: Central Sterile

PAGE 2 of 3

EFFECTIVE: 2/96

APPROVED BY: Director of Surgical Services

REVISED: 8/01, 9/06, 8/13,
5/16

maintains the pump head decontamination, lubrication, and facilitated priming. The "Scope Buddy" should never be left air-purged and stored empty between use.

9. Test the disinfectant concentration, determine if disinfectant meets minimum effective concentration (MEC) and log results. Replace disinfectant if beyond reuse life date or below MEC.
10. Load endoscope and attach appropriate endoscope hook-up to endoscope. For DSD-201 machines, attach all channel hook-ups before loading the second endoscope. Verify tubing is not kinked or pinched.

Run the Reprocessing Cycle

1. Place floating lid on the basin. Verify endoscope or hookup does not contact floating lid and close reprocessor lid.
2. Test HLD with test strips to confirm potency.
3. Press Station Select and choose Station A or B
4. Press ID DATA button and enter ID data (if applicable): serial number, operator ID, patient ID, physician ID
5. Select disinfection program and press START
6. DSD Prompts: LCG Test Pass? "PRESS ENTER," if test strip passed. Press "CANCEL" if failed; dump and replace HLD.
7. Verify fluid flows through hookups, endoscope channels and from distal end and that there are no leaks.
8. Complete the Reprocessing Cycle
9. Open reprocessor lid when LCD Screen displays "Completed". Confirm endoscope ID number on print out is correct, and "Completed" is documented.
10. Remove floating lid, disconnect hookup and remove endoscope. If any hookup component connection is loose or disconnected during the cycle, endoscope must be reprocessed.
11. Store hookup and reprocessed endoscope with all removable parts detached.

End of Day Shutdown

Close incoming water line

Sanitize upper basins and basin lids with an EPA-registered sanitizer

To empty and Refill High-Level Disinfectant (HLD), Detergent and Alcohol

1. Amount of HLD required: 4 gallons
2. Load disinfectant from basin or internal transfer pump
3. Disinfection cycle count (set-up 16) cycle warning/override (Set-up 7)
4. Draining HLD (dump) automatically or with internal transfer pump
5. Cleaning of disinfectant reservoir tank with lint-free cloth and water
6. Replacing disinfectant filters - at every disinfectant dump/load procedure



SUBJECT: Flexible Endoscopes, Reprocessing of

POLICY # IC7471-114

DEPARTMENT: Central Sterile

PAGE 3 of 3

EFFECTIVE: 2/96

APPROVED BY: Director of Surgical Services

REVISED: 8/01, 9/06, 8/13,
5/16

7. Perform a Set-up 16 to verify cycle count has reset to zero. Clearing cycle count (Set-up 11)
8. Load detergent and alcohol (if applicable)

Daily Maintenance

1. Check and refill detergent reservoir if used
2. Clean detergent reservoir if using diluted solution
3. Refill alcohol reservoir if necessary
4. Wipe basins with lint-free cloth
5. Drain condensation from air tank (pull ring on tank)

Weekly Maintenance

Lubricate the connector O-ring in the leak test hookup with silicone oil

References:

Medivator Reprocessing Systems DSD-201 Endoscope Reprocessor User/Service Manual
Standards of Infection Control in Reprocessing of Flexible Endoscopes. Society of Gastroenterology Nurses and Associates. (2009)

Recommended Practices for Cleaning and Processing Endoscopes and Endoscope Accessories. AORN Standards, Recommended Practices, and Guidelines, 261-267 (2012).



SUBJECT: Attire and Traffic in the Operating Room

POLICY # PC7420-107

DEPARTMENT: Surgery

PAGE 1 of 2

EFFECTIVE: 1997

APPROVED BY: Director of Surgical Services

REVIEW/REVISED: 12/07
8/13, 5/16

Purpose:

To decrease the risk of hospital and medical staff members and visitors serving as potential sources of infection, surgical attire, which includes scrub clothes, hair coverings, masks, protective eyewear, and other protective barriers, is worn to provide a barrier to contamination that may pass from personnel to patient as well from patient to personnel

Policy:

All persons entering the semi-restricted and restricted areas of the surgical suite shall wear attire intended for use only within the surgical suite.

Procedure:

- A. All persons must be attired in a scrub suit provided by the hospital when entering the semi-restricted or restricted areas of the surgical suite. Appropriate attire is laundered by the hospital and made of fabric that meets or exceeds the "standards for the Use of Inhalation Anesthetics" of the National Fire Protection Association.
- B. All head and facial hair shall be covered with a disposable surgical cap or hood provided by the hospital.
- C. Scrub tops should be tucked into pants.
- D. Non-scrubbed personnel should wear long-sleeved jackets that are buttoned or snapped closed during use. This prevents shedding from bare arms.
- E. Clean, single-use, disposable masks should be worn in surgical environments where open sterile supplies or scrubbed persons may be located. Masks should cover both mouth and nose and secured to prevent venting. The string of the tie mask is tightly secured at the top of the head. The bottom string is tightly secured at the nape of the neck. Surgical masks should be replaced for each procedure. Masks should be removed and discarded when leaving the Surgery Department and Surgery Care Unit (SCU).
- F. Shoes that provide protection are worn. Cloth shoes are not recommended since they do not offer protection against spilled liquids or sharp items that may be dropped or kicked. Shoes have enclosed toes and heels to minimize injury. When outside shoes are worn, shoe covers should be worn for sanitation purposes. Shoe covers should be removed when leaving surgery department. They should be changed whenever visibly soiled.
- G. Nails are short, clean, and free of infection and the cuticles manicured. Artificial nails may not be worn.
- H. Jewelry worn in the OR must be confined within the scrub attire. Rings should be removed from hands. If a wedding band is worn, it must be removed when washing hands. A watch may be worn except by those who scrub. Facial jewelry (i.e. eyebrow piercing, nose piercing) is contained with a Band-aid.
- I. Sterile gloves must be worn when performing sterile procedures.



SUBJECT: Attire and Traffic in the Operating Room

POLICY # PC7420-107

PAGE 2 of 2

DEPARTMENT: Surgery

EFFECTIVE: 1997

APPROVED BY: Director of Surgical Services

REVIEW/REVISED: 12/07
8/13, 5/16

- J. Unsterile gloves may be worn for other tasks, changed between patients and hands should be washed after removing gloves.
- K. Protective eyewear, masks or face shields are worn to reduce incidence of contamination of mucous membranes.
- L. "Bunny Suits" are acceptable for covering street clothes to enter a restricted area for a short amount of time.
- M. Persons arriving in scrub attire to the department must change into clean SVH scrub attire before entering restricted areas. Under no circumstance will a person wear scrubs from outside SVH into the operating rooms.
- N. After daily use, reusable surgical attire should be laundered in a facility approved and monitored laundry.
- O. Clean personal hygiene is expected. Fragrances are not allowed due to staff and patient sensitivities and allergies.
- P. Cover apparel is not required when individuals leave the operating room area. Scrub apparel that becomes soiled or contaminated is changed before re-entry to the operating room area.
- Q. Hospital Infection Control Policy and OSHA regulations prohibit food and liquid consumption by personnel in areas used for patient care and patient care equipment. Liquids are consumed in designated, non-patient care area only.
- R. Newspapers, cloth backpacks, cloth tote bags, or other non-work related items are prohibited in the operating rooms.

References:

2012 AORN Standards, Recommended Practices, and Guidelines, Denver
OSHA
CDC Guidelines
NIAHO IC.1, SS.1

4.

REPORT ON SPECIAL
BOARD MEETING 8.15.16

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 329

ACQUISITION OF 851 AND 853 FOURTH STREET WEST,
SONOMA, CALIFORNIA 95476,
APNs 018-392-001, -045

WHEREAS, the District wishes to secure a \$2,000,000 loan to be used for the financing of the acquisition of vacant land located at 851 and 853 Fourth Street West, Sonoma, California.

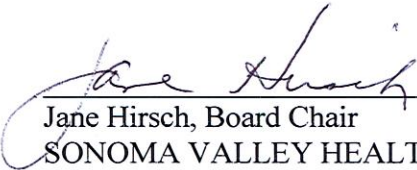
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sonoma Valley Health Care District, as follows:

Section 1. Kelly Mather, President and CEO of Sonoma Valley Health Care District dba Sonoma Valley Hospital is hereby authorized to sign all documents necessary to purchase the property at 851 and 853 Fourth Street West, Sonoma, California.

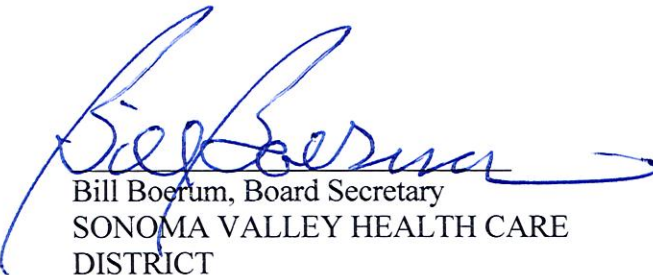
PASSED AND ADOPTED on this 15th day of August, 2016, by the following vote:

Jane Hirsch	Aye
Peter Hohorst	Aye
Joshua Rymer	Aye
Sharon Nevins	Aye
Bill Boerum	Aye

Noes:	0
Absent:	0
Abstain:	0



Jane Hirsch, Board Chair
SONOMA VALLEY HEALTH CARE
DISTRICT



Bill Boerum, Board Secretary
SONOMA VALLEY HEALTH CARE
DISTRICT



**SVHCD BOARD OF DIRECTORS
REGULAR MEETING**
***Revised* MINUTES**
Thursday, June 2 2016
Closed Session 5pm, Regular Session 6pm

COMMUNITY MEETING ROOM
177 First Street West, Sonoma

	RECOMMENDATION	
MISSION STATEMENT The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.		
1. CALL TO ORDER Sharon Nevins is excused from the Closed and Regular Sessions.	Jane Hirsch	
2. PUBLIC COMMENT SECTION No public comment.	Jane Hirsch	
3. CLOSED SESSION <u>Calif. Government Code & Health and Safety Code § 32106</u> -Trade secrets regarding business strategy	Jane Hirsch	
4. REPORT OF CLOSED SESSION No report of Closed Session.	Jane Hirsch	Inform/Action
5. PUBLIC COMMENT SECTION No public comment. The Board welcomed first time visitor and community member Shelley Oberlin.	Jane Hirsch	
6. CONSENT A. Regular Board Minutes 5.5.16 B. FC Minutes 4.26.16 C. QC Minutes 4.27.16 D. GC Minutes 4.26.16 E. Materials Management Policies, April 2016 F. FY2017 Rolling Strategic Plan G. MEC Credentialing Report 5.25.16	Jane Hirsch	Action MOTION by Rymer to approve Consent and 2 nd by Hohorst. All in favor.
7. SONOMA VALLEY COMMUNITY HEALTH CENTER Ms. Johnson presented on the Community Health Center sharing background and history, service lines, scope of services, departmental growth and statistics and accomplishments.	Cheryl Johnson and Stan Pawlak	Inform
8. HEALTH & WELLNESS PROGRAM Mr. Lewis gave a comprehensive presentation on the many health programs underway at SVH focusing on patient healing, community health, employee wellness and continuing education.	Steven Lewis	Inform
9. OUTPATIENT DIAGNOSTIC CENTER	Dawn Kuwahara	Inform

Ms. Kuwahara gave a compelling presentation for the potential redesign and upgrade of the Outpatient Diagnostic Center (get her report). The SVH Foundation has approved \$60,000 toward an architect's rendering. Next step is to present construction costs to the Board.		
10. 2017 OPERATING BUDGET	Ken Jensen	Inform/Action
Since the 2017 Operating Budget was presented last week at a Board Study session and at Finance Committee, Mr. Jensen gave a very brief overview of the salient points.		MOTION by Boerum to approve Budget and 2 nd by Rymer. All in favor.
11. MID-YEAR AUDIT REPORT	Ken Jensen	Inform
Auditors have found no significant reasons for any adjustment. Control testing is taking place this week and the final audit report will be presented in August 2016.		
12. SOUTH LOT OPTION TO PURCHASE AND CEO AUTHORIZATION TO SIGN APPROVAL	Peter Hohorst and Ken Jensen	Action
<u>Originally read:</u> The South Lot Committee recommends establishing an entity to exercise the option to purchase the South Lot before 8.29.16 and the negotiation of a \$1.8 million loan. It is further recommended that the Ms. Mather, CEO be authorized to establish an entity to secure the proposed loan and also be authorized to sign the necessary loan documents. <u>Revised 8/15/16:</u> The above paragraph was revised and approved at the Special Board meeting on 8.15.16 as follows: <i>The South Lot Committee recommends the option to purchase the South Lot before 8.29.16 and the negotiation of a \$2 million loan. It is further recommended that Ms. Mather, CEO be authorized to sign the necessary loan documents.</i>		MOTION by Boerum to approve both purchase option and CEO authorization and 2 nd by Hohorst. All in favor. MOTION by Boerum to revise Item 12 of the 6.2.16 Board minutes, 2 nd by Rymer. All in favor.
13. FINANCIAL REPORT MONTH ENDING MAY 31, 2016	Ken Jensen	Inform
After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for April was (\$227,923) vs. a budgeted net loss of (\$233,620). The total net loss for April after all activity was (\$99,235) vs. a budgeted net loss of (\$49,083). EBIDA for the month of April was 2.5% vs. the budgeted 2.0%.		
14. ADMINISTRATIVE REPORT FOR MAY 2016	Kelly Mather	Inform
The Celebration of Women fundraiser was a huge success. The new rolling strategic plan and the FY 2016 budget are complete and ready for board approval (earlier approved at this meeting). The budget study session was held with the Board and Finance committee this week to review the details and reach a consensus on our financial goals for next year. We are planning for a 3.4%		

EBIDA. We had a rather large settlement to pay off in FY 2016 and a pledge payment will be paid in June of this year.		
15. COMMITTEE REPORTS	Board Members	
<ul style="list-style-type: none"> a) <u>Revision of Medical Staff Bylaws</u> (Hohorst) Motion approved. b) <u>Policy Governing Bidding</u> for Facility Contracts. Still in legal review and will return next month. c) <u>ACHD Membership proposal</u> Mr. Boerum recommends that the District Board renew its membership with ACHD. Roll call vote: Hohorst, no; Rymer. No; Hirsch, no; Boerum, yes. The Motion was not approved. 		Inform/Action MOTION by Boerum to approve renewal ACHD membership. The Motion was not approved by a vote of 3:1.
16. COMMITTEE APPOINTMENTS AND COMMENTS	Board Members	Action
Mr. Rymer and Mr. Hohorst were appointed to form a Board Sub-Committee to review and revise the objectives of Ms. Mather, CEO.		MOTION by Rymer to accept Committee appointment and 2 nd by Hohorst.
17. ADJOURN The next Regular Board meeting is July 7, 2016	Jane Hirsch	

7.

REVIEW OF PRIME GRANT

Care Transitions (PRIME)

	FY 2017		FY 2018	
Total Potential Revenue FY 17	\$	1,125,000	\$	1,500,000
Expenses				
Salaries:				
Community Case Manager (\$75/hr) 1 FTE (exclusive to grant)	\$	156,000	\$	156,000
Management Oversight .4 FTE (out of operations)	\$	88,267	\$	88,267
Social Worker (reassign .2 FTE from 8360) (out of operations)	\$	16,715	\$	16,715
Other department allocations (out of operations)	\$	-	\$	-
		\$ 260,982		\$ 260,982
Employee Benefits:				
Employee Benefits (25% of hrly rate)	\$	65,245	\$	65,245
Empl Benefits-PTO	\$	14,391	\$	14,391
		\$ 79,636		\$ 79,636
Consulting:				
Doctors	\$	3,000	\$	3,000
NCQA (Metric Report) pending confirmation	\$	162,000	\$	162,000
Behavioral Health Consultant	\$	13,440	\$	13,440
Documentaion	\$	15,000	\$	15,000
		\$ 193,440		\$ 193,440
Supplies:				
Supplies	\$	5,000	\$	5,000
Minor Equipment	\$	1,500	\$	1,500
Drugs	\$	300	\$	300
		\$ 6,800		\$ 6,800
Purchase Services:				
Med Mind	\$	57,121	\$	57,121
RX-Remote	\$	18,000	\$	18,000
		\$ 75,121		\$ 75,121
Other:				
Other	\$	3,600	\$	3,600
Mileage	\$	3,000	\$	3,000
Travel	\$	3,000	\$	3,000
Orientation/training	\$	3,000	\$	3,000
		\$ 12,600		\$ 12,600
Total Expenses		\$ 628,579		\$ 628,579
Operating Income		\$ 496,421		\$ 871,421

8.

MCKESSON REMOTE HOSTING CONTRACT



To: SVH District Board
Meeting Date: September 1, 2016
Prepared by: Ken Jensen, CFO and Fe Sendaydiego, CIO
Agenda Item: Contract to Remotely Host McKesson Systems (Excludes Staff)

RECOMMENDATION:

Management recommends that the hospital executes a five year contract with McKesson Corporation to host the hardware and manage the IT infrastructure for Paragon & Patient Folder programs at an offsite location thus ensuring that both hardware and system programs are kept up to date at a cost of \$857,172 per year (\$4,285,860 for 5 years) based upon anticipated data volume.

CURRENT SITUATION:

The Hospital currently operates Paragon & Patient Folder in-house on servers hosted by the Hospital. Paragon is our main hospital information system which includes registration, billing, clinical applications, etc and Patient Folder (now called OneContent) is our electronic medical record repository. As system programs require periodic updates, which the Hospital must purchase as it can afford, at certain times the hardware must also be replaced at a significant cost. We are two versions behind on these two core systems and will soon not be supported. Of concern, the current systems do not have a remote backup site, staff's limited knowledge of the new hardware, limited staff time to focus on intrusion detection related to cyber security and business facing initiatives that could bring operational efficiencies by improving use of existing systems.

CONSEQUENCES OF NEGATIVE ACTION:

As noted, both Paragon and Patient Folder are behind the current supported version and system support will immediately expire. The systems will require updating for both the software and related servers. In addition, if the electronic health record is not updated to the current version by mid-2017, Medicare will reduce its total reimbursement by \$200,000 per year until systems are updated to the latest versions.

ALTERNATIVE ACTIONS:

The Hospital can host the servers at the hospital incurring the same hardware cost. Although, we won't be able to hire additional staff with sufficient knowledge and experience to manage the upgraded systems and keep up with the tighter demands against cyber security threats.

FINANCIAL IMPACT:

After an intense evaluation, it was determined that to update everything and maintain operations in house, the first year would require \$1,540,239 in cash for the upgrades and first year operations. Years two through five would require an additional \$2,749,528 for a total five year cost of \$4,289,767 not accounting for any finance costs. McKesson proposed to host our systems in a bundled price of \$857,172 per year for five years for a total cost of

\$4,285,860 which includes all maintenance fees for software we are currently licensed for and hardware upgrades as needed for the first year and the fourth year of the agreement.

ADVANTAGES OF REMOTE HOSTED SERVICES FROM MCKESSON:

- Fortune 500 world-class system backup, recovery and security solution via McKesson
- More depth and breadth of knowledge and experience in staff resources and hospital staff backup.
- First year cash savings of \$683,067.00
- Hospital does not lose the \$200,000 annual reduction in Medicare reimbursement
- All McKesson programs are updated on a regular basis
- Servers are updated as required; Application “fixes” are faster
- All references were positive

ATTACHMENTS:

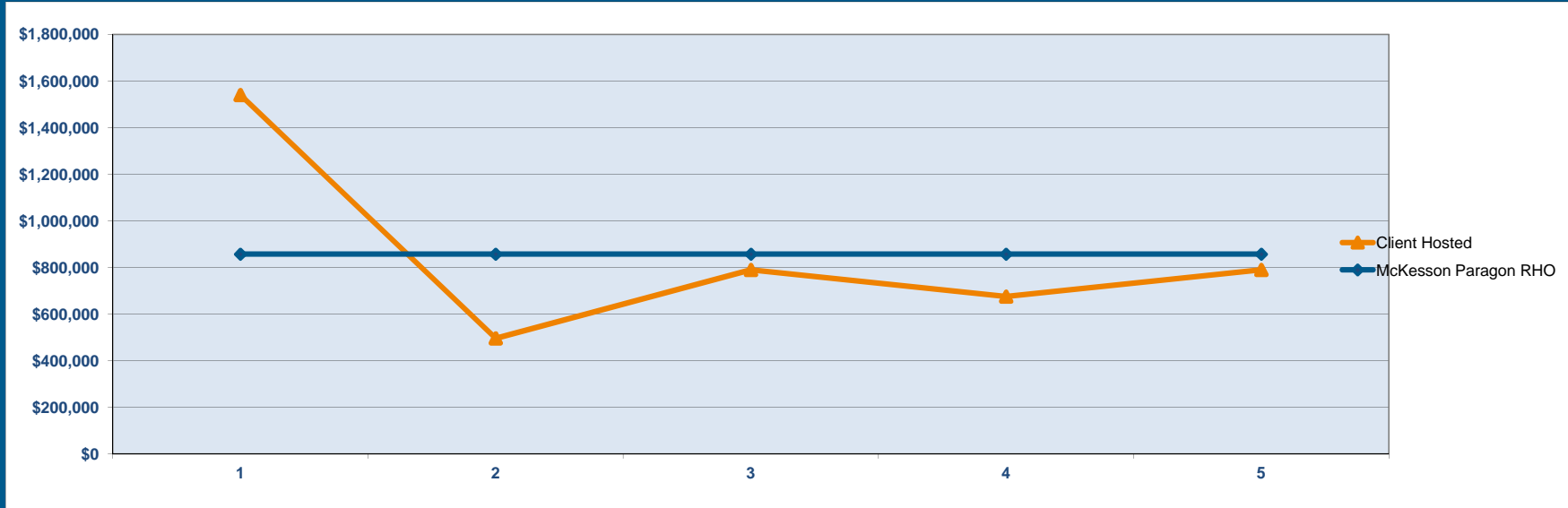
- Client Hosted Cost Comparison Graph
- McKesson Specialized Staffing Model
- McKesson Centers of Excellence Organization Chart
- McKesson Managed Hosting Services – Data Center Tour
<https://www.youtube.com/watch?v=TwHPYqAzYB8>

Financial Analysis

Paragon RHO Client Hosted Cost Comparison



Sonoma Valley Hospital



Total Cost of Ownership			
Sonoma Valley Hosp On Prem	\$4,289,767	RHO	\$4,285,860

Total Savings	\$3,907
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Annual Savings	\$781
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ACTUAL CASH FLOW	Y1	Y2	Y3	Y4	Y5
Client Hosted	\$1,540,239	\$495,932	\$789,292	\$675,012	\$789,292
McKesson Paragon RHO	\$857,172	\$857,172	\$857,172	\$857,172	\$857,172

Specialized Staffing Model









The traditional staffing model requires you to recruit staff that can wear many hats.

Your Team's Challenge

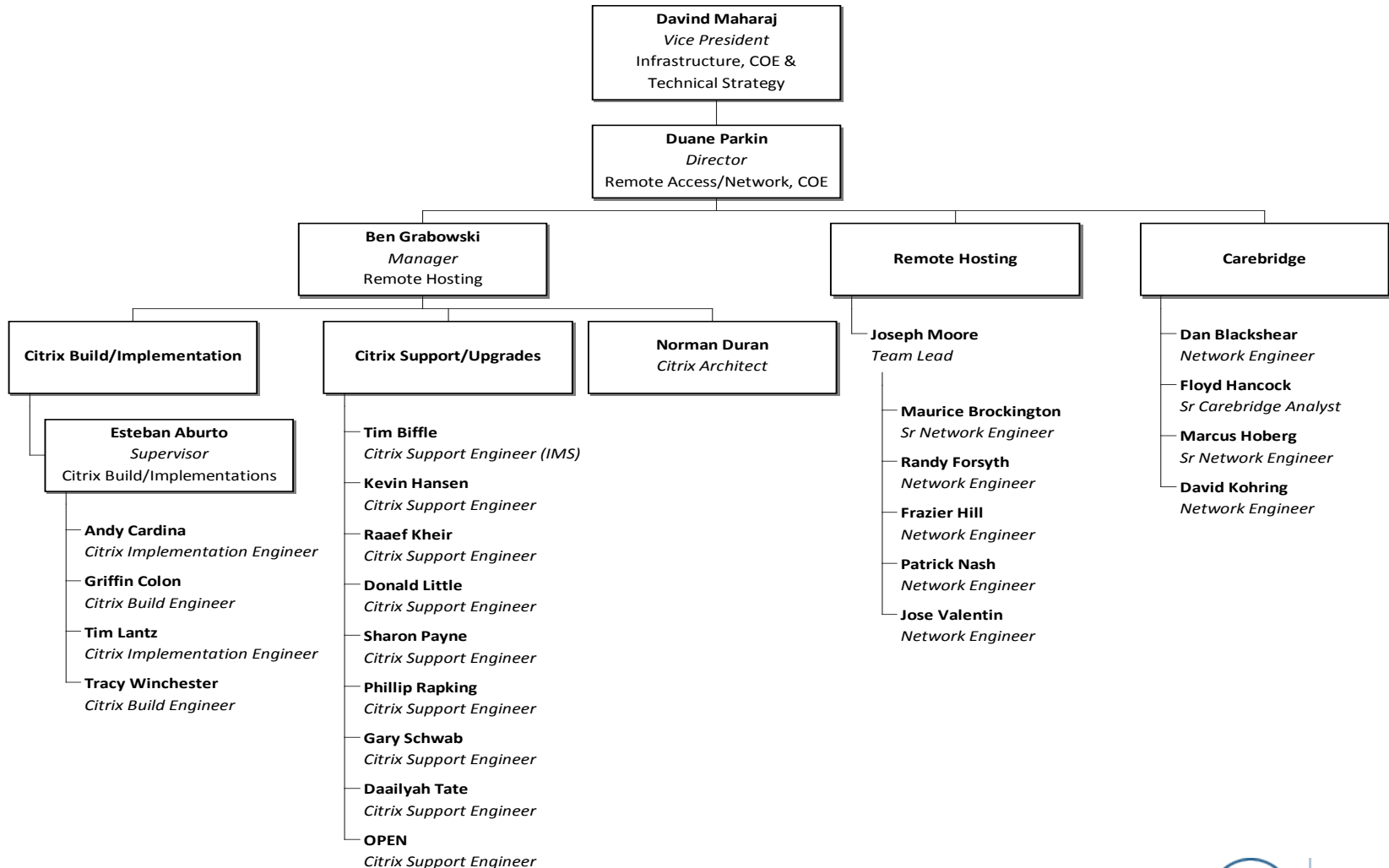


Each of your IT team members need to be **generalists** in order to retain knowledge in many areas.

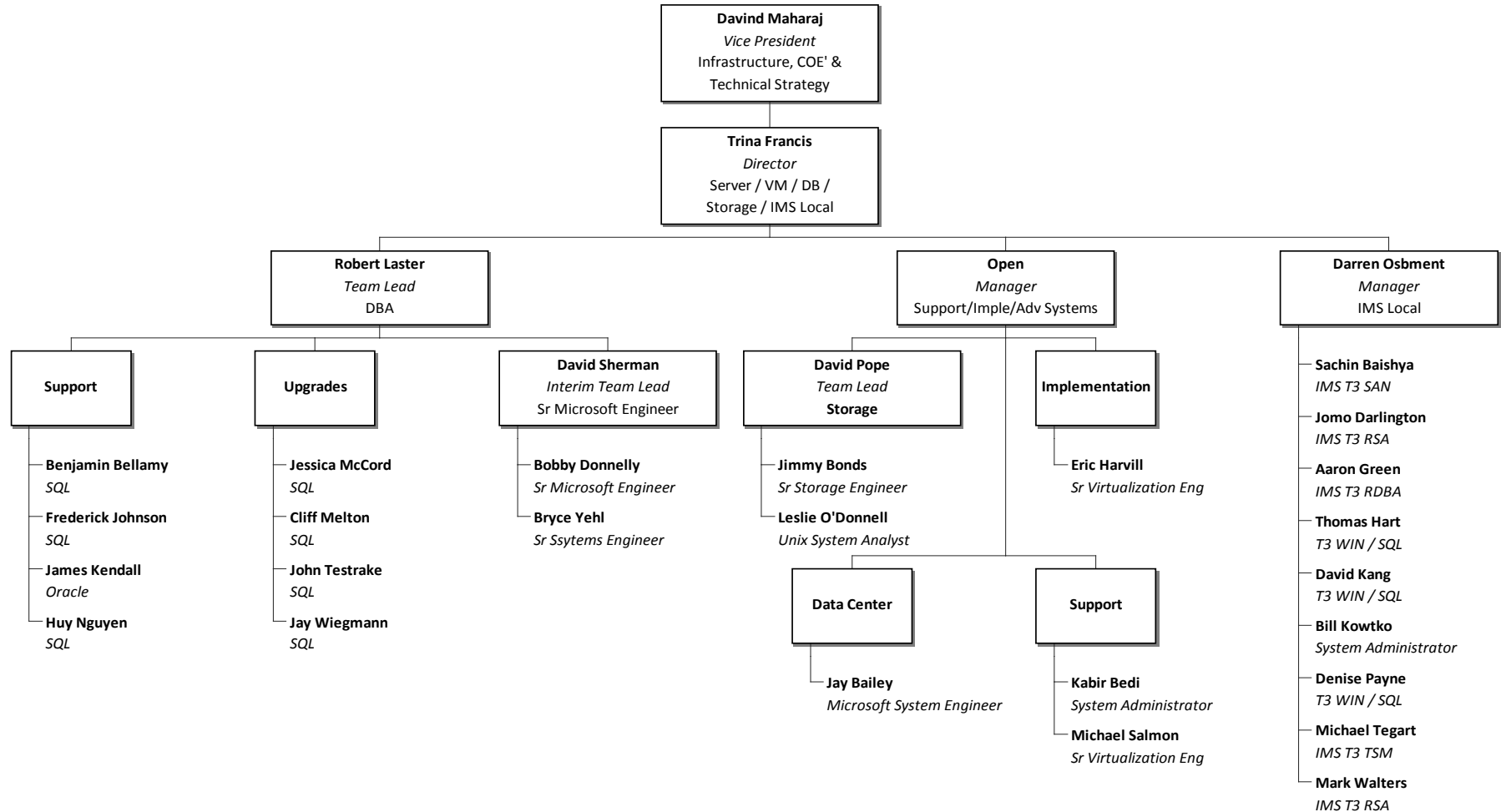
Managed Hosting Services is staffed by a **team of specialists** focused on a specific discipline. You'll have **24x7 access** to in-depth **expert knowledge**.

Our Solution		OS Administrator		VMware Administrators
		Server/Network Administrators		Citrix Administrators
		SQL DB Administrators		Storage Administrators
				Interface Experts
				Performance Monitoring
	Assigned Account Manager			
	Hosting Implementation Team			
	Upgrade Team			

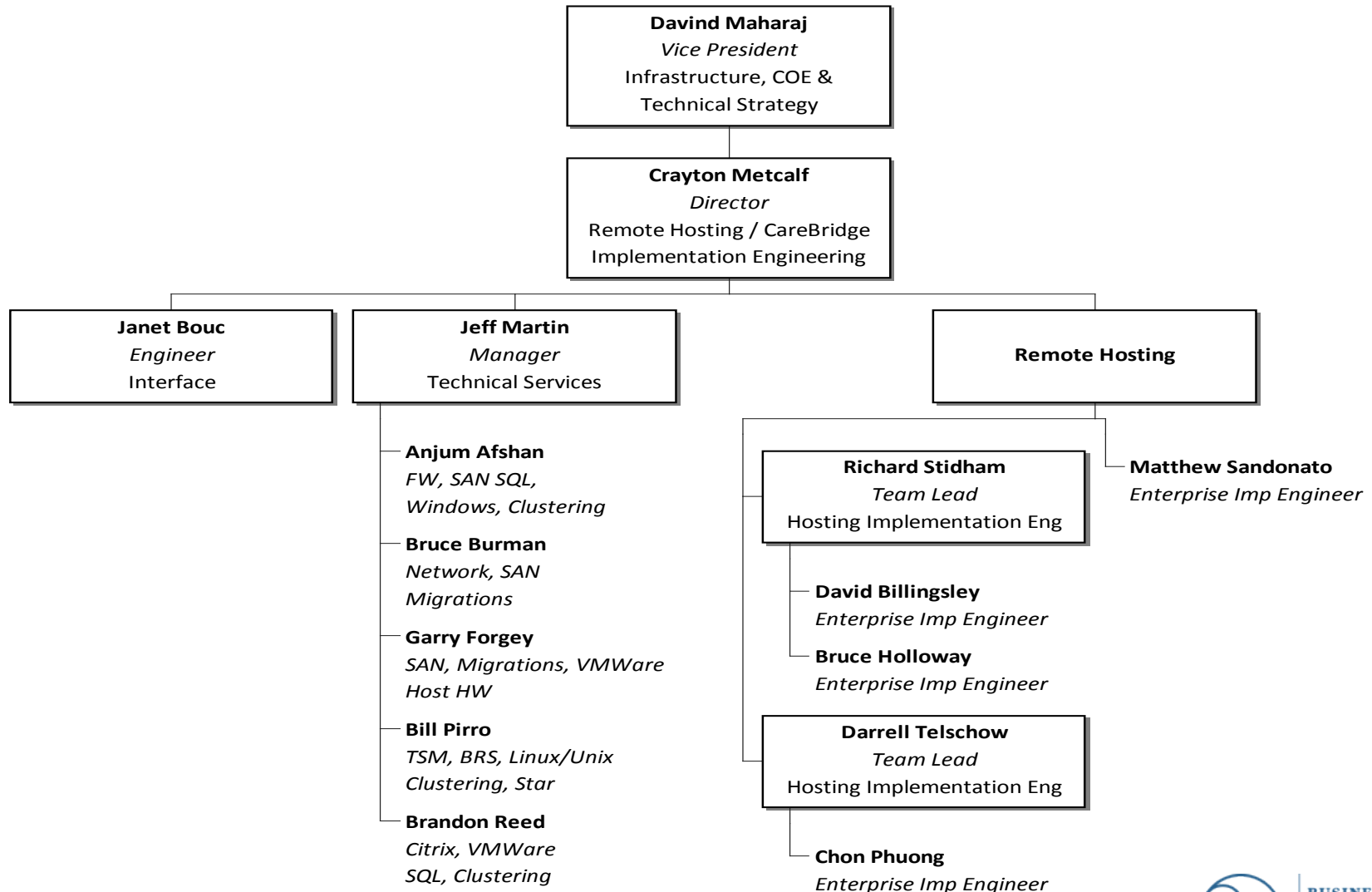
Remote Access & Network



Server / VM / DB / Storage / IMS Local



Remote Hosting / CareBridge / Implementation Engineers



9.

1206B CLINIC BUDGET AND BENEFITS

Sonoma Valley Hospital
Schedule of Benefit to the Hospital
Dr. Azari and Dr. Kidd

Dr. Azari - a)

Projected annual pain management cases	120
Projected Net Revenue per Case	\$ 1,968
Projected Annual outpatient net revenue - Dr. Azari	<u>\$ 236,160</u>
*Prorated for FY 2017	178,576

Dr. Kidd - b)

Projected annual inpatient Surgery Cases	36
Projected annual outpatient Surgery Cases	36
Projected annual Endoscopy Cases	120
Projected Net revenue per IP case	\$ 17,446
Projected Net revenue per OP case	\$ 3,731
Projected Net revenue per Endoscopy case	\$ 2,103
Projected Annual inpatient net revenue	\$ 628,056
Projected Annual outpatient net revenue	\$ 134,298
Projected Annual Special Procedure (OP) net revenue	\$ 252,360
Project Net Revenue to Hospital - Dr. Kidd	<u>\$ 1,014,714</u>
FY 2017 Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd	\$ 1,193,290
FY 2018 Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd	\$ 1,250,874

a) - Currently Azari is not practicing at SVH. Therefore, average charges and net revenue information from analysis of current pain management cases.

b) - This projection is based on Dr. Kidd's July 2016 volume for IP, OP, and Edoscopy

Sonoma Valley Specialty Clinic - 1206b
 Projected Net Income/(Loss) for Year 1 & 2

	Projected 12 Months - Year 1	Pro Rate for FY 2017 September 27, 2016 - June 30, 2017	Projected FY 2018 - Year 2 - a)
Projected Gross Revenue:			
Dr. Azari - Clinic Visits and Professional fees billed	347,681	262,904	434,602
Dr. Kidd - Clinic Visits and Professional fees billed	350,000	264,658	437,500
Projected Total Gross Revenue	\$ 697,681	\$ 527,562	\$ 872,102
 Projected Contractual Allowance (Est. Payment % at 29%)	 (495,353)	 (374,568)	 (619,192)
Projected Net Revenue	\$ 202,327	\$ 152,993	\$ 252,910
 Projected Operating Expenses:			
Salaries & Wages - .4 FTE front desk & .4 FTE MA	39,936	30,198	49,920
Physician Fees - Based on PSA	140,610	106,324	230,000
Supplies	1,500	1,134	1,875
Medical Supplies	6,000	4,537	7,500
Minor Equipment	1,500	1,134	1,875
Purchased Services - R&M	5,850	4,424	6,143
Purchased Services - Other (3rd party Billing/E.H.R)	34,683	26,226	36,417
Rental - Lease Building (1/2 West Napa St. rent)	47,718	36,083	50,104
Utilities Other - Medical Office	4,200	3,176	4,410
Insurance - Medical Office/Equipment	1,000	756	1,000
Licenses & tax - medical offices Per PSA	3,000	2,268	3,000
Telephone/Internet	23,500	17,770	22,800
Dues & Sub - Medical Office Per PSA	4,000	3,025	4,000
Education Costs Per PSA	6,000	4,537	6,000
Other (Advertising, merchant fees, Advertising, lease of copier and other)	7,800	5,898	5,800
Projected Total Expenses	327,297	247,490	430,843
Projected Net Income/(Loss) from Clinic	\$ (124,970)	\$ (94,497)	\$ (177,933)
 Projected Year 1 Start-Up Costs:			
IT - computers, printers, licenses, cabling, etc.		19,670	
Minor Equipment; office furniture, medical minor equipment, and medical refrigerator		17,700	
AthenaHealth - 3rd Party billing/ E.H.R. set up fee		2,400	
Signage, carpet repair/clean, etc.		2,000	
Projected Year 1 Start-up Costs		41,770	
 Projected Net Income/(Loss) from Clinic - After start-up costs		(136,267)	
 FY 2017 Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd		1,193,290	
 FY 2018 Projected Annual Benefit to SVH - Dr. Azari and Dr. Kidd			1,250,874
 Projected Net Benefit to Sonoma Valley Hospital		\$ 1,057,023	\$ 1,072,941

a) - Project 25% Growth in year 2

10.

FINANCIAL REPORT
MONTH ENDING JULY 31,
2016



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: August 23, 2016
Subject: Financial Report for the Month Ending July 31, 2016

For the month of July the hospital experienced a lower than expected volume for outpatient services. The actual loss of (\$280,489) from operations for July was (\$17,265) unfavorable to the budgeted loss of (\$263,224). After accounting for all other activity, the July net income was a positive \$58,920 vs. the budgeted expected income of \$87,716 with an EBIDA of 4.5% vs. the budgeted 5.6%.

Gross patient revenue for July was \$21,359,145, (\$360,243) less than expected. Inpatient gross revenue was over budget by \$1,058,217 due to patient days being over budgeted expectations by 30 days and inpatient surgeries being over budget by 7 cases. Also, this month had a higher than average Medicare case mix of 1.84 which contributed to a higher reimbursement. Outpatient revenue was under budget by (\$2,132,663). Outpatient visits were under budgeted expectations and outpatient surgeries were under budget by (36) cases. The Emergency Room gross revenue is over budget by \$982,255 due to a continued volume increase. SNF was under budgeted expectations by (\$288,386) due to lower than projected volume and Home Health is over budgeted expectations with a positive variance of \$20,334.

Deductions from revenue were favorable to budgeted expectations by \$805,322 due to the accrual for the MediCal Rate Range Adjustment of \$903,647 (the net amount to the hospital after the matching fee is estimated at \$345,270) and the CMS Prime Grant with a net amount of \$125,000 for July. Without the accrual of the government program funding, the deductions from revenue would be unfavorable to budget by (\$223,325).

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by \$411,888.

Operating Expenses of \$5,471,694 were over budget by (429,153). The IGT matching fee accounts for (\$558,377) of the operating expense variance. Without the cost of the IGT matching fee the hospital would have a favorable expense variance of \$129,224. Overall, there were no significant operating expense variances to budget which reflects favorably to the hospitals cash saving plans put forth beginning in July. Salaries and wages were under budget by \$109,496 but the agency fees were over budgeted expectations by (\$47,515).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$80,477) vs. a budgeted net loss of (\$61,961). The total net income for July after all activity was \$58,920 vs. a budgeted net income of \$87,716.



EBIDA for the month of July was 4.5% vs. the budgeted 5.6%.

Patient Volumes – July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	103	110	-7	110
Newborn Discharges	13	16	-3	15
Acute Patient Days	386	356	30	352
SNF Patient Days	563	619	-56	619
Home Care Visits	960	917	43	981
OP Gross Revenue	\$12,605	\$13,777	(\$1,172)	\$12,639
Surgical Cases	116	145	-29	125

Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	47.3%	47.0%	0.3%	47.3%	47.0%	0.3%
Medicare Mgd Care	8.1%	7.2%	0.9%	8.1%	7.2%	0.9%
Medi-Cal	17.2%	18.9%	-1.7%	17.2%	18.9%	-1.7%
Self Pay	1.6%	1.2%	0.4%	1.6%	1.2%	0.4%
Commercial	20.6%	20.1%	0.5%	20.6%	20.1%	0.5%
Workers Comp	2.4%	2.9%	-0.5%	2.4%	2.9%	-0.5%
Capitated	2.8%	2.7%	0.1%	2.8%	2.7%	0.1%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for July:

For the month of July the cash collection goal was \$3,693,925 and the Hospital collected \$3,925,818, or over the goal by \$231,893. Days of cash on hand are 10.6 days at July 31, 2016. Accounts Receivable decreased from June, from 57.3 days to 54.8 days in July. Accounts Payable increased by \$95,376 from June and Accounts Payable days are at 54.1.

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet

- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.
- Attachment F are the graphs for Revenue and Accounts Payable.
- Attachment G is the Statistical Analysis
- Attachment H is the Cash Forecast



Sonoma Valley Hospital
Net Revenue by Payer for the month of July 31, 2016

ATTACHMENT A

July-16

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	10,078,632	10,217,118	-138,486	-1.4%
Medicare Managed Care	1,726,420	1,569,515	156,905	10.0%
Medi-Cal	3,664,872	4,106,284	-441,412	-10.7%
Self Pay	346,031	252,442	93,589	37.1%
Commercial & Other Government	4,428,226	4,366,215	62,011	1.4%
Worker's Comp.	522,074	628,144	-106,070	-16.9%
Capitated	592,890	579,670	13,220	2.3%
Total	21,359,145	21,719,388	(360,243)	

YTD

	Actual	Budget	Variance	% Variance
Medicare	10,078,632	10,217,118	-138,486	-1.4%
Medicare Managed Care	1,726,420	1,569,515	156,905	10.0%
Medi-Cal	3,664,872	4,106,284	-441,412	-10.7%
Self Pay	346,031	252,442	93,589	37.1%
Commercial & Other Government	4,428,226	4,366,215	62,011	1.4%
Worker's Comp.	522,074	628,144	-106,070	-16.9%
Capitated	592,890	579,670	13,220	2.3%
Total	21,359,145	21,719,388	(360,243)	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,521,211	1,736,910	-215,699	-12.4%
Medicare Managed Care	220,982	235,113	-14,131	-6.0%
Medi-Cal	472,768	621,604	-148,836	-23.9%
Self Pay	138,793	103,350	35,443	34.3%
Commercial & Other Government	1,529,066	1,744,303	-215,237	-12.3%
Worker's Comp.	114,961	139,134	-24,173	-17.4%
Capitated	17,846	18,781	-935	-5.0%
Prior Period Adj/IGT	1,028,647	-	1,028,647	*
Total	5,044,274	4,599,195	445,079	9.7%

	Actual	Budget	Variance	% Variance
Medicare	1,521,211	1,736,910	-215,699	-12.4%
Medicare Managed Care	220,982	235,113	-14,131	-6.0%
Medi-Cal	472,768	621,604	-148,836	-23.9%
Self Pay	138,793	103,350	35,443	34.3%
Commercial & Other Government	1,529,066	1,744,303	-215,237	-12.3%
Worker's Comp.	114,961	139,134	-24,173	-17.4%
Capitated	17,846	18,781	-935	-5.0%
Prior Period Adj/IGT	1,028,647	-	1,028,647	*
Total	5,044,274	4,599,195	445,079	9.7%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	30.2%	37.8%	-7.6%	-20.1%
Medicare Managed Care	4.4%	5.1%	-0.7%	-13.7%
Medi-Cal	9.4%	13.5%	-4.1%	-30.4%
Self Pay	2.8%	2.3%	0.5%	21.7%
Commercial & Other Government	30.1%	37.9%	-7.8%	-20.6%
Worker's Comp.	2.3%	3.0%	-0.7%	-23.3%
Capitated	0.4%	0.4%	0.0%	0.0%
Prior Period Adj/IGT	20.4%	0.0%	20.4%	*
Total	100.0%	100.0%	0.0%	0.0%

	Actual	Budget	Variance	% Variance
Medicare	30.2%	37.8%	-7.7%	-20.4%
Medicare Managed Care	4.4%	5.1%	-0.7%	-13.7%
Medi-Cal	9.4%	13.5%	-4.1%	-30.4%
Self Pay	2.8%	2.3%	0.5%	21.7%
Commercial & Other Government	30.1%	37.9%	-7.8%	-20.6%
Worker's Comp.	2.3%	3.0%	-0.7%	-23.3%
Capitated	0.4%	0.4%	0.0%	0.0%
Prior Period Adj/IGT	20.4%	0.0%	20.5%	*
Total	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	15.1%	17.0%	-1.9%	-11.2%
Medicare Managed Care	12.8%	15.0%	-2.2%	-14.7%
Medi-Cal	12.9%	15.1%	-2.2%	-14.6%
Self Pay	40.1%	40.9%	-0.8%	-2.0%
Commercial & Other Government	34.5%	40.0%	-5.5%	-13.8%
Worker's Comp.	22.0%	22.2%	-0.2%	-0.9%
Capitated	3.0%	3.2%	-0.2%	-6.3%
Prior Period Adj/IGT	4.8%	0.0%	4.8%	*

	Actual	Budget	Variance	% Variance
Medicare	15.1%	17.0%	-1.9%	-11.2%
Medicare Managed Care	12.8%	15.0%	-2.2%	-14.7%
Medi-Cal	12.9%	15.1%	-2.2%	-14.6%
Self Pay	40.1%	40.9%	-0.8%	-2.0%
Commercial & Other Government	34.5%	40.0%	-5.5%	-13.8%
Worker's Comp.	22.0%	22.2%	-0.2%	-0.9%
Capitated	3.0%	3.2%	-0.2%	-6.3%
Prior Period Adj/IGT	4.8%	0.0%	4.8%	*

Sonoma Valley Health Care District
Balance Sheet
As of July 31, 2016

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 1,822,803	\$ 1,384,178	\$ 3,151,932
2	Trustee Funds	3,420,699	3,420,699	3,021,373
3	Net Patient Receivables	8,759,013	9,179,396	7,346,106
4	Allow Uncollect Accts	(923,051)	(925,573)	(696,498)
5	Net A/R	7,835,962	8,253,823	6,649,608
6	Other Accts/Notes Rec	7,220,036	7,307,541	8,131,202
7	3rd Party Receivables, Net	1,615,467	1,272,923	97,218
8	Inventory	818,225	815,081	842,420
9	Prepaid Expenses	933,945	868,820	878,955
10	Total Current Assets	\$ 23,667,137	\$ 23,323,065	\$ 22,772,708
12	Property, Plant & Equip, Net	\$ 52,121,582	\$ 52,373,496	\$ 54,631,826
13	Specific Funds	624,979	445,396	247,317
14	Other Assets	144,537	144,202	143,494
15	Total Assets	\$ 76,558,235	\$ 76,286,159	\$ 77,795,345
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,885,659	\$ 3,790,283	\$ 3,437,756
17	Accrued Compensation	4,217,183	4,639,280	4,194,116
18	Interest Payable	685,537	571,281	707,575
19	Accrued Expenses	1,227,518	1,019,096	1,263,247
20	Advances From 3rd Parties	116,712	135,883	1,694,150
21	Deferred Tax Revenue	5,465,995	5,962,904	5,420,552
22	Current Maturities-LTD	1,720,434	1,496,385	1,720,434
23	Line of Credit - Union Bank	6,913,734	6,723,734	5,923,734
24	Other Liabilities	159,551	159,216	341,885
25	Total Current Liabilities	\$ 24,392,323	\$ 24,498,062	\$ 24,703,449
26	Long Term Debt, net current portion	\$ 36,471,117	\$ 36,744,412	\$ 38,650,064
27	Fund Balances:			
28	Unrestricted	\$ 12,711,969	\$ 12,071,276	\$ 12,356,040
29	Restricted	2,982,827	2,972,410	2,085,792
30	Total Fund Balances	\$ 15,694,795	\$ 15,043,685	\$ 14,441,832
31	Total Liabilities & Fund Balances	\$ 76,558,235	\$ 76,286,159	\$ 77,795,345

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 31, 2016**

ATTACHMENT D

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual	Budget	\$	%		Actual	Budget	\$	%	Prior Year
Volume Information										
1	103	110	(7)	-6%	Acute Discharges	103	110	(7)	-6%	110
2	563	619	(56)	-9%	SNF Days	563	619	(56)	-9%	619
3	960	917	43	5%	Home Care Visits	960	917	43	5%	981
4	12,605	13,777	(1,171)	-9%	Gross O/P Revenue (000's)	\$ 12,605	\$ 13,777	(1,171)	-9%	\$ 12,639
Financial Results										
Gross Patient Revenue										
5	\$ 6,705,658	\$ 5,647,441	1,058,217	19%	Inpatient	\$ 6,705,658	\$ 5,647,441	1,058,217	19%	\$ 5,081,706
6	6,089,038	8,221,701	(2,132,663)	-26%	Outpatient	6,089,038	8,221,701	(2,132,663)	-26%	7,433,308
7	6,225,477	5,243,222	982,255	19%	Emergency	6,225,477	5,243,222	982,255	19%	4,884,453
8	2,006,658	2,295,044	(288,386)	-13%	SNF	2,006,658	2,295,044	(288,386)	-13%	2,221,444
9	332,314	311,980	20,334	7%	Home Care	332,314	311,980	20,334	7%	321,409
10	\$ 21,359,145	\$ 21,719,388	(360,243)	-2%	Total Gross Patient Revenue	\$ 21,359,145	\$ 21,719,388	(360,243)	-2%	\$ 19,942,320
Deductions from Revenue										
11	\$ (17,193,788)	\$ (17,017,974)	(175,814)	-1%	Contractual Discounts	\$ (17,193,788)	\$ (17,017,974)	(175,814)	-1%	\$ (18,425,349)
12	(120,000)	(66,250)	(53,750)	-81%	Bad Debt	(120,000)	(66,250)	(53,750)	-81%	(150,000)
13	(29,730)	(35,969)	6,239	17%	Charity Care Provision	(29,730)	(35,969)	6,239	17%	(5,007)
14	1,028,647	-	1,028,647	*	Prior Period Adj/Government Program Revenue	1,028,647	-	1,028,647	*	2,919,501
15	\$ (16,314,871)	\$ (17,120,193)	805,322	-5%	Total Deductions from Revenue	\$ (16,314,871)	\$ (17,120,193)	805,322	-5%	\$ (15,660,855)
16	\$ 5,044,274	\$ 4,599,195	445,079	10%	Net Patient Service Revenue	\$ 5,044,274	\$ 4,599,195	445,079	10%	\$ 4,281,465
17	\$ 127,594	\$ 155,771	(28,177)	-18%	Risk contract revenue	\$ 127,594	\$ 155,771	(28,177)	-18%	\$ 201,124
18	\$ 5,171,868	\$ 4,754,966	416,902	9%	Net Hospital Revenue	\$ 5,171,868	\$ 4,754,966	416,902	9%	\$ 4,482,589
19	\$ 19,337	\$ 24,351	(5,014)	-21%	Other Op Rev & Electronic Health Records	\$ 19,337	\$ 24,351	(5,014)	-21%	\$ 59,891
20	\$ 5,191,205	\$ 4,779,317	411,888	9%	Total Operating Revenue	\$ 5,191,205	\$ 4,779,317	411,888	9%	\$ 4,542,480
Operating Expenses										
21	\$ 2,235,401	\$ 2,297,382	61,981	3%	Salary and Wages and Agency Fees	\$ 2,235,401	\$ 2,297,382	61,981	3%	\$ 2,195,146
22	879,134	\$ 860,742	(18,392)	-2%	Employee Benefits	879,134	860,742	(18,392)	-2%	831,409
23	\$ 3,114,535	\$ 3,158,124	43,589	1%	Total People Cost	\$ 3,114,535	\$ 3,158,124	43,589	1%	\$ 3,026,555
24	\$ 390,273	\$ 384,576	(5,697)	-1%	Med and Prof Fees (excl Agency)	\$ 390,273	\$ 384,576	(5,697)	-1%	\$ 340,214
25	512,982	534,973	21,991	4%	Supplies	512,982	534,973	21,991	4%	450,286
26	287,091	328,256	41,165	13%	Purchased Services	287,091	328,256	41,165	13%	287,032
27	280,470	293,214	12,744	4%	Depreciation	280,470	293,214	12,744	4%	291,608
28	109,979	98,357	(11,622)	-12%	Utilities	109,979	98,357	(11,622)	-12%	104,392
29	29,292	33,333	4,041	12%	Insurance	29,292	33,333	4,041	12%	25,270
30	34,224	34,328	104	0%	Interest	34,224	34,328	104	0%	38,436
31	154,471	177,380	22,909	13%	Other	154,471	177,380	22,909	13%	154,466
32	558,377	-	(558,377)	*	Matching Fees (Government Programs)	558,377	-	(558,377)	*	0
33	\$ 5,471,694	\$ 5,042,541	(429,153)	-9%	Operating expenses	\$ 5,471,694	\$ 5,042,541	(429,153)	-9%	\$ 4,718,259
34	\$ (280,489)	\$ (263,224)	(17,265)	-7%	Operating Margin	\$ (280,489)	\$ (263,224)	(17,265)	-7%	\$ (175,779)

ATTACHMENT D

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 31, 2016**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
35	\$ (12,866)	\$ (11,237)	(1,629)	14%
36	-	-	-	0%
37	(37,500)	(37,500)	-	0%
38	250,378	250,000	378	0%
39	\$ 200,012	\$ 201,263	(1,251)	-1%
40	\$ (80,477)	\$ (61,961)	(18,516)	30%
41	\$ 10,417	\$ 20,698	(10,281)	-50%
42	\$ -	\$ -	-	0%
43	\$ (70,060)	\$ (41,263)	(28,797)	70%
44	246,909	246,909	-	0%
45	(117,929)	(117,930)	1	0%
46	\$ 58,920	\$ 87,716	(28,796)	-33%
	\$ 234,217	\$ 265,581		
	4.5%	5.6%		

Non Operating Rev and Expense
Miscellaneous Revenue
Donations
Physician Practice Support-Prima
Parcel Tax Assessment Rev
Total Non-Operating Rev/Exp
Net Income / (Loss) prior to Restricted Contributions

Capital Campaign Contribution
Restricted Foundation Contributions
Net Income / (Loss) w/ Restricted Contributions

GO Bond Tax Assessment Rev
GO Bond Interest

Net Income/(Loss) w GO Bond Activity

EBIDA - Not including Restricted Contributions

	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
	\$ (12,866)	\$ (11,237)	(1,629)	*	\$ 3,894
	-	-	-	0%	0
	(37,500)	(37,500)	-	0%	(37,500)
	250,378	250,000	378	0%	251,954
	\$ 200,012	\$ 201,263	(1,251)	-1%	\$ 218,348
	\$ (80,477)	\$ (61,961)	(18,516)	30%	\$ 42,569
	\$ 10,417	\$ 20,698	(10,281)	-50%	\$ 35,417
	\$ -	\$ -	-	100%	\$ -
	\$ (70,060)	\$ (41,263)	(28,797)	70%	\$ 77,986
	246,909	246,909	-	0%	242,777
	(117,929)	(117,930)	1	0%	(117,929)
	\$ 58,920	\$ 87,716	(28,796)	-33%	\$ 202,834
	\$ 234,217	\$ 265,581			\$ 372,613
	4.5%	5.7%			8.2%

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended July 31, 2016

	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(7)	(7)	
2 SNF Days	(56)	(56)	
3 Home Care Visits	43	43	
4 Gross O/P Revenue (000's)	(1,171)	(1,171)	
Financial Results			
Gross Patient Revenue			
5 Inpatient	1,058,217	1,058,217	Patient Days are 386 vs. budgeted expectations of 356 and inpatient surgeries are 43 vs. budgeted expectations of 36.
6 Outpatient	(2,132,663)	(2,132,663)	Outpatient surgeries are 73 vs. budgeted expectations 109.
7 Emergency	982,255	982,255	ER visits are 940 vs. budgeted visits of 878
8 SNF	(288,386)	(288,386)	SNF patient days are 563 vs. budgeted expected days of 619.
9 Home Care	20,334	20,334	HHA visits are 960 vs. budgeted expectations of 917.
10 Total Gross Patient Revenue	(360,243)	(360,243)	
Deductions from Revenue			
11 Contractual Discounts	(175,814)	(175,814)	
12 Bad Debt	(53,750)	(53,750)	
13 Charity Care Provision	6,239	6,239	
14 Prior Period Adj/Government Program Revenue	1,028,647	1,028,647	Accrual of Prime Grant for July with a net amount of \$125,000 and accrual of FY 14-15 RR IGT of \$903,647 (matching fee in line 32, net proceeds is \$345,270).
15 Total Deductions from Revenue	805,322	805,322	
16 Net Patient Service Revenue	445,079	445,079	
17 Risk contract revenue	(28,177)	(28,177)	Blue Shield capitation received was under budget.
18 Net Hospital Revenue	416,902	416,902	
19 Other Op Rev & Electronic Health Records	(5,014)	(5,014)	
20 Total Operating Revenue	411,888	411,888	
Operating Expenses			
21 Salary and Wages and Agency Fees	61,981	61,981	Salaries and Wages are better than budget by \$109,496 and agency fees are over budgeted expectations by (\$47,515).
22 Employee Benefits	(18,392)	(18,392)	
23 Total People Cost	43,589	43,589	
24 Med and Prof Fees (excl Agency)	(5,697)	(5,697)	
25 Supplies	21,991	21,991	Lower supply costs due to lower outpatient volume.
26 Purchased Services	41,165	41,165	Budgeted purchased services not used in July
27 Depreciation	12,744	12,744	
28 Utilities	(11,622)	(11,622)	Higher PG&E costs during summer months - budget spread evenly over 12 months.
29 Insurance	4,041	4,041	
30 Interest	104	104	
31 Other	22,909	22,909	
32 Matching Fees (Government Programs)	(558,377)	(558,377)	Accrued IGT matching fee of \$558,377. This expense is offset from the revenue above from line 14.
33 Operating expenses	(429,153)	(429,153)	
34 Operating Margin	(17,265)	(17,265)	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	(1,629)	(1,629)	
36 Donations	-	-	
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	378	378	
39 Total Non-Operating Rev/Exp	(1,251)	(1,251)	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended July 31, 2016

	YTD	MONTH	
Description	Variance	Variance	
		-	
40 Net Income / (Loss) prior to Restricted Contributions	(18,516)	(18,516)	
		-	
41 Capital Campaign Contribution	(10,281)	(10,281)	Capital campaign donations received from the Foundation were under budgeted expectations.
42 Restricted Foundation Contributions	-	-	
43 Net Income / (Loss) w/ Restricted Contributions	(28,797)	(28,797)	
44 GO Bond Tax Assessment Rev	-	-	
45 GO Bond Interest	1	1	
46 Net Income/(Loss) w GO Bond Activity	(28,796)	(28,796)	

11.

ADMINISTRATIVE REPORT
AUGUST 2016



To: SVHCD Board of Directors
From: Kelly Mather
Date: 9/1/16
Subject: Administrative Report

Summary

We now own the South Lot property on 4th street which includes one of our parking lots thanks to a generous loan from the Nelson's. A decision on the use of this lot will be made this fall. The property is zoned residential. Cash flow continues to be of major concern. We reduced expenses in July and continue to reduce expenses due to the fact that some expected funds have been delayed and the last half of the salary increases were in July. A new daily margin tool is almost ready to help us manage to the volumes.

Dashboard and Trended Results

The new goals for FY 2017 are now effective. I am reviewing the results from FY 2016 with each of the leaders and also going over their final goals for FY 2017. The inpatient and emergency satisfaction results continue to be inconsistent and we did not meet our goal for FY 2016. However, we did improve our results over the prior year. A new organization wide quality goal is being developed. In the meantime, we changed the quality goal to a portion of the Value Based Purchasing score on safety and quality measures. I attended most of the department staff meetings to check on satisfaction and discuss any concerns by department. The staff is now aware of the new compensation system and that the new salaries will be effective in January. Inpatient volumes are significantly higher than prior years. Outpatient surgeries and volumes were way down in July. This is of great concern and we continue to flex staffing to the volumes. The hospital participated in the Back to School fair offering immunizations, spine screenings, nutrition education and 39 backpacks donated by our staff.

Strategic Update:

Strategic Priorities	Update
Quality	We received 4/5 stars from CMS which puts the hospital in the top 25 th percentile on quality and safety. The new Leapfrog grade will be out in September.
Timeshare Offices	Dr. Sawyer, general surgeon has been a great addition to Sonoma. Dr. Pope and his partners in pain management start next week.
1206(b) Clinic	Dr. Sabrina Kidd, colorectal and general surgeon starts in the Napa Street office in September.
Parcel Tax Renewal plan	The board will decide on whether to renew the parcel tax in October. The vote will be in March, 2017 by mail.
Physician Alignment	Prima (1206I) has added a nurse practitioner and continues and has made an offer to an Internist. We continue to work on recruiting several surgeons to Sonoma.
Electronic Health Record	We are recommending doing the major upgrade with remote hosting with McKesson.
Population Health	The Care Transitions program is now underway with the PRIME grant. We have received the first payment for this grant.

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 9 HCAHPS domain results above the 70 th percentile	5 out of 9 in June	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain at least 4 out of 7 ERCAPS domain results above the 70 th percentile	4 out of 7 in June	6 = 5 (stretch) 5 = 4 4 = 3 (Goal) 3 = 2 2 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Safety Score at 80% or higher	77.5%	>85 = 5 (stretch) >80 =4 >75 =3 (Goal) >70=2 <70 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	4.33/5 or the 84 th percentile	>80 th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	3%	>5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1
	Efficiency and Financial Management	Meet FY 2017 Budgeted Expenses (excluding IGT)	\$4,913,317 (actual) \$5,042,541 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	116 YTD FY2017 125 YTD FY2016	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$12.6 mm YTD \$12.6 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	113 hours for 1 month	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2016	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016
Inpatient Satisfaction	6/9		5	2	6	7	8	3	4	1	1	5	5
Emergency Satisfaction	4/7		3	4	5	5	6	1	2	6	4	2	4
Value Based Purchasing	>75	77.5	52.2	53.5	52.5	53	53.5	n/a	n/a	n/a	n/a	n/a	n/a
Staff Satisfaction	>75th	84	91	91	91	91	91	91	91	84	84	84	84
FY YTD Turnover	<10%	.9	1.2	1.8	2.8	3.4	4.6	5.2	6.1	6.7	7.9	8.8	10
YTD EBIDA	>4%	4.5	7.6	7.7	7.3	5.7	6.6	6.2	6	5.6	5.2	4.7	4.4
Net Patient Revenue	>5m	5.1	4.6	4.7	4.7	4.1	4.7	4.5	4.6	4.5	4.3	4.6	4.9
Expense Management	<5m	4.9	4.8	4.9	4.9	4.6	4.8	4.9	4.9	4.9	5.1	5.2	5.4
Net Income	>50k	59	174	27.8	104	244	575	19	203	-131	-99	-403	-132
Days Cash on Hand	>20	11	16	18	13	9	21	14	12	12	13	9	9
A/R Days	<50	55	45	49	47	53	51	53	52	50	50	55	57
Total FTE's	<315	320	310	312	327	322	317	319	324	326	324	332	324
FTEs/AOB	<4.0	4.28	3.77	3.65	3.77	4.1	3.77	3.57	3.58	3.5	3.7	4.16	4.08
Inpatient Discharges	>100	103	74	92	97	85	109	124	101	99	97	85	95
Outpatient Revenue	>\$13m	12.6	12.9	12.7	13.1	11.9	12.2	12.1	12.1	14.2	12.5	13.8	13.5
Surgeries	>130	116	122	127	131	114	136	124	127	141	118	123	124
Home Health	>950	960	917	948	948	1088	915	933	889	879	999	844	942
Births	>15	14	15	11	11	14	24	17	9	17	17	13	14
SNF days	>600	563	634	607	666	544	648	710	671	580	578	529	526
MRI	>120	105	131	119	132	109	113	102	119	127	105	122	120
Cardiology (Echos)	>50	41	62	63	77	41	50	46	60	67	61	52	68
Laboratory	>12	11.2	12.2	11.5	11.7	11.6	11.4	11.9	12.1	12.4	12.0	11.9	11.8
Radiology	>850	902	1011	997	1018	875	907	904	961	1010	963	926	1000
Rehab	>2700	2618	2384	2773	2886	2297	3003	2815	2708	2979	2780	2782	2948
CT	>300	365	352	343	336	381	323	379	352	398	333	373	348
ER	>800	940	888	871	820	841	863	864	919	945	912	940	907
Mammography	>425	400	439	367	543	406	492	446	437	432	384	457	420
Ultrasound	>300	281	314	320	353	246	290	296	304	317	325	285	255
Occupational Health	>650	602	728	646	871	681	683	600	597	757	663	679	651
Wound Care	>200	221	228	208	248	246	297	228	232	222	276	235	264