



**SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, March 5, 2015
6:00 p.m. Regular Session**

COMMUNITY MEETING ROOM
177 FIRST STREET WEST, SONOMA

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Nevins</i>	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>		
3. CONSENT CALENDAR A. Regular Board Minutes 2.5.15 B. FC Minutes 1.27.15 C. FC 2015 Work Plan D. QC Minutes 1.28.15 E. Policy & Procedure Approval F. MEC Credentialing Report, 2.25.15	<i>Nevins</i>	Action
4. FLUOROSCOPY REPLACEMENT REQUEST	<i>Kuwahara</i>	Inform/Action
5. HUMAN RESOURCES ANNUAL REPORT	<i>Davis</i>	Inform
6. AUDITOR SELECTION 2015	<i>Nevins/Jensen</i>	Inform/Action
7. FINANCIAL REPORT FOR JANUARY 2014	<i>Jensen</i>	Inform
8. FY 2016 BUDGET ASSUMPTIONS	<i>Jensen</i>	Inform/Action
9. ADMINISTRATIVE REPORT FOR FEBRUARY 2015	<i>Mather</i>	Inform
10. OFFICER & COMMITTEE REPORTS A. Chair Report B. Quality Committee: 2014 Dashboard C. Governance Committee: • ACHD Transparency Application (Hohorst) • Northern California Health Care Authority (JPA)/Boerum • Association of California Health Care Districts (ACHD)/Boerum	<i>Committee Chairs/Members</i>	Inform/Action

11. SOUTH LOT USE	<i>Boerum</i>	Inform/Discuss
12. BOARD COMMENTS	<i>Board Members</i>	Inform/Discuss
13. ADJOURN Next Regular Board meeting is April 2, 2015	<i>Nevins</i>	

3.

CONSENT CALENDAR



SVHCD BOARD OF DIRECTORS
REGULAR MEETING MINUTES
 Thursday, February 5, 2015
 6:00 p.m. Regular Session
 COMMUNITY MEETING ROOM
 177 FIRST STREET WEST, SONOMA, CA

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER Meeting called at 6:00pm	Nevins	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended to keep comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>	Nevins	
3. CONSENT CALENDAR A. Regular Board Minutes 1.8.15 B. FC Minutes 11.25.14, 1.6.15 C. QC Minutes 11.20.14, 12.18.14 D. GC Minutes 11.25.14 E. MEC Credentialing Report, 1.28.15	Nevins	
Consent Calendar approved the Minutes from 1.8.15 with the following amendments: change item 12.B.i. to read, <i>Parcel Tax Exemption Criteria and Process Policy</i> ; remove Motion from Item 4; change Mr. Rymer from a “Member” to “Other” in the QC Minutes on 11.20.14.		MOTION to approve Consent Calendar as amended by Rymer and 2 nd by Hohorst. All in favor.
4. SVHF ANNUAL REPORT Ms. Blanusia presented the SVH Foundation’s 2014 Annual Report which included current Board structure, 2014 goals and accomplishments, fund allocation, and planned goals 2015.	Blanusia	Inform
5. INFORMATION SYSTEMS ANNUAL REPORT Ms. Sendaydiego and Dr. Cohen shared the Information Technology Update 2015 touching on what’s working well within the department, Meaningful Use-EHR Project, HIMSS National Benchmark and the future of Informatics.	Sendaydiego/Cohen	Inform

6. BOARD INVOLVEMENT IN QUALITY OVERSIGHT	<i>Hirsch</i>	Inform
Ms. Hirsch's presentation talked about the level and role of Board involvement in Quality of Care and touched on the principles of Quality oversight, continued improvement of both patient safety and quality of care, the importance of evidence-based leadership practices, and recommendations for future Board oversight.		
7. FINANCIAL REPORT FOR DECEMBER 2014	<i>Jensen</i>	Inform
The month of December was favorable compared to budget by \$5,377, net Revenue was unfavorable to budget by (\$76,049), expenses were favorable to budget by \$179,358, professional fees were over budget by (\$55,745) and Purchased Services was over budget due to collection costs.		
8. FY 2016-18 STRATEGY DEVELOPMENT	<i>Mather</i>	Inform/Discuss
Ms. Mather presented the Board with the draft of the 2016-18 Three Year Rolling Strategic Plan with emphasis on strategic priorities and their development, plans for implementation of said strategies, trends in healthcare, and environmental analysis. The Board shared their comments and recommendations for changes to the Plan.		
9. ADMINISTRATIVE REPORT FOR FEBRUARY 2015	<i>Mather</i>	Inform
Volumes in December were lower than expected in outpatient areas, inpatient discharges have stabilized and are at budget, Medi-Cal continues to increase, several meetings with the Hospital's payers were held to ensure costs are covered, EBIDA margins up over last year and the Hospital completed the SNF optimization project.		
10. OFFICER & COMMITTEE REPORTS	<i>Committee Chairs</i>	
<p>A. Board Chair Report Ms. Nevins was appointed as liaison to the SVHF. All were in favor.</p> <p>B. Finance Committee: 2014 Performance Report Mr. Boerum raised the issue of the CEO's participation in Board Finance Committee meetings. He asked the Board Chair and the FC Chair if the CEO has been constricted or constrained in any way from attending these meetings. If so, then this would be a policy decision that should be voted on the full Board. The SVH Board Chair and FC Chair gave their assurance that the CEO is welcome to attend all FC meetings.</p>		<p>MOTION to approve 10.B. by Hohorst and 2nd by Nevins. All in favor.</p> <p>At the request of Ms. Nevins, Dr. Cohen will demo the EHR to the Board. Time and place TBD.</p>
11. BOARD COMMENTS	<i>Board Members</i>	Inform
<p>Ms. Hirsch and Mr. Rymer reported on the ACHD Leadership Development Program they attended in January 2015.</p> <p>Mr. Boerum reported on his trip to India which included several visits to local hospitals.</p>		
12. ADJOURN Meeting adjourned at 9:00pm.	<i>Nevins</i>	



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, January 27, 2015
Schantz Conference Room**

Voting Members Present	Members Excused	Staff/ Public/Other	Staff Excused
Dick Fogg Shari Glago Sharon Nevins Phil Woodward Steve Barclay Mary Smith S. Mishra, MD (by phone) Peter Hohorst Stephen Berezin	Keith Chamberlin	Sam McCandless Ken Jensen Jeannette Tarver Gigi Betta	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS			
	<u>Call to Order</u> The meeting was called to order at 5:08 pm <u>Announcement</u> On February 24, 2015 Shari Glago will Chair in Mr. Fogg's absence.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
3. CONSENT CALENDAR	<i>Fogg</i>		
<ul style="list-style-type: none"> FC Meeting Minutes, 1.6.15 		Action MOTION to approve	.

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		by Berezin and 2 nd by Glago. All in favor.	
4. PROPOSED 2015 WORK PLAN	<i>Jensen</i>	Action	
	<p>Mr. Jensen presented the draft 2015 Work Plan and after Committee review, a few changes were made. Jensen will revise the Work Plan and it will be brought forward to the February 24, 2015 meeting for approval.</p> <p>Mr. Jensen met with the accounting firm of Armanino LLP to discuss plans to perform the Hospital's annual audits.</p>		Bring revised 2015 Work Plan forward to 2.24.15 meeting for approval.
5. DECEMBER 2014 FINANCIALS	<i>Jensen</i>	Inform	
	The month of December 2014 was favorable compared to budget by \$5,377. Net Revenue was unfavorable to budgeted expectations by (\$76,049). Expenses were favorable to budget by \$179,358. Professional fees were over budget by (\$55,745) due to an increase in the quarterly CPS Pharmacy fees. Purchased Services is over budget due to collection costs in Patient Accounting, which was reduced significantly since the beginning of the fiscal year.		
6. CEO BOARD REPORT JAN. 2015	<i>Nevins</i>	Inform	
	Mr. Barclay was impressed with the November 2014 Dashboard and overall results.		
7. ADJOURN/DISCUSSION	<i>Fogg</i>		
	<p>On February 19, 2015, SVH will meet with UCSF to discuss involvement in their ACO program.</p> <p>The Committee talked about the role SVH is planning to play in the future of primary care and how the Hospital will secure its referral base.</p> <p>The meeting was adjourned at 6:40 pm. The next meeting is on Feb. 24, 2015</p>		

2015 Finance Committee Work Plan

January	February	March	April
<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Cash forecast thru Dec 15 ❖ Changes in Payer Mix 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Budget Assumptions 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ 3 Year Financial Plan ❖ IT Review ❖ Medicare Reimbursement Presentation ❖ Line of Credit Update 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ 3rd Quarter Capital Spending Report ❖ SCAN Update ❖ Operating Budget Review ❖ Audit Plan
May	June	July	August
<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Operating Budget Review ❖ Insurance Review ❖ Joint Meeting with the Board ❖ 2 Meetings in May for Finance Committee 	<ul style="list-style-type: none"> ❖ Monthly Financial Statement ❖ Patient Accounting Overview ❖ Capital Budget Review 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Pre close report 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Audit status
September	October	November	December
<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Audit update 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Audited Financial Statements and Audit presentation ❖ First quarter update 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Financial Policies Review ❖ Finance Committee Charter 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Annual Finance Committee Review



SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, January 28, 2015
Schantz Conference Room

Committee Members Present		Committee Members Excused	Admin Staff /Other
Jane Hirsch Carol Snyder Susan Idell Kelsey Woodward Cathy Webber M. Mainardi H. Eisenstark		Joshua Rymer Ingrid Sheets Paul Amara MD	Leslie Lovejoy Robert Cohen, MD Mark Kobe Gigi Betta

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	<i>Hirsch</i>		
	Meeting called to order at 5:00 pm		
2. PUBLIC COMMENT	<i>Hirsch</i>		
	None.		
3. CONSENT CALENDAR	<i>Hirsch</i>	Action	
<u>Minutes:</u> A. Quality Committee Minutes, 12.18.14		MOTION by Idell to approve Minutes <u>as amended</u> and 2 nd by Mainardi. All in favor.	Carol Snyder appears twice on 12.18.14 Minutes.
4. QUALITY REPORT DEC. 2014	<i>Lovejoy</i>	Inform/Action	
	Ms. Lovejoy shared the Quality Dept. priorities for January 2015 including Regulatory Agency follow-up visits, Population Health, Case Management orientations and redesign, and infrastructure and education.		
5. AHRQ CULTURE OF SAFETY SURVEY REPORT	<i>Lovejoy</i>	Inform/Action	
	During the 2014 Wellness Fair at the end of October,		Email Culture of

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	the Quality Dept. asked for feedback using the AHRQ (Agency for Healthcare Research and Quality CMS Culture of Safety Survey to measure progress. The next measurement period will be during the Wellness Fair in the fall 2015. In 2015, all Leaders will be trained to use the Midas program to report events. Every year a <i>fresh</i> Health Stream module will be assigned to staff.		Safety Report to QC.
6. SVH ANNUAL REPORT	<i>Hirsch</i>	Discuss	
			The incorrect Report was included in the QC Agenda Package. Board Clerk to email the correct Annual Report to QC.
7. PROPOSED 2015 QC WORKPLAN	<i>Hirsch/Lovejoy</i>	Inform/Discuss/Action	
	Ms. Lovejoy presented the 2015 Work Plan and it was approved by all.	MOTION by Mainardi to approve Work Plan and 2 nd by Snyder. All in favor.	Board Clerk will add meeting dates to the Work Plan 2015.
8. DASHBOARD SUBCOMMITTEE	<i>Lovejoy, Woodward, Rymer, and Idell</i>	Discuss	
			Board Clerk to schedule the first Dashboard Subcommittee meeting.
7. CLOSING COMMENTS/ANNOUNCEMENTS	<i>Hirsch</i>		
	Ms. Hirsch presents the <i>BOARD INVOLVEMENT IN QUALITY OVERSIGHT</i> to the Board of Directors on 2.5.15.		Ms. Hirsh asked the Committee to email any suggestions on the direction and/or level of the Board's involvement.
8. ADJOURN	<i>Hirsch</i>		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	Regular session adjourned at 5:42 pm		
9. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Hirsch</i>		
10. CLOSED SESSION	<i>Amara</i>	Action	
<u>Calif. Health & Safety Code § 32155</u> <ul style="list-style-type: none"> • Medical Staff Credentialing & Peer Review Rpt. • Quality Assurance Report 			
11. REPORT OF CLOSED SESSION	<i>Hirsch</i>		
12. ADJOURN	Closed Session adjourned at 5: 55 pm		



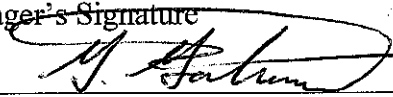
POLICY AND PROCEDURE Approvals Signature Page

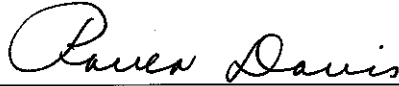
Review and Approval Requirements

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:

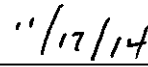
- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent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

Department: Engineering Department Policies	
APPROVED BY:	DATE: 11/14/14
Director's/Manager's Signature 	Printed Name Grigory Gatenian



Paula Davis
Chief of Human Resources



Date

D. Paul Amara, MD
President of Medical Staff

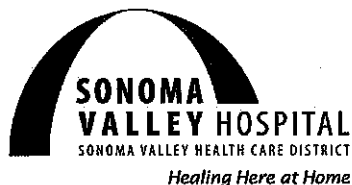
Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Engineering Department**

New document or revision written by: Grigory Gatenian

Date: 11-13-14

Type X Revision <input type="checkbox"/> New Policy	Regulatory <input type="checkbox"/> CMS <input type="checkbox"/> CDPH (formerly DHS) <input type="checkbox"/> TJC (formerly JCHAO) <input type="checkbox"/> Other:
<input type="checkbox"/> Organizational: Clinical/Non-clinical <i>(circle which type)</i>	X Departmental <input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>
<p>Please <u>briefly</u> state changes to existing document/form or overview of new document/form here: <i>(include reason for change(s) or new document/form)</i></p>	
<p><i>All of the following Engineering department policies have been reviewed and updated to current standards:</i></p>	
8450-01 8450-02 8450-03 8450-04 8450-07 8450-08 8450-09 8450-10 8450-11 8450-12 8450-13 8450-16 8450-17 8450-18 8450-19 8450-21 8450-22 8450-23 8450-24 8450-25 8450-27 8450-29 8450-31 8450-33 8450-37 8450-38 8450-39	Employee Work Schedule-reviewed; no changes Scheduled Duties- minor changes Watch and Floor Duties – changes due to new equipment On-Call Engineer – no changes Preventative Maintenance Program – no changes Bio-Med Safety/PM Program - no changes Expired Testing - no changes Asbestos Abatement Program - no changes Fire Drill Procedure - changed Electrical Lock Out Procedure - no changes General Safety - no changes Work Related Injuries – part on the organizational policy? Interim Life Safety – added tables for evaluation Security Lockers/Offices - no changes Valve Lock-out - no changes General Orientation - no changes Mandatory Safety Training Permanent Log/Record Retention - no changes Purchasing Procedures – adapted new procedure Refrigerant - no changes Infection Control for Construction or Renovation Projects Confined Space Program no changes Vendor Contacts List – updated info Bio-Medical Equipment Phone Directory - minor updates Governmental Agency Phone List - no changes Utilities Failure Phone List - no changes Department Phone Tree-reviewed and updated to current staff



Policy Submission Summary Sheet

Title of Document: **Engineering Department**

New document or revision written by: Grigory Gatenian

Date: **11-13-14**

8450-42	Engineering Earthquake Procedures updated info
8450-45	Electrical Safety Testing Policy - updated
8450-46	Patient Owned Electrical Equipment - no changes
8450-48	Equipment Inventory - minor updates
8450-51	Utility Failure Reporting - no changes
8450-57	Change from Natural Gas to Propane – new
8450-59	Emergency Delivery of Diesel Fuel - updated
8450-60	Diesel Fuel Calculations Generators-reviewed; minor changes
8450-63	Electrical Failure - no changes
8450-65	Emergency Generator Testing - no changes
8450-67	Fire Alarm Testing - no changes
8450-76	Piped Medical Gases Procurement and Contingency Plan - updated
8450-77	Bulk Liquid Oxygen - no changes
8450-84	Hospital Emergency Water Supply - updated
8450-89	Requests for Paid Time Off - no changes
8450-90	Emergency Battery Powered Light Testing - no changes
8450-91	Vendor Fire Alarm Testing - updated
8450-96	Fire Damper Inspections - updated
8450-100	Exit Lights - no changes
8450-101	Humidity and Temperature Monitoring in Surgery and Birthplace Surgical Suites - updated
8450-102	Ice Machine Maintenance Procedure - no changes

Reviewed By	Date	Approved (Y/N)	Comment
Medical Executive Committee ✓	12/18/14	Yes	
Performance Improvement Committee ✓	01/22/15 2.26.15		
Board of Directors	02/05/15		



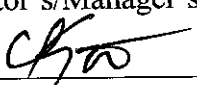
POLICY AND PROCEDURE Approvals Signature Page

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
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- 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: Pharmacy Policies MM8610-123,124,133,138,148 (new)	
APPROVED BY: Director of Pharmacy	DATE: 1/15/2015
Director's/Manager's Signature 	Printed Name Chris Kutza

Leslie Lovejoy, RN
Chief Quality & Nursing Officer

Date

Robert Cohen, MD
Chief Medical Informatics Officer

Date

D. Paul Amara, MD
President of Medical Staff
Chair, Pharmacy and Therapeutics Committee

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Pharmacy Department**

New document written by: **Chris Kutza, Director of Pharmacy**

Date: **1/15/2015**

Type X Revision X New Policy	Regulatory <input type="checkbox"/> CMS <input type="checkbox"/> CDPH (formerly DHS) <input type="checkbox"/> TJC (formerly JCHAO) <input type="checkbox"/> Other:		
X Organizational: Clinical <i>(circle which type)</i>	<input type="checkbox"/> Departmental <input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>		
Please <u>briefly</u> state changes to existing document/form or overview of new document/form here:			
<i>(include reason for change(s) or new document/form)</i>			
MM8610-123 Storage of Medications—Updated			
MM8610-124 Inspection of Nursing Units and Medication Storage Areas—Updated			
MM8610-133 Ordering and Prescribing of Medications—Updated			
MM8610-138 Automatic Stop Orders—Updated			
MM8610-149 Antimicrobial Stewardship—NEW			
Reviewed By	Date	Approved (Y/N)	Comment
Chris Kutza ✓	1/15/2015	Yes	
Pharmacy and Therapeutics ✓	1/22/2015	Yes	
Medical Executive Committee ✓	2/19/2015	2/19/15	
Board of Directors	3/05/2015		




POLICY AND PROCEDURE
Approvals Signature Page

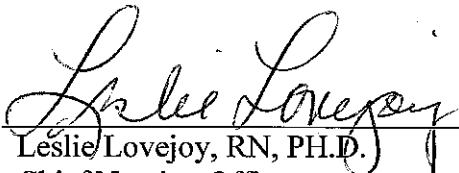
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- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

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.

Department: Surgical Services Department LD7420-157 Scheduling Surgical Services Policy	
APPROVED BY:	DATE: 2/04/2015
Director's/Manager's Signature 	Printed Name Allan Sendaydiego RN


Leslie Lovejoy, RN, PH.D.
Chief Nursing Officer

2-6-15
Date

Michael Brown, MD
Chair Surgery Committee

Date

D. Paul Amara, MD
President of Medical Staff

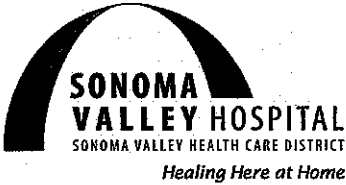
Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: Surgical Services Department

New document or revision written by: Allen Sendaydiego RN

Document Date: 1/28/2015

Type X Revision <input type="checkbox"/> New Policy	Regulatory <input type="checkbox"/> CMS <input type="checkbox"/> CDPH (formerly DHS) <input type="checkbox"/> TJC (formerly JCHAO) <input type="checkbox"/> Other:																				
Organizational: Clinical/Non-clinical <i>(circle which type)</i>	X Departmental <input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>																				
<p>Please <u>briefly</u> state changes to existing document/form or overview of new document/form here: (include reason for change(s) or new document/form)</p> <p>LD7420-157 Scheduling Surgical Procedures- revised to include definitions and guidelines regarding Urgent/Emergent cases and the process of Surgeons bumping scheduled cases.</p>																					
<table border="1"> <thead> <tr> <th>Reviewed By</th> <th>Date</th> <th>Approved (Y/N)</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Surgery Committee</td> <td>2/04/2015</td> <td>Yes</td> <td></td> </tr> <tr> <td>Medical Executive</td> <td>2/19/2015</td> <td></td> <td></td> </tr> <tr> <td>Quality Committee</td> <td>2/25/2015</td> <td></td> <td></td> </tr> <tr> <td>Board of Directors</td> <td>3/05/2015</td> <td></td> <td></td> </tr> </tbody> </table>		Reviewed By	Date	Approved (Y/N)	Comment	Surgery Committee	2/04/2015	Yes		Medical Executive	2/19/2015			Quality Committee	2/25/2015			Board of Directors	3/05/2015		
Reviewed By	Date	Approved (Y/N)	Comment																		
Surgery Committee	2/04/2015	Yes																			
Medical Executive	2/19/2015																				
Quality Committee	2/25/2015																				
Board of Directors	3/05/2015																				

4.

FLUOROSCOPY REPLACEMENT



To: SVHCD Board of Directors
From: Dawn Kuwahara RN
Meeting Date: March 5, 2015
Subject: History of SVH Fluoroscopy Unit

The current General Electric fluoroscopy unit is approximately 25 years old. It was “declared end of life” in early 2000 by the vendor. General Electric no longer provides a service contract for this equipment. There is a General Electric technologist in the area that has been able to support this antiquated equipment. Until recently, he has been able to find parts through his many contacts.

This January, the system went down. After two weeks of searching, our technologist was able to find a motherboard from France. It enabled him to resurrect the system. It worked for two days and failed again. It has been inoperable since mid-January. This has resulted in referring outpatients to other hospitals for testing. In addition, we have been unable to provide necessary testing for our inpatients, including upper GI studies. We have been able to utilize the C-arm in surgery for some testing.

On February 27th, the GE technologist returned with another part and the system is now functioning. He has reiterated that “failure is imminent” with this obsolete, 25 year old, unsupported, end-of-life radiology system. We are in a tenuous position and are at risk of losing this system for good at any time.

During the past four weeks while attempts were made to repair the unit, it has been necessary to refer 12 patients to other hospitals for procedures that require fluoroscopy. These referrals reflect poorly on the image of Sonoma Valley Hospital as a quality, up-to-date hospital and represent lost revenue. In addition, the fluoroscopy unit provides back-up to the Radiology department for performing X-rays. The down time has resulted in chaos within the department and created a longer wait time for patients needing X-ray services.

RFPs were sent to three firms requesting proposals to replace the current unit. One firm declined to submit a proposal. GE Healthcare submitted a bid for \$409,511.20 for a GE Precision 500 D Unit. This bid was approximately \$100,000 less than the bid submitted by Siemens.

In addition to the cost to purchase and install the new unit, the present fluoroscopy room will need to be remodeled to bring it up to current code. The room is already lead lined so using an alternate room would be more costly. Based on the cost of a similar remodel for the recently installed X-ray machine, the remodel of the fluoroscopy room will cost approximately \$350,000. This remodel will include OSHPD involvement in plan review and installation oversight.

Financial Performance for the Fluoroscopy Unit:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 (PROJECTED)
Actual Exams	170	196	161	169	*149
Contribution per Exam				**\$150	**\$150

*Machine inoperable for 4 weeks

**Per Medicare Reimbursement

Fluoroscopy Procedure Overview:

Fluoroscopy is a study of moving body structures similar to an X-ray “movie.” A continuous X-ray beam is passed through the body part being examined. This beam is transmitted to a TV-like monitor so that the body part and its motion can be seen in detail. Fluoroscopy as an imaging tool enables physicians to look at many body systems, including the skeletal, digestive, urinary, respiratory, and reproductive systems.

Fluoroscopy may be performed to evaluate specific areas of the body, including the bones, muscles, and joints, as well as solid organs, such as the heart, lung, or kidneys.

Fluoroscopy is used in many examinations and procedures, such as barium X-rays, arthrography (visualization of a joint or joints), lumbar puncture, placement of IV catheters, intravenous pyelogram, hysterosalpingogram, and biopsies.

Fluoroscopy may be used alone as a diagnostic procedure or may be used in conjunction with other diagnostic or therapeutic media or procedures.

In barium X-rays, fluoroscopy used alone allows the doctor to see the movement of the intestines as the barium moves through them and allows the doctor to position the patient for spot imaging.

Other uses of fluoroscopy include, but are not limited to, the following:

- Locating foreign bodies
- Image-guided anesthetic injections into joints or the spine
- Swallowing studies

Our top 5 studies include:

- Arthroscopy- Hip
- Swallowing Studies
- Upper GI Series
- G Tube Insertion
- Hysterosalpingogram



To: SVHCD Board of Directors

From: Ken Jensen, CFO, and Kelly Mather, CEO
William DeMartini, MD, Medical Director of Radiology
Dawn Kuwahara, RN, Director of Ancillary Services

Date: March 5, 2015

Subject: Request for New Fluoroscopy Unit

Recommendation:

We propose the purchase of a GE Healthcare Precision 500D Fluoroscopy unit for \$409,511 and utilize GE to finance the cost of the unit and the cost to remodel the fluoroscopy room. The monthly payment for the equipment loan is \$7,511 for 60 months or \$90,132 per year at 3.83% interest. Construction costs are estimated to be in the range of \$300k to \$500k. GE is willing to finance the construction costs for five years, and this cost will be depreciated over a seven year period, the same life as the equipment. This would add \$42,000 to \$71,500 per year in depreciation costs for seven years plus interest for the first five years.

Background and Reasoning (see attached):

Our current system is a GE product and is approximately 25 years old. It has been declared end of life for several years and parts are obsolete. The unit has been inoperable for four weeks, resulting in patients being referred to other hospitals. **This is an urgent situation.** Title 22 California Code of Regulations, Division 5, Code 70257 requires acute care hospitals to have at a minimum at least one fluoroscopic unit. On Friday, February 27, the GE technologist familiar with our system was able to repair the unit and it is now functioning. He has reiterated that "failure is imminent." We are in a tenuous position and are at risk for the system going down at any time. The loss of the unit places us in a vulnerable position in terms of patient safety and quality of care.

Consequences of Negative Action/Alternative Actions:

Without this unit, patient safety and quality of care are at risk. We are at risk for violation of Title 22 California Code of Regulations.

Financial Impact (see attached Quote and Purchase Summary):

Estimated Construction Costs: \$300k to \$500k

Selection & Compliance Process:

The issue was brought to Administration's attention by the Medical Director of Radiology, William DeMartini, MD, the Director of Ancillary Services, Dawn Kuwahara, RN, and the Radiology Supervisor, Jessica Spring. RFPs were sent to three vendors. One vendor failed to submit a proposal. Meetings were held with GE Healthcare and Siemens to review units. GE Healthcare submitted a bid for \$409,511.20 for a GE Precision 500D Unit. This bid was approximately \$100,000 less than the bid submitted by Siemens. A recommendation was presented to the Finance Committee on February 26, 2015.

Support & Approval:

This proposal is supported and approved by the Medical Director of Radiology, William DeMartini, MD, the CEO, Kelly Mather, and the CFO, Ken Jensen. It has been approved by the Finance Committee.

A copy of the GE Healthcare Precision 500D Agreement is available on request under separate cover.

Lease Summary: Sonoma Valley Hospital

GE R&F

Operating Lease				
Equipment Description	Price	Term (months)	Monthly Payment *	FMV Cap
GE Precision 500D - 16 inch Image Intensifier	\$409,511	60	\$6,547	\$80,325
"	"	84	\$5,151	\$69,826

Loan				
Equipment Description	Price	Term (months)	Monthly Payment	Interest Rate
GE Precision 500D - 16 inch Image Intensifier	\$409,511	60	\$7,511	3.83%
"	"	84	\$5,619	4.11%

Flexible Operating Lease Options

- Option to purchase at end of term for the **LESSER** of Fair Market Value or FMV Cap
- Option to return equipment at end of term
- Option to upgrade and extend at any time
- Option to continue making payments or renew the lease at a lower monthly payment

NOTE:

- * Since the trade-in of the old system (\$7K) is applied towards the first monthly payment, no payment is needed for the first month. Payments will be zero for the first month followed by the above monthly payments.
- Based on your needs we are flexible and can lengthen or shorten the term or include skip payments or a low-high payment structure. No down payments or progress payments if financed through GE.
- The above prices are based upon current money rates and done in "good faith" and is subject to credit approval.
- Please contact Trace Bringhurst for additional information. Tel: 503-806-5476 or trace.bringhurst@ge.com

5.

HUMAN RESOURCES ANNUAL REPORT

2014 Human Resources Annual Report

What came down the pike?

■ Employment Statistics:

- 436 employees at Sonoma Valley Hospital –298 full and part time employees with benefits and 138 per diem employees or those who are not eligible for benefits.
- 44 benefited staff separations (14 nursing, 12 clinical and 18 support staff) (54 additional per diem staff separations for a total or 98) and 81 new hires (35 nursing, 23 clinical and 23 support staff). 303 budgeted FTEs
- Turnover statistics – we did not meet our goal of 10%. We experienced a 14.5% rate for benefited employee turnover.

■ 15 Involuntary

- 5 unsatisfactory performances
- 1 out of legal compliance
- 9 lay off

29 Voluntary

- | | |
|------------------------------|--------------------|
| 7 not specified | 1 never worked |
| 8 another job | 1 entered military |
| 3 retired | 1 return to school |
| 2 moved | |
| 4 no return from LOA | |
| 2 fear of Birthplace closure | |

Requirements

- Performance Evaluations
 - Orientation
 - Mandatory Education
 - Employee Health (TB, Flu, Mask Fit)
 - Wellness
-
- All 100% complete for 2014

Workers' Compensation

- **Four workers' compensation claims filed**
- **Costs for 2014 injuries were \$28,667.20**
- **Third Party Administrator fees \$9,153**
- **All open claims (14) cost was \$185,444.61**
- **Excess workers' compensation coverage for claims that might reach over \$500,000**
- **SVH remains self-insured**

Measurement Monitoring

- **2014 Staff Satisfaction –**
 - 76% staff participation
 - 76.0 Mean Score in Partnership
 - 77th Percentile compared to all facilities in the national Press Ganey database
- **2014 Support Service Satisfaction**
 - Goal of 80% satisfaction, score 89.0%

Compensation & Benefits

- 3% pay increases January 2014 & 2015
- RN midpoint within 1% of survey
- No increase to staff benefit contributions
- SVH contribution to dental premium 25%
- Benefits are comparable to survey results

Education

- With nearly 100 classes offered in 2014 in the clinical and nursing areas, this is a huge improvement over prior years.
- Addition of many other educational opportunities on-line
- Annual mandatory education Healthstream requirements complete by all staff in 2014
- A success story – 1 in 300,000

What's in Store for HR in 2015?

- Continuation of staff satisfaction improvements - Goals are 80% participation and 75th %ile satisfaction
- Affordable Care Act January 2015 –offer benefits to staff who average working over 30 hours per week is required
- Healthy Workplace, Health Families Act – Paid Sick Leave – AB 1522 is effective July 2015 – 1 hour for each 30 worked if worked 30 days in year.
- Can you say - One armed paper hanger!

Questions?

7.

FIANANCIAL REPORT JANUARY 2015



Healing Here at Home

To: SVH Finance Committee
From: Ken Jensen, CFO
Date: February 26, 2015
Subject: Financial Report for the Month Ending January 31, 2015

The month of January had, after accounting for all income and expenses but not including GO bonds, net income under budget by (\$26,633). Net Hospital Revenue was short of expectations by (\$46,479). Expenses were favorable to budget by \$54,195.

Below is a summary of significant variances for the month of January:

GROSS REVENUE was better than budget by \$ 332,544
Inpatient revenue was unfavorable to budget by (\$1,127,757) and SNF was unfavorable by (\$641,139). Outpatient revenue was better than budget by \$929,685 and ER revenue was above budget by \$1,177,159. Home Health had a small negative budget variance of (\$5,404). Although SNF revenue was off target, the net covered its direct costs.

Deductions from revenue are higher than budgeted due to lower inpatient volumes and changes in payer mix with lower Medicare and Commercial and higher MediCal volumes for both I/P and O/P. As a percentage of totals, Medi-Cal was 18.1% vs. a budget of 11.6%. Commercial patients represented 18.8% of revenue vs. an expected 23.9%. The bad debt reserve was over accrued, therefore no expense is reflected this month. \$ (337,971)

Risk Contract Revenue was under budget by \$ (41,052)

Other Revenue was under budget by \$ (77,330)

Total Operating Revenue Variance \$ (123,809)

Total Staffing costs were under budget by \$ 167,900
Productive FTE's were 246 vs. a budget of 257.
Total FTE's were over budget by 7.0 due to the use of PTO, which has been previously accrued for.

Employee benefits were over budget by \$ (96,778)
due to an one time true-up of PTO liability as a result of the 3% salary increase (\$57,830) and an unanticipated increase in State Unemployment insurance of (\$24,667).



Professional fees were over budget by	\$	(27,434)	
Physician fees were unfavorable to budget by (\$34,691) for Napa State monthly fee being more than we accrued for, but this is off set with Napa State revenue. Other professional fees were favorable to budget by \$7,257.			
Supplies are over budget by	\$	(22,987)	
due to an adjustment to laboratory inventory.			
Other Expenses are over budget by	\$	(40,490)	
due to the SNF Penalty.			
All Other Operating Expenses	\$	73,985	
Total Expense Variance			\$ 54,195
Total Operating Margin Variance			\$ (69,614)
Non-Operating Income was unfavorable to budget	\$	(8,879)	
Capital Campaign and Restricted Contributions was favorable to budget	\$	51,860	
Net Variance			\$ (26,633)

The net income was \$167,302 vs. a budgeted net income of \$193,934. After accounting for GO bond activity (which interest cost were better than budget by \$22,326) the aggregated net income was \$201,698 vs. a budgeted net income of \$203,919.

Patient Volumes - January

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	104	133	-29	91
Newborn Discharges	12	15	-3	6
Acute Patient Days	390	493	-103	389
SNF Patient Days	654	705	-51	754
Home Care Visits	1,097	1,129	-32	1,040
OP Gross Revenue	\$11,804	\$9,703	\$2,101	\$9,095
Surgical Cases	129	113	16	113

Overall Payer Mix – January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	50.0%	51.0%	-1.0%	47.1%	50.2%	-3.1%
Medi-Cal	18.1%	11.6%	6.5%	18.6%	11.3%	7.3%
Self Pay	0.0%	3.4%	-3.4%	1.7%	3.4%	-1.7%
Commercial	18.8%	23.9%	-5.1%	21.2%	24.6%	-3.4%
Managed MC	6.8%	4.5%	2.3%	4.9%	4.4%	0.5%
Workers Comp	3.6%	2.9%	0.7%	3.5%	3.2%	0.3%
Capitated	2.7%	2.7%	0.0%	3.0%	2.9%	0.1%
Total	100.0%	100.0%		100.0%	100.0%	



Cash Activity for January:

For the month of January the cash collection goal was \$4,069,928 and the Hospital collected \$3,370,620 or under the goal by (\$699,308). This appears to be due to the lag in the MediCal pending accounts. The Year to date cash goal is \$24,965,693 and the Hospital has collected \$24,712,971 or under the goal by (\$252,722). The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 17 days at January 31, 2015. Accounts Receivable increased from December, from 48.9 days up to 51.2 days in January. Accounts Payable is down by \$169,336 from December due to the Hospital's efforts to decrease expenses and collect on patient accounts. Accounts Payable days are at 53.0. Total Accounts Payable at the beginning of the fiscal year was \$5,893,464 and at the end of January the Accounts Payable is \$3,877,757.

Year to Date:

The Hospital's YTD EBIDA is now commensurate with other hospitals at 6.9%. Our YTD expenses are over budget by (\$662,134), of which approximately \$120,000 is from FY 2014. This is made up of Surgery PO's, Anesthesia true-up and an outside consultant. Most of the variance was recognized in the first four months of the fiscal year. Furthermore, due to inaccurate forecasting during the budget process the Hospital will be over budget about \$81,000 a month due to the following; utilities, Hospitalists, Lab, Anesthesia, Prima and IT. The Hospital has continued to save costs by not replacing several positions and not spending on capital.



Sonoma Valley Hospital Sonoma Valley Health Care District January 31, 2015 Financial Report

**Finance Committee
February 26, 2015**



Patient Volumes

Month of January 31, 2015

	Actual	Budget	Variance	Prior Year
Acute Discharges	104	133	-29	91
Newborn Discharges	12	15	-3	6
Acute Patient Days	390	493	-13	389
SNF Patient Days	654	705	-51	754
Home Care Visits	1,097	1,129	-32	1,040
OP Gross Revenue	\$11,804	\$9,703	\$2,101	\$9,095

Summary Statement of Revenues and Expenses Month of January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,445,607	\$ 4,569,415	\$ (123,809)	-3%	\$ 3,753,757
2Total Operating Expenses	\$ 4,634,302	\$ 4,688,497	\$ 54,195	1%	\$ 4,551,620
3Operating Margin	\$ (188,696)	\$ (119,082)	\$ (69,614)	-58%	\$ (797,863)
4NonOperating Rev/Exp	\$ 217,887	\$ 226,766	\$ (8,879)	-4%	\$ 414,504
5Net Income before Rest.Cont. & GO Bond	\$ 29,192	\$ 107,684	\$ (78,493)	-73%	\$ (383,359)
6Restricted Contribution	\$ 138,110	\$ 86,250	\$ 51,860	60%	\$ 281,546
Net Income with Restricted 7Contributions	\$ 167,302	\$ 193,934	\$ (26,633)	-14%	\$ (101,813)
8Total GO Bond Rev/Exp	\$ 34,396	\$ 9,985	\$ 24,411	244%	\$ 115,418
9Net Income with GO Bond	\$ 201,698	\$ 203,919	\$ (2,222)	-1%	\$ 13,605
10EBIDA before Restricted Contributions	\$ 347,352	\$ 465,561	\$ (118,210)		\$ 125,960
11EBIDA before Restricted Cont. %	8%	10%	-2%		3%

Summary Statement of Revenues and Expenses Year to Date January 31, 2015 (7 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 30,006,924	\$ 29,951,704	\$ 55,220	0%	\$ 29,110,732
2Total Operating Expenses	\$ 31,909,281	\$ 31,247,147	\$ (662,134)	-2%	\$ 31,654,323
3Operating Margin	\$ (1,902,358)	\$ (1,295,443)	\$ (606,915)	-47%	\$ (2,543,591)
4NonOperating Rev/Exp	\$ 1,619,449	\$ 1,587,362	\$ 32,087	2%	\$ 1,559,120
Net Income before Rest.Cont. & 5GO Bond	\$ (282,909)	\$ 291,919	\$ (574,828)	-197%	\$ (984,471)
6Restricted Contribution	\$ 641,774	\$ 603,750	\$ 38,024	6%	\$ 3,271,949
Net Income with Restricted 7Contributions	\$ 358,865	\$ 895,669	\$ (536,804)	-60%	\$ 2,287,478
8Total GO Bond Rev/Exp	\$ 178,881	\$ 69,882	\$ 108,999	156%	\$ 807,824
9Net Income with GO Bond	\$ 537,747	\$ 965,551	\$ (427,804)	-44%	\$ 3,095,303
EBIDA before Restricted 10Contributions	\$ 2,057,669	\$ 2,797,058	\$ (739,389)		\$ 314,804
11EBIDA before Restricted Cont. %	7%	9%	-2%		1%

Sonoma Valley Health Care District
Balance Sheet
As of January 31, 2015

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,509,913	\$ 1,823,144	\$ 1,065,206
2 Trustee Funds	2,533,185	2,533,185	1,615,031
3 Net Patient Receivables	7,573,521	7,398,657	8,016,750
4 Allow Uncollect Accts	(628,733)	(668,956)	(1,754,440)
5 Net A/R	6,944,788	6,729,701	6,262,310
6 Other Accts/Notes Rec	4,072,447	3,999,477	4,282,451
7 3rd Party Receivables, Net	1,033,286	1,190,072	882,748
8 Due Frm Restrict Funds	-	-	-
9 Inventory	717,266	803,069	767,026
10 Prepaid Expenses	866,148	933,858	1,209,364
11 Total Current Assets	\$ 18,677,033	\$ 18,012,506	\$ 16,084,136
12 Board Designated Assets	\$ -	\$ -	\$ 5,399
13 Property, Plant & Equip, Net	55,383,289	55,654,793	19,618,513
14 Hospital Renewal Program	-	-	31,801,877
15 Unexpended Hospital Renewal Funds	-	-	4,024,455
16 Investments	-	-	-
17 Specific Funds	420,163	370,214	(3,040,793)
18 Other Assets	143,164	143,007	432,875
19 Total Assets	\$ 74,623,648	\$ 74,180,519	\$ 68,926,462
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 3,877,757	\$ 4,047,093	\$ 4,687,120
21 Accrued Compensation	3,815,994	3,617,860	3,557,931
22 Interest Payable	707,574	589,645	853,021
23 Accrued Expenses	1,401,006	1,210,693	1,176,471
24 Advances From 3rd Parties	552,876	31,592	230,583
25 Deferred Tax Revenue	3,033,706	3,436,032	2,096,823
26 Current Maturities-LTD	1,708,979	1,706,832	906,845
27 Line of Credit - Union Bank	5,698,734	5,698,734	-
28 Other Liabilities	144,549	144,392	4,197,540
29 Total Current Liabilities	\$ 20,941,175	\$ 20,482,873	\$ 17,706,335
30 Long Term Debt, net current portion	\$ 39,524,098	\$ 39,740,968	\$ 37,264,900
Fund Balances:			
32 Unrestricted	\$ 12,618,056	\$ 12,554,469	\$ 12,971,568
33 Restricted	1,540,319	1,402,209	983,663
34 Total Fund Balances	\$ 14,158,375	\$ 13,956,678	\$ 13,955,230
35 Total Liabilities & Fund Balances	\$ 74,623,648	\$ 74,180,519	\$ 68,926,465

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended January 2015

		Month				Year-To- Date				YTD	
		This Year		Variance		This Year		Variance			
		Actual	Budget	\$	%	Actual	Budget	\$	%	Prior Year	
Volume Information											
1	Acute Discharges	104	133	(29)	-22%	714	742	(28)	-4%	687	
2	SNF Days	654	705	(51)	-7%	4,292	4,249	43	1%	4,281	
3	Home Care Visits	1,097	1,129	(32)	-3%	7,975	6,854	1,121	16%	6,076	
4	Gross O/P Revenue (000's)	11,804	9,703	2,101	22%	\$ 77,366	\$ 69,271	8,095	12%	\$ 66,522	
Financial Results											
Gross Patient Revenue											
5	Inpatient	\$ 5,395,863	\$ 6,523,620	(1,127,757)	-17%	\$ 35,915,508	\$ 39,135,964	(3,220,456)	-8%	\$ 35,932,037	
6	Outpatient	6,802,535	5,872,850	929,685	16%	45,659,102	44,402,357	1,256,745	3%	42,446,681	
7	Emergency	4,661,580	3,484,421	1,177,159	34%	29,250,521	22,766,936	6,483,585	28%	22,206,656	
8	SNF	2,198,939	2,840,078	(641,139)	-23%	14,684,493	17,192,772	(2,508,279)	-15%	16,706,258	
9	Home Care	339,862	345,266	(5,404)	-2%	2,456,337	2,101,962	354,375	17%	1,869,028	
10	Total Gross Patient Revenue	\$ 19,398,779	\$ 19,066,235	332,544	2%	\$ 127,965,962	\$ 125,599,991	2,365,971	2%	\$ 119,160,659	
Deductions from Revenue											
11	Contractual Discounts	\$ (15,426,870)	\$ (14,655,693)	(771,177)	-5%	\$ (99,641,951)	\$ (96,844,550)	(2,797,401)	-3%	\$ (92,310,539)	
12	Bad Debt	0	(177,417)	177,417	100%	(740,000)	(1,168,745)	428,745	37%	(1,191,955)	
13	Charity Care Provision	(21,900)	(26,613)	4,713	18%	(133,600)	(175,313)	41,713	24%	(164,550)	
14	Prior Period Adjustments	251,076	-	251,076	0%	281,657	-	281,657	0%	696,982	
15	Total Deductions from Revenue	\$ (15,197,694)	\$ (14,859,723)	(337,971)	2%	\$ (100,233,894)	\$ (98,188,608)	(2,045,286)	2%	\$ (92,970,062)	
16	Net Patient Service Revenue	\$ 4,201,085	\$ 4,206,512	(5,427)	0%	\$ 27,732,068	\$ 27,411,383	320,685	1%	\$ 26,190,597	
17	Risk contract revenue	\$ 247,200	\$ 288,252	(41,052)	-14%	\$ 1,794,692	\$ 2,017,764	(223,072)	-11%	\$ 2,017,769	
18	Net Hospital Revenue	\$ 4,448,285	\$ 4,494,764	(46,479)	-1%	\$ 29,526,760	\$ 29,429,147	97,613	0%	\$ 28,208,366	
19	Other Op Rev & Electronic Health Records	\$ (2,679)	\$ 74,651	(77,330)	104%	\$ 480,164	\$ 522,557	(42,393)	-8%	\$ 902,366	
20	Total Operating Revenue	\$ 4,445,607	\$ 4,569,415	(123,809)	-3%	\$ 30,006,924	\$ 29,951,704	55,220	0%	\$ 29,110,732	
Operating Expenses											
21	Salary and Wages and Agency Fees	\$ 2,010,757	\$ 2,178,657	167,900	8%	\$ 14,058,712	\$ 13,862,934	(195,778)	-1%	\$ 13,919,528	
22	Employee Benefits	863,058	766,280	(96,778)	-13%	5,423,990	5,339,369	(84,621)	-2%	5,145,391	
23	Total People Cost	\$ 2,873,815	\$ 2,944,937	71,122	2%	\$ 19,482,702	\$ 19,202,303	(280,399)	-1%	\$ 19,064,920	
24	Med and Prof Fees (excl Agency)	\$ 342,421	\$ 314,986	(27,435)	-9%	\$ 2,475,099	\$ 2,254,376	(220,723)	-10%	\$ 3,011,519	
25	Supplies	517,853	494,866	(22,987)	-5%	3,471,784	3,342,489	(129,295)	-4%	3,571,177	
26	Purchased Services	301,591	326,347	24,756	8%	2,331,532	2,131,716	(199,816)	-9%	2,742,803	
27	Depreciation	279,127	272,198	(6,929)	-3%	2,024,047	1,905,386	(118,661)	-6%	1,131,615	
28	Utilities	71,800	80,567	8,767	11%	675,308	563,969	(111,339)	-20%	549,918	
29	Insurance	19,255	20,000	745	4%	134,785	140,000	5,215	4%	132,213	
30	Interest	39,033	85,679	46,646	54%	316,530	599,753	283,223	47%	167,660	
31	Other	189,407	148,917	(40,490)	-27%	997,493	1,107,155	109,662	10%	1,282,498	
32	Operating expenses	\$ 4,634,302	\$ 4,688,497	54,195	1%	\$ 31,909,281	\$ 31,247,147	(662,134)	-2%	\$ 31,654,323	
33	Operating Margin	\$ (188,696)	\$ (119,082)	(69,614)	-58%	\$ (1,902,358)	\$ (1,295,443)	(606,915)	-47%	\$ (2,543,591)	
Non Operating Rev and Expense											
34	Miscellaneous Revenue	\$ 5,157	\$ 933	4,224	453%	\$ 85,089	\$ 6,531	78,558	*	\$ 302,420	
35	Donations	230	10,000	(9,770)	-98%	46,859	70,000	(23,141)	33%	1,000	
36	Physician Practice Support-Prima	(37,500)	(34,167)	(3,333)	10%	(262,500)	(239,169)	(23,331)	10%	(406,410)	
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	1,750,000	1,750,000	-	0%	1,662,110	
38	Total Non-Operating Rev/Exp	\$ 217,887	\$ 226,766	(8,879)	-4%	\$ 1,619,449	\$ 1,587,362	32,087	2%	\$ 1,559,120	
39	Net Income / (Loss) prior to Restricted Contributions	\$ 29,192	\$ 107,684	(78,493)	-73%	\$ (282,909)	\$ 291,919	(574,828)	-197%	\$ (984,471)	
40	Capital Campaign Contribution	\$ 138,110	\$ 86,250	51,860	60%	\$ 533,198	\$ 603,750	(70,552)	-12%	\$ 3,271,949	
41	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ 108,576	\$ -	108,576	100%	\$ -	
42	Net Income / (Loss) w/ Restricted Contributions	\$ 167,302	\$ 193,934	(26,633)	-14%	\$ 358,865	\$ 895,669	(536,804)	-60%	\$ 2,287,478	
43	GO Bond Tax Assessment Rev	152,326	150,241	2,085	1%	1,067,970	1,051,687	16,283	2%	1,066,279	
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(889,089)	(981,805)	92,716	-9%	(258,455)	
45	Net Income/(Loss) w GO Bond Activity	\$ 201,698	\$ 203,919	(2,222)	1%	\$ 537,747	\$ 965,551	(427,804)	44%	\$ 3,095,303	
EBIDA		\$ 347,352	\$ 465,561			\$ 2,057,669	\$ 2,797,058			\$ 314,804	
		7.8%	10.2%			6.9%	9.3%			1.1%	

8.

BUDGET ASSUMPTIONS



Fiscal Year 2016 Budget Assumptions:

The following assumptions will be applied to the actual experience through January 2015. Other adjustments will be made as necessary to reflect the trends in health care going forward.

-VOLUME: Use actual 12 months volume ending January 2015, assuming volume has stabilization.

Do we assume any additional volume for specific departments showing significant growth.

-GROSS REVENUE:

Use actual 12 months revenue ending January 2015

Propose an aggregated 6% price increase with emphasis on outpatient services. Hospital is currently in the 25th percentile compared to other hospitals in the area and will look to strategically increase prices that are well below market.

Add any additional volume

-CONTRACTUAL ALLOWANCES:

Evaluating, but at this point the collection rate 20.0%

-WAGES AND BENEFITS:

3% for salaries for six months

3% for benefits for six months

Issue, no parity pool for classification adjustments

Need to add "sick time" for a number of employees

Need to add insurance coverage 30hrs/more per week

-PROFESSIONAL FEES:

3% for 12 months ending January 2015

Possibly a Vice Chief of Medical Staff

-SUPPLIES:

Reduce reagents by \$50k (six months savings, Chem analyze)

3% for 12 months ending January 2015

-FOOD:

Expectation of food costs increasing 7% applied to 12 mo Jan

-PURCHASED SERVICES:

Leases expiring annualized savings \$673k beginning 2/16

(2016 actual savings = \$280k)

Remaining adjust 3%

New IT equipment required ?

-DEPRECIATION: Actual

-INSURANCE: 8% Given claims experience

-INTEREST: Actual

-UTILITIES: No increase given oil prices

-OTHER EXPENSES:

Rent- Actual

All other, no increase

-NEW PROGRAMS: ?

-DELETE PROGRAMS: ?

-LINE OF CREDIT: Will be reviewed with capital budget requests.

9.

ADMINISTRATIVE
REPORT
FEBRUARY 2015



To: Sonoma Valley Health Care District Board of Directors
From: Kelly Mather
Date: 2/26/15
Subject: Administrative Report

Financial Summary

We are now 7 months into Fiscal Year 2015 and the financial picture looks much more positive than one year ago. We had 988 Emergency Visits in January of this year versus 811 in January of 2014. Home Health is also trending at 10% above last year and now at an average of 1100 visits per month. Outpatient gross revenue reached the highest we've seen in January at \$11.8 million. Since the Electronic Health Record incentive payment from CMS was a bit lower than anticipated by \$75k, the revenue did not quite meet budget, but expenses did. This time last year our EBIDA was very concerning at \$314,804 and now it is at \$2,057,669. Days in accounts payable is down to 53 which is better than goal of 60 days. Days cash on hand continues to improve at now 17 days.

Satisfaction Results

As demonstrated by the January dashboard, we struggled with the inpatient satisfaction scores in January with a very low number of surveys returned. The rolling average is 4 out of 8 above the 50th percentile and we will now have to follow that score because the monthly numbers are too low. Emergency satisfaction and compliments continue even while experiencing very high volumes. There were a few days when wait times were higher than usual due to the number of visits, but the staff did an outstanding job managing influx into the department while maintaining patient satisfaction. The staff satisfaction survey participation was excellent again for 2015 at 77%. We expect the results in late March. Finally, we have reached the first level goal in community hours for the organization and we still have 5 months left.

Quality & Safety Update

The Value Based Purchasing clinical score is very high, but the new measurements for this score went into effect in January. The physician satisfaction survey results were presented at the quarterly Medical Staff meeting this month. The Skilled Nursing Facility is now up on the Electronic Health Record and the conversion went very well. The I.T. and SNF teams did a great job and the physicians have been very engaged. This enhancement will continue the excellent safety record. We are excited to have now purchased two new ultrasound machines due to the success of the SVHF annual campaign. We are also planning to replace the fluoroscopy equipment. Soon we'll have new equipment throughout radiology.

Strategic Update

We have completed the first draft of the three-year rolling strategic plan and are updating it after receiving input from the board and physicians. The four major strategies recommended are similar to the past, but the tactics to accomplish them have changed. In February we celebrated the one year anniversary of the new wing and shared the fact that our Emergency department volumes have grown by over 15% since last year. We are pleased to have over 50 participants in our Employer Wellness programs with the Boys & Girls Club and Sonoma Valley Community Health Center. Heart Health Month was deemed successful with many staff and community attendees for the education sessions. Many staff wore RED to increase women's heart health awareness on February 6th.

JANUARY DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 8 HCAHPS domain results above the 50 th percentile	5 out of 8 (Nov) Rolling 3 month average = 5 out of 8	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4 = 1
Service Excellence	Highly satisfied Emergency Patients	Maintain a year to date average of at least 75 th percentile	82nd (rolling three month average)	>85 th = 5 (stretch) >80 th = 4 >75 th = 3 (Goal) <75 th = 2 <70 th = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	78	>72 = 5 (stretch) >70 = 4 >68 = 3 (Goal) >66 = 2 <66 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	2013 76% mean score at 77 th percentile	>80 th = 5 (stretch) >77 th = 4 >75 th = 3 (Goal) >72 nd = 2 <70 th = 1
Finance	Financial Viability	YTD EBIDA	6.9%	>10% (stretch) >9% = 4 >8% (Goal) >7% = 2 <7% = 1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	\$31,909,281 (actual) \$31,247,147 (budget)	<2% = 5 (stretch) <1% = 4 <Budget = 3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	908 YTD FY2015 906 YTD FY2014	>2% (stretch) >1% = 4 >0% (Goal) <0% = 2 <1% = 1
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$71.8 mm YTD \$64.6 mm prior year	
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	1050 hours for 7 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2015 TRENDED RESULTS

MEASUREMENT	Goal FY 2015	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	5/8	5	6	5	6	4	5	3					
Emergency Satisfaction	>75 th	79	79	80	76	78	81	82					
Value Based Purchasing Clinical Score	>68	68	71	70	70.88	69	68	78					
Staff Satisfaction	>75th	76	76	76	76	76	76	76					
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6	4.6	4.9	5.5					
YTD EBIDA	>8%	7	7	4.9	7.3	6.5	6.7	6.9	5	6	9	4	3
Net Operating Revenue	>4.1m	4.26	4.6	3.8	4.7	4.0	4.1	4.4	3.46	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.4	4.3	4.6	4.27	5.0	4.4	4.4	4.8
Net Income	>75	-8	35	-381	304	67	-1	29	-12	401	-360	-240	567
Days Cash on Hand	>15	14	12	14	11	10	13	17	6	11	17	8	7
A/R Days	<50	47	45	48	51	51	49	53	47	51	55	46	48
Total FTE's	<301	309	305	303	304	303	300	299	301	318	320	309	303
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.1	4.12	4.12	4.4	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	105	104	87	107	96	111	104	79	117	94	100	91
Outpatient Revenue	>\$10m	10.8	10.4	11.1	11.7	10.9	10.1	11.8	8.6	9.99	9.91	10.2	10.1
Surgeries	>130	135	133	122	155	118	117	129	121	156	147	142	121
Home Health	>1000	1146	1109	1111	1319	1090	1103	1097	872	1106	1218	1135	992
Births	>15	16	9	21	13	16	18	11	14	19	6	16	11
SNF days	>660	651	687	597	527	580	596	654	641	750	674	605	613
MRI	>120	132	139	143	221	116	100	108	108	122	103	118	124
Cardiology (Echos)	>70	49	53	62	67	66	67	62	50	55	62	61	57
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.5	11.4	12.5	11.1	13.3	12.4	13.1	13.9
Radiology	>850	968	988	900	1047	856	890	1111	837	851	868	918	888
Rehab	>2587	3030	2859	2468	3028	2634	3010	2478	2403	2903	3394	2877	2945
CT	>300	376	345	323	368	295	316	392	295	334	301	332	335
ER	>800	889	868	851	863	761	824	988	655	769	788	909	716
Mammography	>475	414	417	433	605	462	339	487	445	447	404	519	429
Ultrasound	>325	348	361	367	372	238	299	309	350	438	424	497	339
Occupational Health	>575	656	678	758	739	602	648	653	504	534	595	600	618

10.

OFFICER AND
COMMITTEE REPORTS



BOARD QUALITY COMMITTEE DASHBOARD 2014

The following are quality and patient safety indicators selected by the Board Quality Committee for quarterly reporting as part of the oversight mandate for ensuring the organization has an effective quality assurance and performance improvement program (QAPI).




1. Surgical Services Volumes by Service Fiscal Year 2014/2015

	Jul-Sept2014 Q1.FY15		Oct-Dec2013 Q2.FY14		Jan-Mar2014 Q3.FY14		Apr-Jun2014 Q4.FY14		Totals
SERVICE	IP	OP	IP	OP	IP	OP	IP	OP	
General	29	58	29	55	27	44	27	56	325
OBGYN	16	11	13	19	14	26	12	16	127
Ophthalmology	0	55	0	63	0	59	0	65	242
Orthopedic	46	106	40	106	70	98	52	93	611
Pain Management	0	44	0	45	0	35	1	55	180
Podiatry	0	4	1	7	0	11	0	7	30
Urology	0	12	2	17	3	10	0	9	53
Vascular Surgery	0	1	0	3	0	3	0	2	9
Endoscopy	8	83	21	79	18	89	17	93	408
Totals	99	374	106	394	132	375	109	396	1985

2. Emergency Department Patient Performance

- a. Time from presentation to the ED to time seen by MD based on a sampling of cases.




Measurement:	Emergency Department Patient Throughput (Lower # is Better)
Category:	Patient Safety
Definition:	Time from arrival in ED to being seen by an MD in minutes (Average)

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
27.72	20.69	26.64	27.01				30	

Note: Reliable data collection in EMR is in development >>>GO LIVE with PhysDoc 05/2014<<<<

- b. Time from decision to admit to bed on inpatient unit until patient departure from ED based on a sampling of cases.

Measurement:	Time from admit decision to depart to bed (Lower # is Better)
Category:	Patient Safety
Definition:	Time from decision to admit patient to departure to assigned bed in minutes (Average)




CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
60.69	47	102.54	116.28				96	

Patient Satisfaction: Quality Patient Experience

Patient satisfaction is measured by the Press Ganey Patient Satisfaction Questionnaire that is mailed to the patient's home two weeks post discharge. There are many questions on the survey and the hospital has shown a significant improvement over the past two years. We chose 3 questions upon which to focus our attention.




Measurement:	Noise Level in and around rooms (Higher # is Better)
Category:	Patient Satisfaction
Definition:	% of Patients responding to Patient Satisfaction Survey who gave a score of 5 (Very Good)

**new Survey
Vendor*

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
73%	69.4%	74.7%	42.9%				90.00%	




Measurement:	Explanations re: tests and treatments (Higher # is Better)
Category:	Patient Satisfaction
Definition:	% of Patients responding to Patient Satisfaction Survey who gave a score of 5 (Very Good)

**new Survey
Vendor*

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
86.93	86.3%	88.5%	66.1%				90.00%	

Measurement:	Likelihood to recommend SVH to others (Higher # is better)
Category:	Patient Satisfaction
Definition:	% of Patients responding to Patient Satisfaction Survey who gave a score of 5 (Very Good)




**new Survey
Vendor*

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
88.95	90.6%	91.3%	71.4%				90.00%	



3. Readmissions Rates: Quality Patient Outcomes

Data is captured for patients who return to SVH within 30 days. The hospital focuses on four specific diagnostic groups as they are currently tied to Medicare pay-for-performance.




Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days - All Diagnosis

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
5.80%	3.101%	5.385%	4.959%				16.0%	

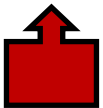


Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days with Same Diagnosis (DRG)

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
2.24%	2.5%	4.6%	2.8%				TBD	TBD




Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days with AMI (Heart Attack)

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
0.00%	0.00%	0.00%	0.00%				18.0%	



Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days with CHF (Congestive Heart Failure)

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
9.17%	0.00%	0.00%	10% (1/10)				23.0%	

Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days with PNE (Simple Pneumonia)

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
2.78%	0.00%	0.00%	0.00%				17.6%	

Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days with COPD (Chronic Obstructive Pulmonary Disease)

CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
4.13%	0.00%	0.00%	0.00%				TBD	TBD

Measurement:	Readmission Rates for Medicare Patients (Lower # is better)
Category:	Quality Patient Outcomes
Definition:	Readmitted to SVH within 30 days Hip/Knee Arthroplasty





CALENDAR YEAR 2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	Q Change	YTY (2013/14) Trend	Benchmark Goal	Benchmark Perform
2.70%	0.00%	0.00%	0.00%				5.4%	

Chart Definitions:	Calendar Year	Average of all quarters previous year
	Q Change	Change from previous quarter/calendar year
	YTY Trend	Change from previous calendar year s based on an average of the annual values.
	Benchmark goal	External standard or internally set benchmark for quality performance
	Benchmark Perform	Most recent quarter performance against the benchmark goal
		Red means performance declined or does not meet the benchmark goal
		Green means improved performance or meeting the benchmark goal

4. Hospital Acquired Infections: Quality Patient Outcomes and Safety

Infections are tracked for 16 different categories of infections are reported in detail only if quarterly or YTD performance does not meet the benchmark set and therefore potentially merits clinical and management remedial action. The following table summarizes those infection categories being tracked which are within benchmark.

Infection Category	Within Benchmark
Central line associated bloodstream infections	
Hospital acquired Cdiff infections	
Inpatient, MRSA infections	
VRE bloodstream infections	
Hip surgical site infections	
Knee surgical site infections	
Overall surgical site infections	
Class I SSI rate	
Class II SSI rate	
Total Joint SSI rate	
Ventilator Associated Events	
Hospital acquired Pneumonia	
Inpatient Hospital acquired Catheter associated urinary tract infections	
Home Care associated infections	
MRSA Active Surveillance cultures	
Flash sterilization measurements	