



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, November 7, 2013**

**4:30 p.m. SVH NEW ER Tour
6:00 p.m. Regular Session
Closed Session Upon Adjournment of Regular Session**

**Location 1: Main Lobby, Sonoma Valley Hospital, 347 Andrieux Street
Location 2: Community Meeting Room, 177 First St. West, Sonoma**

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. SONOMA VALLEY HOSPITAL NEW ER TOUR Main Lobby 347 Andrieux Street, Sonoma	<i>Hohorst</i>	
2. CALL TO ORDER Community Room 177 First Street West, Sonoma	<i>Boerum</i>	
3. 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>	<i>Boerum</i>	
3. CONSENT CALENDAR <u>Meeting Minutes from:</u> A. Audit Committee, 5.28.13 B. Board of Directors, 10.3.13 C. Citizen's Bond Oversight Committee, 7.18.13 D. Finance Committee, 9.24.13 E. Governance Committee, 9.23.13 F. Quality Committee, 9.25.13 <u>and</u> G. MEC Credentialing Report, 10.23.13	<i>Boerum</i>	Action
5. ADMINISTRATIVE REPORT FOR SEPTEMBER 2013	<i>Mather</i>	Inform
6. FINANCIAL REPORT FOR SEPTEMBER 2013	<i>Fogg/Reid</i>	Inform
7. OFFICER AND COMMITTEE REPORTS <u>A. Chair's Report (Boerum/Inform)</u> Meetings of: 1. Association of California Healthcare Districts 2. Annual Meeting Northern California Health Care Authority	<i>All</i>	Inform/Action

<u>B. Audit Committee (Boerum/Reid/Action)</u> 1. Approve District's 2013 Audited Financial Statements <u>C. Construction Committee Report (Coss/Inform)</u> <u>D. Quality Committee Report</u> 1. Community Care Network Meeting (Hirsch/Cohen/Inform) <u>E. Governance Committee Report (Carruth/Hohorst)</u> 1. Policy Governing Purchases of Materials and Procurement of Services (Action) 2. Policy on Board Action (Action)		
8. UPON ADJOURNMENT OF THE REGULAR OPEN SESSION	<i>Boerum</i>	
9. CLOSED SESSION Personnel matters pursuant to Government Code Section 54957	<i>Boerum</i>	
10. REPORT OF CLOSED SESSION	<i>Boerum</i>	
11. ADJOURN	<i>Boerum</i>	

4.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
AUDIT COMMITTEE
MEETING MINUTES
TUESDAY, May 28, 2013
Schantz Conference Room**

Committee Members Present	Administrative Staff/ Other Present	Committee Members Absent
Bill Boerum, Chair Rick Reid, CFO Sharon Nevins Dick Fogg James Hagood	Rianne Suico, Moss Adams Ben Mack, Moss Adams Peter Hohorst, Board Member Gigi Betta, Board Clerk	Kelly Mather

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	<i>Boerum</i>		
	4:30 PM		
2. PUBLIC COMMENT SECTION	<i>Boerum</i>		
	No public comment. Mr. Boerum introduced the six members on the 2013 Audit Committee and Mr. Hagood was officially welcomed to his first meeting. There is still one open position to be filled on the Audit Committee and there is one candidate under consideration.		
3. SVHCD 2013 AUDIT PLANNING	<i>Moss Adams</i>	Inform only	
	Mr. Mack and Ms. Suico presented the timeline for the 2013 Audit and took questions and comments from the Committee.		
4. ADJOURN	<i>Boerum</i>		
	5:00 PM		



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, October 3, 2013
Community Meeting Room**

Board Present	Board Absent/Excused	Staff/Other Present	Staff/Other cont.
Peter Hohorst Sharon Nevins Kevin Carruth Jane Hirsch	Bill Boerum	Kelly Mather Emily Charrier-Botts Robert Cohen Leslie Lovejoy Rick Reid Kevin Coss	Gigi Betta John Perez Sharon Cornelius

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
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 and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hohorst 5:28 p.m.</i>		
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Hohorst</i>		
3. CLOSED SESSION	<i>Hohorst</i>	Inform/Action	
A.Calif. Health & Safety Code § 545956.9(b)(3)(A) Conference with Legal Counsel Regarding Potential Litigation			
4. REPORT OF CLOSED SESSION	<i>Hohorst</i>	Inform/Action	
5. PUBLIC COMMENT SECTION	<i>Hohorst</i>		
<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</i>			

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
<i>make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>			
6. CONSENT CALENDAR:	<i>Hohorst</i>	Action	
A. Board Minutes 9.5.13 B. FC Minutes 7.30.13 and 8.27.13 C. QC Minutes 8.28.13 D. Capital Budget 2014 E. Quality Dashboard Report for Q2 2013 F. MEC Credentialing 9.25.13		MOTION by Nevins to approve A-F and 2 nd by Hirsch. All in favor.	
7. QUARTERLY STRATEGIC PLAN UPDATE AND ADMINISTRATIVE REPORT FOR AUGUST 2013	<i>Mather</i>	Inform	
	Ms. Mather gave the Administrative Report for September 2013 and the Dashboard Report for August 2013 including updates on the new wing construction, fundraising, strategic planning and marketing. Mr. Hohorst requested <i>Quarterly Patient Satisfaction</i> be depicted as a graph. Ms Mather asked Ms Lovejoy to include this information in her Quality Report going forward.		
8. CEO PERFORMANCE EVALUATION	<i>Hirsch</i>	Inform	
	Ms. Mather's annual review took place in two closed Board sessions and the SVH Board is highly satisfied with Ms Mather's overall performance. For the record, Ms. Nevins requested that next year the Board consider a different process and evaluation tool(s) for the CEO's performance evaluation and compensation review.		
9. CEO COMPENSATION REVIEW	<i>Hirsch</i>	Action	
	CEO Compensation is also reviewed on an annual basis and this year the SVH Board recommends a CEO salary increase of 6% (\$16,871) and a bonus of \$24,534.	MOTION by Carruth to approve and 2 nd by Nevins. All in favor.	
10. PRESENTATION ON BROWN AND PUBLIC RECORDS ACTS	<i>Coffey</i>	Inform	
	Colin Coffey with Archer Norris answered questions from the Board previously submitted concerning the Brown and Public Records Acts as they relate to quorums, communications, agendas, noticing, closed board sessions and meetings in general.		
11. QUALITY COMMITTEE REPORT, SEPT. 2013	<i>Lovejoy</i>	Inform	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
12. PROPOSED CHANGE OF VENDORS FOR SVH ACCREDITATION	<i>Lovejoy</i>	Action	
		MOTION by Hirsch to approve and 2 nd by Nevins . All in favor.	
13. FINANCIAL REPORT, AUGUST 2013	<i>Reid</i>	Inform	
	Mr. Reid informed the Board that at the Finance Committee meeting on 9/24/13, there was an educational session on <i>Covered California</i> . Furthermore, two SVH staff members have received training as <i>Certified Educators</i> . Sonoma County hired an additional thirty-seven <i>Certified Enrolled Counselors</i> to help with the application process.		
14. CELL PHONE TOWER LEASE EASEMENT PURCHASE	<i>Reid</i>	Action	
	Proposal to sign term sheet with Lease Advisors for 48 months where future revenues are to be shared 75/25. Additional lease space with AT&T also proposed for approval by the Board. Letter of Intent to be signed by CEO.	MOTION by Nevins to approve Term Sheet with Lease Advisors and 2 nd by Carruth . All in favor. MOTION by Hirsch to approve Letter of Intent with AT&T and 2 nd by Nevins . All in favor.	
15. PROPOSAL FOR MANAGEMENT INCENTIVE COMPENSATION	<i>Reid</i>	Action	
	Ms. Hirsch asked that Mr. Reid and Ms Mather to add very specific and clear wording on qualifying conditions for managers under the Management Incentive Compensation proposal.	MOTION by Carruth to approve and 2 nd by Hirsch . All in favor.	
		Action	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
16. RESOLUTION No. 317 SETTING THE TAX RATE FOR FISCAL YEAR 2013-14	<i>Reid</i>		
	Note: Paragraph 6 was added to the Resolution and a revised Resolution No. 317 was emailed to the Board on October 2, 2013.	MOTION by Nevins to approve and 2 nd by Hirsch. All in favor.	
17. RESOLUTION No. 318 FUND TRANSFER	<i>Reid</i>	Action	
	Roll call: 4 ayes from Directors Nevins, Carruth, Hohorst and Hirsch. Absent was Director Boerum.	MOTION by to approve Resolution No. 318 by roll call; 4 ayes.	
18. OFFICER AND COMMITTEE REPORTS	<i>All</i>	Inform/Action	
<u>A. Construction Committee Report (Coss)</u> <u>B. Quality Committee Report (Nevins/Hirsch)</u> <ol style="list-style-type: none"> Residency Requirements for SVH Board Committee Members (Discussion) <u>C. Governance Committee Report (Carruth/Hohorst/Nevins)</u> <ol style="list-style-type: none"> New Board Member Orientation Outline (Action) Policy and Procedures Governing Purchases of Materials & Services (Inform/Action) John D. Golenski Letter of Agreement to serve as SVH Board Retreat Facilitator (Action) 	<p>B. Ms Nevins asked that the Governance Committee look into formulating a policy on SVH Committee members and whether or not they need to be residents of the District.</p> <p>C.1. Note to Board Clerk: in August 2014, bring the Board Member Orientation Outline back to the Governance Committee for review prior to the annual elections.</p> <p>Ms Hirsch asked that the Board Member Orientation Outline be amended to read, “accrediting organizations”.</p> <p>C.2. Ms. Hirsch suggests that the Policy be amended/changed to read, “executive”.</p> <p>C.3. Approved with the condition that the CEO signs the Letter of Agreement with Golenski.</p>	<p>MOTION by Nevins to approve C.1. as amended and 2nd by Hirsch . All in favor.</p> <p>MOTION by Carruth to approve C.2. as amended and 2nd by Nevins . All in favor.</p> <p>MOTION by Carruth to approve C.3. with one condition and 2nd by Nevins . All in favor.</p>	
19. ADJOURN/ANNOUNCEMENTS	<i>Hohorst</i>		
	Dr Cohen requested that the Board honor Dr. Donald Martin for his years of service to the Community. 7:54 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
CITIZENS BOND OVERSIGHT COMMITTEE
REGULAR MEETING MINUTES
Thursday, July 18, 2013
Schantz Meeting Room, Sonoma Valley Hospital**

Committee Members Present	Administrative Staff/Other Present
Dennis Ciocca, Chair Steve Berezin Richard Conley David Oster Mary Smith	Jeannette Tarver Luke Manning Gigi Betta

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	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 for excellence in clinical quality, being the guide and indispensable link for our community's health care journey.</i>		
1. CALL TO ORDER	5:03 p.m.		
2. PUBLIC COMMENT <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>	No public comment.		
3. CONSENT CALENDAR	<i>Ciocca</i>		
A. Minutes 4.18.13		MOTION: by Oster to approve Item 3.A., and a 2 nd by Berezin. All in favor.	
4. CBOC REPORT ENDING JUNE 30, 2013	<i>Tarver</i>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW UP
	Ms. Tarver presented the financial report ending June 30, 2013.	MOTION: by Berezin to approve item 4 and 2 nd by Conley. All in favor.	
5. CONSTRUCTION UPDATE	<i>Manning</i>		
	Mr. Manning gave a verbal status report on the SVH Construction progress. <i>Incremental</i> and <i>final</i> construction is on track and with final completion licensing set for 11.12.13. The chillers are installed and connected and the generator is installed but not connected. The stucco on the new building is complete and windows are currently being installed. <i>Above ceiling</i> (MEP) is complete on 1 st and 2 nd floors. PG&E comes in August and major medical equipment arrives in September. Contractor contingencies stand at approximately \$630,000.		
6. ITEMS FOR NEXT AGENDA	<i>Ciocca</i>		
	<ul style="list-style-type: none"> • Preparation of a Closing Report to be presented to the SVH Board of Directors. • Schedule a Special CBOC meeting, if needed, to approve said Report. 		
7. COMMITTEE COMMENTS	<i>Ciocca</i>		
	Motion to continue with the previous expectation that CBOC will disband after the final expenditure and hold the final regular CBOC meeting on 10.17.13. It is the intention of the Committee to produce a final report to be presented to the SVH Board of Directors and if need be, schedule a special CBOC meeting to approve said Report.	MOTION: by Berezin to disband CBOC after final expenditures, hold last regular meeting on 10.17.13 and produce a final report for the Board; 2 nd by Oster. All in favor	
8. ADJOURN	<i>Ciocca</i>		
	Adjourn 5:40 PM Final regular meeting is October 17, 2013.		



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, September 24, 2013
Schantz Conference Room**

Members Present	cont.	Staff/ Public/Other	Absent/Excused
Dick Fogg Steve Barclay Phil Woodward Subhash Mishra Richard Conley Peter Hohorst	Mary Smith Sharon Nevins Keith Chamberlin (call-in) Shari Glago	Kelly Mather Rick Reid Jeannette Tarver Sam McCandless Lisa Duarte Gigi Betta Kevin Coss	

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	<i>Fogg</i>		
	Meeting was called to order at 5:00PM Announcements: The SVH Audit Committee meets on October 15, 2013 at 6:00p.m.and members of the Finance Committee are welcome to attend. Attendance is optional although, highly recommended.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None.		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Minutes 7.30.13 B. FC Minutes 8.27.13	Mr. Woodward mentioned that at the last FC meeting on 8.27.13, Mr. Woodward and Mr. Fogg recommended that the SVH Foundation have an audit. Ms Nevins reminded the Committee that the Board needs to formally request that an audit be held on the SVH Foundation. Mr. Fogg will prepare a recommendation letter for the next Finance Committee meeting on 10.22.13. After FC approval, the recommendation will go to the SVH Board for its	MOTION by Nevins to approve A. and 2nd by Smith. All in favor. MOTION by Fogg	Consent Calendar to Board on 10.3.13 for approval

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	approval.	to approve B. and 2nd by Woodward. All in favor.	
4. EDUCATION SESSION- COVEREDEED CALIFORNIA AND MEDI-CAL CHANGES	<i>Duarte</i>	Inform	
	Ms Duarte gave a presentation on Covered California and The Affordable Care Act.		
5. FUNDRAISING AND BUILDING PROGRAM UPDATE	<i>Mather</i>	Inform	
	Ms. Mather gave an update on the fundraising campaign. Mr. Coss gave an update on the construction project: The new canopy will open by mid-October; shades go up after asphalt goes in; completion date is set for November 11; 2 nd floor medical equipment is being installed; 1 st inspection will be on October 25; the donor wall and garden are set to be completed on November 1 and the public open house street party is on November 16.		
6. CAPITAL BUDGET APPROVAL	<i>Reid</i>	Action	
	Ms. Mather brought item #1 on the Capital Budget to the Committee's attention which sets aside \$200,000 to repair (not replace) the fire alarm, SNF pipes and air handlers. Mr. Coss provided greater detail on the plans for these repairs. Mr. Hohorst suggests that the CEO have the ability to mix and match items on the Capital Budget at her discretion without gaining Board approval. Mr. Reid reminded the Committee that is already stated in the SVH Purchasing Policy.	MOTION by Woodward to approve and 2nd by Glago. All in favor.	To Board for approval? Within this approval, the CEO has the authority to make modifications pursuant to the SVH purchasing policy.
7. SETTING TAX RATE RESOLUTION No. 317	<i>Reid</i>	Action	
		MOTION by Hohorst to approve and 2nd by Nevins. All in favor.	To Board 10.3.13 for approval
8. FUND TRANSFER RESOLUTION No. 318		Action	
		MOTION by Glago to approve and 2nd	To Board 10.3.13 for approval

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		by Woodward. All in favor.	
9. RAC UPDATE	<i>Reid</i>	Inform	
10. OTHER UPDATES	<i>Reid</i>	Inform	
	<ul style="list-style-type: none"> There is an Interim Director in the Business Office and SVH continues the interviewing process for a full-time replacement. The search/interview process for a Controller continues. Audit update: accrual of Nelson donation is the only open item remaining in the Audit. Overall, the audit is right on schedule. Mr. Reid presented the Financial Talking Points FY2013 handout and the Committee offered comments and suggested changes. 		
11. AUGUST 2013 FINANCIALS	<i>Reid</i>	Inform	
	Mr. Reid highlighted formatting changes and/or restatements that were made to the financial reports from the last meeting. Regarding <i>Expense Variances</i> on page 28 of the Financials, Dr Chamberlin expressed his concern about the salary over budget item of \$19,594 under "Surgery".		
12. PROJECTED CASH FLOWS	<i>Reid</i>	Inform	
	SVH drew \$1.6M on the line of credit last week in order to decrease A/R. Mr. Woodward asked about the Equipment lease monies of \$1M taken in September and pointed out that is was sooner than originally planned. Mr. Reid confirmed that re-payments on the line of credit (both draws combined) start in January 2014.		
13. UPDATE ON CELL PHONE TOWER LEASE EASEMENT PURCHASE	<i>Reid</i>	Inform/Action	
	Mr. Reid recommends that the Committee approve using a new vendor who offers future revenue sharing and a 75/25 split of those revenues. Recommendation is to contract with Lease Advisors to do the lease easement. Contract to be reviewed by legal counsel.	MOTION by Conley to approve and 2 nd by Glago. All in favor.	To Board for approval after legal counsel has reviewed.
14. CLOSING COMMENTS/ADJOURN	<i>Fogg</i>		
	Meeting was adjourned at 7:25 PM The next Finance Committee meets on Tuesday, October 22, 2013 at 5:00PM.		



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING MINUTES
Monday, September 23, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent	Administrative Staff Present
Kevin Carruth, Chair Peter Hohorst		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	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 and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i>		
1. CALL TO ORDER	8:30 AM		
2. PUBLIC COMMENT: <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 Committee 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 Committee consideration.</i>	None.		
3. CONSENT CALENDAR: A. GC Meeting Minutes, 6.24.13		MOTION to approve Consent Calendar by Carruth and unanimously accepted.	
4. POLICY AND PROCEDURES GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES		MOTION by Hohorst to approve and to submit to Board for its action. Unanimously accepted.	Hohorst
5. NOVEMBER BOARD OFFSITE REGARDING GOVERNANCE ISSUES	Removed item #5 from agenda.		
6. QUESTIONS MEMO ON BROWN ACT AND PUBLIC RECORDS ACT	Mr. Hohorst will invite Colin Coffey to the next Board meeting on <u>October 3, 2013</u> to present on Brown Act and Public Records Act.	MOTION by Hohorst to invite Colin Coffey to next Board meeting. Unanimously accepted.	Hohorst
7. SVH POLICY ON NON-PROFIT DONATIONS AND GIFTS (formerly	Mr. Carruth to consult with BSA and clarify reporting of Gifts. Agendas item will be brought back to the next Governance		Carruth

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
Conflict of Interest)	Committee meeting on October 21, 2013.		
8. POLICY ON BOARD ACTION	Mr. Carruth to draft policy language for 1 & 2. Mr. Hohorst to draft policy language for 3. To be reviewed at the next Governance Committee meeting on October 21, 2013.		Hohorst and Carruth
9. TRANSPARENCY ACREDITATION	Put forward to next Governance Committee meeting on October 21, 2013.		Hohorst
10. NEW BOARD MEMBER ORIENTATION OUTLINE		Motion by Carruth to bring the New Board Member Outline to the October 3rd Board meeting as an Action item. Unanimously accepted.	Carruth
11. GC WORK PLAN 2013	GC Work Plan 2013 was reviewed and updated.		
12. CLOSING COMMENTS/ADJOURN	The next GC meeting will be on October 21, 2013 at 8:30 AM. Meeting adjourned at 10:00 AM		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, September 25, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent/Excused	Guests	Administrative Staff
Sharon Nevins John Perez Leslie Lovejoy Howard Eisenstark Susan Idell Robert Cohen Jane Hirsch Paul Amara	Brenda Epperly Joel Hoffman		Gigi Betta

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
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	<i>Nevins</i>		
	5:05 PM		
2. PUBLIC COMMENT	<i>Nevins</i>		
<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 Committee 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 Committee consideration.</i>	No public comment.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
3. CONSENT CALENDAR	<i>Nevins</i>	Inform/action	
A. QC Meeting Minutes, 7.24.13		MOTION: by Hirsch to approve and 2 nd by Eisenstark. All in favor.	
4. DISCUSSION TOPIC: PROPOSED CHANGE OF VENDORS FOR SVH ACCREDITATION	<i>Lovejoy</i>	Inform/Action	
	Ms Lovejoy made the case for changing the Hospital's accreditation vendor from The Joint Commission Center to the Center for Improvement in Healthcare Quality effective January 1, 2014. Ms Lovejoy handed out a written proposal which included background, pros and cons and a case statement. After the presentation, the QC recommends that the Board approve changing the Hospital's accreditation vendor from TJC to CIHQ effective 1.1.14.	MOTION: by Hirsch to approve and 2 nd by Amara. All in favor.	Separate ACTION ITEM on the October 3, 2013 Board meeting Agenda.
5. QUALITY REPORT FOR SEPTEMBER 2013	<i>Lovejoy</i>	Inform	
	Ms Lovejoy presented the Quality Report for September 2013 which included the new building construction and activation plan, Q2 Quality measures, Hospital compare data through Q1 2013 and the Policies and Procedures Process. Ms Nevins requested that Ms Lovejoy give a portion of this presentation to the Board on 10/3/13 including the last three pages of the article entitled, <u><i>Is Your Hospital Ready for Value-Based Purchasing?</i></u>		Separate INFORM ITEM on the October 3, 2013 Board meeting Agenda.
6. BOARD QUALITY DASHBOARD REPORT FOR 2nd QUARTER 2013	<i>Lovejoy</i>		
	Ms Lovejoy presented the Quality Dashboard Report for Q2 2013. This report is made up of 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		Put on the CONSENT CALENDAR on the October 3, 2013 Board meeting

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	assurance and performance improvement (QAPI) program.		Agenda.
7. CLOSING COMMENTS/ANNOUNCEMENTS	<i>Nevins</i>		
8. ADJOURN	<i>Nevins</i>		
8. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Nevins</i>		
9. CLOSED SESSION	<i>Amara/Lovejoy</i>		
10. REPORT OF CLOSED SESSION/ADJOURN	<i>Nevins</i>		
	The next QC meeting is October 23, 2013. Meeting adjourned at 6:25 PM.		

5.

ADMINISTRATIVE REPORT



To: Sonoma Valley Healthcare District Board of Directors
From: Kelly Mather
Date: 10/31/13
Subject: Administrative Report

Summary: We are ahead of budget for FY 2014 but continue to have concerns about lower revenue due to changing payer mix. We are also very concerned that our previous Medicare DSH funding has discontinued as of the end of September. This will mean a loss of over \$60k per month for OB. On a positive note, the FY 2013 annual report is complete and will be distributed at events and through the website in early November. It tells our story very well.

Leadership and Organizational Results (Dashboard)

As you can see from the September dashboard, we have had a good start for the new fiscal year. Patient satisfaction goals were met in all areas for the first quarter. This is surprising considering all of the noise and disruption due to construction. Quality scores took a dip and process changes are being made. Staff forums were held this month and we had over 300 in attendance. Staff received a tour of the new wing and the excitement is growing. 25 more staff members graduated from Wellness University this month and are now teaching wellness. Expenses are under budget for the year. Volumes were closer to budget in September, but still very volatile. Home Health should be back up to regular volumes now that the E H R has been completed. Occupational Health and Lab volumes both have increased significantly. Community hours increased with the Bi-national health fair in October and many wellness outreach education programs this fall. Wellness classes at the middle schools start this month.

New Wing Construction & Fundraising

The construction project is still on budget. We are behind schedule to make it operational, but are still hopeful that we can open the Emergency Department by Christmas. We are very close to meeting the \$11 million goal for the capital campaign. The parties were very successful and the community is really stepping up. David Good, Gerry & Bill Brinton and Harmony Plenty have worked very hard this past month to meet the goal by the opening.

Marketing & Communications

The community opening for the new wing is set for November 16th with a big celebration. The team has done a great job of engaging the community and celebrating this major accomplishment and sharing the good news. We now have a marketing coordinator to serve as community liaison in addition to marketing/communications. We are actively working on our three regional strategies (Orthopedics, Bariatrics, Home Care) and starting to see some growth. Dr. Bose will start seeing patients in Sebastapol, shortly. The "Compass" health assessment center with Parkpoint will open in January. Marketing will begin in December. The Women's Health resource center with the new program "Girl Talk" will also be rolling out in the first of the year. Other programs are in development which include an "aches and pains clinic" at rehab, a heart failure clinic and a Sonoma based community care network.



SEPTEMBER 2013 DASHBOARD

PERFORMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	High In-Patient Satisfaction	5 out of 8 HCAHPS results above the 50 th percentile	3 out of 5 86.7%	>5 = 5 (stretch) >4 = 4 >3 = 3 (Goal) >2 = 2 <1=1
	High Out-Patient Satisfaction	Press Ganey monthly mean score	Outpatient 93.9% Surgery 93.7 % Emergency 88.6%	>94% = 5 (stretch) >93%=4 >92% =3 (Goal) >91%=2 <90%=1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score	100% for 6 months of the last 12	100% for 12 mos= 5 100% 9/12 mos=4 100% 6/12 mos =3 >90%=2 <80%=1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of current mean score	2012 77% mean score at 80 th percentile	>85 th = 5 (stretch) >82nd=4 >80th=3 (Goal) >77th=2 <76 th =1
Finance	Financial Viability	YTD EBIDA	8%	>10% (stretch) >9%=4 >8% (Goal) <7%=2 <6%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	\$13,191,608 (actual) \$13,511,766 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	385 YTD FY2014 395 YTD FY 2013	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient Volumes	2% increase (gross outpatient revenue over prior year)	\$29 million YTD \$25.3 million 2013	
Community	Community Benefit Hours	Hours of time spent on community benefit activities for the fiscal year	348 hours for 3 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = <500 = 1



FY 2013 - 2014 TRENDED RESULTS

MEASUREMENT	Goal FY 2014	Jul 2013	Aug 2013	Sep 2013	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013
Inpatient Satisfaction	>87%	86.9	86.5	85.2	84.2	88.8	88.1	86.9	86.6	87.1	86.5	86.1	86.5
Outpatient Satisfaction	>93%	93.8	94.2	93.9	92	93.7	91.7	94	93.5	91.6	92.8	91.8	92.7
Surgery Satisfaction	>93%	93.2	94.1	93.7	93.8	91.9	87.5	94.5	93.7	92.9	92.8	92.0	92.6
Emergency Satisfaction	>89%	89.4	89.6	88.6	84.5	87.2	90.1	90.7	89.4	88.8	89.1	89.5	88.9
Value Based Purchasing Clinical Score	100	88	77	100	91	91	100	100	100	100	100	90	100
Staff Satisfaction	>77%	77	77	77	75	75	75	77	77	77	77	77	77
Turnover	<10%	2.8	2.8	2.8	7.6	7.6	8.6	8.6	8.6	8.6	3.6	3.6	3.6
EBIDA	>8%	7	12	7	8	7	7	8	8	8	9	0	8
Net Revenues	>3.9m	4.08	4.35	4.0	3.96	3.7	4.09	4.3	3.9	4.2	3.9	3.3	3.8
Expense Management	<4.5m	4.4	4.4	4.3	4.4	4.4	4.5	4.3	4.3	4.5	4.4	4.5	4.7
Net Income	>50	62	318	5	55	174	90	219	61	114	91	-651	732
Days Cash on Hand	>20	8	11	8	12	7	14	9	9	15	17	12	7
A/R Days	<55	64	53	50	53	52	53	51	53	51	55	56	62
Total FTE's	<320	315	315	320	316	313	317	321	322	322	320	311	317
FTEs/AOB	<4.5	4.25	4.33	4.45	4.43	4.24	4.24	3.84	3.7	4.12	4.29	4.25	4.25
Inpatient Discharges	>100	100	102	107	121	104	117	159	128	122	88	99	87
Outpatient Revenue	>\$8.8m	10.1	9.8	9.2	8.9	8.5	8.3	8.8	8.0	8.1	8.9	9.3	8.3
Surgeries	>130	135	130	120	128	130	126	116	113	131	115	147	116
Home Health	>1000	760	760	748	1043	921	940	1076	1001	1067	1101	1140	990
Births	>15	15	11	13	9	14	13	19	11	16	12	15	8
SNF days	>660	457	615	585	576	638	671	707	678	725	589	638	470
MRI	>120	119	121	111	130	99	100	83	82	107	125	104	106
Cardiology (Echos)	>70	76	68	93	72	67	75	86	68	74	70	91	73
Laboratory	>12.5	12.0	11.8	13.1	13.7	12.2	11.9	14.2	11.8	12.2	11.9	12.4	10.7
Radiology	>850	959	931	943	931	819	811	940	902	900	829	915	828
Rehab	>2587	2868	2893	2543	2471	2175	2051	2502	2526	2690	2771	2736	2657
CT	>300	392	368	372	327	295	279	345	324	277	328	272	301
ER	>775	838	789	795	801	732	741	852	804	757	729	795	716
Mammography	>475	486	457	465	629	556	475	431	431	494	481	545	431
Ultrasound	>300	263	343	329	336	287	290	348	295	298	343	302	292
Occupational Health	>550	492	576	853	521	451	405	538	574	521	523	556	494

Staff Forum Presentation

INTRODUCING THE NEW SVH

Today's Topics

- What's going well?
- The Past
- The Present Culture
- The Re-invention of SVH
- Healthy Community
- Sharing the Message

The Past

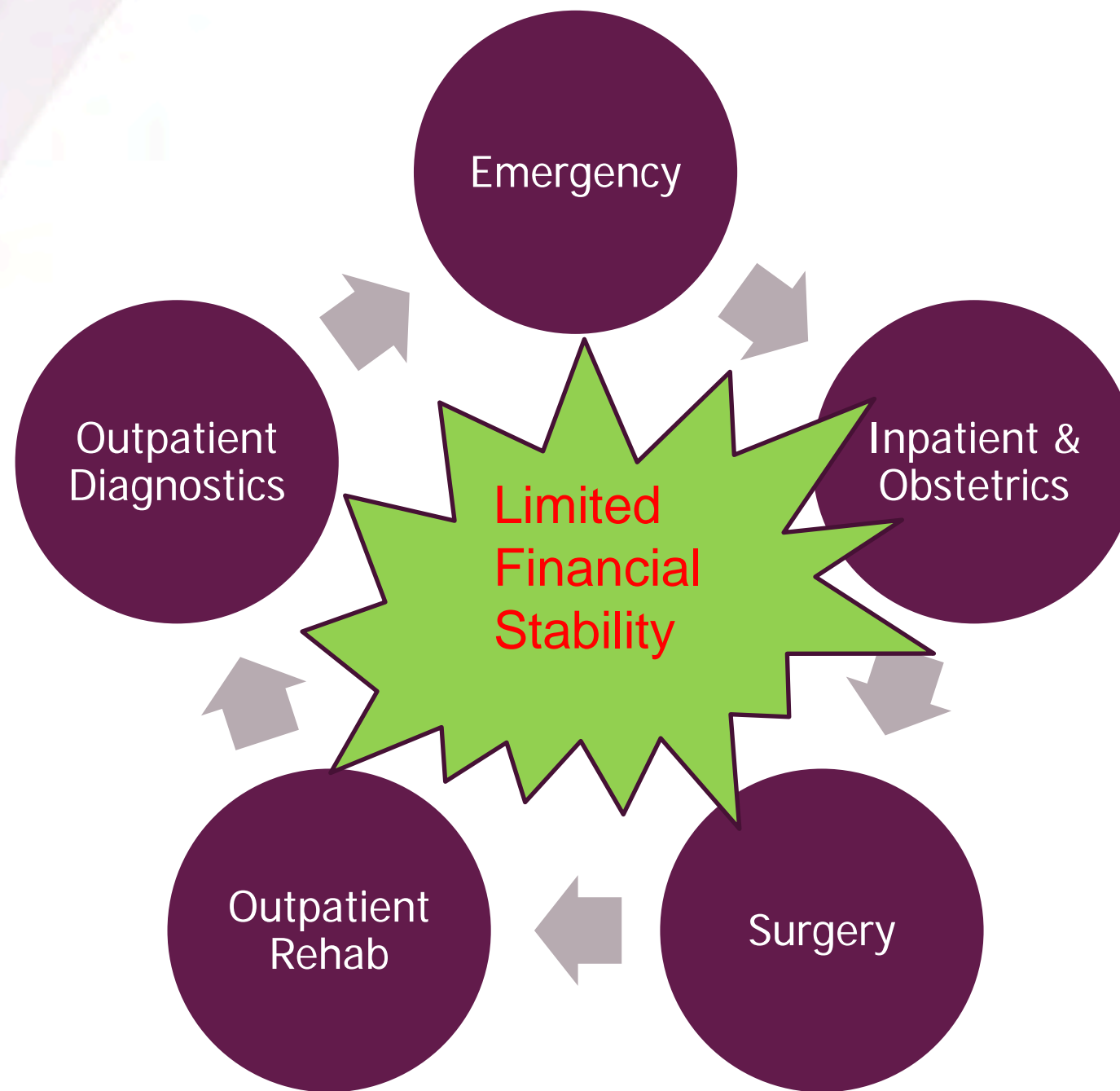
2003

- Should Sonoma have a hospital and if so, what does it offer?
- Financial viability concerns
- Quality of care was questioned
- No way to meet seismic regulations without bond support
- Lack of specialist physicians
- Culture was not positive

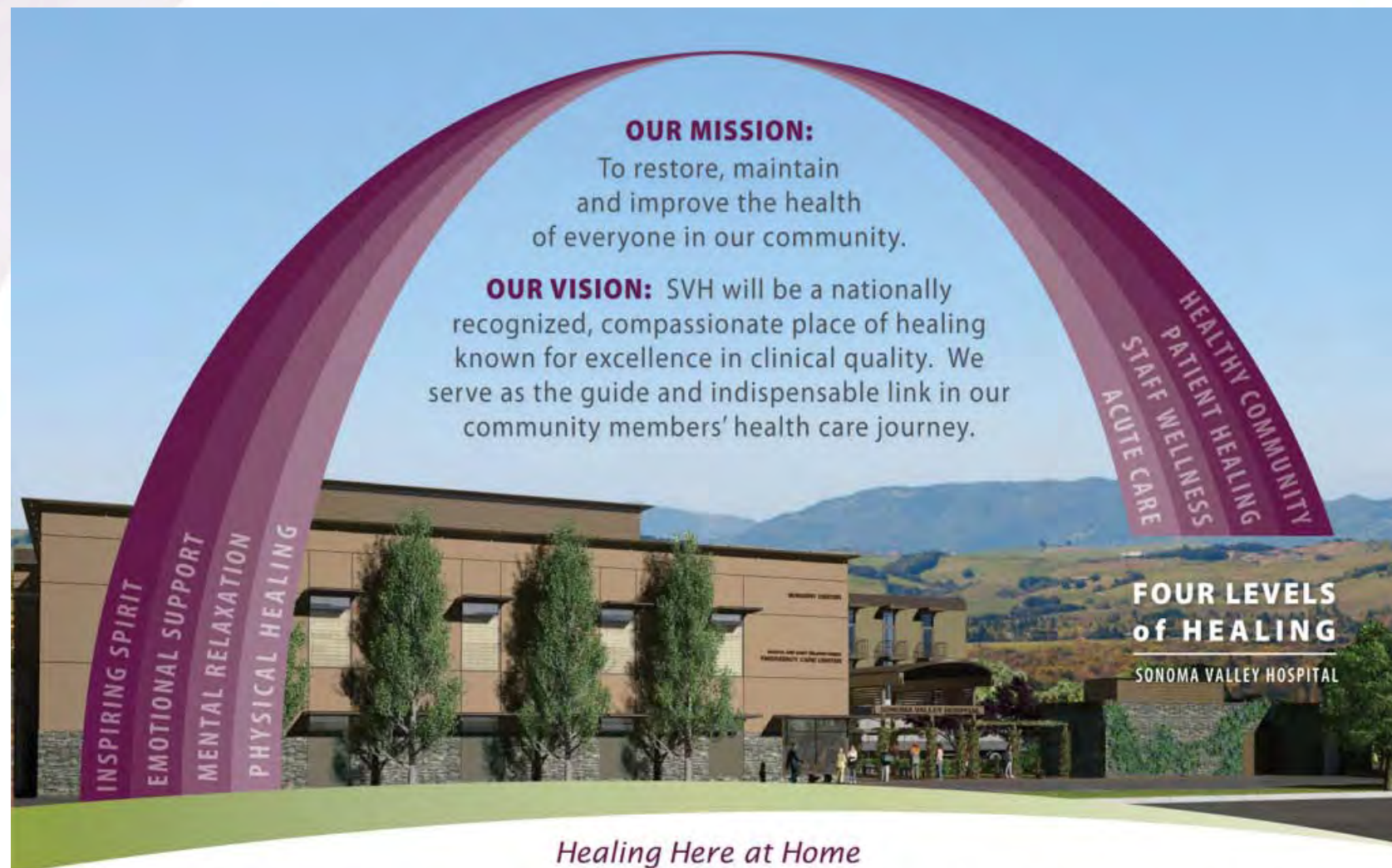
The Old Hospital



Traditional Community Hospital Model



Touchstones of the New SVH



OUR VALUES: C.R.E.A.T.I.N.G **Compassion:** We show consideration of the feelings of others at all times. **Respect:** We honor and acknowledge the value of the people, place and resources in providing care. **Excellence:** We strive to exceed the expectations of the people we serve. **Accountability:** We are reliable, self-responsible owners of the outcomes of our organization. **Teamwork:** We are productive and participative staff members who energize others. **Innovation:** We seek new and creative solutions to deliver quality healthcare. **Nurturing:** We cultivate, develop and educate those with whom we work to achieve their highest potential. **Guidance:** We direct and lead our community members through their healthcare journey and in health improvement.

The Present

The New Hospital



2013

- Hospital has the vision and clear core services that contribute to financial stability and meet demand
- National best practices, technology & high patient satisfaction
- Upgraded, patient centered facilities
- Physician leaders & specialists
- Positive culture

Did you know?

- SVH is in the **top quartile** for Emergency Patient satisfaction, Home Care and Skilled Nursing Facilities in the nation
- SVH provides outstanding **quality care** for heart attacks and strokes
- SVH has **tertiary level physicians** who work at both Marin General and Sonoma Valley
- SVH uses **Tele-medicine** to bring clinical expertise here at home for most illnesses
- SVH has a best of class **Electronic Health Record**

HOSPITAL PERFORMANCE SUMMARY OCTOBER 2013

PERFORMANCE GOAL	MEASUREMENT	ANNUAL GOAL	ACTUAL	COMMENT
Service Excellence	Patient Satisfaction	5 out of 8 HCAHPS above 50 th percentile	Inpatient: 2/8 Outpatient 94.1 Surgery 92.2 Emergency 88.6	Inpatient score is up and down each week
Quality	Clinical Outcomes	100% Clinical Quality Score at least 6 out of 12 months	6 out of 12 months	Excellent Quality with minor hiccups
People	Staff Satisfaction	75 th percentile	80 th percentile	Engagement continues to increase
	Turnover	< 10%	3%	
Finance	EBIDA	8%	8%	YTD profit of \$400k
	Expense Management	Meet Budget	Expenses are under budget	
Growth	Surgeries	Increase surgeries by 5%	2%	3 months into new fiscal year
	Outpatient Revenue	3% above FY 2013	3%	
Community	Market Share	50%	46%	2012

Culture of Always

- **HCAHPS** (How Caregivers Always Heal Patients Successfully)
- **We always demonstrate our values**
- **We always use AIDET**
- **We always round on our patients hourly**
- **We always use bed side shift reporting**
- **We always communicate well with patients**

Staff Satisfaction

- Increase Educational opportunities for staff
- Improve the Performance Review process
- Improve perception of staff regarding Community reputation
- Continue to improve the salaries and benefits
- Continue to improve the physical conditions
- Communicate better about major developments

Our Changing Environment

- Over the past 5 years SVH has seen a significant shift in services despite strong physician recruitment

Services	2009	2010	2011	2012	2013	% change
Emergency	9008	8801	9335	9432	9395	↑4%
Surgery	1546	1493	1626	1560	1517	↓2%
Home Care	10578	10809	9954	10571	12098	↑14%
Skilled Nursing	7081	7198	8024	7490	7624	↑8%
Outpatient Rehab	32271	27811	34358	33368	30503	↓3%
Inpatient Admissions	1605	1549	1664	1490	1364	↓28%
Outpatient Revenue (gross)	74.3m	68.8m	77.9m	94.8m	102.6m	↑38%

The Re-Invention of SVH

- SVH is pro-actively addressing the changes in the industry and evolving economic environment by redefining our service structure for financial health.
- SVH is responding to a disruptive period in healthcare by reinventing the role of a small local hospital by focusing on creating a healthy community.

New SVH Service Structure



Emergency is our #1 Focus

- Symbol of the New SVH and gateway to hospital for entire community
- Community trust driver: *SVH saves lives with modern ER*
- Quality patient care; best practices and state-of-art facilities
 - Ability to address all acute care needs
 - Face-to-face consultation with remote specialists when needed
 - Access to latest technology with new modern surgery center
 - Most patients seen within 10 minutes
 - More space, comfort and enhanced privacy in treatment rooms
 - Upper quartile nationally in patient satisfaction
 - New physical environment allows for increased volumes

Financial Stability Strategies

- Reduce out-migration
 - Capture patients back from Kaiser (i.e. Western Health Advantage)
 - Capture patients leaving the community for care with top quality specialists serving patients here at home
- Grow our focus service units
 - Reach outside our primary market area using regional strategies for some focused services
 - Prepare for increases in some services due to the market increases in patients 65 and over

Marketing Objectives

- Strengthen perception that hospital plays vital, expanded role in community health
 - Indispensable link in community's health care journey – “go to” center for local needs
- Support services with greatest growth potential
 - Within local market and new markets
 - Emphasis on Home Care, Orthopedics and Bariatrics
- Explain why SVH is national model for community hospitals
 - We are creating the story right now

Healing Here at Home



The Future of Healthcare is Here

With the opening of our state-of-the-art Emergency Care Center and Surgical Wing, Sonoma Valley Hospital enters a new era of service to the community.

New Messaging



FOR IMMEDIATE RELEASE

Contacts: Kris Montgomery, Hospice By The Bay
(415) 526-5592. KMontgomery@hospicebythebay.org

Vivian Woodall, Sonoma Valley Hospital
707.935.5005, vwoodall@svh.com

**Sonoma Valley Hospital and Hospice by the Bay Open
North Bay's First Hospice Care Room
A "Home Away From Home" for Terminally Ill Patients**

Sonoma Valley Hospital and Hospice by the Bay have opened a new hospice care room at the hospital to provide care and comfort to patients. This is the Bay's first in-patient room dedicated solely to hospice care.

At the new Hospice Facility, the single-bed Hospice Care Room is designed to provide a "home away from home" – a comfortable place for patients, staffed by hospice and hospital staff, and spend

Healing Here at Home

Sonoma Valley Hospital is deeply committed to the health of our community. We are a warm, comfortable place of healing, known for our caring professional staff and our dedication to meeting the needs and expectations of

providing outstanding care and compassionate care to ensure and maintain emotional and physical health of our patients.

Sonoma Valley Hospital Patient Information Guide



**HEALING
HERE AT HOME**

www.svh.com

"Getting good
emergency care so
quickly saved his life"



"Thirty years ago we rushed our three-month-old son, Justin, to the Sonoma Valley Hospital Emergency Room. He was turning blue and barely breathing. We were frantic with worry. Getting good emergency care for him so quickly saved his life."

"We have never forgotten how fortunate we were to have the hospital nearby. We support the new Emergency Care Center because we want other families in our community to continue to receive the wonderful medical support we had at such a critical time."

Marcia and Gary Nelson

For more information about The Capital Campaign for Emergency Care at Sonoma Valley Hospital, contact: Harmony Plenty, Campaign Director 707-935-5070



A New ER...



FOR YOU!

Fall 2013

Sonoma Valley Hospital is Your Partner for a Healthy Life

Sonoma Valley Hospital wants to be your partner in your journey to a healthy life. We offer a number of specialized services to improve your health and the quality of your life.



Dr. Amaria



Dr. Rose

Women's Health

We offer a complete range of services to help women stay healthy, from state-of-the-art digital mammography and bone density testing to prenatal and pelvic health. Our caring doctors, many of whom are women, are experts in women's health. For more information, call: 707.935.5215



Joint Pain Surgery

Don't let chronic joint pain keep you from living the active life you desire. We offer a comprehensive approach to joint replacement, including advanced procedures for knees, hips and shoulders, using minimally invasive surgery whenever possible. For more information, call: 707.935.5607



Dr. Perryman

Weight Loss Surgery

Bariatric surgery can be a life-changing and even lifesaving procedure for those struggling with morbid obesity and obesity-related medical conditions. For more information on the different procedures offered by our experienced, board-certified surgeons, call: 707.721.8818

Healing Here at Home

707.935.5000 • www.svh.com
342 Andrieux Street • Sonoma, CA, 95476



Healthy Hospital in a Healthy Community

Healing Hospital

Inspiring Spirit
Emotional Support
Mental Relaxation
Physical Healing



Community Health
Patient Led Healing
Staff Wellness
Acute Care

Hospital has Financial Health
Via a New Service Structure

What is a Healthy Community?

- Individuals know they create their health and aim to have good health status
- Individuals actively age and have a high quality of life with longevity
- The community environment inspires and supports exercise
- There is access to an abundant supply of organic foods locally
- Good community health statistics

Leading Community Health

- #1 Align community outreach initiatives with our **mission** – *to Restore, Maintain and Improve the Health of our Community.*
- #2 Reduce re-admissions through ensuring patients have access to the information, resources and support they need at home
- #3 Reduce surgical complications through proven best practices

Leading Community Health

- #4 Inspiring individuals to always be **aware** of their health status through screenings, health assessments, and outreach.
- #5 **Partner** with other health providers, non-profits, government agencies and schools to improve health in areas where the entire community shows a need for improvement.

The Future

- Sonoma Valley becomes a recognized healthy community
- SVH has financial health
- SVH becomes a national model for community hospitals
- SVH is known as a place of healing



SHARE THE MESSAGE



6.

FINANCIAL REPORT

Sonoma Valley Hospital
Sonoma Valley Health Care District
September 30, 2013 Financial Report

Board of Directors
November 7, 2013

September's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	107	111	-4	109
Acute Patient Days	405	435	-30	347
SNF Patient Days	585	609	-24	617
Home Health Care Visits	748	900	-152	802
Outpatient Gross Revenue (in thousands)	\$9,173	\$9,260	(\$87)	\$8,151
Surgical Cases	120	134	-14	134

Summary Statement of Revenues and Expenses Month of September 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 4,065,201	\$ 4,237,004	\$ (171,803)	-4%	\$ 3,861,441
2 Total Operating Expenses	\$ 4,338,506	\$ 4,535,723	\$ 197,217	4%	\$ 4,221,152
3 Operating Margin	\$ (273,305)	\$ (298,719)	\$ 25,414	9%	\$ (359,711)
4 NonOperating Rev/Exp	\$ 278,102	\$ 298,579	\$ (20,477)	-7%	\$ 424,999
5 Net Income before Restricted Cont.	\$ 4,797	\$ (140)	\$ 4,937	-3526%	\$ 65,288
6 Restricted Contribution	\$ 1,107,709	\$ 3,853	\$ 1,103,856	28649%	\$ -
Net Income with Restricted 7 Contributions	\$ 1,112,506	\$ 3,713	\$ 1,108,793	29862%	\$ 65,288
8 EBIDA before Restricted Contributions	\$ 227,626	\$ 236,353	\$ (8,727)		\$ 298,695
9 EBIDA before Restricted Cont. %	6%	6%	0%		8%
10 Net Income without GO Bond Activity	\$ 995,105	\$ (114,946)	\$ 1,110,051		\$ (58,268)

Summary Statement of Revenues and Expenses Year to Date September 30, 2013 (3 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 12,728,078	\$ 12,840,411	\$ (112,333)	-1%	\$ 11,970,505
2 Total Operating Expenses	\$ 13,191,608	\$ 13,551,776	\$ 360,168	3%	\$ 12,790,162
3 Operating Margin	\$ (463,530)	\$ (711,365)	\$ 247,835	35%	\$ (819,657)
4 NonOperating Rev/Exp	\$ 849,204	\$ 894,638	\$ (45,434)	-5%	\$ 1,036,137
5 Net Income before Restricted Cont.	\$ 385,674	\$ 183,273	\$ 202,401	110%	\$ 216,480
6 Restricted Contribution	\$ 1,351,049	\$ 16,972	\$ 1,334,077	7860%	\$ 7,116
Net Income with Restricted 7 Contributions	<u>\$ 1,736,723</u>	<u>\$ 200,245</u>	<u>\$ 1,536,478</u>	<u>767%</u>	<u>\$ 223,596</u>
8 EBIDA before Restricted Contributions	\$ 1,049,104	\$ 944,689	\$ 104,415		\$ 922,929
9 EBIDA before Restricted Cont. %	8%	7%	1%		8%
10 Net Income without GO Bond Activity	\$ 33,471	\$ (172,704)	\$ 206,175		\$ (154,190)



To: SVH Board of Directors
From: Rick Reid, CFO
Date: November 7, 2013
Subject: Financial Report for the Month Ending September 30, 2013

Overall Results for September 2013

Overall for September, SVH has income of \$1,112,506 on budgeted income of \$3,713, for a favorable difference of \$1,108,793. Total net patient service revenue was under budget by (\$146,223). Risk contracts were under budget by (\$19,149). Other operating revenue is under budget by (\$6,431), bringing the total operating revenue to \$4,065,201 or (\$171,803) under budget. Expenses were \$4,338,506 on a budget of \$4,535,723 or \$197,217 under budget. The EBIDA prior to the restricted donations for the month was \$227,614 or 5.6%.

Patient Volumes - September

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	107	111	-4	109
Acute Patient Days	405	435	-30	347
SNF Patient Days	585	609	-24	617
Home Care Visits	748	900	-152	802
OP Gross Revenue	\$9,173	\$9,260	(\$87)	\$8,151
Surgical Cases	120	134	-14	134

Overall Payer Mix - September

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	46.1%	49.0%	-2.9%	47.8%	48.9%	-1.1%
Medi-Cal	12.4%	10.7%	1.7%	11.8%	10.8%	1.0%
Self Pay	3.1%	3.9%	-0.8%	3.9%	3.8%	0.1%
Commercial	28.3%	29.2%	-0.9%	26.2%	29.3%	-3.1%
Managed MC	5.2%	2.9%	2.3%	4.9%	2.9%	2.0%
Workers Comp	2.4%	1.5%	0.9%	3.3%	1.5%	1.5%
Capitated	2.5%	2.8%	-0.3%	2.1%	2.8%	-0.6%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for September were \$4.0 million on a budget of \$4.2 million or (\$171,803) under budget.

Net Patient Revenue is under budget by (\$146,223) or -4%, due to the following:

- Overall inpatient volume was under budget by 4 discharges
- Skilled Nursing Home volume was under budget by 24 days
- Outpatient was under budget in volume and had lower commercial insured patients and higher Medi-Cal patients.
- Home Care volume was under budget by 152 visits.
- Bad Debts and Charity Care were favorable to budget by \$160,449. This was due to no charity care during the month.

Risk Contract Revenue was under budget due to lower Napa State volume.

Expenses

September's expenses were \$4.3million on a budget of \$4.5 million or under budget by \$197,217.

The following is a summary of the operating expense variances for the month of September:

- Total productivity FTE's were under budget by 5 at 279, on a budget of 284. Salaries were under budget by \$49,290. Agency fees were over budget by (\$16,349) due to the use of registry in Skilled Nursing by (\$6,290) and ICU by (\$5,477).
- Employee benefits were under budget by \$25,373, of this health insurance was under budget.
- Medical and Prof Fees are over budget by (\$37,117), (\$32,658) is due to additional Prima Physician call.
- Supplies were under budget by \$61,062 due to lower volume in Surgery by \$56,315.
- Purchased services are under budget by \$96,155 due to Plant Operation budgeted projects not starting in September and credits received from vendors on maintenance agreements in Radiology and MRI.

Cash Collections on Patient Receivables:

For the month of September the cash collection goal was \$3,638,907, the Hospital collected \$3,203,939 or under the goal by (\$434,968). Year to date the Hospital patient collections goal was \$10,010,743 and had collection of \$9,740,522 or (\$270,221) under than the goal. The cash collection goal is based upon net hospital revenue from 60 days ago.

RAC Activity

	September	Year to Date
Payments to Medicare	\$199,693	\$385,062
Appeals Won and Repaid to the Hospital	\$58,385	\$105,815
Payments from Rebilling Received	\$0	\$0

Capital Campaign Summary:

For the month of September, the Hospital received \$1,107,709 in capital campaign donations. The total amount received from the Capital Campaign to date is \$5,263,168 offset with spending of \$962,056. The funds are included on line 17, Specific Funds on the Balance Sheet. Included on line 17 is also \$21,456 for miscellaneous restricted funds, \$114,552 received from the Foundation for the X-ray machine and \$32,270 for the Health Round Table, all of which have been reduced by spending of \$115,713.

	Cash Receipts	Spending	Balance
Emergency Dept.	\$1,011,046	\$0	\$1,011,046
Operating Room	\$0	\$0	\$0
Art Work/Lobby	\$400,000	\$67,000	\$333,000
General	\$3,591,951	\$895,056	\$2,696,895
Children's Area	\$250,000	\$0	\$250,000
Interest Earned	\$10,171	\$0	\$10,171
Total Capital Campaign	\$5,263,168	\$962,056	\$4,301,112
X-Ray Machine	\$114,552	\$114,552	\$0
Misc. Restricted Funds	\$21,456	\$0	\$21,456
Health Round Table	\$32,515	\$1,161	\$31,354
Total Specific Funds	\$5,431,661	\$1,077,769	\$4,353,922

These comparisons are for actual FY 2014 compared to actual FY 2013. These are not budget comparisons.

ER Visits

	ER – Inpatient				ER - Outpatient			
	CY	PY	Change	%	CY	PY	Change	%
July	109	109	0	0%	641	729	-88	-12.1%
Aug	94	106	-12	-11.3%	695	778	-83	-10.7%
Sept	105	111	-6	-5.6%	690	677	13	1.9%
YTD	308	326	-18	-5.5%	2,026	2,184	-161	-7.0%



OPERATING INDICATORS
SONOMA VALLEY HOSPITAL

For the month ended September, 2013

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 09/30/13	Budget 09/30/13	Favorable (Unfavorable) Variance	Actual 09/30/13	Budget 09/30/13	Favorable (Unfavorable) Variance	Prior Year 09/30/12
Inpatient Utilization							
Discharges							
1 Acute	85	91	(6)	251	287	(36)	311
2 ICU	22	20	2	58	62	(4)	30
3 Total Discharges	107	111	(4)	309	349	(40)	341
4 Newborn	13	14	(1)	39	41	(2)	36
5 Total Discharges inc. Newborns	120	111	(5)	348	390	(42)	377
Patient Days:							
6 Acute	302	315	(13)	805	886	(81)	968
7 ICU	103	120	(17)	323	368	(45)	207
8 Total Patient Days	405	435	(30)	1,128	1,254	(126)	1,175
9 Newborn	23	30	(7)	74	89	(15)	85
10 Total Patient Days inc. Newborns	428	465	(37)	1,202	1,343	(141)	1,260
Average Length of Stay:							
11 Acute	3.6	3.5	0.1	3.2	3.1	0.1	3.1
12 ICU	4.7	6.0	(1.3)	5.6	5.9	(0.4)	6.9
13 Avg. Length of Stay	3.8	3.9	(0.1)	3.7	3.6	0.1	3.4
14 Newborn ALOS	1.8	2.2	(0.4)	1.9	2.2	0.3	2.4
Average Daily Census:							
15 Acute	10.1	10.5	(0.4)	8.8	9.6	(0.9)	10.5
16 ICU	3.4	4.0	(0.6)	3.5	4.0	(0.5)	2.3
17 Avg. Daily Census	13.5	14.5	(1.0)	12.3	13.6	(1.4)	12.8
18 Newborn	0.8	1.0	(0.2)	0.8	1.0	(0.2)	0.9
Long Term Care:							
19 SNF Patient Days	585	609	(24)	1,657	1,864	(207)	1,932
20 SNF Discharges	23	28	(5)	79	102	(23)	96
21 Average Daily Census	19.5	20.3	(1)	18.0	20.3	(2)	21.0
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	795	809	(14)	2,334	2,544	(210)	2,510
Outpatient Statistics:							
23 Total Outpatients Visits	4,166	4,089	77	12,610	12,714	(104)	12,371
24 IP Surgeries	33	38	(5)	101	111	(10)	118
25 OP Surgeries	87	96	(9)	284	284	-	277
26 Special Procedures	47	31	16	98	115	(17)	117
27 Home Health Visits	748	900	(152)	2,244	2,050	194	2,791
28 Adjusted Discharges	283	304	(21)	888	1,002	(114)	972
29 Adjusted Patient Days	2,157	2,292	(135)	6,373	6,929	(555)	6,908
30 Adj. Avg. Daily Census	71.9	76.4	(4.5)	69.3	75.3	(6.0)	75.1
31 Case Mix Index -Medicare	1.4734	1.4000	0.073	1.5514	1.4000	0.151	1.5146
32 Case Mix Index - All payers	1.4705	1.4000	0.071	1.5198	1.4000	0.120	1.4587
Labor Statistics							
33 FTE's - Worked	279	284	4.4	281	274	(6.9)	285
34 FTE's - Paid	320	319	(0.6)	317	310	(6.9)	324
35 Average Hourly Rate	35.98	36.09	0.11	35.98	35.91	(0.07)	33.81
36 Manhours / Adj. Pat Day	25.3	23.8	(1.5)	26.0	23.4	(2.6)	24.6
37 Manhours / Adj. Discharge	192.9	179.2	(13.7)	186.9	162.0	(24.9)	175.0
38 Benefits % of Salaries	23%	24%	0.6%	23%	24%	1.3%	23%
Non-Labor Statistics							
39 Supply Expense % Revenue	3%	3%	0%	3%	3%	0%	3%
40 Supply Exp. / Adj. Discharge	1,656.41	1,352.46	(304)	1,583.72	1,509.42	(74)	1,449.27
41 Total Expense / Adj. Discharge	15,715.92	12,633.39	(3,083)	14,573.50	13,824.35	(749)	13,207.11
Other Indicators							
42 Days Cash - Operating Funds	8.0			8.0			
43 Days in Net AR	49.7	50.0	(0.3)	52.5	50.0	2	51.36
44 Collections % of Net Revenue	81%			79%			
45 Days in Accounts Payable	48.9	60.0	(11.1)	55.6	60.0	(4)	-
46 % Net revenue to Gross revenue	23.2%	24.1%	-0.9%	23.8%	23.5%	0.3%	22.9%
47 % Net AR to Gross AR	23.8%			23.8%			22.7%

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of September 30, 2013

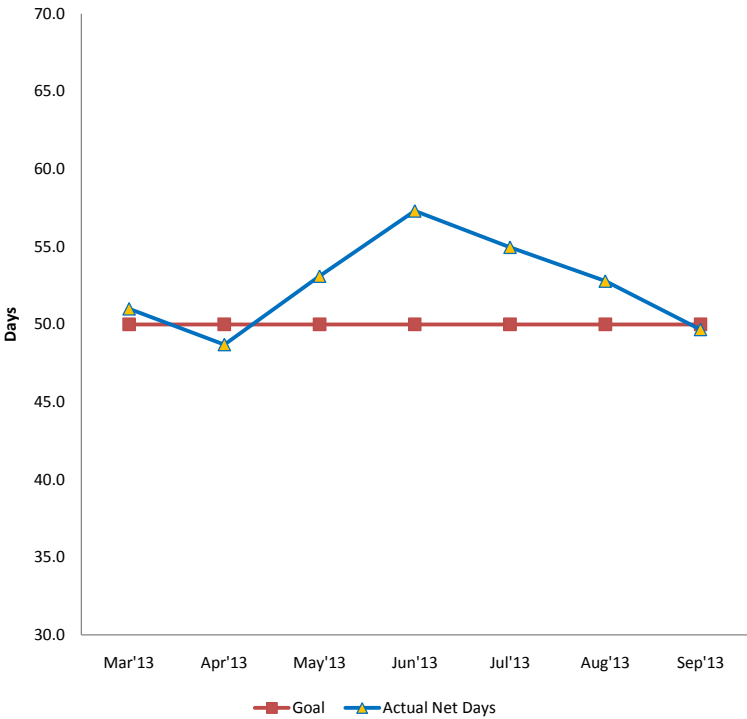
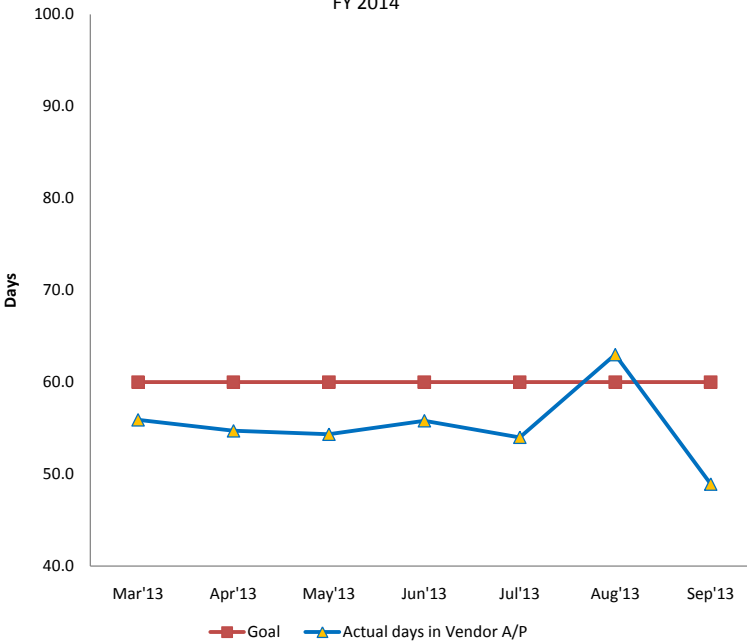
	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,145,913	\$ 1,361,592	\$ 1,970,612
2 Trustee Funds	540,405	540,405	339,459
3 Net Patient Receivables	8,306,068	8,256,117	9,348,449
4 Allow Uncollect Accts	(1,787,350)	(1,635,908)	(2,937,281)
5 Net A/R	6,518,718	6,620,209	6,411,168
6 Other Accts/Notes Rec	7,978,170	7,699,672	4,781,832
7 3rd Party Receivables, Net	1,560,978	1,054,321	1,133,196
8 Due Frm Restrict Funds	-	-	-
9 Inventory	759,124	759,696	904,219
10 Prepaid Expenses	1,125,675	1,190,381	975,589
11 Total Current Assets	\$ 19,628,983	\$ 19,226,276	\$ 16,516,075
12 Board Designated Assets	\$ 5,381	\$ 5,381	\$ 186,028
13 Property, Plant & Equip, Net	11,228,959	11,010,557	27,610,860
14 Hospital Renewal Program	34,044,873	32,304,149	-
15 Unexpended Hospital Renewal Funds	-	1,680,075	15,801,807
16 Investments	-	-	1,497
17 Specific Funds	4,353,922	3,361,624	2,185,865
18 Other Assets	265,858	267,516	331,513
19 Total Assets	\$ 69,527,976	\$ 67,855,578	\$ 62,633,645
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 3,448,666	\$ 4,462,252	\$ 5,215,176
21 Accrued Compensation	3,858,543	3,688,749	3,360,763
22 Interest Payable	282,340	139,670	285,705
23 Accrued Expenses	1,538,703	1,329,475	140,857
24 Advances From 3rd Parties	1,749,500	1,835,174	1,341,993
25 Deferred Tax Revenue	3,656,125	4,045,951	3,573,556
26 Current Maturities-LTD	842,956	846,035	1,547,746
27 Other Liabilities	4,023,891	2,423,891	97,889
28 Total Current Liabilities	\$ 19,400,724	\$ 18,771,197	\$ 15,563,685
29 Long Term Debt, net current portion	\$ 37,530,603	\$ 37,600,238	\$ 37,949,090
Fund Balances:			
31 Unrestricted	\$ 5,160,084	\$ 5,155,287	\$ 6,860,760
32 Restricted	7,436,565	6,328,856	2,260,110
33 Total Fund Balances	\$ 12,596,649	\$ 11,484,143	\$ 9,120,870
34 Total Liabilities & Fund Balances	\$ 69,527,976	\$ 67,855,578	\$ 62,633,645

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended September 2013

		Month				Year-To-Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information										Prior Year
1	Acute Discharges	107	111	(4)	-4%	309	349	(40)	-11%	341
2	SNF Days	585	609	(24)	-4%	1,657	1,864	(207)	-11%	1,932
3	Home Care Visits	748	900	(152)	-17%	2,244	2,050	194	9%	2,791
4	Gross O/P Revenue (000's)	9,173	9,260	(87)	-1%	\$ 29,044	\$ 27,642	1,402	5%	\$ 25,317
Financial Results										
Gross Patient Revenue										
5	Inpatient	\$ 5,583,507	\$ 5,645,919	(62,412)	-1%	\$ 16,182,201	\$ 16,176,678	5,523	0%	\$ 14,703,456
6	Outpatient & Emergency	8,950,573	9,016,714	(66,141)	-1%	28,359,212	27,105,011	1,254,201	5%	24,489,422
7	SNF	2,198,037	2,100,349	97,688	5%	6,359,469	6,440,175	(80,706)	-1%	5,990,856
8	Home Care	222,269	242,925	(20,656)	-9%	685,237	537,089	148,148	28%	827,940
9	Total Gross Patient Revenue	\$ 16,954,386	\$ 17,005,907	(51,521)	0%	\$ 51,586,119	\$ 50,258,953	1,327,166	3%	\$ 46,011,674
Deductions from Revenue										
10	Contractual Discounts	\$ (13,120,091)	\$ (12,864,940)	(255,151)	-2%	\$ (39,418,042)	\$ (37,743,364)	(1,674,678)	-4%	\$ (33,960,134)
11	Bad Debt	(200,000)	(213,231)	13,231	6%	(600,000)	(630,180)	30,180	5%	(1,130,000)
12	Charity Care Provision	0	(147,218)	147,218	100%	(89,127)	(414,456)	325,329	78%	(387,193)
13	Prior Period Adjustments	-	-	-	0%	71,644	-	71,644	0%	-
14	Total Deductions from Revenue	\$ (13,320,091)	\$ (13,225,389)	(94,702)	1%	\$ (40,107,169)	\$ (38,788,000)	(1,319,169)	3%	\$ (35,477,327)
15	Net Patient Service Revenue	\$ 3,634,295	\$ 3,780,518	(146,223)	-4%	\$ 11,478,950	\$ 11,470,953	7,997	0%	\$ 10,534,347
16	Risk contract revenue	\$ 302,768	\$ 321,917	(19,149)	-6%	\$ 777,328	\$ 965,751	(188,423)	-20%	\$ 920,725
17	Net Hospital Revenue	\$ 3,937,063	\$ 4,102,435	(165,372)	-4%	\$ 12,256,278	\$ 12,436,704	(180,426)	-1%	\$ 11,455,072
18	Other Op Rev & Electronic Health Records	\$ 128,138	\$ 134,569	(6,431)	5%	\$ 471,800	\$ 403,707	68,093	17%	\$ 515,433
19	Total Operating Revenue	\$ 4,065,201	\$ 4,237,004	(171,803)	-4%	\$ 12,728,078	\$ 12,840,411	(112,333)	-1%	\$ 11,970,505
Operating Expenses										
20	Salary and Wages and Agency Fees	\$ 1,966,157	\$ 1,999,098	32,941	2%	\$ 5,971,082	\$ 5,898,877	(72,205)	-1%	\$ 5,747,732
21	Employee Benefits	734,521	759,894	25,373	3%	2,209,680	2,306,652	96,972	4%	2,129,334
22	Total People Cost	\$ 2,700,678	\$ 2,758,992	58,314	2%	\$ 8,180,762	\$ 8,205,529	24,767	0%	\$ 7,877,066
23	Med and Prof Fees (excl'd Agency)	\$ 420,461	\$ 383,344	(37,117)	-10%	\$ 1,186,499	\$ 1,163,182	(23,317)	-2%	\$ 1,136,802
24	Supplies	469,168	530,230	61,062	12%	1,543,148	1,512,600	(30,548)	-2%	1,393,946
25	Purchased Services	340,806	436,961	96,155	22%	1,088,959	1,309,961	221,002	17%	1,195,978
26	Depreciation	164,975	187,558	22,583	12%	497,258	611,538	114,280	19%	518,208
27	Utilities	85,657	77,354	(8,303)	-11%	248,040	262,062	14,022	5%	260,409
28	Insurance	18,888	18,699	(189)	-1%	56,664	56,097	(567)	-1%	58,125
29	Interest	22,917	14,010	(8,907)	-64%	61,397	45,103	(16,294)	-36%	98,208
30	Other	114,956	128,575	13,619	11%	328,881	385,704	56,823	15%	251,420
31	Operating expenses	\$ 4,338,506	\$ 4,535,723	197,217	4%	\$ 13,191,608	\$ 13,551,776	360,168	3%	\$ 12,790,162
32	Operating Margin	\$ (273,305)	\$ (298,719)	25,414	9%	\$ (463,530)	\$ (711,365)	247,835	35%	\$ (819,657)
Non Operating Rev and Expense										
33	Miscellaneous Revenue	\$ 1,200	\$ 4,167	(2,967)	-71%	\$ 25,232	\$ 12,501	12,731	*	\$ 15,654
34	Donations	-	3,883	(3,883)	0%	1,008	10,550	(9,542)	90%	111,651
35	Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	0
36	Physician Practice Support-Prima	(77,999)	(65,630)	(12,369)	19%	(241,739)	(196,890)	(44,849)	23%	(196,890)
37	Parcel Tax Assessment Rev	237,500	237,500	-	0%	712,500	712,500	-	0%	735,054
38	GO Bond Tax Assessment Rev	152,326	153,584	(1,258)	-1%	456,978	460,752	(3,774)	-1%	460,701
39	GO Bond Interest	(34,925)	(34,925)	-	0%	(104,775)	(104,775)	-	0%	(90,033)
40	Total Non-Operating Rev/Exp	\$ 278,102	\$ 298,579	(20,477)	-7%	\$ 849,204	\$ 894,638	(45,434)	-5%	\$ 1,036,137
41	Net Income / (Loss) prior to Restricted Contributions	\$ 4,797	\$ (140)	4,937	-3526%	\$ 385,674	\$ 183,273	202,401	110%	\$ 216,480
42	Capital Campaign Contribution	\$ 1,107,709	\$ 3,853	1,103,856	28649%	\$ 1,351,049	\$ 16,972	1,334,077	7860%	\$ 7,116
43	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$ -
44	Net Income / (Loss) w/ Restricted Contributions	\$ 1,112,506	\$ 3,713	1,108,793	29862%	\$ 1,736,723	\$ 200,245	1,536,478	767%	\$ 223,596
45	Net Income w/o GO Bond Activity	\$ 995,105	\$ (114,946)	1,110,051	966%	\$ 33,471	\$ (172,704)	206,175	119%	\$ (154,188)

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended

	Current Month	Year To Date
Operating Activities		
Net Income (Loss)	1,112,506	1,736,723
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	164,976	495,259
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	101,491	7,304
(Increase)/Decrease Other receivables and other assets	(783,497)	(1,438,928)
(Increase)/Decrease Prepaid expenses	64,706	(51,263)
(Increase)/Decrease in Inventories	572	35,510
(Decrease)/Increase in Deferred revenues	(475,500)	(1,109,331)
(Decrease)/Increase in Accounts payable, accrued expenses	1,108,106	(1,138,434)
Net Cash Provided/(Used) by operating activities	1,293,360	(1,463,160)
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(383,379)	(1,049,766)
Net Purchases of property, plant and equipment - GO Bond Purchases	(1,740,723)	(2,242,996)
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	687,777	4,005,338
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	(1,436,325)	712,576
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(72,714)	(241,905)
Proceeds (Repayments) from Borrowings - Other		
Net Intercompany Borrowings/(Repayments)		
Change in Post Retirement Obligations & Other Net Assets	-	-
Net Equity Transfers to related entities (Cash and Non-Cash)		
Net cash Provided/(Used) by financing activities	(72,714)	(241,905)
Net increase/(Decrease) in cash and cash equivalents	(215,679)	(992,489)
Cash and Equivalents at beginning of period	1,361,592	2,138,402
Cash and Equivalents at September 30, 2013	1,145,913	1,145,913

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Sonoma Valley Hospital
Statistical Analysis
FY 2014

Statistics	ACTUAL	BUDGET	ACTUAL												
	Sep-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12	Nov-12	Oct-12	Sep-12	Aug-12
Acute															
Acute Patient Days	405	435	385	338	323	396	315	447	449	613	456	351	443	347	432
Acute Discharges	107	111	102	100	87	99	88	122	128	159	117	104	121	109	117
SNF Days	585	609	615	457	470	638	589	725	678	707	671	638	576	617	682
HHA Visits	748	900	736	760	990	1,140	1,101	1,067	1,001	1,076	940	921	1,043	802	1,052
Emergency Room Visits	795	809	789	750	716	795	729	757	710	852	793	732	801	788	884
Gross Outpatient Revenue (000's)	\$9,173	\$9,260	\$9,801	\$10,071	\$8,353	\$9,289	\$8,906	\$8,167	\$8,065	\$8,805	\$8,302	\$8,485	\$8,935	\$8,151	\$9,014
Equivalent Patient Days	2,157	2,292	2,256	1,945	1,892	2,266	2,237	2,422	2,314	2,594	2,353	2,213	2,214	2,202	2,509
Births	13	14	11	15	8	15	12	16	11	19	13	14	9	11	16
Surgical Cases - Inpatient	33	38	35	33	30	42	25	35	33	38	32	35	37	37	40
Surgical Cases - Outpatient	87	96	95	102	86	105	90	96	80	78	94	95	91	97	98
Total Surgical Cases	120	134	130	135	116	147	115	131	113	116	126	130	128	134	138
Medicare Case Mix Index	1.47	1.40	1.64	1.54	1.58	1.62	1.50	1.55	1.36	1.52	1.51	1.47	1.29	1.49	1.40
Income Statement															
Net Revenue (000's)	3,937	4,102	4,251	4,068	3,821	3,324	3,986	3,945	3,938	4,006	4,085	3,679	3,963	3,707	3,926
Operating Expenses (000's)	4,339	4,536	4,441	4,413	4,694	4,529	4,407	4,577	4,353	4,632	4,482	4,235	4,407	4,221	4,312
Net Income (000's)	883	4	440	185	732	(651)	149	251	114	237	134	174	67	65	127
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$2,011	\$1,979	\$1,968	\$2,269	\$2,481	\$1,999	\$1,970	\$1,890	\$1,881	\$1,786	\$1,905	\$1,914	\$1,990	\$1,917	\$1,719
Productive FTEs	279	284	286	279	277	282	286	291	290	284	284	266	281	291	284
Non-Productive FTE's	41	36	30	36	40	28	34	31	32	37	33	47	36	39	37
Total FTEs	320	319	315	315	317	311	320	322	322	321	317	313	316	330	321
FTEs per Adjusted Occupied Bed	4.45		4.33	4.25	4.25	4.25	4.29	4.12	3.77	3.84	4.24	4.24	4.43	4.37	3.97
Balance Sheet															
Days of Expense In General Operating Cash	8		11	8	7	12	17	15	9	9	14	7	12	14	13
Net Days of Revenue in AR	50		53	50	62	59	55	51	53	51	53	52	53	50	50

7.

OFFICER AND
COMMITTEE
REPORTS



Meeting Date: Nov. 7, 2013

Prepared by: Bill Boerum, Board Chair

Member, Board of Directors of ACHD, its Governance Committee and the ALPHA Fund board

Agenda Item Title: Meetings of the Association of California Healthcare Districts

During October I participated in ACHD meetings in Newport Beach and Sacramento. The first meeting (during two days) was a regular ACHD board of directors' session which included the annual retreat along with the board meeting (common members) of the ALPHA Fund, a workers compensation claims enterprise for health care districts and other non-profits.

Among the agenda items was receipt of ACHD's annual financial statements for June 30, 2013 (as well as the three-year engagement of Richardson & Co. as auditors) and a re-casting of the 2014 budget. The audit reported assets of \$1.9 million, net assets of \$1.7 million, and a surplus of \$366K on revenues of \$1.8 million. Next year's breakeven budget forecasts revenues of \$1.4 million. Among other activities, we went through an initial strategic planning exercise which elicited a lot of participation and common focus by members for the next three years.

The ALPHA Fund board meeting also accepted its fiscal year financials which showed assets of \$102 million, comprised of an investment portfolio of \$92 million. Revenues were \$34 million with net income from operations of \$1.8 million. It was reported that for the first time the number of non-profit participants (clients) exceeded the number of hospital participants.

The second meeting (in Sacramento) was a regular meeting of ACHD's Governance Committee to which I had been appointed earlier in the month. Along with other business, we reviewed the Committee's mission and confirmed recommended appointments to the Advocacy and Finance Committees. The Advocacy and Education Committees had their meetings the next day.

My observation from participating in the October meetings and networking among board members and hospital CEOs attending is that ACHD has transformed itself during the past two years from a somewhat moribund and remote organization to one which is much more responsive to its membership and committed to delivering on member benefits. This is best exemplified by its online board self-assessment and CEO evaluation tools.

Financial Impact: My participation in ACHD meetings was at no cost to the District. Travel and lodging (one night per session) expenses are paid by the Association, plus I receive a \$200 per day meeting fee.



Meeting Date: Nov. 6, 2013

Prepared by: Bill Boerum, Board Chair - Sonoma Valley Health Care District
(Board Chair - Northern California Health Care Authority)

Agenda Item Title: Annual Meeting of Northern California Health Care Authority (NCHCA)

The annual meeting of the Northern California Health Care Authority (the “JPA”) convened on Friday, October 25 at the Alliance Medical Center on the campus of the Northern Sonoma County Healthcare District in Healdsburg. In addition to the 10 members of the board of directors of the JPA (two representatives from each of the five districts), this meeting invited as in the past all the board members of the constituent districts. There was a very good turnout from three of the districts: Healdsburg, Palm Drive and Garberville. No one from Fort Bragg (two JPA board members, were travel constrained).

This was very largely an informational meeting. The program was as follows:

- **JPA as a “Conduit Issuer” of Securities** – Gary Hicks, GL Hicks Financial and Brian Quint, Quint & Thimming (Gary, Financial Advisor to our District in the issuance of GO bonds and Brian, our Bond Counsel on the GO securities)
- **Maximizing MediCal & Medicare Revenues Under Healthcare Reform** – Sheretta Lane, Lead Staff, District Hospital Leadership Forum (DHLF)
- **Emergency Room Marketing Strategies** – Steve Maron, MD & President of Valley Emergency Physicians Medical Group (our provider)
- **The District as Enterprise** – Colin Coffey, Partner, Archer Norris
- **Telemedicine Opportunities / Small Hospital Success Story** - Kathy Chorba, Executive Director of the California Telehealth Resource Center and Harry Jasper, CEO of the Jerold Phelps Community Hospital
- **ACHD Services Update** – Tom Peterson, Executive Vice President
- **Remarks** by Kurt Hahn, Interim Executive Director of NCHCA

Among the salient points made and take-aways from the above presentations were:

- There is an opportunity for the JPA to act as a “conduit issuer” of securities (certificates of participation) for its members (as previously done for Palm Drive and Healdsburg) and for non-members, thus lowering issuance costs for the borrower and earning a fee for so doing. To act for non-members (other districts and non-profit healthcare providers), changes to JPA bylaws would be required.

- According to Sheretta Lane there is lots of money in MediCal and Medicare if you know where to look with the help of DHLF; several examples given
- Insights offered by Dr. Steve Maron President of Valley Emergency on how to successfully market emergency services and increase market share
- Colin Coffey and I had talked previously about and he presented the wide scope of services which districts by statute can provide within the healthcare domain to generate additional revenues
- Kathy Chorba focused on telehealth devices which can extend “home health” services, such devices all reimbursable by CMS; Harry Jasper highlighted his hospital’s use of the \$180,000 in telehealth grant proceeds which all the districts shared from our collaborative application
- ACHD has new automated/online services available at no cost to members for board self-assessment and CEO evaluation
- Kurt is exploring collaborative opportunities

The next meeting of the JPA board of directors will be at noon on Friday, November 8 at the Healdsburg District Hospital and will consider various organizational new service issues.



Prepared by: Peter Hohorst, Board Member

Meeting Date: November 7, 2013

Agenda Item Title: *Revision of Policy and Procedures Governing Purchases of Materials, Supplies and Equipment and Procurement of Professional Services*

Recommendation: That the changes suggested by counsel to the Policy approved at the Board meeting on October 3, 2013 be approved.

Background and Reasoning:

The Policy and Procedures Governing Purchases of Materials, Supplies and Equipment and Procurement of Professional Services has been reviewed by counsel. Counsel has recommended several changes to the Policy. Only one of the recommended changes is significant. Counsel has pointed out that physician co tracts should be covered by a separate contract. The changes suggested should be approved at this time to make the Policy the best it can be at the present time.

Counsel has also suggested that, although section 5 of the Policy (which delegates to the CEO the authority for all contracts within the scope of the operating or capital budgets) meets the general requirements of the law it would be a better Policy if some time and dollar limits were included. The Governance Committee also agreed to review the procurement policies adopted by the Salinas Valley Memorial Health Care System (a health care district) after approval by the Bureau of State Audits and consider further amendments as appropriate.

The Governance Committee will develop and bring back to the Board at a later date a CEO approval matrix that meets with counsel's approval.

The Governance Committee will also develop, from the information supplied by counsel for the proper form and process for physician contracts, a Board Policy that will include this information and suitable delegation of this authority to the CEO.

Consequences of Negative Action/Alternative Actions: The Policy that was approved at the October Board meeting, with its known defects, will continued to be used

Financial Impact: None

Board Committee: Governance Committee

Attachments:

Policy and Procedures Governing Purchases of Materials, Supplies and Equipment and Procurement of Professional Services

September ~~14~~____, 2013

POLICY AND PROCEDURES GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES.

Purpose:

This policy covers the procedures governing purchases of materials, supplies and equipment and the procurement of professional services. It does not cover the procedures governing the bidding and awarding of contracts for facility projects (public works). The bidding and awarding of contracts for facility projects is covered by the Policy and Procedures Governing Bidding for Facility Contracts. Contracts for professional services in conjunction with facility projects shall also be governed by the Policy and Procedures Governing Bidding for Facility Contracts and not by this policy. [This policy does not apply to physician transactions.](#)

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It is the intent of the Board of Directors ("Board") of the Sonoma Valley Health Care District ("District") to provide an equal opportunity to all qualified and responsible parties wishing to participate in the bidding process with respect to the District and the Sonoma Valley Hospital ("Hospital").

It is the intent of the Board, consistent with the District's obligations, to obtain the best value for all expenditures.

It is the intent of the Board to clarify, with this policy, the authority granted to the District President and Chief Operating Officer ("CEO") by the Board with regard to District and Hospital purchases and contracts. It is also the intent to clarify the authority retained by the Board.

In all instances where authority is granted to the CEO, it is understood that the CEO may in turn delegate this authority to a member of the CEO's staff. Responsibility for adherence to this policy, when the authority is delegated by the CEO to a staff member, remains with the CEO.

Statement of Board Policy:

Section 1. Scope and Application of the Policy

1.1 Delegation of Authority

The Board hereby makes selective delegation of its authority to the CEO to implement this Policy. By this Policy the Board also limits the CEO's authority as specified in Section 5 [Limit of Authority Delegated to the CEO].

1.2 Bidding Threshold

The District, with certain exceptions, as covered in Section 2 [Exceptions to Bidding and Lowest Bid Policy], ([Health and Safety Code § 32132](#)) shall follow the formal bidding procedures outlined in Section 3 [Formal Bidding Procedures]

for any contract for materials, supplies and equipment exceeding twenty-five thousand dollars (\$25,000) for services, materials and supplies to be furnished, sold, or leased to the District or the Hospital and shall award the contract to the lowest responsible bidder. Alternately, the District shall reject all bids.

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Bidding is not required for contracts that are excepted under Section 3-2 and for contracts that do not exceed \$25,000, but bidding or other suitable procedures should be followed to obtain the best value for the District

1.3 Authority to Make Purchases.

~~The CEO is hereby given authority to make all purchases and to execute all purchase orders or contracts for the District duly authorized pursuant to this Policy. All purchases and contracts shall be upon written order. The District's CEO or the CEO's designee are hereby given authority to make all purchases and to execute all purchase orders or contracts for the District duly authorized pursuant to this Policy or other applicable policies referenced herein. All purchases and contracts shall be upon written order, whenever reasonably possible, and the District shall keep and maintain written records of the same.~~

1.4 Contract File

The CEO shall keep and maintain written records of all contracts. The contract file shall include the method used to select the contractor or service provider, a copy of the request for proposal (RFP) or other form of solicitation, the amount of the contract, the expiration date of the contract, and the name of the contractor or service provider. When the formal bidding procedure is required, file shall also include a copy of the Notice of Bids and the names of all bidders and their proposals.

The contract file for all contracts awarded under the exceptions listed in section 2 shall include a description of the exception and an explanation of the method used to select the contractor or service provider.

The contract file shall include the names of any employee of the District, or any Board member who elected to recuse themselves from the award process because of a conflict of interest.

1.5 Conflict of Interest

With respect to all contracts covered by this Policy, any practices or procedures which might result in unlawful activity shall be prohibited, including practices which might result in rebates, kickbacks or other unlawful consideration. No employee of the District may participate in any selection process when such employee has a relationship with a person or business entity seeking a contract which would subject those employees to the prohibitions in *Government Code* § 87100¹. [\(See Government Code §4526\)](#)

¹ Section 8100 provides, "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

1.6 No Advantage.

No illegal, unfair, unethical or otherwise improper advantage shall be accorded to any bidder by the District, a Board member or an employee of the District/Hospital.

Section 2 Exceptions to Bidding and Lowest Bid Policy

The District shall not be required to utilize the formal bidding process or to award the contract to the lowest bidder to (a) emergency contracts, (b) contracts for medical or surgical equipment or supplies, (c) electronic data processing and telecommunications goods and services, (d) professional services, (e) energy services contracts, or (f) purchases made through a Group Purchasing Organization ("GPO") (Health and Safety Code § 32132(b) & (e)).~~(H&S Code 32132- b, e).~~

Section 2.1 Emergency Contracts.

Notwithstanding anything to the contrary, the Board may award contracts for more than \$25,000, without following the formal bidding and lowest bid policy, if it first determines (i) an emergency exists that warrants such expenditure due to fire, flood, storm, epidemic or other disaster and (ii) it is necessary to protect public health, safety, welfare or property. (Health and Safety Code § 32136.)~~(H&S Code 32136).~~ In the event that the emergency requires immediate action, the CEO may make the determination that an emergency condition exists and award a contract without first receiving Board approval. The CEO shall inform the Board of the emergency and the contract by email within 24 hours. The Board shall review the emergency and the contract no later than 14 days after the action.

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Section 2.2 Medical Equipment and Supplies

Notwithstanding anything to the contrary, the CEO may award contracts for more than \$25,000 without following the formal bidding and lowest bid policy for medical equipment and supplies commonly, necessarily and directly used by or under the direction of a physician or surgeon in caring for or treating a patient. (Health and Safety Code § 32132(b)&(d).)~~(H&S Code 32132-a & d).~~

Section 2.3 Electronic Data Processing and Telecommunications Goods and Services

Consistent with Health & Safety Code §32138, the District shall employ competitive means to acquire electronic data processing and telecommunications goods and services, where such goods and services exceed a cost of twenty-five thousand dollars (\$25,000). (Health and Safety Code §§ 32132(b) and 32138).

For purposes of this section, "competitive means" includes any appropriate means specified by the Board. "Competitive means" may include (i) the preparation and circulation of a request for proposal to a sufficient number of qualified sources to permit reasonable competition consistent with the nature and requirements of the proposed acquisition, as determined by the Board in its reasonable discretion; (ii) the lowest bid policy; (c) any other appropriate means

determined by the Board in its reasonable discretion. (Health and Safety Code § 32138(b))

~~Notwithstanding anything to the contrary, the CEO shall award contracts for more than \$25,000 without following the formal bidding and lowest bid policy for electronic data processing and telecommunications goods and services in based on the evaluation of competitive means. (H&S Codes 32132.b, & 32138).~~

The CEO shall provide the Board and the Board shall approve the competitive means that will be used for all electronic data processing and telecommunications goods and services.

Section 2.4 Energy Services Contract

Notwithstanding anything to the contrary, the District shall award contracts for more than twenty-five thousand dollars \$25,000 for energy services ~~contracts~~ ~~for~~including energy conservation, cogeneration, and alternate energy supply sources without following the formal bidding and lowest bid policy if 1-) the Board determines that such contract is in the best interest of the District, and 2) the determination is made at a regularly scheduled public hearing of the Board in compliance with the provisions of Government Code §4217.12. (Government Code §§ 4217.11 & 4217.12)

~~the contract is in the best interest of the District and the contract is made public at a regularly scheduled Board meeting. (Government Codes 4217.11 & 4217.12)~~

Section 2.5 Group Purchasing Organizations

Notwithstanding anything to the contrary, the CEO may award contracts that are placed through an accredited Group Purchasing Organization ("GPO") in excess of twenty-five thousand dollars (\$25,000) without following the formal bidding and lowest bid policy (Revenue and Taxation Code §23704). (Health and Safety Code § 32132(e).)

~~Notwithstanding anything to the contrary, the CEO may award contracts that are placed through an accredited Group Purchasing Organization ("GPO") in excess of twenty five thousand dollars (\$25,000) without following the formal bidding and lowest bid policy (Revenue and taxation Code 23704). (H&S Code 32132.e)~~

Section 2.6 Professional Services

Notwithstanding anything to the contrary, the CEO may award contracts for professional services and advice in financial, economic, accounting, engineering, legal, architectural or administrative matters ("Special Services") in excess of twenty-five thousand dollars (\$25,000) without following the formal bidding and lowest bid policy or the use of competitive means, provided such persons are specially trained, experienced and competent to perform the special services required and have been selected based on these qualifications. (Health and Safety Code § 32132(b) & Government Code § 53060).

~~(H&S Code 32132.b, Government Code 53060).~~

The Policy and Procedures Governing Bidding for Facility Contracts shall be followed for the contracts for professional services of architectural, engineering, environmental, land surveying, or construction project management firms if the work is to be performed in conjunction with an approved facility project.

Section 3. Formal Bidding Procedure

Section 3.1 Bid Packet

Where formal bidding is required, [\(or otherwise deemed desirable by the Board\)](#) the CEO shall prepare a bid packet, including a notice inviting formal bids ("Notice Inviting Bids"). The packet shall include a description of the materials or supplies, scope of services, or work in such detail and written with such specificity as may be required to allow all potential bidders to understand the need and give a level playing field to all bidders.

Section 3.2 Notice Inviting Bids

Where formal bidding is required, the CEO shall publish the Notice Inviting Bids at least fourteen (14) calendar days, but preferably twenty (20) calendar days, before the date of opening the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the District. (Public Contract Code ~~22037~~ [§20150.8](#)).

In addition, the CEO may also publish the Notice Inviting Bids in a trade publication as specified in Public Contract Code 22036 ~~and or~~ may give such other notice as it deems proper.

Section 3.3 Requirements of Notice Inviting Bids.

The CEO shall include all of the following in the Notice Inviting Bids:

- a. A description of the item(s) to be bid upon;
- b. The procedure by which potential bidders may obtain electronic copies of the Specifications;
- c. The final time, ~~date, and date, place where bids are to be received for receiving and opening of bids (including designation of the appropriate District person)~~ (Government Code § 53068; Public Contract Code §§ 4104.5, 22037). If the District elects to receive bids electronically, this option must be included in the Notice Inviting Bids.
- d. The appropriate District person to receive the bids and the address for that person, including an e-mail address.
- e. The date, time and place for opening of bids;
- f. Other matters, if any, that would reasonably enhance the number and quality of bids.

Section 3.4 Submission of Bids.

The CEO shall accept only written sealed bids from the prospective bidders. The CEO shall date and time stamp all bids upon receipt. All bids shall remain sealed until the date and time set forth for opening the bids in the Notice Inviting Bids. Any bid received by the District after the time specified in the Notice Inviting Bids shall be returned unopened. (Government Code [§ 53068](#)). Any electronic bids received after the time specified shall have their attachments deleted and the bidder notified electronically of their rejection.

Section 3.5 Examination and Evaluation of Bids

On the date, time and at the location provided in the Notice Inviting Bids, the District shall publicly open the sealed bids. A person designated by the CEO, shall attend and officiate over the opening of bids ("Opening"). The bids shall be made public for bidders and other properly interested parties who may be present at the Opening.

The District reserves the right not to determine the low bidder at the Opening, to obtain the opinion of counsel on the legality and sufficiency of all bids, and to determine at a later date which bid to accept. Such determination shall be made within sixty (60) days of the Opening ~~or~~ unless a different period of time is specified in the Notice Inviting Bids.

In the event there are two or more identical lowest bids pursuant to any provision requiring competitive bidding, the ~~CEO-District~~ may determine by lot which bid shall be accepted. (Government Code [§ 53064](#))

Section 3.6 Award of Contract

When formal bidding is required the CEO shall award the contract to the lowest bidder, provided the bidder is responsible as defined by section 3.7 and the bid is reasonable and meets the requirements and criteria set forth in the Notice Inviting Bids

Any contract awarded by the District shall be subject to all applicable provisions of federal, California and local laws. In the event of a conflict between any contract documents and any applicable law, the law shall prevail.

Notwithstanding anything to the contrary, the District is under no obligation to accept the lowest responsible bidder and reserves the right to reject all bids.

[\(Health and Safety Code § 32132H&S Code 32132\)](#)

Section 3.7 Responsible Bidder

a. For purposes of this Policy, "responsible bidder" means a bidder who has demonstrated the attribute of trustworthiness and quality during prior service, a reputation for reliability and satisfactory service with other clients, sufficient financial capacity and the physical capability and the technical and non technical expertise in order to perform the contract satisfactorily (Public Contract Code 1103).

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b. If the CEO determines that the lowest bidder is not responsible, the Board may award the contract to the next lowest responsible bidder

c. If the Board decides to award the contract to a bidder other than the lowest bidder pursuant to subparagraph (b), the Board shall first notify the low bidder of any evidence, either obtained from third parties or concluded as a result of the District's investigation, which reflects on such bidder's responsibility. The District shall afford the low bidder an opportunity to rebut such adverse evidence and shall permit such bidder to present evidence that it is qualified. Such opportunity to rebut adverse evidence and to present evidence of qualification shall be submitted in writing to the District.

Section 4. Bid Conditions.

All formal bids shall be subject to the following general conditions.

4.1 Minimum Number of Bids.

When formal bidding is required the CEO shall consider a minimum of three (3) bids whenever possible; however, where the CEO cannot obtain three bids or when the CEO decides that time will not permit obtaining three bids, the Board may authorize ~~considering less than three bids~~ consideration of a minimum of two (2) bids.

The District may accept sole source bids for contracts that are exempt from the formal bidding policy under section 2.

4.3 Multiple Bids.

When bids for multiple items are solicited at the same time, the CEO may accept parts of one or more bids (provided the Notice Inviting Bids so indicates) unless the bidder has specified to the contrary, in which event the District reserves the right to disregard the bid in its entirety.

4.4 Minor Deviations.

When formal bidding is required, the CEO, after receiving advice from counsel, may waive inconsequential deviations from the specifications in the substance or form of bids received.

4.5 Reference Check

Contracts shall be awarded to the lowest responsible bidder meeting the applicable criteria established by the District, subject to a check of references and review of legal counsel, as applicable.

4.6 Right to Direct Competitive Bidding.

The Board reserves the right to direct competitive bidding (including but not limited to lowest bid) for any contract, regardless of whether or not competitive bidding is required by the terms of this policy. (Public Contract Code §1601)

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4.6 Flexibility and Waiver of Policy Requirements

In recognition of the fact that the contracting and procurement needs of the District may, from time to time, render certain procedures or requirements set forth in this Policy impractical, the CEO or his/her designee is authorized to permit or waive deviations from this Policy, to the extent permitted by law, in consultation with the District's legal counsel and upon making a written finding that such deviations are in the best interest of the District.

Section 5. Limit of Authority Delegated to CEO for Materials and Services

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year. The contract may cover a period of up to 5 years.

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year, but the contract amount is greater than the amount in the budget, if the total dollar amount of contracts exceeding the budgeted amounts is not in excess of \$100,000 for the year. When a contract is signed that exceeds the budgeted amount the CEO should reduce operating costs in other areas to keep the impact of the contract "budget neutral." The contract may cover a period of up to 5 years.

The CEO may approve a contract for a capital expense, if the item meets the guidelines for capital projects which were included with the capital budget and approved by the Board.



Meeting Date: November 7, 2013

Prepared by: Kevin Carruth, Governance Committee Chair

Agenda Item Title: BOARD POLICY

Recommendation:

The Board shall discuss the issue and give general guidance to the Governance Committee to develop a draft policy for Board action. The issues for Board discussion include, but are not necessarily limited to:

1. Should all Board members and the CEO be invited and included in all events funded, sponsored or presented by the District and the Hospital?
2. Should all Board members and the CEO have their photos displayed in the lobby of the Hospital, possibly along with other key Hospital executives/leaders?
3. When the CEO or other District of Hospital executives are responding to Board Member questions or concerns should all Board members receive that information, excluding inquiries of a personal nature?

Background:

- 1. Inclusion:** Currently there is no policy guidance on how this should be handled. Typically elected Boards and their CEO are invited/included in all events funded, sponsored or presented by their jurisdiction, i.e., the District and the Hospital. Currently the informal practice is that the CEO invites the entire Board for some events and a smaller group of Board members are invited for other events. Inviting all Board members and the CEO does not require all to attend everything; in fact Board members and the CEO currently do not attend everything to which they are invited.
- 2. Photographs:** Currently there is no policy guidance on how this should be handled. Elected bodies typically have the photos of the representatives of the voters displayed in the lobby or some other comparatively conspicuous place. This Board's photos were displayed until a couple of years ago. Professional photographs were taken of all the Board members a year ago and are available for this purpose. The issue has been raised repeatedly by at least two Board members since the photographs were initially removed and there have been repeated assurances that the photos will be installed. It is also important to have the photograph of the CEO, and possibly the other Hospital executives (determined by the CEO), so that the public can recognize not only the elected District leadership but the key leadership inside the Hospital.

3. Information: Currently there is no policy guidance on how this should be handled. The CEO, and on occasion the Hospital staff, provides much important and useful information to the entire Board. There are occasions when a Board member inquires about an issue or asks for more information and that member then receives that information. It is quite possible, even likely, that such information would be equally valuable for all Board members and by providing it to all would ensure that every Board member is operating with the same information, if they choose to read it. This can avoid the situation where some Board members have more or less information on issues and can also avoid the appearance of disparate treatment of Board members. Since information is generally provided via email it is not a substantial effort to provide the information to everyone. If Board members feel that there is too much information they can always decide what to read—which is the current situation.

For issues of a personal nature this should obviously not apply.

Consequences of Negative Action/Alternative Actions:

The Board and the District will not have discussed the issues and will provide no guidance to the GC.

Financial Impact:

None.

Selection Process and Contract History:

None.

Board Committee:

No review at this time. The input will be used by the GC to develop draft policy to bring to the Board for action.