



*Healing Here at Home*

**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
AGENDA**

**THURSDAY, DECEMBER 3, 2015, 6:00 P.M.**

**COMMUNITY MEETING ROOM  
177 First Street West, Sonoma, CA**

AGENDA ITEM	RECOMMENDATION	
<b>MISSION STATEMENT</b> The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.		
<b>1. CALL TO ORDER</b>	<i>Nevins</i>	
<b>2. PUBLIC COMMENT SECTION</b> 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.		
<b>3. CONSENT CALENDAR</b> A. Regular Board Minutes 11.5.15 B. FC Minutes 10.27.15 C. QC Minutes 10.28.15 D. AC Minutes 10.21.14, 3.5.15 E. No GC Minutes F. MEC Credentialing Report	<i>Nevins</i>	Action
<b>4. ELECTION OF 2016 OFFICERS &amp; REPRESENTATIVES</b> ➤ Chair; First Vice Chair; Second Vice Chair; Treasurer; Secretary ➤ Representatives of North California Health Care Authority (JPA)	<i>Nevins</i>	Action
<b>5. CMO/CMIO QUARTERLY REPORT</b>	<i>Cohen</i>	Inform
<b>6. FINANCIAL REPORT FOR OCTOBER 2015</b>	<i>Jensen</i>	Inform
<b>7. CAPITAL SPENDING REPORT</b>	<i>Jensen</i>	Inform/Action
<b>8. HOME HEALTH FINANCIAL PI PROJECT</b>	<i>Donaldson/ Jensen</i>	Inform
<b>9. SOUTH LOT LAND LEASE UPDATE</b>	<i>Hohorst</i>	Inform/Action
<b>10. ADMINISTRATIVE REPORT FOR NOVEMBER 2015</b>	<i>Mather</i>	Inform
<b>11. OFFICER &amp; COMMITTEE REPORT</b>	<i>Board</i>	Inform/Action
<b>12. BOARD COMMENTS</b>	<i>Board</i>	Inform
<b>13. ADJOURN</b> The next Regular Board meeting is January 7, 2016	<i>Nevins</i>	

3.

# CONSENT CALENDAR



**SVHCD BOARD OF DIRECTORS**  
**REGULAR MEETING MINUTES**  
**Thursday, November 5, 2015**  
**6:00 p.m. Regular Session**  
**COMMUNITY MEETING ROOM**  
**177 First Street West, Sonoma**

	<b>RECOMMENDATION</b>	
<b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER</b> Meeting called to order at 6:00pm	<i>Nevins</i>	
<b>2. PUBLIC COMMENT SECTION</b> No public comment.	<i>Nevins</i>	
<b>2. CONSENT CALENDAR</b>	<i>Nevins</i>	Action
A. Board Retreat Minutes 10.15.15, Board Minutes 10.13.15 B. FC Minutes 9.22.15; revised 8.25.15 C. QC Minutes 9.23.15 D. GC Minutes-no Minutes E. Policy & Procedure Approval F. MEC Credentialing Report 10.28.15		<b>MOTION</b> to approve by Hirsch and 2 <sup>nd</sup> by Hohorst. All in favor.
<b>4. ACHD ADVOCACY CAPABILITIES</b> <ul style="list-style-type: none"> <li>Kelly Brooks, Partner, Hurst Brooks Espinosa LLC</li> <li>Kenneth B. Cohen, Executive Director, ACHD</li> </ul>	<i>Brooks/Cohen</i>	Inform
Mr. Cohen presented on the ACHD's advocacy capacity, member services and informed on select bills passed through the State's 2015 Legislative Sessions. Ms. Brooks gave an overview of services provided by Hurst, Brooks, Espinoza LLC. She shared some issues she believes will impact small hospitals in 2016 and gave updates on the 2016-17 State Budget and November 2016 Ballot.		
<b>5. CEO EXECUTIVE COMPENSATION</b>	<i>Hirsch</i>	Action
In Closed Session in October 2015, the Board recommended Ms. Mather receive an annual bonus of \$22,448 and a salary increase of 3% bringing her total salary to \$339, 900.		<b>MOTION</b> to approve bonus and salary increase by Hohorst and 2 <sup>nd</sup> by Rymer. All in favor.
<b>6. FINANCIAL REPORT FOR AUGUST 2015</b>	<i>Jensen</i>	Inform
After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for September was \$27,886 vs. a budgeted net loss of (\$217,544). The total net income for September after all activity was \$169,805 vs. a budgeted net loss of (33,007).		
<b>7. REPORT OF FINAL AUDIT 2016</b>	<i>Jensen</i>	Inform/Action

At the Audit Committee on 10.27.15, accounting firm Armanino LLP presented the SVHCD Consolidated Financial Statements and Supplementary Schedule with an unmodified opinion on the financial statements. It was approved by the Audit Committee and a final copy will be released next week.		
<b>8. ADMINISTRATIVE REPORT FOR OCTOBER 2015</b>	<i>Mather</i>	Inform
<p>The major focus for Hospital staff this past month has been the ICD-10 conversion.</p> <p>A Board retreat was held on 10.15.15 to review the community perception survey and draft a three-year financial projection.</p> <p>The annual audit for fiscal year 2015 was completed and reviewed by the Audit Committee. The most notable change from fiscal year 2014 is a reduction in accounts payable from \$5 million to under \$3 million.</p>		
<b>9. OFFICER &amp; COMMITTEE REPORTS</b>	<i>Board</i>	Inform/Action
In the Closed Session at the Board Retreat on 10.15.15, the Board discussed the annual Board Assessment in a Closed Session. In the Regular Session, Mr. Jensen presented the draft 3-year financial projection and Mr. Kenney informed on the results of the community opinion survey.		
<b>10. BOARD COMMENTS</b>	<i>Board</i>	Inform
<p>The JPA Board meeting on November 17<sup>th</sup> is scheduled for same night as the SVH Finance Committee meeting and therefore, Ms. Nevins will not attend. Mr. Hohorst will attend the meeting by phone.</p> <p>The next ACHD Board meeting is on 11/12/15.</p>		
<b>11. ADJOURN</b> Meeting adjourned at 7:30pm	<i>Nevins</i>	



**SONOMA VALLEY HEALTH CARE  
DISTRICT  
FINANCE COMMITTEE MEETING  
MINUTES  
TUESDAY, SEPTEMBER 22, 2015  
Schantz Conference Room**

<b>Present</b>	<b>Excused/Absent</b>	<b>Staff</b>	<b>Public</b>
Dick Fogg Stephen Berezin Sharon Nevins Steve Barclay (by phone) S. Mishra, M.D. (by phone)	Peter Hohorst Mary Smith	Ken Jensen Jeannette Tarver Michelle Donaldson Gigi Betta Sarah Dungan	Sam McCandless Gerry Brinton Susan Porth

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTIONS</b>	<b>FOLLOW-UP</b>
<b>MISSION AND VISION STATEMENTS</b>	<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of 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's health care journey.</i>		
<b>1. CALL TO ORDER</b>	<i>Fogg</i>		
	Meeting called to order at 5:06pm Gerry Brinton and Susan Porth were in attendance and introduced themselves as Community Members.		
<b>2. PUBLIC COMMENT SECTION</b>	<i>Fogg</i>		
	No public comment.		
<b>3. CONSENT CALENDAR</b>	<i>Fogg</i>	Action	
Revised FC Meeting Minutes, 8.25.15 FC Meeting Minutes, 9.22.15		<b>MOTION</b> by Nevins to approve Consent and 2 <sup>nd</sup>	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		by Berezin. All in favor.	
<b>1. ADMINISTRATIVE REPORT FOR OCTOBER 2015</b>	<i>Nevins</i>	Inform	
	<p>This past month the major focus for the Hospital has been the conversion to ICD-10. Another major focus is on days of cash on hand and over the next few months, cash flow will be monitored closely with an eye toward any slowdown in receivables. The patient satisfaction goals have increased and while a bit inconsistent, the July inpatient goal was achieved. Community Outreach goals were exceeded in September and October.</p> <p>Mr. Barclay asked whether the surgeries increase goal (as reported on the August Dashboard) should be greater than the stated 2%. Ms. Mather confirmed it should be and will make the change.</p> <p>Of the \$350K raised by the Foundation toward the new 3D mammography unit, \$50K remains <i>pledged</i>. There may be the need for some minor financing to purchase the unit.</p>		
<b>5. FINANCIAL REPORT FOR MONTH ENDING SEPTEMBER 30, 2015</b>	<i>Jensen</i>	Inform	
	<p>The financial performance for SVH continues to be on target with expectations. Actual loss of (\$178,713) from September operations was \$270,793 better than the budgeted loss of (\$449,506). Year-to-date actual loss from operations is (\$583,672) compared to the budgeted loss of (\$981,185). After accounting for all other activity, the September net income was a positive \$169,805 vs. the budgeted expected loss of (\$33,007). Year-to-date, total net income was \$282,564 better than budget with a year to date EBIDA of 7.7% being better than the</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	budgeted 5.0%.		
<b>6. FINANCIAL IMPACTS THROUGH FY2016</b>	<i>Jensen</i>	Inform/Action	
	Mr. Jensen presented a financial impacts report which included non-operational revenue (excluding GO Bonds), Medicare, MediCal, commercial insurance and expenses.		
<b>7. SCAN UPDATE</b>	<i>Jensen</i>	Inform/Action	
	Mr. Jensen shared the summary of SCAN charges and payments from January 1, 2015 through August 31, 2015.		
<b>8. REPORT OF FINAL AUDIT 2016</b>	<i>Jensen</i>	Inform/Action	
	Auditors issued an unmodified opinion on the SVHCD consolidated financial statements and it was approved by the Audit Committee.		
<b>9. CAPITAL SPENDING FY 2016</b>	<i>Tarver</i>	Inform/Action	
	Ms. Tarver presented FY2015 carry-overs and FY2016 budget requests from the Capital Spending report as of 9.30.15		
<b>10. ADJOURN</b>	<i>Fogg</i>		
	Meeting adjourned at 6:00pm.		



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

<b>Committee Members Present</b>	<b>Committee Members Present cont.</b>	<b>Members Not Present</b>	<b>Admin Staff /Other</b>
Jane Hirsch Joshua Rymer Carol Snyder Michael Mainardi Cathy Webber Ingrid Sheets Susan Idell Brian Sebastian, M.D.		H. Eisenstark Kelsey Woodward Keith Chamberlin, MD, MBA	Leslie Lovejoy Mark Kobe Dr. D. P. Amara Cynthia McAleer Michelle Donaldson Gigi Betta

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Hirsch</i>	
The meeting was called to order at 5:00pm.		At the next meeting on November 18, 2015 Dr. Perryman and Michele Donaldson will present on Bariatrics.
<b>2. PUBLIC COMMENT</b>	<i>Hirsch</i>	
No public comment.	None	
<b>3. CONSENT CALENDAR</b>	<i>Hirsch</i>	Action
QC Minutes, 9.23.15		<b>MOTION</b> to approve Consent by Rymer and 2 <sup>nd</sup> by Mainardi. All in favor.
<b>4. QUARTERLY PATIENT CARE SERVICES DASHBOARD</b>	<i>Kobe</i>	Inform
Mr. Kobe shared scores on medication scanning rate, nursing turnover, falls, RN certification and pressure ulcer incidents.		
<b>5. THE BIRTHPLACE PRESENTATION</b>	<i>Amara/Smith/McAleer</i>	Inform
Ms. McAleer gave a presentation on The Birthplace including accomplishments over the past 12 months, services provided, works in progress and future goals.		
<b>6. POLICY &amp; PROCEDURE</b>	<i>Lovejoy/Kobe</i>	Action
<ul style="list-style-type: none"> <li>Emergency Department Staff (revised)</li> <li>Multiple Policies September 2015</li> </ul>		<b>MOTION</b> by Rymer to approve and 2 <sup>nd</sup> by Hirsch. All in favor.



AGENDA ITEM	DISCUSSION	ACTION
• Newborn Screening		
<b>7. QUALITY REPORT OCTOBER 2015</b>	<i>Lovejoy</i>	Inform/Action
<u>Quality and Resource Management Report</u> Ms. Lovejoy shared October priorities including STATIT Training, CMS Complaint Validation Survey Plan of Correction and Board Quality Update on Incentives and Penalties. <u>Quality Performance Metrics</u> This report provides an update on CMS incentives and 2016 penalties and informed the Committee on additional performance measures that have recently been publicly reported. Over CMS reporting years 2013-14, SVH was placed in the top quartile nationally on most quality measures		<b>MOTION</b> by Rymer to approve and 2 <sup>nd</sup> by Mainardi. All in favor.
<b>8. CLOSING COMMENTS</b>	<i>Hirsch</i>	
<b>9. ADJOURN</b>	<i>Hirsch</i>	
<b>10. UPON ADJOURNMENT OF REGULAR OPEN SESSION</b>	<i>Hirsch</i>	
<b>11. CLOSED SESSION</b>	<i>Sebastian</i>	Action
<u>Calif. Health &amp; Safety Code § 32155</u> Medical Staff Credentialing & Peer Review Report		<b>MOTION</b> by Rymer to approve and 2 <sup>nd</sup> by Mainardi. All in favor.
<b>12. REPORT OF CLOSED SESSION</b>	<i>Hirsch</i>	Inform/Action
<b>13. ADJOURN</b> Meeting adjourned at 6:20pm	<i>Hirsch</i>	



**SONOMA VALLEY HEALTH CARE DISTRICT  
AUDIT COMMITTEE  
MINUTES  
Tuesday, October 21, 2014  
5:00 p.m.**

**Location: Schantz Conference Room  
Sonoma Valley Hospital – 347 Andrieux Street, Sonoma CA 95476**

AGENDA ITEM	RECOMMENDATION	
<b>MISSION STATEMENT</b> <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b> Meeting called to order at 5:00PM. <u>Present:</u> Sharon Nevins, Peter Hohorst, Dick Fogg, Jim Hagood, Dennis Ciocca, Kelly Mather, Gigi Betta, Ben Mack, Monica Nguyen.	Nevins	Inform
<b>2. PUBLIC COMMENT SECTION</b> <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. At all times please use the microphone.</i>		
<b>3. CONSENT CALENDAR</b> <ul style="list-style-type: none"> <li>AC Meeting Minutes from 6.3.14</li> </ul>	Nevins	<b>MOTION</b> by Hagood to approve and 2 <sup>nd</sup> by Fogg. All in favor.
<b>4. SVHCD 2015 AUDIT REPORT</b> Moss Adams presented the SVHD Report of Independent Auditors covering the draft of Consolidated Financial Statements, Supplementary Information, draft Communication of Internal Control Related Matters letter and draft Communications with Those Charged with Governance letter, with an unmodified opinion on the financial statements. Ms. Nevins asked that the Moss Adams report to be revised to include more detail on Debt to Cash Flow, Days Unrestricted Cash and Investments, and Debt to Capitalization. Following these revisions, the auditor's report will be presented to the Finance Committee on 10.28.14 and the Board on 11.6.14 for approvals.	Moss Adams LLP	Inform/Action <b>MOTION</b> by Fogg to approve Audit Report subject to two changes as discussed and 2 <sup>nd</sup> by Ciocca. All in favor.
<b>5. ADJOURN</b> Meeting adjourned at 5:56 PM.	Nevins	



**SONOMA VALLEY HEALTH CARE DISTRICT  
AUDIT COMMITTEE  
MINUTES  
Thursday, March 5, 2015  
5:30 p.m.**

**Location: Community Meeting Room  
177 First Street West, Sonoma, CA**

AGENDA ITEM	RECOMMENDATION	
<b>MISSION STATEMENT</b> <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b> Meeting called to order at 5:35pm <u>Present:</u> Dick Fogg, Jim Hagood, Dennis Ciocca, Sharon Nevins, Peter Hohorst, Ken Jensen and Gigi Betta.	Nevins	Inform
<b>2. PUBLIC COMMENT SECTION</b> <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. At all times please use the microphone.</i>		
<b>3. CONSENT CALENDAR</b> <ul style="list-style-type: none"> <li>AC Meeting Minutes from 10.21.14</li> </ul>	Nevins	No approval. Bring Minutes forward to next Meeting for approval.
<b>4. SVHCD AUDITOR SELECTION FOR FY 2015</b> Mr. Jensen gave some background on past and current auditors and a discussion followed. Mr. Jensen recommended that the Audit Committee approve Armanino LLP as the Hospital's Auditor. Ms. Mather will execute a three year engagement letter.	Jensen	Action <b>MOTION</b> by Hohorst to approve Armanino LLP and 2 <sup>nd</sup> by Ciocca. All in favor.
<b>5. ADJOURN</b> Meeting adjourned at 5:45 PM.	Nevins	

5.

CMO/CMIO  
QUARTERLY REPORT



**TO: SVHCD BOARD OF DIRECTORS**  
**FROM: ROBERT COHEN, M.D., CMO/CMIO**  
**RE: 2015 PHYSICIAN SATISFACTION SURVEY SUMMARY**  
**DATE: DECEMBER 3, 2015**

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SVH is dedicated to delivering outstanding healthcare services. In 2014 an annual physician satisfaction survey was developed to enhance internal partnerships by identifying areas of improvement and highlighting successes. The 2015 survey added questions to further to gauge which departments were meeting physician needs as well as which departments have opportunities for improvement.

It is well understood that the Medical Staff is integral to our mission of providing quality health care to our district members. Physician involvement and support are also crucial to the financial well being of Sonoma Valley Hospital.

The intention of this survey was to better understand and strengthen the relationship between Sonoma Valley Hospital and its Medical Staff.

With this in mind, the Chief Medical Officer developed a series of questions addressing each department in the hospital. The questions were submitted to the Administrative Team for final review prior to distribution. The Physicians were then asked to rate each question based on the following scale:

- 1- Strongly Disagree
- 2- Disagree
- 3- Agree
- 4- Strongly Agree

Physicians were also encouraged to make comments however their anonymity was preserved.

The survey questions were formatted in Survey Monkey and sent via email to approximately 75 Medical Staff members. The vast majority of respondents were active staff members. 59 physicians (78%) responded to the Survey. Response rates by specialty varied from 60% to 90%. On the following page is a comparison of the 2014 and 2015 results along with a summary per area with specific details and action plan. It is important to note many of the action plan items are already in process and future considerations in the planning phase.

## **2014/2015 COMPARISONS**

Survey Question	2014	2015	Difference
Medical Records	2.89	2.80	-.09
Emergency	3.19	3.33	+.14
Surgical	3.48	3.50	+.02
Outpatient	3.20	3.23	+.03
Inpatient	3.16	3.34	+.18
Quality	3.07	3.12	+.05
Nursing	3.29	3.46	+.17
Administrative	2.87	2.81	-.06

## **MEDICAL RECORDS/IT SURVEY RESULTS**

- Scores ranged from 2.5 to 3.15 out of a possible 4
- 45% of respondents feel they are able to navigate and document in the hospital Electronic Health Record (EHR) in order to provide safe, high quality patient care
- 67% of respondents feel as if diagnostic and other reports appear in the EHR in a timely fashion
- Some specific comments made about the Medical Record were that it was slow, “buggy”, difficult to navigate and takes the provider away from the bedside.

No significant opportunities for improvement

### Action plan

- CMIO and CIO to round on all physicians in an attempt to understand their individual needs.
- The Nurse Informaticist and the CMIO will ensure that physicians are trained in utilizing the EHR and its associated components.
- Physician and nursing champions will be recruited to provide additional support
- Physicians are encouraged to use the Help Desk for problems they encounter or call the CMIO directly
- CMIO and Nurse Informaticist to be granted remote access to the end-users workstations.

## **EMERGENCY SERVICES**

- Scores ranged from 3.0 to 3.6 out of a possible 4

### Opportunities for Improvement:

- Inconsistent faxing of ED reports to the primary care physician
- Inability to reach consultants in a timely manner
- A request that all ED Docs be Board Certified in Emergency Medicine.

### Action Plan

- All ED records are now auto faxed to PCP
- Phone calls to consultants and their response time will be recorded in the Medical Record.
- Patient volume and payer mix preclude hiring of Board Certified Physicians

## **SURGICAL SERVICES**

- Scores ranged from 3.3 to 3.6 out of 4
- Surgical services ranked the highest among all departments in the hospital

#### Opportunities for improvement

- Lack of PEER Review
- Need for equipment upgrades
- Audit WHO Preoperative Check List

#### Action Plan

- Plan to purchase new scopes and Ophthalmology Microscope.
- Plan to purchase RFID sponge detector to mitigate retained sponge foreign bodies
- New PEER review process being developed

### **OUTPATIENT SERVICES**

- Scores ranged from 2.9 to 3.4 out of a possible 4
- consistent receipt of discharge summaries, access to pharmacy staff and on duty radiologist all received high remarks
- Difficulty in communicating with on-call physicians
- Scheduling process for cardiac stress tests requires improvement

#### No significant opportunities for improvement

#### Action Plan

- The new radiology dictation system has provided near instantaneous transmission of completed reports to the ordering physician.
- Call lists will be developed for specialists
- Cardiology group will develop protocols for ordering stress tests and ground rules for consultation.

### **QUALITY SERVICES**

- Scores ranged from 2.9 to 3.2 out of 4
- Case managers in particular received high scores
- Lack of robust Peer Review seen as major deficiency

#### Opportunities for improvement:

- Further education regarding patient status and accompanying physician order
- Opportunity for physicians to be involved in the Quality Improvement process

#### Action plan

- Provide further education to Case Managers, ER physicians, and hospitalist regarding patient status criteria (observation versus admission)
- Collect data on a monthly basis for number observation and condition 44 (patient status changed from inpatient to observation) patients.
- Involve EHR in all circumstances in which patient status is questionable
- Nursing Supervisors to audit all admissions to ensure that a patient status exists in registration and a matching physician order exists in CPOE

### **NURSING SERVICES**

- Scores averaged 3.3 to 3.5 for all questions

- 90% of physicians feel the nursing staff at SVH is highly competent and provides high quality patient care

#### No significant opportunities for improvement

#### Action Plan

- In the 2016 Survey, break out will be by nursing unit for additional detail.

### **ADMINISTRATIVE TEAM**

- Scores ranged from 2.6 to 2.9 out of a possible 4
- 67% of respondents feel the Administrative Team ensures patient care is safe, of high quality, and effectively responds to issues regarding patients

#### Opportunities for improvement

- Improve Communications
- Demonstrate that a balance exists between the importance of Hospital Finances and Patient Care

#### Action Plan

- Increase communication with Medical Staff Leadership:
  - CMO and Chief of Staff to provide monthly updates following MEC
  - Encourage active physicians to read the monthly CEO/Administrative Report that gives a summary, dashboard with results in patient satisfaction, quality outcomes, staff satisfaction, financial results and community engagement.
  - Distribute 360 Survey on CMO by December 2015

In general, 82% of respondents would recommend Sonoma Valley Hospital to family and friends. 84% of respondents feel Sonoma Valley Hospital provides safe and high quality patient care.

Thank you to everyone for their participation and continued engagement in the improvement process.

Leveraging this information along with target plans and consistent action we can continue to refine operations to best serve our community.

If you have any questions, please contact me at (707) 935-5000 or [cohenr@svh.com](mailto:cohenr@svh.com).





## ROBERT COHEN, M.D.

### 30-60-90 DAY PLAN DECEMBER 2015-FEBRUARY 2016

December ⇌⇌⇌	January ⇌⇌⇌	February ⇌⇌⇌
ICD-10 Content Build 30 new Diagnosis and Procedures by Month End. Audit results with HIM. Directly effects inpatient revenue.	ICD-10 Content Build 20 new Diagnosis and Procedures by Month End. Audit results with HIM	ICD-10 Content Build 10 new Diagnosis and Procedures by Month End. Continue to audit results.
Formulate Sound Hospitalist succession plan with Dennis.	Mentor Dr. Perez to assume Sound Leadership role	Continue to mentor Dr. Perez
Discuss options for Physician Remote Access to PhysDoc for TJR Medical Necessity Documentation. \$900K in gross revenue at stake. Meet with Nuance team by November 10 <sup>th</sup> .	Test and implement remote access solution. Develop workflow for stakeholders.	Monitor Physician adoption and audit ADRs for denials.
Distribute CMO/CMIO 360 Survey	Review 360 results and develop a follow-up action plan.	Implementation of Medication Administration and Anesthesiologist Use of CPOE in SCU
	SURE audit for SCU.	Analyze and implement recommendations to assure bar code scanning and medication administration in SCU. Implement use of CPOE in OR by anesthesiologists.
Product Discovery for Electronic Intra-Operative Medical Record antiquated paper based system. Impossible to perform QC.	Product Discovery for Electronic Intra-Operative Medical Record	Product Discovery for Electronic Intra-Operative Medical Record
Electronic Sponge Count Funding Patient Safety Issue	Purchase equipment	Electronic Sponge Count Implementation
Auto Processing Testing. Improved workflow big nursing satisfier.	Auto Processing Implementation	
Data Disaster Recovery Planning. Presentation to IT Steering Committee on current process.	Consider McKesson solution consisting of remote storage.	



**ROBERT COHEN, M.D.**

**30-60-90 DAY PLAN DECEMBER 2015-FEBRUARY 2016**

	McKesson Analytics Demo	
Continue CCN Planning. Regular meetings with Leslie, steering committee, and representatives from Touro University.	CCN Planning and Grant Proposal	CCN Planning and Grant Proposal
Continue Paragon 13 Upgrade Process	Continue Paragon 13 Upgrade Process	Continue Paragon 13 Upgrade Process
Approval for Touro Students in Medicine, Surgery and Health Center- Approved	Plan for Clerkships to begin 6/16	
WHO Checklist Audit	WHO Checklist Audit	WHO Checklist Audit. Transition to Random Audit if Evidence of Compliance.
Occupational Health Department Impact study on Documentation, midlevel supervision and billing.	Occupational Health Department implementation of new billing system	Continue to monitor progress. Metrics will include patient volume, revenue, and quality of documentation.
Implement Care Book for Meritage	Funding Decision for Hospital Wide Adoption for All Patients	Begin Care Book Build if Funding Approved
Auditing/Refining Patient Status. Hardwiring Workflow	Audit	Audit
Decision for Single Sign On	Distribute COM/CMIO 360	Review 360 results and develop a follow-up action plan.

6.

# FINANCIAL REPORT OCTOBER 2015



**To:** SVH Finance Committee  
**From:** Ken Jensen, CFO  
**Date:** November 17, 2015  
**Subject:** Financial Report for the Month Ending October 31, 2015

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The actual loss of (\$257,616) from operations for October was (\$47,382) higher than the budgeted loss of (\$210,234). The year-to-date actual loss from operations is (\$841,288) compared to the expected loss of (\$1,191,419). After accounting for all other activity, the October net income was a positive \$104,125 vs. the budgeted net income of \$206,265 with a monthly EBIDA of 6.1% vs. a budgeted 7.5%. Year-to-date the total net income was \$180,424 better than budget with a year to date EBIDA of 7.3% being better than the budgeted 5.7%.

For October, **gross patient revenue** was \$20,794,872, better than budget by \$1,200,022. Inpatient revenue was over budget by \$213,142, acute patient days were under budget by 37 and inpatient surgeries were on budget but had a higher case mix than expected. Outpatient revenue was under budget by (\$333,115) due to lower than budgeted volumes and ER gross revenue was over budget by \$1,166,046. SNF was over budget by \$288,455 due to higher volume and Home Health was under budget by (\$134,506) due to lower than expected physical therapy volume. Home Health has had difficulty in recruiting a physical therapist. The payer mix was relatively consistent with the budget. Medi-Cal was at 19.0% of gross revenue vs. a budget of 17.2% and Commercial was at 18.7% of gross revenue vs. a budget of 21.1%.

**Deductions from revenue** were unfavorable to budgeted expectations by (\$1,124,612) due to the gross revenue being higher than budget primarily in the ER. The payer mix in the ER is primarily Medicare and Medi-Cal with reimbursement rates of 8.25% and 3.25% respectively. The deduction would have been higher but the hospital recorded the following; an additional amount received from the IGT payment of \$42,000, accrual of the FY 2015 cost report receivable of \$59,000, and the hospital received \$101,657 from the FY 2014 cost report.

After accounting for all other operating revenue, the **total operating revenue** was \$58,005 better than budget.



**Operating Expenses** of \$4,930,738 were over budget by (\$105,387). The significant negative variances were: Salaries and Agency fees (\$137,202) and Supplies (\$86,197). Salaries were over budget in SNF (\$45,489), ER (\$10,964) due to higher than expected volumes and in surgery (\$9,317) due to higher acuity of cases. Agency fees were over budget in the following departments; Home Health (\$12,129), ICU (\$11,301), CT (\$12,656) and ER (\$5,573). Supplies were over budget in surgery (\$38,163) due to higher than average joint replacement cases in October and in Pharmacy (\$47,842) due to higher use of Remicade which is excluded from the Pharmacy capitation and has been prescribed in higher use by a physician over the last couple of months. Other Expenses are over budget due to annual costs which are evenly spread on the budget. Most other costs were under or close to budgeted expectations.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for October was (\$43,163) vs. a budgeted net income of \$21,728. The total net income for October after all activity was \$104,125 vs. a budgeted net income of \$206,265.

EBIDA for the month of October was 6.1% vs. the budgeted 7.5%.

#### **Patient Volumes – October**

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	97	99	-2	107
Newborn Discharges	11	12	-1	15
Acute Patient Days	325	362	-37	364
SNF Patient Days	666	527	139	527
Home Care Visits	948	1,448	-500	1,319
OP Gross Revenue	13,103	12,365	738	11,748
Surgical Cases	131	155	-24	155

#### **Overall Payer Mix – October**

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	48.1%	48.7%	-0.6%	47.6%	48.7%	-1.1%
Medi-Cal	19.0%	17.2%	1.8%	19.1%	17.5%	1.6%
Self Pay	1.2%	1.8%	-0.6%	1.2%	1.8%	-0.6%
Commercial	18.7%	21.1%	-2.4%	20.2%	20.8%	-0.6%
Managed MC	7.3%	4.9%	2.4%	6.3%	4.8%	1.5%
Workers Comp	3.2%	3.3%	-0.1%	2.9%	3.4%	-0.5%
Capitated	2.5%	3.0%	-0.5%	2.7%	3.0%	-0.3%
Total	100.0%	100.0%		100.0%	100.0%	

**Cash Activity for October:**

For the month of October the cash collection goal was \$3,547,316 and the Hospital collected \$3,774,054, or over the goal by \$226,738. The year-to-date cash goal is \$13,606,974 and the Hospital has collected \$14,048,849, or over the goal by \$441,875. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 13 days at October 31, 2015. The drop in cash days is due to the month having three payrolls. Accounts Receivable decreased from September, from 49.4 days to 46.7 days in October. Accounts Payable is down by \$251,516 from September and Accounts Payable days are at 45.0.

**ATTACHMENTS:**

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the actual hospital operations and page two includes all other activity.
- Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.
- Attachment F are the graphs for Revenue and Accounts Payable.
- Attachment G is the Statistical Analysis
- Attachment H is the Cash Forecast



**Sonoma Valley Hospital**  
**Net Revenue by Payer for the month of October 31, 2015**

ATTACHMENT A

**October-15**

<b>Gross Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	9,979,452	9,488,537	490,915	2.5%
Medi-Cal	3,936,952	3,356,392	580,560	3.0%
Self Pay	256,771	346,182	-89,411	-0.5%
Commercial	3,929,040	4,212,250	-283,210	-1.4%
Medicare Managed Care	1,513,388	946,627	566,761	2.9%
Worker's Comp.	661,173	636,221	24,952	0.1%
Capitated	518,096	608,641	-90,545	-0.5%
<b>Total</b>	<b>20,794,872</b>	<b>19,594,850</b>	<b>1,200,022</b>	

**YTD**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
	38,557,841	37,547,042	1,010,799	1.3%
	15,456,716	13,474,870	1,981,846	2.6%
	951,582	1,377,645	(426,063)	-0.5%
	16,520,569	16,389,090	131,479	0.2%
	5,096,541	3,727,211	1,369,330	1.8%
	2,369,491	2,593,825	(224,334)	-0.3%
	2,272,216	2,360,380	(88,164)	-0.1%
	<b>81,224,957</b>	<b>77,470,063</b>	<b>3,754,894</b>	

<b>Net Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	1,753,801	1,699,305	54,495	3.2%
Medi-Cal	593,890	516,540	77,350	15.0%
Self Pay	126,882	141,362	(14,480)	-10.2%
Commercial	1,442,734	1,612,091	(169,357)	-10.5%
Medicare Managed Care	214,307	152,228	62,079	40.8%
Worker's Comp.	152,549	165,278	(12,729)	-7.7%
Capitated	17,822	17,421	401	2.3%
Prior Period Adj/IGT	202,900	125,250	77,650	62.0%
<b>Total</b>	<b>4,504,885</b>	<b>4,429,475</b>	<b>75,410</b>	<b>1.7%</b>

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
	7,242,390	7,319,588	(77,199)	-1.1%
	2,266,930	2,028,229	238,701	11.8%
	277,896	480,046	(202,150)	-42.1%
	5,725,365	5,880,671	(155,306)	-2.6%
	769,300	585,941	183,359	31.3%
	537,250	635,255	(98,005)	-15.4%
	82,411	84,984	(2,573)	-3.0%
	969,694	501,000	468,694	93.6%
	<b>17,871,235</b>	<b>17,515,713</b>	<b>355,522</b>	<b>2.0%</b>

<b>Percent of Net Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	38.9%	38.4%	0.6%	1.5%
Medi-Cal	13.2%	11.7%	1.5%	13.1%
Self Pay	2.8%	3.2%	-0.4%	-11.7%
Commercial	32.0%	36.4%	-4.4%	-12.0%
Medicare Managed Care	4.8%	3.4%	1.3%	38.4%
Worker's Comp.	3.4%	3.7%	-0.3%	-9.2%
Capitated	0.4%	0.4%	0.0%	0.6%
Prior Period Adj/IGT	4.5%	2.8%	1.7%	59.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
	40.5%	41.8%	-1.3%	-3.0%
	12.7%	11.6%	1.1%	9.5%
	1.6%	2.7%	-1.2%	-43.3%
	32.0%	33.6%	-1.5%	-4.6%
	4.3%	3.3%	1.0%	28.7%
	3.0%	3.6%	-0.6%	-17.1%
	0.5%	0.5%	0.0%	-5.0%
	5.4%	2.9%	2.6%	89.7%
	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>

<b>Projected Collection Percentage:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	17.6%	17.9%	-0.3%	-1.9%
Medi-Cal	15.1%	15.4%	-0.3%	-2.0%
Self Pay	49.4%	40.8%	8.6%	21.0%
Commercial	36.7%	38.3%	-1.6%	-4.1%
Medicare Managed Care	14.2%	16.1%	-1.9%	-11.9%
Worker's Comp.	23.1%	26.0%	-2.9%	-11.2%
Capitated	3.4%	2.9%	0.6%	20.2%
Prior Period Adj/IGT	1.0%	0.6%	0.3%	52.6%

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
	18.8%	19.5%	-0.7%	-3.6%
	14.7%	15.1%	-0.4%	-2.6%
	29.2%	34.8%	-5.6%	-16.2%
	34.7%	35.9%	-1.2%	-3.4%
	15.1%	15.7%	-0.6%	-4.0%
	22.7%	24.5%	-1.8%	-7.4%
	3.6%	3.6%	0.0%	0.7%
	1.2%	0.6%	0.5%	84.6%

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

**ATTACHMENT C**

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>				
Current Assets:				
1	Cash	\$ 1,966,866	\$ 2,684,836	\$ 1,605,853
2	Trustee Funds	1,302,578	1,302,578	953,138
3	Net Patient Receivables	8,029,749	8,192,931	7,906,593
4	Allow Uncollect Accts	(701,798)	(765,241)	(885,845)
5	Net A/R	7,327,952	7,427,690	7,020,748
6	Other Accts/Notes Rec	7,478,317	7,369,070	7,280,432
7	3rd Party Receivables, Net	338,629	617,448	1,207,079
8	Inventory	760,898	840,056	761,842
9	Prepaid Expenses	737,546	757,259	1,022,150
10	Total Current Assets	\$ 19,912,785	\$ 20,998,937	\$ 19,851,240
12	Property, Plant & Equip, Net	\$ 53,940,240	\$ 54,275,240	\$ 56,008,018
13	Specific Funds	282,799	282,776	209,988
14	Other Assets	143,691	143,494	143,007
15	Total Assets	\$ 74,279,516	\$ 75,700,447	\$ 76,212,254
<b>Liabilities &amp; Fund Balances</b>				
Current Liabilities:				
16	Accounts Payable	\$ 3,209,382	\$ 3,460,898	\$ 4,714,684
17	Accrued Compensation	3,943,153	4,624,324	3,286,249
18	Interest Payable	342,768	228,512	353,787
19	Accrued Expenses	1,371,814	1,363,575	1,601,376
20	Advances From 3rd Parties	1,406,493	1,504,676	680,461
21	Deferred Tax Revenue	3,942,219	4,434,997	4,240,683
22	Current Maturities-LTD	1,697,025	1,693,049	1,697,025
23	Line of Credit - Union Bank	5,923,734	5,923,734	5,698,734
24	Other Liabilities	225,495	379,887	144,243
25	Total Current Liabilities	\$ 22,062,083	\$ 23,613,652	\$ 22,417,242
26	Long Term Debt, net current portion	\$ 37,284,077	\$ 37,257,564	\$ 40,027,998
27	Fund Balances:			
28	Unrestricted	\$ 12,761,165	\$ 12,675,807	\$ 12,418,583
29	Restricted	2,172,191	2,153,424	1,348,431
30	Total Fund Balances	\$ 14,933,356	\$ 14,829,231	\$ 13,767,014
31	Total Liabilities & Fund Balances	\$ 74,279,516	\$ 75,700,447	\$ 76,212,254



**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended October 31, 2015**

ATTACHMENT D

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual	Budget	\$	%		Actual	Budget	\$	%	Prior Year
Volume Information										
1	97	99	(2)	-2%	Acute Discharges	373	380	(7)	-2%	403
2	666	527	139	26%	SNF Days	2,526	2,462	64	3%	2,462
3	948	1,448	(500)	-35%	Home Care Visits	3,794	5,117	(1,323)	-26%	4,685
4	13,103	12,365	738	6%	Gross O/P Revenue (000's)	\$ 51,328	\$ 48,216	3,113	6%	\$ 44,521
Financial Results										
Gross Patient Revenue										
5	\$ 5,424,905	\$ 5,211,763	213,142	4%	Inpatient	\$ 21,024,033	\$ 19,949,670	1,074,363	5%	\$ 19,490,320
6	7,466,022	7,799,137	(333,115)	-4%	Outpatient	29,686,321	30,001,516	(315,195)	-1%	26,842,929
7	5,383,068	4,217,022	1,166,046	28%	Emergency	20,600,774	17,023,312	3,577,462	21%	16,242,973
8	2,213,611	1,925,156	288,455	15%	SNF	8,674,563	8,930,976	(256,413)	-3%	8,624,049
9	307,266	441,772	(134,506)	-30%	Home Care	1,239,266	1,564,589	(325,323)	-21%	1,435,581
10	\$ 20,794,872	\$ 19,594,850	1,200,022	6%	Total Gross Patient Revenue	\$ 81,224,957	\$ 77,470,063	3,754,894	5%	\$ 72,635,853
Deductions from Revenue										
11	\$ (16,447,587)	\$ (15,180,047)	(1,267,540)	-8%	Contractual Discounts	\$ (63,949,459)	\$ (60,013,038)	(3,936,421)	-7%	\$ (55,917,113)
12	(20,000)	(89,314)	69,314	78%	Bad Debt	(240,000)	(357,256)	117,256	33%	(590,000)
13	(25,300)	(21,264)	(4,036)	-19%	Charity Care Provision	(133,957)	(85,056)	(48,901)	-57%	(74,000)
14	202,900	125,250	77,650	0%	Prior Period Adj/Government Program Revenue	969,694	501,000	468,694	0%	30,581
15	\$ (16,289,987)	\$ (15,165,375)	(1,124,612)	7%	Total Deductions from Revenue	\$ (63,353,722)	\$ (59,954,350)	(3,399,372)	6%	\$ (56,550,532)
16	\$ 4,504,885	\$ 4,429,475	75,410	2%	Net Patient Service Revenue	\$ 17,871,235	\$ 17,515,713	355,522	2%	\$ 16,085,321
17	\$ 150,301	\$ 171,184	(20,883)	-12%	Risk contract revenue	\$ 618,199	\$ 684,736	(66,537)	-10%	\$ 966,019
18	\$ 4,655,186	\$ 4,600,659	54,527	1%	Net Hospital Revenue	\$ 18,489,434	\$ 18,200,449	288,985	2%	\$ 17,051,340
19	\$ 17,936	\$ 14,458	3,478	-24%	Other Op Rev & Electronic Health Records	\$ 112,459	\$ 57,832	54,627	94%	\$ 398,458
20	\$ 4,673,122	\$ 4,615,117	58,005	1%	Total Operating Revenue	\$ 18,601,893	\$ 18,258,281	343,612	2%	\$ 17,449,798
Operating Expenses										
21	\$ 2,327,345	\$ 2,190,143	(137,202)	-6%	Salary and Wages and Agency Fees	\$ 8,767,435	\$ 8,720,354	(47,081)	-1%	\$ 8,091,462
22	810,814	\$ 798,035	(12,779)	-2%	Employee Benefits	3,295,444	3,211,157	(84,287)	-3%	3,033,539
23	\$ 3,138,159	\$ 2,988,178	(149,981)	-5%	Total People Cost	\$ 12,062,879	\$ 11,931,511	(131,368)	-1%	\$ 11,125,001
24	\$ 340,303	\$ 346,606	6,303	2%	Med and Prof Fees (excl'd Agency)	\$ 1,345,368	\$ 1,410,339	64,971	5%	\$ 1,427,636
25	562,034	475,837	(86,197)	-18%	Supplies	2,022,957	2,030,447	7,490	0%	2,101,577
26	262,522	352,170	89,648	25%	Purchased Services	1,088,758	1,408,680	319,922	23%	1,403,357
27	289,634	283,132	(6,502)	-2%	Depreciation	1,164,199	1,132,526	(31,673)	-3%	1,179,596
28	107,180	98,958	(8,222)	-8%	Utilities	409,880	395,832	(14,048)	-4%	439,895
29	25,309	20,834	(4,475)	-21%	Insurance	100,899	83,336	(17,563)	-21%	77,063
30	38,476	39,934	1,458	4%	Interest	169,742	163,663	(6,079)	-4%	197,695
31	167,121	157,202	(9,919)	-6%	Other	710,473	643,366	(67,107)	-10%	(98,099)
32	0	62,500	62,500	100%	Matching Fees (Government Programs)	368,026	250,000	(118,026)	-47%	645,940
33	\$ 4,930,738	\$ 4,825,351	(105,387)	-2%	Operating expenses	\$ 19,443,181	\$ 19,449,700	6,519	0%	\$ 18,499,661
34	\$ (257,616)	\$ (210,234)	(47,382)	-23%	Operating Margin	\$ (841,288)	\$ (1,191,419)	350,131	29%	\$ (1,049,863)

## ATTACHMENT D

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended October 31, 2015**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
35	\$ 1,953	\$ 13,657	(11,704)	-86%
36	-	5,805	(5,805)	-100%
37	(37,500)	(37,500)	-	0%
38	250,000	250,000	-	0%
39	<u>\$ 214,453</u>	<u>\$ 231,962</u>	<u>(17,509)</u>	<u>-8%</u>
40	<u>\$ (43,163)</u>	<u>\$ 21,728</u>	<u>(64,891)</u>	<u>-299%</u>
41	\$ 18,767	\$ 35,183	(16,416)	-47%
42	\$ -	\$ 20,833	(20,833)	0%
43	<u>\$ (24,396)</u>	<u>\$ 77,744</u>	<u>(102,140)</u>	<u>-131%</u>
44	242,777	242,777	-	0%
45	(114,256)	(114,256)	-	0%
46	<u>\$ 104,125</u>	<u>\$ 206,265</u>	<u>(102,140)</u>	<u>-50%</u>
	\$ 284,947	\$ 344,793		
	6.1%	7.5%		

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

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

GO Bond Tax Assessment Rev
GO Bond Interest
<b>Net Income/(Loss) w GO Bond Activity</b>

**EBIDA**

Year-To- Date					YTD
This Year		Variance			
Actual	Budget	\$	%	Prior Year	
\$ 8,434	\$ 54,628	(46,194)	-85%	\$ 70,847	
-	23,220	(23,220)	100%	27,063	
(150,000)	(150,000)	-	0%	(150,000)	
1,001,954	1,000,000	1,954	0%	1,000,000	
<b>\$ 860,388</b>	<b>\$ 927,848</b>	<b>(67,460)</b>	<b>-7%</b>	<b>\$ 947,911</b>	
<b>\$ 19,100</b>	<b>\$ (263,571)</b>	<b>282,671</b>	<b>-107%</b>	<b>\$ (101,952)</b>	
\$ 121,816	\$ 140,732	(18,916)	-13%	\$ 172,644	
\$ -	\$ 83,332	(83,332)	100%	\$ -	
<b>\$ 140,916</b>	<b>\$ (39,507)</b>	<b>180,423</b>	<b>-457%</b>	<b>\$ 70,691</b>	
971,108	971,108	-	0%	610,992	
(460,697)	(460,698)	1	0%	(535,299)	
<b>\$ 651,327</b>	<b>\$ 470,903</b>	<b>180,424</b>	<b>38%</b>	<b>\$ 146,385</b>	
\$ 1,353,041	\$ 1,032,618			\$ 1,275,339	
7.3%	5.7%			7.3%	

8.

HOME HEALTH  
FINANCIAL  
PERFORMANCE  
IMPROVEMENT  
PROJECT



**Date:** December 3, 2015  
**Prepared by:** Michelle Donaldson, Chief Revenue Officer  
**Subject:** Home Health Financial Performance Improvement Project:  
Deliberate Reduction in Volumes

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**Background:**

The intention of this process improvement project is to create a profitable Home Health Department, *Healing at Home*, built around providing high quality cost efficient care to our home bound patients. The emphasis is on the most appropriate care provided in collaboration with increasing the direct profit margin as calculated by the uniquely designed SVH cost accounting model.

The direct margin at the beginning of this project was -2% (baseline of September 2013-August 2014 total reimbursement of \$3,053,068/ total direct costs trending at \$3,127,083). In response to this negative margin, a complete analysis of the operational as well as overhead cost is being conducted.

In late 2014 SVH began an expansion to Marin. After 12 months of working towards increasing referrals we were unable to capture the level of volume from Marin to make this a profitable opportunity. Realizing this expansion was not in our favor, we analyzed travel mileage cost per visit: Pre-expansion to Marin Mar-June 2013 \$4.14-Post-expansion to Marin Aug-Dec 2014 \$5.16 and increase of \$1.02 per visit. In addition to this we are currently trending the following areas and have completed deep analysis on several areas.

**12 month rolling dashboard analysis:**

	Dates of review	DMargin	Reimb/visit	Labor cost/visit	Volume
<b>Baseline</b>	Sept 2013-Aug 2014	-2%	\$239	\$239	12,169
<b>1<sup>st</sup> analysis</b>	Dec 2013-Nov 2014	8%	\$255	\$215	12, 735
<b>2<sup>nd</sup> analysis</b>	Mar 2014-Feb 2015	5%	\$238	\$227	13, 548
<b>3<sup>rd</sup> analysis</b>	June 2014-May 2015	2%	\$232	\$218	13,610

**1<sup>st</sup> analysis:** During the first quarter analysis the reimb/visit had increased with a lower percentage of Partnership patients and our Marin expansion had been in place for only 2 months with low volume. This in addition to the reduction in labor costs (by reduction in travelers) created an 8% direct margin.

**2<sup>nd</sup> analysis:** The second analysis noted a stable reduction in labor cost/visit but an increase in volume and decrease in direct margin. The Partnership payer mix had increased reducing the reimb/visit.

**3<sup>rd</sup> analysis:** The third analysis shows a slightly lower reimbursement and direct cost but higher volume. This determined our action item in realizing the more visits in Marin and higher payer mix of Partnership created a lower direct margin. Our next analysis which will capture the deliberate reduction in volumes we are expecting a higher margin.

On-going due diligence:

- IT Healthwyse integration and creation of Home Health cost accounting dashboard
- Creation of optimization for Medicare visits using the OCS tool for acuity based targets
- Continue trending mileage costs, Marin visits, and Partnership % of payer mix
- Discussion with current contracts for potential higher reimbursements
- Analysis of reimbursement per payer versus total direct cost per geographic area

Thank you,  
Michelle Donaldson

9.

# SOUTH LOT LAND LEASE UPDATE



From: Peter Hohorst on behalf of the South Lot Committee  
To: SVHCD Board of Directors  
Date: December 3, 2015  
RE: South Lot Land Lease Update

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#### Land Lease for South Lot

The lease term for the agreement with the bank for the South Lot was for 10 years, beginning on August 30, 2011 and ending on August 29, 2021.

The terms of the purchase option in the lease agreement are based on a purchase price of \$2,500,000

The discounts from the base purchase price are as follows:

- A discount of \$250,000 as a credit for the option payment.
- A discount of \$250,000 if the purchase option is exercised before August 29, 2016.
- A discount for the portion of the lease payment in excess of the interest that would have been paid if the agreement was a note for \$2,250,000 at 5% interest for 25 years.
- The monthly lease payment is \$13,153.28 (\$157,839 annually) of which approximately \$4,500 is credited monthly toward the purchase price if the option is exercised.

Based on the above discounts the payment necessary to exercise the option is shown below at the dates listed:

- |                   |                |
|-------------------|----------------|
| • August 29, 2015 | \$1,799,675.14 |
| • August 29, 2016 | \$1,743,954.25 |
| • August 29, 2017 | \$1,933,515.52 |
| • August 29, 2018 | \$1,870,930.67 |

A real estate tax of \$32,000 is paid annually by the District because the title to the property is held by a for profit corporation.

10.

ADMINISTRATIVE  
REPORT  
DECEMBER 2015





**To:** Sonoma Valley Health Care District Board of Directors  
**From:** Kelly Mather  
**Date:** 11/24/15  
**Subject:** Administrative Report

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### **Summary**

Much of our investment in health and community is now being recognized. We were named one of the top 20 Healthiest Companies in the North Bay by the North Bay Business Journal. The community perception survey indicated that the community not only sees our Emergency Services as essential, but they see the hospital as essential. It seems that our community members know the value we provide, such as our economic impact in providing over 650 jobs, over 100 million dollars and education to this community per year.

### **Dashboard and Trended Results**

We are now waiting 60 days to report the month for accuracy, so we do not yet have the HCAHPS results for September. I am happy to say that we achieved the 90<sup>th</sup> percentile for the VBP score again last month. This score reflects quality outcomes, patient safety, infection control, patient experience and efficiency for Medicare patients. The physician satisfaction survey is complete and we had a 75% participation rate. The results and an action plan will be presented at the board meeting by Dr. Cohen. We had staff forums this month and we discussed major updates, the 2016 staff satisfaction survey and actions taken on the 2015 results. The two major opportunities for organization were: "Benefits meet my needs" and "SVH is highly regarded in the community." Dental benefits were improved and the premium was lowered and there was no increase to the staff for benefits. After a very busy fall for community relations, we took a break from events and education and will begin again next year. The third Wellness University was completed this month and we now have over 130 ambassadors with 30 from the community.

### **Strategic Update**

Growth: Looking at the trending report, Echocardiogram volumes reached an all time high with the recent addition Cardiologist, Dr. Singh. Also, Occupational Health continues to increase each month. Many of the new physicians doing monthly clinics in Sonoma have contributed to higher outpatient volumes.

Optimization of each Service Area: Home Care is underway and a report will be shared with the board this month. The MAJOR project will be Inpatient, which will start in January.

Time Share: Marketing of our many specialist options in Sonoma begins this winter. The first time share was so successful that we are now looking at a new space for several physicians in pain management and orthopedics.

Employer Direct Program: We had our first patient and it was a success. This program will likely lead to many new inpatient surgeries per month.

Parcel Tax Renewal Vote in 2017: The committee will meet with the new consultant in January to help us decide the best strategy, length of time and amount to be on the ballot in March 2017.

Community Opinion Survey: The summary results of the survey have been presented to the Board, Leadership, Medical Executive committee and the Staff. We will now write an Op Ed piece for the newspapers.

Philanthropy: The Foundation has raised \$350k toward the new 3D mammography unit. The annual appeal went out last week and we hope to raise the rest of the money needed for this project.

## OCTOBER DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
<b>Service Excellence</b>	Highly satisfied Inpatients	Maintain at least 5 out of 9 HCAHPS domain results above the 70 <sup>th</sup> percentile	5 out of 9 in August	>7 = 5 (stretch) 6 = 4 <b>5 = 3 (Goal)</b> 4 = 2 <4 = 1
<b>Service Excellence</b>	Highly satisfied Emergency Patients	Maintain at least 5 out of 7 ERCAPS domain results above the 70 <sup>th</sup> percentile	3 out of 7 in August	7 = 5 (stretch) 6 = 4 <b>5 = 3 (Goal)</b> 4 = 2 3 = 1
<b>Quality</b>	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 50 or higher	53.5 (90 <sup>TH</sup> percentile)	>55 = 5 (stretch) <b>&gt;52 = 4</b> >50 = 3 (Goal) >47 = 2 <40 = 1
<b>People</b>	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 <sup>th</sup> percentile or higher	79.6% mean score at 91 <sup>st</sup> percentile	<b>&gt;80<sup>th</sup> = 5 (stretch)</b> >77 <sup>th</sup> = 4 >75 <sup>th</sup> = 3 (Goal) >72 <sup>nd</sup> = 2 <70 <sup>th</sup> = 1
<b>Finance</b>	Financial Viability	YTD EBIDA	7.3%	<b>&gt;5% (stretch)</b> >4.5% = 4 >4.0% (Goal) >3/5% = 2 <3.5% = 1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$19,443,181 (actual) \$19,449,700 (budget)	<2% = 5 (stretch) <1% = 4 <b>&lt;Budget = 3 (Goal)</b> >1% = 2 >2% = 1
<b>Growth</b>	Surgical Cases	Increase surgeries by 2% over prior year	524 YTD FY2014 505 YTD FY2015	>2% = 5 >1% = 3 <b>&lt; 1% = 2</b>
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$51.5 mm YTD \$44.5 mm prior year	<b>&gt;5% = 5 (stretch)</b> >3% = 4 >2% = 3 (Goal) <2% = 2
<b>Community</b>	Community Benefit Hours	Hours of time spent on community benefit activities per year	781.5 hours for 2 months	>1500 = 5 >1200 = 4 >1000 = 3 <b>&gt;750 = 2</b> >500 = 1



## FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Inpatient Satisfaction	6/9	5	5										
Emergency Satisfaction	5/7	2	3										
Value Based Purchasing	>50	52	52.2	53.5							47	48	48
Staff Satisfaction	>75th	91	91	91	91	76	76	76	91	91	91	91	91
FY YTD Turnover	<10%	1.2	1.2	1.8	2.8	4.6	4.9	5.5	6.5	7.4	7.6	8	8.3
YTD EBIDA	>4%	8.2	7.6	7.7	7.3	6.5	6.7	6.9	6.2	5.4	4.7	4.2	3.8
Net Operating Revenue	>4.5m	4.48	4.6	4.7	4.7	4.0	4.1	4.4	4.6	4.1	4.1	4.1	4.5
Expense Management	<4.8m	4.7	4.8	4.9	4.9	4.4	4.3	4.6	5.0	4.7	4.8	4.6	5.1
Net Income	>50k	202	174	27.8	104	67	-1	29	-211	-382	-278	74	139
Days Cash on Hand	>20	22	16	18	13	10	13	17	12	15	20	17	16
A/R Days	<50	46	45	49	47	51	49	53	48	47	47	43	47
Total FTE's	<315	313	310	312	327	303	300	299	303	310	304	307	309
FTEs/AOB	<4.0	3.6	3.77	3.65	3.77	4.1	4.12	4.12	3.46	3.79	4.05	3.91	3.36
Inpatient Discharges	>100	110	74	92	97	96	111	104	98	113	95	97	97
Outpatient Revenue	>\$12m	12.6	12.9	12.7	13.1	10.9	10.1	11.8	10.5	11.8	11.2	10.7	12.0
Surgeries	>130	125	122	127	131	118	117	129	136	137	144	118	122
Home Health	>1000	981	917	948	948	1090	1103	1097	1109	1232	1154	963	1014
Births	>15	16	15	11	11	16	18	11	11	16	7	11	24
SNF days	>660	619	634	607	666	580	596	654	607	669	487	626	669
MRI	>120	143	131	119	132	116	100	108	116	157	138	125	144
Cardiology (Echos)	>65	66	62	63	77	66	67	62	56	67	61	63	66
Laboratory	>12.5	12.1	12.2	11.5	11.7	11.5	11.4	12.5	11.5	12.1	12.3	11.9	12.3
Radiology	>850	1036	1011	997	1018	856	890	1111	1053	1156	1030	1014	965
Rehab	>2587	3014	2384	2773	2886	2634	3010	2478	2751	3113	3063	3008	2873
CT	>300	384	552	343	336	295	316	392	309	347	302	357	335
ER	>800	878	888	871	820	761	824	988	845	769	876	943	846
Mammography	>475	462	439	367	543	462	339	487	444	466	497	476	453
Ultrasound	>325	395	314	320	353	238	299	309	317	357	391	354	345
Occupational Health	>650	733	728	646	871	602	648	653	588	679	687	573	660