SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, December 4, 2014
6:00 p.m. Regular Session

COMMUNITY MEETING ROOM
177 FIRST STREET WEST, SONOMA

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT *The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*		
1. CALL TO ORDER	*Nevins*	
2. PUBLIC COMMENT SECTION *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.*		
3. CONSENT CALENDAR A. Regular Board Minutes 11.6.14 B. Board Retreat Minutes, 11.10.14 C. FC Minutes 9.23.14 D. QC Minutes 9.24.14 E. GC Minutes 8.26.14 F. QC Policy and Procedures G. MEC Credentialing Report, 11.26.14	*Nevins*	Action
4. SUSTAINABLE SONOMA PRESENTATION	*Caitlin Cornwall & Richard Dale*	Inform
5. RECOGNITION OF DAVID GOOD	*Hohorst*	Inform
6. RECOGNITION OF KEVIN CARRUTH	*Nevins*	Inform
7. SWEARING IN OF ELECTED BOARD MEMBERS	*Nevins*	Inform/Action
8. ELECTION OF 2015 OFFICERS & REPRESENTATIVES A. Chair; First Vice Chair; Second Vice Chair; Treasurer; Secretary B. Representatives of North California Health Care Authority (JPA)	*Nevins*	Action
9. CEO OBJECTIVES AND GOALS 2015	*Hirsch*	Action
10. QUALITY DEPARTMENT UPDATE	*Lovejoy*	Inform/Action
11. FINANCIAL REPORT FOR OCTOBER 2014	*Jensen*	Inform
12. QUARTERLY CAPITAL BUDGET REPORT	*Jensen*	Inform

13. ADMINISTRATIVE REPORT FOR NOVEMBER 2014	*Mather*	Inform
14. OFFICER & COMMITTEE REPORTS A. Governance Committee (Hohorst) i. Media Policy ii. Annual Approval of Compliance Plan iii. ACHD Certification B. Finance Committee (Fogg) i. FC Performance Report 2014	*Committee Chairs*	Action
15. ADJOURN Next Regular Board meeting on Jan. 8, 2015 is in the SVH Basement Conference Room.	*Nevins*	

3.

CONSENT CALENDAR

SVHCD BOARD OF DIRECTORS
MEETING MINUTES
Thursday, November 6, 2014
6:00 p.m. Regular Session
Community Meeting Room, 177 1st St W, Sonoma

Committee Members Present	Committee Members Absent/Excused	Admin Staff /Public/Other	
Sharon Nevins		Kelly Mather	Louann Carlomagno
Peter Hohorst		Jeannette Tarver	D. Paul Amara, MD
Bill Boerum		Leslie Lovejoy	Ken Jensen
Kevin Carruth		Kathy Mathews	Dick Fogg
Jane Hirsch		Joshua Rymer	Gigi Betta

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER/ANNOUNCEMENTS	*Nevins*		
	Meeting called to order at 6:00pm		
5. PUBLIC COMMENT SECTION *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.*			
	None		
3. CONSENT CALENDAR	*Nevins*	Action	
A. Regular Board Minutes 10.02.14 B. QC Charter C. FC Minutes 9.23.14 D. QC Minutes 9.24.14 E. QC Policy and Procedures F. MEC Credentialing Report, 10.22.14		**MOTION:** by Carruth and 2nd by Boerum to approve Items B-F as presented and Item A *as amended*. All in favor.	Board Clerk will move the Closed Session on 10.2.14 from the beginning of the regular session to the end of the regular session.
4. UPDATE ON SONOMA VALLEY SCHOOL DISTRICT HEALTH & EDUCATION INITIATIVES	*Louann Carlomagno, Superintendente, Sonoma Valley Unified School District*	Inform	
	Ms. Carlomagno shared the health and education initiatives currently underway at the Sonoma Valley		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	School District. This past school year SVUSD made a concentrated effort to implement the Common Core State Standards (CCSD). In addition teachers placed much emphasis on teaching students to become critical thinkers and stronger communicators. The 3rd grade is the benchmark for students and proficiency in English is crucial by this time. In response to Kevin Carruth's question regarding the lower reading skills of the Latino community in 3rd grade and the high graduation of the same group, she commented that it took 5 years for competency in a second language and this accounted for the difference. Also, this is one of the reasons for the development of the preschool programs at all the elementary schools. This should give the students competency by the end of the 3rd grade. The *Talk Read Sing* program, which had its inception in Oakland, CA, is a program that prepares children for success in school and beyond.		
5. EBOLA & OTHER INFECTIOUS DISEASE READINESS	*Mathews*	Inform	
	Ms. Mathews talked about the progress made to ready Sonoma Valley Hospital for any Ebola cases. Every hospital should ensure it can detect a patient with Ebola, protect healthcare workers and respond in a coordinated fashion. Travel history is critical when differentiating flu from Ebola and the three countries at highest risk are Guinea, Sierra Leone and Liberia. People are strongly advised to avoid nonessential travel to these countries.		
6. PRESIDENT OF MEDICAL STAFF REPORT	*Amara*	Inform	
	Dr. Amara reported on a wide range of medical staff accomplishments over the last year as well as some current issues and goals for the future. A physician satisfaction survey is in progress and the results will be reported back to the Board together with an action plan.		
7. FINANCIAL REPORT FOR SEPTEMBER 2014	*Jensen*	Inform	
	Mr. Jensen has changed the Financial Report's layout from purely narrative to a list and table format. This week Mr. Jensen has met with Partnership Health Plan of California and Blue Shield and next week plans		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	to meet with United Healthcare and Aetna. The Hospital's main financial focus remains to be cash flow and cash management. One of the short-term goals between now and February 2015, is to get accounts payable below a net of 60 days.		
8. ADMINISTRATIVE REPORT FOR SEPTEMBER 2014	*Mather*	Inform	
	Ms. Mather gave her summary for the month of October 2014. Operating revenue is close to budget but a poor payer mix resulted in a loss for the month. The report also included updates on patient satisfaction, surveys in SNF and Homecare and current plans underway to work with health plans (see item 7 above).		
9. SVHF ANNUAL APPEAL	*Mather*		
	Over 3,000 Annual Campaign letters have been mailed out using six customized versions of the letter targeting different groups of potential donors. To date, the annual appeal has raised over $127,000.		
10. OFFICER & COMMITTEE REPORTS A. Finance Committee (Fogg) B. Board Chair Report (Nevins) i. Reschedule January 2015 meeting date ii. Board Education iii. ACHD Events and Dates C. Audit Committee (Nevins) i. SVHCD 2015 Audit Report D. ACHD/JPA Updates (Boerum)	• The Board rescheduled its January 2015 meeting date from the 1st to the 8th and it was unanimously approved. • The Board Chair requested that Board members/CEO let her know if they are interested in attending the CHG Symposium in February 2015 or any of the ACHD events. • The Finance Committee has recommended that the Board approve the Audit Report ending 6/30/14. • Bill gave a summary on several JPA and ACHD meetings he has attended.	**MOTION:** by Hirsch to January 2015 Board meeting date and 2nd by Hohorst. All in favor. **MOTION:** by Boerum to approve the Audit Report and 2nd by Hohorst. All in favor.	Board Clerk will reserve both the Basement and the Administrative Conference Room for the January 8, 2015 Board meeting.
11. ADJOURN	*Nevins* Meeting adjourned at 7:40pm Next Regular Board meeting, December 4, 2014		

SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
RETREAT MINUTES
Monday, November 10, 2014
9:00 am Regular Session

GEORGE RANCH CLUBHOUSE
3200 White Alder, Sonoma, CA

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT *The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.*		
1. CALL TO ORDER The meeting was called to order at 9:00am.	*Nevins*	
2. PUBLIC COMMENT SECTION *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.*		
3. BOARD OF DIRECTOR'S RETREAT • Ms. Mather shared the *SVH Board Retreat Environmental Assessment* and the *A Healing Hospital* presentations which included major accomplishments and trends, market share, cost accounting and the twenty Healing Hospital Modules. • The Board of Directors reviewed the completed Board Self-Assessment results.	*Nevins*	Inform/Action
12. ADJOURN The meeting adjourned at 3:00pm.	*Nevins*	

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, September 23, 2014
Schantz Conference Room

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

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	*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.*		
1. CALL TO ORDER/ANNOUNCEMENTS			
	• Mr. Fogg thanked Ms. Glago for acting as Chair of the Finance Committee at the meeting on 8/26/14. • Ms. Mather announced that SVH received a phenomenal Value Based Purchasing (VBP) score of 71. VBP scores are calculated using CMS data from Midas over a 12 month period.		
2. PUBLIC COMMENT SECTION	*Fogg*		
	None		
3. CONSENT CALENDAR	*Fogg*	Action	
A. FC Minutes 08.26.14		**MOTION** to approve by Chamberlin; **2nd** by Berezin. All in favor.	.
4. AUGUST 2014 FINANCIALS	*Tarver*	Inform	
	• Ms. Tarver presented the Financial Report for the month ending		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	August 31, 2014 which included patient volumes, overall payer mix, total operating revenues, total operating expenses and cash collections on patient receivables. • Mr. McCandless requested use of a larger font on the Statement of Revenue and Expenses Comparative results. The FC discussed this request and decided to use a landscape orientation spread out over two pages. • Mr. Woodward questioned why the total amount borrowed does not appear on the *Statement of Cash Flows* (page 22). Currently the Finance Department is putting this total under *Other Liabilities (*see motion and decision next paragraph). • Ms. Nevins made a **MOTION TO ELIMINATE PAGE 22**, *Statement of Cash Flows for the period ending August 31, 2015* (except on an annual basis) because page 26, *Statement Projections FY2015* provides the same information. **ALL IN FAVOR.**		
5. CASH FLOW FORECAST	*Tarver*	Inform	
	Ms. Tarver presented the Cash Flow Forecast for FY2015 covering Sources, Uses and Project Funding.		
6. CEO BOARD REPORT SEPT. 2014			
	Updates: • The SVH-MGH Affiliation Agreement no longer includes Shared Services (i.e. finance, EHR and services provided to PDH). • Ken Jensen is still the Interim CFO and will make decision on an offer of permanent employment when he returns from vacation. Should he decide not to remain on a permanent basis, he is willing to act as Interim for 6 months. • SVH is no longer pursuing the West County Physical Therapy contract. • Revenue from parcel taxes runs out at end of 2017. The Hospital plans to get a new parcel tax initiative on the ballot in spring 2016. Reports: Ms. Mather presented the CEO Board Report for September 2014, the Hospital Performance Summary for FY2014 and the new Dashboard for FY2015.		
7. ADJOURN	*Fogg*		
	Adjourned at 6:16 PM Next meeting October 28, 2014		

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, September 24, 2014
Schantz Conference Room

Committee Members Present	Committee Members Present continued	Committee Members Excused	Admin Staff /Other
Jane Hirsch Ingrid Sheets Cathy Webber Carol Snyder Michael Mainardi MD		Kelsey Woodward Howard Eisenstark MD Kevin Carruth Susan Idell	Robert Cohen M.D. Gigi Betta Leslie Lovejoy D. Paul Amara, MD

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	*Hirsch*		
	Meeting called to order at 5:05 PM		
2. PUBLIC COMMENT	*Hirsch*		
3. CONSENT CALENDAR	*Hirsch/Lovejoy*	Action	
a) Quality Committee Minutes, 07.23.14 b) *Multiple* Policy & Procedures, August 2014		**MOTION** to approve Minutes by Sheets and 2nd by Mainardi. All in favor. **MOTION** to approve P&Ps by Mainardi and 2nd by Sheets. All in favor.	
4. QUALITY REPORT JULY 2014 AND DASHBOARD 2Q2014	*Lovejoy*	Inform/Action	
a) Attachments from July 2014 Quality Report b) Quality and Resource Management Report, August 2014 c) Utilization Management Efforts & Outcomes d) Utilization Management Dashboard	The *Performance Improvement Fair: Improving Our Practice, Improving Our Care* will be on September 25, 2014 in the Basement Conference Room at SVH and all are welcome to attend. Ms. Lovejoy presented the Quality Report for August 2014 and the Utilization Reviews for 2011-2014 YTD. She noted that CMS had	**MOTION** to approve August Quality Report by Sheets and 2nd by Mainardi. All in favor.	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	suspended Hospital audits and they will start up again the first week of October. Ms. Lovejoy summarized Kelly Mather's First Annual Healing Hospital Showcase that took place here in the Hospital on September 22 & 23, 2014. The Healing Hospital concept is part of SVH's Strategic Plan and is intended to keep SVH viable and current in the changing world of health care. The event was very successful and well attended.		
5. CLOSING COMMENTS/ANNOUNCEMNTS	*Hirsch*		
	SVH is partnering with Hospice by the Bay to host *Planning Ahead: Making Your Health Care Wishes Known.* The event will take place at Vintage House on 264 1st Street East in Sonoma on November 13, 2014. The QC October meeting on 10.29.14 will have two educational presentations. Fe Sendaydiego will present on Meaningful Use Stage II and Michelle Donaldson will present on the Skilled Nursing Facility.		
6. ADJOURN	*Hirsch*		
	Regular Session adjourned at 5:43 PM		
7. UPON ADJOURNMENTOF REGULAR OPEN SESSION	*Hirsch*	Inform	
8. CLOSED SESSION	*Amara*	Action	
9. REPORT OF CLOSED SESSION	*Hirsch*	Inform	
10. ADJOURN	Closed Session adjourned at 5:47 PM		

SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING MINUTES
Tuesday, August 26, 2014, 8:30 AM
LOCATION: 1ST FLOOR SOLARIUM, 347 ANDRIEUX STREET, SONOMA, CA

Committee Members Present	Committee Members Absent	Administrative Staff Present
Bill Boerum Peter Hohorst		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP
MISSION AND VISION STATEMENTS			
1. CALL TO ORDER	*Boerum*		
	Meeting called to order at 8:00AM		
2. PUBLIC COMMENT:	*Boerum*		
	None		
3. CONSENT CALENDAR	*Boerum*	Action	
A. GC Meeting Minutes, 7.29.14 B. AC Charter	Bring approved AC Charter to Board on 9/4/14 for approval.	**MOTION** by Hohorst to approve Consent Calendar. All in favor.	
4. BOARD ORIENTATION OUTLINE		Action	
		MOTION by Hohorst to approve Outline. All in favor.	
5. FACILITY CONTRACTING POLICY	*Boerum/Hohorst*	Inform/Action	
	Mr. Hohorst has written to two districts for information on their contracting policy and is still awaiting word back from them.		
6. CONTRACTING APPROVAL MATRIX	*Boerum/Hohorst*	Inform/Action	
	Put forward		
7. CONTRACTING PROCEDURES REVIEW	*Boerum/Hohorst*	Inform/Action	
	The Governance Committee will recommend to the Board on 9/4/14 that this policy not be changed.		
8. ADJOURN	*Boerum* Meeting adjourned at 8:40am. Next meeting October, 28 2014		

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
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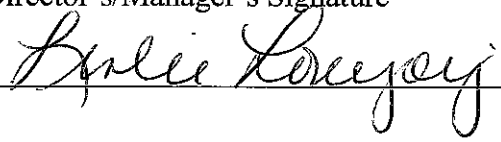
POLICY AND PROCEDURE
Approvals Signature Page

Review and Approval Requirements

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

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

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

Organizational: PC8610-305 Discharge Medication Charity Program	
APPROVED BY:	DATE: **10/09/14**
Director's/Manager's Signature 	Printed Name **Leslie Lovejoy, RN PhD**

Douglas S Campbell, MD
Chair Medicine Committee

Date

Michael Brown, MD
Chair Surgery Committee

Date

D. Paul Amara, MD
President of Medical Staff

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date

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Policy Submission Summary Sheet

Title of Document: **Organizational-Multiple Departments**

New document or revision written by: Leslie Lovejoy, CNO

Type	**Regulatory**
❑ **Revision X New Policy**	❑ **CMS** ❑ **CDPH** (formerly DHS) ❑ **TJC** (formerly JCHAO) ❑ **Other:**
X Organizational: Clinical	❑ **Departmental** ❑ **Interdepartmental** *(List departments effected)*

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

PC8610-305 Discharge Medication Charity Program- new policy

Reviewed By	Date	Approved (Y/N)	Comment
Surgery Committee ✓	**11-05-14**	Yes	
Medicine Committee ✓	**11-13-14**	YES	
Medical Executive Committee	**11-20-14**		
Board of Directors	**12-04-14**		

Add Quality 11/20

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
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SUBJECT: Discharge Medication Charity Program	POLICY #PC8610-305
	PAGE 1 OF 2
DEPARTMENT: Organizational	EFFECTIVE: 11/2014
APPROVED BY: CQO	REVISED:

Purpose:
The purpose of this program is to provide coverage for critical medications to patients upon discharge from the Inpatient setting or Emergency Department. This program is part of the organizations Charity Care and Community Benefits Program.

Policy:
It is the policy of Sonoma Valley Hospital, through its Charity Care Program and Community Benefit Programs to assist those community members needing access to medical care and treatment. In that spirit, this program covers those patients that do not have insurance coverage or the funds to cover discharge critical medication costs.

Critical medications are defined as medication that a patient would need to resolve a current medical condition such that if the patient did not receive the medication, they would return to the Emergency Department and possibly need to be readmitted.

The program covers up to a 30-day supply of the critical medication and the program will be administered by the Case Management, Nursing Supervisors and patient compliance with filling prescriptions will be monitored by Pharmacy.

Procedure:
1. When a patient is identified as needing a critical discharge medication, the physician notifies Case Management during business hours, or the Nursing Supervisor after hours of the critical need.

2. Case Manager or Nursing Supervisor completes the following process steps:

A. Identify the meds that the patient is to receive on our account
B. Fill out the attached fax form and fax it to the pharmacy where the patient chooses to have their prescriptions filled.
C. Have the prescriptions either phoned in, faxed in, or written and given to the patient,(for C-11 narcotics only).
D. Maintain a copy of the fax in the Case Management Department for reference and for Nursing Supervisor access if the authorization call is not made until after hours.
E. Authorize the fill once the pharmacy calls.

Reference:
CIHQ Discharge Planning

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SUBJECT: Discharge Medication Charity Program	POLICY #PC8610-305
	PAGE 2 OF 2
DEPARTMENT: Organizational	EFFECTIVE: 11/2014
APPROVED BY: CQO	REVISED:

SONOMA VALLEY HOSPITAL
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Pharmacist,

This fax is to inform you that Sonoma Valley Hospital will be covering the cost of the following medications for patient_____ using the Sonoma Valley Hospital Payment Account that has been set up with your pharmacy:

_____

_____

_____

_____

The above prescriptions will either have been phoned in or faxed to the pharmacy. The hospital will be covering the cost of these prescriptions on a one time basis. In order to ensure that these prescriptions are authorized to be filled using the Sonoma Valley Account, please contact Sonoma Valley Hospital Case Management for authorization during the hours 8:00-4:00p.m. at phone number 707-933-6775 before dispensing.

If these prescriptions are presented after the above hours, please contact the nursing supervisor at 707-732-3729 for authorization.

Thank you!

Authorization Signature: _____

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SONOMA VALLEY HEALTH CARE DISTRICT
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POLICY AND PROCEDURE
Approvals Signature Page

Review and Approval Requirements

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

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

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

Department: Cardiopulmonary Department Policies	
APPROVED BY:	DATE: 10/30/14
Director's/Manager's Signature	Printed Name **Kathleen Cole**

James E. Price, MD
Medical Director of Cardiopulmonary — 10/30/14 Date

Dawn Kuwahara, RN
Chief of Ancillary Services — Date

Douglas S. Campbell, MD
Chair, Medicine Committee — Date

D. Paul Amara, MD
President of Medical Staff — Date

Kelly Mather
Chief Executive Officer — Date

Sharon Nevins
Chair, Board of Directors — Date

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SONOMA VALLEY HEALTH CARE DISTRICT
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Policy Submission Summary Sheet

Title of Document: Cardiopulmonary

New document or revision written by: Kathy Cole

Date: 10-20-14

Type **X Revision X New Policy**	**Regulatory** ❑ **CMS** ❑ **CDPH** (formerly DHS) ❑ **TJC** (formerly JCHAO) ❑ **Other:**
Organizational: Clinical/Non-clinical *(circle which type)*	**X Departmental** ❑ **Interdepartmental** *(List departments effected)*

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

All policies below have reviewed and revised as noted:

7721-01	Aerosol Therapy Indications Policy-reviewed no changes
7721-03	Aerosol Therapy Procedure-review no changes
7721-05	Aerosol Therapy- T Piece or Tracheostomy Mist-reviewed no changes
7721-06	Alert Patient Protocol for Continuous CPAP-reviewed only minor changes
7721-07	Ambient Breathing Treatments (A.B. Treatments) reviewed no changes
7721-08	Arterial Puncture for Blood Gas Analysis, Technique for Performing-reviewed;minor changes
7721-09	Arterial Blood Gas Sampling Recommended Parameter Procedure-reviewed no changes
7721-10	Auto Vent 3000
7721-12	Bipap S/T-D Ventilatory Support System- reviewed no changes
7721-13	Cardiac Exercise Test (Treadmill)-reviewed only minor changes
7721-14	Cardiac Exercise Testing: Precautions, Indications and Complications- reviewed no changes
7721-15	Cardiac Stress Testing: Addendum Cardiolite Testing-reviewed only minor changes
7721-16	Chest Physiotherapy Procedure- reviewed no changes
7721-17	CPAP Treatment Procedure: Alert Pt Protocol, CPAP Mask Procedure- reviewed no changes
7721-18	Cuff Leak Assessment-reviewed/revised
7721-19	Cuff Pressure Indicator-reviewed/revised
7721-20	Dobutamine Stress Imaging- reviewed no changes
7721-21	ECG Interpretation- reviewed no changes
7721-22	Echocardiography, with Contrast- reviewed no changes
7721-23	Echocardiogram Procedure- reviewed no changes
7721-24	Educating Home Care Use of Compressor and Nebulizer Therapy- reviewed/minor changes
7721-27	Extubation Procedure- reviewed no changes
7721-28	Flowmeters for Oxygen Procedure- reviewed no changes
7721-29	Gas Cylinders Protocol- reviewed no changes
7721-30	Incentive Spirometry- reviewed no changes
7721-31	Incentive Spirometry Indications- reviewed no changes
7721-32	Infant Oxyhood - reviewed no changes

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SONOMA VALLEY HEALTH CARE DISTRICT
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Policy Submission Summary Sheet

Title of Document: Cardiopulmonary

New document or revision written by: Kathy Cole

Date: 10-20-14

7721-33	Infection Control- reviewed no changes
7721-35	Metered Dose Inhaler Therapy Procedure- reviewed no changes
7721-37	Myocardial Perfusion Testing: Lexiscan/Treadmill Test-reviewed/minor changes
7721-39	Nasotracheal Suctioning- Recommended Parameter - reviewed no changes
7721-41	Oximetry Post Exercise- reviewed no changes
7721-43	Oxygen Administration Per Nasal Cannula- reviewed no changes
7721-45	Oxygen Administration Per Venturi Mask Procedure- reviewed no changes
7721-47	Oxygen Delivered by Disposable Face Mask- reviewed no changes
7721-49	Oxygen Delivery by High Concentration Mask, Non-Rebreather Mask- reviewed no changes
7721-51	Oxygen Protocol reviewed no changes -
7721-53	Oxygen Therapy Policy- reviewed no changes
7721-55	Patient Rights-Department Consents
7721-57	PB 840 Ventilator- reviewed no changes
7721-58	Pediatric Electrocardiogram-reviewed/minor changes
7721-59	Performance Improvement Plan
7721-60	Performing Transthoracic Echocardiograms, Protocol for- reviewed no changes
7721-61	Pulmonary Function Screening Brochospasm Evaluation- reviewed no changes
7721-62	Pulmonary Function Testing- reviewed no changes
7721-63	Pulse Oximetry- reviewed no changes
7721-64	Respiratory Assistance During In House Transport
7721-65	Respiratory Care Practitioner (RCP) Protocols reviewed no changes -
7721-66	Scope of Service, Cardiopulmonary Department
7721-67	Sputum Collection/Induction reviewed no changes -
7721-68	Stress Echocardiogram-reviewed/minor changes
7721-69	Tracheostomy Suction Procedure- reviewed no changes
7721-70	Tracheal Tube Cuff Management New-see attached
7721-71	Vapotherm High Flow System New-see attached
7721-72	24 Hour Cardiac Monitor Scanning- reviewed/minor changes
7721-73	24 Hour Cardiac Monitor Setup-reviewed/minor changes

Reviewed By	Date	Approved (Y/N)	Comment
James E. Price, MD, Medical Director			
Medicine Committee ✓	**11/13/14**	YES	
Medical Executive Committee ✓	**11/20/14**		
Board of Directors	**12/04/14**		

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
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SUBJECT: Tracheal Tube Cuff Management	POLICY # 7721-70
	PAGE 1 OF 3
DEPARTMENT: Cardiopulmonary	EFFECTIVE: 10/14
APPROVED BY: Director of Cardiopulmonary	REVIEW/REVISED: 10/14

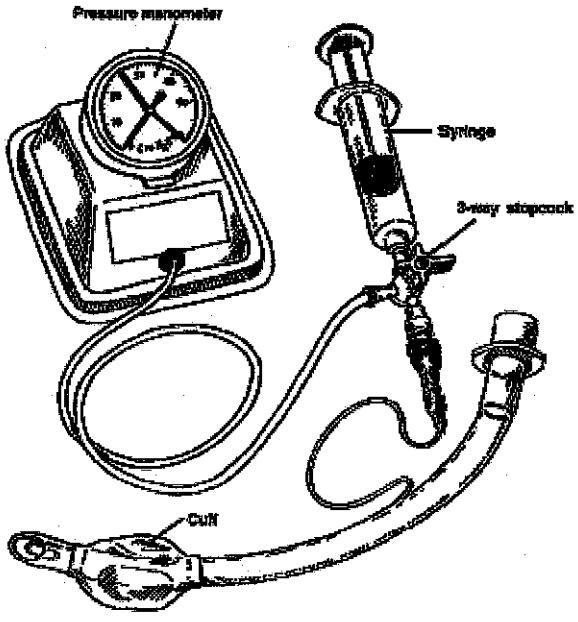
Policy:
*need statement here

Procedure:
Tracheal tube cuffs are used in children (> 5-6 years old) and adults to 'seal-off' the lower airway. This seal allows application of positive pressure ventilation to the lungs without extensive gas leaks. The seal provided by the cuff also can help prevent or minimize aspiration of oropharyngeal or supraglottic secretions into the lungs.

Unfortunately, the pressure used to inflate tracheal tube cuffs can cause damage to the surrounding tissues. If the cuff pressure is high enough to blocks off capillary blood flow (ischemia), tissue ulceration and necrosis will occur. Since capillary perfusion pressure range between 20-25 mm Hg, the goal is to keep tracheal tube cuff pressures below these levels whenever possible.

Measuring and Adjusting Cuff Pressures on Ventilator Patients

Most cuff pressures measurements take place during a regular patient-ventilator system. The procedure described here, the ***minimal leak technique*** (MLT), is that used on patients receiving positive pressure ventilation.



Equipment: To measure and adjust tracheal tube cuff pressures on patients receiving positive pressure ventilation, you need a three-way stopcock, a 10 or 20 mL syringe, pressure manometer and stethoscope. Some institutions use bulb devices that combine the functions of the stopcock, syringe and pressure manometer.

Key Elements in Procedure:

1. After preliminary steps (infection control, explaining procedure, etc), attach the syringe and pressure manometer to the stopcock. The stopcock valve indicator should be positioned so that ALL THREE PORTS ARE OPEN.

2. Attach the remaining tapered stopcock port to the cuff's pilot tube valve, being sure that the valve opens and the connection is leak-free. With the stopcock open to the syringe, manometer, and cuff, you can add or remove air while observing the pressure changes on the manometer.

3. Place your stethoscope over the lateral surface of the laryngeal cartilage. If you hear gurgling or airflow during positive pressure breaths, use the syringe to slowly inflate the cuff until the these sounds stop (a leak-free seal). If you hear no sounds during positive pressure breaths, you already have a leak-free seal. Note and record the patient's exhaled volume.

4. Once you obtain a leak-free seal, use the syringe to slowly remove air while you observe the ventilator airway pressure. Stop removing air as soon as the sound of airflow or gurgling can again be heard at the peak inflation pressure (a minimal leak at PIP).

5. Record the cuff pressure and again note and record the patient's exhaled volume. Compute the difference between the current and prior exhaled volume measures (the leak). The goal is a cuff pressure < 20 mm Hg (27 cm H2O) with an acceptable leak (usually < 10% of the delivered volume).

6. Enter/record on the patient record/flowsheet: the method used (MLT), cuff pressure and size of leak.

Measuring and Adjusting Cuff Pressures on Spontaneously Breathing Patients

The only reason a spontaneously breathing patient with an endotracheal or tracheostomy tube would require a cuff is to protect the lower airway from aspiration. For these patients, cuff inflation pressures should be adjusted to the lowest pressure needed to prevent aspiration.

To determine if aspiration is occurring, you can use the methylene blue test. To perform this test, you add methylene blue to the patient's feedings or have the patient swallow a small amount in water. You then suction the patient's trachea through the artificial airway. If you obtain blue-tinged secretions when performing suctioning, you know that aspiration is occurring.

If aspiration is confirmed, efforts must be made to minimize it. Ideally, the patient should be switched to a system that continually aspirates subglottic secretions. If this is not possible, oropharyngeal suctioning (above the tube cuff) should be performed as needed. In order to decrease the possibility of aspiration with feedings, the head of the bed should be elevated (where possible). Also, the feeding tube can be inserted into the duodenum, with its position confirmed by X-ray. The use of slightly higher cuff pressure during and after feeding may also minimize aspiration.

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SUBJECT: Tracheal Tube Cuff Management	POLICY # 7721-70
	PAGE 3 OF 3
DEPARTMENT: Cardiopulmonary	EFFECTIVE: 10/14
APPROVED BY: Director of Cardiopulmonary	REVIEW/REVISED: 10/14

Note:
Always use the lowest cuff inflation pressures needed to protect the airway and provide for adequate ventilation. How much pressure will be needed will vary according to the patient, tube size, and conditions of treatment (positive pressure ventilation, enteral feeding, etc).

Troubleshooting

The most common cuff problems involve leaks. On ventilator patients, a leak in the cuff itself, the pilot tube, or the one-way valve will result in a potentially large loss of delivered volume and/or inability to maintain the preset pressure limit. With both ventilator and spontaneously breathing patients, cuff leaks also can lead to aspiration.

Small/slow leaks are evident when cuff pressures consistently decrease between readings. *With a large cuff leak ('blown cuff'), it will be impossible to maintain any cuff pressure.* In addition, a blown cuff results in acute patient changes: decreased breath sounds, significant gurgling or airflow around the tube (as heard over the larynx), large volume loss and/or drop in delivered inspiratory pressure, and inadequate ventilation.

In either case, your first step is to try to re-inflate the cuff, while checking the pilot tube and valve for leaks. If the leak is at the one-way valve, attach a stopcock to its outlet. If the leak is in the pilot tube, place a a needle (with stopcock) in the pilot tube distal to the leak. Usually, one of these methods will allow you to reinflate the cuff and thus avoid reintubation. Unfortunately, a patient with a blown cuff normally requires reintubation.

Because the clinical signs of partial extubation are essentially the same as those observed with a blown cuff, DO NOT recommend extubation/reintubation until you can confirm that a cuff leak is the real problem. Before presuming a cuff leak, you should attempt to advance the tube slightly and reassess the leak and equality of breath sounds in both lung fields. Next, rule out or correct any pilot tube or valve leakage. Last, try to measure the cuff pressure. If you cannot maintain any cuff pressure, a large leak is confirmed and the patient will need to be reintubated.

Reference:
American Association of Respiratory Care Clinical Guidelines

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SUBJECT: Vapotherm High flow System	POLICY # 7721-71
	PAGE 1 OF 2
DEPARTMENT: Cardiopulmonary	EFFECTIVE: 8/13
APPROVED BY: Director of Cardiopulmonary	REVIEW/REVISED: 10/14

Purpose:
The Vapotherm 2000i warms and humidifies high flows or air/oxygen blends for delivery to a patient via nasal cannula.

Policy:
The Vapotherm will be instituted per physician order. Respiratory Therapy staff only will implement and operate the unit.

Clinical indications are as summarized below:

- **High Flow Mask Patients**-Vapotherm can deliver high flows of warm humid oxygen/air via nasal cannula, greatly improving patient comfort, ease of care and efficiency of gas delivery.
- **Tracheostomy Patients**-Patients with open tracheostomies are liable to drying out of the tracheal epithelium and secretions. Vapotherm offers constant temperatures and high humidity without aerosols or rainout.
- **COPD and Asthma Patients**-The Vapotherm has been in clinical use for reducing breathing rate, decreasing dyspnea, and improving gas exchange.
- **Extubation Support**-Vapotherm is used to help support recently extubated patients where the warmth and comfort of the humidified gas stream have been found helpful to patients re-establishing normal breathing.
- **Airway Secretions/Pulmonary Hygiene**-Vapotherm breathing mobilizes secretions that are thickened due to airway drying (e.g. COPD, post-surgical) and improves pulmonary hygiene.
- **Hypothermia/Rewarming**-Breathing warm humid air-oxygen from Vapotherm is a safe effective method for core rewarming post surgery or after cold exposure.
- **See Operating Instruction Manual for more details.**

Procedure:

- Verify physician orders.
- Obtain Vapotherm device and proper patient interface from equipment room.
- Plug in power cord in Red receptacle at bedside and connect air/oxygen source from flow meter. Adjust to 10-15 lpm total flow.
- DO NOT TURN UNIT ON. Flow should be heard at pop-off valve on Vapotherm.
- Attach delivery tube by inserting tube into port on lower side. Press tube firmly in place and rotate ½ turn clockwise.
- Fill water reservoir with water bag (USE ONLY WATER FOR INHALATION) and connect to rear water connector. Open clip. Make sure there are no water leaks and clip on water reservoir is released.

- Hold down power switch. Allow water to fill heated delivery tube and displace air from tube to water reservoir. Run for 1-2 minutes until air purging has stopped.
- Turn unit off by pressing power switch and then turn back on in operational mode by pressing power switch.
- Water will circulate and temp display will appear. Hold up or down arrow to desired temp setting (37-39 degrees) and release. Unit will reach desired temp within 5 minutes.
- Adjust flow and/or oxygen blend as needed per physician orders. Usual flow is between 15-25 lpm for adults.
- Wait for unit to reach operating temp with flow. Adjust flow.
- Drops of water may spit from cannula during warm-up. This is normal and will stop when unit is fully warmed up.

Patient Connection:

- Fit nasal cannula to patient. Ensure that nasal prongs do not fit too tightly in nares. Nasal prongs should NOT fit tightly in nares; they should NOT form a seal.
- Document settings and patient tolerance in Resp Assessment tab in EHR. Monitor for alarm conditions at least every 4 hours or when changes in parameters or patient condition.
- Unit will shut down if power or flow is interrupted, temperature safety limits are exceeded or water runs dry.

Shut Down:

- Press the power switch once.
- Close clamp on water feed tube from the reservoir bag. Dispose of delivery tube and water reservoir in regular waste receptacle.
- Disinfect exterior of unit by wiping down with disinfectant solution if reusing for another patient.

Trouble Shooting:

- Refer to Vapotherm Operating Instruction Manual.

Reference:

Vapotherm Website: http://www.vtherm.com/

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POLICY AND PROCEDURE
Approvals Signature Page

Review and Approval Requirements

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

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

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

Organizational: Medical Staff	
APPROVED BY:	DATE: **11/10/14**
Director's/Manager's Signature **Chief Quality Officer**	Printed Name **Leslie Lovejoy, RN PhD**

D. Paul Amara, MD
President of Medical Staff

Date

Robert Cohen, MD
Chief Medical Officer

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date

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Policy Submission Summary Sheet

Title of Document: **Medical Staff Policies**

New document or revision written by:

Type **X Revision X New Policy**	**Regulatory** ❑ **CMS** ❑ **CDPH** (formerly DHS) ❑ **TJC** (formerly JCHAO) ❑ **Other:**
X Organizational: Clinical/Non-clinical *(circle which type)*	**X Departmental** ❑ **Interdepartmental** *(List departments effected)*

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

MS8610-100 CPOE Order Set Management (New Policy)
MS8710-101 Health of Licensed Independent Practitioners
MS8710-102 Disaster Responsibilities for Volunteer Clinical Practitioners (Allied Health)
MS8710-103 Physician Suspension (Medical Records)
MS8710-104 Patient Discharge
MS8710-105 Medical Staff Quality Assurance/Performance Improvement Plan (New Policy)
MS8710-106 Preoperative Evaluation & Patient Flow Process
MS8710-107 Proctoring
MS8710-108 Professional Practice Evaluation
MS8710-109 Requirements for Establishing Clinical Privileges
MS8710-110 Disruptive Behavior
MS8710-112 Utilization Review Plan
MS8710-115 Surgical Case Review
MS8710-120 Verbal and Telephone Order Policy
MS8610-122 Ordering of Outpatient Services (New Policy)
MS8710-153 Medical Staff Complaint Response
MS8710-186 Peer Review Policy
MS8710-187 Medical Staff Indicators Review

Reviewed By	Date	Approved (Y/N)	Comment
Medical Executive Committee	**11/20/14**		
Quality Board	**11/26/14**		
Board of Directors	**12/04/14**		

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SUBJECT: Ordering of Outpatient Services	POLICY # MS8610-122
	PAGE 1 OF 2
DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVIEW/REVISED:

Purpose:
The purpose of this policy is to establish an organizational policy on the ordering of outpatient services. This policy applies to all outpatient care settings and services.

Policy:
I. Outpatient services may be ordered and patients may be referred for hospital outpatient services by a practitioner who is:

A. Responsible for the care of the patient;
B. Licensed in, or holds a license recognized in the jurisdiction where he/she sees the patient;
C. Acting within his/her scope of practice under State law; and
D. Authorized by the medical staff to order the applicable outpatient services under this policy.
- This includes both practitioners who are hospital medical staff who hold medical staff privileges that include ordering the services, as well as other practitioners who are not on the hospital medical staff, but meet the above noted requirements for ordering applicable outpatient services and for referring patient for hospital outpatient services.

II. For practitioners who have not been granted privileges by the medical staff to order outpatient services, the organization shall verify the following prior to acting upon an order:

A. Primary source verification of licensure by the appropriate licensing body. Licensure must be clear of any modifications, limitations, or encumbrances.
B. Practitioners may be required to provide evidence that it is within their scope of practice to order the specific outpatient services requested.

Procedure:
I. A master file of non-medical staff practitioners is maintained by the Quality Department on behalf of the Medical Staff Office which includes the following:

A. Practitioner name and their office address; and
B. Documentation of primary source verification of the practitioner's license number, issue date, expiration date and specialty.

II. The Quality Department reviews the list monthly to identify licenses that are about to expire and ensures that the master file is updated.

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SUBJECT: Ordering of Outpatient Services	POLICY # MS8610-122
	PAGE 2 OF 2
DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVIEW/REVISED:

III. When an outpatient services department receives an order from a practitioner who is not in the master file, the registration clerk completes the primary source verification and notifies Information Systems and Quality of the new practitioner. The master file is then updated with the new information.

Reference:
CIHQ Accreditation Standard OS-1
Medicare Conditions of Participation for Acute Care Hospitals 482.56(b) & 482.57(b)(3)

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SUBJECT: Medical Staff Quality Assurance/Performance Improvement Plan	POLICY # MS8710-105
	PAGE 1 OF 8
DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVISED:

PURPOSE:
This policy outlines the medical staff leadership and oversight responsibilities in ensuring the provision of safe, high quality patient care using evidence-based best practices .

POLICY:
The governing body, administrative leadership and the leadership of the medical staff are collectively responsible for the development, implementation and evaluation of an organized quality monitoring and performance improvement program(QAPI).

RESPONSIBILITIES

As part of their collective responsibility, medical staff leadership participates in efforts to ensure:

- That there is an ongoing program for quality improvement and patient safety, including the reduction of medical errors;
- That medical staff quality monitoring and performance improvement activities address priorities for improved quality of care;
- That clear expectations for safety are established; and that
- There are adequate resources allocated for measuring, assessing, improving and sustaining performance improvement efforts and reducing risk.

AUTHORITY AND ACCOUNTABILITY

The Board of Directors maintains overall responsibility for the implementation and maintenance of the organization's QAPI Program. It provides support and authority to the leaders and medical staff to establish and support the appropriate committees and procedures as described in the organizational plan.

Medical Staff

The elected and appointed leaders of the Medical Staff and clinical departments are responsible for:

- Providing direction in the development of the organization's QAPI program and for conducting performance improvement for their members.
- Taking leadership roles in improving processes where the clinical process is the primary responsibility of physicians.

- Ensuring that the medical staff participates in the measurement, assessment, and improvement of other patient care processes such as patient satisfaction and accurate, timely, and legible completion of medical records.
- Ensuring that when findings of assessments are relevant to an individual's performance, the medical staff determines their use in peer review or ongoing evaluations of a licensed independent practitioner's competence.
- Ensuring that the medical staff, with other appropriate hospital staff, develop and use criteria that identify deaths in which an autopsy should be performed.
- Ensuring that findings, conclusions, recommendations, and actions taken to improve organizational performance are communicated to appropriate medical staff members.
- Developing and participating, both individually and jointly, in mechanisms to foster communication among individuals and among components of the organization, and to coordinate internal activities.
- Analyzing and evaluating the effectiveness of leadership's contributions to improve quality.

<u>The Quality & Resource Management Department</u>

The department supports the medical staff and is responsible for:

- Overseeing an ongoing, systematic process to track the evaluation of quality and appropriateness of care.
- Assuring integration of information among the medical, professional and non-clinical staffs including monitoring and evaluation of Patient Safety, Utilization Management, Pharmacy and Therapeutics and Infection Control functions.
- Developing and utilizing standardized data gathering, display, storage systems, and formats for reporting so the information may be evaluated with greater ease.
- Establishing mechanisms for data collection, data organization, and data presentation to support the performance improvement process.

- Assuring the communication of results of the monitoring and evaluation process to the relevant individuals, departments or services, and to the organization-wide PI Program.
- Advising committees about the data, information and support available to aid with the required monitoring and evaluation activities.
- Providing supervision for the gathering of data required to monitor effectiveness of actions.
- Establishing and managing systems to ensure the confidentiality of all data related information.
- Supervising the compilation and profiling of performance improvement information that is required for review as part of the medical staff reappointment process.
- Conducting focus reviews as assigned and serving as facilitators to PI Teams.
- Providing education to staff and serving as support staff for peer review committees and the Medical Staff Performance Improvement Committee.

PROCEDURE:

A. Prioritization of data collection and use.

The medical staff focuses quality assurance and performance improvement activities using the following criteria:

- A focus on those processes or care areas that are high-risk, high or low-volume, or problem prone; and

High Risk	***High Volume***	***Low Volume***	***Problem Prone***
Credentialing Process	Medical necessity documentation	Use of transfusions	Proctoring
Medications & Anesthetics	Procedural Sedation	Malignant Hypothermia	Medical Record timely completion
Surgical & invasive procedures	EMTALA compliance	Neonatal Codes/Code Blue	SNF hand-offs
CPOE	Primary source verification for outpatient physicians: non-medical staff	Utilization issues	Policies; Rules & Regs, By-Laws updates

Labor and Delivery	Timely H &P's	Autopsy	Medical staff committee meetings: attendance/agenda
		Patient complaints/ grievances	Peer Review & Professional Performance Evaluations
		Imaging misreads	MD PPD & Flu documentation

Data is also collected, as part of quality assurance, on the following:

- Medical errors and adverse events;
- Significant medication errors and adverse drug reactions;
- Confirmed hemolytic blood transfusion reactions;
- Any significant discrepancies between pre-operative and post-operative diagnosis in pathology findings;
- Adverse events related to administration of anesthetics and sedation;
- Adverse events related to operative or invasive procedures;
- Any adverse event that must be reported to an external regulatory or enforcement agency (CMS/CDPH);
- Core Measures;
- Infection Control data;
- Utilization Review and cost accounting (as appropriate) data;
- HCAHPS Patient Satisfaction data
- Other indicators as identified within the Peer Review process.

B. Assessment/Analysis

The medical staff will accomplish its analysis of opportunities to improve services through individual participation or by participating in departmental or multidisciplinary PI committees. The analysis of licensed independent practitioners and allied health professionals will be accomplished as a peer review function by the medical staff leadership or their designees. The data will be analyzed, with findings, conclusions, recommendations, actions and planned follow-up evaluations forwarded to the appropriate staffs, Department Chairpersons, PI Committee and Medical Executive Committee.

B. Performance Improvement Committee

The Board of Directors, Medical Staff, professional, clinical and non-clinical staff assures the effectiveness of the performance improvement program through the PI Committee.

The PI Committee shall serve to plan, prioritize, guide, and monitor multidisciplinary quality improvement and risk/safety management activities for the improvement in the delivery of optimal patient care. This committee as deemed necessary may review departmental and/or discipline-specific activities.

Committee Functions include:

A. Evaluate quality improvement activities through process and outcomes analysis and recommend modifications to improve patient care.

B. Conduct annual review of quality assessment, quality improvement, safety and risk management programs results and recommend modifications to improve patient care.

C. Review annually the Organizational QAPI Plan and recommend revisions as necessary.

D. Undertake education concerning Performance Improvement.

E. Nominate, prioritize, and select multidisciplinary performance improvement projects consistent with the strategic plan.

F. Provide oversight for development, review, and evaluation of the Infection Control Program, Utilization Management and Pharmacy and Therapeutic functions. The PI Committee will annually review these programs including the Medication Error Reduction Plan (MERP) and periodic review of deficiencies and/or corrective actions in the elements of the plan through quarterly reports.

G. Provide PI Team support.

H. Celebrate with staff the accomplishments made.

C. Flow *of Information*

The Board of Directors and the Medical Executive Committee will receive regular reports from the PI Committee identifying the organizational performance improvement activities, including the scope of items reviewed, the number of opportunities identified for improvement, the actions proposed or taken, and results of those actions. This information is derived from activities of the aforementioned committees, departments, teams, etc. There will be periodic reporting of the status of documented problems to track improvements or resolutions.

D. CONFIDENTIALITY

All medical information shall be maintained to service the patient, healthcare providers, and the medical center, in accordance with legal, accrediting and regulatory agency requirements. All patient care information will be regarded as confidential and will be available only to authorized users, according to law.

Medical data, which is a byproduct of the original medical record, shall be protected with the same diligence as the original medical record. This data includes all indices and other medical information maintained by the medical center that is individually identifiable by patient or provider.

To maintain confidentiality all references in minutes, studies or monitoring reports of individual patients and/or practitioners will be made in coded form. Members of the medical staff and administration responsible for implementing performance improvement activities or monitoring recommendations will have access to coded identifiers in order to implement recommendations.

All reports, minutes and other documentation emanating from the Performance Improvement Program will be maintained as required to insure confidentiality and compliance with medical center policy and all applicable Federal, State and local statutes and standards.

Access to performance improvement data and information will be limited to those medical staff members and medical center personnel who required such data in the performance of their duties. This data will not be available to external sources, except in accordance with accreditation or statutory regulations.

SUBJECT: Medical Staff Quality Assurance/Performance Improvement Plan	POLICY # MS8710-105
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DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVISED:

No physician or other individual involved in performance improvement activities shall be allowed to review any case in which they are professionally involved, unless properly disclosed.

Reference:
CIHQ Quality Assessment and Performance Improvement QA-2,3,5

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SUBJECT: Medical Staff Quality Assurance/Performance Improvement Plan	POLICY # MS8710-105
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DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVISED:

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SUBJECT: **CPOE Order Set Management**	POLICY # MS8710-100
	PAGE 1 OF 3
DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVISED:

PURPOSE
To define the standards and management process by which order sets (standing orders) and protocols will be developed electronically, approved, and periodically reviewed. The main purposes of CPOE order sets are to reduce medication related errors and reduce order clarification for all other physician instructions regarding patient care.

POLICY
All order sets and protocols at Sonoma Valley Hospital will be managed according to the procedures outlined below. All CPOE order sets and protocols, will be based on nationally recognized and evidence-based guidelines and recommendations..

SCOPE
This policy applies to all order sets and protocols created, published, and implemented at Sonoma Valley Hospital since EHR go live in May of 2012.

DEFINITIONS

Order Set: A grouping of orders used to standardize and expedite the ordering process for a common clinical scenario.

A. Order sets contain orders which are started, stopped, and modified by a physician.
B. Order sets are categorized as follows:
    1. Admission order sets are those used to admit a patient to a service.
    2. Diagnosis order sets are those order sets used to treat a particular diagnosis.
    3. Convenience order sets are used to place orders for a common clinical scenario.
    4. Menu order sets that provide a list of medications, imaging studies and laboratory tests.

Protocol:
A grouping of orders used to standardize and automate the ordering process for a common clinical scenario. Protocols allow a nurse, pharmacist, or other licensed medical professional to start, modify, or stop an order on behalf of a physician. All protocols must be signed by the physician within 24 hours of implementation

PROCEDURE
A. Ownership

SUBJECT: **CPOE Order Set Management**	POLICY # MS8710-100
	PAGE 2 OF 3
DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVISED:

1. Sonoma Valley Hospital Medical Staff will be the primary owner of all order sets and protocols.

2. Medical Staff Leadership including Department Directors and Medical Executive Committee Members will determine the need for Order Set and Protocol creation, modification or deletion. Individual Physicians may likewise request development of specific Order Sets or Protocols to the governing authority.

3. The CMO/CMIO will review any submitted Order Set or Protocol including any change requests.

4. The Paragon build team in conjunction with Nursing, Pharmacy, Quality and the CMO/CMIO will draft an Order Set or Protocol using the Sonoma Valley Hospital/Paragon Standardized Template. This Template will require the approval of the Physician Advisory group organized and led by the CMO/CMIO.

5. Initial review and final approval will be the responsibility of the CMO/CMIO in collaboration with the Physician Advisory group. New CPOE order sets will be presented by the CMO/CMIO in medical staff committees.

5. When an order set is changed, it will be archived in the CPOE Order set file on the S Drive. A Master File listing of all the revisions and changes will be maintained by the Nurse Informaticist in the same S Drive file.

B. Testing

1. All Order Sets and Protocols will be fully tested prior to being activated into the EHR.

C. Approval

1. Following approval of the written Order Set or Protocol by Medical Directors, MEC and Order Set and Protocol Subcommittee, the CMO/CMIO will issue final approval prior to activating the Order Set or Protocol.

D. Periodic Review

1. All Order Sets and Protocols will be reviewed at least every other year by medical staff, pharmacy and nursing, for content and to insure that the Order Sets and Protocols follow evidenced based medicine.

SUBJECT: **CPOE Order Set Management**	POLICY # MS8710-100
	PAGE 3 OF 3
DEPARTMENT: Medical Staff	EFFECTIVE: 11/2014
APPROVED BY: President, Medical Staff	REVISED:

REFERENCES:
CMS, Federal Register May 16, 2012 Rules and Regulations

4.

SUSTAINABLE SONOMA PRESENTATION


Creating a Springboard for a
Sustainable Sonoma

Sustainable Sonoma, 2025
A Vision

Sonoma Valley is increasingly a thriving, sustainable community that provides a model for Sonoma County to become the most sustainable, resilient county in the state and the nation.

Summary of the Project

Sustainable Sonoma unites Sonoma Valley's many efforts to improve our community under one set of shared goals and measurable targets. This common agenda will align our activities and accelerate success.

As of 2014, we are in early stages.

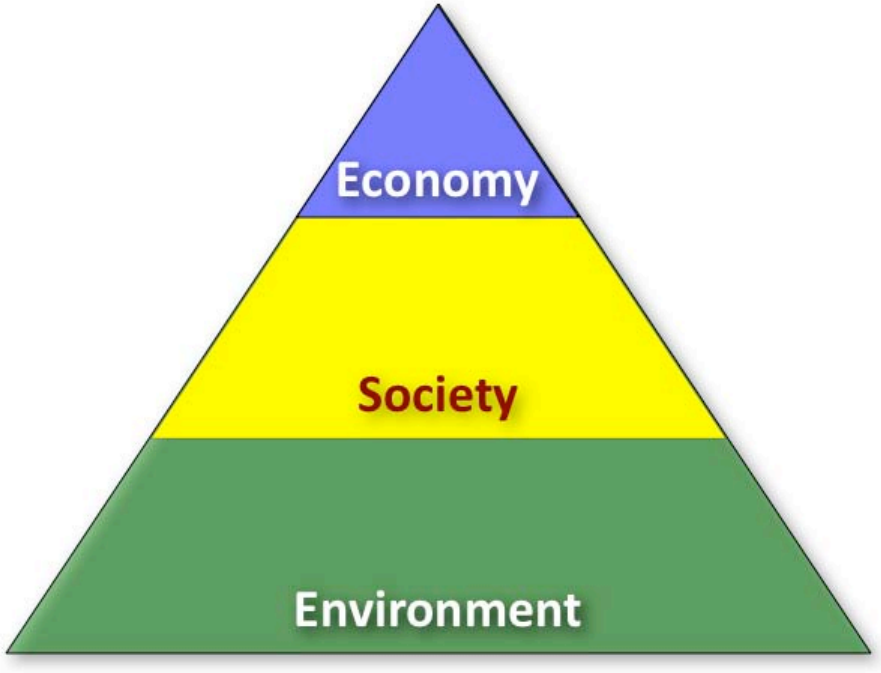
Project Need

Over 100 nonprofits and agencies work to make Sonoma Valley a better place. Though most share a similar vision of a better Sonoma Valley, we lack a coordinated workplan, common goals, and shared measurable outcomes that would lead to efficiencies and greater success.

Phases of Sustainable Sonoma

- Inspiration & Research – 2012-2014
- Pioneer the Partnerships – 2014-2015
- Sonoma Valley Pilot – 2015-2020
- Sonoma County Implementation – 2018-ongoing

Two Views of Sustainability



“Health”

=

“Sustainability”

The Perspective from Health

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The Perspective from Tourism

SONOMA VALLEY
VISITORS BUREAU
REAL WINE COUNTRY

The Perspective from Local Business

Chamber of Commerce

Board President Neil Colwell:

“The collaboration with Sonoma Ecology Center and the Health Care District is something we strongly believe in.”

The Perspective from Ecology

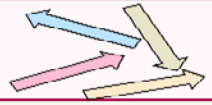
SONOMA ECOLOGY CENTER

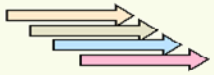
The Premise: There Are Several Types of Problems

Simple	Complicated	Complex
		
Example: *Baking a Cake*	Example: *Sending a Rocket to the Moon*	Example: *Raising a Child*

Traditional approach: treat problems as simple or complicated

There is a mismatch between complexity of social problems and the traditional focus on disconnected solutions

Isolated Impact 

Collective Impact 

Collective Impact initiatives provide a structure for cross-sector actors to forge a common agenda for solving a specific social problem

The Power of Collaboration

2 Examples

- Youth employment program
- CERES program

Achieving Large-Scale Change through Collective Impact Involves Five Key Elements

1 Common Agenda

- **Common understanding** of the problem
- **Shared vision** for change

2 Shared Measurement

- **Collecting data** and **measuring results**
- Focus on **performance management**
- **Shared accountability**

3 Mutually Reinforcing Activities

- **Differentiated approaches**
- **Coordination** through joint plan of action

4 Continuous Communication

- **Consistent** and **open communication**
- Focus on **building trust**

5 Backbone Support

- Separate organization(s) with **staff**
- Resources and skills to **convene** and **coordinate** participating organizations

Source: Channeling Change: Making Collective Impact Work, 2012; FSG Interviews and Analysis

Near-term outcomes

- List of organizations formally agreeing to participate
- Implementation workplan for Sustainable Sonoma
  - timeline, milestones, funding needs
  - Sustainable Sonoma goals, measurable objectives
  - roles of specific entities in achieving objectives
- Funding proposals submitted for subsequent phases
  - E.g. Impact100's Impact Grant, San Francisco Foundation, Gold Foundation

5.

RECOGNITION OF DAVID GOOD

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
RESOLUTION

Recognizing the Contributions of David Good to the Future of the Sonoma Valley Hospital

WHEREAS, David Good has held a leadership position for the Capital Campaign in 2013 and the Sonoma Valley Hospital Foundation as Foundation Chair; and

WHEREAS, David Good's tenure as Foundation Chair will conclude December 31, 2014; and

WHEREAS in his position, he was integral in guiding direction and in the success of the Capital Campaign's; and

WHEREAS he devoted countless hours and dedicated much thought to both roles for the betterment of the financial position and future of the Hospital and the Foundation.

NOW, THEREFORE, BE IT RESOLVED that the Directors of the Sonoma Valley Health Care District hereby recognize the many accomplishments and achievements, thank David Good for his untiring dedication to the Hospital, the Hospital Foundation and our community, and wish him well in all future endeavors.

Board Chair Sharon Nevins moved to the approve **THE FOREGOING RESOLUTION** was passed and adopted on December 4, 2014, by the following vote:

AYES: _____ ABSENT: _____
NOES: _____ ABSTAIN: _____

_____

Sharon Nevins, Chair

6.

RECOGNITION OF KEVIN CARRUTH

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
RESOLUTION

Honoring Board Member Kevin Carruth

WHEREAS, Kevin Carruth has served with distinction on the Board of Directors of the Sonoma Valley Health Care District, performing the duties of both Secretary and of First Vice Chairman,

AND WHEREAS, Kevin Carruth has served as Chair of the Quality Committee and was instrumental in establishing effective operating procedures for the Committee,

AND WHEREAS, Kevin Carruth was the chief advocate for the establishment of the Governance Committee and has served as its first Chair,

AND WHEREAS, Kevin Carruth brought to the Board a life time of administrative experience in both County and State government,

AND WHEREAS, Kevin Carruth has spent countless hours researching California Public Contract Code and California Health & Safety Code, all the while monitoring legislative activity that might potentially impact the Sonoma Valley Health Care District,

AND WHEREAS, Kevin Carruth has been the architect of Board retreats that have strengthened its working relationship with Hospital Administration,

AND WHEREAS, Kevin Carruth has insisted that all items come to the Board with adequate explanation and financial justification,

AND WHEREAS, during his tenure on the Board of Directors, Kevin Carruth has been the unofficial conscience of the Board with regard to processes and procedures,

NOW THEREFORE BE IT RESOLVED

That his colleagues and admirers salute Kevin Carruth's leadership, thank him for his outstanding service to the Hospital and the District, and wish him well in all future endeavors –personal and professional.

PASSED AND ADOPTED on December 4, 2014, by the following vote:

AYES: _____ ABSENT: _____
NOES: _____ ABSTAIN: _____

_____
Sharon Nevins, Chair

9.

CEO GOALS 2015

FY 2015 CEO GOALS

Level 3: 66.7% Salary Incentive Compensation
Level 4: 86.7% Salary Incentive Compensation
Level 5: 100% Salary Incentive Compensation

PERFRMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT FY 2014	GOAL LEVEL
Service Excellence 3.0% of annual salary	High In-Patient Satisfaction	5 out of 8 HCAHPS questions above 50th percentile for 6 of 12 months		>7 out of 8= 5 >6 out of 8 = 4 >5 out of 8 = 3 (Goal) >2 out of 8 = 2 <2 out of 8 = 1
Service Excellence 1.5% of annual salary	High Emergency Department Satisfaction	4 out of 7 HCAHPS questions above 50th percentile for 6 of 12 months		>7 out of 7 >5 out of 7 >4 out of 7 (Goal) >3 out of 7 <2 out of 7
Quality 3.0% of annual salary	Excellent Patient Outcomes	Value Based Purchasing Score		> 72 = 5 > 70 =4 > 68 =3 (Goal) > 66 = 2 < 66 = 1
People 1.5% of annual salary	Highly Engaged and Satisfied Staff	Picker percentile ranking of current mean score		>80th = 5 >77th=4 >75th=3 (Goal) >70th=2 <65th =1
Finance 9.5% of annual salary	Financial Viability	Achieve Earnings, Before Interest, Depreciation and Amortization (EBIDA) before restricted donations and GO Bond income & expense		> $4.4 million = 5 > $3.9 million = 4 > $3.5 million = 3 (Goal)
Healthy Community 1.5% of annual salary	Employer Wellness Programs	Enroll at least 50 lives		100 lives=5 75 lives=4 50 lives=3 (Goal) 25 lives=2 10 lives=1

10.

QUALITY DEPARTMENT UPDATE

Incentivizing Quality Patient Care: An Evolving CMS Strategy

Center for Medicare & Medicaid Services (CMS)

- History:

  Origin: Affordable Care Act

  Triple Aim: Improved health for whole population

  Care provided is safest, highest quality

  Reduced cost of care

  CMS: publishes annually final payment rules based on the continuous implementation of quality, cost and safety initiatives aimed at controlling health care costs and aligning Medicare payments with quality metrics.

Inpatient Incentives

- **Pay For Performance**: FY 2015 marks the first year that three pay for performance programs will apply to inpatient payments. Those programs are:

  Value Based Purchasing(VBP): focuses on clinical quality measure performance, the patient experience survey scores (HCAHPS), selected mortality outcomes and patient safety measures including infection control.

  Goal: High quality, safe patient care.

  Incentive Strategy: withhold in increasing increments a certain percentage of Medicare Reimbursement which the hospital needs to earn back by meeting quality and patient safety indicators. The hospital can also earn a % of what is lost by other hospitals who don't perform well. Raise the bar each fiscal year and change the indicators when they have "topped out".

Inpatient Incentives

Readmissions Reduction Program (RRP): probably the most significant incentive program that looks at hospital readmission rates for all unplanned readmissions within 30days of an acute stay.

Goal: reduce hospital utilization by managing care transitions upon discharge

Incentive Strategy: Calculate a readmission rate for each hospital and impose a percentage penalty for performance if the hospital does not meet the national benchmark. For each fiscal year raise the threshold to incentivize hospitals to strive to improve.

Inpatient Incentives

Hospital Acquired Conditions Reduction Program (HAC): included in the value based purchasing program but adds additional pressure to reduce certain complications from two domains: potentially preventative complications of care (Patient Safety Indicators) and hospital acquired infections (CDC Infection Prevention Indicators).

Goal: reduce the risk of complications of care, length of stay and the cost of care.

Incentive Strategy: Calculate an annual HAC score for each hospital & impose a penalty for those hospitals performing in the lowest 25%.

Incentives and Penalties

Value Based Performance

FY 2013 1.0% FY 2014: 1.25% FY 2015: 1.50 % FY 2016: 1.75%
FY 2017 & ongoing: 2.0%

For ***Readmission Reduction Program***

For FY 2013: a ratio greater than .99 results in a 1% reduction in Medicare reimbursement

FY 2014: a ratio greater than .98 results in a 2% reduction

FY 2015: a ratio greater that .97 results in a 3% reduction

Incentives and Penalties

HAC Program

For FY 2015: 1% reduction in reimbursement if at lowest 25% of hospitals

EHR Incentive Program

If the hospital submits at least one quarter of 2015 quality and cost data and are meaningful users, the hospital will be eligible for a 2.2% increase in reimbursement for fiscal year 2017.

How is Sonoma Valley Hospital Performing?

- ***VBP***: (CY= Calendar Year)

  CY 2012/FY 2014: 1.25% held back/1.18% earned back (-)

  CY 2013/FY 2015: 1.50%held back/ 2.159% earned back (++)

- ***RRP***: SVH is meeting and exceeding national benchmarks for all cause and diagnosis specific readmissions with a readmission ratio of .99 and therefore will not be penalized in 2015 (based on 2013 CY data).

- ***HAC***: While not completely finalized until the end of December, SVH is performing in the top 21-30% of hospital with a projected Patient Safety & Infection Prevention Score of 1.7. Hospitals performing at 6.9 or above will be at risk for penalties. SVH is not at risk in 2015.

Questions?

11.

FINANCIAL REPORT OCTOBER 2014

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: **Board of Directors**
From: **Ken Jensen, CFO**
Date: **December 4, 2014**
Subject: **Financial Report for the Month Ending October 31, 2014**

The month of October was favorable compared to budget. Net Revenue was better than budgeted expectations. This was due to higher outpatient revenue and a better payer mix for the month. Expenses were unfavorable to budget. Salaries were over due to increased volume in Home Health Care. OB, Echo and Physical Therapy was also over budget, but due to registry for an unfilled position. Professional Fees were over due to Napa State volume and the emergency specialist physician call in pay. Information Technology (IT) and Patient Accounting are already reducing their Purchased Services for the remainder of the year.

Below is a summary of the variances for the month of October:

GROSS REVENUE was better than budget by Inpatient revenue was off target by ($244,196) and SNF was off by ($576,472). This shortfall was offset by better than expected revenues for O/P $298,512, ER $953,213 and Home Health $77,489.	$508,547	
Deductions from revenue are higher than budgeted due to changes in payer mix with lower Medicare and Commercial and higher MediCal volumes for both I/P and O/P.	($150,073)	
Risk Contract Revenue was under budget by	($25,250)	
Other Revenue was over budget by	$4,437	
Total Operating Revenue Variance		$337,661

The negative expense variance was comparable to September's negative expense variance of ($141,568), which is better than the average variance for the July and August of ($329,320). October's negative expense variance was ($146,177).

Total Staffing costs were over by due to better than budget increases in several departments productive FTEs were 272 vs. a budget of 257. PT and Echo	($53,898)

was over in Agency.

Medical and Professional Fees were over budget due to the Napa State volume which is passes through revenue. And the emergency specialist call in pay.	($39,466)	
Purchased Services were over budget Due to unbudgeted costs IT and Patient Accounting costs.	($32,636)	
Total Expense Variance		($146,177)
Total Operating Margin Variance		$191,484
Non-Operating Income unfavorable to budget		($13,585)
Capital Campaign Contributions lower than budget		($86,250)
Net Variance		$91,649

The net income was $304,092 vs. a budgeted net income of $212,443. After accounting for GO bond activity the aggregated net income was $338,488 vs. a budgeted profit of $222,428.

Patient Volumes - October

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	**107**	**106**	**1**	**91**
Acute Patient Days	**363**	**394**	**-31**	**374**
SNF Patient Days	**527**	**570**	**-43**	**606**
Home Care Visits	**1,319**	**1,058**	**261**	**941**
OP Gross Revenue	**$11,748**	**$10,418**	**$1,330**	**$10,248**
Surgical Cases	**155**	**135**	**20**	**135**

Overall Payer Mix – October

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	**44.2%**	**50.0%**	**-5.8%**	**46.5%**	**49.8%**	**-3.3%**
Medi-Cal	**18.7%**	**11.1%**	**7.6%**	**17.3%**	**11.2%**	**6.1%**
Self Pay	**2.9%**	**3.3%**	**-0.4%**	**3.1%**	**3.4%**	**-0.3%**
Commercial	**23.2%**	**25.0%**	**-1.8%**	**22.3%**	**24.9%**	**-2.6%**
Managed MC	**4.6%**	**4.3%**	**0.3%**	**4.3%**	**4.4%**	**-0.1%**
Workers Comp	**4.0%**	**3.3%**	**0.7%**	**3.5%**	**3.3%**	**0.2%**
Capitated	**2.4%**	**3.0%**	**-0.6%**	**3.0%**	**3.0%**	**0.0%**
Total	**100%**	**100%**		**100%**	**100%**	

Cash Activity for October:

For the month of October the cash collection goal was $3,861,647 and the Hospital collected $3,468,742 or under the goal by ($392,905). The Year to date cash goal was $14,177,623 and the Hospital collected $14,685,433 or over the goal by $507,818. The cash collection goal is based upon net hospital revenue from 60 days ago. Days of cash on hand are 11 days at October 31, 2014. Accounts Receivable increased from September due to an increase in self pay and Partnership, both payers are slow in paying their claims. Also in October there was a slowdown in Medicare payments at month end. AP is up by $377,294 compared to September due to the yearly contract fees for McKesson of approximately $300,000 due by December 31, 2014.

Year to Date:

The Hospital's YTD EBIDA is now commensurate with other hospitals at 7.3%. Our YTD expenses are over budget by($793,570), of which approximately $120,000 is from FY 2014. This is made up of Surgery PO's, Anesthesia bonus and an outside consultant. Also due to inaccurate forecasting during the budget process the Hospital will be over budget about $81,000 a month in utilities, Hospitalists, Lab, Anesthesia, Prima and IT. A few of the overages are due to volume. Surgery is over budget in supplies, but October was also one of the highest numbers of surgery cases, therefore these expenses are offset by revenue. Also salaries are over budget due to turnover in OB, PT, and Echo and these positions have been filled, therefore these departments will be back within budget. The Hospital has continued to save costs by not replacing several positions and not spending on capital.

Sonoma Valley Hospital
Sonoma Valley Health Care District
October 2014 Financial Report

Finance Committee
November 25, 2014

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

Patient Volumes
Month of October 31, 2014

	Actual	Budget	Variance	Prior Year
Acute Discharges	107	106	1	91
Acute Patient Days	363	394	-31	374
SNF Patient Days	527	570	-43	606
Home Health Care Visits	1,319	1,058	261	941
Outpatient Gross Revenue (in thousands)	$11,748	$10,418	$1,330	$10,248
Surgical Cases	155	135	20	135

Summary Statement of Revenues and Expenses Month of October 31, 2014

	Actual	Budget	Variance	Percentage	Prior Year
1Total Operating Revenue	$ 4,719,897	$ 4,382,236	$ 337,661	8%	$ 4,602,346
2Total Operating Expenses	$ 4,628,986	$ 4,482,809	$ (146,177)	-3%	$ 5,019,707
3Operating Margin	$ 90,911	$ (100,573)	$ 191,484	190%	$ (417,361)
4NonOperating Rev/Exp	$ 213,181	$ 226,766	$ (13,585)	-6%	$ 182,184
5Net Income before Rest.Cont. & GO Bond	$ 304,092	$ 126,193	$ 177,899	141%	$ (235,177)
6Restricted Contribution	$ -	$ 86,250	$ (86,250)	-100%	$ 1,109,287
7Net Income with Restricted Contributions	$ 304,092	$ 212,443	$ 91,649	43%	$ 874,110
8Total GO Bond Rev/Exp	$ 34,396	$ 9,985	$ 24,411	244%	$ 115,418
9Net Income with GO Bond	$ 338,488	$ 222,428	$ 116,060	52%	$ 989,528
10EBIDA before Restricted Contributions	$ 651,943	$ 484,070	$ 167,873		$ 398,098
11EBIDA before Restricted Cont. %	14%	11%	3%		9%

Summary Statement of Revenues and Expenses Year to Date October 31, 2014 (4 months)

		Actual	Budget	Variance	Percentage	Prior Year
1	Total Operating Revenue	$ 17,449,798	$ 17,155,752	$ 294,046	2%	$ 17,330,425
2	Total Operating Expenses	$ 18,493,982	$ 17,700,412	$ (793,570)	-4%	$ 18,265,475
3	Operating Margin	$ (1,044,184)	$ (544,660)	$ (499,524)	-92%	$ (935,050)
4	NonOperating Rev/Exp	$ 941,911	$ 907,064	$ 34,847	4%	$ 739,393
5	Net Income before Rest.Cont. & GO Bond	$ (102,273)	$ 362,404	$ (464,677)	-128%	$ (195,657)
6	Restricted Contribution	$ 172,644	$ 345,000	$ (172,356)	-50%	$ 2,460,336
7	Net Income with Restricted Contributions	$ 70,370	$ 707,404	$ (637,034)	-90%	$ 2,264,679
8	Total GO Bond Rev/Exp	$ 75,693	$ 39,927	$ 35,766	90%	$ 461,570
9	Net Income with GO Bond	$ 146,064	$ 747,331	$ (601,267)	-80%	$ 2,726,249
10	EBIDA before Restricted Contributions	$ 1,275,018	$ 1,793,912	$ (518,894)		$ 554,618
11	EBIDA before Restricted Cont. %	7%	10%	-3%		3%

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 2014

		Month				Year-To- Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	$	%	Actual	Budget	$	%	Prior Year
	Volume Information									
1	Acute Discharges	107	106	1	1%	403	411	(8)	-2%	399
2	SNF Days	527	570	(43)	-8%	2,462	2,303	159	7%	2,263
3	Home Care Visits	1,319	1,058	261	25%	4,685	3,741	944	25%	3,182
4	Gross O/P Revenue (000's)	11,748	10,418	1,329	13%	$ 44,521	$ 40,715	3,806	9%	$ 39,292
	Financial Results									
	Gross Patient Revenue									
5	Inpatient	$ 5,405,473	$ 5,649,669	(244,196)	-4%	$ 19,490,320	$ 22,156,908	(2,666,588)	-12%	$ 21,154,763
6	Outpatient	7,178,907	6,880,395	298,512	4%	26,842,929	26,272,837	570,092	2%	25,064,398
7	Emergency	4,167,292	3,214,079	953,213	30%	16,242,973	13,293,984	2,948,989	22%	13,251,617
8	SNF	1,771,580	2,348,052	(576,472)	-25%	8,624,049	9,187,502	(563,453)	-6%	8,758,346
9	Home Care	401,441	323,952	77,489	24%	1,435,581	1,148,416	287,165	25%	976,141
10	Total Gross Patient Revenue	$ 18,924,694	$ 18,416,147	508,547	3%	$ 72,635,853	$ 72,059,647	576,206	1%	$ 69,205,266
	Deductions from Revenue									
11	Contractual Discounts	$ (14,323,468)	$ (14,199,741)	(123,727)	-1%	$ (55,917,113)	$ (55,584,390)	(332,723)	-1%	$ (52,838,499)
12	Bad Debt	(250,000)	(171,368)	(78,632)	-46%	(590,000)	(670,536)	80,536	12%	(750,000)
13	Charity Care Provision	(4,000)	(25,705)	21,705	84%	(74,000)	(100,581)	26,581	26%	(82,000)
14	Prior Period Adjustments	30,581	-	30,581	0%	30,581	-	30,581	0%	71,644
15	Total Deductions from Revenue	$ (14,546,887)	$ (14,396,814)	(150,073)	1%	$ (56,550,532)	$ (56,355,507)	(195,025)	0%	$ (53,598,855)
16	Net Patient Service Revenue	$ 4,377,807	$ 4,019,333	358,474	9%	$ 16,085,321	$ 15,704,140	381,181	2%	$ 15,606,410
17	Risk contract revenue	$ 263,002	$ 288,252	(25,250)	-9%	$ 966,019	$ 1,153,008	(186,989)	-16%	$ 1,109,329
18	Net Hospital Revenue	$ 4,640,809	$ 4,307,585	333,224	8%	$ 17,051,340	$ 16,857,148	194,192	1%	$ 16,715,740
19	Other Op Rev & Electronic Health Records	$ 79,088	$ 74,651	4,437	-6%	$ 398,458	$ 298,604	99,854	33%	$ 614,685
20	Total Operating Revenue	$ 4,719,897	$ 4,382,236	337,661	8%	$ 17,449,798	$ 17,155,752	294,046	2%	$ 17,330,425
	Operating Expenses									
21	Salary and Wages and Agency Fees	$ 2,048,747	$ 1,994,849	(53,898)	-3%	$ 8,091,462	$ 7,798,059	(293,403)	-4%	$ 8,074,852
22	Employee Benefits	770,062	$ 766,280	(3,782)	0%	3,033,539	3,054,118	20,579	1%	2,938,102
23	Total People Cost	$ 2,818,809	$ 2,761,129	(57,680)	-2%	$ 11,125,001	$ 10,852,177	(272,824)	-3%	$ 11,012,954
24	Med and Prof Fees (excld Agency)	$ 354,452	$ 314,986	(39,466)	-13%	$ 1,421,636	$ 1,291,981	(129,655)	-10%	$ 1,709,081
25	Supplies	487,597	494,857	7,260	1%	2,101,577	1,918,727	(182,850)	-10%	1,995,370
26	Purchased Services	335,194	302,558	(32,636)	-11%	1,403,357	1,201,804	(201,553)	-17%	1,521,717
27	Depreciation	289,183	272,198	(16,985)	-6%	1,179,596	1,088,792	(90,804)	-8%	660,276
28	Utilities	114,865	80,567	(34,298)	-43%	439,895	322,268	(117,627)	-36%	327,366
29	Insurance	19,298	20,000	702	4%	77,063	80,000	2,937	4%	75,550
30	Interest	58,668	85,679	27,011	32%	197,695	342,716	145,021	42%	89,997
31	Other	150,920	150,835	(85)	0%	548,162	601,947	53,785	9%	873,163
32	Operating expenses	$ 4,628,986	$ 4,482,809	(146,177)	-3%	$ 18,493,982	$ 17,700,412	(793,570)	-4%	$ 18,265,474
33	Operating Margin	$ 90,911	$ (100,573)	191,484	190%	$ (1,044,184)	$ (544,660)	(499,524)	-92%	$ (935,049)
	Non Operating Rev and Expense									
34	Miscellaneous Revenue	$ 2,181	$ 933	1,248	134%	$ 70,847	$ 3,732	67,115	*	$ 29,725
35	Donations	-	10,000	(10,000)	-100%	27,063	40,000	(12,937)	32%	1,000
36	Physician Practice Support-Prima	(39,000)	(34,167)	(4,833)	14%	(156,000)	(136,668)	(19,332)	14%	(241,331)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	1,000,000	1,000,000	-	0%	950,000
38	Total Non-Operating Rev/Exp	$ 213,181	$ 226,766	(13,585)	-6%	$ 941,911	$ 907,064	34,847	4%	$ 739,393
39	Net Income / (Loss) prior to Restricted Contributions	$ 304,092	$ 126,193	177,899	141%	$ (102,273)	$ 362,404	(464,677)	-128%	$ (195,656)
40	Capital Campaign Contribution	$ -	$ 86,250	(86,250)	-100%	$ 172,644	$ 345,000	(172,356)	-50%	$ 2,460,336
41	Restricted Foundation Contributions	$ -	$ -	-	0%	$ -	$ -	-	100%	$ -
42	Net Income / (Loss) w/ Restricted Contributions	$ 304,092	$ 212,443	91,649	43%	$ 70,370	$ 707,404	(637,034)	-90%	$ 2,264,680
43	GO Bond Tax Assessment Rev	152,326	150,241	2,085	1%	610,992	600,964	10,028	2%	609,302
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(535,299)	(561,037)	25,738	-5%	(147,733)
45	Net Income/(Loss) w GO Bond Activity	$ 338,488	$ 222,428	116,060	-52%	$ 146,064	$ 747,331	(601,267)	80%	$ 2,726,250
	EBIDA	$ 651,943	$ 484,070			$ 1,275,018	$ 1,793,912			$ 554,618
		13.8%	11.0%			7.3%	10.5%			3.2%

Sonoma Valley Health Care District
Balance Sheet
As of October 31, 2014

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 1,605,853	$ 2,182,182	$ 1,060,464
2	Trustee Funds	953,138	953,138	540,405
3	Net Patient Receivables	7,906,593	7,140,398	8,606,050
4	Allow Uncollect Accts	(885,845)	(639,759)	(1,714,414)
5	Net A/R	7,020,748	6,500,639	6,891,636
6	Other Accts/Notes Rec	7,280,432	8,522,094	6,932,624
7	3rd Party Receivables, Net	1,207,079	1,974,935	1,562,310
8	Due Frm Restrict Funds	-	-	-
9	Inventory	761,842	758,803	879,581
10	Prepaid Expenses	1,022,150	570,564	1,094,686
11	Total Current Assets	$ 19,851,240	$ 21,462,355	$ 18,961,707
12	Board Designated Assets	$ -	$ -	$ 5,384
13	Property,Plant & Equip, Net	56,008,018	56,247,706	15,194,728
14	Hospital Renewal Program	-	-	31,801,877
15	Unexpended Hospital Renewal Funds	-	-	4,024,455
16	Investments	-	-	-
17	Specific Funds	209,988	77,792	309,330
18	Other Assets	143,007	142,858	444,229
19	Total Assets	$ 76,212,254	$ 77,930,711	$ 70,741,711
	Liabilities & Fund Balances			
	Current Liabilities:			
20	Accounts Payable	$ 4,714,684	$ 4,337,390	$ 4,220,904
21	Accrued Compensation	3,286,249	4,083,949	3,368,750
22	Interest Payable	353,787	235,858	425,011
23	Accrued Expenses	1,601,376	3,005,235	1,523,078
24	Advances From 3rd Parties	680,461	400,235	1,847,145
25	Deferred Tax Revenue	4,240,683	4,643,008	3,266,300
26	Current Maturities-LTD	972,259	972,343	841,229
27	Line of Credit - Union Bank	5,698,734	5,698,734	3,973,734
28	Other Liabilities	144,243	144,243	230,185
29	Total Current Liabilities	$ 21,692,476	$ 23,520,996	$ 19,696,335
30	Long Term Debt, net current portion	$ 40,752,764	$ 40,981,189	$ 37,459,200
31	Fund Balances:			
32	Unrestricted	$ 12,418,583	$ 12,080,095	$ 9,252,391
33	Restricted	1,348,431	1,348,431	4,333,785
34	Total Fund Balances	$ 13,767,014	$ 13,428,526	$ 13,586,176
35	Total Liabilities & Fund Balances	$ 76,212,254	$ 77,930,711	$ 70,741,711

12.

QUARTERLY CAPITAL BUDGET REPORT

SONOMA VALLEY HOSPITAL
FY 2015 Capital Spending

Summary

Spending on 2015 Equipment - Budgeted	$	57,731
Spending on 2015 Equipment - Non-Budgeted	$	4,890
Spending on Projections not put into service (CIP)	$	762,823
Total Spending	$	825,443

Detail Capital Items

DESCRIPTION OF ASSET	Budgeted Non-Bud.	PURCHASE DATE	ACQUISITION AMOUNT
2015 Equipment - Budgeted			
Hp Compaq 6305 Pro PCs	Y	07/25/14	$ 8,175
HP Workstation Z820	Y	09/30/14	$ 7,088
Quad Head Totoku LED-HB V1 3PM Greyscale Monitor	Y	10/31/14	$ 36,708
Matrix Linear Array Transducer	Y	10/31/14	$ 5,760
Total FY2015 Purchases Budgeted			$ 57,731
2015 Equipment - Non-Budgeted			
Cobalt Model 350, Stationary Center with Bar	N	07/23/14	$ 1,787
Carpeting	N	10/31/14	$ 4,890
Furniture, workstations,	N	07/31/14	$ 34,795
Quality Refurbishment, painting,	N	07/31/14	$ 13,623
Total FY2015 Purchases Non-Budgeted			$ 4,890
Grand Total			$ 62,621

13.

ADMINISTRATIVE REPORT NOVEMBER 2014

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: **Sonoma Valley Health Care District Board of Directors**
From: **Kelly Mather**
Date: **11/24/14**
Subject: **Administrative Report**

Summary
November has been a busy month with the preparation and presentation at the board retreat. It is interesting that we have had 14 more births than budgeted for the year and also have 13 more discharges than the prior year. This trend may indicate that inpatient volumes have stopped declining so rapidly. Skilled Nursing patient days, Surgeries, Outpatient visits, Home Care and Emergency visits are all higher than the prior year. In addition, we now have 11 less worked FTE's than the prior year (even with the mandatory education and health fair hours used in October.) Therefore, volumes are up and staffing remains efficient at SVH. Other than some unanticipated registry costs for turnover, leaders are doing an outstanding job in maintaining expenses.

Organizational Results
As demonstrated by the October dashboard, we are doing well compared to goals for the first part of this fiscal year. Our new nursing leadership is effectively working to ensure the staff will continue to be accountable and meet service expectations. These goals were exceeded on the Med/Surg unit in October. Emergency satisfaction continues to exceed goal and the department continues to experience 10 – 20% higher volumes than in the past. The staff satisfaction survey is due to be taken in January. I've been visiting the department meetings to check in and discuss the organization wide satisfaction. The new leaders in EVS, FNS, Patient Accounting, Accounting, Medical Records, Surgery and our new CFO seem to be doing a great job and staff seem happier than ever. I am looking forward to seeing the results for 2014. We had a very strong month for revenue and volumes. In addition, there were several labor intensive community events that increased our hours of community benefit to above the first threshold.

Quality
The physicians are now completing their satisfaction surveys and we should have the results in by mid December. The results will be summarized and an action plan will be developed in January. Nursing education and a disaster preparedness drill were held in November to further ensure SVH is prepared and staff are using the proper protective gear and techniques to prevent the spread of infectious disease.

Strategic Update
It is time again to update the three year rolling strategic plan. A committee of two board members and several administrative team members has been formed and we expect to have a new plan by February (prior to the FY 2015 budget season.) Several marketing initiatives continued in November, including educating seniors about the new SCAN Medicare Advantage health plan that has a zero premium and allows patients to use the services at SVH. Project Pink was also successful in October with providing 58 sponsored mammograms. Finally, a physician office staff luncheon was held in November to enhance communications and inspire more partnership and support between the hospital and physicians.

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

OCTOBER DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 8 HCAHPS domain results above the 50th percentile	6 out of 8	>7 = 5 (stretch) >6 = 4 >5 = 3 (Goal) >4 = 2 <3=1
Service Excellence	Highly satisfied Emergency Patients	Maintain a year to date average of at least 75th percentile	76th (rolling three month average)	>85th = 5 (stretch) >80th=4 >75th =3 (Goal) <75th = 2 <70th= 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	70.88	72 = 5 (stretch) 70 =4 68 =3 (Goal) 66=2 <66 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75th percentile or higher	2013 76% mean score at 77th percentile	>80th = 5 (stretch) >77th=4 >75th=3 (Goal) >72nd=2 <70th =1
Finance	Financial Viability	YTD EBIDA	7.3%	>10% (stretch) >9%=4 >8% (Goal) >7%=2 <6%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	$18,493,982 (actual) $17,700,412 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	545 YTD FY2015 520 YTD FY 2014	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	$43.085 mm YTD $38.316 mm prior year	
Community	Community Benefit Hours	Hours of time spent on community benefit activities for the	619.5 hours for43 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

FY 2014 TRENDED RESULTS

MEASUREMENT	Goal FY 2015	Jul 2014	Aug 2014	Sep 2014	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	5/8	5	6	5	6								
Emergency Satisfaction	>75th	79	79	80	76	88.6	89.7	89.5	89.7	88.9	89.1	89.9	90.1
Value Based Purchasing Score	>68	68	71	70	70.88								
Staff Satisfaction	>75th	76	76	76	76	77	77	77	76	76	76	76	76
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6								
YTD EBIDA	>8%	7	7	4.9	7.3	6	6	5	5	6	9	4	3
Net Revenues	>4.1m	4.26	4.6	3.8	4.7	3.9	4.1	3.75	3.46	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.3	4.4	4.55	4.27	5.0	4.4	4.4	4.8
Net Income	>75	-8	35	-381	304	-57	412	13	-12	401	-360	**-240**	567
Days Cash on Hand	>15	14	12	14	11	11	7	7	6	11	17	8	7
A/R Days	<50	47	45	48	51	50	52	51	47	51	55	46	48
Total FTE's	<301	309	305	303	304	313	315	310	301	318	320	309	303
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.39	4.39	4.39	4.4	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	105	104	87	107	85	112	91	79	117	94	100	91
Outpatient Revenue	>$10m	10.8	10.4	11.1	11.7	9.3	8.8	9.1	8.6	9.99	9.91	10.2	10.1
Surgeries	>130	135	133	122	155	135	138	113	121	156	147	142	121
Home Health	>1000	1146	1109	1111	1319	903	951	1040	872	1106	1218	1135	992
Births	>15	16	9	21	13	14	11	6	14	19	6	16	11
SNF days	>660	651	687	597	527	531	733	754	641	750	674	605	613
MRI	>120	132	139	143	221	111	83	103	108	122	103	118	124
Cardiology (Echos)	>70	49	53	62	67	61	50	45	50	55	62	61	57
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.9	12.5	13.1	11.1	13.3	12.4	13.1	13.9
Radiology	>850	968	988	900	1047	819	877	963	837	851	868	918	888
Rehab	>2587	3030	2859	2468	3028	2572	2899	2485	2403	2903	3394	2877	2945
CT	>300	376	345	323	368	295	285	332	295	334	301	332	335
ER	>800	889	868	851	863	665	751	811	655	769	788	**909**	716
Mammography	>475	414	417	433	605	569	489	430	445	447	404	519	429
Ultrasound	>325	348	361	367	372	341	307	290	350	438	424	497	339
Occupational Health	>575	656	678	758	739	642	535	579	504	534	595	600	618

14.

OFFICER AND COMMITTEE REPORTS

Meeting Date: **October 28, 2014**

Prepared by: Peter Hohorst

Agenda Item Title: Media Relations Policy

Recommendations:
The Governance Committee recommends that the Board approve the Media Relations Policy.

Background:
At the January Board meeting the Board directed "the CEO, with the assistance of the Hospital's professional media relations consultant, to develop draft policies for the District/Hospital to bring to the Governance Committee (GC) no later than the February 2014 GC meeting. This draft policy shall include everything that the CEO, with the input of the media relations consultant, believes should be included in such a policy".
At the February 2014 Governance Committee meeting Bob Kenny, the media relations consultant presented a draft Media Relations Policy for review. The Policy with a few minor edits is recommended to the Board for approval by the Committee.

Consequences of Negative Action/Alternative Actions:
Without a policy all media communications will not be consistent and may not be transparent.

Financial Impact:
None

Attachment:
Draft Media Relations Policy

Sonoma Valley Health Care District And Hospital
Media Communications Policy

POLICY #	POLICY NAME	ISSUE DATE	REVISION DATE	DEPARTMENT
	Media Communications			**Organizational**

1.0 PURPOSE

To identify procedures for communicating information to the public and stakeholders through the news media about the decisions, actions and programs undertaken by Sonoma Valley Health Care District and Hospital.

2.0 SCOPE

2.1 This policy applies to all media-based public communications for Sonoma Valley Health Care District and Hospital. For purposes of this policy, "news media" will be defined as:

2.1.1 Local, regional and national news and feature media, both print and electronic

2.1.2 Industry news media and websites

2.1.3 SVH/Board website

2.1.4 Social media (i.e. Facebook, Twitter)

3.0 POLICY

3.1 It is the policy of the Sonoma Valley Health Care District and Hospital to provide accurate and timely information to the media in order to foster and maintain open communications and provide transparency for the media and the public. The District and Hospital also believe it is important to regularly communicate information about Hospital programs and service offerings to community members and stakeholders.

3.1.1 The District and Hospital will be accessible to the media and public to respond to inquiries and address issues relevant to its mission, policies and decisions.

3.1.2 The District and Hospital will disseminate news and information to the media and public about its decisions, policies and activities in a timely manner.

3.1.3 The District and Hospital will respond to media inquiries in a timely manner but with the understanding that the District/Hospital may require time to formulate a response.

3.1.4 All District and Hospital communications will adhere to HIPAA guidelines. (A useful reference is the California Hospital Association publication, "Guide to Release of Patient Information to the Media.")

4.0 RESPONSIBILITIES

4.1 The CEO is responsible for ensuring that all communications are in compliance with the Media Communications Policy. The CEO will identify Staff and/or Consultants who will have responsibility for planning and executing District/Hospital communications through the media.

4.1.1 In this document, "Hospital Communications" refers both to Hospital Communications Staff and Communications Consultants designated by CEO to work with the media on behalf of District and Hospital.

4.1.2 Hospital Communications will ensure that District/Hospital external communications, including announcements and press releases, are communicated to the proper individuals and in the proper language that meets with District/Hospital goals, strategies, legal and regulatory requirements and policies. Hospital Communications will determine appropriate media distribution of announcements.

Hospital Communications duties will entail but are not limited to the following:

4.1.3 Plan, recommend, implement and report on public communications initiatives that enhance media and public understanding of the District and Hospital and the role each plays in serving the health and wellbeing of the community.

4.1.4 Develop and present to District Board an annual communications plan encompassing both public information and marketing communications strategies and initiatives. CEO will report results to District Board as part of monthly reports.

4.1.5 Disseminate news to all media about District/Hospital announcements, decisions and initiatives.

4.1.6 Maintain current list of local/regional media and key contacts, with information on deadline requirements, for dissemination of District/Hospital news.

4.1.7 Maintain Hospital's presence through online media including social media as appropriate.

4.1.8 Regularly update information on Hospital website and Facebook page.

4.1.9 Assist CEO or District Board members in preparing for media interviews.

4.1.10 Provide communications support to Hospital Foundation.

5.0 PROCEDURES

5.1 Board Chair will have responsibility for identifying and approving all media announcements related to Board decisions and actions.

5.2 Hospital CEO will have responsibility for approving all media announcements, including marketing communications, related to Hospital decisions and actions not directly related to District Board decisions or actions.

5.3 In matters dealing with issues of community and political sensitivity regarding District and/or Hospital policy or operations, CEO will obtain approval from Board Chair prior to releasing information to media. If media spokesperson is to be someone other than CEO or Chair, CEO will identify designated spokesperson to Board in advance of announcement.

5.4 In matters dealing with routine announcements and marketing activity related to Hospital, CEO will have discretion to release information to media through Hospital Communications procedures without District approval, but will provide information to District Board in a timely manner and not later than simultaneous with release of information.

5.4.1 For purposes of this document, routine news announcements include but are not be limited to the following: personnel news, new services, marketing communications, community health programs and participation in community events.

5.5 Hospital Communications personnel will be made available to the District Board at Chair's request to assist with developing and disseminating Board communications. These requests will be guided by the following:

5.5.1 Board requests for Hospital Communications support will be made to CEO.

5.5.2 Hospital Communications services will include but are not limited to: writing and disseminating press releases; analyzing issues and recommending strategies and actions; contacting media on Board's behalf; reporting results of media outreach.

5.5.3 Hospital Communications personnel will not serve as spokespersons for Board unless requested to do so by Board Chair or CEO.

5.5.4 District Board members contacted by the media can access Hospital Communications for assistance with CEO's approval.

5.5.5 Media inquiries received by Hospital Communications regarding District policies, activities and announcements will be communicated to the Board Chair and/or Hospital CEO. Hospital Communications will not speak for District Board unless authorized to do so by Chair/CEO. In relaying requests, Hospital Communications will suggest appropriate response to Chair/CEO.

6.0 EMPLOYEES

6.1.1 Hospital employees are not permitted to make statements to media or through media on behalf of the Hospital and/or Board without authorization from CEO.

6.1.2 Employees are not permitted to post materials on Hospital/Board website or Facebook page without authorization from the Hospital Communications member designated responsible for maintaining these media.

6.1.3 Employees are not prevented from making personal statements in social media as long as they do not represent themselves as Hospital/Board representatives. Employees must follow Hospital Social Media Policy (#HR8610-300) available from Human Resources.

Dear Colleague:

Sonoma Valley Hospital is fully committed to compliance with the law and ethical standards. In this age of strict government regulation and public scrutiny of business practices, a high level of commitment to compliance is essential.

Sonoma Valley Hospital has developed this Compliance Program to further our mission to provide high-quality patient care in a manner that ensures compliance with the law and the highest business ethics. This Compliance Program includes a comprehensive discussion of certain laws, the hospital's policies, and expectations about your conduct. However, no written program or policy can cover all circumstances. We therefore ask that you read this Compliance Program (available on the SVH Intranet) carefully to understand not only its written words, but its purpose and meaning as well.

If you have any questions about this Compliance Program or think an event has occurred that violates this Compliance Program, you shall contact our Chief Compliance Officer, who also serves as the hospital Chief Financial Officer. Alternatively, you can anonymously contact our Compliance Hotline by calling 707-935-5151 or sending a fax to Compliance Officer, at 707-935-5433 or e-mail to Compliance@svh.com. You are encouraged to ask questions and to report violations of this Compliance Program.

You can count on Sonoma Valley Hospital to provide the support and environment necessary to make this Compliance Program a success. Similarly, Sonoma Valley Hospital is counting on you to take this Compliance Program seriously and conduct yourself accordingly.

Sincerely,

Kelly Mather

President and Chief Executive Officer

Sonoma Valley Hospital

SECTION 1 — COMPLIANCE PROGRAM SUMMARY

Definitions of Commonly Used Terms

Following is a list of words that are commonly used in this Compliance Program and their meanings:

- **"Hospital"** means Sonoma Valley Hospital, and all of its subsidiaries and affiliates that are covered by this Compliance Program.
- **"Personnel"** means all employees and volunteers of Sonoma Valley Hospital, and all contractors or others who are required to comply with this Compliance Program. Each of these persons shall have access to the Compliance Plan via the hospital intranet and shall receive periodic training on appropriate regulatory requirements.

Purpose of this Compliance Program

Sonoma Valley Hospital is committed to ensuring compliance with all applicable statutes, regulations, and policies governing our daily business activities. To that end, the Hospital created this Compliance Program to serve as a practical guidebook that can be used by all Personnel to assist them in performing their job functions in a manner that complies with applicable laws and policies. This Compliance Program is intended to further our day-to-day commitment that our operations comply with federal and state laws, to provide guidance for all employees, and to serve as a mechanism for preventing and reporting any violation of those laws.

While this Compliance Program contains policies regarding the business of Sonoma Valley Hospital, it does not contain every policy that Personnel are expected to follow. For example, this Compliance Program does not cover payroll, vacation, and benefits policies. The Hospital maintains other policies with which employees are required to comply. You should discuss with your supervisor any questions regarding which policies apply to you.

It is the policy of Sonoma Valley Hospital that:

- All employees are educated about applicable laws and trained in matters of compliance;
- There is periodic auditing, monitoring, and oversight of compliance with those laws;
- An atmosphere exists that encourages and enables the reporting of non-compliance without fear of retribution; and
- Mechanisms exist to investigate, discipline, and correct non-compliance.

Who Is Affected

Everyone employed by Sonoma Valley Hospital is required to comply with the Compliance Program. Because not all sections of the Compliance Program will apply to your job function, you will receive training and other materials to explain which portions of this Compliance Program apply to you.

While this Compliance Program is not intended to serve as the compliance program for all of our contractors, it is important that all contractors perform services in a manner that complies with the law. To that end, agreements with contractors may incorporate certain provisions of this Compliance Program.

This Compliance Program is effective only if everyone takes it seriously and commits to comply with its contents. It is important that you not only understand and comply with the written words of this Compliance Program, but that you also understand and appreciate the spirit and purpose of this Compliance Program. When in doubt, ask your supervisor, review the appropriate section of this Compliance Program, or take other steps to ensure that you are following the Compliance Program.

Compliance requirements are subject to change as a result of new laws. We shall keep this Compliance Program current and useful. You are encouraged to let your supervisor know when you become aware of changes in law or hospital policy that might affect this Compliance Program.

How to Use This Compliance Program

Sonoma Valley Hospital has organized this Compliance Program to be understandable and easy to navigate. Following is a brief description of how this Compliance Program manual is organized.

Section I – Compliance Program Summary

Section II – Code of Conduct
This section contains specific policies related to your personal conduct while performing your job function. The primary objective of these policies is to create a work environment that promotes cooperation, professionalism, and compliance with the law. Compliance with the Code of Conduct is a significant factor in employment performance evaluations. All Personnel will receive training on this section.

Section III – Compliance Program Systems and Processes
This section explains the roles of the Chief Compliance Officer and the Compliance Committee. It also contains information about Compliance Program education and training, auditing, and corrective action. Most importantly, this section explains how to report violations anonymously, either in writing or by calling the Hospital's Compliance Hotline at 707-935-5151 or sending a fax to 707-935-5433 or e-mail to Compliance@svh.com.

Section IV – Compliance Policies
This section includes specific policies that apply to various aspects of Sonoma Valley Hospital's business and operations. Some of these policies may not apply to your specific job function, but it is still important that you are aware of their existence and importance. All Personnel will receive training regarding the policies that apply to their job function.

Following are some tips on how to effectively use this Compliance Program:

- **Important Reference Tool.** This Compliance Program shall be viewed as an important reference manual that can be referred to on a regular basis to answer questions about how to perform your job. Although it may not contain all of the answers, it will contain many and can save you time.
- **Read it in Context.** Sonoma Valley Hospital has created this Compliance Program to incorporate numerous compliance policies, many of which may not apply to you. When reviewing this Compliance Program and the policies contained herein, keep in mind that the policies are to be applied in the context of your job. If you are uncertain about if and how a policy applies to you, ask your supervisor.
- **Keep it Handy. T**his Compliance Program manual easily accessible on the SVH Intranet and easy to refer to it on a regular basis.
- **Talk to Your Co-Workers.** Regular dialogue among co-workers and supervisors is a great way to ensure that policies are being uniformly applied. While this discussion is encouraged, always remember that the provisions of this Compliance Program should guide you on compliance matters.

SECTION II — CODE OF CONDUCT

Our Compliance Mission

Sonoma Valley Hospital's mission is to maintain, restore and improve the health of everyone in our community.

In concert with our medical staff, Sonoma Valley Hospital shall strive to provide quality health care to our community. Our team of dedicated health care professionals shall provide a compassionate and caring environment for patients, and their families and friends, while continuously striving to improve the quality of care that is accessible.

Sonoma Valley Hospital shall collaborate with its medical staff and affiliated organizations to improve health outcomes, enhance quality of life and promote human dignity through health education, prevention, and services across the health care continuum.

Sonoma Valley Hospital's Board of Directors (hereinafter referred to as "Governing Board") adopted the Compliance Program, including this Code of Conduct, to provide standards by which Personnel shall conduct themselves in order to protect and promote Hospital integrity and to enhance the Hospital's ability to achieve its objectives. Sonoma Valley Hospital believes this Code of Conduct will significantly contribute to a positive work environment for all.

No written policies can capture every scenario or circumstance that can arise in the workplace. Sonoma Valley Hospital expects Personnel to consider not only the words written in this Code of Conduct, but the meaning and purpose of those words as well. You are expected to read this Code of Conduct and exercise good judgment. You are encouraged to talk to your supervisor or Sonoma Valley Hospital's Chief Compliance Officer if you have any questions about this Code of Conduct or what is expected of you.

All Personnel are expected to be familiar with the contents of this Code of Conduct. Training and education will be provided periodically to further explain this Code of Conduct and its application. HealthStream will serve as the education module for compliance training.

Compliance With Laws

It is the policy of Sonoma Valley Hospital, its affiliates, contractors and employees to comply with all applicable laws. When the application of the law is uncertain, the Hospital will seek guidance from legal counsel.

Open Communication

Sonoma Valley Hospital encourages open lines of communication between Personnel. If you are aware of an unlawful or unethical situation, there are several ways you can bring this to the Hospital's attention. Your supervisor is the best place to start, but you can also contact the Hospital's Chief Compliance Officer or call the Compliance Hotline to express your concerns. All employee reports of unlawful or unethical conduct will be investigated promptly. The Hospital does not tolerate threats or acts of retaliation or retribution against employees for using these communication channels.

Your Personal Conduct

Sonoma Valley Hospital's reputation for the highest standards of conduct rests not on periodic audits by lawyers and accountants, but on the high measure of mutual trust and responsibility that exists between employees and the Hospital. It is based on you, as an individual, exercising good judgment and acting in accordance with this Code of Conduct and the law.

Ethical behavior on the job essentially comes down to honesty and fairness in dealing with other employees and with patients, vendors, competitors, the government and the public. It is no exaggeration to say that Sonoma Valley Hospital's integrity and reputation are in your hands.

Sonoma Valley Hospital's basic belief in the importance of respect for the individual has led to a strict regard for the privacy and dignity of Personnel. When management determines that your personal conduct adversely affects your performance, that of other Personnel, or the legitimate interests of Sonoma Valley Hospital, the Hospital may be required to take action.

The Work Environment

Sonoma Valley Hospital strives to provide Personnel with a safe and productive work environment. The work environment also shall be free from discrimination and harassment based on race, color, religion, sex, sexual orientation, age, national origin, disability, veteran status, or other factors that are unrelated to the Hospital's legitimate business interests. The Hospital will not tolerate sexual advances, actions, comments, or any other conduct in the workplace that creates an intimidating or otherwise offensive environment. Similarly, the use of racial or religious slurs — or any other remarks, jokes, or conduct that encourages or permits an offensive work environment — will not be tolerated.

If you believe that you are subject to such conduct, you shall bring such activity to the attention of the Hospital, either by informing your supervisor, Human Resources, the Hospital's Chief Compliance Officer, or by calling the Compliance Hotline. The Hospital considers all complaints of such conduct to be serious matters, and all complaints will be investigated promptly.

Some other activities that are prohibited because they clearly are not appropriate are:

- Threats,
- Violent behavior,
- The possession of weapons of any type,
- The distribution of offensive jokes or other offensive materials via e-mail or any other manner, and
- The use, distribution, sale or possession of illegal drugs or any other controlled substance, except to the extent permitted by law for approved medical purposes.

In addition, employees may not be on Sonoma Valley Hospital premises or in the Hospital work environment if they are under the influence of or affected by illegal drugs, alcohol, or controlled substances used other than as prescribed.

Employee Privacy

Sonoma Valley Hospital collects and maintains personal information that relates to your employment, including medical and benefit information. Access to personal information is restricted solely to people with a need to know. Personal information is released outside the Hospital or its agents only with employee approval, except in response to appropriate investigatory or legal requirements, or in accordance with other applicable law. Employees who are responsible for maintaining personal information and those who are provided access to such information shall ensure that the information is not disclosed in violation of the Hospital's Personnel policies or practices.

Use of Hospital Property

Sonoma Valley Hospital equipment, systems, facilities, corporate charge cards and supplies shall be used only for conducting Hospital business or for purposes authorized by management.

Personal items, messages or information that you consider private shall not be placed or kept in telephone systems, computer systems, offices, work spaces, desks, credenzas or file cabinets. Employees shall have no expectation of privacy with regard to items or information stored or maintained on Hospital equipment or premises. Management is permitted to access these areas. Employees shall not search for or retrieve articles from another employee's workspace without prior approval from that employee or management.

Since supplies of certain everyday items are readily available at Sonoma Valley Hospital work locations, the question of making personal use of them frequently arises. The answer is clear: employees may not use Hospital supplies for personal use.

Use of Hospital Computers

The increasing reliance placed on computer systems, internal information and communications facilities in carrying out Sonoma Valley Hospital business makes it absolutely essential to ensure their integrity. Like other Hospital assets, these facilities and the information they make available through a wide variety of databases shall be used only for conducting Sonoma Valley Hospital business or for purposes authorized by management. Their unauthorized use, whether or not for personal gain, is a misappropriation of Hospital assets.

While Sonoma Valley Hospital conducts audits to help ensure that Hospital systems, networks and databases are being used properly, it is your responsibility to make sure that each use you make of any Hospital system is authorized and proper.

Personnel are not allowed to load or download software or data onto Sonoma Valley Hospital computer systems unless it is for business purposes and is approved in advance by the appropriate supervisor. Personnel shall not use Sonoma Valley Hospital e-mail systems to deliver or forward inappropriate jokes, unauthorized political materials, religious messages, or any other potentially offensive materials. Personnel are strictly forbidden from using computers to access the Internet for purposes of gambling, viewing pornography, or engaging in any illegal activities.

Employees shall have no expectation of privacy with regard to items or information stored or maintained on Sonoma Valley Hospital equipment or premises.

Use of Proprietary Information

Proprietary Information

Proprietary information is generally confidential information that is developed by Sonoma Valley Hospital as part of its business and operations. Such information includes, but is not limited to, the business, financial, marketing, and contract arrangements associated with Sonoma Valley Hospital services and products. It also includes computer-access passwords, procedures used in producing computer or data processing records, personnel and medical records, and payroll data. Other proprietary information includes management know-how and processes; Sonoma Valley Hospital business and product plans with outside vendors; a variety of internal databases; and copyrighted material, such as software.

The value of this proprietary information is well known to many people in the Hospital industry. Besides competitors, they include industry and security analysts, members of the press, and consultants. Sonoma Valley Hospital alone is entitled to determine who may possess its proprietary information and what use may be made of it, except for specific legal requirements such as the publication of certain reports.

Personnel often have access to information that the Hospital considers proprietary. Therefore, it is very important not to use or disclose proprietary information except as authorized by Sonoma Valley Hospital.

Inadvertent Disclosure

The unintentional disclosure of proprietary information can be just as harmful as intentional disclosure. To avoid unintentional disclosure, never discuss with any unauthorized person proprietary information that has not been made public by the Hospital. This information includes unannounced products or services, prices, earnings, procurement plans, business volumes, capital requirements, confidential financial information, marketing and service strategies, business plans, and other confidential information. Furthermore, you shall not discuss confidential information even with authorized Sonoma Valley Hospital employees if you are in the presence of others who are not authorized — for example, at a conference reception or in a public area such as an airplane. This also applies to discussions with family members or with friends, who might innocently or inadvertently pass the information on to someone else.

Direct Requests for Information

If someone outside Sonoma Valley Hospital asks you questions about the Hospital or its business activities, either directly or through another person, do not attempt to answer them unless you are certain you are authorized to do so. If you are not authorized, refer the person to the appropriate source within the Hospital. Under no circumstances shall you continue contact without guidance and authorization. If you receive a request for information or to conduct an interview from an attorney, investigator, or any law enforcement officer, and it concerns Sonoma Valley Hospital's business, you shall refer the request to the office of the Hospital's Chief Executive Officer. Similarly, unless you have been authorized to talk to reporters, or to anyone else writing about or otherwise covering the Hospital or the industry, direct the person to your to the Hospital's Chief Executive Officer.

Disclosure and Use of Proprietary Information

Besides your obligation not to disclose any Sonoma Valley Hospital proprietary information to anyone outside the Hospital, you are also required to use such information only in connection with the Hospital's business. These obligations apply whether or not you developed the information yourself.

Recording and Reporting Information

You shall record and report all information accurately and honestly. Every employee records information of some kind and submits it to the Hospital (for example, a time card, an expense account record, or a report). To submit a document that contains false information — an expense report for meals not eaten, miles not driven, or for any other expense not incurred — is dishonest reporting and is prohibited.

Dishonest reporting of information to organizations and people outside Sonoma Valley Hospital is also strictly prohibited and could lead to civil or even criminal liability for you and the Hospital. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it. Personnel shall ensure that they do not make false or misleading statements in oral or written communications provided to organizations outside of Sonoma Valley Hospital.

Proprietary and Competitive Information About Others

In the normal course of business, it is not unusual to acquire information about many other organizations, including competitors (competitors are other Hospitals and health facilities). Doing so is a normal business activity and is not unethical in itself. However, there are limits to the ways that information shall be acquired and used. Improper solicitation of confidential data about a competitor from a competitor's employees or from Hospital patients is prohibited. Sonoma Valley Hospital will not tolerate any form of questionable intelligence-gathering.

Exception

Nothing contained herein is to be construed as prohibiting conduct legally protected by the National Labor Relations Act or other applicable state or federal law.

Gifts and Entertainment

Sonoma Valley Hospital understands that vendors and others doing business with the Hospital may wish to provide gifts, promotional items, and entertainment to Hospital Personnel as part of such vendors' own marketing activities. Sonoma Valley Hospital also understands that there may be occasions where the Hospital may wish to provide reasonable business gifts to promote the Hospital's services. However, the giving and receipt of such items can easily be abused and have unintended consequences; giving and receiving gifts, particularly in the health care industry, can create substantial legal risks.

General Policy

It is the general policy of Sonoma Valley Hospital that neither you nor any member of your family may solicit, receive, offer, or pay any money or gift that is, or could be reasonably construed to be, an inducement in exchange for influence or assistance in conducting Hospital business. It is the intent of the Hospital that this policy be construed broadly such that all business transactions with vendors, contractors, and other third parties are transacted to avoid even the appearance of improper activity.

Spending Limits — Gifts, Dining and Entertainment

Sonoma Valley Hospital has developed policies that clearly define the spending limits permitted for items such as gifts, dining and entertainment. All personnel are strictly prohibited from making any expenditure of Hospital or personal funds for gifts, dining or entertainment in any way related to Sonoma Valley Hospital business unless such expenditures are approved in advance by the hospital CEO.

Marketing and Promotions in Health Care

As a provider of health care services, the marketing and promotional activities of Sonoma Valley Hospital may be subject to anti-kickback and other laws that specifically apply to the health care industry. The Hospital has adopted policies elsewhere in this Compliance Program to specifically address the requirements of such laws.

It is the policy of Sonoma Valley Hospital that Personnel are not allowed to solicit, offer or receive any payment or remuneration of any kind (regardless of the value) in exchange for referring, or recommending the referral of, patients or customers to Sonoma Valley Hospital.

Marketing

Sonoma Valley Hospital has expended significant efforts and resources in developing its services and reputation for providing high-quality patient care. Part of those efforts involves advertising, marketing, and other promotional activities. While such activities are important to the success of the Hospital, they are also potential sources of legal liability as a result of health care laws (such as the anti-kickback laws) that regulate the marketing of health care services. Therefore, it is important that the Hospital closely monitor and regulate advertising, marketing, and other promotional activities to ensure that all such activities are performed in accordance with Sonoma Valley Hospital objectives and applicable law.

This Compliance Program contains various policies applicable to specific business activities of Sonoma Valley Hospital. In addition to those policies, it is the general policy of the Hospital that no Personnel engage in any advertising, marketing, or other promotional activities on behalf of the Hospital unless such activities are approved in advance by the appropriate Hospital representative. You shall ask your supervisor to determine the appropriate Sonoma Valley Hospital representative to contact. In addition, no advertising, marketing, or other promotional activities targeted at health care providers or potential patients may be conducted unless approved in advance by the Hospital's legal counsel.

Conflicts of Interest

A conflict of interest may arise if you engage in any activities or advance any personal interests at the expense of Sonoma Valley Hospital's interests. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee, a relative, or a friend as a result of the Hospital's business dealings. You shall avoid situations in which your loyalty may become divided.

An obvious conflict of interest is providing assistance to an organization that provides services and products in competition with Sonoma Valley Hospital's current or potential services or products. You may not, without prior consent, work for such an organization as an employee, a consultant, or a member of its Governing Board. Such activities are prohibited because they divide your loyalty between Sonoma Valley Hospital and that organization. Failure to obtain prior consent in advance from the Hospital's Chief Executive Officer, Chief Compliance Officer or legal counsel may be grounds for termination.

Outside Employment and Business Interests

You are not permitted to work on any personal business venture on Sonoma Valley Hospital premises or while working on Hospital time. In addition, you are not permitted to use Sonoma Valley Hospital equipment, telephones, computers, materials, resources or proprietary information for any outside work. You shall abstain from any decision or discussion affecting the Hospital when serving as a member of an outside organization or board or in public office, except when specific permission to participate has been granted by the Hospital's Chief Compliance Officer or legal counsel.

Contracting with the Hospital

You may not contract with Sonoma Valley Hospital to be a supplier, to represent a supplier to the Hospital, or to work for a supplier to the Hospital while you are an employee of Sonoma Valley Hospital. In addition, you may not accept money or benefits, of any kind, for any advice or services you may provide to a supplier in connection with its business with Sonoma Valley Hospital.

Anti-Competitive Activities

If you work in sales or marketing, Sonoma Valley Hospital asks you to perform your job not just vigorously and effectively, but fairly, as well. False or misleading statements about a competitor are inappropriate, invite disrespect and complaints, and may violate the law. Be sure that any comparisons you make about competitors' products and services are fair and accurate. (Competitors are other hospitals and health facilities.)

Reporting Violations

Sonoma Valley Hospital supports and encourages each employee and contractor to maintain individual responsibility for monitoring and reporting any activity that violates or appears to violate any applicable statutes, regulations, policies, or this Code of Conduct.

Sonoma Valley Hospital has established a reporting mechanism that permits anonymous reporting, if the person making the report desires anonymity. Employees who become aware of a violation of the Hospital Compliance Program, including this Code of Conduct, shall report the improper conduct to their departmental compliance officer or the Chief Compliance Officer. That officer, or a designee, will then investigate all reports and insure that appropriate follow-up actions are taken.

Sonoma Valley Hospital policy prohibits retaliation against an employee who makes such a report in good faith. In addition, it is the policy of the Hospital that no employee will be punished on the basis that he/she reported what he/she reasonably believed to be improper activity or a violation of this Program.

However, employees are subject to disciplinary action if after an investigation, the Hospital reasonably concludes that the reporting employee knowingly fabricated, or knowingly distorted, exaggerated, or minimized the facts to either cause harm to someone else or to protect or benefit themselves or another person.

SECTION III — COMPLIANCE PROGRAM SYSTEMS AND PROCESSES

This Compliance Program contains a comprehensive set of policies. In order to effectively implement and maintain these policies, Sonoma Valley Hospital has developed various systems and processes. The purpose of this section of the Compliance Program is to explain the various systems and processes that the Hospital has established for the purpose of providing structure and support to the Compliance Program.

Compliance Officers and Committee

Chief Compliance Officer

Sonoma Valley Hospital has a Chief Compliance Officer who serves as the primary supervisor of this Compliance Program. The Hospital's Chief Compliance Officer occupies a high-level position within the organization and has authority to carry out all compliance responsibilities described in this Compliance Program. The Chief Compliance Officer is responsible for assuring that the Compliance Program is implemented to ensure that Sonoma Valley Hospital at all times maintains business integrity and that all applicable statutes, regulations, and policies are followed. The Chief Compliance Officer provides reports to the Governing Board about the Compliance Program and compliance issues as they arise.

The Chief Compliance Officer, or delegate reports to the Governing Board on compliance issues. The Governing Board is ultimately responsible for supervising the work of the Chief Compliance Officer, and maintaining the standards of conduct set forth in the Compliance Program. The Governing Board oversees all of Sonoma Valley Hospital's compliance efforts and takes any appropriate and necessary actions to ensure that the Hospital conducts its activities in compliance with the law and sound business ethics.

The Chief Compliance Officer and Governing Board shall consult with legal counsel as necessary on compliance issues raised by the ongoing compliance review.

Responsibilities of the Chief Compliance Officer
The Chief Compliance Officer's responsibilities include the following:

- General oversight and monitoring of the implementation and maintenance of the Compliance Program.
- Reporting on a regular basis to the Governing Board (no less than annually) on the progress of implementation and operation of the Compliance Program and assisting the Governing Board in establishing methods to reduce the Hospital's risk of fraud, abuse, and waste.
- Periodically revising the Compliance Program in light of changes in the needs of the Hospital and changes in applicable statutes, regulations, and government policies.
- Reviewing at least annually the implementation and execution of the elements of this Compliance Program. The review includes an assessment of each of the basic elements individually, and the overall success of the program.
- Developing, coordinating, and participating in educational and training programs that focus on elements of the Compliance Program with the goal of ensuring that all appropriate Personnel are knowledgeable about, and act in accordance with, this Compliance Program and all pertinent federal and state requirements.
- Ensuring that independent contractors and agents of the Hospital are aware of the requirements of this Compliance Program as they affect the services provided by such contractors and agents.
- Ensuring that employees, independent contractors, and agents of the Hospital have not been excluded from participating in Medicare, Medicaid (Medi-Cal) or any other federal or state heath care program.
- Ensuring that the Hospital does not employ or contract with any individual who has been convicted of a criminal offense related to health care within the previous five years, or who is listed by a federal or state agency as debarred, excluded, or otherwise ineligible for participation in Medicare, Medicaid (Medi-Cal), or any other federal or state health care program.
- Coordinating internal compliance review and monitoring activities.
- Independently investigating and acting on matters related to compliance, including design and coordination of internal investigations and implementation of any corrective action.
- Maintaining a good working relationship with other key operational areas, such as internal audit, coding, billing, and clinical departments.

- Designating work groups or task forces needed to carry out specific missions, such as conducting an investigation or evaluating a proposed enhancement to the Compliance Program.

The Chief Compliance Officer has the authority to review all documents and other information relevant to compliance activities, including, but not limited to, patient records, billing records, records concerning marketing efforts, and all arrangements with third parties, including without limitation employees, independent contractors, suppliers, agents, and physicians.

As authorized by the Governing Board, the Chief Human Resources Officer and the Chief Compliance Officer have direct access to the Governing Board, Chief Executive Officer and other senior management, and to legal counsel. Both the Chief Human Resources Officer and the Chief Compliance Officer has the authority to retain, as he or she deems necessary, outside legal counsel.

Compliance Committee

Sonoma Valley Hospital has established a Compliance Committee to advise the Chief Compliance Officer and assist in monitoring this Compliance Program. The Compliance Committee provides the perspectives of individuals with diverse knowledge and responsibilities within Sonoma Valley Hospital.

Members of the Compliance Committee

The Compliance Committee consists of 6 representatives. The members of the Compliance Committee include those individuals designated below and other members, including representatives of senior management, chosen by the Hospital's Chief Executive Officer in consultation with the Chief Compliance Officer:

- Chief Compliance Officer
- Privacy Officer
- Chief Quality Officer
- Chief Human Resources Officer (and/or delegate)
- Risk Manager
- Director of Information Systems (and/or delegate)
- Controller

The Chief Compliance Officer serves as the chairperson of the Compliance Committee. The Compliance Committee serves in an advisory role and has no authority to adopt or implement policies. The Chief Compliance Officer will consult with members of the Compliance Committee on a regular basis and may call meetings of all or some members of the Compliance Committee.

Functions of the Compliance Committee

The Compliance Committee's functions include the following:

- Assessing existing and proposed compliance policies for modification or possible incorporation into the Compliance Program;
- Working with the Chief Compliance Officer to develop further standards of conduct and policies to promote compliance;
- Recommending and monitoring, in conjunction with the Chief Compliance Officer, the development of internal systems and controls to carry out the standards and policies of this Compliance Program;

- Reviewing and proposing strategies to promote compliance and detection of potential violations;
- Assisting the Chief Compliance Officer in the development and ongoing monitoring of systems to solicit, evaluate and respond to complaints and problems related to compliance;
- Assisting the Chief Compliance Officer in coordinating compliance training, education and other compliance-related activities in the departments and business units in which the members of the Compliance Committee work; and
- Consulting with vendors of the Hospital on a periodic basis to promote adherence to this Compliance Program as it applies to those vendors and to promote their development of formal Compliance Programs.

The tasks listed above are not intended to be exhaustive. The Compliance Committee may also address other compliance related matters as determined by the Chief Compliance Officer.

Compliance Committee Meetings:

A. Compliance Committee meetings shall be used to (1) discuss compliance issues, (2) announce and discuss new initiatives, (3) review rules, regulations, and policies and procedures, (4) develop compliance work plans, and (5) assign responsibilities for meeting Compliance Plan requirements, among other things.

B. The Compliance Officer shall convene Compliance Committee meetings as necessary to meet Sonoma Valley Hospital's compliance needs, but, in any event, the Compliance Committee shall meet no less than once each six months.

C. Meetings cannot take place unless a quorum of the Compliance Committee is present. A quorum requires the presence of (1) the Compliance Officer, and (2) a majority of the Compliance Committee.

D. Meetings may be conducted using teleconferencing and/or videoconferencing equipment, as appropriate.

E. Formal minutes shall be prepared and maintained for each meeting. At a minimum, the minutes shall include (1) the date, time and location of the meeting, (2) a list of the attendees, (3) a summary of the issues discussed, and (4) a summary of any decisions made, including a description of any corrective actions to be taken, as applicable. These minutes will be treated as confidential. Certain portions of the minutes may be attorney-client privileged to the extent they reflect confidential communications from an attorney who is rendering legal advice.

Confidentiality:

A. The Issues addressed by the Compliance Committee are often sensitive and involve the review of confidential information. As such, the Compliance Steering Committee shall:

1. treat such information as confidential;
2. refrain from discussing any matter relating to the Compliance Committee outside of the Committee's established process; and
3. refrain from using information obtained by the Compliance Committee other than for the purpose for which the information was originally collected.

B. Notwithstanding section A as described above, the Compliance Committee may share information with the Compliance Officer and Sonoma Valley Hospital's Chief Executive Officer and Board of Directors.

C. Compliance Committee members shall ensure that documents in their possession are stored in a secure manner to prevent unauthorized access.

D. Any questions or clarifications regarding confidentiality shall b addressed by the Compliance Officer.

Compliance as an Element of Performance

The promotion of, and adherence to, the elements of this Compliance Program is a factor in evaluating the performance of all Hospital employees. Employees will be periodically trained regarding the Compliance Program, and new compliance policies that are adopted. In particular, all managers and supervisors involved in any processes related to the evaluation, preparation, or submission of medical claims shall do the following:

- Discuss, as applicable, the compliance policies and legal requirements described in this Compliance Program with all supervised Personnel.
- Inform all supervised Personnel that strict compliance with this Compliance Program is a condition of continued employment.
- Inform all supervised Personnel that disciplinary action will be taken, up to and including termination of employment or contractor status, for violation of this Compliance Program.

Managers and supervisors will be subject to discipline for failure to adequately instruct their subordinates on matters covered by the Compliance Program. Managers and supervisors will also be subject to discipline for failing to detect violations of the Compliance Program where reasonable diligence on the part of the manager or supervisor would have led to the discovery of a problem or violation and thus would have provided Sonoma Valley Hospital with the opportunity to take corrective action.

Training and Education

Sonoma Valley Hospital acknowledges that this Compliance Program will be effective only if it is communicated and explained to Personnel on a routine basis and in a manner that clearly explains its requirements. For this reason, the Hospital requires all Personnel to attend specific training programs on a periodic basis. Training requirements and scheduling are established by the Hospital for its departments and affiliates based on the needs and requirements of each department and affiliate. Training programs include appropriate training in federal and state statutes, regulations, guidelines, the policies described in this Compliance Program, and corporate ethics. Training will be conducted by qualified internal or external Personnel or qualified internet-based training system. New employees are trained early in their employment. Training programs may include sessions highlighting this Compliance Program, summarizing fraud and abuse laws, physician self-referral laws, claims development and submission processes, and related business practices that reflect current legal standards.

All formal training undertaken as part of the Compliance Program is documented. Documentation includes at a minimum the identification of the Personnel participating in the training, the subject matter of the training, the length of the training, the time and date of the training, the training materials used, and any other relevant information such as the sign-in roster and CV of the trainer if the training is conducted by an individual rather than internet-based.

The Chief Compliance Officer evaluates the content of the training program at least annually to ensure that the subject content is appropriate and sufficient to cover the range of issues confronting Sonoma Valley Hospital's employees. The training program is modified as necessary to keep up-to-date with any changes in federal and state health care program requirements, and to address results of the Hospital's audits and investigations; results from previous training and education programs; trends in Hotline reports; and guidance from applicable federal and state agencies. The appropriateness of the training format is evaluated by reviewing the length of the training sessions; whether training is delivered via live instructors or via computer-based training programs; the frequency of training sessions; and the need for general and specific training sessions.

The Chief Compliance Officer seeks feedback to identify shortcomings in the training program, and administers post-training tests as appropriate to ensure attendees understand and retain the subject matter delivered.

Specific training for appropriate corporate officers, managers, and other employees may include areas such as:

- Restrictions on marketing activities.
- General prohibitions on paying or receiving remuneration to induce referrals.
- Proper claims processing techniques.
- Monitoring of compliance with this Compliance Program.
- Methods for educating and training employees.
- Duty to report misconduct.

The members of the Hospital's Governing Board will be provided with periodic training, not less than annually, on fraud and abuse laws and other compliance matters.

Attendance and participation in compliance training programs is a condition of continued employment. Failure to comply with training requirements will result in disciplinary action, including possible termination.

Adherence with the provisions of this Compliance Program, including training requirements, is a factor in the annual evaluation of each Hospital employee. Where feasible, outside contractors will be afforded the opportunity to participate in, or be encouraged to develop their own, compliance training and educational programs, to complement Sonoma Valley Hospital's standards of conduct and compliance policies. The Chief Compliance Officer will ensure that records of compliance training, including attendance logs and copies of materials distributed at training sessions, are maintained.

The compliance training described in this program is in addition to any periodic professional education courses that may be required by statute or regulation for certain Personnel. Sonoma Valley Hospital expects its employees to comply with applicable education requirements; failure to do so may result in disciplinary action.

Lines of Communicating and Reporting

Open Door Policy

The Hospital recognizes that clear and open lines of communication between the Chief Compliance Officer and Hospital Personnel are important to the success of this Compliance Program. The Hospital maintains an open door policy in regards to all Compliance Program related matters. Hospital Personnel are encouraged to seek clarification from the Chief Compliance Officer in the event of any confusion or question about a statute, regulation, or policy discussed in this Compliance Program.

Submitting Questions or Complaints

The Hospital has established a telephone Hotline for use by Hospital Personnel to report concerns or possible wrongdoing regarding compliance issues. We refer to this telephone line as our "Compliance Hotline."

The Compliance Hotline contact numbers are:

Phone: 707-935-5151 Fax: 707-935-5433 E-mail: Compliance@svh.com

Personnel may also submit compliance-related questions or complaints in writing. Letters may be sent anonymously. All such letters shall be sent to the Chief Compliance Officer at the following address:

Chief Compliance Officer
Sonoma Valley Hospital
347 Andrieux Street
Sonoma, CA 95476

The Compliance Hotline numbers and the Chief Compliance Officer's address are posted in conspicuous locations throughout Sonoma Valley Hospital's facilities.

Calls to the Compliance Hotline are treated confidentially and are not traced. The caller need not provide his or her name. Sonoma Valley Hospital's Chief Compliance Officer or designee investigates all calls and letters and initiates follow-up actions as appropriate.

Communications via the Compliance Hotline and letters mailed to the Chief Compliance Officer are treated as privileged to the extent permitted by applicable law; however, it is possible that the identity of a person making a report may become known, or that governmental authorities or a court may compel disclosure of the name of the reporting person.

Matters reported through the Compliance Hotline, or in writing, that suggest violations of compliance policies, statutes, or regulations, are documented and investigated promptly. A log is maintained by the Chief Compliance Officer of calls or communications, including the nature of any investigation and subsequent results. A summary of this information is included in reports by the Chief Compliance Officer to the Hospital's Governing Board and Chief Executive Officer.

Non-Retaliation Policy

It is Sonoma Valley Hospital's policy to prohibit retaliatory action against any person for making a report, anonymous or otherwise, regarding compliance. However, Hospital Personnel cannot use complaints to the Chief Compliance Officer to insulate themselves from the consequences of their own wrongdoing or misconduct. False or deceptive reports may be grounds for termination. It will be considered a mitigating factor if a person makes a forthright disclosure of an error or violation of this Compliance Program, or the governing statutes and regulations.

Enforcing Standards and Policies

Policies

It is the policy of Sonoma Valley Hospital to appropriately discipline Hospital Personnel who fail to comply with the Code of Conduct or the policies set forth in, or adopted pursuant to, this Compliance Program or any federal or state statutes or regulations.

The guiding principles underlying this policy include the following:

- Intentional or reckless non-compliance will subject Personnel to significant sanctions, which may include oral warnings, suspension, or termination of employment, depending upon the nature and extent of the non-compliance.
- Negligent failure to comply with the policies set forth in this Compliance Program, or with applicable laws, will also result in sanctions.
- Disciplinary action will be taken where a responsible employee fails to detect a violation, if this failure is attributable to his or her negligence or reckless conduct.
- Internal audit or review may lead to discovering violations and result in disciplinary action.

Because Sonoma Valley Hospital takes compliance seriously, the Hospital will respond to Personnel misconduct.

Discipline Procedures

Personnel found to have violated any provision of this Compliance Program are subject to discipline consistent with the policies set forth herein, including termination of employment if deemed appropriate by the Hospital. Any such discipline is within the sole discretion of the Hospital. Each instance involving disciplinary action shall be thoroughly documented by the employee's supervisor and the Chief Compliance Officer.

Upon determining that an employee of Sonoma Valley Hospital or any of its affiliates has committed a violation of this Compliance Program, such employee shall meet with his or her supervisor to review the conduct that resulted in violation of the Compliance Program. The employee and supervisor will call the Chief Compliance Officer to discuss any actions that may be taken to remedy such violation. All employees are expected to cooperate fully with the Chief Compliance Officer during the investigation of the violation. Legal counsel will be consulted prior to final actions or disciplinary measures, as appropriate.

Auditing and Monitoring

Sonoma Valley Hospital conducts periodic monitoring of this Compliance Program. Compliance reports created by this monitoring, including reports of suspected non-compliance, will be reviewed and maintained by the Chief Compliance Officer or delegate.

The Chief Compliance Officer will develop and implement an audit plan. The plan will be reviewed at least annually to determine whether it addresses the proper areas of concern, considering, for example, findings from previous years' audits, risk areas identified as part of the annual risk assessment, and high volume services.

Periodic compliance audits are used to promote and ensure compliance. These audits are performed by internal or external auditors who have the appropriate qualifications and expertise in federal and state health care statutes and regulations and federal health care program requirements. The audits will focus on specific programs or departments of the Hospital, including external relationships with third-party contractors. These audits are designed to address, at a minimum, compliance with laws governing kickback arrangements, physician self-referrals, claims development and submission (including an assessment of the Hospital's billing system), reimbursement, and marketing. All Personnel are expected to cooperate fully with auditors during this process by providing information, answering questions, etc. If any employee has concerns regarding the scope or manner of an audit, the employee shall discuss this with his/her immediate supervisor.

Sonoma Valley Hospital shall conduct periodic reviews, including unscheduled reviews, to determine whether this Compliance Program's elements have been satisfied. Appropriate modifications to the Compliance Program will be implemented when monitoring discloses that compliance issues have not been detected in a timely manner due to Compliance Program deficiencies.

The periodic review process may include the following techniques:

- Interviews with Personnel involved in management, operations, claim development and submission, and other related activities.
- Questionnaires developed to solicit impressions of the Hospital Personnel.
- Reviews of all billing documentation, including medical and financial records and other source documents that support claims for reimbursement and claims submissions.
- Presentations of a written report on compliance activities to the Chief Compliance Officer. The report shall specifically identify areas, if any, where corrective actions are needed. In certain cases, subsequent reviews or studies may be conducted to ensure that recommended corrective actions have been successfully implemented.

Error rates shall be evaluated and compared to error rates for prior periods as well as available norms. If the error rates are not decreasing, the Hospital shall conduct a further investigation into other aspects of the Compliance Program in an effort to determine hidden weaknesses and deficiencies.

Corrective Action

Violations and Investigations

Violations of this Compliance Program, failure to comply with applicable federal or state laws, and other types of misconduct threaten the Hospital's status as a reliable and honest provider of health care services. Detected but uncorrected misconduct can seriously endanger the Hospital's business and reputation, and can lead to serious sanctions against the Hospital. Consequently, upon reports or reasonable indications of suspected non-compliance, prompt steps to investigate the conduct in question will be initiated under the direction and control of the Chief Compliance Officer to determine whether a material violation of applicable law or the requirements of the Compliance Program has occurred. The Chief Compliance Officer may create a response team to review suspected non-compliance including representatives from the compliance, audit, and other relevant departments.

If such a violation has occurred, prompt steps will be taken to correct the problem, taking into account the root cause of the problem. As appropriate, such steps may include an immediate referral to criminal and/or civil law enforcement authorities, a corrective action plan, a report to the Office of Inspector General (OIG) or any other appropriate government organization, and/or submission of any overpayments. The specific steps that are appropriate in any given case will be determined after consultation with legal counsel.

Depending upon the nature of the alleged violations, the Chief Compliance Officer's internal investigation could include interviews with relevant staff and a review of relevant documents. Legal counsel, auditors, or health care experts may be engaged by the Chief Compliance Officer to assist in an investigation where the Chief Compliance Officer deems such assistance appropriate. Complete records of all investigations will be maintained which contain documentation of the alleged violations, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, results of the investigation (e.g., any disciplinary action taken), and corrective actions implemented.

If an investigation of an alleged violation is undertaken and the Chief Compliance Officer believes the integrity of the investigation may be at stake because of the presence of employees under investigation, those employees will be removed from their current work activity until the investigation is completed. Where necessary, the Chief Compliance Officer will take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation.

Reporting

If the Chief Compliance Officer or a management official discovers credible evidence of misconduct from any source and, after reasonable inquiry, has reason to believe that the misconduct may violate criminal, civil, or administrative law, then the misconduct will promptly be reported as appropriate to the OIG or any other appropriate governmental authority or federal and/or state law enforcement agency having jurisdiction over such matter. Such reports will be made by the Chief Compliance Officer on a timely basis.

All overpayments identified by Sonoma Valley Hospital shall be promptly disclosed and/or refunded to the appropriate public or private payer or other entity.

SECTION IV — COMPLIANCE POLICIES

HOSPITAL POLICIES ARE AVAILABLE FOR REFERENCE ON THE

SONOMA VALLEY HOSPITAL INTRANET

Meeting Date: December 6, 2014

Prepared by: Peter Hohorst

Agenda Item Title: ACHD Certified for Best Practices in Governance

Recommendations:
That the Board approve the preparation of documents for submission to ACHD for Certification of SVH for Best Practices in Governance

Background:
The ACHD, in recognition of the need to reassure the public that Health Care Districts are well run and follow "Best Practices" with regard to governance, has prepared a list of criteria that a District should be following. The ACHD is encouraging all Health Care Districts to compare their governance processes against these criteria and will issue a Certificate of Best Practices in Governance to Districts that meet them.
A review of governance processes and procedures showed that SVH meets the ACHD criteria and would receive the certification when the documentation is submitted. Further the review showed that although the submission in some cases would require documentation of procedures that are already being followed, for the most part the submission would involve assembling existing documents and could be accomplished by the Governance Committee.
The required information/documents are:

- Copies of completed Ethics Training for each Board member
- Copy of District policy on Brown Act compliance
- Copy of District policy on responding to requests for public records
- Copy of the District policy on Conflict of Interest
- Copy of the required files for the Fair Political Practices Commission
- Copy of confirmation for the current State Controller's Compensation Report

The requirements for the District's Website are:

- District's Mission Statement
- A Map of the District
- A link to the ACHD webpage
- District contact information
- Board member bio and contact information
- The District's annual report
- Board meeting information, including meeting dates, agendas and minutes (12 months)
- A list of the programs and services provided by the District

- A copy of the District's FY 2015 operating budget
- A copy of the Districts FY 2014 audit report
- The District's process for filling Board vacancies should they occur.

Board Policies on CEO compensation

- Copy of the Board policy for establishing CEO objectives
- Copy of the Board policy for evaluating CEO performance

Financial Policies and Practices

- Copy of the Board policy on reimbursable expenses
- Copy of the Board policy on purchasing signature authority
- Copy of the FY 2014 financial audit

Consequences of Negative Action/Alternative Actions:

Failure to submit an application for certification will deprive the District of the opportunity to demonstrate to the citizens of the Valley and to the representatives in the State legislature that the District is run well and transparently.

Financial Impact:

Financial impact will be confined to the Governance Committee

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

SVHCD FINANCE COMMITTEE PERFORMANCE REPORT FOR THE YEAR ENDING DECEMBER 31, 2014

The main purpose of the Finance Committee is to assist the Sonoma Valley Health Care District in its oversight of the District's financial affairs, including the District's financial condition, financial planning, operational and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the District.

The Finance Committee prepares and submits to the Board an annual performance report of the Finance Committee, comparing the performance of the Finance Committee with the requirements of the charter, as stated above.

During the year, the Finance Committee has completed monthly or periodic reviews of:

- Financial Statements
- Patient Billing Performance
- Operational Statistics
- RAC Analysis
- Capital Acquisition Requests
- Annual Operating and Capital Budgets

Additional issues reviewed and/or approved by the Finance Committee included:

- Financial analysis of the Obstetrics Program
- Series A 2009 Government Obligation Bond Refinancing
- Cell Phone Lease Agreement
- Sonoma Valley Hospital Foundation Audit
- Long-term Financial Planning Program Installation
- Capital Acquisition Policy
- Charity Care and Bad Debt Policy
- Hospital Project Summary and Budget
- Net Revenue Analysis
- Revised Finance Committee Charter
- SVHCD Audit Report
- Debt Analysis
- Sonoma Valley Hospital Foundation Cash Flow Projections

This has been a challenging year for the financial operations of the Hospital, both in terms of operations and personnel.

The Finance Committee and the CFO directed a good amount of effort towards evaluating the operations of the Hospital through the cash flow projections.

Significant progress was made in producing a monthly financial package that better reflects the needs of the Finance Committee in its oversight role.

With the departure of the previous CFO in January 2014 an interim CFO was appointed until the recent hire of Ken Jensen, the new CFO. In addition there were several significant changes in the general accounting and patient accounting staff. The staffing changes are now complete and the Finance Committee looks forward to cogent and enhanced reports on the financial operations of the Hospital

The new CFO reports directly to the Hospital CEO. This current reporting structure has already resulted in improved communication among the Finance Committee, the CFO and the CEO.

The Committee appreciates the presence of the CEO, CFO and members of the Medical Staff during the meetings. Their input and perspectives are very important to the Committee in order for it to successfully accomplish its responsibilities

Respectfully submitted,

Steve Barclay
Stephen Berezin
Keith Chamberlin M.D.
Dick Fogg
Shari Glago
Peter Hohorst
Subhash Mishra M.D.
Sharon Nevins
Mary Smith
Phil Woodward.