

Healing Here at Home

**SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, September 3, 2015
6:00 p.m. Regular Session**

**COMMUNITY MEETING ROOM
177 FIRST STREET WEST, SONOMA**

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Nevins</i>	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>		
3. CONSENT CALENDAR A. Regular Board Minutes 8.6.15 B. FC Minutes 7.28.15 C. QC Minutes 7.22.15 D. Policy & Procedure Approval E. Medical Staff Bylaws Rules & Regulations F. MEC Credentialing Report 8.26.15	<i>Nevins</i>	Action
4. SOUTH LOT RECOMMENDATION	<i>Hohorst</i>	Action
5. RES. #325 SETTING GO BOND TAX RATE 2014-15	<i>Jensen</i>	Action
6. CAPITAL PLAN	<i>Jensen/Mather</i>	Action
7. FINANCIAL REPORT FOR JULY 2015	<i>Jensen</i>	Inform
8. CULTURE OF HEALTH : THE FUTURE FOR COMMUNITY HOSPITALS	<i>Mather</i>	Inform
9. ADMINISTRATIVE REPORT FOR AUGUST 2015	<i>Mather</i>	Inform
10. OFFICER & COMMITTEE REPORTS A. <u>Chair Report</u> <ul style="list-style-type: none"> • Board Retreat Update • New date for October 2015 Board Meeting 	<i>Committee Chairs</i>	Inform/Action
11. BOARD COMMENTS	<i>Board Members</i>	Inform
12. ADJOURN Next Regular Board Meeting TBD	<i>Nevins</i>	

3.

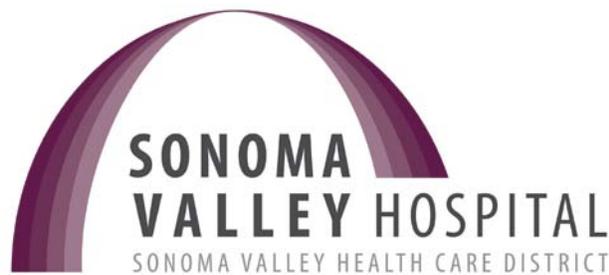
CONSENT
CALENDAR



SVHCD BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, August 6, 2015
Closed Session 5:30 p.m.
Regular Session 6:00 p.m.
COMMUNITY MEETING ROOM
177 FIRST STREET WEST, SONOMA, CA

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER AND ANNOUNCEMENTS The Closed Session was called to order at 5:30pm and the Regular Session at 6:00pm.	<i>Nevins</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Nevins</i>	
3. CLOSED SESSION <u>Calif. Government Code § 54957: Public Employment Executive Employment Agreement with Chief Executive Officer</u>	<i>Nevins</i>	
4. REPORT OF CLOSED SESSION The Board approved the CEO Incentive Compensation Goals FY16 and will be discussed further under item #8 below.	<i>Nevins</i>	MOTION to approve by Boerum and 2 nd by Hirsch. All in favor.
5. PUBLIC COMMENT SECTION	<i>Nevins</i>	
Keith Chamberlin, M.D., MBA introduced himself as the newly appointed Chief of the Medical Staff.		
6. CONSENT CALENDAR	<i>Nevins</i>	Action
A. Regular Board Minutes 7.2.15 B. FC Minutes 6.23.15 C. QC Minutes 6.24.15 D. GC Minutes 4.28.15 E. Policy & Procedure Approval F. MEC Credentialing Report 7.22.15		MOTION by Boerum to approve Consent Calendar <i>as amended</i> and 2 nd by Hirsch. All in favor. Note: minor revisions were made to Agenda Item #7 of the 7.2.15 Board Minutes.
7. QUEEN OF THE VALLEY COMMUNITY OUTREACH	<i>Silva</i>	Inform
Aura Silva, RN, Coordinator of CARE Network presented on the CARE Network Program and its Interdisciplinary Support Model which form part of St. Joseph's Community Outreach Program. Mr. Boerum recommends that SVH adopt a plan similar to St. Joseph's and include its detailed program design in the SVH Strategic Plan.		
8. CEO INCENTIVE COMPENSATION GOALS FY2016	<i>Hirsch</i>	Inform/Action
Ms. Hirsch gave a quick summary of the incentive compensation goals. Both the Board Letter and Stated Goals are attached to these Minutes.		MOTION to approve by Boerum and 2 nd by Hirsch. All in favor
9. COMPREHENSIVE PHARMACY SERVICES (CPS)	<i>Jensen</i>	Action

AGREEMENT, PROPOSED 2nd AMENDMENT		
Mr. Jensen presented the proposed 2 nd Amendment to the Pharmacy Services Agreement and recommended that the Board approve the extended five-year term. This 2 nd Amendment was approved at the Board Finance Committee in July 2015. At end of each year, Mr. Hohorst requested a follow-up report on how the Hospital has performed against the projected savings. This follow-up report will be presented to the Board and optionally to the Board Finance Committee.		MOTION to approve by Boerum and 2 nd by Hirsch. All in favor
10. FINANCIAL REPORT FOR MONTH ENDING JUNE 30, 2015	<i>Jensen</i>	Inform
The month of June's gross patient revenue was favorable to budget by \$2,059,141. As with previous months, there were significant variances in the payer mix compared with budgeted expectations leaving the Hospital net revenue over budget by \$528,628. The actual Net Hospital Revenue would have been unfavorable to budget by (\$95,238) without the LIHP - CMSP revenue. Expenses were over budget by (\$666,098). The significant variances were salaries & wages, benefits costs for unemployment insurance and pension benefits, professional fees, purchased services mostly due to IT costs and depreciation expense. After accounting for all income and expenses the net loss for June was (\$448,664) vs. a budgeted net loss of (\$100,622).		
11. MGH-SVH AFFILIATION AGREEMENT	<i>Mather</i>	Action
Ms. Mather recommended that the Affiliation Agreement between SVH and MGH be renewed at no cost to SVH. In additions, there were some minor revisions.		MOTION to approve by Boerum and 2 nd by Hohorst. All in favor.
12. ADMINISTRATIVE REPORT FOR JULY 2015	<i>Mather</i>	Inform
Ms. Mather reported on the Hospital's financial position which is far more stable than it has been in past years due in large part to Ken Jensen, CFO who joined SVH last year. Patient satisfaction surveys remain positive, growth is strong and overall volumes have increased. OB volumes are the highest they have been in years and there were 24 births in June 2015.		
13. OFFICER & COMMITTEE REPORTS	<i>Committee Chairs</i>	Inform/Action
Governance Committee <u>Proposed Orientation and Resource Manual</u> Mr. Hohorst recommended that the Board approve the new concept for the Orientation and Resource manual. The concept utilizes links to the SVH website and will save resources. He stated that he current hardcopy Orientation Manual is not effective.		MOTION to approve by Boerum and 2 nd by Hirsch. All in favor.
14. BOARD COMMENTS AND ANNOUNCEMENTS	<i>Board Members</i>	Inform/Discuss
No comments.		
15. ADJOURN Meeting adjourned at 7:20pm	<i>Nevins</i>	



Healing Here at Home

Meeting: Closed Session-Board of Directors
Date: August 6, 2015
Prepared by: Jane Hirsch, Peter Hohorst, Board Members
Agenda Item Title: CEO Incentive Compensation FY 2016

Recommendation:

We recommend that the Board approves the proposed CEO Incentive Compensation FY 2016.

Background and Reasoning:

It is a recognized good management practice to establish objectives for key management personnel as a means to motivate, measure, and reward performance.

Objectives are most effective when they are:

- Of significant importance to the organization.
- Established jointly by the manager and his/her direct supervisor
- Measurable by objective metrics
- Achievable as viewed by both the manager and the supervisor

The objectives that follow meet these criteria. Each objective will have three benchmark goals. A base goal that will generate a bonus, if achieved, of 66.7% of the maximum possible bonus for the objective; an intermediate target that will generate a bonus of 86.7% of the maximum possible bonus for the objective and a stretch goal that will generate a bonus of 100% of the maximum for the objective. Performance at a level below the base goal for the objective will not generate a bonus contribution.

The first four objectives are based on quality metrics.

- Achieve 5 out of 9 HCAHPS scores for In-Patient satisfaction above the 50th percentile for 6 of the 12 months of the fiscal year as a base goal, 5 out of 9 for 8 of 12 months for the target and 5 out of 9 for 10 of 12 months for the stretch. The maximum possible bonus for this objective would be 3.0% of annual salary
The HCAHPS scores are the Hospital's rating for patient satisfaction as measured by CMS and an important indication of the quality of customer service.
- Achieve 4 out of 7 HCAHPS scores for Emergency Department Patient Satisfaction above the 50th percentile for 6 of the 12 months of the fiscal year as a base goal, 4 out of 7 for 8 of 12 months for the target and 4 out of 7 for 10 of 12 months for the stretch. The maximum possible bonus for this objective would be 1.5% of annual salary.
- Achieve a Value Based Purchasing Score (VBP) of 53 on an annual basis as a base goal, 55 as a target and 57 for the stretch. The maximum possible bonus for this objective would be 3.0% of annual salary.
the VBP score is a Medicare rating comprised of measurements that CMS uses to evaluate a hospital's performance, which can result in an increase or decrease in reimbursement, based

on performance. For FY 2015, SVH is receiving Medicare reimbursement at a 101.5% rate due to ranking in the top 25% of all hospitals in the CMS ranking. (This is equivalent to about \$250,000 annually in extra reimbursement).

The VBP goal for FY 2016 is lower than the goal for FY 2015 due to a change in the CMS criteria that became effective 1/1/2015 and has resulted in a drop in measured performance for all hospitals in the country.

- Achieve a Picker percentile ranking of 80 for staff satisfaction as a base goal, 85 as a target and 90 as a stretch goal. The maximum possible bonus for this objective would be 1.5% of annual salary. All three goal levels are 5 or more percentile points higher than the FY 2015 goal levels.

With the current tight operating budget and the demands of a changing health care environment, high staff satisfaction levels are extremely difficult.

The fifth objective is in the financial area. During the past 5 years the Hospital has undergone a facility transformation with a new Emergency Department, a new Operating Suite and significant appearance upgrades in most areas of the existing facility. This transformation has been accompanied by an emphasis on patient satisfaction and clinical best practices. In FY 2015 the Hospital achieved a positive cash flow of nearly \$2 million from operations as measured by Earnings, Before Interest, Depreciation and Amortization (EBIDA). EBIDA is the money that is generated by operations that can be used to service non-GO Bond debt, increase working capital and finance capital purchases.

- The base financial goal is to achieve \$2.1 million in Earnings, Before Interest, Depreciation and Amortization (EBIDA) before restricted donations and GO Bond income and expense. The target goal is to achieve an EBIDA of \$2.5 million and the stretch goal is to achieve an EBIDA of \$3.0 million. The maximum possible bonus for this objective would be 9.5% of annual salary.

This EBIDA goal for FY 2016 is lower than the goals set for FY 2015. The lower goals are a reflection of the continuously lowering of reimbursement rates as a result of the Affordable Care Act.

The last objective falls in the area of enhancing the reputation of the Hospital, both within the community and in the wider area of the medical profession through employee outreach efforts as measured by the community service hours of employees.

- The base goal is to contribute 1500 total hours during FY 2016, the target goal is 1600 hours and the stretch goal is 1700 hours.

Consequences of Negative Action/Alternative Actions:

Without clearly defined objectives it is not possible to objectively evaluate CEO performance. Without clearly defined objectives the opportunity to motivate and reward outstanding performance is lost.

Financial Impact:

Achievement of the financial objective would rank FY 2016's performance among the best in the recent history of the Hospital.

Selection Process and Contract History

The present CEO contract, which runs through 2018, includes a provision for a maximum bonus payment of 20%. Because of the importance of financial stability, 45% of the bonus opportunity has been allocated to the financial objective as it was in FY 2015

The CEO Goal Summary FY16 will be distributed to the Board under separate cover.



FY 2016 CEO GOALS

Levels 1 & 2: 0 Salary Incentive Compensation
 Level 3: 66.7% Salary Incentive Compensation
 Level 4: 86.7% Salary Incentive Compensation
 Level 5: 100% Salary Incentive Compensation

PERFORMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT FY 2015	GOAL LEVEL
Service Excellence 3.0% of annual salary	High In-Patient Satisfaction	5 out of 9 HCAHPS questions above 50 th percentile for at least 6 of 12 months		>10 of 12 months= 5 > 8 of 12 months = 4 > 6 of 12 months = 3 > 4 of 12 months = 2 <4 of 12 months = 1
Service Excellence 1.5% of annual salary	High Emergency Department Satisfaction	4 out of 7 EDCAHPS questions above 50 th percentile for at least 6 of 12 months		>10 of 12 months =5 >8 of 12 months=4 >6 of 12 months=3 >3 of 12 months = 2 <3 of 12 months = 1
Quality 3.0% of annual salary	Excellent Patient Outcomes	Value Based Purchasing Score for rolling 12-month average		> 57 = 5 > 55 =4 > 53 =3 > 51 = 2 < 51 = 1
People 1.5% of annual salary	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of current mean score		>90 th = 5 >85 th =4 >80 th =3 >75 th =2 <75 th =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		> \$3 million = 5 > \$2.5 million = 4 > \$2.1 million = 3 > \$2 million = 2 < \$2 million = 1
Healthy Community 1.5% of annual salary	Community Hours	Numbers of hours for community benefit		>1700 hours = 5 > 1600 hours = 4 >1500 hours = 3 >1400 hours = 2 < 1400 hours = 1

Note: Level 1 reflects a result that is worse than the prior year. Level 2 reflects a result that is the same as the prior year. Levels 3 – 5 reflect goals that are better than the prior year.



**SONOMA VALLEY HEALTH CARE
DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, July 28, 2015
Schantz Conference Room**

Present	Excused/Absent	Staff	Public
Dick Fogg Phil Woodward Peter Hohorst Keith Chamberlin M.D., MBA (by phone) Steve Barclay (by phone) Mary Smith	Stephen Berezin S. Mishra M.D.	Ken Jensen Sarah Dungan Gigi Betta Sharon Nevins	Sam McCandless

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community's health care journey.</i>		
1. CALL TO ORDER AND ANNOUNCEMENTS	<i>Fogg</i> Meeting called to order at 5:00pm		
2. PUBLIC COMMENT SECTION	<i>Fogg</i> None		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
FC Meeting Minutes 6.23.15	<ul style="list-style-type: none"> Mr. Barclay asked about Item 5 in the June 23, 2015 Minutes. He has not seen the the additional risk assessment information requested for the Flouroscopy Unit. This item was approved with the condition that additional assessment is provided to the Committee. Ms. Nevins will follow up with Dawn Kuwahara for the information. Regarding Item 6 in the June 23, 2015 Minutes, Mr. Jensen 	MOTION by Woodward to approve <i>pending additional risk assessment</i> , 2 nd by Smith. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	suggested that the Capital Budget be named Capital Plan. Jensen will bring the newly named Capital Plan back to the next Finance Committee.		
4. FINANCIAL REPORT MONTH ENDING JUNE 30, 2015	<i>Jensen</i>	Inform/Action	
	<p>The month of June's gross patient revenue was favorable to budget by \$2,059,141. As with previous months, there were significant variances in the payer mix compared with budgeted expectations. Medi-Cal was 19.7% of gross revenue and Commercial insurance was 20.1%. The net hospital revenue was over budget by \$528,628. The actual Net Hospital Revenue would have been unfavorable to budget by (\$95,238) without the LIHP - CMSP revenue.</p> <p>Mr. Woodward complimented Mr. Jensen on the cash management of the Hospital for the year ending 6/30/15 including reductions in accounts payable and receivable. Cash flow challenges still exist in the areas of capital expenditures and reduction in the line of credit.</p> <p>Ms. Nevins announced that the debt to MGH has been paid off.</p> <p>Accounts payable is currently at a net 45 and Mr. Jensen's goal is net 40.</p>	With net 45.	
5. SCHEDULE OF INSURANCE POLICIES, 2015-2016 RENEWAL	<i>Jensen</i>	Inform	
	The Schedule of Insurance Policies was presented as inform only.		
6. PROPOSED 2nd AMENDMENT TO CPS AGREEMENT	<i>Jensen</i>	Inform/Action	
	<p>Mr. Jensen presented the Proposal to Amend the CPS Agreement giving some background, budget goals and projected savings. Dr. Chamberlin shared his opinions and concerns about the proposal and feels it has not been adequately vetted to bring forward to the Board for approval.</p> <p>*Subsequent to this meeting, Hospital Management decided that the "conditional approval" recommendation by the Finance</p>	MOTION by Nevins to <i>conditionally approve the CPS agreement subject to a follow up meeting before the 8.6.15 Board meeting to further clarify the Agreement*</i> , 2 nd by Woodward. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Committee does not follow policy. The Agreement will move forward to the 8.6.15 Board meeting with Management's recommendation to approve.		
7. ADMINISTRATIVE REPORT JUNE 2015	<i>Nevins</i>	Inform	
	There was no discussion on the Administrative Report.		
8. ADJOURN/DISCUSSION	<i>Fogg</i>		
	Meeting adjourned at 6:30pm		

+



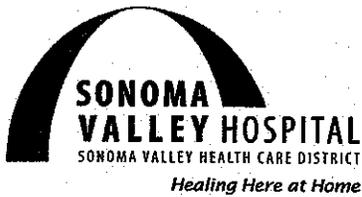
**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING **MINUTES**
Wednesday, July 22, 2015
Schantz Conference Room**

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

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>		
	The meeting was called to order at 5:00pm		
2. PUBLIC COMMENT	<i>Hirsch</i>		
3. CONSENT CALENDAR	<i>Hirsch</i>	Action	
<ul style="list-style-type: none"> QC Minutes, 6.24.15 		MOTION by Eisenstark to approve and 2 nd by Rymer. All in favor.	
4. POPULATION HEALTH STRATEGY PRESENTATION	<i>Mather</i>	Inform	
	Ms. Mather gave an overview of Population Health, a plan offering screenings, health education, counseling and targeted coaching. The population is segmented into three major groups: kids under 18, asymptomatic adults and symptomatic adults. This health improvement strategy is based on the “5 Keys to Wellness” and overall success of the plan is measured by the number of screenings, pre/post knowledge and/or return		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	demonstration after education, and whether or not coaching/counseling patients meet/make improvement toward their health goals.		
5. QUARTERLY PATIENT CARE SERVICES DASHBOARD	<i>Kobe</i>	Inform/Action	
	Mr. Kobe presented the newly revised and <i>nursing specific</i> patient care services dashboard for 2015.		
6. POLICY AND PROCEDURE	<i>Lovejoy</i>	Action	.
<ul style="list-style-type: none"> • Ebola Viral Disease Policy_IC8610-145 • NEW Dietician Nourishments Modification_8340-173 • Universal Protocol_PC8610-125 • Counts, Sponges, Sharps, Instruments_PC7420-119 	There was one correction to the Universal Protocol Policy and then it was approved <i>as amended</i> with all in favor.	MOTION by Rymer to approve policies <i>as amended</i> and 2 nd by Idell. All in favor.	
7. QUALITY REPORT JULY 2015	<i>Lovejoy</i>	Inform/Action	
	<p>July 2015 priorities include CIHQ Mid-Cycle Survey and Quality E Measure. Ms. Lovejoy reminded the Committee about the upcoming Annual Performance Improvement Fair and asked for volunteer judges. Ms. Woodward and Ms. Sheets volunteered to be judges at the event.</p> <p>The Surgical Services Action plan will be covered at the next Quality Committee.</p> <p>The Risk Management Program develops, implements, improves and maintains the processes for making decisions that minimize adverse effects of potential losses to the Hospital in three areas of risk: business, regulatory and clinical. The governing body delegates responsibility to the CEO, Senior Leadership and the Medical Executive Committee.</p>	MOTION by Rymer to approve Quality Report and 2 nd by Idell. All in favor.	
8. CLOSING COMMENTS	<i>Hirsch</i>		.
			.
9. ADJOURN	<i>Hirsch</i>		
	Regular Session adjourned at 6:15 pm		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
10. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Hirsch</i>		
11. CLOSED SESSION	<i>Chamberlin</i>	Action	
<u>Calif. Health & Safety Code § 32155</u> <ul style="list-style-type: none"> • Medical Staff Credentialing & Peer Review Report • Revised Medical Staff Bylaws Rules & Regulations 	The Committee asked for two corrections to the credentialing report. Ms. Lovejoy will pass these changes to the Ms. Iredale, MSO Coordinator. The Credentialing Report was approved <i>as amended</i> and all were in favor.	<p>MOTION by Hirsch to approve Credentialing <i>as amended</i> and 2nd by Sheets. All in favor.</p> <p>MOTION by Rymer to approve changes to Bylaw Rules and Regulations and 2nd by Sheets. All in favor.</p>	
12. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Inform/Action	
13. ADJOURN	<i>Hirsch</i> Closed Session adjourned at 6:25 pm		



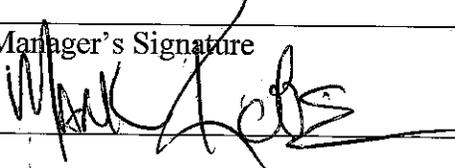
**POLICY AND PROCEDURE
Approvals Signature Page**

Review and Approval Requirements

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

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

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

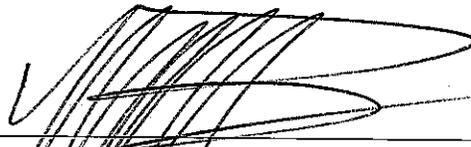
Organizational: Critical Values & Critical Tests	
APPROVED BY:	DATE: 6/17/15
Director's/Manager's Signature 	Printed Name Mark Kobe, RN MPA



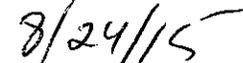
Douglas S Campbell, MD
Chair Medicine Committee



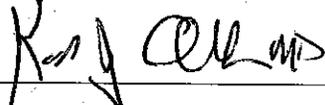
Date



Michael Brown, MD
Chair Surgery Committee



Date



Keith J. Chamberlin, MD MBA
President of Medical Staff



Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Critical Values & Critical Tests Chart**

New Document or Revision written by: **Dr Kretzschmar**

Date of Document: **6-17-15**

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

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

Critical Values & Critical Tests Chart-Laboratory critical test and values chart updated; Dr Kretzschmar to present to committees

Reviewed by:	Date	Approved (Y/N)	Comment
Dr Kretzschmar	6/08/2015	Yes	
Surgery Committee	7/01/2015	No	Changes made AND RETURNED
Medicine Committee	7/09/2015	Yes	TO SURGERY 8-5-15
P.I. or P.T. Committee	n/a		
Surgery Committee	8/05/2015	Yes	
Medical Executive Committee	8/20/2015	Yes	
Board Quality	8/26/2015	YES	AS AMENDED
Board of Directors	9/03/2015		



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 Management Policies MM8610-152, MM8610-154, MM8610-155	
APPROVED BY Director of Pharmacy	DATE: 7/08/15
Director's/Manager's Signature 	Printed Name: Chris Kutza

Leslie Lovejoy, RN, PhD
Chief Quality Officer, CCO

8/20/15

Date

Brian Sebastian, MD
Chair, P.I. & P.T. Committee

8/20/15

Date

Keith J. Chamberlin, MD
President of Medical Staff

8/20/15

Date

Kelly Mather
Chief Executive Officer

8/24/15

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Organizational Policies-Medical Management**

New Document or Revision written by: **Chris Kutza, Director of Pharmacy**

Date of Document: **7-08-2015**

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

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

MM8610-151 Parenteral Nutrition Protocol—Reviewed & Updated order form and consolidated ordering protocol and monitoring guidelines into one policy

MM8610-152 DVT-PE Prophylaxis and Treatment Protocol—Reviewed & Updated; Changed platelet monitoring to day 2, 7, and weekly x2

MM8610-154 Patient Controlled Analgesia (PCA)—Reviewed & Updated; Removed Meperidine PCA from dosing chart

MM8610-155 Pharmaceutical Waste Management—NEW policy

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	n/a	—	
Surgery Committee	n/a	—	
Medicine Committee	n/a	—	
P.I. or P. T. Committee	7/23/2015	Yes	
Medical Executive Committee	8/20/2015	YES	
Board Quality	8/26/2015	YES	
Board of Directors	9/03/2015		



MEDICAL STAFF RULES & REGULATIONS

September 3, 2015

RULE 1

ADMISSIONS

1.1 General

- 1.1-1 The hospital shall accept patients for diagnostic, invasive and therapeutic care. The hospital shall not accept patients who suffer from serious burns, who primarily need psychiatric or substance abuse treatment or, who have virulent infectious diseases for which suitable isolation cannot be maintained.
- 1.1-2 The appropriate Department Chairpersons, President of Medical Staff or Chief Medical Officer shall be consulted whenever questions arise as to whether a patient should be admitted, retained, or transferred, or when disagreements arise between physicians involved in a patient's care. In the case of a disagreement between two Department Chairpersons, the Chief Medical Officer or President of Medical Staff shall be consulted to resolve the dispute. Patients whose medical condition warrants a higher level of care than can be provided at Sonoma Valley Hospital shall be transferred to a higher level of care facility in accordance with EMTALA laws.

1.2 Procedure

- 1.2-1 A patient may be admitted to the hospital only by Medical Staff members who have admitting privileges or by practitioners who have been granted temporary privileges in accordance with the Medical Staff Policy. When a patient is admitted to the hospital by a dentist or a podiatrist, a physician Medical Staff member shall assume responsibility for the overall aspect of the patient's medical care.
- 1.2-2 Patients admitted to the hospital for dental and podiatric care must be given the same basic medical appraisal as patients admitted for other services. The physician Medical Staff member providing medical care shall assume overall responsibility for the patient's medical care throughout the hospital stay, including performance of the history and physical examination except that portion of the examination which relates to dentistry or podiatry.
- 1.2-3 To improve the accuracy of identification of patients, at the time of admission the patient shall be assigned two patient identifiers: (a) the patient's given name, middle initial, and surname as well as (b) the patient's date of birth.

1.3 Responsibility of the Attending Physician

- 1.3-1 The patient's attending physician shall be responsible for directing and supervising the patient's overall medical care, for coordinating all consultations, for completing and recording in the medical record a medical history and physical examination within twenty-four (24) hours after admission, for the prompt and accurate completion of the medical record, for necessary special instructions, and for transmitting information regarding the patient's status to the patient, the referring physician, if any, and to the patient's family. The history and physical examination must be completed and recorded in the medical record prior to any surgery or invasive procedure.

Rule 11.9-2 (H) Operative Reports

prior to surgery, completed consultation notes are required ("cleared" notes are not acceptable).

E. Order Sheets. Medications, treatment, and diet orders shall be entered on the order sheet. (See also the Drug/Medication and Treatment Orders section). All entries shall be dated and timed.

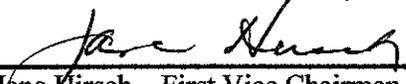
F. Progress Notes. Progress notes shall be entered at least daily and more often when warranted by the patient's condition. The progress notes shall give a chronological picture of the patient's progress, and be sufficient to permit continuity of care and transferability. The progress note shall delineate the course and results of treatment. All progress notes shall be dated and timed.

G. Pre-anesthetic Assessment. The required content of the pre-anesthetic assessment include significant past medical history, previous anesthesia experience, any unusual family history relating to anesthesia, allergy history, current medications, documented physical status assessment including ASA classification, relevant physical examination (specifically airway status), review of relevant diagnostic studies, anesthetic plan, and documented informed consent for the anesthesia

H. Operative Reports. A postoperative note must be entered into the medical record immediately after surgery and include pertinent information that is necessary for any care provider who will be attending the patient. The postoperative note must include at least the following elements:

- 1) Pre and post-op diagnosis.
- 2) Surgeon and assistant surgeon.
- 3) Technical procedure performed.
- 4) Surgical findings.
- 5) Complications.
- 6) Estimated blood loss.
- 7) Condition of patient postoperatively.
- 8) Anesthetic type utilized
- 9) Name of anesthesia provider

A dictated operative report must be completed within forty-eight (48) hours of each surgery and shall contain at least the information described above. Failure to complete operative reports within 48 hours will result in immediate suspension of privileges.

APPROVALS	DATE
 <hr/> D Paul Amara - Chief of Staff Medical Executive Committee	June 18, 2015
 <hr/> Jane Hirsch – First Vice Chairman Sonoma Valley Hospital – Board Quality	August 26, 2015
<hr/> Sharon Nevins - Chairman Sonoma Valley Hospital Board of Directors	September 3, 2015

4.

SOUTH LOT RECOMMENDATION



Meeting Date: September 3, 2015

Prepared by: Kelly Mather, Bill Boerum, Peter Hohorst and the South Lot Recommendation Committee

Agenda Item Title: South Lot Future Recommendation

Recommendations:

That the Board accepts the conclusions reached by the South Lot Recommendation Committee and authorize the Committee to investigate possible options to enable the District to exercise the purchase option in the agreement with the North Valley Bank prior to August 29, 2016

Background:

The South Lot Recommendation Committee has met several times during the past 3 months and has arrived at the following conclusions:

1. The South lot will not be required for new major hospital facilities in the foreseeable future.
 - If a new Outpatient Services facility is needed, the land cost on the main Hospital site, including the cost to demolish the present Central Wing, would be lower than the developed land cost of the vacant portion of the South lot.
 - New information from OSHPD concerning the 2030 Earthquake code make it likely that the West Wing (The Tower) will meet OSHPD's proposed new SPD-4-D code and will not require replacement.
 - If a medical office building were to be needed in the future, the Perkins site would be preferable to the South lot because it already has a Zone P designation.
2. The Hospital will continue to need the parking lot on the South lot. Presently 30 to 40 cars are parked in the lot on a daily basis. If an Outpatient Services facility is constructed on the main Hospital site all 81 parking spaces would be needed to accommodate the higher level of staff and patients.
3. While there is no immediate need for the vacant portion of the South lot at the present time, the Hospital should retain control/ownership of the whole property, if at all possible, as it is the only vacant property of significant size in close proximity to the Hospital.
4. The District should explore the options available to exercise the option to purchase the South lot from the North Valley Bank prior to August 29, 2016. The option is assignable if necessary to implement the exercise of the option.

- If the option is exercised during the first five years of the land lease agreement, the Bank will reduce the price of the property by \$250,000. This five year period ends August 29, 2016.
 - When the option is exercised, in addition to the discount of \$250,000, the Bank will credit toward the purchase price the \$250,000 that was paid for the grant of the option, and an amount equivalent to the amount that would have been accrued if the monthly payments were an amortization of a note of \$2,250,000 at 5% over 25 years. Based on these criteria, the purchase price on August 29, 2016 would be \$1,743,954.
 - This purchase price is lower than the current appraisal value of \$2,600,000 and within \$44,000 of the current appraisal value of the undeveloped portion of the South lot (approx. 3 acres) \$1,700,000.
 - When the District obtains title to the property, the real estate tax of \$32,000 per year will no longer be required.
 - If the \$1,743,954 can be financed over 25 years at a 5% interest rate, the cost of the property will be reduced \$35,500 per year (from \$157,839 to \$122,339)
5. No conclusion has been reached concerning the best use of the vacant portion of the South lot if it is purchased, but several options were discussed:
- A portion of the South lot could be used for construction staging if an Outpatient Services facility were build.
 - The South lot could be subdivided and the undeveloped portion sold for residential development.
 - The South lot could be developed in conjunction with a developer to provide Assisted Living, Congregate Care, Senior Housing, Nursing Home, etc.
 - The South lot could be developed in conjunction with the Buck Institute to provide senior health related services.

Consequences of Negative Action/Alternative Actions:

Failure to act on the purchase option prior to August 29, 2016 will result in an increase of \$250,000 in the price of the South Lot.

Sale of the undeveloped portion of the South Lot at this time will restrict future options for the District to provide suitable facilities for health care services.

Financial Impact:

Exercising the purchase option could reduce operating costs for the District up to \$67,500 per year while still retaining the control/ownership of the South Lot.

Attachment:

South Lot Land Lease Agreement summary



SOUTH LOT LAND LEASE AGREEMENT SUMMARY

August 23, 2015

RE: Land Lease for South Lot

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

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

The discounts from the base purchase price are as follows:

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

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

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

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

5.

**RESOLUTION No. 325
SETTING THE TAX RATE FOR
GENERAL OBLIGATION
BONDS**

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 325

**RESOLUTION SETTING THE TAX RATE FOR THE 2015-16 FISCAL YEAR
FOR THE PAYMENT OF INTEREST ON THE SONOMA VALLEY HEALTH
CARE DISTRICT (SONOMA COUNTY, CALIFORNIA) GENERAL
OBLIGATION BONDS, ELECTION OF 2008, SERIES A (2009),**

WHEREAS, by resolution, adopted by the Board of Directors (the "Board") of the Sonoma Valley Health Care District (the "District") on August 6, 2008, the Board determined and declared that public interest and necessity demanded the need to raise moneys for the expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District (the "Project"), and the Board called a mailed ballot election to be held within the boundaries of the District in accordance with the California Elections Code;

WHEREAS, a special municipal election was held in the District on November 4, 2008 and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purpose of raising money for the Project in the maximum aggregate principal amount of \$35,000,000, payable from the levy of an *ad valorem* tax against all taxable property in the District;

WHEREAS, pursuant to Chapter 4 of Division 23 (commencing with section 32300) of the California Health and Safety Code (the "Act"), the District is empowered to issue general obligation bonds;

WHEREAS, the District sold, on January 27, 2009, an initial series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$12,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series A (2009)" (the "Bonds"); and

WHEREAS, the District sold, on August 1, 2010, an additional series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$23,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series B (2010)" (the "Bonds"); and

WHEREAS, the District sold, on January 28, 2014, a refunding series of bonds for the purpose of refunding the Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series A (2009)" in the aggregate principal amount of \$12,437,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) 2014 General Obligation Refunding Bonds" (the "Bonds"); and

WHEREAS, the County has requested that the District provide to the County the tax rate required for Fiscal Year 2015-2016 to pay interest on the Bonds and to provide a reasonable reserve;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTH CARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. All of the recitals herein are true and correct. To the extent that the recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made thereby.

Section 2. Tax Rate; Remittance.

(a) Based upon the County's estimate of assessed valuation of all secured property in the District (\$8,339,515,321), the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2015-2016 is \$35.00 per \$100,000 of assessed valuation. It is the intent of the District to provide to the County, by resolution, the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2015-2016 and each Fiscal Year thereafter, so long as the Bonds remain outstanding. However, in the event the District fails to provide a tax rate in any year, the County is directed to apply the most recently provided tax rate in such year.

(b) The District hereby delegates to the County Board of Supervisors the authority to annually levy and collect the annual *ad valorem* property taxes required for the payment of the principal of and interest on the Bonds.

(c) The District hereby requests that such amounts, as collected, be remitted directly to The Bank of New York Mellon Trust Company, N.A., the District's paying agent for the Bonds.

Section 3. Request for Necessary County Actions. The County Board of Supervisors and the County Auditor-Controller-Treasurer-Tax Collector, and other officials of the County, are hereby directed to take whatever action that may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District at the tax rate specified in Section 2(a) above.

Section 4. General Authority. The Chair, the Secretary, the Chief Executive Officer and the Chief Financial Officer, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps which they or any of them might deem necessary or appropriate in order to give effect to this resolution.

Section 5. Effective Date. This resolution shall take effect immediately on and after its adoption.

PASSED AND ADOPTED this 3rd day of September, 2015, by the following vote:

NAME	AYE	NAY	ABSTAIN	ABSENT
Nevins				
Hirsch				
Hohorst				
Boerum				
Rymer				

Sharon Nevins
Chair, Board of Directors
Sonoma Valley Health Care District

ATTEST:

Jane Hirsch
1st Vice Chair, Board of Directors
Sonoma Valley Health Care District

EXHIBIT D

Payment Date	Principal	Interest	Total	
February 1, 2016 (Series A)	-	-	-	
February 1, 2016 (Series B)	-	455,977.50	455,977.50	
February 1, 2016 (2014)		229,559.40	229,559.40	
August 1, 2016 (Series A)		-	-	
August 1, 2016 (Series B)	975,000.00	455,977.50	1,430,977.50	
August 1, 2016 (2014)	364,000.00	229,559.40	593,559.40	
Amount Needed for 2016 Debt Service			2,710,073.80	
County Collection Fee (Sect 29142)		0.0025	6,775.18	
Amount Needed -- To be paid by FY 2016 Property Taxes			<u>2,716,848.98</u>	A
Assessed Value - Unsecured			217,397,748	B1
95% of Unsecured Assessed Value			206,527,861	B2 = .95xB1
Prior Year Rate			-	B3
Paid by Assessment on Unsecured Property			<u>-</u>	B = B2xB3
Remaining Amount Needed			2,716,848.98	C=A-B
Assessed Value - Secured + Utility			8,291,568,184	D1
Assessed Value - "HOPTR"			47,947,137	D2
Assessed Value - Total			<u>8,339,515,321</u>	D = D1+D2
Tax Rate Calculation			0.000326	E = C/D
Tax Rate per \$100 of Assessed Value			0.0326	F = Ex100
Tax Rate Adjustment Factor			7.5%	G
Tax Rate Adjustment			0.0024	H = FxG
Tax Rate on Secured Property, as reflected on tax bill (per \$100 of AV)			0.0350	I = F+H
Tax Rate as reflected in Board Resolution (per \$100,000 of AV)			35.00	= 1000 x I

	2014	B Series	Total
Debt Service	\$ 823,119	\$ 1,886,955	\$ 2,710,074
Adjustment Factor - 7.5%	61,734	141,522	203,256
	<u>\$ 884,853</u>	<u>\$ 2,028,477</u>	<u>\$ 2,913,329</u>

	Total District Assessed Value	
	Assumed	Actual
FY 2013	6,875,075,463	
FY 2014	7,181,776,085	
FY 2015	7,716,050,681	
FY 2016	8,339,515,321	
Increase	-7.48%	-100.00%

6.

CAPITAL PLAN

FY 2015 Budget Approved Requests:

Item #	Dept #	Department	DESCRIPTION	PRIORITY #	Remaining Approved Budget
1	8450	Engineering	Fire System	1	120,000
2	8450	Engineering	Nurse Call System	1,3	100,000

Carryover to FY 2016 220,000

FY 2016 Budget Requests:

Item #	Dept #	Department	DESCRIPTION	PRIORITY #	ESTIMATED AMOUNT
1	8450	Engineering	Fire System	1	18,000
2	8450	Engineering	Nurse Call System	1,3	150,000
3	7660	MRI	1.5 8 Channel Knee Coil	4	16,968
4	7660	MRI	1.5 8 CHANNEL NEUROVASCULAR ARRAY	2,4	25,200
5	7670	Ultrasound	OB GYN Stretcher	2,4	6,473
6	8340	Dietary	Computrition Diet Office system. This will enable us to implement Room Service for the acute patients, and to get nutritional analysis of menu items	4	72,198
7	8340	Dietary	Boilerless Convection Steamer	3	7,180
8	6171	OB	2 Wireless Fetal Monitors	3	50,000
9	6171	OB	2 Infant Warmers	3	45,000
10	6171	OB	Carts	3	8,000
11	7630	Radiology	OR Table	3	10,000
12	7420	Surgery	Camera (eye microscope)	3	113,655
13	7420	Surgery	Eye Tray	3	5,513
14	7420	Surgery	Mini C-Arm	3	71,038
15	7420	Surgery	Colonoscope	2	24,250
16	7420	Surgery	Cautery Machine	2	6,027
17	8450	Engineering	EAH #1- Nurses Station air handler, SNF - replacement	3	270,000
18	8450	Engineering	EAH #2 - Patient room air handler, SNF - replacement	3	135,000
19	8450	Engineering	SNF chilled water pipes	3	750,000
20	8450	Engineering	Install Automatic doors by Cardio Pulmonary	3,4	25,000
21	8450	Engineering	Automatic door at PT-Hwy 12	1,4	25,000
22	8450	Engineering	SPC-4D Classification	1	50,000
23	8450	Engineering	Sewer pumps replacement in the basement	3	100,000
24	8480	Information Systems	Desktop computers/laptops/datalux all-in-one: Estimated annual refresh for computers that are more than 5 years old	3	50,000
25	8480	Information Systems	Multiple printers (Zebra, Inkjet, Laser, Dymo) & Handheld Scanners: Estimated annul refresh of printers more than 5 years old	3	16,000
26	8480	Information Systems	Kronos System Upgrade professional services from v5 to v7	3	15,570
27	8480	Information Systems	FormFast Phase II (expand use of signature pads) 14 desktop	2	18,148
28	8480	Information Systems	CareBook SVH Implementation (Grant)	2	-
29	8480	Information Systems	Hospital Wireless Network Replacement	1	7,000
30	8480	Information Systems	VMWare license for 3 blade servers	3	9,000
31	8480	Information Systems	Fiber pull from new wing 1st floor to MPOE to WW basement	1	10,000
32	8480	Information Systems	Cisco POE Switches (3560) 3 @ \$4000 each	1	12,000
33	8510	Accounting	AP paperless system	2	70,000
34		Various	Contingency	1,3	100,000

Year 1 (Fiscal Year 2016)			Year 2 (FY 2017)	Year 3 (FY 2018)
Patient Care	Plant/ Building	Information Technology		
	18,000			
	150,000			
16,968				
			25,200	
6,473				
72,198				
7,180				
50,000	*			
45,000	*			
8,000	*			
10,000				
113,655				
5,513				
			71,038	
				24,250
				6,027
			270,000	
			135,000	
			325,000	425,000
	25,000			
	25,000			
			50,000	
			100,000	
		50,000		
		16,000		
			15,570	
		18,148		
		7,000		
		9,000		
		10,000		
		12,000		
		70,000		
		100,000		

* Foundations Goal to raise money for these items.

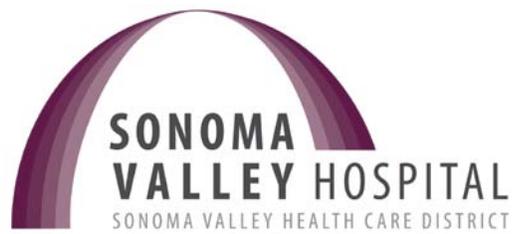
Total Requested

Priority:	2,292,218
Safety Regulatory	1
Business Development	2
Obsolete Equipment	3
Patient or Staff Satisfaction	4

334,986	218,000	292,148	991,808	455,277
		845,134		

7.

**FINANCIAL REPORT
JULY 2015**



Healing Here at Home

To: SVH Finance Committee
From: Ken Jensen, CFO
Date: August 25, 2015
Subject: Financial Report for the Month Ending July 31, 2015

As you review the financial statements for the first month of the new fiscal year you will note that we have made some changes to format and presentation.

-The Statement of Revenue and Expenses is now in landscape format and is two pages. The first page reflects the actual operations and performance of the Hospital. The second page includes non-operating activity including the aggregated net income.

-Instead of itemizing the variances in the narrative as line items we have included a separate summary with more detailed explanations for the variances. The numbered line items tie to the numbered line items on the financial statements.

-The cash forecast has been split into two sections. The first is the sources and uses of cash from Hospital operations and the other identifies sources and uses of cash from non-hospital activity.

-A separate schedule is included identifying gross and net revenue by payer source.

The month of July's gross patient revenue of \$19,988,494 was unfavorable to budget by 1% or (\$130,830). Inpatient revenue was under budget due lower than expected ICU days and a lower overall case mix index than budget. Outpatient revenue was under budget by (\$163,138) due to lower than budgeted outpatient surgeries, which is offset by ER gross revenue being over budget by \$529,987. SNF was under budget by (\$260,560) due to volume and Home Health was under budget by (\$60,663) due to lower than expected visits due to not hiring a physical therapist in July. Medi-Cal was 19.2% (regular and managed care) of gross revenue vs. a budgeted 17.7%. Deductions from revenue were 1% higher than expected or (\$87,620). After accounting for Other Operating Revenue, Total Operating Revenue of \$4,542,480 was under budget by \$189,251 or 4%.

Expenses were better than budget by \$221,559 or 4%. The significant unfavorable variances were Employee Benefits which are over budget by (\$28,290) due to a higher cost of health benefits and pension costs (\$9,110) and an increased number of employees out on disability (\$19,179). Utilities are over budget by (\$5,434) due to higher electrical costs during the summer months and insurance expense is over budget by (\$4,436) due to higher premiums.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for July was \$42,569 vs. a budgeted net income of \$23,876. The total net income for July after all activity was \$202,834 vs. a budgeted net income of \$204,739.

EBIDA for the month of July was 8.2%

Patient Volumes – July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	110	94	16	105
Newborn Discharges	16	16	0	16
Acute Patient Days	352	344	8	335
SNF Patient Days	619	651	-32	651
Home Care Visits	981	1,249	-268	1,146
OP Gross Revenue	\$12,639	\$12,286	\$353	\$10,879
Surgical Cases	125	134	-9	135

Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	48.3%	48.6%	-0.3%	48.3%	48.6%	-0.3%
Medi-Cal	19.2%	17.7%	1.5%	19.2%	17.7%	1.5%
Self Pay	1.7%	1.7%	0.0%	1.7%	1.7%	0.0%
Commercial	20.2%	20.6%	-0.4%	20.2%	20.6%	-0.4%
Managed MC	5.0%	4.8%	0.2%	5.0%	4.8%	0.2%
Workers Comp	2.6%	3.6%	-1.0%	2.6%	3.6%	-1.0%
Capitated	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for July:

For the month of July the cash collection goal was \$3,096,286 and the Hospital collected \$3,671,475, or over the goal by \$575,189. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 21 days at July 31, 2015. Accounts Receivable decreased from June, from 46.7 days to 45.7 days in July. Accounts Payable is up by \$352,722 from June and Accounts Payable days are at 51.7.

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

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 3,151,932	\$ 2,435,080	\$ 2,083,036
2 Trustee Funds	3,021,373	3,021,372	1,753,339
3 Net Patient Receivables	7,346,106	7,204,545	7,629,045
4 Allow Uncollect Accts	(696,498)	(535,554)	(616,783)
5 Net A/R	6,649,608	6,668,991	7,012,262
6 Other Accts/Notes Rec	8,131,202	8,154,790	7,214,697
7 3rd Party Receivables, Net	97,218	718,680	1,784,687
8 Inventory	842,420	835,426	768,566
9 Prepaid Expenses	878,955	670,890	587,667
10 Total Current Assets	<u>\$ 22,772,708</u>	<u>\$ 22,505,228</u>	<u>\$ 21,204,254</u>
12 Property, Plant & Equip, Net	\$ 54,631,826	\$ 54,858,315	\$ 56,059,486
13 Specific Funds	247,317	239,529	1,464,113
14 Other Assets	143,494	143,321	197,981
15 Total Assets	<u><u>\$ 77,795,345</u></u>	<u><u>\$ 77,746,393</u></u>	<u><u>\$ 78,925,834</u></u>
Liabilities & Fund Balances			
Current Liabilities:			
16 Accounts Payable	\$ 3,437,756	\$ 3,085,034	\$ 5,586,333
17 Accrued Compensation	4,194,116	3,897,082	3,710,055
18 Interest Payable	707,575	589,645	701,045
19 Accrued Expenses	1,263,247	1,200,345	2,131,580
20 Advances From 3rd Parties	1,694,150	1,702,194	484,665
21 Deferred Tax Revenue	5,420,552	5,913,329	5,447,569
22 Current Maturities-LTD	1,720,434	1,496,385	1,720,434
23 Line of Credit - Union Bank	5,923,734	5,923,734	4,973,734
24 Other Liabilities	341,885	611,724	201,448
25 Total Current Liabilities	<u>\$ 24,703,449</u>	<u>\$ 24,419,472</u>	<u>\$ 24,956,864</u>
26 Long Term Debt, net current portion	\$ 38,650,064	\$ 39,087,923	\$ 40,385,739
Fund Balances:			
28 Unrestricted	\$ 12,356,040	\$ 12,188,623	\$ 12,356,581
29 Restricted	2,085,792	2,050,375	1,226,651
30 Total Fund Balances	<u>\$ 14,441,832</u>	<u>\$ 14,238,998</u>	<u>\$ 13,583,232</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 77,795,345</u></u>	<u><u>\$ 77,746,393</u></u>	<u><u>\$ 78,925,834</u></u>

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

	Month				Volume Information	Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
1	110	94	16	17%	Acute Discharges	110	94	16	17%	105	
2	619	651	(32)	-5%	SNF Days	619	651	(32)	-5%	651	
3	981	1,249	(268)	-21%	Home Care Visits	981	1,249	(268)	-21%	1,146	
4	12,639	12,286	353	3%	Gross O/P Revenue (000's)	\$ 12,639	\$ 12,286	353	3%	\$ 10,879	
Financial Results											
Gross Patient Revenue											
5	\$ 5,081,706	\$ 5,312,162	(230,456)	-4%	Inpatient	\$ 5,081,706	\$ 5,312,162	(230,456)	-4%	\$ 4,865,266	
6	7,479,482	7,642,620	(163,138)	-2%	Outpatient	7,433,308	7,549,190	(115,882)	-2%	6,424,729	
7	4,884,453	4,354,466	529,987	12%	Emergency	4,884,453	4,354,466	529,987	12%	4,100,448	
8	2,221,444	2,428,004	(206,560)	-9%	SNF	2,221,444	2,428,004	(206,560)	-9%	2,479,118	
9	321,409	382,072	(60,663)	-16%	Home Care	321,409	382,072	(60,663)	-16%	354,005	
10	\$ 19,988,494	\$ 20,119,324	(130,830)	-1%	Total Gross Patient Revenue	\$ 19,942,320	\$ 20,025,894	(83,574)	0%	\$ 18,223,566	
Deductions from Revenue											
11	\$ (15,618,558)	\$ (15,587,907)	(30,651)	0%	Contractual Discounts	\$ (15,618,558)	\$ (15,587,907)	(30,651)	0%	\$ (14,106,159)	
12	(150,000)	(89,314)	(60,686)	-68%	Bad Debt	(150,000)	(89,314)	(60,686)	-68%	(70,000)	
13	(5,007)	(21,264)	16,257	76%	Charity Care Provision	(5,007)	(21,264)	16,257	76%	(36,000)	
14	112,710	125,250	(12,540)	0%	Prior Period Adj/Government Program Revenue	112,710	125,250	(12,540)	0%	-	
15	\$ (15,660,855)	\$ (15,573,235)	(87,620)	1%	Total Deductions from Revenue	\$ (15,660,855)	\$ (15,573,235)	(87,620)	1%	\$ (14,212,159)	
16	\$ 4,327,639	\$ 4,546,089	(218,450)	-5%	Net Patient Service Revenue	\$ 4,281,465	\$ 4,452,659	(171,194)	-4%	\$ 4,011,407	
17	\$ 154,950	\$ 171,184	(16,234)	-9%	Risk contract revenue	\$ 201,124	\$ 264,614	(63,490)	-24%	\$ 249,706	
18	\$ 4,482,589	\$ 4,717,273	(234,684)	-5%	Net Hospital Revenue	\$ 4,482,589	\$ 4,717,273	(234,684)	-5%	\$ 4,261,113	
19	\$ 59,891	\$ 14,458	45,433	-314%	Other Op Rev & Electronic Health Records	\$ 59,891	\$ 14,458	45,433	314%	\$ 76,072	
20	\$ 4,542,480	\$ 4,731,731	(189,251)	-4%	Total Operating Revenue	\$ 4,542,480	\$ 4,731,731	(189,251)	-4%	\$ 4,337,185	
Operating Expenses											
21	\$ 2,195,146	\$ 2,223,558	28,412	1%	Salary and Wages and Agency Fees	\$ 2,195,146	\$ 2,223,558	28,412	1%	\$ 2,031,898	
22	831,409	\$ 803,119	(28,290)	-4%	Employee Benefits	831,409	803,119	(28,290)	-4%	763,125	
23	\$ 3,026,555	\$ 3,026,677	122	0%	Total People Cost	\$ 3,026,555	\$ 3,026,677	122	0%	\$ 2,795,023	
24	\$ 340,214	\$ 340,522	308	0%	Med and Prof Fees (excl Agency)	\$ 340,214	\$ 340,522	308	0%	\$ 340,493	
25	450,286	549,893	99,607	18%	Supplies	450,286	549,893	99,607	18%	550,982	
26	287,032	352,170	65,138	18%	Purchased Services	287,032	352,170	65,138	18%	313,931	
27	291,608	283,132	(8,476)	-3%	Depreciation	291,608	283,132	(8,476)	-3%	309,381	
28	104,392	98,958	(5,434)	-5%	Utilities	104,392	98,958	(5,434)	-5%	101,527	
29	25,270	20,834	(4,436)	-21%	Insurance	25,270	20,834	(4,436)	-21%	19,255	
30	38,436	41,894	3,458	8%	Interest	38,436	41,894	3,458	8%	43,313	
31	154,466	163,237	8,771	5%	Other	154,466	163,237	8,771	5%	(492,781)	
32	0	62,500	62,500	100%	Matching Fees (Government Programs)	0	62,500	62,500	100%	645,940	
33	\$ 4,718,259	\$ 4,939,818	221,559	4%	Operating expenses	\$ 4,718,259	\$ 4,939,818	221,559	4%	\$ 4,627,064	
34	\$ (175,779)	\$ (208,086)	32,307	16%	Operating Margin	\$ (175,779)	\$ (208,086)	32,307	16%	\$ (289,879)	

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

	Month					Year-To- Date				YTD Prior Year
	This Year		Variance			This Year		Variance		
	Actual	Budget	\$	%		Actual	Budget	\$	%	
35	\$ 3,894	\$ 13,657	(9,763)	-71%						\$ 11,017
36	-	5,805	(5,805)	-100%						7,063
37	(37,500)	(37,500)	-	0%						(37,500)
38	251,954	250,000	1,954	1%						250,000
39	\$ 218,348	\$ 231,962	(13,614)	-6%						\$ 230,580
40	\$ 42,569	\$ 23,876	18,693	78%	Net Income / (Loss) prior to Restricted Contributions	\$ 42,569	\$ 23,876	18,693	78%	\$ (59,299)
41	\$ 35,417	\$ 35,183	234	1%	Capital Campaign Contribution	\$ 35,417	\$ 35,183	234	1%	\$ 50,864
42	\$ -	\$ 20,833	(20,833)	0%	Restricted Foundation Contributions	\$ -	\$ 20,833	(20,833)	100%	\$ -
43	\$ 77,986	\$ 79,892	(1,906)	-2%	Net Income / (Loss) w/ Restricted Contributions	\$ 77,986	\$ 79,892	(1,906)	-2%	\$ (8,435)
44	242,777	242,777	-	0%	GO Bond Tax Assessment Rev	242,777	242,777	-	0%	154,014
45	(117,929)	(117,930)	1	0%	GO Bond Interest	(117,929)	(117,930)	1	0%	(182,976)
46	\$ 202,834	\$ 204,739	(1,905)	-1%	Net Income/(Loss) w GO Bond Activity	\$ 202,834	\$ 204,739	(1,905)	-1%	\$ (37,397)
	\$ 372,613	\$ 348,901			EBIDA	\$ 372,613	\$ 348,901			\$ 293,395
		8.2%	7.4%			8.2%	7.4%			6.8%

9.

**ADMINISTRATIVE
REPORT
AUGUST 2015**



To: SVHCD Board of Directors
From: Kelly Mather
Date: 8/27/15
Subject: Administrative Report

Summary

We have started off the new fiscal year well at 8% EBIDA and meeting budget expectations. This is much better than other hospitals our size. We are getting many positive compliments about our Surgery department from patients and physicians as the team is doing an excellent job and exceeding expectations. The Buck Institute lifestyle medicine program “ReMind” was a huge success! The Physical Therapy team, Chelsey Holdsworth, Allison Evanson, Leslie Lovejoy and Steven Lewis did an outstanding job on this program. We are modeling a new way to improve health for patients with cognitive memory issues.

Dashboard Results

The patient satisfaction was down in June and the patient experience team is working on increasing consistency and better communications. We are still at the 80th percentile compared to the other hospitals on the quality outcomes or VBP score. I have been attending department meetings this month and we will have staff forums in November. Staff satisfaction continues to be high. Trust continues to build.

Strategic Plan Update

Culture of Safety: Completed the survey of staff and reviewed the opportunities. Scores went up.

Succession Plan: This was completed by the Administrative team and sent to the board.

Physician Outreach: Monthly meetings with the physician leadership have begun. The physician satisfaction survey will go out in October.

Optimization of each Service Area: Skilled Nursing is complete. Home Care and OB are underway.

Pricing Adjustment: A strategic increase was completed July 1st.

Time Share: We now have many physician specialists doing clinics in Sonoma. This includes Vascular Surgery, Orthopedics, Bariatric Surgery, Spine Surgery, and ENT. A pain management specialist and nephrologists are considering adding clinics in Sonoma at this time.

Outpatient Services Options: A CEO committee with board members and community members have reviewed the best options for placement of outpatient services and it was determined that the main campus is the best place for Radiology, MRI and Lab. If we elect to build a center, the best choice is to demolish most of the central wing and build a wing on the hospital for a center that could include Rehab, Occupational Health, Wound Care and Cardiopulmonary.

Parcel tax renewal vote in 2017: A committee has met and elected to schedule a vote in spring, 2017 for renewal. It has not yet been determined whether or not we will ask for the same tax and the length of time.

ICD 10 Readiness: The team continues to work on this project and says we will be ready by October.

Population Health: We are writing a grant and are beginning a pilot for the Community Care Network for MediCal patients. Wellness University was offered in July with very high attendance and we will begin our final session of the year in September. Advanced Healthcare Planning initiatives continue with partnerships with Vintage House and My Health, My Plan.

Community Opinion Survey: The survey begins after Labor Day and will be done by phone and on line.

Philanthropy: The foundation has raised \$260k toward the new 3D mammography unit. The project will cost \$550k.

JULY DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 6 out of 9 HCAHPS domain results above the 50 th percentile	4 out of 9 in May	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain at least 5 out of 7 ERCAPS domain results above the 50 th percentile	6 out of 7 in May	7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 3 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 50 or higher	48 (80 TH percentile)	>55 = 5 (stretch) >52 =4 >50 =3 (Goal) >47=2 <40 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	79.6% mean score at 91st percentile	>80 th = 5 (stretch) >77th=4 >75th=3 (Goal) >72nd=2 <70 th =1
Finance	Financial Viability	YTD EBIDA	8.2%	>5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$4,718,259 (actual) \$4,939,818 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	125 YTD FY2014 135 YTD FY2015	>3% = 5 >2% = 4 >1% = 3 (Goal)
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$12.6 mm YTD \$10.8 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	282.25 hours for 1 month	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Inpatient Satisfaction	6/9	4	6	5	6	4	5	3	6	7	4	7	
Emergency Satisfaction	5/7	6											
Value Based Purchasing Clinical Score	>50		71	70	70.88	69	68	78	78	52	47	48	48
Staff Satisfaction	>75th	91	76	76	76	76	76	76	91	91	91	91	91
FY YTD Turnover	<10%	1.2	1.9	2.6	3.6	4.6	4.9	5.5	6.5	7.4	7.6	8	8.3
YTD EBIDA	>4%	8.2	7	4.9	7.3	6.5	6.7	6.9	6.2	5.4	4.7	4.2	3.8
Net Operating Revenue	>4.4m	4.48	4.6	3.8	4.7	4.0	4.1	4.4	4.6	4.1	4.1	4.1	4.5
Expense Management	<4.6m	4.7	4.7	4.4	4.6	4.4	4.3	4.6	5.0	4.7	4.8	4.6	5.1
Net Income	>50k	202	35	-381	304	67	-1	29	-211	-382	-278	74	139
Days Cash on Hand	>20	22	12	14	11	10	13	17	12	15	20	17	16
A/R Days	<50	46	45	48	51	51	49	53	48	47	47	43	47
Total FTE's	<315	313	305	303	304	303	300	299	303	310	304	307	309
FTEs/AOB	<4.0	3.6	3.77	3.49	4.01	4.1	4.12	4.12	3.46	3.79	4.05	3.91	3.36
Inpatient Discharges	>100	110	104	87	107	96	111	104	98	113	95	97	97
Outpatient Revenue	>\$11m	12.6	10.4	11.1	11.7	10.9	10.1	11.8	10.5	11.8	11.2	10.7	12.0
Surgeries	>130	125	133	122	155	118	117	129	136	137	144	118	122
Home Health	>1000	981	1109	1111	1319	1090	1103	1097	1109	1232	1154	963	1014
Births	>15	16	9	21	13	16	18	11	11	16	7	11	24
SNF days	>660	619	687	597	527	580	596	654	607	669	487	626	669
MRI	>120	143	139	143	221	116	100	108	116	157	138	125	144
Cardiology (Echos)	>65	66	53	62	67	66	67	62	56	67	61	63	66
Laboratory	>12.5	12.1	12.8	13.0	13.0	11.5	11.4	12.5	11.5	12.1	12.3	11.9	12.3
Radiology	>850	1036	988	900	1047	856	890	1111	1053	1156	1030	1014	965
Rehab	>2587	3014	2859	2468	3028	2634	3010	2478	2751	3113	3063	3008	2873
CT	>300	384	345	323	368	295	316	392	309	347	302	357	335
ER	>800	878	868	851	863	761	824	988	845	769	876	943	846
Mammography	>475	462	417	433	605	462	339	487	444	466	497	476	453
Ultrasound	>325	395	361	367	372	238	299	309	317	357	391	354	345
Occupational Health	>575	733	678	758	739	602	648	653	588	679	687	573	660