

Healing Here at Home

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

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

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. 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>	<i>Nevins</i>	
3. CONSENT CALENDAR <u>COMMITTEE MINUTES</u> A. Regular Board Minutes, 01.09.14 B. FC Minutes 12.3.13 (Nov); 1.7.14 (Dec) C. GC Minutes 12.23.13 D. QC Minutes 11.21.13; 12.19.13 <u>COMMITTEE POLICIES & OTHER</u> E. QC Approved Policies (5) F. MEC Credentialing Report, 1.29.14	<i>Nevins</i>	Action
4. LEGISLATIVE UPDATES Art Sponseller, President and Chief Executive Officer of the Hospital Council of Northern and Central California	<i>Sponseller</i>	Inform
5. OB UPDATE	<i>Mather</i>	Inform
6. STRATEGIC PLAN UPDATE	<i>Mather</i>	Inform
7. INFORMATION TECHNOLOGY ANNUAL REPORT	<i>Cohen/Sendaydiego</i>	Inform
8. FINANCIAL REPORT FOR DECEMBER 2013	<i>Fogg/Cox</i>	Inform
9. ADMINISTRATIVE REPORT FOR JANUARY 2014	<i>Mather</i>	Inform
10. OFFICER AND COMMITTEE REPORTS A. Chair's Report i. Calendared Items & Educational Topics 2014 B. Governance Committee i. Community Funding Policy ii. Gift, Ticket and Honoraria Policy iii. 2014 Work Plan	<i>All</i>	Inform/Action
11. ADJOURN Next regular Board meeting, March 6, 2014	<i>Nevins</i>	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, January 9, 2013
Basement Conference Room**

Board Present	Board Absent/Excused	Staff/Other Present	Staff/Other cont.
Bill Boerum Peter Hohorst Sharon Nevins Kevin Carruth Jane Hirsch		D. Paul Amara, MD Norman Gilroy Dawn Kuwahara Sherri Welch Bob Kenney Dennis Ciocca Sam McCandless Pauline Headley Kathleen Kesterke Jerome Smith MD Richard Hicks MD	Mark Kobe Robert Cohen MD Kelly Mather Leslie Lovejoy Rick Reid Dick Fogg Brian Quint David Cox Don Frances, SIT Gary Hicks Charles De Torres MD And others for total of 50+

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community. The vision of the SVHCD is that: SVH will be a nationally recognized, compassionate place of healing and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>		
	6:02 p.m.		
2. PUBLIC COMMENT SECTION	<i>Nevins</i>		
<i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the 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>	None.		
3. CONSENT CALENDAR:	<i>Nevins</i>	Action	
<u>COMMITTEE MINUTES</u> A. Regular Board Minutes, 12.5.13 B. FC Minutes, 10.22.13 C. GC Minutes, 12.16.13 D. QC Minutes, 11.21.13 <u>COMMITTEE POLICIES & OTHER</u>	Mr. Carruth requested that item (I) be "pulled" from the Consent Calendar. Later in the meeting (see Item #6 Financial Report) Mr. Reid clarified the lease agreement for the Board and it was approved unanimously (a motion by Carruth and a second by Hohorst).	MOTION by Boerum to approve A-J and 2 nd by Hohorst. All in favor.	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
E. GC Annual Report 2013 F. GC Residency Requirements Policy G. GC Media Relations Policy H. QC Approved Policies I. FC Cell Phone Lease Agreement J. MEC Credentialing Report, 12.19.13			
4. FINANCIAL VIABILITY REPORT	<i>Mather</i>	Inform/Action	
	<p>Apart from the names listed above, there were over 30 community members, patients and medical staff present at this meeting. They came to support the OB department and have their voices heard.</p> <p>Ms. Mather presented the Financial Viability Report recommending that the Board approves closing the Obstetrics Department.</p> <p>The presentation was followed by a question and answer period from the Board to Ms. Mather.</p> <p>Following this, the floor was open to comments from patients, medical staff and community at large. Everyone who spoke and presented, recommended that the OB Department be allowed to continue.</p> <p>At 8:20 p.m. there was a 10 minute break after which time the Board resumed discussions with the SVH Administrative Staff.</p> <p>Outcomes and next steps include:</p> <ul style="list-style-type: none"> • Ms. Mather will revise the Financial Viability Report incorporating several questions from the Board. It will be presented at the next regular Board meeting on February 6; • If the OB department were to continue, there is a contingency plan that will go into effect which includes closure of one department and cutbacks in several others; and • Ms. Mather, Administrative Staff and Board all agree that a decision needs to be reached sooner rather than later. 		
5. 2009 SERIES-A GO BOND	<i>Fogg/Reid</i>	Action	
	Mr. Fogg, Mr. Ciocca and Mr. Quint outlined the refinancing process and it was approved unanimously.	MOTION by Hohorst to approve and 2 nd by Carruth. All in favor.	
6. FINANCIAL REPORT	<i>Reid</i>	Inform	
	Overall for November, SVH has a loss after the restricted contributions of (\$57,081) on budgeted income of \$1,068,307, for an unfavorable difference of (\$1,125,388). \$1,000,000 of this variance is due to the early receipt of a large capital donation while it was budgeted to be received in November. Without donations, there is a loss of (\$162,745).		
7. ADMINISTRATIVE (CEO) REPORT	<i>Mather</i>	Inform	
	Mr. Reid's last day as CFO is tomorrow, January 10, 2014. Ms. Mather briefed the		

AGENDA ITEM	DISCUSSION	ACTION	FOLL OW- UP
	<p>Board on the plans for the CFO transition period and the on boarding of the new Controller, Kristina Gritsutenko. Ms. Gritsutenko's first day of employment is January 27, 2014.</p> <p>Although OSHPD did not approve hospital licensing on 1-8-14, this extra time will be put to good use. It has given Hospital staff time to do some fine tuning and training before the ER and MedSurg departments move to the new wing.</p>		
8. OFFICER AND COMMITTEE REPORTS	<i>All</i>	Inform/Action	
<p>A. Chair's Report</p> <p>i. Appointment of Committee Members</p> <p>ii. Nomination of alternates JPA</p> <p>iii. Board Meeting Calendared Items</p> <p>iv. Board Meeting Educational Topics</p> <p>B. Updates on ACHD and JPA</p> <p>C. Governance Committee</p> <p>i. Community Funding Policy</p> <p>ii. Gift, Ticket and Honoraria Policy</p>	<p>Appointments of Committee Members:</p> <ol style="list-style-type: none"> GC appointments: Boerum is Chair GC Hohorst is a member. QC appointments: Jane Hirsch was nominated as Chair by Nevins. <p>Motion by Nevins to approve and 2nd by Carruth. All in favor.</p> <ol style="list-style-type: none"> FC appointments: Nevins and Hohorst continue as members and Mr. Fogg remains Chair. <p>Motion by Boerum and 2nd by Hirsch. All in favor.</p> <p>The three JPA alternates recognized officially by Ms. Nevins are:</p> <ol style="list-style-type: none"> Kevin Carruth Jane Hirsch Sharon Nevins <p>Motion by Boerum to approve and 2nd by Hohorst. All in favor.</p> <p>Board Meeting Calendared Items:</p> <ul style="list-style-type: none"> Add Legislative Update in October Add Board Self-Assessment in August <p>Board Meeting Educational Topics:</p> <ul style="list-style-type: none"> Add Educational Session on Healthcare District Charter opportunities in March. Ms. Nevins requested that the Board email any other ideas and suggestions for educational topics. <p>Updates on ACHD and JPA:</p> <p>Mr. Boerum reported that that ACHD will have their Academy next week and Legislative Day will be in April. The JPA's next full Board meeting is on 1.21.14.</p> <p>GC's Community Funding & Gift, Ticket and Honoraria Policies:</p> <p>Both policies above were discussed and will be reviewed by legal counsel before they are brought back to the next Board meeting.</p>		
9. ADJOURN	<i>Nevins</i>		
	Adjourn 10:00 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, December 3, 2013
Schantz Conference Room**

Members Present	cont.	Staff/ Public/Other	Absent/Excused
Dick Fogg Phil Woodward Subhash Mishra Richard Conley Peter Hohorst Shari Glago	Sharon Nevins Keith Chamberlin	Kelly Mather Rick Reid Gigi Betta	Steve Barclay Mary Smith

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER	<i>Fogg</i>		
	5:04 p.m. Mr. Woodward asked for an update on the proposed SVH Foundation audit. Mr. Reid confirmed that the Foundation will be audited and he is in the process of submitting RFPs to some recommended auditing firms. More updates to come at the next FC meeting on 1.7.14.		Add item to 1.7.14 Agenda: Update on SVH Foundation Audit/Reid/Inform
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None.		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Minutes 10.22.13		MOTION by Glago to approve and 2nd by Nevins. All in favor.	
4. 2009 SERIES-A GO BOND REFINANCING	<i>Fogg</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Fogg informed the Committee that Mr. Dennis Ciocca (a current member of SVH Audit Committee) is currently conducting an analysis of the 2009 Series-A GO Bond refinancing.		
5. RAC UPDATE	<i>Reid</i>	Inform	
	The Hospital is doing exceptionally well in terms of RAC activity. Mr. Reid distributed a handout on current RAC activity as of 11.26.13 including historical data.		
6. PATIENT BILLING REORGANIZATION UPDATE	<i>Reid</i>	Inform	
	Mr. Reid gave the patient billing reorganization update on behalf of Ms. Jensen. Her report for October 2013 covered the revenue cycle and process improvement efforts. Update to the report: a new Billing Director has been hired and will be starting in a couple of weeks. Ms. Glago pointed out an error in the metrics box, the <i>greater than</i> sign should be a <i>less than</i> sign.		
7. OCTOBER 2013 FINANCIALS	<i>Reid</i>	Inform	
	<p>Overall for October, SVH has income after the restricted contributions of \$989,485 on budgeted income of \$42,133, for a favorable difference of \$947,352. Without donations, there is a loss of \$108,843. Total net patient service revenue was over budget by \$278,694. This includes the final recording of the Intergovernmental Transfer (IGT) gross revenue of \$406,527. Risk contracts were over budget by \$10,084. Other operating revenue is over budget by \$8,316, bringing the total operating revenue to \$4,602,347 or \$297,094 over budget. Expenses were \$5,021,736 on a budget of \$4,538,878 or (\$482,858) over budget. Of the \$482,858, \$422,743 related to the IGT that was paid in October. The EBIDA prior to the restricted donations for the month was \$125,759 or 2.7%.</p> <p>Ms. Mather informed the Committee that a major expense reduction plan will take effect in the new year.</p> <p>Mr. Woodward asked about future fundraising efforts. Ms. Mather informed that there is already a philanthropy strategy for 2014 and a Committee has been formed. The next phase of fundraising, although not as compelling as a new ER, has set its sights on total annual donations of \$1M.</p>		
8. PROJECTED CASH FLOWS	<i>Reid</i>	Inform	
	Mr. Reid reviewed the projected cash flows through May 2014 and the Summary of the Building Program through January 2014.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Because Sonoma Valley Hospital (SVH) was early in adopting an electronic health record system (EHR), the Hospital is able to apply for the 2 nd federal reimbursement early. SVH can expect a \$400,000 payment on a Medicare settlement this month and \$1.2M in January 2014.		
9. PROPOSED NEXT FC MEETING DATE 1-7-14	<i>Fogg</i>	Action	
		MOTION by Glago to approve and 2 nd by Nevins. All in favor.	
10. ADJOURN	<i>Fogg</i> Mr. Woodward asked Mr. Reid to define the role of the Finance Committee in his own words. The Committee as a whole discussed the FC's role and in so doing, decided to review the Charter at the next meeting on 1.7.14. Meeting adjourned at 6:30 p.m.	Inform	Board Clerk to email FC Charter out to all Members and add this item on 1.7.14 Agenda: FC Charter/Fogg/ Discuss+Action.



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, January 7, 2014 (December 2013 meeting)
Schantz Conference Room**

Members Present (9)	Members Present cont.	Staff/ Public/Other (8)	Other cont.	Excused/Absent (2)
Dick Fogg Phil Woodward Subhash Mishra, M.D. Richard Conley Peter Hohorst Shari Glago	Sharon Nevins Steve Barclay Mary Smith	Rick Reid Gary Hicks Brian Quint David Cox Sam McCandless Jeanette Tarver Gigi Betta	D. Paul Amara, M.D.	Keith Chamberlin, M.D. Kelly Mather

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>		
	Mr. Fogg welcomed Brian Quint, attorney with Quint & Thimmig LLP, Gary Hicks and David Cox, CFO, Marin General Hospital. On behalf of the entire Committee, Ms. Nevins thanked Mr. Reid for all of his contributions to the Committee and wished him the very best in his new position as CFO at a small hospital in central Michigan. His last day at SVH is January 10, 2014. As far as his replacement, a new Controller will start January 27, 2014.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None.		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Minutes 12.3.13	Mr. Fogg noted that on the minutes from the meeting on 12.3.13, Mary Smith and Steve Barclay were "excused" rather than "absent".	MOTION by Nevins to approve and 2nd by Conley.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		All in favor.	
4. 2009 SERIES-A GO BOND REFINANCING	<i>Fogg/Hicks</i>	Action	
	<p>Mr. Hicks and Mr. Quint explained the refinancing and advanced refunding processes for the Hospital's 2009 Series-A GO Bond.</p> <p><i>The Finance Committee (by a unanimous roll call vote) recommends to the district Board that the SVH 2009 Series-A GO Bond be approved in accordance with the wording of the Resolution.</i></p> <p>By roll call vote, all in favor.</p>	<p>MOTION by Barclay to approve and 2nd by Glago. By roll call vote: 9 ayes.</p>	
5. CELL PHONE LEASE AGREEMENT	<i>Reid</i>	Action	
	<i>The Finance Committee recommends to the district Board that the Cell Phone Lease agreement be approved.</i>	<p>MOTION by Hohorst to approve and 2nd by Woodward. All in favor.</p>	
6. OB FINANCIALS	<i>Reid</i>	Inform/Action	
	<p>Mr. Reid distributed his <i>Estimate of Financials for OB Services</i> (not included in the agenda package) and reviewed the results with the Committee.</p> <p>The district Board and CEO will inform and discuss this issue at the January 9, 2014 Board meeting and bring it back to the meeting on February 6, 2014 for action.</p> <p>Dr. Amara challenged the Estimate of Financials for OB Services as simplistic and misrepresentative of the entire picture.</p> <p>Sam McCandless went on record as saying that when he read the article about the OB plans in the Sonoma Index Tribune, he found it shocking. How can the SVH raise \$11 million to complete construction for a new ER wing but cannot take care of these patients? Most of which are single Hispanic mothers (Dr. Amara confirmed that 70% of patients delivering at SVH are indeed Hispanic).</p> <p><i>The FC endorses the Estimate of Financials for OB Services to as a fair representation of the direct costs and revenues of the OB Services Program on an accrual (not cash) basis.</i></p> <p>By roll call vote: 1 against, 6 in favor, 2 abstains.</p>	<p>MOTION by Barclay to approve and 2nd by Conley.</p> <p><u>By roll call vote:</u> 6 ayes, 1 nay (Mishra) and 2 abstains (Nevins/Hohorst).</p>	Mr. Reid to change the title of this attachment to: <i>Estimate of Direct Costs for OB Services – Accrual Basis.</i>
7. REVIEW OF CHARITY CARE POLICY AND BAD DEBT POLICY	<i>Reid</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Reid reviewed both the Charity Care and Bad Debt policies with the Committee.		
8. RAC UPDATE	<i>Reid</i>	Inform	
9. SVH FOUNDATION AUDIT UPDATE	<i>Reid</i>	Inform	
	The Requests for Proposal for Audit Services (RFPs) were mailed out to thirteen local CPAs on December 17, 2013. To date, the Hospital has received one proposal for \$7,500 from Susan Goranson, CPA with offices in Santa Rosa, CA. The SVH Foundation Board will make the final selection and once the Audit has been prepared, the Finance Committee will be invited to the presentation.		
10. FINANCE COMMITTEE CHARTER REVIEW	<i>Fogg</i>	Inform/Discuss	
	Mr. Woodward went on record as stating that he is very concerned that the FC spends too much time discussing strategy and planning and he believes that these areas do not fall under the Committee's jurisdiction. Furthermore, Mr. Woodward would like to see the FC spend a lot more time on cash flow operations and fundraising. Mr. Barclay would like to see two-year plan or budget calendar in the future. Mr. Cox responded with the announcement that a budget calendar is currently being developed and will be able to look forward any number of years.		Board Clerk to delete the word "by" from the last sentence on the last page of the FC Charter.
11. PATIENT BILLING UPDATE	<i>Reid</i>	Inform	
	Mr. Reid distributed the <i>November/December 2013 Revenue Cycle Report</i> (not included in the agenda package) and reviewed its contents with the Committee.		
12. NOVEMBER 2013 FINANCIALS	<i>Reid</i>	Inform	
13. PROJECTED CASH FLOWS	<i>Reid</i>	Inform	
	Mr. Reid distributed a REVISED <i>Significant Unbudgeted Cash Flow Events for FY14</i> showing total new cash of \$2.5 million. Also included is Mr. Reid's suggested cash plan for these monies.		
14. PRIMA CLINIC FUNDING REQUEST	<i>Reid</i>	Inform	
	The report is still being developed and not available at this meeting.		
15. ADJOURN/FINAL COMMENTS	<i>Fogg</i>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Adjourn 7:20 pm</p> <p>Mr. Woodward expressed his concerns about the cash flow statements for a second time and asked that his concerns be a part of the meeting minutes. Mr. Woodward and Mr. Fogg will meet to discuss these concerns.</p>		



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

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

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
MISSION AND VISION STATEMENTS			
1. CALL TO ORDER	8:30 AM		
2. PUBLIC COMMENT:			
	None.		
3. CONSENT CALENDAR: A. GC Meeting Minutes, 12.16.13	<i>Carruth</i>	Action	
	Approved.	MOTION by Hohorst to APPROVE Consent Calendar. All in favor.	Goes to Board 1/9/14.
4. GC 2013 REPORT TO BOARD (AKA ANNUAL REPORT)	<i>Carruth</i>	Inform/Action	
	Approved.	MOTION by Hohorst to APPROVE . All in favor.	Goes to Board 1/9/14.
5. 2014 GC WORKPLAN	<i>Carruth</i>	Inform/Action	
	Put forward for the new GC Committee to develop.		Put over to GC on 1/28/14.
6. SALINAS VALLEY MEMORIAL HEALTHCARE DISTRICT POLICIES DEVELOPED IN RESPONSE TO THE BUREAU OF STATE AUDITS AUDIT	<i>Carruth</i>	Inform/Action	
	Items 1 & 2 below were approved and will go the Board on 1/9/14. The remaining items 3-5 to be put forward to the next	MOTION by Hohorst to APPROVE 1 & 2 . All in	#1 & 2 go to Board on

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
	GC meeting on 1/27/14. 1) Community Funding 2) Gift, Ticket and Honoraria 3) Consideration for Inclusion in Procurement Policies <ul style="list-style-type: none"> a) Procurement management b) Procurement manual c) Comparative Solicitation d) Fair market value e) Value analysis f) Expense approval matrix g) Physician services contract Policy & Procedure 4) Records Retention 5) Business Plan	favor.	1/09/14. #3-5 are put forward to GC on 1/27/14
7. SVH POLICY GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES	<i>Carruth</i>	Inform/Action	
	See Item #6 above.		
8. SVH RESIDENCY REQUIREMENTS FOR BOARD COMMITTEE MEMBERS	<i>Hohorst</i>	Inform/Action	
	The GC expanded the definition of “residency”.	MOTION by Carruth to APPROVE. All in favor.	To Board 1/9/14.
9. SVH BOARD MEDIA RELATIONS POLICY	<i>Carruth</i>	Inform/Action	
	The GC recommends that the CEO further develop this policy and re-submit to a future GC meeting, preferably the January or February GC. <u>Note 12/22/13:</u> Mr. Carruth has submitted the finalized policy for Board approval on 1.9.14.		To Board 1.9.14
10. CLOSING COMMENTS/ADJOURN	<i>Carruth</i> Adjourn 10:00am		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Thursday, November 21, 2013
Schantz Conference Room**

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

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
1. CALL TO ORDER	<i>Nevins</i>		
	5:04 PM		
2. PUBLIC COMMENT	<i>Nevins</i>		
	No public comment.		
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
A. QC Meeting Minutes, 10.23.13		MOTION: by Hirsch to approve and 2 nd by Idell. All in favor.	
4. QUALITY DASHBOARD 3rd QUARTER REPORT	<i>Lovejoy</i>	Inform	
	Ms. Lovejoy presented the following: 1. Quality Dashboard 3 rd Quarter Report 2. Quality and Resource Management Report a. Good Catch Awards b. Percent Near Miss Error Report		
5. POLICIES AND PROCEDURES	<i>Lovejoy</i>	Action	
1. Infection Control Manual 2. Materials Management Manual 3. Patient's Rights and Ethics P/P 4. Human Resources Manual 5. Leadership Finance P/P		MOTION: by Hirsch to approve P&Ps 1-5 and 2 nd by Hoffman. All in favor.	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
6. SENTINEL AND ADVERSE EVENT REPORTING	<i>Nevins</i>	Inform	
	Ms. Lovejoy will revise and clarify this policy in early 2014 and then it will be a two step process to obtain Board approval.		
7. EDUCATIONAL SESSIONS	<i>Lovejoy/Kobe</i>	Inform	
1. Annual Contracts Review Report 2. The Patient Experience	Ms. Lovejoy and Mr. Kobe presented on Annual Contracts Review and Patient Experience.		
7. CLOSING COMMENTS	<i>Nevins</i>		
8. ADJOURN	<i>Nevins</i>		
9. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Nevins</i>		
10. CLOSED SESSION	<i>Amara</i>		
11. REPORT OF CLOSED SESSION/ADJOURN	<i>Nevins</i>		
	Adjourn 6:20 pm The next QC meeting is on December 19, 2013 at 5:00pm		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Thursday, December 19, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Present	Committee Members Absent/Excused	Administrative Staff /Other
Sharon Nevins Jane Hirsch Joel Hoffman-by phone John Perez		Howard Eisenstark Robert Cohen M.D. Susan Idell Paul Amara M.D.	Gigi Betta Mark Kobe Leslie Lovejoy

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
1. CALL TO ORDER	<i>Nevins</i>		
	Call to order at 5:05pm. A quorum was not present at the meeting and therefore all agenda items will be put forward to the next Quality Committee meeting on 1/29/14 with the exception of Item 4 which was approved with a phone call to Mr. Hoffman and will go the Regular Board meeting for approval on 1/9/14.		
2. PUBLIC COMMENT	<i>Nevins</i>		
	None		
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
A. QC Meeting Minutes, 11.21.13	Not approved.	No action.	Bring back to QC 1/29/14
4. POLICIES & PROCEDURES	<i>Lovejoy</i>	Action	
1. Environment of Care 2. ED Manual	Mr. Hoffman was present by phone for the approval of these policies.	MOTION: by Hirsch to approve and 2 nd by Hoffman. All in favor.	Both Policies approved and will go to Board for approval on 1/9/14
5. RESULTS OF ROOT CAUSE ANALYSIS FOR REPORTED SENTINEL EVENT	<i>Lovejoy</i>	Inform	
	Not presented.		Bring back to QC on 1/29/13
6. QUALITY REPORT DECEMBER 2013	<i>Lovejoy</i>	Inform	
	Not presented.		Bring back to QC on 1/29/13

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
7. 2013 WORK PLAN	Lovejoy	Inform	
	Not presented.		Bring back to QC on 1/29/13
7. CLOSING COMMENTS	<i>Nevins</i>		
	Jane Hirsch has accepted the position of Chair of the Quality Committee and her appointment is effective with the next meeting on 1/29/14. In addition, Kevin Carruth (current Board Member and former Governance Committee Chair) will be returning to the Quality Committee as a member on 1/29/14.		
8. ADJOURN	<i>Nevins</i>		
9. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Nevins</i>		
10. CLOSED SESSION	<i>Amara</i>		
	The Medical Staff Credentialing and Peer Review Report was not approved due to information lacking on items in the report. Ms. Nevins and Ms. Hirsch will invoke Executive Action after discussion with Dr. Amara.		
11. REPORT OF CLOSED SESSION/ADJOURN	<i>Nevins</i>		
	Adjourn 5:20 pm The next Regular QC meeting is on January 29, 2014 at 5:00pm		



POLICY AND PROCEDURE Approvals Signature Page

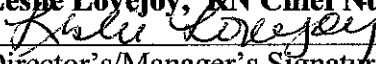

Healing Here at Home


Review and Approval Requirements

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- 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.

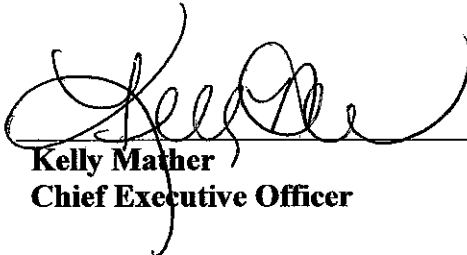
Departmental/Home Care	
APPROVED BY: Leslie Loyejoy, RN Chief Nursing Officer 	DATE: <u>1/17/14</u>
Director's/Manager's Signature 	Printed Name Barbara Lee, RN MSN



Walter Prehn, MD
Medical Director

1/15/14

Date



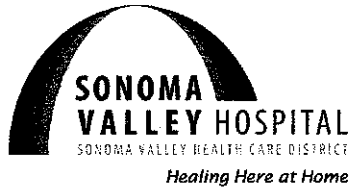
Kelly Mather
Chief Executive Officer

1/21/14

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: Home Care Administrative Policies and Procedures

New document or revision written by: Barbara Lee RN MSN

Type: Home Care X Revision (11 Chapters) X New (0) Policy	Regulatory X CMS X CDPH X TJC <input type="checkbox"/> Other:		
X Departmental: Administrative <i>(circle which type)</i>	X Departmental <input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>		
Please <u>briefly</u> state changes to existing document/form or overview of new document/form here: (include reason for change(s) or new document/form)			
<p>All Home Care Administrative Policies and Procedures reviewed and updated as needed to conform to Medicare Conditions of Participation and Joint Commission Standards. See attached Table of Contents.</p> <p>The following Chapters were revised to reflect changes inherent in the implementation of an electronic medical record in 2013.</p> <p>Chapter 1: Leadership Chapter 3: Records Management Chapter 8: Patient Assessment Chapter 9: Continuum of Care Chapter 10: Care, Treatment, and Services</p> <p>Changed policies were presented to and approved by the Home Care Professional Advisory Group.</p>			
Reviewed By Date Approved (Y/N) Comment			
Walter Prehn MD	1/15/14	Y	
Barbara Lee RN MSN	1/15/14	Y	
Lisa O'Hara RN	1/13/14	Y	
Sara Glashan RN	1/15/14	Y	
Victoria Lee RN	1/15/14	Y	
Home Care Professional Advisory Group	9/10/13 12/10/13	Y Y	

Table of Contents

Chapter 1 Leadership

Administrative Structure

Governing Body.....	1-1
---------------------	-----

Compliance

Articles of Incorporation.....	1-2
Disclosure of Ownership and Management.....	1-2
Conflict of Interest.....	1-2
Compliance with Accepted Professional Standards and Principles.....	1-2

Organizational Planning

Mission and Ethics.....	1-3-1
Organizational Plan.....	1-4-1
Annual Operating Budget.....	1-4-1
Organizational Chart.....	1-4-2
Service Area.....	1-4-3
Scope of Services.....	1-4-4
Contracted Personnel.....	1-4-5

Professional Advisory Group

Membership.....	1-5
Duties.....	1-5
Documentation of Meetings.....	1-5
Annual Agency Evaluation.....	1-5

Organization Culture and System Performance.....	1-6
--	-----

Patient Safety Program.....	1-7
-----------------------------	-----

Addendums

Addendum A-Organizational Chart, SVH and SVHHC

Addendum C- SVH Conflict of Interest Policy

Addendum E-Services Provided Directly and by Arrangement

Attachment 1-A Sonoma Valley Hospital Mission Statement, Vision Statement

Attachment 1 –B Sonoma Valley Hospital Home Care Mission and Vision Statement

Chapter 2--Human Resources Management

Personnel Policies

Personnel Policies.....	2-1-1
Employee Grievance Procedure.....	2-1-2
Receiving of Gifts/Gratuities.....	2-1-3
Flexing for Increase/Decrease in Census.....	2-1-4
Employee's Phone Numbers.....	2-1-5
Dress Conduct Code.....	2-1-6

Job Descriptions

Job Descriptions.....	2-2
-----------------------	-----

Sonoma Valley Home Care ♦ Administrative Policy & Procedures Manual
Table of Contents

Chapter 2 Continued

Employee

Selection Process.....	2-3-1
Orientation.....	2-3-2
Employee Competency/Performance Appraisal.....	2-3-3
Employee Termination.....	2-3-4
Personnel Files.....	2-3-5
Paid Time Off.....	2-3-6

Competency Program

Competency.....	2-4
-----------------	-----

Supervision

Supervision.....	2-5-1
Home Health Aide Supervision.....	2-5-2

Continuing Education

Continuing Education/Inservices/Training.....	2-6-1
---	-------

Addendums/Exhibits

Nursing Practice Act.....	Addendum A
---------------------------	------------

Chapter 3 Records Management

Clinical Record

Contents of the Clinical Record.....	3-1
Standardized Formats.....	3-1-1

Patient Billing

<i>Information</i>	3-1-2
---------------------------------	-------

Entries into the Clinical Record.....3-2

Entry rules.....	Page 1
Physician Verbal Orders.....	Page 2
Late Entries.....	Page 2
Mistaken Entries.....	Page 2
Clinical Notes—Content.....	Page 3
Clinical Notes—Timeliness.....	Page 3
Contract Service Documentation.....	Page 3
Medications.....	Page 3
Treatment.....	Page 3
Patient Symptoms.....	Page 3

Discharge/Transfer Documentation.....3-3

Discharge/Transfer Documentation

Transfer of Records

Notice of Non Coverage

Clerical Closure of Patient Health Record (Permanent)

Facsimile (FAX) Entries/Transmissions.....3-5

Record Reviews.....3-6

Review of Clinical Records.....	3-6/1
---------------------------------	-------

Quarterly Clinical Review.....	3-6-2
--------------------------------	-------

Retention of Records.....3-7

Protection of Records.....3-8

Data Collection and Transmission.....3-9

Unduplicated Census Count

Sonoma Valley Home Care ♦ Administrative Policy & Procedures Manual
Table of Contents

Duplicated Census Count
OASIS Data

Patient Care Documentation Definitions and Requirements.....Addendum A

Attachments

Unacceptable Abbreviations.....	A
In-House Presentation Folder.....	B
Record Retention Policy, (SVH IM Policy 114).....	C
Facsimile Transmission of Patient Information (SVH IM Policy 104).....	D
Clinical Record Review Tool.....	E
Home Care Business Continuity Plan.....	F
Mobile Device User Agreement.....	G

Chapter 4-Records Surveillance, Prevention and Control of Infection

Exposure Control Plan.....	4-1
Monitoring Staff Compliance.....	4-1-1
Equipment Cleaning Protocol.....	4-1-2
Reporting and Tracking Exposure.....	4-2
Evaluation of Exposure/Infection Control Procedure.....	4-3

Chapter 5-Management of the Environment of Care

In-Office Environmental Safety Program.....	5-1
Patient Environmental Safety Program.....	5-2
Fire and Long Term Oxygen Use in the Home.....	5-2
Reporting and Documenting an Incident.....	5-3
Management of Supplies and Equipment.....	5-4
Emergency Management.....	5-5
Hazard Vulnerability Analysis Prioritized Emergencies	

Chapter 6-Quality Management

Quality Management Plan.....	6-1
Process Design.....	Page 1
Data Collection.....	Page 2
Current Performance Analysis.....	Page 3
Sustained Performance Improvement.....	Page 3

Chapter 7-Rights, Responsibilities and Ethics

Patient Rights and Responsibilities.....	7-1
Advance Directives.....	7-2
Communication.....	7-3
Ethics.....	7-4
Confidentiality.....	7-5
Grievance Process.....	7-6
Experimental Treatment.....	7-7
Financial Responsibility.....	7-8
Pain Management.....	7-9
Informed Consent.....	7-10

Addendums

Patient Bill of Rights and Responsibilities.....	Addendum A
Patient Treatment Agreement Form #323.....	Addendum B

Attachments

Mission Statement/After Hours/Complaints.....	7-A
Pain Scale Assessment Tool.....	7-B

Chapter 8-Patient Assessment

Initial Assessment.....	8-1
OASIS Assessments.....	8-1-1
Significant Change in Condition.....	8-2
Reassessment.....	8-2-1
Functional Assessment.....	8-3
Maternal-Infant Assessment.....	8-4
Children & Adolescent Assessment.....	8-5
Nutritional Assessment.....	8-6
Assessment and Reporting of Abuse.....	8-7

Attachments

SVH Policy: Abuse Reporting

Chapter 9-CONTINUUM OF CARE

Admission.....	9-1
General Guidelines.....	Page 1
Initial Visit.....	Page 2
Transfer/Discharge and Referral.....	9-2
General	
Transfer/Referral.....	9-2
Transfer of Patient Out of Service Area.....	9-2-1
Withdrawing from a Case.....	9-2-2
Discharge/referral.....	9-2-3
Coordination of ServicesServices-General.....	9-3
Case Management.....	9-3-1
Special Service Considerations PT,ST,OT.....	9-3-2
Therapy Services	Page 1
Medicare Coverage Qualification.....	Page 1
Medicare Part-B Outpatient.....	Page 2
Special Services Considerations	
MSW.....	9-3-3
Medical Social Services	

Medicare Coverage Qualifications

Communication.....9-3-4

Communication/Progress Summary.....9-3-4-1

Coordination of Medical Supplies.....9-4

Durable Medical Equipment.....9-4-1

Personal Protective Equipment.....9-4-2

After Hours Care of the Home Care Patient.....9-5

After Hours Care of the IV Patient.....9-5-1

Chapter 10-CARE, TREATMENT AND SERVICES

Physician.....10-1

Verification of Licensure.....d.....10-1-1

Physician Responsibilities.....10-1-3

Treatment Consent.....10-2

Plan of Care.....10-3

Plan of Care.....10-3

Revision to Home Health Certification and Plan of Care (485).....10-3-1

Recertification.....10-3-2

Nutritional Needs.....10-4

Frequency of Review/Revision.....10-5

Clinical Laboratory Services.....10-6

Staff Eligibility to Perform Waived Testing.....Page 2

Clinical Procedures for Waived Testing.....Page 3

Critical Results and Values

Medication and Infusion Therapy.....10-7

Patient Education.....10-8

Chapter 11

The Joint Commission National Patient Safety Goals

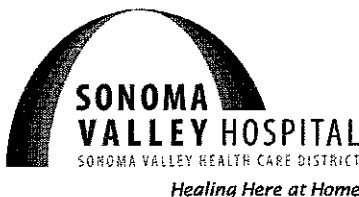
Goal 1 Improve the accuracy of patient identification

Goal 3 Improve the safety of using medicines

Goal 7 Reduce the risk of health care-associated infections

Goal 9 Reduce risk of patient harm resulting from falls

Goal 15 The organization identifies safety risks inherent in its patient population



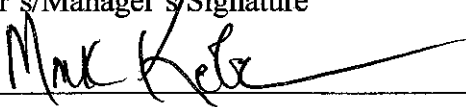
POLICY AND PROCEDURE
Approvals Signature Page

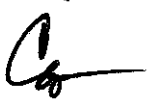
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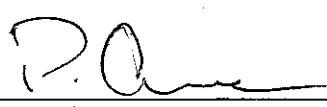
Departmental/Organizational: EMERGENCY DEPARTMENT (ER)	
APPROVED BY Leslie Lovejoy, RN CNO	DATE: November 2013
Director's/Manager's Signature 	Printed Name Mark Kobe, RN Director



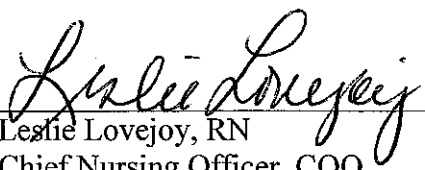
Douglas S Campbell, MD
Chair Medicine Committee



Michael Brown, MD
Chair Surgery Committee



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



Leslie Lovejoy, RN
Chief Nursing Officer, CNO



Sharon Newton
Chair, Board of Directors

12/3/13

Date

1-8-14

Date

1/13/14

Date

11-14-13

Date

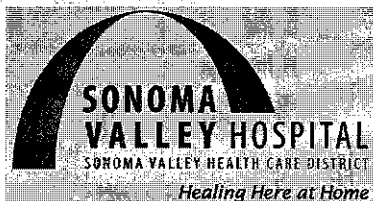
Date

Policy Submission Summary Sheet

Emergency Department Policy and Procedures

New document or revision written by: Mark Kobe, DON

Type X Revision <input type="checkbox"/> New Policy	Regulatory X CMS X CDPH (formerly DHS) D TJC (formerly JCHAO) <input type="checkbox"/> Other:
Departmental: Clinical/Non-clinical <i>(circle which type)</i>	XXXDepartmental <i>(List departments effected)</i>
Please <u>briefly</u> state changes to existing document/form or overview of new document/form here: <i>(include reason for change(s) or new document/form)</i> The following organizational policy addendum has been revised: Emergency Operations Plan, Attachment C; Inventory of Assets and Resources. This attachment to the EOP plan was updated to reflect new storage capacity of new 900kW generator The following ED Department policies have been revised: <u>7010-1 Triage:</u> revised to update to current emergency severity index levels and to further describe new Charge/Triage Nurse roles and responsibilities <u>7010-2 Patient Valuables:</u> revised to delineate protocol for ED patients and transfers only <u>7010-3 Admission from the ED to the Hospital:</u> revised to reflect EHR documentation and duty of Nursing Supervisor to monitor decision to admit to inpatient bed metric. Goal 1 hr. <u>7010-4 Discharge from the ED:</u> revised to reflect documentation changes for the EHR <u>7010-5 Telephone Advice:</u> updated, no changes <u>7010-6 IntraOsseous Device:</u> New policy covering current practice standards	



POLICY AND PROCEDURE Approvals Signature Page

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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: MM⁵⁶¹⁰8390-117 Sterile Compounding	
APPROVED BY: Chief Quality Officer <i>Lislee Loney</i>	DATE: 01/23/2014
Director's/Manager's Signature <i>Chris Kutza</i> 1/23/14	Printed Name Chris Kutza, Director of Pharmacy

N/A

Douglas S Campbell, MD
Chair Medicine Committee

Date

N/A

Michael Brown, MD
Chair Surgery Committee

Date

Robert Cohen

Robert Cohen, MD
Chief Medical Informatics Officer

Date

Kelly Mather

Kelly Mather
Chief Executive Officer

Date

D. Paul Amara

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

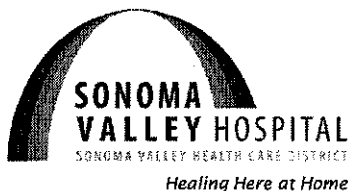
1/23/14

Date

Sharon Newins

Sharon Newins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Pharmacy Department**

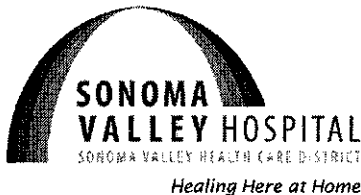
New document or revision written by: Chris Kutza, Director of Pharmacy

Type X Revision X New Policy	Regulatory <input type="checkbox"/> CMS <input type="checkbox"/> CDPH (formerly DHS) <input type="checkbox"/> TJC (formerly JCHAO) <input type="checkbox"/> Other:
X Organizational: Clinical <i>(circle which type)</i>	X Departmental <input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>

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

MM8610-117 Sterile Compounding—Significantly updated
MM8610-118 IV Compounding Outside the Pharmacy— Reviewed & Updated; name changed from
“After Hours” IV Admixture Standardization & Preparation

Reviewed By	Date	Approved (Y/N)	Comment
Chris Kutza	1/23/14	Y	



POLICY AND PROCEDURE Approvals Signature Page

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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: MM⁵⁶¹²8390-118 IV Compounding Outside the Pharmacy	
APPROVED BY: Chief Quality Officer <i>Lislie Longoys</i>	DATE: 01/23/2014
Director's/Manager's Signature <i>Chris Kutza</i>	Printed Name Chris Kutza, Director of Pharmacy

N/A

Douglas S Campbell, MD
Chair Medicine Committee

Date

N/A

Michael Brown, MD
Chair Surgery Committee

Date

Robert Cohen

Robert Cohen, MD
Chief Medical Informatics Officer

Date

Kelly Mather

Kelly Mather
Chief Executive Officer

Date

D. Paul Amara

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

1/23/14

Date

Sharon Newns

~~Bill Doerum~~ Sharon Newns
Chair, Board of Directors

Date



SUBJECT: IV Compounding Outside of the Pharmacy

POLICY #MM8610-118

DEPARTMENT: Pharmacy

PAGE 1 OF 2

EFFECTIVE: 08/2007

APPROVED BY: Director of Pharmacy

REVISED: 01/2014

Purpose:

To define the process in which sterile injectable pharmaceuticals are mixed outside of the pharmacy in such a way as to ensure safe and timely provision of drug therapy to hospital patients and when it is appropriate to do so.

Policy:

Preparation of sterile IV admixtures will be performed within the pharmacy IV room using sterile aseptic technique in accordance with standards required by USP Chapter 797. In the presence of an urgent situation when a delay of more than 15 minutes could compromise patient safety, there is no ready to use product available, and/or during hours when the pharmacy is closed, it may be necessary for nurses to prepare either large volume (LVPs) and/or small volume (IVPB) admixtures. For this to occur as safely as possible, the process will meet the requirements of an immediate use compounded sterile product as defined in policy MM8610-117 Sterile Compounding. IV Push medications that are in unit of use containers (such as powder vials) and are aseptically reconstituted, drawn into a syringe, and immediately administered to the patient outside of the IV room AND doses in which a vial is directly connected to a bag via a manufacturer device (i.e. Minibag Plus or Add-Vantage) are not considered to be compounding.

Procedure:

1. In the circumstance when the pharmacy is closed, and a medication is scheduled to be administered to a patient, that medication is not available as a ready to use item, and it is determined that a medication is NOT urgent or emergent, the nursing supervisor will notify the on-call pharmacist.
 - a. The on-call pharmacist will work with the nursing supervisor to develop a plan of action which may include but is not limited to:
 - i. The pharmacist coming into the hospital to prepare the dose in the pharmacy IV room
 - ii. Contacting the prescriber to change the order to an appropriate and readily available medication
 - iii. Holding the dose until the pharmacy is open when clinically appropriate to do so.
2. For select IV medications that are deemed to be urgent or emergent in nature, the pharmacy will create kits that contain the appropriate medication vial(s) or ampoule(s), the appropriate diluents into which the medication is injected, appropriate expiration dating, and labeling with instructions for mixing.
 - a. The kits are made for select medications that are typically emergent in nature (i.e. vasopressors, antiarrhythmics, etc) and are not available in a ready to use form.
 - b. The kits are checked by a pharmacist before dispensing to nursing unit floor stock/automated dispensing cabinet.



SUBJECT: IV Compounding Outside of the Pharmacy	POLICY #MM8610-118
DEPARTMENT: Pharmacy	PAGE 2 OF 2
APPROVED BY: Director of Pharmacy	EFFECTIVE: 08/2007
	REVISED: 01/2014

- c. The kits are only intended to be used in situations in which the pharmacy is closed and/or a delay may cause harm to the patient.
3. In the situation in which a medication is needed urgently or emergently and no kit exists, the medication may be compounded by nursing personnel using aseptic sterile technique and administered to the patient within 1 hour.
 - a. Any nursing personnel who compound a medication in this situation will be trained and competent to do so.

Technique

1. The admixture will be prepared in a designated clean area used for medication preparation.
2. Personnel preparing the compounded sterile product will remove any watches and jewelry, wash and dry their hands thoroughly, and don gloves.
3. In cases where reconstitution is required, use sterile water for injection or 0.9% sodium chloride for injection as per manufacturer's instructions or the facility sterile compounding master formula list.
 - a. Verify that all medication has been fully dissolved before removing contents.
4. For vials and IV bag ports, cleanse top of the vial and port with an alcohol swab before needle penetration.
 - a. Enter the vial stopper or IV bag port using a syringe needle with the beveled side up and with slight downward pressure. All such entry ports should be swabbed with 70% alcohol prior to initial puncture.
5. For ampoules, cleanse the neck with a 70% isopropyl alcohol swab prior to opening the ampoule.
 - a. Use a filter needle or filter straw to remove desired contents from the ampoule, then change to a regular needle to deliver medication into final bag using the same technique as in #4a above.
6. Used medication vials, ampoules, syringes, and needles will be discarded as per hospital policy.
7. Record the following information on a medication label and affix to the final product:
 - a. Patient name and account number.
 - b. Name of medication contained in the bag and the amount (e.g. mg, mcg, etc)
 - c. If a premade label is available as with a pharmacy kit, affix the premade label to the bag after filling in the required information as indicated on the label.
8. Have a 2nd staff member double check the completed preparation before administering.

Reference:

USP 797

TJC MM 4.20, MM 4.30, IC 1.10

Policy: MM8610-117 Sterile Compounding



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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.

Departmental/Organizational: Blood Product Administration Guidelines Nursing Blood Administration

APPROVED BY
Leslie Lovejoy, RN CNO

DATE:
November 2013

Director's/Manager's Signature

Lois Valenzuela

Printed Name
Lois Valenzuela, CLS, Lab Manager

Douglas S Campbell, MD
Chair Medicine Committee

[Signature]

Michael Brown, MD
Chair Surgery Committee

[Signature]

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

[Signature]
Leslie Lovejoy, RN
Chief Nursing Officer, CNO

~~Bill Beernum~~ Sharon Newins,
Chair, Board of Directors

12/3/13

Date

1/8/14

Date

1/23/14

Date

1/23/14

Date

Date

Policy Submission Summary Sheet

Organizational Policy and Procedures

New document or revision written by: Lois Valenzuela

Type X Revision <input type="checkbox"/> New Policy	Regulatory X CMS X CDPH (formerly DHS) X TJC (formerly JCHAO) <input type="checkbox"/> Other:
XXXXOrganizational: Clinical/Non-clinical <i>(circle which type)</i>	Departmental <i>(List departments effected)</i>
Please <u>briefly</u> state changes to existing document/form or overview of new document/form here: <i>(include reason for change(s) or new document/form)</i> <p>The following policies have been revised:</p> <p><u>PCLB8610-1</u> Nursing Blood Administration Policy <u>PCLB8610-2</u> Blood Product Administration Guidelines</p> <p>These policies were updated and revised in 2012 to reflect the most current national practice. These policies follow the policies of the American Association of Blood Banks.</p> <p>The Nursing Blood Administration and Blood Products Administration Guidelines describe the processes for the administration of a blood product, monitoring the patient, patient identification and transfusion reactions. Patients can expect that all transfusions will be handled with their rights and safety assured through proper identification, devices and practices that reduce the risk of complications. Complications will be identified early and appropriate interventions will be initiated to assure the best outcome for the patient.</p>	

6.

STRATEGIC PLAN UPDATE

Implementation Plan for the Strategic Priorities

STRATEGIC OBJECTIVES	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY 2015	FY 2016
Reintroduce SVH To Community						
Focused marketing of Orthopedic and Bariatric Surgery	X					
Promote Women's Health loyalty program to increase diagnostics, therapies and screenings	X					
Open state-of-the-art Emergency Department		X				
Open and market state of the art Surgery Center		X				
Increase messaging to community to improve the hospital's reputation through sharing quality and financial results			X			
Begin national recognition as a Healing Hospital			X			
Open Joint, Knee and Spine Pain Center at outpatient rehab				X		
Implement Fast Track emergency service					X	
Implement Phase 2 upgrades on 1st floor					X	
Create Integrative Women's inpatient unit on 3rd floor						X
Increase Revenues Through Health Plan Growth And Health Partner Referrals						
Promote Western Health Advantage to local employers	X					
Expand Telemed 4 U program to increase surgeries		X				
Increase Napa State Hospital referrals		X				
Consider partnering with Medicare Advantage plan			X			
Work with Palm Drive Hospital on cross referrals			X			
Expand home care agency to Marin County			X			
Regional North Bay Health System Guiding Patients To Needed Level Of Care						
Complete physician sub-specialty clinics	X					
Promote Hospice and Palliative Care partnership	X					
Community availability of high quality care and access through telemedicine		X				
Grow practices with Prima Medical Foundation			X			
Enhance awareness of tertiary hospital partnerships				X		
Start regional consolidations with Marin General Hospital					X	
Implement and promote Patient Portal			X			
Position SVH For Healthcare Reform						
Implement a cost accounting system	X					
Restructure inpatient and observation care for efficiency		X				
Complete overhead consolidations with Palm Drive			X			
Complete Sevenex waste reduction practices			X			
Work with Meritage Medical Network on ACO				X		
Explore Community Care Network				X		
Improve The Health Of Sonoma Valley Residents						
Market the Integrative Health Network	X					
Promote and expand Senior Wellness program	X					
Continue Sonoma Valley Health Roundtable actions to increase prevention and improve resident health status	X					
Reduce re-admissions with County coalition		X				
Implement bi-lingual signage and communications		X			X	
Add a patient navigator			X			
Open Health Assessment Center with Parkpoint			X			
Show improvement toward Healthy Sonoma 2020					X	

8.

DECEMBER 2013
FINANCIAL REPORT

Sonoma Valley Hospital Sonoma Valley Health Care District December 31, 2013 Financial Report

Board of Directors
February 6, 2014

December's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	112	120	-8	117
Acute Patient Days	402	443	-41	456
SNF Patient Days	733	697	36	671
Home Health Care Visits	951	1,075	-124	940
Outpatient Gross Revenue (in thousands)	\$8,809	\$8,654	\$155	\$8,302
Surgical Cases	138	125	13	126

Summary Statement of Revenues and Expenses Month of December 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 4,131,893	\$ 4,535,460	\$ (403,567)	-9%	\$ 4,238,675
2 Total Operating Expenses	\$ 4,480,356	\$ 4,569,338	\$ 88,982	2%	\$ 4,481,870
3 Operating Margin	\$ (348,463)	\$ (33,878)	\$ (314,585)	-929%	\$ (243,195)
4 NonOperating Rev/Exp	\$ 335,965	\$ 298,029	\$ 37,936	13%	\$ 333,047
5 Net Income before Restricted Cont.	\$ (12,498)	\$ 264,151	\$ (276,649)	-105%	\$ 89,852
6 Restricted Contribution	\$ 424,403	\$ 90,097	\$ 334,306	371%	\$ 43,788
Net Income with Restricted 7 Contributions	\$ 411,905	\$ 354,248	\$ 57,657	16%	\$ 133,640
8 EBIDA before Restricted Contributions	\$ 212,233	\$ 500,244	\$ (288,011)		\$ 328,466
9 EBIDA before Restricted Cont. %	5%	11%	-6%		8%
10 Net Income without GO Bond Activity	\$ 294,504	\$ 235,588	\$ 58,916		\$ 10,084

Summary Statement of Revenues and Expenses Year to Date December 31, 2013 (6 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 25,356,975	\$ 25,780,814	\$ (423,839)	-2%	\$ 24,165,153
2 Total Operating Expenses	\$ 27,055,153	\$ 27,124,836	\$ 69,683	0%	\$ 25,913,196
3 Operating Margin	\$ (1,698,179)	\$ (1,344,022)	\$ (354,157)	-26%	\$ (1,748,043)
4 NonOperating Rev/Exp	\$ 1,799,767	\$ 1,794,182	\$ 5,585	0%	\$ 1,915,399
5 Net Income before Restricted Cont.	\$ 101,588	\$ 450,160	\$ (348,572)	-77%	\$ 167,356
6 Restricted Contribution	\$ 2,979,444	\$ 1,214,773	\$ 1,764,671	145%	\$ 430,761
Net Income with Restricted 7 Contributions	\$ 3,081,032	\$ 1,664,933	\$ 1,416,099	85%	\$ 598,117
8 EBIDA before Restricted Contributions	\$ 1,441,718	\$ 1,920,104	\$ (478,386)		\$ 1,609,587
9 EBIDA before Restricted Cont. %	6%	7%	-1%		7%
10 Net Income without GO Bond Activity	\$ (602,818)	\$ (266,708)	\$ (336,110)		\$ (573,982)



To: SVH Finance Committee
From: David Cox, Interim CFO
Date: January 28, 2014
Subject: Financial Report for the Month Ending December 31, 2013

Overall Results for December 2013

Overall for December, SVH has net income after the restricted contributions of \$411,905 on budgeted income of \$354,248, for a favorable variance of \$57,657. Total net patient service revenue was under budget by (\$354,425), or 9%, which includes a prior period adjustment of \$487,980 for an appeal won on an understatement of PPS payments for the period of 1999 through 2008. Results reflect a national trend of a decrease in inpatient utilization and increase in outpatient utilization.

There has also been a shift in payer mix from Commercial to Medicare, which has negatively affected our overall collection ratio; 24.3% compared to the budget of 26.0 percent. Other operating revenue is slightly under budget by (\$228), bringing the total operating revenue to \$4,131,893 or (\$403,567) under budget. Expenses were \$4,480,356 on a budget of \$4,569,338 or \$88,982 under budget. The EBIDA prior to the restricted donations for the month was \$212,233 or 5.1%.

Patient Volumes - December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	112	120	-8	117
Acute Patient Days	402	443	-41	456
SNF Patient Days	733	697	36	671
Home Care Visits	951	1,075	-124	940
OP Gross Revenue	\$8,809	\$8,654	\$155	\$8,302
Surgical Cases	138	125	13	126

Overall Payer Mix - December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	53.2%	50.0%	3.2%	49.4%	49.2%	0.2%
Medi-Cal	6.9%	10.7%	-3.8%	11.2%	10.7%	0.5%
Self Pay	3.5%	3.7%	-0.2%	3.2%	3.8%	-0.6%
Commercial	26.0%	28.5%	-2.5%	26.5%	29.2%	-2.7%
Managed MC	3.6%	2.9%	0.7%	4.6%	2.9%	1.7%
Workers Comp	3.2%	1.4%	1.8%	3.2%	1.5%	1.7%
Capitated	3.6%	2.8%	0.8%	1.9%	2.7 %	-0.8%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for December were \$4.1 million on a budget of \$4.5 million or (\$403,567) under budget. Below are December's favorable variances:

- Skilled Nursing Home volume was over budget by 36 days.
- Bad Debts and Charity Care were favorable to budget by \$176,451.
- A prior period adjustment of \$487,980 for the Medicare appeal.

Offset by the following unfavorable variances:

- Overall inpatient volume was under budget by 8 discharges.
- Outpatient was over budget in volume, but had higher Medicare patients and lower commercial insured patients.
- Home Care volume was under budget by 124 visits.

The net effect is Net Patient Revenue is under budget by (\$354,425) or 9%.

Expenses

December's expenses were \$4.5 million on a budget of \$4.6 million or under budget by \$88,982. The following is a summary of the operating expense variances for the month of December:

- Total productivity FTE's were under budget at 277 on a budget of 281, or \$36,412 under budget.
- Employee benefits were under budget by \$51,022, of this health insurance was under budget by \$25,528 and Paid Time Off was under budget by \$15,848.
- Medical and Prof Fees are over budget by (\$38,505), (\$33,150) is due to additional Prima Physician call.

Cash Collections on Patient Receivables:

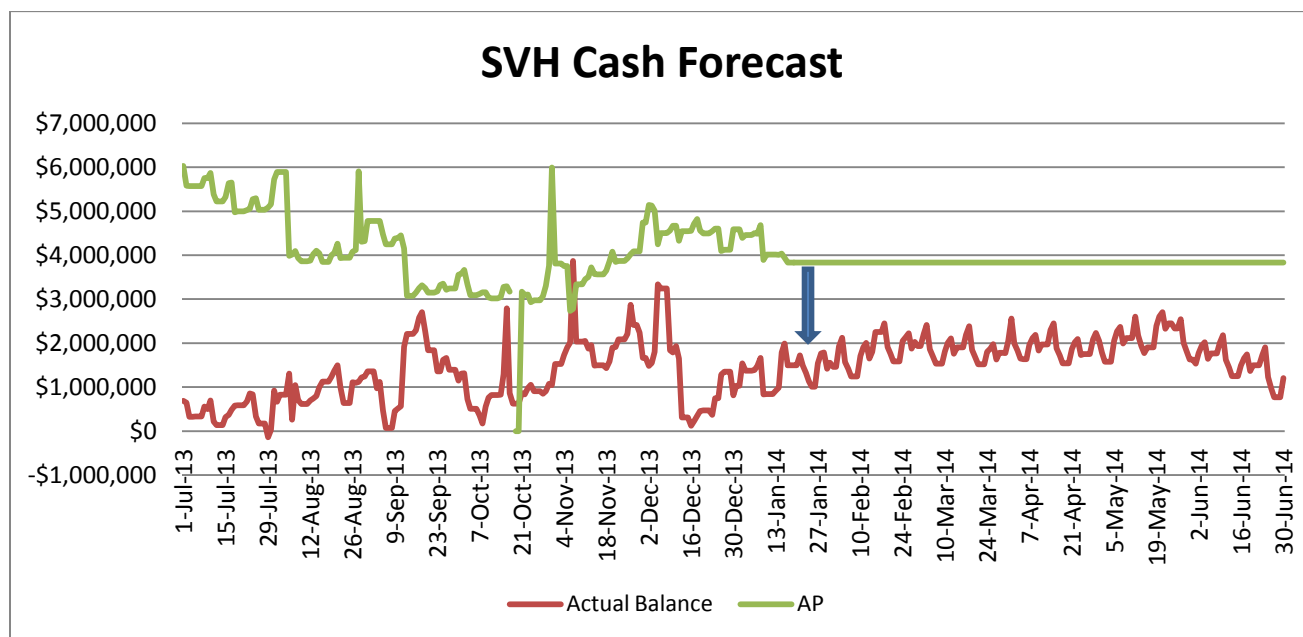
For the month of December the cash collection goal was \$3,532,566, the Hospital collected \$3,727,653 or over the goal by \$195,087. Year to date the Hospital patient collections goal was \$20,079,823 and had collection of \$20,091,129 or \$11,306 over the goal.

RAC Activity

	November	Year to Date
Payments to Medicare	\$16,617	\$583,845
Appeals Won and Repaid to the Hospital	\$0	\$105,815
Payments from Rebilling Received	\$0	\$0



Days in Cash are at 7 and Days in Net A/R at 54. The organization's cash forecast is presented below:



Capital Campaign Summary:

For the month of December, the Hospital received \$424,403 in capital campaign donations. The total amount received from the Capital Campaign to date is \$7,404,144 offset with spending of \$6,094,630. The funds are included on line 17, Specific Funds on the Balance Sheet. Included on line 17 is also \$21,469 for miscellaneous restricted funds, \$114,552 received from the Foundation for the X-ray machine and \$32,270 for the Health Round Table, all of which have been reduced by spending of \$121,782.

	Cash Receipts	Spending	Balance
Emergency Dept.	\$1,511,046	\$1,337,170	\$173,876
Operating Room	\$0	\$0	\$0
Art Work/Lobby	\$400,000	\$122,992	\$277,008
General	\$5,230,305	\$4,634,468	\$595,837
Children's Area	\$250,000	\$0	\$250,000
Interest Earned	\$12,793	\$0	\$12,793
Total Capital Campaign	\$7,404,144	\$6,094,630	\$1,309,514
X-Ray Machine	\$114,552	\$114,552	\$0
Misc. Restricted Funds	\$21,469	\$0	\$21,469
Health Round Table	\$32,515	\$7,230	\$25,285
Total Specific Funds	\$7,572,680	\$6,216,412	\$1,356,268

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

ER Visits

	ER – Inpatient				ER - Outpatient			
	CY	PY	Change	%	CY	PY	Change	%
July	109	109	0	0%	641	729	-88	-12.1%
Aug	94	106	-12	-11.3%	695	778	-83	-10.7%
Sept	105	111	-6	-5.6%	690	677	13	1.9%
Oct	60	95	-35	-32.4%	671	706	-35	-5.2%
Nov	72	101	-29	-27.1%	593	631	-38	-6.0
Dec	95	100	-5	-4.2%	656	693	-37	-5.9%
YTD	535	622	-87	-13.9%	3,946	4,214	-268	-6.4%



OPERATING INDICATORS
SONOMA VALLEY HOSPITAL

For the month ended December, 2013

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 12/31/13	Budget 12/31/13	Favorable (Unfavorable) Variance	Actual 12/31/13	Budget 12/31/13	Favorable (Unfavorable) Variance	Prior Year 12/31/12
Inpatient Utilization							
Discharges							
1 Acute	95	99	(4)	494	575	(81)	622
2 ICU	17	21	(4)	103	124	(21)	61
3 Total Discharges	112	120	(8)	597	699	(102)	683
4 Newborn	13	14	(1)	76	81	(5)	71
5 Total Discharges inc. Newborns	125	120	(9)	673	780	(107)	754
Patient Days:							
6 Acute	294	319	(25)	1,588	1,809	(221)	1,950
7 ICU	108	124	(16)	634	736	(102)	475
8 Total Patient Days	402	443	(41)	2,222	2,545	(323)	2,425
9 Newborn	20	30	(10)	146	179	(33)	164
10 Total Patient Days inc. Newborns	422	473	(51)	2,368	2,724	(356)	2,589
Average Length of Stay:							
11 Acute	3.1	3.2	(0.1)	3.2	3.1	0.1	3.1
12 ICU	6.4	5.9	0.4	6.2	5.9	0.2	7.8
13 Avg. Length of Stay	3.6	3.7	(0.1)	3.7	3.6	0.1	3.6
14 Newborn ALOS	1.5	2.2	(0.7)	1.9	2.2	0.3	2.3
Average Daily Census:							
15 Acute	9.5	10.3	(0.8)	8.6	9.8	(1.2)	10.6
16 ICU	3.5	4.0	(0.5)	3.4	4.0	(0.6)	2.6
17 Avg. Daily Census	13.0	14.3	(1.3)	12.1	13.8	(1.8)	13.2
18 Newborn	0.6	1.0	(0.3)	0.8	1.0	(0.2)	0.9
Long Term Care:							
19 SNF Patient Days	733	697	36	3,527	3,790	(263)	3,817
20 SNF Discharges	33	34	(1)	171	213	(42)	201
21 Average Daily Census	23.6	22.5	1	19.2	20.6	(1)	20.7
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	751	787	(36)	4,481	4,886	(405)	4,836
Outpatient Statistics:							
23 Total Outpatients Visits	4,025	3,819	206	25,176	25,246	(70)	24,341
24 IP Surgeries	31	41	(10)	190	224	(34)	222
25 OP Surgeries	107	84	23	603	560	43	557
26 Special Procedures	34	35	(1)	201	207	(6)	231
27 Home Health Visits	951	1,075	(124)	5,036	5,175	(139)	5,695
28 Adjusted Discharges	301	315	(14)	1,766	1,996	(230)	1,938
29 Adjusted Patient Days	2,356	2,328	28	13,217	13,857	(641)	13,686
30 Adj. Avg. Daily Census	76.0	75.1	0.9	71.8	75.3	(3.5)	74.4
31 Case Mix Index -Medicare	1.4946	1.4000	0.095	1.5724	1.4000	0.172	1.4695
32 Case Mix Index - All payers	1.4900	1.4000	0.090	1.5501	1.4000	0.150	1.2206
Labor Statistics							
33 FTE's - Worked	277	281	4.0	282	276	(5.4)	281
34 FTE's - Paid	315	317	1.5	315	312	(3.1)	320
35 Average Hourly Rate	35.99	35.67	(0.33)	36.19	35.95	(0.24)	34.56
36 Manhours / Adj. Pat Day	23.6	24.0	0.4	25.0	23.6	(1.4)	24.5
37 Manhours / Adj. Discharge	185.0	177.8	(7.1)	187.0	163.8	(23.2)	173.0
38 Benefits % of Salaries	22.4%	23.3%	0.9%	22.6%	23.8%	1.1%	23.0%
Non-Labor Statistics							
39 Supply Expense % Revenue	3%	3%	0%	3%	3%	0%	3%
40 Supply Exp. / Adj. Discharge	1,704.71	1,601.59	(103)	1,728.80	1,499.33	(229)	1,549.70
41 Total Expense / Adj. Discharge	15,187.27	12,633.39	(2,554)	15,674.80	13,889.95	(1,785)	13,665.92
Other Indicators							
42 Days Cash - Operating Funds	7.0						
43 Days in Net AR	54.0	50.0	4.0	52.3	50.0	2.3	51.36
44 Collections % of Net Revenue	100%			100%			
45 Days in Accounts Payable	61.5	60.0	1.5	57.8	60.0	(2)	-
46 % Net revenue to Gross revenue	23.5%	26.0%	-2.4%	24.1%	24.9%	-0.9%	24.7%
47 % Net AR to Gross AR	22.9%			22.9%			22.2%

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of December 31, 2013

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,033,782	\$ 1,666,525	\$ 2,006,788
2 Trustee Funds	540,405	540,405	339,459
3 Net Patient Receivables	7,660,490	8,545,283	8,172,226
4 Allow Uncollect Accts	(1,641,569)	(1,754,699)	(1,629,821)
5 Net A/R	6,018,921	6,790,584	6,542,405
6 Other Accts/Notes Rec	5,330,620	6,263,404	4,552,278
7 3rd Party Receivables, Net	2,578,963	1,998,099	44,923
8 Due Frm Restrict Funds	-	-	-
9 Inventory	819,147	816,861	887,934
10 Prepaid Expenses	1,292,396	1,013,432	1,198,317
11 Total Current Assets	\$ 17,614,234	\$ 19,089,310	\$ 15,572,104
12 Board Designated Assets	\$ 5,384	\$ 5,384	\$ 186,193
13 Property, Plant & Equip, Net	11,065,061	11,126,088	10,669,234
14 Hospital Renewal Program	39,456,026	37,902,595	20,592,634
15 Unexpended Hospital Renewal Funds	-	-	13,894,487
16 Investments	-	-	-
17 Specific Funds	1,356,268	2,320,475	2,496,822
18 Other Assets	425,913	427,571	313,616
19 Total Assets	\$ 69,922,886	\$ 70,871,423	\$ 63,725,090
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 4,586,205	\$ 4,737,512	\$ 7,349,043
21 Accrued Compensation	3,444,582	3,306,031	3,038,895
22 Interest Payable	710,351	567,681	714,262
23 Accrued Expenses	1,312,277	1,463,240	255,629
24 Advances From 3rd Parties	1,000,311	1,868,922	1,305,849
25 Deferred Tax Revenue	2,486,649	2,866,515	2,377,805
26 Current Maturities-LTD	850,698	845,797	1,365,409
27 Other Liabilities	4,188,919	4,188,919	83,975
28 Total Current Liabilities	\$ 18,579,992	\$ 19,844,617	\$ 16,490,867
29 Long Term Debt, net current portion	\$ 37,401,269	\$ 37,497,710	\$ 37,738,378
30 Fund Balances:			
31 Unrestricted	\$ 4,876,664	\$ 4,888,538	\$ 6,929,057
32 Restricted	9,064,961	8,640,558	2,566,788
33 Total Fund Balances	\$ 13,941,625	\$ 13,529,096	\$ 9,495,845
34 Total Liabilities & Fund Balances	\$ 69,922,886	\$ 70,871,423	\$ 63,725,090

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

		Month				Year-To-Date				YTD
		This Year		Variance		This Year		Variance		Prior Year
		Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information										
1	Acute Discharges	112	120	(8)	-7%	597	699	(102)	-15%	683
2	SNF Days	733	697	36	5%	3,527	3,790	(263)	-7%	3,817
3	Home Care Visits	951	1,075	(124)	-12%	5,038	5,175	(137)	-3%	5,695
4	Gross O/P Revenue (000's)	8,809	8,654	155	2%	\$ 57,427	\$ 54,364	3,063	6%	\$ 51,040
Financial Results										
Gross Patient Revenue										
5	Inpatient	\$ 5,225,066	\$ 5,902,954	(677,888)	-11%	\$ 30,510,615	\$ 32,716,409	(2,205,794)	-7%	\$ 30,327,356
6	Outpatient & Emergency	8,514,242	8,359,939	154,303	2%	55,884,728	52,972,833	2,911,895	5%	49,359,779
7	SNF	2,962,548	2,398,536	564,012	24%	13,699,781	13,067,868	631,913	5%	12,472,738
8	Home Care	295,240	294,532	708	0%	1,541,982	1,391,197	150,785	11%	1,679,744
9	Total Gross Patient Revenue	\$ 16,997,096	\$ 16,955,961	41,135	0%	\$ 101,637,106	\$ 100,148,307	1,488,799	1%	\$ 93,839,617
Deductions from Revenue										
10	Contractual Discounts	\$ (13,546,772)	\$ (12,486,781)	(1,059,991)	-8%	\$ (77,715,356)	\$ (74,949,596)	(2,765,760)	-4%	\$ (69,916,834)
11	Bad Debt	(161,955)	(212,605)	50,650	24%	(1,031,955)	(1,255,726)	223,771	18%	(1,600,000)
12	Charity Care Provision	(51,800)	(177,601)	125,801	71%	(148,327)	(901,087)	752,760	84%	(1,195,531)
13	Prior Period Adjustments	487,980	-	487,980	0%	696,982	-	696,982	0%	-
14	Total Deductions from Revenue	\$ (13,272,547)	\$ (12,876,987)	(883,540)	7%	\$ (78,895,638)	\$ (77,106,409)	(1,789,229)	2%	\$ (72,712,365)
15	Net Patient Service Revenue	\$ 3,724,549	\$ 4,078,974	(354,425)	-9%	\$ 22,741,468	\$ 23,041,898	(300,430)	-1%	\$ 21,127,252
16	Risk contract revenue	\$ 273,003	\$ 321,917	(48,914)	-15%	\$ 1,728,677	\$ 1,931,502	(202,825)	-11%	\$ 2,055,531
17	Net Hospital Revenue	\$ 3,997,552	\$ 4,400,891	(403,339)	-9%	\$ 24,470,145	\$ 24,973,400	(503,255)	-2%	\$ 23,182,783
18	Other Op Rev & Electronic Health Records	\$ 134,341	\$ 134,569	(228)	0%	\$ 886,830	\$ 807,414	79,416	10%	\$ 982,370
19	Total Operating Revenue	\$ 4,131,893	\$ 4,535,460	(403,567)	-9%	\$ 25,356,975	\$ 25,780,814	(423,839)	-2%	\$ 24,165,153
Operating Expenses										
20	Salary and Wages and Agency Fees	\$ 2,003,945	\$ 2,040,357	36,412	2%	\$ 11,950,124	\$ 11,916,055	(34,069)	0%	\$ 11,588,955
21	Employee Benefits	722,355	773,377	51,022	7%	4,367,381	4,613,304	245,923	5%	4,332,086
22	Total People Cost	\$ 2,726,300	\$ 2,813,734	87,434	3%	\$ 16,317,505	\$ 16,529,359	211,854	1%	\$ 15,921,041
23	Med and Prof Fees (excl Agency)	\$ 439,515	\$ 401,010	(38,505)	-10%	\$ 2,511,486	\$ 2,355,029	(156,457)	-7%	\$ 2,278,180
24	Supplies	513,141	503,725	(9,416)	-2%	3,052,343	2,992,541	(59,802)	-2%	3,003,608
25	Purchased Services	416,675	424,717	8,042	2%	2,343,278	2,603,589	260,311	10%	2,353,109
26	Depreciation	156,097	187,558	31,461	17%	975,771	1,174,212	198,441	17%	1,079,035
27	Utilities	56,887	77,354	20,467	26%	468,901	494,124	25,223	5%	503,443
28	Insurance	18,888	18,699	(189)	-1%	113,328	112,193	(1,135)	-1%	121,250
29	Interest	33,709	13,610	(20,099)	-148%	154,809	91,096	(63,713)	-70%	183,130
30	Other	119,144	128,931	9,787	8%	1,117,732	772,693	(345,039)	-45%	470,400
31	Operating expenses	\$ 4,480,356	\$ 4,569,338	88,982	2%	\$ 27,055,153	\$ 27,124,836	69,683	0%	\$ 25,913,196
32	Operating Margin	\$ (348,463)	\$ (33,878)	(314,585)	-929%	\$ (1,698,179)	\$ (1,344,022)	(354,157)	-26%	\$ (1,748,043)
Non Operating Rev and Expense										
33	Miscellaneous Revenue	\$ 4,742	\$ 4,166	576	14%	\$ 36,492	\$ 25,001	11,491	46%	\$ 88,321
34	Donations	32,607	3,334	29,273	0%	44,574	21,093	23,481	*	10,000.00
35	Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	-
36	Physician Practice Support-Prima	(56,285)	(65,630)	9,345	-14%	(410,510)	(393,780)	(16,730)	4%	(393,780)
37	Parcel Tax Assessment Rev	237,500	237,500	-	0%	1,424,805	1,425,000	(195)	0%	1,469,522
38	GO Bond Tax Assessment Rev	152,326	153,584	(1,258)	-1%	913,956	921,504	(7,548)	-1%	921,402
39	GO Bond Interest	(34,925)	(34,925)	-	0%	(209,550)	(204,636)	(4,914)	2%	(180,066)
40	Total Non-Operating Rev/Exp	\$ 335,965	\$ 298,029	37,936	13%	\$ 1,799,767	\$ 1,794,182	5,585	0%	\$ 1,915,399
41	Net Income / (Loss) prior to Restricted Contributions	\$ (12,498)	\$ 264,151	(276,649)	-105%	\$ 101,588	\$ 450,160	(348,572)	-77%	\$ 167,356
42	Capital Campaign Contribution	\$ 424,403	\$ 90,097	334,306	371%	\$ 2,979,444	\$ 1,214,773	1,764,671	145%	\$ 316,427
43	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$ 114,334
44	Net Income / (Loss) w/ Restricted Contributions	\$ 411,905	\$ 354,248	57,657	16%	\$ 3,081,032	\$ 1,664,933	1,416,099	85%	\$ 598,117
45	Net Income w/o GO Bond Activity	\$ 294,504	\$ 235,589	58,915	-25%	\$ (602,818)	\$ (266,708)	(336,110)	-126%	\$ (573,980)

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended

	<u>Current Month</u>	<u>Year To Date</u>
Operating Activities		
Net Income (Loss)	411,905	3,081,032
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	156,097	975,771
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	771,663	507,101
(Increase)/Decrease Other receivables and other assets	353,578	30,582
(Increase)/Decrease Prepaid expenses	(278,964)	(217,984)
(Increase)/Decrease in Inventories	(2,286)	(24,513)
(Decrease)/Increase in Deferred revenues	(1,248,477)	(3,027,996)
(Decrease)/Increase in Accounts payable, accrued expenses	(20,425)	(47,576)
Net Cash Provided/(Used) by operating activities	<u>143,091</u>	<u>1,276,417</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(95,070)	(1,366,380)
Net Purchases of property, plant and equipment - GO Bond Purchases	(1,553,431)	(7,654,149)
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	964,207	7,002,989
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	<u>(684,294)</u>	<u>(2,017,540)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(91,540)	(363,497)
Proceeds (Repayments) from Borrowings - Other		
Net Intercompany Borrowings/(Repayments)		
Change in Post Retirement Obligations & Other Net Assets	-	-
Net Equity Transfers to related entities (Cash and Non-Cash)		
Net cash Provided/(Used) by financing activities	<u>(91,540)</u>	<u>(363,497)</u>
Net increase/(Decrease) in cash and cash equivalents	<u>(632,743)</u>	<u>(1,104,620)</u>
Cash and Equivalents at beginning of period	<u>1,666,525</u>	<u>2,138,402</u>
Cash and Equivalents at December 31, 2013	<u><u>1,033,782</u></u>	<u><u>1,033,782</u></u>

Sonoma Valley Hospital
Statistical Analysis
FY 2014

	ACTUAL	BUDGET	ACTUAL												
	Dec-13	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12	Nov-12
Statistics															
Acute															
Acute Patient Days	402	443	318	374	405	385	338	323	396	315	447	449	613	456	351
Acute Discharges	112	120	85	91	107	102	100	87	99	88	122	128	159	117	104
SNF Days	733	697	531	606	585	615	457	470	638	589	725	678	707	671	638
HHA Visits	951	1,075	903	941	745	736	760	990	1,140	1,101	1,067	1,001	1,076	940	921
Emergency Room Visits	751	787	665	731	795	789	750	716	795	729	757	710	852	793	732
Gross Outpatient Revenue (000's)	\$8,809	\$8,654	\$9,325	\$10,248	\$9,173	\$9,801	\$10,071	\$8,353	\$9,289	\$8,906	\$8,167	\$8,065	\$8,805	\$8,302	\$8,485
Equivalent Patient Days	2,356	2,328	2,145	2,342	2,157	2,256	1,945	1,892	2,266	2,237	2,422	2,314	2,594	2,353	2,213
Births	11	14	14	12	13	11	15	8	15	12	16	11	19	13	14
Surgical Cases - Inpatient	31	41	26	32	33	35	33	30	42	25	35	33	38	32	35
Surgical Cases - Outpatient	107	84	109	103	87	95	102	86	105	90	96	80	78	94	95
Total Surgical Cases	138	125	135	135	120	130	135	116	147	115	131	113	116	126	130
Medicare Case Mix Index	1.49	1.40	1.76	1.52	1.47	1.64	1.54	1.58	1.62	1.50	1.55	1.36	1.52	1.51	1.47
Income Statement															
Net Revenue (000's)	3,998	4,401	3,757	4,459	3,937	4,251	4,068	3,821	3,324	3,986	3,945	3,938	4,006	4,085	3,679
Operating Expenses (000's)	4,480	4,569	4,361	5,022	4,339	4,441	4,413	4,694	4,529	4,407	4,577	4,353	4,632	4,482	4,235
Net Income (000's)	412	354	(57)	990	883	440	185	732	(651)	149	251	114	237	134	174
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$1,902	\$1,962	\$2,033	\$2,144	\$2,011	\$1,968	\$2,269	\$2,481	\$1,999	\$1,970	\$1,890	\$1,881	\$1,786	\$1,905	\$1,914
Productive FTEs	277	281	288	282	279	286	279	277	282	286	291	290	284	284	266
Non-Productive FTE's	38	36	25	29	41	30	36	40	28	34	31	32	37	33	47
Total FTEs	315	317	313	312	320	315	315	317	311	320	322	322	321	317	313
FTEs per Adjusted Occupied Bed	4.39	4.28	4.39	4.12	4.45	4.33	4.25	4.25	4.25	4.29	4.12	3.77	3.84	4.24	4.24
Balance Sheet															
Days of Expense In General Operating Cash	7		11	7	8	11	8	7	12	17	15	9	9	14	7
Net Days of Revenue in AR	52		54	48	50	53	50	62	59	55	51	53	51	53	52

9.

JANUARY 2014
ADMINISTRATIVE
REPORT



To: SVHCD Board of Directors
From: Kelly Mather
Date: 1/31/14
Subject: Administrative Report

Summary: As of December, we are behind our budget for 2014 by \$348,572 and have been implementing a cost reduction plan. Within this plan, we are recommending significant changes or closure in the Obstetrics program due to very low volume and high costs. Some stakeholders and community members believe they can save the program. We will know more by the end of February.

Leadership and Organizational Results (Dashboard)

As you can see from the December dashboard, we are now exceeding many of the goals for this year. Patient satisfaction goals reached an all time high for the 2nd quarter of 7 out of 8 HCAHPS measurements above the 50th percentile. Expenses are close to budget for the year, but volumes are not high enough to sustain the planned expenses. Surgery and Skilled Nursing volumes were above budget. Occupational Health and Rehab volumes are also up significantly over the prior year. We even reached the community service goal within the first 6 months of this year.

New Wing Construction & Fundraising

The construction project is still on budget and we expect to start seeing patients in mid February. The second floor is now under construction and the patient rooms should be complete by March. We wrapped up the capital campaign and received a few more major gifts in December. To date, we have raised \$11.4 million. The Sonoma Valley Hospital Foundation is now taking over the lead in fundraising with the recruitment of a new Executive Director.

Marketing & Strategic Planning

The “Compass” health assessment center with Parkpoint opened on January 11th with a great turnout and many compliments. This is an example of the partnerships to improve the health of the valley that we will continue to lead. The “aches and pains” clinic starts in February at Rehab. The Women’s Health resource center with the new program “Girl Talk” will be rolling out in by May. We had our first monthly page in the Index Tribune on the hospital happenings.

STRATEGIC OBJECTIVES UPDATE:

Open and market the new Emergency and Surgery Center – **Great marketing for celebration, not open**
Increase messaging to the community to improve reputation – **Monthly ad, blogs, website, PR person**
Open “aches & pains” clinic (knee/joint center) – **Completed ahead of planned schedule**
Promote Western Health advantage & other insurance companies to employers – **Completed in fall**
Increase Napa State business with ultrasound & better capture through UR – **Underway**
Promote Hospice and Palliative care program – **Exceeding volume goals**
Implement Cost Accounting system – **Project has been actively underway since August, not easy**
Restructure inpatient care staffing – **Completed in August**
Reduce re-admissions through best practices & physician partnership – **Under goal of 10%**
Implement bi-lingual signage – **Now in new areas and coming to the lobby**
Add a patient navigator – **Not funded, but we are opening a women’s resource center**
Open Health Assessment Center with Parkpoint – **Complete**

DECEMBER 2013 DASHBOARD

PERFORMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	High In-Patient Satisfaction	5 out of 8 HCAHPS results above the 50 th percentile	7 out of 8 88.2%	>5 = 5 (stretch) >4 = 4 >3 = 3 (Goal) >2 = 2 <1=1
	High Out-Patient Satisfaction	Press Ganey monthly mean score	Outpatient 92.9% Surgery 91.7 % Emergency 89.7%	>94% = 5 (stretch) >93%=4 >92% =3 (Goal) >91%=2 <90%=1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score	100% for 10 months of the last 12	100% for 12 mos= 5 100% 9/12 mos=4 100% 6/12 mos =3 >90%=2 <80%=1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of current mean score	2012 77% mean score at 80 th percentile	>85 th = 5 (stretch) >82nd=4 >80th=3 (Goal) >77th=2 <76 th =1
Finance	Financial Viability	YTD EBIDA	6%	>10% (stretch) >9%=4 >8% (Goal) <7%=2 <6%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	\$27,055,133 (actual) \$27,124,836 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	793 YTD FY2014 779 YTD FY 2013	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient Volumes	2% increase (gross outpatient revenue over prior year)	\$57.4 million YTD \$51.0 million 2013 (12% increase)	
Community	Community Benefit Hours	Hours of time spent on community benefit activities for the fiscal year	1015.5 hours for 6 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 <500 = 1



FY 2013 - 2014 TRENDED RESULTS

MEASUREMENT	Goal FY 2014	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013
Inpatient Satisfaction	>87%	86.9	86.5	85.2	86.7	88.8	88.2	86.9	86.6	87.1	86.5	86.1	86.5
Outpatient Satisfaction	>93%	93.8	94.2	93.9	92.5	94.5	92.9	94	93.5	91.6	92.8	91.8	92.7
Surgery Satisfaction	>93%	93.2	94.1	93.7	92.7	93.1	91.7	94.5	93.7	92.9	92.8	92.0	92.6
Emergency Satisfaction	>89%	89.4	89.6	88.6	86.9	88.6	89.7	90.7	89.4	88.8	89.1	89.5	88.9
Value Based Purchasing Clinical Score	100	88	77	100	100	100	100	100	100	100	100	90	100
Staff Satisfaction	>77%	77	77	77	77	77	75	77	77	77	77	77	77
Turnover	<10%	2.8	2.8	2.8	7.9	7.9	7.9	8.6	8.6	8.6	3.6	3.6	3.6
EBIDA	>8%	7	12	7	6	6	6	8	8	8	9	0	8
Net Revenues	>3.9m	4.08	4.35	4.0	4.5	3.9	4.1	4.3	3.9	4.2	3.9	3.3	3.8
Expense Management	<4.5m	4.4	4.4	4.3	5.0	4.3	4.4	4.3	4.3	4.5	4.4	4.5	4.7
Net Income	>50	185	440	883	990	-57	-12	219	61	114	91	-651	732
Days Cash on Hand	>20	8	11	8	7	11	7	9	9	15	17	12	7
A/R Days	<55	64	53	50	48	50	52	51	53	51	55	56	62
Total FTE's	<320	315	315	320	312	313	315	321	322	322	320	311	317
FTEs/AOB	<4.5	4.25	4.33	4.45	4.12	4.39	4.39	3.84	3.7	4.12	4.29	4.25	4.25
Inpatient Discharges	>100	100	102	107	91	85	112	159	128	122	88	99	87
Outpatient Revenue	>\$8.8m	10.1	9.8	9.2	10.2	9.3	8.8	8.8	8.0	8.1	8.9	9.3	8.3
Surgeries	>130	135	130	120	135	135	138	116	113	131	115	147	116
Home Health	>1000	760	760	748	941	903	951	1076	1001	1067	1101	1140	990
Births	>15	15	11	13	9	14	11	19	11	16	12	15	8
SNF days	>660	457	615	585	606	531	733	707	678	725	589	638	470
MRI	>120	119	121	111	125	111	83	83	82	107	125	104	106
Cardiology (Echos)	>70	76	68	93	76	61	50	86	68	74	70	91	73
Laboratory	>12.5	12.0	11.8	13.1	13.9	11.9	12.5	14.2	11.8	12.2	11.9	12.4	10.7
Radiology	>850	959	931	885	801	819	877	940	902	900	829	915	828
Rehab	>2587	2868	2893	2543	2471	2572	2899	2502	2526	2690	2771	2736	2657
CT	>300	392	368	299	277	295	285	345	324	277	328	272	301
ER	>775	838	789	795	801	665	751	852	804	757	729	795	716
Mammography	>475	486	457	465	677	569	489	431	431	494	481	545	431
Ultrasound	>300	263	343	329	342	341	307	348	295	298	343	302	292
Occupational Health	>550	492	576	853	521	642	535	538	574	521	523	556	494

10.

OFFICER AND
COMMITTEE
REPORTS



BOARD MEETING CALENDARED ITEMS 2014

January

- Board Member Committee Assignments

February

- Strategic Plan Update
- Information Technology Update

March

- SVH Foundation Annual Report
- Update on Health Care District Charter opportunities
- Human Resources Annual Report

April

- Community Input for Strategic Plan
- Marketing Annual Report

May

- 3 Year-Strategic Plan Update
- Financial Budget Assumptions

June

- Operating Budget 2014/2015
- Affiliation Agreement Annual Review
- Resolution for Election of Open Board Positions and Election Process

July

- Capital Budget 2014/2015
- Annual Resolution for Parcel Tax Advance

August

- CEO Incentive Compensation Goals
- Long Range Financial Plan Update
- Board Self-Assessment
- Strategic Plan



BOARD MEETING CALENDARED ITEMS 2014

September

- CEO Performance Evaluation/Compensation Review
- Annual Nursing Report
- Annual Retreat (and report of Self-Assessment)

October

- CEO Performance Evaluation – Inform
- CEO Compensation – Action
- Legislative Update

November

- Audit Committee Report
- Audited Financial Statements
- 2013/2014 Annual Report

December

- Election of District Officers
- Swearing in of New Board Members
- Quality Annual Report



BOARD MEETING EDUCATIONAL TOPICS 2014

February Agenda

- Hospital Council of Northern California – Update on Future Issues

March Agenda

- Perioperative and Postoperative Care at SVH

April Agenda

- Update on Care Coordination Programs
- Update on Covered California

May Agenda

- Partnership Presentation

June Agenda

- Geriatric Care/SNF Admissions
- Palliative Care

Issues for future board meetings

- Progress on Combined Licensing for Med/Surg and ICU
- Review of HHA Expansion



Meeting Date: February 6, 2014

Prepared by: Bill Boerum, Chair, Governance Committee,
Peter Hohorst, Governance Committee

Agenda Item Title: **Community Funding Policy**

Recommendation:

The Board shall adopt the attached policy on Community Funding at the February Board meeting.

Background and Reasoning:

The Community Funding Policy was included on the agenda for the January Board meeting for discussion. Some minor changes to the wording have been made to ensure clarity. They have been highlighted in yellow.

In 2013 there were two requests for funding support from local community organizations. The Board acted to not fund either request so as to err on the side of caution. We had no written guidance. It appears that these requests have been relatively infrequent.

The Board does not have a written policy on Community Funding and related marketing at community events. This policy will give policy guidance to the Board and the CEO, and provide a process whereby the public, the CEO, or Board Members can request community funding for events and activities, as well as District/Hospital marketing at such events.

The language for this policy was taken from similar policy at the Salinas Valley Memorial Healthcare System (SVMHS). This policy grew out of an audit by the California Legislature's Bureau of State Audits (BSA) and we are advised by SVMHS that the policy language was deemed adequate by the BSA. This policy will enable the SVHCD and SVH to comply with the State Constitution, numerous California codes, and the Fair Political Practices Commission Regulations.

This proposed policy has not been reviewed by District Counsel. The GC determined that since was carefully reviewed by the BSA for legal compliance when it was developed by the SVMHS, the cost of additional review by our counsel was unnecessary.

Consequences of Negative Action/Alternative Actions:

If the Board does not adopt this or some similar policy, it will not have a written policy to guide the actions of the CEO and the Board in regard to these issues and therefore increases the risk of not being in compliance with state law.

Financial Impact: None.

Selection Process and Contract History: Not applicable.

Board Committee:

The GC unanimously recommends acceptance of this policy.

Attachments:

Community Funding Policy

COMMUNITY FUNDING

I. PURPOSE

A. The purpose of this Community Funding Policy ("Policy") is to ensure that all funds and other resources of Sonoma Valley Health Care District (SVHCD or District) are expended in furtherance of valid public purposes in full accordance with applicable laws and the rules in this Policy.

B. This Policy sets forth procedures and standards for consideration, approval and administration of potential expenditures of SVHCD resources in the areas of community benefit support and community benefit marketing.

II. POLICY

It is the general policy of the SVHCD not to fund requests for community benefit support and marketing due to the District's constrained finances, and because without the parcel tax approved by the voters the District would not be able to continue to operate. However, any Board Member, or the CEO, can bring a written request to the Board for its consideration at a Regular or Special Board meeting. Only the Board can approve such expenditure, and all approvals must be in advance of the event/expenditure. When considering such expenditure it is the policy that the SVHCD shall:

A. Ensure compliance with State law prohibitions on unlawful expenditures or gifts of public funds, including as specifically addressed in Sections 5 and 6 of Article XVI of the California Constitution, Government Code Section 8314, Code of Civil Procedure Section 526a and Penal Code Sections 424, et seq.

B. Expend Agency resources only in furtherance of the District's statutory purposes and in the exercise of powers set forth or implied in SVHCD's enabling legislation (California Health and Safety Code Sections 32000, et seq.).

C. Distribute all tickets/passes according to the Fair Political Practices Commission §18944.1. Gifts: Agency Provided Tickets or Passes.

D. Expend District resources only in the furtherance of its mission and vision related to improving the healthcare of our region and beyond.

E. Make expenditures related to community funding and marketing only after consideration pursuant to this Policy and an evaluation of the financial capacity of SVHCD to make such expenditures.

F. Not provide Community Funding to support or oppose campaigns for against political candidates or ballot measures.

G. Not provide Community Funding to or in aid of any religious sect, church, creed, or sectarian purpose, or to help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination.

H. Not provide Community Funding for endowment funds.

I. Not provide funding for multi-year requests, each request shall be submitted for consideration each year. Requests may be funded in successive years if approved separately each year.

III. DEFINITIONS

A. "Community Funding" means SVHCD resources – including tax revenue or other funds, materials or in-kind support – given to or spent to support any individual, organization, or entity for the purpose of benefitting the healthcare of the region served by SVHCD, including the areas within and surrounding the SVHCD jurisdictional boundaries. Community funding can include money or materials/in-kind benefits. There

are two types of Community Funding: Community Benefit Support and Marketing Support.

B. "Community Benefit Support" is resources given or spent for the purpose of improving the healthcare of the SVHCD community. Examples include contributions to community events at which individuals can benefit from health screenings or wellness screenings, community health education, and contributions to community health clinics.

C. "Marketing Support" means resources given or spent to promote the business, mission and goals of SVHCD and the services SVHCD provides. Examples include advertisements of SVHCD services at community events or in local organization publications. "Marketing Support" does *not* include advertising in, on or through newspaper, radio, television, social media or direct mail, except when such advertising is associated with a specific community event hosted by an entity other than SVHCD itself.

D. "Materials or In-kind Support" is resources other than money, including time and materials.

IV. PROCEDURES

A. Community Funding Committee ("Committee").

1. The Chief Executive Officer (CEO) may create a Community Funding Committee to maintain the integrity of the procedures set forth in this Policy. In the absence of such a Committee, the duties and responsibilities assigned to the Committee in this Policy shall be carried out by the CEO.
2. The Community Funding Committee shall conduct the following activities:
 - a. Meet monthly (or less often if no requests are pending) to review requests for Community Funding and present recommendations on funding decisions to the CEO.
 - b. Review this Policy at least once every three years to ensure that Implementation of this Policy remains consistent with the Policy's purpose, and then report on its findings and recommendations for changes to the Board.
 - c. By April of each year, evaluate the prior year's Community Funding activities for alignment with the SVHCD strategic plan and provide recommendations for the next year's Community Funding budget to the Finance Committee and the Board in the annual budget process. These recommendations shall include planned community events, tentative line-item expenses and a total budget projection for the upcoming fiscal year included in the annual budget.
3. The CEO shall, at least monthly (or less often if no Committee recommendations are pending), review recommendations of the Committee and determine whether, in turn, to recommend Community Funding awards to the Board of Directors.

B. Community Funding Requests and Decisions.

1. All Committee and CEO decisions related to Community Funding shall be made pursuant to the procedures set forth in this Policy.
2. All applicants for Community Funding, including SVHCD officers or employees, shall submit a Community Funding Request Form (see Attachment A as an example) to SVHCD Administration for Committee review. The Request Form can be accessed from the CEO's Office or by mail, email, or in person.
3. Community Funding Request Forms shall be submitted at least 60 days prior to proposed events or endeavors that are the subject of the request. Each event

or endeavor requires submittal of a new Community Funding Request Form. Requests for support of annual events shall be submitted annually; no multiple year requests shall be submitted or approved.

4. The Committee shall limit Community Funding expenditures to the amounts set forth in the adopted SVMHS Budget for such purpose.

a. Community Benefit Support may only be granted following a review and recommendation by the Committee/CEO, and action by the SVHCD Board of Directors.

b. Marketing Support may only be granted following recommendation by the Committee/CEO, and action by the SVHCD Board of Directors.

c. The CEO shall ensure applicants for Community Funding shall be promptly notified of the disposition of their request in writing.

C. Budgeting and Tracking of Community Funding Expenditures. For budgeting and resource tracking purposes, Community Funding expenditures shall be designated as follows: Community Benefit Support will be assigned to budget code# and Marketing Support will be assigned to budget code #.

D. Policy Review. Decisions made and actions taken pursuant to this Policy shall be reviewed by the CEO at least once every three years to ensure compliance and alignment of Community Funding decisions with SVHCD's strategic plan and vision, mission and goals.

E. Tickets and Related Benefits. If SVHCD receives event tickets or other benefits in response to the provision of Community Funding, such as in exchange for sponsorship of a community event, such benefits shall be managed according to the SVHCD Gift, Ticket and Honoraria Policy.

V. EDUCATION

The CEO shall cause the Community Funding Committee, associated departments, and others, as appropriate, to receive training on this Policy during the annual budget process and following any Policy revisions.

VI. DOCUMENTATION

As detailed above:

A. All applicants for Community Funding shall complete and submit a Community Funding Request Form (Attachment A).

B. The Community Funding Committee shall utilize the Community Funding Request Form (Attachment A) to consider and support recommendations to the CEO.

C. The CEO shall ensure applicants for Community Funding shall be promptly notified of the disposition of their request in writing.

D. The Committee shall maintain all documentation related to Community Funding requests, including completed Community Funding Request forms; records of Committee and CEO Community Funding Request evaluations and recommendations; and notices of Community Funding awards or request denials, in compliance with the SVHCD record retention policy.

E. Deliberations on and outcomes of Board of Directors consideration of any requests shall be reflected in the minutes of the Board.

F. The SVH Foundation is separately responsible for maintaining records of all tickets and related benefits received and the distribution thereof.

VII. REFERENCES

- A. Sonoma Valley Health Care District Strategic Plan
- B. Article XVI, Sections 5 and 6, California Constitution
- C. California Government Code Section 8314
- D. California Code of Civil Procedure Section 526a
- E. California Penal Code Sections 424, et seq.
- F. Fair Political Practices Commission §18944.1. Gifts: Agency Provided Tickets or Passes

Attachment A

Sample Community Funding Request Form

For consideration this form must be received 60 days prior to the event/activity.

Please complete this form and return to:

*Sonoma Valley Health Care District
Office of the Chief Executive Officer
347 Andrieux Street
Sonoma, CA 95476
Email: administration@svh.com*

Applicant Information

Organization Name:

Name of Individual Completing Form:

Mailing Address:

Phone: Fax:

Email: Organization Website:

501(c) (3) tax identification number, if applicable:

If a not-for-profit organization, attach applicable status determination letter.

Community Funding Request Information

Type of Community Funding requested: _____ Monetary Support

_____ Materials/ In-kind Support

_____ Monetary and Materials/In-kind Support

Amount of Community Funding Requested: _____ Monetary Support

_____ Materials/ In-kind Support

How will the Community Funding be used?

Has this organization requested and/or received Community Funding from SVHCD before and, if so, how much and when?

What kinds and amounts of support are being provided by other sponsors?

Date by which support is required:

If Community Funding request relates to a specific activity or event:

Name of Event/Activity:

Date of Event/Activity:

Location of the Event/Activity:

Brief description of the Event/Activity, including purpose, and target attendees/participants and planned publicity/outreach:

If Materials/In-kind Support are requested:

Descriptions and quantities of materials/in-kind support requested:

Community Benefit Questions:

How will the requested SVHCD Community Funding be used to promote / benefit the health and wellness of the SVHCD residents/community?

SVMHS Mission, Vision and Values:

The Mission of Sonoma Valley Health Care District is to restore, maintain and improve the health of everyone in our community.

Our vision is that we *will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.*

Our Values are C-R-E-A-T-I-N-G:

Compassion: We show consideration of the feelings of others at all times.

Respect: We honor and acknowledge the value of the people, places and resources in providing care.

Excellence: We strive to exceed the expectations of the people we serve.

Accountability: We are reliable, self-responsible owners of the outcomes of our organization.

Teamwork: We are productive and participative staff members who energize others.

Innovation: We seek new and creative solutions to deliver quality health care.

Nurturing: We cultivate, develop and educate those with whom we work to achieve their highest potential.

Guidance: We direct and lead our community members through their health care journey and in health improvement.

How will the requested SVHCD Community Funding be used to support the above mission, vision and goals?

Marketing Funding Questions:

How will the requested SVHCD Community Funding be used to promote SVH in the SVHCD?

What promotional opportunities, if any, will be available to SVHCD:

☐ Ad space ☐ Booth ☐ Banners

☐ Use of logo ☐ Other:

Additional Comments:

Affirmations:

I certify that the information provided in this Community Funding Request is true and correct and that I am authorized by this organization to submit this funding request to SVHCD.

Sign here: _____

I certify that the Community Funding requested will not be used to support or oppose a political campaign. I further certify that the Community Funding requested will not be used by or in aid of any religious sect, church, creed, or sectarian purpose, or to help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination.

Sign here: _____

If applicable: I certify that this organization is in good standing with the IRS and retains its official 501c (3) tax exempt status, and is further classified as a public charity and not a private foundation.

Sign here: _____

Sonoma Valley Health Care District Community Funding Request

For official use only: Request Number: _____

Community Funding Committee Recommendation

____ Deny Request due to: ____ Ineligible for Community Funding

____ Low Community Funding Benefit

____ Budget Constraints

____ Recommend Community Funding:

Total Amount of Funding: \$ _____

Type of Funding: \$ _____ in Community Benefit Support and/or \$ _____ in Marketing Support

Form of Funding: \$ _____ Funds and / or \$ _____ Materials / In-kind Benefits

Type of Materials/In-kind Benefits: _____

Date of Review: _____

Notes:

Community Funding Determination by CEO

____ Deny Request due to:

____ Ineligible for Community Funding

____ Low Community Funding Benefit

____ Budget Constraints

____ Recommend Community Funding to the Board of Directors:

Total Amount of Funding Recommended: \$ _____

Type of Funding: \$ _____ in Community Benefit Support and/or \$ _____ in Marketing Support

Form of Funding: \$ _____ Funds and / or \$ _____ Materials / In-kind Benefits

Type of Materials/In-kind Benefits: _____

Community Benefit Funds remaining if approved by the Board of Directors: \$ _____

Date of Review: _____

Notes:

Community Funding Determination by SVHCD Board of Directors, if applicable

____ Deny Request due to:

____ Ineligible for Community Funding

____ Low Community Funding Benefit

____ Budget Constraints

____ Approve Community Funding:

Total Amount of Funding Approved: \$ _____

Type of Funding: \$ _____ in Community Benefit Support and/or \$ _____ in Marketing Support

Form of Funding: \$ _____ Funds and / or \$ _____ Materials / In-kind Benefits

Type of Materials/In-kind Benefits: _____

Date of Review: _____

Notes:

Date of Notice to Applicant of Funding Determination (attached): _____



Meeting Date: February 6, 2014

Prepared by: Bill Boerum, Chair, Governance Committee
Peter Hohorst, Governance Committee

Agenda Item Title: Gift, Ticket and Honoraria Policy

Recommendation:

The Board accepts the Governance Committee recommendation to approve this policy at the February Board meeting.

Background and Reasoning:

The Board has adopted a Conflict of Interest Policy, but this goes further and complements the Conflict of Interest Policy. The Board does not have a written policy specifically detailing the expectations when dealing with gifts, tickets and honoraria. This policy will give guidance to the Board and the CEO as to the appropriate manner in which to handle these issues.

The language for this policy was taken from similar policy at the Salinas Valley Memorial Healthcare System (SVMHS), a Health Care District. This policy grew out of an audit by the California Legislature's Bureau of State Audits (BSA). We are advised by SVMHS that the policy language was deemed adequate by the BSA. This policy will enable the SVHCD and SVH to comply with federal and state laws, and the Fair Political Practices Commission Regulations.

This proposed policy has been reviewed by District Counsel and it is their opinion that the prohibition of accepting Honoraria would not conflict with income payments for the attendance of Board members or staff at Association Board meetings where they are members. The District Council affirmed that because the policy had been carefully reviewed by the BSA for legal compliance when it was developed by the SVMHS, the cost of additional review by them (our counsel) was unnecessary.

Consequences of Negative Action/Alternative Actions:

Financial Impact: None.

Selection Process and Contract History: Not applicable.

Board Committee:

The GC unanimously recommends approval of this policy.

Attachments:

GIFT, TICKET AND HONORARIA POLICY

I. PURPOSE

A. The purpose of this policy is to ensure Sonoma Valley Health Care District (SVHCD) Board Members, leaders and staff members (including Sonoma Valley Hospital (hospital)) comply with external regulations and internally established standards regarding the receipt and provision of gifts, tickets and honoraria. This policy covers gifts to and from internal and external parties including individuals, businesses and organizations. The policy also governs SVHCD's distribution of tickets and passes (e.g., to sporting, cultural and community events), and acceptance of payments or reimbursements related to speaking or appearing at professional or educational events.

B. Gifts, tickets and honoraria can be perceived tools to influence SVHCD decisions and patient care, and can erode public confidence and the impartiality of decisions made by public officers, officials and employees. This policy has been adopted to guard against even the appearance of impropriety in all aspects of SVHCD's programs, services and administration. Furthermore, this policy is intended to prevent the perceived obligations of reciprocity that can arise from the giving or accepting of gifts, tickets and honoraria.

II. POLICY

A. **Federal Anti-Kickback Statute:** It is the policy of SVHCD to ensure full compliance with the federal anti-kickback statute, which prohibits the acceptance of any item of value (remuneration) made directly or indirectly, in cash or in kind, that may induce or appear to induce the purchase or referral of any kind of health care goods, services, or items reimbursed by a federal or state health care program (Medicare and Medicaid). The unlawful acceptance of any gifts or business courtesies from vendors or others with whom SVMHS presently conducts business – or potentially could conduct business – is strictly prohibited.

B. **State Gift Laws:** Directors, Officers and designated employees of SVMHS identified in the District's Conflict of Interest Code or covered by Government Code section 87200 (including public officials who manage public investments) are subject to State laws regarding the receipt and disclosure of gifts as set forth in the Political Reform Act (at Government Code Section 89503) and the Fair Political Practices Commission (FPPC) Regulations. These minimum requirements are not altered by this Policy.

1. Individuals in positions designated in the Conflict of Interest Code's Disclosure Category 1 or 2, or who are covered by Government Code section 87200 are prohibited from receiving gifts totaling more than \$440 from *any* single source in a calendar year.

2. Individuals in positions designated in the Conflict of Interest Code's Disclosure Category 3 are prohibited from receiving gifts totaling more than \$440 in a calendar year from any single source that provides services, supplies, materials, machinery or equipment of the type utilized by the District.

3. Individuals in positions designated in the Conflict of Interest Code's Disclosure Category 4 are prohibited from receiving gifts totaling more than \$440 in a calendar year from any single source that is a type to receive grants or other monies from or through SVHCD.

4. These annual limits shall automatically increase or decrease consistent with modification to the gift limit established by the FPPC every two years.

5. This Subsection B shall not be interpreted to permit receipt of Gifts prohibited under any other provision of this Policy, such as Subsection A, above.

C. Perishable Items: It is the policy of SVHCD that any department, clinical unit, or clinical practice may accept modest perishable gifts such as floral arrangements, cookies, candy or similar food items to be shared by staff members and, where possible, made available to the public.

D. Gifts to Agency: It is the policy of SVHCD that gifts received by SVHCD or any part thereof, which are then distributed to or used by individual recipients shall be used for official agency business, and must be distributed and reported as required under the Political Reform Act and FPPC Regulations.

E. Solicitation of Gifts: It is the policy of SVHCD that an employee shall not solicit (i.e., ask for or request) gifts unless authorized to do so for approved hospital functions, fundraisers or special events. Requests for authorization to solicit gifts shall be made in writing to the Director of the Human Resources.

F. Gifts Between Employees: It is the policy of SVHCD that gifts of a personal nature between employees are permitted, provided hospital funds are not utilized. The value of such gifts should not exceed \$25. It is further the policy of SVHCD that gifts between employees that are related to a person's employment at SVHCD (e.g., for Secretary's Day, Nurses Week, etc.) are permitted, provided they are customary for the occasion, are of reasonable value given the circumstances and the persons' positions in the organization, and hospital funds are not utilized. The value of such gifts shall not exceed \$25.

G. Tickets and Passes: All Tickets and Passes received by SVCHD shall be distributed and reported in accordance with this policy and relevant FPPC Regulations.

1. Tickets and Passes that are provided to a SVCHD board member or an official designated in the conflict of interest code are not considered "Gifts" to the official under State law when they are received and distributed by SVHCD in compliance with related FPPC Regulations and this Policy.

2. When Tickets and Passes are provided by a third-party so that the recipient can perform a ceremonial role or function on behalf of the hospital, as further described in related FPPC Regulations, such Tickets and Passes are not considered "Gifts" under State law, though such Tickets and Passes shall still be reported by SVHCD.

3. A ticket or pass shall not be considered a gift to the recipient when it is provided directly to the recipient from a third-party when the giver and

receiver treat the ticket or pass as income consistent with applicable state and federal income tax laws.

H. **All Other Gifts:** It is the policy of SVHCD that gifts other than those described in paragraphs D through G, above, shall not be accepted in the performance of any officer or employee's duties or responsibilities. This includes gifts from patients, family members of patients, vendors or business associates.

I. **Honoraria:** It is the policy of SVHCD to comply with the Political Reform Act and FPPC Regulations regarding the receipt of honoraria. SVHCD Board members and those who manage public investments (individuals who are required to file statements of economic interests under Government Codes section 87200) are prohibited from receiving honoraria payments. Likewise, employees whose positions are designated under the SVHCD Conflict of Interest Code are prohibited from receiving honoraria payments from any source of gifts or income included in their disclosure categories set forth in the Conflict of Interest Code. Exceptions to the State's honoraria prohibitions for local officials, such as for income earned from a bona fide business or profession, shall apply to SVHCD officers and employees. (Government Code Section 89502.) Honoraria and reimbursements for event attendance when permitted shall be handled pursuant to the procedures set forth below.

III. DEFINITIONS

A. **"FPPC Regulations"** means the regulations adopted by the Fair Political Practices Commission in its role as the implementing and enforcement agency of the State's Political Reform Act. These implementations are set forth in title 2, Division 6, Sections 18109-18997 of the California Code of Regulations.

B. **"Gifts":** For purposes of this Policy, "Gifts" are defined and excepted as set forth in the Political Reform Act and FPPC Regulations, as they may be amended from time to time. Generally speaking, the Political Reform Act defines a "gift" as any payment or other benefit received (including food/drink, travel or travel expenses, services, and items of any type) that confers a personal benefit for which the recipient does not provide something (e.g., payment, goods or services) of equal value. This includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status.

Exceptions generally include, but are not limited to:

1. Informational materials such as books, reports, pamphlets, calendars, or periodicals.
2. Gifts which are not used and which, within 30 days after receipt, are either returned to the donor or delivered to a nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, without being claimed as a charitable contribution for tax purposes.
3. Gifts from close family members (e.g., an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, sister-in-law, brother-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person) unless the donor is acting as an agent or intermediary for any person not covered in this paragraph.

4. Campaign contributions.
5. Inheritance.
6. Personalized plaques or trophies with an individual value of less than two hundred and fifty dollars (\$250).
7. Gifts from long-term, close personal friends or friends or colleagues from business relationships unrelated to the recipient's role as a public officer or employee.
8. Acts of neighborliness (e.g., picking up someone's mail or feeding a pet while the recipient is on vacation) or compassion (e.g., delivering food or flowers to someone in mourning).

C. **"Honoraria"** (plural form of "honorarium") are payments received for making a speech, publishing an article, or attending any public or private conference, convention, meeting, social event, meal or similar gathering.

D. **"Tickets" or "Passes"**: The FPPC, in interpreting the Political Reform Act, has established that "ticket" or "pass" means "admission to a facility, event, show, or performance for entertainment, amusement, recreational or similar purpose." This includes but is not limited to include tickets/passes/admission to fundraising events, luncheons, dinners, parties, etc. from third parties. (Tickets/passes purchased by the District/Hospital to enable Board members, the CEO or other employees to attend in their official capacity on official business shall not be governed by this policy, e.g., Sonoma Valley Chamber of Commerce meetings.)

IV. PROCEDURE

A. Giving and Receiving Gifts to or from Outside SVHCD in the Course of Business

1. **Receiving Gifts from External Parties:** Gifts from patients or patients' families shall be discouraged. An employee who is offered a gift of cash or a cash equivalent shall decline the gift or may suggest a donation to a charitable organization such as the Sonoma Valley Hospital Foundation. However, if the employee has a reasonable belief that refusing to accept such a gift would have a detrimental effect on a patient or the Hospital as an institution, the employee must report in writing and forward the gift immediately to the Department Director. The following applies to all gifts received by employees or SVHCD in the course of business:

- a. An employee who receives a gift shall notify and forward the gift to the department director, who shall determine, in cooperation with the CEO, whether State disclosures (e.g., on FPPC Form 801) are required.
- b. If a Gift is provided to SVHCD for distribution at the agency's discretion, the CEO shall distribute the Gift in accordance with FPPC Regulations. In such cases, the hospital shall maintain records of such gifts and utilize FPPC Form 801, Gifts to Agency Report, to document this information. The hospital shall forward the completed Form 801 (Attachment A) within 30 days from the distribution of each included Gift to the Sonoma County Clerk, and shall post completed forms on the SVHCD web site. Gifts appearing on a Form 801 need not be included in the eventual recipient's Statement of Economic Interests.

- c. If the Gift was provided other than for distribution at the agency's discretion, the CEO shall decide how to handle the gift under relevant FPPC Regulations, including allowing the employee to retain it, or distributing it within the department (where feasible).
- d. Gifts of minimal value (under \$25) such as pencils, desk calendars, and other promotional items may be distributed and used within the receiving department.
- e. With prior written approval of the CEO, vendors may provide meals and other food to employees only when the vendor is providing significant education related to products or procedures, or when conducting informational business meetings. Written attendance records must be provided to the CEO for all meetings at which meals are provided.
 - i. The total value of any meal should not exceed \$20 per attendee.
 - ii. Annual value of all meals provided by a single vendor shall not exceed \$300 per year without prior written approval of the CEO.

2. Offering or Giving Gifts to External Parties: Under limited circumstances, gifts may be given to external parties provided they relate to the business of SVHCD, are in SVHCD's best interests and are legally and culturally acceptable. In addition they should meet the following criteria:

- a. Cash gifts or cash equivalents, such as gift certificates, are prohibited.
- b. The non-cash or non-cash equivalent gift may not exceed \$25.00 per recipient/year.
- c. The item is customary and does not create an appearance of impropriety.
- d. Giving the gift imposes no sense of obligation on the part of either the giver or recipient.
- e. Giving of the item is not concealed.
- f. Giving of the item has been approved in advance and in writing by the relevant department executive and copied to the CEO.

B. Giving and Receiving Gifts within SVHCD in the Course of Business

- 1. Gifts and cash equivalents, such as gift cards may be given to employees as incentives for program attendance, recognition of outstanding achievement or for other positive rationale. Gifts in excess of \$25.00 shall be documented as income and taxed accordingly. The CEO shall develop written policies and procedures for this to occur.
- 2. If an employee receives a gift card of any value (e.g., \$10.00 Starbucks Gift Card) from the organization, the value (\$10.00) of such gift must be documented as income and taxed accordingly. This provision does not apply to coupons for specific items, such as a free drink or free meal, or discount coupons such as 10% off any purchase in the Cafeteria, Gift Shop or Starbucks.
- 3. If gift cards are approved in writing by the CEO for distribution from the department executive, the director is responsible to obtaining the names

of employees receiving such gifts and providing the information in writing to accounting with a copy to the CEO.

C. Ticket/Pass Distribution

This procedure section shall provide procedures for the distribution of Tickets and Passes as required under State law, to ensure proper identification and use of 1) receipt of Tickets and Passes; 2) the “public purpose” to be achieved in distributing Tickets and Passes; 3) distribution of Tickets and Passes; 4) documentation and 5) public posting of the receipt and use of Tickets or Passes. Proper exercise of these procedures will exclude Tickets and Passes from required disclosure on individuals’ Statements of Economic Interests. For the purposes of this section of the policy, “official” means all positions identified in SVHCD’s Conflict of Interest Code.

1. **Ticket/Pass Receipt Process:** All Tickets/Passes received by SVHCD shall be forwarded to Administration. Determination of whether to give the tickets/passes to the Foundation for use, or to distribute internally will be at the discretion of the CEO.

2. **Public Purpose:** The distribution of Tickets or Passes by SVHCD/SVH must be in furtherance of a “public purpose.” Examples of such public purpose:

- a. To promote networking opportunities of officials with community stakeholders.
- b. To evaluate SVHCD/SVH’s ability to attract business at the locale or event, and thus to contribute to the healthcare of the community in the future.
- c. To reward an official, employee or hospital stakeholder for his or her exemplary service to the organization or to encourage staff development.
- d. To promote attendance at a hospital-sponsored event or event held at the hospital in order to maximize potential from concession sales.
- e. To reward a hospital healthcare partner for its contributions to the SVHCD/SVH or the community.
- f. To provide opportunities to those who are receiving services from County and State agencies consistent with the District’s goals for the particular population (e.g., for use by juvenile wards in the custody of the Chief Probation Officer or mental health clients and seniors receiving services from the Health and Human Services Agency/Public Health); or
- g. To promote health, motivate and provide expanded opportunities to vulnerable populations in the SVHCD such as the disabled, underprivileged, seniors, and youth in foster care.

3. **Distribution:** Tickets/Passes are distributed at the discretion of the CEO. Once distributed, tickets cannot be transferred by the recipient other than to members of the official’s immediate family or no more than one guest, solely for such guest’s attendance at the event with the recipient.

4. **Documentation:** The CEO shall ensure that the hospital will maintain record of all Ticket/Pass distribution and the use of Tickets and Passes by SVHCD officials for ceremonial purposes, as required by FPPC Regulations and utilizing FPPC Form 802, Agency Report of Ceremonial Role Events and Ticket/Pass

Distribution, to document this information. The hospital must forward the FPPC Form 802 (Attachment B) within 45 days from the distribution of each Ticket or Pass to the FPPC via email to Form802@fppc.ca.gov; by Fax to 916.322.0886; or by mail to 428 J Street, Suite 620, Sacramento, CA 95814.

D. Honoraria and Reimbursement for Professional/Educational Involvement

1. With the prior written approval of the CEO, employees who provide education at professional conferences and meetings may accept reimbursement for travel, meals and hotel expenses for the date(s) of the presentation(s). Presentations must be professional and educational in nature and may not be for the sole purpose of product endorsement.
2. In such circumstances, unless prohibited above, honoraria of \$100 or less in value may be accepted from the host organization.

V. DOCUMENTATION

A. Department directors shall maintain written records of all gifts given to employees of their departments when such gifts are to be reported under this Policy. Such documentation will include the type and value of each gift, the name and affiliation or position of recipient(s) and giver(s), the date of receipt and disposition, and method of disposition and provide a copy to the CEO.

B. Human Resources shall maintain documentation of education done in orientation or at annual compliance training. Department directors shall maintain documentation of staff training meetings.

C. Statements of Economic Interest (including gift disclosures under State law) shall be handled in accordance with the SVHCD Conflict of Interest Policy.

D. The CEO shall develop and implement policies and procedures that will maintain a record of all ticket/pass distribution as required by FPPC Regulations, including copies of all completed FPPC Forms (e.g., Form 801: Gift to Agency Report; Form 802: Agency Report of Ceremonial Role Events and Ticket/Pass Distribution Form 802).

E. The CEO shall be responsible for posting completed FPPC Forms (e.g., Form 801: Gift to Agency Report) on the SVHCD website when required by State law.

VI. REFERENCES

- A. The Medicare and Medicaid Patient Protection Act of 1987 (42 U.S.C. 1320a-7b) (Anti-Kickback Statute).
- B. Political Reform Act, California Government Code §81000 et. seq.
- C. FPPC Regulations, Title 2 of the California Code of Regulations, Division 6, §18109 et seq.

2014 GOVERNANCE COMMITTEE WORK PLAN

January <ul style="list-style-type: none"> ➤ Annual work Plan ➤ Community Funding Policy ➤ Gift, Ticket & Honoraria Policy 	February <ul style="list-style-type: none"> • Contracting approval matrix • Biennial By Law Review • Media Policy • Record Retention and Access Policy 	March <ul style="list-style-type: none"> • Board Ethics training status • Form 700 compliance status • Advise committees of charter review • Procurement Policy • Marin Affiliation Agreement Review 	April <ul style="list-style-type: none"> • Standing Committee Charter Review • Contracting procedures review, Best Value, Competitive Means definitions • Facility Contracting Policy
May	June <ul style="list-style-type: none"> • CEO annual objectives • AHA Summit • Compliance Reporting System 	July	August <ul style="list-style-type: none"> • Compliance Report • CEO performance evaluation and compensation
September <ul style="list-style-type: none"> • Board self assessment • New Board member orientation update 	October <ul style="list-style-type: none"> • Board annual retreat • Legislation Review 	November <ul style="list-style-type: none"> • 	December <ul style="list-style-type: none"> • Annual review of GC performance measures • Annual work plan

COMPLETED

IN PROCESS

UNDONE

Ongoing:

- Review and recommend legislation
- Monthly Board Development
- Review Board Policies
- From 2012 work plan, draft policies and decisions regarding governance performance and submit them to our Board for deliberation and action.
- Recommend quantitative measures to be employed by our Board to assess governance performance and contributions.
- Conduct the annual review of governance performance measures and submit an analysis to our Board for deliberation and action
- Conduct an assessment of Standing Committee members, vacancies and the desired traits for new members and alternates