



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA**
Thursday, July 2, 2015
5:00 p.m. Closed Session
6:00 p.m. Regular Session

COMMUNITY MEETING ROOM
 177 FIRST STREET WEST, SONOMA

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Nevins</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Nevins</i>	
3. CLOSED SESSION <u>Calif. Health and Safety Code § 32155</u> : Report from Medical Staff	<i>Cohen</i>	
4. REPORT OF CLOSED SESSION	<i>Nevins</i>	
5. 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>		
6. CONSENT CALENDAR A. Regular Board Minutes 6.4.15 B. FC Minutes 5.26.15 C. QC Minutes 5.27.15 D. GC Minutes 4.28.15 E. Policy & Procedure Approval F. MEC Credentialing Report 6.24.15	<i>Nevins</i>	Action
7. CANCER CARE PROGRAM	<i>Koppel</i>	Inform
8. FLUOROSCOPY PROJECT PROPOSAL	<i>Kuwahara</i>	Action
9. FINAL OPERATING BUDGET FY2016	<i>Jensen</i>	Inform/Action
10. FINANCIAL REPORT FOR JUNE 2015	<i>Jensen</i>	Inform
11. ADMINISTRATIVE REPORT FOR JULY 2015	<i>Mather</i>	Inform

12. OFFICER & COMMITTEE REPORTS A. <u>Chair Report</u> B. <u>Quality Committee</u>	<i>Committee Chairs</i>	Inform/Action
13. BOARD COMMENTS	<i>Board Members</i>	Inform/Discuss
14. ADJOURN Next Regular Board meeting is August 6, 2015	<i>Nevins</i>	

6.

CONSENT CALENDAR



SVHCD BOARD OF DIRECTORS
REGULAR MEETING MINUTES
 Thursday, June 4, 2015
 6:00 p.m. Regular Session
 COMMUNITY MEETING ROOM
 177 FIRST STREET WEST, SONOMA, CA

	RECOMMENDATION	
MISSION STATEMENT The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.		
1. CALL TO ORDER Meeting called at 6:00pm	Hirsch	
2. PUBLIC COMMENT SECTION	Hirsch	
At this time, members of the public may comment on any item not appearing on the agenda. It is recommended to keep 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 is invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.		
Community members in attendance were Linda Siemer, Brian Johnson and Steve Sowa. <u>Comments from Ms. Linda Seimer:</u> <i>Hello my name is Linda Siemer. I am speaking here tonight on behalf of svhtransparency.com. This group obtained some information utilizing the California Public Records Act and I am here with comments on some of that information obtained and on some of the recent actions taken at Sonoma Valley Hospital.</i> <i>Let me start by stating that the Sonoma Valley Health Care District Mission Statement states that it is to maintain, improve and restore the health of everyone in our community."</i> <i>The first contradiction that comes to my mind is the closing of the Cardiac Rehab Department. I won't pretend to know the numbers that were looked at in order to make this decision, but we were told the department wasn't generating enough revenue. I don't believe that the vast volume of residents of Sonoma Valley who used that department, including myself and whose health improved doing so were considered, nor was the mission statement when making that decision.</i> <i>Around this time, labor and delivery nurses took a pay cut in order to keep the Birthplace open, anesthesiologists were requested to lower their fees and employees were laid off. The hospital's CEO Kelly Mather whose starting salary of \$265,000, \$71,000, more than her predecessor, has received annual raises and a \$25,000 bonus last year.</i>		

Hospital employees received 3% and were told they had to “do more with less”. Ms. Mather also receives \$1000 a month car allowance whether she uses it or not, inclusive of all automobile-travel, work related expenses. But, we found many, fuel and hotel charges on the hospital credit card in her name. Most noteworthy are hotel charges in the amount of \$299 for a stay at Timber Cove Inn north of Jenner expensed to Palm Drive business which is an hour and a half drive from Palm Drive Hospital. Now I myself love Timber Cove Inn. It’s my favorite somewhat local place to get away from it all. There is meeting space there, but we saw no charges for anything like that. And a charge in the amount of \$464 to stay at our local MacArthur Place Hotel memoed to be a “stay for Nelson party”.

Education costs for staff are no longer covered while Ms Mather receives a \$7500 education allowance to attend work-related conferences.

During a recent conversation with Sonoma Valley Hospital Controller Jeannette Tarver I brought up the many charges on Ms. Mather’s hospital credit card for restaurants and bar tabs. Jeannette kindly reminded me that the CEO spent a lot of time meeting with potential donors during the capital campaign. That sounded reasonable to me. Then I thought, what the heck, let’s see what these type of charges add up to after the capital campaign was over. In the 15 months ending March of this year there are 122 charges totaling approximately \$16,000 at local restaurants. It’s possible, but not certain that a small portion of these are Foundation charges that could have been reimbursed, but we haven’t received that info from our last request for records. I just don’t understand this and I don’t understand how all of you board members are ok with this type of spending at a time when our local hospital is nearly \$13,000,000 in debt with over a \$1,000,000 60-120 days past due to vendors as of May 1 of this year. The hospital does have meeting rooms.

I really would be remiss with my comments if I didn’t bring up the \$778 limousine bill in March of this year for the Admin. Team to attend the Hospital Council Innovation Symposium.

Also in my conversation with hospital controller Jeannette Tarver I was told as she put it, “we have nothing to hide”. She said they would provide whatever documents we asked for and if there were any questions they would run it by the hospital legal counsel and let us know why if anything could not be provided. Ok, one of the things I questioned was why there were so many entries on the Mastercard Backup sheet that indicated that no receipts were provided. I kind of let it go in my head because the majority were there and we all know that happens sometimes. But it’s hard to believe that the operating premise at the hospital is that they have nothing to hide when the last couple months of credit card backup now does not have the column that indicates whether there is a receipt for the charge.

In addition, a document titled “Revised Public Record Policy” has quietly been approved by the Hospital Governance Committee. This policy loosely refers to the California Public Records Act allowing the guidelines of the Act to be administered by the Chief Executive Officer of the District. This new hospital policy actually states that Ms. Mather can determine if records should be made accessible to the public and that she can make that determination on the facts of the particular case, whether the public interest is served by not making the record public outweighs the public interest served by the disclosure of such records. Her decision would also be final unless overruled by the Board of Directors. I briefly perused the Public Records Act. I don’t think this is what was

<p>meant by giving her the authority to administer the guidelines set forth by the Act. I had hoped to comment on this policy when it was on the agenda to be approved by the Board, but see that it is not on tonight's agenda. In conclusion, my last bone of contention is the second amendment to Ms. Mather's employment agreement which now brings her base salary to \$330,000 and an incentive program for a bonus up to 20% of her salary. And for some reason this amendment was executed in January of this year, a full 6 months before the expiration of her previous contract term. I say Enough is definitely Enough! I do hope that this info gives you as a Board pause for thought. The svhtransparency.com group would like to meet with Ms. Mather in the near future and I hope that this outline of our concerns will help to get as many board members as possible to look into these issues I have brought up this evening and meet with us to discuss how this seemingly unnecessary and extravagant spending can cease. I do expect that these comments and concerns be fully noted in the minutes of this meeting. Thank you for your time.</p> <p>Under state law matters presented under public comment section of this meeting cannot be discussed or acted upon by the Board at this time.</p> <p><u>Comments from Mr. Brian Johnson:</u></p> <p>My name is Brian Johnson and I represent a group called svhtransparency.com. Using the Public Records Act, I made several requests for hospital financial records. These documents are posted on our website www.svhtransparency.com.</p> <p>We received a lot of interesting information, including a copy of the CEO contract and credit card statements for the CEO hospital credit card. In looking over these statements, I think there are many unnecessary and frivolous charges as Linda stated like a limo ride for \$778 and numerous restaurant and bar bills. Also, some charges for gift giving to various persons.</p> <p>The svhtransparency.com group believes Ms. Mather should be using her personal credit card to pay for business related gasoline and travel expenses because her \$1000 per month allowance is more than sufficient. Actually it would be more prudent to take away the allowance and have her submit receipts with an expense report to be reimbursed for actual expenses she incurs. We also think she should reimburse the hospital for the total amount she has charged for gasoline and travel expenses on her hospital credit card since her hire date. In addition, we think the Board should look very closely at past and future credit card bills for unnecessary spending.</p>		
3. CONSENT CALENDAR	Hirsch	Action
<ul style="list-style-type: none"> A. Regular Board Minutes 5.7.15 B. FC Minutes 4.28.15 C. FC-Board Joint Budget 5.12.15 D. QC Minutes 4.22.15 E. GC-no minutes F. Policy & Procedure Approval 		MOTION to approve by Boerum and 2 nd by Hohorst. All in favor.

G. MEC Credentialing Report 5.27.15		
4. UPDATE ON COMMUNITY BENEFIT PROGRAM	<i>Kruse</i>	Inform
Ms. Kruse shared the mission of the Community Benefit Program, accomplishments, results and goals for the future.		
5. REVISED CEO INCENTIVE COMPENSATION GOALS	<i>Hirsch</i>	Action
The objective of the revision is to clearly link the goal levels to the metric.		MOTION to approve by Hohorst and 2 nd by Rymer. All in favor.
6. UPDATE ON STATEMENT OF REVENUE AND EXPENSES FY 2016	<i>Jensen</i>	Inform
7. FINANCIAL REPORT FOR MAY 2015	<i>Jensen</i>	Inform
After accounting for all income and expenses, the net loss for April was (\$417,237) vs. a budgeted loss of (\$76,980). The loss was offset by a Foundation Contribution of \$138,624 for the capital campaign. Furthermore, a statement of GO Bond activity was recently received. It indicated that SVH was under accruing for GO Bond income. The true up will occur each month for the balance of the fiscal year. This month GO Bond income included an extra non-cash amount of \$340,693. The total net income for April after all activity was \$96,475 vs. a budgeted net income of \$19,255. Beginning July 2015, Mr. Jensen will make changes to financial reporting format. In Mr. Boerum's opinion, the Operating Margin number is the true indicator of the Hospital's health.		
9. ADMINISTRATIVE REPORT FOR JUNE 2015	<i>Mather</i>	Inform
Ms. Mather gave a financial summary and reported on Dashboard results, Trended results and strategic planning. Mr. Rymer requested a format revision of both the Trended Results and Dashboard.		
10. OFFICER & COMMITTEE REPORTS	<i>Chairs</i>	Inform/Action
<u>Chair Report</u> Mr. Boerum made a motion to appoint Jane Hirsch and Peter Hohorst to the CEO Incentive Compensation Committee. All were in favor.		MOTION to approve appointments by Boerum and 2 nd by Rymer.

11. BOARD COMMENTS	<i>Board</i>	Inform
Mr. Boerum gave an update on the 6.2.15 Sonoma County Special Election results. Measure A-Sonoma Co. 2015 Transaction/Use Tax was defeated 63% to 37%. On behalf of the entire Board of Directors, Mr. Rymer thanked Linda Siemer and Brian Johnson for their attendance and comments.		
12. ADJOURN Meeting adjourned at 7:10pm The next Regular Board meeting is scheduled for July 2, 2015	<i>Hirsch</i>	



**SONOMA VALLEY HEALTH CARE
DISTRICT
FINANCE COMMITTEE
MEETING MINUTES**
Tuesday, May 26, 2015
Schantz Conference Room

Voting Members Present	Members Excused/Absent	Staff	Public
Dick Fogg Sharon Nevins Phil Woodward Peter Hohorst Keith Chamberlin Stephen Berezin (by phone) S. Mishra (by phone)	Steve Barclay Mary Smith	Ken Jensen Michelle Donaldson Gigi Betta	Sam McCandless Jane Hirsch

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community's health care journey.</i>		
1. CALL TO ORDER AND ANNOUNCEMENTS	<i>Fogg</i>		
	Meeting called to order at 5:00pm		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Meeting Minutes 4.28.15 B. FC-Board Joint Budget Meeting 5.12.15	A. Amend agenda item #5 to read... <i>presented status report of FY2015 Capital Budget.</i>	MOTION by Woodward to approve FC Minutes as	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	B. Amend agenda item #3, to read ...motioned to approve the proposed budgeted Statement of Revenue and Expenses FY 2016.	<i>amended, 2nd</i> by Hohorst. All in favor. MOTION by Nevins to approve Joint Budget Minutes <i>as amended, 2nd</i> by Hohorst. All in favor.	
4. SCAN UPDATE	<i>Jensen</i>	Inform	
	Mr. Jensen presented the FC with the Open A/R for SCAN January-April 2015 and took questions.		
5. OPERATING BUDGET/STATEMENT OF REVENUE AND EXPENSES UPDATE	<i>Jensen</i>	Inform	
	The <i>Statement of Revenue and Expenses FY2016</i> was approved at the Joint FC-Board Budget meeting on 5.12.15.		
6. INSURANCE REVIEW	<i>Jensen</i>	Inform	
	Mr. Jensen presented the <i>2014-2015 Renewal-Schedule of Insurance Policies</i> . The approved Budget includes a 3% increase for insurance policy renewal. Brokers James & Gable will solicit for more competitive bids where available.		
7. APRIL 2015 FINANCIALS	<i>Jensen</i>	Inform	
	After accounting for income and expenses, the net loss for April was (\$417,237) vs. a budgeted loss of (\$76,980). The loss was offset by a Foundation Contribution of \$138,624 for the capital campaign. The total net income for April after all activity was \$96,475 vs. a budgeted net income of \$19,255.		
8. CEO BOARD REPORT MAY 2015	<i>Nevins</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Dave Pier has accepted the full-time position of Executive Director of the SVH Foundation.</p> <p>The SVH Foundation's 10th Annual Celebration of Women on May 21st was a very successful, sold-out event.</p>		
9. ADJOURN/DISCUSSION	<i>Fogg</i>		
	<p>Ms. Donaldson announced that the old ER and OR spaces <i>may be</i> leased out to Satellite Healthcare. A business model is being developed.</p> <p>Meeting adjourned at 5:55 pm</p>		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING **MINUTES**
Wednesday, May 27, 2015
Schantz Conference Room**

Committee Members Present	Committee Members Present cont.	Committee Members Excused	Admin Staff /Other
Jane Hirsch Carol Snyder Cathy Webber	M. Mainardi Ingrid Sheets Paul Amara MD Kelsey Woodward	H. Eisenstark Susan Idell Joshua Rymer	Leslie Lovejoy Gigi Betta Mark Kobe Marilyn Good

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>		
2. PUBLIC COMMENT	<i>Hirsch</i>		
	Community member Marilyn Good joined the meeting to share her experiences at the Hospital.		
3. CONSENT CALENDAR	<i>Hirsch</i>	Action	
<ul style="list-style-type: none"> QC Minutes, 4.22.15 		MOTION by Woodward to approve Consent and 2 nd by Mainardi. All in favor.	
4. THE PATIENT EXPERIENCE	<i>Kobe</i>	Inform/Action	
	Mr. Kobe presented on National Research Corporation's surveys designed to objectively measure the patient experience and improve the quality of healthcare here at the Hospital.		
5. INFECTION PREVENTION AND HAI RPTS	<i>Mathews</i>	Inform/Action	
	Ms. Mathews gave a presentation on the Infection Prevention Program including program evaluation, successes, improvements and goals for 2015.		
6. POLICY AND PROCEDURE	<i>Lovejoy/Kobe</i>	Inform/Action	.

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	<ul style="list-style-type: none"> Code Blue #PC8610-115 Standardization Med Screen Exam OB #PC8610-209 Rehab Dept. #7770-100 to 139 Dispensing of Meds #MM8390-148 	MOTION by Mainardi to approve Policies and 2 nd by Sheets. All in favor.	
7. QUALITY REPORT MAY 2015	<i>Lovejoy</i>	Inform/Action	
	Priorities for May 2015 include the Palliative Care Program, Quality Infrastructure Checking, and the HACCP Certification. Ms. Lovejoy is now a Healthcare Accreditation Certified Professional.		
8. CLOSING COMMENTS	<i>Hirsch</i>		
			.
9. ADJOURN	<i>Hirsch</i>		
	Regular Session adjourned at 6:15pm		
10. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Hirsch</i>		
11. CLOSED SESSION	<i>Amara</i>	Action	
11. CLOSED SESSION: <u>Calif. Health & Safety Code § 32155</u> <ul style="list-style-type: none"> Medical Staff Credentialing & Peer Review Report Board Quality Dashboard Q1 			
12. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Inform/Action	
13. ADJOURN	<i>Hirsch</i> Closed Session adjourned at 6:25pm		



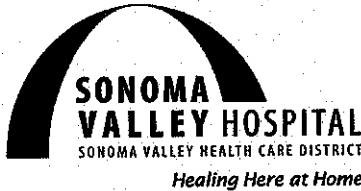
**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE**

MINUTES

TUESDAY, APRIL 28, 2015, 8:30AM

**LOCATION: SOLARIUM CONFERENCE ROOM
347 ANDRIEUX STREET, SONOMA, CA 95476**

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/ANNOUNCEMENTS Meeting called to order at 8:30 am	<i>Hohorst</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 Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>	<i>Hohorst</i>	
3. CONSENT CALENDAR <ul style="list-style-type: none"> Minutes 03.24.15 	<i>Hohorst</i>	Action MOTION to approve by Boerum. All in favor.
4. ACHD LEGISLATION DAYS REVIEW Mr. Hohorst and Boerum will each submit a review to the Board on May 7, 2015.	<i>Hohorst</i>	Discussion
5. ACHD GOVERNANCE CERTIFICATION SUBMISSION In progress.	<i>Hohorst</i>	Inform
6. REVISED PUBLIC RECORD REQUEST POLICY Bring forward to the Board meeting on May 7, 2015 for approval.	<i>Hohorst</i>	Action MOTION to approve <u>with</u> <u>CEO clarification</u> by Boerum. All in favor
7. ADJOURN Meeting adjourned at 9:15am Next meeting scheduled for May 26, 2015	<i>Hohorst</i>	



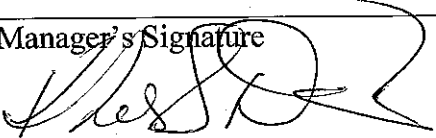
POLICY AND PROCEDURE Approvals Signature Page

Review and Approval Requirements

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

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

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

Organizational Emergency Operations Plan 2015	
APPROVED BY: Director of Facilities	DATE: 6/16/2015
Director's/Manager's Signature 	Printed Name Kimberly Drummond

Leslie Lovejoy, RN, Ph
Chief Nursing Officer, CQO

Date

D. Paul Amara, MD
President of Medical Staff

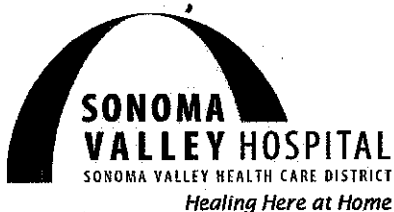
Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Emergency Operations Plan 2015**

New Document or Revision written by: **Robert Harrison, CDM, CFPP**

Date of Document: **5-29-2015**

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

Please briefly state changes to existing document/form or overview of new document/form here:

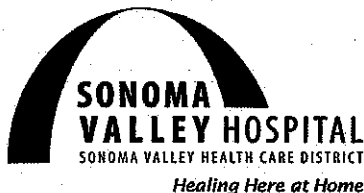
Emergency Operations Plan 2015- Updated providers for Care sites, Hospitals, Supplies, and Transportation because of a change in personnel and facilities.

HVA 2014-2015- Increased Drought from Moderate to High. All other risks remained the same.

All Attachments updated to current standard:

- A Summary of specific response procedures for prioritized emergencies as identified in the HVA. Updated For 2015
- B A full description of the HICS model and attendant position descriptions (job action sheets) Reviewed
- C A list of alternate care sites and contact information Updated for 2015
- D A list of key external authorities and contact information Reviewed
- E A list of essential vendors Vendors updated
- F Information about other pertinent healthcare organizations Hospital info updated
- G A list of the contents of Emergency Supplies in the Emergency Supply Storage area. Updated supply list
- H A list of pre-positioned pharmaceuticals (and amount) and their assigned staging areas Reviewed
- I A list of transportation companies and their contact information Updated companies
- J The procedure for evacuation of the facility(s) Reviewed
- K K-A Bioterrorism Response Plan Reviewed
K-B Infection Control Guidelines for Potential Agents of Bioterrorism- Reviewed
K-C Biological Agent Reference List Reviewed
K-D Chemical Agent Reference List Reviewed
- L Assigning Disaster Responsibilities for Volunteer Staff Reviewed
- M Medical Staff Bylaws Addressing Disaster Privileging for Physicians and Allied Health Practitioners Reviewed
Mass Influx of Patients Reviewed
- O Mass Fatality Incident Management Plan Reviewed
- P Radiation Safety Reviewed
- Q Child Care During a Disaster Response Reviewed
- R Memorandum of Understanding Updated

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	5-19-15	yes	
Surgery Committee	6-03-15	yes	(BOB)
Medicine Committee	6-11-15	yes	
P.I. or P. T. Committee	n/a		
Medical Executive Committee	6-18-15	yes	
Board Quality	6-24-15		
Board of Directors	7-02-15		



POLICY AND PROCEDURE

Approvals Signature Page

Review and Approval Requirements

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- 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: Wound Care Department Policies

APPROVED BY:

Director of Wound Care Department

Director's/Manager's Signature

DATE:

5-29-15

Printed Name

Dawn Kuwahara RN

Michael Brown, MD
Chair Surgery Committee

Date

Douglas S Campbell, MD
Chair Medicine Committee

Date

D. Paul Amara, MD
President of Medical Staff

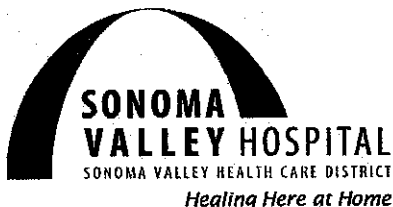
Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Wound Care Department Policies**

New Document or Revision written by: **Joseph Cornett RN**

Date of Document: **5-29-15**

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

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

PC7740-100 Biological Debridement-NEW Policy

7740-102 Cancellation/No-Show Policy-reviewed and updated

PC7740-103 Conservative Sharp Debridement – recently attended certification for sharp debridement and updated procedure accordingly.

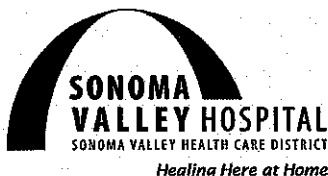
PC7420-160 Negative Pressure Wound Therapy – Updated as per infection control and current techniques.

PC7740-140 Pulse Lavage- New procedure

PC8610-122 Pressure Ulcer & Wound Care Assessment and Management (Organizational Policy)- Recently updated by SNF

PC7740-105 Silver Nitrate, Use of – Updated as per recent wound care techniques.

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	n/a		
Surgery Committee	6-03-15	yes	JOE
Medicine Committee	6-11-15	yes	JOE
P.I. or P. T. Committee	n/a	/	
Medical Executive Committee	6-18-15	yes	
Board Quality	6-24-15		
Board of Directors	7-02-15		



POLICY AND PROCEDURE

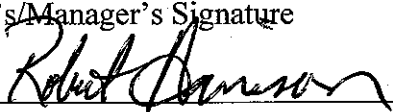
Approvals Signature Page

Review and Approval Requirements

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

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

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

Department: Nutritional Services Department-Clinical Nutrition Policies #150-173	
APPROVED BY: Food and Nutrition Services Manager	DATE: 5/18/15
Director's/Manager's Signature 	Printed Name Robert Harrison, CDM, CFPP

Leslie Lovejoy, RN, PH.D.
Chief Nursing Officer

Date

D. Paul Amara, MD
President of Medical Staff

Date

Robert Cohen, MD
Chief Medical Officer

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Nutritional Department-Clinical Nutrition**

New Document or Revision written by: **Allison Evanson, MS RD**

Date of Document: **5-18-15**

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

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

- 8340-150 Calorie counts-Reviewed
- 8340-151 Diet Manual and Approval-Reviewed
- 8340-152 Diet Office – Dietitian Availability-Reviewed
- 8340-153 Diet Orders and Diet Changes-Reviewed
- 8340-154 Drug Nutrient Interaction-Changed: Defined the educational roles of Nursing, Pharmacy and FNS. Nursing to educate using Care Notes, RD to educate on the use of Warfarin, and Pharmacy to be available for patients questions.
- 8340-155 Fluid Restriction /Allowance- Defined Nursing and FNS allowances. FNS provides 4oz of fluid per meal and Nursing to provide the rest up to the ordered fluid restriction.
- 8340-156 General Food Service Information -Reviewed
- 8340-157 Late Trays- Reviewed
- 8340-158 Menu Analysis - Reviewed
- 8340-159 Menu Distribution - Reviewed
- 8340-160 Menu Identification, Tray Service, and Preparation - Reviewed
- 8340-161 Menu Planning - Reviewed
- 8340-162 Nourishment / Between Meal Snacks- Reviewed
- 8340-163 Nutrition and Wound Healing- Reviewed
- 8340-164 Nutritional Assess/Practice Guidelines: Adult/Geriatric-Reviewed
- 8340-165 Nutritional Assessment / Practice Guidelines: Pediatric-Reviewed
- 8340-166 Nutritional Plan of Care - Reviewed
- 8340-167 Nutritional Products - Reviewed
- 8340-168 Nutritional Risk Levels-Reviewed
- 8340-169 Patient Education-Reviewed
- 8340-170 Recording Nutritional Information in the Medical Records -Reviewed
- 8340-171 Responsibilities of the Dietitian- Reviewed
- 8340-172 **Thickened Liquids –New policy**; Describes role of providers and the process for thickening liquids

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	5/19/2015	✓	
Surgery Committee	6/03/2015	yes	BoB
Medicine Committee	6/11/2015	yes	BoB
P.I. or P.T. Committee	n/a	/	NA
Medical Executive Committee	6/18/2015	yes	NA
Quality Board	6/24/2015		
Board of Directors	7/02/2015		



POLICY AND PROCEDURE Approvals Signature Page

Review and Approval Requirements

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

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

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

Organizational: Multiple Policies June List 2015	
APPROVED BY:	DATE: 5/24/15
Director's/Manager's Signature	Printed Name Leslie Lovejoy, RN PhD

Douglas S Campbell, MD
Chair Medicine Committee

Date

Michael Brown, MD
Chair Surgery Committee

Date

D. Paul Amara, MD
President of Medical Staff

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Organizational Policies-June List**

New Document or Revision written by:

Date of Document: **5-24-15**

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

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

CE-HAZ8610-10 Medical Waste Management Plan 2015- reviewed and revised with the following changes:

- Changed contact persons responsible for implementation of plan
- Changed Pathological Waste to No Pathological Waste is generated at SVH per validation with Laboratory Manager, Lois Valenzuela.

EC-SEC8610-108 Vandalism, Theft, Unlocking Services & Lost/Found- revised; combined with Vandalism/Theft policy; updated e-notification process; a added hospital not responsible and all claims be directed to personal insurance carriers.

EC-SEC8610-107 Vandalism/Theft- retire; combined with EC-SEC8610-108 Vandalism, Theft, Unlocking Services & Lost/Found

HR8610-211 Attendance- Revised; non-benefited employees eligible for Paid Sick Leave

HR8610-155 Paid Sick Leave- NEW policy regarding employees who work less than half time eligible for Paid Sick Leave

HR8610-156 Paid Time Off- Revised; employees who work less than half time eligible for Paid Sick Leave

MM8610-116 Use of Medication Not Procured by the Facility- revised; patients own supply of meds during hospital stay; meds not returned to patient after discharge are destroyed after 90 days

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	5/19/2015	yes	
Surgery Committee	6/03/2015	yes	LL
Medicine Committee	6/11/2015	yes	LL
P.I. or P.T. Committee	n/a		NA
Medical Executive Committee	6/18/2015	yes	LL
Quality Board	6/24/2015		
Board of Directors	7/02/2015		



POLICY AND PROCEDURE Approvals Signature Page

Healing Here at Home

Review and Approval Requirements

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- Consistent with prevailing standards of care
- Consistent with evidence-based practice

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

Organizational: Pharmacy Policies MM8610-124, MM8610-141, MM8610-147	
APPROVED BY Director of Pharmacy	DATE: 5/15/15
Director's/Manager's Signature	Printed Name: Chris Kutza

Leslie Lovejoy, RN, PhD
Chief Quality Officer, CQO

Date

Robert Cohen, MD
Chief Medical Officer

Date

D. Paul Amara, MD
President of Medical Staff

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date

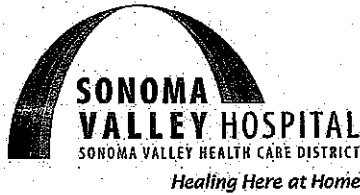


Policy Submission Summary Sheet

Title of Document: **Pharmacy Department**

New document or revision written by: **Chris Kutza**

Type X Revision X New Policy	Regulatory X CMS <input type="checkbox"/> CDPH <input type="checkbox"/> Other:		
X Organizational: Clinical	<input type="checkbox"/> Departmental <input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>		
<p>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> <p>MM8610-124 Inspection of Nursing Units and Medication Storage Areas—Updated; added irregularities shall be reported within 24 hours to the pharmacist in charge (PIC) and the CNO.</p> <p>MM8610-141 Reporting Controlled Substance Theft or Loss—New</p> <p>MM8610-147 Pyxis Medstation, Management and Use of—Updated</p>			
Reviewed By	Date	Approved (Y/N)	Comment
Pharmacy & Therapeutics Committee	5/28/2015	<input checked="" type="checkbox"/>	yes
Medical Executive	6/18/2015	<input checked="" type="checkbox"/>	yes
Quality Board	6/24/2015		
Board of Directors	7/03/2015		



POLICY AND PROCEDURE Approvals Signature Page

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- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

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

Organizational: Multiple Policies-May 2015	
APPROVED BY	DATE: 3/24/2015
Director's/Manager's Signature	Printed Name:

Leslie Lovejoy, RN, PhD
Chief Quality Officer, CQO.

Date

D. Paul Amara, MD
President of Medical Staff

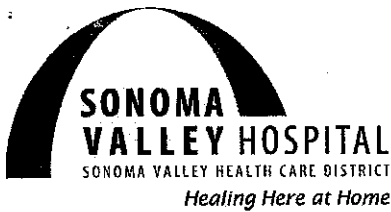
Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Organizational Policy Revisions**

New Document or Revision written by:

Date of Document: **3/24/2015**

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

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

GL8610-401 Policies and Procedures Policy-revised; removed MCN information, added CIHQ information & chapter headings

GL8610-414 (LD8610-414) Private Pay, Payment, High Medical Costs Discount Policy-revised; aka 'Self Pay, Payment Plan & Discounts'; self pay discount changed from 60% to 40%; high balance discounts changed from 35% to 20%, also added excluded services to policy.

PI8610-100 Performance Improvement Plan: Changed name to Quality Assessment/Performance Improvement Plan to align with CMS and CIHQ nomenclature; deleted annual evaluation portion and the sections on: benchmarking, TJC requirements, and added more emphasis on the oversight by the Governing body and the delegation process for accountability.

PR8610-260 Filming and Recording of Patients: revised current policy to include CIHQ/CMS language and built the consents both in English and Spanish. No major changes other than making it organizational.

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	3/24/2015	✓	
PI/PT Committees	5/28/2015	✓	
Medical Executive Committee	6/18 6/19 2015	Yes	
Board Quality	6/24/2015		
Board of Directors	7/02/2015		



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.

Organizational: DC88610-265 Discharge Planning - NEW POLICY	
APPROVED BY	DATE: 3-24-2015
Director's/Manager's Signature	Printed Name

Leslie Lovejoy, RN
Chief Nursing Officer, CQO

Date

D. Paul Amara, MD
President of Medical Staff

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Organizational Policy New**

New Document or Revision written by: **Leslie Lovejoy, CQO**

Date of Document: **3/24/2015**

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

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

DC8610-265 Discharge Planning: new policy that documents our current process and requires a QA/PI review of readmissions. Since we already do this and quality monitoring for documentation compliance, there is nothing new here. Aligns with Case Management departmental policies and procedure s and the documentation process is built in to the electronic health record.

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	3/24/2015	Yes	
PI/PT Committees	5/28/2015	✓	
Medical Executive Committee	6/18/2015	yes	
Quality Board	6/24/2015		
Board of Directors	7/02/2015		



POLICY AND PROCEDURE
Approvals Signature Page

Review and Approval Requirements

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

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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.

Organizational: Infection Prevention Program 2015	
APPROVED BY	DATE: 1C8610-113 5/13/15
Director's/Manager's Signature <i>Kathy Mathews RN, CIC</i>	Printed Name Kathy Mathews, RN CIC

Leslie Lovejoy, RN
Chief Quality Officer

Date

D. Paul Amara, MD
Chairman, P.I. Committee

Date

Kelly Mather
Chief Executive Officer

Date

Sharon Nevins
Chair, Board of Directors

Date



Policy Submission Summary Sheet

Title of Document: **Infection Prevention Program**

Revision written by: **Kathy Mathews RN, CIC**

Date of Document: **May 13, 2015**

Type: <input checked="" type="checkbox"/> Revision <input type="checkbox"/> New Policy	Regulatory: <input checked="" type="checkbox"/> CIHQ <input checked="" type="checkbox"/> CMS <input checked="" type="checkbox"/> CDPH <input type="checkbox"/> Other:
Organizational: <input checked="" type="checkbox"/> Clinical <input checked="" type="checkbox"/> Non-Clinical	<input type="checkbox"/> Departmental <input checked="" type="checkbox"/> Interdepartmental (list departments effected) All departments, Skilled Nursing Facility and Healing at Home

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

IC8610-113 Infection Prevention Program- The 2015 program goals are summarized in this document. The 2015 Risk Assessment and Goals and strategies to accomplish the goals will be presented to the Performance Improvement Committee (May 28, 2015) The program was reviewed and revised with the following changes:

1. Title change from Infection Control Program to Infection Prevention Program
2. The term "Infection Control" changed to Infection Prevention throughout the document
3. Change Joint Commission references to CIHQ
4. Minor changes in wording for clarity

Reviewed by:	Date	Approved (Y/N)	Comment
PI/PT Committees	5/28/2015	yes	
Quality Board	6/24/2015 OK		
Board of Directors	7/02/2015		

7.

CANCER CARE PROGRAM



Cancer Support Sonoma

by Pamela Koppel, LCSW
Program Director

Board of Directors Meeting
July 2, 2015



Cancer Support Sonoma is a new program for people with cancer offering care and support in a healing environment to help improve their quality of life during and after treatment.

**Our services cannot be utilized as a primary form of cancer treatment.*



We offer *complementary therapies* that can help reduce the physical and emotional symptoms of conventional cancer treatment such as:

- ✓Nausea
- ✓Fatigue
- ✓Anxiety
- ✓Depression



Our services are:

- Offered on a sliding scale “pay what you can” basis.
- Located in a newly redecorated section of the 3rd floor of the Hospital.
- Under the auspices of Sonoma Valley Hospital Foundation.
- Made possible by a generous research grant from North Bay Cancer Alliance and Sonoma Wine Country Weekend.



Acupuncture
Oncology Massage Therapy
Jin Shin Jyutsu (acupressure)
Naturopathic Medical Consultations
Nutrition Counseling
Guided Imagery
Integrative Psychotherapy
Music/Sound Healing
Feldenkrais
Health Navigation



Acupuncture - an example of Integrative Medicine Supportive Therapy:

The National Cancer Institute (NCI) research on acupuncture has shown it to be effective in controlling symptoms, including the following:

- *Nausea and vomiting caused by chemotherapy
 - *Pain *Fatigue
 - *Poor appetite *Weight loss
 - *Anxiety *Depression
 - *Insomnia *Dry mouth
 - *Hot flashes *Nerve problems
 - *Constipation and diarrhea



Health Navigation

All patients meet with a Health Navigator when they enter the program. After she does a thorough intake, she provides information and education regarding the modalities and helps them choose the therapies that best support them in their current situation.

The Health Navigator can also provide community resources, health coaching and emotional support if requested.



Our *Patient Assistance Fund* allows us to provide these services on a sliding scale basis.

- \$30-\$90/session
- If there is a true financial hardship, patients can use our services at no charge
- No insurance billing



Our services are for men and women who:

- Are receiving treatment for cancer (i.e., surgery, chemotherapy, radiation).
- Have recently completed treatment within the past year.
- Have completed treatment more than a year ago and are experiencing residual symptoms from past cancer treatments.
- Treatment is not or is no longer an option.

**Our patients must be under the care of a physician, though they do not need a physician referral.*





Research Study

Does a community based integrative medicine approach to cancer care help address symptoms and complications of cancer and its treatment?

- 2 year study
- Evaluates therapies, setting and context of treatment.
- Currently in IRB application process with Marin General Hospital.
- Will be recruiting 40 patients/year for 2 years (program goal is 120 patients for first 2 years).
- Patients participate for 12 weeks, get 3 sessions at no charge.



Hours:

Tuesdays and Fridays from 10am to 3pm

**by appointment only*

Contact Information:

Email: infocancersupport@svh.com

Phone: 707-935-5244

Website: www.svh.com/foundation/css



Questions?

8.

FLUOROSCOPY
PROJECT
PROPOSAL



To: SVHCD Board of Directors

From: Ken Jensen, CFO, and Kelly Mather, CEO
William DeMartini, MD, Medical Director of Radiology
Dawn Kuwahara, RN, Chief of Ancillary Services

Date: June 4, 2015

Subject: Request for Financing Fluoroscopy Unit and Construction

Recommendation:

Approve the purchase and installation of a new GE Fluoroscopy Unit at a total cost of \$778,687.50. The equipment cost is \$418,687.50 (including sales tax) and the construction costs are \$360,000. GE will provide financing for the total project with a 60 month loan at 3.76% interest and monthly payments will be \$7,665.79. Most of the costs will be in the Fiscal Year 2017 Budget as the equipment and needed OSHPD approvals will take nine to twelve months.

Background and Reasoning (see attached):

Our current system is a GE product and is approximately 25 years old. It has been declared to be at the end of life for several years and parts are obsolete. The unit cannot be turned off and the tube is in danger of malfunctioning. In the event of failure today, it is unlikely that another tube can be located. **This situation requires immediate attention.** Title 22 California Code of Regulations, Division 5, Code 70257 requires acute care hospitals to have at a minimum at least one fluoroscopic unit. Earlier this year the machine was down for four weeks resulting in patients being referred to other hospitals. We are in a tenuous position and are at risk for the system going down at any time thus requiring patients to be transferred or referred to other providers. Without a replacement, in time the hospital could be at risk of not being in compliance with Title 22 and potentially affecting patient care and quality.

Consequences of Negative Action/Alternative Actions:

Without this replacement unit, the hospital will eventually not be in compliance with Title 22 and will be at risk of not being able to accept patients. Efforts will be made to keep the existing unit functional until the new unit is operational, but there are no guarantees of its continued operation, so a replacement sooner than later is critical.

Financial Impact (see attached Quote and Purchase Summary):

GE Precision 500D - \$418,687.50

Construction Expenses - \$360,000.00

Total - \$778,687.50

100% Financing with a 60 month GE loan at 3.76%; Payments are \$7,665.79 per month.

Annual budget Impact, \$91,989.48/year, beginning with Fiscal Year 2017

There are no maintenance costs for the first year but will be required in Fiscal Year 2018

Selection & Compliance Process:

The issue was brought to Administration's attention by the Medical Director of Radiology, William DeMartini, MD, the Chief of Ancillary Services, Dawn Kuwahara, RN, and the Radiology Supervisor, Jessica Spring. RFPs were sent to three vendors. One vendor failed to submit a proposal. Meetings were held with GE Healthcare and Siemens to review units. GE Healthcare submitted a bid for \$418, 687.50 for a GE Precision 500D Unit. This bid was approximately \$100,000 less than the bid submitted by Siemens. GE also agreed to finance the total cost of the project with a loan. Siemens was willing to finance with a capital lease. A recommendation was presented to the Finance Committee on February 26, 2015 and the board meeting on March 5, 2015. Bids were obtained from two construction companies.

Support & Approval:

This proposal is supported and recommended for approval by the Medical Director of Radiology, William DeMartini, MD, the CEO, Kelly Mather, and the CFO, Ken Jensen. It has also been approved by the Finance Committee.



GE Healthcare Financial Services

May 18, 2015

Sonoma Valley Hospital
347 Andrieux Street
Sonoma, CA 95476

GE Healthcare Financial Services, a component of General Electric Capital Corporation ("GEHFS"), is pleased to submit the following proposal:

Contract Description: Financed purchase of equipment and related construction expenses.

Lender/Secured Party: General Electric Capital Corporation, or one or more of its affiliates and/or assigns.

Debtor: Sonoma Valley Hospital

Description: 1. GE Precision 500D plus 8.75% Sales Tax - \$418,687.50
 2. Construction Expenses - \$360,000.00

Financed Cost: \$778,687.50

Term and Payment
Amount: 1. 60 payments at \$7,665.79 per month in Arrears.
 2. 36 payments at \$10,837.00 per month in Arrears, plus applicable taxes.

Interest Rate: 1. 3.76%
 2. 5.29%

Note: The interest rate and payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be 1.46% and 1.06% respectively. GEHFS reserves the right to adjust the interest rate and payment amounts if this is not the case, and/or the transaction funds after December 31, 2015, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the loan as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 entitled "Selected Interest Rates" currently available online at <http://www.federalreserve.gov/releases/h15/update/> or such other nationally recognized reporting source or publication as GEHFS may specify.

Down Payment: **WAIVED**

Documentation Fee: A documentation fee of \$750.00 per schedule will be charged to Debtor to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Debtor's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.

Funding Date: This transaction will fund on or before December 15, 2015.

Accrued Interest: If the loan term commencement date is not the 1st or 15th of any calendar month (a "Payment Date"), interest charge may be assessed for the period between the loan term commencement date and the Payment Date.

Required Credit
Information: Additional information may be required.

Proposal Expiration: This proposal and all of its terms shall expire on June 18, 2015 if GEHFS has not received Debtor's signed acceptance hereof by such date. Subject to the preceding sentence, this proposal and all of its terms shall expire on September 18, 2015 if the transaction has not funded by such date.

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. GEHFS' standard documents will be used. Debtor hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed transaction (whether before or after any credit approval of the proposed transaction by GEHFS) and is unable to effect such syndication on terms satisfactory to Debtor and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Debtor hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Debtor to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

You hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at 503-806-5476.

Sincerely yours,

Trace Bringham
Vice President
GE Healthcare Financial Services,
a component of General Electric Capital Corporation

Acknowledged and Accepted:

(Legal Name)

By:_____

Title:_____

Date:_____

Fed. ID #:_____

April 29, 2015

Sonoma Valley Hospital
347 Andrieux Street
Sonoma, CA 95476

ATTN: Kelly Mather
Chief Executive Officer

RE: 150022 Sonoma Valley Hospital RF Project

Dear Ms. Mather:

COLIN CONSTRUCTION COMPANY will furnish all necessary labor and materials to complete the work necessary to remodel the existing X-ray Room 011 within Sonoma Valley Hospital, to accommodate a GE Precision 500D system, for the sum of **\$205,570.00.** The basis of this proposal is the GE preliminary layout drawing undated and the GE Precision 500 typical final drawing dated 4/26/13. If a bond is required, please add **\$3,084.00.**

Add Alternates:

1. Relocate existing med gas (O2, Med Air, Vac) approx. 20 LF to plan west wall.
Provide med gas certification.

Facility will shut down and isolate med gas as required for the work to occur. New isolation valves shall be shown at the project perimeter with notation that recertification downstream of new isolation valves is a contractor responsibility / recertification as required upstream of new isolation valves is a Facility responsibility.

Add to base bid: \$29,067.00

2. Furnish/install (N) 2 ton supplemental split system to accommodate new heat loads if deemed necessary. The condenser will be located on the roof and the fan coil in the ceiling of the Scan Room. Provide stand-alone pneumatic control.

Add to base bid: \$51,255.00

We want to thank you for asking Colin Construction Company to submit a proposal for this project and look forward to the opportunity of working with you.

Sincerely,



Jody Harper
Project Engineer/Estimator
jodyh@colincc.com

Signature below represents an authorization to proceed while a formal purchase order is being processed.
Please send all purchase orders and contracts to Kevin Cook, Operations Manager, kevin@colincc.com.

Kelly Mather

Date

STATEMENT OF WORK | The following scope of work detailed below defines the construction necessary to remodel the existing x-ray room within Sonoma Valley Hospital to accommodate a GE Precision 500D system.

This interpretation should be thoroughly reviewed by all involved parties to ensure that all areas of concern are addressed, as this proposal is only the interpretation of Colin Construction Company and considers only the following items. Additional items not addressed in this proposal may be indirectly provided, but are subject to negotiation.

This Statement of Work, as an instrument of service, is the property of Colin Construction Company and may be used only on the project herein. This Scope shall not be reproduced, copied, or used in whole or part without written permission of an authorized representative of Colin Construction Company.

DIVISION 0 | SPECIAL DIVISION

- Maintain “as-built” construction drawings including red lined field changes.
- Construction Duration - 5 weeks

DIVISION 1 | GENERAL REQUIREMENTS

- ***All permit, test and inspection fees are excluded unless otherwise noted.***
- Project bid at prevailing wage.
- The summary of work includes all general trade work, mechanical work, and project management needed for the renovation of the medical equipment suite.
- Contractor to provide construction superintendent and project management.
- Contractor to provide general liability insurance. Builders’ All-Risk insurance is excluded.
- Contractor to provide transportation, handling, storage and protection for all contractor provided construction materials and equipment.
- All construction is to be performed in one phase during normal working hours. Off hours premium time is included for noise abatement and utility shutdowns only. Weekend work or overtime is excluded.
- Any item(s) to be salvaged by the owner are to be removed by the owner from the site before construction begins.
- The owner is to provide clear, unrestricted access from the loading dock to the construction site.
- Use of owner’s facilities and utilities to be permitted during construction.
- Contractor to provide for daily broom cleaning of the job site and debris removal and appropriate disposal.
- Contractor to provide dumpsters for disposal of construction debris and materials.
- Infectious control standards, if applicable, are to be per the Hospital’s standards.
- Contractor to comply with all utility interruption policies.
- Contractor to comply with orientation and clearance programs.
- Taxes are included.
- Contractor to maintain worker’s compensation insurance in the statutorily required amounts.
- Contractor to maintain general liability insurance in the following amounts:
 - Per Occurrence: \$1,000,000
 - General Aggregate: \$2,000,000
 - Excess Liability Coverage: \$9,000,000
- Close out documents will be presented at project completion upon receipt of owner signed substantial completion form, including asbuilts.

DIVISION 2 | EXISTING CONDITIONS

- Selective demo of existing drywall as required for new conduits.
- Demo existing flooring in Exam Room and Control area.
- Demo existing casework in Exam Room and Control area.
- Demo existing wallcovering in Exam Room and Control area.

DIVISION 3 | CONCRETE

- Provide concrete assessment scan for coring
- Provide coring for electrical line sets.
- Provide concrete infill for cored locations.

DIVISION 4 | MASONRY – N/A

DIVISION 5 | METALS

- Provide labor, material and equipment to furnish and install approved equipment floor anchors according to vendor specifications.
- Provide labor, material and equipment to install metal wall supports for wall-mounted cabinets and equipment.
- It is assumed existing Unistrut overhead support will be re-used with only minor modification if needed for the new GE equipment.
- ***Structural metals other than those specifically mentioned in this proposal are excluded.***

DIVISION 6 | WOODS, PLASTICS, & COMPOSITES

- Furnish/install (N) p-lam upper/base cabinets with solid surface top in Exam Room (approx. 10.5LF)
- Furnish/install (N) p-lam full height cabinets in Exam Room (approx. 8 LF).
- Furnish/install (N) solid surface countertop in Control area (approx. 5 LF).
- Include cabinet locks on all new casework.

DIVISION 7 | THERMAL & MOISTURE PROTECTION

- Provide fire penetration protection on all new penetrations on existing rated walls/ceilings.
- Provide insulation where needed for new work
- ***It is assumed that existing fire protection for all penetrations to include existing HVAC is adequate.***

DIVISION 8 | OPENINGS

- ***All existing doors, frames, and hardware are to remain “as-is”.***

DIVISION 9 | FINISHES

Drywall/Framing:

- Frame and finish drywall at new Control wall.
- Infill existing film pass-thru and patch drywall where plumbing removed in Dark Room.
- Provide backing as needed for new casework and equipment.
- Provide drywall patch as required where removed.
- Tape and top new interior drywall finishes (Level 5) where removed for new work, finish to match facility standard.

Paint:

- Paint the walls, trim, doors and frame, window frame with one (1) coat of primer (as needed) and two (2) coats of latex finish paint to match facility standard in Exam, Control Area and Dark Room.

Flooring:

- Furnish and install new Armstrong Medintech sheet vinyl with 6" cove base in Exam, Control and Dark Rooms to match facility standard (approx. 550 s.f.).

Acoustical:

- Patch only acoustical ceiling tiles as needed.

DIVISION 10 | SPECIALTIES

- Furnish and install corner guards as needed.

DIVISION 11 | EQUIPMENT

- **Existing equipment rigging and removal is excluded.**
- Provide one week of additional supervision support for equipment installation and anchorage.

DIVISION 12 | FURNISHINGS – N/A

DIVISION 13 | SPECIAL CONSTRUCTION

- Provide lead drywall patch as needed where removed.
- Furnish/install (N) 4# leaded drywall at new Control wall.
- Furnish/install (N) 48"x60" 4# lead window and frame in Control.
- ***This proposal is based on the understanding that any remaining existing doors, doorframes, walls or viewing window(s) currently have adequate radiation protection.***
- ***Physicist testing, analysis or report is excluded. The owner should obtain a Physicist shielding recommendations report to ensure that the existing radiation protection is adequate.***
- ***Additional lead shielding is excluded.***
- ***Due to the volatility in the lead metals market, lead material cost escalations may be encountered dependent upon date of release. This proposal is based on the mutual understanding that any cost increases will be passed on to the owner.***

DIVISION 14 | CONVEYING EQUIPMENT – N/A

DIVISION 21 | FIRE SUPPRESSION

- Relocate one fire sprinkler head to accommodate control wall relocation.
- ***All other existing fire sprinklers to remain "as is".***

DIVISION 22 | PLUMBING

- Furnish/install (N) stainless steel sink with battery operated sensor faucet in Exam Room.
- Demo/cap lines, existing sink and plumbing at wall in Dark Room.

DIVISION 23 | HVAC

- As- built drawings show 350 CFMs in Exam Room.
- New GE equipment produces 8099 BTUs/417 CFMs required.
- It is assumed the existing system can be adjusted to accommodate these minimal heat load increase. If it is determined additional cooling is required, please see add alternate.
- Provide costs for pre and post-construction air survey, balance, and report.
- ***We assume the existing HVAC services to be adequate.***
- ***Modifications, additions, servicing, repairs, rebalancing or warranty of existing HVAC systems except for those specifically mentioned in this proposal are excluded.***

DIVISION 25 | INTEGRATED AUTOMATION

- ***Work associated with existing energy management controls is excluded.***

DIVISION 26 | ELECTRICAL

- Existing power is 480V 80 amp with four wire with #1/0 ground which is adequate for the new equipment.
- Provide new conduits, cable tray raceway system, and power required for installation and operation of new equipment as shown on vendor drawings; include all components shown on electrical drawings.
- Furnish/Install GE 80 amp main disconnect.
- ***Existing X-Ray on warning light will be reused and remain "as is".***
- ***Existing 120-volt duplex outlets will remain "as-is".***
- ***Existing lighting and controls to remain "as-is".***
- ***All salvage rights of existing material to go to the Colin Construction Company and/or client.***
- See also DIVISION 27 | COMMUNICATIONS
- See also DIVISION 28 | ELECTRONIC SAFETY & SECURITY

DIVISION 27 | COMMUNICATIONS

- ***Existing Nurse Call and Code Blue system(s) to remain "as is".***
- ***Existing Intercom system(s) to remain "as is".***
- ***Network and telephone conduits and outlets will be provided with a pull string. Hospital is responsible for having wiring installed and terminated.***
- ***The remaining existing telephone and computer/data outlets will remain as is unchanged.***

DIVISION 28 | ELECTRONIC SAFETY & SECURITY

- ***Existing Fire Alarm to remain "as is".***

DIVISION 31 | EARTHWORK

- N/A

DIVISION 32 | EXTERIOR IMPROVEMENTS

- N/A

DIVISION 33 | UTILITIES

- N/A

DIVISION 34 | TRANSPORTATION

- N/A

EXCLUSIONS | These items are excluded from this proposal unless specifically mentioned.

- Work in an environment where there is possible contamination by the presence, removal, or encapsulation of hazardous, radioactive, and/or toxic material(s).
- Mold, asbestos or hazardous material survey(s), removal or abatement of any kind.
- Work in a Bio-Hazardous, Toxic, Radioactive or other high risk environment.
- Work associated with the removal or relocation of concealed or hidden installations and/or any effects to the project schedule.
- Upgrades associated with ADA or code requirements (if any) outside this construction area are excluded.
- Any work with telephone, Intercom, or security systems except as noted.

- If electrical system requires existing conductors to be removed, it is assumed they will be able to be readily removed in one piece and any alterations from this may result in additional cost.
- Existing building power or grounding upgrades.
- An in depth analysis of the quality of existing building power or grounding is excluded.
- Provisions for protection of existing services and systems.
- All existing plumbing isolation and shut off valves shall be opened and closed by the facility with 48 hour prior notice. Any new or replacement valves are excluded from this proposal.
- Ancillary work such as film processors, film viewers, etc.
- Equipment rigging, transport, and installation unless noted otherwise in proposal.
- Final connection of anchorage to vendor's equipment if it requires drilling or self-tapping screw.
- Any fire/life safety upgrades other than as noted in proposal.
- Any seismic retrofit as mandated by SB 1953 other than as noted in proposal.
- Relocation/moving of furniture.
- Final cleaning and waxing of floors.
- Final site sterilization.
- Costs associated with liquidated damages.
- Any other item(s) not specifically mentioned or otherwise included in this Statement.
- This proposal is valid for three months. If construction does not commence within that time period a re-evaluation of the cost will be required

150022 Sonoma Valley Hosp RF Construction Budget

4/29/15

Cost Code	Material	Labor	Equipment	Subcontract	Other	TOTAL
127.000 OVERHEAD	0	0	0	0	16,634	16,634
128.000 PROFIT	0	0	0	0	9,789	9,789
131.000 PROJECT MANAGEMENT	0	0	0	0	12,808	12,808
131.100 PROJECT ENGINEERING	0	0	0	0	315	315
135.330 INFECTION CONTROL	1,050	0	0	0	0	1,050
145.000 TESTS & INSPECTIONS	0	0	0	0	525	525
174.190 TRASH REMOVAL & DISPOSAL	0	0	0	0	1,050	1,050
210.100 PROJECT SUPERVISION	0	16,800	0	0	0	16,800
210.200 SITE LABOR	0	14,175	0	0	0	14,175
225.160 CONCRETE SCANNING/ASSESSMENT	0	0	0	1,050	0	1,050
241.000 SITE DEMOLITION	0	3,150	0	0	0	3,150
300.000 CONCRETE	525	0	0	0	0	525
382.000 CONCRETE BORING	0	0	0	1,575	0	1,575
500.000 METALS	1,050	0	0	0	0	1,050
545.000 OVERHEAD SUPPORT SYSTEM	0	0	0	2,100	0	2,100
610.000 ROUGH LUMBER	2,100	0	0	0	0	2,100
641.000 CASEWORK	0	0	0	12,075	0	12,075
700.000 THERMAL/MOISTURE PROTECTION	840	0	0	0	0	840
784.000 FIRESTOPPING	1,050	0	0	0	0	1,050
921.160 DRYWALL/FRAMING	0	0	0	5,250	0	5,250
951.000 ACOUSTICAL CEILINGS	0	0	0	1,575	0	1,575
960.000 FLOORCOVERING	0	0	0	10,500	0	10,500
991.000 PAINTING & COATINGS	0	0	0	3,150	0	3,150
1026.000 WALL & DOOR PROTECTION	525	0	0	0	0	525
1170.200 INSTALLATION SUPPORT	0	3,360	0	0	0	3,360
1349.130 X-RAY SHIELDING ASSEMBLIES	0	0	0	10,500	0	10,500
2100.000 FIRE SUPPRESSION	0	0	0	2,100	0	2,100
2200.000 PLUMBING	0	0	0	6,300	0	6,300
2305.930 HVAC TEST & BALANCE	0	0	0	1,785	0	1,785
2600.000 ELECTRICAL	4,114	0	0	57,750	0	61,864
TOTALS:	11,254	37,485	0	115,710	41,121	205,570

April 29, 2015

Sonoma Valley Hospital
347 Andrieux Street
Sonoma, CA 95476

ATTN: Kelly Mather
Chief Executive Officer

RE: 150022 Sonoma Valley Hospital RF Project Design Proposal

Dear Ms. Mather:

COLIN CONSTRUCTION COMPANY will provide all required preconstruction services to prepare design documents for the remodel of the existing X-ray Room 011 within Sonoma Valley Hospital, to accommodate a GE Precision 500D system. The cost for this service is **\$36,464.00** and would include the following:

1. All site investigation and infrastructure review.
2. Architectural, Structural, Mechanical and Electrical Drawings.
 - Design – 4 weeks (approximate)
 - Permitting – 24 weeks (approximate OSHPD Review)
3. Development of a final construction budget.
4. Development of a construction schedule.
5. Submittal to OSHPD approval.
6. A pre-design air survey will be provided at the direction of the Mechanical Engineer for use in determining HVAC needs. **\$ 1,700 Allowance**
7. One (30) day electrical meter readings will be provided at the direction of Electrical Engineer for use in determining upgrades to the normal and emergency electrical systems. **\$600 Allowance.**

If Construction Add Alternate #1 is accepted. **Add the following to design base bid: \$2,596.00**

If Construction Add Alternate #2 is accepted. **Add the following to design base bid: \$2,596.00**

The qualifications to this proposal are as follows:

- The cost for all permits fees are not included in this proposal.
- Physicist's shielding design recommendations report is excluded.
- Physicist's post construction and equipment verification survey is excluded.
- Interior design services are not included.
- Existing handicap accessibility issues will be addressed during design and recommendations will be made to correct any non-compliant issues. Additional fees will be assessed as needed.
- Please note OSHPD requirements for ADA compliance could be more extensive that what is outlined in this proposal. We have only included ADA compliant modifications that are directly related to our immediate construction area of work in Room 011 only. We can provide an assessment of ADA

compliance which relate to path of travel to the site area and make recommendations during the design process. If additional ADA compliance issues are recommended these costs would be assessed and provided to customer for review.

- Nurse Call and Code Blue design is not included.
- Fire Alarm design is not included.
- Fire Sprinkler design is not included.

We want to thank you for asking Colin Construction Company to submit a proposal for this project and look forward to the opportunity of working with you.

Sincerely,



Jody Harper
Project Engineer/Estimator
jodyh@colincc.com

Signature below represents an authorization to proceed with Design/Construction Documents while a formal purchase order is being processed.

Kelly Mather

Date

150022 Sonoma Valley Hosp RF Design Budget

4/29/15

Cost Code	Material	Labor	Equipment	Subcontract	Other	TOTAL
95.000 ENGINEERING/DESIGN	0	0	0	26,250	0	26,250
127.000 OVERHEAD	0	0	0	0	2,951	2,951
128.000 PROFIT	0	0	0	0	1,736	1,736
131.000 PROJECT MANAGEMENT	0	0	0	0	2,272	2,272
172.600 REIMBURSABLES	0	0	0	0	840	840
2305.930 HVAC TEST & BALANCE	0	0	0	1,785	0	1,785
2601.000 METER READ	0	0	0	630	0	630
TOTALS:	0	0	0	28,665	7,799	36,464

X-Ray Project
Project Budget

Revised: 5/20/2015

	<i>Budget / Item</i>	<i>CIP Budget 1258-????</i>	<i>Quote</i>	<i>Spent to Date</i>	<i>Estimate at completion</i>	<i>Invoice #</i>	<i>P.O. #</i>	<i>Remaining</i>
1.10	<u>Construction</u>							
1.11	Construction cost		<u>\$205,570</u>					
1.12	GE main disconnect		<u>\$0</u>					
1.13	2 ton split system \$53852							
1.20	<u>Design</u>							
	Design cost		\$36,464					
1.30	<u>Fees / Permits</u>							
1.31	OSHDP Fees		\$5,500					
1.32	IOR		\$19,000					
1.33	Special testing		\$5,000					
1.21	Sutter Physicist Shielding Design		\$3,000					
1.40	<u>IT / IS</u>							
1.41	Cabling		\$4,000					
1.50	<u>Equipment (N)</u>							
1.51	Equipment		<u>\$422,940</u>					
1.52	Used X-Ray table		\$10,000					
1.60								
1.61	ADA improvements		\$41,114					
1.70	<u>Project Contingency</u>							
1.71	Project Contingency		\$32,600					
1.72	Asbestos abatement		\$6,000					
1.73	Asbestos testing		<u>\$500</u>					
	Total Project Cost:	\$0	\$791,688	0.00	\$0.00			\$0

Total
invoiced

Authorized,
not invoiced

9.

FINAL
OPERATING
BUDGET
FY 2016

Sonoma Valley Health Care District
Statement of Revenue and Expenses

		This Year		Variance	
		Original Budget	Changed Budget	\$	%
Financial Results					
Gross Patient Revenue					
5	Inpatient	\$ 61,894,962	\$ 61,894,962	-	0%
6	Outpatient	81,933,424	81,933,424	-	0%
7	Emergency	50,477,579	50,477,579	-	0%
8	SNF	27,697,642	27,697,642	-	0%
9	Home Care	4,441,777	4,441,777	-	0%
10	Total Gross Patient Revenue	\$ 226,445,384	\$ 226,445,384	-	0%
Deductions from Revenue					
11	Contractual Discounts	\$ (174,769,423)	\$ (174,769,423)	-	0%
12	Bad Debt	(1,071,760)	(1,071,760)	-	0%
13	Charity Care Provision	(255,182)	(255,182)	-	0%
14	Prior Period Adjustments	-	-	-	0%
15	Total Deductions from Revenue	\$ (176,096,365)	\$ (176,096,365)	-	0%
16	Net Patient Service Revenue	\$ 50,349,019	\$ 50,349,019	-	0%
17	Risk contract revenue	\$ 3,175,372	\$ 3,175,372	-	0%
18	Net Hospital Revenue	\$ 53,524,391	\$ 53,524,391	-	0%
19	Other Op Rev & Electronic Health Records	\$ 173,482	\$ 173,482	-	0%
20	Total Operating Revenue	\$ 53,697,873	\$ 53,697,873	-	0%
Operating Expenses					
21	Salary and Wages and Agency Fees	\$ 26,321,863	\$ 26,454,002	132,139	0%
22	Employee Benefits	9,511,625	\$ 9,525,052	13,427	0%
23	Total People Cost	\$ 35,833,488	\$ 35,979,054	145,566	0%
24	Med and Prof Fees (excl Agency)	\$ 4,220,474	\$ 4,158,278	(62,196)	-1%
25	Supplies	5,940,939	5,852,139	(88,800)	-2%
26	Purchased Services	4,392,864	4,226,026	(166,838)	-4%
27	Depreciation	3,397,579	3,397,579	-	0%
28	Utilities	1,187,495	1,187,495	-	0%
29	Insurance	250,000	250,000	-	0%
30	Interest	470,955	470,955	-	0%
31	Other	2,478,649	2,706,422	227,773	8%
32	Operating expenses	\$ 58,172,443	\$ 58,227,948	55,505	0%
33	Operating Margin	\$ (4,474,570)	\$ (4,530,075)	55,505	1%
Non Operating Rev and Expense					
34	Miscellaneous Revenue	\$ 163,886	\$ 163,886	-	0%
35	Donations	69,667	69,667	-	0%
36	Physician Practice Support-Prima	(468,000)	(468,000)	-	0%
37	Parcel Tax Assessment Rev	3,000,000	3,000,000	-	0%
38	Total Non-Operating Rev/Exp	\$ 2,765,553	\$ 2,765,553	-	0%
39	Net Income / (Loss) prior to Restricted Contributions	\$ (1,709,017)	\$ (1,764,522)	55,505	-3%
40	Capital Campaign Contribution	\$ 422,194	\$ 422,194	-	0%
41	Restricted Foundation Contributions	\$ 750,000	\$ 750,000	-	0%
42	Net Income / (Loss) w/ Restricted Contributions	\$ (536,823)	\$ (592,328)	55,505	-9%
43	GO Bond Tax Assessment Rev	2,913,329	2,913,329	-	0%
44	GO Bond Interest	(1,374,478)	(1,374,478)	-	0%
45	Net Income/(Loss) w GO Bond Activity	\$ 1,002,028	\$ 946,523	55,505	-6%
EBIDA		\$ 2,159,517	\$ 2,104,012		
		4.0%	3.9%		

**SONOMA VALLEY HOSPITAL
FY 2016 BUDGET VARIANCES**

Line 45 of Approved Budget 1,002,028

Expenses

Salaries

Line 21 of Original Budget 26,321,863

Surgery	8,352	Reclass of a janitor to a tech
Lab	(24,531)	Phlebotomist was coded with the wrong rate
Radiology	3,454	Adjust FTE's by .03
Ultrasound	(22,778)	Decrease in ultrasound tech
CT	(1,058)	Adjust FTE's by -.01
		Reclassified therapist to management and reduced therapist
Physical Therapy	58,002	by .5 FTE
Pharmacy	6,690	Adjust FTE's by .01
Environmental Services	13,548	Increase .4 for ER cleaning
IT	28,287	Add back PDH reduction
Admitting	14,530	Pre Registration staff
Administration	12,000	Reclassified Dawn from PT and change in salary
Human Resources	13,395	Additional staff
Hospital Education	8,620	Adjust FTE's by .07
Community Health	13,628	Adjust FTE's by .1

Total Change	132,139
Line 21 of Budget	26,454,002

Employee Benefits

Line 22 of Approved Budget 9,511,625

PTO	13,109	Due to Salary changes from above
FICA Taxes increase	318	Due to Salary changes from above

Total Change	13,427
Line 22 of Budget	9,525,052

Med/Prof Fees

Line 24 of Approved Budget 4,220,474

Infection Control	4,800	Bring doctor back to market
Lab	(66,996)	Directorship was inadvertently recorded twice

Total Change	(62,196)
Line 24 of Budget	4,158,278

Supplies

Line 25 of Approved Budget 5,940,939

Pharmacy	(90,000)	Reduction in supplies due to change in contract
Home Health	1,200	for occimeters

Total Change	(88,800)
Line 25 of Budget	5,852,139

Purchase Services

Line 26 of Approved Budget 4,392,864

ICU	(16,000)	Palliative care brought in house
Environmental Services	15,000	Maintenance for the Xenex machine
Environmental Services	7,500	SCOE which was previously a donated service
Environmental Services	1,250	Purchase service for deodorizers
IT	(190,037)	Reclass to Rents below
IT	16,000	Purchase service for 3M
Community Health	(551)	Removed purchase services

Total Change (166,838)

Line 26 of Budget 4,226,026

Other

Line 31 of Approved Budget 2,478,649

Lab	9,048	Beckman Training
Engineering	27,700	Rentals of gases
Engineering	(5,000)	Other expenses were over stated
IT	190,037	Reclassified from Purchase Services above
Community Health	838	Membership in local clubs
Community Health	5,150	Training

Total Change 227,773

Line 31 of Budget 2,706,422

Total increase in Expenses 55,505

Line 45 of Budget 946,523

10.

FINANCIAL
REPORT
JUNE 2015



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: June 23, 2015
Subject: Financial Report for the Month Ending May 31, 2015

For the month of May gross patient revenue was unfavorable to budget by (\$533,802). As with previous months, there continues to be significant changes in payer mix compared with budgeted expectations. Medi-Cal was 21.7% (regular and managed care) of gross revenue vs. a budgeted 11.4%. Commercial insurance, which now includes the lower paying Covered California patients, was 17.5% vs. the 24.8% budgeted.

Expenses were over budget by (\$54,857). Although patient days and discharges were under budget, the patient case mix was higher than budget. Therefore, salaries & wages were over budget by (\$59,396). Employee benefits were over by (\$37,743), professional fees, due to a true-up of the hospitalist costs, were over by (\$31,839), and depreciation expense was over by (\$34,182). These variances were offset by a favorable supply cost variance of \$104,473.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for May was (\$303,627) vs. a budgeted net income of \$55,429. The loss was offset by a true-up to the GO Bond income in the amount of \$340,693. The total net income for May after all activity was \$74,378 vs. a budgeted net income of \$151,664.

Below is a summary of significant variances for the month of May:

GROSS REVENUE was favorable to budget	\$ (533,802)
Inpatient revenue was unfavorable to budget by (\$216,799) and SNF was unfavorable by (\$356,179). Outpatient revenue was unfavorable to budget by (\$474,962) due to volumes and ER revenue was Above budget by \$589,326. In addition to volume, the ER has experienced a shift to higher levels of care that has contributed to the increased revenues. Home Health was below budget with a variance of (75,188).	
Deductions from revenue are favorable to budget due to lower than budgeted gross revenue.	\$ 257,388
Risk Contract Revenue was over budget due to an increase in Napa State patients	\$ 16,307
Other Revenue was under budget due to the true-up of the E.H.R. Revenue received in January.	<u>\$ (68,246)</u>



Total Operating Revenue Variance		\$ (328,353)
Total Staffing costs were over budget	\$ (59,396)	
Productive FTE's were 278 vs. a budget of 274 due to a higher case mix. Total FTE's were under budget by 1.0. Lab was over budget by (\$10,060) due to increased ER volume, Pharmacy was over budget by (\$14,267) due to training, and Physical Therapy was over in agency fees by (\$14,082). The average hourly rate was over budget by (\$1.22).		
Employee benefits were over budget	\$ (37,743)	
primarily due to a required increase in the accrual of the State Unemployment insurance reserve of (\$25,000) and employee pension and health insurance costs were over budget by (\$16,298).		
Professional fees were over budget	\$ (31,839)	
due to a true-up of hospitalists costs from FY 2013 per contract.		
Depreciation costs were over budget	\$ (34,182)	
due to the purchase of two ultrasound machines and the finalization of CIP accounts.		
Other expenses are over budget	\$ (23,707)	
due to a SNF citation penalty of (\$20,000)		
All Other Operating Expenses were under budget		
Primarily due to lower supply costs.	\$ 132,010	
Total Expense Variance		<u>\$ (54,857)</u>
Total Operating Margin Variance		\$ (383,210)
Non-Operating Income was favorable to budget	\$ 24,154	
Capital Campaign and Restricted Contributions was unfavorable to budget	<u>\$ (83,333)</u>	
Net Variance		<u><u>\$ (442,389)</u></u>

The net loss was (\$300,710) vs. a budgeted net income of \$141,679. After accounting for GO bond activity (which interest cost were better than budget by \$22,326) and the true-up of reserves held for GO Bond payments per BNY Bank statement recently received in the amount of \$340,693, the aggregated net income was \$74,378 vs. a budgeted net income of \$151,664.



Patient Volumes – May

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	97	101	-4	100
Newborn Discharges	11	11	0	16
Acute Patient Days	373	378	-5	358
SNF Patient Days	626	600	26	605
Home Care Visits	963	1,214	-251	1,135
OP Gross Revenue	10,719	10,680	39	10,237
Surgical Cases	118	142	-24	142

Overall Payer Mix – May

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	46.9%	49.9%	-3.0%	47.5%	50.3%	-2.8%
Medi-Cal	21.7%	11.4%	10.3%	18.7%	11.3%	7.4%
Self Pay	1.6%	3.4%	-1.8%	1.5%	3.4%	-1.9%
Commercial	17.5%	24.8%	-7.3%	20.6%	24.5%	-3.9%
Managed MC	6.6%	4.3%	2.3%	5.7%	4.4%	1.3%
Workers Comp	3.7%	3.3%	0.4%	3.2%	3.2%	0.0%
Capitated	2.0%	2.9%	-0.9%	2.8%	2.9%	-0.1%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for May:

For the month of May the cash collection goal was \$3,053,195 and the Hospital collected \$3,658,359, over the goal by \$605,164. The year to date cash goal is \$38,281,170 and the Hospital has collected \$38,681,580, over the goal by \$400,410. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 17 days at May 31, 2015. Accounts Receivable decreased from April, from 46.6 days to 43.1 days in May. Accounts Payable is down by \$687,460 from April. Accounts Payable days are at 34.5. Total Accounts Payable at the beginning of the fiscal year was \$5,893,464 and at the end of May Accounts Payable is \$2,618,288.

Year to Date:

The Hospital's YTD EBIDA is 4.4%. Our YTD expenses are over budget by (\$1,888,328). This amount includes \$120,000 of prior year expenses, the IGT program fees of \$823,013, and \$945,315 in operating expenses. Significant variances included in the \$945,315 are attributable to inaccurate forecasting in anesthesia, Prima, utilities, hospitalists, lab, and IT services.



Sonoma Valley Hospital Sonoma Valley Health Care District May 31, 2015 Financial Report

**Finance Committee
June 23, 2015**



Patient Volumes

Month of May 31, 2015

	Actual	Budget	Variance	Prior Year
Acute Discharges	97	101	-4	100
Newborn Discharges	11	11	0	16
Acute Patient Days	373	378	-5	358
SNF Patient Days	626	600	26	605
Home Care Visits	963	1,214	-251	1,135
OP Gross Revenue	10,719	10,680	39	10,237

Summary Statement of Revenues and Expenses Month of May 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,143,120	\$ 4,471,473	\$ (328,353)	-7%	\$ 3,932,130
2Total Operating Expenses	\$ 4,697,667	\$ 4,642,889	\$ (54,778)	-1%	\$ 4,583,863
3Operating Margin	\$ (554,547)	\$ (171,416)	\$ (383,131)	-224%	\$ (651,733)
4NonOperating Rev/Exp	\$ 250,920	\$ 226,766	\$ 24,154	11%	\$ 287,942
5Net Income before Rest.Cont. & GO Bond	\$ (303,627)	\$ 55,350	\$ (358,977)	-649%	\$ (363,791)
6Restricted Contribution	\$ 2,917	\$ 86,250	\$ (83,333)	-97%	\$ 47,800
Net Income with Restricted 7Contributions	\$ (300,710)	\$ 141,600	\$ (442,310)	-312%	\$ (315,991)
8Total GO Bond Rev/Exp	\$ 375,088	\$ 9,985	\$ 365,103	3657%	\$ (21,655)
9Net Income with GO Bond	\$ 74,378	\$ 151,585	\$ (77,207)	-51%	\$ (337,646)
10EBIDA before Restricted Contributions	\$ 47,708	\$ 413,227	\$ (365,519)		\$ 407,957
11EBIDA before Restricted Cont. %	1%	9%	-8%		10%

Summary Statement of Revenues and Expenses Year to Date May 31, 2015 (11 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 47,060,028	\$ 47,182,538	\$ (122,510)	0%	\$ 46,223,147
2Total Operating Expenses	\$ 51,310,496	\$ 49,422,168	\$ (1,888,328)	-4%	\$ 50,019,071
3Operating Margin	\$ (4,250,468)	\$ (2,239,551)	\$ (2,010,917)	-90%	\$ (3,795,924)
4NonOperating Rev/Exp	\$ 2,652,149	\$ 2,494,426	\$ 157,723	6%	\$ 1,947,187
Net Income before Rest.Cont. & 5GO Bond	\$ (1,598,319)	\$ 254,796	\$ (1,853,115)	-727%	\$ (1,848,737)
6Restricted Contribution	\$ 1,145,812	\$ 948,750	\$ 197,062	21%	\$ 3,757,073
Net Income with Restricted 7Contributions	\$ (452,506)	\$ 1,203,546	\$ (1,656,052)	-138%	\$ 1,908,336
8Total GO Bond Rev/Exp	\$ 997,849	\$ 109,822	\$ 888,027	809%	\$ 985,697
9Net Income with GO Bond	\$ 545,343	\$ 1,313,447	\$ (768,104)	-58%	\$ 2,894,033
EBIDA before Restricted 10Contributions	\$ 2,067,360	\$ 4,191,443	\$ (2,124,083)		\$ 504,739
11EBIDA before Restricted Cont. %	4%	9%	-5%		1%

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

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 2,530,812	\$ 2,973,579	\$ 1,193,602
2	Trustee Funds	1,825,643	1,825,643	762,010
3	Net Patient Receivables	6,541,310	6,852,498	7,676,562
4	Allow Uncollect Accts	(744,236)	(680,729)	(1,730,081)
5	Net A/R	5,797,074	6,171,769	5,946,481
6	Other Accts/Notes Rec	3,155,208	3,193,255	2,203,382
7	3rd Party Receivables, Net	645,037	938,297	1,826,981
8	Due Frm Restrict Funds	-	-	-
9	Inventory	762,638	755,552	744,475
10	Prepaid Expenses	733,051	820,866	1,112,787
11	Total Current Assets	\$ 15,449,463	\$ 16,678,961	\$ 13,789,718
12	Board Designated Assets	\$ -	\$ -	\$ 5,402
13	Property, Plant & Equip, Net	55,089,671	55,338,981	21,327,032
14	Hospital Renewal Program	-	-	31,801,877
15	Unexpended Hospital Renewal Funds	-	-	4,024,455
16	Investments	-	-	-
17	Specific Funds	240,092	101,455	(3,128,648)
18	Other Assets	143,321	143,321	426,365
19	Total Assets	\$ 70,922,547	\$ 72,262,718	\$ 68,246,201
Liabilities & Fund Balances				
Current Liabilities:				
20	Accounts Payable	\$ 2,618,288	\$ 3,305,748	\$ 4,324,358
21	Accrued Compensation	3,713,733	3,671,223	3,292,553
22	Interest Payable	471,716	353,787	570,681
23	Accrued Expenses	1,269,616	1,118,830	1,336,798
24	Advances From 3rd Parties	816,536	857,138	322,652
25	Deferred Tax Revenue	743,018	1,486,037	537,521
26	Current Maturities-LTD	1,550,434	1,604,735	911,931
27	Line of Credit - Union Bank	5,923,734	5,923,734	4,473,734
28	Other Liabilities	460,523	498,926	223,928
29	Total Current Liabilities	\$ 17,567,598	\$ 18,820,158	\$ 15,994,156
30	Long Term Debt, net current portion	\$ 39,188,977	\$ 39,350,966	\$ 38,497,996
31	Fund Balances:			
32	Unrestricted	\$ 12,121,614	\$ 12,050,153	\$ 12,578,262
33	Restricted	2,044,358	2,041,441	1,175,787
34	Total Fund Balances	\$ 14,165,972	\$ 14,091,594	\$ 13,754,049
35	Total Liabilities & Fund Balances	\$ 70,922,547	\$ 72,262,718	\$ 68,246,201

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended May 2015

		Month				Year-To-Date				YTD
		This Year		Variance		This Year		Variance		Prior Year
		Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information										
1	Acute Discharges	97	101	(4)	-4%	1,117	1,141	(24)	-2%	1,077
2	SNF Days	626	600	26	4%	6,681	6,807	(126)	-2%	6,951
3	Home Care Visits	963	1,214	(251)	-21%	12,433	11,466	967	8%	10,407
4	Gross O/P Revenue (000's)	10,719	10,680	39	0%	\$ 121,702	\$ 109,590	12,112	11%	\$ 105,281
Financial Results										
Gross Patient Revenue										
5	Inpatient	\$ 5,401,440	\$ 5,618,239	(216,799)	-4%	\$ 58,074,657	\$ 60,740,409	(2,665,752)	-4%	\$ 54,751,186
6	Outpatient	6,368,474	6,843,436	(474,962)	-7%	72,991,642	70,464,710	2,526,932	4%	67,847,144
7	Emergency	4,055,167	3,465,841	589,326	17%	44,872,703	35,613,412	9,259,291	26%	34,239,617
8	SNF	2,073,087	2,429,266	(356,179)	-15%	22,378,621	27,444,115	(5,065,494)	-18%	26,019,278
9	Home Care	295,595	370,783	(75,188)	-20%	3,837,980	3,511,848	326,132	9%	3,194,660
10	Total Gross Patient Revenue	\$ 18,193,763	\$ 18,727,565	(533,802)	-3%	\$ 202,155,604	\$ 197,774,494	4,381,110	2%	\$ 186,051,884
Deductions from Revenue										
11	Contractual Discounts	\$ (14,302,607)	\$ (14,418,589)	115,982	1%	\$ (158,778,597)	\$ (152,467,485)	(6,311,112)	-4%	\$ (143,905,011)
12	Bad Debt	(50,000)	(174,266)	124,266	71%	(1,115,000)	(1,840,350)	725,350	39%	(2,208,255)
13	Charity Care Provision	(9,000)	(26,140)	17,140	66%	(213,100)	(276,054)	62,954	23%	(235,250)
14	Prior Period Adjustments	-	-	-	0%	1,735,013	-	1,735,013	0%	2,107,929
15	Total Deductions from Revenue	\$ (14,361,607)	\$ (14,618,995)	257,388	-2%	\$ (158,371,684)	\$ (154,583,889)	(3,787,795)	2%	\$ (144,240,587)
16	Net Patient Service Revenue	\$ 3,832,156	\$ 4,108,570	(276,414)	-7%	\$ 43,783,920	\$ 43,190,605	593,315	1%	\$ 41,811,297
17	Risk contract revenue	\$ 304,559	\$ 288,252	16,307	6%	\$ 2,772,855	\$ 3,170,772	(397,917)	-13%	\$ 3,120,049
18	Net Hospital Revenue	\$ 4,136,715	\$ 4,396,822	(260,107)	-6%	\$ 46,556,775	\$ 46,361,377	195,398	0%	\$ 44,931,346
19	Other Op Rev & Electronic Health Records	\$ 6,405	\$ 74,651	(68,246)	91%	\$ 503,253	\$ 821,161	(317,908)	-39%	\$ 1,291,802
20	Total Operating Revenue	\$ 4,143,120	\$ 4,471,473	(328,353)	-7%	\$ 47,060,028	\$ 47,182,538	(122,510)	0%	\$ 46,223,147
Operating Expenses										
21	Salary and Wages and Agency Fees	\$ 2,187,591	\$ 2,128,195	(59,396)	-3%	\$ 22,506,369	\$ 22,094,417	(411,952)	-2%	\$ 22,113,144
22	Employee Benefits	804,023	766,280	(37,743)	-5%	8,620,312	8,350,122	(270,190)	-3%	8,075,728
23	Total People Cost	\$ 2,991,614	\$ 2,894,475	(97,139)	-3%	\$ 31,126,681	\$ 30,444,539	(682,142)	-2%	\$ 30,188,872
24	Med and Prof Fees (excl'd Agency)	\$ 346,825	\$ 314,986	(31,839)	-10%	\$ 3,869,750	\$ 3,531,757	(337,993)	-10%	\$ 4,728,735
25	Supplies	395,700	500,173	104,473	21%	5,250,357	5,257,862	7,505	0%	5,489,934
26	Purchased Services	339,543	325,492	(14,051)	-4%	3,772,957	3,436,684	(336,273)	-10%	4,379,320
27	Depreciation	306,380	272,198	(34,182)	-13%	3,201,986	2,994,178	(207,808)	-7%	2,028,026
28	Utilities	80,448	80,567	119	0%	989,959	886,237	(103,722)	-12%	874,706
29	Insurance	19,255	20,000	745	4%	211,805	220,000	8,195	4%	207,763
30	Interest	44,955	85,679	40,724	48%	463,692	942,469	478,777	51%	325,450
31	Other	172,947	149,240	(23,707)	-16%	2,423,308	1,708,363	(714,945)	-42%	1,796,265
32	Operating expenses	\$ 4,697,667	\$ 4,642,810	(54,857)	-1%	\$ 51,310,496	\$ 49,422,089	(1,888,407)	-4%	\$ 50,019,071
33	Operating Margin	\$ (554,547)	\$ (171,337)	(383,210)	-224%	\$ (4,250,468)	\$ (2,239,551)	(2,010,917)	-90%	\$ (3,795,924)
Non Operating Rev and Expense										
34	Miscellaneous Revenue	\$ 38,420	\$ 933	37,487	4018%	\$ 266,062	\$ 10,263	255,799	*	\$ (137,909)
35	Donations	-	10,000	(10,000)	-100%	48,587	110,000	(61,413)	56%	3,374
36	Physician Practice Support-Prima	(37,500)	(34,167)	(3,333)	10%	(412,500)	(375,837)	(36,663)	10%	(565,413)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	2,750,000	2,750,000	-	0%	2,647,135
38	Total Non-Operating Rev/Exp	\$ 250,920	\$ 226,766	24,154	11%	\$ 2,652,149	\$ 2,494,426	157,723	6%	\$ 1,947,187
39	Net Income / (Loss) prior to Restricted Contributions	\$ (303,627)	\$ 55,429	(359,056)	-648%	\$ (1,598,319)	\$ 254,875	(1,853,194)	-727%	\$ (1,848,737)
40	Capital Campaign Contribution	\$ 2,917	\$ 86,250	(83,333)	-97%	\$ 750,323	\$ 948,750	(198,427)	-21%	\$ 3,757,073
41	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ 395,489	\$ -	395,489	100%	\$ -
42	Net Income / (Loss) w/ Restricted Contributions	\$ (300,710)	\$ 141,679	(442,389)	-312%	\$ (452,506)	\$ 1,203,625	(1,656,131)	-138%	\$ 1,908,336
43	GO Bond Tax Assessment Rev	493,018	150,241	342,777	228%	2,358,658	1,652,651	706,007	43%	1,675,583
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(1,360,809)	(1,542,829)	182,020	-12%	(689,886)
45	Net Income/(Loss) w GO Bond Activity	\$ 74,378	\$ 151,664	(77,286)	-51%	\$ 545,343	\$ 1,313,447	(768,104)	-58%	\$ 2,894,033
EBIDA		\$ 47,708	\$ 413,306			\$ 2,067,360	\$ 4,191,522			\$ 504,739
		1.2%	9.2%			4.4%	8.9%			1.1%

11.

ADMINISTRATIVE
REPORT
JULY 2015



To: Sonoma Valley Health Care District Board of Directors
From: Kelly Mather
Date: 6/25/15
Subject: Administrative Report

Financial Summary

Fiscal Year 2015 is coming to a close. While we will not meet the challenging budget we set for ourselves in spring of 2014, we have a positive EBIDA of \$2,067,360. The effect of the Affordable Care Act was underestimated as our current payer mix for Medi-Cal is now over 20% and our commercial payer mix has dropped from 24% to 17.5% in May. The commercial business continues to decrease across the State of California. Several outpatient modalities and services have significantly increased over last year, including the MRI. The Skilled Nursing Facility census is now closer to the prior years, but we have purposely made some changes in this department to ensure there is a positive contribution. We averaged 13.5 births for this fiscal year, which is slightly higher than expected. Accounts receivable is the lowest we've ever had at 43 days, which far exceeds our goals. Cash on hand continues above 15 days for the year. In conclusion, SVH is in a much better financial position than it has been in years. We have achieved this position all the while attending to years of deferred maintenance, adding a costly but necessary Electronic Health Record, and managing through the costs of major construction. I'm happy to report that we have now replaced almost every piece of necessary equipment, including very expensive radiology equipment.

Dashboard Results

The inpatient satisfaction took a dip in April due to a very low number of returned surveys. We will go to a rolling three-month average in the future dashboards and have raised the goal for next fiscal year. Emergency patient satisfaction continues to be very good, especially now that we are getting more surveys returned. Staff forums were well attended and many are now saying that they feel optimistic about our future and were not surprised by how high the staff satisfaction scores were this year. The physicians were also presented with a financial and strategic plan overview and the partnership seems more positive. Dr. Paul Amara has completed his two years of service as the Chief of Staff and our new Chief of Staff will be Dr. Keith Chamberlin. Dr. Amara was the leader during a very challenging time for the Hospital and his calm and balanced style was always appreciated.

Strategic Update

When we review our strengths, weaknesses, opportunities and threats at SVH – it has become clear that we have added some new strengths. Excellent patient satisfaction in Emergency, Inpatient and Home Care, very high Staff satisfaction, excellent quality and safety outcomes compared to the hospitals across the nation, physician loyalty and partnership, efficiency, community support and philanthropy. Our weaknesses continue to be that we are a small hospital in a small community. While we have a good market share in every area except for surgery, it will likely always be difficult to be financially viable due to the size and isolation of our valley. Opportunities in the next year include connection with a major North Bay hospital partner, new payment models with our excellent and mindful physicians, population health projects, grants, and determining the best master campus plan. The decrease in the commercial market and the increase in Medi-Cal, as well as the increased market share for Kaiser, is a major threat. In addition, the continued increase in regulatory requirements and the government's continued decreases in payments have almost become unsustainable.

MAY DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 8 HCAHPS domain results above the 50 th percentile	4 out of 8 in April	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain a year to date average of at least 75 th percentile	82nd (rolling three month average)	>85 th = 5 (stretch) >80 th =4 >75 th =3 (Goal) <75 th = 2 <70 th = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	47	>72 = 5 (stretch) >70 =4 >68 =3 (Goal) >66=2 <66 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	79.6% mean score at 91st percentile	>80 th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	4.4%	>10% (stretch) >9%=4 >8% (Goal) >7%=2 <7%=1
	Efficiency and Financial Management	Meet FY 2015 Budgeted Expenses	\$51.310,496 (actual) \$49,422,089 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1443 YTD FY2015 1472 YTD FY2014	>3% = 5 >2% = 4 >1% = 3 (Goal)
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$117.6 mm YTD \$102.0 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	1635.5 hours for 11 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2015 TRENDED RESULTS

MEASUREMENT	Goal FY 2015	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Inpatient Satisfaction	5/8	5	6	5	6	4	5	3	6	7	4		
Emergency Satisfaction	>75 th	79	79	80	76	78	81	82	81	84	83		
Value Based Purchasing Clinical Score	>68	68	71	70	70.88	69	68	78	78	52	47		
Staff Satisfaction	>75 th	76	76	76	76	76	76	76	91	91	91	91	91
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6	4.6	4.9	5.5	6.5	7.4	7.6	8	
YTD EBIDA	>8%	7	7	4.9	7.3	6.5	6.7	6.9	6.2	5.4	4.7	4.2	
Net Operating Revenue	>4.1m	4.26	4.6	3.8	4.7	4.0	4.1	4.4	4.6	4.1	4.1	4.1	
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.4	4.3	4.6	5.0	4.7	4.8	4.6	
Net Income	>75	-8	35	-381	304	67	-1	29	-211	-382	-278	74	
Days Cash on Hand	>15	14	12	14	11	10	13	17	12	15	20	17	
A/R Days	<50	47	45	48	51	51	49	53	48	47	47	43	
Total FTE's	<301	309	305	303	304	303	300	299	303	310	304	307	
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.1	4.12	4.12	3.46	3.79	4.05	3.91	
Inpatient Discharges	>100	105	104	87	107	96	111	104	98	113	95	97	
Outpatient Revenue	>\$10m	10.8	10.4	11.1	11.7	10.9	10.1	11.8	10.5	11.8	11.2	10.7	
Surgeries	>130	135	133	122	155	118	117	129	136	137	144	118	
Home Health	>1000	1146	1109	1111	1319	1090	1103	1097	1109	1232	1154	963	
Births	>15	16	9	21	13	16	18	11	11	16	7	11	
SNF days	>660	651	687	597	527	580	596	654	607	669	487	626	
MRI	>120	132	139	143	221	116	100	108	116	157	138	125	
Cardiology (Echos)	>70	49	53	62	67	66	67	62	56	67	61	63	
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.5	11.4	12.5	11.5	12.1	12.3	11.9	
Radiology	>850	968	988	900	1047	856	890	1111	1053	1156	1030	1014	
Rehab	>2587	3030	2859	2468	3028	2634	3010	2478	2751	3113	3063	3008	
CT	>300	376	345	323	368	295	316	392	309	347	302	357	
ER	>800	889	868	851	863	761	824	988	845	769	876	943	
Mammography	>475	414	417	433	605	462	339	487	444	466	497	476	
Ultrasound	>325	348	361	367	372	238	299	309	317	357	391	354	
Occupational Health	>575	656	678	758	739	602	648	653	588	679	687	573	