SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, February 5, 2015
6:00 p.m. Regular Session

COMMUNITY MEETING ROOM
177 First Street West, Sonoma

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT *The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*		
1. CALL TO ORDER	*Nevins*	
2. PUBLIC COMMENT SECTION *At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.*		
3. CONSENT CALENDAR A. Regular Board Minutes 1.8.15 B. FC Minutes 11.25.14, 1.6.15 C. QC Minutes 11.20.14, 12.18.14 D. GC Minutes 11.25.14 E. MEC Credentialing Report, 1.28.15	*Nevins*	Action
4. SVHF ANNUAL REPORT	*Blanusa*	Inform
5. INFORMATION SYSTEMS ANNUAL REPORT	*Sendaydiego/ Cohen*	Inform
6. BOARD INVOLVEMENT IN QUALITY OVERSIGHT	*Hirsch*	Inform
7. FINANCIAL REPORT FOR DECEMBER 2014	*Jensen*	Inform
8. FY 2016-18 STRATEGY DEVELOPMENT	*Mather*	Inform
9. ADMINISTRATIVE REPORT FOR JANUARY 2015	*Mather*	Inform
10. OFFICER & COMMITTEE REPORTS A. Chair Report B. Finance Committee: 2014 Annual Report	*Committee Chairs*	Action
11. BOARD COMMENTS	*Board Members*	
12. ADJOURN Next Regular Board meeting is March 5, 2015	*Nevins*	

3.

CONSENT CALENDAR

SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, January 8, 2015
5:00 p.m. Closed Session
6:00 p.m. Regular Session

BASEMENT CONFERENCE ROOM
347 ANDRIEUX STREET, 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	*Nevins*	
2. PUBLIC COMMENT ON CLOSED SESSION	*Nevins*	
3. CLOSED SESSION		
Calif. Government Code § 54957–Public Employment–Executive Employment Agreement with Chief Executive Officer. Calif. Government Code § 54956.9(d)(1) –Conference on Pending Litigation: Thompson v. Sonoma Valley Health Care District.	*Nevins*	
4. REPORT OF CLOSED SESSION	*Nevins*	Action
The 2nd Amendment of SVH CEO Employment Agreement was approved and will extend until July 1, 2018. In addition, Article 6 regarding intellectual rights was also approved.		**MOTION** to approve Consent Calendar by Hirsch and 2nd by Boerum. All in favor.
5. PUBLIC COMMENT SECTION	*Nevins*	
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.		
6. CONSENT CALENDAR		

A. Regular Board Minutes 12.4.14 B. FC Minutes 10.28.14 C. QC Minutes 10.29.14 D. GC Minutes 10.28.14 E. GC Minutes 7.29.14 F. Special Budget Session Minutes, 5.20.14 (not approved by Board) G. QC Policy and Procedures (2) H. MEC Credentialing Report, 12.18.14 I. GC Annual Review 2014 J. GC Work Plan 2015	*Nevins*	Action **MOTION** to approve entire Consent Calendar by Boerum and 2nd by Hirsch. All in favor.
7. BOARD COMMITTEE ASSIGNMENTS		
Board Quality Committee: Ms. Hirsch and Mr. Rymer were appointed to the Quality Committee with Ms. Hirsch serving as the Chair. **Board Governance Committee**: Mr. Hohorst and Mr. Boerum were appointed to the Governance Committee with Mr. Hohorst serving as the Chair. **Board Finance Committee**: Ms. Nevins and Mr. Hohorst were appointed to the Finance Committee with Mr. Dick Fogg serving as the Chair.	*Nevins*	Inform
8. PHYSICIAN SATISFACTION SURVEY & EXECUTIVE SUMMARY		
Dr. Cohen presented and reviewed the 2014 Physician Satisfaction Survey which was developed to gauge the Hospital departments meeting physician needs and identify any opportunities for improvement. Mr. Boerum suggested that Dr. Cohen present these Survey Results at the next Quarterly Medical Staff Dinner Meeting. The Board recommends these survey results and Executive Summary be distributed to the Hospital Leadership.	*Cohen*	Inform
9. SVH 2014 ANNUAL REPORT		
Completion of the 2014 Annual Report is slated for February 2015.	*Nevins/Mather*	Inform
10. FINANCIAL REPORT FOR NOVEMBER 2014		
Mr. Jensen summarized variances and cash advances for the month of November 2014. The month of November was favorable compared to budget by $121,164 and net revenue was	*Jensen*	Inform

favorable as well. Expenses were unfavorable however, have seen improvement over previous months. Physical Therapy, Purchased Services and Salaries were over budget.		
11. ADMINISTRATIVE REPORT FOR JANUARY 2015		
The CEO Administrative Report for December 2014 included organizational results, the October dashboard, satisfaction surveys and the three year rolling strategic plan. In addition Ms. Mather announced that SCAN Medicare Advantage Health Plan had over 500 members sign-up with local primary care physicians. Ms. Donaldson shared the SVH quarterly growth review, ***Building a Collaborative Environment: Turning Data into Action***.	*Mather*	Inform
12. OFFICER & COMMITTEE REPORTS		
A. Board Chair i. 2015 Educational Topics ii. 2015 Board Calendared Items B. Governance Committee i. Exemptions from Parcel Tax ii. Board Member Comments C. Quality Committee i. Annual Report 2014	*Committee Chairs*	Inform/Action **MOTION** to approve Education Topics and Calendared Items by Hirsch and 2nd by Boerum. All in favor. **MOTION** to approve Board Member Comments section by Boerum and 2nd by Hirsch*. All in favor. The caveat is that the usefulness of Board Member Comments will be evaluated at the end of 2015.
13. ADJOURN		
Meeting adjourned Next Regular Board meeting is on February 6, 2015	*Nevins*	

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, November 25, 2014
Schantz Conference Room

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

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	*The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community.* *The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.*		
1. CALL TO ORDER/ANNOUNCEMENTS			
	Meeting called to order at 5:00 PM • The next FC meeting date has been changed from 12/23/14 to 1/6/15 to ensure a quorum. • Mr. Jensen introduced Cynthia Denton, Patient Accounting who was a guest at the meeting.		
2. PUBLIC COMMENT SECTION	*Fogg*		
	None.		
3. CONSENT CALENDAR	*Fogg*		
A. FC Minutes 10.28.14		Action **MOTION** to	.

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
		approve by Woodward **2nd** by Berezin. All in favor.	
4. OCTOBER 2014 FINANCIALS	*Jensen*	Inform	
	Mr. Jensen shared the Financial Report for the month ending October 31, 2014 including a summary of variances, patient volumes, cash activity, and summary statement of revenue and expenses. The month of October was favorable compared to budget. Net Revenue was better than budgeted expectations due to higher outpatient revenue and a better payer mix. Expenses were unfavorable to budget. Salaries, OB, Echo and Physical Therapy were over budget. Professional Fees were over due to Napa State volume and the emergency specialist physician call in pay. Information Technology (IT) and Patient Accounting continue to reduce Purchased Services.		
5. CASH FORECAST FY 2015	*Jensen*	Inform	
	Mr. Jensen presented the third revision of the Cash Forecast and it was well received by the entire Committee. Mr. Woodward commended Mr. Jensen for all his efforts in making the Forecast more refined and readable. Mr. Berezin requested that Mr. Jensen provide the Line of Credit agreement at the next FC meeting on January 6, 2015 for review by the Committee.		CFO to bring forward the SVH Line of Credit agreement.
6. DRAFT ANNUAL ACTION PLAN	*Woodward/Fogg*	**Inform/Discuss**	
	The Annual Performance Review was distributed at the meeting and Mr. Fogg asked that the Committee thoroughly review it as it is a statement from the entire Committee. There were minor changes. **Put forward to Board meeting on December 4, 2014 for approval.** Ms. Nevins recommends that the Monthly Timetable of Calendared Items be brought back and followed.		**Put forward to Board meeting on December 4, 2014 for approval.** Bring back Monthly Timetable of Calendared Items (use 2012 as example).

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
7. CEO BOARD REPORT OCTOBER 2014		Inform	
	Ms. Nevins shared the CEO Administrative Report for October 2014.		
8. ADJOURN	*Fogg*		
	Meeting adjourned at 5:50 PM The next meeting is on January 6, 2015 (replaces Dec. 23, 2014 meeting)		

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, January 6, 2015
Schantz Conference Room

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

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	*The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community.* *The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.*		
1. CALL TO ORDER/ANNOUNCEMENTS			
	Call to Order: The meeting was called to order at 5:06pm. Announcements: • This meeting takes the place of the December 2014 meeting which was moved forward due to the holidays. • Stephen Berezin is excused from the next FC meeting on 1.27.15.		
2. PUBLIC COMMENT SECTION	*Fogg*		
	None.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
3. CONSENT CALENDAR	*Fogg*		
• FC Meeting Minutes, 11.25.14 • FC Annual Performance Report for 2014	Board Clerk will add: *Respectfully submitted, Dick Fogg, Chairman.* *On behalf of the SVH Board FC Board members (with list of names)* to the Annual Performance Report. The report was approved as amended.	Action **MOTION** to approve *as amended* by Barclay and **2nd** by Smith. All in favor.	Bring the approved FC Annual Performance Report to the Board meeting, February 5, 2015 for approval.
4. NOVEMBER 2014 FINANCIALS	*Jensen*	Inform	
	Mr. Jensen summarized variances and cash advances for the month of November 2014. The month of November was favorable compared to budget by $121,164 and net revenue was favorable as well. Expenses were unfavorable however, have seen improvement over previous months. Physical Therapy, Purchased Services and Salaries were over budget. Mr. Barclay commented that the Financial presentation at this meeting is a concise and clear way to present at future FC meetings.		Mr. Jensen will add a separate line for OB under Patient Volumes (page 2 of the CFO Summary).
5. CASH FORECAST	*Jensen*	Inform	
	<u>Changes to Cash Forecast format:</u> • Next month, the first six months/columns of the Cash Forecast will be combined into one column; the January-June 2015 columns will remain the same; and July through December 2015 columns will be added. • Also beginning next month the Cash Forecast will be rolled into the Financials and presented as one agenda item. Mr. Woodward asked for more information on future cash flow, cash operations, capital equipment expenses and a schedule showing plans to pay down the Hospital's line of credit. There was a discussion about the Cash Forecast, specifically lines 16 and 27 and their usefulness on the report. A decision was reached to include a footnote rather than		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	remove the lines from the report. SVH have been in compliance for the duration of the existing line of credit and Mr. Jensen will report to the FC if any negative variances occur. Mr. Jensen distributed the *SVH Line of Credit Ratios Compliance Test* which was requested by the Committee at the November 2014 meeting. In addition, he circulated the Promissory Note between SVHCD and Union Bank. A Parcel Tax strategy is currently being developed and will be included in the SVH Strategic Plan 2015.		
6. CEO BOARD REPORT DECEMBER 2014		Inform	
	The CEO Administrative Report for January 2015 was distributed to the Committee. Ms. Nevins talked about SCAN enrollment and there were no other comments.		
7. ADJOURN	*Fogg*		
	The meeting was adjourned at 6:15pm. The next meeting is on January 27, 2015		

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, November 20, 2014
Schantz Conference Room

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

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	*Idell*		
	Meeting called to order at 5:03PM		
2. PUBLIC COMMENT	*Idell*		
	No comment.		
3. CONSENT CALENDAR	*Idell/Lovejoy*	Action	
Minutes: A. Quality Committee Minutes, 10.29.14 Policies: A. Discharge Medication Charity Policy B. Cardiopulmonary Polices C. Medical Staff Policies		**MOTION** by Eisenstark to approve Minutes and 2nd by Mainardi. All in favor. **MOTION** by Mainardi to approve P&Ps and 2nd by Mainardi. All in favor.	
4. HCAHPS SATISFACTION SURVEY REPORT	*Kobe*	Inform/Action	
5. EMERGENCY DEPARTMENT DASHBOARD	*Cohen*	Inform/Action	
	• Dr. Cohen shared Dr. Hubbell's Quarterly ED Dashboard in his absence. Despite continuing higher patient loads, the ED dashboard continues to look great. • The *door to doc* time remains under 30 minutes;		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	LWBS is below goal, other time metrics are at or near goal and quality measures are near perfect. • The ED instituted a competition amongst the technicians for best *door to EKG* time for chest pain patients and the time is down from 10 to 5 minutes. • The Hospital has switched patient satisfaction vendors and with the transition, data collection has been lagging. More comprehensive reports are expected soon.		
6. ANNUAL CONTRACT REVIEW REPORT	*Lovejoy*	Inform/Action	
	CMS requires evaluation and review of contracts on an annual basis. All SVH Contracts are meeting performance metrics.	**MOTION** to approve by Eisenstark and 2nd by Mainardi. All in favor.	
7. QUALITY REPORT FOR OCTOBER 2014	*Lovejoy*	Inform/Action	
	Ms. Lovejoy shared the Quality and Resource Management Report for October 2014 including November priorities: Nursing Education & Quality of Care Issues, Case Management Charity Medication Policy and CIHQ Action Plan completion.	**MOTION** to approve by Mainardi and 2nd by Eisenstark. All in favor.	
8. CLOSING COMMENTS/ANNOUNCEMNTS	*Idell*		
9. ADJOURN	*Idell*		
	Regular session adjourned at 6:08PM		
10. UPON ADJOURNMENTOF REGULAR OPEN SESSION	*Idell*	Inform	
11. CLOSED SESSION	*Amara*	Action	
Calif. Health & Safety Code § 32155 – Medical Staff Credentialing & Peer Review Report			
12. CMS EMTALA SURVEY AND COMPLAINT	*Cohen*	Inform/Action	
13. REPORT OF CLOSED SESSION	*Idell*	Inform	
14. ADJOURN	Closed Session adjourned at 6:20PM		

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, December 18, 2014
Schantz Conference Room

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

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	*Hirsch*		
	Meeting called to order at 5:08 PM		
2. PUBLIC COMMENT	*Hirsch*		
	No public present.		
3. CONSENT CALENDAR	*Hirsch*	Action	
Minutes: A. Quality Committee Minutes, 11.20.14	There were a few corrections to the QC minutes 11.20.14. Under Attendance, Board Clerk will delete Carol Snyder under *Excused* and Fe Sendaydiego and Michelle Donaldson under *Admin Staff*. The Minutes were approved ***as amended.***	**MOTION** by Sheets to approve Minutes ***as amended*** and 2nd by Idell. All in favor.	
4. QUALITY REPORT NOVEMBER 2014	*Lovejoy*	Inform/Action	
	• Ms Lovejoy shared her *Incentivizing Quality Patient Care: an Evolving CMS Strategy* presentation with the Committee. Ms. Lovejoy gave this presentation to the District Board on December 4, 2014. • Together with Hospice by the Bay, a Palliative Care Program has been implemented at SVH. • There has been some turnover in Case Management and interviewing is ongoing to replace the position of Case Manager Assistant. • The Hospital retained a consultant to identify	**MOTION** by Idell to approve and 2nd by Sheets. All in favor.	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	opportunities for improvement in Skilled Nursing. An action plan is being developed to promote healthier positive margins while maintaining the quality of care.		
5. BOARD QC DASHBOARD Q3	*Lovejoy*	Inform/Action	
	• Ms. Lovejoy reviewed the third quarter dashboard with the Committee. The quality and patient safety indicators presented are selected by the Committee for quarterly reporting to ensure an effective QAPI program. • Ms. Hirsch proposed putting a subcommittee together to make suggested changes to improve both the *Quarterly Dashboard* and *Credentialing Report* formats. The subcommittee will be made up of Kelsey Woodward, Joshua Rymer, Susan Idell and Leslie Lovejoy.	**MOTION** by Idell to approve and 2nd by Sheets. All in favor.	
6. BOARD QUALITY WORKPLANS 2014/15	*Hirsch*	Discuss	
	• The Committee discussed the Workplan for 2015 including what worked and what did not in 2014. A workplan for 2015 was drafted and will be brought back to the meeting on 1.28.15 for approval. Suggestions for the 2015 workplan: ❖ Dr. Cohen would like to present on Peer Review and EMTALA (the latter in a Closed Session). ❖ The Committee's suggested presentations include but are not limited to, the Bariatric Service Line, Palliative Care, OB, Health Roundtable, Wound Care and an Annual Nursing Report. If Committee members have any other suggestions, please email Ms. Hirsch or Ms. Lovejoy. • As a general rule, the Committee agreed that there should be no more than two presentations or reports given at any one QC meeting.		
7. CLOSING COMMENTS/ANNOUNCEMNTS	*Hirsch*		
8. ADJOURN	*Hirsch*		
	Regular session adjourned at 5:58 PM		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
9. UPON ADJOURNMENTOF REGULAR OPEN SESSION	*Hirsch*	Inform	
10. CLOSED SESSION	*Amara*	Action	
Calif. Health & Safety Code § 32155 – Medical Staff Credentialing & Peer Review Report			
11. REPORT OF CLOSED SESSION	*Hirsch*		
12. ADJOURN	Closed Session adjourned at 6:10PM		

SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE MINUTES
TUESDAY, NOVEMBER 25, 2014
4:00 PM

LOCATION: 1ST FLOOR SOLARIUM
347 ANDRIEUX STREET, SONOMA, CA 95476

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT *The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.*		
1. CALL TO ORDER/ANNOUNCEMENTS Meeting called to order at 4:00pm	*Hohorst*	
2. PUBLIC COMMENT SECTION *At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the 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.*	*Hohorst*	
3. CONSENT CALENDAR • Minutes 10.28.14	*Hohorst*	Action **MOTION** to approve Consent by Nevins. All in favor.
4. ACHD CERTIFICATION FOR "BEST PRACTICES IN GOVERNANCE" Ms. Nevins moved to recommend to the Board of Directors for approval on December 4, 2104.	*Hohorst*	Action **MOTION** to approve Certification by Nevins. All in favor.
5. ANNUAL APPROVAL OF COMPLIANCE PLAN	*Davis/Jensen*	Action **MOTION** to approve Compliance Plan by Nevins. All in favor.
6. ADJOURN Meeting adjourned at 4:30pm Next meeting January 6, 2015 (Dec. 2014 meeting)	*Hohorst*	

4.

SVH FOUNDATION ANNUAL REPORT

SONOMA VALLEY HOSPITAL
FOUNDATION

Foundation Annual Report

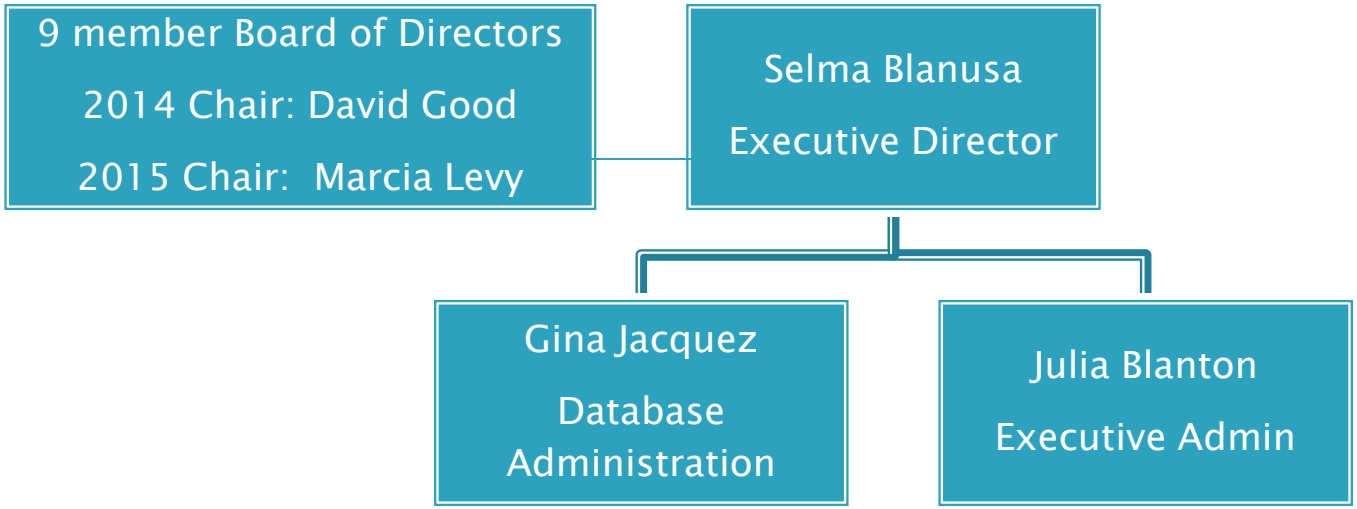
Calendar Year 2014

Selma Blanusa, Executive Director

Agenda

- Who we are
- Our goals and efforts for Calendar 2014
- Our accomplishments
- Questions

SONOMA VALLEY HOSPITAL
FOUNDATION



Our goals and effort for Calendar 2014

- Goals
  - Fundraising $500,000 by 2014 calendar year end
  - Ongoing capital campaign management
- In support of…
  - Cancer care program
  - Imaging Equipment – Ultrasounds
  - Project Pink program
  - Other small equipment

Our accomplishments

Strategy	Goal	History	Accomplishments
Annual campaign	$200,000	$23,000	$360,000
Foundation Grants	$200,000	$10,000 – $15,000	$200,000
Legacy Giving	A presence	$1M early 2000s; $180k 2013	Updated website content. 2 legacy gifts pending.
Celebration of Women	$20,000 net	$10,000 – $15,000 net	$20,000 net boosted by $33,000 in sponsorships
Ongoing: Capital Campaign			$916,000 collected

A busy January… for 2015

- Our efforts in preparation for 2015:
  - Impact100 Grant Requests
    - $100,000 Cancer Care Program Expansion
    - $15,000 Imaging request for Ultrasound Equipment
  - Wine Country Weekend
    - $50,000 Cancer Care Program
    - $15,000 Healthy Life Habits Instruction for Kids and Adults
  - Other grant requests: Rotary, To Celebrate Life, Miner Foundation
- Cancer Care Program – preparing for doors open in Q1, 2015
- Celebration of Women – May 21, 2015

Questions

5.

INFORMATION SYSTEMS ANNUAL REPORT

Sonoma Valley Hospital
Information Technology
Update 2015

By :

Fe Sendaydiego, CIO

Robert Cohen, MD CMO/CMIO

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

Agenda

- What's working well?
- Meaningful Use
- HIMSS National Benchmark
- Questions

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

What's Working Well?

- People – IS Team, Clinical Informatics
- IT Steering Committee
  - Clinical Informatics Team
  - Support Services Team
- Meaningful Use – EHR Project

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

ARRA Meaningful Use Timeline

Stage 1
2011-13

Stage 1:

Data capture and patient access

Stage 2
2014-16

Stage 2:

Information exchange and care coordination

Stage 3
2017-18

Stage 3:

Improved Outcomes

..still waiting for final rule

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
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*__ARRA__: American Recovery and Reimbursement Act 2009

ARRA Meaningful Use

- Stage 1, yr 1 ✓ Sept 2012 $1.6M
- Stage 1, yr 2 ✓ Sept 2013 $1M
- Stage 2, yr 1 ✓ Sept 2014 $548K to-date*
- Stage 2, yr 2 – started 10/01/2014

Total Received: $3.1M

*Expecting another approx.$80K from Medi-Cal

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SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

Return on Investment

- $6.1M - 2011 Initial EHR Capital request
- Total spent to-date: $4.7M
- Total incentives: $3.1M
- Systems In Place:
  - Electronic Patient Chart (EMR)
  - Computerized Provider Order Entry (CPOE)
  - Bedside bar code scanning
  - Voice Dictation system

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

Outcomes

- Improved access to patient data
  - Patient Portal access
  - Remote access for physicians
- Improved legibility of physician documentation
- Improved patient safety

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

Statistics

	2ND QTR 2014	3RD QTR 2014	4TH QTR 2014
Patient Portal access	9 of 284 (3.17%)	34 or 286 (11.89%)	40 of 302 (13.25%)
Electronic Physician Documentation			
Summary of Care	1 of 239 (.42%)	118 of 157 (75.16%)	129 of 165 (78.18%)
Progress Notes	221 of 284 (77.82%)	234 of 286 (81.82%)	253 of 302 (83.77%)
Electronic Bedside Medication Administration	2660 of 5490 (48.45%)	2694 of 5323 (50.61%)	3203 of 6618 (48.40%)

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

National Benchmark: HIMSS

The ARRA Hospital Scorecard

Home » Benefits » The ARRA Hospital Scorecard

Prepared for Sonoma Valley Hospital on 1/29/2015

Your EMR Adoption Model Score: **5.1180**

PDF Download

The EMR Adoption Model

HIMSS Analytics EMR Adoption Model (EMRAM) Stages		2014 Q4 # of hospitals (5,467)			Optimal Positioning for MU Requirements
Stage 7	Complete EHR; CCD transactions to share data; Data warehousing; Data continuity with ED, ambulatory, OP	185	3.6%	←	Stage 3
Stage 6	Physician documentation (structured templates), full CDSS (variable & compliance), full R-PACS	900	17.9%		
Stage 5	Closed Loop Medication Administration	1609	32.8%	←	Stage 2
Stage 4	CPOE, Clinical Decision Support (clinical protocols)		14.0%	←	Stage 1
Stage 3	Nursing/clinical documentation (flow sheets), CDSS (error checking), PACS available outside of radiology		21.0%		
Stage 2	CDR, Controlled Medical Vocabulary, CDS, may have document imaging; HIE capable		5.1%		
Stage 1	Laboratory, Radiology, and Pharmacy are installed		2.0%		
Stage 0	All Three Ancillaries Not Installed		3.7%		

SVH 2013

SVH 2012

SVH 2011

Clinical Data Repository Vendor: **MCKESSON**

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

*n=5453

**HIMSS: Healthcare Information and Management Systems Society

Future in Informatics

FY2015	FY2016	FY2017
• Radiology System Upgrades (transcription voice recognition) • ICD10 Readiness • Paragon 12.1.1 Update • SNF use of EHR • Occupational Health EHR • HIMSS Stage 6	• Paragon 13/ Server upgrades $276K • ICD10 Enabled • ePrescription • Outpatient EHR – Rehab, Outpatient Surgery EHR, etc. • Plan for MU Stage 3 • 3 year IT Strategy • Single Sign-On	• MU Stage 3 • Others TBD

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

Questions

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

6.

BOARD INVOLVEMENT IN QUALITY OVERSIGHT

BOARD INVOLVEMENT IN QUALITY OVERSIGHT

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS MEETING
FEB 5, 2015

Definition of Quality

(from California's Hospital Quality Institute)

Quality, grounded in patient safety, is a value and discipline of knowledge, skills and practices to achieve excellence in products, services and environments based on the requirements, perceptions and future needs of those served.

The foundations for quality include:

- evidence-based medicine and practice
- relevant and rigorous measurement, teamwork
- transparency, detection and reduction of errors and defects
- design of reliable systems of care to prevent harm, eliminate waste and unnecessary complexity in all forms

Quality Principles include:

- Leadership
- Customer-focus, with patient and family as primary customers
- Results and outcome-focus
- Shared meaning and values
- Evidence-based and evidence-generating practice
- Statistical thinking
- Data-based decision-making
- A systems or process flow perspective
- Continual improvement: learning through cycles of inquiry and evaluation
- A just and fair culture that promotes reporting, transparency and disclosure
- Open sharing of data, successes and challenges between professionals and organizations to foster continuous learning for continuous improvement
- Continual pursuit of eliminating waste and adding value in care delivery
- Informatics solutions for data capture, clinical decision support and information transfer
- Teamwork in an environment of respect, communication and willingness to give and receive feedback
- Methods, tools and common language to accelerate learning and achieve rapid replication, scale and spread of change

Evidence-Based Leadership Practices to Advance Quality and Patient Safety

- Board governance provides patient safety and quality oversight.
- "Boards of trustees are responsible for ensuring the quality of care and patient safety provided by their organizations, and must take strong, organized action to establish and ensure an organizational culture that continually strives to improve quality and patient safety. A culture of safety should be ingrained in the hospital, a responsibility that begins with the board."
- The board sets the tone for the hospital, and ensures the resources necessary to carry out the quality and patient safety vision, and then regularly measures and monitors quality and patient safety progress to ensure success.

National Health Care Governance Survey Report

Culture of Quality

Support for a culture of quality includes:

- education,
- transparency,
- resources and tools,
- empowerment,
- a reward system.

Roles of Hospital Boards

- Assures vision and mission
- Participates in and approves local strategies to include quality and patient safety
- Assures resources to advance strategy
- Oversight of policies and operational goals
- Assumes responsibility and accountability for patient safety and quality performance
- Requires regular reports of performance
- Assures improvement is occurring
- Holds senior leadership accountable for results
- Assures community needs are met
- Celebrates improvement milestones

Recommendations for Board Oversight/Leadership

- Boards should have a separate quality and patient safety committee that meets regularly and reports to the full Board.
- Evidence suggests Boards with such a committee spend more time on improvement activities, and their hospitals may have better outcomes.
- Boards should ensure the existence and annual review of a written quality improvement and patient safety plan that reflects systems thinking, contains valid empirical measures of performance, and is consistent with national, regional and institutional quality and safety goals.
- Boards should have an auditing mechanism for quality and safety data, just as they do for financial data.
- Boards should routinely hear stories that put a face on problems of quality and patient safety.

Board Oversight/Leadership cont.

In conjunction with the CEO and medical staff leaders, boards should identify specific, measurable, valid quality indicators consistent with strategic goals and hospital services, and review performance against the indicators no less than quarterly.

Such review should include:

- Regular quantitative measurement against benchmarks
- Reported compliance with rigorous data quality standards
- Performance transparency
- Methods for active intervention to improve care (survey of quality and safety culture, use of survey results to shape improvement efforts, routine mechanism to tap the wisdom of bedside caregivers)

Key Questions for Governance Oversight of Quality

- Is quality appropriately addressed in our mission statement?
- Is there a systemic view for quality in the planning process and strategic plan?
- Do we review indicators linked to our mission quarterly to monitor our mission fulfillment?
- Are there appropriate measures and metrics?
- Are these the right measures to evaluate our quality performance?

Metric Criteria

Metric criteria:

- Patient relevant?
- Objective?
- Quantitative?
- Regulatory?
- We can't settle on just meeting regulatory standards.....

Why use quality metrics?

- A common language to gauge processes around quality
- Objective measures provide clarity to all involved
- What are the right ones?
- How are they used?

Key Questions

- Do we have the right tools to monitor our progress?
- Are we benchmarking against high-performing organizations or national benchmarks?
- Do we have the right board process in place for reviewing and evaluating quality performance?
- Do we share this information with patients, employees and the community?
- Can all staff leaders answer the questions:
  - how does “this” compare to the past?
  - how does “this” compare to best-of-class?
  - what are we doing to improve and close the performance gap?
- Do we have a Quality Committee in place, and does it report to the Board?
- Are there specific quality objectives and targets included in the organization’s strategic plan?
- Do we invest the appropriate level of support in improving quality and safety?
- Do we devote sufficient Board meeting time to discussing quality and safety performance?

7.

FINANCIAL REPORT DECEMBER 2014

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

To: **SVH Finance Committee**
From: **Ken Jensen, CFO**
Date: **January 27, 2015**
Subject: **Financial Report for the Month Ending December 31, 2014**

The month of December, after accounting for all income and expenses but not including GO bonds, was favorable compared to budget by $5,377. Net Revenue was unfavorable to budgeted expectations by ($76,049). Expenses were favorable to budget by $179,358. Professional fees were over budget by ($55,745) due to an increase in the quarterly CPS Pharmacy fees. Purchased Services is over budget due to collection costs in Patient Accounting, which has been reduced significantly since the beginning of the fiscal year.

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

GROSS REVENUE was better than budget by Inpatient revenue was favorable to budget by $333,530 and SNF was unfavorable by ($749,113). Outpatient revenue was unfavorable to budget by ($141,872) but was offset by a favorable ER revenue variance of $888,591. Home Health had a favorable to budget variance of $35,203.	$ 366,339	
Deductions from revenue are higher than budgeted due to changes in payer mix with lower Medicare and Commercial and higher MediCal volumes for both I/P and O/P. As a percentage of totals, Medi-Cal was 22.2% vs. a budget of 11.3%. This amount includes $316,756 of RAC settlement that was received this month The actual expense would have been $734,911 before the RAC settlement.	$ (418,155)	
Risk Contract Revenue was under budget by	$ (24,233)	
Other Revenue was under budget by due to the Electronic Health Record	$ (59,932)	
Total Operating Revenue Variance		$ (135,981)
Total Staffing costs were under budget by Productive FTE's were 258 vs. a budget of 257. Total FTE's were over budget by 7.6 due to the use of PTO during the holidays.	$ 101,182	
Professional fees were over budget by This was due to the quarterly true up of $79,309 for CPS Pharmacy fees.	$ (55,745)	

Other Expense Variances	$ 133,921	
Total Expense Variance		$ 179,358
Total Operating Margin Variance		$ 43,377
Non-Operating Income was unfavorable to budget	$ (5,528)	
Capital Campaign and Restricted Contributions was unfavorable to budget	$ (32,472)	
Net Variance		$ 5,377

The net income was $53,086 vs. a budgeted net income of $47,709. After accounting for GO bond activity the aggregated net income was $87,482 vs. a budgeted net income of $57,694.

Patient Volumes - December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	**111**	**110**	**1**	**112**
Newborn Discharges	**17**	**11**	**6**	**11**
Acute Patient Days	**406**	**410**	**-4**	**402**
SNF Patient Days	**596**	**678**	**-82**	**733**
Home Care Visits	**1,103**	**1,009**	**94**	**951**
OP Gross Revenue	**$10,084**	**$9,302**	**$782**	**$8,809**
Surgical Cases	**117**	**138**	**-21**	**138**

Overall Payer Mix – December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	**47.3%**	**51.3%**	**-4.0%**	**46.6%**	**50.1%**	**-3.5%**
Medi-Cal	**22.2%**	**11.3%**	**10.9%**	**18.7%**	**11.3%**	**7.4%**
Self Pay	**0.0%**	**3.4%**	**-3.4%**	**2.1%**	**3.4%**	**-1.3%**
Commercial	**20.9%**	**23.9%**	**-2.0%**	**21.7%**	**24.7%**	**-3.0%**
Managed MC	**4.0%**	**4.3%**	**-0.3%**	**4.4%**	**4.4%**	**0.0%**
Workers Comp	**2.6%**	**3.0%**	**-0.4%**	**3.4%**	**3.2%**	**0.2%**
Capitated	**3.0%**	**2.8%**	**0.2%**	**3.1%**	**2.9%**	**0.2%**
Total	**100.0%**	**100.0%**		**100.0%**	**100.0%**	

Cash Activity for December:

For the month of December the cash collection goal was $3,273,228 and the Hospital collected $3,300,612 or over the goal by $27,384. The Year to date cash goal is $20,895,765 and the Hospital has collected $21,342,351 or over the goal by $446,586. The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 13 days at December 31, 2014. Accounts Receivable decreased from November, from 51.5 days down to 48.9 days in December. Accounts Payable is down by $249,668 from November due to receiving the parcel tax and due to the Hospital's efforts to decrease expenses and collect on patient accounts. Accounts Payable days are at 55.3. Total Accounts Payable at the beginning of the fiscal year was $5,893,464 and at the end of December the Accounts Payable were $4,047,093.

Year to Date:

The Hospital's YTD EBIDA is now commensurate with other hospitals at 6.7%. Our YTD expenses are over budget by ($716,329), of which approximately $120,000 is from FY 2014. This is made up of Surgery PO's, Anesthesia true-up and an outside consultant. Furthermore, due to inaccurate forecasting during the budget process the Hospital will be over budget about $81,000 a month due to the following; utilities, Hospitalists, Lab, Anesthesia, Prima and IT. The Hospital has continued to save costs by not replacing several positions and not spending on capital.

Sonoma Valley Hospital
Sonoma Valley Health Care District
December 31, 2014 Financial Report

Finance Committee
January 27, 2015

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

Patient Volumes
Month of December 31, 2014

	Actual	Budget	Variance	Prior Year
Acute Discharges	111	110	1	112
Newborn Discharges	17	11	6	11
Acute Patient Days	406	410	-4	402
SNF Patient Days	596	678	-82	733
Home Care Visits	1,103	1,009	94	951
OP Gross Revenue	$10,084	$9,302	$782	$8,809

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

		Actual		Budget		Variance	Percentage		Prior Year
1	Total Operating Revenue	$ 4,095,054	$	4,231,035	$	(135,981)	-3%	$	4,131,893
2	Total Operating Expenses	$ 4,316,984	$	4,496,342	$	179,358	4%	$	4,477,749
3	Operating Margin	$ (221,930)	$	(265,307)	$	43,377	16%	$	(345,855)
4	NonOperating Rev/Exp	$ 221,238	$	226,766	$	(5,528)	-2%	$	218,563
5	Net Income before Rest.Cont. & GO Bond	$ (692)	$	(38,541)	$	37,849	-98%	$	(127,292)
6	Restricted Contribution	$ 53,778	$	86,250	$	(32,472)	-38%	$	424,403
7	Net Income with Restricted Contributions	$ 53,086	$	47,709	$	5,377	11%	$	297,111
8	Total GO Bond Rev/Exp	$ 34,396	$	9,985	$	24,411	244%	$	115,418
9	Net Income with GO Bond	$ 87,482	$	57,694	$	29,788	52%	$	412,529
10	EBIDA before Restricted Contributions	$ 321,909	$	319,336	$	2,573		$	459,753
11	EBIDA before Restricted Cont. %	8%		8%		0%			11%

Summary Statement of Revenues and Expenses Year to Date December 31, 2014 (6 months)

	Actual	Budget	Variance	Percentage	Prior Year
1Total Operating Revenue	$ 25,561,317	$ 25,382,289	$ 179,028	1%	$ 25,356,975
2Total Operating Expenses	$ 27,274,979	$ 26,558,650	$ (716,329)	-3%	$ 27,102,703
3Operating Margin	$ (1,713,662)	$ (1,176,361)	$ (537,301)	-46%	$ (1,745,728)
4NonOperating Rev/Exp	$ 1,401,562	$ 1,360,596	$ 40,966	3%	$ 1,144,617
Net Income before Rest.Cont. & 5GO Bond	$ (312,100)	$ 184,235	$ (496,335)	-269%	$ (601,111)
6Restricted Contribution	$ 503,664	$ 517,500	$ (13,836)	-3%	$ 2,990,403
Net Income with Restricted 7Contributions	$ 191,564	$ 701,735	$ (510,171)	-73%	$ 2,389,292
8Total GO Bond Rev/Exp	$ 144,485	$ 59,897	$ 84,588	141%	$ 692,406
9Net Income with GO Bond	$ 336,049	$ 761,632	$ (425,583)	-56%	$ 3,081,698
EBIDA before Restricted 10Contributions	$ 1,710,317	$ 2,331,497	$ (621,180)		$ 516,603
11EBIDA before Restricted Cont. %	7%	9%	-2%		2%

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

		Month				Year-To- Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	$	%	Actual	Budget	$	%	Prior Year
	Volume Information									
1	Acute Discharges	111	110	1	1%	610	609	1	0%	596
2	SNF Days	596	678	(82)	-12%	3,638	3,544	94	3%	3,527
3	Home Care Visits	1,103	1,009	94	9%	6,878	5,725	1,153	20%	5,036
4	Gross O/P Revenue (000's)	10,084	9,302	782	8%	$ 65,562	$ 59,569	5,993	10%	$ 57,427
	Financial Results									
	Gross Patient Revenue									
5	Inpatient	$ 5,971,548	$ 5,638,018	333,530	6%	$ 30,519,645	$ 32,612,344	(2,092,699)	-6%	$ 30,510,614
6	Outpatient	5,768,481	5,910,353	(141,872)	-2%	38,856,567	38,529,507	327,060	1%	36,999,745
7	Emergency	3,971,459	3,082,868	888,591	29%	24,588,941	19,282,515	5,306,426	28%	18,879,723
8	SNF	2,082,405	2,831,518	(749,113)	-26%	12,485,554	14,352,694	(1,867,140)	-13%	13,699,781
9	Home Care	344,446	309,243	35,203	11%	2,116,475	1,756,696	359,779	20%	1,547,242
10	Total Gross Patient Revenue	$ 18,138,339	$ 17,772,000	366,339	2%	$ 108,567,183	$ 106,533,756	2,033,427	2%	$ 101,637,105
	Deductions from Revenue									
11	Contractual Discounts	$ (14,301,823)	$ (13,713,688)	(588,135)	-4%	$ (84,215,081)	$ (82,188,857)	(2,026,224)	-2%	$ (78,420,465)
12	Bad Debt	0	(165,374)	165,374	100%	(740,000)	(991,328)	251,328	25%	(1,031,955)
13	Charity Care Provision	(20,200)	(24,806)	4,606	19%	(111,700)	(148,700)	37,000	25%	(140,200)
14	Prior Period Adjustments	-	-	-	0%	30,581	-	30,581	0%	696,982
15	Total Deductions from Revenue	$ (14,322,023)	$ (13,903,868)	(418,155)	3%	$ (85,036,200)	$ (83,328,885)	(1,707,315)	2%	$ (78,895,638)
16	Net Patient Service Revenue	$ 3,816,316	$ 3,868,132	(51,816)	-1%	$ 23,530,983	$ 23,204,871	326,112	1%	$ 22,741,467
17	Risk contract revenue	$ 264,019	$ 288,252	(24,233)	-8%	$ 1,547,492	$ 1,729,512	(182,020)	-11%	$ 1,728,678
18	Net Hospital Revenue	$ 4,080,335	$ 4,156,384	(76,049)	-2%	$ 25,078,475	$ 24,934,383	144,092	1%	$ 24,470,145
19	Other Op Rev & Electronic Health Records	$ 14,719	$ 74,651	(59,932)	80%	$ 482,842	$ 447,906	34,936	8%	$ 886,830
20	Total Operating Revenue	$ 4,095,054	$ 4,231,035	(135,981)	-3%	$ 25,561,317	$ 25,382,289	179,028	1%	$ 25,356,975
	Operating Expenses									
21	Salary and Wages and Agency Fees	$ 1,899,032	$ 2,000,214	101,182	5%	$ 12,047,955	$ 11,684,277	(363,678)	-3%	$ 11,950,125
22	Employee Benefits	784,298	$ 766,280	(18,018)	-2%	4,560,932	4,573,089	12,157	0%	4,367,383
23	Total People Cost	$ 2,683,330	$ 2,766,494	83,164	3%	$ 16,608,887	$ 16,257,366	(351,521)	-2%	$ 16,317,508
24	Med and Prof Fees (excld Agency)	$ 388,168	$ 332,423	(55,745)	-17%	$ 2,132,678	$ 1,939,390	(193,288)	-10%	$ 2,571,894
25	Supplies	408,629	464,441	55,812	12%	2,953,931	2,847,623	(106,308)	-4%	3,052,052
26	Purchased Services	309,330	298,847	(10,483)	-4%	2,029,941	1,805,369	(224,572)	-12%	2,343,206
27	Depreciation	280,432	272,198	(8,234)	-3%	1,744,920	1,633,188	(111,732)	-7%	975,771
28	Utilities	71,174	80,567	9,393	12%	603,508	483,402	(120,106)	-25%	468,901
29	Insurance	19,255	20,000	745	4%	115,530	120,000	4,470	4%	113,325
30	Interest	42,168	85,679	43,511	51%	277,497	514,074	236,577	46%	141,944
31	Other	114,497	175,693	61,196	35%	808,086	958,238	150,152	16%	1,118,103
32	Operating expenses	$ 4,316,984	$ 4,496,342	179,358	4%	$ 27,274,979	$ 26,558,650	(716,329)	-3%	$ 27,102,703
33	Operating Margin	$ (221,930)	$ (265,307)	43,377	16%	$ (1,713,662)	$ (1,176,361)	(537,301)	-46%	$ (1,745,728)
	Non Operating Rev and Expense									
34	Miscellaneous Revenue	$ 8,738	$ 933	7,805	837%	$ 79,932	$ 5,598	74,334	*	$ 68,914
35	Donations	-	10,000	(10,000)	-100%	46,629	60,000	(13,371)	22%	1,000
36	Physician Practice Support-Prima	(37,500)	(34,167)	(3,333)	10%	(225,000)	(205,002)	(19,998)	10%	(350,103)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	1,500,000	1,500,000	-	0%	1,424,805
38	Total Non-Operating Rev/Exp	$ 221,238	$ 226,766	(5,528)	-2%	$ 1,401,562	$ 1,360,596	40,966	3%	$ 1,144,617
39	Net Income / (Loss) prior to Restricted Contributions	$ (692)	$ (38,541)	37,849	-98%	$ (312,100)	$ 184,235	(496,335)	-269%	$ (601,111)
40	Capital Campaign Contribution	$ 53,778	$ 86,250	(32,472)	-38%	$ 395,088	$ 517,500	(122,412)	-24%	$ 2,990,403
41	Restricted Foundation Contributions	$ -	$ -	-	0%	$ 108,576	$ -	108,576	100%	$ -
42	Net Income / (Loss) w/ Restricted Contributions	$ 53,086	$ 47,709	5,377	11%	$ 191,564	$ 701,735	(510,171)	-73%	$ 2,389,292
43	GO Bond Tax Assessment Rev	152,326	150,241	2,085	1%	915,644	901,446	14,198	2%	913,953
44	GO Bond Interest	(117,930)	(140,256)	22,326	-16%	(771,159)	(841,549)	70,390	-8%	(221,547)
45	Net Income/(Loss) w GO Bond Activity	$ 87,482	$ 57,694	29,788	-52%	$ 336,049	$ 761,632	(425,583)	56%	$ 3,081,698
	EBIDA	$ 321,909	$ 319,336			$ 1,710,317	$ 2,331,497			$ 516,603
		7.9%	7.5%			6.7%	9.2%			2.0%

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

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 1,823,144	$ 1,372,455	$ 1,033,782
2	Trustee Funds	2,533,185	953,138	540,405
3	Net Patient Receivables	7,398,657	7,852,453	7,792,070
4	Allow Uncollect Accts	(668,956)	(909,670)	(1,641,569)
5	Net A/R	6,729,701	6,942,783	6,150,501
6	Other Accts/Notes Rec	3,999,477	7,263,285	5,818,600
7	3rd Party Receivables, Net	1,190,072	1,188,104	2,032,600
8	Due Frm Restrict Funds	-	-	-
9	Inventory	803,069	786,003	819,147
10	Prepaid Expenses	933,858	918,220	1,292,396
11	Total Current Assets	$ 18,012,506	$ 19,423,987	$ 17,687,430
12	Board Designated Assets	$ -	$ -	$ 5,384
13	Property,Plant & Equip, Net	55,654,793	55,768,947	18,719,211
14	Hospital Renewal Program	-	-	31,801,877
15	Unexpended Hospital Renewal Funds	-	-	4,024,455
16	Investments	-	-	-
17	Specific Funds	370,214	276,506	(2,668,187)
18	Other Assets	143,007	143,007	425,913
19	Total Assets	$ 74,180,519	$ 75,612,447	$ 69,996,084
	Liabilities & Fund Balances			
	Current Liabilities:			
20	Accounts Payable	$ 4,047,093	$ 4,296,761	$ 4,586,205
21	Accrued Compensation	3,617,860	3,515,449	3,444,582
22	Interest Payable	589,645	471,716	710,351
23	Accrued Expenses	1,210,693	1,487,437	1,385,503
24	Advances From 3rd Parties	31,592	691,952	1,000,312
25	Deferred Tax Revenue	3,436,032	3,838,357	2,486,649
26	Current Maturities-LTD	1,706,832	1,703,099	850,698
27	Line of Credit - Union Bank	5,698,734	5,698,734	-
28	Other Liabilities	144,392	144,392	4,188,919
29	Total Current Liabilities	$ 20,482,873	$ 21,847,898	$ 18,653,219
30	Long Term Debt, net current portion	$ 39,740,968	$ 39,895,354	$ 37,401,239
31	Fund Balances:			
32	Unrestricted	$ 12,554,469	$ 12,520,765	$ 12,585,357
33	Restricted	1,402,209	1,348,431	1,356,268
34	Total Fund Balances	$ 13,956,678	$ 13,869,196	$ 13,941,626
35	Total Liabilities & Fund Balances	$ 74,180,519	$ 75,612,447	$ 69,996,084

8.

FY 2016-2018 STRATEGY DEVELOPMENT

DRAFT
Sonoma Valley Hospital
2016 – 2018 Three-Year Rolling Strategic Plan

Executive Summary

Sonoma Valley Hospital ("SVH") has made great progress over the last few years toward becoming a model for the modern community hospital, one well prepared to succeed in the emerging health care environment. In many areas, SVH far exceeds industry benchmarks for safety and quality of outcomes, especially when compared with hospitals across the country. To maintain this trajectory, SVH must continue to deliver the highest quality of care to patients, improve our financial results in a dynamic and challenging market, and work to improve the overall health of our community.

Our patients and the industry have begun to recognize the extraordinary level of ***safety and quality of service*** that SVH provides. Patient feedback through regular, arms-length surveys confirm that our physicians and staff provide responsive, responsible and thoughtful care to those served. SVH is the preferred choice among Sonoma Valley residents for Emergency Services, Diagnostics, Rehabilitation, Skilled Nursing, Home Health Care and Occupational Health. The Hospital has been recognized as one of the top 15 hospitals for safety in the country, quite an achievement for a small community hospital. In fact, on all measures of effectiveness, SVH is a leading provider and scores well above industry averages, frequently ranking among the top 25 percent of hospitals in the nation.

SVH has made great progress in recent years toward ***financial stability*** by reducing costs, paying down debt, upgrading its physical plant, improving technology, and growing profitable service lines. SVH's new Emergency Department is an unqualified success, reporting increases in both volumes and in delivering excellent patient service and satisfaction. However, patient insurance is changing rapidly and has presented new challenges for health care providers. The expansion of Medi-Cal has increased the volume of clients using the Emergency Department at very low reimbursement rates. In the coming years, SVH must continue to identify and grow profitable services, review and adjust pricing, and expand market share where possible – all while continuing to streamline services and maintaining the high level of quality and staff satisfaction.

Many factors have come together to create a volatile environment for hospitals and other health care providers, including the implementation of the Affordable Care Act, expansion of Medi-Cal, the secular decline in in-patient services, changes in payment or reimbursement models and levels, and increased regulations. While it is unknown exactly what form the final ***health care regulations and payment models*** will take, SVH must continue to be highly proactive in achieving readiness by focusing on

improving fundamentals, such as: high patient safety and satisfaction, superior quality outcomes such as reduced patient re-admissions, superior staff and physician satisfaction, greater efficiencies, increased market share and revenues, and a modern and welcoming facility. That work will continue and will position SVH well no matter what direction further changes to health care regulations and payment models may take.

A ***healthy community*** is a top priority for SVH and is critical for the Hospital's future. It is clear that industry incentives will increasingly reward population health initiatives, continuing to emphasize disease prevention while adjusting to the shift away from inpatient care. SVH will work with our committed and efficient physicians to improve the health of our community, and continue to be a leader in developing and participating in community-wide programs supporting awareness and early detection, keeping healthy people healthy, and leading healing for life.

While a great deal has been accomplished in recent years throughout the facility, including the addition of a state-of-the-art Emergency Department and Surgery Center, the Hospital continues to see volumes shift from inpatient to outpatient services. A modern, efficient and accessible outpatient center will better serve Sonoma Valley residents. In addition, SVH must continue to invest in the latest technology in order to continue to provide high quality care.

Strategic Priorities 2015-2017

1) **CONTINUE TO PROVIDE THE HIGHEST LEVELS OF SAFETY AND QUALITY HEALTH CARE TO SONOMA VALLEY HOSPITAL PATIENTS**: Transparency is now evident in health care and SVH has excellent quality outcomes by most every measure. However, all hospitals are improving their results and therefore we will continue to improve our service excellence scores to above the 75th percentile, continue to meet or exceed national safety and quality measures, and continue to receive the Center for Medicare Services bonus payment due to an excellent Value Based Purchasing score. In addition, we will continue to improve our staff satisfaction to above the 80th percentile.

2) **IMPROVE HOSPITAL PROFITABILITY AND FINANCIAL STABILITY:** SVH is a small hospital in a small community and therefore must have a laser focus on financial management and efficiency. With the new financial leaders and systems, we will enhance our reimbursement, collections and operational efficiency, improve our volumes through physician loyalty, and further increase our market share in several areas including surgery, outpatient diagnostics, rehabilitation and home

health. In addition, we will begin to discuss the continuation of the parcel tax support which is due for renewal at the end of 2017.

3) **ANTICIPATE AND PREPARE FOR CONTINUED CHANGES IN HEALTH CARE REGULATIONS AND PAYMENT MODELS:** SVH is currently using many different types of payment systems and the incentives are competing with one another. Throughout the next year, we will evaluate each system and determine the best model for our organization. This will include working even more closely with our physician network and with several large hospital partners which have leverage with health plans or organizations having many patient lives in our area.

4) **SUPPORT SONOMA VALLEY IN BECOMING A HEALTHY COMMUNITY:** Implementation of the Healing Hospital™ model is underway and will be continued. This model focuses on creating a "Culture of Health," encouraging staff to serve as health role models, leading patients to participate in their healing, and generally creating a healthy community. SVH will lead population health in three ways: implement "Healthy Kids are Contagious™" initiatives, create health awareness and "Keep Healthy People Healthy" initiatives, and help those with chronic disease to "Lead Healing for Life."

The Future

While great progress has been made, challenges remain. The focus and outstanding results in safety and quality outcomes, patient, physician and staff satisfaction will continue. New and sustainable sources of revenue are being developed to replace diminishing income from traditional inpatient services. Efficiency will continue to be the key to our future. New models and sources of revenue must be identified such as regional expansion of selected services (e.g., Home Health Care), expanded outpatient services, and increased market share of inpatient procedures. In addition, continued philanthropic support and renewal of the parcel tax revenue for capital expenditures will be necessary to ensure our hospital's on-going success.

Sonoma Valley Hospital is uniquely positioned to succeed in the continually evolving landscape that is health care today. The old hospital model, in which the economics of health care was largely based on serving the acutely ill, is no longer viable. The 'Future' is a hospital economic model growing from the need to serve the entire community as a place of healing, with a culture of safety and quality, and continued efficiency and financial stewardship. In proactively addressing these priorities, SVH is at the forefront in reimagining the role of the modern community hospital in the 21st century.

[INSERT TOUCHSTONE PICTURE HERE]

Environment Assessment: Trends in Hospital Health Care

Most hospitals in the United States face the need to transition to a different business model. Health reform and increasing government mandates are reducing the utilization of hospital inpatient care in the health care delivery system, and hospitals must move from the model of providing inpatient and outpatient care into a team approach that coordinates care to populations. SVH will use its new decision support system to determine the best approach to these changes. We will work with our physicians, and partner hospitals and health plans, to determine the model that will best serve us in 2015 and beyond.

Tighter integration of providers and hospital networks will be required to deliver comprehensive and coordinated care to defined populations, including wellness/ prevention, episodic care, management of chronic conditions, mental/behavioral health, and appropriate end-of-life care. This will be critical to ensure sustainable delivery systems, and payment will move toward capitation arrangements based on the wellness, outcomes and health status of individuals. The implementation of the Affordable Care Act has stimulated a wide variety of changes: a decrease in the number of uninsured, restrictions on access to some physicians and hospitals (narrow networks), higher out-of-pocket costs to patients who selected certain options, and an increase in the numbers of individuals covered by Medi-Cal. As an example of these changes, SVH's population of Medi-Cal patients increased from 11% to 18% in 2014, which has had a large and negative impact on revenues.

There is an increased emphasis, including transparency and public scrutiny, on quality, patient safety and outcomes, as well as advances in information technology, electronic health records, and telemedicine. While positive and necessary, these contribute to rising health care expenditures and must be managed appropriately. Human behavior (consumer-driven care based on increased involvement and responsibility for their health care and decision-making) and the aging of the population are becoming greater drivers of health care policy. This latter factor is important in the Sonoma Valley. In our immediate area, the town of Sonoma, a quarter of the population is 65 and over, and this demographic group represents approximately 19% of the District's total population.

[INSERT GRAPH ON AGE OF POPULATION HERE]

SVH Situation Analysis

- SVH serves a very small community. The primary service area is known as the "95476" zip code which includes the city of Sonoma. The secondary service area is Glen Ellen. This lines up with the SVHCD boundary and has a population over approximately 42,000 residents.

- SVH's service area has a disproportionate share of 50+ residents and is under-represented in younger age categories. Seniors make up a significant portion of the primary and secondary service area, with around 19% of the Valley over 65 years of age. This is significantly higher than the 11.4% average in California.

- Consistent with industry trends, SVH is experiencing an increase in Medi-Cal patients as a percent of total volumes. Due to the very low reimbursement for these patients, this is placing great pressure on margins.

- SVH's service area has a large and fast-growing Latino population. By 2016, more than 32% of the Valley's population will be Hispanic. Latinos are expected to make up over 50% of California's population by 2050, and that benchmark could be reached in the SVH service area before that time.

- The nationwide patient satisfaction survey system monitored by the Center for Medicare Services uses 8 domains to compare hospitals in service excellence. SVH ranks above the 50th percentile in 6 out of 8 of those domains, and often ranks above the 75th percentile. This means the patients rating SVH are happier with their care than are patients at most other hospitals in the nation.

- The inpatient admissions for SVH went from 1,658 in 2010 to 1,168 in FY 2014 due to regulatory changes regarding how to qualify a patient for admission. This was a dramatic decrease and had a major impact on revenue. The inpatient admissions for FY 2015 seem to have stabilized and are now projected to be over 1,200.

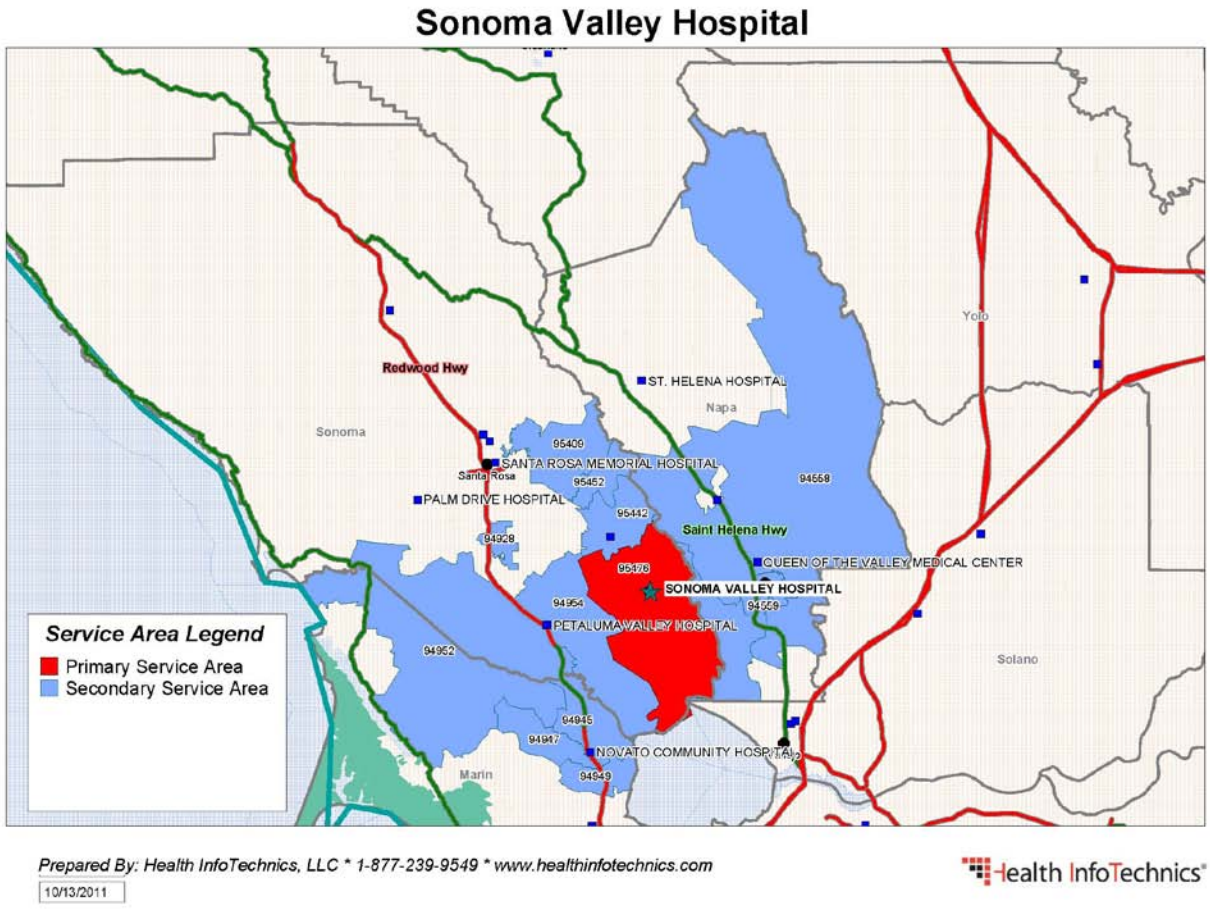
- There are 10 major service areas at SVH. The highest volume, highest margin areas are Outpatient Diagnostics (radiology, lab and cardiopulmonary), Emergency, Outpatient Surgery, and Rehabilitation. Our low volume, high margin service is Inpatient acute services. Contributing low margin, high volume services include Occupational Health, Special Procedures, and Home Health. Although Obstetrics and the Skilled Nursing Facility have low volumes and low margins, the efficiency has improved greatly in 2014 and special supplemental payments are received because we offer these two services. Every service area has at least a positive direct margin now.

- The Hospital is still mainly known and valued by the community for its Emergency Care Services, and with our new facilities, use of the Emergency Department has grown by 10 percent in the past year. It currently averages more than 10,000 patient visits annually and handles 80 percent of the emergency visits in the Sonoma Valley.

- The Hospital also has a strong market share in Radiology, Laboratory, Outpatient Rehabilitation, Home Health Care, Inpatient Rehabilitation/Skilled Nursing Facility, Medicine and Gynecology. Orthopedics has increased over the past two years. There is still a great opportunity to increase market share in inpatient services and outpatient surgery.

- There are no physician recruitment needs projected before 2018 at this time. We will continue to monitor General Surgery and Gastroenterology. We currently have physicians in ENT, Urology, Orthopedic Spine Surgery, and Pain Management.

Competitive Assessment



Implementation Plan for the Strategic Priorities

CONTINUE TO PROVIDE THE HIGHEST LEVELS OF SAFETY AND QUALITY HEALTH CARE TO SONOMA VALLEY HOSPITAL PATIENTS

	QTR 1	QTR 2	QTR 3	QTR 4	FY 2017	FY 2018
Improve Staff satisfaction above 80th percentile with Healthy Culture initiatives						
Improve Inpatient satisfaction above 50th percentile with hardwiring and verification						
Maintain Emergency patient satisfaction above 80th percentile according to the new HCAHPS						
Increase physician engagement through quality outcome and utilization alignment						
Continue to receive national recognition and awards for excellent quality and safety						

IMPROVE HOSPITAL PROFITABILITY AND FINANCIAL STABILITY

	QTR 1	QTR 2	QTR 3	QTR 4	FY 2016	FY 2017
Physician outreach and loyalty review to increase volumes through CRO initiatives						
Maximize savings and margins with performance improvement processes						
Expand Home Care and SNF referrals through regional outreach						
Review and adjust pricing to attract more patients						
Consider options for a new Outpatient Service Center						
Begin the discussion of the parcel tax renewal for vote in 2017						

ANTICIPATE AND PREPARE FOR CONTINUED CHANGES IN HEALTH CARE REGULATIONS AND PAYMENT MODELS

	QTR 1	QTR 2	QTR 3	QTR 4	FY 2016	FY 2017
Strategies to anticipate and succeed Medicare and other regulatory changes						
Improve the reimbursement and partnership with Medi-Cal providers						
Review options to partner with large hospital systems and health plans						
Study capitation through modeling						

SUPPORT SONOMA VALLEY IN BECOMING A HEALTHY COMMUNITY

	QTR 1	QTR 2	QTR 3	QTR 4	FY 2016	FY 2017
Population Health initiatives						
Employer Wellness Program pilot project						
Community Care Network for high risk patients						
Disease Reversal Program						
ACE and Substance Abuse awareness through Health Roundtable						
Lead by example and increase the number of community members who have a POLST						

9.

CEO ADMINISTRATIVE REPORT JANUARY 2015

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

To: **SVHCD Board of Directors**
From: **Kelly Mather**
Date: **2/5/15**
Subject: **Administrative Report for January 2015**

Summary
January has been a very busy month, especially in the Emergency Department. However, the volumes in December were much lower than expected in most outpatient areas. Inpatient discharges seem to have stabilized and are at budget and this includes 18 births in the month of December. Medi-Cal continues to increase and was 22% of our payer mix in December, which is way up from 11% in the prior year. We have completed most of the meetings with payers to ensure our costs are covered. We have also completed the Skilled Nursing Facility optimization project, which has resulted in a positive direct margin now.

Organizational Results
As demonstrated by the December dashboard, we met most of the goals this month, except for the finance goals. However, we have made excellent progress in maintaining expenses and increasing the EBIDA percentage above the prior year. We currently have $1,710,317 positive cash flow versus $516.603 last year at this time. The volume of patient satisfaction surveys returned for December has gone back to the average number of around 15. Staff all received their raises and satisfaction surveys are now out. The forums were very well attended with over 80% of benefitted staff in attendance. The feedback is overwhelmingly positive. The results will be out at the end of March. Productivity was excellent in December, even with many staff using paid time off.

Quality Update
The Value Based Purchasing score is still high, but other hospitals are also improving. Our focus and continued improvement in patient satisfaction will be the key to this score increasing. The quality results are very good and the efficiency scores are in the top decile of the country. The physician satisfaction survey results will be presented at the quarterly Medical Staff meeting in February. The action plan is underway. Some examples, Emergency physicians are now faxing discharge summaries to the primary care physician and the time a consultant is called to the ER is now timed and document. Radiologists are providing a list of critical radiology findings that require physician to physician communication.

Strategic Update
We have completed the first draft of the three year rolling strategic plan for input from the board and physicians in February. The four major strategies recommended are similar to the past, but the tactics to accomplish them have changed. In January we promoted the Compass Health Assessment program with Parkpoint, held a sold out “GirlTalk” Women’s Health Education class and started the Employer Wellness programs with the Boys & Girls Club and Sonoma Valley Community Health Center. Physician and office staff meetings continue to lead to increased volumes in Surgery and Outpatient services. Several meetings were held with other hospitals such as UCSF to begin to work on commercial health plan partnerships. The SCAN Medicare Advantage plan partnership with St. Joseph Health is underway and we plan to meet quarterly to review the effectiveness.

DECEMBER 2014 DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 8 HCAHPS domain results above the 50th percentile	5 out of 8 (Nov) Rolling 3 month average = 5 out of 8	>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 75th percentile	81st (rolling three month average)	>85th = 5 (stretch) >80th=4 >75th =3 (Goal) <75th = 2 <70th= 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 68 or higher	68	>72 = 5 (stretch) >70 =4 >68 =3 (Goal) >66=2 <66 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75th percentile or higher	2013 76% mean score at 77th percentile	>80th = 5 (stretch) >77th=4 >75th=3 (Goal) >72nd=2 <70th =1
Finance	Financial Viability	YTD EBIDA	6.7%	>10% (stretch) >9%=4 >8% (Goal) >7%=2 <7%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	$27,274,979 (actual) $26,558,650 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	779 YTD FY2015 793 YTD FY 2014	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	$63.4 mm YTD $55.8 mm prior year	
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	945 hours for 5 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1

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

FY 2015 TRENDED RESULTS

MEASUREMENT	Goal FY 2015	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	5/8	5	6	5	6	4	5						
Emergency Satisfaction	>75th	79	79	80	76	78	81	89.5	89.7	88.9	89.1	89.9	90.1
Value Based Purchasing Score	>68	68	71	70	70.88	69	68						
Staff Satisfaction	>75th	76	76	76	76	76	77	77	76	76	76	76	76
FY YTD Turnover	<10%	1.6	1.9	2.6	3.6	4.6	4.9						
YTD EBIDA	>8%	7	7	4.9	7.3	6.5	6.7	5	5	6	9	4	3
Net Operating Revenue	>4.1m	4.26	4.6	3.8	4.7	4.0	4.1	3.75	3.46	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.6	4.7	4.4	4.6	4.4	4.3	4.55	4.27	5.0	4.4	4.4	4.8
Net Income	>75	-8	35	-381	304	67	-1	13	-12	401	-360	**-240**	567
Days Cash on Hand	>15	14	12	14	11	10	13	7	6	11	17	8	7
A/R Days	<50	47	45	48	51	51	49	51	47	51	55	46	48
Total FTE's	<301	309	305	303	304	303	300	310	301	318	320	309	303
FTEs/AOB	<4.0	3.92	3.77	3.49	4.01	4.1	4.12	4.39	4.4	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	105	104	87	107	96	111	91	79	117	94	100	91
Outpatient Revenue	>$10m	10.8	10.4	11.1	11.7	10.9	10.1	9.1	8.6	9.99	9.91	10.2	10.1
Surgeries	>130	135	133	122	155	118	117	113	121	156	147	142	121
Home Health	>1000	1146	1109	1111	1319	**1090**	1103	1040	872	1106	1218	1135	992
Births	>15	16	9	21	13	16	18	6	14	19	6	16	11
SNF days	>660	651	687	597	527	580	596	754	641	750	674	605	613
MRI	>120	132	139	143	221	116	100	103	108	122	103	118	124
Cardiology (Echos)	>70	49	53	62	67	66	67	45	50	55	62	61	57
Laboratory	>12.5	12.6	12.8	13.0	13.0	11.5	11.4	13.1	11.1	13.3	12.4	13.1	13.9
Radiology	>850	968	988	900	1047	856	890	963	837	851	868	918	888
Rehab	>2587	3030	2859	2468	3028	2634	3010	2485	2403	2903	3394	2877	2945
CT	>300	376	345	323	368	295	316	332	295	334	301	332	335
ER	>800	889	868	851	863	761	824	811	655	769	788	**909**	716
Mammography	>475	414	417	433	605	462	339	430	445	447	404	519	429
Ultrasound	>325	348	361	367	372	238	299	290	350	438	424	497	339
Occupational Health	>575	656	678	758	739	602	648	579	504	534	595	600	618

10.

CHAIR AND COMMITTEE REPORTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Dick Fogg, Chairman

On behalf of Board Finance Committee members:
Steve Barclay
Stephen Berezin
Keith Chamberlin M.D.
Shari Glago
Peter Hohorst
Subhash Mishra M.D.
Sharon Nevins
Mary Smith
Phil Woodward