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

BOARD OF DIRECTORS' MEETING
AGENDA
THURSDAY, AUGUST 3, 2017
CLOSED SESSION 5:00 P.M.
REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
177 First St. W., Sonoma, CA

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Stacey Finn at (707) 935.5004 at least 48 hours prior to the meeting.	**RECOMMENDATION**	
AGENDA ITEM		
MISSION STATEMENT The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER	*Hirsch*	
2. PUBLIC COMMENT SECTION ON CLOSED SESSION	*Hirsch*	
3. CLOSED SESSION • Government Code Section 54956.8 Conference with Real Property Negotiators regarding South Lot Property.	*Hirsch*	Action
4. REPORT OF CLOSED SESSION	*Hirsch*	Inform
5. PUBLIC COMMENT	*Hirsch*	
6. CONSENT CALENDAR *pages 2-26* A. Board Minutes 07.5.17 B. Finance Committee Minutes 06.27.17 C. Quality Committee Minutes 06.28.17 D. Executed Policies and Procedures **E.** Medical Staff Credentialing Report		Inform/Action
7. FINANCE COMMITTEE CANDIDATE KEITH HUGHES *page 27*	*Nevins*	Inform/Action
8. MANAGEMENT COMPENSATION *pages 28-56*	*Glassner*	Inform
9. SOUTH LOT DISCUSSION	*Board Members*	Inform/Action
10. ADMINISTRATIVE REPORT AUGUST *page 57-59*	*Mather*	Inform
11. FINANCIAL REPORT MONTH END JUNE 30, 2017 *pages 60-73*	*Jensen*	Inform
12. BOARD REPORTS	*Board Members*	Inform
13. BOARD COMMENTS • CEO Performance Review Ctte	*Board Members/Hirsch*	Inform
14. ADJOURN	*Hirsch*	

BOARD OF DIRECTORS' MEETING
MINUTES
THURSDAY, JULY 7, 2017
CLOSED SESSION 4:30 P.M.
REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
175 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 The meeting was called to order at 6:03 p.m.	*Hirsch*	
2. PUBLIC COMMENT	*Hirsch*	
Ms. Hirsch acknowledged Dennis Ciocca's death and contributions to SVH.		
3. REPORT ON CLOSED SESSION	*Hirsch*	Action
Two issues were discussed; one being the current Mammography project (more information provided later in the agenda) and the other regarding the property negotiations for the south lot. The developers will be asked for additional clarifications. No decisions were made on this issue.		.
4. PUBLIC COMMENT ON CLOSED SESSION		Inform
No comments		
5. CONSENT CALENDAR	*Hirsch*	**MOTION:** by Nevins and 2nd by Rymer to approve. All in favor Mr. Gilroy spoke to request that the actual written proposals accompany the minutes of the 6/22 minutes to provide further information/clarification.
6. CHIEF OF MEDICAL STAFF REPORT	*Chamberlin*	Inform
Dr. Chamberlin, departing Chief of Staff gave his Medical Staff report.		

He said that the Peer Review took a major step forward with the implemented EPIC – Executive Performance Improvement Committee. Physician participation in regulatory compliance was elevated as the medical staff better understood what was required of them on a daily basis. The Joint "Powers" committee was reinvigorated. This committee allowed the 3 arms of hospital control (the Board, the Medical Staff, and Administration) to better understand each other and the common goals to move forward. Ms. Mather and the Board thanked him for his service and collaboration over the years.		
7. MAMMOGRAPHY PROJECT PROPOSALS	*Drummond*	Action
Ms. Mather reported on the current Mammography project for the new 3D mammography. Mammography will be coming back into the hospital, and we have received bids to do so. Ms. Drummond and Chris Uebel, Architect,, reported that we had two contractors bid on the project. After reviewing the bids Mr. Uebel recommended that bid from Ridgeview Construction be accepted as the responsive and responsible bidder.		**MOTION:** by Rymer to accept the Ridgeview Construction bid 2nd by Nevins to approve All in favor
8. SOUTH LOT	*Board/Hohorst/Gilroy*	Action
Mr. Gilroy was invited to present his responses to the questions previously presented to him. **Public Comment:** Simon Blattner, Hospital Foundation Board member – Mr. Blattner spoke to his project in San Francisco, a "Blended value" project.. He is hoping to put together a group of Sonoma people who will buy the land (South Lot) with him and want to build workforce housing. and that they do this with little or no profit. This would include paying a development team of experts to put it together. He said that he has a team in place and that they are ready to look at the land. He said that he knows he is late to the game, but that his large San Francisco project had not allowed him to devote the time to submit a proposal within the allotted time frame. He hoped that the Board would consider giving him 120 days to put together a proposal for the land. He said that it would be solely for workforce housing and that hospital would not need to be involved. He said that he wants to build here, and feels like it would move quickly once in place. John Kelly- School Board Trustee. Mr. Kelly expressed his enjoyment in campaigning for Measure E. He felt it was a positive experience and allowed for a great opportunity to exchange ideas with the community. He said that while canvassing the neighborhood with Mr. Hohorst he learned the history of the hospital. He said he also got to listen to what the community had to say about the health care district... He said		**MOTION:** by Rymer to vote to continue the process of finding a buyer for the South Lot. Nevins seconds. Vote by Roll Call: 4 in favor, 1 not in favor.

what we have to do is try to keep the organizations focused on the core mission. He sees this parcel and land as ideal for workforce housing. He loves the idea that teachers and staff could live close to our sites. He feels that hospital staff and other community members would benefit as well. He said that he feels like the community sense is that the hospital board is doing the scrutiny that is needed, and that no matter which way that it is decided the community will support it. Fred Allebach- community member. He said that as he looked through the RFP he didn't find that any of the developers had any proposals to meet the crying need in the valley for affordable or workforce housing. It was mostly all market rate that would only have the minimum inclusionary requirement. He said he was disappointed that that was all that came out of it. But that he was very glad that Mr. Blattner showed up and gave the option that he did. He said that for 120 days, that would be well worth while and fits into the Hidden In Plain Sight study that identified that the philanthropy community has not focused on housing. Now there is someone from the philanthropy community that wants to focus on it. He said this is exactly what the valley needs, and that he hopes that the Board would go ahead and vote on that tonight. He felt that the Board should give Mr. Blattner his 120 days and the other proposers to recalibrate their thinking. Mr. Gilroy said that in response to a statement that Mr. Rymer made, "it is an awful lot to expect a retired guy from Schellville to get up here and give a complete design costing. I was trying to bring the view of the community. However, having said that, Mr. Blattner has just come and done that. So it is a breath of fresh air that we may have a possibility to do something that might even have some healthcare related functions to it as well as simple market rate housing		
9. FINANCIAL REPORT MONTH END MAY 2017	*Jensen*	Inform
Mr. Jensen reported the month end for May. He said that Medicare, included managed Medicare was at 54.5% for the month. MediCal was 19.1% and commercial came in at 19.1%. Cash collect was a banner month at 4.5 million, the most we have ever collected. Day's cash at hand was 18.5 days, days in AR 44.4 days and AP 44.2 days. Total operating revenue of 5.3 million vs. a budget of 4.7 million. Expenses were at 596 thousand over budget, with the end result being an operating loss of 329 thousand vs a budget of 333 thousand. Net income loss of 120 thousand vs budget of 121 thousand. After accounting for the GO bonds we have a net income of 217 thousand vs. a budget of 114 thousand. EBIDA 4.1% vs 3.9% and EBDA was 3% vs 3.2%. Cash at FY end should be between 2.7 to 3 million, very close to budget.		

Mr. Jensen also presented the gross and net revenue break down that was requested at the budget meeting.		
10. ADMINISTRATIVE REPORT JULY	*Mather*	Inform
Ms. Mather reported that in response to the information gathered during the parcel tax campaign there is a communication plan started. Both Ms. Hirsch and Mr. Mather will have an ongoing blog. She reported that patient satisfaction for the month was excellent in the ER. Mr. Kobe reported that for the month of April we hit 7 of 7 dimensions in the ED, hitting the 70th percentile. Six of the dimensions were in the 96th percentile. The inpatient side also met their goals as well with 6 out of 9 of the dimensions. Ms. Mather said that the Rate My Hospital survey in the ER will begin next week. She said that this year instead of an on line satisfaction survey she and the CMO are rounding on all of the physician offices and individual physicians. She said there has been a change in pain management with a new Physiatrist, Dr. Lee. He will be starting in August. The prison contracts continue to increase. We are in process of increasing the services. The work on the Paragon upgrade is ongoing. It is a huge project that is time consuming for the next four months. There was an ambassador event and 14 of our physicians met with the donors. Ms. Mather presented the new performance dashboard. There was a request during the budget session to have the salaries of hospital administration positions. Mr. Rymer and Mr. Boerum spent time with a Veritas Executive consultant. The consultant's feedback was that our CEO salary and staff salaries are within the range of the 50th percentile. He found our staffing was on the lean side and flat. Mr. Rymer said with some further thought, refinement and feedback this should be presented back at another board meeting.		
11. COMMITTEE REPORTS	*Board Members*	Inform
No committee reports presented		
12. BOARD COMMENTS	*Board Members*	Inform
Mr. Hohorst acknowledged the death of Kathy Mazza who was very active in all of the campaigns for the parcel measures.		
13. ADJOURN	*Hirsch*	
7:27pm		

SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JUNE 27, 2017
Schantz Conference Room

Present	Excused	Staff	Public
Peter Hohorst John Perez Sharon Nevin Dr. Mishra Susan Porth	Steve Berezin	Ken Jensen Kelly Mather Sara Dungan Cynthia Denton	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*			
1. CALL TO ORDER/ANNOUNCEMENTS	*Nevins*		
	4:04pm		
2. PUBLIC COMMENT SECTION	*Nevins*		
	No public comments		
3. CONSENT CALENDAR FC Minutes 5.23.17	*Nevins*	Action	
		MOTION by Porth to approve, 2nd by Perez. All in favor.	
4. ADMINISTRATIVE REPORT	*Mather*	Inform	
	Ms. Mather reported with Dr. Moreno on board Prima medical group should be back on track to make up volumes soon.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Ms. Mather said that we have been working with Canopy Health, John Muir, UCSF, and 11 other hospitals in the bay area. It is a limited Knox Keen health plan that goes through other health providers. With this, it could move us into a better rate with Medicare, as much as 130%. Right now we get 70% from Medicare. Meritage Medical network is currently handling our IPA and we are working with them to manage our physician practices the future. Ms. Mather reported that surgeries are up 18% over the prior year. Ms. Mather reported that there were three housing proposals for the South Lot purchase and one was for us to keep it and develop it ourselves. The next Board meeting there will be a vote on whether to keep or sale. This will happen after a closed session with our attorney to create some criteria for how the Board will evaluate the proposals. If the decision is to sell the hope is that would be done in August. The goal is to have it sold in 12 months. Ms. Nevins requested an update on local hospitals. Ms. Mather reported that Sonoma West has a new leader coming in to manage the hospital. Petaluma Valley has a new management company that will manage them once the St. Joe's lease is up.		
5. FINANCIAL REPORT FOR MONTH ENDING MAY 31, 2017	*Jensen*		
	Mr. Jensen reported out the finance information for the month end of May 2017. He pointed out that the payer mix we are at 79% for government program. Mr. Jensen did a comparison to 2012 and current state. In 2012 the commercial accounts were 35% of our business. Now they are at 19%. The net range for that is 2.2 million dollars. So we kept the bottom line at the		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	average, recognizing the increase cost and decreased revenue. Mr. Jensen reported that the payer mixes are close to budget and that last month cash collected was 4.88 million. The highest net for patient accounting. Day's cash were at 18.5, days in AR was at 44.4, days in AP 45.2. Total gross revenue was 2.5 million dollars. Bad debt is up, and is a true up due to the auditors over accruing. Total operating revenue 5.348 million vs 4.7 million, six hundred thousand positive. Salary variances are due to agency fees. Supply variance are due to implant costs. Expenses were over 596 thousand net resulting in a negative loss of 329 thousand vs budgeted loss of 333 thousand. Net income with the GO bond adjustment is 16 thousand vs. a budgeted 15 thousand. EBIDA 4.1 5 vs. 1.9% IBIDA was 3.0% vs 3.2%. Cash forecast – by the end of this month we will be a 2.7 million dollars to start the fiscal year.		
6. CAPITAL CASH REQUIREMENTS	*Jensen*	Inform	
	No new information to report		
7. REVIEW OF CURRENT DEBT	*Jensen*	Inform	
	No new information to report		
9. ADJOURN	*Nevins*		
	Meeting adjourned at 4:52 pm		

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SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
June 28, 2017, 5:00 PM
MINUTES
Schantz Conference Room

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Michael Mainardi, MD Kelsey Woodward Howard Eisenstark, MD Joshua Rymer	Susan Idell Ingrid Sheets Carol Snyder	Brian Sebastian MD Cathy Webber	Leslie Lovejoy Mark Kobe Danielle Jones

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	*Hirsch*	
	Meeting called to order at 5:00 p.m.	
2. PUBLIC COMMENT	*Hirsch*	
	No public comment.	
3. CONSENT CALENDAR	*Hirsch*	Action
• QC Minutes, 05.24.17		**MOTION:** by Eisenstark to approve, 2nd by Rymer. All in favor
4. POLICY & PROCEDURES	*Lovejoy*	Action
	Committee approved old policies with the request that the new policies come back in their entirety next meeting.	**MOTION:** by Woodward to approve old policies, 2nd by Minardi. All in favor.
5. HOSPITALISTS SERVICES REPORT	*Streeter*	Inform
	Dr. Streeter, Chief Hospitalist, gave an overview of the Hospitalist program at SVH. He said that the Hospitalists have various duties including, but are not limited to: admissions, rounding, transfers, consultations and discharges, and that they are unique in the fact that they provide critical care. He said that one of the biggest issues that they face is that there is only one Hospitalist on at a time. He reported that they round on approximately 80% of the patients in the hospital. He then reviewed case mix, length of stay, productivity, and encounter	

AGENDA ITEM	DISCUSSION	ACTION
	data, all with positive showings. The Hospitalist group has shown good improvements in core measures and low readmission rates. They have an opportunity for improvement with the doctor communication domain.	
6. QUALITY REPORT JUNE 017	*Lovejoy*	Inform
	Ms. Lovejoy presented the Prime grant activities. She reported that we began our training sessions for the Community Health Coach role this month, and that we have four solid coaches. She said that one issue that she is currently working on is how to obtain the data for the medication reconciliation within 30 days of discharge. The focused study database to capture metric data has been completed. The hope is that the raw data reports will produce something by next month. Ms. Lovejoy reported that the FY2018 final Quality budget has been completed. It clearly supports the organization's ongoing performance improvement program and will provide for all the needed resources to maintain and support safe, high quality, patient centered care. Ms. Lovejoy then gave an overview and explanation of the Quality monitoring report that is a result of an audit of each department's performance. Ms. Lovejoy introduced Danielle Jones, who recently joined SVH as the new Director of Quality.	
7. ANNUAL RISK MANANGMENT REPORT	*Lovejoy*	Inform
	Ms. Lovejoy presented the annual report of the effectiveness of the Risk management program. She gave an overview of the last year which included: claim activity, CLIA survey in Laboratory, a state survey on skilled nursing, as well as improved processes for the med staff peer review process. She said reporting to California Hospital Patient Safety Organization has begun and we are awaiting our first benchmarking. Ms. Lovejoy reviewed the goals for the upcoming fiscal year 2018. They include: Training new	

AGENDA ITEM	DISCUSSION	ACTION
	leaders in responding to e-notifications and complaint/grievance process. Provide at least one training in risk mitigation for leaders. Attend departmental staff meetings and go over department specific data and get feedback on the system from frontline staff. And to determine feasibility in the ability to track leadership follow-through with departmental specific data.	
9. UPON ADJOURNMENT OF REGULAR SESSION	*Hirsch*	
	Regular session adjourned at 618 p.m.	
10. CLOSED SESSION • Calif. Health & Safety Code § 32155 Medical Staff Credentialing & Peer Review Report	*Hirsch/Lovejoy*	Action
11. REPORT OF CLOSED SESSION	*Hirsch*	Inform/Action
	The Medical Staff Credentialing was unanimously approved. Ballot nominees – Sebastian, Chief of Staff. Brown, Vice- Chief of Staff. Committee had no issues with nominations	**MOTION**: by Rymer to approve 2nd by Eisenstark. All in favor
12. ADJOURN	*Hirsch*	
	Meeting adjourned at 6:22p.m.	

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Policy and Procedure - Approvals Signature Page
CE8610-114, CE8610-124, CE8610-126, CE8610-128, CE8610-164, CE8610-176, CE8610-198

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.

July 18th, 2017—Policy & Procedure Team

Leslie Lovejoy — 7/20/17
Leslie Lovejoy — Date
Chief Quality Officer

July 26th, 2017—Board Quality Committee

Jane Hirsch — Date
Chair, Board of Directors

Hospital CEO

Kelly Mather — Date
Chief Executive Officer

August 3rd, 2017—Board of Directors

Jane Hirsch — Date
Chair, Board of Directors

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Policy Submission Summary Sheet

MANAGER		SENIOR LEVEL MANAGER	
Name: Kimberly Drummond		Name:	
Title: Director of Facilities		Title:	
Signature:	DATE: 7/18/17	Signature:	DATE:

ORGANIZATIONAL

REVIEWED/NO CHANGES

CE8610-124 Equipment Inventory

REVISIONS

CE8610-128 Equipment Utility Failure

minor revision to change reporting to Safety Committee to Quarterly from Monthly

CE8610-164 On-Call Engineer

Minor revision includes: language added that states the on-call Engineer is expected to report to the Hospital in response to trouble outlined in the policy and for conditions as requested by Nursing Supervisor, Administration, Engineering Supervisor or alarm activations reported by PBX Operator. Updated Engineer cell phone numbers

CE8610-114 Closed Circuit TV, Security Management

Minor revision to include language about timely reporting via e-notification or to Engineering about any incident so that footage can be reviewed within the 2 week recorded life span.

CE8610-176 Traffic Control and Vehicle Access, Security Management

Minor revisions reflect the new location of the Emergency Department parking lot, new patient loading/unloading zone and ambulance entrance.

RETIRED

CE8610-126 Equipment Repair/Loaner Request

Departments no longer manage the repair coordination of their equipment. This process is managed through the Clinical Engineering Program outlined in Policy CE8610-108 Clinical Engineering Equipment Safety/PM. In the event that a loaner is needed for specific equipment it will be coordinated by the Renovo Asset Management Tech.

GL8610-198 Vendor Purchase Order

Departments no longer manage the repair coordination of their equipment. This process is managed through the Clinical Engineering Program outlined in Policy CE8610-108 Clinical Engineering Equipment Safety/PM. The repairs & PM's on all clinical equipment is coordinated through Renovo who will also work with Engineering if an SVH P.O. is required.

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SONOMA VALLEY HEALTH CARE DISTRICT
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Policy and Procedure - Approvals Signature Page
HR8610-112, HR8610-123

Review and Approval Requirements

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

June 20th, 2017—Policy & Procedure Team

Leslie Lovejoy — 7-20-17

Leslie Lovejoy
Chief Quality Officer — Date

July 26th, 2017—Board Quality Committee

Jane Hirsch
Chair, Board of Directors — Date

Hospital CEO

Kelly Mather
Chief Executive Officer — Date

August 3rd, 2017—Board of Directors

Jane Hirsch
Chair, Board of Directors — Date

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Policy Submission Summary Sheet

Lynn McKissock, Director of Human Resources	
Signature: Lynn McKissock	DATE: 7/18/17

ORGANIZATIONAL

REVISIONS

HR8610-112 Orientation Period

Renamed Probation Period to Orientation Period and revised to combine three separate policies into one. The three policies that have been combined include Probationary Period (discussing the requirements and process for completing a competency assessment & probationary evaluation form); Minimum Orientation Requirements Prior to Providing Care, Treatment, or Service (discussing the requirements and process for completing a first day orientation checklist); and Hospital Orientation (discussing the requirement for attending the hospital orientation program within a specified timeframe from date of hire). Additionally, adding a section to address these same requirements for contract and/or volunteer staff as well as the requirement to complete assigned training courses through HealthStream within 30 days of hire.

HR8610-123 Disability Hours

Renamed Disability Hours and removed the word "sick" throughout the policy to eliminate the inference that this is a sick leave benefit. Clarified that employees must qualify for FMLA or Worker's Compensation before any disability hours are accessed. Removed the requirement that employees provide documentation showing they are receiving State Disability Insurance (SDI) income to qualify for use of Disability Hours, but also clarified that disability hours are paid at the coordinated rate – coordinated with SDI or Worker's Compensation. Removed reference to coordination with Paid Family Leave as a leave of absence to care for an ill family member is not eligible for use of Disability Hours, only PTO. Finally, removed language regarding the process of taking FMLA leave and inserted reference to the appropriate policy.

RETIRED

HR8610-113 – Minimum Requirements Prior to Providing Care, Treatment or Service

HR8610-106 – Hospital Orientation

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Policy and Procedure - Approvals Signature Page

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

Douglas S. Campbell, MD
Chair Medicine Committee — Date: 5/11/17

Cynthia Lawder, MD
Medical Director, Emergency Department — Date: 5/18/17

Keith J. Chamberlin, MD MBA
President of Medical Staff — Date: 5/18/17

Kelly Mather
Chief Executive Officer — Date: 5/18/17

Jane Hirsch
Chair, Board of Directors — Date:

Reviewed by:	Date	Approved (Y/N)	Comment
Medicine Committee	5/11/2017		
Medical Exec. Committee	5/18/2017		
Quality Committee	~~5/24/2017~~ 6/28/17	7/26/17	
Board of Directors	~~6/01/2017~~ 7/26/17	8/02/17	

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Policy Submission Summary Sheet

Mark Kobe, Chief Nursing Officer		Deborah Bishop, Director of ED and ICU	
Signature:	DATE: 5.9.17	Signature: D Bishop	DATE: 5/11/17

DEPARTMENTAL

NEW
PC7010-20 Nursing Orders
refers to new EDNUR Protocols by Dr. Lawder

REVIEWED/NO CHANGES
PC7010-06 Intraosseous Infusion
PC7010-10 ED Log
PC7010-13 Criteria for PES Admission
PC7010-18 Critical Care Transport
QA7010-09 E-notification in the ED

REVISED
PC7010-01 Emergency Initial Assessment Triage
Added statement that EMTALA, COBRA, and HIPAA laws will be followed

PC7010-02 Patient Valuables in ED
Added verbiage regarding proper documentation

PC7010-03 Admission to the Hospital from the ED
Separated the admission of telemetry and ICU patients, adding that telemetry patients can be transported to floor without monitor if an MD order states that this can be safely accomplished

DC7010-04 Discharge from ED
Included ESI 4 or 5 with length of stay less than an hour

PC7010-05 Telephone Advice
Added verbiage to signs/symptoms, when to call 911, when in doubt, come to ED

PC7010-07 COBRA Transfers
Added verbiage in regards to belongings

PC7010-08 Legal Blood Draws
Added urine

PC7010-11 Laboratory Studies Follow-up
Changed to ED Tech or RN. RN to Check EHR.

PC7010-12 Capnography – EtCO2 Monitoring

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Policy and Procedure - Approvals Signature Page

Review and Approval Requirements

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

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

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

4/27/17
Date

Kelly Mather
Chief Executive Officer

5/18/17
Date

Jane Hirsch
Chair, Board of Directors

Date

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	1/17/2017	Y	
P.I. Committee	2/23/2017	Y	
Quality Committee	3/22/2017 ~~6/28/17~~	7/26/17	
Board of Directors	4/06/2017 ~~7/6/17~~	8/02/17	

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Policy Submission Summary Sheet

Robert Harrison, Manager of Nutritional Services		Mark Kobe, Chief Nursing Officer	
Signature: Robert Harrison	DATE: 2/22/17	Signature: Mark Kobe	DATE: 2/22/17

ORGANIZATIONAL

NEW
PC8610-101 Alcoholic Beverages

DEPARTMENTAL – FOOD AND NUTRITION SERVICES

NEW
8340-176 Carbohydrate Consistent Diet

Kimberly Drummond, Facilities Director		Mark Kobe, Chief Nursing Officer	
Signature:	DATE: 2/22/17	Signature: Mark Kobe	DATE: 2/22/17

ORGANIZATIONAL

NEW
CE8610-139 Fire Watch Policy

SUBJECT: Fire Watch Policy	POLICY # CE8610-139 PAGE 1 of 2
DEPARTMENT: Organizational	EFFECTIVE:
APPROVED BY: Director Of Facilities	REVIEW/REVISED: 10/16

Purpose:
Sonoma Valley Hospital has a responsibility to its employees, patients, physicians and visitors to provide a safe and healthful environment.

Definition:
Fire Watch is the assignment of a person or persons to an area for the express purpose of notifying the fire department, the building occupants, or both of an emergency; preventing a fire from occurring; extinguishing small fires; or protecting the public from fire or life safety danger.

Fire watch is required:

1. When, in the opinion of the Safety Officer or PLOP Manager, it is essential for public safety in any place where people congregate, due to the number of persons, or the nature of the performance, exhibition, display, contest or activity. One or more qualified persons are to be employed to be on fire watch duty at such place
2. A fire watch is required when Hot Work is being performed and continues for 30 minutes after the conclusion of the work.
3. A fire watch may be required in the event of temporary failure of the alarm system or where activities require the interruption of any fire detection, suppression or alarm system components

Policy:
It is the policy of Sonoma Valley Hospital to establish an active Fire Watch anytime a sprinkler system, fire alarm or other fire suppression or detection system is hindered or out of service for more than 10 hours in a 24-hour period. Additionally, the following agencies must be contacted to advise that a system is out of service and a fire watch has been posted.
See list of current contacts at the end of the document.

- Sonoma Fire Department;
- CDPH Life Safety supervisor;
- CDPH Health Facilities Evaluator Supervisor;
- OSHPD Fire Life Safety Officer

Procedure:
Assigned fire watch personnel shall:
1. Not be performing any other duties.
2. Be thoroughly familiar with the area they are patrolling.
3. Perform patrol operations according to instructions from PLOP Manager.
4. Patrol their designated area at least once every hour.
5. Make reports as instructed. A written record of patrol rounds and any significant information shall be recorded in the fire watch log (logs will be provided by Engineering)

SUBJECT: Fire Watch Policy	POLICY # CE8610-139
	PAGE 1 of 2
DEPARTMENT: Organizational	EFFECTIVE:
APPROVED BY: Director Of Facilities	REVIEW/REVISED: 10/16

6. Remain on duty until properly relieved by next scheduled fire watch personnel.

In case of a danger to the occupants:

1. Notify occupants to evacuate when there is a fire in the building.
2. Notify Sonoma Fire Department to initiate emergency personnel response.
3. Activate fire protection systems, e.g., in order to release door holders, close smoke dampers, and shut down fans.

Sonoma Fire Department (707) 996-2102

CDPH Life Safety supervisor:
Robert Compton w (530)-895-4435, Cell 661 978-7361, robert.compton@cdph.ca.gov

CDPH Health Facilities Evaluator Supervisor:
Barbara Ebert w (707) 576-2741 barbara.ebert@cdph.ca.gov

OSHPD Fire Life Safety Officer:
Kimberly Korff - (916) 995-7404 Kimberly.Korff@oshpd.ca.gov

References:
NFPA 101, 2012 edition, OSHPD PIN 14

PIN 14 Fire Watch.pdf

SUBJECT: Carbohydrate Consistent Diet	POLICY # NU8340-176
	PAGE 1 OF 2
DEPARTMENT: Food and Nutrition Services	EFFECTIVE: 10/1/2016
APPROVED BY: Food and Nutrition Services Manager	REVIEW/REVISED:

Purpose:
To provide guidelines for meal and snack preparation for patients with a "Carbohydrate Consistent Diet" (CCD) diet order.

Policy:
The CCD is designed to provide approximately 50% of calories from carbohydrates, 20% of calories from protein, and 30% of calories from fat divided among three daily meals and an HS snack.

Procedure:
1. Patients will be provided with 4-5 carbohydrate servings (60-75 grams carbohydrates) for each of three daily meals and 1-2 carbohydrate servings (15-30 grams carbohydrates) for HS snack, unless otherwise ordered by the physician.
2. Patients on modified consistency diets (ie soft, mechanical soft, puree) will receive comparable carbohydrate servings, as appropriate with modified consistency diet order.
3. Patients on clear liquid and full liquid diet orders will receive 3-4 carbohydrate servings (45-60 grams) for each of three daily meals and 1-2 carbohydrate servings (15-30 grams carbohydrates) for HS snack. Please see Attachment 1 for example of CCD Clear Liquid and CCD Full Liquid Diet examples.
4. If additional meal items are requested, protein-rich foods (ie animal proteins, eggs, cottage cheese, nuts) and/or sugar-free options (ie sugar-free gelatin) consistent with diet order may be offered.
5. The Registered Dietitian will be contacted by diet office staff for approval prior to sending additional carbohydrate servings.
6. The Registered Dietitian will continue to complete nutrition assessments per policy and communicate with the diet office if different carbohydrate servings are indicated for specific patients.

Reference:
CIHQ Standards & Requirements. www.cihq.org/hospital.accreditation.asp, 482.28, NU-4.

SUBJECT: Carbohydrate Consistent Diet	POLICY # NU8340-176
	PAGE 2 OF 2
DEPARTMENT: Food and Nutrition Services	EFFECTIVE: 10/1/2016
APPROVED BY: Food and Nutrition Services Manager	REVIEW/REVISED:

Attachment 1

CCD Clear liquid Diet

Breakfast	Lunch	Dinner	HS snack
4oz juice Lemon Ice ½ cup Regular Jello Broth Coffee/tea Sugar Substitute	4oz juice Lemon Ice ½ cup Regular Jello Broth Coffee/tea Iced tea Sugar substitute	4oz juice Lemon Ice ½ cup Regular Jello Broth Coffee/tea Iced tea Sugar substitute	Lemon Ice

*Please send Sugar-free jello if patient requests additional jello on meal trays or between meals

CCD Full liquid Diet

Breakfast	Lunch	Dinner	HS snack
4oz juice Oatmeal or Cream of Wheat ½ cup Regular Jello Coffee/tea 2% milk* Sugar Substitute	4oz juice Puree Soup Sugar-Free Pudding** Coffee/tea Iced tea 2% milk* Sugar substitute	4oz juice Puree Soup Sugar-Free Pudding** Coffee/tea 2% milk* Sugar substitute	No sugar added ice cream

* Soymilk can be substituted for 2% milk patients that request it
**It is allowable to provide Regular Jello instead of Sugar-free Pudding at lunch or dinner

SUBJECT: Emergency Department Nursing Protocols	POLICY #PC7010-20
	PAGE 1 OF 2
DEPARTMENT: Emergency Department	EFFECTIVE: 1/17
APPROVED BY:	REVISED:

PURPOSE:

1. To provide a pathway of timely, coordinated care for patients with specific symptoms, determined through assessment by an RN that correspond to a specific Nursing Protocol delegated by a medical provider to reduce delays in medical treatment and care.

2. To provide a set of Nursing Protocols that the Hospital Emergency Department Registered Nurse (RN) can initiate to address urgent/emergent medical condition(s) of patients presenting to the Emergency Department.

3. To provide direction to the Hospital Emergency Department RN to address injuries and/or medical problems ranging from critical and life threatening to minor and self limiting and establishing a layer of safety for patients presenting to the Emergency Department while determining appropriate treatment in a timely manner.

Definitions:

Standing Order: Nursing Protocol

Nursing Protocol: An order approved by the applicable Medical Executive Committee that may be executed prior to an individual provider order. Nursing Protocols are limited to a subset of orders in regards to a patient condition or circumstances that are necessary for timely and efficient care.

POLICY:

1. These Emergency Department Nursing Protocols have been approved by the Medical Executive Committee whom has chosen to utilize any or all of these Nursing Protocols. These Nursing Protocols are not intended to replace more detailed department specific, clinically based emergency response order sets such as Code Blue protocols.

2. The Nursing Protocol sets are complaint specific and were developed to be within the critical thinking skill set of a bedside Emergency Department RN.

3. A Nursing Protocol set does not need to be implemented in its entirety. The RN should implement applicable section(s) of the Nursing Protocol set based on patient assessment and established criteria.

4. More than one Nursing Protocol set may be used for a patient as appropriate per patient need and RN assessment.

SUBJECT: Emergency Department Nursing Protocols	POLICY #PC7010-20
	PAGE 2 OF 2
DEPARTMENT: Emergency Department	EFFECTIVE: 1/17
APPROVED BY:	REVISED:

5. The RN is accountable and responsible for the delegation of any intervention in the Nursing Protocol set.

6. The Nursing Protocol sets may be added to, changed, or deleted as the Medical Executive Committee deems necessary.

PROCEDURE:

1. The Registered Nurse (RN) will initiate orders off the Emergency Nursing Protocol set if the patient assessment findings warrant the Nursing Protocol intervention within their scope of competency and within the resources of the applicable Emergency Department.

2. The RN will consult with an on-duty ED physician/provider if clarification is needed in initiating a Nursing Protocol.

3. The RN may only alter the Nursing Protocol after a patient and complaint specific discussion with the Physician on duty. The alterations and discussion must be documented in the patient's medical record.

4. The RN will document assessment findings, interventions, and outcomes per this policy.

5. Emergency Department Nursing Protocols must be entered into the patient's medical record and authenticated by the responsible provider for the patient according to the facility/department specific order authentication process.

REFERENCE:

Centers for Medicare & Medicaid Services, Conditions of Participation Section 482.23© (2)
Banner Health Policy Title: Emergency Department Standing Orders Version 11914.6
May 23, 2013.

SUBJECT: Alcoholic Beverages-New Policy	POLICY # PC8610-101
	PAGE 1 OF 1
DEPARTMENT: Organizational	EFFECTIVE: 10/16
APPROVED BY: CNO	REVIEW/REVISED:

Purpose:
To provide guidelines for serving alcoholic beverages for patients with a "Wine or Beer with Lunch & Dinner" diet order.

Policy:
Alcoholic beverages will be provided to patients only with a specific written order from the patient's physician.

Procedure:
1. When a diet order reading "Wine (4oz) or Beer (12oz), with Lunch & Dinner" is entered by a physician, the updated order will be electronically sent to the Diet Office.
2. The Diet Clerk will attempt to speak with the patient either in person or by phone to obtain alcoholic beverage preference, which will be entered into the patient preference section of on the tray card.
3. If the patient is unavailable or does not provide a preference, 4oz white wine at lunch and dinner will be provided as default.
4. During tray line, the specified quantity of wine or beer will be labeled and placed on the patient tray.
    a. No more than 4oz wine or 12oz beer will be provided per patient,per meal.
5. Once the alcoholic beverage portion leaves the kitchen, additional portions or different alcoholic options will not be sent to patient.
6. Any alcoholic beverage portion that is not consumed and returns to the kitchen on the dirty tray will be disposed of.

Reference:
http://www.nutrition411.com/content/alcoholic-beverages

KEITH W. HUGHES

Keith W. Hughes is the former Chairman and C.E.O. of Dallas-based Associates First Capital, the largest public finance company in the United States. Following a merger with Citigroup in 2001, Hughes became a Vice Chairman and member of the Board of Citigroup. In 2003, Hughes became the founder and President of Hughes Family Vineyards, an artisan winery with organic vineyards in Glen Ellen, California.

After earning his M.B.A. in 1969, Hughes worked in the financial services industry at Continental Illinois Bank, in Chicago, Northwestern Bank, in Minneapolis, and Crocker Bank, in San Francisco. Hughes joined Associates First Capital in 1981 and became President and C.O.O. in 1991. He was elected Chairman and C.E.O. in 1994. The Associates became a public company under his leadership in 1996. At the time of the merger with Citigroup, Associates First Capital had achieved record earnings for twenty-six consecutive years and operated in seventeen countries and employed 36,000 people.

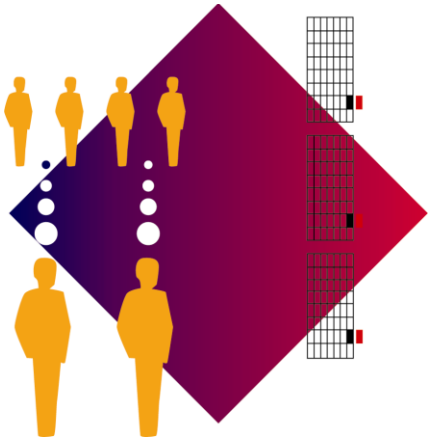
Hughes is currently a member of the Board of Directors of Fidelity National Information Services, Jacksonville, FL, a leading provider of core processing for domestic and international financial institutions. He was formerly on the Boards of Visa USA and Visa International, Citigroup, Texas Industries, Pilgrim's Pride and THL Credit.

Hughes is currently on the board of The Sonoma Valley Education Foundation and is an active member of Sonoma Valley Rotary. His previous nonprofit affiliations include The Boys and Girls Club of Sonoma Valley, The Green Music Center, Quarry Hill, United Way of Dallas where he was the 2000 recipient of the J. Eric Johnston award for distinguished community leadership, Children's Medical Center of Dallas, Salvation Army of Dallas, The Dallas Museum of Art and the University of Texas Southwestern Medical School Foundation.

Hughes attended Miami University in Oxford, Ohio where he received a B.S. and M.B.A. He remains active in academics through guest lecturing at the Southern Methodist University Cox School of Business and Miami University Farmer Business School.

He is married to Cheryl F. Hughes, Ph.D., a pediatric psychologist. They maintain residences in Glen Ellen, Sonoma, and Key Largo, Florida.

Veritas
EXECUTIVE COMPENSATION CONSULTANTS



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

Select Executive Total Compensation Analysis

Initial Discussion Draft
July 6, 2017

TABLE OF CONTENTS

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Sonoma Valley Hospital ("SVH" or "the Organization") retained Veritas Executive Compensation Consultants, LLC ("Veritas") to competitively assess compensation arrangements offered to the Organization's President and Chief Executive Officer ("CEO"), as well as 17 other key executives.

- ***Data presented in this report represents aggregate compensation practices as reported in published survey and peer 990 sources:***

Data Source	Benefit and Perspective	Specifics
Peer Group 990 Analysis	• Allows for comparison to not-for-profit organizations with some or all of the following characteristics: - Direct competitors for products/services and/or human resources; - Have similar business models; and/or - Similar in size and/or scope to SVH.	• ***Peer Group:*** 21 not-for-profit organizations close to SVH in size, with focus on the general and rehabilitative health sector: - ***Organizations ranged from approximately $40 million to $85 million in annual budget levels.*** • ***Peer Group Job Comparison:*** Based on the job description and responsibilities of SVH's CEO, the CEO was compared to similarly-titled executives within peer organizations: - The SVH CEO was compared to CEOs, as well as Presidents and Executive Directors (if no CEO).
Published Survey Analysis	• Allows for comparison to a broader group of organizations.	• ***Scope of Comparison:*** Organizations similar in size and/or scope, statistically adjusted (regressed) where necessary, to approximately $40M-$85M in revenue; and • ***Survey Sources:*** PRM Consulting, Inc. Management Compensation Report – Not-for-Profit Organizations, Allied For Health Executive/Management Compensation Report, Towers Watson Data Services Top Management Compensation Survey, and World at Work Salary Planning Survey.

Observations and Conclusions

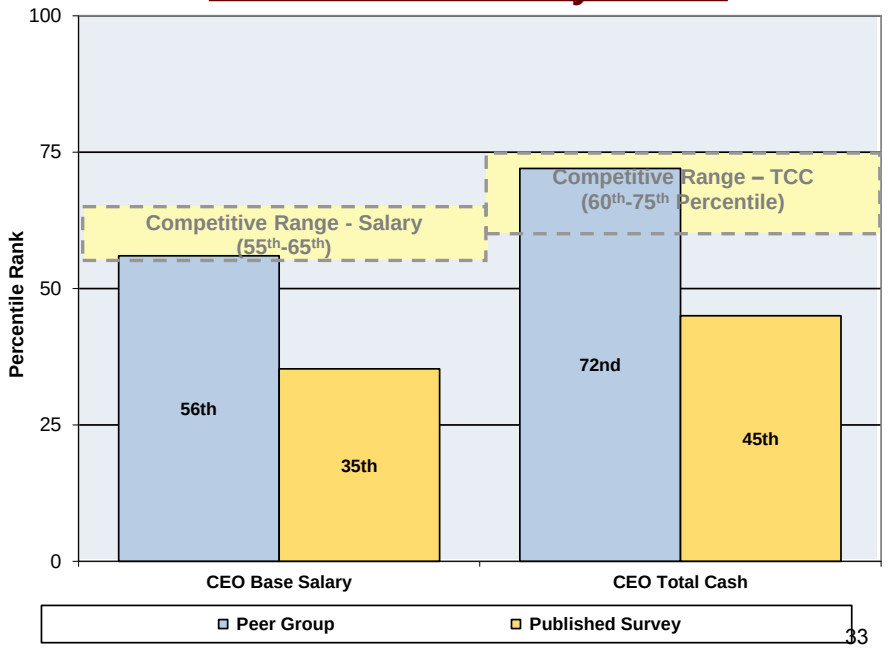
OBSERVATIONS

In aggregate, relative to peer 990 data and published survey data, the SVH CEO appears to be positioned below the competitive range in terms of base salary and total cash compensation ("TCC": salary + short-term incentives, if any).

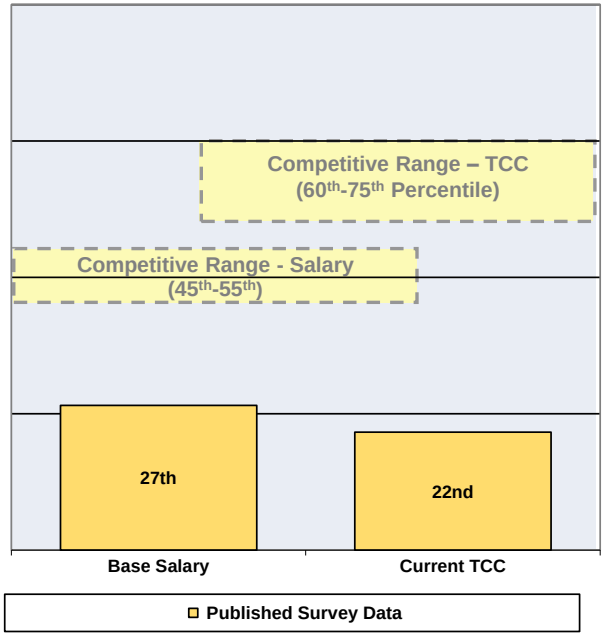
Given Veritas' typical recommendations of positioning base salary near the 50th percentile, and positioning target TCC between the 60th and 75th percentiles, it is useful to graphically analyze the percentile rank for SVH's CEO, and other executives.

— ***Note: Given the additional responsibilities and high level of seasoning of the SVH CEO, it is not unusual to set salary and total pay levels near the 60th-75th percentile.***

Percentile Rank Analysis: CEO



Other Executives (Aggregate)



33

Note: Total cash calculated as salary + actual short-term incentive payouts. Does not include other reportable compensation, retirement and other deferred compensation, or nontaxable benefits.

CONCLUSIONS

Specifically, base salary and total cash compensation levels are as follows for SVH executives:

Base Salary Levels

- ***Base salary measurement:*** For the purposes of this analysis, Veritas used current salary data for each SVH executive as provided by SVH; and
- ***Base salary positioning:*** Relative to published survey data, SVH variance from competitive base salary practice is noticeable for both the CEO and other executives, with base salary positioned in the second quartile:

SVH Employee	Base Salary Percentile Rank	
	Peer Group	Published Survey Data
Chief Executive Officer	56th Percentile	35th Percentile
Other Executives	N/A	27th Percentile

Current TCC (Base Salary + Actual Short-Term Incentive Payouts) Levels

- ***Composition of Current TCC:*** SVH current TCC consisted of base salary + actual incentive payouts (i.e., excludes other reportable compensation, retirement and other deferred compensation, and nontaxable benefits); and
- ***Current TCC positioning:*** SVH variance from competitive practice is noticeable relative to published survey data, with TCC positioned in the first or second quartiles:

SVH Employee	Current TCC Percentile Rank	
	Peer Group	Published Survey Data
Chief Executive Officer	72nd34ercentile	45th Percentile
Other Executives	N/A	22nd Percentile

CONCLUSIONS (continued)

Individual Variances

Individual variances from competitive compensation practice, paying executive above or below acceptable levels, would indicate that:

- Executive management compensation programs within SVH may not effectively integrate:
  - Base salary; and
  - Short-term incentives.
- On a job-by-job basis, compensation mix and leverage (base salary/variable [incentive] compensation) may not be properly balanced (e.g., non-differentiation of pay levels);
- Responsibility levels of select executive jobs within SVH may be higher or lower than those found within similar organizations; and/or
- Individual performance and tenure in current positions may warrant compensation levels above or below competitive practices.

Recommendations

RECOMMENDATIONS

Overall, the SVH total compensation program has produced many desired results, though compensation levels may not have kept up with the Organization's recent growth.

Accordingly, Veritas recommends that SVH:

- Continue to structure the compensation program to promote a pay-for-performance environment; and
- Continue to compensate jobs according to job content, individual seasoning and experience, and individual performance, with strong consideration of external market levels.

Base Salary

In comparison to peer group data, base salary for the CEO appears to be competitive, just above median or within the third quartile. However, both the CEO and other executives appear to be below the range of competitive practices relative to published survey data.

As such, we recommend that SVH:

- ***Setting base salary levels:*** Position base salaries within the range of competitive practices, near the market median (50th percentile):
  - ***Given the additional responsibilities and high level of seasoning of the SVH CEO, base salary for this position should be set near the 60th percentile range. This would be in the $365,000 - $375,000 range.***
- ***Base salary adjustments:*** Observe and carefully adjust base salaries on an as-needed basis - base salary is the foundation of the targeted total pay approach:
  - Update base salaries annually to correlate with changing competitive pay practices.

RECOMMENDATIONS (continued)

Short-Term Incentives and Total Cash Compensation

Similar to base salary, total cash compensation appears to be at the lower end of the competitive market for each executive. As such, Veritas recommends that SVH:

- ***Short-term incentive program:*** To motivate the CEO and other executives and maintain a strong pay-for-performance environment, as appropriate, use a transparent and non-discretionary short-term incentive plan focused on Organization "success" factors;
- ***Performance metrics:*** Consider using multiple (i.e., 3-5) clearly defined performance metrics (Organization-wide and individual) for all participants, set at difficult, yet attainable levels to provide appropriate upside potential and downside risk:
  - ***Performance goals should be tied closely to the Organization's mission statement, as well as meeting the yearly operating budget, rather than profit-related measure.***
- ***Incentive plan structure:*** Consider structuring the performance goals in terms of maximum, target, and threshold levels for all participants, where each level is set as a percentage of base salary; and
- ***Target award opportunities:*** Provide reward opportunities sufficient to retain each executive, especially in light of variable pay (e.g., short- and long-term incentives) available in public and private sectors.
  - For the SVH CEO and other executives, consider setting the short-term incentive opportunity (not a guaranteed payout) to position TCC within the third quartile, at approximately the 60th-75th percentile of the competitive market:
    - ***This would be in the range of approximately 40% to 55% of base salary for the CEO.***

RECOMMENDATIONS (continued)

Other forms of cash compensation offered to non-profit executives (e.g., retirement and other deferred compensation, non-taxable benefits, etc.) vary considerably and are difficult to quantify.

- Therefore, Veritas recommends that the Organization periodically assess the competitive market in relation to these items, and ensure that there are no considerable shortcomings.

Next Steps

NEXT STEPS

- SVH's Board of Directors and executive management will digest, discuss and take action on the executive compensation data presented herein; and
- Veritas will revise the Initial Discussion Draft, as necessary, and, if desired, present a final report to executive management and/or the Board of Directors.

COMPENSATION LEVEL OBSERVATIONS

EXTERNAL COMPENSATION RELATIONSHIPS

COMPENSATION LEVEL OBSERVATIONS

Benchmark Comparison and Competitive Practice Analysis

Base salary and TCC of select SVH executives are compared against the median (50th percentile) and 75th percentile base salary and TCC of executives within peer group data.

In aggregate, a variance of ± 10% from the composite 50th percentile practice for base salaries and composite 75th percentile for total cash compensation, or other targeted percentile outlined in an organization's compensation strategy and philosophy, as appropriate, would be considered reasonably competitive.

However, when assessing the competitive quality of compensation levels for individual employees, seasoning, background, experience, company market stage, company compensation strategy and performance levels also need to be considered.

Factors Leading to Higher Total Compensation Levels	Factors Leading to Lower Total Compensation Levels
• Background, experience and seasoning are clearly evident; • Business and/or job specialty demands unique talents; and • Individual performance is sustained and clearly exceptional.	• Performance levels are below satisfactory; • The employee is new to SVH, or recently promoted into a new position (low tenure); and/or • Education, training, or prior experience only meet minimum requirements for the job.

EXTERNAL COMPENSATION RELATIONSHIPS (cont.)

COMPENSATION LEVEL OBSERVATIONS

Benchmark Comparison and Competitive Practice Analysis (continued)

Our comparison noted the "market ratio" (individual compensation as a percentage of market compensation levels, as applicable) for each executive job. The 50th percentile market ratio for base salary and 75th percentile for total cash compensation provides an easy reference for reviewing competitive positioning and should be interpreted as follows:

Sonoma Valley Hospital
50TH/75TH PERCENTILE MARKET RATIO ANALYSIS

Above 125%	Above Acceptable Practice
125%	Above Job Market Practice
110%	
100%	Within Job Market Practice
90%	
	Below Job Market Practice
75%	
Below 75%	Below Acceptable Practice

COMPENSATION LEVEL OBSERVATIONS

BASE SALARY

SVH CEO Base Salary vs. Peer Group Base Salary

Employee Name	Sonoma Valley Hospital Job Title	Current Base Salary[1]	25th %ile	50th %ile	Market Ratio 50th %ile[2]	75th %ile	Market Ratio 75th %ile[3]
Kelly Mather	President & CEO	**$350,085**	$263,500	$320,000	109%	$384,700	91%

SVH CEO Base Salary vs. Published Survey Base Salary

Employee Name	Sonoma Valley Hospital Job Title	Current Base Salary[1]	25th %ile	50th %ile	Market Ratio 50th %ile[2]	75th %ile	Market Ratio 75th %ile[3]
Kelly Mather	President & CEO	**$350,085**	$314,400	$401,100	87%	$514,400	68%

(1) As provided to Veritas by SVH.
(2) Current base salary ÷ competitive market 50th percentile base salary.
(3) Current base salary ÷ competitive market 75th percentile base salary.

BASE SALARY (continued)

COMPENSATION LEVEL OBSERVATIONS

SVH Other Executive Base Salary vs. Published Survey Base Salary

Sonoma Valley Hospital Job Title	Current Base Salary[1]	25th %ile	50th %ile	Market Ratio 50th %ile[2]	75th %ile	Market Ratio 75th %ile[3]	Percentile Rank
Chief Financial Officer	**$212,200**	$205,100	$240,700	88%	$266,000	80%	**30th**
Chief Information Officer	**$157,600**	$184,100	$202,200	78%	$223,500	71%	**6th**
Chief Nursing Officer	**$225,800**	$195,800	$229,100	99%	$255,200	88%	**48th**
Chief Revenue Officer	**$212,200**	$186,200	$211,800	100%	$255,400	83%	**50th**
Chief Medical Officer/CMIO	**$158,300**	$312,600	$335,900	47%	$352,500	45%	**0th**
Chief Ancilliary Officer	**$169,700**	$170,400	$217,800	78%	$266,300	64%	**25th**
Chief Quality Officer	**$166,800**	$107,000	$182,500	91%	$255,300	65%	**45th**
Controller	**$131,100**	$134,200	$158,100	83%	$175,500	75%	**22nd**
Director of Patient Financial Services	**$131,100**	$142,600	$169,500	77%	$183,800	71%	**15th**
Director of Materials Management	**$114,300**	$96,500	$120,000	95%	$149,300	77%	**44th**
Director of Quality & Risk Management	**$125,000**	$134,300	$160,500	78%	$186,400	67%	**13th**
Director of Information Systems	**$135,100**	$122,000	$139,800	97%	$214,600	63%	**43rd**
Director of Facilities	**$137,500**	$122,700	$169,400	81%	$217,100	63%	**33rd**
Director of Human Resources	**$158,200**	$125,600	$197,700	80%	$241,800	65%	**36th**
Director of ED/ICU	**$165,500**	$153,100	$182,900	90%	$191,200	87%	**35th**
Director of Healing at Home	**$169,000**	$149,300	$180,200	94%	$185,700	91%	**41st**
Director of SNF	**$159,100**	$151,800	$168,000	95%	$171,800	93%	**36th**

(1) As provided to Veritas by SVH.
(2) Current base salary ÷ competitive market 50th percentile base salary.
(3) Current base salary ÷ competitive market 75th percentile base salary.

CURRENT TOTAL CASH COMPENSATION

COMPENSATION LEVEL OBSERVATIONS

When combining base salary with short-term incentive payments, current TCC is as follows:

SVH CEO Current TCC vs. Peer Group TCC

Employee Name	Sonoma Valley Hospital Job Title	Current TCC(1)	25th %ile	50th %ile	Market Ratio 50th %ile(2)	75th %ile	Market Ratio 75th %ile(3)
Kelly Mather	President & CEO	$420,102	$266,900	$363,200	116%	$433,500	97%

SVH CEO Current TCC vs. Published Survey TCC

Employee Name	Sonoma Valley Hospital Job Title	Current TCC(1)	25th %ile	50th %ile	Market Ratio 50th %ile(2)	75th %ile	Market Ratio 75th %ile(3)
Kelly Mather	President & CEO	$420,102	$325,900	$443,600	95%	$631,700	67%

(1) As provided to Veritas by SVH. Total cash calculated as salary + actual short-term incentive payouts. Does not include other reportable compensation, retirement and other deferred compensation, or nontaxable benefits.

(2) Current total cash ÷ competitive market 50th percentile total cash.

(3) Current total cash ÷ competitive market 75th percentile total cash.

CURRENT TOTAL CASH COMPENSATION (continued)

COMPENSATION LEVEL OBSERVATIONS

SVH Other Executive Current TCC vs. Published Survey TCC

Sonoma Valley Hospital Job Title	Current TCC(1)	25th %ile	50th %ile	Market Ratio 50th %ile(2)	75th %ile	Market Ratio 75th %ile(3)	Percentile Rank
Chief Financial Officer	$212,200	$196,300	$303,000	70%	$335,400	63%	29th
Chief Information Officer	$157,600	$159,400	$202,200	78%	$331,100	48%	25th
Chief Nursing Officer	$225,800	$224,800	$274,100	82%	$309,100	73%	26th
Chief Revenue Officer	$212,200	$212,800	$270,200	79%	$381,900	56%	25th
Chief Medical Officer/CMIO	$158,300	$328,600	$367,600	43%	$428,700	37%	0th
Chief Ancilliary Officer	$169,700	$178,100	$235,200	72%	$341,200	50%	21st
Chief Quality Officer	$166,800	$187,300	$212,800	78%	$332,600	50%	16th
Controller	$131,100	$135,600	$160,700	82%	$209,600	63%	22nd
Director of Patient Financial Services	$131,100	$148,500	$190,000	69%	$205,800	64%	8th
Director of Materials Management	$114,300	$98,400	$128,900	89%	$167,100	68%	38th
Director of Quality & Risk Management	$125,000	$138,100	$160,500	78%	$198,400	63%	13th
Director of Information Systems	$135,100	$122,000	$139,800	97%	$237,100	57%	43rd
Director of Facilities	$137,500	$122,700	$181,500	76%	$229,200	60%	31st
Director of Human Resources	$158,200	$125,900	$202,400	78%	$285,400	55%	36th
Director of ED/ICU	$165,500	$153,100	$195,500	85%	$208,500	79%	32nd
Director of Healing at Home	$169,000	$156,600	$195,500	86%	$201,600	84%	33rd
Director of SNF	$159,100	$154,900	$168,100	95%	$171,800	93%	33rd

(1) As provided to Veritas by SVH. Total cash calculated as salary + actual short-term incentive payouts. Does not include other reportable compensation, retirement and other deferred compensation, or nontaxable benefits.

(2) Current total cash ÷ competitive market 50th percentile total cash.

(3) Current total cash ÷ competitive market 75th percentile total cash.

APPENDIX

Methodology

APPENDIX

METHODOLOGY OVERVIEW

In its review of SVH executive compensation practices and programs, Veritas performed a comparative analysis based on peer organizations, using a peer group, as well as published survey data. Each analysis provides its own unique benefit and perspective, as follows.

The methodology for this analysis is detailed on the following pages.

Data Source	Benefit and Perspective	Specifics
Peer Group 990 Analysis	• Allows for comparison to not-for-profit organizations with some or all of the following characteristics: - Direct competitors for products/services and/or human resources; - Have similar business models; and/or - Similar in size and/or scope to SVH.	• ***Peer Group:*** 21 not-for-profit organizations close to SVH in size, with focus on the general and rehabilitative health sector: - ***Organizations ranged from approximately $40 million to $85 million in annual budget levels.*** • ***Peer Group Job Comparison:*** Based on the job description and responsibilities of SVH's CEO, the CEO was compared to similarly-titled executives within peer organizations: - The SVH CEO was compared to CEOs, as well as Presidents and Executive Directors (if no CEO).
Published Survey Analysis	• Allows for comparison to a broader group of organizations.	• ***Scope of Comparison:*** Organizations similar in size and/or scope, statistically adjusted (regressed) where necessary, to approximately $40M-$85M in revenue; and • ***Survey Sources:*** PRM Consulting, Inc. Management Compensation Report – Not-for-Profit Organizations, Allied For Health Executive/Management Compensation Report, Towers Watson Data Services Top Management Compensation Survey, and World at Work Salary Planning Survey.

APPENDIX

METHODOLOGY OVERVIEW (continued)

Peer Group

In order to perform an analysis of 990 statements, a competitive peer group must be defined. The peer group should consist of organizations that SVH could potentially compete against for funding, recruit human capital from, and/or are similar in size and/or scope.

There is a direct and proven correlation between organization size and pay level, so, in order for the peer group to more accurately reflect market practices for an organization of SVH's size, Veritas developed an expanded peer group of non-profit entities that, in aggregate, would provide appropriate and reasonable total compensation comparisons.

Based on the operations of SVH, Veritas searched through the National Taxonomy of Exempt Entities ("NTEE") classifications for each organization. While, SVH did not appear to have a uniform classification across the various databases of non-profit organizations, it was mostly listed within the E (Health – General and Rehabilitative) NTEE group, so Veritas focused its search on this group.

The resulting peer companies are outlined on the following page.

APPENDIX

METHODOLOGY OVERVIEW (continued)

Peer Group (continued)

The 21 organization peer group is as follows:

Organization	NTEE Code	Description	Revenue
Cape Cod Healthcare Inc	E21	Community Health Systems	$48,736,000
Chenango Memorial Hospital Inc	E22	Hospital (General)	$75,701,997
Columbus Community Hospital Inc	E22	Hospital (General)	$87,199,406
Copley Hospital Inc	E22	Hospital (General)	$65,522,862
Donor Network West	E65	Organ and Tissue Bank	$77,503,249
Easter Seals Bay Area	E50	Rehabilitative Medical Services	$86,357,146
Franciscan Hospital for Children Inc	Multiple	Multiple	$57,768,863
Franklin Memorial Hospital	E22	Hospital (General)	$78,205,380
Grove City Medical Center	E22	Hospital (General)	$49,242,297
Houlton Regional Hospital	E22	Hospital (General)	$45,506,803
Huggins Hospital	E22	Hospital (General)	$53,252,490
LifeLong Medical Care	Multiple	Multiple	$72,960,395
Mount Desert Island Hospital	E22	Hospital (General)	$53,953,497
Neighborhood Healthcare	E32	Ambulatory Health Center, Community Clinic	$45,138,162
Northeast Valley Health Corporation	E32	Ambulatory Health Center, Community Clinic	$77,298,746
Orthopaedic Institute For Children	Multiple	Multiple	$48,774,129
Pathways Home Health and Hospice	Multiple	Multiple	$51,405,607
Redington-Fairview General Hospital	E22	Hospital (General)	$88,764,244
Stonewall Jackson Memorial Hospital Company	E22	Hospital (General)	$47,612,707
Tampa Family Health Centers Inc	E32	Ambulatory Health Center, Community Clinic	$46,077,401
United Health Centers of the San Joaquin Valley	E32	Ambulatory Health Center, Community Clinic	$59,841,893
75th Percentile			**$77,298,746**
Median			**$57,768,863**
25th Percentile			**$48,774,129**
Sonoma Valley Hospital	**Multiple**	**Multiple**	**$55,013,096**
Sonoma Valley Hospital Percentile Rank			46%

APPENDIX

METHODOLOGY OVERVIEW (continued)

For purposes of the SVH compensation assessment, the following methods were utilized:

Compensation Component	SVH Data	Competitive Market Data
Base Salary	• Current base salary, as provided by SVH.	• Most recent fiscal 2015 Form 990 and published survey base salary data, trended forward to December 31, 2017 levels(1).
Current Total Cash Compensation ("TCC")	• Consisted of base salary + actual short-term incentive payouts, as provided by SVH.	• Most recent fiscal 2015 Form 990 and published survey base salary + actual short-term incentive payouts, trended forward to December 31, 2017 levels.
Other Cash Compensation (e.g., sign-on bonus, promotion award, etc.)	• Compensation falling under the "Retirement and Other Deferred Compensation", "Non-taxable Benefits", and "Other Reportable Compensation" were tabulated separately and excluded from the TCC analysis due to the inconsistent nature of that compensation.	• Compensation falling under the "Retirement and Other Deferred Compensation", "Non-taxable Benefits", and "Other Reportable Compensation" were tabulated separately and excluded from the TCC analysis due to the inconsistent nature of that compensation.
Reportable Compensation from Related Organizations	• None.	• Compensation from related organizations excluded from the TCC analysis. Additionally, ***executives with a majority of their overall compensation coming from a related organization (i.e., greater than from organization filing 990) were excluded from the analysis***: - This was necessary to ensure that the size of operations that the peer executives oversee was calculable.

(1) *This "lead-lag" or market lead approach" is commonly used as a best practice by organizations, and is extremely useful by allowing them to anticipate (versus react to) competitive market levels, allowing for reasonable financial/accounting planning, avoiding undesired turnover and/or mid-cycle adjustments.*

990 Analysis Detail

APPENDIX

990 ANALYSIS DETAIL

Chief Executive Officer (Kelly Mather)

Compared to Peer 990 CEO

Peer Company	Base Salary	Short-Term Incentive	Total Cash Compensation	Retirement and Other Deferred Compensation	Non-Taxable Benefits	Other Reportable Compensation
Cape Cod Healthcare Inc	$818,729	$325,650	$1,144,379	$216,551	$43,840	$105,798
Chenango Memorial Hospital Inc	$319,976	$52,046	$372,022	$21,757	$16,454	$0
Columbus Community Hospital Inc	$344,029	$89,483	$433,512	$47,247	$27,483	$183,490
Copley Hospital Inc	$266,921	$0	$266,921	$11,244	$27,020	$37,900
Donor Network West	$395,403	$68,099	$463,502	$22,811	$11,749	$108
Easter Seals Bay Area	$216,565	$94,714	$311,279	$0	$5,725	$0
Franciscan Hospital for Children Inc	$387,431	$68,387	$455,818	$79,440	$20,139	$0
Franklin Memorial Hospital	$380,455	$13,729	$394,184	$5,645	$8,393	$18,996
Grove City Medical Center	$231,182	$0	$231,182	$0	$5,184	$0
Houlton Regional Hospital	$263,495	$0	$263,495	$0	$10,449	$9,745
Huggins Hospital	$383,724	$20,353	$404,077	$8,467	$0	$75
LifeLong Medical Care	$249,952	$0	$249,952	$0	$30,861	$0
Mount Desert Island Hospital	$308,211	$0	$308,211	$0	$37,389	$30,668
Neighborhood Healthcare	$248,198	$0	$248,198	$16,830	$8,098	$3,942
Northeast Valley Health Corporation	$243,985	$0	$243,985	$13,716	$58,427	$5,394
Orthopaedic Institute For Children	$805,405	$0	$805,405	$19,163	$34,935	$2,532
Pathways Home Health and Hospice	$384,745	$0	$384,745	$27,375	$24,314	$33,573
Redington-Fairview General Hospital	$363,226	$0	$363,226	$0	$0	$23,627
Stonewall Jackson Memorial Hospital Company	$290,866	$0	$290,866	$14,383	$11,015	$10,967
Tampa Family Health Centers Inc	$636,117	$0	$636,117	$0	$0	$16,550
United Health Centers of the San Joaquin Valley	$266,705	$6,957	$273,662	$25,824	$0	$0
75th Percentile	**$384,700**	**$52,000**	**$433,500**	**$22,811**	**$27,500**	**$23,600**
Median	**$320,000**	**$0**	**$363,200**	**$13,716**	**$11,700**	**$5,400**
25th Percentile	**$263,500**	**$0**	**$266,900**	**$0**	**$5,700**	**$0**
Sonoma Valley Hospital	**$350,085**	**$70,017** (1)	**$420,102**	**$0**	**$0**	**$0**
Percentile Rank	56%	85%	72%	0%	0%	0%

(1) Represents annual bonus opportunity of 20% of base salary.

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

To: **SVHCD Board of Directors**
From: **Kelly Mather**
Date: **7/26/17**
Subject: **Administrative Report**

Summary
We have made budget for FY 2017 and this was a very big accomplishment. While there have been many conversations and concerns about the Hospital's financial situation, we have come together to overcome serious financial challenges this past year and all the while, SVH continues receive recognition for excellence and quality. We end this fiscal year in a much better financial position than last year when we faced a significant cash shortfall. We reached our major strategic goal of increasing surgeries with the addition of many new surgeons. We have almost paid off the Electronic Health Record which continues to be a costly but necessary investment. We have addressed a great deal of the deferred maintenance and extended the Hospital life for many years. We have also replaced or added new technology such as the new Fluoroscopy room which was over 30 years old.

We are not failing because we need a parcel tax; we are succeeding because we have the community support to keep our Hospital viable with the parcel tax. In the coming year we will continue to review comparisons and best practices with all hospitals to demonstrate our efficiency and ensure we are fiscally responsible. We know we must continue these conversations with the community. We have received hundreds of comments and suggestions and the engagement and interest is appreciated. It was wonderful to feel the support and hear the positive comments at the 4th of July parade.

Strategic Update from FY 2017 Strategic Plan:

Strategic Priorities	Update
Satisfaction	The scores continue to improve and we are now better than the state average and at the national average for inpatient satisfaction. Our goals were very high this year.
Quality & Safety	We implemented the work place violence prevention program which was a very big undertaking.
Physician Alignment	We rounded on most of the physician offices this past month and were pleased to hear such positive comments about our service and staff. The physicians are very supportive of our hospital.
Revenue Growth	Our success continues in surgery, especially bariatrics. Outpatient volumes were about the same as last year due to increased utilization controls by health plans.
Technology Upgrades	We started construction on the 3D mammography project which is very exciting. The Paragon 14 upgrade continues and this change should be very much more user friendly for physicians and staff.
Financial Stability	We made budget for FY 2017. We recently made a few reductions in expenses to start the new fiscal year off right due to some unexpected expenses.
Community Health	The Hospital had a great presence in the 4th of July parade. A number of health fairs are set for this fall. The great news is that over 2700 people attended hospital community health and education events this past year.

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

JUNE 2017

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Rolling 12 month average of at least 5 out of 9 HCAHPS domain results above the 70th percentile	1 out of 9 through May	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Rolling 12 month average of at least 4 out of 7 ERCAPS domain results above the 70th percentile	4 out of 7 through May	6 = 5 (stretch) 5 = 4 4 = 3 (Goal) 3 = 2 2 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Safety Score at 75% or higher	77%	>85 = 5 (stretch) >80 =4 >75 =3 (Goal) >70=2 <70 =1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75th percentile or higher	4.24/5 or the 85% mean score and 74th percentile	>80th = 5 (stretch) >77th=4 >75th=3 (Goal) >72nd=2 <70th =1
Finance	Financial Viability	YTD EBIDA	3.6%	>4% (stretch) >3.5%=4 >3.0% (Goal) >2.5%=2 <2.5%=1
	Efficiency and Financial Management	Meet FY 2017 Budgeted Expenses (excluding IGT)	$60,687,725 (actual) $60,386,129 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1765 YTD FY2017 1463 YTD FY2016	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	$164 mm YTD $154 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	1427	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1

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

FY 2017 TRENDED RESULTS

MEASUREMENT	Goal FY 2017	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
Inpatient Satisfaction	5/9	0	0	1	2	3	3	2	3	2	6	5	
Emergency Satisfaction	4/7	1	1	1	1	2	3	2	3	3	7	7	
VBP Safety score	>75	77.5	77.5	67	67	67	67	77	77	77	77	77	77
Staff Satisfaction	>75th	84	84	84	84	84	84	84	74	74	74	74	74
FY YTD Turnover	<10%	.9	1.5	1.8	3.6	4.2	4.8	5.6	6.3	7.2	7.7	8.4	9
YTD EBIDA	>3%	4.5	3.8	4.2	5.2	4.4	1.5	2.2	2	3	3	3.1	3.6
Operating Revenue	>5m	5.1	5.0	4.5	4.7	4.5	3.7	4.5	4.3	5.3	4.9	5.3	5.2
Expense Management	<5m	4.9	5.1	4.8	4.9	5.0	4.7	5.0	4.8	5.4	5.3	5.6	5.2
Net Income	>50k	59	-23	94	336	-270	-599	-107	307	304	-24	16	180
Days Cash on Hand	>20	11	15	6	11	10	25	20	27	16	11	19	20
A/R Days	<50	55	50	50	50	53	51	50	46	44	47	44	45
Total FTE's	<315	320	321	319	316	319	309	316	322	322	313	319	321
FTEs/AOB	<4.0	4.28	3.86	3.54	4.11	4.35	4.03	3.74	3.54	3.93	4.22	3.73	4.14
Inpatient Discharges	>100	103	105	95	99	95	100	119	97	119	89	100	87
Outpatient Revenue	>$13m	12.6	13.3	13.5	13.3	13.1	12.9	13.5	12.2	15.1	13.1	15.5	15.4
Surgeries	>130	116	124	118	126	161	126	148	127	189	171	173	197
Home Health	>950	960	890	1042	880	938	919	877	922	849	934	966	940
Births	>12	14	17	14	9	8	9	11	12	12	11	7	15
SNF days	>600	563	608	624	512	446	500	592	607	572	512	559	458
MRI	>120	105	97	104	140	118	130	115	107	137	121	116	109
Cardiology (Echos)	>50	41	53	66	60	51	51	55	69	89	70	70	79
Laboratory	>12	11.2	12.2	11.4	12.6	12.1	12.0	12.5	11.5	13.9	12.1	13.6	11.8
Radiology	>850	902	944	1001	898	870	934	1012	981	1159	963	1142	1137
Rehab	>2700	2618	3008	3136	2575	2286	2117	2530	2161	3020	2748	2983	2802
CT	>300	365	327	412	367	306	340	341	323	398	385	407	376
ER	>900	940	918	897	852	850	942	1000	851	941	921	1069	964
Mammography	>425	400	475	421	434	435	399	171	215	246	191	214	219
Ultrasound	>300	281	310	288	288	290	271	253	284	334	213	279	312
Occupational Health	>650	602	724	741	797	636	601	484	568	611	631	607	659
Wound Care	>200	221	312	253	226	199	225	228	238	348	239	203	307

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

To: **SVH Finance Committee**
From: **Ken Jensen, CFO**
Date: **July 25, 2017**
Subject: **Financial Report for the Month Ending June 30, 2017 – Pre Audit Financials**

The actual loss of ($43,739) from operations for June was $344,936 favorable to the budgeted loss of ($388,675). The fiscal year-end actual loss from operations is ($4,361,038) compared to the expected loss of ($4,467,703) and is favorable by $106,665. After accounting for all other activity; the June net income was $689,970 vs. the budgeted net loss of ($39,977) with a monthly EBIDA of 8.5% vs. a budgeted 2.8%. The fiscal year-end total net income is $1,269,598 favorable to budget with a year-end EBIDA of 3.6% vs. the budgeted 3.3%.

The Hospital implemented a 6% strategic price increase that went into effect June 1, 2017. The price increase is not reflected in the budget for June 2017.

Gross patient revenue for June was $23,651,284, $2,291,683 better than expected primarily due to the June 1st price increase. Inpatient gross revenue was over budget by $545,700. Inpatient days were under budget by (21) days and inpatient surgeries were under budgeted expectations by (7) cases but there was a higher than average case mix for June. Outpatient revenue was over budget by $938,106. Outpatient visits were over budgeted expectations by 359 visits and outpatient surgeries were over budget by 62 cases. The Emergency Room gross revenue is over budget by $1,447,028; with ER visits over budget by 105 visits. SNF gross charges were under budgeted expectations by ($647,429) and SNF patient days were under budget by (211) days. Home Health was over budget by $8,278 with visits close to budget at 940 visits.

Deductions from revenue were unfavorable to budgeted expectations by (1,760,204). The unfavorable variance is due to the favorable variance in June's gross charges primarily due to the price increase. The revenue deductions were offset by the HQAF IGT of $216,363, Prime grant of $125,000, and the Medicare pass thru payments for FY 2017 of $138,943. Without the additional government funding, the revenue deductions would be unfavorable to budget by ($2,240,510).

After accounting for all other operating revenue, the **total operating revenue** was favorable to budget by $498,275.

Operating Expenses of $5,249,718 were unfavorable to budget by ($153,339). Salaries and wages are under budget by $186,592 and agency fees were over budget by ($56,492). Employee benefits are over

budget by ($90,108) due to PTO being over budget by ($58,385) and employee health benefits being over budgeted expectations by ($31,723). Supplies are over budget in June primarily due to the cost of implants being over budget by ($149,891). Purchased services are over budget by ($73,733) primarily in IT due to the outsourcing of McKesson Paragon. Interest expense is over budget in June due to the unbudgeted interest expense related to the south lot loan and the fluoroscopy project.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for June was $105,642 vs. a budgeted net loss of ($197,314). The total net income for June after all activity was $689,970 vs. a budgeted net loss of ($39,977).

EBIDA for the month of June was 8.5% vs. the budgeted 2.8%.

Patient Volumes – June

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	87	97	-10	95
Newborn Discharges	12	24	-12	14
Acute Patient Days	346	367	-21	334
SNF Patient Days	458	669	-211	526
Home Care Visits	940	947	-7	942
OP Gross Revenue	$15,454	$13,106	$2,348	$13,465
Surgical Cases	197	142	55	124

Overall Payer Mix – June

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	40.4%	47.0%	-6.6%	44.1%	47.1%	-3.0%
Medicare Mgd Care	11.0%	7.1%	3.9%	11.4%	7.2%	4.2%
Medi-Cal	22.7%	19.2%	3.5%	18.2%	19.0%	-0.8%
Self Pay	0.9%	1.1%	-0.2%	1.4%	1.2%	0.2%
Commercial	20.9%	20.1%	0.8%	20.4%	20.0%	0.4%
Workers Comp	2.6%	2.8%	-0.2%	2.7%	2.8%	-0.1%
Capitated	1.5%	2.7%	-1.2%	1.8%	2.7%	-0.9%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for June:

For the month of June the cash collection goal was $4,056,583 and the Hospital collected $3,916,143, or under the goal by ($140,440). The year-to-date cash goal is $43,285,626 and the Hospital has collected $45,670,485 or over the goal by $2,384,859 Days of cash on hand are 19.8 days at June 30, 2017. Accounts Receivable increased from May, from 44.5 days to 45.3 days in June. Accounts Payable increased by $75,208 from May and Accounts Payable days are at 45.8.

Year End June 30, 2017:
After accounting for all activity, the Fiscal Year ended with a net income of $988,081 vs. a budgeted net loss of ($281,517). EBIDA ended at $2,054,261 or 3.6% vs. budgeted at $1,782,779, or 3.3%. Accounts Payable at year end was $3,525,679 vs. $3,790,283 at the end of last fiscal year. Cash at June 30, 2017 was $3,166,281 vs. $1,384,178 at June 30, 2016.

At fiscal year-end June 30, 2017 the gross patient revenue is over budget by $12,403,758 with the inpatient gross revenue over budget by $7,235,569 and the ER gross revenue over budget by $12,802,192. The fiscal year-end June 30, 2017 revenue deductions were unfavorable to budget by ($10,697,439) which is primarily due to the significant positive variance in IP and ER gross revenue.

At fiscal year-end June 30, 2017 expenses are over budget by ($1,333,551). At year-end salaries and wages were under budget by $470,732 due to short-term FTE adjustments taken by management during FY 2017 and effective staffing in clinical departments. Employee benefits were over year-end budget by ($508,266) due to the unbudgeted increase in the cost of health benefits and an increase in PTO and disability expense. Supplies at fiscal year-end were over budget due to the increased volume in surgeries with the year-end implant expense being ($762,372) over budgeted expectations. Purchased services were better than budget at year-end primarily due to Medical Records not outsourcing coding services anticipated, a savings of $168,862. Year-end interest expense is over budgeted expectations ($122,917) due to the unbudgeted interest expense related to the south lot loan and the fluoroscopy project.

ATTACHMENTS:
-Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
-Attachment B is the Operating Indicators Report
-Attachment C is the Balance Sheet
-Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
-Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.
-Attachment F are the graphs for Revenue and Accounts Payable.
-Attachment G is the Statistical Analysis
-Attachment H is the Cash Forecast

Sonoma Valley Hospital
Payer Mix for the month of June 30, 2017

ATTACHMENT A

	June-17				YTD			
Gross Revenue:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	9,545,295	10,020,737	-475,442	-4.7%	117,196,827	119,328,993	-2,132,166	-1.8%
Medicare Managed Care	2,594,369	1,510,076	1,084,293	71.8%	30,258,166	18,215,450	12,042,716	66.1%
Medi-Cal	5,349,925	4,084,533	1,265,392	31.0%	48,129,442	48,066,499	62,943	0.1%
Self Pay	224,084	242,837	-18,753	-7.7%	3,851,818	2,940,843	910,975	31.0%
Commercial & Other Government	4,980,602	4,338,201	642,401	14.8%	54,432,217	51,204,078	3,228,139	6.3%
Worker's Comp.	615,824	595,423	20,401	3.4%	7,154,540	7,145,814	8,726	0.1%
Capitated	341,185	567,794	-226,609	-39.9%	5,051,833	6,769,408	-1,717,575	-25.4%
Total	**23,651,284**	**21,359,601**	**2,291,683**		**266,074,843**	**253,671,085**	**12,403,758**	

Net Revenue:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	1,474,223	1,678,633	-204,410	-12.2%	18,518,878	20,213,950	-1,695,072	-8.4%
Medicare Managed Care	391,789	233,871	157,918	67.5%	4,310,154	2,765,022	1,545,132	55.9%
Medi-Cal	760,039	606,235	153,804	25.4%	6,771,154	7,119,296	-348,142	-4.9%
Self Pay	87,144	84,112	3,032	3.6%	1,662,104	1,220,872	441,232	36.1%
Commercial & Other Government	1,724,540	1,779,218	-54,678	-3.1%	19,098,083	20,594,027	-1,495,944	-7.3%
Worker's Comp.	130,371	127,117	3,254	2.6%	1,611,236	1,612,840	-1,604	-0.1%
Capitated	10,664	18,411	-7,747	-42.1%	159,891	231,460	-71,569	-30.9%
Prior Period Adj/IGT	480,306	-	480,306	*	3,332,286	-	3,332,286	*
Total	**5,059,076**	**4,527,597**	**531,479**	**11.7%**	**55,463,786**	**53,757,467**	**1,706,319**	**3.2%**

Percent of Net Revenue:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	29.2%	37.0%	-7.8%	-21.1%	33.4%	37.7%	-4.4%	-11.7%
Medicare Managed Care	7.7%	5.2%	2.5%	48.1%	7.8%	5.1%	2.7%	52.9%
Medi-Cal	15.0%	13.4%	1.6%	11.9%	12.2%	13.2%	-1.0%	-7.6%
Self Pay	1.7%	1.9%	-0.2%	-10.5%	3.0%	2.3%	0.7%	30.4%
Commercial & Other Government	34.1%	39.3%	-5.2%	-13.2%	34.4%	38.3%	-3.9%	-10.2%
Worker's Comp.	2.6%	2.8%	-0.2%	-7.1%	2.9%	3.0%	-0.1%	-3.3%
Capitated	0.2%	0.4%	-0.2%	-50.0%	0.3%	0.4%	-0.1%	-25.0%
Prior Period Adj/IGT	9.5%	0.0%	9.5%	*	6.0%	0.0%	6.1%	*
Total	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**100.0%**	**100.0%**	**0.0%**	**0.0%**

Projected Collection Percentage:	**Actual**	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Medicare	15.4%	16.8%	-1.4%	-8.3%	15.8%	16.9%	-1.1%	-6.5%
Medicare Managed Care	15.1%	15.5%	-0.4%	-2.6%	14.2%	15.2%	-1.0%	-6.6%
Medi-Cal	14.2%	14.8%	-0.6%	-4.1%	14.1%	14.8%	-0.7%	-4.7%
Self Pay	38.9%	34.6%	4.3%	12.4%	43.2%	41.5%	1.7%	4.1%
Commercial & Other Government	34.6%	41.0%	-6.4%	-15.6%	35.1%	40.2%	-5.1%	-12.7%
Worker's Comp.	21.2%	21.3%	-0.1%	-0.5%	22.5%	22.6%	-0.1%	-0.4%
Capitated	3.1%	3.2%	-0.1%	-3.1%	3.2%	3.4%	-0.2%	-5.9%
Prior Period Adj/IGT	2.0%	0.0%	2.0%	*	1.3%	0.0%	1.3%	*

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended June 30, 2017

ATTACHMENT B

	CURRENT MONTH				YEAR-TO-DATE			YTD
	Actual 06/30/17	Budget 06/30/17	Favorable (Unfavorable) Variance		Actual 06/30/17	Budget 06/30/17	Favorable (Unfavorable) Variance	Prior Year 06/30/16
				Inpatient Utilization				
				Discharges				
1	77	83	(6)	Acute	1,072	1,003	69	995
2	10	14	(4)	ICU	136	188	(52)	173
3	87	97	(10)	Total Discharges	1,208	1,191	17	1,168
4	12	24	(12)	Newborn	136	171	(35)	172
5	99	121	(22)	Total Discharges inc. Newborns	1,344	1,362	(18)	1,340
				Patient Days:				
6	268	272	(4)	Acute	3,623	3,183	440	3,264
7	78	95	(17)	ICU	1,157	1,160	(3)	1,129
8	346	367	(21)	Total Patient Days	4,780	4,343	437	4,393
9	30	54	(24)	Newborn	266	350	(84)	350
10	376	421	(45)	Total Patient Days inc. Newborns	5,046	4,693	353	4,743
				Average Length of Stay:				
11	3.5	3.3	0.2	Acute	3.4	3.2	0.2	3.3
12	7.8	6.8	1.0	ICU	8.5	6.2	2.3	6.5
13	4.0	3.8	0.2	Avg. Length of Stay	4.0	3.6	0.3	3.8
14	2.5	2.3	0.3	Newborn ALOS	2.0	2.0	0.1	2.0
				Average Daily Census:				
15	8.9	9.1	(0.1)	Acute	9.9	8.7	1.2	8.9
16	2.6	3.2	(0.6)	ICU	3.2	3.2	(0.0)	3.1
17	11.5	12.2	(0.7)	Avg. Daily Census	13.1	11.9	1.2	12.0
18	1.0	1.8	(0.8)	Newborn	0.73	0.96	(0.2)	0.96
				Long Term Care:				
19	458	669	(211)	SNF Patient Days	6,553	7,486	(933)	7,312
20	25	26	(1)	SNF Discharges	354	329	25	327
21	15.3	22.3	(7.0)	Average Daily Census	18.0	20.5	(2.6)	20.0
				Other Utilization Statistics				
				Emergency Room Statistics				
22	964	859	105	Total ER Visits	11,145	10,590	555	10,648
				Outpatient Statistics:				
23	4,782	4,423	359	Total Outpatients Visits	55,492	57,297	(1,805)	57,009
24	36	43	(7)	IP Surgeries	444	468	(24)	367
25	161	99	62	OP Surgeries	1,332	1,316	16	1,145
26	66	20	46	Special Procedures	543	372	171	428
27	940	947	(7)	Home Health Visits	11,117	11,400	(283)	11,283
28	324	318	6	Adjusted Discharges	4,073	3,948	125	4,014
29	2,328	2,681	(353)	Adjusted Patient Days (Inc. SNF)	29,503	30,738	(1,236)	31,432
30	77.6	89.4	(11.8)	Adj. Avg. Daily Census (Inc. SNF)	80.8	84.2	(3.4)	86.1
31	1.6617	1.4000	0.262	Case Mix Index -Medicare	1.6492	1.4000	0.249	1.5370
32	1.5648	1.4000	0.165	Case Mix Index - All payers	1.5673	1.4000	0.167	1.4248
				Labor Statistics				
33	278	294	16.5	FTE's - Worked	282	288	5.0	286
34	321	327	5.9	FTE's - Paid	318	320	2.3	321
35	40.82	42.41	1.59	Average Hourly Rate	40.85	41.27	0.42	40.38
36	23.6	20.9	(2.7)	Manhours / Adj. Pat Day	22.4	21.7	(0.7)	21.2
37	169.4	175.8	6.4	Manhours / Adj. Discharge	162.5	168.9	6.3	166.3
38	24.0%	21.6%	-2.4%	Benefits % of Salaries	23.1%	22.2%	-0.9%	22.9%
				Non-Labor Statistics				
39	12.1%	11.4%	-0.7%	Supply Expense % Net Revenue	12.6%	11.5%	-1.1%	11.4%
40	1,933	1,675	(258)	Supply Exp. / Adj. Discharge	1,765	1,617	(148)	1,559
41	16,642	16,475	(167)	Total Expense / Adj. Discharge	15,593	15,749	156	15,323
				Other Indicators				
42	19.8			Days Cash - Operating Funds				
43	45.3	50.0	(4.7)	Days in Net AR	48.8	50.0	(1.2)	52.7
44	97%			Collections % of Net Revenue	106%			101.0%
45	45.8	55.0	(9.2)	Days in Accounts Payable	45.8	55.0	(9.2)	28.8
46	22.0%	21.9%	0.1%	% Net revenue to Gross revenue	21.5%	21.9%	-0.5%	22.4%
47	22.5%			% Net AR to Gross AR	22.5%			26.7%

Sonoma Valley Health Care District
Balance Sheet
As of June 30, 2017

ATTACHMENT C
Pre 6/30/17 Audit

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 3,166,281	$ 2,951,248	$ 1,384,178
2	Trustee Funds	3,966,031	3,962,198	3,420,699
3	Net Patient Receivables	9,130,132	8,930,499	9,241,081
4	Allow Uncollect Accts	(1,441,052)	(1,412,630)	(925,573)
5	Net A/R	7,689,080	7,517,869	8,315,508
6	Other Accts/Notes Rec	7,137,441	(37,582)	7,315,041
7	3rd Party Receivables, Net	1,455,586	1,510,169	1,272,923
8	Inventory	832,006	828,042	815,081
9	Prepaid Expenses	848,434	810,003	868,820
10	Total Current Assets	$ 25,094,859	$ 17,541,947	$ 23,392,250
12	Property,Plant & Equip, Net	$ 53,261,936	$ 53,317,990	$ 52,341,276
13	Specific Funds	918,711	918,635	445,395
14	Other Assets	-	-	144,202
15	Total Assets	$ 79,275,506	$ 71,778,572	$ 76,323,123
	Liabilities & Fund Balances			
	Current Liabilities:			
16	Accounts Payable	$ 3,525,679	$ 3,450,471	$ 3,790,283
17	Accrued Compensation	4,406,625	4,274,878	4,043,854
18	Interest Payable	551,329	441,063	571,281
19	Accrued Expenses	1,348,489	1,466,823	1,055,778
20	Advances From 3rd Parties	510,274	160,112	135,883
21	Deferred Tax Revenue	6,808,200	496,909	5,962,904
22	Current Maturities-LTD	1,302,516	1,296,874	1,496,385
23	Line of Credit - Union Bank	6,973,734	6,973,734	5,923,734
24	Other Liabilities	1,386	1,386	959,216
25	Total Current Liabilities	$ 25,428,232	$ 18,562,250	$ 23,939,318
26	Long Term Debt, net current portion	$ 37,180,889	$ 37,239,907	$ 36,744,412
27	Fund Balances:			
28	Unrestricted	$ 12,787,251	$ 12,172,504	$ 12,666,984
29	Restricted	3,879,134	3,803,912	2,972,410
30	Total Fund Balances	$ 16,666,385	$ 15,976,415	$ 15,639,393
31	Total Liabilities & Fund Balances	$ 79,275,506	$ 71,778,572	$ 76,323,123

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 30, 2017

ATTACHMENT D

Pre 6/30/17 Audit

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual	Budget	$	%		Actual	Budget	$	%	Prior Year
					Volume Information					
1	87	97	(10)	-10%	Acute Discharges	1,208	1,191	17	1%	1,168
2	458	669	(211)	-32%	SNF Days	6,553	7,486	(933)	-12%	7,312
3	940	947	(7)	-1%	Home Care Visits	11,117	11,400	(283)	-2%	11,283
4	15,454	13,106	2,349	18%	Gross O/P Revenue (000's)	$ 163,815	$ 156,032	7,783	5%	$ 153,835
					Financial Results					
					Gross Patient Revenue					
5	$ 6,457,191	$ 5,911,491	545,700	9%	Inpatient	$ 78,991,841	$ 71,756,272	7,235,569	10%	$ 65,987,866
6	8,872,592	7,934,486	938,106	12%	Outpatient	86,594,341	91,363,769	(4,769,428)	-5%	86,068,454
7	6,296,385	4,849,357	1,447,028	30%	Emergency	73,595,308	60,793,116	12,802,192	21%	64,328,182
8	1,694,910	2,342,339	(647,429)	-28%	SNF	22,997,175	25,882,754	(2,885,579)	-11%	25,233,883
9	330,206	321,928	8,278	3%	Home Care	3,896,178	3,875,174	21,004	1%	3,731,909
10	**$ 23,651,284**	**$ 21,359,601**	**2,291,683**	**11%**	**Total Gross Patient Revenue**	**$ 266,074,843**	**$ 253,671,085**	**12,403,758**	**5%**	**$ 245,350,294**
					Deductions from Revenue					
11	$ (18,764,690)	$ (16,729,793)	(2,034,897)	-12%	Contractual Discounts	$ (211,713,516)	$ (198,686,998)	(13,026,518)	-7%	$ (193,474,850)
12	(275,000)	(66,250)	(208,750)	-315%	Bad Debt	(1,890,000)	(795,000)	(1,095,000)	-138%	(1,240,000)
13	(32,824)	(35,961)	3,137	9%	Charity Care Provision	(365,867)	(431,620)	65,753	15%	(298,356)
14	480,306	-	480,306	*	Prior Period Adj/Government Program Revenue	3,358,326	-	3,358,326	*	2,919,501
15	**$ (18,592,208)**	**$ (16,832,004)**	**(1,760,204)**	**10%**	**Total Deductions from Revenue**	**$ (210,611,057)**	**$ (199,913,618)**	**(10,697,439)**	**5%**	**$ (192,093,705)**
16	**$ 5,059,076**	**$ 4,527,597**	**531,479**	**12%**	**Net Patient Service Revenue**	**$ 55,463,786**	**$ 53,757,467**	**1,706,319**	**3%**	**$ 53,256,589**
17	$ 128,918	$ 155,766	(26,848)	-17%	Risk contract revenue	$ 1,553,668	$ 1,869,247	(315,579)	-17%	$ 1,681,630
18	$ 5,187,994	$ 4,683,363	504,631	11%	Net Hospital Revenue	$ 57,017,454	$ 55,626,714	1,390,740	3%	$ 54,938,219
19	$ 17,985	$ 24,341	(6,356)	**-26%**	Other Op Rev & Electronic Health Records	$ 341,678	$ 292,202	49,476	17%	$ 540,254
20	**$ 5,205,979**	**$ 4,707,704**	**498,275**	**11%**	**Total Operating Revenue**	**$ 57,359,132**	**$ 55,918,916**	**1,440,216**	**3%**	**$ 55,478,473**
					Operating Expenses					
21	$ 2,242,632	$ 2,372,732	130,100	5%	Salary and Wages and Agency Fees	$ 27,037,472	$ 27,508,204	470,732	2%	$ 26,949,851
22	917,345	$ 827,237	(90,108)	-11%	Employee Benefits	10,652,685	10,144,419	(508,266)	-5%	10,304,798
23	$ 3,159,977	$ 3,199,969	39,992	1%	Total People Cost	$ 37,690,157	$ 37,652,623	(37,534)	0%	$ 37,254,649
24	$ 425,173	$ 396,863	(28,310)	-7%	Med and Prof Fees (excld Agency)	$ 4,680,272	$ 4,724,197	43,925	1%	$ 4,375,204
25	626,899	533,279	(93,620)	-18%	Supplies	7,190,489	6,383,775	(806,714)	-13%	6,255,970
26	425,308	351,575	(73,733)	-21%	Purchased Services	3,994,314	4,160,086	165,772	4%	3,518,654
27	285,344	293,217	7,873	3%	Depreciation	3,385,925	3,518,571	132,646	4%	3,461,197
28	100,097	100,683	586	1%	Utilities	1,189,500	1,201,226	11,726	1%	1,118,495
29	29,292	33,421	4,129	12%	Insurance	354,447	400,755	46,308	12%	303,070
30	49,424	37,086	(12,338)	-33%	Interest	541,086	418,169	(122,917)	-29%	656,362
31	148,204	150,286	2,082	1%	Other	1,661,535	1,927,217	265,682	14%	2,051,831
32	-	-	-	*	Matching Fees (Government Programs)	1,032,445	-	(1,032,445)	*	657,826
33	**$ 5,249,718**	**$ 5,096,379**	**(153,339)**	**-3%**	**Operating expenses**	**$ 61,720,170**	**$ 60,386,619**	**(1,333,551)**	**-2%**	**$ 59,653,258**
34	**$ (43,739)**	**$ (388,675)**	**344,936**	**89%**	**Operating Margin**	**$ (4,361,038)**	**$ (4,467,703)**	**106,665**	**2%**	**$ (4,174,785)**

ATTACHMENT D

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 30, 2017

	Month						Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual	Budget	$	%		Actual	Budget	$	%	Prior Year
					Non Operating Rev and Expense					
35	$ (19,470)	$ (21,139)	1,669	-8%	Miscellaneous Revenue/(Expenses)	$ (119,792)	$ (236,258)	116,466	*	$ (100,405)
36	7,200	-	7,200	0%	Donations	108,551	-	108,551	0%	88,641
37	(37,500)	(37,500)	-	0%	Physician Practice Support-Prima	(450,000)	(450,000)	-	0%	(480,000)
38	199,151	250,000	(50,849)	-20%	Parcel Tax Assessment Rev	2,949,529	3,000,000	(50,471)	-2%	2,967,517
39	**$ 149,381**	**$ 191,361**	**(41,980)**	**-22%**	**Total Non-Operating Rev/Exp**	**$ 2,488,288**	**$ 2,313,742**	**174,546**	**8%**	**$ 2,475,753**
40	**$ 105,642**	**$ (197,314)**	**302,956**	**-154%**	**Net Income / (Loss) prior to Restricted Contributions**	**$ (1,872,750)**	**$ (2,153,961)**	**281,211**	**-13%**	**$ (1,699,032)**
41	$ 36,833	$ 20,698	16,135	78%	Capital Campaign Contribution	$ 242,983	$ 248,376	(5,393)	-2%	$ 472,035
42	$ 38,389	$ -	38,389	0%	Restricted Foundation Contributions	$ 621,313	$ -	621,313	100%	$ -
43	**$ 180,864**	**$ (176,616)**	**357,480**	**-202%**	**Net Income / (Loss) w/ Restricted Contributions**	**$ (1,008,455)**	**$ (1,905,585)**	**897,130**	**-47%**	**$ (1,226,997)**
44	619,372	246,905	372,467	151%	GO Bond Tax Assessment Rev	3,335,371	2,962,904	372,467	13%	2,913,324
45	(110,266)	(110,266)	-	0%	GO Bond Interest	(1,338,835)	(1,338,836)	1	0%	(1,374,745)
46	**$ 689,970**	**$ (39,977)**	**729,947**	**-1826%**	**Net Income/(Loss) w GO Bond Activity**	**$ 988,081**	**$ (281,517)**	**1,269,598**	**-451%**	**$ 311,582**
	$ 440,410	$ 132,989			**EBIDA - Not including Restricted Contributions**	$ 2,054,261	$ 1,782,779			$ 2,418,527
	8.5%	2.8%				3.6%	3.3%			4.4%
	$ 390,986	$ 95,903			**EBDA - Not including Restricted Contributions**	$ 1,513,175	$ 1,364,610			
	7.5%	2.0%				2.6%	2.4%			

Sonoma Valley Health Care District **ATTACHMENT E**

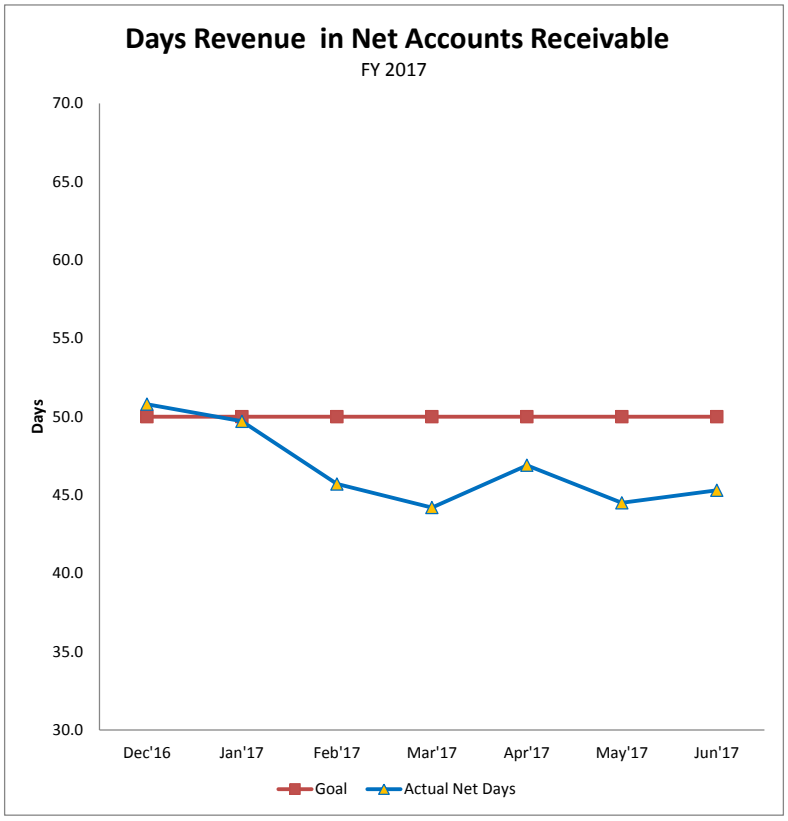
Statement of Revenue and Expenses Variance Analysis

For the Period Ended June 30, 2017

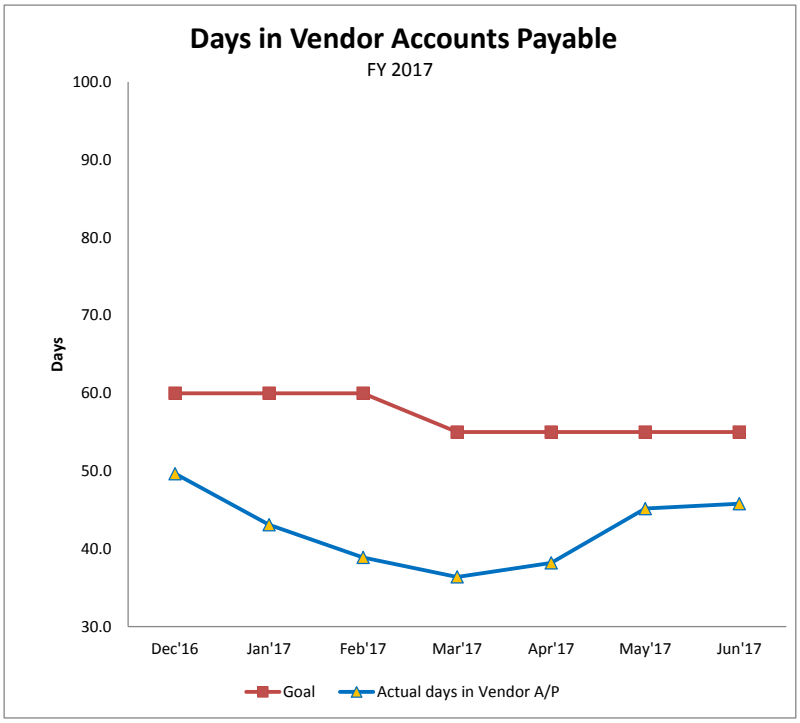
	Description	YTD Variance	MONTH Variance	
	Volume Information			
1	Acute Discharges	17	(10)	
2	SNF Days	(933)	(211)	
3	Home Care Visits	(283)	(7)	
4	Gross O/P Revenue (000's)	7,783	2,349	
	Financial Results			
	Gross Patient Revenue			
5	Inpatient	7,235,569	545,700	Inpatient days were below budgeted expectations by (21) days and IP surgeries were below budget by (7) cases. The positive variance is due to the price increase that went into effect on June 1st along with a higher than budgeted case mix for June.
6	Outpatient	(4,769,428)	938,106	Outpatient visits are 4,782 vs. budgeted expectations of 4,423 visits and outpatient surgeries are 161 vs. budgeted expectations 99.
7	Emergency	12,802,192	1,447,028	ER visits are 964 vs. budgeted visits of 859.
8	SNF	(2,885,579)	(647,429)	SNF patient days are 458 vs. budgeted expected days of 669.
9	Home Care	21,004	8,278	HHA visits are 940 vs. budgeted expectations of 947.
10	**Total Gross Patient Revenue**	**12,403,758**	**2,291,683**	Gross revenue includes the 6% rate increase that was effective June 1st.
	Deductions from Revenue			
11	Contractual Discounts	(13,026,518)	(2,034,897)	
12	Bad Debt	(1,095,000)	(208,750)	
13	Charity Care Provision	65,753	3,137	
14	Prior Period Adj/Government Program Revenue	3,358,326	480,306	HQAF IGT $216,363, Prime grant $125,000 and Medicare pass thru payments of $138,943.
15	**Total Deductions from Revenue**	**(10,697,439)**	**(1,760,204)**	
16	**Net Patient Service Revenue**	**1,706,319**	**531,479**	
17	Risk contract revenue	(315,579)	(26,848)	Blue Shield capitation received was under budget.
18	Net Hospital Revenue	**1,390,740**	**504,631**	
19	Other Op Rev & Electronic Health Records	49,476	(6,356)	
20	**Total Operating Revenue**	**1,440,216**	**498,275**	
	Operating Expenses			
21	Salary and Wages and Agency Fees	470,732	130,100	Salaries and Wages are under budget by $186,592 and the Agency fees are over budget by ($56,492).
22	Employee Benefits	(508,266)	(90,108)	Employee benefits are over budgeted expectations due to PTO ($58,385) and employee benefit costs ($31,723).
23	Total People Cost	**(37,534)**	**39,992**	
24	Med and Prof Fees (excld Agency)	43,925	(28,310)	Additional expense for Prima physician for May and June.
25	Supplies	(806,714)	(93,620)	Supplies are over budget primarily in the surgery department due to surgical implants ($149,891).
26	Purchased Services	165,772	(73,733)	Purchased services are over budgeted expectations for June in IT due to the outsourcing of McKesson Paragon.
27	Depreciation	132,646	7,873	
28	Utilities	11,726	586	
29	Insurance	46,308	4,129	
30	Interest	(122,917)	(12,338)	Interest on the South lot loan and the flouroscopy project were not budgeted for FY 2017.
31	Other	265,682	2,082	
32	Matching Fees (Government Programs)	(1,032,445)	-	
33	**Operating expenses**	**(1,333,551)**	**(153,339)**	
34	**Operating Margin**	**106,665**	**344,936**	
	Non Operating Rev and Expense			
35	Miscellaneous Revenue	116,466	1,669	
36	Donations	108,551	7,200	Foundation grant received for the OP diagnostics center.
37	Physician Practice Support-Prima	-	-	
38	Parcel Tax Assessment Rev	(50,471)	**(50,849)**	Year-end adjustmnt of parcel tax revenue.
39	**Total Non-Operating Rev/Exp**	**174,546**	**(41,980)**	
			-	
40	**Net Income / (Loss) prior to Restricted Contributions**	**281,211**	**302,956**	

Sonoma Valley Health Care District **ATTACHMENT E**
Statement of Revenue and Expenses Variance Analysis
For the Period Ended June 30, 2017

	Description	YTD Variance	MONTH Variance	
			-	
41	Capital Campaign Contribution	(5,393)	16,135	Capital campaign donations received from the Foundation in June were over budgeted expectations.
42	Restricted Foundation Contributions	621,313	38,389	Foundation grant received for the Truclear surgical system.
43	**Net Income / (Loss) w/ Restricted Contributions**	**897,130**	**357,480**	
44	GO Bond Tax Assessment Rev	**372,467**	**372,467**	Year-end adjustment of county GO bond receipts.
45	GO Bond Interest	**1**	-	
46	**Net Income/(Loss) w GO Bond Activity**	**1,269,598**	**729,947**	



Days in A/R	Dec'16	Jan'17	Feb'17	Mar'17	Apr'17	May'17	Jun'17
Actual days in A/R	50.8	49.7	45.7	44.2	46.9	44.5	45.3
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Dec'16	Jan'17	Feb'17	Mar'17	Apr'17	May'17	Jun'17
Actual days in Vendor A/P	49.7	43.1	38.9	36.4	38.2	45.2	45.8
Goal	60.0	60.0	60.0	55.0	55.0	55.0	55.0

Sonoma Valley Hospital
Statistical Analysis
FY 2017

ATTACHMENT G

	ACTUAL	BUDGET	ACTUAL											
	Jun-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16
Statistics															
Acute															
Acute Patient Days	346	367	388	368	415	415	465	355	396	402	407	437	386	334	386
Acute Discharges (w/o Newborns)	87	97	100	89	119	97	119	100	95	99	95	105	103	95	85
SNF Days	458	669	559	512	572	607	592	500	446	512	624	608	563	526	529
HHA Visits	940	947	966	934	849	922	877	919	938	880	1,042	890	960	942	844
Emergency Room Visits	964	859	1,069	921	941	851	1,000	942	850	852	897	918	940	907	940
Gross Outpatient Revenue (000's)	$15,454	$13,106	$15,523	$13,168	$15,098	$12,189	$13,500	$12,935	$13,147	$13,347	$13,512	$13,336	$12,605	$13,465	$13,827
Equivalent Patient Days	2,328	2,681	2,654	2,227	2,537	2,553	2,618	2,382	2,202	2,380	2,707	2,581	2,322	2,381	2,545
Births	15	24	7	11	12	12	11	9	8	9	14	17	14	14	13
Surgical Cases - Inpatient	36	43	30	47	40	26	38	28	38	42	37	39	43	31	36
Surgical Cases - Outpatient	161	99	143	124	149	101	110	98	123	84	81	85	73	93	87
Total Surgical Cases	197	142	173	171	189	127	148	126	161	126	118	124	116	124	123
Total Special Procedures	66	20	58	44	36	41	28	40	32	29	49	63	57	61	30
Medicare Case Mix Index	1.66	1.40	1.69	1.64	1.45	1.52	1.47	1.59	1.79	1.59	1.97	1.58	1.84	1.64	1.73
Income Statement															
Net Revenue (000's)	$5,188	$4,683	5,330	4,924	5,283	4,266	$4,528	$3,588	$4,452	$4,727	$4,406	$4,919	$5,172	$4,980	$4,610
Operating Expenses (000's)	$5,250	$5,096	$5,678	$5,308	$5,395	$4,803	$5,026	$4,713	$5,047	$4,912	$4,807	$5,310	$5,472	$5,450	$5,267
Net Income (000's)	$690	($40)	16	-24	304	308	($108)	($600)	($65)	$337	($6)	($23)	$59	($133)	($403)
Productivity															
Total Operating Expense Per Equivalent Patient Day	$2,255	$1,901	$2,139	$2,383	$2,127	$1,881	$1,920	$1,979	$2,292	$2,064	$1,776	$2,057	$2,356	$2,289	$2,069
Productive FTEs	278	294	291	285	294	294	280	253	289	280	283	286	278	287	300
Non-Productive FTE's	43	33	28	28	28	28	36	56	30	36	36	35	42	37	32
Total FTEs	321	327	319	313	322	322	316	309	319	316	319	321	320	324	332
FTEs per Adjusted Occupied Bed	4.14	3.66	3.73	4.22	3.93	3.54	3.74	4.03	4.35	4.11	3.54	3.86	4.28	4.08	4.16
Balance Sheet															
Days of Expense In General Operating Cash	20		19	11	16	27	20	25	10	11	6	15	11	9	9
Net Days of Revenue in AR	45	50	44	47	44	46	50	51	53	50	50	50	55	57	55

Sonoma Valley Hospital
Cash Forecast
FY 2017

ATTACHMENT H

		Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual TOTAL
	Hospital Operating Sources													
1	Patient Payments Collected	4,375,192	4,731,348	3,928,129	4,155,005	3,905,768	4,342,807	4,110,672	4,603,390	4,630,430	3,918,173	4,826,603	4,645,037	52,172,554
2	Capitation Revenue	127,594	124,410	126,315	133,982	132,267	134,940	131,281	128,777	129,394	130,272	125,517	128,918	1,553,667
3	Napa State	2,326	49,264	12,455	-	78,395	11,460	84		64,824	41,351		17,091	277,251
4	Other Operating Revenue	39,800	21,422	28,846	30,148	24,397	20,356	77,478	46,006	82,316	48,433	65,714	34,864	519,781
5	Other Non-Operating Revenue	20,788	46,700	32,026	71,410	72,181	77,749	55,550	48,045	57,015	10,687	49,538	6,669	548,358
6	Unrestricted Contributions	1,549	11,560	13,093	39,995	799		16,968	5,312	19,842	2,907		7,200	119,225
7	Line of Credit	190,000	(190,000)		812,500	287,300		(851,142)						248,658
	Sub-Total Hospital Sources	**4,757,249**	**4,794,704**	**4,140,864**	**5,243,040**	**4,501,108**	**4,587,312**	**3,540,891**	**4,831,530**	**4,983,821**	**4,151,823**	**5,067,372**	**4,839,779**	**55,439,494**
	Hospital Uses of Cash													
8	Operating Expenses	4,578,560	4,139,921	5,611,993	4,675,722	4,283,113	4,524,239	4,696,532	4,846,020	6,578,663	4,765,207	4,613,422	5,033,300	58,346,692
9	Less Depreciation													-
10	Add Capital Lease Payments	49,245	173,774	36,968	40,319	172,462	34,339	38,355	173,920	63,444	62,097	233,001	53,375	1,131,299
11	Additional Liabilities		400,000				350,000	700,000						1,450,000
12	Capital - Board Approved Spending	60,776	43,811	62,997	155,782	7,836	25,626	151,646	89,244	139,796	70,670	122,149	208,677	1,139,010
13	Napa State													-
	Total Hospital Uses	**4,688,581**	**4,757,506**	**5,711,958**	**4,871,823**	**4,463,411**	**4,934,204**	**5,586,533**	**5,109,184**	**6,781,903**	**4,897,974**	**4,968,572**	**5,295,352**	**62,067,001**
	Net Hospital Sources/Uses of Cash	**68,668**	**37,198**	**(1,571,094)**	**371,217**	**37,697**	**(346,892)**	**(2,045,642)**	**(277,654)**	**(1,798,082)**	**(746,151)**	**98,800**	**(455,573)**	**(6,627,506)**
	Non-Hospital Sources													
14	Restricted Cash/Capital Donations	3,167	141,475	42,379	118,737	69,984	167	1,029,121	481,238	26,470	167	1,417	71,889	1,986,211
15	Electronic Health Records						43,689				1,960			45,649
16	Parcel Tax Revenue	179,365					1,626,181					1,170,694		2,976,240
17	Advancement - Foundation		400,000				(400,000)							-
18	Advancement - South Lot		263,453											263,453
19	Other:													-
20	IGT				343,950		1,506,344	205,630					598,717	2,654,641
21	IGT - AB915 (Net)								903,363					903,363
22	PRIME	375,000			1,125,000							150,000		1,650,000
	Sub-Total Non-Hospital Sources	**557,532**	**804,928**	**42,379**	**1,587,687**	**69,984**	**2,776,381**	**1,234,751**	**1,384,601**	**26,470**	**2,127**	**1,322,111**	**670,606**	**10,479,558**
	Non-Hospital Uses of Cash													
23	Matching Fees	187,575	188,984		1,120,982	287,323					75,000	210,084		2,069,948
	Sub-Total Non-Hospital Uses of Cash	187,575	188,984	-	1,120,982	287,323	-	-	-	-	75,000	210,084	-	2,069,948
	Net Non-Hospital Sources/Uses of Cash	**369,957**	**615,944**	**42,379**	**466,705**	**(217,339)**	**2,776,381**	**1,234,751**	**1,384,601**	**26,470**	**(72,873)**	**1,112,027**	**670,606**	**8,409,610**
	Net Sources/Uses	**438,625**	**653,142**	**(1,528,715)**	**837,922**	**(179,642)**	**2,429,489**	**(810,891)**	**1,106,947**	**(1,771,612)**	**(819,024)**	**1,210,828**	**215,033**	
	Cash and Equivalents at beginning of period	1,384,178	1,822,803	2,475,945	947,230	1,785,152	1,605,510	4,034,999	3,224,109	4,331,056	2,559,444	1,740,420	2,951,248	
	Cash and Equivalents at end of period	**1,822,803**	**2,475,945**	**947,230**	**1,785,152**	**1,605,510**	**4,034,999**	**3,224,109**	**4,331,056**	**2,559,444**	**1,740,420**	**2,951,248**	**3,166,281**	

(a) Net IGT is $431,347

Sonoma Valley Hospital
Cash Forecast
FY 2017

ATTACHMENT H

		Actual July - Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual TOTAL
	Hospital Operating Sources								
1	Patient Payments Collected	25,438,249	4,110,672	4,603,390	4,630,430	3,918,173	4,826,603	4,645,037	52,172,554
2	Capitation Revenue	779,508	131,281	128,777	129,394	130,272	125,517	128,918	1,553,667
3	Napa State	153,900	84		64,824	41,351	-	17,091	277,251
4	Other Operating Revenue	164,969	77,478	46,006	82,316	48,433	65,714	34,864	519,781
5	Other Non-Operating Revenue	320,855	55,550	48,045	57,015	10,687	49,538	6,669	548,358
6	Unrestricted Contributions	66,996	16,968	5,312	19,842	2,907	-	7,200	119,225
7	Line of Credit	1,099,800	(851,142)						248,658
	Sub-Total Hospital Sources	**28,024,277**	**3,540,891**	**4,831,530**	**4,983,821**	**4,151,823**	**5,067,372**	**4,839,779**	**55,439,494**
	Hospital Uses of Cash								
8	Operating Expenses	27,813,548	4,696,532	4,846,020	6,578,663	4,765,207	4,613,422	5,033,300	58,346,692
9	Less Depreciation	-							-
10	Add Capital Lease Payments	507,107	38,355	173,920	63,444	62,097	233,001	53,375	1,131,299
11	Additional Liabilities	750,000	700,000						1,450,000
12	Capital - Board Approved Spending	356,828	151,646	89,244	139,796	70,670	122,149	208,677	1,139,010
13	Napa State	-							-
	Total Hospital Uses	**29,427,483**	**5,586,533**	**5,109,184**	**6,781,903**	**4,897,974**	**4,968,572**	**5,295,352**	**62,067,001**
	Net Hospital Sources/Uses of Cash	**(1,403,206)**	**(2,045,642)**	**(277,654)**	**(1,798,082)**	**(746,151)**	**98,800**	**(455,573)**	**(6,627,506)**
	Non-Hospital Sources								
14	Restricted Cash/Capital Donations	375,909	1,029,121	481,238	26,470	167	1,417	71,889	1,986,211
15	Electronic Health Records	43,689				1,960			45,649
16	Parcel Tax Revenue	1,805,546					1,170,694		2,976,240
17	Advancement - Foundation	-							-
18	Advancement - South Lot	263,453							263,453
19	Other:	-							-
20	IGT	1,850,294	205,630		-			598,717	2,654,641
21	IGT - AB915 (Net)	-		903,363					903,363
22	PRIME	1,500,000					150,000		1,650,000
	Sub-Total Non-Hospital Sources	**5,838,891**	**1,234,751**	**1,384,601**	**26,470**	**2,127**	**1,322,111**	**670,606**	**10,479,558**
	Non-Hospital Uses of Cash								
23	Matching Fees	1,784,864				75,000	210,084	-	2,069,948
	Sub-Total Non-Hospital Uses of Cash	1,784,864	-	-	-	75,000	210,084	-	2,069,948
	Net Non-Hospital Sources/Uses of Cash	**4,054,027**	**1,234,751**	**1,384,601**	**26,470**	**(72,873)**	**1,112,027**	**670,606**	**8,409,610**
	Net Sources/Uses	**2,650,821**	**(810,891)**	**1,106,947**	**(1,771,612)**	**(819,024)**	**1,210,828**	**215,033**	
	Cash and Equivalents at beginning of period	1,384,178	4,034,999	3,224,109	4,331,056	2,559,444	1,740,420	2,951,248	
	Cash and Equivalents at end of period	**4,034,999**	**3,224,109**	**4,331,056**	**2,559,444**	**1,740,420**	**2,951,248**	**3,166,281**	