



BOARD OF DIRECTORS' MEETING

AGENDA

THURSDAY, OCTOBER 5, 2017

CLOSED SESSION 5:00 P.M.

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM

177 First St. W., Sonoma, CA

<p>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.</p>	<p>RECOMMENDATION</p>	
<p>AGENDA ITEM</p>		
<p>MISSION STATEMENT The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</p>		
<p>1. CALL TO ORDER</p>	<p><i>Hirsch</i></p>	
<p>2. PUBLIC COMMENT ON CLOSED SESSION</p>	<p><i>Hirsch</i></p>	
<p>3. CLOSED SESSION <u>Calif. Government Code & Health and Safety Code § 54947</u> Performance Evaluation Regarding Chief Executive Officer</p>	<p><i>Hirsch</i></p>	<p>Action</p>
<p>4. REPORT ON CLOSED SESSION</p>	<p><i>Hirsch</i></p>	<p>Inform</p>
<p>5. PUBLIC COMMENT</p>	<p><i>Hirsch</i></p>	<p>Inform</p>
<p>6. CONSENT CALENDAR A. Board Minutes 09.07.17 B. Finance Committee Minutes 06.27.17 & 08.22.17 C. Quality Committee Minutes 08.23.17 D. Executed Policies and Procedures E. Medical Staff Credentialing Report <i>Pages 2-26</i></p>	<p><i>Hirsch</i></p>	<p>Action</p>
<p>7. CEO PERFORMANCE EVALUATION w/BOARD LETTERS <i>Pages 27-34</i></p>	<p><i>Hohorst/Rymer</i></p>	<p>Inform/Action</p>
<p>8. AUDIT COMMITTEE MEMBERS • David Duncan and Dick Fogg <i>Page 35</i></p>	<p><i>Nevins</i></p>	<p>Inform/Action</p>
<p>9. UPDATE FROM SONOMA COUNTY DEPARTMENT OF HEALTH</p>	<p><i>Robinson</i></p>	<p>Inform</p>
<p>10. ADMINISTRATIVE REPORT OCTOBER 2017 <i>Pages 36-38</i></p>	<p><i>Mather</i></p>	<p>Inform</p>
<p>11. FINANCIAL REPORT MONTH END AUG. 31, 2017 <i>Pages 39-51</i></p>	<p><i>Jensen</i></p>	<p>Inform</p>
<p>12. COMMITTEE REPORTS • Governance Committee Orientation Outline 2017 <i>Pages 52-57</i></p>	<p><i>Hirsch</i> <i>Hohorst</i></p>	<p>Inform Inform</p>
<p>13. BOARD COMMENTS • SB687 Veto Letter <i>Pages 58-59</i> • Jan. 4, 2018 Board meeting move to Jan. 11th 2018</p>	<p><i>Board Members</i></p>	<p>Inform</p>
<p>14. ADJOURN</p>	<p><i>Hirsch</i></p>	

6.

CONSENT CALENDAR



BOARD OF DIRECTORS' MEETING
MINUTES

THURSDAY, SEPTEMBER 7, 2017

CLOSED SESSION 5:00 P.M.

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
 175 First Street West Sonoma CA

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER The meeting was called to order at 5:58p.m.	<i>Hirsch</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Hirsch</i>	
None		
3. CLOSED SESSION	<i>Hirsch</i>	
4. REPORT ON CLOSED SESSION		Inform
Ms. Hirsch reported that during the closed session the draft terms for the two proposals from Caymus Capital and DeNova homes were reviewed.		
5. PUBLIC COMMENT	<i>Hirsch</i>	
Ken Brown stated that on Monday September 11 th the Sonoma City Council will be having a study session on medicinal cannabis and delivery services for Sonoma. Ceclia Ponicsan – Mrs. Ponicsan read a prepared letter requesting that Sonoma Valley Hospital be the sole medicinal marijuana dispensary in Sonoma.		
6. CONSENT CALENDAR	<i>Hirsch</i>	Inform/Action
		MOTION: by Nevins 2 nd by Hohorst. All in favor
7. SOUTH LOT DISCUSSION	<i>Hirsch</i>	Inform/Action
Ms. Hirsch read a letter by Simon Blattner which stated that he is unable to continue his pursuit for the affordable housing project on the south lot. Ken Brown, Carol Jansen, Nick DeLotta, Michael Hall, Bastian Shull, Christ Petlock, Vince Benick, Zach Lawrence, and Bill Jasper spoke in support of Caymus Capital and Mr. Ed Routhier. Mr. Rymer reported that the Ad Hoc committee has worked for the last month evaluating and developing terms for the two proposals. The Ad Hoc committee recommended unanimously		MOTION: by Rymer to move forward with DeNova2 nd by Hohorst. All in favor

to move forward with a final purchase agreement with DeNova Homes.		
8. RESOLUTION NO. 335 ADOPTION AND IMPLEMENTATION OF DESIGN BUILD CONSTRUCTION PROCESS FOR THE OUTPATIENT DIAGNOSTIC CENTER	<i>Coss/Peluso</i>	Inform/Action
Mr. Peluso gave an overview of the design build components and project specifics for the outpatient diagnostic center. Ms. Mather presented Resolution No. 335. She reported that the Foundation has decided to move forward with the capital campaign for this project and that no SVH money will be used for this project. She gave an outline of the desired timeline for the project.		MOTION: by Rymer to approve Resolution No. 335 2 nd by Nevins. All in favor.
9. BUSINESS DEVELOPMENT, MARKETING & COMMUNITY RELATIONS PRESENTATION	<i>Donaldson/ Kenney/ Kruse De La Rosa</i>	Inform
<p>Ms. Donaldson gave a growth and business overview for FY 2018. She reported about the FY17 accomplishments, growth analysis, opportunities for improvement and goals for FY18. One of the major strategic goals of 2017 was to increase net revenue by \$910,000 and we exceeded this by reaching \$1,876,500.</p> <p>The major Initiatives for FY18 are to increase net revenue by \$1, 450,000 by development, expansion and growth in services. The optimization initiatives for FY18 are to increase margins, increase efficiency, reduce costs and manage a local practice.</p> <p>Mr. Kenney gave an overview of the marketing and community outreach goals. They included growth, an increase of services and revenue, engagement to strengthen community connection through education, partnerships, communications and outreach, build reputation and communicate with the community, as well as build the reputation of SVH by gaining confidence with the residents.</p> <p>Mr. Kenney then spoke of the new expanded regional approach in Bariatric surgery which will give SVH leveraging opportunities in the North Bay. This will include new digital advertising on Facebook and Google AdWords.</p> <p>Mr. Kruse De La Rosa reported on Community Outreach and what was accomplished in FY2017. She spoke about the broad channels that are used to get information out to the community. The Latino community has had a focus on translation of education materials and having Spanish speakers at community events. She said that the goal with engaging our community was to draw 1,900 community participants and we ended up with 2,705 participants. The hospital staff participated in 1400 hours</p>		

of community benefit. Ms. Kruse De La Rosa then gave an update on the upcoming activities.		
10. RESOLUTION NO 336 SETTING THE GO BOND TAX RATE 2017-2018	<i>Jensen</i>	Inform/Action
Mr. Jensen presented Resolution No. 336, asking the Board to set the tax rate for the payment for the bonds per the Parcel Tax.		MOTION: by Rymer ^{2nd} by Nevins. All in favor
11. RESOLUTION NO 337 ISSUANCE OF BONDS TO REFUND THE OUTSTANDING GENERAL OBLIGATION BONDS	<i>Jensen</i>	Inform/Action
Mr. Jensen presented Resolution No. 337 which would issue a refund/refinancing the series B bonds. This potentially could save the tax payers over the life of the Bond approximately 1.2 million dollars. The resolution proposes that we move ahead with Gary Hicks, Investment Banker, in investigating the refunding of the Bonds.		MOTION: by Nevins ^{2nd} by Hohorst. All in favor
12. RESOLUTION NO 338 AUTHORIZING THE ISSUANCE OF A TAX & REVENUE ANTICIPATION NOTE	<i>Jensen</i>	Inform/Action
Mr. Jensen presented resolution number 338, authorizing the issuance of a note to secure an advance of the December parcel tax.		MOTION: by Hohorst ^{2nd} by Rymer. All in favor.
13. FINANCIAL REPORT MONTH END JULY 30, 2017	<i>Jensen</i>	Inform
<p>Mr. Jensen gave the financial report for month end July 31, 2017.</p> <p>The actual loss of (\$593,013) from operations for July was (\$127,043) unfavorable to the budgeted loss of (\$465,970). After accounting for all other activity; the July net loss was (\$197,906) vs. the budgeted net loss of (\$62,374) with a monthly EBIDA of -0.1% vs. a budgeted 2.3%.</p> <p>Gross patient revenue for July was \$21,164,140, (\$992,736) less than expected. Inpatient gross revenue was under budget by (\$1,691,016).</p> <p>Deductions from revenue were favorable to budgeted expectations by \$1,229,991.</p> <p>After accounting for all other operating revenue, the total operating revenue was favorable to budget by \$234,286. After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$338,323) vs. a budgeted net loss of (\$217,208). The total net loss for July after all activity was (\$197,906) vs. a budgeted net loss of (\$62,374).</p> <p>EBIDA for the month of July was -0.1% and IBDA was -1.1%.</p>		

<p>The July cash collection goal was \$4,032,716 and the Hospital collected \$4,012,551 or under the goal by (\$20,165). Days of cash on hand are 16.5 days at July 31, 2017. Accounts Receivable decreased from June, from 45.3 days to 44.8 days in July. Accounts Payable are at 42.1days.</p>		
<p>14. ADMINISTRATIVE REPORT SEPTEMBER 2017</p>	<p><i>Mather</i></p>	
<p>Ms. Mather reported that the new fiscal year started with a very low census that has resulted in flexing of staff. We continue to look at expenses and other areas that we need to address. She reported now that volumes are coming back up. She said that the organizational chart has been revised and there are fewer Chief titles. This was a result in the feedback received during the parcel tax campaign. She said that there is an ongoing effort to increase communication with the community. She then went over the new strategic plan and the updates that were made. Finally she reviewed the new performance score card.</p>		
<p>15. COMMITTEE REPORTS</p> <ul style="list-style-type: none"> • Governance Committee <ul style="list-style-type: none"> Travel & Reimbursement Policy Changes SVH Affiliation Agreements • CEO Objectives for FY2018 	<p><i>Hohorst</i> <i>Hohorst</i> <i>Hohorst/</i> <i>Rymer</i></p>	
<p>Mr. Hohorst presented the Travel and Reimbursement Board Policy changes.</p> <p>Mr. Hohorst reported that because we did not have any affiliations explanation on our website the presented explanation should be posted on our SVH website.</p> <p>Mr. Rymer presented the changes to the objectives and goals for the CEO in FY18.</p>		<p>MOTION: by Hohorst 2nd by Nevins. All in favor</p> <p>MOTION: by Rymer 2nd by Hohorst. All in favor</p>
<p>16. BOARD COMMENTS</p> <ul style="list-style-type: none"> • SVH Oppose Letters for AB1250 	<p><i>Board</i> <i>Members</i></p>	
<p>Ms. Mather spoke about the opposition letters regarding AB1250. She said that district hospitals have been removed. Ms. Nevins wanted to thank Keith Chamberlin for his contributions to the Finance committee. Dr. Chamberlin will be stepping down from the committee due to competing obligations.</p>		
<p>17. ADJOURN 8:13</p>	<p><i>Hirsch</i></p>	



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
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>	
	4:04pm	
2. PUBLIC COMMENT SECTION	<i>Nevins</i>	
	No public comments	
3. CONSENT CALENDAR FC Minutes 5.23.17	<i>Nevins</i>	Action
		MOTION by Porth to approve, 2 nd by Perez. All in favor.
4. ADMINISTRATIVE REPORT	<i>Mather</i>	Inform
	Ms. Mather reported with Dr. Moreno on board Prima medical group should be back on track to make up volumes soon. Ms. Mather said that we have been working with Canopy Health, John Muir, UCSF, and 11 other	

AGENDA ITEM	DISCUSSION	ACTIONS
	<p>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.</p> <p>Meritage Medical network is currently handling our IPA and we are working with them to manage our physician practices the future.</p> <p>Ms. Mather reported that surgeries are up 18% over the prior year.</p> <p>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.</p> <p>Ms. Nevins requested an update on local hospitals.</p> <p>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.</p>	
<p>5. FINANCIAL REPORT FOR MONTH ENDING MAY 31, 2017</p>	<p><i>Jensen</i></p>	
	<p>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 average, recognizing the increase cost and decreased revenue.</p>	

AGENDA ITEM	DISCUSSION	ACTIONS
	<p>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.</p> <p>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.</p>	
6. CAPITAL CASH REQUIREMENTS	<i>Jensen</i>	Inform
	No new information to report	
7. REVIEW OF CURRENT DEBT	<i>Jensen</i>	Inform
	No new information to report	
9. ADJOURN	<i>Nevins</i>	
	Meeting adjourned at 4:52 pm	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, AUGUST 22, 2017
Schantz Conference Room**

Present	Excused	Staff	Public
John Perez Sharon Nevins Keith Hughes Susan Porth Peter Hohorst	Steve Berezin Dr. Mishra Dr. Chamberlin	Ken Jensen Jeanette Tarver Sarah Dungan Dawn Kuwahara Kelly Mather	Gary Hicks

AGENDA ITEM	DISCUSSION	ACTIONS
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>	
	Called to order 4:59p.m.	
2. PUBLIC COMMENT SECTION	<i>Nevins</i>	
	None	
3. CONSENT CALENDAR FC Minutes 7.25.17	<i>Nevins</i>	Action
		MOTION: by Perez second by Hughes. All in favor
4. REFINANCING OF THE SERIES B GO BOND	<i>Gary Hicks</i>	Inform/Action
	Mr. Jensen said that we have an opportunity to save the tax payers 2 million dollars over the life of the bond, based on current rates. Mr. Hicks presents the option to refinance the GO bond based on current interest rates. In doing so, it	MOTION: by Hohorst to recommend to the board to create a resolution to refinance to the bond. 2 nd by Hughes. All in favor.

AGENDA ITEM	DISCUSSION	ACTIONS
	will be a savings of two million dollars for the taxpayers over the life of the bond. There is no cost to the hospital to refinance, but would increase the overall debt by two hundred thousand dollars.	
5. ADMINISTRATIVE REPORT	<i>Mather</i>	Inform
	<p>Ms. Mather gives the August administrative report. She reports that she and Jane Hirsch, Board President have been putting blogs out to the community in an effort to keep open communication going. She said Rate My Hospital has started with great success We are getting good feedback. The new breast surgeon is coming on board in October. This will be a great opportunity to bring women's services back to the hospital.</p> <p>The Home Care contract renewal with Kaiser is still being worked through.</p> <p>She then reviewed the overall satisfaction goals.</p>	
6. FINANCIAL REPORT FOR MONTH ENDING JULY 31, 2017	<i>Jensen</i>	Inform
	<p>Mr. Jensen gave the financial report for month end July 31, 2017.</p> <p>The actual loss of (\$593,013) from operations for July was (\$127,043) unfavorable to the budgeted loss of (\$465,970). After accounting for all other activity; the July net loss was (\$197,906) vs. the budgeted net loss of (\$62,374) with a monthly EBIDA of -0.1% vs. a budgeted 2.3%.</p> <p>Gross patient revenue for July was \$21,164,140, (\$992,736) less than expected. Inpatient gross revenue was under budget by (\$1,691,016).</p>	

AGENDA ITEM	DISCUSSION	ACTIONS
	<p>Deductions from revenue were favorable to budgeted expectations by \$1,229,991.</p> <p>After accounting for all other operating revenue, the total operating revenue was favorable to budget by \$234,286. After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$338,323) vs. a budgeted net loss of (\$217,208). The total net loss for July after all activity was (\$197,906) vs. a budgeted net loss of (\$62,374).</p> <p>EBIDA for the month of July was -0.1% vs. the budgeted 2.3%.</p> <p>The July cash collection goal was \$4,032,716 and the Hospital collected \$4,012,551 or under the goal by (\$20,165). Days of cash on hand are 16.5 days at July 31, 2017. Accounts Receivable decreased from June, from 45.3 days to 44.8 days in July. Accounts Payable decreased by \$356,572 from June and Accounts Payable days are at 42.1</p>	
7. AUDIT STATUS	<i>Jensen</i>	Inform
	Mr. Jensen reported on the audit status that there were no significant adjustments or issues at this point. This will be the third year that we had no management letter.	
8. REQUEST TO OBTAIN PARCEL TAX ADVANCE	<i>Jensen</i>	Inform/Action
	Mr. Jensen reported that Mr. Hohorst went to the county about getting the Parcel Tax advance. The county response was that the board will have to do a resolution to do so.	MOTION: To recommend a drawdown of the parcel tax for the amount of funds that we would normally receive in December. 1 st Porth second by Perez.

AGENDA ITEM	DISCUSSION	ACTIONS
		All in favor
9. HOLIDAY SCHEDULE DISCUSSION	<i>Nevins</i>	Inform
	Committee agrees to a tentative 12/19 meeting, a change from the 12/26. Ms. Nevins request a survey at the Oct meeting regarding a Nov quorum.	
10. ADJOURN	<i>Nevins</i>	
	<i>Meeting adjourned at 612</i>	

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**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
AUGUST 23, 2017, 5:00 PM
MINUTES
Schantz Conference Room**

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

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>	
	Meeting called to order at 4:59 p.m.	
2. PUBLIC COMMENT	<i>Hirsch</i>	
	None	
3. CONSENT CALENDAR	<i>Hirsch</i>	Action
<ul style="list-style-type: none"> QC Minutes, 7.26.17 		MOTION: by Rymer to approve, 2 nd by Idell. All in favor
4. POLICY & PROCEDURES	<i>Lovejoy</i>	Action
		MOTION: by Mainardi to approve, 2 nd by Eisenstark. All in favor.
5. PHARMACY DEPT REVIEW & ADE REPORT	<i>Kutza</i>	Inform
	<p>Mr. Kutza presented his annual Pharmacy report. He gave an overview of the various pharmacy programs, including 340B, as well as the department and staffing.</p> <p>The Quality metrics were reviewed. The metrics include medication errors, administration errors, near miss errors, Pyxis overrides and stock outs, Pharmacy intervention's, ADRs, Antimicrobial stewardship (by LOS and antibiotic spend), Inpatient controlled substance charting, Anesthesia</p>	

AGENDA ITEM	DISCUSSION	ACTION
	<p>controlled substance, IV room regulations and standards, He then presented past and future plans which were use of Stasis, CPOE, AS (antibiotic stewardship), 340B management, medication safety, and medication reconciliation.</p>	
6. PATIENT CARE SVS QUALITY DASHBOARD	<i>Kobe</i>	Inform
	<p>Mr. Kobe reviewed the patient care services dashboard and the explanation of the color coding. He also spoke about Rate My Hospital. He said that the response has been very good, with an overall score 4.53 out of 5, with a 17% return rate. He also gave an update on Door to Discharge. He said that they are working through some data points that may not be captured correctly. A team has been assembled to work on it.</p>	
7. QUALITY REPORT AUGUST 017	<i>Lovejoy</i>	Inform
	<p>Ms. Lovejoy reports that she now has an MOU with the Community Health Center. This would allow for data sharing for the post discharge medication reconciliation data required as part of the grants metrics.</p> <p>The community coaches are up and trained. In the Case Managers meeting it was decided to expand our Transition Record project to skilled nursing unit and include these patients in our population going forward.</p> <p>Performance Improvement projects include the ED throughput, Home Care Financial improvement, Women’s Center Development, and a Patient Satisfaction Survey Project.</p> <p>PI fair will be Oct. 17th and Oct 18th.</p> <p>Partnership’s Quality Improvement Project (QIP) was attended by Ms. Lovejoy and Ms. Jones.</p> <p>Medical Staff update- surgery chair is Dr. Sawyer and Vice Chair is Dr. Kidd. Ms. Lovejoy is working with the facilities Director to identify a physician lounge for meals.</p>	
8. UPON ADJOURNMENT OF REGULAR SESSION	<i>Hirsch</i>	
	Regular session adjourned at 6:15 p.m.	

AGENDA ITEM	DISCUSSION	ACTION
9. CLOSED SESSION <ul style="list-style-type: none"> • <u>Calif. Health & Safety Code § 32155</u> Medical Staff Credentialing & Peer Review Report 	<i>Hirsch/Lovejoy</i>	Action
10. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Inform/Action
		MOTION: by Eisenstark to approve 2 nd Mainardi All in favor
11. ADJOURN	<i>Hirsch</i>	
	Meeting adjourned at 6:17p.m.	



SUBJECT: Asbestos (Medical Surveillance)	POLICY # HR8610-164.8
DEPARTMENT: Organizational	PAGE 1 OF 4
APPROVED BY: Director of Human Resources	EFFECTIVE: 9/95
	REVIEW/REVISED: 7/07 9/10 6/14 8/17

Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Verbiage change throughout removing reference to Employee Health and replacing with Human Resources, and other minor language/formatting changes for clarity.

Why:

AUTHOR JOB TITLES:

Director of Human Resources

COMMITTEE APPROVALS:

Policy & Procedure Team: 8/15/17

Board Quality Committee: 9/27/17

Board of Directors:



SUBJECT: Ergonomics Safety Program	POLICY # HR8610-164.11
DEPARTMENT: Organizational	PAGE 1 OF 1
APPROVED BY: Director of Human Resources	EFFECTIVE: 7/98
	REVIEW/REVISED: 8/07 9/10 7/14 8/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Verbiage change throughout removing reference to Employee Health and replacing with Human Resources, and other minor language/formatting changes for clarity. Updated steps associated with reporting injuries; i.e., correct title of the form and requirement of a supervisor's/manager's adding investigation/corrective action notes.

Why:

AUTHOR JOB TITLES:

Director of Human Resources

COMMITTEE APPROVALS:

Policy & Procedure Team: 8/15/17

Board Quality Committee: 9/27/17

Board of Directors:



SUBJECT: Health Screening of Contract Workers, Students, and Observers	POLICY # HR8610-164.4
DEPARTMENT: Organizational	PAGE 1 OF 1
APPROVED BY: Director of Human Resources	EFFECTIVE: 7/98
	REVIEW/REVISED: 6/07 9/10 7/14 8/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Updating title to: Health Screening of Contract Workers, Students, and Observers. Removed reference to Student Volunteers and clarified individuals referenced in this policy as “clinical contract workers, students in clinical rotations or internships, and job shadower/observers. Changed organizational reference from SVHCD to Sonoma Valley Hospital (SVH). Removed language referring to a TB skin test and referring simply as “TB test” or “TB screening.” Added Job Shadow/Observers to the policy and procedure sections.

Why:

AUTHOR JOB TITLES:

Director of Human Resources

COMMITTEE APPROVALS:

Policy & Procedure Team: 8/15/17

Board Quality Committee: 9/27/17

Board of Directors:



SUBJECT: Modified Work Program	POLICY # HR8610-164.13
	PAGE : 1 of 4
DEPARTMENT: Organizational	EFFECTIVE: 2/93
APPROVED BY: Director of Human Resources	REVIEW/REVISED: 9/95 8/07, 9/10, 7/14, 8/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:
Briefly state changes and include reasons for making change(s).

What:

Verbiage change throughout removing reference to Employee Health and replacing with Human Resources, and other minor language/formatting changes for clarity. Updated procedure steps to reflect our current process.

Why:

AUTHOR JOB TITLES:
Director of Human Resources

COMMITTEE APPROVALS:
Policy & Procedure Team: 8/15/17
Board Quality Committee: 9/27/17
Board of Directors:



SUBJECT: Sales Representative Policy

POLICY #CE8610-175

DEPARTMENT: Organizational

PAGE 1 OF 3

EFFECTIVE: 1/85

APPROVED BY: CFO

REVIEW/REVISED: 4/16
8/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Procedural change for sales representatives entering SVH. Describes that we now have vendor credentialing in place via Symplr. Representatives check in via a kiosk located in the main lobby as well as one in the OR.

Why:

AUTHOR JOB TITLES:

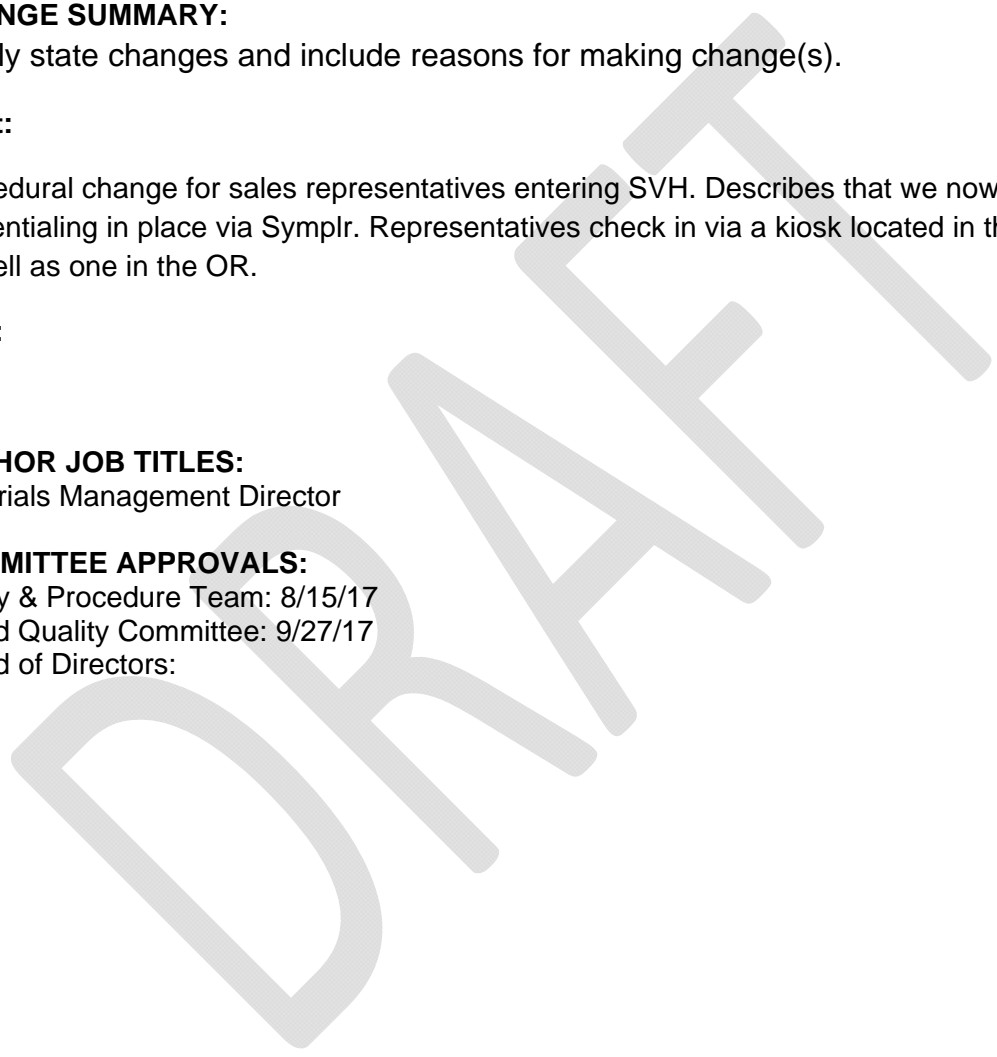
Materials Management Director

COMMITTEE APPROVALS:

Policy & Procedure Team: 8/15/17

Board Quality Committee: 9/27/17

Board of Directors:





SUBJECT: Standard Employer Service Rate	POLICY # GL7775-115
DEPARTMENT: Occupational Health	PAGE 1 OF 2
APPROVED BY: Chief Ancillary Officer	EFFECTIVE: 08/17
	REVISED:

NEW:

To define payment structure for all self-pay clients requiring employer services in Occupational Health including those services that are provided by other departments.

AUTHOR JOB TITLES:
Chief Ancillary Services Officer

COMMITTEE APPROVALS:
Policy & Procedure Team: 8/15/17
Board Quality Committee: 9/27/17
Board of Directors:

DRAFT



SUBJECT: Standard Employer Service Rate	POLICY # GL7775-115
DEPARTMENT: Occupational Health	PAGE 2 OF 2
APPROVED BY: Chief Ancillary Officer	EFFECTIVE: 08/17
	REVISED:

Purpose:

To define payment structure for all self-pay clients requiring employer services in Occupational Health including those services that are provided by other departments.

Policy:

All self-pay clients seeking employer services in Occupational Health will be offered the same pricing as employers per the Master Employer Pricing Sheet.

Procedure:

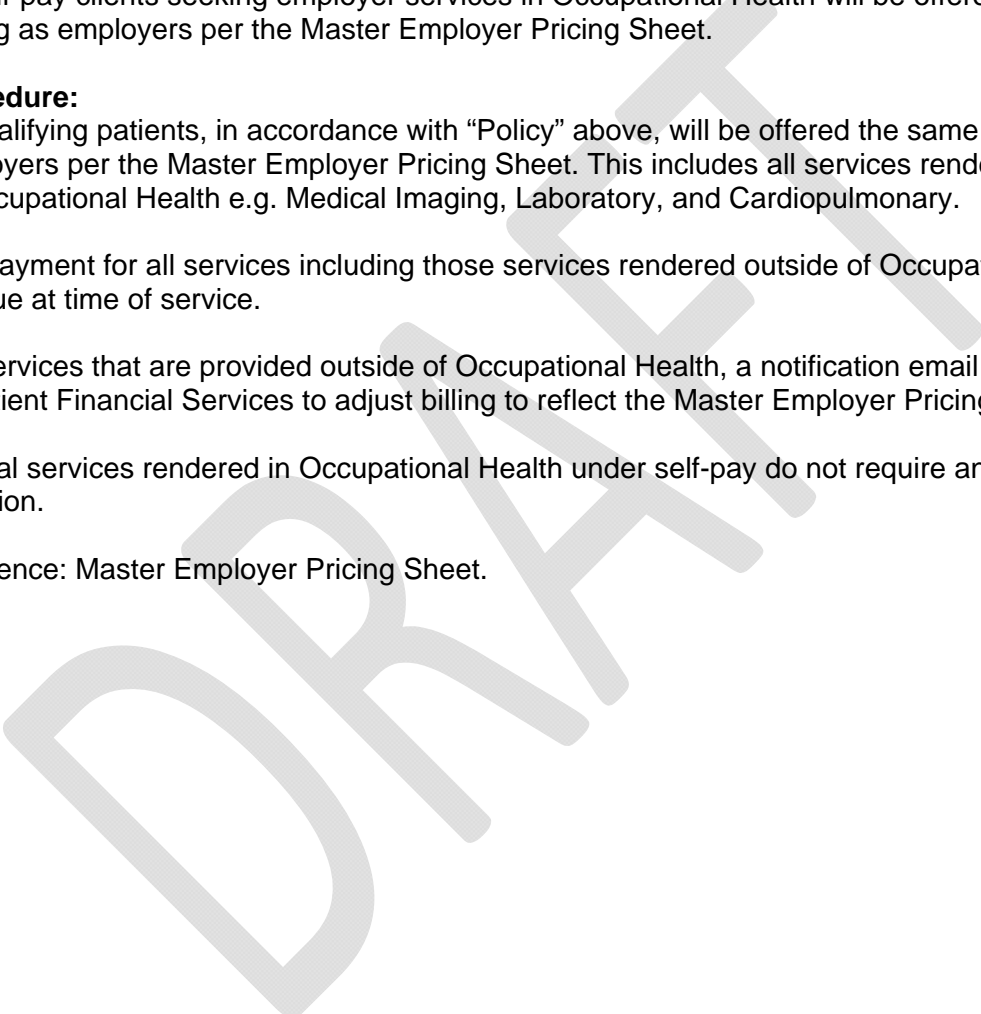
All qualifying patients, in accordance with "Policy" above, will be offered the same pricing as employers per the Master Employer Pricing Sheet. This includes all services rendered outside of Occupational Health e.g. Medical Imaging, Laboratory, and Cardiopulmonary.

The payment for all services including those services rendered outside of Occupational Health are due at time of service.

For services that are provided outside of Occupational Health, a notification email must be sent to Patient Financial Services to adjust billing to reflect the Master Employer Pricing sheet.

Normal services rendered in Occupational Health under self-pay do not require any special attention.

Reference: Master Employer Pricing Sheet.





SUBJECT: Tuberculosis Exposure Management	POLICY # HR8610-164.6
DEPARTMENT: Organizational	PAGE: 1 of 3
APPROVED BY: Director of Human Resources	EFFECTIVE: 7/98
	REVIEW/REVISED: 7/07 6/07 9/10 7/14 8/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Reviewed with Infection Prevention and made significant changes to expand and clarify explanations and procedures. Updated language regarding TB screening, removing reference to a skin test.

Why:

AUTHOR JOB TITLES:

Director of Human Resources

COMMITTEE APPROVALS:

Policy & Procedure Team: 8/15/17

Board Quality Committee: 9/27/17

Board of Directors:



SUBJECT: Vehicle Safety Program	POLICY #CE8610-182 PAGE 1 OF 3
DEPARTMENT: Organizational	EFFECTIVE: 1988
APPROVED BY: Director of Facilities	REVIEW/REVISED: 10/07, 11/01,1/14, 7/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Minor revision to change the requirement from a valid California Driver's license to a valid Driver's License. Formatting changes and language that encompasses California requirements for reporting accidents to DMV and all accidents to be reported via e-notification so that they can be reviewed by Safety Committee.

Why:

AUTHOR JOB TITLES:
Director of Facilities

COMMITTEE APPROVALS:
Policy & Procedure Team: 8/15/17
Board Quality Committee: 9/27/17
Board of Directors:



SUBJECT: Weapons	POLICY #GL8610-200
DEPARTMENT: Organizational	PAGE 1 OF 2
APPROVED BY: CEO	EFFECTIVE: 8/83
	REVIEW/REVISED: 6/89, 3/96, 3/99, 12/01,3/05, 2/11 7/14; 7/17

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:

Briefly state changes and include reasons for making change(s).

What:

Why:

AUTHOR JOB TITLES:

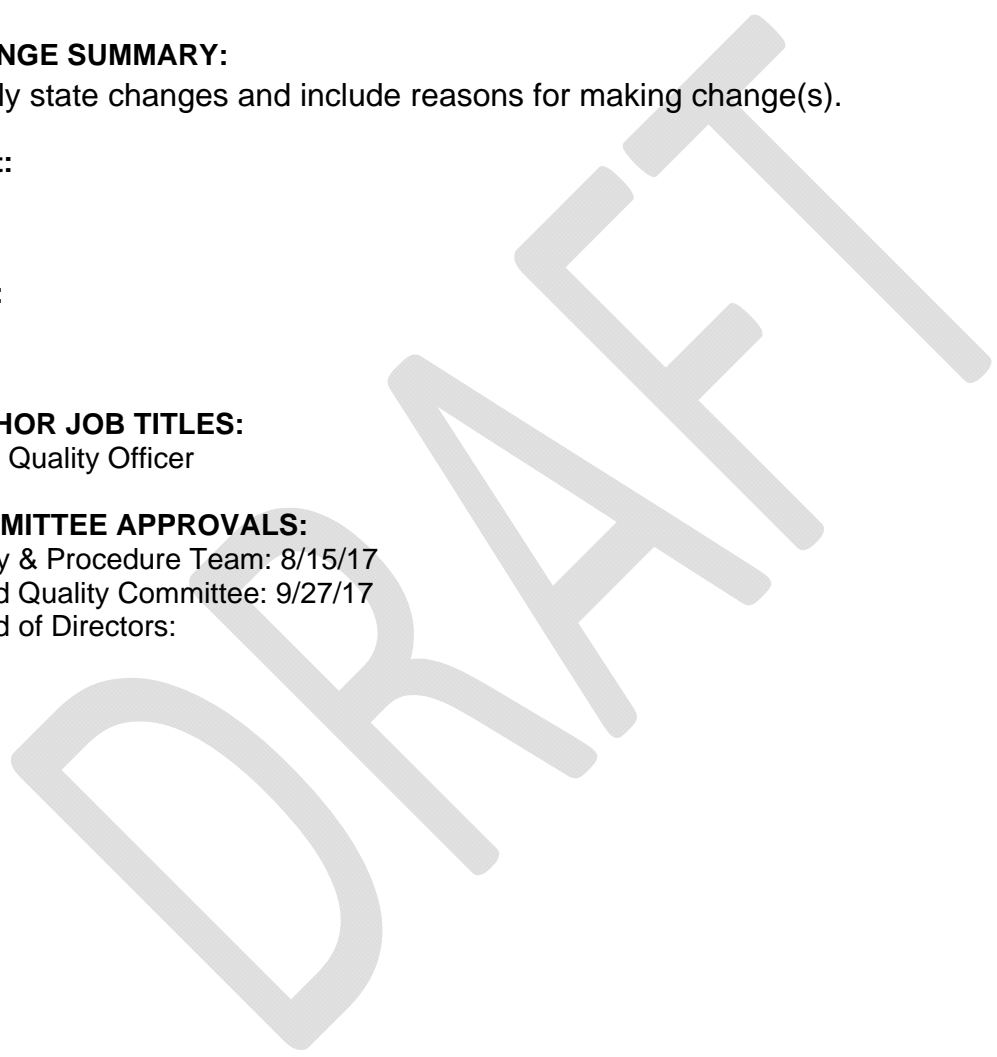
Chief Quality Officer

COMMITTEE APPROVALS:

Policy & Procedure Team: 8/15/17

Board Quality Committee: 9/27/17

Board of Directors:





SUBJECT: Work Injuries, Investigation and Return to Work Clearance <u>Eliminate – duplicate of HR8610-174</u>	POLICY # HR8610-164.12
DEPARTMENT: Organizational	PAGE: 1 of 4
APPROVED BY: Director of Human Resources	EFFECTIVE: 2/93
	REVIEW/REVISED: 8/07 9/10, 7/14

- Revised Reviewed/No Changes Retired

CHANGE SUMMARY:
Briefly state changes and include reasons for making change(s).

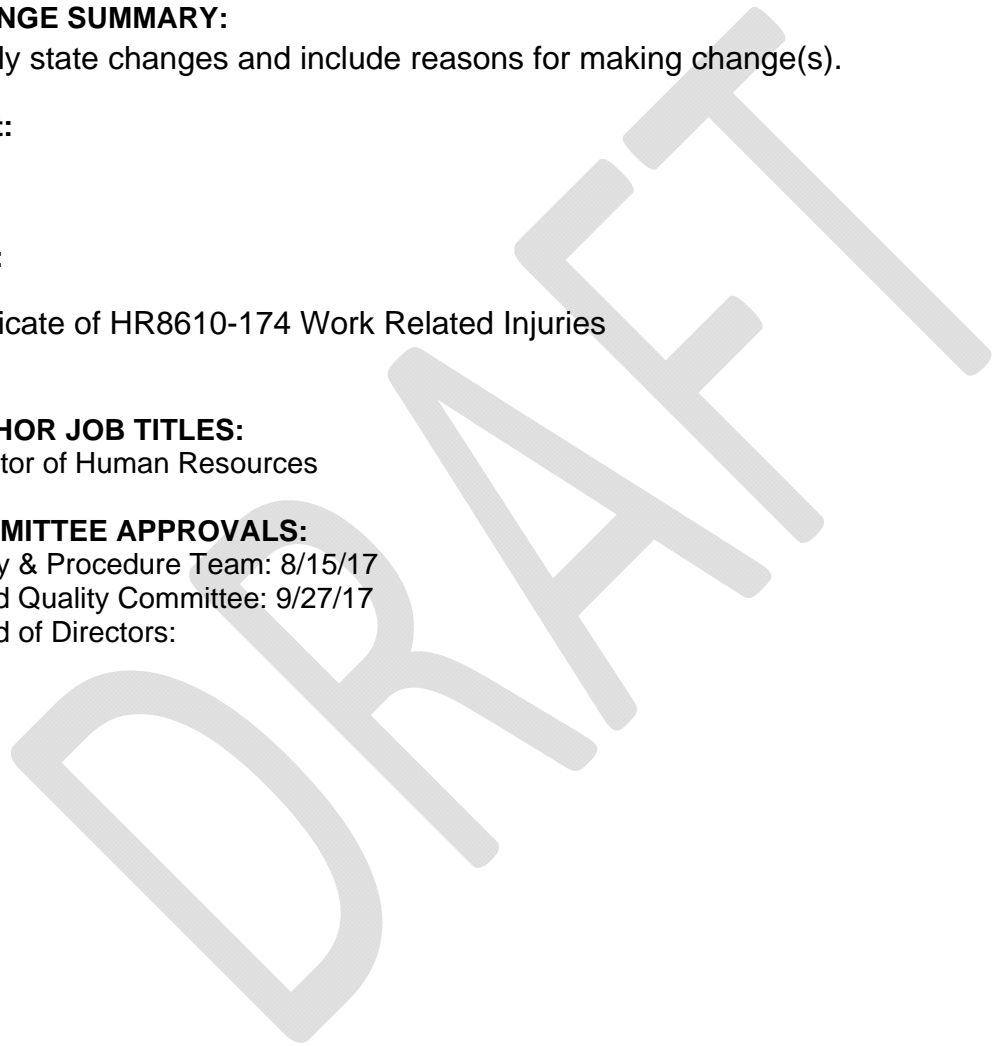
What:

Why:

Duplicate of HR8610-174 Work Related Injuries

AUTHOR JOB TITLES:
Director of Human Resources

COMMITTEE APPROVALS:
Policy & Procedure Team: 8/15/17
Board Quality Committee: 9/27/17
Board of Directors:



7.

**CEO PERFORMANCE
EVALUATION w/BOARD
LETTERS**



CEO FY 2017 LIST OF ACCOMPLISHMENTS

Hospital Operations for FY 2016-2017

- 4/5 Stars for the Acute Hospital from CMS
- 5/5 Stars in Skilled Nursing Facility from CMS
- 4/5 Stars in Home Care from CMS
- Improved patient satisfaction for Inpatients and Emergency over the prior year
- Achieved a staff satisfaction score in at the 74th percentile with higher participation from the nursing staff
- Implemented a new staff compensation system and addressed staff salary issues through market level raises
- Held three rounds of staff forums to improve communication and maintain a healthy culture especially during the difficult political climate with two parcel tax measures
- Inspired our strong leadership team to role model our values through a difficult year with expense reductions
- Implemented a Pain Management service line
- Opened a successful 1206b clinic through the district with a Colorectal/General Surgeon
- Opened a new timeshare office with Dr. Weiss
- Maintained physician support and satisfaction through rounding at their offices
- Successfully switched to Remote Hosting for our Electronic Health Record which increased security

Improved financial performance in FY 2017

- Completed the fiscal year at 3.6% EBIDA which was better than budget
- Grew operating revenues to \$57.359 million in FY 2017 from \$55.478 in prior year
- With the help of many, we passed the parcel tax with an increase for 5 more years
- Prima Medical Foundation in Sonoma made their budget for the first time
- Increased the number of surgeries by 17% over the prior year
- Ended the year with \$1.7 million increase in cash and Accounts Payable under 45 days
- Increased outpatient gross revenue by 6% over the prior year
- Controlled routine capital expenditures at 65% less than planned
- Implemented the 340b drug program for over \$400k in savings
- Working with a consultant, we reviewed all of our third party payer contracts for possible improvement

Community

- Completed three years of service as the Sonoma Valley Health Round Table chairperson
- Worked with SVHF to start a capital campaign for the Outpatient Diagnostic Center
- Completed the first year of the Prime Grant meeting expectations for continued funding
- Graduated over 220 Wellness Ambassadors from Wellness University™ thus far
- Performance Improvement Fair inspired more collaboration toward quality outcomes
- Over 2000 people attended hospital sponsored community events
- Received the Practice Green Health award for the fourth year on sustainability practices
- Received "Women in Business" award
- Speaker at many community meetings and at a few hospital conferences



Meeting Date: October 5, 2017
Prepared by: Peter Hohorst and Joshua Rymer
Agenda Item Title: Award of CEO's Performance Incentive Payment

Recommendations:

That the Board approve the CEO's Performance Incentive Payment

Background:

At the July 7, 2016 Board meeting, the Board approved six CEO objectives for the 2017 fiscal year and the formula for calculating the amount of incentive that would be awarded. Four of the objectives related to quality metrics, one was for financial performance and one was for community service. Each objective stipulated 5 potential levels of incentive compensation.

Levels 1 and 2 would not earn any incentive compensation.

Level 3, the Base Goal, would earn 66.7 % of the maximum incentive compensation for the objective.

Level 4 would earn 86.7% of the maximum incentive compensation for the objective.

Level 5 or higher would earn 100% of the maximum incentive compensation for the objective.

Note: CMS refers to the Center for Medicare and Medicaid Services

Based on actual performance for the year the calculation of the incentive earned is as follows:

Service Excellence, High In-Patient Satisfaction, (maximum of 3.0% of annual salary.)

CMS scores from patient satisfaction surveys for 9 questions compared to all other hospitals.

Note: On the CMS survey only scores of 9s or 10s are counted.

Level 3, Base Goal, 6 of 12 months at least 5 out of 9 questions above the 60th percentile.

Actual result: Level 2, 5 out of 12 months at least 5 out of 9 above the 60th percentile.

No Incentive earned.

Service Excellence, High Emergency Department Satisfaction, (maximum of 1.5% of annual salary.)

CMS scores for Emergency Department satisfaction surveys for 7 questions compared to all other hospitals.

Level 3 Base Goal, 6 of 12 months at least 4 out of 7 questions above the 60th percentile.

Actual result: Level 3, 7 out of 12 months at least 4 out of 7 were above the 60th percentile

Incentive calculation 1.5% of base salary (\$5,152.27) X 66.7% = \$3,502.60 earned.

Excellent Patient Outcomes, (maximum of 3.0% of annual salary)

Average CMS Mean Patient Safety Score for the year compared to all other hospitals.

Level 3, Base Goal, 70th percentile

Level 4, 75th percentile

Actual result: Level 4, average for the year, 77th percentile.

Incentive calculation 3.0% of base salary (\$10,502.54) X 86.7% = \$9,105.71

Highly Engaged and Satisfied Staff, (maximum 1.5% of annual salary)

Percentile ranking of Press Ganey annual staff satisfaction survey compared to other hospitals.

Level 3, Base Goal, 80th percentile

Actual result: Level 1, 74th percentile

No incentive earned

Financial Viability, (maximum 9.5% of annual salary)

Achieve Earnings, Before Interest, Depreciation, and Amortization (EBIDA) before restricted donations and GO Bond income and expense.

Level 3, Base Goal, EBIDA, \$2.0 million

Actual result: Level 3, EBIDA \$2,054,261

Incentive calculation 9.5% of base salary (\$33,258,060) X .667% = \$22,183.12

Healthy Community, (maximum 1.5% of annual salary)

Staff Hours Spent on Community Health Projects

Level 3, Base Goal, 1500 hours

Actual result: Level 2, 1467 hours spent

No incentive earned

Total Incentive Earned

\$34,791.43

Consequences of Negative Action/Alternative Actions:

Failure to approve the incentive award as calculated would be a breach of contract.

Attachment:

FY 2017 CEO Incentive Compensation Results



Meeting Date: October 4, 2017

Prepared by: Peter Hohorst and Joshua Rymer

Agenda Item Title: CEO Salary Increase Recommendation

Recommendations:

That the Board approves a 3% increase in salary for Kelly Mather (CEO) effective on January 1st, 2018

Background:

The job description for the Sonoma Valley Hospital CEO position is comprehensive:

“Responsible for the overall direction of the hospital assuring clinical excellence and financial viability. Initiates, coordinates and executes daily operations of the hospital. Ensures hospital is current in policies and procedures and in compliance with regulatory standards. Ensures, implements and maintains a budget framework and is responsible for the organization's financial performance. Establishes goals to ensure strong share of market and profitability of services. Plans, directs and coordinates the marketing and business planning for core services. Demonstrates ability to direct multiple, complex projects and conceptualize, articulate and implement an operational strategy to realize high quality, safe, cost effective health care delivery in an extremely challenging environment. Communicates and represents the hospital with outside audiences including but not limited to community members, board, physicians, employers/organizations, philanthropic donors and members of the health care industry. Evaluates, appoints and develops key leadership members to ensure a strong, positive culture. Creates a positive and supportive healing environment and experience for the patients and visitors.”

Each year, working within this framework, the Board and the CEO have jointly established key operating objectives that define the areas of particular importance for the operation of the Hospital in the year ahead. Performance against these objectives is a key element in the CEO’s evaluation process.

For FY 2017, Kelly Mather exceeded the Base Goal on three of the six objectives and just missed achieving the Base Goal on the other three. Significantly, the financial objective, which the Board emphasized by assigning it a weight of 47.5% of the total, was achieved for the second year in a row.

A second element of the evaluation process is a CEO assessment survey completed by each Board member, by the Chief of the Medical Staff and by nine staff members who report directly

to the CEO. This survey revealed a consensus opinion that Kelly Mather exhibited strong decisive leadership and provided positive support for the managers.

A third element of the evaluation is the many accomplishments that were achieved during the year including:

- 5 Star Rating for the Skilled Nursing Facility
- 4 Star Rating for the Home Care Service
- Successful implementation of timeshare office space leasing to attract doctors to Sonoma
- A 17 % increase in the number of surgeries over the previous year

Based on this information, we recommend that the board approve a salary increase of 3%, effective January 1, 2018 to coincide with the timing of the budgeted increase of the same percentage for all employees. This increase is contingent on the financial performance of the Hospital permitting the increase for all employees.

The increase will place the CEO's salary above the 2016 survey midpoint for comparable hospitals in Northern California, but below the 75th percentile. (2016 Allied for Health Executive Compensation Report) This level of salary would be well within the range recommended to the board by Veritas, Executive Compensation Consultants who performed a Total Compensation Analysis for Sonoma Valley Hospital's senior leadership staff this past summer.

Financial Impact:

\$10,251 increase in operating expense during FY 2017-2018

Attachments:

- CEO Leadership/Board Feedback Overview 2017
- CEO Salary Comparisons Data, 2016
- CEO FY 2017 List of Accomplishments

**CHIEF EXECUTIVE OFFICER
4001
SINGLE FACILITY**

2016 SURVEY

Base Salary	# Fac	# EEs	Percentiles					Inc Wtd Avg	Org Wtd Avg
			10th	25th	50th	75th	90th		
Statewide	159	162	\$211,130	\$262,470	\$341,330	\$464,070	\$609,800	\$386,830	\$384,220
Southern California	83	84	\$202,000	\$258,840	\$357,810	\$500,000	\$646,260	\$400,480	\$393,860
Northern California	76	78	\$228,870	\$262,470	\$335,120	\$435,030	\$586,500	\$372,130	\$373,680
By Number of Full-Time Equivalent Employees (FTEs)									
Under 400 Employees	49	50	\$170,500	\$206,520	\$250,010	\$285,500	\$335,410	\$252,530	\$251,400
300 - 800 Employees	41	41	\$250,700	\$269,600	\$332,000	\$415,500	\$512,010	\$353,300	\$353,300
700 - 1300 Employees	32	32	\$329,910	\$346,460	\$402,130	\$480,170	\$618,840	\$435,720	\$435,720
1200 - 2300 Employees	34	34	\$339,410	\$394,880	\$480,660	\$594,410	\$672,360	\$486,650	\$486,650
Over 2000 Employees	28	30	\$296,130	\$332,530	\$480,310	\$718,030	\$949,580	\$536,520	\$529,550
By Number of Occupied Beds									
Under 100 Beds	53	54	\$175,520	\$237,150	\$262,430	\$329,600	\$382,100	\$279,600	\$279,070
75 - 200 Beds	62	63	\$210,590	\$269,980	\$334,380	\$435,140	\$521,950	\$358,280	\$359,090
175 - 300 Beds	33	33	\$326,200	\$356,130	\$433,160	\$515,380	\$717,240	\$465,860	\$465,860
275 - 400 Beds	20	21	\$256,950	\$365,500	\$426,540	\$599,890	\$949,150	\$504,890	\$482,640
Over 350 Beds	22	24	\$318,250	\$403,350	\$511,570	\$688,300	\$942,510	\$554,000	\$546,720
By Total Operating Expenses									
Under \$50 MM TOE	29	30	\$160,870	\$175,770	\$234,770	\$257,630	\$308,010	\$231,990	\$229,370
\$25 - \$100 MM TOE	47	47	\$209,050	\$240,000	\$267,360	\$292,410	\$440,000	\$290,050	\$290,050
\$75 - \$200 MM TOE	28	28	\$223,500	\$269,410	\$315,120	\$350,000	\$427,500	\$324,140	\$324,140
\$150 - \$400 MM TOE	48	48	\$322,320	\$354,470	\$419,190	\$495,310	\$630,780	\$440,080	\$440,080
Over \$350 MM TOE	45	47	\$313,330	\$341,600	\$426,540	\$592,550	\$937,140	\$496,110	\$489,980
By Locale									
Urban/Suburban	119	121	\$223,080	\$279,570	\$369,000	\$481,330	\$676,420	\$412,750	\$409,030
Rural	39	40	\$189,210	\$240,400	\$286,260	\$347,470	\$448,520	\$303,080	\$302,950

Salary Structure ¹	# Fac	Salary Ranges				Base Inc Wtd Avg	Compa-Ratio
		Minimum	Midpoint	Maximum	Spread %		
Statewide	73	\$291,400	\$367,800	\$444,200	52%	\$386,830	101%
Southern California	36	\$302,030	\$386,580	\$471,130	56%	\$400,480	102%
Northern California	37	\$281,060	\$349,530	\$418,000	49%	\$372,130	100%
By Locale							
Urban/Suburban	51	\$315,800	\$398,840	\$481,880	53%	\$412,750	101%
Rural	22	\$234,840	\$295,850	\$356,860	52%	\$303,080	100%

Annual Bonus	# Fac	# EEs	Percentiles			Base Inc Wtd Avg	Average Bonus	% of Salary	Average Target %
			25th	50th	75th				
Statewide	94	95	\$78,250	\$114,980	\$182,750	\$386,830	\$141,650	37%	33%
Southern California	44	44	\$76,850	\$121,200	\$202,650	\$400,480	\$157,040	39%	32%
Northern California	50	51	\$78,250	\$114,540	\$182,750	\$372,130	\$128,360	34%	35%

Total Cash	# Fac	# EEs	Percentiles					Inc Wtd Avg	Org Wtd Avg
			10th	25th	50th	75th	90th		
Statewide	159	162	\$232,140	\$305,070	\$425,390	\$582,990	\$741,170	\$469,890	\$468,120
Southern California	83	84	\$212,500	\$273,640	\$441,490	\$604,050	\$832,180	\$482,740	\$477,110
Northern California	76	78	\$249,950	\$322,070	\$420,270	\$538,810	\$719,680	\$456,060	\$458,290

*No data is displayed for jobs with less than 5 respondents or where a facility represents a disproportionate percentage of data

¹ Salary structure information includes data from organizations with no incumbent(s) currently in position

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.



Meeting Date: October 4, 2017

Prepared by: Peter Hohorst and Joshua Rymer

Agenda Item Title: Three Year Extension to CEO's Employment Contract

Recommendations:

That the Board approve a three year extension to the CEO's employment contract

Background:

Kelly Mather has been the CEO and President of the Sonoma Valley Health Care District since July 11, 2011. The original five year employment contract was extended for an additional three years in 2014. That contract is now set to expire in less than one year, on July 11, 2018 and we are able to extend it for an additional 3 years until July of 2021.

Kelly Mather's leadership has been instrumental in transforming the Sonoma Valley Hospital into a regional leader in patient satisfaction and safety as measured by successive 4 Star ratings by the Center for Medicare and Medicaid Services (CMS.) Sonoma Valley Hospital is one of six hospitals, out of 38, within 50 miles of Sonoma with a 4 Star rating. None of the 38 hospitals are ranked higher than SVH.

During this same period, net patient revenue has increased by 38.4% from \$40.1 million in 2010 to \$55.5 million in 2017 while the "people cost" to operate the Hospital increased only 27.0% from \$29.6 million to \$37.7 million.

Cash generated from operations (EBIDA) during the past 2 years has exceeded the budgeted amount.

Of special note, the Parcel Tax revenue as a percent of net patient revenue, decreased from 7.3% in 2010 to 5.3% this past year. The increased Parcel Tax, passed in June, will be 6.4% of FY 2018 budgeted net patient revenue, a lower percentage than 2011.

And, the GO Bond Earthquake Project was completed on time and on budget in 2013, assisted by an \$11 million capital campaign to finance elements that were not or could not be financed by the GO Bond money.

With this record of performance and her contributions to our community, we feel that it is imperative for the Board to extend Kelly Mather's contract at this time to assure that SVH will continue to benefit from her leadership.

Consequences of Negative Action/Alternative Actions:

With apologies to the use of jargon from the sporting world, this is not the time to suggest that Kelly Mather test free agency.

8.

AUDIT COMMITTEE
MEMBER

David C. Duncan

EDUCATION

Golden Gate University, San Francisco, California

Degree: Juris Doctor, May, 1982

University of Colorado, Boulder

Degree: Bachelor of Arts, Environmental Conservation, May, 1975

PROFESSIONAL EXPERIENCE

January 1987 – Present

President, David C. Duncan & Co., Corte Madera, California

Owner of firm providing tax compliance and consulting, bookkeeping, controllership, and business consulting services. Merged with Benson, Piombo & Company in August 2014.

September, 1985 – August, 1992

Adjunct Professor, Graduate College

School of Financial Services

Golden Gate University, San Francisco, California

Courses taught: Introduction to Personal Financial Planning, Legal and Regulatory Topics for Financial Planners, and Financial Planning Case Analysis.

September, 1982 – December, 1986

Senior Tax Consultant

Touche Ross & Co., Oakland, California

Tax compliance and management of client services. Preparation of formal protests before the federal and state tax authorities. Tax and fee-only financial planning services.

January, 1981 – September, 1982

Tax Intern

Touche Ross & Co., San Francisco, California

October, 1979 – January, 1981

Legal Assistant

California Coastal Commission, San Francisco, California

October, 1979 – October, 1980

Law Clerk

Giometti, Scott, Steiner & Steiner, San Francisco, California

September, 1975 – June, 1979

Vice-President

Colorado Whitewater Specialists, Boulder, Colorado

10.

**ADMINISTRATIVE REPORT
OCTOBER 2017**



To: SVHCD Board of Directors
From: Kelly Mather
Date: 9/26/17
Subject: Administrative Report

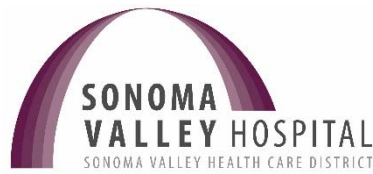
Summary

The summer was slow with many physicians on vacation. August financials reflect lower than expected revenue due to volumes and we are watching expenses closely. The Paragon 14 upgrade was successful. Several issues with the physical plant presented this past month including the elevators and overhead paging. The team responded well but we may have some major physical plant upgrades necessary in the very near future.

Strategic Update from FY 2018 Strategic Plan:

Strategic Priorities	Update
Highest levels of health care safety, quality and value	<ul style="list-style-type: none"> ➤ Performance Improvement Fair is this month. ➤ We are re-doing part of orientation to highlight the culture of health and safety ➤ The state paid us a visit this month with a focus on surgery scope cleaning
Be the preferred hospital for patients, physicians, employers and health plans	<ul style="list-style-type: none"> ➤ 3D Mammography construction has begun. ➤ The campaign for the Outpatient Diagnostic Center is underway. ➤ Relay Health will be up this month to provide more financial clarity & transparency for patients. ➤ We have a meeting with UCSF this month. ➤ Kaiser discussions are on-going. ➤ Canopy Health now has a partnership with Western Health Advantage. ➤ I have met or am meeting with the hospital staff in their department meetings to get their feedback following the parcel tax campaign. There is not much concern, now. ➤ Leadership Development Institute was held in September.
Implement new and enhanced revenue strategies as measured by increased direct margins in each service unit	<ul style="list-style-type: none"> ➤ A Bariatric Institute (will have another name) is being considered. ➤ We are completing a one month trial with a primary care group to possibly be a rural health center ➤ Cardiology Associates of Marin have a final interview for another cardiologist ➤ The Breast Surgeon (Dr. Alexandridis) starts this month. ➤ We have found some opportunities to improve the margin in Occupational Health. ➤ Ophthalmology surgeries are increasing and patients love Dr. Saidel.
Continue to improve financial stability as measured by operating margin	<ul style="list-style-type: none"> ➤ The South Lot Purchase Agreement is almost complete. ➤ With the move of Mammography & Home Care back to the hospital, there will be \$185k in savings ➤ We continue to work with Kaiser to improve the Home Care rates
Lead progress toward being a healthier community as measured by community benefit	<ul style="list-style-type: none"> ➤ The Prime Grant dashboard is complete and will be sent to the state this month. ➤ We sponsored "Sonoma's Best" awards again this year. ➤ Jane Hirsch, Dave Pier and I have been meeting with community groups after the parcel tax concerns. ➤ We are leading the Bi-National Health Fair again this year with many partners. ➤ GirlTalk and Active Aging are gathering many attendees.

			National
Patient Experience	Current Performance	FY 2018 Goal	Benchmark
Would Recommend Hospital	100th percentile	> 60th percentile	50th percentile
Inpatient Overall Rating	88th percentile	>60th percentile	50th percentile
Home Health	91%	> 90%	> 80%
Outpatient Services	4.8	Rate My Hospital	4.5
Emergency	4.5	Rate My Hospital	4.5
Quality & Safety	YTD Performance	FY 2018 Goal	Benchmark
Hospital Acquired Infections	5 of 6 <benchmark	5 of 6 <benchmark	6 of 6 < benchmark
30 Day All- Cause Readmissions	9.40%	< 10 %	< 18.5%
Serious Safety Events	0	0	0
Overall Surgical Site Infection Rate	0.43%	0.50%	n/a
Hand Hygiene	98%	>90%	>80%
Falls	2.4	< 2.3	2.3
Pressure Ulcers	3.3	<3.7	3.7
Injuries to Staff	1	< 10	17
Adverse Drug Events with Harm	0	0	0
C Section rate	6.25%	<20%	< 20%
Wound Care time to heal	22 days	< 30 days	< 31 days
Repeat Analysis in Radiology	3.25%	< 5%	< 5%
Reportable HIPAA Privacy Events	0	0	0
SNF Star Rating	4	4	3
Hospital Star Rating	3	4	3
Our People	YTD Performance	FY 2018 Goal	Benchmark
Press Ganey Engagement Survey	74th percentile	75th percentile	50th percentile
Wellness Ambassadors	232	250	> 200
Turnover	3.1%	< 10%	< 15%
Financial Stability	YTD Performance	FY 2018 Goal	Benchmark
EBDA	-0.10%	2.89%	3%
FTE's/AOB	3.75	4.3	5.3
Days Cash on Hand	10.6	20	30
Days in Accounts Receivable	43	49	50
Length of Stay	3.3	3.85	4.03
Cost per Medicare Beneficiary	\$18,430	<\$20,000	\$20,473
Funds raised by SVHF	\$1,476,937	\$1,483,950	\$1 million
Strategic Growth	YTD Performance	FY 2018 Goal	Benchmark
Inpatient Discharges	170/1020	1193	1225
Outpatient Units of Service	30,363/182,178	180,286	180,697
Emergency Visits	1814/10,884	11,022	11,000
Surgeries	326/1956	1,800	1,680
Births	16/96	132	120
Home Health Visits	1583/9498	11,053	11,400
Community Benefit Hours	346/1500	1200	1200



Healing Here at Home

ROLLING 12 MONTH RESULTS

MEASUREMENT	Goal FY 2018	Jul 2017	Aug 2017	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
Inpatient Satisfaction	6/10	5	6	1	2	3	3	2	3	2	6	5	5
FY YTD Turnover	<10%	.9	3.1	1.8	3.6	4.2	4.8	5.6	6.3	7.2	7.7	8.4	9
Leave of Absences	<12	10	10										
EBDA	>3%	.1	-.9	4.2	5.2	4.4	1.5	2.2	2	3	3	3.1	3.6
Operating Revenue	>5m	5.0	4.8	4.5	4.7	4.5	3.7	4.5	4.3	5.3	4.9	5.3	5.2
Expense Management	<5m	5.1	5.3	4.8	4.9	5.0	4.7	5.0	4.8	5.4	5.3	5.6	5.2
Net Income	>50k	-197	-164	94	336	-270	-599	-107	307	304	-24	16	180
Days Cash on Hand	>20	16	10	6	11	10	25	20	27	16	11	19	20
A/R Days	<50	45	43	50	50	53	51	50	46	44	47	44	45
Total FTE's	<320	318	314	319	316	319	309	316	322	322	313	319	321
FTEs/AOB	<4.0	4.23	3.75	3.54	4.11	4.35	4.03	3.74	3.54	3.93	4.22	3.73	4.14
Inpatient Discharges	>90	76	94	95	99	95	100	119	97	119	89	100	87
Outpatient Revenue	>\$13m	14.1	15.5	13.5	13.3	13.1	12.9	13.5	12.2	15.1	13.1	15.5	15.4
Surgeries	>150	162	164	118	126	161	126	148	127	189	171	173	197
Home Health	>950	870	713	1042	880	938	919	877	922	849	934	966	940
Births	>11	6	10	14	9	8	9	11	12	12	11	7	15
SNF days	>550	528	500	624	512	446	500	592	607	572	512	559	458
MRI	>120	102	134	104	140	118	130	115	107	137	121	116	109
Cardiology (Echos)	>50	62	93	66	60	51	51	55	69	89	70	70	79
Laboratory	>12	11.9	12.2	11.4	12.6	12.1	12.0	12.5	11.5	13.9	12.1	13.6	11.8
Radiology	>850	881	966	1001	898	870	934	1012	981	1159	963	1142	1137
Rehab	>2700	2362	2872	3136	2575	2286	2117	2530	2161	3020	2748	2983	2802
CT	>300	326	390	412	367	306	340	341	323	398	385	407	376
ER	>900	920	894	897	852	850	942	1000	851	941	921	1069	964
Mammography	>200	223	235	421	434	435	399	171	215	246	191	214	219
Ultrasound	>300	287	326	288	288	290	271	253	284	334	213	279	312
Occupational Health	>600	642	705	741	797	636	601	484	568	611	631	607	659
Wound Care	>200	226	263	253	226	199	225	228	238	348	239	203	307

11.

**FINANCIALS MONTH END
AUGUST 30, 2017**



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: September 26, 2017
Subject: Financial Report for the Month Ending August 31, 2017

The actual loss of (\$591,730) from operations for August was (\$218,805) unfavorable to the budgeted loss of (\$372,925). After accounting for all other activity; the August net loss was (\$164,630) vs. the budgeted net income of \$35,161 with a monthly EBIDA of 0.1% vs. a budgeted 4.1%.

Gross patient revenue for August was \$22,785,049, (\$474,646) less than expected. Inpatient gross revenue was under budget by (\$1,757,890). Inpatient days were under budget by (108) days and inpatient surgeries were under budgeted expectations by (8) cases. Outpatient revenue was over budget by \$1,850,226. Outpatient visits were at budgeted expectations at 4,902 visits, and outpatient surgeries were over budget by 45 cases. The Emergency Room gross revenue is under budget by (\$236,398); with ER visits close to budgeted expectations at 894 visits. SNF gross charges were under budgeted expectations by (\$274,042) and SNF patient days were under budget by (108) days. Home Health was under budget by (\$56,542) with visits under budget by (180) visits.

Gross revenue from surgical implants in August is \$466,793, with \$235,372 from inpatient surgeries and \$231,421 from outpatient surgeries, and total implant costs were (\$117,179). The net, before any revenue deductions, is \$349,614.

Deductions from revenue were favorable to budgeted expectations by \$274,398. The favorable variance is due to the unfavorable variance in gross revenue and the accrual of the HQAF IGT for FY 15-16. Of \$532,424. Without the accrual of the additional government funding, the revenue deductions would be favorable to budget by \$55,246.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budget by (\$205,835).

Operating Expenses of \$5,379,799 were unfavorable to budget by (\$12,970). (\$179,779) of the variance is due to the matching fee for the HQAF IGT in which the hospital will receive \$532,424 in October or November. The matching fee of \$266,212 was accrued for in August, but the budget for the matching fee was spread evenly through-out the year due to the unknown timing of the IGT requests.

Salaries and wages and agency fees are under budget by \$102,168. Salaries and wages are under budget by \$132,578 and agency fees are over budget by (\$30,410). Employee benefits are under budget by \$38,505. Supplies are under budget in August due to the lower than expected inpatient volume. Utilities cost are over budget by (\$16,783), PG&E is normally higher in summer months but our budget is spread evenly over 12 months.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for August was (\$327,971) vs. a budgeted net loss of (\$124,163). The total net loss for August after all activity was (\$164,630) vs. a budgeted net income of \$35,161.

EBIDA for the month of August was 0.1% vs. the budgeted 4.1%.

Patient Volumes – August

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	94	113	-19	105
Newborn Discharges	9	14	-5	17
Acute Patient Days	325	433	-108	437
SNF Patient Days	500	608	-108	608
Home Care Visits	713	893	-180	890
OP Gross Revenue	\$15,524	\$13,956	\$1,568	\$13,336
Surgical Cases	164	127	37	124

Gross Revenue Overall Payer Mix – August

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	45.0%	45.7%	-0.7%	43.6%	45.5%	-1.9%
Medicare Mgd Care	11.7%	10.0%	1.7%	12.0%	10.0%	2.0%
Medi-Cal	17.7%	17.9%	-0.2%	18.9%	18.0%	0.9%
Self Pay	1.7%	1.3%	0.4%	1.3%	1.3%	0.0%
Commercial	18.9%	20.1%	-1.2%	19.4%	20.3%	-0.9%
Workers Comp	2.9%	3.0%	-0.1%	2.5%	2.9%	-0.4%
Capitated	2.1%	2.0%	0.1%	2.3%	2.0%	0.3%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for August:

For the month of August the cash collection goal was \$3,929,450 and the Hospital collected \$3,702,687 or under the goal by (\$226,763). The year-to-date cash collection goal was \$7,962,166 and the Hospital has collected \$7,715,239 or under goal by (\$246,927). Days of cash on hand are 10.6 days at August 31, 2017. Accounts Receivable decreased from July, from 44.8 days to 42.7 days in August. Accounts Payable increased by \$373,138 from July and Accounts Payable days are at 47.0.

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 August 31, 2017

ATTACHMENT A

August-17

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	10,256,751	10,619,010	-362,259	-3.4%
Medicare Managed Care	2,667,853	2,335,005	332,848	14.3%
Medi-Cal	4,024,107	4,163,389	-139,282	-3.3%
Self Pay	382,222	291,236	90,986	31.2%
Commercial & Other Government	4,323,327	4,696,565	-373,238	-7.9%
Worker's Comp.	652,989	689,387	-36,398	-5.3%
Capitated	477,800	465,103	12,697	2.7%
Total	22,785,049	23,259,695	(474,646)	

	Actual	Budget	Variance	% Variance
Medicare	19,156,801	20,650,350	-1,493,549	-7.2%
Medicare Managed Care	5,275,299	4,542,694	732,605	16.1%
Medi-Cal	8,294,772	8,171,739	123,033	1.5%
Self Pay	557,948	570,619	-12,671	-2.2%
Commercial & Other Government	8,573,753	9,237,673	-663,920	-7.2%
Worker's Comp.	1,075,761	1,331,540	-255,779	-19.2%
Capitated	1,014,855	911,956	102,899	11.3%
Total	43,949,189	45,416,571	(1,467,382)	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,513,641	1,561,620	-47,979	-3.1%
Medicare Managed Care	383,104	299,780	83,324	27.8%
Medi-Cal	573,033	558,467	14,566	2.6%
Self Pay	200,440	131,265	69,175	52.7%
Commercial & Other Government	1,288,694	1,788,897	-500,203	-28.0%
Worker's Comp.	134,908	178,178	-43,270	-24.3%
Capitated	20,068	15,081	4,987	33.1%
Prior Period Adj/IGT	532,424	313,272	219,152	*
Total	4,646,312	4,846,560	(200,248)	-4.1%

	Actual	Budget	Variance	% Variance
Medicare	2,822,233	3,131,284	-309,051	-9.9%
Medicare Managed Care	770,862	583,214	187,648	32.2%
Medi-Cal	1,301,438	1,144,275	157,163	13.7%
Self Pay	305,876	257,188	48,688	18.9%
Commercial & Other Government	2,540,937	3,347,885	-806,948	-24.1%
Worker's Comp.	219,533	344,148	-124,615	-36.2%
Capitated	33,574	29,570	4,004	13.5%
Prior Period Adj/IGT	1,506,662	626,544	880,118	*
Total	9,501,115	9,464,108	37,007	0.4%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	32.6%	32.2%	0.4%	1.2%
Medicare Managed Care	8.2%	6.2%	2.0%	32.3%
Medi-Cal	23.8%	18.0%	5.8%	32.2%
Self Pay	4.3%	2.7%	1.6%	59.3%
Commercial & Other Government	27.8%	36.9%	-9.1%	-24.7%
Worker's Comp.	2.9%	3.7%	-0.8%	-21.6%
Capitated	0.4%	0.3%	0.1%	33.3%
Total	100.0%	100.0%	0.0%	

	Actual	Budget	Variance	% Variance
Medicare	29.7%	33.1%	-3.5%	-10.6%
Medicare Managed Care	8.1%	6.2%	1.9%	30.6%
Medi-Cal	29.6%	18.7%	10.9%	58.3%
Self Pay	3.2%	2.7%	0.5%	18.5%
Commercial & Other Government	26.7%	35.4%	-8.7%	-24.6%
Worker's Comp.	2.3%	3.6%	-1.3%	-36.1%
Capitated	0.4%	0.3%	0.1%	33.3%
Total	100.0%	100.0%	-0.1%	

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	14.8%	14.7%	0.1%	0.7%
Medicare Managed Care	14.4%	12.8%	1.6%	12.5%
Medi-Cal	27.5%	20.9%	6.6%	31.6%
Self Pay	52.4%	45.1%	7.3%	16.2%
Commercial & Other Government	29.8%	38.1%	-8.3%	-21.8%
Worker's Comp.	20.7%	25.8%	-5.1%	-19.8%
Capitated	4.2%	3.2%	1.0%	31.3%

	Actual	Budget	Variance	% Variance
Medicare	14.7%	15.2%	-0.5%	-3.1%
Medicare Managed Care	14.6%	12.8%	1.8%	13.7%
Medi-Cal	33.9%	21.7%	12.2%	56.2%
Self Pay	54.8%	45.1%	9.7%	21.6%
Commercial & Other Government	29.6%	36.2%	-6.6%	-18.3%
Worker's Comp.	20.4%	25.8%	-5.4%	-21.1%
Capitated	3.3%	3.2%	0.1%	1.8%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended August 31, 2017**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 08/31/17</u>	<u>Budget 08/31/17</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 08/31/17</u>	<u>Budget 08/31/17</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 08/31/16</u>
				Inpatient Utilization				
				Discharges				
1	82	97	(15)	Acute	139	180	(41)	177
2	12	16	(4)	ICU	31	31	0	31
3	94	113	(19)	Total Discharges	170	211	(41)	208
4	9	14	(5)	Newborn	17	29	(12)	30
5	103	127	(24)	Total Discharges inc. Newborns	187	240	(53)	238
				Patient Days:				
6	242	332	(90)	Acute	401	623	(222)	634
7	83	101	(18)	ICU	164	189	(25)	189
8	325	433	(108)	Total Patient Days	565	812	(247)	823
9	15	29	(14)	Newborn	22	58	(36)	51
10	340	462	(122)	Total Patient Days inc. Newborns	587	870	(283)	874
				Average Length of Stay:				
11	3.0	3.4	(0.5)	Acute	2.9	3.5	(0.6)	3.6
12	6.9	6.2	0.7	ICU	5.3	6.2	(0.9)	6.1
13	3.5	3.8	(0.4)	Avg. Length of Stay	3.3	3.8	(0.5)	4.0
14	1.7	2.0	(0.4)	Newborn ALOS	1.3	2.0	0.8	1.7
				Average Daily Census:				
15	7.8	10.7	(2.9)	Acute	6.5	10.0	(3.6)	10.2
16	2.7	3.3	(0.6)	ICU	2.6	3.0	(0.4)	3.0
17	10.5	14.0	(3.5)	Avg. Daily Census	9.1	13.1	(4.0)	13.3
18	0.5	0.9	(0.4)	Newborn	0.35	0.94	(0.6)	0.82
				Long Term Care:				
19	500	608	(108)	SNF Patient Days	1,028	1,171	(143)	1,171
20	26	27	(1)	SNF Discharges	49	51	(2)	58
21	16.1	19.6	(3.5)	Average Daily Census	16.6	18.9	(2.3)	18.9
				Other Utilization Statistics				
				Emergency Room Statistics				
22	894	918	(24)	Total ER Visits	1,814	1,858	(44)	1,858
				Outpatient Statistics:				
23	4,902	4,910	(8)	Total Outpatients Visits	9,229	9,722	(493)	9,040
24	22	30	(8)	IP Surgeries	51	64	(13)	82
25	142	97	45	OP Surgeries	275	187	88	158
26	77	29	48	Special Procedures	129	63	66	120
27	713	893	(180)	Home Health Visits	1,583	1,853	(270)	1,850
28	377	350	27	Adjusted Discharges	677	660	17	654
29	2,591	2,606	(15)	Adjusted Patient Days (Inc. SNF)	4,923	4,990	(67)	4,903
30	83.6	84.1	(0.5)	Adj. Avg. Daily Census (Inc. SNF)	79.4	80.5	(1.1)	79.1
31	1.5700	1.4000	0.170	Case Mix Index -Medicare	1.6106	1.4000	0.211	1.7098
32	1.4745	1.4000	0.075	Case Mix Index - All payers	1.4891	1.4000	0.089	1.5822
				Labor Statistics				
33	279	294	14.1	FTE's - Worked	275	288	12.9	282
34	314	336	21.9	FTE's - Paid	316	330	14.0	321
35	42.44	41.40	(1.05)	Average Hourly Rate	41.64	41.38	(0.27)	39.85
36	21.4	22.8	1.4	Manhours / Adj. Pat Day	22.7	23.4	0.7	23.1
37	147.1	169.4	22.4	Manhours / Adj. Discharge	164.7	176.5	11.7	173.3
38	22.3%	21.9%	-0.5%	Benefits % of Salaries	23.1%	22.1%	-1.0%	23.3%
				Non-Labor Statistics				
39	10.9%	10.7%	-0.2%	Supply Expense % Net Revenue	10.9%	10.7%	-0.3%	11.3%
40	1,375	1,520	145	Supply Exp. / Adj. Discharge	1,578	1,569	(9)	1,743
41	14,705	15,792	1,087	Total Expense / Adj. Discharge	16,682	16,541	(141)	16,957
				Other Indicators				
42	10.6			Days Cash - Operating Funds				
43	42.7	50.0	(7.3)	Days in Net AR	43.8	50.0	(6.3)	52.6
44	94%			Collections % of Net Revenue	97%			112.2%
45	47.0	55.0	(8.0)	Days in Accounts Payable	47.0	55.0	(8.0)	25.9
46	21.0%	21.4%	-0.4%	% Net revenue to Gross revenue	22.2%	21.4%	0.8%	23.1%
47	22.6%			% Net AR to Gross AR	22.6%			26.1%

Sonoma Valley Health Care District
Balance Sheet
As of August 31, 2017

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>	
Assets				
Current Assets:				
1	Cash	\$ 1,777,750	\$ 2,817,486	\$ 2,475,945
2	Trustee Funds	2,101,958	3,966,031	1,690,214
3	Net Patient Receivables	8,350,040	8,591,450	8,353,550
4	Allow Uncollect Accts	(1,403,714)	(1,388,210)	(990,919)
5	Net A/R	6,946,326	7,203,240	7,362,631
6	Other Accts/Notes Rec	7,216,072	6,992,879	7,001,727
7	3rd Party Receivables, Net	2,405,550	1,571,553	2,218,767
8	Inventory	828,383	832,480	809,980
9	Prepaid Expenses	911,504	866,556	918,528
10	Total Current Assets	\$ 22,187,543	\$ 24,250,225	\$ 22,477,792
12	Property, Plant & Equip, Net	\$ 52,804,941	\$ 52,992,569	\$ 53,622,408
13	Specific Funds	409,292	918,789	486,049
14	Other Assets	-	-	144,537
15	Total Assets	\$ 75,401,776	\$ 78,161,583	\$ 76,730,787
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,542,245	\$ 3,169,107	\$ 4,095,891
17	Accrued Compensation	4,157,868	4,617,538	4,552,198
18	Interest Payable	105,776	661,595	110,266
19	Accrued Expenses	1,907,463	1,640,488	1,182,187
20	Advances From 3rd Parties	441,664	474,728	138,923
21	Deferred Tax Revenue	5,673,500	6,240,850	4,969,087
22	Current Maturities-LTD	1,269,309	1,307,131	1,041,126
23	Line of Credit - Union Bank	6,973,734	6,973,734	5,923,734
24	Other Liabilities	1,386	1,386	1,359,551
25	Total Current Liabilities	\$ 24,072,945	\$ 25,086,557	\$ 23,372,963
26	Long Term Debt, net current portion	\$ 35,550,700	\$ 37,132,265	\$ 37,624,930
Fund Balances:				
28	Unrestricted	\$ 11,880,563	\$ 12,063,627	\$ 12,683,903
29	Restricted	3,897,568	3,879,134	3,048,992
30	Total Fund Balances	\$ 15,778,131	\$ 15,942,761	\$ 15,732,894
31	Total Liabilities & Fund Balances	\$ 75,401,776	\$ 78,161,583	\$ 76,730,787

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended August 31, 2017**

	Month					Year-To-Date				YTD			
	This Year		Variance			This Year		Variance			Prior Year		
	Actual	Budget	\$	%		Actual	Budget	\$	%				
Volume Information													
1	94	113	(19)	-17%	Acute Discharges		170	211	(41)	-19%	208		
2	500	608	(108)	-18%	SNF Days		1,028	1,171	(143)	-12%	1,171		
3	713	893	(180)	-20%	Home Care Visits		1,583	1,853	(270)	-15%	1,850		
4	15,524	13,956	1,569	11%	Gross O/P Revenue (000's)	\$	29,700	\$	27,357	2,343	9%	\$	25,941
Financial Results													
Gross Patient Revenue													
5	\$ 5,272,105	\$ 7,029,995	(1,757,890)	-25%	Inpatient	\$	10,278,392	\$	13,727,298	(3,448,906)	-25%	\$	13,620,558
6	9,184,395	7,334,169	1,850,226	25%	Outpatient		16,569,658	14,056,981	2,512,677	18%	13,041,980		
7	6,098,510	6,334,908	(236,398)	-4%	Emergency		12,611,556	12,683,728	(72,172)	-1%	12,361,978		
8	1,979,097	2,253,139	(274,042)	-12%	SNF		3,935,168	4,311,563	(376,395)	-9%	4,167,434		
9	250,942	307,484	(56,542)	-18%	Home Care		554,415	637,001	(82,586)	-13%	640,051		
10	\$ 22,785,049	\$ 23,259,695	(474,646)	-2%	Total Gross Patient Revenue	\$	43,949,189	\$	45,416,571	(1,467,382)	-3%	\$	43,832,001
Deductions from Revenue													
11	\$ (18,503,461)	\$ (18,603,800)	100,339	1%	Contractual Discounts	\$	(35,664,167)	\$	(36,333,793)	669,626	2%	\$	(35,153,863)
12	(153,000)	(100,000)	(53,000)	-53%	Bad Debt		(253,000)	(200,000)	(53,000)	-27%	(250,000)		
13	(14,700)	(22,607)	7,907	35%	Charity Care Provision		(37,569)	(45,214)	7,645	17%	(86,930)		
14	532,424	313,272	219,152	70%	Prior Period Adj/Government Program Revenue		1,506,662	626,544	880,118	*	1,497,597		
15	\$ (18,138,737)	\$ (18,413,135)	274,398	-1%	Total Deductions from Revenue	\$	(34,448,074)	\$	(35,952,463)	1,504,389	-4%	\$	(33,993,196)
16	\$ 4,646,312	\$ 4,846,560	(200,248)	-4%	Net Patient Service Revenue	\$	9,501,115	\$	9,464,108	37,007	0%	\$	9,838,805
17	\$ 128,220	\$ 128,521	(301)	0%	Risk contract revenue	\$	261,624	\$	257,042	4,582	2%	\$	252,004
18	\$ 4,774,532	\$ 4,975,081	(200,549)	-4%	Net Hospital Revenue	\$	9,762,739	\$	9,721,150	41,589	0%	\$	10,090,809
19	\$ 13,537	\$ 18,823	(5,286)	-28%	Other Op Rev & Electronic Health Records	\$	24,508	\$	37,646	(13,138)	-35%	\$	58,347
20	\$ 4,788,069	\$ 4,993,904	(205,835)	-4%	Total Operating Revenue	\$	9,787,247	\$	9,758,796	28,451	0%	\$	10,149,156
Operating Expenses													
21	\$ 2,352,922	\$ 2,455,090	102,168	4%	Salary and Wages and Agency Fees	\$	4,647,745	\$	4,821,931	174,186	4%	\$	4,516,310
22	872,447	910,952	38,505	4%	Employee Benefits		1,791,259	1,801,313	10,054	1%	1,766,599		
23	\$ 3,225,369	\$ 3,366,042	140,673	4%	Total People Cost	\$	6,439,004	\$	6,623,244	184,240	3%	\$	6,282,909
24	\$ 400,036	\$ 409,331	9,295	2%	Med and Prof Fees (excl Agency)	\$	770,689	\$	819,315	48,626	6%	\$	766,679
25	518,117	531,927	13,810	3%	Supplies		1,068,742	1,035,882	(32,860)	-3%	1,139,888		
26	378,451	376,471	(1,980)	-1%	Purchased Services		734,193	752,942	18,749	2%	621,999		
27	284,946	282,312	(2,634)	-1%	Depreciation		570,278	564,624	(5,654)	-1%	557,133		
28	118,405	101,622	(16,783)	-17%	Utilities		231,456	203,244	(28,212)	-14%	219,744		
29	31,819	27,614	(4,205)	-15%	Insurance		63,638	55,228	(8,410)	-15%	58,584		
30	46,887	45,914	(973)	-2%	Interest		94,087	92,233	(1,854)	-2%	65,137		
31	109,557	139,163	29,606	21%	Other		224,148	278,113	53,965	19%	322,299		
32	266,212	86,433	(179,779)	*	Matching Fees (Government Programs)		775,755	172,866	(602,889)	*	747,361		
33	\$ 5,379,799	\$ 5,366,829	(12,970)	0%	Operating expenses	\$	10,971,990	\$	10,597,691	(374,299)	-4%	\$	10,781,733
34	\$ (591,730)	\$ (372,925)	(218,805)	-59%	Operating Margin	\$	(1,184,743)	\$	(838,895)	(345,848)	-41%	\$	(632,577)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended August 31, 2017**

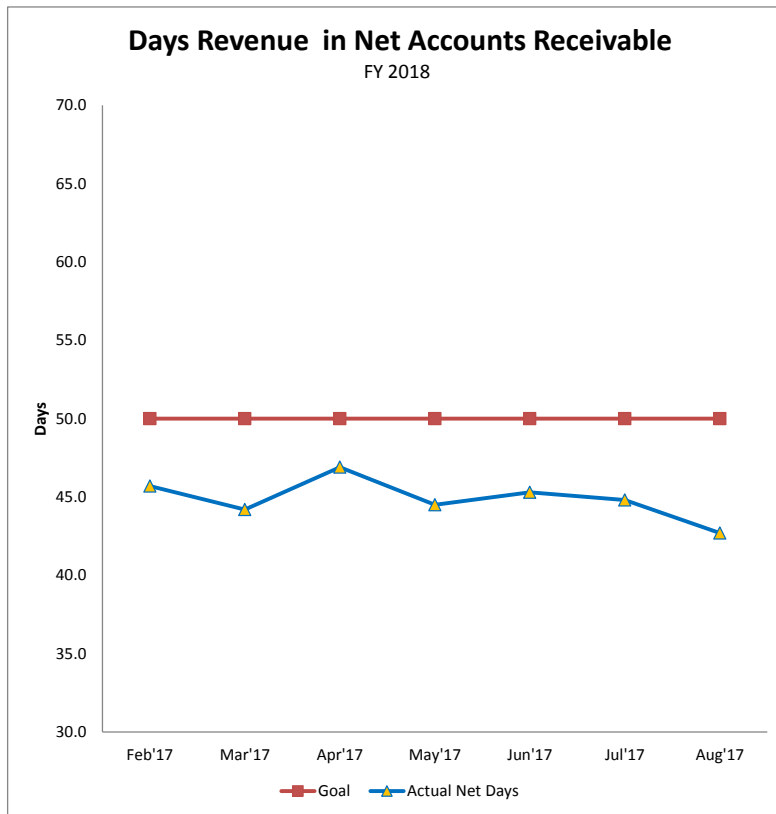
	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
35	\$ (4,620)	\$ (13,222)	8,602	-65%						\$ (33,997)	
36	8,478	-	8,478	0%						0	
37	(56,766)	(54,683)	(2,083)	4%						(75,000)	
38	316,667	316,667	-	0%						500,378	
39	\$ 263,759	\$ 248,762	14,997	6%						\$ 391,381	
40	\$ (327,971)	\$ (124,163)	(203,808)	164%	Net Income / (Loss) prior to Restricted Contributions	\$ (666,294)	\$ (341,371)	(324,923)	95%	\$ (241,196)	
41	\$ 6,167	\$ 14,417	(8,250)	-57%	Capital Campaign Contribution	\$ 6,167	\$ 28,834	(22,667)	-79%	\$ 10,417	
42	\$ 12,267	\$ -	12,267	0%	Restricted Foundation Contributions	\$ 12,267	\$ -	12,267	100%	\$ -	
43	\$ (309,537)	\$ (109,746)	(199,791)	182%	Net Income / (Loss) w/ Restricted Contributions	\$ (647,860)	\$ (312,537)	(335,323)	107%	\$ (230,779)	
44	250,683	250,683	-	0%	GO Bond Tax Assessment Rev	501,366	501,366	-	0%	493,818	
45	(105,776)	(105,776)	-	0%	GO Bond Interest	(216,042)	(216,042)	-	0%	(232,185)	
46	\$ (164,630)	\$ 35,161	(199,791)	-568%	Net Income/(Loss) w GO Bond Activity	\$ (362,536)	\$ (27,213)	(335,323)	1232%	\$ 30,854	
	\$ 3,862	\$ 204,063			EBIDA - Not including Restricted Contributions	\$ (1,929)	\$ 315,486			\$ 381,074	
	0.1%	4.1%				0.0%	3.2%			3.8%	
	\$ (43,025)	\$ 158,149			EBDA - Not including Restricted Contributions	\$ (96,016)	\$ 223,253				
	-0.9%	3.2%				-1.0%	2.3%				

**Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended August 31, 2017**

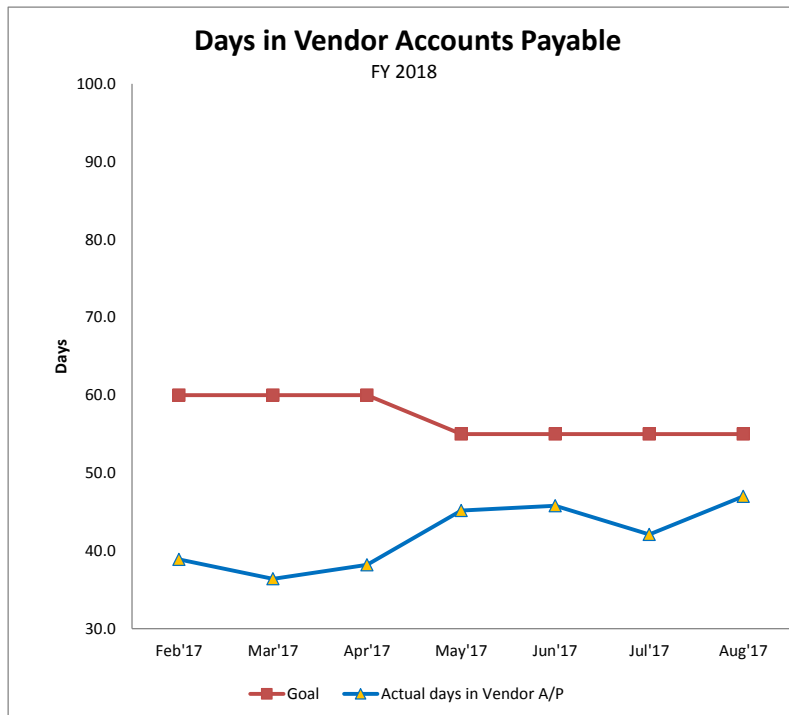
	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	(41)	(19)	
2 SNF Days	(143)	(108)	
3 Home Care Visits	(270)	(180)	
4 Gross O/P Revenue (000's)	2,343	1,569	
Financial Results			
Gross Patient Revenue			
5 Inpatient	(3,448,906)	(1,757,890)	Inpatient days were below budgeted expectations by (108) days and IP surgeries were below budget by (8) cases.
6 Outpatient	2,512,677	1,850,226	Outpatient visits are 4,902 vs. budgeted expectations of 4,910 visits and outpatient surgeries are 142 vs. budgeted expectations 97.
7 Emergency	(72,172)	(236,398)	ER visits are 894 vs. budgeted visits of 918.
8 SNF	(376,395)	(274,042)	SNF patient days are 500 vs. budgeted expected days of 608.
9 Home Care	(82,586)	(56,542)	HHA visits are 713 vs. budgeted expectations of 893.
10 Total Gross Patient Revenue	(1,467,382)	(474,646)	
Deductions from Revenue			
11 Contractual Discounts	669,626	100,339	
12 Bad Debt	(53,000)	(53,000)	
13 Charity Care Provision	7,645	7,907	
14 Prior Period Adj/Government Program Revenue	880,118	219,152	HQAF IGT \$532,424.
15 Total Deductions from Revenue	1,504,389	274,398	
16 Net Patient Service Revenue	37,007	(200,248)	
17 Risk contract revenue	4,582	(301)	
18 Net Hospital Revenue	41,589	(200,549)	
19 Other Op Rev & Electronic Health Records	(13,138)	(5,286)	
20 Total Operating Revenue	28,451	(205,835)	
Operating Expenses			
21 Salary and Wages and Agency Fees	174,186	102,168	Salaries and Wages are under budget by \$132,578 and the Agency fees are over budget by (\$30,410).
22 Employee Benefits	10,054	38,505	
23 Total People Cost	184,240	140,673	
24 Med and Prof Fees (excl Agency)	48,626	9,295	
25 Supplies	(32,860)	13,810	
26 Purchased Services	18,749	(1,980)	
27 Depreciation	(5,654)	(2,634)	
28 Utilities	(28,212)	(16,783)	Utilities cost tend to be higher during summer months, the budget is spread evenly over 12 months.
29 Insurance	(8,410)	(4,205)	
30 Interest	(1,854)	(973)	
31 Other	53,965	29,606	
32 Matching Fees (Government Programs)	(602,889)	(179,779)	The HQAF IGT matching fee of \$266,212 posted in August. The budgeted matching fees are spread evenly over 12 months.
33 Operating expenses	(374,299)	(12,970)	
34 Operating Margin	(345,848)	(218,805)	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	16,613	8,602	
36 Donations	8,478	8,478	
37 Physician Practice Support-Prima	(4,166)	(2,083)	
38 Parcel Tax Assessment Rev	-	-	
39 Total Non-Operating Rev/Exp	20,925	14,997	
40 Net Income / (Loss) prior to Restricted Contributions	(324,923)	(203,808)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended August 31, 2017**

	YTD	MONTH
Description	Variance	Variance
41 Capital Campaign Contribution	(22,667)	(8,250)
42 Restricted Foundation Contributions	12,267	12,267
43 Net Income / (Loss) w/ Restricted Contributions	(335,323)	(199,791)
44 GO Bond Tax Assessment Rev	-	-
45 GO Bond Interest	-	-
46 Net Income/(Loss) w GO Bond Activity	(335,323)	(199,791)



Days in A/R	Feb'17	Mar'17	Apr'17	May'17	Jun'17	Jul'17	Aug'17
Actual days in A/R	45.7	44.2	46.9	44.5	45.3	44.8	42.7
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Feb'17	Mar'17	Apr'17	May'17	Jun'17	Jul'17	Aug'17
Actual days in Vendor A/P	38.9	36.4	38.2	45.2	45.8	42.1	47.0
Goal	60.0	60.0	60.0	55.0	55.0	55.0	55.0

Sonoma Valley Hospital
 Statistical Analysis
 FY 2018

ATTACHMENT G

	ACTUAL	BUDGET	ACTUAL												
	Aug-17	Aug-17	Jul-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
Statistics															
Acute															
Acute Patient Days	325	433	240	346	388	368	415	415	465	355	396	402	407	437	386
Acute Discharges (w/o Newborns)	94	113	76	87	100	89	119	97	119	100	95	99	95	105	103
SNF Days	500	608	528	458	559	512	572	607	592	500	446	512	624	608	563
HHA Visits	713	893	870	940	966	934	849	922	877	919	938	880	1,042	890	960
Emergency Room Visits	894	918	920	964	1,069	921	941	851	1,000	942	850	852	897	918	940
Gross Outpatient Revenue (000's)	\$15,524	\$13,956	\$14,175	\$15,454	\$15,523	\$13,168	\$15,098	\$12,189	\$13,500	\$12,935	\$13,147	\$13,347	\$13,512	\$13,336	\$12,605
Equivalent Patient Days	2,591	2,606	2,332	2,328	2,654	2,227	2,537	2,553	2,618	2,382	2,202	2,380	2,707	2,581	2,322
Births	10	14	6	15	7	11	12	12	11	9	8	9	14	17	14
Surgical Cases - Inpatient	22	30	29	36	30	47	40	26	38	28	38	42	37	39	43
Surgical Cases - Outpatient	142	97	133	161	143	124	149	101	110	98	123	84	81	85	73
Total Surgical Cases	164	127	162	197	173	171	189	127	148	126	161	126	118	124	116
Total Special Procedures	77	29	52	66	58	44	36	41	28	40	32	29	49	63	57
Medicare Case Mix Index	1.57	1.40	1.65	1.66	1.69	1.64	1.45	1.52	1.47	1.59	1.79	1.59	1.97	1.58	1.84
Income Statement															
Net Revenue (000's)	\$4,775	\$4,975	4,988	5,188	5,330	4,924	5,283	4,266	\$4,528	\$3,588	\$4,452	\$4,727	\$4,406	\$4,919	\$5,172
Operating Expenses (000's)	\$5,380	\$5,367	\$5,592	\$5,250	\$5,678	\$5,308	\$5,395	\$4,803	\$5,026	\$4,713	\$5,047	\$4,912	\$4,807	\$5,310	\$5,472
Net Income (000's)	(\$165)	\$35	-198	690	16	-24	304	308	(\$108)	(\$600)	(\$65)	\$337	(\$6)	(\$23)	\$59
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$2,076	\$2,059	\$2,398	\$2,255	\$2,139	\$2,383	\$2,127	\$1,881	\$1,920	\$1,979	\$2,292	\$2,064	\$1,776	\$2,057	\$2,356
Productive FTEs	279	294	271	278	291	285	294	294	280	253	289	280	283	286	278
Non-Productive FTE's	35	42	47	43	28	28	28	28	36	56	30	36	36	35	42
Total FTEs	314	336	318	321	319	313	322	322	316	309	319	316	319	321	320
FTEs per Adjusted Occupied Bed	3.75	3.99	4.23	4.14	3.73	4.22	3.93	3.54	3.74	4.03	4.35	4.11	3.54	3.86	4.28
Balance Sheet															
Days of Expense In General Operating Cash	10.6		16	20	19	11	16	27	20	25	10	11	6	15	11
Net Days of Revenue in AR	43	50	45	45	44	47	44	46	50	51	53	50	50	50	55

Sonoma Valley Hospital
Cash Forecast
FY 2018

	Actual July	Actual Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	4,502,585	4,253,229	4,534,208	4,268,066	4,132,257	4,168,703	4,476,616	4,409,693	4,706,455	4,322,606	4,357,338	4,351,807	52,483,563
2 Capitation Revenue	133,404	128,220	128,521	128,521	128,521	128,521	128,521	128,521	128,521	128,521	128,521	128,518	1,546,831
3 Napa State	39,561	4,166	20,762	20,762	20,762	20,762	20,762	20,762	20,762	20,762	20,762	20,762	251,347
4 Other Operating Revenue	10,971	25,415	18,823	18,823	18,823	18,823	18,823	18,823	18,823	18,823	18,823	18,827	224,620
5 Other Non-Operating Revenue	26,914	38,081											64,996
6 Unrestricted Contributions		8,478											8,478
7 Line of Credit													-
Sub-Total Hospital Sources	4,713,435	4,457,589	4,702,314	4,436,172	4,300,363	4,336,809	4,644,722	4,577,799	4,874,561	4,490,712	4,525,444	4,519,914	54,579,834
Hospital Uses of Cash													
8 Operating Expenses	5,146,037	5,273,336	5,328,046	5,178,659	5,101,589	5,130,853	5,338,157	5,253,569	5,505,480	5,297,652	5,370,033	5,303,034	63,226,445
9 Less Depreciation			(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,312)	(282,301)	(2,823,109)
10 Add Capital Lease Payments	52,503	186,389	100,464	100,872	101,283	166,323	102,110	102,526	102,944	103,364	103,786	169,180	1,391,744
11 Additional Liabilities										500,000			500,000
12 Capital Expenditures	15,965	56,034											71,999
Total Hospital Uses	5,214,505	5,515,759	5,146,198	4,997,219	4,920,560	5,014,864	5,157,955	5,073,783	5,326,112	5,618,704	5,191,507	5,189,913	62,367,079
Net Hospital Sources/Uses of Cash	(501,070)	(1,058,171)	(443,884)	(561,047)	(620,197)	(678,055)	(513,233)	(495,984)	(451,551)	(1,127,992)	(666,063)	(669,999)	(7,787,245)
Non-Hospital Sources													
13 Restricted Cash/Capital Donations		527,977	280,629	(495,126)	(251,795)	14,417	18,828	18,828	18,828	18,828	18,828	18,828	189,070
14 Parcel Tax Revenue	152,275					2,000,000				1,800,000			3,952,275
15 Payment - South Lot			(25,205)			(25,205)			(24,658)			(24,932)	(100,000)
16 Other:													-
17 IGT				849,238	532,424				860,000				2,241,662
18 IGT - AB915 (Net)								900,000					900,000
19 PRIME					1,350,000						150,000		1,500,000
Sub-Total Non-Hospital Sources	152,275	527,977	255,424	354,112	1,630,629	1,989,212	18,828	918,828	854,170	1,818,828	168,828	(6,104)	8,683,007
Non-Hospital Uses of Cash													
20 Matching Fees		509,543	266,212	675,000						75,000			1,525,755
Sub-Total Non-Hospital Uses of Cash	-	509,543	266,212	675,000	-	-	-	-	-	75,000	-	-	1,525,755
Net Non-Hospital Sources/Uses of Cash	152,275	18,434	(10,788)	(320,888)	1,630,629	1,989,212	18,828	918,828	854,170	1,743,828	168,828	(6,104)	7,157,252
Net Sources/Uses	(348,795)	(1,039,737)	(454,672)	(881,935)	1,010,432	1,311,157	(494,405)	422,844	402,619	615,836	(497,235)	(676,103)	
Cash and Equivalents at beginning of period	3,166,281	2,817,486	1,777,750	1,323,078	441,143	1,451,575	2,762,732	2,268,327	2,691,171	3,093,790	3,709,626	3,212,391	
Cash and Equivalents at end of period	2,817,486	1,777,750	1,323,078	441,143	1,451,575	2,762,732	2,268,327	2,691,171	3,093,790	3,709,626	3,212,391	2,536,288	

12.

**GOVERNANCE
COMMITTEE ORIENTATION
OUTLINE**

Orientation Manual

- District Mission, Vision and Values Statements

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

OUR VISION: SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey

OUR VALUES: C.R.E.A.T.I.N.G
Compassion: We show consideration of the feelings of others at all times. Respect: We honor and acknowledge the value of the people, places and resources in providing care. Excellence: We strive to exceed the expectations of the people we serve. Accountability: We are reliable, self-responsible owners of the outcomes of our organization. Teamwork: We are productive and participative staff members who energize others. Innovation: We seek new and creative solutions to deliver quality healthcare. Nurturing: We cultivate, develop and educate those with whom we work to achieve their highest potential. Guidance: We direct and lead our community members through their healthcare journey and in health improvement.

- Strategic Plan <http://www.svh.com/strategic-planning/>
- District History <http://www.svh.com/healthcare-district-information/hospital-history/>
- Conflict of Interest Code
<http://www.svh.com/healthcare-district-information/board-of-directors/#policies>
- Brown Act, Q&A (attachment II)
- FY Operating Budget
<https://www.svh.com/wp-content/uploads/2012/03/Budget-FY2018-APPROVED.pdf>
- Annual Report
- <https://www.svh.com/wp-content/uploads/2012/03/SVHCD-2016-Audited-Financials-Final.pdf>
- District 3-Year Rolling Strategic Plan
<http://www.svh.com/strategic-planning/>
- Board and Board Committee Meeting Calendar
- <http://www.svh.com/healthcare-district-information/calendar/>
- District web site address
<http://www.svh.com/>

Resource Manual

- District By-Laws
<http://www.svh.com/wp-content/uploads/2011/08/SVH-Board-Bylaws-12-01-1141.pdf>
- Board Members
<http://www.svh.com/healthcare-district-information/board-of-directors/>

- Approved Board Policies
<http://www.svh.com/healthcare-district-information/board-of-directors/#policies>
- Board Committee Charters
 - Audit Committee
<http://www.svh.com/healthcare-district-information/audit-committee/>
 - Finance Committee
<http://www.svh.com/healthcare-district-information/finance-committee/>
 - Governance Committee
<http://www.svh.com/healthcare-district-information/governance-committee/>
 - Quality Committee
<http://www.svh.com/healthcare-district-information/quality-committee/>
- District Relationships and Affiliations
<http://www.svh.com/healthcare-district-information/>
- Hospital Organization Chart (attached as pdf)
- Hospital Medical Staff Overview
<http://www.svh.com/healthcare-district-information/medical-executive-committee/>
 - Medical Staff Officers
- Sonoma Valley Hospital Foundation
<http://www.svh.com/foundation/>
- Brown Act, California Government Codes 54950-54963
<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=54001-55000&file=54950-54963>
- Health Care District Health & Safety Code, Section 32000-32492 (From Association of Health Care District Web Site, ACHD.org)
http://www.achd.org/wp-content/uploads/sites/6/2013/02/HCD_Law_20131.pdf

Attachment A

Brown Act Questions and Answers

Standing Board Committees

If a third Board member (not a member of the committee) attends a Standing Board Committee meeting (a public meeting that has been agendized) under what circumstances, if any, can that Board member make a comment at the meeting?

Ans: A third Board member may attend, but cannot comment at the meeting unless the meeting has been agendized as a Committee of the Whole Board.

Note: In the event that a regular Board member on a Standing Board Committee is absent from the meeting, an alternate Board member may be temporarily appointed to the Committee for the meeting by the Chair of the Board or by the Chair of the Committee and may participate as a regular member of the committee for that meeting.

CEO – Board Communication

May the CEO provide information to all of the Board members (via letter or e-mail) without disclosing that information publicly?

Ans: Yes, but the information must then be available to any member of the public who request the information. E-mails are public records. The communication must be one way, CEO to Board members. One on one follow up questions on the subject from a Board member to the CEO would also not be a violation.

When the CEO responds to a specific question from a Board member, may the question and the response be directed to all Board members (presuming that the question does not relate to HIPPA or personnel privacy issues)

Ans: Yes, same restrictions as above

May a Board member send information to the CEO and request that the information be distributed to all Board members?

Ans: Yes, same restrictions as above

What limitations are there, if any on the information that the Board Chair communicates to the other four Board members in the Chair's role as the Board contact person with the CEO.

Ans: None, same restrictions as above

Agendas

Agendas for Board meetings and Board Committee meetings are published 72 hours in advance of the meeting. At the time the agendas are issued, information about the items on the agenda are included in a "packet" of information and distributed with the agendas.

Can additional information for an item on the agenda, that becomes available after the “packets” are distributed, be distributed during the 72 hour period prior to the meeting or must this information be held and distributed at the meeting?

Ans: Yes, providing that all of the subsequent information is available to the public and all of the Board members at the meeting

Closed Sessions

On p. 37 of the Open & Public IV Guide to the Brown Act, under Hospital Peer Review and Trade Secrets, it states: Two specific kinds of closed sessions are allowed for district hospitals

"To hear reports of hospital medical audit or quality assurance committees, or for related deliberations",

"To hold closed sessions to discuss reports involving trade secrets"

The first appears to be a clear definition, but the second is not as clear. What constitutes a trade secret? Would it include the recruitment of a new doctor? Would it include a discussion of the cost/revenue relationship for a service provided or to be provided at the Hospital? What guidelines would be appropriate for determining if the subject would be considered a trade secret?

Are there any other circumstances where the law allows subjects to be discussed in closed session?

Ans: The District by-laws stipulate in Section 4 Committees:

Closed Board meetings may be held for purposes of considering the appointment, employment, evaluation of performance, discipline, dismissal or to hear complaints or charges concerning a Hospital employee or member of the Medical Staff; in consideration of pending litigation; or in matters of negotiations concerning real property, labor contracts, or discussion of trade secrets. Closed meetings shall be announced, conducted, and reported in accordance with the Brown Act, and the public may not participate. Standing committees may hold closed meetings if their charter or Board delegation includes issues allowing closed meetings.

Trade secrets may include new services, programs or facilities for the district, but they may not include “existing services” unless these services are being expanded. Trade secrets **do not** include new or existing services, programs or facilities of competitors.

No actions may be taken in closed sessions, except for the following: Labor and real estate negotiations anticipate that the board can give direction to their negotiators. In litigation sessions it is understood that the board can give direction to its lawyers or management in litigation related matters.

No action can be taken in trade secret sessions.

Board Training and Team Building

Is there a way that the Board could meet (for teambuilding/discussion reasons etc.) without having to announce/ agendize it?

Ans: No

General

Can more than two board members meet with representatives (like congressmen) in an informational session without public notice?

Ans: No

CEO Compensation

Can a discussion of CEO performance be conducted in closed session?

Ans: Board discussion of performance and compensation adjustments can take place in closed session if BOTH a "Personnel: performance evaluation (CEO)" and "Labor Negotiations, CEO Contract, P. Hohorst District Negotiator" are put on a closed session agenda. Any follow up action on a compensation adjustment or incentive performance award must be placed on a public meeting agenda and voted upon in public.

With regard to the Brown Act and any other disclosure requirements, what must be made public about the CEO's compensation?

Ans:, At the public meeting the item must be described on the agenda, e.g., "Consideration of CEO Compensation Adjustment and Performance Incentive Award" to meet the notice requirements. In addition it is best to have a written memo before the Board (perhaps from the Chair (a public document available to the public) spelling out the proposed compensation adjustment and incentive award numbers. A motion would then be made and seconded to approve the compensation incentive and performance award as presented.

Employee benefits that are unchanged are not required to be disclosed at the meeting. There is no affirmative mandate to disclose or reveal any information that is not subject to board consideration or vote as set forth on the agenda.

However, the CEO contract and salary information is all public record and must be disclosed if requested by a member of the public.



COMMUNITY

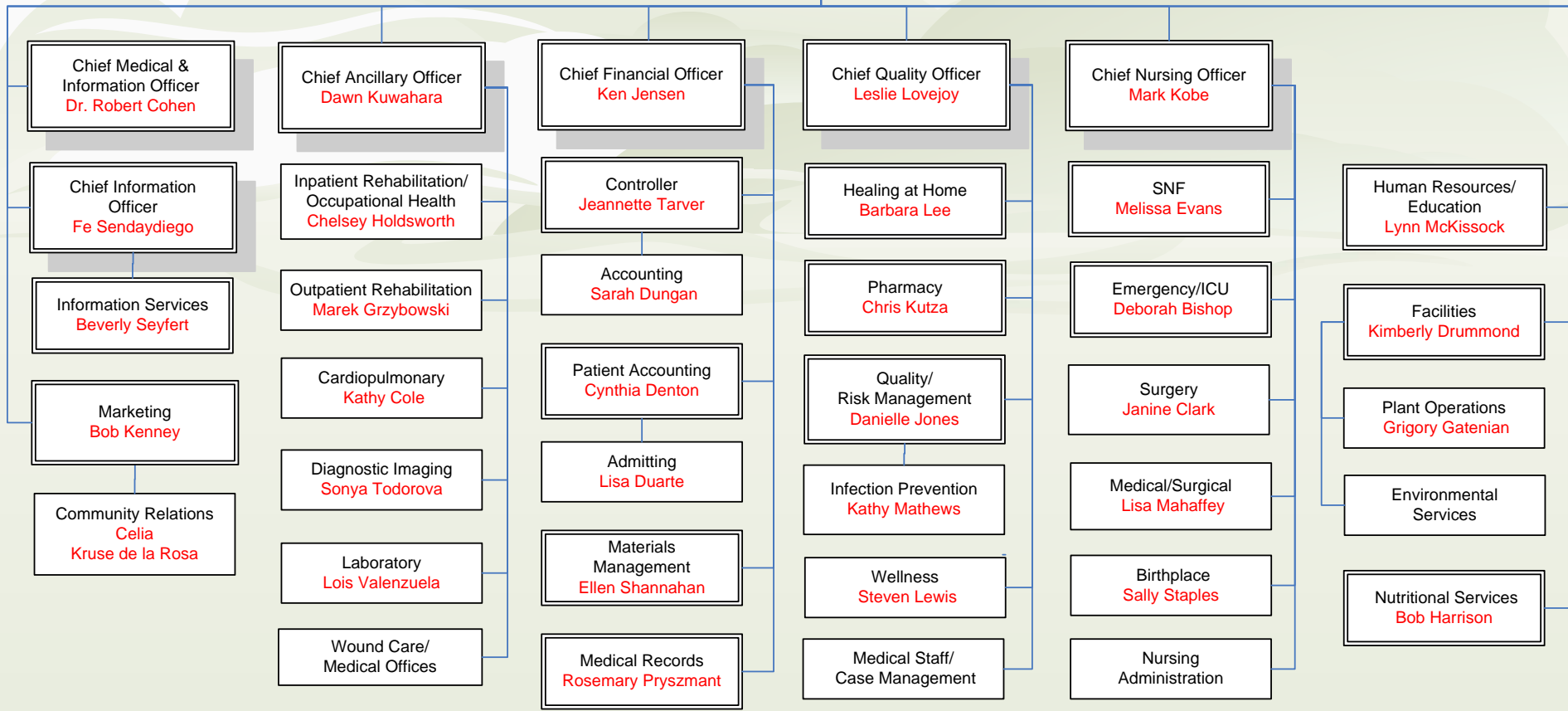
**Board of Directors
Sonoma Valley Health
Care District**

1206(b) Clinic

**Executive Assistant
Vivian Woodall**

**President & CEO
Sonoma Valley Hospital
Kelly Mather**

**SVH Foundation
David Pier**



13.

SB687 VETO SVH LETTER



September 25, 2017

The Honorable Edmund “Jerry” G. Brown, Jr.
Governor of California
State Capitol
Sacramento, CA 95814

SUBJECT: SB 687 (Skinner, D-Berkeley) – REQUEST FOR VETO

Dear Governor Brown:

Sonoma Valley Hospital requests your veto on SB 687 (Skinner). This bill would require a nonprofit hospital to notify the attorney general (AG) 90 days prior to a planned reduction or elimination of emergency department (ED) services; this could also apply to hospital closure. The AG would then have the authority to approve, conditionally approve, or deny any elimination or reduction of emergency services.

Sonoma Valley Hospital is not contemplating closure at this time. However, this bill will provide a new authority for the AG to approve, approve with conditions, or deny the closure of a service — specifically emergency departments. As we contemplate how and where we provide health care to the communities we serve, it is critical to have flexibility to adjust services to meet our patients’ various and changing needs. This bill would allow the AG to assert a new level of review, potentially disrupting our ability to effectively manage the services we provide. In addition, we will need as much flexibility as possible to meet the looming 2030 seismic mandate.

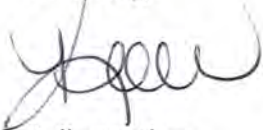
Should any nonprofit hospital face the decision to close its facility or ED, SB 687 would not give the AG any tools to address the cause for the closure, such as waiving the seismic mandate or providing additional reimbursement. This will lengthen and frustrate the review process, likely increasing the hospital’s financial losses and jeopardizing other services.

Existing procedures allow hospitals to notify the California Department of Public Health and local county governments prior to downgrading or closing emergency services. The local emergency medical services agency also conducts an impact evaluation to assess how the closure or reduction will affect emergency services in the community. These agencies have the expertise to evaluate the service and determine the appropriate response. Adding a statutory layer of oversight for the AG is unnecessary and duplicative.

Lastly, this bill prohibits the AG from considering whether freestanding EDs are an option during the review process. This model is untested in California. As hospitals transform their services and infrastructure to meet health care needs, a freestanding ED could be an appropriate fit for a community. SB 687 would prevent the AG from considering this option, even if future legislation is passed to allow freestanding EDs. Any consideration for this type of service should be fully vetted in separate legislation and not automatically removed from the AG's consideration.

Because SB 687 does not address the reasons a hospital is considering an ED closure, it provides no real solutions. For these reasons, we respectfully ask for your veto on SB 687.

Sincerely,



Kelly Mather
President and Chief Executive Officer
Sonoma Valley Hospital

cc: Donna Campbell, Deputy Legislative Secretary, Office of the Governor