



**SONOMA VALLEY HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS**

**AGENDA**

**AUGUST 1, 2019**

**REGULAR SESSION 6:00 P.M.**

**COMMUNITY MEETING ROOM**

**177 FIRST ST WEST**

**SONOMA, CA 95476**

<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 <a href="mailto:sfynn@svh.com">sfynn@svh.com</a> (707) 935.5004 at least 48 hours prior to the meeting.</p>	<b>RECOMMENDATION</b>		
<b>AGENDA ITEM</b>			
<p><b>MISSION STATEMENT</b>  <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p><b>1. CALL TO ORDER</b></p>	<i>Rymer</i>		
<p><b>2. PUBLIC COMMENT</b>  <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i></p>	<i>Rymer</i>		
<p><b>3. BOARD COMMENTS</b></p>			
<p><b>4. CONSENT CALENDAR</b></p> <ol style="list-style-type: none"> <li>1. Board Minutes 07.11.19</li> <li>2. Quality Committee Minutes 06.26.19</li> <li>3. Governance Committee Minutes 09.25.18</li> <li>4. Policies and Procedures</li> <li>5. Medical Staff Credentialing</li> </ol>	<i>Rymer</i>	Action	Pages 3-21
<p><b>5. OUTPATIENT DIAGNOSTIC CENTER PRESENTATION</b></p>	<i>Peluso/Mather</i>	Inform	Pages 22 - 45
<p><b>6. FINANCE COMMITTEE QUARTERLY REPORT</b></p>	<i>Nevins/Jensen</i>	Inform	
<p><b>7. EMPLOYEE ENGAGEMENT RESULTS/HR UPDATE</b></p>	<i>L. McKissock</i>	Inform	Pages 46 - 54
<p><b>8. CEO ADMINISTRATIVE REPORT</b></p>	<i>Mather</i>	Inform	Pages 55 - 57
<p><b>9. CMO REPORT</b></p>	<i>Kidd</i>	Inform	Pages 58- 59
<p><b>10. FINANCIALS MONTH END JUNE 30, 2019</b></p> <ul style="list-style-type: none"> <li>• Approval of Baseline Average Days of Cash on Hand</li> </ul>	<i>Jensen</i>	Inform Action	Pages 60- 76
<p><b>11. COMMITTEE REPORT</b></p> <ul style="list-style-type: none"> <li>• Appointment of CEO compensation committee</li> <li>• Governance Committee Report –             <ol style="list-style-type: none"> <li>i.2019 Work Plan</li> </ol> </li> </ul>	<i>Rymer</i>	Inform/ Action	Pages 77- 90

ii.Governing Bidding For Facility Projects P-2016-11-03 iii.Investment Policy P-2019.08.01			
<b>12. ADJOURN</b>	<i>Rymer</i>		

Note: To view this meeting you may visit <http://sonomatv.org/> or YouTube.com.



**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS' MEETING  
MINUTES  
THURSDAY, JULY 11, 2019  
SVH BASEMENT CONFERENCE ROOM  
347 ANDRIEUX ST SONOMA CA 95476**

	<b>RECOMMENDATION</b>	
<b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER</b> The meeting was called to order at 6:00pm.	<i>Rymer</i>	
<b>2. PUBLIC COMMENT</b>	<i>Rymer</i>	
Cynthia Denton, former hospital employee, spoke about her tenure at SVH and her view of the tenuous financial situation of the institution. Preston Sitterly spoke about his meeting with Ms. Mather and Mr. Rymer and his concerns regarding the hospitals financial future. Lois Valenzuela, former employee spoke about her concerns regarding the financial situation at the hospital.		
<b>3. CONSENT CALENDAR</b> A. Board Minutes 06.06.19 & 06.26.19 B. Finance Committee Minutes 05.28.19 C. Quality Committee Minutes 05.22.19 D. Medical Staff Credentialing Report	<i>Rymer</i>	
		<b>MOTION:</b> by Mainardi, 2 <sup>nd</sup> by Nevins. All in favor
<b>4. ANCILLARY SERVICES ANNUAL REPORT</b>	<i>D. Kuwahara</i>	
Ms. Kuwahara presented the annual ancillary services report. This included an overview of the quality dashboard, the financial performance, the accomplishments, and challenges for calendar year. She also reported that upcoming projects are the Electronic Health Record for Wound Care and Occupational Health, expansion of Wound Care, Outpatient Diagnostic Center, Patient Access Center, appropriate use criteria and patient mobility.		
<b>5. QUALITY COMMITTEE QUARTERLY REPORT</b>	<i>J. Hirsch</i>	
Ms. Hirsch gave an overview of the accomplishments, challenges and presentations related to the work of Quality staff and committee in last quarter.		
<b>6. SOUTH LOT SALE PROCEEDS USAGE</b>	<i>K. Mather</i>	

Ms. Mather recommended that the proceeds from the South Lot sale be used to pay down the line of credit.		<b>MOTION:</b> by Boerum 2 <sup>nd</sup> by Hirsch. All in favor
<b>7. RESOLUTION NO. 345</b>	<i>Rymer</i>	
Authorizing the closing of the South Lot and authorizing the CEO to take actions.		<b>MOTION:</b> by Boerum 2 <sup>nd</sup> by Nevins. All in favor.
<b>8. CEO ADMINISTRATIVE REPORT JULY</b>	<i>Mather</i>	
<ul style="list-style-type: none"> <li>• Ms. Mather reported that the SNF management transition occurred smoothly on July 1<sup>st</sup>.</li> <li>• She said that Mission Minded will be hired to work on the hospital brand. This will be funded by the Foundation.</li> <li>• UCSF physicians will go live with the new electronic health record on August 1<sup>st</sup>.</li> <li>• The Benchmark Hospitalist group has been on board for a month, and the transitions continue to be worked on.</li> <li>• Community benefit hours for leadership exceed the goal of 1200 hours for the last fiscal year.</li> </ul>		
<b>9. FINANCIAL REPORT MONTH END MAY 31, 2019</b>	<i>Jensen</i>	Inform
Mr. Jensen reviewed the financial report for the month of May. Days of cash on hand was 39.1, Accounts Receivable decreased from April from 37.9 days to 37.2 days in May, Accounts Payable decreased by \$2,349,111 from April and the days were at 45.3. After accounting for all activity the net gain for May was \$248,845 vs. the budgeted net gain of \$54,554 with a monthly EBDA of 6.6% vs. a budgeted 2.5%. He also reviewed the average daily cash by month.		
<b>10. COMMITTEE REPORTS</b>	<i>Board</i>	
<b>11. BOARD COMMENTS</b>	<i>Board</i>	
Mr. Boerum recommended that the hospital have a presence at future fourth of July parades and potentially the Vintage parade.	<i>Mather</i>	
<b>11. ADJOURN</b>	<i>Rymer</i>	
Adjourned 7:16 pm		



**SONOMA VALLEY HEALTH CARE DISTRICT  
QUALITY COMMITTEE  
June 26, 2019 5:00 PM  
MINUTES  
Schantz Conference Room**

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Carol Snyder Michael Mainardi, MD Cathy Webber Ingrid Sheets		Susan Idell Howard Eisenstark, MD	Danielle Jones, RN Sabrina Kidd, MD Janine Clark, RN

AGENDA ITEM	DISCUSSION	ACTION
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Hirsch</i>	
	Called to order at 5:01pm (closed session) and 5:14 pm (regular session)	
<b>2. PUBLIC COMMENT</b>	<i>Hirsch</i>	
	None	
<b>3. CONSENT CALENDAR</b>		Action
<ul style="list-style-type: none"> <li>QC Minutes, 05.22.19</li> </ul>		<b>MOTION:</b> by Mainardi to approve, 2 <sup>nd</sup> by Snyder . All in favor.
<b>4. ANNUAL REVIEW OF QA/PI PROGRAM</b>	<i>D. Jones</i>	
	<p>Ms. Jones presented the annual QA/PI program. She said that in 2018 the SVH leaders refined their quality assurance and performance improvement plans to provide a structure for each department and to identify quality monitoring and performance improvement activities that promote a departmental culture of quality, patient safety and continuous improvement.</p> <p>SVH was identified as a high performer in areas of Prevention of Hospital Acquired Infections, Prevention of Falls with Injury, and Prevention of Adverse Drug Events by HSAG and HIIN. The Quality Department also implemented the Hospital Quality Institute “quality</p>	

AGENDA ITEM	DISCUSSION	ACTION
	<p>transparency dashboard.” This promotes transparency between hospitals and the public regarding quality data. She also spoke about the importance of high reliability culture and how to work towards that.</p> <p>The Performance Improvement goals for 2019 were to continue to work with department leaders and staff to revise, refine and improve their QAPI plans, create standardized organizational indicators and dashboards, continue to define and develop the tools to build a “high reliability” organization, develop and implement standardized Code Stroke dashboard, and to investigate the implementation of the NHSN procedure abstraction process in MedMinded. She then reviewed the Quality core measures and data.</p>	
<p><b>5. CEO DASHBOARD</b></p>	<p><i>D. Jones</i></p>	
	<p>Reviewed</p>	
<p><b>6. POLICIES AND PROCEDURES</b></p>	<p><i>Jones</i></p>	
<p><u>Code Stroke Practice Guidelines NS8610-122</u>  <u>Downtime Paragon Clinical Documentation MR8610-108</u>  <u>Emergency Operations Plan 2019 EP8610-100</u>  <u>Drugs and Alcohol Free Workplace HR8610-316</u>  <u>Meal Breaks and Rest Periods HR8610-152</u>  <u>MMR, Varicella, Td, TDaP, and Influenza Vaccinations HR8610-164.02</u>  <u>Tuberculosis Screening HR8610-164.5</u>  <u>Work Related Injury and Illness HR8610-174</u></p> <p><b>RETIRE:</b></p> <p><u>Employee Testing for Suspicion of Drugs or Alcohol HR8610-316</u>  <u>Impaired Employees HR8610-356</u>  <u>Peer Review MS8710-186</u></p> <p><u>Surgical Case Review MS8710-115</u>  <u>Medical Staff Indicators Review MS8710-187</u></p> <p><b>DEPARTMENTAL</b></p> <p><b>REVISIONS:</b></p>	<p>Discussion and review of revisions.</p>	<p><b>MOTION:</b> by Webber 2<sup>nd</sup> by Snyder. All in favor.</p>

AGENDA ITEM	DISCUSSION	ACTION
<p><b>Surgery / Central Sterile</b></p> <p><u>Pre-Operative Skin Preparation of Patients 7420-142</u>  <u>Trophon Environmental Probe Reprocessor (EPR)</u>  <u>7630-236</u></p> <p><b>REVIEWED/NO CHANGES:</b>  <b>Patient Accounting</b>  <u>Patient Refunds Overpayments 8530-01</u></p>		
<b>11. CLOSED SESSION</b>	<i>Hirsch</i>	
	Called to order at 5:01 pm	
<b>12. REPORT OF CLOSED SESSION</b>	<i>Hirsch</i>	
	Medical Staff Credentialing reviewed. Root cause analysis reviewed.	<b>MOTION:</b> by Mainardi to approve credentialing, 2 <sup>nd</sup> by Sheets. All in favor.
<b>13. ADJOURN</b>	<i>Hirsch</i>	
	5:13pm (closed session) and 6:12 pm (regular session)	



**SONOMA VALLEY HEALTH CARE DISTRICT  
GOVERNANCE COMMITTEE MEETING  
AGENDA  
TUESDAY, SEPTEMBER 25, 2018  
8:30 AM**

**ADMINISTRATIVE CONFERENCE ROOM  
347 ANDRIEUX STREET, SONOMA, CA 95476**

AGENDA ITEM	RECOMMENDATION	
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<b>MISSION STATEMENT</b> <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Hohorst</i>	
<b>2. PUBLIC COMMENT SECTION</b> <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up.</i>	<i>Hohorst</i>	
No public present		
<b>3. CONSENT CALENDAR:</b> <ul style="list-style-type: none"> <li>• GC Minutes for 08.21.18</li> </ul>	<i>Hohorst</i>	Action
		<b>MOTION</b> by Boerum to approve. All in favor.
<b>4. BOARD MEMBER AND BOARD CHAIRPERSON LEGAL DUTIES, ROLES AND RESPONSIBILITIES AND LIMIT ON POWER AND AUTHORITY POLICY #2018.09.25</b>	<i>Hohorst</i>	Inform/Action
Policy amendment's made. Recommendation to move forward to the Board for discussion.		<b>MOTION:</b> by Boerum to approve. All in favor.
<b>6. ADJOURN</b>	<i>Hohorst</i>	
09:00AM		



### **Review and Approval Requirements**

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

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

We recommend their acceptance by the Sonoma Valley Health Care District Board.

### **ORGANIZATIONAL**

#### **NEW:**

##### Peer Review and Focused Professional Practice Evaluation MS8610-104

The new Peer Review and Focused Profession Practice Evaluation Policy has combined three policies into one has created a standardized peer review process for medicine and surgical committees. The policy defines the framework as the six general competencies established by Accreditation Council for Graduate Medical Education. Establish monthly performance data review/report for Medical Executive Committee and established a Peer Review Committee separate from current med staff committees dedicated solely to the peer review process. The policy establishes guidelines for external peer review process, routine and expedited review processes. It also establishes time frame for review process completion 120 days of referral from the quality department. “Peer Review MS8710-186”, “Surgical Case Review MS8710-115”, and “Medical Staff Indicators Review MS8710-187” are concurrently marked for retirement as this new policy replaces and encompasses all related content.

#### **REVISIONS:**

##### Code Stroke Practice Guidelines NS8610-122

Revised time stated for triage of tPA candidates and updated to latest standard of care.

##### Downtime Paragon Clinical Documentation MR8610-108

Per Clinical Informatics Committee direction, this police was reviewed and updated to ensure the policy is up to date, easy to understand, and communicated effectively to end users.

##### Emergency Operations Plan 2019 EP8610-100

Updated EOP with new Activate language to make this clearer. This Plan is required to be updated annually.

##### Drugs and Alcohol Free Workplace HR8610-316

Significant updates and changes by combining “Employee Testing for Suspicion of Drugs or Alcohol” and “Impaired Employee” policies into this one policy. Added post-accident testing requirement. Updated procedures for testing, added definitions, and added the Reasonable Suspicion Checklist and Consent to Employee Testing form.

##### Meal Breaks and Rest Periods HR8610-152

Added language for clarity related to the timing of breaks; added provisions and guidance for break times needed for lactating mothers.



MMR, Varicella, Td, Tdap, and Influenza Vaccinations HR8610-164.02

Clarification in the language about the required immunization records or serology reports indicating immunity as it pertains to measles. Updated the requirements for Tdap vaccination indicated for all personnel involved in direct patient care.

Tuberculosis Screening HR8610-164.5

Updated to reflect the change in TB testing from PPD to QuantiFERON Gold laboratory test, along with corresponding test interpretation guidance. Updated other language for clarity and organization.

Work Related Injury and Illness HR8610-174

Updated language to enhance explanations and bring clarity to the purpose and process of the policy reporting requirements; updated reference to newly revised Employee Work-Related Injury/Illness Report form; added guidance in regards to transitional work; added provisions for students and contract employees; added guidance for return to work. Revisions completed in response to revised reporting form, identification of important topics that needed to be included, and to ensure the addition of relevant information from previously retired Employee Health policy, #HR8610-164.12 “Work Injuries, Investigation and Return to Work Clearance” which primarily was duplicative of this HR policy.

**RETIRE:**

Employee Testing for Suspicion of Drugs or Alcohol HR8610-316

Content combined with revised Drug & Alcohol Free Workplace

Impaired Employees HR8610-356

Content combined with the revised Drugs & Alcohol Free Workplace, #HR9610-316

Peer Review MS8710-186

Surgical Case Review MS8710-115

Medical Staff Indicators Review MS8710-187

To be retired alongside approval of “Peer Review and Focused Professional Practice Evaluation MS8610-104”

**DEPARTMENTAL**

**REVISIONS:**

**Surgery / Central Sterile**

Pre-Operative Skin Preparation of Patients 7420-142

Added new policy for preoperative CHG wipe prep for all patients coming to surgery from community care facility to reduce the risk of SSI by helping to decrease patient’s own bacterial load on their skin prior to making incision in surgery.

Trophon Environmental Probe Reprocessor (EPR) 7630-236

The Emergency Department (ED) has an ultrasound machine. The ultrasound probes must be disinfected according to Infection Prevention guidelines and standards. The Imaging Department disinfects ultrasound probes. The Imaging Department will process the ED’s contaminated ultrasound probes. The policy was updated to maintain Infection Prevention Standards for all ultrasound probes at SVH.

**REVIEWED/NO CHANGES:**

**Patient Accounting**

Patient Refunds Overpayments 8530-01



SUBJECT: Peer Review and Focused Professional Practice Evaluation

POLICY: MS8610-104

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**PURPOSE:**

To promote the on-going success of each member of Sonoma Valley Hospital medical and Health professional staff, while meeting its obligation to monitor the quality of care provided by members who are granted privileges via the credentialing process.

All activities and meetings conducted as part of the peer review program are confidential and protected from discovery in civil proceedings under SB 1157

**Goals**

1. Promote and sustain a culture of collaboration and continuous learning wherein each privileged practitioner is provided an opportunity to be a successful, contributing member of the medical staff.
2. Establish and maintain a clearly defined, fair, consistent, defensible, timely and useful process for screening, measuring and reporting medical staff quality.

**Definitions**

1. "Focused Professional Practice Evaluation (FPPE)": The FPPE process includes, but is not limited to, such activities as direct observation or proctoring, simulation, discussion, concurrent and/or retrospective case review. FPPE is a structured review process used to verify the competency of practitioners who are:
  - a. new to the staff; OR
  - b. currently on the staff requesting new privileges; OR
  - c. currently on the staff requesting renewal of privileges with minimum volume thresholds that have not been met during the current 2-year reappointment cycle; OR
  - d. currently on the staff when concerns arise as a result of the On-going Professional Practice Evaluation (OPPE) process.
2. Peer Review: The evaluation of an individual practitioner's professional performance for all relevant competency categories, using multiple sources of data to identify clinical excellence as well as opportunities to improve patient care. During this process, the practitioner is not considered to be "under investigation" for the purposes of reporting requirements under Federal and California law.



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3. On-going Professional Practice Evaluation (OPPE): The routine monitoring of current competency for practitioners with granted privileges, using data obtained from peer review activity as well as designated service-specific performance rule and rate indicators.
4. Peer Review Committee: The committee appointed by the Medical Executive Committee (MEC) to conduct case reviews of individual practitioner performance on behalf of the organized Medical Staff, using case review indicators selected and approved MEC.
5. Peer: An individual practicing in the same profession who has the expertise to evaluate the subject matter under review. The level of subject matter expertise required will be determined on a case-by-case basis.
6. Practitioner: A member of the medical staff (MD, DO, DPM, DDS) or other Allied Health Professional (“AHP”) permitted to practice at Sonoma Valley Hospital.
7. Peer Review Data: Data sources may include case reviews and aggregate data based on rule, rate, and review indicators in comparison with generally recognized standards, benchmarks or norms. The data may be objective or perception-based as appropriate for the competency under evaluation.
8. Conflict of Interest: A member of the medical staff requested to perform peer review may have a conflict of interest if he/she may not be able to render a fair and objective opinion given the circumstance of the case under review. The member shall disclose potential conflicts (e.g., business, personal or professional issues for the subject of the review) at the outset of a Peer Review and shall voluntarily remove himself/herself from the Peer Review Process. In the event of disagreement regarding the question of removal, it shall be decided by a majority vote of the Peer Review Committee without vote of the member subject to the possible conflict.

**Framework**

The review of the performance of individual practitioners is based on generally accepted, “reasonable” standards of care, within a framework of the six general competencies established by the Accreditation Council for Graduate Medical Education and interpreted by the Joint Commission. These include the following:

1. Patient Care: Practitioners are expected to provide patient care that is compassionate, appropriate, and effective for the promotion of health, prevention of illness, treatment of disease, and dignity and comfort at the end of life.



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2. Medical Knowledge: Practitioners are expected to demonstrate knowledge of established and evolving biomedical, clinical and social sciences, and the application of their knowledge to patient care and the education of others.
3. Practice-Based Learning and Improvement: Practitioners are expected to be able to use scientific evidence and methods to investigate, evaluate and improve patient care.
4. Interpersonal and Communication Skills: Practitioners are expected to demonstrate interpersonal and communication skills that enable them to establish and maintain professional relationships with patients, families, and other members of healthcare teams.
5. Professionalism: Practitioners are expected to demonstrate behaviors that reflect a commitment to continuous professional development, ethical practice, an understanding and sensitivity to diversity, and a responsible attitude toward their patients, their profession, and society.
6. Systems-Based Practice: Practitioners are expected to demonstrate both an understanding of the contexts and systems in which healthcare is provided, and the ability to apply this knowledge to improve and optimize healthcare.

**POLICY:**

As stipulated in the Bylaws, the Medical Executive Committee (MEC) delegates to the respective Service Committees the responsibility for monitoring the quality of patient care provided by its members. General guidelines include:

1. All peer review and FPPE data is considered privileged and confidential in accordance with medical staff bylaws, state and federal laws, and regulations pertaining to confidentiality and non-discoverability.
2. The involved practitioner will routinely receive feedback regarding the outcome of all cases reviewed. Only the final determinations approved by the MEC, and any subsequent actions, are considered part of an individual provider's quality file.
3. Each credentialed practitioner will receive individualized performance feedback reports containing provider- specific and comparative data, when available, at intervals approved by the MEC for the purpose of On- going Professional Practice Evaluation (OPPE). Review of performance data through the peer review process shall take place



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monthly. Under the Medical Staff peer review program, when a threshold is exceeded ( $\geq$  score of 4 within a six month period), or significant deviations have been identified, these findings and/or results will be communicated to the department chairman.

4. The Hospital will maintain provider-specific peer review and FPPE information in a secure, locked or encrypted format.
5. Peer review/FPPE information in the individual provider's quality file is available only to authorized individuals with a legitimate need to know, based on their responsibilities as a medical staff leader or hospital employee in direct association with their assigned responsibilities. Only the following individuals shall be granted access to provider-specific review information, and only for purposes of quality improvement or state/federal mandated reporting:
  - a. The affected provider;
  - b. The Chief of Staff;
  - c. Department Chair;
  - d. CMO;
  - e. The members of the Medical Executive Committee, Credentials Committee, and Medical Staff Services Professionals, for the purpose of preparing materials required to consider reappointment, corrective action, or meet mandated reporting requirements;
  - f. Quality/Risk Management staff supporting the peer review process;
  - g. Individuals surveying for accrediting or regulatory agencies, with appropriate jurisdiction;
  - h. Individuals with a legitimate purpose for access, as approved by the MEC and the hospital Board of Trustees (e.g., external peer review contractor);
  - i. The hospital CEO, when information is required for the CEO's involvement in the process of immediate formal corrective action, and strictly as defined in the medical staff bylaws.



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- 6. No copies of peer review documents will be created and distributed unless authorized by medical staff or hospital policy. If copies are authorized, provider-specific identification will be removed or a means of alternate identification, such as a hospital-specific provider number, will be used.

**PROCEDURE:**

- 1. Thresholds for Focused Professional Practice Evaluation (FPPE)

Focused Professional Practice Evaluation (FPPE) is indicated whenever an applicant is either new to the medical or allied health professional staff; OR when a current member requests new privileges; OR when a current member requests the renewal of privileges with minimum volume thresholds that have not been met during the previous reappointment period. A period of FPPE is also indicated for practitioners who are currently on the medical or allied health professional staff, when concerns arise as a result of the On-going Professional Practice Evaluation (OPPE) process. The FPPE process includes, but is not limited to, such activities as: direct observation or proctoring; simulation; discussion, concurrent and/or retrospective case review.

- 2. Circumstances Requiring Peer Review:

Peer review issues may be raised through a variety of sources, including medical staff and hospital committees; activities associated with clinical quality review, risk management investigations, case management/utilization review; patient/family complaints or concerns; or approved medical staff clinical quality indicators. Specific examples include, but are not limited to, the following:

- a. A single adverse event, significant near-miss, or other risk management indicator that, upon initial screening, implies a potential quality of care concern involving a member of the medical staff;
- b. Any clinical indicator that fails initial screening review by an authorized quality management;
- c. A pattern or trend is identified that reaches the service or department-specific threshold for focused professional practice evaluation;
- d. Patient or family complaints related to provider-specific quality of care issues;



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- e. Third party payer/outside regulatory or accreditation agency notices;
  - Blood/Blood Component Utilization
  - Core Measures Compliance
  - Drug Utilization/Adverse Reactions
  - Infection Control
  - Medical Record Review
  - Morbidity and Mortality Data
  - Operative/Invasive Procedure Review
  - Patient Satisfaction
  - Risk Management
  - Utilization Review
  - Sentinel/Adverse Outcome Events

Cases involving potential clinical quality or patient safety concerns referred in writing to the Department Chair (or designee) by other members of the clinical team (e.g., physicians, AHPs, nursing staff or other clinical disciplines).

3. Circumstances Requiring External Peer Review:

The decision to involve an external reviewer is subject to authorization by the Department Chair and/or the Medical Executive Committee (MEC). An individual practitioner cannot require the hospital to obtain external peer review services if such services are not considered appropriate by the MEC. Circumstances under which external peer review may be required include the following:

- a. Litigation: when the issue involves, or has the likelihood of involving, legal action.
- b. Ambiguity: when dealing with vague or conflicting recommendations from internal reviewers that cannot be resolved by the Medical Executive Committee, and when the conclusions from this review may directly affect a practitioner's membership or privileges.
- c. No qualified peer: When no one on the current medical staff has adequate experience and expertise in the specialty under review, or when the only practitioners on the medical staff with that expertise have a legitimate conflict of interest that precludes their involvement in the review process.
- d. Other conditions: when the medical staff needs an expert witness for a fair hearing or for evaluation of a practitioner's credential file; or when the MEC or the Governing





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Board requests external peer review in other circumstances deemed appropriate to resolve a quality concern.

4. Participants in the Peer Review Process:

Peer Review Committee: The Peer Review Committee will maintain primary responsibility for the peer review function of the medical staff, with oversight by the Medical Executive Committee. All members of the Medical Staff are responsible for the quality of medical care in the hospital, and are expected to participate in the peer review process when called upon to do so. In the event of a conflict of interest or deadlock in decision-making, the MEC may be called upon to review the case or otherwise replace, appoint, or determine who will participate in the process to ensure fairness.

- a. Individual Practitioners: The practitioner under review may be asked to participate in the review process. Provider participation may be needed when:
  - i. an educational opportunity is identified;
  - ii. a question arises as to the care provided on the case being reviewed; or,
  - iii. Additional information is needed to support the reviewer (or the committee) in reaching a conclusion about the disposition of the case.
  - iv. If the case is rated by the committee as “Minor Improvement Opportunity” or “Improvement Opportunity”, the provider will be notified, in writing, and afforded an opportunity to respond. His/her response will be considered and documented. If the provider fails to respond to the committee’s written request for additional information or feedback within a reasonable timeframe specified in the request, the committee will proceed to rate the case and conclude the review process, and the provider will be notified.
  - v. If the case is rated by the committee as “Minor Improvement Opportunity” or “Improvement Opportunity”, their Department Chair will be notified.
- b. Support Staff: Other hospital clinical and/or administrative support staff may support and/or participate in the peer review process as requested, within the scope of their individual job roles and responsibilities.



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5. Selection of Performance Measures

- a. Measures of physician performance will be selected to reflect the six general competencies as defined and approved by the organized medical staff. Department or service-specific clinical indicators will be developed, reviewed, and revised as appropriate on an on-going basis.
- b. If the results of on-going professional practice evaluation (OPPE) suggest a potential issue with individual practitioner performance, the Medical Executive Committee may authorize the Department Chair to initiate a focused professional practice evaluation (FPPE) in an effort to determine whether there are concerns with current competency for specific privileges, or for broader dimensions of professional performance. Potential issues triggering FPPE may arise from individual case reviews or aggregate data from department or service-specific indicators.

6. Review Process for Individual Cases

- a. Peer review will be conducted on an on-going basis, in a timely manner, as determined by the complexity of the case and the availability of sufficient information and/or a qualified reviewer. The goal is for all cases to be completed within 120 days of referral from the quality management department; however, exceptions may be justified under extenuating circumstances, as authorized by the Peer Review Committee Chair, the Department Chair, and/or the MEC.
- b. Conclusions based on individual case reviews are documented on the Peer Review Worksheet. Final case disposition codes are entered into and maintained via the Peer Review Database by the Medical Staff Office staff. Cases are rated on the following scale:
  - i. 1 = No Improvement Needed. An expected occurrence, meets the standard of care; or an unexpected occurrence that was recognized in a timely manner and managed appropriately, within the standard of care.
  - ii. 2 = Minor Improvement Opportunity. Inconclusive evidence to support a finding of “appropriate” or “inappropriate” – trending indicated.
  - iii. 3 = Improvement Opportunity. Significant variation from the expected standard of care.



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REVISED:

7. Expedited Review:

An expedited review process is utilized for any practitioner-related circumstance, clinical or behavioral, in which the lack of an immediate response might adversely affect the health and/or safety of a patient, family, visitor, employee, or the individual practitioner involved. Reportable Adverse Events automatically trigger an expedited review process. In an expedited review:

- a. An Event Report is generated, including all pertinent information about the event
- b. The associated medical record is pulled for review.
- c. The Department Chair/Designee is notified and requested to review the case.
- d. The Chief of Staff/Designee is notified in the absence of the Department Chair; when a reportable event occurs; or when immediate action may be required to mitigate risk to patient or provider safety.
- e. The involved provider is contacted to discuss the event and clarify the issues and circumstances, as indicated.
- f. At the request of the Department Chair and/or Chief of Staff, additional peer reviewers may be enlisted if necessary to clarify additional clinical, technical or behavioral circumstances.
- g. If, in the opinion of the Department Chair and/or Chief of Staff, there is a continued potential threat to patients, families, visitors or staff, immediate action is taken in accordance with provisions of the Medical Staff Bylaws.

8. Routine Review:

Routine review is utilized for on-going screening and referral of non-critical performance indicators, as follows:

- a. The case is screened using medical staff-approved criteria.
- b. If the case “fails” initial screening, it is either flagged for tracking/trending, or further review as stipulated by department or service-specific criteria.
- c. If the case qualifies for committee review, it is assigned to an appropriate member of the Service Committee for a first-level review.



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- d. The first-level reviewer reviews the record and may either complete the Medical Staff Peer Review Form, or refer the case to the full committee for further discussion.
- e. Cases referred for full committee review are placed on the agenda for the next scheduled meeting.
- f. After review by the full committee, the committee may:
  - i. Decide that no further action is necessary, rate and close the case;
  - ii. Refer the case to the provider involved for additional information, explanation, or clarification;
  - iii. Refer the case to another committee for additional information or feedback;
  - iv. Refer the issues identified to the Chief of Staff or MEC for further study or conflict resolution.
  - v. Any case with a potential need for corrective action, including written counseling; mandated continuing medical education; focused professional practice evaluation as a result of concerns identified as a result of the OPPE process; or any actions that may lead to a Fair Hearing will be referred to the MEC.

**RESPONSIBILITIES:**

Medical and Allied Health professional staff, Medical Staff services, and Quality/Risk Management.

**REFERENCES:**

CMS CRF §482.21; CIHQ MS-3 Medical Staff By-Laws  
Marder, RJ, Sheff, RA, and Smith, MA. (2007).  
EffectivePeerReview:Apracticalguidetocontemporary design, 2nd Ed. USA:  
  
hcPro, Inc. ; MArder, RJ, Smith, M, M.D, Smith, M, MHSA, and Searcy, CPMSM.  
(2007).Measuring PhysicianCompetency:Howtocollect,assessandprovideperformancedata.  
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**POLICY:** MS8610-104

**DEPARTMENT:** Organizational

**PAGE**

**EFFECTIVE:**

**REVISED:**

**OWNER:**

Sabrina Kidd, MD CMO

**AUTHORS/REVIEWERS:**

Danielle Jones, Director Quality & Risk Management

**APPROVALS:**

Medicine Committee: 6/13/19

Board Quality Committee: 6/26/19

Surgery Committee: 7/11/19

Medical Executive Committee: 6/20/19 & 7/18/19

Board of Directors:

DRAFT

# Status of Outpatient Diagnostic Center Board Meeting

Sonoma Valley Health Care District Board of Directors

August 1, 2019



VERTRAN ASSOCIATES



# Agenda

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# Mission & Vision

**Mission:** To provide patients with **easy access to an efficient, positive, and healing experience** by providing the **latest imaging equipment and cardiology testing** that will allow SVH to stay **relevant** in the current healthcare environment.

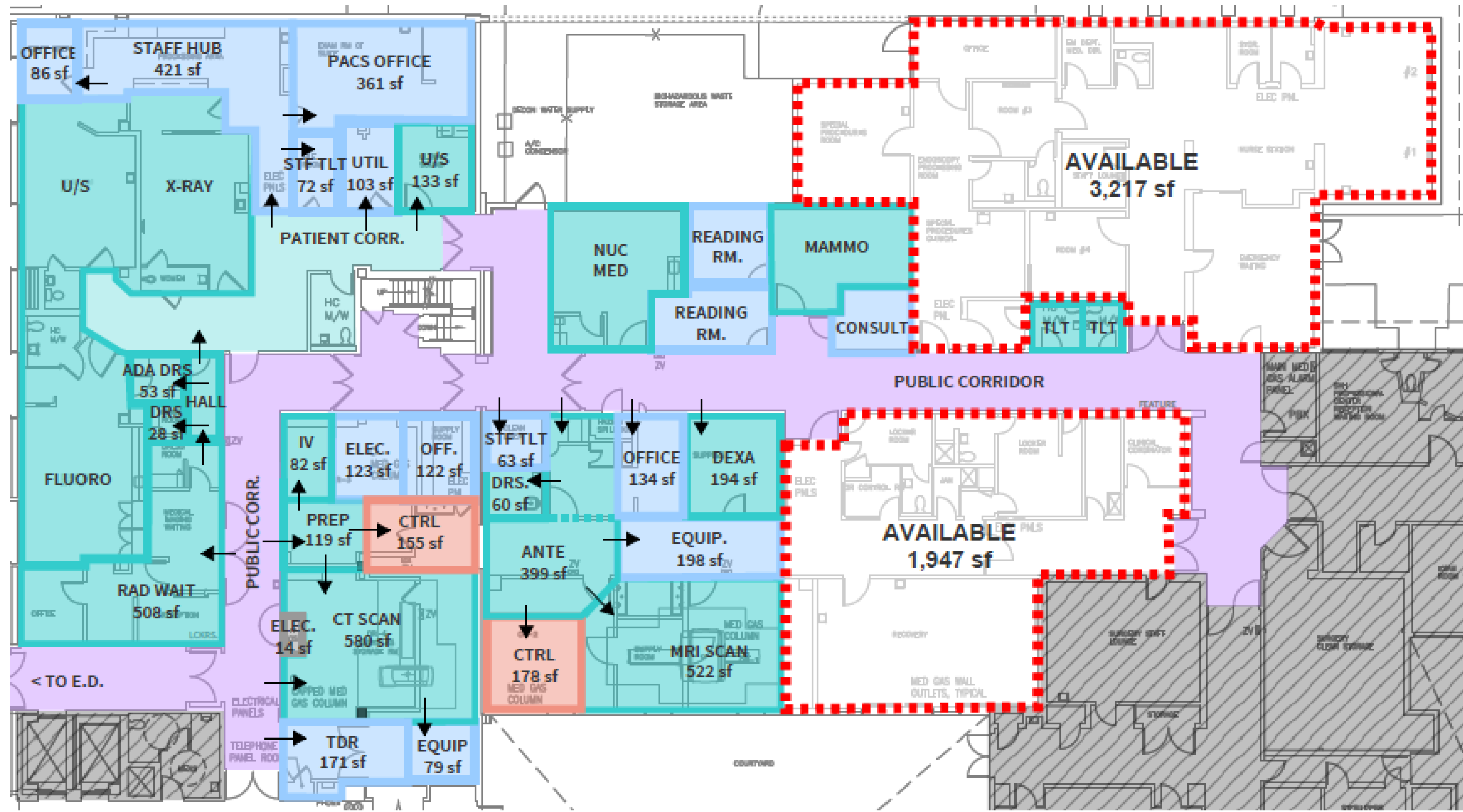
**Vision:** To transform the current **imaging department into an efficient, high technology** service area for our patients and staff. To provide Outpatient Diagnostic services **preferred by patients and physicians**, known for **exceptional quality and compassionate healthcare**.



# Outpatient Diagnostic Center Overview

- Computed Tomography (CT) equipment replacement and hospitality center project – Project 1
- Magnetic Resonance Imaging (MRI) equipment installation inside the hospital -Project 3
- Cardiology / Blood Draw renovation of existing space – Project 2

# Outpatient Diagnostic Center Overview



# Outpatient Diagnostic Center Current Funding

Project	Board Approved	Cost Spent to 6/30/19	Forecast @ Completion
Project 0 (ODC, Master Plan, Decommission)	\$1,276,379	\$908,703	\$1,008,703
Project 1 (CT)	\$9,365,951	\$904,397	\$8,919,000
Project 2 (Cardiology/Blood Draw)	\$30,000	\$27,701	\$1,000,000
Project 3 (MRI)	\$729,347	\$227,165	\$9,049,088
Project 4 (Test Fit)	\$50,000	\$2,404	\$50,000
<b>Subtotal</b>	<b>\$11,451,677</b>	<b>\$2,070,370</b>	<b>\$20,026,791</b>
Mammography Project		\$556,709	\$556,709
Campaign Expenses		\$284,092	\$416,500
<b>Total</b>		<b>\$2,911,171</b>	<b>\$21,000,000</b>

\*Note: Construction escalation historically 3% annually; has increased to 4-5% over the last three years

# Outpatient Diagnostic Center Fundraising

- Total Budget Target = \$21 million
- Current Total Committed Value = \$17.6 million
- Cash Amount Collected (thru 6/25/19) = \$7.2 million
- Current Cash Balance = \$4.3 million
- Additional Money Required to Be Raised = \$3.4 million

\*Cash projections/flow – tracked by Finance Committee through Vertran

# Incremental Direct Margin (over base year by year)

	Imaging	Outpt Lab	Cardiology	Total ODC
Baseline FY 2018	\$1,881,267	(\$68,950)	\$450,896	
Year 1 (2020)	\$794,304	\$252,472	\$551,914	+\$1,598,690

# Project 1: Imaging/CT/Hospitality



CT SCAN ROOM

# Project 1: Imaging/CT/Hospitality



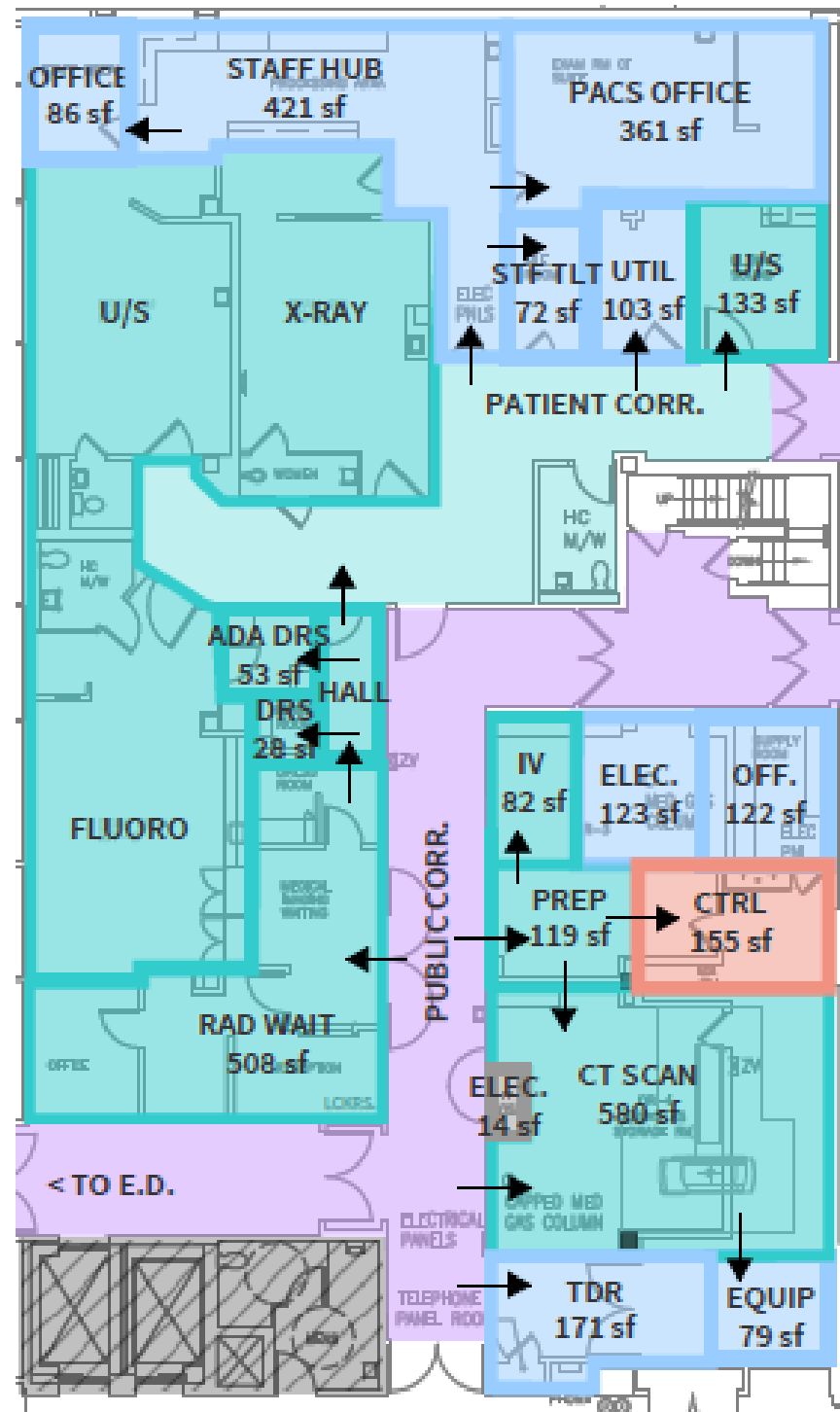
**RADIOLOGY WAITING AND RECEPTION**

# Why the CT Project?

- CT existing equipment is over 10 years old and at the end of its functional life
- Replace 64 slice CT and upgrade to a 128 slice CT
- CT required to maintain the Emergency and Hospital license & must be available 24/7
- Provide an efficient connection from Emergency Department to CT
- Current CT space does not accommodate new 128 slice machine due to size restriction
- Expand and Improve Outpatient Reception/Waiting areas
- Provide regulation required staff toilet
- Provide ADA compliant dressing room
- Upgrade IT components
- Install a VOIP Phone System



# Project 1: Imaging/CT/Hospitality



## Project Scope:

- New CT Scan Suite in former OR
- Enlarged reception & waiting area
- Added ADA compliant dressing room
- New IDF room with upgraded equipment
- Staff Hub renovations include staff restroom and office
- Flooring upgrades in imaging rooms & corridors
- Public corridor upgrades
- Micro market in former gift shop
- New Phone System

# Timeline for CT Project

- Design for CT Project is complete
- OSHPD submission on June 21, 2019 (expect 6 month review period)
- Construction start early Dec. 2019 with abatement & demolition
- Dome pricing & contract process completed in December 2019
- New CT equipment Go Live expected in June 2020

# CT Budget

Current Project Forecast: \$8,919,000

- Value Engineering: reduction of scope in the old CT room, reduced cost of finishes without compromising aesthetics, reduced IT scope, reduced project contingency to 7.5%

Funding Spent through 6/30/19: \$904,397

- Scope of work includes full design, exploratory, testing, project management, portable x-ray equipment

Board Approved Budget: \$9,365,351 (11/1/18)

\*5% Escalation included in Dome pricing

# Project 3: MRI



# Project 3: MRI



# Project 3: MRI



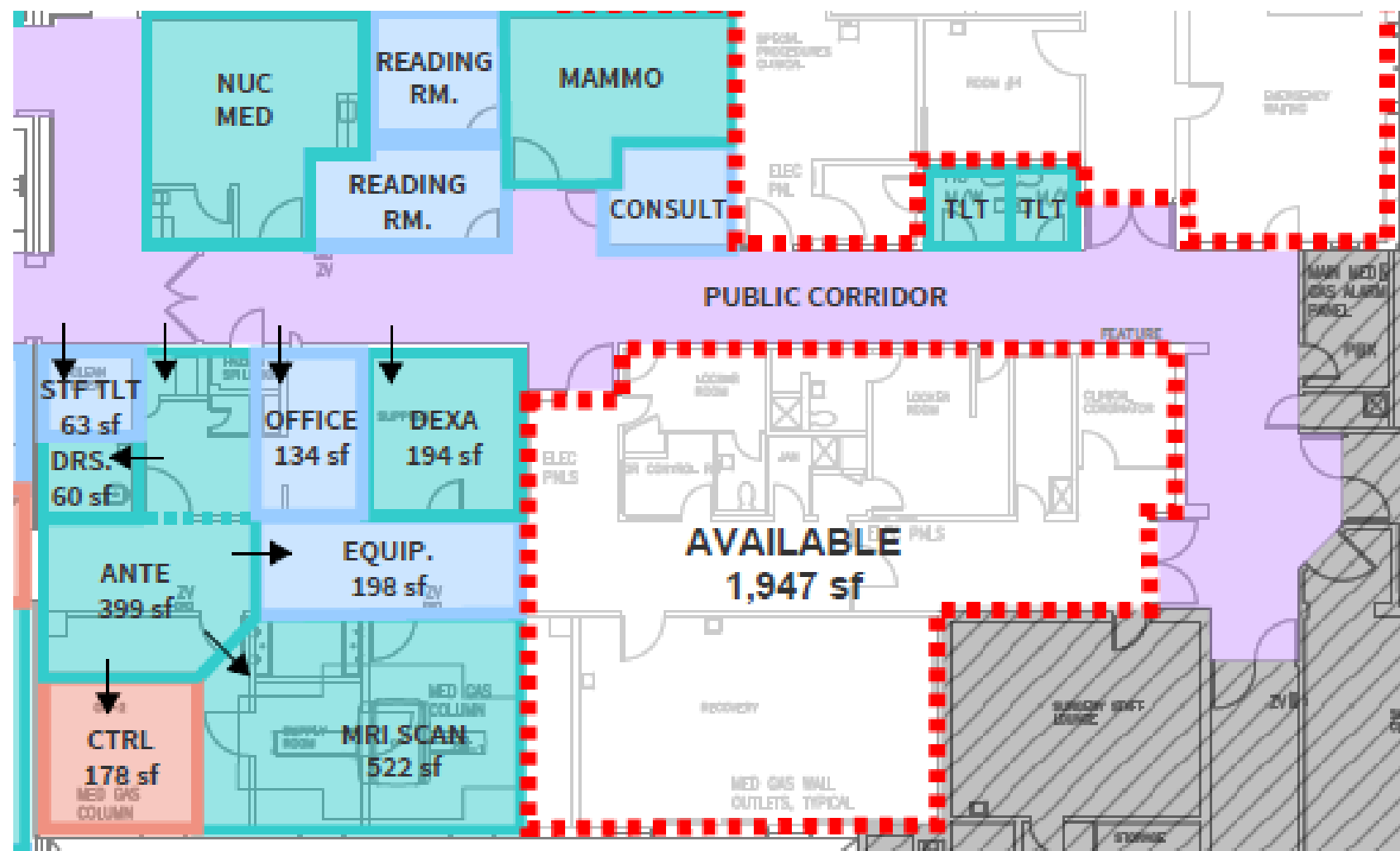
# Why the MRI Project?

- Bring the MRI inside the hospital
- Upgrade to a 3T MRI including the Breast Coil
- 3T MRI is not available on a trailer
- Improve the patient experience to be more competitive
- UCSF North Bay patients referred to SVH for MRI services

# Project 3: MRI

## Project Scope:

- 3T MRI inside the building
- New flooring & paint in public corridors





# Timeline for MRI Project

- Design in progress
- OSHPD submission expected in early December 2019 (expect 6 month review period)
- Dome pricing & contract process completed in April 2020
- Construction start expected in late June 2020
- Construction completion expected in mid April 2021
- New MRI equipment Go Live expected in early May 2021

# MRI Budget

## Current Project Forecast: \$9,049,088

- Value Engineering: Siemens discount utilizing MD BuyLine Recommendation up to \$300k in savings, reduced scope, project contingency at 15%

## Funding Spent through 6/30/19: \$227,165

- Scope of work includes full design, exploratory, testing, project management, portable x-ray equipment

Funding Request for Construction at future Board Meeting once team can demonstrate funds are available

\*7% Escalation included in Dome pricing

# Project 2: Cardiology & Blood Draw

- Align Project Scope with the Approved Budget & Available Funds
- Current Funds Available = \$1M
- Request Further Study at Future Board Meeting

# Next Steps

- Continue to Pursue Remaining Funding Required - \$3.5M
- Obtain OSHPD Approval for CT Project and Start Construction
- Demonstrate funds available for CT early abatement/ demolition in November 2019
- Demonstrate funds available for CT construction in December 2019/January 2020
- Complete MRI Design and Submit for OSHPD Approval in December 2019
- Request funding for MRI construction at Future Board Meeting (May 2020)
- Request funding for further study of Cardiology at Future Board Meeting
- No Board Actions Required at this Meeting

# Questions?



# **Sonoma Valley Hospital**

## **Employee Engagement “Pulse” Survey - 2019**



# Overview

- Developed in-house using Survey Monkey
- 4 demographic questions; 25 survey items
- Four Domains (Employee, Manager, Organization, Community)
- Anonymous
- “Open”



# Participation Rates

- Total Participation
  - 53% (206/391)
  - 12/25 departments  $\geq$  80%
- Participation by Demographic
  - Clinical: 42%
  - Non-Clinical: 58%
  - Day Shift: 82%
  - Night/PM Shift: 18%
  - Years of Service:
    - Less than 1 year: 11%
    - 1 – 5 years: 37%
    - 6 – 10 years: 22%
    - 11 – 20 years: 21%
    - More than 20 years: 9%





# Results at a Glance

- Overall Score: 4.17
- Average Score by Demographics
  - Clinical: 4.14
  - Non-Clinical: 4.19
  - Day Shift: 4.17
  - Night/PM Shift: 4.15
  - Years of Service
    - Less than 1 year: 4.42
    - 1 – 5 years: 4.07
    - 6 – 10 years: 4.13
    - 11 – 20 years: 4.36
    - More than 20 years: 3.88



# Average Score by Domain

Domain	Avg. Score
Employee	4.23
Manager	4.23
Organization	4.04
Community	4.21



# Highest Performing

Survey Item	Avg. Score
I fee pride in my work	4.57
My work unit strives to exceed the expectations of the people we serve	4.50
I respect the abilities of the person to whom I report	4.47



## Lowest Performing

Survey Item	Avg. Score
The benefits I receive meet or exceed my expectations.	3.67
My pay is fair for the work I do.	3.71
I have regular conversations with my direct supervisor about my personal and/or professional development goals.	3.86



# Actions

- Communicate Survey Results
- Meet Regularly
- Continue Improvement Cycle
- Outcomes





**QUESTIONS?**





**To:** SVHCD Board of Directors  
**From:** Kelly Mather  
**Date:** 7/24/19  
**Subject:** Administrative Report

**Summary**

We ended FY 2019 **50% better than budget!** The South Lot has been sold and construction has begun on the new housing. We have let our staff know that applications for the affordable housing on the lot are due in September.

**Strategic Update from FY 2020 Strategic Plan:**

Strategic Priorities	Update
Exceed Community Expectations in Emergency Services	<ul style="list-style-type: none"> <li>➤ We continue to share the good news about being certified as “Stroke Ready.”</li> <li>➤ The Foundation and the Hospital have decided to work with “Mission Minded” on our new branding as we have re-invented the hospital.</li> <li>➤ The Community Perception survey is set for this fall. We did one in 2015 and it was generally positive and look forward to seeing these results in October.</li> </ul>
Create UCSF Health Outpatient Center	<ul style="list-style-type: none"> <li>➤ We have raised over \$17.5 million towards the goal of \$21 million to complete the new CT, MRI suites and upgrade the facilities in the new Outpatient Diagnostic Center (ODC.)</li> <li>➤ We plan to break ground on the first phase of the ODC by December, 2019.</li> <li>➤ The Patient Access Center will move into their new home (old Inpatient Rehab area) next week.</li> <li>➤ My latest blog addresses the concerns some have about why we need new advanced imaging equipment. The total cost for the Outpatient Diagnostic Center is a result of much value engineered and a reduction in some of the scope to come in under the projected budget.</li> </ul>
Become a 5 Star Hospital	<ul style="list-style-type: none"> <li>➤ The new hospitalist group has implemented a number of new initiatives for improvement.</li> <li>➤ Our patient handbook has been updated.</li> <li>➤ We will soon be implementing the “Journey” patient education system throughout the 3<sup>rd</sup> floor.</li> <li>➤ Hospice by the Bay now has a room on 3<sup>rd</sup> floor.</li> </ul>
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> <li>➤ The Prima physicians are upgrading their Electronic Health Record to be the same as UCSF as of August 1<sup>st</sup>. This will improve coordination of care.</li> <li>➤ We are discussing recruitment of another Primary Care Physician for Prima.</li> <li>➤ We have made good progress to bring several physicians from UCSF to Sonoma.</li> <li>➤ An annual assessment of the Sonoma Family Practice was completed and the first year went pretty well.</li> </ul>
Healthy Hospital	<ul style="list-style-type: none"> <li>➤ The staff satisfaction survey results will be shared at this board meeting with a very high rate of satisfaction for staff at over 4/5.</li> <li>➤ We are moving to an Operations Leaders meeting instead of all exempt staff in Leadership since we have so many working managers now.</li> <li>➤ We may have to change our health plan this year due to changes with Canopy Health and Western Health Advantage.</li> </ul>

## JUNE 2019

			National Benchmark
<b>Patient Experience</b>	<b>Current Performance</b>	<b>FY 2019 Goal</b>	
Would Recommend Hospital	67 <sup>th</sup>	> 60th percentile	50th percentile
Inpatient Overall Rating	62.5%	>60th percentile	50th percentile
Outpatient Services	4.74	Rate My Hospital	4.5
Emergency	4.54	Rate My Hospital	4.5
<b>Quality &amp; Safety</b>	<b>YTD Performance</b>	<b>FY 2019 Goal</b>	<b>Benchmark</b>
CLABSI	0	<1	<.51
CAUTI	0	<1	<1.04
SSI – Colon Surgery	0	<1	N/A
SSI – Total Joint	0	<1.5%	N/A
MRSA Bacteremia	0	<.13	<.13
C. Diff	0	3.5	7.4/10,000 pt days
PSI – 90 Composite	2	<1	<1
Heart Failure Mortality Rate	12.5%	TBD	17.3%
Pneumonia Mortality Rate	18.1%	TBD	23.6%
Stroke Mortality Rate	14.7%	TBD	19.7%
Sepsis Mortality Rate	10.2%	<18%	25%
30 Day All- Cause Readmissions	9.50%	< 10 %	< 18.5%
Serious Safety Events	0	0	0
Falls	2	< 2.3	2.3
Pressure Ulcers	0	<3.7	3.7
Injuries to Staff	16	< 10	17
Adverse Drug Events with Harm	0	0	0
Reportable HIPAA Privacy Events	0	0	0
SNF Star Rating	4	4	3
Hospital Star Rating	4	4	3
<b>Our People</b>	<b>Performance</b>	<b>FY 2019 Goal</b>	<b>Benchmark</b>
Staff Satisfaction Survey	61 <sup>st</sup> percentile	75th percentile	50th percentile
Turnover	17.7%	< 10%	< 15%
<b>Financial Stability</b>	<b>YTD Performance</b>	<b>FY 2019 Goal</b>	<b>Benchmark</b>
EBDA	6.1%	1%	3%
FTE's/AOB	3.88	4.3	5.3
Days Cash on Hand	35	20	30
Days in Accounts Receivable	43	49	50
Length of Stay	3.8	3.85	4.03
Funds raised by SVHF	\$17.5 million	\$20 million	\$1 million
<b>Strategic Growth</b>	<b>YTD Performance</b>	<b>FY 2019 Goal</b>	<b>Benchmark</b>
Inpatient Discharges	1023	1000	1000
Outpatient Visits	54,596	53,000	51,924
Emergency Visits	10,181	10,000	11,040
Surgeries + Special Procedures	2950	2500	2,568
Community Benefit Hours	1222	1200	1200

Note: Colors demonstrate comparison to National Benchmark





Healing Here at Home

## TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2019	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
FY YTD Turnover	<10%	1.6	3.3	3.6	5.8	6.9	8.2	8.7	9.4	11.1	13.4	14.5	17.7
Leave of Absences	<12	13	11	8	10	9	8	10	9	8	8	10	12
EBDA	>1%	0	1.7	1.6	-8.9	-1.7	-2	.7	-6.9	3.9	6.8	6.8	6.1
Operating Revenue	>4.5m	4.5	4.9	4.6	4.4	4.3	4.0	5.5	3.7	7.8	5.9	4.8	4.2
Expense Management	<5.0m	5.1	5.3	5.0	5.3	4.8	4.7	5.5	4.5	6.6	4.8	5.0	4.8
Net Income	>50k	214	32	208	-273	-95	-207	806	-277	1722	1686	248	15.4
Days Cash on Hand	>20	19.1	10	13	13	9.6	14.8	13	4.6	4.5	9.6	39	35
A/R Days	<50	41	43	48	44	45	44	43	43	44	38	37	43
Total FTE's	<300	310	309	314	298	288	281	280	277	275	267	266	255
FTEs/AOB	<4.5	3.62	3.29	4.38	4.18	4.84	4.92	4.44	4.73	4.15	3.84	3.80	3.88
Inpatient Discharges	>90	81	85	90	92	93	97	83	76	87	87	86	66
Outpatient Revenue	>\$14m	14.8	16.8	13.9	15.8	13.5	13.6	14.8	13.9	15.2	15.4	16.2	15.1
Surgeries	>150	150	165	182	175	161	149	157	155	163	163	166	157
ER	>900	901	810	814	842	772	840	789	833	858	890	891	941
Births	>11	8	14	13	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SNF days	>350	664	628	457	405	326	291	345	286	357	362	383	306
MRI	>120	99	145	92	119	98	118	105	107	96	150	149	150
Cardiology (Echos)	>85	88	135	97	124	112	106	85	91	112	121	113	103
Laboratory	>12.5	12.4	13.4	11.7	13.7	12.6	11.8	12.7	11.4	12.2	12.1	12.3	10.7
Radiology	>900	894	951	929	1112	884	906	987	1050	1025	1057	1044	908
Rehab	>2500	2414	2860	1788	2688	2131	2380	2964	2080	2358	2536	2539	1967
CT	>350	359	387	331	392	331	367	348	355	396	416	453	357
Mammography	>200	280	243	221	269	219	246	180	220	202	227	220	224
Ultrasound	>250	181	280	246	333	233	252	240	225	340	312	283	291
Occupational Health	>600	570	639	489	833	561	452	574	535	707	899	804	578
Wound Care	>250	290	256	198	293	266	288	230	286	268	346	311	307



**Meeting Date: August 1, 2019**

**CMO Report: Sabrina Kidd, MD**

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1. What is going well / New Items:
  - a. Welcome to our new chairs and directors:
    - Dr. Ako Walther - Medical Director for Hospitalist group
    - Dr. Solomon – Surgery Department Chair
    - Dr. Verducci – Medicine Department Chair
    - Dr. Brown – Chief of Staff
    - Dr. Solomon Chief of Staff elect
  - b. The Hospice bed has been transferred to the third floor from the SNF.
  - c. A new patient education system, Journey, has been funded through the SVH. Foundation, and will be implemented on the third floor soon.
  - d. Stroke Program:
    - i. We have coordinated with local EMS for them to transmit their field EKGs on Stroke patients to a generic SVH ED email. This means we will not have to worry about obtaining an EKG within our stroke timeline. Similarly, the Lab has agreed to accept blood samples on Stroke patients that EMS delivers to SVH. They will draw the blood in the field with the IV start. This also significantly assists our compliance targets.
  - e. Information Technology Department is now attending Medical Executive Committee. IT is working to implement a secure texting platform for physician communication, as well as a secure Zoom platform for “internal” telemedicine for on-call SVH doctors.
  - f. The Sonoma County Disaster Coalition has approved the purchase of two air scrubbers through Federal Grants to SVH.
  - g. Awaiting CIHQ and State Surveys
2. Follow up previous agenda items:
  - a. Benchmark Hospitalist Program started 6/7/2019. Although we are all still working out some of the logistics of shift changes and the new schedule, this is a positive change for SVH.
  - b. Tele-medicine Updates: All neuro and stroke consults now go to UCSF. Psychiatry consults are still through Specialists on Call (SOC), but will be replaced with a more local group through Valley Emergency Physicians (VEP) who will document in our electronic health record soon. The Infectious Disease

telemedicine service is unchanged. Work continues to explore more opportunities with UCSF and Meritage regarding tele-medicine.

- c. Peer Review Process has been re-vamped and the first Peer Review Committee meeting was held in July.
3. Opportunities for growth / improvement:
  - a. Monthly work on phys docs (physician notes) and order sets continues. We are developing a new protocol for alcohol withdrawal.
  - b. Surgeon arrival time is being monitored and is an area for improvement in the surgery department efficiency project.
4. Quality:
  - a. The PSI fallouts represent the same previous cases – no new fall outs.
  - b. Two Recent Root Cause Analyses
    - i. Post-op falls on orthopedic patients – Analysis complete and new nursing guidelines implemented on third floor as a result.
    - ii. Mislabeled surgical specimen – complete and reported to Board Quality Committee.
  - c. New Metric: Monitoring the use of the LACE tool as a trigger for conversations regarding advanced care decisions and the documentation of these conversations using the advance care template.
  - d. Rate My Hospital, who measures patient satisfaction in our Outpatient departments through a texting service, has been approved to survey inpatients by CMS. We will be employing the system in the next few months. All patients in beds on the 3<sup>rd</sup> floor will receive a text survey, unlike HCAHPS who only surveys inpatients discharged home. This will significantly increase our feedback and most importantly, the feedback will be real time versus HCAHPS which is 60 days old.



**To:** SVH Finance Committee  
**From:** Ken Jensen, CFO  
**Date:** July 23, 2019  
**Subject:** Financial Report for the Month Ending June 30, 2019 – Pre Audit Financials

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June's actual loss of (\$642,229) from operations was (\$63,543) unfavorable to the budgeted loss of (\$578,686). During the month of June the hospital experienced overall lower than budgeted volume except in the Emergency room where volume was over budgeted expectations. The hospital was able to offset the lower net revenue with better than budgeted expenses primarily in employee costs. After accounting for all other activity; the net gain for June was \$15,490 vs. the budgeted net loss of (\$96,924) with a monthly EBDA of -2.4% vs. a budgeted -0.8%.

**Gross patient revenue** for June was \$20,650,512; (\$2,400,880) under budget. Inpatient gross revenue was under budget by (\$2,066,263). Inpatient days were under budget by (89) days and inpatient surgeries were under budgeted expectations by (18) cases. Outpatient revenue was under budget by (\$503,761). Outpatient visits were under budgeted expectations by (557) visits, and outpatient surgeries were over budgeted expectations by 9 cases and special procedures were over budget by 12 cases. The Emergency Room gross revenue was over budget by \$621,878 with ER visits over budgeted expectations by 85 visits. SNF gross revenue was under budgeted expectations by (\$452,734) with SNF patient days under budget by (144) days and an average daily census of 10.2 patients.

**Deductions from revenue** were favorable to budgeted expectations by \$2,158,502. Of the variance, (\$290,055) is from the prior period adjustments or IGT payments. Without the IGT variance, the deductions from revenue variance is favorable by \$2,448,557 which is due to gross revenue being under budgeted expectation.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by (257,164).

**Operating Expenses** of \$4,815,075 were favorable to budget by \$193,621. Salaries and wages and agency fees were under budget by \$69,571 with the salaries and wages being under budget by \$31,990 and agency fees under by \$37,581. Supplies were under budget in June due to the lower volume in clinical departments. Purchased Services are over budget by (\$116,657) primarily due to the remaining cost of repaving the visitor parking lots (\$72,347). Other expenses are over budget by (\$25,147) primarily due to the accrual of legal fees expected from the SNF Management Agreement.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for June was (\$358,181) vs. a budgeted net loss of (\$326,544). The total net income for June after all activity was \$15,490 vs. a budgeted net loss of (\$96,924).

EBIDA for the month of June was -2.4% vs. the budgeted -0.8%.

#### Patient Volumes – June

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	66	88	-22	99
Newborn Discharges	0	0	0	16
Acute Patient Days	220	309	-89	354
SNF Patient Days	306	450	-144	545
Home Care Visits	0	0	0	871
OP Gross Revenue	\$15,138	\$15,020	\$118	\$13,677
Surgical Cases	157	166	-9	151

#### Gross Revenue Overall Payer Mix – June

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	41.1%	42.9%	-1.8%	42.8%	42.9%	-0.1%
Medicare Mgd Care	14.2%	12.8%	1.4%	14.0%	12.8%	1.2%
Medi-Cal	18.8%	17.7%	1.1%	18.1%	17.9%	0.2%
Self Pay	2.5%	1.3%	1.2%	1.4%	1.4%	0.0%
Commercial	20.1%	20.6%	-0.5%	20.1%	20.6%	-0.5%
Workers Comp	2.1%	2.6%	-0.5%	2.1%	2.4%	-0.3%
Capitated	1.2%	2.1%	-0.9%	1.5%	2.0%	-0.5%
Total	100.0%	100.0%		100.0%	100.0%	

#### Cash Activity for June:

For the month of June the cash collection goal was \$3,535,118 and the Hospital collected \$3,272,053 or under the goal by (\$263,065). The year-to-date cash collection goal was \$43,593,495 and the Hospital has collected \$44,121,125 or over goal by \$527,630. Days of cash on hand are 35.3 days at June 30, 2019. Accounts Receivable increased from May, from 37.2 days to 43.0 days in June. Accounts Payable increased by \$621,339 from May and Accounts Payable days are at 53.0.

**Year End June 30, 2019 (Unaudited):**

After accounting for all activity, the Fiscal Year ended with a net gain of \$4,234,934 vs. a budgeted net loss of (\$166,530). EBIDA ended at \$3,590,712 or 6.1% vs. budgeted at \$556,228, or 1.0%. Accounts Payable at year end was \$4,242,741 vs. \$3,814,430 at the end of last fiscal year. Cash at June 30, 2019 was \$3,450,014 vs. \$1,671,423 at June 30, 2018.

At fiscal year-end June 30, 2019 the gross patient revenue is over budget by \$1,066,307 with the inpatient gross revenue under budget by (\$826,497), outpatient gross revenue over budget by \$6,617,520, ER gross revenue under budget by (\$1,740,971), and the SNF gross revenue was under budget by (\$2,640,039). The fiscal year-end June 30, 2019 revenue deductions were favorable to budget by \$3,481,052. Of the variance, \$4,974,818 is from the prior period adjustments or IGT payments. Without the prior period adjustments and IGT variance, the deductions from revenue variance is unfavorable by (\$1,493,766) which is due to better than budgeted gross revenue and an increase to the bad debt reserve.

During fiscal year 2019 the hospital received \$9,205,478 in governmental supplemental program payments which were offset by matching fees of (\$2,796,223) for a net of \$6,409,255.

At fiscal year-end June 30, 2019 expenses are over budget by (\$1,419,588). At year-end total people cost were under budget by \$298,938. Salaries, wages, and agency fees were over budget by (\$298,774) due to the increase use in registry in the ICU, ER, and Physical Therapy staff for the SNF. This was offset by employee benefits being better than budget by \$597,712. Physician and Professional fees were under budget by \$336,818 due lower than budgeted costs for on-call physicians and a reduction of consulting costs in the Family Practice Clinic and in Patient Financial Services. Supplies were over budget by (\$122,133) primarily in the pharmacy due to the loss of the hospital's participation in the 340b drug program. Purchased Services were over budget by (\$380,299) primarily in Plant Operations (\$241,341) due to the repaving of the hospital's visiting parking lots (\$150,597) and other unbudgeted repairs and maintenance costs and in Pharmacy (\$32,471) and Information Systems (\$51,453). The hospital had IGT matching fees of \$2,796,223 that were over budget by (\$1,735,388).

During fiscal year 2019 the hospital received \$1,946,999 from the Sonoma Valley Hospital Foundation for the Outpatient diagnostic center, 3<sup>rd</sup> floor acute care move, and various equipment.

**ATTACHMENTS:**

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



**Sonoma Valley Hospital  
Payer Mix for the month of June 30, 2019**

ATTACHMENT A

YTD

<b>Gross Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	8,523,794	9,867,539	-1,343,745	-13.6%	116,561,190	116,222,656	338,534	0.3%
Medicare Managed Care	2,923,028	2,949,082	-26,054	-0.9%	38,096,371	34,734,018	3,362,353	9.7%
Medi-Cal	3,871,673	4,079,541	-207,868	-5.1%	49,123,007	48,411,407	711,600	1.5%
Self Pay	520,949	303,329	217,620	71.7%	3,706,685	3,675,037	31,648	0.9%
Commercial & Other Government	4,144,650	4,760,915	-616,265	-12.9%	54,779,982	55,852,324	-1,072,342	-1.9%
Worker's Comp.	423,918	599,590	-175,672	-29.3%	5,744,652	6,662,798	-918,146	-13.8%
Capitated	242,500	491,396	-248,896	-50.7%	4,085,786	5,473,126	-1,387,340	-25.3%
<b>Total</b>	<b>20,650,512</b>	<b>23,051,392</b>	<b>(2,400,880)</b>		<b>272,097,673</b>	<b>271,031,366</b>	<b>1,066,307</b>	

<b>Net Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	1,216,849	1,256,455	-39,606	-3.2%	16,255,595	16,050,557	205,038	1.3%
Medicare Managed Care	351,348	363,618	-12,270	-3.4%	4,938,240	4,488,151	450,089	10.0%
Medi-Cal	544,855	540,417	4,438	0.8%	6,533,624	6,364,093	169,531	2.7%
Self Pay	293,611	111,716	181,895	162.8%	1,943,193	1,672,675	270,518	16.2%
Commercial & Other Government	1,497,426	1,539,374	-41,948	-2.7%	17,536,228	18,421,245	-885,017	-4.8%
Worker's Comp.	107,336	139,969	-32,633	-23.3%	1,051,538	1,612,212	-560,674	-34.8%
Capitated	3,735	15,934	-12,199	-76.6%	98,421	175,365	-76,944	-43.9%
Prior Period Adj/IGT	62,500	352,555	-290,055	-82.3%	9,205,478	4,230,660	4,974,818	117.6%
<b>Total</b>	<b>4,077,660</b>	<b>4,320,038</b>	<b>(242,378)</b>	<b>-5.6%</b>	<b>57,562,317</b>	<b>53,014,958</b>	<b>4,547,359</b>	<b>8.6%</b>

<b>Percent of Net Revenue:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	29.9%	29.1%	0.8%	2.7%	28.2%	30.3%	-2.2%	-7.3%
Medicare Managed Care	8.6%	8.4%	0.2%	2.4%	8.6%	8.5%	0.1%	1.2%
Medi-Cal	13.4%	12.5%	0.9%	7.2%	11.4%	12.0%	-0.6%	-5.0%
Self Pay	7.2%	2.6%	4.6%	176.9%	3.4%	3.2%	0.2%	6.3%
Commercial & Other Government	36.7%	35.6%	1.1%	3.1%	30.4%	34.7%	-4.3%	-12.4%
Worker's Comp.	2.6%	3.2%	-0.6%	-18.8%	1.8%	3.0%	-1.2%	-40.0%
Capitated	0.1%	0.4%	-0.3%	-75.0%	0.2%	0.3%	-0.1%	-33.3%
Prior Period Adj/IGT	1.5%	8.2%	-6.7%	-81.7%	16.0%	8.0%	8.0%	100.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-8.1%</b>	<b>-8.1%</b>

<b>Projected Collection Percentage:</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	14.3%	12.7%	1.6%	12.6%	13.9%	13.8%	0.1%	0.7%
Medicare Managed Care	12.0%	12.3%	-0.3%	-2.4%	13.0%	12.9%	0.1%	0.8%
Medi-Cal	14.1%	13.2%	0.9%	6.8%	13.3%	13.1%	0.2%	1.5%
Self Pay	56.4%	36.8%	19.6%	53.3%	52.4%	45.5%	6.9%	15.2%
Commercial & Other Government	36.1%	32.3%	3.8%	11.8%	32.0%	33.0%	-1.0%	-3.0%
Worker's Comp.	25.3%	23.3%	2.0%	8.6%	18.3%	24.2%	-5.9%	-24.4%

**SONOMA VALLEY HOSPITAL  
OPERATING INDICATORS  
For the Period Ended June 30, 2019**

**ATTACHMENT B**

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 06/30/19</u>	<u>Budget 06/30/19</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 06/30/19</u>	<u>Budget 06/30/19</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 06/30/18</u>
<b>Inpatient Utilization</b>								
<b>Discharges</b>								
1	46	76	(30)	Acute	871	947	(76)	985
2	20	12	8	ICU	152	145	7	163
3	66	88	(22)	Total Discharges	1,023	1,092	(69)	1,148
4	-	-	-	Newborn	46	24	22	113
5	66	88	(22)	Total Discharges inc. Newborns	1,069	1,116	(47)	1,261
<b>Patient Days:</b>								
6	139	223	(84)	Acute	2,870	2,849	21	2,969
7	81	86	(5)	ICU	971	1,027	(56)	1,030
8	220	309	(89)	Total Patient Days	3,841	3,876	(35)	3,999
9	-	-	-	Newborn	102	45	57	202
10	220	309	(89)	Total Patient Days inc. Newborns	3,943	3,921	22	4,201
<b>Average Length of Stay:</b>								
11	3.0	2.9	0.1	Acute	3.3	3.0	0.3	3.0
12	4.1	7.2	(3.1)	ICU	6.4	7.1	(0.7)	6.3
13	3.3	3.5	(0.2)	Avg. Length of Stay	3.8	3.5	0.2	3.5
14	0.0	0.0	-	Newborn ALOS	2.2	1.9	(0.3)	1.8
<b>Average Daily Census:</b>								
15	4.6	7.4	(2.8)	Acute	7.9	7.8	0.1	8.1
16	2.7	2.9	(0.2)	ICU	2.7	2.8	(0.2)	2.8
17	7.3	10.3	(3.0)	Avg. Daily Census	10.5	10.6	(0.1)	11.0
18	0.0	0.0	-	Newborn	0.28	0.12	0.2	0.55
<b>Long Term Care:</b>								
19	306	450	(144)	SNF Patient Days	4,810	5,865	(1,055)	6,361
20	18	26	(8)	SNF Discharges	258	323	(65)	360
21	10.2	15.0	(4.8)	Average Daily Census	13.2	16.1	(2.9)	17.4
<b>Other Utilization Statistics</b>								
<b>Emergency Room Statistics</b>								
22	941	856	85	Total ER Visits	10,181	10,771	(590)	10,629
<b>Outpatient Statistics:</b>								
23	4,436	4,993	(557)	Total Outpatients Visits	54,596	54,698	(102)	53,253
24	17	35	(18)	IP Surgeries	319	346	(27)	334
25	140	131	9	OP Surgeries	1,628	1,606	22	1,515
26	102	90	12	Special Procedures	1,003	788	215	859
27	-	-	-	Home Health Visits	2,027	3,837	(1,810)	9,350
28	315	327	(12)	Adjusted Discharges	3,763	3,986	(223)	4,062
29	1,970	2,177	(207)	Adjusted Patient Days (Inc. SNF)	25,371	27,456	(2,085)	27,921
30	65.7	72.6	(6.9)	Adj. Avg. Daily Census (Inc. SNF)	69.5	75.2	(5.7)	76.5
31	1.6194	1.4000	0.219	Case Mix Index -Medicare	1.5294	1.4000	0.129	1.5047
32	1.6561	1.4000	0.256	Case Mix Index - All payers	1.5545	1.4000	0.155	1.4851
<b>Labor Statistics</b>								
33	224	253	29.8	FTE's - Worked	256	261	5.0	275
34	255	287	31.8	FTE's - Paid	285	295	10.4	310
35	45.45	41.82	(3.63)	Average Hourly Rate	43.12	41.12	(2.00)	42.94
36	22.1	22.5	0.4	Manhours / Adj. Pat Day	23.3	22.4	(1.0)	23.1
37	138.4	149.8	11.4	Manhours / Adj. Discharge	157.4	154.0	(3.4)	158.6
38	22.4%	23.9%	1.5%	Benefits % of Salaries	22.8%	23.7%	0.9%	21.7%
<b>Non-Labor Statistics</b>								
39	13.5%	13.8%	0.3%	Supply Expense % Net Revenue	13.2%	12.5%	-0.7%	11.6%
40	1,755	1,861	106	Supply Exp. / Adj. Discharge	1,841	1,708	(134)	1,598
41	15,666	15,797	132	Total Expense / Adj. Discharge	16,869	15,628	(1,241)	15,858
<b>Other Indicators</b>								
42	35.3			Days Cash - Operating Funds				
43	43.0	50.0	(7.0)	Days in Net AR	42.6	50.0	(7.4)	45.8
44	93%			Collections % of Net Revenue	101%			103.7%
45	53.0	55.0	(2.0)	Days in Accounts Payable	53.0	55.0	(2.0)	45.0
46	19.9%	19.2%	0.7%	% Net revenue to Gross revenue	19.2%	20.0%	-0.8%	21.2%
47	21.4%			% Net AR to Gross AR	21.4%			21.5%



**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of June 30, 2019**

**ATTACHMENT C**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1 Cash	\$ 3,450,014	\$ 4,082,531	\$ 1,671,423
2 Trustee Funds	5,016,479	4,999,410	4,431,932
3 Net Patient Receivables	7,126,897	6,258,285	7,792,665
4 Allow Uncollect Accts	(1,185,346)	(1,255,011)	(1,210,340)
5 Net A/R	5,941,551	5,003,274	6,582,325
6 Other Accts/Notes Rec	7,051,556	(73,409)	6,904,040
7 3rd Party Receivables, Net	1,171,358	1,279,593	1,800,325
8 Inventory	901,652	877,125	852,689
9 Prepaid Expenses	1,120,165	797,542	776,242
10 Total Current Assets	<u>\$ 24,652,775</u>	<u>\$ 16,966,066</u>	<u>\$ 23,018,976</u>
12 Property, Plant & Equip, Net	\$ 50,868,938	\$ 51,098,617	\$ 51,965,266
13 Specific Funds/ Money Market	2,201,684	2,201,431	671,315
14 Other Assets	-	-	-
15 Total Assets	<u><u>\$ 77,723,397</u></u>	<u><u>\$ 70,266,114</u></u>	<u><u>\$ 75,655,557</u></u>
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
16 Accounts Payable	\$ 4,242,741	\$ 3,621,402	\$ 3,814,340
17 Accrued Compensation	3,670,842	3,802,899	4,071,080
18 Interest Payable	503,825	403,057	528,873
19 Accrued Expenses	1,746,367	1,386,452	1,320,048
20 Advances From 3rd Parties	297,936	105,388	124,882
21 Deferred Tax Revenue	6,904,781	571,102	6,853,235
22 Current Maturities-LTD	544,598	611,934	1,302,516
23 Line of Credit - Union Bank	6,723,734	6,723,734	6,973,734
24 Other Liabilities	201,386	201,386	2,201,386
25 Total Current Liabilities	<u>\$ 24,836,210</u>	<u>\$ 17,427,354</u>	<u>\$ 27,190,094</u>
26 Long Term Debt, net current portion	\$ 32,811,420	\$ 32,778,482	\$ 32,457,139
Fund Balances:			
28 Unrestricted	\$ 13,207,065	\$ 13,191,576	\$ 10,945,354
29 Restricted	6,868,702	6,868,702	5,062,970
30 Total Fund Balances	<u>\$ 20,075,767</u>	<u>\$ 20,060,278</u>	<u>\$ 16,008,324</u>
31 Total Liabilities & Fund Balances	<u><u>\$ 77,723,397</u></u>	<u><u>\$ 70,266,114</u></u>	<u><u>\$ 75,655,557</u></u>

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended June 30, 2019**

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	66	88	(22)	-25%	Acute Discharges	1,023	1,092	(69)	-6%	1,148	
2	306	450	(144)	-32%	SNF Days	4,810	5,865	(1,055)	-18%	6,361	
3	-	-	-	0%	Home Care Visits	2,027	3,837	(1,810)	-47%	9,350	
4	15,138	15,020	118	1%	Gross O/P Revenue (000's)	\$ 179,269	\$ 174,654	4,614	3%	\$ 166,289	
<b>Financial Results</b>											
<b>Gross Patient Revenue</b>											
5	\$ 4,287,222	\$ 6,353,485	(2,066,263)	-33%	Inpatient	\$ 73,559,599	\$ 74,386,096	(826,497)	-1%	\$ 74,185,947	
6	8,251,132	8,754,893	(503,761)	-6%	Outpatient	102,472,437	95,854,917	6,617,520	7%	91,863,215	
7	6,887,100	6,265,222	621,878	10%	Emergency	76,095,407	77,836,378	(1,740,971)	-2%	71,169,484	
8	1,225,058	1,677,792	(452,734)	-27%	SNF	19,207,783	21,847,822	(2,640,039)	-12%	24,062,441	
9	-	-	-	0%	Home Care	762,447	1,106,153	(343,706)	-31%	3,421,722	
10	\$ 20,650,512	\$ 23,051,392	(2,400,880)	-10%	<b>Total Gross Patient Revenue</b>	\$ 272,097,673	\$ 271,031,366	1,066,307	0%	\$ 264,702,809	
<b>Deductions from Revenue</b>											
11	\$ (16,403,242)	\$ (18,959,174)	2,555,932	13%	Contractual Discounts	\$ (221,461,298)	\$ (220,750,303)	(710,995)	0%	\$ (213,195,741)	
12	(195,000)	(100,000)	(95,000)	-95%	Bad Debt	(1,980,000)	(1,200,000)	(780,000)	-65%	(1,903,000)	
13	(37,110)	(24,735)	(12,375)	-50%	Charity Care Provision	(299,536)	(296,765)	(2,771)	-1%	(191,666)	
14	62,500	352,555	(290,055)	-82%	Prior Period Adj/Government Program Revenue	9,205,478	4,230,660	4,974,818	*	5,286,886	
15	\$ (16,572,852)	\$ (18,731,354)	2,158,502	-12%	<b>Total Deductions from Revenue</b>	\$ (214,535,356)	\$ (218,016,408)	3,481,052	-2%	\$ (210,003,521)	
16	\$ 4,077,660	\$ 4,320,038	(242,378)	-6%	<b>Net Patient Service Revenue</b>	\$ 57,562,317	\$ 53,014,958	4,547,359	9%	\$ 54,699,288	
17	\$ 24,084	\$ 95,999	(71,915)	-75%	Risk contract revenue	\$ 755,801	\$ 1,241,385	(485,584)	-39%	\$ 1,358,417	
18	\$ 4,101,744	\$ 4,416,037	(314,293)	-7%	Net Hospital Revenue	\$ 58,318,118	\$ 54,256,343	4,061,775	7%	\$ 56,057,705	
19	\$ 71,102	\$ 13,973	57,129	*	Other Op Rev & Electronic Health Records	\$ 499,083	\$ 167,621	331,462	198%	\$ 186,371	
20	\$ 4,172,846	\$ 4,430,010	(257,164)	-6%	<b>Total Operating Revenue</b>	\$ 58,817,201	\$ 54,423,964	4,393,237	8%	\$ 56,244,076	
<b>Operating Expenses</b>											
21	\$ 1,978,892	\$ 2,048,463	69,571	3%	Salary and Wages and Agency Fees	\$ 25,542,835	\$ 25,244,061	(298,774)	-1%	\$ 27,666,431	
22	725,593	779,097	53,504	7%	Employee Benefits	9,069,787	9,667,499	597,712	6%	10,170,264	
23	\$ 2,704,485	\$ 2,827,560	123,075	4%	Total People Cost	\$ 34,612,622	\$ 34,911,560	298,938	1%	\$ 37,836,695	
24	\$ 481,518	\$ 497,815	16,297	3%	Med and Prof Fees (excl Agency)	\$ 5,669,261	\$ 6,006,079	336,818	6%	\$ 5,053,429	
25	552,200	608,749	56,549	9%	Supplies	6,928,535	6,806,402	(122,133)	-2%	6,490,766	
26	497,414	380,757	(116,657)	-31%	Purchased Services	4,863,412	4,483,113	(380,299)	-8%	4,398,278	
27	256,183	290,874	34,691	12%	Depreciation	3,392,235	3,473,190	80,955	2%	3,424,202	
28	100,962	115,414	14,452	13%	Utilities	1,172,034	1,247,155	75,121	6%	1,189,992	
29	40,081	35,321	(4,760)	-13%	Insurance	441,379	418,168	(23,211)	-6%	381,828	
30	50,243	56,961	6,718	12%	Interest	643,008	640,165	(2,843)	0%	564,618	
31	131,989	106,842	(25,147)	-24%	Other	1,296,235	1,348,689	52,454	4%	1,428,617	
32	-	88,403	88,403	*	Matching Fees (Government Programs)	2,796,223	1,060,835	(1,735,388)	*	1,695,736	
33	\$ 4,815,075	\$ 5,008,696	193,621	4%	<b>Operating expenses</b>	\$ 61,814,944	\$ 60,395,356	(1,419,588)	-2%	\$ 62,464,161	
34	\$ (642,229)	\$ (578,686)	(63,543)	-11%	<b>Operating Margin</b>	\$ (2,997,743)	\$ (5,971,392)	2,973,649	50%	\$ (6,220,085)	

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended June 30, 2019**

ATTACHMENT D

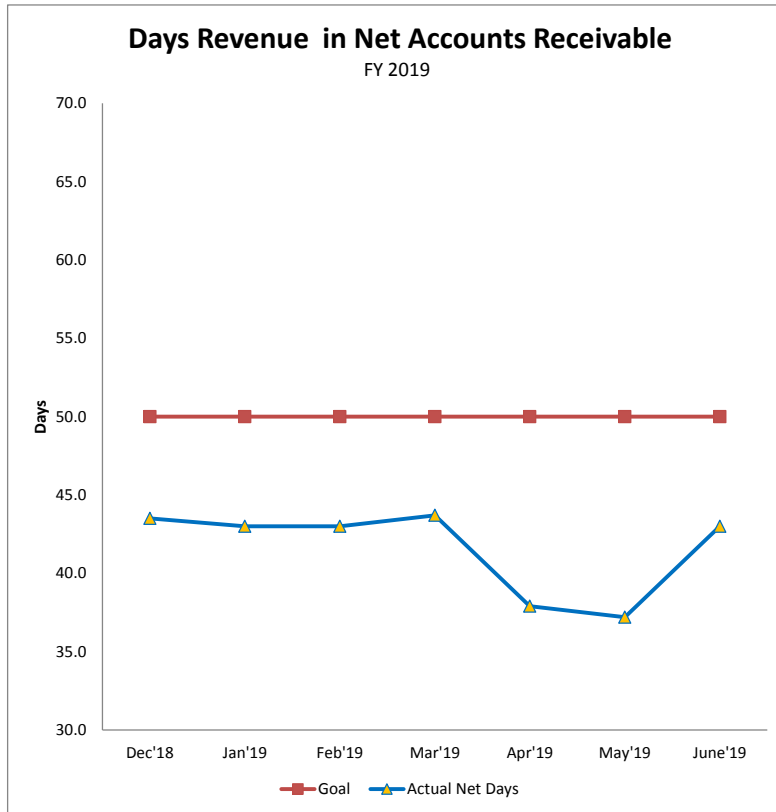
	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
<b>35</b>	\$ (1,370)	\$ (10,431)	9,061	-87%						\$ (101,082)	
<b>36</b>	-	2,672	(2,672)	-100%						30,326	
<b>37</b>	(13,000)	(56,766)	43,766	-77%						(681,192)	
<b>38</b>	298,418	316,667	(18,249)	-6%						3,792,096	
<b>39</b>	0	0	-	0%						(26,875)	
<b>40</b>	<b>\$ 284,048</b>	<b>\$ 252,142</b>	<b>31,906</b>	<b>13%</b>						<b>\$ 3,013,273</b>	
<b>41</b>	<b>\$ (358,181)</b>	<b>\$ (326,544)</b>	<b>(31,637)</b>	<b>10%</b>	<b>Net Income / (Loss) prior to Restricted Contributions</b>	<b>\$ 198,477</b>	<b>\$ (2,916,962)</b>	<b>3,115,439</b>	<b>-107%</b>	<b>\$ (3,206,812)</b>	
<b>42</b>	\$ -	\$ 20,949	(20,949)	-100%						\$ 143,998	
<b>43</b>	\$ -	\$ 55,003	(55,003)	0%						\$ 1,039,838	
<b>44</b>	<b>\$ (358,181)</b>	<b>\$ (250,592)</b>	<b>(107,589)</b>	<b>43%</b>	<b>Net Income / (Loss) w/ Restricted Contributions</b>	<b>\$ 2,175,923</b>	<b>\$ (2,005,538)</b>	<b>4,181,461</b>	<b>-208%</b>	<b>\$ (2,022,976)</b>	
<b>45</b>	474,439	254,436	220,003	86%						3,164,434	
<b>46</b>	(100,768)	(100,768)	-	0%						(1,273,802)	
<b>47</b>	<b>\$ 15,490</b>	<b>\$ (96,924)</b>	<b>112,414</b>	<b>-116%</b>	<b>Net Income/(Loss) w GO Bond Activity</b>	<b>\$ 4,234,934</b>	<b>\$ (166,530)</b>	<b>4,401,464</b>	<b>-2643%</b>	<b>\$ (132,344)</b>	
	\$ (101,998)	\$ (35,670)	(66,328)		<b>EBDA - Not including Restricted Contributions</b>	<b>\$ 3,590,712</b>	<b>\$ 556,228</b>	<b>3,034,484</b>		<b>\$ 217,390</b>	
	-2.4%	-0.8%				6.1%	1.0%			0.4%	

**Sonoma Valley Health Care District**  
**Statement of Revenue and Expenses Variance Analysis**  
**For the Period Ended June 30, 2019**

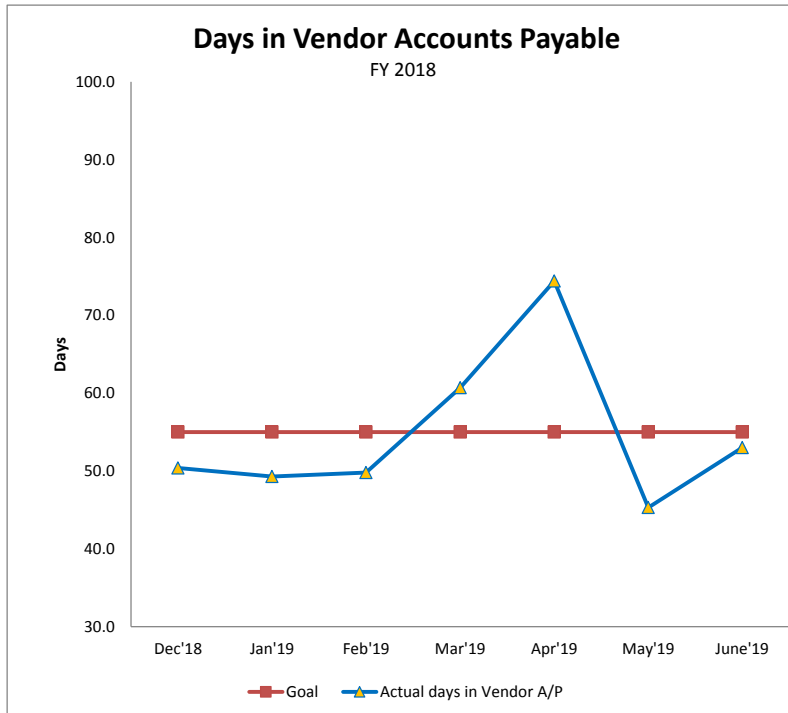
	YTD	MONTH	
Description	Variance	Variance	
<b>Volume Information</b>			
1 Acute Discharges	(69)	(22)	
2 SNF Days	(1,055)	(144)	
3 Home Care Visits	(1,810)	-	
4 Gross O/P Revenue (000's)	4,614	118	
<b>Financial Results</b>			
<b>Gross Patient Revenue</b>			
5 Inpatient	(826,497)	(2,066,263)	Inpatient days are 220 days vs. budgeted expectations of 309 days and inpatient surgeries are 17 vs. budgeted expectations 35.
6 Outpatient	6,617,520	(503,761)	Outpatient visits are 4,436 vs. budgeted expectations of 4,993 visits and outpatient surgeries are 140 vs. budgeted expectations 131.
7 Emergency	(1,740,971)	621,878	ER visits are 941 vs. budgeted visits of 856.
8 SNF	(2,640,039)	(452,734)	SNF patient days are 306 vs. budgeted expected days of 450.
9 Home Care	(343,706)	-	
10 <b>Total Gross Patient Revenue</b>	<b>1,066,307</b>	<b>(2,400,880)</b>	
<b>Deductions from Revenue</b>			
11 Contractual Discounts	(710,995)	2,555,932	
12 Bad Debt	(780,000)	(95,000)	
13 Charity Care Provision	(2,771)	(12,375)	
14 Prior Period Adj/Government Program Revenue	4,974,818	(290,055)	Accrual of Prime Grant (\$62,500).
15 <b>Total Deductions from Revenue</b>	<b>3,481,052</b>	<b>2,158,502</b>	
16 <b>Net Patient Service Revenue</b>	<b>4,547,359</b>	<b>(242,378)</b>	
17 Risk contract revenue	(485,584)	(71,915)	
18 <b>Net Hospital Revenue</b>	<b>4,061,775</b>	<b>(314,293)</b>	
19 Other Op Rev & Electronic Health Records	331,462	57,129	
20 <b>Total Operating Revenue</b>	<b>4,393,237</b>	<b>(257,164)</b>	
<b>Operating Expenses</b>			
21 Salary and Wages and Agency Fees	(298,774)	69,571	Salaries and Wages are under budget by \$31,990 and Agency fees are under budget by \$37,581
22 Employee Benefits	597,712	53,504	
23 <b>Total People Cost</b>	<b>298,938</b>	<b>123,075</b>	
24 Med and Prof Fees (excl Agency)	336,818	16,297	
25 Supplies	(122,133)	56,549	Supplies under budget in clinical departments due to lower than budgeted volume
26 Purchased Services	(380,299)	(116,657)	Purchased services over budget due to 1/2 of cost to repair visitor parking lots - total cost is \$150,597.
27 Depreciation	80,955	34,691	
28 Utilities	75,121	14,452	
29 Insurance	(23,211)	(4,760)	
30 Interest	(2,843)	6,718	
31 Other	52,454	(25,147)	Accrual of legal fees (\$20,000) pertaining to the SNF Management agreement
32 Matching Fees (Government Programs)	(1,735,388)	88,403	No Matching fees in June 2019
33 <b>Operating expenses</b>	<b>(1,419,588)</b>	<b>193,621</b>	
34 <b>Operating Margin</b>	<b>2,973,649</b>	<b>(63,543)</b>	
<b>Non Operating Rev and Expense</b>			
35 Miscellaneous Revenue	(55,088)	9,061	
36 Donations	(15,451)	(2,672)	
37 Physician Practice Support-Prima	231,328	43,766	
38 Parcel Tax Assessment Rev	(18,999)	(18,249)	
39 Extraordinary Items	-	-	
40 <b>Total Non-Operating Rev/Exp</b>	<b>141,790</b>	<b>31,906</b>	
41 <b>Net Income / (Loss) prior to Restricted Contributions</b>	<b>3,115,439</b>	<b>(31,637)</b>	

**Sonoma Valley Health Care District**  
**Statement of Revenue and Expenses Variance Analysis**  
**For the Period Ended June 30, 2019**

	YTD	MONTH
Description	Variance	Variance
		-
42 Capital Campaign Contribution	(220,941)	(20,949)
43 Restricted Foundation Contributions	1,286,963	(55,003)
44 <b>Net Income / (Loss) w/ Restricted Contributions</b>	<b>4,181,461</b>	<b>(107,589)</b>
45 GO Bond Tax Assessment Rev	<b>220,003</b>	<b>220,003</b>
46 GO Bond Interest	-	-
47 <b>Net Income/(Loss) w GO Bond Activity</b>	<b>4,401,464</b>	<b>112,414</b>



Days in A/R	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	June'19
Actual days in A/R	43.5	43.0	43.0	43.7	37.9	37.2	43.0
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	June'19
Actual days in Vendor A/P	50.4	49.3	49.8	60.7	74.4	45.3	53.0
Goal	55.0	55.0	55.0	55.0	55.0	55.0	55.0

**Sonoma Valley Hospital**  
**Statistical Analysis**  
**FY 2019**

ATTACHMENT G

Statistics	ACTUAL	BUDGET	ACTUAL												
	Jun-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18
<b>Acute</b>															
Acute Patient Days	220	309	340	341	317	265	290	370	315	394	337	361	291	354	374
Acute Discharges (w/o Newborns)	66	88	86	87	87	76	83	97	93	92	90	85	81	99	108
<b>SNF Days</b>	306	450	383	362	357	286	345	291	326	405	457	628	664	545	423
<b>HHA Visits</b>	0	0	0	0	0	0	0	0	0	0	682	585	760	871	747
<b>Emergency Room Visits</b>	941	856	891	890	858	833	789	840	772	842	814	810	901	856	934
<b>Gross Outpatient Revenue (000's)</b>	\$15,138	\$15,020	\$16,224	\$15,396	\$15,281	\$13,994	\$14,826	\$13,583	\$13,530	\$15,824	\$13,946	\$16,762	\$14,801	\$13,677	\$15,188
<b>Equivalent Patient Days</b>	1,970	2,177	2,170	2,086	2,052	1,638	1,958	1,768	1,782	2,207	2,175	2,911	2,654	2,343	2,178
<b>Births</b>	0	0	0	0	0	0	0	0	0	9	13	14	8	16	9
<b>Surgical Cases - Inpatient</b>	17	35	32	30	29	18	20	26	33	34	31	26	23	28	29
<b>Surgical Cases - Outpatient</b>	140	131	134	133	134	137	137	123	128	141	151	139	127	123	146
<b>Total Surgical Cases</b>	157	166	166	163	163	155	157	149	161	175	182	165	150	151	175
<b>Total Special Procedures</b>	102	80	99	80	91	74	51	58	55	92	99	124	78	97	72
<b>Medicare Case Mix Index</b>	1.62	1.40	1.61	1.66	1.61	1.45	1.58	1.57	1.45	1.44	1.73	1.33	1.32	1.45	1.46
<b>Income Statement</b>															
Net Revenue (000's)	\$4,102	\$4,430	\$4,835	\$5,634	\$7,807	\$3,697	\$5,505	\$4,097	\$4,249	\$4,282	\$4,548	\$4,924	\$4,557	\$5,265	\$4,817
Operating Expenses (000's)	\$4,815	\$5,009	\$5,073	\$4,853	\$6,663	\$4,521	\$5,509	\$4,726	\$4,860	\$5,321	\$5,045	\$5,314	\$5,114	\$4,968	\$5,134
Net Income (000's)	\$15	(\$97)	\$249	\$1,687	\$1,722	(\$278)	\$807	(\$208)	(\$95)	(\$120)	\$209	\$32	\$214	\$859	\$369
<b>Productivity</b>															
Total Operating Expense Per Equivalent Patient Day	\$2,444	\$2,301	\$2,338	\$2,327	\$3,247	\$2,760	\$2,814	\$2,673	\$2,727	\$2,411	\$2,319	\$1,826	\$1,927	\$2,120	\$2,357
Productive FTEs	224	253	245	244	255	248	249	234	266	278	278	278	270	259	279
Non-Productive FTE's	31	34	21	23	20	29	31	47	22	20	36	31	40	39	27
Total FTEs	255	287	266	267	275	277	280	281	288	298	314	309	310	298	306
FTEs per Adjusted Occupied Bed	3.88	3.95	3.80	3.84	4.15	4.73	4.44	4.92	4.84	4.18	4.38	3.29	3.62	3.82	4.35
<b>Balance Sheet</b>															
Days of Expense In General Operating Cash	35.3		39	10	5	5	13	15	10	13	13	10	19	11	6
Net Days of Revenue in AR	43	50	37	38	44	43	43	44	45	44	48	43	41	42	47

Sonoma Valley Hospital  
Cash Forecast  
FY 2019

ATTACHMENT H

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	TOTAL
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	4,372,057	4,288,459	3,963,236	4,597,184	4,281,345	4,244,883	4,197,482	3,957,008	3,711,986	5,022,741	4,362,374	3,749,749	50,748,504
2 Capitation Revenue	94,582	92,314	96,054	92,135	97,789	98,199	62,561	28,474	23,610	24,319	24,930	24,084	759,051
3 Napa State	12,295	4,713	-	24,798	8,185	-	-	5,135	6,174	8,306	3,794	1,842	75,242
4 Other Operating Revenue	40,299	47,536	18,852	63,629	24,975	48,665	35,012	10,595	22,415	47,814	35,484	28,722	423,997
5 Other Non-Operating Revenue	45,944	12,250	51,133	42,712	14,067	91,000	51,984	66,482	104,954	59,194	32,445	32,240	604,405
6 Unrestricted Contributions	403		415	4,175	2,381	1,159		509	2,136	6,594			17,772
7 Line of Credit													-
<b>Sub-Total Hospital Sources</b>	<b>4,565,580</b>	<b>4,445,271</b>	<b>4,129,690</b>	<b>4,824,633</b>	<b>4,428,742</b>	<b>4,483,906</b>	<b>4,347,039</b>	<b>4,068,202</b>	<b>3,871,275</b>	<b>5,168,968</b>	<b>4,459,027</b>	<b>3,836,637</b>	<b>52,628,971</b>
<b>Hospital Uses of Cash</b>													
8 Operating Expenses	4,897,828	5,636,984	5,473,847	4,825,598	4,505,452	4,768,421	5,387,017	4,586,118	4,035,545	4,737,356	5,035,469	4,848,687	58,738,322
9 Add Capital Lease Payments	44,847	193,141	46,104	46,021	195,820	34,330	21,314	193,464	21,780	144,621			941,442
10 Additional Liabilities/LOC											1,215,818	146,208	1,362,026
11 Capital Expenditures	331,168		286,200	408,421	110,420	11,238	407,402	110,181	99,762	196,603	99,477		2,060,872
<b>Total Hospital Uses</b>	<b>5,273,843</b>	<b>5,830,125</b>	<b>5,806,151</b>	<b>5,280,040</b>	<b>4,811,692</b>	<b>4,813,989</b>	<b>5,815,733</b>	<b>4,889,763</b>	<b>4,157,087</b>	<b>5,078,580</b>	<b>6,350,764</b>	<b>4,994,895</b>	<b>63,102,662</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(708,263)</b>	<b>(1,384,854)</b>	<b>(1,676,461)</b>	<b>(455,407)</b>	<b>(382,950)</b>	<b>(330,083)</b>	<b>(1,468,694)</b>	<b>(821,561)</b>	<b>(285,812)</b>	<b>90,388</b>	<b>(1,891,737)</b>	<b>(1,158,258)</b>	<b>(10,473,691)</b>
<b>Non-Hospital Sources</b>													
12 Restricted Cash/Money Market	(809,886)	524,043			612,500	(200,000)		544,000	650,000		(2,850,000)		(1,529,343)
13 Restricted Capital Donations	357,448	8,688	286,283	409,088	116,736	5,800	407,402	110,181	99,762	129,887	43,311		1,974,586
14 Parcel Tax Revenue	207,015		1,500,000			512,117			1,500,000	155,961			3,875,093
15 Other Payments - South Lot/LOC/Fire Claim							(250,000)			196,603		140,431	87,034
16 Other:													-
17 IGT											7,169,044	385,310	7,554,354
18 IGT - AB915	20,681		384,837		40,615		1,049,088	25,181		381,379			1,901,781
19 PRIME	750,000					600,000					270,000		1,620,000
<b>Sub-Total Non-Hospital Sources</b>	<b>525,258</b>	<b>532,731</b>	<b>2,171,120</b>	<b>409,088</b>	<b>769,851</b>	<b>917,917</b>	<b>1,206,490</b>	<b>679,362</b>	<b>2,249,762</b>	<b>863,830</b>	<b>4,632,355</b>	<b>525,741</b>	<b>15,483,505</b>
<b>Non-Hospital Uses of Cash</b>													
20 Matching Fees					300,000			641,048	1,943,466	135,000	211,709		3,231,223
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>641,048</b>	<b>1,943,466</b>	<b>135,000</b>	<b>211,709</b>	<b>-</b>	<b>3,231,223</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>525,258</b>	<b>532,731</b>	<b>2,171,120</b>	<b>409,088</b>	<b>469,851</b>	<b>917,917</b>	<b>1,206,490</b>	<b>38,314</b>	<b>306,296</b>	<b>728,830</b>	<b>4,420,646</b>	<b>525,741</b>	<b>12,252,282</b>
<b>Net Sources/Uses</b>	<b>(183,005)</b>	<b>(852,123)</b>	<b>494,659</b>	<b>(46,319)</b>	<b>86,901</b>	<b>587,834</b>	<b>(262,204)</b>	<b>(783,247)</b>	<b>20,484</b>	<b>819,218</b>	<b>2,528,909</b>	<b>(632,517)</b>	
Cash and Equivalents at beginning of period	<u>1,671,423</u>	1,488,418	636,295	1,130,954	1,084,636	1,171,537	1,759,371	1,497,167	713,920	734,404	1,553,622	4,082,531	
<b>Cash and Equivalents at end of period</b>	<b>1,488,418</b>	<b>636,295</b>	<b>1,130,954</b>	<b>1,084,636</b>	<b>1,171,537</b>	<b>1,759,371</b>	<b>1,497,167</b>	<b>713,920</b>	<b>734,404</b>	<b>1,553,622</b>	<b>4,082,531</b>	<b>3,450,014</b>	








Sonoma Valley Hospital  
Cash Forecast  
FY 2019




ATTACHMENT H

	Actual July - Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	TOTAL
<b>Hospital Operating Sources</b>								
1 Patient Payments Collected	25,747,164	4,197,482	3,957,008	3,711,986	5,022,741	4,362,374	3,749,749	50,748,504
2 Capitation Revenue	571,073	62,561	28,474	23,610	24,319	24,930	24,084	759,051
3 Napa State	49,991		5,135	6,174	8,306	3,794	1,842	75,242
4 Other Operating Revenue	243,956	35,012	10,595	22,415	47,814	35,484	28,722	423,997
5 Other Non-Operating Revenue	257,106	51,984	66,482	104,954	59,194	32,445	32,240	604,405
6 Unrestricted Contributions	8,533		509	2,136	6,594	-	-	17,772
7 Line of Credit								-
<b>Sub-Total Hospital Sources</b>	<b>26,877,823</b>	<b>4,347,039</b>	<b>4,068,202</b>	<b>3,871,275</b>	<b>5,168,968</b>	<b>4,459,027</b>	<b>3,836,637</b>	<b>52,628,971</b>
<b>Hospital Uses of Cash</b>								
8 Operating Expenses	30,108,130	5,387,017	4,586,118	4,035,545	4,737,356	5,035,469	4,848,687	58,738,322
9 Add Capital Lease Payments	560,263	21,314	193,464	21,780	144,621	-	-	941,442
10 Additional Liabilities/LOC			-	-	-	1,215,818	146,208	1,362,026
11 Capital Expenditures	1,147,447	407,402	110,181	99,762	196,603	99,477	-	2,060,872
<b>Total Hospital Uses</b>	<b>31,815,840</b>	<b>5,815,733</b>	<b>4,889,763</b>	<b>4,157,087</b>	<b>5,078,580</b>	<b>6,350,764</b>	<b>4,994,895</b>	<b>63,102,662</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(4,938,017)</b>	<b>(1,468,694)</b>	<b>(821,561)</b>	<b>(285,812)</b>	<b>90,388</b>	<b>(1,891,737)</b>	<b>(1,158,258)</b>	<b>(10,473,691)</b>
<b>Non-Hospital Sources</b>								
12 Restricted Cash/Money Market	126,657		544,000	650,000	-	(2,850,000)	-	(1,529,343)
13 Restricted Capital Donations	1,184,043	407,402	110,181	99,762	129,887	43,311	-	1,974,586
14 Parcel Tax Revenue	2,219,132		-	1,500,000	155,961	-	-	3,875,093
15 Other Payments - South Lot/LOC/Fire Claim		(250,000)	-	-	196,603	-	140,431	87,034
16 Other:			-	-	-	-	-	-
17 IGT			-	-	-	7,169,044	385,310	7,554,354
18 IGT - AB915	446,133	1,049,088	25,181	-	381,379	-	-	1,901,781
19 PRIME	1,350,000		-	-	-	270,000	-	1,620,000
<b>Sub-Total Non-Hospital Sources</b>	<b>5,325,965</b>	<b>1,206,490</b>	<b>679,362</b>	<b>2,249,762</b>	<b>863,830</b>	<b>4,632,355</b>	<b>525,741</b>	<b>15,483,505</b>
<b>Non-Hospital Uses of Cash</b>								
20 Matching Fees	300,000	-	641,048	1,943,466	135,000	211,709	-	3,231,223
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>300,000</b>	<b>-</b>	<b>641,048</b>	<b>1,943,466</b>	<b>135,000</b>	<b>211,709</b>	<b>-</b>	<b>3,231,223</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>5,025,965</b>	<b>1,206,490</b>	<b>38,314</b>	<b>306,296</b>	<b>728,830</b>	<b>4,420,646</b>	<b>525,741</b>	<b>12,252,282</b>
<b>Net Sources/Uses</b>	<b>87,948</b>	<b>(262,204)</b>	<b>(783,247)</b>	<b>20,484</b>	<b>819,218</b>	<b>2,528,909</b>	<b>(632,517)</b>	
Cash and Equivalents at beginning of period	1,671,423	1,759,371	1,497,167	713,920	734,404	1,553,622	4,082,531	
<b>Cash and Equivalents at end of period</b>	<b>1,759,371</b>	<b>1,497,167</b>	<b>713,920</b>	<b>734,404</b>	<b>1,553,622</b>	<b>4,082,531</b>	<b>3,450,014</b>	

# Changes in Operations 2018-2019

Income Statement	Fiscal Year 2018	Fiscal Year 2019	
Total Operating Revenue <i>(line 20)</i>	\$56,244	\$58,817	
Total Operating Expenses <i>(line 33)</i>	\$62,464	\$61,815	
Operating Margin <i>(line 34)</i>	-\$6,220	-\$2,998	
Net Income After Non-Operating Revenue and Expense <i>(line 41)</i>	-\$3,206	\$198	
Net Income After Restricted Contributions	-\$2,023	\$2,175	

# Other Financial Information

	Fiscal Year 2018	Fiscal Year 2019	
EBDA	0.04%	6.10%	
Restricted Foundation Contributions <i>(line 43)</i>	\$1,039	\$1,947	
Cash Balance, End of Year	\$2,342	\$5,651	

**Sonoma Valley Hospital**  
**Average Daily Cash by Month**  
**July 2018 - May 2019 and June 2019 (to date)**

	<b>Cash Balance</b>			<b>Days of Cash on Hand</b>		
	<u>Daily Average</u>	<u>Min</u>	<u>Max</u>	<u>Average</u>	<u>Min</u>	<u>Max</u>
<b>July-18</b>	2,185,014	1,052,056	3,414,743	13.48	6.49	21.07
<b>August-18</b>	1,930,819	1,395,476	2,599,693	11.91	8.61	16.04
<b>September-18</b>	1,898,453	664,640	3,050,229	11.71	4.10	18.82
<b>October-18</b>	1,793,899	1,296,174	2,255,344	11.07	8.00	13.91
<b>November-18</b>	1,470,370	970,920	2,158,347	9.07	5.99	13.32
<b>December-18</b>	1,525,626	438,769	2,368,906	9.41	2.71	14.61
<b>January-19</b>	1,677,407	1,107,415	2,551,782	10.35	6.83	15.74
<b>February-19</b>	1,236,717	616,278	1,946,787	7.63	3.80	12.01
<b>March-19</b>	674,011	58,148	1,327,398	4.16	0.36	8.19
<b>April-19</b>	1,010,991	359,907	1,601,367	6.24	2.22	9.88
<b>May-19</b>	4,684,427	892,584	7,015,659	28.90	5.51	43.28
<b>11-Month Average</b>	1,826,157	804,761	2,753,660	11.27	4.96	16.99
<b>June 2019 (to date)</b>	5,677,024	5,138,511	6,171,483	35.02	31.70	38.07
<b>12-Month Average</b>						
<b>June 2019 (to date)</b>	2,147,063	1,165,907	3,038,478	13.25	7.19	18.75

## 2019 GOVERNANCE COMMITTEE WORK PLAN

<b>January</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>February</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>March</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>April</b> <ul style="list-style-type: none"> <li>•</li> </ul>
<b>May</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>June</b>	<b>July</b> <ul style="list-style-type: none"> <li>• Policy review</li> <li>• Charter review</li> <li>• Meeting Schedule</li> </ul>	<b>August</b> Charter Finalization Policies <ul style="list-style-type: none"> <li>➤ Purchases of Materials and Procurement of Services</li> <li>➤ MOU between SVH and SVHF for Fundraising</li> <li>➤ CEO Annual Evaluation Procedure</li> <li>➤ Establishment of Annual CEO Objectives</li> </ul>
<b>September</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>October</b> <ul style="list-style-type: none"> <li>• Board Orientation Guide</li> <li>• Guidelines for Board Meeting Minutes</li> <li>• Travel and Expense Reimbursement</li> <li>• Media Communications</li> </ul>	<b>November</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>December</b> <ul style="list-style-type: none"> <li>•</li> </ul>



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**POLICY AND PROCEDURES GOVERNING BIDDING FOR  
FACILITY PROJECTS # P-2016.11.03**

**1. PURPOSE**

1.1 The purpose of this policy is to clarify the public contracting processes for Facility Projects (as defined in Section 2) of the Sonoma Valley Health Care District (“District”) and to provide guidance regarding these processes to the District’s Board of Directors (“Board”), President and Chief Executive Officer (“CEO”), and employees. The Policy will take effect when the District Board notifies the State Controller of its intention to become subject to The Uniform Public Construction Cost Accounting Act.

1.2 The District’s public contracting areas for Facility Projects include purchasing, professional services, leasing and real estate and facilities construction. This Construction Bidding Policy (“Policy”) contains general bidding policy guidelines and specifically addresses projects relating to the construction or improvement of a hospital or health care facility. This Policy covers the contracting for professional services related to Facility Projects. It does not cover contracting for professional services that are not related. The Policy does not apply to contracts for the procurement of materials and supplies that are not related to Facility Projects. For these contracts the District’s Policy Governing Purchases of Materials, Supplies and Equipment and Procurement of Professional Services shall be used.

1.3 It is the intent of the Board, consistent with the District’s obligations, to obtain the best value for all expenditures, consistent with the responsibility to provide quality health care to its patients.

1.4 It is the intent of the Board to provide an equal opportunity to all qualified and responsible parties wishing to participate in the bidding process with respect to Facility Projects for the District and the Hospital.

1.5 It is the intent of the Board to clarify, with this policy, the Board’s legal authority granted to the President and Chief Operating Officer (“CEO”) by the Board with regard to Facility Projects for the District and Hospital. It is also the intent to clarify the legal authority retained by the Board.

1.6 Any contract awarded by the District shall be subject to all applicable provisions of federal, California and local laws, including without limitation, laws relating to the performance of work for a public agency. In the event of a conflict between any contract documents and any applicable law, the law shall prevail.

1.7 This policy does not address or govern contracting with providers or physicians.

## 2. DEFINITIONS

2.1 **“Facility”** means any plant, building, structure, ground facility, utility system, real property, streets and highways, or other public work improvement. (PCC § 22002 (e)).

2.2 **“Facility Project”** means work relating to projects involving construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving the hospital and any leased, or operated facility of the hospital. Excluded from this definition is routine, recurring, and usual work for the preservation or protection of the facility and minor repainting (“Facility Maintenance”). (PCC § 22002 (c)).

2.3 **“Responsible Bidder”** means a bidder who has demonstrated the attribute of trustworthiness and quality during prior service, a reputation for reliability and satisfactory service with other clients, sufficient financial capacity and the physical capability and the technical and non-technical expertise in order to perform the contract satisfactorily. (PCC § 1103).

## 3. ETHICS

3.1 **Conflict of Interest.** No Board member or employee of the District/Hospital may participate in any selection process when such person has a relationship with a person or business entity seeking a contract which would subject that person to the prohibitions in Government Code § 87100.

3.2 **No Kickbacks.** With respect to all contracts covered by this Policy, any practices or procedures which might result in unlawful activity are prohibited, including practices which might result in rebates, kickbacks or other unlawful consideration.

3.3 **No Advantage.** No illegal, unfair, unethical or otherwise improper advantage shall be accorded to any bidder by the District, a Board member or an employee of the District/Hospital.

## 4. CONTRACTING FOR FACILITIES PROJECTS

4.1 **Election To Become Subject To The Uniform Public Construction Cost Accounting Act.** The Board hereby elects under PCC § 22030 to become subject to the Uniform Public Construction Cost Accounting Act (the “Act”), codified at PCC §§ 22000 to 22050, and the uniform construction cost accounting procedures adopted by the California Uniform Construction Cost Accounting Commission established under the Act (the “Commission”), as they may each from time to time be amended, and directs that the CEO notify the State Controller forthwith of this election. The management of all District Facility Projects shall meet the requirements prescribed in those provisions, and shall be guided by the Commission’s Cost Accounting Policies and Procedures Manual (the “Manual”). By becoming subject to the Act and as set forth in this policy, the Board clarifies the Board’s legal authority granted by the Board to the CEO with regard to the contracting of Facility Projects for the District and Sonoma Valley Hospital (“Hospital”), and the legal authority retained by the Board.

4.2 **Delegation of Authority.** Except as specified in Section 6 of this policy and elsewhere in this policy where it is explicitly stated, the Board hereby delegates to the CEO the authority to act on behalf of the Board in the implementation of the provisions of this Policy. In all instances where the Board's legal authority is granted to the CEO, it is understood that the CEO may in turn delegate this authority to a member of the CEO's staff. Responsibility for adherence to this policy, when the authority is delegated by the CEO to a staff member, remains with the CEO. The CEO is responsible for developing written procedures to implement and manage this Board Policy.

4.2.1 **Purchasing.** The CEO is authorized by this Policy to make all purchases and to execute all purchase orders or contracts for the District and the Hospital duly authorized by the Board pursuant to this policy. All purchases and contracts shall be upon written order. (H&S § 32132(b); *id.* § 32121(c),

4.3 **Policy Revisions.** If the CEO determines that any portion of this Board Policy is in need of revision, or an exception is needed, the CEO shall bring the issue, in writing, with a recommendation for the change or exception along with the rationale, to the Board's Governance Committee for its review and then to the Board for its action.

4.4 **Exemptions to Bidding and Lowest Bid Acceptance.** The Board shall not be required to apply the lowest bid policy to:

- (i) Emergency contracts and emergency service contracts (PCC 22035)
- (ii) Change orders to existing contracts that are less than 5% of the original contract (H&S Code 32132)
- (iii) Professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms for work on Facility Projects (Government Code 4526, H&S Code 32132.b)
- (iv) Facility Projects where the District has elected to use a design-build method to select the contractor (PCC, 20133)
- (v) Purchasing of medical equipment or surgical equipment or supplies, or electronic data processing and telecommunications goods and services (H&S § 32132(b), (d).)
- (vi) Land and building leases and purchases

4.4.1 **Exception For Emergency Contracts and Emergency Service Contracts.** In cases of emergency when repair or replacements are necessary, the District may proceed at once to replace or repair any facility without adopting plans, specifications, strain sheets, or working details, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. (Public Contract Code ("PCC") § 22035; *id.* 22050(a)(1).) If notice for bids to let contracts will not be given, the District shall comply with the following procedures:

(a) **Finding Of Emergency.** Before emergency procedures may be used, the Board shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency. (PCC § 22050(a)(2).)



(b) **Delegation To CEO.** The Board, by a four-fifths vote in approving this policy, shall delegate, to the CEO the authority to order emergency action. (PCC § 22050(b)(1).)

(c) **Reporting By CEO.** If the CEO orders any emergency action, the CEO shall report to the Board Chair within 24 hours of the action, and report to the Board at its next regularly scheduled meeting or at a special session of the Board within 14 days, the reasons justifying why the emergency did not permit a delay resulting from a competitive solicitation for bids and why the action was necessary to respond to the emergency. The CEO shall also report on the status of the emergency contracts at each following Board meeting until the action is terminated (contracts completed). (PCC § 22050 (c)(1))

4.4.2 **Exception For Change Orders.** The CEO shall not be required to secure bids for change orders that do not materially change the scope of work set forth in a contract previously made pursuant to this policy, provided: (H&S Code 32132 (c))

(a) The contract was made in compliance with bidding thresholds stated in Section 4.

(b) No individual change order amounts to more than five percent (5%) of the contract.

(c) The total project cost for a negotiated contract project would not exceed the dollar amount for negotiated contracts, ~~\$45,000~~60,000.

(d) The total project cost for a contract awarded by informal bidding procedures would not exceed the dollar amount of ~~\$175,000~~200,0000.

4.4.3 **Exception For Facility Project Professional Services.** Competitive bidding is not required for contracts for professional services. (H&S § 32132(b).)

(a) Where required by Facility Projects, the CEO shall award contracts for professional services of private architectural, landscape architectural, engineering, environmental, land surveying or construction management firms on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the types of services to be performed and at fair and reasonable prices. (Government Code (“Govt”) § 4526; H&S § 32132(b))

(b) The CEO shall establish procedures for verifying competence and professional qualifications and for determining fair and reasonable benchmark prices for these services (Govt § 4526.).

(c) When bids are solicited for architectural, landscape architectural, engineering, environmental, land surveying or construction management firms, the Notice Inviting Bids for these services shall contain the following statement in boldface type: **“Please be advised that the successful design professional will be required to indemnify, defend and hold harmless the District against liability for claims that arise out of or relate to the negligence, recklessness or willful misconduct of the design professional.”** (Civil Code § 2782.8.)

4.4.4 **Exception For Design-Build Projects.** Notwithstanding anything to the contrary, the Board may elect to use the Design – Build method for bidding on Facility Projects if the project amount will be greater than \$1.0 million. The design-build procedure is described

in Chapter 4 (commencing with Section 22160) of Part 3 of Division 2 of the Public Contract Code. (H&S § 32132.5)

(a) In estimating the cost of a Design – Build Facility Project, the costs for OSHPD and City of Sonoma Permits and the costs for design professionals shall be included. The overhead allocation required for uniform construction cost accounting procedures shall not be added to the cost of subcontractors and the cost for material purchases.

(b) If the Board elects to use the Design – Build method, the Board shall follow the contracting provisions of Public Contract Code § 20133 and shall award the contract based on “best value” as defined in section 20133. Because of their complexity, the Design – Build contracting provisions are not included in this policy.<sup>1</sup>

**4.4.5 Exception for Purchases of Medical and IT Equipment.** Competitive bidding is not required for purchases of medical or surgical equipment or supplies, or for electronic data processing and telecommunications goods and services. The phrase “medical or surgical equipment or supplies” includes only equipment or supplies commonly, necessarily, and directly used by, or under the direction of, a physician and surgeon in caring for or treating a patient in a hospital. (H&S § 32132(b), (d).)

**4.4.6 Exception For Leasing And Real Estate.** Contracts regarding land purchases and leases which bind the District to the terms of a contractual agreement shall be approved by the Board and shall be signed by the Chair of the Board unless the Board designates an alternate signer when the contract is approved.

**4.5 Project Specifications.** The CEO shall prepare bid packages for any Facility Project contract. The bid packages shall include specifications as follows:

**4.5.1 Project Description.** The CEO shall prepare plans, specifications or a description of general conditions (“Specifications”) for the project. The Specifications shall be in such detail and written with such specificity as may be required to allow all potential bidders to understand the project and give a level playing field to all bidders. (PCC § 22039, as amended 1/1/16 by Omnibus Bill SB 184)

**4.5.2 Bidder’s Security.** The specifications shall include the requirement for bidder’s security, performance bonds and payment bonds.

**4.5.3 Facility Contract Construction Subcontractors.** The CEO shall include in the Specifications a provision that any prime contractor shall include in his/her bid:

(a) The name and address of each subcontractor who will perform labor or render service or fabricate and install a portion of the Facility Project in excess of 5% of the total amount of the contract.

(b) A description of portion of the Facility Project to be performed by each subcontractor listed.

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<sup>1</sup> In 2009 the Board developed and adopted procedures and contract language, etc. for the use of the Design – Build method on the 2008 General Obligation Bond Project and these procedures and contract language are available for use again.

(c) The bidder shall list only one subcontractor for each portion of the Facility Project as is defined by the bidder in the bid. (PCC § 4104.)

(d) A prime contractor whose bid is accepted may not substitute a new subcontractor in place of the subcontractor listed in the original bid except as allowed under Public Contract Code 4107. Any work not listed for a specific subcontractor must be done by the prime contractor and shall not be substituted

**4.5.4 Completion Date.** The CEO shall include in the Specifications a time within which the whole or any specified portion of the Facility Project shall be completed. (Govt § 53069.85.)

(a) The CEO may include in the Specifications a provision that the contractor shall forfeit a specified sum of money for each day completion is delayed beyond the date stated in the Specifications.

(b) The Board may include in the Specifications a provision for the payment of a bonus to the contractor for completion of the project prior to the specified date stated in the Specifications when such timely completion would be beneficial to the District. (Govt § 53069.85.)

**4.6 Facility Project Cost Estimate.** A project cost estimate shall be prepared by the CEO for each Facility Project. The Cost Estimate, at a minimum, shall contain: (The Manual, Chapter 3)

(a) A description of the project with sufficient detail to allow reasonable accuracy of cost estimates.

(b) A description of the method used to estimate each cost segment.

(c) An estimate of all direct and indirect costs for the project.

(d) A calculated administrative overhead percentage (maximum 30%) shall be added to all estimates for sub-contractor costs and direct material purchases.

Prevailing wage rates shall be used in all estimates.

The estimate shall be used to determine the appropriate process for the selection of contractors or sub-contractors.

The estimate shall be prepared in sufficient specificity to enable comparisons to actual cost when the project is completed.

**4.6.1 Costs To Be Excluded From Estimate.** The following costs may be excluded from the cost estimate:

(a) OSHPD and City of Sonoma permits; (ii)

(b) Facility Project engineering, architectural and construction management services

(c) Medical equipment. Section 4.4.5 of this Policy covers the selection process for these services

**4.7 Submission of Bids.** With respect to all bids submitted for Facility Projects covered by this Policy:

4.7.1 All bids shall be presented under sealed cover and accompanied by one of the following forms of bidder's security: (PCC § 10167.)

(a) An electronic bidder's bond by an admitted surety insurer submitted using an electronic registry service approved by the department advertising the contract.

(b) A signed bidder's bond by an admitted surety insurer received by the department advertising the contract.

(c) Cash, a cashier's check, or certified check received by, and made payable to, the director of the department advertising the contract.

(d) The required bidder's security shall be in an amount equal to at least 10 percent of the amount bid. A bid shall not be considered unless one of the forms of bidder's security is enclosed with it.

(e) All bids submitted pursuant to this section shall also comply with the provisions of Section 1601 of the Public Contract Code.

The CEO shall return to all unsuccessful bidders their respective bidder's security within five (5) working days after the contracts for the project have been awarded. :

**4.8 Categories Of Contracts By Dollar Thresholds.** For purposes of bidding procedures, Facility Projects are divided into three different categories by dollar thresholds, as follows:

4.8.1 **Under to \$45,00060,000.** The CEO shall award contracts for District Facility Projects of ~~forty five thousand dollars~~sixty thousand dollars (\$45,00060,000) or less by negotiated contract, or by purchase order. The CEO is not bound to accept the bid of the lowest responsible bidder (PCC § 22032(a), 22034 (e)).

4.8.2 **Between \$45,00060,000 and \$175,000200,000.** The CEO shall award contracts for District Facility Projects more than ~~forty five thousand~~sixty thousand dollars (\$45,00060,000) but less than ~~one two~~ hundred ~~seventy five~~ thousand dollars (\$175200,000) or less by informal procedures as set forth in this Policy. (PCC § 22032(b), 22034 (e))

4.8.3 **Over \$175200,000.** The Board shall award contracts for District Facility Projects of more than ~~one hundred seventy five~~two hundred thousand dollars (\$175200,000), except as otherwise provided in this Policy, by formal bidding procedure as set forth in this policy. (PCC § 22032(c))

4.8.4 **Separation of Work Orders of Facility Projects.** Splitting or separating Facility Projects into smaller work orders or projects after competitive bidding for the purpose of evading the provisions of this policy is prohibited. (PCC § 22033)

**4.9 Procedures For Projects More than \$4560,000 but less than \$175200,000 – Informal Bidding Procedure.** Facility Projects of more than ~~forty five~~sixty thousand dollars (\$4560,000) but less than ~~one two~~ hundred ~~seventy five~~ thousand dollars (\$175200,000), the District shall use informal bidding procedures, as follows:

4.9.1 **List of Trade Journals.** The CEO shall use the list of trade journals provided in the Cost Accounting Policies and Procedures Manual (“The Manual”), Chapter 1.05 for all mailings to trade journals required by this section.

4.9.2 **List of Registered Contractors.** The CEO shall develop an objective pre-qualification criteria and process for use in the formation and maintenance of the District's contractor's lists. (The Manual, Chapter 1.04)

(a) ~~During November of each year~~Annually, the CEO shall establish a new or update its existing list of registered contractors by mailing, faxing, or emailing a written notice to all construction trade journals designated in Section 4.9.1, inviting all licensed contractors to submit the name of their firm to the District for inclusion on the District's list of qualified bidders for the following calendar year.

(b) The notice shall require that the contractor provide the name and address, fax number, and email address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed, a phone number at which the contractor may be reached, the type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.) together with the class of contractor's license(s) held and contractor license numbers(s).

(c) The CEO may include any contractor names it desires on the list, but the list must include, at a minimum, all contractors who meet the objective pre-qualification criteria and who have properly provided the District with the information required under (b) above, either during the calendar year in which the list is valid or during November or December of the previous year.

(d) A contractor who supplies the required information and meets the objective pre-qualification criteria may have their firm added to the District's contractors list at any time during the year.

(e) The CEO shall maintain the list of qualified contractors, identified according to categories of work

4.9.3 **Mailing of Notices Inviting Informal Bids.** The CEO shall provide notice to contractors inviting informal bids. (PCC § 22034).

(a) The CEO shall mail, fax, or email the notice inviting informal bids to all contractors on the list for the category of work being bid unless the product or service is proprietary. (PCC § 22034(b))

(b) The CEO may mail, fax, or email a notice inviting informal bids to all trade journals listed in Section 4.9.1 unless the product or service is proprietary. (PCC § 22034 (b))

(c) The mailing, faxing, or emailing of notices to contractors and construction trade journals pursuant to subdivisions (a) and (b) shall be completed not less than 10 calendar days before bids are due. (PCC § 22034 (c))

(d) The notice inviting informal bids shall describe the project in general terms, state how more detailed information about the project may be obtained, state the time and place for the submission of bids and the time and place for opening the bids. (PCC § 22034(d))

4.9.4 **Award of Bids, Delegation to CEO.** The Board delegates the authority to award informal contracts to the CEO and the CEO shall award the contracts for each type of work for Informally Bid Facility Projects (~~\$4560,000~~ to ~~\$175200,000~~) to the lowest responsible

bidder who shall give the security the District requires. (~~PCC § 22034(e); id. § 22038(b); H&S § 32132~~PCC § 22032; PCC § 22020)

4.9.5 **Minimum Number of Informal Bids.** The CEO shall consider a minimum of three (3) informal bids whenever possible; however, where the CEO cannot obtain three informal bids or when the CEO decides that time will not permit obtaining three informal bids, the CEO may consider a minimum of two (2) informal bids. All bids shall be in writing, sealed, and subject to the following general conditions.

4.9.6 **Multiple Informal Bids.** When informal bids for multiple items are solicited at the same time, the CEO may accept parts of one or more bids (provided the Notice Inviting Bids so indicates) unless the bidder has specified to the contrary, in which event the District reserves the right to disregard the bid in its entirety.

4.9.7 **Total Project Cost in Excess of \$~~175200,000~~.** If the project cost for all bids received is in excess of ~~\$175200,000~~, the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at ~~\$187,500~~212,500 or less, to the lowest responsible bidder, if it determines the cost estimate of the District was reasonable. (PCC § 22034(f))

If the total Project Cost is greater than ~~\$187212,500~~ the Board shall reject all bids and may direct the CEO to rebid the project.

4.9.8 **Minor Deviations.** The CEO reserves the right to waive inconsequential deviations from the specifications in the substance or form of informal bids received.

4.10 **Procedures For Projects Over \$~~175200,000~~ – Formal Bidding Procedure.** District Facility Projects of more than ~~one hundred seventy five~~two hundred thousand dollars (~~\$175200,000~~) shall, except as otherwise provided in this Policy, be let to contract by formal bidding procedure as follows.

4.10.1 **Plans and Specifications.** When the CEO determines that the estimated cost for a Facility Project is more than ~~\$175200,000~~, the CEO shall prepare plans, specifications or a description of general conditions (“Specifications”) for the project. The Specifications shall be in such detail and written with such specificity as may be required to allow all potential bidders to understand the project and give a level playing field to all bidders. (PCC § 22039, as amended 1/1/16 by Omnibus Bill SB 184)

The specifications shall include the requirement for bidder’s security, performance bonds and payment bonds. The specifications shall also include the time within which the whole or any specified portion of the Facility Project shall be completed. (Govt § 53069.85.)

4.10.2 **Requirements of Notice Inviting Formal Bids.** The notice inviting formal bids shall at a minimum include all of the following in the notice inviting formal bids (PCC § 22037):

- (a) Description of the contemplated Facility Project.
- (b) The procedure by which potential bidders may obtain electronic copies of the Plans and Specifications (or printed copies if not available electronically)
- (c) The final time, date and address (or e-mail address) for receiving and opening of bids (including designation of the appropriate District person or office) (Govt § 53068; PCC § 4104.5; id. § 22037)

(d) The date, time and place, and the name and address of the person responsible for receiving bids;

(e) The payment and performance bond amounts required by the Specifications (Civil Code § 9550)

(f) The time within which the whole or any specified portion of the Facility Project shall be completed (Govt § 53069.85)

(g) The penalty amount, if required by the Specifications, for each day completion is delayed beyond the specified time. (Govt 53069.85)

(h) The Board approved bonus amount payable to the contractor for completion of the work prior to the specified completion day, if a bonus payment is included in the Specifications. (Govt § 53069.85)

**4.10.3 Publication Of Notice Inviting Formal Bids.** The notice shall be published at least 14 calendar days before the date of opening the bids in The Sonoma Index Tribune. The notice inviting formal bids shall also be mailed, faxed or emailed to trade journals listed in the Cost Accounting Policies and Procedures Manual (“The Manual”), Chapter 1.05. The notice shall be mailed, faxed or emailed at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the CEO may give such other notice as she/he deems proper. (PCC § 22037)

**4.10.4 Prequalification.** The CEO shall prepare a uniform prequalification system using a standard questionnaire to evaluate the ability, competency and integrity of bidders as outlined in the Local Agency Public Construction Act, PCC § 20101 *et seq.* and it shall be used for all projects estimated to cost over \$500,000. In such event, the CEO shall require each prospective bidder to complete and submit a standardized questionnaire and financial statement. The standardized questionnaires and financial statements received from interested contractors are not public documents and shall not be made public. The CEO may use the prequalification procedure for any Facility Project that requires formal bidding.

**4.10.5 Submission of Formal Bids.** The Board shall accept only written sealed bids from the prospective bidders. Upon receipt, the bid shall be stamped with the date and time the bid was received. All bids shall remain sealed until the date and time set forth for opening the bids in the Notice Inviting Bids. Any bid received by the District/Hospital after the time specified in the Notice Inviting Bids shall be returned unopened. (Govt § 53068). The CEO may elect to receive bids and supporting materials electronically using procedures in compliance with PCC § 1601.

**4.10.6 Examination and Evaluation of Formal Bids.** On the date provided in the Notice Inviting Bids, a person designated by the CEO shall attend and officiate over the opening of bids (“Opening”). The bids shall be made public for bidders and members of the public who may be present at the Opening. The District reserves the right not to determine the low bidder at the Opening, to obtain the opinion of counsel on the legality and sufficiency of all bids, and to determine at a later date which bid to accept. Such determination shall be made within sixty (60) calendar days of the Opening or unless a different period of time is specified in the Notice Inviting Bids.

4.10.7 **Award of Contract.** The Board shall award the contract to the lowest Responsible Bidder, as defined in Section 2.3, provided the bid is reasonable and meets the requirements and criteria set forth in the notice inviting bids. (PCC § 22038(b))

(a) If two or more bids are the same and the lowest, the Board may accept the one it chooses. (PCC § 22038(b))

(b) If the Board determines that the lowest bidder is not responsible, the Board may award the contract to the next lowest responsible bidder.

(c) If the CEO anticipates that the Board may decide to award the contract to a bidder other than the lowest bidder pursuant to subparagraph (b), the CEO shall, with the assistance of District Counsel, first notify the low bidder of any evidence, either obtained from third parties or concluded as a result of the District's investigation, which reflects on such bidder's responsibility. The CEO shall afford the low bidder an opportunity to rebut such adverse evidence and shall permit such bidder to present evidence that it is qualified. The opportunity to rebut adverse evidence and to present evidence of qualification may be submitted in writing or at an informal hearing of the Board, individual and/or committee as determined by the Board.

4.10.8 **Minor Deviations.** The Board reserves the right to waive inconsequential deviations from the specifications in the substance or form of formal bids received.

4.10.9 **Rejection Of Bids.** Notwithstanding anything to the contrary, the Board is under no obligation to accept the lowest responsible bidder and reserves the right to reject all bids. (PCC § 22038(a); H&S Code § 32132. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the Board shall abandon the project or re-advertise for bids in the manner described in this policy.

4.10.10 **If No Bids Received.** If no bids are received through the formal or informal procedure, the project may be performed by negotiated contract without further complying with this article. PCC § 22038 (c))

## 5. BOND REQUIREMENTS

5.1 **Performance Bond.** For any contract in excess of \$25,000, the successful bidder shall furnish a performance bond in the amount of one hundred percent (100%) of the contract sum at the time of entering into the contract. The performance bond shall be filed with the CEO to insure the District against faulty, improper or incomplete materials or workmanship, and to insure the District of complete and proper performance of the contract.

5.2 **Payment Bond.** For any contract in excess of \$25,000, the successful bidder to whom a contract is awarded shall furnish a payment bond acceptable to the District. (Civil Code § 9550). This labor and material bond shall be filed with the CEO pursuant to applicable laws of the State of California.

5.3 **Professional Services.** The CEO shall not require a payment bond for architectural, landscape architectural, engineering, land surveying or construction management services.



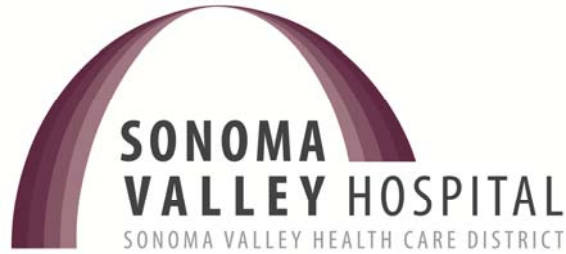
**6. LIMITS OF AUTHORITY DELEGATED TO THE CEO, CAPITAL PROJECT CONTRACTS**

Facility Project contracts for capital projects that will financially obligate the District to more than \$100,000 shall be reviewed by the Finance Committee.

Facility Project contracts for capital projects that are included in the capital budget and will obligate the District to more than \$~~175~~200,000 shall be approved by the Board.

Facility Project contracts for capital projects that are not included in the capital budget and will obligate the District to more than \$100,000 shall be approved by the Board.

Facility Project change orders that in aggregate increase the scope of the Facility Project by more than 20% shall be approved by the Board.



*Healing Here at Home*

Sonoma Valley Hospital Sonoma Valley Healthcare District Policy and Procedure <b>Organizational</b>	
Title: <b>Investment Policy #P-2014.03.06</b>	Number: LD118 Page: 1 of 1

Carl Gerlach, CEO	01/22/08	Effective Date:	November 24, 1980
Approved By	Date	Revision Dates:	
Signature		Review Dates:	6/89, 3/96, 3/99, 7/00, 12/01, 3/05, 12/07

**POLICY**

Until such time as surplus funds exceed \$5,000,000, all investments shall be placed with the Local Agency Investment Fund (LAIF). If surplus funds exceed \$5,000,000, an investment policy is to be developed and approved by the Finance Committee. Funds required under bond indentures which are invested by a trustee are not covered by this policy.

**ACCOUNTABILITY/RESPONSIBILITY FOR REVIEW**

Board of Directors