SONOMA VALLEY HEALTH CARE DISTRICT

BOARD OF DIRECTORS
AGENDA
NOVEMBER 7, 2019

CLOSED SESSION 5:30 P.M.

REGULAR SESSION 6:00 P.M.
COMMUNITY MEETING ROOM
177 FIRST ST WEST
SONOMA, CA 95476

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Vivian Woodall at vwoodall@sonomavalleyhospital.org (707) 935.5005 at least 48 hours prior to the meeting.	**RECOMMENDATION**		
AGENDA ITEM			
MISSION STATEMENT *The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*			
1. CLOSED SESSION Calif. Government Code & Health and Safety Code §54956.9(d)(1) Existing Litigation Review	*Board*		
2. REPORT ON CLOSED SESSION	*Rymer*		
3. PUBLIC COMMENT *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.*	*Rymer*		
4. BOARD COMMENTS	*Rymer*		
5. CONSENT CALENDAR 1. Board Minutes 10.03.19 2. Board Minutes 10.17.19 3. Quality Committee Minutes 4. Finance Committee Minutes 10.22.19 5. Finance Committee Charter 6. Governance Committee Charter 7. Board Policies 8. Policies and Procedures 9. Medical Staff Credentialing	*Rymer*	Action	 Pages 3-5 Page 6 Pages 7-9 Pages 10-11 Pages 12-15 Pages 16-20 Pages 21-36 Page 37
6. OUTPATIENT DIAGNOSTIC CENTER UPDATE	*Peluso/Mather*	Action	Pages 38-61
7. SVHCD ANNUAL REPORT TO THE COMMUNITY	*Mather*	Inform	Pages 62-67
8. SVHF ANNUAL UPDATE	*D. Pier*	Inform	Pages 68-83
9. APPROVAL OF THE FISCAL YEAR 2019 AUDIT	*Nevins*	Action	

10. ADMINISTRATIVE REPORT NOVEMBER	*Mather*	Inform	Pages 84-86
11. CMO REPORT	*Kidd*	Inform	Page 87
12. FINANCIALS MONTH END SEPTEMBER 30, 2019	*Jensen*	Inform	Pages 88-97
13. COMMITTEE REPORT • Line of Credit Recommendation	*Nevins*	Inform	
14. ADJOURN	*Rymer*		

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, OCTOBER 3, 2019
COMMUNITY MEETING ROOM
177 FIRST ST WEST SONOMA CA 95476

	RECOMMENDATION	
MISSION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*		
1. CALL TO ORDER	*Rymer*	
6:01 p.m.		
2. REPORT ON CLOSED SESSION	*Rymer*	
Mr. Rymer reported that the CEO compensation was discussed during the Closed Session. Recommendations for CEO compensation for 2020 and bonus for 2019 will be presented at the December Board meeting.		
3. PUBLIC COMMENT	*Rymer*	
Marilyn Good spoke about her stay in the Valley of the Moon SNF.		
4. BOARD COMMENTS	*Rymer*	
None		
5. CONSENT CALENDAR A. Board Minutes 09.05.19 B. Quality Committee Minutes 08.28.19 C. Finance Committee Minutes 08.27.19 D. Policies and Procedures E. Medical Staff Credentialing Report	*Rymer*	
Policies: NEW: CAIR Utilization PC8610- 188 Continuity of Operations Plan (COOP) EP8610- 107 REVISIONS: Aggressive Behavior Management- Code Grey CE8610- 102 Prevention of Surgical Site Infections IC8610- 132 DEPARTMENTAL RETIRE: A Woman's Place Policies – See Table of Contents		**MOTION**: by Mainardi to approve, 2nd by Hirsch. All in favor
6. CHIEF OF STAFF REPORT	*M. Brown*	
Dr. Brown, Chief of staff, spoke about the transitions that have occurred at the hospital. He said that while some of the transitions are still in an adjustment period, overall things are moving in a positive direction.		

7. COMMUNITY SURVEY RESULTS	*B, Kenny*	
Mr. Kenny gave an overview of the community survey results. The survey results showed that there are many positive opinions and perceptions of the hospital. It also showed that the negative perceptions were situational, related to the financial stability and changes in services.		
8. MARKETING AND STRATEGY UPDATE	*C. Kruse De La Rosa*	
Ms. Kruse De La Rosa presented the fiscal year 2019 -2020 marketing and growth report. The FY19 marketing priorities, accomplishments, and growth updates were part of this report. She also reviewed the FY2020 new marketing priorities.		
9. CEO ANNUAL INCENTIVE GOALS 2020	*Hirsch*	
Ms. Hirsch reviewed the CEO annual incentive goals for 2020. The Board recommended that the two Service Excellence performance goals be rolling into one under Quality with the objectives remaining the same. Also recommended was that the financial goal be maintaining a 23 day average of cash on hand, removing "rolling"		**MOTION:** by Nevins to approve with stated changes, 2nd by Boerum. All in favor
10. CEO ADMINISTRATIVE REPORT OCTOBER	*Mather*	
Ms. Mather spoke about the community perception survey and the work being done by Mission Minded to develop new messaging and branding for the hospital. She reported that UCSF will assist us in raising money to finish ODC capital campaign. She expects a letter of intent soon from Satellite Health (dialysis) to rent out the second floor.		
11. CMO OCTOBER REPORT	*S. Kidd*	
Dr. Kidd reported that the outpatient texting survey tool has been implemented for inpatients. Press Ganey scores have improved in many physician areas, an "active shooter" drill has been planned for November, and the Marin Medical Laboratory contract has been continued. She gave updates on secure texting tool for clinical communication and telemedicine.		
12. FINANCIAL REPORT MONTH END AUGUST 31, 2019	*Jensen*	Inform
Mr. Jensen reported the payer mix for August was Medicare at 59%, Med-Cal was 14.1% and commercial was 19.9%. The average days of cash on hand was 36.6 days. Accounts Receivable was at 42.8 days and Accounts Payable was at 39.5 days. After accounting for all activity; the net loss for August was ($93,767) vs. the budgeted net loss of ($143,369) with a monthly EBDA of -0.4% vs. a budgeted -7.0%. He also reviewed the hospital insurance renewals.		

13. COMMITTEE REPORTS • Quality Committee Quarterly Report Finance Committee – Ms. Hirsch reported out about the presentations that the committee has reviewed and that the committee structure is being revised to focus and review timely data. • Finance Committee Charter Approval - Ms. Nevins presented the revised Finance Committee Charter. The charter will be returned to the November meeting for approval by the board. • Line of Credit pay down – Ms. Nevins spoke about the review and plan to pay down the line of credit.	*Board*	Inform
14. ADJOURN	*Rymer*	
Adjourned 7:45 p.m.		

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS' SPECIAL SESSION
MINUTES
THURSDAY, OCTOBER 17, 2019
4:00 PM
CONFERENCE CALL
SVH SCHANTZ CONFERENCE ROOM

	RECOMMENDATION	
MISSION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*		
CALL TO ORDER The meeting was called to order at 4:00 pm	*Rymer*	
1. PUBLIC COMMENT	*Rymer*	
None		
2. DISCUSSION WITH HOPITAL COUNCIL OF NORTHERN AND CENTRAL CALIFORNIA	*Bucklew*	
Bryan Bucklew, CEO of Hospital Council of Northern and Central California, explained how the three Hospital Councils in California work together and interact with Washington, Sacramento, and CHA. Ms. Mather said SVH has applied for and received distressed (reduced) dues every year for the past several years. This year Hospital Council is asking SVH to begin to increase the dues it pays toward full dues of $58,539. At present SVH is the only hospital that is on distressed dues in Northern California. Mr. Boerum asked what value the Hospital Council provided to a governing Board. From a trustee standpoint he had never received any information directly from Hospital Council or participated in any events. Dr. Mainardi questioned the dues calculation, especially having only one formula for all hospitals. He suggested the single formula approach benefitted larger hospitals, and said he would not like to see hospitals left with a choice of pay or leave the Council. Mr. Rymer mentioned the challenges that SVH still faced. Mr. Bucklew said input from hospitals would go back into their consideration of the dues calculation. The Council Board was trying to make dues equitable for all hospitals. He asked for suggestions on what formula made sense for a district hospital and was happy to work with SVH. He also indicated he would send information for Board members to access the Council's full website.		
3. ADJOURN	*Rymer*	
Adjourned 4:39 pm		

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
October 23, 2019 5:00 PM
MINUTES
Schantz Conference Room

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch Susan Idell Michael Mainardi, MD Ingrid Sheets Howard Eisenstark, MD		Cathy Webber Carol Snyder	Danielle Jones, RN Director of Quality and Risk Sabrina Kidd, CMO

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	*Hirsch*	
	5:04 pm	
2. PUBLIC COMMENT	*Hirsch*	
	None	
3. CONSENT CALENDAR		Action
• QC Minutes, 09.25.19		**MOTION:** by Snyder to approve, 2nd by Eisenstark. All in favor.
4. UCSF UPDATE	*Dr. Kidd*	
	Dr. Kidd gave a brief update on the UCSF affiliation.	
5. CNO QUARTERLY PATIENT CARE DASHBOARD REPORT	*Kobe*	
	The patient care services dashboard was reviewed for the third quarter of 2019.	
6. MEDICATION SAFETY REPORT AND PHARMACY REPORT	*Kutza*	
	Mr. Kutza discussed the pharmacy annual review for 2019. The pharmacy currently averages over 35,000 doses dispensed per month. The total budget is $3.3 million, of which $1.6 million is medication purchases. Mr. Kutza	

AGENDA ITEM	DISCUSSION	ACTION
	reviewed the quality metrics and some of the data reports which allow him to monitor trends, make changes, and identify the impacts of those changes.	
7. QUALITY COMMITTEE CHARTER/SVH P.I. PLAN DISCUSSION	*Hirsch*	
	There was a brief discussion of the Quality Committee goals and processes in preparation for the November meeting.	
8. POLICIES AND PROCEDURES	*Hirsch*	
<u>REVISIONS</u>: Compounding Drug Products MM8610-137 Compounding Policies, Annual Review of MM8610-160 IV Compounding Outside of the Pharmacy MM8610-118 Lipid Rescue for Local Anesthetic Toxicity MM8610-104 Malignant Hyperthermia Management of Patient with MM8610-105 Multi-Dose and Single-Dose Vials MM8610-127 Self Administration of Medications MM8610-115 Sterile Compounding MM8610-117 **<u>RETIRE</u>:** Drug Regimen Review of Skilled Nursing Facility MM8610-107 Pharmaceutical Care Consulting for Skilled Care Facility MM8610-109 **<u>REVIEWED/NO CHANGES</u>:** Fentanyl Patch MM8610-130 Pharmaceutical Waste Management MM8610-155 **DEPARTMENTAL** **Pharmacy** **<u>REVISIONS</u>:** Antimicrobial Stewardship Monitoring Procedure 8390-01 QAPI Procedures Sampling Plan-IV Room 8390-02 Sterile Compounding Procedures 8390-03 Fentanyl Patch Pharmacist Verification 8390-13	Sterile Compounding policy 8610-117 was removed.	**MOTION**: by Mainardi to approve, 2nd by Eisenstark. All in favor.

AGENDA ITEM	DISCUSSION	ACTION
<u>REVIEWED/NO CHANGES</u>: C-II Controlled Substance Wholesaler Invoice Management Procedure 8390-04 Body Fluid Exposure Prophylaxis Kit Preparation 8390-06 Clozapine REMS Procedure 8390-08 Pharmacy Staff Competency Assessment 8390-09 Maintenance of Pharmacy Equipment 8390-10 Pharmacist Patient Discharge Medication Counseling 8390-11 Medication History Review Standard Work 8390-12		
9. CLOSED SESSION	*Hirsch*	
	Called to order at 6:10 pm	
10. REPORT OF CLOSED SESSION	*Hirsch*	
	Medical Staff credentialing was reviewed.	**MOTION:** by Mainardi to approve credentialing, 2nd by Eisenstark. All in favor.
11. ADJOURN	*Hirsch*	
	6:11 pm	

SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, OCTOBER 22, 2019
Schantz Conference Room

Present	Excused	Staff	Public
Sharon Nevins Susan Porth Peter Hohorst Art Grandy Dr. Subhash Mishra via telephone Joshua Rymer via telephone		Kelly Mather, CEO Ken Jensen, CFO Sarah Dungan Celia Kruse De La Rosa	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*			
1. CALL TO ORDER/ANNOUNCEMENTS	*Nevins*		
	Called to order at 5:03 pm		
2. PUBLIC COMMENT SECTION	*Nevins*		
	None		
3. CONSENT CALENDAR	*Nevins*		
	Minutes from the 09.24.19 meeting were reviewed.	**MOTION**: by Hohorst to approve, 2nd by Porth. All in favor.	
4. REVIEW 1ST QUARTER FY 2020 CAPITAL SPENDING	*Jensen*		
	Ms. Dungan reviewed the capital activity for the first quarter.		
5. OUTPATIENT DIAGNOSTIC CENTER UPDATE	*Mather*		
	Ms. Mather reviewed the Outpatient Diagnostic Center activity.		

6. ADMINISTRATIVE REPORT	*Mather*		
	Ms. Mather reported that the community perception survey results were in and discussed in the Board Chair blog. Management is currently working to rebrand the hospital and market the ER. PG&E is now aware of how important a customer the hospital is. SVH was never shut down during the previous fires, was shut down during the early October outage, but will not be out this week. A new United Healthcare Medicare Advantage plan is being offered as an alternative to SCAN. Both plans are accepted by SVH, but not many MDs take SCAN. Valley of the Moon Post Acute has had three good months through September Discussions are under way again regarding offering dialysis services.		
7. FINANCIAL REPORT MONTH END SEPTEMBER 30, 2019	*Jensen*		
	Mr. Jensen reviewed the financials for the month of September. The payer mix showed Medicare at 39.8%, Managed Medicare at 12.5%, Medi-Cal at 17.1%, and commercial at 24.4%. Average days of cash on hand were 28 days. Accounts Receivable days were 44, and Accounts Payable days were 41.3. Inpatient Revenue was off 16% due to the acuity of patients. Salaries were over budget due to increased volume in the ER. Expenses overall were $64,275 better than expected. Average daily cash was added to the cash forecast. The sheet will start showing a combined cash and money market total for available cash.		
8. ADJOURN	*Nevins*		
	5:45 pm		

SUBJECT: Finance Committee Charter	POLICY #
	PAGE 1 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: 3. 26.13

Purpose:

This charter (the "Charter") sets forth the duties and responsibilities and governs the operations of the Finance Committee (the "Committee") of the Board of Directors (the "Board") of Sonoma Valley Healthcare District (the "District"), a nonprofit corporation organized and existing under the California Law.

The Finance Committee's purpose is to assist the Board in its oversight of the District's financial affairs, including District's financial condition, financial planning, operational, and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the District. The Finance Committee is the body which makes recommendations to the District Board on all financial decisions.

Policy:

Duties and Responsibilities

The Committee's primary duties and responsibilities are as follows:

A. Review Monthly Financial Operating Performance

1. Review the District's monthly financial operating performance. The committee will review the monthly financial statements, including but not limited to the Statement of Revenues and Expenses, Balance Sheet and Statement of Cash Flows, prepared by management. The committee will also review other financial indicators as warranted.

2. Review management's plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The committee will make recommendations to the Board when necessary.

B. Budgets

1. Review and recommend to the Board for approval an annual operating budget for the District.

2. Review management's budget assumptions including volume, growth, inflation and other budget assumptions.

3. Review and recommend to the Board for approval an annual capital expenditures budget for

the District. If deemed appropriate by the Committee, review and recommend to the Board for approval projected capital expenditures budgets for one or more succeeding years.

C. Debt, Financing and Refinancing

1. Evaluate and monitor the District's long and short-term indebtedness, debt structure, collateral or security, therefore, cash flows, and uses and applications of funds.

2. Evaluate and recommend to the Board for approval proposed new debt financing, including lines of credit, financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance costs; (iv) banks, investment banks, and underwriters retained or compensated by the District in connection with any financing or refinancing.

3. Review and recommend to the Board all guarantees or other obligations for the indebtedness of any third party.

D. Insurance

1. Review on an annual basis all insurance coverage's, including (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions.

E. Investment Policies

1. Review and recommend to the Board the District's cash management and cash investment policies, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

2. Review and recommend to the Board the District's investment policies relating to assets of any employee benefit plans maintained and controlled by the District, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

F. General

1. Review and recommend the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for the District. Review annually the District's significant commercial and investment bank relationships.

2. Perform any other duties and responsibilities as the Board may deem necessary, advisable

or appropriate for the Committee to perform.

3. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.

4. Meet on a monthly basis preceding the Board meeting concerning the District's financial affairs. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.

5. The Finance Committee will be invited to attend the presentation by the District's independent auditors.

6. The Finance Committee shall review the Charter annually after the close of the fiscal year, or more often if required. If revisions are needed, they will be taken to the Board for action.

7. The Finance Committee shall report to the District Board on the status of its prior fiscal year's work plan accomplishments by after the completion of the Financial Statement Audit.

SUBJECT: Finance Committee Charter	POLICY #
	PAGE 4 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: 3. 26.13

Organization

The Committee's membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee's other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Board.
The committee's membership is subject to the Approval of the District Board. The membership shall include the following:

1. Two (2) Board Members, one being the Treasurer
2. Six (6) District Citizens
3. At least one (1) member of the Medical Staff
4. District's Chief Executive Officer (non-voting)
5. District's Chief Financial Officer (non-voting)

All District Citizen members of the committee must be stakeholders of the District. The District Board has defined stakeholder for the purpose of committee membership as:

- Living some or all of the time in the District, or
- Maintaining a place of business in the District, or
- Being an accredited member of the Hospital's Medical Staff

Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

Resources and Authority of the Committee

The Finance Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the responsibility to recommend to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

Amendment

This Charter shall not be amended except upon approval by the Board.

Purpose:

Consistent with the Mission of the District the Governance Committee (GC) assists the Board to improve its functioning, structure, and infrastructure, while the Board serves as the steward of the District. The Board serves as the representative of the residents of the SVHCD by protecting and enhancing their investment in the SVH in ways that improve the health of the community collectively and individually. The Board formulates policies, makes decisions, and engages in oversight regarding matters dealing with business performance trends, CEO performance, quality of care, and finances. The Board must ensure that it possesses the necessary capacities, competencies, structure, systems, and resources to fulfill these responsibilities and execute~~tive~~ these roles. In this regard it is the Board's duty to ensure that:

- Its configuration is appropriate;
- Necessary evaluation and development processes are in place;
- Its meetings are conducted in a productive manner;
- Its fiduciary obligations are fulfilled.

The GC shall assist the Board in its responsibility to ensure that the Board functions effectively. To this end the GC shall:

- Formulate policy to convey Board expectations and directives for Board action;
- Make recommendations to the Board among alternative courses of action;
- Provide oversight, monitoring, and assessment of key organizational processes and outcomes.
- ~~Take action on behalf of the Board when prompt action is necessary regarding pending legislation (state or federal) that affects the District/Hospital. The GC Chair shall report such action, and provide copies of correspondence with legislators, to the Board at the next regular Board meeting.~~

The Board shall use the GC to address these duties and shall refer all matters brought to it by any party regarding Board governance to the GC for review, assessment, and recommended Board action, unless that issue is the specific charge of another Board Standing Committee. The GC makes recommendations and reports to the Board. It has no authority to make decisions or take actions on behalf of the District, except for legislative issues requiring prompt action.

Policy:

SCOPE AND APPLICABILITY

This is a SVCHD Board Policy and it specifically applies to the Board, the Governance Committee and all other Standing Committees, the CEO, and the Compliance Officer.

RESPONSIBILITY

Committee Structure and Membership

- The GC, with input from the Standing Committees, shall review the composition of the Standing Committees annually for vacancies, including an assessment of the desired homogeneous and heterogeneous traits necessary for the Board to work together effectively. Examples of desired homogeneous traits include integrity, interest in, and commitment to the Hospital, interpersonal maturity, and willingness to devote the necessary time and effort, and the ability get along and work effectively with others; and heterogeneous traits include their relationship to the Hospital, experience, gender, ethnicity, and expertise. The Governance committee may have one memberfromt he communit, subject to approval by the Board of Directors. The GC shall assist the Board in having a ~~well-qualified~~well-qualified, committed, interpersonally skilled, and diverse mix of Standing Committee members, reflective of the District.
- The GC, with input from the Standing Committees and the Board, shall identify the skill sets of the current members and the skills sets ideal for the Standing Committees as a whole, and present a matrix to the Board for its action and use when recruiting and screening potential Standing Committee members. SVH employees and family members are not permitted to be on the Board Committees. SVH employees and family members are not permitted to be on the Board Committees.

Board Development

- **New Member Orientation**
  - Design our Board's new-member orientation process and reassess it ~~bi-annually~~periodically ~~before elections~~.
- **Continuing Education of the Board**
  - Plan the two annual board retreats in concert with the Board Chair. ~~—one in and one away from Sonoma~~.

    Identify an annual training program addressing current issues of importance to the Board to be presented off-site in Sonoma for the Board, possibly including Standing Committee members, Medical Staff, selected hospital leaders, and others as deemed appropriate by the Board. Coordinate with other Standing Committees as appropriate to avoid duplication of effort.
  - Direct and oversee our Board's continuing education and development activities

for both the Board and its Standing Committees.

- **Board Self Assessment**
  - Direct and oversee the annual assessment of our Board, Standing Committees, and individual Board members; reviewing these assessments; and making recommendations to the Board regarding ways in which its performance and contributions can be enhanced.
  - Ensure, with the Chair of the Board, that an annual Board self-assessment is completed.

Monthly Board Development

  - Plan a systematic reading program for the Board, designed to increase Board knowledge in issues of interest and important to the District. The GC shall consult with the other Board members and the CEO in developing the program.

Develop Policies and Recommend Decisions

- Draft policies and decisions regarding governance performance and submit them to the Board for deliberation and action.

Oversight

- **Compliance**
  - Recommend quantitative measures to be employed by the Board to assess governance performance and contributions.
  - Conduct the annual review of governance performance measures and submit an analysis to the Board for deliberation and action.
- Conduct an annual assessmentreview and revision of all Board policies and decisions regarding governance performance.as dictated by the policy schedule.

Legislation

- Review, draft, and/or recommend legislative proposals to the Board for deliberation and action at committee discretion .
- In those cases where sufficient time is not available for the Governance Committee or Board to deliberate and take action on a legislative or regulatory issue, the CEO and the Governance Committee Chair may commit the District to support or oppose legislative initiatives, provided the CEO and the Governance Committee Chair are in agreement on the position to be taken.At its discretion the Governance committee, or Board, can deliberate and take action on legislation or regulatory issue. The CEO may commit the district to support or oppose legislative initiatives, provide the CEO and the Board Chair are in agreement.
- Perform other tasks related to governance as assigned by the Board.

Annual GC Calendar

- ~~In April, in advance of the budget process, review the adequacy of financial and human resources currently allocated for the Board and its Standing Committees to meet their obligations and comply with their Charters. This includes but is not limited to the financial and human resources necessary to support the Board, for a Compliance Officer and related support funding, and Continuing Education Board retreat and local offsite, the annual Board self assessment, and new Board member orientation, and Board monthly development.~~
- ~~Annually~~ Scheduled review and assessment of all board policies regarding governance, specifically including the GC and all other Standing Committee Charters, and make recommendations to the Board for action ~~in December~~per the schedule.
- The ~~CY~~calendar year ~~GC~~ work plan shall be submitted to the ~~CEO~~ Board no later than November for ~~input and resource assessment and shall be submitted to the Board for action no later than December.~~approval.
- The GC shall report on the ~~status~~ results of its prior year's work plan accomplishments by December.
- The GC shall establish the next calendar~~CY~~ meeting schedule ~~no later than December~~at the last meeting of the year.
- Ensure that the~~The~~ CEO shall develop and provide a 12 month calendar of all scheduled Regular and Special Board Meetings and post on the SVH website at the beginning of the calendar year. It shall be kept updated.
- ~~The CEO shall develop and submit proposed legislative changes annually at the first meeting after the legislature has adjourned its regular session for the next calendar year—typically September, October at the latest. The GC shall make its recommendations to the Board for action no later than December.~~
- The GC shall annually review the District's Code of Conduct and Compliance Program and report to the Board for its action no later than December.
- ~~The CEO shall promptly submit to the GC all reports, assessments, audits by external organizations and the Hospital's responses that are not submitted to the Audit Committee or the Quality Committee as required by their Charters. In those cases the GC shall determine the appropriate reviewing body and make that referral or conduct the review and referral to the Board itself.~~

Even Numbered (Board Member Election)Year GC Calendar Years

- Present the New Board Member Orientation Process to the Board for its review and action by August in even numbered years, in advance of the pending election.

GC Membership

The GC shall have 2 members, normally the Board Chair and the Board Secretary. The Board

Chair shall serve as a member and Chair of the Governance Committee, unless the Board specifically acts to make an exception. .

Staff to the GC

The GC shall be staffed by the Hospital's CEO and/or Administrative Representative. At the request of the GC Chair, the Compliance Officer shall attend GC meetings.

Frequency of QC Meetings

The GC shall meet ~~six times~~twice a year at minimum, unless there is a need for additional meetings. Meetings may be held at irregular intervals.

Public Participation

All GC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical Staff, and Hospital staff are always welcome to attend and provide input. Other Board members may attend but may not comment as it may be a Brown Act violation.

FREQUENCY OF REVIEW/REVISION

The GC shall review the Charter bi annually, or more often if required. If revisions are needed, they will be taken to the Board for action.

POLICY GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES # P-2019.10.03-1

PURPOSE

This policy covers the procedures governing purchases of materials, supplies and equipment and the procurement of professional services. It does not cover the procedures governing the bidding and awarding of contracts for facility projects (public works). The bidding and awarding of contracts for facility projects is covered by the Policy and Procedures Governing Bidding for Facility Contracts. Contracts for professional services in conjunction with facility projects shall also be governed by the Policy and Procedures Governing Bidding for Facility Contracts and not by this policy. This policy does not apply to physician transactions.

It is the intent of the Board of Directors ("Board") of the Sonoma Valley Health Care District ("District") to provide an equal opportunity to all qualified and responsible parties wishing to participate in the bidding process with respect to the District and the Sonoma Valley Hospital ("Hospital").

It is the intent of the Board, consistent with the District's obligations, to obtain the best value for all expenditures.

It is the intent of the Board to clarify, with this policy, the authority granted to the District President and Chief Operating Officer ("CEO") by the Board with regard to District and Hospital purchases and contracts. It is also the intent to clarify the authority retained by the Board.

In all instances where 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.

STATEMENT OF BOARD POLICY

1. Scope and Application of the Policy

1.1 Delegation of Authority. The Board hereby makes selective delegation of its authority to the CEO to implement this Policy. By this Policy the Board also limits the CEO's authority as specified in Section 5 [Limit of Authority Delegated to the CEO].

1.2 Bidding Threshold. The District, with certain exceptions, as covered in Section 2 [Exceptions to Bidding and Lowest Bid Policy], (*Health and Safety Code §* 32132) shall follow the formal bidding procedures outlined in Section 3 [Formal Bidding Procedures] for any contract for materials, supplies and equipment exceeding twenty-five thousand dollars ($25,000) for services, materials and supplies to be furnished, sold, or leased to the District or the Hospital and shall award the contract to the lowest responsible bidder. Alternately, the District shall reject all bids.

Bidding is not required for contracts that are accepted under Section 2 and for contracts that do not exceed $25,000, but bidding or other suitable procedures should be followed to obtain the best value for the District

1.3 Authority to Make Purchases. The District's CEO or the CEO's designee are hereby given authority to make all purchases and to execute all purchase orders or contracts for the District duly authorized pursuant to this Policy or other applicable policies referenced herein. All purchases and contracts shall be upon written order, whenever reasonably possible, and the District shall keep and maintain written records of the same.

1.4 Contract File. The CEO shall keep and maintain written records of all contracts. The contract file shall include the method used to select the contractor or service provider, a copy of the request for proposal (RFP) or other form of solicitation, the amount of the contract, the expiration date of the contract, and the name of the contractor or service provider. When the formal bidding procedure is required, file shall also include a copy of the Notice of Bids and the names of all bidders and their proposals.

The contract file for all contracts awarded under the exceptions listed in section 2 shall include a description of the exception and an explanation of the method used to select the contractor or service provider.

The contract file shall include the names of any employee of the District, or any Board member who elected to recuse themselves from the award process because of a conflict of interest.

1.5 Conflict of Interest. With respect to all contracts covered by this Policy, any practices or procedures which might result in unlawful activity shall be prohibited, including practices which might result in rebates, kickbacks or other unlawful consideration. No employee of the District may participate in any selection process when such employee has a relationship with a person or business entity seeking a contract which would subject those employees to the prohibitions in *Government Code §* 87100[1]. (See Government Code §4526)

[1] Section 8100 provides, "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

1.6 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.

2. Exceptions to Bidding and Lowest Bid Policy

The District shall not be required to utilize the formal bidding process or to award the contract to the lowest bidder to (a) emergency contracts, (b) contracts for medical or surgical equipment or supplies, (c) electronic data processing and telecommunications goods and services, (d) professional services, (e) energy services contracts, or (f) purchases made through a Group Purchasing Organization ("GPO") (*Health and Safety Code § 32132(b) & (e).*)

2.1 Emergency Contracts. Notwithstanding anything to the contrary, the Board may award contracts for more than $25,000, without following the formal bidding and lowest bid policy, if it first determines (i) an emergency exists that warrants such expenditure due to fire, flood, storm, epidemic or other disaster and (ii) it is necessary to protect public health, safety, welfare or property. (*Health and Safety Code § 32136.*) In the event that the emergency requires immediate action, the CEO may make the determination that an emergency condition exists and award a contract without first receiving Board approval. The CEO shall inform the Board of the emergency and the contract by email within 24 hours. The Board shall review the emergency and the contract no later than 14 days after the action.

2.2 Medical Equipment and Supplies. Notwithstanding anything to the contrary, the CEO may award contracts for more than $25,000 without following the formal bidding and lowest bid policy for medical equipment and supplies commonly, necessarily and directly used by or under the direction of a physician or surgeon in caring for or treating a patient. (*Health and Safety Code § 32132(b)&(d).).*

2.3 Electronic Data Processing and Telecommunications Goods and Services. Consistent with Health & Safety Code §32138, the District shall employ competitive means to acquire electronic data processing and telecommunications goods and services, where such goods and services exceed a cost of twenty-five thousand dollars ($25,000). (*Health and Safety Code §§* 32132(b) and 32138).

For purposes of this section, "competitive means" includes any appropriate means specified by the Board. "Competitive means" may include (i) the preparation and circulation of a request for proposal to a sufficient number of qualified sources to permit reasonable competition consistent with the nature and requirements of the proposed acquisition, as determined by the Board in its reasonable discretion; (ii) the lowest bid policy; (c) any other appropriate means determined by the Board in its reasonable discretion. (*Health and Safety Code § 32138(b)*

The CEO shall provide the Board and the Board shall approve the competitive means that will be used for all electronic data processing and telecommunications goods and services.

2.4 Energy Services Contract. Notwithstanding anything to the contrary, the District shall award contracts for more than twenty-five thousand dollars $25,000 for

energy services including conservation, cogeneration, and alternate energy supply sources without following the formal bidding and lowest bid policy if 1) the Board determines that such contract is in the best interest of the District, and 2) the determination is made at a regularly scheduled public hearing of the Board in compliance with the provisions *of Government Code §4217.12*. (Government Code §§ 4217.11 & 4217.12)

2.5 Group Purchasing Organizations. Notwithstanding anything to the contrary, the CEO may award contracts that are placed through an accredited Group Purchasing Organization ("GPO") in excess of twenty-five thousand dollars ($25,000) without following the formal bidding and lowest bid policy (Revenue and Taxation Code §23704). (*Health and Safety* Code § 32132(e).)

2.6 Professional Services. Notwithstanding anything to the contrary, the CEO may award contracts for professional services and advice in financial, economic, accounting, engineering, legal, architectural or administrative matters ("Special Services") in excess of twenty-five thousand dollars ($25,000) without following the formal bidding and lowest bid policy or the use of competitive means, provided such persons are specially trained, experienced and competent to perform the special services required and have been selected based on these qualifications. (*Health and Safety Code §* 32132(b) & Government Code § 53060).

The Policy and Procedures Governing Bidding for Facility Contracts shall be followed for the contracts for professional services of architectural, engineering, environmental, land surveying, or construction project management firms if the work is to be performed in conjunction with an approved facility project.

3. Formal Bidding Procedure

3.1 Bid Packet. Where formal bidding is required, (or otherwise deemed desirable by the Board) the CEO shall prepare a bid packet, including a notice inviting formal bids ("Notice Inviting Bids"). The packet shall include a description of the materials or supplies, scope of services, or work in such detail and written with such specificity as may be required to allow all potential bidders to understand the need and give a level playing field to all bidders.

3.2 Notice Inviting Bids. Where formal bidding is required, the CEO shall publish the Notice Inviting Bids at least fourteen (14) calendar days, but preferably twenty (20) calendar days, before the date of opening the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the District. (Public Contract Code §20150.8).

In addition, the CEO may also publish the Notice Inviting Bids in a trade publication as specified in Public Contract Code 22036 or may give such other notice as it deems proper.

3.3 Requirements of Notice Inviting Bids. The CEO shall include all of the following in the Notice Inviting Bids:

a. A description of the item(s) to be bid upon;

b. The procedure by which potential bidders may obtain electronic copies of the Specifications;

c. The final time, date, and, place where bids are to be received(Government Code § 53068; Public Contract Code §§ 4104.5, 22037). If the District elects to receive bids electronically, this option must be included in the Notice Inviting Bids.

d. The appropriate District person to receive the bids and the address for that person, including an e-mail address.

e. The date, time and place for opening of bids;

f. Other matters, if any, that would reasonably enhance the number and quality of bids.

3.4 Submission of Bids. The CEO shall accept only written sealed bids from the prospective bidders. The CEO shall date and time stamp all bids upon receipt. 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 after the time specified in the Notice Inviting Bids shall be returned unopened. (Government Code § 53068). Any electronic bids received after the time specified shall have their attachments deleted and the bidder notified electronically of their rejection.

3.5 Examination and Evaluation of Bids. On the date, time and at the location provided in the Notice Inviting Bids, the District shall publicly open the sealed 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 other properly interested parties 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) days of the Opening unless a different period of time is specified in the Notice Inviting Bids.

In the event there are two or more identical lowest bids pursuant to any provision requiring competitive bidding, the District may determine by lot which bid shall be accepted. (Government Code § 53064)

3.6 Award of Contract. When formal bidding is required the CEO shall award the contract to the lowest bidder, provided the bidder is responsible as defined by section 3.7 and the bid is reasonable and meets the requirements and criteria set forth in the Notice Inviting Bids

Any contract awarded by the District shall be subject to all applicable provisions of federal, California and local laws. In the event of a conflict between any contract documents and any applicable law, the law shall prevail.

Notwithstanding anything to the contrary, the District is under no obligation to accept the lowest responsible bidder and reserves the right to reject all bids. (*Health and Safety Code § 32132*)

3.7 Responsible Bidder.

a. For purposes of this Policy, “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 (Public Contract Code 1103).

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

c. If the Board decides to award the contract to a bidder other than the lowest bidder pursuant to subparagraph (b), the Board shall 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 District shall afford the low bidder an opportunity to rebut such adverse evidence and shall permit such bidder to present evidence that it is qualified. Such opportunity to rebut adverse evidence and to present evidence of qualification shall be submitted in writing to the District.

4. Bid Conditions.

All formal bids shall be subject to the following general conditions.

4.1 Minimum Number of Bids. When formal bidding is required the CEO shall consider a minimum of three (3) bids whenever possible; however, where the CEO cannot obtain three bids or when the CEO decides that time will not permit obtaining three bids, the Board may authorize consideration of a minimum of two (2) bids.

The District may accept sole source bids for contracts that are exempt from the formal bidding policy under section 2.

4.2 Multiple Bids. When 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.

4.3 Minor Deviations. When formal bidding is required, the CEO, after receiving advice from counsel, may waive inconsequential deviations from the specifications in the substance or form of bids received.

4.4 Reference Check. Contracts shall be awarded to the lowest responsible bidder meeting the applicable criteria established by the District, subject to a check of references and review of legal counsel, as applicable.

4.5 Right to Direct Competitive Bidding. The Board reserves the right to direct competitive bidding (including but not limited to lowest bid) for any contract, regardless of whether or not competitive bidding is required by the terms of this policy. (*Public Contract Code §1601*)

4.6 Flexibility and Waiver of Policy Requirements. In recognition of the fact that the contracting and procurement needs of the District may, from time to time, render certain procedures or requirements set forth in this Policy impractical, the CEO or

his/her designee is authorized to permit or waive deviations from this Policy, to the extent permitted by law, in consultation with the District's legal counsel and upon making a written finding that such deviations are in the best interest of the District.

5. Limit of Authority Delegated to CEO for Materials and Services

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year. The contract may cover a period of up to 5 years.

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year, but the contract amount is greater than the amount in the budget, if the total dollar amount of contracts exceeding the budgeted amounts is not in excess of $100,000 for the year. When a contract is signed that exceeds the budgeted amount the CEO should reduce operating costs in other areas to keep the impact of the contract "budget neutral." The contract may cover a period of up to 5 years.

The CEO may approve a contract for a capital expense, if the item meets the guidelines for capital projects which were included with the capital budget and approved by the Board. The Board may request to review the ~~decision making~~decision-making process in the selection of the vendor and equipment.

Signature ____________________ Date ____________________

Print Name ____________________

MEMORANDUM OF UNDERSTANDING BETWEEN THE SVHD AND SVH FOUNDATION FOR FUND RAISING ACTIVITIES #P-2019.10.03-2

This Agreement is made and executed in Sonoma, California, on May 2, 2013, by and between the Sonoma Valley Health Care District (hereinafter referred to as "District"), a District duly organized and existing under the Local Health Care District Law of the State of California (California Health and Safety Code, Division 23, Sections 3200-32492), with its principal place of business at Sonoma, California and the Sonoma Valley Hospital Foundation, a hospital foundation organized and operating as a tax-exempt 501(c)(3) corporation with its principal place of business at Sonoma, California (hereinafter referred to as "Foundation"). The District and the Foundation may be referred to herein as "Party" or "Parties." The District and the Foundation desire to enter into this Agreement for fund raising activities with respect to the following:

RECITALS

Whereas, the District and the Foundation agree that significant philanthropic support is needed to continue to provide patient-focused, state-of-the-art health care and health-related programs to residents and visitors in its service area; and

Whereas, the District and the Foundation agree that such support can most effectively be garnered through a hospital foundation operated as a 501(c)(3) corporation, and as such an organization, the Foundation is best suited to provide and develop philanthropic support for the District; and

Whereas, the District and the Foundation agree that in order to provide and develop philanthropic support for the District, the Foundation will develop and implement a fund-development program in support of health care for residents and visitors of the District.

Now therefore, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, it is agreed:

1. **Responsibilities and Mutual Expectations**

   A. Responsibilities of the Foundation

      i. The Foundation will develop, implement and refine a rolling three-year philanthropic strategic plan to maximize community support for the health care of the residents and visitors of the District. A Development Plan that outlines

the programs and associated tasks of the three-year plan will be submitted to the District Board with the proposed Foundation budget no later than the May District Board meeting beginning with the 2014 fiscal year.

ii. The Foundation will continue to work with the Hospital and District leadership to determine annual and longer-term goals and mission.

iii. The Foundation agrees to support the capital, program, and other needs of District-owned facilities and District-operated programs.

~~iv.~~ The Foundation shall ensure there are ~~three~~ two (~~3~~2) ex-officio directors on the Foundation Board. Ex-officio directors shall be selected as follows: one shall be selected by the Board of Directors of the District; one shall be selected by the CEO of the Hospital.~~; and one shall be selected by the Board of Directors of the Sonoma Valley Hospital Auxiliary.~~

~~v.~~iv. The Foundation will accept and process all gifts in accordance with all applicable laws and regulations.

~~vi.~~v. The Foundation shall operate according to fundraising best practices and ethical standards.

~~vii.~~vi. The Foundation shall make its books and records available to the District and its agents for review and inspection upon reasonable written notice and at reasonable times

~~viii.~~vii. The Foundation shall inform the District Board of proposed changes to the Foundation's bylaws prior to their submission to the Foundation Board for approval.

B. Responsibilities of the District.

i. The District will direct all charitable contributions in support of the District to the Foundation for acceptance and gift processing. If unusual circumstance requires a gift to be accepted directly by the District, the District will do so in accordance with the Foundation's Gift Acceptance Policy. (see attachment)

ii. The District agrees to honor donor instructions by using the restricted funds it receives from the Foundation only for the purposes intended by the donor.

iii. The District shall select one (1) ex-officio director on the Foundation Board, as described in Section 1.A.iv above.

iv. The District agrees to make all books and records pertinent to the Foundation available to the Foundation for review and inspection upon reasonable notice and at reasonable times.

v. The District shall be responsible for funding independent audits of the Foundation’s financial statements. The District shall determine when and if these audits are to be conducted.

2. **Request for and Transfer of Funds**

A. All requests for funding by the Foundation must be submitted by the Hospital’s President/CEO in writing, ~~after approval by the District Board~~, to the Foundation for consideration for approval by the Board of Directors of the Foundation.

B. The Foundation agrees to review grant requests submitted by the District within sixty (60) calendar days of receipt.

C. If a grant is approved by the Foundation Board, the Foundation will notify the primary project contact, as indicated on the grant application, within seven (7) calendar days of approval.

D. If a grant is denied by the Foundation Board, explanation of the Board’s decision will be submitted in writing to the Hospital President/CEO within seven (7) calendar days.

E. Grants approved by the Foundation Board will be paid within thirty (30) days of receiving request for payment, ~~which shall~~after having been submitted in writing by the Hospital President/CEO ~~District~~ and shall be accompanied by the invoice or purchase order showing the equipment and/or services.

3. **Funding Cost of Foundation Operations**

A. Based on a budget approved by the Foundation Board, the District will fund operating expenses of the Foundation.

B. The Foundation will fund all operating expenses not funded by the District.

4. **Terms and Termination**

A. *Term.* The term of this Agreement shall automatically renew at midnight on June 30 of each calendar year unless either Party exercises their right to terminate the Agreement under Section B below.

B. *Termination.* This Agreement may be terminated by either Party, with or without cause, by giving sixty (60) days written notice as provided in Paragraph 11 of this Agreement.

C. *Dissolution and Distribution of Assets.* In the event that this MOU is terminated or the Foundation be dissolved by the Foundation Board, all properties, monies,

and assets will be distributed as outlined in the Fourth section of the Foundation's Articles of Incorporation.

5. **Negotiation and Mediation Clause.** In the event of disagreement or dispute between the Parties arising out of or connected with this Agreement, the disputed matter shall be resolved as follows:

A. *Negotiation*.

i. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between District and Foundation Board Chairs. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the chairs of both parties shall meet at a mutually acceptable time and place.

ii. Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of chairs described above ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if desired.

iii. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.

iv. At no time prior to the First Meeting shall either side initiate an arbitration or litigation related to the Agreement except to pursue a provisional remedy that is authorized by law or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Paragraph i above.

v. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Paragraphs i and ii above are pending and for 15 calendar days thereafter. The parties will take such action, if any, required to effectuate such tolling.

B. *Mediation*.

i. If the matter is not resolved by negotiation pursuant to paragraphs i – v above, then the matter will proceed to mediation as set forth below.

ii. The parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted for mediation.

iii. Either party may commence mediation by providing the other party a written request for mediation, setting forth the subject of the dispute and the relief requested.

iv. The parties will cooperate in selecting a mediator and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.

v. All offers, promises, conduct and statements, whether written or oral, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

7. **Forum.** Any mediation to enforce or interpret the provisions of this Agreement or the Parties' rights and liabilities arising out of this Agreement or the performance hereunder shall be maintained only in the County of Sonoma, California, or within one of such County's incorporated cities.

8. **Severability.** If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

9. **Integration.** This Agreement contains the entire agreement among the Parties and supersedes all prior and contemporaneous oral and written agreements, understandings, and representations among the Parties. No amendments to this Agreement shall be binding unless executed in writing by all of the Parties.

10. **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

11. **Notices.** Any notice required by this Agreement shall be effective only if sent by certified or registered mail, postage prepaid, as follows:

    If to District:
    Chair, Board of Directors and President/CEO
    Sonoma Valley Hospital, 347 Andrieux St, Sonoma, CA 95476

    If to Foundation:
    Chair, Board of Directors and Executive Director
    Sonoma Valley Hospital Foundation, 347 Andrieux St, Sonoma, CA 95476

For the purposes of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given on the second business day after mailing, if mailed to the Party to whom notice is to be given in the manner provided in this Section. Either Party may, at any time, change its address designated above by giving to the other Party thirty (30) days' written notice of the new address to be used for the purposes of this Section.

12. **Assignability.** Neither this Agreement nor any duties or obligations hereunder shall be assignable by any Party hereto without the prior written consent of the other Parties.

In witness whereof, the Parties have executed this Agreement as of the date first above written.

Sonoma Valley Hospital Foundation

By: ___________________________________
~~Bill Boerum~~Steve Sangiacomo, Chairman, Foundation Board of Directors

Sonoma Valley Health Care District

By: _________________________________
Sharon Nevins, Treasurer, Board of Directors

POLICY CONCERNING CEO ANNUAL EVALUATION PROCEDURE AND SCHEDULE
 # P-2019.10.03-3

A standard process and timetable for accomplishing an objective evaluation of the District's CEO is essential to the effective management of the District and the Hospital. Because the evaluation must be based on the operating results of the prior fiscal year the process cannot start until these results are available at the end of July of each year. Accordingly it will be the policy of the District Board to adhere to the following process and timetable for the evaluation.

1. The Board shall annually review the performance of the CEO and President of the District.
2. The Board shall establish a Board Advisory Committee (the Committee) during the regular July Board meeting to evaluate the performance of the CEO during the prior fiscal year and to prepare a CEO Evaluation Report for submission to the full Board for review, refinement and approval in September.
3. The Board Chair shall appoint, with the Board's approval, two Board members to the Committee at the same July meeting that the Committee is established.
4. The Committee shall make the evaluation of the CEO's performance based on a comparison of the final results of the prior fiscal year compared to the Board approved objectives and on a summary of the information gained through the use of the survey tool used during the 2012 performance evaluation (or similar instrument approved in advance by the Board)
5. The Committee shall request the following individuals complete the survey.
   a. The five members of the District Board of Directors
   ~~b. The CEO of the Marin General Hospital~~
   c. The outgoing Chair of the Medical Executive Committee
   d. The ~~CEO and President of the District~~Hospital Administrative Leadership Team

This list may only be amended by a vote of the Board at a regular Board meeting.
The survey shall be issued by and returned to the HR Director of the Hospital. ~~during the month of July. The HR Director shall collect the raw data, and shall assist as requested by the Committee in the development of reports or information derived from this data. The HR Director shall provide the raw data, reports or any other information coming from the data only to the Committee, or the full Board and to no other individuals.~~

6. The Committee shall prepare a summary of the survey information for inclusion in the CEO Evaluation Report.

7. The Committee may also consider other ~~objective ,~~objective, measurable metrics.

8. The CEO Evaluation Report prepared by the Committee shall contain a recommendation to the Board for the CEO's compensation for the coming year and a calculation of the bonus earned for performance against the agreed upon objectives for the year.

9. The Committee shall be dissolved after the Board acts on the report and its recommendations.

10. Nothing in this Board Policy shall preclude the Board from conducting a performance evaluation of the CEO and taking appropriate action at any time.

________________________________ ____________________

~~Chair Board of Directors~~Signature Date

____

Print Name

POLICY CONCERNING ESTABLISHMENT OF ANNUAL CEO OBJECTIVES
 # P-2019.10.03.-4

A standard process and timetable for establishing the District's CEO's annual objectives is essential to the effective management of the District and the Hospital. Because the objectives must be based on the Hospital's Strategic Plan and the upcoming fiscal year's budget, the process cannot start until these documents have been approved in June of each year. Accordingly it will be the policy of the District Board to adhere to the following process and timetable for the establishment of the CEO's annual objectives.

1. The Board shall annually set the Hospital CEO's objectives for each fiscal year.

2. The Board shall annually establish a Board Advisory Committee (the Committee), no later than the regular ~~June~~ September Board meeting to work with the CEO to identify the significant problems/issues facing the Hospital and the District and to develop the annual CEO objectives to address these problems/issues.

3. The Committee shall be comprised of two Board members approved by a vote of the Board at the same regular Board meeting that the Committee is established.

4. The Committee as a temporary advisory board committee, and not a standing board committee, is not subject to the Brown Act.

5. The draft objectives shall be developed by the Committee during the month of June in collaboration with the CEO for review in closed session by the Board in conjunction with the regular ~~July~~ October Board meeting, The Board may hold additional closed sessions as necessary to finalize the objectives prior to their presentation for approval at a regular Board meeting.

6. These objectives shall be measurable on a monthly basis, to the degree possible, so that the CEO is able to provide a written report on progress toward their achievement at each regular monthly Board meeting.

8. The Committee shall be disbanded when the CEOs annual objectives have been adopted by the Board.

______________________________ ____________________
Signature Date

____
Print Name

Policy and Procedures – Summary of Changes
Board of Directors, November 7th, 2019

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

REVISIONS:

Injury Due to Medical Device Equipment CE8610-150
Revision includes formatting and responsibility title changes and adding regulation language from FDA website "User facilities must report a suspected medical device-related death to both the FDA and the manufacturer on Form FDA3500A within 10 work days of becoming aware. User facilities must report a medical device-related serious injury to the manufacturer, or to the FDA only on Form FDA3500A if the medical device manufacturer is unknown."

DEPARTMENTAL

SURGERY DEPARTMENT
REVISIONS:

Pre-Operative Skin Preparation of Patients 7420-142
Updated policy according to AORN current guidelines to cover detail missing from current policy that is part of our practice.

Outpatient Diagnostic Center

Sonoma Valley Health Care District Board of Directors

November 7, 2019

Agenda

Slide	Page Number
Mission & Vision	3
Outpatient Diagnostic Center Overview	4
Project 1: CT Update	8
Project 3: MRI Update	13
Project 2: Cardiology Update	19
Project 4: Test Fit UCSF Specialty Clinic	20
Board Actions Recommended	22
Next Steps	23

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**.

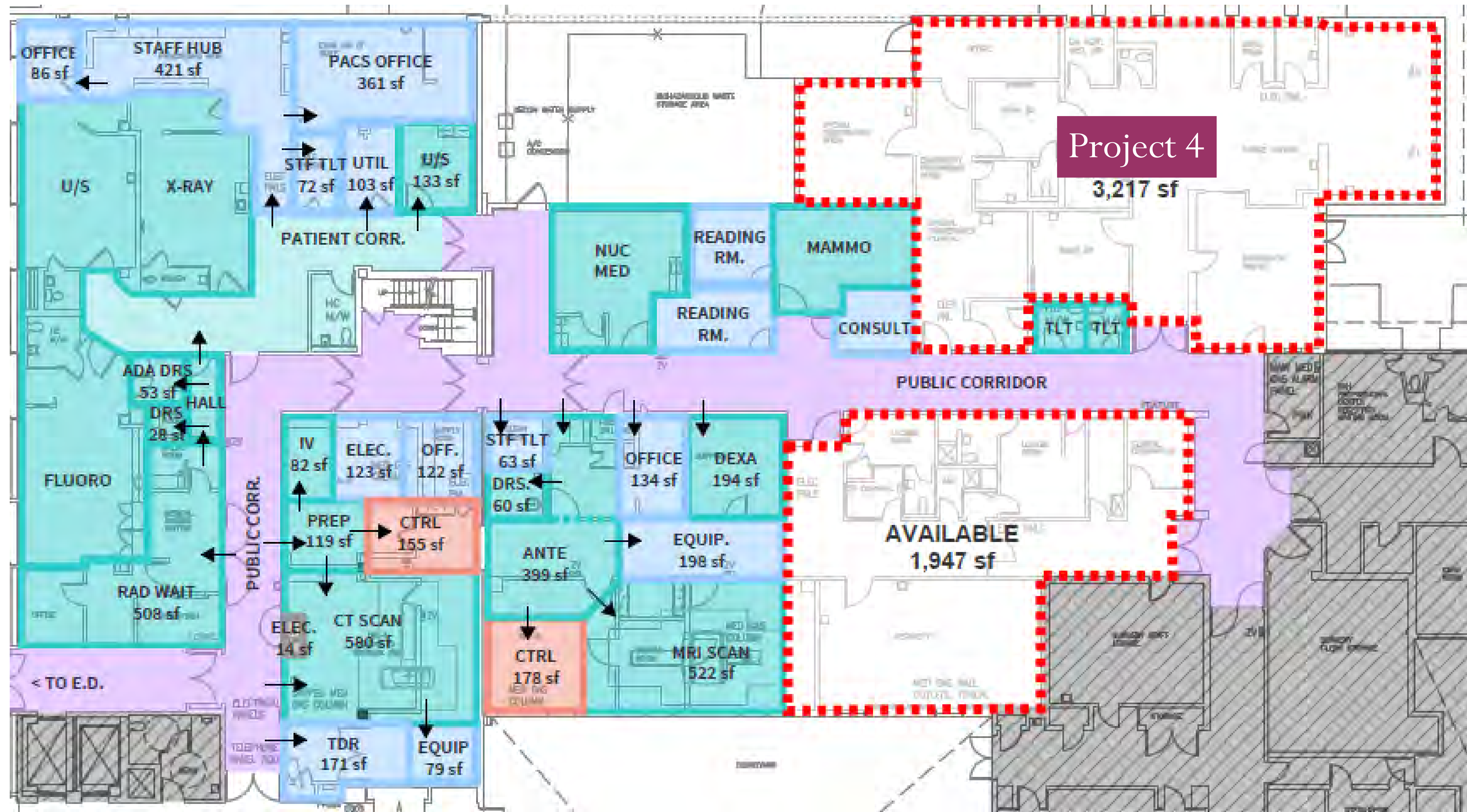
dome CONSTRUCTION
TAYLOR Design
VERTRAN ASSOCIATES
SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

Outpatient Diagnostic Center Overview

- Computed Tomography (CT) equipment replacement, Micro Market, and Waiting Room & Imaging refurbishment – Project 1
- Magnetic Resonance Imaging (MRI) equipment replacement and installation inside the hospital and public corridor refurbishment – Project 3
- Cardiology equipment and refurbishment of existing space – Project 2
- Test fit for UCSF Specialty Clinic – Project 4

dome CONSTRUCTION TAYLOR Design VERTRANASSOCIATES SONOMA VALLEY HOSPITAL SONOMA VALLEY HEALTH CARE DISTRICT Healing Here at Home

Outpatient Diagnostic Center Overview



dome CONSTRUCTION

TAYLOR Design

VERTRAN ASSOCIATES

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

Outpatient Diagnostic Center Current Funding

Project	Board Approved	Cost Spent to 9/30/19	Forecast @ Completion
Project 0 (ODC, Master Plan, Decommission)	$1,276,379	$908,703	$908,703
Project 1 (CT)	$9,365,951	$1,180,897	$8,967,000
Project 2 (Cardiology)	$30,000	$30,000	$1,000,000
Project 3 (MRI)	$729,347	$318,655	$9,101,088
Project 4 (Test Fit – UCSF Specialty Clinic)	$50,000	$2,491	$50,000
Subtotal	**$11,451,677**	**$2,403,834**	**$20,026,791**
Mammography Project		$556,709	$556,709
Campaign Expenses		$314,899	$416,500
Total		**$3,275,442**	**$21,000,000**

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 = $18.3 million
- Amount Collected (thru 9/30/19) = $8.0 million
- Current Cash Balance = $4.6 million
- Additional Money Required to Be Raised = $2.7 million

Note: Cash projections/flow – tracked by Finance Committee through Vertran

Project 1:CT

dome CONSTRUCTION

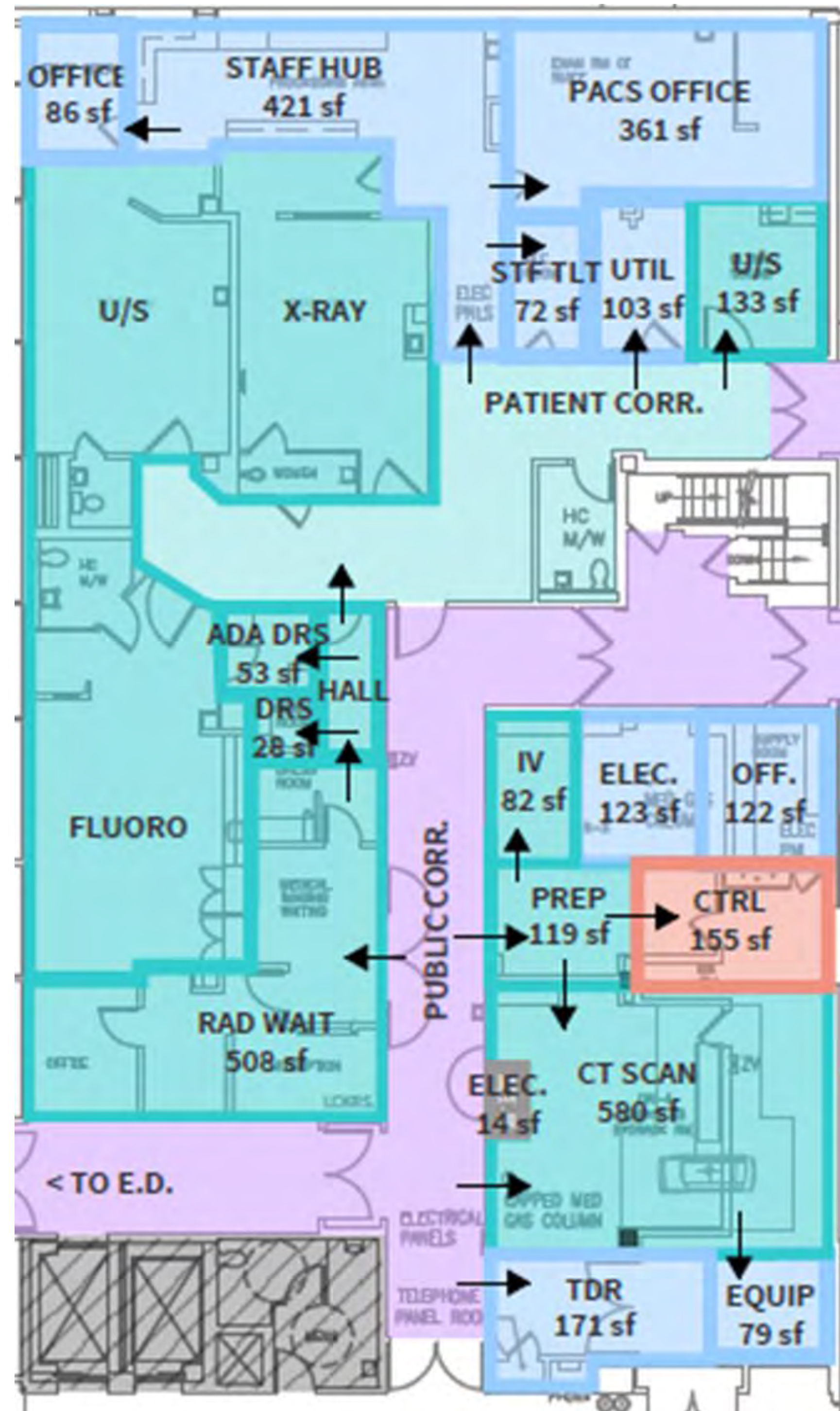
TAYLOR Design

VERTRAN ASSOCIATES

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

Project 1: CT

Project 1: CT



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
- New CT will be on Emergency Generator Back Up

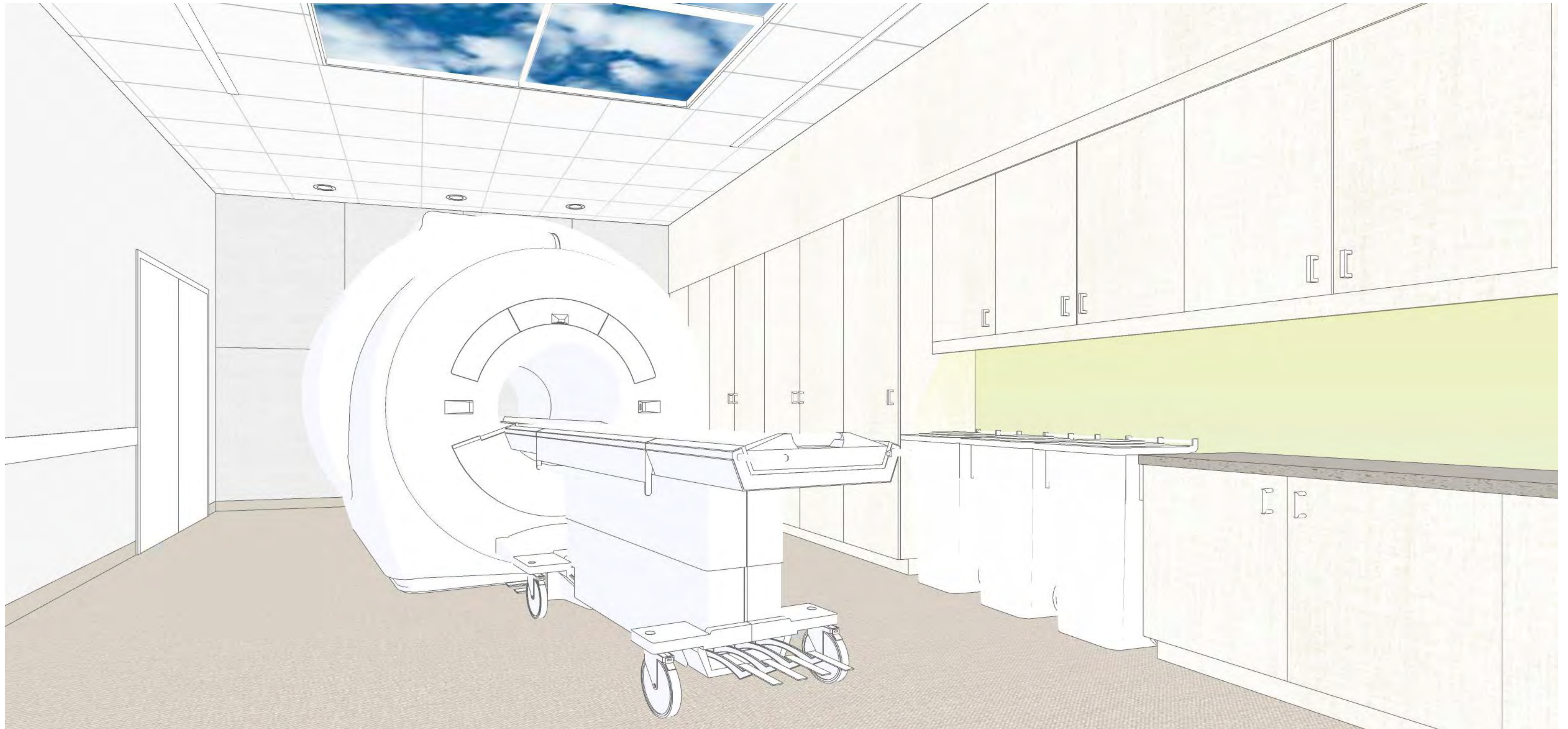
Timeline for CT Project

- Design for CT Project is complete
- Dome GMP pricing received – within budget
- Milestone – Issue Notice to Proceed to Dome to Start CT Construction – November 2019
- OSHPD permit expected by early December 2019
- Construction start mid December 2019 with abatement & demolition
- Complete contract process with Dome in December 2019
- CT construction complete May 2020
- Go Live (dependent on CDPH) expected in July 2020

CT Budget

Item	Description	Budget	Spent to Date
1	Design	$850,000	$678,397
2	Permits / Inspection	$275,000	$91,500
3	Construction	$4,639,000	
4	Major Medical Equipment	$1,365,000	$173,000
5	FF&E	$105,000	
6	Data	$926,000	$125,500
7	Owner	$160,000	$112,500
8	Project Contingency	$647,000	
9	Total	$8,967,000	$1,180,897

Project 3: MRI



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Project 3: MRI

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Project 3: MRI

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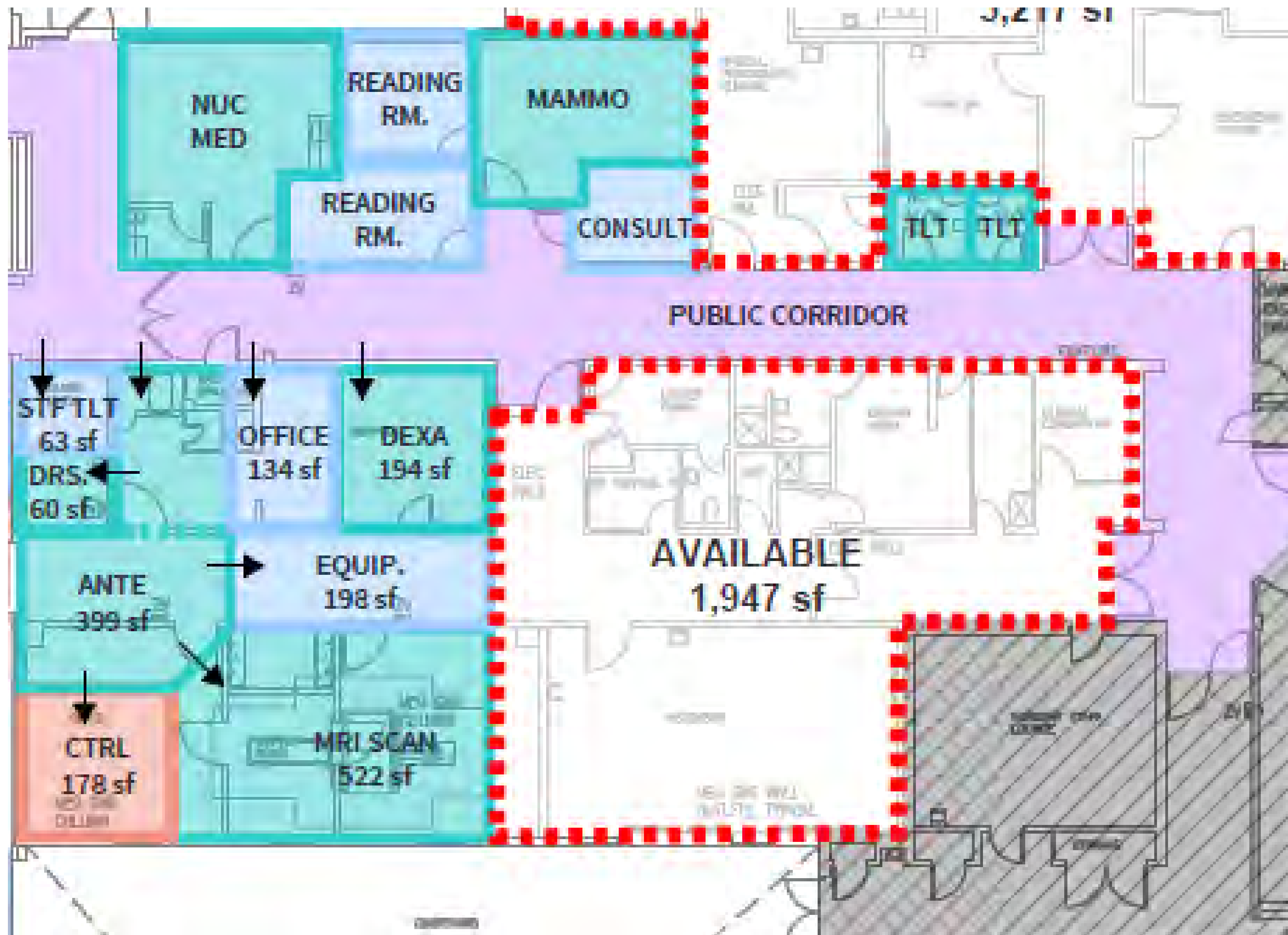
Project 3: MRI



Project Scope:

- 3T MRI inside the building
  - UCSF has confirmed that Endo Rectal Coil is not being used for two reasons: patient burns; 3T provides clear images
- New flooring & paint in public corridors
- MRI is not currently planned to be on Emergency Generator Power – Switchgear for E-Power Branch would need to be upgraded

dome CONSTRUCTION

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SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

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 Early 2021
- New MRI equipment Go Live expected in Spring 2021

MRI Budget

Current Project Forecast: $9,101,088

- Value Engineering: Siemens discount utilizing MD BuyLine Recommendation up to $300k in savings, reduced scope, project contingency at 15% (value of $650k)

Funding Spent through 9/30/19: $318,655

- 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

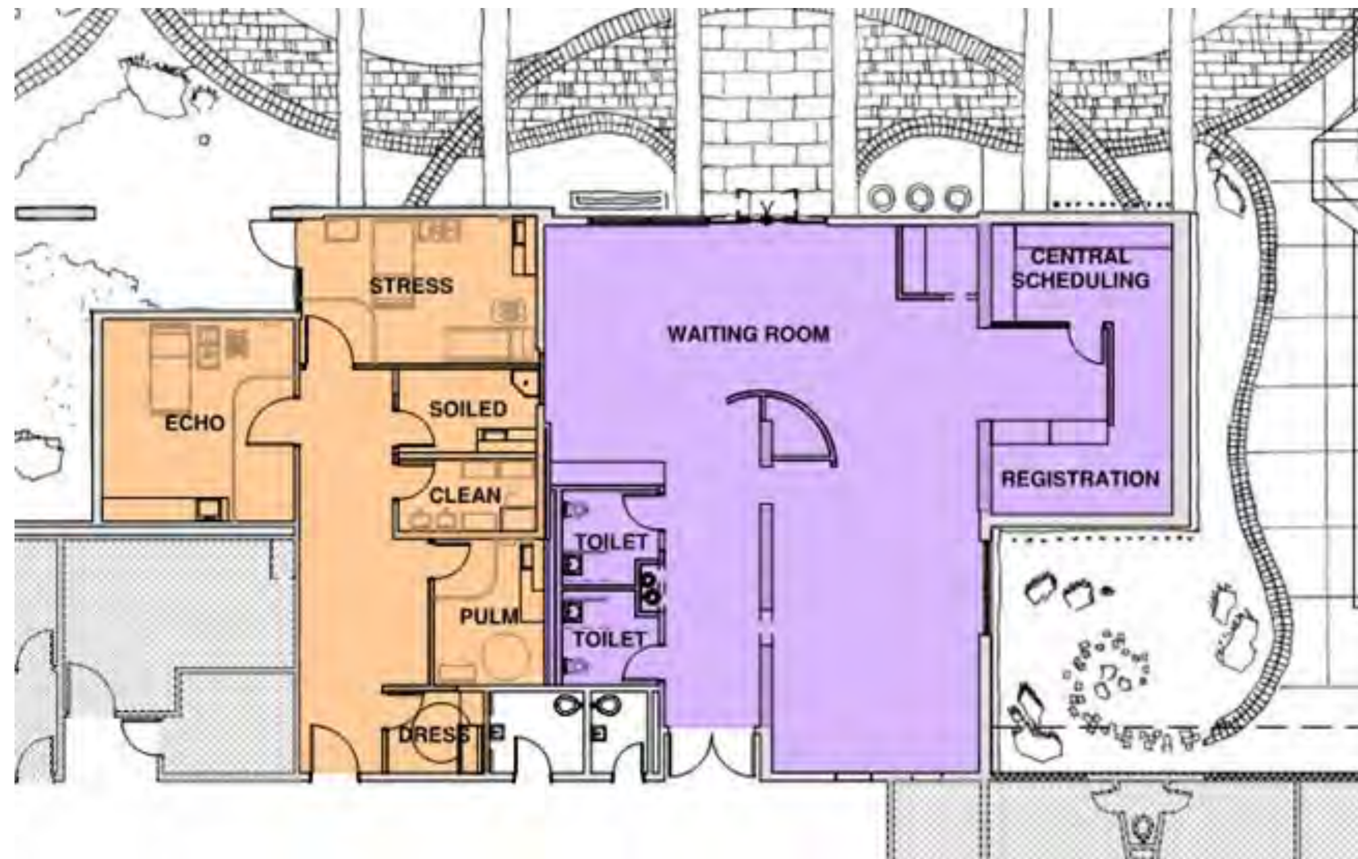
*7% Escalation included in Dome pricing

Project 2: Cardiology

- Cardio Project will be scoped towards the end of the MRI Construction and/or when Funds have been raised.
- Current Funds Available = $1M

Project 4: Test Fit for UCSF Specialty Clinic

Project 4: Test Fit UCSF Specialty Clinic



- Project Team will test fit the UCSF Specialty Clinic in the old ED space
- Previously Approved Budget for Test Fit = $50k
- Current Funds Available = $47.5k

Board Action Recommended

1. Authorize Notice to Proceed for Dome to Start CT Construction
2. Approve Additional Money for MRI Project: $500,000

   Approved Previously: $729,347

   Spent to date: $318,655

   Additional Funds will carry project through June 2020

Funding source will be the Sonoma Valley Hospital Foundation.

Next Steps

- Continue to Pursue Remaining Funding Required - $2.7M
- Start CT Construction
- Obtain OSHPD Approval for MRI Project
- Approve MRI Budget and Request funding for MRI construction at Future Board Meeting (April 2020)
- Request funding for Cardiology once raised funds are over $20M

Questions?

dome CONSTRUCTION

TAYLOR Design

VERTRANASSOCIATES

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

Sonoma Valley Hospital

Community Report 2019

A Decade of Progress Serving Sonoma Valley

Ready For The Next Decade

Our hospital is in the best shape it has experienced in more than a decade. During that time, we have made much needed investments and changes in order to confront the reality facing all hospitals, particularly those serving small local communities. In today's healthcare marketplace, a community hospital must focus on the services that are most important to the community, in our case that's our Emergency Department and providing access to a wide array of physicians and specialties. Hospitals like ours can no longer survive by providing everything they had historically offered.

Hospital Leadership and the Sonoma Valley Health Care District Board of Directors realized during fiscal year 2018 that some difficult decisions were needed to ensure the hospital will continue to be here for our community. After our exciting affiliation with UCSF Health, it was also clear that reinventing the hospital with strong partners would set us up well for the future. This past year we collaborated with Hospice by the Bay to continue to offer skilled home healthcare in our community. And we are now working with The Ensign Group to continue to offer services in our Skilled Nursing Facility.

> "We have a hospital where healthcare is convenient and provided in a welcoming environment by trusted staff who give excellent, compassionate care."

What has not changed and will not change is the healing culture and quality of care that makes our hospital uniquely "Sonoma Valley." We have a hospital where healthcare is convenient and provided in a welcoming environment by trusted staff who give excellent, compassionate care. Since the new Emergency and Surgery wing opened in 2014, we increasingly hear great feedback about our facility and receive letters of gratitude for the hospital team and how well they serve our community.

We start this next decade with a strong partner, UCSF Health, arguably the finest hospital in Northern California. This collaboration has already added over a half-million dollars to our bottom line and increased access to specialists and an improved health information exchange to maintain excellent physicians. When the new Outpatient Diagnostic Center opens, UCSF plans to use our hospital as its outpatient center in the North Bay. This will allow patients who live in the region to more easily access UCSF-supported care closer to home. This new center will offer the highest level of diagnostic technology available in the North Bay.

Looking forward, while serving as the emergency resource this community needs, outpatient services will continue to grow and be a focus as we provide the healthcare services most used by our community. Surgery, Special Procedures, Rehabilitation Support and Diagnostic services are all expected to continue to thrive. With Inpatient Services consolidated, we will continue to exceed the expectations of our patients. Finally, collaborations with exceptional partners continue to present new ways of providing access to excellent care here at home.

The past decade has been exciting and challenging, and because of the staff, physicians, leadership and support from the community, we've never been more optimistic about our future.

Joshua Rymer
Board Chair
Sonoma Valley Health Care District

Kelly Mather
President and Chief Executive Officer
Sonoma Valley Hospital

Year In Review

ER Is Acute Stroke Ready

This year, SVH received Acute Stroke Ready certification from the Center for Improvement in Healthcare Quality (CIHQ). Certification is given to hospitals that meet high standards of care for the initial treatment of stroke patients when quick action and proper medication can save lives and limit the long-term disabling effects of a stroke.

Outpatient Diagnostic Center Underway

The hospital is moving ahead with phase one construction of the new Outpatient Diagnostic Center, which includes the new CT scanner suite. The SVH Foundation has secured commitments for most of the $21 million needed for the new center which will bring 21st century diagnostic services to Sonoma Valley and will serve both UCSF patients and all patients in the North Bay. A state-of-the-art MRI unit housed within the hospital is included in the next phase of construction.

"Our new vision emphasizes partnership with larger providers, continued emphasis on quality services, and diversification in out-patient services, while maintaining a focus on providing excellent emergency services."

SVH 2020-2022 Strategic Plan

The strategic plan is available at **sonomavalley hospital.org/Health Care District**

South Lot Sale Finalized

The District Board approved sale of the South Lot to housing developer DeNova Homes this year, a move benefitting both the community and the hospital. The sale included nearly three of the lot's four acres (the hospital retains the employee parking lot), allowing DeNova to build 22 units, including four affordable homes. In addition, 18 homes will have auxiliary dwelling units that can be rented. After repaying the loan, SVH received $1 million that was used to pay down the hospital's line of credit.

SVH Enjoys High Patient Satisfaction

Our Emergency Department is rated highly by patients, achieving an average score of 4.68 out of a possible 5.0 in surveys this past year. The ED saw 10,181 patient visits last year and 70 percent were seen within 15 minutes.

Overall, the more than 6,000 patients who responded to the patient satisfaction survey this year rated SVH services highly, with an average score of 4.73. Other department scores included:

Department	Score	Department	Score
Cardiopulmonary	**4.84**	**Medical Imaging**	**4.82**
Hand & Physical Therapy	**4.77**	**Outpatient Surgery**	**4.76**

SVH Welcomes Growing Number of Physician Specialists

The hospital continues to attract new physicians to practice in Sonoma Valley, increasing the number of specialists serving our community. Among the new physicians opening practices in Sonoma this year were specialists in Urology, Pain Management and Vascular Surgery. Information on all physicians associated with the hospital is available on the hospital website, sonoma valleyhospital.org, under "Find A Doctor."

Home Care and SNF Continue to Serve

This year, SVH found ways to keep two popular but financially challenged services in our community. Healing At Home, our home care agency, was transitioned to Hospice by the Bay, a respected local agency which now operates it.

The hospital also transitioned management of the Skilled Nursing Facility operations to The Ensign Group this summer, which now operates it as Valley of the Moon Post Acute. The Ensign Group is a respected national operator of skilled nursing and rehabilitative care services. The SNF remains under the hospital's license with administration and board oversight. A third service, Obstetrics, was closed because it did not have the patient volume to support it.

Surgery Growth Continues

SVH saw an 8% increase in surgeries this year, conducting 2,950 inpatient and outpatient surgeries and procedures. The number of surgeries performed annually has grown by 34% since 2016.

Committed to Community Health

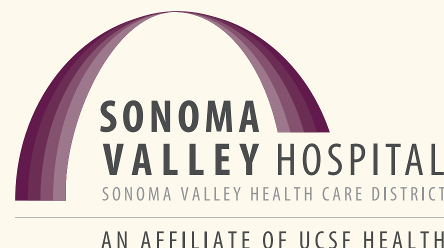
SVH worked to improve the health of our community by sponsoring or supporting 14 health events during the year that reached 2,000 community members. In addition, hospital staff volunteered 1,222 hours to health events and support for local nonprofits.

SVH Continues 4-Star Rating

SVH maintained its 4-Star rating from Medicare in 2019, representing the high level of quality and safety provided our patients. 4-Stars places SVH among the top third of hospitals nationally for quality of care. The hospital is implementing plans to achieve a 5-Star rating in the future.

UCSF Affiliation Continues to Grow

SVH's relationship with UCSF continues to grow. This year, UCSF helped appoint a new chief medical director for SVH, Dr. Sabrina Kidd. Dr. Kidd has since aligned SVH's quality metrics with those of UCSF Health, so we share the same high standards of care. Also, UCSF's Neurology Department now provides telemedicine support to help our ER physicians assess complex neurological problems, including stroke patients.



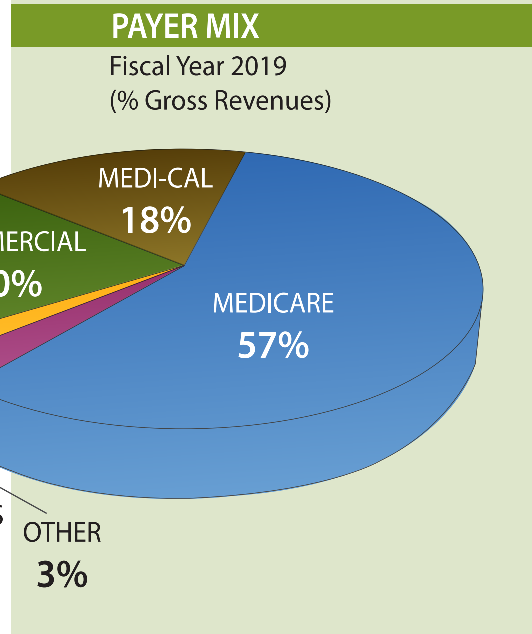
Financial Report

Fiscal year 2019 was a challenging time for SVH and required making some difficult choices, but by the end of the fiscal year the hospital could already see the benefits in improved financial performance. The hospital is now financially stronger than it has been in a decade and we expect to see this positive trend continue into 2020.

Looking back over the last ten years, much has been accomplished. This includes building a new Emergency and Surgery wing, updating the facilities and equipment, and implementing an Electronic Health Record. These investments were necessary, but they increased hospital debt during the period 2011 to 2015. Starting in 2016, a focused effort was made on reducing the debt which lead to decreasing it by 20 percent in 2019. In addition, funds from the sale of the South Lot reduced debt by another 30 percent in July 2019.

PAYER MIX

Fiscal Year 2019
(% Gross Revenues)



Over the past eight years, the hospital has increased revenues by an average of three percent per year while keeping expense increases to two percent annually. The result is that operating margins have improved by almost six percent in that time. We've also seen increased efficiency, which is of the utmost importance in order to maintain hospital services.

Because SVH depends on Government payers (Medicare and Medi-Cal), which represent 75 percent of gross revenues, and with a lower volume of Commercial payers than most hospitals, cash on hand was not as high as expected until this past year. Our cash on hand at the end of 2019 and the first months of fiscal year 2020 was higher than at any time in the last 10 years.

FISCAL YEAR COMPARISONS	2019	2014	2009
Operating Revenues	$58,309,491	$50,575,675	$41,115,347
Operating Expenses	$61,144,918	$54,611,766	$42,644,550
Operating Margin	$ (2,835,427)	$ (4,036,091)	$ (1,529,203)
Net Non-Operating Revenues and Expenses	$ 5,078,660	$ 3,263,456	$ 2,454,616
Capital Campaign Restricted Contributions	$ 1,995,220	$ 3,757,072	$ 219,256
Increase in Net Assets	$ 4,238,453	$ 2,984,437	$ 954,669

It is challenging to operate a small hospital in this period of healthcare. While we will continue to work to increase revenues and keep a tight rein on expenses, we also will continue to depend on the parcel tax to fund emergency services for our community.

Sonoma Valley Health Care District

The Sonoma Valley Health Care District was formed in 1946 to provide healthcare services to Sonoma Valley residents. The Hospital is governed under the bylaws of the District with oversight by a publicly elected Board of Directors. Directors serve four-year terms, with elections taking place during general elections for local, state or national offices. Monthly board meetings are open and public comment is welcomed. Meeting Information is available at sonomavalleyhospital.org/Health Care District.

The District's mission is to maintain, improve and restore the health of everyone in the District, which encompasses the entire Sonoma Valley except for Kenwood. The Hospital is supported primarily by revenues from services, augmented by taxpayer support in the form of a parcel tax, and by charitable bequests and donations. The Sonoma Valley Hospital Foundation plays an integral role in Hospital fundraising efforts.

2019 Board of Directors

Joshua Rymer
Chair

Jane Hirsch
First Vice Chair

Michael Mainardi
Second Vice Chair

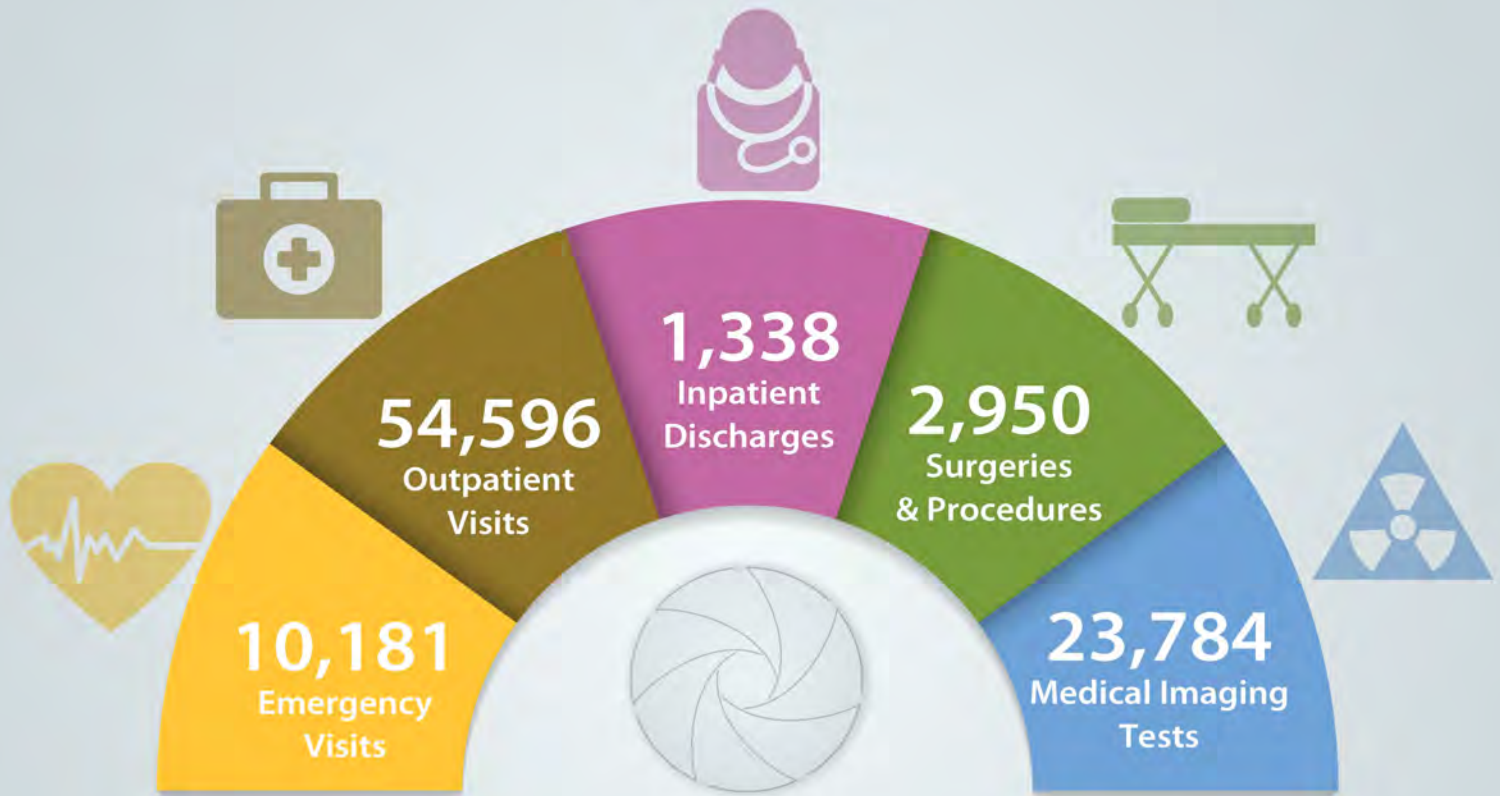
Sharon Nevins
Treasurer

Bill Boerum
Secretary

Sonoma Valley Hospital

Snapshot 2019

July 1, 2018 – June 30, 2019



SERVICES

146,121
Lab Tests

3,308
Wound Care Visits

3,044
Cardiopulmonary Tests

29,658
PT Treatments (Outpatient)

7,641
Occupational Health Treatments

2,652
Mammograms

4,492
CT Scans

1,428
MRIs

HOSPITAL

360
Employees

98
Registered Nurses

$27.7M
Annual Payroll

39
Volunteers

SONOMA VALLEY HOSPITAL
347 ANDRIEUX STREET • SONOMA, CA 96576
SONOMAVALLEYHOSPITAL.ORG • 707.935.5000

SVHF Progress & Goals

SONOMA VALLEY HOSPITAL
FOUNDATION

Inspiring Support for Sonoma Valley Hospital

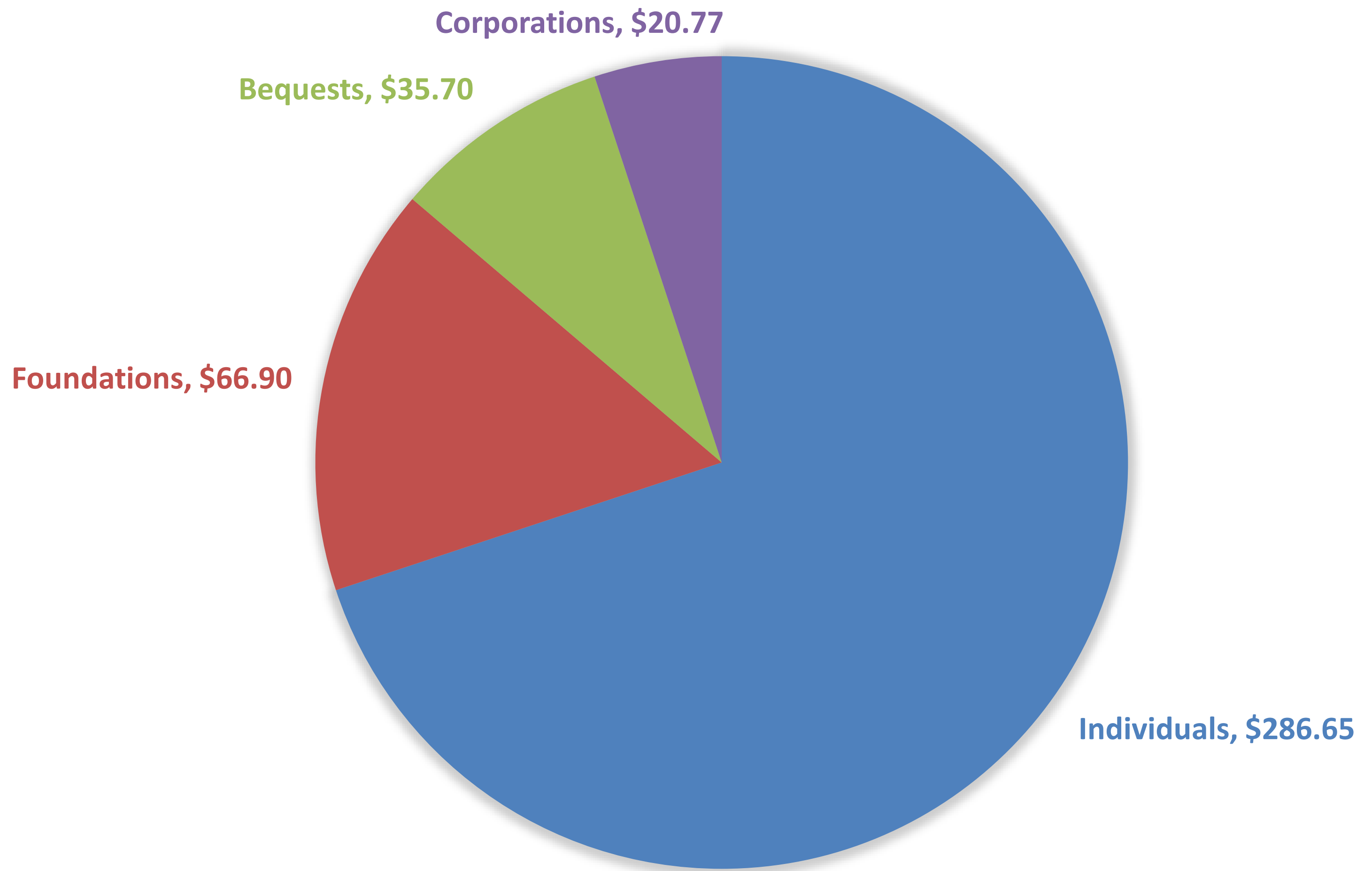
Current Philanthropic Landscape

2017 contributions totaled $410.02B, surpassing 400B for the first time.

Source: Giving USA

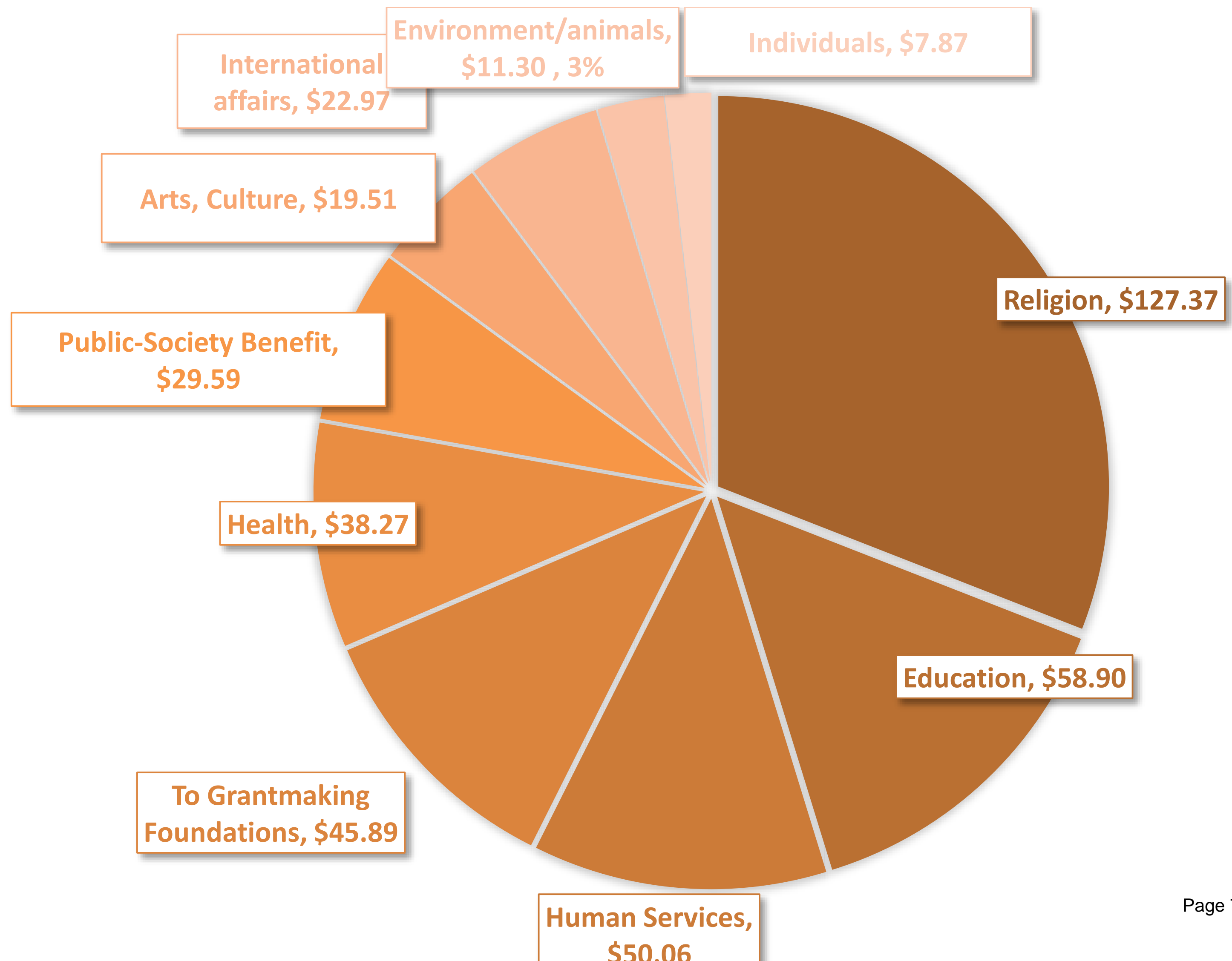
Giving by Source

In billions of dollars—all figures are rounded



Giving by Type of Recipient

In billions of dollars—all figures are rounded



In Sonoma Valley

<u>Current Capital Campaigns</u>

- SVH
- Pet's Lifeline
- Sebastiani Theater
- St. Andrew's Church

<u>Coming Soon</u>

- Hanna Boys Center

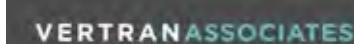
Philanthropy

phil (love) + anthrop (humanity)

Charitable giving is one of the highest expressions of our shared humanity

Project 1: Imaging/CT/Hospitality

CT SCAN ROOM



WEST WING

CENTRAL WING

ANDRIEUX STREET

OFFICE 86 sf
STAFF HUB 495 sf
BREAK 155 sf
QUAL/PACS 140 sf
U/S
X-RAY
STF TLT 72 sf
UTIL 103 sf
U/S 133 sf
PATIENT CORR.
NUC MED
READING RM.
MAMMO
READING RM.
CONSULT
AVAILABLE 3,217 sf
TLT
TLT
PUBLIC CORRIDOR
ADA DRS 53 sf
HALL 66 sf
DRS 28 sf
FLUORO
PUBLIC CORR.
SUBWAIT 508 sf
IV 82 sf
ELEC. 123 sf
OFF. 122 sf
STF TLT 73 sf
OFFICE (MAM) 134 sf
DEXA 194 sf
ADA DRS 73 sf
PREP 119 sf
CTRL 155 sf
ANTE 377 sf
EQUIP. 198 sf
ELEC. 14 sf
CT SCAN 580 sf
CTRL 178 sf
MRI SCAN 522 sf
< TO E.D.
IDF 153 sf
EQUIP 79 sf

Legend
PUBLIC 200 sf
PATIENT 200 sf
STAFF CONTROL 200 sf
STAFF SUPPORT 200 sf
ADMINISTRATIVE 200 sf

SPACE PLAN

SONOMA VALLEY HOSPITAL - CT AND MRI SUITE
PARTIAL FIRST FLOOR PLAN - WEST WING & CENTRAL WING
MAY 6, 2019 SCALE: 1"=20'

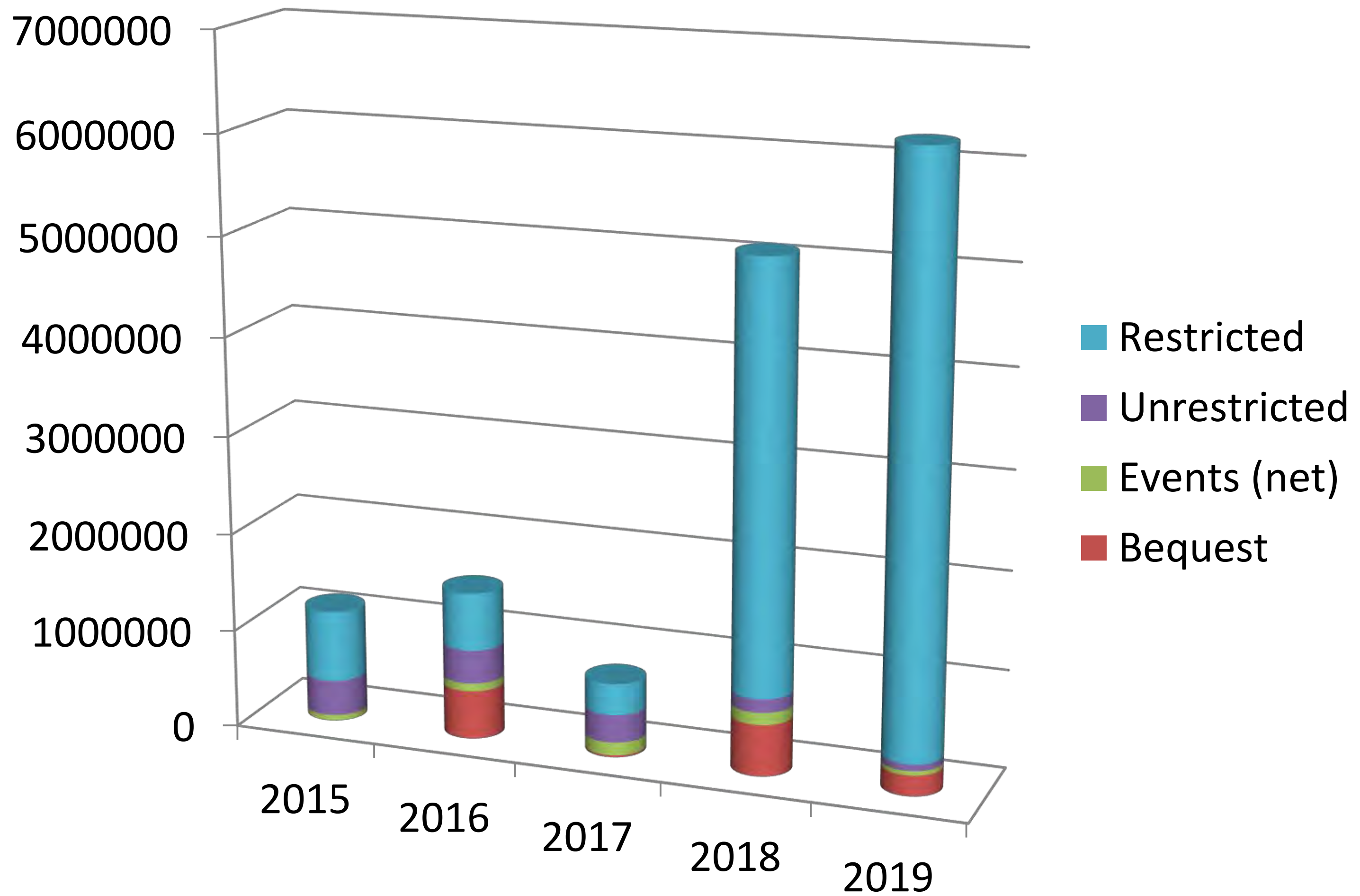
Outpatient Diagnostic Center Capital Campaign

- Campaign Timeline
  - Internal (Boards and Leadership)
  - Lead Gifts
  - Employee Gifts Division
  - Medical Staff Gifts Division
  - Community Campaign
- Progress To Date

How The Foundation Helps

- **Recently raised funds that have paid for:**
  - ODC planning, permitting, and Master Plan Design
  - Construction costs for 3D Mammo at SVH
  - 3rd floor upgrades for inpatient move
  - EHR for wound care and medical equipment for 2nd exam room
  - Patient lift system in ICU
  - Infrared camera and certification for engineering
  - Free mammograms for uninsured women
  - Continued Education for Nurses and SVH staff $24,000 in 2018
  - Small Equipment needs--freezer, surgistool
  - Brand Strategy Work for SVH
  - Completed collection of ER Campaign Pledge

SVHF Revenue



SVHF Teamwork

- Board of volunteers
- Team
- Relationship with SVH

Foundation Focus

- ODC Capital Campaign
- Major gifts/significant foundations
- Stewardship
- Legacy Giving
- Marketing and Messaging

WEALTH TRANSFER

BABY BOOMERS

THE GENERATION BORN BETWEEN 1946 AND 1964

United States
76.4 MILLION
Canada
9.6 MILLION

Boomers will inherit
$8.4 TRILLION

Boomers control 70% of all disposable income in the U.S.

US

70%

Boomers will remain the wealthiest generation until at least 2030.

Baby Boomers' financial assets will peak at nearly $26 trillion in 2029.

Over the next 15 years, Boomers will transfer nearly $24 trillion via bequest

Annual Boomer spending on health & wellness will increase from $200 MILLION to $1 TRILLION.

$200 MILLION – $1 TRILLION

AHP Association for Healthcare Philanthropy

CITATIONS

1. https://www.metlife.com
2. http://dupress.com
3. http://www.usnews.com

QUESTIONS?

To: SVHCD Board of Directors
From: Kelly Mather
Date: 10/31/19
Subject: Administrative Report

Summary

October has been a very challenging month with the public service power shut-offs. We were on generator for almost 48 hours with the first wind event. Thank goodness we only were on generator for 4 hours with the second round.

Strategic Update from FY 2020 Strategic Plan:

Strategic Priorities	Update
Exceed Community Expectations in Emergency Services	➢ We have completed the "Brand Equation" which is the first step in enhancing our brand. The 12 member internal team did an excellent job with the "Mission Minded" experts and we should have a new feel by Spring 2020. ➢ We put out a blog about how "We are always here for you" during the first PSPS. ➢ We continue the E.D. marketing campaign with positive response. ➢ UCSF is doing over 20 Neurology Tele-medicine visits per month.
Create UCSF Health Outpatient Center	➢ We have raised $18.3 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). ➢ We plan to break ground on the first phase of the ODC by December 2019. ➢ We had a great meeting with UCSF and are ready to start several new initiatives.
Become a 5 Star Hospital	➢ The In-Patient team: Hospitalists, ICU, Med/Surg, Respiratory Therapy, Physical Therapy, Pharmacy, Case Management, Dietary & EVS have come together to create a collaborative team on the 3rd floor. ➢ After attending the "Humanize Health" conference; we are meeting with a Patient Experience consultant who will help take us to the next level. ➢ CMS may be dropping this measurement.
Provide Access to Excellent Physicians	➢ Prima is going through a leadership change. We hope PCP recruitment for Sonoma becomes a priority with the new leadership. ➢ We continue to work on the plans to bring several physicians from UCSF to Sonoma. ➢ There was a lot of confusion in the community because SCAN was dropped by the Meritage Medical Network. SVH continues to be a provider for SCAN and MMN is offering a new Medicare Advantage plan with United Health Care.
Healthy Hospital	➢ The Valley of the Moon Post Acute unit completed their licensing survey. ➢ Satellite Healthcare (dialysis company) is concerned about the construction costs; we are looking at some other outpatient options for 2nd floor as well. ➢ We are re-energizing our Wellness Program for the staff this year to focus on stress management and options for movement and breaks. ➢ The Active Aging series with Vintage House was a huge success! ➢ We gave free flu shots to various vulnerable groups with partnership organizations.

SEPTEMBER 2019

Patient Experience	Current Performance	FY 2020 Goal	National Benchmark
Would Recommend Hospital	84.6%	> 70 percent	50th percentile
Inpatient Overall Rating	84.6%	>70 percent	50th percentile
Outpatient Services	4.7	4.5	3.8
Emergency Department	4.6	4.5	3.8
Quality & Safety	**YTD Performance**	**FY 2020 Goal**	**Benchmark**
Central Line Infection	0	<1	<.51
Catheter Infection	0	<1	<1.04
Surgery Site Infection – Colon	0	<1	N/A
Surgery Site Infection – Joint	0	<1.5%	N/A
MRSA Bacteremia	0	<.13	<.13
C. Difficile	0	3.5	7.4/10,000 pt days
Patient Safety Indicator	0	<1	<1
Heart Failure Mortality Rate	12.5%	13%	17.3%
Pneumonia Mortality Rate	18.1%	20%	23.6%
Stroke Mortality Rate	14.7%	15%	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	6	< 10	17
Adverse Drug Events with Harm	0	0	0
Reportable HIPAA Privacy Events	0	0	0
Case Mix Index	1.49	1.4	1.3
Hospital Star Rating	4	4	3
Staff Satisfaction	**Performance**	**FY 2020 Goal**	**Benchmark**
Staff Pulse Survey	4.17 out of 5	>3.8	75%
Turnover	3.9%	< 15%	< 20%
Financial Stability	**YTD Performance**	**FY 2020 Goal**	**Benchmark**
EBDA	18.5%	3%	3%
Paid FTE's	235	<230	n/a
Days Cash on Hand	28	20	30
Days in Accounts Receivable	44	45	50
Length of Stay	3.7	3.85	4.03
Funds raised by SVHF	$18.3 million	$21 million	$1 million
Strategic Growth	**YTD Performance**	**FY 2020 Goal**	**FY 2019**
Inpatient Discharges	219/876	900	984
Outpatient Visits	13,278/53,112	55,000	54,596
Emergency Visits	2915/11.659	10,000	10,181
Surgeries + Special Procedures	699/2796	3000	2950
Community Benefit Hours	345/1380	1000	1222

Note: Colors demonstrate comparison to National Benchmark

TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2020	Jul 2019	Aug 2019	Sep 2019	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
FY YTD Turnover	<20%	**1.7**	**2.6**	**3.9**	5.8	6.9	8.2	8.7	9.4	11.1	13.4	14.5	17.7
Leave of Absences	<12	14	13	**8**	**10**	**9**	**8**	**10**	**9**	**8**	**8**	**10**	**12**
EBDA	>3%	**56.1**	-.4	-1.1	-8.9	-1.7	-2	.7	-6.9	**3.9**	**6.8**	**6.8**	**6.1**
Operating Revenue	>3.5m	**3.7**	**3.7**	**3.6**	4.4	4.3	4.0	**5.5**	3.7	**7.8**	**5.9**	**4.8**	4.2
Expense Management	<4.5m	**4.2**	**4.2**	**4.2**	5.3	**4.8**	**4.7**	5.5	**4.5**	6.6	**4.8**	**5.0**	**4.8**
Net Income	>50k	**2.3m**	-93	36	-273	-95	-207	**806**	-277	**1722**	**1686**	**248**	15.4
Days Cash on Hand	>20	**38**	**36**	**28**	13	9.6	14.8	13	4.6	4.5	9.6	**39**	**35**
Receivable Days	<50	**42**	**42**	**44**	**44**	**45**	**44**	**43**	**43**	**44**	**38**	**37**	**43**
Accounts Payable Days	>50	**53**	40	**41**									
Accounts Payable	<$4m	**3.5m**	**2.6m**	**2.7m**									
Total Paid FTE's	<250	**226**	**226**	**235**	**298**	**288**	**281**	**280**	**277**	**275**	**267**	**266**	**255**
Inpatient Discharges	>80	72	76	**71**	**92**	**93**	**97**	83	76	87	87	86	66
Patient Days	>300	269	240	**312**									
Observation Days	>10	**11**	**19**	**17**									
Average Daily Census	>10	8.7	7.7	**10.4**									
Outpatient Revenue	>$15m	**16.1**	**15.7**	**16.4**	**15.8**	13.5	13.6	**14.8**	13.9	**15.2**	**15.4**	**16.2**	**15.1**
Surgeries	>150	**156**	**160**	143	**175**	**161**	149	**157**	**155**	**163**	**163**	**166**	**157**
Special Procedures	>75	**85**	**81**	74									
Emergency Visits	>900	**1001**	**975**	**939**	842	772	840	789	833	858	890	891	**941**
MRI	>120	**122**	**127**	**138**	119	98	118	105	107	96	**150**	**149**	**150**
Cardiology (Echos)	>85	**115**	67	74	**124**	**112**	**106**	85	**91**	**112**	**121**	**113**	**103**
Laboratory	>12	11.3	11.3	10.4	**13.7**	**12.6**	11.8	**12.7**	11.4	12.2	12.1	12.3	10.7
Radiology	>900	**1005**	**983**	**980**	**1112**	884	**906**	**987**	**1050**	**1025**	**1057**	**1044**	**908**
Rehab	>2300	1958	**2928**	2135	2688	2131	2380	**2964**	2080	2358	2536	**2539**	1967
CT	>350	**413**	**433**	**378**	**392**	331	**367**	348	**355**	**396**	**416**	**453**	**357**
Mammography	>200	**223**	**243**	**222**	**269**	**219**	**246**	180	**220**	**202**	**227**	**220**	**224**
Ultrasound	>250	**281**	**270**	**280**	**333**	233	**252**	240	225	**340**	**312**	**283**	**291**
Occupational Health	>675	**750**	**737**	530	**833**	561	452	574	535	**707**	**899**	**804**	578
Wound Care	>275	**329**	**316**	247	**293**	**266**	**288**	230	**286**	**268**	**346**	**311**	**307**

Meeting Date: **November 7, 2019**

CMO Report: **Sabrina Kidd, MD**

The major event this month was the PSPS and the Kincade fire. We were able to continue most services during this time, and have re-scheduled any that were impacted.

1. October Highlights included:
    a. We survived about 36 hours on generator power. There were no patient care concerns related to this. Two patients who needed urgent (but not emergent) surgery during this time were transferred to other facilities. We have decided that the OR will only be used for emergent operations in which no other alternative can be found while on generator power due to the numerous risks associated with this somewhat limited alternate power source.
    b. Quarterly meeting with UCSF went well. We are exploring a few new areas for collaboration including bariatrics.
    c. First quarterly meeting with Benchmark Hospitalists was productive. Overall, the program is doing well. We identified some opportunities for improvement in our length of stays for orthopedic patients.
    d. First Quarterly Report from Ensign (Valley of the Moon SNF) was completed. All metrics reported thus far were met.
    e. Ensign (Valley of the Moon) underwent their CDPH recertification during the PSPS. There were no findings concerning SVH and a plan of corrections is being submitted by Ensign.
    f. We have renewed our Cardiology Contract with MarinHealth Cardiology Associates for cardiology call coverage. This is a three-year service contract.
    g. Medical Staff meeting was held October 16. Future meeting dates for are being finalized.
2. Quality Events:
    a. No sentinel events or new items of concern in the last month.
    b. New performance incentive metrics for VEP (ED physician group) were finalized and will go into effect January 1, 2020.

To: SVH Finance Committee
From: Ken Jensen, CFO
Date: October 22, 2019
Subject: Financial Report for the Month Ending September 30, 2019

For the month of September the hospital's actual operating loss of ($586,103) was $267,114 favorable to the budgeted loss of ($853,217). After accounting for all other activity; the net income for September was $36,515 vs. the budgeted net loss of ($193,797) with a monthly EBDA of -1.1% vs. a budgeted -8.7%.

Gross patient revenue for September was $21,883,984, $2,050,848 over budget. Inpatient gross revenue was under budget by ($1,055,510). Inpatient days were over budget by 3 days and inpatient surgeries were under budget by (6) cases, and the overall acuity levels were below average. Outpatient gross revenue was over budget by $1,972,670. Outpatient visits were over budgeted expectations by 239 visits, outpatient surgeries were over budgeted expectations by 5 cases, and special procedures were over budget by 3 cases. The Emergency Room gross revenue was over budget by $1,133,688 with ER visits over budgeted expectations by 107 visits.

Deductions from revenue were unfavorable to budgeted expectations by ($1,849,067) which is due to outpatient and emergency gross revenue being over budgeted expectations and an increase in reserves due to prior month accounts.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by $202,839.

Operating Expenses of $4,222,093 were favorable to budget by $67,275. Salaries and wages and agency fees were over budget by ($44,379) due to higher than budgeted wages in Med-Surg and the Emergency room due to higher volumes. Employee benefits were on budget. Purchased Services are under budget by $34,022 due budgeted services not used in the month of September. Interest expense is under budget by $20,347 due to lower than budgeted vendor financing costs and lower than budgeted LOC interest.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for September was ($287,689) vs. a budgeted net loss of ($566,958). The hospital received $160,903 in restricted contributions from the Sonoma Valley Hospital Foundation in

September. The total net income for September after all activity was $36,515 vs. a budgeted net loss of ($193,797).

EBDA for the month of September was -1.1% vs. the budgeted -8.7%.

Patient Volumes – September

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	71	81	-10	90
Acute Patient Days	312	309	3	337
Observation Days	17	0	17	23
OP Gross Revenue	$16,433	$13,327	$3,106	$13,946
Surgical Cases	143	144	-1	182

Gross Revenue Overall Payer Mix – September

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	39.8%	41.8%	-2.0%	42.1%	41.8%	0.3%
Medicare Mgd Care	12.5%	14.1%	-1.6%	13.6%	14.1%	-0.5%
Medi-Cal	17.1%	17.7%	-0.6%	16.9%	17.6%	-0.7%
Self-Pay	2.3%	1.5%	0.8%	2.0%	1.5%	0.5%
Commercial	24.4%	20.7%	3.7%	22.2%	20.8%	1.4%
Workers Comp	2.8%	2.3%	0.5%	2.4%	2.3%	0.1%
Capitated	1.1%	1.9%	-0.8%	0.8%	1.9%	-1.1%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for September:

For the month of September the cash collection goal was $3,598,838 and the Hospital collected $3,482,668, or under the goal by ($116,170). The year-to-date cash collection goal was $11,372,854 and the Hospital has collected $10,483,014, or under goal by ($889,840). The AR Days have increased from prior month and we are currently reviewing the AR Aging report to identify aged accounts.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	28.0	36.6	-8.6	11.7
Accounts Receivable Days	44.0	42.8	1.2	43.0
Accounts Payable	$2,780,037	$2,621,829	$158,208	$3,415,072
Accounts Payable Days	41.3	39.5	1.8	41.9

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
--Attachment F is the Cash Projection

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

ATTACHMENT A

Gross Revenue:	Actual	Budget	Variance	% Variance	YTD Actual	Budget	Variance	% Variance
Medicare	8,704,423	8,285,810	418,613	5.1%	27,080,386	25,062,746	2,017,640	8.1%
Medicare Managed Care	2,735,523	2,789,743	-54,220	-1.9%	8,788,845	8,439,878	348,967	4.1%
Medi-Cal	3,727,881	3,492,397	235,484	6.7%	10,875,790	10,565,357	310,433	2.9%
Self Pay	493,223	306,577	186,646	60.9%	1,265,703	927,302	338,401	36.5%
Commercial & Other Government	5,354,326	4,122,224	1,232,102	29.9%	14,362,078	12,479,302	1,882,776	15.1%
Worker's Comp.	618,299	452,237	166,062	36.7%	1,572,562	1,372,247	200,315	14.6%
Capitated	250,309	384,148	-133,839	-34.8%	532,788	1,164,197	-631,409	-54.2%
Total	**21,883,984**	**19,833,136**	**2,050,848**		**64,478,152**	**60,011,029**	**4,467,123**	

Net Revenue:	Actual	Budget	Variance	% Variance	YTD Actual	Budget	Variance	% Variance
Medicare	945,279	1,090,149	-144,870	-13.3%	3,317,909	3,308,283	9,626	0.3%
Medicare Managed Care	340,788	331,142	9,646	2.9%	1,085,536	1,001,813	83,723	8.4%
Medi-Cal	315,509	358,669	-43,160	-12.0%	966,152	1,085,062	-118,910	-11.0%
Self Pay	281,137	155,496	125,641	80.8%	704,158	470,328	233,830	49.7%
Commercial & Other Government	1,476,684	1,244,912	231,772	18.6%	4,210,819	3,761,748	449,071	11.9%
Worker's Comp.	120,222	95,060	25,162	26.5%	328,645	288,446	40,199	13.9%
Capitated	4,581	6,991	-2,410	-34.5%	11,348	21,188	-9,840	-46.4%
Prior Period Adj/IGT	56,250	56,250	0	0.0%	169,000	595,669	-426,669	-71.6%
Total	**3,540,450**	**3,338,669**	**201,781**	**6.0%**	**10,793,567**	**10,532,537**	**261,030**	**2.5%**

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	YTD Actual	Budget	Variance	% Variance
Medicare	26.8%	32.7%	-5.9%	-18.0%	30.7%	31.4%	-0.8%	-2.5%
Medicare Managed Care	9.6%	9.9%	-0.3%	-3.0%	10.1%	9.5%	0.6%	6.3%
Medi-Cal	8.9%	10.7%	-1.8%	-16.8%	9.0%	10.3%	-1.3%	-12.6%
Self Pay	7.9%	4.7%	3.2%	68.1%	6.5%	4.5%	2.0%	44.4%
Commercial & Other Government	41.7%	37.3%	4.4%	11.8%	39.0%	35.7%	3.3%	9.2%
Worker's Comp.	3.4%	2.8%	0.6%	21.4%	3.0%	2.7%	0.3%	11.1%
Capitated	0.1%	0.2%	-0.1%	-50.0%	0.1%	0.2%	-0.1%	-50.0%
Prior Period Adj/IGT	1.6%	1.7%	-0.1%	-5.9%	1.6%	5.7%	-4.1%	-71.9%
Total	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**100.0%**	**100.0%**	**4.0%**	**4.0%**

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	YTD Actual	Budget	Variance	% Variance
Medicare	10.9%	13.2%	-2.3%	-17.4%	12.3%	13.2%	-0.9%	-6.8%
Medicare Managed Care	12.5%	11.9%	0.6%	5.0%	12.4%	11.9%	0.5%	4.2%
Medi-Cal	8.5%	10.3%	-1.8%	-17.5%	8.9%	10.3%	-1.4%	-13.6%
Self Pay	57.0%	50.7%	6.3%	12.4%	55.6%	50.7%	4.9%	9.7%
Commercial & Other Government	27.6%	30.2%	-2.6%	-8.6%	29.3%	30.1%	-0.8%	-2.7%
Worker's Comp.	19.4%	21.0%	-1.6%	-7.6%	20.9%	21.0%	-0.1%	-0.5%

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

ATTACHMENT B

	CURRENT MONTH				YEAR-TO-DATE			YTD
	Actual 09/30/19	Budget 09/30/19	Favorable (Unfavorable) Variance		Actual 09/30/19	Budget 09/30/19	Favorable (Unfavorable) Variance	Prior Year 09/30/18
				Inpatient Utilization				
				Discharges				
1	60	69	(9)	Med/Surg	183	208	(25)	230
2	11	12	(1)	ICU	36	37	(1)	26
3	71	81	(10)	Total Discharges	219	245	(26)	256
				Patient Days:				
4	229	230	(1)	Med/Surg	620	694	(74)	763
5	83	79	4	ICU	201	237	(36)	226
6	312	309	3	Total Patient Days	821	931	(110)	989
7	17	-	17	**Observation days**	47	-	47	23
				Average Length of Stay:				
8	3.8	3.3	0.5	Med/Surg	3.4	3.3	0.1	3.3
9	7.5	6.4	1.2	ICU	5.6	6.4	(0.8)	8.7
10	4.4	3.8	0.6	Avg. Length of Stay	3.7	3.8	(0.0)	3.9
				Average Daily Census:				
11	7.6	7.7	(0.0)	Med/Surg	6.7	7.5	(0.8)	8.3
12	2.8	2.6	0.1	ICU	2.2	2.6	(0.4)	2.5
13	10.4	10.3	0.1	Avg. Daily Census	8.9	10.1	(1.2)	10.8
				Other Utilization Statistics				
				Emergency Room Statistics				
14	939	832	107	Total ER Visits	2,915	2,522	393	2,525
				Outpatient Statistics:				
15	4,431	4,192	239	Total Outpatients Visits	13,278	12,731	547	12,901
16	21	27	(6)	IP Surgeries	71	80	(9)	80
17	122	117	5	OP Surgeries	388	354	34	421
18	74	71	3	Special Procedures	240	216	24	301
19	285	330	(45)	Adjusted Discharges	872	1,011	(140)	957
20	1,252	941	310	Adjusted Patient Days	3,264	2,852	412	7,740
21	41.7	31.4	10.3	Adj. Avg. Daily Census	35.5	31.0	4.5	84.1
22	1.1700	1.4000	(0.230)	Case Mix Index -Medicare	1.3581	1.4000	(0.042)	1.4579
23	1.3530	1.4000	(0.047)	Case Mix Index - All payers	1.4589	1.4000	0.059	1.4502
				Labor Statistics				
24	212	212	0	FTE's - Worked	206	211	4.1	276
25	235	237	2	FTE's - Paid	229	235	6.8	311
26	44.41	42.90	(1.51)	Average Hourly Rate	44.31	42.86	(1.45)	42.67
27	5.62	7.54	1.92	FTE / Adj. Pat Day	6.45	7.60	1.15	3.69
28	32.0	43.0	11.0	Manhours / Adj. Pat Day	36.7	43.3	6.6	21.0
29	140.7	122.5	(18.2)	Manhours / Adj. Discharge	137.6	122.1	(15.5)	170.2
30	23.5%	24.5%	1.0%	Benefits % of Salaries	23.4%	24.1%	0.7%	22.5%
				Non-Labor Statistics				
31	13.7%	15.4%	1.8%	Supply Expense % Net Revenue	13.4%	14.7%	1.3%	12.5%
32	1,710	1,577	(133)	Supply Exp. / Adj. Discharge	1,676	1,549	(127)	1,833
33	15,203	13,311	(1,892)	Total Expense / Adj. Discharge	14,878	13,282	(1,596)	16,663
				Other Indicators				
34	26.7			Days Cash - Operating Funds				
35	44.0	50.0	(6.0)	Days in Net AR	42.9	50.0	(7.1)	43.8
36	97%			Collections % of Net Revenue	92%			99.4%
37	41.3	55.0	(13.7)	Days in Accounts Payable	41.3	55.0	(13.7)	43.9
38	16.3%	17.0%	-0.7%	% Net revenue to Gross revenue	16.9%	17.7%	-0.9%	19.9%
39	17.4%			% Net AR to Gross AR	17.4%			21.7%

ATTACHMENT C

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

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 2,421,736	$ 1,291,406	$ 1,130,954
2	Cash - Money Market	1,034,199	2,533,925	957,496
3	Net Patient Receivables	6,599,234	6,728,831	8,588,498
4	Allow Uncollect Accts	(1,358,265)	(1,331,193)	(1,272,002)
5	Net A/R	5,240,969	5,397,638	7,316,496
6	Other Accts/Notes Rec	254,152	185,231	(25,625)
7	Parcel and GO Bond Tax Receivable	6,753,183	6,753,183	6,657,849
8	3rd Party Receivables, Net	1,260,665	1,213,627	981,576
9	Inventory	885,848	887,752	852,258
10	Prepaid Expenses	764,647	786,734	855,096
11	Total Current Assets	$ 18,615,399	$ 19,049,496	$ 18,726,100
12	Property,Plant & Equip, Net	$ 49,156,899	$ 49,312,029	$ 51,673,320
13	Trustee Funds - GO Bonds	2,951,154	5,177,232	2,482,503
14	Other Assets	-	-	-
15	Total Assets	$ 70,723,452	$ 73,538,757	$ 72,881,923
	Liabilities & Fund Balances			
	Current Liabilities:			
16	Accounts Payable	$ 2,780,037	$ 2,621,829	$ 3,415,072
17	Accrued Compensation	3,119,053	3,038,565	3,538,598
18	Interest Payable - GO Bonds	190,846	700,024	201,523
19	Accrued Expenses	1,489,035	1,784,345	1,303,922
20	Advances From 3rd Parties	178,436	237,426	99,490
21	Deferred Parcel & GO Bond Tax Revenue	5,178,584	5,753,983	5,139,926
22	Current Maturities-LTD	473,750	542,343	1,092,672
23	Line of Credit - Union Bank	6,098,734	6,098,734	6,723,734
24	Other Liabilities	1,386	1,386	1,951,386
25	Total Current Liabilities	$ 19,509,861	$ 20,778,635	$ 23,466,323
26	Long Term Debt, net current portion	$ 28,824,444	$ 30,419,490	$ 33,119,851
27	Fund Balances:			
28	Unrestricted	$ 15,012,291	$ 15,124,679	$ 10,752,074
29	Restricted	7,376,856	7,215,953	5,543,675
30	Total Fund Balances	$ 22,389,147	$ 22,340,632	$ 16,295,749
31	Total Liabilities & Fund Balances	$ 70,723,452	$ 73,538,757	$ 72,881,923

ATTACHMENT D

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

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual		$	%		Actual	Budget	$	%	Prior Year
					Volume Information					
1	71	81	(10)	-12%	Acute Discharges	219	245	(26)	-11%	256
2	312	309	3	1%	Patient Days	821	931	(110)	-12%	989
3	17	-	17	0%	Observation Days	47	-	47	*	13
4	16,433	13,327	3,106	23%	Gross O/P Revenue (000's)	48,264	40,431	7,832	19%	$ 45,509
					Financial Results					
					Gross Patient Revenue					
5	$ 5,450,776	$ 6,506,286	(1,055,510)	-16%	Inpatient	$ 16,213,890	$ 19,579,750	(3,365,860)	-17%	$ 24,961,544
6	9,846,559	7,873,889	1,972,670	25%	Outpatient	27,890,701	23,913,831	3,976,870	17%	26,375,448
7	6,586,649	5,452,961	1,133,688	21%	Emergency	20,373,561	16,517,448	3,856,113	23%	19,159,336
8	**$ 21,883,984**	**$ 19,833,136**	**2,050,848**	**10%**	**Total Gross Patient Revenue**	**$ 64,478,152**	**$ 60,011,029**	**4,467,123**	**7%**	**$ 70,496,328**
					Deductions from Revenue					
9	(18,149,784)	(16,377,045)	(1,772,739)	-11%	Contractual Discounts	$ (53,175,785)	$ (49,553,145)	(3,622,640)	-7%	$ (56,698,718)
10	(250,000)	(150,000)	(100,000)	-67%	Bad Debt	(650,000)	(450,000)	(200,000)	-44%	(360,000)
11	-	(23,672)	23,672	100%	Charity Care Provision	(27,800)	(71,016)	43,216	61%	(68,325)
12	56,250	56,250	-	0%	Prior Period Adj/Government Program Revenue	169,000	595,669	(426,669)	*	376,272
13	**$ (18,343,534)**	**$ (16,494,467)**	**(1,849,067)**	**11%**	**Total Deductions from Revenue**	**$ (53,684,585)**	**$ (49,478,492)**	**(4,206,093)**	**9%**	**$ (56,750,771)**
14	**$ 3,540,450**	**$ 3,338,669**	**201,781**	**6%**	**Net Patient Service Revenue**	**$ 10,793,567**	**$ 10,532,537**	**261,030**	**2%**	**$ 13,745,557**
15	$ 24,943	$ 35,682	(10,739)	-30%	Risk contract revenue	$ 75,714	$ 107,046	(31,332)	-29%	$ 282,950
16	$ 3,565,393	$ 3,374,351	191,042	6%	Net Hospital Revenue	$ 10,869,281	$ 10,639,583	229,698	2%	$ 14,028,507
17	$ 70,597	$ 58,800	11,797	**20%**	Other Op Rev & Electronic Health Records	$ 169,038	$ 176,400	(7,362)	-4%	$ 35,512
18	**$ 3,635,990**	**$ 3,433,151**	**202,839**	**6%**	**Total Operating Revenue**	**$ 11,038,319**	**$ 10,815,983**	**222,336**	**2%**	**$ 14,064,019**
					Operating Expenses					
19	$ 1,780,272	$ 1,735,893	(44,379)	-3%	Salary and Wages and Agency Fees	$ 5,312,332	$ 5,290,180	(22,152)	0%	$ 6,948,788
20	655,808	$ 653,446	(2,362)	0%	Employee Benefits	1,963,667	1,969,672	6,005	0%	2,473,235
21	$ 2,436,080	$ 2,389,339	(46,741)	-2%	Total People Cost	$ 7,275,999	$ 7,259,852	(16,147)	0%	$ 9,422,023
22	$ 426,438	$ 434,495	8,057	2%	Med and Prof Fees (excld Agency)	$ 1,291,957	$ 1,304,047	12,090	1%	$ 1,431,467
23	487,060	520,641	33,581	6%	Supplies	1,460,626	1,566,194	105,568	7%	1,754,206
24	335,850	369,872	34,022	9%	Purchased Services	984,987	1,109,952	124,965	11%	1,109,731
25	246,226	266,763	20,537	8%	Depreciation	740,092	800,289	60,197	8%	877,109
26	112,608	115,209	2,601	2%	Utilities	330,279	345,555	15,276	4%	336,877
27	37,783	39,582	1,799	5%	Insurance	118,042	118,746	704	1%	105,960
28	30,405	50,752	20,347	40%	Interest	115,211	162,113	46,902	29%	147,476
29	109,643	99,715	(9,928)	-10%	Other	317,470	299,959	(17,511)	-6%	288,379
30	-	-	-	#DIV/0!	Matching Fees (Government Programs)	0	130,086	130,086	100%	0
31	**$ 4,222,093**	**$ 4,286,368**	**64,275**	**1%**	**Operating expenses**	**$ 12,634,663**	**$ 13,096,793**	**462,130**	**4%**	**$ 15,473,228**
32	**$ (586,103)**	**$ (853,217)**	**$ 267,114**	**31%**	**Operating Margin**	**$ (1,596,344)**	**$ (2,280,810)**	**684,466**	**30%**	**$ (1,409,209)**

ATTACHMENT D

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

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual		$	%		Actual	Budget	$	%	Prior Year
					Non Operating Rev and Expense					
33	$ (3,318)	$ (18,367)	15,049	-82%	Miscellaneous Revenue/(Expenses)	$ 1,992,145	$ 1,143,749	848,396	74%	$ (28,975)
34	-	1,375	(1,375)	-100%	Donations	1,214	4,125	(2,911)	71%	818
35	(13,416)	(13,416)	-	0%	Physician Practice Support-Prima	(40,248)	(40,248)	-	0%	(166,132)
36	316,667	316,667	-	0%	Parcel Tax Assessment Rev	950,001	950,001	-	0%	950,001
37	(1,519)	0	(1,519)	0%	Extraordinary Items	(1,628)	0	(1,628)	0%	0
38	**$ 298,414**	**$ 286,259**	**13,674**	**4%**	**Total Non-Operating Rev/Exp**	**$ 2,901,484**	**$ 2,057,627**	**845,485**	**41%**	**$ 755,712**
39	**$ (287,689)**	**$ (566,958)**	**279,269**	**-49%**	**Net Income / (Loss) prior to Restricted Contributions**	**$ 1,305,140**	**$ (223,183)**	**1,529,951**	**-686%**	**$ (653,497)**
40	$ -	$ -	-	0%	Capital Campaign Contribution	$ -	$ -	-	0%	$ 29,530
41	$ 160,903	$ 209,860	(48,957)	0%	Restricted Foundation Contributions	$ 508,154	$ 629,580	(121,426)	100%	$ 622,889
42	**$ (126,786)**	**$ (357,098)**	**230,312**	**-64%**	**Net Income / (Loss) w/ Restricted Contributions**	**$ 1,813,294**	**$ 406,397**	**1,406,897**	**346%**	**$ (1,078)**
43	163,301	163,301	-	0%	GO Bond Activity, Net	484,566	484,566	-	0%	455,996
44	**$ 36,515**	**$ (193,797)**	**230,312**	**-119%**	**Net Income/(Loss) w GO Bond Activity**	**$ 2,297,860**	**$ 890,963**	**1,406,897**	**158%**	**$ 454,918**
	$ (41,463)	$ (300,195)	258,732		**EBDA - Not including Restricted Contributions**	$ 2,045,232	$ 577,106	1,468,126		$ 223,612
	-1.1%	-8.7%				18.5%	5.3%			1.6%

Sonoma Valley Health Care District
Variance Analysis
For the Period Ended September 30, 2019

ATTACHMENT E

Description	YTD Variance	MONTH Variance	
Operating Expenses			
Salary and Wages and Agency Fees	(22,152)	(44,379)	Salaries and Wages are over budget by ($47,749) and Agency fees are under budget by $3,370. Salaries and wages are over budget in Med-Surg ($25,018) and the ER ($44,605) due to higher volumes.
Employee Benefits	6,005	(2,362)	
Total People Cost	**(16,147)**	**(46,741)**	
Med and Prof Fees (excld Agency)	24,090	8,057	
Supplies	105,568	33,581	Supplies were over budget in surgery by ($19,502) due to higher OP surgery volume. This was offset by lower than budgeted costs for Pharmeceuticals $54,554 due to cost saving strategies with non-capitated high cost drugs.
Purchased Services	124,965	34,022	Purchased services are under budget due to budgeted services not used in September.
Depreciation	60,197	20,537	
Utilities	15,276	2,601	
Insurance	704	1,799	
Interest	46,902	20,347	Lower than budgeted vendor financing costs and lower than budgeted LOC interest.
Other	(17,511)	(9,928)	
Matching Fees (Government Programs)	130,086	-	
Operating expenses	**474,130**	**64,275**	
Operating Margin	**696,466**	**267,114**	

Sonoma Valley Hospital
Cash Forecast
FY 2020

ATTACHMENT F

#		Actual **July**	Actual **Aug**	Actual **Sept**	Forecast **Oct**	Forecast **Nov**	Forecast **Dec**	Forecast **Jan**	Forecast **Feb**	Forecast **Mar**	Forecast **Apr**	Forecast **May**	Forecast **Jun**	**TOTAL**
	Hospital Operating Sources													
1	Patient Payments Collected	4,267,579	3,747,119	3,783,981	3,249,302	3,500,396	3,532,439	3,751,470	3,542,450	3,900,174	3,665,360	3,802,680	3,701,357	44,444,307
2	Capitation Revenue	26,337	24,434	24,943	35,682	35,682	35,682	35,682	35,682	35,682	35,682	35,682	35,682	396,852
3	Napa State	2,565	983	6,153	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	11,231	110,781
4	Other Operating Revenue	27,168	113,630	31,381	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	701,378
5	Other Non-Operating Revenue	38,832	43,824	24,455	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,785	339,256
6	Unrestricted Contributions	12,593		755	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	25,723
7	Line of Credit													-
	Sub-Total Hospital Sources	**4,375,074**	**3,929,990**	**3,871,668**	**3,382,185**	**3,633,279**	**3,665,322**	**3,884,353**	**3,675,333**	**4,033,057**	**3,798,243**	**3,935,563**	**3,834,230**	**46,018,297**
	Hospital Uses of Cash													
8	Operating Expenses	4,751,297	5,353,928	4,260,382	4,373,786	4,129,462	4,054,955	4,138,949	3,997,057	4,178,725	4,189,515	4,510,074	4,085,675	52,023,806
9	Add Capital Lease Payments	111,366	185,165	32,638	388,473	32,640	99,640	81,640	32,640	32,640	18,990	18,990	85,990	1,120,812
10	Additional Liabilities/LOC		625,000								625,000			1,250,000
11	Capital Expenditures	435,215	73,951	160,473	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,859	2,558,379
	Total Hospital Uses	**5,297,879**	**6,238,044**	**4,453,493**	**4,972,119**	**4,371,962**	**4,364,455**	**4,430,449**	**4,239,557**	**4,421,225**	**5,043,365**	**4,738,924**	**4,381,524**	**56,952,996**
	Net Hospital Sources/Uses of Cash	**(922,805)**	**(2,308,055)**	**(581,825)**	**(1,589,934)**	**(738,683)**	**(699,133)**	**(546,096)**	**(564,224)**	**(388,168)**	**(1,245,122)**	**(803,361)**	**(547,294)**	**(10,934,699)**
	Non-Hospital Sources													
12	Restricted Cash/Money Market	(1,056,509)	725,000	1,500,000			(500,000)		500,000		530,000	(2,000,000)		(301,509)
13	Restricted Capital Donations	342,251	5,000	160,473	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,860	209,859	2,396,463
14	Parcel Tax Revenue	100,099					2,000,000		1,000,000		600,000			3,700,099
15	Other Payments - South Lot/LOC/Fire Claim	956,411		51,682										1,008,092
16	Other:													-
17	IGT										2,111,515	2,111,515		4,223,030
18	IGT - AB915								900,000					900,000
19	PRIME						750,000					75,000		825,000
	Sub-Total Non-Hospital Sources	**342,251**	**730,000**	**1,712,154**	**209,860**	**209,860**	**2,459,860**	**209,860**	**2,609,860**	**209,860**	**3,451,375**	**396,375**	**209,859**	**12,751,175**
	Non-Hospital Uses of Cash													
20	Matching Fees						375,000		780,516	780,516				1,936,032
	Sub-Total Non-Hospital Uses of Cash	-	-	-	-	-	375,000	-	780,516	780,516	-	-	-	1,936,032
	Net Non-Hospital Sources/Uses of Cash	**342,251**	**730,000**	**1,712,154**	**209,860**	**209,860**	**2,084,860**	**209,860**	**1,829,344**	**(570,656)**	**3,451,375**	**396,375**	**209,859**	**10,815,143**
	Net Sources/Uses	**(580,553)**	**(1,578,055)**	**1,130,329**	**(1,380,074)**	**(528,823)**	**1,385,727**	**(336,236)**	**1,265,120**	**(958,824)**	**2,206,253**	**(406,986)**	**(337,435)**	
	Cash and Equivalents at beginning of period	**3,450,014**	2,869,461	1,291,406	2,421,736	1,041,662	512,839	1,898,566	1,562,330	2,827,450	1,868,626	4,074,879	3,667,893	
	Cash and Equivalents at end of period	**2,869,461**	**1,291,406**	**2,421,736**	**1,041,662**	**512,839**	**1,898,566**	**1,562,330**	**2,827,450**	**1,868,626**	**4,074,879**	**3,667,893**	**3,330,458**	