

# Vision 2025

Sonoma Valley Hospital

Five-Year Strategic Plan 2020-2025





# Introduction

Sonoma Valley Hospital has undergone a period of reinvention, moving from an independent, traditional small community hospital model toward a more sustainable role as a regional center for healthcare. This was necessary to respond to the new realities in healthcare, one of which is that fewer patients stay overnight in a hospital, and that most healthcare today is provided on an outpatient basis. And increasingly, healthcare is delivered through telemedicine and in the home.

The fundamental shift in how healthcare is delivered, while maintaining the essential emergency and physician services our community expects, delivered with care and compassion, is what drives this strategic plan.

## Regional Healthcare Center Vision

Our vision is to become an outstanding regional center for healthcare. We must look beyond our immediate market to survive, first because the Sonoma Valley is a small market and, second, because competition in the form of large healthcare systems continues to gain market share in our service area. Our affiliation with UCSF Health and participation in Canopy Health, a leading Bay Area network of physicians and other providers, are two important steps to help address these challenges. Our growing relationship with UCSF Health is a cornerstone of our vision for the future.

This strategic plan calls for a broader vision. We must envision a new role for our hospital if it is to be financially viable. Fortunately, some changes in healthcare that are disrupting the

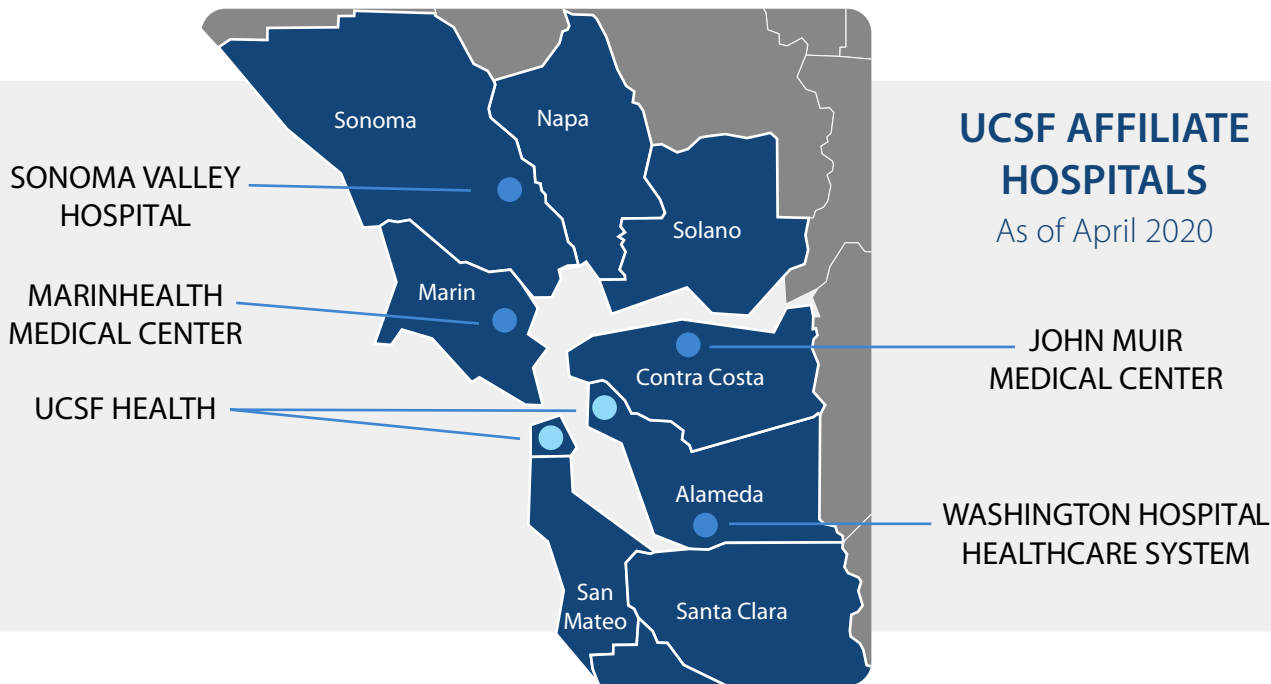


traditional hospital model also provide growth opportunities, especially for small, nimble and creative hospitals like ours. In responding quickly, we stay ahead of the rapid change.

Our new vision emphasizes affiliation with a large provider, continued emphasis on quality service, and increased access and partnership in outpatient services, while maintaining a focus on providing excellent, convenient emergency services.

This plan identifies the strategic initiatives that, over the next five years, will strengthen the hospital financially, improve us competitively, and enable us to better serve our community. We have moved from a three-year rolling plan to a five-year plan to align ourselves with UCSF Health’s five-year strategic plan.

*At Sonoma Valley Hospital, we believe no one should have to choose between excellent care and the comfort of their own community. Every day, Sonoma Valley residents come to us on their healthcare journey, whether urgent or planned, and receive outstanding care close to home. Because we are all neighbors, and the Valley thrives when we are each at our best.*



# Situation Analysis

While there are many factors driving our thinking on how to best prepare SVH for the future, the following are some of the more influential we must address.

**Community Served** – The service area for the Healthcare District is the Sonoma Valley from Glen Ellen to Schellville, with the primary zip code of 95476 and including the city of Sonoma. This market area is small with a population of around 43,000. Of this, nearly 25 percent are age 65 and older, a group largely dependent on Medicare. We also serve a large and growing Latino population. SVH is a major employer in Sonoma Valley and has a significant impact on the local economy.



**Emergency Care** – Emergency care remains the foundation of our community mission. Since opening the new Emergency Department in 2014, use has grown although it has settled lately at around 10,000 visits per year. In 2019, the hospital received Acute Stroke Ready certification for the stroke program. We not only provide Emergency care, we

are a major resource for any emergency affecting our community.

**Quality and Patient Experience** – Our quality of care is very high, as is our patient satisfaction. As a Medicare 4 Star hospital, SVH provides excellent and efficient care with compassion. The UCSF affiliation has elevated awareness among local and regional residents of the high quality healthcare options here in Sonoma which are more efficient, accessible and convenient than driving into San Francisco for care. There are several factors that create patient loyalty, but the most important is experience with staff and physicians. SVH ranks above the national average in patient satisfaction and has set a goal of being in the top 25th percentile. Our differentiator is that we treat patients like family.

**Payer Mix** – We continue to experience a growing dependence on lower-paying Medicare and Medi-Cal reimbursements which do not cover the cost of service. These two government payers now represent at least 75 percent of hospital gross revenue. Learning to live on these levels of payment is essential to our survival. The commercial payer mix has remained steady over the last couple of years at 20 percent or less.

SVH Changing Payer Mix*		
Growing Dependence on Government Payments		
2019		2013
57%	Medicare	53%
18%	Medi-Cal	14%
75%	Government Total	67%
20%	Commercial	26%
2%	Worker's Comp	3%
3%	Other	4%

\*Percentage of gross revenues

**Financial Stability** – Like most hospitals, outpatient volume at SVH has grown. The emphasis on outpatient care brings several challenges, such as increased competition and pressure on prices. There are several services that produce positive direct margins: Surgery, Radiology, Cardiology, Laboratory, Outpatient Rehabilitation, Wound Care and Special Procedures. SVH continues to respond to the financial challenges of running a small hospital by controlling expenses, but operates in an especially costly region. The major financial challenge is cash on hand. The hospital relies on a parcel tax to maintain Emergency Services.

**Competition** – SVH is one of the smaller hospitals in our region and we face competition from several large and growing competitors. This includes Kaiser and several hospital systems, including Sutter Health and St. Joseph's/Providence. Kaiser is our biggest competition and controls nearly half of our marketplace. Kaiser patients can and do use the SVH Emergency Department, and Kaiser represents 46 percent of our ED revenue. Most Kaiser emergency patients needing acute care are treated and, if they require inpatient care, quickly transferred from SVH to a Kaiser facility. Other potential threats include free-standing urgent care or imaging centers, healthcare services in supermarket pharmacies, and the many disrupters that are entering the healthcare market with home and telemedicine services.

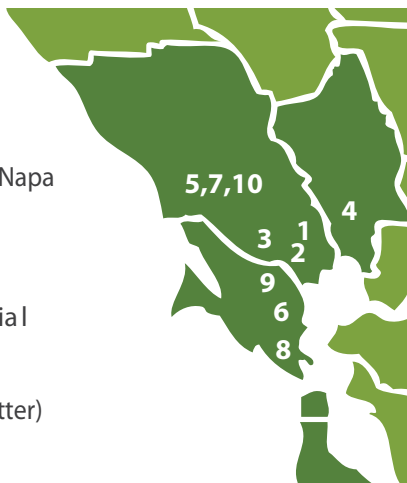
**Services Realignment** – As mentioned earlier, all hospitals are experiencing a decrease in inpatient care. We have responded to this decrease by consolidating inpatient services on our third floor and reducing the licensed acute care beds to 24 from 48 in 2019. Inpatient care is primarily a result of Emergency visits as very few surgeries now require an admission. We outsourced the Skilled Nursing Facility management and operations, but this service remains on our license. We continue to develop new opportunities and grow outpatient care, including Surgery, Special Procedures, Imaging, Outpatient Rehabilitation and Wound Care. We are considering several partnerships with other organizations and physicians that can provide needed community services at the hospital, but are not managed by SVH. For example, the second floor of the west wing will ideally have a new GI Suite and we are exploring offering Dialysis services with a partner.

**Technology, Physical Plant and Equipment Cost** – SVH continues to invest in improved technology and equipment and yet has added very little debt over the years. The hospital has successfully relied on philanthropy for replacement of major equipment. The most important and most costly imaging equipment will be replaced by 2021. Information System costs continue to rise and it has been challenging for SVH to meet this never-ending need. The physical plant is well maintained and most of the infrastructure has been improved. A ten-year master facility plan has been completed. However, the state-mandated seismic requirements for 2030 remain future challenges.

**Physician Access** – That so many physicians and specialists are available in this small market is largely due to the efforts and presence of the hospital. The hospital brings in specialists, providing many with office timeshare access, and maintains our primary care base which has served the community well. The UCSF Health vision for 2025 includes aligning with physicians in the North Bay and offering their physician specialty services in communities like ours to be closer to where the patients live and work.

## Regional Competition

1. Sonoma Valley
2. Kaiser Petaluma
3. Petaluma Valley
4. Queen of the Valley Napa
5. Kaiser Santa Rosa
6. Kaiser San Rafael
7. Santa Rosa Memorial
8. MarinHealth
9. Novato Hospital (Sutter)
10. Sutter Santa Rosa



**Consumerism** – As patients become more knowledgeable in purchasing and using the services they receive, they expect healthcare to be more transparent, efficient and cost-effective. Consumers keep raising the bar as they demand more convenient access to high-quality care outside the hospital setting. SVH continues to improve patient access and efficiency and is partnering with physicians to provide more telemedicine services.

**Community Health** – SVH provides equitable health access for all populations, including the most vulnerable. Our commitment to creating a healthy Sonoma Valley is reflected in the many health and wellness services that are provided without cost to our community, often with local partners, and in the hundreds of hours that hospital staff volunteers each year to support health events and local nonprofits.

# Core Strategic Initiatives

SVH has identified four core strategic initiatives that will help to realize our vision for 2025.

## 1. Create UCSF Health Outpatient Center

We will use our accessibility and efficiency to create a seamless patient experience with our partner, UCSF Health, and be recognized as their outpatient center in our region.

## 2. Exceed Community Expectations, Especially in Emergency Services

Our Emergency Department is our core service to the community and we will continue to provide a place where people receive excellent care. We are trusted to provide the necessary emergency services our community expects.

## 3. Become a 5 Star Hospital

As a CMS 4 Star hospital, we are already among the top hospitals nationally for quality and safety. We are committed to continued improvement to earn the highest ranking and become a 5 Star hospital, emphasizing our core values and the human experience.

## 4. Provide Access to Excellent Physicians

SVH will continue to ensure our community has access to physicians locally and continue to bring specialists to the community so residents have access to the care they need close to home, including offering UCSF Health specialty services to the region.



# Vision 2025 – Becoming An Outstanding Regional Center For Healthcare

Following are initiatives either under way or in the planning stages that support the core strategic initiatives and will help us realize our vision of Becoming An Outstanding Regional Center For Healthcare that provides compassionate, high quality care for our community.

**UCSF Health Affiliation** – The relationship will continue to grow over the next five years as we become a more integrated part of UCSF's Bay Area network and jointly develop strategies that will offer convenient, more efficient and lower cost access to healthcare for our patients. Several UCSF Health physicians will provide services here through telemedicine or a satellite clinic in the hospital. We will be seen as an extension of UCSF Health and this will draw patients to Sonoma Valley from throughout the North Bay.

**Outpatient Diagnostic Center** – This facility will bring 21st century diagnostic services to Sonoma Valley and serve as a diagnostic center for UCSF Health patients throughout the North Bay. It will create operational efficiencies, increase revenue and meet the needs of our community and region for years to come. Beginning in 2020, we will have the best diagnostic imaging technology in the North Bay at an accessible, convenient and desirable location.

**Emergency Services** – We offer excellent, compassionate emergency services which we continue to improve, such as by earning Acute Stroke Ready Certification to improve care for stroke patients and providing access to UCSF Health physicians. We will continue to reduce wait times and improve the patient experience, understanding how vital the hospital is to the health of our community in providing excellent care, saving lives and being prepared to help with natural disasters.



Outpatient Diagnostic Center – CT Scan Room



**High Quality, Safe Care** – We continue to implement hospital-wide initiatives to improve quality and safety of care. Several new initiatives are under way within the hospital to position us to achieve 5 Star status with the Centers for Medicare and Medicaid Services. The Inpatient Services team has always led the “Culture of Safety” and is now implementing the “Human Experience” platform to increase patient satisfaction.

**Centralized Patient Access** – We are creating a centralized patient access center that manages patients across the continuum of care using streamlined, cohesive, consistent technology and efficient workflow processes. This leads to improved patient satisfaction, reduced wait times, improved collaboration with stakeholders and physicians, and enhanced productivity.

**Master Facility Planning** – We have met the 2020 seismic standards for safety set by the California legislature which require that hospitals be able to remain standing in the event of a major earthquake, ensuring patient, employee and visitor safety, and our Emergency and Surgery Departments have met the 2030 requirements. We will continue to monitor the 2030 seismic legislation and make decisions about the future of the facility by 2022.

**Community Engagement** – While the community supports SVH, there is still a need to invite the community in and broaden the coalition to increase understanding of the importance of the hospital. We will work with brand experts to improve the top-of-mind reputation of the hospital and increase community support. Looking to the future, we will work to renew the parcel tax to help maintain vital emergency services.

**Employee Engagement** – Our core values create a healthy hospital and a healthy work environment. We will continue to recruit, competitively compensate

and maintain excellent staff. The values of Compassion, Respect, Excellence, Accountability, Teamwork, Innovation, Nurturing and Guidance (CREATING) are highly emphasized and embraced by all staff and leaders. SVH is considered the compassionate heart for Sonoma Valley. As the hospital continues to change with the times, we will honor and support our staff and ensure they are recognized for their service and commitment.

**Physician Services** – Our physicians are key to our future and success. We will continue to ensure we have enough primary care physicians for our community and, as community needs for specialists arise, we will lead the recruitment and help maintain these physicians in our community, including offering timeshare office space. As digital care and telehealth gain in popularity, we will work with our physicians and the Sonoma Valley Community Health Center to improve access to excellent care and meet community demand.

**Canopy Health** – We will work to grow together with this dynamic Bay Area-wide health network which serves as an alternative for patients and employers to Kaiser and other large local healthcare systems. We are one of 18 hospitals in this system, which includes nearly 5,000 physicians, specialists, and other healthcare providers

**Community Health** – We will continue to be the healthcare resource for Sonoma Valley. We work individually and with community partners to support and guide the health and wellness journey of community members through population health initiatives to restore, maintain and improve the health of our community. As a not-for-profit organization, we offer no-cost health education because we are all neighbors and we understand that the Valley thrives when we are each at our best.

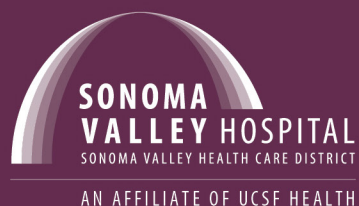
# Sonoma Valley Hospital

## OUR MISSION:

To restore, maintain and improve the health of everyone in our community.

## OUR VISION:

A trusted resource in providing exceptional, compassionate healthcare.



SONOMA VALLEY HOSPITAL  
347 ANDRIEUX STREET • SONOMA, CA 95476  
SONOMAVALLEYHOSPITAL.ORG • 707.935.5000  