



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS**

AGENDA

THURSDAY, SEPTEMBER 3, 2020

REGULAR SESSION 6:00 P.M.

HELD VIA ZOOM VIDEOCONFERENCE ONLY

**To participate via Zoom videoconferencing
use the link below:**

<https://sonomavalleyhospital-org.zoom.us/j/91274454545?pwd=TIN0TWJPCfIBTRXaUtzZIM1Skw5UT09>

and enter the Meeting ID: 912 7445 4545, Passcode: 910058

**To participate via telephone only,
dial: 1-669 900 9128 or 1-669 219 2599**

and enter the Meeting ID 912 7445 4545 Passcode: 910058

<p>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 at least 48 hours prior to the meeting.</p>	RECOMMENDATION		
AGENDA ITEM			
<p>MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p>1. CALL TO ORDER</p>	<i>Hirsch</i>		
<p>2. BOARD CHAIR COMMENT</p>	<i>Hirsch</i>		
<p>3. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>	<i>Hirsch</i>		
<p>4. CONSENT CALENDAR a. Board Minutes 08.06.20 b. Quality Committee Minutes 07.22.20 c. Finance Committee Minutes 07.28.20 d. Quality Committee Charter e. Policies and Procedures f. Medical Staff Credentialing</p>	<i>Hirsch</i>	Action	Pages 3-6 Pages 7-8 Pages 9-12 Pages 13-17 Page 18
<p>5. MARKETING AND STRATEGY UPDATE</p>	<i>Kruse de la Rosa</i>	Inform	Pages 19-44
<p>6. SONOMA VALLEY HOSPITAL FOUNDATION ANNUAL REPORT</p>	<i>Pier</i>	Inform	Pages 45-57

7. CEO SEARCH FIRM RECOMMENDATION	<i>Rymer</i>	Inform/ Action	
8. RESOLUTION NO. 352 SETTING THE GO BOND TAX RATE FOR THE 2020-2021 FISCAL YEAR	<i>Jensen</i>	Inform/ Action	Pages 58-62
9. OUTPATIENT DIAGNOSTIC CENTER TEMPORARY CASH SHORTFALL RECOMMENDATION	<i>Jensen</i>	Inform/ Action	Page 63
10. CMO REPORT	<i>Kidd</i>	Inform	Pages 64-65
11. ADMINISTRATIVE REPORT FOR SEPTEMBER	<i>Mather</i>	Inform	Pages 66-68
12. FINANCIALS FOR THE MONTH ENDED JULY 31, 2020	<i>Jensen</i>	Inform	Pages 69-77
13. BOARD COMMENTS <ul style="list-style-type: none"> • Legislative Letter in Support of SB 758 • Legislative Letter Opposing SB 977 	<i>Hirsch</i>	Inform	Pages 78-79 Pages 80-81
14. ADJOURN	<i>Hirsch</i>		

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



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS' MEETING**

MINUTES

THURSDAY, AUGUST 6, 2020

HELD VIA ZOOM VIDEOCONFERENCE

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Hirsch</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Hirsch</i>	
None		
3. CLOSED SESSION <ul style="list-style-type: none"> • <u>Calif. Government Code & Health and Safety Code §54956.9(d)(1)</u>: Discussion on Existing Litigation (case name unspecified due to patient confidentiality) • <u>Calif. Government Code & Health and Safety Code §54956.9(d)(4)</u>: Discussion on Anticipated Litigation (claim initiated - one claim) • <u>Calif. Government Code & Health and Safety Code §54956.9(d)(2)</u>: Discussion on Anticipated Litigation (significant exposure – one claim) 	<i>Board</i>	
4. REPORT ON CLOSED SESSION	<i>Hirsch</i>	
Discussion and review of three potential litigation cases. The session was informational only; no decisions were made.		
5. REPORT ON CLOSED SESSION OF JULY 15, 2020	<i>Hirsch</i>	
The closed session of July 15, 2020, was further discussion regarding the UCSF integration. No decisions have been made, but we are making progress.		
6. BOARD CHAIR COMMENT	<i>Hirsch</i>	
On behalf of the Board Ms. Hirsch congratulated Ms. Mather on her new role and her success at SVH over the past 10 years. Her energy, knowledge, and enthusiasm will be missed. Ms. Hirsch also acknowledged the leadership team Ms. Mather has put together.		
7. PUBLIC COMMENT	<i>Hirsch</i>	
None		
8. CONSENT CALENDAR <ol style="list-style-type: none"> 1. Board Minutes 07.02.20 2. Finance Committee Minutes 06.23.20 3. Quality Committee Minutes 06.24.20 4. Medical Staff Credentialing 	<i>Hirsch</i>	Action

		MOTION: by Rymer to approve, 2 nd by Mainardi. All in favor.
9. APPROVAL OF OUTPATIENT DIAGNOSTIC CENTER PROJECT #3 - MRI	<i>Mather/ Peluso</i>	Action
<p>The capital campaign for the Outpatient Diagnostic Center has been completed for \$21 million.</p> <p>Mr. Peluso reported that Projects 0, 2 and 4 have been closed out. He gave an update of the CT project scope. The CT is expected to go live in October and is projected to cost \$9.3 million. He then reviewed the MRI project. In June there was little subcontractor participation; the bid will be sent out again in August and he hoped for more participation (competitive bidding affecting the cost of the Project). Construction is expected to start in the fall. Board action is recommended to approve the MRI budget at \$9.3 million. Previously the Board approved \$1.6 million, and \$740,000 has been spent to date.</p>		MOTION: by Hirsch to approve, 2 nd by Rymer. All in favor.
10. APPROVAL OF FOUNDATION GUARANTEE	<i>Jensen</i>	Inform/Action
This item was removed from the agenda as it is no longer needed.		No action.
11. APPROVAL OF UNISON ENERGY AGREEMENT FOR ALTERNATIVE POWER	<i>Jensen</i>	Inform/Action
<p>Mr. Jensen said the Hospital had looked at a lot of different energy solutions over the years. Unison would generate electricity on site using natural gas. Their proposal has been reviewed by the Finance Committee, and the agreement has been reviewed by legal counsel. There is a 20 year lease. Some parts of the Hospital do not currently have backup when the generator goes out. This should save us approximately \$110,000 per year going forward. The Finance Committee also recommended a cap of 2.5% escalation per year.</p> <p>Mr. Gatenian indicated the agreement would supply electricity 24/7 using a 360 kilowatt generator. Any extra power needed would be pulled from PG&E, but this should reduce peak draws which are very expensive. SVH has a contract with a natural gas provider which is renegotiated annually. This will also help the Hospital deal with loss of air conditioning in patient rooms in the west wing.</p>		MOTION: by Boerum to approve, 2 nd by Mainardi. All in favor
12. AMENDMENT #4 TO CEO EMPLOYMENT CONTRACT	<i>Hirsch</i>	Action
Ms. Hirsch reviewed the amendment changes.		MOTION: by Boerum to approve, 2 nd by Rymer. All in favor.
13. CEO SEARCH COMMITTEE	<i>Hirsch</i>	Action
The Board letter for this item recommends a slate of individuals to serve on the Search Committee.		MOTION: by Mainardi to approve, 2 nd by Rymer. All in favor.
14. SELECTION OF SEARCH FIRM FOR CEO REPLACEMENT	<i>Hirsch</i>	Inform

<p>A Request for Proposal went out and proposals have been received from several search firms (Spencer Stuart, Korn Ferry, Heidrick & Struggles, Witt Kiefer, Rokos Group, and Some & Associates). The Search Committee will select and interview two or three firms in August and make a final recommendation to the Board. There may be a special meeting in August.</p>		
<p>15. CMO REPORT</p>	<p><i>Kidd</i></p>	<p>Inform</p>
<p>Dr. Kidd gave an update on COVID-19 and the spike seen in July, with Sonoma being a part of that. Deaths are still climbing, and there is a steady trickle of patients. All service lines are open at present, with surgeries at 75% of normal volumes. Inpatient census remains at high normal. A virtual townhall on COVID-19 was held for employees on July 21, and then a second for the community on July 30 with positive feedback. Another virtual townhall is planned in connection with Vintage House in September, and there will be more as need arises. There is a shortage of testing supplies which cannot keep up with cases. Antibody testing is available now in house. We expect in house PCR testing to be available in August.</p> <p>The Hospital continues to work on a solution to GI services. New IV pumps and four additional negative pressure rooms have been added to the Med-Surg unit.</p>		
<p>16. ADMINISTRATIVE REPORT FOR AUGUST</p>	<p><i>Mather</i></p>	<p>Inform</p>
<p>Ms. Mather thanked the Board for the opportunity to be at SVH. Because the Hospital made major changes in 2019, it is in a much better situation to handle the COVID-19 pandemic. SVH had the best year financially it has ever had. A new director of Emergency Services starts in September. Two primary care practitioner candidates are interested in coming to Sonoma next summer. She thanked the Incident Command Center team, especially Dawn Kuwahara, for the COVID-19 response since February.</p> <p>Mr. Rymer asked for a presentation on the Human Experience plan.</p>		
<p>17. FINANCIALS FOR THE MONTH ENDED JUNE 30, 2020</p>	<p><i>Jensen</i></p>	<p>Inform</p>
<p>Mr. Jensen reviewed the fiscal year which ended with a net income of \$9.4 million vs. budget of \$4.9 million. Accounts payable at year end were \$2.8 million vs. \$4.2 million for the previous fiscal year. Total cash was \$11 million vs. \$5.6 million for the previous fiscal year.</p> <p>He then reviewed patient volumes and the payer mix for June 2020. Cash collections of \$2.5 million were over goal by \$917,597 for the month of June and under goal by (\$776,552) year to date. Days' cash were 81, A/R days were 49.1, A/P were \$2.8 million, and A/P days were 40.7 for the month of June. Gross revenue for the month at \$19.7 million was \$2.5 million short of budget. Total operating revenue was \$3.4 million for the month and \$48 million for the year. Operating expenses were \$4.5 million for the month and \$54.2 million for the year. The operating margin was tracking well until COVID-19 hit around March 15th and was under budget for both the month and the year. Miscellaneous revenue of \$7.6 million year to date included the sale of the south lot and \$5.4 million in CARES funding. Net income for the month was (\$190,227) or (\$298,724) below budget, and EBDA</p>		

was (8.9%) on a budget of 0.1%. Mr. Jensen briefly reviewed the line of credit which has a \$5 million balance.		
18. BOARD COMMENTS <ul style="list-style-type: none"> • Legislative Letter in Support of SB 758 • Legislative Letter Opposing SB 977 	<i>Hirsch</i>	Inform
<p>Ms. Hirsch briefly reviewed both legislative letters.</p> <p>Dr. Mainardi reported that he and Mr. Boerum met regarding CEO performance for the year. The bonus consideration was tabled due to Ms. Mather’s upcoming departure, but evaluations would be sent out this coming week.</p>		
13. ADJOURN	<i>Hirsch</i>	
Adjourned 7:18 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
July 22, 2020 5:00 PM**

MINUTES

Via Zoom Teleconference

Members Present	Members Present cont.	Excused	Public/Staff
Jane Hirsch via Zoom Susan Idell via Zoom Ingrid Sheets via Zoom Cathy Webber (late via Zoom)	Howard Eisenstark, MD via Zoom Michael Mainardi, MD via Zoom Carol Snyder via Zoom		Sabrina Kidd, MD, CMO, via Zoom Danielle Jones, RN, Chief Quality Officer via Zoom Mark Kobe, Chief Nursing Officer via Zoom Dr. Judith Bjorndahl via Zoom

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>	
	Called to order at 5:01 p.m.	
2. PUBLIC COMMENT	<i>Hirsch</i>	
	None	
3. CONSENT CALENDAR	<i>Hirsch</i>	Action
<ul style="list-style-type: none"> QC Minutes, 06.24.20 		MOTION: by Eisenstark to approve, 2 nd by Idell. All in favor.
4. SVH QUALITY INDICATOR PERFORMANCE AND PLAN	<i>Jones</i>	Inform
	Ms. Jones reviewed quality indicator performance for the month of June.	
5. UTILIZATION MANAGEMENT	<i>Jones</i>	Inform
	Ms. Jones reviewed utilization management metrics for the month of June.	
6. PATIENT CARE SERVICES DASHBOARD	<i>Kobe</i>	Inform
	Mr. Kobe reported second quarter metrics on the patient care services dashboard. He then discussed transfers to UCSF for a variety of services, averaging 4-5 patients per	

AGENDA ITEM	DISCUSSION	ACTION
	month, with only 0-1 per month for cardiovascular issues or stroke. Transfer time is normally within 45 minutes.	
7. COVID-19 UPDATE	<i>Kidd</i>	Inform
	A townhall presentation on COVID-19 was held July 21 st for SVH employees. Another will be presented for the community on July 30 th . Numbers are on the rise nationally, statewide, and locally. Hospitalizations are at record highs. SVH is still seeing rising costs and scarcity of personal protective equipment. Remdesivir is available on a limited basis (the Hospital did receive treatments for two different patients). SVH is also participating in a convalescent plasma study through the Mayo Clinic. The mini-Incident Command Center is still in place. Surgeries have been at 75% of normal overall, but slightly up and down.	
7. CLOSED SESSION	<i>Hirsch</i>	
<ul style="list-style-type: none"> a. <u>Calif. Health & Safety Code § 32155</u> Medical Staff Credentialing & Peer Review Report b. <u>Government Code §54956.9(d)(2)</u>: Discussion Regarding Two Incidents of Significant Exposure to Litigation 	Called to order at 5:56 pm.	
8. REPORT OF CLOSED SESSION	<i>Hirsch</i>	
	Medical Staff credentialing was reviewed.	MOTION: by Mainardi to approve credentialing, 2 nd by Eisenstark, all in favor.
9. ADJOURN	<i>Hirsch</i>	
	6:03 pm	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES**

**TUESDAY, JULY 28, 2019
Via Zoom Teleconference**

Present		Staff	Public	
Sharon Nevins via Zoom Joshua Rymer via Zoom Peter Hohorst via Zoom	Art Grandy via Zoom Bruce Flynn via Zoom Susan Porth via Zoom	Kelly Mather, CEO via Zoom Ken Jensen, CFO, via Zoom Sarah Dungan, Controller, via Zoom Dawn Kuwahara, via Zoom	Luis Sarmiento, Vertran Assoc., via Zoom	
AGENDA ITEM	DISCUSSION		ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>			
	Called to order at 5:12 pm			
2. PUBLIC COMMENT SECTION	<i>Nevins</i>			
	None			
3. CONSENT CALENDAR	<i>Nevins</i>			
	The minutes of 06.23.20 were reviewed.		MOTION: by Flynn to approve, 2 nd by Grandy. Vote taken by roll call with 5 ayes. All in favor.	
4. OUTPATIENT DIAGNOSTIC CENTER UPDATE	<i>Mather/Sarmiento</i>			
	Ms. Mather and Mr. Sarmiento gave a brief report on the Outpatient Diagnostic Center. The CT project is now expected to go live in October. Both the new and old CTs will need to be run simultaneously until approval is granted by CDPH.			
5. APPROVAL OF OUTPATIENT DIAGNOSTIC CENTER PROJECT #3 - MRI	<i>Mather</i>			

	<p>Regarding the MRI project, draft costs were higher than budgeted, partially due to a scarcity of bidders and partially due to redesign requests by OSHPD. The MRI project is expected to be completed in summer 2021.</p> <p>Ms. Mather asked the Committee to support the full cost of the MRI project. This project request is \$9.3 million, with contingency at \$913,000, and will go to the Board in August. \$750,000 was removed from building four cardiology rooms (which will not be done at this time) and added to MRI contingency instead.</p>	<p>The Committee voted to support the MRI Project moving forward to the Board. Vote taken by roll call with 6 ayes. All in favor.</p>	
6. FOUNDATION GUARANTEE	<i>Jensen</i>		
	<p>Modify we are responsible for paying the money back if they need to pay operational expenses.</p>		
7. APPROVAL OF UNISON ENERGY AGREEMENT FOR ALTERNATIVE POWER	<i>Jensen</i>		
	<p>Mr. Jensen reported on the changes to the agreement and review by the Hospital's attorneys. After some discussion the Committee agreed to a cap of 2.5% escalation per year and a 20-year agreement.</p>	<p>The Committee recommended that the Agreement move forward to the Board with changes.</p>	
8. ADMINISTRATIVE REPORT JULY 2020	<i>Mather</i>		
	<p>Ms. Mather reported that the Hospital had increased its COVID testing and should have onsite testing available by the end of August. All symptomatic patients, all with MD orders, all ER patients, and any staff as needed are being tested. The Hospital is also moving forward with the new brand strategy.</p>		
9. FINANCIAL REPORT MONTH ENDED JUNE 30, 2020	<i>Jensen</i>		

	<p>Mr. Jensen reviewed the payer mix for the month of June 2020. Cash collections for June were over goal by \$917,597; year-to-date collections were under goal by \$776,552. Days' cash were 81, A/R days were 49.1, A/P were \$2.8 million, and A/P days were 40.7. Total operating revenue for June was \$3.4 million or (\$418,394) under budget. Operating expenses were \$4.5 million or (\$137,984) over budget primarily due to employee benefits. The operating margin was (\$1.1 million) or (\$556,378) over budget. Net income for the month was (\$190,227) or (\$298,724) below budget. EBDA was (8.9%) vs. budget of 0.1%.</p> <p>He also reviewed the cash forecast and said he saw no need at this time to draw on the parcel tax.</p>		
10. REVIEW PRE-AUDITED FY 2020 FINANCIAL REPORT	<i>Jensen</i>		
	<p>For the fiscal year ended June 30, 2020, total operating revenue was \$48 million or (\$2 million) below budget. Operating expenses were nearly on budget at \$54.2 million, and the operating margin was (\$6.1 million) or (\$2 million) under budget. After all activity, net income for the year was \$9.4 million or \$4.5 million over budget.</p> <p>Mr. Jensen indicated the Hospital is subject to an audit or certification that losses were incurred during COVID-19 approximating the \$5.6 million CARES funding received, and there will be a note in the financial statements to that effect.</p>		
11. REVIEW 4TH QUARTER CAPITAL SPENDING	<i>Jensen</i>		
	Ms. Dungan reviewed the 4 th quarter capital spending report.		
12. REVIEW OF HOW RATES ARE NEGOTIATED	<i>Jensen</i>		
	Mr. Jensen said the SVH has little leverage in setting rates because it is so small. Most commercial contracts have a 6% aggregate price increase.		

	Outpatient charges have been increased more than inpatient. The Hospital has different rates for outpatients vs. inpatients and tries to keep within the 75 th percentile of market. SVH tries not to go below 40% reimbursement; however, with Medicare and Medi-Cal we can go down to 23%.		
13. 7. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 6:29 p.m.		



SUBJECT: Charter

POLICY: QA8610-108

DEPARTMENT: ORGANIZATIONAL

PAGE 0

EFFECTIVE:

REVISED:

NEW POLICY

OWNER:

Chief Quality Officer

AUTHORS/REVIEWERS:

Danielle Jones, MSN, BSN, RN, HACCP, Chief Quality Officer

APPROVALS:

Policy & Procedure Team:

Board Quality Committee:

The Board of Directors:

DRAFT



SUBJECT: Charter

POLICY: QA8610-108

DEPARTMENT: ORGANIZATIONAL

PAGE 1

EFFECTIVE:

REVISED:

PURPOSE:

The Board Quality Committee is responsible for guiding and assisting the Executive Leaders, Medical Staff, and the Governing Board in fulfilling their responsibility to oversee safety, quality, and effectiveness of care at Sonoma Valley Hospital; and to meet or exceed standards and regulations that govern health care organizations.

RESPONSIBILITIES:

The Committee has three broad sets of responsibilities.

1. To directly oversee that quality assurance and improvement processes are in place and operating in the hospital.
2. To enhance quality across and throughout the patient care, technical, and operations of the Sonoma Valley Hospital. This encompasses all aspects of the interface and experience between patients, families, and the community. This also includes coordination and alignment within the organization.
3. To assure continual learning and skills development for risk surveillance, prevention, and continual improvement.

The committee examines all activities against the Institute of Medicine’s Six Aims for Improvement: safe, effective, patient/family-centered, efficient, timely, and equitable. These aims are the drivers to the Triple Healthcare Aim: Better Care for patients and positive staff engagement, Better Population Health, Lower Per Capita Cost.

POLICY:

Oversight

As the governing body, the Governance Board is charged by law and by accrediting and regulatory organizations (e.g., Center for Improvement in Healthcare Quality CIHQ) with ensuring the quality of care rendered by hospital through its various divisions and departments. The Committee has the delegated authority to establish accountability in medical staff and management to assure improvement is occurring and targeted outcomes are achieved. To help meet this responsibility, the Board Quality Committee exists to:

- Develop the quality goals and blueprint (priorities and strategies) for Sonoma Valley Hospital, using an inclusive and data driven-process.

SUBJECT: Charter

POLICY: QA8610-108

DEPARTMENT: ORGANIZATIONAL

PAGE 2

EFFECTIVE:

REVISED:

- Review and monitor patient safety, risk mitigation, quality assurance, and improvement plans and progress.
- Have the authority to initiate inquiries, studies, and investigations within the purview of duties assigned to the Committee.
- Perform, on behalf of the Governance Board and Medical Staff Leadership, such other activities as are required by the CIHQ, Centers for Medicaid and Medicare Services (CMS), and other external accrediting and regulatory bodies.
- Render reports and recommendations to the Executive Leadership Committee of Sonoma Valley Hospital, and Medical Board on its activities.
- Review all new and updated hospital organizational and department policies for adherence to quality and safety priorities.
- Review all Medical Staff credentialing.

Quality Integration

1. The Committee monitors the quality assurance and improvement activities of Sonoma Valley Hospital's entities to enhance the quality of care provided throughout the hospital or medical center system and encourage a consistent standard of care. Monitored activities include but are not limited to:
 - a. Quality Performance Indicator Set
 - i. Mortality
 - ii. Preventable Harm Events
 - iii. Healthcare Acquired Infections
 - iv. Medication Events
 - v. Never Events
 - vi. Core Measures
 - vii. Readmissions
 - viii. Utilization Review
 - b. Patient Experience
 - c. Accreditation & Regulatory Standards
 - d. Quality Assurance Performance Improvement
 - e. Culture of Safety
 - f. Risk Event Reports
 - g. Policies & Procedures
 - h. Patient Care Contracts



SUBJECT: Charter

POLICY: QA8610-108

DEPARTMENT: ORGANIZATIONAL

PAGE 3

EFFECTIVE:

REVISED:

- The Committee ensures the coordination and alignment of quality initiatives throughout Sonoma Valley Hospital.
- The Committee may initiate inquiries and make suggestions for improvement.
- The Committee conducts annual reviews of the following key areas:
 - Improvement goal achievement
 - Clinical outcomes (priorities and improvement)
 - Patient Safety/Event Analysis/Risk Trending
 - Culture of Patient Safety
 - Accreditation and Regulatory Reviews
 - Environment of Care and Disaster Management plans
- The Committee monitors the progress of quality assurance and improvement processes and serves as champion of issues concerning quality to other committees.
- The Committee identifies barriers to improvement for resolution and systematically addresses and eliminates barriers and excuses.

PROCEDURE:

All Committee meetings will have a Standard Agenda, which will include:

- Quality Performance Indicator Set
- Clinical Priorities (clinical outcomes/process improvement), including:
 - Quality Assurance Performance Improvement
 - Patient harm
 - Patient safety (adverse event reduction, healthcare acquired infection reduction, risk mitigation)
 - Performance to accreditation and regulatory standards and requirements
 - Patient Experience
 - Culture of Safety
 - Policies and Procedures
 - Environmental safety and disaster management
 - Medical Staff Credentialing



SUBJECT: Charter	POLICY: QA8610-108
DEPARTMENT: ORGANIZATIONAL	PAGE 4
REVISED:	EFFECTIVE:

Rules

Authority to Act	In compliance with the Charter and as directed by Executive Leadership and the District Board
Meeting Schedule	At least ten meetings per year
Voting Members:	The Board Quality Committee shall have at least seven and no more than nine voting members. <ul style="list-style-type: none">• Two Board members<ul style="list-style-type: none">○ One of whom shall be the QC chair, the other the vice-chair.• One designated position from the Medical Staff leadership (the Chief or Vice Chief).• At least four and no more than six members of the public selected by the Governing Board.
Quorum Requirement:	Half plus one member present.
Chair	One of the appointed Board Members
Composition	Voting Committee Members, Presenters, CEO, Chief Medical Officer (CMO) and Chief Nursing Officer (CNO), Chief Quality Officer (CQO)

REFERENCES:
www.hginstitute.org

Document Tasks by Committee

Listing of currently pending and/or upcoming document tasks grouped by committee.

Sonoma Valley Hospital

Run by: Woodall, Vivian (vwoodall)

Run date: 08/27/2020 12:28 PM

Report Parameters

Filtered by: Document Set: all applicable
 Committee: BOD-Board of Directors
 Include Current Tasks: Yes
 Include Upcoming Tasks: No

Grouped by: Committee

Sorted by: Document Name, Document Location

Report Statistics

Total Documents: 2

Committee: BOD-Board of Directors

Committee Members: Woodall, Vivian (vwoodall)

Current Approval Tasks (due now)

Document	Task/Status	Pending Since	Days Pending
Leaves - Organ and Bone Marrow Donor HR8610-172K <i>Human Resources Policies (HR)</i>	Pending Approval	8/27/2020	0
Summary Of Changes: Updated language to add an additional 30-days of unpaid for organ donation, in accordance with new California legislation, AB 1223 - Labor Code 1510.			
Moderators: Newman, Cindi (cnewman), McKissock, Lynn (lmckissock)			
Lead Authors: McKissock, Lynn (lmckissock)			
Approvers: McKissock, Lynn (lmckissock) -> P&P Committee - (Committee) -> BOD-Quality Committee of the Board - (Committee) -> BOD-Board of Directors - (Committee)			
Media Communications <i>Human Resources Policies (HR)</i>	Pending Approval	8/27/2020	0
Summary Of Changes: Change in title for clarity; language change from "press" to "news media"			
Moderators: Newman, Cindi (cnewman), McKissock, Lynn (lmckissock)			
Lead Authors: McKissock, Lynn (lmckissock)			
Approvers: McKissock, Lynn (lmckissock) -> P&P Committee - (Committee) -> BOD-Quality Committee of the Board - (Committee) -> BOD-Board of Directors - (Committee)			

Marketing & Community Outreach Report

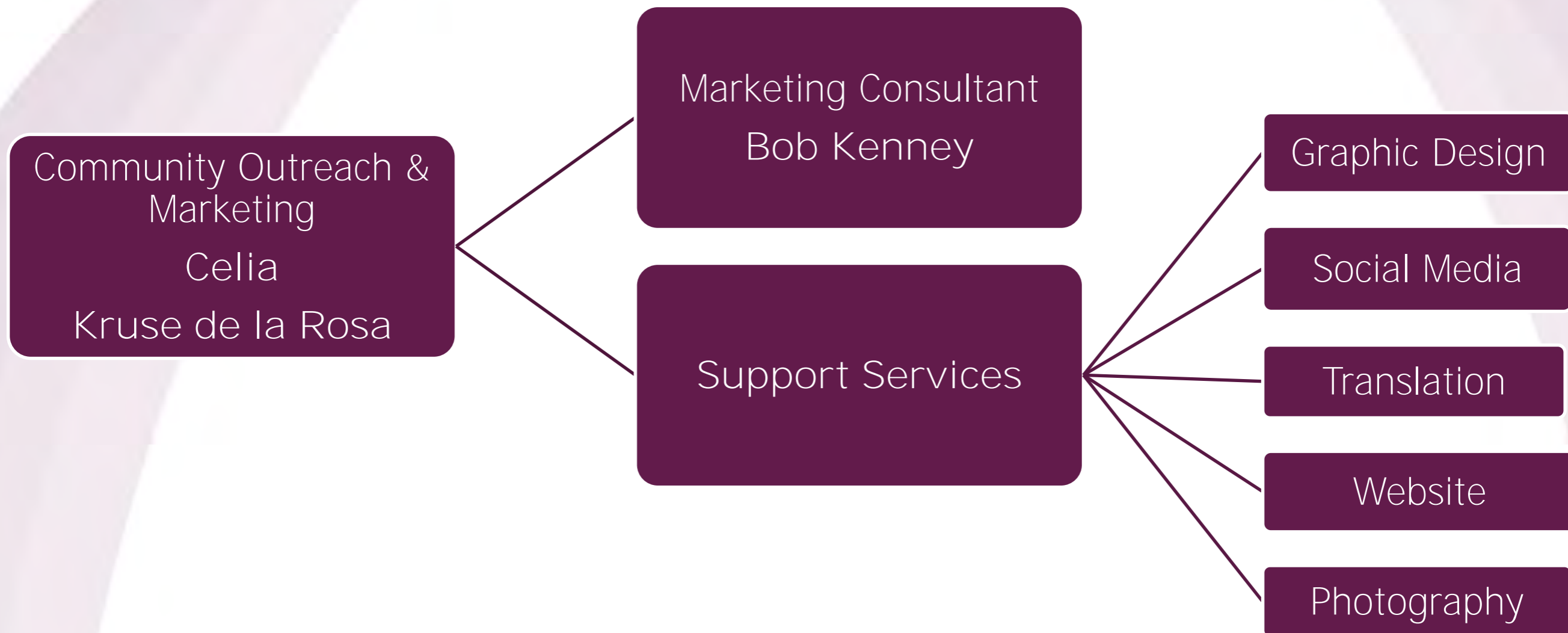
January – July 2020

SVHCD Board of Directors
September 3, 2020

Agenda

- Marketing Update
- Community Outreach Update
- Partnerships
- Next Six Months
 - Marketing & Community Priorities

Marketing & Community Outreach



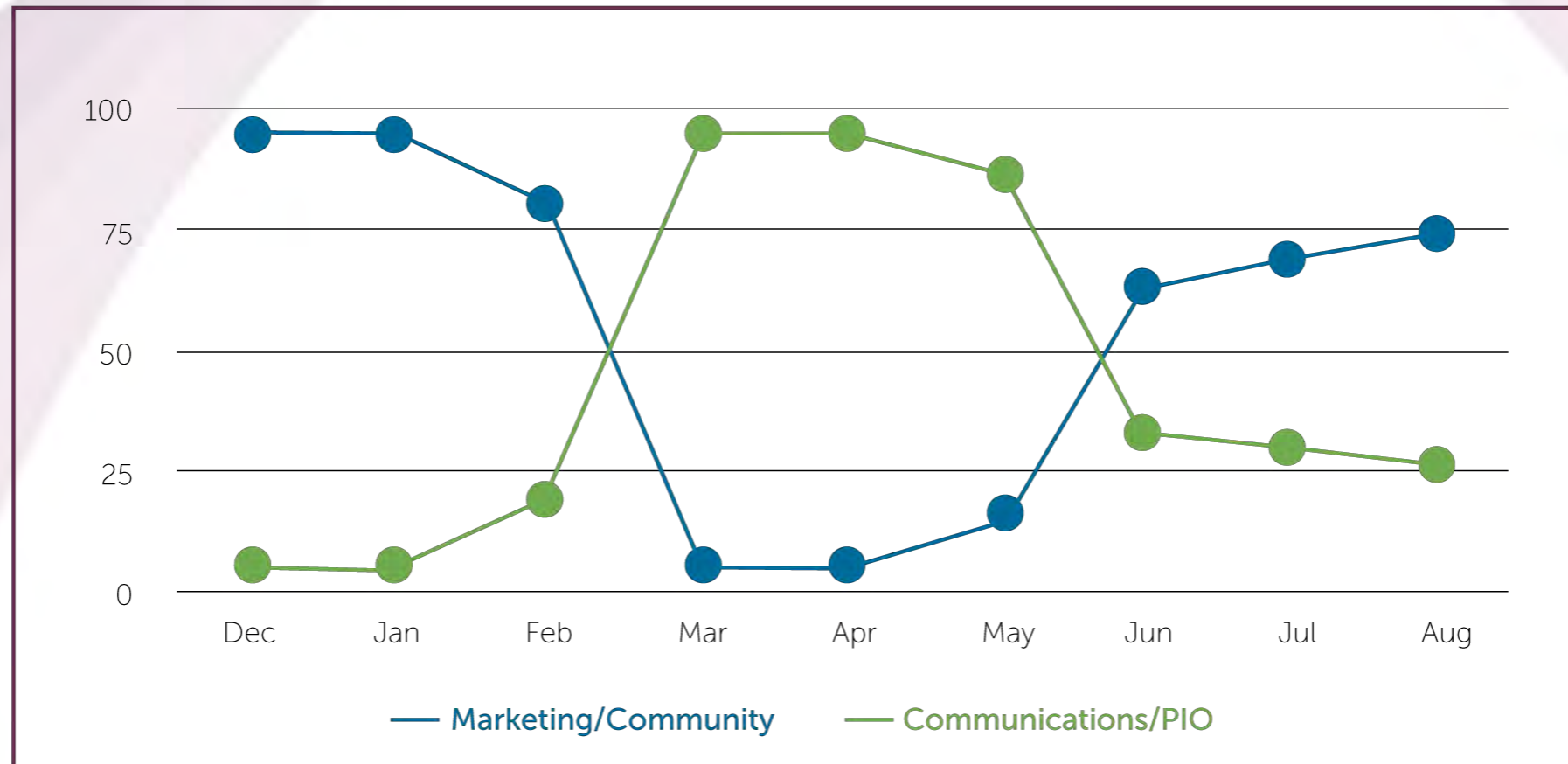
Highlights

January – July 2020

Overview

- Perceptions of Hospital enhanced in 2020
 - **SVH's prominent role during COVID crisis affirmed Hospital's** critical importance to community health
 - Expanded & strengthened relationships with community partners
 - Increased outreach to Latinx community, redoubled bilingual communications
 - Expanded marketing partnership with UCSF Health
 - Celebrated 75th Anniversary
 - Testimonials generated during Outpatient Diagnostic Center Campaign

Realignment During COVID



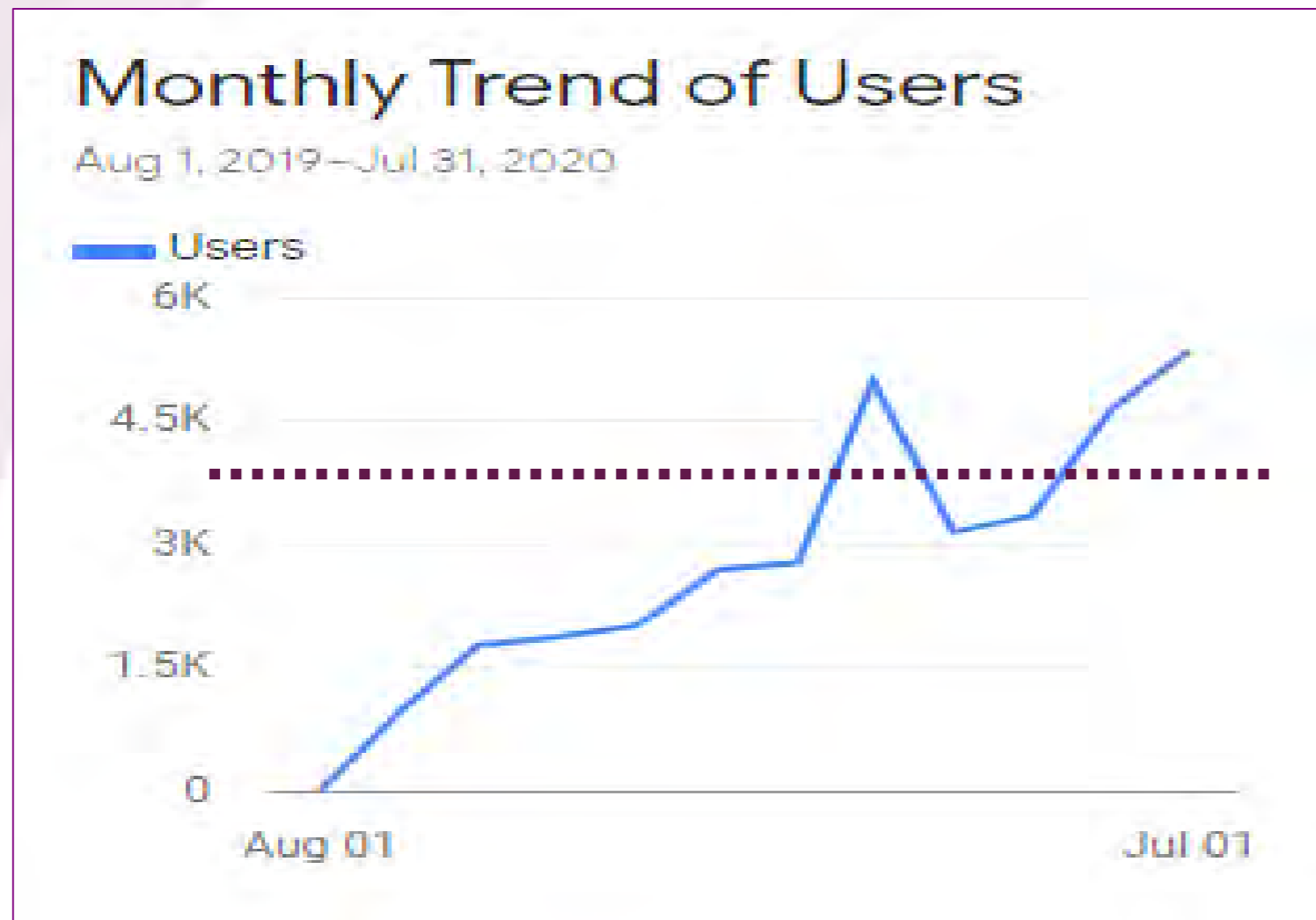
Suspended Most Services – By March, marketing paused

Focus on COVID-19 – Responded to quickly changing communications needs, close coordination with County

Resumed Marketing – In May and June, but continued community COVID updates

Jan – July Highlights

Website – Building from svh.com to sonomavalleyhospital.org
Boost from COVID communications



SVH Website Traffic
New Domain 8/1/2019 – 7/31/2020
Prior year, monthly trend of 4K

Jan – July Highlights

Social Media – Maintained at high level during past six months – increased reach, frequency, and bilingual posts



Top Posts

Facebook

1,543 'Likes' (+25%)

Twitter

851 Followers (+20%)

Instagram

463 Followers (+30%)

Bilingual Social Media Posts

60% FB (+300%)

Jan – July Highlights

- Marketing – Resumed marketing when Hospital was able to restart non-emergent outpatient services in May
- Branding – Worked with brand consultant Mission Minded and incorporated their thinking into our messaging and planning for future
- New physicians – Continued to promote and introduce new physicians to the community
- Foundation – Supported ODC capital campaign (i.e., communications, advertising)
- UCSF Health – Participated in marketing campaign with UCSF Health and other affiliates

Jan – July Highlights

UCSF Health “United” campaign

Affiliate “United” Campaign Details

Newspaper – 5/31 launch

SF Chronicle

Marin IJ

East Bay Times

Mercury News

Sonoma Index Tribune

TV – Early June launch

Early Morning News

Mid-Day News

Evening News

Late News

Cable News

The graphic features the headline "We're united to keep you well." with "united" in large, multi-colored letters. Below this, there are six columns of text and logos for partner organizations: John Muir Health, Marin Health, UCSF Health, Washington Hospital Healthcare System, Sonoma Valley Hospital, and Dignity Health. A decorative bar at the bottom consists of colored segments: purple, green, blue, red, and orange.

We're **united** to keep you well.

In the North Bay.
The East Bay.
The Peninsula.
San Francisco.

You're staying
six feet apart,
keeping an eye
on that curve,
and looking out
for one another.

Now it's time
to take care
of your health,
and your family's too.

With convenient
video appointments,
and significant
safety measures on-site,
we've made visits
to doctors, clinics,
hospitals and ERs
easy for you.

The best care
in the Bay Area
has united
to keep you well.

We're open
and ready to
take care of you!

JOHN MUIR HEALTH

marinhealth.

UCSF Health

Washington Hospital Healthcare System

SONOMA VALLEY HOSPITAL

Dignity Health

Jan – July Highlights

SVH 75th Anniversary



Jan – July 2020

COMMUNITY OUTREACH UPDATE

Community Outreach

Community outreach responded to COVID

- Health Talks – Shifted from in-person to virtual
- Community COVID Updates – E-blasts and Zoom
- Community-wide COVID Testing – Collaboration with SVCHC and DPH

While maintaining community service

- Exceeded goal: 1,332 community service hours
- Created ongoing volunteer opportunities at Hanna **(food distribution)** and **St. Leo's (food distribution and health screenings)**

Partnerships

- Increased collaboration with key partners during COVID response
 - Vintage House – Health Talks
 - SV Community Health Center & Testing
 - La Luz Center – Health Talks
 - City of Sonoma – Emergency Operations Council
 - Sonoma County Public Information Officers – Joint Information Center
- Increased community talks
 - Chamber of Commerce – COVID Updates
 - Rotary – COVID Updates
 - City of Sonoma Council – COVID Updates

Aug – Jan 2021

FY21: NEXT SIX MONTHS

FY 2021

Marketing Priorities

- Referral Marketing
 - Medical office staff outreach
 - Physician communications (fax blasts, eNewsletters, postcards)
- Direct Marketing
 - Health talks, social media, local media
 - Introduce new physicians
 - Video Series – OP Rehab Services, Patient Care
 - Annual Events – Project Pink, Heart Health Mo.

FY 2021

Marketing Priorities

- Emergency Services
 - Active Aging, Faces of the ED
- Service Line Marketing:
 - OP Rehabilitation
 - Wound Care
 - Diagnostic Imaging
 - Procedures/Surgeries
 - Cardiology

FY 2021

Community Priorities

- COVID and PIO Communications
- Diagnostic Center Opening
- Monthly Board Chair Report
- CEO Introduction to Community

FY 2021

Community Priorities

- Prepare for parcel tax campaign
 - Increase communications with stakeholders during 2021
 - Share updated messaging with parcel tax committee
 - Create Brand Ambassador Toolkit
 - Field new community perception survey and obtain results by end of Q1 2021

Quarterly Activities

July-Sept	Oct-Dec	Jan-Mar
	Diagnostic Center	Community Survey
	History Display	CEO Introduction
Active Aging Series	Project Pink	Heart Health Month
Service Line Marketing	Service Line Marketing	Service Line Marketing
Physician Marketing	Physician Marketing	Physician Marketing
Community Outreach	Community Outreach	Community Outreach
Monthly Board Report	Monthly Board Report	Monthly Board Report
PIO Communications	PIO Communications	PIO Communications

SVH History Display

SONOMA VALLEY HOSPITAL THROUGH THE YEARS A Tradition of Compassionate Care



Generations of Sonoma Valley families have come to depend on their hospital for the care they need. Over the years, Sonoma Valley Hospital has continued to evolve, drawing on community support to modernize and expand services ensuring residents have access to excellent care close to home.

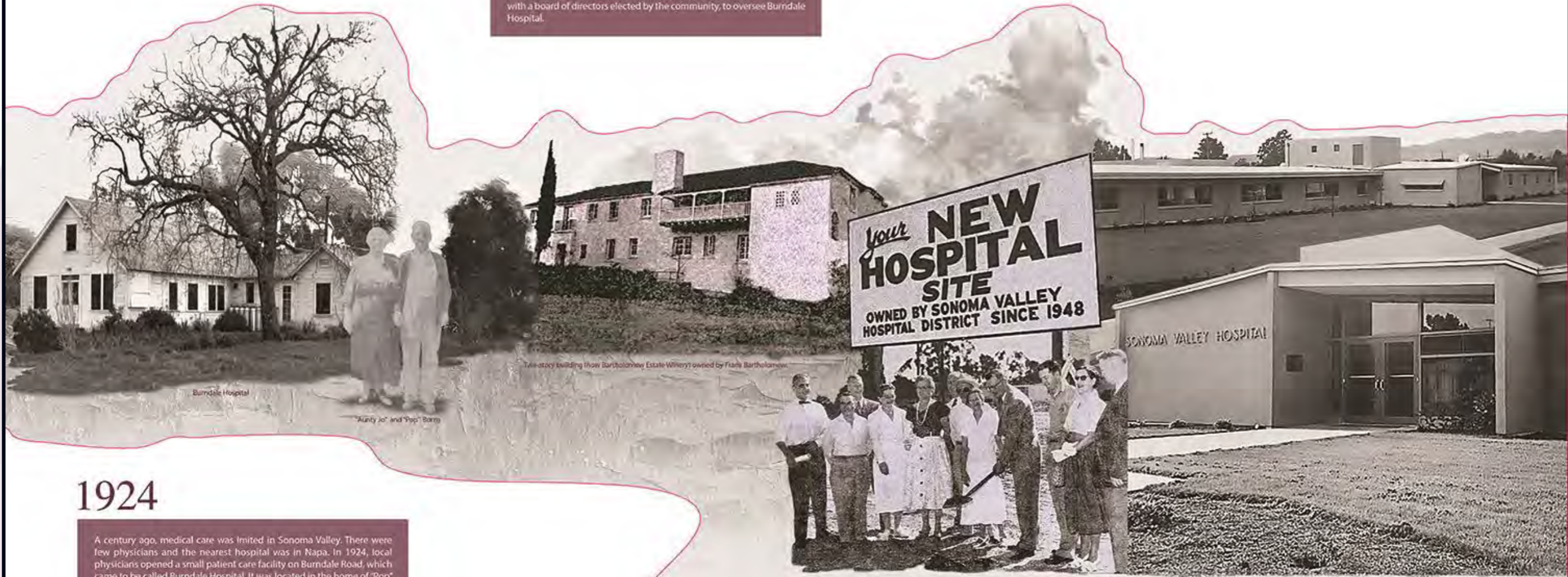
Today, the hospital continues to serve as a compassionate heart for the Sonoma Valley, providing patient-centered care in a modern hospital while growing into a new role as a regional center for healthcare through its expanding relationship with UCSF Health.

Hospital History Timeline – Panel 1

1945

A group of prominent citizens supported the hospital's move in 1945 to a two-story building on Castle Road which was remodeled to hold 21 beds, a building which is now a winery. This hospital served the community until 1957.

The state passed a law in 1945 authorizing the creation of local hospital districts. Soon after, the Sonoma Valley Hospital District was formed, with a board of directors elected by the community, to oversee Burndale Hospital.



1924

A century ago, medical care was limited in Sonoma Valley. There were few physicians and the nearest hospital was in Napa. In 1924, local physicians opened a small patient care facility on Burndale Road, which came to be called Burndale Hospital. It was located in the home of "Pop" and Johanna Burns, a retired nurse known as "Anty Jo." It grew to 10 beds and served the community for 20 years.

Groundbreaking was held for the new hospital on May 20, 1955. Turning the first spadeful was David A. Pfeiffer, district board chairman. Looking on, left to right, were: Mitchell Van Bourg, architect; I.S. Shainsky and Bob Gilmore, directors; Mrs. Charles Kelly, nurses superintendent; Lena Groskopf; James Doult, hospital administrator; contractor Al Douglas; Mrs. Esther Pierce, cook; Richard Peterson, representing co-contractor Ed Peterson; Joan McGrath, representing the Sonoma City Council; and hospital trustee John Cotton.

1957

When Burndale Hospital was no longer adequate to serve the growing community, voters approved a bond measure in early 1954 to build a new hospital on Andrieux Street, the hospital's current site, on land donated by winemaker August Sebastiani. This larger, 35-bed hospital opened in early 1957.

Hospital History Timeline – Panel 2

1967

As Sonoma Valley's population continued to grow, the hospital was expanded in 1967, adding a new wing and increasing total beds to 49. At this stage the first of the garden courtyards was added to the hospital, providing a relaxing area for patients, visitors and staff, and reflecting the patient-centered care and focus on healing which still characterizes the hospital today.

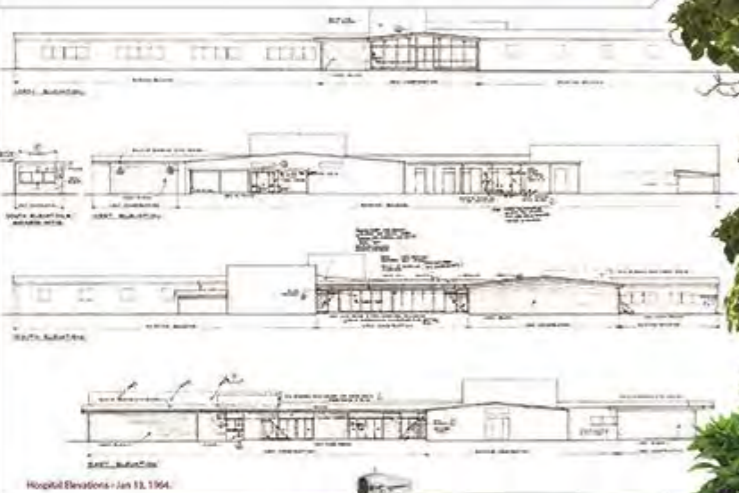
1970

By 1970, the hospital required another upgrade to meet modern medical and seismic safety standards. Construction began on the three-story West Wing which opened in 1972, expanding capacity to 100 beds. The expansion also added new operating rooms and a new ER.

In 1977, structural deficiencies were discovered in the design of the West Wing and the new structure required repairs, to be paid for by the builder. A new one-story building called the East Wing, was built to house the patients displaced during this construction. After the West Wing repairs were completed in 1992, and acute care was moved back into that section, the new East Wing was converted into a 27-bed Skilled Nursing Facility that still serves the community.

1993

In 1993, the Health Care District acquired Sonoma Valley Community Health Center and supported it for a decade as a free-standing primary health clinic serving the uninsured and underserved in Sonoma Valley. The Health Center became independent in 2005, but still works closely with Sonoma Valley Hospital to serve the community.



1989

The hospital introduced a skilled home healthcare service in 1989, bringing services to homebound patients. This service was transferred to Hospice by the Bay in 2018 and continues to serve Sonoma Valley.

Hospital History Timeline – Panel 3

1990

Healthcare entered a period of rapid change in the 1990s. This change was in part driven by improvements in medical care and new technology, and significantly influenced by reduced reimbursement to hospitals from insurers and the introduction of managed care with providers like Kaiser Permanente. The Acute Care hospital model of the past 50 years was ending.

Hospitals in California were also affected by the introduction of much stricter hospital system regulations. These new regulations forced the community to make a decision – either improve the hospital structure or build a new hospital. It was clear that sections of the hospital, including the ER and operating rooms, had become dated and inefficient by modern standards.



In 2002, the community passed a \$25 million General Obligation Bond to make the infrastructure and state-mandated seismic upgrades necessary to keep the hospital open and maintain emergency services in the community. Several of the committee members who worked for the measure's success are: Deborah Hays, Linda Kelly, Susan Haines, Karen Corbin, Althea Row, J. R. Madison, Agnes Puri, Gloria, Susan, and Benjamin, and Linda Harkness and (top row, left to right) Sarah McGinnis, Lary Mughis, Bob Rice, Bill Robinson and Ted Choi. These were joined by many other dedicated volunteers.

2002

During this period, the hospital district asked the community to support the hospital and ensure access to services, especially emergency services, and to maintain physicians in the community. The community voted to pass a parcel tax in 2002 which provided much needed funds and has been vital to the hospital's survival since that time.

2014

In 2007, a citizens group recommended upgrading the current hospital and voters approved a \$35 million general obligation bond to fund extensive structural improvements. In addition to bringing the physical plant up to modern standards, the hospital launched a capital campaign and raised an additional \$11 million to complete a new wing housing a modern Emergency Department and Surgery Center. This wing opened in early 2014, meeting all state-mandated seismic safety regulations for 2030 and beyond.



Shown at the 2012 groundbreaking for the new hospital wing, which opened in 2014 are, left to right: Bill Robinson, BSHD board chair, Althea Row, BSHD board member, Carl Corbin, former CEO, Lary Mughis, former CEO, Gloria Harkness, major donor, Susan Haines, former mayor and Dr. Robert Cohen, Chief Medical Officer.

Hospital History Timeline – Panel 4

2018

In 2018, the hospital affiliated with UCSF Health based in San Francisco, one of the country's top-rated hospitals. This relationship continues to grow, bringing increased access to specialists and medical expertise.

The hospital has 51 beds today, including the 27 in skilled nursing and an upgraded acute care service on the third floor with private rooms for patients. Following the current trend in healthcare to emphasize outpatient care, the hospital has expanded outpatient services as well as opened clinics in town to improve local access to specialists.

UCSF Health

2020

When it became clear that the hospital's diagnostic services needed upgrading, the Sonoma Valley Hospital Foundation launched a capital campaign in 2018. It raised \$21 million – all from donors, with no taxpayer funds involved – to build a new Outpatient Diagnostic Center. This center, housing state-of-the-art CT and MRI services, was also planned to serve UCSF Health patients in the region.

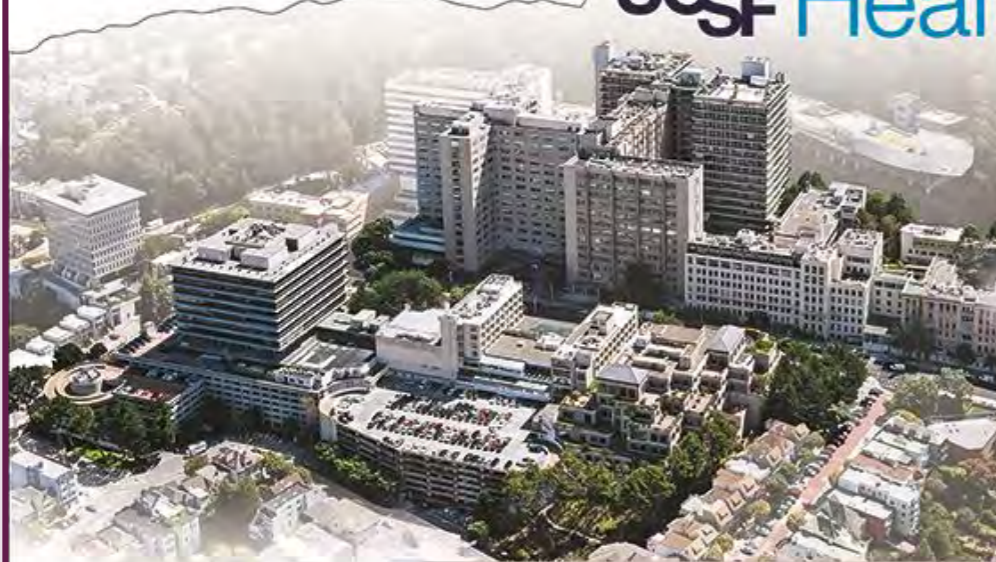
THE CAPITAL CAMPAIGN

Campaign Cabinet Members:

Simon Battmer (Chair)
 Cherie Hughes
 Marcia Levy
 Nancy Lilly
 Kelly Mather
 Dave Poir
 Steve Sangiacoma

Volunteers:

Suzanne Bringham
 Gerry Brinson
 Richard Conroy
 Ethel Daly
 Art Grandy
 Danna Helow
 Jane Hirsch
 Kevin Jaggie
 Tom Landy
 Roger Nelson
 Steve Page
 Paul Rozamus
 Joshua Rymme
 Patsy Wyrme
 Chuck Young



THE PRESENT

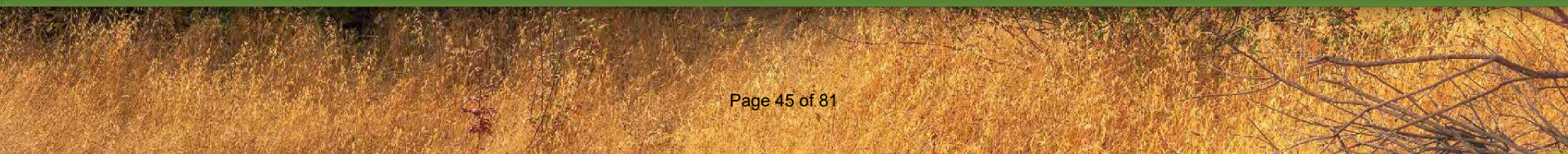
Today, Sonoma Valley Hospital is well positioned to continue providing our community with excellent care and compassionate healing here at home.

QUESTIONS



SONOMA VALLEY HOSPITAL
FOUNDATION

Inspiring Support for Sonoma Valley Hospital



SVHF 2020 Objectives

- **Finish The Campaign**
- **Keep and Build Relationships With Existing Donors**
- **Develop Our ‘What Next’ Strategy (hospitals always have needs)**
- **Incorporate Legacy Giving**



Project 1: Imaging/CT/Hospitality

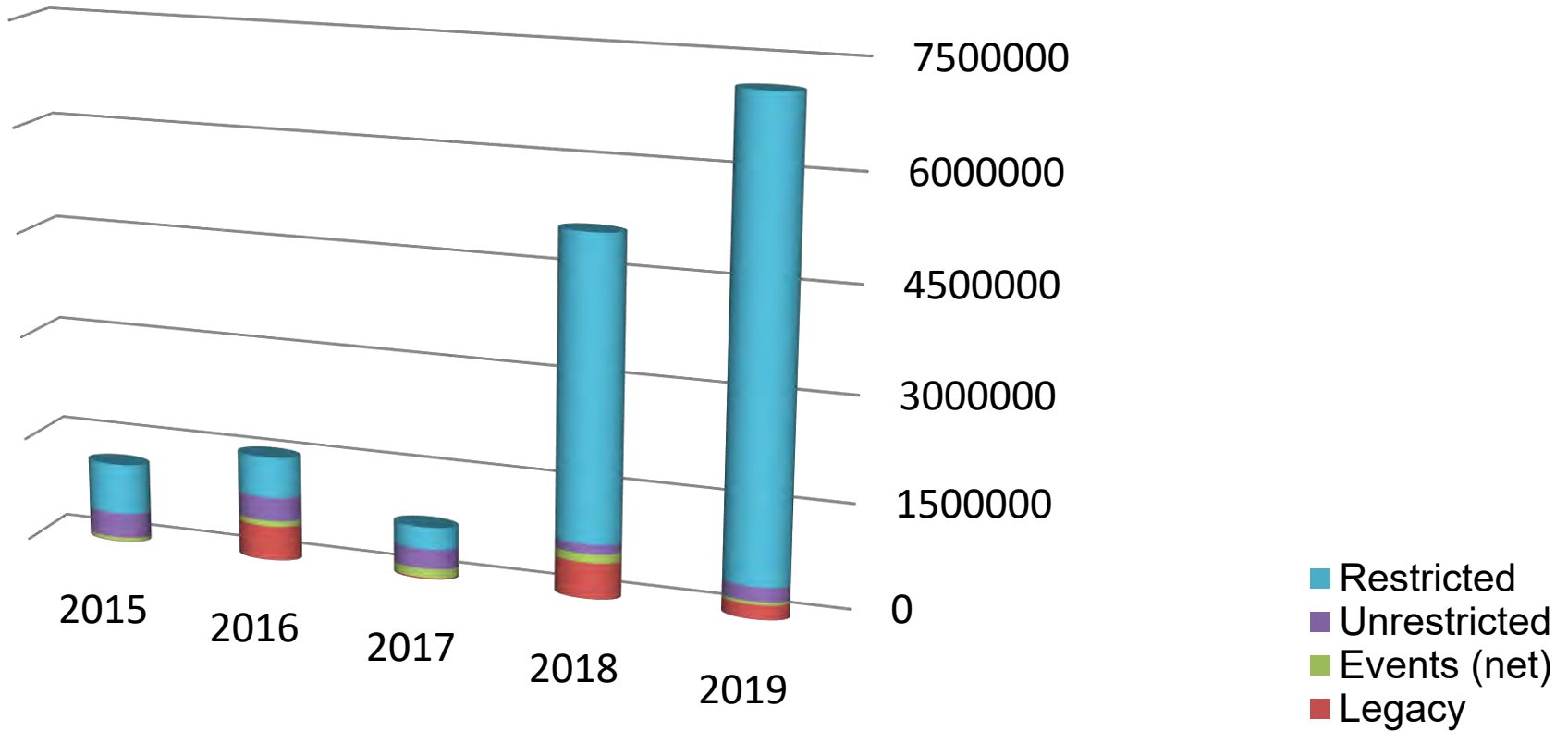


How The Foundation Helps SVH

- Collected \$6.66 million in Capital Campaign pledges
- \$1.1 million distributed for ODC Design and Construction
- \$33k continued Education for Nurses, PT's, other SVH Employees, and small equipment
- \$39k additional support for inpatient care move to 3rd floor
- \$75k to fund the Brand Strategy consultants and plan
- \$73k funded the inpatient experience improvements: MDM Journey Patient Education and Engagement Solution
- \$74k Occupational Health EHR and extra exam room remodel
- \$27k SVH Community Opinion Survey
- \$12k Infrared Cameras and training
- \$9k Patient Lift System in ICU
- \$11k Project Pink; free Mammograms



SVHF Revenue



DRAFT Strategic Priorities

2020-2022

- 1. RAISE FUNDS REQUIRED TO MEET THE CAPITAL AND SERVICE NEEDS OF SONOMA VALLEY HOSPITAL**
- 2. DEVELOP AND IMPLEMENT MARKETING STRATEGY AND BRAND THAT CREATES CONTINUOUS DIALOGUE WITH TARGETED COMMUNITIES IN SONOMA VALLEY**
- 3. PROVIDE PRUDENT FINANCIAL MANAGEMENT OF ALL FOUNDATION RESOURCES**
- 4. DEVELOP AND GROW THE BOARD OF DIRECTORS TO MEET THE NEEDS OF THE FOUNDATION**
- 5. EMPLOY BEST PRACTICES FOR A 501c (3) HEALTH CARE FOUNDATION**



Strategic Priorities Cont.

2020-2022

RAISE FUNDS REQUIRED TO MEET THE CAPITAL AND SERVICE NEEDS OF SONOMA VALLEY HOSPITAL:

How To Accomplish

- Meet the annual budgeted goal for revenue
- Grow philanthropic relationships with major donors
- Maintain an active Ambassador Program and steward our donors
- Enhance Annual Appeal direct mail outreach in fall
- Manage the ODC pledge payment collection process
- Communicate and leverage the growth of the UCSF Health affiliation to deepen existing philanthropic relationships and generate new supporters
- Use Celebration of Women event as leverage for business support
- Conduct Ambassador event(s) annually
- Expand Legacy Giving
- Increase donor base each year
- Facilitate a robust SVH employee campaign



Strategic Priorities Cont.

2020-2022

PROVIDE PRUDENT FINANCIAL MANAGEMENT OF ALL FOUNDATION RESOURCES:

How To Accomplish

- Maintain unrestricted reserves equal to 18 months of Foundation operations (or approximately \$500k due to projected reduction in unrestricted gifts as a result of the capital campaign)
- Develop annual, Board approved budget that supports SVHF expense projections
- Provide oversight of campaign funds distributed to SVH for the diagnostic center project



Strategic Priorities Cont.

2020-2022

DEVELOP MARKETING STRATEGY AND BRAND THAT CREATES CONTINUOUS DIALOGUE WITH TARGETED COMMUNITIES IN SONOMA VALLEY:

How To Accomplish

- Provide resources necessary to achieve the goals of multi-year Marketing Plan
- Support and leverage the SVH branding initiative rollout
- Develop Grateful Patient testimonials for marketing purposes
- Advertise the UCSF Health affiliation to ensure broad understanding
- Ensure SVH leadership transition process is understood by our stakeholders
- Develop and distribute collateral for marketing purposes to support goals for giving platforms
- Use Celebration of Women event as platform for targeted message
- Increase website traffic and social media use to enhance our message and expand our reach to targeted segments of the donor community. Utilize social media proactively





SONOMA VALLEY RESIDENTS
WILL HAVE ACCESS TO ONE
OF THE MOST ADVANCED
IMAGING DIAGNOSTIC
CENTERS IN THE NORTH
BAY THIS FALL.

outstanding care close to home

Thanks to the generosity of our community, Sonoma Valley Hospital Foundation's capital campaign reached its goal of raising \$21 million to cover all costs for building a state-of-the-art Outpatient Diagnostic Center in our hospital.

The **first phase**, encompassing a new 128-slice CT scanner, will be operational by November. The second phase, which includes a new 3 Tesla MRI suite, will be ready to accept patients in the second half of 2021.



1st Phase CT Scanner



2nd Phase MRI Suite

Sonoma Valley Hospital Foundation
347 Andrieux Street • Sonoma, CA 95476
Phone: 707.935.5070 • svhfoundation.com

Thank You for
your support!

Page 54 of 81



SONOMA VALLEY HOSPITAL
FOUNDATION
Inspiring Support for Sonoma Valley Hospital

Inspiring Support for Sonoma Valley Hospital

Strategic Priorities Cont.

2020-2022

DEVELOP AND GROW THE BOARD OF DIRECTORS TO MEET THE NEEDS OF THE FOUNDATION:

How To Accomplish

- Ensure a pipeline of key community leaders as potential board candidates
- Recruit Board candidates with a focus on fundraising and networking capability
- Continue Board oversight of adherence to strategic objectives
- Recognize Board member achievements and contributions

EMPLOY BEST PRACTICES FOR A 501c(3) HEALTH CARE FOUNDATION:

How To Accomplish

- Align with industry standards per the Association for Healthcare Philanthropy for Foundation and Hospital partnership
- Maintain regular and ongoing communication with SVH CEO, administrative team, and physicians
- Utilize audit recommendations for ongoing best practices
- Use annual Association for Healthcare Philanthropy to benchmark SVHF key performance metrics

SVHF Teamwork

- **Board and Volunteers**
- **Team**
- **Relationship with SVH**



Questions?



SONOMA VALLEY HOSPITAL
FOUNDATION

Inspiring Support for Sonoma Valley Hospital

contact@svhfoundation.com • svhfoundation.com
707.935.5070 • 347 Andrioux Street, Sonoma, CA 95476 • 



Meeting Date: September 3, 2020
Prepared by: Ken Jensen, CFO
Agenda Item Title: Resolution No. 352 - Setting the Tax Rate for the 2020-21 Fiscal Year for GO Bonds

Recommendation:

The Finance Committee recommends to the District Board the approval of the General Obligation Bonds tax rate of \$28.70 per \$100,000 of the assessed value of the secured property in the District.

Background and Reasoning:

This is consistent with prior year resolutions. The total assessed value of the secured property in the District is \$11,041,944,276. The tax required to assure payment of the principle, interest, and reasonable reserve for the Bonds for Fiscal Year 2020-2021 is \$2,946,123. The rate, calculated per the Sonoma County's approved formula is \$28.70 per \$100,000 of assessed valuation. This will generate \$3,159,184. The required principle and interest portion is \$2,938,776. The trustee reserve is \$220,408.

Consequences of Negative Action/Alternative Actions:

Without the resolution, the County cannot collect the General Obligation Bond tax.

Financial Impact:

The resolution will instruct the County to collect the General Obligation Bond tax to be paid to the bond holders.

Selection Process and Contract History:

The Hospital has done similar resolutions in the past.

Board Committee:

Finance

Attachments:

Resolution No. 352

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 352

**RESOLUTION SETTING THE TAX RATE FOR THE 2020-21 FISCAL YEAR
FOR THE PAYMENT OF INTEREST ON THE SONOMA VALLEY HEALTH
CARE DISTRICT (SONOMA COUNTY, CALIFORNIA) GENERAL
OBLIGATION BONDS, ELECTION OF 2008, SERIES A (2009)**

WHEREAS, by resolution, adopted by the Board of Directors (the "Board") of the Sonoma Valley Health Care District (the "District") on August 6, 2008, the Board determined and declared that public interest and necessity demanded the need to raise moneys for the expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District (the "Project"), and the Board called an election to be held within the boundaries of the District in accordance with the California Elections Code;

WHEREAS, a special municipal election was held in the District on November 4, 2008 and thereafter canvassed pursuant to law;

WHEREAS, an election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purpose of raising money for the Project in the maximum aggregate principal amount of \$35,000,000, payable from the levy of an *ad valorem* tax against all taxable property in the District;

WHEREAS, pursuant to Chapter 4 of Division 23 (commencing with section 32300) of the California Health and Safety Code (the "Act"), the District is empowered to issue general obligation bonds;

WHEREAS, the District sold, on January 27, 2009, an initial series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$12,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series A (2009)" (the "Bonds"); and

WHEREAS, the District sold, on August 1, 2010, an additional series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$23,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series B (2010)" (the "Bonds"); and

WHEREAS, the District sold, on January 28, 2014, a refunding series of bonds for the purpose of refunding the Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series A (2009)" in the aggregate principal amount of \$12,437,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) 2014 General Obligation Refunding Bonds" (the "Bonds"); and

WHEREAS, the County has requested that the District provide to the County the tax rate required for Fiscal Year 2020-21 to pay interest on the Bonds and to provide a reasonable reserve;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTH CARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. All of the recitals herein are true and correct. To the extent that the recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made thereby.

Section 2. Tax Rate; Remittance.

(a) Based upon the County's estimate of assessed valuation of all secured property in the District (\$11,041,944,276) the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2020-2021 is \$28.70 per \$100,000 of assessed valuation. It is the intent of the District to provide to the County, by resolution, the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2020-21 and each Fiscal Year thereafter, so long as the Bonds remain outstanding. However, in the event the District fails to provide a tax rate in any year, the County is directed to apply the most recently provided tax rate in such year.

(b) The District hereby delegates to the County Board of Supervisors the authority to annually levy and collect the annual *ad valorem* property taxes required for the payment of the principal of and interest on the Bonds.

(c) The District hereby requests that such amounts, as collected, be remitted directly to The Bank of New York Mellon Trust Company, N.A., the District's paying agent for the Bonds.

Section 3. Request for Necessary County Actions. The County Board of Supervisors and the County Auditor-Controller-Treasurer-Tax Collector, and other officials of the County, are hereby directed to take whatever action that may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District at the tax rate specified in Section 2(a) above.

Section 4. General Authority. The Chair, the Secretary, the Chief Executive Officer and the Chief Financial Officer, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps which they or any of them might deem necessary or appropriate in order to give effect to this resolution.

Section 5. Effective Date. This resolution shall take effect immediately on and after its adoption.

* * * * *

PASSED AND ADOPTED this 3rd day of September 2020, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Jane Hirsch
Chair, Board of Directors
Sonoma Valley Health Care District

ATTEST:

Bill Boerum
Secretary, Board of Directors
Sonoma Valley Health Care District

EXHIBIT D

Payment Date	Principal	Interest	Total
February 1, 2021 (Series B)	-	354,377.50	354,377.50
February 1, 2021 (2014)		184,010.40	184,010.40
August 1, 2021 (Series B)	1,190,000.00	354,377.50	1,544,377.50
August 1, 2021 (2014)	672,000.00	184,010.40	856,010.40

Amount Needed for 2021 Debt Service 2,938,775.80

County Collection Fee (Sect 29142) 0.0025 7,346.94

Amount Needed -- To be paid by FY 2021 Property Taxes 2,946,122.74 A

Assessed Value - Unsecured 313,208,594 B1

95% of Unsecured Assessed Value 297,548,164 B2 = .95xB1

Prior Year Rate - B3

Paid by Assessment on Unsecured Property - B = B2xB3

Remaining Amount Needed 2,946,122.74 C=A-B

Assessed Value - Secured + Utility 10,997,562,539 D1

Assessed Value - "HOPT" 44,381,737 D2

Assessed Value - Total 11,041,944,276 D = D1+D2

Tax Rate Calculation 0.000267 E = C/D

Tax Rate per \$100 of Assessed Value 0.0267 F = E x 100

Tax Rate Adjustment Factor 7.5% G

Tax Rate Adjustment 0.0020 H = F x G

Tax Rate on Secured Property, as reflected on tax bill (per \$100 of AV) **0.0287** I = F+H

Tax Rate as reflected in Board Resolution (per \$100,000 of AV) **28.70** = 1000 x I

	2014	B Series	Total
Debt Service	\$ 1,040,021	\$ 1,898,755	\$ 2,938,776
Adjustment Factor - 7.5%	78,002	142,407	220,408
	<u>\$ 1,118,022</u>	<u>\$ 2,041,162</u>	<u>\$ 3,159,184</u>

	Total District Assessed Value	
	Assumed	Actual
FY 2015	7,716,050,681	
FY 2016	8,339,515,321	
FY 2017	8,883,032,347	
FY 2018	9,448,733,253	
FY 2019	9,944,701,074	
FY 2020	10,552,740,965	
FY 2021	11,041,944,276	
Increase	-4.43%	-100.00%

Note: County of Sonoma supplied assessed value information.
Format for calculations prepared by SVH Controller.



To: SVHCD Board of Directors
Meeting Date: September 3, 2020
Prepared by: Ken Jensen, CFO
Agenda Item Title: Outpatient Diagnostic Center Temporary Cash Shortfall Recommendation

Finance Committee Recommendation to the Board:

At the request of Management, the Finance Committee recommends to the Board of Directors to restrict \$1 million as a contingency for the purpose of funding a possible temporary cash flow shortfall toward the end of the Outpatient Diagnostic Center project completion.

Proposal:

That the Board of Directors elect to restrict \$1 million for the purpose of temporarily funding any cash flow shortfalls to cover the approved Outpatient Diagnostic Center costs resulting from timing shortfalls in the Foundation collection of committed funds. The Board of Directors may, after restricting this cash, release the restriction for any other purposes as it deems necessary. This commitment will end once all pledges and other funding sources made through the Foundation have been fulfilled and paid to the hospital.

Background:

The Foundation and the CEO have completed their efforts to raise commitments to fund the approved Outpatient Diagnostic Center at Sonoma Valley Hospital. The \$21 million of commitments have been in the form of cash payments and pledges made through the Foundation. The Foundation has scheduled the pledge payments over a period of time that extends beyond the completion of the project. To assure cash is available to pay for construction costs, the Foundation has obtained a line of credit (LOC) to cover any anticipated temporary shortfalls in cash as a result of pledge payment timing. The LOC expires in August of 2022 and at this point in time it cannot be assured of an extension. It has been determined that at this point in time there may be an approximately \$1 million temporary shortfall in cash needed to pay for construction costs. This shortfall in cash flow will require reimbursable temporary funding until all of the pledges have been collected and distributed.



To: SVHCD Board of Directors
From: Sabrina Kidd, MD
Meeting Date: September 3, 2020
Subject: CMO Report

1. August Highlights included:
 - a. COVID-19: The Incident Command Center (ICC) remains open and has added the regional fires to the weekly and as needed agenda. Census remains steady with an average of 10 inpatients, 2-6 of whom are being treated for COVID-19 daily. Testing supplies and N95 supplies remain limited. Recent highlights include:
 - i. PPE (Personal protective equipment) / Supplies
 1. We continue all re-use protocols.
 2. We continue a universal masking policy for all staff and visitors.
 3. N95: no consistent supply chain
 - a. Re-use protocols
 - b. State recycling/sterilization program
 - c. Limit use to high risk / aerosolizing situations
 - d. Received limited supply from 1 vendor and county (small)
 - e. Elastomers explored and will not work
 4. We purchased a 4th ventilator (which has not arrived) and have 3 ventilators on loan from the state for a current total of 6.
 - ii. Testing
 1. Aries Machine for in house testing arrived on August 24. If reagents and cartridges arrive as planned, we expect in house testing to begin early September.
 2. We continue drive thru testing for pre-op patients for SVH and UCSF. Due to supply shortages we are not currently able to perform testing for the general community / outpatients.
 3. PCR testing continues to be processed at UCSF with 24-48 hour turnaround times.
 4. In house antibody testing is now available for diagnostic purposes.
 - iii. Therapies
 1. Remdesivir: stable supply with weekly option to purchase
 2. Convalescent: now offered via the EUA (no longer through Mayo Study)

3. Dexamethasone
4. Flu vaccinations will occur earlier this year for all staff and physicians
- iv. Communications
 1. Active Aging Series on 9/10/2020 will be Dr. Kidd speaking on COVID-19.
- v. Fires:
 1. No immediate threat for evacuation
 2. County meeting to discuss evacuation plans if needed
 3. Monitoring air quality through Purple Air
 4. Air Scrubbers deployed within hospital
- b. GI Services:
 - i. Meeting with MarinHealth & Marin GI in September
- c. ED:
 - i. ED Manager started September 1. Welcome Phillip Brown!
- d. Med-Surg / ICU Updates:
 - i. Numerous preparations relating to construction which require moving of patients for crane picks and planned power outages.
- e. Dialysis:
 - i. On-going discussions for possible use of 2nd floor.
- f. New Order sets created / updated:
 - i. ARDS (Acute Respiratory Distress Syndrome)
 - ii. COVID-19 convalescent plasma
2. Medical Staff:
 - a. Quarterly meeting was held virtually on August 11.
 - b. Bio-Ethics Committee held first regular meeting and has established a new working charter and process for processing inquiries.
3. Quality Events:
 - a. We reported an operative event to CDPH.



To: SVHCD Board of Directors
From: Kelly Mather
Date: 8/27/2020
Subject: Administrative Report

Summary

We had a positive first month of the new fiscal year 2021 as volumes are higher than expected. Inpatient volumes were high these past few weeks due to COVID-19. The teams have done an excellent job managing through the increased workload and level of acuity. We also have our new PCR COVID testing machine to provide testing on site in September. This will improve turnaround to less than two hours and will allow us to test outpatient symptomatic patients again.

Update from 2025 Strategic Plan:

Strategic Priorities	Update
Create UCSF Health Outpatient Center	<ul style="list-style-type: none"> ➤ The CT (Project 1) will be complete in October. The MRI project should have the permit to begin construction by October. The MRI should open in summer 2021 and with UCSF referrals, we should increase MRI volumes significantly. ➤ We have completed the Capital Campaign and have raised \$21 million needed to bring in the advanced imaging state-of-the-art technology. ➤ We anticipate Dr. Carroll starting his telemedicine clinic for Sonoma in September. ➤ We hope to move Cardiology into the Outpatient Diagnostic Center area once the MRI project costs are clear, including the need for contingency dollars.
Exceed Community Expectations especially in Emergency Services	<ul style="list-style-type: none"> ➤ Volumes are going back up, so we are pleased that patients no longer seem to be delaying care due to the pandemic. ➤ The CEO blog was sent out in August with a focus on our new brand. ➤ The new Emergency Services Director starts September 1st. ➤ We are offering another community town hall COVID-19 update on September 10th with Vintage House and Dr. Schmidt will also be presenting in this series.
Become a 5 Star Hospital	<ul style="list-style-type: none"> ➤ The new approach to patient and staff satisfaction called “Human Experience” action plan is underway starting with rounding on all Inpatients. ➤ We did an overhaul on hospital orientation to make it more focused on our mission, values, quality and service excellence. ➤ We have added a great new Infection Preventionist to the Quality team. ➤ We have prioritized refurbishment of the ICU as our next big project to be funded by Sonoma Valley Hospital Foundation.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ We have two excellent candidates for the PCP position starting in 2021 and meet with Marin Health Medical Network on 8/31/20. ➤ We are working with MarinHealth (UCSF affiliate) directly on the Gastroenterology solution. ➤ We are looking at more telehealth solutions to provide access to care. ➤ UCSF is looking at the possibility of doing surgeries in Sonoma.
Healthy Hospital	<ul style="list-style-type: none"> ➤ We continue to offer free meals on Wednesday to staff to thank them for their service in these difficult times. We also rolled out Wellness Wednesday each month to decrease stress and improve balance while at work. ➤ The gym and playground are now complete in the basement conference room.

JULY 2020

			National Benchmark
Patient Experience	Current Performance	FY 2020 Goal	
Would Recommend Hospital	80%	> 70 percent	50th percentile
Inpatient Q Review Rating	4.77	4.5	3.8
Outpatient Services	4.82	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	1	<1	N/A
Surgery Site Infection – Joint	0	<1.5%	N/A
MRSA Bacteremia	0	<.13	<.13
C. Difficile	1	3.5	2.7/10,000 pt days
Patient Safety Indicator	.76	<1	<1
Heart Failure Mortality Rate	11.7%	12%	12.9%
Pneumonia Mortality Rate	17.5%	20%	15.6%
Stroke Mortality Rate	15.1%	15%	13.8%
Sepsis Mortality Rate	7.3%	<18%	25%
30 Day All- Cause Readmissions	14.1%	< 15.3 %	< 15%
Serious Safety Events	0	0	0
Falls	2	< 2.3	2.3
Pressure Ulcers	4.5	<3.7	3.7
Injuries to Staff	0	< 10	17
Adverse Drug Events with Harm	0	0	0
Reportable HIPAA Privacy Events	0	0	0
Case Mix Index	1.5	1.4	1.3
Hospital Star Rating	4	4	3
Staff Satisfaction	Performance	FY 2020 Goal	Benchmark
Staff Pulse Survey	4.05 out of 5	>3.8	75%
Turnover	2.1%/25%	< 15%	< 20%
Financial Stability	YTD Performance	FY 2020 Goal	Benchmark
EBDA	-8%	>3%	3%
Paid FTE's	225	<235	235
Days Cash on Hand	73	>30	30
Days in Accounts Receivable	40	<45	50
Length of Stay	4.3	<4.0	4.03
Funds raised by SVHF	\$21.1 million	\$21 million	\$1 million
Strategic Growth		FY 2020 Goal	FY 2020
Inpatient Discharges	75/900	900	862
Outpatient Visits	4124/49,488	50,000	47,802
Emergency Visits	735/8820	10,000	9784
Surgeries + Special Procedures	152/1824	2000	2226
Community Benefit Hours	42.5/510	800	1332

Note: Colors demonstrate comparison to National Benchmark



Healing Here at Home

TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2021	Jul 2020	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020
FY YTD Turnover	<15%	2.1	2.6	3.9	3.9	4.8	5.6	5.6	6	7.3	7.3	8.2	8.2
Leave of Absences	<12	6	13	8	11	15	16	13	9	11	13	13	9
EBDA	>3%	-8	-.4	-1.1	-.3	.4	4.5	16.1	10.5	25.7	-13.9	253	-8.9
Operating Revenue	>3.5m	3.58	3.7	3.6	3.8	3.7	4.0	5.4	4.1	8.3	2.8	1.3	3.4
Expense Management	<4.5m	4.4	4.2	4.2	4.3	4.2	4.4	5.1	4.4	6.8	3.7	3.8	4.5
Net Income	>50k	418	-93	36	-76	101	180	873	307	2351	-297	3600	-565
Days Cash on Hand	>30	73	36	28	22.5	16.9	17.9	20.4	15.7	15.6	43.1	87.1	81
Receivable Days	<50	40	42	44	46.2	44	44	38	42.5	36.9	35.5	44	49
Accounts Payable Days	>50	35	40	41	45	43	43	42	42.2	53.4	41.9	35.2	40.7
Accounts Payable	<\$3m	2.3	2.6	2.7	3.1	2.9	2.9	2.9	3.0	3.7	2.9	2.4	2.8
Total Paid FTE's	<235	230	226	235	233	230	230	230	231	236	190	205	225
Inpatient Discharges	>80	75	76	71	90	90	87	79	86	63	39	44	65
Patient Days	>300	324	240	312	351	319	336	321	286	218	156	179	238
Observation Days	<20	20	19	17	21	18	29	12	16	16	13	9	16
Average Daily Census	>10	10.5	7.7	10.4	11.3	10.6	10.8	10.4	9.9	7	5.2	5.8	7.9
Outpatient Revenue	>\$15m	16.1	15.7	16.4	16.1	15.9	16.3	17.3	16.3	12.3	7.1	10.5	14.6
Surgeries	>150	115	160	143	187	193	152	150	145	80	17	34	116
Special Procedures	>75	37	81	74	74	72	57	58	79	43	1	8	46
Emergency Visits	>900	735	975	939	973	880	984	953	972	745	529	645	695
MRI	>120	93	127	138	147	145	159	138	146	70	39	68	116
Cardiology (Echos)	>65	63	67	74	107	46	85	83	68	52	35	52	70
Laboratory	>11	12.6	11.3	10.4	11.0	11.3	11.3	11.6	10.9	8.7	5.5	8.5	11.1
Radiology	>900	883	983	980	1035	888	1033	1113	934	684	420	572	797
Rehab	>2000	2206	2928	2135	2010	2207	2181	2422	2119	1626	566	1182	1984
CT	>350	382	433	378	406	356	433	429	388	335	263	367	401
Mammography	>200	213	243	222	250	219	216	172	243	243	15	87	228
Ultrasound	>250	228	270	280	244	255	251	234	238	198	110	163	272
Occupational Health	>550	580	737	530	753	535	660	517	572	544	392	380	462
Wound Care	>275	191	316	247	226	237	294	252	233	201	140	112	164



To: SVH Finance Committee
From: Ken Jensen, CFO and Sarah Dungan, Controller
Date: August 25, 2020
Subject: Financial Report for the Month Ending July 31, 2020

During the month of July the hospital experienced higher than budgeted volumes in inpatient, outpatient and emergency services. July's actual loss of (\$856,873) from operations was \$521,538 favorable to the budgeted loss of (\$1,378,411). After accounting for all other activity; the net gain for July was \$418,116 vs. the budgeted net loss of (\$584,327) with a monthly EBDA of -8.0% vs. a budgeted -27.4%.

Gross patient revenue for July was \$21,848,427; \$5,174,670 over budget. Inpatient gross revenue was over budget by \$1,501,852. Inpatient days were over budget by 102 days and inpatient surgeries were at budget at 17 cases. Outpatient revenue was over budget by \$2,184,128. Outpatient visits were over budgeted expectations by 639 visits, outpatient surgeries were at budget at 98 cases, and special procedures were under budget by (19) cases. The Emergency Room gross revenue was over budget by \$1,488,690 with ER visits over budgeted expectations by 49 visits.

Deductions from revenue were unfavorable to budgeted expectations by (\$4,529,353) due primarily to gross revenue being over budget.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$693,891.

Operating Expenses of \$4,437,829 were unfavorable to budget by (\$172,353). Salaries and wages and agency fees were over budget by (\$115,371) primarily in nursing and clinical departments due to the higher than budgeted volumes and the higher acuity of inpatients. Supplies were over budget in July by (\$95,054) primarily due to surgical implants (\$80,072).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$544,796) vs. a budgeted net loss of (\$1,058,836). The hospital received \$782,578 in restricted contributions from the Sonoma Valley Hospital Foundation in July for the Outpatient Diagnostic Center construction costs. The total net income for July after all activity was \$418,116 vs. a budgeted net loss of (\$584,327).



EBIDA for the month of July was -8.0% vs. the budgeted -27.4%.

Patient Volumes – July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	75	59	16	72
Acute Patient Days	324	222	102	269
Observation Days	20	0	20	11
OP Gross Revenue	\$15,573	\$11,900	\$3,673	\$16,096
Surgical Cases	115	116	-1	156

Gross Revenue Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	40.4%	42.2%	-1.8%	40.4%	42.2%	-1.8%
Medicare Mgd Care	15.2%	13.3%	1.9%	15.2%	13.3%	1.9%
Medi-Cal	19.6%	17.7%	1.9%	19.6%	17.7%	1.9%
Self Pay	3.4%	1.9%	1.5%	3.4%	1.9%	1.5%
Commercial	18.9%	21.4%	-2.5%	18.9%	21.4%	-2.5%
Workers Comp	2.4%	2.6%	-0.2%	2.4%	2.6%	-0.2%
Capitated	0.1%	0.9%	-0.8%	0.1%	0.9%	-0.8%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for July:

For the month of July the cash collection goal was \$2,248,039 and the Hospital collected \$3,395,945 or over the goal by \$1,147,906.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand - Avg.	73.0	81.0	-8.0	48.2
Accounts Receivable Days	40.4	49.1	-8.7	41.8
Accounts Payable	\$2,298,513	\$2,817,952	-\$519,439	\$3,528,128
Accounts Payable Days	34.6	40.7	-7.2	53.2

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 July 31, 2020

ATTACHMENT A

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	8,814,218	7,017,423	1,796,795	25.6%	8,814,218	7,017,423	1,796,795	25.6%
Medicare Managed Care	3,317,818	2,212,539	1,105,279	50.0%	3,317,818	2,212,539	1,105,279	50.0%
Medi-Cal	4,278,323	2,959,441	1,318,882	44.6%	4,278,323	2,959,441	1,318,882	44.6%
Self Pay	743,619	312,655	430,964	137.8%	743,619	312,655	430,964	137.8%
Commercial & Other Government	4,166,892	3,734,477	432,415	11.6%	4,166,892	3,734,477	432,415	11.6%
Worker's Comp.	527,557	437,222	90,335	20.7%	527,557	437,222	90,335	20.7%
Total	21,848,427	16,673,757	5,174,670		21,848,427	16,673,757	5,174,670	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	1,035,304	863,844	171,460	19.8%	1,035,304	863,844	171,460	19.8%
Medicare Managed Care	352,899	243,822	109,077	44.7%	352,899	243,822	109,077	44.7%
Medi-Cal	453,904	318,140	135,764	42.7%	453,904	318,140	135,764	42.7%
Self Pay	337,291	130,002	207,289	159.5%	337,291	130,002	207,289	159.5%
Commercial & Other Government	1,177,869	1,167,322	10,547	0.9%	1,177,869	1,167,322	10,547	0.9%
Worker's Comp.	94,034	82,854	11,180	13.5%	94,034	82,854	11,180	13.5%
Prior Period Adj/IGT	-	-	0	*	-	-	0	*
Total	3,451,301	2,805,984	645,317	23.0%	3,451,301	2,805,984	645,317	23.0%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	30.0%	30.8%	-0.8%	-2.6%	30.0%	30.8%	-0.9%	-2.9%
Medicare Managed Care	10.2%	8.7%	1.5%	17.2%	10.2%	8.7%	1.5%	17.2%
Medi-Cal	13.2%	11.3%	1.9%	16.8%	13.2%	11.3%	1.9%	16.8%
Self Pay	9.8%	4.6%	5.2%	113.0%	9.8%	4.6%	5.2%	113.0%
Commercial & Other Government	34.1%	41.6%	-7.5%	-18.0%	34.1%	41.6%	-7.5%	-18.0%
Worker's Comp.	2.7%	3.0%	-0.3%	-10.0%	2.7%	3.0%	-0.3%	-10.0%
Prior Period Adj/IGT	0.0%	0.0%	0.0%	*	0.0%	0.0%	0.0%	*
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11.7%	12.3%	-0.6%	-4.9%	11.7%	12.3%	-0.6%	-4.9%
Medicare Managed Care	10.6%	11.0%	-0.4%	-3.6%	10.6%	11.0%	-0.4%	-3.6%
Medi-Cal	10.6%	10.8%	-0.2%	-1.9%	10.6%	10.8%	-0.2%	-1.9%
Self Pay	45.4%	41.6%	3.8%	9.1%	45.4%	41.6%	3.8%	9.1%
Commercial & Other Government	28.3%	31.3%	-3.0%	-9.6%	28.3%	31.3%	-3.0%	-9.6%
Worker's Comp.	17.8%	19.0%	-1.2%	-6.3%	17.8%	19.0%	-1.2%	-6.3%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended July 31, 2020**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual 07/31/20</u>	<u>Budget 07/31/20</u>	<u>Favorable (Unfavorable) Variance</u>		<u>Actual 07/31/20</u>	<u>Budget 07/31/20</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Prior Year 07/31/19</u>
Inpatient Utilization								
Discharges								
1	62	47	15	Med/Surg	62	47	15	56
2	13	12	1	ICU	13	12	1	16
3	75	59	16	Total Discharges	75	59	16	72
Patient Days:								
4	221	161	60	Med/Surg	221	161	60	187
5	103	61	42	ICU	103	61	42	82
6	324	222	102	Total Patient Days	324	222	102	269
7	20	-	20	Observation days	20	-	20	11
Average Length of Stay:								
8	3.6	3.4	0.1	Med/Surg	3.6	3.4	0.1	3.3
9	7.9	5.1	2.8	ICU	7.9	5.1	2.8	5.1
10	4.3	3.8	0.6	Avg. Length of Stay	4.3	3.8	0.6	3.7
Average Daily Census:								
11	7.1	5.2	1.9	Med/Surg	7.1	5.2	1.9	6.0
12	3.3	2.0	1.4	ICU	3.3	2.0	1.4	2.6
13	10.5	7.2	3.3	Avg. Daily Census	10.5	7.2	3.3	8.7
Other Utilization Statistics								
Emergency Room Statistics								
14	735	686	49	Total ER Visits	735	686	49	925
Outpatient Statistics:								
15	4,124	3,485	639	Total Outpatients Visits	4,124	3,485	639	4,098
16	17	18	(1)	IP Surgeries	17	18	(1)	27
17	98	98	-	OP Surgeries	98	98	-	131
18	37	56	(19)	Special Procedures	37	56	(19)	85
19	261	310	(49)	Adjusted Discharges	261	310	(49)	395
20	1,127	774	353	Adjusted Patient Days	1,127	774	353	1,032
21	36.3	25.0	11.4	Adj. Avg. Daily Census	36.3	25.0	11.4	33.3
22	1.5505	1.4000	0.151	Case Mix Index - Medicare	1.5505	1.4000	0.151	1.4750
23	1.5070	1.4000	0.107	Case Mix Index - All payers	1.5070	1.4000	0.107	1.4926
Labor Statistics								
24	208	202	(6)	FTE's - Worked	208	202	(6.4)	201
25	230	225	(4)	FTE's - Paid	230	225	(4.2)	226
26	46.64	44.62	(2.02)	Average Hourly Rate	46.64	44.62	(2.02)	43.59
27	6.32	9.03	2.71	FTE / Adj. Pat Day	6.32	9.03	2.71	6.79
28	36.0	51.4	15.4	Manhours / Adj. Pat Day	36.0	51.4	15.4	38.7
29	155.5	128.3	(27.2)	Manhours / Adj. Discharge	155.5	128.3	(27.2)	101.0
30	20.0%	23.7%	3.7%	Benefits % of Salaries	20.0%	23.7%	3.7%	24.8%
Non-Labor Statistics								
31	16.8%	17.3%	0.5%	Supply Expense % Net Revenue	16.8%	17.3%	0.5%	12.2%
32	2,226	1,565	(661)	Supply Exp. / Adj. Discharge	2,226	1,565	(661)	1,142
33	17,381	14,054	(3,327)	Total Expense / Adj. Discharge	17,381	14,054	(3,327)	10,879
Other Indicators								
34	72.0			Days Cash - Operating Funds				
35	40.4	50.0	(9.6)	Days in Net AR	40.4	50.0	(9.6)	41.8
36	152%			Collections % of Net Revenue	152%			95.3%
37	34.6	55.0	(20.4)	Days in Accounts Payable	34.6	55.0	(20.4)	42.1
38	15.8%	16.9%	-1.0%	% Net revenue to Gross revenue	15.8%	16.9%	-1.0%	17.0%
39	16.2%			% Net AR to Gross AR	16.2%			19.9%

Sonoma Valley Health Care District
Balance Sheet
As of July 31, 2020

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,469,443	\$ 1,818,218	\$ 2,869,461
2 Cash - Money Market	8,236,372	9,236,012	3,258,551
3 Net Patient Receivables	4,858,880	4,841,200	6,779,817
4 Allow Uncollect Accts	(932,384)	(920,518)	(1,324,701)
5 Net A/R	3,926,496	3,920,682	5,455,116
6 Other Accts/Notes Rec	149,027	1,142,323	50,829
7 Parcel Tax Receivable	3,800,000	3,914,617	3,800,000
8 GO Bond Tax Receivable	3,309,180	3,309,180	3,104,782
9 3rd Party Receivables, Net	192,029	196,630	1,166,589
10 Inventory	837,989	864,337	898,870
11 Prepaid Expenses	1,018,074	764,657	885,522
12 Total Current Assets	\$ 22,938,610	\$ 25,166,656	\$ 21,489,720
13 Property, Plant & Equip, Net	\$ 50,051,552	\$ 49,267,901	\$ 49,553,498
14 Trustee Funds - GO Bonds	5,528,299	5,528,299	5,016,479
15 Other Assets	-	-	-
16 Total Assets	\$ 78,518,461	\$ 79,962,856	\$ 76,059,697
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 2,298,513	\$ 2,818,987	\$ 3,528,128
18 Accrued Compensation	3,360,927	4,096,086	3,609,479
19 Interest Payable - GO Bonds	572,571	477,140	604,593
20 Accrued Expenses	1,478,758	1,553,810	1,383,663
21 Advances From 3rd Parties	-	-	297,936
22 Deferred Parcel Tax Revenue	3,483,321	3,799,988	3,483,325
23 Deferred GO Bond Tax Revenue	3,033,420	3,309,185	2,846,057
24 Current Maturities-LTD	307,231	339,750	608,272
25 Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26 Other Liabilities	121,966	148,936	1,251,386
27 Total Current Liabilities	\$ 20,130,441	\$ 22,017,616	\$ 23,086,573
28 Long Term Debt, net current portion	\$ 28,652,966	\$ 28,628,302	\$ 30,538,725
29 Fund Balances:			
30 Unrestricted	\$ 19,657,543	\$ 20,022,005	\$ 15,223,446
31 Restricted	10,077,511	9,294,933	7,210,953
32 Total Fund Balances	\$ 29,735,054	\$ 29,316,938	\$ 22,434,399
33 Total Liabilities & Fund Balances	\$ 78,518,461	\$ 79,962,856	\$ 76,059,697

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 31, 2020**

ATTACHMENT D

	Month				Volume Information	Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
1	75	59	16	27%	Acute Discharges	75	59	16	27%	72	
2	324	222	102	46%	Patient Days	324	222	102	46%	269	
3	20	-	20	0%	Observation Days	20	-	20	*	11	
4	15,573	11,900	3,673	31%	Gross O/P Revenue (000's)	15,573	11,900	3,672	31%	\$ 16,077	
					Financial Results						
					Gross Patient Revenue						
5	\$ 6,275,637	\$ 4,773,785	1,501,852	31%	Inpatient	\$ 6,275,637	\$ 4,773,785	1,501,852	31%	\$ 5,664,851	
6	9,176,632	6,992,504	2,184,128	31%	Outpatient	9,176,632	6,992,504	2,184,128	31%	8,950,057	
7	6,396,158	4,907,468	1,488,690	30%	Emergency	6,396,158	4,907,468	1,488,690	30%	7,171,932	
8	\$ 21,848,427	\$ 16,673,757	5,174,670	31%	Total Gross Patient Revenue	\$ 21,848,427	\$ 16,673,757	5,174,670	31%	\$ 21,786,840	
					Deductions from Revenue						
9	(18,214,126)	(13,654,665)	(4,559,461)	-33%	Contractual Discounts	\$ (18,214,126)	\$ (13,654,665)	(4,559,461)	-33%	\$ (17,888,300)	
10	(150,000)	(200,000)	50,000	25%	Bad Debt	(150,000)	(200,000)	50,000	25%	(250,000)	
11	(33,000)	(13,108)	(19,892)	-152%	Charity Care Provision	(33,000)	(13,108)	(19,892)	-152%	(4,900)	
12	-	-	-		Prior Period Adj/Government Program Revenue	-	-	-		56,500	
13	\$ (18,397,126)	\$ (13,867,773)	(4,529,353)	33%	Total Deductions from Revenue	\$ (18,397,126)	\$ (13,867,773)	(4,529,353)	33%	\$ (18,086,700)	
14	\$ 3,451,301	\$ 2,805,984	645,317	23%	Net Patient Service Revenue	\$ 3,451,301	\$ 2,805,984	645,317	23%	\$ 3,700,140	
15	\$ 129,655	\$ 81,081	48,574	60%	Other Op Rev & Electronic Health Records	\$ 129,655	\$ 81,081	48,574	60%	\$ 45,241	
16	\$ 3,580,956	\$ 2,887,065	693,891	24%	Total Operating Revenue	\$ 3,580,956	\$ 2,887,065	\$ 693,891	24%	\$ 3,745,381	
					Operating Expenses						
17	\$ 1,891,655	\$ 1,776,284	(115,371)	-6%	Salary and Wages and Agency Fees	\$ 1,891,655	\$ 1,776,284	(115,371)	-6%	\$ 1,740,377	
18	638,840	659,070	20,230	3%	Employee Benefits	638,840	659,070	20,230	3%	691,997	
19	\$ 2,530,495	\$ 2,435,354	(95,141)	-4%	Total People Cost	\$ 2,530,495	\$ 2,435,354	(95,141)	-4%	\$ 2,432,374	
20	\$ 413,521	\$ 416,835	3,314	1%	Med and Prof Fees (excld Agency)	\$ 413,521	\$ 416,835	3,314	1%	\$ 416,717	
21	580,568	485,514	(95,054)	-20%	Supplies	580,568	485,514	(95,054)	-20%	451,640	
22	373,266	384,000	10,734	3%	Purchased Services	373,266	384,000	10,734	3%	329,530	
23	257,919	266,953	9,034	3%	Depreciation	257,919	266,953	9,034	3%	247,411	
24	118,409	108,143	(10,266)	-9%	Utilities	118,409	108,143	(10,266)	-9%	107,984	
25	47,006	42,599	(4,407)	-10%	Insurance	47,006	42,599	(4,407)	-10%	42,476	
26	16,581	23,821	7,240	30%	Interest	16,581	23,821	7,240	30%	51,849	
27	100,064	102,257	2,193	2%	Other	100,064	102,257	2,193	2%	106,498	
28	-	-	-	*	Matching Fees (Government Programs)	-	-	-	*	0	
29	\$ 4,437,829	\$ 4,265,476	(172,353)	-4%	Operating expenses	\$ 4,437,829	\$ 4,265,476	(172,353)	-4%	\$ 4,186,479	
30	\$ (856,873)	\$ (1,378,411)	521,538	38%	Operating Margin	\$ (856,873)	\$ (1,378,411)	521,538	38%	\$ (441,098)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 31, 2020**

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ (4,590)	\$ 2,908	(7,498)	-258%						\$ 1,991,529	
32	-	-	-	0%	Miscellaneous Revenue/(Expenses)	\$ (4,590)	\$ 2,908	(7,498)	-258%	1,214	
33	-	-	-	0%	Donations	-	-	-	0%	(13,416)	
34	316,667	316,667	-	0%	Physician Practice Support-Prima	-	-	-	0%	316,667	
35	-	-	-	0%	Parcel Tax Assessment Rev	316,667	316,667	-	0%	0	
36	\$ 312,077	\$ 319,575	(7,498)	-2%	Extraordinary Items	-	-	-	0%	\$ 2,295,994	
					Total Non-Operating Rev/Exp	\$ 312,077	\$ 319,575	(7,498)	-2%		
37	\$ (544,796)	\$ (1,058,836)	514,040	-49%	Net Income / (Loss) prior to Restricted Contributions	\$ (544,796)	\$ (1,058,836)	514,040	-49%	\$ 1,854,896	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ 782,578	\$ 294,175	488,403	0%	Restricted Foundation Contributions	\$ 782,578	\$ 294,175	488,403	100%	\$ 342,251	
40	\$ 237,782	\$ (764,661)	1,002,443	-131%	Net Income / (Loss) w/ Restricted Contributions	\$ 237,782	\$ (764,661)	1,002,443	-131%	\$ 2,197,147	
41	180,334	180,334	-	0%	GO Bond Activity, Net	180,334	180,334	-	0%	157,964	
42	\$ 418,116	\$ (584,327)	1,002,443	-172%	Net Income/(Loss) w GO Bond Activity	\$ 418,116	\$ (584,327)	1,002,443	-172%	\$ 2,355,111	
	\$ (286,877)	\$ (791,883)	505,006		EBDA - Not including Restricted Contributions	\$ (286,877)	\$ (791,883)	505,006		\$ 2,102,307	
	-8.0%	-27.4%				-8.0%	-27.4%			56.1%	

* Operating Margin without Depreciation expense:

\$ (856,873)	\$ (1,378,411)	\$ 521,538	38%	Operating Margin	\$ (856,873)	\$ (1,378,411)	\$ 521,538	38%
257,919	266,953	9,034	3%	Add back Depreciation	257,919	266,953	9,034	3%
\$ (598,954)	\$ (1,111,458)	\$ 530,572	46%	Operating Margin without Depreciation expense	\$ (598,954)	\$ (1,111,458)	\$ 530,572	46%

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended July 31, 2020**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	(115,371)	(115,371)	Salaries and wages and agency fees were over budget by (\$115,371) primarily in nursing and clinical departments due to the higher than budgeted volumes and the higher acuity of inpatients
Employee Benefits	20,230	20,230	
Total People Cost	(95,141)	(95,141)	
Med and Prof Fees (excl Agency)	3,314	3,314	
Supplies	(95,054)	(95,054)	Supplies were over budget in July by (\$95,054) primarily due to surgical implants (\$80,072)
Purchased Services	10,734	10,734	
Depreciation	9,034	9,034	
Utilities	(10,266)	(10,266)	
Insurance	(4,407)	(4,407)	
Interest	7,240	7,240	
Other	2,193	2,193	
Matching Fees (Government Programs)	-	-	
Operating expenses	(172,353)	(172,353)	

Sonoma Valley Hospital
Cash Forecast
FY 2021

ATTACHMENT F

	Actual July	Forecast Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,655,695	3,042,562	3,547,784	3,984,991	3,868,884	3,828,430	3,992,041	3,859,339	4,059,205	3,979,608	4,041,302	4,011,761	45,871,602
2 Other Operating Revenue	38,268	81,081	81,081	81,081	81,081	81,081	81,081	81,081	81,081	81,081	81,081	81,081	930,159
3 Other Non-Operating Revenue	73,172	23,796	23,796	23,796	23,796	23,796	23,796	23,796	23,796	23,796	23,796	23,796	334,928
4 Unrestricted Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Hospital Sources	3,767,135	3,147,439	3,652,661	4,089,868	3,973,761	3,933,307	4,096,918	3,964,216	4,164,082	4,084,485	4,146,179	4,116,638	47,136,689
Hospital Uses of Cash													
6 Operating Expenses	5,534,264	4,001,525	4,135,348	4,365,825	4,276,632	4,283,621	4,403,115	4,222,842	4,539,772	4,243,227	4,422,890	4,370,188	52,799,249
7 Add Capital Lease Payments	7,854	-	-	-	-	-	-	-	-	-	-	-	7,854
8 Additional Liabilities/LOC	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Capital Expenditures	784,428	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	4,020,353
Total Hospital Uses	6,326,547	4,295,700	4,429,523	4,660,000	4,570,807	4,577,796	4,697,290	4,517,017	4,833,947	4,537,402	4,717,065	4,664,363	56,827,457
Net Hospital Sources/Uses of Cash	(2,559,412)	(1,148,261)	(776,862)	(570,132)	(597,046)	(644,489)	(600,372)	(552,801)	(669,865)	(452,917)	(570,886)	(547,725)	(9,690,768)
Non-Hospital Sources													
10 Restricted Cash/Money Market	1,000,000	1,000,000	-	-	-	-	-	-	1,900,000	(5,000,000)	-	-	(1,100,000)
11 Restricted Capital Donations	784,428	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	294,175	4,020,353
12 Parcel Tax Revenue	86,141	-	-	-	-	2,100,000	-	-	-	1,600,000	-	-	3,786,141
13 Other Payments - South Lot/Ins. Claims/HHS	340,068	-	-	-	-	-	-	-	-	-	-	-	340,068
14 Other:	-	-	-	-	-	-	-	-	-	-	-	-	-
15 IGT	-	-	108,000	(163,000)	-	-	1,100,000	-	-	4,470,424	-	120,000	5,635,424
16 IGT - AB915	-	-	-	-	-	-	-	250,000	-	-	-	-	250,000
17 PRIME PUB3172	-	-	270,000	-	-	-	-	-	-	-	-	-	270,000
Sub-Total Non-Hospital Sources	2,210,637	1,294,175	672,175	131,175	294,175	2,394,175	1,394,175	544,175	2,194,175	1,364,599	294,175	414,175	13,201,986
Non-Hospital Uses of Cash													
18 Matching Fees	-	135,000	-	-	-	-	425,000	-	1,900,000	104,217	-	-	2,564,217
Sub-Total Non-Hospital Uses of Cash	-	135,000	-	-	-	-	425,000	-	1,900,000	104,217	-	-	2,564,217
Net Non-Hospital Sources/Uses of Cash	2,210,637	1,159,175	672,175	131,175	294,175	2,394,175	969,175	544,175	294,175	1,260,382	294,175	414,175	10,637,769
Net Sources/Uses	(348,775)	10,914	(104,687)	(438,957)	(302,871)	1,749,686	368,803	(8,626)	(375,690)	807,465	(276,711)	(133,550)	
Operating Cash at beginning of period	1,818,218	1,469,443	1,480,357	1,375,670	936,713	633,842	2,383,528	2,752,331	2,743,705	2,368,015	3,175,480	2,898,769	
Operating Cash at End of Period	1,469,443	1,480,357	1,375,670	936,713	633,842	2,383,528	2,752,331	2,743,705	2,368,015	3,175,480	2,898,769	2,765,219	
Money Market Account Balance	8,236,372	7,236,372	7,236,372	7,236,372	7,236,372	7,236,372	7,236,372	7,236,372	5,336,372	10,336,372	10,336,372	10,336,372	
Total Cash at End of Period	9,705,815	8,716,729	8,612,042	8,173,085	7,870,214	9,619,900	9,988,703	9,980,077	7,704,387	13,511,852	13,235,141	13,101,591	
Average Days of Cash on Hand	73.0	63.2	62.4	59.3	57.1	69.8	72.4	72.4	55.9	98.0	96.0	95.0	



July 27, 2020

The Honorable Jim Wood, D.D.S., Chair
Assembly Health Committee
State Capitol, Room 6005
Sacramento, CA 95608

SUBJECT: SB 758 (Portantino) – SUPPORT

Dear Dr. Wood:

Sonoma Valley Health Care District dba Sonoma Valley Hospital has continued to meet the challenges of the COVID-19 pandemic. When COVID-19 hit, our hospital responded quickly by:

- Converting physical space and purchasing furniture and supplies for patient surge rooms, bringing total capacity to 59 from an existing 24
- Opening and stocking physical space for a second overflow emergency department
- Suspending procedures and services
- Purchasing additional personal protective equipment for all employees and staff
- Setting up and staffing drive-through testing seven days a week for symptomatic community members
- Setting up and staffing a daytime screening desk for all employees and patients entering the hospital
- Creating a health platform website providing COVID-19 information, protocols, and training for employees, and
- Purchasing additional laptops and IT equipment to enable administrative team managers to work remotely.

This response was unprecedented, and it has come at a high cost for all hospitals at the front lines of the COVID-19 fight. Kaufman Hall, a national, independent consulting firm with extensive health care finance expertise, [has found](#) that the COVID-19 pandemic is likely to lead to long-term changes to financial stability and care delivery in California hospitals. For our hospital this has meant incredible and continued revenue loss, while managing increased expenses.

However, the next seismic mandate looms. Our hospital has met the first requirement to withstand a major earthquake — the highest level of safety possible. Now that our building is safe for patients and employees, we must focus on the 2030 requirement to be *operational* after a major earthquake. Understanding the challenge our hospital is currently facing, **our hospital supports SB 758, which would extend the deadline for the 2030 mandate to 2037 and create**

The Honorable Jim Wood, D.D.S., Chair
Assembly Health Committee
July 27, 2020
Page Two

a stakeholder advisory committee to examine how California's health care delivery system prepares and responds to disasters of all kinds.

A recent [RAND Corporation report](#) analyzed hospital seismic mandate costs to meet the 2030 seismic requirement. The price tag is estimated to be more than \$100 billion but may even be higher after factoring in financing and other costs. As the study notes, hospitals bear the entire financial burden for the required upgrades. **For our hospital, the costs are significant and are currently estimated to be \$120 million.**

Planning for massive infrastructure projects of this size must start now. At this time when hospitals' budgets have been crippled by the pandemic, an extension of the mandate is critical given the extensive work and expense that need to be considered. More importantly, we strongly support a state-led advisory committee to re-examine the state's response to all disasters, including a seismic event. We have learned many incredible lessons as the state is facing the current pandemic, as well as from other disasters over the past few years.

Sonoma Valley Hospital requests your support for SB 758 in Assembly Health Committee. Please feel free to contact me if you have any questions or would like to discuss this request. Thank you.

Sincerely,



Kelly Mather
President and Chief Executive Officer

Cc: Senator Anthony Portantino
Members, Assembly Health Committee
Lara Flynn, Consultant, Assembly Health Committee
Joe Shinstock, Consultant, Republican Caucus



August 13, 2020

The Honorable Marc Levine
State Capitol, Room 5135
Sacramento, CA 94249-0010

SUBJECT: SB 977 (Monning) – OPPOSE

Dear Assemblymember Levine:

California’s hospitals are dedicated to providing care to their communities 24/7 and to building a health care system that prioritizes the access to care on which patients and communities rely. Sometimes, ensuring that access requires hospitals to affiliate with another hospital to create efficiencies or transfer hospital assets to another organization. These approaches prioritize what’s best for patients — and that flexibility has never been more important than now, as hospitals like ours react to the enormous financial strain imposed by the unprecedented COVID-19 pandemic.

Senate Bill (SB) 977 (Monning) would strain access to the health care system by creating an extreme and burdensome process for transactions like mergers and affiliations. **This comes at a time when hospitals are already fighting to be there for their communities and it would result in hospital closures and the loss of health care services throughout California.**

Although financial distress is a common reason for hospitals to merge or affiliate, these arrangements also occur for myriad other reasons — financial efficiency, expanded access to services, clinical integration, better-coordinated patient care, and bolstered support for nurses and physicians. **Over the past decade, Sonoma Valley Hospital (SVH) has greatly expanded community access to physicians through its relationship with Prima Medical Group and Marin General Hospital, which has helped bring primary care and specialist physicians to Sonoma Valley. In 2018 SVH formed an affiliation with UCSF Health, the top rated medical center in California and one of the top five in the nation. While this relationship is still developing, it is already providing benefits. We have increasing access to many specialty services through telemedicine and expect to have some UCSF physicians holding clinics in Sonoma in the future. SVH’s Outpatient Diagnostic Center (currently under construction) will be a hub in the North Bay for UCSF which will increase hospital volumes and revenues. Affiliations and relationships like these are absolutely vital to the existence of small community hospitals like SVH.**

SB 977 would create a presumption that these transactions are anticompetitive, placing the burden of proof on the purchaser without due process, and effectively establishing a “guilty until proven innocent” system. Sales, affiliations, and mergers are complex and expensive investments

The Honorable Marc Levine
August 13, 2020
Page Two

that require thousands of hours of work from legal, financial, operational, and clinical experts. Because of this substantive investment of time and resources, purchasers need some degree of certainty surrounding the process before undertaking such a risk. The bill gives arbitrary and absolute discretion to the attorney general to determine whether criteria are met, without clear definitions or parameters.

Such an uncertain and highly political process is certain to deter and halt these important transactions.

For these reasons, **we urge you to vote “NO” on SB 977.**

Sincerely,

A handwritten signature in black ink that reads "Kelly Mather". The signature is written in a cursive, flowing style.

Kelly Mather
President and Chief Executive Officer