



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

AGENDA

THURSDAY, NOVEMBER 5, 2020

CLOSED SESSION 5:45 P.M.

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/93308396476?pwd=K2pzTGdtNnIzcXVxMThqZ1laUkNHZz09>

and enter the Meeting ID: 933 0839 6476, Passcode: 208247

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

and enter the Meeting ID: 933 0839 6476 Passcode: 208247

<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. 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>			
<p>3. PUBLIC COMMENT ON CLOSED SESSION</p>			
<p>4. CLOSED SESSION a. <u>Calif. Government Code & Health and Safety Code §54956.9(d)(2): Discussion on Anticipated Litigation (significant exposure – one claim)</u></p>			
<p>5. REPORT ON CLOSED SESSIONS OF OCTOBER 27, 2020, AND NOVEMBER 5, 2020</p>	<i>Hirsch</i>	Inform	
<p>6. BOARD CHAIR COMMENT</p>			

7. CONSENT CALENDAR a. Board Minutes 10.01.20 b. Finance Committee Minutes 09.22.20 c. Quality Committee Minutes 09.23.20 d. Medical Staff Credentialing	<i>Hirsch</i>	Action	
8. CRITICAL ACCESS HOSPITAL UPDATE	<i>Connor</i>	Inform	
9. CEO SEARCH UPDATE	<i>Rymer</i>	Inform	
10. UCSF-SVH MANAGEMENT SERVICES AGREEMENT	<i>Hirsch</i>	Action	
11. ADDITION OF MARITESS HOCHDERFFER TO CEO SEARCH COMMITTEE	<i>Hirsch</i>	Action	
12. ADMINISTRATIVE REPORT FOR NOVEMBER	<i>Mather</i>	Inform	
13. UPDATE ON SIGNIFICANT DOWNTIME EVENT EMERGENCY	<i>Mather</i>	Inform	
14. RESOLUTION HONORING RETIRING BOARD MEMBER JANE HIRSCH	<i>Rymer</i>	Action	
15. RESOLUTION HONORING RETIRING BOARD MEMBER SHARON NEVINS	<i>Rymer</i>	Action	
16. BOARD COMMENTS	<i>Hirsch</i>	Inform	
17. 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, OCTOBER 1, 2020

HELD VIA ZOOM VIDEOCONFERENCE

	RECOMMENDATION	
<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> <p>Called to order at 6:00 pm</p>	<i>Hirsch</i>	
<p>2. BOARD CHAIR COMMENT</p>	<i>Hirsch</i>	
<p>3. PUBLIC COMMENT</p> <p>None</p>	<i>Hirsch</i>	
<p>4. REPORT ON CLOSED SESSIONS OF SEPTEMBER 4 AND SEPTEMBER 21, 2020</p> <p>Ms. Hirsch reported that the September 21 closed session was the CEO performance review.</p> <p>The closed session of September 4 was a continuation of lengthy discussions with UCSF regarding further affiliation. SVH signed an affiliation agreement in 2018 and everyone feels it has been quite successful. UCSF has proposed further integration with a management structure whereby the CEO continues to report to the Board with a dotted line to the UCSF Affiliates President, and the CFO and CMO continue to report to the CEO with direct reports to their UCSF counterparts as well. The plan is to place this issue on the November Board agenda for approval. There will be a community input session with a presentation by UCSF on Tuesday, October 13, at 5:30 pm.</p>		
<p>5. CONSENT CALENDAR</p> <ul style="list-style-type: none"> 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 	<i>Hirsch</i>	Action
		MOTION: by Mainardi to approve, 2 nd by Rymer. All in favor.
<p>6. CHA – SEISMIC REQUIREMENTS 2030 UPDATE</p> <p>Mr. Dietmar Grellman from the California Hospital Association (CHA) spoke. SVH has already met the 2020 and life safety standards. The next deadline is the 2030 requirement to be operational after a major earthquake and is expected to cost the hospital \$120 million.</p>	<i>Grellman</i>	Inform

<p>The bill was amended, but citizen groups thought the building code standard should not be changed, so the bill died in the Assembly Appropriations Committee. It had broad bi-partisan support until the end. However, labor organizations such as California Nurses were the most vocal opposition, as well as the building trades.</p> <p>With a new bill introduced next year, CHA will try to address opposition concerns in a different way. CHA has educated legislators as to the high costs and the need to begin the design and permit process now (for 2030 completion). They have also educated the State administration on this issue, which is even more critical now with COVID costs. Both sides need to develop a consensus on strategy. CHA hopes to make changes to the building code so that it is rational.</p>		
<p>7. HUMAN EXPERIENCE PRESENTATION</p>	<p><i>Jones</i></p>	<p>Inform</p>
<p>Ms. Jones discussed improvement of human experience (creating respectful, empathetic interactions that produce joy and ease suffering for all people involved in healthcare, patients, families, and care team members) and the means being employed to accomplish that at SVH. There is a direct correlation between patient satisfaction and employee satisfaction. She listed examples of areas the hospital is improving, and opportunities to connect throughout the day from the ER through admission, treatment and recovery, discharge, and post-discharge. This is an 18 month project, and each portion of it has its own set of metrics. Mr. Rymer asked her to share the plan with the Board.</p>		
<p>8. CHIEF OF STAFF REPORT</p>	<p><i>Brown</i></p>	<p>Inform/Action</p>
<p>Dr. Brown gave the chief of staff report. There has been a decrease in surgeries due to the COVID crisis; however, physicians and cases are returning. Dr. Kidd briefly spoke about the current search for gastroenterology call coverage.</p>		
<p>9. CEO PERFORMANCE INCENTIVE COMPENSATION FOR FY 2019-2020</p>	<p><i>Hirsch</i></p>	<p>Action</p>
<p>After the motion passed, Mr. Jensen asked if this approval is to be enacted after the Audit Committee meeting as in past years. The Chair agreed.</p>		<p>MOTION: by Boerum to approve, 2nd by Nevins. All in favor.</p>
<p>10. CMO REPORT</p>	<p><i>Kidd</i></p>	<p>Inform</p>
<p>SVH has six ventilators in house now but has not needed one for several weeks. The PCR testing machine is up and running for emergency patients and emergency surgery patients, though supplies continue to be limited. We are still not at the level to be able to provide testing for the general community. Regarding fires, we have had approximately 10 employees evacuated. Air quality is being monitored at the hospital and air scrubbers have been deployed. However, surgeries were cancelled on Tuesday due to air quality. Discussions are continuing regarding gastrointestinal call services and we hope to have something in place in early 2021. A hospice and palliative nurse will join inpatient rounds to facilitate earlier appropriate care.</p>		
<p>11. ADMINISTRATIVE REPORT FOR OCTOBER</p>	<p><i>Mather</i></p>	<p>Inform</p>
<p>Ms. Mather reported that the CT project will be done by the end of October. She and Dr. Kidd are working on strategies to provide access</p>		

to excellent physicians at SVH and are looking at additional telehealth solutions with Carbon Health. She thanked the mini-ICC team for their work since February on COVID and the fires.		
12. FINANCIALS FOR THE MONTH ENDED AUGUST 31, 2020	<i>Jensen</i>	Inform
Mr. Jensen discussed patient volumes and the payer mix for the month of August. The cash collection goal was \$3.2 million and cash collected was \$3.0 million, Days' cash on hand were 68.6, A/R days were 39.0, A/P was \$2.1 million, and A/P days were 31.6. Inpatient revenue was up 36% due to higher lengths of stay; outpatient revenue was up 20%; and ER revenue was up 22% due to acuity. Total operating revenue was \$3.5 million, or \$546,000 over budget. Salaries were over due to increased length of stay; services were over due to outside COVID testing in July and August. The operating margin was (\$868,000), or \$473,000 better than budget. Total net income for the month was \$658,000, or \$2 million over budget, and EBDA was (\$246,000) (7.0%) on a budget of (\$755,000) (25.4%).		
13. BOARD COMMENTS	<i>Hirsch</i>	Inform
Mr. Rymer reported on the CEO Search Committee. This past week we had a community forum for public input and had a very small showing. The Committee received a draft of the leadership profile which the search firm will use to screen candidates. The search firm has reached out to many of the most vocal community members and has already begun screening candidates.		
14. ADJOURN	<i>Hirsch</i>	
Adjourned 7:26 p.m.		



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES**

**TUESDAY, SEPTEMBER 22, 2019
Via Zoom Teleconference**

Present		Staff	Public	
Sharon Nevins via Zoom Joshua Rymer via Zoom Peter Hohorst via Zoom Subhash Mishra, MD 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	Tom Landy via Zoom Judith Bjorndal 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 5:01 pm			
2. PUBLIC COMMENT SECTION	<i>Nevins</i>			
	None			
3. CONSENT CALENDAR	<i>Nevins</i>			
	The minutes of 08.25.20 were reviewed.		MOTION: by Rymer to approve, 2 nd by Flynn. All in favor.	
4. OUTPATIENT DIAGNOSTIC CENTER UPDATE	<i>Mather</i>			
	Ms. Mather indicated the CT project should be complete by the end of October. Permits to start the MRI project were received from OSHPD, so that should begin within the next two weeks. There is a \$950,000 contingency for the MRI project. Mr. Jensen said the line of credit would be brought down as needed.			
5. ADMINISTRATIVE REPORT AUGUST 2020	<i>Mather</i>			
	Ms. Mather reported she has had talks with Carbon			

	<p>Health about bringing a solution for urgent care to Sonoma. Ophthalmology, endoscopy, and pain management volumes have not come back up since COVID-19. COVID-19 patients have tapered off the last few weeks. She thanked Dr. Kidd for presenting a very informative community update on the COVID situation on September 10. There will be conversations in October regarding the UCSF affiliation. MarinHealth has a new CEO, and we are trying to work on North Bay physician strategies. Dr. Carroll's (UCSF) telemed clinic will start next week.</p>		
6. FINANCIAL REPORT MONTH ENDED JULY 31, 2020	<i>Jensen</i>		
	<p>Mr. Jensen reported that outpatient revenue was up substantially in August. He then reviewed the payer mix. The cash collection goal for August was \$3.2 million and the Hospital collected \$3 million. The year-to-date collection goal was \$5.4 million and the Hospital collected \$6.4 million. Days' cash on hand were 68.6, A/R days were 39, A/P was \$2.1 million, and A/P days were 31.6.</p> <p>Total operating revenue was \$3.5 million on a budget of \$2.9 million. Salaries were over budget due to high acuity and higher outpatient volumes. Purchased services were over budget by \$49,000 due to COVID testing costs for July and August. The operating margin was (\$868,000) vs. a budget of (\$1,341,000). After accounting for non-operating revenue, expenses, and contributions, net income for the month was \$658,241 vs. budget of (\$541,662), and EBDA was (7.0%) vs. budgeted (25.4%). He briefly reviewed the cash forecast. The September financials will be back to the regular budget (without COVID reduction). Volume is still off in all areas, but gross revenue looks good at this time.</p>		
7. CAPITAL SPENDING PLAN	<i>Dungan</i>		
	<p>Ms. Dungan presented the capital spending plan and stressed that it is not a budget. There are several</p>		

	items that may be funded by the Foundation. Ms. Mather added that a significant kitchen remodel is on the list during the next year or two. She also indicated that the Hospital will need to plan for an interim solution between the Paragon EHR and Epic, since Paragon is 10 years old.		
8. REVIEW OF LABOR STATISTICS	<i>Jensen</i>		
	Mr. Jensen said the main reason for the difference in labor statistics this year compared to last year was the prior years had included Skilled Nursing. He planned to bring back a recommendation to the Committee to change how this is reported.		
9. THREE-YEAR FINANCIAL PROJECTION	<i>Jensen</i>		
	Mr. Jensen briefly reviewed the financial projection and the assumptions, indicating the project was to establish a basis for budget expectations and was somewhat conservative. He said there are no assumptions for additional CARES money or additional volume. The Hospital is projected to end up with 91 days of cash in 2022 and 95 days in 2023. He suggested refreshing the report each quarter for the Committee.		
10. FY 2020 AUDIT UPDATE	<i>Jensen</i>		
	The audit is complete and the management discussion is being written. There will be a presentation at the October meeting combined with the Audit Committee. There were no significant issues with the audit. He also mentioned for the Committee's consideration that this is the last year of the auditors' engagement.		
11. REVIEW CURRENT INSURANCE POLICIES	<i>Jensen</i>		
	Mr. Jensen reviewed the summary of insurance renewals and premiums. Property insurance increased due to equipment added. SVH now has a \$250,000 deductible for wildfire coverage. Last year's premiums totaled \$520,000, and this year totaled \$588,000. In response to a question about		Follow up on question by Flynn if coverage includes cyber ransom.

	looking at market rates for other carriers, Mr. Jensen indicated an advantage to using BETA is they come out to the Hospital and provide free education and guidance on best practices. He said he would find out how much work BETA did on the policies and perhaps add to the calendar next year looking at the market for other carriers.		
12. ADJOURN	<i>Nevins</i>		
	Meeting adjourned at 5:52 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE**

September 23, 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 via Zoom	Howard Eisenstark, MD via Zoom Michael Mainardi, MD via Zoom Andrew Solomon, MD via Zoom	Carol Snyder	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 Janine Clark, Perioperative Services Manager, via Zoom

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>	
	Called to order at 5:05 p.m.	
2. PUBLIC COMMENT ON CLOSED SESSION		
	None	
3. CLOSED SESSION: a. <u>Calif. Government Code §54956.9(d)(2)</u> : Discussion Regarding Significant Exposure to Litigation (One Case) b. <u>Calif. Health & Safety Code §32155</u> : Medical Staff Credentialing & Peer Review Report		
4. REPORT ON CLOSED SESSION		
	A discussion was held regarding one item of significant exposure to litigation. No action was taken. Medical Staff credentialing was reviewed.	MOTION: by Mainardi to approve credentialing, 2 nd by Eisenstark, all in favor.
5. PUBLIC COMMENT	<i>Hirsch</i>	
	None	

AGENDA ITEM	DISCUSSION	ACTION
6. CONSENT CALENDAR	<i>Hirsch</i>	Action
<ul style="list-style-type: none"> • QC Minutes, 08.26.20 		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 and utilization management metrics for the month of August.	New Infection Preventionist to join either Oct. or Nov. meeting.
5. POLICIES AND PROCEDURES	<i>Jones</i>	Inform
	<p>Policies Reviewed</p> <p><u>Human Resources:</u> Bulletin Boards Compensatory Time Dress Code Leaves – Medical & Family Care (FMLA & CFRA) Orientation Period Required Certifications Tuberculosis Screening</p> <p><u>Governance and Leadership Policies:</u> Code of Conduct</p> <p><u>Medication Management Policies:</u> Piperacitin-Tazobactam Extended Infusion Dosing Remote Pharmacist Services Temperature Monitoring of Medication Storage Vaccine Screening-Pneumococcal and Influenza Vancomycin Protocol</p>	MOTION: to approve by Mainardi, 2 nd by Eisenstark. All in favor.
7. COVID-19 UPDATE	<i>Kidd</i>	Inform
	Dr. Kidd said things were much quieter in September than August as far as COVID patients. Sonoma wide the last week has seen a decline in hospitalizations. Nationwide we are beginning to see signs of a fall surge, especially in the Midwest. Los Angeles County has seen a rebound after Labor Day. Colleges and universities have also seen increased numbers. SVH is attempting to stockpile PPE and putting all surge plans into writing. The Hospital has in-house PCR testing with limited supplies so far (not enough to open to the community). Survival rates are increasing	

AGENDA ITEM	DISCUSSION	ACTION
	compared to last spring. Hospital stays for COVID patients vary widely from 0 to 30 days.	
9. ADJOURN	<i>Hirsch</i>	
	6:09 pm	



Meeting Date: November 5, 2020

Prepared by: Jane Hirsch and Joshua Rymer

Agenda Item Title: UCSF/SVHCD Management Services Agreement

Recommendation:

It is recommended that the Board approve the negotiated First Amendment to the UCSF/Sonoma Valley Hospital Affiliation, to take effect January 1, 2021, which provides for a mutually acceptable expanded and enhanced affiliation agreement with UCSF Health that will include both a Management Services Agreement (“Agreement”), by and between UCSF Health and Sonoma Valley Health Care District (“SVHCD”), and a strategic investment by UCSF Health in SVHCD.

Background:

In 2018, Sonoma Valley Hospital chose UCSF Health as its health system partner and entered into an Affiliation Agreement. The goals of the affiliation were as follows:

- Combine the expertise and resources of UCSF and SVH to share best practices and enhance the quality of services in the Valley
- Coordinate services for out-of-area transport of sick patients and facilitate the transfer of patients back to the hospital when they require less intensive care
- Enhance the availability of physician and administrative services in the Valley through joint program development
- Increase patient, family and community satisfaction with patient care in the community

Our partnership has demonstrated synergies with early activities resulting in successful outcomes. Much has already been accomplished. We have:

- Appointed jointly (with UCSF) a new SVH Chief Medical Officer, Dr Sabrina Kidd
- Brought the first UCSF specialist to the North Bay, Dr. Peter Carroll, world-renowned prostate cancer specialist, to begin seeing patients and referring diagnostic procedures to our hospital
- Became a Stroke-Certified Emergency Department, able to see patients quickly and locally with UCSF tele-neurology capabilities at SVH to support/enhance SVH’s Acute Stroke Ready certification
- Elevated the quality of care delivery in the community, by working with UCSF towards a 5-Star Hospital Quality Readiness designation
- Integrated the former Prima Clinic under the UCSF/MarinHealth Clinic Alliance, eliminating an annual payment to retain primary care in the Valley of more than a half million dollars
- Launched cobranding of the SVH/UCSF affiliation

In addition to the initial goals, the collaboration that has occurred during this 2020 coronavirus pandemic has been invaluable. SVH leaders have been able to participate in COVID information sessions, there has been protocol and best practice sharing, assistance with obtaining and sharing supplies, PPE (personal protective equipment) and other equipment, and rapid COVID testing turnaround. Another important example is the support and resources provided by UCSF in the current search for a new CEO.

Given the significant strategic collaboration over the past two years, and with the initial affiliation goals either met or well underway, now is the time to strengthen our strategic alignment via the proposed amendment to our initial agreement. Deepening our hospital's ties to this highly respected institution will help support the viability of our hospital over the coming years as UCSF continues to:

- Bring more and better access to specialists and services to our community
- Provide priority for our community members who need access to UCSF specialists
- Leverage the high-quality staff, physicians, surgical suites and diagnostic equipment at our hospital to support their goal of delivering UCSF-quality healthcare no more than 20 minutes from a patient's home
- Invest in our hospital and community with both money and access to resources; and
- Support our leadership and physicians to be more closely linked to the practices, expertise and resources of this world-class institution

In summary, further integration and alignment with UCSF Health supports an increased likelihood of success in implementing SVH's vision for the future, and broadens the catchment area for new growth and business development, and enhances SVH's access to UCSF resources.

Consequences of negative/alternative actions:

Without approval of the proposed Management Services Agreement, SVH would be unable to take advantage of the proposed strategic alignment with and strategic investment by UCSF. Small stand-alone community hospitals are increasingly unable to survive economically in the current environment, and our patients and physicians would suffer the consequences of this potential loss of successful partnership and support.

FIRST AMENDMENT TO COLLABORATION AGREEMENT

This First Amendment (“Amendment”) is entered into as of _____ (the “Effective Date of the First Amendment”) and supplements and amends the terms of that certain Collaboration Agreement dated August 20, 2018 (the “Agreement”) by and between Sonoma Valley Health Care District, a political subdivision of the State of California (“SVHCD”) and The Regents of the University of California, on behalf of UCSF Health (“UCSF”). Capitalized terms used and not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, SVHCD and UCSF are parties to the Agreement, pursuant to which they evidence their respective obligations with respect to the Shared Vision; and

WHEREAS, it is now the mutual desire and intent of the parties to amend the terms of the Agreement, as stated in this Amendment.

NOW, THEREFORE, SVHCD and UCSF hereby agree as follows:

1. Extension of Term. The initial term of the Agreement is hereby extended to commence on the Effective Date of the First Amendment and to end on the fifth (5th) anniversary of such date.

2. Joint Operations Committee. Section 1 of the Agreement (Formation of Joint Operation Committee) is hereby amended in its entirety to read as follows:

1. Formation of Joint Operations Committee.

- (a) The Parties hereby form a Joint Operations Committee (“JOC”) that will be responsible for the specific tasks of coordinating the Parties’ activities hereunder and discussing and negotiating such additional individual initiatives as may be necessary or appropriate to implement the Shared Vision. The JOC is a management-level committee that will make recommendations and report back to their respective leadership, and thus functions only as an advisory committee to SVHCD and UCSF management and leadership. The composition of the JOC shall be as set forth on *Appendix F*. Each Party may, from time to time, designate members to replace those members such Party designated pursuant to this Agreement.
- (b) The JOC shall have the authority to appoint such subcommittees as it desires to oversee and coordinate the activities between the Parties relating to this Agreement.
- (c) The JOC shall meet as it deems appropriate.
- (d) All advisory recommendations of the JOC shall be unanimous and each Party shall be entitled to one vote. A decision by either Party to terminate any of the Implementing Agreements, as defined below, shall be brought to the JOC for discussion; provided, however, that each Party ultimately retains the right to terminate an Implementing Agreement in accordance with the termination provisions of such agreements in each Party’s sole discretion.

3. Chief Medical Officer. The parties hereby make the following changes to the Agreement concerning the Chief Medical Officer of SVH:

- a. Subsection 3(a) of the Agreement is hereby deleted in its entirety.
- b. Paragraph 8(e)(2). of the Agreement is hereby deleted in its entirety.

4. Management Services. The parties hereby add Section 9 to the Agreement titled “9. Management Services” to follow “8. General Provisions” to read as follows:

9. Management Services. As described in more detail below, UCSF shall (1) employ and provide to SVH the following members of the SVH executive team: SVH Chief Executive Officer (“SVH CEO”), SVH Chief Financial Officer (“SVH CFO”) and SVH Chief Medical Officer (“SVH CMO” and, together with the SVH CEO and the SVH CFO, the “SVH Executive Management Team”), (2) provide mutually agreed upon services to address SVH’s needs, including, but not limited to: Operations Improvement, Quality & Regulatory, Marketing, Strategic Planning support (“SVH Purchased Services”), and (3) purchase back from SVH mutually agreed upon services of the SVH CEO for UCSF projects and initiatives (“UCSF Purchased Services” and, together with the services of the SVH Executive Management Team and the SVH Purchased Services, the “Management Services”).

- a. **SVH Executive Leadership Roles & Reporting.** UCSF Health shall provide to SVH the services of the SVH Executive Management Team (as defined above and on *Appendix A*), who shall be directly employed by UCSF Health but who shall manage SVH in accordance with the terms of this Agreement. Subject to the authority of the SVHCD Board and compliance with applicable law, the SVH Executive Management Team shall carry out the usual and customary duties of such positions within the healthcare industry. UCSF shall pay all necessary and appropriate employee salary, bonuses, benefits, sick leave, vacation, retirement benefits, payroll and other taxes with respect to the SVH Executive Management Team.
 - i. The SVH CEO will report to the Sonoma Valley Health Care District Board of Directors (“SVHCD Board”), but with a dotted line and dual reporting relationship to the UCSF Health President of Affiliates Network. SVH CEO will be responsible for daily on-site management, operational oversight, financial management and community engagement, as directed by the SVHCD Board and UCSF Health President of Affiliates Network.
 - ii. The SVH CFO and SVH CMO will serve solely at the pleasure of the SVH CEO.
 - iii. SVHCD will reimburse UCSF Health, on a pass-through basis, for the salary and benefit costs of the SVH Executive Management Team. SVHCD payments will be adjusted for any time that the SVH CEO devotes to UCSF Purchased Services, subject to SVHCD Board approval.

- iv. The SVHCD Board will consult with UCSF Health President of Affiliates Network on performance reviews, hiring, termination and compensation for the SVH CEO, but shall make the final determination on these personnel matters. Determinations by the SVHCD Board regarding such reviews and decisions shall be preceded by adequate notice to the UCSF Health President of Affiliates Network, who will be entitled to attend and participate as an observer in the final deliberative meeting of the SVHCD Board on such issue.
 - v. The SVHCD Board will consult and collaborate with UCSF Health on any search for a new SVH CEO and will mutually agree on any new SVH CEO that will be provided pursuant to this Agreement.
- b. **SVH Purchased Services.** SVHCD, SVH CEO and UCSF Health President of Affiliates Network, will work together to identify and evaluate opportunities for collaboration between the two entities in areas where UCSF Health can provide services to meet SVHCD's needs (e.g., Operations Improvement, Quality & Regulatory, Marketing, Strategic Planning support). SVHCD will reimburse UCSF Health for these services as negotiated and incorporated in an ***Appendix B*** as may be amended as mutually agreed upon in writing by the Parties.
- c. **UCSF Purchased Services.** SVH CEO may, at the discretion of the SVHCD Board, devote up to twenty (20%) percent of his/her time to work on UCSF Health projects and initiatives. SVH CFO and SVH CMO, at the discretion of the SVH CEO, may devote up to fifty (50%) percent of his/her time to work on UCSF Health projects and initiatives. UCSF Health will reduce the portion of these executives' costs charged to SVHCD proportionately with time actually spent on SVH matters. Any material change to these time commitments will be set forth in an amendment to ***Appendix A*** as agreed to in writing by the Parties.
- d. **SVH Indirect Services.** UCSF will continue to collaborate on best practices with SVH and the broader UCSF Health affiliates network related to quality, policies & procedures, Covid-19, and other areas of support as provided to all members of the UCSF Affiliates Network.
- e. **Strategic Planning & Implementation.** The CEO will be responsible for implementation of a strategic planning and implementation projects list to be agreed upon annually; the initial list of such projects is set forth in ***Appendix C***, to be amended as mutually agreed upon in writing by the Parties.
- f. **Fee Structure.** Agreement Fees will be consistent with fair market value as determined based on a 3rd party fair market valuation that considers unique features of the relationship and local markets dynamics. The initial estimate fee structure is set forth in ***Appendix D***, but shall be set forth in an agreed upon budget which shall be reflected in a written amendment to ***Appendix D***. Fees shall be amended in writing by mutual agreement of the Parties as needed to continue to be (1) consistent with UCSF

policies (subject to the limitations expressly set forth in *Appendix D*) and (2) consistent with the fair market value of services rendered.

- g. **Compliance and Accountability.** In all other respects, continuously assure and maintain appropriate documentation to demonstrate compliance with each of the applicable requirements of 42 CFR part 482, as reflected in the CMS State Operations Manual, Appendix A (the “COPs”), Cal. Code of Regulations Title 22, Div. 5, Ch. 1 (“Title 22”), and the requirements of applicable accreditation organizations (the “Standards”), including, without limitation, documentation of the local adoption and application of system-wide policies and procedures required for compliance with the COPs, Title 22 and the Standards. The Parties acknowledge that the SVHCD Board shall retain ultimate accountability for compliance with the COPs, Title 22, and the Standards. 8.4 Notwithstanding any of the foregoing to the contrary, as required under Section 70713 of Title 22, SVHCD retains professional and administrative responsibility for the services rendered pursuant to this Agreement.
- h. **Access to Books and Records.** Until expiration of four (4) years after furnishing services and pursuant to this Agreement, UCSF Health shall make available upon written request of the Secretary of Health and Human Services (“Secretary”) or the U.S. Comptroller General, or any of their duly authorized representatives, this Agreement, books, documents, and records of UCSF Health that are necessary to verify the nature and extent of costs incurred by Hospital under this Agreement. If UCSF Health carries out any of the duties of this Agreement with a value of Ten Thousand Dollars (\$10,000) or more over a 12-month period through a subcontract with a related organization, such agreement must contain a clause to the effect that until the expiration of four (4) years after the furnishing of services under the subcontract, the related organization shall make available, upon written request of the Secretary, the U.S. Comptroller General, or any of their duly authorized representatives, the subcontract, any books, documents, and records of the related organization that are necessary to verify the nature and extent of costs incurred by SVHCD under this subcontract.

5. Affiliation Oversight Committee. The parties hereby add a Section 10 to the Agreement titled “10. Affiliation Oversight Committee” to follow “9. Management Services” to read as follows:

10. Affiliation Oversight Committee. A new committee will be established to review the ongoing performance of UCSF Health under this Agreement.

- (a) The initial composition of the Affiliation Oversight Committee shall be as set forth on *Appendix E* and shall include two representatives from SVHCD and two representatives from UCSF Health. The SVHCD Board Chair and UCSF Health President, Affiliates Network will serve as one of the two appointees for their respective organizations, along with a SVHCD Board Member and a designee from UCSF.

(b) The Affiliation Oversight Committee shall meet no less than annually but is encouraged to meet as needed on specific Management Services matters during the initial years.

(c) The Affiliation Oversight Committee will review the Management Services: SVH Executive Leadership services, any mutually agreed upon SVH Purchased Services, and UCSF Purchased Services, and make recommendations for modifications to the services provided.

(d) The SVH CEO will staff the Affiliation Oversight Committee meeting and provide all materials for review by the Affiliation Oversight Committee.

6. The parties hereby add a Section 11 to the Agreement titled “11. Exclusions; Limitation of Liability” to follow “10. Affiliation Oversight Committee” to read as follows:

11. Exclusions; Limitation of Liability.

SVHCD AGREES THAT NEITHER UCSF, NOR ANY OF ITS MEMBERS, OFFICERS, DIRECTORS, AFFILIATES, EMPLOYEES OR AGENTS SHALL IN ANY EVENT BE LIABLE FOR ANY DIRECT, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR ANY OTHER DAMAGES REGARDLESS OF KIND OR TYPE (WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE), INCLUDING LOSS OF PROFITS, BUSINESS INTERRUPTION, PERSONAL INJURY, PROPERTY DAMAGE, LOSS OF BUSINESS PROFITS, LOSS OF BUSINESS INFORMATION, DATA, OR GOODWILL, REGARDLESS OF WHETHER SVHCD KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

7. Appendices.

- a. Appendix A to this Amendment is hereby added as ***Appendix A*** to the Agreement.
- b. Appendix B to this Amendment is hereby added as ***Appendix B*** to the Agreement.
- c. Appendix C to this Amendment is hereby added as ***Appendix C*** to the Agreement.
- d. Appendix D to this Amendment is hereby added as ***Appendix D*** to the Agreement.
- e. Appendix E to this Amendment is hereby added as ***Appendix E*** to the Agreement.
- f. Appendix F to this Amendment is hereby added as ***Appendix F*** to the Agreement.

8. **Continuation.** Except as specifically amended and modified by this Amendment, the Agreement shall continue in full force and effect in accordance with its terms as in existence on the date of this Amendment.

9. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

10. Conflicts. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, the terms and provisions of this Amendment shall control.

11. Reference. The terms and provisions of this Amendment are incorporated by this reference into the Agreement as though fully set forth in the Agreement. From and after the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended and modified by this Amendment.

12. Counterparts. This Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signatures follow]

Please indicate your approval of this Amendment by signing and returning an executed and dated copy of this Amendment.

Thank you for your consideration.

Sincerely yours,

UCSF:

UCSF Health

By: _____

Name: _____

Its: _____

IT IS SO AGREED AND ACCEPTED:

Sonoma Valley Health Care District ("SVHCD"):

Sonoma Valley Health Care District

By: _____

Name: _____

Its: _____

Date: _____

APPENDIX A

Executive Leadership Roles

Current Title	Current & Planned Effort	Reporting Relationship	Start Date
Chief Executive Officer	1.0 FTE	Solid to SVHCD Board Dotted to UCSF Health President of Affiliates Network	January 2021 (new recruit)
Chief Finance Officer	0.5 FTE	Solid to SVH CEO Dotted to UCSF Health Affiliates Network CFO	January 2021 (incumbent)
Chief Medical Officer	0.5FTE	Solid to SVH CEO Dotted to UCSF Health Affiliates CMO	January 2021 (incumbent)

APPENDIX B

SVH Purchased Services

[Reserved]

Role Description	Time Commitment (monthly hours)

APPENDIX C

Initial Projects List

Projects	Goal	Status
2025 Strategic Plans	Connect SVH plan with UCSF 2025 plan	Complete
UCSF Branding in Sonoma	UCSF signage	Complete
Tele Neurology	Stroke physician advisor and Neurology consults	Complete
Tele Infectious Disease	Infectious Disease coverage / consults	Complete
Supply Chain	Connected with UCSF contact for analysis	Complete
Cancer Screening Clinic/ Urology	Satellite clinic with Drs. Carroll starting with Telemedicine	Complete
Specialty Programs - Clinic & Telehealth		
Surgery	Inclusion of SVH in UCSF surgical capacity planning – opportunity to create destination surgery programs (e.g. endocrine, gyn onc)	
Bariatrics	SVH to get Accreditation but on hold due to COVID Work together under UCSF brand (subject to a trademark license agreement entered into by the parties) and create a centralized system, including regional branding under Sonoma Valley Bariatrics Institute, with revenues so accruing to SVH	
Specialist Consults / Telehealth	Expand number of SVH specialty programs	
Physician Recruitment	Bariatrician, Geriatrician, Rheumatology, and GI	
Prima	PCP recruitment	
Facilities / IT Infrastructure		
Master Facility Plan	Possible use of old ER space for UCSF specialty clinic	
Outpatient Diagnostic Center	CT opens this fall. MRI opens next summer.	

Information Systems	Clinics completed via UCSF MarinHealth Alliance, hospital planning underway	
Other		
Canopy Health	Medicare Advantage Plan in Sonoma County	Expected 2022
Philanthropy	Connect on strategies for donors	On-going
Marketing Plan	Overall marketing approach for collaboration initiatives	

APPENDIX D

Executive Leadership Team Compensation

1. Executive Leadership Team.

- a. As consideration for the Executive Leadership Team Management Services, SVHCD shall pay UCSF an annual management fee (the “Management Fee”) equal to the sum of the four Quarterly Fees and the Annual Fee set forth below. The Management Fee will be based on (a) the amount determined in accordance with Section 1(b) (the “Annual Salary”); *plus* (b) the Benefits (as defined in Section 1(c) below); *plus* (c) the Bonus (as defined in Section 1(d) below).
 - b. Annual Salary.** The “Annual Salary” for the Executive Leadership Team shall be set according to UC and UCSF policy and industry standards and subject to UCSF Health Compensation classification.
 - c. Benefits.** The “Benefits” for the Executive Leadership Team shall be the UCSF Health benefits cost including the following: University of California Retirement Program, Health Insurance, Vision Insurance, other/non-cash benefits.
 - d. Incentive Pay.** The “Incentive Pay” for the Executive Leadership Team shall be based on UCSF Health Annual Incentive Payment Program, and applicable commensurate executive management tier.
2. **Quarterly Fee.** Commencing on the Effective Date, in exchange for the Executive Leadership Team Management Services, SVHCD shall pay to UCSF on a quarterly basis the proportional amount for Annual Salary and Benefits (the “Quarterly Fee”), which amount shall be prorated based on the number of days this Agreement is in effect in the case of any partial month at the beginning or end of the term of the Agreement. By the thirtieth (30th) day following the end of each quarter, UCSF shall submit invoices and a summary of reimbursable amounts to SVHCD setting forth the preceding quarter’s Salary and Benefits. SVHCD shall pay the Salary and Benefits expenses for each quarter no later than thirty (30) days following receipt of UCSF’s invoices.
3. **Annual Fee.** In exchange for the Executive Leadership Team Management Services, SVHCD shall pay to UCSF the annual Incentive Pay (the “Annual Fee”), which amount shall be prorated based on the number of days this Agreement is in effect in the case of any partial month at the beginning or end of the term of the Agreement. UCSF shall submit invoices and a summary of reimbursable amounts to SVHCD setting forth the Annual Fee by the thirtieth (30th) day following the disbursement of UCSF Health annual bonuses. SVHCD shall pay the Annual Fee for each year no later than thirty (30) days following receipt of UCSF’s invoices.
4. **Annual Limit on Aggregate Compensation Increases.** All changes to compensation remain under the sole control of UCSF. However, changes to the Management Fee under this Agreement shall be made only by a written amendment signed by the Parties. Notwithstanding any other provision of this Agreement, the annual aggregate Management Fee increase attributable to Annual Salary shall not exceed the average

percentage salary increase of all SVHCD employees, unless otherwise mutually agreed to by the Parties in writing.

APPENDIX E

Affiliation Oversight Committee

UCSF Representatives

1. President, Affiliates Network
2. TBD

SVH Representatives

1. Board Chair, SVHD
2. Board Member, SVHD

APPENDIX F

Joint Operating Committee

UCSF Representatives

1. UCSF Affiliates COO
2. UCSF Affiliates CMO
3. UCSF Affiliates CSO

SVH Representatives

1. SVH CEO
2. SVH CMO
3. SVH CFO



To: SVHCD Board of Directors

Meeting Date: November 5, 2020

Prepared by: Joshua Rymer

Agenda Item: Addition of Maritess Hochderffer to CEO Search Committee

MARITESS HOCHDERFFER
Manager, Executive Recruitment
UCSF Health

Maritess has almost 20 years of full life cycle recruiting experience and is the Manager, Executive Recruitment at UCSF Health where she builds strategic partnerships to find candidates a home at one of the top 10 ranked academic health systems in the nation. Maritess has led and developed the executive search function for the health system since 2007. In fiscal year 20/21, she has focused on integrating additional diversity, equity and inclusion components into the executive search process, which is now the recruitment standard for Director and above positions at UCSF Health and UCSF Campus. Prior to coming to UCSF Health, Maritess spent over 10 years as a Senior Technical Recruiter and Recruiting Manager at boutique technology agencies in San Francisco. When Maritess is not scouting for top talent, she enjoys the great outdoors with her family and takes advantage of every quiet moment she can find. Maritess holds a Master of Arts from the George Washington University in Education and Human Development with an emphasis in organizational leadership and learning.



To: SVHCD Board of Directors
From: Kelly Mather
Date: 10/29/20
Subject: Administrative Report

Summary

October has been a very tough month for the hospital with the cyber-attack on October 11th; we’ve mostly focused on recovering from this event. Operations have continued in downtime and the staff, physicians and patients have all been very compassionate during this difficult situation. A lot of work will be needed in the next month to address the backlog and become fully functional again. The positive news is that our systems will be safer and updated. There are no new trending numbers in this report due to the lack of ability to access systems.

Update from 2025 Strategic Plan:

Strategic Priorities	Update
Create UCSF Health Outpatient Center	<ul style="list-style-type: none"> ➤ The new affiliation agreement with UCSF for management services is up for approval this month. ➤ Dr. Peter Carroll, world renowned Cancer specialist has begun his telecare service in Sonoma. Marketing is underway. ➤ The CT (Project 1) will be complete in 2020. The MRI (Project 3) construction is now underway. 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"> ➤ Patient satisfaction remains high even under downtime procedures except for the ability to see results. ➤ We have decided to just use the CMS tool for surgery satisfaction instead of having two different tools. ➤ We are looking at some telehealth options with Valley Emergency Physicians.
Become a 5 Star Hospital	<ul style="list-style-type: none"> ➤ The “Human Experience” action plan continues with great progress on recognition, rounding and staff communication. ➤ We are fundraising for a new bug zapping robot this year in the annual appeal. ➤ We have prioritized refurbishment of the ICU as our next big project to be funded by Sonoma Valley Hospital Foundation. ➤ We are considering moving to a new General Surgery approach with “Surgicalists” who are on for a full week instead of the daily changes to improve the continuity of care.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ We have made an offer to a Primary Care Physician to start next summer with the Prima Medical Group. ➤ We are working with MarinHealth (UCSF affiliate) directly on the Gastroenterology solution. ➤ We are looking at more telehealth and an urgent care solution to provide access to care and started discussions with Carbon Health. ➤ UCSF is looking at the possibility of doing surgeries in Sonoma.
Healthy Hospital	<ul style="list-style-type: none"> ➤ Health screenings were delayed this month due to the significant downtime event. ➤ The Incident Command Team continues to manage through the pandemic.

SEPTEMBER 2020

			National Benchmark
Patient Experience	Current Performance	FY 2020 Goal	
Would Recommend Hospital	80%	> 70 percent	50th percentile
Inpatient Overall Satisfaction	84%	>70 percent	50 th percentile
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	2	< 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	3.4%/20.4%	< 15%	< 20%
Financial Stability	YTD Performance	FY 2020 Goal	Benchmark
EBDA	-7%	>3%	3%
Paid FTE's	229	<235	235
Days Cash on Hand	68	>30	30
Days in Accounts Receivable	39	<45	50
Length of Stay	4.8	<4.0	4.03
Funds raised by SVHF	\$21.1 million	\$21 million	\$1 million
Strategic Growth	YTD/Projected	FY 2020 Goal	FY 2020
Inpatient Discharges	140/840	900	862
Outpatient Visits	7908/47,448	50,000	47,802
Emergency Visits	1458/8748	10,000	9784
Surgeries + Special Procedures	229/1374	2000	2226
Community Benefit Hours	100.5/603	800	1332

Note: Colors demonstrate comparison to National Benchmark



Healing Here at Home

TRENDED MONTHLY RESULTS

MEASUREMENT	Goal FY 2021	Jul 2020	Aug 2020	Sep 2020	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020
FY YTD Turnover	<15%	2.1	3.4		3.9	4.8	5.6	5.6	6	7.3	7.3	8.2	8.2
Leave of Absences	<12	6	8		11	15	16	13	9	11	13	13	9
EBDA	>3%	-8	-7		-.3	.4	4.5	16.1	10.5	25.7	-13.9	253	-8.9
Operating Revenue	>3.5m	3.58	3.52		3.8	3.7	4.0	5.4	4.1	8.3	2.8	1.3	3.4
Expense Management	<4.5m	4.4	4.3		4.3	4.2	4.4	5.1	4.4	6.8	3.7	3.8	4.5
Net Income	>50k	418	658		-76	101	180	873	307	2351	-297	3600	-565
Days Cash on Hand	>30	73	68.6		22.5	16.9	17.9	20.4	15.7	15.6	43.1	87.1	81
Receivable Days	<50	40	39		46.2	44	44	38	42.5	36.9	35.5	44	49
Accounts Payable Days	>50	35	31.6		45	43	43	42	42.2	53.4	41.9	35.2	40.7
Accounts Payable	<\$3m	2.3	2.1		3.1	2.9	2.9	2.9	3.0	3.7	2.9	2.4	2.8
Total Paid FTE's	<235	230	229		233	230	230	230	231	236	190	205	225
Inpatient Discharges	>80	75	65		90	90	87	79	86	63	39	44	65
Patient Days	>300	324	314		351	319	336	321	286	218	156	179	238
Observation Days	<20	20	21		21	18	29	12	16	16	13	9	16
Average Daily Census	>10	10.5	10.1		11.3	10.6	10.8	10.4	9.9	7	5.2	5.8	7.9
Outpatient Revenue	>\$15m	16.1	14.9		16.1	15.9	16.3	17.3	16.3	12.3	7.1	10.5	14.6
Surgeries	>150	115	114		187	193	152	150	145	80	17	34	116
Special Procedures	>75	37	34		74	72	57	58	79	43	1	8	46
Emergency Visits	>900	735	723		973	880	984	953	972	745	529	645	695
MRI	>120	93	84		147	145	159	138	146	70	39	68	116
Cardiology (Echos)	>65	63	71		107	46	85	83	68	52	35	52	70
Laboratory	>11	12.6	12.1		11.0	11.3	11.3	11.6	10.9	8.7	5.5	8.5	11.1
Radiology	>900	883	806		1035	888	1033	1113	934	684	420	572	797
Rehab	>2000	2206	1664		2010	2207	2181	2422	2119	1626	566	1182	1984
CT	>350	382	426		406	356	433	429	388	335	263	367	401
Mammography	>200	213	179		250	219	216	172	243	243	15	87	228
Ultrasound	>250	228	253		244	255	251	234	238	198	110	163	272
Occupational Health	>550	580	426		753	535	660	517	572	544	392	380	462
Wound Care	>275	191	154		226	237	294	252	233	201	140	112	164



SONOMA VALLEY HOSPITAL

Community Report

Introducing Our New Outpatient

2020 Diagnostic Center

SONOMA VALLEY HOSPITAL

75
YEARS

Our Hospital Is Stronger Today

I'm delighted to report that Sonoma Valley Hospital is in excellent shape as we complete 2020. Despite many challenges and difficult decisions, the changes that have been made over the past couple of years are serving the Hospital well in terms of financial strength, quality of care, physician availability, and staff and patient satisfaction. It has been gratifying to work with the Hospital's highly capable leadership and staff through this time which has seen wildfires, restructuring and closing services, and this year, a pandemic.

I would like to express gratitude to the SVH staff and physicians for their outstanding care and service to our community. I also want to thank and congratulate Kelly Mather, President and CEO, who will be leaving SVH at the first of the year to accept a new role as CEO of BayHealth. Her leadership over the past decade has guided and improved SVH to where it is today.

One of Kelly's signature accomplishments has been facilitating the relationship with UCSF Health, and we continue to explore further integration. A key component of this is the completion this summer of the capital campaign for the new Outpatient Diagnostic Center, with many thanks to the SVH Foundation and our generous donor community! UCSF's goal is to utilize the new Outpatient Diagnostic Center for their North Bay patients so that excellent care and diagnostics can be provided close to home. As a result of increased use of telemedicine during the COVID-19 crisis, UCSF also is accelerating its telemedicine program and will provide more access to specialists in Sonoma.

SVH recently celebrated its 75th anniversary, a notable accomplishment for a small hospital! Our community is fortunate to have convenient access to quality healthcare services, and we can look to the future for continued improvements in technology and access.

I want to express my gratitude to the Hospital's leadership, my fellow Board members, and our community for the opportunity to serve on the SVHCD Board of Directors. It has been my pleasure to serve two terms and to participate in the many changes and improvements that have transpired during that time. As I complete my Board service, I'm delighted to welcome two individuals who join the Board this month: Dr Judy Bjorndal and Susan Idell, who are eminently qualified and will serve our community well in the years ahead.

Jane Hirsch
Board Chair, Sonoma Valley Health Care District

Sonoma Valley Health Care District

2020 BOARD OF DIRECTORS

Jane Hirsch, Chair
Joshua Rymer, First Vice Chair
Michael Mainardi, Second Vice Chair
Sharon Nevins, Treasurer
Bill Boerum, Secretary

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

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



Year In Review

Outpatient Diagnostic Center Opens

The Hospital is in the final stage of preparing the new CT scanner suite to receive patients as part of our commitment to provide excellent care close to home. Our new Diagnostic Center allows us to serve our community with highly advanced imaging in a convenient, familiar and welcoming setting.

Construction is completed and, depending on final approvals from the state, the Hospital will have the CT scanner in operation this month or early January. The state-of-the-art service will provide diagnostic services to both SVH patients and UCSF Health patients in the North Bay. Phase Two, which includes a new MRI suite, is currently under construction and expected to open in mid-2021. All costs for the new Diagnostic Center were paid for by donations from the community and major donors through a very successful capital campaign led by the Sonoma Valley Hospital Foundation.



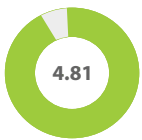
75 Years And Counting!

This year the Hospital marked 75 years of providing compassionate care to Sonoma Valley residents under the direction of the Sonoma Valley Health Care District. Although the celebration was more muted than it normally would have been because of restrictions necessitated by the pandemic, the 75th anniversary was recognized, from colorful banners placed around the Plaza to employee events in the Hospital. To mark this milestone, the Hospital created a permanent display tracking its history from Sonoma's earliest days. This interesting and informative display is located in the mural corridor off the Hospital's main lobby, leading to the Skilled Nursing Facility.

SONOMA VALLEY HOSPITAL THROUGH THE YEARS A Tradition of Compassionate Care



OVERALL SCORE



★★★★★

Patients Give SVH Care High Marks

Patients continue to report satisfaction with the care they receive at SVH. Overall, most of the more than 3,000 patients responding to a survey last year gave the Hospital high marks – an average score of 4.81 out of a possible 5.0. The Emergency Department achieved an average score slightly higher than the previous year. The ED saw nearly 10,000 visits last year and 70 percent were seen within

15 minutes. The total for ED use was down for the year, dropping as much as 50 percent in some months because of the pandemic. Department scores included:

Emergency 4.71 Cardiopulmonary 4.85 Hand and Physical Therapy 4.87
Inpatient Care 4.75 Medical Imaging 4.86 Outpatient Surgery 4.86

Responding To Covid-19

The Hospital went into emergency mode as soon as Covid-19 made an appearance early this year, and quickly expanded the number of beds to handle an increased number of inpatients in the event of a surge. SVH worked with Sonoma Valley Community Health Center to offer drive-through testing to residents this summer. Throughout the year, the Hospital has provided communications to the community reporting on the severity of the pandemic and recommending practices to prevent infection.

Financial Report



Due to the changes in services made in fiscal year 2019, the Hospital is financially stronger now than it has been in more than a decade. While it posted strong financial results through much of fiscal year 2020, we were impacted by a sudden drop in volumes and revenue in all service areas this past spring and early summer due to the Covid-19 pandemic. However, many areas were beginning to recover by the end of the fiscal year in June.

In fiscal year 2020, we met budget, reduced debt, paid off some major leases including the Electronic Health Record, and continued to keep capital spending low by drawing on donor funding generated by the Foundation. Even though revenues dropped this summer because of low volumes due to the pandemic, we ended the year in a strong cash position, and accounts payable were at a low level, averaging under \$3 million. We exceeded the EBDA budget by \$4.5 million and kept cash on hand at a high level throughout the year.

We continue to be heavily dependent on government payers as Medicare and Medi-Cal represented approximately 74% of gross revenues last year, and our Commercial revenues remain at a lower level than for most hospitals.

1,332

That's the number of hours SVH staff volunteered last year to improve the health of our community. This included staffing health fairs and events, and helping local nonprofits. We believe our Valley thrives when we are healthy together.



Drive-through COVID-19 testing

Payer Mix FY2020

	Actual Gross Revenue	Payer Mix
Medicare	\$ 97,714,753.19	41.0%
Medicare Managed Care	34,857,046.37	14.6%
Medi-Cal	42,530,317.96	17.8%
Self Pay	4,182,883.82	1.8%
Commercial & Other Government	51,198,896.03	21.5%
Worker's Comp	6,457,876.03	2.7%
Capitated	1,627,017.31	0.7%
	<u>\$238,568,791.02</u>	<u>100.0%</u>

Net Patient Revenues

	2020	2019	2018
Medicare Services	\$ 97,733,947	\$ 116,561,188	\$ 117,867,634
Medi-Cal Services	42,665,195	49,134,185	47,336,024
Other Patient Services*	98,253,217	106,404,718	99,499,127
Contractual Allowances**	(192,033,659)	(214,546,401)	(210,263,700)
Total Net Patient Revenue	\$ 46,618,700	\$ 57,553,690	\$ 54,439,085

*Includes Commercial, Worker's Comp and Direct Pay

**And Allowance for Doubtful Accounts

Cash and Cash Equivalents	\$ 11,054,230	\$ 5,651,697	\$ 2,342,737
Net Income	\$ 9,237,650	\$ 4,238,453	(299,835)

A Transformative Decade

The past decade has been transformative for our Hospital. As I look back to my first day in 2010, I recall seeing so much opportunity. As the new Administrator of an independent district hospital, I was relieved that the community had decided to fund the much needed new wing for Emergency and Surgery services. That decision was the beginning of the Hospital's transformation.

In each of the annual reports published since 2011, you can see the progress and the many challenging barriers we had to overcome. We started with defining our values, focusing on our mission and creating a new vision for the future. The strategic plans we developed contained stretch goals as well as goals of necessity to ensure our Hospital survived. We did everything in our power to make it thrive. The story of the past decade is in the annual reports and strategic plans we produced each year, which are on our website and demonstrate our transparency and commitment to the community.

The strategies to achieve this new vision have not changed much over the years. Our highest priority is always to ensure we provide excellent Emergency Services. Our next priority is to provide access to high-demand diagnostic testing, surgical procedures, rehabilitation, wound care and Occupational Health services. We also focused on recruiting and maintaining physicians for our community and continuing to offer high quality, compassionate inpatient care. One of the major steps that truly transformed our Hospital, and which has provided the much-needed capital, has been fundraising with the Sonoma Valley Hospital Foundation. Together, we raised over \$35 million in this decade.

I am proud to say our vision has been achieved. We are seen as a vital member of our community. Today we have a beautiful, well-maintained facility. We have the physicians and specialists we need close to home. Our compassionate staff members are highly engaged and our patients often rave about their experience at the Hospital. The SVH team continues to go above and beyond, including volunteering hundreds of hours each year to help our community. And now we are affiliated with the best hospital system in the West: UCSF Health.

It has been a pleasure and an honor serving as your CEO and I must thank the board, staff, physicians, donors and community for their support. It is difficult to leave this wonderful community, but I do so with pride for all that we have accomplished together during what has been a transformative time for our Hospital. I'm pleased to say the future is here and I'm confident the Sonoma Valley has a Hospital that will serve it well for another generation.

Kelly Mather

President and Chief Executive Officer
Sonoma Valley Hospital

Vision 2025

"Our new vision emphasizes affiliation with a large provider, continued emphasis on quality service, and increased access and partnership in outpatient services, while maintaining a focus on providing excellent, convenient emergency services. This plan identifies the strategic initiatives that, over the next five years, will strengthen the hospital financially, improve us competitively, and enable us to better serve our community."

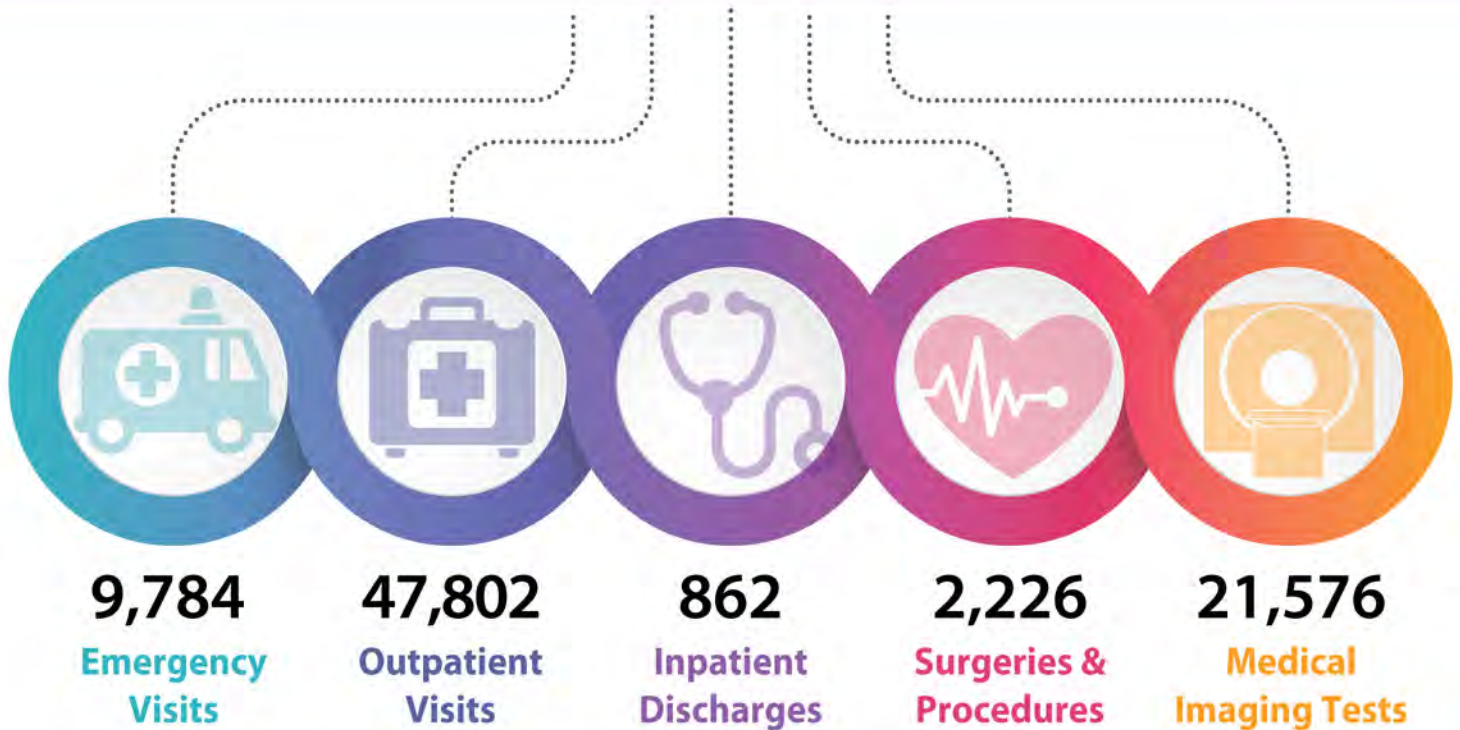


SVH updated its rolling strategic plan in 2020, changing it to a 5-year strategic plan to align with UCSF Health's 5-year plan.

A copy of SVH Vision 2025 is available on our website at sonomavalleyhospital.org under "Health Care District."

SONOMA VALLEY HOSPITAL SNAPSHOT 2020

July 1, 2019 – June 30, 2020



HOSPITAL

Lab Tests	122,921	1,415 MRIs
Wound Care Visits	2,881	4,602 CT Scans
Cardiopulmonary Tests	2,434	2,253 Mammograms
Rehab Treatments (Outpatient)	24,422	6,827 Occupational Health Treatments

SERVICES

352 Employees • 100 Registered Nurses • \$23.3M Annual Payroll • 22 Volunteers

Note: Use of many services declined in 2020 due to the Covid-19 crisis



**SONOMA VALLEY HEALTH CARE DISTRICT BOARD OF DIRECTORS
RESOLUTION No. _____**

HONORING RETIRING BOARD MEMBER JANE HIRSCH

Whereas, Jane Hirsch has rendered extraordinary service to the Sonoma Valley Health Care District, Sonoma Valley Hospital and our community; and

Whereas, Jane has served on the District’s Board of Directors since 2012; and

Whereas, Jane has served as the Chair of the District’s Board of Directors in 2015, 2016, and 2020; and

Whereas, Jane has been the longest running Board Quality Committee chairperson bringing her incredible experience and wisdom to the group and her willingness to sit through all 21 revisions of the Quality Charter; and

Whereas, Jane served as the chair of the Skilled Nursing Committee in 2018-2019 resulting in keeping these services at the hospital for the community avoiding future losses; and

Whereas, Jane served as the chair of the Board CEO Compensation Committee for several years providing much appreciate feedback and support for achievements; and

Whereas, Jane has taken the lead in bringing the next level of UCSF Affiliation to the hospital in 2020; and

Whereas, Jane has always been willing to help and has been an outstanding Board member; and

Whereas, Jane has a unique way of finding humor and smiling through any situation; and

Whereas, Jane has reluctantly waved to the crowds at the July 4th parades and attended many hospital and community events representing the district; and

Whereas, Jane can always be counted on to give recognition and appreciation to staff and colleagues; and

Whereas, Jane is always available day or night to the CEO and others and helps find positive solutions; and

Whereas, Jane is known to routinely do her community relations work at the Basque Boulangerie and Sonoma Market, and

Whereas, Jane’s husband Jeff will be dancing in the streets on the day Jane retires from the board so that he can have his wife back; and

Whereas, Jane will finally get to play her regular Mahjong game without being interrupted by important Hospital business; and

Whereas, Jane is a big fan of the Giants and the Warriors; and

Whereas, Jane Hirsch will be sorely missed by all as a cherished and valued member of the Sonoma Valley Health Care District Board.

NOW THEREFORE BE IT RESOLVED, that her colleagues and admirers salute Jane Hirsch’s leadership, thank her for her outstanding service to the Hospital, the District, and the Community and wish her well in all future endeavors, both personal and professional.

PASSED AND ADOPTED on December 3, 2020, by the following vote:

AYES: 5

ABSENT: 0

NOES: 0

ABSTAIN: 0

Joshua M. Rymer, First Vice Chair
Sonoma Valley Health Care District

Bill Boerum, Secretary
Sonoma Valley Health Care District



**SONOMA VALLEY HEALTH CARE DISTRICT BOARD OF DIRECTORS
RESOLUTION NO. _____**

HONORING RETIRING BOARD MEMBER SHARON NEVINS

Whereas, Sharon Nevins has rendered extraordinary service to the Sonoma Valley Health Care District, Sonoma Valley Hospital and our community; and

Whereas, Sharon has served on the District’s Board of Directors since 2012; and

Whereas, Sharon has served as the Chair of the District’s Board of Directors in 2012 and 2013; and

Whereas, Sharon has been the running the Board Finance Committee bringing her incredible experience and wisdom to the group and has mentored many new members for a consistently high performing team; and

Whereas, Sharon served as the chair of the Audit Committee resulting in clean audits all during her tenure: and

Whereas, Sharon took the lead in managing the Marin General Hospital Affiliation to a positive end; and

Whereas, Sharon has always been willing to help with many difficult situations and creates the best outcomes such as with the Sonoma Valley Hospital Foundation re-boot from 2012 - 2014; and

Whereas, Sharon has a way of always keeping us stable and ensuring we are focused on improving our financial situations by selling off non-performing assets, reducing and paying off debt, not incurring future debt; and

Whereas, Sharon has reluctantly waved to the crowds at the July 4th parades and attended many Hospital and community events representing the District; and,

Whereas, Sharon can always be counted on to support and inspire the Finance team, especially the CFO, and give recognition and appreciation to staff and colleagues; and

Whereas, Sharon is always available day or night to the CEO and others and helps find positive solutions and celebrate the wins with a dinner; and

Whereas, Sharon has recruited many community members to the Board, Committees and the Foundation through her relationships, connections and dinner parties; and

Whereas, Sharon will not have to spend so much of her time focused on keeping the Hospital alive and stable with her practical and calm ways; and

Whereas, Sharon will finally get to go to the desert and play golf without being interrupted by important Hospital business; and

Whereas, Sharon's special drink recipe at EDK will be shared with the new Board members; and

Whereas, Sharon Nevins will be sorely missed by all as a cherished and valued member of the Sonoma Valley Health Care District Board.

NOW THEREFORE BE IT RESOLVED, that her colleagues and admirers salute Sharon Nevin's leadership, thank her for her outstanding service to the Hospital, the District, and the Community and wish her well in all future endeavors, both personal and professional.

PASSED AND ADOPTED on December 3, 2020, by the following vote:

AYES: 5

ABSENT: 0

NOES: 0

ABSTAIN: 0

Joshua M. Rymer, First Vice Chair
Sonoma Valley Health Care District

Bill Boerum, Secretary
Sonoma Valley Health Care District