SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS

AGENDA

THURSDAY, DECEMBER 2, 2021
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/95035482044?pwd=enBpRWIyYkNlbENIYkdqbWFvRmZTUT09

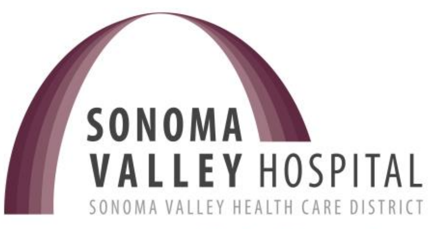
and enter the Meeting ID: 950 3548 2044, Passcode: 668583

To participate via telephone only,
dial: 1-669 900 9128 or 1-669 219 2599
and enter the Meeting ID: 950 3548 2044, Passcode: 668583

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Jenny Fontes at jfontes@sonomavalleyhospital.org at least 48 hours prior to the meeting.	**RECOMMENDATION**		
AGENDA ITEM			
MISSION STATEMENT *The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*			
1. CALL TO ORDER	*Rymer*		
2. CLOSED SESSION a. Calif. Government Code §54956.9(d)(1): Discussion on Existing Litigation (case name unspecified due to patient confidentiality) b. Calif. Government Code §54956.9(d)(4): Conference Regarding Litigation – Approved Contract Settlement related to ODC c. Calif. Government Code § 37606 and Health and Safety Code § 32106: Trade Secret Regarding Proposed New Services and Contract Negotiations			
3. REPORT ON CLOSED SESSION			
4. PUBLIC COMMENT *At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.*			

5. BOARD CHAIR COMMENTS	*Rymer*		
6. CONSENT CALENDAR a. Board Minutes 11.04.21 b. Audit Committee Minutes 10.26.21 c. Finance Committee Minutes 10.26.21 d. Governance Committee Minutes 10.20.21 e. Annual Report f. Resolution 362: Brown Act Amendment AB 361 -Flexibility for Virtual Meetings g. Acknowledging Election Results h. Medical Staff Credentialing	*Rymer*	Action	Pages 1 - 3 Pages 4 - 5 Pages 6 - 8 Pages 9 – 11 Pages 12- 21 Pages 22 -24 Pages 25 - 37
7. ELECT DISTRICT OFFICERS	*Rymer*	Action	
8. AGREEMENT TO TERMINATE DOME	*Hennelly*	Action	
9. EXCEPTION FOR EMERGENCY CONTRACT	*Hennelly*	Action	Pages 38 - 50
10. EHR CONTRACT	*Kidd/Hennelly*	Action	Pages 51 -93
11. QUIP BRIDGE LOAN APPROVAL	*Dungan/Jensen*	Action	Pages 94 - 99
12. PROJECT/CAPITAL SPENDING CHART (revised)	*Dungan/Jensen*	Action	Page 100
13. ADMINISTRATIVE REPORT FOR NOVEMBER 2021	*Hennelly*	Inform	Page 101
14. GOVERNANCE & FINANCE WORKPLAN APPROVAL	*Boerum*	Action	Pages 102 - 103
15. BOARD OF DIRECTORS WORKPLAN APPROVAL	*Rymer*	Action	Pages 104 - 105
16. CMO REPORT	*Kidd*	Inform	Pages 106 - 107
17. FINANCIALS FOR MONTH END OCTOBER 2021	*Dungan*	Inform	Pages 108 - 117
18. DISCUSSION ABOUT IN PERSON BOARD/COMMITTEE MEETINGS	*Rymer*	Inform	
19. BOARD COMMENTS	*Board Members*		
20. ADJOURN	*Rymer*		

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



SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING

MINUTES

THURSDAY, NOVEMBER 4, 2021
HELD VIA ZOOM VIDEOCONFERENCE

	RECOMMENDATION	
MISSION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*		
1. CALL TO ORDER	*Bjorndal*	
The meeting was called to order at 6:00 p.m.		
2. PUBLIC COMMENT ON CLOSED SESSION	*Bjorndal*	
None		
3. CLOSED SESSION a. Calif. Government Code § 54956.9(d)(4): Conference Regarding Closed Litigation – Approved Contract Settlement Related to ODC b. Calif. Government Code § 37606 and Health and Safety Code § 32106: Trade Secret Regarding Proposed New Services		
4. REPORT ON CLOSED SESSION	*Bjorndal*	
The closed session was held to discuss potential litigation related to ODC. The closed session was informational only; no decisions were made.		
5. PUBLIC COMMENT		
None		
6. BOARD CHAIR COMMENTS		
Dr. Bjorndal thanked the community and committee for helping to get Measure F passed.		
7. CONSENT CALENDAR	*Bjorndal*	Action
a. Board Minutes 10.07.21 b. Quality Committee Minutes 09.22.21 c. Finance Committee Minutes 09.28.21 d. Governance Committee Minutes 07.21.21/08.25.21/09.29.21 e. Resolution 362: Brown Act Amendment AB 361 - Flexibility for Virtual Meetings f. Policy and Procedures Medical Staff Credentialing		**MOTION:** by Boerum to approve, 2nd by Kornblatt-Idell. All in favor.
8. EHR UPDATE	*Kidd*	Inform
Dr. Kidd gave an update on the EHR Project. The number one goal of the EHR project is interoperability and how the new Electronic Health Record will communicate with other hospitals and practices. The technology that provides this function is Providence Community Technologies EPIC. EPIC has a program called EPIC Community		

Connect, in which larger institutions can extend their versions to smaller hospitals. The smaller hospitals then contract directly with the institution that owns the original agreement. Providence Community Technologies is part of the parent Providence Company. Currently, thirty hospitals on the West Coast are using EPIC technology successfully. Dr. Kidd explained that EPIC Community Connect is ideal for SVH because of inoperability. EPIC has ability to increase revenue and drive volume process improvement.		
9. CMO REPORT	*Kidd*	Inform
Dr. Kidd reviewed the CMO report. SVH saw a decline in Covid cases for the month of October. The community has seen slight increases for two weeks. Pediatric vaccines have been approved through Pfizer and boosters were approved for anyone who wants one. Approvals for mix and match boosters were also approved. Boosters are not considered necessary to be considered as fully vaccinated. SVH is offering boosters to patients and employees and continues to offer vaccines to patients that are at the hospital for a different reason. SVH is coordinating with the school district and community health center to provide education about the vaccine. Case Managers and Social Workers are now fully staffed, Central Sterile is facing recent staff turnover. Dr. Kidd introduced the new Director of Quality, Kylie Cooper. Quality is moving their data abstraction to Q-Centrix, also used by UCSF.		
10. ADMINISTRATIVE REPORT FOR OCTOBER 2021	*Hennelly*	Inform
Mr. Hennelly reviewed the Administrative Report for October 2021. He stated the hospital continues to see increased outpatient volumes and welcomed new ideas from our new hires Terry McKinney and Kylie Cooper. An architect is reviewing the ODC project. The project is on hold as we separate with the prior contractor, the project will restart soon. Vaccination rates continue to be high at SVH.		
11. FINANCIALS FOR THE MONTH ENDED SEPTEMBER 31, 2021	*Dungan*	Inform
Ms. Dungan reviewed the Financials for month end September. She said September saw similar trends as in the previous months. There were higher volumes in the ER and outpatient, and lower inpatient surgeries. The cash collection goal for September was $3.9M and the hospital collected under goal by 375K. Year-to-date, under collection by $752K. Day's cash on hand were 45.5, A/R days were 42.4, A/P was $3.5M, A/P days were 43.1. Interest payable for go bonds and long-term debt decreased. This reflects August principal payments of the bonds. Total operating revenue was over budget by $616K, operating expenses worse than budget by $335K. Net loss of $264,569 vs. a budgeted loss of $16,248. EBDA of -5.7% vs. budgeted EBDA -14.6%. Expecting 2.6M to 2.7M from IGT in late December 2021 or January 2022 and a matching IGT for 1.3M in February 2022. Average days of cash on hand beginning of September 45.5 Average Day of cash of hand at the end of the month is 47.3.		
12. OUTPATIENT DIAGNOSTIC CENTER RESOLUTION	*Hennelly*	

On hold. Will be discussed at a future meeting.		
13. CAPITAL SPENDING PLAN	*Hennelly*	Action
Mr. Hennelly reviewed the Capital Spending Plan, and the anticipated funding gap. He presented known funding sources as well as other possible sources. At this time, Mr. Hennelly requested the Board approve three planned capital items: capital equipment, IT equipment, and building improvements.		**MOTION:** by Boerum to approve, 2nd by Mainardi. All in favor.
14. APPROVE FY 2021 AUDIT	*Marek/Brause*	Action
Elizabeth Marek and Bill Brause from Armanino reviewed the FY 2021 Audit Report. There were no significant deficiencies or weaknesses found during the audit. Ms. Marek indicated managements financial statements and the report are fairly stated in all material respects.		**MOTION:** by Boerum to approve, 2nd by Kornblatt-Idell. All in favor.
15. FINANCE COMMITTEE QUARTERLY REPORT	*Boerum*	Inform
Mr. Boerum reviewed the Finance Committee Quarterly Report. He said the Finance Committee Members were asked to give their opinions on what qualities and attributes they would like to see in the new CFO. He hopes this was useful to the CEO as he began recruitment. Mr. Hennelly mentioned participants for the panel interviews have been arranged.		
16. PARCEL TAX RESOLUTION 363	*Bjorndal*	Action
Dr. Bjorndal presented the Parcel Tax Resolution from the Board as a thank you to the campaign committee and volunteers for their hard work. Mr. Boerum requested Board Chair Joshua Rymer be added to Parcel Tax Resolution.		**Vote by Roll Call:** Boerum - Aye Kornblatt Idell - Aye Bjorndal - Aye Mainardi - Aye
17. BOARD COMMENTS	*Board Members*	
None		
18. ADJOURN	*Bjorndal*	
Adjourned at 7:16 pm		

SVHCD
AUDIT COMMITTEE MEETING
MINUTES
TUESDAY, OCTOBER 26, 2021
Via Zoom Teleconference

Present	Excused	Staff	Public
Bill Boerum, via Zoom Joshua Rymer, via Zoom Art Grandy, via Zoom	Graham Smith	John Hennelly, CEO, via Zoom Ken Jensen, CFO, via Zoom Sarah Dungan, Controller, via Zoom Dawn Kuwahara via Zoom Celia Kruse De La Rosa, via Zoom Jenny Fontes, via Zoom	Bill Brause, Armanino, via Zoom Elizabeth Marek, Armanino, via Zoom Judy Bjorndal, via Zoom Susan Kornblatt Idell, via Zoom Catherine Donahue, via Zoom Carl Gerlach, via Zoom Wendy Lee, via Zoom

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*			
1. CALL TO ORDER/ANNOUNCEMENTS	*Boerum*		
	Called to order at 4:00 pm		
2. PUBLIC COMMENT SECTION	*Boerum*		
	None		
3. ANNUAL AUDIT 2021	*Boerum*		

	Mr. Jensen introduced Mr. Brause, audit partner, and Ms. Marek, engagement manager, both with Armanino LLP. Ms. Marek reported that the audit was done remotely this year. She shared a presentation on the audit approach and areas of focus. There were no significant deficiencies or weaknesses found during the audit. Ms. Marek indicated managements financial statements and the report are fairly stated in all material respects. The financials contain an unmodified opinion. Ms. Marek said the hospital received about $5.6M in provider relief funds from Health and Human Services (HHS). Due to the level of funds exceeding the Federal threshold of $750k, the hospital was required to complete a Single Audit related to the receipt and use of the government funds. A report will be submitted on the expenditures of the grant as of June 2021, and an additional report for the Single Audit. When report is ready will be sent to audit committee to review with Armanino LLP. The Committee recommended approval of the 2021 draft audit by the Board of Directors.	**MOTION:** by Rymer to recommend the draft audited financials to the Board, 2nd by Grandy. All in favor.	
4. ADJOURN	*Boerum*		
	Meeting adjourned at 4:57 p.m.		

SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, OCTOBER 26, 2021
Via Zoom Teleconference

Present	Excused	Staff	Public
Bill Boerum, via Zoom Joshua Rymer, via Zoom Judy Bjorndal, via Zoom Subhash Mishra, MD via Zoom Art Grandy, via Zoom Bruce Flynn, via Zoom Peter Hohorst, via Zoom Wendy Lee, via Zoom Carl Gerlach, via Zoom Catherine Donahue, via Zoom		Jenny Fontes via Zoom Sarah Dungan via Zoom Dawn Kuwahara, CAO, via Zoom Kimberly Drummond, via Zoom John Hennelly, via Zoom	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*			
1. CALL TO ORDER/ANNOUNCEMENTS	*Boerum*		
	Called to order at 5:00 p.m.		
2. PUBLIC COMMENT SECTION	*Boerum*		
3. CONSENT CALENDAR (ACTION)	*Boerum*		
a. Finance Committee Minutes 09.28.21		**MOTION:** by Flynn to approve, 2nd by Hohorst. All in favor.	
4. DOME SETTLEMENT NEGOTIATIONS	*Hennelly*		

	Mr. Hennelly reported he is still working on negotiations with DOME. Negotiations are currently at $1.5M, down by 35% to 40%, his goal is zero. He is working with the sub-contractors to get a discounted rate. An alternative contractor has been identified to finish the current phase of project. An RFP will be submitted for the phase two. The Finance Committee determined not give Mr. Hennelly approval for a specific negotiable amount.		
5. CAPITAL SPENDING PLAN	*Hennelly*	**MOTION:** by Rymer to approve, 2nd by Hohorst. All in favor.	
	Mr. Hennelly reviewed the Capital Spending Plan document. Total FY capital needs equipment and improvements in 2022 $4.2M, total FY capital needs in 2023 $4.5M. Budget is just under $5M for the ODC. Building capital needs include the elevators, café, electrical upgrades, roofs, etc. Mr. Hennelly explained that the likely EHR system has been used successfully in many other community hospitals. We will have a clear projection before we start regarding what items we need to buy, there will be connectivity to UCSF's EPIC.		
6. FINANCIAL REPORT FOR MONTH END SEPTEMBER	*Dungan*		
	Ms. Dungan reported outpatient and ER volumes were up in September. The cash collection goal for September was $3.9M and the hospital collected under goal by $375K. Year-to-date, under collection by $752K. Day's cash on hand were 45.5, A/R days were 42.4, A/P was $3.5M, A/P days were 43.1. Interest payable for GO bonds and long-term debt decreased. This reflects August principal payments of the bonds. Total operating revenue was over budget by $616K, operating expenses worse than budget by $335K. Net loss of $26K vs. a budgeted loss of $16K. EBDA of -5.7% vs. budgeted EBDA -14.6%. Expecting $2.6M to $2.7M from IGT in late December 2021 or January 2022 and a matching IGT payment of $1.3M in February 2022. Average		

	days of cash on hand beginning of September 45.5 Average Day of cash of hand at the end of the month is 47.3.		
7. NOVEMBER MEETING SCHEDULE 11/23/21	*Boerum*		
	The Finance Committee meeting schedule will remain as previously scheduled for November. The Finance Committee will meet on November 23, 2021, at 5:00 p.m.		
8. ADJOURN	*Boerum*		
	Meeting adjourned at 6:12 p.m.		

SVHCD GOVERNANCE COMMITTEE MEETING

MINUTES

WEDNESDAY OCTOBER 20, 2021

Present	Absent	Staff	Public
Bill Boerum via Zoom Judith Bjorndal via Zoom Amy Jenkins via Zoom		Jenny Fontes via Zoom	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT *The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.*			
1. CALL TO ORDER/ANNOUNCEMENTS	*Boerum*		
	Called to order at 6:00 p.m. Mr. Boerum welcomed Amy Jenkins and thanked her for joining the Governance Committee. The November Governance meeting is on the schedule, the December meeting may be cancelled.		
2. PUBLIC COMMENT SECTION	*Boerum*		
	None		
3. CONSENT CALENDAR	*Boerum*		
Governance Committee Minutes 09/29/21		**MOTION:** by Bjorndal to approve, 2nd by Boerum. All in favor.	
4. IDENTIFY 2022 WORK PLAN ELEMENTS	*Boerum*		
	Ms. Bjorndal reviewed the responsibilities of the committee and suggested the following items be included in the work plan. • The committee shall review the composition of the Standing Committee		

	annually for vacancies. • Identify skill sets of committee members. Confirm they went through the right procedures and were vetted by the Board. • Design new member orientation and reassess periodically. This was done recently. Does not need to be on 2022 work plan. • Continuing Education of the Board. This item will be added to the January 2022 work plan. Add mandatory training and continuing education that we think will be useful. Specifically list the courses. Mr. Boerum will contact Ms. McKissock regarding specific courses. • Plan annual retreats. Board Chair decides when annual retreats will occur. Add this item to the work plan for January 2022. • Ensure annual Board self-assessment is complete. This will be added to the November 2022 work plan. The self-assessments are organized through Ms. McKissock and are utilized at the Board retreats. • Compliance: Conduct a review and revision of all Board policies as dictated by the policy schedule. Mr. Fontes to send the policy schedule to Mr. Boerum and Ms. Bjorndal. • Legislation is not applicable. Will not be added to workplan. CEO currently responds to these requests. • Ms. Bjorndal reviewed the bylaws and stated the GC should be reviewing the district bylaws bi-annually. Review of the district bylaws will be added to the 2022 work plan. The Governance Committee must submit a work plan to the Board at the January BOD meeting.		

5. RESEARCH CODE OF CONDUCT REFERENCE	*Boerum*		
	Mr. Boerum suggested revisions to GC Charter. He said we should remove "*Code of Conduct and*" in the last bullet point under "Annual GC Calendar." Mr. Boerum will confirm this revision with Ms. McKissock and will ask her to join a GC meeting to discuss the compliance program. Agenda items for November's meeting will include Ms. McKissock's compliance discussion and an action item to approve and consider work plan draft.		
6. ADJOURN	*Boerum*		
	Adjourned at 6:35 p.m.		

CEO Letter

Our Hospital Was Designed For Years Like This

John Hennelly, CEO

The pandemic certainly continued to disrupt our lives this year, bringing new concerns and challenges for us all. For those of us in healthcare, it seemed change was the norm. We saw the volume of new Covid cases recede and then climb again, while we constantly tracked new information and regulations from county, state and federal bodies.

Despite the hectic nature of the year, and perhaps because of it, we should be proud of the way our hospital responded. You could say the hospital demonstrated it was designed for years like this.

The pandemic reminded us of the critical role the hospital plays in our community and how important it is to have immediate access to high quality medical care and a 24/7 emergency service. The hospital was quick to prepare for the pandemic when it first appeared, and this past year it served as a leader in providing testing, vaccinations and information while ensuring continued access to high quality care.

The past two years have demonstrated that you can depend on your hospital during challenging times. Much of what we were able to do was because of the foresight of past decisions. Sonoma Valley residents decided many years ago to build a hospital, and you have continued to support and invest in it over the years.

The past decade was a critical period as it saw the transformation of the hospital. During this time, Sonoma Valley Hospital evolved from a struggling, under-resourced facility into a modern community hospital offering the latest technology and a range of services, and aligned with UCSF Health, one of the finest Medical Centers in the country.

I think it appropriate in this year's report to acknowledge this transformation and the benefits it has brought our community. We have included a chronology highlighting many of the milestones of the past decade. We also must acknowledge the efforts of those who made it happen. This includes my predecessor, Kelly Mather, and the hospital administration team, the District board and the Foundation, along with so many generous donors and community supporters, and our community which provided much-needed parcel tax funds.

Returning to the subject of Covid, I would be remiss if I did not acknowledge the efforts of our local partners this past year, especially in helping organize the testing and vaccination clinics. The success of these efforts owes much to the hard work of the Sonoma Valley Community Health Center and the coalition of community interests formed under Sonoma Valley Health Partners. This includes the Sonoma Valley Fire District, City of Sonoma, Schell-Vista Fire Protection District, Sonoma Valley Unified School District, and the Sonoma Valley Catalyst Fund, along with support from La Luz, Vintage House, Rotary Club and many community volunteers. Our community owes them all a debt of gratitude.

I'm deeply honored to be entrusted with the responsibility of leading Sonoma Valley Hospital into the future and I'm confident we will continue to build on the inspiring progress made in the past decade to maintain Sonoma Valley Hospital as a vital resource for our community.

My best wishes to you for a healthy 2022.

John Hennelly
President and Chief Executive Officer
Sonoma Valley Hospital

Sonoma Valley Health Care District

2021 Board of Directors
Joshua Rymer, Chair
Michael Mainardi, First Vice Chair
Susan Kornblatt Idell, Second Vice Chair
Bill Boerum, Treasurer
Judith Bjorndal, 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. The board is advised by five standing committees (Quality, Finance, Audit, Governance and Affiliation Oversight) that have 14 members representing the community. Monthly board meetings are open and public comment is welcome. Meeting information is available at sonomavalleyhospital.org/healthcare-district-information/calendar.

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.

2021 FINANCIAL REPORT

The pandemic continued to financially impact the hospital throughout much of the past fiscal year, causing a decrease in volumes and revenues compared with 2019 in both Outpatient Services and the Emergency Department, two main service areas that generate considerable revenue for the hospital. As the fiscal year ended in June 2021, the hospital was experiencing recovery in both areas, although not to pre-pandemic levels. To offset pandemic-related loses, which totaled around $5 million, the hospital received Covid recovery funds provided by the federal government.

The ransomware cyberattack the hospital experienced last October, while having only a small impact on services, affected the hospital financially. In addition to causing delays in billing, it led the hospital to purchase new technology to enhance security. Total cost of the attack was $1.6 million. The hospital did not pay the ransom demanded by the intruders and, fortunately, maintains insurance which will cover most of the expenses related to the attack.

2021 marked the first full year working with The Ensign Group to manage the Skilled Nursing Facility, and the transfer has proved to be a good decision. This relationship preserved access to the SNF for our community while turning the service into a financially positive one for the hospital after several previous years of it posting a loss.

Our dependence on government payers continued in 2021, with Medicare and Medi-Cal patients accounting for 74% of hospital gross revenues. Commercial revenues, which offer higher compensation rates, remain at a lower level than for many hospitals.

Note: Fiscal year 2021 covers July 1, 2020 to June 30, 2021

Payer Mix FY2021	Gross Revenues	Payer Mix
Medicare	$100,145,627	39.9%
Medicare Managed Care	39,124,901	15.6%
Medi-Cal	46,472,084	18.5%
Self Pay	3,140,383	1.3%
Commercial & Other Government	54,549,110	21.7%
Worker's Comp	7,603,678	3.0%
Total	**$251,035,985**	**100.00%**

Payer Mix Fiscal Year 2021
(% Gross Revenue)

Net Patient Revenues	2021	2020	2019
Medicare Services	$138,551,115	$132,528,038	$116,561,188
Medi-Cal Services	46,739,872	42,865,195	49,154,185
Other Patient Services*	65,500,698	63,459,126	106,404,718
Contractual Allowances**	(201,811,786)	(192,033,859)	(214,546,401)
Total Net Patient Revenues	**$ 48,979,899**	**$ 46,618,700**	**$ 57,553,690**

*Includes Commercial, Workers Comp and Direct Pay
**Includes Allowance for Doubtful Accounts

	2021	2020	2019
Cash and Cash Equivalents	$ 10,682,617	$ 11,054,230	$ 5,651,897
Net Operating Margin	$ (7,619,183)	$ (7,012,960)	$ (2,835,427)
Net Income	$ 5,077,839	$ 9,237,680	$ 4,238,453

CEO Letter

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The past two years have demonstrated that you can depend on your hospital during challenging times. Much of what we were able to do was because of the foresight of past decisions. Sonoma Valley residents decided many years ago to build a hospital, and you have continued to support and invest in it over the years.

The past decade was a critical period as it saw the transformation of the hospital. During this time, Sonoma Valley Hospital evolved from a struggling, under-resourced facility into a modern community hospital offering the latest technology and a range of services, and aligned with UCSF Health, one of the finest Medical Centers in the country.

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The ransomware cyberattack the hospital experienced last October, while having only a small impact on services, affected the hospital financially. In addition to causing delays in billing, it led the hospital to purchase new technology to enhance security. Total cost of the attack was $1.6 million. The hospital did not pay the ransom demanded by the intruders and, fortunately, maintains insurance which will cover most of the expenses related to the attack.

2021 marked the first full year working with The Ensign Group to manage the Skilled Nursing Facility, and the transfer has proved to be a good decision. This relationship preserved access to the SNF for our community while turning the service into a financially positive one for the hospital after several previous years of it posting a loss.

Our dependence on government payers continued in 2021, with Medicare and Medi-Cal patients accounting for 74% of hospital gross revenues. Commercial revenues, which offer higher compensation rates, remain at a lower level than for many hospitals.

Note: Fiscal year 2021 covers July 1, 2020 to June 30, 2021

Payer Mix FY2021	Gross Revenue‡	Payer Mix
Medicare	$100,145,627	39.9%
Medicare Managed Care	39,124,901	15.6%
Medi-Cal	46,472,084	18.5%
Self-Pay	3,140,583	1.3%
Commercial & Other Government	54,549,113	21.7%
Worker's Comp	7,603,676	3.0%
Total	**$251,035,985**	**100.00%**

‡June 2021

Payer Mix Fiscal Year 2021
(% Gross Revenue)

Net Patient Revenues	2021	2020	2019
Medicare Services	$138,551,115	$132,528,038	$116,561,188
Medi-Cal Services	46,739,072	42,665,195	49,134,185
Other Patient Services*	65,500,698	63,459,126	106,404,718
Contractual Allowances**	(201,811,786)	(192,033,659)	(214,546,401)
Total Net Patient Revenue	**$ 48,979,099**	**$ 46,618,700**	**$ 57,553,690**

*Includes Commercial, Workers Comp and Direct Pay
**Includes Allowance for Doubtful Accounts

	2021	2020	2019
Cash and Cash Equivalents	$ 10,682,617	$ 11,054,230	$ 5,651,697
Net Operating Margin	$ (7,618,183)	$ (7,012,995)	$ (2,835,427)
Net Income	$ 5,077,639	$ 9,237,650	$ 4,238,453

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
AN AFFILIATE OF UCSF HEALTH

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

A DECADE OF PROGRESS
2012
2016
2018
GROUNDBREAKING for new wing which will house modern Emergency Department and Surgery Center.
VINTAGE HOUSE
ACTIVE AGING LECTURE SERIES launched as annual program by Vintage House and SVH.
QUALITY RECOGNITION CMS scores place SVH in top 20% nationally for quality. Consumer Reports ranks SVH among 15 safest hospitals in the country.
You're Invited
New Wing Open House & Celebration
Saturday, November 16, 2013
10 am - 4 pm
NEW WING OPENS with community open house. A highly successful capital campaign raised $11 million for the new ER and Surgery Center.
TIMESHARE OFFICES open, enabling more specialists to see patients in Sonoma.
MAMMOGRAPHY SUITE OPENS SVH Foundation raises funds for state-of-art 3D Mammography service in the hospital.
UCSF Health
UCSF HEALTH AFFILIATION formalized in 2018, linking SVH with one of the country's leading hospitals.
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A Special Service to the Women of Our Community During October
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SVH FOUNDATION launches Project Pink, an annual program to provide no-cost mammograms for uninsured and under-insured women
HOSPITALIST PROGRAM launched, ensuring hospital has hospitalist-trained physician on premises around the clock.
ONE OF THE COUNTRY'S SAFEST HOSPITALS JUST GOT SAFER
We're The First North Bay Hospital with a Germ-Zapping Robot
ACQUIRES XENEX GERM-ZAPPING ROBOT to destroy deadly pathogens in hospital rooms.
SEISMIC UPGRADES financed by general obligation bonds are completed. SVH meets 2020 California earthquake standards.
SONOMA VALLEY HOSPITAL
$104M
2015 ECONOMIC IMPACT
ECONOMIC IMPACT study shows SVH's financial contributions to region.
PRIME GRANT AWARDED SVH selected for statewide initiative to improve health-care.
BACK-TO-SCHOOL FAIR SVH participates in Sonoma Valley Community Health Center's annual Back-to-School Health Fair.
JOHN HENNELLY joins SVH as CEO.
Sonoma Valley Health Partners
COMMUNITY COVID-19 DRIVE THROUGH VACCINE CIINIC
COVID-19 VACCINE DRIVE-THROUGH CLINIC opened in early 2021 when vaccines became available providing 21,000 vaccinations in three months.
SVH BEGINS USING TEXT SURVEY allowing patients to provide feedback right after receiving care. Hospital consistently scores above 4.5 on 5.0 scale.
SVH CLOSES OB after a decade of declining use.
GENERAL OBLIGATION BOND refinanced at lower rate; saves taxpayers $2 million over next 10 years.
2021

When a stroke occurs, minutes can matter
SVH is ready.
For more information, go to svh.com/strokeready.
SVH PARTNERS WITH ENSIGN GROUP to maintain Skilled Nursing Facility within the hospital.
ACUTE STROKE READY SVH earns Acute Stroke Ready certification in 2019, meeting the high standards of care required for initial treatment of stroke patients. Also adds UCSF Neurology telemedicine service.
SOLD
SOUTH LOT SALE Hospital sells 3 acres of South Lot to housing developer and uses $1 million of the proceeds after paying off loan to pay down its line of credit.
HOSPITAL'S FINANCIAL PERFORMANCE hits high for past decade in 2019 before Covid impacts services.
Pardon Our Appearance During Construction
SVH FOUNDATION completes successful $21M capital campaign to fund construction of Outpatient Diagnostic Center.
SONOMA VALLEY HOSPITAL
CELEBRATING 75 YEARS
1945-2020
Serving the Health of the Sonoma Valley
HOSPITAL celebrates 75th anniversary.
By the Bay Health
AGREEMENT WITH BY THE BAY HEALTH ensures the hospital's Skilled Home Care service continues to serve Valley residents.
2020
COVID TESTING SVH provides drive-through Covid testing for community.
Most believe having an ER is essential for community
93%
2021 COMMUNITY SURVEY also finds 88% believe SVH is important to overall health of the community
CYBERATTACK disrupts some hospital operations; most services remain open.
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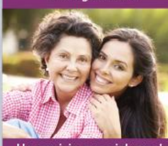

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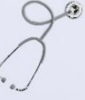

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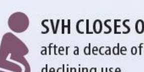

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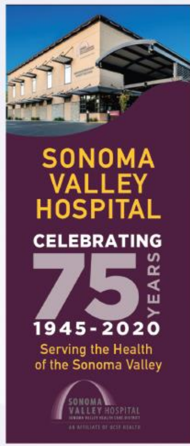

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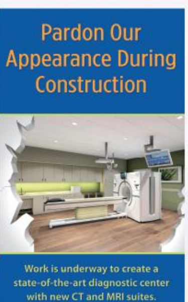

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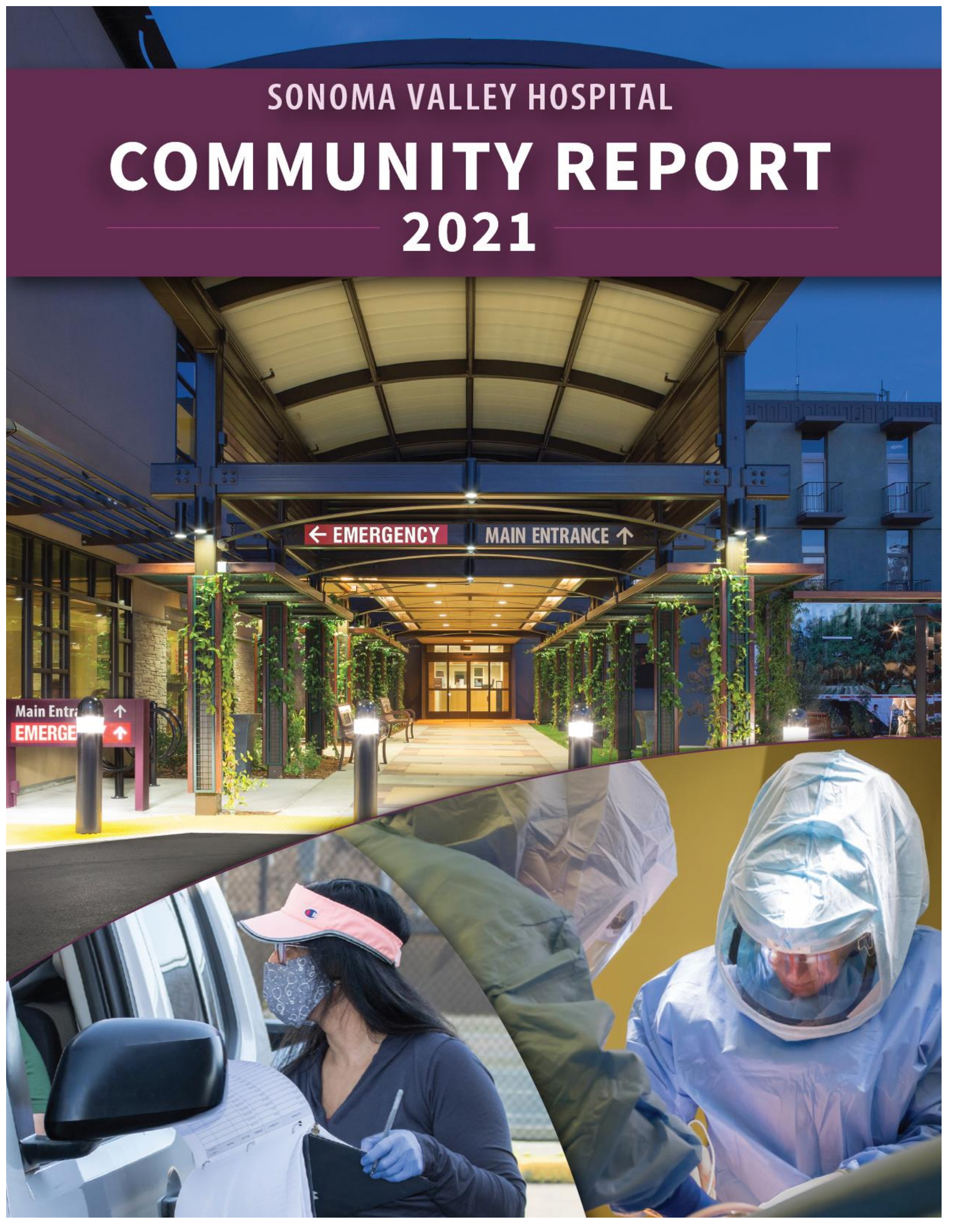

SONOMA VALLEY HOSPITAL
COMMUNITY REPORT
2021
EMERGENCY
MAIN ENTRANCE

Carta del director ejecutivo

Nuestro hospital fue diseñado para años como este

John Hennelly, Director Ejecutivo

No cabe duda de que la pandemia ha seguido perturbando nuestras vidas este año trayendo nuevas preocupaciones y desafíos para todos nosotros. Para los que nos dedicamos a la atención médica, parece que el cambio era la norma. Vimos cómo el volumen de nuevos casos de COVID disminuía y luego volvía a aumentar, mientras le seguíamos, de manera constante, la pista a la nueva información y a las regulaciones de los organismos estatales, federales y del Condado.

A pesar de lo agitado del año, y tal vez a causa de ello, debemos estar orgullosos de la forma en que respondió nuestro hospital. Se podría decir que el hospital demostró que estaba diseñado para años como este.

La pandemia nos ha recordado el papel fundamental que desempeña el hospital en nuestra comunidad y lo importante que es tener acceso inmediato a una atención médica de alta calidad y a un servicio de urgencias 24 horas al día, 7 días a la semana. El hospital se preparó rápidamente para la pandemia cuando surgió por primera vez, y este año pasado sirvió de líder en el suministro de pruebas y vacunas, al mismo tiempo que garantizaba que los residentes siguieran teniendo acceso a una atención de alta calidad.

Los últimos dos años han demostrado que usted puede confiar en su hospital en tiempos difíciles. Gran parte de lo que hemos podido hacer se debe a la previsión de las decisiones tomadas en el pasado. Los residentes del Valle de Sonoma decidieron hace muchos años construir un hospital y, a lo largo de los años, ustedes han seguido apoyando e invirtiendo en él.

La década pasada fue un período crítico en el que se produjo la transformación del hospital. Durante este tiempo, Sonoma Valley Hospital pasó de ser un centro con dificultades y escasos recursos a un moderno hospital comunitario que ofrece la última tecnología, una amplia gama de servicios y que está alineado con UCSF Health, uno de los mejores centros médicos del país.

En el informe de este año me parece oportuno reconocer esta transformación y los beneficios que ha aportado a nuestra comunidad. Hemos incluido una cronología que destaca muchos de los logros de la última década. También debemos reconocer los esfuerzos de quienes lo han hecho posible. Esto incluye a mi predecesora Kelly Mather, y al equipo de administración del hospital, a la Junta del Distrito y a la Fundación, junto con tantos generosos donantes y apoyo comunitario y a nuestra comunidad la cual aportó los tan necesarios fondos del impuesto sobre las parcelas.

Volviendo al tema de COVID, sería negligente si no reconociera los esfuerzos de nuestros socios locales este año pasado, especialmente en su ayuda para organizar las clínicas de pruebas y vacunación. El éxito de estos esfuerzos se debe en gran medida a la ardua labor del Centro de Salud Comunitario de Sonoma y a la coalición de intereses comunitarios formada en el marco de Sonoma Valley Health Partners. Esto incluye el Distrito de Bomberos del Valle de Sonoma, la Ciudad de Sonoma, el Distrito de Protección contra Incendios de Schell-Vista, el Distrito Escolar Unificado del Valle de Sonoma y Sonoma Valley Catalyst Fund, junto con el apoyo de La Luz, Vintage House, Rotary Cub y muchos voluntarios de la comunidad. Nuestra comunidad tiene una deuda de gratitud con todos ellos.

Me siento profundamente honrado de que se me confíe la responsabilidad de dirigir a Sonoma Valley Hospital en el futuro y confío en que seguiremos desarrollando en base al inspirador progreso realizado en la última década para mantener a Sonoma Valley Hospital como un recurso vital para nuestra comunidad.

Mis mejores deseos para un 2022 saludable.

John Hennelly
Presidente y Director General
Sonoma Valley Hospital

Distrito de Asistencia Sanitaria del Valle de Sonoma

Junta Directiva del 2021
Joshya Rymer, Presidente
Michael Mainardi, Primer Vicepresidente
Susan Kornblatt Idell, Segunda Vicepresidente
Bill Boerum, Tesorero
Judith Bjorndal, Secretaria

El Distrito de Asistencia Médica del Valle de Sonoma se creó en 1964 para brindar servicios de atención médica a los residentes del valle de Sonoma. El hospital se rige por los estatutos del distrito y la supervisión de una Junta Directiva elegida públicamente. Los directores tienen un cargo de cuatro años y las elecciones toman lugar durante las elecciones generales para los puestos locales, estatales y federales. Recibe asesoramiento de cinco comités permanentes (Calidad, Finanzas, Auditoría, Gobernanza y Supervisión de Afiliación) integrados por 14 miembros que representan a la comunidad. Las reuniones mensuales de la junta están abiertas y el comentario del público es bienvenido. La información de las reuniones se puede encontrar en sonomavalleyhospital.org/healthcare-district-information.

INFORME FINANCIERO DEL 2021

La pandemia continuó afectando financieramente al hospital durante gran parte del pasado año fiscal. Esto provocó una disminución de los volúmenes e ingresos en comparación con el 2019, tanto en los Servicios Ambulatorios como en el Departamento de Urgencias, dos áreas principales de servicio las cuales generan considerables ingresos para el hospital. Al finalizar el año fiscal en junio del 2021, el hospital estaba experimentando una recuperación en ambas áreas, aunque no a los niveles anteriores a la pandemia. Para compensar las pérdidas relacionadas con la pandemia las cuales ascendieron a unos 5 millones de dólares, el hospital recibió fondos de recuperación de COVID proporcionados por el gobierno federal.

El cibersecuestro que sufrió el hospital el pasado mes de octubre, aunque sólo tuvo un pequeño impacto en los servicios, afectó al hospital en el plano financiero. Además de provocar retrasos en la facturación, llevó al hospital a adquirir nueva tecnología para mejorar la seguridad. El coste total del ataque fue de 1.6 millones de dólares. El hospital no pagó el rescate exigido por los intrusos y, afortunadamente, cuenta con un seguro que cubrirá la mayor parte de los gastos relacionados con el ataque.

El año 2021 marcó el primer año completo de trabajo con Ensign Group para la gestión del Centro de Enfermería Especializada, y el cambio ha demostrado ser una buena decisión. Esta relación preservó el acceso al Centro de Enfermería Especializada para nuestra comunidad, al mismo tiempo que convirtió el servicio en algo positivo desde el punto de vista financiero para el hospital, después de varios años anteriores en los que registró pérdidas.

Nuestra dependencia de los pagadores gubernamentales continuó en el 2021 ya que los pacientes de Medicare y Medi-Cal representan el 74% de los ingresos brutos del hospital. Los ingresos comerciales, que ofrecen tasas de compensación más elevadas, se mantienen en un nivel inferior al de muchos hospitales.

Nota: El año fiscal 2021 abarca del 1ro de julio del 2020 al 30 de junio del 2021

Mezcla de pagadores año fiscal 2021	Ingresos brutos reales‡	Mezcla de pagadores
Medicare	$100,145,627	39.9%
Plan de servicios administrados de Medicare	39,124,901	15.6%
Medi-Cal	46,472,084	18.5%
Auto pago	3,140,583	1.3%
Comercial y otros del gobierno	54,549,113	21.7%
Compensación del trabajador	7,603,676	3.0%
Total	**$251,035,985**	**100.00%**

‡Total junio 2021

Mezcla de pagadores para el año fiscal 2021
(% de ingresos brutos)

MEDI-CAL 18%
COMMERCIAL 22%
MEDICARE 56%
OTHER 1%
WORKERS COMP 3%

Ingresos netos por pacientes	2021	2020	2019
Servicios de Medicare	$138,551,115	$132,528,038	$116,561,188
Servicios de Medi-cal	46,739,072	42,665,195	49,134,185
Otros servicios de pacientes*	65,500,698	63,459,126	106,404,718
Asignaciones contractuales**	(201,811,786)	(192,033,659)	(214,546,401)
Total de ingresos netos por paciente	**$ 48,979,099**	**$ 46,618,700**	**$ 57,553,690**

* Incluidos: Compensación del trabajador comercial y pagos particulares
**Previsión para cuentas dudosas

	2021	2020	2019
Efectivo y equivalentes de efectivo	$ 10,682,617	$ 11,054,230	$ 5,651,697
Margen neto operacional	$ (7,618,183)	$ (7,012,995)	$ (2,835,427)
Ingreso neto	$ 5,077,639	$ 9,237,650	$ 4,238,453

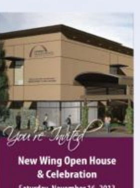
UNA DÉCADA DE PROGRESO

2012

SERIE DE CONFERENCIAS SOBRE EL ENVEJECIMIENTO ACTIVO lanzado como un programa anual por *Vintage House y Sonoma Valley Hospital.*

INAUGURACIÓN de la nueva ala que albergará el moderno Departamento de de Urgencias y el Centro Quirúrgico.

RECONOCIMIENTO DE CALIDAD
Las puntuaciones de los CMS sitúan al SVH en el 20% más alto a nivel nacional por su calidad. *Consumer Reports* sitúa al SVH entre los 15 hospitales más seguros del país.



SE ABRE UNA NUEVA ALA con una exhibición para la comunidad. Una exitosa campaña de capital recauda $11 millones para el nuevo Departamento de Urgencias y Centro Quirúrgico.

SE ABREN LAS OFICINAS de propiedad compartida, lo que permite que más especialistas atiendan a los pacientes en Sonoma.

PROJECT PINK
A Special Service to the Women of Our Community During October
Un servicio especial para las mujeres de nuestra comunidad durante el mes de octubre

SVH FOUNDATION lanza *Project Pink*, un programa anual para ofrecer mamografías gratuitas a mujeres sin seguro o con un seguro insuficiente.

PROGRAMA DE HOSPITALISTAS se pone en marcha garantizando que el hospital cuente con un médico hospitalista las 24 horas del día.

SVH ADQUIERE EL ROBOT XENEX PARA LA ELIMINACIÓN DE GÉRMENES para destruir patógenos mortales en las habitaciones de los hospitales.

FINALIZACIÓN DE MEJORAS SÍSMICAS financiada por los bonos de obligación general. SVH cumple con las normas antisísmicas de California del 2020.

2016

IMPACTO ECONÓMICO
El estudio muestra las contribuciones financieras de SVH a la región.

SE CONCEDE UNA SUBVENCIÓN "PRIME" SVH se selecciona para una iniciativa estatal de mejora de la atención médica.

ABRE LA SALA DE MAMOGRAFÍA
La Fundación SVH recauda fondos para un servicio de mamografía 3D de tecnología de vanguardia en el hospital.

FERIA DE REGRESO A LA ESCUELA
SVH participa en la feria anual de la salud de vuelta a la escuela del Centro de Salud Comunitaria de Sonoma.

JOHN HENNELLY se incorpora a SVH como director general.

APERTURA DE LA CLÍNICA DE VACUNACIÓN CONTRA COVID-19 CON ACCESO DESDE EL AUTOMÓVIL a principios del 2021, cuando las vacunas estuvieron disponibles, proporcionando 21.000 vacunas en tres meses.

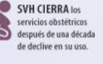
2018

LA AFILIACIÓN con **UCSF HEALTH** se formalizó en 2018, vinculando a SVH con uno de los principales hospitales del país.

SVH COMIENZA A UTILIZAR ENCUESTA DE TEXTO
De manera consistente en una escala de 5.0, el hospital obtiene una puntuación superior a 4.5.

SVH CIERRA los servicios obstétricos después de una década de declive en su uso.

BONO DE OBLIGACIÓN GENERAL refinanciado a un interés más bajo; ahorra a los contribuyentes 2 millones de dólares en los próximos 10 años.



UN ACUERDO CON BY THE BAY HEALTH garantiza que el Servicio de Atención Domiciliaria especializada de SVH continúe atendiendo a los residentes del Valle de Sonoma.

When a stroke occurs, minutes can matter SVH is ready.

CERTIFICACIÓN PARA ATENCIÓN CEREBROVASCULAR
SVH obtiene la Certificación para Atención Cerebrovascular en 2019, cumpliendo con los altos estándares de atención requeridos para el tratamiento inicial de los pacientes con derrames cerebrales. También añade el servicio de telemedicina de neurología de la UCSF.

SVH SE ASOCIA CON *ENSIGN GROUP* para mantener el Centro de Enfermería Especializada dentro del hospital.

VENTA DE LA PARCELA SUR
El hospital vende 3 hectáreas de la parcela sur a un promotor inmobiliario y utiliza 1 millón de dólares de los ingresos después de pagar el préstamo para amortizar su línea de crédito.

LOS RESULTADOS FINANCIEROS DEL HOSPITAL alcanzan su punto culminante de la última década en el 2019 antes de que COVID afectara los servicios.

SVH FOUNDATION completa una exitosa campaña de capital de $21 millones para financiar la construcción del Centro Ambulatorio Diagnóstico.

SONOMA VALLEY HOSPITAL
CELEBRATING 75 YEARS
1945-2020
Serving the Health of the Sonoma Valley

El HOSPITAL celebra su 75° aniversario.

2020

PRUEBAS DE COVID
SVH ofrece pruebas de COVID con acceso desde el automóvil para la comunidad.

2021

NUEVO CENTRO DIAGNÓSTICO AMBULATORIO: la construcción está casi terminada.

ENCUESTA COMUNITARIA DEL 2021 La mayoría es de opinión que un **departamento de urgencias** es indispensable para **la comunidad.** El 88% también considera que SVH es esencial para nuestra comunidad.

UN CIBERATAQUE
Aunque interrumpe algunas operaciones del hospital, la mayoría de los servicios permanecen abiertos.

RESOLUTION NO. 362

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY HEALTHCARE DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY AB361, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF SONOMA VALLEY HEALTHCARE DISTRICT FOR THE PERIOD OCTOBER 1ST, 2021 TO OCTOBER 31ST, 2021 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the SONOMA VALLEY HEALTHCARE DISTRICT is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of SONOMA VALLEY HEALTHCARE DISTRICT's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist throughout the State of California, specifically, where the governor of the state signed emergency legislation to permit the continued use of online and teleconferencing for public meetings in AB361; and

WHEREAS, COVID-19 continues to circulate in moderate to serious levels across the County and the District; and

WHEREAS, SONOMA VALLEY HOSPITAL maintains strict social distancing and vaccination requirements throughout its facilities; and

WHEREAS, SONOMA VALLEY HEALTHCARE DISTRICT acts as role model for safe behavior for the community; and

WHEREAS, Sonoma County's Public Health Officer has strongly recommended that, in compliance with Government Code 54953(e), local government agencies continue to hold public meetings via online and via teleconference (https://socoemergency.org/recommendation-of-the-health-officer-public-meetings/); and

WHEREAS, SONOMA VALLEY HEALTHCARE DISTRICT Chief Medical Officer has recommended that all public meetings be conducted online or via teleconference to minimize the risk of COVID-19 transmission; and

WHEREAS, the Board of Directors does hereby find that the ongoing pandemic and need to maintain social distance in public gatherings would create an unnecessary risk to staff, board members and the public, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of SONOMA VALLEY HEALTHCARE DISTRICT shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all Sonoma Valley Healthcare District Board and Committee meetings will be fully noticed and agenized in compliance with the Brown Act and accessible to all via video conference. In addition, public comment will be permitted up to and including during the public comment portion of each meeting.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTHCARE DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and

> WHEREAS, COVID-19 CONTINUES TO CIRCULATE IN MODERATE TO SERIOUS LEVELS ACROSS THE COUNTY, SONOMA VALLEY HOSPITAL MAINTAINS STRICT SOCIAL DISTANCING AND VACCINATION REQUIREMENTS IN ITS FACILITIES; AND,
>
> WHEREAS THE COUNTY'S PUBLIC HEALTH OFFICER AND THE HOSPITAL'S CHIEF MEDICAL OFFICER RECOMMEND AGAINST HOLDING IN-PERSON, PUBLIC MEETINGS INDOORS.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of September 16th 2021.

Section 4. Remote Teleconference Meetings. The Chief Executive Officer and legislative bodies of SONOMA VALLEY HEALTHCARE DISTRICT are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 6th, 2021, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of SONOMA VALLEY HEALTHCARE DISTRICT may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of SONOMA VALLEY HEALTHCARE DISTRICT, this 2nd day of December, 2021, by the following vote:

AYES:
NOES:
ABSENT: None
ABSTAIN: None

SONOMA COUNTY

Clerk-Recorder-Assessor

http://sonomacounty.ca.gov/cra

Registrar of
Voters Division

P.O.Box 11485
435 Fiscal Dr.
Santa Rosa, CA 95406
Tel: (707) 565-6800
Toll Free (CA only):
(800) 750-VOTE
Fax: (707) 565-6843

MEMORANDUM

DATE: ***NOVEMBER 12, 2021***

TO: ***SONOMA VALLEY HEALTH CARE DISTRICT***

FROM: ***DEVA MARIE PROTO, SONOMA COUNTY CLERK & REGISTRAR OF VOTERS***

RE: ***OFFICIAL STATEMENT OF VOTES CAST***

Enclosed please find the Official Statement of Votes Cast for your jurisdiction's ballot measure voted upon at the November 2, 2021, Consolidated Election. This transmittal constitutes certification of the official canvass for adoption by your jurisdiction's governing body.

Should you have any questions, please do not hesitate to contact Wendy Hudson, Chief Deputy Registrar of Voters, at 565-6810, or Chanel Ruiz-Bricco, Elections Manager, at 565-6813.

STATEMENT OF THE VOTES

CAST AT THE

SONOMA VALLEY HEALTH CARE DISTRICT

CONSOLIDATED SPECIAL ELECTION

HELD ON

NOVEMBER 2, 2021

COUNTY OF SONOMA

STATE OF CALIFORNIA

STATE OF CALIFORNIA)
)ss.
COUNTY OF SONOMA)

I, DEVA MARIE PROTO, COUNTY CLERK of said county, do hereby certify the following to be a true and correct copy of the Statement of the Votes Cast at the CONSOLIDATED SPECIAL ELECTION held on NOVEMBER 2, 2021, for the ballot measure herein set forth. Witness my hand and official seal this 12th day of November, 2021.

Deva Marie Proto

DEVA MARIE PROTO, COUNTY CLERK – COUNTY OF SONOMA

REGISTRAR OF VOTERS SONOMA COUNTY, CA

SONOMA COUNTY - STATEMENT OF VOTES CAST
NOVEMBER 2, 2021 CONSOLIDATED DISTRICT ELECTION

Precinct	Registered Voters	Voters Cast	% Turnout
Countywide			
Electionwide			
1017	776	476	61.34%
1049 MB	98	54	55.10%
1053 MB	160	81	50.63%
1059 MB	0	0	N/A
1061 MB	24	13	54.17%
1069 MB	10	5	50.00%
1070 MB	21	2	9.52%
1075 MB	119	64	53.78%
1083 MB	0	0	N/A
1084 MB	116	66	56.90%
1096 MB	174	109	62.64%
1812 MB	0	0	N/A
2026 MB	9	0	0.00%
5057 MB	99	84	84.85%
5067 MB	0	0	N/A
5070 MB	32	7	21.88%
7101 MB	70	38	54.29%
7102 MB	51	23	45.10%
7103 MB	171	104	60.82%
7104 MB	0	0	N/A
7105	1,497	660	44.09%
7106	5,894	2,211	37.51%
7107 MB	134	86	64.18%
7108 MB	155	71	45.81%
7109 MB	114	55	48.25%
7110 MB	152	67	44.08%
7111 MB	103	52	50.49%
7112 MB	76	34	44.74%
7113	567	243	42.86%
7114	675	373	55.26%
7115	410	232	56.59%

Precinct	Registered Voters	Voters Cast	% Turnout
7116 MB	16	3	18.75%
7117	5,979	2,850	47.67%
7118	7,799	4,013	51.46%
7501 MB	101	27	26.73%
7502 MB	0	0	N/A
7503	1,617	524	32.41%
7504 MB	0	0	N/A
7505 MB	187	61	32.62%
7506 MB	0	0	N/A
Electionwide - Total	27,406	12,688	46.30%
Cumulative			
Cumulative	0	0	N/A
Cumulative - Total	0	0	N/A
Countywide - Total	27,406	12,688	46.30%

Member, City Council Sonoma S/T (Vote for 1)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Countywide				
Electionwide				
1812 MB	0	0	0	0
7118	4,013	7,799	188	21
Electionwide - Total	4,013	7,799	188	21
Cumulative				
Cumulative	0	0	0	0
Cumulative - Total	0	0	0	0
Countywide - Total	4,013	7,799	188	21

Precinct	SANDRA M. LOWE		MICHAEL J. NUGENT	
Countywide				
Electionwide				
1812 MB	0		0	
7118	2,278	59.88%	1,175	30.89%
Electionwide - Total	2,278	59.88%	1,175	30.89%
Cumulative				
Cumulative	0		0	
Cumulative - Total	0		0	
Countywide - Total	2,278	59.88%	1,175	30.89%

Precinct	JAMES K. CRIBB		Total Votes
Countywide			
Electionwide			
1812 MB	0		0
7118	351	9.23%	3,804
Electionwide - Total	351	9.23%	3,804
Cumulative			
Cumulative	0		0
Cumulative - Total	0		0
Countywide - Total	351	9.23%	3,804

Occidental Community Services Dist F/T (Vote for 2)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Countywide				
Electionwide				
5067 MB	0	0	0	0
5070 MB	7	32	3	0
7501 MB	27	101	7	0
7502 MB	0	0	0	0
7503	524	1,617	120	2
7504 MB	0	0	0	0
7505 MB	61	187	8	0
7506 MB	0	0	0	0
Electionwide - Total	619	1,937	138	2
Cumulative				
Cumulative	0	0	0	0
Cumulative - Total	0	0	0	0
Countywide - Total	619	1,937	138	2

Precinct	EUGENE M. GAFFNEY IV		JOHN GONNELLA	
Countywide				
Electionwide				
5067 MB	0		0	
5070 MB	0	0.00%	7	63.64%
7501 MB	6	12.77%	19	40.43%
7502 MB	0		0	
7503	233	25.16%	387	41.79%
7504 MB	0		0	
7505 MB	34	29.82%	45	39.47%
7506 MB	0		0	
Electionwide - Total	273	24.86%	458	41.71%
Cumulative				
Cumulative	0		0	
Cumulative - Total	0		0	
Countywide - Total	273	24.86%	458	41.71%

Precinct	CHRIS MARTIN		Total Votes
Countywide			
Electionwide			
5067 MB	0		0
5070 MB	4	36.36%	11
7501 MB	22	46.81%	47
7502 MB	0		0
7503	306	33.05%	926
7504 MB	0		0
7505 MB	35	30.70%	114
7506 MB	0		0
Electionwide - Total	367	33.42%	1,098
Cumulative			
Cumulative	0		0
Cumulative - Total	0		0
Countywide - Total	367	33.42%	1,098

Timber Cove County Water District (Vote for 3)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Countywide				
Electionwide				
5057 MB	84	99	80	0
Electionwide - Total	84	99	80	0
Cumulative				
Cumulative	0	0	0	0
Cumulative - Total	0	0	0	0
Countywide - Total	84	99	80	0

Precinct	JOHN GRAY		CHRIS FEDDERSOHN	
Countywide				
Electionwide				
5057 MB	41	23.84%	38	22.09%
Electionwide - Total	41	23.84%	38	22.09%
Cumulative				
Cumulative	0		0	
Cumulative - Total	0		0	
Countywide - Total	41	23.84%	38	22.09%

Precinct	KRIS KILGORE		JOHN D. REA		Total Votes
Countywide					
Electionwide					
5057 MB	47	27.33%	46	26.74%	172
Electionwide - Total	47	27.33%	46	26.74%	172
Cumulative					
Cumulative	0		0		0
Cumulative - Total	0		0		0
Countywide - Total	47	27.33%	46	26.74%	172

Measure E - Kenwood Fire Protection District District Special Tax (Vote for 1)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Countywide				
Electionwide				
1017	476	776	1	0
1053 MB	81	160	0	0
7101 MB	38	70	0	0
7102 MB	23	51	0	0
7103 MB	104	171	0	0
Electionwide - Total	722	1,228	1	0
Cumulative				
Cumulative	0	0	0	0
Cumulative - Total	0	0	0	0
Countywide - Total	722	1,228	1	0

Precinct	YES		NO		Total Votes
Countywide					
Electionwide					
1017	386	81.26%	89	18.74%	475
1053 MB	66	81.48%	15	18.52%	81
7101 MB	33	86.84%	5	13.16%	38
7102 MB	19	82.61%	4	17.39%	23
7103 MB	95	91.35%	9	8.65%	104
Electionwide - Total	599	83.08%	122	16.92%	721
Cumulative					
Cumulative	0		0		0
Cumulative - Total	0		0		0
Countywide - Total	599	83.08%	122	16.92%	721

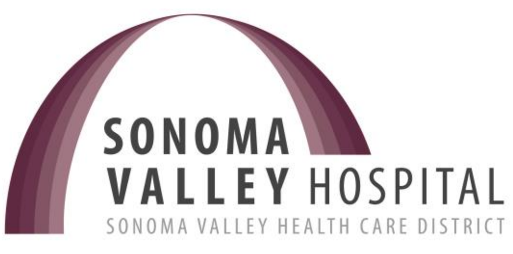
Measure F - Sonoma Valley Health Care District Parcel Tax Extension (Vote for 1)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Countywide				
Electionwide				
1049 MB	54	98	0	0
1059 MB	0	0	0	0
1061 MB	13	24	0	0
1069 MB	5	10	0	0
1070 MB	2	21	0	0
1075 MB	64	119	0	0
1083 MB	0	0	0	0
1084 MB	66	116	0	0
1096 MB	109	174	0	0
1812 MB	0	0	0	0
2026 MB	0	9	0	0
7104 MB	0	0	0	0
7105	660	1,497	0	0
7106	2,211	5,894	2	0
7107 MB	86	134	0	0
7108 MB	71	155	0	0
7109 MB	55	114	0	0
7110 MB	67	152	0	0
7111 MB	52	103	0	0
7112 MB	34	76	0	0
7113	243	567	0	0
7114	373	675	1	0
7115	232	410	0	0
7116 MB	3	16	0	0
7117	2,850	5,979	1	1
7118	4,013	7,799	31	0
Electionwide - Total	11,263	24,142	35	1
Cumulative				

Precinct	YES		NO		Total Votes
Countywide					
Electionwide					
1049 MB	45	83.33%	9	16.67%	54
1059 MB	0		0		0
1061 MB	12	92.31%	1	7.69%	13
1069 MB	5	100.00%	0	0.00%	5
1070 MB	2	100.00%	0	0.00%	2
1075 MB	53	82.81%	11	17.19%	64
1083 MB	0		0		0
1084 MB	59	89.39%	7	10.61%	66
1096 MB	88	80.73%	21	19.27%	109
1812 MB	0		0		0
2026 MB	0		0		0
7104 MB	0		0		0
7105	504	76.36%	156	23.64%	660
7106	1,709	77.37%	500	22.63%	2,209
7107 MB	73	84.88%	13	15.12%	86
7108 MB	49	69.01%	22	30.99%	71
7109 MB	38	69.09%	17	30.91%	55
7110 MB	54	80.60%	13	19.40%	67
7111 MB	45	86.54%	7	13.46%	52
7112 MB	24	70.59%	10	29.41%	34
7113	159	65.43%	84	34.57%	243
7114	298	80.11%	74	19.89%	372
7115	198	85.34%	34	14.66%	232
7116 MB	1	33.33%	2	66.67%	3
7117	2,171	76.23%	677	23.77%	2,848
7118	3,265	81.99%	717	18.01%	3,982
Electionwide - Total	8,852	78.85%	2,375	21.15%	11,227
Cumulative					

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Cumulative	0	0	0	0
Cumulative - Total	0	0	0	0
Countywide - Total	11,263	24,142	35	1

Precinct	YES		NO		Total Votes
Cumulative	0		0		0
Cumulative - Total	0		0		0
Countywide - Total	8,852	78.85%	2,375	21.15%	11,227



To: SVH Board of Directors
From: John Hennelly, CEO
Date: 12/02/2021
Subject: Exception for Emergency Contract

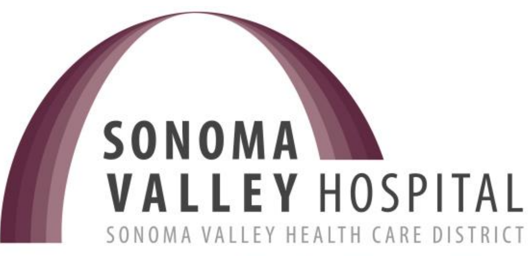
RECOMMENDATION TO THE BOARD OF DIRECTORS:
Management is recommending to the Sonoma Valley Hospital Board of Directors that they authorize the completion of CT Project – Phase 1 of the Outpatient Diagnostic Center as an emergency contract per the exception clause in the Policy and Procedures Governing Bidding for Facility Projects.

As evidenced by the background iterated below, Management is asserting that this phase of the project is in a state of emergency and will not permit a delay resulting from a competitive solicitation of bid.

BACKGROUND:
The current Design Build Team ("DBT") – Dome/Taylor has been suspended from the Outpatient Diagnostic Center project. SVH is in the process of terminating the DBT and procuring a negotiated settlement.

As outlined in the policy GOVERNING BIDDING FOR FACILITY PROJECTS Clause 4.4.1 - Exception For Emergency Contracts the following is support to allow the Board to evaluate that the completion of CT Phase 1 constitutes an emergency that will not permit a delay resulting from a competitive solicitation for bids, and that action is necessary to respond to the emergency.

The current status of the construction for the CT Phase 1 is incomplete and posing a risk to the organization. The existing CT is at end of life and has maintenance issues that have rendered it inoperable during the repair. This phase of the project is 90% completed with outstanding issues surrounding the mechanical performance of the new air handler unit. The penthouse on the West Wing unit has been temporarily secured from the elements. It is imperative that the project move forward without delay that would occur with a public bid once the settlement with the DBT is complete.



POLICY AND PROCEDURES GOVERNING BIDDING FOR FACILITY PROJECTS # P-2019.08.01

1. PURPOSE

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

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

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

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

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

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

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

2. DEFINITIONS

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

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

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

3. ETHICS

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

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

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

4. CONTRACTING FOR FACILITIES PROJECTS

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

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

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

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

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

(i) Emergency contracts and emergency service contracts (PCC 22035)

(ii) Change orders to existing contracts that are less than 5% of the original contract (H&S Code 32132)

(iii) Professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms for work on Facility Projects (Government Code 4526, H&S Code 32132.b)

(iv) Facility Projects where the District has elected to use a design-build method to select the contractor (PCC, 20133)

(v) Purchasing of medical equipment or surgical equipment or supplies, or electronic data processing and telecommunications goods and services (H&S § 32132(b), (d).)

(vi) Land and building leases and purchases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prevailing wage rates shall be used in all estimates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.8.1 **Under to $60,000.** The CEO shall award contracts for District Facility Projects of sixty thousand dollars ($60,000) or less by negotiated contract, or by purchase order. The CEO is not bound to accept the bid of the lowest responsible bidder (PCC § 22032(a), 22034 (e)).

4.8.2 **Between $60,000 and $200,000.** The CEO shall award contracts for District Facility Projects more than sixty thousand dollars ($60,000) but less than two hundred thousand dollars ($200,000) or less by informal procedures as set forth in this Policy. (PCC § 22032(b), 22034 (e))

4.8.3 **Over $200,000.** The Board shall award contracts for District Facility Projects of more than two hundred thousand dollars ($200,000), except as otherwise provided in this Policy, by formal bidding procedure as set forth in this policy. (PCC § 22032(c))

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

4.9 **Procedures For Projects More than $60,000 but less than $200,000 – Informal Bidding Procedure.** Facility Projects of more than sixty thousand dollars ($60,000) but less than two hundred thousand dollars ($200,000), the District shall use informal bidding procedures, as follows:

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

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

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

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

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

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

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

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

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

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

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

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

4.9.4 **Award of Bids, Delegation to CEO.** The Board delegates the authority to award informal contracts to the CEO and the CEO shall award the contracts for each type of

work for Informally Bid Facility Projects ($60,000 to $200,000) to the lowest responsible bidder who shall give the security the District requires. (PCC § 22032; PCC § 22020)

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

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

4.9.7 **Total Project Cost in Excess of $200,000**. If the project cost for all bids received is in excess of $200,000, the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at $212,500 or less, to the lowest responsible bidder, if it determines the cost estimate of the District was reasonable. (PCC § 22034(f))

If the total Project Cost is greater than $212,500 the Board shall reject all bids and may direct the CEO to rebid the project.

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

4.10 **Procedures For Projects Over $200,000 – Formal Bidding Procedure.** District Facility Projects of more than two hundred thousand dollars ($200,000) shall, except as otherwise provided in this Policy, be let to contract by formal bidding procedure as follows.

4.10.1 **Plans and Specifications**. When the CEO determines that the estimated cost for a Facility Project is more than $200,000, the CEO shall prepare plans, specifications or a description of general conditions ("Specifications") for the project. The Specifications shall be in such detail and written with such specificity as may be required to allow all potential bidders to understand the project and give a level playing field to all bidders. (PCC § 22039, as amended 1/1/16 by Omnibus Bill SB 184)

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

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

(a) Description of the contemplated Facility Project.

(b) The procedure by which potential bidders may obtain electronic copies of the Plans and Specifications (or printed copies if not available electronically)

(c) The final time, date and address (or e-mail address) for receiving and opening of bids (including designation of the appropriate District person or office) (Govt § 53068; PCC § 4104.5; *id*. § 22037)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. BOND REQUIREMENTS

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

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

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

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

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

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

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

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

SVH EHR Solution:
Community Technologies
Epic *(hosted by Providence Health)*
Total Cost of Acquisition Estimate

SVH|EHR Work Group

EHR Project Goal: Increase Quality Through Better Access to Information

Improve **hospital access** to external patient information

Improve **community physician access** to hospital records

Improve **patient access** to their health information

Integrated work flows across internal/external systems

- Financial Objectives -Right Size Cost for SVH
  - Implementation cost <$3M
  - Operating cost at or below current cost
    - 1.5M (with integrated ERP solution)

Touching Many Parts of the Continuum of Care

UCSF Health

COLUMBIA GORGE
FAMILY MEDICINE

SHOALWATER BAY TRIBE

Nor-Lea
Hospital District

Columbia Basin

Providence

k Fork Valley Hospital
Family Medicine Network

Community Technologies Epic Fees

TOTAL SUMMARY COSTS	One –Time	Annual - 1st YR
Epic Client Total listed on the Contract	$2,700,000	$400,000
Administrative Costs	$52,000	$160,000
Third Party Applications	$82,000	$17,000
Multi-Protocol Label Switching (MPLS) Costs	$37,000	$80,000
Third Party Optional Software Licenses	$37,000	$57,000
TOTAL:	**$2,908,000**	**$714,000**

Annual Increase ~ 2.5%

Technical Assessment – Hardware and Infrastructure Costs

End-user devices residing in the hospital that require updating to meet Providence technology standards/requirements (scanners, printers, e-signature pads).

Onsite Technical Assessment discovery completed by Providence analysts determined one-time capital costs of **$90,000.**

***Capital Costs potentially funded by Foundation**

3rd Party Application Costs

Software Retained = $288,000/Yr.

AmerisourceBergen	RateMyHospital
BioRad Unity	SecureCheck
Blueprint	SensoScientific
CPS systems	Spacelabs
Fluency Medical Imaging Dictation	Studycast Cardiology PACS
Fuji PACS (replacing Intellispace PACS)	Tracelink
GE ViewPoint	MRS7 Mammography Reporting
GhX (Global Healthcare Exchange) EDI	NOIA
ICU Medical IV Smart Pumps	OSG Diamond
ICU Medical Mednet	Para
IDEA Budget System	Patients DB
Knowledge Portal	Pharmalogistics
Kronos	PrecisePK
MDM Journey	Pyxis
MILT	Hyland OneContent

Software Replaced by Epic = $240,000/Yr. (Cost Eliminated)

Allscripts Intelligent Coding (AIC)	PrognoCIS Occupational Health
American Hospital Formulary Service (AHFS)	PrognoCIS Wound Care
Change Healthcare - Assurance Management	ReDoc
Change Healthcare - Clearance	Tiger Connect
Collective Medical Technologies / EDIE Connection	Truven Patient Education
CURES	WebForm Imprint (FormFast)
Discharge123	Zetafax
Dr. First	Manifest Medex (MX)
FollowMyHealth	Mediscribes
MedMined (BD)	

Implementation Costs to SVH - Personnel

- Project Manager Estimate $**150,000**
- Compensation for Staff Training Estimate $**70,000**

ERP Costs: Materials, General Ledger & Payroll

These applications are not available within Epic suite

- Recommendation at this time is to maintain Paragon “Financials” solution and plan for subsequent ERP implementation
- Current Paragon contract expires March 2023
- “Financials” only hosted by Allscripts estimated at $**500,000** / year

**Expect an additional approximate $500,000 implementation fee to move to new ERP, then expect reduction to $250,000 annual costs based on pricing from ERP vendor estimates.*

Total Cost of Acquisition Estimate

Item	Total Cost	FY2022 Cash Outflow	FY2023 Cash Outflow
Community Technologies Epic	$2,900,000	$700,000	$2,200,000
Hardware & Infrastructure *Capital – Possible Foundation	$90,000	N/A	$90,000
SVH Implementation Costs	$215,000	$75,000	$140,000
Contingency	$300,000		$300,000
TOTAL:	**$3,505,000**	**$775,000**	**$2,730,000**

Cost Summary

Budget Goal	Projected Costs for EPIC with Paragon ERP	Projected Costs for EPIC with new ERP	Current Operating Budget
Implementation Cost: <$3M	$3,505,000 Epic *ERP Implementation: $0	$3,505,000 Epic *ERP Implementation: $500,000	N/A
Annual EHR Budget <$1M	$720,000 Epic $288,000 3rd Party Apps $500,000 ERP Paragon **TOTAL:** **$ 1,508,000**	$720,000 Epic $288,000 3rd Party Apps $250,000 ERP (New) **TOTAL:** **$1,258,000**	$980,000 Allscripts $528,000 3rd Party Apps **TOTAL:** **$1,508,000**

Funding for EPIC Implementation

- Possible Capital Funding Sources for Implementation Costs:
  - SVH Foundation: $90K
  - Operating Cash: $(as needed)
  - CARES Act Funding: $1.2M
  - Cyberattack Insurance Proceeds: $1M
  - CHFFA Help II Loan: $2M

Projected Net Revenue Increase

ANALYTICS

INCREASED REVENUE

DISCRETE DATA

EFFICIENCIES

HIGHER QUALITY CARE

EPIC reports that implementation of their system provides significant revenue enhancements. EPIC's architecture improves clinical documentation, which reduces denials and accurately categorizes care "levels." This often leads to higher reimbursement. These improvements lead to faster reimbursement, reducing A/R. While hospitals with high performing documentation and billing systems have seen only nominal improvements, typical gains to net revenue range from 2-5%. We would expect to begin seeing benefits in Q4 of FY23.

FEWER ERRORS

INCREASED CHARGE CAPTURE

PATIENT SATISFACTION

SAFER PATIENT CARE

ELIMINATE REDUNDANCIES

Q&A

Thank You!

Community Technologies Inc.
Technology Services Agreement

This Technology Services Agreement ("**TSA**") and applicable Exhibits, Attachments and Order Forms are the complete agreement regarding the transactions under this TSA (together, hereinafter, the "**Agreement**") entered into this 19th day of November, 2021 ("**Effective Date**") by and between Tegria Services Group-US, Inc. d/b/a Community Technologies, a Delaware corporation ("**Community Technologies**") and the undersigned ("**Client**"). Client and Community Technologies are referred to collectively as the "**Parties**" and individually as a **"Party**". Exhibits contain additional terms that apply to this TSA. Attachments contain additional terms that apply to particular offerings. Order Forms contain specific details related to a Technology Service and there may be more than one Order Form. In the event of conflict of terms, an Exhibit prevails over the TSA, an Attachment prevails over an Order Form and an Order Form prevails over both the TSA and Exhibits. This TSA is subject to the General Terms and Conditions Exhibit available online at https://providence4.sharepoint.com/sites/community (the "**Client Portal**") which Community Technologies may in its sole discretion amend by giving Client no less than 90 days' advance written notice. Initially capitalized terms that are used but not defined in this TSA will have the meaning given to them in the Exhibits, Attachments and Order Forms.

1. Technology Services

a. A "**Technology Service**" is any service offered by Community Technologies. Each Technology Service is described in an Order Form. Technical support and service level commitments, if applicable, are specified in the Order Form.

b. The term, including any renewals thereof, for a Technology Service shall be set forth in the Order Form.

c. Community Technologies or its subcontractors will provide the Systems. Client will provide all Client Equipment.

d. A Technology Service may not be used in any jurisdiction for unlawful, obscene, offensive or fraudulent activities, such as advocating or causing harm, interfering with or violating the integrity or security of a network or system, evading filters, sending unsolicited, abusive, or deceptive messages, viruses or harmful code, or violating third party rights. If there is a complaint or notice of violation, use of a Technology Service may be suspended until resolved, and terminated if not resolved promptly.

2. Fees and Payment Terms

a. Client shall pay Community Technologies the amounts set forth in the applicable Order Form ("**Fees**") in accordance with the payment terms set forth in the applicable Order Form. Community Technologies shall provide Client with advance notice of any price increase or new Fee at least sixty (60) days prior to the date the price increase or new Fee will take effect.

b. Community Technologies shall invoice Client for all Fees as they come due and Client shall pay all amounts in the time and manner requested by Community Technologies. Unless otherwise stated in the applicable Order Form, all invoiced amounts are due and payable, within thirty (30) days after the date of an invoice or upon the scheduled date if payment is made by an approved electronic funds transfer. Client agrees that all one-time expenses and recurring Fees shall be paid by Client in advance of the delivery of the applicable Technology Services.

c. In the event that Client fails to make timely, full payment of any amount due under this Agreement, Community Technologies may, in its sole discretion choose one or more of the following options: (i) suspend, in whole or in part, Client's Access to the relevant Technology Services and related data and suspend, in whole or in part, providing the relevant Technology Services, until such payment in full of the delinquent amount is made; (ii) immediately terminate the applicable Order Form or this Agreement if such payment is not made within ten (10) days following such suspension; (iii) charge Client a late fee of one and one-half percent (1½%) per month, or the maximum lawful rate, whichever is lower; and/or (iv) terminate the applicable Order Form or this Agreement without first suspending Access to the relevant Technology Services.

3. Term, Suspension and Termination

a. Term**.** This Agreement shall have a term that begins on the Effective Date and continues through the expiration or termination of all Order Forms which incorporate these terms by reference. The expiration or termination of any Order Form shall have no effect on the obligations of the Parties with respect to any other Order Forms. The execution of any Order Form that references this Agreement shall be deemed to revive this Agreement, if it may have previously been expired or terminated.

b. Suspension. Community Technologies shall have the right to immediately suspend Client's or any User's Access to any Technology Service by written notice to Client upon the occurrence of any of the following events and further, may terminate an Order Form or this Agreement in its entirety or terminate the participation therein of any User immediately if Client does not cure the breach and provide Community Technologies reasonable assurances of future compliance within ten (10) days of such written notice:

i. Client or any of the Users' Accesses any portion of the Technology Services or the relevant associated data in violation of this Agreement;

ii. Client or any User materially breaches any of the obligations under this Agreement; and/or,

iii. Client or any User violates the Policies (defined below). In the event of any such breach of this Agreement or Policies by Client or any User, Community Technologies may, at its option and in its sole discretion, choose to terminate either the applicable Order Form or the entire Agreement or only the participation therein of a User to whom a breach is attributable.

iv. Termination of Agreement. Either Party shall have the right to terminate this Agreement in its entirety immediately by written notice to Client in the event all Order Forms are expired or terminated;

c. Termination of an Order Form.

i. Community Technologies shall have the right to terminate any Order Form in its entirety or terminate the Access to the relevant Technology Services and participation of any User immediately by written notice to Client in the event any agreement with a Vendor is terminated for any reason and in such event, Community Technologies shall have the option to only terminate Client's and the Users' ability to Access the applicable Vendor's items or services or to terminate the entire Order Form;

ii. Either Party shall have the right to terminate any Order Form in its entirety or terminate the Access to the relevant Technology Services and participation of any User immediately by written notice to the other Party in the event a change in Applicable Laws (defined below) and/or actual or threatened decisions, findings or actions by governmental agencies or courts occur or are issued that would, by virtue of such Party's continued performance under an Order Form, subject either Party to civil or criminal prosecution, render either Party ineligible to bill for professional or facility services it provides, or have other materially adverse effect on either Party and the Parties are unable to develop a mutually agreeable amendment to the Agreement within sixty (60) days that would cure such illegality, billing ineligibility or other adverse effect, or such shorter time if required to comply with the change in Applicable Law; or

d. Termination for Change of Control. Community Technologies may terminate the Agreement or any Order Form in the event of the consummation of a reorganization, merger or consolidation, acquisition or substantial change in control or the sale or other disposition of substantially all of the assets of the Client upon ninety (90) days' prior written notice. A substantial change of control for this purpose shall mean a transfer of governing control of its ultimate governing body by voting rights exceeding fifty percent (50%) of the voting authority on such body.

e. Termination for Insolvency. Either party shall have the right to terminate an Order Form or this Agreement in its entirety immediately upon written notice in the event of any filing of any bankruptcy or reorganization by or against the other party.

f. Termination for Breach. Either Party shall provide the other Party with written notice of any material breach in the performance of any of the other Party's obligations under an Order Form, an Attachment or this Agreement. Within thirty (30) days of receiving notice of the material breach, such shall develop a remedial plan to rectify the breach. The non-breaching Party may terminate the relevant Order Form or this Agreement, as referenced above, in the event that the other Party fails to develop and implement a remedial plan within thirty (30) days of receiving notice of the material default. In addition, Client may terminate the relevant Order Form or this Agreement, as referenced above in the event that a material breach remains uncured for more than ninety (90) days after Client gives written notice of such breach, unless such material default is incapable of being cured within such ninety (90) day period. Where a material default by Community Technologies is incapable of being cured within such ninety (90) day period, Client may not terminate the relevant Order Form or this Agreement so long as Community Technologies is working to rectify the default in accordance with a remedial plan.

g. Effect of Termination. Upon termination or expiration of an Order Form or this Agreement, or an individual User's participation under an Order Form or this Agreement, neither Party, nor the User, as applicable, shall have any further rights or obligations thereunder, except for obligations accruing prior to the date of termination or specifically required to survive termination of the Order Form or this Agreement.

h. Transition. In the event of termination of an Order Form or the Agreement in its entirety for any reason, Client will cease using the applicable Technology Service, and destroy or return all copies, extracts, or any other materials containing Community Technologies' or Vendors' Confidential Information , except as may be necessary to

retain with respect to any remaining Order Forms, Client shall certify in writing that it has complied with the obligations of this Section within ten (10) days after termination or expiration of the Order Form or this Agreement. If (1) Community Technologies terminates an Order Form or this Agreement pursuant to Section 3.a.-3.e., or (2) Client terminates an Order Form to this Agreement without cause pursuant to Section 3.c., then Client shall pay Community Technologies, in full at the time of termination, any and all remaining payments for Implementation Services that would come due under the remainder of the then current term of the terminated Order Forms if such termination had not occurred, as well as, all costs incurred by Community Technologies in establishing connectivity between Community Technologies and Client.

4. Representations.

Client represents and warrants the following:

a. Neither Client nor any of its Users have conditioned the continued practice of doing business with Community Technologies upon the receipt of Access.

b. Client will not utilize the Technology Services to conduct any business unrelated to the provision of health care services.

c. Client will be a good steward of the Systems and will not utilize the Systems or the Systems Data in a manner that is not intended by this Agreement.

d. Client will not make any public statements, oral or written, about the Systems without the written permission of Community Technologies.

e. Client and all Users have necessary professional licenses or certifications to provide care to patients, to operate the Client or otherwise to Access and use the System and will immediately notify Community Technologies if any such professional licenses or certifications are suspended, revoked or terminated.

5. Warranties; Disclaimer of Warranties

a. Each Party warrants that it shall comply in all material respects, with all Applicable Laws or licensing and professional and ethical requirement applicable to Community Technologies and its Affiliates or Client and its Users.

b. The components of the Technology Services were designed to operate in a certain manner to produce a defined result and if Client would like the Technology Services to operate in a different manner or to achieve a different result, such differences do not represent program errors or design defects. Client understands that neither Community Technologies nor any Vendor warrant that the Technology Services, any component thereof and data are free from error or that the Technology Services or any component thereof will always run in an uninterrupted fashion and that, due to the complex nature of computer software, certain errors may be virtually impossible to reproduce or correct.

c. The Technology Services are made available subject to the Vendor Terms, and are warranted to Client (if at all) only as expressly provided by the applicable Vendors. This Agreement does not assign to Client any warranties made by any Vendor to Community Technologies. Community Technologies does not make any direct representations or warranties to Client in connection with the Vendor Products and Services. Notwithstanding the foregoing, to the extent applicable, Community Technologies shall

use reasonable efforts to enforce any warranties relating to the Vendor Products and Services made by the applicable Vendor for the benefit of Client. Additionally, the Parties acknowledge that some Vendors commit to provide indemnification under their agreements with Community Technologies for third party claims of intellectual property infringement to both Community Technologies and its sublicensees. Community Technologies shall use reasonable efforts to enforce such indemnification obligations for the benefit of Client.

d. Client and its Users will at all times comply with Policies.

e. COMMUNITY TECHNOLOGIES HAS NOT MADE, AND CLIENT HAS NOT RECEIVED, ANY OTHER EXPRESS OR IMPLIED WARRANTIES EXCEPT THOSE CONTAINED IN THIS AGREEMENT, AN ATTACHMENT OR THE APPLICABLE ORDER FORM. EXCEPT FOR WARRANTIES CONTAINED IN THIS AGREEMENT, COMMUNITY TECHNOLOGIES HEREBY DISCLAIMS ON BEHALF OF ALL OF ITS VENDORS ALL EXPRESS, STATUTORY, OR IMPLIED WARRANTIESOF ANY KIND WITH REGARD TO THE TECHNOLOGY SERVICES ANY COMPONENT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, GOOD TITLE, WARRANTIES AGAINST INFRINGEMENT OR THOSE ARISING OR DEEMED TO ARISE FROM ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE. COMMUNITY TECHNOLOGIES AND ITS VENDORS AND LICENSORS DO NOT WARRANT THAT THE TECHNOLOGY SERVICE OR ANY COMPONENT THEREOF, ARE WITHOUT DEFECT OR ERROR OR WILL BE UNINTERRUPTED.

f. CLIENT EXPRESSLY UNDERSTANDS AND AGREES THAT COMMUNITY TECHNOLOGIES AND ITS LICENSORS AND VENDORS SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, LOST SAVINGS, BUSINESS INTERRUPTION DAMAGES OR EXPENSES, LOST GOODWILL, DATA LOSS, THEFT OR CORRUPTION, THE COST OF SUBSTITUTE SOFTWARE, OR OTHER LOSSES, EVEN IF COMMUNITY TECHNOLOGIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMMUNITY TECHNOLOGIES SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES AND CLIENT SHALL BE FULLY RESPONSIBLE FOR ANY DAMAGES RESULTING FROM CLIENT'S OR ITS USERS' USE OR INABILITY TO USE THE TECHNOLOGY SERVICES OR DATA. CLIENT UNDERSTANDS THAT VENDORS DIRECTLY PROVIDE THE THIRD PARTY PRODUCTS AND SERVICES TO CLIENT. IN NO EVENT SHALL COMMUNITY TECHNOLOGIES BE LIABLE FOR ANY DAMAGES THAT RESULT FROM THE ACTIONS OR INACTIONS OF A VENDOR OR THE THIRD PARTY PRODUCTS AND SERVICES. COMMUNITY TECHNOLOGIES'S AGGREGATE LIABILITY TO CLIENT OF ANY KIND ARISING FROM OR RELATED TO THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION (WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHERWISE), IS LIMITED TO THE FEES PAID BY CLIENT UNDER THE APPLICABLE ORDER FORM IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE CLAIM.

g. NOTWITHSTANDING ANY APPLICABLE STATUTE OF LIMITATION UNDER APPLICABLE LAWS, CLIENT AGREES THAT IT SHALL NOT BE PERMITTED TO INSTITUTE ANY ACTION AGAINST COMMUNITY TECHNOLOGIES OR ITS AFFILIATES RELATING TO THIS AGREEMENT MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ARISEN.

6. **Indemnity**

a. In addition to its other defense and indemnification obligations set forth elsewhere in this Agreement, Client shall defend, indemnify, and hold Community Technologies, its Affiliates, Vendors, and any of their respective employees, officers, directors, independent contractors or agents harmless from any claim, loss, damages, injury, liabilities, judgments, fines, penalties and expenses (including, without limitation, reasonable attorneys' fees and costs) arising from, related to or in connection with: (i) Client's or Users' use or misuse of the Technology Services, any component thereof; (ii) any impermissible use or disclosure of Systems Data; (iii) any breach of this Agreement by Client or Users, including, without limitation, any violation of the Policies; (iv) any failure to abide by the Vendor Terms; or (v) any violation by Client or User of Applicable Laws.

b. Promptly after the receipt by Community Technologies of a notice of any claim or the commencement of any action that is subject to defense and indemnification under this Agreement, Community Technologies shall: (i) notify the Client in writing of any such claim; (ii) provide Client with reasonable assistance to settle or defend such claim, at Client's expense; and (iii) grant to Client the right to control the defense and settlement of such claim; provided, however, that: (1) the failure to so notify shall not relieve Client of its defense and indemnification obligations to Community Technologies, unless and only to the extent that Community Technologies is materially and irreparably prejudiced thereby; (2) Client shall not, without Community Technologies' prior written consent (such consent not to be unreasonably withheld or delayed), agree to any settlement which (A) makes an admission of guilt on behalf of Community Technologies; or (B) consents to any injunction against Community Technologies ; and (3) Community Technologies shall have the right, at its own expense, to participate in any legal proceeding to contest and defend a claim, and to be represented by legal counsel of its choosing and cost, but shall have no right to control the defense of the claim or settle a claim without Client's written consent, unless Client fails to perform its respective indemnification and defense obligations under this Agreement.

7. **Defense of Claims**. In the event any of the Technology Services is used in connection with any diagnosis or treatment (or peer review activity outside of the normal protected peer review process) by Client or its Users, Client and its Users agree to accept all responsibility in connection therewith. Accordingly, Client and the Users agree to defend, indemnify and hold Community Technologies, Vendors, and other users of the Systems and any of their respective employees, officers, directors, independent contractors, affiliates, physicians, and agents harmless from any claim, loss, damages, injury, liabilities, fines, penalties and expenses (including, without limitation, reasonable attorneys' fees, court costs, and related defense costs whether incurred in enforcing this Section or defending against such claim) arising from, related to or in connection with: (i) any such diagnosis or treatment, irrespective of whether such injury, damage and/or loss results from use of the Technology Services; (ii) use of Systems Data for peer review activities outside the normal protected peer review process; (iii) personal injury or death of a patient arising in any way in connection with the provision of or failure to provide medical care by Client or any of its directors, officers, employees, agents, physicians, and representatives; and/or (iv) Client's and/or Users' use of the Technology Services.

8. **Governing Law and Venue**.

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington excluding all choice of law provisions. In the event that any proceedings relating to this Agreement are brought (including an appeal from any arbitration decision), they shall be exclusively brought and maintained in the state or federal courts situated in King County, Washington, and each of the parties hereby consents to the exclusive jurisdiction and venue of such courts.

9. **Notices.**

Unless otherwise specified herein, all notices or demands required or permitted to be given or made under this Agreement, shall be in writing and shall be deemed given on the day they are (a) hand-delivered with signed receipt, (b) sent by registered or certified mail, postage prepaid, return receipt request, or (c) sent by overnight courier, all of the foregoing addressed to the parties at the addresses set forth on the signature page to this Agreement. Addresses may be changed by either party by giving written notice thereof to the other party. Communications in the ordinary course of business however (which do not include any notices related to any dispute under or alleged breach of this Agreement, any effort to enforce the terms of this Agreement, or any notice regarding termination of this Agreement) may be sent via email.

10. **Survival**. The provisions of Sections 2, 3(h)-(i), 4-10 shall survive the termination or expiration of this Agreement.

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IN WITNESS WHEREOF, the parties acknowledge that they have read, understand, and agree to the terms and conditions of this TSA.

Community Technologies, Inc.	**Sonoma Valley Healthcare District dba Sonoma Valley Hospital**
______________________________	______________________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

Notice Addresses:

If to Community Technologies: Lisa Johnson Tegria Services Group-US, Inc dba Community Technologies, Inc. 1255 Fourier Drive, STE 101 Madison, WI 53717	If to Client: Sonoma Valley Healthcare District dba Sonoma Valley Hospital 347 Andrieux Street Sonoma, CA 95476

With copy for legal notices to:
Legal
Tegria Services Group, US Inc.
Community Technologies, Inc.
1255 Fourier Drive, STE 101
Madison, WI 53717

Epic Community Connect Order Form

This Order Form is entered into as of the 19th day of November, 2021 ("**Effective Date**") by and between Tegria Services Group-US, Inc. d/b/a Community Technologies ("**Community Technologies**"), and Sonoma Valley Healthcare District dba Sonoma Valley Hospital, ("**Client**") pursuant to the Technology Services Agreement between Community Technologies and Client effective 19th day of November, 2021 ("**TSA**").

1. **Technology Services.** Client hereby agrees to license and procure and Community Technologies hereby agrees to provide the Technology Services more fully described in Attachment 1. While there is some configuration of the Systems associated with such Technology Services that can occur, Client acknowledges that it will receive access to the same standard Systems to which Community Technologies affiliates and other third parties receive access. If Client requests Customizations, Community Technologies shall have the sole discretion to determine whether such Customizations will be approved. Client shall provide Community Technologies with any information requested by Community Technologies to appropriately assess the requested Customization. In the event that Community Technologies agrees to provide such Customizations, Client shall be responsible for 100% of the costs of such Customizations and all future additional costs resulting from the Customization, the details of which will be addressed in a separate Statement of Work. "**Customizations**" means any enhancements, modifications or additional features (such as additional reports or interfaces) to be added to the Technology Services. During the Term of this Order Form, Community Technologies shall make available any bug fixes, patches, error corrections, enhancements and other updates released by Vendors related to the Technology Services ("**Updates**") that Community Technologies chooses to deploy for the Systems. Updates released by Vendors to Community Technologies as part of a Vendor's standard maintenance and support plan shall be made available to Client in consideration of Client's payment of the Fees, at no additional charge. Updates released by Vendors outside of a Vendor's standard maintenance and support plan, such as new modules and add-ons, may not be available to Client without the payment of additional Fees, to the extent the Vendors require payment from Community Technologies in connection with such items. Community Technologies shall retain ultimate discretion and control over determining which Updates will be deployed for the Systems and the schedule for implementation of such Updates. All Updates deployed by Community Technologies will be considered part of the Systems, under and subject to the license and other provisions of this Agreement, together with any additional license terms and restrictions that may be imposed by the relevant Vendors for such Updates.
2. **Term**. This Order Form shall commence on the Effective Date and shall continue through December 2025 ("**Initial Term**"). Upon the end of the Initial Term, this Order Form shall automatically renew for successive 1 year terms ("**Renewal Term**" collectively with the Initial Term the "**Term**") unless a Party provides the other Party with written notice of its intent to terminate this Order Form at least 90 days prior to the end of the then-current Initial Term or Renewal Term.
3. **Fees.** The Fees and the time and manner of payment are set forth in Attachment 1 to this Order Form, in the TSA, or in applicable Change Request Forms or Statements of Work. The amount of the Fees, including any recurring Fees set forth in a Change Request Form or Statement of Work may be reviewed by Community Technologies

annually. If the actual cost of providing the Technology Services increases, Community Technologies shall have the right to change the Fees that will be charged during subsequent years of the Term.

4. **Orderly Transition.** Provided Client promptly proceeds in an expedient manner to secure, implement and transition to a replacement system upon termination of this Order Form: (i) Community Technologies will provide reasonable cooperation to Client in a prompt and orderly transition ("**Transitional Services**"), including working with its necessary Vendors and licensors to provide Client with an electronic copy of the relevant Client Data and other Systems Data, in a standard electronic format (e.g., transition of data to another system, extraction to reports Client can archive on disks or print and file, extract to Clarity for Oracle or SQL server, or other reasonable methods), and (ii) Community Technologies shall invoice Client and Client shall pay, in advance, for Fees as agreed upon by the parties in writing, for any such Transitional Services (including any costs incurred in providing the aforementioned electronic copy of the Client Data and other Systems Data concerning patients of Client), that Community Technologies performs for Client during such period at Community Technologies' standard rates, or otherwise at rates negotiated in good faith by the Parties at the time. Any advance payment shall be made upon Community Technologies' reasonable estimate of the actual fees to be incurred. If the estimated fees paid by Client are determined by Community Technologies to be insufficient for the actual Transitional Services to be rendered, Community Technologies shall so notify Client and Client shall make additional advanced payments to Community Technologies in the amounts reasonably estimated by Community Technologies. Upon completion of the Transitional Services, Community Technologies shall refund to Client any amounts paid in advance by Client for the Transitional Services that exceed the fees for the Transitional Services actually provided to Client by Community Technologies or Client shall pay Community Technologies an amount equal to the fees for Transitional Services that exceed the amounts paid in advance by Client. Except as expressly set forth in this Section, Community Technologies is relieved of its obligation to provide the relevant Technology Services to Client immediately upon termination or expiration of this Order Form. The terms of this Order Form will remain in force for the duration of Community Technologies providing Transitional Services to Client. Parties acknowledge and agree the period of time that Community Technologies provides any Transitional Services under this Section will not exceed twelve (12) months from the expiration of this Order Form.
5. **Additional Terms.** The Technology Services provided pursuant to this Order Form shall at all times during the Term be subject to the TSA and the Epic Community Connect Terms Attachment available in the Client Portal. Community Technologies may in its sole discretion amend the Epic Community Connect Terms Attachment by giving Client no less than 30 days' advance written notice.

IN WITNESS WHEREOF, the Parties acknowledge that they have read, understand, and agree to the terms and conditions of this Order Form.

Community Technologies, Inc.

____

Name: ________________________________

Title: _________________________________

Date: _________________________________

Sonoma Valley Healthcare District dba Sonoma Valley Hospital

____

Name: ________________________________

Title: _________________________________

Date: _________________________________

Attachment 1
Technology Services

Recipient shall pay Community Technologies, Inc. the Fees outlined herein and as amended in the manner requested by Community Technologies, Inc.

1. **Implementation Fees**

Recipient shall pay to Community Technologies, Inc. the Implementation Fees as follows:

Implementation fees	Fees	Invoice Due Date
Implementation fees	$2,811.175.67	
Deposit of 25% of implementation fees	$702,793.92	Contract Signing Date
Balance of 75% of implementation fees	$2,108,381.75	Prior to Go-Live Date

Community Technologies, Inc. will not initiate the Implementation Services until it has received full payment of the Implementation Fees.

2. **Support Fee**

In consideration for the provision of the Support Services, Recipient shall pay to Community Technologies, Inc. the Annual Support Fees as follows:

- Go-live Date: December 3, 2022
- 1st year fees prorated per the Go-Live date
- 1st quarterly fees will be prorated based on go-live date. This fee will be due with the 75% implementation fees.

Year	Schedule	Time Frame	Annual Fees	Quarterly Fees
0	2022	12/3/2022 – 12/31/2022	$44,631.85	$44,631.85
1	2023	1/1/2023 – 12/31/2023	$581,808.04	$145,452.01
2	2024	1/1/2024 – 12/31/2024	$594,215.78	$148,553.95
3	2025	1/1/2025 – 12/31/2025	$612,042.25	$153,010.56

The initial Support Fee payment for the first quarter of Support Services shall be prorated based on the installation date. For each subsequent quarter during the Term, the Support Fee shall be due and payable on the first day of the quarter or such other day as mutually agreed upon by the parties. The Support Fee set forth below is only in effect through the end of the Initial Term. After the end of the Initial Term, Recipient shall pay Community Technologies its then current support fee.

TECHNOLOGY SERVICES AGREEMENT EXHIBIT
GENERAL TERMS AND CONDITIONS

These "**General Terms and Conditions**" apply to and become a part of the Technology Services Agreement entered into between Community Technologies and the Client ("**TSA**" which together with these General Terms and Conditions, and applicable Exhibits, Attachments and Order Forms are collectively hereinafter referred to as the "**Agreement**"). Any capitalized terms used and not defined below shall have the meanings given them in the attached Appendix A or in the TSA.

1. **Community Technologies Contract Manager**. Community Technologies shall designate a person as its representative to serve as the contact person for Client for issues relating to the Agreement (which may be changed by Community Technologies upon written notice to Client, hereinafter "**Contract Manager**"). Should issues arise regarding the Technology Services, Client shall work informally and in good faith with the Contract Manager.
2. **Change Requests and Statements of Work**. Technology Services as provided under an Order Form may be modified or additional services added by the Parties pursuant to a Change Request Form or Statement of Work, in the form(s) set forth in the Client Portal, and agreed to in writing by both Parties.
3. **Subcontracting**. Client agrees that (i) Community Technologies shall have the authority to have subcontractors provide Technology Services and (ii) Community Technologies' Vendors and other licensors may have the authority to subcontract some of the services they provide to Community Technologies relative to the Technology Services. Community Technologies shall ensure its subcontractors abide by confidentiality obligations and security requirements similar in nature to those contained in this Agreement in performing any services relative to the Technology Services.
4. **Ownership Rights**
    a. **The Systems.** Except for the rights granted to Client under this Agreement, all right, title and interest to the (i) Systems; (ii) all components thereof (including, without limitation, the Vendor Products and Services); (iii) the Documentation; and (iv) any other information, software, or materials provided to Client by Community Technologies under this Agreement, shall, at all times, remain solely with Community Technologies, and/or the applicable Vendors.
    b. **Intellectual Property**. This Agreement grants to neither Client nor any User any right, title, or interest in the Systems or any component thereof, except for the limited use rights expressly granted herein. Client has the right to Access as provided in this Agreement. Applicable Vendors retain all right, title and interest in and to the Vendor Materials, including any and all worldwide copyrights, patents, trade secrets, trademarks, and Confidential Information in or associated with the Vendor Materials. If Client or Users acquire any rights to the Vendor Materials, Client and its Users shall execute any further documentation needed to affect this transfer and confirm the applicable Vendor's ownership of the Vendor Materials. THIS AGREEMENT IS NOT A WORK-FOR-HIRE AGREEMENT.
    c. **Data**. Community Technologies shall be the sole and exclusive owner of the Community Technologies Data and the custodian of any Systems Data, in the aggregate. Client shall be the sole and exclusive owner of the Client Data. Subject to the confidentiality provisions set forth in Section 11, the Policies, and Applicable Laws, Community Technologies hereby grants to Client the right to Access the Systems (including, without limitation, individually identifiable health information) during the term of each

respective Order Form. Client hereby grants to Community Technologies the right for Community Technologies and Vendors to access, use and disclose Client Data to fulfill Community Technologies' obligations under this Agreement.

5. **Contact with Vendors**. Unless Client has a separate agreement directly with the applicable Vendor(s), Community Technologies shall be Client's sole point of contact regarding any issue with the Technology Services or any component thereof. Neither Client nor the Users shall otherwise contact a Vendor, in connection with the Technology Services, directly unless previously authorized to do so in writing by Community Technologies.
6. **Internal Costs**. Client is responsible for arranging for, and bearing the cost of, internal matters which include, but are not limited to: (i) marketing or research costs; (ii) costs for monitoring privacy and security associated with Client's use of the Technology Services and development of corresponding policies and procedures; and (iii) all things necessary for Access.
7. **Breach Notification**. Client shall be responsible for reporting and notifying all necessary people/entities of any unauthorized accesses, uses, disclosures and security incidents related to the Client Data as required by Applicable Laws.
8. **Business Continuity**. Client shall develop and maintain internal business continuity and disaster recovery procedures, consistent with each System's business continuity functionality, in the event of unavailability of the Technology Services for any reason.
9. **Systems Availability**. Community Technologies shall use commercially reasonable efforts to maintain availability of the Systems for Access by Client on substantially the same basis that Community Technologies makes the Systems available to its other users. Client acknowledges that from time to time, the Systems may be unavailable due to scheduled down time necessary to maintain effective operation of the Systems, and emergency downtime required to correct problems or install emergency updates. Furthermore, Community Technologies does not control and shall have no responsibility or liability for unavailability of the Systems arising out of or resulting in whole or in part from a failure of the Client Equipment or Client's systems, network or facilities, any misuse or unauthorized modification of the Systems or Client Equipment by Client, its personnel, or a third party, disruptions to telecommunications systems or the Internet generally, force majeure events, or other events or conditions outside of Community Technologies' reasonable control.
10. **Clinical Products.** The Technology Services may include sophisticated tools that can assist Client and Users in the practice of medicine, but no Technology Service is a substitute for competent human intervention and discretionary thinking. Therefore, Client and Users will be responsible for doing each of the following:
    a. Entering information into the Systems and all components thereof accurately and completely (including selecting correct patients in the Systems and entering correct demographic information on patients).
    b. Ensuring the Users use the Technology Services and all components thereof accurately.
    c. Promptly correcting any operating errors or data entry errors in the Client Data that Client or any User discovers or is informed of by another health care provider.
    d. Reading the information displayed by the Systems accurately and verifying the accuracy of the Systems Data, including without limitation, all patient information and Critical Outputs of the Systems, by following generally accepted standards of medical practice. "**Critical Outputs**" means outputs (including without limitation output in the form of data) that Client or Users know, or following generally accepted standards of medical practice, should know have potential for negative impact on patient care.
    e. Confirming the accuracy of life threatening information and critically important results that are accessed or stored through the Systems in the same manner that such

information and results would be confirmed or verified if it were in paper form or as would otherwise be confirmed or verified if Users were using applicable standards of good medical practice. For example, User must verify allergies, current medications, relevant histories and problems with the patient and confirm questionable results (such as lab pathology or radiology results with the applicable department using applicable standards of good medical practice to no less a degree than if Users were using paper records).

f. Being vigilant in reporting to Community Technologies program errors or suspected program errors discovered in the course of using the Technology Services. Client and Users will report to Community Technologies within a reasonable period of time any discovered or reported problems with the Technology Services, any component thereof or the Documentation which have been discovered or reported by any of the Users. If Client or any of the Users are alerted to a problem that Users know or reasonably should know could adversely affect patient care, Client will use reasonable efforts to promptly alert Community Technologies and all Users who could reasonably be affected by the problem.

g. Reasonably testing all critical areas of the Technology Services and all components in Client's environment before use; provided, however, Client shall participate in all such testing. Client and Users will do reasonable testing of all critical areas in the Technology Services before Client releases it and will not use the Technology Services until the Client has assured itself of its accuracy (upon Client's request, as part of the implementation services, Community Technologies will or will have the relevant Vendor(s) assist Client relating to the performance of acceptance tests, including sharing templates for creation of scripts for testing, but Client will always be responsible for all final testing).

h. Using the Technology Services and all Documentation only in accordance with applicable standards of good clinical practice.

i. Making all medical judgments based on the Technology Services, and (1) obtaining any necessary consent for use of patient information, and (2) complying with Applicable Laws. Client and Users shall stay informed about the changes or developments in clinical information or guidelines that may not be reflected in the Technology Services.

11. **Confidentiality**.

a. **General.** Community Technologies is obligated to keep the Vendor Confidential Information confidential. Accordingly, Client shall ensure that the Users and Client treats all Vendor Confidential Information as confidential and that neither Client nor the Users will disclose such Vendor Confidential Information to any third party.
Each Party shall keep, and shall require its directors, officers, employees, agents and representatives to keep, in confidence all Confidential Information of the other party and shall not use or disclose to any third party any of the other party's Confidential Information, except as specifically permitted in this Agreement or as required by Applicable Laws. In maintaining the confidentiality of the other party's Confidential Information, the receiving party shall at all times use the same degree of care that such party uses to protect its own confidential information, but in no event, less than reasonable care. In addition, Client, and any of its directors, Users, physicians, officers, employees, agents and representatives, may not disclose publicly any results of any testing or benchmarking of the Systems, any component thereof, or of the Technology Services provided hereunder without Community Technologies' written consent, and such results shall be Confidential Information under this Section of the Agreement.

Client shall limit access to Confidential Information to Users who must have access in order to make proper use of the Systems and the Systems Data in Client's operations. Client shall store all Confidential Information in a place reasonably believed to be secure.
Except for individually identifiable health information, which shall always be confidential and subject to Section11.d, Confidential Information excludes information which the receiving Party can demonstrate: (1) at the time of disclosure is or subsequently becomes generally available to the public through no fault or breach of this Agreement on the part of the receiving Party; (2) is demonstrated by the receiving Party to be known by the receiving Party on a non-confidential basis at the time of the receipt of such information from the disclosing Party; (3) is demonstrated by the receiving Party to have been independently developed by personnel of the receiving Party without the use of any of disclosing party's Confidential Information; or (4) is rightfully obtained by the receiving arty on a non-confidential basis from a third party who has the right to transfer and disclose it on a non-confidential basis and did not receive such information from the receiving Party.

b. **Individually Identifiable Health Information**. With respect to any individually identifiable health information, the Parties agree to comply with the privacy and security requirements of HIPAA and all other federal and state privacy and security laws applicable to the exchange and use of the Systems Data, as amended from time to time. The Parties acknowledge that Community Technologies is a business associate of Client with regard to the provision of the Technology Services hereunder, and the Parties do hereby enter into the HIPAA Business Associate Agreement Exhibit available on the Client Portal. In the event of a conflict between the terms of this Agreement and the terms of Business Associate Agreement Exhibit, the terms of the Business Associate Agreement Exhibit shall govern unless specifically amended by other terms referencing the Business Associate Agreement Exhibit.
c. **Sensitive Information**. Client shall obtain written patient consents in such form and to such extent that written consent may be required under Applicable Laws for Client to share certain categories of identifiable information (e.g., substance abuse, communicable disease) with other health care providers who have rights to Access the Systems.
d. **Unauthorized Use, Access or Disclosure**. In the event receiving Party discovers, or suspects, unauthorized use of, access to, or disclosure of the disclosing Party's Confidential Information (including, without limitation, the Systems or Vendor Confidential Information for which Community Technologies shall be considered the disclosing Party), it shall immediately notify the disclosing Party. Each Party shall cooperate with the other Party in mitigating any harmful effects of such unauthorized access or use, including, without limitation immediately discontinuing such unauthorized use, access or disclosure.

12. Insurance Obligations

Client shall carry professional liability insurance with such limits as are necessary to qualify Client and all of its physicians and employees as qualified health care providers under any state or federal law applicable to Client regarding insurance and/or medical malpractice, insuring against any claims for personal injuries or deaths from the acts or failures to act of any or all of its employees under this Agreement. The insurance shall provide coverage for incidents, claims and suits arising from activities performed pursuant to this Agreement during the term of this Agreement, as well as those claims and suits arising pursuant to this Agreement but reported

after the Agreement has been terminated. Client shall also maintain comprehensive general liability insurance with limits of at least $2 million per occurrence and $5 million in the aggregate. Client is required to maintain such insurance coverage issued by insurers maintaining a minimum A.M. Best rating of A-X or better, or if such ratings are no longer available, a comparable rating from a recognized insurance rating agency. The minimum amounts of insurance coverage required shall not be construed to create a limit on Client's liability with respect to its indemnification obligations under this Agreement. Client shall maintain such coverage for the duration of this Agreement and if the policy is claims-made, for two (2) years thereafter. Client shall provide certificates of insurance to Community Technologies upon Community Technologies' request. Client shall notify Community Technologies within thirty (30) days of any notice of cancellation, or non-renewal of or material adverse change in its insurance coverage.

13. **Non-Disparagement And Non-Solicitation**
    a. **Non-Disparagement**. Each Party agrees that it will not, in any communications with the media, medical providers, patients, or other third parties, criticize, ridicule or make any statement which disparages or is derogatory of the other Party or its affiliates, agents, personnel, licensors and vendors.
    b. **Non-Solicitation**. Each Party agrees that during the term of the Agreement, and for a period of twelve (12) months thereafter, it will not directly or indirectly solicit for employment any of the other Party’s personnel who performed work hereunder without the express written consent of such other Party. Notwithstanding the foregoing, a Party will not be deemed to have breached this Section by (i) hiring personnel of the other Party who responds to generally placed help-wanted advertisements or job postings; or (ii) hiring personnel of the other Party who has been terminated or notified of a pending termination by such Party.

14. Dispute Resolution
    a. **Negotiation**. In the event a dispute arises between the Parties which is not resolved in the normal course, either Party may invoke the procedure set forth in this Section. Within five (5) business days of a Party's receipt of the other Party's written notification that it wishes to invoke the procedures set forth in this Section, the Parties' designated representatives shall meet, either in person or via video or teleconference to resolve the dispute; if these representatives cannot resolve the dispute at this meeting, within five (5) business days of their meeting, Client's designated senior executive and Community Technologies' Vice President, IT Provisioning or his/her designee, shall meet to attempt to resolve the dispute; if these individuals cannot resolve the dispute at their meeting, within five (5) business days of their meeting, Client's Chief Executive Officer and Community Technologies' CIO or his/her designee shall meet to attempt to resolve the dispute.
    b. **Mediation**. If the dispute cannot be resolved pursuant to Section 14.a, the Parties agree first to try in good faith to settle the dispute by mediation administered by the AAA under its Commercial Mediation Procedures. Such mediation shall be conducted in King County, Washington. The Parties shall equally split the cost of the mediation, though each Party will be responsible for its own attorneys' fees.
    c. **Arbitration**. If, after the dispute has been mediated, a resolution has not been reached, any unresolved controversy or claim shall be settled by private binding arbitration administered by the AAA under its Commercial Arbitration Rules. Such arbitration shall be conducted in King County, Washington by three (3) independent arbitrators. If the Parties are unable to agree on the identities of the arbitrators within ten (10) business

days of notice of a demand for arbitration provided by one Party to the other hereunder, then the AAA arbitrator selection rules shall apply. Any demand for arbitration shall include detail sufficient to establish the nature of the dispute (including the claims asserted and the material issues with respect thereto) and shall be delivered to the other Party concurrent with delivery to AAA. Discovery shall be modified to permit discovery in accordance with the Federal Rules of Civil Procedure, but shall be limited to requests for production of documents and to depositions. No additional formal discovery from the other Party (e.g., interrogatories or requests for admissions) shall be permitted except by mutual consent or as approved by the arbitrators for good cause shown. The arbitrators' decision shall be in writing, and shall describe in detail the legal reasoning adopted by the arbitrators in support of the decision. In rendering a decision, the arbitrators shall follow the law of the United States of America, and the laws of the State of Washington, which shall be the governing law as established by this Agreement, and shall not use equitable or other principles that would permit the arbitrators to ignore the Agreement or the governing law. The arbitrators' decision shall be final and binding on the Parties, provided, however, that errors of law may be appealed to the state or Federal courts situated in the venue established by this Agreement. Any award by the arbitrators shall be subject to all dollar and other limitations set forth in this Agreement. Each Party agrees that any award also shall provide for an allocation and division between or among the Parties to the arbitration, on a basis which is just and equitable under the circumstances, of all costs of arbitration, including court costs and arbitrators' and reasonable attorneys', accountants' and expert witness fees, costs and expenses (including disbursements) incurred in connection with such proceeding. The arbitrators shall have no authority to award treble, exemplary, or punitive damages of any type under any circumstances. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Any Party to this Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this Agreement applies in any court having jurisdiction over such action. Nothing in this Section shall limit the right of either Party to obtain from a court provisional or ancillary remedies such as, but not limited to, injunctive relief, before, during or after the pendency of any arbitration proceeding brought pursuant to this Agreement, or in lieu of such proceedings.

d. **Judicial Enforcement, Injunction and Specific Performance**. Each Party shall have the right to enforce and protect, by judicial process, its rights and obligation, as well as, to collect any amount owed under this Agreement. Community Technologies shall have the right to seek enforcement and protect, by judicial process, Community Technologies' rights and obligations related to the Systems, Systems Data and Confidential Information, as well as to collect any undisputed amounts owed to Community Technologies under this Agreement. Community Technologies shall be entitled, without bond, to seek temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement relating to the Systems, Systems Data and Confidential Information. Client acknowledges that any failure to comply with the requirements of this Agreement relating to the Systems, Systems Data and Confidential Information may cause Community Technologies irreparable injury, and Community Technologies shall be entitled to seek specific performance of, or an injunction against any violation of, such requirements.

15. **Third Party Beneficiaries.** Except as provided in this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective permitted successors or assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other person.
16. **Survival.** The provisions of this General Terms and Conditions Exhibit Sections 4, 7, 11, 13, 14, 15, 16, 17 shall survive expiration or termination of the Agreement.
17. **General.** Each Party's status in all matters pursuant to this Agreement shall be that of an independent contractor and not an agent of the other. This Agreement and all Exhibits, Attachments and Order Forms referenced herein constitute the entire agreement between Client and Community Technologies with respect to the subject matter of this Agreement, and supersede all other prior and contemporary agreements, understandings and commitments between Client and Community Technologies with respect to the subject matter of this Agreement. Unless otherwise set forth herein, this Agreement shall not be modified or amended except by a written instrument executed by both Parties. No waiver by a Party of any breach of this Agreement or waiver of any other provision hereunder shall be deemed to be a waiver of any other breach or provision. No failure or delay by a Party to exercise any right it may have by reason of the default of the other Party shall operate as a waiver of default or as a modification of this Agreement or shall prevent the exercise of any right of the non- defaulting Party under this Agreement. If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of Applicable Laws without invalidating the remaining provisions hereof. Client shall not assign the Agreement without obtaining the prior written consent of Community Technologies. Any attempted assignment or delegation without Community Technologies' prior written consent shall be void and of no effect. Neither Party shall be liable for failure to perform under this Agreement, excluding Client's payment obligations, if such failure is due to any cause beyond its reasonable control, including, but not limited to, acts of God, governmental authorities, civil disturbances or labor disputes, embargo, riots, acts of war or terrorism, fires, power surges or power failures, malfunctioning public communication lines, disruptions to supply chains, epidemics, pandemics, viral plagues, diseases, quarantines, or other extraordinary event which is determined to constitute a public health risk (including but not limited to the coronavirus and any future impacts from the coronavirus), or failures of its vendors or licensors. This Agreement may be executed by exchange of electronic copies of the Agreement and in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one single agreement among the Parties.

Appendix A
Definitions

"**AAA**" means the American Arbitration Association.

"**Access**" means the right to both access and use the Technology Services and the act of accessing and using the Technology Services.

"**Affiliates**" means any other individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity that is at any time during the term of this Agreement directly or indirectly, through one or more intermediaries, controls, is under common control with, or is controlled by, a Party to this Agreement. The term "control" (including the terms "controlled by" and "under common control with") means the direct or indirect power to direct or cause the direction of the management and policies of an entity.

"**Applicable Laws**" means any federal, state, or local laws, codes, regulations, rules, ordinances, orders, or statutes applicable to Client or Community Technologies or their respective affiliates.

"**Change Request Form**" means the form available on the Client Portal to be completed by Client and Community Technologies to modify the scope or nature of Technology Services provided under an Order Form.

"**Client Data**" means the data inputted into a System or the Systems, as applicable, by Client.

"**Client Equipment**" means the all hardware, software, printers, peripherals, network connectivity and other Client-side components required to utilize the Technology Services, as may be required by an Order Form and updated from time to time by Community Technologies or Vendors.

"**Community Technologies Data**" means the data inputted into a System or the Systems, as applicable, by Community Technologies and its Affiliates.

"**Confidential Information**" means any software, material, data and business, financial, operational, customer, vendor, and other information disclosed by one party to the other and not generally known by or disclosed to the public, and shall include, without limitation, the Documentation and the terms of this Agreement.

"**Documentation**" means the written reference manuals, training materials and Policies provided by Community Technologies or Vendors, as applicable, from time to time.

"**HIPAA**" means the privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 and corresponding regulations, including the applicable provisions of the Health Information Technology for Economic and Clinical Health Act amending the foregoing.

"**Implementation Services**" shall mean the Technology Services provided by Community Technologies to set-up, configure and/or establish Systems for use by Client as set forth in an Order Form.

"**Policies**" means policies and procedures that are published from time to time on the Client Portal or otherwise provided to Client.

"**Statement of Work**" means the document the form of which is available on the Client Portal by which Client and Community Technologies agree to additional Technology Services to be provided under an Order Form.

"**Systems**" means the equipment, hosting services (where applicable) and software as set forth in the Order Form, as well as facilities, personnel and other resources necessary to provide the Technology Services and Client's use of the Technology Services.

"**System(s) Data**" means the combination of Client Data, Community Technologies Data and other data relevant to a System or the Systems, as applicable.

"**User**" or "**Users**" means the qualified and trained staff who: (i) have a need to access and use the Systems for purposes related to patient care under Client's provider number for billing purposes; (ii) have received a username and password to Access the Systems; and (iii) have agreed to any User terms and conditions applicable to the Systems.

"**Vendor**" means any third party providers of items or services utilized by Community Technologies to provide the Technology Services.

"**Vendor Materials**" means the Vendor Confidential Information, Vendor's products and any Documentation provided by Vendor.

"**Vendor Products and Services**" means the Technology Services provided to Client pursuant to an applicable Order Form that Community Technologies licenses or purchases from the applicable Vendor.

"**Vendor Terms**" means the terms of the applicable Vendor agreements and terms, including applicable licensing terms.

TECHNOLOGY SERVICES AGREEMENT EXHIBIT
HIPAA BUSINESS ASSOCIATE AGREEMENT

THIS HIPAA BUSINESS ASSOCIATE AGREEMENT (this "Agreement") is entered into by and between Sonoma Valley Healthcare District dba Sonoma Valley Hospital ("Covered Entity") and Community Technologies, Inc. ("Community Technologies") in conjunction with the Technology Services Agreement between Community Technologies and Covered Entity ("TSA"). Covered Entity and Community Technologies are referred to collectively as the "Parties" and individually as a "Party".

RECITALS

WHEREAS, the Parties have entered into the TSA pursuant to which Community Technologies will render certain services to, for, or on behalf of Covered Entity pursuant to Order Forms, which may involve Community Technologies' use, disclosure, or creation of PHI, as defined below, on behalf of Covered Entity;

WHEREAS, Covered Entity is a "covered entity" and Community Technologies may be a "business associate," as such terms are defined under the administrative simplification provision of the Health Insurance Portability and Accountability Act and the regulations promulgated thereunder ("**HIPAA**"), including HIPAA's Standards for Privacy of Individually Identifiable Health Information ("**Privacy Standards**") and HIPAA's Security Standards for the Protection of Electronic Protected Health Information, and the American Recovery and Reinvestment Act of 2009, including Title XIII, the Health Information Technology for Economic and Clinical Health Act, and the regulations promulgated thereunder ("**ARRA**"); and

WHEREAS, the provisions of this Agreement are intended specifically to meet the business associate contract requirements of HIPAA and ARRA regarding the confidentiality, privacy, and security of PHI.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements contained in this Agreement and the Services Agreement, the delivery and sufficiency of which are acknowledged, the Parties agree as follows:

1. DEFINITIONS. For the purposes of this Agreement, a term shall have the definition given in HIPAA or ARRA, as applicable unless otherwise defined in this Agreement or the TSA. "**PHI**" shall mean Protected Health Information limited to that received, created, maintained, or transmitted by Community Technologies, in its role as a business associate, from or on behalf of Covered Entity.

2. OBLIGATIONS OF COMMUNITY TECHNOLOGIES. To the extent Community Technologies is acting as Covered Entity's business associate, Community Technologies agrees as follows:

2.1 Use and Disclosure of Health Information. Community Technologies shall not use or disclose PHI other than as permitted or required by this Agreement or the TSA or as Required by Law and shall not use or disclose PHI in a manner that violates applicable federal and state laws or would violate such laws if used or disclosed in such manner by Covered Entity (unless specifically permitted for a business associate under HIPAA or ARRA). Subject to the restrictions set forth in this Agreement, Community Technologies may use and disclose the PHI received from Covered Entity: (a) as necessary or appropriate to perform the TSA; (b) as necessary for the proper management and administration of Community Technologies; (c) to carry out the legal responsibilities of Community Technologies pursuant to the TSA; and/or (d) to provide data aggregation services, to de-identify PHI and/or to create limited data sets. With respect to any disclosure, Community Technologies also shall (i) obtain reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only

as required by law or for the purpose for which it was disclosed and (ii) obligate such person to notify Community Technologies of any instances of which it is aware in which the confidentiality of the PHI has been Breached.

2.2 Safeguards. Community Technologies shall implement and maintain administrative, physical, and technical safeguards, consistent with the size and complexity of Community Technologies' operations that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity. Community Technologies also shall comply with any additional security requirements of ARRA that are applicable to Community Technologies, as a business associate.

2.3 Access to Books and Records. Community Technologies shall permit the Secretary of the Department of Health and Human Services to access Community Technologies' internal practices, books, and records at reasonable times as they pertain to the use and disclosure of PHI to determine whether Covered Entity is in compliance with the requirements of HIPAA. Notwithstanding this provision, no attorney-client, accountant-client, or other legal privilege or discovery protection will be deemed waived by Community Technologies or Covered Entity as a result of this Section 2.3.

2.4 Access of Individuals to Information. If so requested by Covered Entity, Community Technologies shall make available to Covered Entity PHI maintained in a designated record set to permit Covered Entity to comply with its access requirements under HIPAA and ARRA. In the event any Individual requests access to PHI directly from Community Technologies, Community Technologies shall forward such requests to Covered Entity. Any denial of access to the PHI requested shall be the responsibility of Covered Entity.

2.5 Amendment of Information. If so requested by Covered Entity, Community Technologies will provide PHI maintained in a designated record set to Covered Entity for amendment and will incorporate any amendment to permit Covered Entity to meet its amendment requirements under HIPAA and ARRA. In the event any Individual directly requests Community Technologies to amend PHI, Community Technologies will forward to Covered Entity any such requests. Covered Entity will be responsible for making determinations regarding amendments to PHI.

2.6 Accounting for Disclosures of PHI. If so requested by Covered Entity, Community Technologies shall provide to Covered Entity an accounting of each Disclosure of PHI made by Community Technologies for which an accounting is required under HIPAA and ARRA.

2.7 Disclosures to Subcontractors. Community Technologies shall require any subcontractor or agent that has or will have access to PHI, which is received from, or created or received by, Community Technologies on behalf of Covered Entity, to be bound by substantially similar restrictions, terms, and conditions that apply to Community Technologies pursuant to this Agreement with respect to such PHI and to implement appropriate safeguards to protect any electronic PHI.

2.8 Reporting. Community Technologies shall report to Covered Entity: a Breach of Unsecured PHI; any unauthorized or improper use or disclosure of PHI; or a Security Incident involving PHI.

2.9 Return/Destruction of PHI Upon Termination. The Parties agree that the return or destruction of PHI is not feasible. Upon termination of the TSA for any reason, Community Technologies shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as Community Technologies maintains such PHI. This Section 2.9 shall survive the termination of the TSA and this Agreement.

3. OBLIGATIONS OF COVERED ENTITY. Covered Entity warrants that Covered Entity, its directors, members, officers, subcontractors, employees, Workforce, affiliates, agents, and representatives: (a) shall

comply with the Privacy Standards in its use or disclosure of PHI; (b) shall comply with HIPAA and ARRA; (c) shall not use or disclose PHI in any manner that violates applicable federal and state laws; (d) shall not request Community Technologies to use or disclose PHI in any manner that violates applicable federal and state laws if such use or disclosure were done by Covered Entity; (e) may request Community Technologies to disclose PHI directly to another party only for the purposes allowed by the Privacy Standards; and (f) shall transmit PHI to Community Technologies only in a secure manner.

4. TERM AND TERMINATION.

4.1 **General Term and Termination.** This Agreement shall become effective as of the Effective Date of the TSA and shall terminate upon the termination of the TSA.

4.2 **Material Breach.** In the event that Covered Entity has knowledge of a material breach of this Agreement by Community Technologies, Covered Entity shall have the right to terminate the TSA immediately, provided that such termination is in accordance with and subject to any rights to cure and payment obligations specified in the TSA.

5. AMENDMENT. If HIPAA or ARRA is amended or interpreted in a manner that renders this Agreement inconsistent therewith, then Community Technologies, on thirty (30) business days written notice to Covered Entity, may amend this Agreement to the extent necessary to comply with such amendments or interpretations.

6. INTERPRETATION; CONFLICTING TERMS. The Parties intend that this Agreement be interpreted consistently with their intent to comply with HIPAA, ARRA, and other federal and state law. This Agreement modifies and supplements the terms and conditions of the TSA, and the provisions set forth herein, shall be deemed a part of the TSA. Except where this Agreement conflicts with the TSA, all other terms and conditions of the TSA remain unchanged. The Parties agree that, in the event an inconsistency exists between the TSA and this Agreement, the provisions of this Agreement will control. Any ambiguity in this Agreement or in determining controlling provisions shall be resolved in favor of an interpretation that permits the Parties to comply with HIPAA, ARRA, and other federal and state law. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of HIPAA or ARRA, HIPAA and ARRA shall control.

Pursuant to the terms of the TSA, the Parties have entered into and agreed to this Agreement upon the Effective Date of the TSA.

TECHNOLOGY SERVICES AGREEMENT
EPIC COMMUNITY CONNECT TERMS ATTACHMENT

This Epic Community Connect Terms Attachment apply to and become a part of the Epic Community Connect Order Form which the Parties have entered into pursuant to the Technology Services Agreement entered into between Community Technologies, Inc. and the respective Client. Any capitalized term used and not defined herein shall have the meanings given them in the applicable Technology Services Agreement.

1. **Client Equipment.** Client shall be solely responsible for ensuring that it has the necessary Client Equipment needed for Access. Client and the Users shall only attempt to access or use the Systems through Client Equipment or methodologies approved in advance by Community Technologies in accordance with the Policies. From time to time during the Term of the Order Form, Community Technologies or Vendors may announce modified and/or additional technology requirements. Client acknowledges that Community Technologies does not have any control over the timing or scope of any Client Equipment changes that may be dictated by Vendors. Client shall be responsible for promptly procuring and installing all Client Equipment (including procuring maintenance and support plans, where applicable) required to meet such announced requirements, at Client's sole expense. In no event shall Community Technologies be liable if Client cannot Access the Systems or if errors occur because of issues relating to the Client Equipment. In the event Community Technologies is aware of changes required from a Vendor, Community Technologies shall notify Client of such change to ensure Client has reasonable time to respond and implement any system changes to ensure continued Access.
2. **User Management.** Client may only allow Access by Users. Client shall be solely responsible for all acts and omissions relating to the use or misuse of any part of the Technology Services by the Users. Client must request additions of Users for an Technology Services at least five (5) business days prior to the date of activation and one (1) business days prior to the date of needed deletion (immediate deactivation of access may be requested if needed); so that, Community Technologies may manage such changes relative to Community Technologies' operations, the Systems and Community Technologies' obligation to Vendors or other licensors. If requested, Client shall provide any information required by Community Technologies to establish appropriate access for each User.
3. **Training.** Client shall participate in applicable training programs provided by Community Technologies and/or Vendors or other Item licensors, on behalf of Community Technologies, related to the Technology Services and/or the Policies. All Users will be required to comply with any training requirements set forth in the Policies. If Client desires additional training above and beyond the training required by Community Technologies or as otherwise provided pursuant to the Order Form, such additional training will be provided pursuant to a Statement of Work, subject to availability, and Client shall be responsible for any Fees set forth in the Statement of Work.
4. **Compliance.** Client shall, at all times, use commercially reasonable efforts to cause the Users to Access the Systems and Systems Data strictly in accordance with the Documentation.
5. **Access to Data, Client and Users**.

a. Pursuant to the terms and conditions of this Agreement, the Policies and Applicable Laws, Client hereby permits Community Technologies to access, use and disclose the Client Data (including, without limitation, individually identifiable health information) to fulfill Community Technologies' obligations under this Agreement, any agreements between Community Technologies and applicable Vendors, as a business associate of Client, and for no other purpose without express written approval.
b. Upon Community Technologies' reasonable request, Client shall permit Community Technologies and/or Vendors and other Item licensors access to Client's books and records related to this Agreement during reasonable business hours. Client shall further permit Community Technologies to electronically access the Systems and monitor Client and its Users' use of the Systems for the purposes of verifying Client's compliance with the terms of this Agreement and/or for Community Technologies to perform its obligations under this Agreement. For example, Community Technologies may ask for, and Client shall provide, copies of Client's records verifying treatment relationships and uses and/or disclosures of records for treatment purposes.
c. Client shall promptly notify Community Technologies of any suspected or actual unauthorized access, use or disclosure of the Systems or Systems Data in order for Community Technologies to coordinate the investigation, provide general oversight of breaches of Systems Data and satisfy any legal or contractual reporting obligations Community Technologies may have solely with regard to Community Technologies Data.

6. **Governance Structure.** In accordance with the Policies, Client shall establish a separate, internal governance structure related to use and oversight of the Systems by Users. Client may have access to representation on certain Community Technologies information technology community committees; provided, however, such committees shall be advisory in nature and shall not have ability to direct or otherwise bind Community Technologies.
7. **Restrictions.** Client will not, and will not permit Users to, do any of the following:
   a. Copy or duplicate, by any means, the Technology Services or any part thereof (including computer screenshots) unless expressly for patient care or payment for patient care purposes;
   b. Reverse engineer, de-compile, disassemble or otherwise attempt to learn or derive the source code, structure, algorithms or ideas underlying the Technology Services or any part thereof;
   c. Modify, adapt, translate or create derivative works based on the Technology Services or any part thereof;
   d. Remove, obscure or modify any markings or notice of proprietary rights of Community Technologies or any Vendor or other licensor from any media, user interface, and component of the Technology Services or Documentation;
   e. Cause or permit the use of the Technology Services by any third party or permit any third party to take any action restricted by this Agreement;
   f. Share or disclose usernames, passwords or any unique identifiers and information needed to access the Systems and/or the Systems Data;
   g. Use the Technology Services or any of its components on any computer other than a platform designated by Community Technologies or to do anything that would nullify or avoid any limitations on use of the Technology Services and/or

the Systems Data;

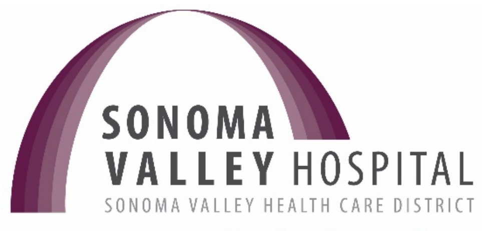
h. Permit anyone to use the Systems without first assigning a user name and password for such User and requiring such User to at all times use the Systems with such assigned user name and password;
i. Allow any person other than the applicable User to use the User's assigned user name and password;
j. Sell, sublicense, timeshare, lease, rent, provide service bureau or subscription services or otherwise transfer Technology Services, Systems Data, or any part thereof;
k. Take any action that would limit or restrict the use, compatibility or interoperability of the Technology Services; and/or
l. Utilize the Technology Services and/or any Systems Data to compare or conduct any data analytics on other health care providers or users connected to the Technology Services without such health care providers' or users' express written consent in compliance with Applicable Law.

8. **Corrective Action.** Client shall take corrective action up to and including suspension of access to the Systems of any User who acts in violation of this Agreement as required by Community Technologies or the Policies.
9. **Client's Promotion of the Systems.** Client shall not promote or offer the Systems to any independent physician practices or other independent health care providers.
10. **Limitations**. In no event shall Community Technologies bear any responsibility for any errors or damages caused by or resulting from defects in the Client Equipment, input errors, or configuration of the Systems made by Client or Users, or the combination of any portion of the Systems with any software or equipment not provided by Community Technologies. Any modifications of the Systems by anyone other than Community Technologies or Vendors or other Item licensors of the Systems shall relieve Community Technologies of any applicable obligations under this Agreement.
11. **Data Transmission**. RECIPIENT ACCEPTS SOLE RESPONSIBILITY FOR THE ACCURACY, COMPLETENESS AND INTEGRITY OF THE RECIPIENT DATA. Further, in the event the Orderly Transition procedure set forth below is implemented for any reason, Client grants Community Technologies and other health care providers connected to the Technology Services the right to continue to use Client Data for treatment and healthcare operations purposes because the Client Data cannot be separated out from the Systems Data and other health care providers may have relied on such data; provided, however, the Client Data shall not automatically become part of any health care providers' legal medical record.
12. **Electronic Health Information Exchanges ("HIEs").** Community Technologies is not responsible for sending Client Data to any HIE. If Client desires to participate in an information sharing arrangement, Client must have the HIE approved by Community Technologies in writing and enter into a separate agreement with such HIE whereby Client is responsible for all participation costs and fees. To the extent capable, Community Technologies shall comply with transmitting Client Data to the HIE; provided, however, if transmitting the Client Data to the HIE requires changes to the Systems, Client shall be responsible for 100% of the costs and expenses of the Customizations as set forth in the Order Form.
13. **Requests For Documents Or System Data.**
    a. **Generally.** In the event that Client or any User is requested to provide documentation or Systems Data on a patient, regardless of whether the request

is from the patient directly or indirectly, a third party payor, a governmental agency or pursuant to a subpoena or other court order, any such documentation or Systems Data shall be produced in accordance with the Policies and instructions provided by Community Technologies and in accordance with the terms hereunder. Further, Client may only provide Client Data. Unless otherwise prohibited by law or regulations, in no event shall Client produce any Community Technologies Data or Other Data without first contacting Community Technologies and obtaining its written consent to the disclosure.

b. **Subpoenas.** Unless otherwise prevented by law or regulation, in the event that a Party is served with a subpoena or other court order relating to a Party's use, access or provisioning of the Systems or the Systems Data that does not involve a specific patient(s) as set forth above, such Party shall promptly notify the other Party. Unless prohibited by law or regulation, the Party served with such subpoena shall control such response unless agreed to otherwise by Parties. Each Party will reasonably cooperate with the other Party in the response and any subsequent action.

14. **Information Blocking Compliance.** Community Technologies will implement standard configurations for purposes of addressing the Information Blocking Law (42 U.S.C. 300jj-52) and corresponding regulations ("**Information Blocking Law**") requirements ("**Information Blocking Configurations**"). It is solely Client's responsibility to ensure that the Information Blocking Configurations are, in Client's opinion, appropriate and sufficient for Client's compliance with the Information Blocking Law. To the extent Client does not believe the Information Blocking Configuration are sufficient for Client to comply with the Information Blocking Law, Client may submit a Change Request Form to Community Technologies. Furthermore, Client is responsible for reviewing the Information Blocking Configurations to ensure that the System remains consistent with all applicable legal obligations of Customer.



To:	**SVHCD Board of Directors**
From:	**Sabrina Kidd MD., Chief Medical Officer**
Meeting Date:	**December 2, 2021**
Subject:	**Contract Approval EHR**

SVHCD Board of Directors,

As the current SVH electronic health record known as Allscripts / Paragon is nearing end of life, SVH has undertaken a search for a new electronic health record. A work group with representation from staff, nursing, physicians, and information technology services was formed. This group looked at numerous products including EPIC, Cerner, Meditech, and Allscripts Community Sunrise. The group unanimously endorsed the Providence Community Technologies EPIC product.

This EPIC product and the reasons for its selection have been presented to the Board of Directors in October, November, and December 2021.

The cost of implementation, including a $300,000 contingency, is estimated to be $3.5M. The implementation does not include the replacement of our ERP (finance modules). The annual cost for the new EHR and our existing ERP (Paragon) is budget neutral ($1.5M). Once a new ERP is implemented, we expect the annual cost to decrease to $1.25M.

Multiple funding sources for the implementation have been identified. The hospital intends to fund the project using $1.2M of funds received from the CARES Act, $850K from insurance funds related to the cyber-attack, and $1.45M operating cash.

At this time, we ask the Board of Directors to approve spending $3.5M from the funds identified above on the Providence Community Technologies EPIC product.

Sincerely,

Sabrina Kidd, MD

Chief Medical Officer

Enclosures: Community Technologies Agreement (5 documents)

To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: November 23, 2021
Subject: QIP Bridge Loan

Recommendation:
Administration recommends to the Sonoma Valley Health Care District Finance Committee to recommend to the board for approval the Non-Designated Public Hospital Bridge Loan.

Background and Reasoning:
The QIP Bridge loan was a District Hospital Leadership Forum (DHLF) sponsored budget item for the State of California to provide needed funds for CA District hospitals to bridge the 2-year period of the Prime Grant (ended 12/31/2020) to the new QIP program. The DHLF lobbied extensively for this loan with state legislatures and it was signed by the Governor in September 2021.

Loan Details:
Sonoma Valley Health Care District is eligible for $308,000 for the first funding round. Dependent on what remains of the initial $40,000,000 pool of funds a second round of funding becomes available and the District is eligible for an addition $462,000.

- 2-Year term with balloon payment at end of term
- 0% interest
- 1% Administration fee to the California Health Facilities Financing Authority
- Application due December 1, 2021 (First Round)
- Application due February 1, 2022 (Second Round)
- Secured by Medi-Cal revenue
- QIP payment to the hospital is expected at $750,000 (FY 2024)
- DHLF has noted the possibility of the loan becoming a grant

Attachments:
California Health Facilities Financing Authority (CHFFA) Non-designated Public Hospital Bridge Loan Program

California Health Facilities Financing Authority

Nondesignated Public Hospital Bridge Loan Program

(Authority and Reference: Chapter 240, Statutes of 2021 [SB 170, Skinner], Section 25)

Section 1. Definitions

The following definitions shall apply wherever the terms are used herein.

(a) "Applicant" means a Nondesignated Public Hospital, as further specified in Section 3, that submits an Application.

(b) "Application" means a written and online request for a loan under the Nondesignated Public Hospital Bridge Loan Program in the form and format of the Nondesignated Public Hospital Bridge Loan Program Application CHFFA Form No. CHFFA 11 NDPH-01 (10/2021), incorporated by reference, and all other supporting documents, as described in Section 4.

(c) "Authority" means the California Health Facilities Financing Authority.

(d) "Borrower" means a Nondesignated Public Hospital that has been approved to receive a Program loan from the Nondesignated Public Hospital Bridge Loan Program.

(e) "Executive Director" means the Executive Director of the Authority or his/her designee.

(f) "Funding Round" means the time period during which Applications may be submitted for consideration of a loan.

(g) "Loan Recipient" means a Nondesignated Public Hospital that has been approved to receive a loan.

(h) "Nondesignated Public Hospital" means a public hospital as defined in Welfare and Institutions Code 14105.98, subdivision (a)(25) (excluding designated public hospitals) listed in Section 3.

(i) "Program" means the Nondesignated Public Hospital Bridge Loan Program.

(j) "Working Capital" means working capital as defined in Government Code Section 15432, subdivision (h).

Section 2. Eligibility

An Applicant shall be eligible to apply for a Program loan if all of the following conditions are met:

(a) The Applicant is a Nondesignated Public Hospital.

(b) The Applicant intends to use loan proceeds for the sole purpose of Working Capital to support its operations.

Section 3. Maximum Loan Amounts

(a) For the first funding round, the maximum Program loan amount for each Nondesignated Public Hospital is as follows:

	Nondesignated Public Hospital	**Max. Amount**
(1)	Antelope Valley Hospital/Antelope Valley Healthcare District	$2,813,000
(2)	Bear Valley Community Hospital/Bear Valley Community Healthcare District	296,000
(3)	Eastern Plumas Health Care/Eastern Plumas Health Care District	326,000
(4)	El Camino Hospital/El Camino Health Mountain View Campus	1,192,000
(5)	El Centro Regional Medical Center/City of El Centro	2,296,000
(6)	Hazel Hawkins Memorial Hospital/San Benito Healthcare District	1,253,000
(7)	Jerold Phelps Community Hospital/Southern Humboldt Community Healthcare District	511,000
(8)	John C. Fremont Healthcare District	551,000
(9)	Kaweah Delta Medical Center/Kaweah Health Medical Center	3,996,000
(10)	Kern Valley Healthcare District	601,000
(11)	Lompoc Valley Medical Center	2,062,000
(12)	Mammoth Hospital/Southern Mono Healthcare District	1,083,000
(13)	Marin General Hospital/MarinHealth Medical Center	1,384,000
(14)	Mayers Memorial Hospital/Mayers Memorial Hospital District	331,000
(15)	Modoc Medical Center/Last Frontier Healthcare District	314,000
(16)	Mountains Community Hospital/San Bernardino Mountains Community Hospital District	770,000
(17)	Northern Inyo Hospital/Northern Inyo Healthcare District	497,000
(18)	Oak Valley District Hospital/Oak Valley Hospital District	2,045,000
(19)	Palo Verde Hospital/Palo Verde Healthcare District	296,000
(20)	Palomar Pomerado Health/Palomar Health/Palomar Medical Center	3,481,000
(21)	Pioneers Memorial Hospital/Pioneers Memorial Healthcare District	1,527,000
(22)	Plumas District Hospital/Plumas Hospital District	296,000

	Nondesignated Public Hospital	Max. Amount
(23)	Salinas Valley Memorial Hospital/Salinas Valley Memorial Healthcare System	2,430,000
(24)	San Gorgonio Memorial Hospital/San Gorgonio Memorial Healthcare District	1,141,000
(25)	Seneca Healthcare District	296,000
(26)	Sierra View District Hospital/Sierra View Local Health Care District	1,473,000
(27)	Sonoma Valley Hospital/Sonoma Valley Healthcare District	308,000
(28)	Southern Inyo Hospital/Southern Inyo Healthcare District	296,000
(29)	Surprise Valley Community Hospital/Surprise Valley Health Care District	296,000
(30)	Tahoe Forest Hospital/Tahoe Valley Hospital District	994,000
(31)	Tri-City Medical Center/Tri-City Hospital District	2,405,000
(32)	Trinity Hospital/Mountain Communities Healthcare District	296,000
(33)	Washington Hospital-Fremont/Washington Township Healthcare District	2,144,000
	Total	**$40,000,000**

(b) Any remaining funds after the first Funding Round shall be available in a second Funding Round and a notice of a second Funding Round will be posted on the Authority's website. Loan amounts for the second Funding Round will be determined as follows:

(1) Eligible Applicants that request any remaining loan amounts from the first Funding Round shall receive a loan up to the maximum specified in section (a).

(2) Any funds that remain will then be made available to eligible Applicants that already received loans totaling their first Funding Round maximum loan amounts.

(3) Subject to the restriction in subdivision (4), the amount available to eligible Applicants that have been approved loans totaling their first Funding Round maximum loan amounts and request additional funding will be calculated by dividing their maximum loan amount in the first Funding Round by the sum of their approved loans made in the first Funding Round and subdivision (1) multiplied by the amount calculated to be available in subdivision (2).

(4) Maximum loan amounts calculated in subdivision (3) shall be further restricted to 150% of the maximum loan amounts available in the first Funding Round.

Section 4. Loan Application

(a) The Application CHFFA Form No. CHFFA 11 NDPH-01 (10/2021) shall be made available on the Authority's website at www.treasurer.ca.gov/chffa.

(b) Each Application shall include the following:

(1) Name and title of the person to be designated by the board to sign Program loan documents if financing is approved.

(2) Copy of the current applicable State of California operating license.

(3) Certification that the intended use of the Program loan proceeds is solely for Working Capital to support operations.

(4) Certification that the Applicant is a Nondesignated Public Hospital.

(5) In the event the Applicant does not pay off its loan within 24 months of the loan agreement, agreement to assign 20% of the Applicant's Medi-Cal checkwrite payments until the loan amount has been satisfied.

(c) The Authority shall determine whether the Application is complete. If the Authority determines that additional information is needed, the Authority shall notify the Applicant and request such information. If the Applicant fails to provide the information as requested, the Applicant shall be deemed ineligible for a Program loan.

Section 5. Application Submission

(a) Announcements of available funding will be shared with all eligible Applicants.

(1) The deadline for the first Funding Round is December 1, 2021.

(2) If funds remain after the first Funding Round, Applications may be submitted in a second Funding Round with a deadline of February 1, 2022.

(b) The Application, including supporting documentation, shall be received by the Authority no later than 5:00 p.m. (Pacific Time) on the deadline dates and may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov or submitted through the online Application on the Authority's website.

(c) CHFFA is not responsible for transmittal delays or failures of any kind.

Section 6. Application Review

(a) The Authority will evaluate and determine Program loans based on the following:

(1) The Applicant meets all of the eligibility criteria in Section 2.

(2) The Applicant demonstrates that use of the funds will be strictly for supporting the operations of the Nondesignated Public Hospital.

Section 7. Loan Amount and Repayment Terms

(a) The Executive Director shall be delegated the power to approve Program loans pursuant the Program guidelines herein solely to the extent there are available funds for the Program.

(b) The Executive Director shall establish the repayment period for an approved Program loan, which shall be memorialized in a written loan agreement.

(1) The Program loan repayment period shall be a maximum of 24 months from the date of the loan agreement.

(2) The total Program loan amount must be repaid in total and discharged within 24 months of the date of the loan agreement.

(c) There shall be no interest charged for these Loans.

(d) Each Loan will incur a 1% administrative fee, which is due at closing and shall be withheld from the Program loan proceeds.

(e) There shall be no penalty for early repayment of Program loan.

Section 8. Loan and Security Agreement

(a) Prior to the issuance of each Program loan, the Authority shall require each Loan Recipient to agree to terms and conditions set forth in a written loan agreement, which shall specify the loan amount, repayment period, covenants, and requirements in the event of inability to make payments or default.

(b) The loan agreement shall require each Loan Recipient to agree to all of the following:

(1) Defending, indemnifying and holding harmless the Authority and the State, and all officers, trustees, agents, and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Program.

(2) If payment of Program loan amount is not paid within 24 months of the date of the loan and security agreement, having 20% of its respective Medi-Cal checkwrite payments intercepted and offset at the state level from the Department of Health Care Services until the Program loan amount has been satisfied.

(3) Such other terms and conditions as agreed upon by the Authority and the Nondesignated Public Hospital.

Sonoma Valley Hospital
Project/Capital Costs and Projected Funding
FY 2022 & FY 2023

Projects/Capital items:	**FY 2022**	**FY 2023**
ODC:		
Projected Dome Settlement	$ 1,200,000	
ODC Project (CT and MRI) - costs over original budget	1,000,000	$ 1,000,000
E.H.R. Implementation	775,000	2,730,000
Board Approved Capital	592,540	
Total Estimated Projects/Capital Items	**$ 3,567,540**	**$ 3,730,000**

Actual & Projected Funding Sources:		
Provider Relief funds received 11/23/2021		$ 1,200,000
Board Designated $1M - **a)**	$ 1,000,000	
Funding Gap - funded from operating cash - **c)**	1,717,540	530,000
Sub-Total of Actual funds	**2,717,540**	**1,730,000**
Cyber-attack insurance proceeds (Estimate $850,000) Less: outstanding lease	850,000	
CHFFA Help II Loan (Epic or ODC project) - **b)**		2,000,000
Sub-Total of Projected Funds	**850,000**	**2,000,000**
Total Funding Sources (Estimate)	**$ 3,567,540**	**$ 3,730,000**

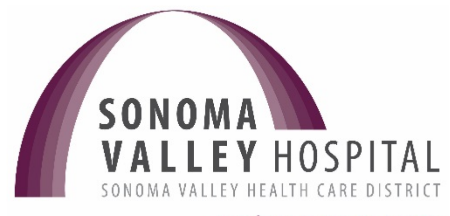
Planned capital costs for FY 2023 (equipment, IT equipment & Bldg improvements) of $1.9M dependent on board approval and available funding.

Other Possible Sources:
* Possible foundation funding to cover costs of hardware costs needed for Epic implementation
* Increased referrals (benefit from increased operability from new E.H.R.)
* Increased volumes from ODC (CT in late FY 2022)

a) - In September 2020 the board approved to designate $1M of cash to go towards any funding shortfalls that may occur between the timing of ODC construction costs vs. pledged funds collected by the Foundation. The board may release the designation. These funds are dependent on board re designation.

b) - Subject to both Board and CHFFA approval.

c) - Subject to Board approval the hospital will apply for the QIP bridge loan that will contribute an additional $770,000 (interest free) to operating capital during FY 2022.



To: SVHCD Board of Directors
From: John Hennelly
Date: 12.02.21
Subject: Administrative Report

Summary:

October saw solid performance across the organization with strong volumes throughout the hospital. Of note, Surgery met budget despite having one of our busiest surgeons out for two weeks. Discharges were off budget slightly but exceeded last year. Length of stay was up considerably due to the continued conversion from Banyan and some more complex cases leading to the highest CMI since 12/20. Diagnostics and therapies (PT/OT/ST/RT) remain well ahead of budget. Vaccinations of 5–11-year-olds has started off incredibly strong. Clinics hosted by the CHC, which we have staffed, have been incredibly busy. The ODC project is progressing with the architectural review wrapping up.

The renewal of the provider tax went to the voters 11/2/21. With almost 80% of the vote, the tax was renewed at it's existing $250/parcel for 10 years. Support for the tax was the highest it has been since its initial approval.

Resolution of the Dome contract is nearing completion. We have agreed upon a tentative settlement pending Board approval.

The annual strategy retreat was held and a review of the current market trends, hospital performance, and existing strategic plan occurred. Modifications to the existing plan will be presented to the Board in January.

Update from 2025 Strategic Plan:

Strategic Priorities	Update
Enhance Quality and Services through the affiliation with UCSF Health	➢ We continue to focus on building relationships within the UCSF network o GI o Infectious Diseases o Primary Care (Marin Health MG) o Gyn ➢ We're participating in a UCSF job fair this month targeting their graduating physicians. ➢ Recruitment for the next CFO is underway and should be complete by the end of December.
Exceed Community Expectations especially in Emergency Services	➢ Phase 1 of the ODC continues as architects review the status of the project. ➢ We will direct contract with a replacement contractor as soon as the Dome settlement is signed. An RFP for phase 2 will go out at the same time. ➢ Engagement continues with community groups and community members. ➢ The hospital continues to provide guidance to our community regarding Covid guidelines. ➢ The hospital continues to host virtual townhalls currently focused on the vaccination process for 5–11-year-olds. Vaccination clinics for this group have begun. Strong turnout.
Ensure Patients receive Excellent, Safe care	➢ Covid screening protocols continue to be deployed throughout the hospital. No issues have been identified. ➢ The team has finished their EHR review. We have selected Providence as our EHR host. We will be bringing a contract forward for approval.
Provide Access to Excellent Physicians	➢ The team continues to work on recruitment efforts to bring MDs to Sonoma. Focus currently on primary care and surgery.
Be a Healthy Hospital	➢ With the requirement for all employees to be vaccinated as of 9/30, 97% of our employees and 99% of our medical staff have chosen to be vaccinated. There are roughly 10 medical and religious exemptions.

2022 GOVERNANCE COMMITTEE WORK PLAN

January	February	March	April
• Continuing Education for the Board. Specific courses • Conduct review and revision of Board policies as dictated by the schedule • Create Board Compliance Program Worksheet - JF	• Review composition of standing committee • Identify skill sets of committee members, confirm went through correct procedures. • Form 700 review	• Review district bylaws	• Plan 1st Board Retreat
May	**June**	**July**	**August**
• Ensure Conflict of Interest Policy is being adhered to according to form 700			• Plan 2nd Board Retreat
September	**October**	**November**	**December**
		• Ensure Board Self-Assessment is complete • Review Board Compliance	

COMPLETED **IN PROCESS** **UNDONE**

2022 Finance Committee Work Plan

January	February	March	April
• December Financials • Review 2nd Quarter FY 2022 capital spending & plan	• January Financials • Review FY 2023 Budget Assumptions • Pension Plan Review - Lynn McKissock - ?	• February Financials • FY 2023 Budget Update • Engage Auditor's mid-year review	• March Financials • FY 2023 Budget Update • Review 3rd Quarter FY 2022 capital spending • Risk Management Review - ?
May	**June**	**July**	**August**
• April Financials • Review and recommend FY 2023 budget proposal	• May Financials • Review capital spending plan for FY 2023	• June Financials • Review pre audited FY 2022 Financials • Review 4th Quarter FY 2022 capital spending & plan	• July Financials • FY 2022 audit update
September	**October**	**November**	**December**
• August Financials • FY 2022 audit update • Review current insurance policies	• September Financials • Review preliminary audit results • Review 1st Quarter FY 2023 capital spending	• October Financials • 2023 Finance Committee work plan	• November Financials

Sonoma Valley District Board Calendar - 2022

January	February	March	April	May	June
• Board Member Committee Assignments • Committee Work Plans - Part 2 • Valley of the Moon Post Acute Semi-Annual Report • Quality Committee Quarterly Report	• Finance Committee Quarterly Report • UCSF Affiliation Update	• Review FY 2023 Budget Assumptions • Information Services Annual Report • Review Updates to Five Year Rolling Strategic Plan • UCSF Affiliates – Shelby Decosta	• Chief of Staff Report • Patient Service/Surgery Annual Report • Annual Hospital Quality Report ➢ Board Planning Offsite	• Finance Committee Quarterly Report • Human Resources Annual Report ➢ Joint Board/Finance Committee Budget Meeting	• Approve FY 2023 Budget • Approve Capital Spending Plan • Appointment of CEO Compensation Committee • CEO Goals for FY 2023 • SVHF Annual Update
July	**August**	**September**	**October**	**November**	**December**
• Ancillary Services Annual Report • Valley of the Moon Post Acute Semi-Annual Report • Quality Committee Quarterly Report	• Finance Committee Quarterly Report • UCSF Affiliation Update	• Chief of Staff Report • Resolution for GO Bond Tax Rate	• Approve CEO Performance Evaluation/Compensation/Annual Incentive Goals • Quality Committee Quarterly Report • Marketing/PR Update ➢ Board Assessment Offsite	• Approve FY 2021 Audit • SVHCD Annual Report to the Community • Finance Committee Quarterly Report	• Elect District Officers • Annual Strategy Report

Note: Guest speakers will be slotted in over the course of the year (see page two)

➢ Items with arrows are separate meetings to be scheduled

Speakers, Education Opportunities, Briefings

Suggested 2022 Guest Speakers

- Sonoma Community Health Center CEO – Cheryl Johnson
- Sonoma Valley Fire & Rescue – Steve Akre
- Hospice by the Bay – Kitty Whitaker
- Vintage House – Renee Scott
- La Luz Executive Director – Leonardo Lobato
- Seismic Requirements - HCA
- UCSF Affiliation – Shelby Decosta *(scheduled for March 2022)*

To: SVHCD Board of Directors

From: Sabrina Kidd, MD

Meeting Date: December 2, 2021

Subject: CMO Report

November Highlights Included:

1. COVID-19:
   a. Case numbers largely plateaued locally for the last month. Nationally, numbers are rising sharply, especially in colder climates within the US.
   b. Vaccines:
      1. Many SVH nurses and staff have volunteered at the pediatric vaccine clinics which are a collaboration between SVCHC, SVH and the local schools.
2. Med-Surg / ICU / Surgery / ED Updates:
   a. The inpatient service provided care to Kaiser patients during the Kaiser strike in November.
   b. Clinical Informatics is finalizing preparations to comply with the state mandate to send ALL prescriptions electronically beginning January 1, 2022.
   c. Due to the sudden loss of our MRI technician, we have had to transfer numerous patients who need emergent MRI services over the last few weeks. We have hired a temporary MRI technician who begins in early December and we are still working on permanent solutions.
   d. Perioperative Process Improvement Project is on-going. Goal is to define new process by January 2022.
   e. The inpatient team continues work on interoperability standards and is now working to reconcile CCD documents that are requested and received upon patient admission.
3. Medical Staff:
   a. November meetings included: Medicine Committee, Surgery Committee, and MEC/Peer Review
   b. A new general surgeon, Dr. Shirazi, will be joining the General Surgery Call Pool.
   c. There are two new orthopedic surgeons who have opened an office in Sonoma. Drs. Centeno and Nissen are completing their SVH credentialling and expect to begin providing services at SVH in early 2022.

4. Quality:
    a. The Case Mix Index (CMI) and the Length of Stay (LOS) were both up in October. This is likely a reflection of sicker patients due to deferred care from the Pandemic as well as better documentation of comorbidities and improvements in our case management program. Longer LOS is expected with a rise in CMI.
    b. We are exploring using Rate My Hospital, our texting feedback platform, to distribute Staff satisfaction surveys that correlate to patient satisfaction.
5. UCSF:
    a. Physician Recruitment
        i. We continue to work together on a solution for GI (gastroenterology) in Sonoma.
        ii. SVH will be participating in an Affiliates Network Job Fair in December.

To:	**SVH Finance Committee**
From:	**Sarah Dungan, Controller**
Date:	**November 23, 2021**
Subject:	**Financial Report for the Month Ending October 31, 2021**

In October we saw inpatient volumes close to budget which was an increase from previous months. Outpatient and emergency room volumes continue to be over budgeted volumes. During the month of October the hospital made a matching fee for the July to December 2020 Rate Range Intergovernmental transfer program (IGT) and accrued for the gross proceeds which will be received in December or January. The budget for October reflects a 12-month rate range period which is reflected in the variances.

For the month of October the hospital's actual operating margin of $333,286 was ($2,009,226) unfavorable to the budgeted operating margin of $2,342,512. After accounting for all other activity; the net income for October was $848,817 vs. the budgeted net income of $3,381,746 with a monthly EBDA of 14.3% vs. a budgeted 32.9%. Without the net proceeds of the IGT the operating margin would be ($1,200,023) and ($342,535) unfavorable to the budgeted operating margin of ($857,488).

Gross patient revenue for October was $23,585,407; $913,819 over budget. Inpatient gross revenue was under budget by ($110,810). Inpatient days were over budget by 32 days and inpatient surgeries were under budget by (2) cases. Outpatient gross revenue was over budget by $182,460. Outpatient visits were over budget by 79 visits, outpatient surgeries were over budget by 3 cases, and special procedures were over budget by 16 cases. The Emergency Room gross revenue was over budget by $842,169 with ER visits over budgeted expectations by 152 visits.

Deductions from revenue were unfavorable to budgeted expectations by ($3,742,540) due to higher gross revenue than budgeted and an additional reserve posted to reflect lower payments received for ambulatory care (outpatient surgeries) services than previously reserved for ($1,172,150). The hospital accrued for the 6-month period of July to December 2020 Rate Range IGT which is unfavorable to the 12-month period budgeted for a variance of ($2,570,390).

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budgeted expectations by $(2,776,316).

347 Andrieux Street, Sonoma, CA 95476-6811 ♦ 707.935-5000 ♦ Fax 707.935.5433

Operating Expenses of $5,743,279 were favorable to budget by $767,090 due to the favorable variance of the IGT matching fee made in October. Without the matching fee variance, total expenses would be $4,646,978 compared to a budget of $4,510,369 for an unfavorable variance of ($136,609). Salaries and wages and agency fees were over budget by ($82,718) due to increased costs in nursing departments, respiratory therapy, and social services. Due to COVID we are experiencing much higher rates for agency fees for nurses and other clinical positions. Professional fees were over budget by ($72,636) due to higher than budgeted UCSF management costs including the new IT director. Supplies are under budget by $51,012 due to lower supply costs in the surgery department. Purchased services are over budget ($40,989) primarily due to IT services which include the 15% of increased costs for Paragon Allscripts.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for October was $643,346 vs. a budgeted net income of $2,660,155. In the month of October the hospital received $25,554 in donations from the Sonoma Valley Hospital Foundation. The total net income for October after all activity was $848,817 vs. a budgeted net income of $3,381,746.

EBDA for the month of October was 14.3% vs. the budgeted 32.9%.

Patient Volumes – October

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	**65**	**80**	**-15**	**64**
Acute Patient Days	**294**	**262**	**32**	**230**
Observation Days	**15**	**0**	**15**	**18**
OP Gross Revenue	**$17,578**	**$16,553**	**$1,025**	**$14,667**
Surgical Cases	**121**	**120**	**1**	**121**

Gross Revenue Overall Payer Mix – October

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	**36.7%**	**39.7%**	**-3.0%**	**35.6%**	**39.7%**	**-4.1%**
Medicare Mgd Care	**12.8%**	**15.4%**	**-2.6%**	**15.3%**	**15.4%**	**-0.1%**
Medi-Cal	**18.9%**	**18.9%**	**0.0%**	**17.7%**	**19.1%**	**-1.4%**
Self Pay	**1.4%**	**1.1%**	**0.3%**	**2.1%**	**1.1%**	**1.0%**
Commercial	**25.3%**	**21.8%**	**3.5%**	**25.8%**	**21.6%**	**4.2%**
Workers Comp	**4.9%**	**3.1%**	**1.8%**	**3.5%**	**3.1%**	**0.4%**
Total	**100.0%**	**100.0%**		**100.0%**	**100.0%**	

Cash Activity for October:

For the month of October the cash collection goal was $3,749,446 and the Hospital collected $3,341,408 or under the goal by ($408,038). The year-to-date cash collection goal was $15,468,338 and the Hospital has collected $14,307,723 or under goal by ($1,160,615). At October month-end an in depth AR analysis was done and found that ambulatory care services (outpatient surgeries) for commercial payers were being paid at a lower percentage than the 12-month historical data. Therefore, an additional reserve was posted to October's contractual allowance. Another review will be done for the November month-end AR.

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	**40.0**	**45.5**	**-5.5**	**60.1**
Accounts Receivable Days	**45.9**	**42.4**	**3.5**	**53.2**
Accounts Payable	**$3,699,027**	**$3,519,605**	**$179,422**	**$4,088,562**
Accounts Payable Days	**45.8**	**43.1**	**2.7**	**58.3**

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 October 31, 2021

ATTACHMENT A

Gross Revenue:	Month Actual	Month Budget	Variance	% Variance	Year-to-Date Actual	Year-to-Date Budget	Variance	% Variance
Medicare	8,640,572	8,987,064	-346,492	-3.9%	34,185,575	33,671,074	514,501	1.5%
Medicare Managed Care	3,015,467	3,492,857	-477,390	-13.7%	14,680,259	13,092,149	1,588,110	12.1%
Medi-Cal	4,447,121	4,285,581	161,540	3.8%	17,002,928	16,200,627	802,301	5.0%
Self Pay	327,577	241,632	85,945	35.6%	2,036,861	904,499	1,132,362	125.2%
Commercial & Other Government	5,998,793	4,955,514	1,043,279	21.1%	24,832,635	18,406,100	6,426,535	34.9%
Worker's Comp.	1,155,877	708,940	446,937	63.0%	3,349,028	2,600,210	748,818	28.8%
Total	**23,585,407**	**22,671,588**	**913,819**		**96,087,286**	**84,874,659**	**11,212,627**	

Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	847,979	1,095,846	-247,867	-22.6%	3,695,631	4,065,175	-369,544	-9.1%
Medicare Managed Care	333,812	403,076	-69,264	-17.2%	1,632,743	1,510,834	121,909	8.1%
Medi-Cal	466,503	451,272	15,231	3.4%	1,795,081	1,685,927	109,154	6.5%
Self Pay	154,453	91,168	63,285	69.4%	867,773	341,268	526,505	154.3%
Commercial & Other Government	1,295,257	1,387,645	-92,388	-6.7%	6,297,632	5,250,661	1,046,971	19.9%
Worker's Comp.	203,897	131,225	72,672	55.4%	595,833	481,299	114,534	23.8%
Prior Period Adj/IGT	2,629,610	5,200,000	-2,570,390	-49%	2,751,308	5,200,000	-2,448,692	*
Total	**5,931,511**	**8,760,232**	**(2,828,721)**	**-32.3%**	**17,636,001**	**18,535,164**	**(899,163)**	**-4.9%**

Percent of Net Revenue:	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	14.3%	12.5%	1.8%	14.40%	21.0%	21.9%	-1.0%	-4.57%
Medicare Managed Care	5.6%	4.6%	1.0%	21.74%	9.3%	8.2%	1.1%	13.41%
Medi-Cal	7.9%	5.2%	2.7%	51.92%	10.2%	9.1%	1.1%	12.09%
Self Pay	2.6%	1.0%	1.6%	160.00%	4.9%	1.8%	3.1%	172.22%
Commercial & Other Government	21.9%	15.8%	6.1%	38.61%	35.6%	28.3%	7.3%	25.80%
Worker's Comp.	3.4%	1.5%	1.9%	126.67%	3.4%	2.6%	0.8%	30.77%
Prior Period Adj/IGT	44.3%	59.4%	-15.1%	-25.42%	15.6%	28.1%	-12.5%	-44.48%
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	9.8%	12.2%	-2.4%	-19.7%	10.8%	12.1%	-1.3%	-10.7%
Medicare Managed Care	11.1%	11.5%	-0.4%	-3.5%	11.1%	11.5%	-0.4%	-3.5%
Medi-Cal	10.5%	10.5%	0.0%	0.0%	10.6%	10.4%	0.2%	1.9%
Self Pay	47.2%	37.7%	9.5%	25.2%	42.6%	37.7%	4.9%	13.0%
Commercial & Other Government	21.6%	28.0%	-6.4%	-22.9%	25.4%	28.5%	-3.1%	-10.9%
Worker's Comp.	17.6%	18.5%	-0.9%	-4.9%	17.8%	18.5%	-0.7%	-3.8%

SONOMA VALLEY HOSPITAL **ATTACHMENT B**

SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended October 31, 2021

	CURRENT MONTH				YEAR-TO-DATE			YTD
	Actual 10/31/21	Budget 10/31/21	Favorable (Unfavorable) Variance		Actual 10/31/21	Budget 10/31/21	Favorable (Unfavorable) Variance	Prior Year 10/31/20
				Inpatient Utilization				
				Discharges				
1	47	64	(17)	Med/Surg	190	208	(18)	214
2	18	16	2	ICU	61	57	4	50
3	65	80	(15)	Total Discharges	251	265	(14)	264
				Patient Days:				
4	196	172	24	Med/Surg	683	677	6	737
5	98	90	8	ICU	342	355	(13)	354
6	294	262	32	Total Patient Days	1,025	1,032	(7)	1,091
7	15	-	15	**Observation days**	98	-	98	91
				Average Length of Stay:				
8	4.2	2.7	1.5	Med/Surg	3.6	3.3	0.3	3.4
9	5.4	5.6	(0.2)	ICU	5.6	6.2	(0.6)	7.1
10	4.5	3.3	1.2	Avg. Length of Stay	4.1	3.9	0.2	4.1
				Average Daily Census:				
11	6.3	5.5	0.8	Med/Surg	5.6	5.5	0.0	6.0
12	3.2	2.9	0.3	ICU	2.8	2.9	(0.1)	2.9
13	9.5	8.5	1.0	Avg. Daily Census	8.3	8.4	(0.1)	8.9
				Other Utilization Statistics				
				Emergency Room Statistics				
14	764	612	152	Total ER Visits	3,158	2,448	710	2,807
				Outpatient Statistics:				
15	4,726	4,647	79	Total Outpatients Visits	18,788	17,842	946	15,752
16	15	17	(2)	IP Surgeries	44	63	(19)	67
17	106	103	3	OP Surgeries	436	371	65	398
18	61	45	16	Special Procedures	222	162	60	175
19	255	296	(41)	Adjusted Discharges	1,164	938	226	976
20	1,153	970	184	Adjusted Patient Days	4,733	3,644	1,089	3,993
21	37.2	31.3	5.9	Adj. Avg. Daily Census	38.5	29.6	8.9	32.5
22	1.6670	1.4000	0.267	Case Mix Index -Medicare	1.4206	1.4000	0.021	1.6332
23	1.5059	1.4000	0.106	Case Mix Index - All payers	1.3606	1.4000	(0.039)	1.5263
				Labor Statistics				
24	211	209	(2)	FTE's - Worked	206	205	(1.2)	205
25	225	231	6	FTE's - Paid	229	226	(3.2)	225
26	47.86	44.64	(3.23)	Average Hourly Rate	45.24	44.49	(0.76)	46.80
27	6.05	7.38	1.33	FTE / Adj. Pat Day	5.96	7.63	1.67	6.92
28	34.5	42.0	7.6	Manhours / Adj. Pat Day	34.0	43.5	9.5	39.4
29	155.9	137.7	(18.2)	Manhours / Adj. Discharge	138.2	169.0	30.9	161.2
30	22.9%	23.9%	1.0%	Benefits % of Salaries	24.3%	24.7%	0.4%	21.2%
				Non-Labor Statistics				
31	15.7%	6.5%	-9.2%	Supply Expense % Net Revenue	15.6%	11.9%	-3.6%	16.0%
32	2,031	1,922	(109)	Supply Exp. / Adj. Discharge	2,005	2,359	354	2,243
33	22,727	22,274	(453)	Total Expense / Adj. Discharge	17,349	21,418	4,069	18,430
				Other Indicators				
34	35.3			Days Cash - Operating Funds				
35	45.9	50.0	(4.1)	Days in Net AR	42.5	50.0	(7.6)	43.0
36	88%			Collections % of Net Revenue	92%			98.7%
37	45.8	55.0	(9.2)	Days in Accounts Payable	45.8	55.0	(9.2)	45.5
38	14.0%	38.7%	-24.7%	% Net revenue to Gross revenue	15.6%	21.9%	-6.3%	16.6%
39	18.5%			% Net AR to Gross AR	18.5%			17.8%

ATTACHMENT C

Sonoma Valley Health Care District
Balance Sheet
As of October 31, 2021

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 2,757,988	$ 2,190,544	$ 451,249
2	Cash - Money Market	2,639,564	4,639,373	6,237,307
3	Net Patient Receivables	6,867,754	6,896,918	5,633,964
4	Allow Uncollect Accts	(1,591,027)	(1,540,144)	(1,009,355)
5	Net A/R	5,276,727	5,356,774	4,624,609
6	Other Accts/Notes Rec	1,783,817	1,861,476	2,365,527
7	Parcel Tax Receivable	3,800,000	3,800,000	3,800,000
8	GO Bond Tax Receivable	2,601,816	2,601,816	3,168,950
9	3rd Party Receivables, Net	2,649,085	10,903	330,206
10	Inventory	958,509	956,962	857,116
11	Prepaid Expenses	918,154	936,852	758,184
12	Total Current Assets	$ 23,385,660	$ 22,354,700	$ 22,593,148
13	Property,Plant & Equip, Net	$ 51,852,224	$ 52,035,381	$ 50,192,110
14	Trustee Funds - GO Bonds	3,714,834	3,714,802	3,353,911
15	Restricted Funds - Board Approved	1,000,000	1,000,000	1,000,000
16	Total Assets	$ 79,952,718	$ 79,104,883	$ 77,139,169
	Liabilities & Fund Balances			
	Current Liabilities:			
17	Accounts Payable	$ 3,699,027	$ 3,519,605	$ 4,088,562
18	Accrued Compensation	3,964,248	3,719,865	4,142,760
19	Interest Payable - GO Bonds	107,919	56,023	269,180
20	Accrued Expenses	1,910,845	1,809,503	1,608,770
21	Advances From 3rd Parties	-	-	-
22	Deferred Parcel Tax Revenue	2,533,336	2,850,003	2,533,320
23	Deferred GO Bond Tax Revenue	1,854,497	2,086,309	2,206,125
24	Current Maturities-LTD	409,747	417,385	308,831
25	Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26	Other Liabilities	235,159	243,786	121,966
27	Total Current Liabilities	$ 20,188,512	$ 20,176,213	$ 20,753,248
28	Long Term Debt, net current portion	$ 25,121,415	$ 25,134,696	$ 26,804,184
29	Fund Balances:			
30	Unrestricted	$ 19,149,094	$ 18,325,831	$ 18,455,585
31	Restricted	15,493,697	15,468,143	11,126,152
32	Total Fund Balances	$ 34,642,791	$ 33,793,974	$ 29,581,737
33	Total Liabilities & Fund Balances	$ 79,952,718	$ 79,104,883	$ 77,139,169

ATTACHMENT D

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 31, 2021

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual		$	%		Actual	Budget	$	%	Prior Year
					Volume Information					
1	65	80	(15)	-19%	Acute Discharges	251	265	(14)	-5%	264
2	294	262	32	12%	Patient Days	1,025	1,032	(7)	-1%	1,091
3	15	-	15	0%	Observation Days	98	-	98	*	91
4	$ 17,578	$ 16,553	$ 1,025	6%	Gross O/P Revenue (000's)	$ 75,254	$ 60,880	$ 14,373	24%	$ 59,638
					Financial Results					
					Gross Patient Revenue					
5	$ 6,007,309	$ 6,118,119	(110,810)	-2%	Inpatient	$ 20,833,672	$ 23,994,427	(3,160,755)	-13%	$ 22,454,308
6	10,766,831	10,584,371	182,460	2%	Outpatient	45,999,943	38,237,343	7,762,600	20%	35,230,491
7	6,811,267	5,969,098	842,169	14%	Emergency	29,253,671	22,642,889	6,610,782	29%	24,526,589
8	**$ 23,585,407**	**$ 22,671,588**	**913,819**	**4%**	**Total Gross Patient Revenue**	**$ 96,087,286**	**$ 84,874,659**	**11,212,627**	**13%**	**$ 82,211,388**
					Deductions from Revenue					
9	(20,073,906)	(18,933,785)	(1,140,121)	-6%	Contractual Discounts	$ (80,263,843)	$ (70,829,211)	(9,434,632)	-13%	$ (68,045,805)
10	(200,000)	(150,000)	(50,000)	-33%	Bad Debt	(900,000)	(600,000)	(300,000)	-50%	(460,000)
11	(9,600)	(27,571)	17,971	65%	Charity Care Provision	(38,750)	(110,284)	71,534	65%	(46,000)
12	2,629,610	5,200,000	(2,570,390)	-49%	Prior Period Adj/Government Program Revenue	2,751,308	5,200,000	(2,448,692)	-47%	-
13	**$ (17,653,896)**	**$ (13,911,356)**	**(3,742,540)**	**27%**	**Total Deductions from Revenue**	**$ (78,451,285)**	**$ (66,339,495)**	**(12,111,790)**	**18%**	**$ (68,551,805)**
14	**$ 5,931,511**	**$ 8,760,232**	**(2,828,721)**	**-32%**	**Net Patient Service Revenue**	**$ 17,636,001**	**$ 18,535,164**	**(899,163)**	**-5%**	**$ 13,659,583**
15	$ 145,054	$ 92,649	52,405	**57%**	Other Op Rev & Electronic Health Records	$ 377,372	$ 370,596	6,776	2%	$ 357,459
16	**$ 6,076,565**	**$ 8,852,881**	**(2,776,316)**	**-31%**	**Total Operating Revenue**	**$ 18,013,373**	**$ 18,905,760**	**$ (892,387)**	**-5%**	**$ 14,017,042**
					Operating Expenses					
17	$ 1,902,363	$ 1,819,645	(82,718)	-5%	Salary and Wages and Agency Fees	$ 7,273,521	$ 7,051,484	(222,037)	-3%	$ 7,364,999
18	670,889	$ 677,103	6,214	1%	Employee Benefits	2,725,515	2,684,612	(40,903)	-2%	2,565,399
19	$ 2,573,252	$ 2,496,748	(76,504)	-3%	Total People Cost	$ 9,999,036	$ 9,736,096	(262,940)	-3%	$ 9,930,398
20	$ 585,574	$ 512,938	(72,636)	-14%	Med and Prof Fees (excld Agency)	$ 2,290,980	$ 2,047,129	(243,851)	-12%	$ 1,633,474
21	517,995	569,007	51,012	9%	Supplies	2,333,580	2,212,204	(121,376)	-5%	2,189,877
22	432,548	391,559	(40,989)	-10%	Purchased Services	1,789,311	1,592,035	(197,276)	-12%	1,670,450
23	228,334	252,880	24,546	10%	Depreciation	970,160	1,011,520	41,360	4%	1,029,833
24	125,049	120,319	(4,730)	-4%	Utilities	550,309	481,987	(68,322)	-14%	520,961
25	53,877	46,909	(6,968)	-15%	Insurance	206,520	187,636	(18,884)	-10%	181,318
26	16,389	17,966	1,577	9%	Interest	64,831	71,864	7,033	10%	74,080
27	113,960	102,043	(11,917)	-12%	Other	435,585	402,916	(32,669)	-8%	397,858
28	1,096,301	2,000,000	903,699	-45%	Matching Fees (Government Programs)	1,125,795	2,000,000	874,205	-44%	0
29	**$ 5,743,279**	**$ 6,510,369**	**767,090**	**12%**	**Operating expenses**	**$ 19,766,107**	**$ 19,743,387**	**(22,720)**	**0%**	**$ 17,628,249**
30	**$ 333,286**	**$ 2,342,512**	**$ (2,009,226)**	**86%**	**Operating Margin**	**$ (1,752,734)**	**$ (837,627)**	**(915,107)**	**-109%**	**$ (3,611,207)**

ATTACHMENT D

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended October 31, 2021

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual		$	%		Actual	Budget	$	%	Prior Year
					Non Operating Rev and Expense					
31	$ (6,607)	$ 976	(7,583)	-777%	Miscellaneous Revenue/(Expenses)	$ (46,446)	$ 3,904	(50,350)	*	$ 40,696
32	-	-	-	0%	Donations	-	-	-	0%	498
33	-	-	-	*	Physician Practice Support-Prima	-	-	-	*	0
34	316,667	316,667	-	0%	Parcel Tax Assessment Rev	1,266,668	1,266,668	-	0%	1,266,668
35	-	-	-	0%	Extraordinary Items	-	-	-	0%	(1,511)
36	**$ 310,060**	**$ 317,643**	**(7,583)**	**-2%**	**Total Non-Operating Rev/Exp**	**$ 1,220,222**	**$ 1,270,572**	**(50,350)**	**-4%**	**$ 1,306,351**
37	**$ 643,346**	**$ 2,660,155**	**(2,016,809)**	**-76%**	**Net Income / (Loss) prior to Restricted Contributions**	**$ (532,512)**	**$ 432,945**	**(965,457)**	**-223%**	**$ (2,304,856)**
38	$ -	$ -	-	0%	Capital Campaign Contribution	$ -	$ -	-	0%	$ -
39	$ 25,554	$ 523,803	(498,249)	0%	Restricted Foundation Contributions	$ 276,141	$ 2,095,212	(1,819,071)	100%	$ 1,831,219
40	**$ 668,900**	**$ 3,183,958**	**(2,515,058)**	**-79%**	**Net Income / (Loss) w/ Restricted Contributions**	**$ (256,371)**	**$ 2,528,157**	**(2,784,528)**	**-110%**	**$ (473,637)**
41	179,917	197,788	(17,871)	-9%	GO Bond Activity, Net	504,582	785,069	(280,487)	-36%	738,436
42	**$ 848,817**	**$ 3,381,746**	**(2,532,929)**	**-75%**	**Net Income/(Loss) w GO Bond Activity**	**$ 248,211**	**$ 3,313,226**	**(3,065,015)**	**-93%**	**$ 264,799**
	$ 871,680	$ 2,913,035	(2,041,355)		**EBDA - Not including Restricted Contributions**	$ 437,648	$ 1,444,465	(1,006,817)		$ (1,275,023)
	14.3%	32.9%				2.4%	7.6%			-9.1%

*** Operating Margin without Depreciation expense:**

$ 333,286	**$ 2,342,512**	**$ (2,009,226)**	**86%**	**Operating Margin**	**$ (1,752,734)**	**$ (837,627)**	**$ (915,107)**	**-109%**
228,334	252,880	24,546	10%	Add back Depreciation	970,160	1,011,520	41,360	4%
$ 561,620	**$ 2,595,392**	**$ (1,984,680)**	**78%**	**Operating Margin without Depreciation expense**	**$ (782,574)**	**$ 173,893**	**$ (873,747)**	**550%**

Sonoma Valley Health Care District
Variance Analysis
For the Period Ended October 31, 2021

ATTACHMENT E

Operating Expenses	**YTD Variance**	**Month Variance**	
Salary and Wages and Agency Fees	(222,037)	(82,718)	Salaries and wages are over budget by ($33,524) and agency fees are over by ($49,194). Wages and agency fees are over budget in ICU, Med-Surg, Emergency Room, Respiratory Therapy, and Social Services.
Employee Benefits	(40,903)	6,214	
Total People Cost	**(262,940)**	**(76,504)**	
Med and Prof Fees (excld Agency)	(243,851)	(72,636)	Professional fees are over budget due to higher than budgeted UCSF management costs including the unbudgeted position of IT director which is offset by a savings in salaries & wages.
Supplies	(121,376)	51,012	Supplies are under budget in surgery due to less implant costs incurred than budgeted.
Purchased Services	(197,276)	(40,989)	Purchased services are over budget in IT services ($40,294), part of the overage is the increase in monthly costs for the extension of Paragon.
Depreciation	41,360	24,546	
Utilities	(68,322)	(4,730)	
Insurance	(18,884)	(6,968)	
Interest	7,033	1,577	
Other	(32,669)	(11,917)	
Matching Fees (Government Programs)	874,205	903,699	6-month Rate Range IGT matching fee vs. 12-month Rate Range matching fee.
Operating expenses	**(22,720)**	**767,090**	

Sonoma Valley Hospital
Cash Forecast
FY 2022

ATTACHMENT F

		Actual July	Actual Aug	Actual Sept	Actual 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	3,768,614	3,604,012	3,741,094	3,556,171	3,535,250	3,531,361	3,667,320	3,580,044	3,818,142	3,646,790	3,763,729	3,682,225	43,894,753
2	Other Operating Revenue	50,926	33,133	27,360	158,301	92,649	92,649	77,649	77,649	77,649	77,649	77,649	77,637	920,900
3	Other Non-Operating Revenue	10,121	10,229	9,624	10,574	14,516	14,516	14,516	14,516	14,516	14,516	14,516	14,518	156,679
4	Unrestricted Contributions	14,875			6,564									21,439
5	Line of Credit													-
	Sub-Total Hospital Sources	**3,844,535**	**3,647,375**	**3,778,079**	**3,731,610**	**3,642,415**	**3,638,526**	**3,759,485**	**3,672,209**	**3,910,307**	**3,738,955**	**3,855,894**	**3,774,380**	**44,993,770**
	Hospital Uses of Cash													
6	Operating Expenses	5,686,921	4,339,055	4,171,999	4,009,059	4,152,649	4,175,711	4,344,976	4,184,325	4,333,791	4,287,496	4,359,788	4,319,071	52,364,841
7	Add Capital Lease Payments	116,550	26,560	34,320	20,919	22,166	89,458	14,502	14,502	14,502	14,502	14,502	82,109	464,592
8	Additional Liabilities/LOC													-
9	Capital Expenditures	114,099	104,421	21,501	56,972	584,262	2,284,262	620,512	620,512	620,512	620,512	620,512	525,511	6,793,588
	Total Hospital Uses	**5,917,571**	**4,470,037**	**4,227,821**	**4,086,949**	**4,759,077**	**6,549,431**	**4,979,990**	**4,819,339**	**4,968,805**	**4,922,510**	**4,994,802**	**4,926,691**	**59,623,022**
	Net Hospital Sources/Uses of Cash	**(2,073,036)**	**(822,662)**	**(449,742)**	**(355,339)**	**(1,116,662)**	**(2,910,905)**	**(1,220,505)**	**(1,147,130)**	**(1,058,498)**	**(1,183,555)**	**(1,138,908)**	**(1,152,311)**	**(14,629,252)**
	Non-Hospital Sources													
10	Restricted Cash/Money Market			1,000,000	2,000,000			(2,000,000)						1,000,000
11	Restricted Capital Donations	107,079	101,291	27,342	19,084	525,512	525,512	525,512	525,512	525,512	525,512	525,512	525,511	4,458,891
12	Parcel Tax Revenue	164,000					2,050,000				1,662,000			3,876,000
13	Other Payments - Ins. Claims/HHS/Grants/Loans							308,000		462,000			850,000	1,620,000
14	Other:													-
15	IGT			51,360				2,674,000	1,298,801				89,000	4,113,161
16	IGT - AB915			70,338								335,000		405,338
17	QIP													-
	Sub-Total Non-Hospital Sources	**271,080**	**101,291**	**1,149,040**	**2,019,084**	**525,512**	**2,575,512**	**1,507,512**	**1,824,313**	**987,512**	**2,187,512**	**860,512**	**1,464,511**	**15,473,390**
	Non-Hospital Uses of Cash													
18	Matching Fees		29,494		1,096,301		397,247					44,500		1,567,542
	Sub-Total Non-Hospital Uses of Cash	-	29,494	-	1,096,301	-	397,247	-	-	-	-	44,500	-	1,567,542
	Net Non-Hospital Sources/Uses of Cash	**271,080**	**71,797**	**1,149,040**	**922,783**	**525,512**	**2,178,265**	**1,507,512**	**1,824,313**	**987,512**	**2,187,512**	**816,012**	**1,464,511**	**13,905,848**
	Net Sources/Uses	**(1,801,956)**	**(750,865)**	**699,298**	**567,444**	**(591,150)**	**(732,640)**	**287,007**	**677,183**	**(70,986)**	**1,003,957**	**(322,896)**	**312,200**	
	Operating Cash at beginning of period	4,044,067	2,242,111	1,491,246	2,190,544	2,757,988	2,166,838	1,434,198	1,721,205	2,398,388	2,327,402	3,331,359	3,008,463	
	Operating Cash at End of Period	**2,242,111**	**1,491,246**	**2,190,544**	**2,757,988**	**2,166,838**	**1,434,198**	**1,721,205**	**2,398,388**	**2,327,402**	**3,331,359**	**3,008,463**	**3,320,663**	
	Money Market Account Balance - Unrestricted	5,638,824	5,639,115	4,639,373	2,639,564	2,639,564	2,639,564	4,639,564	4,639,564	4,639,564	4,639,564	4,639,564	4,639,564	
	Total Cash at End of Period	**7,880,935**	**7,130,361**	**6,829,917**	**5,397,552**	**4,806,402**	**4,073,762**	**6,360,769**	**7,037,952**	**6,966,966**	**7,970,923**	**7,648,027**	**7,960,227**	
	Average Days of Cash on Hand	**58.8**	**52.3**	**45.5**	**40.0**									
	Days of Cash on Hand at End of Month	**54.6**	**50.1**	**47.3**	**35.3**	**32.7**	**27.7**	**43.3**	**47.9**	**47.4**	**54.2**	**52.0**	**54.2**	