



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

AGENDA

THURSDAY, MARCH 3, 2022

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=enBpRWIyYkNlbnENIYkdqbWFvRmZTUT09>

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

<p>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.</p>	RECOMMENDATION		
AGENDA ITEM			
<p>MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p>1. CALL TO ORDER</p>	<i>Rymer</i>		
<p>2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>			
<p>3. BOARD CHAIR COMMENTS</p>	<i>Rymer</i>		
<p>4. CONSENT CALENDAR</p> <ul style="list-style-type: none"> a. Affiliation Oversight Committee Minutes 02.01.22 b. Board Minutes 02.03.22 c. Emergency Session Minutes 02.08.22 d. Finance Committee Minutes 01.25.22 e. Quality Committee Minutes 01.26.22 f. Governance Committee Minutes 01.19.22 g. Resolution 362: Brown Act Amendment AB 361 -Flexibility for Virtual Meetings h. Policy and Procedures i. Medical Staff Credentialing 		Action	

5. UCSF AFFILIATION UPDATE – SHELBY DECOSTA	<i>Decosta</i>	Inform	
6. LINE OF CREDIT RENEWAL	<i>Dungan</i>	Action	
7. BRIDGE LOAN RESOLUTION 364	<i>Dungan</i>	Action	
8. REVIEW FY 2023 BUDGET ASSUMPTIONS	<i>Dungan</i>	Inform	
9. FINANCIALS FOR MONTH END JANUARY 2022	<i>Dungan</i>	Inform	
10. CEO REPORT	<i>Hennelly</i>	Inform	
11. TRIBUTE THANKING DR. KIDD FOR HER TENURE AT SONOMA VALLEY HOSPITAL	<i>Rymer</i>	Inform	
12. CMO REPORT	<i>Kidd</i>	Inform	
13. ODC PROJECT UPDATE	<i>Hennelly</i>	Inform	
14. 2022 STRATEGIC INITIATIVES DISCUSSION	<i>Hennelly</i>	Inform	
15. BOARD COMMENTS	<i>Board Members</i>	Inform	
16. ADJOURN	<i>Rymer</i>		

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



**SVHCD
AFFILIATION OVERSIGHT
COMMITTEE MEETING
(AOC)**

MINUTES

**TUESDAY, FEBRUARY 1, 2022
Via Zoom Teleconference**

Present	Excused	Staff	Public	
Shelby Decosta, via Zoom Ted Abraham, MD. via Zoom Joshua Rymer, via Zoom Judy Bjorndal, MD. via zoom		John Hennelly, via Zoom Jenny Fontes, via Zoom	None	
AGENDA ITEM	DISCUSSION		ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Rymer</i>			
	Called to order at 4:00 pm			
2. PUBLIC COMMENT SECTION	<i>Rymer</i>			
	None			
3. AFFILIATION ACCOMPLISHMENTS	<i>Rymer</i>			
	Mr. Hennelly reported on the affiliation accomplishments. He discussed administrative accomplishments including UCSF's IT support, leadership recruitments, consultation and strategizing on EPIC implementation. On the clinical side, UCSF has assisted SVH with the Elemeno Health product for provider education, Telehealth, and the Stroke program.			
4. UPDATE ON INITIATIVES UNDERWAY - ENHANCE IT INTEGRATION & IMPROVE ACCESS TO UCSF CARE	<i>Rymer</i>			
	Mr. Hennelly discussed initiatives underway. He			

	<p>said they are devising a recruitment structure that is financially viable. Ms. Decosta said they are trying to help Sonoma fill gaps with employment models and are looking for independent providers that will align with UCSF/SVH. Specialists will benefit from Epic, reimbursement rate, quality improvement program, and co-branding. Mr. Abraham said they are looking at different models that allow them to branch out and identify specialties that can be used in different locations including Sonoma. UCSF goals include a concentration on surgery programs and the UCSF beta site.</p>		
<p>5. PLAN FOR THE FUTURE - INCREASE SURGICAL FACILITIES UTILIZATION, INCREASE SPECIALIST ACCESS& SHARE RESOURCES AND/OR REDUCE COSTS</p>	<p><i>Rymer</i></p>		
	<p>Ms. Decosta said her vision between the UCSF and SVH partnership is an emphasis on leadership and bringing more services to Sonoma. One of the goals is to move patients from UCSF to Sonoma. Mr. Hennelly mentioned that SVH will try to collaborate with Marin for growth potential, while developing CIN opportunities with UCSF.</p>		
<p>6. ADJOURN</p>	<p><i>Rymer</i></p>		
	<p>Meeting adjourned at 5:00 p.m.</p>		



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

MINUTES

THURSDAY, FEBRUARY 3, 2022

HELD VIA ZOOM VIDEOCONFERENCE

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Rymer</i>	
The meeting was called to order at 6:02 p.m.		
2. PUBLIC COMMENT	<i>Rymer</i>	
None		
3. BOARD CHAIR COMMENTS		
None		
4. CONSENT CALENDAR	<i>Rymer</i>	Action
<ul style="list-style-type: none"> a. Board Minutes 1.06.22 b. Audit Meeting Minutes 1.05.22 c. Finance Committee Minutes 12.28.21 d. Quality Committee Minutes 12.15.21 e. Governance Committee Minutes 11.17.21 f. Resolution 362: Brown Act Amendment AB 361 - Flexibility for Virtual Meetings g. Policy and Procedures h. Medical Staff Credentialing 	<i>Rymer</i>	MOTION: by Mainardi to approve, 2 nd by Bjorndal. All in favor.
5. PORTRAIT OF SONOMA COUNTY UPDATE 2021	<i>Chavez</i>	Inform
Oscar Chavez from the Human Services Department reviewed the Portrait of Sonoma County Update for 2021. The presentation focused on inequities across Sonoma County. It compared the differences in Sonoma County between neighborhoods along the lines of race, ethnic group, and gender. Mr. Chavez compared inequities from 2014 and 2021.		
6. SINGLE AUDIT ON HRSA PROVIDER FUNDS RECEIVED	<i>Boerum</i>	Inform
Mr. Boerum reviewed the Single Audit on HRSA Provider Funds report. He said the single audit report was required because the hospital received more than \$750K in 2020 from the CARES Act. The opinion letters reported that no material weaknesses were identified, and the hospital complied in all material respects.		

7. FINANCE COMMITTEE QUARTERLY REPORT	<i>Boerum</i>	Inform
Mr. Boerum reviewed the Finance Committee Quarterly Report. He focused on ODC costs, RFPs, and financial projections. He stated, direction needs to be given by the Board to develop service lines on a business plan basis, in parallel with our hopes to generate procedural volumes and diagnostics from UCSF Health.		
8. FINANCIALS FOR MONTH END DECEMBER 2021	<i>Dungan</i>	Inform
Ms. Dungan reported the hospital observation days are higher because they were rolled over from November 2021. Days cash on hand were 46.3, A/R 46.7, A/P days 44.9 vs. 49.6. Operating revenue at \$5.85M, EBDA of 9.7% and YTD EBDA at 2.5%.		
9. CEO REPORT	<i>Hennelly</i>	Inform
Mr. Hennelly reviewed the CEO Report. He noted January 2022 was the most difficult month of the pandemic and recognized staff for their work. He said the new CFO will start at the end of February. Mr. Hennelly reviewed the SVH Performance Score Card. He said Ms. Kylie Cooper has taken the lead on managing and improving process. Ms. Cooper will add specific dates to reports to make the data clearer.		
10. CMO REPORT	<i>Kidd</i>	Inform
Dr. Sabrina Kidd reported that COVID case numbers hit record highs in January 2022. Visitation at the hospital was limited, N95 masks were required, no procedures were cancelled, and no departments were closed. SVH continues to be the hub for antibody infusion therapy and distribution. Patients need a referral from their physician for infusion therapy. The physician must have infusion therapy privileges. She said EPIC implementation is on target and there is progress with hiring a project manager for the project. They are working on recent Case Management turnover and getting closer to a solution for physician recruitment with UCSF. She said oral therapy for COVID is not available at SVH, but it is sporadically available in Sonoma County through pharmacies. There is a website that gives a list of Pharmacies that have the oral therapy in stock. Data suggest a 2 nd booster (i.e., fourth vaccine) is not required except for select, vulnerable populations, but that recommendation may change in the future.		
11. QUALITY COMMITTEE ANNUAL REPORT	<i>Cooper</i>	Inform
Ms. Kylie Cooper reviewed the Quality Committee Annual Review for 2021. The metrics reported at the monthly Board Quality meetings in 2021 were used. Mortality, falls with injury, percent of readmission, were all below benchmark and stroke care scores each month exceeded targets. Opportunities to improve in 2022 include a decrease in length of stay, improvement in sepsis measures, and patient satisfaction. Opportunity data was also analyzed. Ms. Cooper presented data on quality department re-alignment, quality data abstraction, clinical quality review, peer review support, grievance/risk management support, and clinical quality committee support. Ms. Cooper reported that SVH received the QIP partnership award from partnership Healthplan. SVH scored 100% on quality metrics. SVH was one of three hospitals in Northern California to receive the award. Quality is currently working on upgrading its		

dashboards.		
12. REVIEW ODC CONTRACT STRUCTURE	<i>Hennelly</i>	
Mr. Hennelly reviewed the ODC Contract Structure document. He said Earl Consulting was engaged to review how the prior contract evolved, where the deficits were, and how the project should move forward. The review took about eight weeks. Ms. Drummond and Vertran provided Earl Consulting with documents related to the project. Earl Consulting determined the project went off track due to personnel changes, a lack of preparation before construction began, poor contract design, and no accountability between the architecture firm and the general contractor. Mr. Hennelly said Earl Consulting recommended retaining Vertran to work on the project and spoke about the differences between the design build model and lowest responsive bidder. He said they expect to retain the lowest responsive bidder for phase 2 MRI.		
13. REVIEW/APPROVE PRECONSTRUCTION CONTRACT FOR ODC	<i>Hennelly</i>	Action
Mr. Hennelly reviewed the Preconstruction Contract for ODC. He is seeking contract approval for Smith-Karng Architecture (SKA), Interface Engineering, Inc. (IEI), and ZFA Structural Engineers for the CT project. He said the CT phase has not been completed because the air handling system and ducting does not meet requirements. Modifications made during the original project impacted areas that need to be brought up to code. GMH is overseeing Peterson to do ducting work. The architects will bring a design to the contractor to price specifically what needs to be done. Risk factors were budgeted into the preconstruction contract.. After duct work is completed, the contractor and architect will know more about the risks and costs to complete the CT project. That should happen by the end of March 2022. At the next Board meeting there will be a status update on progress.		MOTION: by Boerum to approve, 2 nd by Mainardi. All in favor.
14. AUTHORIZATION TO CONTRACT FOR PHASE 2 DEMOLITION AND VERIFICATION SERVICES	<i>Hennelly</i>	
Discussion postponed to 03.03.22 Board meeting.		
15. 2022 STRATEGIC PLAN	<i>Hennelly</i>	
Discussion postponed to 03.03.22 Board meeting.		
16. DISCUSSION ABOUT IN-PERSON MEETINGS	<i>Rymer</i>	
Mr. Rymer and Dr. Kidd recommended we revisit this discussion in April 2022. Remote meetings will continue until further discussion.		
17. BOARD COMMENTS	<i>Board Members</i>	
None		
18. ADJOURN	<i>Rymer</i>	
Adjourned at 8:33 pm		



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

MINUTES

TUESDAY FEBRUARY 8, 2021

HELD VIA ZOOM VIDEOCONFERENCE

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Rymer</i>	
The meeting was called to order at 5.17 p.m.		
2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i>	<i>Rymer</i>	
None		
3. CT BULB REPLACEMENT FOR BOARD APPROVAL	<i>Rymer</i>	
4. REPORT ON EMERGENCY SESSION	<i>Rymer</i>	Action
Emergency session was held for Board approval of CT bulb replacement. The Board approved the CT bulb replacement.		MOTION: by Mainardi to approve, 2 nd by Boerum. All in favor.
5. ADJOURN		
Adjourned at 5:31 p.m.		



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JANUARY 25, 2022
Via Zoom Teleconference

Present	Not Present	Staff	Public	
Bill Boerum via Zoom Joshua Rymer 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 John Hennelly via Zoom		
AGENDA ITEM	DISCUSSION		ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Boerum</i>			
	Called to order at 5:00 p.m.			
2. PUBLIC COMMENT SECTION	<i>Boerum</i>			
	None			
3. CONSENT CALENDAR (ACTION)	<i>Boerum</i>			
a. Finance Committee Minutes 12.28.21			MOTION: by Grandy to approve with revisions, 2 nd by Flynn. All in favor.	

4. ODC CONTRACT UPDATE	<i>Hennelly</i>		
	<p>Mr. Hennelly reviewed the ODC Contract Design Selection Review Phase 2 Memo. After reviewing the ODC project with Earl Consulting, it was determined that personnel matters, preparation, contract design, and accountability issues were the reason for the project's failure. Earl Consulting recommended retaining Vertan because of their institutional knowledge. GMH and SKA architects are submitting contracts for phase 1. The estimate for CT scan completion is July 4, 2022. Ms. Dungan will review the CARES Act to determine if funds can assist with project. The Foundation may fund an in-house Construction Project Manager to supervise this project and other projects at the hospital.</p>		
5. PRECONSTRUCTION CONTRACT	<i>Hennelly</i>		
	Will be reviewed at the Board Meeting on 02.03.22		
6. FISCAL YTD BUDGET REVIEW	<i>Dungan</i>		
	<p>Ms. Dungan gave an overview of the Fiscal YTD Budget Review. This discussion was about revisiting the budget in January 2022 to determine if there is a need to adjust the budget. There are noticeable differences in revenue, expenses, purchase services and changes because of the Rate Range IGT. The Board suggested keeping the budget as is.</p>		
7. 3-YEAR INCOME STATEMENT & CASH PROJECTION	<i>Dungan</i>		
	Ms. Dungan reviewed the 3-year income		

	<p>statement & Cash Projection spreadsheet. Volume assumptions were determined, including increases in the CT Volume, a 10% increase in the last 6 months of 2023 to Outpatient Volumes, and a 15% increase in the full year of 2024. MRI volumes were not determined for 2023 because of the project delay. A 15% increase in Outpatient referral volumes in 2024. Salary and wages were increased by 5% and employee benefits were increased by <i>about</i> 5% each year. Supplies were increased by 5%. Operating margin continues to see a loss. A twelve-month IGT is expected in 2023 and 2024.</p> <p>Mr. Rymer suggested using market data and cost accounting data to help the committee to understand revenue opportunity in relation to geography and what the economics are for with some of the opportunities over time. This will help to understand where to build within the UCSF relationship and adjacent to UCSF. Growth needs to be in both areas. Mr. Boerum suggested forming a subcommittee to discuss revenue enhancements.</p>		
<p>8. REVIEW 2ND QUARTER FY 2022 CAPITAL SPENDING</p>	<p><i>Dungan</i></p>		
	<p>Ms. Dungan reviewed the Projected Cash Forecast FY 22-24. She included EPIC payments, over budget payments for ODC, and the 2M loan to help cover the ODC to maintain cash at 50 days for 2023/2024. Capital Spending was reviewed. The Foundation covered reformer bundle for Outpatient PT, a new monitor was purchased for Medical Imaging, Wound Care CIP was closed, IT received a new Network Storage Server, and a new EHR CIP was closed. Fluoroscopy Equipment loan was paid off in Dec 2021, and the last payment on the CEC loan phase 1 will</p>		

	be made in June 2022.		
9. DECEMBER NET AR REVIEW	<i>Dungan</i>		
	Ms. Dungan reviewed the Net AR Review; she said we have made a significant catch up during the year. The Auditors will also be doing a mid-year AR review in March. They will be looking at cash collections for February and March of 2022. The ZBA (Zero Balance Analysis) determines all AR accounts that have gone to zero. Patient types and payer codes are valued for the analyses.		
10. FINANCIAL REPORT FOR MONTH END DECEMBER	<i>Dungan</i>		
	Ms. Dungan reported the hospital observation days are higher because they were rolled over from November 2021. Days cash on hand were 46.3, A/R 46.7, A/P days 44.9 vs. 49.6. Operating revenue at 5.85M, EBDA of 9.7% and YTD EBDA at 2.5%.		
11. ADJOURN	<i>Boerum</i>		
	Meeting adjourned at 6:45 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE**

January 26, 2021 5:00 PM

MINUTES

Via Zoom Teleconference

Members Present – Via Zoom	Members Present cont.	Excused	Public/Staff – Via Zoom
Susan Kornblatt Idell Michael Mainardi, MD Ingrid Sheets Howard Eisenstark Carol Snyder		Cathy Webber	John Hennelly, CEO Sabrina Kidd, MD, CMO Philip Brown, ED Kylie Cooper, Quality and Risk Mgmt Mark Kobe, CNO Jenny Fontes, Board Clerk

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Kornblatt Idell</i>	
	Meeting called to order at 5:00 pm	
2. PUBLIC COMMENT	<i>Kornblatt Idell</i>	
	None	
3. CONSENT CALENDAR	<i>Kornblatt Idell</i>	ACTION
<ul style="list-style-type: none"> QC Minutes 1.26.22 		MOTION: by Mainardi to approve with changes, 2 nd by Snyder. All in favor.
4. ED QA/PI	<i>Brown</i>	
	Emergency Department Director Mr. Phillip Brown reviewed the ED QA/PI presentation. He said they are meeting the goal for continuous observation for psych patients, NIHSS scoring sheet dated and timed, and the NIHSS disposition accuracy. He reviewed the sepsis action items and reported they are doing a real time review of sepsis patients and 100% of sepsis cases are reviewed.	

5. HOSPITAL QUALITY INDICATOR PERFORMANCE AND PLAN	<i>Cooper/Kobe</i>	
	<p>Ms. Kylie Cooper presented the Hopital Quality Indicator Performance and Plan for December 2021. This included reviews of mortality, AHRQ patient safety indicators, patient falls (preventable harm), readmissions, blood culture contamination, CIHQ stroke certification measures, utilization management, core measures sepsis, infection prevention. Mr. Mark Kobe, Chief Nursing Officer reviewed the inpatient patient satisfaction and ambulatory surgery patient satisfaction results. Ms. Cooper will add the N for patient satisfaction reporting.</p>	
6. PATIENT CARE SERVICES DASHBOARD FOR 4TH QUARTER FY 2021	<i>Kobe</i>	
	<p>Mr. Kobe reviewed the Patient Care Services Dashboard. He reported on the medication scanning rate, which continues to improve. The medical scanning rate has stalled because of turnover in the ED. He reviewed the quality indicator (2021) and said the numbers look good. They are working with IT to develop a report to determine who their denials are for case management/utilization management. He also reported on nursing turnover, outpatient experience and nurse staffing effectiveness.</p>	
7. POLICIES AND PROCEDURES	<i>Cooper</i>	Action
	<p>Ms. Cooper reviewed the following policies:</p> <p><u>Policies with changes made:</u> Acuity Ratio and Staffing Plan-Nursing Administrative Call Administrative Responsibility Aid in Dying ALARA Annual Medical Surveillance C-arm Equip Operation and Maintenance 7630-111 C-arm Equipment Exemption 7630-113 Care of the Patient with Acute Alcohol Withdrawal or Delirium – <i>Retired</i> Compounding Policies, Annual Review Construction or Renovation Projects, Infection Control e-Notification System Health Screening of Contract Workers and Students</p>	<p>MOTION: by Eisenstark to approve with revisions to new policies, 2nd by Snyder. All in favor.</p>

Lidocaine Injection Prior to IV Cath - *Retired*
Management of the Social Needs Patients
Menu Planning
Nursing Blood Product Administration Part 2-Pre-
Transfusion Patient Preparation
Nursing Staffing Floating and Call-Off
Ordering of Outpatient Services
Performance Improvement Plan
Post Offer Pre-Employment Screening HR8610-164.1
Required Immunizations & Proof of Immunity
Respiratory Protection Program HR8610-164.14
Avoidable Abbreviation List - *Retired*
Risk Management Program
Surge Policy to Manage Patient Influx
Tuberculosis Screening
Unit Dose Packaging
Unusual Occurrence Report to Governmental Agencies
Wound Classification

New Policy

Casirivimab-Imdevimab Monoclonal Antibody (policy deferred.)
COVID 19 State and Federal Reporting (recommendations will be made.)
COVID-19 On-Site Vaccination Protocol(policy will be revised.)
On Call Pharmacist (policy back to author.)

Policies with no changes made:

CMS 1135 Waiver for Disaster Conditions
Employee Food Refrigerator Temperature Monitoring
Encouraging Patients and Families to Report Concerns About Safety
IV Compounding Outside of the Pharmacy
Preparation of Methotrexate IM Doses Using ChemoClave System Procedure 8390-05
Pyxis Medstation, Management and Use
QAPI Procedures Sampling Plan-IV Room 8390-02
Standing Orders and Protocols
Sterile Compounding Procedures 8390-03

9. REPORT ON CLOSED SESSION	<i>Kornblatt Idell</i>	
	The Medical Staff credentialing report was approved.	MOTION: by Eisenstark, 2 nd by Mainardi. All in favor.
10. ADJOURN	<i>Kornbloatt Idell</i>	
	6:13 pm	



**SVHCD GOVERNANCE
COMMITTEE MEETING**

MINUTES

WEDNESDAY JANUARY 19, 2022

Present	Excused	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 <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Boerum</i>			
	Called to order at 6:00 p.m.			
2. PUBLIC COMMENT SECTION	<i>Boerum</i>			
	None			
3. CONSENT CALENDAR	<i>Boerum</i>			
Governance Committee Minutes 11.17.21			MOTION: by Bjorndal to approve, 2 nd by Boerum. All in favor.	
4. CONTINUING EDUCATION FOR BOARD SPECIFIC COURSES	<i>Boerum</i>			
	The Committee reviewed the required Board member courses; <i>Corporate Compliance Modules 1 & 2, Compliance Risk Area Awareness</i> , taken one time per year. <i>Preventing Sexual Harassment & an Ethics Course</i> , taken every 2 years. Mr. Boerum suggested bringing specific courses offered by CHA, AHA, and BBK to the attention of the Board members. The committee will compile specific courses. Dr. Bjorndal			

	<p>suggested asking the Board members what continuing education courses they have taken. The committee members suggested creating a resource list with courses that are available to take. Mr. Boerum would like to recommend online attendance at industry conferences, or in-person if feasible. Dr.. Bjorndal suggested exploring SVH collaboration with UCSF to receive guidance on courses. Mr. Boerum said we will start discussing the Board Retreat at the next Governance Committee Meeting.</p>		
<p>5. CONDUCT REVIEW AND REVISIONS OF BOARD POLICIES DICTATED BY SCHEDULE</p>	<p><i>Boerum</i></p>		
	<p>The committee reviewed the Board Polices. The Committee will take 4 to 5 policies per meeting and review each of those policies. The Committee will review and make changes and determine when their next review date is needed. Recommendation will be made to the Board as an action item. The polices to be reviewed before the next Governance meeting include, <i>Format and Instruction for Preparing Board Letters, Investment Policy, MOU Between SVHCD & SVHF – Signed Version.</i> Next month’s agenda item, Review Action on the four Policies.</p>		
<p>6. CREATE BOARD COMPLIANCE WORKSHEET</p>	<p>The 700 Form is filled out 1 time per year. The committee concluded that it is the responsibility of the individual Board member to file the form 700 with the county and then send a copy to the Board Clerk. Board Clerk will keep a file with the completed forms.</p>		
<p>7. ADJOURN</p>	<p><i>Boerum</i></p>		
	<p>Adjourned at 6:46 p.m.</p>		

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 agenzied 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 3rd day of March, 2022, by the following vote:

AYES:

NOES:

ABSENT: None

ABSTAIN: None

Document Tasks by Committee

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

Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 02/24/2022 3:10 PM

Report Parameters

Filtered by: Document Set: all applicable
 Committee: 09 BOD-Board of Directors
 Include Current Tasks: Yes
 Include Upcoming Tasks: No

Grouped by: Committee

Sorted by: Document Name, Document Location

Report Statistics

Total Documents: 6

Committee: 09 BOD-Board of Directors

Committee Members: Fontes, Jenny (jfontes)

Current Approval Tasks (due now)

Document	Task/Status	Pending Since	Days Pending
Access to Public Records <i>Governance and Leadership Policies</i>	Pending Approval	2/1/2022	23
Summary Of Changes: Reviewed, added owner, authors/reviewers and approval workflow information.			
Moderators: Newman, Cindi (cnewman)			
Lead Authors: Cooper, Kylie (kcooper)			
ExpertReviewers: Pryszmant, Rosemary (rpryszmant)			
Approvers: Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)			
Code Blue-Broselow Carts and Emergency Medications <i>Emergency Code Alerts Policies</i>	Pending Approval	2/24/2022	0
Summary Of Changes: Updated defibrillator daily checks performed by RT. Revised contents of Broselow cart to reflect current availability of supplies. The Intubation tray (drawer 4 is replaced by Respiratory Therapy			
Moderators: Newman, Cindi (cnewman)			
Lead Authors: Kutza, Chris (ckutza), Kobe, Mark (mkobe)			
ExpertReviewers: Kutza, Chris (ckutza), Safety Committee			
Approvers: 01 P&P Committee -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality Committee of the Board - (Committee) -> 09 BOD-Board of Directors - (Committee)			
Patient Admitting <i>Patient Care Policy</i>	Pending Approval	2/24/2022	0
Summary Of Changes: Reviewed, changed title from: Patient Admitting to: Patient Admitting and Registration Responsibilities			
Moderators: Newman, Cindi (cnewman)			
Lead Authors: Kuwahara, Dawn (dkuwahara)			
ExpertReviewers: Medical Director-Patient Care Services			
Approvers: Kobe, Mark (mkobe) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality Committee of the Board - (Committee) -> 09 BOD-Board of Directors - (Committee)			

Document Tasks by Committee

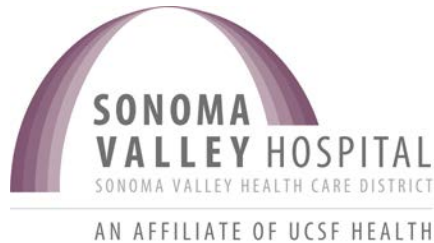
Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 02/24/2022 3:10 PM

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

Patient Grievance and Complaint Policy	Pending Approval	2/24/2022	0
<i>Patient Rights Policies (PR)</i>			
Summary Of Changes:	Changed Patient experience Manager to Quality Management Department Changed CQO to Director of Quality		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	Cooper, Kylie (kcooper)		
Approvers:	Kidd, Sabrina (skidd) -> 01 P&P Committee - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 07 BOD-Quality Committee of the Board - (Committee) -> 09 BOD-Board of Directors - (Committee)		
Service of Legal Proceedings	Pending Approval	2/24/2022	0
<i>Governance and Leadership Policies</i>			
Summary Of Changes:	Removed email for BETA. Author/Review responsibility changed from Director of Quality to CEO. Replaced "Executive" with "Administrative"		
	Renamed policy as the policy does not address complaints. NEW::"Service of Legal Proceedings" OLD:: "Complaints and Service of Legal Proceedings"		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	Cooper, Kylie (kcooper)		
Approvers:	Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 07 BOD-Quality Committee of the Board - (Committee) -> 09 BOD-Board of Directors - (Committee)		
Unannounced Survey Response Plan	Pending Approval	2/24/2022	0
<i>Governance and Leadership Policies</i>			
Summary Of Changes:	Removed 1st floor Solarium Conference room- replaced with Schantz Conference Room Updated Attachments added- Dirty Dozen, attachment F, Attachment A, Attachment A1 and Attachment G		
Moderators:	Newman, Cindi (cnewman)		
Lead Authors:	Newman, Cindi (cnewman), Cooper, Kylie (kcooper)		
Approvers:	Kidd, Sabrina (skidd) -> 01 P&P Committee - (Committee) -> 07 BOD-Quality Committee of the Board - (Committee) -> 09 BOD-Board of Directors - (Committee)		



To: SVH Board of Directors
From: Sarah Dungan, Controller
Date: March 3, 2022
Subject: Union Bank Line of Credit Renewal

Recommendation:

Administration and the Finance Committee recommend to the Sonoma Valley Health Care District Board of Directors to approve the Union Bank Line of Credit renewal.

Background:

The Line of Credit was opened with Union Bank in February 2013 with a \$5 million limit. An amendment was issued dated April 2014 increasing the line of credit to \$7 million and the hospital carried a \$6.9 million balance until December 2018. Per the renewal amendment dated January 2019 the hospital was to pay down the LOC principal to \$5 million by March 2021. The hospital made principal payments of \$1.5 million during 2019 to bring the LOC principal balance to \$5.4 million at January 2020. At the onset of the COVID pandemic Union Bank issued an updated promissory note updating the LOC limit to \$5.5 million by March 2021 and the hospital has maintained the LOC principal balance at \$5.4 million.

Union Bank LOC Renewal Details:

- LOC not to exceed \$5,500,000
- Interest rate – 2.5% per annum in excess of Term SOFR (Previously 2.5% in excess of LIBOR)
- 2-Year term, LOC matures on January 31, 2024
- Includes waiver for NDPH Bridge Loan Program

Attachments:

- Union Bank Amendment Letter (sixth amendment)
- Union Bank Commercial Promissory Note
- Union Bank – Letter of extension to April 1, 2022



MUFG Union Bank, N.A.
Northern California Commercial Banking
350 California St., 19th Floor
San Francisco, CA 94104

AMENDMENT LETTER

January 25, 2022

Sonoma Valley Health Care District
Attn: John Hennelly, CEO
347 Andrieux Street
Sonoma, CA 95476

Obligor #8480434846

Re: Sixth Amendment And Waiver (“Amendment”) to the Amended and Restated Loan Agreement dated April 8, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “Existing Agreement”; as amended by this Amendment, the “Agreement”).

Dear Mr. Hennelly:

MUFG Union Bank, N.A. (“Bank”) and Sonoma Valley Health Care District (“Borrower”) desire to amend the Existing Agreement. Capitalized terms used herein which are not otherwise defined shall have the meaning given them in the Agreement.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments to the Existing Agreement.

- (a) Section 1.1.1 of the Existing Agreement is hereby amended in its entirety to read as follows:

“1.1.1 The Revolving Loan. Bank will loan to Borrower an amount not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000) outstanding in the aggregate at any one time (the “Revolving Loan”). The proceeds of the Revolving Loan shall be used for Borrower’s general working capital purposes. Borrower may borrow, repay and reborrow all or part of the Revolving Loan in accordance with the terms of the Revolving Note (defined below). All borrowings of the Revolving Loan must be made before January 31, 2024, at which time all unpaid principal and interest of the Revolving Loan shall be due and payable. The Revolving Loan shall be evidenced by Bank’s standard form of commercial promissory note (the “Revolving Note”). Bank shall enter each amount borrowed and repaid in Bank’s records and such entries shall be deemed correct. Omission of Bank to make any such entries shall not discharge Borrower of its obligation to repay in full with interest all amounts borrowed.

As of the date of this Agreement, the principal amount outstanding under Borrower’s revolving loan with Bank evidenced by the promissory note dated March 30, 2020 (“Old Note”) shall be deemed the initial principal amount outstanding under the Revolving Loan, and the Old Note is hereby cancelled and superseded by the Revolving Note.”

“1.1.1 (a) The Standby L/C Sublimit. As a sublimit under the Revolving Loan, Bank shall issue, for the account of Borrower, one or more irrevocable standby letters of credit (individually, a “Standby L/C”). The aggregate amount available to be drawn under all Standby L/Cs and the aggregate amount of unpaid reimbursement obligations under drawn Standby L/Cs shall not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) and shall reduce, dollar for dollar, the maximum amount available under the Revolving Loan. All Standby L/Cs shall be drawn on terms and conditions acceptable to Bank and shall be governed by the terms of (and Borrower agrees to execute) Bank’s standard form of standby letter of credit application and reimbursement agreement. No Standby L/C shall expire more than three hundred sixty five (365) days from the date of its issuance, and in no event later than January 31, 2025.”

- (b) Section 3.6 of the Existing Agreement is hereby amended in its entirety to read as follows:

“3.6 Compliance with Laws. Borrower is in compliance with all applicable laws, rules, ordinances or regulations which materially affect the operations or financial condition of Borrower. Notwithstanding the foregoing sentence, laws, rules, ordinances or regulations pertaining to (A) economic and trade sanctions administered and enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, (B) anti-money laundering laws, including the Bank Secrecy Act, as amended and supplemented by Title III of the USA Patriot Act, and (C) anti-corruption and anti-bribery laws including the U.S. Foreign Corrupt Practices Act shall be deemed to materially affect the operations or financial condition of Borrower.”

- (c) Section 3 of the Existing Agreement is hereby amended to adding Section 3.14 to read as follows:

“3.14 Sanctions. Borrower is not a person (or owned or controlled by a person) listed on the Specially Designated Nationals and Blocked Persons or the Consolidated Sanctions lists maintained by the U.S. Department of the Treasury’s Office of Foreign Assets Control, and Borrower has no dealings with, either directly or indirectly, comprehensively-sanctioned jurisdictions.”

- (d) Section 4 of the Existing Agreement is hereby amended by adding Section 4.13 to read as follows:

“4.13 Borrower shall at all times comply with, or cause to be complied with, including through the use of proceeds of the Loan, (i) all laws, statutes, rules, regulations, orders and directions of any governmental authority having jurisdiction over Borrower or Borrower’s business including, without limitation, laws, statutes, rules, regulations, orders and directions of any governmental authority pertaining to (A) economic and trade sanctions administered and enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, (B) anti-money laundering laws, including the Bank Secrecy Act, as amended and supplemented by Title III of the USA Patriot Act, and (C) anti-corruption and anti-bribery laws including the U.S. Foreign Corrupt Practices Act; and (ii) all material agreements to which Borrower is a party.”

- (e) Section 5.2 of the Existing Agreement is hereby amended in its entirety to read as follows:

“5.2 Borrowings. Borrower will not sell, discount or otherwise transfer any account receivable or any note, draft or other evidence of indebtedness, except to Bank or except to a financial institution at face value for deposit or collection purposes only, and without any fees other than the financial institution’s normal fees for such services. Borrower will not borrow any money, become contingently liable to borrow money, or enter any agreement to directly or indirectly obtain money, except (i) pursuant to agreements with Bank and (ii) unsecured indebtedness owing to the California Health Facilities Financing Authority’s Nondesignated Public Hospital Bridge Loan Program; provided that (a) such indebtedness does not exceed \$1,000,000.00 in the aggregate at any time, and (b) no default or Event of Default has occurred, is continuing or would immediately result therefrom.”

- (f) Section 7.7 of the Existing Agreement is hereby amended in its entirety to read as follows:

“7.7 USA Patriot Act Notice. Bank is subject to federal laws to help the government fight money laundering and terrorist financing that require Bank to obtain, verify, record, and retain information that identifies Borrower, any guarantor and, when applicable, Borrower’s Beneficial Owners. Under federal law, Beneficial Owners for these purposes means any individual or entity holding 25% or more of the direct or indirect equity ownership of Borrower, as well as any individual or entity with significant responsibility to control, manage or direct Borrower (e.g., CEO, CFO, COO, President or similar). This information includes the name, address, date of birth, and other information that will allow Bank to identify Borrower, any guarantor and Borrower’s Beneficial Owners. At any time, Bank may require this information of Borrower, any guarantor and Borrower’s Beneficial Owners (and such other persons or entities as are required by law, regulation or Bank’s then applicable “know your customer” requirements). By signing this document, Borrower agrees to promptly provide and consents to Bank obtaining, if necessary, from third parties, any and all information reasonably necessary to identify Borrower, any guarantor and Borrower’s Beneficial Owners. It shall be an event of default if Borrower fails to provide the information requested by Bank pursuant to this provision within thirty (30) days of such request. ”

Except as specifically amended hereby, the Agreement shall remain in full force and effect and is hereby ratified and confirmed. This Amendment shall not constitute or deemed to be a waiver of any existing or future default or breach of a condition to covenant unless specified herein.

On and as of the date hereof, each reference in the Existing Agreement to “this Agreement,” “hereof,” “hereunder,” “herein” and “hereby” and each other similar reference, and each reference in any other loan document to “the Loan Agreement,” “thereof,” “thereunder,” “therein” or “thereby” or any other similar reference to the Existing Agreement shall refer to the Agreement. This Amendment constitutes a loan document.

This Amendment does not extinguish the obligations for the payment of money outstanding under the Existing Agreement or discharge or release the obligations or the liens or priority of any mortgage, pledge, security agreement or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Agreement, the other loan documents or instruments securing the same, which shall remain in full force and effect, except as modified hereby or by instruments executed concurrently herewith.

This Amendment shall become effective when the Bank shall have received the acknowledgment copy of the Amendment executed by the Borrower and the following executed documents:

- (i) Commercial Promissory Note (Base Rate);
- (ii) Authorization to Disburse;
- (iii) Authorization to Obtain Credit;

This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

This Amendment is governed by, and is to be construed in accordance with, the laws of the State of California. Each provision of this Amendment is severable from every other provision of this Amendment for the purpose of determining the legal enforceability of any specific provision.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

Very truly yours,
MUFG UNION BANK, N.A.

By: _____
Name: Lindsay Dwyer
Title: Senior Vice President

Agreed to and Accepted:

SONOMA VALLEY HEALTH CARE DISTRICT

By: _____
Name: John Hennelly
Title: CEO



COMMERCIAL PROMISSORY NOTE
(BASE RATE)

Debtor Name Sonoma Valley Health Care District, a California non-profit corporation		
Debtor Address 347 Andrieux Street Sonoma, CA 95476-6811	Office 70061	Loan Number 848-043-484-6
	Maturity Date January 31, 2024	Amount \$ 5,500,000.00

Date January 25, 2022

\$5,500,000.00

FOR VALUE RECEIVED, on January 31, 2024, the undersigned ("Debtor") promises to pay to the order of MUFG Union Bank, N.A. ("Bank"), as indicated below, the principal sum of Five Million Five Hundred Thousand and 00/100ths Dollars (\$5,500,000.00), or so much thereof as is disbursed, together with interest on the balance of such principal from time to time outstanding, at the per annum rate or rates and at the times set forth below. Any letter of credit issued and outstanding in connection with this note shall result in reduction of the amount available to Debtor.

1. INTEREST PAYMENTS. Debtor shall pay interest on the last day of each month commencing February 28, 2022. Should interest not be paid when due, it shall become part of the principal and bear interest as herein provided. All computations of interest under this note shall be made on the basis of a year of 360 days, for actual days elapsed. Whenever any payment required hereunder falls due on a day other than a Business Day, such payment shall be made on the first succeeding Business Day.

a. BASE INTEREST RATE. At Debtor's option, amounts outstanding hereunder in minimum amounts of \$150,000 shall bear interest at a rate, based on an index selected by Debtor, which is 2.50 % per annum in excess of Term SOFR for the Interest Period selected by Debtor, to the extent that the length of such Interest Period is acceptable to Bank. Notwithstanding the foregoing, if an Interest Rate Hedge is outstanding, then Debtor shall be deemed to have selected Term SOFR with an Interest Period selected by Debtor.

No Base Interest Rate may be changed, altered or otherwise modified until the expiration of the Interest Period selected by Debtor. The exercise of interest rate options by Debtor shall be as recorded in Bank's records, which records shall be prima facie evidence of the amount borrowed under either interest option and the interest rate; provided, however, that failure of Bank to make any such notation in its records shall not discharge Debtor from its obligations to repay in full with interest all amounts borrowed. In no event shall any Interest Period extend beyond the maturity date of this note.

To exercise this option, Debtor may, from time to time with respect to principal outstanding on which a Base Interest Rate is not accruing, and on the expiration of any Interest Period with respect to principal outstanding on which a Base Interest Rate has been accruing, select an index offered by Bank for a Base Interest Rate Loan and an Interest Period by telephoning an authorized lending officer of Bank located at the banking office identified below prior to 10:00 a.m., Pacific time, on any Business Day and advising that officer of the selected index, the Interest Period and the Origination Date selected which Origination Date, for a Base Interest Rate Loan based on Term SOFR, shall follow the date of such selection by three (3) USGSBDs.

Bank will mail a written confirmation of the terms of the selection to Debtor promptly after the selection is made. Failure to send such confirmation shall not affect Bank's rights to collect interest at the rate selected. If, on the date of the selection, the index selected is unavailable for any reason, the selection shall be void. Bank reserves the right to fund the principal from any source of funds notwithstanding any Base Interest Rate selected by Debtor.

b. VARIABLE INTEREST RATE. All principal outstanding hereunder which is not bearing interest at a Base Interest Rate shall bear interest at the Reference Rate, which rate shall vary as and when the Reference Rate changes.

Subject to the provisions set forth in Exhibit A, if any interest rate defined in this note ceases to be available from Bank for any reason, then said interest rate shall be replaced by the rate (together with any spread adjustment, if applicable) selected by Bank in its sole discretion (the "Replacement Rate").

Subject to the provisions set forth in Exhibit A, notwithstanding anything contained in this note, if Bank determines that adequate and reasonable means do not exist for ascertaining SOFR or Term SOFR or Term SOFR does not adequately and fairly reflect the cost to Bank of funding a loan, then Bank shall give Debtor notice thereof, and Bank shall be under no obligation to maintain the relevant loan as a Term SOFR based loan, and the relevant loan shall be continued bearing interest at the Replacement Rate (plus any applicable margin or spread as set forth in this note) and payable at the end of each calendar month or as otherwise may be agreed by Bank and Debtor. Bank will have the right to make any changes ("Term SOFR Conforming Changes") to the note that Bank decides may be appropriate to reflect the use and administration of Term SOFR by Bank from time to time and any amendments implementing such Term SOFR Conforming Changes will become effective without any further action or consent of Debtor.

The provisions set forth in Exhibit A attached hereto are made a part hereof and shall apply to this note.

At any time prior to the maturity date of this note, subject to the provisions of paragraph 4 below, Debtor may borrow, repay and reborrow hereunder so long as the total outstanding at any one time does not exceed the principal amount of this note.

Debtor shall pay all amounts due under this note in lawful money of the United States at Bank's P.O. Box 30115, Los Angeles, CA 90030-0115 Office, or such other office as may be designated by Bank, from time to time.

2. LATE PAYMENTS. If any payment required by the terms of this note shall remain unpaid ten days after same is due, at the option of Bank, Debtor shall pay a fee of \$100 to Bank.

3. INTEREST RATE FOLLOWING DEFAULT. In the event of default, at the option of Bank, and, to the extent permitted by law, interest shall be payable on the outstanding principal under this note at a per annum rate equal to five percent (5%) in excess of the interest rate specified in paragraph 1.b, above, calculated from the date of default until all amounts payable under this note are paid in full.

4. PREPAYMENT.

a. Amounts outstanding under this note bearing interest at a rate based on the Reference Rate may be prepaid in whole or in part at any time, without penalty or premium. Debtor may prepay amounts outstanding under this note bearing interest at a Base Interest Rate in whole or in part provided Debtor has given Bank not less than five (5) Business Days prior written notice of Debtor's intention to make such prepayment and pays to Bank the prepayment fee due as a result. The prepayment fee shall also be paid, if Bank, for any other reason, including acceleration or foreclosure, receives all or any portion of principal bearing interest at a Base Interest Rate prior to its scheduled payment date. The prepayment fee shall be an amount equal to the present value of the product of: (i) the difference (but not less than zero) between (a) the Base Interest Rate applicable to the principal amount which is being prepaid, and (b) the return which Bank could obtain if it used the amount of such prepayment of principal to purchase at bid price regularly quoted securities issued by the United States having a maturity date most closely coinciding with the relevant Base Rate Maturity Date and such securities were held by Bank until the relevant Base Rate Maturity Date ("Yield Rate"); (ii) a fraction, the numerator of which is the number of days in the period between the date of prepayment and the relevant Base Rate Maturity Date and the denominator of which is 360; and (iii) the amount of the principal so prepaid (except in the event that principal payments are required and have been made as scheduled under the terms of the Base Interest Rate Loan being prepaid, then an amount equal to the lesser of (A) the amount prepaid or (B) 50% of the sum of (1) the amount prepaid and (2) the amount of principal scheduled under the terms of the Base Interest Rate Loan being prepaid to be outstanding at the relevant Base Rate Maturity Date). Present value under this note is

determined by discounting the above product to present value using the Yield Rate as the annual discount factor.

b. In no event shall Bank be obligated to make any payment or refund to Debtor, nor shall Debtor be entitled to any setoff or other claim against Bank, should the return which Bank could obtain under this prepayment formula exceed the interest that Bank would have received if no prepayment had occurred. All prepayments shall include payment of accrued interest on the principal amount so prepaid and shall be applied to payment of interest before application to principal. A determination by Bank as to the prepayment fee amount, if any, shall be conclusive.

c. Bank shall provide Debtor a statement of the amount payable on account of prepayment. Debtor acknowledges that (i) Bank establishes a Base Interest Rate upon the understanding that it will apply to the Base Interest Rate Loan for the entire Interest Period, and (ii) Bank would not lend to Debtor without Debtor's express agreement to pay Bank the prepayment fee described above.

d. If Debtor has entered into an Interest Rate Hedge, Debtor acknowledges and agrees that (i) Bank (or its affiliate) has the right, but not the obligation, under the Swap Documents (defined below) governing such Interest Rate Hedge, to compel an early termination, in full or in part, of such Interest Rate Hedge as a result of any unscheduled prepayment under this note, (ii) any such early termination may result in payment obligations (which may be substantial in amount) being owed by Debtor to Bank (or any affiliate of Bank) as early termination, close-out or settlement amounts, which amounts shall be determined in accordance with the Swap Documents governing such Interest Rate Hedge and shall be in addition to any prepayment fee and other charges specified herein, and (iii) if such full or partial early termination of the Interest Rate Hedge results in an amount owing by Bank or its affiliate to Debtor, then Bank may in its discretion apply such amount to prepayment of principal hereunder, together with accrued interest on such principal and any resulting prepayment fee. Debtor further acknowledges and agrees that neither Bank nor any of its affiliates is under any obligation to enter into Interest Rate Hedges with Debtor and that such Interest Rate Hedges will be governed by documentation separate from this note.

DEBTOR INITIALS HERE: _____

5. DEFAULT AND ACCELERATION OF TIME FOR PAYMENT. Default shall include, but not be limited to, any of the following: (a) the failure of Debtor to make any payment required under this note when due; (b) any breach, misrepresentation or other default by Debtor, any guarantor, co-maker, endorser, or any person or entity other than Debtor providing security for this note (hereinafter individually and collectively referred to as the "Obligor") under any security agreement, guaranty or other agreement between Bank and any Obligor, together with and including any document or agreement evidencing or governing any Interest Rate Hedge, or any other swap, option, forward or similar transaction entered into between Debtor and Bank or any affiliate of Bank ("Swap Document"); (c) the insolvency of any Obligor or the failure of any Obligor generally to pay such Obligor's debts as such debts become due; (d) the commencement as to any Obligor of any voluntary or involuntary proceeding under any laws relating to bankruptcy, insolvency, reorganization, arrangement, debt adjustment or debtor relief; (e) the assignment by any Obligor for the benefit of such Obligor's creditors; (f) the appointment, or commencement of any proceeding for the appointment of a receiver, trustee, custodian or similar official for all or substantially all of any Obligor's property; (g) the commencement of any proceeding for the dissolution or liquidation of any Obligor; (h) the termination of existence or death of any Obligor; (i) the revocation of any guaranty or subordination agreement given in connection with this note; (j) the failure of any Obligor to comply with any order, judgement, injunction, decree, writ or demand of any court or other public authority; (k) the filing or recording against any Obligor, or the property of any Obligor, of any notice of levy, notice to withhold, or other legal process for taxes other than property taxes; (l) the default by any Obligor personally liable for amounts owed hereunder on any obligation concerning the borrowing of money; (m) the issuance against any Obligor, or the property of any Obligor, of any writ of attachment, execution, or other judicial lien; or (n) the deterioration of the financial condition of any Obligor which results in Bank deeming itself, in good faith, insecure. Upon the occurrence of any such default, Bank, in its discretion, may cease to advance funds hereunder and may declare all obligations under this note immediately due and payable; however, upon the occurrence of an event of default under d, e, f, or g, all principal and interest hereunder shall automatically become immediately due and payable.

6. ADDITIONAL AGREEMENTS OF DEBTOR. If any amounts owing under this note are not paid when due, Debtor promises to pay all costs and expenses, including reasonable attorneys' fees, (including the allocated costs of Bank's in-house counsel and legal staff) incurred by Bank in the negotiation, documentation and modification of this note and all related documents and in the collection or enforcement of any amount outstanding hereunder. Debtor and any Obligor, for the maximum period of time and the full extent permitted by law, (a) waive diligence, presentment, demand, notice of nonpayment, protest, notice of protest, and notice of every kind; (b) waive the right to assert the defense of any statute of limitations to any debt or obligation hereunder; and (c) consent to renewals and extensions of time for the payment of any amounts due under this note. If this note is signed by more than one party, the term "Debtor" includes each of the undersigned and any successors in interest thereof; all of whose liability shall be joint and several. Any married person who signs this note agrees that recourse may be had against the separate property of that person for any obligations hereunder. The receipt of any check or other item of payment by Bank, at its option, shall not be considered a payment on account until such check or other item of payment is honored when presented for payment at the drawee bank. Bank may delay the credit of such payment based upon Bank's schedule of funds availability, and interest under this note shall accrue until the funds are deemed collected. In any action brought under or arising out of this note, Debtor and any Obligor, including their successors and assigns, hereby consent to the jurisdiction of any competent court within the State of California, as provided in any alternative dispute resolution agreement executed between Debtor and Bank, and consent to service of process by any means authorized by said state's law. The term "Bank" includes, without limitation, any holder of this note. This note shall be construed in accordance with and governed by the laws of the State of California. This note hereby incorporates any alternative dispute resolution agreement previously, concurrently or hereafter executed between Debtor and Bank, other than any such provision contained in a Swap Document.

7. DEFINITIONS. As used herein, the following terms shall have the meanings respectively set forth below (and any capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms on Exhibit A):

"Base Interest Rate" means a rate of interest based on Term SOFR.

"Base Interest Rate Loan" means amounts outstanding under this note that bear interest at a Base Interest Rate.

"Base Rate Maturity Date" means the last day of the Interest Period with respect to principal outstanding under a Base Interest Rate Loan.

"Business Day" means a day on which Bank is open for business for the funding of corporate loans.

"Floor" means a per annum rate of interest equal to 0 %.

"Interest Period" means with respect to funds bearing interest at a rate based on Term SOFR, any 1, 2 or 3 months; provided, that any such tenor shall not be available to the extent that Bank has deemed such tenor to be unavailable, undeterminable, non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Finance Benchmark. In determining an Interest Period, a month means a period that starts on one Business Day in a month and ends on and includes the day preceding the numerically corresponding day in the next month. For any month in which there is no such numerically corresponding day, then as to that month, such day shall be deemed to be the last calendar day of such month. Any Interest Period which would otherwise end on a non-Business Day shall end on the next succeeding Business Day unless that day falls in a new calendar month, in which event such Interest Period shall end on the next preceding Business Day.

"Interest Rate Hedge" means any interest rate swap, forward swap or swaption, or interest rate cap or collar transaction now or hereafter entered into between Debtor and Bank or any affiliate of Bank for purposes of hedging or mitigating, fully or partially, interest rate risk under this note.

"Origination Date" means the first day of the Interest Period.

"Reference Rate" means the rate announced by Bank from time to time at its corporate headquarters as

its Reference Rate. The Reference Rate is an index rate determined by Bank from time to time as a means of pricing certain extensions of credit and is neither directly tied to any external rate of interest or index nor necessarily the lowest rate of interest charged by Bank at any given time.

“**SOFR**” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**Term SOFR**” means the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Term SOFR Determination Day**”) that is two (2) USGSBDs prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that (x) if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding USGSBD for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding USGSBD is not more than three (3) USGSBDs prior to such Term SOFR Determination Day and (y) if Term SOFR determined as provided above (including pursuant to clause (x) of this proviso) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Bank in its reasonable discretion).

“**Term SOFR Determination Day**” shall have the meaning ascribed to such term in the definition of “Term SOFR”.

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**USGSBD**” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

8. COUNTERPARTS/ELECTRONIC SIGNATURES. This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words “execution,” “signed,” “signature,” and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

DEBTOR:

Sonoma Valley Health Care District, a California non-profit corporation

By: _____
John Hennelly, CEO

Exhibit A

BENCHMARK REPLACEMENT SETTING

The following provisions of this Exhibit A (this “Exhibit”) shall be effective notwithstanding anything to the contrary in the note to which this Exhibit is attached (the “Note”) or in any other document related to the Note (and any Swap Document shall be deemed not to be a document related to the Note for purposes of this Exhibit). Capitalized terms used in this Exhibit A and not otherwise defined herein shall have the meanings ascribed to such terms in the Note.

(a) **BENCHMARK REPLACEMENT.** Upon the occurrence of a Benchmark Transition Event, Bank may amend this Note to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after Bank has posted such proposed amendment to Debtor. Bank will have the right to make any changes (“Benchmark Replacement Conforming Changes”) to the Note that Bank decides may be appropriate to reflect the adoption and implementation of any such Benchmark Replacement and to permit the administration thereof by Bank from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Debtor.

(b) **STANDARDS.** Any determination, decision or election that may be made by Bank pursuant to this Exhibit, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in Bank’s sole discretion and without consent from Debtor. Bank does not warrant or accept responsibility for, and shall not have any liability to Debtor under the Note or otherwise for, any loss, damage or claim arising from or relating to (i) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referenced in the definition thereof or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, (ii) the effect or implementation of any Benchmark Replacement Conforming Changes or Term SOFR Conforming Changes or (iii) any mismatch between the Benchmark or the Benchmark Replacement and any of Debtor’s other financing instruments (including those that are intended as hedges).

(c) **CERTAIN DEFINED TERMS.** As used in this Exhibit:

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period pursuant to the Note or (b) otherwise, any payment period for interest calculated with reference to such Benchmark that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date.

“**Benchmark**” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to this Exhibit.

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Bank as the replacement for the then-current Benchmark and (b) the related Benchmark Replacement Adjustment; provided that, in each case, if such Benchmark Replacement as so determined would be less than zero or such other floor as set forth in the Note, such Benchmark Replacement will be deemed to be zero or such other floor as set forth in the Note for the purposes of the Note and the other loan documents related thereto.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank.

“Benchmark Transition Event” means, with respect to the then-current Benchmark, a public statement or publication of information: (a) by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or such Available Tenors, (b) by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or such Available Tenors, or (c) by or on behalf of the administrator of such Benchmark or by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark are, not, or as a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.



MUFG Union Bank, N.A.
Commercial Loan Documentation
P.O. Box 30115
Los Angeles, CA 90030-0115

February 15, 2022

Sonoma Valley Health Care District ("Borrower")
347 Andrieux Street
Sonoma, CA 95476-6811

RE: 8480434846/0080000000 ("Loan")

Dear Borrower:

This letter is being sent to confirm that MUFG Union Bank, N.A. ("Bank") has agreed to extend the maturity date of the Loan granted to Borrower in the original or maximum principal amount of \$5,500,000.00 pursuant to those certain documents applicable to the Loan, as amended (the "Agreement").

The maturity date of the Loan is hereby extended to April 01, 2022 ("New Maturity Date"). The Agreement shall be deemed modified as of the date of this letter to reflect the New Maturity Date.

Each related letter of credit expiration date and/or trade advance date in the Agreement shall be extended to a date which follows the New Maturity Date by the same number of days as the original expiration date and/or maturity date followed the original maturity date.

All other terms and conditions of the Agreement remain in full force and effect, without waiver or modification. This extension is conditioned upon Borrower's continued payment of interest and/or principal as provided in the Agreement, as amended herein.

Each advance request, or Borrower's continued payments of principal or interest, constitutes Borrower's warranty that no event of default as defined in the Agreement and no condition, event or act which, with the giving of notice or the passage of time or both, would constitute such an event of default, shall have occurred and be continuing or shall exist, except as noted herein.

BANK HAS NOT COMMITTED TO ANY OTHER TERMS NOT CONTAINED IN THIS LETTER. ANY FURTHER EXTENSION OR ANY RENEWAL REMAINS IN THE DISCRETION OF BANK.

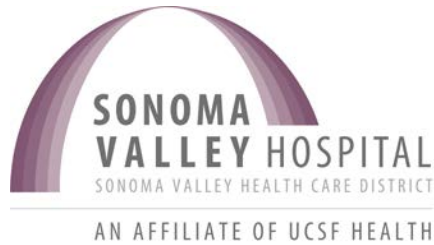
Finally, the extension of the maturity date provided herein does not constitute a waiver by Bank of any rights, remedies, benefits or powers belonging to or accruing to Bank under the terms of the Agreement. Bank expressly reserves, and does not waive, all of its rights under applicable law and any agreements, instruments and documents executed in connection with the Loan, all of which remain in full force and effect.

Borrower and Bank agree that delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image or other electronic means, shall be effective as delivery of an originally executed counterpart, and shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law.

If you have any questions, please call your Account Manager, Lindsay Dwyer, at (415) 705-7308.

Very truly yours,
MUFG UNION BANK, N.A.

By: /s/Diana Madrid
Name: Diana Madrid
Title: Assistant Vice President



To: SVH Board of Directors
From: Sarah Dungan, Controller
Date: March 3, 2022
Subject: QIP Bridge Loan – Resolution No. 364

Recommendation:

Administration recommends to the Sonoma Valley Health Care District Board of Directors to approve the Non-Designated Public Hospital Bridge Loan resolution number 364.

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.

The Finance Committee approved to recommend the QIP Bridge loan to the Board of Directors back in November 2021 and the board approved the loan with the condition that a waiver would be issued by Union Bank allowing Sonoma Valley Hospital to secure the loan with Medi-Cal Revenue. The waiver was issued by Union Bank and is noted in amendment six (6) of the Line of Credit renewal.

Loan Details:

Sonoma Valley Health Care District has been approved 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 up to \$462,000.

- 2-Year term with balloon payment at end of term
- 0% interest
- 1% Administration fee to the California Health Facilities Financing Authority
- Secured by Medi-Cal revenue
- DHLF has noted the possibility of the loan becoming a grant

Attachments:

- Resolution Number 364
- California Health Facilities Financing Authority Non-designated Public Hospital Bridge Loan Program Loan and Security Agreement (Template)
- California Health Facilities Financing Authority Non-designated Public Hospital Bridge Promissory Note (Template)

RESOLUTION 364 OF SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING
EXECUTION AND DELIVERY OF A LOAN AND SECURITY AGREEMENT,
PROMISSORY NOTE, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM

Nondesignated Public Hospital Bridge Loan Program

WHEREAS, Sonoma Valley Health Care District (the “Borrower”) is a nondesignated public hospital as defined in Welfare and Institutions Code Section 14165.55, subdivision (1), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25; and

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed **\$308,000.00** from the California Health Facilities Financing Authority (the “Lender”), such loan to be funded with the proceeds of the Lender’s Nondesignated Public Hospital Bridge Loan Program; and

WHEREAS, the Borrower intends to use the funds solely to fund its working capital needs to support its operations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower as follows:

Section 1. The Board of Directors of Borrower hereby ratifies the submission of the application for a loan from the Nondesignated Public Hospital Bridge Loan Program.

Section 2. John Hennelly, President and Chief Executive Officer is an “Authorized Officer” and is hereby authorized and directed, for and on behalf of the Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer(s) deem(s) necessary or advisable in order to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed **\$308,000.00**, shall not bear interest, and shall mature 24 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The {Each} Authorized Officer(s) is (are) hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially said form that includes the redirection of up to 20% of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Promissory Note (the “Note”) as evidence of the Borrower's obligation to repay the loan is hereby approved. The Authorized Officer(s) is (are) hereby authorized and directed, for and on behalf of the Borrower, to execute the Note in substantially said form, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Date of Adoption: _____

SECRETARY'S CERTIFICATE

I, _____, Secretary of SONOMA VALLEY HEALTH CARE DISTRICT, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of SONOMA VALLEY HEALTH CARE DISTRICT duly and regularly held at the regular meeting place thereof on the ____ day of _____, 20__, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Secretary

Date: _____

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Loan and Security Agreement

This Loan and Security Agreement (“Agreement”) is entered into between the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (“Lender” or “Authority”), authorized by the California Health Facilities Financing Authority Act (the “Act”), having its principal place of business at 915 Capitol Mall, Room 435, Sacramento, California 95814, and **BORROWER NAME**, a nondesignated public hospital (“Borrower”) as defined in the Nondesignated Public Hospital Bridge Loan Program guidelines, having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE**.

RECITALS

A. The Borrower has applied to the Authority for a loan from the Nondesignated Public Hospital Bridge Loan Program to fund its Working Capital needs to support its operations.

B. Borrower is a nondesignated public hospital as defined in Welfare and Institutions Code 14165.55, subdivision (l), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25.

C. The Authority has determined that the Borrower’s Application meets eligibility requirements of the hereinafter defined Guidelines.

D. Borrower has requested that Lender lend Borrower certain funds from the Authority’s Nondesignated Public Hospital Bridge Loan Program’s fund balance for the following purpose: To fund its Working Capital needs to support its operations (the “Purpose”).

E. Lender is willing to lend Borrower such funds subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Waiver of Sovereign Immunity

The Borrower hereby waives any immunity it may have from lawsuits and other legal proceedings brought under this Agreement or in connection therewith that are brought by the Authority in the California Superior Court for the County of Sacramento and all courts to which appeals therefrom are available, and enforcement of any judgment of such court in any court of competent jurisdiction, to enforce the terms of this Agreement, and to

enforce and execute any order, judgment or ruling resulting therefrom against any assets or revenues of the Borrower.

If, and only if, a dispute arises between the parties over a matter for which the Borrower has provided a waiver of immunity under this Agreement (the “Dispute”), and the California Superior Court for the County of Sacramento cannot or is unwilling to hear the Dispute, then either party may request binding arbitration of the Dispute. To initiate binding arbitration of a Dispute, a party shall notify the other party in writing. The Dispute shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and subject to California law concerning arbitration, and judgment on the award rendered by the arbitrator may be entered in any court pursuant to California law concerning arbitration. One arbitrator shall preside and shall be selected by the American Arbitration Association. The arbitration shall take place in Sacramento, California. The arbitrator shall render an award within forty-five days from the conclusion of the arbitration. In the event of arbitration, the prevailing party shall be entitled to all of its costs, including reasonable attorneys’ fees, from the nonprevailing party.

ARTICLE I – DEFINITIONS

Section 1.1- CHECKWRITE means a reimbursement for Medi-Cal covered services, due to the Borrower from the California Department of Health Care Services (“DHCS”), for a particular payment period.

Section 1.2- GUIDELINES means the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by the Authority, as may be amended from time to time.

Section 1.3- LIEN means the securitization of the Loan, including but not limited to the Authority’s intercept of the Borrower’s Medi-Cal reimbursements.

Section 1.4- LOAN DOCUMENTS means this Agreement, the Promissory Note, the agreement referenced in Section 3, and the Borrower’s Application, including all exhibits to such documents.

Section 1.5- WORKING CAPITAL means those costs as defined in Government Code Section 15432, subdivision (h) and are the costs eligible for reimbursement to the Borrower from the Loan amount approved by the Authority.

Section 1.6 – DOCUMENT DATE means the date of this Agreement, which is the date Lender signs this Agreement.

Section 1.7- Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Guidelines.

2. The Loan Repayment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees to make a zero percent (0%) interest rate loan in the aggregate principal amount of **LOAN AMOUNT SPELLED OUT (\$0.00)** (the “Loan”) to Borrower. The Loan proceeds shall be disbursed to Borrower upon the satisfaction of all of the conditions precedent set forth in Sections 3, 4 and 5 of this Agreement. It is the intent of the Borrower and the Lender to

create a line of credit agreement between the Borrower and the Lender whereby the Borrower may borrow up to **LOAN AMOUNT SPELLED OUT (\$0.00)** from Lender.

(b) Borrower's obligation to repay the Loan shall be evidenced by a promissory note executed by Borrower (the "Note"), payable to the order of the Lender, in which Borrower agrees to repay the principal sum of the Loan no later than 24 months from the date of this Agreement ("Due Date"). Borrower shall have the right at any time to prepay the Note in whole or in part without premium or penalty.

(c) All payments and prepayments of principal shall, at the option of Lender, be applied first to any fees and costs owing, and after all such fees and penalties have been paid any remainder shall be applied to reduction of the principal balance.

3. Security Agreement.

To induce Lender to make the Loan, to secure Borrower's performance under this Agreement, and to ensure punctual payment of amount due under this Agreement and the Note, the Borrower hereby grants a security interest to Lender and to its successors, and assigns, for so long as Borrower has any obligations to Lender under this Agreement, and for the security and benefit of the Lender, in 20% of the Borrower's respective Medi-Cal checkwrite payments (all such rights being the "Collateral").

Borrower agrees to execute a written agreement substantially in the form set forth in Exhibit A attached hereto and incorporated herein by reference, which authorizes DHCS to redirect Borrower's checkwrite payments to the Lender, if the Loan amount is not repaid in full within 24 months of the date of this Agreement, until such time as the Loan to the Borrower made by Lender (including any fees and other loan related costs as may arise) is paid in full. By execution of the attached agreement, Borrower agrees to assign 20% of its respective Medi-Cal checkwrite payments to the Lender until the Lender notifies DHCS that the loan has been satisfied.

4. Representations and Warranties.

To induce Lender to make the Loan under this Agreement, Borrower hereby represents and warrants to Lender that as of the date hereof and, where relevant, until the Note is paid in full and all obligations under this Agreement are performed in full, that:

(a) Borrower is duly organized under applicable law, is qualified to do business and in good standing in each jurisdiction where required, and has complied with all laws necessary to conduct its business as presently conducted;

(b) Borrower has authority, and has completed all proceedings and obtained all approvals and consents necessary, to execute and deliver all documents authorizing this Loan, including, without limitation, all the Loan Documents, and the transactions contemplated by these Loan Documents;

(c) the execution, delivery and performance of the Loan Documents will not contravene, or constitute a default under or result in a lien upon assets of Borrower pursuant to any applicable law or regulation, any charter document of Borrower or any contract, agreement, judgment, order, decree, or other instrument binding upon or affecting Borrower except for, if applicable, (i) certain liens created by the Loan Documents evidencing this Loan and (ii) other liens in favor of Lender;

(d) this Agreement, the Note, the agreement referenced in Section 3 and all of the other Loan Documents constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(e) Borrower represents, except as previously disclosed to Lender, and warrants there is no financing statement, security agreement or any other document covering any required Collateral, or any part thereof, on file, recorded or in effect in any public office;

(f) except as previously disclosed to Lender in writing, there is no action, suit or proceeding, pending or threatened against Borrower which might adversely affect Borrower in any material respect;

(g) Borrower does not have any delinquent tax obligations, and all tax returns required of Borrower have been filed; and

(h) all proceeds of this Loan will be used by the Borrower solely for the Purpose as described in the Recitals and as has been approved by Lender.

5. Conditions Precedent.

Lender shall have no obligation to make the Loan under this Agreement until Lender is satisfied that all of the following conditions have been satisfied:

(a) as of the date of this Agreement, there shall exist no Event of Default, as defined in Section 7, and no event which, with the giving of notice or passage of time, or both, would constitute an Event of Default;

(b) Borrower shall have delivered to Lender a duly executed Agreement, Note, and all other requested Loan Documents;

(c) Borrower shall have delivered to Lender a resolution of the Borrower's Board of Directors duly authorizing the execution, delivery and performance by it of each of the Loan Documents as well as ratification of the submitted application; and

(d) Borrower shall have delivered any other documents reasonably required by Lender in connection with carrying out the purposes of this Agreement, including all documents specified in Sections 2, 3, 4 and 5.

6. Covenants.

From the date of this Agreement until the Note is paid in full and all obligations under this Agreement are performed, Borrower agrees that:

(a) at all times during this Agreement, Borrower shall accurately maintain, in accordance with generally accepted accounting principles, all books of account, records and documents of every kind in which all matters relating to this Loan, including, without limitation, all income, expenditures, assets, and liabilities;

(b) Borrower shall at all times maintain its corporate existence and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights, licenses, and franchises;

(c) Borrower shall not, without the prior written notification to Lender, change its name or place of business, merge, affiliate, or consolidate with any company or enterprise, or otherwise substantially change its corporate structure or the general character of its business as it is presently conducted;

(e) Borrower shall do all acts that may be necessary to maintain, preserve and protect any required Collateral;

(f) Borrower shall not use or permit any required Collateral to be used unlawfully or in violation of any provision of this Agreement, or any applicable statute, regulation, ordinance or any policy of insurance covering the Collateral;

(g) Borrower shall execute and deliver any financing statement, assignment or other writing deemed necessary or appropriate by Lender to perfect, maintain and protect its security interest under this Agreement;

(i) Borrower shall pay all taxes, assessments, and related obligations when such taxes, assessments and obligations are due and payable;

(j) Borrower shall not create, incur, assume or suffer to exist any further assignment, encumbrance, or lien upon any required Collateral without the prior written consent of Lender;

(k) Borrower shall pay all costs, fees and expenses incurred by Lender in connection with this Agreement;

(l) Borrower may not assign the Agreement or Note to any person or entity, and the Agreement or Note may not be assumed by any person or entity without the prior written consent of Lender;

(m) Borrower shall promptly notify Lender in writing of the occurrence of any event which might materially adversely affect Borrower or which constitutes, or upon notice or passage of time or both, would constitute an Event of Default; and

(n) Borrower shall pay to Lender a fee equal to one percent (1.00%) of the loan amount as a reduction in disbursement of loan proceeds to Borrower.

7. Events of Default.

A default exists, upon the occurrence and during the continuance of any of the following events (“Events of Default”):

(a) failure by Borrower to pay any principal or any other amount payable hereunder or under the Note when due in accordance with the terms of the Agreement or the Note;

(b) any representation or warranty made by Borrower in this Agreement or in any other Loan Document or financial or other statement furnished at any time under or in connection herewith or therewith shall prove to have been incorrect, false or misleading in any material respect on or as of the date when made or deemed to have been made or prior to the date when all obligations of this Agreement have been fully satisfied;

(c) failure of Borrower to fully and completely perform any obligation (except for the obligation set forth in Section 2(b) of this Agreement), covenant or agreement set forth in this Agreement or in the other Loan Documents or any agreement as may be required by Sections 3,4 and 5 herein and the failure to cure the default may, in the sole discretion of the Lender, not constitute an Event of Default unless (i) Borrower fails to commence steps to cure the failure within the fifteen (15) day period or (ii) Borrower fails to cure the failure within thirty (30) days after the date of the failure;

(d) (i) Borrower shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets, (ii) a custodian, receiver, trustee or liquidator shall have been appointed with or without the consent of Borrower, (iii) Borrower shall generally not be paying its debts as they become due, has made a general assignment for the benefit of creditors, has filed a voluntary petition in bankruptcy, or has filed a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law, (iv) Borrower shall have filed an answer admitting the material allegations of a petition in any bankruptcy, reorganization or insolvency proceeding, or taken any corporate action for the purpose of effecting the filing of such an answer, (v) a petition in bankruptcy shall have been filed against Borrower and shall not have been dismissed for a period of thirty (30) consecutive days, (vi) an order for relief shall have been entered under the Federal Bankruptcy Code against Borrower, (vii) an order, judgment or decree shall have been entered, without the application, approval or consent of Borrower, by any court of competent jurisdiction approving a petition seeking reorganization of Borrower or appointing a receiver, trustee, custodian or liquidator of Borrower or a substantial part of its assets, and the order, judgment or decree shall have continued unstayed and in effect for any period of forty-five (45) consecutive days, (viii) Borrower shall have suspended the transaction of its usual business, or (ix) Borrower shall have ceased to be authorized by the laws of this State to operate a health facility, as defined by the Act; and

(e) if the Loan amount due under this Agreement is not paid in full within twenty-four (24) months from the date of this Agreement, then at the option and upon the declaration of Lender, all amounts owed to Lender under this Agreement and the Note shall, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, become immediately due and payable, and Lender may immediately, and without expiration of any period of grace, enforce payment of all amounts owed to Lender under this Agreement and the Note and exercise any and all other remedies granted to it at law, in equity or otherwise, for the enforcement of realization of the security interests provided in this Agreement. In addition, Lender shall be entitled to recover from Borrower all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in exercising any remedies under this Agreement.

No delay in accelerating the maturity of any obligation contained in this Agreement or in taking any other action with respect to any Event of Default shall affect the rights of Lender later to take such action with respect thereto, and no waiver as to a prior occasion shall affect rights as to any other Event of Default. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect any sums owing under this Agreement, and agrees that its liability on this Agreement shall not be affected by any release of or change in any security for the payment of sums due under this Agreement.

If Borrower fails to pay its one-time installment of principal due under this Agreement by the Due Date of the one-time installment, Borrower shall pay Lender twenty percent (20%) of its respective Medi-Cal checkwrite payments due for the purpose of the handling of a delinquent payment. Borrower and Lender agree that the method of repayment represents a reasonable means of collection considering all of the circumstances existing on the date of this Agreement.

Acceptance by the Lender or holder of the Note of any installment after any default under this Agreement shall not operate to extend the time of payment of any amount then remaining unpaid or constitute a waiver of any of the other rights of the Lender or holder under the Note or this Agreement.

8. Security Agreement.

This Agreement shall constitute a security agreement with respect to any required Collateral.

9. Miscellaneous.

(a) Borrower hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Lender, Authority members, officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly,

indirectly, wholly or partially arising from or in connection with any act or omission of Borrower, its employees or agents, in applying for or accepting the Loan, or in expending or applying the funds furnished pursuant to this Agreement. This section shall survive the termination of this Agreement.

(b) The terms of this Agreement may be revised or modified only with the prior written consent of both parties.

(c) The descriptive headings in this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions of this Agreement.

(d) Any provision of this Agreement that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Agreement.

(e) This Agreement is intended by the parties to be the final expression of their agreement with respect to the terms included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement.

(f) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument.

(g) All notices given under this Agreement shall be in writing and shall be hand-delivered or mailed by registered or certified mail, postage prepaid and shall be sent to the parties' respective addresses first written above or any other address as a party may have specified in writing.

(h) Borrower waives trial by jury in any litigation arising out of or relating to this Agreement in which a holder of the Note is an adverse party and further waives the right to interpose any defense, set-off, or counterclaim of any nature or description.

(i) Lender and Borrower hereby agree that the laws of the State of California apply to this Agreement. Any legal action or proceedings brought to enforce or interpret the terms of this Agreement shall be initiated and maintained in the courts of the State of California and or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in day and year first hereinabove written.

LENDER: **CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY**, a public
instrumentality of the State of California

By: _____

Name: **Frank Moore**

Title: **Executive Director**

Date: _____

BORROWER: **BORROWER NAME**,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____

EXHIBIT A

AUTHORIZATION TO CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
REDIRECTION OF MEDI-CAL WARRANTS TO
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

1. NAME OF BORROWER (MEDI-CAL PROVIDER)		2. MEDI-CAL PROVIDER NUMBER	
BORROWER NAME			
3. MAIN CONTACT PERSON NAME		4. TELEPHONE NUMBER	
5. ADDRESS CITY STATE ZIP			
6. LOAN AMOUNT NOT TO EXCEED			
LOAN AMOUNT SPELLED OUT (\$0.00)			

Borrower hereby assigns all of its rights to 20% of its respective Medi-Cal checkwrite payments, along with any and all underlying right to reimbursement as may currently exist, to the California Health Facilities Financing Authority (CHFFA) if the Loan amount is not repaid in full within 24 months of the date of this Agreement, as part of the re-payment requirements of the Nondesignated Public Hospital Bridge Loan Program approved by CHFFA Resolution No. 2021-04 on October 28, 2021.

This assignment shall be in place until CHFFA has notified the Department of Health Care Services (DHCS) that the loan has been paid in full, whereupon the right to full future reimbursements shall revert to the Borrower.

Borrower receives Medi-Cal reimbursement via (check appropriate box):

- Paper warrants
- Electronic funds transfer (EFT)

If an EFT recipient, Borrower acknowledges and agrees to the following requirements:

Borrower shall complete an EFT cancellation form (see attached), which shall be submitted to DHCS. This form must be submitted to DHCS at least one week in advance of the applicable State Controller's Office (SCO) checkwrite issuance date.

Borrower acknowledges that after DHCS receives notice from CHFFA that Borrower's loan is paid in full, the Medi-Cal reimbursement to Borrower will be by paper warrants until such time as the Borrower reapplies for EFT and that application is effective.

Borrower assumes the responsibility of updating its address on file with DHCS and submitting to DHCS any necessary address correction using the Medi-Cal Supplemental Changes form (Form 6209).

BORROWER: **BORROWER NAME**, a nondesignated public hospital

By: _____
(Authorized Officer)

Name: AUTHORIZED OFFICER NAME

Title: TITLE OF AUTHORIZED OFFICER

EFT	Electronic Fund Transfer Authorization	<u>Department of Health Care Services – Medi-Cal:</u> This authorization remains in full force and effect until the California Medicaid Program/Title XIX receives written notification from the provider of its termination, or until the California Medicaid Program/Title XIX or appointing authority deems it necessary to terminate the agreement.

Directions: An original pre-imprinted voided check for checking accounts, or an original bank letter for savings accounts, must be submitted with this form. The provider name, routing number and account number on either of those documents must match what is entered on this form. Photocopied documents will not be accepted. Use blue ink for signatures, including notary.

Section A

Please Print or Type

1. Name of Provider (must match name on bank account and name registered with Medi-Cal)	2. NPI OR Legacy Number (one EFT form per number)
3. Name of Main Contact Person	4. Telephone Number
5. Provider Address	City State Zip
6. Last 4 Digits of Provider Social Security Number or Complete Federal Tax ID Number (must match number registered with Medi-Cal)	

Section B

1. Bank Routing Number	2. Bank Account Number (including leading zeroes)	3. Type of Account Checking Savings
4. Bank Name		
5. Bank Address	City	State Zip

Section C (Check the appropriate box)

I hereby authorize the California Medicaid Program/Title XIX to initiate credit entries to my bank account as indicated above, and the depository named above to credit the same to such account. For changes to existing accounts, do not close an existing account until the first payment has been deposited into the new account.

I hereby CANCEL my EFT authorization.

I understand that by signing this form, payments issued will be from Federal and State funds, and that any falsification or concealment of a material fact may be prosecuted under Federal and State laws.

Provider Signature
Date
(Blue ink only. Must be owner or corporate officer.)

Form Must Be Notarized

Mail This Form To:
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 PO Box 13029
 Sacramento, CA 95813-4029

Express Mail Only
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 820 Stillwater Road
 West Sacramento, CA 95605

Privacy Statement (Civil Code Section 1798 et seq.): The information requested on this form is required by the Department of Health Care Services for purposes of identification and document processing. Furnishing the information requested on this form is mandatory. Failure to provide the mandatory information may result in your request being delayed or not processed.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Promissory Note (“Note”)

\$0.00

BORROWER NAME, a nondesignated public hospital having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE** (“Borrower”), for value received, hereby promises to pay to the order of CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (the “Lender” or “Holder”), at its office located at 915 Capitol Mall, Room 435, Sacramento, California 95814, or at such other place as the Holder may from time to time designate in writing, in lawful money of the United States of America, the principal sum of **LOAN AMOUNT SPELLED OUT (\$0.00)** or so much thereof as may be advanced to or for the benefit of the Borrower by the Lender in Lender’s sole and absolute discretion, until payment of such principal sum shall be discharged in no event later than 24 months from the date as more particularly provided for in that certain Loan and Security Agreement between Borrower and the Lender, dated as of the date thereof (the “Agreement”). It is the intent of the Borrower and Lender to create a line of credit agreement between Borrower and Lender whereby Borrower may borrow up to **\$000,000.00** from Lender provided, however, that Lender has no obligation to lend Borrower any amounts hereunder and the decision to lend such money lies in the sole discretion of Lender.

All payments on this Note shall, at the option of Holder, be applied first to any fees and costs owing and any remainder shall be applied to a reduction of the principal balance.

The Borrower shall be in default of this Note on the occurrence of any of the events set forth in the Agreement executed simultaneously herewith, including but not limited to the following: (i) the Borrower shall fail to meet its obligation to make the required principal payment hereunder; (ii) the Borrower shall be dissolved or liquidated; (iii) the Borrower shall make an assignment for the benefit of creditors or shall be unable to, or shall admit in writing their inability to pay their debts as they become due; (iv) the Borrower shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, or any such action shall be commenced against the undersigned; (v) the Borrower shall suffer a receiver to be appointed for it or for any of its property or shall suffer a garnishment, attachment, levy or execution.

Upon default of this Note, Lender may declare the entire amount due and owing hereunder to be immediately due and payable. Lender may also use all remedies in law and in equity to enforce and collect the amount owed under this Note. The remedies of the Holder, as provided in the Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including specifically any failure to exercise any right, remedy or recourse shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and

then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower hereby waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and non-payment, bringing of suit and diligence in taking any action to collect any sums owing hereunder, and agrees that its liability on this Note shall not be affected by any release of or change in any security for the payment of this Note.

Borrower shall have the right to prepay this Note in whole or in part at any time without penalty or premium.

Any provision of this Note or corresponding Agreement, that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Note.

Borrower agrees that the laws of the State apply to this Note. Any legal action or proceedings brought to enforce or interpret the terms of this Note shall be initiated and maintained in the courts of the State of California or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

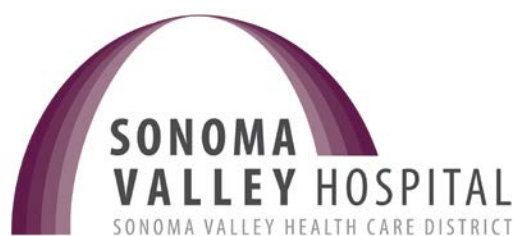
BORROWER NAME,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____



Healing Here at Home

To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: February 22, 2022
Subject: Fiscal Year 2023 Budget Assumptions

VOLUME

- Based upon the 7 months from July 2021 to January 2022 annualized.
- CT – 10% increase in OP referral volumes beginning January 2023.
- GI Procedures – Increased OP GI procedures volumes to FY 2019 levels (25%) beginning January 2023.

GROSS REVENUE

- OP gross revenue increased by the volume assumptions above.
- Gross price increase of 6% - this is allowed by most SVH commercial contracts (analysis provided by Para)

CONTRACTUAL ALLOWANCES

- Assume current collection rates and adjust allowance for 6% price increase.
- Payer Mix will be based upon current payer payment percentages.
- Intergovernmental and supplemental payments include the 12-month Rate Range and HQAF IGT as well as Medi-Cal AB915.

WAGES AND BENEFITS

- 2% increase for salaries at January 2023.
- Base wage increases per Human Resources analysis based on current market.
- Add project managers (2) (Epic and ODC/ICU renovations) (Foundation to cover \$100k annually for FY 23 and FY 24 for ODC/ICU project manager).
- Employee benefits will be based upon actual experience and estimates from the providers.

PHYSICIAN FEES & PROFESSIONAL FEES

- Based upon current costs or final contract arrangements.
- UCSF Management fees will be based on current invoices plus the addition of the Chief Financial Officer

SUPPLIES/FOOD

- Based on current volumes
- Plus 2 - 4% increase to reflect inflation.
- Additional increases as needed per department based on increases in CT and GI volumes.

PURCHASED SERVICES

- Purchased Services based on current and projected services by department
- IT costs will include the continuation of the Paragon Allscripts extension which ends February 2023.
- Paragon Allscripts ERP costs beginning March 2023
- Epic monthly fees beginning in December 2022 plus elimination of various IT contracts no longer necessary with Epic.

DEPRECIATION

- Current, plus adjustments for new equipment and building improvements (CT and Epic).

INSURANCE

- Will confirm with insurance agent.

INTEREST

- Current, will adjust for expiring leases/loans and project for any new loans.

UTILITIES

- Current and expected future rates to be reviewed.

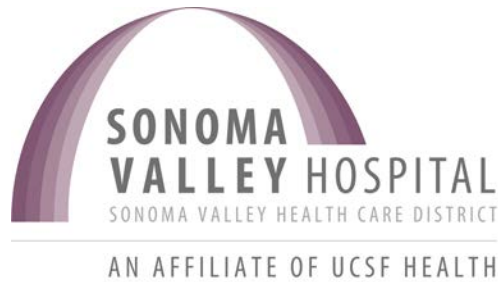
OTHER EXPENSES

- Rent/leases- current, will adjust for any new expected leases and remove any expiring.
- All other, no increase
- Will review by department

Notes:

- Administration is currently working on strategic plans involving orthopedic surgeries and cardiology testing. Assumptions based on these plans could be included in the FY 2023 budget and will be discussed in finance committee during the monthly budget review.





To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: February 22, 2022
Subject: Financial Report for the Month Ending January 31, 2022

For the month of January the hospital's actual operating margin of (\$619,762) was (\$80,721) unfavorable to the budgeted operating margin of (\$539,041). After accounting for all other activity; the net loss for January was (\$2,538) vs. the budgeted net income of \$500,193 with a monthly EBDA of -2.3% vs. a budgeted 0.8%.

Gross patient revenue for January was \$24,756,393; \$1,397,690 over budget. Inpatient gross revenue was under budget by (\$594,946). Inpatient days were under budget by (7) days and inpatient surgeries were under budget by (9) cases. Outpatient gross revenue was over budget by \$865,350. Outpatient visits were under budget by (96) visits, outpatient surgeries were over budget by 1 case, and special procedures were over budget by 7 cases. The Emergency Room gross revenue was over budget by \$1,127,286 with ER visits over budgeted expectations by 71 visits.

Deductions from revenue were unfavorable to budgeted expectations by (\$1,314,095) due to higher gross revenue than budgeted. Revenue deductions were offset by the accrual of the Medi-Cal AB915 outpatient supplemental payment to be received by fiscal year-end.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$106,356.

Operating Expenses of \$4,806,087 were unfavorable to budget by (\$187,077). Salaries and wages were under budget by \$143,666 and agency fees are over by (\$141,590). Employee benefits were over by (\$31,127) and paid time off was over by (73,380) due to the PTO liability adjustment from the 2% salary increase. Professional fees were over budget by (\$64,635) due to higher than budgeted UCSF management costs including the new IT director. Supplies are over budget by (\$19,624) in various clinical departments where volumes were higher than budgeted. Other expenses were over budget due to recruitment costs (\$32,354) for a clinical lab scientist.



After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for January was (\$326,198) vs. a budgeted net loss of (\$221,398). The total net loss for January after all activity was (\$2,538) vs. a budgeted net income of \$500,193.

EBDA for the month of January was -2.3% vs. the budgeted 0.8%.

Patient Volumes – January

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	65	84	-19	63
Acute Patient Days	276	283	-7	230
Observation Days	17	0	17	15
OP Gross Revenue	\$18,724	\$16,731	\$1,993	\$13,618
Surgical Cases	112	120	-8	102

Gross Revenue Overall Payer Mix – January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	38.7%	39.6%	-0.9%	36.9%	39.6%	-2.7%
Medicare Mgd Care	18.3%	15.5%	2.8%	16.9%	15.5%	1.4%
Medi-Cal	19.7%	19.1%	0.6%	16.8%	19.1%	-2.3%
Self Pay	0.8%	1.1%	-0.3%	1.7%	1.1%	0.6%
Commercial	20.1%	21.6%	-1.5%	24.8%	21.6%	3.2%
Workers Comp	2.4%	3.1%	-0.7%	2.9%	3.1%	-0.2%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for January:

For the month of January the cash collection goal was \$3,631,028 and the Hospital collected \$3,607,292 or under the goal by (\$23,736). The year-to-date cash collection goal was \$26,162,317 and the Hospital has collected \$25,687,065 or under goal by (\$475,252).

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	54.3	46.3	17.7	30.6
Accounts Receivable Days	41.4	41.2	0.2	53.7
Accounts Payable	\$4,248,742	\$3,640,716	\$608,026	\$3,391,691
Accounts Payable Days	52.1	44.9	7.2	47.4

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 January 31, 2022

ATTACHMENT A

	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Gross Revenue:								
Medicare	9,596,926	9,279,628	317,298	3.4%	61,910,987	60,361,532	1,549,455	2.6%
Medicare Managed Care	4,519,690	3,608,963	910,727	25.2%	28,463,039	23,463,125	4,999,914	21.3%
Medi-Cal	4,864,453	4,446,556	417,897	9.4%	28,225,662	28,957,680	-732,018	-2.5%
Self Pay	201,045	246,415	-45,370	-18.4%	2,886,711	1,613,797	1,272,914	78.9%
Commercial & Other Government	4,985,468	5,060,177	-74,709	-1.5%	41,918,027	33,012,435	8,905,592	27.0%
Worker's Comp.	588,811	716,964	-128,153	-17.9%	4,938,797	4,678,392	260,405	5.6%
Total	24,756,393	23,358,703	1,397,690		168,343,223	152,086,961	16,256,262	

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Net Revenue:								
Medicare	1,100,767	1,037,877	62,890	6.1%	6,916,340	7,251,147	-334,807	-4.6%
Medicare Managed Care	450,161	416,474	33,687	8.1%	3,014,799	2,682,644	332,155	12.4%
Medi-Cal	479,149	468,222	10,927	2.3%	2,892,720	3,019,244	-126,524	-4.2%
Self Pay	74,769	92,972	-18,203	-19.6%	1,204,231	608,886	595,345	97.8%
Commercial & Other Government	1,442,973	1,519,065	-76,092	-5.0%	11,001,808	9,475,347	1,526,461	16.1%
Worker's Comp.	88,793	132,710	-43,917	-33.1%	829,387	853,526	-24,139	-2.8%
Prior Period Adj/IGT	449,303	335,000	114,303	34.1%	4,498,600	6,835,000	-2,336,400	-34.2%
Total	4,085,915	4,002,320	83,595	2.1%	30,357,885	30,725,794	(367,909)	-1.2%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Percent of Net Revenue:								
Medicare	26.9%	25.9%	1.0%	3.9%	22.8%	23.6%	-0.9%	-3.8%
Medicare Managed Care	11.0%	10.4%	0.6%	5.8%	9.9%	8.7%	1.2%	13.8%
Medi-Cal	11.7%	11.7%	0.0%	0.0%	9.5%	9.8%	-0.3%	-3.1%
Self Pay	1.8%	2.3%	-0.5%	-21.7%	4.0%	2.0%	2.0%	100.0%
Commercial & Other Government	35.4%	38.0%	-2.6%	-6.8%	36.3%	30.9%	5.4%	17.5%
Worker's Comp.	2.2%	3.3%	-1.1%	-33.3%	2.7%	2.8%	-0.1%	-3.6%
Prior Period Adj/IGT	11.0%	8.4%	2.6%	31.0%	14.8%	22.2%	-7.4%	-33.3%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Projected Collection Percentage:								
Medicare	11.5%	11.2%	0.3%	2.7%	11.2%	12.0%	-0.8%	-6.7%
Medicare Managed Care	10.0%	11.5%	-1.5%	-13.0%	10.6%	11.4%	-0.8%	-7.0%
Medi-Cal	9.9%	10.5%	-0.6%	-5.7%	10.2%	10.4%	-0.2%	-1.9%
Self Pay	37.2%	37.7%	-0.5%	-1.3%	41.7%	37.7%	4.0%	10.6%
Commercial & Other Government	28.9%	30.0%	-1.1%	-3.7%	26.2%	28.7%	-2.5%	-8.7%
Worker's Comp.	15.1%	18.5%	-3.4%	-18.4%	16.8%	18.2%	-1.4%	-7.7%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended January 31, 2022**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual</u> <u>01/31/22</u>	<u>Budget</u> <u>01/31/22</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>		<u>Actual</u> <u>01/31/22</u>	<u>Budget</u> <u>01/31/22</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>	<u>Prior</u> <u>Year</u> <u>01/31/21</u>
Inpatient Utilization								
Discharges								
1	48	67	(19)	Med/Surg	331	405	(74)	359
2	17	17	-	ICU	107	105	2	90
3	65	84	(19)	Total Discharges	438	510	(72)	449
Patient Days:								
4	170	186	(16)	Med/Surg	1,211	1,206	5	1,211
5	106	97	9	ICU	617	632	(15)	634
6	276	283	(7)	Total Patient Days	1,828	1,838	(10)	1,845
7	17	-	17	Observation days	167	-	167	138
Average Length of Stay:								
8	3.5	2.8	0.8	Med/Surg	3.7	3.0	0.7	3.4
9	6.2	5.7	0.5	ICU	5.8	6.0	(0.3)	7.0
10	4.2	3.4	0.9	Avg. Length of Stay	4.2	3.6	0.6	4.1
Average Daily Census:								
11	5.5	6.0	(0.5)	Med/Surg	5.6	5.6	0.0	5.6
12	3.4	3.1	0.3	ICU	2.9	2.9	(0.1)	2.9
13	8.9	9.1	(0.2)	Avg. Daily Census	8.5	8.5	(0.0)	8.6
Other Utilization Statistics								
Emergency Room Statistics								
14	723	652	71	Total ER Visits	5,355	4,294	1,061	4,828
Outpatient Statistics:								
15	4,546	4,642	(96)	Total Outpatients Visits	32,300	31,351	949	26,820
16	9	18	(9)	IP Surgeries	71	114	(43)	109
17	103	102	1	OP Surgeries	735	669	66	692
18	51	44	7	Special Procedures	378	291	87	302
19	267	296	(29)	Adjusted Discharges	1,978	1,814	164	1,633
20	1,132	996	136	Adjusted Patient Days	8,232	6,526	1,706	6,666
21	36.5	32.1	4.4	Adj. Avg. Daily Census	38.3	30.4	7.9	31.0
22	1.5254	1.4000	0.125	Case Mix Index - Medicare	1.4078	1.4000	0.008	1.6229
23	1.5037	1.4000	0.104	Case Mix Index - All payers	1.3790	1.4000	(0.021)	1.5107
Labor Statistics								
24	200	212	12	FTE's - Worked	203	207	3.4	205
25	223	234	11	FTE's - Paid	227	228	1.3	227
26	47.90	45.61	(2.29)	Average Hourly Rate	45.87	44.68	(1.19)	46.42
27	6.11	7.30	1.19	FTE / Adj. Pat Day	5.93	7.52	1.59	7.32
28	34.8	41.6	6.8	Manhours / Adj. Pat Day	33.8	42.9	9.1	41.7
29	147.8	140.1	(7.7)	Manhours / Adj. Discharge	140.7	154.2	13.6	170.2
30	26.7%	24.3%	-2.4%	Benefits % of Salaries	24.5%	24.6%	0.1%	21.6%
Non-Labor Statistics								
31	16.0%	14.3%	-1.6%	Supply Expense % Net Revenue	16.4%	12.7%	-3.6%	15.6%
32	2,227	1,941	(286)	Supply Exp. / Adj. Discharge	2,154	2,156	1	2,360
33	18,226	15,906	(2,320)	Total Expense / Adj. Discharge	17,600	18,997	1,397	19,874
Other Indicators								
34	59.7			Days Cash - Operating Funds				
35	41.4	50.0	(8.6)	Days in Net AR	42.2	50.0	(7.8)	51.6
36	100%			Collections % of Net Revenue	98%			94.4%
37	52.1	55.0	(2.9)	Days in Accounts Payable	52.1	55.0	(2.9)	46.8
38	15.0%	17.2%	-2.1%	% Net revenue to Gross revenue	15.5%	20.2%	-4.7%	18.1%
39	14.9%			% Net AR to Gross AR	14.9%			15.8%

Sonoma Valley Health Care District
Balance Sheet
As of January 31, 2022

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 3,205,068	\$ 3,147,129	\$ 2,494,590
2 Cash - Money Market	5,843,923	3,843,684	1,737,760
3 Net Patient Receivables	6,940,346	6,560,757	6,135,924
4 Allow Uncollect Accts	(2,001,175)	(1,804,420)	(817,681)
5 Net A/R	4,939,171	4,756,337	5,318,243
6 Other Accts/Notes Rec	1,950,454	1,973,768	1,258,821
7 Parcel Tax Receivable	1,665,888	1,665,888	1,753,089
8 GO Bond Tax Receivable	1,225,217	2,601,816	1,411,343
9 3rd Party Receivables, Net	1,637,526	3,905,706	2,204,474
10 Inventory	1,043,635	1,036,379	892,737
11 Prepaid Expenses	945,661	739,622	751,562
12 Total Current Assets	\$ 22,456,543	\$ 23,670,329	\$ 17,822,619
13 Property, Plant & Equip, Net	\$ 51,704,726	\$ 51,734,067	\$ 52,781,967
14 Trustee Funds - GO Bonds	5,091,525	3,714,896	5,111,640
15 Designated Funds - Board Approved	1,000,000	1,000,000	1,000,000
16 Total Assets	\$ 80,252,794	\$ 80,119,292	\$ 76,716,226
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 4,248,742	\$ 3,640,716	\$ 3,391,691
18 Accrued Compensation	3,573,156	3,414,761	3,511,478
19 Interest Payable - GO Bonds	263,605	211,709	538,373
20 Accrued Expenses	2,183,118	2,294,936	1,620,609
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	1,583,335	1,900,002	1,583,319
23 Deferred GO Bond Tax Revenue	1,159,061	1,390,873	1,378,830
24 Current Maturities-LTD	348,292	348,292	300,918
25 Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26 Other Liabilities	1,586,783	1,595,483	219,146
27 Total Current Liabilities	\$ 20,419,826	\$ 20,270,506	\$ 18,018,098
28 Long Term Debt, net current portion	\$ 25,060,409	\$ 25,073,689	\$ 27,223,657
Fund Balances:			
29 Unrestricted	\$ 19,135,119	\$ 19,281,400	\$ 17,081,227
30 Restricted	15,637,440	15,493,697	14,393,244
31 Total Fund Balances	\$ 34,772,559	\$ 34,775,097	\$ 31,474,471
32 Total Liabilities & Fund Balances	\$ 80,252,794	\$ 80,119,292	\$ 76,716,226

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended January 31, 2022**

ATTACHMENT D

	Month				Year-To-Date				YTD	
	This Year		Variance		This Year		Variance		Prior Year	
	Actual		\$	%	Actual	Budget	\$	%		
Volume Information										
1	65	84	(19)	-23%						449
2	276	283	(7)	-2%						1,845
3	17	-	17	0%						138
4	\$ 18,724	\$ 16,731	\$ 1,993	12%	\$ 130,893	\$ 109,317	\$ 21,576	20%	\$ 99,053	
Financial Results										
Gross Patient Revenue										
5	\$ 6,032,580	\$ 6,627,526	(594,946)	-9%	\$ 37,450,006	\$ 42,769,692	(5,319,686)	-12%	\$ 37,897,610	
6	11,439,679	10,574,329	865,350	8%	79,900,165	69,012,052	10,888,113	16%	59,819,190	
7	7,284,134	6,156,848	1,127,286	18%	50,993,052	40,305,217	10,687,835	27%	39,455,784	
8	\$ 24,756,393	\$ 23,358,703	1,397,690	6%	\$ 168,343,223	\$ 152,086,961	16,256,262	11%	\$ 137,172,584	
Total Gross Patient Revenue										
Deductions from Revenue										
9	(20,959,676)	(19,513,812)	(1,445,864)	-7%	\$ (141,025,143)	\$ (126,953,170)	(14,071,973)	-11%	\$ (111,418,006)	
10	(150,000)	(150,000)	-	0%	(1,400,000)	(1,050,000)	(350,000)	-33%	(810,000)	
11	(10,105)	(27,571)	17,466	63%	(58,795)	(192,997)	134,202	70%	(193,000)	
12	449,303	335,000	114,303	34%	4,498,600	6,835,000	(2,336,400)	-34%	-	
13	\$ (20,670,478)	\$ (19,356,383)	(1,314,095)	7%	\$ (137,985,338)	\$ (121,361,167)	(16,624,171)	14%	\$ (112,421,006)	
Total Deductions from Revenue										
Net Patient Service Revenue										
14	\$ 4,085,915	\$ 4,002,320	83,595	2%	\$ 30,357,885	\$ 30,725,794	(367,909)	-1%	\$ 24,751,578	
Other Op Rev & Electronic Health Records										
15	\$ 100,410	\$ 77,649	22,761	29%	\$ 678,405	\$ 633,543	44,862	7%	\$ 588,202	
16	\$ 4,186,325	\$ 4,079,969	106,356	3%	\$ 31,036,290	\$ 31,359,337	\$ (323,047)	-1%	\$ 25,339,780	
Total Operating Revenue										
Operating Expenses										
17	\$ 1,886,915	\$ 1,888,991	2,076	0%	\$ 12,761,332	\$ 12,499,493	(261,839)	-2%	\$ 12,908,791	
18	814,264	709,757	(104,507)	-15%	4,869,880	4,740,607	(129,273)	-3%	4,618,060	
19	\$ 2,701,179	\$ 2,598,748	(102,431)	-4%	\$ 17,631,212	\$ 17,240,100	(391,112)	-2%	\$ 17,526,851	
20	\$ 577,705	\$ 513,070	(64,635)	-13%	\$ 4,020,351	\$ 3,584,984	(435,367)	-12%	\$ 2,980,434	
21	593,608	573,984	(19,624)	-3%	4,260,415	3,909,534	(350,881)	-9%	3,855,369	
22	397,944	405,938	7,994	2%	3,002,947	2,781,091	(221,856)	-8%	3,039,761	
23	229,637	252,880	23,243	9%	1,659,188	1,770,160	110,972	6%	1,791,560	
24	94,007	105,863	11,856	11%	869,888	814,368	(55,520)	-7%	856,867	
25	57,687	46,909	(10,778)	-23%	363,187	328,363	(34,824)	-11%	315,569	
26	16,971	17,966	995	6%	115,335	125,762	10,427	8%	125,765	
27	137,349	103,652	(33,697)	-33%	783,388	709,463	(73,925)	-10%	717,400	
28	-	-	-	*	1,523,042	2,600,000	1,076,958	-41%	620,237	
29	\$ 4,806,087	\$ 4,619,010	(187,077)	-4%	\$ 34,228,953	\$ 33,863,825	(365,128)	-1%	\$ 31,829,813	
Operating expenses										
Operating Margin										
30	\$ (619,762)	\$ (539,041)	(80,721)	-15%	\$ (3,192,663)	\$ (2,504,488)	(688,175)	-27%	\$ (6,490,033)	

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended January 31, 2022**

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ (8,303)	\$ 976	(9,279)	-951%						\$ 35,514	
32	-	-	-	0%	Miscellaneous Revenue/(Expenses)	\$ (68,936)	\$ 6,832	(75,768)	*	\$ 498	
33	-	-	-	*	Donations	20,459	-	20,459	0%	0	
34	316,667	316,667	-	0%	Physician Practice Support-Prima	-	-	-	*	2,216,669	
35	(14,800)	-	(14,800)	0%	Parcel Tax Assessment Rev	2,216,669	2,216,669	-	0%	36	
36	\$ 293,564	\$ 317,643	(9,279)	-8%	Extraordinary Items	(61,767)	-	(61,767)	0%	\$ 2,252,717	
					Total Non-Operating Rev/Exp	\$ 2,106,425	\$ 2,223,501	(55,309)	-5%		
37	\$ (326,198)	\$ (221,398)	(104,800)	47%	Net Income / (Loss) prior to Restricted Contributions	\$ (1,086,238)	\$ (280,987)	(743,484)	265%	\$ (4,237,316)	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ 143,743	\$ 523,803	(380,060)	0%	Restricted Foundation Contributions	\$ 419,884	\$ 3,666,621	(3,246,737)	100%	\$ 5,098,311	
40	\$ (182,455)	\$ 302,405	(484,860)	-160%	Net Income / (Loss) w/ Restricted Contributions	\$ (666,354)	\$ 3,385,634	(4,051,988)	-120%	\$ 860,995	
41	179,917	197,788	(17,871)	-9%	GO Bond Activity, Net	1,044,333	1,378,433	(334,100)	-24%	1,296,538	
42	\$ (2,538)	\$ 500,193	(502,731)	-101%	Net Income/(Loss) w GO Bond Activity	\$ 377,979	\$ 4,764,067	(4,386,088)	-92%	\$ 2,157,533	
	\$ (96,561)	\$ 31,482	(128,043)		EBDA - Not including Restricted Contributions	\$ 572,950	\$ 1,489,173	(916,223)		\$ (2,445,756)	
	-2.3%	0.8%				1.8%	4.7%			-9.7%	

* Operating Margin without Depreciation expense:

\$ (619,762)	\$ (539,041)	\$ (80,721)	-15%	Operating Margin	\$ (3,192,663)	\$ (2,504,488)	\$ (688,175)	-27%	\$ (6,490,033)
229,637	252,880	23,243	9%	Add back Depreciation	1,659,188	1,770,160	110,972	6%	1,791,560
\$ (390,125)	\$ (286,161)	\$ (57,478)	-36%	Operating Margin without Depreciation expense	\$ (1,533,475)	\$ (734,328)	\$ (577,203)	-109%	\$ (4,698,473)

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended January 31, 2022**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	(261,839)	2,076	Salaries and wages are under budget by \$143,666 and agency fees are over by (\$141,590). Agency fees are over budget in ICU, emergency room, surgery, respiratory therapy, radiology, MRI, OP physical therapy and environmental services.
Employee Benefits	(129,273)	(104,507)	Paid time off is over budget by (\$73,380) due to the PTO liability adjustment from the 2% salary increase and employee benefits are over by (\$31,127).
Total People Cost	(391,112)	(102,431)	
Med and Prof Fees (excl Agency)	(435,367)	(64,635)	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	(350,881)	(19,624)	Supplies are over in various clinical departments due to higher than budgeted volumes.
Purchased Services	(221,856)	7,994	
Depreciation	110,972	23,243	
Utilities	(55,520)	11,856	
Insurance	(34,824)	(10,778)	
Interest	10,427	995	
Other	(73,925)	(33,697)	Other expenses are over budget due to recruiting costs for a clinical lab scientist.
Matching Fees (Government Programs)	1,076,958	-	
Operating expenses	(365,128)	(187,077)	

Sonoma Valley Hospital
Cash Forecast
FY 2022

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual 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	3,899,456	4,078,858	3,650,080	3,651,994	3,715,092	3,543,740	3,660,679	3,579,175	44,448,966
2 Other Operating Revenue	50,926	33,133	27,360	158,301	168,773	44,417	57,192	80,485	80,485	80,485	80,485	80,485	942,527
3 Other Non-Operating Revenue	10,121	10,229	9,624	10,574	10,823	9,676	11,783	14,516	14,516	14,516	14,516	14,518	145,412
4 Unrestricted Contributions	14,875			6,564	12,201		8,303						41,942
5 Line of Credit													-
Sub-Total Hospital Sources	3,844,535	3,647,375	3,778,079	3,731,610	4,091,253	4,132,951	3,727,358	3,746,995	3,810,093	3,638,741	3,755,680	3,674,178	45,578,847
Hospital Uses of Cash													
6 Operating Expenses	5,686,921	4,339,055	4,171,999	4,009,059	3,881,749	5,466,683	4,329,164	4,594,515	4,280,801	4,184,506	4,256,798	4,216,081	53,417,330
7 Add Capital Lease Payments	116,550	26,560	34,320	20,919	15,355	93,827	13,280	14,502	14,502	14,502	14,502	82,109	460,928
8 Additional Liabilities/LOC													-
9 Capital Expenditures	114,099	104,421	21,501	56,972	29,172	308,751	190,985	2,035,500	445,500	445,500	638,012	638,012	5,028,425
Total Hospital Uses	5,917,571	4,470,037	4,227,821	4,086,949	3,926,275	5,869,260	4,533,429	6,644,517	4,740,803	4,644,508	4,909,312	4,936,202	58,906,684
Net Hospital Sources/Uses of Cash	(2,073,036)	(822,662)	(449,742)	(355,339)	164,978	(1,736,310)	(806,072)	(2,897,522)	(930,710)	(1,005,767)	(1,153,632)	(1,262,024)	(13,327,837)
Non-Hospital Sources													
10 Restricted Cash/Money Market			1,000,000	2,000,000	(1,203,742)		(2,000,000)						(203,742)
11 Restricted Capital Donations	107,079	101,291	27,342	19,084	8,258		146,527	333,000	333,000	333,000	525,512	525,511	2,459,604
12 Parcel Tax Revenue	164,000					2,134,112				1,662,000			3,960,112
13 Other Payments - Ins. Claims/HHS/Grants/Loans					1,203,742	173,982			308,000	462,000	850,000		2,997,724
14 Other:													-
15 IGT			51,360				2,717,483	1,298,801				89,000	4,156,644
16 IGT - AB915			70,338								382,000		452,338
17 QIP					42,180					156,964			199,144
Sub-Total Non-Hospital Sources	271,080	101,291	1,149,040	2,019,084	50,438	2,308,094	864,010	1,631,801	641,000	2,613,964	1,757,512	614,511	14,021,824
Non-Hospital Uses of Cash													
18 Matching Fees		29,494		1,096,301		398,059		78,482			44,500		1,646,836
Sub-Total Non-Hospital Uses of Cash	-	29,494	-	1,096,301	-	398,059	-	78,482	-	-	44,500	-	1,646,836
Net Non-Hospital Sources/Uses of Cash	271,080	71,797	1,149,040	922,783	50,438	1,910,035	864,010	1,553,319	641,000	2,613,964	1,713,012	614,511	12,374,989
Net Sources/Uses	(1,801,956)	(750,865)	699,298	567,444	215,416	173,725	57,939	(1,344,203)	(289,710)	1,608,197	559,380	(647,513)	
Operating Cash at beginning of period	4,044,067	2,242,111	1,491,246	2,190,544	2,757,988	2,973,404	3,147,129	3,205,068	1,860,865	1,571,155	3,179,352	3,738,732	
Operating Cash at End of Period	2,242,111	1,491,246	2,190,544	2,757,988	2,973,404	3,147,129	3,205,068	1,860,865	1,571,155	3,179,352	3,738,732	3,091,219	
Money Market Account Balance - Undesignated	5,638,824	5,639,115	4,639,373	2,639,564	3,843,478	3,843,684	5,843,923	5,843,923	5,843,923	6,843,923	6,843,923	6,843,923	
Total Cash at End of Period	7,880,935	7,130,361	6,829,917	5,397,552	6,816,883	6,990,813	9,048,991	7,704,788	7,415,078	10,023,275	10,582,655	9,935,142	
Average Days of Cash on Hand	58.8	52.3	45.5	40.0	36.6	46.3	54.3						
Days of Cash on Hand at End of Month	54.6	50.1	47.3	35.3	45.1	46.0	59.7	52.4	50.4	68.2	72.0	67.6	



To: SVHCD Board of Directors
From: John Hennelly
Date: 03.03.22
Subject: Administrative Report

January proved to be the most challenging month of the pandemic thus far. **Covid** census in the ICU was 1-3 every day of the month. ED visits were up 10-20% each day. 8-12 staff members were held out of service due to community exposure on any given day. The hospital was testing hundreds of people each week and the positivity rate was over 10% for an extended part of the month. It was truly all hands on deck as leadership worked shifts across the organization. During this peak, we maintained all services.

Given the volume of Covid patients on top of a normally busy winter season, statistics continued along the trend we've seen for the first half of the fiscal year. Despite the surge, **quality metrics were all green** meaning meeting or exceeding targets for the month *in every category*. That is truly extraordinary work by our clinical teams!

While busy, January **financial performance** did not meet expectations. Outpatient volumes and revenues again exceeded budget while inpatient fell short. Of note, outpatient gross revenues were up roughly 40% over last year. Surgeries were up 9%. Labor and supplies drove the negative variances. Days cash continues to grow as projected, currently at 54 versus last year at 30.

The **ODC project** is underway again with SKA doing their architectural work and GMH preparing to do investigative work under SKA's direction. The focus for this first quarter of CY22 is to coordinate with HCAI (OSHPD) to insure we're resolving the open items as identified by HCAI. Once the scope of work to gain occupancy for the new CT (phase 1) is finalized, we will negotiate a contract with GMH. We expect construction toward this goal to start in earnest in May. Phase 2, the decommissioning of the old CT and the renovation of that and surrounding spaces will start as soon as occupancy is granted by HCAI.

The **EPIC** team is formulating the schedule for the December go live. Significant activity will begin in June.

Another note of thanks to our exceptional CMO, Dr Sabrina Kidd, who will be leaving us on 3/8/22. While she's taking a full time roll in Santa Rosa, she will remain available to us during our transition for urgent issues. Her responsibilities will be distributed to other leaders until a new CMO is brought on board.

Update from 2025 Strategic Plan:

Strategic Priorities	Update
Enhance Quality and Services through the affiliation with UCSF Health	<ul style="list-style-type: none"> ➤ We continue to focus on building relationships within the UCSF network <ul style="list-style-type: none"> ○ GI ○ Primary Care (Marin Health MG) ○ Gyn ➤ We are exploring contracting arrangements with various entities to create the best environment for recruiting physicians. ➤ Ben Armfield started as the new CFO effective 2/28/22.
Exceed Community Expectations especially in Emergency Services	<ul style="list-style-type: none"> ➤ The hospital continues to provide guidance to our community regarding Covid guidelines. ➤ The hospital has expanded availability of testing to the community through the hospital drive through. Appointments still need to be referred by a primary care physician. ➤ Phase 1 of the ODC is underway. Architectural review in concert with GMH and HCAI should be completed in April. ➤ Engagement continues with community groups and community members.
Ensure Patients receive Excellent, Safe care	<ul style="list-style-type: none"> ➤ Covid screening protocols continue to be deployed throughout the hospital. As Omicron wanes, visitors are again permitted in the hospital. ➤ Implementation of Epic is in the planning phase. Go live scheduled for December 2022.
Provide Access to Excellent Physicians	<ul style="list-style-type: none"> ➤ The team continues to work on recruitment efforts to bring MDs to Sonoma. Focus currently on primary care and surgery.
Be a Healthy Hospital	<ul style="list-style-type: none"> ➤ We continue to strive for all staff to be fully vaccinated to minimize the risk of severe illness. All staff must be vaccinated or have received a waiver by 2/28/22. SVH employees and medical staff are 98% vaccinated and 96% boosted. Those without vaccines or boosters are either exempted or on leaves of absences.

SVH Performance Score Card

1. Quality and Safety

Objective	Target	DEC. 21	JAN. 22	Trend	Supporting detail
Infection Prevention					
Central Line Blood Stream Infection CLABSI per 10k pt days	<1	0.0	0.0	↔	
Catheter Associated Urinary Tract Infection- CAUTI per 10k pt days	<1	0.0	0.0	↔	
CDIFF Infection per 10k pt days	<0.9	0.0	0.0	↔	
Safety					
Patient Fall per 1000 pt days	<3.75	0.0	0.0	↔	Zero falls December and January
Patient fall with injury per 1000 pt days	<3.75	0.0	0.0	↔	
Surgical Site Infections per 1000 Acute Care Admissions	0.00	0.0	0/0	↔	

Core Measures					
Sepsis Early Management Bundle % compliant	>81%	66.7 (n=6)	100 (n=5)	↑	Improvement seen month over month
Severe Sepsis 3 hour Bundle % compliant	>94%	83.3 (n=6)	100 (n=5)	↑	
Severe Sepsis 6 hr Bundle % compliant	100.00	100 (n=1)	100 (n=4)	↔	
Core OP 23- Head CT within 45 mins % compliant	100.00	100 (n=1)	100 (n=2)	↔	

Mortality					
Acute Care Mortality Rate %	<15.3	1.7	6.2	↔	

ED					
Core OP 18b Median Time ED arrival to ED Departure mins	<132	124.5 (n=32)	118 (n=32)	↑	
Core Op 22 ED Left without being seen LWBS	<2%	1.1	2.8	↓	

PSI 90					
PSI 90 Composite Acute Care Admissions	0.00	0.0	0.0	↔	

Preventable Harm					
Preventable Harm Events Rate	0.00	0.2	0.4	↔	Target 0, Alarm set at 5.0

Readmissions					
Readmissions to Acute Care within 30 days %	<15.3	15.09	8.77	↑	Lower is better

2. Employees

Objective	Target	DEC. 21	JAN. 22	Trend	Supporting Detail
Turnover	<3%	1.4	1.5	↔	
Workplace Injuries	<20 Per Year	4 (Qtr 4)	2 (Qtr1)	↔	Injuries reported per Quarter

3. Patient Experience

Objective	Target	NOV. 21	DEC. 21	Trend	Supporting Detail
Outpatient Ambulatory Services					
Recommend Facility	>50%	91.0	54.0	↓	
Communication	>60%	1.0	86.0	↑	
Discharge Instructions	>70%	9.0	75.0	↑	
HCAHPS					
Recommend the hospital	>50%	68.0	94.0	↑	
Communication with Nurse	>50%	28.0	29.0	↑	
Communication with Doctor	>50%	29.0	78.0	↑	
Cleanliness of Hospital	>50%	34.0	1.0	↓	
Communication about medicines	>60%	7.0	42.0	↑	
Discharge Information	>50%	7.0	42.0	↑	

4. Volume

Objective	Target	DEC. 21	JAN. 22	Trend	Supporting Detail
Patient Visits					
Emergency Visits	>750	764.0	723.0	↓	
Surgical Volume Outpatient	>80	107.0	103.0	↔	
Surgical Volume Inpatient	>13	12.0	9.0	↓	
Inpatient Discharges	>50	60.0	65.0	↑	

5. Financial

Objective	Target	DEC. 21	Jan. 21	Trend	Supporting Detail
EBDA in %	0.5	2.5	-2.3	↓	
Days Cash on Hand month end	42	46.3	54.3	↑	
Net Revenue \$M	49	26.0	30.4	↑	



Scorecard Definitions for Quality Metrics

Central Line Associated Blood Stream Infection (CLABSI)

Blood stream infection found in a patient with a central line in place and has been >48 hours since admission.

Catheter Associated Urinary Tract Infection (CAUTI)

Urinary tract infection found in a patient who has a catheter in place and has been >48hrs since admission.

CDIFF (Clostridium Difficile)

Clostridium Difficile found from a stool sample in a patient that has been admitted >48hrs

Sepsis Early Management

Obtain Blood Cultures BEFORE antibiotics

Administer Antibiotics

Obtain Lactate Level

Lactate Level repeated (if elevated)

Severe Sepsis 3 hour bundle

All above included plus-

Administer 30ml/kg of crystalloid for hypotension or Lactate >4

Focused MD exam

Severe Sepsis 6 hour bundle (septic shock only)

Lactate greater than 4 or

If persistent hypotension with 1 hour of fluid administration add Vasopressor

Shock reassessment by physician

Mortality

Acute care mortality benchmark is derived from CMS 5-star rating benchmark

PSI 90

Summarizes patient safety across multiple indicators including-

Pressure Ulcers

Falls with Hip Fracture

Perioperative (while in surgery) complications

Postoperative complications

Preventable Harm

Unintended physical injury resulting from or contributed to by medical care (including the absence of indicated medical treatment), that requires additional monitoring, treatment or hc
Goal is 0, Alarm is 5.0

Readmissions

Percentage of patients that get readmitted to the hospital within 30 days of discharge.



To: SVHCD Board of Directors
From: Sabrina Kidd, MD
Meeting Date: March 3, 2022
Subject: CMO Report

February Highlights Included:

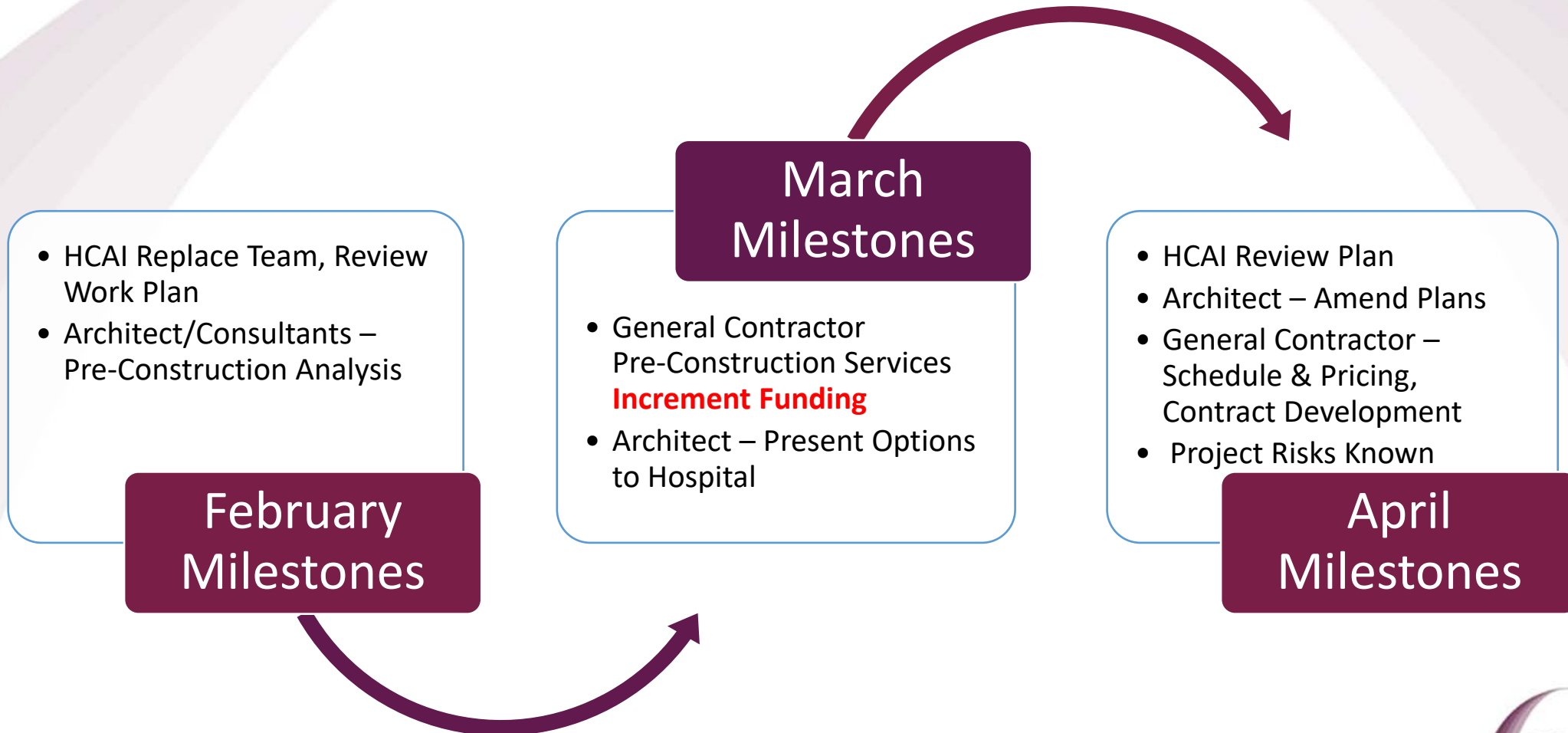
1. COVID-19:
 - a. Case numbers, ED visits, hospitalizations, and test positivity rates all saw dramatic declines throughout February.
 - b. We have relaxed our visitation policy, but all visitors must either be Up To Date with their vaccinations (Boosted if eligible) or have a negative non-home COVID-19 test within 24 hours for Antigen tests or within 48 hours for PCR tests.
 - c. We submitted an application to the Health Care Coalition (County Disaster Group) for a grant to purchase and additional 6 CAPRs (respirators).
2. EPIC Implementation:
 - a. We are recruiting for an EPIC Project Manager and have finalized the contract with Providence Community Technologies. We remain on schedule for our reserved December 3, 2022 “Go Live” date.
3. Med-Surg / ICU / Surgery / ED Updates:
 - a. In order to stabilize staffing, a “Staffing Incentive Plan” was rolled out for nursing services.
4. Valley of the Moon SNF:
 - a. Mike Empey has moved up within Ensign. Our new VOM Director is Mike Tully.
5. Medical Staff:
 - a. February meetings included: Quarterly General Medical Staff Meeting, MEC/Peer Review, PI/PT.
 - b. We developed a new algorithm for the work up of acute chest pain which incorporates our new hsTroponin lab test.
6. UCSF:
 - a. Physician Recruitment
 - i. We continue to work closely with UCSF on a potential solution for physician recruitment and GI in Sonoma.
7. CMO Transition

- a. A plan has been developed that delegates many of the CMO responsibilities to various other leaders while a search is undertaken by UCSF for a replacement.
- b. Dr. Kidd's last day with SVH will be March 8, 2022.

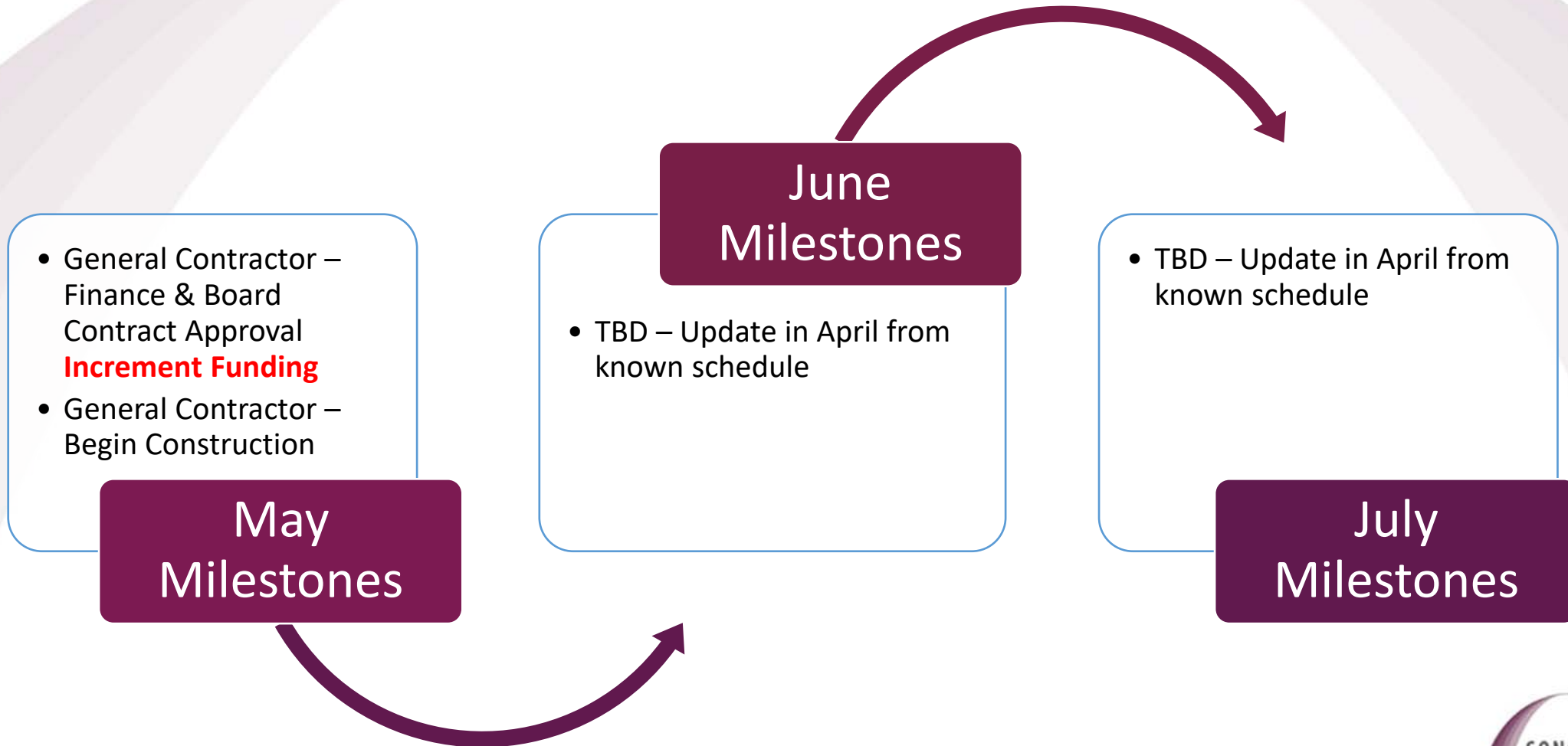
Status of Outpatient Diagnostic Center

Sonoma Valley Health Care District
Finance Committee
February 22, 2022

CT Suite Remodel Update



CT Suite Remodel Update



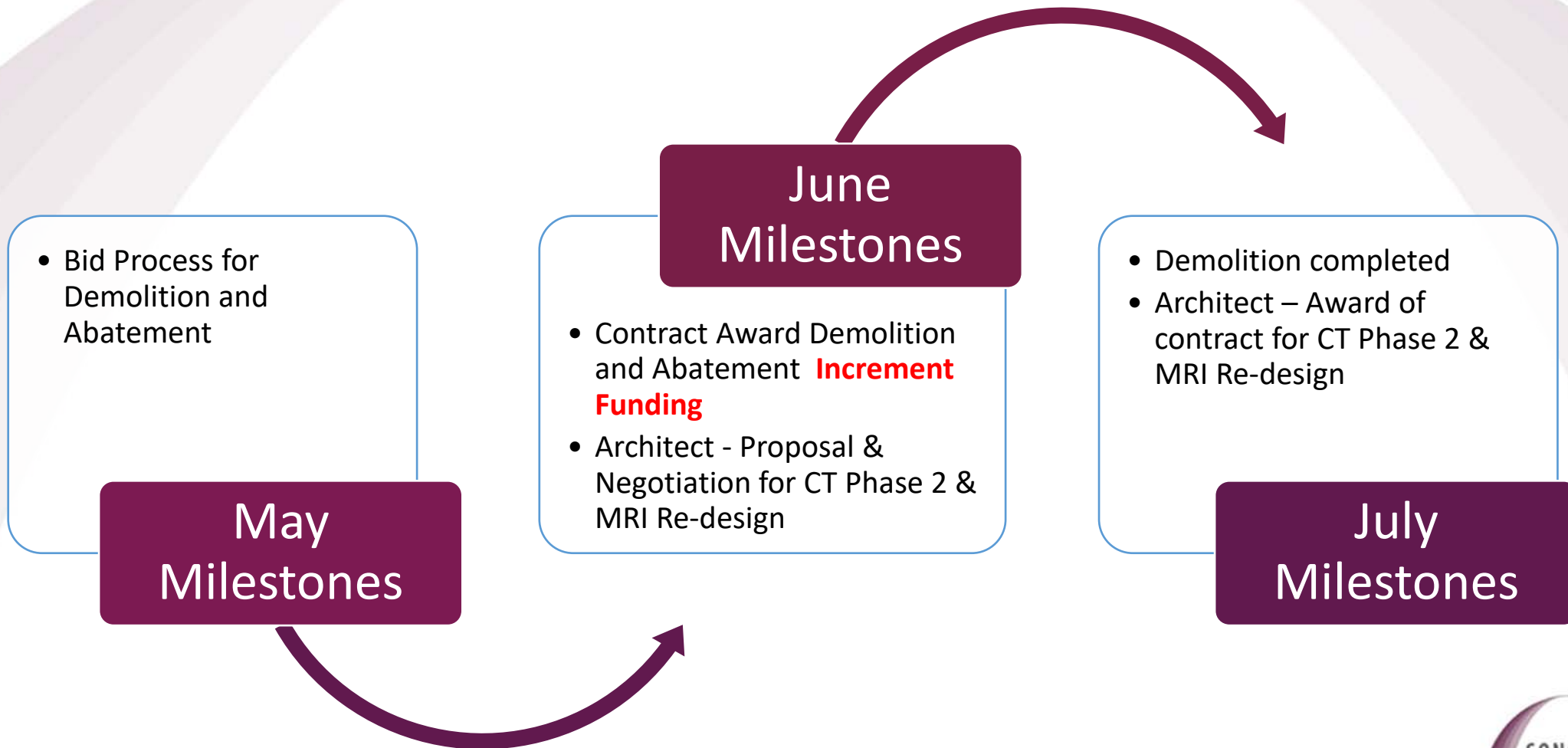
CT Suite Remodel Update

Incremental Funding	Approved Costs	Cost Incurred thru 2/28/22	Forecast Completion
Architect & General Contractor - 3 rd Party Review	\$103K	\$51K	\$103K
Architect Pre-Construction & Design	\$242K	\$0	\$242K
Subtotal	\$345K	\$51K	\$345K
General Contractor – Pre-Construction Services			
General Contractor – Construction			
Vertran – Project Management			
Total	\$345K	\$51K	\$345K

MRI Suite Remodel Update



MRI Suite Remodel Update



Detailed MRI Costs Breakdown

Incremental Funding	Approved Costs	Cost Incurred	Forecast Completion
Architect – Pre-Construction Services - Demolition	\$0		
Architect – MRI Design & HCAI Construction Administration	\$0		
General Contractor – Construction, Testing, Permits & Inspections	\$0		
Vertran – Project Management	\$0		
Owner – Furniture, Fixtures & Equipment	\$0		
Total	\$0		

SVH Board Approved 9.35M – Remaining Funds - \$6.2M Available

Strategic Growth Initiatives Discussion

March 3, 2022

Fundamentals for Growth

- * **Aging** population – approaching 30% ages 65+
- * Hospital care moving from inpatient to **outpatient**
- * SVH has significant inpatient and surgical **capacity**
- * SVH is bringing a new **CT and MRI** online in next 24 months
- * UCSF is active in **building the affiliate network** including a transfer network and the deployment of a Clinically Integrated Network (CIN)

Prioritization/Valuation

The projects enclosed were selected based upon the health needs in our community followed by the opportunity to help create a financially stable organization. Consideration was given to the desire for a strong relationship with UCSF.

Short term (12-24 months) – enhance existing service lines, recruit to fill most urgent gaps, build connectivity with affiliate network

Medium/Long Term (2+ years) – develop new community care sites to improve delivery, continue recruitment to fill provider network, main campus redevelopment in concert with affiliate network development

Prioritization/Valuation

Each short-term project presented will be worked up with the intent of becoming reality. These projects are important to our continued success in serving our community.

The medium/long term projects will be researched and, if viable, presented to the Board for approval.

Valuation will be based first and foremost upon the impact to the health of our community and secondarily upon the potential contribution to the financial health of the organization.

Funding for projects will be determined as the business plans are built. Funding can come from many sources including operating cash, grants, philanthropy, partnership and debt.

SHORT TERM GROWTH OPPORTUNITIES

Short Term Growth Opportunities

Build **connectivity with UCSF** and affiliate network.

Opportunity: Improve referrals of SVH patients to UCSF specialists, UCSF diagnostic orders to occur at SVH and repatriation of Sonoma Valley residents from UCSF to receive care at SVH.

Tactics:

1. Leverage EPIC to enable bidirectional referrals.
2. Recruitment of specialists who can strengthen ties w UCSF

Investments:

1. Interfaces between systems and staff training on both sides. ~\$100k
2. Each specialist recruitment \$0-\$500k/yr depending on the type of recruitment

Outcome: Improved access to UCSF for community. Increased volume in both in and outpatient areas. Financial benefit under construction.

Short Term Growth Opportunities

Expand **Orthopedics** service line - SVH treats 75% of emergent orthopedics (fractures) but 25% of ambulatory surgery cases out of 95476.

Opportunity: Meet the market demand for non emergent ambulatory surgery cases in orthopedics

Tactics: Expansion of program through engagement of new providers and development of specialty programs.

Investment: staff training and equipment. <\$1m

Outcome: Increased diversity of orthopedic services at SVH. Direct Margin \$2500-\$4000/case.

Short Term Growth Opportunities

Reestablish **Gastroenterology service line** at SVH - SVH does not have a GI specialist on staff. Several surgeons provide care, but moderate or complex cases are often referred out of market.

Opportunity: Meet the market demand for gastroenterology.

Tactic: Recruitment of provider(s).

Investment: Cost of contracting for provider and support.
\$500k-\$750k

Outcome: Improved access to specialty service in market. Improved coverage of GI cases referred to hospital. Direct margin \$900/case.

Short Term Growth Opportunities

Strengthening Cardiology service line - SVH is 4th in market share in inpatient cardiology. It is not viewed as a destination for care of cardiac patients. Diagnostic referrals are often made to Marin, Napa, or Santa Rosa. EMS often bypasses SVH.

Opportunity: Meet the market demand for primary cardiology services (diagnostics/chronic disease management).

Tactic: Expansion of service capabilities and hours.

Investment: Acquisition of additional equipment/staffing <\$500k + \$200k/yr. in ongoing expense

Outcome: Improved access to diagnostics and hospital level services in market. Hospital benefit: increased ER volume and inpatient cases. Financial benefit under construction.

MEDIUM/LONG TERM GROWTH OPPORTUNITIES

Medium/Long Term Growth Opportunities

Destination Programs – small hospitals in desirable locations have a unique ability to provide specialized care. Often this can be designed in a way that attracts patients nationally and internationally.

Opportunity: Meet the market demand for specialized, high touch clinical services.

Tactic: Recruitment of provider who shares vision of specialty program

Investment: Based upon the type of program. Can include real estate, equipment and human capital.

Outcome: Specialized care providing best in class outcomes, strong margins, and notoriety for the hospital.

Medium/Long Term Growth Opportunities

Development of **New Community Care Sites** - As care continues to move into the outpatient setting, SVH must position itself to serve in that setting. Today SVH leases 3 locations, providing primary, specialty and rehab services. The sites are neither strategically located nor optimally designed for this new care model.

Opportunity: Provide ambulatory care in community settings.

Tactic: Identify locations to aggregate care and build next generation infrastructure.

Investment: Acquisition locations, construction, staffing. \$2-\$25m.

Outcome: Improved access to care and environment for the provision of care. Increased ability to recruit practitioners. \$tbd

Medium/Long Term Growth Opportunities

Introduction of new **UCSF specialty care** programs -
In partnership with our affiliates, work to develop new local specialty care programs to meet the needs of Sonoma.

Opportunity: Integrate key specialty service lines with UCSF departments – neurology, cardiology, oncology, urology, behavioral health, gerontology

Tactic: Identify UCSF champions to build connectivity/presence within Sonoma.

Investment: Development of clinics.

Outcome: Better care pathways and access to specialists/subspecialists.

Medium/Long Term Growth Opportunities

Redevelopment of Main Hospital Campus – The 2030 seismic requirements provide an opportunity to review the SVH infrastructure. The current bed tower is not compliant and may require significant investment to meet requirements. These requirements provide an opportunity to review our campus design and consider new models.

Opportunity: Reimagine the infrastructure needed for healthcare in the valley.

Tactic: Engage campus planning firm to assess how to best evolve, if significant, take plan to community for input.

Investment: retention of planning firm

Outcome: Plan for future of campus with various options based upon state requirements and funding availability.

Other Growth Opportunities?

What other opportunities do *you* see in the community?

Next Steps

Board review and input - March 3, 2022

Business plan development – on going

Plans presented to the Board as need and go live
in FY23-24