



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

**AGENDA**

**THURSDAY, MAY 4, 2023  
REGULAR SESSION 6:00 P.M.**

**Held in Person at  
Council Chambers  
177 First Street West, Sonoma  
and via Zoom Videoconferencing**

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

<https://sonomavalleyhospital-org.zoom.us/j/95144342638?pwd=ektxczd5cUJCTzkvNWNXdjY5WmNWZz09>

**and enter the Meeting ID: 951 4434 2638, Passcode: 876117**

**To participate via telephone only,  
dial: 1-669 900 9128 or 1-669 219 2599  
and enter the Meeting ID: 951 4434 2638, Passcode: 876117**

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Monique Crayton District Clerk at <a href="mailto:mcrayton@sonomavalleyhospital.org">mcrayton@sonomavalleyhospital.org</a> at least 48 hours prior to the meeting.</p>	<b>RECOMMENDATION</b>		
<b>AGENDA ITEM</b>			
<p><b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p><b>1. CALL TO ORDER</b></p>	<i>Bjorndal</i>		
<p><b>2. PUBLIC COMMENT</b> <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><b>3. REPORT ON CLOSED SESSION OF MAY 1, 2023</b></p>	<i>Bjorndal</i>		
<p><b>4. BOARD CHAIR COMMENTS</b></p>	<i>Bjorndal</i>		
<p><b>5. CONSENT CALENDAR</b> a. Board Minutes 04.06.23 b. Finance Committee Minutes 03.28.23 c. Quality Committee Minutes 03.22.23</p>	<i>Bjorndal</i>	Action	Pages 3-5 Pages 6-8 Pages 9-12

d. Medical Staff Credentialing e. Policies and Procedures			Pages 13-18
<b>6. UPDATE SEISMIC STATUS &amp; SONOMA VALLEY</b>	<i>Brian Bucklew</i>	Inform	
<b>7. HUMAN RESOURCES ANNUAL REPORT</b>	<i>McKissock</i>	Inform	Pages 19-25
<b>8. FINANCE COMMITTEE QUARTERLY REPORT</b>	<i>Boerum</i>	Inform	
<b>9. JOINT BOARD/FINANCE COMMITTEE BUDGET MEETING</b>	<i>Boerum</i>	Inform	
<b>10. AUDIT COMMITTEE REPORT</b>	<i>Boerum</i>	Action	Pages 26-47
<b>11. CEO REPORT</b>	<i>Hennelly</i>	Inform	Pages 48-51
<b>12. CMO UPDATE</b>	<i>Sankaran</i>	Inform	Pages 52-60
<b>13. UCSF AFFILIATION UPDATE</b>	<i>Hennelly</i>	Inform	Page 61
<b>14. PARAGON UPDATE</b>	<i>Armfield</i>	Action	Pages 62-65
<b>15. FINANCIALS FOR MONTH END MARCH 2023</b>	<i>Armfield</i>	Inform	Pages 66-79
<b>16. BOARD COMMENTS</b>	<i>Board Members</i>	Inform	
<b>17. ADJOURN</b>	<i>Bjorndal</i>		

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



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

**MINUTES**

THURSDAY, APRIL 6, 2023

**HELD IN PERSON AT 177 FIRST STREET WEST, SONOMA,  
AND VIA ZOOM TELECONFERENCE**

	<b>RECOMMENDATION</b>	
<b>SONOMA VALLEY HOSPITAL BOARD MEMBERS</b> 1. Judith Bjorndal, MD, Chair, Present 2. Susan Kornblatt Idell, First Vice Chair, Absent 3. Denise M. Kalos, Second Vice Chair, Present 4. Bill Boerum, Treasurer, Present 5. Wendy Lee Myatt, Secretary, Present		
<b>MISSION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER</b>	<i>Bjorndal</i>	
Meeting called to order at 6:15 p.m.		
<b>2. PUBLIC COMMENT</b>		
None		
<b>3. PUBLIC COMMENT ON CLOSED SESSION</b>		
None		
<b>4. CLOSED SESSION</b>		
<b>5. REPORT ON CLOSED SESSION</b>	<i>Bjorndal</i>	Inform
Dr. Bjorndal reported that the closed session discussion involved a trade secret and a proposed service and business strategy. The Board approved negotiating the service contract.		
<b>6. BOARD CHAIR COMMENTS</b>	<i>Bjorndal</i>	
Dr. Bjorndal said, with regard to the consent calendar, there were a large number of policies to review, many of which had no changes. The review process seemed very thorough.		
<b>7. CONSENT CALENDAR</b>	<i>Bjorndal</i>	Action
a. Board Minutes 03.09.23 b. Finance Committee Minutes 02.28.23 c. Quality Committee Minutes 02.22.23 d. Governance Committee Minutes 01.18.23 e. Governance Committee Minutes 11.16.22 f. Medical Staff Credentialing g. Policy and Procedures		<b>MOTION:</b> by Kalos to approve, 2 <sup>nd</sup> by Boerum. All in favor.
<b>8. CHIEF OF STAFF REPORT</b>	<i>Solomon</i>	Inform
Dr. Solomon presented the Chief of Staff report. The Medical Executive Committee has participated in the search for a new ED group of physicians. Satisfaction remains high among medical staff.		

<b>9. ANNUAL HOSPITAL QUALITY REPORT</b>	<i>Cooper</i>	Inform
Ms. Cooper presented the annual Quality report for 2022. Positive outcomes continue with mortality, falls, and readmissions. SVH received the Silver Plus Award for stroke care from the AHA last year. Opportunities for improvement included decreasing length of stay, continued collaboration between Quality and the ED to improve sepsis measures, and blood culture contamination (a sepsis task force had been created).		
<b>10. RECOMMENDATION FOR BOARD RETREAT</b>	<i>Boerum</i>	Inform/Action
Mr. Boerum recommended a spring retreat for the Board in the April-May timeframe. The Chair will pursue scheduling with the Clerk.		No action taken.
<b>11. REVISION TO SVHCD BYLAWS</b>	<i>Boerum</i>	Action
Mr. Boerum introduced the change to the Bylaws. He requested a further wording change to the sample: “advisory committees” should be “standing committees.”		<b>MOTION:</b> by Lee Myatt to approve with change noted, 2 <sup>nd</sup> by Kalos. All in favor.
<b>12. RECOMMENDATION TO FILL AUDIT COMMITTEE VACANCY</b>	<i>Boerum</i>	Action
Mr. Boerum presented a recommendation for Mr. Dennis Bloch to fill the Audit Committee vacancy.		<b>MOTION:</b> by Lee Myatt to approve, 2 <sup>nd</sup> by Kalos. All in favor.
<b>13. REPORT ON BANKING RELATIONSHIPS</b>	<i>Boerum/ Armfield</i>	Inform
Mr. Armfield indicated that the banking relationships report had been presented to Finance Committee last week at the request of Mr. Boerum. It was decided to present the report to the Board as well.		
<b>14. REPORT ON STRATEGIC PLAN REVIEW</b>	<i>Boerum</i>	Inform
Mr. Boerum indicated the draft Strategic Plan was reviewed by the Finance Committee. They were hopeful of seeing more quantitative detail. As proposed initiatives come up, it was requested they be discussed in more detail with the Finance Committee.		
<b>15. FIVE-YEAR STRATEGIC PLAN</b>	<i>Hennelly</i>	Action
Mr. Hennelly briefly discussed the background and development of the Strategic Plan with community input. The four key priorities of the plan for the next five years are: 1) realign the main campus; 2) bring care into the community; 3) financial sustainability; 4) seismic compliance. Initiatives and outcomes have been developed from these key priorities. Board Members applauded Mr. Hennelly’s efforts to reach out to the community for input. Next steps include setting targets for the next 6-18 months.		<b>MOTION:</b> by Kalos to approve, 2 <sup>nd</sup> by Lee Myatt. All in favor.
<b>16. CEO REPORT</b>	<i>Hennelly</i>	Inform
Mr. Hennelly’s report is as submitted. SVH continues to experience Covid and flu cases. The Hospital is awaiting its triennial quality survey at any time. The ODC project continues on time, and a community listening session is planned in connection with that project. SVH is four months into the Epic implementation with the UCSF interface expected to be completed by July.		

<b>17. CMO REPORT</b>	<i>Sankaran</i>	Inform
Dr. Sankaran indicated masks for Covid are now recommended, not required. An RFP was issued in Jan. 2023 for ED physician groups. At the time of submitting her report, SVH was awaiting pending Board approval to negotiate with Napa Valley Emergency Medicine Group. SVH is developing a geriatrics program.		
<b>18. UCSF AFFILIATION UPDATE</b>	<i>Hennelly</i>	Inform
Mr. Hennelly's report is as submitted. Areas of current focus are: intensivist telemed coverage of the ICU; specialist recruitment; engaging UCSF in growth of under-represented service lines; and leadership development.		
<b>19. EPIC UPDATE</b>	<i>Hennelly</i>	Inform
None		
<b>20. FINANCIALS FOR MONTH END FEBRUARY 2023</b>	<i>Armfield</i>	Inform
Mr. Armfield reported that February 2023 was a very positive month. SVH continues to see steady inpatient volumes. Cash collections were \$4.2 million. Days' cash were higher than projected at 14.3.		
<b>21. BOARD COMMENTS</b>	<i>Board Members</i>	Inform
None		
<b>22. ADJOURN</b>	<i>Chair</i>	
Adjourned at 7:43 pm		



**SVHCD  
FINANCE COMMITTEE MEETING  
MINUTES**

**TUESDAY, MARCH 28, 2023  
In Person at 630 Second Street West and  
Via Zoom Teleconference**

Present	Not Present/Excused	Staff	Public	
Bill Boerum in person Wendy Lee Myatt in person Peter Hohorst in person Ed Case via Zoom Bob Crane in person Graham Smith in person Carl Gerlach via Zoom Subhash Mishra, MD, via Zoom	Catherine Donahue	John Hennelly, CEO, in person Ben Armfield, CFO, in person Sujatha Sankaran, MD, CMO, via Zoom Jessica Winkler, DNP, RN, NEA-BC, CCRN-K, CNO, via Zoom	Judith Bjorndal, MD via Zoom Dennis Bloch via Zoom Lois Fruzynski via Zoom	
AGENDA ITEM	DISCUSSION		ACTIONS	FOLLOW-UP
<b>MISSION &amp; VISION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Boerum</i>			
	Called to order at 6:00 pm			
<b>2. CLOSED SESSION</b> <u>Government Code Sect. 37606 &amp; Health and Safety Code Sect. 32106: Report Involving Trade Secret – Discussion will concern proposed services</u>				
<b>3. PUBLIC COMMENT SECTION</b>				
	None			
<b>4. REPORT ON CLOSED SESSION</b>				
			<b>MOTION:</b> by Lee Myatt to make a recommendation on a service contract to the Board in closed session, 2 <sup>nd</sup> by Case. All in favor (8-0).	

<b>5. CONSENT CALENDAR</b>	<i>Boerum</i>	Action	
a. Finance Committee Minutes 02.28.23	Change adjourn time to 6:15 pm.	<b>MOTION:</b> by Lee Myatt to approve with change, 2 <sup>nd</sup> by Hohorst. (Gerlach and Smith, Crane, Case abstained.) All in favor.	
<b>6. INTRODUCTION OF NEW COMMITTEE MEMBERS</b>	<i>Boerum</i>	Inform	
	Mr. Boerum introduced new Committee members Bob Crane, Graham Smith, and Ed Case who were approved by the Board earlier this month. Mr. Grandy resigned as of March 27, 2023, after serving four years.		
<b>7. REVIEW OF BANKING AND INVESTMENT RELATIONSHIPS</b>	<i>Armfield</i>	Inform	
	Mr. Armfield reported briefly on the Hospital's accounts and line of credit with Union Bank.		
<b>8. STRATEGIC PLAN REVIEW</b>	<i>Boerum</i>	Inform/Action	
	Several Committee members felt that without numbers there was no way to provide any beneficial opinion on the strategies and outcomes. Mr. Hennelly indicated that specific financial details of initiatives would only be provided in closed session. Ms. Lee Myatt felt there should be a sound business plan for each of the initiatives in the strategic plan. Mr. Hennelly said that any projects with major outlay of capital would be brought to the Board. Also, his signature authority is capped at \$100,000 without Board approval.		Mr. Case requested a meeting with the CEO/CFO to understand the background behind the initiatives.
<b>9. FY24 BUDGET UPDATE</b>	<i>Armfield</i>	Inform	
	Mr. Armfield shared the budget assumptions for FY 2024 which were discussed last month. Mr. Boerum briefly discussed the annual budget process for the new members.		
<b>10. CONSIDERATION OF SEPARATE FINANCE COMMITTEE BUDGET MEETING</b>	<i>Boerum</i>	Action	
	The Committee was satisfied with the scheduled April 25 <sup>th</sup> meeting to review the budget prepared by management.		

<b>11. ODC UPDATE</b>	<i>Hennelly</i>	Inform	
	Mr. Hennelly said the CT has been installed and detail work is being finished up. The temporary MRI site work is in progress and the RFP is pending.		
<b>12. EPIC UPDATE</b>	<i>Hennelly</i>	Inform	
	Mr. Hennelly said the project is four months live. The connection between SVH and UCSF is still to be created.		
<b>13. UCSF AFFILIATION UPDATE</b>	<i>Hennelly</i>	Inform	
	Mr. Hennelly indicated SVH has a new colorectal surgeon who will be doing GI cases. Dr. Kidd will be returning to Sonoma and joining Dr. Alexandridis.		
<b>14. FINANCIAL REPORT FOR MONTH END FEBRUARY 2023</b>	<i>Armfield</i>	Inform	
	Mr. Armfield reported that February was a very positive month. The Hospital is still working through Epic corrections and adjustments. Cash collections were \$4.2 million. Days' cash were 14.3 but included IGT matching fees paid out in February.		
<b>15. ADJOURN</b>	<i>Boerum</i>		
	Meeting adjourned at 8:10 p.m.		





**SONOMA VALLEY HEALTH CARE DISTRICT  
QUALITY COMMITTEE**

**March 22, 2023, 5:00 PM**

**MINUTES**

**Via Zoom Teleconference**

<b>Members Present – Via Zoom</b>	<b>Members Present cont.</b>	<b>Excused</b>	<b>Public/Staff – Via Zoom</b>
Susan Kornblatt Idell Carol Snyder Kathy Beebe, RN PhD Michael Mainardi, MD Howard Eisenstark, MD Ingrid Sheets, EdD, MS, RN Judith Bjorndal, MD	Carl Speizer, MD		Jessica Winkler, DNP, RN, NEA-BC, CCRN-K, CNO Kylie Cooper, RN, BSN, CPHQ, MBA, Quality and Risk Mgmt. John Hennelly, CEO Celia Kruse de la Rosa Sujatha Sankaran, MD, CMO

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Kornblatt Idell</i>	
	Meeting called to order at 5:01 p.m. The Chair introduced new Board Clerk Monique Crayton.	
<b>2. PUBLIC COMMENT</b>	<i>Kornblatt Idell</i>	
	None	
<b>3. CONSENT CALENDAR</b>	<i>Kornblatt Idell</i>	Action
<ul style="list-style-type: none"> <li>QC Minutes 02.22.23</li> </ul>	Ms. Beebe suggested removing the sentence “Those that left without being seen have less severity of illness.” from the January minutes (which was previously added as a change at the February meeting). The other members agreed and the Chair said she would follow up at a future meeting.	<b>MOTION:</b> by Snyder to approve, 2 <sup>nd</sup> by Sheets. All in favor.
<b>4. ANNUAL QUALITY DEPARTMENT REVIEW</b>	<i>Cooper</i>	Inform
	Ms. Cooper gave the annual Quality Department review. SVH received the Silver Plus Award from AHA for stroke care in 2022. Opportunities for	

	improvement included decreasing length of stay and continued collaboration between Quality and the ED to improve sepsis measures (a sepsis task force has been created).	
<b>5. QUALITY INDICATOR PERFORMANCE PLAN</b>	<i>Cooper</i>	Inform
	Ms. Cooper shared the quality indicator performance for the months of January/February 2023. She also reported Rate my Hospital scores.	
<b>6. POLICIES AND PROCEDURES</b>	<i>Cooper</i>	Inform
	<p>Summaries of changes were reviewed for the following policies:</p> <ul style="list-style-type: none"> <li>Administration of Medications</li> <li>Audiograms</li> <li>Bipap ST-D Ventilatory Support System</li> <li>Blood and Body Fluid Exposures</li> <li>Body Fluid Exposure Prophylaxis Kit Preparation 8390-06</li> <li>Breast-Feeding Mothers and Intravenous Contrast Administration 7630-107</li> <li>Breath Alcohol Testing</li> <li>C-II Controlled Substance Wholesaler Invoice Management Procedure 8390-04</li> <li>Culture of Safety</li> <li>Department of Transportation Physical Exams</li> <li>Discharge Criteria</li> <li>Drug Testing for Minors</li> <li>Examination Orders</li> <li>Formulary Management</li> <li>Influenza Vaccination 7775-04</li> <li>Influenza Vaccination Program for Staff and LIPs</li> <li>Investigational Drug Use</li> <li>Lipid Rescue for Local anesthetic Toxicity</li> <li>Maintenance of Pharmacy Equipment</li> <li>Malignant Hyperthermia</li> <li>MRSA Work Status</li> <li>Multi-Dose and Single-Dose Vials</li> </ul>	

Nitrazine Testing for Amniotic Fluid  
Nourishment Between Meal Snacks  
Ordering and Prescribing  
Patient Controlled Analgesia (PCA)  
PB 840 Ventilator  
Pharmaceutical Waste Management  
Pharmacy Staff Competency Assessment 8390-09  
Point of Care Testing (POCT)  
Pre-Placement Physicals  
Preparation of Methotrexate IM Doses Using  
ChemoClave System Procedure  
Professional Credentials & Associations  
Pyxis Medstation, Management and Use  
QAPI Procedures Sampling Plan-IV Room  
QuantiFERON IGRA Texting 7775-15  
Rabies Post-Exposure Vaccination  
Required Certifications  
Self Administration of Medications  
Self Referral Testing  
Sports Physicals  
Standard Employer Service Rate  
Transfer of Patients for Diagnostic Imaging  
Transfer of Patients to the Emergency Room from  
Occupational Health  
Travel Medicine  
Tuberculosis Screening 7775-12  
Urine Drug Screening  
Vaccination Policy  
Verbal and Telephone Orders  
Weapons GL8610-200  
Yellow Fever Vaccination

Retire:  
Drug Regimen Review for Skilled Nursing Facility  
Pharmaceutical Care Consulting for Skilled Nursing  
Facility  
Position Descriptions  
Departmental Safety Measures

	Dr. Eisenstark questioned the use of the words “as needed” in the Discharge Criteria policy. Ms. Cooper said it pertains to discharging patients from surgical care that need additional equipment, for example, a walker. “As needed” was added since not all patients require additional resources on discharge. The wording was acceptable. There were no other comments.	
<b>8. CLOSED SESSION/REPORT ON CLOSED SESSION</b>	<i>Kornblatt Idell</i>	Action
a. Calif. Health & Safety Code §32155: Medical Staff Credentialing & Peer Review Report	Medical Staff Credentialing was reviewed and approved.	<b>MOTION:</b> by Mainardi to approve, 2nd by Eisenstark. All in favor.
<b>9. ADJOURN</b>	<i>Kornblatt Idell</i>	
	Meeting adjourned at 5:38 p.m.	

## 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: 04/28/2023 2:35 PM

### Report Parameters

**Filtered by:** Document Set: - All Available Document Sets -  
 Committee: 09 BOD-Board of Directors  
 Include Current Tasks: Yes  
 Include Upcoming Tasks: No

**Grouped by:** Committee

**Sorted by:** Document Title

### Report Statistics

Total Documents: 30

**Committee:** 09 BOD-Board of Directors

**Committee Members:** Crayton, Monique (mcrayton), Finn, Stacey (sfinn), Newman, Cindi (cnewman)

### Current Approval Tasks (due now)

Document	Task/Status	Pending Since	Days Pending
<b>Clinical Engineering Equipment Safety PM Program</b> <i>Care of the Physical Environment (CE)</i>	Pending Approval	3/31/2023	28
Summary Of Changes: <b>Changed percentage of the completion of non-critical PMs; corrected department name.</b>			
Moderators: <b>Newman, Cindi (cnewman)</b>			
Lead Authors: <b>Gatenian, Grigory (ggatenian)</b>			
Approvers: <b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b>			
<b>Collection of Co-pay</b> <i>Governance and Leadership Policies</i>	Pending Approval	4/6/2023	22
Summary Of Changes: <b>Changed from departmental policy (Rehab Services) to organizational. No content changes, corrected Staff Title.</b>			
Moderators: <b>Newman, Cindi (cnewman)</b>			
Lead Authors: <b>Ramos, Carmen (cramos), Kuwahara, Dawn (dkuwahara)</b>			
Approvers: <b>Kuwahara, Dawn (dkuwahara) -&gt; Hennelly, John (jhennelly) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b>			
<b>Construction Contract Stipulations</b> <i>Care of the Physical Environment (CE)</i>	Pending Approval	3/31/2023	28
Summary Of Changes: <b>Updated reference to CIHQ, NFPA and HCAI</b>			
Moderators: <b>Newman, Cindi (cnewman)</b>			
Lead Authors: <b>Gatenian, Grigory (ggatenian)</b>			
Approvers: <b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b>			
<b>Electrical Safety Testing</b> <i>Care of the Physical Environment (CE)</i>	Pending Approval	3/31/2023	28
Summary Of Changes: <b>Reviewed, added clarification for electric space heaters and removed word "temporary".</b>			

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 04/28/2023 2:35 PM

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

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Gatenian, Grigory (ggatenian)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

<b>Emergency generator testing</b>	<b>Pending Approval</b>	<b>3/31/2023</b>	<b>28</b>
<i>Engineering Dept</i>			

Summary Of Changes: **Changed department name**  
 Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Gatenian, Grigory (ggatenian)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

<b>Equipment Care and Cleaning</b>	<b>Pending Approval</b>	<b>3/31/2023</b>	<b>28</b>
<i>Food &amp; Nutrition Services Dept Policies</i>			

Summary Of Changes: **Corrected formatting, updated to reflect eating utensils are kept in silverware caddies for use**  
 Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Finn, Bridget (bfinn)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

<b>Failure of Sewer services</b>	<b>Pending Approval</b>	<b>3/31/2023</b>	<b>28</b>
<i>Engineering Dept</i>			

Summary Of Changes: **changed department name back to Engineering**  
 Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Gatenian, Grigory (ggatenian)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

<b>Fire Alarm Testing Procedure</b>	<b>Pending Approval</b>	<b>3/31/2023</b>	<b>28</b>
<i>Care of the Physical Environment (CE)</i>			

Summary Of Changes: **Reviewed, Removed reference to the written description of the testing procedures, added reference to NFPA 72, minor text modifications.**  
 Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Gatenian, Grigory (ggatenian)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

<b>Fire Watch</b>	<b>Pending Approval</b>	<b>3/31/2023</b>	<b>28</b>
<i>Care of the Physical Environment (CE)</i>			

Summary Of Changes: **Updated CDPH Health Facilities Evaluator Supervisor name and contact info, replaced OSHPD with HCAI**  
 Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Gatenian, Grigory (ggatenian)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 04/28/2023 2:35 PM

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

<b>Floor Care Procedures</b> <i>EVS Dept Policies</i>	<b>Pending Approval</b>	3/31/2023	28
Moderators:	<b>Newman, Cindi (cnewman)</b>		
Lead Authors:	<b>Ramirez, Joseph (jramirez)</b>		
Approvers:	<b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b>		
<b>Furniture, Fixture &amp; Equipment Specific Cleaning</b> <i>EVS Dept Policies</i>	<b>Pending Approval</b>	4/6/2023	22
Summary Of Changes:	<b>Replaced 10% bleach solution with Hospital Approved Disinfectant. Replaced Oxycide with Hospital Approved Disinfectant</b>		
Moderators:	<b>Newman, Cindi (cnewman)</b>		
Lead Authors:	<b>Ramirez, Joseph (jramirez)</b>		
Approvers:	<b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b>		
<b>Governmental Agency Phone List</b> <i>Engineering Dept</i>	<b>Pending Approval</b>	4/6/2023	22
Summary Of Changes:	<b>Updated phone numbers for multiple contacts.</b>		
Moderators:	<b>Newman, Cindi (cnewman)</b>		
Lead Authors:	<b>Gatenian, Grigory (ggatenian)</b>		
Approvers:	<b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b>		
<b>Hours of Operation</b> <i>Food &amp; Nutrition Services Dept Policies</i>	<b>Pending Approval</b>	3/31/2023	28
Summary Of Changes:	<b>Reviewed, no changes needed</b>		
Moderators:	<b>Newman, Cindi (cnewman)</b>		
Lead Authors:	<b>Finn, Bridget (bfinn)</b>		
Approvers:	<b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b>		
<b>Hours of Service Cafeteria</b> <i>Food &amp; Nutrition Services Dept Policies</i>	<b>Pending Approval</b>	3/31/2023	28
Summary Of Changes:	<b>Recommend that this policy is put forth for retirement. Retirement reason - There is another policy that refers to Cafeteria hours stating that they are posted.</b>		
Moderators:	<b>Newman, Cindi (cnewman)</b>		
Lead Authors:	<b>Finn, Bridget (bfinn)</b>		
Approvers:	<b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b>		
<b>Management of Exposures to Blood and Body Fluids</b> <i>Human Resources Policies (HR)\Employee Health</i>	<b>Pending Approval</b>	4/6/2023	22
Summary Of Changes:	<b>Updated language to provide clear and more defined information and instructions Updated references to Employee Health department to Occupational Health department Updated procedures to reflect current process with use of updated BBE Packet Removed detailed testing and treatment protocols as testing and treatment is managed by Occupational Health Clarified that referral to ED was only necessary if Occ Health was closed and medical treatment was needed. Added reference to Occupational Health policy</b>		

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 04/28/2023 2:35 PM

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

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **McKissock, Lynn (lmckissock), Montecino, Stephanie (smontecino)**  
 ExpertReviewers: **Cooper, Kylie (kcooper)**  
 Approvers: **Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Material Flammability Standards</b>	<b>Pending Approval</b>	<b>3/31/2023</b>	<b>28</b>
<i>Care of the Physical Environment (CE)</i>			

Summary Of Changes: **reviewed, no changes, recommend for approval.**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Gatenian, Grigory (ggatenian)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)**

<b>Nuclear Medicine Emergency Procedures 7630-179</b>	<b>Pending Approval</b>	<b>4/27/2023</b>	<b>1</b>
<i>Diagnostic Services Dept Policies</i>			

Summary Of Changes: **Changed policy name to Radioactive Material Emergency Procedures.  
 Added Purpose and Policy sections.  
 Added details to procedures.  
 Added Fire and personal decontamination.  
 Updated RSO information.  
 Updated author/reviewers.**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Young, Dave (dyoung)**  
 ExpertReviewers: **Medical Director-Diagnostic Radiology**  
 Approvers: **Kuwahara, Dawn (dkuwahara) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Professional Credentials &amp; Associations</b>	<b>Pending Approval</b>	<b>4/19/2023</b>	<b>9</b>
<i>Food &amp; Nutrition Services Dept Policies</i>			

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Finn, Bridget (bfinn)**  
 Approvers: **Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Pull Notice Program</b>	<b>Pending Approval</b>	<b>4/6/2023</b>	<b>22</b>
<i>Human Resources Policies (HR)</i>			

Summary Of Changes: **Changing the policy title/name for better reference. (Vehicle Usage, Hospital-Owned)  
 Added extensive language provided by BETA to better align with our liability insurance coverage.  
 Updated procedures to reflect current process.**

Moderators: **Newman, Cindi (cnewman)**  
 Lead Authors: **Drummond, Kimberly (kdrummond), McKissock, Lynn (lmckissock)**  
 Approvers: **Cooper, Kylie (kcooper) -> Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Quality Control Criteria and Assessment Standards</b>	<b>Pending Approval</b>	<b>4/6/2023</b>	<b>22</b>
<i>EVS Dept Policies</i>			

Summary Of Changes: **Replaced EVS Coordinator with EVS Manager**



## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 04/28/2023 2:35 PM

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

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Ramirez, Joseph (jramirez)  
 Approvers: Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>RETIRE:: Equipment Disposition Form Process</b> <i>Care of the Physical Environment (CE)</i>	<b>Pending Approval</b>	3/31/2023	28
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Summary Of Changes: **This is not a policy. The disposition form is pretty self-explanatory and easy to fill out. Recommend for removal**

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Gatenian, Grigory (ggatenian)  
 Approvers: Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> Hennelly, John (jhennelly) -> 09 BOD-Board of Directors - (Committee)

<b>RETIRE:: Special Functions (Catering) Costs</b> <i>Food &amp; Nutrition Services Dept Policies</i>	<b>Pending Approval</b>	3/28/2023	31
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Summary Of Changes: **Policy not necessary, propose retiring policy**

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Finn, Bridget (bfinn)  
 Approvers: Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>RETIRE::Meal Breaks and Rest Periods</b> <i>Human Resources Policies (HR)</i>	<b>Pending Approval</b>	4/6/2023	22
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Summary Of Changes: **RETIRE  
 Obsolete due to regulatory changes. A new policy is in approval workflow to replace (HR8610-373 Meal Breaks & Rest Periods)**

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: McKissock, Lynn (lmckissock)  
 Approvers: Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>RETIRE_Floor Care</b> <i>EVS Dept Policies</i>	<b>Pending Approval</b>	4/6/2023	22
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Summary Of Changes: **Content is reflected in Policy 8440-35 Floor Care Procedures**

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Ramirez, Joseph (jramirez)  
 ExpertReviewers: Cooper, Kylie (kcooper), Montecino, Stephanie (smontecino)  
 Approvers: Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Room Cleaning-Occupied Room</b> <i>EVS Dept Policies</i>	<b>Pending Approval</b>	4/6/2023	22
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Summary Of Changes: **No changes needed**

Moderators: Newman, Cindi (cnewman)  
 Lead Authors: Ramirez, Joseph (jramirez)  
 Approvers: Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Newman, Cindi (cnewman)

Run date: 04/28/2023 2:35 PM

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

<p><b>Scope and Integration of Services</b></p> <p><i>Governance and Leadership Policies</i></p> <p>Summary Of Changes: <b>Reviewed, no changes</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Hennelly, John (jhennelly)</b></p> <p>ExpertReviewers: <b>Cooper, Kylie (kcooper), Winkler, Jessica (jwinkler)</b></p> <p>Approvers: <b>01 P&amp;P Committee -&gt; 09 BOD-Board of Directors - (Committee)</b></p>	<b>Pending Approval</b>	4/6/2023	22
<p><b>Scope of Service of EVS Department 8440-73</b></p> <p><i>EVS Dept Policies</i></p> <p>Summary Of Changes: <b>Reviewed. No changes needed.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Ramirez, Joseph (jramirez)</b></p> <p>Approvers: <b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>	<b>Pending Approval</b>	4/6/2023	22
<p><b>Sewage Overflow Response Plan</b></p> <p><i>Care of the Physical Environment (CE)</i></p> <p>Summary Of Changes: <b>Updated the names of the approvers.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Gatenian, Grigory (ggatenian)</b></p> <p>Approvers: <b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>	<b>Pending Approval</b>	3/31/2023	28
<p><b>Traffic Control and Vehicle Access</b></p> <p><i>Care of the Physical Environment (CE)</i></p> <p>Summary Of Changes: <b>Reviewed, no changes.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Gatenian, Grigory (ggatenian)</b></p> <p>Approvers: <b>Drummond, Kimberly (kdrummond) -&gt; 01 P&amp;P Committee - (Committee) -&gt; Hennelly, John (jhennelly) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>	<b>Pending Approval</b>	3/31/2023	28
<p><b>Weapons GL8610-200</b></p> <p><i>Governance and Leadership Policies</i></p> <p>Summary Of Changes: <b>Reviewed, no changes</b></p> <p>Moderators: <b>Newman, Cindi (cnewman)</b></p> <p>Lead Authors: <b>Hennelly, John (jhennelly)</b></p> <p>Approvers: <b>01 P&amp;P Committee -&gt; 09 BOD-Board of Directors - (Committee)</b></p>	<b>Pending Approval</b>	3/31/2023	28



**To: Sonoma Valley Health Care District Board of Directors**

**From: Lynn McKissock, Chief HR Officer**

**Date: May 4, 2023**

**Subject: Human Resources Annual Report**

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## **Introduction**

It is the mission of Human Resources to develop, implement and support programs and processes that add value to the Hospital and its employees, while demonstrating commitment to our core values creating a healthy hospital and healthy work environment.

In alignment with our mission, the Human Resources team manages a wide variety of programs in support of the work environment and experience for every member of the hospital staff. These include:

- Recruitment & Selection
- Onboarding and Retention
- New Hire Orientation Program
- Benefit Plan Administration
- Performance Management Programs
- Wellness Program
- Employee Service Awards
- Employee Education Programs (Annual & New Hires)
- Employee Health Services/Workers' Compensation
- ACA Compliance
- Compensation Plan Management
- Human Resources Information Systems Administration
- Quality Assurance/Regulatory Compliance Assurance
- Workplace Violence Prevention Program
- Compliance Program
- Student Internship Coordination
- Volunteer Program
- Policies & Procedures

We are a small, hard-working group committed to delivering the best service possible to our staff in support of their work-life experience and well-being with the number one goal that Sonoma Valley Hospital is the best place they have ever worked!

## **2022 Accomplishments**

### Compensation Analysis Project

We contracted with FutureSense, a compensation consulting firm, to complete an organizational-wide benchmarking and market pricing analysis, salary structure analysis, and position and employee level impact analysis.

Data sources utilized in the market analysis:

- Allied for Health – the largest compensation & benefits survey of hospital in California
  - AFH was weighted at 100% for clinical positions and 50% for non-clinical
- Economic Research Institute (ERI) – a national data aggregator that allows users to sort data by multiple demographics including size, location, industry, etc.
- Salary.com – one of the largest online compensation databases in the U.S.

Positions were benchmarked based on SVH’s talent marketplace and organizational demographics:

- **Industry:** Hospital
- **Annual Revenue:** ~\$54MM
- **Beds:** 24
- **Employees:** ~350
- **Location:** Sonoma, CA
- **Market Data Effective Date:** March 1st, 2022 (updated by 5-year compound annual growth rate (“CAGR”), or 3% per annum, as appropriate)

Total number of unique positions evaluated/market priced: 135

Total number of employees reviewed: 210 regular status (FT/PT); 109 per diem

The findings of this analysis showed that, **on average**, base salaries for regular status employees were in close alignment with the Market 50th Percentile.

Avg. Rate vs. Market Percentile Base Salary (Regular Status)		
25th	50th	75th
119%	101%	98%

Avg. Rate vs. Market Percentile Base Salary (Per Diem)		
25th	50th	75th
104%	91%	88%

However, the average Compa-Ratio (base pay vs. salary structure midpoint) was 108% and the average salary structure midpoint vs. Market 50<sup>th</sup> Percentile was 94%. Therefore, this analysis suggested that while, on average, our employees’ pay was in alignment with the Market’s 50<sup>th</sup> Percentile, our salary structure (pay ranges) appeared to be a bit low – some more than others.

Our next step was to then review our salary structure. The method we were utilizing at the time is referred to a Market-based structure. This is a method that relies on market data exclusively to formulate each position’s salary range midpoint – a very prominent approach for smaller organizations (less than 100 employees). The disadvantage of this method is the higher salary administration burden (all 135 positions have individual benchmark matches) and provides less opportunity for internal equity considerations.

We accepted the recommendation to move our salary structure to a Grade-based structure (50 grades) and increase the wage floor to \$17/hour (the new minimum wage for large employers in Sonoma, effective 1/1/23). This new 50-grade structure provided for a 40% - 50% range spread, with a 2.5% - 5% midpoint differential. This change resulted in our salary range midpoint vs. Market 50<sup>th</sup> Percentile moving up from 94% to 103%.

Lastly, we completed a full, in-depth analysis of the impact this change would have on individual employees. Ultimately, approximately 32 positions affecting 70 employees received adjustments to their base pay. These pay adjustments (primarily bringing pay rates up to or just above the minimum of their new salary range) went into effect in October, 2022. The good news is that now all staff are being paid a rate that falls within these new, increased salary ranges. However, those employees that did not receive an adjustment may not be situated on the salary range that is commensurate with their years of experience, education, etc. We know that SVH must live within its means, so it is our goal – as we get busier and increase our revenues – to provide further adjustments for more individuals and ensure that everyone is earning the wage they deserve.

#### Benefits Administration System Implementation

Human Resources staff implemented a new benefits administration system (Plan Source) in February, 2022, that interfaces seamlessly with our new HRIS (Sage People). Employees no longer need to log into a separate system to view/manage their health insurance elections and can now link in directly to this new benefits administration system to view statements and request changes all from the HRIS Employee Portal. We were able to successfully use this new system during Open Enrollment in the Fall of 2022 as well.

#### Performance Evaluation Program Update

After a few collaborative meetings, discussions, and distribution of a survey to our full Leadership team, it was decided to change the performance evaluation schedule from a three-month window at the same time of year for everyone, to an annual employment anniversary date per individual. We updated our policy to reflect this change and then updated the performance evaluation forms (performance measures) to reduce perceived redundancies and improve specific performance measure language for clarity. Two versions were created for both the employee self evaluation form and the manager's report form – one for staff and one for Leadership. Once the forms/performance measures were finalized, we then built this process into our HRIS (Sage People), created the new electronic forms, and established the appropriate notification process.

Now each month, the group of employees that have an upcoming employment anniversary in the next month receive notification that it's time to complete their performance evaluation and directs them to log into the HRIS and begin their self-evaluation. Additionally, reports were created for each manager that are visible and dynamically refresh in the HRIS portal to track the progress of each of their direct reports' throughout the complete evaluation process.

#### State Healthcare Worker Retention Bonus Program

In August of 2022, we learned about a new program offered by the Department of Health Care Services (DHCS). This optional program offered a retention payment to healthcare workers who had worked through the COVID pandemic. The Retention Payment Program was created as part of the 2022 budget process, in budget trailer bill SB 184, and is funded through the State.

As a general acute care hospital, we qualified for this program and therefore, submitted our application along with a list of all eligible employees. For an employee to be eligible for the retention payment program, they had to have worked a specific number of hours during the qualifying work period (7/30/22 – 10/28/22) and still be employed as of the date of record (11/28/22). We received word on January 8, 2023 that our application was accepted, and on April 6, 2023, we received final

confirmation of the retention payment approved for each employee in our list (\$1,000 for Full Time and \$750 for Part Time – less State and Federal taxes). A total of 238 of our employees were approved.

We have planned a fun and celebratory check distribution day during Hospital Week. For the employees that are not receiving a check, we have a fun alternative for them complete with games and prizes! We sincerely appreciate and want to celebrate all of our hard-working employees for their efforts during these difficult and challenging past three years!

### 2022 HR Dashboard

Performance Indicator	2022	2021	2020	2019
Employee Engagement Organizational Score (CY)	4.15	4.19	NA	4.05
Employee Engagement Survey Participation Rate (CY)	53%	57%	NA	75%
Number of New Hires / Total Number of Employees (CY)	112 / 331	90 / 318	61 / 338	69 / 346
New Hire FTE / Total FTE (CY)	70.1 / 205.7	33.7 / 188.6	22.9 / 199.35	20.6 / 195.9
Turnover (CY)	24.4%	21.2%	9.6%	15.5%
Registry/Traveler Costs (FY)	\$1,606,258	\$1,005,644	\$718,546	\$1,675,354
Salary Costs / % of Net Revenue (FY)	\$23,150,818 / 46.21%	\$23,763,341 / 48.28%	\$23,096,036 / 49.24%	\$26,822,982 / 46.64%
Benefit Costs / % of Net Revenue (FY)	\$5,488,972 / 10.96%	\$5,575,741 / 11.33%	\$5,565,682 / 11.87%	\$6,077,268 / 10.57%
Leave of Absences (CY)	59	59	57	54
Number of Injuries (CY)	15	12	12	20
Number of Open WC Claims (CY)	18	24	18	19
Workers' Comp Costs (CY)	\$246,086	\$290,759	\$219,158	\$284,348
Cost of Employee Legal Claims (CY)	\$194,045	\$156,629	\$58,910	\$51,898

\* CY – Calendar Year; FY - Fiscal Year

### Hiring & Turnover

We can see that these past three years during the COVID pandemic has had an influence on staffing. As previously noted, we held relatively steady in 2020 during the time of the most widespread shutdowns. However, in 2021 and 2022 we started seeing a lot of changes. Turnover increased as vaccines became available and more of the country began to open up, and that trend continued into 2022, despite our increased hiring rate.

Of the 87 voluntary terminations in 2022: 30% accepted another job elsewhere; 20% did not specify a reason; 18% were Per Diem employees that were no longer available for scheduling; 14% reported “personal reasons;” and the remaining 18% were for various reasons (relocation, no return from LOA, return to school, etc.).

### Salaries, Benefits & Registry Costs

Our cost of salaries as a percentage of our net revenues continues to be managed well, and our cost of benefits as a percentage of net revenues are lower, once again, than the average of the previous years. As is the trend, when we see turnover go up, we also see the cost of Registry go up; although in FY 2022, we managed to keep this expense lower than our pre-pandemic levels.

### Leaves of Absence & Workers' Compensation

The number of staff that take a leave of absence from work for one reason or another (either for a personal reason; to care for a family member; or due to their own medical condition) continues to be fairly consistent year-over-year.

We continue to experience a relatively low number of work-related injuries compared to our annual quality threshold, despite the slight increase in the number of injuries this year. However, we also see that the number of open claims has gone down and there were no cases that required days away from work. We did see a little increase in needle sticks this year and our Infection Prevention Nurse, Stephanie Montecino, has conducted great follow-up and training to improve prevention. The other causes of injuries were related to: lifting, pulling/pushing; slips/trips/falls; "body motion;" and repetitive motion.

### Cost of Employment Claims & Legal Advice

Litigation of employment claims has continued this year involving four separate claims. Two have recently reached resolution and the other two are expected to resolve this year. Other legal fees involve employment law advice and policy review, which continues indefinitely.

### Employee Engagement Survey

Performance Indicator	2022	2021	2020	2019
Employee Engagement Organizational Score (CY)	4.15	4.19	NA	4.05
Employee Engagement Survey Participation Rate (CY)	53%	57%	NA	75%

The survey was administered again this year by Quality Review and was launched in March of 2023. The survey was sent to all employees via email and included a total of 21 questions distributed across four (4) domains: Employee; Manager; Organization; Community. The responses were provided on a scale of 1 to 5, with 1 being Very Poor and 5 representing Excellent. Here are the results by question and domain:

#### Overall Highest Scoring Items:

The person I report to treats me with respect.	Manager	4.61
My work unit strives to exceed the expectations of the people we serve.	Organization	4.61
I have a strong sense of purpose and accomplishment in the work I do.	Employee	4.54

#### Overall Lowest Scoring Items:

My pay is fair for the work I do.	Organization	3.30
The benefits I receive meet or exceed my expectations.	Organization	3.59

I have regular conversations with my direct supervisor about my personal and/or professional development goals.	Manager	3.92
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**Community Item:**

I would recommend this hospital to a friend or college as a great place to come for care.	Community	4.15
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**Highest Scoring Items by Domain**

**Employee:**

I have a strong sense of purpose and accomplishment in the work I do.	4.54
The individuals in my work unit are productive and supportive of each other.	4.37
I feel supported in balancing my work life with my personal life.	4.23

**Manager:**

The person I report to treats me with respect.	4.61
I am encouraged to share ideas and suggestions about the services my work unit provides.	4.30
My supervisor is reliable and demonstrates ownership of their responsibilities.	4.30

**Organization:**

My work unit strives to exceed the expectations of the people we serve.	4.61
We treat each other with respect throughout the hospital.	4.39
We have excellent multidisciplinary teamwork.	4.16

**Lowest Scoring Items by Domain:**

**Employee:**

I feel supported during times of high stress at work.	3.99
I have all the tools, resources and information necessary to do my job well.	4.08
I would like to be working at this hospital five years from now.	4.15

**Manager:**

I have regular conversations with my direct supervisor about my personal and/or professional development goals.	3.92
My direct supervisor provides me with feedback that is meaningful and actionable.	4.18
I feel supported in my efforts to achieve my highest potential at work.	4.19

**Organization:**

My pay is fair for the work I do.	3.30
The benefits I receive meet or exceed my expectations.	3.59
This hospital cares about their employees' wellbeing.	3.92



Our overall highest scoring items on this annual survey remain consistent with the responses we received last year; however, the overall lowest scoring items this year are slightly different with benefits and professional growth conversations with managers added. Regarding benefits, we have started a Benefits Committee this year to review and discuss health insurance plan options and hope that this collaborative approach will bring us a greater understanding of our employee's needs and expectations and help us develop new approaches to better meet those needs. Regarding professional growth conversations, we've implemented a number of changes with our performance evaluation process and schedule and we are hopeful that those changes will better meet the expectations and needs for meaningful conversations around professional development and goals.

In the Organizational Domain, we are proud of the high scoring items reflecting how hard our staff works to exceed the expectations of the people this hospital serves, and that we treat each other with respect and have excellent multidisciplinary teamwork!

Our opportunities for improvement are reflected in the organizational domain's low scoring items pertaining to pay and benefits. This is a consistent response year-over-year and we continue to strive to do our best to improve in these areas, as already discussed in this report.

**Action Plans:**

- All Leaders are reviewing their specific unit/department's survey results with their staff/direct reports and together, developing an Action Plan that identifies two or three items they can collectively work on to realize improvement.
- The Administrative Team is looking at the specific Organization domain responses and developing an Action Plan to support our efforts towards continuous improvement hospital-wide.

May 1, 2023

Judy Bjorndal  
Board Chair  
Sonoma Valley Health Care District  
347 Andrieux Street  
Sonoma, California 95476  
United States

Dear Judy:

Armanino<sup>LLP</sup> ("Armanino," "we" or "us") is pleased to provide the services described below (the "Services") to Sonoma Valley Health Care District ("Client" or "you" or the "Organization"). The Services are subject to the terms and conditions of this engagement letter and the Terms & Conditions for Professional Services, located at <http://www.armaninollp.com/professionalservices> (together, this "Agreement").

### **Audit Scope and Objectives**

We will audit the financial statements of Sonoma Valley Health Care District, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements or in a report combined with our auditors report on the financial statements:

1. Management's Discussion and Analysis
2. Supplementary Information Related to Community Support

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether the financial statements are fairly presented, in all material respects, and in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.



An independent firm  
associated with Moore  
Global Network Limited

## **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Valuation of Accounts Receivable

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities relating to the tax services, financial statements preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **NONATTEST SERVICES**

We will perform the following nonattest services (the "Nonattest Services"):

1. Assist with the preparation of the financial statements, including the related footnotes.

As noted in Section 2 of the Terms & Conditions for Professional Services, in order for us to remain independent, professional standards require us to maintain certain respective roles and relationships with you with respect to the Nonattest Services. Prior to performing the Nonattest Services in conjunction with our attest services, management must acknowledge its acceptance of certain responsibilities.

Therefore, you agree to perform the following functions in connection with our performance of the Nonattest Services:

- Make all management decisions and perform all management functions with respect to the Nonattest Services provided by us.
- Assign appropriate individual(s), possessing suitable skill, knowledge, and experience to oversee the Nonattest Services outlined above and evaluate the adequacy and results of these services. You will notify us of the individual(s) assigned and any subsequent changes in the individual(s) assigned.
- Accept responsibility for the results of the Nonattest Services.
- Establish and maintain internal controls related to the Nonattest Services.

The Nonattest Services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. Your management must make all decisions with regard to our recommendations. By signing this agreement, you acknowledge acceptance of these responsibilities.

#### **ENGAGEMENT ADMINISTRATION; PRICES**

We may, from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Brian Sackstein is the engagement partner and is responsible for supervising the Attest Services and signing the audit report. The engagement partner will assign work on the engagement to others at our firm, who may include CPAs and other staff and owners who are not CPAs.

Our price for the Attest Services will be: \$ 80,000

You will also be billed for administrative, travel and other out-of-pocket expenses which typically range between 5% of the total price for the Services.

A retainer of \$10,000 is required on the first day of work and will be applied to current billings as the Services are performed.

The price estimate anticipates that we do not encounter any unexpected circumstances, such as inadequate or incomplete accounting records, unexpected accounting issues, or delayed responses by you to our requests for information or documents. For example, if our work is delayed because you do not complete requested schedules or provide other information as requested, we will need to spend additional time that will be billed to you separately at our standard hourly rates.

## Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the board of directors of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

\* \* \*

We appreciate the opportunity to be of service to you and believe this Agreement accurately summarizes the terms applicable to the Services. If you have any questions, please let us know. If you agree with the terms of this Agreement, please sign the enclosed copy and return it to us.

Sincerely,  
Brian Sackstein  
Partner

**THIS AGREEMENT, INCLUDING THE TERMS & CONDITIONS FOR PROFESSIONAL SERVICES LOCATED AT [HTTP://WWW.ARMANINOLLP.COM/PROFESSIONALSERVICES](http://www.armaninollp.com/professionalservices), IS HEREBY APPROVED AND ACCEPTED:**

**Sonoma Valley Health Care District on behalf of each entity  
and individuals covered by this Agreement**

By: \_\_\_\_\_  
Judy Bjorndal, Board Chair

Date: \_\_\_\_\_



# Possible *(Re)Defined*™

S o n o m a V a l l e y  
H e a l t h C a r e D i s t r i c t

Presented by: Liz Marek, CPA and Brian Sackstein, CPA



May 2023

Board of Directors  
c/o Ben Armfield  
Sonoma Valley Health Care District  
347 Andrieux Street  
Sonoma, California 95476

Dear Board of Directors:

We are engaged to audit the financial statements of Sonoma Valley Health Care District (the "Hospital") as of June 30, 2023 and for the year then ended. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

We welcome the opportunity to discuss these items with you further and thank you for trusting Armanino LLP ("Armanino") to be your independent auditor.

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance and, if appropriate, management of the Hospital and is not intended and should not be used by anyone other than those specified parties.

Very truly yours,

Armanino LLP





## DISCUSSION OUTLINE

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## OUR RESPONSIBILITIES UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS

### Our responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated \_\_\_\_\_, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements do not relieve you or management of your responsibilities.

1. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free from material misstatements.
2. As part of the audit, we will consider the internal controls of the Hospital. Such consideration will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.
3. We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibility in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
4. We are also responsible for communicating compliance with grant and contracts to those charged with governance.

## OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## PLANNED SCOPE OF AUDIT

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the Organization. We will communicate our significant findings at the conclusion of the audit. We will also communicate any internal control related matters that are required to be communicated under professional standards.



**PLANNED SCOPE OF AUDIT (continued)**

The scope of our engagement is to audit the financial statements of the Hospital for the year ended June 30, 2023.

As required as part of our audit procedures, we will also perform the following:

- Review of applicable filing requirements and confirmation, and assurance that all required Internal Revenue Service forms are filed in a timely manner;
- Review to ensure activities are consistent with tax-exempt purpose;
- Review of compliance with disclosure requirements for fundraising solicitations and events; and
- Review of cash management and bookkeeping roles, responsibilities, practices, and governance across the Organization’s operations.

**TIMING OF THE AUDIT**

The following is a summary of tentatively scheduled dates related to the audit and the timely delivery of our scope of services noted above:

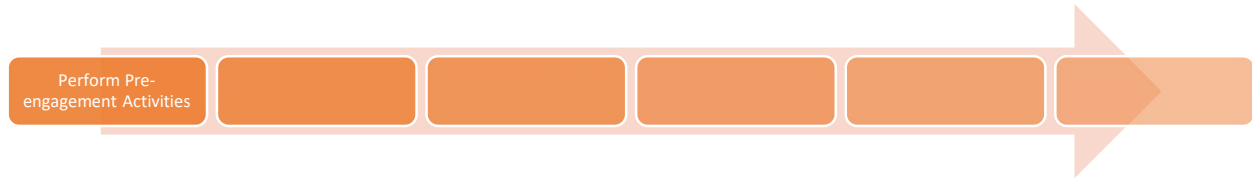
Audit Function	Dates
Pre-audit board meeting	April 2023 (and to be determined)
Audit fieldwork	Week of August 14 <sup>th</sup> (two-three weeks duration)
Draft audit report due to board	Week of September 25 <sup>th</sup>
Post-audit board meeting	Week of October 23 <sup>rd</sup>
Financial statements finalization	Week of November 6 <sup>th</sup>

**SUMMARY OF SPECIFIC/HIGH RISK AUDIT AREAS**

Organization	Specific/High Risk Audit Area
Sonoma Valley Health Care District	<ul style="list-style-type: none"> <li>• Test the collectability of the receivables and verify proper cutoff of recognition. Is there a need for additional allowance</li> <li>• Identifying all programs and sampling in the programs</li> <li>• Evaluating and testing the allocation of expenses across all programs</li> <li>• Evaluate and test the revenue recognition related to the contract based programs (if applicable) and contributions and verify that there is satisfactory supporting evidence</li> <li>• Test the accuracy of the investment reporting and transactions exercised during the year</li> </ul>

## SUMMARY OF GENERAL AUDIT PROCEDURES

We will review the accounting practices of the Hospital, which include policies, estimates, and financial statement disclosures management has identified to be the most critical and concur with management's assessment. These areas include the following:



### Phase I: Perform Pre-engagement Activities, Perform Preliminary Planning and Develop Audit Plan

#### Financial Statement Audit

- Gain an understanding of the Hospital's business and program operations and your underlying fiscal policies and procedures by gathering information, interviews and meetings
- Review prior audit work papers (first year only)
- Develop a preliminary risk assessment of the Hospital based our knowledge of the organization and underlying controls
- Prepare and provide the Hospital with a detailed planning letter outlining items required for the audit
- Review the format and content of the prior year financial statements and make suggestions for changes, where appropriate
- Perform tests of controls and compliance over key areas
- Perform preliminary analytical procedures
- Update our risk assessment
- Develop our audit plan and approach for the substantive and analytical procedures to be applied during fieldwork
- Communicate with management throughout the entire pre-engagement and preliminary process



### Phase II: Perform Audit Plan

- Perform our substantive tests and/or analytical procedures of certain account analyses identified in the audit plan
- Make changes to the audit plan based on results of control and substantive testing
- Communicate daily with Management relative to status of open items and any issues/concerns that may arise during the fieldwork portion of the audit
- Confirm that proper accounting principles (GASB) are used and significant estimates appear reasonable
- Identify any potential control deficiencies to be reported to the audit committee and management
- We have identified 3 very specific value add audit steps as part of Phase II:
  - 1.) Payroll and non-payroll allocations - We will review the methodologies in place to allocate payroll and non-payroll expense throughout the Hospital to verify compliance with the applicable standards
  - 2.) Journal entries - We will review adjusting journal entries made throughout the year and at year-end to substantiate the purpose of the adjustment and compliance with the applicable standards
  - 3.) Non-allowable expenses – We will design our tests to confirm that the Hospital has captured non-allowable costs as outlined in applicable standards

<b>SUMMARY OF GENERAL AUDIT PROCEDURES (continued)</b>
--

Specific procedures that are performed on each of the entities being audited are as follow (where applicable):

**CASH AND CASH EQUIVALENTS**

- We will obtain independent confirmations for all bank accounts
- We will review bank reconciliations for accuracy and traced significant and unusual reconciling items to supporting documentation
- We will review the minutes of the Board of Directors meetings

**PATIENT ACCOUNTS RECEIVABLE**

- We will trace the receivable balances to invoices and other supporting documents
- We will question the collectability of the year-end outstanding balance and examined subsequent collections
- We will send out confirmations, where possible, to support the balances at year end

**INVESTMENTS AT FAIR VALUE (if applicable)**

- We will obtain all investment statements for the year
- We will compute current year earnings and compare them to market trends
- We will test purchase, sales and market transactions with independent third party managers
- We will confirm investment balances with independent third party managers
- We will note anything unusual or any differences
- We will review the minutes of the Board of Directors meetings

**NET PATIENT SERVICES REVENUE, CONTRIBUTIONS AND OTHER REVENUE**

- We will review policies and procedures for recognizing revenue related to contracts
- We will review the schedule of contract revenues and, on a test basis, will trace the recorded amount to the award letter and/or contract
- We will trace, on a test basis, the amounts presented in the programmatic income statement to supporting documentation in the form of vouchers and/or supporting invoices



## SUMMARY OF GENERAL AUDIT PROCEDURES (continued)

### **NET POSITION**

- We will obtain schedules for each class of net assets.
- We will review significant transfers made between asset classes.
- We will trace significant and unusual additions and disbursements to supporting documentation.
- We will review donor letters and agreements for restricted funds to verify proper classification of net assets.
- We will review the minutes of the Board of Directors meetings.

### **ANALYTICAL REVIEW**

- We will compare the 2023 balances to the 2022 balances and obtained explanations for significant variances.

### **COMMITMENTS AND CONTINGENCIES**

- We will review the minutes of the Board of Directors meetings and obtained confirmations from legal counsel regarding claims, assessments, and litigation. There were no matters noted that are expected to have a material adverse effect to the Hospital.

### **INFORMATION SYSTEMS**

- We will review the general controls and information systems used by the Hospital
- We will perform walkthrough procedures for the Hospital's major processes.
- We will discuss internal control related deficiencies and recommendations with management.

### **FINANCIAL STATEMENT DISCLOSURES**

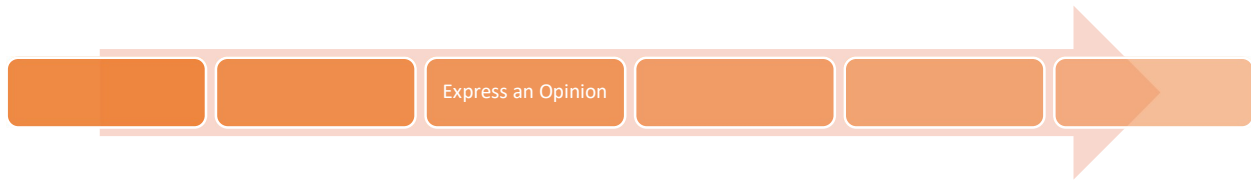
- We will review the adequacy of the financial statement disclosures with management.

### **STATEMENT OF AUDITING STANDARDS (SAS), CONSIDERATION OF FRAUD IN A FINANCIAL STATEMENT**

**AUDIT** – SAS requires audit firms to increase their procedures in an effort to detect instances of fraud during a financial statement audit.

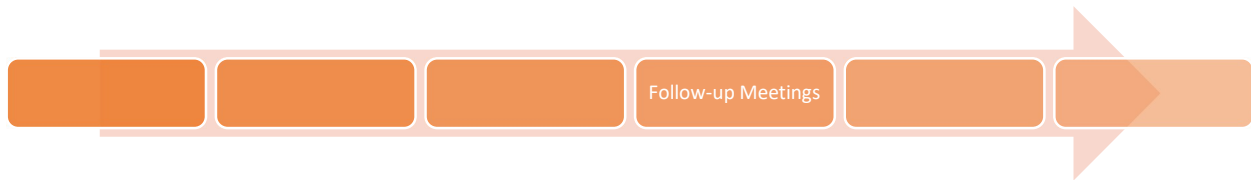
- We will conduct a "brainstorming session" among the engagement team members to discuss the potential for material misstatement due to fraud.
- We will exercise professional skepticism while performing the audit.
- We will make inquiries of management and others within the Hospital to increase the likelihood of fraud detection.
- We will expand our use of analytical procedures while planning and performing the audit to identify risks of material misstatement due to fraud.
- We will consider the risk of management override of internal control.
- We will communicate material misstatements and internal control deficiencies found to management.





**Phase III: Express an Opinion on the Financial Statements and Reporting to those Charged with Governance**

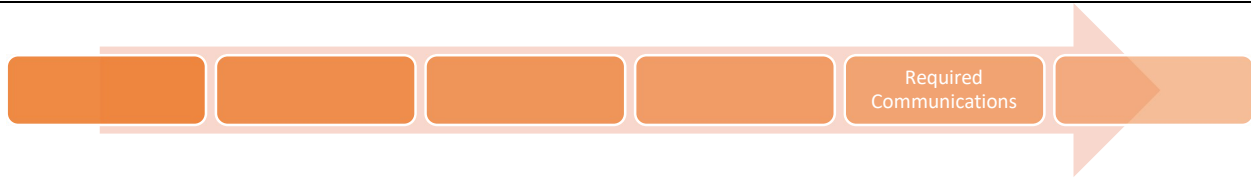
- Obtain the year-end draft financial statements from the Hospital
- Audit the draft financial statement exhibits and notes
- Draft the AU-C 260 letter - “The Auditor’s Communication with those Charged with Governance”
- Draft the AU-C 265 letter - “Communicating Internal Control Related Matters Identified in an Audit”
- Present the audit results at the exit conference with Management
- Present the audit results to the Audit Committee and/or Board of Directors
- Present the audit results to the Board of Directors
- Issue “final” financials statements and AU-C 260 and 265 letters



**Phase IV: Meet with Management and the Audit Committee**

- Schedule our quarterly meetings, we will meet as requested with Management, the Audit Committee, and/or the Board of Directors

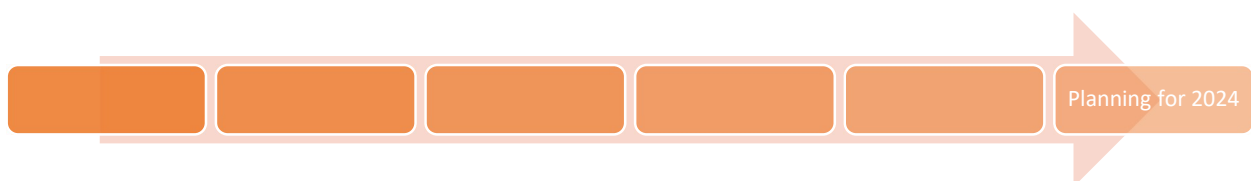
**Phase IV: REQUIRED COMMUNICATIONS – INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER RECOMMENDATIONS TO MANAGEMENT**



We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Hospital’s internal controls over financial reporting. The definitions of material weakness, significant deficiencies and control deficiencies follow:

Category	Comments
<b>Material Weakness</b>	A deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected on a timely basis.
<b>Significant Deficiency</b>	A deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
<b>Control Deficiency</b>	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

We will report our finding to management based on the above category classifications. If the situation presents itself, whereby the finding is severe in nature, and in our professional opinion, we will report directly to the audit and compliance committee. Under all other circumstances, we will evaluate the finding(s) with management and develop our report which would include our observations, findings and we will provide our suggested recommendations.



**Phase IV: Meet with Management and the Audit Committee**

- Discussion about next steps to be more effective and more efficient for the follow audit, 2024.

**INDEPENDENCE COMMUNICATION**

Our engagement letter describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates that we are independent and our policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and nonaudit services that may be thought to bear on independence. For example, our staff are not permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliates of a client, with prior written consent of our managing director and executive committee. In addition, immediate family member or close relative of our staff is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, professional standards restrict certain nonaudit services that may be provided by Armanino LLP and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

**THE CONCEPT OF MATERIALITY IN PLANNING AND EXECUTING THE AUDIT**

In planning the audit, the materiality limit is viewed as the maximum aggregate amount, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all the proposed and recorded entries and the individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

**USING THE WORK OF INTERNAL AUDITORS**

In accordance with gaining an understanding of the Hospital, we are required to inquire and document our understanding of your internal audit function. We will obtain a summary report of all the report prepared by your internal audit department and determine if there is any evidence that would support the potential error or fraud that would require a response when designing our audit procedures. Internal auditors are also employees of the Hospital, and as such, are not independent of the Hospital, and therefore their work cannot replace the work of an external auditor. We may, however, alter the nature, timing, and extent of our audit procedures, based upon the results of the internal auditor's work or use them to provide direct assistance to us during the performance of our audit.

## Armanino overview



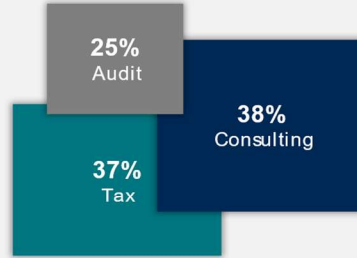
### CORE PURPOSE

To be the **most innovative** and **entrepreneurial** firm that makes a **positive impact** on the lives of our **clients**, our **people** and our **communities**.



### SNAPSHOT

- 2,000+ Employees
- Team Members in 26 States
- 19<sup>th</sup> Largest CPA & Consulting Firm in the Nation
- Growing >20%/yr



#### Affiliate Companies



### LOCATIONS



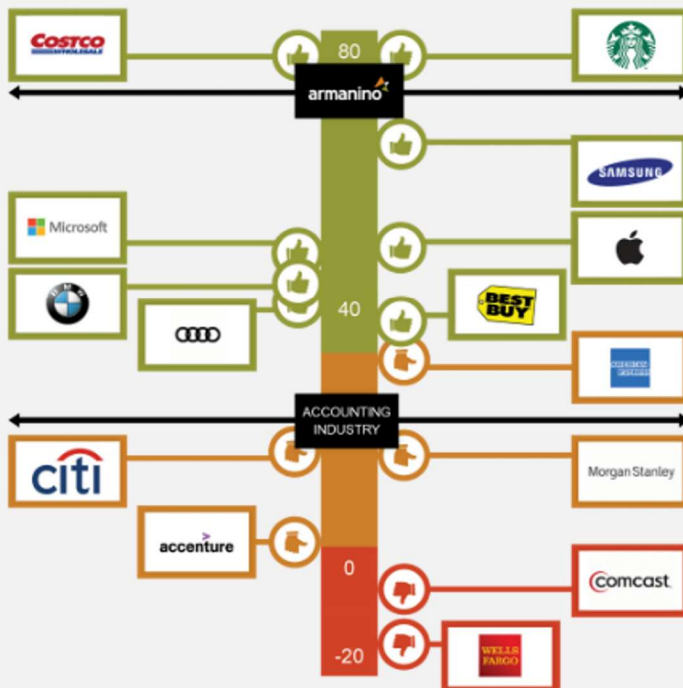
- San Ramon, CA
- San Jose, CA
- San Francisco, CA
- Folsom, CA
- Los Angeles, CA (2)
- Irvine, CA
- El Segundo, CA
- Woodland Hills, CA
- San Luis Obispo, CA
- Chicago / Naperville, IL
- New York City
- Dallas, TX
- Seattle, WA
- Boise, ID
- Denver, CO
- Vancouver, Canada

### RECOGNITION & AWARDS



2 © Armanino<sup>LLP</sup> | armaninoLLP.com

## Client Satisfaction



### NET PROMOTER SCORE

- > Score that is 3X industry average
- > Received last 5 years in a row

### SCORE DRIVERS

- > Responsiveness
- > Quality & Value
- > Understanding our clients' needs
- > Proactively helping our clients

We are committed to women's advancement...

**WOMEN'S  
ADVANCEMENT  
NETWORK**

Launched in 2016

Recognizing the disparity between the number of male and female executives, Armanino has made a concerted effort to recognize, encourage and support women in a path to Leadership.

**International  
Women's Day**

Annually, Armanino hosts this special event in every office. Staff, clients, local colleges and associations are invited to attend.

Launched in 2018

**Executive Access  
Program**

This program connects high potential female managers directly with firm executives to promote and drive career advancement.

31%

percent of individuals promoted to Firm Partner, over the last four years, have been women

...and diversity and inclusion

**NATIONAL  
CEO PLEDGE**

**TO ACT ON  
DIVERSITY AND  
INCLUSION!**

CEO Matt Armanino signed the *CEO Action for Diversity and Inclusion Pledge* this year and is rolling out our new **Diversity and Inclusion** initiative

Nationally ranked as best Accounting firm to work for

<p style="font-size: 2em; font-weight: bold;">#9</p> <p>Minorities</p>	<p style="font-size: 2em; font-weight: bold;">#9</p> <p>LGBT</p>
<p style="font-size: 2em; font-weight: bold;">#19</p> <p>Women</p>	<p style="font-size: 2em; font-weight: bold;">#11</p> <p>Overall Nationwide</p>



## Armanino Services Overview

### CONSULTING

#### CFO Advisory

- Financial Management
  - Financial Reporting
  - Audit Preparation
  - Interim Finance Management
  - Post transaction integration
  - Financial Analysis
  - Forecasting & Budgeting
  - IPO Readiness
  - Technical Accounting
- Valuations
- Equity Management
- Transaction Advisory Services
- Fraud and Forensics

#### Business Outsourcing Services

- Transactional Processing
- Financial Reporting
- Monthend Close
- Interim Financial Management
- Corporate Finance & Restructuring
- HR & Executive Search

#### Software Solutions

- Implementation Services
- Customization & Integration
- Support & Training
- Solutions
  - Enterprise Resource Planning (ERP)
  - Customer Relationship Management (CRM)
  - Budgeting, Planning & Forecasting
  - Equity Management Solutions
  - Procure-to-Pay
  - Business Intelligence (BI)

#### Management Advisory

- Assessments & Roadmaps
- Business Process Improvement
- Software Selection & Utilization
- Business & Technology Roadmap
- Business Transformation
- Benchmarking
- Program Management

### BLOCKCHAIN & DIGITAL ASSETS

### AUDIT

- Financial Statement Audits
- Financial Statement Reviews
- Agreed-Upon Procedures
- Compilations
- Revenue Recognition Planning
- Benefit Plan Audits
- SEC Audits

### TAX

- Tax Provision
- International Tax
- Transfer Pricing
- State & Local Tax
- Sales & Use Tax
- Stock Option Accounting (123R) & Complex Tax Data Analysis
- R&D Credit Studies
- Net Operating Loss Limitation Analysis (Section 382)
- M&A Consulting & Due Diligence
- Pre-IPO Tax Consulting
- SEC Tax Compliance & Strategy

### RISK ASSURANCE & ADVISORY

- Business Continuity Planning & Management
- Cybersecurity & Privacy Services
- Contract Compliance Audits
- HITRUST Certification Services
- Enterprise Risk Management
- Internal Audit
- ISO 27001
- SOC Audit & SOC Compliance
- SOX Compliance
- Third-Party Assurance & Vendor Risk Management

### WEALTH ADVISORY

- Individual Tax Planning
- Succession Planning
- Trust & Estate Planning
- International Tax Consulting
- Collaborative Divorce
- Family Office Services
- Wealth Management (Intersect)



CONTACT INFORMATION

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To: SVHCD Board of Directors  
From: John Hennelly  
Date: 05.04.23  
Subject: Administrative Report

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## Strategic Planning

The Board will be receiving the final copy of the strategic plan at this meeting. Thank you to all who were involved in the development. Now begins the development of business plans related to various components of the plan. I anticipate our initial energies to focus on:

- *Campus Realignment*: discussions with UCSF regarding how they might participate, business plan development on SNF, Sub Acute, Memory Care service lines
- *Community Care*: market sizing for various community opportunities, urgent care, diagnostic center, specialty clinics, PT/OT.
- *Sustainability*: business plan development on GI, cardiology, orthopedics, and UCSF clinical services.
- *Seismic*: continued research on possible options.

In parallel, the hospital is exploring the possibility of acquiring the FQHC under the healthcare district. Responses to the clinic's RFP are due 5/18.

## Operations

With the Emergency Department physician contract awarded to the Napa Valley Medical Group, attention now turns to the transition scheduled for 8/1/23.

The hospital received its triennial quality survey from CIHQ. The unannounced survey occurred 4/18-21. The organization received high marks with few areas recommended for improvement. We will be addressing deficiencies in the coming weeks.

March continues the trend of strong volume and revenues. Surgeries and admissions were up while ED visits softened.



## Capital

The temporary MRI project is in the planning/permitting stage. Our timeline continues to have the unit operational by the end of 2023 with the permanent project going live in the spring of 2025. The team spent considerable time in the neighborhood over the past month both listening and informing our neighbors about the coming project. Feedback was universally positive.

Finishes are being selected on the **ICU** upgrade. Once all selections are complete, we will review to insure funding matches. It is expected that the work will be completed in mid-2023.

We are 5 months into our **Epic** implementation. We continue to focus on revenue cycle activities. Our daily collections has improved from 30% of baseline 4 weeks after go live to over 100% today. Weekly revenue collections have exceeded baseline (12/1/22) for 6 weeks running. We should be able to establish a new baseline in the next 8 weeks once the catch-up from go live is complete. Interfaces to community partners are almost complete. One key remaining interface is with UCSF. This work is scheduled to be completed 7/11/23.

## Covid

After 3 years of headlining reports to you, Covid is relegated to the end of my report. It continues to wane. Staff quarantines remain very low, and community requests for testing has all but stopped. Daily inpatient census with Covid have ranged from 0-2. We continue to track the virus and its new variants, but impact on the hospital has all but disappeared.

# SVH Performance Score Card

## 1. Quality and Safety

Objective	Target	FEB.23	MAR.23	Trend	Supporting detail
<b>Infection Prevention</b>					
Central Line Blood Stream Infection CLABSI per 10k pt days	<1	0.00	0.00	↔	
Catheter Associated Urinary Tract Infection- CAUTI per 10k pt days	<1	0.00	0.00	↔	
CDIFF Infection per 10k pt days	<0.9	1.00	0.00	↑	
<b>Safety</b>					
Patient Fall per 1000 pt days	<3.75	0.00	0.00	↔	
Patient fall with injury per 1000 pt days	<3.75	0.00	0.00	↔	
Surgical Site Infections per 1000 Acute Care Admissions	0.00	0.00	0.00	↔	

<b>Core Measures</b>					
Sepsis Early Management Bundle % compliant	>81%	20 (n=5)	29 (n=7)	↑	Sepsis task force formed to address
Severe Sepsis 3 hour Bundle % compliant	>94%	60 (n=5)	71.4 (n=7)	↑	
Severe Sepsis 6 hr Bundle % compliant	100.00	33.3 (n=3)	100 (n=4)	↑	Sepsis task force formed to address
Core OP 23- Head CT within 45 mins % compliant	100.00	N/A	0 (N=1)	↓	

<b>Mortality</b>					
Acute Care Mortality Rate %	<15.3	2.90	6.20	↓	

<b>ED</b>					
Core OP 18b Median Time ED arrival to ED Departure mins	<132	150 (n=29)	90 (n=18)	↑	
Core Op 22 ED Left without being seen LWBS	<2%	0.50	0.30	↔	

<b>PSI 90</b>					
PSI 90 Composite Acute Care Admissions	0.00	0.00	0.00	↔	

<b>Preventable Harm</b>					
Preventable Harm Events Rate % of risk events graded Minor-Major	0.00	0.00	0.20	↓	

<b>Readmissions</b>					
Readmissions to Acute Care within 30 days %	<15.3	2.90	1.82	↑	Lower is better

## 2. Employees

Objective	Target	FEB.23	MAR.23	Trend	Supporting Detail
Turnover	<3%	1.7	1.7	↔	
Workplace Injuries	<20 Per Year	0.0	0.0	↔	

## 3. Patient Experience

Objective	Target	JAN.23	FEB.23	Trend	Supporting Detail
<b>Outpatient Ambulatory Services</b>					
Recommend Facility	>50%	2 (n=35)	88 (n=12)	↑	
Communication	>60%	1 (n=35)	1 (n=12)	↔	
Discharge Instructions	>70%	69 (n=35)	6 (N=12)	↓	
<b>HCAHPS</b>					
Recommend the hospital	>50%	95 (n=17)	90 (n=17)	↓	
Communication with Nurse	>50%	84 (n=17)	96 (n=17)	↑	
Communication with Doctor	>50%	50 (n=17)	78 (n=17)	↑	
Cleanliness of Hospital	>50%	75 (n=17)	97 (n=17)	↑	
Communication about medicines	>60%	81 (n=17)	99 (n=17)	↑	
Discharge Information	>50%	85 (n=17)	69 (n=17)	↓	

## 4. Volume

Objective	Target	FEB.23	MAR.23	Trend	Supporting Detail
<b>Patient Visits</b>					
Emergency Visits	>750	719.0	743.0	↑	
Surgical Volume Outpatient	>140	144.0	160.0	↑	
Surgical Volume Inpatient	>13	17.0	12.0	↓	
Inpatient Discharges	>50	78.0	69.0	↓	

## 5. Financial

Objective	Target	FEB.23	MAR.23	Trend	Supporting Detail
EBDA in %	>0.5	23.5	3.4	↑	
Days Cash on Hand month end	>42	14.3	16.9	↑	
Net Revenue (\$M) (annualized)	>\$46	\$ 54.4	\$ 54.4	↔	



## 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 which is 15.3%.

Our average mortality rate each month is around 2-6%, most of our deaths are expected and are related to palliative care/hospice patients.

### **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 hospitalization, or that results in death. This is a percentage of risk events that have a significance level of minor-major harm.

Derived from the risk events entered into our risk reporting platform.

Examples of risk events are- patient falls, surgical complications, mis-diagnosis, repeat visits, code blue, AMA, transfers to other facilities, documentation issues.

Goal is 0. Alarm is set at 5.0 which is the benchmark set by UCSF and chosen by Dr Kidd

### **Readmissions**

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

# CMO Report to the Board

May 2023

# Updates

- Introducing Napa Valley Emergency Medicine Group
- Triennial CIHQ Survey
- Dr. Peter Carroll to launch his Sonoma practice
- Geriatrics Program updates
- Diversity, Equity, Inclusion updates



# Napa Valley Emergency Medicine



- Six ED physician partners + 1 new partner, five of whom reside in Sonoma
- Board Certified Emergency Physicians, many of whom trained/taught at the nation's premier institutions (Harvard, Stanford, UCSF, Highland, UC Davis).
- Their goal: advancement in the care provided to emergency department patients with current evidence based medicine, point of care ultrasound, a wide procedural breadth, and clinical pathways that are not currently available at SVH.

# Napa Valley Emergency Medicine

“We are deeply committed to bringing our commitment to emergency medicine into the valley that holds our friends and family.”



**Napa Valley**  
EMERGENCY MEDICAL GROUP

# Triennial CIHQ Survey

- We did exceptionally well, thanks to our wonderful team and dedicated staff
- Physician issues that were revealed and that we are addressing:
  - Verbal orders
  - Epic documentation
  - Use of order sets





# Tele-Urology at SVH



- Dr. Peter Carroll will start seeing patients via telehealth after the July 4 weekend
- Dr. Carroll is a world-renowned urologist, distinguished chair of Urology at UCSF, and is the recipient of a number of leadership and scholarly awards
- Dr. Carroll's practice focuses on Urological Oncology, and he has led pioneering work in this space
- Referral base:
  - Current patients of his who reside in Sonoma
  - Referrals from local general urologists



# Geriatrics Program Update

- Objective: to transform Sonoma Valley Hospital into an age-friendly health system by providing excellent, high-quality care consistent with geriatric best practices
- First hospital-based initiative: identifying and decreasing rates of delirium in hospitalized patients
- Geriatric NP recruitment is in process. Responsibilities:
  - Pre-op geriatric care
  - inpatient consultation
  - community outreach

# Diversity, Equity, Inclusion Update

- Objective: to ensure that all patients who visit Sonoma Valley Hospital receive equitable and high-quality care
- Initiatives:
  - Diabetes community program in partnership with La Luz
  - DEI training
  - HR recruitment



# Questions?



Tactic Completed	Tactics under way now	Tactics to begin in the next 12 months	Tactics in conceptual form
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UCSF/SVH Joint Operating Dashboard

Strategic Objective	Initiative	Description/Tactic	Benefits/Impact	Start Date	Target Completion Date	Update	Updated	
<b>1 Increase Access to San Francisco based UCSF Care</b> - ability for Sonomans to access care at UCSF in the city has been difficult. This objective seeks to improve pathways to access care.	1.1	Expansion of Telemedicine Services with UCSF Affiliate Network	Neurology coverage for stroke and inpatient care	24/7 availability of neuro consult for stroke cases in ED	2019	2019	complete	7/19
			Infectious Disease coverage for hospital	Specialty coverage for ED and inpatient units			complete	7/19
	1.2	Beta Site for Capacity Management (transfer) Center	Intensivist Coverage of ICU	Expanded medical team would increase the types of cases that could be treated at SVH.	2022	2023	Engaging UCSF and third party vendors on contracting. Dr Sankaran has lead. Conversations progressing. Ongoing.	3/23
			Integration of SVH into the UCSF capacity management system	The integration will improve both site's ability to place patients in the right setting for their needs. Impact to SVH increased	Summer 2023	2023-2024	System live. UCSF working on process. SVH participation pending.	1/23
<b>2 Increase Access to Locally Provided Specialists/Primary Care</b> - establishment of care sites in Sonoma will aid in access to UCSF care.	2.1	Physician Employment	Joint recruitment of GI specialists based in Sonoma	Provision of service currently unavailable in Sonoma and highly in demand.	2021	in process	Welcoming a general surgeon who will do GI. Still seeking a GI.	3/23
			Joint recruitment of orthopedic surgeon based in Sonoma	Orthopedics is in strong demand in Sonoma. Planning to insure availability over coming years.		2023-25	This is in concept stage at this point. Discussions will occur between existing partners to develop a plan.	8/22
	2.2	Expansion of Clinically Integrated Network	Engagement of UCSF faculty in growth or under represented service lines	Engagement can increase the types of care available in Sonoma and increase connectivity with programs at UCSF.	2022	2023	Issuance of RFP to faculty to identify programs which could be cited in Sonoma. Proposals must address market need. RFP to be issued Q1 2023	12/22
			Opportunity to contractually link Sonoma providers to UCSF network improving network access, quality oversight, and financial stability for practices	Helps insure stability of practices in Sonoma and improved access to broader network.		2023	UCSF revising program	12/22
<b>3 Increase Facility Utilization</b> - objective is to use available space and resources at SVH to alleviate capacity issues at UCSF where needs align. The result will be more availability of services in Sonoma.	3.1	Grow UCSF surgical presence in Sonoma	Objective is to engage UCSF surgeons to practice in Sonoma and at SVH.			EPIC installation has removed key barrier. Improvement to interfaces underway. Dr Sankaran in talks with Dr Carrol (urologist) about beginning to provide services in Sonoma in 2023	12/22	
	3.2	Explore collaborative opportunities in orthopedics	Details listed in section 2. Listed here to note it serves this objective.					
	3.3	Increase utilization of ODC by UCSF	Online scheduling	UCSF is moving to self scheduling which enables the patient to select the best location for their service based upon availability or location. This could optimize utilization of SVH assets.	2022	2023	On going conversations with UCSF Affiliates team on build requirements. Work on going.	12/22
	3.4	Development of Post Acute program	Objective is to insure adequate postacute care is available in Sonoma	Meeting market demand and insuring Sonoma has the right setting for care. Activation of dormant space at SVH.		2024	This is in concept stage at this point.	8/22
	3.5	Develop relationship with VA for the provision of care to veterans at SVH		Improve access for veterans and increase utilization of SVH services	2023	2024	Connecting with VA leadership through UCSF contacts	2/22
<b>4 Enhance IT Integration</b> - maximize connectivity between two organizations to improve integration of data available to community and patients	4.1	Maximize data availability between sites	EPIC implementation	Installation of EPIC will improve connectivity between UCSF and SVH.	January 2022	12/3/2022	Complete	12/22
			Optimize EPIC data transfer between instances	Maximizing data integration between SVH Epic and UCSF Epic will optimize utilization by clinicians and patients	Summer 2023	2025	Interface builds still underway	3/23
	4.2	Integration of IT management	Contract executed between UCSF and SVH for the provision of management services to SVH		2022	2022	Complete	1/22
<b>5 Share Resources/Reduce Costs</b> - by collaborating, can the two organizations save money?	<b>6 Share Resources/Reduce Costs</b> - by collaborating, can the two organizations save money?	Integration of coordination of care w UCSF and/or Marin Health						
		Leadership Development	Sound leadership yields high performing organization	Investment in leadership is paramount in a high performing organization. Impact is more innovation (growth), better staff and patient satisfaction, increased market competitiveness, higher employee retention.	2022	ongoing	Deescalation training of management completed in January.	1/23
		Explore JV opportunities around ODC	Develop a business case for a joint venture between SVH and UCSF around the ODC and surgical services	A joint venture would provide both capital and focus from UCSF on Sonoma.	CY2023	2024	Investment models under review. On going.	12/22
<b>Parking Lot</b>		Exploration of ways to integrate purchase of goods and services		Cooperating with UCSF on purchasing could yield significant savings			Management continually on the look out for such opportunities. Supplies were reviewed in 2022 - no opportunity. Reimbursement rates - not allowed unless UCSF has a controlling interest.	9/22



**To:** Sonoma Valley Health Care District Board of Directors  
**From:** Ben Armfield, Chief Financial Officer  
**Date:** May 4, 2023  
**Subject:** Paragon Enterprise Resource Planning (ERP) Extension

**RECOMMENDATION**

Recommend to the SVHCD Board of Directors that they approve a 3-year contract extension of our existing Enterprise Resource Planning (ERP) solution, Paragon, through Altera Digital Health.

\*\* This was brought to the SVHCD Finance Committee as an action item on 4/25/23 and was formally approved by the Committee to recommend SVHCD Board of Directors approval. \*\*

**BACKGROUND**

Our ERP system, Paragon, is provided by Altera Digital Health (formally Allscripts). This system houses all of the financial applications we regularly utilize such as our general ledger, payroll, fixed assets and materials management platforms. Paragon was also our core clinical solution as well, utilizing their Electronic Health Record (EHR) prior to the conversion to Epic this past December.

Paragon Electronic Health Record (Prior to Epic Go-Live)

Prior to the Epic go-live, our annual Paragon fees fell into 3 buckets – the Electronic Health Record (EHR), our Enterprise Resource Planning Platforms (ERP), and the fees related to host these services remotely. These services were bundled together for an annual cost of \$980,000. In addition to the core system, there were other critical third-party applications that were needed in order to integrate into the system. Accounting for those costs, the all-in annual operating budget for our EHR, including the ERP, was \$1,508,000.

Epic Electronic Health Record (Post Epic Go-Live)

The operating costs for the new Epic EHR are \$720,000 annually with an additional \$288,000 in third-party applications. This does not include the costs to support an ERP, as the Epic suite does not provide any of those applications. This was known and discussed during the EHR vendor selection process and our recommendation at the time was to maintain the Paragon ERP solution through the Epic install and plan for a subsequent ERP implementation over the next couple of years.

**Table 1 | EHR Comparison – Paragon vs Epic**

<b>EHR Cost Comparison - Paragon v Epic</b>	<b>Paragon EHR (Pre-Epic) * Epic EHR **</b>	
Annual EHR Cost	\$ 980,000	\$ 720,000
Annual ERP Cost - Core System	incl. above	NOT incl.
Annual ERP Cost - Remote Hosting	incl. above	NOT incl.
3rd Party Applications	\$ 528,000	\$ 288,000
<b>Operating Costs - Annual Total</b>	<b>\$ 1,508,000</b>	<b>\$ 1,008,000</b>

\* Includes ERP Solution

\*\* Does Not Include ERP Solution



**CURRENT STATE**

Our current Paragon contract is now up for renewal. Since our EHR is now provided through Epic, the go-forward agreement with Paragon would just contain the ERP core system solution (‘financials’ – GL, payroll, fixed assets, MM) and the cost related to remote hosting of the Paragon system and other critical applications.

Our version of Paragon also requires an upgrade as we are currently running on an older version that is now no longer supported. This means that if we were to run into any issues - either in the financial ERP suite or with the EHR clinical data in Paragon, we would not be able to procure any support from Altera to fix. The cost to upgrade our version of Paragon is \$182,390.

Management has performed due diligence on alternative vendors and the solutions they provide. The implementation period for installing a new ERP system is anywhere from 9-12 months, depending on vendor and type of solution. The estimated cost of implementing a new ERP product is approximately \$500,000.

**The Paragon Upgrade and Why It Matters**

If the decision was made to implement a new ERP, we would still need to have Paragon operational for roughly 12-14 months once work started on the new install, as we would need to cover the period of time the new ERP was being built and also account for some overlap to assure a smooth transition and cutover. That leaves two potential options for the Paragon upgrade, if we were to select a new vendor for our ERP solution:

- 1) Move forward with the Paragon upgrade of \$182,390 only to move to a different platform roughly one year later, or
- 2) Elect not to upgrade and save the \$182K but run the risk of being out of support during the entire period prior to the new ERP becoming operational.

The risk exposure we would take on by not upgrading Paragon makes #2 a non-starter. Alternatively, spending nearly \$200,000 on an upgrade to only cover a 12-14 month period is not a prudent financial investment, especially when other options are available in the near-term.

**The Other Option: Paragon Renewal Proposal**

The proposal from Altera to renew our Paragon contract is below. It includes the \$182.390 one-time upgrade plus the ongoing operational costs to support the ERP Core Financial System (general ledger, fixed assets, materials management, payroll) & remote hosting services. The remote hosting services comprise the majority of the ongoing operating costs. These are variable in the sense that we will get charged for the services we need hosted remotely. If we can find alternative methods, i.e. host on-site, these costs could be further reduced. For now, the table below reflects the ceiling in terms of what we need them to host, but there is potential for these costs to get reduced in the years ahead.

**Table 2 | Paragon ERP Renewal Cost Summary**

Contract Year	Year 1	Year 2	Year 3		
Time Period in Contract	Apr23-Mar24	Apr24-Mar25	Apr25-Mar26	3-Yr Total	Comments
Paragon Upgrade - Capital	\$ 182,390	\$ -	\$ -	\$ 182,390	One-Time Capital Expense
ERP Operating Costs	\$ 448,840	\$ 413,363	\$ 396,432	\$ 1,258,635	ERP Core Systems + ERP Remote Hosting
ERP - Core Systems	\$ 58,420	\$ 58,420	\$ 58,420	\$ 175,260	Paragon Financials (GL, FA, Materials, Payroll)
ERP - Remote Hosting	\$ 390,420	\$ 354,943	\$ 338,012	\$ 1,083,375	Remote Hosting Services (Paragon, HIM)
<b>GRAND TOTAL</b>	<b>\$ 631,230</b>	<b>\$ 413,363</b>	<b>\$ 396,432</b>	<b>\$ 1,441,025</b>	

**Why Extending Paragon ERP Makes Sense**

**Bandwidth** - First and foremost, we are still getting acclimated with our new electronic health record. Moving forward with a brand new ERP implementation right on the heels of the Epic install would put further pressure on key internal stakeholders, and would risk jeopardizing not only the ERP implementation but further optimization efforts with our new Electronic Health Record.

**Familiarity** – We have used Paragon for quite some time and there is a comfort level with the product. While other ERP solutions could offer a more robust solution, key stakeholders at the hospital know the system and are comfortable using it. Obviously familiarity is not a justification for keeping Paragon long term, but given all of the other movement in this space over the past year, in the short-term (1-3 years) familiarity does have value. Moving forward with Paragon in the immediate will provide more time for stakeholders to assess our environment with the new EHR and will also put us in a better position to fully understand our ERP needs long term so we can select the best partner.

**Cost Effective Solution** – Moving forward with the Paragon renewal is also the most cost effective solution in the near term and also provides the most value. The annual ERP operating costs Altera quoted us was cheaper than any other competing bid we have received to-date. The table below compares the estimated costs between Paragon and an actual bid we received from a competitor.

- The annual ERP fees for the core financial system in Paragon (\$58,420) are significantly less than what was quoted from the competing bid (\$150,000).
- Over the 3-year contract term, we estimate that staying with Paragon would save us close to \$275,000 in operating costs.
- We would also save (or at a minimum, be able to defer, depending on long-term strategy) the \$500,000 in fees related to a new implementation.
- Staying with Paragon would also allow us to get the value out of the necessary upgrade, as we feel strongly the upgrade needs to take place whether we renew with Paragon or choose a new vendor.

**Table 3 | Cost Comparison – Paragon ERP vs Competing ERP Bid**

<b>ERP Operating Costs (Core System, Remote Hosting)</b>	<b>Paragon EHR*</b>		<b>Competing Bid</b>		<b>Paragon vs. Competitor</b>	
Annual ERP Cost - Core System	\$	58,420	\$	150,000	\$	(91,580)
Annual ERP Cost - Remote Hosting	\$	361,445	\$	361,445	\$	-
<b>Operating Costs - Annual Total</b>	<b>\$</b>	<b>419,865</b>	<b>\$</b>	<b>511,445</b>	<b>\$</b>	<b>(91,580)</b>
<b>Operating Costs - 3-Year Total</b>	<b>\$</b>	<b>1,259,595</b>	<b>\$</b>	<b>1,534,335</b>	<b>\$</b>	<b>(274,740)</b>
<b>Capital Costs (Paragon Upgrade, ERP Implementation)</b>						
Paragon Upgrade	\$	182,390	\$	182,390	\$	-
ERP Implementation Cost	\$	-	\$	500,000	\$	(500,000)
<b>Capital Costs - 3-Year Total</b>	<b>\$</b>	<b>182,390</b>	<b>\$</b>	<b>682,390</b>	<b>\$</b>	<b>(500,000)</b>
<b>PROJECTED COSTS - 3-Year Total</b>	<b>\$</b>	<b>1,441,985</b>	<b>\$</b>	<b>2,216,725</b>	<b>\$</b>	<b>(774,740)</b>

\*Average annual costs over the 3-year contractual period



## **RECOMMENDATION**

During the Epic EHR presentation to the Board, management's recommendation on the ERP was to look for another solution and plan for a subsequent implementation. Our position has not changed from that recommendation as we still believe there is another solution that would better fit the needs of the hospital long-term. But in the short-term, especially given the Epic transition, we feel it makes the most sense to go forward with the 3-year Paragon renewal. This would allow us the needed time to make sure we are not only making the right choice, but making the right choice at the right time.

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### **Attachments:**

- SVHCD-Altera Paragon System Upgrade Statement of Work
- SVHCD-Altera Paragon Extension Amendment





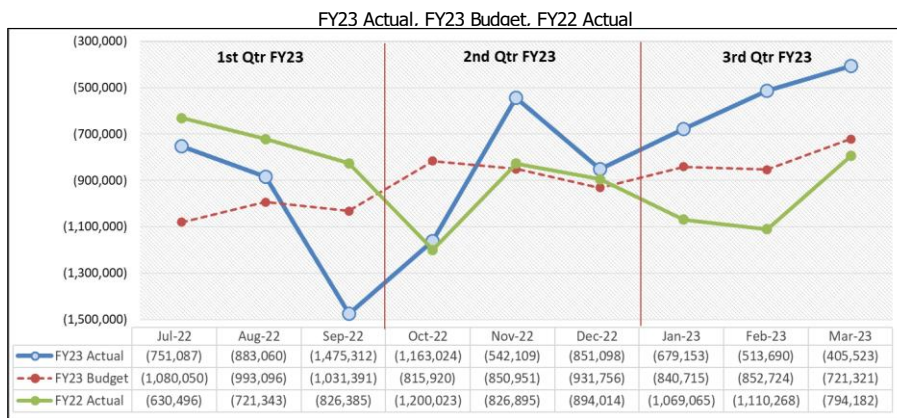
**To:** Sonoma Valley Health Care District Board of Directors  
**From:** Ben Armfield, Chief Financial Officer  
**Date:** May 4, 2023  
**Subject:** Financial Report for March 2023

**1. OVERALL PERFORMANCE:**

We had another strong financial month in March. Our operating margin, operating EBDA, and net income all exceeded budget by a significant amount and surpassed February as the best financial month the hospital has posted this fiscal year when looking at operating margin.

March's net patient revenue was a fiscal year best, driven by higher acuity, a positive reversal in payor mix, and specific volume increases in outpatient surgery as well as outpatient visits. We continue to be diligent in cost management efforts post-Epic and for the third month in a row, our operating expenses ran under budgeted levels while our operating revenues also outpaced their budgeted targets. This resulted in a very strong 3<sup>rd</sup> quarter from operations (January-March) as our financial performance has seen significant improvement, especially when compared to our 1<sup>st</sup> quarter performance. Year-to-date our operating margins remain strong, continuing to outpace both budget and prior year.

**SVH Trended Operating Margin (excl IGT funding)**



We took another important step forward in cash collections this past month, collecting more cash each week than our historical levels pre-Epic. \$4.6M in cash was collected in March, which fell just short of our fiscal year high in August. This obviously has had a significant impact on our days cash on hand and with these increased cash collections coming through, we are now on a trajectory to end the fiscal year right at our days cash on hand target of 50.0.

**Table 1a | Overall Performance - March 2023 (Including IGT)**

	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
<b>Operating Margin</b>	\$ (405,523)	\$ (721,321)	\$ 315,798	44%	\$ (5,361,473)	\$ (4,528,723)	\$ (832,750)	-18%	\$ (5,023,306)	\$ (338,167)	-7%	
<b>Operating EBDA</b>	\$ (164,158)	\$ (492,234)	\$ 328,076	67%	\$ (3,110,694)	\$ (2,466,940)	\$ (643,754)	-26%	\$ (2,917,500)	\$ (193,194)	-7%	
<b>Net Income (Loss)</b>	\$ 409,958	\$ 239,851	\$ 170,107	71%	\$ 1,320,650	\$ 4,149,914	\$ (2,829,264)	-68%	\$ (491,419)	\$ 1,812,069	369%	

\* Operating Margin less Depreciation

**Table 1b | Overall Performance - March 2023 (Excluding IGT)**

	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
<b>Operating Margin</b>	\$ (405,523)	\$ (721,321)	\$ 315,798	44%	\$ (7,264,055)	\$ (8,117,924)	\$ 853,869	11%	\$ (8,072,671)	\$ 808,616	10%	
<b>Operating EBDA</b>	\$ (164,158)	\$ (492,234)	\$ 328,076	67%	\$ (5,013,276)	\$ (6,056,141)	\$ 1,042,865	17%	\$ (5,966,865)	\$ 953,589	16%	
<b>Net Income (Loss)</b>	\$ 409,958	\$ 239,851	\$ 170,107	71%	\$ (581,932)	\$ 560,713	\$ (1,142,645)	-204%	\$ (3,540,784)	\$ 2,958,852	84%	

\* Operating Margin less Depreciation

## 2. NET REVENUE SUMMARY:

**Table 2 | Net Patient Revenue – Actual vs. Budget - March 2023 (Excluding IGT)**

	Month of March 2023				Year To Date March 2023						
	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD		Variance
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%
<b>Gross Revenue</b>	\$ 28,467,112	\$ 27,965,756	\$501,356	2%	\$ 240,864,067	\$ 229,678,270	\$11,185,797	5%	\$ 215,991,945	\$24,872,122	12%
<b>Net Patient Revenue</b>	\$ 4,535,235	\$ 4,237,155	\$298,080	7%	\$ 36,344,493	\$ 34,819,144	\$ 1,525,349	4%	\$ 33,264,464	\$ 3,080,029	9%
<b>NPR as a % of Gross</b>	15.9%	15.2%	5%		15.1%	15.2%	0%		15.4%	-2%	
<b>Tot Operating Revenue</b>	\$ 4,630,375	\$ 4,341,878	\$288,497	7%	\$ 37,178,992	\$ 35,761,651	\$ 1,417,341	4%	\$ 34,103,326	\$ 3,075,666	9%

March delivered yet another month of robust patient revenues, both in total and volume-adjusted. We posted \$4.5M in net patient revenue in March, which was a new fiscal year high. Volume-adjusted revenue was a plus as well, rebounding in March to 15.9%. That is a significant jump from the 14.5% that we ran in February and also marks a high for this fiscal year as well.

Higher acuity, payor mix, and select volume increases were all factors in the positive outcome for March. Our case-mix, particularly with Medicare patients, increased by over 10% compared to our last 4 months and was 7% over budget. We also saw a positive reversal in our payor mix. While slightly under budget in March, our commercial payor mix increased by over 15%, signaling that the dip in February was hopefully a one-time event. We will continue to stay close and track this closely in the months ahead.

## 3. OPERATING EXPENSE SUMMARY:

**Table 4 | Operating Expenses – Actual vs. Budget – March 2023 (Excluding IGT)**

	Month of March 2023				Year To Date March 2023						
	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD		Variance
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%
<b>Operating Expenses</b>	\$ 5,035,898	\$ 5,063,199	\$ 27,301	1%	\$ 44,443,048	\$ 43,879,575	\$ (563,473)	-1%	\$ 42,175,997	\$(2,267,051)	-5%
<b>Worked FTEs</b>	209.0	224.6	15.6	7%	211.8	218.5	6.7	3%	204.9	(6.9)	-3%

Despite coming up from February, operating expenses still came in under budget for the month. Staffing remains a priority, both in trying to recruit and retain hard to fill positions, but also working on reducing our reliance on travelers. Our traveler spend of \$177K in March was nearly 20% lower than our fiscal year average and marks a 30% reduction from when we went live with Epic in December.

## 4. VOLUME SUMMARY:

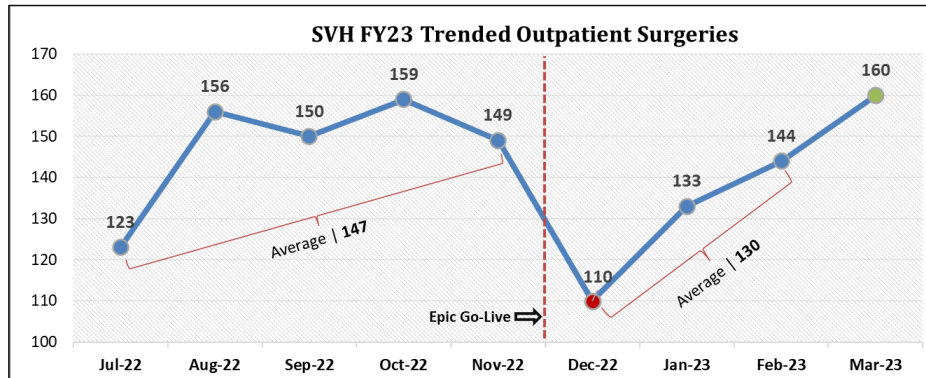
**Table 5 | Patient Volumes – March 2023**

	Month of March 2023				Year To Date March 2023						
	Current Year		Variance		Current Year		Variance		Prior Year		Variance
	Actual	Budget	Var	%	Actual	Budget	Var	%	Actual	Var	%
Acute Patient Days	274	274	-	0%	2,478	2,355	123	5%	2,363	115	5%
Average Daily Census	8.8	8.8	-	0%	9.0	8.6	0.4	5%	8.6	0.4	5%
Acute Discharges	69	66	3	5%	612	566	46	8%	552	60	11%
IP Surgeries	12	13	(1)	-8%	141	116	25	22%	103	38	37%
OP Surgeries/Spec Proc	160	183	(23)	-13%	1,284	1,466	(182)	-12%	1,403	(119)	-8%
<b>Total Surgeries / Procedures</b>	<b>172</b>	<b>196</b>	<b>(24)</b>	<b>-12%</b>	<b>1,425</b>	<b>1,582</b>	<b>(157)</b>	<b>-10%</b>	<b>1,506</b>	<b>(81)</b>	<b>-5%</b>
Total Outpatient Visits	4,738	4,979	(241)	-5%	41,232	40,852	380	1%	41,833	(601)	-1%
Total ER Visits	743	923	(180)	-20%	7,184	7,437	(253)	-3%	6,750	434	6%

Volumes remain healthy. We did see a bit of a shift in March, as it was the first time this fiscal year our inpatient surgeries were under budget. At this point it is nothing more than a one-month dip.

Mitigating this drop was a corresponding increase on the outpatient side. We performed 160 outpatient surgeries in March, which despite being off budget by over 10% (the driver in this variance is due to the additional cases

that we had budgeted in GI starting in February), marked a fiscal year high. It was also a significant jump compared to our recent trend. March's OP surgery volumes were nearly 25% higher than what we have averaged since the Epic-go live in December (130, Dec22-Feb23).



While total surgeries are down year-to-date compared to budget and prior year, it is important to note much of that gap can be contributed to the months directly following the launch of Epic.

In addition to outpatient surgeries, we also saw an increase in our outpatient visits. We had over 140 MRI visits in March, which was a fiscal year high and represents a 20% increase over our current fiscal year average of 120. Laboratory visits, ECHOs, and Mammography procedures all saw their volumes increase by over 10% when compared to that same time period as well.

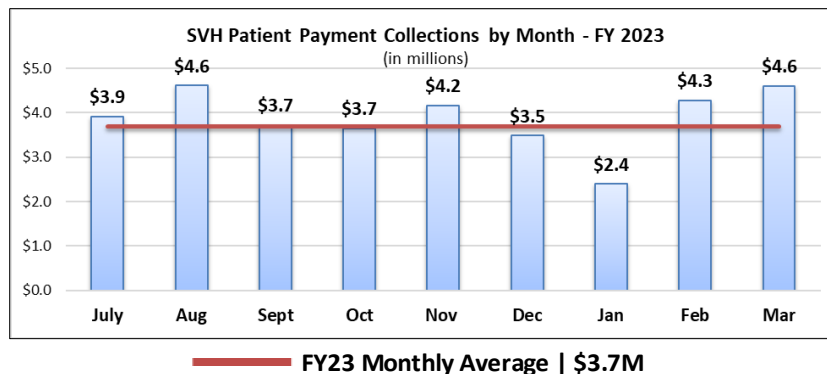
**5. CASH ACTIVITY SUMMARY:**

**Table 6 | Cash / Revenue Cycle Indicators - March 2023**

	Mar-23	Feb-23	Var	%
Days Cash on Hand	16.9	14.3	2.6	18%
A/R Days	59.8	55.9	3.9	7%
A/P Days	56.6	56.3	0.3	1%

It was another great month in cash collections. We collected \$4.6M in March, nearly \$1M more than what had been initially projected on the cash forecast. We continue to see good progress here and are starting to consistently hit and exceed our historical baseline cash collection levels we established in Paragon.

Our days cash on hand ended at 16.9 days, up from 14.3 in February. It is important to callout that this includes the \$2.4M in IGT matching fees that were paid out in February. It does not include the cash proceeds, which we will be receiving this month. In fact, between now and the end of the year we anticipate receiving an additional \$7M+ in cash between our IGT proceeds and remaining parcel tax revenues. Assuming this trajectory holds, we are now projecting to end this fiscal year with more cash on hand than the prior year, which would put our days cash at year-end right at our target of 50.0.



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**ATTACHMENTS:**

- Attachment A is the Payer Mix Analysis
- 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 March 31, 2023**

ATTACHMENT A

Gross Revenue	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	11,339,247	10,380,195	959,052	9.2%	87,679,221	85,379,818	2,299,403	2.7%
Medicare Managed Care	4,647,081	4,674,190	-27,109	-0.6%	41,188,455	38,353,690	2,834,765	7.4%
Medi-Cal	5,227,569	4,680,723	546,846	11.7%	45,670,882	38,271,424	7,399,458	19.3%
Self Pay	200,116	496,223	-296,107	-59.7%	3,129,235	4,047,628	-918,393	-22.7%
Commercial & Other Gov't	6,663,457	6,894,850	-231,393	-3.4%	54,211,026	56,656,729	-2,445,703	-4.3%
Worker's Comp.	375,942	821,038	-445,096	-54.2%	8,774,483	6,802,148	1,972,335	29.0%
<b>Total</b>	<b>28,453,413</b>	<b>27,947,219</b>	<b>506,194</b>	<b>1.8%</b>	<b>240,653,301</b>	<b>229,511,437</b>	<b>11,141,864</b>	<b>4.9%</b>

Net Revenue	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	1,240,108	1,208,552	31,556	2.6%	10,765,992	9,927,216	838,776	8.4%
Medicare Managed Care	627,149	535,342	91,807	17.1%	5,444,587	4,397,371	1,047,216	23.8%
Medi-Cal	494,426	484,711	9,715	2.0%	4,292,357	3,981,481	310,876	7.8%
Self Pay	46,580	145,208	-98,628	-67.9%	933,828	1,192,763	-258,935	-21.7%
Commercial & Other Gov't	2,019,371	1,689,122	330,249	19.6%	17,531,162	13,874,681	3,656,481	26.4%
Worker's Comp.	89,444	155,683	-66,238	-42.5%	1,589,960	1,278,799	311,161	24.3%
<b>Total</b>	<b>4,517,079</b>	<b>4,218,618</b>	<b>298,461</b>	<b>7.1%</b>	<b>40,557,886</b>	<b>34,652,311</b>	<b>5,905,575</b>	<b>17.0%</b>

Payor Mix	Month			Year-to-Date		
	Actual	Budget	% Variance	Actual	Budget	% Variance
Medicare	39.9%	37.1%	7.3%	32.7%	37.2%	-12.1%
Medicare Managed Care	16.3%	16.7%	-2.3%	18.7%	16.7%	12.2%
Medi-Cal	18.4%	16.7%	9.7%	19.3%	16.6%	16.7%
Self Pay	0.7%	1.8%	-60.4%	1.4%	1.7%	-20.4%
Commercial & Other Gov't	23.4%	24.7%	-5.1%	23.7%	24.8%	-4.3%
Worker's Comp.	1.3%	2.9%	-55.0%	4.1%	3.0%	36.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Percent of Net Revenue	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	27.5%	28.6%	-1.2%	-4.2%	26.5%	28.6%	-2.2%	-7.7%
Medicare Managed Care	13.9%	12.7%	1.2%	9.4%	13.4%	12.7%	0.7%	5.8%
Medi-Cal	10.9%	11.5%	-0.5%	-4.7%	10.6%	11.5%	-0.9%	-7.9%
Self Pay	1.0%	3.4%	-2.4%	-70.0%	2.3%	3.4%	-1.1%	-33.1%
Commercial & Other Gov't	44.7%	40.0%	4.7%	11.7%	43.2%	40.0%	3.2%	8.0%
Worker's Comp.	2.0%	3.7%	-1.7%	-46.3%	3.9%	3.7%	0.2%	6.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>

Net Revenue as a % of Gross	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Medicare	10.9%	11.6%	-0.7%	-6.1%	12.3%	11.6%	0.7%	5.6%
Medicare Managed Care	13.5%	11.5%	2.0%	17.8%	13.2%	11.5%	1.8%	15.3%
Medi-Cal	9.5%	10.4%	-0.9%	-8.7%	9.4%	10.4%	-1.0%	-9.7%
Self Pay	23.3%	29.3%	-6.0%	-20.5%	29.8%	29.5%	0.4%	1.3%
Commercial & Other Gov't	30.3%	24.5%	5.8%	23.7%	32.3%	24.5%	7.8%	32.1%
Worker's Comp.	23.8%	19.0%	4.8%	25.5%	18.1%	18.8%	-0.7%	-3.6%
<b>TOTAL</b>	<b>15.9%</b>	<b>15.1%</b>			<b>16.9%</b>	<b>15.1%</b>		

**SONOMA VALLEY HOSPITAL  
OPERATING INDICATORS  
For the Period Ended March 31, 2023**

**ATTACHMENT B**

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual</u> <u>03/31/23</u>	<u>Budget</u> <u>03/31/23</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>		<u>Actual</u> <u>03/31/23</u>	<u>Budget</u> <u>03/31/23</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>	<u>Prior</u> <u>Year</u> <u>03/31/22</u>
<b>Inpatient Utilization</b>								
<b>Discharges</b>								
1	48	51	(3)	Med/Surg	438	439	(1)	416
2	21	15	6	ICU	174	127	47	136
3	69	66	3	Total Discharges	612	566	46	552
<b>Patient Days:</b>								
4	189	182	7	Med/Surg	1,568	1,567	1	1,542
5	85	92	(7)	ICU	910	788	122	821
6	274	274	-	Total Patient Days	2,478	2,355	123	2,363
7	17	-	17	<b>Observation days</b>	140	-	140	180
<b>Average Length of Stay:</b>								
8	3.9	3.6	0.4	Med/Surg	3.58	3.57	0.01	3.7
9	4.0	6.2	(2.2)	ICU	5.23	6.20	(0.97)	6.0
10	4.0	4.2	(0.2)	Avg. Length of Stay	4.05	4.16	(0.11)	4.3
<b>Average Daily Census:</b>								
11	6.1	5.9	0.2	Med/Surg	5.7	5.7	0.0	5.6
12	2.7	3.0	(0.2)	ICU	3.3	2.9	0.4	3.0
13	8.8	8.8	-	Avg. Daily Census	9.0	8.6	0.4	8.6
<b>Other Utilization Statistics</b>								
<b>Emergency Room Statistics</b>								
14	743	923	(180)	Total ER Visits	7,184	7,437	(253)	6,750
<b>Outpatient Statistics:</b>								
15	4,738	4,979	(241)	Total Outpatients Visits	41,232	40,852	380	41,833
16	12	13	(1)	IP Surgeries	141	116	25	103
17	160	183	(23)	OP Surgeries / Special Procedures	1,284	1,466	(182)	1,403
18	297	292	5	Adjusted Discharges	2,585	2,395	190	2,469
19	1,181	1,212	(32)	Adjusted Patient Days	11,668	9,966	1,702	10,538
20	38.1	39.1	(1.0)	Adj. Avg. Daily Census	42.6	36.4	6.2	38.5
21	1.4981	1.4000	0.098	Case Mix Index - Medicare	1.4703	1.4000	0.070	1.4444
22	1.4374	1.4000	0.037	Case Mix Index - All payers	1.4514	1.4000	0.051	1.4179
<b>Labor Statistics</b>								
23	209	225	16	FTE's - Worked	212	218	6.7	205
24	229	247	18	FTE's - Paid	234	241	6.1	227
25	50.75	47.69	(3.06)	Average Hourly Rate	49.77	46.95	(2.82)	46.39
26	6.01	6.32	0.31	FTE / Adj. Pat Day	5.51	6.61	1.11	5.90
27	34.3	36.0	1.8	Manhours / Adj. Pat Day	31.4	37.7	6.3	33.6
28	136.1	149.6	13.5	Manhours / Adj. Discharge	141.6	156.8	15.2	143.6
29	23.6%	24.3%	0.7%	Benefits % of Salaries	23.8%	25.1%	1.3%	24.6%
<b>Non-Labor Statistics</b>								
30	13.9%	15.2%	1.3%	Supply Expense % Net Revenue	14.3%	16.1%	1.8%	14.8%
31	2,120	2,207	87	Supply Exp. / Adj. Discharge	2,253	2,342	88	2,278
32	16,939	17,500	561	Total Expense / Adj. Discharge	18,319	19,544	1,226	18,010
<b>Other Indicators</b>								
33	16.9			Days Cash - Operating Funds				
34	59.8	50.0	9.8	Days in Net AR	44.8	50.0	(5.2)	41.7
35	105%			Collections % of Cash Goal	95%			98.8%
36	56.6	55.0	1.6	Days in Accounts Payable	56.6	55.0	1.6	46.4
37	15.9%	15.2%	0.8%	% Net revenue to Gross revenue	16.9%	15.2%	1.8%	17.6%
38	31.8%			% Net AR to Gross AR	31.8%			14.4%

**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of March 31, 2023**  
**UNAUDITED**

**ATTACHMENT C**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1	\$ 1,405,145	\$ 995,100	\$ 2,856,174
2	Cash - Money Market	1,349,026	5,844,476
3	Net Patient Receivables	9,047,841	7,072,017
4	Allow Uncollect Accts	(1,490,531)	(2,283,478)
5	Net A/R	8,107,964	4,788,539
6	Other Accts/Notes Rec	1,699,562	1,831,571
7	Parcel Tax Receivable	1,741,233	1,665,888
8	GO Bond Tax Receivable	906,105	1,225,217
9	3rd Party Receivables, Net	4,548,290	495,689
10	Inventory	1,081,370	1,033,302
11	Prepaid Expenses	836,394	906,701
12	<b>Total Current Assets</b>	<b>\$ 20,714,389</b>	<b>\$ 20,647,557</b>
13	Property, Plant & Equip, Net	\$ 54,310,332	\$ 51,363,470
14	Trustee Funds - GO Bonds	4,632,885	4,785,876
15	Designated Funds - Board Approved	-	1,000,000
16	<b>Total Assets</b>	<b>\$ 79,657,606</b>	<b>\$ 77,796,903</b>
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
17	\$ 8,153,183	\$ 5,886,391	\$ 3,900,288
18	Accounts Payable	3,738,230	3,850,924
19	Accrued Compensation	4,055	61,714
20	Interest Payable - GO Bonds	1,076,736	2,010,048
21	Accrued Expenses	-	-
22	Advances From 3rd Parties	1,266,664	950,001
23	Deferred Parcel Tax Revenue	828,364	695,437
24	Deferred GO Bond Tax Revenue	217,475	348,292
25	Current Maturities-LTD	5,473,734	5,473,734
26	Line of Credit - Union Bank	57,511	1,569,456
27	Other Liabilities	<b>\$ 18,549,160</b>	<b>\$ 18,859,894</b>
28	<b>Total Current Liabilities</b>	<b>\$ 25,224,218</b>	<b>\$ 25,033,848</b>
29	Long Term Debt, net current portion		
30	Fund Balances:		
31	Unrestricted	\$ 17,832,414	\$ 18,247,781
32	Restricted	18,051,814	15,655,380
33	<b>Total Fund Balances</b>	<b>\$ 35,884,228</b>	<b>\$ 33,903,161</b>
	<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 79,657,606</b>	<b>\$ 77,796,903</b>





**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
For the Period Ended March 31, 2023**

ATTACHMENT D

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
<b>31</b>	\$ 6,563	\$ (13,385)	19,948	*	Miscellaneous Revenue/(Expenses)	\$ 67,072	\$ (118,394)	185,466	*	\$ (89,038)	
<b>32</b>	-	-	-	0%	Donations	-	-	-	0%	26,864	
<b>33</b>	-	-	-	*	Physician Practice Support-Prima	-	-	-	*	0	
<b>34</b>	316,667	316,667	-	0%	Parcel Tax Assessment Rev	2,850,003	2,850,003	-	0%	2,850,003	
<b>35</b>	-	-	-	0%	Extraordinary Items	-	-	-	0%	(97,933)	
<b>36</b>	<u>\$ 323,230</u>	<u>\$ 303,282</u>	<u>19,948</u>	<u>7%</u>	<b>Total Non-Operating Rev/Exp</b>	<u>\$ 2,917,075</u>	<u>\$ 2,731,609</u>	<u>185,466</u>	<u>7%</u>	<u>\$ 2,689,896</u>	
<b>37</b>	<u>\$ (82,293)</u>	<u>\$ (418,039)</u>	<u>335,746</u>	<u>80%</u>	<b>Net Income / (Loss) prior to Restricted Contributions</b>	<u>\$ (2,444,398)</u>	<u>\$ (1,797,114)</u>	<u>(647,284)</u>	<u>-36%</u>	<u>\$ (2,333,410)</u>	
<b>38</b>	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
<b>39</b>	\$ 285,160	\$ 493,593	(208,433)	0%	Restricted Foundation Contributions	\$ 2,286,795	\$ 4,472,547	(2,185,752)	100%	\$ 437,824	
<b>40</b>	<u>\$ 202,867</u>	<u>\$ 75,554</u>	<u>127,313</u>	<u>169%</u>	<b>Net Income / (Loss) w/ Restricted Contributions</b>	<u>\$ (157,603)</u>	<u>\$ 2,675,433</u>	<u>(2,833,036)</u>	<u>*</u>	<u>\$ (1,895,586)</u>	
<b>41</b>	207,091	164,297	42,794	26%	GO Bond Activity, Net	1,478,253	1,474,481	3,772	0%	1,404,167	
<b>42</b>	<u>\$ 409,958</u>	<u>\$ 239,851</u>	<u>170,107</u>	<u>-71%</u>	<b>Net Income/(Loss) w GO Bond Activity</b>	<u>\$ 1,320,650</u>	<u>\$ 4,149,914</u>	<u>(2,829,264)</u>	<u>-68%</u>	<u>\$ (491,419)</u>	
	\$ 159,072	\$ (188,952)	348,024		<b>EBDA - Not including Restricted Contributions</b>	\$ (193,619)	\$ 264,669	(458,288)		\$ (227,604)	
	<u>\$ (164,158)</u>	<u>\$ (492,234)</u>	<u>328,076</u>	<u>67%</u>	<b>Operating EBDA - Not including Restricted Contributions</b>	<u>\$ (3,110,694)</u>	<u>\$ (2,466,940)</u>	<u>(643,754)</u>	<u>-26%</u>	<u>\$ (2,917,500)</u>	

**Sonoma Valley Health Care District  
Variance Analysis  
For the Period Ended March 31, 2023**

**ATTACHMENT E**

Operating Expenses	YTD		MONTH		Variance %
	Variance	Variance %	Variance	Variance %	
Salary and Wages and Agency Fees	(583,101)	-3%	30,662	1%	Actual worked FTEs in March were 209 vs. budget of 225. Flexing to volumes, reduction in agency fees biggest drivers in S&W coming in under budget.
Depreciation	(188,996)	-9%	(12,278)	-5%	GASB 87 - New accounting standard caused a reclassification in how we account for our operating leases, reclassifying parts of the lease from other operating expenses into amortization expense & interest expense.
Utilities	(365,929)	-32%	(60,402)	-55%	Increase in utility costs specific to PG&E as both usage and rates have increased from the prior year.
Interest	(215,876)	*	(69,130)	-369.6%	1) Interest Rate Fluctuation - current line of credit interest rate vs. PY, and 2) GASB 87 - New accounting standard caused a reclassification in how we account for our operating leases.
Other	681,604	60.4%	65,136	50.5%	GASB 87 - New accounting standard caused a reclassification in how we account for our operating leases, reclassifying parts of the lease from other operating expenses into amortization expense & interest expense. Both year-to-date and monthly variances are driven by this reclass.
<b>Operating expenses</b>	<b>(590,263)</b>	<b>-1%</b>	<b>27,301</b>	<b>1%</b>	

Sonoma Valley Hospital  
Cash Forecast  
FY 2023

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
<b>Hospital Operating Sources</b>													
Patient Payments Collected	3,924,051	4,613,392	3,735,746	3,656,614	4,177,640	3,497,534	2,406,320	4,286,383	4,595,033	4,000,000	4,500,000	4,900,000	48,292,712
Other Operating Revenue	19,072	182,649	33,561	250,527	23,522	40,390	43,299	222,918	65,455	104,723	104,723	104,732	1,195,572
Other Non-Operating Revenue	10,204	12,925	10,096	11,916	10,007	11,764	10,501	17,591	7,906	10,801	10,801	10,806	135,319
Unrestricted Contributions				3,200	2,051	202	5,829	285	1,920				13,486
Line of Credit													-
<b>Sub-Total Hospital Sources</b>	<b>3,953,328</b>	<b>4,808,966</b>	<b>3,779,404</b>	<b>3,922,256</b>	<b>4,213,220</b>	<b>3,549,890</b>	<b>2,465,949</b>	<b>4,527,177</b>	<b>4,670,313</b>	<b>4,115,524</b>	<b>4,615,524</b>	<b>5,015,538</b>	<b>49,637,089</b>
<b>Hospital Uses of Cash</b>													
Operating Expenses	4,913,977	4,894,375	5,088,864	4,586,736	4,470,658	5,948,370	4,634,254	4,503,661	4,193,763	5,276,109	5,274,708	5,469,240	59,254,714
Add Capital Lease Payments	13,501	13,354	13,280	13,354	45,386	55,162	45,517	33,948	58,750				292,252
Additional Liabilities/LOC													-
Capital Expenditures	774,009	749,295	117,435	170,157	216,084	418,400	269,571	50,333	277,411	1,404,000	750,000	500,000	5,696,696
<b>Total Hospital Uses</b>	<b>5,701,487</b>	<b>5,657,024</b>	<b>5,219,578</b>	<b>4,770,247</b>	<b>4,732,128</b>	<b>6,421,932</b>	<b>4,949,342</b>	<b>4,587,942</b>	<b>4,529,924</b>	<b>6,680,109</b>	<b>6,024,708</b>	<b>5,969,240</b>	<b>65,243,662</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(1,748,159)</b>	<b>(848,058)</b>	<b>(1,440,175)</b>	<b>(847,991)</b>	<b>(518,907)</b>	<b>(2,872,042)</b>	<b>(2,483,394)</b>	<b>(60,765)</b>	<b>140,390</b>	<b>(2,564,585)</b>	<b>(1,409,184)</b>	<b>(953,702)</b>	<b>(15,606,572)</b>
<b>Non-Hospital Sources</b>													
Restricted Cash/Money Market	750,000	750,000	1,000,000	500,000	750,000		1,250,000	1,500,000	-	(4,000,000)	(3,000,000)		(500,000)
Restricted Capital Donations	210	696,111	1,483	259,524	125,306	377,052	530,877	29,019	269,654				2,289,237
Parcel Tax Revenue	192,601					2,058,767		-			1,502,000		3,753,368
Other Payments - Ins. Claims/HHS/Grants/Loans											1,500,000		1,500,000
Other:													-
IGT - RATE RANGE (CY 2021)										4,519,302			4,519,302
IGT - AB915 (FY 21/22)												150,000	150,000
IGT - QIP (PY 4/CY21)					17,290					1,393,721			1,411,011
IGT - AB 113												100,000	100,000
HELP II LOAN										2,000,000			2,000,000
BRIDGE LOAN YR 2								750,660					750,660
<b>Sub-Total Non-Hospital Sources</b>	<b>942,811</b>	<b>1,446,111</b>	<b>1,001,483</b>	<b>759,524</b>	<b>892,596</b>	<b>2,435,819</b>	<b>1,780,877</b>	<b>2,279,679</b>	<b>269,654</b>	<b>3,913,023</b>	<b>2,000</b>	<b>250,000</b>	<b>15,973,576</b>
<b>Non-Hospital Uses of Cash</b>													
Matching Fees					-	3,642	-	2,214,224	-	50,000	20,784		2,288,650
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,642</b>	<b>-</b>	<b>2,214,224</b>	<b>-</b>	<b>50,000</b>	<b>20,784</b>	<b>-</b>	<b>2,288,650</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>942,811</b>	<b>1,446,111</b>	<b>1,001,483</b>	<b>759,524</b>	<b>892,596</b>	<b>2,432,177</b>	<b>1,780,877</b>	<b>65,455</b>	<b>269,654</b>	<b>3,863,023</b>	<b>(18,784)</b>	<b>250,000</b>	<b>13,684,927</b>
<b>Net Sources/Uses</b>	<b>(805,349)</b>	<b>598,053</b>	<b>(438,691)</b>	<b>(88,467)</b>	<b>373,689</b>	<b>(439,865)</b>	<b>(702,516)</b>	<b>4,690</b>	<b>410,044</b>	<b>1,298,437</b>	<b>(1,427,968)</b>	<b>(703,702)</b>	
Operating Cash at beginning of period	2,493,558	1,688,209	2,286,262	1,847,571	1,759,104	2,132,793	1,692,928	990,411	995,101	1,405,145	2,703,582	1,275,614	
<b>Operating Cash at End of Period</b>	<b>1,688,209</b>	<b>2,286,262</b>	<b>1,847,571</b>	<b>1,759,104</b>	<b>2,132,793</b>	<b>1,692,928</b>	<b>990,411</b>	<b>995,101</b>	<b>1,405,145</b>	<b>2,703,582</b>	<b>1,275,614</b>	<b>571,912</b>	
Money Market Account Balance - Undesignated	5,095,597	4,345,597	3,346,052	2,846,649	2,096,825	2,097,663	1,848,555	1,349,026	1,349,370	5,349,370	8,349,370	8,349,370	
<b>Total Cash at End of Period</b>	<b>6,783,806</b>	<b>6,631,859</b>	<b>5,193,623</b>	<b>4,605,753</b>	<b>4,229,618</b>	<b>3,790,590</b>	<b>2,838,967</b>	<b>2,344,128</b>	<b>2,754,515</b>	<b>8,052,953</b>	<b>9,624,985</b>	<b>8,921,283</b>	
<b>Average Days of Cash on Hand</b>													
<b>Average Days of Cash on Hand</b>	<b>54.2</b>	<b>45.1</b>	<b>35.2</b>	<b>30.2</b>	<b>28.8</b>	<b>24.6</b>	<b>19.0</b>	<b>15.1</b>	<b>17.7</b>				
<b>Days of Cash on Hand at End of Month</b>	<b>53.8</b>	<b>42.0</b>	<b>34.1</b>	<b>31.1</b>	<b>27.9</b>	<b>24.5</b>	<b>18.5</b>	<b>14.3</b>	<b>16.9</b>	<b>47.3</b>	<b>56.6</b>	<b>50.6</b>	

## Sonoma Valley Hospital

## Capital Spending and Planned, CIP, and Capital Leases

Historical Capital Spend For Fiscal Years Ending June 30, 2019, 2020, 2021, 2022 &amp; YTD FY 2023

<b>Foundation Support:</b>				<b>Historical Capital Spend</b>				<b>Current</b>
<b>Dept #</b>	<b>Department</b>	<b>DESCRIPTION</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FYTD 2022</b>	<b>FYTD 2023</b>	
1	8340	Dietary	Walk in Freezer	8,498				
2	7500	Laboratory	ABL Flex Plus Analyzer	16,049				
3	8450	Engineering/Plant Ops	Infrared Thermal Imager		10,336			
4	6010	ICU	Patient Lift for ICU		8,605			
5	8450	Engineering/Plant Ops	A Women's Place - Building Improvements (Closed CIP in FY 2020)	22,601				
6	8450	Engineering/Plant Ops	A Women's Place - Equipment and Furniture (Closed CIP in FY 2020)	33,280				
7	6170	Med-Surg	MDM Patient Journey System		71,155			
8	8440	Environmental Services	Xenex - Lightstrike Germ Zapping Robot			87,960		
9	7420	Surgery	Olympus America - Refurbished Bronchoscope			13,088		
10	6010/61	ICU/Med-Surg	Third floor move (Closed CIP in FY 2021)	233,942				
11	6010/61	ICU/Med-Surg	Gentherm Medical - Hypothermia unit blanketrol				7,652	
12	7771	OP Physical Therapy	Rehab V2 Max Reformer Bundle				5,320	
13	7630	Medical Imaging	Bone Densitometer				87,166	
14	7775	Occ Health	Audiometer & Sound Room				12,916	
15	7420	Surgery	Xprezzon Monitor Anesthesia				38,726	
16	7010	Emergency Room	Fujifilm Sonosite Ultrasound System					74,240
17	7420	Surgery	Life Saving Equipment- various					417,982
<b>Foundation Support Sub-total</b>				<b>\$ 314,371</b>	<b>\$ 90,096</b>	<b>\$ 101,048</b>	<b>\$ 151,780</b>	<b>\$ 492,222</b>

<b>Equipment:</b>				<b>Historical Capital Spend</b>				<b>Current</b>
<b>Dept #</b>	<b>Department</b>	<b>DESCRIPTION</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FYTD 2022</b>	<b>FYTD 2023</b>	
17	8340	Dietary	Mobile shelving - Uline	6,909				
18	8480	Information Systems	GHA Technologies UCSF Telemedicine Cart	8,265				
19	7420	Surgery	Stryker Medical - Refurbished PI drive/attachments	15,415				
20	7420	Surgery	Olympus - EVIS EXERA III	29,716				
21	8450	Engineering/Plant Ops	UCSF signage - multiple sites	8,182				
22	7420	Surgery	Stryker Medical - System 8 Drill/saws	107,487				
23	Various		Celtic Lease payoff - various equipment		421,904			
24	7420	Surgery	Zimmer Biomet Intellicart System w/Evac Station		22,034			
25	7420	Surgery	Alcon Centurian Phaco Machine		65,250			
26	7420	Surgery	Olympus America - Urology equipment		62,118			
27	8340	Dietary	Commercial Blenders - 2		4,838			
28	6010	ICU	Smart IV Pumps - 27		56,994			
29	8450	Engineering/Plant Ops	Security Camera system - South Lot			11,660		

## Sonoma Valley Hospital

## Capital Spending and Planned, CIP, and Capital Leases

Historical Capital Spend For Fiscal Years Ending June 30, 2019, 2020, 2021, 2022 &amp; YTD FY 2023

30	7500	Laboratory	Bactec FX40 Blood Culture Unit			36,759							
31	8610	Administration	History Wall Panels - Hallway			18,819							
32	6010	ICU	Series 980S Ventilator			36,921							
33	6010	ICU	CAPR Hood Ventilator (PPE)			14,777							
34	7420	Surgery	Stryker Medical - Eye Surgery Stretcher			13,140							
35	8340	Dietary	Alladin Temp Rite - Activator/base/dome/heating unit			5,475							
36	7630	Medical Imaging	Stryker Medical - Transport Gurney			4,569							
37	7630	Medical Imaging	Stryker Medical - OB Gyn Stretcher			7,250							
38	7500	Laboratory	Fisher Healthcare - Logic Purifier Bio-safety cab			11,397							
39	7420	Surgery	Steris Corp - Surgical table				42,724						
40	7420	Surgery	Depuy - Monobloc flexible reamers				14,997						
41	7630	Medical Imaging	Barco Niodsply 21.3 monitor				8,713						
42	7740	Wound Care	Carts/exam table Wound Care (Closed CIP in FY 2021)				6,824						
43	7740	Wound Care	IPADS/IS Costs for Wound Care (Closed CIP in FY 2021)				35,555						
44	8390	Pharmacy	Compounding aseptic isolater system (used)				5,000						
45	7680	Central Service/Durable med eq.	Somotom Xray Tube Replacement				172,651						
46	7420	Surgery	Mizuho OSI Surgical Table				105,151						
47	7420	Surgery	Endoscopy Cabinet/Scopes					13,090					
<b>Equipment Sub-total</b>				<b>\$</b>	<b>175,974</b>	<b>\$</b>	<b>633,138</b>	<b>\$</b>	<b>160,767</b>	<b>\$</b>	<b>391,615</b>	<b>\$</b>	<b>13,090</b>

<b>Information Systems/Electronic Health Records:</b>				<b>Historical Capital Spend</b>				<b>Current</b>					
<b>Dept #</b>	<b>Department</b>	<b>DESCRIPTION</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FYTD 2022</b>	<b>FYTD 2023</b>						
48	8480	Information Systems	Dell Computers - 20		17,252								
49	8480	Information Systems	Dragon One Speech Recognition - Physician dictation		11,300								
50	8480	Information Systems	Lenovo Thinkpads - Laptops			8,760							
51	8480	Information Systems	Dell computers with monitors			25,311							
52	8480	Information Systems	Vx Rail Server Upgrades			24,981							
53	8480	Information Systems	Dell computers with monitors			21,450							
54	8480	Information Systems	Vx Rail Server Upgrades			10,376							
55	8480	Information Systems	Dell computers (Optiplex 7080)			37,261							
56	8480	Information Systems	Cisco catalyst network switch upgrade				40,820						
57	8480	Information Systems	TrueNAS Network Storage Server				32,474						
58	8480	Information Systems	E.H.R. Close CIP in FY 2021				44,955						
<b>Information Systems Sub-total</b>				<b>\$</b>	<b>-</b>	<b>\$</b>	<b>28,552</b>	<b>\$</b>	<b>128,139</b>	<b>\$</b>	<b>118,249</b>	<b>\$</b>	<b>-</b>

## Sonoma Valley Hospital

## Capital Spending and Planned, CIP, and Capital Leases

Historical Capital Spend For Fiscal Years Ending June 30, 2019, 2020, 2021, 2022 &amp; YTD FY 2023

<b>Building/Leasehold Improvements</b>				<b>Historical Capital Spend</b>				<b>Current</b>
<b>Dept #</b>	<b>Department</b>	<b>DESCRIPTION</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FYTD 2022</b>	<b>FYTD 2023</b>	
59	7073	SFP Clinic - Perkins	Conklin Bros Flooring	16,859				
60	8450	Engineering/Plant Ops	Conversion of Rooms - 215-217 - Closed CIP	87,317				
61	8450	Engineering/Plant Ops	SNF Courtyard walkway (1/2)		5,240			
62	8610	Administration	Garden Murals			9,336		
63	8450	Engineering/Plant Ops	Energy mgt system BAS upgrade			30,214		
64	7740	Wound Care	Painting & wiring for Wound care (Closed CIP in FY 2021)				2,940	
65	8450	Engineering/Plant Ops	Roof Restoration - Advanced Foam Roofing				134,956	
66	8450	Engineering/Plant Ops	Automatic Transfer Switch Replacement (Closed CIP)				55,159	
67	8450	Engineering/Plant Ops	Roof Restoration - Advanced Foam Roofing addtl invoice GMH					42,083
<b>Building/Leasehold Improvements Sub-total</b>				<b>\$ 104,176</b>	<b>\$ 5,240</b>	<b>\$ 39,550</b>	<b>\$ 193,055</b>	<b>\$ 42,083</b>

<b>Total Capital Assets</b>	<b>\$ 594,521</b>	<b>\$ 757,026</b>	<b>\$ 429,504</b>	<b>\$ 854,699</b>	<b>\$ 547,394</b>
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**Recap:**

Capital Spend - Hospital	280,150	666,930	328,456	702,919	55,173
Capital Spend - Foundation	314,371	90,096	101,048	151,780	492,222
<b>Total Capital Assets</b>	<b>\$ 594,521</b>	<b>\$ 757,026</b>	<b>\$ 429,504</b>	<b>\$ 854,699</b>	<b>\$ 547,394</b>