

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

**AGENDA**

**THURSDAY, JUNE 4, 2026 AT 5:00 P.M.**

**Held in Person at Council Chambers: 177 First Street West, Sonoma**

**To participate remotely: [Zoom Link: Meeting 91962325850](https://zoom.us/j/91962325850)**

*In compliance with the Americans with Disabilities Act, the District will provide reasonable accommodations to persons with disabilities. If you require special accommodations to participate in a District meeting, please contact Whitney Reese at [wreese@sonomavalleyhospital.org](mailto:wreese@sonomavalleyhospital.org) or 707-935-5035, at least 48 hours prior to the meeting, when possible.*

**MISSION STATEMENT**

*The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*

<b>1. CALL TO ORDER</b>	<i>Wendy Lee Myatt</i>	Inform	
<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>			
<b>3. BOARD CHAIR COMMENTS</b>	<i>Wendy Lee Myatt</i>	Inform	
<b>4. CONSENT CALENDAR</b> a. BOD Minutes – 04.02.26 b. BOD Minutes – 05.07.26 c. BOD & FC Joint Minutes – 05.26.26 d. Finance Committee Minutes – 04.28.26 e. Quality Committee Minutes – 04.29.26 f. Policies & Procedures g. Medical Staff Credentialing	<i>Wendy Lee Myatt</i>	Action	Pages 3 - 15
<b>5. 1206(B) CLINIC REPORT</b>	<i>Dawn Kuwahara RN BSN</i>	Inform	Pages 16 - 28
<b>6. APPOINTMENT TO NEW AD HOC COMMITTEE: CEO COMPENSATION COMMITTEE</b>	<i>Wendy Lee Myatt</i>	Action	
<b>7. APPOINTMENT TO NEW AD HOC COMMITTEE: GROWTH OPPORTUNIES W/ UCSF COMMITTEE</b>	<i>Wendy Lee Myatt</i>	Action	
<b>8. RESOLUTION 390 – ELECTION 2026</b>	<i>Wendy Lee Myatt</i>	Action	Pages 29 - 32
<b>9. FY27 BUDGET APPROVAL</b>	<i>Ben Armfield</i>	Action	Pages 33 - 63
<b>10. EAST AIR HANDLER REPLACEMENT</b>	<i>Ben Armfield</i>	Action	Pages 64 - 65
<b>11. CEO REPORT</b>	<i>Kelley Kaiser</i>	Inform	Pages 66 - 73
<b>12. CMO REPORT</b>	<i>Patrick I. Okolo III, MD MPH</i>	Inform	Pages 74 - 75

<b>13. FINANCIALS OR MONTH END APRIL 2026</b>	<i>Ben Armfield</i>	Inform	Pages 76 - 83
<b>14. COMMITTEE UPDATES</b> • <b>Quality Committee Quarterly Q1 '26 Report</b>	<i>Board of Directors Dan Kittleson</i>	Inform	Pages 84 - 90
<b>15. BOARD COMMENTS</b>	<i>Wendy Lee Myatt</i>	Inform	
<b>16. ADJOURN</b>	<i>Wendy Lee Myatt</i>		

Note: To view this meeting live, you may visit [www.youtube.com/@SonomaTV](http://www.youtube.com/@SonomaTV)



**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS' REGULAR & SPECIAL MEETINGS**

**MINUTES**

THURSDAY, APRIL 2, 2026

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

<b>SONOMA VALLEY HOSPITAL BOARD MEMBERS</b>		
<ol style="list-style-type: none"> <li>1. Wendy Lee Myatt, Chair, Present</li> <li>2. Denise M. Kalos, 1st Vice Chair, Present</li> <li>3. Daniel Kittleson, DDS, 2nd Vice Chair, Present</li> <li>4. Dennis B. Bloch, Secretary, Present</li> <li>5. Ed Case, Treasurer, Present</li> </ol>		
<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>	Wendy Lee Myatt	
Meeting called to order at 5:01 p.m. <i>Closed Session at 4:15 p.m. Calif. Government Code §37606 and 37624.3: TRADE SECRET; Discussion will concern proposed new service and/or program Report to open session: no action taken</i>		
<b>2. PUBLIC COMMENT</b>	Public	none
<b>3. BOARD CHAIR COMMENTS</b>	Wendy Lee Myatt	none
April now is the primary focus is on minority health, which we have a very diverse population here in Sonoma. And it is also a month that we focus on stress and stress awareness. And also it is National Public Health Week. So this is our month. Gratitude expressed for our network of community nonprofits that bring health to our community.		
<b>4. CONSENT CALENDAR</b>	Wendy Lee Myatt	Action
<ol style="list-style-type: none"> <li>a. BOD Minutes – 03.05.26</li> <li>b. Finance Committee Minutes – 02.24.26</li> <li>c. Quality Committee Minutes – 01.28.26</li> <li>d. Quality Committee Minutes – 02.25.26</li> <li>e. Policies &amp; Procedures</li> <li>f. Medical Staff Credentialing</li> </ol>	<p align="center"><b>MOTION:</b> motion to approve by Kittleson, 2<sup>nd</sup> by Case. Motion passed. Ayes: 5, Nays: 0</p>	
<b>5. TODAY &amp; TOGETHER</b>	Christina Gonzalez	Inform
Gonzalez presented Today and Together, a new nonprofit adult day program that opened on February 11 to support older adults with dementia and other care needs, while also providing much-needed respite for caregivers. The program offers a welcoming, activity-rich environment with art, fitness, games, sensory support, meals, and opportunities for social connection, helping participants remain engaged and age at home as long as possible. Gonzalez shared that the program is already serving 28 enrolled participants, averaging 9 to 10 per day, and is working toward expanding participation so it can begin offering scholarships to qualifying families. Board members expressed appreciation for the program, its community focus, and the positive impact it is already having on participants and caregivers.		
<b>6. 2025 ANNUAL QUALITY REPORT</b>	Louise Wyatt, RN JD	Inform
Wyatt highlighted a strong 2025 quality performance, including scoring 100% and receiving Partnership's Hospital Quality Improvement Program Award, continued success in mortality, patient safety, stroke care, sepsis management, infection prevention, readmissions, emergency department performance, and interdisciplinary discharge planning. Key 2025 updates included implementation of a quality scorecard, updated medical staff peer review process, environmental rounds, PDSA work for CHF and COPD readmissions, the Charity Medication and Meds-to-Beds programs, a Sepsis Committee, skilled nursing facility collaboration meetings, and standardized QAPI reporting. 2026 priorities include SDOH/HRSN screening, documentation in high-risk workflows, policy and procedure updates, survey readiness, sustaining infection prevention and readmission improvements, implementing a culture of safety program, onboarding quality and infection prevention staff, and continuing health equity and health literacy initiatives.		

<b>7. MEDICAL STAFF BYLAWS</b>	<i>Patrick I. Okolo III, MD MPH</i>	Inform
Deferred to May's BOD meeting so that the Governance Committee may review first. Dr. Okolo reported that the proposed medical bylaws are well developed, CIHQ compliant, and aligned with Medicare requirements.		
<b>8. CEO REPORT</b>	<i>Kelley Kaiser</i>	Inform
Kaiser reported that the new affiliation agreement has been fully signed and executed, and the first Joint Operating Committee meeting under the new agreement went well, with early work focused on interoperability and follow-up items with UCSF. She also reported that the hospital responded quickly to the March 11 Stryker cyberattack by activating incident command and confirming no clinical or IT impact, while noting follow-up would occur regarding the timing of internal notification. Volumes remained steady, with about 34 visits per day, census averaging around 11, and MRI volumes continuing to be strong. Kaiser reviewed marketing efforts focused on community storytelling, volume growth, and outreach, including print ads, social media, email communications, targeted MRI marketing in Napa, and collaboration with UCSF on digital imaging promotion. She also noted ongoing survey readiness, upcoming employee engagement survey work, leadership rounding plans, support for Assembly Bill 2311 regarding physician employment by smaller district hospitals, and recognition of Jessica Winkler's pending retirement and exemplary years of service.		
<b>9. CMO REPORT</b>	<i>Patrick I. Okolo III, MD MPH</i>	Inform
Dr. Okolo reported that the hospital continues to build on its quality and access improvement efforts, using rapid PDSA cycles as part of its ongoing operating approach to improve reliability and patient care. Planning continues around new service lines, including gastroenterology and nephrology, with Dr. Baron now on staff providing nephrology consultations for hospitalized patients and potential future interest in an ambulatory practice in Sonoma. Volumes remain stable, and as foundational issues are addressed, the hospital is beginning to focus on market share and becoming a preferred destination in the region. Dr. Okolo also noted that his transition to a 50% CMO role is expected to begin soon.		
<b>10. FINANCIALS FOR MONTH END FEBRUARY 2026</b>	<i>Ben Armfield</i>	Inform
Armfield reported that February 2026 showed a meaningful rebound from January's softer performance, with the hospital essentially on budget for operating margin and generating positive Operating EBDA of \$148,000. Operating revenue was 9% over budget, largely due to IGT program revenue, and core volumes improved on a per-day basis despite the shorter month, including stronger surgery, emergency department, MRI, and physical therapy activity. The hospital received its full Rate Range IGT allotment, which increased days cash on hand from about 13 to 43 days, allowed the line of credit to be fully repaid, and reduced accounts payable days from about 65 to 43. Armfield also noted that negotiations are underway for the next IGT cycle, the FY27 budget process and capital needs assessment have begun, and the AC-1 condenser repair was successfully completed on schedule and within the Board-approved \$250,000 budget.		
<b>11. COMMITTEE UPDATES</b>	<i>Board of Directors</i>	None
<b>12. BOARD COMMENTS</b>	<i>Board of Directors</i>	None
<b>13. ADJOURN</b>	<i>Wendy Lee Myatt</i>	
Regular session adjourned at 6:11 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS' REGULAR & SPECIAL MEETINGS**

**MINUTES**

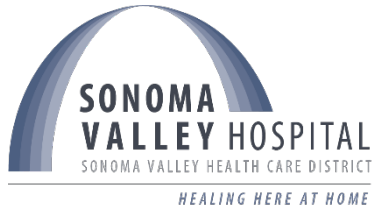
THURSDAY, MAY 7, 2026

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

<b>SONOMA VALLEY HOSPITAL BOARD MEMBERS</b>		
<ol style="list-style-type: none"> <li>1. Wendy Lee Myatt, Chair, Present</li> <li>2. Denise M. Kalos, 1st Vice Chair, Present</li> <li>3. Daniel Kittleson, DDS, 2nd Vice Chair, Present</li> <li>4. Dennis B. Bloch, Secretary, Present</li> <li>5. Ed Case, Treasurer, Present</li> </ol>		
<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>	Wendy Lee Myatt	
Meeting called to order at 5:00 p.m.		
<b>2. PUBLIC COMMENT</b>	Public	
Bob Taylor with KSVY Radio and Sonoma TV announced a Community Media Forum on Thursday 5/14/26 at 6:00 p.m. at the Veterans Building to gather community input for the organizations' strategic planning efforts.		
<b>3. BOARD CHAIR COMMENTS</b>	Wendy Lee Myatt	
April is National Minority Health Month and Stress Awareness Month and this week is National Public Health Week. So this is our month! Gratitude expressed for our network of community nonprofits that bring health to our community.		
<b>4. CONSENT CALENDAR</b>	Wendy Lee Myatt	Action
<ol style="list-style-type: none"> <li>a. BOD Minutes – 04.02.26 (<i>not in packet so differed to June for approval</i>)</li> <li>b. BOD Minutes – 11.06.25 revised</li> <li>c. Finance Committee Minutes – 03.24.26</li> <li>d. Quality Committee Minutes – 03.25.26</li> <li>e. Policies &amp; Procedures</li> <li>f. Medical Staff Credentialing</li> <li>g. Board policies (<i>differed</i>)</li> <li>h. Medical Staff Bylaws</li> <li>i. SVHCD Bylaws</li> <li>j. MOU SVHCD-SVHF</li> <li>k. AOC Charter</li> </ol>	<p><b>MOTION:</b> motion to approve by Case, 2<sup>nd</sup> by Kalos. Motion passed. Ayes: 5, Nays: 0</p>	
<b>5. CHIEF OF STAFF REPORT</b>	D. Paul Amara MD, SVH Chief of Staff	Inform
<p>Dr. Amara reported that medical staff membership remains stable with modest growth and highlighted the addition of a gastroenterologist (Dr. Okolo), helping address an important community need. A shortage of primary care physicians remains a significant challenge in Sonoma Valley, with many residents struggling to find providers. Discussion focused on the need for practice models that are more attractive to newer physicians. Dr. Amara also recognized donors for funding new operating room equipment used across multiple specialties.</p> <p>Dr. Okolo concurred that primary care access is a strategic priority for the District and said staff are developing solutions to address the issue. He reported that hospital quality metrics remain strong overall, with most measures meeting targets, and announced the addition of a new quality coordinator to strengthen data analysis and regulatory compliance efforts. He highlighted the successful launch of gastroenterology services, ongoing survey readiness activities, and improvements in infection prevention practices. In response to a board question about a Legionnaires' disease outbreak at another hospital, Dr. Okolo emphasized the importance of continued investment in hospital infrastructure and water, HVAC, and cooling systems to prevent infection risks.</p>		
<b>6. NOMINATION TO FINANCE COMMITTEE: DAVE PIER</b>	Ed Case	Action

**MOTION:** motion to approve by Kalos, 2<sup>nd</sup> by Kittleson.  
Motion passed. Ayes: 5, Nays: 0

<b>7. FY27 BUDGET UPDATE</b>	<i>Ben Armfield</i>	Inform
Armfield covered in presentation below.		
<b>8. CEO REPORT</b>	<i>Kelley Kaiser</i>	Inform
<p>Kaiser provided updates on potential federal Medicaid changes that could increase coverage disruptions and uninsured patients, noting that the hospital is working with Sonoma County and community partners to monitor impacts and support enrollment efforts. The legislation allowing district hospitals to directly employ physicians continues to advance through the state legislative process and could help address local primary care shortages.</p> <p>Kaiser also reported a successful accreditation survey with no condition-level deficiencies and corrective action plans underway. Community engagement efforts were highlighted, including a new monthly Sonoma Index-Tribune column, recognition of Mary Lou as a North Bay Business Journal Influential Woman, and Nurses Week celebrations. Kaiser and SVH Chief Ancillary Officer, Dawn Kuwahara, reported that ongoing staffing and operational challenges have made the workers' compensation clinic unsustainable despite years of efforts to maintain the service. A transition process is planned to ensure continuity of care for existing patients. Board members complimented the clarity of the CEO report and its alignment with the hospital's strategic priorities.</p>		
<b>9. CMO REPORT</b>	<i>Patrick I. Okolo III, MD MPH</i>	Inform
Dr. Okolo's remarks noted above.		
<b>10. FINANCIALS FOR MONTH END MARCH 2026</b>	<i>Ben Armfield</i>	Inform
<p>Armfield reported a strong financial performance in March, with operating revenue significantly exceeding budget and net patient revenue showing substantial growth independent of supplemental funding. Increased imaging, emergency department, outpatient therapy, and surgical volumes contributed to the favorable results, including record MRI utilization. Board members discussed growing emergency department volumes and capacity constraints, with staff noting ongoing efforts to improve patient flow and evaluate future space and staffing needs.</p> <p>Armfield reported that the hospital achieved a positive operating margin through the first three quarters of the fiscal year and is developing a budget for the coming year that builds on recent operational improvements. He also noted that IGT funding is expected to remain stable. Board members commended hospital leadership and staff for the significant turnaround in the hospital's financial performance and progress toward long-term financial sustainability.</p>		
<b>11. COMMITTEE UPDATES</b>	<i>Board of Directors</i>	None
<b>12. BOARD COMMENTS</b>	<i>Board of Directors</i>	None
<b>13. ADJOURN</b>	<i>Wendy Lee Myatt</i>	
Regular session adjourned at 5:54 p.m.		



**SVHCD JOINT MEETING:  
BOARD OF DIRECTORS AND FINANCE & AUDIT COMMITTEE**  
**MINUTES**

**TUESDAY, MAY 26, 2026**

**In Person at Sonoma Valley Hospital  
347 Andrieux Street  
and Via Zoom Teleconference**

<b>Present</b>	<b>Not Present/Excused</b>	<b>Staff/Public</b>
Wendy Lee Myatt, via zoom Daniel Kittleson, DDS, via zoom Ed Case, in person Dave Pier, in person Paul Chakmak, in person Andrew Exner, in person Robert Crane, in person Alexis Alexandridis, MD MBA FACS, in person	Dennis Bloch Denise Kalos Graham Smith Catherine Donahue	Ben Armfield, SVH CFO, in person Kelley Kaiser, SVH CEO, in person Whitney Reese, SVH Board Clerk, in person Lynn McKissock, SVH Chief of HR, in person Kimberly Drummond, SVH Chief of Support Services, in person Lois Fruzynski, SVH Accounting Manager, via zoom Lisa Stone, SVH Revenue Cycle Manager, via zoom Bryan Lum, EMBA, SVH Director of Information Technology, via zoom

**MISSION & VISION STATEMENT**

*The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*

<b>AGENDA ITEM</b>	<b>PRESENTER</b>	<b>ACTIONS</b>
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Ed Case</i>	Meeting called to order at 4:00 p.m.
<b>2. PUBLIC COMMENT SECTION</b>	None	
<b>3. FY27 BUDGET</b>	<i>Ben Armfield</i>	Inform
<p>Armfield provided a presentation on the proposed budget for Sonoma Valley Hospital’s 2027 fiscal year. FY27 budget shows continued financial improvement, with FY26 expected to end near break-even and a ~\$4M improvement over FY25. Revenue growth is driven by MRI, surgery, PT, and ER volume increases, along with higher IGT funding, while expenses rise from 3% wage increases, staffing adjustments, and inflation. The result is a small positive operating margin and continued positive cash flow, supporting modest gains in days cash on hand.</p> <p>Discussion highlighted concerns about reliance on IGT funding and timing risk, surgical volume sensitivity to provider availability, ongoing staffing challenges in the OR and PT, and capital needs (~\$5M) exceeding available cash, with key projects in infrastructure, IT, security, and equipment requiring some financing. At the same time, committee members and leadership offered strong positive feedback on the hospital’s financial turnaround, the discipline of the budgeting process, improved department-level accountability, and management’s ability to move the organization from sustained losses to near break-even performance, noting this as a significant improvement over the past two years.</p>		
<b>4. ADJOURN</b>	<i>Ed Case</i>	Meeting adjourned at 4:59 p.m.



**SVHCD FINANCE & AUDIT COMMITTEE MEETING**

**MINUTES**

**TUESDAY, APRIL 28, 2026**

**In Person at Sonoma Valley Hospital  
347 Andrieux Street  
and Via Zoom Teleconference**

<b>Present</b>	<b>Not Present/Excused</b>	<b>Staff/Public</b>
Ed Case, in person Dennis Bloch, in person Paul Chakmak, in person Andrew Exner, in person Alexis Alexandridis, MD MBA FACS, via zoom Catherine Donahue, via zoom	Graham Smith Robert Crane	Ben Armfield, SVH CFO, in person Kelley Kaiser, SVH CEO, in person Whitney Reese, SVH Board Clerk, in person Dawn Kuwahara RN BSN, SVH Chief Ancillary Officer, in person Lynn McKissock, SVH Chief of HR, via zoom Patrick Okolo III, MD MPH, SVH CMO, via zoom Dan Kittleson, via zoom Wendy Lee Myatt, via zoom

**MISSION & VISION STATEMENT**

*The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.*

<b>AGENDA ITEM</b>	<b>PRESENTER</b>	<b>ACTIONS</b>
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Ed Case</i>	Meeting called to order at 5:00 p.m.
<b>2. PUBLIC COMMENT SECTION</b>	None	
<b>3. CONSENT CALENDAR</b>	<i>Ed Case</i>	Action
Finance Committee Minutes 3.24.26	<b>MOTION:</b> Motion to approve by Chakmak, 2 <sup>nd</sup> by Exner. All in favor.	
<b>4. INSURANCE REVIEW</b>	<i>Ben Armfield / Neil Plant / Jim Sprague</i>	Inform

James & Gable Insurance Brokers, who provided an overview of the District’s insurance program, market conditions, and renewal considerations. The discussion focused on professional/general liability coverage through Beta, property coverage through HARP, D&O/EPL coverage, auto liability, crime/fiduciary coverage, and excess workers’ compensation. Key discussion items included whether higher deductibles or adjusted limits could reduce premiums, the impact of increasing occupied bed equivalents due to higher hospital volumes, review of counseling-category census figures, property valuation/appraisal assumptions, potential market checks for alternative property coverage, and confirmation that committee members are covered under the D&O policy. The brokers noted that professional liability loss experience is favorable, while D&O/EPL loss experience is driven by employment practices claims, and SVH will continue working with the brokers to complete renewal data, explore deductible/coverage options, and return with updated renewal information.

Following the broker presentation, the Committee discussed adding a future agenda item to provide greater Board/Committee-level visibility into fiduciary oversight of employee benefit and retirement-related plans, including plan administrators, trustees, investment advisors, plan performance, employee options, and related compliance items. SVH noted that Empower serves as administrator, LeafHouse provides investment services, and Osaic serves as broker/advisor, and the Committee requested that appropriate representatives be invited to explain the structure and oversight process.

<b>5. NOMINATION TO FINANCE COMMITTEE: DAVE PIER</b>	<i>Ed Case</i>	Inform
Case presented Dave Pier to join the SVHCD Finance & Audit Committee. <b>MOTION:</b> Motion to recommend to the BOD to approve by Alexandridis, 2 <sup>nd</sup> by Bloch. All in favor.		
<b>6. FY27 BUDGET UPDATE</b>	<i>Ben Armfield</i>	Inform
Armfield provided an update on the budget process, noting that departmental meetings have been completed and staff are rolling up results, incorporating strategic plan-related growth, reviewing capital requests, and preparing both short- and long-term capital planning materials for Board review at the end of May. He noted that the hospital is in a stronger financial position than prior years, with positive operating margin through the first three quarters, though staff remain cautious due to federal-level uncertainty. The Committee discussed the purpose and uses of the budget, including internal accountability, regulatory submission, lender review, and indirect connection to executive compensation metrics. Armfield also reported that IGT projections are more favorable than expected, with confidence that next year's net benefit can be budgeted at least flat to the current year despite an overall decrease in Partnership's funding pool. Discussion also focused on the need to begin early conversations with Summit Bank regarding increased line-of-credit capacity and flexibility ahead of the fall IGT cash-flow period, with Committee members emphasizing the importance of a more proactive banking relationship and maintaining leverage by exploring options early.		
<b>7. STRATEGIC PLAN UPDATE</b>	<i>Ben Armfield / Kelley Kaiser</i>	Inform
Kaiser provided an update on the Strategic Plan, noting that the 2023–2028 plan was developed with Board and community input and continues to guide work related to trust-building, community care, financial sustainability, facility updates, specialist access, and the UCSF affiliation. Recent progress was highlighted, including the 3T MRI, orthopedic and robotic technology investments, strong community engagement activities, high patient satisfaction, and increased volumes across key service areas, including lab, MRI, and imaging. Kaiser explained that the updated strategic framework for 2026–2028 will organize work around four pillars: Quality and Access, Community Engagement, Connected Culture, and Sustainability, with specific goals and metrics to be reported to the Board on a regular basis. Discussion included the importance of improved data access and UCSF collaboration, ongoing work to support UCSF referrals for imaging services, the positive impact of operating performance on financial stability and lender relationships, seismic filing status, and potential future impacts of Medi-Cal redeterminations and federal coverage changes on uninsured patient volume. Armfield noted that the hospital is working with Partnership and community partners to help educate patients about coverage redetermination requirements.		
<b>8. FINANCIAL REPORTS FOR MONTH END MARCH 2026</b>	<i>Ben Armfield</i>	Inform
Armfield reported that March was the hospital's strongest financial month since at least spring 2022, with operating revenue 17% over budget, expenses only 2% over budget, and operating margin exceeding \$1 million, bringing year-to-date operating margin back into positive territory. The strong performance was driven by operational growth as well as IGT, including increased surgical, outpatient PT, inpatient, imaging, MRI, and emergency room volumes. MRI volume reached a new high of 290 exams in March, with continued growth expected as Saturday capacity expands, and the emergency department averaged 37 patients per day compared to approximately 26 per day in FY23. Staff also discussed ongoing expense management, review of third-party contracts, engagement with Summit Bank regarding possible financing flexibility, evaluation of financing options for near-term capital needs, potential access to bond trustee funds, upcoming capital planning items, and a new California workplace violence/security requirement that may require staffed screening and related facility changes.		
<b>9. ADJOURN</b>	<i>Ed Case</i>	Meeting adjourned at 6:35 p.m.



**SONOMA VALLEY HEALTH CARE DISTRICT  
QUALITY COMMITTEE**

**Wednesday, April 29, 2026, 5:00 PM**

**MINUTES**

<b>Members Present</b>	<b>Excused/Not Present</b>	<b>Public/Staff</b>
Daniel Kittleson, DDS Wendy Lee Myatt Kathy Beebe, RN PhD Howard Eisenstark, MD Susan Kornblatt Idell, via zoom Carol Snyder Carl Speizer, MD Alex Rainow, MD, SVH Vice COS, via zoom	Michael Mainardi, MD	Kelley Kaiser, SVH CEO Whitney Reese, SVH Board Clerk Ashley Wilder, SVH Infection Preventionist Louise Wyatt, RN JD, SVH Director of Quality, Risk Management & Patient Safety, Infection Prevention and Case Management Patrick Okolo III, MD MPH, SVH CMO Marylou Ehret, SVH ER, Interim SVH CNO

<b>AGENDA ITEM</b>	<b>PRESENTER</b>	<b>ACTION</b>
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Daniel Kittleson, DDS</i>	Called to order at 5:00pm
<b>2. PUBLIC COMMENT SECTION</b>	<i>Daniel Kittleson, DDS</i>	No public comments
<b>3. CONSENT CALENDAR</b> • QC Minutes 03.28.26	<i>Daniel Kittleson, DDS</i>	ACTION
<i>Motion to approve by Speizer, 2<sup>nd</sup> by Lee Myatt. All in favor..</i>		
<b>4. INFECTION PREVENTION</b>	<i>Ashley Wilder</i>	INFORM
Wilder reported that 2025 communicable disease reporting appeared generally normal, with COVID reporting expected to decrease in 2026 due to updated reporting requirements. Hospital-acquired infection reporting noted no unusual trends and no CLABSIs or MRSA bloodstream infections. Hand hygiene met the 90% annual compliance goal, though recent 2026 data may reflect a more accurate baseline due to a change in observation methodology. Environmental rounds identified common issues, many of which are being actively addressed. Wilder also reported that a site visit to Mission Linen Supply found no infection control concerns.		
<b>5. QUALITY INDICATOR PERFORMANCE &amp; PLAN</b>	<i>Louise Wyatt, RN JD</i>	INFORM
Wyatt presented March and Q1's quality metrics. The recent CIHQ survey had been completed and Wyatt emphasized the importance of maintaining ongoing survey readiness. The committee discussed correcting certain metric formatting, better defining fall data by population, location, time, and demographics, and evaluating whether bed alarms and escort support are helping reduce risk. Wyatt also reported that first-quarter grievances and complaints were resolved without issue and event reporting showed no major concerning trends.		
<b>6. ADJOURN</b>	<i>Daniel Kittleson, DDS</i>	Adjourned at 5:38 p.m.
<b>CLOSED SESSION:</b> Calif. Health & Safety Code §32155: Medical Staff Credentialing & Peer Review Report	<i>Alex Rainow, MD</i>	ACTION

*Motion to approve by Eisenstark, 2<sup>nd</sup> by Snyder. All in favor.*

## Document Tasks By Committee

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

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/01/2026 4:52 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: 20

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

**Committee Members:** Newman, Cindi (cnewman), Reese, Whitney (wreese), Wyatt, Louise (lwyatt)

### Current Approval Tasks (due now)

Document	Task/Status	Pending Since	Days Pending
<b>Airborne Infection Isolation Precautions</b> <i>Infection Prevention &amp; Control Policies (IC)</i>	Pending Approval	6/1/2026	0
<p>Summary Of Changes: <b>Clarified and standardized language and formatting, added definitions, updated infections that require Airborne Isolation Precautions, updated references. Removed specific rooms listed as negative pressure rooms. Added picture of Airborne Isolation Precautions sign. Added that rooms should be left vacant for 1 hour after patient on Airborne Isolation discharge for complete air exchange (or wear N95 or PAPR to enter). Revised guidance on visitors (may choose to wear the indicated PPE, symptomatic contacts must be medically cleared or wear mask at all times). Updated Rule Out TB guidance to match Sonoma County Public Health requirements (called to confirm and received email outlining their internal policy). Used UCSF policy as a guide when revising. Changed the Owner of the policy from Chief Medical Officer to Infection Preventionist.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>Wilder, Ashley (awilder)</b></p> <p>Approvers: <b>14-Infection Control Committee -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 03 MS-Surgery Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
<b>Building Maintenance Plan</b> <i>Care of the Physical Environment (CE)</i>	Pending Approval	5/5/2026	27
<p>Summary Of Changes: <b>reviewed, no changes</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>Tarca, Joseph (jtarca)</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>Case Finding Criteria for Assessment</b> <i>Case Management/UM Dept</i>	Pending Approval	6/1/2026	0
<p>Summary Of Changes: <b>updated language to reflect proper usage. Added Scope of policy. Updated owner of Policy.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>Moreno, Mario (mmoreno)</b></p> <p>Approvers: <b>Wyatt, Louise (lwyatt) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/01/2026 4:52 PM

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

<b>Community Resources, Relationship of Case Management</b> <i>Case Management/UM Dept</i>	<b>Pending Approval</b>	6/1/2026	0
<p>Summary Of Changes: <b>added Scope to Policy</b></p> <p><b>updated owner of policy</b></p> <p><b>updated reviewers</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>Moreno, Mario (mmoreno)</b></p> <p>Approvers: <b>Wyatt, Louise (lwyatt) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 03 MS-Surgery Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
<b>Contact Isolation Precautions</b> <i>Infection Prevention &amp; Control Policies (IC)</i>	<b>Pending Approval</b>	6/1/2026	0
<p>Summary Of Changes: <b>Clarified language and formatting, updated infections requiring Contact Precautions, added picture of our Contact Isolation Precautions sign and UCSF Isolation Table reference with link, revised guidance around visitors to match UCSF's policy (visitors may choose but are not required to wear the same PPE as healthcare workers and hand hygiene education will be provided), removed guidance on specimen and biohazard waste removal, and transport personnel procedures as felt these topics were covered under Standard Precautions (reviewed with Pamela and talked with Julio from EVS), updated meal tray procedure to match our current process (reviewed emails with Nursing and Bridget), updated references.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>Wilder, Ashley (awilder)</b></p> <p>Approvers: <b>14-Infection Control Committee -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 03 MS-Surgery Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
<b>Foodborne Illness Outbreak Investigation</b> <i>Infection Prevention &amp; Control Policies (IC)</i>	<b>Pending Approval</b>	6/1/2026	0
<p>Summary Of Changes: <b>Grammatical changes, updated department to Infection Prevention, changed owner of Policy to infection preventionist.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>Wilder, Ashley (awilder)</b></p> <p>Approvers: <b>14-Infection Control Committee -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 03 MS-Surgery Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
<b>Handoff Communications with HealthCare Providers-SBAR</b> <i>Patient Care Policy</i>	<b>Pending Approval</b>	6/1/2026	0
<p>Summary Of Changes: <b>Updated information regarding Ticket to Ride, reflects the workflow in EPIC. Removed attachment A due to no longer in use. Updated reference. Small adjustments and grammar changes. Approved by CNO.</b></p> <p>Moderators: <b>Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)</b></p> <p>Lead Authors: <b>VW Anderson, Pamela (panderson)</b></p> <p>Approvers: <b>Chief Nursing Officer, CNO (CNO) -&gt; 01 P&amp;P Committee - (Committee) -&gt; 02 MS-Medicine Department - (Committee) -&gt; 03 MS-Surgery Department - (Committee) -&gt; 05 MS-Medical Executive - (Committee) -&gt; 07 BOD-Quality (P&amp;P Review) - (Committee) -&gt; 09 BOD-Board of Directors - (Committee)</b></p>			
<b>Hospital-Acquired Infections Definition Criteria</b> <i>Infection Prevention &amp; Control Policies (IC)</i>	<b>Pending Approval</b>	6/1/2026	0
<p>Summary Of Changes: <b>Retire - a policy is not required.</b></p>			

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/01/2026 4:52 PM

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

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)  
 Lead Authors: Wilder, Ashley (awilder)  
 Approvers: 14-Infection Control Committee -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (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>Important Message from Medicare Guideline</b> <i>Case Management/UM Dept</i>	Pending Approval	6/1/2026	0
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Summary Of Changes: **Scope added to policy**  
 language changed to better explain the procedure.  
 language updated and modified to more accurately reflect CMS reg and current practice  
 Owner of policy updated

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)  
 Lead Authors: Moreno, Mario (mmoreno)  
 Approvers: Wyatt, Louise (lwyatt) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Managing Patients in Isolation Requiring Rehab Services</b> <i>Infection Prevention &amp; Control Policies (IC)</i>	Pending Approval	6/1/2026	0
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Summary Of Changes: **Clarified the purpose to include all transmission-based precautions.**

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)  
 Lead Authors: Wilder, Ashley (awilder)  
 Approvers: 14-Infection Control Committee -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>Mercury Management Policy</b> <i>Care of the Physical Environment (CE)</i>	Pending Approval	5/5/2026	27
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Summary Of Changes: **Reviewed, cleaned up and took out General Mercury and background since it's a paragraph of what Mercury is.**

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)  
 Lead Authors: Tarca, Joseph (jtarca)  
 Approvers: Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>NEW: Discount Payment &amp; Payment Plan Policy</b> <i>Governance and Leadership Policies</i>	Pending Approval	5/5/2026	27
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Summary Of Changes: **NEW POLICY--replaces previous iteration in full, due to updated HCAI requirements**

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)  
 Lead Authors: Stone, Lisa (lstone)  
 Approvers: Armfield, Ben (barmfield) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)

<b>NEW: Tissue Management: Microscopic vs. Macroscopic Specimens</b> <i>Laboratory Services Policies (LB)</i>	Pending Approval	6/1/2026	0
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Summary Of Changes: **NEW POLICY --CIHQ LB-03 addresses which specimens are required to be microscopically examined to assist with diagnosis. Expanded on 2 abbreviations: EMR and QAPI.**

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/01/2026 4:52 PM

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

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Veal, Laurie (lveal)**  
 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>Philosophy of Resource and Case Management</b> <i>Case Management/UM Dept</i>	<b>Pending Approval</b>	6/1/2026	0
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Summary Of Changes: **Scope of Policy added**  
**Owner of Policy changed**  
**Reviewers updated**  
**Language up Policy and Purpose updated to reflect CMS guidelines.**

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Moreno, Mario (mmoreno)**  
 Approvers: **Wyatt, Louise (lwyatt) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Restraint Use</b> <i>Restraint &amp; Seclusion Policies (RS)</i>	<b>Pending Approval</b>	6/1/2026	0
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Summary Of Changes: **Reorganized for reader flow. Included definitions off restraint types and where they are allowed to be used. Added special section for Older Adults. Updated references reviewed MD Walther 2/19/2026**

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Chief Nursing Officer, CNO (CNO)**  
 Approvers: **01 P&P Committee -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>RETIRE: Capnography - EtCO2 Monitoring</b> <i>Emergency Dept</i>	<b>Pending Approval</b>	6/1/2026	0
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Summary Of Changes: **Reviewed with RT and Dir of Inpt Care Svcs. Recommend retiring this. It is outdated due to new equipment, and new electronic health record. Further, EBSCO has more in depth review of this skill**

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Ehret, Marylou (mehret), Chief Nursing Officer, CNO (CNO)**  
 Approvers: **01 P&P Committee -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>RETIRE: Employee Food Refrigerator Temperature Monitoring</b> <i>Infection Prevention &amp; Control Policies (IC)</i>	<b>Pending Approval</b>	5/5/2026	27
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Summary Of Changes: **Retire - a policy is not required.**

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Wilder, Ashley (awilder)**  
 Approvers: **14-Infection Control Committee -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>RETIRE: Private Pay, Payment Plan, &amp; High Medical Costs Discount Policy</b> <i>Governance and Leadership Policies</i>	<b>Pending Approval</b>	5/5/2026	27
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Summary Of Changes: **This Policy is being replaced by Discount Payment & Payment Plan Policy**

## Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 06/01/2026 4:52 PM

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

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Stone, Lisa (lstone)**  
 Approvers: **Armfield, Ben (barmfield) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Standard Precautions</b>	<b>Pending Approval</b>	6/1/2026	0
<i>Infection Prevention &amp; Control Policies (IC)</i>			

Summary Of Changes: **Added Scope, definitions, updated current practice, realigned ownership and references.**

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Wilder, Ashley (awilder)**  
 Approvers: **Wyatt, Louise (lwyatt) -> 14-Infection Control Committee - (Committee) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

<b>Toy Cleaning Policy</b>	<b>Pending Approval</b>	6/1/2026	0
<i>Infection Prevention &amp; Control Policies (IC)</i>			

Summary Of Changes: **Updated reference, owner, reviewers, department and also assigned departmental responsibilities.**

Moderators: **Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)**  
 Lead Authors: **Wilder, Ashley (awilder)**  
 Approvers: **14-Infection Control Committee -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)**

# 1206(b) Physician Clinics Annual Report 2025 SVHCD Board of Directors



# Today's Topics

- Operational Overview – Primary Care
- Operational Overview – Surgeon's Clinic
- Operational Overview – Internal Medicine
- Quality Measures
- Volumes
- Accomplishments
- Challenges
- What's Next

# OPERATIONAL OVERVIEW

## Primary Care

- 1.0 MDs, 2 Nurse Practitioners
- 6.6 FTEs including Regional Practice Manager (shared)
- E H R – Athena Health
- Serves approximately 3000 patients

# OPERATIONAL OVERVIEW

## Surgeon's Clinic

- 1.5 FTE MDs
- 2.7 FTEs
- E H R– Athena Health
- Serves approximately 900 patients

# OPERATIONAL OVERVIEW

## Internal Medicine

- 2 MD's
- 3 FTE's
- E H R – Athena Health
- Serves approximately 700 patients

# QUALITY DASHBOARD

## Merit Based Incentive Payment System

### Family Practice

Measure Name	Reporting Period	Result
Controlling High Blood Pressure	2025	71%
Pneumococcal Vaccinations	2025	83%
Adult Major Depressive Order	2025	60%
Colorectal Cancer Screening	2025	69%
Implementation of Medication practice improvements	2025	88%

# VOLUMES

Clinic	Calendar Year 2024	Calendar Year 2025
Family Practice	9432	6186
Surgeon's Clinic	Not available	1619
Internal Medicine	Not available	803

# ACCOMPLISHMENTS

- Addition of Internal Medicine October 2025
- Addition Nurse Practitioner
- 1206 B Clinic Committee Established
- Adding Gastroenterology to the General Surgeon Clinic April 2026

# Welcome Dr. Okolo



# CHALLENGES

- Need for more providers
- Space
- Aging Equipment

# WHAT'S NEXT

- Adding another practice?
- Recruiting more providers including specialists
- Completion of 1206B Charter

# OUR TEAMS



**QUESTIONS?**

*Thank you*

## Are you interested in becoming a board member or district director?

November 3, 2026

Nominations open on July 13<sup>th</sup>, 2026 and will close on August 7<sup>th</sup>, 2026 unless one of the incumbent(s) do not file. In that case there will be a 5-day extension for anyone other than the incumbent which is August 12<sup>th</sup>, 2026.

### How to become a candidate

- 1) Decide if you are going to do the optional Statement of Qualifications. (200 word statement). (SOQ prices will be available closer to the opening of Nominations)
- 2) You should think about how you want your name to appear on the ballot and what you would want to use for a ballot designation. (Ballot Designation: 3 words or less to describe your primary occupation or vocation.)
- 3) You would complete a Statement of Economic Interests form (700). You can get the form at the FPPC's website. <http://www.fppc.ca.gov/index.php?id=500> (Check the "Candidate Box and put the Election Year" on the Cover sheet and fill out any schedules that apply.)
- 4.) Campaign Statements
  - a. Do NOT plan on raising or spending any money - 470 Form
  - b. Plan on spending up to \$1,999 - 470 & 501 Form
  - c. Plan on spending OVER \$2,000 - 410 & 501 Form(All forms can be found here: <http://www.fppc.ca.gov/forms.html#title2>)
- 5.) Code of Fair campaign practices
- 6.) Declaration of Candidacy (You will complete this final document when you come in to do your nomination paperwork)

There is no filing fee for School Districts or Special Districts. Candidate must live in the district in which they are running.

### Contact Information

[ROV-Campaign@Sonoma-county.org](mailto:ROV-Campaign@Sonoma-county.org) (Questions on campaign finance forms)

Phone: 707-565-6808

Mailing Address: P.O. Box 11485, Santa Rosa, CA 95406

Physical Address: 3880 Brickway Blvd, Santa Rosa, CA 95403.

Website: SoCoVotes.com

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
**Sonoma Valley Health Care** DISTRICT, COUNTY OF SONOMA  
STATE OF CALIFORNIA, ORDERING AN ELECTION TO  
BE HELD AND REQUESTING CONSOLIDATION  
WITH THE NOVEMBER 3, 2026,  
GENERAL ELECTION

**WHEREAS**, an election will be held on NOVEMBER 3, 2026, in the **Sonoma Valley Health Care** DISTRICT for the purpose of electing District Directors to fill positions that will expire in 2030;

**BE IT RESOLVED THAT**, the District Directors of said district hereby request consolidation with any election that may be held on the same day, in the same territory or in territory that is in part the same.

**THE FOREGOING RESOLUTION** was introduced by Director \_\_\_\_\_,  
who moved its adoption, seconded by Director \_\_\_\_\_ and then adopted on  
roll call by the following vote:

Director <b>Lee Myatt</b>	Aye _____ No _____ Abstain _____
Director <b>Kittleson</b>	Aye _____ No _____ Abstain _____
Director <b>Case</b>	Aye _____ No _____ Abstain _____
Director <b>Kalos</b>	Aye _____ No _____ Abstain _____
Director <b>Bloch</b>	Aye _____ No _____ Abstain _____

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTAIN \_\_\_\_\_ ABSENT \_\_\_\_\_

**WHEREUPON**, the Chairperson declared the foregoing resolution adopted and SO ORDERED

\_\_\_\_\_  
District Administrator/Secretary

MEMORANDUM



MEMORANDUM

TO: EVELYN MENDEZ, COUNTY CLERK & REGISTRAR OF VOTERS  
FROM: Sonoma Valley Health Care DISTRICT  
SUBJECT: NOTICE OF DISTRICT BOUNDARIES/STATEMENT IN LIEU OF MAP  
DATE: June 4, 2026

Pursuant to Elections Code Section 10522 (which requires notification prior to the 125<sup>th</sup> day before the election (July 1, 2026) regarding district boundaries in the above named district), we are hereby notifying the Registrar of Voters Office that:

- As of this date, there has been no change in the boundaries of this district since the date of the last election. A map of the district is already on file with your office; therefore this notice is in lieu of providing a duplicate map.
- A map of the above district, with all annexations and detachments shown thereon, is attached to this notification and incorporated for reference herein.
- There have been changes in the boundaries of this district since the date of the last election. A verified map of the above district containing all recent annexations and details shown thereon, is already on file with your office.

Submitted by \_\_\_\_\_  
District Administrator/Secretary

SEAL



To: SVHCD Board of Directors & Finance Committee  
From: Ben Armfield, Chief Financial Officer  
Date: May 26, 2026  
Subject: Fiscal Year 2027 Budget Overview

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## **BUDGET OVERVIEW – FY26 LOOKBACK**

Fiscal Year 2026 represented a transformational year for Sonoma Valley Hospital and marked a major step forward in the hospital's ongoing financial recovery and operational stabilization efforts. Building upon the momentum generated in FY25, the organization experienced meaningful improvement across nearly all major operational and financial indicators.

Reflecting back on the core goals established in the FY26 budget, the hospital made significant progress in each of the following strategic areas:

- **Continuing Financial Improvement:** FY26 Estimated Actual Operating EBDA is projected at approximately \$5.1 million, representing an improvement of approximately \$3.2 million compared to FY25 actual performance and approximately \$2.4 million favorable to budget. Operating Margin is projected to improve by nearly \$4 million year-over-year, resulting in the hospital operating at approximately break-even performance for the fiscal year.
- **Cash Improvement and Financial Flexibility:** The hospital is projected to generate positive cash flow from operations for the second consecutive year. Operational cash flow improvements also allowed the organization to materially improve its accounts payable position and continue rebuilding liquidity and financial flexibility throughout FY26.
- **Funding Critical Capital Needs:** During FY26, the hospital completed or substantially advanced several major capital and infrastructure initiatives, including the AC-1 Building Repair Project, Stryker OR Equipment Replacement, Mindray Critical Care Monitor Replacement, and permanent occupancy improvements related to the 3 Tesla MRI program. Additional infrastructure projects, including East Air Handler #3 and MRI beautification improvements, also progressed during the fiscal year.
- **Strategic, Volume-Driven Growth:** Operational growth continued throughout FY26 across several key service lines. MRI utilization continued to ramp significantly following implementation of the 3 Tesla MRI magnet, while outpatient physical therapy, surgery, and emergency department activity all demonstrated continued positive momentum throughout the fiscal year.

The operational and financial improvements achieved during FY26 represent a substantial shift in the hospital's overall trajectory and serve as the foundation for the proposed FY27 budget.

## **BUDGET OVERVIEW – LOOKING FORWARD TO FY27**

The proposed FY27 budget is designed to preserve and extend the positive operational and financial momentum achieved during FY26 while continuing the hospital's broader transition from stabilization toward long-term sustainability.

While healthcare reimbursement and supplemental funding uncertainty continues to exist across the broader healthcare environment, the FY27 budget was developed based on currently known information and existing program structures. Management believes the hospital has relatively strong visibility into projected FY27

supplemental funding assumptions, particularly related to the Medi-Cal Rate Range IGT program. Potential policy and reimbursement changes are anticipated to have a more material impact beginning in FY28 and beyond. As such, no speculative adjustments related to potential future policy changes have been incorporated into the FY27 budget at this time.

The FY27 budget philosophy is centered around the following priorities:

- **Sustain Positive Momentum:** Continue improving the hospital’s operational and financial performance while preserving the gains achieved during FY26.
- **Build Financial Flexibility and Cash Reserves:** Continue rebuilding liquidity and strengthening the hospital’s ability to manage future reimbursement and operational volatility.
- **Fund Critical Capital and Infrastructure Needs:** Continue addressing critical deferred infrastructure, equipment, cybersecurity, and facility capital needs without compromising long-term financial flexibility.
- **Continue Strategic, Targeted Growth:** Support continued measured growth in MRI/imaging, physical therapy, surgery, orthopedics, and emergency medicine.

**FY27 BUDGET - OVERALL SUMMARY**

The FY27 budget reflects continued operational improvement and further advancement in the hospital’s financial performance and sustainability.

Most notably, the FY27 budget represents the first operating budget in the hospital’s history projected at approximately break-even operating performance. This marks a substantial improvement from the approximately \$4.3 million operating loss experienced in FY25 and reflects the significant operational and financial progress achieved over the past two fiscal years.

Compared to FY26 estimated actual performance, the FY27 budget projects:

- **Operating Revenue** | Growth of approximately \$5.4 million (+6.4%), driven by continued supplemental funding growth and targeted operational initiatives.
- **Operating EBDA** | Approximately \$5.9 million, representing an increase of approximately \$780K (+15%) compared to FY26 estimated actual performance.
- **Operating Margin** | Approximately break-even operations, representing an improvement of approximately \$440K compared to FY26 estimated actual performance and over \$4 million improvement compared to FY25 actual performance.
- **Cash Flow from Operations** | Approximately \$4.5 million positive cash flow from operations prior to hospital-funded capital expenditures.

	FY27 Budget	FY26 Estimated Actual	Change	% Chg	FY25 ACTUAL	Change	% Chg
<b>Operating Margin</b>	\$ 19,869	\$ (419,070)	\$ 438,939	104.7%	\$ (4,276,953)	\$ 4,296,822	100.5%
<b>Operating EBDA</b>	\$ 5,859,229	\$ 5,079,276	\$ 779,953	15.4%	\$ 1,889,671	\$ 3,969,557	210.1%
<b>Total Net Income</b>	\$ 3,015,489	\$ 2,629,242	\$ 386,247	14.7%	\$ (1,558,868)	\$ 4,574,356	293.4%
<b>Net Patient Revenue</b>	\$ 58,409,431	\$ 55,336,183	\$ 3,073,248	5.6%	\$ 49,637,851	\$ 8,771,580	17.7%
<b>Operating Revenue</b>	\$ 89,096,013	\$ 83,716,696	\$ 5,379,317	6.4%	\$ 69,474,246	\$ 19,621,767	28.2%
<b>Operating Expenses</b>	\$ 89,076,145	\$ 84,135,766	\$ 4,940,378	5.9%	\$ 73,751,200	\$ 15,324,945	20.8%
<b>Total FTEs</b>	261.22	253.53	7.7	3.0%	243.46	17.8	7.3%
		SVHCD BOD June 2026	pg.34				
<b>IGT Net Benefit</b>	\$ 14,389,470	\$ 12,493,807	\$ 1,895,663	15.2%	\$ 8,726,641	\$ 5,662,829	64.9%

## **STRATEGIC INITIATIVES / GROWTH**

The FY27 budget includes continued targeted growth initiatives across several key operational areas:

- **MRI / Imaging Growth** | Continued ramp-up and optimization of the 3 Tesla MRI program, with MRI volumes budgeted to increase more than 15% compared to FY26 estimated actual performance.
- **Surgical Growth** | Continued orthopedic and GI growth, with surgical volumes budgeted to increase approximately 5% compared to FY26 estimated actual performance.
- **Physical Therapy Optimization** | Continued outpatient physical therapy growth and optimization following expansion initiatives completed during FY26.
- **Emergency Department** | Modest continued emergency department growth reflecting ongoing community demand and utilization trends.

## **REVENUE GROWTH**

Revenue growth in the FY27 budget is driven by both supplemental funding optimization and continued targeted operational growth initiatives.

- **IGT Program Growth** | The FY27 budget includes an estimated increase of approximately \$2.3 million in Rate Range IGT revenue compared to FY26 estimated actual performance. Management continues to maintain a relatively high level of visibility into projected FY27 supplemental funding assumptions based on currently known program structures and negotiated participation levels.
- **Strategic Operational Growth** | In addition to supplemental funding increases, the budget includes continued growth assumptions tied to operational initiatives and service line expansion, including MRI growth, surgical utilization, emergency department activity, and outpatient physical therapy optimization.

## **EXPENSE CONSIDERATIONS**

While the hospital continues to manage expenses in a disciplined manner, the FY27 budget reflects several necessary operational and strategic investments to support continued growth, recruitment, infrastructure, and supplemental funding participation.

Key expense considerations incorporated into the FY27 budget include:

- **Annual Salary and Market Adjustments** | Includes a 3% annual salary increase as well as targeted market adjustments for select positions.
- **Strategic Staffing Investments** | Net increase of approximately 7.7 FTEs to support operational growth, infrastructure support, and strategic organizational priorities.
- **Physician and Professional Service Agreements** | Includes adjustments related to hospitalist coverage, physician service agreements, and clinic-related professional fee support.
- **IGT Matching Fees** | Increase in matching fee expense associated with projected increases in supplemental funding participation.
- **Supply and Purchased Service Inflation** | Budget reflects continued inflationary pressures related to supplies, pharmaceuticals, purchased services, utilities, and insurance.

## **CAPITAL NEEDS**

The FY27 budget continues to prioritize several critical capital, infrastructure, and technology-related initiatives necessary to support ongoing operations, patient care, compliance, and long-term sustainability.

The current FY27 capital plan includes approximately \$4.9 million in identified critical capital projects, including HVAC infrastructure replacement, cybersecurity and disaster recovery investments, security enhancements, operating room equipment needs, and seismic planning activities.

Importantly, the hospital continues to face substantial long-term infrastructure and capital requirements extending well beyond the FY27 budget cycle. The FY27 budget reflects a disciplined and prioritized approach focused on addressing the most immediate operational and patient care-related needs while continuing to preserve financial flexibility.

## **CASH IMPACT**

The FY27 budget projects approximately \$4.5 million in positive cash flow from operations prior to hospital-funded capital expenditures. Even after incorporating approximately \$2.6 million in projected hospital-funded capital spending, the hospital is projected to continue improving its overall liquidity position throughout FY27.

Projected Days Cash on Hand is budgeted to improve from approximately 27.8 days at the beginning of FY27 to approximately 38.9 days by fiscal year-end. This projected improvement represents a significant operational and financial milestone for the organization, particularly while simultaneously continuing to fund critical capital investments and debt service obligations.

## **CONCLUSION**

The FY27 budget reflects continued positive operational and financial momentum for Sonoma Valley Hospital and represents another important step in the organization's ongoing transition from stabilization toward long-term sustainability.

Building upon the transformational improvement achieved during FY26, the FY27 budget continues to focus on disciplined operations, positive cash flow generation, strategic growth initiatives, liquidity improvement, and targeted reinvestment into critical infrastructure and capital priorities.

While broader healthcare reimbursement and policy uncertainty remains present, Sonoma Valley Hospital enters FY27 from a substantially stronger operational and financial position than in prior years. The proposed FY27 budget is designed to preserve this momentum while continuing to strengthen the hospital's long-term financial flexibility and ability to serve the Sonoma Valley community.

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## **ATTACHMENTS:**

- **SVH Fiscal Year 2027 Budget PowerPoint Presentation**

## **FINANCIAL SCHEDULES:**

- Schedule A                      **High Level Budget Comparison Summary |**  
FY27 Budget vs. FY26 Estimated Actual vs. FY25 Actual

- Schedule B **Income Statement Comparison |**  
FY26 Estimated Actual to FY27 Budget
- Schedule C **Variance Analysis FY26 to FY27 Crosswalk |**  
FY26 Estimated Actual to FY27 Budget
- Schedule D **Cash Flow Forecast |**  
FY27
- Schedule E **Capital Spending Projection |**  
Critical Projects and Funding Plan FY27
- Schedule F **SVH Capital Needs Plan |**  
Short and Long-Term Capital Needs Plan FY27-FY37

# SVH FY27 BUDGET

## May 26, 2026



# SVH FY27 OPERATIONAL BUDGET



**Goals & Guiding Principles** | FY26 Lookback and Progress



**Goals & Guiding Principles** | FY27 Budget



**F27 Budget Assumptions** | General Methodology



**F27 Budget Assumptions** | Operating EBDA Target Setting



**F27 Budget Assumptions** | High Level Assumptions

# FY26 Budget Lookback | Goals & Guiding Principles

✓ **Sustain Positive Momentum** | Preserve and extend improvements achieved in FY25

- **FY26 Est. Actual Operating EBDA \$5.2M | +\$2.4M vs Budget, +\$3.3M vs PY**
- **FY26 Est. Actual Operating Margin \$(420K) | +\$3.5M vs Budget, +\$4.0M vs PY**

✓ **Strengthen Cash Position & Financial Flexibility** | Maximize supplemental funding to support financial stability and weather long-term volatility

- **Days Cash on Hand | March 2026 = 35.7 FYE 2025 = 29.2**
- **Right-sized Accounts Payable | Reduced by over 25% since FYE 2025**
- **Projected to generate positive cash flow from operations – 2<sup>nd</sup> Straight Year**

✓ **Fund Critical Capital Needs** | Budget to fund critical capital needs without compromising cash preservation

- **AC-1 Building Repair | COMPLETED**
- **Stryker OR Equipment Replacement | COMPLETED**
- **Mindray Critical Care Monitor Replacement | COMPLETED**
- **Gain Permanent Occupancy to 3T MRI Trailer | COMPLETED**
- **East Air Handler #3 | IN PROGRESS**
- **3T MRI Beautification | IN PROGRESS**

✓ **Targeted, Strategic Growth** | Budget for modest, volume-driven growth with ramping services:

- **MRI Utilization | MRI volumes +30% compared to FY25**
- **Physical Therapy Expansion | OP PT volumes +2% compared to FY25**
- **Surgical Volumes | Surgical volumes +7% compared to FY25**

# FY27 Budget | Goals & Guiding Principles

## Stability -> Sustainability | Fund Critical Capital | Build Cash Reserves

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- **Sustain Positive Momentum** | Preserve and extend improvements achieved in FY25.
- **Strengthen Cash Reserves & Enhance Financial Flexibility** | Build cash reserves through continued growth and IGT optimization
- **Fund Critical Capital Needs** | Continue to fund critical capital needs without compromising cash preservation
- **Continued Growth** | Budget for continued growth in targeted service lines:
  - MRI / Imaging Utilization
  - Physical Therapy Optimization
  - Surgical Suite Utilization
  - Emergency Medicine

# FY27 Budget Assumptions | General Methodology

- **General Methodology**

- Fiscal year 2027 budget is based on our current fiscal year 2026 baseline, July-January
- Adjusted based on anticipated impacts of planned strategic initiatives and known external factors
- FY 2027 Budget is compared to FY 2026 Estimated Actual & FY 2025 Actual

- **Fiscal Year 2026 Estimated Actual**

- Annualized based on current fiscal year run-rate, **July 2025 through March 2026**
- IGT Income & Foundation Donations for April-June based on known estimates

# FY27 Budget Assumptions | Overall High Level Assumptions

- **Volumes**

- Based on current year baseline, July 2025-January 2026
- Targeted Budgeted growth | MRI (3T Magnet), OP PT Optimization, Surgical Volume Growth

- **Revenue**

- Net patient revenue driven by budgeted volumes
- Budgeted revenue enhancements | Rate Range IGT Estimations for FY27
- Budgeted revenue due to growth | MRI (3T Magnet), OP PT Optimization, Surgical Volume Growth

- **Expenses**

- Based on current year baseline, July 2025-January 2026
- Annual salary merit increases of 3%
- Inflation of 5% for drugs, 5% for blood, and 3% for other supplies
- FTEs based on July-January and adjusted based on department volumes
- IGT matching fee expense based on current estimate
- Investments to support strategic growth | PT Optimization, Strategic additions to support growth

# FY27 Budget | FY25 -> FY27 Roll Forward

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**FY25 to FY26 Roll Forward**



**FY26 to FY27 Budget Roll Forward**



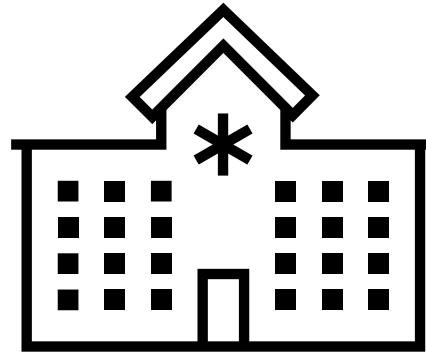
**FY27 Budget Highlights**



**FY27 Budget High Level Summary**

# SVH Operations Roll Forward | FY25 Actual – FY26 Estimated Actual

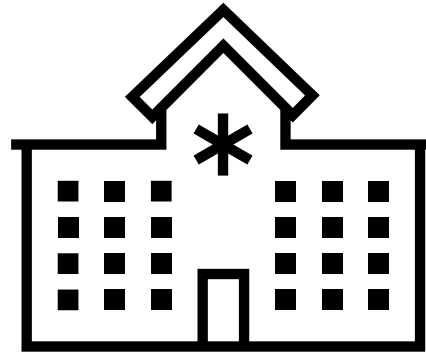
FY25 ACTUAL	\$
Net Patient Revenue	\$ 49.6M
IGT Revenue	\$ 14.6M
Parcel Tax Revenue	\$ 3.7M
Other Operating Revenue	\$ 1.5M
<b>TOTAL Revenues</b>	<b>\$ 69.5M</b>
Labor	\$ 35.6M
Supplies	\$ 7.9M
Purch/Contracted Serv	\$ 13.3M
Utilities, Insurance, Interest	\$ 3.4M
Other Expenses	\$ 1.5M
IGT Matching Fees	\$ 5.9M
Depreciation	\$ 6.2M
<b>TOTAL Operating Expenses</b>	<b>\$ 73.8M</b>
Operating Margin	<b>(\$ 4.3M)</b>
<b>Operating EBDA</b>	<b>\$ 1.9M</b>



FY26 ESTIMATED ACTUAL	\$	YOY CHG
Net Patient Revenue	\$ 55.3M	\$ 5.7M
IGT Revenue	\$ 23.4M	\$ 8.8M
Parcel Tax Revenue	\$ 3.7M	-
Other Operating Revenue	\$ 1.2M	(\$ .3M)
<b>TOTAL Revenues</b>	<b>\$ 83.7M</b>	<b>\$ 14.2M</b>
Labor	\$ 38.6M	\$ 3.0M
Supplies	\$ 8.9M	\$ 1.0M
Purch/Contracted Serv	\$ 14.7M	\$ 1.4M
Utilities, Insurance, Interest	\$ 3.9M	\$ .5M
Other Expenses	\$ 1.6M	\$ .1M
IGT Matching Fees	\$ 10.9M	\$ 5.1M
Depreciation	\$ 5.5M	(\$ .7M)
<b>TOTAL Operating Expenses</b>	<b>\$ 84.1M</b>	<b>\$ 10.4M</b>
Operating Margin	<b>(\$ .4M)</b>	<b>\$ 3.9M</b>
<b>Operating EBDA</b>	<b>\$ 5.1M</b>	<b>\$ 3.2M</b>

# SVH Operations Roll Forward | FY26 Estimated Actual - FY27 Budget

FY26 ESTIMATED ACTUAL	\$
Net Patient Revenue	\$ 55.3M
IGT Revenue	\$ 23.4M
Parcel Tax Revenue	\$ 3.7M
Other Operating Revenue	\$ 1.2M
<b>TOTAL Revenues</b>	<b>\$ 83.7M</b>
Labor	\$ 38.6M
Supplies	\$ 8.9M
Purch/Contracted Serv	\$ 14.7M
Utilities, Insurance, Interest	\$ 3.9M
Other Expenses	\$ 1.6M
IGT Matching Fees	\$ 10.9M
Depreciation	\$ 5.5M
<b>TOTAL Operating Expenses</b>	<b>\$ 84.1M</b>
Operating Margin	<b>(\$ .4M)</b>
<b>Operating EBDA</b>	<b>\$ 5.1M</b>



FY27 BUDGET	\$	YOY CHG
Net Patient Revenue	\$ 58.4M	\$ 3.1M
IGT Revenue	\$ 25.7M	\$ 2.3M
Parcel Tax Revenue	\$ 3.8M	\$ .01M
Other Operating Revenue	\$ 1.2M	-
<b>TOTAL Revenues</b>	<b>\$ 89.1M</b>	<b>\$ 5.4M</b>
Labor	\$ 40.9M	\$ 2.3M
Supplies	\$ 9.3M	\$ .4M
Purch/Contracted Serv	\$ 16.0M	\$ 1.3M
Utilities, Insurance, Interest	\$ 4.1M	\$ .2M
Other Expenses	\$ 1.6M	-
IGT Matching Fees	\$ 11.3M	\$ .4M
Depreciation	\$ 5.8M	\$ .3M
<b>TOTAL Operating Expenses</b>	<b>\$ 89.1M</b>	<b>\$ 4.9M</b>
Operating Margin	\$ .02M	\$ .4M
<b>Operating EBDA</b>	<b>\$ 5.9M</b>	<b>\$ .8M</b>

# FY27 Budget | Highlights

- **Operational Margin Improvement** | **+\$440K** improvement from operations vs FY26 | **+\$4.3 million** improvement from operations vs FY25
- **Cash** | Budget estimated to generate a net **+\$4 million in cash** from operations, prior to capital expenditures
- **Capital** | Budgeting to fund targeted critical capital needs of **\$4.9 million** (total outlay estimated to be approximately **\$2.6 million** split between direct purchases & financed projects)

- 
- **Operating Revenue** | **+\$5.4 Million, +6.4%** compared to FY26
    - *Key Driver(s)* | Rate Range IGT Increase (**+\$2.3M**), Price Increases (**+\$305K**)
    - *Other Contributors* | Growth initiatives – MRI 3T & OP PT Optimization, Continued Orthopedics Ramp-Up, Surgical Volume Growth
  - **Operating Expenses** | **+\$4.9 Million, +6.0%** compared to FY26
    - *Key Driver(s)* | **Staffing** - 3% annual salary increase + annual market adjustments (**\$1M**), 7.7 FTE Additions with benefit costs (**\$1M**), Increase in Employee Benefit Expense (**\$575K**), Renegotiation / Increase in Physician Services (**\$900K**)
    - *Other Contributors* | Rate Range IGT Matching Fee increase (**+\$400K**)

# FY27 Budget | High Level Summary

	FY27 Budget	FY26 Estimated Actual	Change	% Chg	FY25 ACTUAL	Change	% Chg	FY26 Budget	Change	% Chg
<b>Operating Margin</b>	\$ 19,869	\$ (419,070)	\$ 438,939	104.7%	\$ (4,276,953)	\$ 4,296,822	100.5%	\$ (3,412,488)	\$ 3,432,356	100.6%
<b>Operating EBDA</b>	\$ 5,859,229	\$ 5,079,276	\$ 779,953	15.4%	\$ 1,889,671	\$ 3,969,557	-210.1%	\$ 3,480,229	\$ 2,379,000	68.4%
<b>Total Net Income</b>	\$ 3,015,489	\$ 2,629,242	\$ 386,247	-14.7%	\$ (1,558,868)	\$ 4,574,356	293.4%	\$ (1,542,034)	\$ 4,557,523	295.6%
<b>Net Patient Revenue</b>	\$ 58,409,431	\$ 55,336,183	\$ 3,073,248	5.6%	\$ 49,637,851	\$ 8,771,580	17.7%	\$ 51,200,968	\$ 7,208,463	14.1%
<b>Operating Revenue</b>	\$ 89,096,013	\$ 83,716,696	\$ 5,379,317	6.4%	\$ 69,474,246	\$ 19,621,767	28.2%	\$ 76,350,542	\$ 12,745,471	16.7%
<b>Operating Expenses</b>	\$ 89,076,145	\$ 84,135,766	\$ 4,940,378	5.9%	\$ 73,751,200	\$ 15,324,945	20.8%	\$ 79,763,030	\$ 9,313,115	11.7%
<b>Total FTEs</b>	261.22	253.53	7.7	3.0%	243.46	17.8	7.3%	245.75	15.5	6.3%
<b>IGT Net Benefit</b>	\$ 14,389,470	\$ 12,493,807	\$ 1,895,663	15.2%	\$ 8,726,641	\$ 5,662,829	64.9%	\$ 19,844,250	\$ (5,454,780)	-27.5%
<b>Net Pt. Revenue % of Gross</b>	13.8%	13.7%		0.3%	13.6%		1.3%	14.1%		-2.5%

# FY27 Budget | Volumes

- **Main Budgeted Themes**

- **Continued Ancillary Growth** | Physical Therapy Expansion, MRI Ramp-Up
  - **Surgical Volumes** | Modest growth due to service line ramp-ups
- 

- **Surgical Volumes** | **+5.0%** compared to FY26

- Modest increase due to continued ramp-up of Orthopedics and GI
- Monthly Surgical Volumes | FY25 Actual=140 -> FY26 Estimated=152 -> FY27 Budget=159

- **MRI Volumes** | **Increasing by over 15%** compared to FY26

- MRI Scans / Month | FY24 Actual=131 -> FY25 Actual=181 -> FY26 Estimated=232 -> FY27 Budget=270

- **Physical Therapy** | **+15%** increase compared to FY26

- **Emergency Room** | Modest, **2.0%** increase vs FY26

# FY26 Est. Actual to FY27 Budget – Key Drivers

	FY26 Est.	FY27 Budget	Chg	% Chg	% Chg
Net Patient Revenue	\$ 55.3M	\$ 58.4M	\$ 3.1M	+6%	MRI Growth (\$650K), Surgery Growth (\$450K), Emergency Room Growth (\$325K), PT Optimization (\$280K), Gross Price Increases (\$305K)
IGT Revenue	\$ 23.4M	\$ 25.7M	\$ 2.3M	+10%	Renegotiation of next FY Rate Range IGT   Anticipated increase (\$2.3M)
Parcel Tax Revenue	\$ 3.7M	\$ 3.8M	\$ .01M	-	No anticipated changes
Other Operating Revenue	\$ 1.2M	\$ 1.2M	-	-	No major changes anticipated
<b>TOTAL Revenues</b>	<b>\$ 83.7M</b>	<b>\$ 89.1M</b>	<b>\$ 5.4M</b>	<b>+6.4%</b>	
Labor	\$ 38.6M	\$ 40.9M	\$ 2.3M	+6%	3% Merit Increases & select market adjustments (\$1M), Net 7.7 FTE additions (\$814K), Savings of converting registry staff to direct hires 3.5 FTEs (\$225K)
Supplies	\$ 8.9M	\$ 9.3M	\$ .4M	+4%	Global inflation (3% supplies, 5% blood & drugs) (\$230K), Increase in Supplies due to Volume Growth (\$125,000)
Purch/Contracted Serv	\$ 14.7M	\$ 16.0M	\$ 1.3M	+9%	Adjustments / Service coverage enhancements on Physician Services agreements (\$900K), True-Up for full-year of executive leadership (\$85,000)
Utilities, Insurance, Interest	\$ 3.9M	\$ 4.1M	\$ .2M	+5%	Estimating 5% increase in utilities, 6% increase in insurance
Other Expenses	\$ 1.6M	\$ 1.6M	-	-	No major changes anticipated
IGT Matching Fees	\$ 10.9M	\$ 11.3M	\$ .4M	+4%	Increase in IGT matching fees due to projected increase in IGT funding
Depreciation	\$ 5.5M	\$ 5.8M	\$ .3M	+6%	Full-year of depreciation on projects completed during FY26 (\$160K) ODC Central Wing Demo, PT Expansion, ICU Upgrade Project   Depreciation on new equipment (Stryker OR Replacement, Mindray Equipment Replacement (\$158K)
<b>TOTAL Operating Expenses</b>	<b>\$ 84.1M</b>	<b>\$ 89.1M</b>	<b>\$ 4.9M</b>	<b>+5.9%</b>	
Operating Margin	<b>(\$ .4M)</b>	<b>\$ .02M</b>	<b>\$ .4M</b>	<b>+105%</b>	<b>+\$400K in Operating Margin</b>
<b>Operating EBDA</b>	<b>\$ 5.1M</b>	<b>\$ 5.9M</b>	<b>\$ .8M</b>	<b>+15.4%</b>	<b>+\$780K in Operating EBDA</b>

# FY27 Budget | Annual Cash Flow Projection

	FY27 ANNUAL	FY27 MONTHLY
Total Hospital Sources of Cash	\$ 89,475,304	\$ 7,456,275
Total Hospital Operating Uses of Cash	\$ 84,962,022	\$ 7,080,168
Net Hospital Sources / (Operating Uses) of Cash	\$ 4,513,283	\$ 376,107
Hospital Funded Capital Expenditures *	\$ 2,625,000	\$ 218,750
Total Net Sources / (Uses) of Cash	\$ 1,888,283	\$ 157,357
Projected Cash at Beginning of Fiscal Year	\$ 4,340,000	
Projected Cash at End of Fiscal Year	\$ 6,228,283	
Projected Days Cash on Hand - Beginning FY 2027	27.8	
Budgeted Days Cash on Hand - End FY 2027	38.9	
* Does not include SVHF (Foundation) supported capital		

**+\$4.5M Positive Cash Flow Prior to SVH funded Capital**

# FY27 Budget | Critical Capital Projects

Project/Equipment	Projected Cost	Project Description / Comments:	Proposed Funding Plan:	Required SVH Funding in FY27*
Air Handler & Exhaust Fan - AH #3	\$ 2,250,000	AH 3 has failed. Need to replace and upsize to handle load from SNF.	Finance	\$ 560,000
ODC   CT Phase II & Central Wing Demo	\$ 750,000	Beautification of 3T MRI Trailer Space - Includes Canopy	Finance	\$ 140,000
IT Infrastructure Upgrades	\$ 750,000	Critical infrastructure upgrades. Part of larger multi-year project (\$2M+ within next 5 years)	TBD (schedule assumes funding from SVH Ops)	\$ 750,000
Security Access - Badge access, Panic, Metal Detection, Camera System	\$ 300,000	Enhance security across hospital, including metal detection and badge access (OSHA Requirement starting in 2027).	Fund from SVH Operations	\$ 300,000
OR Equipment	\$ 250,000	Various equipment needs in OR - new and replacement - to support service line growth	Fund from SVH Operations	\$ 250,000
Disaster Relief / Recovery	\$ 250,000	Nutanix / Veeam - Disaster Relief Environment. Critical priority.	Fund from SVH Operations	\$ 250,000
Seismic Compliance Master Plan	\$ 100,000	Cost related to required NPC 4, NPC4D, and NPC5 Evaluation Submission	Fund from SVH Operations	\$ 100,000
Medivator / GI Suite Replacement	\$ 75,000	Medivator at end of life. Needs replacement.	Fund from SVH Operations	\$ 75,000
Routine Capital	\$ 200,000	Allotment for estimated routine capital needs for "emergency" and/or replacement purposes.	Fund from SVH Operations	\$ 200,000
<b>TOTAL SVH Critical Capital Projects</b>	<b>\$ 4,925,000</b>			<b>\$ 2,625,000</b>

\* Based on proposed funding plan, which is just an estimate at this point in time.

# FY27 BUDGET SCHEDULES

- **Schedule A | High Level Budget Comparison Summary**
  - FY27 Budget v FY26 Estimated Actual v FY25 Actual
- **Schedule B | Income Statement Comparison**
  - FY26 Estimated Actual to FY27 Budget
- **Schedule C | Variance Analysis / FY26 to FY27 Crosswalk**
  - FY26 Estimated Actual to FY27 Budget
- **Schedule D | Cash Flow Forecast**
  - FY27
- **Schedule E | FY27 Capital Spending Projection**
  - Critical Projects and Funding Plan FY27
- **Schedule F | Short & Long-Term Capital Needs Plan**
  - Capital Needs Plan | FY27-FY37

Sonoma Valley Health Care District  
 Schedule A | Budget Comparison Summary  
 FY 2027 Budget vs. FY 2026 Estimated Actual & FY 2025 Actual

Schedule A

	FY27 Budget	FY26 Estimated Actual	Change	% Chg	FY25 ACTUAL	Change	% Chg
<b>Operating Margin</b>	\$ 19,869	\$ (419,070)	\$ 438,939	104.7%	\$ (4,276,953)	\$ 4,296,822	100.5%
<b>Operating EBDA</b>	\$ 5,859,229	\$ 5,079,276	\$ 779,953	15.4%	\$ 1,889,671	\$ 3,969,557	210.1%
<b>Total Net Income</b>	\$ 3,015,489	\$ 2,629,242	\$ 386,247	14.7%	\$ (1,558,868)	\$ 4,574,356	293.4%
<b>Net Patient Revenue</b>	\$ 58,409,431	\$ 55,336,183	\$ 3,073,248	5.6%	\$ 49,637,851	\$ 8,771,580	17.7%
<b>Operating Revenue</b>	\$ 89,096,013	\$ 83,716,696	\$ 5,379,317	6.4%	\$ 69,474,246	\$ 19,621,767	28.2%
<b>Operating Expenses</b>	\$ 89,076,145	\$ 84,135,766	\$ 4,940,378	5.9%	\$ 73,751,200	\$ 15,324,945	20.8%
<b>Total FTEs</b>	261.22	253.53	7.7	3.0%	243.46	17.8	7.3%
<b>IGT Net Benefit</b>	\$ 14,389,470	\$ 12,493,807	\$ 1,895,663	15.2%	\$ 8,726,641	\$ 5,662,829	64.9%
<b>Net Pt. Revenue % of Gross</b>	13.8%	13.7%		0.3%	13.6%		1.3%

Sonoma Valley Health Care District  
 Schedule B | Income Statement Comparison  
 FY 2027 Budget vs. FY 2026 Estimated Actual & FY 2025 Actual

Schedule B

	FY 2027 BUDGET	FY 2026 EST ACTUAL	FY27 Budget vs FY26 Est		FY 2025 ACTUAL	FY27 Budget vs FY25 Actual	
			Actual			Variance	
			Variance			\$	%
<b>Volume Information</b>							
Acute Discharges	1,006	984	22	2.2%	851	155	15.4%
Patient Days	3,661	3,601	60	1.7%	3,252	409	11.2%
Average Daily Census	10.03	9.87	0.16	1.7%	8.91	1.12	11.2%
Emergency Room Visits	12,410	12,147	263	2.2%	11,283	1,127	9.1%
Total Surgeries	1,915	1,824	91	5.0%	1,753	162	8.5%
<b>Financial Results</b>							
Inpatient	\$ 88,473,590	\$ 84,517,837	\$ 3,955,753	4.7%	\$ 73,994,254	\$ 14,479,336	16.4%
Outpatient	196,713,057	183,068,653	13,644,403	7.5%	167,821,288	28,891,769	14.7%
Emergency	139,605,985	135,921,822	3,684,163	2.7%	123,828,933	15,777,053	11.3%
<b>Total Gross Patient Revenue</b>	<b>\$ 424,792,632</b>	<b>\$ 403,508,312</b>	<b>\$ 21,284,320</b>	<b>5.3%</b>	<b>\$ 365,644,474</b>	<b>\$ 59,148,158</b>	<b>13.9%</b>
<b>Revenue Adjustments</b>							
Contractual Discounts	\$ (366,383,201)	\$ (348,172,129)	\$ (18,211,072)	5.2%	\$ (316,006,623)	\$ (50,376,578)	13.7%
<b>Total Deductions from Revenue</b>	<b>\$ (366,383,201)</b>	<b>\$ (348,172,129)</b>	<b>\$ (18,211,072)</b>	<b>5.2%</b>	<b>\$ (316,006,623)</b>	<b>\$ (50,376,578)</b>	<b>13.7%</b>
<b>Net Patient Service Revenue</b>	<b>\$ 58,409,431</b>	<b>\$ 55,336,183</b>	<b>\$ 3,073,248</b>	<b>5.6%</b>	<b>\$ 49,637,851</b>	<b>\$ 8,771,580</b>	<b>15.0%</b>
IGT Revenue	25,730,000	23,442,787	2,287,213	9.8%	14,624,610	11,105,390	43.2%
Parcel Tax Revenue	3,759,960	3,735,648	24,312	0.7%	3,735,688	24,272	0.6%
Other Operating Revenue	1,196,622	1,202,078	(5,456)	-0.5%	1,476,097	(279,475)	-23.4%
<b>Total Operating Revenue</b>	<b>\$ 89,096,013</b>	<b>\$ 83,716,696</b>	<b>\$ 5,379,317</b>	<b>6.4%</b>	<b>\$ 69,474,246</b>	<b>\$ 19,621,767</b>	<b>22.0%</b>
<b>Operating Expenses</b>							
Salary and Wages	\$ 29,441,896	\$ 27,713,571	\$ 1,728,325	6.2%	\$ 25,739,311	\$ 3,702,586	12.6%
Employee Benefits	11,477,247	10,903,342	573,905	5.3%	9,847,434	1,629,813	14.2%
Total People Cost	\$ 40,919,143	\$ 38,616,913	\$ 2,302,230	6.0%	\$ 35,586,745	\$ 5,332,398	13.0%
Med and Prof Fees	9,700,838	8,718,543	982,295	11.3%	8,364,018	1,336,820	13.8%
Supplies	9,273,339	8,919,016	354,323	4.0%	7,890,892	1,382,647	14.9%
Purchased Services	6,257,383	5,938,144	319,239	5.4%	4,934,199	1,323,183	21.1%
Depreciation	5,839,360	5,498,346	341,014	6.2%	6,166,625	(327,265)	-5.6%
Utilities	2,486,639	2,373,175	113,464	4.8%	1,992,821	493,818	19.9%
Insurance	973,187	914,314	58,872	6.4%	1,049,308	(76,121)	-7.8%
Interest	638,491	617,780	20,711	3.4%	396,376	242,115	37.9%
Other	1,647,036	1,590,555	56,481	3.6%	1,472,247	174,789	10.6%
IGT Matching Fees	11,340,530	10,948,980	391,550	3.6%	5,897,969	5,442,561	48.0%
<b>Total Operating Expenses</b>	<b>\$ 89,076,145</b>	<b>\$ 84,135,766</b>	<b>\$ 4,940,378</b>	<b>5.9%</b>	<b>\$ 73,751,200</b>	<b>\$ 15,324,945</b>	<b>17.2%</b>
<b>Total Operating Margin</b>	<b>\$ 19,869</b>	<b>\$ (419,070)</b>	<b>\$ 438,939</b>	<b>104.7%</b>	<b>\$ (4,276,953)</b>	<b>\$ 4,296,822</b>	<b>100.5%</b>
<b>Total Operating EBDA</b>	<b>\$ 5,859,229</b>	<b>\$ 5,079,276</b>	<b>\$ 779,953</b>	<b>15.4%</b>	<b>\$ 1,889,671</b>	<b>\$ 3,969,557</b>	<b>210.1%</b>
<b>Non Operating Income</b>							
Non Operating Income	379,286	395,376	\$ (16,090)	-4.1%	403,408	\$ (24,122)	-6.4%
GO Bond Tax Income, Net	2,616,334	2,652,936	(36,602)	-1.4%	2,314,678	301,656	11.5%
<b>Total Non-Operating Income</b>	<b>\$ 2,995,620</b>	<b>\$ 3,048,312</b>	<b>\$ (52,693)</b>	<b>-1.7%</b>	<b>\$ 2,718,086</b>	<b>\$ 277,534</b>	<b>9.3%</b>
<b>Net Income / (Loss)</b>	<b>\$ 3,015,489</b>	<b>\$ 2,629,242</b>	<b>\$ 386,247</b>	<b>14.7%</b>	<b>\$ (1,558,868)</b>	<b>\$ 4,574,356</b>	<b>151.7%</b>
Foundation Contributions	\$ 600,000	\$ 2,001,861	\$ (1,401,861)	-70.0%	\$ 3,713,607	\$ (3,113,607)	-518.9%
<b>Change in Net Position</b>	<b>\$ 3,615,489</b>	<b>\$ 4,631,103</b>	<b>\$ (1,015,614)</b>	<b>-21.9%</b>	<b>\$ 2,154,739</b>	<b>\$ 1,460,749</b>	<b>-40.4%</b>

<b>Net Patient Revenue</b>		
	<b>Net Patient Revenue - FY26 ESTIMATED ACTUAL</b>	<b>\$ 55,336,183</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>		
Impact of Price Increases (for payor contracts reimbursing as a % of charges)		305,000
<b><u>Projected Revenue Changes From Budgeted Growth/Expansion:</u></b>		<b>1,382,100</b>
MRI   3Tesla MRI Increase (budgeting 200 exams/month)		650,000
Surgery   5% increase in surgical volumes		452,600
Emergency Room   Modest increase in ER visits		325,800
Physical Therapy Expansion   Utilization increase due to expansion and staffing plan execution		277,900
Wound Care   Decrease in revenue due to no longer operating clinic		(164,700)
Occupational Health   Decrease in revenue due to no longer operating clinic		(158,000)
All Other Changes		2,548
<b>Total Projected Changes for FY27 Budget</b>	<b>\$</b>	<b>3,073,248</b>
	<b>Net Patient Revenue - FY27 BUDGET</b>	<b>\$ 58,409,431</b>
	Change From FY26 Estimated Actual	\$ 3,073,248
	% Change	5.6%

<b>IGT Revenue</b>		
	<b>IGT Revenue - FY26 ESTIMATED ACTUAL</b>	<b>\$ 23,442,787</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>		
Net Revenue Impact of Estimated IGT Increase (Rate Range, Direct Hospital Directed Payment Program)		2,287,210
All Other Changes		-
<b>Total Projected Changes for FY27 Budget</b>	<b>\$</b>	<b>2,287,210</b>
	<b>IGT Revenue - FY27 BUDGET</b>	<b>\$ 25,729,997</b>
	Change From FY26 Estimated Actual	\$ 2,287,210
	% Change	9.8%

<b>Salaries &amp; Wages (Including Agency/Travelers)</b>		
	<b>Salaries &amp; Wages (Including Agency/Travelers) - FY26 ESTIMATED ACTUAL</b>	<b>\$ 27,713,571</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>		
3% Merit Adjustment Salary Increases & Additional Allotment for Market Adjustments		1,050,000
<b><u>Salary Increases from FTE Additions (net 7.7 FTE adds from FY26 to FY27 Budget):</u></b>		<b>865,300</b>
OP Physical Therapy   2.0 FTE add to support budgeted volume growth		
Registration   1.5 FTEs for replacements of open positions		
Strategic FTE Additions   3.0 FTE add to Support Facility Growth (Positions TBD)		
Plant Operations   1.0 FTE add to bring BioMed functions in-house (results in overall cost savings)		
Human Resources   .75 FTE add to further support human resources and benefit administration functions		
MRI   .40 FTE add to support imaging activities on Saturdays		
FTE True-Up   ~3.5 FTE increase for truing up positions hired mid-year FY26		
Wound Care   1.0 FTE <u>Decrease</u> due to no longer operating clinic		
Occupational Health   3.5 FTE <u>Decrease</u> due to no longer operating clinic		
Salary cost reduction due to replacement of 3.5 FTEs worth of Travelers		(225,000)
All Other Changes		38,025
<b>Total Projected Changes for FY27 Budget</b>	<b>\$</b>	<b>1,728,325</b>

Schedule C | Variance Analysis of FY 2026 Estimated Actual to FY 2027 Budget

<b>Salaries &amp; Wages (Including Agency/Travelers) - FY27 BUDGET</b>	<b>\$ 29,441,896</b>
Change From FY26 Estimated Actual	\$ 1,728,325
% Change	6.2%

**Employee Benefits**

<b>Employee Benefits - FY26 ESTIMATED ACTUAL</b>	<b>\$ 10,903,342</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>	
Estimated 6% increase in Health Insurance Expense	261,000
Anticipated increase in benefits due to 7.7 FTE additions	200,100
Anticipated increase in benefits due to replacement of Travelers with SVH Direct Hires	109,800
All Other Changes	3,005
<b>Total Projected Changes for FY27 Budget</b>	<b>\$ 573,905</b>
<b>Employee Benefits - FY27 BUDGET</b>	<b>\$ 11,477,247</b>
Change From FY26 Estimated Actual	\$ 573,905
% Change	5.3%

**Medical and Professional Fees**

<b>Medical and Professional Fees - FY26 ESTIMATED ACTUAL</b>	<b>\$ 8,718,543</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>	
<i>Physician / Professional Fee Changes:</i>	
Adjustment to Hospitalist Contract	450,700
1206(B) Professional Fees - True-up of Internal Medicine clinic (FY27 first full-year) and new GI Provider	305,100
Adjustment to Anesthesia Contract - 3% contracted COLA	70,000
Adjustment to Cardiology Call Contract	35,000
Adjustment to General Surgery Call Contract	35,000
<i>Other Professional Fee Changes:</i>	
UCSF Management Fees   3% COLA Adjustment & True-Up to Full C-Suite Staffing	85,000
All Other Changes	1,495
<b>Total Projected Changes for FY27 Budget</b>	<b>\$ 982,295</b>
<b>Medical and Professional Fees - FY27 BUDGET</b>	<b>\$ 9,700,838</b>
Change From FY26 Estimated Actual	\$ 982,295
% Change	11.3%

**Supplies**

<b>Supplies - FY26 ESTIMATED ACTUAL</b>	<b>\$ 8,919,016</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>	
3% Global Inflation Adjustment on Supplies	145,600
5% Inflation in cost for Blood Units & Pharmaceuticals/Drugs	82,600
Increase in supply expense due to incremental volumes	125,500
All Other Changes	823
<b>Total Projected Changes for FY27 Budget</b>	<b>\$ 354,523</b>
<b>Supplies - FY27 BUDGET</b>	<b>\$ 9,273,539</b>
Change From FY26 Estimated Actual	\$ 354,523
% Change	4.0%

**Purchased Services**

		<b>Purchased Services - FY26 ESTIMATED ACTUAL</b>	<b>\$ 5,938,144</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>			
MRI   Incremental Cost of full year of 3T MRI service contract (3 months of expense in FY25)			150,000
Security   Added service coverages to enhance security and comply with 2027 OSHA mandate			100,000
New Contracts   Service Contract on ROSA (1st Year of Service Agreement)			80,000
IT   New agreements/services for disaster relief and cybersecurity enhancements			85,000
Food & Nutrition   4% COLA adjustment for Forefront contract			25,000
BioMed   Service agreement going away with bringing service in-house			(185,000)
MRI   Service contract going away on 1.5 MRI (incremental savings)			(105,000)
<i>All Other Changes</i>			169,239
<b>Total Projected Changes for FY27 Budget</b>		<b>\$</b>	<b>319,239</b>
		<b>Purchased Services - FY27 BUDGET</b>	<b>\$ 6,257,383</b>
		Change From FY26 Estimated Actual	\$ 319,239
		% Change	5.4%

**Depreciation**

		<b>Depreciation - FY26 ESTIMATED ACTUAL</b>	<b>\$ 5,498,346</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>			
Anticipated Changes / Projects being brought online in FY27			305,500
<i>All Other Changes</i>			35,514
<b>Total Projected Changes for FY27 Budget</b>		<b>\$</b>	<b>341,014</b>
		<b>Depreciation - FY27 BUDGET</b>	<b>\$ 5,839,360</b>
		Change From FY26 Estimated Actual	\$ 341,014
		% Change	6.2%

**Utilities**

		<b>Utilities - FY26 ESTIMATED ACTUAL</b>	<b>\$ 2,373,175</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>			
Estimated increase with Gas			65,900
Estimated increase with Electricity			40,300
<i>All Other Changes</i>			7,264
<b>Total Projected Changes for FY27 Budget</b>		<b>\$</b>	<b>113,464</b>
		<b>Utilities - FY27 BUDGET</b>	<b>\$ 2,486,639</b>
		Change From FY26 Estimated Actual	\$ 113,464
		% Change	4.8%

**Insurance**

		<b>Insurance - FY26 ESTIMATED ACTUAL</b>	<b>\$ 914,314</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>			
Expected increase in Insurance base coverage cost - All Lines (~6% increase in total)			58,872
<b>Total Projected Changes for FY27 Budget</b>		<b>\$</b>	<b>58,872</b>
		<b>Insurance - FY27 BUDGET</b>	<b>\$ 973,186</b>
		Change From FY26 Estimated Actual	\$ 58,872
		% Change	6.4%

Schedule C | Variance Analysis of FY 2026 Estimated Actual to FY 2027 Budget

Other Expenses

	<b>Other Expenses - FY26 ESTIMATED ACTUAL</b>	<b>\$ 1,590,555</b>
<b>Changes of Note - FY26 Estimated Actual to FY27 Budget:</b>		
Human Resources   Estimated change in recruitment / placement costs		22,000
1206(b) Clinics - True up of other expenses for full-year of Internal Medicine Clinic		35,000
Pharmacy   Anticipated reduction in pyxis expense		(12,000)
<i>All Other Changes</i>		<i>11,481</i>
<b>Total Projected Changes for FY27 Budget</b>	<b>\$</b>	<b>56,481</b>
	<b>Other Expenses - FY27 BUDGET</b>	<b>\$ 1,647,036</b>
	Change From FY26 Estimated Actual	\$ 56,481
	% Change	3.6%

**Sonoma Valley Health Care District**  
**Schedule D | Cash Forecast - FY 2027 Budget**

**Schedule D**

**FY 2027 Budget**

**Hospital Sources of Cash**

<b>1</b>	Patient Payments Collected	\$	58,409,431
<b>2</b>	IGT Funding Proceeds		25,730,000
<b>3</b>	Other Revenue - Op & Non-Op Revenue		1,575,908
<b>4</b>	Parcel Tax Revenue		3,759,965
<b>5</b>	Unrestricted Contributions		-
<b>Sub-Total Hospital Sources of Cash</b>		<b>\$</b>	<b>89,475,304</b>

**Hospital Operating Uses of Cash**

<b>6</b>	Operating Expenses (incl. GASB amortization)	\$	72,806,492
<b>7</b>	Add: IGT Matching Fees		11,340,530
<b>8</b>	Add: Summit Bank Term Loan Repayment		420,000
<b>9</b>	Add: CHFFA Help II Loan Principal		395,000
<b>10</b>	Add: Line of Credit / Addtl Debt Paydowns		-
<b>Total Hospital Operating Uses of Cash</b>		<b>\$</b>	<b>84,962,022</b>

<b>Net Hospital Sources / (Operating Uses) of Cash</b>		<b>\$</b>	<b>4,513,283</b>
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**Non-Hospital Sources/(Uses) of Cash**

**Non-Hospital Sources**

<b>11</b>	n/a	\$	-
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**Non-Hospital Uses**

<b>12</b>	n/a	\$	-
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<b>Total Net Non-Hospital Sources/Uses of Cash</b>		<b>\$</b>	<b>-</b>
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<b>Net Sources / (Uses) of Cash Before SVH Funded Capital Expenditures</b>		<b>\$</b>	<b>4,513,283</b>
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<b>13</b>	Hospital Funded Capital Expenditures *	\$	2,625,000
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<b>Total Net Sources / (Uses) of Cash</b>		<b>\$</b>	<b>1,888,283</b>
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Projected Cash at Beginning of Fiscal Year	\$	4,340,000
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<b>Projected Cash at End of Fiscal Year</b>	<b>\$</b>	<b>6,228,283</b>
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<b>Projected Days Cash on Hand - Beginning FY 2027</b>	<b>27.8</b>
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<b>Budgeted Days Cash on Hand - End FY 2027</b>	<b>38.9</b>
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\* Does not include any SVHF (Foundation) funded capital expenditures. See Schedule E for detail.

Project/Equipment	Projected Cost	Project Description / Comments:	Proposed Funding Plan:	Required SVH Funding in FY27*
Air Handler & Exhaust Fan - AH #3	\$ 2,250,000	AH 3 has failed. Need to replace and upsize to handle load from SNF.	Finance	\$ 560,000
ODC   CT Phase II & Central Wing Demo	\$ 750,000	Beautification of 3T MRI Trailer Space - Includes Canopy	Finance	\$ 140,000
IT Infrastructure Upgrades	\$ 750,000	Critical infrastructure upgrades. Part of larger multi-year project (\$2M+ within next 5 years)	TBD (schedule assumes funding from SVH Ops)	\$ 750,000
Security Access - Badge access, Panic, Metal Detection, Camera System	\$ 300,000	Enhance security across hospital, including metal detection and badge access (OSHA Requirement starting in 2027).	Fund from SVH Operations	\$ 300,000
OR Equipment	\$ 250,000	Various equipment needs in OR - new and replacement - to support service line growth	Fund from SVH Operations	\$ 250,000
Disaster Relief / Recovery	\$ 250,000	Nutanix / Veeam - Disaster Relief Environment. Critical priority.	Fund from SVH Operations	\$ 250,000
Seismic Compliance Master Plan	\$ 100,000	Cost related to required NPC 4, NPC4D, and NPC5 Evaluation Submission	Fund from SVH Operations	\$ 100,000
Medivator / GI Suite Replacement	\$ 75,000	Medivator at end of life. Needs replacement.	Fund from SVH Operations	\$ 75,000
Routine Capital	\$ 200,000	Allotment for estimated routine capital needs for "emergency" and/or replacement purposes.	Fund from SVH Operations	\$ 200,000
<b>TOTAL SVH Critical Capital Projects</b>	<b>\$ 4,925,000</b>			<b>\$ 2,625,000</b>

\* Based on proposed funding plan, which is just an estimate at this point in time.

Sonoma Valley Hospital  
Master Capital Plan  
FY2027 Budget

Schedule F

TOTALS \$ 4,925,000 \$ 14,040,900 \$ 10,151,250 \$ 56,350,000

Capital Projects in Motion

Item	Type	Projected Cost	Timeline	FY 2027 PROJECTED	REPLACEMENT TIMELINE:			Project Description / Comments:
					WITHIN 3 YEARS	WITHIN 5 YEARS	WITHIN 10 YEARS	
Air Handler & Exhaust Fan - East Wing AH #3	Physical Plant	\$ 2,250,000	NEXT FY	2,250,000	-	-	-	AH 3 has failed. Need to replace and upsize to handle load from SNF.
ODC Completion	Construction - New Services	\$ 750,000	NEXT FY	750,000	-	-	-	Additional costs over ODC budget - includes permanent occupancy and beautification work.
<b>SubTotal   Capital Projects in Motion</b>		<b>\$ 3,000,000</b>		<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

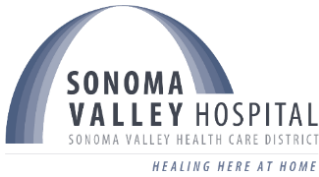
Building Infrastructure / Physical Plant

Item	Type	Projected Cost	Timeline	FY 2027 PROJECTED	REPLACEMENT TIMELINE:			Project Description / Comments:
					WITHIN 3 YEARS	WITHIN 5 YEARS	WITHIN 10 YEARS	
Security Access - Badge access, Panic, Metal Detection, Camera System	Physical Plant	\$ 300,000	NEXT FY	300,000	-	-	-	Enhance security across hospital, including metal detection and badge access (OSHA Requirement starting in 2027)
Seismic Compliance Master Plan	Physical Plant	\$ 100,000	NEXT FY	100,000	-	-	-	Cost related to required NPC 4, NPC4D, and NPC5 Evaluation Submission
Air Handlers (x6) - East Wing	Physical Plant	\$ 5,000,000	3 YR	-	5,000,000	-	-	East Wing Air Handlers most vulnerable. Projecting replacement within 3 years.
Boilers - Steam for Sterilizer	Physical Plant	\$ 1,500,000	3 YR	-	1,500,000	-	-	Critical. Will need to get addressed within 3 years
Nurse Call	Physical Plant	\$ 1,500,000	3 YR	-	1,500,000	-	-	Approaching end of life. Need to replace 5 units. Will be HCAI project.
Paging System - Main Hospital	Physical Plant	\$ 750,000	3 YR	-	750,000	-	-	Paging system in hospital is out-of-date and needs replacement
Elevators - Door Kit / Door Controls	Physical Plant	\$ 300,000	3 YR	-	300,000	-	-	Replacement of hospital elevator door kit and door controls
Chilled Water Pipes - EAST WING	Physical Plant	\$ 60,000	3 YR	-	60,000	-	-	Chilled water pipes in East Wing needs replacement
Sewer Pumps in Basement	Physical Plant	\$ 30,000	3 YR	-	30,000	-	-	Replacement of existing sewer pumps
Electrical - Automatic Transfer Switches	Physical Plant	\$ 2,500,000	5 YR	-	-	2,500,000	-	5 Automatic Transfer Switches. Will be HCAI project.
Boilers - Main Hospital	Physical Plant	\$ 1,750,000	5 YR	-	-	1,750,000	-	Replacement of 5 boilers. HCAI project.
Exhaust Fans - 7 West Wing	Physical Plant	\$ 500,000	5 YR	-	-	500,000	-	Upsize existing units, duct replacement. HCAI project.
Medical Air - New Wing (2 Units)	Physical Plant	\$ 400,000	5 YR	-	-	400,000	-	Will be HCAI project
Vacuum Systems New Wing (2 Units)	Physical Plant	\$ 400,000	5 YR	-	-	400,000	-	Will be HCAI project
Exhaust Fans - 6 West Wing	Physical Plant	\$ 250,000	5 YR	-	-	250,000	-	Upsize existing units, duct replacement. HCAI project.
Chiller 1 & 2	Physical Plant	\$ 20,000,000	10 YR	-	-	-	20,000,000	Refrigerant becoming obsolete. Rebuild components vs. full replacement.
Air Handler - Central Wing	Physical Plant	\$ 20,000,000	10 YR	-	-	-	20,000,000	Oldest AHs in hospital, but protected indoors. 10 units in total. Needs replacement within 10 years.
Air Handler - West Wing	Physical Plant	\$ 15,000,000	10 YR	-	-	-	15,000,000	West Wing AHs also indoors. 6 units in total. Needs replacement within 10 years.
Electrical Panels	Physical Plant	TBD	TBD	-	TBD	TBD	TBD	Electrical panels original to buildings. Looking to replace during projects.
Campus Redevelopment	Physical Plant	TBD	TBD	-	TBD	TBD	TBD	To support larger strategic growth campus redevelopment efforts
Seismic Compliance Retrofitting	Physical Plant	TBD	TBD	-	TBD	TBD	TBD	Costs incurred to meet 2030 Seismic Compliance regulations
<b>SubTotal   Building Infrastructure / Physical Plant Needs</b>		<b>\$ 70,340,000</b>		<b>\$ 400,000</b>	<b>\$ 9,140,000</b>	<b>\$ 5,800,000</b>	<b>\$ 55,000,000</b>	

Equipment (Replacement & New, Includes IT Infrastructure)

Item	Type	Projected Cost	Timeline	FY 2027 PROJECTED	REPLACEMENT TIMELINE:			Project Description / Comments:
					WITHIN 3 YEARS	WITHIN 5 YEARS	WITHIN 10 YEARS	
IT Infrastructure Upgrades	IT Infrastructure	\$ 2,500,000	NEXT FY	750,000	1,250,000	500,000	-	Critical information systems infrastructure upgrades - phased in over multiple years
OR Equipment	Equipment - Pt Care	\$ 250,000	NEXT FY	250,000	-	-	-	Various equipment needs in OR - new and replacement - to support service line growth
Disaster Relief / Recovery	IT Infrastructure	\$ 250,000	VARIOUS	250,000	-	-	-	Nutanix / Veeam - Disaster Relief Environment
Medivator / GI Suite Replacement	Equipment - Medical	\$ 75,000	NEXT FY	75,000	-	-	-	Medivator nearing end of life. Needs replacement within 3 years - MAX
Surgical Lights and Booms Replacement	Equipment - Pt Care	\$ 750,000	3 YR	-	750,000	-	-	Surgical booms/lights need replacement
Portable Xray	Equipment - Pt Care	\$ 290,000	3 YR	-	290,000	-	-	Replacement
Two-way Radio Communication	IT Infrastructure	\$ 250,000	3 YR	-	250,000	-	-	Voalte
Interfaces	Equipment - IT	\$ 250,000	3 YR	-	250,000	-	-	Integrations RPA - AI
PACS Reading Workstations	Equipment - Pt Care	\$ 250,000	3 YR	-	250,000	-	-	Planning to replace in next 3 years. All Workstations approaching end of life.
Patient Beds	Equipment - Pt Care	\$ 200,000	3 YR	-	200,000	-	-	Replacement of med surg patient beds >15 years old.
Ultrasound	Equipment - Pt Care	\$ 190,000	3 YR	-	190,000	-	-	Replacement
Kitchen Refurbishments	Equipment Replacement - Non-	\$ 187,500	3 YR	-	187,500	-	-	Café counters/Trayline, Refrigerators, Ovens, Steamers, Hot Cabinets
Mobile Carts	Equipment - Pt Care	\$ 170,000	3 YR	-	170,000	-	-	Nursing Mobile Carts
Portable X-Ray Machine #2	Equipment - Pt Care	\$ 130,000	3 YR	-	130,000	-	-	Replacement of 2nd Portable X-Ray (Replaced 1 in FY25)
Overhead Paging	IT Infrastructure	\$ 120,000	3 YR	-	120,000	-	-	Overhead Paging
Virtual Desktop Infrastructure	IT Infrastructure	\$ 120,000	3 YR	-	120,000	-	-	VDI

Item	Type	Projected Cost	Timeline	FY 2027 PROJECTED	WITHIN 3 YEARS	WITHIN 5 YEARS	WITHIN 10 YEARS	Project Description / Comments:
Cepheid - Molecular Testing Equipment	Equipment - Pt Care	\$ 120,000	3 YR	-	120,000	-	-	Replacement of molecular testing equipment
Orthopedic trauma trays	Equipment - Pt Care	\$ 75,000	3 YR	-	75,000	-	-	Placeholder for potential need
Corevascular Machine	Equipment - Pt Care	\$ 60,000	3 YR	-	60,000	-	-	Visionix/Corevascular Falcon Pro V2
Patient Room Tables (Over the bed tables) Replacement	Equipment - Pt Care	\$ 50,000	3 YR	-	50,000	-	-	Vetting if still a need
Ventilator #2	Equipment - Pt Care	\$ 35,000	3 YR	-	35,000	-	-	End of life equipment need. Replaced other unit in FY24
Echo Software Project	Software	\$ 32,000	3 YR	-	32,000	-	-	Replacement Corevascular software Pkg. Echo Machine
Vapotherm HFNC	Equipment - Pt Care	\$ 30,000	3 YR	-	30,000	-	-	Replacement of 2 HFNC devices that are at end of life
Bi Pap Machines (x2)	Equipment - Pt Care	\$ 30,000	3 YR	-	30,000	-	-	Equipment approaching end of life
Family Practice IT Infrastructure	IT Infrastructure	\$ 25,000	3 YR	-	25,000	-	-	Dependent upon future state of clinic location
Exam Tables - 1206(b) Verducci/Campbell	Equipment - Pt Care	\$ 18,000	3 YR	-	18,000	-	-	Dawn to perform further DD on clinic needs
Defibrillator	Equipment - Pt Care	\$ 10,000	3 YR	-	10,000	-	-	This machine is 10 years old, past life expectancy.
EKG Machine	Equipment - Pt Care	\$ 6,700	3 YR	-	6,700	-	-	Replacement EKG Machine
Sterilizer	Equipment - Pt Care	\$ 6,700	3 YR	-	6,700	-	-	Equipment at End of Life
Fluoroscopy Machine	Infrastructure/Equipment - Pt Care	\$ 690,000	5 YR	-	-	690,000	-	Replacement Fluoro Room **HCAI project/construction
Mammography Machine	Infrastructure/Equipment - Pt Care	\$ 575,000	5 YR	-	-	575,000	-	Replacement Mammography **HCAI project/construction
New Enterprise Resource Planning (ERP) Platform	Software	\$ 500,000	5 YR	-	-	500,000	-	Implementation of new ERP system - have deferred twice since 2023. Will need to address within 5 years
X-Ray	Infrastructure/Equipment - Pt Care	\$ 457,600	5 YR	-	-	457,600	-	Replacement Xray Room ** HCAI project/construction
Workstation on Wheels (WOW) Carts	Equipment - Pt Care	\$ 400,000	5 YR	-	-	400,000	-	Units approaching end of life. Cost=Approx. \$6-\$10K each
Steris washer decontaminator x1	Equipment - Pt Care	\$ 300,000	5 YR	-	-	300,000	-	Washing machine decontam. for all surgical instruments
Steam Sterilizer x 3	Equipment - Pt Care	\$ 250,000	5 YR	-	-	250,000	-	These were purchased with the new OR (11 years ago) and project need replacement 15 year mark. but hopefully longer
C-Arm (OR Equipment)	Equipment - Pt Care	\$ 250,000	5 YR	-	-	250,000	-	Current C-Arms (ages 20+ years old) end of life
Sterrad NX Chemical sterilizer x2	Equipment - Pt Care	\$ 100,000	5 YR	-	-	100,000	-	This is how we sterilize surgical instrumentation that can not go into the steam sterilizer. cameras, light cords, power equipment. Ect.
Stryker Neptune surgical suction	Equipment - Pt Care	\$ 70,000	5 YR	-	-	70,000	-	This is Stryker's version on surgical suction. Doctors have expressed needing one more suction machine for the ORs.
Mammotome-Neoprobe	Equipment - Pt Care	\$ 45,000	3 YR	-	45,000	-	-	This is the Gamma Detection System we use to identify sentinel nodes in breast cancer cases.
Exam Tables	Equipment - Pt Care	\$ 25,000	5 YR	-	-	25,000	-	Replacement of 5 exam tables within Family Practice
Decontamination sink replacement	Infrastructure/Equipment - Pt Care	\$ 25,000	5 YR	-	-	25,000	-	It is now best practice to have a 3 bay/adjustable sink in sterile processing decontam
Ophthalmoscopes / Oscopes	Equipment - Pt Care	\$ 8,650	5 YR	-	-	8,650	-	Equipment at End of Life
Stryker Weight monitoring gurneys	Equipment - Pt Care	TBD	5 YR	-	-	TBD	-	Replace old Gurneys as the current inventor have been repaired multiple times.
Refresh flooring	Infrastructure	TBD	5 YR	-	-	TBD	-	No Longer able to clean efficiently peeling in some spots
Back walls of 8 exam rooms	Infrastructure	TBD	5 YR	-	-	TBD	-	Remove towers and put O2, BP cuff monitors, and other items on Refreshed back walls to increase room size for mobility
Security	IT Infrastructure	TBD	5 YR	-	-	TBD	-	MDR / Endpoint Protection / Endpoint Management
Pharmacy remodel	Infrastructure/Equipment - Pt Care	TBD	10 YR	-	-	-	TBD	Pharmacy flooring and walls are in bad shape, need new flooring and wall repair/painting
IV Cleanroom	Infrastructure/Equipment - Pt Care	\$ 850,000	10 YR	-	-	-	850,000	Structural upgrade in IV room will likely be needed to support any increase in volumes or if we were to add oncology services
Phone System	Equipment - IT	\$ 300,000	10 YR	-	-	-	300,000	Replacement of hospital phone system
Routine Capital Pool / Contingency	N/A	\$ 200,000	VARIOUS	200,000	200,000	200,000	200,000	\$200,000 routine, unplanned capital investments
<b>SubTotal   Equipment Needs</b>		<b>\$ 11,527,150</b>		<b>\$ 1,525,000</b>	<b>\$ 4,900,900</b>	<b>\$ 4,351,250</b>	<b>\$ 1,350,000</b>	
<b>Grand Total - Working Critical Capital Needs</b>		<b>\$ 84,867,150</b>		<b>\$ 4,925,000</b>	<b>\$ 14,040,900</b>	<b>\$ 10,151,250</b>	<b>\$ 56,350,000</b>	



To: SVHCD Board of Directors  
 From: Ben Armfield, Chief Financial Officer  
 Date: June 4, 2026  
 Subject: East Wing Air Handler #3 ("EAH3") Replacement

**BACKGROUND**

In February 2026, the Board reviewed the East Wing Air Handler #3 (EAH-3) Replacement Project and authorized management to proceed with public bidding based on a projected total project budget of approximately \$2.012 million. At that time, management was directed to complete the public bidding process and return to the Board for consideration of a final project budget and contract award.

The project is intended to replace the failed East Wing Air Handler, restore mechanical redundancy within the East Wing, and reduce operational risk associated with the aging HVAC infrastructure serving the area.

**PUBLIC BID**

The public bidding process was completed on April 10, 2026. Three general contractors and two subcontractors attended the mandatory pre-bid conference and project walkthrough conducted by the Hospital's Architect and Construction Manager. One contractor elected not to submit a bid.

The District received the following bids:

- **GMH Builders**                 \$1,486,511
- **Ridgeview Builders**       \$1,496,300

The construction bids were reviewed by the District's Construction Project Manager and Architect for responsiveness to the project requirements. Based upon that review, GMH Builders was determined to be the lowest responsive bidder.

**PROJECT COST COMPARISON**

The project budget presented to the Board in February 2026 totaled approximately \$2.012 million. Based on the bid results received through the public bidding process, the lowest responsive bid would result in a total project cost of approximately \$2.228 million. This amount exceeds the project budget previously presented to the Board by approximately \$216,000, or 11%.

The table below provides a comparison between the project budget approved by the Board in February 2026 and the total project cost resulting from the lowest responsive bid received through the public bidding process. The lowest responsive bid exceeded the original construction budget by approximately 10.5%.

Description	APPROVED BUDGET	LOWEST RESPONSIVE BID
Architect, MEPS Engineers	\$ 302,600	\$ 302,600
Permits	68,631	68,631
Project Management	68,000	68,000
Preconstruction Testing	10,000	10,000
Special Inspections	45,000	45,000
<b>TOTAL SOFT COSTS</b>	<b>\$ 494,231</b>	<b>\$ 494,231</b>
Construction (incl. Air Handler Unit)	\$ 1,345,372	\$ 1,486,511
Construction (abatement)	5,000	5,000
AHU Commissioning	10,000	10,000
<b>TOTAL CONSTRUCTION COSTS</b>	<b>\$ 1,360,372</b>	<b>\$ 1,501,511</b>
<b>CONTINGENCY</b>	<b>\$ 156,806</b>	<b>\$ 216,806</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 2,011,409</b>	<b>\$ 2,227,548</b>

## **BOARD OPTIONS**

Following review of the bid results and project cost comparison, the Board may consider the following options:

1. Approve a total project cost of approximately \$2.228 million and award the construction contract to the lowest responsive bidder.
2. Reject all bids and provide further direction to management regarding the project.

The bid documents reserve the District's right to reject any or all bids or to waive informalities in the bidding process.

## **CONCLUSION**

The public bidding process has been completed and the Board is now positioned to determine whether to proceed with contract award or reject the bids and provide further direction to management regarding the project.

Management presents this item for Board discussion and direction.



To: SVHCD Board of Directors  
From: Kelley Kaiser, Chief Executive Officer  
Date: June 4, 2026  
Subject: CEO Update – May 2026

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Organizationally, performance remains on a positive trajectory: Financially, the hospital is demonstrating growing stability, with rising volumes, revenues exceeding budget, controlled expenses, and improved cash reserves, positioning the organization well for continued progress into the next fiscal year.

CIHQ survey deficiencies are minor and are being addressed through an active corrective plan. Medical staff governance updates are fully aligned with regulatory standards and in implementation, while expanded case management and community-focused care coordination highlight the hospital’s commitment beyond inpatient care. Staff recognition, community engagement events, and ongoing employee feedback efforts reinforce a strong organizational culture.

#### **Legislative Update:**

May 14, 2026, Governor Newsom released his May Revise budget proposal for 2026-27.

Overall, the May Revision reflects a significantly improved revenue picture compared to the January Governor’s Budget. The Administration estimates General Fund revenues from the “Big Three” revenue sources are \$16.5 billion higher over the three-year budget window, driven largely by higher-than-expected capital gains and personal income tax receipts.

The improved tax collections, changes to Medi-Cal coverage, and other spending reductions provide the Administration an opportunity to address, or “balance,” immediate structural deficits.

#### **Changes related to Individuals with Unsatisfactory Immigration Status (UIS):**

- **Transition of Individuals with Unsatisfactory Immigration Status to Fee-for-Service**—Savings of \$583.8 million (\$471.6 million GF) in 2026-27 and \$1.5 billion (\$1.2 billion GF) ongoing. Effective January 1, 2027.
  - *DHLF note—this is a change that we’ve been messaging since the federal guidance was released in Sep 2025. We should expect significant reductions to Medi-Cal managed care plan enrollment due to these changes starting in 2027.*
  - **Increase Monthly Premium for Adults with UIS from \$30 to \$50**—Savings of \$427.3 million in 2027-28, decreasing to approximately \$314.3 million annually in 2029-30. Effective July 1, 2027.

#### **Next steps:**

- Budget hearings will begin next week to review the May Revised proposal.
- The Legislature must pass a budget by June 15 and send it to the Governor for signature.

## **Assembly Bill 2311 (AB 2311)**

The hospital is supporting AB 2311, which would authorize healthcare districts to directly employ physicians. This legislation could materially strengthen the hospital's ability to recruit and retain providers in a highly competitive market, especially given the hospital's payer mix and community needs. We continue to track this, Bill; it was referred to Business and Professionals committee, it was approved on 4/21/26 and passed onto the Committee on Appropriations. It is pending Assembly Floor vote (by May 29<sup>th</sup> must pass the House of Origin) June 2<sup>nd</sup>, Second house policy deadline. CAH and Rural Hospitals already have this designation, adding District Hospitals is the next step.



### **Quality and Access**

Overall performance is trending positively, with structured efforts in place to address key gaps. The recent CIHQ survey identified only minor, non-conditional deficiencies, all of which are being addressed through a formal corrective action plan that is progressing on schedule; notably, the physician credentialing issue has already been resolved through updated Medical Staff rules now in implementation.

Sepsis bundle compliance showed strong improvement in early 2026, though a temporary April decline tied to documentation nuances is being actively corrected through focused education, standardization, and workflow improvements.

Patient experience results are mixed but encouraging, with strong ambulatory performance and solid inpatient clinical engagement, while likelihood to recommend and discharge processes remain areas of focus.

Updated Medical Staff governance frameworks are now fully aligned with regulatory requirements and are being implemented. Overall, the organization is maintaining steady progress with clear priorities and disciplined follow-through.



### **Community Engagement**

Our first article appeared in the Sonoma Index Tribune on May 22<sup>nd</sup> in the Opinion Section

OPINION › OPINION COLUMNISTS

#### **Close to Home: Recognizing the heart of healthcare at Sonoma Valley Hospital**

By KELLEY KAISER  
PUBLISHED: May 22, 2026 at 12:46 AM PDT

Getting your Trinity Audio player ready...

Going forward, we want to share all the amazing work happening at Sonoma Valley Hospital. Over the past few years, we have worked hard to ensure that there is access to world-class services, close to home. We've made exceptional advances in our ability to serve our community: a new 3T MRI, advanced orthopedic and robotic technologies, and expanding diagnostic capabilities.

May is a meaningful month at Sonoma Valley Hospital as we recognize the people who make compassionate, community-centered healthcare possible every day - they are the heart of healthcare.

During National Nurses Week and National Hospital Week, we celebrate the extraordinary dedication of the healthcare professionals who care for our community with skill, empathy, and professionalism. Sonoma Valley Hospital is proud to have 143 Medical Staff members,



Kelley Kaiser

## Ask the Expert: Supporting Patients Beyond the Hospital Walls with Mario Moreno and Anthony Pree



At Sonoma Valley Hospital, care does not end when a patient leaves the hospital.

This month's Ask the Expert features Mario Moreno, Manager of Case Management at SVH, and Anthony Pree, MSW, Social Worker and Case Manager in the Emergency Department. Together, they help patients and families navigate some of life's most difficult and stressful moments, connecting them with resources, education, support services, and community programs both inside and outside the hospital.

Serving a community with a large aging population means their work often extends far beyond medical care. From helping families coordinate caregiving support and transportation to connecting patients with mental health services, home health, rehabilitation, and community resources, the Case Management and Social Work teams play an important role in helping patients safely recover and remain supported at home.

Mario, who has been a nurse for 30 years and grew up locally in Napa, says community relationships are an important part of the work. "Many of the people we care for are our neighbors, friends, and longtime community members," he shared.

### Better Speech & Hearing Month

#### Recognizing Elise Alexander-Stone

This month we proudly recognize Speech-Language Pathologist Elise Alexander-Stone for the important role she plays in improving the lives of patients and families throughout our community.

For more than 20 years, Elise has supported patients of all ages with compassion, dedication, and expertise. Her work helps patients communicate more effectively, safely swallow, and regain confidence in their voices and abilities following illness, injury, or ongoing health challenges.

Whether working directly with patients or partnering with families and care teams, Elise's work makes a meaningful difference every day.

We are grateful for the care and support she provides to our community.

## Women’s Health Symposium Brings Community Together

It was a beautiful afternoon at Hanna Center as community members gathered for Sonoma Valley Hospital Foundation’s 6th Annual Women’s Health Symposium, Advancing Women’s Health: Your Brain, Heart, and Hormones.

Held on April 30, the event welcomed a full room of women from across Sonoma Valley for an afternoon of learning, connection, and conversation focused on women’s health and wellness. Guests enjoyed a luncheon and heard from leading experts from UCSF Weill Institute for Neurosciences during an engaging presentation and Q&A session.

This year’s symposium, Your Brain, Heart & Hormones, featured physicians Riley Bove, Kaitlin Casaletto, and moderator S. Andrew Josephson, who shared practical information on prevention, early detection, brain health, hormones, and the latest advancements in care.



## In This Month’s My Hospital Story: Dr. Cusick, Caring for the Community He Calls Home



This month’s *My Hospital Story* highlights the deep connection between community and care through the story of Seric Cusick, a Sonoma Valley native whose life and career have come full circle at Sonoma Valley Hospital.

From growing up in Sonoma and attending local schools to returning home years later as an emergency physician, Dr. Cusick's story reflects the unique role community hospitals play in caring for neighbors, friends, and generations of local families.

Alongside the dedicated team from Napa Valley Emergency Medical Group, Dr. Cusick helps bring high-level emergency medicine expertise to Sonoma Valley Hospital while remaining deeply connected to the community he serves.

His story is a reminder that healthcare is ultimately about people caring for people, right here at home.



## Celebrating Nurses Week at Sonoma Valley Hospital May 4 - 8

*Thank you to all of our nurses for the extraordinary care and compassion you provide to our community every day.*



During National Nurses Week, we proudly recognized the nurses who care for our patients and community every day.

This year's theme, Nursing: The Force Behind the Care, reflects the clinical expertise, compassion, and emotional strength nurses bring to every patient interaction.

We were honored to welcome Rabbi Steve, Deacon Dave, and Pastor Jason for a special Blessing of the Hands ceremony recognizing the meaningful work nurses do each day.

Congratulations as well to our MedSurg, Emergency Department, Surgical Services, and ICU nurses, recognized with this year's DAISY Award. We were excited to also celebrate ROSE awards in the Emergency, MedSurg, and Surgical Services departments.

Thank you to all of our nurses for the extraordinary care and compassion you provide to our community every day.

## National Hospital Week at Sonoma Valley Hospital May 11 - 15

### Hospital Week Highlights

- Crazy Socks Day & snack carts for day and night shifts
- Coffee, donuts, and bagel deliveries across departments



- BBQ lunch with DJ Bryan and photo booth celebrations
- Slushies, games, and garden gatherings
- Hawaiian Day and popcorn celebrations to close out the week

This week, we proudly celebrated National Hospital Week, and recognized the extraordinary individuals who make healing happen every day at Sonoma Valley Hospital.

Hospitals are more than buildings. They are places of compassion, teamwork, innovation, and hope. National Hospital Week recognizes the people behind the care and the many teams that work together to support patients, families, and one another. From clinical staff to dietary services, EVS, maintenance, volunteers, registration, and administrative teams, every department plays a role in creating a compassionate and supportive environment for our community.

Throughout Hospital Week, staff across every department came together for themed celebrations and activities recognizing the people behind the care.

From clinical teams to dietary services, EVS, maintenance, volunteers, registration, and administrative staff, every department plays a role in caring for our patients and community.

Thank you to every member of our hospital team for the compassion, dedication, and kindness you bring to work every day.

## **Employee Engagement survey**

Annually we send out an Employee Engagement survey to all staff, asking them to complete a number of questions to help us understand what is working well and where the opportunities are. For 2026, some of the survey questions were updated based on feedback received from last year's survey.

Each leader will receive their specific results report (assuming they have 3 or more responses) to review with their teams and start working on their Action Plans.

Overall, our satisfaction went up **2% from 4.29 to 4.39 out of 5**, although our engagement went down from 61% to 50%. Below are some of the areas where we have seen sustained improvement, and where we continue to see opportunities.

Each leader will receive their specific results report (assuming they have 3 or more responses) to review with their teams and start working on their Action Plans to address the opportunity areas.

### **Areas of improvement:**

*Do the Benefits provided by the Hospital meet your needs?*

**2025: 54% said yes    2026: 69% said yes**

*Do you feel your compensation fairly reflects your skills, experience and contributions?*

**2025: 54% said yes    2026: 63% said yes**

### **Areas of Opportunity:**

*I have access to support and resources when experiencing periods of increased stress at work*

**2025: 4.10    2026: 4.16**

My performance evaluations provide me with timely and meaningful feedback that inspires and supports my professional growth

**2025: 4.07    2026: 4.26**



## Sustainability

### **Overall Operating Performance**

**Strong financial performance:** April marked the hospital's second straight month of positive operating results, with a ~\$226K operating margin (vs. a budgeted loss of ~\$73K) and Operating EBDA of ~\$571K (68% above budget).

**Sustained operational momentum:** Positive trends continued across services, including strong inpatient utilization, outpatient visits, surgical volume recovery, and record MRI activity.

**Revenue growth:** Total operating revenue reached ~\$7.1M (8% above budget), driven partly by IGT program activity. Key volume highlights:

- Inpatient census: 15% above budget
- Outpatient visits: 9% above budget
- Surgeries: 13% above budget (orthopedic and GI strength)
- MRI: 316 exams (new all-time high)

**Controlled expenses:** Operating expenses were ~\$6.9M (3.5% above budget), but core expenses remained well managed, with labor costs below budget and non-IGT expenses about 2% under budget.

### **Year-to-date (YTD):**

- Revenues: ~10% above budget
- Expenses: ~5% above budget
- EBDA: ~\$4.7M, significantly exceeding budget and prior year
- Overall operating margin: slightly positive (improved vs. prior year)

Cash position improved: Cash rose to ~\$6.8M, with Days Cash on Hand increasing to 43.4 days. Cash gains were supported by funding programs and tax receipts.

**Overall takeaway:** The hospital continues to build financial stability, with strong volumes, improving margins, and growing liquidity, positioning it well heading into FY27.

# SVH Performance Score Card

## 1. Quality | Access

Objective	Target	FEB 26	MAR 26	APR 26	Supporting detail
<b>Infection Prevention</b>					
Central Line Blood Stream Infection CLABSI volume	<1	0	0	0	Less than Target is Goal
Catheter Associated Urinary Tract Infection- CAUTI volume	<1	0	0	0	Less than Target is Goal
CDIFF Infection volume	<1	0	0	0	Less than Target is Goal
Surgical Site Infections volume	<1	0	0	0	Cholecystectomy Laminectomy - Less than Target is Goal
<b>Acute Care Falls</b>					
Patient fall <i>with injury</i> per 1000 pt days	<3.75	1	0	0	Less than Target is Goal
<b>Core Measures</b>					
Sepsis Early Management Bundle % compliant	>81%	100.00	66.70	50.00	Above Target is Goal
<b>Mortality</b>					
Acute Care Mortality Rate O/E rate	<1	0.77	31.00	37.00	Lower is better
<b>ED</b>					
Core OP 18b Median Time ED arrival to ED Departure mins	<132	102.00	130.00	118.00	Lower is better
Core Op 22 ED Left without being seen LWBS	<2%	0.10	0.30	0.10	Lower is better
<b>PSI 90</b>					
PSI 90 Composite Acute Care Admissions	0.00	0.00	0.00	0.00	Lower is better
<b>Preventable Harm</b>					
Readmissions to Acute Care within 30 days %	<16.6	3.40	9.50	7.40	Lower is better

## 3. Experience

<b>Outpatient Ambulatory Services (OASCAHPS)</b>					
Objective	Target	JAN 26	FEB 26	Supporting Detail	
Recommend Facility	>90%	85.7	94.7	Top Box Scores. % of patients choosing "Always" - Above Target is Goal	
<b>HCAHPS (Hospital Inpatient)</b>					
Objective	Target	JAN 26	FEB 26	Supporting Detail	
Recommend the hospital	>90%	66.7	71.4	Top Box Scores. % of patients choosing "Always" - Above Target is Goal	

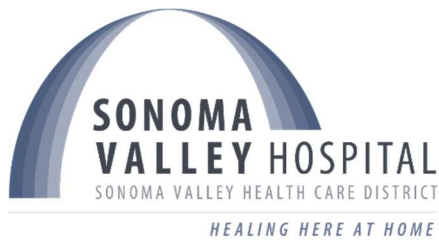
## 2. Connected Culture

Objective	Target	Q4.25 Oct-Dec	1Q.26 Jan-Mar	Supporting Detail
Short-term Turnover	<3%	6.7	7.8	Employed less a year is defined as Short-Term Turnover <i>-method of calculation changed as of 1/1/25</i>
Turnover	<10%	2.1	3.6	Total Turnover Rate (Annual Basis)
Workplace Injuries	<20 Per Year	5 (QTR 4)	6 (QTR 1)	

## 4. Sustainability

Objective	Target	MAR 26	APR 26	Supporting Detail
<b>Volume</b>				
Emergency Visits	>920	1,147	975	Higher than Target is Goal
Surgical Volume Outpatient	>135	151	156	Higher than Target is Goal
Surgical Volume Inpatient	>10	11	10	Higher than Target is Goal
Inpatient Discharges	>70	69	80	Higher than Target is Goal
MRI Volumes	N/A	286	323	
PT Volumes	N/A	1,628	1,676	
<b>Financial</b>				
Operating EBDA in % (Month) *	varies	18.0%	8.1%	April Operating EBDA Target 5.2%
Operating EBDA in % (YTD) *	>5.2%	6.7%	6.8%	
Days Cash on Hand @ FYE	>30	27.4	27.8	Projected based on current data
Net Operating Revenue (\$M) (annualized)	>\$76.7	\$83.2	\$83.3	Includes Parcel Tax & IGT Revenues





To: SVHCD Board of Directors  
From: Patrick Okolo III, MD, Chief Medical Officer  
Date: June 4, 2026  
Subject: **CMO Report**

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## **I. CIHQ Accreditation – Deficiency Remediation**

Following the recent triennial CIHQ survey, the CMO and Quality Committee are working in close coordination to address all identified deficiencies. These are non-conditional findings and are expected to be relatively straightforward to remediate. A structured Corrective Action Plan (CAP) is in place, and progress is being monitored on a defined schedule.

Notably, the physician credentialing deficiency — which identified the need for a more formalized recredentialing process — had already been anticipated and addressed. The revision to the Medical Staff Rules and Regulations (11th Edition), which came through the Governance Committee and was acknowledged at the last Board meeting, directly responds to this finding by embedding formal FPPE and OPPE frameworks with defined review cycles and competency-based criteria. No new structural action is required; implementation is in progress.

The Board can expect a status update on all CAP items at the next Quality Committee cycle.

## **II. Sepsis Bundle Compliance**

Sepsis bundle performance (SEP-1) continues to be an area of active focus. First-quarter 2026 data reflects meaningful progress, with bundle compliance at 88.9% through the first three months, including a 100% compliance rate in January and February. April showed a dip to 50%, driven by specific case-level abstraction nuances under the CMS v5.18a guidance — particularly around lactate thresholds, blood culture timing, and Time Zero documentation.

The Sepsis Committee, led by Louise Wyatt and clinical nursing leadership, is actively working to close these gaps through:

- Clinician education on updated CMS abstraction guidance, including procalcitonin as a valid biomarker for Time Zero determination
- Reinforcement of the sepsis order set as the standard pathway, reducing ad hoc ordering variability
- Blood culture collection time accuracy in Epic, with process improvements underway in the laboratory
- Case review of April fallouts to identify specific documentation and workflow improvements

Sepsis performance is a quality and reputational priority, and the work underway reflects appropriate urgency and rigor.

## **III. Patient Experience – Q1 2026**

Q1 2026 Press Ganey results show a mixed but directionally informative picture. Inpatient overall performance registered at the 58th percentile, with standout scores in physician communication (66th percentile) and nurse listening (78th percentile) reflecting well on the clinical team's engagement with patients at the bedside.

Ambulatory Surgery performance was notably strong, with a Top Box Score of 87% and an 82nd percentile ranking on patient rating. Opportunity remains in discharge preparation and infection-related education at discharge, which are being incorporated into departmental improvement planning.

Inpatient Likelihood to Recommend (LTR) scores remain an area for targeted improvement; this will be a focus for the remainder of the year.

#### **IV. Gastroenterology Service Line**

The outpatient GI clinic continues to operate smoothly, with consistent patient volume and positive community response. Select procedures previously requiring patients to travel to UCSF are now being delivered locally, reinforcing SVH's commitment to keeping care accessible within the district. No operational concerns to report.

#### **V. Quality Department Infrastructure**

A Quality Coordinator has been onboarded to strengthen reporting capacity and reduce operational single-point-of-failure risk within the department. This hire meaningfully expands our ability to maintain data integrity and sustain performance across concurrent quality workstreams.

The CMO continues to assess additional resource needs, particularly around CMS Star Rating management and sustained sepsis oversight. A proposal for targeted staffing additions will be presented as part of the next budget cycle discussion.

#### **VI. Medical Staff Governance**

The 11th revision of the Medical Staff Rules and Regulations has been finalized and approved through the governance pathway. This revision brings SVH's Medical Staff framework into full alignment with CMS Conditions of Participation, CIHQ standards, and California law. Key additions include formalized ED call coverage requirements, FPPE/OPPE credentialing frameworks, allied health supervision standards, and a new Physician Well-Being Committee charter. Implementation is underway.

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*Consistent direction, sustained over time, is what drives performance. We remain on that path.*



To: SVHCD Finance Committee  
 From: Ben Armfield, Chief Financial Officer  
 Date: May 26, 2026  
 Subject: Financial Report for April 2026

**OVERALL PERFORMANCE SUMMARY | MONTH OF APRIL 2026**

• **Operating Performance**

April represents the hospital’s second consecutive month of positive operating performance, continuing the positive momentum established in March. While overall performance moderated relative to March’s exceptionally strong results, underlying operational trends remained favorable across multiple service lines.

The hospital posted an operating margin of approximately \$226,000, exceeding the budgeted operating loss of approximately (\$73,000). Operating EBDA totaled approximately \$571,000, exceeding budget by approximately 68%.

Importantly, April’s results continued to reflect favorable core operating activity, highlighted by sustained inpatient utilization, strong outpatient volumes, continued surgical recovery, and another record-setting month within MRI services.

Following April’s performance, the hospital has now generated a positive operating margin for two consecutive months and remains slightly positive year-to-date, representing continued progress toward long-term financial sustainability.

	Current Month				Year-To- Date				PY Actual	Var	%
	Actual	Budget	Var	%	Actual	Budget	Var	%			
<b>Operating Margin</b>	\$ 226.2	\$ (72.7)	\$ 298.9	411%	\$ 267.1	\$ (2,873.8)	\$3,140.8	109%	\$ (3,718.7)	\$ 3,985.8	107%
<b>Operating EBDA</b>	\$ 570.9	\$ 340.6	\$ 230.3	68%	\$ 4,735.5	\$ 2,009.7	\$2,725.9	136%	\$ 1,505.8	\$ 3,229.7	214%
<b>Net Income (Loss)</b>	\$ 453.0	\$ 83.2	\$ 369.9	445%	\$ 2,789.1	\$ (1,315.1)	\$4,104.1	312%	\$ (1,838.4)	\$ 4,627.4	252%

• **Operating Revenues**

Operating revenues totaled approximately **\$7.1 million**, exceeding budget by approximately **8%**, or \$532,000. Net patient revenue exceeded budget by approximately 1%, while total operating revenue exceeded budget by approximately 8%, primarily driven by continued IGT program activity.

Operational volumes continued to trend positively during the month:

- Inpatient utilization remained elevated, with Average Daily Census of 10.0, approximately 15% above budget.
- Outpatient visits exceeded budget by approximately 9%.
- Surgical volumes rebounded significantly, exceeding budget by approximately 13%, driven primarily by continued strength in orthopedic and GI procedures.

Imaging volumes were again a major highlight during the month. MRI volumes reached **316 exams**, establishing another new all-time high for the organization. Expanded Saturday MRI coverage continued

during April, with three Saturdays operated during the month, resulting in exceptionally strong utilization and demonstrating continued demand for expanded imaging access.

Overall, April continued to demonstrate positive momentum in the hospital's core operating activity, particularly within inpatient care, surgical services, and advanced imaging.

- **Operating Expenses**

Operating expenses totaled approximately **\$6.9 million**, exceeding budget by approximately **3.5%**, or \$233,000.

Expense performance remained relatively stable during the month despite continued elevated operational activity levels. Labor costs finished approximately 3% below budget, while operating expenses excluding IGT program expense remained approximately 2% below budget.

Year-to-date operating revenues continue to outpace expense growth, reflecting continued progress toward improved operating sustainability.

- **Year-To-Date Performance**

Through the first ten months of the fiscal year, operating performance continues to trend positively.

- Operating revenues are approximately **10% above budget**
- Operating expenses are approximately **5% above budget**

Operating EBDA totals approximately \$4.7 million year-to-date, significantly exceeding both budget and prior year levels. In addition, the hospital remains slightly positive from an operating margin perspective year-to-date, representing a meaningful improvement compared to budget and prior year performance.

Underlying operating performance also remains favorable when excluding IGT activity, with net patient revenue approximately 9% above budget and operating expenses excluding IGT program expense approximately 3% above budget year-to-date.

- **Cash**

Cash at month-end totaled approximately \$6.8 million, with Days Cash on Hand increasing from 36.5 days to 43.4 days during the month.

April cash activity benefited from the receipt of approximately \$726,000 related to the District Hospital Directed Payment Program, as well as the hospital's final parcel tax installment of approximately \$1.6 million.

Patient payment collections during the month were approximately \$4.3 million, representing a solid collections month, though below some of the stronger collection periods experienced earlier in the fiscal year.

The hospital also received Foundation reimbursement during the month for both the Mindray telemetry monitoring system replacement and Stryker operating room equipment purchases. We are extremely grateful for the Foundation's continued partnership and support of these critical capital investments.

Management continues to evaluate capital needs across the organization and is actively incorporating remaining critical priorities into the FY27 budget and capital planning process.

- **Final Observations**

Given the simultaneous development and presentation of the FY27 budget, this month's finance report has been intentionally streamlined relative to prior months. Additional operational and strategic updates will be incorporated into upcoming Finance Committee discussions as the new fiscal year begins.

Overall, April continued the positive momentum established in March, representing the hospital's second consecutive month of positive operating performance. Operational activity levels remain strong across multiple service lines, liquidity has continued to improve, and the organization continues to make measurable progress toward longer-term financial sustainability heading into FY27.

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**FINANCE REPORT ATTACHMENTS:**

- Attachment A            Income Statement
- Attachment B            Balance Sheet
- Attachment C            Cash Flow Forecast
- Attachment D            Key Performance Indicators | Volumes & Statistics
- Attachment E            Key Performance Indicators | Overall Performance

Sonoma Valley Health Care District  
Income Statement (in 1000s)  
For the Period Ended April 30, 2026

ATTACHMENT A

		Month				Year-To- Date						
Revenues		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
1	Net Patient Revenue	\$ 4,545.8	\$ 4,484.8	61.0	1%	\$ 46,347.9	\$ 42,539.9	3,808.1	9%	\$ 42,355.9	3,992.0	9%
2	IGT Program Revenue	2,125.9	1,653.7	472.3	29%	18,940.9	16,536.9	2,404.0	15%	10,774.2	8,166.7	76%
3	Parcel Tax Revenue	316.7	316.7	(0.0)	0%	3,166.6	3,166.7	(0.0)	0%	3,166.7	(0.0)	0%
4	Other Operating Revenue	98.4	99.9	(1.5)	-1%	1,000.0	998.8	1.1	0%	1,012.9	(13.0)	-1%
5	<b>Total Revenue</b>	<b>\$ 7,086.8</b>	<b>\$ 6,555.0</b>	<b>531.8</b>	<b>8%</b>	<b>\$ 69,455.4</b>	<b>\$ 63,242.2</b>	<b>6,213.2</b>	<b>9.8%</b>	<b>\$ 57,309.8</b>	<b>12,145.6</b>	<b>21%</b>
<b>Operating Expenses</b>		<b>CYM Actual</b>	<b>CYM Budget</b>	<b>Var</b>	<b>%</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Var</b>	<b>%</b>	<b>PYTD Actual</b>	<b>Var</b>	<b>%</b>
6	Labor / Total People Cost	\$ 3,065.9	\$ 3,173.4	(107.6)	-3%	\$ 31,928.6	\$ 30,690.4	1,238.2	4%	\$ 29,588.2	2,340.4	8%
7	Professional Fees	770.4	725.3	45.1	6%	7,309.3	6,976.7	332.7	5%	6,893.6	415.7	6%
8	Supplies	561.8	699.3	(137.4)	-20%	7,145.0	6,952.7	192.3	3%	6,466.8	678.2	10%
9	Purchased Services	572.8	434.0	138.7	32%	5,026.4	4,600.2	426.2	9%	4,051.9	974.5	24%
10	Depreciation	344.7	413.3	(68.6)	-17%	4,468.5	4,883.4	(415.0)	-8%	5,224.6	(756.1)	-14%
11	Interest	74.4	16.6	57.8	349%	539.8	462.3	77.5	17%	367.4	172.3	47%
12	Other	337.6	401.2	(63.5)	-16%	3,869.5	3,904.0	(34.5)	-1%	3,749.5	120.0	3%
13	IGT Program Expense	1,133.0	764.6	368.4	48%	8,901.4	7,646.3	1,255.1	16%	4,686.6	4,214.8	90%
14	<b>Operating Expenses</b>	<b>\$ 6,860.7</b>	<b>\$ 6,627.8</b>	<b>232.9</b>	<b>3.5%</b>	<b>\$ 69,188.4</b>	<b>\$ 66,116.0</b>	<b>3,072.4</b>	<b>4.6%</b>	<b>\$ 61,028.5</b>	<b>8,159.8</b>	<b>13%</b>
15	<b>Operating Margin</b>	<b>\$ 226.2</b>	<b>\$ (72.7)</b>	<b>\$ 298.9</b>	<b>411%</b>	<b>\$ 267.1</b>	<b>\$ (2,873.8)</b>	<b>\$ 3,140.8</b>	<b>109%</b>	<b>\$ (3,718.7)</b>	<b>\$ 3,985.8</b>	<b>107%</b>
<b>Non Operating Income</b>		<b>CYM Actual</b>	<b>CYM Budget</b>	<b>Var</b>	<b>%</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Var</b>	<b>%</b>	<b>PYTD Actual</b>	<b>Var</b>	<b>%</b>
16	GO Bond Activity, Net	235.2	128.6	106.5	83%	2,182.6	1,286.3	896.3	70%	1,617.1	565.5	35%
17	Misc Revenue/(Expenses)	(8.3)	27.2	(35.6)	-131%	339.4	272.4	67.0	25%	263.3	76.1	29%
18	<b>Total Non-Op Income</b>	<b>\$ 226.8</b>	<b>\$ 155.9</b>	<b>71.0</b>	<b>46%</b>	<b>\$ 2,522.0</b>	<b>\$ 1,558.7</b>	<b>963.3</b>	<b>62%</b>	<b>\$ 1,880.4</b>	<b>641.6</b>	<b>34%</b>
19	<b>Net Income (Loss)</b>	<b>\$ 453.0</b>	<b>\$ 83.2</b>	<b>369.9</b>	<b>445%</b>	<b>\$ 2,789.1</b>	<b>\$ (1,315.1)</b>	<b>4,104.1</b>	<b>312%</b>	<b>\$ (1,838.4)</b>	<b>4,627.4</b>	<b>252%</b>
20	Restricted Foundation Contr.	1,531.5	125.0	1,406.5	1125%	3,484.7	1,250.0	2,234.7	179%	3,148.0	336.7	11%
21	<b>Change in Net Position</b>	<b>\$ 1,984.5</b>	<b>\$ 208.2</b>	<b>1,776.3</b>	<b>853%</b>	<b>\$ 6,273.8</b>	<b>\$ (65.1)</b>	<b>6,338.8</b>	<b>9743%</b>	<b>\$ 1,309.6</b>	<b>4,964.1</b>	<b>379%</b>
22	<b>Operating EBDA</b>	<b>\$ 570.9</b>	<b>\$ 340.6</b>	<b>230.3</b>	<b>68%</b>	<b>\$ 4,735.5</b>	<b>\$ 2,009.7</b>	<b>2,725.9</b>	<b>136%</b>	<b>\$ 1,505.8</b>	<b>3,229.7</b>	<b>214%</b>

Sonoma Valley Health Care District

ATTACHMENT B

**Balance Sheet**  
**As of April 30, 2026**  
 Expressed in 1,000s

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2025 Prior Year</u>
<b>Assets</b>			
Current Assets:			
1 Cash	\$ 6,767.5	\$ 5,697.8	\$ 4,386.3
2 Net Patient Receivables	9,335.6	9,238.6	7,585.8
3 Allow Uncollect Accts	(1,644.3)	(1,191.5)	(1,256.1)
4 Net Accounts Receivable	\$ 7,691.3	\$ 8,047.2	\$ 6,329.7
5 IGT Program Receivable	164.9	891.8	-
6 Parcel Tax Receivable	149.5	1,744.6	-
7 GO Bond Tax Receivable	1,626.6	1,626.6	-
8 Other Receivables	934.9	1,004.9	1,423.3
9 Inventory	962.2	969.5	841.0
10 Prepaid Expenses	1,054.9	1,130.8	788.1
11 Total Current Assets	\$ 19,351.8	\$ 21,113.1	\$ 13,768.5
12 Property, Plant & Equip, Net	\$ 59,283.2	\$ 60,260.6	60,342.6
13 Trustee Funds - GO Bonds	4,852.1	4,838.9	5,986.7
14 Other Assets - Deferred IGT Expense	2,686.3	3,559.9	-
15 <b>Total Assets</b>	<b>\$ 86,173.3</b>	<b>\$ 89,772.5</b>	<b>\$ 80,097.8</b>
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
16 Accounts Payable	5,350.0	\$ 5,650.7	\$ 7,282.7
17 Accrued Compensation	4,366.8	4,941.7	4,059.9
18 IGT Program Payable	242.0	242.0	-
19 Interest Payable - GO Bonds	114.2	41.0	154.4
20 Accrued Expenses	605.6	581.1	166.1
21 Deferred IGT Revenue	4,801.6	7,177.5	-
22 Deferred Parcel Tax Revenue	633.4	950.0	-
23 Deferred GO Bond Tax Revenue	548.7	823.0	-
25 Line of Credit - Summit Bank	-	-	-
26 Other Liabilities	-	-	-
27 Total Current Liabilities	\$ 17,402.2	\$ 21,147.1	\$ 12,403.1
28 Long Term Debt, net current portion	\$ 21,597.6	\$ 23,436.4	\$ 27,239.3
29 Total Fund Balance	\$ 47,173.5	\$ 45,189.1	\$ 40,455.4
30 <b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 86,173.3</b>	<b>\$ 89,772.5</b>	<b>\$ 80,097.8</b>

<u>Cash Indicators</u>	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year FYE</u>
Days Cash	43.4	36.5	29.2
A/R Days	49.9	52.2	45.8
A/P Days	49.5	52.3	67.2

**Sonoma Valley Health Care District  
Projected Cash Forecast (In 1000s)  
FY 2026**

**ATTACHMENT C**

	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>ACTUAL</i>	<i>Forecast</i>	<i>Forecast</i>	<i>TOTAL</i>
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	\$ 4,683.2	\$ 4,292.8	\$ 4,956.9	\$ 4,513.5	\$ 4,208.0	\$ 4,353.9	\$ 4,970.2	\$ 4,666.0	\$ 4,598.5	\$ 4,315.1	\$ 4,400.0	\$ 4,200.0	\$ 54,158.2
2 Other Revenue - Operating & Non-Op	182.5	104.0	101.6	94.6	101.0	129.0	91.8	114.8	107.2	93.2	105.0	105.0	1,329.6
2 <i>Other Operating Revenue</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
3 <i>Other Non-Operating Revenue</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
3 IGT Program Revenue	-	-	-	523.7	31.5	-	2,639.8	20,155.6	-	726.9	-	133.3	24,210.9
4 Parcel Tax Revenue	110.9	-	-	-	-	2,055.4	-	-	-	1,595.1	-	-	3,761.3
5 Unrestricted Contributions	4.0	-	-	-	-	-	-	-	-	-	-	-	4.0
<b>6 Sub-Total Hospital Sources</b>	<b>\$ 4,980.6</b>	<b>\$ 4,396.8</b>	<b>\$ 5,058.5</b>	<b>\$ 4,608.1</b>	<b>\$ 4,309.0</b>	<b>\$ 7,112.5</b>	<b>\$ 7,701.8</b>	<b>\$ 24,936.4</b>	<b>\$ 4,705.8</b>	<b>\$ 6,730.2</b>	<b>\$ 4,505.0</b>	<b>\$ 4,438.3</b>	<b>\$ 83,483.0</b>
<b>Hospital Uses of Cash</b>													
7 Operating Expenses / AP Payments	\$ 5,649.7	\$ 4,948.5	\$ 4,975.3	\$ 6,009.0	\$ 4,877.2	\$ 5,616.9	\$ 6,661.0	\$ 8,499.2	\$ 5,587.8	\$ 5,780.7	\$ 5,900.0	\$ 5,200.0	\$ 69,705.3
8 Term Loan Paydowns - Summit / CHFFA	73.6	73.6	73.6	73.6	73.6	73.6	131.0	73.6	73.6	73.6	73.6	73.6	940.3
9 IGT Financing Interest	-	-	-	-	106.0	77.1	74.2	43.3	-	-	-	-	300.6
10 IGT Matching Fee Payments	-	228.5	-	-	10,426.1	-	-	348.9	-	-	72.8	-	11,076.4
11 Capital Expenditures - SVH Funded	145.6	-	11.3	84.5	59.3	60.0	539.8	723.8	-	-	50.0	-	1,674.4
12 Capital Expenditures - Foundation Funded	876.5	468.8	133.8	205.4	94.3	69.6	-	-	-	1,334.9	-	-	3,183.3
<b>13 Total Hospital Uses</b>	<b>\$ 6,745.4</b>	<b>\$ 5,719.5</b>	<b>\$ 5,194.0</b>	<b>\$ 6,372.4</b>	<b>\$ 15,636.6</b>	<b>\$ 5,897.2</b>	<b>\$ 7,406.0</b>	<b>\$ 9,688.8</b>	<b>\$ 5,661.4</b>	<b>\$ 7,189.1</b>	<b>\$ 6,096.4</b>	<b>\$ 5,273.6</b>	<b>\$ 86,880.3</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>\$ (1,764.7)</b>	<b>\$ (1,322.7)</b>	<b>\$ (135.5)</b>	<b>\$ (1,764.3)</b>	<b>\$ (11,327.6)</b>	<b>\$ 1,215.3</b>	<b>\$ 295.8</b>	<b>\$ 15,247.6</b>	<b>\$ (955.6)</b>	<b>\$ (458.9)</b>	<b>\$ (1,591.4)</b>	<b>\$ (835.2)</b>	<b>\$ (3,397.3)</b>
<b>Non-Hospital Sources</b>													
14 Restricted Donations (rec'd from Foundation)	806.7	538.6	214.6	124.5	94.3	-	-	44.4	-	1,528.6	-	-	3,351.8
15 Line of Credit - Draw	-	-	-	-	10,500.0	-	-	-	-	-	-	-	10,500.0
<b>17 Sub-Total Non-Hospital Sources</b>	<b>\$ 806.7</b>	<b>\$ 538.6</b>	<b>\$ 214.6</b>	<b>\$ 124.5</b>	<b>\$ 10,594.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44.4</b>	<b>\$ -</b>	<b>\$ 1,528.6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,851.8</b>
<b>Non-Hospital Uses of Cash</b>													
18 Line of Credit - Payoff	-	-	-	-	-	-	-	10,500.0	-	-	-	-	10,500.0
<b>20 Sub-Total Non-Hospital Uses of Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,500.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,500.0</b>
<b>21 Net Non-Hospital Sources/Uses of Cash</b>	<b>\$ 806.7</b>	<b>\$ 538.6</b>	<b>\$ 214.6</b>	<b>\$ 124.5</b>	<b>\$ 10,594.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,455.6)</b>	<b>\$ -</b>	<b>\$ 1,528.6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,351.8</b>
<b>22 Net Sources/Uses</b>	<b>\$ (958.0)</b>	<b>\$ (784.1)</b>	<b>\$ 79.1</b>	<b>\$ (1,639.8)</b>	<b>\$ (733.3)</b>	<b>\$ 1,215.3</b>	<b>\$ 295.8</b>	<b>\$ 4,792.0</b>	<b>\$ (955.6)</b>	<b>\$ 1,069.7</b>	<b>\$ (1,591.4)</b>	<b>\$ (835.2)</b>	<b>\$ (45.5)</b>
23 Total Cash at beginning of period	\$ 4,386.3	\$ 3,428.3	\$ 2,644.2	\$ 2,723.3	\$ 1,083.5	\$ 350.3	\$ 1,565.6	\$ 1,861.4	\$ 6,653.4	\$ 5,697.8	\$ 6,767.5	\$ 5,176.1	
<b>24 Total Cash at End of Period</b>	<b>\$ 3,428.3</b>	<b>\$ 2,644.2</b>	<b>\$ 2,723.3</b>	<b>\$ 1,083.5</b>	<b>\$ 350.3</b>	<b>\$ 1,565.6</b>	<b>\$ 1,861.4</b>	<b>\$ 6,653.4</b>	<b>\$ 5,697.8</b>	<b>\$ 6,767.5</b>	<b>\$ 5,176.1</b>	<b>\$ 4,340.9</b>	
<b>25 Days of Cash on Hand at End of Month</b>	<b>22.0</b>	<b>17.0</b>	<b>17.5</b>	<b>7.2</b>	<b>4.3</b>	<b>10.0</b>	<b>11.9</b>	<b>42.6</b>	<b>36.5</b>	<b>43.4</b>	<b>33.2</b>	<b>27.8</b>	

Key Performance Indicators | Volumes & Statistics

For the Period Ended April 30, 2026

	Current Month				Year-To-Date				PYTD		
	Actual	Budget	Var	%	YTD Actual	YTD Budget	Var	%	Actual	Var	%
<b>Inpatient Volume</b>											
Acute Patient Days	301	262	39	15%	3,002	2,585	417	16%	2,654	348	13%
Acute Discharges	78	71	7	10%	816	705	112	16%	693	123	18%
Average Length of Stay	3.8	3.7	0.2	5%	3.7	3.7	0.0	0%	3.8	(0.1)	-4%
Average Daily Census	10.0	8.7	1.3	15%	9.9	8.5	1.4	16%	8.7	1	13%

**Surgical Volume**

IP Surgeries	11	10	1	12%	118	97	21	22%	97	21	22%
OP Surgeries	156	138	18	13%	1,417	1,329	88	7%	1,356	61	4%
<b>Total Surgeries</b>	<b>167</b>	<b>148</b>	<b>19</b>	<b>13%</b>	<b>1,535</b>	<b>1,426</b>	<b>109</b>	<b>8%</b>	<b>1,453</b>	<b>82</b>	<b>6%</b>

**Other Outpatient Activity**

Total Outpatient Visits	6,351	5,808	543	9%	60,553	57,340	3,213	6%	57,374	3,179	6%
Emergency Room Visits	975	948	27	3%	10,085	9,115	970	11%	9,225	860	9%

**Payor Mix**

	Actual	Budget	%	Actual	Budget	%
Medicare	38.8%	37.7%	1.1%	39.1%	37.9%	1.2%
Medicare Mgd Care	19.9%	18.2%	1.7%	18.6%	18.3%	0.3%
Medi-Cal	14.9%	16.2%	-1.3%	17.1%	16.2%	1.0%
Commercial	23.3%	23.9%	-0.6%	21.5%	23.8%	-2.3%
Other	3.0%	3.9%	-0.9%	3.7%	3.8%	-0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	

Payor Mix calculated based on gross revenues

**Trended Outpatient Visits by Area**

Department	Most Recent Six Months						Last 6 Months	YoY Monthly Averages			
	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26		FY26	FY25	Chg	% Chg
Lab	1,217	1,355	1,420	1,350	1,644	1,482		1,434	1,348	85	6%
Medical Imaging	940	1,081	1,041	1,009	1,059	1,090		1,037	982	55	6%
Physical Therapy	1,270	1,337	1,439	1,482	1,623	1,683		1,472	1,424	48	3%
CT Scanner	465	508	454	420	534	486		479	449	29	6%
Occ. Health	282	310	279	285	249	279		274	267	7	2%
Mammography	254	301	238	239	299	274		261	245	17	7%
Occ. Therapy	248	285	256	231	251	226		242	203	39	19%
Ultrasound	270	276	227	233	321	277		281	218	63	29%
MRI	202	245	235	206	287	316		240	181	59	33%
ECHO	88	132	100	95	120	118		113	129	(15)	-12%
Speech Therapy	58	57	50	114	126	111		75	68	6	9%
Other	18	33	28	13	20	10		25	23	2	9%
<b>TOTAL</b>	<b>5,312</b>	<b>5,919</b>	<b>5,767</b>	<b>5,677</b>	<b>6,533</b>	<b>6,351</b>		<b>6,079</b>	<b>5,789</b>	<b>290</b>	<b>5%</b>
Emergency Room	932	1,047	1,022	943	1,147	975		1,009	868	140	16%
ER Visits / Day	31.1	33.8	33.0	33.7	37.0	32.5		33.2	28.9	4.2	15%

Sonoma Valley Health Care District  
**Overall Performance | Key Performance Indicators**  
 For the Period Ended April 30, 2026

	Current Month				Year-To-Date				PY Actual	Var	%
	Actual	Budget	Var	%	Actual	Budget	Var	%			
Operating Margin	\$ 226.2	\$ (72.7)	\$ 298.9	411%	\$ 267.1	\$ (2,873.8)	\$ 3,140.8	109%	\$ (3,718.7)	\$ 3,985.8	107%
Operating EBDA	\$ 570.9	\$ 340.6	\$ 230.3	68%	\$ 4,735.5	\$ 2,009.7	\$ 2,725.9	136%	\$ 1,505.8	\$ 3,229.7	214%
Net Income (Loss)	\$ 453.0	\$ 83.2	\$ 369.9	445%	\$ 2,789.1	\$ (1,315.1)	\$ 4,104.1	312%	\$ (1,838.4)	\$ 4,627.4	252%

0.38%

**Operating Revenue Summary (All Numbers in 1000s)**

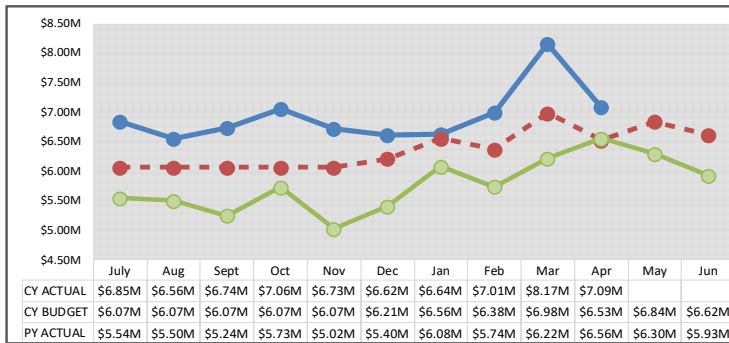
Net Patient Revenue	\$ 4,546	\$ 4,485	\$ 61	1%	\$ 46,348	\$ 42,540	\$ 3,808	9%	\$ 42,356	\$ 3,992	9%
NPR as a % of Gross	13.9%	14.5%	-3.7%		13.8%	14.2%	-2.6%		14.0%	-1.5%	
Operating Revenue	\$ 7,087	\$ 6,555	\$ 532	8%	\$ 69,455	\$ 63,242	\$ 6,213	10%	\$ 57,309.8	\$ 12,146	21%

**Operating Expense Summary (All Numbers in 1000s)**

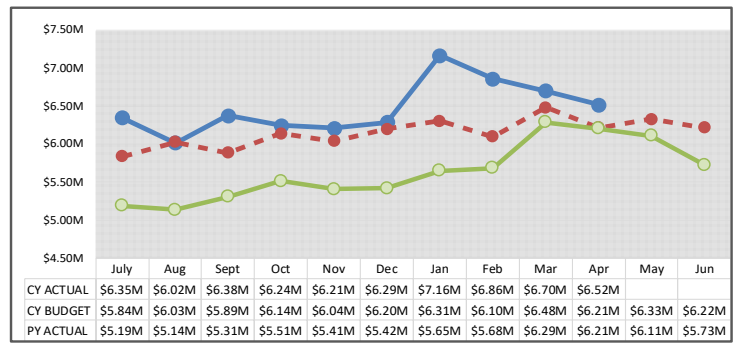
Operating Expenses	\$ 6,861	\$ 6,628	\$ 233	4%	\$ 69,188	\$ 66,116	\$ 3,072	5%	\$ 61,029	\$ 8,160	13%
Op Exp. Excl. IGT Fees	\$ 5,728	\$ 5,863	\$ (135.5)	-2%	\$ 60,287	\$ 58,470	\$ 1,817.3	3%	\$ 56,342	\$ 3,945.1	7%
Worked FTEs	235.11	232.09	3.02	1%	233.21	228.60	\$ 4.61	2%	218.09	15.12	7%

**Trended Operating Revenue & Operating Expense Graphs**

**Trended Operating Revenues**  
 CY Actual vs CY Budget vs PY Actual



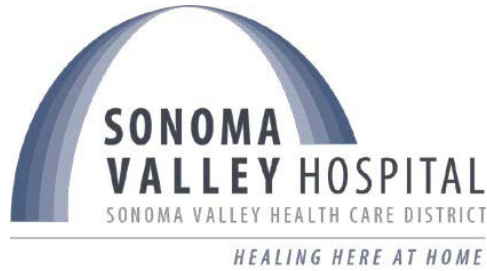
**Trended Operating Expenses (excl Depreciation)**  
 CY Actual vs CY Budget vs PY Actual



— CY ACTUAL    - - - CY BUDGET    — PY ACTUAL

**Cash Indicators**

	Current Month	Prior Month	Var	% Var
Days Cash	43.4	36.5	6.9	19%
A/R Days	49.9	52.2	(2.3)	-4%
A/P Days	49.5	52.3	(2.8)	-5%



**To: SVH Board of Directors**

**From: Dan Kittleson, DDS**

**Date: June 4, 2026**

**Subject: Quality Committee Quarterly Report: 1<sup>st</sup> Quarter 2026**

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Metrics measured and reported monthly to SVH Board Quality Committee include the following:

1. Mortality
2. Age Friendly Health System
3. Social Determinants of Health (SDOH) Screenings
4. AHRQ Patient Safety Indicators (PSI-90)
5. Patient Falls
6. Critical Lab Value Notifications within 30 minutes
7. Pressure Injuries
8. Stroke Core Measures
9. Utilization Management
10. CoreOp Measures- Sepsis/ED/Colonoscopy
11. Infection Prevention

## **Quality Performance Report – 1<sup>st</sup> Quarter 2026**

### **Overview**

Quality performance for the first quarter of 2026 demonstrated overall strong outcomes across several key measures, with continued opportunities for improvement in select areas.

## Key Metrics

1. Mortality Rate
  - Performance remained below the target benchmark, reflecting sustained positive outcomes.
2. Age-Friendly Mobility & Social Determinants of Health (SDOH)
  - Metrics consistently met target standards, supporting organizational priorities.
3. Social Determinants of Health (SDOH) Screenings
  - Measure well above the target that impacts compliance with care plans (transportation, meds, follow-up)
4. AHRQ PSI-90 (Patient Safety Indicators)
  - a. Continued to perform below benchmark, indicating effective patient safety practices.
5. Falls
  - a. A total of 6 patient falls occurred during the quarter:
    - i. 5 without injury
    - ii. 1 with minor injury (skin tear)
  - b. Distribution:
    - i. 3 on the Medical-Surgical Unit
    - ii. 1 in the Emergency Department
    - iii. 1 in Ultrasound
  - c. All fall prevention measures were in place on the Medical-Surgical Unit and the Emergency Department at the time of events.
  - d. Timing:
    - i. 4 during day shift
    - ii. 1 during night shift
6. Critical Laboratory Values
  - a. Performance remained above expectations.
7. Pressure Injuries – No reported Stage 2 pressure injuries
8. Stroke Measures
  - a. Compliance remained below benchmark thresholds.
9. Utilization Management
  - a. Increases were observed in March:
    - i. COPD: 1 of 3 cases
    - ii. Heart Failure: 1 of 4 cases
    - iii. Pneumonia: 2 of 6 cases
  - b. Despite these increases, the overall quarterly readmission target was achieved.

Length of Stay (LOS)

- Risk-adjusted length of stay metrics performed below target goals, indicating efficient throughput:

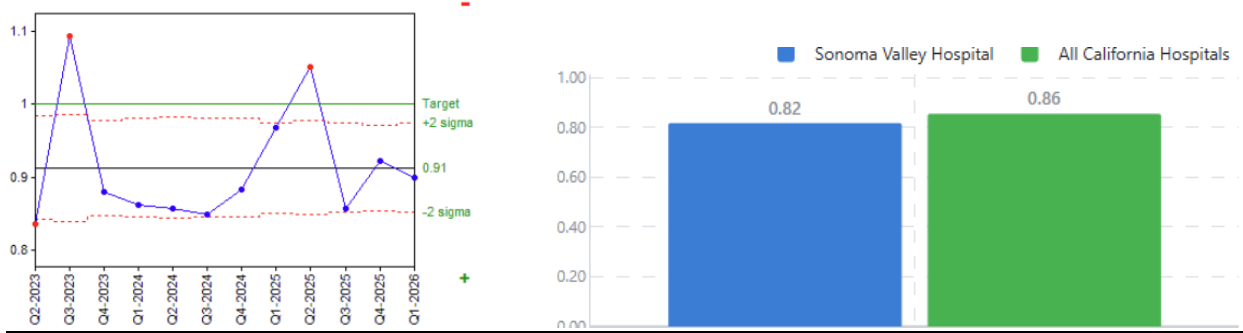
- Acute Care: Observed/Expected (O/E) ratio: 0.9
- Inpatient: Observed/Expected (O/E) ratio: 0.82

**Explanation of O/E Ratio:** Observed LOS = Actual length of stay  
Expected LOS = CMS-assigned based on diagnosis  
**Target: O/E ratio < 1.0**

**Example:**

A patient with pneumonia is expected to stay 5 days but is discharged in 3 days.  
O/E ratio =  $3 \div 5 = 0.6$

**Visual Representation of ALOS and Observed/Expected**



**ALOS**

**O/E (866/1058)**

10. CoreOP Measures and SEP-1 Bundle Compliance (Severe Sepsis/Septic Shock)

- a. CoreOP Measures within Target goal range.
- b. Noncompliance associated with Sepsis bundles identified in March (2 of 3 cases), indicating opportunity for improvement in bundle adherence and documentation.

11. Hospital-Acquired Infections (HAIs) & Hand Hygiene

- a. Reported:
  - i. 2 Clostridioides difficile infections
  - ii. 1 Surgical Site Infection (SSI)
- b. Hand hygiene compliance declined below 90% in January and March, resulting in a quarterly average of 85%, below the target of 90%.
- c. Action plans were implemented in May, with expected improvement in Q2.

## 1<sup>st</sup> Quarter 2026 Executive Summary of Performance Measures

- The organization maintained strong performance across mortality, patient safety indicators, LOS, and key strategic initiatives.
- Opportunities for improvement include:
  - SEP-1 bundle adherence
  - Infection prevention (HAIs and hand hygiene)
  - Continued fall reduction efforts
- Corrective action plans are in place, with expectations for measurable improvement in Q2 2026.

## 1<sup>st</sup> Quarter 2026 Patient Volume Report

- **Admissions:** 243
- **Discharges:** 244 (*Probably a December admit discharged in January*)
- **Inpatient Days:** 917
- **Emergency Department Visits:** 3112
- **Inpatient Volume:** 912
- **Surgical Volume:** 389

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**Other Activities:** During the first quarter of 2026, the Directors of Pharmacy and Surgical Services presented quality metrics and projects to the Committee. An interim Infection Preventionist and Social Worker joined the Quality and Case Management team.

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## Quality Initiatives

Key quality initiatives initiated in 2025 continue into 2026, reflecting sustained organizational focus on clinical outcomes, regulatory compliance, and care coordination across the continuum.

- Sepsis Management
  - Ongoing monitoring and performance improvement related to Early Management of the Sepsis Bundle (SEP-1).
  - Focus on improving timely identification, bundle compliance, and documentation accuracy.
  - Efforts include provider education, case review, and alignment with CMS requirements to reduce variability in care delivery.
- Electronic Clinical Quality Measures (eCQMs)
  - Implementation and expansion of eCQMs for the medical staff, aligned with CMS quality reporting requirements.
  - Supports data-driven performance monitoring, improved transparency, and enhanced physician engagement in quality outcomes.

- Provides a foundation for transitioning from manual abstraction to more automated and standardized reporting.
- TEAM Program (Transforming Episode Accountability Model)
  - Participation in the TEAM program for Medicare patients undergoing hip and knee procedures, emphasizing episode-based care and accountability.
  - Includes monitoring of patient outcomes for 30 days post-procedure, focusing on:
    - Complication prevention
    - Care transitions
    - Post-acute coordination
  - Supports CMS value-based payment models and improved patient outcomes across the surgical continuum.
- Skilled Nursing Facility (SNF) Collaboration
  - Ongoing quarterly meetings with Skilled Nursing Facility partners to strengthen collaboration and communication.
  - Focus on:
    - Reducing avoidable readmissions
    - Improving handoff communication and care transitions
    - Aligning care plans for high-risk patients
  - Enhances regional care coordination and continuity of care beyond the inpatient setting.
- Stroke Care Program
  - Continued efforts to maintain stroke certification status through close monitoring of stroke-specific quality measures.
  - Emphasis on:
    - Timely identification and treatment
    - Door-to-needle times
    - Compliance with evidence-based protocols
  - Supports improved neurological outcomes and adherence to certification standards.
- Readmissions Reduction Initiative
  - Focused monitoring and analysis of patients admitted and readmitted with:
    - Congestive Heart Failure (CHF)
    - Chronic Obstructive Pulmonary Disease (COPD)
    - Pneumonia
    - Sepsis
  - Interventions include:
    - Enhanced discharge planning
    - Patient education
    - Post-discharge follow-up and care coordination
  - Goal is to reduce preventable readmissions and improve overall patient outcomes.

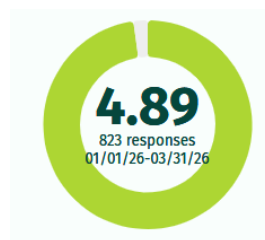
## Patient Satisfaction Q-Reviews 1<sup>st</sup> Quarter 2026

Key Takeaway - First quarter Q-Reviews, the texting survey, demonstrated high patient satisfaction across all five participating departments.

### **Emergency Department**



### **Medical Imaging**



### **Hand and Physical Therapy**



### **Inpatient Care**



### **Outpatient Surgery**

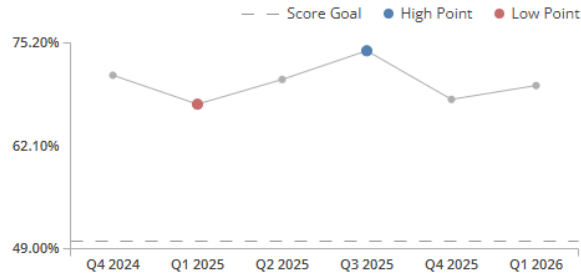


## Press Gainey – 1<sup>st</sup> Quarter Inpatient

### **Key Takeaway**

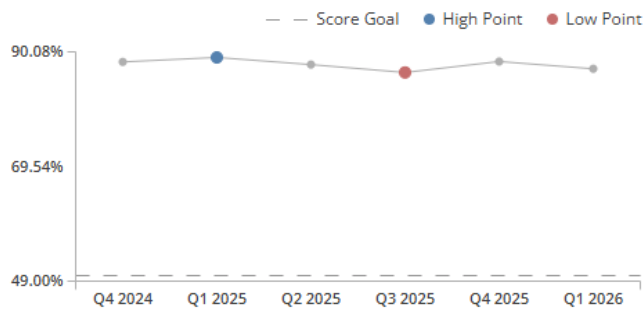
- Inpatient scores demonstrated mixed performance, with declines in key domains including communication with nurses and physicians, staff responsiveness, hospital environment, and nursing care, while care coordination showed slight improvement.
- Opportunities for improvement remain in discharge information, physician communication, and creating a more restful hospital environment.
- Despite these domain-level declines, the overall inpatient score improved from 68.01% to 69.77%, indicating early positive movement in overall performance.
- Ambulatory scores showed a slight decline, decreasing from 88.34% in Q4 2025 to 87.04% in Q1 2026, primarily driven by decreases in nursing care, care provider interactions, and discharge processes.
- No meaningful improvements were observed in communication, facility/personal treatment, or overall assessment.
- Across both settings, communication and discharge processes remain consistent opportunities for improvement, requiring focused and coordinated efforts moving forward.

## Press Gainey - 1<sup>st</sup> Quarter 2026 Inpatient



Survey Type	Section	Current n	Current Period (Q1 2026)	Previous Period (Q4 2025)	Change	
CAHPS	Comm w/ Nurses	66	83.64%	76.30%	7.34%	▲
CAHPS	Response of Hosp Staff	62	61.24%	58.31%	2.93%	▲
CAHPS	Comm w/ Doctors	66	79.80%	70.96%	8.84%	▲
CAHPS	Hospital Environment	66	74.24%	66.67%	7.58%	▲
CAHPS	Comm About Medicines	52	68.82%	51.61%	17.20%	▲
CAHPS	Discharge Information	54	83.14%	87.73%	-4.58%	▼
CAHPS	Restful Hosp Environment	66	52.28%	53.69%	-1.41%	▼
CAHPS	Care Coordination	66	68.83%	67.52%	1.31%	▲
CAHPS	Info About Symptoms	56	64.29%	72.50%	-8.21%	▼
PG	Nurses	64	73.02%	68.57%	4.44%	▲
PG	Doctors	64	65.43%	67.21%	-1.79%	▼

## Press Gainey – 2026 1<sup>st</sup> Quarter Ambulatory



Survey Type	Section	Current n	Current Period (Q1 2026)	Previous Period (Q4 2025)	Change	
CAHPS	Communication	80	92.43%	92.44%	-0.01%	▼
CAHPS	Facility/Personal Trtment	80	98.96%	98.85%	0.10%	▲
CAHPS	Discharge	80	82.21%	87.62%	-5.41%	▼
PG	Nurses	76	88.84%	91.61%	-2.77%	▼
PG	Care Provider	77	84.33%	84.79%	-0.45%	▼
PG	Overall Assessment	78	92.31%	92.31%	0.00%	—