SONOMA VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, August 7, 2014
6:00 p.m. Regular Session

COMMUNITY MEETING ROOM
177 First Street West, Sonoma, CA

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT *The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.*		
1. CALL TO ORDER	*Nevins*	
2. PUBLIC COMMENT SECTION *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. At all times please use the microphone.*	*Nevins*	
3. CONSENT CALENDAR A. Regular Board Minutes 6.5.14, 7.3.14 B. FC Minutes 6.24.14 C. QC Minutes 6.25.14 D. Revised Charters: FC, GC E. MEC Credentialing Report, 7.23.14	*Nevins*	Action
4. RESOLUTION 323 REQUESTING PARCEL TAX FUND TRANSFER	*Nevins*	Action
5. OB RECOMMENDATION	*Kobe*	Action
6. SURGICAL SERVICES UPDATE	*A.Sendaydiego*	Inform
7. SVHF FUNDRAISING STRATEGIC PLAN SUMMARY	*Blanusa*	Inform
8. SENIOR WELLNESS UPDATE	*Kuwahara*	Inform
9. CEO PERFORMANCE EVALUATION AND APPOINTMENT OF CEO EVALUATION COMMITTEE	*Nevins*	Inform
10. FINANCIAL REPORT FOR JUNE 2014	*Jensen*	Inform
11. ADMINISTRATIVE REPORT FOR JULY 2014	*Mather*	Inform
12. PREVIEW OF HEALING HOSPITAL MODEL	*Mather*	Inform
13. OFFICER & COMMITTEE REPORTS A. Board Chair Report i. SVHF Audit Report B. Governance Committee i. Revised AC Charter	*Board*	Inform
14. ADJOURN Next Regular Board meeting, September 4, 2014	*Nevins*	

3.

CONSENT CALENDAR

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SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, June 5, 2014, 2014
Community Meeting Room, 177 1st St W, Sonoma

Committee Members Present	Committee Members Absent/Excused	Admin Staff /Other	
Sharon Nevins Kevin Carruth Peter Hohorst Jane Hirsch Bill Boerum		Keith Chamberlin, MD Dick Fogg Mark Kobe Dawn Kuwahara Don Frances Richard Adams (?)	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	*Nevins*		
	Closed Session was called to order at 5:30PM.		
2. PUBLIC COMMENT ON CLOSED SESSION	*Nevins*		
3. CLOSED SESSION	*Nevins*		
A. Calif. Health & Safety Code § 54957 Public Employment:- Public Employee Dismissal/Release			
4. REPORT OF CLOSED SESSION	*Nevins*		
5. PUBLIC COMMENT SECTION	*Nevins*		
	No public comment. Regular session called to order at 6:04PM.		
6. CONSENT CALENDAR	*Nevins*	Action	
A. Regular Board Minutes, 05.1.14 B. FC Minutes 4.28.14 C. QC Minutes 4.23.14 D. GC Minutes 4.28.14 E. QC Policy & Procedure F. 2014 Three-Year Rolling Strategic Plan G. MEC Credentialing Report, 05.28.14		**MOTION:** by Boerum to approve Consent Calendar A-G and 2nd by Nevins. All in favor.	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
7. RESOLUTION No. 320	*Nevins*	Action	
ORDERING AN ELECTION FOR OPEN BOARD POSITIONS	Mr. Carruth announced that he will not be running for re-election to the Board in November 2014. The Board and CEO expressed their thanks and appreciation for all of his past service.	**MOTION:** by Carruth to approve Resolution No. 320 and 2nd by Boerum. Roll call vote: Nevins-aye Carruth-aye Boerum-aye Hohorst-aye Hirsch-aye	
8. MGH AFFILIATION AGREEMENT	*Mather*	Action	
	The Affiliation Agreement is still undergoing changes and therefore has been put forward to a future meeting. Mr. Boerum requests that in future red lines are used to make any changes to the Agreement.		
9. ASSO OF CALIF HEALTHCARE DISTRICTS	*Boerum*	Inform	
	Mr. Boerum reported on the annual ACHD meeting and talked about the benefits of membership. Ms. Nevins poses the question of whether or not the Hospital and Board want to continue their relationship with the ACHD. The annual membership fee is $20K and they do not offer any discounts for financial hardship. This topic will be discussed further and brought back to a future Board meeting as an Action item.		
10. FY15 OPERATING BUDGET	*Cox*	Action	
	Mr. Cox presented the Fiscal 2015 Operating Budget which includes for the first time, a long-term financial plan that extends out 3 years. Prior to coming to the Board for approval, the Operating Budget was recommended for approval by a Special Board Session and by the Finance Committee. Mr. Cox announced that the Sonoma Valley Hospital is eligible to participate in state sponsored reimbursement program called IGT. For a $2M payment in August 2014, the Hospital would receive a $3M reimbursement resulting in a $1M profit. There will be more to come on whether or not SVH can participate in the IGT Program and if so, it would be presented to both the Finance Committee and Board as	**MOTION:** by Hirsch to approve and 2nd by Carruth. All in favor.	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	an Action item.		
11. OB UPDATE	*Kobe*	Inform	
	Mr. Kobe gave the OB update and showed that the 2014 OB Contribution Margin continues to rise and will hit its goal of ($250,000) if not as of 5/31/14, then most likely as of 6/30/14.		
12. FINANCIAL REPORT APRIL 2014	*Cox/Tarver*	Inform	
	Mr. Cox presented the Financial Report for April 2014 highlighting patient volumes, operating revenues and expenses and cash collection on patient receivables.		
13. ADMINISTRATIVE REPORT MAY 2014	*Mather*	Inform	
	Ms. Mather gave her Administrative Report for May 2014 which included leadership and organizational results, the Rolling Strategic Plan, Operations and the continued financial challenges the Hospital faces. Ms. Mather will share the full Healing Hospital Model at a future Board meeting, possibly on September 4, 2014.		
14. OFFICER & COMMITTEE REPORTS	*All*	Inform	
A. Board Chair Report B. Governance Committee Report (Boerum/Hohorst) i. Biennial Review Conflict of Interest ii. Report of 2014 Public Agency Filings C. Quality Committee Report (Hirsch) ii. Risk Management Plan to Prevent Data Breaches iii.Board QC Dashboard 2014	A. <u>Board Chair Report</u> • Ms. Mather, Ms. Nevins and Mr. Carruth were invited to attend the Sonoma County Health Center's Board meeting last week. • The next District Board meeting will be held on July 10th at the Sonoma Valley Hospital.		
15. ADJOURN	**7:20PM**		

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, July 3, 2014, 2014
Community Meeting Room, 177 1st St W, Sonoma

Committee Members Present	Committee Members Absent/Excused	Admin Staff /Public/Other	
Sharon Nevins Peter Hohorst Jane Hirsch	Bill Boerum Kevin Carruth	Kelly Mather Mark Kobe Kevin Coss Robert Cohen, M.D.	Gigi Betta Kathy Mathews Leslie Lovejoy David Cox

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	*Nevins*		
	Closed Session was called to order at 5:30PM.		
2. PUBLIC COMMENT ON CLOSED SESSION	*Nevins*		
3. CLOSED SESSION	*Nevins*		
Calif. Government Code § 54956.9(b)(3)(C): Conference Regarding Potential Litigation			
4. REPORT OF CLOSED SESSION	*Nevins*		
	No report of Closed Session.		
5. PUBLIC COMMENT SECTION	*Nevins*		
	Regular session called to order at 6:00PM.		
6. CONSENT CALENDAR	*Nevins*	Action	
A. Regular Board Minutes, 05.1.14 B. FC Minutes 5.27.14 C. QC Minutes 5.28.14 D. GC Minutes 5.27.14 E. QC Policy & Procedures F. Community Pool Project G. MEC Credentialing Report, 06.25.14		**MOTION:** by Hohorst to approve Consent Calendar A-G and 2nd by Hirsch. All in favor.	
7. SPECIAL DISTRICT REPRESENTATIVE TO THE LOCAL AGENCY FORMATION COMMISSION (LAFCO)	*Nevins*	Action	
	Ken Jones, Forestville County Water District was	**MOTION:** by Hohorst to	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	unanimously selected as candidate for the next Special District Representative.	approve and 2nd by Hirsch. All in favor.	
8. PHASE I HOSPITAL PROJECT SUMMARY AND BUDGET	*Coss*	Inform	
	Mr. Coss presented the Phase 1 Hospital Project Summary which included project accomplishments, challenges and budget update.		
9. FY2015 CAPITAL BUDGET	*Mather*	Action	
	Ms. Mather presented the FY2015 Capital Budget previously recommended for approval by the Finance Committee (FC). The FC consensus was to move the Capital Budget in step with Hospital Cash Flows. The total Capital Budget of $809, 297 would be spread out over four quarters. Ms. Nevins asked for quarterly updates and Ms. Mather will report again on the Capital Budget the second quarter.		Add Capital Budget as quarterly updates to Board Meeting Calendared Items (Sept., Dec., Mar., June)
~~**10. OB YTD FINANCIAL UPDATE**~~	~~*Kobe*~~	~~Inform~~	
	The OB YTD Financial Update was removed from the agenda and will be presented at the next Board meeting on August 7, 2014.		Put OB YTD update forward to 8.7.14
11. FINANCIAL REPORT MAY 2014	*Mather*	Inform	
	Ms. Mather presented the overall financial results for May 2014 covering patient volumes, payer mix, operating revenues and expenses and cash collections on patient receivables. YTD numbers discussed at FC and it was recommended that the IGT monies be booked as revenue this year. The Board and CEO both agreed. It was announced that due to low patient volumes Napa State Hospital has decided to discontinue sending Sonoma Valley Hospital their inpatients. SVH will continue to receive Napa State outpatients.		
12. ADMINISTRATIVE REPORT JUNE 2014	*Mather*	Inform	
	Ms. Mather presented the Administrative Report for June 2014 covering leadership and organization results, revenue enhancement, strategic planning, operations and the Action Plan 2014. In addition, Ms. Mather summarized the 3-Year Volume & Growth Report (compiled by Michelle Donaldson) which will become a quarterly report in future.		Add Volume & Growth Report as quarterly updates to Board Meeting Calendared Items (Sept., Dec., Mar., June).
13. FY2015 LEADERSHIP GOALS	*Mather*	Inform	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	Ms. Mather summarized the Hospital's performance and the Proposed New Dashboard for FY2015. Ms. Nevins suggested that the goals of 1,500 hours for Community Service be reduced in line with what is realistic.	**MOTION:** by Hirsch to approve the Proposed New Dashboard FY15 as presented and 2nd by Hohorst. All in favor.	
14. OFFICER & COMMITTEE REPORTS	*All*	Inform	
A. Board Chair Report i.Update on MGH-SVH Affiliation Agreement B. Quality Committee Report (Hirsch) i.Annual Healing At Home PI Report ii.Annual Clinical Lab Effectiveness Summary Report	Ms. Nevins gave an update on the MGH-SVH Affiliation Agreement. Discussions continue on the agreement and progress is being made. The goal is to have a final agreement for approval at the Board meeting on September 4, 2014. The Rotary Club has a fundraising event (*Applause*) at the Hanna Boys Center on August 23, 2014. Hospital staff, Board members and Foundation Board members are encouraged to attend this event. Get in touch with Selma Blanusa, Executive Director at the SVH Foundation for more information. Ms. Hirsch reported on the Annual Healing At Home Performance Improvement Report and the Annual Clinical Lab Effectiveness Summary Report. Both reports were presented to the Quality Committee on June 25, 2014. The Annual SVH Service Recognition Luncheon was on June 23, 2014. Three staff members celebrated 40 years of service.		
15. ADJOURN	*Nevins*		
	7:00 PM		

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, June 24, 2014
Schantz Conference Room

Voting Members Present		**Staff/ Public/Other**	**Excused/Absent**
1. Dick Fogg aye 2. Phil Woodward aye 3. Peter Hohorst aye 4. Sharon Nevins aye 5. Shari Glago aye 6. Steve Barclay aye 7. Stephen Berezin aye 8. S. Mishra, MD aye (by phone)		David Cox Kelly Mather Gigi Betta Sam McCandless	Bernadette Jensen Jeannette Tarver Mary Smith Keith Chamberlin, MD

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	*The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community.* *The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.*		
1. CALL TO ORDER/ANNOUNCEMNTS	*Fogg*		
	5:00 PM It was announced that the Board of Directors approved the Fiscal 2015 Operating Budget without amendments.		
2. PUBLIC COMMENT SECTION	*Fogg*		
	None.		
3. CONSENT CALENDAR	*Fogg*	Action	
A. FC Minutes 5.27.14	Mr. Woodward noted that the items he requested in the Minutes from 5.27.14 have not yet been received by the Committee. Although the items requested are not the highest priority at present, they are important and will be submitted to the Committee when time permits. Mr. Barclay recommended using a search firm to find prospective CFO	**MOTION** by Hohorst to approve Minutes and **2nd** by Woodward. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	candidates and Mr. Woodard recommended using a firm called *CFO To Go*.		
SVH FOUNDATION AUDIT REPORT			
	Note: the SVH Foundation Audit Report was taken off of the Agenda. The report is not yet finalized and is put forward to a future meeting.		
4. PHASE I HOSPITAL CONSTRUCTION CLOSE OUT	*Coss*	Inform/Action	
	Mr. Coss presented the Phase 1 Hospital Project Summary for June 2014 including major project accomplishments and challenges and a budget update.		
5. CAPITAL BUDGET PLAN	*Mather*	Inform/Action	
	Ms. Mather presented the FY15 Capital Budget and the 5-Year Plan Hospital Infrastructure and Building Development. The Finance Committee recommends that the Board approve the FY15 Capital Budget (and not the 5-year Infrastructure Plan at this time) pending the cash flow statement and a Q&A session at the next FC meeting on July 22, 2014. Roll call vote: Dick Fogg -aye Phil Woodward -aye Peter Hohorst -aye Sharon Nevins -aye Shari Glago -aye Steve Barclay aye Stephen Berezin -aye S. Mishra, MD (by phone) -aye	**MOTION** to recommend approval of Capital Budget by Barclay and 2nd by Glago. All in favor.	
6. MAY 2014 FINANCIALS	*Cox*	Inform	
	Mr. Cox presented the financial statements ending May 31, 2014 touching on overall results, patient volumes, payer mix, operating revenues and expenses and cash collections. Mr. Cox announced that in the near term the Hospital will receive cash payments from the IGT ($1.2 M) and LIHP ($1.3M) programs. Mr. Cox announced that $1 million remains in the LOC. The Committee remembered that a debt capacity analysis was requested in the past but never received. Mr. Barclay requests that a debt capacity analysis be done in the near future. Lastly, Mr. Cox announced that Napa State Hospital is rethinking their contractual relationship with SVH.		
7. CASH FLOW FORECAST	*Cox*	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Cox presented the Statement of Cash Flows, Statement of Revenue and Expenses and the Balance Sheet for FY2014.		
8. IGT AND PROMISSORY NOTE	*Cox*	Action	
	The Hospital has approached a donor for a short term loan of $1.1 million in order to receive a net benefit of $824,200 in September 2014.	**MOTION** by Barclay to approve loan and **2nd** by Glago. All in favor.	
9. NET REVENUE ANALYSIS	*Cox*	Inform	
	Mr. Cox explained the step by step net revenue analysis.		
10. ADJOURN	*Fogg*		
	6:40 PM		

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, June 25, 2014
Schantz Conference Room

Committee Members Present	Committee Members Present	Committee Members Absent/Excused	Admin Staff /Other
Jane Hirsch Kevin Carruth Susan Idell Leslie Lovejoy Ingrid Sheets	Michael Mainardi MD Kelsey Woodward Carol Snyder Howard Eisenstark MD	Cathy Webber	Robert Cohen M.D. Gigi Betta Mark Kobe Kathy Mathews Paula Davis Lois Valenzuela Barbara Lee

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	*Hirsch*		
	Meeting called to order at 5:05PM		
2. PUBLIC COMMENT	*Hirsch*		
	None		
3. CONSENT CALENDAR	*Hirsch*	Action	
A. QC Meeting Minutes, 5.28.14		**MOTION:** by Eisenstark to approve Minutes and 2nd by Mainardi. All in favor.	
4. ANNUAL EMPLOYEE SATISFACTION SURVEY REPORT	*Davis*	Inform	
	Ms. Davis reviewed the highlights from the *Press Ganey* SVH Employee Partnership Survey for 2014.		
5. ANNUAL HEALING AT HOME PERFORMANCE IMPROVEMENT REPORT	*Lee*	Inform	
	Ms. Lee presented the Annual Healing At Home Performance Improvement Report including process design, data collection, current performance analysis and sustained performance improvement.		
6. ANNUAL LABORATORY PERFORMANCE IMPROVEMENT REPORT	*Valenzuela*	Inform	

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	Ms. Valenzuela presented the SVH Annual Clinical Laboratory Effectiveness Summary Report for 2013.		
7. QUALITY REPORT MAY 2014	*Lovejoy*	Inform/Action	
	Ms. Lovejoy gave her Quality and Management Report for May 2014 which included performance improvement, quality monitoring, and updates on both the Clinical Nurse Informaticist position and the Medical Staff credentialing process.	**MOTION:** by Eisenstark to approve QC Report and 2nd by Mainardi. All in favor.	
8. CLOSING COMMENTS/ANNOUNCEMNTS	*Hirsch*		
9. ADJOURN	*Hirsch*		
	Regular Session adjourned at 6:20PM		
10. UPON ADJOURNMENTOF REGULAR OPEN SESSION	*Hirsch*	Inform	
11. CLOSED SESSION	*Iredale*	Action	
12. REPORT OF CLOSED SESSION	*Hirsch*	Inform	
13. ADJOURN	Closed Session adjourned at 6:35PM		

Meeting Date: **August 7, 2014**

Prepared by: Peter Hohorst

Agenda Item Title: Finance Committee Charter Revision

Recommendations:
The Governance Committee recommends that the Board approve the revised Governance Committee Charter.

Background:
The Board approved the requirement that all members of Standing and Ad Hoc committees be stakeholders of the District.
The Board defined stakeholder, for the purposes of Board committee membership:

- As living some or all of the time in the District or,
- As maintaining a place of business in the District, or
- As being an accredited member of the Hospital Medical Staff

The revised Finance Committee Carter incorporates this requirement.
The Finance Committee approved the revised charter at its meeting on July 29, 2014

Consequences of Negative Action/Alternative Actions:
If the revised Charter is not approved the stakeholder requirement will not be included and could be overlooked in the future when new members are appointed to the committee.

Financial Impact:
None

Attachment:
Draft Finance Committee Charter

SUBJECT: Finance Committee Charter	POLICY #
	PAGE 1 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: 3.26.13

Purpose:

This charter (the "Charter") sets forth the duties and responsibilities and governs the operations of the Finance Committee (the "Committee") of the Board of Directors (the "Board") of Sonoma Valley Healthcare District (the "District"), a nonprofit corporation organized and existing under the California Law.

The Finance Committee's purpose is to assist the Board in its oversight of the District's financial affairs, including District's financial condition, financial planning, operational, and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the District. The Finance Committee is the body which makes recommendations ~~recommends~~ to the District Board on all financial decisions.

Policy:

Duties and Responsibilities

The Committee's primary duties and responsibilities are as follows:

A. Review Monthly Financial Operating Performance

1. Review the District's monthly financial operating performance. The committee will review the monthly financial statements, including but not limited to the Statement of Revenues and Expenses, Balance Sheet and Statement of Cash Flows, prepared by management. The committee will also review other financial indicators as warranted.

2. Review management's plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The committee will make recommendations to the Board when necessary.

B. Budgets

1. Review and recommend to the Board for approval an annual operating budget for the District.

2. Review management's budget assumptions including volume, growth, inflation and other budget assumptions.

3. Review and recommend to the Board for approval an annual capital expenditures budget for

the District. If deemed appropriate by the Committee, review and recommend to the Board for approval projected capital expenditures budgets for one or more succeeding years.

C. Debt, Financing and Refinancing

1. Evaluate and monitor the District's long and short-term indebtedness, debt structure, collateral or security, therefore, cash flows, and uses and applications of funds.

2. Evaluate and recommend to the Board for approval proposed new debt financing, including lines of credit, financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance costs; (iv) banks, investment banks, and underwriters retained or compensated by the District in connection with any financing or refinancing.

3. Review and recommend to the Board all guarantees or other obligations for the indebtedness of any third party.

D. Insurance

1. Review on an annual basis all insurance coverage's, including (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions.

E. Investment Policies

1. Review and recommend to the Board the District's cash management and cash investment policies, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

2. Review and recommend to the Board the District's investment policies relating to assets of any employee benefit plans maintained and controlled by the District, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

F. General

1. Review and recommend the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for the District. Review annually the District's significant commercial and investment bank relationships.

2. Perform any other duties and responsibilities as the Board may deem necessary, advisable

or appropriate for the Committee to perform.

3. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.

4. Meet on a monthly basis preceding the Board meeting concerning the District's financial affairs. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.

5. The Finance Committee will be invited to attend the presentation by the District's independent auditors.

6. The Finance Committee shall review the Charter annually after the close of the fiscal year, or more often if required. If revisions are needed, they will be taken to the Board for action.

7. The Finance Committee shall report to the District Board on the status of its prior fiscal year's work plan accomplishments by after the completion of the Financial Statement Audit.

SUBJECT: Finance Committee Charter	POLICY #
	PAGE 4 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: 3.26.13

Organization

The Committee's membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee's other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Board.
The committee's membership is subject to the Approval of the District Board. The membership shall include the following:

1. Two (2) Board Members, one being the Treasurer
2. Six (6) District Citizens
3. At least one (1) member of the Medical Staff
4. District's Chief Executive Officer (non-voting)
5. District's Chief Financial Officer (non-voting)

All District Citizen members of the committee must be stakeholders of the District. The District Board has defined stakeholder for the purpose of committee membership as:

- Living some or all of the time in the District, or
- Maintaining a place of business in the District, or
- Being an accredited member of the Hospital's Medical Staff

Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

Resources and Authority of the Committee

The Finance Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the responsibility to recommend to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

Amendment

This Charter shall not be amended except upon approval by the Board.
Adopted by the Board on April 5, 2012.

Meeting Date: **August 7, 2014**

Prepared by: Peter Hohorst

Agenda Item Title: Governance Committee Charter Revision

Recommendations:
The Governance Committee recommends that the Board approve the revised Governance Committee Charter.

Background:
The revised Finance Committee Charter does not incorporate the requirement that all committee members be Stakeholders of the District as defined by the Board in January. It was not included because the membership of the committee is limited to two Board members who must reside in the District, making the stakeholder requirement unnecessary.
The revisions to the charter consist of two minor wording changes that do not change the intent of the Charter.
The Governance Committee approved the revised charter at its meeting on July 29, 2014

Consequences of Negative Action/Alternative Actions:
If the revised Charter is not approved the existing wording will not be corrected

Financial Impact:
None

Attachment:
Draft Governance Committee Charter

SUBJECT: Governance Committee Charter	
	PAGE 1 OF 5
DEPARTMENT: Board of Directors	EFFECTIVE: 1/5/12
APPROVED BY: Board of Directors (1/5/12)	REVISED: 1/3/13

Purpose:

Consistent with the Mission of the District the Governance Committee (GC) assists the Board to improve its functioning, structure, and infrastructure, while the Board serves as the steward of the District. The Board serves as the representative of the residents of the SVHCD by protecting and enhancing their investment in the SVH in ways that improve the health of the community collectively and individually. The Board formulates policies, makes decisions, and engages in oversight regarding matters dealing with ends, CEO performance, quality of care, and finances. The Board must ensure that it possesses the necessary capacities, competencies, structure, systems, and resources to fulfill these responsibilities and executive these roles. In this regard it is the Board's duty to ensure that:

- Its configuration is appropriate;
- Necessary evaluation and development processes are in place;
- Its meetings are conducted in a productive manner;
- Its fiduciary obligations are fulfilled.

The GC shall assist the Board in its responsibility to ensure that the Board functions effectively. To this end the GC shall:

- Formulate policy to convey Board expectations and directives for Board action;
- Make recommendations to the Board among alternative courses of action;
- Provide oversight, monitoring, and assessment of key organizational processes and outcomes.
- Take action on behalf of the Board when prompt action is necessary regarding pending legislation (state or federal) that affects the District/Hospital. The GC Chair shall report such action, and provide copies of correspondence with legislators, to the Board at the next regular Board meeting.

The Board shall use the GC to address these duties and shall refer all matters brought to it by any party regarding Board governance to the GC for review, assessment, and recommended Board action, unless that issue is the specific charge of another Board Standing Committee. The GC makes recommendations and reports to the Board. It has no authority to make decisions or take actions on behalf of the District, except for legislative issues requiring prompt action.

SUBJECT: Governance Committee Charter	
	PAGE 2 OF 5
DEPARTMENT: Board of Directors	EFFECTIVE: 1/5/12
APPROVED BY: Board of Directors (1/5/12)	REVISED: 1/3/13

Policy:

SCOPE AND APPLICABILITY

This is a SVCHD Board Policy and it specifically applies to the Board, the Governance Committee and all other Standing Committees, the CEO, and the Compliance Officer.

RESPONSIBILITY

Committee Structure and Membership

- The GC, with input from the Standing Committees, shall review the composition of the Standing Committees annually for vacancies, including an assessment of the desired homogeneous and heterogeneous traits necessary for the Board to work together effectively. Examples of desired homogeneous traits include integrity, interest in, and commitment to the Hospital, interpersonal maturity, and willingness to devote the necessary time and effort, and the ability get along and work effectively with others; and heterogeneous traits include their relationship to the Hospital, experience, gender, ethnicity, and expertise. The GC shall assist the Board in having a well qualified, committed, interpersonally skilled, and diverse mix of Standing Committee members, reflective of the District.
- The GC, with input from the Standing Committees and the Board, shall identify the skill sets of the current members and the skills sets ideal for the Standing Committees as a whole, and present a matrix to the Board for its action and use when recruiting and screening potential Standing Committee members. SVH employees and family members are not permitted to be on the Board Committees.

Board Development

- **New Member Orientation**
  - Design our Board's new-member orientation process and reassess it bi-annually before elections.
- **Continuing Education of the Board**
  - Plan the two annual board retreats—one in and one away from Sonoma. Identify an annual training program addressing current issues of importance to the Board to be presented off-site in Sonoma for the Board, possibly including Standing Committee members, Medical Staff, selected hospital leaders, and others as deemed appropriate by the Board. Coordinate with other Standing Committees as appropriate to avoid duplication of effort.
  - Direct and oversee our Board's continuing education and development activities

for both the Board and its Standing Committees.

- **Board Self Assessment**
  - Direct and oversee the annual assessment of our Board, Standing Committees, and individual Board members; reviewing these assessments; and making recommendations to the Board regarding ways in which its performance and contributions can be enhanced.

Monthly Board Development

- Plan a systematic reading program for the Board, designed to increase Board knowledge in issues that are of interest and important to the District. The GC shall consult with the other Board members and the CEO in developing the program.

Develop Policies and Recommend Decisions

- Draft policies and decisions regarding governance performance and submit them to the Board for deliberation and action.

Oversight

- **Compliance**
  - Recommend quantitative measures to be employed by the Board to assess governance performance and contributions.
  - Conduct the annual review of governance performance measures and submit an analysis to the Board for deliberation and action.
- Conduct an annual assessment of all Board policies and decisions regarding governance performance.

Legislation

- Review, draft, and/or recommend legislative proposals to the Board for deliberation and action.
- In those cases where sufficient time is not available for the Governance Committee or Board to deliberate and take action on a legislative or regulatory issue, the CEO and the Governance Committee Chair may commit the District to support or oppose legislative initiatives, provided the CEO and the Governance Committee Chair are in agreement on the position to be taken.
- Perform other tasks related to governance as assigned by the Board.

Annual GC Calendar

- In April, in advance of the budget process, review the adequacy of financial and human resources currently allocated for the Board and its Standing Committees to meet their obligations and comply with their Charters. This includes but is not limited to the financial and human resources necessary to support the Board, for a Compliance Officer and related support funding, and Continuing Education Board retreat and local offsite, the annual Board self assessment, and new Board member orientation, and Board monthly development.
- Annually review and assess all board policies regarding governance, specifically including the GC and all other Standing Committee Charters, and make recommendations to the Board for action in December.
- The CY GC work plan shall be submitted to the CEO no later than November for input and resource assessment and shall be submitted to the Board for action no later than December.
- The GC shall report on the status of its prior year's work plan accomplishments by December.
- The GC shall establish the next CY meeting schedule no later than December.
- The CEO shall develop and provide a 12 month calendar of all scheduled Regular and Special Board Meetings and post on the SVH website at the beginning of the calendar year. It shall be kept updated.
- The CEO shall develop and submit proposed legislative changes annually at the first meeting after the legislature has adjourned its regular session for the next calendar year—typically September, October at the latest. The GC shall make its recommendations to the Board for action no later than December.
- The GC shall annually review the District's Code of Conduct and Compliance Program and report to the Board for its action no later than December.
- The CEO shall promptly submit to the GC all reports, assessments, audits by external organizations and the Hospital's responses that are not submitted to the Audit Committee or the Quality Committee as required by their Charters. In those cases the GC shall determine the appropriate reviewing body and make that referral or conduct the review and referral to the Board itself.

Even Numbered Year GC Calendar Years

- Present the New Board Member Orientation Process to the Board for its review and action by August in even numbered years, in advance of the pending election.

GC Membership

The GC shall have 2 members, normally the Board Chair and the Board Secretary. The Board

Chair shall serve as a member and Chair of the Governance Committee, unless the Board specifically acts to make an exception. .

Staff to the GC

The GC shall be staffed by the Hospital's CEO and/or Administrative Representative. At the request of the GC Chair, the Compliance Officer shall attend GC meetings.

Frequency of QC Meetings

The GC shall meet six times a year at minimum, unless there is a need for additional meetings. Meetings may be held at irregular intervals.

Public Participation

All GC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical Staff, and Hospital staff are always welcome to attend and provide input. Other Board members may attend but may not comment as it may be a Brown Act violation.

FREQUENCY OF REVIEW/REVISION

The GC shall review the Charter annually, or more often if required. If revisions are needed, they will be taken to the Board for action.

4.

RESOLUTION 323

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 323

RESOLUTION OF THE GOVERNING BOARD OF SONOMA VALLEY HEALTH CARE DISTRICT OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, **REQUESTING FUND TRANSFER** UNDER ARTICLE XVI, SECTION 6 OF THE STATE CONSTITUTION

RESOLVED by the Governing Board of the Sonoma Valley Health Care District, a District of the County of Sonoma, State of California, that:

WHEREAS, this District does not have sufficient funds on hand to provide for the operation of the District during the 2015 fiscal year, and

WHEREAS, Article XVI, Section 6 of the State Constitution authorizes a temporary transfer of funds in the custody of the County Treasurer upon approval of the Board of Supervisors, and

WHEREAS, the revenues to said District for the current fiscal year, $50,482,249;

NOW, THEREFORE, IT IS DETERMINED AND ORDERED as follows:

1. That the Board of Supervisors of the County of Sonoma be and it is hereby requested to authorize a temporary transfer to this District on an as-needed basis of not to exceed $2,500,000 during the 2015 fiscal year; said sum will not exceed 85% of the revenues to said District during said fiscal year.

2. For the convenience of the County Treasurer and County Auditor a schedule of monthly anticipated cash flow is attached hereto.

3. That the County Treasurer of the County of Sonoma be requested to recommend and the County Auditor of the County of Sonoma be requested to acknowledge said transfer.

4. That certified copies of this resolution be forwarded by the Clerk of this Board to the Board of Supervisors of the County of Sonoma, the County Auditor and County Treasurer of this County.

The foregoing resolution was introduced by _____, who moved its adoption, seconded by _____, and adopted on roll call on **August 7, 2014** by the following vote:

Board member vote

Bill Boerum_____

Peter Hohorst_____

Sharon Nevins_____

Kevin Carruth_____

Jane Hirsch_____

Ayes: __ Noes: __ Absent or abstain: __

WHEREUPON, the Chairman declared the foregoing resolution adopted, and SO ORDERED.

_____
Sharon Nevins, Chair

SONOMA VALLEY HEALTH CARE DISTRICT

PARCEL TAX FUND
ANTICIPATED MONTHLY ENDING BALANCES

From July 1, 2014 to June 30, 2015

	Cash Income	Cash Expenditures	Cash Balances
Beginning Cash Balance:			$78,743
July		$78,743	
August			
September			
October		450,000	(450,000)
November			(450,000)
December	$1,500,000	450,000	600,000
January		600,000	
February		450,000	(450,000)
March			(450,000)
April	1,400,000	450,000	500,000
May		200,000	300,000
June	100,000		200,000
Carry Over			
Capital Outlay (Current Year)			
General Reserves			
Approp. for Contingencies			
	$3,000,000	**$2,678,743**	**$200,000**

NOTE: Copies of the Cash Flow Statement are to be attached to each Resolution.

***** Total cash income includes secured and unsecured taxes to be raised in current year budget plus estimated revenues (other than current property taxes).

CLERK'S CERTIFICATE

I, Eugenia P. Betta, Clerk of the Governing Board of the Sonoma Valley Health Care District of the County of Sonoma, State of California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a special/regular meeting of the Governing Board of said District, regularly held at the regular meeting place thereof, on **August 7, 2014**, of which meeting all the members of said Governing Board had due notice.

I further certify that said resolution has not been amended, modified, or rescinded since the date of its adoption and the same is now in full force and effect.

ATTEST: **This 7th day of August 2014**.

_____

Eugenia Betta, Clerk of the Governing Board of the SVHCD, County of Sonoma, State of California

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COUNTY TREASURER'S AUTHORIZATION

(Per County of Sonoma Resolution 91-0271)

The attached request for borrowing is in compliance with the requirements of Article XVI, Section 6, of the State Constitution and with Resolution 91-0271 of the County of Sonoma.

Approved By:

_____

David E. Sundstrom
Auditor-Controller/Treasurer-Tax Collector
County of Sonoma

Date: _____

Amount to be collected on Property Tax Bill _____

Amount requested _____

Percent of Property Tax Bill Requested _____
(Not to exceed 85% of outstanding property taxes)

5.

OB RECOMMENDATION

Meeting Date: August 7, 2014

Prepared by: Mark Kobe

Agenda Item Title: OB Analysis

Background:

- October 2013: CMS was scheduled to cut back on DSH funding. Current CFO at that time indicated that the OB service line could potentially lose $500K annually
- November 2013: Administrative team analyzes historical volumes and productivity in OB
- December 2013: Administrative team recognizes OB service line potentially has significant financial impact to hospital bottom line and places recommendation for closure of service line on Board of Directors agenda
- January 2014: Public forum is held at Board meeting. Board recommends fresh look at financial viability of service line with goal of achieving $250K annual loss by March 2014
- February-June 2014: OB task force reduces cost in nursing labor and supplies, increases productivity and achieves cost reduction in professional fees. New financial cost accounting system comes on line.

Recommendation:

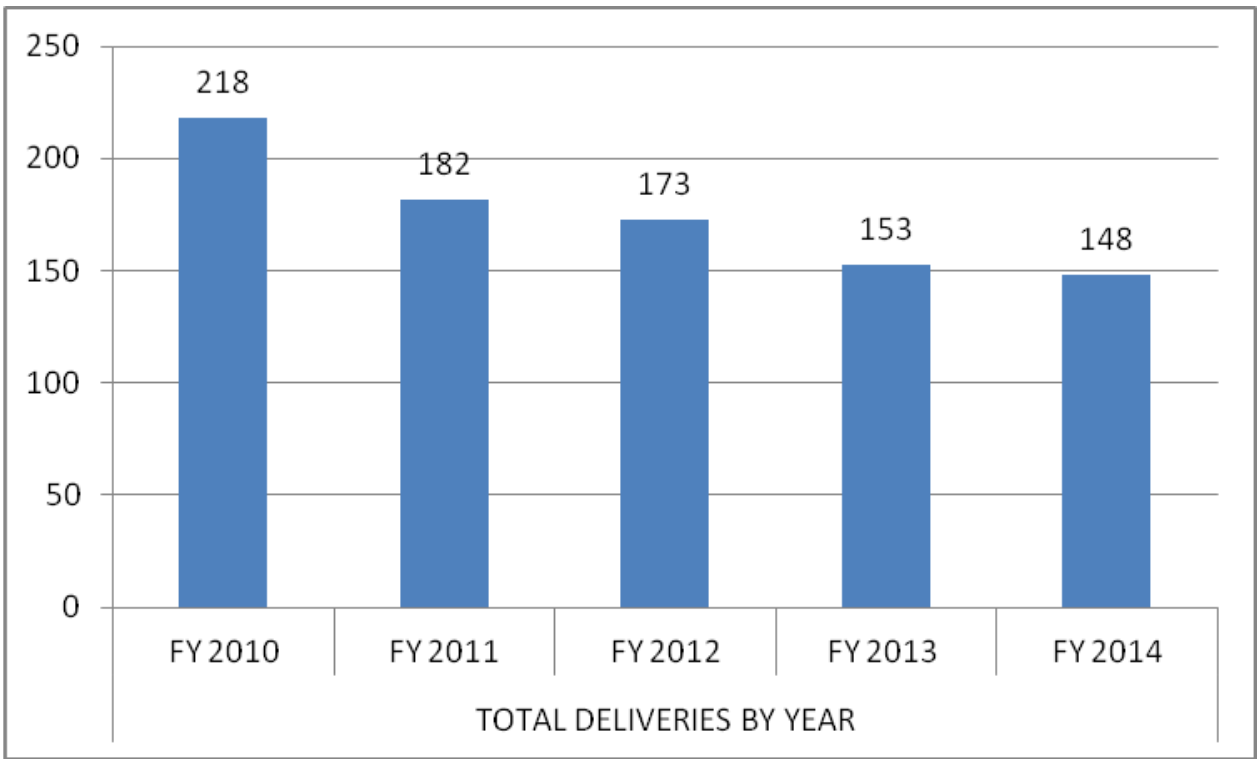
Based on the current DSH funding and delivery volumes, we believe the financial status of the OB service line is within the set goal of $250K annual loss. Our financial analysis, derived from our cost accounting system, and the reductions in costs achieved by the OB task force, compel us to recommend that the OB service line be maintained.

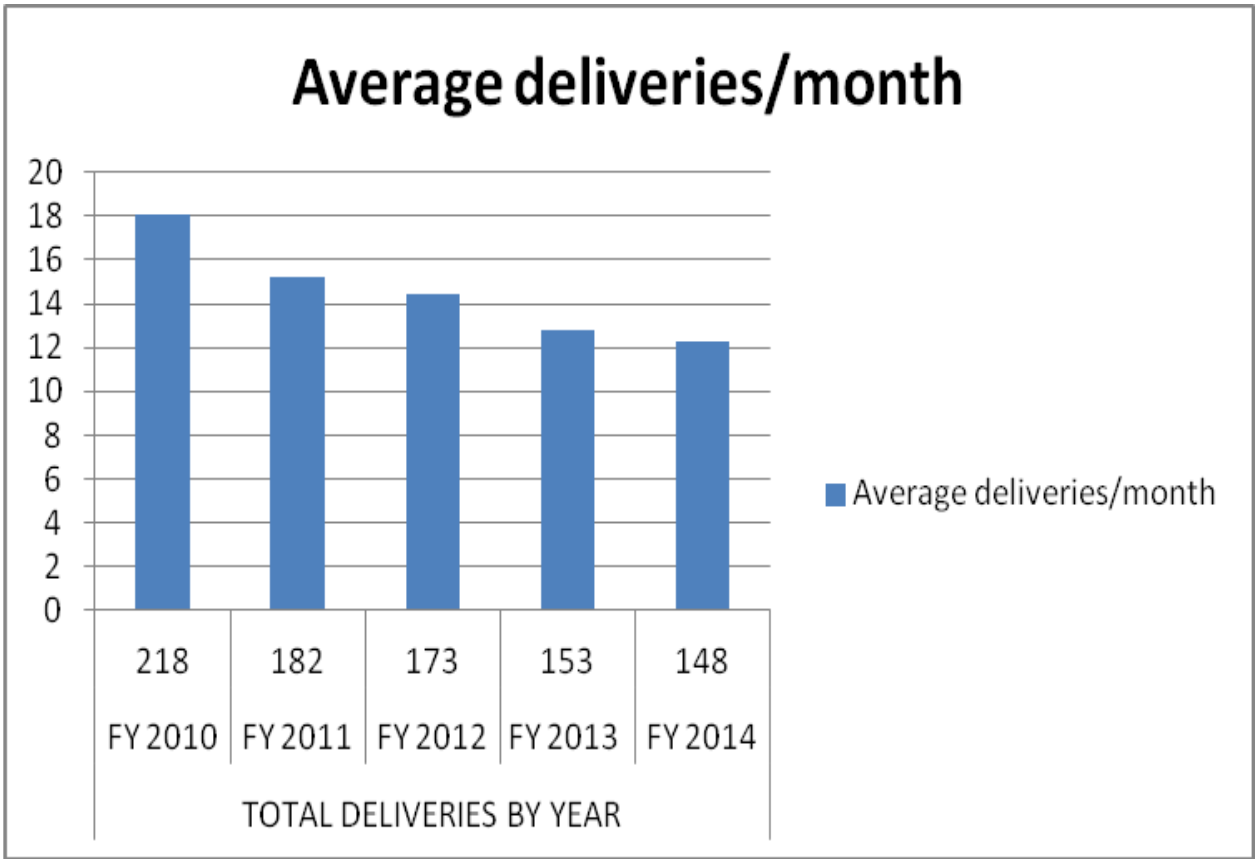
Impact of Action with continuing OB service line:

- Maintain a popular community service and reassurance that local hospital OB services will continue.
- Recognize special contributions of the SVH professional and nursing staff to financial efficiency and productivity resulting in maintaining the OB service line.
- Provides time for additional exploration of opportunities to grow service line

Attachments:

Graphs: Annual Deliveries and Average Monthly Deliveries


250
200
150
100
50
0
218
182
173
153
148
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
TOTAL DELIVERIES BY YEAR


Average deliveries/month
20
18
16
14
12
10
8
6
4
2
0
218
182
173
153
148
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
TOTAL DELIVERIES BY YEAR
Average deliveries/month

7.

SVH FOUNDATION FUNDRAISING STRATEGIC PLAN

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: **SVHCD Board of Directors**
From: **Allan Sendaydiego**
Date: **8/7/14**
Subject: **Surgical Services Update**

Hi, my name is Allan Sendaydiego. I am the new Director for Perioperative Services. I came from John Muir Medical Center in Walnut Creek where I worked as a Clinical Coordinator for neurosurgery, spine, ENT, and oromaxillofacial (OMF) specialties. I have been a *Sonoman* for 20 years so joining Sonoma Valley Hospital is like going home. I am hoping to infuse some of my experience here at Sonoma Valley Hospital.

Since coming on board in January, our Surgical Services Department has moved to the new state of the art OR wing. Our transition for the most part was smooth. This is due to the collective efforts of the Perioperative team, Facilities Management and Leadership. Just like any move, the settling in process took some time and a bit of a challenge. Even today, 6 months after our move, we are still finding things that we could change to improve our practice. Despite the challenges that we've encountered, positive testimonials from patients and physicians far outweigh those challenges. Common remarks that we here from patients is how clean and peaceful it looks which makes them feel more at ease before going to surgery. Physicians commented on how much bigger the OR suites compare to our older facility which gives us more wiggle room and translates to increased efficiency and decreased procedure time.

Our new environment has enabled us to modify some of our workflows which were not possible with our former facility. We were able consolidate our Pre-admit and Recovery departments into one single unit, called Surgical Care Unit (SCU). Our 3 new state of the art OR suites are also in close proximity to the SCU. As a result, patient transition from pre-op, intra-op, and post-op phases of surgery is smoother and more conducive to better practice and best patient care.

The Perioperative team is in the middle of what we call "Surgical Services Transformation Project". Our main goal is to deliver the safest, efficient, and cost-effective patient care possible. In order to accomplish these goals, we have to meet the following objectives: 1). Examine and define our current workflows. 2).Identify opportunities for improvement. 3). Explore solutions for best practice. 4). Adapt these solutions and incorporate them to our own practice.

Currently, our case volumes are at an all-time high. Our infection rates remain low and we are ranked one of the safest hospitals in the nation. In terms of efficiency, our turnover times in between cases are considerably better than the 30 minute benchmark. Going forward, I would like to see local *Sonomans* have their surgery done here in our hospital. With the support of senior management, physicians, and board members, I feel confident that we can accomplish our goals in due time.

SURGERY INSTRUCTIONS

Please stop at the Front Desk first on _____at _____ to sign required documents. Then go to the 2nd floor Surgical Care Unit (SCU).

DO NOT EAT OR DRINK ANYTHING AFTER MIDNIGHT THE NIGHT BEFORE YOUR SURGERY!

Take the following medications with a sip of water on the morning of surgery: _____

_____

_____

(If you receive a call from the anesthesiologist, please follow their instructions).

Total Joint Replacement Patients

Pick up nose ointment at: _____

Start nose ointment and shower with special liquid soap the day before surgery.

Please feel free to contact our Nurse Navigator with any questions about your surgery

Janet Alexander, RN, BSN, 707.935.5378

SURGICAL SITE INFECTION PREVENTION

Surgical Site Infection (SSI) is an infection than can occur after surgery in the part of the body where the surgery took place. Most patients who have surgery do not develop an infection. The hospital takes many preventative steps to reduce the risk of SSIs and to keep you safe during surgery.

Some Common Symptoms of a SSI are:

- Redness and pain around the area where you had surgery.
- Drainage of cloudy fluid from your surgical wound.
- Fever

What you can do to help prevent SSIs after surgery:

- Family and friends who visit you should not touch the surgical wound or dressings.
- Family and friends should clean their hands with soap and water or an alcohol-based hand rub before and after visiting you.

What you can do at home:

- Before you go home, your doctor or nurse will explain everything you need to know about taking care of your wound. Make sure you understand how to care for your wound before you leave the hospital.
- Always clean your hands before and after caring for your wound
- If you have any symptoms of an infection, such as redness and pain at the surgery site, drainage, or fever, call your doctor immediately

RECOVERY CARE

Physical Therapy The majority of orthopedic surgical patients need physical therapy as part of their rehabilitation process and the success of your surgery may be determined by your commitment to make time for physical therapy appointments and to follow the therapist's instructions for home exercises. Please call your surgeon a few days before surgery and ask for a referral for post-operative outpatient physical therapy. *(You may want to check with your insurance company first to see what physical therapy benefits are offered by your policy.)* If you are planning to use Sonoma Valley Hospital's Outpatient Physical Therapy service, please call to make an appointment at 707.935.5345 as soon as you get the referral.

Massage Therapy (Optional Package) Massage Therapy has shown great results in assisting the healing process of Physical Therapy. Sonoma Valley Hospital works with local massage professional to offer a special price for post operation patients in physical therapy. The first massage session begins after your first physical therapy session and continues in consecutive weeks unless otherwise indicated by your physician/surgeon or physical therapist. If interested in the optional Massage Therapy package ask the Physical Therapy Department for a participating Massage Therapist's contact information when making your PT appointment. The special pricing is $200 for four one-hour massage sessions. For More Information: 707.935.5345

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

347 Andrieux Street, Sonoma, CA 95476
Phone 707.935.5000 • fax 707.938.0166 • svh.com

SONOMA VALLEY HOSPITAL
Surgery Wellness Program

Thank you for choosing Sonoma Valley Hospital for your surgery.

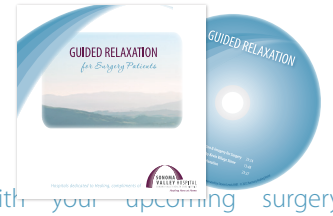
SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

WELCOME TO SONOMA VALLEY HOSPITAL

The physicians and staff of Sonoma Valley Hospital are dedicated to providing the highest standards of compassionate medical care. We aim to make you as comfortable as possible during your stay and support you during your recovery. This brochure provides information about our surgery practices and the special wellness services we offer.

SURGERY WELLNESS PROGRAM

We provide patients who remain in the hospital for surgery with special Surgery Wellness Program services, including: ***Guided Relaxation CD for Surgery Patients-*** Recorded for SVH Surgery Program and designed to facilitate the release of stress that may be associated with your upcoming surgery. Recommended that you practice 2-3 times before your operation as well as continuing the practice post-op. It has been documented that patients who were more relaxed had fewer complications and a quicker recovery. The CD is available at the meeting with Nurse Navigator or can be mailed to you prior to Surgery. ***Rejuvenating Soak at The Fairmont Sonoma Mission Inn & Spa-*** Deepen your relaxation before your surgery with a soak in the Natural Mineral Hot Springs Willow Stream Spa. The hospital and SMI have joined to offer you a visit to "take the waters" for enhanced healing. If interested please ask your Nurse Navigator for a Discount Coupon. Check with your Surgeon about any contraindications for soaking in varying temperatures. ***SVH Patient Comfort Bag-*** A little gift from us to increase the comfort of your stay here at the hospital.



THE Fairmont SONOMA MISSION INN & SPA

Normal Gilroy Healing Garden water fountain.

PRE-SURGERY INFORMATION

Reading this information and following the instructions will help your experience to go smoothly.

- An empty stomach is essential for your safety during surgery. Do not eat or drink anything after midnight the night before your surgery. Do not chew gum or suck on hard candy. **If you eat or drink after midnight your surgery may be cancelled.**
- Please do not bring any medications to the hospital unless asked to do so.
- If you smoke, try to stop or cut down prior to surgery.
- Please leave all jewelry and valuables at home. Do not bring more than a few dollars with you to the hospital.
- Please do not wear any make-up. Artificial eyelashes can cause eye injury so please remove them. Remove hair pins and hair ornaments. Please do not wear contact lenses. Dentures (partial or full plates) and wigs may be removed, if necessary, just prior to surgery. Please do not wear nail polish. If you are having surgery on your leg or foot, remove toenail polish as well.
- When you come to the hospital on the day of your surgery wear comfortable clothing that is easy to remove and replace. You will be asked to undress completely and put on a hospital gown. You will have your vital signs taken and the nurse will insert an IV, perform a physical assessment and ask you questions that will give us the information needed to take good care of you and keep you safe.

The anesthesiologist will meet with you prior to your procedure and explain the type of anesthesia being recommended, based on your health history.

Your family and friends may wait for you in the Surgery Waiting Room where the surgeon will talk to them after surgery. If no family members wait while you are in surgery, have them leave a number where they can be reached.

Please feel free to contact our Nurse Navigator with any questions
Janet Alexander, RN, BSN, 707.935.5378

SVH PATIENT CATEGORY REFERENCE KEY

ALL Patients: Information for inpatients and outpatients
Outpatient: Patients leaving the hospital the same day as their surgery

POST-SURGERY INFORMATION

ALL Patients - After your surgery you will go directly to the Recovery Room area where you will be observed closely. Your vital signs and operative dressing will be checked frequently.

ALL Patients - Deep breathing and coughing expand the lungs, aid in circulation and decrease your risk for developing a respiratory infection after receiving general anesthesia. Try to remember to do this regularly. If you are staying in the hospital you will be reminded to do this.

ALL Patients - It is a good idea to have someone to assist you at home for a short period after your surgery, although this may not be necessary depending on your individual circumstances. If you will need help at home when you are discharged from the hospital try to make arrangements prior to your surgery, if possible. Your doctor cannot let you stay in the hospital longer than is medically necessary.

Outpatients - When your condition is stable you will be discharged from the hospital with written post-operative instructions from your surgeon.

Outpatients - It is important for you to make arrangements for someone to drive you home. Please arrange for this before you come to the hospital. You will not be allowed to walk home or drive yourself home. You may take a taxi only if you are accompanied by a responsible person other than the driver.

Outpatients - Anesthetics may produce drowsiness, impaired judgment and poor coordination for many hours. In general, it takes about 24 hours for most of the medication to be eliminated from your body. For this reason, you should not drive, sign important papers or make significant decisions for at least 24 hours after surgery. It is normal to feel tired for several days after minor surgery and anesthesia.

Billing - Your hospital bill will not include fees for your personal Physician, Hospitalist, Anesthesiologist or Radiologist. You will receive a separate bill for their services, if applicable.

7.

SVH FOUNDATION FUNDRAISING STRATEGIC PLAN

SONOMA VALLEY HOSPITAL
FOUNDATION

Fundraising Strategy

For Calendar 2014

August 7, 2014

Selma Blanusa

SONOMA VALLEY HOSPITAL
FOUNDATION

Fundraising Strategy

For Calendar 2014

August 7, 2014

Selma Blanusa

Executive Summary

The Foundation is highly supportive of the Hospital in providing funding to support the financial health of the hospital and to have the hospital be a critical resource to the community.

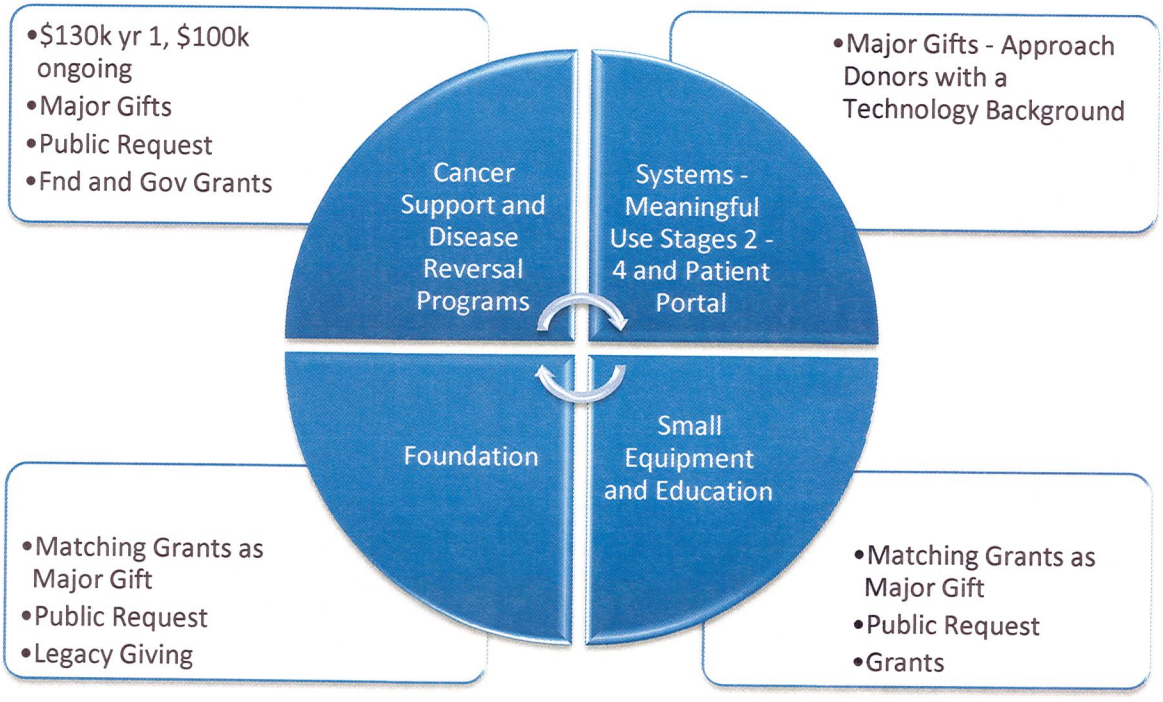
The hospital needs are greater than what the Foundation can pursue at this moment; the Foundation is recommending focus on primary funding needs that are expected to have immediate support with major donors to obtain initial or significant funding, with additional funding sought from the public to fund these items. With a goal of raising $500,000 by the end of calendar 2014, these items collectively benefit the community in areas of disease, aging, and quality of care.

- Cancer Support and Disease Reversal Programs
- Small Equipment and Education
- Technology and Meaningful Use Stages 1 – 4 for Patient Care
- Foundation Operations

Once these items are funded or work is well under way, the Foundation will begin efforts to fund other items requested for FY15 and Phase 2.

To provide focus for our efforts over the next several months, the Foundation is recommending that we devote our resources to 4 primary strategies, in order of priority and emphasis, but approached in parallel:

1. Major Gifts from Donors to selected mini-campaigns
2. Annual Campaign Direct Mail to the general community
3. Legacy Giving
4. Grants



Our History

Capital Campaign 2011, ongoing

Thanks to the efforts of dedicated staff, committed volunteers and generous donors, Sonoma Valley Hospital's Campaign for Emergency Care exceeded its $11 million goal in November, just fourteen months after kicking off the public phase last fall. Pledges and donations are still coming in with a total of **782 donors**. This overwhelming support not only enabled us to build the new Emergency Department and Surgery Center, but it also demonstrated the community's appreciation for and commitment to Sonoma Valley Hospital.

Like many hospitals, SVH established a separate fundraising foundation to lead their fund development efforts. Since 1982, the SVH Foundation has raised over $7 million to fund new equipment, facility improvements, technology and programs that help our caregivers provide the very best care for our patients.

An average of around $200,000/year of fundraising revenue was significant at the time; however, in today's environment, much more is needed. Especially in the past few years, philanthropy has become an even more critical component of health care and it is clear that reliance on fundraising will continue to grow.

Mission, Vision... Who do we want to be?

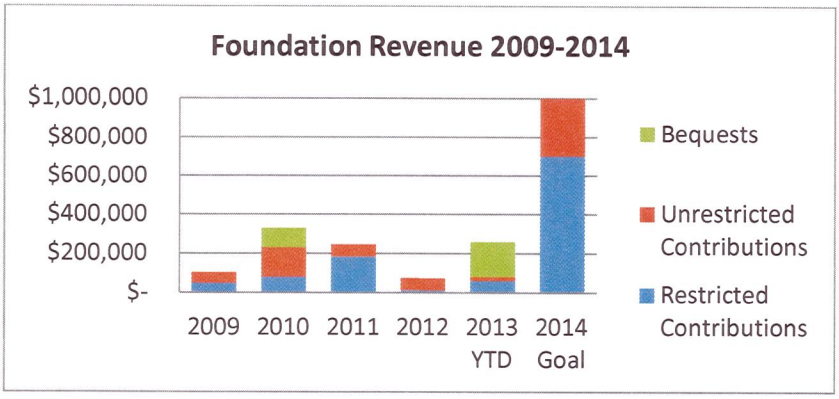
Potential Mission Statement: Connecting hearts and minds in support of the Hospital for the health of everyone in our community.

Our stated mission: The Mission of the Sonoma Valley Health Care District is to maintain, improve and restore the health of everyone in our community. The mission of the Sonoma Valley Hospital Foundation is to bring the community together in support of that mission through philanthropy and outreach.

Our vision: Our vision is a community fully engaged in support of and utilizing the services of its hospital.

Situational Analysis

The challenge in healthcare is to maintain and build on strong support in the community. In healthcare, philanthropy is no longer simply nice to have; it is now necessary. Significant factors causing difficulty for all small hospitals include decreased reimbursements for patient care, a significant decrease in the number of patients being admitted, and the rising cost of healthcare overall. Sonoma Valley Hospital, like almost every non-profit hospital in the country, will only be able to survive and thrive with ongoing and generous community support. The Foundation was established to bridge the gap.



In response to this increasing need for philanthropic dollars, our fundraising program must evolve. The success of the campaign demonstrated the community is willing to give; now we must develop and implement a strategy to build on that success and ensure long-term support.

Governed by a dedicated volunteer Board of Directors, the leadership of today's Foundation includes Executive Director Selma Blanusa plus many of the same Sonoma Valley volunteers who so successfully campaigned for the new ER and Surgery, including David Good, Foundation President. The Foundation's work both in fundraising and outreach will help the hospital to

meet the community's future health care needs and continue to access to quality facilities and equipment.

The Foundation serves many functions:

- Fundraising strategies and conducting all facets of plans in support of fundraising
- Completing the capital campaign for the new ER and OR
- Conducting the regular business of receiving and acknowledging donations
- Being the financial steward and directing funds from donors
- Managing grant requests and their administration
- Providing a voice in the community for the work of the hospital and creating an awareness of the needs for support

Our current picture – Staff, Finances

The Hospital Foundation is run fairly lean when put side-by-side with other Foundations that have similar budgets and requirements. It is not our intent to increase the size of the Foundation within FY15, however, outside contract specialties may need to be added to support and buffer the group.

Current Foundation staff resources and roles are as follows:

Finances

Budget for 2014

		2013		2014	
		YTD (11/30/13)	Budget	YTD	Budget
Income					
	Event Revenue (net)	$15,358	$25,000		$25,000
	Grants	$20,000	$25,000		$25,000
	Donations	$234,732	$75,000		
	Unrestricted	-	-		$300,000
	Restricted	-	-		$650,000
	Total	**$270,090**	**$125,000**		**$1,000,000**
Operating Expenses					
	Salaries and Benefits	$88,457	$94,553		$215,800
	Supplies	$3,827	$1,739		$5,000
	Postage	$0	$5,000		$5,000
	Minor Equipment	$0	$246		$250
	Purchased Services	$5,410	$6,348		$8,000
	Education	$0	$3,763		$5,000
	Travel	$0	$98		$1,000
	Rental Lease Costs	$835	$835		$835
	Dues and Subscriptions	$453	$440		$453
	Other	$5,996	$2,345		$5,000
	Café Meals	$96	$32		$1,000
	Online Giving	$195	$200		$195
	Stewardship	$325	$2,000		$25,000
	Taxes and Fees	$2,563	$2,500		$4,000
	Marketing				
	Direct mail printing	$0	$7,000		$7,000
	Direct mail postage	$0	$3,000		$3,000
	Newsletter design	$0	$1,000		$1,000
	Newsletter printing	$2,013	$5,000		$5,000
	Newsletter postage	$0	$800		$800
	Other	$670	$1,000		$1,000
	CPA Services	$0	$2,000		$2,000
	Total	**$110,840**	**$139,899**		**$296,333**
Grant to SVH		$38,223	$100,000		$700,000

Our strengths and weaknesses

Strengths:

- We have impressive support from the community coming off the Capital Campaign
- We have significant leadership in the community to draw from with our Advisory Board and Foundation Board members
- We have a great partnership with the hospital and work closely to keep our costs low and focus our efforts

Weaknesses:

- Sonoma has many charity organizations and much competition for donation dollars
- Our Foundation team is small as compared to other organizations with similar budgets which requires laser focus, a strong and active board, and hospital support
- We go into needing to raise funds quickly after a recent, significant capital campaign – it is difficult to know if this will be perceived as leveraging and continuing momentum or if it is a negative for the community
- Although a dramatically different and more positive vibe exists in the community ***today***, we are overcoming many years of ill will. Negative press affects our ability as a Foundation to be effective and causes us to lose ground or double our efforts to raise funds.

To buffer weaknesses, our approach will be to:

- Identify key alpha leaders in the community that can provide strong and consistent direction, guidance and partnership for the duration of that need.
- Leverage material and concepts created by other organizations and not re-invent the wheel.

Goals... What we are trying to accomplish

Our primary goal is to raise the funds necessary for our hospital's capital equipment and infrastructure needs beyond its the annual operating budget. This amounts to nearly $2 million per year. In addition, the foundation seeks to increase the involvement and support of local residents with the hospital through the promotion of Foundation programs and use of the hospital as their first choice when making medical decisions. Thirdly, the foundation will organize and lead philanthropic fund-raising efforts for future major facility renovations.

For all efforts for the Foundation, it is our intent that they meet one or more of these criteria:

- They increase revenue ***or*** reduce cost for the financial wellbeing of the hospital
- They improve our ability to provide a higher level of care to patients and the community

The Hospital has identified its primary requirements for funding needs for FY15. Two items for the year are complete as noted. It is recommended that we break these items into four groups:

A. Those which require either initial or full support of our major donors.
B. Those which the community will easily understand and support. In many cases, it will benefit the Foundation to have an initial donor sponsoring a matching grant for these cases even if we approach the community.
C. Those to approach if a key donor comes forward and wants that opportunity.
D. Those to approach once A – C are complete or well underway.

Group	#	Need	Cost	Description
B	1	Portable Xray machine	$200k	$17k raised. Equipment leased rather than purchased – allow community to continue to contribute and provide the potential to buy-out the equipment.
A, B	2	Cancer Support and Disease Reversal Programs	$130k	This program is to refurbish facilities on the 3rd floor and open a service for two purposes: • Cancer Support Program. Cancer is the leading cause of death in Sonoma County. This program will offer free or low-fee complementary therapies to individuals at any phase of their cancer journey, from diagnosis until approximately 6 months after treatment is complete. For those with late stage illness, palliative care can be offered as long as they are able to come in to receive treatments. • Disease Reversal Program. This is a yearlong membership program will focus on improving lifestyle choices with the goal of preventing and reversing disease processes. It will be modeled after the prestigious Cleveland Clinic's Lifestyle 180 program and Dean Ornish's well-researched and clinically proven Cardiac Reversal Program and serve those in our community who are at

				high-risk for heart attack, stroke, diabetes and other lifestyle related diseases, including those who are candidates for or bariatric surgery.
C	3	New Lobby as Welcome and Information Center	$500k	Complete the refurbishment of the Main Lobby and Blood Draw reconfiguration. A permit was issued in January 2014. This will include new carpet, refacing the large registration desk and wayfinding signage. The finishes would be a continuation of the New Wing.
D	4	1st Floor Corridor Refurbishment	$115k	Replace all 1st floor corridor carpet with industrial grade carpet tiles that are rated to withstand the heavy loads that will travel from the East Wing loading dock to the West Wing freight elevator. The carpet poses an adverse safety condition for casual foot traffic with tears at seams and cannot be repaired.
B	5	Small equipment fund	$10k - $100k	As requested by Hospital staff.
B	6	Staff Education Support Fund and Community Health Improvement	$10 - $120k	Enhanced training for staff allows the hospital to retain employees, provide stability and reduce costs of turnover.
NA	7	Project Pink (Women's education & Sponsored mammograms)	$ 10 - $25k	$22k raised net of expenses with the Celebration of Women event. Complete for FY15.
A	8	IT Meaningful Use Stages 1 – 4	$2M- $6M	Provide assistance to the Hospital for the required stages of improved technology for patient records.
B	NA	Foundation Support	$300k	The cost to manage the Foundation needs to be funded by donations.

Measures of Success

It is our hope that we can improve the support of the hospital to be measured by year-over-year increases in funds from events, annual drives, and leverage of the hospital for the community. Specifically, our measures are as follows:

- Foundation Specific
  - Financial: meet or beat budget for actual expenditures for the fiscal year
  - Financial: meet or beat target for FY15 fundraising requirements while continuing to collect on pledges from the capital campaign
  - Participation: retain existing top tier donors and increase overall broad base of support in the community based upon strict number of donors and also overall contribution to non-capital related needs
- In partnership with the Hospital
  - Through increased awareness, presence, and good will positively influence the financial livelihood and use of the hospital and increase use of services by our community.

Strategies

Strategy #1: Create mini-campaigns for key areas and leverage Major Gifts as BASE

With the capital campaign, the hospital garnered additional support in the community at unprecedented levels. Although our top tier donors made multi-year pledges which we will still manage and collect, there are many individuals with capacity to give.

Tactics:

- Focus exclusively on Funding Needs in **Group A** (as noted in the table above).
- Segment the database of donors – both from the capital campaign and from our donor database – to identify giving potential. For those who still have significant pledges into the future, determine their ability to give or approach for each donor.
- Consider utilizing a wealth screening resource for the top 20 potentials to identify key strategic information on donors such as boards they have served on, charities that they have funded in major ways, connections with our top donors, etc.
- For FY2015, create mini-campaigns and required case materials to support changes in services and significant capital equipment or facilities. Approach major donors that have an interest in the following categories with the goal of securing a multi-year pledge and creating matching grants to approach a broader community of top donors for the balance needed.
    1. Cancer Support and Disease Reversal Programs
    2. IT funding for Meaningful Use 1 – 4

Results:

- Convert Capital Campaign donors to Foundation donors and tap into those who have the means but did not support the Capital Campaign
- Attract new donors, re-engage lapsed Foundation donors and retain/upgrade current Foundation donors
- Increase Ambassador Base

Project Phases:

Preparation and Planning

- Steward current donors to build loyalty
- Review and segment the database to identify top 20 supporters for each mini-campaign based upon their interests, ability to give, and connections
- Expand donor base by identifying and cultivating new donors – focus on newcomers to Sonoma and those with connections to our top donor base
- Continue to strengthen the Foundation Board and garner their partnership in every way possible for active roles in fundraising
- Conduct an analysis with a written deliverable on the case for each mini-campaign; included would be a discussion of the benefits, items to be purchased, resources required to support, alternatives
- Time required per campaign – 1 – 3 weeks dedicated

Seek Initial Matching Grant from Key Donors

- After interviews, further research and materials, seek initial matching grants from key donors, then seek the balance from second tier and the public for items in **Group A and B**
- Remembering 7-touches, this phase will take more time on the more significant IT mini-campaign. Anticipated to be 2 – 4 weeks for Integrative Health Center to secure initial matching grant and 4 – 6 weeks for IT mini-campaign. Following that period, 3 – 5 weeks for creating and sending materials to 2nd tier donor base and selected public donors (for Group B Funding Needs).

Strategy #2: Annual Campaign for REACH

Many foundations and organizations conduct an annual drive. These are generally timed for the second half of the calendar year so donors can time their donation with the tax year. For funding needs in Group B, provide descriptions of the need in a letter as part of a direct mail campaign.

- **Direct Mail:** Strategic direct mail fundraising is an important tool for donor acquisition, renewal and upgrades.

  - Components of a successful direct mail program include:
    - Donor list management and segmentation
    - Inform the donor base about programs and efforts
    - Effective, donor-centric appeal letters
    - Direct mail schedule with multiple touches to achieve renewal rates
    - Prompt and meaningful gift acknowledgment
    - Analytics to evaluate mailing results

  - Direct mail solicitation is intended for annual gift prospects; Major Gifts support involves personalized communications and in-person solicitation.

Strategy #3: Increase Grants for DIVERSITY

The Foundation has not put forward great effort to uncover or apply for grants. Our history for 2013 and 2014 is: $20,000 grant for 2013 for the Women's Resource Room from Impact 100 and $15,000 from Wine Country Weekend for the Portable Xray. There is a potential that grant opportunities exist that suit our hospital dynamic – categorized as a small hospital, without research. Additionally, grants may exist for hospitals with strong quality, safety or green records.

Tactics:

- Identify and approach a handful of foundations that have funded $10k or more to hospitals in our local area. If they are funding new organizations, understand the grant requirements and, if benefit outweighs cost, apply for grants. Grants would be sought for these specific purposes:
  - General funding

- Cancer Support and Disease Reversal Programs
- Project Pink and Mammograms for uninsured and underinsured women

- Additionally, when the application cycles for Impact100 2015 and Wine Country Weekend 2015, apply for these same areas.
- Leverage a subscription grants database and an outside resource for 3 – 4 hours monthly to research and create boilerplate material for submittal.

Strategy #4: Establish strong legacy giving support for SUSTAINABILITY

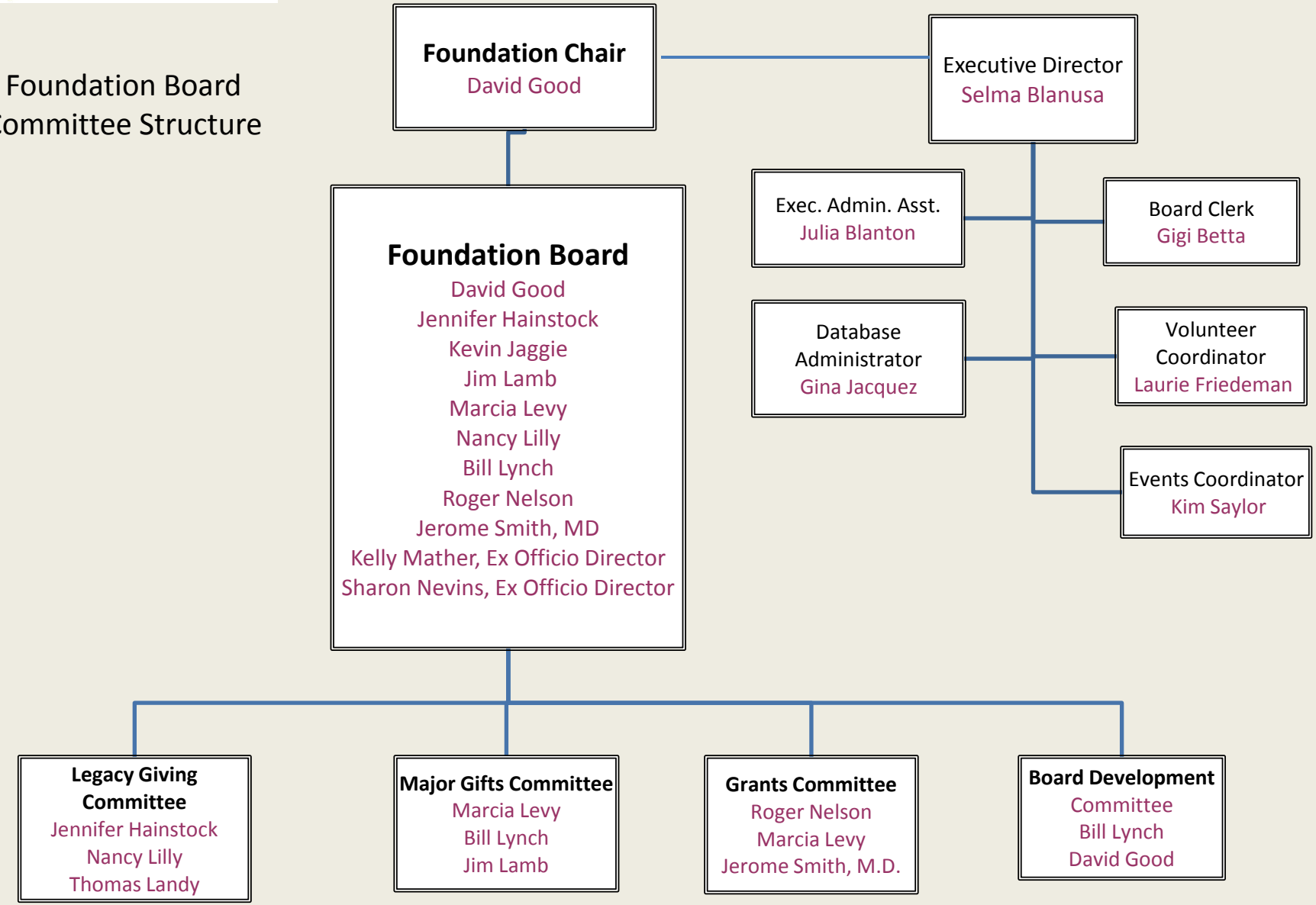
While our immediate need is for raising more annual funds, planning for the future is important for the long-term health of the organization. Planned gifts enable donors to make larger gifts than they could make from their discretionary income.

Tactics:

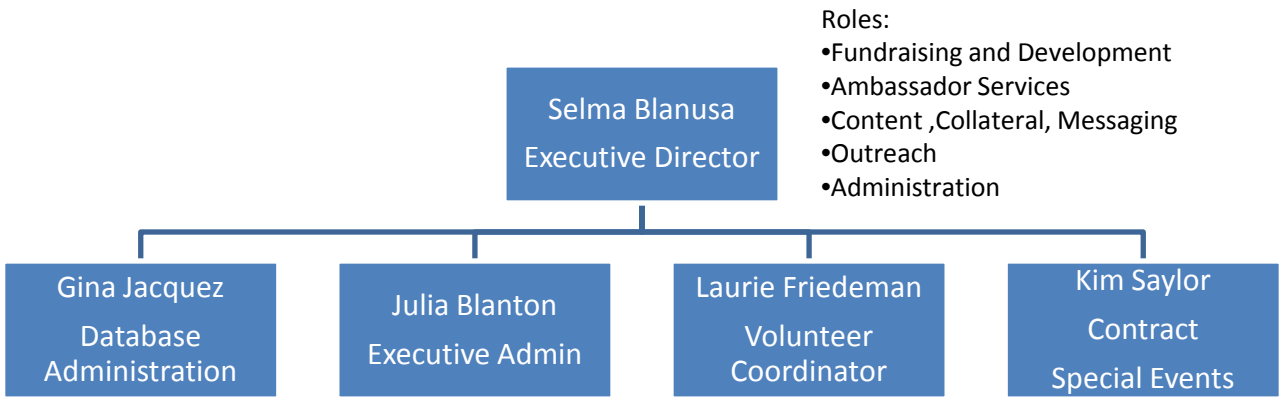
- Develop a legacy giving program in two phases
  1. Initial soft landing
     - Create materials to share with donors who approach us or a select group of donors
     - Publish materials on the website and provide a link in our communication with donors
  2. Approach directly. Identify, cultivate, solicit and steward legacy gift prospects

SONOMA VALLEY HOSPITAL FOUNDATION

Foundation Board Committee Structure



SONOMA VALLEY HOSPITAL FOUNDATION



10-20 hours/week.
Roles:
•Donor database owner
•Record pledges, donations and produce correspondence for donors
•Bookkeeping for Foundation and Health Roundtable

25 hours/week.
Roles:
•Communication and correspondence for the Foundation
•Assist in fielding Ambassador Services requests
•Backup for bookkeeping and donor database

5 – 10 hours/week.
Roles:
•Establish volunteer program
•Recruit and manage volunteer efforts and communication
•Reduce cost and increase community reach through volunteer connections

Ass needed.
Roles:
•Lead efforts with venue, employees, event chair and other volunteers for events

8.

SENIOR WELLNESS UPDATE

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

July 1, 2014

Dear Senior Wellness Member;

I am writing to inform you that we are restructuring our Senior Wellness program due to necessary budget reductions.

The Senior Wellness gym will permanently close on July 31, 2014. We have made this decision reluctantly, realizing that the gym is popular with many. As you may have heard, the hospital is having to manage its budget very carefully, in part due to reduced Medicare reimbursement. The gym program has operated at a loss since its inception and the hospital can no longer absorb this cost.

We will maintain our partnership with Parkpoint and I am currently working with the Club to offer Senior Wellness members a gym membership at a reduced rate for the first 90 days, so you might want to consider this option.

Let me assure you that we remain committed to Senior Wellness and will continue to offer programs for seniors at no or low cost, including our twice monthly Gentle Yoga classes as well as the biannual "Achieving Better Balance" series.

I will be on vacation when you receive this letter, returning July 14. For questions, please contact me after the 14th at 935-5469.

Regards,
Dawn Kuwahara

SONOMA VALLEY HOSPITAL • PARKPOINT HEALTH CLUBS
COMPASS
New Directions in Health

PARKPOINT
health clubs

June 1st, 2014

Greetings!

Thank you for your interest in Compass Health Assessment Center and Parkpoint Health Club in Sonoma.

Compass Health Assessment Center is a special collaboration between Parkpoint Health Club and Sonoma Valley Hospital. The center was created to support community health by providing access to comprehensive health and fitness expertise at a single location. Compass uses state-of-the-art technology to help participants assess their level of health and fitness and then provides professional support to help them identify realistic personal goals and move forward with an individual plan.

Parkpoint Health Clubs have been family owned and operated since 1983 and have 3 facilities in Sonoma County to serve you. The clubs offer the latest in free weights, cardiovascular equipment, fun and invigorating exercise classes, Pilate's and yoga, beautiful swimming pools, massage and other amenities. We pride ourselves in offering our members a wonderful setting along with a high level of service, friendliness and professionalism.

To make your transition from the Senior Center as smooth as possible, we have created a special membership option for you and hope that it will fit your needs. We would like to offer you reduced monthly rates at Compass Health Assessment Center for your first three months of membership. Within Compass we will provide a variety of cardiovascular exercise equipment and offer senior specific exercise classes. Included in your initial enrollment, you will also receive a complimentary health assessment package that includes the following:

- Blood pressure testing
- BMI calculation from recorded height and weight
- Body composition analysis using BodyMetrix ultrasound testing
- Biofeedback sessions to aid in overall stress reduction
- Plus, a free Compass water bottle and tote bag!

Please see the attached summary for detailed information about pricing and facility benefits.

As a Compass member, you will be issued a temporary membership card. You will be able to use the Assessment Center facility, as well as the Parkpoint Sonoma facility and classes during the following hours:

Tuesdays:
7:30am - 9am and 1pm - 3pm

Thursdays:
7:30am - 9am

Fridays:
7:30am - 9am and 1pm - 3pm

For your first three months, the discounted monthly rates will be as follows:

$50 per individual
$80 per couple* (*Couple: Married or significant others living together)

After your initial 3 month trial membership, you may upgrade your membership to match our existing Over/Under membership rates at Parkpoint Sonoma. The Parkpoint Sonoma Over/Under membership is for individuals at least 65 years old and will give you access to the club and classes during all standard business hours. Enrollment discounts may be available after 3 your month trial period.

We look forward to discussing your membership needs further and hope to see you soon at Compass! Please feel free to contact Mel Salada with any questions you may have.

Sincerely,

Mel Salada
Wellness Director
(707) 996-3111 ext 24
mel@parkpointhealthclub.com

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

July 24, 2014

Editor, Sonoma Index-Tribune

I would like to respond to Ms. Peters' recent letter concerning the Senior Wellness program at Sonoma Valley Hospital. While we are closing the gym for seniors due to financial constraints, we did not close our Wellness program for seniors. We will continue to offer Wellness programs for our seniors through Gentle Yoga, Community Balance Classes, and other programs in collaboration with facilities in the Valley, such as Vintage House and Parkpoint.

We certainly understand the affection that she and others in our community have for the gym, and we are closing it reluctantly. It is one of the difficult, but necessary decisions we have had to make recently in order to ensure that SVH maintains the ability to continue serving the Sonoma Valley during a challenging period in health care.

But I want to assure the seniors in our community that we remain committed to our Senior Wellness program and will continue to offer no-cost and low-cost health and wellness programs that meet their needs.

Sincerely,

Dawn Kuwahara, RN
Director of Ancillary Services

10.

FINANCIAL REPORT
JUNE 2014

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: SVH Finance Committee
From: Ken Jensen, Interim CFO
Date: August 7, 2014
Subject: Financial Report for the Month Ending June 30, 2014

Overall Results for June 2014

SVH has net income before the restricted contributions of $374,580 on a budgeted net loss of ($23,317) for a favorable difference of $397,897. Total net patient service revenue was over budget by $508,723. Due to the 2012-2013 IGT revenue of $1,047,415. Risk contract revenue is under budget by ($43,517) due to Napa State volume. Other operating revenue is under budget by ($56,512) due to the receipt of the Electronic Health Record Phase 1 money in January. Phase 2 of the Electronic Health Record money is being accrued at $64,369 per month with an anticipated receipt of the money in January 2015. This brings the total operating revenue to $4,919,195 or $408,694 over budget. Expenses were $4,853,925 on a budget of $4,713,188 or ($140,737) over budget. The EBIDA prior to the restricted donations for the month was $778,201 or 15.8%.

Patient Volumes - June

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	91	90	1	87
Acute Patient Days	362	413	-51	323
SNF Patient Days	613	622	-9	470
Home Care Visits	992	1,300	-308	990
OP Gross Revenue	$10,111	$9,334	$777	$8,353
Surgical Cases	121	128	-7	116

Overall Payer Mix - June

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	48.2%	49.1%	-0.9%	50.5%	49.4%	1.1%
Medi-Cal	14.7%	10.8%	3.9%	13.5%	10.7%	2.8%
Self Pay	4.0%	3.8%	0.2%	2.9%	3.8%	-0.9%
Commercial	23.5%	29.3%	-5.8%	23.0%	29.1%	-6.1%
Managed MC	4.7%	2.8%	1.9%	4.5%	2.8%	1.7%
Workers Comp	2.0%	1.4%	0.6%	3.1%	1.5%	1.6%
Capitated	2.9%	2.8%	0.1%	2.5%	2.7 %	-0.2%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for June were $4.9 million on a budget of $4.5 million or $408,694 under budget.

Net Patient Revenue is over budget by $508,723 or 13%, due to the following:

- The 2012-2013 IGT of $1,047,415 being recorded.
- Overall inpatient volume was under budget by 1 discharge and had a poor case mix.
- Outpatient was over budget in volume and had higher Medicare patients and lower commercial insured patients.
- Skilled Nursing Home volume was under budget by 9 days.
- Home Care was under budget by 308 visits.
- Charity Care was favorable to budget by $147,742.

Expenses

June's expenses were $4.9 million on a budget of $4.7million or over budget by ($140,737). The following is a summary of the operating expense variances for the month of June:

- Total productivity FTE's were under budget at 266 on a budget of 286, or $16,907 under budget. Registry was over budget by ($74,797) due to Surgery and Obstetrics over budget. For a net overage of ($57,890).
- Medical and Prof Fees are under budget by $113,395, $26,630 is due to Prima support and $72,557 for Napa State physician fees true up for the year. Other Professional Fees is under budget by $81,958 due to the cancellation of numerous contracts.
- Supplies are under budget by $106,441, due to all departments limiting their spending on supplies and from the year-end inventory counts.
- Depreciation is over budget by ($34,708) due to addition of the capitalized leased equipment from Celtic.
- Interest Expense is over budget ($87,059) due to the addition of the Celtic lease of ($36,547).
- Other Expense is over budget ($221,688) due to the fee of $223,197 for the 2012-2013 IGT.

Cash Collections on Patient Receivables:

For the month of June the cash collection goal was $3,364,915 the Hospital collected $3,037,813 or under the goal by ($327,101). Year to date the Hospital patient collections goal was $39,260,886 and had collection of $40,064,400 or $803,514 over the goal. The overage over goal will also be offset with over payments from insurance of approximately $434,570. Year to date the Hospital is over goal by $368,944. The cash collection goal is based upon net hospital revenue from 60 days ago. Days of cash on hand are 7 days at June 30, 2014. Note: The decrease in cash collections for June was due to the implementation of the McKesson Intelligent Coding used by the ER.

Year to Date Activity:

For fiscal year 2014 our net loss prior to restricted contributions and GO Bond activity is currently ($1,048,390) or ($400,727) worse than budget. This is due to the over estimated revenue budget and higher than expected reductions in inpatient volumes.

Cash Projection – Sources and Uses:

Beginning Balance			$1,193,602
Sources:			
	Patient Cash	$3,540,866	
	Contracts	$387,266	
	Miscellaneous	$195,132	
		Sub Total	$4,123,264
		Available Cash	$5,316,866
Uses:			
	Accounts Payable	$2,125,324	
	Payroll	$1,996,916	
	Other	$1,025	
	IGT		
		Sub Total	$4,123,265
Month End Balance			**$1,193,601**

Future Anticipated Funds – Sources/(Uses):

August 15, 2014	LIHP	$1,300,000
August 31, 2014	MGH, Prima and Sodexo Payments	($1,300,000)
September 15, 2014	IGT Money (Net)	$824,218
September 30, 2014	Pay Outstanding AP	($824,218)
December 15, 2014	E H R Phase 2	$704,000
December 31, 2014	E H R Outstanding Payables	($704,000)
Unknown	IGT Funding (Net)	$400,000
Unknown	RAC	?

Sonoma Valley Hospital
Sonoma Valley Health Care District
June 2014 Financial Report

Finance Committee
July 29, 2014

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

June’s Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	91	90	1	87
Acute Patient Days	362	413	-51	323
SNF Patient Days	613	622	-9	470
Home Health Care Visits	992	1,300	-308	990
Outpatient Gross Revenue (in thousands)	$10,111	$9,334	$777	$8,353
Surgical Cases	121	128	-7	116

Summary Statement of Revenues and Expenses Month of June 30, 2014

	Actual	Budget	Variance	Percentage	Prior Year
1Total Operating Revenue	$ 4,919,195	$ 4,510,501	$ 408,694	9%	$ 3,905,311
2Total Operating Expenses	$ 4,853,925	$ 4,713,188	$ (140,737)	-3%	$ 4,693,845
3Operating Margin	$ 65,270	$ (202,687)	$ 267,957	132%	$ (788,534)
4NonOperating Rev/Exp	$ 309,310	$ 179,370	$ 129,940	72%	$ 356,527
5Net Income before Rest.Cont. & GO Bond	$ 374,580	$ (23,317)	$ 397,897	-1706%	$ (432,007)
6Restricted Contribution	$ -	$ 675,871	$ (675,871)	-100%	$ 68,958
7Net Income with Restricted Contributions	$ 374,580	$ 652,554	$ (277,974)	-43%	$ (363,049)
8Total GO Bond Rev/Exp	$ 192,913	$ (16,646)	$ 209,559	-1259%	$ 109,857
9Net Income with GO Bond	$ 567,493	$ 635,908	$ (68,415)	-11%	$ (253,192)
10EBIDA before Restricted Contributions	$ 778,201	$ 258,537	$ 519,664		$ (61,455)
11EBIDA before Restricted Cont. %	16%	6%	10%		-2%

Summary Statement of Revenues and Expenses Year to Date June 30, 2014 (12 months)

	Actual	Budget	Variance	Percentage	Prior Year
1 Total Operating Revenue	$ 51,142,342	$ 53,151,608	$ (2,009,266)	-4%	$ 48,512,624
2 Total Operating Expenses	$ 54,872,996	$ 56,123,740	$ 1,250,744	2%	$ 53,105,362
3 Operating Margin	$ (3,730,654)	$ (2,972,132)	$ (758,522)	-26%	$ (4,592,738)
4 NonOperating Rev/Exp	$ 2,682,264	$ 2,324,469	$ 357,795	15%	$ 4,189,874
5 Net Income before Rest.Cont. & GO Bond	$ (1,048,390)	$ (647,663)	$ (400,727)	62%	$ (402,864)
6 Restricted Contribution	$ 3,331,307	$ 2,183,757	$ 1,147,550	53%	$ 370,893
7 Net Income with Restricted Contributions	$ 2,282,917	$ 1,536,094	$ 746,823	49%	$ (31,971)
8 Total GO Bond Rev/Exp	$ 1,178,610	$ 960,235	$ 218,375	23%	$ 1,468,973
9 Net Income with GO Bond	$ 3,461,527	$ 2,496,329	$ 965,198	39%	$ 1,437,002
10 EBIDA before Restricted Contributions	$ 1,708,707	$ 2,652,785	$ (944,078)		$ 2,100,734
11 EBIDA before Restricted Cont. %	3%	5%	-2%		4%

FY 2014 Finance Overview

- We completed the Operational Improvement Plan effective June 1, 2014.
- We reduced medical and professional fees as evidenced in June's expense and will track at a reduction of $1.2 million per year.
- FTE's are at 303 for June, on a goal of 301.
- Salaries have been reduced by 3% as planned in the OIP, but had several accruals due to severance payments in June and will track under the FY 2015 budget.
- FY 2014 Accounts Payable is $1.9 million higher than May 2014 due to the project payable and setting cash aside. We paid down A/P by $837k from FY 2013.
- We will receive $78,743 in Parcel taxes in July for FY 2014 for a total collected from Parcel taxes $2,963,353.
- Savings for the month of June were negatively impacted by the IGT cost of $222k.
- The cost accounting system is in and the data is now informing decision making and helping us improve margins.
- We have two loans for the new wing: CEC & Celtic at $3,150,079. Debt less GO Bonds is now at $6,762,150.
- Patient Financial Services is fixed and met the YTD cash goal.
- RAC FY 2014, we have $200k reserved and only $31k at risk.

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended June 2014

		Month				Year-To- Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	$	%	Actual	Budget	$	%	Prior Year
	Volume Information									
1	Acute Discharges	91	90	1	1%	1,169	1,398	(229)	-16%	1,366
2	SNF Days	613	622	(9)	-1%	7,564	7,755	(191)	-2%	7,624
3	Home Care Visits	992	1,300	(308)	-24%	11,401	12,575	(1,174)	-9%	12,070
4	Gross O/P Revenue (000's)	10,111	9,334	776	8%	$ 115,392	$ 109,278	6,114	6%	$ 102,624
	Financial Results									
	Gross Patient Revenue									
5	Inpatient	$ 4,609,725	$ 5,864,485	(1,254,760)	-21%	$ 59,360,911	$ 67,898,254	(8,537,343)	-13%	$ 61,939,766
6	Outpatient & Emergency	9,816,742	8,973,330	843,412	9%	111,903,503	105,839,874	6,063,629	6%	99,124,148
7	SNF	2,145,096	2,152,658	(7,562)	0%	28,164,374	26,752,449	1,411,925	5%	25,104,020
8	Home Care	293,900	360,891	(66,991)	-19%	3,488,560	3,438,563	49,997	1%	3,499,514
9	Total Gross Patient Revenue	$ 16,865,463	$ 17,351,364	(485,901)	-3%	$ 202,917,347	$ 203,929,140	(1,011,793)	0%	$ 189,667,448
	Deductions from Revenue									
10	Contractual Discounts	$ (12,018,725)	$ (12,898,044)	879,319	7%	$ (155,923,736)	$ (151,710,255)	(4,213,481)	-3%	$ (140,905,162)
11	Bad Debt	(250,000)	(217,563)	(32,437)	-15%	(2,458,255)	(2,556,999)	98,744	4%	(2,901,255)
12	Charity Care Provision	(34,000)	(181,742)	147,742	81%	(269,250)	(1,988,110)	1,718,860	86%	(2,040,451)
13	Prior Period Adjustments	-	-	-	0%	2,107,929	-	2,107,929	0%	(836,022)
14	Total Deductions from Revenue	$ (12,302,725)	$ (13,297,349)	994,624	-7%	$ (156,543,312)	$ (156,255,364)	(287,948)	0%	$ (146,682,890)
15	Net Patient Service Revenue	$ 4,562,738	$ 4,054,015	508,723	13%	$ 46,374,035	$ 47,673,776	(1,299,741)	-3%	$ 42,984,558
16	Risk contract revenue	$ 278,400	$ 321,917	(43,517)	-14%	$ 3,398,449	$ 3,863,004	(464,555)	-12%	$ 3,825,992
17	Net Hospital Revenue	$ 4,841,138	$ 4,375,932	465,206	11%	$ 49,772,484	$ 51,536,780	(1,764,296)	-3%	$ 46,810,550
18	Other Op Rev & Electronic Health Records	$ 78,057	$ 134,569	(56,512)	42%	$ 1,369,858	$ 1,614,828	(244,970)	-15%	$ 1,702,074
19	Total Operating Revenue	$ 4,919,195	$ 4,510,501	408,694	9%	$ 51,142,342	$ 53,151,608	(2,009,266)	-4%	$ 48,512,624
	Operating Expenses									
20	Salary and Wages and Agency Fees	$ 2,123,468	$ 2,065,578	(57,890)	-3%	$ 24,236,612	$ 24,569,269	332,657	1%	$ 23,757,873
21	Employee Benefits	740,487	$ 759,968	19,481	3%	8,816,215	9,186,233	370,018	4%	8,774,661
22	Total People Cost	$ 2,863,955	$ 2,825,546	(38,409)	-1%	$ 33,052,827	$ 33,755,502	702,675	2%	$ 32,532,534
23	Med and Prof Fees (excld Agency)	$ 255,384	$ 368,779	113,395	31%	$ 4,984,119	$ 4,630,338	(353,781)	-8%	$ 4,581,763
24	Supplies	401,264	507,705	106,441	21%	5,891,198	6,062,011	170,813	3%	6,156,740
25	Purchased Services	458,824	435,117	(23,707)	-5%	4,838,144	5,225,259	387,115	7%	5,083,928
26	Depreciation	311,850	277,142	(34,708)	-13%	2,339,876	2,837,064	497,188	18%	2,132,705
27	Utilities	87,176	132,359	45,183	34%	961,882	1,288,253	326,371	25%	899,734
28	Insurance	18,887	18,702	(185)	-1%	226,650	224,390	(2,260)	-1%	243,607
29	Interest	91,771	4,712	(87,059)	-1848%	417,221	463,384	46,163	10%	361,512
30	Other	364,814	143,126	(221,688)	-155%	2,161,079	1,637,539	(523,540)	-32%	1,112,839
31	Operating expenses	$ 4,853,925	$ 4,713,188	(140,737)	-3%	$ 54,872,996	$ 56,123,740	1,250,744	2%	$ 53,105,362
32	Operating Margin	$ 65,270	$ (202,687)	267,957	132%	$ (3,730,654)	$ (2,972,132)	(758,522)	-26%	$ (4,592,738)
	Non Operating Rev and Expense									
33	Miscellaneous Revenue	$ 32,092	$ 4,166	27,926	670%	$ (120,775)	$ 50,001	(170,776)	*	$ 107,417
34	Donations	-	3,334	(3,334)	-100%	444,099	212,028	232,071	*	1,902,031
35	Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	-
36	Physician Practice Support-Prima	(39,000)	(65,630)	26,630	-41%	(604,413)	(787,560)	183,147	-23%	(787,560)
37	Parcel Tax Assessment Rev	316,218	237,500	78,718	33%	2,963,353	2,850,000	113,353	4%	2,967,986
38	Total Non-Operating Rev/Exp	$ 309,310	$ 179,370	129,940	72%	$ 2,682,264	$ 2,324,469	357,795	15%	$ 4,189,874
39	Net Income / (Loss) prior to Restricted Contributions	$ 374,580	$ (23,317)	397,897	-1706%	$ (1,048,390)	$ (647,663)	(400,727)	62%	$ (402,864)
40	Capital Campaign Contribution	$ -	$ 675,871	(675,871)	-100%	$ 3,331,307	$ 2,183,757	1,147,550	53%	$ 370,893
41	Restricted Foundation Contributions	$ -	$ -	-	0%	$ -	$ -	-	100%	$ -
42	Net Income / (Loss) w/ Restricted Contributions	$ 374,580	$ 652,554	(277,974)	-43%	$ 2,282,917	$ 1,536,094	746,823	49%	$ (31,971)
43	GO Bond Tax Assessment Rev	300,021	153,584	146,437	95%	1,975,604	1,843,008	132,596	7%	1,829,105
44	GO Bond Interest	(107,108)	(170,230)	63,122	-37%	(796,994)	(882,773)	85,779	-10%	(360,132)
45	Net Income/(Loss) w GO Bond Activity	$ 567,493	$ 635,908	(68,415)	11%	$ 3,461,527	$ 2,496,329	965,198	-39%	$ 1,437,002

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of June 30, 2014

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 1,126,337	$ 1,193,602	$ 2,138,402
2	Trustee Funds	1,637,914	762,010	1,263,697
3	Net Patient Receivables	7,998,223	7,676,562	7,997,822
4	Allow Uncollect Accts	(1,965,414)	(1,730,081)	(1,471,800)
5	Net A/R	6,032,809	5,946,481	6,526,022
6	Other Accts/Notes Rec	7,742,248	2,203,382	7,714,711
7	3rd Party Receivables, Net	2,972,553	1,826,981	379,554
8	Due Frm Restrict Funds	-	-	-
9	Inventory	760,222	744,475	794,634
10	Prepaid Expenses	1,097,626	1,112,787	1,074,412
11	Total Current Assets	$ 21,369,709	$ 13,789,718	$ 19,891,432
12	Board Designated Assets	$ -	$ 5,402	$ 186,468
13	Property,Plant & Equip, Net	56,350,250	53,128,909	10,674,452
14	Hospital Renewal Program	-	-	31,801,877
15	Unexpended Hospital Renewal Funds	-	-	4,024,455
16	Investments	-	-	-
17	Specific Funds	1,234,949	895,807	3,430,426
18	Other Assets	477,458	426,365	271,813
19	Total Assets	$ 79,432,366	$ 68,246,201	$ 70,280,923
	Liabilities & Fund Balances			
	Current Liabilities:			
20	Accounts Payable	$ 6,174,668	$ 4,324,358	$ 7,011,505
21	Accrued Compensation	3,432,397	3,292,553	3,184,943
22	Interest Payable	520,286	570,681	714,262
23	Accrued Expenses	1,847,598	1,336,798	957,397
24	Advances From 3rd Parties	317,105	322,652	1,689,354
25	Deferred Tax Revenue	5,849,985	537,521	4,825,602
26	Current Maturities-LTD	1,510,435	911,931	795,004
27	Other Liabilities	4,675,182	4,697,662	2,424,868
28	Total Current Liabilities	$ 24,327,656	$ 15,994,156	$ 21,602,935
29	Long Term Debt, net current portion	$ 40,783,715	$ 38,497,996	$ 37,820,460
30	Fund Balances:			
31	Unrestricted	$ 13,145,208	$ 12,578,262	$ 6,772,012
32	Restricted	1,175,787	1,175,787	4,085,516
33	Total Fund Balances	$ 14,320,995	$ 13,754,049	$ 10,857,528
34	Total Liabilities & Fund Balances	$ 79,432,366	$ 68,246,201	$ 70,280,923

11.

ADMINISTRATIVE REPORT JULY 2014

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

To: **Sonoma Valley Healthcare District Board of Directors**
From: **Kelly Mather**
Date: **7/30/14**
Subject: **Administrative Report**

Summary: I'm happy to announce that we have an excellent new interim CFO, Ken Jensen who joined us in mid July. Fiscal Year 2014 is complete. We ended the year at a $1,048,390 loss in net income without restricted contributions compared to a budgeted loss of $647,663. As we all know, this was a very challenging year due to the lower than expected net revenue in 2013. Revenue enhancement and increasing our margins by service continues to be a major focus. The new cost accounting system is helping us track the improvement.

Leadership and Organizational Results (Dashboard): As demonstrated by the June dashboard, we have met the majority of our goals for the year. On the trending report, I have highlighted all of the goals that were met for the year in green. Patient satisfaction, quality and staff turnover continue to be very good. We also did a great job in managing productivity and expenses. The revenue cycle has been greatly improved and we are meeting the days in accounts receivable goals. Outpatient revenue and outpatient volumes are increasing and above goal in most every service. We came very close to meeting our stretch goal for community service hours as the leaders really stepped up this year. We continue to work to improve EBIDA, days cash on hand, the days in accounts payable and the number of births. Expense reductions of over $2 million annually went into effect in June, 2014 to improve the EBIDA margin. There are two large payments from intergovernmental transfers due in the next few months which will lower accounts payable days to less than 60 days and improve the days of cash on hand.

Strategic Plan Update: A team met to organize our population health strategy this month. We have segmented our district into three groups for decided the best role for the hospital is to do screenings, health education and promote awareness of the current state of health.

Healthy Kids are Contagious!	**Keeping Healthy People Healthy**	**Leading Healing for Life**
Teachers & Parent Role Models	Employer Wellness	Community Care Network
Screenings/Health Fairs	Girl Talk	Diseases Reversal Program
School Wellness Education	Resource Room	Cancer Support Program
Health Round Table	Outpatient Nutrition Counseling	Case Management over 30 days
5 Keys to Wellness Book for OB	Aches & Pains Education	Capitation management
Fish Breath Book for Emergency	Balance Screening & Classes	Meritage ACO patient mgt
"What to Expect" 0 – 12, >12	SVH Staff Wellness	Palliative Care
Schools of Hope	Senior Wellness	
	Compass Health Assessment	
	Integrative Health Network	
	Active Aging Education	
	Know Your Health Numbers	

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

JUNE 2014 DASHBOARD

PERFORMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	High In-Patient Satisfaction	5 out of 8 HCAHPS results above the 50th percentile	7 out of 8 88.6%	>5 = 5 (stretch) >4 = 4 >3 = 3 (Goal) >2 = 2 <1=1
	High Out-Patient Satisfaction	Press Ganey monthly mean score	Outpatient 95.2% Surgery 94.6 % Emergency 90.1%	>94% = 5 (stretch) >93%=4 >92% =3 (Goal) >91%=2 <90%=1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score	100% for 9 months of the last 12	100% for 12 mos= 5 100% 9/12 mos=4 100% 6/12 mos =3 >90%=2 *I*<80%=1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of current mean score	2013 76% mean score at 77th percentile	>85th = 5 (stretch) >82nd=4 >80th=3 (Goal) >77th=2 <76th =1
Finance	Financial Viability	YTD EBIDA	3%	>10% (stretch) >9%=4 >8% (Goal) <7%=2 <6%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	$54,872,996 (actual) $56,123,740 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	1593 YTD FY2014 1425 YTD FY 2013	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient Volumes	2% increase (gross outpatient revenue over prior year)	$111.9 million YTD $99.1 million 2013 (11.5% increase)	
Community	Community Benefit Hours	Hours of time spent on community benefit activities for the fiscal year	1462 hours for 12 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 <500 = 1

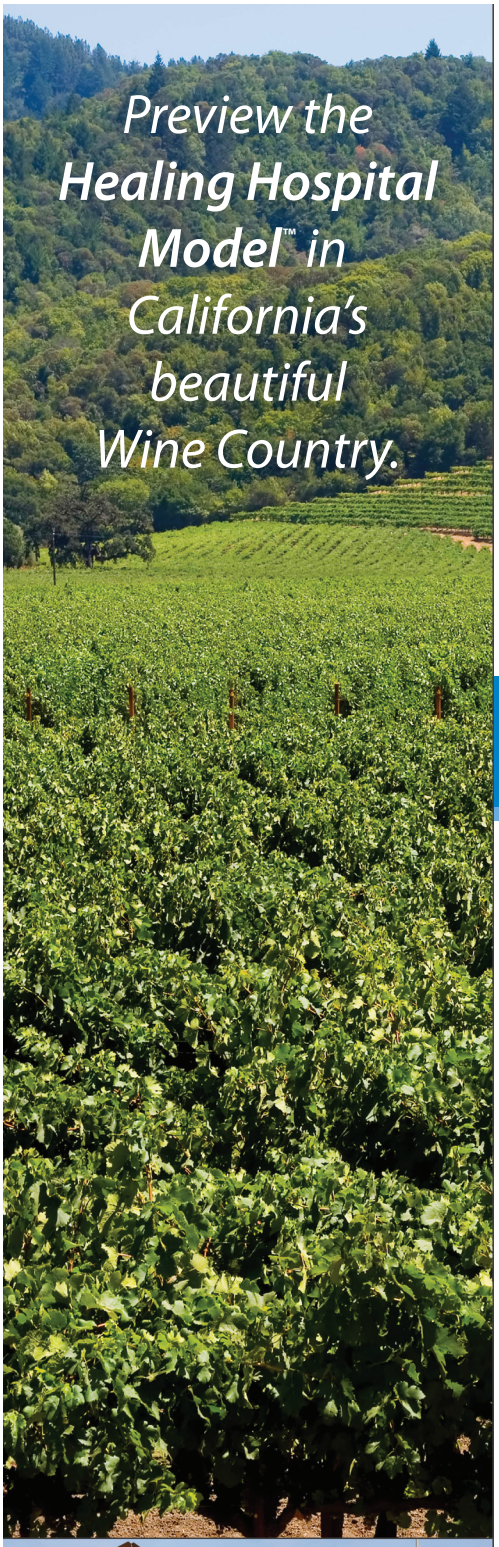
SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

FY 2014 TRENDED RESULTS

MEASUREMENT	Goal FY 2014	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Inpatient Satisfaction	>87%	86.9	86.5	85.2	86.7	88.8	88.2	86.1	86.9	87.6	87.1	87.7	88.6
Outpatient Satisfaction	>93%	93.8	94.2	93.9	92.5	94.5	92.9	94	94.2	93.7	90.7	93.8	95.2
Surgery Satisfaction	>93%	93.2	94.1	93.7	92.7	93.1	91.7	92.5	93.1	95.2	94.8	93.3	94.6
Emergency Satisfaction	>89%	89.4	89.6	88.6	86.9	88.6	89.7	89.5	89.7	88.9	89.1	89.9	90.1
Value Based Purchasing Clinical Score	100	88	77	100	100	100	100	100	80	100	100	97	100
Staff Satisfaction	>77%	77	77	77	77	77	77	77	76	76	76	76	76
Turnover	<10%	2.8	2.8	2.8	7.9	7.9	7.9	9.9	9.9	9.9	9.4	9.4	9.4
EBIDA	>8%	7	12	7	6	6	6	5	5	6	9	4	3
Net Revenues	>3.9m	4.08	4.35	4.0	4.5	3.9	4.1	3.75	3.46	5.54	3.9	3.9	4.9
Expense Management	<4.5m	4.4	4.4	4.3	5.0	4.3	4.4	4.55	4.27	5.0	4.4	4.4	4.8
Net Income	>50	185	440	883	990	-57	412	13	-12	401	-360	**-240**	567
Days Cash on Hand	>20	8	11	8	7	11	7	7	6	11	17	8	7
A/R Days	<55	64	53	50	48	50	52	51	47	51	55	46	48
Total FTE's	<320	315	315	320	312	313	315	310	301	318	320	309	303
FTEs/AOB	<4.5	4.25	4.33	4.45	4.12	4.39	4.39	4.39	4.4	3.81	3.86	3.89	3.74
Inpatient Discharges	>100	100	102	107	91	85	112	91	79	117	94	100	91
Outpatient Revenue	>$8.8m	10.1	9.8	9.2	10.2	9.3	8.8	9.1	8.6	9.99	9.91	10.2	10.1
Surgeries	>130	135	130	120	135	135	138	113	121	156	147	142	121
Home Health	>1000	760	760	748	941	903	951	1040	872	1106	1218	1135	992
Births	>15	15	11	13	9	14	11	6	14	19	6	16	11
SNF days	>660	457	615	585	606	531	733	754	641	750	674	605	613
MRI	>120	119	121	111	125	111	83	103	108	122	103	118	124
Cardiology (Echos)	>70	76	68	93	76	61	50	45	50	55	62	61	57
Laboratory	>12.5	12.0	11.8	13.1	13.9	11.9	12.5	13.1	11.1	13.3	12.4	13.1	13.9
Radiology	>850	959	931	885	801	819	877	963	837	851	868	918	888
Rehab	>2587	2868	2893	2543	2471	2572	2899	2485	2403	2903	3394	2877	2945
CT	>300	392	368	299	277	295	285	332	295	334	301	332	335
ER	>775	838	789	795	801	665	751	811	655	769	788	**909**	716
Mammography	>475	486	457	465	677	569	489	430	445	447	404	519	429
Ultrasound	>300	263	343	329	342	341	307	290	350	438	424	497	339
Occupational Health	>550	492	576	853	521	642	535	579	504	534	595	600	618

12.

PREVIEW OF HEALING HOSPITAL MODEL



SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

Healing Hospital Model™

Building the bridge to a healthier future!

Join us for this invitational event and see how the Healing Hospital Model™ is being successfully implemented at Sonoma Valley Hospital to address industry changes, support organizational well-being and develop healthy communities.

September 22-23, 2014
AT SONOMA VALLEY HOSPITAL

Keynote: Kelly Mather, CEO of Sonoma Valley Hospital and Founder of Harmony Healing House, presents the Healing Hospital Model and the Four Levels of Healing

Seminar Benefits:

- Discover how to create a "Culture of Health" and transform your organization
- Learn about a simple, low-cost approach to improve health using "The Four Levels of Healing"
- Explore the 20 modules of the Healing Hospital™ and meet the SVH Leaders
- Discuss new opportunities to lead population health in your community
- Understand the principles and metrics behind the model
- Connect with like-minded professionals to build a community of health

DAY ONE: Healing Hospital Model Introduction

12:00-1:00 p.m.	**Hospitality Hour**; box lunch provided
1:00-2:00 p.m.	**Event Kick-off and Introductions**
2:15-3:30 p.m.	**Healing Hospital Model Overview**
3:30-5:00 p.m.	**Questions and Answers**
5:30-7:00 p.m.	**SVH hosted Wine & Cheese Networking Event**

DAY TWO: Wellness University™ Introduction

8:00-9:00 a.m.	**Hospitality Hour;** continental breakfast provided
9:00-11:30 a.m.	**Wellness University™ Experience**
11:30-12:00 p.m.	**Discussion and Final Comments**

Registration cost for this seminar is $695 per person.
(HASC member and group discounts available)

We are arranging for discounted hotel rooms to be available
Please note: hotel room costs are not included in the registration fee.

To register or for more information, contact:
Vivian Woodall at vwoodall@svh.com,
or call 707.935.5005

HARMONY HEALING HOSPITALS™

13.

OFFICER AND COMMITTEE REPORTS

Meeting Date: **August 7, 2014**

Prepared by: Peter Hohorst

Agenda Item Title: Finance Committee Charter Revision

Recommendations:
The Governance Committee request that the Board provide guidance with regard to the Audit Committee Charter.

Background:
The Audit Committee does not have a formal charter. Its activities are guided only by the limited information in the District ByLaws.
Several questions of scope arose when the attached draft of a Committee Charter was discussed by the Governance Committee.
The draft material was borrowed from another organization and contained several items that were outside of the scope of the activities of the District's Audit Committee in the past. This raised the question of whether they should be included or should past practice be followed.
The scope issues are:

- Should the committee be involved with internal audit functions (if any)
- Should the committee conduct an independent review of internal financial controls
- Should the committee provide oversight for the District's process for monitoring compliance with legal and regulatory requirements when this function is already being provided by the Quality and Governance Committees that meet on a more frequent basis.
- Should the committee have the authority to engage independent legal, accounting and other advisors that it might deem necessary.

The Governance Committee discussed the Audit Committee at its meeting on July 29, 2014

Consequences of Negative Action/Alternative Actions:
The Audit Committee is not scheduled to meet until October, so there is time to complete and approve the charter before its next meeting, or action on it could be postponed until the Audit Committee has had a chance to review the proposed charter.

Financial Impact:
None

Attachment:
Draft Audit Committee Charter

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

SUBJECT: Audit Committee Charter	POLICY #
	PAGE 1 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE:
APPROVED BY: Board of Directors	REVISED:

Purpose:

The purpose of the Audit Committee of Sonoma Valley Healthcare District (District) is to assist the District Board in its general oversight of the District's accounting and financial reporting processes, audit process, and system of internal controls, as well as the District's process for monitoring compliance with laws and regulations. Subject to the ultimate authority of the District Board, the Audit Committee shall select, engage and oversee District's outside auditor and approve and oversee all audit and non-audit services provided by the District's outside auditor.

Membership

The Audit Committee shall be comprised of not less than two (2) members of the public, the Chair of the District Board, Treasurer of the District Board, and the Chair of the Finance Committee. The Chief Executive Officer and Chief Financial Officer shall be non-voting members of the committee. The District Board Chair will serve as the Chair of the Audit Committee. No member of the Audit Committee shall be an "interested person" within the meaning of § 5227 of the California Nonprofit Public Benefit Corporation Law. The members of the Audit Committee shall also meet the following additional criteria of independence:

(i) No voting member shall receive, directly or indirectly, any compensation from the Corporation, whether for consulting, advisory or other services or as a supplier of merchandise or other goods; and,

(ii) No voting member shall have, directly or indirectly, a material financial interest in any entity doing business with the Corporation.

For purposes of the above criteria, "indirect" compensation shall include compensation paid to a member or a member's spouse, minor child or stepchild, or a child or stepchild residing with a member or payments to any entity in which any such person is a partner, member, executive officer or managing director or in which such person holds a similar position. An "indirect" financial interest shall mean an interest held by a member or a member's spouse, minor child or stepchild, or a child or stepchild residing with a member. Notwithstanding anything to the contrary set forth above, payments of fixed amounts of compensation under a retirement, deferred compensation or other similar plan for prior service shall not be prohibited as long as such payments are not contingent on continued service and are not for services rendered within the previous twelve (12) months.

(iii) All voting members of the committee must be stakeholders of the District. A stakeholder has been defined by the District Board as:

- Living some or all of the time in the District, or
- Maintaining a place of Business in the District, or
- Being an accredited member of the Hospital's Medical Staff

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

SUBJECT: Audit Committee Charter	POLICY #
	PAGE 2 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE:
APPROVED BY: Board of Directors	REVISED:

A majority of the members of the Audit Committee should ~~shall~~ have financial expertise, including an understanding of generally accepted accounting principles and financial statements, an understanding of internal controls and procedures for financial reporting, and an understanding of Audit Committee functions.

~~. Public Members of the Audit Committee shall be appointed by the District Board.~~

If ~~an~~ the Audit Committee Chair is not ~~designated or~~ present at a meeting, the members of the Audit Committee may designate a temporary Chair by a majority vote of the Audit Committee members. If there is a vacancy on the Audit Committee for any reason, the District Board Chair shall nominate a replacement and such vacancy shall be filled by a majority vote of the members of the District Board, provided a quorum is present.

Policy:

Responsibilities

Subject to the ultimate authority of the District Board, the Audit Committee shall:

1. Be directly responsible for recommending the appointment, replacement and compensation, and for oversight, of the independent auditor. The independent auditor shall report directly to the Audit Committee.

2. Review and discuss with the independent auditor: (a) its audit plans and audit procedures, including the scope, fees and timing of the audit; (b) the results of the annual audit examination; and (c) the annual financial statements audited by the independent auditor.

3. Review the audit with management and determine whether to recommend the acceptance of the audit to the District Board.

4. Establish policies and procedures for the review and pre-approval by the Audit Committee of all auditing services and non-audit services (including the fees and terms thereof) to be performed by the independent auditor and assure that non-audit services performed by the auditor conform with the standards for auditor consistent with Generally Accepted Accounting Principles.

~~5. Review the District's internal audit function, including the review of periodic reports on the internal audit function prepared by internal staff or outside consultants at the District's request.~~

(Recommend omitting item 5)

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

SUBJECT: Audit Committee Charter	POLICY #
	PAGE 4 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE:
APPROVED BY: Board of Directors	REVISED:

6. ~~Review the District's internal controls and review suggestions for improvements in such controls from management and the independent auditor.~~

(Question if item 6 is beyond the scope of the Audit Committee)

7. Review with the independent auditor its judgment as to the quality, and not just the acceptability, of the District's accounting practices and internal controls, and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards.

8. Review with the independent auditor and management any changes or improvements in financial or accounting practices that are necessary or desirable, and the extent to which any changes or improvements previously approved by the Audit Committee have been implemented.

9. Review with the independent auditor any audit problems or difficulties and management's response.

10. Oversee the resolution of any disputes between management and the independent auditor if and when such disputes arise.

11. ~~Establish procedures for the receipt of, and response to, complaints or concerns regarding accounting, internal controls or auditing matters, including confidential submissions from employees.~~

(Question if item 11 is beyond the scope of the Audit Committee)

12. ~~Exercise oversight of the District's process for monitoring compliance with legal and regulatory requirements, including receipt and review of regular reports from the Corporation's Compliance Officer as to compliance procedures and changes in applicable legal and regulatory requirements.~~

(Question if item 12 is beyond the scope of the Audit Committee)

13. ~~When appropriate, designate one or more of its members to perform certain of its duties on its behalf, subject to such reporting to or ratification by the Audit Committee as the Audit Committee shall direct.~~

(Recommend dropping item 13, unnecessary)

14. ~~Exercise oversight of the District's process for monitoring compliance with legal and regulatory requirements regarding protection of our patient's privacy and identity to include regular reports from the Corporation's Compliance Officer and Director of Information Technology~~.

(Recommend dropping item 14, oversight provided by QC and GC committees)

15. Perform such other duties and functions as are assigned, from time to time, to the Audit Committee by the District Board.

The Audit Committee shall annually review and reassess the adequacy of its charter and recommend any changes, if needed, to the District Board.

~~The Audit Committee shall have the authority to engage independent legal, accounting and other advisers as it determines necessary to carry out its duties. The Audit Committee shall have sole authority to approve related fees and retention terms.~~
(Recommend dropping as inappropriate spending authority)

Procedure:

Operations

The Audit Committee shall meet at such times and places as the Audit Committee shall determine, but no less than two (2) times annually. Meetings of the Audit Committee may be called by the Chair of the Committee~~,~~ ~~the Chair of the Board~~ or the President/Chief Executive Officer (referred to herein as the "President") or Chief Financial Officer of the District. The Audit Committee shall be governed by the same rules regarding meetings (including attendance by telephone conference or similar communications equipment, action without meetings, notice, waiver of notice, and quorum and voting requirements) as are applicable to the District Board. The Audit Committee shall be authorized to adopt its own rules or procedures not inconsistent with (i) any provision of this Charter, (ii) any provisions of the Bylaws of the District, and (iii) the laws of the State of California.

The Chair of the Audit Committee shall report ~~regularly~~ to the District Board ~~of Trustees~~ on the actions taken by the committee.

~~Compensation~~

~~Members of the Audit Committee shall not receive financial compensation for their service on the Audit Committee.~~

(Recommend dropping this wording, NO compensation is already covered at the beginning of the charter)

~~Adopted by the District Board of Trustees on _____, 2012.~~