SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, March 14, 2013
4:00 p.m. Closed Session
6:00 p.m. Public Session

Location: Schantz Conference Room
Sonoma Valley Hospital
347 Andrieux Street, Sonoma, CA 95476

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	Boerum	

PLEASE NOTE:
The Closed Session will be held at 4:00 p.m. in the Schantz Conference Room following the Public Comment on Closed Session. The Open Session will be held at 6:00 p.m.

2. PUBLIC COMMENT ON CLOSED SESSION	Boerum	
3. CLOSED SESSION: A. Calif. Govt. Code § 54957 – Public Employee Six-Month Performance Evaluation, CEO	Boerum	Inform/Action
4. REPORT OF CLOSED SESSION	Boerum	Inform
5. 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.*	Boerum	
6. RESOLUTION No. 315 – REQUEST FOR APPROVAL AUTHORIZING EXECUTION OF LINE OF CREDIT AGREEMENT WITH UNION BANK	Reid	Action
7. RESOLUTION No. 316 – REQUEST FOR APPROVAL AUTHORIZING THE SVH CEO TO DRAW ON THE UNION BANK LINE OF CREDIT	Reid	Action
8. CHAIR REPORT: A. Nomination of Bill Boerum to the ACHD Board of Directors B. Appointment of Keith J. Chamberlin, MD, MBA to Finance Committee	Boerum	Inform/Action
9. CONSENT CALENDAR: A. Finance Committee Minutes, 1.02.13 B. Medical Staff Appointments and Reappointments, 2.27.13	Boerum	Action

10. STRATEGIC PLANNING PROCESS UPDATE FOR FY2014	Mather	Inform
11. BOARD RETREAT, APRIL 15, 2013: A. Recommendation to Approve Proposal for Board Self-Assessment B. Board Retreat Agenda	Mather	Inform/Action
12. CONSTRUCTION COMMITTEE: A. Status Report	Coss	Inform
13. FINANCIAL REPORT: A. Finance Committee Annual Performance Review B. January 2013 Financial Report	Fogg Reid	Inform Inform
14. ADMINISTRATIVE REPORT: A. Dashboard for January 2013 B. Introduction of Diwata Bose, MD	Mather	Inform
15. OFFICER & COMMITTEE REPORTS: A. Governance Committee Report: 1. Revised Governance Committee Charter B. Audit Committee Report 1. Process for Filling Vacancies	 Carruth Hohorst	 Inform/Action Inform
16. ADJOURN: *The next regularly scheduled meeting of the SVHCD Board will be held on Thursday, April 4, 2013.*		

6.

RESOLUTION 315

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 315

RESOLUTION OF THE SONOMA VALLEY
HEALTHCARE DISTRICT AUTHORIZING EXECUTION OF
LINE OF CREDIT AGREEMENT AND RELATED DOCUMENTATION
WITH THE UNION BANK

WHEREAS, the District wishes to secure from Union Bank a $5,000,000 Line of Credit to be used for the provision of health care services to the people of the Sonoma Valley Health Care District either for operational or expansion of the Sonoma Valley Hospital.

WHEREAS, the transaction with Union Bank ("the Bank") by which the Bank will issue the LOC benefiting the District.

WHEREAS, the District wishes to retire the existing cash advance from GE Financing in the amount of Six Hundred Sixty-Two Thousand Eight Hundred Sixty Five Dollars and forty eight cents ($662,865.48) at the initiation of the LOC with Union Bank.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sonoma Valley Healthcare District, as follows:

Section 1. The District shall enter into an arrangement with the Bank hereby approved by the Board of Directors by which the Bank will issue the LOC benefiting the District an agreement by the District to pay interest on the outstanding balance of Two point five percent (2.5%) above the LIBOR rate for the interest period selected by the District and acceptable to the Bank.

Section 2. The District's Chief Executive Officer is authorized and directed to take such action and to execute on behalf of the District any transaction documents necessary or desirable to effectuate securing the LOC from the Bank on terms that are consistent with the terms set forth herein.

Section 3. The Secretary of this District is hereby authorized to execute, acknowledge and deliver a certified copy of this Resolution and the Bank's authorization to obtain Credit, Grant Security, Guarantee or Subordinate Document to the Bank and any other person or agency which may require copies of this Resolution and that the certification of the Secretary as to the above-named officers will be binding on this District.

PASSED AND ADOPTED on this 14th day of March 2013, by the following vote:

Ayes: _____

Noes: _____

Absent: _____

Abstain: ____

_____
Chair of the Board of Directors

_____
Secretary of the Board
of Directors

7.

RESOLUTION 316

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 316

RESOLUTION OF THE SONOMA VALLEY
HEALTHCARE DISTRICT AUTHORIZING THE CHIEF EXECUTIVE OFFICER
TO DRAW ON THE UNION BANK LINE OF CREDIT

WHEREAS, the Sonoma Valley Healthcare District (District) has obtained in the normal course of business a Line of Credit (LOC) with Union Bank (Bank).

WHEREAS, the District wishes to use the LOC in the normal course of Business for the operations of the Sonoma Valley Hospital.

WHEREAS, the District wishes to Authorize the Chief Executive Officer to draw from the approved LOC

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sonoma Valley Healthcare District, as follows:

Section 1. Authorize the CEO to withdraw funds as needed for hospital operations up to the full amount of the $5,000,000.

Section 2. The CEO will confer with the District's Board Chair and the District's Board Treasurer prior to any draw on the LOC.

Section 3. The CEO will advise the District Board in writing and verbally at the next Regularly Board meeting after funds are withdrawn, the date of the withdrawal, the amount withdrawn, the balance owed, and the total amount of the loan authority either verbally or included in a written report.

Section 4. The CEO or her delegate will advise the District Board's Finance Committee in writing and verbally at the next Regularly Scheduled Finance Committee meeting after funds are withdrawn, the date of the withdrawal, the amount withdrawn, the balance owed, and the total amount of the loan authority either verbally or included in a written report.

PASSED AND ADOPTED on this 14th day of March 2013, by the following vote:

Ayes: _____

Noes: _____

Absent: _____

Abstain: _____

_____
Chair of the Board of Directors

_____
Secretary of the Board
of Directors

8.A.

NOMINATION OF BILL BOERUM TO THE ACHD BOARD OF DIRECTORS

Sonoma Valley Hospital
SONOMA VALLEY HEALTH CARE DISTRICT

Meeting Date: March 14, 2013

Prepared by: Bill Boerum, Board Chair

Agenda Item Title: Nomination of Bill Boerum to the ACHD Board of Directors

Recommendation: Ratify the Nomination

Background and Reasoning:

The Association of California Healthcare Districts (ACHD) is dedicated by its mission statement “to advance the interests of Healthcare Districts and the communities they serve via Member/Trustee education and legislative advocacy.” There are 78 districts in the state, of which 58 are members of ACHD. There is a staff of six in Sacramento, four in administration and member services, and two in legislative advocacy. Membership dues are $20,000 per year.

There is an 11 member board of directors elected by the membership at the annual meeting (this year in San Diego on May 22). A total of six seats are up for election this year, of which three are held by incumbents. Candidates for board seats are nominated by a majority vote of their home districts and subject to review by the ACHD’s Board Governance Committee which selects seven candidates. Board members receive a stipend of $200 per physical meeting attended (expected to be four) and $100 per conference call (special) meetings plus reasonable travel expenses. Term of office is three years.

Given that health care in California is in a great state of flux with challenges and opportunities over the next several years, I believe there will be changes in the financial dynamics and regulatory structure of the district hospital industry which we should know about first hand as well as provide policy direction. Our District has been forward thinking and innovative in clinical care, administration and tackling big issues such as meeting seismic mandates. I would like to participate in the deliberations of ACHD to make it more effective for our enterprise here in Sonoma Valley.

By way of experience with public bodies, in addition to six years on this Board, I served on the City of Sonoma’s Community Services & Environment Commission for eight years. I’ve served on other non-profit boards providing leadership in finance and community outreach and communications.

Consequences of Negative Action/Alternative Actions: None

Financial Impact: Minimal, estimated at $1,500 to $2,000 annually to the District budget to attend the ACHD annual membership meeting and the annual legislative meeting.

Selection Process: Consideration and ratification by the District Board

Board Committee: None Required

Attachments: None

8.B.

APPOINTMENT OF KEITH CHAMBERLIN, MD TO THE FINANCE COMMITTEE

Sonoma Valley Hospital
SONOMA VALLEY HEALTH CARE DISTRICT

Meeting Date: March 14, 2013

Prepared by: Bill Boerum, Board Chair

Agenda Item Title: Appointment of Keith J. Chamberlin, MD, MBA to Finance Committee

Recommendation: Ratify the Chair's Appointment

Background and Reasoning: Dr. Chamberlin has requested appointment to the Finance Committee and his request is supported by Finance Committee Chair, Dick Fogg and Hospital CEO, Kelly Mather.

Dr. Chamberlin, practicing at Marin General Hospital is a member of Anesthesia Consultants of Marin and he specializes in cardiac anesthesia. He received his medical education at Georgetown University. He is Board certified by the American Board of Anesthesiology, and belongs to the American Society of Anesthesiologists, the California Society of Anesthesiologists and the California Medical Association. Last year he was designated as a "Bay Area Super Doctor."

Consequences of Negative Action/Alternative Actions: None

Financial Impact: None.

Selection Process: The Chair discussed the appointment with Fogg and Mather and reviewed Dr. Chamberlin's professional background on the website of Marin General. Dr. Chamber gave a very knowledgeable and insightful commentary at the recent strategy session with physicians.

Board Committee: No action required by any committee.

Attachments: None.

9.A.

FINANCE COMMITTEE MEETING MINUTES 01.02.13

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Wednesday, January 2, 2013
Schantz Conference Room

Committee Members Present	Committee Members Absent	Administrative Staff Present
Dick Fogg, Chair Bill Boerum Steve Barclay Sharon Nevins Shari Glago Peter Hohorst Mary Smith Richard Conley Phil Woodward Dr. Subhash Mishra Jane Hirsch		Rick Reid, CFO Jeannette Tarver, Director of Finance Michelle Donaldson, Director of Surgical Services

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
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 and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.*		
1. CALL TO ORDER	5:02 p.m. Mr. Boerum reported that Ms. Nevins became Board Treasurer so she becomes a permanent member of the Finance Committee. Of the two Board members on the Committee, one is ex officio (Ms. Nevins), and as long as the Board ratified it, he recommended Mr. Hohorst as the second Board member on the Committee. Also Ms. Hirsch is an ex officio member. This was Mr. Boerum's last meeting. He thanked everyone for serving on the Committee and welcomed new members. Mr. Fogg mentioned the Committee owed the Board an annual performance review which was not on the agenda. After discussion, everyone felt doing it at the end of the fiscal year was a good idea. The Committee had a consensus to forward this on to the Board.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	Membership of the Audit Committee was also discussed.		
2. PUBLIC COMMENT *At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee 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 Committee consideration. At all times please use the microphone.*	There was no public comment.		
3. CONSENT CALENDAR: A. Prior Meeting Minutes – December 4, 2012	Ms. Glago asked if the minutes held an action item for Projected Cash Flows. Mr. Reid said that was not an action item.	**MOTION:** by Boerum, seconded by Smith, and carried. All in favor; none opposed.	
4. BUILDING PROJECT CASH FLOWS	*Rick Reid, CFO*		
	Mr. Reid said there was no action due for the January Board meeting. He reviewed several handouts regarding funding for the project. Funding sources and uses included donations from the capital campaign. Mr. Reid was investigating a five-year lease on equipment need for the new wing at 3% through one equipment lease vendor. Projected cash flows and a financing plan were discussed. No loans would be made until fiscal year 2014. Management was proposing using the previously approved CEC loan, as well as a capital lease of $2.2 million. Amortization schedules for the CEC loan and equipment lease were discussed. Ms. Glago asked where the Hospital would have the operational income to pay for the new debt. Mr. Reid planned to bring a narrative of assumptions and projected cash flow for next three years to the next meeting. He also indicated he would be requesting action on this item at the January 22nd meeting.		Clerk to schedule a meeting for new Committee members to hear additional background and information on the capital campaign.
5. UPDATES	*Rick Reid, CFO*		
	• Mr. Reid said that the Hospital more for employee insurance coverage under United Health Care than was paid out in claims; the remainder would come back to the Hospital. With new employee insurance company Western Health Advantage, the Hospital was saving $100,000/month. • An outside collection agency was reviewing old claims and items automatically		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	sent to collection after a certain number of days. They would also be reviewing resolved accounts up to a year old. • A new contractual process was in the process of being implemented by April 1 with dual systems running through the end of the fiscal year. The Hospital would then be able to connect with both Marin General and Palm Drive and should also be able to generate accurate bad debt figures. • IT department work flow processes were being reconfigured through the IT Steering Committee for prioritization. The Hospital would be entering Phase 2 of the EHR in July with Marin General and Palm Drive. • Cash exceeded goal in December by $119,000 and was $300,000 short for the year to date. • A contingency company was looking at revenue and reducing expenses, guaranteeing a 7 to 1 return, and would only be paid after actual savings were realized. • The 2014 budget process was coming up quickly, and a budget timeline would be prepared shortly. • Mr. Fogg also asked about a timeline of items going to the Board for approval. Mr. Reid said a draft had been started.		
6. NOVEMBER 2012 FINANCIALS	*Rick Reid, CFO*		
	Mr. Reid discussed the November 2012 financials. Lower inpatient volumes were typical across the industry right now. Ms. Glago asked if the loss was directly picked up as outpatient volume, or if there was a gap, and what the gap was attributed to. Mr. Reid said the Hospital just received State data from OSHPD for 2011 in September 2012, so this year's data will not be received until September 2013. Ms. Glago asked if he would report on this at a future meeting. Supplies were $119,000 over budget in November, primarily in surgery due to orthopedic revisions (replacing an existing implant). Management was reviewing whether to stay in the revision business because the cost was significantly higher than new work. Surgeries took much longer, complications were higher, and the cost could be much higher. Outcomes could not be predicted well prior to surgery. Total expenses were still under budget by $106,000. Payer mix was added to the financial narrative. Variance would be added shortly. Mr. Reid said the clinical lab loss was primarily due to the Community Health Center not using Hospital lab services. Mr. Fogg asked for a review of several items here next time, such as Imaging and Occupational Health.		
7. PROJECTED CASH FLOWS	*Rick Reid, CFO*		
	Mr. Reid briefly discussed the cash flow projection. When cash is low, the accounts		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	payable process is slowed. The EHR Medicare reimbursement was received in December and those funds were used to pay vendors.		
8. ADJOURN	6:50 p.m.		

_____
Richard Fogg, Chairman

10.

STRATEGIC PLANNING PROCESS UPDATE FY2014

DRAFT

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

Sonoma Valley Hospital
2013 Three-Year Rolling Strategic Plan

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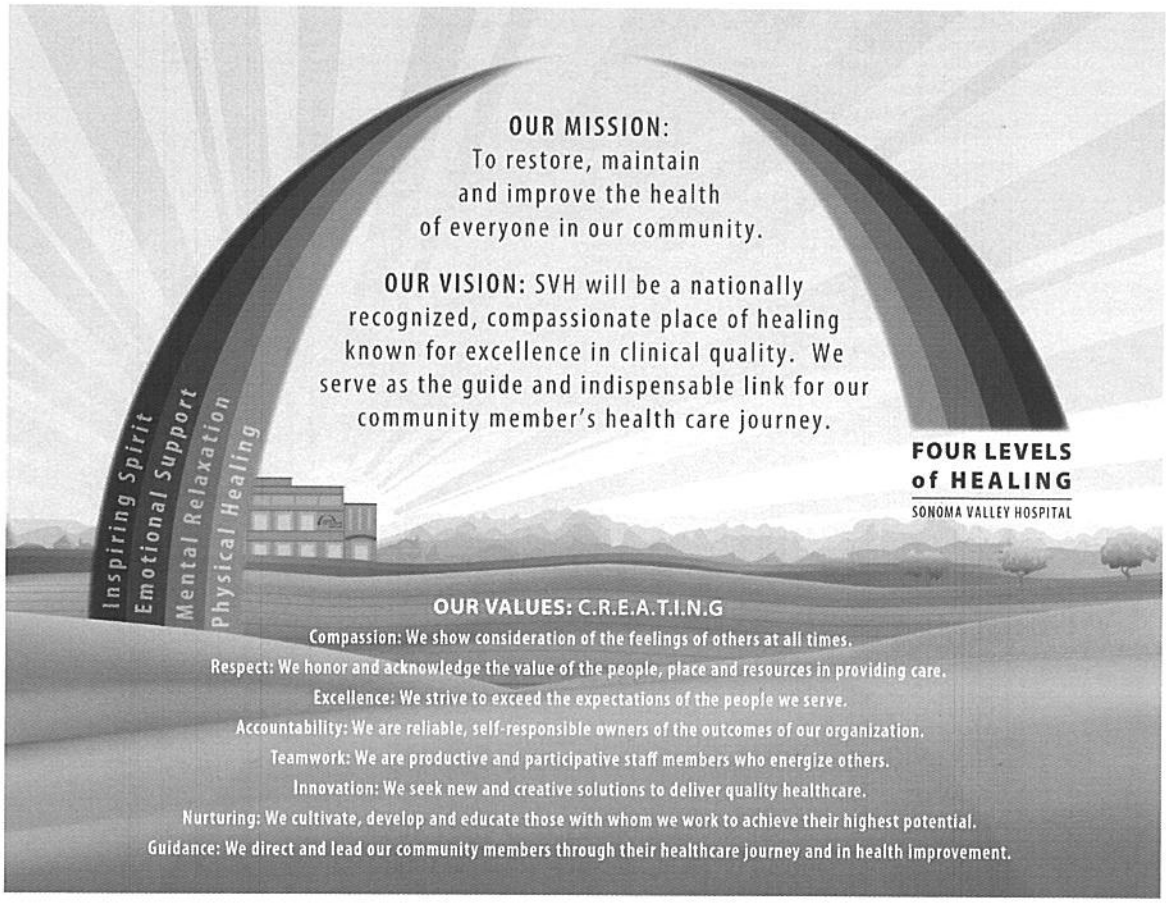


Introduction

The Sonoma Valley Hospital three-year rolling strategic plan is the culmination of planning sessions held with the Executive Management Team, Board and Physicians in early 2013.

The strategic planning process included the following objectives:

1. Conduct an environmental and market assessment to assess the future and determine the growth and financial opportunities in the marketplace;
2. Develop a 3-Year rolling strategic plan based on the touchstone mission, vision, values and develop measurable objectives to be achieved within the first 12 – 18 months;
3. Better understand the perspectives and needs of key stakeholders such as the physicians and community leaders.
4. Quantify the demand for existing services as the analytical foundation for planning and then develop the hospital's approach.

Environment Assessment

Hospitals and health systems are facing numerous cross-roads. We are in the transformation period and that means our focus is shifting from "doing more to be paid more" to improving the health status of the community, improving health care and managing expenditures for health care.

1) **Efficiency** - There is now unprecedented pressure on all health care organizations to increase efficiency and reduce overhead. It is clear that the purposeful or inadvertent financial reduction strategies by the federal and state governments are driving health care to the lowest common denominator level of cost. Hospital care was 42.67% of the National Health Expenditures in 1980 and is trending down at 32.58% in 2009 while hospitals continue to treat sicker patients that require specialized costly care. Physician partnership is critical to support sustainable margins at significantly reduced levels of reimbursement.

2) **The Shift** – For hospitals, transitioning from a billed charges system in varying forms is a challenge. It is analogous to redesigning and converting airplanes while they are in flight. Hospitals are being re-positioned as a cost center in the new payment system. What was previously treated in an inpatient setting, is converting to outpatient treatments at an alarming pace. Hospitals are costly and should be used for rescue and illness care. As technology improves, health care is becoming more commonly provided in physician offices and in our homes also known as ubiquitous healthcare.

3) **Accountable Care Act** - As healthcare coverage is extended to more uninsured Americans, it is clear that there will not be enough money in the system to support the demand unless stakeholder accountability and chronic illnesses are managed. Shared savings and bundled hospital-physician payments for episodes of care are shifting the incentives from treating the sick to incentives to first keep people healthy as well as treating their ills safely and cost effectively when care is required. Care management after a hospital stay to avoid re-admission is now a necessary focus for hospitals and physicians.

4) **Information & Technology** – Medical homes, accountable care organizations, and health information exchanges (HIE) that emphasize care coordination across physicians, hospitals and health insurance companies, other providers, and the community are underway and are a critical element for quality of health care. Evidence-based best practices using technology are improving safety, outcomes and efficiency but require a significant investment of time and money.

5) **Integrated Health Networks** – Joining a system of hospitals and physicians with partnering health plans is imperative for small hospitals in order to manage the dis-economies of scale and increased competition. The most promising solution is for

integrated networks of providers to be paid in advance in a risk-based or capitation system for the continuum of care (possibly excluding long-term care that primarily is social rather than medical) and for other stakeholders to be accountable for their actions that create demand and chronic illnesses.

Situation Analysis

Sonoma Valley Hospital (SVH) is a nonprofit district hospital located in the city of Sonoma California, with a publicly elected Board of Directors. The hospital has 83 licensed beds, 6 of which are critical care beds and 27 of which are skilled nursing beds, and an average daily census of approximately 40. Sonoma is a beautiful destination and its major industry is tourism.

SVH is completing our transformation as we continue to ensure that quality health care services are easily accessible and local. We strive to fortify our financial position so that we can continue to reinvest in our community and infrastructure. Since 2001, the hospital has benefitted from a parcel tax which has ensured stability by adding approximately $3 million annually. This parcel tax will be in effect until 2017 and has been had significant majority support based on the community's need and desire for local Emergency Care.

The hospital has 3 main buildings dating from 1957 to 1978 with a 4th "new wing" currently under construction. This new wing will house state of the art Emergency and Surgery departments. The age of the facility and equipment has led to a need for significant physical plant upgrades and investments over the past two years. While many of the investments have been made, there are still some major upgrades in radiology equipment and major physical plant systems that will be required. Once the new wing is built, re-using the old space for better patient access and flow for outpatient services is recommended.

SVH is affiliated with Marin General Hospital in Marin County through a management services agreement. This partnership has helped SVH develop financial stability by enhancing clinical affiliations and continuing to recruit top providers to Sonoma. Through collaboration and consolidation with other hospitals like Palm Drive Hospital, we are in a better position for healthcare reform and expenses are more controlled. Three other major health systems exist in the North Bay which include Kaiser Permanente, Sutter Health and St. Joseph Health. SVH is within 30 miles of a hospital owned by each of those systems.

Physicians are the lifeline of our hospital. We have created excellent partnerships with our local medical community, including Sonoma Valley Community Health Center. We strive to achieve a seamless continuum of care that serves both the physician and patient. SVH has over 100 physicians on the medical staff, with most specialties represented locally. In 2011, Sonoma Valley Hospital joined in an alliance with Prima Medical Foundation which now employs 7 physicians in Sonoma. Marin General Hospital is the leading hospital member of this physician foundation.

Clinical and service excellence is our foundation. With excellent clinical outcomes as demonstrated by national core quality measures, we continue to modernize our care through our new Electronic Health Record, telemedicine and care management. Our patient satisfaction is our motivation. Our brand or reputation is improving due to excellent service. We are now above the national hospital average in patient satisfaction and continue to rise. Finally, our culture and staff satisfaction is exceptional. Our staff satisfaction far exceeds national averages and continues to improve each year.

The hospital has seen a significant decrease in inpatient volumes over the past few years. Annual discharges were 1615 in FY 2010 and are projected to be 1543 in FY 2013. Similar to the national trends, outpatient revenue and outpatient procedures are increasing at SVH. In FY 2010, outpatient revenue was $66,279,328 and is now projected to be $97,268,193 in FY 2013. Home Care service has increased more than any other outpatient service and continues to grow due to our expansion into west Sonoma County and Marin County.

Based on a study of exposure verses readiness of hospitals for the changes in healthcare performed by Deloitte in 2012, SVH fell into the "challenged sustainability" box which requires repositioning to survive the long term. Our hospital must become a transformational leader to thrive in the new environment and being small and nimble gives us an advantage. We are improving efficiency and reducing the cost of care in the near term to create a sustainable margin. We have also embraced capitation with several health payers and Meritage IPA to ensure we stay in the game.

As we enhance our community trust, we have begun to see more philanthropic support which is the mechanism to bring Sonoma Valley residents a state of the art healthcare facility. The capital campaign for the new wing has been very successful and has begun a new age of substantial philanthropic support for SVH. Since the outlook for healthcare profit margins are dismal, our capital improvements will rely on fundraising.

Market Assessment

The strategic planning process for Sonoma Valley Hospital includes a comprehensive market assessment. The major findings from the 2011 market assessment are follows:

- Inpatient market share continues to decrease slightly while it is increasing by the same amount for Marin General Hospital. Combined Service area (which includes the majority of the healthcare district) population is 39,635 of which SVH has 45.5% of all inpatient admissions.
- Kaiser Permanente has not dramatically increased its market share in our combined service area. Kaiser Hospitals have 19% of all inpatient admissions from our service area which is up slightly from 17.9% in 2010.
- Seniors make up a significant portion of the SVH market with 19.5% of the combined service area being over 65 years of age. This is significantly higher than the 13.2% average in the United States.
- Projected total population growth for the combined service area is similar to California and U.S. average at 3.6% which will not increase much of the demand for inpatient hospital services.
- It is estimated that over 30% of our combined service area will be Hispanic by 2015 and they will soon be the ethnic majority in our community. Currently, our Hispanic population is 27% and many are patients of the health center.
- SVH has a dependency ratio of 85% on one zip code (95476) which has a population of 35,618. This is a relatively small catchment area to support a full service acute care hospital.
- Inpatient market share is down to 46% from 47% in 2010. Our highest inpatient market share is in Rehabilitation or "Skilled Nursing" at 92.6%. Skilled nursing or sub-acute care is a key element to our success. Inpatient market share is decreasing in most product lines.
- Marin General Hospital now has 6% inpatient market share up from 3% in 2010 which shows the regional partnership is effective.
- Inpatient surgical market share in Orthopedics increased to 36% from 31% in 2010 and General Surgery increased to 36.3% from 32.9% in 2010 most likely due to the addition of Sonoma based Orthopedic and General Surgeons.
- Ambulatory surgery market share for the primary service areas went up significantly from 2010 at 27% to 34.7%. However, we are still experiencing significant outmigration for surgeries which we can easily do locally. UCSF has 6.2%, Queen of the Valley has 5.6%, Marin General has 5.4%, Santa Rosa Memorial has 4.4% and Petaluma Valley Hospital has 3.5% of the primary service area market. Kaiser has 20.1% of the market.
- Emergency market share continues to be high at 70% for the combined service area and the number of emergency visits is increasing each year.
- The hospital should continue to focus on the needs of the community through outpatient services. Demand for ambulatory surgery is expected to increase by 6.9%; demand for Diagnostic outpatient visits is expected to increase by 11.4% and demand for Outpatient visits is expected to increase by 9.7%.

SVH Hospital Performance Trends

The hospital measures internal performance on a monthly basis using a balanced scorecard approach. SVH's dashboard is composed of the following pillars: service excellence, quality, people, finance, growth and community. These metrics are commonly used by hospitals in the nation.

December 2012 Dashboard

Performance Goals	Objective	Metric	Actual Result	National Benchmark
Service Excellence	High Patient Satisfaction	Press Ganey Monthly Scores Mean score > 86% or 50th percentile	Inpatient 86.9% Surgery 92.5% Outpatient 93.2% ER 90.1%	50th percentile means we score higher than 50% of the average hospitals in the nation
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score > 90%	92%	Hospitals in the U.S. average 91.1%
People	Highly Engaged and Satisfied Staff	Staff Satisfaction Scores > 75% or 50th percentile	77% in 2013 at the 80th percentile	80th percentile means we score higher than 80% of the average hospitals in the nation
	Retain excellent staff members	Turnover	7.9%	Hospitals in the U.S. average 12%
Finance	Financial Viability	Achieve an EBIDA > 8%	8%	Stable hospitals in the U.S. reach EBIDA of >8%. U.S. average is 7.5%.
	Expense Management	Maintain Operating Expenses under budget	$25,913,252 (actual) $26,205,245 (budget)	SVH is a very efficient hospital compared to California hospitals
Growth	Inpatient Volumes	1% increase (acute discharges over prior year)	683 YTD 2013 776 YTD 2012	U.S. average for inpatient admissions is down 1% over prior year. U.S. outpatient revenues average 3% increases per year.
	Outpatient Volumes	3% increase (gross outpatient revenue over prior year)	$49.4 million YTD $44.3 million 2012	
Community	Market Share	50% in combined service area	46%	U.S. average is 40%

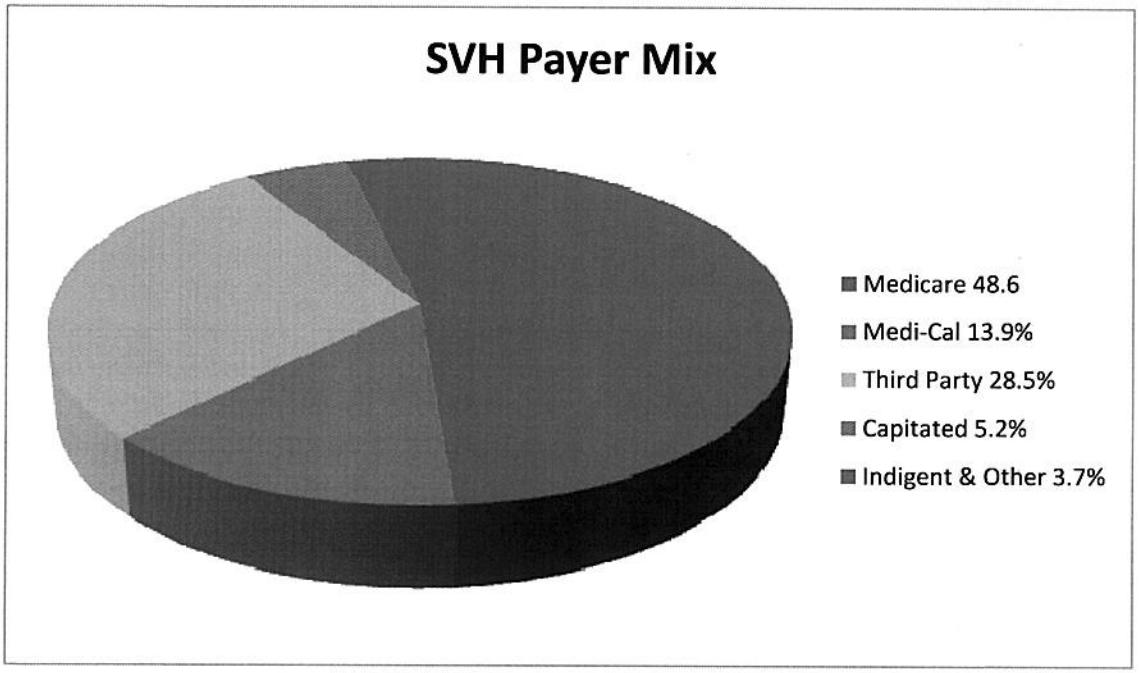
SVH Historical Financial Performance

(Dollars in Thousands)

	Projected FY 2013	Projected FY 2014	Projected FY 2015	FY 2010	FY 2011	FY 2012
Net Revenues	47,007	50,941	52,291	40,063	45,764	47,178
Labor Expense	22,963	26,549	26,962	22,841	24,436	24,601
Nonlabor Expense	21,893	27,668	27,913	20,489	25,362	27,250
Total Expenses	51,856	54,218	54,875	43,329	49,978	51,851
Parcel Tax	3,000	3,000	3,000	2,959	2,930	2,914
Net Income	2,445	2,610	1,759	842	1,217	1,408

SVH Payer Mix

Sonoma Valley Hospital has experienced a dramatic shift in payer mix, and this explains the struggle with financial stability. The Medicare payer mix exceeds the state average of 36.3 percent and continues to increase as our area's over 65 population grows. Medicare payments are low and cover only 89 percent of the cost of hospital operations. Our Medi-Cal payer mix is below the national average of 25%, but it covers only 72 percent of current costs. Our medically indigent payer mix is also increasing. Charity care and bad debt costs have increased from $2,364,621 in FY 2007 to projected $4,013,997 in FY 2013.



Strategic Initiatives

Strategies

The hospital is performing well compared to the national averages in Quality, Service Excellence. The community reputation is improving and our culture is positive. Therefore, our focus for the next three years must be on positioning for the future.

1) ***Convert to the "Connector" model for hospitals in a Regional Network with Marin General Hospital, Meritage IPA and health insurance partners.***

2) ***Offer a Women's Health service line that attracts women members for diagnostics, health screenings, obstetrics and acute care.***

3) ***Continue to improve financial stability through efficiency initiatives, consolidations with local hospitals and philanthropy.***

4) ***Become a destination for lifestyle health improvement surgeries such as Bariatrics and Total Joint Replacement.***

5) ***Become a Healing Hospital whereby staff are role models of health, patients are inspired to heal themselves and we lead Sonoma in becoming a healthy community.***

6) ***Create a medical campus for the city of Sonoma that includes easy access for outpatient visits, physician proximity, wellness services and community health outreach and education.***

7) ***Implement technology that increases quality, safety, communication and efficiency.***

Sonoma Valley Hospital Strategic Map, 2013 - 2014

Goal	Initiative	Initiative	Person	Target Date
Healing Hospital: Patient Centered Care	Facility upgrades for patient healing & experience	Consistently score 75th percentile in ER & Inpatient	MK	1/2013
Healing Hospital: Staff Wellness	Staff participation rate > 85%	Health Improvement Dashboard tracking staff health improvement	DK	2/2013
Healing Hospital: Staff Satisfaction	65th percentile on staff satisfaction	75% participation rate	PD	3/2013
Surgery Destination: Service Line Growth	Targeted Marketing for Orthopedics & Bariatrics	Surgery Center becomes destination for surgeries	MD	4/2013
Financial Stability: Care Management	Medicare profitability for inpatient care	Cost Accounting system for profit/contribution on all product lines	LL/RR	4/2013
Women's Health: Focused Marketing	Join Spirit of Women and launch in May with GYN	Create Women's Wing & upgrade Women's Center	KM	5/2013
Connector: Physician Partnership	M.D. Succession plan & recruitment for sustainability	Partnership for success using shared risk	RC/RR	6/2013
Connector: Regional Care System	Continue District Hospital Systemization	Promote Health Plan partners	KM	6/2013
Financial Stability: Increase security	Meet national hospital financing benchmarks	Increase cash > 30 days	RR	7/2013
Healing Hospital: Community Health	Wellness program for Seniors & Rehab patients	Community wellness partnerships i.e. schools	DK	8/2013
Financial Stability: Philanthropy	Complete Capital Campaign raising $9 million	Begin Legacy Giving	KM	9/2013
Technology: Quality & Safety	Culture of Safety using electronic systems	Checklist and other I/T quality enhancers	LL/RC	9/2013
Outpatient Campus: Master Facility Plan	Complete Phase 1 w/ New Wing	Plan outpatient flow and/or Medical Office Building	KM	11/2013
Technology: High Technology	Achieve E H R stage 6 out of 7	Achieve Meaningful use – Stage 2	RC/RR	12/2013

11.A.

RECOMMENDATION TO APPROVE PROPOSAL FOR BOARD SELF-ASSESSMENT

Meeting Date: Monday, March 4, 2013

Prepared by: Paula Davis, CHRO

Agenda Item Title: Recommendation to Approve Contract Proposal for Board Self-Assessment

Recommendations:
It is recommended by the Governance Committee that the Board of Directors approve a sole source contract with Karma Bass to conduct the Annual Board Self Assessment and approve the self assessment tool/process.

Background:
Karma Bass was the facilitator for the Board's 2011 and 2012 self-assessment and board retreat. The survey used by Ms. Bass will be the same as the prior two years and will allow the Board to measure its progress. The survey will be forwarded to each Board member to complete and return for the assessment analysis. Due to the Ms. Bass' familiarity with the SVH Board and the manner in which it works, it is cost effective to again use her to facilitate the 2013 self assessment rather than introducing a new consultant who would need much more education to the intricacies of the SVH Board and result in great costs. Since last year, Ms. Bass has started her own consulting business and has presented a proposal (attached) outlining her objectives and the reduced cost.

Consequences of Negative Action/Alternative Actions:
Should the recommendation to utilize Karma Bass be rejected, facilitation would be left to the CEO and Board Chairperson. The retreat will likely not be as effective without an experienced facilitator with expertise in these issues.

Financial Impact:
$4,000 – This was budgeted in the FY 2012-13 budget and the funds are available.

Selection Process and Contract History:
As previously stated, this is a proposed third year contractual arrangement with this consultant. Knowing the excellent product and information produced from using this consultant and the confidence in Ms. Bass, the Governance Committee recommends a sole source contract.

Board Committee:
The Governance Committee unanimously recommends approval by the Board.

Attachment:
See proposal attached.

Via Healthcare Consulting ● 7040 Avenida Encinas ● Suite 104 ● Carlsbad, CA 92011

February 20, 2013

Transmitted via email to kmather@svh.com

Kelly Mather
President and Chief Executive Officer
Sonoma Valley Hospital

Dear Kelly,

Thank you for the opportunity to provide this proposal to assist with the Sonoma Valley Health Care District's annual Board Self-Assessment and half-day retreat on April 15, 2013. This letter includes my recommended objectives for the proposed engagement and a professional fee estimate.

As I understand it, the Sonoma Valley Health Care District (SVHCD) Board is conducting a half-day retreat in conjunction with its attendance at the Estes Park Institute conference at Half Moon Bay on the afternoon of Monday, April 15. The afternoon will be split into a Board and CEO-only session to discuss results of the Board's Self-Assessment and a session with Board and Sonoma Valley Hospital senior executives discussing strategic issues.

If hired for this project, Via Healthcare Consulting and I would be available to:

1. Complete the 2013 Sonoma Valley Health Care District Board Self-Assessment by:
    a. Conducting the data analysis – using results of the recently-completed surveys – to develop observations, recommendations, and overarching themes from this year's results
    b. Developing the custom report and presentation, including creation of all charts, graphs and relevant PowerPoint slides
    c. Including a year-over-year comparison to the 2011 and 2012 Sonoma Valley Health Care District Board Self-Assessment results including charts, graphs, and commentary

2. Present the SVHCD 2013 Board Self-Assessment report and facilitate the Board's discussion of it

3. Work with the Board to identify areas for follow-up work, such as clarifying the board's role in strategic planning or other items that may arise from the self-assessment results

4. Facilitate the strategic discussion session with Board and Hospital senior executives, if desired

In order to complete the above objectives successfully, we estimate that $4,000 in professional fees will be required. We will not exceed this estimate unless the scope of work has been changed and approved by you. In addition, our out-of-pocket expenses (e.g., airfare, ground transportation, meals, etc.) will be passed along with no markup.

Should you decide to engage us, we will submit an invoice for professional fees and expenses at the project's conclusion. Payment is requested within 30 days. If you accept this proposal, SVHCD could terminate this engagement at any time and for any reason. In the event of termination, SVHCD would be obligated only for professional fees and expenses incurred through the date of termination.

Thank you for considering us for this important project.

Sincerely,

Karma Bass, MPH, FACHE
(760) 814-8578 ● kbass@viahcc.com

11.B.

BOARD RETREAT AGENDA

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS' RETREAT
Monday, April 15, 2013
12:30-2:00pm Self-Assessment
2:15-5:00pm Future of SVH

Location: Mirada Room, Oceano Hotel & Spa
280 Capistrano Rd., Half Moon Bay, 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/ANNOUNCEMENTS	Boerum	
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.*		
3. BOARD SELF-ASSESSMENT AND EDUCATIONAL RETREAT	Karma Bass	Inform/Action
4. THE FUTURE OF SONOMA VALLEY HOSPITAL	Mather	Inform
5. ADJOURN	Boerum	

12.

CONSTRUCTION COMMITTEE STATUS REPORT 02.15.13

Sonoma Valley Hospital - Phase 1 - Expansion.

Project Update/ Dashboard - Increment 1 & 3

Friday, February 15, 2013

Schedule		Target	Actual
MRI relocation		9/26/2012	9/26/2012
Complete New Entrance		9/27/2012	9/27/2012
Start New Building		9/27/2012	9/27/2012
Install Footings		12/31/2012	12/27/2012
Steel Top Out		2/13/2013	2/13/2013
Deck Pour Completion		4/9/2013	
Enclose Building Exterior		7/8/2013	
Interior Wall Close Up		6/28/2013	
Permanent Power		8/23/2013	
Substantial Completion		10/28/2013	
Final Completion		11/12/2013	On Schedule
Generator On Line		5/31/2013	
Chillers On Line		5/13/2013	

Contract		Target	Actual
Board Request, $1,369,624		2/7/2013	Approved
GMP Sign off		2/8/2013	In Progress
Change Order#10		2/8/2013	In Progress

Critical Issues			Comments
Project Funding		2/7/2013	Approved
NPC -3 Extention		4/1/2013	Pending NPC2 Approval
IT Network Coordination		2/15/2013	Scope Complete
Potential Weather Delay		On going	On Schedule
PG&E Coordination		2/13/2013	In Progress
DIA for South Parking Lot		In progress	
Facility Impacts			
Steel Erection - Complete		2/13/2013	Complete
Welding Structure		2/13/2013	Welding Flash - Mitigated
Chiller Installation		1/18/2013	Complete
Upcoming Activites			
PG&E Conduit Install		2/13/2013	In progress
Chiller Yard Enclosure		1/21/2013	Complete
Concrete Deck pours		4/5/2013	

Critical or High Impact	Potential Risk / Unresolved/ Medium Impact	On Track

Budget

	July Approved Budget	$39,739,376
	August Approved Infrastructure	$1,500,000
	Total Board Approved Budget	**$41,239,376**
	Board Review/Funding, Feb 7th- Approved	$1,369,624
	CEO Committee Approved Two West 2/7/13	$1,200,000
	Total Approved Budget	**$43,809,000**

	Project Contingency	$465,432
	Current Commitments	-$75,627
	2 West Contingency - Approved	$85,055
	Project Contengency Remaining	$474,860

Code	Potential Project Risks	Est Dollar Amount
	None at this Time	$0

Owner Decisions	Target Date	Completion Date
Security Final Operation Sign Off	1/29/2013	2/19/2013
IS Network Equipment Final Design	2/15/2013	2/1/2013
Voice IP / vs. Tele Switch - RFP evaluation	2/1/2013	2/1/2013
Medical Equipment Project coordination	1/30/2013	2/20/2013
Donor Wall and Fountain	1/1/2013	In Progress
Two west Waiting Room	2/15/2013	2/19/2013
PBX - Coordination verification	2/15/2013	2/26/2013
4th Street Light	2/28/2013	In Progress
Two West Construction Plan	3/15/2013	In Progress

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

13.A.

FINANCE COMMITTEE ANNUAL PERFORMANCE REVIEW

Meeting Date: Thursday, March 14, 2013

Prepared by: SVH Finance Committee

Agenda Item Title: ANNUAL PERFORMANCE REVIEW, SVH FINANCE COMMITTEE

Board Committee:
Finance Committee unanimously recommends to Board for approval.

This provides an Annual Performance Review for the Sonoma Valley Hospital Finance Committee. This review has been developed to fulfill the requirements as established by the Sonoma Valley Health Care District Board of Directors on April 5, 2012, and has been reviewed and approved by the full Finance Committee at their January 2, 2013 meeting.

Requirements:
The specific requirements for an annual performance evaluation of the Sonoma Valley Finance Committee are as follows:

> *"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 a manner as the Committee deems appropriate."*

The Committee believes that it has fulfilled its responsibilities in the past 12 months in assisting the Board in its oversight of the Sonoma Valley Hospital's financial affairs. This included financial planning, operational and capital budgeting, capital project reviews, monitoring and commenting where appropriate on the monthly financial results against the annual budget, review of debt structures (financing and refinancing) and other financial matters (external and internal) that the Committee thought the Board should be aware of. Additionally the Committee stands ready to provide recommendations to the Board on all other financial issues at the Board's direction and for their final decisions.

Recommendations:
The Finance Committee would also like to advise the Board of the following comments:

1. The Committee is operating with a full roster and we believe that the various and different skills of the current membership qualify the Committee to fulfill its duties and responsibilities for the District.

2. We acknowledge and appreciate the support and strong technical skills of Rick Reid, CFO and of the Financial group and we believe that we have a productive working relationship with them. However, we ask that the Board and the Administration ensure that the CFO continues to have sufficient time and resources at the needed levels to focus on SVH issues to support the Finance Committee and allow it to fulfill its mission. We also appreciate Kelly Mather's (CEO) attendance at our meetings and, in particular, the experience and perspective she provides on current operational issues.

3. The Committee welcomes any educational opportunities to better understand market and industry trends and to help us prepare ourselves to budget for the anticipated dramatic changes expected in health care and how they will impact the service and cost structure of the SVH business. While we don't purpose a formal program to address this comment, we would appreciate inclusion in any available Hospital informational resources that would help us better fulfill our mission.

4. We recommend that the Annual Finance Committee Performance Review specifically coincide with the Hospital's fiscal year rather than the calendar year. This would better facilitate any future analytical comments about business results or budgets and potentially add greater actionable specificity to the report.

We hope the above provides a sufficient annual performance review for the Sonoma Valley Hospital Finance Committee. However and because this is the first ever known formal review, we would appreciate Board feedback of any kind (content/format/indicated actions/challenges).

13.B.

FINANCE COMMITTEE FINANCIAL REPORT FOR JANUARY 2013

Sonoma Valley Hospital
Sonoma Valley Health Care District
January 31, 2013 Financial Report

District Board

March 14, 2013

January's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	159	126	33	125
Acute Patient Days	613	446	167	448
SNF Patient Days	707	669	38	662
Outpatient Gross Revenue (in thousands)	$8,805	$8,584	$221	$8,640
Surgical Cases	116	132	-16	132

Summary Statement of Revenues and Expenses Month of January 31, 2013

		Actual	Budget	Variance	Percentage	Prior Year
1	Total Operating Revenue	$ 4,382,193	$ 3,952,464	$ 429,729	11%	$ 3,834,574
2	Total Operating Expenses	$ 4,631,768	$ 4,404,900	$ (226,868)	-5%	$ 4,229,668
3	Operating Margin	$ (249,575)	$ (452,436)	$ 202,861	45%	$ (395,094)
4	NonOperating Rev/Exp	$ 468,622	$ 459,942	$ 8,680	2%	$ 418,290
5	Net Income before Restricted Cont.	$ 219,047	$ 7,506	$ 211,541	2818%	$ 23,196
6	Restricted Contribution	$ 17,948	$ 47,500	$ (29,552)	-62%	$ -
7	Net Income with Restricted Contributions	$ 236,995	$ 55,006	$ 181,989	331%	$ 23,196
8	EBIDA before Restricted Contributions	$ 484,673	$ 262,870	$ 221,803		$ 271,532
9	EBIDA before Restricted Cont. %	11%	7%	4%		7%
10	Net Income without GO Bond Activity	$ 113,439	$ (73,316)	$ 186,755		$ (100,360)

Summary Statement of Revenues and Expenses Year to Date January 31, 2013

		Actual	Budget	Variance	Percentage	Prior Year
1	Total Operating Revenue	$ 27,688,846	$ 27,431,106	$ 257,740	1%	$ 27,270,937
2	Total Operating Expenses	$ 30,545,020	$ 30,610,145	$ 65,125	0%	$ 29,463,912
3	Operating Margin	$ (2,856,174)	$ (3,179,039)	$ 322,865	10%	$ (2,192,975)
4	NonOperating Rev/Exp	$ 3,245,202	$ 3,267,094	$ (21,892)	-1%	$ 2,324,297
5	Net Income before Restricted Cont.	$ 389,028	$ 88,055	$ 300,973	342%	$ 131,322
6	Restricted Contribution	$ 446,026	$ 285,000	$ 161,026	57%	$ -
7	Net Income with Restricted Contributions	$ 835,054	$ 373,055	$ 461,999	124%	$ 131,322
8	EBIDA before Restricted Contributions	$ 2,096,885	$ 1,875,603	$ 221,282		$ 1,656,398
9	EBIDA before Restricted Cont. %	8%	7%	1%		6%
10	Net Income without GO Bond Activity	$ (475,864)	$ (810,199)	$ 334,335		$ (733,570)

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

To: **SVH Finance Committee**
From: **Rick Reid, CFO**
Date: **February 26, 2013**
Subject: **Financial Report for the Month Ending January 31, 2013**

Overall Results for January 2013

Overall for January, SVH has net income of $236,996 on budgeted income of $55,007, for a favorable difference of $181,989. Total net patient service revenue was over budget by $362,309. Risk contracts were over budget by $66,114, bringing the total operating revenue to $4,382,194 or $429,729 over budget. Expenses were $4,631,768 on a budget of $4,404,900 or ($226,868) over budget. The EBIDA prior to the restricted donations for the month was $484,674 or 11.1%.

Patient Volumes

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	159	126	33	125
Acute Patient Days	613	446	167	448
SNF Patient Days	707	669	38	662
OP Gross Revenue	$8,805	$8,584	$221	$8,640
Surgical Cases	116	132	-16	132

Overall Payer Mix - January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	47.4%	47.1%	0.3%	48.6%	47.4%	1.2%
Medi-Cal	13.0%	13.3%	-0.3%	13.9%	13.3%	0.6%
Commercial	34.4%	36.2%	-1.8%	33.8%	35.9%	-2.1%
Self Pay	5.2%	3.4%	1.8%	3.7%	3.4%	0.3%
Total	100%	100%		100%	100%	

Net Operating Revenues

Net operating revenues for January were $4.4 million on a budget of $4.0 million or $429,729 over budget.

Inpatient Net Revenue is over budget by $354,540 or 23%, due to the following:

- Medicare discharges over budget by 19, with a favorable rate variance for a total impact of $323,278
- Reserved $300,000 for pending RAC denials

- Medi-Cal patient days over budget by 11, the impact was $36,957, offset by unfavorable rates of ($23,446), net variance over budget $13,511
- Other patient days over budget by 34, the impact was $317,085, offset by unfavorable rates of ($216,009), net variance over budget $101,076
- Commercial patient days over budget by 54, the impact was $289,090, offset by unfavorable rates of ($72,415), net variance over budget $216,675

Skilled Nursing Home:

- Volume was over budget by 38 days and patient acuity was over budget, net impact $14,797

Outpatient:

- Volume was over budget by $157,320, due to higher volume and better commercial insurance utilization, offset by higher self pay volumes, for a net loss of ($62,030).

Home Care:

- Volume was over budget by 163 visits or $15,746 over budget

Contract Revenue:

- Napa State volume was over budget due to a large case.

Expenses

January's expenses were $4.6 million on a budget of $4.4 million or over budget by ($226,868).

The following is a summary of the operating expense variances for the month of January:

- Total productivity FTE's were under budget at 284, on a budget of 285. Total salaries and Agency Fees were under budget by a total of $75,242.
- Employee benefits were over budget by ($170,557), of this ($110,766) related to paid time off due to the number of sick employees. Health insurance was also over budget by ($22,142).
- Professional Fees are over budget by ($28,373) due to patient accounting being over budget by ($15,289) due to collection services and accounts receivable clean up. Administration was over budget by ($10,029) due to legal costs.
- Supplies are over budget by ($50,581) due to Pharmacy supplies being over ($18,141) and the high dollar drugs ordered by the pharmacy being over ($11,167). This variance is directly related to volume.
- Purchase services are over budget by ($59,688) due to Information Systems related to the Electronic Health Records, that was previously budgeted in as capital, but does not qualify as capital, therefore maintenance contracts have been expensed over the fiscal year.

Capital Campaign Summary:

For the month of January the Hospital received $17,948 in capital campaign donations. The total amount received from the Capital Campaign to date is $2,381,456, offset with spending of $648,056. The funds are included on line 16, Specific Funds on the Balance Sheet. Included on line 16 is also $21,778 for miscellaneous restricted funds and $114,420 received from the Foundation for the X-ray machine.

	Receipts	Spending	Balance
Emergency Dept.	$1,001,000	$0	$1,001,000
Operating Room	$0	$0	$0
General	$1,380,456	$648,056	$732,400
Total Capital Campaign	**$2,381,456**	**$648,056**	**$1,733,400**
X-Ray Machine	$114,420	$0	$114,420
Misc. Restricted Funds	$21,778	$0	$21,778
Total Specific Funds	**$2,517,654**	**$648,056**	**$1,869,598**

These comparisons are for actual FY 2013 compared to actual FY 2012. These are not budget comparisons.

Outpatient & ER Visits

	ER – Inpatient				ER - Outpatient			
	CY	PY	Change	%	CY	PY	Change	%
July	**109**	**114**	**-5**	**-4.4%**	**729**	**772**	**-43**	**-5.6%**
Aug	**106**	**105**	**1**	**.9%**	**778**	**718**	**60**	**8.4%**
Sept	**111**	**107**	**4**	**3.1%**	**677**	**693**	**-16**	**2.3%**
Oct	**95**	**108**	**-13**	**-12%**	**706**	**679**	**27**	**4.0%**
Nov	**101**	**107**	**-6**	**-5.6%**	**631**	**632**	**-1**	**-0.2%**
Dec	**100**	**119**	**-19**	**-16.%**	**693**	**622**	**71**	**11.4%**
Jan	**141**	**93**	**48**	**51.6%**	**711**	**698**	**13**	**1.9%**
YTD	**763**	**753**	**10**	**1.3%**	**4,925**	**4,814**	**111**	**2.3%**

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended January 2013

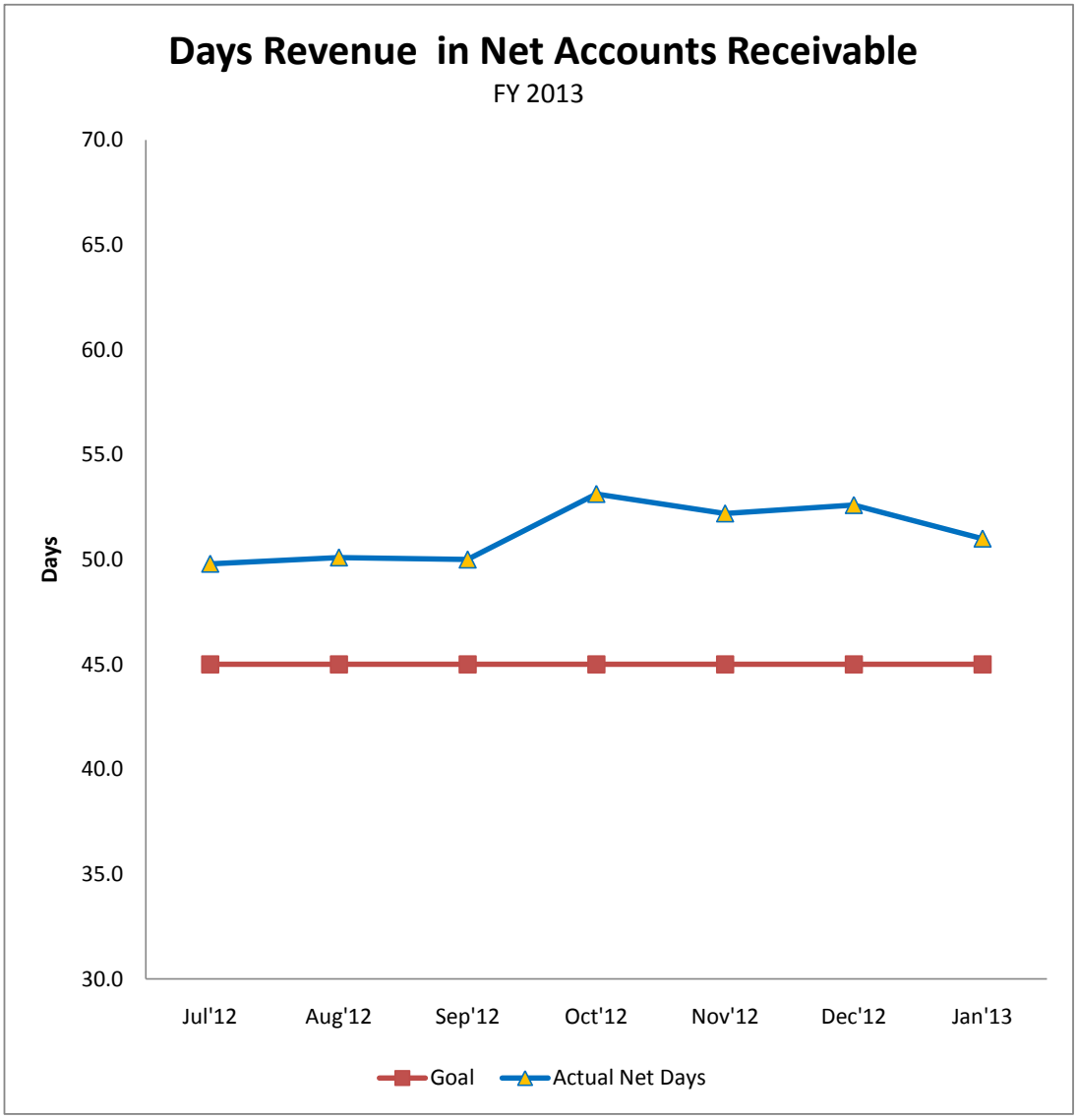
		Month				Year-To- Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	$	%	Actual	Budget	$	%	Prior Year
	Volume Information									
1	Acute Discharges	159	126	33	26%	842	886	(44)	-5%	901
2	SNF Days	707	669	38	6%	4,524	4,810	(286)	-6%	4,216
3	Home Care Visits	1,076	913	163	18%	6,771	6,427	344	5%	6,612
4	Gross O/P Revenue (000's)	8,805	8,584	221	3%	$ 59,844	$ 58,289	1,555	3%	$ 54,481
	Financial Results									
	Gross Patient Revenue									
5	Inpatient	$ 6,830,442	$ 5,167,399	1,663,043	32%	$ 37,157,798	$ 36,300,781	857,017	2%	$ 34,851,071
6	Outpatient & Emergency	8,497,901	8,314,899	183,002	2%	57,857,680	56,398,832	1,458,848	3%	52,697,510
7	SNF	2,295,676	1,971,814	323,862	16%	14,768,414	14,124,950	643,464	5%	13,214,757
8	Home Care	306,807	269,033	37,774	14%	1,986,551	1,890,526	96,025	5%	1,783,132
9	Total Gross Patient Revenue	$ 17,930,826	$ 15,723,145	2,207,681	14%	$ 111,770,443	$ 108,715,089	3,055,354	3%	$ 102,546,470
	Deductions from Revenue									
10	Contractual Discounts	$ (13,573,872)	$ (11,567,059)	(2,006,813)	-17%	$ (83,490,706)	$ (79,902,516)	(3,588,190)	-4%	$ (74,104,067)
11	Bad Debt	(300,000)	(336,895)	36,895	11%	(1,900,000)	(2,329,407)	429,407	18%	(2,225,000)
12	Charity Care Provision	(50,876)	(175,422)	124,546	71%	(1,246,408)	(1,212,931)	(33,477)	-3%	(1,141,041)
13	Prior Period Adjustments	-	-	-	0%	-	-	-	0%	-
14	Total Deductions from Revenue	$ (13,924,748)	$ (12,079,376)	(1,845,372)	15%	$ (86,637,114)	$ (83,444,854)	(3,192,260)	4%	$ (77,470,108)
15	Net Patient Service Revenue	$ 4,006,078	$ 3,643,769	362,309	10%	$ 25,133,329	$ 25,270,235	(136,906)	-1%	$ 25,076,362
16	Risk contract revenue	$ 362,772	$ 296,658	66,114	22%	$ 2,418,303	$ 2,076,606	341,697	16%	$ 2,107,558
17	Net Hospital Revenue	$ 4,368,850	$ 3,940,427	428,423	11%	$ 27,551,632	$ 27,346,841	204,791	1%	$ 27,183,920
18	Other Operating Revenue	$ 13,344	$ 12,038	1,306	11%	$ 137,216	$ 84,266	52,950	63%	$ 87,020
19	Total Operating Revenue	$ 4,382,194	$ 3,952,465	429,729	11%	$ 27,688,848	$ 27,431,107	257,741	1%	$ 27,270,940
	Operating Expenses									
20	Salary and Wages and Agency Fees	$ 1,937,084	$ 2,012,326	75,242	4%	$ 13,526,039	$ 13,781,638	255,599	2%	$ 12,934,564
21	Employee Benefits	842,461	$ 671,904	(170,557)	-25%	5,174,547	4,906,187	(268,360)	-5%	4,598,561
22	Total People Cost	$ 2,779,545	$ 2,684,230	(95,315)	-4%	$ 18,700,586	$ 18,687,825	(12,761)	0%	$ 17,533,125
23	Med and Prof Fees (excld Agency)	$ 416,657	$ 388,284	(28,373)	-7%	$ 2,694,837	$ 2,741,428	46,591	2%	$ 3,224,550
24	Supplies	558,081	507,500	(50,581)	-10%	3,561,745	3,403,766	(157,979)	-5%	3,405,275
25	Purchased Services	439,564	379,876	(59,688)	-16%	2,792,673	2,673,496	(119,177)	-4%	2,203,035
26	Depreciation	204,044	199,672	(4,372)	-2%	1,283,079	1,397,704	114,625	8%	1,125,289
27	Utilities	66,913	82,610	15,697	19%	570,356	578,270	7,914	1%	540,239
28	Insurance	17,054	20,374	3,320	16%	138,304	142,618	4,314	3%	141,545
29	Interest	31,571	25,681	(5,890)	-23%	214,701	179,767	(34,934)	-19%	189,712
30	Other	118,339	116,673	(1,666)	-1%	588,739	805,271	216,532	27%	1,101,142
31	Operating expenses	$ 4,631,768	$ 4,404,900	(226,868)	-5%	$ 30,545,020	$ 30,610,145	65,125	0%	$ 29,463,912
32	Operating Margin	$ (249,574)	$ (452,435)	202,861	45%	$ (2,856,172)	$ (3,179,038)	322,866	10%	$ (2,192,972)
	Non Operating Rev and Expense									
33	Electronic Health Records & Misc. Rev.	$ 165,678	$ 147,250	18,428	13%	$ 1,115,180	$ 887,667	227,513	26%	$ 129,959
34	Donations	-	-	-	0%	10,000	190,583	(180,583)	95%	15,117
35	Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	(1,366)
36	Physician Practice Support-Prima	(65,630)	(65,630)	-	0%	(459,410)	(459,410)	-	0%	(399,430)
37	Parcel Tax Assessment Rev	245,018	250,000	(4,982)	-2%	1,714,540	1,750,000	(35,460)	-2%	1,715,125
38	GO Bond Tax Assessment Rev	153,567	158,333	(4,766)	-3%	1,074,969	1,108,331	(33,362)	-3%	1,074,967
39	GO Bond Interest	(30,011)	(30,011)	-	0%	(210,077)	(210,077)	-	0%	(210,075)
40	Total Non-Operating Rev/Exp	$ 468,622	$ 459,942	8,680	2%	$ 3,245,202	$ 3,267,094	(21,892)	-1%	$ 2,324,297
41	Net Income / (Loss) prior to Restricted Contributior	$ 219,048	$ 7,507	211,541	2818%	$ 389,030	$ 88,056	300,974	342%	$ 131,325
42	Capital Campaign Contribution	$ 17,948	$ 47,500	(29,552)	-62%	$ 331,692	$ 285,000	46,692	16%	$ -
43	Restricted Foundation Contributions	$ -	$ -	-	0%	$ 114,334	$ -	114,334	100%	$ -
44	Net Income / (Loss) w/ Restricted Contributions	$ 236,996	$ 55,007	181,989	331%	$ 835,056	$ 373,056	462,000	124%	$ 131,325
45	Net Income w/o GO Bond Activity	$ 113,440	$ (73,315)	186,755	255%	$ (475,862)	$ (810,198)	334,336	41%	$ (733,567)

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of January 31, 2013

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 1,239,472	$ 2,006,788	$ 3,007,792
2	Trustee Funds	339,459	339,459	1,133,483
3	Net Patient Receivables	8,604,595	8,172,226	7,703,335
4	Other Accts/Notes Rec	4,607,120	4,552,278	1,841,528
5	Allow Uncollect Accts	(1,478,295)	(1,629,821)	(1,874,548)
6	3rd Party Receivables	204,547	44,923	712,037
7	Due Frm Restrict Funds	-	-	-
8	Inventory	905,016	887,934	972,182
9	Prepaid Expenses	1,048,555	1,198,317	1,533,136
10	Total Current Assets	$ 15,470,469	$ 15,572,104	$ 15,028,945
11	Board Designated Assets	$ 186,333	$ 186,193	$ 253,764
12	Property,Plant & Equip, Net	11,717,094	12,690,050	10,506,859
13	Hospital Renewal Program	20,592,634	18,571,818	11,329,510
14	Unexpended Hospital Renewal Funds	11,702,114	14,541,543	20,812,464
15	Investments	-	-	36,984
16	Specific Funds	1,869,598	1,849,766	550,619
17	Other Assets	312,018	313,616	514,338
18	Total Assets	$ 61,850,260	$ 63,725,090	$ 59,033,483
	Liabilities & Fund Balances			
	Current Liabilities:			
19	Accounts Payable	$ 5,391,785	$ 7,349,043	$ 4,423,834
20	Accrued Compensation	3,214,430	3,038,895	3,058,734
21	Interest Payable	857,115	714,262	857,160
22	Accrued Expenses	267,009	255,629	151,411
23	Advances From 3rd Parties	1,346,964	1,305,849	652,237
24	Deferred Tax Revenue	1,979,221	2,377,805	1,992,919
25	Current Maturities-LTD	1,301,750	1,365,409	1,482,469
26	Other Liabilities	83,036	83,975	267,155
27	Total Current Liabilities	$ 14,441,310	$ 16,490,867	$ 12,885,919
28	Long Term Debt, net current portion	$ 37,675,774	$ 37,738,378	$ 38,491,113
29	Fund Balances:			
30	Unrestricted	$ 7,148,440	$ 6,929,057	$ 7,587,807
31	Restricted	2,584,736	2,566,788	68,644
32	Total Fund Balances	$ 9,733,176	$ 9,495,845	$ 7,656,451
33	Total Liabilities & Fund Balances	$ 61,850,260	$ 63,725,090	$ 59,033,483

Sonoma Valley Hospital
Statistical Analysis
FY 2013

	ACTUAL	BUDGET	ACTUAL											
	Jan-13	Jan-13	Dec-12	Nov-12	Oct-12	Sep-12	Aug-12	Jul-12	Jun-12	May-12	Apr-12	Mar-12	Feb-12	Jan-12	Dec-11
Statistics															
Acute															
Acute Patient Days	613	446	456	351	443	347	432	396	354	363	436	435	399	448	455
Acute Discharges	159	126	117	104	121	109	117	115	107	116	129	128	145	125	130
SNF Days	707	669	671	638	576	617	682	633	688	729	618	672	567	662	685
HHA Visits	1,076	913	940	921	1,043	802	1,052	937	941	989	997	1,023	950	967	913
Emergency Room Visits	852	790	793	732	801	788	884	838	810	863	717	783	692	791	741
Gross Outpatient Revenue (000's)	$8,805	$8,584	$8,302	$8,485	$8,935	$8,151	$9,014	$8,153	$7,667	$8,120	$7,880	$8,707	$7,983	$8,640	$7,838
Equivalent Patient Days	2,594	2,456	2,353	2,213	2,214	2,202	2,509	2,202	2,355	2,362	2,236	2,451	2,214	2,412	2,374
Births	19	16	13	14	9	11	16	9	15	6	23	11	10	9	17
Surgical Cases - Inpatient	38	38	32	35	37	37	40	41	28	37	38	37	31	33	43
Surgical Cases - Outpatient	78	94	94	95	91	97	98	82	92	99	99	117	84	99	89
Total Surgical Cases	116	132	126	130	128	134	138	123	120	136	137	154	115	132	132
Medicare Case Mix Index	1.52	1.40	1.51	1.47	1.29	1.49	1.40	1.61	1.50	1.64	1.36	1.29	1.40	1.32	1.47
Income Statement															
Net Revenue (000's)	4,006	3,640	4,085	3,679	3,963	3,707	3,926	3,822	4,832	3,741	3,739	3,925	3,867	3,924	4,247
Operating Expenses (000's)	4,632	4,405	4,482	4,235	4,407	4,221	4,312	4,257	5,278	4,686	4,413	4,372	4,160	4,230	4,584
Net Income (000's)	237	55	134	174	67	65	127	31	889	343	(14)	24	36	23	(13)
Productivity															
Total Operating Expense Per Equivalent Patient Day	$1,786	$1,794	$1,905	$1,914	$1,990	$1,917	$1,719	$1,933	$2,241	$1,984	$1,974	$1,784	$1,879	$1,746	$1,931
Productive FTEs	284	285	284	266	281	291	284	281	285	285	274	271	272	266	274
Non-Productive FTE's	37	30	33	47	36	39	37	41	34	28	28	28	26	35	27
Total FTEs	321	315	317	313	316	330	321	322	318	313	302	303	299	300	302
FTEs per Adjusted Occupied Bed	3.84		4.24	4.24	4.43	4.37	3.97	4.53	4.05	4.11	4.05	3.84	3.80	3.84	3.94
Balance Sheet															
Days of Expense In General Operating Cash	9		14	7	12	14	13	14	13	15	20	16	20	25	23
Net Days of Revenue in AR	51		53	52	53	50	50	50	48	47	46	45	44	45	45



Days in A/R	Jul'12	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12	Jan'13
Actual Net days	49.8	50.1	50.0	53.1	52.2	52.6	51.0
Goal	45.0	45.0	45.0	45.0	45.0	45.0	45.0

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended

	Current Month	Year To Date
Operating Activities		
Net Income (Loss)	236,996	835,056
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	206,872	1,284,445
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	(583,895)	(1,194,714)
(Increase)/Decrease Other receivables and other assets	(212,868)	3,196,756
(Increase)/Decrease Prepaid expenses	149,762	(479,075)
(Increase)/Decrease in Inventories	(17,082)	(40,879)
(Decrease)/Increase in Deferred revenues	(357,469)	(2,393,376)
(Decrease)/Increase in Accounts payable, accrued expenses	(1,628,094)	277,746
Net Cash Provided/(Used) by operating activities	(2,205,778)	1,485,959
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(91,373)	(564,193)
Net Purchases of property, plant and equipment - GO Bond Purchases	(1,161,897)	(7,812,214)
Net Proceeds and Distributions from investments	-	36,839
Net Book Value of Assets Disposed	(1,462)	(1,462)
Change in Restricted Funds	-	-
Change in Limited Use Cash	2,819,457	7,198,165
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	1,564,725	(1,142,865)
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(126,263)	(894,471)
Proceeds (Repayments) from Borrowings - Other		
Net Intercompany Borrowings/(Repayments)		
Change in Post Retirement Obligations & Other Net Assets	-	-
Net Equity Transfers to related entities (Cash and Non-Cash)		
Net cash Provided/(Used) by financing activities	(126,263)	(894,471)
Net increase/(Decrease) in cash and cash equivalents	(767,316)	(551,377)
Cash and Equivalents at beginning of period	2,006,788	1,790,849
Cash and Equivalents at January 31, 2013	1,239,472	1,239,472

14.A.

ADMINISTRATIVE REPORT/ DASHBOARD FOR JANUARY 2013

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

To: **Sonoma Valley Healthcare District Board of Directors**
From: **Kelly Mather**
Date: **3/7/13**
Subject: **Administrative Report**

Summary:

We have ended the first six months of the fiscal year ahead of budget at a net income of $389,030 before restricted contributions. Volumes continue to be higher than expected through February.

Leadership and Organizational Results (Dashboard)
As you can see from the January dashboard, our results for patient satisfaction were outstanding for outpatients and continue to be the same for inpatients. The big news is that the staff satisfaction survey showed we are now at the 80th percentile (better than 80% of the hospitals in the nations) at 77% with over 80% staff participation. Inpatient volumes are picking up, but still less than the prior year. However, we reached an all time high census of 63 in January. Our staff were amazing with the census doubling in January. Outpatient volumes are also up, especially in home health and physical therapy.

Phase 1 Construction Project & Campus Expansion Plans
The construction is on budget and on time. Major changes are happening on the 2nd floor as we prepare for med/surg to move to the other end of the hallway and we break through to the new surgery center. We continue to work with the community leaders to raise $11 million for this project to avoid any debt for the new building.

Strategic Planning & Marketing
The FY 2014 rolling strategic plan major strategies have been drafted after stakeholder interviews and an environment and market assessment. More discussion will be had about these major strategies and the objectives at the board retreat on April 15th. Final approval for the strategic plan is anticipated in May. We are now marketing our new Women's Health service line with Dr. Bose's arrival. We have joined Spirit of Women and look forward to launching the new service line in May. We have a new webmaster to make more positive upgrades to the website. The Integrative Health Network led by steering committee doctors Bozzone, Brooks and Porrino along with our wellness coordinator and myself has over 40 members. A marketing booklet on this partnership is expected to be out in April. We will put on our first community welless conference in June.

Philanthropy
The hospital capital campaign now has pledges of $6.8 million (assuming we will meet the first $1 million of the matching grant) which means we are likely going to be at $9 million by August. We are growing our campaign cabinet with some amazing community leaders such as Karen Collins, Bill Lynch, Joe Aaron, Rosemay Schmidt, and Valerie Pistole. The community outreach phase has begun and advertorials will start this month thanks to the donation of space by Darius Anderson and the papers.

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

JANUARY 2013 DASHBOARD

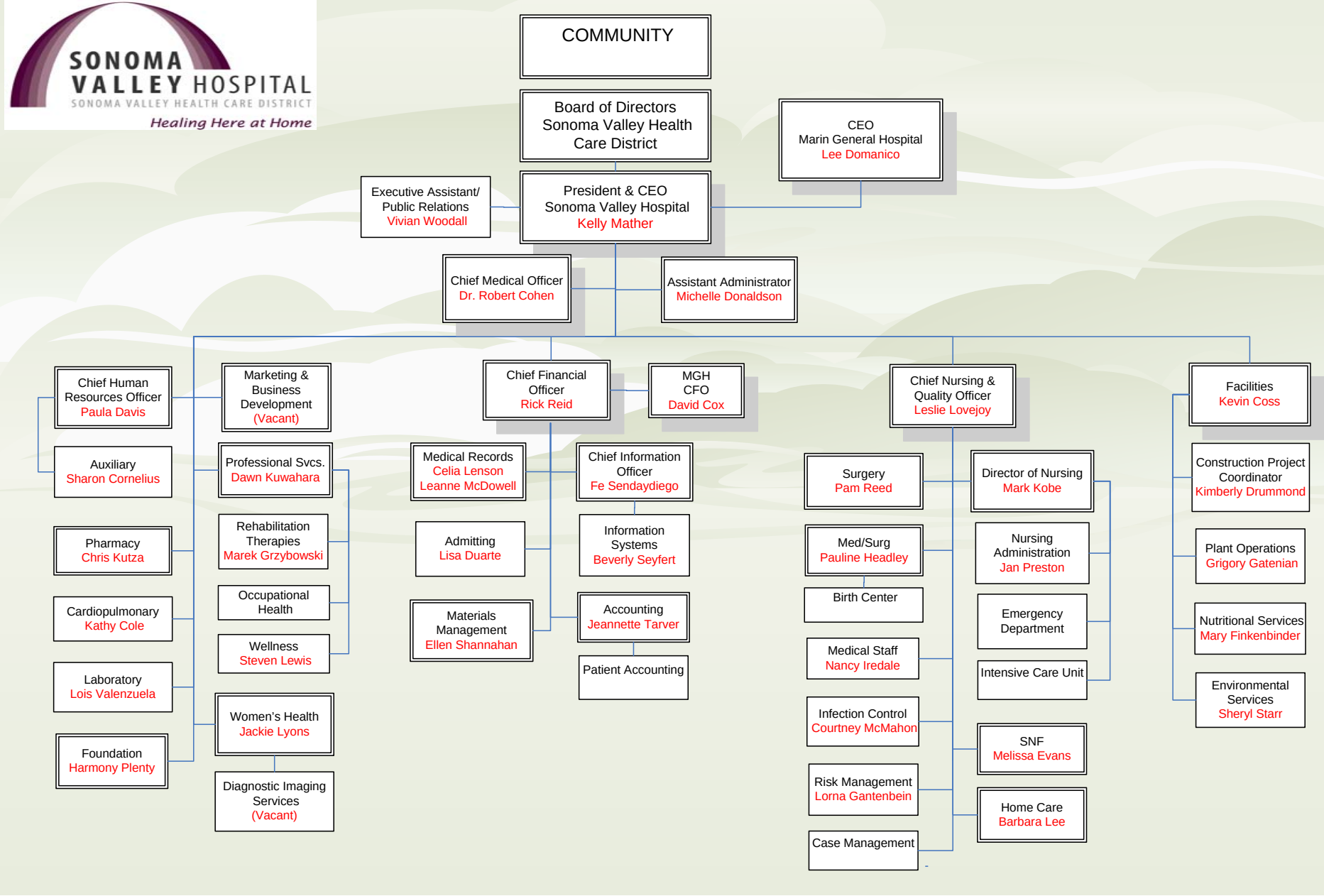
ERFRMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	High In-Patient Satisfaction	Press Ganey percentile ranking of current mean score	Inpatient 86.9 mean at 53rd percentile	>70th = 5 (stretch) >60th = 4 >50th = 3 (Goal) >40th = 2 <40th=1
	High Out-Patient Satisfaction	Press Ganey monthly mean score	Outpatient 94% Surgery 94.5 % Emergency 90.7%	>93% = 5 (stretch) >92%=4 >91% =3 (Goal) >90%=2 <90%=1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score	100%	100% for 12 mos= 5 100% 6/12 mos=4 100% 3/12 mos =3 >90%=2 <80%=1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of current mean score	2012 77% mean score at 80th percentile	>70th = 5 (stretch) >65th=4 >60th=3 (Goal) >55th=2 <55th =1
Finance	Financial Viability	YTD EBIDA	8% (before restricted contributions)	>10% (stretch) >9%=4 >8% (Goal) <7%=2 <6%=1
	Efficiency and Financial Management	FY 2013 Budgeted Expenses	$30,545,020 (actual) $30,610,145 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Inpatient Volumes	1% increase (acute discharges over prior year)	842 YTD FY 2013 901 YTD FY 2012	>2% (stretch) (Outpt) >1%=4 >0% (Goal) <0%=2 (Inpt) <5%=1
	Outpatient Volumes	2% increase (gross outpatient revenue over prior year)	$60 million YTD $54 million in 2012	
Community	Community Benefit Hours	Hours of time spent on community benefit activities	755 hours in just 7 months	>1000 = 5 >800 = 4 >600 = 3 >400 = 2 >200 = 1

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

FY 2012 TRENDED RESULTS

MEASUREMENT	Goal	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012
Inpatient Satisfaction	>86%	86.3	85.6	85.2	84.2	88.8	88.1	86.9	88.2	83.7	87.5	87.9	86.9
Outpatient Satisfaction	>92%	91.	94.2	94.4	92	93.7	91.7	94	90.5	91.6	91.7	91	90.9
Surgery Satisfaction	>92%	90.2	91.9	90.8	93.8	91.9	87.5	94.5	93.7	92.9	91.5	90.1	90.5
Emergency Satisfaction	>85%	87.3	88.2	82.5	84.5	87.2	90.1	90.7	85.6	87.8	88.9	88.7	88.2
Value Based Purchasing Clinical Score	>75	100	90	90	91	91	100	100	88.8	100	100	100	100
Staff Satisfaction	75%	75	75	75	75	75	75	77	75	75	75	75	75
Turnover	<12%	7.9	7.9	7.6	7.6	7.6	8.6	9.0	9.0	7.9	7.9	7.9	7.9
EBIDA	>8%	9	9	8	8	7	7	8	6	6	6	7	9
Net Revenues	>3.9m	3.83	3.98	3.7	3.96	3.7	4.09	4.3	3.9	3.9	3.76	3.76	4.85
Expense Management	<4.3m	4.2	4.3	4.2	4.4	4.4	4.5	4.3	4.1	4.3	4.4	4.7	5.2
Net Income	>50	29	125	65	55	174	90	219	35	25	-15	342	889
Days Cash on Hand	>35	16	13	14	12	7	14	9	20	16	18	15	13
A/R Days	<55	50	50	50	53	52	53	51	57	59	59	59	60
Total FTE's	<321	322	321	330	316	313	317	321	299	303	302	313	318
FTEs/AOB	<4.5	4.53	4.53	4.37	4.43	4.24	4.24	3.84	3.8	3.84	4.05	4.1	4.06
Inpatient Discharges	>148	115	117	109	121	104	117	159	145	152	129	116	107
Outpatient Revenue	$7.5m	8.1	9.0	8.1	8.9	8.5	8.3	8.8	8.0	8.7	7.8	8.1	7.7
Surgeries	>130	123	138	97	128	130	126	116	115	154	137	136	120
Home Health	>900	937	1052	802	1043	921	940	1076	950	1023	997	989	941
Births	>15	9	16	11	9	14	13	19	10	11	23	6	15
SNF days	>630	633	682	617	576	638	671	707	567	672	618	729	688
MRI	>120	84	95	82	130	99	100	83	93	141	94	149	83
Cardiology (Echos)	>70	78	56	74	72	67	75	86	75	92	74	77	68
Laboratory	>12.5	12.6	12.9	11.7	13.7	12.2	11.9	14.2	12.8	14.0	14.5	12.5	12.6
Radiology	>850	892	876	811	931	819	811	940	961	1011	1143	899	790
Rehab	>2587	2612	2798	2455	2471	2175	2051	2502	2526	2690	2674	2697	2520
CT	>356	304	326	281	327	295	279	345	336	278	293	419	301
ER	>775	838	823	788	801	732	741	852	804	783	717	863	810
Mammography	>475	404	487	472	629	556	475	431	519	493	458	539	481
Ultrasound	>300	312	352	275	336	287	290	348	336	319	336	314	321
Occupational Health	>550	585	538	465	521	451	405	538	574	521	462	615	567

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



Revised 03.04.13

14.B.

INTRODUCTION
OF
DIWATA BOSE, MD

CURRICULUM VITAE
DIWATA HOPE A BOSE MD

13310 W CRESTWOOD CT NEW BERLIN WI 53151
Tel No 262-785-0291 Cell No 414-426-0685
Email: dbosea@live.com

WORK EXPERIENCE

2009 to present

Clinical Assistant Professor
Department of Obstetrics and Gynecology
Aurora University of Wisconsin Medical Group
Milwaukee, WI

Interests
Vaginal surgery, minimally invasive surgery, office hysteroscopy, Essure sterilization and endometrial ablation, high risk obstetrics, resident and medical student education

Awards
CREOG National Faculty Award 2010, 2011

POST GRADUATE TRAINING

2005-2009 Residency Program in Obstetrics and Gynecology
Aurora Sinai Medical Center
Milwaukee WI
Chief Resident 2008-2009
Awards
Philip Hamilton Outstanding Graduating Resident Award 2009
CREOG Academic Achievement Award 2009
Teaching Award for Medical Student Education 2007
Dr Samuel G Perlson Undergraduate Education Award for Medical Student Education 2006
CREOG Academic Achievement Award 2006

1999-2003 Residency Training Program in Obstetrics and Gynecology
University of the Philippines-Philippine General Hospital
Manila, Philippines
Assistant Chief Resident Jan-Dec 2003

1998-1999 Medical Writer for Medimedia International
Manila Philippines

EDUCATION

1991-1998 BS Basic Medical Sciences, Doctor of Medicine
University of the Philippines College of Medicine
Intarmed Program
Manila Philippines
The Intarmed Program is an Integrated Arts and Medicine course offered to the top 40 qualifiers of the University of the Philippines College Admissions Tests taken by over 50,000 qualified applicants in the country annually.

LICENSURE AND CERTIFICATIONS

Diplomate of the American Board of Obstetrics and Gynecology
Diplomate No. 9024320
License No. 50882-20 Wisconsin Exp 10/31/2013
License No. A106760 California Exp 9/30/2012
Philippine License 89475

Certificates
CPR, NALS, ACLS
ECFMG Certificate No. 0-603-440-9 Issue date 2/07/2005

PUBLICATIONS
Maintenance tocolytics for preterm symptomatic placenta previa: a review.
Bose DA, Assel BG, Hill JB, Chauhan SP.
American Journal of Perinatology. 2011 Jan

PROFESSIONAL MEMBERSHIPS
ACOG
PMA WISCONSIN

PERSONAL

Languages Filipino, English
Interests visual arts, theater

REFERENCES

Available upon Request

Excellence in Women's Health

Prima Medical Group Gynecology and Gynecologic Surgery

"I have always believed that my role as an OBGYN is to serve as a partner and advocate for the women I care for throughout the stages of womanhood."

Diwata Bose, MD / Gynecology

Dr. Diwata Bose is a board-certified obstetrician and gynecologist. She is a Fellow of the American Congress of Obstetrics and Gynecology and received the Council for Resident Education in Obstetrics and Gynecology (CREOG) National Faculty Award in 2010 and 2011. Before moving to Sonoma, she was an academic faculty at the Aurora-University of Wisconsin OB/GYN residency program where she taught and supervised OB/GYN and Family Practice residents, medical students and physician assistants. Dr. Bose is extensively trained in minimally invasive surgery such as vaginal hysterectomy, robotic surgery and advanced laparoscopic surgery, office hysteroscopy and endometrial ablations. She has a special interest in vulvar diseases and holistic and integrative medicine.

PRIMA MEDICAL GROUP | It's Good Health.

651 First Street West, Suite H
Sonoma, CA 95476 | Tel 707 938 3870

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15.A.1.

GOVERNANCE COMMITTEE REPORT/ REVISED CHARTER 01.03.13

Sonoma Valley Hospital
SONOMA VALLEY HEALTH CARE DISTRICT

March 14, 2013

Prepared by:

Kevin Carruth, Chair, Governance Committee (GC)

Agenda Item Title:

GC Charter Amendment for Taking Urgent Legislative and Regulatory Actions

Recommendation:

The GC unanimously recommends the Board amend the Governance Committee Charter (see attached for specific language) to allow for urgent action on legislative and/or regulatory issues.

Background and Reasoning:

The Sonoma Valley Health Care District Board and the GC operate on the general premise that the Board should retain all Board decision making authority, with rare exceptions delegated to a Board Committee. This Board has only delegated authority to a Board Committee for decision making in one narrow area—taking action on legislative and regulatory matters that are time sensitive. A recent Board approved change to the GC Charter granted the GC that authority only when a Board meeting was not scheduled soon enough for the Board to take a position on a legislative or regulatory issue. This was to allow the GC to publicly handle those fast moving situations after appropriate Brown Act notice. This was the first time this Board had granted power to act on its behalf to any Board Committee. However, it recent came to our attention that this expedited process is not always fast enough.

At the February Board meeting the Board Chair asked the GC to consider a further revision to the Charter that would allow for taking immediate action on matters of importance to the District or the Hospital.

The GC was uncomfortable in delegating Board power on this issue to a single person. To allow for quick action and to reduce the likelihood of taking a position that the Board will reverse it was decided to recommend that if the GC Chair and the CEO agree on two things: (1) the urgency for action, and (2) what that action should be, then the GC Chair can act on behalf of the Board. If there is disagreement on either condition, the issue must wait for an appropriately noticed GC or Board meeting for action. If there is agreement, and an action is taken, the reporting requirements to the Board on the decision and action remain unchanged.

In summary, this GC Charter amendment will allow for taking urgent action on important issues and keeps the Board in an oversight role and in a position to take action if it disagrees with the action taken. If there is not agreement between the GC Chair and the CEO on both urgency and the position, no action can be taken on the issue until the next GC or Board meeting, and no individual can take unilateral action on behalf of the Board.

Consequences of Negative Action/Alternative Actions:

The Board will continue with the GC Charter as written and will not have this recommended change to deal with urgent issues. Urgent issues will wait until the next GC or Board meeting.

Financial Impact:

There should be no financial impact of this action.

Selection Process and Contract History:

Not applicable.

Board Committee:

The GC unanimously recommends approval of the GC Charter amendment.

Attachments:

GC Charter with recommended amendment language

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
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SUBJECT: Governance Committee Charter	
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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	
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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. 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 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.