SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING AGENDA
Thursday, April 4, 2013
5:00 p.m. Study Session
6:00 p.m. Regular Session

Location: Community Meeting Room
177 First Street West, 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*	
2. STUDY SESSION WITH SUPERVISOR SUSAN GORIN A. Welcome and Introductions B. Overview of Sonoma Valley Hospital C. New and Existing Capabilities D. Initiatives E. Financial Stability F. Questions and Discussion G. Next Steps	*Boerum/Gorin*	Inform
3. 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*	
4. CONSENT CALENDAR: A. Board Minutes 3.14.13 B. FC Minutes 1.22.13 C. FC Minutes 2.26.13 D. FC Charter 3.26.13 E. QC Minutes 1.23.13 F. QC Minutes 2.27.13 G. QC Charter 3.27.13 H. Medical Staff Appointments 3.27.13	*Boerum*	Action
5. COMMUNITY INPUT FOR STRATEGIC PLAN A. Draft SVH Strategic Plan FY2014	*Boerum*	Inform
6. PUBLIC OPPORTUNITY FOR STRATEGIC PLAN AND RESPONSE	*Boerum*	Inform/Action

7. HUMAN RESOURCES ANNUAL REPORT TO THE BOARD OF DIRECTORS 2012	*Davis*	Inform
8. FINANCIAL REPORT: A. February 2013 Financial Report	*Reid*	Inform
9. ADMINISTRATIVE REPORT: A. CEO Administrative Report for February 2013	*Mather*	Inform
10. OFFICER & COMMITTEE REPORTS: A. Chair Report 1. Northern California Health Care Authority (JPA) Report 2. Visit to *Aswan Heart Centre*, Aswan, Egypt B. Quality Committee Report/Announcements	*Boerum/Nevins*	Inform
11. ADJOURN: *The next regularly scheduled meeting of the SVHCD Board will be held on Thursday, May 2, 2013.*	*Boerum*	

4.

CONSENT CALENDAR

SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, March 14, 2013
SVH Schantz Conference Room

Board Members Present	Board Members Absent	Administrative Staff/Other Present
Bill Boerum, Chair Peter Hohorst Kevin Carruth Sharon Nevins Jane Hirsch		Kelly Mather, President & CEO Rick Reid, CFO Leslie Lovejoy, Quality Committee Member Kevin Coss, Construction Committee Member & Plant Operations Richard Fogg, Finance Committee Chairman Gigi Betta, Board Clerk James Wilburn, Community Member Sonoma Index Tribune

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	*Bill Boerum*		
	6:04 p.m.		
2. PUBLIC COMMENT ON CLOSED SESSION	*Bill Boerum*		
	No public comment.		
3. CLOSED SESSION:	*Bill Boerum*		
Calif. Govt. Code § 54957-Public Employee Six-Month Performance Evaluation, CEO	No Comment		
4. REPORT OF CLOSED SESSION	*Bill Boerum*		
	No comment.		
5. PUBLIC COMMENT SECTION	*Bill Boerum*		
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	No public comment.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
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.			
6. RESOLUTION No. 315 – REQUEST FOR APPROVAL AUTHORIZING EXECUTION OF LINE OF CREDIT AGREEMENT WITH UNION BANK	*Rick Reid*		
		MOTION: by Carruth second by Hirsch. All in favor.	Ms. Betta will obtain signatures from Mr. Boerum and Mr. Carruth.
7. RESOLUTION No. 316 – REQUEST FOR APPROVAL AUTHORIZING THE SVH CEO TO DRAW ON THE UNION BANK LINE OF CREDIT	*Rick Reid*		
	Motion by Mr. Carruth to edit Sections 2, 3 and 4 of Resolution 316 and a second by Nevins.	**MOTION:** by Carruth second by Nevins. All in favor. Passed as amended.	Ms. Betta will incorporate changes to Resolution 316 prior to signatures.
8. CHAIR REPORT:	*Bill Boerum*		
A. Nomination of Bill Boerum to the ACHD Board B. Appointment of Keith J. Chamberlin, MD	The Board voted 5-0 to support Mr. Boerum for a seat on the ACHD Board of Directors and authorized the expenditure of up to $2,000 for Mr. Boerum to attend the ACHD Annual Meeting and Legislative Day.	**MOTION A:** by Hohorst, second by Hirsch. All in favor. Approved as *amended.* **MOTION B:** by Nevins, second by Nevins. All in favor.	
9. CONSENT CALENDAR:	*Peter Hohorst, Acting Chair (Mr. Boerum exited meeting after Item 8)*		
A. Finance Committee Minutes, 1.02.13 B. Medical Staff Appointments & Reappointments	A and B were approved together in one motion.	**MOTION:** by Hohorst and second by Nevins. All in favor.	
10. STRATEGIC PLANNING PROCESS UPDATE FOR FY2014	*Peter Hohorst*		
	The Board suggested some revisions and additions to Ms. Mather's Strategic Plan for FY2014.	Inform	Ms. Mather will incorporate

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
			suggested revisions and re-present the Strategic Plan to the Board.
11. BOARD RETREAT, APRIL 15, 2013:	*Peter Hohorst*		
A. Recommendation to Approve Proposal for Board Self-Assessment B. Board Retreat Agenda	Mr. Carruth reminded the Board the self-assessment/ questionnaire will be a public document. The Board Agenda (B) approved as a separate motion. Also approved is a Board dinner following the Retreat.	**MOTION A:** by Nevins, second by Hirsch. All in favor. **MOTION B:** by Nevins, second by Hirsch. All in favor.	
12. CONSTRUCTION COMMITTEE:	*Kevin Coss*		
A. Status Report		Inform	
13. FINANCIAL REPORT:	*Richard Fogg, Rick Reid*		
A. Finance Committee Annual Performance Review B. January 2013 Financial Report		Inform	
14. ADMINISTRATIVE REPORT:	*Kelly Mather*		
A. Dashboard for January 2013 B. Introduction of Diwata Bose, MD	A. Ms. Mather reviewed staff changes at both SVH and Palm Drive. B. Ms. Mather introduced Dr. Bose and she spoke about her background, experience and her progress so far at SVH.	Inform	
15. OFFICER & COMMITTEE REPORTS:	*Kevin Carruth, Peter Hohorst*		
A. Governance Committee Report: 1. Revised Governance Committee Charter B. Audit Committee Report 1. Process for Filling Vacancies	A. Mr. Carruth asked that a correction be made to the Finance Committee Charter (consistent with the one made to the GC Charter). Ms. Betta to follow-up with Mr. Carruth and make these changes and take it to the Governance Committee for approval. B. Mr. Hohorst made a recommendation to fill the two vacant positions on the Audit Committee and passed out drafts of the following three attachments: the Recommendation Memo, the Notice of Vacancy and a Press Release. These attachments were not part of the Package but are included in the binder and e-files.	**MOTION A:** by Hirsh, second by Nevins. All in favor. **MOTION B:** by Carruth, second by Hirsh. All in favor	
16. ADJOURN:	*Peter Hohorst*		
The next regularly scheduled meeting of the SVHCD Board will be held on Thursday, April 4, 2013.	7:14 p.m.		

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, January 22, 2013
Schantz Conference Room

Board Members Present	Administrative Staff Present
Dick Fogg Sharon Nevins Shari Glago Peter Hohorst Mary Smith Phil Woodward Richard Conley	Kelly Mather, CEO Rick Reid, CFO

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:* *We are a warm, comfortable, familial place of healing that is a nationally recognized best practice hospital.* *We are the heart of health for our community and we guide the Sonoma District residents through their healthcare journey.* *We inspire health improvement through education and compassionate support to help restore and maintain physical, mental, emotional and spiritual health.*		
1.CALL TO ORDER	*Dick Fogg*		
	5:01 p.m.		
2. PUBLIC COMMENT SECTION			
	No public comment.		
3. CONSENT CALENDAR	*Dick Fogg*		
		Motion by Fogg, second by Glago, all in favor.	
4. BUILDING PROJECT FINANCING PLAN	*Rick Reid*		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	We are adding a new debt but eliminating an old debt thereby reducing overall monthly payments. 2014 is when the use of the line of credit would come into place. The line of credit is in the pre-approved stage at Union Bank for a total of $5 million at 4 %.		
5. UPDATES	*Rick Reid*		
	We have successfully renegotiated contracts with Blue Shield, Cigna, Aetna, and other insurance companies to get higher reimbursements from the insurance companies. New MRI equipment has been brought in and Reid will bring in budget calendar for next meeting. The Committee approved the proposed budget from Reid.	Motion by Fogg second by Glago, all in favor.	
6. DECEMBER 2012 FINANCIALS	*Rick Reid*		
	We *broke* the 4 million dollar amount, had great volumes and did extremely well.		
7. PROJECTED CASH FLOWS	*Rick Reid*		
	We are currently $96,000 over budget with a lot of Napa State volume. There is less self-pay and more commercial insurance. FDAS on budget. Surgery, out-patient, and in-patient are on budget		
8. QUARTERLY CAPITAL SPENDING SUMMARY	*Rick Reid*		
9. 2nd QUARTER VOLUME SUMMARY	*Rick Reid*		
10. CONFIDENTIALITY STATEMENT	*Dick Fogg*		
	There is a new clause in the Confidentiality Statement stating that anything said in an Open Meeting is no longer confidential. Only in a Closed Session could there be confidentiality.		
ADJOURN	*Dick Fogg*		
	6:47 pm		

SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
DRAFT MEETING MINUTES
Tuesday, February 26, 2013
Schantz Conference Room

Board Members Present	Administrative Staff Present	Other
Dick Fogg, Chair Bill Boerum Sharon Nevins Jane Hirsch Steve Barclay Peter Hohorst Mary Smith Phil Woodward Richard Conley S. Mishra, MD	Rick Reid, CFO Jeannette Tarver, Finance Director Gigi Betta, Board Clerk Cierra Percy, Intern	Keith Chamberlin, M.D., MBA

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:* *We are a warm, comfortable, familial place of healing that is a nationally recognized best practice hospital.* *We are the heart of health for our community and we guide the Sonoma District residents through their healthcare journey.* *We inspire health improvement through education and compassionate support to help restore and maintain physical, mental, emotional and spiritual health.*		
1. CALL TO ORDER	*Dick Fogg*		
	5:03 p.m. Keith Chamberlin M.D., MBA was welcomed to the meeting and everyone introduced themselves. There were no announcements.		
2. PUBLIC COMMENT SECTION	*Dick Fogg*		
	No public comment.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
3. UPDATES	*Rick Reid*		
	Mr. Reid presented the **SVH FY2014 Operating & Capital Budget Timeline**. The proposed budget will go to the Finance Committee for approval in May and then to the District Board in June 2013. **<u>Other announcements:</u>** SVH is in final negotiations with Celtic Financing for an equipment lease at 3.4% with a 5-year term. The bank is MB Financial. The Union Bank line of credit has been approved. Phil Woodward gave an update on the Packard Foundation. They will finance 100% of pledges at rate of 1.5%. They make payment according to pledges. Rick Reid requested contact information so he can look into the Foundation.		Richard Conley to send Packard Foundation contact information to Rick Reid.
4. JAN 2013 FINANCIALS	*Rick Reid*		
	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%. Mr. Reid informed the Committee that $300,000 was reserved for future Recovery Audit Contractor (RAC) audit findings. The Hospital has re-paid over $165,000 so far this year. Management is working with physicians on inpatient and observation status.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	Moving forward we will be taking a comprehensive look at IT expenses in the budget. Reid to report more later on this topic. Offering Napa State a 5% discount if they send us 90% of their business. Napa work closely with Queen of the Valley and have a good (20 year+) working relationship with their physicians as well as ambulance drivers. The Napa State volume has increased this year.		
5.PROJECTED CASH FLOWS	*Rick Reid*		
	Major objectives include: *Maintaining cash at around $1.5M; *Holding off on major capital spending, unless cash improves; *Pay back Napa State beginning in March after billing is completed. This should not impact cash flows. *Reduce days in A/P to 45 for end of 2013 but balance with cash with A/P; and *Maintain days in A/R at 45.		
6. QUARTERLY CAPITAL SPENDING SUMMARY	Rick Reid		
	Total Capital Spending as of December 21, 2012 was $107,237. A projected update on the capital spending was requested by Richard Conley.		R. Reid to provide projected update on Capital Spending at a subsequent meeting.
ADJOURN	*Dick Fogg*		
	6:17 PM		

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 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)

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.

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, January 23, 2013
Schantz Conference Room

Committee Members Present	Committee Members Absent	Community Members Present	Administrative Staff Present
Sharon Nevins, Vice Chair Dr. Jerome Smith Dr. Paul Amara Jane Hirsch Dr. Howard Eisenstark John Perez Brenda Epperly		None	Dr. Robert Cohen, Chief Medical Officer Leslie Lovejoy, Chief Quality & Nursing Officer Mark Kobe, Director of Nursing

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 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	*Sharon Nevins* 5:00 p.m.		
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.*	There was no public comment.		
3. CONSENT CALENDAR:	*Sharon Nevins*		
A. Tracking Report for Uncorrected Items		All in favor; none opposed.	
4. CREDENTIALING/PRIVILEGES PROCESS	*Dr. Jerome Smith and Sharon Nevins*		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
AND QUALITY COMMITTEE CHARTER PROCESS & WORDING			
	New ER physician to start on February 3, 2013 and Dr. Smith would like him "expedited" and approved at the next Board meeting on February 7, 2013. The new Staff Coordinator begins on February 12, 2013. The Committee all agreed to hand the Annual QC Work Plan to the Board of Directors.	All in favor; none opposed.	
5. UPDATE ON QUALITY TRAINING FOR THE BOARD AND BOARD COMMITTEES	*Sharon Nevins and Jane Hirsch.*		
	Ms. Nevins presented Dr.Howard Eisenstark as a new Community Board member. Ms. Hirsch confirmed that the director of Quality and Safety at UCSF will be attending the Quality meeting on April 24, 2013. Dr. Amara suggested inviting the Medical Executive Committee as well.	All in favor; none opposed.	
6. QUALITY REPORT	*Leslie Lovejoy*	Inform	
	Ms. Lovejoy's main focus for the month of January was to find a great candidate for the Medical Staff position. Ms. Lovejoy is also interviewing for a Clinical Informatics Trainer who would provide training to physicians and registered nurses.		
7. STUDER GROUP REPORT	*Mark Kobe*	Inform	
	Mr. Kobe made a presentation about the Studer Group. Mr. Kobe reviewed the AIDET process and the Patient Survey results for 2012 (survey results compiled by Press Ganey). The department with the lowest percentile in satisfaction is ACU. Mr. Kobe stated that Michelle Donaldson, Director Surgical Services was already in the process of addressing those areas needing improvement.		
8. QUALITY INDICATORS AND DASHBOARD	*Sharon Nevins and Leslie Lovejoy*		
	Everyone but Dr. Cohen agreed to present the Quality Committee 2013 Dashboard to the Board, *as is*. Dr. Cohen felt the numbers on the report were higher than expected and that he and Dr. Smith could obtain more accurate data for the report prior to giving it to the Board for review.		Ms. Lovejoy, Dr. Smith and Dr. Cohen to improve section C, part 2 on the QC Dashboard.
9. CLOSING COMMENTS	*Sharon Nevins*		
	There were no comments.		
10. ADJOURN	6:26 p.m.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
11. UPON ADJOURNMENT OF THE REGULAR OPEN SESSION	*Sharon Nevins*		
13. REPORT OF CLOSED SESSION	*Sharon Nevins*		
	The Quality Committee approved the Credentialing Report to be presented to the Board.		

SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, February 27, 2013
Schantz Conference Room

Committee Members Present	Committee Members Absent	Community Members	Administrative Staff Present
Sharon Nevins, Chair Jane Hirsch Dr. Howard Eisenstark John Perez Brenda Epperly Dr. Jerome Smith Dr. Paul Amara	Bob Burkhart Maida Herbst	Susan Idell	Dr. Robert Cohen, Chief Medical Officer Leslie Lovejoy, Chief Quality & Nursing Officer Gigi Betta, Board Clerk Robin Labitzke, Staff Pharmacist MonicaVats, Intern Pharmacist

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 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	*Sharon Nevins* 5:00 p.m.		
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.*	There was no public comment.		
3. CONSENT CALENDAR:	*Sharon Nevins*		
A. Prior Meeting Minutes, Jan., 23, 2013 B. Tracking Report for Uncorrected Items	Both items approved together.	**MOTION:** Hirsch, second by Hoffman; all in favor and none opposed.	
4. UPDATE ON QUALITY TRAINING	*Sharon Nevins/Jane Hirsch*		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
FOR THE BOARD AND BOARD COMMITTEES			
	The Quality Committee training/presentation (for the Board and the Board Committees) by a UCSF physician is planned for April 2013. Ms. Nevins would like the presentation to target the layperson as well as the medical staff. Please send any comments and/or suggestions about this to Ms. Hirsch.		
5. QUALITY REPORT	*Leslie Lovejoy*		
	Dr. Christiansen has approved the Pharmacy MERP action plan. CDPH has asked for a detailed plan on the move into the new building. The Skilled Nursing Facility received a patient complaint through the Joint Commission. A response to the complaint was provided by Melissa Evans, Director of Skilled Nursing, and it was accepted as satisfactory. Nancy Iredale, Medical Staff Coordinator, began working at SVH on February 12, 2013. Cathe Gagon, RN, joined the Quality Department as Clinical Informatics Trainer. Michelle Donaldson has resigned from her position as Surgery Director and in future, the position will be shared with Palm Drive.		
6. CLOSING COMMENTS	*Sharon Nevins*		
	With regard to the presentation/information sharing to the Board on the Quality Committee, Ms. Nevins and Dr. Jerome Smith proposed that the Committee present the raw data with a story (so it fits into the context of the Hospital). The question was raised about the role of the Medical Records department now that files are electronic. A discussion on the training and use of electronic health records followed. Dr Cohen talked about the integrity and security of the system, about the Hospital's excellent dual-system backup, and that the Hospital is looking into Cloud storage in the future. Furthermore, SVH is very proud to have Order Sets that are evidenced based. SVH received a very positive *Letter to the Editor* from a resident who had emergency surgery with Dr. Scott Perryman. It's a very important testimonial and Dr. Perryman was commended for his excellent service.		
7. ADJOURN, REGULAR SESSION	*5:35 p.m.*		
8. UPON ADJOURNMENTOF THE	*Sharon Nevins*		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
REGULAR OPEN SESSION			
10. REPORT OF CLOSED SESSION	*Sharon Nevins*		
	The Quality Committee approved the recommendations of the MEC and the Credentialing Report will be presented to the Board on March 14, 2013. Ms. Hirsch and Ms. Nevins, at Dr. Smith's request, expedited several physicians. Ms. Nevins will follow up with Mr. Burkhart on his future involvement with the Quality Committee.		
11. ADJOURN, CLOSED SESSION	*Sharon Nevins* 5:41pm		

SUBJECT: Quality Committee Charter	
	PAGE 1 OF 6
DEPARTMENT: Board of Directors	EFFECTIVE: 12/1/11
APPROVED BY: Board of Directors (12/1/11)	REVISED: 3/27/13

Purpose:
Consistent with the Mission of the District the Board, with the assistance of its Quality Committee (QC), serves as the steward for overall quality improvement for the District. The QC shall constitute a committee of the District Board of Directors. The Board shall refer all matters brought to it by any party regarding the quality of patient care, patient safety, and patient satisfaction to the QC for review, assessment, and recommended Board action. The QC makes recommendations and reports to the Board. It has no authority to make decisions or take actions on behalf of the District unless the Board specifically delegates such authority.
The QC shall assist the Board in its responsibility to ensure that the Hospital provides high-quality patient care, patient safety, and patient satisfaction. To this end the QC shall:

1. Formulate policy to convey Board expectations and directives for Board action;
2. Make recommendations to the Board among alternative courses of action, including but not limited to physician credentialing, and oversight activities;
3. Provide oversight, monitoring and assessment of key organizational processes, outcomes, and external reports.

Policy:

SCOPE AND APPLICABILITY
This is a SVHCD Board Policy and it specifically applies to the Board, the Quality Committee, the Audit Committee, the Medical Staff, and the CEO of SVH.

RESPONSIBILITY

Physician Credentialing

1. The QC shall ensure that recommendations from the Medical Executive Committee and Medical Staff are in accordance with the standards and requirements of the Medical Staff Bylaws, Rules, and Regulations with regard to: completed applications for initial medical staff and allied health staff appointment; initial staff category assignment, initial department/divisional affiliation; membership prerogatives and initial clinical privileges; completed applications for reappointment of medical staff, staff category; clinical privileges; establishment of categories of allied health professionals permitted to practice at the hospital; the appointment and reappointment of allied health professionals; and privileges granted to allied health professionals.

2. The QC shall, in closed session, on a case by case basis, fully, rigorously, and carefully review the recommendations of the Medical Staff regarding the appointment, reappointment, and privilege delineation of physicians and submit recommendations to the Board for review and action.

Develop Policies

1. The QC shall submit recommendations for action to the Board on draft policies developed by the QC and those developed by the Hospital regarding quality patient care, patient safety, and patient satisfaction.

Oversight

Annual Quality Improvement Plan

1. The QC shall review and analyze findings and recommendations from the CEO resulting from the Hospital's prior year Annual Quality Improvement Plan, including but not limited to a comparison of the plan to actual accomplishments, administrative review, and evaluation activities conducted, findings and actions taken, system or process failures and actions taken to improve safety, both proactively and in response to actual occurrences.

2. The QC shall review the Hospital's Annual Quality Improvement Plan for continuously improving quality, patient safety, and patient satisfaction and submit the analysis with recommendations establishing priorities to the Board for discussion and action. The Hospital's plans should include, but not be limited to, assessing the effectiveness and results of the quality review using metrics and benchmarks, utilization review, performance improvement, implementing and improving electronic medical/health records, professional education, risk management programs, and patient care related activities and policies of the Hospital and/or Medical Staff, as applicable.

Medical Staff Bylaws

1. The QC shall assure that the Medical Staff's Bylaws are reviewed and approved by the Board and are consistent with the District and Hospital Mission, Vision and Values, Board policy, and accreditation standard, prevailing standards of care, and evidence-based practices.

2. The QC shall review the Medical Staff's fulfillment of its responsibilities in accordance with the Medical Staff Bylaws, applicable law and regulation, and accreditation standards and make recommendations to the Board.

Quantitative Quality Measures

1. The QC shall assess and recommend quantitative measures to be used by our Board in assessing the quality of the Medical Staff's and Hospital's services and submit them to the Board for deliberation and action. The recommendations shall include descriptions that show how the organization measures and reports the improvement of patient care, as well as management accountability.

2. The QC shall review all reports by and Hospital responses to accreditation organizations, e.g., Fire Marshals, Environmental Health, State Department of Health Services (DHS), and other external organizations conducting management, programmatic, physical plant audits/assessments/reviews that are directly or indirectly related to the quality of health care delivery in the Hospital (quality patient care, patient safety, and patient satisfaction). Track all uncompleted/open items until remedied/closed by the Hospital, and make recommendations and report to the Board for its action as appropriate. This includes the final OSHPD report on a construction project prior to licensing by DHS, but it does not include on-going OSHPD reviews/inspections/reports while a project is in design or construction. This does not include routine financial audits, unless the audit identifies quality patient care, patient safety, and/or patient satisfaction issues, in which case the Audit Committee shall refer the audit to the QC for its review and recommendations to the Board.

3. The QC shall ensure there is an effective, supportive, and confidential process for anyone (the Medical Staff, other health care professionals; Hospital administration; leaders and staff; patients, and their families and friends; and the public) to bring issues to the QC directly or via the Hospital—as a group, personally or anonymously--in order to promote the reporting of quality and patient safety problems and medical errors, and to protect those who ask questions and report problems.

4. The QC shall review and assess the process for identifying, reporting, and analyzing "adverse patient events" and medical errors. The QC shall develop a process for the QC

to address these quality deficiencies, in the most transparent manner possible, without unnecessarily increasing the District's liability exposure.

5. The QC shall review the assessment of patient needs/satisfaction, and submit this assessment with recommendations to the Board for review and possible action. This may include, but is not limited to CMS Value Based Purchasing information; Press Ganey surveys; reports and comparisons to other hospitals, state and national standards; and patient and/or family compliments and complaints.

6. The QC shall review and assess the system for resolving interpersonal conflicts among individuals working within the Hospital environment that could adversely affect quality of care, patient safety or patient satisfaction, and make recommendations to the Board.

Hospital Policies

1. The QC shall assure that the Hospital's administrative policies and procedures are reviewed and approved by the appropriate Hospital leaders and that the policies and procedures are submitted to the Board for its action are consistent with the District and Hospital Mission, Vision and Values; Board policy; and accreditation standards.

2. The QC shall assure that the Hospital's administrative policies and procedures, and the policies and procedures relative to quality, patient safety and patient satisfaction, are reviewed and approved by the appropriate Hospital leaders, submitted to the Board for action, and are consistent with the District and Hospital Mission, Vision and Values, Board policy, accreditation standards, and prevailing standards of care and evidence-based practices.

Other

1. Perform other duties related to high-quality patient care, patient safety, and patient satisfaction as assigned by the Board.

Annual QC Work Plan

The QC shall develop an Annual QC Work Plan comprised of the required annual activities and additional activities selected by the QC. The Annual QC Work Plan shall be reviewed and acted on by the Board after considering the CEO's work plan to support the QC.

Required Annual Calendar Activities:

1. The QC shall review the adequacy of financial and human resources currently allocated for maintaining high-quality care, patient safety, and patient satisfaction in April, in advance of the annual budget process and provide an assessment to the Board and CEO with recommendations for action.

2. The QC Work Plan shall be submitted to the Board for its review and action no later than December.

3. The QC shall report on the status of its prior year's work plan accomplishments by December.

4. The QC reviews and assesses all Board policies regarding quality specifically including the QC Charter, and makes recommendations to the Board for action in December.

QC Membership and Staff

The QC shall have seven voting members and three non-voting public member alternates appointed pursuant to Board policy. Pursuant to Health and Safety Code Section 32155, based on the need for Medical Staff quality assessments. Hospital employees who staff the QC are not voting members of the QC. QC membership is:

- Two Board members one of whom shall be the QC chair, the other the vice-chair. Substitutions may be made by the Board chair for Board QC members at any QC meeting--for one or both Board members.

- Two designated positions from the Medical Staff leadership, i.e., the President and the President-Elect. Substitutions may be made by the President for one Medical Staff member at any QC meeting.

- Three members of the public. In addition, substitutions may be made at all QC meetings from three prioritized non-voting members of the public as alternate public members. Alternates shall attend closed session QC meetings and vote as QC members when substituting for a voting public member. Alternates may attend QC meetings as non-voting alternates and fully participate in the open meeting discussions.

Staff to the QC include the Hospital's Chief Medical Officer (CMO), Chief Nursing Officer (CNO), and the Director of Quality and Resource Management who shall be the lead staff in support of the QC Chair for meetings, documents, and activities. Staff is expected to attend the QC meetings. The CEO may attend all QC and subcommittee meetings and shall be a resource at the QC meetings upon request of the QC Chair.

Frequency of QC Meetings
The QC shall meet monthly, unless there is a need for additional meetings.

Public Participation
All QC meetings shall be announced and conducted pursuant to the Brown Act. Physician Credentialing and Privileges are discussed and action is taken in QC Closed Session without the general public.

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.

Narrowly focused and short term ad hoc subcommittees may meet to address specific issues that will be brought to the QC for review and referral to the Board for its deliberation and action. Subcommittee meetings are not subject to the Brown Act.

Reference:

POLICY HISTORY
December 1, 2011--Board Policy regarding the QC was first adopted.

FREQUENCY OF REVIEW/REVISION
This shall occur annually or more often if required. If revisions are needed they will be taken to the Board for action.

5.A.

DRAFT SVH STRATEGIC PLAN FY 2014

DRAFT

Sonoma Valley Hospital
Fiscal Year 2014 Three-Year Rolling Strategic Plan

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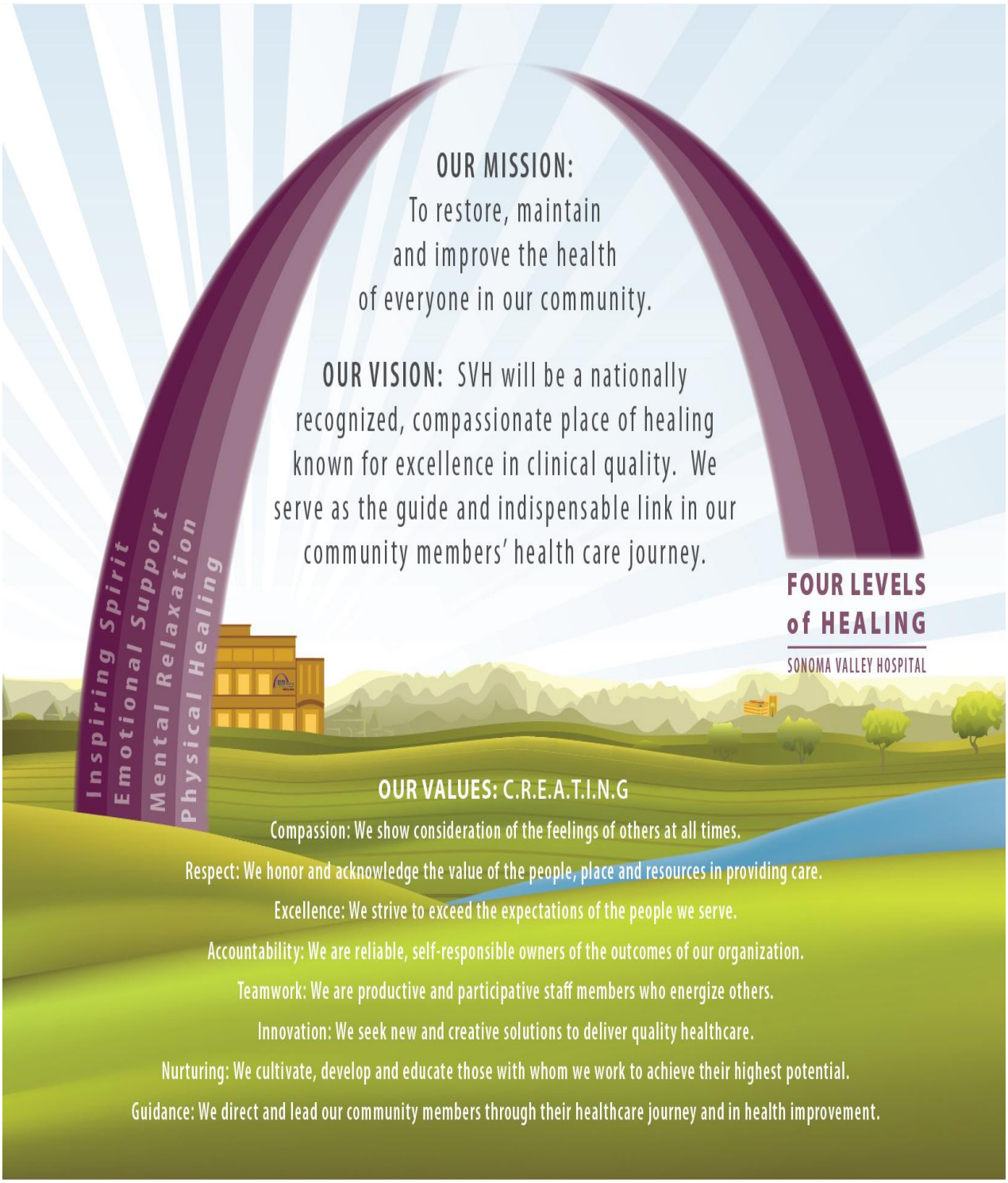

OUR MISSION:
To restore, maintain
and improve the health
of everyone in our community.
OUR VISION: SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.
Inspiring Spirit
Emotional Support
Mental Relaxation
Physical Healing
FOUR LEVELS
of HEALING
SONOMA VALLEY HOSPITAL
OUR VALUES: C.R.E.A.T.I.N.G
Compassion: We show consideration of the feelings of others at all times.
Respect: We honor and acknowledge the value of the people, place and resources in providing care.
Excellence: We strive to exceed the expectations of the people we serve.
Accountability: We are reliable, self-responsible owners of the outcomes of our organization.
Teamwork: We are productive and participative staff members who energize others.
Innovation: We seek new and creative solutions to deliver quality healthcare.
Nurturing: We cultivate, develop and educate those with whom we work to achieve their highest potential.
Guidance: We direct and lead our community members through their healthcare journey and in health improvement.

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%

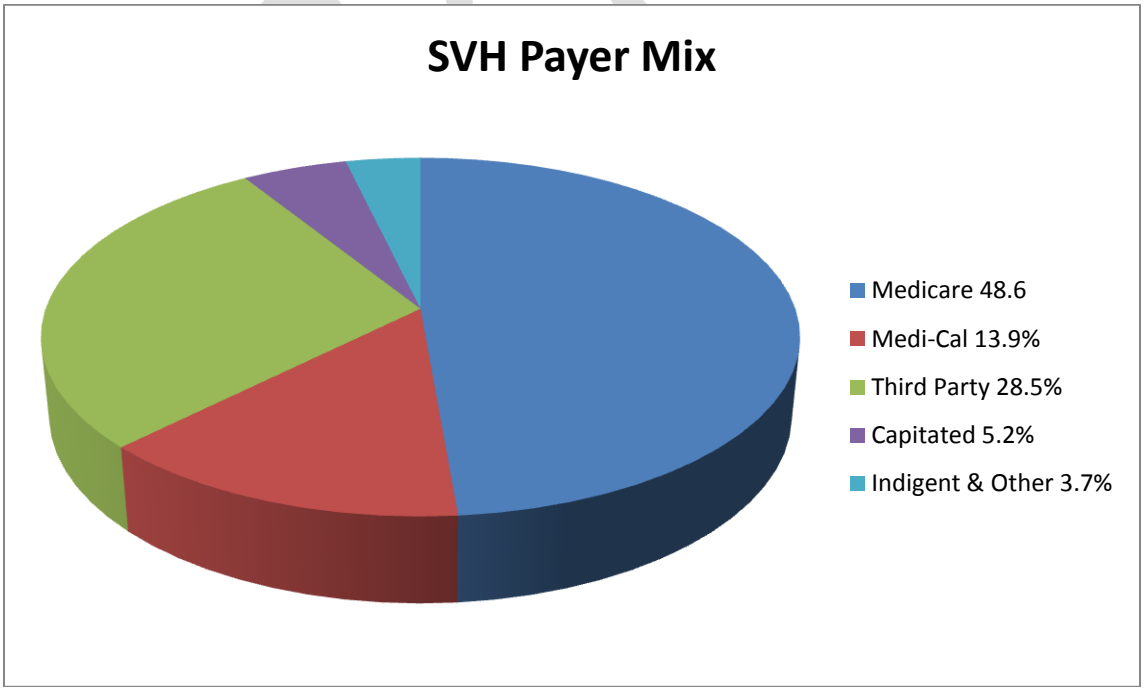
SVH Historical Financial Performance

(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.

TBD IN APRIL 2013 AFTER COMMUNITY INPUT

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

SERVICE AREA DEFINITION

Sonoma Valley Hospital is located in Northern California about 45 miles north of San Francisco.
Sonoma Valley Hospital had a 2011 Primary Service Area population of 35,618 and Secondary Service Area population of 4,017.
Sonoma Valley Hospital had a Combined service Area population of 39,635 in 2011 with 17% ages 14 and younger, 33% ages 15-44, 30% ages of 45-64, and 20% 65 and older.
Sonoma Valley Hospital's Combined Service Area and Target Service Areas are mapped in Figure 1 and listed in Table 1.

Figure 1: Service Area Designations

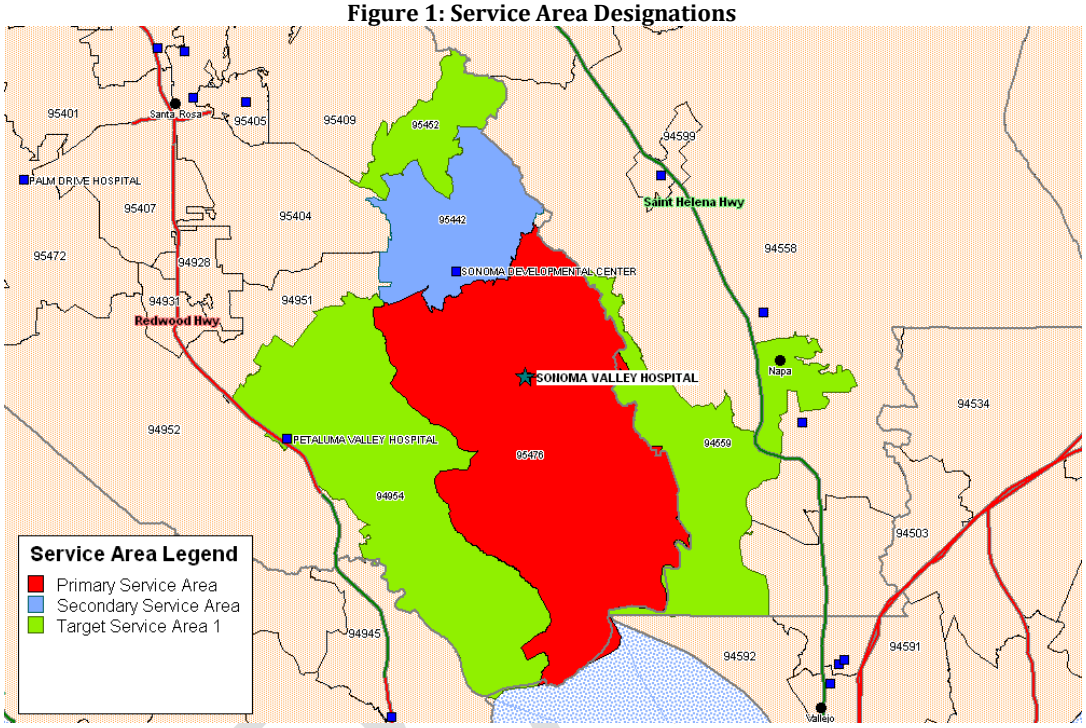


Table 1: Sonoma Valley Hospital Service Area

2012 Service Area Designation	ZIP Code	City
Primary Service Area	95416	ZIP Enclosed in 95476 Sonoma
Primary Service Area	95433	ZIP Enclosed in 95476 Sonoma
Primary Service Area	95476	Sonoma
Primary Service Area	95487	ZIP Enclosed in 95476 Sonoma
Secondary Service Area	95442	Glen Ellen
Target Service Area	94559	Napa
Target Service Area	94954	Petaluma
Target Service Area	95452	Kenwood

*Enclosed ZIP Codes are typically PO Box ZIP Codes within a delivery area.

COMPETITOR PROFILE

Listed below are Sonoma Valley Hospital's competitors in terms of market presence. Sonoma Valley Hospital Captured 45.5% of all inpatient admissions from the Combined Service Area in 2011; this market share was the largest in the Combined Service Area. The Kaiser Foundation Hospitals in Santa Rosa are the greatest competitor with a combined market share of 19.1% in 2011. Other competitors in the market include St. Rosa Memorial Hospital, Marin General Hospital, and Queen Valley Medical Center; together, these hospitals captured 16.1% of the inpatient admissions in the Combined Service Area.

Table 2: Sonoma Valley's Market Competitors – Combined Service Area

Facility	City	State	Total Beds	Distance from Sonoma	2011 Market Share %
SONOMA VLY HSP	***SONOMA***	***CA***	***56***		***45.5***
KAISER FND HSP ST ROSA	SANTA ROSA	CA	173	23 mi Northwest	8.5
KAISER FND HSP SAN RAFAEL	SAN RAFAEL	CA	116	25 mi South	7.8
ST ROSA MEM HSP	SANTA ROSA	CA	256	21 mi Northwest	6.2
MARIN GEN HSP GREENBRAE	GREENBRAE	CA	218	30 mi South	6
QUEEN VLY MC NAPA	NAPA	CA	181	17 mi East	3.9
UCSF MC SAN FRAN	SAN FRANCISCO	CA	660	43 mi South	3.9
KAISER FND HSP SAN FRAN	SAN FRANCISCO	CA	236	43 mi South	1.9
SUTTER MC ST ROSA	SANTA ROSA	CA	120	21 mi Northwest	1.9
PETALUMA VLY HSP	PETALUMA	CA	80	14 mi West	1.5
KAISER FND HSP REHAB CTR	VALLEJO	CA	200	43 mi South	1.1
NOVATO COMM HSP	NOVATO	CA	47	20 mi Southwest	0.7

*Source: Most Recent CMS Cost Report for period ending 03/31/12 and 2011 CA OSHPD state data.

Tables 3 and 4 below show the facility operating indicators as well as beds and days information for Sonoma Valley Hospital and its competitors.

Table 3: 2011 Market Competitors Operating Indicators

Facility	Hospital Discharges	Inpatient Days	Average Daily Census	Occupancy	Average Length of Stay	Adjusted Admissions	Operating Expenses	Net Patient Revenue	Total FTE	Hopsital FTE
SONOMA VLY HSP	1,551	5,744	15.7	0.281	3.7	3,455.8	43,329,274	37,508,797	294	248
CA PACIFIC MC PACIFIC HOSP	21,172	114,099	312.6	0.668	5.4	31,488.6	740,310,811	871,737,290	2,753	2,673
KAISER FND HSP REHAB CTR	10,735	49,504	135.6	0.678	4.6	0.0	0	0	1,249	1,055
KAISER FND HSP SAN FRAN	13,181	63,797	174.8	0.741	4.8	0.0	0	0	1,366	1,273
KAISER FND HSP SAN RAFAEL	5,870	22,609	61.9	0.534	3.9	0.0	0	0	481	460
KAISER FND HSP ST ROSA	8,927	31,969	87.6	0.506	3.6	0.0	0	0	684	657
MARIN GEN HSP GREENBRAE	9,187	40,861	111.9	0.514	4.4	13,829.8	282,273,495	295,524,262	1,092	1,061
PETALUMA VLY HSP	3,159	11,193	30.7	0.383	3.5	5,883.7	78,010,432	78,684,840	397	310
QUEEN VLY MC NAPA	8,127	40,339	110.5	0.611	5	14,433.6	233,400,268	253,469,925	1,188	1,175
SONOMA DEVEL CTR ELDRIDGE	184	1,203	3.3	0.254	6.5	221.6	155,177,009	141,780,405	1,011	15
ST HELENA HSP	5,642	24,282	66.5	0.441	4.3	8,041.4	178,592,806	163,896,116	835	815
ST ROSA MEM HSP	11,860	57,473	157.5	0.615	4.8	16,423.5	311,162,420	324,900,455	1,262	1,244
SUTTER MC ST ROSA	5,900	26,425	72.4	0.603	4.5	9,304.3	160,209,777	169,218,268	640	640
UCSF MC SAN FRAN	29,260	184,438	505.3	0.766	6.3	45,570.8	1,637,175,538	1,766,688,017	5,665	5,629

Table 4: 2011 Market Competitors Bed and Days Information

Facility	Total Beds	Total Days	Inpatient Beds	Inpatient Days	Newborn Days	Routine Beds	Routine Days	SNF Beds	SNF Days	Case Mix Index
SONOMA VLY HSP	**50**	**4,305**	**56**	**5,744**	**509**	**50**	**4,305**	**27**	**7,198**	**1.38**
CA PACIFIC MC PACIFIC HOSP	388	81,926	468	114,099	13,129	388	81,926	56	15,196	2.31
KAISER FND HSP REHAB CTR	160	40,128	200	49,504	3,042	160	40,128	0	0	2.28
KAISER FND HSP SAN FRAN	182	47,000	236	63,797	4,711	182	47,000	0	0	2.18
KAISER FND HSP SAN RAFAEL	104	20,319	116	22,609	0	104	20,319	0	0	1.3
KAISER FND HSP ST ROSA	142	25,102	173	31,969	2,800	142	25,102	0	0	2.55
MARIN GEN HSP GREENBRAE	164	23,001	218	40,861	2,919	164	23,001	0	0	1.63
PETALUMA VLY HSP	71	9,043	80	11,193	865	71	9,043	0	0	1.74
QUEEN VLY MC NAPA	159	33,462	181	40,339	1,596	159	33,462	0	0	1.94
SONOMA DEVEL CTR ELDRIDGE	13	1,203	13	1,203	0	13	1,203	0	0	1.02
ST HELENA HSP	139	20,742	151	24,282	482	139	20,742	30	0	1.85
ST ROSA MEM HSP	218	45,993	256	57,473	1,957	218	45,993	0	0	2.52
SUTTER MC ST ROSA	94	18,299	120	26,425	2,889	94	18,299	0	0	2.28
UCSF MC SAN FRAN	500	139,661	660	184,438	3,032	500	139,661	0	0	2.15

LABOR AND MARKET STATISTICS

Figure 2 shows the annual labor force and employment in Sonoma County since 2007. Since 2007 the county's labor force has increased only 0.5% and employment fell 4.4%. The unemployment rate during the same time period rose from 4.2% to 8.9%, peaking at 10.5% in 2010 (Figure 3). The current unemployment rate of 8.9% in Sonoma County is slightly above the national unemployment rate of 7.8%.

Figure 2: Labor Force and Employment – Sonoma County 2007-2012

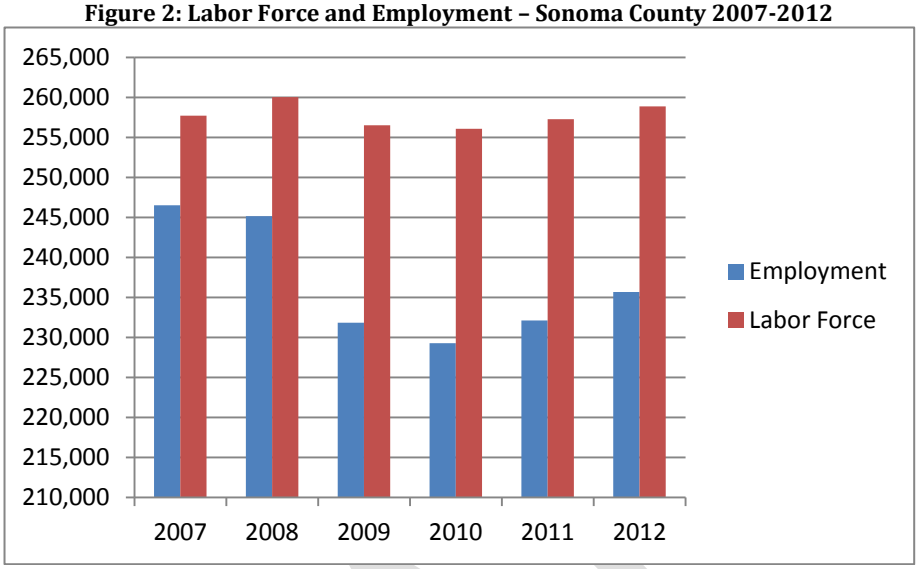
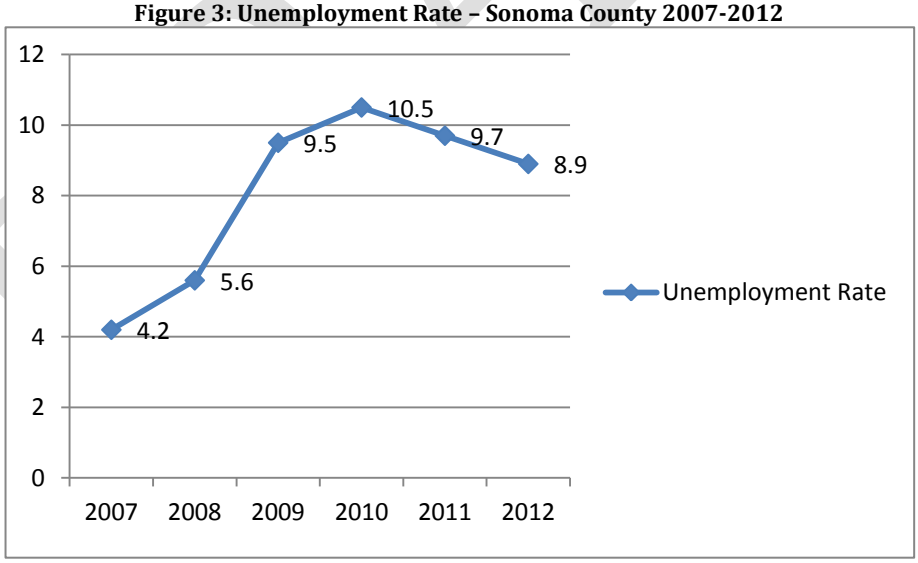


Figure 3: Unemployment Rate – Sonoma County 2007-2012



Source: US Department of Labor, Bureau of Labor Statistics
Please note that 2012 Rate is average year-to-date.

UTILIZATION RATES

Table 5 compares and contrasts state and national utilization rates over the five-year period from 2006-2010. During this time, the US and CA both saw an increase in rates for emergency visits and other outpatient visits. Utilization rates for admissions and inpatient days decreased for both the US and CA.

Table 5: US and California Utilization Rates 2006-2010

	Utilization Rates	2006	2007	2008	2009	2010
CA	Admissions	95.3	90.4	94.6	92.9	91.9
	Inpatient Days	508	473.5	493.3	475.7	468.1
	Inpatient Surgeries	25.4	26.3	24.7	24.3	24.4
	Births	14.6	14.2	14.4	13.5	13.2
	Emergency Outpatient Visits	285.6	276.2	275.2	285.5	293.7
	Other Outpatient Visits	1,213.50	991.8	1,060.90	1,020.00	1094.4
	Outpatient Surgeries	34.4	34.5	35.8	33.8	33.9
US	Admissions	118.5	117.2	117.5	115.7	113.7
	Inpatient Days	657.6	645.1	644.2	627.5	613.5
	Inpatient Surgeries	33.8	33.8	33.2	32.9	32.2
	Births	13.6	13.5	13.4	12.9	12.4
	Emergency Outpatient Visits	396.4	400.6	404.2	414.6	411.7
	Other Outpatient Visits	1,611.50	1,599.90	1,646.20	1,676.40	1696.1
	Outpatient Surgeries	57.7	56.9	57	56.5	56.2

*Source: AHA Statistics

SERVICE AREA DEMOGRAPHICS

POPULATION BY AGE AND ZIP CODE

Sonoma Valley Hospital Combined Service Area has an estimated total population of 39,635 while the Target Service Area has a significantly greater number with an estimated total population of 66,624.

Figure 4 shows the population density for the service area. Table 6 shows each ZIP Code's population distribution by age.

Figure 4: 2011 Service Area Population Density

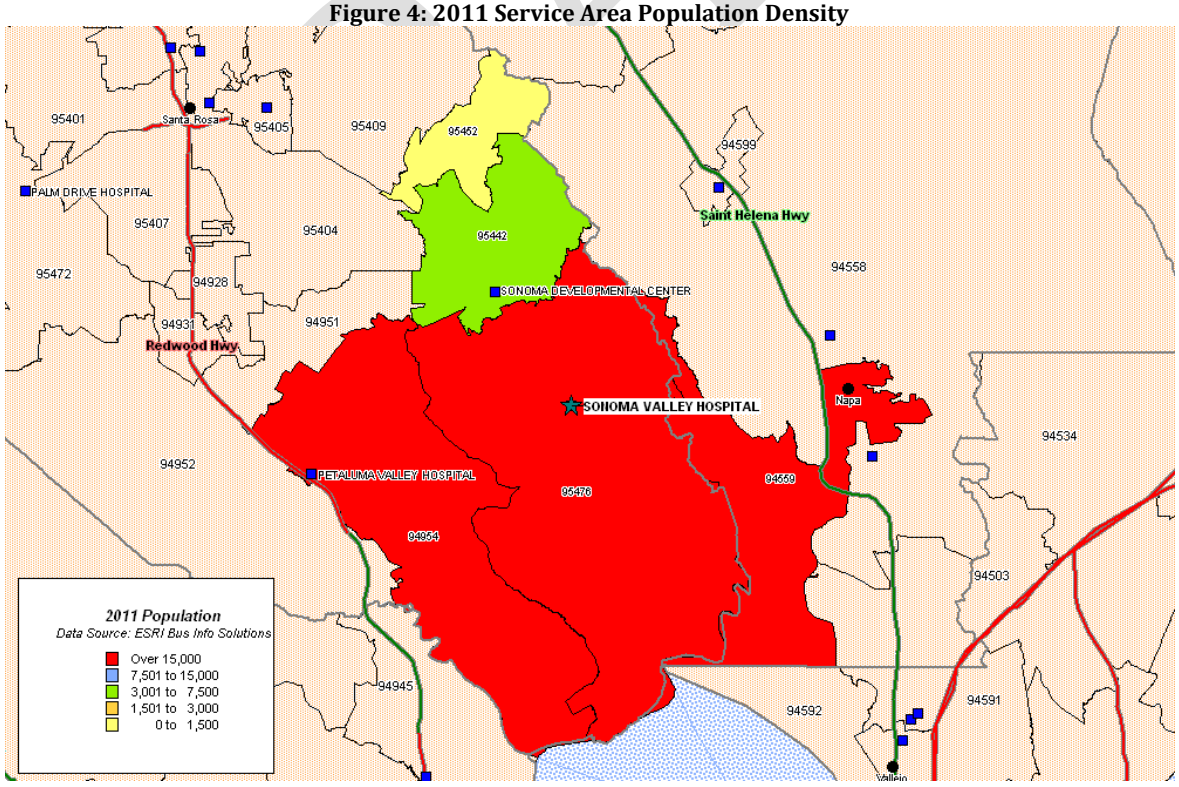


Table 6: 2011 Service Area Population by Age and ZIP Code

	City	Total Population	0-14	Percent of Total	15-44	Percent of Total	45-64	Percent of Total	65+	Percent of Total
Primary	95476 Sonoma	35,618	6,110	17.2%	11,688	32.8%	10,749	30.2%	7,071	19.9%
Secondary	95442 Glen Ellen	4,017	452	11.3%	1,094	27.2%	1,803	44.9%	668	16.6%
Total Combined Service Area		39,635	6,562	16.6%	12,782	32.2%	12,552	31.7%	7,739	19.5%
Tertiary	94559 Napa	27,778	5,175	18.6%	12,404	44.7%	7,010	25.2%	3,189	11.5%
Tertiary	94954 Petaluma	37,031	7,337	19.8%	14,186	38.3%	10,666	28.8%	4,842	13.1%
Tertiary	95452 Kenwood	1,455	136	9.3%	318	21.9%	556	38.2%	445	30.6%
Total Target Service Area		66,264	12,648	19.1%	26,908	40.6%	18,232	27.5%	8,476	12.8%
Combined Service Area				**16.6%**		**32.2%**		**31.7%**		**19.5%**
Total Service Area				**19.1%**		**40.6%**		**27.5%**		**12.8%**
California				**20.4%**		**43.1%**		**24.9%**		**11.5%**
United States				**19.7%**		**40.7%**		**26.4%**		**13.2%**

Figure 5 shows Sonoma Valley Hospital's Service Area age distribution contrasted with state and national figures. The population of Sonoma Valley Hospital's Combined Service Area is older (45+) than both the average for the State of California and the United States. The Target Service Area had a much younger population with 59.7% under the age of 44.Table 7 shows the age distribution comparisons for the Primary, Secondary, and Combined Service Areas as well as for the Target Service Area, California, and the US.

Figure 5: Age Distribution Comparison

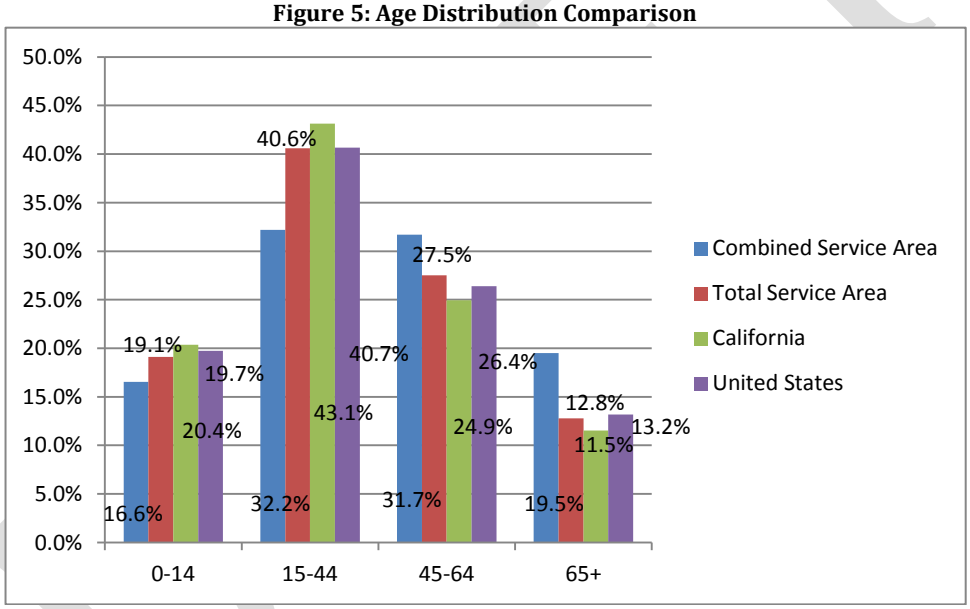


Table 7: Population Age Distribution

Service Area	0-14	15-44	45-64	65+
Combined Service Area	16.6%	32.2%	31.7%	19.5%
Target Service Area	19.1%	40.6%	27.5%	12.8%
California	20.4%	43.1%	24.9%	11.5%
United States	19.7%	40.7%	26.4%	13.2%

Figure 5 shows Sonoma Valley Hospital's Combined Service Area age distribution contrasted with state and national figures. The population of Sonoma Valley Hospital's Combined Service Area is older (45+) thank both the average for the State of California and the United States. The Target Service Areas showed a similar distribution. Table 6 shows the age distribution comparisons for Primary, Secondary, and Combined Service Areas, California, and the US.

Figure 5: Age Distribution Comparison – Combined Service Area

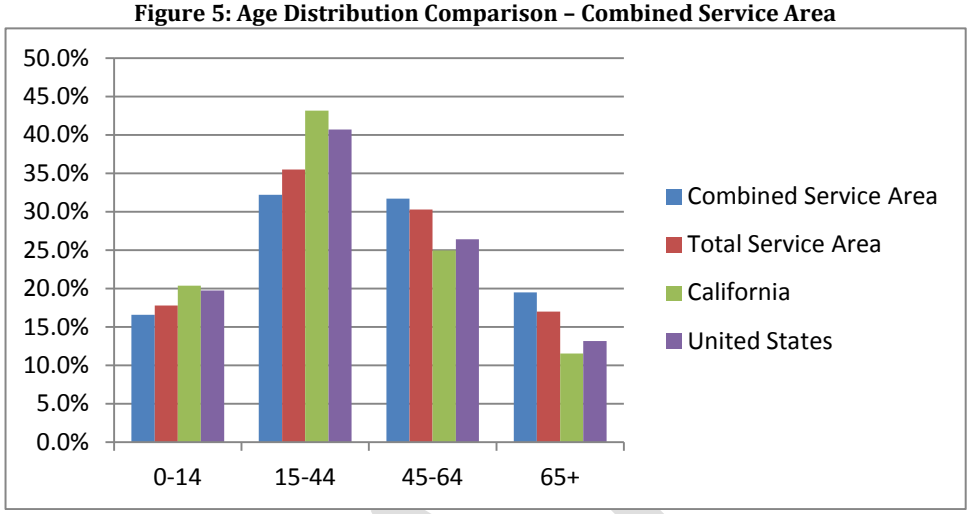


Table 6: Population Age Distribution

Percent of Totals	0-14	15-44	45-64	65+
Combined Service Area	16.6%	32.2%	31.7%	19.5%
Total Service Area	17.8%	35.5%	30.3%	17.0%
California	20.4%	43.1%	24.9%	11.5%
United States	19.7%	40.7%	26.4%	13.2%

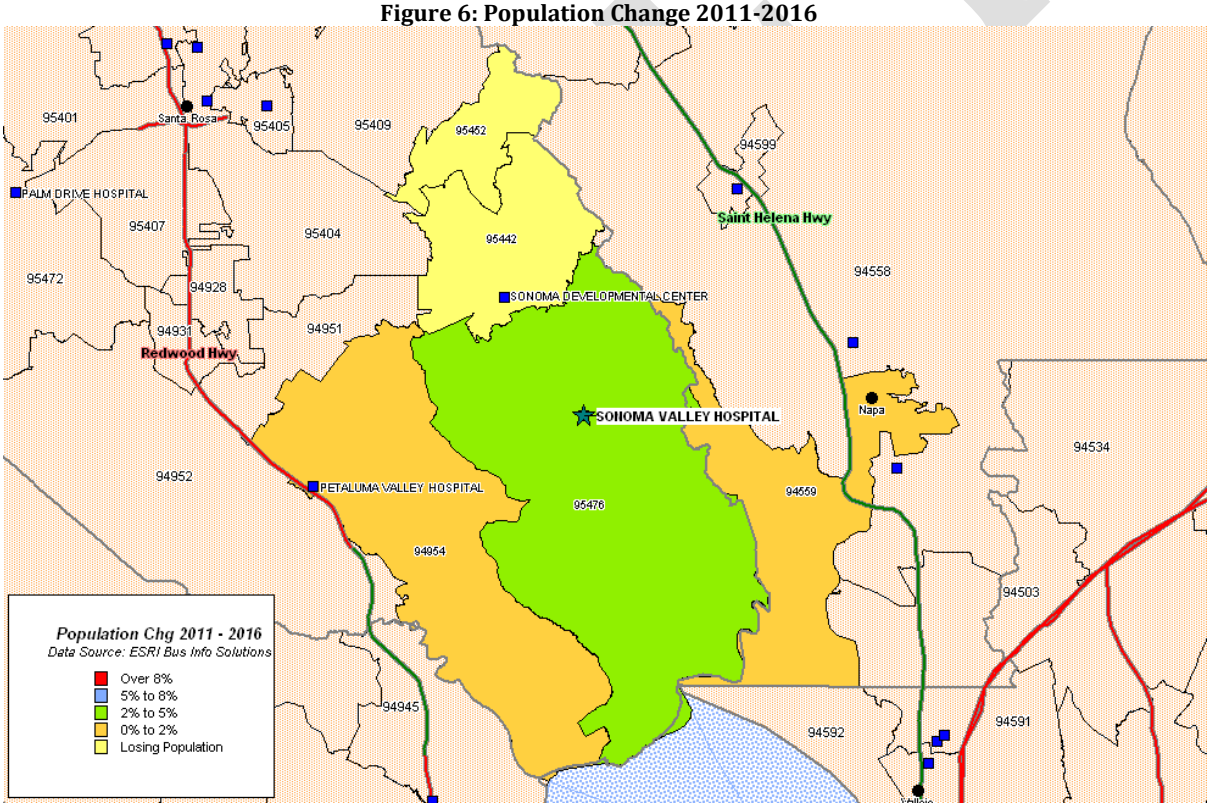
POPULATION GROWTH BY ZIP CODE

Sonoma Valley Hospital's Primary Service Area population is expected to grow over 4% from 2011-2016. However, the populations in the Secondary Service Area and all of the Target Service Areas are expected to remain flat. Both the total populations for California and the US are projected to grow over 3%.

Table 7: Population Change 2011-2016

2012 Service Area		2011 Population	2016 Population	Volume Change 2011-2016	Percent Change 2011-2016
Combined Service Area	**--Total Combined Service Area**	**39,635**	**41,060**	**1,425**	**3.60%**
Primary Service Area	**--Total Primary Service Area**	**35,618**	**37,084**	**1,466**	**4.12%**
Primary Service Area	95476 Sonoma	35,618	37,084	1,466	4.12%
Secondary Service Area	**--Total Secondary Service Area**	**4,017**	**3,976**	**-41**	**-1.02%**
Secondary Service Area	95442 Glen Ellen	4,017	3,976	-41	-1.02%
Target Service Area	**Total Target Service Area**	**66,264**	**67,049**	**785**	**1.18%**
Target Service Area	94559 Napa	27,778	28,209	431	1.55%
Target Service Area	94954 Petaluma	37,031	37,404	373	1.01%
Target Service Area	95452 Kenwood	1,455	1,436	-19	-1.31%
All Service Areas	**--Total Market--**	**105,899**	**108,109**	**2,210**	**2.09%**
California		37,330,168	37,348,606	38,737,802	3.4%
United States		309,379,375	310,857,160	321,825,910	3.5%

Figure 6: Population Change 2011-2016



Population Growth by Age Cohort

Sonoma Valley Hospital's Combined Service Area is projected to grow almost 4% from 2011-2016. Figure 7 shows projected population change by age cohort. The Combined Service Area is projected to experience little growth or to lose population from all age cohorts excluding seniors 65+; however, the senior population is a smaller number of individuals.

Figure 7: Population Growth by Age Cohort – Combined Service Area – 2011-2016

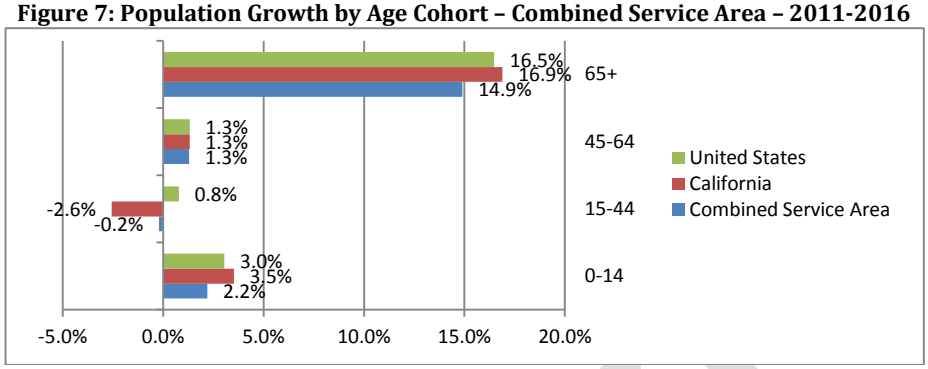
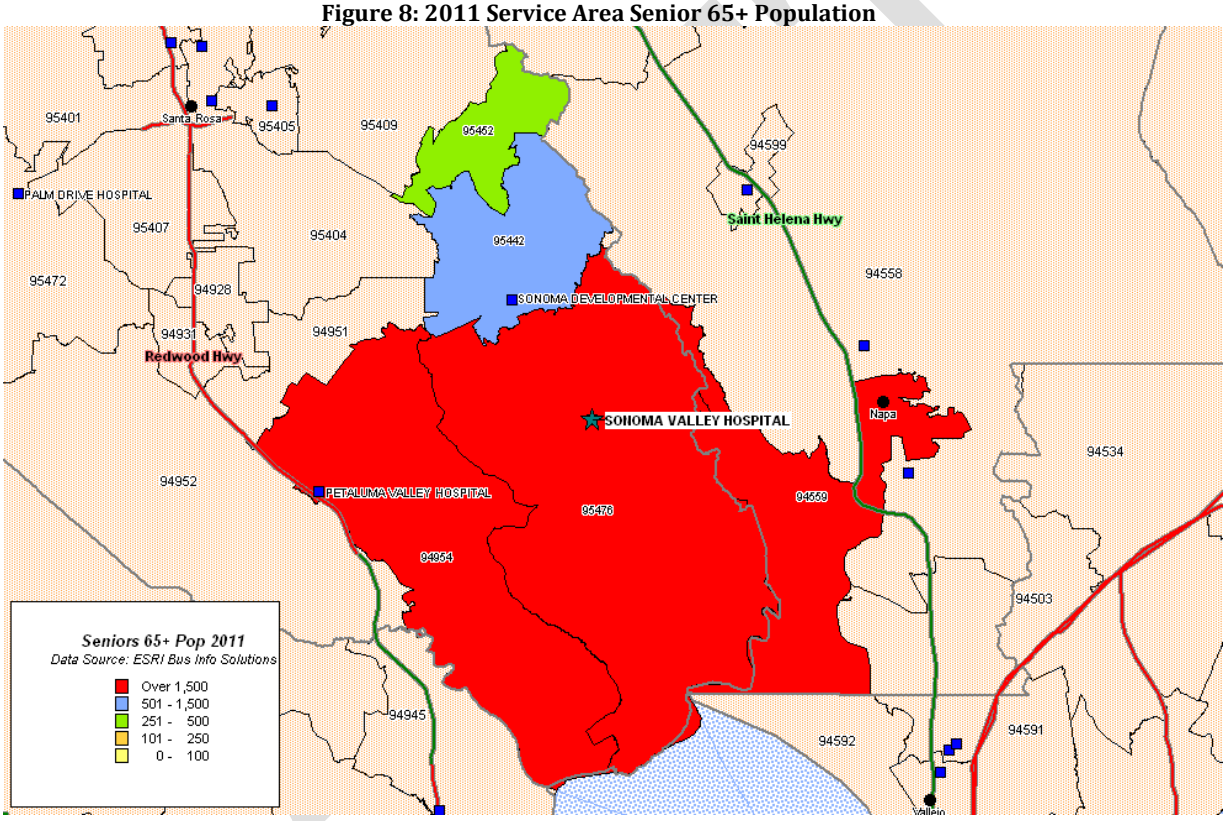


Figure 8: 2011 Service Area Senior 65+ Population



Hispanic Population by ZIP Code

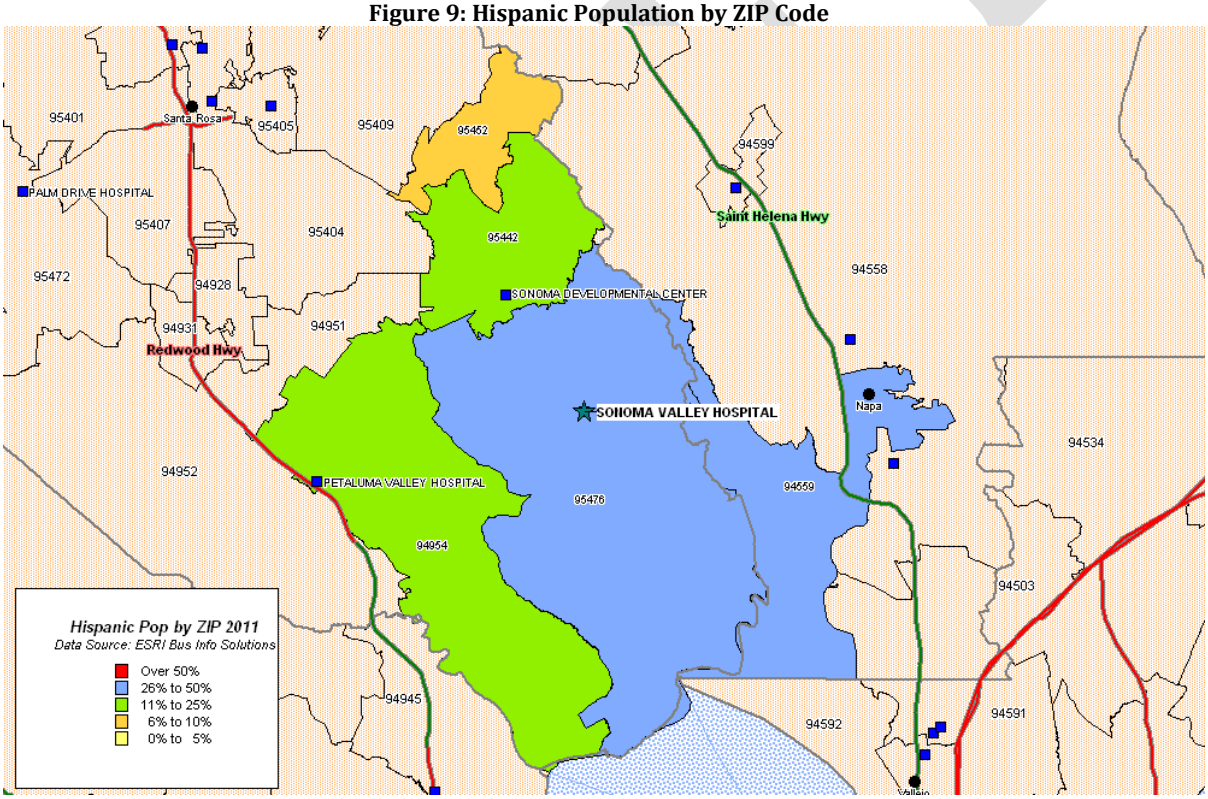
In 2011, over 27% of the Combined Service Area population was estimated to be Hispanic and is expected to grow over 17% from 2011-2016. In 2016, it is estimated that over 30% of the population will be Hispanic. Table 8 and Figure 9 show the distribution of the Hispanic population by ZIP Code.

According to the US Census, there are 78,553 Foreign Born individuals in Sonoma County; only 31,393 of these are naturalized citizens. Therefore, an estimated 47,160 (60%) are either not naturalized or are undocumented.

Table 8: Hispanic Population by ZIP Code

2012 Service Area Designation	ZIP Code - City Name	2011 Population	Percent of 2011 Total Population	2016 Population	Percent of 2016 Population	Volume Change 2011-2016	Percent Change 2011-2016
Combined Service Area	**--Total Combined Service Area**	**10,820**	**27.30%**	**12,744**	**31.04%**	**1,924**	**17.78%**
Primary Service Area	**--Total Primary Service Area**	**10,287**	**28.88%**	**12,133**	**32.72%**	**1,846**	**17.94%**
Primary Service Area	95476 Sonoma	10,287	28.88%	12,133	32.72%	1,846	17.94%
Secondary Service Area	**--Total Secondary Service Area**	**533**	**13.27%**	**611**	**15.37%**	**78**	**14.63%**
Secondary Service Area	95442 Glen Ellen	533	13.27%	611	15.37%	78	14.63%
Target Service Area 1	**--Total Target Service Area 1**	**20,527**	**30.98%**	**23,515**	**35.07%**	**2,988**	**14.56%**
Target Service Area 1	94559 Napa	11,423	41.12%	12,986	46.03%	1,563	13.68%
Target Service Area 1	94954 Petaluma	8,999	24.30%	10,405	27.82%	1,406	15.62%
Target Service Area 1	95452 Kenwood	105	7.22%	124	8.64%	19	18.10%
All Service Areas	**--Total Market--**	**31,347**	**29.60%**	**36,259**	**33.54%**	**4,912**	**15.67%**

Figure 9: Hispanic Population by ZIP Code



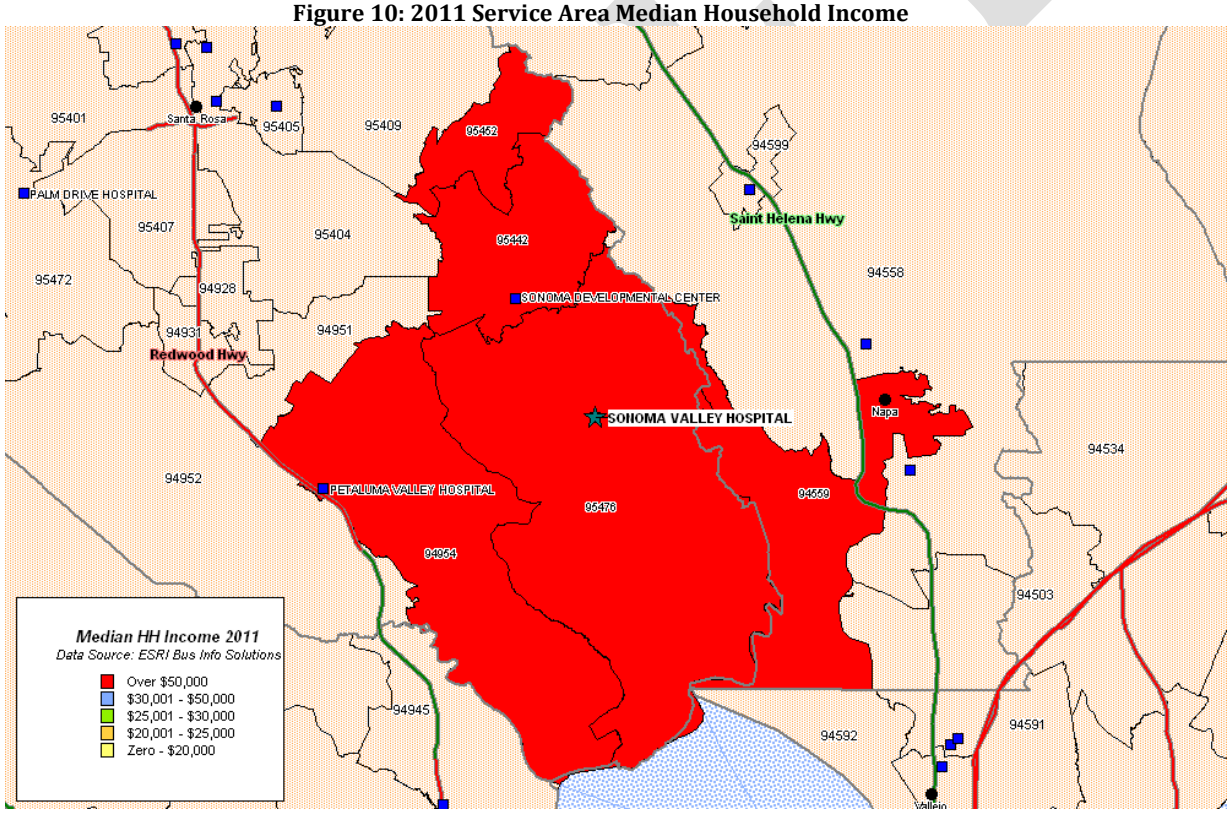
Median Household Income

Sonoma Valley Hospital's Combined Service Area has a median household income of $61, 456. It is consistent with the median household income for California at $62,456 but significantly higher than the median household income for the United States at $53,358. The Combined Service Area median household income is projected to increase 2.5% to $73,531 by 2016.

Table 9: Service Area Median Household Income Change 2011-2016

2012 Service Area Designation		2011 Median Household Income	2016 Median Household Income	Income Change 2011-2016	Percent Change 2011-2016
Combined Service Area	**--Total Combined Service Area**	**$61,456**	**$73,531**	**$12,075**	**19.65%**
Primary Service Area	**--Total Primary Service Area**	**$60,145**	**$72,650**	**$12,505**	**20.79%**
Primary Service Area	95476 Sonoma	$60,145	$72,650	$12,505	20.79%
Secondary Service Area	**--Total Secondary Service Area**	**$74,236**	**$82,507**	**$8,271**	**11.14%**
Secondary Service Area	95442 Glen Ellen	$74,236	$82,507	$8,271	11.14%
Target Service Area 1	**--Total Target Service Area 1**	**$72,754**	**$80,420**	**$7,666**	**10.54%**
Target Service Area 1	94559 Napa	$60,467	$67,087	$6,620	10.95%
Target Service Area 1	94954 Petaluma	$82,371	$90,672	$8,301	10.08%
Target Service Area 1	95452 Kenwood	$68,070	$78,632	$10,562	15.52%
All Service Areas	**--Total Market--**	**$68,169**	**$77,582**	**$9,413**	**13.81%**

Figure 10: 2011 Service Area Median Household Income



2011 Patient Origin

Table 10 below shows dependency ratios for each of the ZIP Codes included in the Combined Service Area. 74.2% of Sonoma Valley Hospitals Medicare inpatient discharges in 2011 came from it home ZIP Code of Sonoma. Interestingly, while discharges in the Combined Service Area were down, the total number of Medicare inpatient discharges increased slightly with new discharges coming from the Target Service Area.

Table 10: Sonoma Valley Hospital CMS (Medicare) Patient Origin

ZIP Code - City Name	Sonoma 2011 Medicare Inpatient Discharges	Dependency Ratio	Sonoma 2010 Medicare Inpatient Discharges	Dependency Ratio
95476 Sonoma	600	74.2%	681	85.0%
95442 Glen Ellen	62	7.7%	79	9.9%
	662	Total 2011 Medicare Discharges from 94567, 95442	760	Total 2011 Medicare Discharges from 94567, 95442
	809	**Total 2011 Medicare Discharges**	800	**Total 2010 Medicare Discharges**

Source: CMS (Medicare) Service Area File

Service Area Demographics – Observations and Conclusions

New demographic estimates show that Sonoma's total population is expected to increase over 4% in the next five years while Glen Ellen's population is expected to decrease slightly. However, because neither city is has much population, the hospital is not likely to see significant growth from demographic increases. The senior 65+ population is expected to increase over 14%. However, the volume of that growth is not large. Also noteworthy is the significant Hispanic population; it is over 27% of the population and is expected to grow to over 30% of the total population.

Note: Source for above demographic data is ESRI Business Solutions unless otherwise noted.

HOSPITAL UTILIZATION AND MARKET SHARE

Inpatient Market Share – California State Data

Tables 11a and 11b below show inpatient market share using data from the California Office of Statewide Health Planning and Development (OSHPD). Sonoma Valley Hospital has a 45.5% market share. Its largest market share is in the Rehabilitation (92.6%), Medicine (54.5%), Neurology (42.5%), and General Surgery (36.1%) service lines.

Table 11a: Inpatient Market Share – 2011 CA State Data – Combined Service Area

	Total Market	SONOMA VLY HSP		CA PACIFIC MC PACIFIC		KAISER FND HOSP		MARIN GEN HOSP		PALM DRIVE HOSP	
Product Line	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
CARDIOLOGY	369	125	33.9	9	2.4	102	27.6	59	16	0	0
CARDIOVASCULAR	60	0	0	3	5	15	25	16	26.7	0	0
GASTROENTEROLOGY	208	106	51	3	1.4	40	19.2	9	4.3	0	0
GYNECOLOGY	72	36	50	1	1.4	16	22.2	3	4.2	0	0
MEDICINE	613	334	54.5	6	1	133	21.7	12	2	2	0.3
MENTAL HEALTH	91	7	7.7	2	2.2	4	4.4	10	11	0	0
NEUROLOGY	193	82	42.5	14	7.3	31	16.1	8	4.1	0	0
NEUROSURGERY	114	5	4.4	10	8.8	8	7	27	23.7	2	1.8
OB-DELIVERY	379	182	48	6	1.6	96	25.3	13	3.4	0	0
OB-OTHER	26	9	34.6	2	7.7	7	26.9	0	0	0	0
ONCOLOGY	59	13	22	0	0	13	13	8	13.6	0	0
ORTHOPEDICS	449	175	39	11	2.4	91	12.6	24	5.3	0	0
PULMONARY	218	98	45	7	3.2	45	6.2	4	1.8	0	0
REHABILITATION	404	374	92.6	9	2.2	3	0.4	0	0	0	0
SURGERY-GENERAL	352	127	36.1	16	4.5	76	10.5	15	4.3	3	0.9
SURGERY-OTHER	20	1	5	0	0	5	0.7	2	10	0	0
TRANSPLANT	5	0	0	1	20	0	0	0	0	0	0
UNGROUPED OR INVALID DRG	7	3	42.9	0	0	2	0.3	0	0	0	0
UROLOGY	128	46	35.9	3	2.3	34	4.7	8	6.3	0	0
VASCULAR	20	0	0	0	0	4	0.6	11	55	0	0
Primary Service Area	3,484	1,611	46.2	95	2.7	676	19.4	204	5.9	7	0.2
Secondary Service Area	303	112	3.7	8	2.6	49	16.2	25	8.3	0	0
Combined Service Area (ex NB and Neo)	3,787	1,723	46	103	3	725	19	229	6	7	0
Target Service Area 1	5,202	29	0.6	99	1.9	1,467	28.2	108	2.1	4	0.1
Total Service Area (ex NB and Neo)	8,989	1,752	19.5	202	2.2	2,192	24.4	337	3.7	11	0.1

Table 11b: Inpatient Market Share – 2011 CA State Data – Combined Service Area

	Total Market	PETALUMA VLY HOSP		QUEEN VLY HOSP NAPA		ST ROSA MEM HOSP		UCSF MC		ALL OTHER HOSPITALS	
Product Line	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
CARDIOLOGY	903	0	0	23	6.2	20	5.4	4	1.1	27	7.3
CARDIOVASCULAR	139	0	0	0	0	6	10	5	8.3	15	25
GASTROENTEROLOGY	512	5	2.4	10	4.8	7	3.4	19	9.1	9	4.3
GYNECOLOGY	149	1	1.4	4	5.6	2	2.8	3	4.2	6	8.3
MEDICINE	1549	8	1.3	19	3.1	36	5.9	16	2.6	47	7.7
MENTAL HEALTH	273	1	1.1	0	0	3	3.3	0	0	64	70.3
NEUROLOGY	460	2	1	2	1	16	8.3	14	7.3	24	12.4
NEUROSURGERY	254	2	1.8	14	12.3	6	5.3	15	13.2	25	21.9
OB-DELIVERY	1,085	10	2.6	16	4.2	23	6.1	5	1.3	28	7.4
OB-OTHER	105	1	3.8	1	3.8	2	7.7	2	7.7	2	7.7
ONCOLOGY	166	3	5.1	2	3.4	8	13.6	5	8.5	7	11.9
ORTHOPEDICS	930	9	2	9	2	40	8.9	14	3.1	76	16.9
PULMONARY	661	2	0.9	15	6.9	24	11	6	2.8	17	7.8
REHABILITATION	479	0	0	8	2	5	1.2	0	0	5	1.2
SURGERY-GENERAL	877	6	1.7	13	3.7	27	7.7	23	6.5	46	13.1
SURGERY-OTHER	52	1	5	2	10	3	15	4	20	2	10
TRANSPLANT	10	0	0	0	0	0	0	3	60	1	20
UNGROUPED OR INVALID DRG	22	0	0	0	0	0	0	1	14.3	1	14.3
UROLOGY	309	4	3.1	8	6.3	5	3.9	9	7	11	8.6
VASCULAR	54	0	0	3	15	2	10	0	0	0	0
Primary Service Area	3,484	49	1.4	145	4.2	191	5.5	134	3.8	372	10.7
Secondary Service Area	303	6	2	4	1.3	44	14.5	14	4.6	41	13.5
Combined Service Area (ex NB and Neo)	3,787	55	2	149	4	235	6	148	4	413	11
Target Service Area 1	5,202	1,043	20	1,256	24.1	319	6.1	172	3.3	705	13.6
Total Service Area (ex NB and Neo)	8,898	1,098	12.2	1,405	15.6	554	6.2	320	3.6	1,118	12.4

Inpatient Surgical Market Share – California State Data

Tables 12a and 12b show inpatient surgical market share for the Combined Service Area. Sonoma Valley Hospital captured 26.4% market share in the combined service area and 22.3% of the Secondary Service Area. Sonoma Valley Hospital's largest market share are in the Gynecology (47%), General Surgery (36.3%), and Orthopedic (35%) service lines.

Table 12a: 2011 Inpatient Surgical Market Share – CA OSHPD Data – Combined Service Area

	Total Market	SONOMA VLY HSP		CA PACIFIC MC PACIFIC		KAISER FND HOSP OAKLAND		KAISER FND HOSPS		MARIN GEN HOSP		PALM DRIVE HOSP	
Product Line	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
CARDIOLOGY	91	1	1.1	3	3.3	0	0	22	24.2	32	19.6	0	0
CARDIOVASCULAR	60	0	0	3	5	0	0	15	25	16	11.5	0	0
GYNECOLOGY	66	31	47	1	1.5	0	0	16	24.2	3	2.2	0	0
NEUROSURGERY	114	5	4.4	10	8.8	6	5.3	8	7	27	15.7	2	1.8
ONCOLOGY	1	0	0	0	0	0	0	1	100	0	25	0	0
ORTHOPEDICS	386	135	35	11	2.8	5	1.3	76	19.7	21	2.7	0	0
SURGERY-GENERAL	347	126	36.3	16	4.6	5	1.4	76	21.9	15	3.2	3	0.9
SURGERY-OTHER	16	1	6.3	0	0	0	0	5	31.3	2	4.5	0	0
TRANSPLANT	5	0	0	1	20	0	0	0	0	0	0	0	0
UROLOGY	54	7	13	1	1.9	0	0	20	37	5	6.5	0	0
VASCULAR	20	0	0	0	0	0	0	4	20	11	24.1	0	0
Primary Service Area	1,048	281	26.8	43	4.1	15	1.4	223	21.3	116	11.1	5	0.5
Secondary Service Area	112	25	22.3	3	2.7	1	0.9	20	17.9	16	14.3	0	0
Combined Service Area (ex NB and Neo)	1,160	306	26.4	46	4	16	1.4	243	20.9	132	11.4	5	0.4
Target Service Area 1	1,453	8	0.6	44	3	56	3.9	414	28.5	35	2.4	4	0.3
Total Service Area (ex NB and Neo)	2,613	314	12	3.4	10	72	2.8	657	25.1	167	6.4	9	0.3

Table 12a: 2011 Inpatient Surgical Market Share – CA OSHPD Data – Combined Service Area

	Total Market	PETALUMA VLY HOSP		QUEEN VLY HOSP NAPA		ST ROSA MEM HOSP		SUTTER MC ST ROSA		UCSF MC		ALL OTHER HOSPITALS	
Product Line	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
CARDIOLOGY	91	0	0	11	12.1	9	9.9	10	11	1	1.1	2	2.2
CARDIOVASCULAR	60	0	0	0	0	6	10	6	10	5	8.3	9	15
GYNECOLOGY	66	1	1.5	4	6.1	2	3	2	3	3	4.5	3	4.5
NEUROSURGERY	114	2	1.8	14	12.3	6	5.3	2	1.8	15	13.2	17	14.9
ONCOLOGY	1	0	0	0	0	0	0	0	0	0	0	0	0
ORTHOPEDICS	386	8	2.1	9	2.3	38	9.8	8	2.1	13	3.4	62	16.1
SURGERY-GENERAL	347	6	1.7	13	3.7	25	7.2	6	1.7	23	6.6	33	9.5
SURGERY-OTHER	16	0	0	1	6.3	2	12.5	0	0	3	18.8	2	12.5
TRANSPLANT	5	0	0	0	0	0	0	0	0	3	60	1	20
UROLOGY	54	4	7.4	5	9.3	0	0	0	0	8	14.8	4	7.4
VASCULAR	20	0	0	3	15	2	10	0	0	0	0	0	0
Primary Service Area	1,048	18	1.7	56	5.3	72	6.9	31	3	66	6.3	122	11.6
Secondary Service Area	112	3	2.7	4	3.6	18	16.1	3	2.7	8	7.1	11	9.8
Combined Service Area (ex NB and Neo)	1,160	21	1.8	60	5.2	90	7.8	34	2.9	74	6.4	133	11.5
Target Service Area 1	1,453	171	11.8	287	19.8	126	8.7	43	3	86	5.9	179	12.3
Total Service Area (ex NB and Neo)	2,613	192	7.3	347	13.3	216	8.3	77	2.9	160	6	312	12

Inpatient Market Share – Trend Analysis

Between 2009-2011, Sonoma Valley Hospital had a slight decrease in overall inpatient market share (from 48.7% in 2009 to 45.5% in 2011). However, there is an overall decrease in inpatient care throughout the United States (please refer to Table 5 on page 7). In addition, Sonoma Valley Hospital experienced significant increase in the General Surgery and Orthopedics service lines. Table 13 shows 2009-2011 volumes and market share for Sonoma Valley Hospital's Combined Service Area.

Table 13: Inpatient Market Share Trend – CA OSHPD Data – Combined Service Area

Product Line	2011 Market Cases	2011 Hospital Cases	2011 Market Share	2010 Market Cases	2010 Hospital Cases	2010 Hospital Share	2009 Market Cases	2009 Hospital Cases	2009 Market Share
All Product Lines	3,787	1,723	45.50%	3,772	1,804	47.80%	3,637	1,772	48.70%
CARDIOLOGY	369	125	33.90%	378	138	36.50%	307	113	36.80%
CARDIOVASCULAR	60	0	0.00%	59	0	0.00%	43	1	2.30%
GASTROENTEROLOGY	208	106	51.00%	226	123	54.40%	234	124	53.00%
GYNECOLOGY	72	36	50.00%	66	39	59.10%	69	42	60.90%
MEDICINE	613	334	54.50%	660	374	56.70%	594	354	59.60%
MENTAL HEALTH	91	7	7.70%	85	10	11.80%	77	12	15.60%
NEUROLOGY	193	82	42.50%	180	81	45.00%	164	84	51.20%
NEUROSURGERY	114	5	4.40%	90	9	10.00%	107	18	16.80%
OB-DELIVERY	379	182	48.00%	339	161	47.50%	412	204	49.50%
OB-OTHER	26	9	34.60%	36	15	41.70%	56	25	44.60%
ONCOLOGY	59	13	22.00%	75	11	14.70%	58	16	27.60%
ORTHOPEDICS	449	175	39.00%	384	142	37.00%	328	103	31.40%
PULMONARY	218	98	45.00%	265	135	50.90%	272	140	51.50%
REHABILITATION	404	374	92.60%	424	403	95.00%	408	385	94.40%
SURGERY-GENERAL	352	127	36.10%	340	112	32.90%	337	107	31.80%
SURGERY-OTHER	20	1	5.00%	13	1	7.70%	20	1	5.00%
TRANSPLANT	5	0	0.00%	2	0	0.00%	8	0	0.00%
UNGROUPED OR INVALID DRG	7	3	42.90%	1	0	0.00%	0	0	0.00%
UROLOGY	128	46	35.90%	126	50	39.70%	119	41	34.50%
VASCULAR	20	0	0.00%	23	0	0.00%	24	2	8.30%

Medicare Inpatient Market Share Trend

Table 13 below shows the Medicare inpatient market share trend for Sonoma Valley Hospitals and its competitors. Marin General did have an increase in market share. In addition, there was a nearly 3% increase in patients going to hospitals with a less than 2% market share in the Combined Service Area. These cases can potentially be captured.

Table 13 – Medicare Inpatient Market Share – 3 Year Trend – Combined Service Area

Hospital	2011 Medicare Discharges	2011 Medicare Market Share	2010 Medicare Discharges	2010 Medicare Market Share	2009 Medicare Discharges	2009 Medicare Market Share
SONOMA VLY HSP	662	38.00%	760	41.60%	673	44.00%
KAISER FND HSP SAN RAFAEL	191	11.00%	224	12.20%	135	8.80%
MARIN GEN HSP GREENBRAE	126	7.20%	90	4.90%	82	5.40%
KAISER FND HSP ST ROSA	118	6.80%	115	6.30%	99	6.50%
ST ROSA MEM HSP	98	5.60%	95	5.20%	91	6.00%
QUEEN VLY MC NAPA	85	4.90%	83	4.50%	80	5.20%
SONOMA DEVEL CTR ELDRIDGE	73	4.20%	87	4.80%	64	4.20%
KAISER FND HSP SAN FRAN	36	2.10%	39	2.10%	15	1.00%
UCSF MC SAN FRAN	34	2.00%	37	2.00%	34	2.20%
SUTTER MC ST ROSA	28	1.60%	27	1.50%	26	1.70%
PETALUMA VLY HSP	19	1.10%	21	1.10%	28	1.80%
KAISER FND HSP REHAB CTR	15	0.90%	32	1.70%	19	1.20%
All Other Hospitals	257	14.80%	219	12.00%	182	11.90%
Totals	**1,742**	**100.00%**	**1,829**	**100.00%**	**1,528**	**100.00%**

Medicare Inpatient Market Share by ZIP Code and Hospital

Tables 14a and 14b below show the Combined Service Area's distribution of Medicare inpatients by Hospital and ZIP Code.

Table 14a: 2011 Medicare Inpatient Market Share by ZIP Code and Hospital – Combined Service Area

	Total Cases	Sonoma Vly Hsp		Kaiser Fnd Hsp San Fran		Kaiser Fnd Hsp San Rafael		Kaiser Fnd Hsp St Rosa		Marin Gen Hsp Greenbrae	
	#	#	%	#	%	#	%	#	%	#	%
95476 Sonoma	1,520	600	39.50%	32	2.10%	187	12.30%	104	6.80%	117	7.70%
95442 Glen Ellen	222	62	27.90%	0	0	0	0	14	6.30%	9	4.10%
Combined Service Area	1,742	662	67.4	32	2.1	187	12.3	118	13.1	126	11.8

Table 14b: 2011 Medicare Inpatient Market Share by ZIP Code and Hospital – Combined Service Area

	Total Cases	Queen Vly Mc Napa		Sonoma Devel Ctr Eldridge		St Rosa Mem Hsp		Sutter Mc St Rosa		Ucsf Mc San Fran		All Other Hospitals	
		#	%	#	%	#	%	#	%	#	%	#	%
95476 Sonoma	1,520	84	5.50%	0	0	79	5.20%	0	0	0	0	317	20.90%
95442 Glen Ellen	222	0	0	73	32.90%	19	8.60%	6	2.70%	7	3.20%	27	12.20%
Combined Service Area	1,742	84	5.5	73	32.9	98	13.8	6	2.7	7	3.2	344	33.1

Outpatient Market Share – Ambulatory Surgery

Using data from the California OSHPD data, Tables 15a and 15b show the ambulatory surgery market share for the Combined Service Area. Sonoma Valley Hospital had 15.6% of the ambulatory surgery cases in the Combined Service Area. The market share was up over 2% from 13.5% in 2010.

Table 15a: 2011 Ambulatory Surgery Market Share – Combined Service Area

	Total Market	SONOMA VLY HSP		KAISER FOUNDATION HSPS		MARIN GEN HSP		PALM DRIVE HSP		PDI SURG CTR		PETALUMA VLY HSP	
Product Line	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
CARDIOLOGY	323	6	1.9	89	27.6	59	18.3	0	0	0	0	12	3.7
GASTROENTEROLOGY	915	141	15.4	232	25.4	40	4.4	5	0.5	0	0	43	4.7
GYNECOLOGY	220	34	15.5	72	32.7	7	3.2	0	0	0	0	22	10
MEDICINE	2,609	462	17.7	487	18.7	77	3	11	0.4	0	0	295	11.3
MENTAL HEALTH	34	0	0	1	2.9	0	0	0	0	0	0	0	0
NEUROLOGY	179	41	22.9	33	18.4	7	3.9	0	0	0	0	7	3.9
OB-OTHER	92	18	19.6	12	13	1	1.1	0	0	0	0	5	5.4
ONCOLOGY	402	34	8.5	105	26.1	20	5	0	0	0	0	31	7.7
ORTHOPEDICS	889	226	25.4	246	27.7	5	0.6	2	0.2	0	0	81	9.1
PULMONARY	44	0	0	0	0	4	9.1	0	0	0	0	2	4.5
SURGERY-OTHER	243	0	0	22	9.1	1	0.4	0	0	151	62.1	8	3.3
UNGROUPED OR INVALID DRG	8	1	12.5	4	50	0	0	0	0	0	0	1	12.5
UROLOGY	273	8	2.9	80	29.3	14	5.1	0	0	0	0	26	9.5
Primary Service Area	2340	812	34.7	471	20.1	127	5.4	2	0.1	67	2.9	83	3.5
Secondary Service Area	326	84	25.8	74	22.7	21	6.4	0	0.0	0	0.0	8	2.5
Combined Service Area	6231	971	15.6	1383	22.2	235	3.8	18	0.3	151	2.4	533	8.6
Target Service Area	3565	75	2.1	838	23.5	87	2.4	16	0.4	84	2.4	442	12.5
Total Service Area	12462	1942	15.6	2766	22.2	470	3.8	36	0.3	302	2.4	1066	8.6

Table 15b: 2011 Ambulatory Surgery Market Share – Combined Service Area

	Total Market	QUEEN VALLEY HSP		ST ROSA MEM HSP		SUTTER MC ST ROSA		UCSF MC		ALL OTHER HSP	
Product Line	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
CARDIOLOGY	323	22	6.8	54	16.7	41	12.7	10	3.1	30	9.3
GASTROENTEROLOGY	915	255	27.9	12	1.3	13	1.4	46	5	128	14
GYNECOLOGY	220	23	10.5	4	1.8	18	8.2	15	6.8	25	11.4
MEDICINE	2,609	579	22.2	122	4.7	67	2.6	121	4.6	388	14.9
MENTAL HEALTH	34	0	0	0	0	1	2.9	0	0	32	94.1
NEUROLOGY	179	24	13.4	10	5.6	6	3.4	10	5.6	41	22.9
OB-OTHER	92	22	23.9	0	0	26	28.3	1	1.1	7	7.6
ONCOLOGY	402	70	17.4	46	11.4	12	3	37	9.2	47	11.7
ORTHOPEDICS	889	110	12.4	39	4.4	12	1.3	20	2.2	148	16.6
PULMONARY	44	24	54.5	0	0	4	9.1	4	9.1	6	13.6
SURGERY-OTHER	243	12	4.9	1	0.4	8	3.3	12	4.9	28	11.5
UNGROUPED OR INVALID DRG	8	0	0	0	0	0	0	0	0	2	25
UROLOGY	273	42	15.4	8	2.9	6	2.2	47	17.2	42	15.4
Primary Service Area	2340	132	5.6	102	4.4	73	3.1	144	6.2	327	14.0
Secondary Service Area	326	11	3.4	32	9.8	22	6.7	29	8.9	45	13.8
Combined Service Area	6231	1183	19.0	296	4.8	214	3.4	323	5.2	924	14.8
Target Service Area	3565	1040	29.2	162	4.5	119	3.3	150	4.2	552	15.5
Total Service Area	12462	2366	19.0	592	4.8	428	3.4	646	5.2	1848	14.8

Outpatient Market Share – Emergency Department Visits by Primary Payer

Table 16 shows emergency department visits by primary payer type. Sonoma Valley Hospital captured 26.9% of all ED visits in the Combined Service Area. Sonoma Valley Hospital saw 90.5% of the Medicare cases and 67.9% of the commercial insurance cases.

Table 16: 2011 ED Visits by Primary Payer – Combined Service Area

	Total Market	SONOMA VLY HSP		KAISER FND HOSPS		PALM DRIVE HOSPITAL		PETALUMA VLY HSP		QUEEN VLY HSP NAPA		ST ROSA MEM HSP MONTGOMERY		All Other Hospitals	
**Primary Payor	Cases	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share	Cases	Market Share
Auto Medical	2	0	0	0	0	2	100	0	0	0	0	0	0	0	0
BCBS	2,104	760	36.1	0	0	0	0	650	30.9	377	17.9	81	3.8	236	11.2
Champus/Tricare	220	33	15	1	0.5	0	0	118	53.6	32	14.5	11	5	25	11.4
Commercial	595	404	67.9	10	1.7	10	1.7	49	8.2	35	5.9	18	3	69	11.6
EPO	79	0	0	39	49.4	0	0	0	0	0	0	0	0	40	50.6
HMO	5,125	417	8.1	3,820	74.5	0	0	221	4.3	284	5.5	37	0.7	346	6.8
Invalid	18	15	83.3	0	0	0	0	0	0	0	0	0	0	3	16.7
Medi-Cal	5,254	1,586	30.2	256	4.9	9	0.2	1,065	20.3	1945	37	108	2.1	285	5.4
Medicare A	2,234	2,021	90.5	64	2.9	10	0.4	0	0	0	0	0	0	139	6.2
Medicare B	1,619	0	0	0	0	0	0	686	42.4	731	45.2	143	8.8	59	3.6
Medicare HMO	2,038	0	0	1,388	68.1	0	0	210	10.3	363	17.8	10	0.5	67	3.3
Other	55	8	14.5	1	1.8	1	1.8	4	7.3	36	65.5	2	3.6	3	5.5
Other Federal	11	0	0	1	9.1	0	0	0	0	9	81.8	0	0	1	9.1
Other Payor-Non-Federal	710	1	0.1	0	0	0	0	145	20.4	481	67.7	60	8.5	23	3.2
POS	6	0	0	1	16.7	0	0	0	0	0	0	0	0	5	83.3
PPO	1,831	563	30.7	3	0.2	0	0	665	36.3	389	21.2	48	2.6	163	8.9
Self Pay	2,685	839	31.2	174	6.5	10	0.4	551	20.5	704	26.2	116	4.3	291	10.8
Title V	17	0	0	0	0	0	0	1	5.9	0	0	0	0	16	94.1
Veterans Affairs	57	0	0	0	0	0	0	28	49.1	10	17.5	4	7	15	26.3
Workers Comp	627	157	25	49	7.8	3	0.5	96	15.3	200	31.9	20	3.2	102	16.3
Primary Service Area	8,784	6,258	71.2	1,437	16.4	12	0.1	91	1	170	1.9	244	2.8	572	6.5
Secondary Service Area	762	412	54.1	182	23.9	3	0.4	4	0.5	7	0.9	70	9.2	84	11
Combined Service Area	9,546	6,670	70	1,619	17	15	0	95	1	177	2	314	3	656	7
Target Service Area 1	15,741	134	0.9	4,188	26.6	30	0.2	4394	27.9	5419	34.4	344	2.2	1,232	7.8
Total Service Area	25,287	6,804	26.9	5,807	23.0	45	0.2	4,489	17.8	5,596	22.1	658	2.6	1,888	7.5

Outpatient Market Share – Trend Analysis

Table 17 shows the outpatient trend for both Ambulatory Surgery and Emergency Department visits 2009-2011. Sonoma Valley Hospital experienced an increase in Emergency Department visits from 2009 - 2011 and an increase in Ambulatory Surgeries 2010-2011; this increase was despite a drop in total market case for Ambulatory Surgery. There was a decrease in Ambulatory Surgeries from 2009-2010. This drop may be attributed to the weakening economy; many chose not to have elective and preventive procedures.

Table 17: Outpatient Market Share – Trend Analysis – Combined Service Area

	2011			2010			2009		
	Market Cases	Hospital Cases	Market Share	Market Cases	Hospital Cases	Market Share	Market Cases	Hospital Cases	Market Share
Ambulatory Surgery	6,231	971	15.6	6,670	899	13.5	7,364	1,515	20.6
Emergency	9,546	6,670	69.6	9,057	6,297	69.5	9,005	6,395	71.0

Inpatient Demand Estimates

Inpatient Demand in the Combined Service Area is projected to increase 6.3% from 2011-2016. Table 18 below shows the current and projected demand for each service line.

Table 18: Inpatient Projected Demand – Combined Service Area

Product Line	2011 Estimated Cases	2016 Estimated Cases	2011-2016 Volume Change	2011-2016 Percent Change
CARDIOLOGY	369	400.6	31.6	8.60%
CARDIOVASCULAR	60	66.3	6.3	10.50%
GASTROENTEROLOGY	208	218.4	10.4	5.00%
GYNECOLOGY	72	72.7	0.7	0.90%
MEDICINE	613	653.1	40.1	6.50%
MENTAL HEALTH	91	90.8	-0.2	-0.20%
NEUROLOGY	193	205.3	12.3	6.40%
NEUROSURGERY	114	121.4	7.4	6.50%
OB-DELIVERY	379	383.9	4.9	1.30%
OB-OTHER	26	26.3	0.3	1.10%
ONCOLOGY	59	62.9	3.9	6.70%
ORTHOPEDICS	449	486.4	37.4	8.30%
PULMONARY	218	234.1	16.1	7.40%
REHABILITATION	404	441.3	37.3	9.20%
SURGERY-GENERAL	349	366.3	17.3	4.90%
SURGERY-OTHER	20	20.8	0.8	4.20%
TRANSPLANT	5	5.1	0.1	2.10%
UNGROUPED OR INVALID DRG	7	7.4	0.4	6.20%
UROLOGY	128	137.9	9.9	7.70%
VASCULAR	20	21.4	1.4	7.20%
CSA Total Exc NB and Neonates (789-795)	**3,784.0**	**4,022.40**	**238.4**	**6.30%**
NEONATE (789-794)	138	139.9	1.9	1.40%
NORMAL NEWBORN (795)	263	265.9	2.9	1.10%
CSA Total Exc Only Normal Newborn (795)	**3,922.0**	**4,162.30**	**240.3**	**6.10%**
Combined Service Area (CSA) Total Cases	**4,185.00**	**4,428.20**	**243.2**	**5.80%**

Outpatient Demand Estimates by Service Line

Table 19 below shows outpatient demand estimates by service line. Sonoma Valley Hospital's Combined Service Area is projected to increase for all service lines. In particular, the demand for Diagnostic Outpatient is expected to grow 11.4%.

Table 19: Outpatient Projected Demand – Combined Service Area

Emergency Department

Service Area	2011 Estimated	2016 Estimated	2011-2016 Volume	2011-2016 Percent
Combined Service Area	11,645.80	12,047.50	401.7	3.40%
Primary Service Area	10,465.50	10,880.90	415.4	4.00%
Secondary Service Area	1,180.30	1,166.60	-13.7	-1.20%
Target Service Area 1	19,470.10	19,673.00	202.9	1.00%
Total Service Area	31,115.90	31,720.60	604.60	1.90%

Ambulatory Surgery

Service Area	2011 Estimated	2016 Estimated	2011-2016 Volume	2011-2016 Percent
Combined Service Area	1,429.10	1,527.70	98.6	6.90%
Primary Service Area	1,284.30	1,379.80	95.5	7.40%
Secondary Service Area	144.8	147.9	3.1	2.10%
Target Service Area 1	2,389.30	2,494.70	105.4	4.40%
Total Service Area	3,818.40	4,022.40	204	5.30%

Diagnostic Outpatient

Service Area	2011 Estimated	2016 Estimated	2011-2016 Volume	2011-2016 Percent
Combined Service Area	44,913.00	50,046.30	5,133.30	11.40%
Primary Service Area	40,361.10	45,200.10	4,839.00	12.00%
Secondary Service Area	4,551.90	4,846.20	294.3	6.50%
Target Service Area 1	75,088.10	81,723.20	6,635.10	8.80%
Total Service Area	120,001.20	131,769.60	11,768.40	9.80%

Total Outpatient Visits

Service Area	2011 Estimated	2016 Estimated	2011-2016 Volume	2011-2016 Percent
Combined Service Area	57,988.00	63,621.60	5,633.60	9.70%
Primary Service Area	52,110.90	57,460.80	5,350.00	10.30%
Secondary Service Area	5,877.10	6,160.70	283.7	4.80%
Target Service Area 1	96,947.50	103,891.00	6,943.50	7.20%
Total Service Area	154,935.50	167,512.50	12,577.10	8.10%

Hospital Utilization and Market Share – Observations

Like many markets in the US, inpatient utilization in Sonoma Valley Hospital's service area is decreasing. However, outpatient utilization is increasing. A drop in inpatient market share, while not desirable, does not necessarily indicate a hospital is losing business in the service area. In addition, demand for the inpatient service lines that Sonoma Valley Hospital is strong in (Rehabilitation, Medicine, General Surgery and Neurology) is expected to increase over the next five years.

MEDICAL STAFF ANALYSIS

Physician Supply and Demand

Physician Demand – Combined Service Area – GMENAC Model

Table 20 shows the physician demand estimates for the combined service area. The demand for physicians in is expected to increase only slightly from 2011-2016.

Specialty Group	*Specialty*	*2011 Estimated Number of Physicians*	*2016 Estimated Number of Physicians*
All Physicians	Overall Total	71.4	73.9
Primary Care	Fam/Gen Practice	11.6	12
	Gen Int Med	9.2	9.6
	Pediatrics	5.2	5.4
	Total Primary Care	***26.1***	***27***
Medical Sub-Specialties	Allergy	0.4	0.5
	Cardiology	1.9	2
	Dermatology	1	1
	Endocrinology	0.3	0.3
	Gastroenterology	1	1
	Hematology/Oncology	0.8	0.8
	Infectious Disease	0.2	0.2
	Nephrology	0.4	0.5
	Neurology	1.1	1.1
	Pulmonary Disease	0.7	0.7
	Rheumatology	0.4	0.4
	Total Medical Sub-Spec.	***8.2***	***8.5***
Surgical Specialties	Ob-Gyn	4.5	4.7
	General Surgery	4.3	4.4
	Cardiac Surgery	0.7	0.7
	Neurosurgery	0.6	0.6
	Ophthalmology	2.2	2.3
	Orthopedics	2.6	2.7
	ENT	1.1	1.1
	Plastic Surgery	0.7	0.7
	Thoracic Surgery	0.3	0.3
	Urology	1.5	1.5
	Total Surgical Spec.	***18.3***	***19***
Hospital Based	Radiology	3.4	3.5
	Anesthesiology	3.6	3.8
	Pathology	1.7	1.7
	Total Hospital-Based	***8.7***	***9***
Other Specialties	Psychiatry	4.8	4.9
	Urgent Care/Emer Med	2.2	2.3
	Physical Medicine	0.4	0.5
	Misc Other	2.6	2.7
	Total Other	***10.1***	***10.4***

Physician Supply

Physician Supply – Based on CMS (Medicare) National Provided Identifier File

The Combined Service Area has a total of 89 physicians; 64 of those are located in the Primary Service Area. Table 20 shows the physician supply for the Combined Service Area.

	Service Area	2011 Providers
Physicians	Primary Service Area	64
	Secondary Service Area	25
	Combined Service Area	88
	Target Service Area 1	130
	Total Service Area	307
Specialists	Primary Service Area	140
* Non-physician providers	Secondary Service Area	8
	Combined Service Area	148
	Target Service Area 1	540
	Total Service Area	836
All Providers	Primary Service Area	204
	Secondary Service Area	33
	Combined Service Area	236
	Target Service Area 1	670
	Total Service Area	1,143

The Future

TBD

6.

PUBLIC OPPORTUNITY FOR STRATEGIC PLAN REVIEW AND RESPONSE

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

Meeting Date: April 4, 2013

Prepared by: Kevin Carruth, Board Member

Agenda Item Title: Public Opportunity for Strategic Plan Review and Response

Recommendation:
Beginning in 2014, and every year thereafter, the Board shall require the full Draft Strategic Plan to be on a Board agenda for public review and response, at least one Board meeting prior to Board approval. The Board Chair and CEO shall be responsible for scheduling.

Background:
In 2013 our process will allow the public the opportunity to review and comment on the charts and tables, i.e., the sections: Service Area Definition; Service Area Demographics; and Hospital Utilization and Market Share, current pages 19-38, and draw their own conclusions along with their anecdotal observations making recommendations as they deem appropriate. They will not have the opportunity to review and respond to the final document, including the details of the proposed strategy until it is on the Board agenda for approval.

In the spirit of open government, and a more open and transparent process, it is proposing that starting in 2014 the public have access to the full draft of the Strategic Plan on at least one Board meeting agenda prior to its being considered for Board approval. That opportunity for review and response can be a Regular or Special Board Meeting, as can the approval.

The Draft Strategic Plan should be presented to the public in its entirety which then allows them the opportunity to fully consider the entirety of the plan—the conclusions that are drawn, the strategic directions that are being proposed, and the detail on how that will be accomplished. This is a critically important document for the District/Hospital as the Strategic Plan guides the Board, the budget, and the CEO for the coming fiscal year(s). The public should have the opportunity to respond to the Strategic Plan in its entirety, with time for the District/Hospital to revise it based on that input prior Board's consideration for adoption/approval.

Consequences of Negative Action/Alternative Actions:
The public will continue to not have an opportunity to review and respond to the complete draft Strategic Plan before it is submitted to the Board for approval.

Financial Impact:
None.

Selection Process and Contract History:
None.

Board Committee:
None.

Attachment:
None.

7.

HUMAN RESOURCES ANNUAL REPORT 2012

SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Interoffice Correspondence

TO: District Board of Directors

DATE: March 18, 2013

FROM: Paula Davis,
Chief Human Resources Officer

SUBJECT: 2012 Human Resources Annual Report to the Board of Directors

In this annual report to the Board of Directors, it is my responsibility to provide a synopsis of the activities that surround the maintenance of staff competence, the staff compliance to regulatory standards and the human resource activities during the past year.

At 2012 calendar year end, there were 432 employees at Sonoma Valley Hospital – 216 full time, 79 part time with benefits and 137 per diem employees or those who do not qualify for benefits. Total Human Resources employment activity for 2012 included 78 terminations and 80 new hires (31 nursing, 20 clinical and 29 support staff). 316 FTEs were budgeted for fiscal year 2012 and we hold consistently within that number with a variance of 2 or 3 FTEs plus or minus. An important note here is that there is no personnel litigation pending and the hospital remains non-union.

Turnover statistics at SVH for 2012 are better than the statewide annual totals of 100 hospitals that participated in a California Hospital Association sponsored survey last year. All hospital benefited employee turnover statewide is 10.1% and SVH is 8.2%. Northern California survey results show all hospital benefited employee turnover at 10.3%. These percentages do not include the per diem employees as this statistic escalates these percentages dramatically; however per diem employees usually always have jobs elsewhere and work to cover sick, vacation or extra shifts. Their availability changes and many do not comply with the annual mandatory HR requirements such as TB testing and annual safety training, etc., which results in removal from payroll records.

Performance Evaluations/Assessing Competence

It is required that each employee receive an annual performance evaluation as validation of competency in their particular role, goal setting and feedback on their performance. In 2012, all employees received a performance evaluation that linked to their job description for their work in 2011. In addition, direct patient care personnel are also evaluated on their technical skills and knowledge through individual and departmental competency assessment tools. All performance evaluations are completed during the first three months of the year. 2011 performance evaluations were completed January, February and March of 2012.

Employee Health

I feel it is important for the Board to know the past year's events for Employee Health and Workers' Compensation. All employees and volunteers are required to be screened for TB bacteria. Mandatory surveillance screening requirements were met for 2012. There were six workers' compensation claims filed in 2012 (three of which are already closed). The total SVH workers' compensation costs for 2012 injuries were $54,516 including third party case management administrator's fees. Total 2011 workers' compensation costs for all open claims were $141,244 including settlement awards for the five claims that were closed in 2012. It is due to our good fortune and diligent work that I have been able to continually report over the years our excellent experience in the workers' compensation area. In 2003 we became self-insured for our costs. With workers' compensation insurance annual premiums at the $400,000 to $600,000 range, we would have not been able to financially sustain commercial coverage. In 2012 we continued to obtain excess workers' compensation coverage for claims that might reach over $500,000. We have a very strong return to work program and modified work program for work-related injuries. Annual report from Tristar (our third party claims administrator) attached NOTE THAT SVH IS HOSPITAL "A".

Measurement Monitoring

In 2011 we began to measure important goals in order to achieve the satisfaction and cultural shift desired at SVH. Now that the 2012 survey has been completed, the 3 year scores listed below. It is exciting to be the champion of the staff-related surveys and to report on our efforts. Annual report from Press Ganey attached.

STAFF SATISFACTION SURVEY

2010 - 61% staff participation
70.6 Mean Score in Partnership
40th Percentile compared to all facilities in the national Press Ganey database

2011 – 81% staff participation
74.3 Mean Score in Partnership
58th Percentile compared to all facilities in the national Press Ganey database

2012 – 81% staff participation
77.0 Mean Score in Partnership
80th Percentile compared to all facilities in the national Press Ganey database*

*As a point of reference, there are 465 facilities with a total of 268,198 employees in the all facility database.

SUPPORT SERVICE SATISFACTION SURVEY – A survey of departments who receive service from departments in the hospital who provide those services.

2011 with a goal of 80% satisfaction, the score was 81.6
2012 with a goal of 80% satisfaction, the score was 80.2

2013 Human Resources Goals

First and foremost, the HR consolidation with Palm Drive Hospital is the priority. This will be a process that will be exciting and a tremendous learning experience. As of this time, we are just beginning the planning stages.

Although strides have been made with our salary improvements, continuation of that work by quarter will be an ongoing review. Currently, some of our salary ranges are at or near market, but as the market rates increase, it is important that our ranges be continually compared to market. The goal is to meet the midpoint of all position ranges compared to the Hospital Council annual compensation surveys.

Wellness is a focus for the future. We are working toward the staff of Sonoma Valley Hospital being a healthy and productive workforce that can set the example for our community. Wellness University classes are being offered to staff with those attendees becoming the ambassadors to all staff in the hospital in promoting a lifestyle of wellness. Dashboard attached.

Continuation of staff satisfaction improvements as noted in the staff satisfaction survey. The top organization-wide opportunities have been identified with actions plans being put in place to achieve increased engagement and partnership. Goals are to maintain 80% participation and 75% satisfaction.

With the new wing scheduled to open in the coming year, there is a buzz of excitement around new construction and improvements for our hospital that are long overdue. Thank you for your continued support of our Hospital employees and the appreciation you show for their invaluable contributions. As always, I am happy to answer any questions you may have regarding this report.

Respectfully submitted,

Paula Davis
Chief Human Resources Officer

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

Employee Partnership Results and Recommendations 2013

Mary Boustani, MHA, FACHE, Managing Consultant

PRESS GANEY®

What's going well at Sonoma Valley

- Great Survey! Mean Score of 77 equates to the 80th Percentile!
- All questions increased in mean score with the exception of 2 that decreased slightly and one that stayed the same.
- 9 Questions had statistically significant increases from the last survey.
- Continuing to move in the right direction!

Current Survey Results

77.0 Overall Partnership Score

80th Percentile

81% participation

268,198 employees in the database

75.0 Satisfaction

85th Percentile

79.7 Engagement

68th Percentile

Overall Results Trending

Overall Partnership Scores

This is your Overall Partnership Score, a combination of employees' Overall Satisfaction and Overall Engagement. It is the highest-level "picture" of your workforce, including overall mean score as well as comparative data.

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean	
February 2013	347	77.0 * ▲	87.2%	80th ▲	85th	95th	79.2	81% Participation
February 2012	339	74.3 ** ▲	85.3%	58th ▲	45th	67th	79.4	81% Participation
January 2011	251	70.6	79.8%	40th	43rd	68th	78.6	61% Participation

Overall Satisfaction Scores

This is your Overall Satisfaction Score. This score summarizes responses to questions that drive employee satisfaction—their baseline needs.

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	347	75.0 ** ▲	83.8%	85th ▲	90th	97th	76.4
February 2012	339	71.3 ** ▲	80.6%	60th ▲	48th	68th	76.9
January 2011	251	67.1	73.4%	42nd	42nd	68th	75.6

Overall Engagement Scores

This is your Overall Engagement Score. This score summarizes responses to questions that drive employee engagement—what they give back.

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	347	79.7 ▲	90.7%	68th ▲	72nd	89th	83.1
February 2012	339	78.2 * ▲	90.3%	53rd ▲	39th	64th	82.9
January 2011	251	75.2	86.4%	40th	46th	65th	82.6

*This mean score is significantly different from the previous mean score at the p < .05 level.

**This mean score is significantly different from the previous mean score at the p < .01 level.

1 Your peer group is FTE's 251-500

2 Your peer group is AHA Region 9

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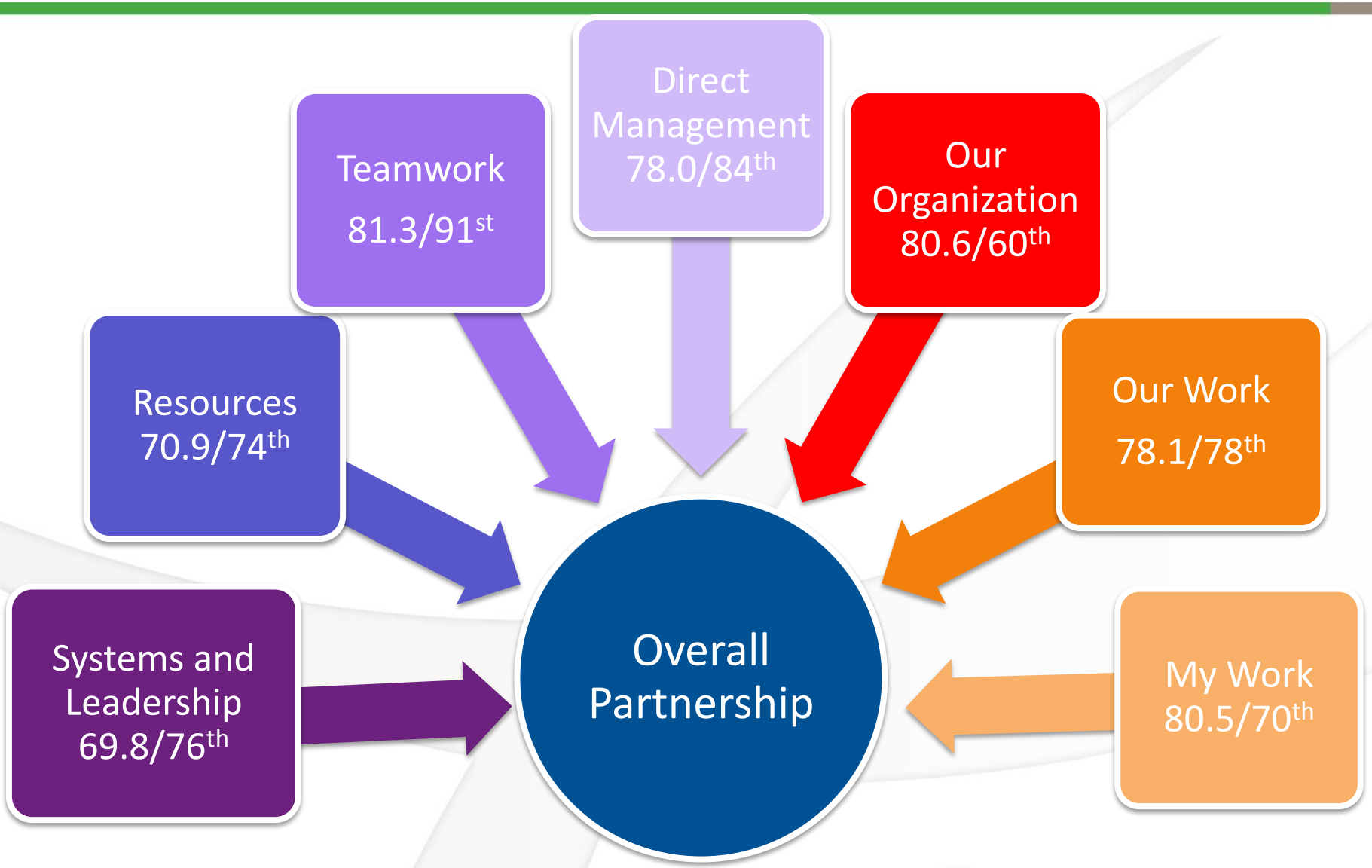
Section Results



The ***Partnership Score*** is an average of the seven **Section Scores**

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Satisfaction Trends

Satisfaction: Systems and Leadership

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	346	69.8 * ▲	79.8%	76th ▲	84th	90th	73.2
February 2012	339	65.9 ** ▲	76.1%	55th ▲	49th	58th	73.9

Satisfaction: Resources

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	347	70.9 ** ▲	80.1%	74th ▲	79th	94th	75.5
February 2012	339	66.1 ** ▲	77.3%	43rd ▲	41st	59th	75.3

Satisfaction: Teamwork

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	347	81.3 * ▲	93.0%	91st ▲	93rd	98th	80.5
February 2012	337	77.5 ▲	88.1%	75th ▼	65th	79th	80.6

Satisfaction: Direct Management

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	346	78.0 ▲	87.4%	84th ▲	86th	98th	79.4
February 2012	337	75.9 * ▲	85.2%	72nd ▲	69th	80th	79.8

*This mean score is significantly different from the previous mean score at the p < .05 level.
**This mean score is significantly different from the previous mean score at the p < .01 level.

1 Your peer group is FTE's 251-500
2 Your peer group is AHA Region 9

Engagement Trends

Engagement: Our Organization

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	346	80.6 ▲	92.0%	60th ▲	67th	78th	86.3
February 2012	339	79.8 ** ▲	91.9%	48th ▲	35th	54th	86.7

Engagement: Our Work

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	345	78.1 ▲	90.6%	78th ▲	84th	94th	80.4
February 2012	339	76.1 ▲	89.0%	63rd ▲	52nd	77th	80.2

Engagement: My Work

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
February 2013	347	80.5 ▲	89.4%	70th ▲	74th	88th	83.8
February 2012	339	78.8 ▲	89.7%	52nd ▲	40th	49th	84.0

*This mean score is significantly different from the previous mean score at the p < .05 level.

**This mean score is significantly different from the previous mean score at the p < .01 level.

1 Your peer group is FTE's 251-500

2 Your peer group is AHA Region 9

High Scoring Questions by Percentile Rank

Question	Mean	% Rank
Leaders comm. major developments	79.3	92nd
Good coordination in my work group	81.0	92nd
Treat with dignity and respect	81.7	92nd
Dir mgr sets good example re: svc*	84.1	91st
Excellent performance recognized	75.6	89th
Direct mgr recognizes ideas	79.3	89th
Leaders planning for the future	76.1	88th
Direct mgr communicates effectively	78.0	88th
Direct mgr recognizes good work	81.2	88th
Employees provide high qual	84.3	87th
Makes good use of skills/abilities	84.6	86th

Low Scoring Questions by Percentile Rank

Question	Mean	% Rank
Values are evident in our practices	80.1	67th
Treated w/respect by the physicians*	73.1	63rd
Quality of care here is excellent	81.6	60th
Physical conditions are good	71.5	57th
Recommend to friends/relatives	82.7	54th
Employees express concerns	76.6	52nd
Compared to h.c. orgs. pay is fair	56.9	33rd
Highly regarded in the community	70.7	30th
Given opportunities for education	65.7	29th
Our benefits program fits my needs*	59.4	9th

High Scoring Questions by Mean Score

Question	Mean	% Rank
My work is meaningful	87.7	82nd
Plan to be working here in one year	86.5	69th
Respect:gender, race, religion, age*	86.5	69th
Makes good use of skills/abilities	84.6	86th
Feeling of accomplishment	84.4	80th
Employees provide high qual	84.3	87th
Dir mgr sets good example re: svc*	84.1	91st
Overall, I am satisfied with my job	83.0	84th
Recommend to friends/relatives	82.7	54th
Overall, satisfied with orgztn	82.2	78th

Low Scoring Questions by Mean Score

Question	Mean	% Rank
Physical conditions are good	71.5	57th
Leaders listen to employees	70.9	84th
Highly regarded in the community	70.7	30th
Employees seldom distracted	68.7	74th
Given opportunities for education	65.7	29th
Adequate staffing in work group	64.9	77th
Influence policies & decisions	64.6	76th
Ask opinions before decisions	60.4	69th
Our benefits program fits my needs*	59.4	9th
Compared to h.c. orgs. pay is fair	56.9	33rd

Greatest Positive Change in Percentile Rank

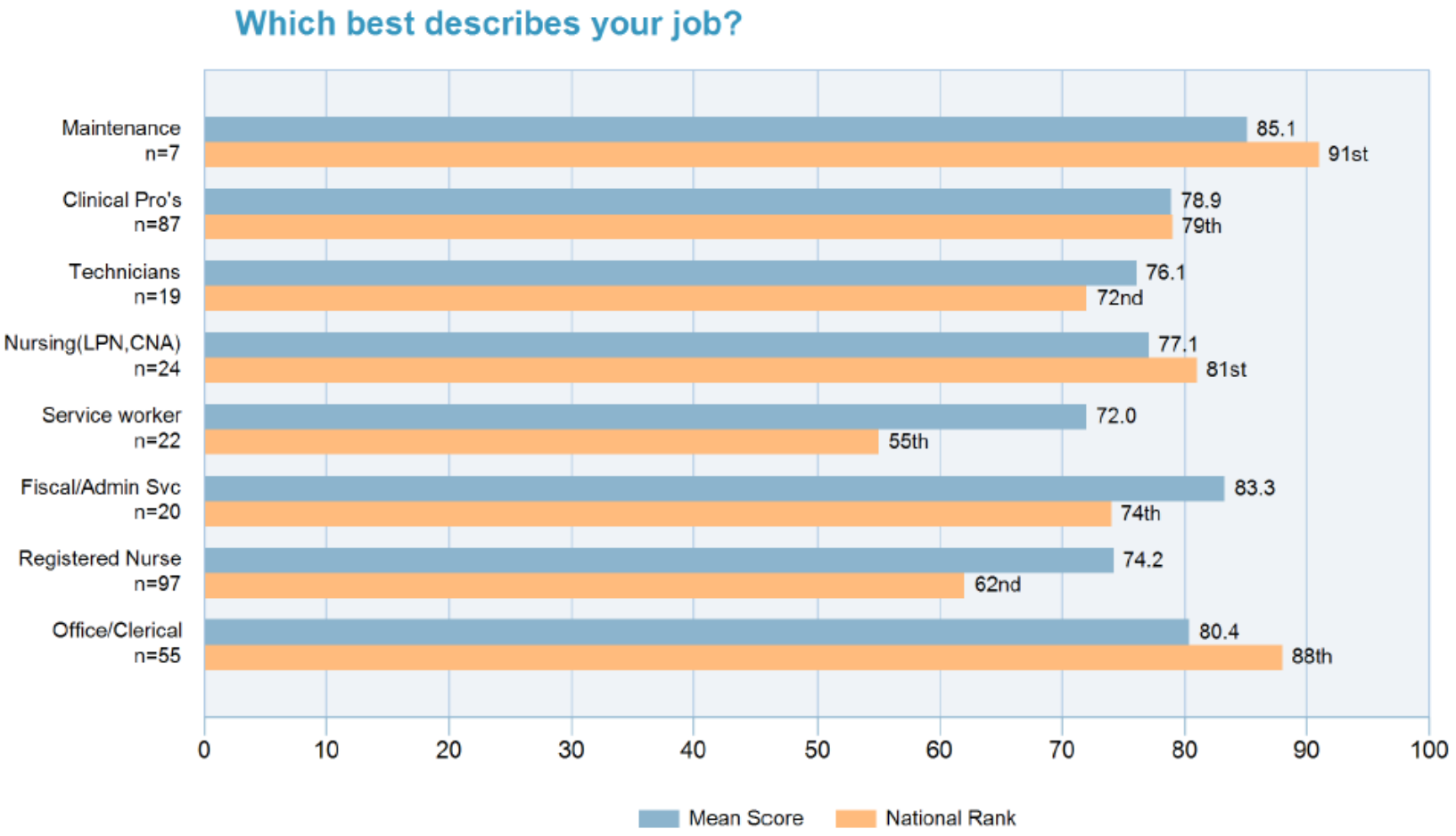
	2013		2012		Variance	
Question	Mean	% Rank	Mean	% Rank	Mean	% Rank
Equipment needed to do job well	76.0	80	70.8	45	5.2	35
Will try to find a place for me	75.8	77	71.9	48	3.9	29
Physical conditions are good	71.5	57	66.6	28	4.9	29
Employees attentive to needs	79.7	84	75.6	56	4.1	28
My work is meaningful	87.7	82	85.4	54	2.3	28
Compared to h.c. orgs. pay is fair	56.9	33	51.4	8	5.5	25
Ask opinions before decisions	60.4	69	56.3	47	4.1	22
Good coordination in my work group	81.0	92	76.8	70	4.2	22
Adequate staffing in work group	64.9	77	61.0	56	3.9	21
Review helped improve performance	75.0	77	72.2	56	2.8	21

Greatest Negative Change in Percentile Rank

	2013		2012		Variance	
Question	Mean	% Rank	Mean	% Rank	Mean	% Rank
Our benefits program fits my needs*	59.4	9	46.9	12	12.5	-3
Employees accountable for acts*	75.2	72	73.8	83	1.4	-11
Treated w/respect by the physicians*	73.1	63	74.3	77	-1.2	-14

All other questions stayed the same or improved in Percentile Rank

Partnership by Job Type



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Variances by Job Type

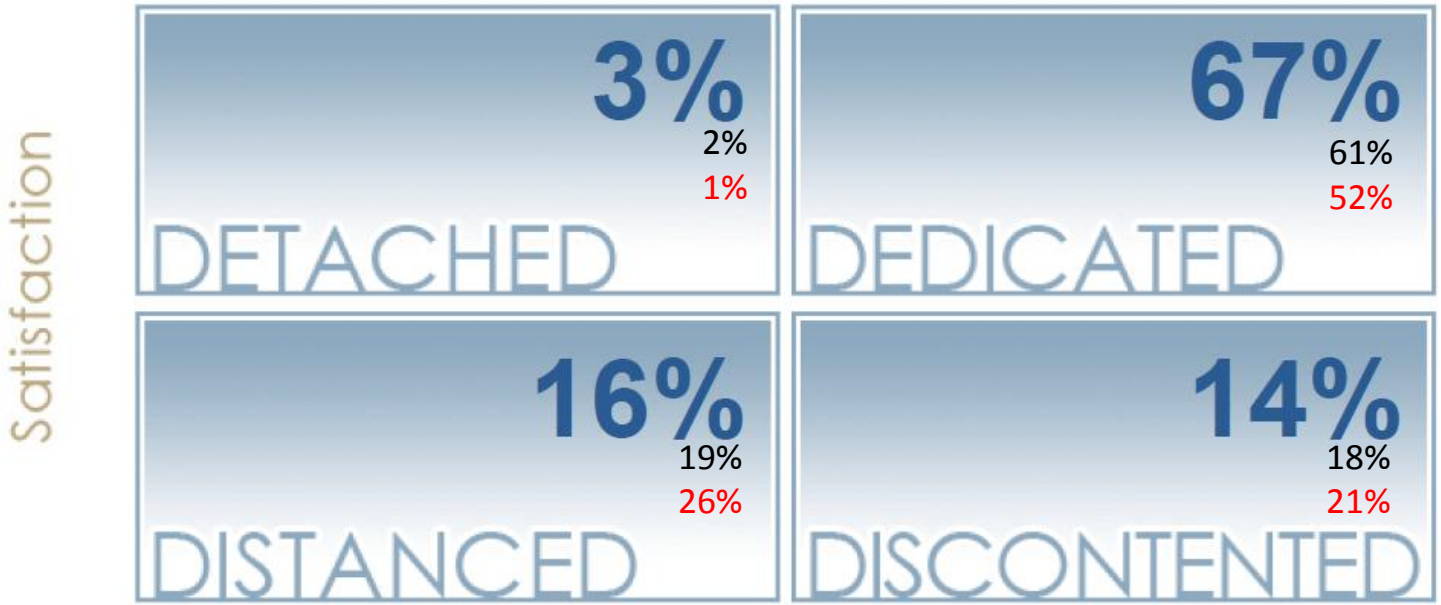
	2013		2012		Variance	
	Mean	% Rank	Mean	% Rank	Mean	% Rank
Maintenance	85.1	91	81.8	79	3.3	12
Clinical Pro's	78.9	79	74.1	43	4.8	36
Technicians	76.1	72	73.8	59	2.3	13
Nursing (LPN, C.N.A.)	77.1	81	77.3	81	-0.2	0
Service Worker	72.0	55	71.5	48	0.5	7
Fiscal/Adm Svc	83.3	74	80.4	60	2.9	14
Registered Nurse	74.2	62	73.7	58	0.5	4
Office/Clerical	80.4	88	73.7	54	6.7	34

Employee Partnership™

Types of Employees

DETACHED
Satisfaction: **HIGH**
Engagement: **LOW**
National Average: **3.5%**

DEDICATED
Satisfaction: **HIGH**
Engagement: **HIGH**
National Average: **53.1%**



DISTANCED
Satisfaction: **LOW**
Engagement: **LOW**
National Average: **28.1%**

DISCONTENTED
Satisfaction: **LOW**
Engagement: **HIGH**
National Average: **18.7%**

Denotes 2012 Results
Denotes 2011 Results

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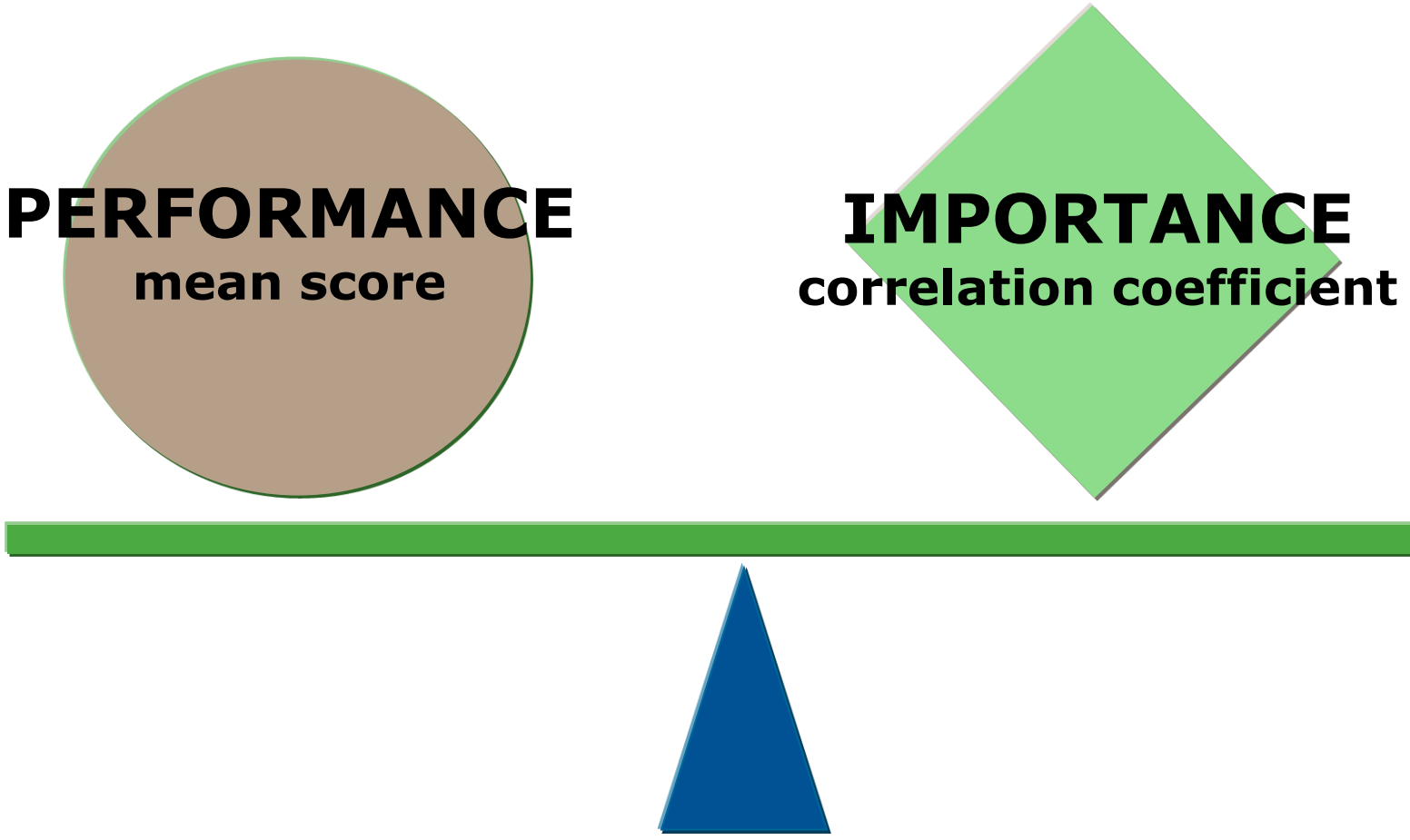
Best thing about Working here

PRESS GANEY™

How to improve working conditions…

- Comments primarily relate to:
  - Pay
  - Staffing
  - Equipment/Facility
  - Education
  - Culture – treat each other with respect, all held equally accountable – MD's, able to speak up
  - Communication
  - Cafeteria – hours, prices
  - Many positives mentioned that the organization is moving in the right direction.
  - Excited about the new hospital!

Strength & Opportunity Indices



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Strength Index

Rank	Last Rank	Section	Strength
1	2	Direct Management	My direct manager recognizes my good work.
2	7	Teamwork	Members of my work group treat one another with dignity and respect.
3		Teamwork	There is good coordination of effort in my work group.
4	1	Our Organization	The values of this organization are evident in our everyday practices.
5	8	My Work	My work makes good use of my skills and abilities.
6	4	Our Organization	I believe the quality of care here is excellent.
7	5	Direct Management	My direct manager can be trusted.
8	9	Custom Section	This organization is respectful of differences such as gender, race, religion, age, etc.
9		Custom Section	My direct manager sets a good example of customer service.
10		Our Work	Employees in my work group report a strong sense of connection to their work.

Opportunity Index

Rank	Last Rank	Section	Opportunity
1		Systems and Leadership	I have opportunities to influence policies and decisions that affect my work.
2	6	Custom Section	I am satisfied with the manner in which my direct manager handles complaints, grievances, and problems.
3		Systems and Leadership	My work group is asked for opinions before decisions are made.
4	3	Direct Management	My direct manager provides coaching to help me achieve my goals.
5	1	Systems and Leadership	Excellent performance is recognized here.
6	2	Systems and Leadership	Leaders really listen to employees.
7		Direct Management	It is easy to talk to my direct manager about things that go wrong on my job.
8		Direct Management	My direct manager recognizes my ideas or suggestions for improvement.
9		Direct Management	My direct manager communicates effectively.
10	9	Systems and Leadership	As long as I perform well, this organization will try to find a place for me.

Participation – involved in decisions, asked opinion, ideas and suggestions recognized.
Recognition - excellent performance is recognized, coaching to achieve goals
People/HR Functions – handling of complaints, always a place for me.
Communication - Leaders Listen, easy to talk to manager, effective communication.

Areas of Focus – Summary

Recognition	• Increase efforts to recognize staff at the organizational level and for ideas and suggestions made at the department level. Provide additional training for managers on coaching, having pro-active dialogue with staff and ensure managers are reinforcing what you want repeated through education, coaching and recognition.
Participation	• Staff (and patients) want to be involved in decision-making and have increased opportunities for input and feedback before decisions are made. Find other ways to involve employees through unit based councils, patient experience and quality teams. Also start journal clubs and inservices led by staff, leaders and physicians to address need for more education and how to include others in decisions.
Communication	• Staff (and patients) want to feel listened to by leaders – by giving feedback, having more opportunities for open, transparent dialogue with leaders and their caregivers. Further explore with staff the meaning of effective communication – how can it be supplemented effectively from their perspective. Provide education to leaders and employees on active listening skills and effective verbal and written communication.

HCAHPS Priority Index – link to Employee Sat

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Outcomes driven. Performance strong.

HCAHPS 12 Month Priority Index

Sonoma Valley Hospital

Surveys Returned: February 2012 - January 2013

Survey items are correlated to H CAHPS Overall Rating 0-10				
Order	**Survey Item**	**Source**	**All DB %ile Rank**	**Correlation**
1	Room cleanliness	PG	22	0.47
2	Pleasantness of room decor	PG	10	0.42
3	Staff concern for your privacy	PG	31	0.49
4	Nurses listen carefully to you	CAHPS	20	0.41
5	Staff include decisions re:trtmnt	PG	36	0.44
6	Accommodations & comfort visitors	PG	30	0.40
6	Nurses kept you informed	PG	45	0.46
8	Noise level in and around room	PG	13	0.36
9	Overall rating of care given	PG	48	0.53
10	Staff describe medicine side effect	CAHPS	26	0.36
10	Likelihood recommending hospital	PG	48	0.52

HCAHPS themes: Communication (listening, describing medication, kept patient informed), Participation (included in decisions), Recognition (concern for privacy).

Collaborative Action Planning Process

Step 1: Survey Results Analysis and Recommendations

Survey Results analysis and recommendations report is shared with Senior Leaders and Management. A timeline for rollout and action plan development is established.

Step 2: Develop Organization's Action Plan

Leaders participate in a session to determine the top opportunities for the organization and through small group feedback sessions brainstorm causes and solutions to opportunities for the Organization's Action Plan.

Step 3: Managers share results

Manager shares organizational and department results, group decides on the 3 Action Items for Action Planning.

Step 4: Develop Action Plans

Manager/or Facilitator conducts Feedback Sessions to generate solutions and creates action plans from solutions identified in feedback sessions at the department level. Action Plan is presented and approved by Senior Leaders, Organization Plan amended as necessary.

Step 5: Implement Action Plans

Implementation includes ongoing communication with employees associated with steps in action plans. Manager communicates plans to employees. Senior leaders communicate Organization's Action Plan to employees via town halls and newsletters.

Step 6: Monitor Progress

Senior Leaders must be accountable for implementation of Action Plan's (department and Organization).

Timeline

	Action	Due Date
✓	Results Presentation to Directors & Managers	
✓	Results Interpretation Workshop, Collaborative Action Planning & Facilitation Training	
✓	Communication of Organization Wide Results	
	Managers Communicate Department (Workgroup) Results and Conduct Feedback Sessions with Individual Workgroups	
	Complete Action Plans for Approval	
	Monitor Action Plan Status/Progress	Quarterly

Questions?

Survey Basics

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank[1]	Peer Group Rank[2]	National 90th Mean
December 2010	317	61.2	67.7%	5th	2nd	4th	78.3

Sample size (n)

If a respondent answers at least one of the rating questions on the survey, he or she will be counted in the sample size, or n.

Mean scores

The average of all responses to the standard questions on your survey. Mean scores are calculated for each respondent, and question by question up to yield section scores, and section by section to yield super sections and Overall Partnership scores.

Survey Basics

Period	n	Mean Score	%Favorable	National Rank	Peer Group Rank1	Peer Group Rank2	National 90th Mean
December 2010	317	61.2	67.7%	5th	2nd	4th	78.3

% Favorable

% Favorable is the percentage of responses marked “Strongly Agree” or “Agree”

National Rank

The National Rank is the percentile How your organization’s mean score compares to other mean scores in the All Facility Database

Peer Group Ranks

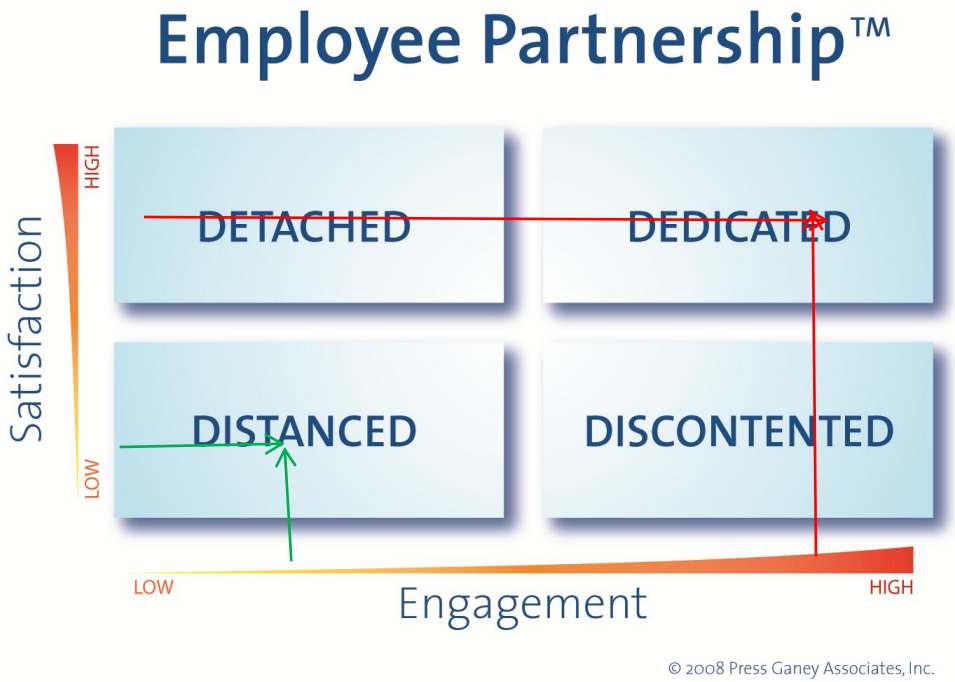
The Peer Group Ranks are the percentiles of a score within your peer groups. How your organization ranked compared to the external databases

National 90th Mean

Hospitals which are in the 90th Percentile had a mean score on this question of X (the mean score listed in the column). To move into the 90th Percentile, this is the goal mean score for your organization

Employee Partnership Principles

Quadrant Analysis



Satisfaction score of 80 and Engagement Score of 82

Satisfaction score of 50 and Engagement Score of 44

Calculated by combining the Overall Satisfaction Score and Overall Engagement Score calculated for each respondent

Score must be at least Agree or 66.67%. If above for Satisfaction the score is placed in one of the Upper Satisfaction Quadrants. If below, the score is placed in one of the lower Satisfaction quadrants.

Engagement Score is calculated and if above 66.67 it will be placed in one of the two right quadrants, if below it will be placed in one of the left hand quadrants.

TRISTAR
RISK MANAGEMENT

Hospital Client
Workers' Compensation Results
Calendar Year 2012

TRISTAR RISK MANAGEMENT

2012 Hospital Client
Workers' Compensation Results
1/1/12 - 12/31/12 (valuation 12/31/12)

This report contains calendar year 2012 workers' compensation claim results for 26 TRISTAR client hospitals based on claims that occurred and were reported between January 1 and December 31, 2012. For confidentiality, alphabetical letters have been assigned to identify each hospital anonymously. Our hospital clients are a mix of insured and self-insured facilities offering acute care services. Three are pediatric hospitals ("K", "T", & "U") and a few are small community hospitals, but most are between 150 to 350 beds in size.

Your facility is represented by the letter **" ____"** in the report.

The first spreadsheet contains a breakdown of 2012 workers' compensation claim information by hospital. This information is sorted by number of claims, total incurred, and paid costs. Twelve-month figures for comparing the two most common claim types, back and strain injuries are also included in separate columns of each chart.
The second spreadsheet contains claim results per "100 FTE" (full-time equivalent) employees. FTE counts are factored into the statistics to equalize comparisons between facilities with different staff sizes.

Graphs also include 2011 hospital client results to help track progress or rising trends between the two years.

Questions or suggestions regarding the contents of this report should be directed to Miles Katayama, Risk Control Manager, (858) 715-8800 ext. 3437, or miles.katayama@tristargroup.net.

Last Revised 3/5/13

TRISTAR RISK MANAGEMENT

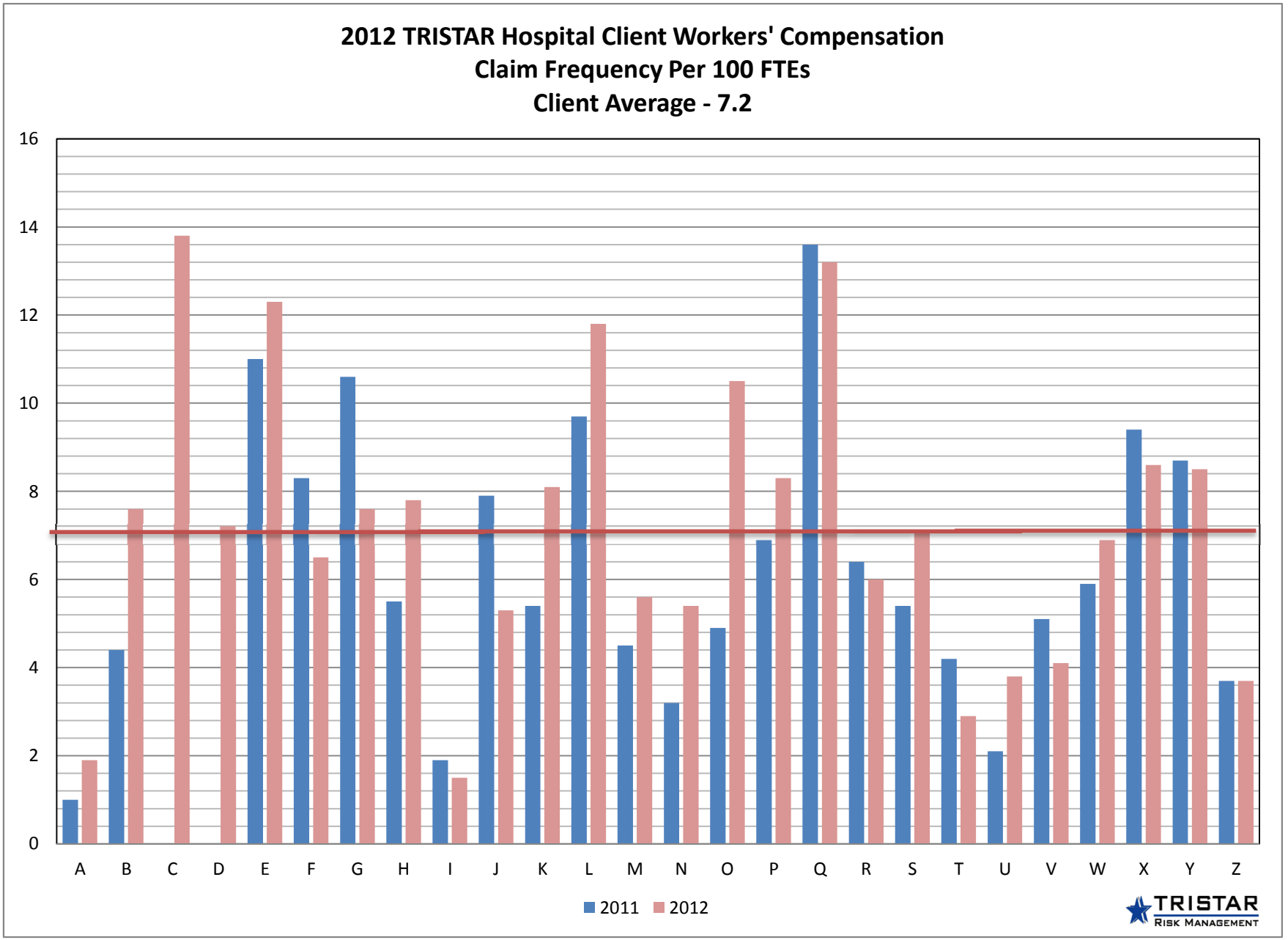
2012 Hospital Client
Workers' Compensation Comparison Results (valuation as of 12/31/12)

Hosp. Client	#FTE	# of Claims	Incurred Costs	Incurred Per Claim	Paid Costs	Back Claims	Incurred Costs	Incurred Per Claim	Paid Costs	Strain Claims	Incurred Costs	Incurred Per Claim	Paid Costs
A	314.76	6	$211,917	$35,320	$54,516	0	$0	$0	$0	4	$203,821	$50,955	$46,421
B	237.66	18	$159,731	$8,874	$68,230	4	$122,076	$30,519	$61,743	7	$139,681	$19,954	$63,049
C	970.00	134	$803,147	$5,994	$289,791	17	$132,484	$7,793	$47,882	44	$451,780	$10,268	$162,544
D	403.80	29	$121,889	$4,203	$23,283	3	$14,568	$4,856	$9,768	11	$33,742	$3,067	$11,991
E	958.00	118	$507,275	$4,299	$292,905	33	$129,451	$3,923	$63,587	72	$417,980	$5,805	$252,430
F	976.00	63	$186,973	$2,968	$186,973	20	$60,263	$3,013	$30,994	35	$168,775	$4,822	$94,327
G	1,215.00	92	$171,004	$1,859	$96,251	30	$54,988	$1,833	$33,867	53	$86,557	$1,633	$47,782
H	1,192.53	93	$705,589	$7,587	$266,997	13	$120,944	$9,303	$44,970	44	$445,519	$10,125	$172,313
I	1,029.00	15	$62,594	$4,173	$12,702	5	$32,128	$6,426	$3,966	12	$59,528	$4,961	$9,635
J	1,588.00	84	$1,263,260	$15,039	$459,232	21	$493,823	$23,515	$130,379	51	$1,084,699	$21,269	$393,283
K	1,265.11	102	$687,088	$6,736	$267,669	13	$38,541	$2,965	$25,440	35	$582,267	$16,636	$231,863
L	1,876.40	222	$814,918	$3,671	$424,037	50	$181,001	$3,620	$108,836	89	$336,361	$3,779	$166,408
M	1,515.45	85	$4,024,390	$47,346	$566,798	17	$101,244	$5,956	$37,177	65	$1,643,007	$25,277	$360,492
N	2,187.00	118	$409,870	$3,473	$249,276	13	$39,277	$3,021	$32,704	43	$228,130	$5,305	$118,885
O	2,063.85	216	$2,580,423	$11,946	$575,089	39	$964,637	$24,734	$266,062	105	$1,702,974	$16,219	$359,495
P	1,899.00	158	$229,726	$1,454	$158,489	47	$92,696	$1,972	$57,383	95	$189,997	$2,000	$126,606
Q	2,066.00	273	$1,231,594	$4,511	$648,551	62	$383,155	$6,180	$184,125	150	$850,175	$5,668	$428,810
R	2,922.00	174	$2,086,357	$11,991	$498,932	17	$157,478	$9,263	$35,541	77	$1,020,612	$13,255	$250,981
S	1,948.15	138	$1,009,625	$7,316	$305,273	27	$330,731	$12,249	$112,728	66	$650,888	$9,862	$207,929
T	2,370.79	68	$474,878	$6,984	$171,160	9	$145,874	$16,208	$61,308	28	$267,313	$9,547	$81,009
U	3,011.19	114	$245,758	$2,156	$118,278	11	$23,142	$2,104	$18,350	34	$72,737	$2,139	$51,605
V	3,405.00	141	$1,831,255	$12,988	$859,247	32	$407,787	$12,743	$232,477	116	$1,540,431	$13,280	$739,046
W	4,734.00	325	$1,965,424	$6,047	$532,235	27	$236,055	$8,743	$46,461	122	$1,195,878	$9,802	$339,211
X	4,050.31	348	$2,651,352	$7,619	$807,953	52	$736,107	$14,156	$220,709	142	$1,593,086	$11,219	$466,730
Y	6,986.00	591	$5,698,417	$9,642	$1,391,104	57	$571,976	$10,035	$150,856	240	$2,652,724	$11,053	$691,465
Z	13,326.00	487	$6,247,456	$12,828	$2,698,733	64	$852,095	$13,314	$433,608	305	$4,039,408	$13,244	$1,928,851
TOTAL-	**64,511**	**4,212**	**$36,381,910**	**$247,023**	**$12,023,704**	**683**	**$6,422,521**	**$238,445**	**$2,450,921**	**2,045**	**$21,658,070**	**$301,145**	**$7,803,161**
Avg -	*2,481*	*162*	*$1,399,304*	*$9,501*	*$462,450*	*26*	*$247,020*	*$9,171*	*$94,266*	*79*	*$833,003*	*$11,583*	*$300,122*

TRISTAR RISK MANAGEMENT

2012 Hospital Client
Workers' Compensation Comparison Results - Per 100 FTE

		Total Claims per 100 FTE			Back Claims per 100 FTE			Strain Claims per 100 FTE		
Hosp	#FTE	#Claims	$Incurred	$Paid	#Claims	$Incurred	$Paid	#Claims	$Incurred	$Paid
A	315	1.9	$67,327	$17,320	0.0	$0	$0	1.3	$64,754	$14,748
B	238	7.6	$67,210	$28,709	1.7	$51,366	$25,980	2.9	$58,773	$26,529
C	970	13.8	$82,799	$29,875	1.8	$13,658	$4,936	4.5	$46,575	$16,757
D	404	7.2	$30,185	$5,766	0.7	$3,608	$2,419	2.7	$8,356	$2,970
E	958	12.3	$52,951	$30,575	3.4	$13,513	$6,637	7.5	$43,630	$26,350
F	976	6.5	$19,157	$19,157	2.0	$6,174	$3,176	3.6	$17,293	$9,665
G	1,215	7.6	$14,074	$7,922	2.5	$4,526	$2,787	4.4	$7,124	$3,933
H	1,193	7.8	$59,167	$22,389	1.1	$10,142	$3,771	3.7	$37,359	$14,449
I	1,029	1.5	$6,083	$1,234	0.5	$3,122	$385	1.2	$5,785	$936
J	1,588	5.3	$79,550	$28,919	1.3	$31,097	$8,210	3.2	$68,306	$24,766
K	1,265	8.1	$54,311	$21,158	1.0	$3,046	$2,011	2.8	$46,025	$18,327
L	1,876	11.8	$43,430	$22,598	2.7	$9,646	$5,800	4.7	$17,926	$8,868
M	1,515	5.6	$265,557	$37,401	1.1	$6,681	$2,453	4.3	$108,417	$23,788
N	2,187	5.4	$18,741	$11,398	0.6	$1,796	$1,495	2.0	$10,431	$5,436
O	2,064	10.5	$125,030	$27,865	1.9	$46,740	$12,892	5.1	$82,514	$17,419
P	1,899	8.3	$12,097	$8,346	2.5	$4,881	$3,022	5.0	$10,005	$6,667
Q	2,066	13.2	$59,612	$31,392	3.0	$18,546	$8,912	7.3	$41,151	$20,756
R	2,922	6.0	$71,402	$17,075	0.6	$5,389	$1,216	2.6	$34,929	$8,589
S	1,948	7.1	$51,825	$15,670	1.4	$16,977	$5,786	3.4	$33,411	$10,673
T	2,371	2.9	$20,030	$7,220	0.4	$6,153	$2,586	1.2	$11,275	$3,417
U	3,011	3.8	$8,161	$3,928	0.4	$769	$609	1.1	$2,416	$1,714
V	3,405	4.1	$53,781	$25,235	0.9	$11,976	$6,828	3.4	$45,240	$21,705
W	4,734	6.9	$41,517	$11,243	0.6	$4,986	$981	2.6	$25,261	$7,165
X	4,050	8.6	$65,460	$19,948	1.3	$18,174	$5,449	3.5	$39,332	$11,523
Y	6,986	8.5	$81,569	$19,913	0.8	$8,187	$2,159	3.4	$37,972	$9,898
Z	13,326	3.7	$46,882	$20,252	0.5	$6,394	$3,254	2.3	$30,312	$14,474
Total-	**64,511**	**186.0**	**$1,497,911**	**$492,507**	**34.7**	**$307,548**	**$123,757**	**89.7**	**$934,574**	**$331,522**
Average-	*2,481*	*7.2*	*$57,612*	*$18,943*	*1.3*	*$11,829*	*$4,760*	*3.5*	*$35,945*	*$12,751*


2012 TRISTAR Hospital Client Workers' Compensation
Claim Frequency Per 100 FTEs
Client Average - 7.2
16
14
12
10
8
6
4
2
0
A
B
C
D
E
F
G
H
I
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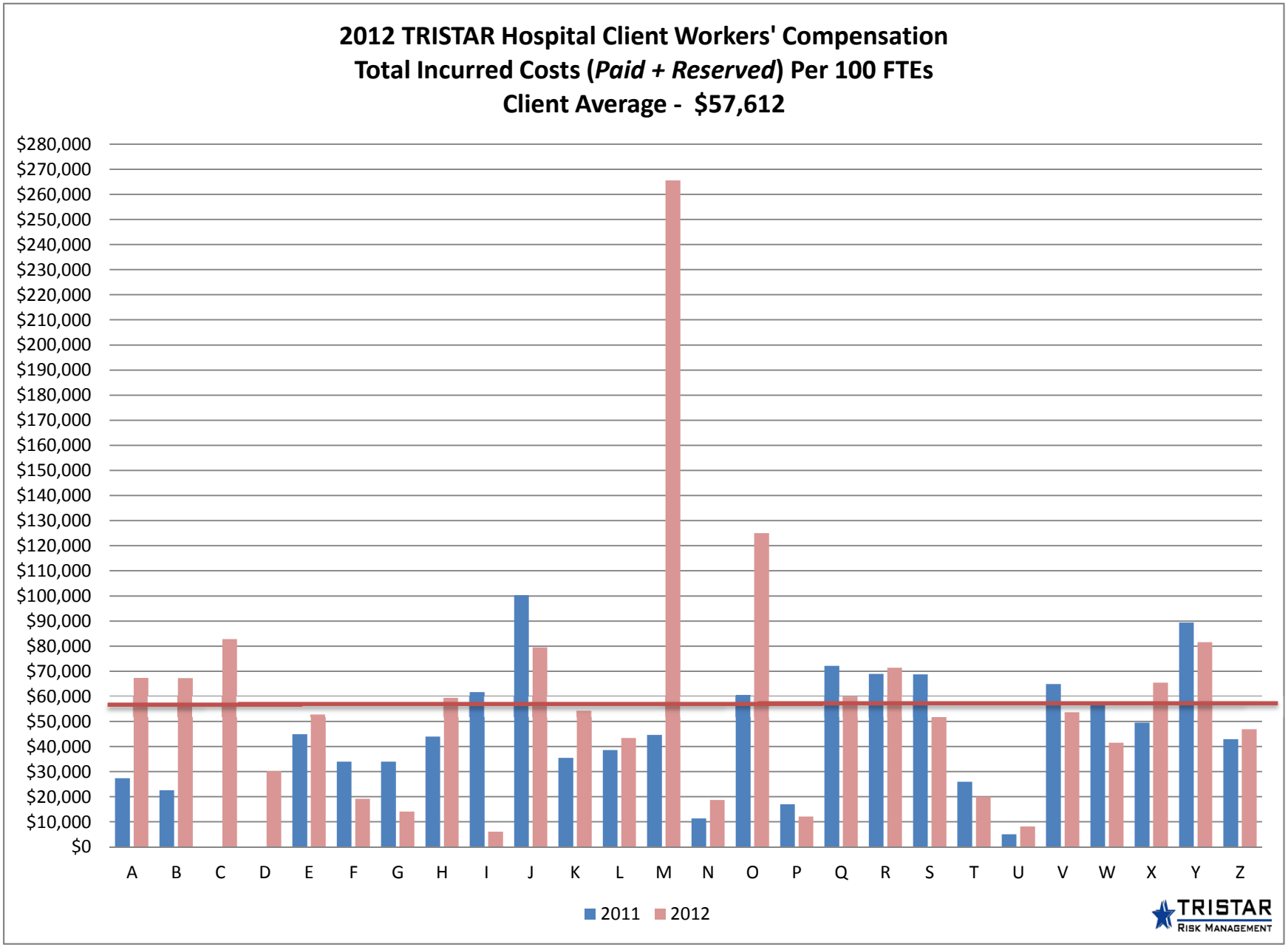
2011
2012
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Total Incurred Costs (*Paid + Reserved*) Per 100 FTEs
Client Average - $57,612
$280,000
$270,000
$260,000
$250,000
$240,000
$230,000
$220,000
$210,000
$200,000
$190,000
$180,000
$170,000
$160,000
$150,000
$140,000
$130,000
$120,000
$110,000
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
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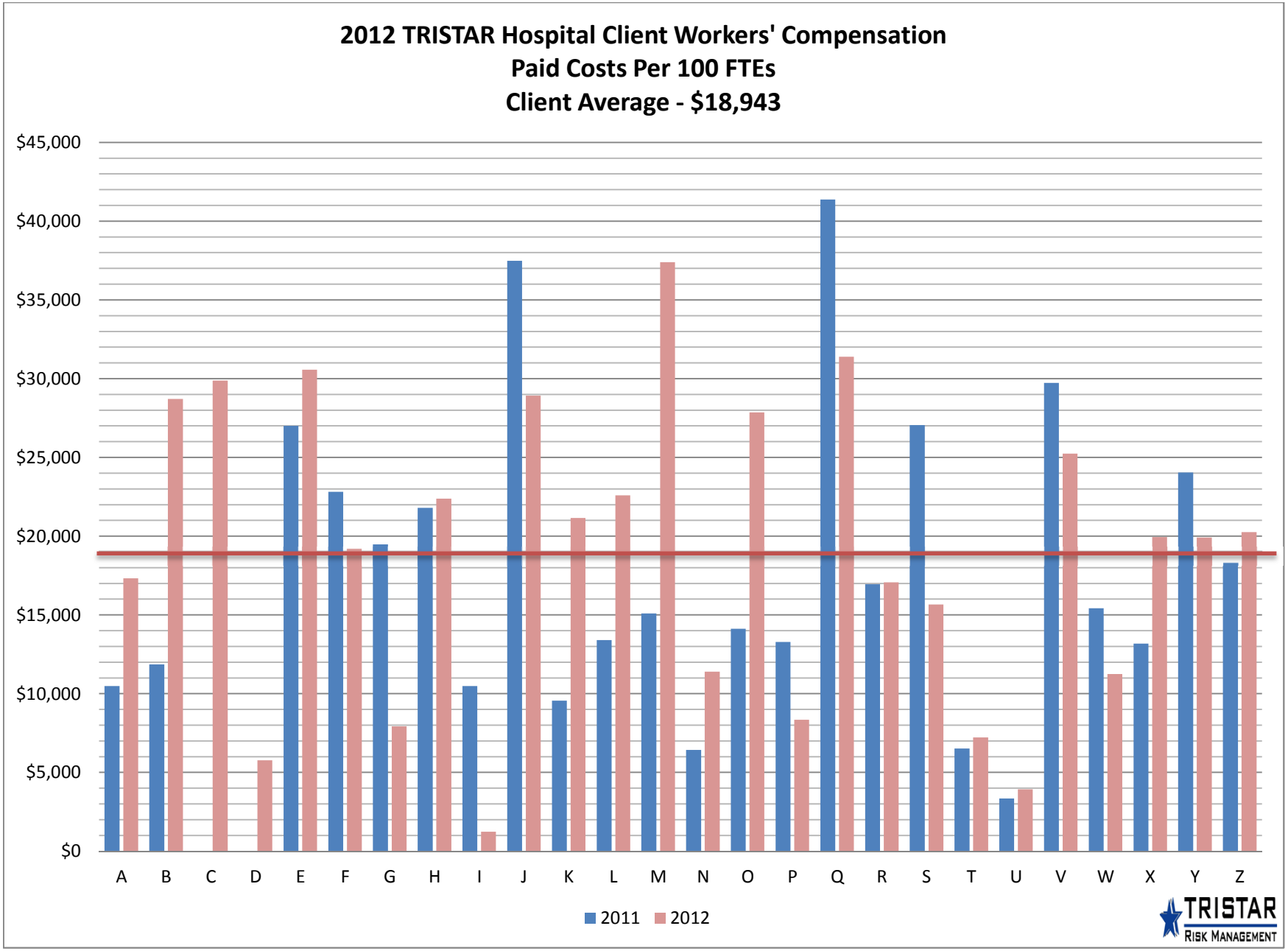
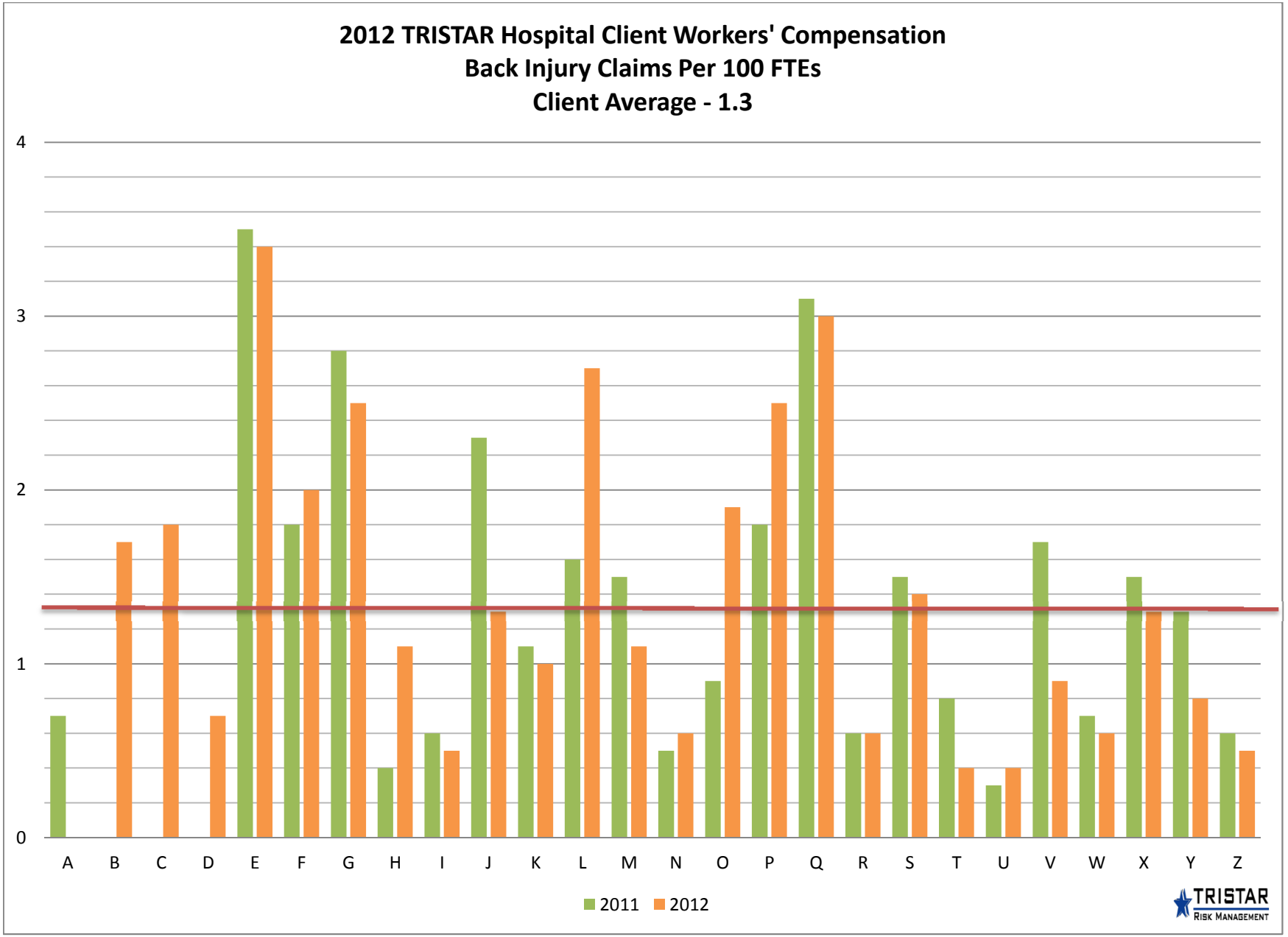
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Paid Costs Per 100 FTEs
Client Average - $18,943
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
2011 2012
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Back Injury Claims Per 100 FTEs
Client Average - 1.3
4
3
2
1
0
A
B
C
D
E
F
G
H
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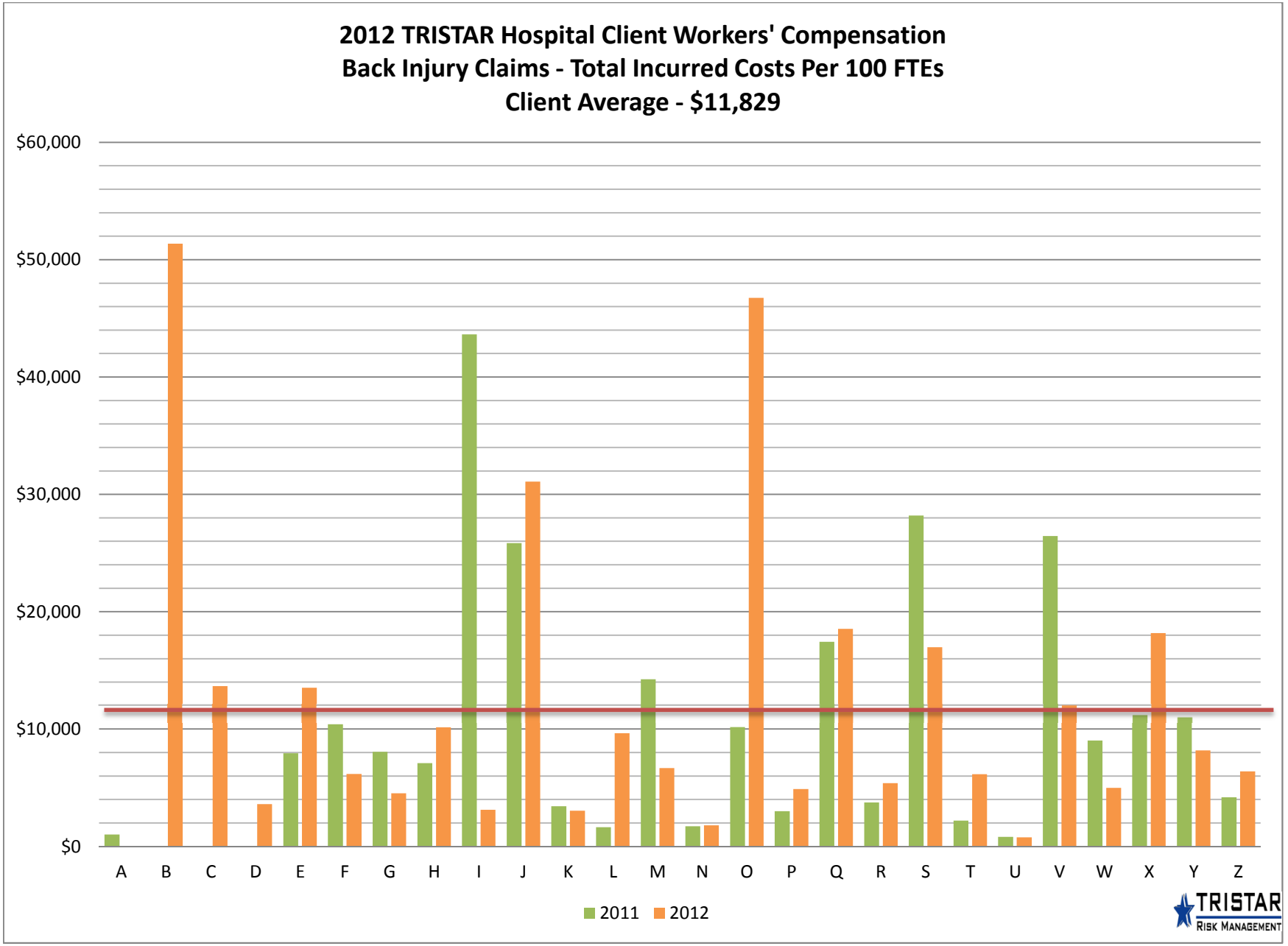
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Back Injury Claims - Total Incurred Costs Per 100 FTEs
Client Average - $11,829
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
A
B
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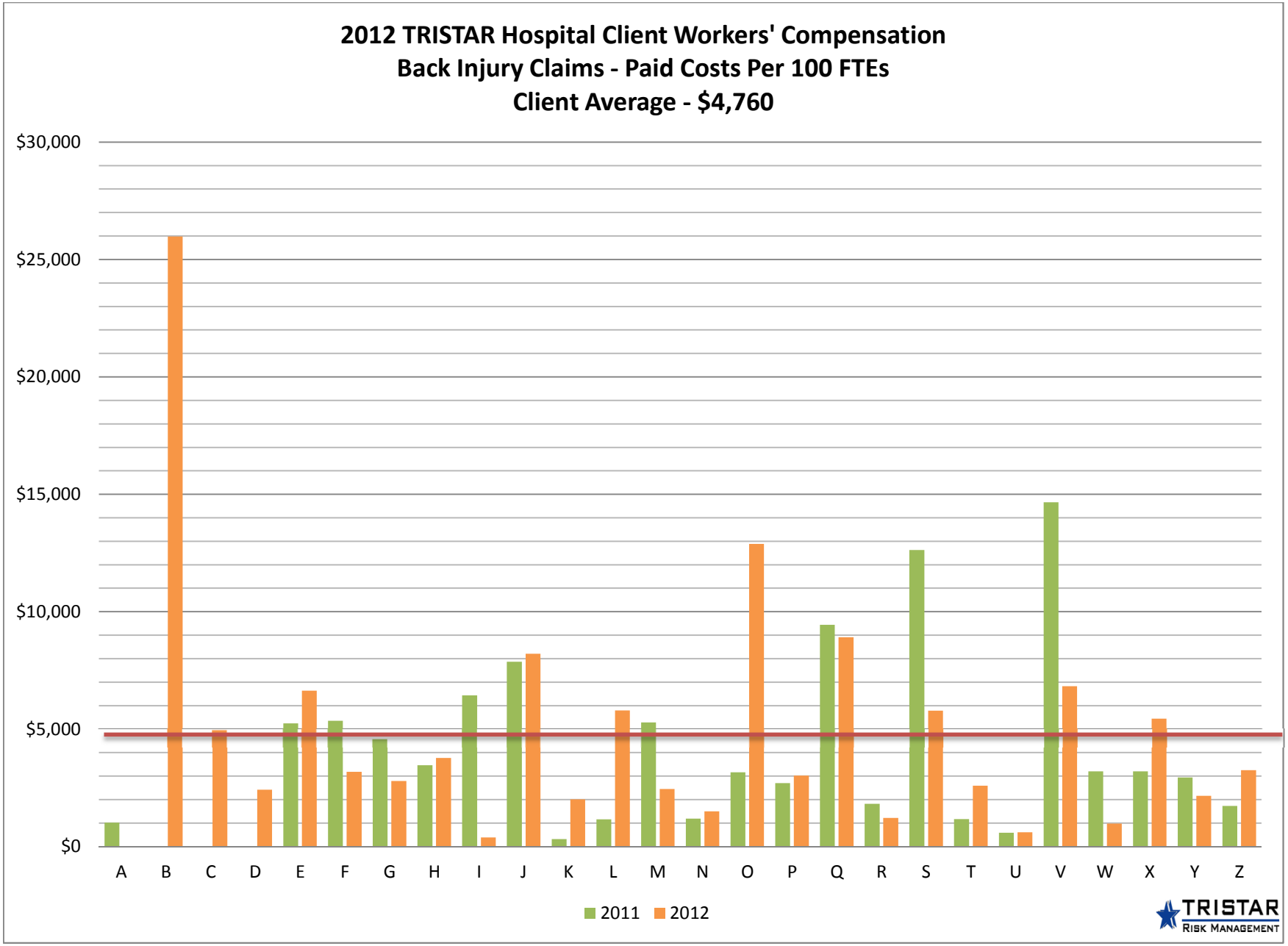
2012
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Back Injury Claims - Paid Costs Per 100 FTEs
Client Average - $4,760
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
A
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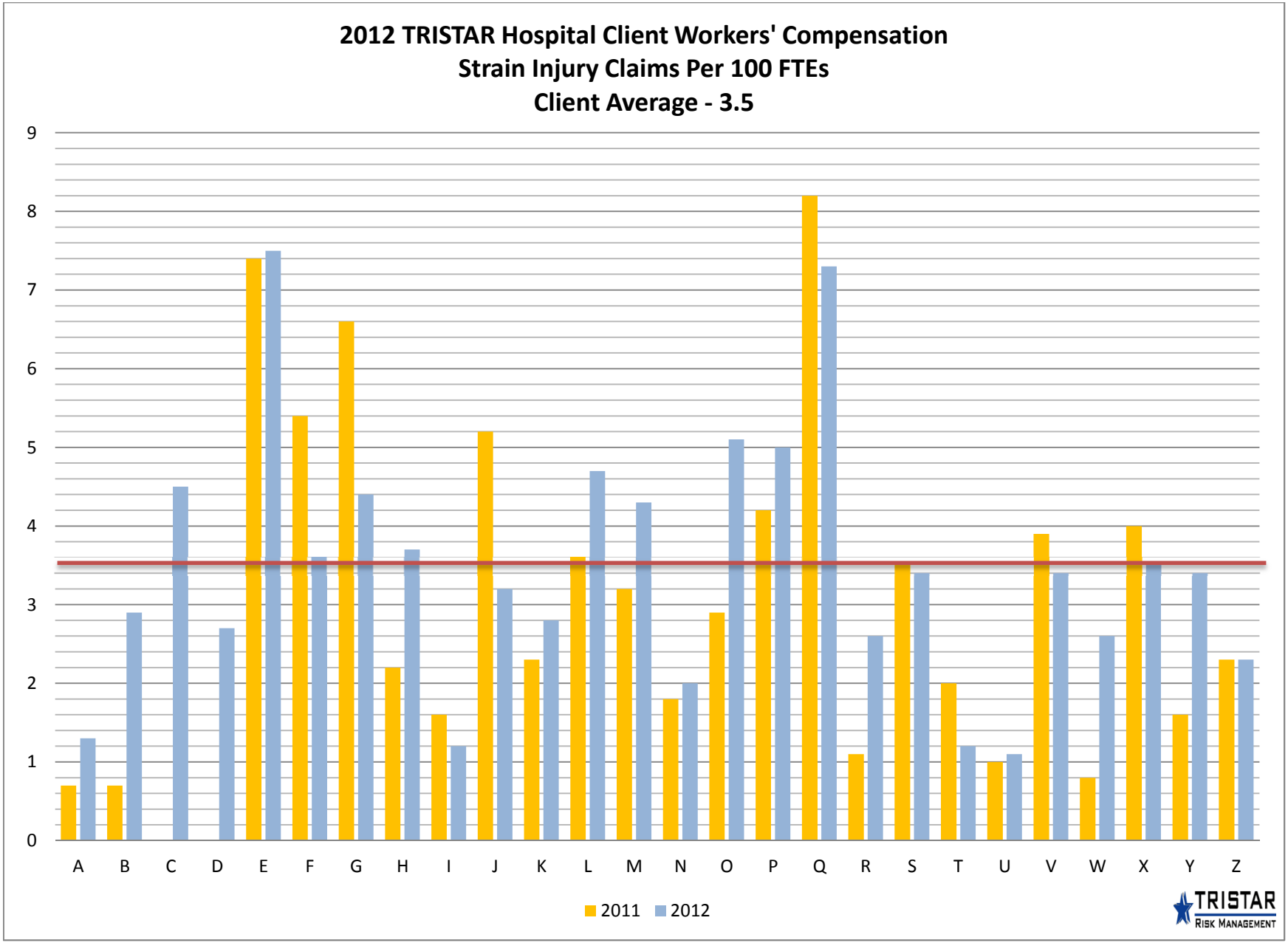
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Strain Injury Claims Per 100 FTEs
Client Average - 3.5
9
8
7
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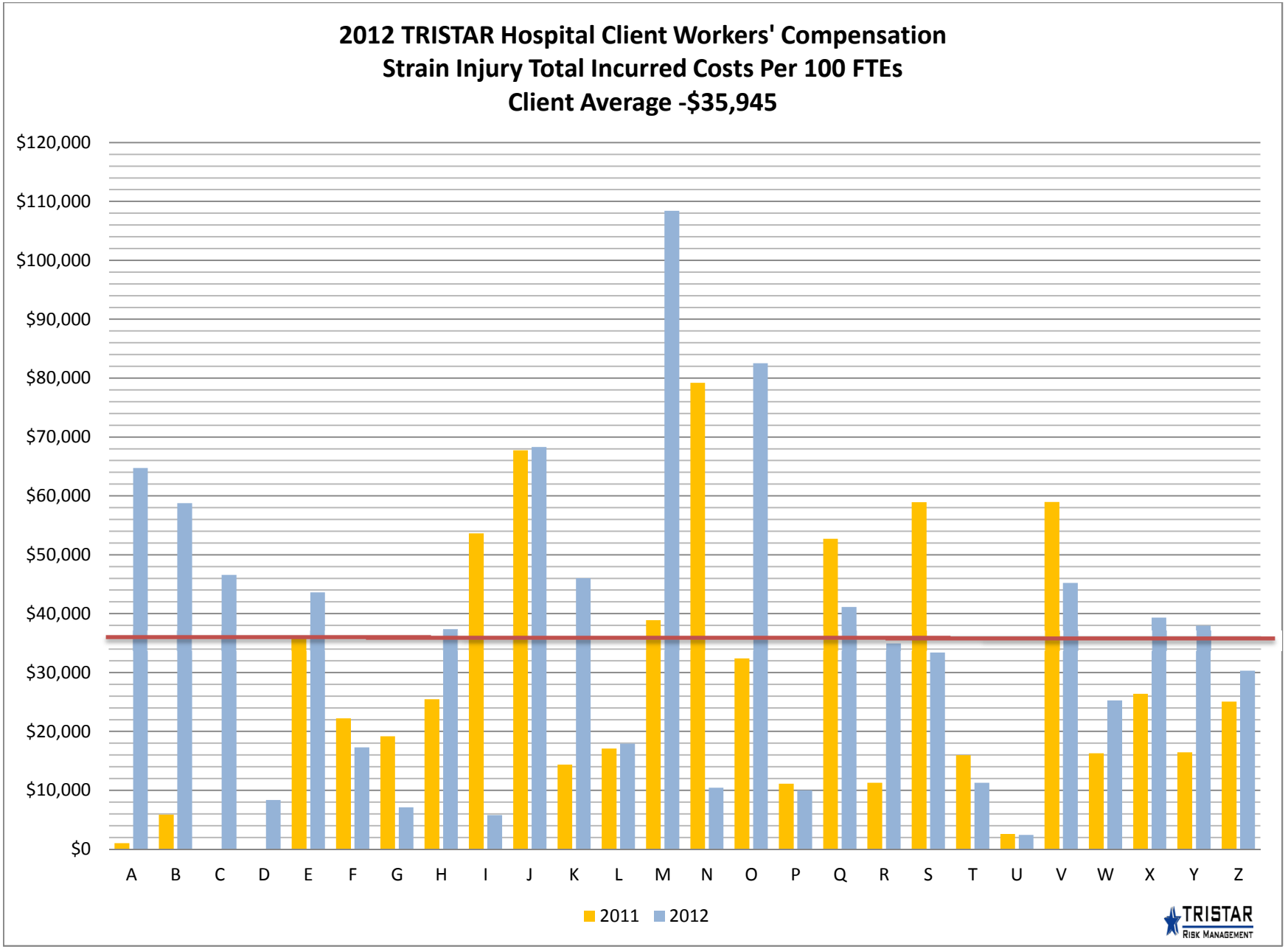
2012
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Strain Injury Total Incurred Costs Per 100 FTEs
Client Average -$35,945
$120,000
$110,000
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
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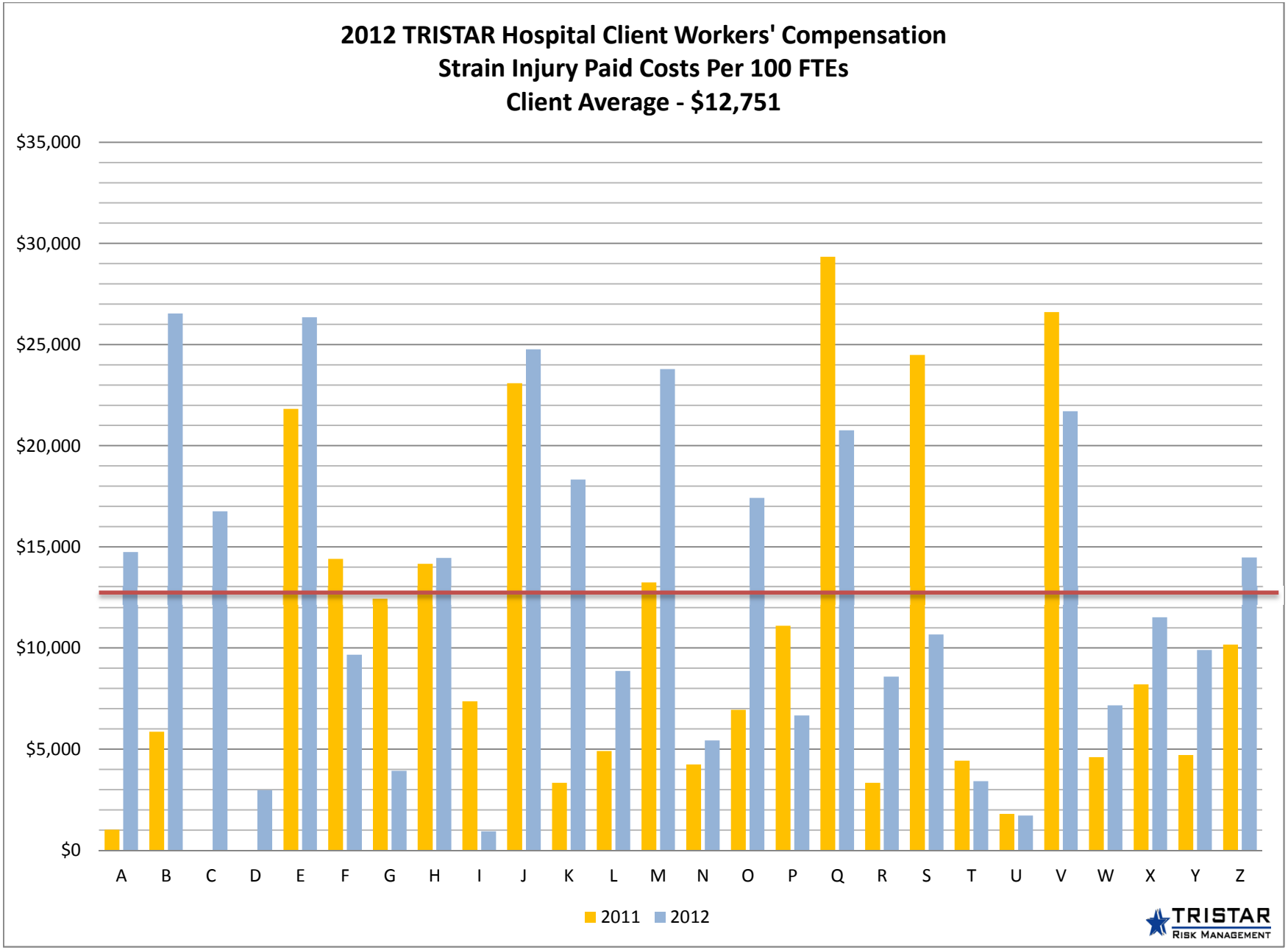
TRISTAR
Risk Management


2012 TRISTAR Hospital Client Workers' Compensation
Strain Injury Paid Costs Per 100 FTEs
Client Average - $12,751
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
A
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D
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2012
TRISTAR
Risk Management

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

HEALTH DASHBOARD

Health Measure	Measurement	Actual 2013	Goal **(s)**
ORGANIZATION HEALTH ASSESSMENT	**HOSPITAL SCORES AT EACH LEVEL OF HEALING**	2.9/4	**28 Leaders assessed organization in December, 2012 for baseline. Goal for 6/2013 is 3.2**
STAFF AWARENESS and CURRENT HEALTH STATUS	**HEALTH RISK ASSESSMENT**	80%	**80% Staff Participation Increase health scores**
	BIOMETRICS	80%	
	WELLNESS POINTS	80%	**100% staff get 200 Points by 11/30**
WELLNESS ROLE MODELS	**WELLNESS UNIVERSITY**	Scheduled for April	**25 Graduates**
HEALTHY LIFESTYLES SERVICES FOR STAFF	**HEALTHY BACK**	0 injuries 35% at risk	**Maintain 0 back injuries per year**
	WEIGHT MANAGEMENT	36% high risk 22.5% med risk Total: **58.5%**	**Reduce Staff at risk due to BMI to less than 50%**
	EARLY STAGE OF ALCOHOLISM AWARENESS	Develop Education program	**Reduce Alcohol consumption per week**
	STRESS MANAGEMENT	23.5% high risk 33% med risk Total: **56.5%**	**Reduce Staff at risk due to Stress to less than 50%**
MEDICAL EXPENDITURES	**ANNUAL EXPENSE**	$2,332,066 (end 6/2012)	**5% less cost than baseline year**
EMPLOYEE SATISFACTION	**ANNUAL SURVEY**	77%	**75% staff satisfaction score**
ABSENTEEISM	**ROLLING AVERAGE**	48 (December) 116 (January) 104 (February)	**Less than 30 unscheduled absences per month**
WORK SAFETY	**ANNUAL NUMBER OF INJURIES**	6 (2012) 0 (2013)	**Less than 10 injuries per year**
COMMUNITY OUTREACH	**HOURS OF STAFF TIME GIVEN TO THE COMMUNITY**	755 (for 7 months)	**1000 hours of community benefit per year**
COMMUNITY HEALTH STATUS	**COUNTY HEALTH STATUS**	36 out of 58	**Improve health status of county as compared to the state**
HEALING ENVIRONMENT	**COMPLETE 5 IDENTIFIED PROJECTS** (Forecourt Garden, Secret Staff Garden, Waiting Educational Materials, Art, Music)	0 out of 5	**Implement environment upgrades that improve health such as nature, light, smells, music, color, comfort, no clutter**

8.

FEBRUARY 2013 FINANCIAL REPORT

Sonoma Valley Hospital
Sonoma Valley Health Care District
February 28, 2013 Financial Report

District Board

April 4, 2013

February's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	**128**	**124**	**4**	**145**
Acute Patient Days	**449**	**438**	**11**	**399**
SNF Patient Days	**678**	**626**	**52**	**567**
Outpatient Gross Revenue (in thousands)	**$8,065**	**$8,117**	**-$52**	**$7,983**
Surgical Cases	**113**	**123**	**-10**	**115**

Summary Statement of Revenues and Expenses Month of February, 2013

		Actual	Budget	Variance	Percentage	Prior Year
1	**Total Operating Revenue**	$ 3,948,218	$ 3,809,899	$ 138,319	4%	$ 3,776,211
2	**Total Operating Expenses**	$ 4,353,458	$ 4,212,639	$ (140,819)	-3%	$ 4,160,053
3	**Operating Margin**	$ (405,240)	$ (402,740)	$ (2,500)	-1%	$ (383,842)
4	**NonOperating Rev/Exp**	$ 466,293	$ 459,942	$ 6,351	1%	$ 419,772
5	**Net Income before Restricted Cont.**	$ 61,053	$ 57,202	$ 3,851	7%	$ 35,930
6	**Restricted Contribution**	$ 53,318	$ 47,500	$ 5,818	12%	$ -
7	**Net Income with Restricted Contributions**	$ 114,371	$ 104,702	$ 9,669	9%	$ 35,930
8	**EBIDA before Restricted Contributions**	$ 297,930	$ 312,566	$ (14,636)		$ 260,820
9	**EBIDA before Restricted Cont. %**	8%	8%	0%		7%
10	**Net Income without GO Bond Activity**	$ (9,185)	$ (23,620)	$ 14,435		$ (87,626)

Summary Statement of Revenues and Expenses Year to Date February 28, 2013

		Actual	Budget	Variance	Percentage	Prior Year
1	**Total Operating Revenue**	$ 31,637,066	$ 31,241,005	$ 396,061	1%	$ 31,047,148
2	**Total Operating Expenses**	$ 34,898,478	$ 34,822,784	$ (75,694)	0%	$ 33,623,965
3	**Operating Margin**	$ (3,261,412)	$ (3,581,779)	$ 320,367	9%	$ (2,576,817)
4	**NonOperating Rev/Exp**	$ 3,711,495	$ 3,679,536	$ 31,959	1%	$ 2,744,069
5	**Net Income before Restricted Cont.**	$ 450,083	$ 97,757	$ 352,326	360%	$ 167,252
6	**Restricted Contribution**	$ 499,344	$ 380,000	$ 119,344	31%	$ -
7	**Net Income with Restricted Contributions**	$ 949,427	$ 477,757	$ 471,670	99%	$ 167,252
8	**EBIDA before Restricted Contributions**	$ 2,394,817	$ 2,140,669	$ 254,148		$ 1,917,218
9	**EBIDA before Restricted Cont. %**	8%	7%	1%		6%
10	**Net Income without GO Bond Activity**	$ (538,365)	$ (928,819)	$ 390,454		$ (821,196)

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

To: **SVH Finance Committee**
From: **Rick Reid, CFO**
Date: **March 26, 2013**
Subject: **Financial Report for the Month Ending February 28, 2013**

Overall Results for February 2013

Overall for February, SVH has net income of $114,371 on budgeted income of $104,702, for an favorable difference of $9,669. Total net patient service revenue was over budget by $189,486. Risk contracts were under budget by ($49,221), bringing the total operating revenue to $3,948,218 or $138,319 over budget. Expenses were $4,353,458 on a budget of $4,212,639 or ($140,819) over budget. The EBIDA prior to the restricted donations for the month was $294,930 or 7.5%.

Patient Volumes - February

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	128	124	4	145
Acute Patient Days	449	438	9	399
SNF Patient Days	678	626	52	567
OP Gross Revenue	$8,065	$8,117	-$52	$7,983
Surgical Cases	113	123	-10	115

Overall Payer Mix - February

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	54.2%	47.4%	6.8%	49.3%	47.4%	1.9%
Medi-Cal	9.8%	13.2%	-3.4%	13.4%	13.3%	0.1%
Self Pay	3.1%	3.4%	-0.3%	3.7%	3.4%	0.3%
Other:						
Commercial	17.9%			20.4%		
Managed MC	7.3%			4.8%		
Workers Comp	4.2%			3.4%		
Capitated	3.5%			5.0%		
Total Other	32.9%	36.0%	-3.1%	33.6%	35.9%	-2.3%
Total	100%	100%		100%	100%	

Net Operating Revenues

Net operating revenues for February were $4.0 million on a budget of $3.8 million or $138,319 over budget.

Inpatient Net Revenue is over budget by $58,223 or 4%, due to the following:

- Medicare discharges over budget by 13, with a favorable rate variance for a total impact of $193,487
- Medi-Cal patient days under budget by 31, with an unfavorable rate variance for a total impact of ($120,546)
- Other patient days under budget by 5, the impact was ($46,044), offset by favorable rates of $17,451, net variance under budget ($28,593)
- Commercial patient days over budget by 11, the impact was $58,890, offset by unfavorable rates of ($45,015), net variance over budget $13,875

Skilled Nursing Home:

- Volume was over budget by 42 days and patient acuity was under budget, net impact $23,112

Outpatient:

- Volume was under budget and rates were under budget by ($85,832)
- Self pay discount were taken ($79,304)

Home Care:

- Volume was over budget by 99 visits or $19,752 over budget

Risk Contract Revenue:

- Napa State was under budget by ($34,933), due to volume

Expenses

February's expenses were $4.4 million on a budget of $4.2 million or over budget by ($140,819).
The following is a summary of the operating expense variances for the month of February:

- Total productivity FTE's were under budget at 290, on a budget of 293. Total salaries and Agency Fees were over budget by a total of ($82,717) due to volume.
- Employee benefits were over budget by ($33,998), of this health insurance was over budget by ($32,135).
- Purchase services are over budget by ($71,781) due to Information Systems related to the Electronic Health Records that was previously budgeted in as capital and an unbudgeted operating lease for the Electronic Health Records.

Capital Campaign Summary:

For the month of February the Hospital received $53,318 in capital campaign donations. The total amount received from the Capital Campaign to date is $2,434,774, 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 $21,779 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	$1,433,774	$648,056	$785,718
Total Capital Campaign	**$2,434,774**	**$648,056**	**$1,786,718**
X-Ray Machine	$114,420	$0	$114,420
Misc. Restricted Funds	$21,779	$0	$21,779
Total Specific Funds	**$2,570,973**	**$648,056**	**$1,922,917**

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

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%
Feb	112	94	18	19.1%	598	598	0	0.0%
YTD	875	847	28	3.3%	5,523	5,412	111	2.1%

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

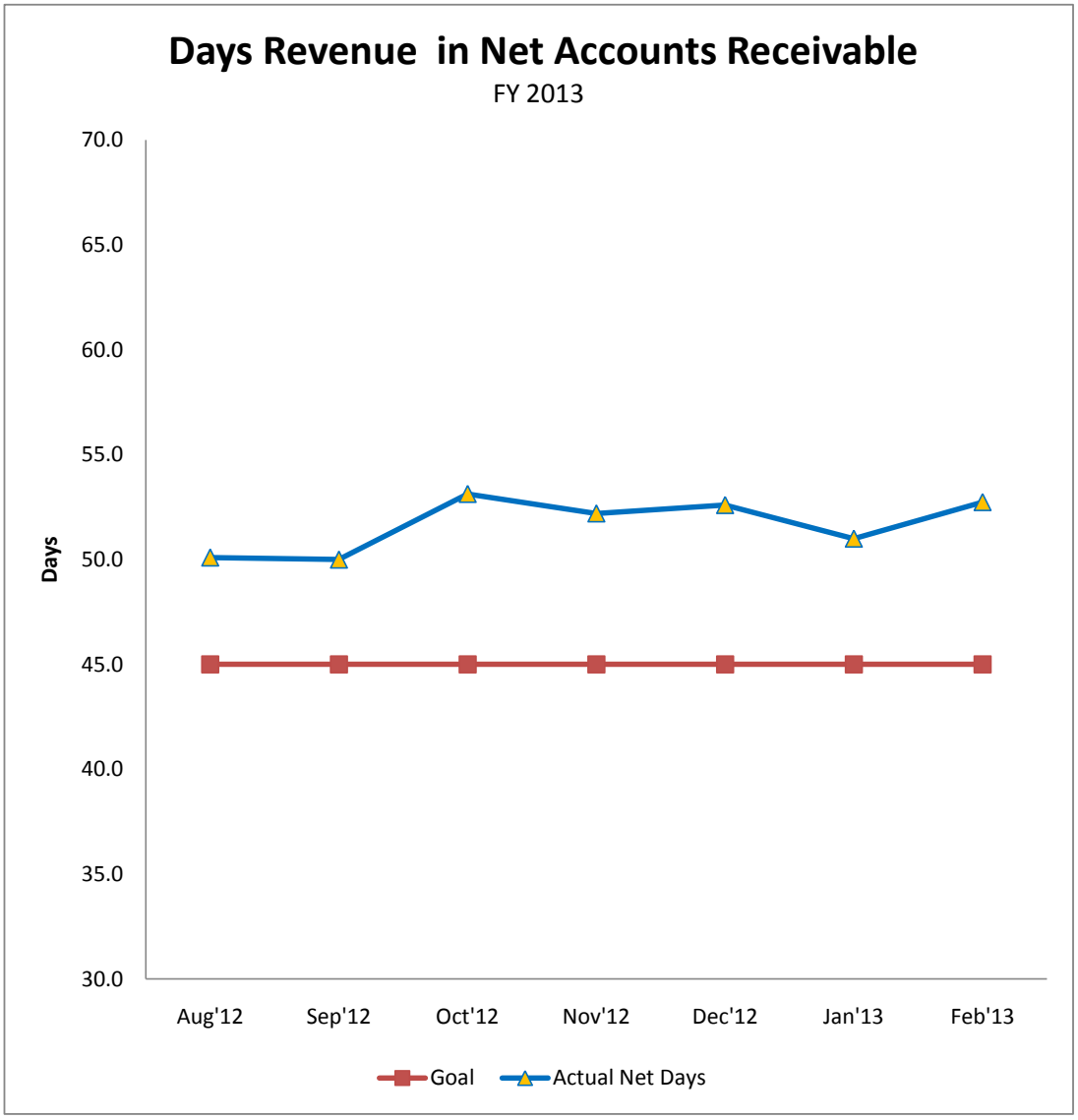
		Month				Year-To- Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	$	%	Actual	Budget	$	%	Prior Year
	Volume Information									
1	Acute Discharges	128	124	4	3%	970	1,010	(40)	-4%	1,046
2	SNF Days	678	626	52	8%	5,202	5,436	(234)	-4%	4,783
3	Home Care Visits	1,001	902	99	11%	7,772	7,329	443	6%	7,562
4	Gross O/P Revenue (000's)	8,065	8,117	(52)	-1%	$ 67,909	$ 66,406	1,503	2%	$ 62,463
	Financial Results									
	Gross Patient Revenue									
5	Inpatient	$ 5,396,047	$ 5,057,245	338,802	7%	$ 42,553,845	$ 41,358,026	1,195,819	3%	$ 39,179,353
6	Outpatient & Emergency	7,779,620	7,851,181	(71,561)	-1%	65,637,300	64,250,013	1,387,287	2%	60,419,867
7	SNF	2,239,526	1,862,187	377,339	20%	17,007,940	15,987,137	1,020,803	6%	15,066,889
8	Home Care	285,148	265,365	19,783	7%	2,271,699	2,155,891	115,808	5%	2,043,391
9	Total Gross Patient Revenue	$ 15,700,341	$ 15,035,978	664,363	4%	$ 127,470,784	$ 123,751,067	3,719,717	3%	$ 116,709,500
	Deductions from Revenue									
10	Contractual Discounts	$ (11,895,184)	$ (11,044,847)	(850,337)	-8%	$ (95,385,890)	$ (90,947,363)	(4,438,527)	-5%	$ (84,511,656)
11	Bad Debt	(100,000)	(322,172)	222,172	69%	(2,000,000)	(2,651,579)	651,579	25%	(2,400,000)
12	Charity Care Provision	(14,468)	(167,756)	153,288	91%	(1,260,876)	(1,380,687)	119,811	9%	(1,199,119)
13	Prior Period Adjustments	-	-	-	0%	-	-	-	0%	-
14	Total Deductions from Revenue	$ (12,009,652)	$ (11,534,775)	(474,877)	4%	$ (98,646,766)	$ (94,979,629)	(3,667,137)	4%	$ (88,110,775)
15	Net Patient Service Revenue	$ 3,690,689	$ 3,501,203	189,486	5%	$ 28,824,018	$ 28,771,438	52,580	0%	$ 28,598,725
16	Risk contract revenue	$ 247,437	$ 296,658	(49,221)	-17%	$ 2,665,740	$ 2,373,264	292,476	12%	$ 2,352,127
17	Net Hospital Revenue	$ 3,938,126	$ 3,797,861	140,265	4%	$ 31,489,758	$ 31,144,702	345,056	1%	$ 30,950,852
18	Other Operating Revenue	$ 10,092	$ 12,038	(1,946)	-16%	$ 147,308	$ 96,304	51,004	53%	$ 96,298
19	Total Operating Revenue	$ 3,948,218	$ 3,809,899	138,319	4%	$ 31,637,066	$ 31,241,006	396,060	1%	$ 31,047,150
	Operating Expenses									
20	Salary and Wages and Agency Fees	$ 1,962,564	$ 1,879,847	(82,717)	-4%	$ 15,488,603	$ 15,661,485	172,882	1%	$ 14,774,291
21	Employee Benefits	674,529	$ 640,531	(33,998)	-5%	5,849,076	5,546,718	(302,358)	-5%	5,255,520
22	Total People Cost	$ 2,637,093	$ 2,520,378	(116,715)	-5%	$ 21,337,679	$ 21,208,203	(129,476)	-1%	$ 20,029,811
23	Med and Prof Fees (excld Agency)	$ 381,113	$ 388,284	7,171	2%	$ 3,075,950	$ 3,129,712	53,762	2%	$ 3,620,095
24	Supplies	498,854	484,375	(14,479)	-3%	4,060,599	3,888,141	(172,458)	-4%	3,937,735
25	Purchased Services	447,891	376,110	(71,781)	-19%	3,240,564	3,049,606	(190,958)	-6%	2,479,835
26	Depreciation	177,633	199,672	22,039	11%	1,460,712	1,597,376	136,664	9%	1,290,169
27	Utilities	56,906	82,610	25,704	31%	627,262	660,880	33,618	5%	614,762
28	Insurance	19,170	20,374	1,204	6%	157,474	162,992	5,518	3%	166,629
29	Interest	29,233	25,681	(3,552)	-14%	243,934	205,448	(38,486)	-19%	219,711
30	Other	105,565	115,155	9,590	8%	694,304	920,426	226,122	25%	1,265,218
31	Operating expenses	$ 4,353,458	$ 4,212,639	(140,819)	-3%	$ 34,898,478	$ 34,822,784	(75,694)	0%	$ 33,623,965
32	Operating Margin	$ (405,240)	$ (402,740)	(2,500)	-1%	$ (3,261,412)	$ (3,581,778)	320,366	9%	$ (2,576,815)
	Non Operating Rev and Expense									
33	Electronic Health Records & Misc. Rev.	$ 163,349	$ 147,250	16,099	11%	$ 1,278,529	$ 1,034,917	243,612	24%	$ 233,095
34	Donations	-	-	-	0%	10,000	143,083	(133,083)	93%	15,117
35	Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	(1,525)
36	Physician Practice Support-Prima	(65,630)	(65,630)	-	0%	(525,040)	(525,040)	-	0%	(451,014)
37	Parcel Tax Assessment Rev	245,018	250,000	(4,982)	-2%	1,959,558	2,000,000	(40,442)	-2%	1,959,948
38	GO Bond Tax Assessment Rev	153,567	158,333	(4,766)	-3%	1,228,536	1,266,664	(38,128)	-3%	1,228,534
39	GO Bond Interest	(30,011)	(30,011)	-	0%	(240,088)	(240,088)	-	0%	(240,086)
40	Total Non-Operating Rev/Exp	$ 466,293	$ 459,942	6,351	1%	$ 3,711,495	$ 3,679,536	31,959	1%	$ 2,744,069
41	Net Income / (Loss) prior to Restricted Contribution	$ 61,053	$ 57,202	3,851	7%	$ 450,083	$ 97,758	352,325	360%	$ 167,254
42	Capital Campaign Contribution	$ 53,318	$ 47,500	5,818	12%	$ 385,010	$ 380,000	5,010	1%	$ -
43	Restricted Foundation Contributions	$ -	$ -	-	0%	$ 114,334	$ -	114,334	100%	$ -
44	Net Income / (Loss) w/ Restricted Contributions	$ 114,371	$ 104,702	9,669	9%	$ 949,427	$ 477,758	471,669	99%	$ 167,254
45	Net Income w/o GO Bond Activity	$ (9,185)	$ (23,620)	14,435	61%	$ (538,365)	$ (928,818)	390,453	42%	$ (821,194)

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of February 28, 2013

		Current Month	Prior Month	Prior Year
	Assets			
	Current Assets:			
1	Cash	$ 1,357,810	$ 1,239,472	$ 2,405,046
2	Trustee Funds	479,531	339,459	276,368
3	Net Patient Receivables	8,818,822	8,604,595	7,289,306
4	Other Accts/Notes Rec	2,949,821	4,607,120	1,870,753
5	Allow Uncollect Accts	(1,432,617)	(1,478,295)	(1,760,158)
6	3rd Party Receivables	390,130	204,547	815,101
7	Due Frm Restrict Funds	-	-	-
8	Inventory	946,336	905,016	882,321
9	Prepaid Expenses	1,264,571	1,048,555	1,088,186
10	Total Current Assets	$ 14,774,404	$ 15,470,469	$ 12,866,923
11	Board Designated Assets	$ 186,333	$ 186,333	$ 253,764
12	Property,Plant & Equip, Net	10,463,235	11,717,094	10,585,615
13	Hospital Renewal Program	23,111,277	20,592,634	12,017,914
14	Unexpended Hospital Renewal Funds	10,408,934	11,702,114	20,573,100
15	Investments	-	-	36,984
16	Specific Funds	1,922,917	1,869,598	550,620
17	Other Assets	310,357	312,018	512,677
18	Total Assets	$ 61,177,457	$ 61,850,260	$ 57,397,597
	Liabilities & Fund Balances			
	Current Liabilities:			
19	Accounts Payable	$ 5,757,184	$ 5,391,785	$ 3,685,565
20	Accrued Compensation	3,271,862	3,214,430	3,218,837
21	Interest Payable	142,852	857,115	142,898
22	Accrued Expenses	299,771	267,009	214,279
23	Advances From 3rd Parties	1,346,916	1,346,964	645,172
24	Deferred Tax Revenue	1,580,637	1,979,221	1,594,335
25	Current Maturities-LTD	1,237,728	1,301,750	1,482,685
26	Other Liabilities	83,036	83,036	267,156
27	Total Current Liabilities	$ 13,719,986	$ 14,441,310	$ 11,250,927
28	Long Term Debt, net current portion	$ 37,609,592	$ 37,675,774	$ 38,454,290
29	Fund Balances:			
30	Unrestricted	$ 7,209,825	$ 7,148,440	$ 7,623,736
31	Restricted	2,638,054	2,584,736	68,644
32	Total Fund Balances	$ 9,847,879	$ 9,733,176	$ 7,692,380
33	Total Liabilities & Fund Balances	$ 61,177,457	$ 61,850,260	$ 57,397,597

Sonoma Valley Hospital
Statistical Analysis
FY 2013

	ACTUAL	BUDGET	ACTUAL												
	Feb-13	Feb-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
Statistics															
Acute															
Acute Patient Days	449	438	613	456	351	443	347	432	396	354	363	436	435	399	448
Acute Discharges	128	124	159	117	104	121	109	117	115	107	116	129	128	145	125
SNF Days	678	626	707	671	638	576	617	682	633	688	729	618	672	567	662
HHA Visits	1,001	902	1,076	940	921	1,043	802	1,052	937	941	989	997	1,023	950	967
Emergency Room Visits	710	732	852	793	732	801	788	884	838	810	863	717	783	692	791
Gross Outpatient Revenue (000's)	$8,065	$8,117	$8,805	$8,302	$8,485	$8,935	$8,151	$9,014	$8,153	$7,667	$8,120	$7,880	$8,707	$7,983	$8,640
Equivalent Patient Days	2,314	2,312	2,594	2,353	2,213	2,214	2,202	2,509	2,202	2,355	2,362	2,236	2,451	2,214	2,412
Births	11	15	19	13	14	9	11	16	9	15	6	23	11	10	9
Surgical Cases - Inpatient	33	38	38	32	35	37	37	40	41	28	37	38	37	31	33
Surgical Cases - Outpatient	80	85	78	94	95	91	97	98	82	92	99	99	117	84	99
Total Surgical Cases	113	123	116	126	130	128	134	138	123	120	136	137	154	115	132
Medicare Case Mix Index	1.36	1.40	1.52	1.51	1.47	1.29	1.49	1.40	1.61	1.50	1.64	1.36	1.29	1.40	1.32
Income Statement															
Net Revenue (000's)	3,903	3,798	4,006	4,085	3,679	3,963	3,707	3,926	3,822	4,832	3,741	3,739	3,925	3,867	3,924
Operating Expenses (000's)	4,353	4,213	4,632	4,482	4,235	4,407	4,221	4,312	4,257	5,278	4,686	4,413	4,372	4,160	4,230
Net Income (000's)	114	105	237	134	174	67	65	127	31	889	343	(14)	24	36	23
Productivity															
Total Operating Expense Per Equivalent Patient Day	$1,881	$1,822	$1,786	$1,905	$1,914	$1,990	$1,917	$1,719	$1,933	$2,241	$1,984	$1,974	$1,784	$1,879	$1,746
Productive FTEs	290	293	284	284	266	281	291	284	281	285	285	274	271	272	266
Non-Productive FTE's	32	30	37	33	47	36	39	37	41	34	28	28	28	26	35
Total FTEs	322	323	321	317	313	316	330	321	322	318	313	302	303	299	300
FTEs per Adjusted Occupied Bed	3.77		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
Balance Sheet															
Days of Expense In General Operating Cash	9		9	14	7	12	14	13	14	13	15	20	16	20	25
Net Days of Revenue in AR	53		51	53	52	53	50	50	50	48	47	46	45	44	45



Days in A/R	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12	Jan'13	Feb'13
Actual Net days	50.1	50.0	53.1	52.2	52.6	51.0	52.7
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)	114,371	949,427
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	177,633	1,462,078
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	(259,905)	(1,454,619)
(Increase)/Decrease Other receivables and other assets	1,473,377	4,670,133
(Increase)/Decrease Prepaid expenses	(216,016)	(695,091)
(Increase)/Decrease in Inventories	(41,320)	(82,199)
(Decrease)/Increase in Deferred revenues	(398,632)	(2,792,008)
(Decrease)/Increase in Accounts payable, accrued expenses	(258,338)	19,408
Net Cash Provided/(Used) by operating activities	591,170	2,077,129
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(85,671)	(649,864)
Net Purchases of property, plant and equipment - GO Bond Purchases	(1,356,746)	(9,168,960)
Net Proceeds and Distributions from investments	-	36,839
Net Book Value of Assets Disposed	-	(1,462)
Change in Restricted Funds	-	-
Change in Limited Use Cash	1,099,789	8,297,954
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	(342,628)	(1,485,493)
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(130,204)	(1,024,675)
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	(130,204)	(1,024,675)
Net increase/(Decrease) in cash and cash equivalents	118,338	(433,039)
Cash and Equivalents at beginning of period	1,239,472	1,790,849
Cash and Equivalents at February 28, 2013	1,357,810	1,357,810

9.

CEO ADMINISTRATIVE REPORT FOR FEBRUARY 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: **3/29/13**
Subject: **Administrative Report**

Summary:

We have ended the first eight months of the fiscal year ahead of budget at a net income of $450,083 before restricted contributions.

Leadership and Organizational Results (Dashboard)
As you can see from the February dashboard, our results for patient satisfaction are now staying about the same. We had our quarterly Leadership Development meeting on March 28th and created an action plan to continue to improve our staff satisfaction scores. Inpatient volumes are still less than the prior year and 40 less than budget. We will likely not meet our goal to increase inpatient volumes. Lower inpatient volumes was anticipated and we are doing a much better job making sure admissions meet criteria. The good news is that Outpatient, Home Care and Skilled Nursing volumes are way above the prior year. We are on track to meet every other goal.

Phase 1 Construction Project & Campus Expansion Plans
The construction is on budget and on time. Major changes are underway 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. We hope to announce we have met the first $1 million of the Vadasz match by the board meeting on Thursday.

Strategic Planning & Marketing
The FY 2014 rolling strategic plan is in its final stages. We are seeking community input at the board meeting and then we will develop the final plan for discussion at the Estes Park conference on April 15th. Final approval for the strategic plan is anticipated in May. We are having great success in marketing our new Women's Health service line with Dr. Bose's arrival. Weight loss and Total Joint Replacement surgery continue to have direct marketing. The Women's Health Fair is scheduled for May 4th at Ramekins and we plan to introduce our new Women's Health Services at this event. The Index Tribune owners have donated space to the hospital to do advertisements about the new Emergency Department through November and those ads will start in April. We have an ENT who is interested and we are also considering bringing a spine surgeon up from Marin. The Gastroenterologist has elected not to join us.

Philanthropy
The hospital capital campaign now has pledges of $6.96 million (assuming we will meet the first $1 million of the matching grant.). The campaign cabinet has been formed and introduced and they have begun asking for gifts.

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FEBRUARY 2013 DASHBOARD

PERFRMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	High In-Patient Satisfaction	Press Ganey percentile ranking of current mean score	Inpatient 86.6 mean at 50th percentile	>70th = 5 (stretch) >60th = 4 >50th = 3 (Goal) >40th = 2 <40th=1
	High Out-Patient Satisfaction	Press Ganey monthly mean score	Outpatient 93.5% Surgery 93.7 % Emergency 89.4%	>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	$34,898,478 (actual) $34,822,784 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Inpatient Volumes	1% increase (acute discharges over prior year)	970 YTD FY 2013 1046 YTD FY 2012	>2% (stretch) (Outpt) >1%=4 >0% (Goal) <0%=2 <1%=1 (Inpatient)
	Outpatient Volumes	2% increase (gross outpatient revenue over prior year)	$68 million YTD $62 million in 2012	
Community	Community Benefit Hours	Hours of time spent on community benefit activities	823 hours in just 8 months	>1000 = 5 >800 = 4 >600 = 3 >400 = 2 >200 = 1

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FY 2012 TRENDED RESULTS

MEASUREMENT	Goal	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	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	86.6	83.7	87.5	87.9	86.9
Outpatient Satisfaction	>92%	91.	94.2	94.4	92	93.7	91.7	94	93.5	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	89.4	87.8	88.9	88.7	88.2
Value Based Purchasing Clinical Score	>75	100	90	90	91	91	100	100	100	100	100	100	100
Staff Satisfaction	75%	75	75	75	75	75	75	77	77	75	75	75	75
Turnover	<12%	7.9	7.9	7.6	7.6	7.6	8.6	8.6	8.6	7.9	7.9	7.9	7.9
EBIDA	>8%	9	9	8	8	7	7	8	8	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	4.3	4.3	4.4	4.7	5.2
Net Income	>50	29	125	65	55	174	90	219	61	25	-15	342	889
Days Cash on Hand	>35	16	13	14	12	7	14	9	9	16	18	15	13
A/R Days	<55	50	50	50	53	52	53	51	53	59	59	59	60
Total FTE's	<321	322	321	330	316	313	317	321	322	303	302	313	318
FTEs/AOB	<4.5	4.53	4.53	4.37	4.43	4.24	4.24	3.84	3.7	3.84	4.05	4.1	4.06
Inpatient Discharges	>148	115	117	109	121	104	117	159	128	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	113	154	137	136	120
Home Health	>900	937	1052	802	1043	921	940	1076	1001	1023	997	989	941
Births	>15	9	16	11	9	14	13	19	11	11	23	6	15
SNF days	>630	633	682	617	576	638	671	707	678	672	618	729	688
MRI	>120	84	95	82	130	99	100	83	82	141	94	149	83
Cardiology (Echos)	>70	78	56	74	72	67	75	86	68	92	74	77	68
Laboratory	>12.5	12.6	12.9	11.7	13.7	12.2	11.9	14.2	11.8	14.0	14.5	12.5	12.6
Radiology	>850	892	876	811	931	819	811	940	902	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	324	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	431	493	458	539	481
Ultrasound	>300	312	352	275	336	287	290	348	295	319	336	314	321
Occupational Health	>550	585	538	465	521	451	405	538	574	521	462	615	567