

SONOMA VALLEY HOSPITAL

Community Report

Introducing Our New Outpatient
2020 Diagnostic Center

SONOMA VALLEY HOSPITAL

75
YEARS

BOARD CHAIR REPORT

Our Hospital Is Stronger Today

I'm delighted to report that Sonoma Valley Hospital is in excellent shape as we complete 2020. Despite many challenges and difficult decisions, the changes that have been made over the past couple of years are serving the Hospital well in terms of financial strength, quality of care, physician availability, and staff and patient satisfaction. It has been gratifying to work with the Hospital's highly capable leadership and staff through this time which has seen wildfires, restructuring and closing services, and this year, a pandemic.

I would like to express gratitude to the SVH staff and physicians for their outstanding care and service to our community. I also want to thank and congratulate Kelly Mather, President and CEO, who will be leaving SVH at the first of the year to accept a new role as CEO of BayHealth. Her leadership over the past decade has guided and improved SVH to where it is today.

One of Kelly's signature accomplishments has been facilitating the relationship with UCSF Health, and we continue to explore further integration. A key component of this is the completion this summer of the capital campaign for the new Outpatient Diagnostic Center, with many thanks to the SVH Foundation and our generous donor community! UCSF's goal is to utilize the new Outpatient Diagnostic Center for their North Bay patients so that excellent care and diagnostics can be provided close to home. As a result of increased use of telemedicine during the COVID-19 crisis, UCSF also is accelerating its telemedicine program and will provide more access to specialists in Sonoma.

SVH recently celebrated its 75th anniversary, a notable accomplishment for a small hospital! Our community is fortunate to have convenient access to quality healthcare services, and we can look to the future for continued improvements in technology and access.

I want to express my gratitude to the Hospital's leadership, my fellow Board members, and our community for the opportunity to serve on the SVHCD Board of Directors. It has been my pleasure to serve two terms and to participate in the many changes and improvements that have transpired during that time. As I complete my Board service, I'm delighted to welcome two individuals who join the Board this month: Dr Judy Bjorndal and Susan Idell, who are eminently qualified and will serve our community well in the years ahead.

Jane Hirsch

Board Chair, Sonoma Valley Health Care District

Sonoma Valley Health Care District

2020 BOARD OF DIRECTORS

Jane Hirsch, Chair

Joshua Rymer, First Vice Chair

Michael Mainardi, Second Vice Chair

Sharon Nevins, Treasurer

Bill Boerum, Secretary

The Sonoma Valley Health Care District was formed in 1946 to provide healthcare services to Sonoma Valley residents. The Hospital is governed under the bylaws of the District with oversight by a publicly elected Board of Directors. Directors serve four-year terms, with elections taking place during general elections for local, state or national offices. Monthly board meetings are open and public comment is welcomed. Meeting Information is available at sonomavalleyhospital.org/HealthCareDistrict.

The District's mission is to maintain, improve and restore the health of everyone in the District, which encompasses the entire Sonoma Valley except for Kenwood. The Hospital is supported primarily by revenues from services, augmented by taxpayer support in the form of a parcel tax, and by charitable bequests and donations. The Sonoma Valley Hospital Foundation plays an integral role in Hospital fundraising efforts.



Year In Review

Outpatient Diagnostic Center Opens

The Hospital is in the final stage of preparing the new CT scanner suite to receive patients as part of our commitment to provide excellent care close to home. Our new Diagnostic Center allows us to serve our community with highly advanced imaging in a convenient, familiar and welcoming setting.

Construction is completed and, depending on final approvals from the state, the Hospital will have the CT scanner in operation this month or early January. The state-of-the-art service will provide diagnostic services to both SVH patients and UCSF Health patients in the North Bay. Phase Two, which includes a new MRI suite, is currently under construction and expected to open in mid-2021. All costs for the new Diagnostic Center were paid for by donations from the community and major donors through a very successful capital campaign led by the Sonoma Valley Hospital Foundation.



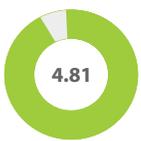
75 Years And Counting!

This year the Hospital marked 75 years of providing compassionate care to Sonoma Valley residents under the direction of the Sonoma Valley Health Care District. Although the celebration was more muted than it normally would have been because of restrictions necessitated by the pandemic, the 75th anniversary was recognized, from colorful banners placed around the Plaza to employee events in the Hospital. To mark this milestone, the Hospital created a permanent display tracking its history from Sonoma's earliest days. This interesting and informative display is located in the mural corridor off the Hospital's main lobby, leading to the Skilled Nursing Facility.

SONOMA VALLEY HOSPITAL
THROUGH THE YEARS
A Tradition of Compassionate Care



OVERALL SCORE



★★★★★

Patients Give SVH Care High Marks

Patients continue to report satisfaction with the care they receive at SVH. Overall, most of the more than 3,000 patients responding to a survey last year gave the Hospital high marks – an average score of 4.81 out of a possible 5.0. The Emergency Department achieved an average score slightly higher than the previous year. The ED saw nearly 10,000 visits last year and 70 percent were seen within

15 minutes. The total for ED use was down for the year, dropping as much as 50 percent in some months because of the pandemic. Department scores included:

Emergency 4.71 Cardiopulmonary 4.85 Hand and Physical Therapy 4.87
Inpatient Care 4.75 Medical Imaging 4.86 Outpatient Surgery 4.86

Responding To Covid-19

The Hospital went into emergency mode as soon as Covid-19 made an appearance early this year, and quickly expanded the number of beds to handle an increased number of inpatients in the event of a surge. SVH worked with Sonoma Valley Community Health Center to offer drive-through testing to residents this summer. Throughout the year, the Hospital has provided communications to the community reporting on the severity of the pandemic and recommending practices to prevent infection.

Financial Report



Due to the changes in services made in fiscal year 2019, the Hospital is financially stronger now than it has been in more than a decade. While it posted strong financial results through much of fiscal year 2020, we were impacted by a sudden drop in volumes and revenue in all service areas this past spring and early summer due to the Covid-19 pandemic. However, many areas were beginning to recover by the end of the fiscal year in June.

In fiscal year 2020, we met budget, reduced debt, paid off some major leases including the Electronic Health Record, and continued to keep capital spending low by drawing on donor funding generated by the Foundation. Even though revenues dropped this summer because of low volumes due to the pandemic, we ended the year in a strong cash position, and accounts payable were at a low level, averaging under \$3 million. We exceeded the EBDA budget by \$4.5 million and kept cash on hand at a high level throughout the year.

We continue to be heavily dependent on government payers as Medicare and Medi-Cal represented approximately 74% of gross revenues last year, and our Commercial revenues remain at a lower level than for most hospitals.

1,332

That's the number of hours SVH staff volunteered last year to improve the health of our community. This included staffing health fairs and events, and helping local nonprofits. We believe our Valley thrives when we are healthy together.



Drive-through COVID-19 testing

Payer Mix FY2020

	Actual Gross Revenue	Payer Mix
Medicare	\$ 97,714,753.19	41.0%
Medicare Managed Care	34,857,046.37	14.6%
Medi-Cal	42,530,317.96	17.8%
Self Pay	4,182,883.82	1.8%
Commercial & Other Government	51,198,896.03	21.5%
Worker's Comp	6,457,876.03	2.7%
Capitated	1,627,017.31	0.7%
	\$238,568,791.02	100.0%

Net Patient Revenues

	2020	2019	2018
Medicare Services	\$ 97,733,947	\$ 116,561,188	\$ 117,867,634
Medi-Cal Services	42,665,195	49,134,185	47,336,024
Other Patient Services*	98,253,217	106,404,718	99,499,127
Contractual Allowances**	(192,033,659)	(214,546,401)	(210,263,700)
Total Net Patient Revenue	\$ 46,618,700	\$ 57,553,690	\$ 54,439,085

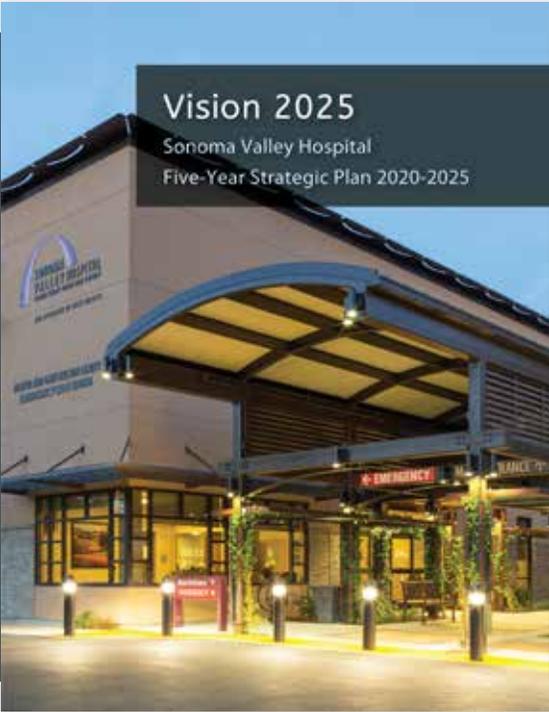
*Includes Commercial, Worker's Comp and Direct Pay

**And Allowance for Doubtful Accounts

Cash and Cash Equivalents	\$ 11,054,230	\$ 5,651,697	\$ 2,342,737
Net Income	\$ 9,237,650	\$ 4,238,453	(299,835)

Vision 2025

“Our new vision emphasizes affiliation with a large provider, continued emphasis on quality service, and increased access and partnership in outpatient services, while maintaining a focus on providing excellent, convenient emergency services. This plan identifies the strategic initiatives that, over the next five years, will strengthen the hospital financially, improve us competitively, and enable us to better serve our community.”



Vision 2025

Sonoma Valley Hospital
Five-Year Strategic Plan 2020-2025

SVH updated its rolling strategic plan in 2020, changing it to a 5-year strategic plan to align with UCSF Health's 5-year plan.

A copy of SVH Vision 2025 is available on our website at sonomavalleyhospital.org under "Health Care District."

CEO Letter

A Transformative Decade

The past decade has been transformative for our Hospital. As I look back to my first day in 2010, I recall seeing so much opportunity. As the new Administrator of an independent district hospital, I was relieved that the community had decided to fund the much needed new wing for Emergency and Surgery services. That decision was the beginning of the Hospital's transformation.

In each of the annual reports published since 2011, you can see the progress and the many challenging barriers we had to overcome. We started with defining our values, focusing on our mission and creating a new vision for the future. The strategic plans we developed contained stretch goals as well as goals of necessity to ensure our Hospital survived. We did everything in our power to make it thrive. The story of the past decade is in the annual reports and strategic plans we produced each year, which are on our website and demonstrate our transparency and commitment to the community.

The strategies to achieve this new vision have not changed much over the years. Our highest priority is always to ensure we provide excellent Emergency Services. Our next priority is to provide access to high-demand diagnostic testing, surgical procedures, rehabilitation, wound care and Occupational Health services. We also focused on recruiting and maintaining physicians for our community and continuing to offer high quality, compassionate inpatient care. One of the major steps that truly transformed our Hospital, and which has provided the much-needed capital, has been fundraising with the Sonoma Valley Hospital Foundation. Together, we raised over \$35 million in this decade.

I am proud to say our vision has been achieved. We are seen as a vital member of our community. Today we have a beautiful, well-maintained facility. We have the physicians and specialists we need close to home. Our compassionate staff members are highly engaged and our patients often rave about their experience at the Hospital. The SVH team continues to go above and beyond, including volunteering hundreds of hours each year to help our community. And now we are affiliated with the best hospital system in the West: UCSF Health.

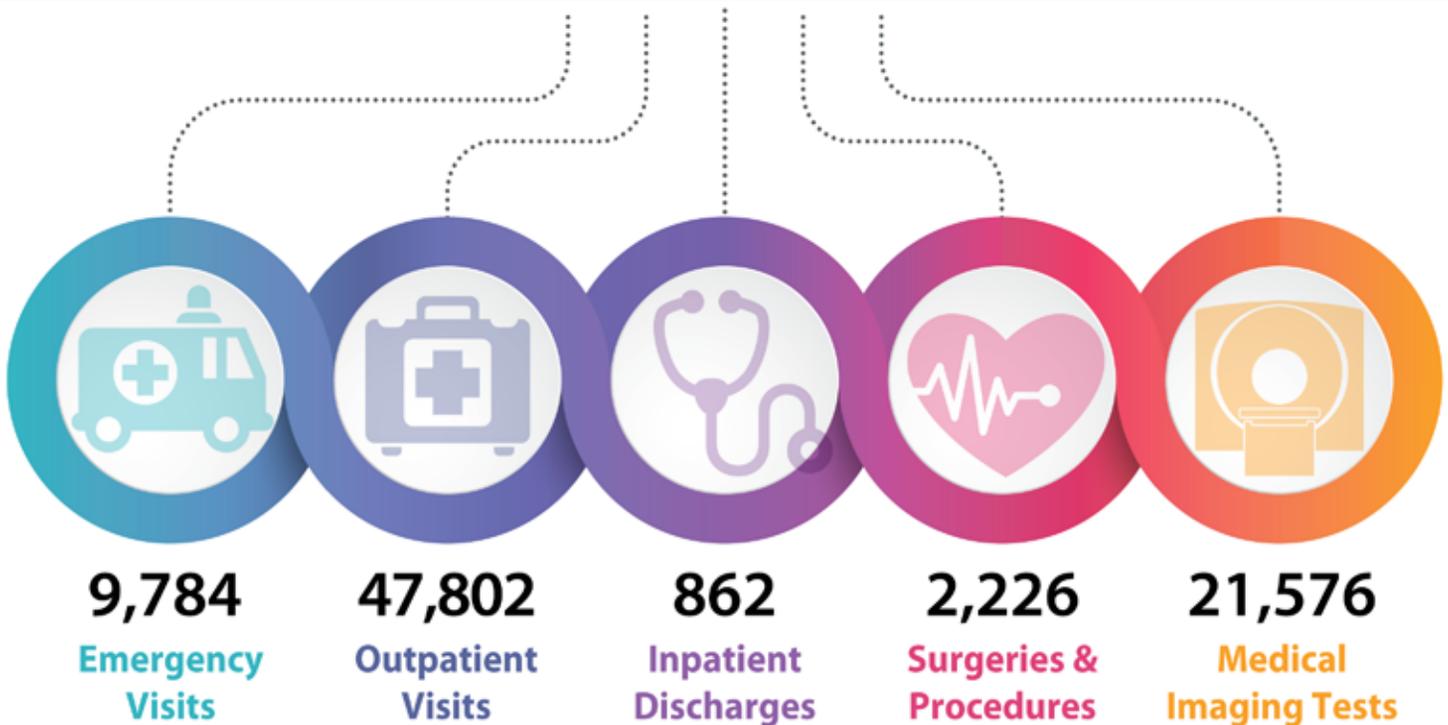
It has been a pleasure and an honor serving as your CEO and I must thank the board, staff, physicians, donors and community for their support. It is difficult to leave this wonderful community, but I do so with pride for all that we have accomplished together during what has been a transformative time for our Hospital. I'm pleased to say the future is here and I'm confident the Sonoma Valley has a Hospital that will serve it well for another generation.

Kelly Mather

President and Chief Executive Officer
Sonoma Valley Hospital

SONOMA VALLEY HOSPITAL SNAPSHOT 2020

July 1, 2019 – June 30, 2020



HOSPITAL

Lab Tests	122,921	1,415 MRIs
Wound Care Visits	2,881	4,602 CT Scans
Cardiopulmonary Tests	2,434	2,253 Mammograms
Rehab Treatments (Outpatient)	24,422	6,827 Occupational Health Treatments

SERVICES

352 Employees • 100 Registered Nurses • \$23.3M Annual Payroll • 22 Volunteers

Note: Use of many services declined in 2020 due to the Covid-19 crisis