

SONOMA VALLEY HOSPITAL

COMMUNITY REPORT

2021





ACTIVE AGING LECTURE SERIES

launched as annual program by Vintage House and SVH.

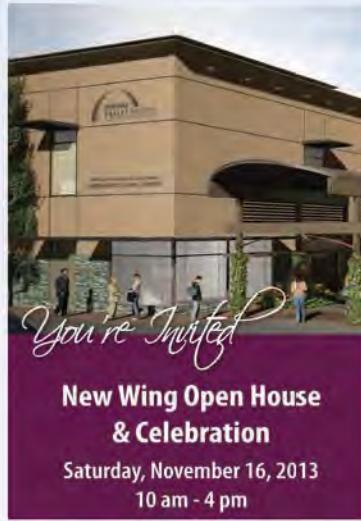


GROUNDBREAKING for new wing which will house modern Emergency Department and Surgery Center.



QUALITY RECOGNITION

CMS scores place SVH in top 20% nationally for quality. Consumer Reports ranks SVH among 15 safest hospitals in the country.



New Wing Open House & Celebration

Saturday, November 16, 2013
10 am - 4 pm

NEW WING OPENS with community open house. A highly successful capital campaign raised \$11 million for the new ER and Surgery Center.



TIMESHARE OFFICES open, enabling more specialists to see patients in Sonoma.

— 2012 —

— 2016 —

PROJECT PINK

A Special Service to the Women of Our Community During October



Un servicio especial para las mujeres de nuestra comunidad durante el mes de octubre

Offering no cost mammogram screenings for women age 40 and older, uninsured or have a high deductible.

Sonoma Valley Hospital uses 2D Mammography System with state-of-the-art technology for improved accuracy.

For information call: 707.995.5245



HOSPITALIST PROGRAM

launched, ensuring hospital has hospitalist-trained physician on premises around the clock.

ONE OF THE COUNTRY'S SAFEST HOSPITALS JUST GOT SAFER



We're The First North Bay Hospital with a Germ-Zapping Robot



ACQUIRES XENEX GERM-ZAPPING ROBOT to destroy deadly pathogens in hospital rooms.

SONOMA VALLEY HOSPITAL In SONOMA VALLEY and SONOMA COUNTY

\$104M Total Economic Activity **2015** ECONOMIC IMPACT

PRIME GRANT AWARDED

SVH selected for statewide initiative to improve healthcare.

ECONOMIC IMPACT

study shows SVH's financial contributions to region.



SEISMIC UPGRADES

financed by general obligation bonds are completed. SVH meets 2020 California earthquake standards.

SVH FOUNDATION

launches Project Pink, an annual program to provide no-cost mammograms for uninsured and under-insured women

COVID-19 VACCINE DRIVE-THROUGH CLINIC
opened in early 2021 when vaccines became available providing 21,000 vaccinations in three months.

Sonoma Valley Health Partners COMMUNITY COVID-19 DRIVE THROUGH VACCINE CLINIC



A DECADE OF PROGRESS



**MAMMOGRAPHY
SUITE OPENS**
SVH Foundation raises funds for state-of-art 3D Mammography service in the hospital.



UCSF HEALTH AFFILIATION formalized in 2018, linking SVH with one of the country's leading hospitals.

When a stroke occurs,
minutes can matter.
SVH is ready.

SVH is Acute Stroke Ready Certified.* We have the expertise needed when quick action can save lives and limit the long-term disabling effects of a stroke.



2018



BACK-TO-SCHOOL FAIR
SVH participates in Sonoma Valley Community Health Center's annual Back-to-School Health Fair.



**SVH BEGINS USING
TEXT SURVEY**
allowing patients to provide feedback right after receiving care. Hospital consistently scores above 4.5 on 5.0 scale.

 **SVH CLOSES OB**
after a decade of declining use.



**AGREEMENT WITH
BY THE BAY HEALTH**
ensures the hospital's Skilled Home Care service continues to serve Valley residents.



JOHN HENNELLY
joins SVH as CEO.



GENERAL OBLIGATION BOND
refinanced at lower rate; saves taxpayers \$2 million over next 10 years.

2021

**NEW OUTPATIENT
DIAGNOSTIC CENTER**
construction nears completion.



SVH PARTNERS WITH ENSIGN GROUP to maintain Skilled Nursing Facility within the hospital.



SOUTH LOT SALE

Hospital sells 3 acres of South Lot to housing developer and uses \$1 million of the proceeds after paying off loan to pay down its line of credit.

ACUTE STROKE READY

SVH earns Acute Stroke Ready certification in 2019, meeting the high standards of care required for initial treatment of stroke patients. Also adds UCSF Neurology telemedicine service.



HOSPITAL'S FINANCIAL PERFORMANCE hits high for past decade in 2019 before Covid impacts services.

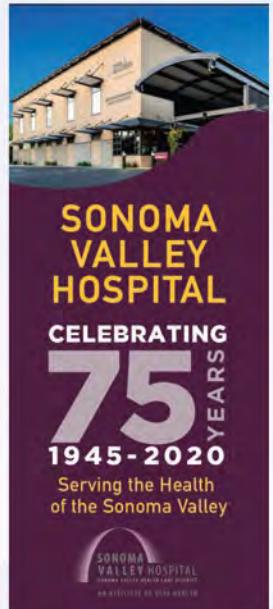
2020



Pardon Our Appearance During Construction



Work is underway to create a state-of-the-art diagnostic center with new CT and MRI suites.



HOSPITAL celebrates 75th anniversary.

SVH FOUNDATION

completes successful \$21M capital campaign to fund construction of Outpatient Diagnostic Center.



COVID TESTING

SVH provides drive-through Covid testing for community.

Most believe having an ER is **essential** for community



2021 COMMUNITY SURVEY

also finds 88% believe SVH is important to overall health of the community



CYBERATTACK

disrupts some hospital operations; most services remain open.

CEO Letter

Our Hospital Was Designed For Years Like This



John Hennelly, CEO

The pandemic certainly continued to disrupt our lives this year, bringing new concerns and challenges for us all. For those of us in healthcare, it seemed change was the norm. We saw the volume of new Covid cases recede and then climb again, while we constantly tracked new information and regulations from county, state and federal bodies.

Despite the hectic nature of the year, and perhaps because of it, we should be proud of the way our hospital responded. You could say the hospital demonstrated it was designed for years like this.

The pandemic reminded us of the critical role the hospital plays in our community and how important it is to have immediate access to high quality medical care and a 24/7 emergency service. The hospital was quick to prepare for the pandemic when it first appeared, and this past year it served as a leader in providing testing, vaccinations and information while ensuring continued access to high quality care.

The past two years have demonstrated that you can depend on your hospital during challenging times. Much of what we were able to do was because of the foresight of past decisions. Sonoma Valley residents decided many years ago to build a hospital, and you have continued to support and invest in it over the years.

The past decade was a critical period as it saw the transformation of the hospital. During this time, Sonoma Valley Hospital evolved from a struggling, under-resourced facility into a modern community hospital offering the latest technology and a range of services, and aligned with UCSF Health, one of the finest Medical Centers in the country.

I think it appropriate in this year's report to acknowledge this transformation and the benefits it has brought our community. We have included a chronology highlighting many of the milestones of the past decade. We also must acknowledge the efforts of those who made it happen. This includes my predecessor, Kelly Mather, and the hospital administration team, the District board and the Foundation, along with so many generous donors and community supporters, and our community which provided much-needed parcel tax funds.

Returning to the subject of Covid, I would be remiss if I did not acknowledge the efforts of our local partners this past year, especially in helping organize the testing and vaccination clinics. The success of these efforts owes much to the hard work of the Sonoma Valley Community Health Center and the coalition of community interests formed under Sonoma Valley Health Partners. This includes the Sonoma Valley Fire District, City of Sonoma, Schell-Vista Fire Protection District, Sonoma Valley Unified School District, and the Sonoma Valley Catalyst Fund, along with support from La Luz, Vintage House, Rotary Club and many community volunteers. Our community owes them all a debt of gratitude.

I'm deeply honored to be entrusted with the responsibility of leading Sonoma Valley Hospital into the future and I'm confident we will continue to build on the inspiring progress made in the past decade to maintain Sonoma Valley Hospital as a vital resource for our community.

My best wishes to you for a healthy 2022.

John Hennelly
President and Chief Executive Officer
Sonoma Valley Hospital

Sonoma Valley Health Care District



2021 Board of Directors

Joshua Rymer, Chair
Michael Mainardi, First Vice Chair
Susan Kornblatt Idell, Second Vice Chair
Bill Boerum, Treasurer
Judith Bjorndal, 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. The board is advised by five standing committees (Quality, Finance, Audit, Governance and Affiliation Oversight) that have 14 members representing the community. Monthly board meetings are open and public comment is welcome. Meeting information is available at sonomavalleyhospital.org/healthcare-district-information/calendar.

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.

2021 FINANCIAL REPORT

The pandemic continued to financially impact the hospital throughout much of the past fiscal year, causing a decrease in volumes and revenues compared with 2019 in both Outpatient Services and the Emergency Department, two main service areas that generate considerable revenue for the hospital. As the fiscal year ended in June 2021, the hospital was experiencing recovery in both areas, although not to pre-pandemic levels. To offset pandemic-related loses, which totaled around \$5 million, the hospital received Covid recovery funds provided by the federal government.

The ransomware cyberattack the hospital experienced last October, while having only a small impact on services, affected the hospital financially. In addition to causing delays in billing, it led the hospital to purchase new technology to enhance security. Total cost of the attack was \$1.6 million. The hospital did not pay the ransom demanded by the intruders and, fortunately, maintains insurance which will cover most of the expenses related to the attack.

2021 marked the first full year working with The Ensign Group to manage the Skilled Nursing Facility, and the transfer has proved to be a good decision. This relationship preserved access to the SNF for our community while turning the service into a financially positive one for the hospital after several previous years of it posting a loss.

Our dependence on government payers continued in 2021, with Medicare and Medi-Cal patients accounting for 74% of hospital gross revenues. Commercial revenues, which offer higher compensation rates, remain at a lower level than for many hospitals.

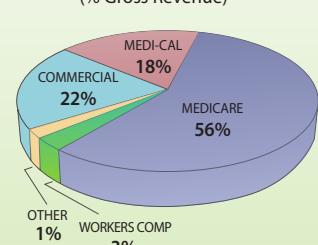
Note: Fiscal year 2021 covers July 1, 2020 to June 30, 2021

Payer Mix FY2021

	Gross Revenue‡	Payer Mix
Medicare	\$100,145,627	39.9%
Medicare Managed Care	39,124,901	15.6%
Medi-Cal	46,472,084	18.5%
Self-Pay	3,140,583	1.3%
Commercial & Other Government	54,549,113	21.7%
Worker's Comp	7,603,676	3.0%
Total	\$251,035,985	100.00%

‡June 2021

Payer Mix Fiscal Year 2021
(% Gross Revenue)



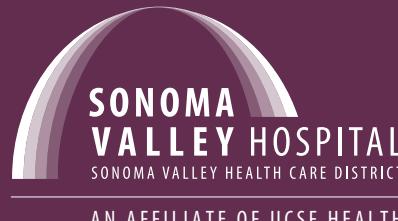
Net Patient Revenues

	2021	2020	2019
Medicare Services	\$138,551,115	\$132,528,038	\$116,561,188
Medi-Cal Services	46,739,072	42,665,195	49,134,185
Other Patient Services*	65,500,698	63,459,126	106,404,718
Contractual Allowances**	(201,811,786)	(192,033,659)	(214,546,401)
Total Net Patient Revenue	\$ 48,979,099	\$ 46,618,700	\$ 57,553,690

*Includes Commercial, Workers Comp and Direct Pay

**Includes Allowance for Doubtful Accounts

Cash and Cash Equivalents	\$ 10,682,617	\$ 11,054,230	\$ 5,651,697
Net Operating Margin	\$ (7,618,183)	\$ (7,012,995)	\$ (2,835,427)
Net Income	\$ 5,077,639	\$ 9,237,650	\$ 4,238,453



AN AFFILIATE OF UCSF HEALTH

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