



**North Sonoma County Healthcare District
dba Healdsburg District Hospital**

Critical Access Hospital Report 2015

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Section 1: Review of Services – In-Patient

2015 Summary of In-Patient Services

	2015	2014
Patient Days		
ICU (4 beds)	470	435
Acute Care (17 beds)	3,307	2,802
Swing	462	973
Total Patient Days	4,239	4,210
Sub-Acute (17 beds)	5,131	4,990
Admissions		
ICU (4 beds)	131	139
Acute Care (17 beds)	739	681
Swing	72	132
Total Admissions	942	953
Sub-Acute (17 beds)	17	10
Discharges		
ICU (4 beds)	130	145
Acute Care (17 beds)	735	701
Swing	72	139
Total Discharges	937	985
Sub-Acute (17 beds)	37	10
Average Length of Stay		
Acute Care / MS & ICU	4 days	3.2 days
Swing	6.4 days	7.4 days
Surgery		
Total Surgeries	1,033	1,066

Section 2: Review of Services – Out-Patient

2015 Summary of Out-Patient Services

	2015	2014
Surgery		
OP Surgeries	775	1,318
IP / OP Surgical Procedures	1,019	1,457
Orthopedics	472	207
Emergency Department		
Visits	9,251	9,176
Admissions from ED	61	59
Admission Rate (percent)	8%	8%
Radiology		
IP / OP Procedures	9,075	8,517
IP / OP MRI	663	570
IP / OP Ultra Sound	2,907	3,001
IP / OP CT	2,610	2,046
IP / OP Mammogram	1,265	1,448
Total Radiology Procedures	16,520	15,582
Clinical Laboratory		
IP / OP Tests	9,737	8,881
IP / OP Pathology	627	798
IP / OP Blood	211	236
EKG		
IP / OP EKG	2,011	1,831
Respiratory Therapy		
IP / OP Treatments	4,261	4,677
PT/OT/Speech		
IP/OP PT	3,628 / 2,327	9,789 / 1,611
IP / OP OT	1830 / 1809	2,603 / 1,350
IP / OP ST	597 / 358	1,550 / 1,511
Total PT/OT/ST	4,219 / 4,4494	13,942 / 4,472
Cloverdale PT	3,373	3,070

Healdsburg PT	11,855	8,428
Clinics		
Wound Care	5,344	4,842
Clinics		
HPG	9,354	15,945 (HPC)
Specialty	946	1,269
Occupational Medicine	6,575	5,162
Total Out-Patient Visits	38,183	52,388

Section 3: Revenue

Revenue by Payer

Payer	2015	2014
Medicare	46,841,726	45,813,410
Medi-Cal	24,870,317	20,840,542
HMO/PPO/COMM	23,984,163	25,186,830
Self-Pay	2,267,333	3,901,790
All Other	1,194,543	2,865,063
Charity Care	996,625	496,912

Section 4

Review of Key Financial Indicators

- Acute care admissions increased by 8.52%.
- Average length of stay increased by 2.3%.
- Inpatient surgeries increased by 37%
- Total outpatient visits were down by 27%.
- Healdsburg Primary Care Group visits decreased by 44.6%.
- In 2015, there was a total negative bottom line of (\$535,040) with a negative variance from the prior year of 325.8%.
- The balance sheet was stronger overall.
- Gross accounts receivable was less in 2015 (\$29,490,838) than 2014 (\$42,565,004).
- Vendor accounts payable was less in 2015 (\$5,082,617) than 2014 (\$5,963,83) due to the impact of managed payments of overdue accounts.
- Cash collections as a percent of net revenue was increased in 2015 (110%) from 2014 (101%).
- Salaries and wages were increased in part due to the continued adjustment of salaries by department after several years of no wage increases. There were also additional staff working during the year for the electronic healthcare record implementation. There was a positive variance for benefits.
- Supply expenses were increased by 13.5% due to pharmaceutical costs the increase in costs related to orthopedic surgeries.
- Healdsburg Primary Care Group (HPG) was formed and 2 new physician services agreements were initiated.
- Healdsburg District Hospital contracted with McGladrey to perform the annual audit. There were no going concerns.

Section 5

Volume and Utilization of Services

A. Capacity

Healdsburg District Hospital has a total of 21 available in-patient / observation beds with 4 beds in suspension. There are 10 beds available for use as swing beds. Transfer agreements are in place with area hospitals to be able to accept patients if volume exceeds capacity.

B. Volume

Inpatient days increased from 2,802 in 2014 to 3,307 in 2015. This increase is related to the addition of the hospitalist program and additional volume in orthopedic surgery. Swing bed volume decreased from 973 in 2014 to 462 in 2015. This decrease is related to the two orthopedic surgeons that discharge their patients by day 2 following surgery and initial resistance by the hospitalist group to utilize swing beds. The use of swing beds by hospitalists is improving.

Total out-patient visits decreased from 52,388 in 2014 to 38,183 in 2015. This is related to changes in the out-patient clinic structure and declines due to referral patterns. Emergency Department volume increased slightly from 9,176 in 2014 to 9,251 and enhanced the in-patient volume.

C. Utilization of Services

The average length of stay (ALOS) increased from 3.2 days in 2014 to 4 days in 2015 (ICU and MS combined). This increase was due confusion by hospitalists regarding use of swing beds and several difficult to place patients. Case management and utilization review was reorganized and processes for utilization defined and implemented.

A total of 37 cases were referred to the utilization review committee (URC) in 2015 as compared to 2014 with 26 cases. There were 20 denials in 2014 and 28 in 2015. Fifty-eight percent of these were overturned with the appeals process and all but 2 of the remaining cases were partially overturned and partial payment was received. This change is due to a focus on anticipated length of stay and aggressive case management with the hospitalists. Avoidable days were not tracked in 2014 and a process was implemented in January 2015. There were 431 avoidable days in 2015. There was one identifiable trend related to a specific physician. This physician was included in discussions regarding discharges and his practice improved, although he is no longer working at HDH.

The hospitalist on-duty has participated in the UR committee. A search is underway for a permanent physician to function in this capacity.

D. Transfers

Transfers from the Emergency Department (ED) to area facilities show no trends except for transfers related to strokes. Healdsburg District Hospital received stroke certification in 2014 and has worked collaboratively with California Pacific Medical Center to identify those patients who can be cared for at HDH and those requiring transfer. In 2014, a total of 16 patients with a primary diagnosis of stroke were seen in the ED. Of those, 31% or 5 patients were managed at HDH. The remainder were transferred to CPMC. In 2015, 13 patients with a primary diagnosis of stroke were seen in the ED and 6 or 46% were transferred to CPMC. The increase in the volume of transfers is related to a change in the standard of practice for patients with stroke that requires a higher level of care than provided by HDH.

Reasons for other transfers included, need for a general surgeon, need for an orthopedic surgeon, need for invasive cardiac care, need for pediatric acute care, and gastrointestinal bleeding. Thirty-two patients were transferred from the ED to other facilities in 2014 compared to 23 in 2015. Reasons included need for dialysis or very high acuity that required services not provided at HDH. All transfers are reviewed by the ED medical director and in the Medical Executive Committee for appropriateness. There were no EMTALA issues.

Section 6

Medical Records and Quality / Performance Improvement

A. Medical Records

Random audits of medical records occurs monthly and the director of health information management (HIM) provides a report to appropriate committees quarterly. Trends identified include the need for consistent date and time on all forms and physician identified documentation requirements that were immediately corrected. These issues were immediately improved with the implementation of the electronic medical record in October 2015.

An automated dispensing machine for medications was implemented in October 2015. This resulted in changes to billing codes and charges for medications. New audit tools became available and are yielding more accurate data than was previously available to assure medication administration patient safety.

Coding processes continue to be revised and staff was educated to assure accuracy. On-going monitoring is in place. ICD 10 was successfully implemented.

B. Electronic Health Record (EHR)

Healdsburg District Hospital is implemented an EHR and met Phase I for meaningful use. Various hardware, software, and interface issues have been resolved. Documentation screens, protocols, and order sheets continue to be developed, revised and improved. A vendor for a new PACS (Picture Archiving and Communication System) was identified and a contract was negotiated. A contract is in negotiation with a new radiology group who will begin providing services when PACS is implemented in early 2016.

C. Quality and Performance Improvement

- Major enhancement was accomplished in 2015 for quality and performance improvement. Key improvements include:
- Quality measures and outcomes were re-organized to make reporting more meaningful. A calendar of reporting events was developed.
- Many processes were re-designed with improved graphs and charts. Information is now routinely shared with staff.
- Each department has performance improvement plan and reports quarterly to the appropriate committee.

- Sepsis and infection rates are below national standards for the Sub-Acute Distinct-Part Skilled Nursing Facility (SA DP-SNF). Significant improvement that was noted in the Sub-Acute unit with both urinary tract infections (UTI) and overall infections in 2014 was maintained in 2015. Overall infections in the Sub-Acute unit fell from 2.2 / 1,000 patient days in 2014 to 0.55 / 1,000 patient days in 2015.

Infection rates decreased in the acute care area from 2.7 / 1,000 patient days in 2014 to 0.94 / 1,000 patient days in 2014.

The physician serving as the infectious disease specialist resigned and a search is underway for a replacement.

- Hospital wide indicators include falls, infections, core measures, medication errors, blood utilization, patient satisfaction, and SCIP (surgical care improvement project) measures.
- Initial survey with The Joint Commission (TJC) was completed in October 2015. The required plan of correction was accepted and Healdsburg District Hospital will become fully accredited with TJC in January 2016.

D. Compliance and Risk Management

The risk management and quality functions were separated. A compliance assessment and analysis was implemented and a compliance plan developed. Board members are serving on the committee which actively reviews the required elements of compliance. Staff and board members have received on-going education.

Contracts are being systematically reviewed and revised. A complete process for their management was implemented.

E. Medical Staff On-Going Peer Review

The process for peer review that was implemented in late 2014 has been successful and has expanded.

Section 7

Survey Readiness and Regulatory Issues

Healdsburg District Hospital has been accredited by Det Norske Veritas (DNV) since 2012. Stroke certification was received from DNV in early 2014. Healdsburg District Hospital applied for Stroke Certification from TJC in late 2015.

In 2015, there were 4 successful surveys:

- Initial Joint Commission accreditation indicating compliance with CMS CoP
- Sub-Acute CDPH annual survey with improvement from a 4-Star rating.
- Clinical Laboratory TJC survey
- Pharmacy California Department of Public Health Survey

There are on-going survey readiness activities through committees and staff involvement.

Section 8

Employee Resources

In 2014, there were 72 new hires as a result of voluntary resignations. There were 99 resignations. In 2015, there were 126 new hires. Some key positions continue to be filled by interim employees, however a permanent pharmacy director, social worker, director for Med-Surg / ICU and manager for ED was hired.

A major concern is the cost of living in the Healdsburg area that limits the ability to attract and retain qualified, experienced staff in all departments. Healdsburg District Hospital is adjusting salaries by department during each quarter; salaries for the nursing department is scheduled for 2016.

Section 9

Physician Recruitment and Community Involvement

Two physicians and an FNP were recruited in 2015 for Healdsburg District Hospital. Both physicians are family practice / internal medicine.

Two new accounts were added to Occupational Medicine.

The HDH website was redesigned to support an enhanced approach to community involvement and partnership. Staff are serving on area chambers and committees.

Healdsburg District Hospital participated in a number of community events and offered community education related to stroke awareness. Two new marketing campaigns were developed a different service is highlighted each month. Rack cards were created and distributed.

Section 10

Strategic Plan

A strategic plan was developed in late 2015 and was approved by the Board in December 2015. Quarterly reports will be presented to the Board. The major areas of focus in the plan include:

1. People Assure that HDH is an excellent place to work.
2. Risk /
Compliance Develop an effective healthcare compliance program that focuses on confidentiality, privacy work environment, reporting concerns of misconducts and protects NSCHD interests.
3. Quality /
Service Deliver patient care that meets or exceeds targeted standards for quality and safety.
4. Finance Assure that financial and other resources are available to support our future growth.
5. Community Achieve thoughtful growth in services that are valued by our community and viable to the organization.
6. IT / Technology Enhance the use of technology for clinical and business purposes.
7. Board /
Governance To ensure that the Board fulfills its legal, ethical, and functional responsibilities through adequate governance, policy development, recruitment strategies, training programs, monitoring of Board activities, and evaluation of Board members' performance.
8. Strategic
Partnerships Enhance the long-term viability of the organization to provide additional and specialized services to the community that connects care with NSCHD and other organizations.