



**North Sonoma County Healthcare District  
dba Healdsburg District Hospital  
Critical Access Hospital Report 2017**

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## Section 1: Review of Services -In-Patient

### 2017 Summary of In-Patient Services

	2017	2016
<b>Patient Days</b>		
ICU (4 beds)	459	345
Acute Care (17 beds)	2,096	2,698
Swing	297	493
<b>Total Patient Days</b>	2,852	3,536
Sub-Acute (17 beds)	4,963	5,771
<b>Admissions</b>		
ICU (4 beds)	105	111
Acute Care (17 beds)	569	615
Swing	62	54
<b>Total Admissions</b>	736	780
Sub-Acute (17 beds)	13	11
<b>Discharges</b>		
ICU (4 beds)	64	54
Acute Care (17 beds)	628	659
Swing	66	61
<b>Total Discharges</b>	758	774
Sub-Acute (17 beds)	13	16
<b>Average Length of Stay</b>		
Acute Care / MS & ICU	3.7 days	4.3 days
Swing	4.5 days	8.1 days
<b>Surgery</b>		
Total Surgeries	919	744

## Section 2: Review of Services - Out-Patient

### 2017 Summary of Out-Patient Services

	2017	2016
<b>Surgery</b>		
IP / OP Surgical Procedures	919	664
<b>Emergency Department</b>		
Visits	8,839	8,956
Admissions from ED	460	376
Admission Rate (percent)	5.2%	4.2%
<b>Radiology</b>		
IP / OP Procedures	7,335	7,133
IP / OP MRI	586	656
IP / OP Ultra Sound	2,553	2,770
IP / OP CT	2,697	2,647
IP / OP Mammogram	1,150	2,324
<b>Total Radiology Procedures</b>	14,321	15,530
<b>Clinical Laboratory</b>		
IP / OP Tests	7,740	7,875
IP / OP Pathology	713	691
IP / OP Blood	148	115
<b>EKG</b>		
IP / OP EKG	1,926	2,150
<b>Respiratory Therapy</b>		
IP / OP Treatments	1,114	801
<b>PT/OT/Speech</b>		
IP/OP PT	2,147 / 1,295	2,827 / 1,409
IP / OP OT	1,013 / 778	1,729 / 1,412
IP / OP ST	136/135	395 / 127
<b>Total PT/OT/ST</b>	3,926 / 2,208	4,951 / 2,948
<b>Cloverdale PT</b>	3,402	3,403

	2017	2016
Healdsburg PT	7,201	6,424
Wound Care	5,431	4,659
HPG	8,063	8,801
Specialty	1,505	1,164
Occupational Medicine	5,655	6,461
HBH (Behavioral)	2,073	2,721
Women's Clinic	224	21

### Section 3: Revenue

#### Revenue by Payer

<b>Payer</b>	2017	2016
Medicare	49,564,600	\$46,351,107
Medi-Cal	30,743,500	\$28,750,26
<b>HMO/PPO/COMM</b>	25,724,400	\$24,056,63
Self-Pay	2,456,700	\$2,294,675
All Other	1,692,000	\$1,581,868
Charity Care	0	\$529

## Section 4: Review of Key Financial Indicators

- Acute care admissions decreased by 7.5%
- Average length of stay decreased by 16.2%
- Surgeries increased by 23.5%
- Total outpatient visits were down by 3.7%
- Clinic visits decreased by 842 or 6.6%
- In 2017, there was a total positive bottom line of \$4,145,000
- The balance sheet was stronger overall
- Gross accounts receivable was higher in 2017 (\$32,536,000) than 2016 (\$29,707,000)
- Total cash collected in 2017 was \$40,824,000
- Salaries and wages increased by 7.6% (\$1,361,000). Market basket adjustments were given throughout the year. Benefits increased by 20% (\$1,413,000) as a result of market basket increases and an increase in worker's comp liability
- Supply expense increased by \$533,000 due to higher surgery volume
- Healdsburg District Hospital contracted with CPA firm, RSM (formerly McGladrey) to perform the annual audit. An unmodified, or clean opinion, was issued on the financial statements and there was no going concern.

## Section 5: Volume and Utilization of Services

### A. Capacity

Healdsburg District Hospital has a total of 21 available in-patient / observation beds with 5 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 decreased from 2,698 in 2016 to 2,096 in 2017. This decrease is related to decreased volume in orthopedic surgery. Swing bed volume decreased from 493 in 2016 to 297 in 2017. The use of swing beds by hospitalists is improving.

ICU volume increased from 345 in 2016 to 459 in 2017.

### C. Utilization of Services

The average length of stay decreased from 4.3 days in 2016 to 3.7 days in 2017.

Case Management, Revenue Cycle Director, and the Chief Nursing Officer (CNO) meet daily to review all patients in ICU and Medical Surgical Units. Length of stay is reviewed and those individuals that have accumulated at least a three day stay and qualify for Swing status are transferred to this accommodation.

Case Management accomplishments for 2017 include:

- One fulltime position, one part-time RN case manager, and one medical social worker staff the department. These staff members allow the department to provide optimal and highly proficient discharge planning and utilization review. Another full-time RN Case Management position has been approved in order to focus more on qualified Swing Bed patient admissions.
- Milliman Care Guidelines (MCG) implemented in 2016 is available for RN case manager use. The MCG product purchased by HDH includes Inpatient and Surgical Care, General Recovery Care and Recovery Facility Care guidelines. These guidelines allow for case managers to decipher appropriate admission status for patients and comprehensive utilization review for all patients. The MCG guideline reviews have been sent to all contracted payers, providing information to the payer about appropriate level of care and clinical status of patients.
- MOON (Medicare Outpatient Observation Notice) implementation started on October 1, 2016 per CMS guidelines. RN case managers have ensured that

all Medicare patients in observation status have received a thorough explanation of this notice and have assured that the patient has signed/dated the notice and a copy has been retained in their electronic record.

- Manager of Case Management followed readmission rates and causes for readmission. Through the CMS PEPPER (Program for Evaluating Payment Patterns Electronic Report) Full year 2016 noted that HDH fell under the noted average percentage of readmission, HDH had an 8.9% readmission rate during this time period. In 2017, the same hospital readmission rate is listed as 7.5%.

#### **D. Transfers**

##### **2017 HDH Emergency Department (ED) Transfers:**

In 2017 a total of 288 patients or 3% of ED Admissions were transferred from HDH ED to other facilities. This is an equivalent percentage compared to 2016. There were no EMTALA violations related to ED transfers.

Transfers from the Emergency Department to other facilities, which include, but are not limited to, Santa Rosa Memorial Hospital, Sutter Regional Medical Center Santa Rosa, Kaiser Santa Rosa and California Pacific Medical Center.



## Section 6: Medical Records and Quality / Performance Improvement

### A. Medical Records –

A primary focus for Health Information Management (HIM) during calendar year 2017 was enhanced regulatory and facility policy compliance. Of particular note were the efforts toward 100% compliance with hospital medical bylaws, governmental regulatory agency guidelines/requirements and Joint Commission standards.

Analysis of the current state and establishment of desired metric goals yielded a work plan with two primary areas of improvement opportunity.

1. Post-operative Reports – A goal was established at 98% of post-operative report dictation completed within 24 hours of surgery conclusion. The rate for the previous year was 92%.
2. Verbal Orders – Policy and standards state that physician verbal orders should be signed within 48 hours. The push toward 100% compliance with this standard continued through CY 2017.

Coding audits performed in early 2017 yielded an accuracy rate of less than 90%. As a result all medical coding was outsourced to a firm called Healthcare Coding and Consulting Services (HCCS). Since the change accuracy rates have consistently been in the 96% to 98% range

### B. Electronic Health Record (EHR)

Healdsburg District Hospital met and submitted criteria for Meaningful Use Stage 2 in 2016. Meaningful Use Stage 3 is in process for implementation in 2018.

Documentation screens, protocols and order sheets continue to be developed, revised and improved. Emergency Department Information System (EDIS), Peri-Operative Information Management System (PIMS), Picture Archiving and Communication System (PACS), and Point of Issue (POI) were fully implemented and operational in 2016. In 2017, eClinicalWorks (eCW) was optimized in the clinics, along with WoundExpert.

### C. Quality/ Performance Improvement

- The calendar of reporting quality measures was revised to provide more time for discussion in meetings by having quarterly reporting to Quality Council and the Board.
- Infection rates continue to be low in all areas.
- HDH Medical Staff telehealth physician has completed the required education for the Antimicrobial Stewardship Committee and is the chair of

the Infection Prevention Committee. The Infection Prevention / Antimicrobial Stewardship Program began meeting monthly as of October 2016.

#### **D. Compliance and Risk Management**

A compliance risk assessment was completed in 2017 and quarterly reporting of identified high risk topics was implemented. Board members are serving on the committee. Staff and board members have received ongoing education.

#### **E. Medical Staff Ongoing Peer Review**

Peer review for year 2017:

An ongoing process of identifying physicians who have been on provisional status for an extended period of time and completing their initial proctoring which consists of the peer review process i.e., Focused Professional Practice Evaluation.

- There has been physician involvement in reviewing charts with thoughtful insight to mentor peers and improve quality of care as needed with fellow physicians. Issues brought to the attention of our Quality/ Risk/Compliance Officer were handled in a timely manner through Quality Review Committee and addressed by the Chair physician.
- The ongoing Professional Practice Evaluation continues to be an effective tool in evaluating potential trends, patterns, or issues that occur during the two year privileging period. This document is used as part of the re-credentialing process to give insight on how the provider is providing care and assist with the information gathered to make a decision for privileging.

## **Section 7: Survey Readiness and Regulatory Issues**

### **Surveys:**

1. DHCS – Department of Health Care Services – D/P SNF Long Term Subacute Medi-Cal Contract Annual Survey (completed April, 2018)
2. Kaiser Contract for Subacute and Acute – Triennial On-Site (completed August, 2016 and due for resurvey August, 2019)
3. Subacute annual CMS Recertification Survey – completed 12/17
4. Subacute annual State Relicensing Survey – completed 12/17
5. Life Safety Survey – Annual (completed January, 2018)
6. Kitchen Survey – Sonoma County Dept of Public Health – Biannual (due September, 2018)
7. Pharmacy Compounding Survey – Annual (completed August, 2018)
8. State Relicensing Survey – Triennial – completed November, 2016
9. CMS Validation Survey – completed February, 2017

### **Accreditation:**

1. CAH - Joint Commission Accreditation 3 years effective 1-7-2016 (due 2018)
2. CAH Joint Commission Inter-cycle Monitoring Requirement completed November, 2017
3. Clinical Laboratory Joint Commission Accreditation 2 years effective February, 2018
4. Clinical Laboratory Inter-cycle Monitoring Requirement to be completed December, 2018

### **Significant Achievement:**

- Subacute Unit now has a 5-Star rating on CMS Skilled Nursing Compare

## Section 8: Employee Resources

At the end of 2017, there were 331 active employees. During 2017, there were 72 new hires and 120 separations; and as a result our turnover rate for 2017 was 33.6%. Some key positions continue to be filled by interim employees; however a Practice Administrator, Perioperative & Materials Management Director, Attorney, Patient Access Manager and 4 Physicians, were 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. A related concern is the lack of housing availability in Sonoma County due to the October 2017 wildfires. A second major concern is the Hospital's established salary ranges in comparison to the three major healthcare systems in Santa Rosa, which also limits the ability to attract and retain qualified, experience staff in all departments.

Zipcode	State	City	Full Time	Part Time	Per Diem
95403	CA	Santa Rosa	91	29	9
95448	CA	Healdsburg	33	7	5
95492	CA	Windsor	26	5	12
95425	CA	Cloverdale	18	3	3
94929	CA	Rhonert Park	9	2	0
95472	CA	Sebastopol	8	2	3
94952	CA	Petaluma Valley	9	2	1
94931	CA	Cotati	3	0	2
95446	CA	Guerneville	3	2	1
95482	CA	Ukiah	3	2	0
95436	CA	Forestville	2	2	0
95447	CA	Geyserville	1	0	1
95449	CA	Hopland	1	1	0
95467	CA	Hidden Valley Lake	1	1	0
95451	CA	Kelseyville	1	0	0
95450	CA	Jenner	0	0	1
95453	CA	Lakeport	0	0	1
95437	CA	Ft. Bragg	0	0	1
95465	CA	Occidental	0	0	1
95462	CA	Monte Rio	0	1	0

## **Section 9: Physician Recruitment and Community Involvement**

2016 marked the last year the Hospital was restricted from hiring physicians directly. In September 2016, Governor Brown signed AB2024 which allows Critical Access Hospitals to directly employ physicians. It took effect 1/1/2017. We are finding this new ability helpful as we go about filling vacancies and retirements. It makes us more competitive in the hiring arena as it gives physicians financial stability, employee benefits and proper practice management.

During 2016, under the old terms of hiring, we contracted with one new physician; a gynecologist for our new Center for Women's Health in Windsor.

In December, 2016, we negotiated with a podiatrist to work at our Northern California Wound Care and Hyperbaric Clinic to begin work in January, 2107 as an employed physician utilizing the change in the law. In 2017, HDH hired a general surgeon full time, a cardiologist full time, and a family practice physician full time.

We continued our outreach through the year within our communities including participation at three Town Square events, several Wellness Fairs and hosting students from local high schools considering careers in the healthcare field. Our staff is actively engaged in various community wellness and stroke committees.

2016 also marked a significant milestone with our community involvement; our associated Foundation brought to a successful conclusion its \$6 million community fundraising effort for new and updated imaging equipment including a new mobile magnetic resonance imaging (MRI) unit. Thanks to \$3 million raised locally over the last three years and then matched by the Kalmanovitz Charitable Foundation we had reached our goal by December 2016. The MRI was delivered in December, 2017, and officially permitted in March, 2018.

## Section 10: Strategic Plan

A strategic plan was developed in late 2016 and was approved by the Board in December 2016. 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 misconduct 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.