

# Sutter Solano Medical Center

## 2004 Annual Report

### *“Recreating Opportunities & Reaching for Possibilities....”*

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#### *Emerging with a Sense of Renewal...*

Sutter Solano Medical Center (SSMC) faced a year of successes and overwhelming challenges. Changes and transitions were abundant. Yet through all the turbulence, the Medical Center’s vision and mission remained in focus. We continued to provide compassionate service and high quality patient care.

As the door closes on 2004 and we move into 2005, SSMC will emerge to recreate opportunities and reach for possibilities with a sense of renewal, commitment to quality and excellence, and dedication to our community.

#### SSMC’s 2004 Magnificent “7”

- Compassionate Service & Operational Excellence
- Advancing the Quality & Safety of Patient Care
- Program & Site Expansion to Meet Future Consumer Needs
- Development of Talent & Technology
- Teaming with Physicians & Staff
- Fiscal Responsibility
- Service with a Sense of Higher Purpose to our Communities

SSMC’s mission statement and the Magnificent “7” continue to reflect the hospital’s commitment to the community and strongly support its dedication to providing high quality, safe and compassionate care.

#### *Mission:*

When people and families face health-related crises and life’s transitions, they want to be in a place that is comfortable and safe...where they can feel reassured and at home with professionals who help relieve their fears with excellent care and compassion.

With a history of over 100 years of service, Sutter Solano Medical Center values the trust of our community and is focused on the well-being of each person. We work with patients and their families to blend excellence in clinical practice and technology with the art of healing environments and compassionate care.

**People are at the center of all that we do.**

## **Strategic Planning & Business Development**

### *Expansion of Sites & Services to Meet Future Consumer Needs...*

The business of operating Sutter Solano Medical Center requires the ability to envision our community's needs for tomorrow and plan for those needs today. SSMC embarked on several exciting new initiatives in 2004 that will benefit the patients we serve including:

- The Emergency Department/Endoscopy/Main Lobby remodel to be completed summer of 2005.
- SSMC broke ground on the new Cancer Center in November and is expected to be completed by late Fall 2005.
- The Dan Foley Parking lot, a joint venture with the Greater Vallejo Recreational District, opened in December.
- The partnership with Sutter Regional Medical Foundation (SRMF) to develop strategic planning initiatives for Solano County.
- The Sutter Fairfield Diagnostic & Imaging Center opened in the summer of 2004.



The Sutter Solano Cancer Center Building Committee breaks ground on the new center which is expected to be open in the Fall of 2005.

# Operations Management

*Compassionate Service & Operational Excellence...*

SSMC faced many operational challenges throughout 2004. SSMC anticipated and embraced these challenges as opportunities to improve the way in which care is delivered to patients and our community.

## Leadership Strength and Transitions

In August, the executive leadership of the organization changed with the departure of the CEO. Interim leadership was quickly appointed with a permanent replacement expected in the 1<sup>st</sup> quarter of 2005. The goal to attract exceptional talent into the organization remains a priority as we build the foundation of strength and talent.

## Employee Satisfaction

2004 was a year of union activity and employee challenges. In January the nurses represented by the California Nursing Association challenged the medical center implementation of the nurse staffing ratios. In May, the SEIU Local 250 contract expired. Every effort was made to successfully negotiate a new contract. After many failed attempts to bring the union negotiators to the table, SSMC submitted its "Last, Best and Final Offer". Strike activity occurred, however 57% of our union employees reported to work during the labor action.

## Patient Safety

This year, Sutter Solano participated in the East Bay Regional implementation of the **electronic Intensive Care Unit (eICU)**. This amazing technology takes patient safety to a new level by placing video and voice technology in the patient rooms and transmitting a patient's critical monitoring data to a centralized hub, where medical Intensivist and nurses continually monitor our critical care patients. As a pending critical event is identified the Intensivist can immediately intervene with the help of the bedside nurse.



## Accomplishments

- The California Department of Health Services validated SSMC's Nurse Staffing Ratios in January.
- "Project Hope" (Hospital Operations Performance Excellence) was launched in the Spring to focus on near-term performance opportunities and to reduce expenses. A 40% reduction in the cost of orthopedic prosthetics was achieved.
- The IAMSystem, Integrated Access Management System, was implemented in the surgery department and assists the department with maximizing operating room/suite efficiency.
- SSMC was recognized by Sutter Health for successfully implementing the new Charity Care Policy and for fully implementing AB1627 which requires hospitals to make their charge description masters available to the public.

*"Only chaos creates the abyss in which we can re-create ourselves."*

## **Financial Management**

### *Fiscal Responsibility...*

Every organizational life cycle includes both peaks and valleys. Sutter Solano is working diligently to ensure that we remain financially viable and competitive in the local healthcare market.

- In an effort to standardize pharmacy charges throughout Sutter Health (SH), SSMC initiated a price reduction of approximately 17 percent in February. In mid-2004, SH also mandated more standard pricing by requesting that each affiliate's top 25 charges become more in line with one another. SSMC reduced our top 25 charges and went one step further by having a Competitive Pricing Analysis completed by an independent contractor. The analysis of all charges resulted in further price reductions which had a significant impact to SSMC's net revenues.
- Sutter Solano's Business Services Department consistently ranks in the Top 3 throughout the Sutter Health for Accounts Receivable Days. Sutter Health's benchmark for gross A/R days is 65; SSMC's average through November was 55.72 days.
- In June/July an unhealthy trend of decreasing revenues and increasing expenses was identified. A full analysis of the revenue and expense challenges was conducted. An aggressive budget turn around plan was developed and is in various stages of implementation. It is expected that SSMC will meet its 2005 budget targets by June 2005.

## **System Integration**

Sutter Solano continues to engage in a collaborative and mutually respectful relationship with Sutter Health and its many affiliates. As a member of this healthcare network, we utilize the resources and guidance of the system.

- SSMC Human Resources and Executive Leadership collaborated jointly with SH Human Resources and other affiliates to implement an effective, consistent Labor negotiation strategy with SEIU Local 250, to ensure that all aspects of staffing and patient safety issues were addressed.
- Board members, physicians and leaders of SSMC consistently participate in many Sutter Health Committees and Councils, service line groups, and East Bay Service Area governance activities.

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## **Clinical Quality & Service**

### *Advancing the Quality & Safety of Patient Care...*

Sutter Solano has a longstanding commitment to quality and patient safety as well as a dedication to ensuring that our employees consider Sutter Solano a great place to work and grow. Moving into 2004, SSMC is committed to constantly striving to improve quality and the environment in which we work.

## **Clinical Quality**

- In May, Sutter Solano received full accreditation by the Joint Commission on Accreditation of Healthcare Organizations.
- In June, the medical center received an unannounced DHS/CMS licensing survey which contradicted our previous accreditation and threatened our Medicare certification. We are still in the throes of this effort and continue to divert much of our time and resources to meet these requirements.

## **Service Quality**

- The Continuous Ambient Relaxation Environment (C.A.R.E.) Channel was implemented at the hospital and is available through the television in patient rooms and family waiting areas. The channel provides continuous relaxing visuals of nature and music to create a more healing stress-free environment.
- Service Excellence Leadership Development training began in January for our Hospital Leadership team, utilizing the Studer Group coaches and methodology. Many employee driven Service Teams were formed and “*Standards of Behavior*” were drafted. These new Standards are to implemented in the 1<sup>st</sup> quarter of 2005.

## **Physician Relations**

### *Teaming with Physicians...*

The partnership between our Medical Staff (MS) and Administrative Leadership is critical to our success. In 2004, the Medical Staff Leadership and physicians went beyond the call of duty on many occasions to ensure safe and quality care and the success of the organization.

### **Medical Staff Accomplishments**

- The Medical Staff Leadership formally revised, finalized and implemented new Physician privileges and proctoring requirements for the medical staff.
- The formalization of physician profiling began and is now noted in the re-appointment process.
- Many MS Bylaw changes were made to meet the new regulatory compliance.

•Physician leaders were key players in meeting JCAHO and DHS survey needs. Several “extra” MEC, General Medical Staff and other Department/Committee meetings were scheduled and well attended by the Medical Staff. As a result, new policies were approved, new procedures implemented and practices changed to ensure regulatory compliance.

•SSMC remains committed to physician recruitment strategies. SSMC is pleased to partner with Sutter Regional Medical Foundation in creating new and innovative physician recruitment and practice vehicles, as well as a strategy to meet changing consumer preferences in the delivery of their healthcare. Additionally, two new physicians were recruited to SSMC: Dr. Teran (Obstetrics) and Dr. Wong (Family Practice).

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## **Board Relations**

### *Our link to the community...*

In 2004 the Board of Trustees, with Administration and Medical Staff Leadership successfully engaged in many difficult policy decisions and issues. The Board demonstrated tireless commitment and passion for the Medical Center, fully supporting its value in the community it serves.

### **Transitions**

Board Chair, Annette Taylor and members Tony Intintoli and Dale Welsh have fulfilled their nine year terms as members of the SSMC Board of Trustees and Ron Rhea, filling a six-year commitment, resigned from the Board as well.

### **New Trustees & Trustee Roles**

Two new members, Gary Salvadori & Louis Caretti, have committed to serving as new members on the Board. Two additional members are being recruited. Moving forward into 2005, Dr. James Gemmer will be the new Board Chair, John Di Michele will sit as the Vice Chair, Mel Jordan will serve as the Finance Committee Chair and William Pendergast, III will serve as the Board Representative to Medical Executive Committee.

### **2004 Board of Trustees**

Annette Taylor, Chair

James Gemmer, M.D., Vice Chair

Ron Rhea, Vice Chair Finance

Richard Carvolth, M.D.

John DiMichele

Ed Berdick

Anthony Intintoli

Mel Jordan

Robert Shimshak, M.D.

Dinah Villanueva

Gregory Coe, M.D.

Dale Welsh

Ann Cousineau

William Pendergast, III

Terry Glubka, Secretary

## **Board Activities**

In addition to monthly attendance at SSMC Monthly Board and Committee meetings, Board members also participated in the following events:

Orientation (SSMC and Sutter Health)	Cancer Center Groundbreaking
Sutter Health Governance Symposium	Medical Executive Committee
Fundraising Events	General Medical Staff Meeting
Annual Employee Awards Dinner	

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## **Community Relations & Activities**

*Service with a Sense of Higher Purpose to our Communities...*

In 2004, SSMC invested a significant portion of its net operating revenues in community benefit activities, including:

- Uncompensated charity care
- Great Beginnings Perinatal Service Program
- Active participation on the Solano Coalition for Better Health
- Partnership HealthPlan of California
- Community health screenings
- Solano Kids Insurance Program (SKIP)

## **Foundation**

- The first Annual Report of the Foundation was distributed during the Annual Meeting and recognition of Jewel Circle Society members on January 12, 2004.
- The Foundation released \$288,000 in charitable distributions during 2004. These funds were used to support the Cancer Program, including the new Cancer Center, the Sutter Fairfield Diagnostic Imaging Center, and the Emergency Department expansion. The Foundation also purchased Anesthesia Monitors for the Surgery Department and awarded Trewin Scholarships to employees, nursing and medical students.

- With the formation of the Sutter Regional Medical Foundation and the completion of the Sutter Fairfield Medical Campus, the SSMC Foundation was approached to serve the charitable and fundraising needs of both affiliates. Successful negotiations resulted in a new name – Sutter Solano Charitable Foundation.

### **Community Activities**

- Twenty-six SSMC employees raised \$5,895 during the March of Dimes Walk-a-Thon.
  - Mare Island to Medusa 5k/10k Run: which raised over \$25,000 to be distributed to 31 youth groups in Vallejo.
  - Relay for Life
  - Vallejo Waterfront Festival
- SSMC leaders are encouraged to be actively involved in their communities. These activities include:
- Solano Economic Development Corporation
  - Vallejo, Fairfield/Suisun, American Canyon and Benicia Chambers of Commerce.

•The Foundation produced three fund-raising events in 2004 - “Escape to Oz”, a Fashion Show on April 28, raised \$34,000 for the new Cancer Center; the 18th Annual Golf and Tennis Classic on September 20th raised \$45,000 for capital projects; and “Crush for A Cure”, a Wine Tasting and Auction raised \$50,000 for Sutter’s capital projects in Solano County.



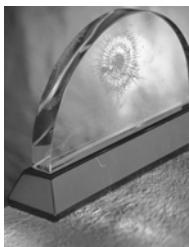
## **Guild**

•The Guild has 119 volunteers who have donated over 18,000 hours of service to Sutter Solano and its patients, visitors and employees. These volunteers offer services ranging from delivering newspapers to serving coffee and tea to visitors, and also staffing the Information Desk, assisting Case Management, the Cancer Resource Center, mail room and among other duties.

•The Guild’s main source of income comes from the Thrift Shop (off-site) and also from the Gift Shop (on-site) which is temporarily closed due to renovations. This past year the Guild donated \$5,000 for employee scholarships, \$7,000 for Foundation fundraisers, \$2,000 for the Employee Awards Dinner and \$15,400 to SSMC for capital improvements. Over \$1 million has been raised during the Guild’s 50 years of service.

## **Junior Volunteers**

•More than 30 active Junior Volunteers serve in the Medical Center, bringing cheer and youthful exuberance. They assist staff in the ER, Family Birthing Center, Radiology Department and other areas of the medical center. In its second year, the Junior Volunteer Program seeks to expose high school students to careers in the medical field and offers additional helpful hands to assist our patients.



## **Awards**

•The AHA Nova Award was presented to Sutter Solano in July at the AHA convention in San Diego. Sutter Solano was recognized as one of the founders of the Solano Coalition for Better Health, a cooperative approach to addressing the healthcare of the uninsured and underinsured patients in Solano County.

•The Voluntary Hospital Association (VHA) awarded Sutter Health with the VHA Leadership Award for 2004 for its entry “Moving Beyond Community Benefit into Community Health Improvement”. SSMC’s Great Beginnings Clinic was recognized as a contributor to this award for improving the quality of care for the people of Northern California.

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## ***“Reaching for Possibilities....”***

“Great possibility is fought with turbulence.” Author Unknown

Inviting community members, employees and physicians to be our partners as we build the foundation for a stronger, sustainable future.

Terry Glubka, Interim CEO