

ST. JOSEPH HEALTH SYSTEM  
SONOMA COUNTY



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SONOMA COUNTY

Annual Report 2006

OB Nurse Maria Ramirez and  
newborn Audriana Brace

A Ministry of the  
**Sisters of St. Joseph**  
of Orange





## Community Connections

Great things can happen when a hospital system develops strong connections with its community, and in the past year, the ties between St. Joseph Health System–Sonoma County and our community have borne tremendous fruit. Last fiscal year, individuals and organizations donated a record \$9.1 million to our foundations and hospices for the Norma and Evert Person Heart Institute at Memorial Hospital and other technology upgrades such as our 64-slice CT scanner at Petaluma Valley Hospital. I believe that these supporters are drawn to us because they share our values and are inspired by our mission: to care for people with compassion and dignity, and to improve the quality of life for everyone in our community.

With this mission at heart, SJHS–SC has reached out to the neediest community members in ways that most hospital systems do not. Last year, we committed \$2.4 million to free Community Benefit programs, such as our dental clinic and mobile medical clinic. You might say that these programs are our best-kept secret, because they aren't as visible as something like a new heart institute, yet they impact thousands of lives.

It's been a rewarding year, and I'd like to thank the hospital staff and community members who worked together to achieve so much. With our values at heart, we can continue this work for years to come.

George Pérez  
President and CEO

The big picture at St. Joseph Health System–Sonoma County can be summarized in four words: *from good to great.*

Santa Rosa Memorial Hospital (SRMH) and Petaluma Valley Hospital (PVH) were already good hospitals. In 2005 and 2006, they both took major steps toward becoming great hospitals, raising the bar for other healthcare organizations in Northern California. Our institutions strived for excellence across five strategic areas.

- 1. People.** This fiscal year, we launched a major initiative, called Journey to Excellence, to further increase our employees' level of engagement and dedication. For example, all leaders and managers began making regular rounds throughout the hospitals, talking one-on-one with staff: What's working well today? What's not working well, and how can we improve it? This level of communication and accountability will help make SJHS–SC an outstanding place to work, where committed employees provide the best service for patients.

# raising the bar even higher

## 2. **Compassionate Care, Safety, and Quality.**

This year, an intense new focus on quality measures took hold at SJHS–SC. Medical and administrative teams scrutinized every aspect of our care and procedures to save more lives. Our progress was impressive: We decreased the time it took heart attack patients to get lifesaving treatment, significantly reduced ventilator-associated pneumonia, and implemented Rapid Response Teams to treat critically ill patients' issues with greater speed. Another testament to our high quality standards was the recertification of SRMH's level II trauma center, which met rigorous national standards.

## 3. **Community Outreach and Social Change.**

SJHS–SC's most distinguishing trait continues to be its passionate dedication to ensuring that Sonoma County's poor and underserved receive the care and support they need. During the last fiscal year, we invested \$2.4 million in free community outreach programs, such as our mobile medical clinics, and we helped approximately 1,150 children get health insurance.

4. **Stewardship of Resources.** Another healthy operating margin—3.9 percent—allowed SJHS–SC to continue to fund its free community benefit programs

and to purchase new technology. But our boldest plans wouldn't have been possible without the record \$9.1 million donated to our foundations and hospices by generous community members. This year, we targeted cardiovascular and trauma services for expansion: We recruited a new team of talented cardiac surgeons, broke ground on the Norma and Evert Person Heart Institute, recruited new trauma specialists for our level II trauma center, opened a trauma clinic for patient follow-up, and purchased a state-of-the-art 64-slice CT scanner for PVH.

5. **Technology and Innovation.** Two giant developments set in motion this year will allow us to deliver the best care possible: the electronic Intensive Care Unit (eICU) and the new heart institute. The eICU being installed at SRMH and PVH saves lives through continuous, remote monitoring of patients. The heart institute, which will open in 2008, represents the wave of the future in heart care and will feature state-of-the-art technology and faster, more coordinated care.



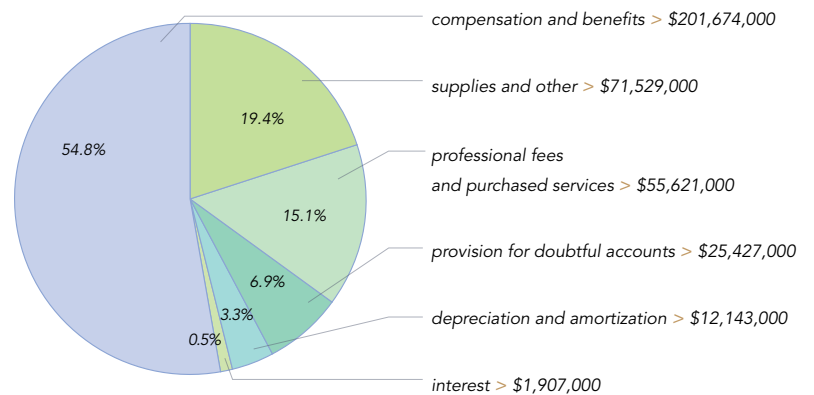


These numbers reflect another successful year for St. Joseph Health System—Sonoma County (data are for Santa Rosa Memorial Hospital and Petaluma Valley Hospital combined).

#### VOLUME OF SERVICES

Inpatient discharges	17,829
Inpatient days	94,885
Outpatient visits	256,495

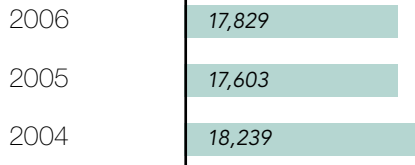
#### EXPENSES



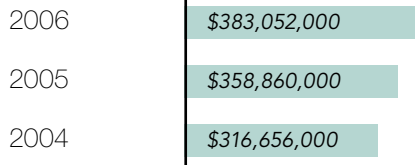
# 2006

## highlights

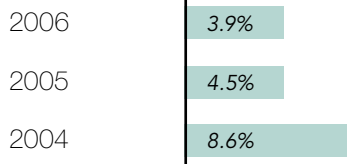
### INPATIENT DISCHARGES



### NET REVENUE



### OPERATING MARGIN



### Financial Results

NET REVENUE	\$383,052,000
OPERATING EXPENSES	\$368,301,000
Income (loss) from operations	\$14,751,000
Non-operating income (loss)	\$4,271,000
NET INCOME	\$19,022,000
Operating margin	3.9%



## highlights

# Santa Rosa Memorial Hospital

### NOTABLE FACTS

- In 2006, SRMH received the highest honor from Avatar International, a company that measures patient satisfaction for healthcare organizations around the world: its 5-Star Service Award for Exceeding Patient Expectations.
- For the 10th straight year, Sonoma County residents named SRMH its 2006–2007 Consumer Choice Award winner.
- Over the past year, SRMH's Rapid Response Team helped reduce the incidence of code blue (respiratory arrest) calls outside the ICU by 66 percent.

### SERVICES OVERVIEW

Inpatient discharges	14,206
Inpatient days	78,491
Outpatient visits	186,245
Licensed beds	345
Employees	2,179

### SERVICES IN DETAIL

Total surgeries	9,126
Babies delivered	1,221
Emergency Department visits	27,072
Trauma Center admissions	966
Cath lab procedures	1,358



### Financial Snapshot

#### Revenue:

Revenue from patient care services	\$303,428,000
Other	\$3,174,000
<b>TOTAL REVENUE</b>	<b>\$306,602,000</b>

#### Expenses:

Compensation and benefits	\$159,570,000
Supplies and other	\$59,192,000
Professional fees and purchased services	\$42,502,000
Provision for doubtful accounts	\$18,119,000
Depreciation and amortization	\$9,928,000
Interest	\$1,721,000
<b>TOTAL EXPENSES</b>	<b>\$291,032,000</b>

Operating income	\$15,570,000
Nonoperating gains, net	\$4,163,000
<b>NET INCOME</b>	<b>\$19,733,000</b>

Operating margin	5.1%
Foundation and grant contributions	\$7,473,872

# Petaluma Valley Hospital

## SERVICES IN DETAIL

Total surgeries	2,288
Babies delivered	536
Emergency Department visits	16,283

## NOTABLE FACTS

- In 2006, PVH received the highest honor from Avatar International, a company that measures patient satisfaction for healthcare organizations around the world: its 5-Star Service Award for Exceeding Patient Expectations.
- In a study conducted by PacifiCare, a major provider of healthcare plans in California, PVH ranked in the top 10 percent of Northern California hospitals for best practices.
- The PVH Foundation has completed an ambitious Capital Campaign that raised more than \$1 million for important advancements such as a state-of-the-art Digital Imaging Center and an electronic Intensive Care Unit (eICU).



## Financial Snapshot

### Revenue:

Revenue from patient care services	\$74,900,000
Other	\$1,550,000
<b>TOTAL REVENUE</b>	<b>\$76,450,000</b>

### Expenses:

Compensation and benefits	\$42,104,000
Supplies and other	\$12,337,000
Professional fees and purchased services	\$13,119,000
Provision for doubtful accounts	\$7,308,000
Depreciation and amortization	\$2,215,000
Interest	\$186,000
<b>TOTAL EXPENSES</b>	<b>\$77,269,000</b>

Operating income	\$-819,000
Nonoperating losses, net	\$108,000
<b>NET INCOME</b>	<b>\$-711,000</b>

Operating margin	-1.1%
Foundation and hospice contributions	\$1,632,188

## SERVICES OVERVIEW

Inpatient discharges	3,623
Inpatient days	16,394
Outpatient visits	70,250
Licensed beds	80
Employees	617



## our mission

To extend the Catholic healthcare ministry of the Sisters of St. Joseph of Orange by continually improving the health and quality of life of people in the communities we serve.

## our vision

To be recognized as a leader in providing regional integrated health care, promoting health improvement, and creating healthy communities.

## our values

**dignity** We respect each person as an inherently valuable member of the human community and as a unique expression of life.

**justice** We advocate for systems and structures that are attuned to the needs of the vulnerable and disadvantaged and that promote a sense of community among all persons.

**service** We bring together people who recognize that every interaction is a unique opportunity to serve one another, the community, and society.

**excellence** We foster personal and professional development, accountability, innovation, teamwork, and commitment to quality.

## Board of Trustees

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