

St. Joseph Health System

Sonoma County

ANNUAL REPORT 2008



ST. JOSEPH
HEALTH SYSTEM
SONOMA COUNTY

Your health. Your future. Our passion.



Keeping Our Promises in a Milestone Year

Almost 60 years ago, we made a promise to keep our standards high, meet the community's ever-changing needs, and care deeply about those we serve. In fiscal year 2008, our ministry reached new milestones as we honored that promise and furthered our commitment to provide high-quality, compassionate care to the community.

We opened the Heart & Vascular Institute at Santa Rosa Memorial Hospital to ensure patients in the North Bay have access to cutting-edge cardiovascular care.

Our efforts to provide not just excellent care, but perfect care resulted in a full, three-year accreditation from the Joint Commission, the lengthiest accreditation possible. We reinvested millions of dollars through our community benefit programs to those most in need throughout Sonoma County.

We are proud this past year's endeavors reflect promises kept. We look forward to continuing our efforts and meeting our commitments for generations to come.

Gary Greensweig, D.O.
Chief Medical Officer

Our goal is to provide perfect care, promote health improvement, and create healthy communities. We have identified six pillars of success to meet our commitment to you. These pillars shape our interactions with all whom we are privileged to serve.

People | We continue to be a great health system for our patients, their families, and our employees. In 2008, we established a local branch of the successful medical practice foundation St. Joseph Heritage Health Care to attract new physicians to the area. The foundation will enhance our ability to work collaboratively with physicians across the continuum of care and to provide patients the best possible treatment and latest technologies.

Service | Service is more than just a core value for our organization; it is the cornerstone for everything we do. This year, we focused on improving the quality of our encounters with patients by pledging to make every encounter sacred. We went above and beyond the normal call of duty and worked to ensure every interaction we had with patients was meaningful.

We also challenged ourselves to improve patient satisfaction scores. Several of our services stood out for their excellence in this area, garnering awards from Avatar International.

excellence in action

Quality | Quality is a top priority at St. Joseph Health System–Sonoma County. We strive to provide every patient with perfect care: appropriate, accurate, and error-free. Petaluma Valley Hospital (PVH) and Santa Rosa Memorial Hospital (SRMH) received near perfect scores in heart attack care, an achievement well above the national average.

Community | Working to improve community health is only successful when we work together with our neighbors. Our Mobile Health and Dental Clinics provide preventive care and treatment to working families in the community who would otherwise be underserved. And in our efforts to prevent and combat childhood obesity, our Community Benefit team is working in collaboration with the coalition CAN-C to help reduce childhood obesity in Sonoma County by 2018.

Stewardship | In fiscal year 2008, our employees showed commitment and engagement toward being good stewards of our resources despite the many challenges in the local healthcare and economic landscape. Without this stewardship, we would be unable to achieve our mission of serving the public and building healthy communities through our many programs.

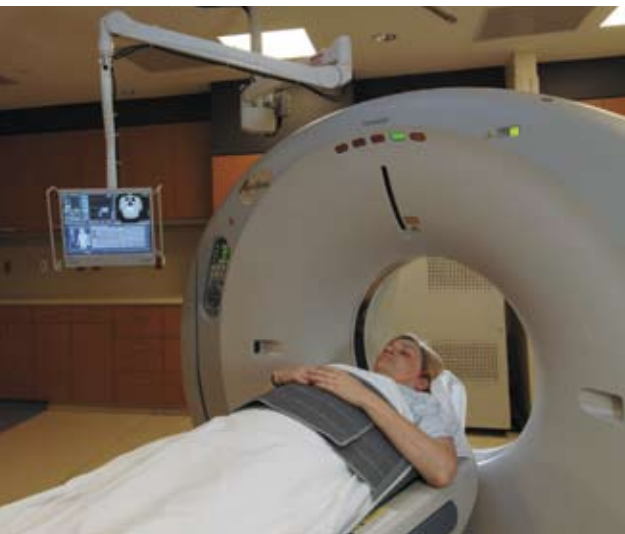
The opening of our 80-bed Center wing at SRMH allowed us room to put each floor in the hospital to its “highest and best use.” The added capacity also enabled

us to transition our Acute Rehabilitation and Palliative Care units away from leased facilities to Memorial’s campus, making optimal use of our facility resources.

Innovation | This year marked big changes for SJHS–SC, including the opening of our new Heart & Vascular Institute at SRMH. The Institute brings together cardiologists, cardiac and vascular surgeons, thoracic surgeons, interventional radiologists, and other specialists under one roof to provide the most advanced and effective treatments to patients in the North Bay.

SRMH and PVH were able to reduce mortality rates in our ICUs by 33 percent this year. We introduced the latest in clinical and system technologies to provide every ICU patient with additional staff and electronic monitoring. CareWatch, funded completely by donor dollars, saved 63 lives in the first three fiscal quarters. The system also reduces patients’ length of stay, decreasing their average length of time in our Critical Care units by one full day.





These numbers help tell the story of St. Joseph Health System–Sonoma County (data are for Santa Rosa Memorial Hospital and Petaluma Valley Hospital combined).

Financial Results

TOTAL REVENUE	\$430,231,000
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OPERATING EXPENSES	\$423,892,000
Income (loss) from operations	\$6,339,000
Nonoperating income (loss)	\$-6,578,000
NET INCOME	\$-239,000
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Operating margin	1.6%

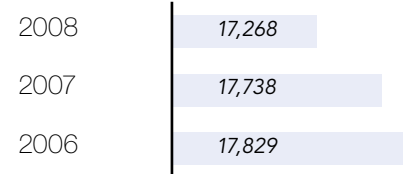
2008

highlights

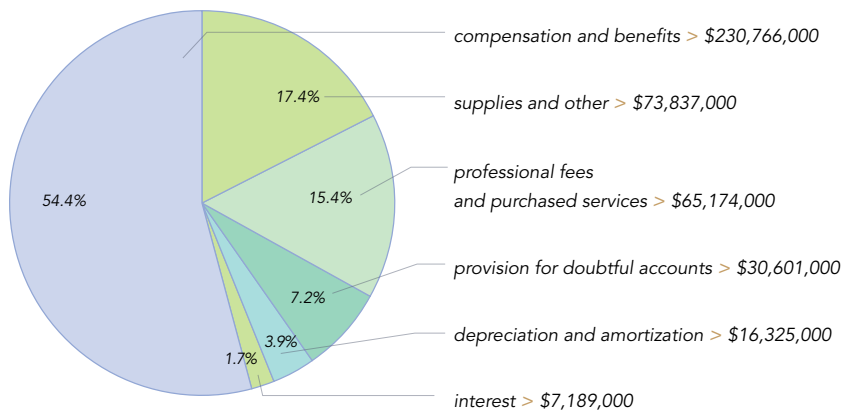
> VOLUME OF SERVICES

Inpatient discharges	17,268
Inpatient days	85,768
Outpatient visits	237,106

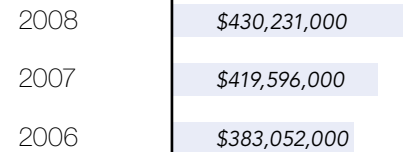
> INPATIENT DISCHARGES



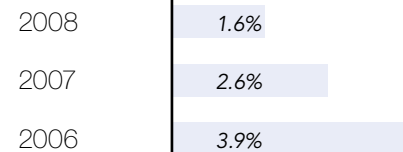
> EXPENSES



> TOTAL REVENUE



> OPERATING MARGIN



Santa Rosa Memorial Hospital

NOTABLE ACHIEVEMENTS

- For 12 years including 2008–2009, residents honored SRMH with the Consumer Choice Award.
- SRMH received the Medal of Honor & Meritorious Award from the U.S. Department of Health and Human Services for achieving a 75 percent organ donation rate for 36 months. It is one of only 93 hospitals nationwide to receive this level of accomplishment for the past four years in a row.

> SERVICES OVERVIEW

Inpatient discharges	13,810
Inpatient days	73,382
Outpatient visits	185,398
Licensed beds	280
Employees	1,646

> SERVICES IN DETAIL

Total surgeries	9,378
Babies delivered	1,301
Emergency Department visits	30,523
Trauma Center admissions	987
Cath lab procedures	1,348

Financial Snapshot

Revenue:	
Revenue from patient care services	\$341,709,000
Other	\$4,166,000
TOTAL REVENUE	\$345,875,000
Expenses:	
Compensation and benefits	\$182,304,000
Supplies and other	\$61,839,000
Professional fees and purchased services	\$51,177,000
Provision for doubtful accounts	\$23,854,000
Depreciation and amortization	\$13,094,000
Interest	\$7,032,000
TOTAL EXPENSES	\$339,300,000
Operating income	\$6,575,000
Nonoperating losses, net	-\$6,479,000
NET INCOME	\$96,000
Operating margin	1.9%
Foundation and grant contributions	\$5,554,079

Petaluma Valley Hospital

NOTABLE ACHIEVEMENTS

- PVH achieved one of the highest rates of in-hospital breastfeeding in California last year among new mothers who delivered at the hospital, according to a statewide study recently released by the California Women, Infants, and Children (WIC) Association and the U.C. Davis Human Lactation Center.
- The Avatar Five-Star Service Award for outstanding patient satisfaction was awarded to PVH for the third consecutive year.

> SERVICES OVERVIEW

Inpatient discharges	3,458
Inpatient days	12,386
Outpatient visits	51,708
Licensed beds	80
Employees	625

> SERVICES IN DETAIL

Total surgeries	2,449
Babies delivered	593
Emergency Department visits	15,492

Financial Snapshot

Revenue:	
Revenue from patient care services	\$83,197,000
Other	\$1,159,000
TOTAL REVENUE	\$84,356,000
Expenses:	
Compensation and benefits	\$48,462,000
Supplies and other	\$11,998,000
Professional fees and purchased services	\$13,997,000
Provision for doubtful accounts	\$6,747,000
Depreciation and amortization	\$3,231,000
Interest	\$157,000
TOTAL EXPENSES	\$84,592,000
Operating income	\$-236,000
Nonoperating losses, net	\$-99,000
NET INCOME	\$-335,000
Operating margin	-0.3%
Foundation and hospice contributions	\$2,073,743



our mission

To extend the healing ministry of Jesus in the tradition 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.



Your health. Your future. Our passion.

2008 board of trustees

Petaluma Valley Hospital

Peter Grauert	Sister Carol Marie Kelber, CSJ
Sister Diane Hejna, CSJ	Kevin Klockenga
James Leoni, M.D.	Josephine Thornton

Santa Rosa Memorial Hospital

Herbert Castillo	Timothy Moratto	Christopher Silva
Sister Judith Dugan, CSJ	Ernesto Olivares	Gene Traverso
Logan Faust, M.D.	Kevin Klockenga	Ed West, M.D.
Bill Finley, M.D.	Joe Randolph	
Sister Diane Hejna, CSJ	Sister Christine Ray, CSJ	
Ezbon Jen, Chair	Sister Mary Rogers, CSJ	