

2013

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National Quality Award Application



Sutter Davis Hospital

Sutter Davis **Difference**
~ A Culture of Caring ~

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Glossary of Terms
90-Day Action Plans

Any metric not meeting targets have 90-Day Action Plans devised to put processes and accountabilities back on track.

AAR

After Action Reports

ACOG

The American Congress of Obstetricians and Gynecologists

Action OI

An external organization which collects productivity and financial data from facilities around the nation to facilitate benchmarking and best practice sharing.

ADA

Americans with Disabilities Act

AHRQ

Agency for Healthcare, Research, and Quality

AIDET

Acknowledge, Introduce, Duration, Explanation, Thank you

AMI

Acute Myocardial Infarction (heart attack)

APR-DRG

All payer refined – diagnosis related group; CMS defines diagnoses and reimbursement structures for hospital patients.

ASA

All Staff Assembly

A-Team

Administrative Team

BC

Birthing Center

BOT

Board of Trustees

CalNOC

California Nursing Outcomes Coalition

CAP

College of American Pathologists

CDC

Centers for Disease Control

CDPH

California Department of Public Health

CEIF

Confidential Event Investigation Form

CEO

Chief Executive Officer

CEP

California Emergency Physicians

CEU

Continuing Education Unit

CHART

California Hospital Assessment and Reporting Taskforce

CMI

Case Mix Index

CMS

Centers for Medicare and Medicaid Services

CNE

Chief Nurse Executive

CNM

Certified Nurse Midwife

COS

Chief of Staff

Cost/CMI-Adjusted Discharge

A primary measurement of cost structure and affordability – total costs are assessed on a per-discharge basis with discharges adjusted for the severity of the patients.

County Organized Health Plan

A non-profit independent public agency that contracts with the state to administer medical benefits through local providers and/or health maintenance organizations.

Dashboard

Balanced scorecard used by SH to track the progress and performance of facilities on essential metrics.

DHS

Department of Health Services

EBITDA

Earnings before interest, taxes, depreciation, and amortization

ED

Emergency Department

EHR

Electronic Health Record

eICU

Electronic Intensive Care Unit

EMP

Emergency Management Program

EOC

Environment of Care

EVS

Environmental Services – housekeeping department

HAC

CMS Hospital Acquired Condition

HCAHPS

Hospital Consumer Assessment of Healthcare Provider and Systems

HF

Heart failure

HICS

Hospital Incident Command System

HML

High, medium, low – one of the primary tools used by managers to give job performance feedback to employees.

HVA

Hazard Vulnerability Analysis

IPC

Interdisciplinary Practice Councils

IS

Information Systems

ISMP

Institute for Safe Medication Practices

Joint A-Team

A combination of the administrative (senior leader) teams of SDH, SMG, and SMF.

LDI

Leadership Development Institute

LWOBS

Left Without Being Seen

MCE

Management and Clinical Excellence – a leadership development course focusing on process improvement and measurement

MEC

Medical Executive Committee

MIDAS

Software used for tracking, trending patient quality of care data

MOU

Memorandum of Understanding

MPC

Medical Policy Committee

MVV

Mission, Vision, Values

NACRS

National Ambulatory Care Reporting System

NLI

New Leaders Intensive

OFI

Opportunity for Improvement

OSHA

Occupational Safety and Health Administration

OSHPD

Office of Statewide Hospital Planning & Development (CA)

PACS

Picture archival computer system

PACU

Post Anesthesia Care Unit

Partnership Health plan

County Organized Health Plan provider in Yolo County.

PDSA

Plan, Do, Study, Act

PG

Press-Ganey

PI

Physician Performance Improvement – peer review physician committee

Pillars of Excellence

Sutter Health and Sutter Davis Hospital focus on the five Pillars of Excellence: Quality, Service, Finance, Growth, and People.

PIIT Crew

Process Improvement and Innovation Team

PMS

Performance Management System

PNE

Pneumonia

POP

Pulse on the Pillars, a weekly meeting of A-Team and management discussing patient satisfaction and brief overviews of each Pillar.

Product Review Committee

An interdisciplinary team that reviews new products and product quality.

PSR

Patient Safety Record

PT

Physical therapy

PTSV

Primary Term Singleton Vertex

RCA

Root Cause Analysis

ROI

Return on Investment

RT

Respiratory Therapy

SBP

State Board of Pharmacy

SCIP

Surgical Care Improvement Project

SDD

The Sutter Davis Difference. The culture of caring at SDH, defined as our culture of outstanding care to our patients, families, and each other.

SDH

Sutter Davis Hospital

SH

Sutter Health

SharePoint

Online collaboration sites used by various groups and teams to share information quickly

SHEW

Sutter Health enterprise warehouse

SHSSR

Sutter Health Sacramento-Sierra Region

SHU

Sutter Health University

SL

Senior Leaders

SMART Objective

A process improvement target that is Specific, Measureable, Attainable, Relevant, and Time-bound.

SMG

Sutter Medical Group

SMT

System Management Team

SS

Surgical Services

Staff/Employees

RN/Non-RN Work Segments

Standards of Behavior

Developed by front line staff, the Standards of Behavior outline the importance of personal accountability, attitude, courtesy, caring, communication, and teamwork.

SWOT

Strength Weaknesses Opportunities and Threats

TAT

Turnaround Time

TJC

The Joint Commission

Turtle Times

Weekly poster showing segmented patient satisfaction data, and positive comments from patients.

Turtle Transparency Website

SharePoint website that all staff have access to view, giving transparency to Dashboards, Department Profiles, PIT Crew, best practices, and action plans.

Value Analysis Team

An interdisciplinary team monitors compliance.

VBA

Value Based Purchasing

Vendor Credentialing Services

Internet-based software which tracks vendor and supplier compliance.

VOC

Voice of the Customer

VOW

Voice of the Workforce

WI

Wage Index

Workforce

RN, Non-RN, Physician, and Volunteer work segments

community clinics, and the county. Our hospital is a Joint Commission certified stroke center (7.1-5). The Ambulatory Surgery department provides primary backup to the ED for surgical emergencies, in addition to providing both same-day surgery and inpatient complex cases.

Another unique competitive advantage SDH has in the inpatient arena is our Electronic ICU (eICU). The eICU offers the ICU staff immediate access to critical care physicians. Sutter was the first system on the west coast to implement the eICU. This innovative technology provides the ICU staff and patients with continuous oversight, clinical support and immediate responsiveness to any clinical change in a patient’s status. The eICU physicians are also available for consultation with the nursing staff and local physicians. This electronic system supports our ability to achieve top decile clinical results (7.1).

The medical surgical unit has a comprehensive palliative care team which includes a geriatric nurse practitioner, board certified palliative care physician, social worker, case manager, dietician and Chaplin. This team is available to assist patients and families in chronic disease management and end of life care.

The medical surgical unit and birthing center unit are also the hub of activity for the Family Practice Residents, a teaching track emanating from our sister tertiary center in Sacramento.

SDH delivers care through a patient and family-centered approach; integrating with our physicians and our community partners is crucial in providing a comprehensive continuum of care for our patients and our community.

P.1a(2) Vision and Mission. Our core competency aligns the organizational culture of caring with our MVV (P.1-2). Senior leaders and workforce members continuously renew and reinforce the *Sutter Davis Difference* throughout the organization in a continuous journey towards our MVV, and everyone is held accountable to safe patient care. This is accomplished through the STANDARDS OF BEHAVIOR (1.1a[1]), the STANDARDS OF BUSINESS CONDUCT (1.1a[2]), annual ALL STAFF ASSEMBLY (5.2a[2]), quarterly CULTURE OF CARING CLASS (5.2a[2]), and quarterly ROUND-THE-CLOCKS (5.2a[2]). The CULTURE OF CARING also reflects how we care for each other, and is represented in workforce engagement processes and results (7.3-11 thru 7.3-20). Leadership

Figure P.1-2 – MVV and Core Competency	
Mission	
To enhance the well-being of people in the communities we serve, through a not-for-profit commitment to compassion and excellence in health care services.	
Vision	
We lead the transformation of health care to achieve the highest levels of quality, access, and affordability.	
Values	
Honesty & Integrity Excellence & Quality Innovation Affordability	Teamwork Compassion & Caring Community
Core Competency	
The Sutter Davis Difference (A CULTURE OF CARING)	

development further builds upon our workforce engagement and our success relative to our competitors (7.3-27). A continuous focus on process improvement and innovation through the mechanisms listed in 6.2-2 creates a continuous learning environment.

Uniquely, the symbol of the turtle helps SDH staff identify with the organizational CULTURE OF CARING. Adopting the turtle as a mascot is a way for employees to identify with the qualities symbolic of this enduring

creature. The turtle is gentle and caring, deliberate and steady, venturing forward when it sticks its neck out along its journey. Its hard shell provides a safe environment and they are survivors, known for longevity and sustaining life, attributes we believe in at SDH. The turtle mascot is frequently seen visiting with patients, during employee recognition events, and can be spotted on the weekly Turtle Times poster reporting patient satisfaction results. (1.1-2).

P.1a(3) Workforce Profile. SDH patients receive services from 385 employees, 394 physicians, and approximately 100 volunteers. The workforce is further segmented into RN’s, non-RN’s, physicians and volunteers. The workforce represents the diversity of the community it serves (P.1-4). Among RNs, our largest employee group, 25% have a bachelor’s degree or above. Key elements that engage the workforce in achieving SDH’s mission and vision are determined through workforce focus groups (P.1-3). There are no organized bargaining units. Our benefit package is substantial and one of the key benefits is a fully funded employee pension plan (7.3-10). Other benefits are outlined in 5.1b(2). Important health and safety requirements are described in 5.1b(1) and results are shown in 7.3-6 thru 9; and are measured and improved upon through the formalized ENVIRONMENT OF CARE (EOC) structure (5.1b[1], 5.1-1). Workforce segments are surveyed annually to measure how the organization is meeting their needs and to initiate cycles of improvement for workforce satisfaction and engagement (7.3-11 thru 20).

Figure P.1-3 – Workforce Satisfaction and Engagement	
Workforce Segments	Key Engagement Elements
RNs	<ul style="list-style-type: none"> Development and career opportunities (7.3-12) The work environment and management support (7.3-13) Effective communication, cooperation and teamwork (7.3-14)
Non-RNs	<ul style="list-style-type: none"> The work environment and management support (7.3-13) Effective communication, cooperation and teamwork (7.3-14)
Physicians	<ul style="list-style-type: none"> The work environment and management support (7.3-16) Effective communication, cooperation and teamwork (7.3-17)
Volunteers	<ul style="list-style-type: none"> The work environment and management support (7.3-19) Effective communication, cooperation and teamwork (7.3-20)

Figure P.1-4 Workforce Profile				
Workforce	389	RN – 53%	Non-RN – 47%	
	Employees	Female – 82%	Male – 18%	
	385	53 Specialties		
	Physicians	Female – 29%	Male – 71%	
Tenure: Employees (years)	90	Female – 92%	Male – 8%	
	<1 = 12%	1-5 = 34%	6-10 = 23%	
	11-20 = 25%	>20 = 6%		
Status: Employees	FT = 61%	PT = 26%	PD = 13%	
	White = 61%	Asian = 16%	Other = 3%	
Ethnicity	Employees	Hispanic = 14%	African American = 6%	
		Yolo County	White = 49%	Asian = 14%
	Hispanic = 30%	African American = 3%		

Figure P.1-5 – Legal and Regulatory Environments	
Regulatory Requirement	Regulatory Agency
Occupational Health & Safety Regulations	Cal-OSHA
Accreditation	TJC, CAP
Certification and Licensure	CDPH (Title 22), CMS (Conditions of Participation), FDA, DEA, OIG, IMQ, SBP, CRHB, ACCME, DOJ
Health Care Delivery Standards	TJC, CMS, CDPH, AHRQ, CAP, MBOC, CDC
Financial Regulations	IRS, OSHPD, CMS, CDPH
Environmental Regulations	ADA, Cal-OSHA, CDC

P.1a(4) Assets. SDH is a single hospital facility of approximately 98,000 square feet, including 48 inpatient beds 30 medical-surgical inpatient beds, six intensive care unit (ICU) beds, and 12 perinatal Birthing Center beds. All patient rooms are private, single-bed rooms. The Surgery Center has four operating rooms and one procedure room. The Emergency Department has 11 beds. Innovative technologies and equipment include the Electronic ICU (eICU), in which intensivists and specialty-trained nurses use early warning software and advanced video and electronic monitoring to keep a close eye on critical-care patients throughout SH-affiliated hospitals 24 hours a day, seven days a week. Diagnostic images are interpreted by radiologists using PACS technology, a picture archive communication system. SDH documents patient care electronically in the Birthing Center, Emergency Department, and Surgery Center. SH is currently investing in electronic health record systems for all acute care facilities. SDH has collaborated with community clinics, affiliated physician offices and the University Medical Center to access and exchange patient information electronically. This ensures accurate and timely health care delivery while maintaining the integrity of the patient plan of care. In addition, to ensure convenient follow up, every patient that is discharged from SDH leaves with a scheduled physician office appointment. Patients requiring a follow-up appointment from the emergency department also have scheduled physician appointments. This innovative process serves to reduce readmissions to the hospital, and reduces emergency department revisits aligning our activities with the changes ahead in health care reform and to our Strategic Objective (SO) of Continuum of Care and Affordability (7.4-22)

P.1a(5) Regulatory Requirements. Like all hospitals in California, SDH

operates in a highly regulated environment. SDH has mechanisms in place to comply with, and often go beyond, federal, state, and local regulations (P.1-5, 7.4-9, 10). To further drive performance excellence, SDH also engages in voluntary accreditation through the Joint Commission (TJC) and the College of American Pathologists (CAP). Additionally, SDH maintains its own internal credentialing, safety and risk management functions, regulatory and accreditation readiness and compliance processes. This standardized approach allows SDH to ensure regulatory requirements are met or exceeded consistently and utilizes the sharing of best practices or lessons learned from other Sutter Health affiliates. The Sutter Health Compliance Program helps SDH to fulfill its mission to patients and the community by ensuring consistent compliance with laws relating to business activities such as the Health Insurance Portability and Accountability Act (HIPAA) and the Stark Law. The compliance program assists us in managing ethical standards required of employees, physicians, suppliers and collaborators in compliance with the Office of the Inspector General (OIG) and other state and federal agencies.

P.1b Organizational Relationships

P.1b(1) Organizational Structure. SDH operates as part of a regional structure within SH (P.1-6). SDH is governed by a regional Board of Trustees, which oversee SDH, the five other Sacramento-area hospitals, and the regional medical foundation. The Board of Trustees meets every other month and includes lay community members and physicians, with regional and affiliate administrative members participating as non-voting members. Eight Board committees, including Finance and Planning, Governance, Compliance, Credentialing, and Medical Policy, meet regularly and oversee specific responsibilities. The SDH CEO reports to the SHSSR President. The SDH senior leader team reports to the SDH CEO, with the exception of the HR Director and the CFO who report to SHSSR functional leaders with dotted line reporting to the SDH CEO.

SDH is also able to take advantage of the regional managerial structure that is built into many of our service lines and departments. Regional matrix management relationships allow managers throughout the region to share best practices and standardize supplies, equipment, and processes, creating additional efficiencies for the system.

P.1b(2) Patients, Other Customers and Stakeholders. As a healthcare

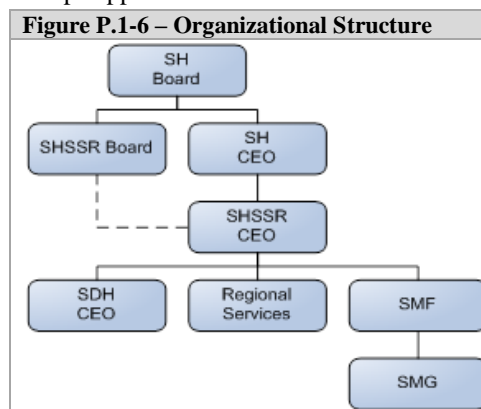


Figure P.1-7 – Key Customer/Stakeholder Requirements and Expectations						
Key Requirements	MS	BC	ED	SS	C	Methods for Monitoring Requirements (2.1-2.4, 1-2, 6.1-3, 7.1-7.5)
Safety	•	•	•	•		HAC, Mortality, COSS
Efficiency	•	•	•	•		LOS, Service Turn-around, Wait times, Supply chain
Friendliness	•	•	•	•		Press-Ganey, HCAHPS
Knowledgeable caretakers	•	•	•	•		Press-Ganey, HCAHPS
Quality	•	•	•	•	•	HAC, Mortality, Core Measures, COSS, Readmissions
Affordability	•	•	•	•	•	Cost/CMI Adjusted Discharge, Readmissions, Continuum of care, Finance
Access to care					•	Market share, LWBS, Turn-around
Indigent care					•	Charity care

MS = Med-Surg/ICU; BC = Birthing Center; ED = Emergency Department; SS = Surgical Services; C = Community

Figure P.1-8 – Key Suppliers, Partners, and Collaborators

Suppliers and Partners	Role in Delivery of Health Care Services and Patient Stakeholder	Communication mechanism	Role in contributing and implementing new innovations
Suppliers			
Service plays vital role in providing and delivering essential products, services, and resources			
Owens and Minor Amerisource Bergen	<ul style="list-style-type: none"> Deliver healthcare products and services Performance Improvement 	<ul style="list-style-type: none"> Value Analysis Team Electronic data interchange SH Supply Chain Services contracts Quarterly business review Vendor credentialing 	<ul style="list-style-type: none"> New products, technology and services, purchasing performance Share best practices
Partners			
Services play strategic role in achieving common goals to improve performance.			
DaVita Sierra Organ Donation Cardinal Cell Saver AMR	<ul style="list-style-type: none"> Healthcare delivery Performance improvement Information management Physician Satisfaction Patient Satisfaction Quality outcomes 	<ul style="list-style-type: none"> Medical staff committees Newsletters Contract review Performance review 	<ul style="list-style-type: none"> Innovative technologies and care delivery Share best practices Workforce learning and development
Collaborators			
Organizations who cooperate and align to achieve short term goals.			
CommuniCare Health Centers Hospice Partnership Health plan Farmers Market Yolo County Health Department Tertiary Care Medical Centers	<ul style="list-style-type: none"> Provide specialty level care, continuum of healthcare services; population segments including the underserved, under insured Provide community forum for health education and marketing 	<ul style="list-style-type: none"> County taskforce on low income health providers and hospitals. (safety net) A-Team representation on community boards Community event participation Transfer agreements 	<ul style="list-style-type: none"> Expanded availability of health care resources Provide healthcare expertise Share best practices Workforce learning and development

provider, SDH maintains focus on two main health care market segments: patients and the community. Patients are further segmented into our core service groups: Med-Surg/ICU, Birthing Center, Emergency, and Ambulatory Surgery. Key customer requirements and expectations are outlined in P.1-7, and are determined by our MVV (P.1-2) and are assessed, and improved upon using the Listening, Interacting, and Observation Methods described in 3.1a(1) and 3.1-1. Requirements do not vary across segments.

P.1b (3) Suppliers and Partners. Service suppliers and partners have important relationships with SDH as they impact our organization’s ability to provide patient access to safe, high quality, and affordable health care. SDH effectively manages supply cost by collaborating with the SH Supply Chain services to maximize group purchasing strength and improve vendor contract terms and pricing. Key supply chain requirements for vendors include competitive pricing, timely delivery of products and services, and product quality. Managing relationships with our key partners and collaborators ensures that SDH provides efficient management of health care resources and costs. A recent collaboration with the orthopedic implant suppliers and orthopedic physicians is based on fair pricing. This process allows the physician to use any suppliers based on their willingness to meet a pricing strategy. This results in a win/win situation. SDH’s key types of suppliers, partners, and collaborators are shown in P.1-8 including, the roles they play in delivering healthcare services, patient, stakeholder, and support services, mechanisms for communications, and roles of these organizations in innovation.

P.2 Organizational Situation
P.2a Competitive Environment

P.2a (1) Competitive Position. SDH is one of two hospitals in Yolo County, that covers just over 1,000 square miles, the other being a 108-bed facility approximately 9 miles north (“Competitor 1”). A second competitor (“Competitor 2”) is located 19 miles west in the adjacent county. Larger tertiary

care medical centers – one affiliated with SH and others that are owned by competitors – can be found in Sacramento, approximately 20 miles east of Davis. These tertiary care medical centers are considered our collaborators.

SDH has a strong, competitive position in its primary service area, as market share data in 7.5 shows. SDH has transfer agreements in place for all tertiary care with our SH-affiliated tertiary medical center in Sacramento. Partnership with this facility and collaboration with our key collaborators (P.1-8) allow SDH to achieve its MVV through a high quality continuum of care.

P.2a (2) Competitiveness Changes. The principal factors that determine our success relative to our competitors revolve around our ability to continue to successfully deploy the SDH core competency (1.1-2). The *Sutter Davis Difference* represents our CULTURE OF CARING, which is reflected in the positive clinical quality ratings and outcomes (7.1), consistent strong patient satisfaction results (7.2) and a constant vigilance toward improving safety. Key changes taking place that impact SDH includes national health care reform, which will increase regulatory requirements and modified reimbursement structures. State and federal reimbursement rates will continue to decline, and both our customers and the regulatory bodies are demanding a more seamless continuum of care between the hospital and outpatient service. These challenges represent opportunities for innovation and collaboration with our partners and collaborators (P.1-8) to share information and work more closely to improve the health of our patients and community.

P.2a(3) Comparative Data. Key sources of comparative and competitive data are listed in P.2-1. Comparative databases typically allow comparisons to other facilities providing similar services throughout the country, within California, and occasionally within the local region. Benchmarks available may be national or state, quartile, or decile rankings. Limitations in obtaining these data are 1) benchmark data are often more than one year

old, 2) data on direct competitors are limited, and 3) benchmark data may not be available. SDH tracks most comparative data using the DASHBOARD and DEPARTMENT PROFILES (4.1-2).

Figure P.2-1 – Key Sources of Comparative and Competitive Data

Data Source	Data Type
Press-Ganey	Patient and physician satisfaction
HCAHPS	Patient satisfaction
Calhospitalcompare.org	Clinical quality rankings
CMS	Clinical quality process measures
Modern Healthcare	Employee satisfaction and engagement
Hay Group*	Employee satisfaction and engagement
Truven Analytics	Clinical quality outcomes, patient safety
Health Grades	Clinical quality outcomes, patient safety
OSHPD	Competitor volume and financial data
Action OI	Productivity and financial
Culture of Safety Survey	Safety comparative data (AHRQ)
Community Needs Assessment	Population demographics
Midas	Clinical quality and safety outcomes

* Not exclusive to healthcare

P.2b Strategic Context P.2-2 describes SDH’s key strategic advantages (SAs) and challenges (SCs) and how they align with the Strategic Objectives (SOs) described in 2.1b. On an annual cycle, SDH carries out the STRATEGIC PLANNING PROCESS (SPP, 2.1-1). The SPP reviews and updates SCs, SAs, and strategic objectives (SOs), and ensures SDH sustainability through alignment with SH and the MVV (2.1a[1]).

P.2c Performance Improvement System. Key elements of SDH’s performance improvement system are highlighted in the Leadership System (1.1-1). SDH’s primary approach to performance improvement is the PDSA methodology, which has the advantages of being fast and guided by data, allowing teams to react quickly to process changes that work or that should continue to be refined. Formal oversight of processes is provided by the PROCESS IMPROVEMENT AND INNOVATION TEAM (PIIT CREW, 6.1b[4]) and the INTERDISCIPLINARY PRACTICE COUNCILS (IPCs, 3.1b[1]) to track and align improvement and innovation opportunities. Innovation is an integrated component of performance improvement (6.1-1, 6.2-2). Innovations are tracked through the PIIT CREW and IPCs.

Evaluation is accomplished through the use of the DASHBOARD and DEPARTMENT PROFILES (4.1-2). These reports align with the PILLARS, and targets cascade from the SH system level through every level of the organization down to front-line staff via the Performance Management System (5.2-1). Performance evaluations systematically identify best practices and organizational learning opportunities. Best practices are shared through multiple approaches described in 4.1c(1). Systematic organizational learning also occurs annually through the Baldrige feedback and self-assessment processes (1.2a[2]).

Figure P.2-2 – Strategic Advantages and Challenges (Alignment with Strategic Objectives)

Strategic Advantages
1. Well-deployed interdisciplinary care teams (SO1, SO3, SO4, SO5)
2. Strategic partnership with affiliated medical group (SO1, SO2, SO6)
3. Integration of physicians and staff on process improvement and innovation (SO1, SO2, SO3, SO4, SO5)
4. Culture of accountability for customer satisfaction and safety (SO3, SO4)
5. Collaboration with community clinics (SO1, SO2)
6. County-organized health system (SO1, SO2)
Strategic Challenges
1. Significant regulatory barriers to adding or expanding California hospital facilities (SO2, SO3, SO6)
2. Maintain affordable prices in environment of increasing labor and technology costs (SO2, SO4, SO5, SO6)
3. Financial resources in environment of increasingly low reimbursements and impending health care reform (SO1, SO2, SO3, SO6)

1. Leadership

1.1 Senior Leadership

1.1a Vision, Values, and Mission

1.1a (1) Vision and Values. The SDH Leadership System (1.1-1) guides senior leaders’ actions through their commitment to the Mission, Vision, and Values (MVV). The Leadership System provides focus and direction for our primary work system of Patient Care Delivery (6.1-2, 6.1a[2]). Our values guide our behaviors and form the foundation for making ethical decisions. As a sustainable organization, SDH ensures a safe environment for the workforce and our key stakeholders through continuous process improvement and inspiring high performance (5.1-1). This approach demonstrates our ability to be agile and competitive to meet the continuously changing market conditions in health care. Deployed throughout the organization, our core competency – the *Sutter Davis Difference* – strengthens our organizational resolve to care for our patients, physicians, and each other.

The MVV for SH are set by the SH BOT and reviewed annually during their strategic planning retreat, as illustrated in the Strategic Planning Process (SPP, 2.1-1). SDH senior leadership – the Administrative Team (A-Team)– then reviews the MVV along with the strategic plan at the annual SDH A-Team Retreat. In order to ensure team alignment with all segments of our physician groups, the annual Joint A-Team Retreat includes senior leaders of the SMG, as well as physician leaders from the Hospitalist Team, the independent emergency department physicians, Communicare, Partnership Health Plan, and Yolo County Health Department. Alignment of the key customers and stakeholders with the organization is critical because this vision sets the context for the Strategic Objectives and Goal Summary (2.1-2).

In addition, the SDH A-Team and Management Team revisit and recommit to the SH MVV annually at the Management Symposium. A change was adopted in 2006 when the SH BOT added the value of Innovation. At the 2013 System Leadership and Management Symposium, SMT involved the management team in identifying Sutter’s cultural attributes. The top three included Quality, Customer Service and Ethics.

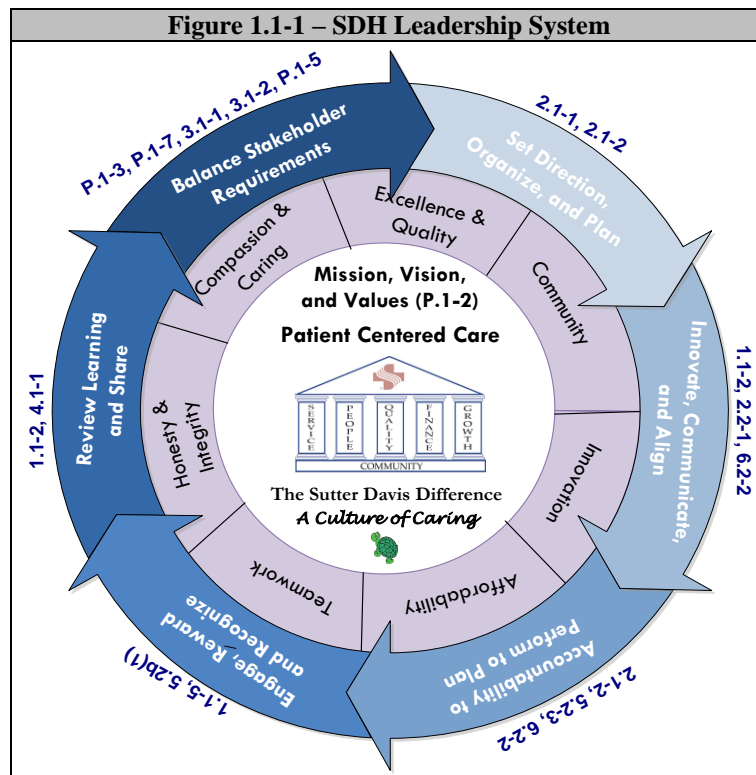
We deploy our MVV to all suppliers, other stakeholders, and other customers during our initial conversations and ongoing through systematic communication processes (1.1-2, 2.2a[2]). An example of these processes includes the **VENDOR CREDENTIALING SERVICES** and the **VALUE ANALYSIS TEAM**.

To ensure deployment throughout the organization and

workforce alignment, a committee of frontline SDH employees empowered by the A-Team established the SDH STANDARDS OF BEHAVIOR which have been fully integrated into the organization and culture. The focus on measurable, objective results aligned by the six PILLARS and SO keeps managers and staff focused on the appropriate outcomes associated with excellent patient care and service to our community. This focus, combined with the *Sutter Davis Difference*, ensures our entire workforce is aligned with the MVV of the organization. Our annual All Staff Assembly (5.2a[2]) brings leadership and workforce together to renew our focus on the MVV, the PILLARS, the STANDARDS OF BEHAVIOR, and the *Sutter Davis Difference*. SDH’s new employee orientation, entitled “A CULTURE OF CARING” (5.2a[2]), builds a foundation for this alignment with all new volunteer and staff members.

SDH senior leaders demonstrate a personal commitment to the organization’s values through specific aligned behaviors (P.1-2). Senior leaders participate in patient rounding (Com-

passion & Caring), in conjunction with the workforce to create a culture of safety (Teamwork), collaborate with physicians to ensure effective resource utilization (Affordability), and achieve outstanding clinical quality results (Excellence & Quality). SDH senior leaders also participate in monthly IPC meetings to demonstrate commitment to the values and collaborate with staff on ways to attain measured success toward the PILLARS and the values. Senior leaders’ annual evaluations are based on the targets set by the SMT and applicable PILLAR-focused objectives are cascaded to the workforce through the Performance Management System (5.2-1).



1.1a (2) Promoting Legal and Ethical Behavior. SDH senior leadership personally promotes an organizational environment that fosters legal and ethical behavior through our culture of caring, which requires consistent accountability. Honesty and integrity are at the core of SH Values (P.1-2). Accountability around legal and ethical behavior is achieved through the following mechanisms: 1) the Standards of Business Conduct, 2) Leadership Standards, and 3) numerous methods for open two-way communication (1.1-2). Senior leaders at SDH have established a “zero tolerance” standard for unethical behavior that aligns with the STANDARDS OF BEHAVIOR.

SDH senior leaders read and sign the SH Standards of Business Conduct upon hire into the organization, and must complete annual online training thereafter. The Standards of Business Conduct outline the resources and guiding principles

Figure 1.1-2 – Summary of Sutter Davis Difference Deployment and Communication Tools

Tool	Direction	Frequency	Evaluated	Audience					Deployment Purpose					
				St	V	Ph	Su	Col/P/C	MVV, 1.1a(1)	SPP, 2.2a(2)	Action Plans, 2.2a(2)	Knowledge Transfer, 4.2a(3)	Process Improvements, 6.2b(4)	
Management Tools														
Daily Census Report	↓	D	-	•									•	
Department Profiles, 4.1a(1)	↓	BW	A	•									•	
Dashboard, 4.1a(1)	↓	M	A	•	•	•							•	
Productivity Reports, 4.2a(2)	↓	BW		•									•	
Reward & Recognition, 1.1-5	↓↑	O	A	•	•	•			•		•			•
Communication Tools - Staff														
All Staff Assembly, 5.2a(2)	↓↑	A	A	•	•	•			•	•			•	•
Communication Boards	↓	O	-	•	•	•	•	•	•		•		•	•
Culture of Caring Class, 5.2a(2)	↓↑	Q	A	•	•				•				•	
Davis Difference Newsletter	↓	M	A	•	•	•			•				•	•
Satisfaction Survey, 5.2b(1)	↑	A	A	•							•			
IPCs, 3.1b(1)	↓↑	M	A	•		•			•	•			•	•
Round-the-Clocks, 5.2a(2)	↓↑	Q	A	•					•	•	•		•	•
Staff Meetings	↓↑	M	A	•					•	•	•		•	•
Standards of Behavior, 1.1a(1)	↓	O	A	•	•	•			•					
Communication Tools - Physicians														
Joint A-Team Meetings	↓↑	BM	A			•				•	•			•
Medical Staff Committees	↓↑	M	-			•			•		•		•	•
Physician Newsletter	↑	Q	A			•			•				•	•
Physician Satisfaction Survey	↑	A	A			•					•			
Communication Tools - Volunteers														
Auxiliary Board Meetings	↓↑	Q	-		•				•				•	
Auxiliary Newsletters	↓	BM	-		•									
Foundation Board Meetings	↓↑	M	-		•				•				•	
Volunteer Satisfaction Survey	↑	A	A		•						•			
Volunteer Update Meetings	↓	SA	A		•				•				•	•
Communication Tools - External														
Brochures and Flyers	↓	N	A	•	•	•	•	•	•				•	
Value Analysis Team	↓↑	BM	A	•		•	•		•	•	•			•
Face-to-Face with Collaborator Leaders	↓↑	N	-					•	•	•	•		•	•
Vendor Credentialing Services, 1.1a(1)	↓↑	A	-				•		•				•	
Communication Tools - Web-based														
All Recipients Email	↓	N	-	•	•	•			•	•	•		•	•
Email the A-Team	↑	O	A	•	•	•								
SDH MySutter Intranet Site	↓	O	A	•	•	•			•	•			•	
Turtle Times, 3.2a(1)	↓	W	A	•	•	•	•	•	•				•	•
Turtle Transparency Website	↓	O	Q	•	•	•			•	•	•		•	•
Webbase, Social Media	↓↑	O	A	•	•	•	•	•	•				•	
Safety														
Contracts and Agreements	↓	O	-			•	•	•	•				•	
Culture of Safety Survey, 1.1-3	↓↑	A	-	•					•		•			
Safety Ambassador Meetings, 5.1b(1)	↓↑	M	-	•							•		•	•
Safety Rounding, 1.1-3	↓↑	M	A	•	•	•					•		•	•

D = Daily, W = Weekly, BW = Biweekly, M = Monthly, BM = Bimonthly, Q = Quarterly, SA = Semiannually, A = Annually, O = Ongoing, N = As Needed, St = Staff, V = Volunteers, Ph = Physicians, Su = Suppliers, Col = Collaborators, P/C = Patients/Community

for ethical conduct, patient care and treatment, workplace conduct, employment practices, financial integrity, physician services, and health and safety concerns (7.4).

Leadership Standards are defined and rated on an annual basis within Performance Management System. Leadership Standards include engendering respect and trust, breakthrough critical thinking, process transformation, customer service excellence, innovation, and leading people and teams. The Performance Management System (5.2-1) allows for easy deployment of the Standards from SH senior leadership to regional senior leadership to SDH senior leadership, and also to the entire SDH Management Team, all of whom are rated on the Leadership Standards within their annual evaluation. Each year, the regional HR leaders review the Leadership Standards

for relevance and as a cycle of improvement, Innovation and Leading People and Teams were added. VENDOR CREDENTIALING SERVICES ensures partner/vendor knowledge of SDH ethical practice requirements.

Ongoing two-way communication provides another mechanism for SDH senior leaders to promote legal and ethical behavior. Senior leaders round to all departments on all shifts at least once per quarter – a process known as Round-the-Clocks – to provide information about the state of the organization and to gather feedback and questions from staff. The A-Team then discusses any staff feedback at its weekly A-Team meeting in order to respond to all workforce questions or concerns. The workforce also has access to a confidential ethics and compliance hotline/website (Confidential

Message Line), a confidential “Email the A-Team” link on our intranet, the Patient Safety Record (PSR) process, and an A-Team open door policy. Another systematic process for discussing and preventing ethical issues is the physician-led Ethics Committee (1.2b[2]). In an annual review of the compliance program, a compliance officer was added to SDH workforce along with monthly compliance meetings to review organizational processes and educate the workforce on compliance. SDH senior leaders also solicit feedback from staff through annual questionnaires, from workforce satisfaction surveys and Culture of Safety (7.4-3 thru 7), where staff are asked to what extent “I feel my organization is ethical” (7.4-12) and “I feel comfortable reporting an error or concern,” respectively.

1.1a(3) Creating a Sustainable Organization. SDH senior leaders create a sustainable organization by role modeling the Leadership System (1.1-1). Organizational sustainability is accomplished through alignment with our physicians, stakeholders, customers, and community partners. This group comprises the Joint A-team. The Joint A-team approach includes strategic planning sessions annually and bi-monthly meetings. This process allows SDH to meet strategic challenges, remain agile and competitive in the market place while achieving our MVV. This collaborative model has created a learning platform that allows our leaders to continuously improve the health care delivery model thus improving care to our communities through population management (7.1).

Performance improvement. Senior leaders personally create an organizational environment of performance improvement first by executing the leadership system and then systematically evaluating the leadership system effectiveness. (4.1-3) Senior leaders involvement in improvement efforts serves as a inspiration that fosters innovation within the workforces.

The deployment of the PIIT CREW ensures continuous improvement at the department level (6.1b[4]). The PIIT CREW acts as a central repository for all process-related opportunities for improvement throughout SDH that are identified through feedback from the Baldrige process or by any member of the workforce. Senior leaders review and prioritize the opportunities on a quarterly basis, communicate successes and best practices via the hospital e-newsletter which is updated daily, in coaching sessions, and at MEC, and on a quarterly basis via Round-the-Clocks. Senior leaders track the results of the current PIIT CREW results monthly at A-Team. Senior leaders ensure that PIIT CREW process improvements and innovations are aligned with the PILLARS and deploy process improvements and innovations through various mechanisms (1.1-2). The Rewards and Recognition Team (1.1b[1]) recognizes departments and teams that sustain results for six months or greater Senior Leaders further recognize high performers and innovative processes by selecting these individuals to speak at state and national conferences to share their innovations and best practices.

Accomplishment of MVV and strategic objectives. Achievement of the MVV is cascaded throughout SH via the DASHBOARD (4.1-1) and the PILLARS. Strategic objectives are aligned with the DASHBOARD and the PILLARS (2.1-2) by senior leadership and cascaded to the Management Team, and from the Management Team to the workforce (2.2-1). Senior leaders maintain a focus on accomplishing these metrics throughout the year using tools such as the DEPARTMENT PROFILES (4.1a[1]), PILLAR Goals, the Turtle Times, and the IPCs (3.1b[1]). Strategic objectives and their alignment with the MVV and the PILLARS are reviewed and revised annually as part of the SPP (2.1-1).

Innovation and role-modeling performance leadership. Senior leaders at SDH create, encourage and maintain a focus on innovation through the IPCs (3.1b[1]) and the PIIT CREW

Figure 1.1-3 – Deployment mechanisms to create and promote a culture of patient safety

Mechanism	Frequency	How?
IPCs 3.1b(1)	Monthly	Each IPC is required to have at least one goal – identified annually and tracked monthly – related to patient safety. Goals are approved by senior leaders.
Quality and Patient Safety Committee 6.1b(4)	Monthly	Includes senior leaders, management, and affiliated and independent physician partners. Meets monthly and tracks patient safety initiatives in the facility including national patient safety goals, PIIT CREW reports, and quarterly EOC reports. Directs organizational improvement in the form of PIIT CREW projects, RCAs, or action plans by the EOC or IPCs.
Culture of Safety Survey	18-Months	The annual Culture of Patient Safety Survey is presented to the staff by Senior Leaders as part of the overall patient safety program. Survey results are compiled, reviewed by Senior Leaders, and shared with managers. Senior leaders discuss/prioritize actions and review progress of ongoing manager action plans.
Environment of Care (EOC) committees. 5.1b(1), 7.3a(2)	Bimonthly	The EOC Committee and each of the subcommittees contain at least one senior leader who helps drive the committee and its action plans.
A-Team Safety Rounds 5.1b(1), 6.1b(4)	Monthly	Senior leaders perform Safety Rounds asking staff specific questions about workplace and patient safety. Feedback and identified OFIs are taken to weekly A-Team meetings for follow-up and then deployed to managers to resolve issues through PDSA.
Vendor and Supplier credentialing and collaboration. 2.1a(4), 6.2b	Quarterly	Senior leadership meets with major suppliers of pharmaceuticals and ancillary devices to discuss products and safety concerns. Through Vendor Credentialing Services, our vendors understand our culture, our Core Competency, our Standards for Business Conduct, our MVV, and our commitment to safety.
Volunteer Auxiliary Meetings 5.1a(1)	Biannually	Senior leaders meet with volunteers to provide updates on the organization, reinforce the <i>Sutter Davis Difference</i> , and discuss safety topics.
Safety Ambassadors	Monthly	Safety ambassadors and frontline employees, under the leadership of a manager select a safety focus. Safety campaigns and education are deployed throughout the organization.
Physician Meetings	Monthly	Medical Executive Committee, Peer Review, department meetings, Medical Staff Quality and Patient Safety, Pharmacy and Therapeutics, Physician Process Improvement, Ethics, Physician Well Being, Infection Control, Credentialing and Privileging, Interdisciplinary Practice Committee
	Quarterly	Medical Staff Leadership meeting
	Bi-Annually	General Medical Staff meeting

(6.1b[4], 6.2b). These forums engage workforce from all disciplines. In addition, the IPCs meet with patients to identify opportunities for innovation. The four IPCs and the PIIT CREW each meets on a monthly basis. SDH has become a role model in the SH system and the SHSSR for some of its innovations, such as the PIIT CREW, the Department Profile tool, and the High-Medium-Low (5.2-3) process as part of the performance review process. These innovations contribute to SDH’s ability to react quickly to market changes, remain market competitive and keep the workforce agile and open to change

Organizational agility, intelligent risk taking and innovation. Organizational agility is a focus of SDH senior leaders at both a strategic level and an operational level. Strategic agility is achieved through the SPP (2.1-1) by the A-Team and the Joint A-Team, where planning and objective setting are done annually; deployment and tracking are done at weekly A-Team and bimonthly Joint A-Team meetings. Operational agility is achieved through a constant focus by senior leadership on workforce capacity and community need. For example, when reviewing physician capacity, a strategic and operational goal to recruit a second tier of specialists (GI and Urology) was identified to better serve the needs of our community. Plans were put in place to expand both of these services while continuing collaboration with our tertiary medical center in Sacramento. These decisions are based on community need, physician succession planning, and population planning. This type of planning ensures our ability to remain competitive and agile in the market. Long term plans include: purchase of free standing surgery center, one management team for our geographic area encompassing the full continuum of care, and ED observations beds. These plans demonstrate significant market intelligence that leads to future sustainability as we transition how we provide care within the new guidelines of Healthcare Reform.

Workforce culture that fosters engagement. Engagement of the workforce begins with senior leadership’s commitment to deploy and reinforce the *Sutter Davis Difference*, our CULTURE OF CARING (1.1-1). Senior leadership promotes a culture that fosters engagement by setting the proper strategy and identifying PILLAR metrics that drive accountability (P.2-2). The IPCs and PIIT CREW engage workforce members from all disciplines by identifying opportunities for innovation to meet the PILLAR metrics.

Workforce and organizational learning. SDH senior leaders identify needs for employee education and development through the Learning and Development System (5.2-2). Senior leaders ensure continued employee learning by providing education days for course work. Being a learning organization is central to sustainability and success. High performers, identified through the HML evaluation process (5.2-3), are offered further development courses through SHU, in addition to being provided paid continuing education hours. A special endowment in memory of one of our ICU nurses was established by the staff at SDH for continuing clinical education. This fund is specifically used to pay for the costs associated with educational opportunities for our front-line staff.

Senior leaders at SDH participate in organizational learning through various evaluation and improvement cycles, workforce input, partner input, patient and community inputs,

Figure 1.1-4 – Organizational Learning Methods

Category	Tool	Frequency
Cycles of Improvement	PIIT CREW (6.1b[4])	Monthly
	SPP (2.1-1)	Annually
Workforce Input	Workforce satisfaction surveys (5.2b[1])	Annually
	ASA (5.2a[2])	Annually
	Culture of Safety Survey (5.1b[1])	Annually
	Round-the-Clocks (5.2a[2])	Quarterly
	Staff meetings	Monthly
	IPC	Monthly
	Voice of the Workforce (5.1b[1])	Quarterly
Patient, Community, and other Customer Input	Workforce Learning and Development System (5.2-4)	Ongoing
	Listening, Interacting, and Observation Methods (3.1-1)	As Listed
Benchmarking (4.1a[2])	Professional organizations	Ongoing
	Truven Health Analytics	Annually
Sharing Best Practices (4.1c[1])	State and national conferences	Annually
	Coaching Session	Monthly
	POP	Weekly
	Regional meetings	Monthly
	PIIT Crew	Monthly
	System meetings	Annually

* IPCs meet monthly and include patients/community quarterly.

benchmarking, and the sharing of best practices (1.1-4).

Develop and enhance leadership skills. Development of personal leadership skills is available through Sutter Health University, where leaders not only have opportunities to teach, lead, and develop high performers in management, but also have the opportunity to participate in new learning experiences themselves (7.3a[4]). Another key offering to SH executives is individualized professional coaching to develop personal leadership skills.

Succession planning and leadership development. Senior leaders at SDH personally participate in succession planning on an annual cycle (5.2-3). In addition to PILLAR goal setting and employee evaluations, each A-Team member works with the CEO and the Director of Human Resources to identify potential successors for their positions. The succession planning module is then shared by the CEO with the regional President to ensure succession plans are in place. Succession planning demonstrates senior leaders’ commitment to ensuring a sustainable organization with consistent results (5.2-3).

Create and promote a culture of patient safety. SDH’s senior leaders create and promote a culture of patient safety as an integral part of the *Sutter Davis Difference*, our CULTURE OF CARING, and through executing regulatory requirements (P.1-5). Patient safety is promoted and deployed through 1) IPCs, 2) Quality and Patient Safety Committee, 3) Culture of Safety Survey, 4) Environment of Care (EOC) Committees, 5) A-Team Safety Rounds, 6) vendor and supplier collaboration, and 7) biannual volunteer update meetings. Internal auditing, mock surveys and disaster drills as well as clinical drills demonstrate our ability to exceed regulatory requirements.

1.1b Communication & Organizational Performance

1.1b(1) Communication. Senior leaders communicate with, and engage workforce members through, a variety of systematic methods (1.1-2). Inpatient, outpatient, ancillary, and support staff members meet with an A-Team member in a small

group setting on a quarterly basis through Round-the-Clocks (5.2a[2]). As a recent example of effective two-way communication through Round-the-Clocks, the ED nurses and registration staff requested removal of a decorative wall in the ED waiting room. This improvement would allow the triage nurse to visually monitor all the patients in the waiting room, thus improving patient safety.

If a message or decision is urgent and cannot wait for the quarterly Round-the-Clock, it is added to the agenda at the monthly department managers meeting. Key messages are made clear at the end of each managers meeting, and each manager is responsible for communicating those messages to their staff. Senior leaders hold managers accountable for Key Message delivery through staff meeting minutes and attendance at staff meetings. Messages that have an immediate urgency are sent out via a facility-wide email (all staff members have their own email account and access to a computer) and placed on department communication boards. Additional two-way communication methods are described in 1.1-2 and 1.1a(2).

Senior leaders provide frank, two-way communication with our volunteer workforce members by attending their monthly board meetings and by being available at all times for questions or concerns. Both our affiliated and independent physicians interact with SDH senior leaders in monthly medical staff committee meetings. In addition, workforce satisfaction surveys and Culture of Safety survey provide annual opportunities for every segment of the workforce and our key partners to provide feedback to senior leadership. Senior leadership then creates action plans based on the results of each of these and rounds back with the group to make improvements. Results from the surveys are measured and tracked as part of the People PILLAR.

Technology has offered several mediums for Senior Leaders to hear from our patients, families and customers. Social media has effectively enhanced our communication by increasing real time communication with our patients, families and the community. One example is “My Sutter on Line” where patients can make appointments, email their physicians or look up their diagnostic results. We learn from the variety of social medias what our patients prefer, things that work or do not work for them as patients, and ideas for improving our systems. (3.1-1)

Senior leaders at SDH take an active role in reward and recognition programs to reinforce high performance (1.1-5). A senior leadership–led formalized team structure aligns re-

ward and recognition activities with the goals and direction of the organization. The Rewards and Recognition Team systematically rewards and recognizes departments for meeting and exceeding goals in all PILLARS of the DASHBOARD. Rewards and Recognition has standardized targets that departments must reach to receive recognition. The team meets monthly to track progress towards recognition activities and annually engages in cycles of improvement to better align with the goals of the organization. The Patient Satisfaction Team and the Measurement Team work in cooperation with the Rewards and Recognition Team on patient satisfaction initiatives and generate enthusiasm around metrics and PILLAR goals. As an annual review of workforce recognition, the Rewards and Recognition Team gives PILLAR Awards to departments for exceeding each PILLAR’s target for the year.

Senior leaders further participate in reward and recognition activities in a number of other venues such as writing thank you notes and sending them to the homes of workforce members, distributing Sutter Spirit Cards to workforce members, sponsoring an annual family picnic, personally serving cake and ice cream at various celebrations and providing pies during the holidays, as well as hosting the annual Winter Celebration and Employee Service Awards Event (1.1-5).

1.1b(2) Focus on Action. The SDH Leadership System (1.1-1) creates a focus on action by holding all levels of the organization accountable to perform to the plan. The Joint A-Team forum allows both internal and external participants to engage in the planning and execution of the plan. Components of this system include the SPP (2.1-1), the DASHBOARD (4.1a[1]), DEPARTMENT PROFILES (4.1a[1]), and the PIIT CREW (6.1b[4]). As these processes and results are reviewed at monthly manager meetings, key messages are captured. These key messages are communicated back to the staff in each department resulting in necessary changes to perform to goals. Another example of an action and one that engenders staff trust involves RTC’s as A-team members round and harvest employee feedback. The A-team follows up on all questions, requests or suggestions from the employees and completes these actions by returning to the employee and department with responses.

Through dialogue with our managers, physicians, patients and families, and partners, we systematically improve performance and enable ideas to bubble up for innovative thinking and intelligent risk taking. A recent example of an innovation by a frontline night shift staff person was an idea to alert the

Figure 1.1-5 – Reward and Recognize Success

Recognition Activity	Description	Frequency
Rounding for Outcomes	Members of the SDH A-Team round on all shifts to personally thank employees for contributions to the facility.	Continuous
Thank You Notes	SDH A-Team mails hand-written thank you notes to workforce members’ homes	Continuous
Sutter Spirit	Employees and physicians give and receive Sutter Spirit Cards for going above and beyond in the areas of quality patient care, patient safety, and community benefit. PACE Cards are collected and names are drawn for prizes provided by the Rewards and Recognition Team at quarterly celebrations.	Continuous
High Performer Opportunities	Staff members who receive a rating of “high” during High-Medium-Low evaluations (5.2a[3]) may be given , opportunities for talent management and/or succession planning. (5.2-3)	Continuous
Rewards and Recognition Team	Team composed of managers and staff members who promote, innovate, and sustain employee recognition activities; supported by the A-Team.	Monthly
Winter Celebration and Employee Awards Event	Reception to recognize employees for their contribution to quality health care and individuals’ years of service. Manager, Employee, and Outstanding Performer of the Year are announced, as well as pillar awards recipients.	Annually

Medicaid third party administrator when a member was in the ED electronically. This creative idea improved care delivery community collaboration and improved the health of whole population by decreasing ED visits and improving outpatient management (7.1-8).

To identify needed actions, each month senior leaders review the DASHBOARD (4.1a[1]), which contains our key performance measures, along with any PILLAR-specific DASHBOARDS that have been created either from at-risk PILLAR metrics or from the SPP. For example, the Affordability metric, a SDH SO, is at-risk on the DASHBOARD and therefore has an action plan, its own DASHBOARD, and weekly meetings led by senior leadership (2.2a[1]). Through market intelligence and feedback from our patients and families we created a Palliative Care team to assist families with end of life planning. This was a needed action that was identified through community need and population management. The growing results in this area support the strategic action (7.1-7). Direct feedback from our patients in the Birthing center on their experience and what would enhance their birthing experience lead to a fund-raising partnership with the community to renovate the Birthing Center.

1.2 Governance and Societal Responsibilities

1.2a Organizational Governance

1.2a (1) Governance System. The SH governance structure (P.1-6) provides regional oversight that requires local accountability. The SDH CEO reports to the Regional President and the SHSSR Board of Trustees (BOT), which includes community, physician, and administrative membership.

Accountability for management's actions. The BOT provides responsible oversight of management's actions by monthly reviewing SDH and other regional performance data on the DASHBOARD. Strategic objectives and progress on the strategic plan are reviewed at quarterly Governance Forums and annual board retreats. On a scheduled timeline throughout the year, the board receives expanded updates on strategic goals demonstrating improvements and accomplishments in areas such as program implementations, ROI on new equipment, or new building projects. BOT performance on its accomplishments is reviewed annually per the process outlined in 1.2a(2).

Fiscal accountability. To ensure fiscal accountability, the BOT employs an annual external financial audit (7.4-8). The Finance and Planning Committee of the BOT meets monthly to review all financial metrics and guide action plans written to address at-risk areas. In addition, this committee has regularly scheduled in-depth reviews of system initiatives; one example is Medicare Affordability. With a growing population of Medicare recipients, the board ensures that management is executing processes to meet the health care needs of this population while overseeing efficiencies in these processes (7.5-9).

Transparency in operations. The organization maintains operational transparency and governance disclosure through BOT members signing the organization's Code of Conduct and Conflict of Interest Statements. The Governance and Compliance Committee of the BOT annually assesses the board's conduct and policies and has ongoing compliance audits. The annual external audit provides an additional level of

scrutiny to expose evidence of organizational misconduct. In addition, the Planning and Finance Committee oversees an annual external financial audit.

Independence in audits. The BOT ensures independence in internal and external audits by hiring external auditors to perform regional financial and accounting audits and by participating in numerous independent external audits from organizations such as TJC and CDPH. Internal audits include SH internal auditors and do not include any members of the SDH team, thus ensuring both internal and external audit effectiveness (7.4-9, 10).

Protection of stakeholder interests. The BOT protects stakeholder interest by including all stakeholder segments in membership of the BOT, including administration, community members, independent physicians, affiliated physicians, nursing leadership, and a geographical mix of members covering all communities served in the region. The stakeholder segments are all included as part of the SPP (2.1-1).

Succession planning for senior leaders. Each year Senior Leaders participate in a succession planning exercise to identify potential successors. As successors are identified a plan is formulated to begin the grooming process. These individuals are selected for Sutter Health Leadership Academy and are appointed to lead system initiatives or major system projects. Over 85 percent of senior leader positions are filled from internally developed senior leaders. Sutter Health is nationally recognized for outcomes and this is largely due to the internal leadership development and succession planning within the organization. Sutter Davis Hospital has the same rich history. The Governing Board at the system level and the regional levels have the opportunity to see the work of those identified as High Performers and see the results of their work presented at Board meetings (5.2-3).

1.2a (2) Performance Evaluation. Senior leaders are evaluated annually. The SDH CEO is evaluated by the Regional President, while all other SDH senior leaders are evaluated by the SDH CEO and regional leaders. All evaluations are aligned with the six PILLARS and are completed within PSDP (5.2a[3]). The Regional President meets monthly with the SDH CEO to review performance and regional collaboration. The CEO compensation is based on DASHBOARD performance results as well as alignment with system strategic objectives. The SDH CEO meets weekly with the SDH senior leadership team (A-Team), and monthly with each member to assess progress on their PILLAR goals and assist with 90-Day Action Plans. A-Team members use these reviews and the PSDP system to create development goals to improve their leadership effectiveness.

To assess the SDH senior leadership system, the A-Team annually self-assesses its strengths and opportunities as a team. The systematic self-evaluation processes include the Studer Evidence-Based Leadership tool, the Baldrige Self-Assessment tool, and feedback from a survey of the SDH Management Team.

The BOT performs its own self-assessment annually. The Governance Committee of the board has the responsibility to ensure board education, annual board self-assessment, board participation, and follow-up. The Chairman of the Board then follows up with individual board members on the self-

assessment results and uses those performance reviews to create PILLAR-based actions and goals for the coming year to improve governance effectiveness, as appropriate.

1.2b Legal and Ethical Behavior

1.2b(1) Legal Behavior, Regulatory Behavior, and Accreditation. SDH leadership maintains a significant focus on its societal responsibilities, as evidenced by the Community PILLAR. It addresses and anticipates public concerns through the SPP (2.1-1). In alignment with the MVV, the SPP involves proactively identifying how best to achieve the highest levels of quality, access, and affordability. These three crucial components of the MVV all represent public concerns and potential adverse impacts on society. Figure 1.2-1 outlines how SDH addresses the impacts and concerns.

SDH leadership actively looks for new ways to recycle or otherwise divert waste from the landfill. The materials management department works with collaborator organizations to donate supplies and used equipment to developing countries and to reprocess equipment, and the food and nutrition department is collaborating with the community on composting food scraps.

SDH devotes considerable attention to ensuring we are achieving and surpassing regulatory, legal, safety and accreditation requirements. Health care services also pose risks, and SDH devotes significant resources to addressing those proactively. The resources devoted to reducing risk help minimize legal liability to SDH (1.2-1).

1.2b(2) Ethical Behavior. SDH leadership promotes and ensures ethical behavior starting with ethical accountability in our governance. BOT members sign the Code of Conduct and Conflict of Interest Statements. Ethical behavior is part of the board’s annual self-evaluation, and annual independent external audits help lend support to the assurance of ethical behavior among the BOT and the organization.

Patients, family members, or members of the workforce may at any time ask for a review by the Ethics Committee. This committee consists of a multidisciplinary group of physicians, employees, administration, and members of the community. During annual reviews of their processes, the Ethics Committee adopted new case review methods and revised guidelines and new patient education materials. Patients are made aware of their rights through the Patient’s Bill of Rights. The Patient’s Bill of Rights is given to all patients upon admission and is posted in key areas throughout the facility.

All new employees undergo a criminal background check before they are hired and during orientation are introduced to the zero tolerance standard for unethical behavior. New employees also sign the SDH STANDARDS OF BEHAVIOR. In addition, ethical behavior is assessed through 1) workforce satisfaction surveys, 2) Confidential Message Line, 3) eLearning (HealthStream Solution), 4) exit interviews, and 5) 30-60-90-day reviews (5.1a[2]). The annual employee satisfactions survey ask the employees their perceptions of SDH being “an ethical organization,” and results of this represent another key indicator for assuring ethical behavior (7.4-12). Workforce members can also call or visit on the internet the Confidential Message Line. Messages on the Confidential Message Line go directly to the Compliance Officer to address and resolve with the Human Resources Director.

Staff members, managers, and A-Team members are required to complete online eLearning education courses that include a corporate compliance module (7.3-5).

Key indicators and measures of ethical behavior include inquiries to the Confidential Message Line (7.4-13), workforce satisfaction survey results (7.3-11), and eLearning completion rates (7.3-5). Senior leaders respond to any breaches in ethical conduct by following the Just Culture Algorithm (5.2a[2]).

1.2c Societal Responsibilities, Support of Key Communities

1.2c(1) Societal Well-Being. SDH considers societal well-being and benefit as part of our MVV, which is deployed through the SPP (2.1-1) and the DASHBOARD (4.1a[1]). The Community PILLAR on the DASHBOARD includes measures of charity care (7.4-14) and community contributions (7.4-15). SDH aligns with our collaborators through monthly meetings with Yolo County Health Department and community health providers including CommuniCare and PHP to ensure health resources are available.

Weekly, broadcast media is used to promote education in promoting wellness to the public in the television viewing and market area. A recent alignment with the local Farmers Market provides SDH opportunities to promote health and wellness through health education. In 2012 SDH sponsored the creation of a Davis Farmers Market Cookbook. This includes all seasonal farm fresh foods with healthy recipes. Our employees demonstrate our values for social responsibility through generous contributions of personal time and resources to community health organizations and health initiatives (7.4-15).

Figure 1.2-1 – Minimizing the Risk of Adverse Societal Impacts or Potential Public Concerns

MVV	Impact or Concern	Examples of Actions and Outcomes
Quality	Customers demand high quality care with predictable processes and outcomes.	<ul style="list-style-type: none"> SDH continues to sustain and enhance the performance of core measures (7.1-1) and patient experience (7.2). Continuous process improvement resulting from stakeholder feedback drives improved predictable processes and outcomes (6.1b[4]). Emergency management
Access	The community demands reliable access to health care services without restrictions.	<ul style="list-style-type: none"> SDH provides access to inpatient and outpatient services regardless of individuals’ ability to pay and has a generous charity care (7.4-14) policy (1.2c[1]). Birthing Center renovation; MS renovation ADA Compliance renovations Collaborate with case management, physician offices, community clinics, SNF’s and PHP to enhance the continuum of care.
Affordability	The rising cost of health care is a major concern throughout the US.	<ul style="list-style-type: none"> Directly controlling cost through Sutter Plus Insurance product licensure in 2013, available in 2014. WI Adj. Cost per CMI Adj Discharge: Staffing and OR system initiatives, reduce supply expense, and reduce observation admissions

Senior leaders encourage the conservation of natural resources by recycling containers and paper products (7.4-16), using low-energy lighting, and reprocessing medical equipment (7.4-17, 18).

1.2c(2) Community Support. The City of Davis, as well as the greater Yolo County, represent our primary service area and key community. The SHSSR Strategy and Business Development support team helps SDH reassess its primary and secondary service areas annually, through analysis of the geographic origination of its inpatient and outpatient populations.

In alignment with the MVV, SDH actively supports and strengthens our key communities through a commitment to the overall health and well-being of the population by participating in a collaborative Community Needs Assessment every three years. This process involves interviews with SDH leaders, physician groups, community health care providers, the county and non-health care representatives from the community. This assessment serves as a tool for community health care resource planning.

SDH requires that senior leaders support our key communities by serving as board members for local health care organizations. The *Sutter Davis Difference* – our core competency – drives senior leaders and engages our workforce in participating and improving our community and building community health. Senior leaders and workforce members participate in numerous community health events annually, such as March of Dimes and Adopt a Family (7.4-15). In alignment with the DASHBOARD, each department manager has Community PILLAR goals related to event participation. SDH also organizes and runs numerous health, wellness, and educational programs throughout the year (7.4-19). One of the most notable partnerships with the community is the “Farm to School Program.” SDH sponsors this program to provide healthy farm fresh menus in all the local schools, teach the children to select healthy farm fresh food, and to grow their own fruits and vegetables. Teaching children to select, grow and cook farm fresh food helps train their palates and is one attempt at preventing childhood and adult obesity. Thus, contributing to a healthier community.

The Yolo Children’s Alliance ensures that all children in Yolo county have access to health insurance. Getting children into care as early as possible helps ensure that they are immunized (7.4-20). The growth in numbers of children with health insurance has grown over the years, SDH’s participation on the Board of this Alliance aligns with our core competency and our MVV (7.4-21). In a more global view of the community SDH participates in a Safety net process that ensures access for adults to primary care and sub specialty care. The results from our physician participation in the subspecialty care in areas such as GI and Orthopedics growth demonstrating our commitment to charity care.

In addition to donating time and energy, SDH provides significant financial resources to supporting and strengthening

our key communities and building community health. SDH gives an annual donation to the CommuniCare community clinics, which provide primary care services to the medically indigent population in Davis and throughout Yolo County. SDH has increased annually the charity care provided to the uninsured and underinsured (7.4-14), further in alignment with the DASHBOARD and MVV.

2. Strategic Planning

2.1 Strategy Development

2.1a Strategy Development Process

2.1a(1) Strategic Planning Process. SDH has a systematic process for developing and deploying the strategic plan that is aligned with SH and SHSSR. Figure 2.1-1 illustrates the key process steps that SDH undergoes in its strategy development and how the SDH local SPP aligns with the processes of the SH system and SHSSR. The SH BOT and SMT conduct strategic planning on an annual basis for the SH system (steps 1 and 2). SH sets short-term time (1-year) strategic targets for the system, based on SH’s planning cycle and the need for agility in the constantly changing health care environment. The long-term is set at five years. The five-year long-term perspective provides adequate timeframes for short-term and longer-term strategies to be implemented. All strategies are in alignment with the MVV, DASHBOARD and the five PILLARS. Using local stakeholder input, the SDH A-Team and the department managers hold an annual retreat (step 3) to further refine our core competency, strategic challenges, strategic advantages, strategic objectives, and corresponding action plans. The Joint A-Team then undertakes its joint strategic planning process (step 4), with physician leadership adding to the discussion of strategic challenges, advantages, and opportunities. Each year, the Joint A-Team also reviews and refines the SPP. Recent refinements of the SPP include the addition of the hospitalist physicians and ED physicians and community collaborators on the Planning Team. Out of these retreats come the primary outputs (step 5) of strategic objectives (2.1-2), action plans, metrics, and process owners assigned to each. Deployment (step 6) of the strategic plan occurs year-round through integration and accountability down to the staff level (2.2-1).

Operational agility and flexibility are achieved through senior leadership’s constant focus on workforce capacity and assessment of community needs. The A-Team and Joint A-Team regularly consider these factors and course correct as necessary throughout the year (step 7). Through the PIIT CREW process and PDSA cycles of improvement, we are able

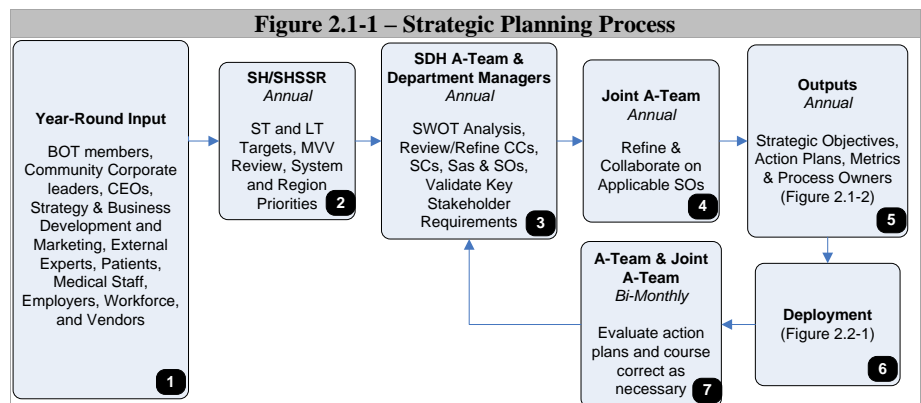


Figure 2.1-2 – Strategic Objectives and Goal Summary

Strategic Objective (PILLARS)	Relevant SCs or SAs (P.2-2)	Short- (S) and Longer- (L) Term Goals	Key Short- (S) and Longer- (L) Term HR Goals
1. Enhance the continuum of care for all patients (Quality, Growth)	SA1, SA2, SA3, SA5, SA6 SC2, SC3	S: 1) Collaborate with case management, physician offices, community clinics, SNF's, and PHP to enhance the continuum of care L: 1) Grow key service lines 2) Develop and pilot a model for comprehensive care delivery for Yolo and Solano counties	S: 1) Recruit and hire one case management supervisor and two case management staff members L: 1) Recruit specialists in partnership with medical group 2) Staffing adjustments to be determined after initial needs assessment is performed
2. Improve the affordability of health care services (Finance)	SA2, SA3, SA5, SA6 SC1, SC2	S: 1) Implement the Staffing & OR system initiatives 2) Reduce supply expense L: 1) Reduce observation admissions	S: 1) Identify impact of affordability initiatives on staffing capacity 2) Staff development and training of new workflows and processes L: 1) Assess capability and capacity for observation admissions
3. Improve the efficiency of health care service delivery (Service, Finance)	SA1, SA3, SA4 SC2	S: 1) Improve hospital throughput L: 2) Lean training and deployment	S: 1) Workforce training & development to enhance the continuum of care L: 2) Evaluate impact of lean deployment on resources
4. Strengthen SDH's position as a quality and customer service leader (Quality, Service)	SA1, SA3, SA4 SC1	S: 1) Sustain and enhance performance of core measures and patient experience L: 1) Evaluate 100 Top Hospital indicators to focus on improving two metrics most at risk	S: 1) Increase workforce retention L: 1) Continue workforce development and engagement
5. Strengthen SDH's position as a best place to work & practice (People)	SA1, SA3 SC1	S: 1) Improve workforce satisfaction and engagement L: 1) Develop a systematic process to assess human resource capabilities and capacity across workforce segments	S: 1) Develop and execute workforce action plans L: 1) Identify the resources needed to develop the model and the time impact to do so

to use data to quickly learn the effects of changes or innovations to continue or to course correct (6.2d). Our *Sutter Davis Difference* culture takes pride in being a learning organization, which drives our strategic objectives and their related process improvements and innovations.

2.1a(2) Innovation. Innovation is supported at all levels of the organization. When employees arrive at SDH they are provided with the “CULTURE OF CARING” orientation which teaches staff about the importance of an environment of innovation and shares examples of past innovations. Programs such as the “I Am Sutter” Quality and Safety Innovation Awards recognize and reward employees for suggesting their ideas to improve efficiency, processes, and reduce costs, recognizing that our employees are often the best resources for new and better ways of doing things. Fostering an environment of innovation empowers our employees to take responsibility for creating successful ideas to become more efficient, improve quality and reduce costs. Strategic opportunities are identified during the SPP, and intelligent risks that address these opportunities are pursued with our analysis in 6.2d. Our current key strategic opportunities include developing one leadership team across the care continuum in our community, purchasing an ASC to expand our ability to perform outpatient surgical procedures at a reduced cost, and building out an observation unit in our Emergency Department.

2.1a(3) Strategy Considerations. SDH senior leaders annually conduct a strengths, weaknesses, opportunities, and threats (SWOT) analysis as part of the SPP (2.1-1, step 3) to identify our strategic challenges and our strategic advantages. Our core competency is also reassessed annually to validate relevancy for achieving our goals and to ensure SDH leadership has the skills necessary to lead our organization toward those goals. Relevant data are gathered with the help of the SHSSR Planning and Development Team, utilizing sources

outlined in P.2-1. Information from patients and stakeholders on their preferences and requirements are gathered through the triennial Community Needs Assessment (1.2c[2]), and other Listening, Interacting, and Observation Methods (3.1-1). The Community Needs Assessment (1.2c[2]) and service line market analyses determine gaps in health care services in our primary and secondary markets, allowing our local SPP to systematically focus on pursuing specific market segments and health care services for business growth and to meet patient and other customer needs. The most recent Community Needs Assessment identified cancer as the number one cause of mortality in Yolo County. In response, an oncology physician was hired to address this identified community need (7.5-17).

Risks to SDH's sustainability are addressed through the collection of data on shifts in technology, changing health care markets or services, our competition, and the regulatory environment. This information is available through our resources at SH and SHSSR and is used during the SPP and during the SDH A-Team and the Joint A-team Retreat. In a previous cycle of learning, an example of a rapid execution was demonstrated when the SDH A-Team saw early indicators of technology and market economy shifts suggesting that the SH electronic health record implementation plan for acute care facilities could be delayed. As a result of these early indicators of technology and market and economy shifts, SDH implemented the paper-based version of the electronic documentation system. This was a major change in the way our caregivers document and share patient information and will make for a significantly smoother transition when SH deploys the EHR at SDH. In another cycle of learning, Sutter Health and the University of California Davis Health System became the first California health systems to participate in a cutting-edge record-sharing collaboration between health care institutions. This record-sharing collaboration ensures patient health information is available when needed. Projections of future performance and competitor's future performance highlighted the

Figure 2.1-3 – Key Organizational Short-Term Performance Measures

Strategic Objective	Key Measures	Where Reported	2012	2013	2014	2015	2016	2017	Key Benchmark	Benchmark Source	Competitive Projection*
1. Enhance the continuum of care for all patients. (Quality, Growth)	7.1-10: 30-day Readmission rate	Affordability Dashboard	7.03%	7.10%	6.40%	5.70%	5.20%	4.82%	< 4.82%	CMS Top Decile	-
	7.1-9: Length of stay	Affordability Dashboard	2.81	2.97	2.96	2.95	2.95	2.95	< 2.97 days	Midas Top Decile	-
2. Improve affordability of health care services. (Finance)	7.5-2: WI Cost/CMI-adj. discharge	Affordability Dashboard	\$6,997	\$6,990	\$6,900	\$6,890	\$6,880	\$6,870	< \$7,433	OSHPD CA 25 th Percentile	-
	7.5-5: Net Operating Margin	Financial Reports	20.6%	17.5%	17.4%	12.7%	14.2%	14.0%	> 9%	Truven 100 Top Hospitals	+
	7.5-6 Supply Cost per CMI Adj Discharge	Financial Reports	\$1,293	\$1,273	\$1,260	\$1,260	\$1,260	\$1,260	\$1,311	AOI National Average	-
3. Improve the efficiency of health care service delivery (Service, Finance)	7.1-20: Door to Doctor Time in ER	ED Dashboard	24 minutes	< 29 minutes	< 29 minutes	< 29 minutes	< 29 minutes	< 29 minutes	29 minutes	CMS National Average	-
	7.1-21: LWOBS	ED Dashboard	1.2%	< 2.6%	< 2.6%	< 2.6%	< 2.6%	< 2.6%	2.6%	NACRS Benchmark	-
4. Strengthen SDH’s position as a quality and customer service leader. (Quality, Service)	7.1-1: Core Measures	Quality Dashboard	Above national average	Top Decile	Top Decile	Top Decile	Top Decile	Top Decile	Top Decile	CMS Top Decile	+
	7.2-9: HCAHPS-Overall Satisfaction	HCAHPS Dashboard	86%	> 70%	> 70%	> 70%	> 70%	> 70%	70%	CMS National Average	+
5. Strengthen SDH’s position as a best place to work and practice. (People)	7.3-11: Employee Satisfaction Percent Favorable	Employee Satisfaction Report	88%	88%	89%	89%	90%	90%	> 81%	Hay Group P90	+
	7.3-15: Physician Satisfaction Percentile Ranking	Physician Satisfaction Report	93 rd Percentile	Top Decile	Top Decile	Top Decile	Top Decile	Top Decile	Top Decile	Press Ganey Top Decile	+
	7.3-18: Volunteer Satisfaction Percent Favorable	Volunteer Satisfaction Report	96%	90%	90%	91%	92%	93%	> 90%	Integrated Healthcare Strategies	+

importance of collaborative and community initiatives that aim to create greater connectivity among California health care organizations.

The DASHBOARD guides the SPP when analyzing information to achieve short-term strategic objectives. Longer-term PILLAR sustainability is analyzed by the SDH A-Team during the annual SPP (2.1-1, step 3). The PILLAR-focused strategic objectives (2.1-2) are developed by analyzing the input data listed in 2.1-1, step 1. The strategic objectives (2.1-2) ensure early identification of real or projected shifts in local competitor plans, market share shifts, new technology trends and changing regulatory requirements. The key hospital performance measures (2.1-3) and competitive projections are aligned with the Truven 100 Top Hospitals Benchmark, comparing SDH’s performance both nationally and locally.

The SP is executed by our systematic deployment mechanism described in 2.2-1. The strategic objectives and action plans are reviewed at bimonthly Joint A-Team meetings to track progress and identify blind spots and necessary course corrections. Blind spots are also identified at the SDH level through evaluation of the Voice of the Customer (3.1-2). External feedback, such as the Truven Analytics 100 Top Hospitals performance matrix, also highlights potential blind spots when comparing our results to the performance of other hospitals (4.1a).

2.1a(4) Work Systems and Core Competencies. SDH’s key work system, Patient Care Delivery (6.1-2), is supported by the Leadership System (1.1-1), Learning and Development

System (5.2-2), and Performance Measurement System (4.1-1). Effective work system design includes parallel business and support services for efficient and effective clinical patient care delivery. SDH designs and implements its work system by drawing a critical link to our core competency to meet our customer and stakeholder requirements, and deliver customer and stakeholder value. This is achieved by routine evaluations of DASHBOARD results (7.1a), short and long term goals (2.1-3), performance benchmarks (7.1b), and improved through Listening, Interacting, and Observation Methods (3.1-1). Work systems not producing the desired results are assessed by the PIIT crew for system and process improvement opportunities using PDSA (6.1b[4]). Financial health, organizational success, sustainability, and MVV are achieved through continuous and systematic improvements. Work systems decisions are strategic in priority and changes to work systems are planned during the SPP and updated during A-Team and Joint A-Team meetings through cycles of learning. Key processes are accomplished by external suppliers and partners when there is opportunity to improve SDH’s ability to meet stakeholder and customer requirements and create value. Our mass transfusion policy is an example of the link between supplier/vendor and patient need, tying to our Core Competency.

With a focus on the future, our strategic planning process takes a long-term view in identifying future core competencies. We review our strategic objectives and long-term goals, and then determine the future core competency that works in alignment with our long-term strategic direction. At SDH, our

future core competency is identified as the “Continuum of Care” which will involve intelligent risk taking that requires one leadership team across both acute and ambulatory care environments. This integrated model will improve efficiency through integrated patient care delivery and enhance value for our patients and physicians.

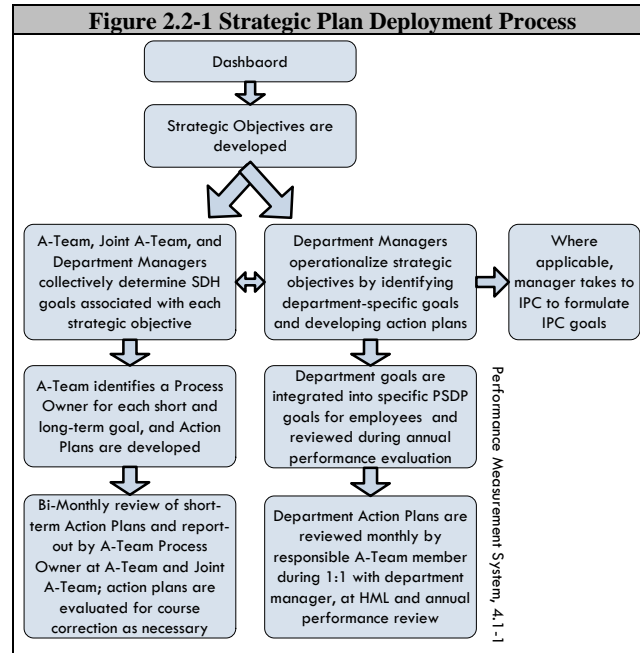
The core competencies with potential suppliers are evaluated during vendor selection and reassessed through the Value Analysis Team meetings, and ongoing two-way communication. The core competencies of partners are evaluated during contract negotiations, through performance evaluation, and with ongoing two-way communication. Senior leaders annually evaluate alignment of the core competencies of suppliers and partners with SDH’s core competencies and ensure they provide value for our customer and stakeholders.

2.1b Strategic Objectives

2.1b(1) Key Strategic Objectives. The SDH key SOs embrace intelligent risks and align with our overall strategy to position ourselves for our future core competency (2.1-3). Key SOs and key goals are linked to and aligned with the DASHBOARD PILLARS (2.1-2). The priority goals and their alignment with the strategic objectives and timeline for accomplishment are outlined in 2.1-3.

2.1b(2) Strategic Objective Considerations. SDH’s strategic advantages and challenges (P.2-2) are addressed by the SOs, which are directly linked to the DASHBOARD PILLARS (2.1-2). The SDH A-Team and Joint A-Team (SMG physicians, contract physicians, and Communicare) address strategic challenges and strategic advantages during the SPP, devise and adjust strategic objectives based on those. Strategic objectives are aligned with the MVV and the DASHBOARD and drive innovation in our health care services. This alignment further ensures a balance of short- (DASHBOARD) and longer-term challenges and opportunities. Senior leaders champion and deploy action plans to address strategic objectives through process improvement teams, department manager meetings, and the PIIT CREW (6.1b[4]). For example, this past year’s SPP and strategic objectives led to innovations to improve patient care delivery in palliative care (7.1-7).

The combination of the Joint A-Team planning and retreat (which includes key stakeholders of senior leadership, management, and frontline staff) ensures the consideration and balance of key stakeholder needs. Needs of the patients and the community stakeholders are also considered during the SPP and the formation of strategic objectives (2.1-1). In reviewing SCs, SAs, and short- and longer-term goals (steps 3 and 5), SDH assesses future requirements of our customers



and future core competencies that will be needed to meet those requirements. SO1 and SO2 (2.1-2), for example, are strongly linked to the future state of health care, as well as sudden shifts in conditions (such as contracting, health care reform positioning, or regulatory changes), and SDH is at the forefront of this movement.

2.2 Strategy Implementation
2.2a Action Plan Development and Deployment.

2.2a(1) Action Plan Development. During the SPP (2.1-1), the SDH A-Team collaborates with our physician stakeholders (step 4) to develop action plans (step 5) for SOs and to assign senior leader process owners

(2.1-2). Once the DASHBOARD and SOs are finalized, department managers and the IPCs develop department-specific short-term action plans that support the SOs with input from senior leaders. The targets and specific metrics within the Quality PILLAR evolve each year with changing regulations in national, state, and local performance standards and through an annual review process at the SH level. Key long-term action plans focus on sustaining results in Quality, Access, Affordability, and Service where SDH continues to distinguish itself as an industry leader (2.1-3).

2.2a(2) Action Plan Implementation. SDH has a systematic approach to deployment of the strategic plan and action plans (2.2-1). Senior leader action plan owners report team progress at bimonthly Joint A-Team meetings and monthly at A-Team meetings, including measured progress towards SMART objectives. Department managers also develop PILLAR GOALS for their departments where each goal aligns with a specific SO. Action plans are deployed to employees, partners, suppliers, and collaborators by the mechanisms outlined in 1.1-2. As a cycle of improvement, action plans have been posted on the Turtle Transparency site, and progress towards achieving actions are available to the workforce, and tracked by the A-Team. Opportunities identified in actions not meeting performance target may be referred to the PIIT Crew for process improvement (6.1b[4]).

In alignment with the PIIT CREW process, senior leaders do not stop tracking a metric simply because it has met its targeted outcome. Sustained process metrics are cataloged and targeted outcomes continue to be monitored at publicly reported data. At PIIT CREW, Joint A-Team, and A-Team meetings, leaders review opportunities for improvement and continue to track them to ensure performance sustainability and mitigate negative trends. Employees understand their roles by department-specific action plans linked to the SOs and integrated into their performance reviews as a measure of accountability.

SDH completes the deployment loop by ensuring that our workforce understands the SPP, the action plans and strategic objectives. This is accomplished through conversations during Round-the-Clocks (5.2a[2]), ASA (5.2a[2]), monthly staff and manager meetings, IPC (3.1b[1]), coaching sessions, weekly POP meetings, and CULTURE OF CARING classes (5.2a[2]). Learning is achieved through feedback from the ASA, employee, physician, and volunteer satisfaction surveys, which lead to new cycles of improvement. Further, management and employees' performance are aligned with SDH strategic plans through their department PILLAR goals aligned with the overall SDH SO's.

2.2a(3) Resource Allocation. SDH ensures that financial resources are available for annual capital and operating needs while providing support for future growth. Annually, capital and operating budgets are developed through collaborative discussions with managers, staff, physicians, and the A-Team. Based on this input, routine operating budgets based on realistic projections are developed. The overall operating budget for SDH each year must align with the SHSSR long-term financial forecast, which is updated every year by the finance leaders of SHSSR. Work then commences with each department to collaboratively identify budget targets that consolidate to achieve the overall affiliate financial targets.

SH and SHSSR allocate and distribute available capital to individual affiliates based on need and financial performance. SDH senior leadership assesses its capital allocation prior to the start of each year and prioritizes its capital needs from operations, the strategic plan, strategic objectives, and action plans. A timetable and prioritization of capital requirements is then created by the A-Team using the PILLAR-based funding prioritization tool – the same tool used at the regional level for larger capital items funded by regional capital funds. Essential capital needs are then categorized into immediate, three-month, six-month, and 12-month priorities. An integrated and coordinated capital planning process with SDH and the SDH Foundation, the fundraising arm of SDH, facilitates the ability to raise community-based funds to augment the capital requirements.

Financial and other risks associated with strategic action plans are assessed and managed during bimonthly Joint A-Team meeting reviews of the strategic objectives and action plans. To ensure financial viability, strategic objective owners report out on any financial and other barriers they have encountered or anticipate, and the team ensures these risks are addressed and action plans are adjusted accordingly by utilizing other resources such as comparative and competitive data (P.2-1, 4.1a[2]).

2.2a(4) Workforce Plans. Key human resource plans to accomplish short and longer-term strategic objectives and action plans are listed in 2.1-2. Through the ongoing assessment of capability and capacity, SDH is able to maintain the flexibility needed to proactively identify and quickly respond to changing needs [5.1a1]. Leaders of each action plan identify human resources required to accomplish the plan. In addition, they identify potential changes either workforce capability or capacity to successfully implement and sustain the outcomes of the plan. Workforce capability is an ongoing process that in-

cludes plans to address potential impacts on workforce members and potential changes to workforce capability and capacity needs (5.1a[1]). A focus on measurement for all our action plans helps ensure that financial or other risks or barriers are identified quickly, and modified action plans can be deployed. Data for key processes that align with the DASHBOARD are monitored daily or monthly, as appropriate. This ongoing monitoring facilitates agile course corrections to ensure results on the DASHBOARD are achieved. The Joint A-Team meets bimonthly to discuss progress on strategic objectives and action plans. Using the PIIT CREW (6.1b[4]) and PDSA methodology, the study of measurable outcomes can generate a shift in plans and the need to rapidly execute new plans. The A-Team meets weekly to assess internal and external inputs, measures, and progress on strategic objectives to reallocate human and financial resources as needed to sustain high performance.

SDH's targeted selection process identifies specific behaviors, motivations, and knowledge (competencies) critical to job success for each job at SDH (5.1a[1]). The annual competency skill days ensure that the workforce maintains their skill level and provide the learning and development necessary for any new required competencies. Safety is always a core component of skills training. Physician capability is assessed through numerous monthly peer review medical staff committees and during the credentialing process. Physician capacity is assessed within the SPP by the SDH A-Team and Joint A-Team.

2.2a(5) Performance Measures. Key performance measures are identified and tracked on the DASHBOARD (4.1a[1], 4.1-1). The measures on the DASHBOARD are identified and revisited annually by a multidisciplinary team at SH. Once agreed upon at the system level, they are cascaded down to all affiliates. The DASHBOARD, along with the SH strategic plan, drive the SPP and the creation of strategic objectives and related action plans. Routine monitoring of key process measures, indicators, and outcomes of our action plan measurement allow SDH to identify need for change in action plans and rapid execution of new plans. Deployment of the SPP and the strategic objectives through the mechanisms in 2.2-1, as well as linking those objectives and measures with departmental measurement (4.1a[1]) and individual evaluations (5.2-3), ensures that the Performance Management System (5.2-1) covers all stakeholders and key deployment areas.

2.2a(6) Action Plan Modification. SDH's Performance Measurement System (4.1-1) outlines systematic reviews (weekly, monthly, quarterly, biannually, annually) of organizational performance. Course correction is achieved when necessary through rapid execution and deployment of modified action plans (1.1-2, 2.2-1). Weekly SDH A-Team meetings and bimonthly Joint A-Team meetings ensure that we have the organizational agility to shift plans or quickly execute new plans based on new information from the market or from stakeholders.

2.2b Performance Projections. Figure 2.1-3 lists DASHBOARD-aligned key performance measures/timetable and their related performance projections for short- and longer-term

Figure 3.1-1 – Listening , Interacting and Observation Methods

L, I, & O Methods	Users	Frequency	MS	BC	ED	SS	C/O	Action Generated
Voice of the Customer (VOC)			Actionable Information and Feedback					
Former and Current Patients and Families								
Satisfaction Surveys	Administration, Managers, Staff, Physicians	Daily	•	•	•	•		Patient satisfaction goals, managerial action plans, <i>Turtle Times</i> , IPC work teams created and process improvements deployed, aggregated for VOC analysis and reviewed at VOC Coaching Sessions.
Consumer Preference Surveys	Marketing, Administration	Annually	•	•	•	•	•	Community preferences for SH affiliates compared to competitors assessed. Services created/modified because of responses.
Complaints (verbal, written, via hotline)	Administration, Workforce	Immediate, Weekly, Quarterly	•	•	•	•		Immediate service recovery, Manager follow-up, weekly review, aggregated for VOC analysis and review at coaching sessions (3.2-2)
Interdisciplinary Practice Council Patient/family post discharge interview	Administration, Managers, Staff, Physicians	Monthly	•	•	•	•	•	Customer feedback/opportunities for improvement in quality, safety, and service are identified and action plans deployed, aggregated for Voice of the Customer analysis and review at VOC Coaching Sessions.
Health Education Classes	Administration, Managers, Staff, Physicians	Monthly	•	•	•	•	•	Customer feedback on expectations prior to use of services.
Leadership Round- ing for Outcomes	Managers, Administration, Physicians	Daily	•	•	•	•		Process improvements (PIIT CREW), action plans created and deployed, follow-up communication with patients and physi- cians, aggregated for Voice of the Customer analysis and review at VOC Coaching Sessions.
Pre-admission phone calls	Staff Managers	Daily		•		•		Customer feedback on expectations prior to use of services. Individualized care plans created.
Discharge Phone Calls	Staff Managers Physicians	Daily	•	•	•	•		Manager follow-up, process improvement, service recovery, and safety concerns aggregated for VOC analysis and review at VOC Coaching Sessions.
Social Media and Web-based Technology	Workforce and Community	Daily	•	•	•	•	•	Aggregated for VOC analysis and review at VOC Coaching Sessions.
HCAHPS / Core measures	Administration, Managers, Staff, Physicians, Community	Quarterly	•	•	•	•	•	HCAHPS / Core Measure goals, managerial action plans, <i>Turtle Times</i> , IPC work teams created and process improvements de- ployed, aggregated for VOC analysis and reviewed at VOC Coaching Sessions, PIIT crew, financial impact analysis
Potential Patients, Competitors Patients, Other Customers and Competitive Future Markets								
Employer/ Broker Surveys	Employer/Broker Team, Administration	Yearly					•	Workforce health initiatives Selection of Farmer’s Market Booth themes.
Community Needs Assessment	Marketing Administration	Every 3 years					•	Community needs assessed through strategic planning process. Services are created/modified because of feedback received.
Consumer Prefer- ence Surveys	Marketing, Administration	Annually	•	•	•	•	•	Community preferences for SH affiliates compared to competi- tors assessed. Services created/modified as a result of feedback received.
Outreach/Health Fairs	Marketing, Managers, Staff	2/month	•	•	•	•	•	Needs of community kept current, feedback aggregated for Voice of the Customer analysis and review at Coaching Ses- sions.
“We Plus You” needs survey	Marketing, Managers, Staff	Monthly					•	Needs of community kept current, feedback aggregated for Voice of the Customer analysis and review at Coaching Ses- sions.
HCAHPS	Administration, Managers, Staff, Physicians, Community	Quarterly	•	•	•	•	•	SPP, PIIT crew, financial impact analysis, external benchmark- ing
MS = Med-Surg/ICU; BC = Birthing Center patient; ED = Emergency patient; SS = Surgical Services patient; C = Community, O = Other Customers								

planning horizons. SDH expects that projected performance will continue to compare favorably to DASHBOARD-set benchmarks, past performance, and the performance of our competitors and comparable organizations. When possible, DASHBOARD measures are designed to compare performance to comparable organizations, such as Quality (7.1), Service (7.2), and People (7.3). The SPP and the Performance Measurement System (4.1-1) identify current or projected performance gaps. SDH A-Team and the Joint A-Team address such gaps with strategic objectives and action plans that are deployed as appropriate (1.1-2). The affordability metric on the DASHBOARD is an ongoing strategic challenge, and SH’s

longer-term targets for this metric are more aggressive each year in anticipation of the impacts of health care reform. SDH implemented an Affordability Team and an Affordability DASHBOARD containing key in-process measures, leading to SDH exceeding short- and longer-term targets (7.5a[1]).

3. Customer Focus

3.1 Voice of the Customer

3.1a Listening to Patients and Other Customers

3.1a(1) Listening to Current Patients and Other Customers. SDH employs numerous learning methods involving listening, interacting, and observing patients and other customers

(3.1-1). SDH has a robust, systematic VOICE OF THE CUSTOMER (VOC) process that provides actionable information on former and current patients and other customers. VOC information is gathered from many different methods, including patient comments, patient satisfaction surveys, Interdisciplinary Partnership Council (IPC) patient interviews, discharge phone calls, social media postings, “We plus You,” survey and community need surveys; such information is aggregated in the quarterly VOC report. The report is reviewed by the A-team, and shared with managers in coaching sessions. The VOC methods have undergone several cycles of improvement with changes to rounding, discharge phone calls, IPC interview format, social media monitoring and most recently the addition of the “We Plus You,” survey in 2013. SDH tailors listening, interactive and observation methods to patients and other customers during each stage of our relationship from former and current patients, to potential new patients and the community. The VOC input report categorizes the information further by providing source, HCAHPS domain and classification of Key Customer Requirements (P.1-7). The VOC output report a summary of identified OFIs (3.1-3) is presented quarterly as described in (3.1-2). By maintaining active relationships with local physician groups, community clinics and private/governmental insurers, varying methods have been developed to seek immediate and actionable feedback allowing follow-up strategies to be developed, as appropriate. Through the VOC, the Birthing Center identified the need to modernize rooms, create a calm environment for birthing, and provide more comfortable accommodations for dads and guests. This need was addressed through the 2011 matching grant fund, (Happy Beginnings) with the engagement of philanthropy administration and the community.

Customer information gathered through social media such as Twitter, Facebook, Yelp, and Davis Wiki are incorporated into the VOC process. The VOC process is reviewed by SDH leadership on an annual basis for relevance and effectiveness utilizing the process outlined in figure 4.1-1. In a cycle of improvement, in order to better identify and act on patient, community and other customer needs, utilizing SH’s new brand “We Plus You,” a needs survey was created and deployed through local community outreach events. Feedback is included in the VOC database. In listening to our community, a key market segment, SDH reviews the annual community preferences survey and the triennial Community Needs Assessment (1.2c[2]) to identify the pressing needs of our community.

3.1a(2) Listening to Potential Patients and Other Customers. Patient satisfaction surveys and other listening methods (3.1-1) are the ways we listen to our former patients and assess their perception of our services, support, and safety. SDH participates in Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) a survey tool that is designed to solicit patient feedback. We also use this publicly reported information to gauge our performance in comparisons with other hospitals (7.2-10, 7.2-15). We listen to potential patients and patients of competitors through the SH-developed Employer Broker Program in (3.1-1). The qualitative Consumer Preference Survey lets us know where our brand sits in relation with our competitors. Recently SH brand was changed

to “We Plus You” as a result to listening to our current patients, potential patients and other customers. Complaint data that may affect potential patients and other customers purchasing and engagement decisions is analyzed and acted upon (3.2b[2]). We listen to competitors’ patients through printed and social media to use as feedback into the VOC.

3.1b Determination of Patient and Other Customer Satisfaction and Engagement

3.1b(1) Satisfaction and Engagement. Patient and other customer satisfaction and engagement is assessed through survey tools described in Listening, Interacting, and Observation Methods (3.1-1). Satisfaction and engagement are assessed by results of targeted questions separated by market segment. A randomized sampling of patients from each market segment receives a satisfaction and engagement survey following discharge from SDH (3.1-1). The Measurement Team then uses survey results to interface with the Rewards and Recognition Team, rewarding and recognizing high performance of departments or individuals. The Patient Satisfaction Team uses survey results to identify opportunities for improvement and develop quarterly action items and deployment plans based on the results. Staff representatives from all departments on the Patient Satisfaction Team and the Rewards and Recognition Team ensure deployment of both recognition and actionable improvement initiatives. Managers use VOC and Turtle Times poster to discuss physician-related patient satisfaction and engagement results during regular collaborative practice meetings, ensuring the engagement of our physician partners in the process of exceeding patient and stakeholder expectations.

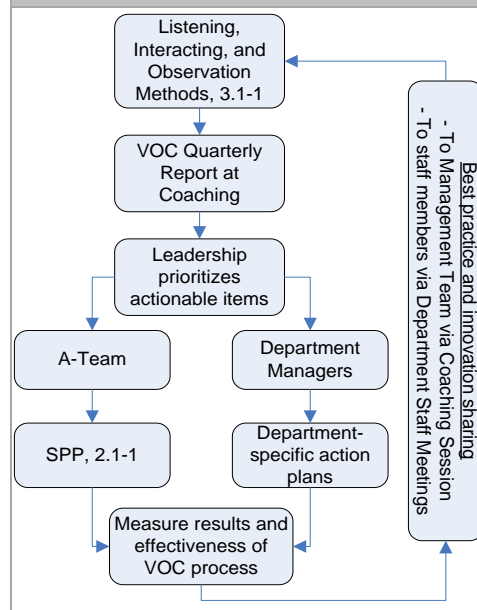
We also elicit direct face-to-face feedback on patient satisfaction and engagement through various patient feedback methods (3.1-1), such as quarterly invitations to patients who attend our INTERDISCIPLINARY PRACTICE COUNCILS (IPCs).

The IPCs are frontline staff committees with the goal of improving safety and care at the bedside. Physician partners in each of the four market segments participate in these discussions as well. Each of the four IPCs invites a patient to the council meetings on a quarterly basis, giving SDH unique opportunities to hear directly from customers about positive and negative experiences of the care they received. A-Team members participate in these patient interview sessions and help ensure that councils take actionable information away from these discussions, and have the resources they need to make any changes identified. Having a unique council for each customer segment, the Med-Surg/ICU Council, Birthing Center Council, Emergency Department Council, and Surgery Council, allows us to target deployment to each patient segment. Staff members of the IPCs are responsible for deploying key messages from each month’s meeting to their department coworkers through a systematic 1:1 communication process.

All survey results, lessons learned from patient IPC discussions, and additional methods described in Listening, Interacting, and Observation Methods (3.1-1) are aggregated, separated by market segment, and in a cycle of improvement based on our annual Baldrige assessment process, presented as the Voice of the Customer (VOC, 3.1-2) by the Measurement Team quarterly at VOC POP Sessions. At these designated VOC POP Sessions, process-related opportunities for im-

Improvement or innovation are identified, prioritized, and developed into quarterly action plans. Actionable items are referred to the PIIT CREW (6.1b4), Patient Satisfaction Team, and the IPCs as appropriate. Results of improvement plans are then reviewed at subsequent VOC Coaching Sessions. In addition, the Management Team utilizes trended graphs, benchmarking, and other tools provided by our partners, Studer Group and Press-Ganey, at monthly coaching sessions to further analyze and discuss results in a team environment. Weekly, patient satisfaction results are shared at POP (Pulse on the Pillars) through the Turtle Times. Immediate course correction may occur. Best practices and innovations throughout the facility are shared at weekly POP and monthly Coaching Session. For example, a best practice in the Birthing Center, addressing “noise level in and around room” was adopted by Med-Surg. The adoption of “Quiet Time” resulted in improved scores in this Press Ganey question on both units.

Figure 3.1-2 – Voice of the Customer (VOC)



Poor on the Press-Ganey satisfaction surveys in order to better identify early trends in dissatisfaction and better distinguish trends from isolated incidences of dissatisfaction.

Information received about patient and other customer dissatisfaction is shared with physician partners through bimonthly Joint A-Team and monthly medical staff committee meetings. Aggregated information is integrated with the SPP, as the SDH A-Team and Joint A-Team use patient dissatisfaction information to identify opportunities for improvement, (strategic objectives) that are systematically deployed throughout each of our customer segments. The SPP revealed a trend of patients identifying opportunities for improvement in the flow of information between our inpatient services and our physicians’ outpatient clinics which, led to strategic objectives for information flow and use of electronic messaging for patients needing urgent office follow-up after hospital discharge. Changes were systematically deployed throughout the facility resulting in follow-up appointments orchestrated for at-risk patients prior to discharge, including Medical-Surgical patients, patients seen in the Emergency Room, Surgical Services, and all new-

3.1b(2) Satisfaction Relative to Competitors. In addition to the ability to segment data by our patient populations, the Press-Ganey database allows us to benchmark our satisfaction and engagement results against other hospitals both within SH and nationally (7.2-1 thru 8).

Via the HCAHPS database, we are able to compare our results to local competitors (3.1a[2], 7.2-10, 15). Sutter Davis Hospital’s Voice of the Customer report integrates Press-Ganey results with HCAHPS results in order to address opportunities, develop and deploy action plans, and affect results of both databases (3.1-2).

3.1b(3) Dissatisfaction. Patient and other customer dissatisfaction is determined through results and comments on the patient satisfaction surveys, direct patient conversations during IPC meetings, and the numerous gathering methods described in Listening, Interacting, and Observation Methods (3.1-1). Complaint data are captured, tracked, and trended to produce actionable information in order to exceed patient expectations and increase patient safety. This information, together with patient satisfaction data, is shared during quarterly VOC Coaching Session and used to develop quarterly Managerial and Patient Satisfaction Team action plans. Quarterly Press-Ganey categories falling below the 75th percentile are further investigated to determine the percentage of customers reporting dissatisfaction through a rating of Very Poor or

patient clinics which, led to strategic objectives for information flow and use of electronic messaging for patients needing urgent office follow-up after hospital discharge. Changes were systematically deployed throughout the facility resulting in follow-up appointments orchestrated for at-risk patients prior to discharge, including Medical-Surgical patients, patients seen in the Emergency Room, Surgical Services, and all new-

3.2 Customer Engagement

3.2a Service Offerings and Patient and Other Customer Support

3.2a(1) Service Offerings. The SDH A-Team and Joint A-Team use patient, market, and health care service offering information annually as part of the SPP (2.1-1). During the SPP, the team reviews market, competitive, and industry data; consumer and broker preference surveys; VOC (3.1-2); hospital utilization; the SH strategic goals; and our current status in each Dashboard PILLAR. After reviewing the data and key customer requirements (P.1-7), the Joint A-Team determines strategic opportunities to meet and respond to market challenges and customer requirements, and develops strategic objectives, assesses risks and benefits (6.1-1), and implements service offerings align to the PILLARS (2.1-2).

SDH identifies and adapts health care service offerings and features, including expansion of new service offerings, through the SPP and the integration of the VOC, the Community Needs Assessment and market and competitive data. SDH defines its customers as the community and our patients, segmenting them into Med-Surg/ICU, Birthing Center, Emergency, and Surgical Services. The integration

Figure 3.1-3 – Category 3: VOC Deposit Report and Results Report (Sample)

QUARTER 4 RESULTS	HCAHPS (IP)	PRESS GANEY SCORES			
		EMERGENCY	AMBULATORY	MEDICAL SURGICAL/ICU	OB
Overall Hospital Rating	84	76	80	83	89
Overall ED					
Overall Amb					
Overall Med Surg/ICU					
Overall OB					
Communication With Doctors	86	74	59	87	91
Physicians					
Anesthesiologist					
Communication With Nurses	84	68	69	72	93
Nurses					
Responsiveness of Hospital Staff	59	69	73	87	92
Registration/Admission/Referral process					
Visitors and Family					
Pain Management	73	73	84	85	88
Pain relief					
Communication about Medications	64	50	79	33	82
Extent Staff Checked ID Before Meds					
Nurses Kept You Informed					
The Hospital Environment	67	65	76	44	91
Meals (IP)					
Meals (OP)					
Facility (Inpt)					
Discharge Information	87				
Discharge (IP)					
Willingness to Recommend	86				
Overall Assessment					
Tests and Treatments					
Tests and Treatments (IP, ED)					

of the Community Needs Assessment and other Listening, Interacting and Observation Methods (3.1-1) with the SPP identifies additional gaps in meeting patient and other customer requirements, exceeding expectations among market segments and reveals opportunities for innovation in order to attract new patients and other customers. In response to rapidly changing market requirements, an opportunity for Joint Commission Stroke Certification was identified. SDH obtained Joint Commission Stroke Certification in April 2012 to better serve our community and meet market demand.

Review of the data and identified opportunities are cascaded throughout all levels of the organization through the SPP deployment mechanisms (1.1-2, 2.2-1) and includes integration with the Voice of the Customer process and the PDSA cycle to achieve short- and longer-term goals. These processes are also employed by individual service lines and incorporated into each service line manager’s annual goal-setting process for their departments in order to innovate at every level of the organization. An example of this is our Volunteer Doula program in the Birthing Center, which was an effort to influence quality, market demand and community engagement. This is an RN-managed program now consisting of over 30 community volunteers, including former patients, who are trained in the art of labor support and are on-call for our laboring moms 24 hours a day. This innovative program is the only Volunteer Doula program in the area as well as in the Sutter System.

Listening to, interacting with and observing (3.1-1) health care and non-health care community members, as well as physicians, allows us to identify the ongoing health care service needs of our community and develop action plans to address them and to exceed the expectations of our patients and other customers. An innovative example of attracting new patients and customers while expanding relationships with existing patients and other customers occurred through the VOC process. The need for healthier food options was identified through the VOC. A partnership with the Davis Farmers Market was formed, bringing a satellite of the Farmers Market to the SDH campus, available to patients, staff, partners and community.

3.2a(2) Patient and Other Customer Support. SDH enables patients and other customers to seek information, support, and Health Care Services through the access mechanisms listed in 3.2-1. Through the extensive use of patient satisfaction tools (3.1-2) and multiple Listening, Interacting and Observation

Methods (3.1-1), SDH gathers information about patient and other customer expectations, health care services needs, and feedback on the services and support provided (3.2a[3]). These methods are customized for each patient segment. New inpatients also receive contact information for the department manager and the CEO to give direct feedback including compliments or complaints during their stay.

The effectiveness of access mechanisms and key means of patient and other customer healthcare support is reviewed during the annual SPP and on an ongoing basis through Listening, Interacting and Observation Methods and PILLAR measures, such as patient satisfaction. Systematic communication mechanisms provide patient and other customer support by assuring that key messages reach all levels of the organization to meet our mission of commitment to compassion and excellence in health care services (1.1-2). Communication with our patients and other customers occurs through the VOC (3.1-2).

Staff members of the IPCs are responsible for deploying the key messages from each month’s meeting (3.1b[1]) to their assigned department coworkers. PIIT CREW (6.1b[4]) alignment with the IPCs, Round-the-Clocks (5.2a[2]), staff meetings, and the ASA (5.2a[2]) facilitates deployment of processes that provide patient and other customer support.

3.2a(3) Patient and Other Customer Segmentation. The SDH A-Team and Joint A-Team use patient, market, and competitors’ healthcare service information annually as part of the SPP (2.1-1). During the SPP, the Planning and Business Development Department at SHSSR helps the A-Team and Joint A-Team gather market data and competitor data for use in analysis. After review, the A-Team identifies strategic opportunities to better meet and react to our current and future market needs and prepare strategic objectives (2.1-2, 2.1-3, 2.1a[3]).

In addition to identifying market segments, the SPP (2.1-1) makes use of data to identify and anticipate key patient and other customer requirements. By focusing on our four key patient segments – Med-Surg/ICU, Birthing Center, Emergency, and Surgical Services – and by having representatives from all segments at our annual Joint A-Team Retreat during the SPP, we are better able to identify and anticipate how any changing requirements or expectations will differ across our stakeholder groups. We also break information and data into demographic segments, such as age and sex, allowing us to better focus actions and objectives. Market data provided annually by the Planning and Business Development Department at SHSSR identify health care service opportunities, such as the recent outpatient oncology service line expansion (2.1a[3]).

Through the SPP and during bimonthly Joint A-Team sessions, senior leadership uses market and competitive data to create or adjust action plans on strategic objectives, and align with the PIIT CREW (6.1b[4]) to deploy actions and changes. The Joint A-Team Retreat and bimonthly meetings also include leaders representing all stages of a patient’s relationship with our organization, from our primary care and specialty physician partners to the physician, nursing, and ancillary care in the hospital. This representation ensures that we are able to understand and anticipate impacts of changes across the entire continuum of care and remain aligned with short- and longer-

Figure 3.2-1 – Key Access Mechanisms

Access Mechanism	MS	BC	ED	SS	C
Sutterdavis.org	•	•	•	•	•
800-4-SUTTER physician referral	•	•	•	•	•
Rounding	•	•	•	•	•
Hospital Information Desk	•	•	•	•	•
IPC meetings	•	•	•	•	•
24-Hour House Supervisor	•	•	•	•	•
Administrator on Call	•	•	•	•	•
Direct line to the CEO	•	•	•	•	•
Informational brochures	•	•	•	•	•
Community Events	•	•	•	•	•
Email/Letters/Phone	•	•	•	•	•
Surveys	•	•	•	•	•
Community Educational Classes	•	•	•	•	•

MS = Med-Surg/ICU; SS = Surgical Services Patient; ED = Emergency Dept. Patient; BC = Birthing Center Patient; C = Community

term goals of improved quality, access, and affordability. The Medicare population, for example, is growing rapidly. In anticipation of the impacts related to this growth as well as upcoming health care reform, we have set targeted strategic objectives and formalized action plans to optimize LOS and decrease readmission rates through the SDH Affordability Team (7.1-9, 10).

3.2b Building Relationships with Patients and Other Customers

3.2b(1) Relationship Management. SDH markets, builds and manages patient and other customer relationships through effectively and systematically sustaining a patient- and other customer-focused culture. The *Sutter Davis Difference* – our CULTURE OF CARING – strives for consistently positive patient and other customer experiences and contributes to customer engagement. Cultural expectations are introduced prior to employment for all new staff members, volunteers, and managers with an applicant review of an agreement to our STANDARDS OF BEHAVIOR. The *Sutter Davis Difference* is reinforced through peer interviewing, which allows existing workforce members to select employees who will be suitable team members within the *Sutter Davis Difference* culture. Regional new employee orientation along with our SDH-specific CULTURE OF CARING class ensures that all new employees and volunteers are exposed to this culture, the MVV, and the PILLARS. Regular meetings, including IPC meetings, staff meetings, and the annual All Staff Assembly, continuously reinforce the culture throughout employment. The *Sutter Davis Difference* and the STANDARDS OF BEHAVIOR reinforce this relationship building with patients and other customers; all staff are held accountable to these through workforce performance management processes (5.2-1, 7.2-16 thru 19).

At SDH, physicians are crucial in establishing relationships with our patients and other customers and sustaining our patient-focused culture. Patient care is directed at daily interdisciplinary Patient Care Rounds with individualized patient care occurring as each case is personalized and updated by the physician-led Interdisciplinary Care Team. Additionally, Joint A-Team meetings are held bimonthly to review relationship opportunities between the medical group and hospital. Physicians also chair medical and quality review committees within SDH and participate in our innovative IPCs. An example of this collaboration is our BC Collaborative Practice Group involving physicians, midwives and nursing. The BC Collaborative Practice Group agenda focuses on patient requirements; patient needs identified through the VOC. This practice model has attracted national attention and will be a featured documentary currently being filmed by American University in Washington, D.C. Since its opening in 1994, the Birthing Center has attracted patients who want a non-traditional hospital birth experience based on evidenced based practice and the midwifery model of care. “Collaborative Maternity Care in Yolo County, California: A Successful Model of Public Health and Private Practice Partnership,” authored by a SDH Obstetrician and partnering CNMs, was selected for ACOG Journal Publication.

Listening to patient and other customer needs through social media, market trending, community surveys, patient surveys, focus groups, and patient rounding allows us the ability

to engage patients and other customers and ensure that we have service lines that meet their requirements throughout each stage of our relationship. It also allows each service line to evaluate existing methodologies of care delivery and tailor care delivery to patient and other customer preferences as part of each service line’s annual goal-setting process. For example, patient and other customer feedback on the desire for Vaginal Birth after Cesarean (VBAC) at SDH, led to providing this service in the Birthing Center in 2012. “VBAC in the Trenches: A Community Perspective,” authored by two SDH obstetricians was selected for publication in the professional journal, *Clinical Obstetrics and Gynecology* in December 2012. This paper documented our journey to making VBACs a reality in the community hospital setting.

Engagement of patients and other customers is created through active involvement and relationship building.. All A-Team members and managers invest in community involvement to form new relationships, listen to patient and other customer needs, and market the *Sutter Davis Difference*. Staff members and physicians are also encouraged to represent SDH in the community through volunteer activities and/or advisory councils. Community needs identified through these activities are reported during regularly scheduled one-up meetings and brought to the A-Team for aggregation and further analysis and planning. Social media, such as Facebook, is utilized as a means of leveraging patient and other customer engagement. Patient and other customer engagement is tracked through the VOC (3.1-2, 7.2a[2]).

3.2b(2) Complaint Management. Patient and other customer complaints are identified via Listening, Interacting, and Observation Methods (3.1-1). SDH employs a systematic three track complaint management process that segments complaints into three categories: dissatisfactions, complaints, and grievances. This process allows the workforce a standardized approach to complaint management. The workforce is empowered to handle dissatisfaction at the point of service using service recovery methods. If the dissatisfaction cannot be resolved at the point of service, the issue is raised to the level of complaint and handled by the manager of quality, in conjunction with the appropriate department manager, for closure within 30 days. Grievances represent complaints posing significant risk to SDH and involve the CEO, legal, and risk departments in their resolution. Complaint data are tracked and included in SDH’s VOC reports. This systematic complaint management process allows SDH to respond to the needs of our patients and other customers in order to leverage our Culture of Caring. A detailed outline of SDH’s complaint management process is available on site.

When opportunities for improvement are identified, prompt action is taken by a variety of means such as sharing information at quarterly VOC coaching sessions, inviting patients to participate in IPCs and/or implementing PIIT CREW projects (6.1b[4]). Patients invited to participate in IPCs have the experience of seeing their concerns directly translate into staff education and improved departmental processes. By listening to the voices of our customers, providing prompt, personal contact to patients and other customers who have reported dissatisfaction and resolving issues within 30 days (7.2-11, 12), SDH strives to recover patient and other customer confi-

dence and enhance their satisfaction, engagement, and loyalty.

The SDH A-Team systematically reviews our complaint management process. In a cycle of improvement, SDH improved the process by adding both a “hotline” to the quality department and an online process to register a concern or a compliment.

4. Measurement, Analysis, and Knowledge Management

4.1 Measurement, Analysis, and Improvement of Organizational Performance

4.1a Performance Measurement

4.1a(1) Performance Measures. The SDH Performance Measurement System (4.1-1) supports the effective performance of our primary work system, Patient Care Delivery. The Performance Measurement System begins with the SH DASHBOARD developed by a SH, SHSSR, and affiliate leadership committee who determine system-wide performance measures and benchmarks based on market, financial and environmental assessments. Through SDH’s SPP (2.1-1) and Leadership system (1.1-1), SDH senior leaders develop and align the DASHBOARD and SDH’s strategic objectives (Step 1), identify key processes and action plans (2.1-1, Step 2), and identify Key Performance Measures (2.1-3, Step 3). Comparative data, benchmarks, and performance projections are established (Steps 4 and 5). Data is collected (Step 6) through numerous methods such as coded data extraction, audits, surveys, and SH Enterprise Warehouse. Analysis (Step 7) is performed by process owners and department managers and reviewed by senior leaders (4.1-2). The PIIT Crew (Step 8) assist process owners not meeting performance targets 6.1a[4]. Improvements in performance, innovation are identified and shared (Steps 9 and 10).

Performance measures are tracked and shared at all levels of the organization and used for process improvement, action planning and future decisions (Step 11). In a cycle of learning, strategic action plans, department goals, and performance are posted on the Turtle Transparency site to improve collection and analysis of key performance measures (2.1-3) and evaluate progress on strategic objectives and action plans. Department profiles are posted in each department to highlight department specific contribution to performance. Cycles of learning are incorporated to future strategies and opportunities (Step 11). Key short term (1 year) and longer term (5 year) are shown in (2.1-2) and monitored in frequencies shown in (4.1-2).

4.1a(2) Comparative Data. Comparative data are selected based the availability of published data (e.g. CMS, TJC, IOM, Truven 100 Top) and regulatory requirements (P.2-1). SDH uses top decile or best comparative data, and prioritize sources in the following order: 1) National best practices or top decile

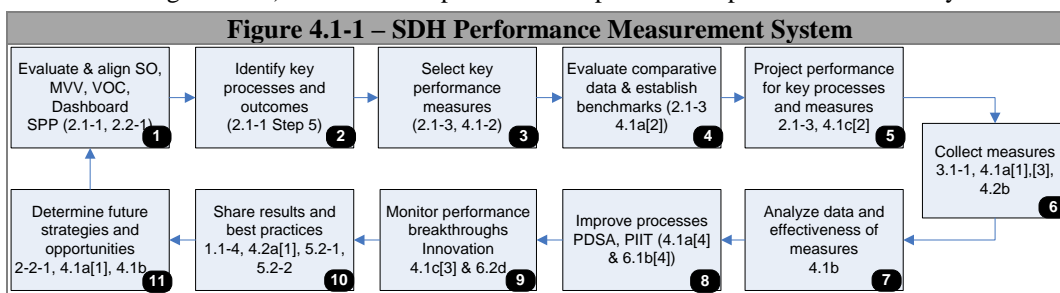
2) State-wide best practices or top decile 3) Local or internal best practices and market comparisons 4) local or SH targets or averages (2.1-3). Comparative data sources are reviewed annually during senior leaders. The use of comparative data sources is embedded in the Performance Measurement System (4.1-1) and Health Services and Work process design (6.1-1) where opportunities to analyze and improve performance, innovate and provide feedback for strategic decision-making are identified.

4.1a(3) Patient and Customer Data. Patient and customer data are captured through VOW and Listening, Interacting and Observation Methods (3.1-1) and are selected to meet key patient, customer and stakeholder requirements. The Listening, Interacting, and Observation method capture data collected through social media sites and include patient and customer compliments and complaints (3.1-2). During Coaching sessions, senior leaders and managers analyze data quarterly, to develop actionable plans from opportunities identified, and use learning for SPP (2.1-1) and making strategic decisions (4.1-1 Step 11) , improve Health Services and Work processes (6.1-1), innovate and offer new services(3.1a(1)).

4.1a(4) Measurement Agility. Through patient, customer, stakeholder feedback received through VOW, Listen, Interacting, and Observation methods (3.1-1), Baldrige, regulatory requirements (P.2-1), and understanding of competitor performance, SDH is able to learn and keep our Performance Measurement System (4.1-1) current with health care service needs. Its stays agile to rapid or unexpected change through a focus on results, ensuring comparative benchmarks and targets are updated, improving processes with support of the PIIT Crew (6.1b (4)), and ensuring key processes perform to targets. Senior leaders, managers, and physicians review the effectiveness of our key systems and processes annually (4.1-3). The Performance Measurement system (4.1-1) has undergone cycles of learning and improvement to align action plans across the organization and track progress on the Turtle Transparency site. The Department Profile (1.1-2) is displayed in each department to create focus on department-specific contributions to Key Performance measures (2.1-3) and Department goals (2.2-1). Our Turtle Times poster (1.1-2) is displayed throughout SDH and updated weekly to communicate patient satisfaction and provide patient and customer feedback to our workforce. These practices have been shared at conferences locally and nationally.

4.1b Performance Analysis and Review. SDH systematically reviews its performance and capabilities at all levels of the organization (4.1-2). Senior leaders, process owners, and departments use Key Performance Measures (2.1-3) and

DASHBOARD to balance performance across the organization and create patient, customer, and stakeholder value. The PIIT Crews provide resources to facilitate the understanding of data and results using statistical tools such as con-



trol charts, Pareto, variances, and correlations.

Senior leaders, perform a systematic review of performance (4.1-2) and use feedback from external agencies (e.g. Baldrige, CMS), and regulatory requirements to assess organization success, competitive performance, financial health, and long term sustainability. Feedback from our patient and customers through the VOW and Listening, Interacting, Observation Methods (3.1-1) ensure that the organization is agile to the needs and challenges of the operating environment. The governance board assesses the performance of SDH through the Dashboard and achievement of SO action plans.

Figure 4.1-2 – Performance Analysis and Review										
Methods	BOT	AT	DM	MS	JAT	NL	IPC	FS	VOL	Purpose
DASHBOARD 2.2-2, 7.1, 7.3-5	M	W	M	M	BM	M	M	M	M	Organizational Performance
SO ACTION PLAN 2.2-1, 7.1, 7.4-22		M	M		BM	M				Progress on SO and Action Plans
DEPARTMENT PROFILES 1.1-2, 4.1a(1)		M	M					M		Department Performance
DEPARTMENT GOALS 2.2-1		M	M			M		M		Progress on Department Action Plans
IPC Action Plan 1.1-3, 2.2-1, 3.1b, 5.2a(2)		M					M	M		Progress IPC Action Plan
CORE MEASURES 2.1-3, 7.1	M	M	M	M	BM	M	M	M		Quality Processes
Affordability Dashboard 2.1-3, 7.1, 7.5		M	M	M	BM					Quality and Finance
Financial Reports 7.5	M	BW	BW	SA	BM	BW		BW		Finance and Productivity
Workforce Satisfaction Reports 1.1-2, 7.3-11 thru 22	A	A	A	A	A	A	A	A	A	Employee, Physician, Volunteer Requirements
Performance Management 5.2-1, 5.2-3		SA	SA	M		SA		SA		Staff and Physician Performance
Patient Satisfaction Reports 3.1-1, 7.2	M	W	W	M	BM	M	M	W	M	Patient and Customer Requirements
W=Weekly BW=Biweekly M=Monthly BM=Bimonthly Q=Quarterly SA= Semi Annual A=Annually BOT= Board of Trustees AT= A-Team MS= Medical Staff JAT= Joint A-Team DM=Department Manager IPC= Interdisciplinary Partnership Council FS= Frontline Staff VOL= Volunteers										

4.1c Performance Improvement

4.1c(1) Best Practices. SDH identifies high performing departments by results evaluated at senior leaders, manager, and through Organizational Learning Methods (1.1-4). High performing departments show high, sustained results across the 5 pillars and are reinforced by Rewards and Recognition Team (1.1-5).

The Organization Learning Methods (1.1-4) and performance results are used to identify high performing departments and alignment with the Dashboard and SO. These tools are accessible by senior leaders and the workforce on Turtle Transparency site and posted in each department. Described in 4.1a(1), the expanded use of the Turtle Transparency site facilitates the efficient monitoring on the progress of SO and department action plans. Physician engagement in leadership and medical committees reinforce understanding and their contribution to high performance.

SDH identifies best practices as improvements or innovations create value and may lead to measurable results that meet or exceed top decile. The Medicare Affordability Team, organized to address the challenges of Health Care Reform, has shown breakthrough improvements in Medicare margin (7.5-9).

4.1c(2) Future Performance. Senior leaders use historical performance data and external best-practice benchmarks to trend performance future performance to achieve or sustain top decile performance. Performance projections are established annually during the SPP (2.1-1, 2.2b). Financial projections are determined annually by SH and SHSSR finance leadership as part of the budgeting process (2.2a [3]) for short-term (1 year) and long-term (5 year) financial projections. Regulatory, legislative and technology impacts are evaluated during the SPP through Performance Analysis and Review (4.1b) and built into future performance projections.

Differences in projections and performance are reviewed (4.1-2) evaluated during the SPP (2.1-1) and ongoing during

senior leader meetings (2.2a[6]). Actions are implemented to take corrective actions. In response to a strategic opportunity, resources were approved to add a Palliative care nurse and team to address end-of-life patient needs and reoccurring patient readmissions (7.1-7).

4.1c(3) Continuous Improvement and Innovation. Organizational performance review findings are prioritized for continuous improvement and innovation to ensure Dashboard, SO action plan measures, and Key process measures (6.1-3) perform to targets.

The PIIT CREW (6.1b[4]) serves as the foundation for process improvement. Systematic data analysis and performance review identify opportunities for improvement and innovation. Improved results are accomplished through the implementation PDSA using of cycles of changes and incorporation as best practices (4.1-1, 4.1c(1)).

The SDH Leadership System (1.1-1) creates accountability around improvements and innovation an Accountability to Perform to Plan. Priorities and opportunities are deploy to work groups and functional levels of the organization through Organization Learning methods (1.1-1), Staff Communication Tools (1.1-2), and Workforce Learning and Development (5.2-2). Workforce alignment occurs through Performance Management (5.2-1) to functional levels of the organization.

Suppliers, partners, and collaborators participate in process improvement through two way communications, during Health Service and Work Process design, and through the VALUE ANALYSIS TEAM. Routine collaboration meetings with vendors and Quarterly Business Reviews with major vendors align core competencies and performance expectations. Supplier of orthopedic implants engaged with physician and the hospital to standardize product and reduce costs of orthopedic implants.

4.2 Knowledge Management, Information, and Information Technology

4.2a Organizational Knowledge

4.2a(1) Knowledge Management. SDH collects and transfers knowledge to the workforce through Listening, Interacting, and Observation methods (3.1-1), SDD Deployment and Communication Tools (1.1-2), and Organizational Learning methods (1.1-4). Knowledge is transferred to the workforce through the Workforce Learning and Development System (5.2-2). Through Performance Management (5.2-1), SDH integrates workforce accountability for learning and practice into performance evaluations. Physicians are engaged in the best practice learning through various medical staff committees (e.g. Quality Council), Joint A-team, and PIIT Crew. SH and SHSSR share best practices through webinars, intranet learning, and meetings.

Process owners and workforce teams with support of the PIIT Crew (6.1b[4]) collect and transfer knowledge gained through continuous improvement, breakthrough performance, sharing best practices that feedback to SPP. (4.1-1 Step 8 – 11). Best-practices and innovations are posted to the Turtle Transparency site to share practices that create value for patients, customers, stakeholders and communicated through Organizational Learning Methods (1.1-4). During the past three years, SDH has received visits from within and outside the state to learn about SDH’s practices in patient and workforce satisfaction, quality, and practices unique to the Birthing Center and Emergency Departments. In the Birthing Center, the Volunteer Doula Program has been recognized as a community-wide best practice and provides SDH a competitive advantage for Birthing Center selection. Leadership has recognized individual employees for innovations through the “I am Sutter” program. A business office employee was recognized for reducing the repeated use of the Emergency department by MediCal patients.

4.2a(2) Organizational Learning. Organizational learning is embedded in the Performance Measurement System (4.1-1) through data collection, analysis, process improvement, cycles of learning and best practice sharing. Learning is communicated through SDD Deployment and Communication Tools (1.1-2), shared through our Organizational Learning Methods (1.1-4) and knowledge deployed through the Workforce Learning and Development System (5.2-2).

4.2b Data, Information, and Information Technology

4.2b(1) Data and Information Properties. Accurate data and information begins with collection from reliable sources, monitoring input for accuracy and ensuring secure transfer to clinical information systems using industry standard interfaces (HL7). These interfaces prevent the manual entry of data and improves data transfer reliability and accuracy. Data correction software has been implemented in critical data input areas such as registration and medical records to ensure reliability, integrity and accuracy of data collection. Senior leaders invest in clinical and information technology to provide timely, secure, accurate data and information to physicians and staff providing patient care at the bedside (6.1-1). A robust integration of EPIC is expected in early 2015 that will integrate information systems with aligned and independent physicians, hospitals, and other outpatient services.

SDH ensures accuracy, integrity, reliability, timeliness, security and confidentiality of data through ongoing training

(5.1-1), limiting data input to authorized and trained users, and measuring performance. Patient care documentation is performed concurrently during care to ensure that data and information are captured timely and accurately. The workforce receives training on policies and regulations related to privacy and confidentiality (e.g. HIPPA) on orientation and annually

Hardware and software support resources are available by SHSSR IS department 24 hours a day. IS security, integrity, and reliability are continuously evaluated by SH and SHSSR that include the use of the latest security, backup and encryption technologies. Computers require personal login and passwords to ensure security and monitor access to confidential data.

4.2b(2) Data and Information Availability. The need for user-friendly data format is driven by our focus on excellence in Patient Care Delivery (6.1-1), our commitment to our workforce and stakeholders in our *Culture of Caring*, and desire to align and communicate (1.1-1). The workforce have easy access to information through a variety of methods that include email, newsletters, workforce CEO communication, policies, E-learning and other resources such as the Turtle Transparency site on the intranet site (1.1-2). Senior leaders, managers, and physicians have access to financial, quality, and workforce management resources to assist them in managing areas of responsibility using the data repository at the SHEW(4.2b(3)). Patient and clinical data is available electronically and via paper and supports safe, effective and efficient patient care delivery. Clinical systems such as PACS and Sunquest provide accurate and timely imaging and laboratory information to physicians and care providers. Voice recognition software available in Radiology and for the general medical staff have simplified dictation and improved turn-around times for clinical summaries. Vendors are provided user-friendly and timely access to electronic and paper data and information required for their service.

Customers access information through our intranet portal about SDH, its services, health information, expectations of hospital stay, and physicians. Copies of electronic health records can be printed for the patient for education and ensuring accurate communication of the patient’s medical condition to his/her physician. Imaging studies can be captured in CDs and provided to the patient.

4.2b(3) Hardware and Software Properties. To ensure reliability and security, SDH aligns with the SH and SHSSR IS to standardize and integrate hardware and software products including clinical devices. A local SDH IS Steering Committee meets monthly with a Regional IS representative to address issues and coordinate strategies. The committee also evaluates the effectiveness of IS projects with the assistance of IS project managers.

Locally, SDH ensures reliability and security of hardware and software by ensuring the availability of 1) uninterruptible power supplies and generator back-up, 2) onsite maintenance, inspection and replacement, 3) developing downtime and disaster recovery plans. SH ensures security of the major IS systems and servers that are housed in our separately located data center. Remote access to our servers is secured by using secure access through VPN technology.

SDH stores data management through the Sutter Health Enterprise Warehouse (SHEW) which provide data repository for financial, workforce, and clinical information, data storage and backup. The SHEW has extensive automated audits in place to reconcile data, ensure accuracy and integrity. Software and hardware redundancies within the SHEW ensure data reliability and accessibility used for the operational or strategic decisions. From the SHEW, reports are generated and made accessible to senior leaders, management, and staff. Tools such as the monthly EPSI finance and biweekly Vision ware productivity reports assist SDH manage its resources.

Subject matter experts and end users partners collaborate to develop user-friendliness, and validate clinical content and workflow processes. The deployment of the electronic health records requires interdisciplinary teams that include subject matter experts, physicians, and end-users to design user-friendly application format. The SDH website is redesigned by the SHSSR marketing based on customer access and feedback. Project teams comprised of end-users are organized at local affiliates to coordinate the implementation of IS initiatives.

4.2b(4) Emergency Availability. During emergencies, the continued availability of hardware and software systems and of data and information are ensured through facility downtime procedures through the SDH EMERGENCY MANAGEMENT PROGRAM (EMP) (6.2c[2]), and the SH IS Disaster Recovery Program. Daily, data backups are run for all servers within the SH data center. In a disaster, the back-up data are available to restore applications and data. Disaster drills are conducted to verify efficiency of the processes in the case of an actual event.

5. Workforce Focus

5.1 Workforce Environment

5.1a Workforce Capability and Capacity

5.1a(1) Capability and Capacity. Assessment of capability and capacity provides SDH the flexibility to proactively identify and quickly respond to changing requirements. SDH leaders assess workforce capability and capacity during the SPP, to design Health service and Work processes, create value for our patients and customers, and align performance with the Dashboard and strategic action plans This assessment ensures adequate and capable workforce are available to meet and exceed patient, customer and stakeholder requirements. SDH's targeted selection process identifies specific knowledge (competencies), certifications, licensure and behaviors critical for job success for each job role at SDH. These competencies are embedded in the job description and the interview and selection scoring tools used in individual and peer interviews. On an on-going basis, skills and competencies are assessed through the Performance Management (5.2-1) and Learning and Development systems (5.2-2) to ensure on-going capability of staff members.

SDH ensures sufficient employee capacity to meet patient and community needs via several means. On a daily basis, department managers evaluate staffing levels for efficiencies and productivity using staffing grids based on volumes within the facility, state mandated staffing ratios and acuity of the patients. In order to meet seasonal or varying demand levels,

SDH employs cross training. Employee cross-training between departments and cross-training to different roles within departments adds flexibility to handle changing demand levels, while providing the workforce the opportunity to acquire new skills. As a staffing and productivity measure, all departments use a unit of service determined by the department's core business. On a biweekly basis, leaders review their DEPARTMENT PROFILE, displaying overall productivity for their departments (4.1a[1]). To support leaders in managing their productivity, employee competencies, skills, and staffing levels, SDH leaders attend monthly manager and coaching sessions to assist in the review and organization of work.

Physician capability is assessed on initial appointment and through the physician credentialing, peer review, and Ongoing Professional Practice Evaluation (OPPE) processes facilitated by the Medical Staff office. Physician capacity is assessed at the senior leadership regional strategic planning meeting. The Regional VP of Strategy and Business Development provides comparable market data by service lines for the region, counties and facilities. This data reflects population growth, utilization, and competitor information. This information is then used to determine physician capacity and potential growth opportunities for each of the areas identified.

Volunteer capability and capacity are assessed at monthly Auxiliary Board meetings. During the volunteer recruitment process, discussions are held with each new volunteer to determine their skill level, the hours they wish to volunteer, and their work preference. Volunteers are cross-trained between departments. The volunteer doula program is a sub-set of volunteers assigned specifically to the Birthing Center. The doulas at Sutter Davis Hospital are trained in the physiological and emotional aspects of childbirth, facilitating communication between the patient, her partner, and the medical staff.

5.1a(2) New Workforce Members. New employee recruitment is accomplished at the regional level. The hiring and placement process is performed locally at SDH using manager and peer interviews. HR formally trains peer-interviewing teams on behavioral interviewing techniques. Peer interviewing supports SDH's commitment to ensure the workforce represents the diverse ideas and cultures of patients, and thinking of the hiring and patient community. Once candidates are selected, regional recruitment assists with the formal process of pre-employment screenings and an official offer of employment. New workforce members receive health screenings and are provided current vaccinations. New workforce retention begins during the selection process, focusing on the *Sutter Davis Difference*. To increase retention, feedback is systematically obtained from all new employees in formal 30-, 60-, and 90-day introductory review meetings with their manager. Introductory reviews allow two-way communications and give employees the opportunity to provide direct feedback on their job training and orientation for process improvements. Workforce turnover and vacancy rates are monitored on an ongoing basis (7.3-1-3).

Volunteer recruitment and placement is coordinated through an auxiliary volunteer coordinator via an application and interview process. Annually, the volunteers complete a satisfaction survey and based on the results, action plans are developed to increase retention and satisfaction of volunteers

(7.3-18-21).

To ensure the workforce reflects our community, regional recruitment develops diverse candidate pools from employee referrals and community outreach. SDH represents the diversity of our community (P.1-4).

5.1a(3) Work Accomplishment.

The SDH workforce is managed, organized, and aligned with the strategic objectives to accomplish the work of the organization (P.1a[1]). The work is accomplished through multidisciplinary teams comprised of the workforce segments. Departments and service lines collaborate to provide patient care in line with our strategic objectives. This is illustrated in daily multidisciplinary rounds. Through interdisciplinary communication and teamwork, members define and agree goals for the care of the patient, discuss progress towards goals, plan and evaluate patient treatment, and clarify team member responsibilities. Teamwork is vital to SDH's ability to manage and organize our work.

To capitalize on our core competency of the *Sutter Davis Difference*, our workforce is organized and managed with a focus on patient and family centered care. An example is a focus on individualized patient care, understanding and meeting patient expectations. Staff, physicians and volunteers celebrate annual recommitment to the Standards of Behavior during our Hospital Week celebration.

SDH reinforces a patient, customer, and health care focus through a commitment to our core competency, ensuring we are exceeding patient and stakeholder expectations (P.1-7). Individual performance excellence is reinforced and accomplished through the Performance Management System (5.2-1). Targets such as patient satisfaction are set by SH and SHSSR via the DASHBOARD and cascaded from the A-Team to the department and individual staff members. SDH further supports performance excellence through training, development, and accountability to execute action plans in order to sustain our results at the top decile (7.1, 7.2). Performance excellence is recognized and rewarded via the Rewards and Recognition Team (1.1-5).

5.1a(4) Workforce Change Management. SDH prepares the workforce for changing capability needs through the Performance Management system (5.2-1) and the Workforce Learning and Development system (5.2-2). SDH prepares for changing capacity needs through multiple means. A systematic approach to managing workforce reductions and growth is accomplished through comparing biweekly financial reports, which identify trends, volume and overall productivity with budget targets. In addition, the A-Team reviews every job posting, and requires the department manager to complete a Request Justification form that includes performance metrics and operational information. This allows potential workforce reduction to be managed through attrition. Cross-trained workforce may be deployed to other areas of the hospital. Displaced employees are given one year of preferential hiring status for any open position for which they are qualified throughout SHSSR minimizes impact of long-term reduction. SDH also offers outplacement services.

5.1b Workforce Climate

5.1b(1) Workplace Environment. SDH systematically monitors and improves workforce environmental and accessibility factors impacting health, safety, and security through defined processes in the Environment of Care (EOC) (5.1-1) and in collaboration with Risk Management and Employee Health. The SDH Safety Officer brings quarterly reports to the A-Team and to the medical staff through the Quality and Patient Safety Committee. Key Workforce health, safety and security measures are reported in 7.3-6.

Deployment of EOC key information is accomplished through the Safety Ambassadors, staff members from each department who meet monthly to discuss deployment strategies. The safety ambassadors report their activity to the EOC committee. Volunteers are also kept informed about health, safety, and security during semiannual Volunteer Update Meetings.

Taking into account different workplace environments, key performance measures are reported in the Voice of the Workforce. In addition, safety drills are conducted in numerous areas of the hospital including monthly fire and quarterly abduction, bomb threat, abusive/assaultive behavior, weapon/hostage situation, hazardous materials spill/incident, and evacuation. Hazardous surveillance rounds are also conducted biweekly on departments, and the A-Team conducts safety rounds (1.1-3). In addition, ergonomic assessments are available to all staff members to maintain a safe and healthful work environment.

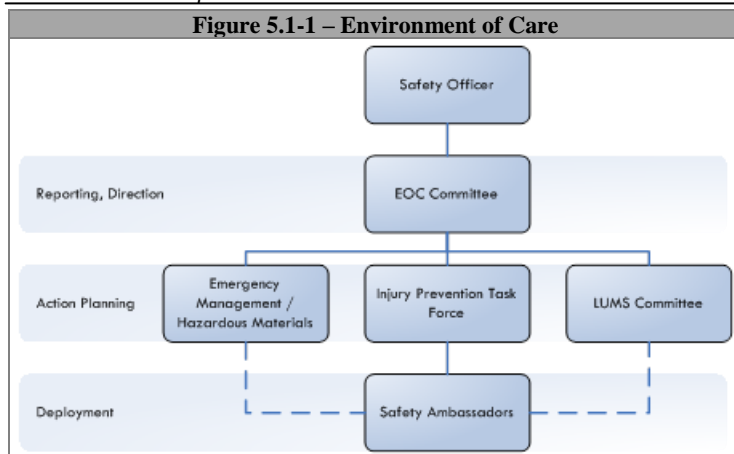
To ensure and improve the health of our workforce, SDH sustains a strong focus on workforce wellness. A smoke-free policy was initiated at SDH, employees and volunteers can complete health risk assessments online, regularly scheduled, on-site blood pressure screenings are available, and discounted health club memberships are available. Nutritional values are listed for meals served in the cafeteria. A partnership with the local farmers market was initiated for the workforce to have access to farm-fresh food.

5.1b(2) Workforce Policies and Benefits. SDH offers a comprehensive list of policies and services posted on the intranet. The policies protect the workforce, highlight available resources, define roles and expectations for members of the workforce, and play a critical role in organization knowledge management. The SDH benefits program is available to both full- and part-time employees, and benefit coverage is free of charge to full-time employees. The benefits program is extensive and supports the diversity of our workforce (P.1-4), including a variety of competitive flexible health, dental, and vision plans as well as an Employee Assistance Program (EAP) to provide support to employees on work-related and personal issues.

SDH's fully funded pension plan provides a sense of comfort and security to our current and future retirees (7.3-10). Tuition reimbursement offers our employees an opportunity to further their education, with the purpose of enhancing job-related abilities (7.3-23). In addition, by offering a discount on daycare provider services, our employees enjoy affordable daycare and also can utilize the benefit of daycare discounts to cover their work hours or school schedule.

To assist both full- and part-time employees in maintaining current licensure or certification, SDH supports paid days

Figure 5.1-1 – Environment of Care



in order for employees to complete continuing education courses (7.3-24). To ensure that our employees maintain a healthy work-life balance, we offer employee discounts at health clubs and amusement parks. Based on annual employee feedback, changes have been made to the health insurance plan and additional benefits have been offered, including identity theft insurance coverage, pet insurance, 403(b) employer matching funds, and employee discounts at retail establishments.

SDH also offers a Connecting to Work (CTW) program. This program pertains to employees who have sustained an injury on or off the job and have been released by their physicians to return to work under modified duty. This program allows employees to receive their full pay and continue their benefit coverage.

5.2 Workforce Engagement

5.2a Workforce Performance

5.2a(1) Elements of Engagement. One of SDH’s strategic objectives is to strengthen our position as a best place to work (P.1-1, 2.1-2). SDH determines key elements that affect workforce engagement through organizational learning methods (1.1-4). As a cycle of improvement, the primary method for determining workforce engagement elements is assessed through input of workforce focus groups annually. Key engagement elements for each workforce segment are identified in P.1-3.

5.2a(2) Organizational Culture. SDH fosters an organizational culture characterized by open communication, high performance, an engaged workforce and ensures our culture benefits from the diversity of our workforce via the following mechanisms:

- CULTURE OF CARING classes:** Quarterly, all new workforce members at SDH attend the CULTURE OF CARING class. This four-hour class orients new employees to the *Sutter Davis Difference*, including the MVV, STANDARDS OF BEHAVIOR, professionalism, patient satisfaction, and key resources for the workforce.
- Just Culture:** The Just Culture process was instituted after receiving the results from our Culture of Safety survey. The Just Culture Algorithm systematically allows us to identify needed process improvements, hold employees accountable for their choices while at the same time encouraging an open learning culture. It shifts the focus from errors and outcomes to system design and behavioral

choices.

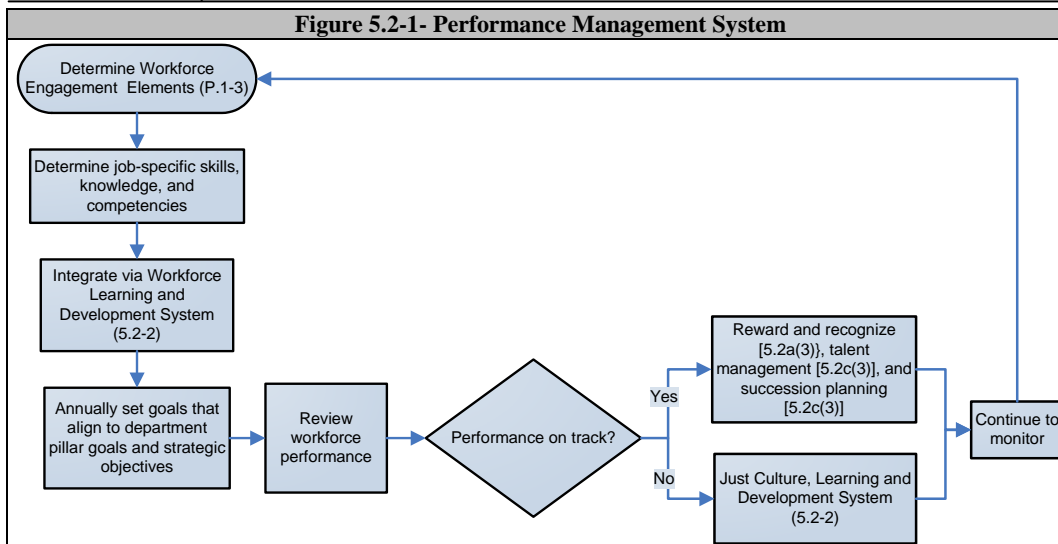
- Round the Clocks:** In order to further deploy the *Sutter Davis Difference* and MVV to all workforce members and to ensure SDH is communicating at all levels; the-Team schedules quarterly Round-the-Clocks to meet with the workforce. All shifts are visited in Round the Clock meetings, during which the A-Team focuses on rewarding and recognizing success, engagement and communicating key messages. In addition, volunteers receive information at least semi-annually through the Volunteer Update Meeting.
- IPCs:** The IPCs (3.1b[1]) allow the workforce to contribute their diverse ideas, skills and abilities to improve the workforce and patient’s experience. Open communication in the IPC’s, creates a work environment that promotes respect, sharing common goals, and having a voice in patient care and work environment decisions.
- All Staff Assembly:** As a cycle of improvement, SDH began inviting all workforce members, to an annual All Staff Assembly (ASA). In a three-hour session designed to be informative, engaging, inspiring and entertaining, A-Team members deploy messages related to the *Sutter Davis Difference*, the MVV, the SPP, the DASHBOARD and PILLAR performance.

5.2a(3) Performance Management. SDH utilizes the Performance Management System (5.2-1) to support high-performance work and workforce engagement with a focus on accountability to the PILLARS, the STANDARDS OF BEHAVIOR, and required job-specific competencies. SDH’s Performance Management System considers compensation, reward, recognition, and incentives through various mechanisms. Compensation is adjusted annually by HR based on role-specific market trends and performance. SDH celebrates individual and team performance through the Rewards and Recognition Team (1.1-5).

The Performance Management System (5.2-1) reinforces a focus on patients, other customers and healthcare through an emphasis on individual PILLAR performance and the Standards of Behavior, highlighting our core competency. Achievement of action plans are reinforced through department PILLAR performance aligned with SDH strategic objectives (2.1-2). Intelligent risk taking is formally encouraged through open communication during performance reviews and informally through organizational learning methods (1.1-4).

5.2b Assessment of Workforce Engagement

5.2b(1) Assessment of Engagement. SDH assesses workforce engagement through a variety of approaches. Primary processes include the annual employee, physician and volunteer satisfaction surveys. These provide both satisfaction and engagement results and allow the organization to focus on areas for improvement identified directly from the workforce. The employee opinion survey was supplemented with Modern Healthcare’s Best Places to Work in Healthcare survey. SDH has been recognized as an outstanding employer in healthcare on a national level for the past four years as a Best Place to Work by Modern Healthcare (P.1-1).



Using the Hay Group Experience of Work (EOW) national database, SDH is able to evaluate employee satisfaction and engagement compared to thousands of other organizations nationally (7.3-11-14). Results of the survey are shared with management and employees, and formalized action plans are developed for each department to address opportunities for improvement. Follow-up on the action plans is conducted regularly in all departments to communicate improvements as a direct result of employee feedback. Similar approaches are used to address findings from both the physician and volunteer surveys (7.3-15-20).

In addition to the satisfaction survey approaches, turnover rates, employee injury rates, grievances, and near miss reporting are monitored routinely in the Voice of the Workforce to assess and improve workforce engagement. These results are reported to leadership and staff throughout the year. The Culture of Safety survey was introduced to assess perceptions of safety across the organization (7.4-3 thru 8). Aggregated findings and results from all these approaches provide a key input in the SPP.

5.2b(2) Correlation With Organizational Results. The A-Team correlates results from workforce surveys with organizational results to identify opportunities for improvement and assess workforce engagement on an ongoing basis. Organizational results that are reviewed include employee turnover, employee injuries, patient satisfaction, and culture of safety perceptions. Opportunities for improvement are reviewed and fed into the SPP.

5.2c Workforce and Leader Development

5.2c(1) Learning and Development System. SDH identifies and offers learning and development opportunities for workforce members, managers, and leaders, as part of the Performance Management and Learning and Development systems (5.2-1, 5.2-2). Learning and development needs are aligned with the PILLARS on the DASHBOARD. As new learning and development needs arise, SDH is agile in responding to those needs with the assistance of the SDH Nurse Educator and Sutter Health University (SHU).

SDH's Learning and Development System addresses its core competency, the *Sutter Davis Difference*, upon new hire, at the CULTURE OF CARING class, and ongoing utilizing de-

ployment and communication tools (1.1-2). IPC and department action plans address key strategic challenges, including affordability. Action plans and lessons learned are deployed to staff (1.1-2). Organizational performance improvement and innovation are addressed through department goals and action plans and supported by the PIIT CREW (6.1b[4]). Lessons learned are deployed through deployment and communication tools to the workforce (1.1-2). Regular ongoing

dialogue with the workforce helps ensure that learning and development opportunities addressing performance improvement are identified. Leaders and high-performing staff members attend national conferences and classes, with the primary goal of learning best practices and driving innovation at SDH.

New hire and annual eLearning online education assignments address ethical health care and business practices, with mandatory courses on topics such as HIPAA, legal compliance, and the confidential means of reporting suspected violations in the organization (7.4-10).

SDH's Learning and Development System addresses key customer requirements (P.1-7) and expectations. For example, the Annual Skills Day focuses on key safety requirements including the prevention of patient falls and the prevention of hospital-acquired pressure ulcers. In addition, the new hire CULTURE OF CARING class focuses on patient satisfaction.

The transfer of knowledge from departing or retiring workers is ideally addressed through direct knowledge transfer from the incumbent prior to exiting or retiring from the organization. Feedback from exit interviews provides information and knowledge to the management team to identify opportunities for improvement. In addition, transfer of knowledge from departing or retiring leaders is addressed through the SDH Leader Roles and Responsibilities Matrix.

Reinforcement of new knowledge and skills for the workforce is accomplished using the Kirkpatrick Method through evaluations, demonstration, managerial feedback, and direct observation (5.2-2).

5.2c(2) Effectiveness of Learning and Development. Ongoing, SDH uses the Kirkpatrick Evaluation Model's four levels of learning and annually, A-Team members and Human Resources Leader, evaluate the effectiveness and efficiency of the Learning and Development System (5.2-2). Additionally, effectiveness of learning and development can be assessed informally by means of employee rounding and peer, managerial, and patient feedback, as well as by direct observation. Lastly, evaluation of results is achieved through quality and financial outcomes. The overall effectiveness of our Learning and Development System is measured through directed questions on the annual workforce satisfaction surveys (7.3-25). Each course or training offered at SDH is developed and eval

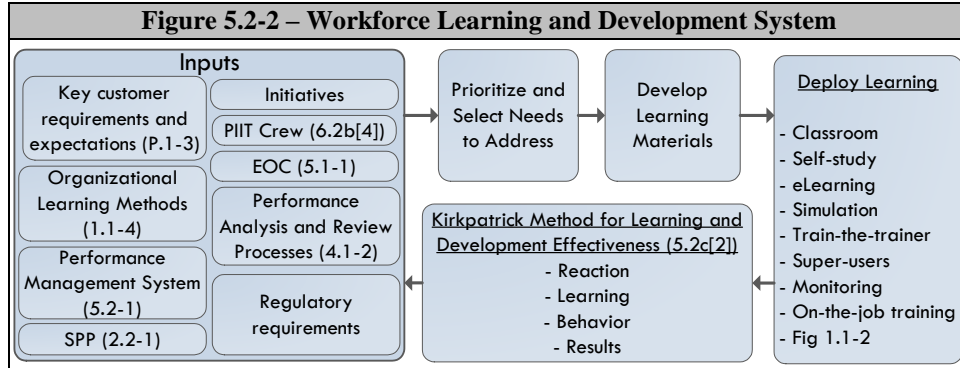
uated to ensure curriculum and presentation is improved based on feedback and results from previous trainings.

5.2c(3) Career Progression.

Career progression, including succession planning, is managed during performance review in the Performance Management system. High-performing employees are identified for Talent Management, focusing on enrichment and development, or Succession Planning, for possible promotion or role modeling. SHU offers continuing education to support both talent management and succession planning. During an annual review of the Performance Management system, a refinement was made to the succession planning process. The SDH Leader Roles and Responsibilities Matrix was developed. The Roles and Responsibilities Matrix is unique to each A-Team and Management Team position and lists all of the duties required to be done daily, weekly, monthly, quarterly, and annually. This Matrix provides future successors to SDH leadership positions a blueprint to their new role. The Matrix is reviewed and updated, as needed, on an annual basis.

Similar processes are used for physician career progression. Physicians have options for career advancement, including further clinical development, academic education, administrative leadership or medical staff leadership. Physicians may enhance their clinical practice. Recently, hospitalist attained additional board certification in Palliative Care. She now serves as the Medical director for the Palliative program. At SDH, physicians have the opportunity to participate in the Family Practice Residency Program, precepting the residents as a mentor and professor. Our Vice President for Medical Affairs is a member of the Administrative team. He is in the SH physician leadership track, which includes: a 360 evaluation, a coach, attendance at the physician leader lab, attendance at Managing for Clinical Excellence (Process Improvement) and SH University. In addition, he is currently involved with lean process education. Our Medical staff leaders go through a similar process as they progress through leadership roles. Additionally they attend national conferences on Medical staff leadership, Peer Review and Credentialing

If they choose, volunteer members of the workforce are cross-trained into other areas of service within the hospital. This allows our cross-trained volunteers to float to other departments when needed. Many of our volunteers have become employees of Sutter



Davis Hospital.

6. Operations Focus

6.1 Work Processes
6.1a Service and Process Design
6.1a(1) Design Concepts.

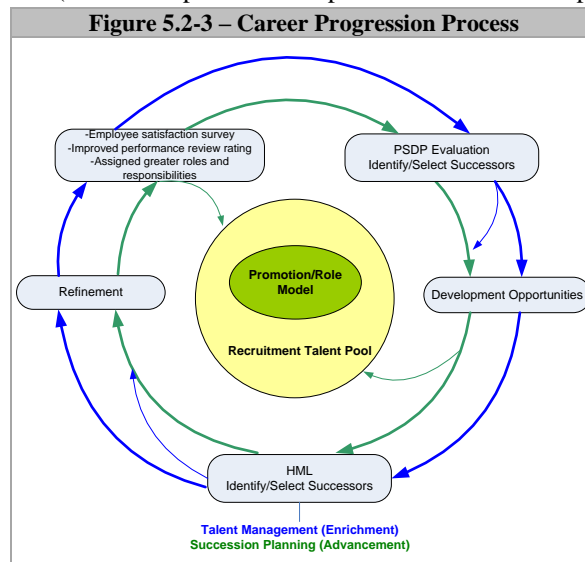
SDH uses a systematic approach to design

and improve its Health Care Services and Work processes (6.1-1). The design begins with understanding inputs from our key patients, customers and stakeholders (1) identified through Listening Interacting and Observation methods (3.1-1) and regulatory requirements (P.2-1, 6.1.1 [Step 1]. During the annual SPP (2.1-1), senior leaders evaluate our core competencies, MVV, Dashboard to develop SOs that align Dashboard with our Work systems, Health Services and Work processes. SDH’s core competencies and MVV guide our design process from SPP, with the identification of strategic opportunities, assessment of risks, project approval and assignment of a project leader or process owner (Step 2). Design and innovation continues the process (Step 3) and is followed with the alignment of key Support processes (Step 4), implementation and process improvement (Step 5), and monitoring results (Step 6). The effectiveness of design and design process are evaluated in the final step (Step 7).

Driven by our by SDH’s core competency and MVV, health service excellence ensures quality and safety is incorporated in everything we do. A multidimensional approach using in-process and outcome measures, listening to stakeholder feedback during design and implementation ensures that SDH remains agile and corrects for process variation and suboptimal performance. Participation of subject matter experts including physicians and feedback from key customers and stakeholders provides the team a better understanding of how to create stakeholder value.

Organizational knowledge (4.2a) and technology are applied to accelerate improvements in design, processes, and innovation. Achieving performance at top decile in key Healthcare Service measures distinguishes SDH from our market competitors in performance excellence, ensures competitive advantage, marketplace respect, and long term sustainability.

6.1a(2) Service and Process Requirements. SDH’s Health Care Service requirements are determined through core competencies, MVV, inputs (6.1.1) are evaluated during our SPP. Physician requirements are also determined through daily interactions as a member of the care team, weekly



A-Team meetings, bimonthly Joint A-Team meetings, monthly medical staff committee meetings, and the annual Physician Satisfaction Survey. Supplier requirements are determined through two-way communication through supplier business reviews, Value Analysis Team and contract negotiations. SDH receives feedback on the requirements from community collaborators through senior leader participation on community boards, county health councils, the Community Needs Assessment, and meetings with collaborators.

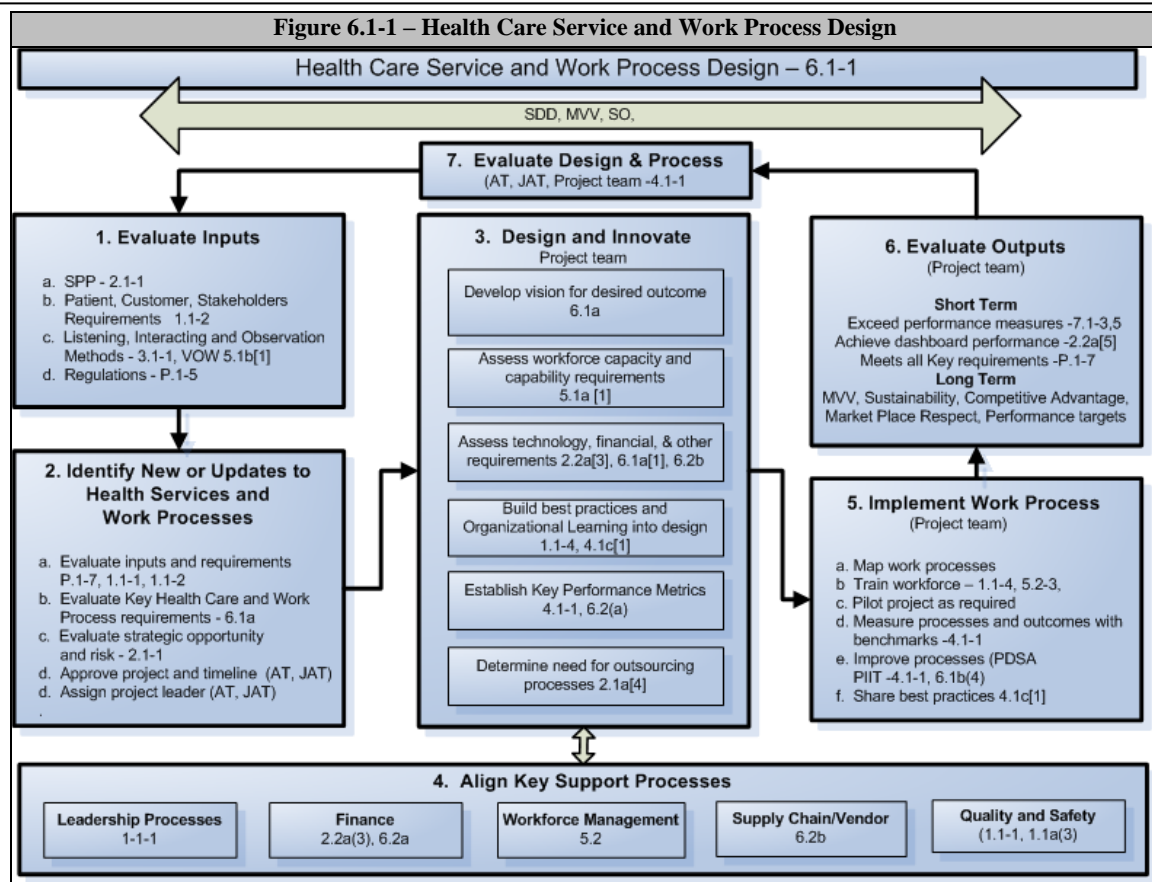
SDH's Key Work processes are Access to Care, Assessment and Diagnostic, Individualized Treatment, and Discharge and Transition of Care (6.1-2). SDH's key Work Process requirements are expected to meet or exceed patient and customer requirements (P.1-7). These requirements are reviewed annually during the SPP and evaluated at A-team and Joint A team meetings, and Coaching sessions.

6.1b Process Management

6.1b (1) Process Implementation.

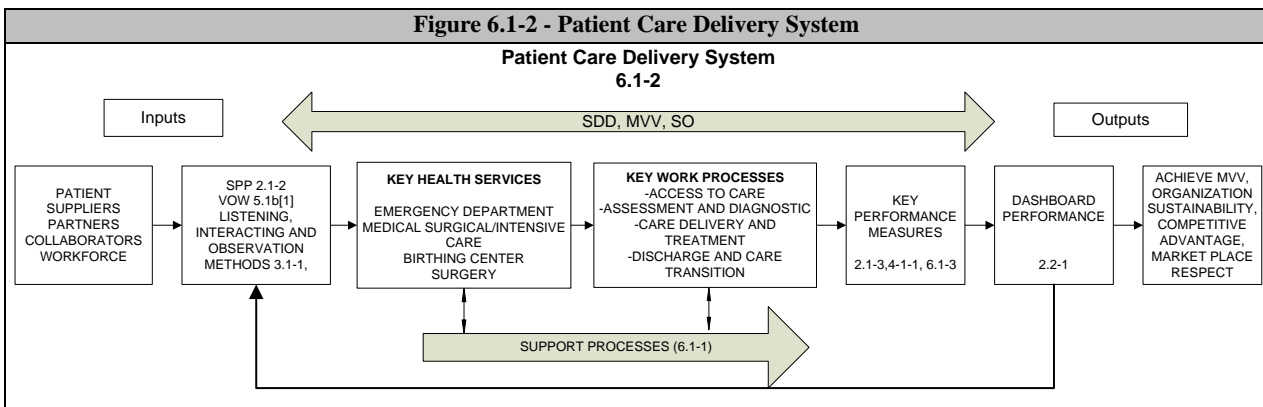
SDH's key work processes are integrated components of our key work system, Patient Delivery System (6.1-2) and align with other systems and processes. SDH ensures that day-to-day operations meet requirements by the application of the Performance Measurement System (4.1-1) through rigorous monitoring of in-process and outcome measures, Dashboard performance, and feedback from our patients, customers and stakeholders through the Listening, Interacting and Observation Methods (3.1-1). This ongoing feedback ensures SDH's ability to remain agile, respond to process variation and address potential blind spots 2.a1[3]. Senior leaders and managers conduct routine rounds with patients, families, physicians, and collaborators to communicate and receive timely feedback. The Sutter Davis Difference Deployment tools (1.1-2) describe methods to deploy and receive feedback. Key performance measures and requirements are described in 2.1-3, 6.1-3.

Work process implementation (6.1-1) is integrated in the Health Service and Work process design. During implementation of new or updated processes, the project team deploys key processes following development of process maps, policies,



and staff training. Processes are improved through PDSA, Performance management (4.1-1) and supported by the PIIT Crew (6.1b[4]). Key measures (6.1-3), and results (7.1) are selected to ensure patient, customer, stakeholder and regulatory requirements, SO, and dashboard performance are achieved, align with our core competency and MVV and achieves short and long term results. Sustaining top decile performance in key healthcare service and comparative performance measures distinguishes SDH from our market competitors and ensures competitive advantage, marketplace respect, and long term sustainability.

6.1b(2) Patient Expectations and Preferences. SDH addresses and considers each patient's expectations and preferences through patient-family centered care delivery. Health care services, outcomes and patient expectations are reviewed with the patient and family through multiple methods including pre-admission classes, admission packets, multidisciplinary physician rounds, white boards, and workforce and manager rounding. For example, through birthing classes, and total joint replacement preadmission classes are taught by frontline staff. Patients who are scheduled to receive elective care at SDH have the opportunity to ask questions to prepare them for the patient experience. In a cycle of health services improvement, a palliative care RN and team was added to the multi-disciplinary team to better address patient and family expectations for chronic diseases and end-of-life care. Additionally, patient decision-making and preferences are factored into the delivery of other health care services, including admissions, food preferences, and billing.



Patients and their families participate in health-care decision-making. In care rounds, patients and their families are given the opportunity to participate in the critical care rounds, hear the plan of care, and provide input to the physician, nurses, and support staff. Patients receive an admission packet on their arrival that is updated throughout their stay. The admission packets include a letter from the unit’s nurse manager, information on how to voice concerns, contacts for hospital departments, how to reach the nurse manager and CEO, the anticipated length of stay, and a care guide following discharge. The nurse and physician caregiver team encourage active participation in the care process by the patient and the family throughout the patient’s stay. AIDET is used to help set realistic expectations for the duration and nature of the care to be provided and to help alleviate patient and family member’s anxiety. Rounding is conducted by department manager on all new admissions and patients with anticipated longer stays. Rounding provides opportunity for shaping the patient’s experience and improves perception of care through timely identification of concerns.

6.1b(3) Support Processes. Key support processes are Leadership System subprocesses (1.1-1), Work Force Management (5.1, 5.2), Quality and Safety (1.1-1, 1.1-3), Finance (6.2a), and Supply Chain Management (6.2-6). Key support processes are determined by senior leaders to ensure SDH meets and exceeds patient, customer, stakeholder and regulatory requirements, dashboard targets, and SO. Senior leaders evaluate these processes annually during SPP and ongoing at A-team and Joint A-Team meet-

ings to ensure balanced short and long term and dashboard performance. As a cycle of improvement, Supply Chain Management has been realigned with SH and SHSSR to maximize opportunities to negotiate and enhance performance on vendor contracts, reduce supply costs, and standardize vendor performance. SDH ensures day to day support operations meet key requirements by aligning support processes measures and performance with SO, Dashboard, regulatory requirements, organizational learning (1.1-4), process improvement, innovation, and sharing best practices to achieve sustainable results.

6.1b(4) Service and Process Improvement. SDH’s systematic approach to Work process improvement is achieved through disciplined cycles of improvement using PDSA and driven by the PIIT CREW (6.1b[4]). The PIIT CREW serves as resource team for process improvement activities that include education, engaging department process improvement activities and innovation, facilitating interdisciplinary improvements, participating in strategic process development, collabo-

Figure 6.1-3 - Key Work Process Requirements and Measures

Key Work Process	Key Health Service Offerings	Health Service/Work Process Requirements	Metrics
Patient Access	Emergency Department, Medical Surgical/ICU, Birthing Center, Surgical Services	A, C, E, Q	ED Door to Doc 7.1-20, ED LWOB (7.1-21), Patient Satisfaction Wait Times 7.2-5, Charity 7.4-14
Assessment and Diagnostic		S, E, F, KC, Q	Door to EKG 7.1-22, Radiology TAT 7.1-26, Lab TAT 7.1-28, Stroke CT (7.1-27), Pathology TAT 7.1-29, Blood Incompatibility, Critical ABG -7.1-30
Care Delivery and Treatment		S, E, F, KC, Q	Core measures 7.1-1, Surgical Site Infections 7.1-6, CAUTI 7.1-12, CLABSI 7.1-13, PUD 7.1-14, Inductions 7.1-16, Breast feeding 7.1-17, VAP 7.1-18, C Section 7.1-15
Discharge and Care Transition		E, F, A	Discharge appointments 7.1-19, LOS 7.1-2 thru 5, 7.1-9, Re-admission rate 7.1-2 to 5, 7.1-9 to 10, Palliative care 7.1-7
Support Processes			
Finance		A, E	Affordability 7.5-2, Market Share 7.5-11 thru 14, Service Line Growth 7.5-15 thru 17, Timely Coding 7.1-25, Medical Records Delinquency 7.1-24, Registration Accuracy 7.1-23
Leadership		S, E, F, A, KC, Q	Patient Satisfaction 7.2, HCAHPS 7.2-9 to 10
Supply Chain		E, A, Q	Amerisource, Owens and Minor 7.1c
Workforce Management		E, F, A, KC	EOW 7.3-11 to 14, 7.3-25, Physician Satisfaction 7.3-15 to 17, Volunteer Satisfaction 7.3-18 to 21, Employee Turnover 7.3-1 to 3, Capability 7.3-4, 7.3-23 to 27
Quality and Safety		S, Q	Medication Errors 7.1-31, Mortality 7.1-3 to 5, 7.1-11, Workforce Health Safety and Security 7.3-6 thru 9, Emergency Preparedness 7.1b2

S=Safety, E=Efficiency, F=Friendliness, A=Affordability, KC=Knowledgeable Caretaker, Q=Quality, A=Access

rating with senior leaders in prioritizing strategically vital projects, maintaining an intranet site for project status and sharing best practices.

OFIs may be identified and initiated through Listening, Interacting, and Observation Methods (3.1-1), VOW (5.1b[1]), Baldrige feedback, Performance Measurement System (4.1-1), and during Health care service and process design (6.1-1). Process improvement focuses on statistical methods for reducing variation cycle times, accuracy, improving productivity, decreasing costs, organization learning, and enhancing service delivery and creating stakeholder value through the Performance Management System (5.2-1). OFIs are reviewed by senior leaders with the PIIT Crew, prioritized for urgency, and alignment with SDH's MVV, strategic objectives and DASH-BOARD.

The PIIT CREW selects process owners and teams that include physicians, leaders and high performing staff. The interdisciplinary project teams use inputs (6.1-1) process maps, SMART goals, research benchmarks or best practices, internal and external best practices and information from patients and stakeholders through Listening, Interacting, and Observation Methods. Each process owner tracks progress using a one-page online PIIT Crew report. A refinement to the report includes a learning section to briefly describe and outline any barriers or learning collected through the process. The results section of the PIIT CREW Report uses statistical analysis to demonstrate decrease in variation and improvements. Managers, senior leaders, and high-performing staff members learn the PDSA rapid cycle approach and statistical tools at MCE and PIIT Crew.

The PIIT Crew tracks projects on the PIIT Crew's online Turtle Transparency site and the workforce has access to the share point site. PIIT Crew improvements and lessons learned are deployed through the Workforce Learning and Development System (5.2-2). This systematic deployment ensures the organization benefits from improvements and shared learning through Organizational Learning methods (1.1-4). The PIIT Crew and A Team reevaluate the effectiveness of PIIT Crew annually. As a cycle of improvement, the PIIT Crew revised its prioritization method to align projects with strategic planning and objectives. As a cycle of learning, the project tracking program has been updated to identify and share key learning from a project.

6.2 Operational Effectiveness

6.2a Cost Control. SDH's methods to control costs are incorporated in the Health Care Service and Work process design where cost measures are identified. Process measures such as service turn-around (efficiency), accuracy, cost per service unit, and productivity are methods used to monitor costs during service and process design and improvement. These process measures prevent errors and rework, reduce costs and maximize reimbursement. Performance is benchmarked to against top decile 4.1a[2], when available, to validate whether systems are effective and efficient. Measurements are monitored regularly to ensure processes perform to targets, are agile and responsive to changing conditions. Other methods to control costs include:

1. Implement proactive audits on regulatory requirements and actions to exceed requirements, prevent costly inspections, expenses and fines.
2. RCA and FMEA to proactively assess and prevent rework from system and process failures.
3. Implement evidenced-based practices such as pneumonia protocols to improve effectiveness of healthcare processes and outcomes, and decrease cost (7.1-1, 7.1-2).
4. Incorporate technologies to accelerate improve in quality, access, affordability. The MUSE cardiology resulted in efficient physician interpretation of diagnostic cardiology tests by reducing report turn around.
5. Reduce waste, improving efficiency, and decreasing cost through the engagement of the PIIT Crew, process improvement and innovation (6.1b[4]). The Affordability team has undertaken numerous cycles of improvements to through to decrease readmission and patient length of stay (7.1-9, 10). As part of our societal responsibility, unused medical supplies and equipment are donated to underserved countries (7.4-17)
6. Deploy a systematic review of quality database, Midas. The data is aggregated and reviewed by the medical staff committees, PIIT Crew for improvements and reduce medical errors and unintended harm to patients.

SDH balances the need for control with the needs of the Patients and Customer by ensuring that requirements (P.1-7) are met through a balanced evaluation by the by senior leaders in executing the Leadership System (1.1-1).

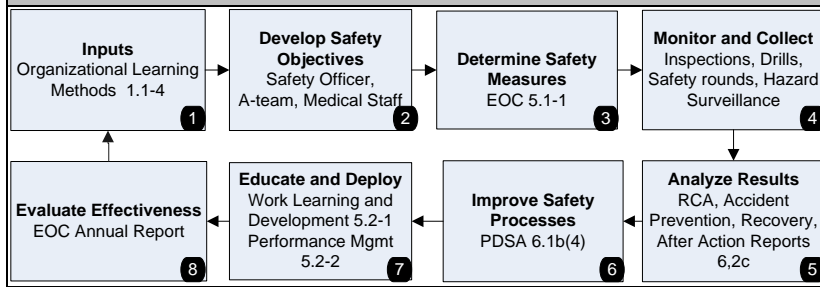
6.2b Supply Chain Management. SH uses an integrated supply chain organizational structure that ensures all affiliates report to a single supply chain manager, allowing standardization of supplies, equipment, and services by adopting and sharing best practices and cost savings. To ensure our suppliers and vendors are qualified and positioned to enhance our quality, affordability, access to products and services, SDH participates in Regional and SH the Value Analysis Team. These teams have a broad and diverse input into the vendor/product selection. They are comprised of multi-disciplinary end users and key stakeholders including physicians.

The SDH Value Analysis Team is comprised of clinical and supply managers, vendors and senior leaders who monitor project/contract implementation, vendor performance metrics, evaluate alignment of core competency, and provide feedback. Additionally, the quarterly business reviews is a method for reviewing performance and alignment of key suppliers and vendors including the alignment of core competencies. Learning from the shared data and performance reviews allows SDH to implement corrective actions to improve access to quality and affordability of goods and services. The team also ensures vendor compliance, standardize practices, and pricing. The SH Supply Chain has built a Corrective Action Request (CAR) into each contract to address poor vendor performance and develop action plans for improvement.

6.2c. Safety and Emergency Preparedness

6.2c (1) Safety. Consistent with our MVV, SDH provides a safe operating environment for its workforce through a system

Figure 6.2-1 - Creating Safe Operating Environment



that begins with inputs from VOW, COSS, Listening, Interacting, and Observation Methods (3.1-1) through the Organizational Learning methods (1.1-4), and regulations (P.1-5). A Safety Officer appointed by the A team serves as the liaison between senior leaders to oversee the operation of the EOC and safe operating environment (Step 2). The EOC establishes organizational and safety objectives (Step 2) and assist departments prepare actions to address safety opportunities (Step 3). It provides a safe operating environment through monitoring of key performance measures (Step 4), deploying safe practices and education (Step 7). The committee assesses accident prevention, performs drills and routine inspections, conducts root causes through “after action” reports, and evaluates effectiveness of recovery processes (e.g. disasters) (Step 5). Continuous learning gained through the collection, analysis of these results and feedback are used to improve safety processes (Step 6) that are shared with our workforce and other stakeholders (Step 7). An annual report of effectiveness is summarized and reported to senior leaders and medical staff (Step 8).

6.2c (2) Emergency Preparedness. SDH ensures work system and workplace preparedness for disasters and emergencies through a systematic EMERGENCY MANAGEMENT PROGRAM (EMP). The Emergency Management Coordinator oversees the EMP, which is modeled after the National Incident Management System (NIMS).

Prevention. SDH conducts an annual Hazard Vulnerability Analysis (HVA) to identify events that could interrupt services. In addition, a site assessment is conducted to evaluate SDH’s 96 hour operational capacity following a disaster and development of action plans for identified OFIs and vulnerabilities. The EMP, (5.1-1), prioritizes improvements and OFIs identified on the After Action Reports (AAR) prepared following actual and drill events, Hazard Surveillance Rounds, and SH and SHSSR goal planning. The EOC Committee ensures action plans are implemented. Safety Ambassadors from each department are liaisons deliver safety information to staff. Organizational leanings from AAR have improved emergency locator identification through the installation caller ID and installation of a HAM radio for external communication during disaster.

Management SDH’s approach to managing disasters is written in the Emergency Management Plan (EMP). The EMP is tested at least twice annually, either in response to an actual emergency event or in a planned drill. Additionally, fire drills and internal emergency drills are held quarterly on each shift. NIMS and HICS are utilized during drills and events, providing a systematic approach to each event, including intra-event management, post-event evaluation, and

AARs. EMP quick reference guides are posted in every department and describe the facility and department’s response by type of emergency. An Emergency Preparedness Newsletter is published quarterly to update workforce on current practices. An overview of Emergency Management is provided to volunteers at orientation and a volunteer liaison participates in the Emergency Management/Hazardous-Materials Committee (5.1-1). Physician involvement include physician representation on the Emergency Management/Hazardous-Materials Committee, participation in event drills, discussion of quarterly EOC reports at medical staff committees and updates through the physician newsletters. The EMP is reviewed annually by the Emergency Management/Hazardous-Materials Committee.

Continuity of Operations. SDH ensures continuity of critical operations for patients and the community through 1) drills, 2) Memorandums of Understanding (MOUs) with surrounding facilities, and agencies, 3) alignment with Yolo county and SH system resources and 4) development of Business Continuity Plans (BCP) for each department (see Recovery below). Emergency drills prepare the workforce for emergency events and facility sustaining operation that include scenarios for lost or over-extended healthcare outages. MOUs with the adjacent medical group, CommuniCare community clinic, SH affiliates and county allow the sharing of resources. MOUs with the medical groups external vendors and suppliers. (e.g. local grocery store, pharmaceutical company, medical suppliers, and utility companies) allow SDH to quickly increase resources when needed. These MOUs are reevaluated annually with suppliers and collaborators. SDH management and physician partners participate in the Yolo County Emergency Medical Care Committee. Continuity of operations, including information technology (4.2b), is addressed through department-specific Business Continuity Plans.

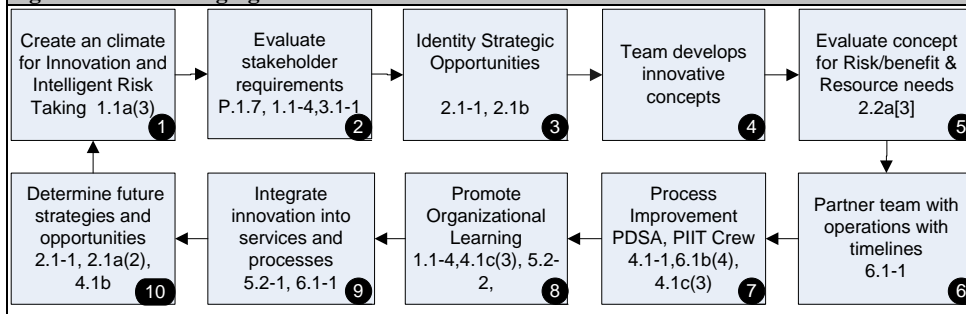
Evacuation. SDH’s EMP includes written policies and procedures addressing evacuation, including partial or complete evacuation of the facility. An evacuation drill is performed at least annually during all each shift, volunteers, and physicians receive training on evacuation procedures and use of evacuation equipment and resources. In addition, evacuation training is a required eLearning module. Evacuation maps are posted in departments, and evacuation plans reside in EMP quick reference guide. These facility-specific quick reference guides were developed as a cycle of improvement by the SHSSR Emergency Preparedness Coordinators.

Recovery. Recovery following a disaster is ensured through written BCPs. All SH affiliates complete standardized BCPs for each of the key business and patient care areas. Recovery is also addressed in the EOP under each type of disaster event.

6.2d Innovation Management

At SDH, the climate of innovation is fueled by our core competency and MVV. It begins with leadership’s (1.b [2]) understanding of the key requirements of our patients, customers and stakeholders (P.1-7), and the identification of strategic opportunities during SPP (2.1b[2]). The alignment of engaged workforce, innovative healthcare service and work

Figure 6.2-2 – Managing Innovation



Compliance with CMS Core measures and Affordability team led improvements has contributed to sustained outcome performance in AMI, HF, PNE, and SCIP. SDH evaluates its performance on balanced results for length of stay (efficiency and affordability), readmission (quality and affordability), and mortality (safety) (7.1-2 thru 7.1-6).

process design (6.1-1), and organization learning (1.1-4), implementing best practices 4.1c[1], continuous process improvement (6.1b[4], a focus on results, and taking intelligent risks has sustained SDH's in top decile in key performance areas. SDH's collaborative, alternative birthing model has attracted patients and families from outside the Yolo service area through the internet and other media sites and has been recognized nationally.

Innovation is also achieved through "out-of-box" approach to develop creative solutions to strategic opportunities (6.2-2). SDH engage in dialogue about innovation in Coaching sessions, PIIT Crew, Health Service and Process design, and among interdisciplinary teams organized to address specific needs and solutions. Financial and other resources requirements are reviewed and approved by senior leaders. A Palliative Care program to address chronic disease management and end-of-life care began with an interdisciplinary team to create a new health care service. Ideas have been successfully integrated into our Patient Care Delivery System (6.1-1) with a team that includes a Board certified physician and geriatric nurse practitioner (7.1-7).

Performance of Health Care Services and Work processes are continuously evaluated. Services and processes that do not meet performance expectations including financial performance, align with MVV and SO, patient, customer and stakeholder requirements or create value may be discontinued to support projects with higher priority. With alternative community resources, SDH's pulmonary rehabilitation and weight management program was discontinued to expand Laboratory space and provide test capacity for outpatient physician practices, increase revenues, and decrease costs.

7. Results

With a vision of leading the transformation of health care, SDH strives for best practice and industry leading results. Through Category 7, SDH compares its performance with best practice benchmarks and when not available uses the hierarchy described in 4.1a(2). Projected future performance is labeled, "P," and budget performance, "B."

7.1 Health Care and Process Outcomes

7.1a Health Care and Patient-Focused Process Results.

SDH measures key processes and outcomes to meet and exceed patient, customer and stakeholder requirements for quality, safety and to create value. Since 2010, SDH has sustained top decile process performance in composite CMS Core Measures for acute myocardial infarction (AMI), congestive heart failure (HF), pneumonia (PNE), and the surgical care improvement project (SCIP) (7.1-1).

Figure 7.1-1 – Core Measure Composite Scores (Process)

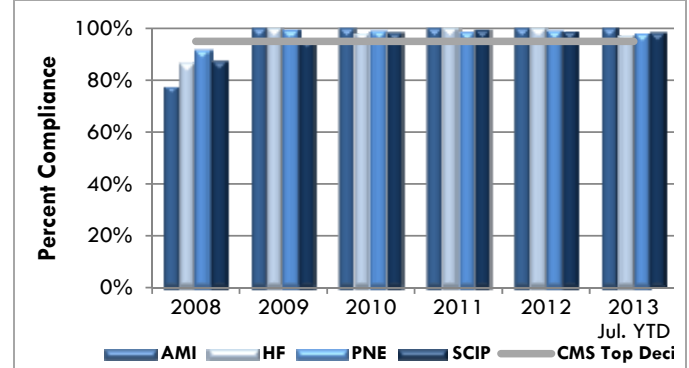


Figure 7.1-2 – Pneumonia, Outcomes

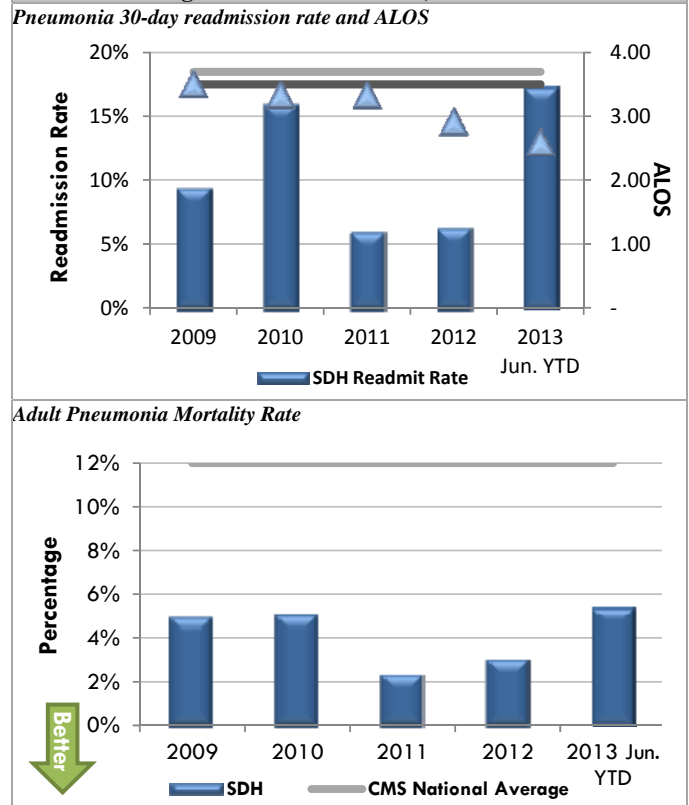


Figure 7.1-3 – Heart Failure, Outcomes

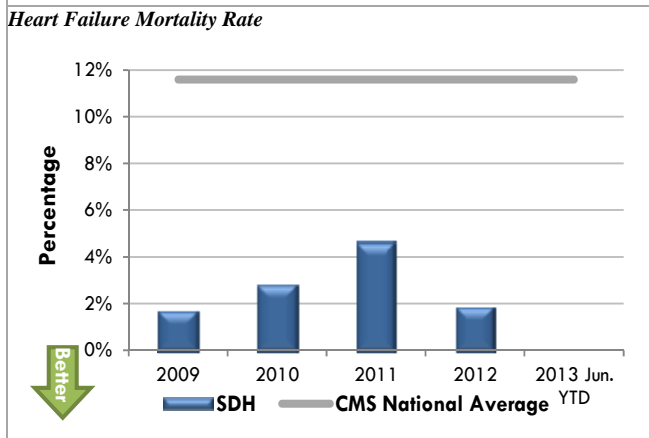
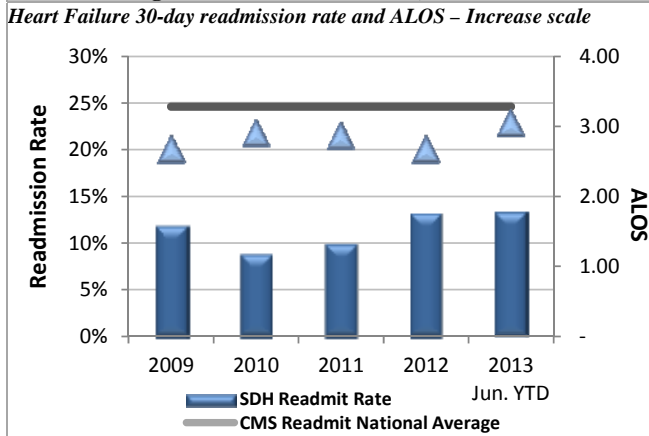
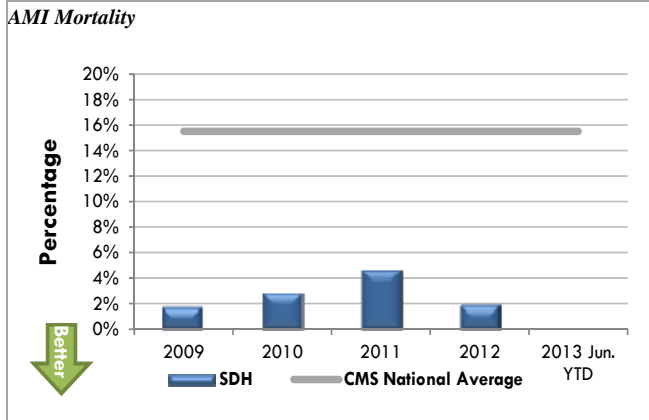
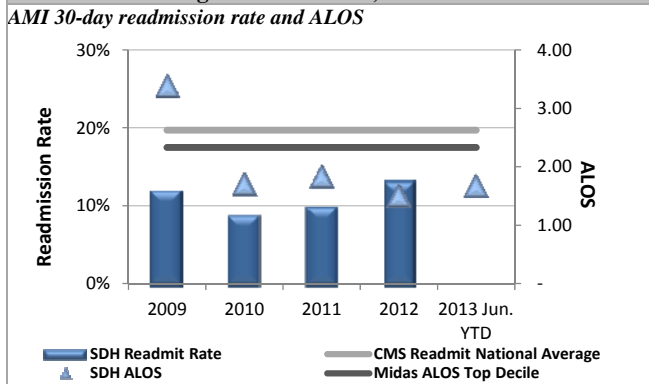


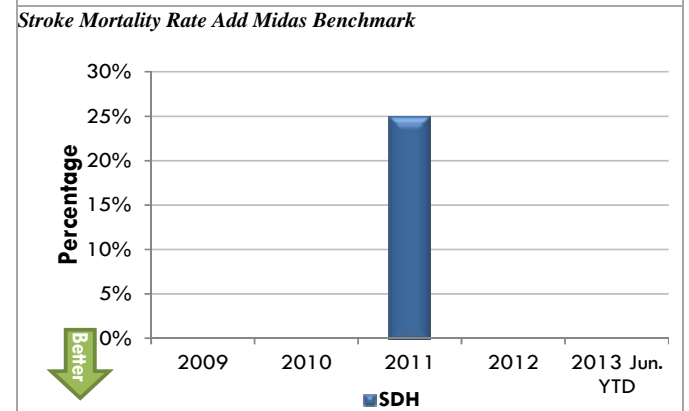
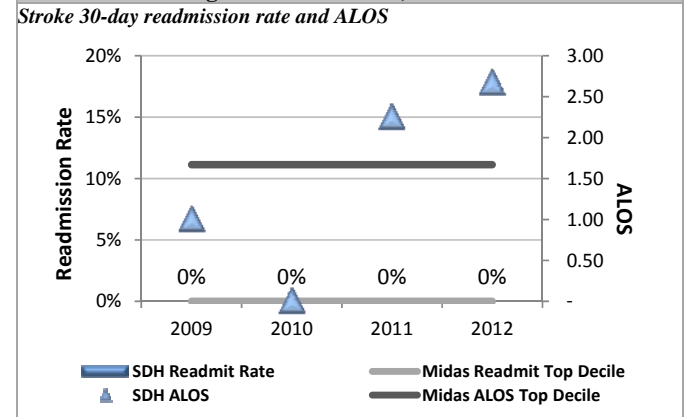
Figure 7.1-4 – AMI, Outcomes



For pneumonia, heart failure, and acute myocardial infarction, SDH performs well below the CMS benchmark for readmission and mortality; and Midas benchmark for ALOS (7.1-2-7.1-4). Of the 869 hospitals compared in the 2013 Truven 100 Top Hospitals, SDH performs at top decile performance for low mortality rates. The CMS Value-based Purchasing (VBP) is comprised of performance in HCAHPS, Core Measures, and Mortality and reported in 7.1a and 7.2a.

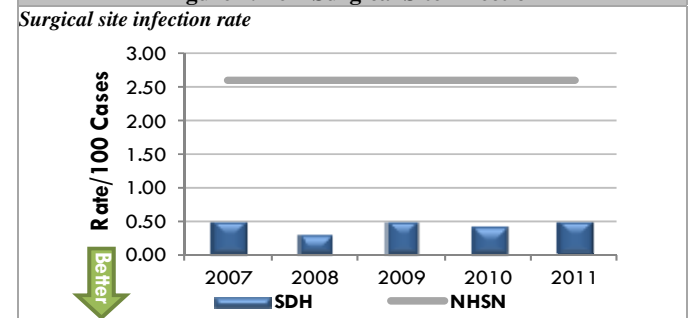
While not yet CMS mandated for VBP, SDH proactively monitors performance on the stroke program. There has been no hemorrhagic stroke readmission or mortality in 2012 and YTD 2013 with ALOS performing at top decile. The program was certified by the TJC in 2012 and expands services to our community.

Figure 7.1-5 – Stroke, Outcomes



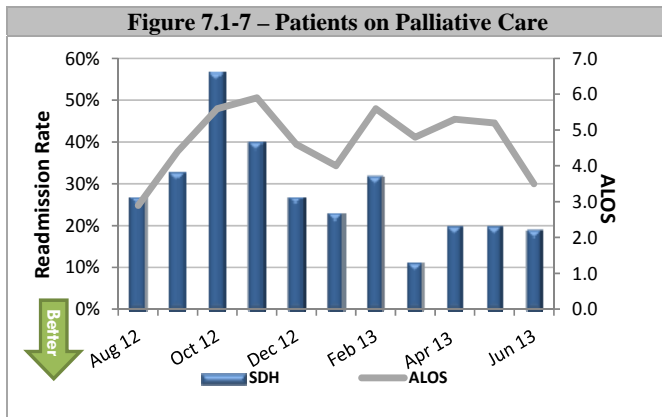
Since 2010, SDH performs at top decile on composite score for SCIP. Included in SCIP processes measures are the selection of antibiotics and administration within one hour of incision for our surgical patients. These measures are included in the SCIP bundle.

Figure 7.1-6 – Surgical Site Infection

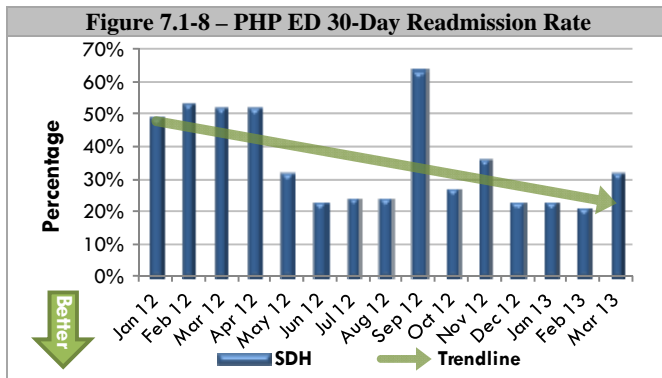


SDH performs in the top national decile for post-operative orthopedic surgical infection rates, with no infections from 2008 through 2012. From 2008 to 2010, SDH has experienced low surgical infection rates less than the NHSN benchmark (7.1-6). In 2011, the surgical site data reported to NHSN expanded required reporting from 4 to 29 surgical procedures and comparative results are reported as a ratio of actual to expected rates or ‘surgical infection ratio (SIR).’ The SIR ratio for 2011 and 2012 were 0.29 and 0.87 respectively indicating lower than benchmark surgical site infections.

The Palliative Care team provides resources and support for patients and families confronted with chronic diseases and end-of-life care. The Palliative Care team achieved significant reductions in readmission rates. Due to the chronic nature of these illnesses, the LOS is expected to be longer (7.1-7).

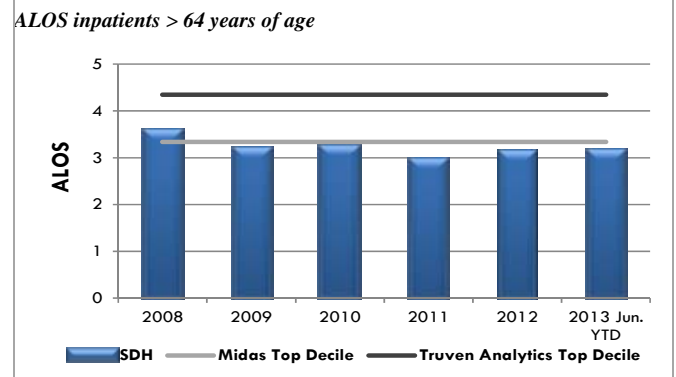
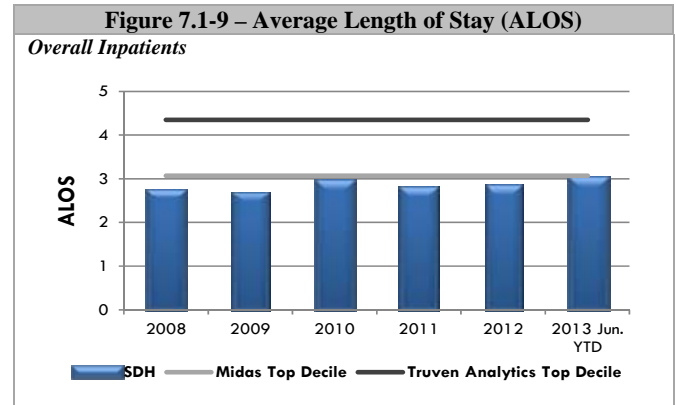


As a result of an employee innovation, 30 day readmission rates (7.1-8) for MediCal (Medicaid) patients managed by PHP decreased by improving transitions of care to with our collaborators, PHP and CommuniCare Health Centers.

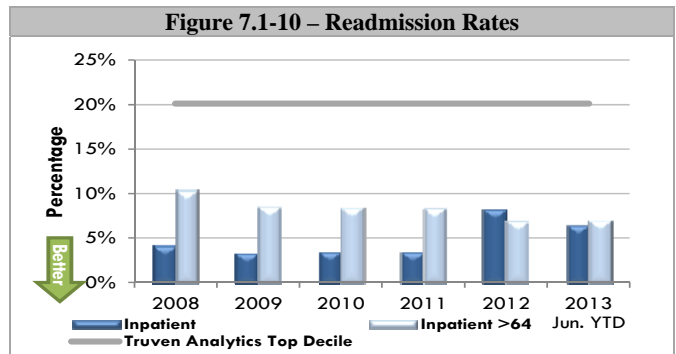


SDH segments length of stay, (ALOS, 7.1-9) by inpatients overall and patients over 64 years (Medicare); both show sustained top decile performance. There has been a downward trend in ALOS for patients over 64 years due to the focus on chronic care management, availability of case management 7 days/wk, evidenced-based disease protocols, advanced illness management and palliative care programs, strengthening transitions of care.

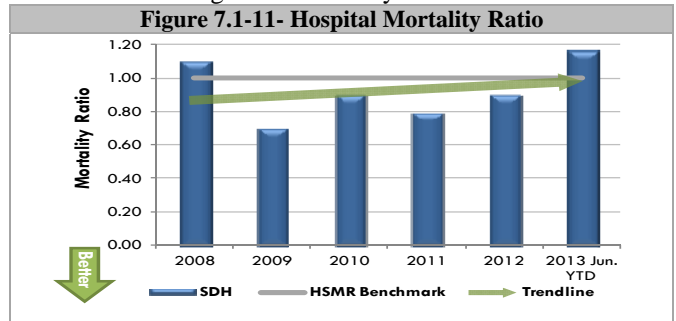
Shorter ALOS decreases cost of care and improves reimbursement. While ALOS is vital to efficiency and affordability, SDH has learned that decreasing LOS may inversely increase readmission rates. SDH has balanced the two dimensions and sustained top decile performance for ALOS and readmissions.



Readmission rates for inpatients overall and patients over 64 years are sustained below the Truven Top 100 Hospital rate (7.1-10). In 2012, challenges were addressed for readmissions resulting from end-of-life issues through the Palliative Care team and learning to balance short lengths of stay with readmissions.



Overall Hospital mortality (7.1-11) expressed as a ratio of actual mortality rate to the expected rate. The mortality ratio is below 1 indicating lower mortality.



Safety and quality are key patient, customer and stakeholder requirements. Hospital acquired conditions (HAC) monitored include catheter associated urinary tract infections (CAUTI) (7.1-12) and central line associated blood stream infections (CLABSI) (7.1-13). There have been zero CAUTI events since 2009 and zero CLABSI events, exceeding the performance of our local competitors. SDH rates exceed CMS national benchmarks through prevention, education and work-force collaboration.

Figure 7.1-12 – Catheter Associated Urinary Tract Infections (CAUTI)

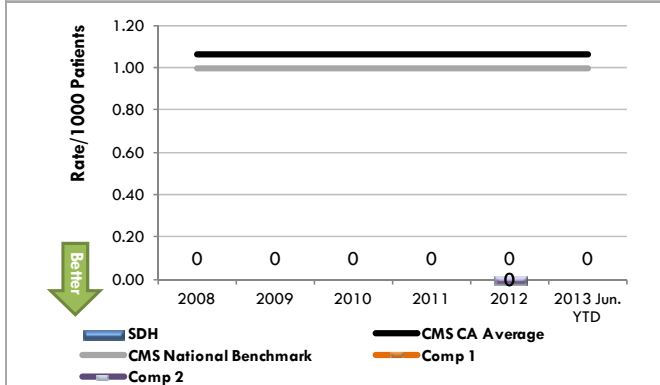
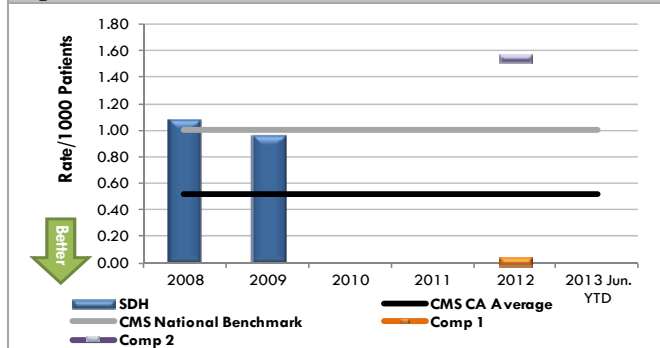


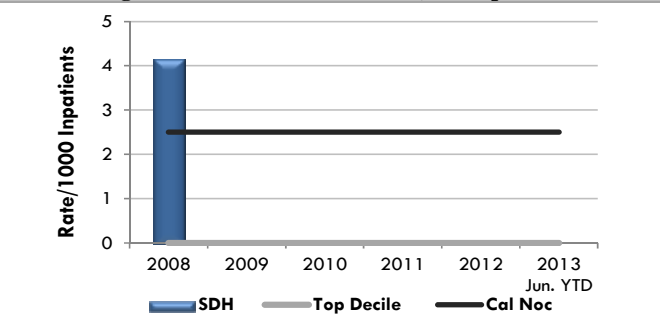
Figure 7.1-13 – Central Line Blood Stream Infections (CLBSI)



The transfusion of incompatible blood can cause severe, life-threatening reactions. The laboratory has implemented transfusion software technology with stringent monitoring and administration processes to ensure accuracy, safety and prevent errors. No incompatible blood events have occurred since 2008 through YTD 2013.

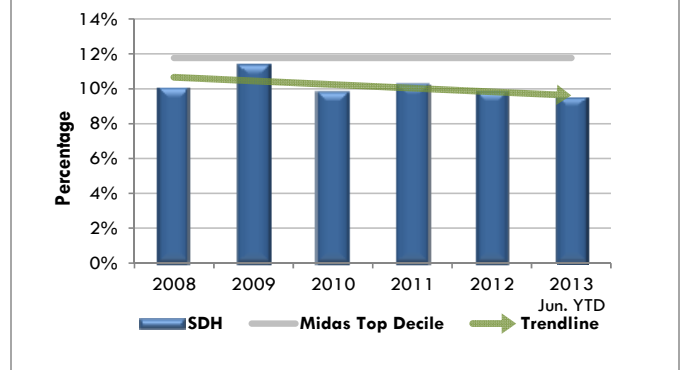
Pressure ulcers (7.14) are a costly and painful complication of immobilization while being hospitalized. The implementation of evidence-based preventative measures and availability of specialty resources have prevented hospital-acquired pressure ulcers.

Figure 7.1-14 Pressure Ulcers/1,000 Inpatients



The Joint Commission Perinatal Care measures are used to measure clinical quality outcomes for our Birthing Center patients. SDH's Birthing Center has focused on natural birthing methods and maintained excellence in its clinical quality outcomes. C-section rates exceed top decile performance and are one of the lowest rates in the State of California (7.1-15). This rate will continue to fall as SDH began offering low risk Vaginal Births After C-Section (VBAC) again in 2012.

Figure 7.1-15 – C-Section Rate (PTSV)



As part of the national initiative to reduce voluntary induction of pregnant mothers less than 39 weeks, SDH performs well in voluntary inductions remaining below the national benchmark. The 4% rate noted in the 2nd quarter of 2012 reflects one c-section performed for medical reasons that became TJC excluded the following quarter (7.-16).

Figure 7.1-16 – Elective Inductions less than 39 Weeks

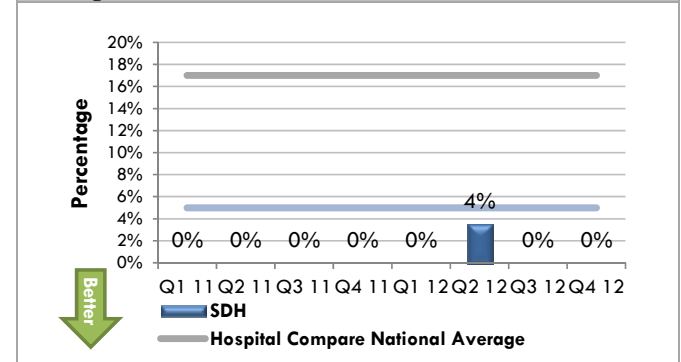
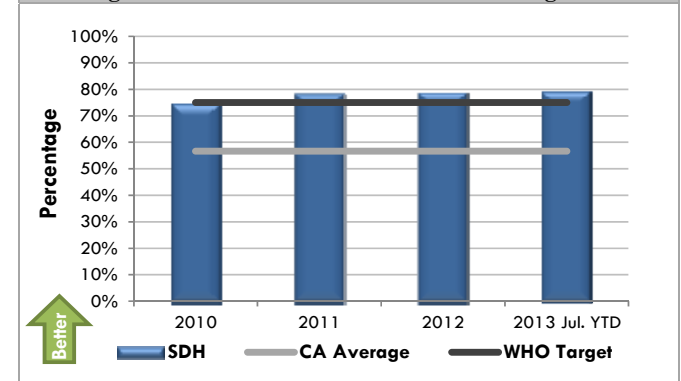


Figure 7.1-17 – Exclusive Breast milk Feeding Rate

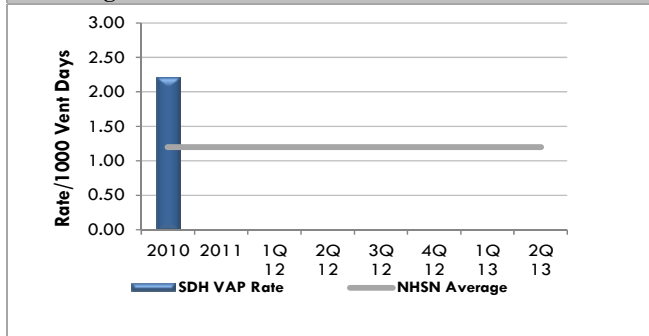


SDH is a designated "Baby-Friendly" hospital. This is earned by meeting the criteria established by WHO and Unicef for optimal breastfeeding support and infant feeding practices. Breastfeeding has been shown to improve the health of both

mothers and infants. SDH outperforms most other California hospitals and performs above the WHO target (7.1-17).

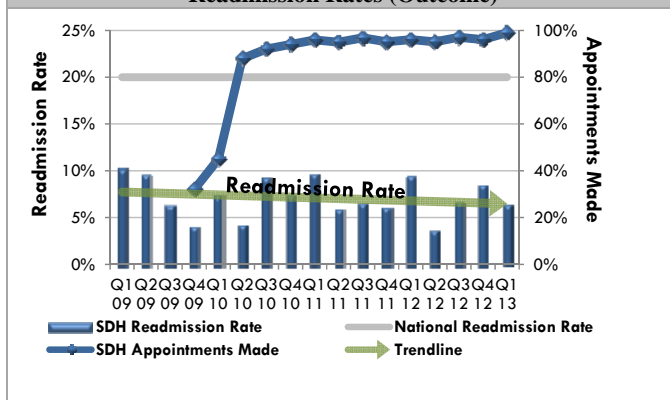
Patients on mechanical ventilators are at risk of developing pneumonia if the ventilator care is not properly performed. Hardwired practices such as elevations of head of bed and oral hygiene have led to sustained results.

Figure 7.1-18 – Ventilator-Associated Pneumonia



SDH has reduced readmission by ensuring patients are given physician office appointments on discharge from the hospital (7.1-18). A successful discharge appointment process has helped SDH readmission rates remain below the national benchmark (7.1-10).

Figure 7.1-19 – Discharge Appointments (Process) and Readmission Rates (Outcome)



7.1b Work Process Effectiveness Results

7.1b(1) Process Effectiveness and Efficiency. In the Emergency Department, patients expect reasonable wait times (P.1-7). Improvements in patient throughput processes have reduced patient wait times in the ED (7.1-20). Decreasing wait times increases patient satisfaction (7.2-5-6, 7.2-11), and decreases the patient leaving without being seen (LWOB) (7.1-21), and enhances revenue and market share (7.5-4, 14, 15).

Figure 7.1-20 – Door to Doctor Time in ED

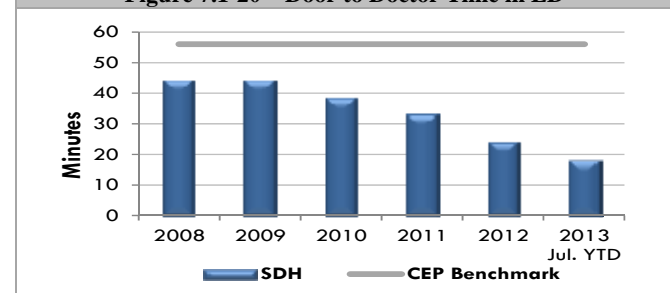
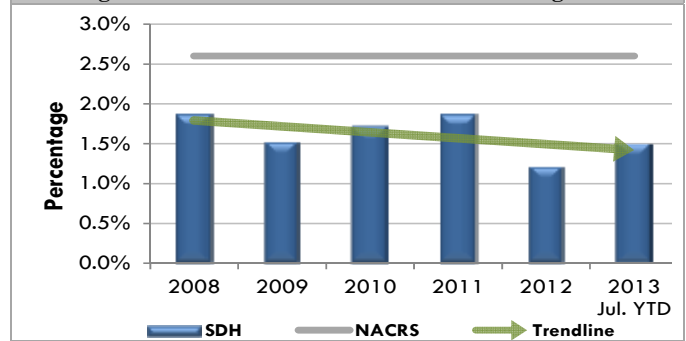
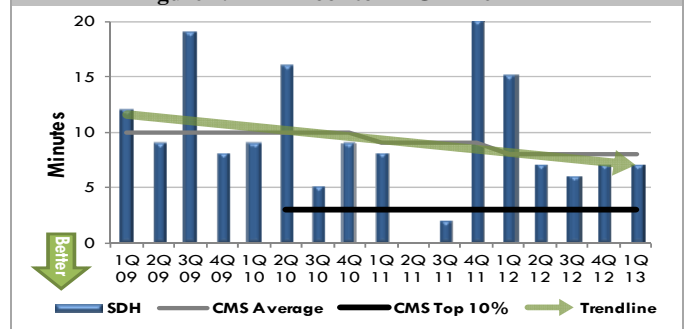


Figure 7.1-21 – ED Patients Left Without Being Seen



ED “door to EKG time,” a CMS process metric, has improved and is sustaining below the ten-minute CMS target as a result of rapid cycle process improvements (7.1-22) and capacity to perform urgently needed tests.

Figure 7.1-22 – Door to EKG Time in ED

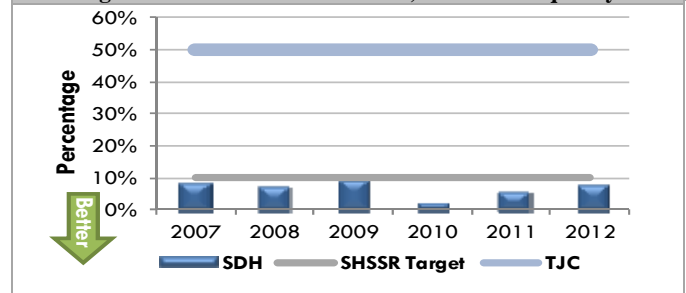


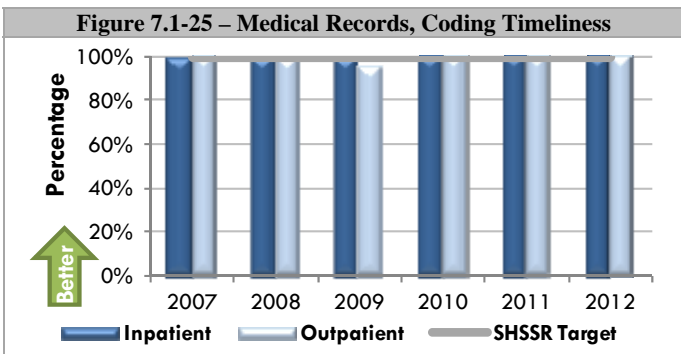
Collection of accurate patient registration (7.1-23) is required for downstream data transfer to clinical applications and finance performance. The Medical Records Department implemented a process for physicians to sign dictated reports electronically. Through this cycle of improvement, delinquent charts have fallen to less than 6 percent (7.1-24) and allow medical records to be coded timely (7.1-25). Medical records are coded under 12 days to initiate the billing cycle to improve AR days (7.5-7) and financial results (7.5-3 thru 5).

Figure 7.1-23 – Registration Accuracy Rate

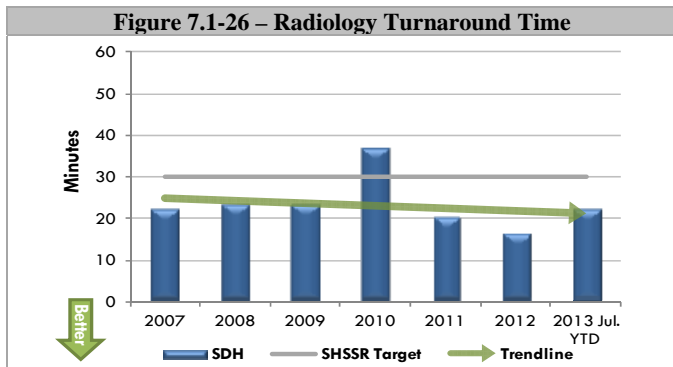


Figure 7.1-24 – Medical Records, Chart Delinquency

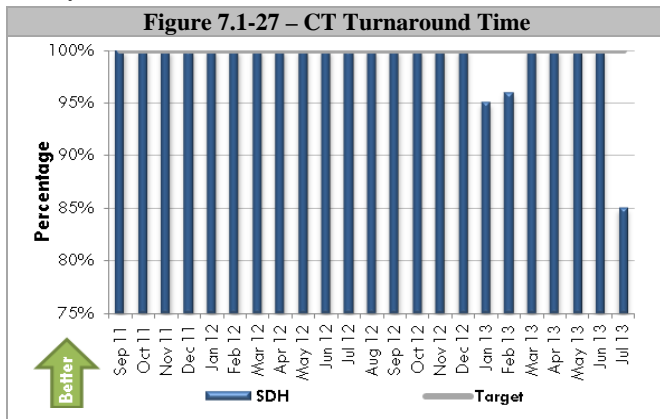




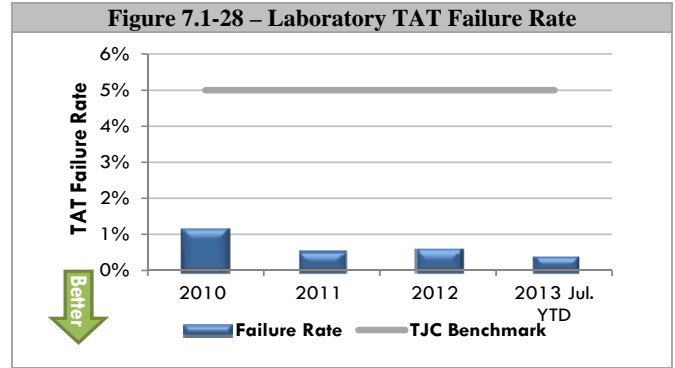
Diagnostic services supporting the Patient Care Delivery System (6.1-2) includes providing timely results for ancillary tests and treatments. The service turnaround times for the three major ancillary services –diagnostic imaging, laboratory, and respiratory services – are reported in 7.1-26 through 7.1-30. Turnaround time for radiology reports has consistently outperformed best practice targets for the region, with the exception of 2010. In 2010, a new Radiology physician group was contracted to provide after hours services. SDH and SHSSR quickly worked to replace this company due to its poor performance, and the turnaround times have improved in 2011 and 2012.



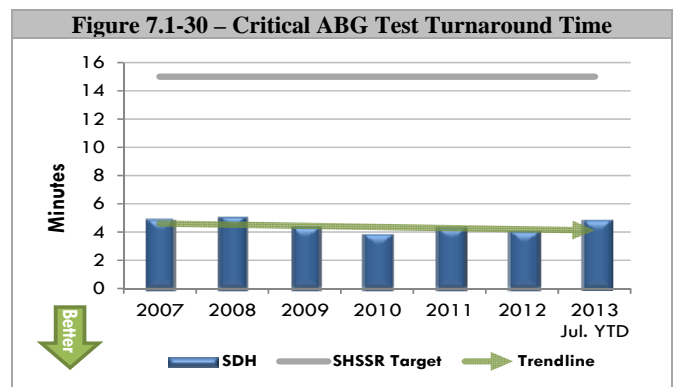
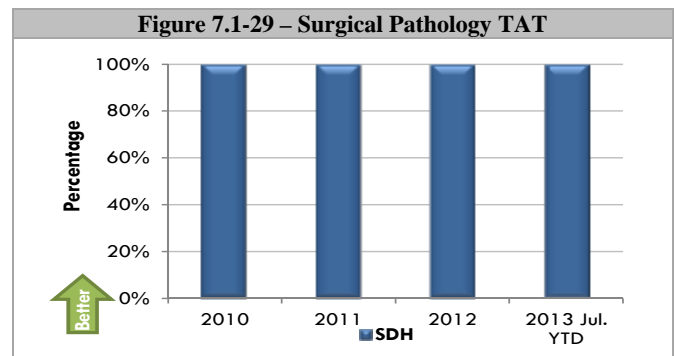
TJC stroke certification requires the completion of a CT procedure with Radiologist interpretation within 40 minutes of patient arrival to the ED. Stat CT TAT for stroke patients has shown 100% compliance. In April 2012, SDH received TJC Primary Stroke Certification (7.1-27).



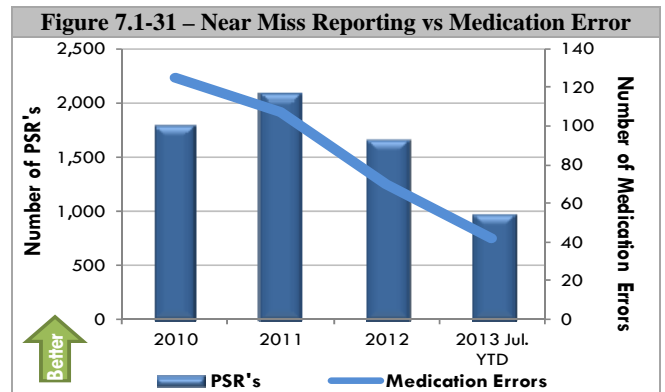
The TJC requires Laboratory notify the patients care provider of critical lab results within 30 minutes (7.1-28) and is measured as failure rate. The failure rate is well below the TJC requirement.



CAP requires surgical pathology to be reported to the physician within 20 minutes (7.1-29). SDH has been at 100% compliance for the last 3 years.



Critical ABG turnaround ensures SDH takes prompt, life-saving response to critical patients. SDH consistently exceeds standards to provide ABG results to physicians within 15 minutes (7.1-30).

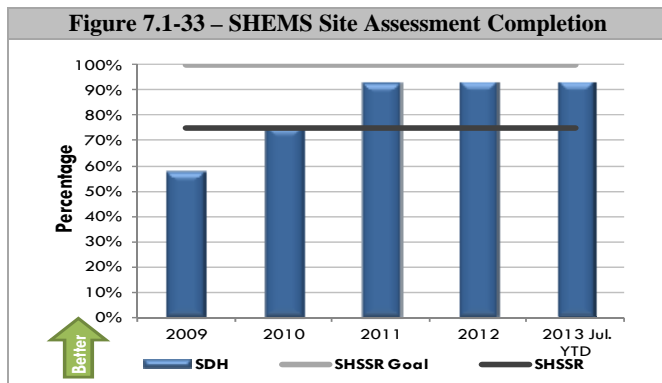


SDH encourages near miss reporting through Patient Safety Reports (PSRs). A correlation between increasing near miss reporting and reducing medication errors is shown in 7.1-31. The reduction in medication errors improves quality and safety, and reduces potential costs.

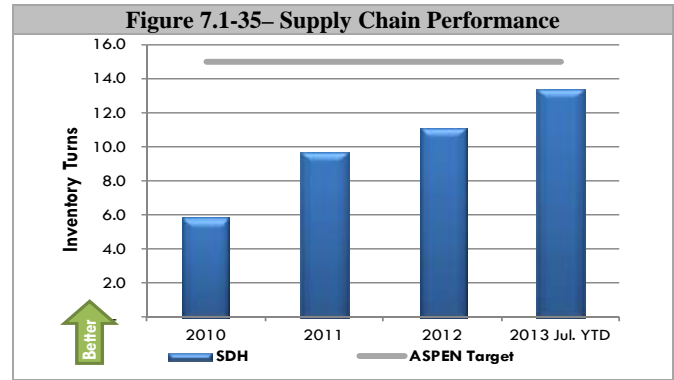
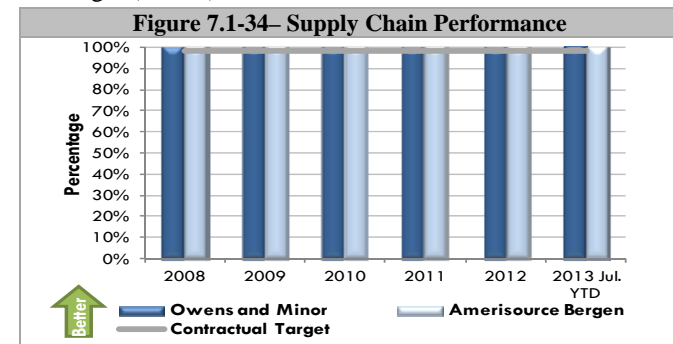
7.1b(2) Emergency Preparedness. Emergency drills include practicing responses to hazardous material spills, responding to infant abductions, evacuating departments, and responding to bomb threats or individuals with weapons or assaultive behavior. External drills and community-wide drills involve simulating natural or man-made disasters or epidemics that would hinder the local health care delivery system’s ability to provide care or dramatically increase the demand for services. SDH surpasses the requirements for these drills to better serve our community during a disaster (7.1-32).

Readiness Tool	Required	2009	2010	2011	2012	2013
Internal emergency drills	7	13	14	22	26	21
External disaster drills	2	2	3	4	3	1
Community-wide drills	1	1	2	2	2	1

Disaster readiness is measured through routine site assessment for effectiveness of response and sustainability. SHEMS Site Assessment Completion (7.1-33) indicate readiness of critical operations to sustain the facility for 96 hours in a disaster.



7.1c. Supply-Chain Management Results. Owens and Minor and Amerisource Bergen are SDH’s major suppliers of medical equipment and medication supplies. The adjusted fill rate measures their ability to provide uninterrupted delivery of supplies. The performance of our major suppliers exceeds the 98% target (7.1-34).



Improving inventory turns decreases the cost of storing expensive medical supplies. Our vendors have worked with SDH to ensure high fill rates and just-in-time delivery. While SDH is still working to achieve benchmark, progress has been made over the last 3 years (7.1-35).

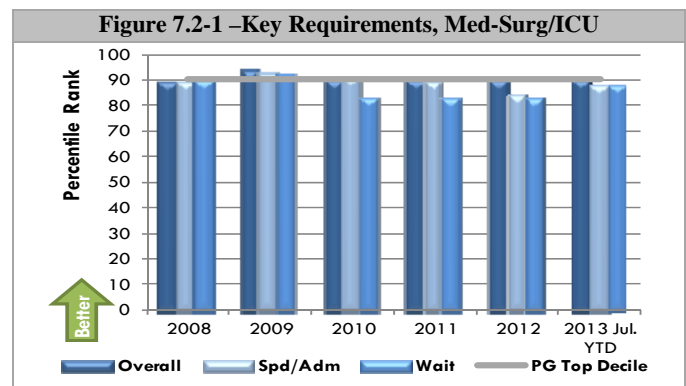
7.2 Customer-Focused Outcomes

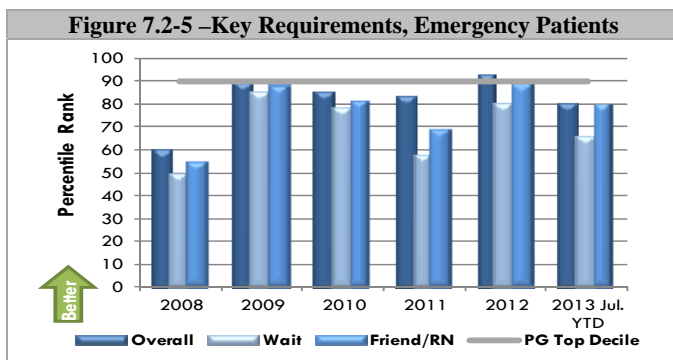
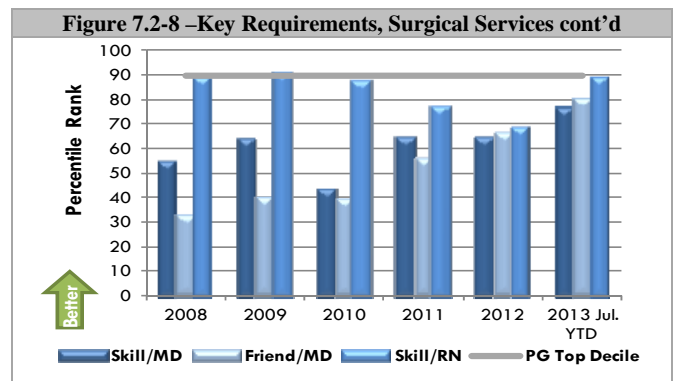
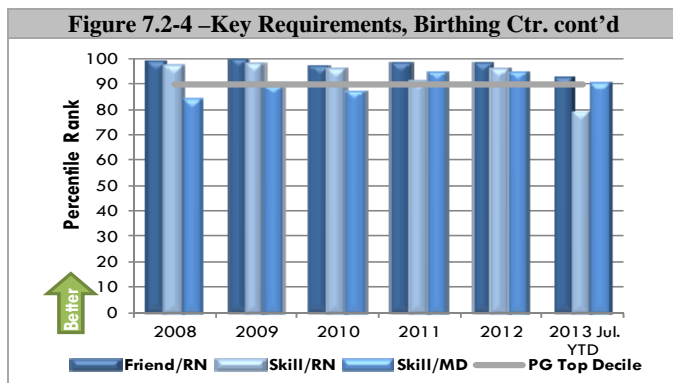
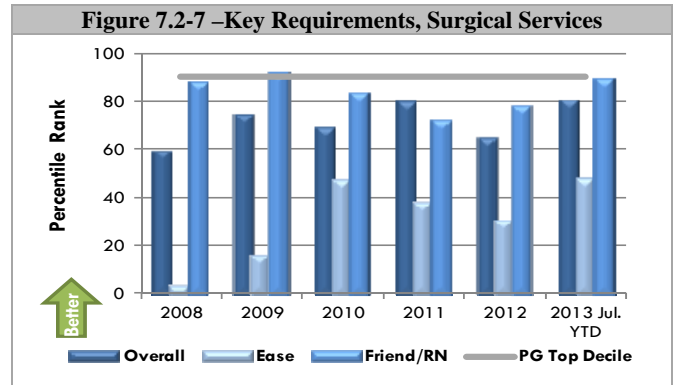
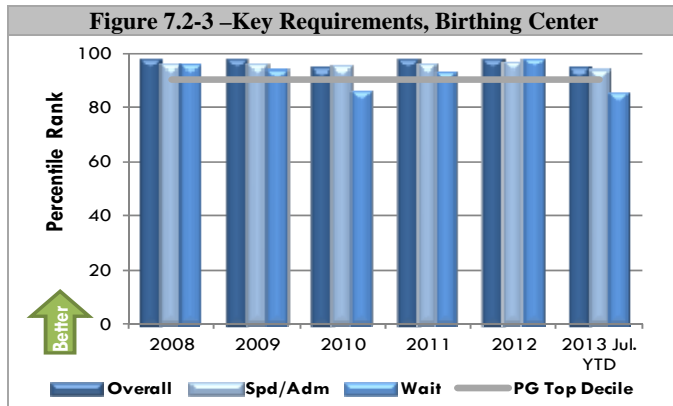
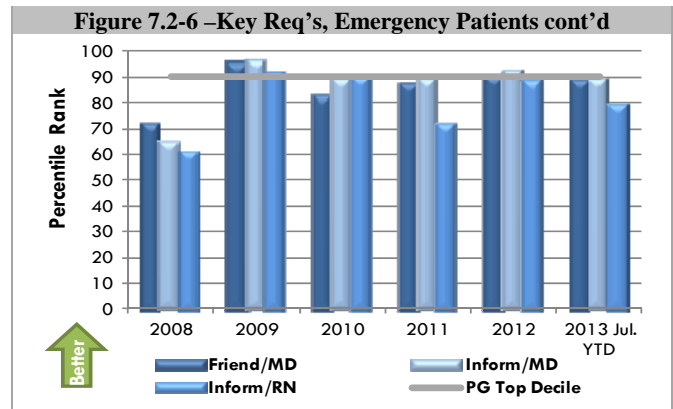
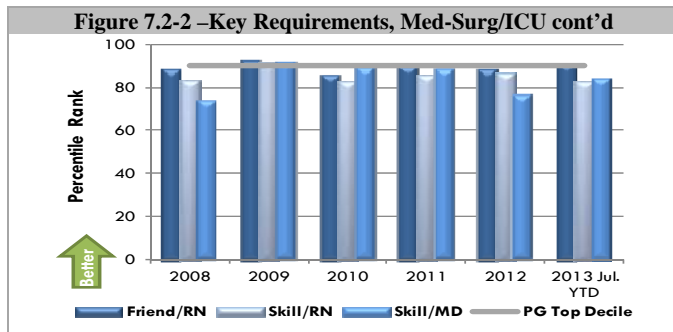
7.2a Patient and Other Customer-Focused Results

7.2a(1) Patient and Other Customer Satisfaction. SDH uses its partner organization, Press-Ganey (PG), to survey patients for satisfaction and engagement. Results are reported as percentile rankings, indicating SDH’s relative performance as compared to hospitals nationwide in the PG database. SDH uses the Press-Ganey tool for data trending and national top decile benchmarks. SHSSR and SDH set the patient satisfaction full performance target at the 75th percentile.

Using PG, SDH is able to further segment patient satisfaction by customer population—MS-ICU, Birthing Center, Emergency Department, and Surgical Services. Figures 7.2-1 through 7.2-8 show overall patient satisfaction percentile rankings for each segment, as well as individual questions that measure satisfaction related to key customer requirements (P.1-7).

Key Requirement (P.1-7)	Survey Question
Efficiency	Spd/Adm = Speed of admission; Wait = Wait time for tests and treatments; Wait/MD = Waiting time to see doctor ; Ease = Ease of scheduling surgery
Friendliness	Friend/RN = Friendliness of the nurse; Friend/MD = Friendliness of the doctor
Knowledgeable Caretakers	Skill/RN = Skill of the nurse; Skill/MD = Skill of the physician; Inform/RN = Information from nurse; Inform/MD = Information from physician





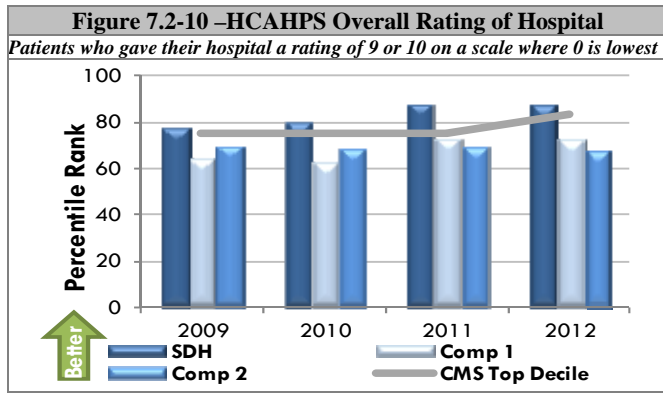
Surgical Services percentile results represent sustained mean scores above 94.0.

The HCAHPS database provides direct competitor comparisons. Figure 7.2-9 and 10 shows SDH's HCAHPS domain ratings over the past three years compared to its two nearest competitors. SDH outperforms its two competitors and consistently performs at the CMS top decile nationally. SDH has outperformed both competitors by exceeding CMS Achievement Threshold in 7 of 8 HCAHPS domains.

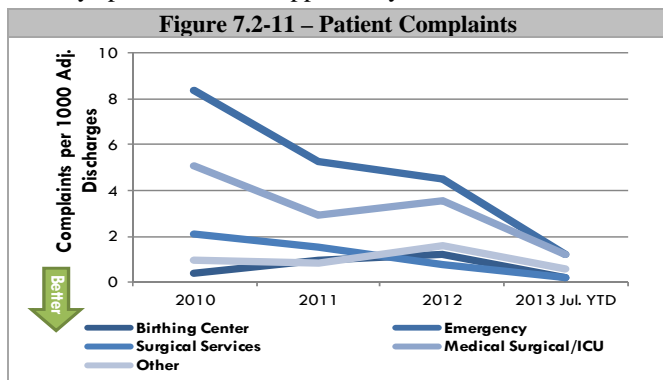
Figure 7.2-9 - HCAHPS Domain Comparison

Patients who reported "Always"	SDH	Comp 1	Comp 2	California Average	CMS Achievement Threshold
Nurses Communication	84%	79%	79%	73%	76%
Doctors Communication	84%	84%	79%	78%	80%
Responsive of Hospital Staff	73%	63%	66%	61%	62%
Pain Management	75%	75%	68%	68%	69%
Communication about Medication	65%	67%	67%	60%	60%
Cleanliness	80%	80%	69%	70%	64%
Quietness	53%	54%	49%	50%	64%
Discharge Information	86%	88%	82%	82%	83%

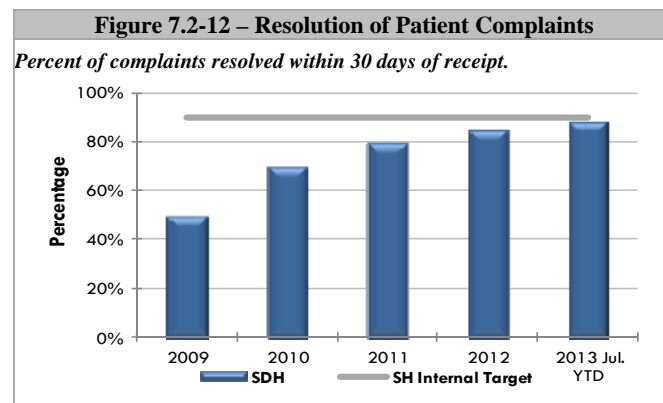
 At or above CMS Achievement Threshold
 Below CMS Achievement Threshold



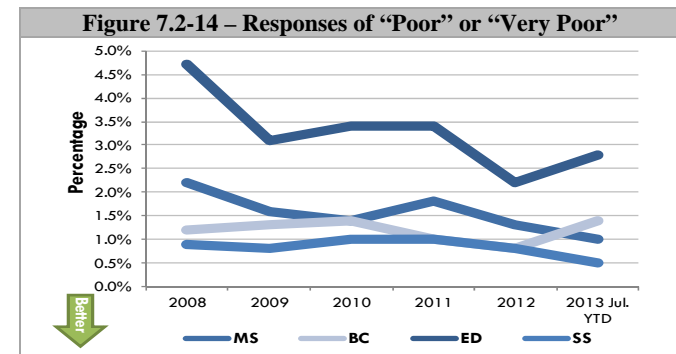
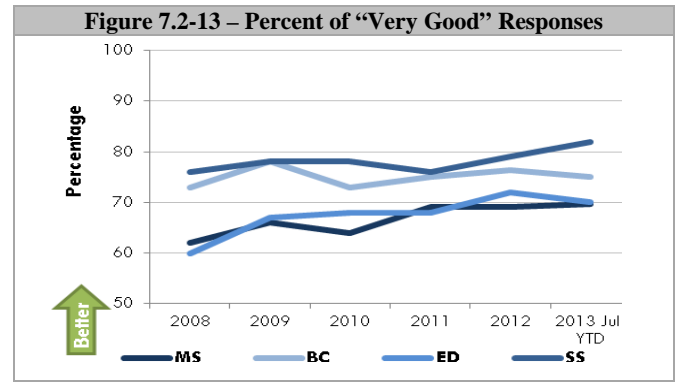
Patient dissatisfaction levels and trends are measured through patient complaints (7.2-11) captured through the mechanisms described in 3.2b(2). SDH’s complaint management process has undergone several cycles of improvement including collecting complaints through online mechanisms. This led to an expected increase in complaints received which allowed us to maintain open communication with our customers and capture previously unidentified opportunities. Patient complaint data are segmented by patient population in order to identify specific areas of opportunity.



SDH works to maintain and build new relationships with patients through timely resolution of patient complaints. Percentage of complaints resolved within 30 days of receipt are tracked for continuous improvement opportunities (7.2-12).

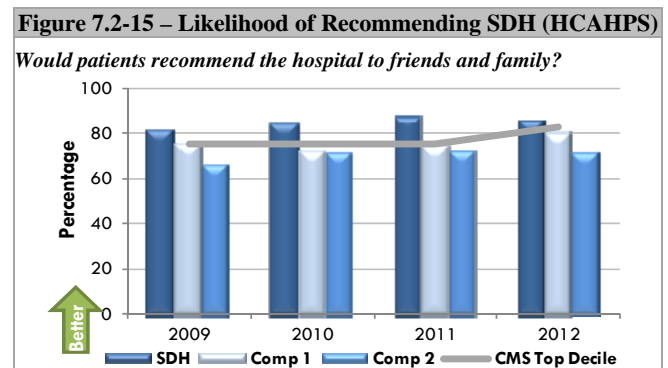


Using the Loyalty Business Model (7.2a[2]), SDH measures loyalty by measuring the percentage of “5’s” received on satisfaction surveys (7.2-13). Patient dissatisfaction is measured by tracking the percent of patient ratings as “Very Poor” or “Poor.” SDH continues to have very low rates of patient dissatisfaction (7.2-14).



7.2a(2) Patient and Other Customer Engagement. SDH measures patient engagement by their willingness to recommend SDH to others. Both the Press-Ganey survey and the HCAHPS survey give insight into patient perception of care and engagement. SDH performs at or above CMS Top Decile and outperforms both competitors when patients respond to “would recommend the hospital to friends and family” (7.2-15).

SDH measures customer engagement based on the theory of The Loyalty Effect (Fred Reichheld). The Loyalty Effect is a theory where relationship strength is directly related to customer loyalty. This theory was introduced to SDH managers at a monthly Coaching Session. Using this theory, SDH measures loyalty by measuring the percentage of 5’s received on our PG Satisfaction surveys (7.2-13). SDH has shown sustained growth in Customer Loyalty in all four market segments.



SDH deploys the *Sutter Davis Difference* as a strategy for building and maintaining relationships with patients. Successful deployment of the SDD, a CULTURE OF CARING (COC) –

our core competency – is evident in SDH’s current levels and trends in relative indicators: emotional needs, working together, courtesy and friendliness (7.2-18 thru 21).

Figure 7.2-16 – CULTURE OF CARING, Med-Surg/ICU

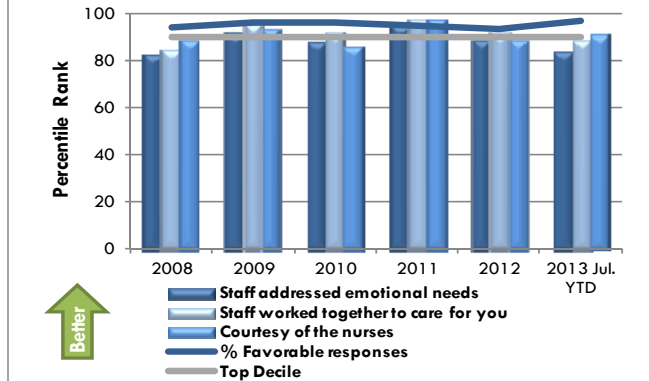


Figure 7.2-17– CULTURE OF CARING, Birthing Center

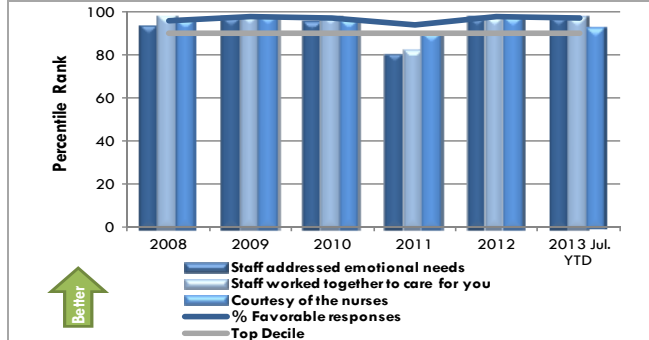


Figure 7.2-18 – Culture of Caring, Emergency Department

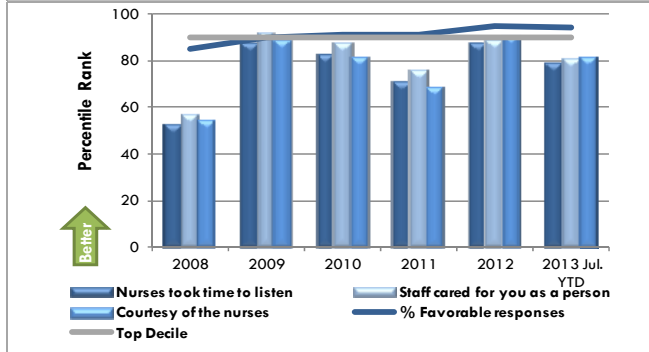
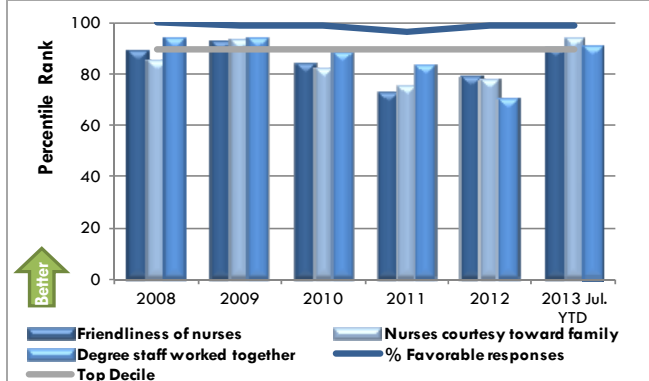
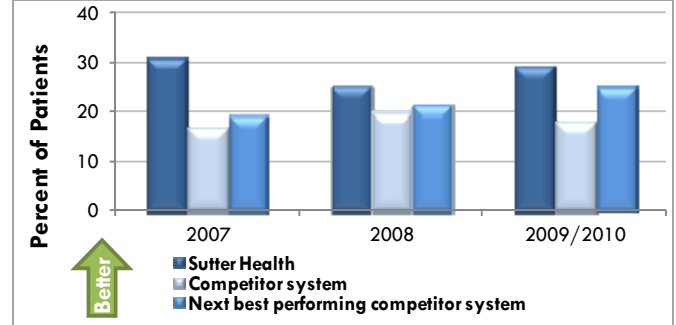


Figure 7.2-19 – CULTURE OF CARING, Surgical Services



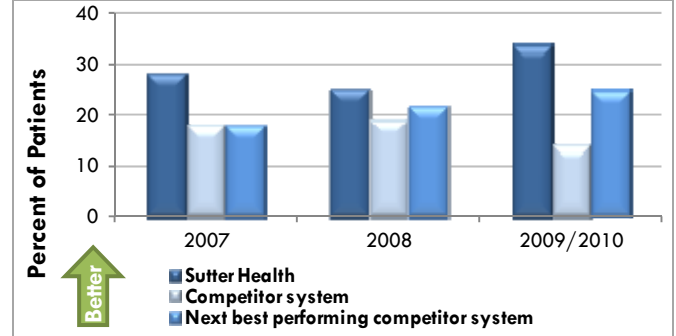
Our Community, a crucial stakeholder, prefers SDH to the Yolo County competitor as evidenced by results from our Consumer Survey, in which over 300 Yolo County residents are asked about their hospital preferences (7.2-20 and 7.2-21).

Figure 7.2-20 – Preferred Community Hospital/System



Strong relationships and engagement with mothers in the community is evident by the results and trending of the percent of patients in the community who prefer to deliver at SDH (7.2-21). Beginning in 2009/2010 the consumer survey became a biannual survey. The 2011/2012 survey results will be available in 2013.

Figure 7.2-21 – Hospital Preference for Delivery

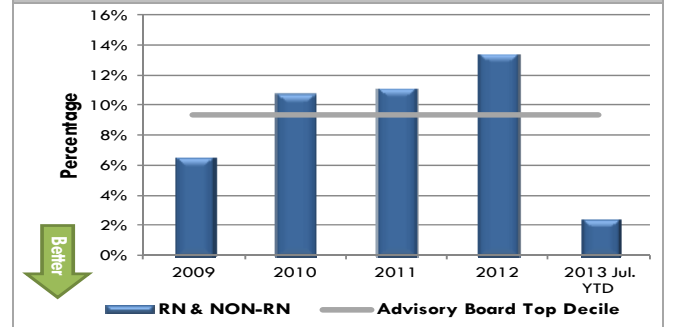


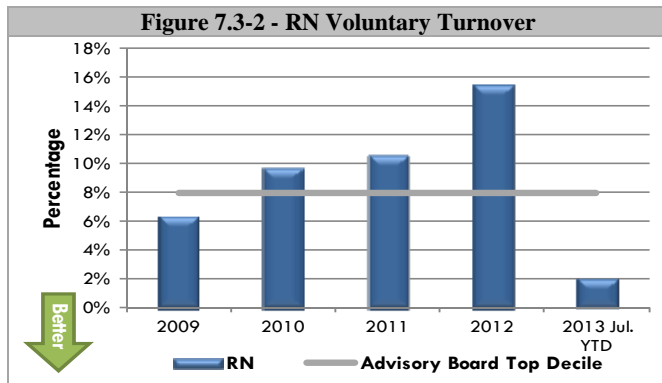
7.3 Workforce-Focused Results

7.3a Workforce Results

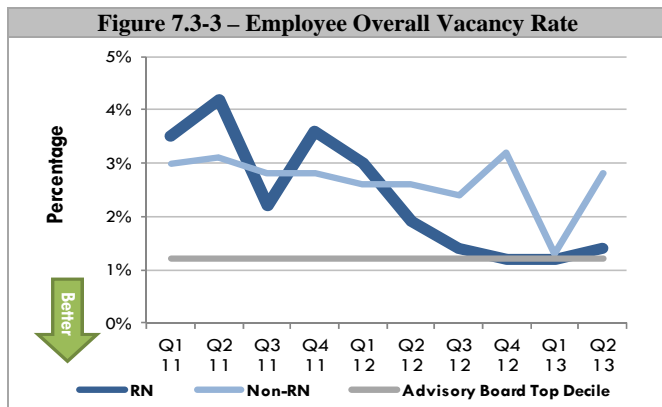
7.3a(1) Workforce Capability and Capacity. Assessment of workforce capacity and capability is an ongoing process throughout SDH. In assessing overall capacity, SDH monitors voluntary employee turnover (7.3-1). Those results are further segmented for RNs (7.3-2). SDH continues to experience an increase in voluntary turnover due to an emphasis placed on talent management and succession planning for employees. In 2012, 25% of staff have been promoted or transferred internally within Sutter Health.

Figure 7.3-1 - Employee (RN and Non-RN) Voluntary Turnover

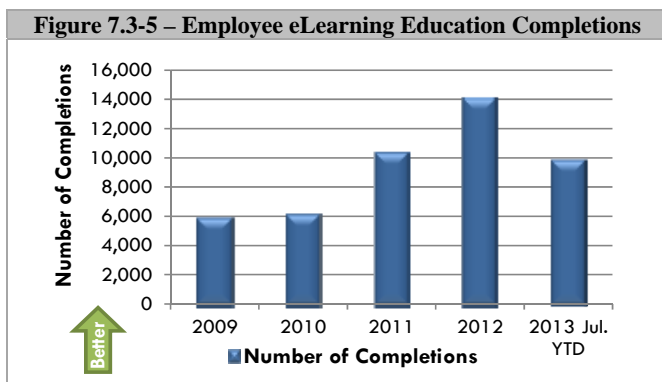
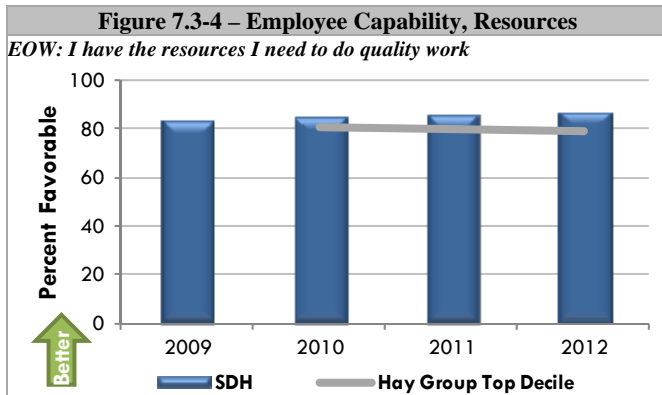




Employee vacancy rates are monitored quarterly. RN vacancy rates have reached Advisory Board top decile.



Employee responses to the employee satisfaction survey are used by Leadership to ensure our employees are capable and have the resources needed to do quality work, exceeding top decile performance (7.3-4).



Capability levels have improved across the organization through a focused approach on learning and development. To increase learning and development and skills, a strategic investment has been made in online training that allows access to development regardless of shift or schedule. Online training continues to demonstrate a positive trend (7.3-5). In addition to online training, 100% of RN staff members participate in an annual Skill's Day.

7.3a(2) Workforce Climate. SDH systematically assesses and improves the health, safety, and security of its workforce through the EOC Committee structure (5.1b[1]). Measures and indicators of health, safety, and security are listed in 7.3-6.

Figure 7.3-6 - Workforce Health, Safety, and Security

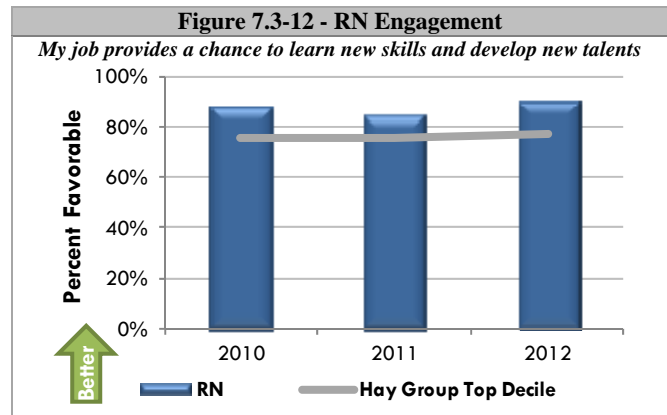
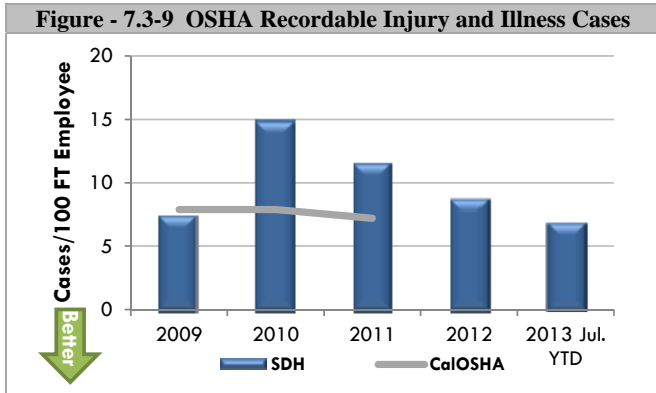
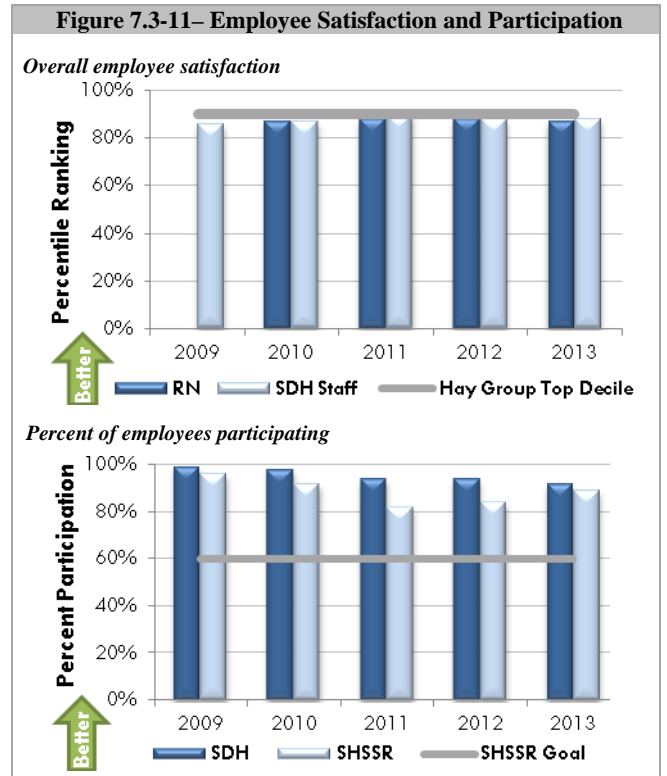
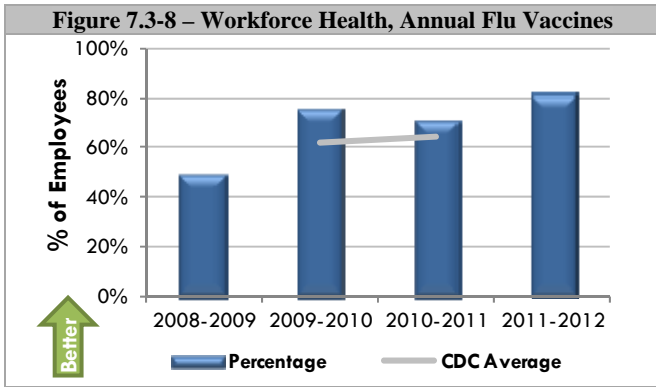
	2008	2009	2010	2011	2012
Workforce Health					
Pre-employment physical	100%	100%	100%	100%	100%
Annual TB testing compliance	100%	100%	100%	100%	100%
Annual fit testing	100%	100%	100%	100%	100%
Workforce Safety					
% Chemical inventories	100%	100%	100%	100%	100%
% Annual safety education	100%	100%	100%	100%	100%
Fire Drills	100%	100%	100%	100%	100%
Workforce Security					
Emergency drills	100%	100%	100%	100%	100%

Responses to the employee satisfaction survey are used by Leadership to evaluate the work environment and ensure our employees have a safe and secure work place, exceeding top decile performance (7.3-7).

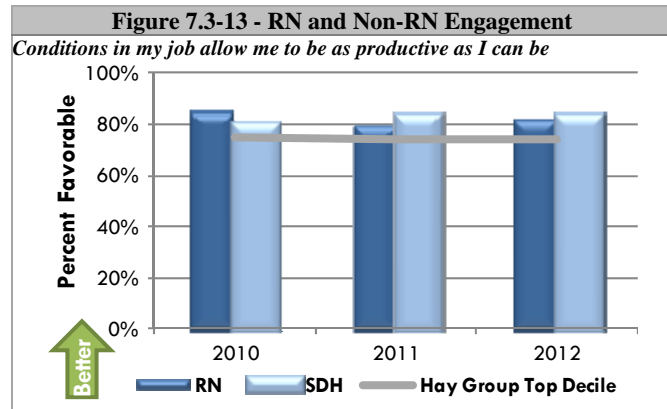
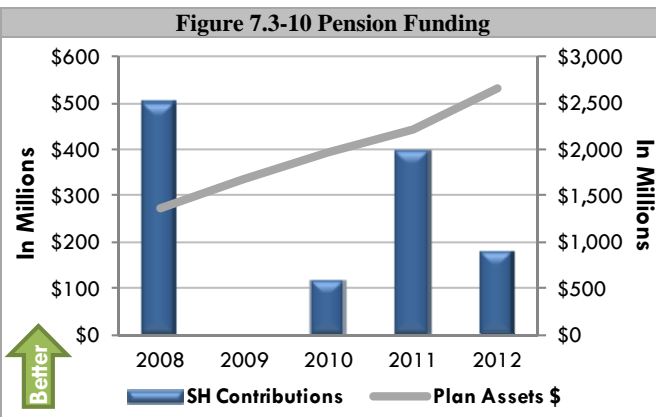


SDH maintains a strong focus on workforce services, including wellness. The workforce has access to receive free vaccines on an annual basis and as needed (7.3-8). In order to increase annual flu vaccine coverage, SDH offers vaccination onsite, free of charge, for multiple days. SDH exceeded 2009-2010 and 2010-2011 CDC averages for health care workers. 2011-2012 CDC averages are not yet available.

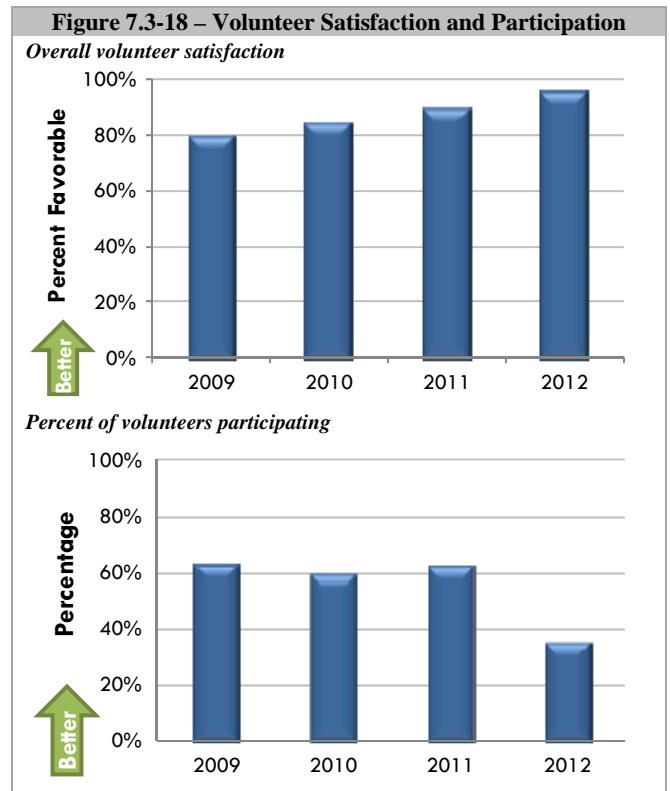
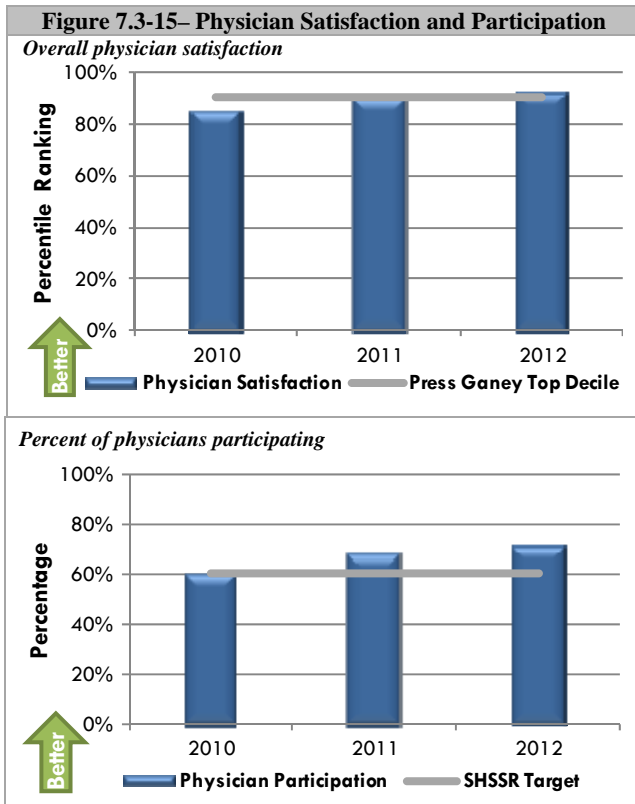
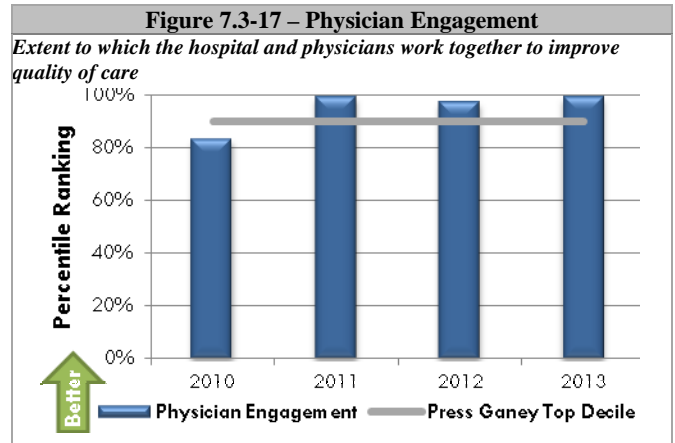
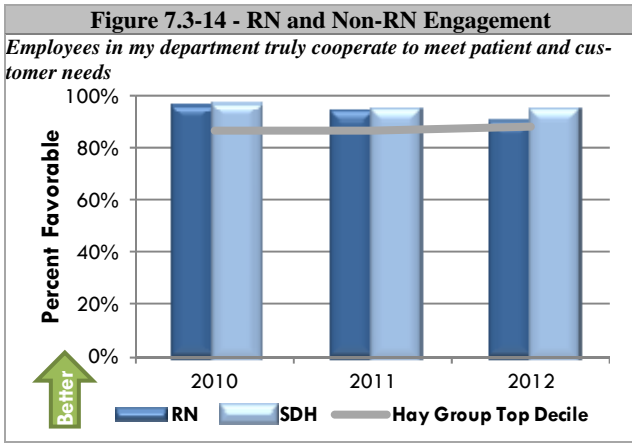
SDH monitors OSHA recordable injury and illness cases. Our rate of reportable injuries and illnesses continues to decline (7.3-9). The EOC committee assists us to identify, analyze, and prevent injuries and illnesses (5.1b[1]).



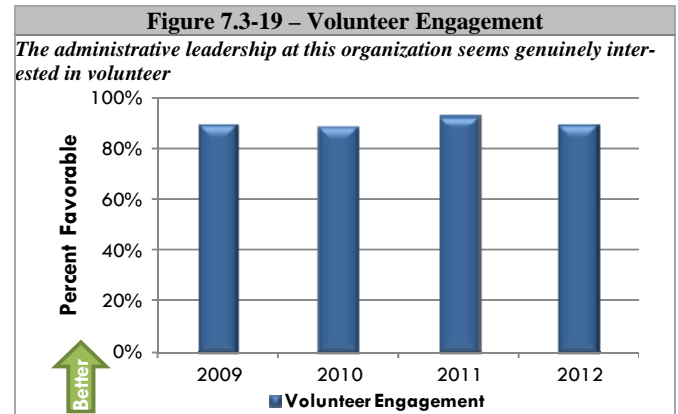
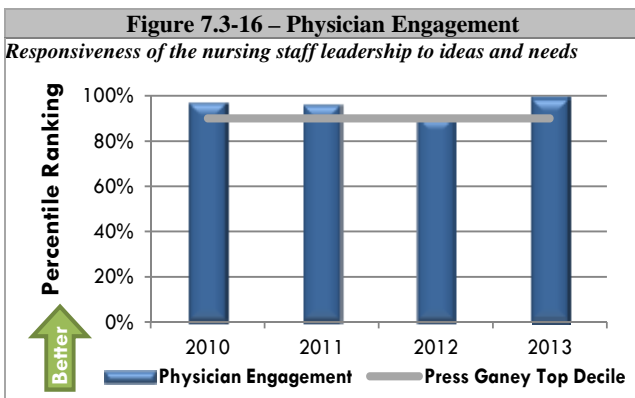
SDH’s fully funded pension plan provides a benefit to current employees and future retirees (5.1b[2]) by ensuring financial stability to make future benefit payments. Years when the returns on financial investments are weak, SH makes direct contributions to ensure plan assets are high enough to achieve a fully funded pension. SH has consistently contributed the necessary funds to maintain a fully funded plan. (7.3-10).

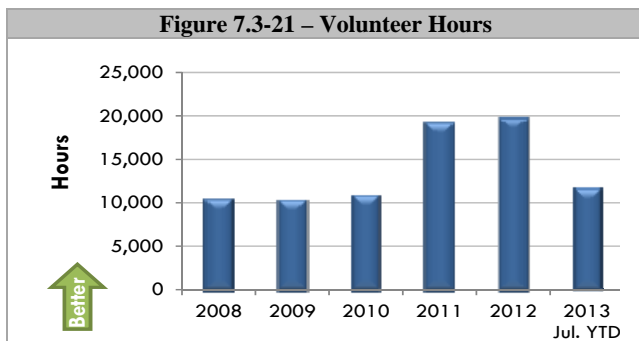
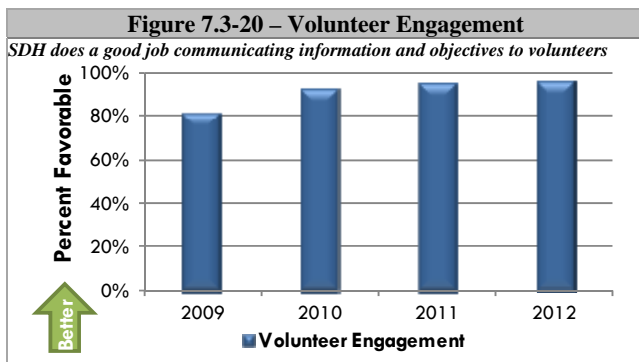


7.3a(3) Workforce Engagement. Workforce engagement is measured through the analysis of key questions asked during workforce satisfaction surveys (5.2a[1]). The key engagement motivations for each workforce segment are listed in P.1-3 (7.3-12-14, 7.3-16-17, and 7.3-19-20).

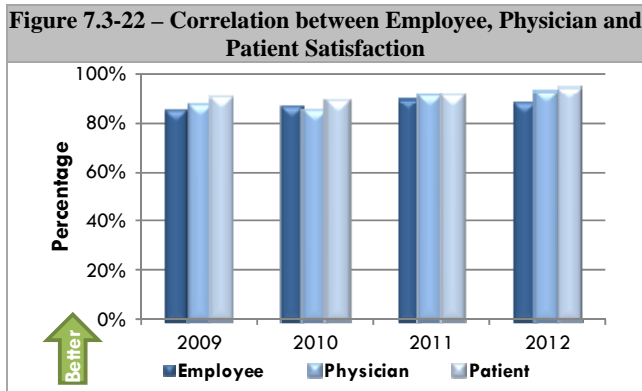


In 2012, volunteer participation declined as return envelopes were not included with the volunteer satisfaction surveys.

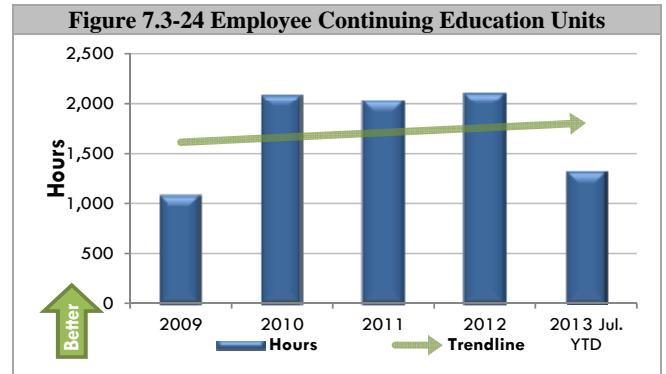
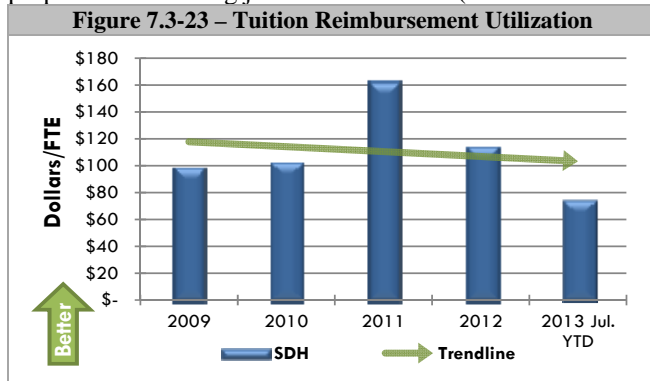




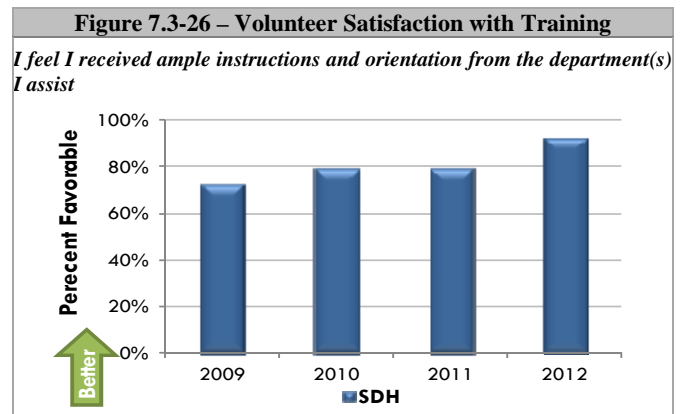
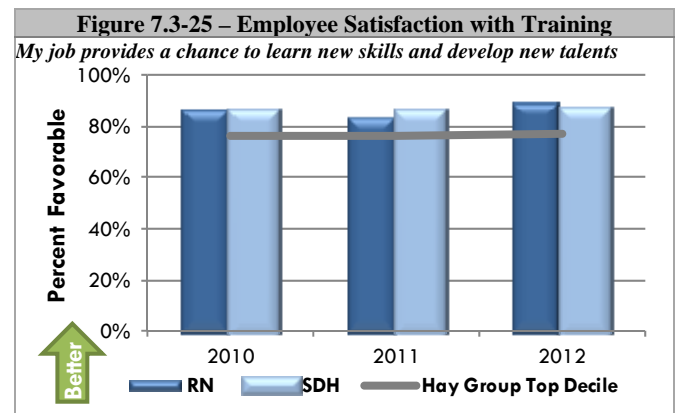
There is a strong correlation in satisfaction and engagement metrics to overall patient satisfaction (7.3-22).



7.3a(4) Workforce Development. SDH offers learning and development opportunities (Learning and Development System, 5.2-2) for workforce members and leaders supporting the primary work system of Patient Care Delivery (6.1-2). In support of learning and development, eligible employees receive financial assistance to further their education, with the purpose of enhancing job-related abilities (7.3-23 and 7.3-24).



SDH senior leaders also assess employee and volunteer satisfaction with education, development, and training through selected questions on the the employee and volunteer satisfaction surveys (7.3-25 and 7.3-26).



SDH supports leadership development through Leadership Development Institutes (LDI). Through LDI's, leaders are equipped with effective management strategies to enhance their leadership skills (7.3-27). In addition, leaders are given the opportunity to attend MCE and California Awards for Performance Excellence (CAPE) Examiner Training. These trainings assist in enhancing performance excellence.

Figure 7.3 - 27 – Leadership Development

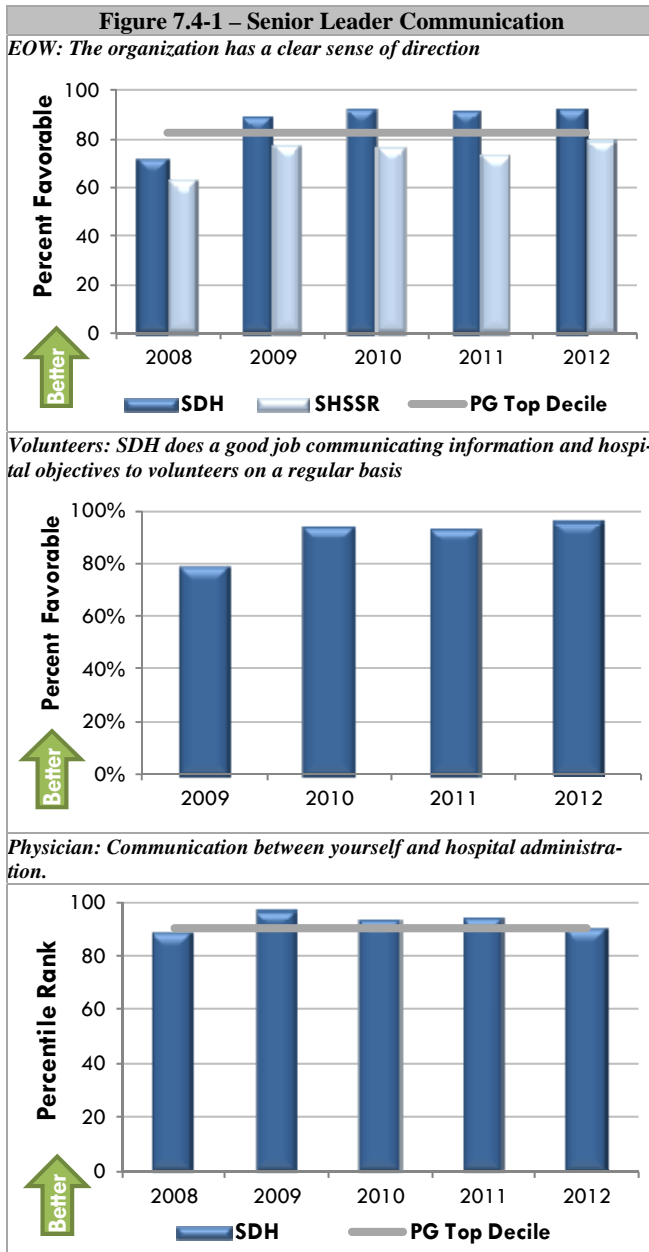
Development Metric	2009	2010	2011	2012	2013
SDH Management LDI Attendance	91%	93%	96%	100%	100%
SDH MCE Attendance	1	3	2	3	3
SDH CAPE Examiner Training Attendance	9	8	5	10	6

7.4 Leadership and Governance Results

7.4a Leadership, Governance and Societal Responsibility

7.4a(1) Leadership.

SDH measures the effectiveness of MVV and SPP communication and engagement mechanisms through annual satisfaction surveys. Employees, volunteers, and physician partners have consistently rated SDH highly on senior leader communication and providing a clear direction for the organization (7.4-1). These outcomes demonstrate front line staff engagement and participation through their understanding the organizational direction and their executing on our strategic objectives to sustain and improve our outcomes.

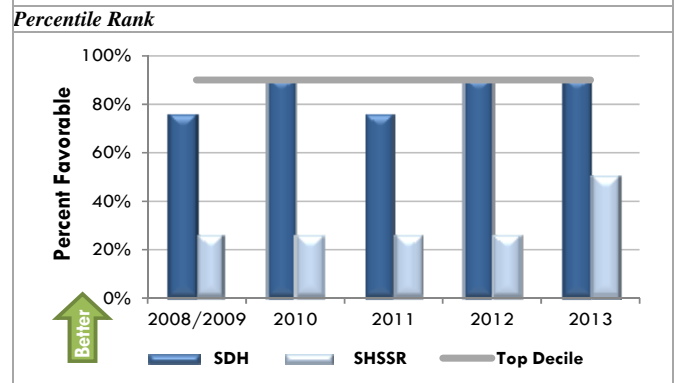


A key communication mechanism for deploying the MVV and creating a focus on action is our All Staff Assembly (5.2a[2]). SDH has held three ASAs to date, with a fourth planned this summer. Results of the ASA feedback survey are shown in 7.4-2.

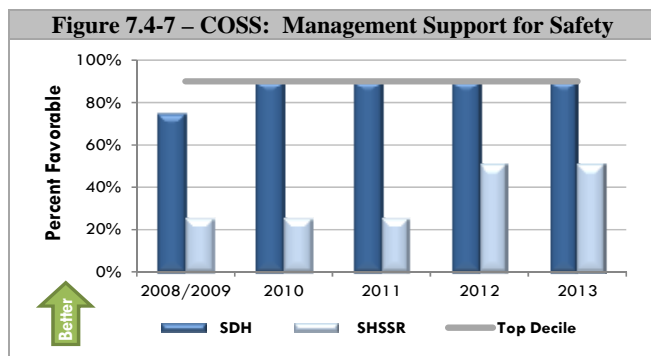
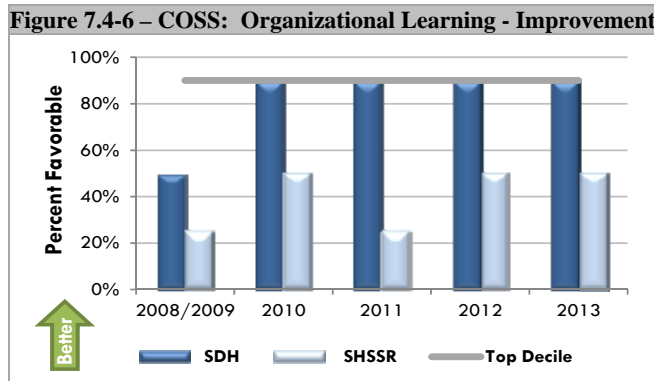
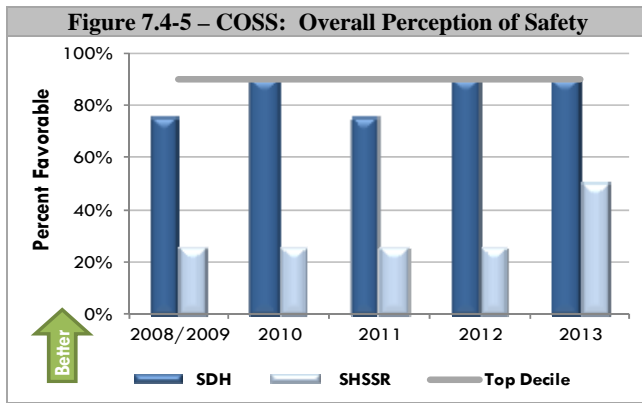
Figure 7.4-2 – All Staff Assembly Feedback Survey

Question	2009	2010	2011	2012	2013
Usefulness of information overall	85.1%	92.9%	96.2%	95.6%	87.2%
Session was informative	87.0%	93.7%	96.9%	95.7%	83.6%
Session was entertaining	89.9%	91.3%	97.7%	97.3%	86.3%
Session was inspirational	88.4%	88.1%	95.4%	94.7%	83.3%

Percent of "Good" and "Very Good" ratings on each question.



SDH senior leaders communicate and engage the workforce to assure a safe journey for every patient using various deployment tools (1.1-2) including the Culture of Safety Survey (1.1-3, 7.4-3 thru 7). In response to the feedback collected from the surveys, SDH and SHSSR leadership participated in comprehensive Just Culture training (5.2a[2]) in order to respond to and manage errors in a consistent and just manner. SDH is strengthening a culture where employees feel safe to speak up in support of patient safety. Staff completed the 2013 Culture of Safety Survey, and results will be available soon.

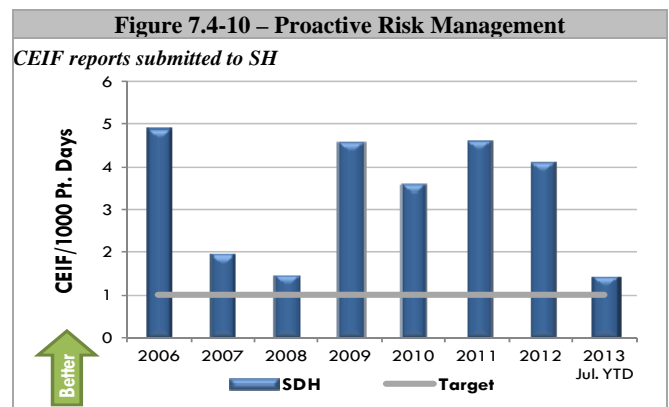


audited time cards every pay period, and SDH managers have led the region in consistently signing off time cards, currently at 100% compliance.

Figure 7.4-8 – Summary of Audits

Audit	2008	2009	2010	2011	2012
Ernst & Young External Financial Audit <i>Unqualified Opinion Issued by Auditors</i>	Pass	Pass	Pass	Pass	Pass
Medi-Cal Cost Report <i>Initial Report Accepted with no Changes when Filed</i>	Pass	Pass	Pass	Pass	Pass
Medicare Cost Report <i>Initial Report Accepted with no Changes when Filed</i>	Pass	Pass	Pass	Pass	Pass
External Coding Audits <i>95% Quality Achieved based upon DRG review of Files Audited</i>	Pass	Pass	Pass	Pass	N/A
Internal Audit Limited Scope Financial Audits <i>No Adjusting Journal Entries Proposed or Observation of Issues Reported</i>	Pass	Pass	Pass	Pass	Pass

7.4a(3) Law, Regulation, and Accreditation. SDH has received full accreditation from TJC – most recently in April 2013 – and is in full compliance with all laws, regulations, and accreditation bodies (P.1-5, 1.2-2, 7.4-9). These processes include systematic internal audits that provide a framework for surpassing requirements, such as TJC tracers and hazard rounds.



7.4a(2) Governance. As part of the SHSSR, SDH does not receive a full financial audit on its own (7.4-8). Ernst & Young is employed to perform a financial audit for the entire SHSSR, which includes SDH and eight other financial entities. SHSSR received zero management comments from 2006 through 2008, but did receive one comment in 2009. The audit comment was related to department manager’s consistency in signing off employee timecards in the online time management system (Kronos). Since the audit, SHSSR payroll has

Risk management bridges a number of disciplines to reduce the incidence of organizational loss. At SDH, one method of doing this is by proactively identifying events that may result in litigation and notifying our system risk department of the event so it can be evaluated by our insurance company to determine if dollars need to be put aside for a possible future litigation. The SH system requires all affiliates to identify these events timely and complete a Confidential Event Investigation Form (CEIF) (7.4-10). Each affiliate is required to submit at least one CEIF per 1,000 patient days. SDH has sur-

Figure 7.4-9 – Key Processes, Measures, Goals, and Results for Regulatory, Legal, and Accreditation Requirements

Requirement	Processes	Measures	Goals	Results
Regulatory	Licensure surveys	OSHPD, CDPH, CAP	100% Compliance	100%
	Philanthropy accounting	Internal audits by SH	100% Compliance	100%
Legal	Regional contract review	Contract consistency and adherence	100% Compliance	100%
	Fundraising legal compliance	Internal audits by SH legal and compliance	100% Compliance	100%
Accreditation	Accreditation surveys	TJC, CMS, CDPH, CAP, SBP	100% Accreditation	100%
	Tracers in every department to ensure Joint Commission readiness	Identified gaps and corrective actions	100% of identified gaps corrected, tracked through Quality Management	100%
	Hazard Rounds to ensure safe environment of care	Identified gaps and corrective actions	100% of identified gaps corrected, tracked through EOC	100%

passed this target for several years, identifying potential litigation cases before they ever make it to us in the form of a summons or notice of intent. This allows us to put aside reserves and dollars for cases that our attorneys feel have a high chance of becoming a lawsuit. Proactive risk management done in this way may avoid some losses or expenses that could otherwise impact our bottom line, when we are not prepared for them.

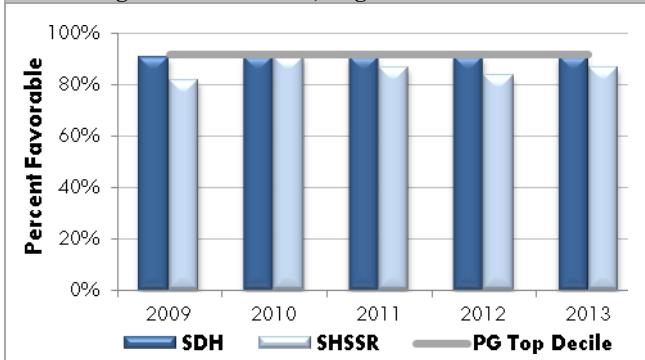
7.4a(4) Ethics. To ensure members of the workforce understand their roles in ethical behavior, all new employees sign the Code of Conduct policy. All employees annually complete the eLearning ethics and compliance course (7.4-11).

Figure 7.4-11 – Workforce Ethics and Compliance

Process	2008	2009	2010	2011	2012
New employees sign Code of Conduct policy	100%	100%	100%	100%	100%
All employees complete annual ethics/compliance course	100%	100%	100%	100%	100%
New workforce members sign Standards of Behavior	100%	100%	100%	100%	100%

Staff members are asked annually about their confidence in the organization and senior leaders to uphold ethical standards of behavior (7.4-3). In addition to this question, two new questions were added to the 2010 EOW survey. “I have trust and confidence in this organization’s senior management team,” on which SDH received 79% favorable responses compared to the top quartile of 75%. And “This organization is open and honest in communications to employees,” on which SDH received 83% favorable responses compared to a top quartile of 63%.

Figure 7.4-12 – EOW, Organization is Ethical



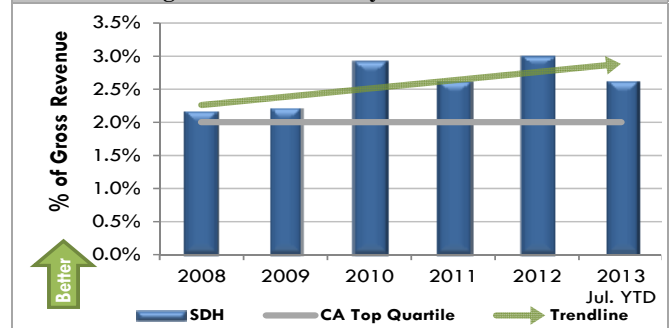
SDH leadership lives the values of the organization. Ethical behavior is monitored (7.4-13) and breaches of ethical behavior are addressed timely. Violations are documented, reported to regulatory agencies as required, and followed up with the individuals involved in the situation. The actions range from counseling to dismissal, depending on the seriousness of the incident. In all cases, the violations are disclosed to the patients involved.

Figure 7.4-13 – Patient Privacy and Employee Reports of Ethical and Compliance Concerns

Process	2008	2009	2010	2011	2012
HIPAA violations	N/A	8	8	8	5
Reports to Confidential Message Line, 1.1a(2)	19	8	8	19	15

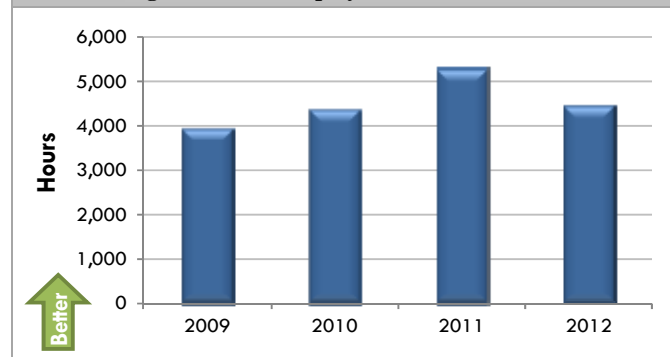
7.4a(5) Society. SDH provides charity care at higher levels than most California hospitals as a percent of gross total revenues (7.4-14). This financial contribution provides the medically underserved residents access to affordable health care and improves health in our key communities.

Figure 7.4-14 – Charity Care Provided



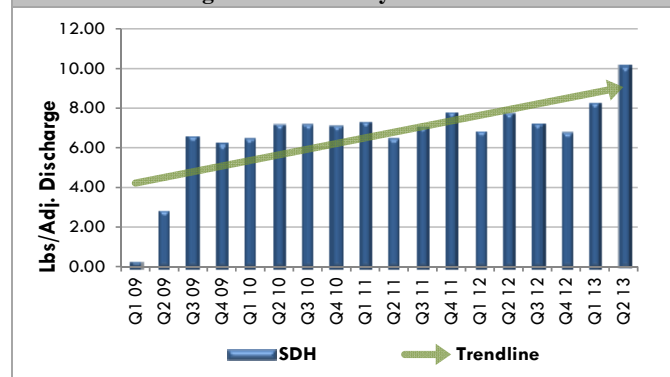
Senior leaders and our employees contribute volunteer hours to community programs and initiatives that support health in our key communities (7.4-15).

Figure 7.4-15 – Employee Volunteer Hours

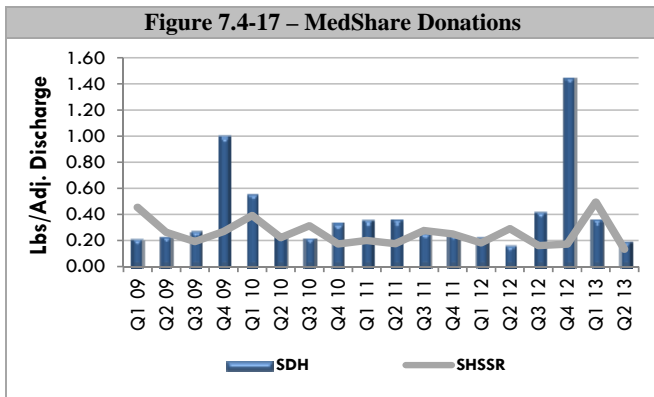


SDH recognizes the impact that health care organizations can have on the environment. Green waste initiatives at SDH include a house-wide recycling of paper, plastics, cans, and use of compostable cups and plates (7.4-16).

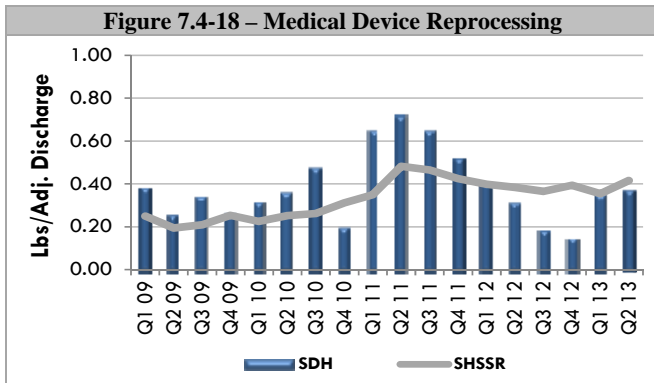
Figure 7.4-16 – Recycled Waste



SDH donates usable medical equipment and supplies to third world counties through the Med Share program (7.4-17). While there are peaks in donations as SDH updates its products, we have been consistent in honoring our societal responsibility to help the less fortunate.



Medical devices can be safely reused when reprocessed by a FDA-approved vendor. SDH has expanded its use of reprocessing to reduce equipment waste and cost (7.4-18).

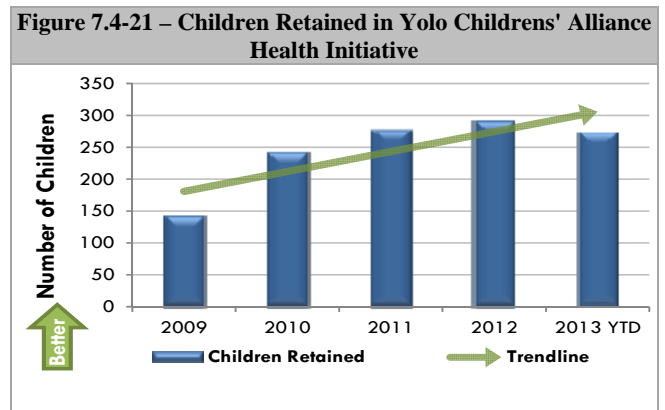
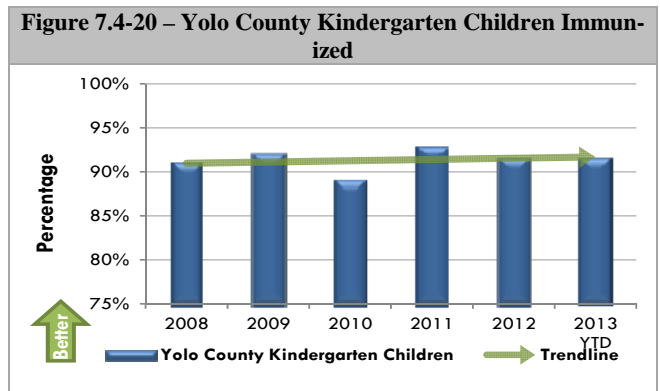


Employers are given the opportunity to receive free health screening for their employees (7.4-19). This information allows employers to assess their company’s health risks and proactively engage employees in healthy life-style changes.

Figure 7.4-19 – Employer Health Screenings

Indicator	2008	2009	2010	2011	2012
# of Employers	11	8	9	8	3
# of Screenings	198	314	401	456	1097
Body Mass Index					
Lean	1%	2%	1%	.5%	1.1%
Desirable	35%	36%	30%	29%	29%
Overweight	43%	42%	44%	38%	33%
Obese	19%	17%	22%	27.5%	33%
Severely Obese	2%	3%	3%	5%	0%
Glucose					
Normal	91%	89%	91%	84%	78%
Above Normal	9%	11%	9%	16%	12%
Blood Pressure					
Normal	30%	26%	21%	34%	30%
High Normal	49%	43%	53%	40%	40%
Hypertension	21%	31%	27%	26%	28%
Total Cholesterol					
Desirable	58%	69%	65%	76%	64%
Borderline High	34%	23%	26%	21%	21%
High	8%	8%	9%	4%	5%

SDH CEO was a founding member of the Yolo Children’s Alliance. This Alliance ensures access for healthcare to children. The results show that this access is improving the numbers of children being immunized and the retention of these children in care is increasing. Both results show SDH’s contribution to improving care for our children in Yolo County (7.4-20, 21).



7.4b Strategy Implementation Results. SDH’s organizational strategy and action plans are established during the SPP (2.1-1) and are reflected in the organizational goals and SOs in 2.1-2 and 2.1-3. SOs are linked to key measures and indicators in 7.4-22.

Figure 7.4-22 – Key Measures for Achievement of Organizational Strategy and Action Plans

Strategic Objectives (2.1-2) (PILLARS)	Measures or Indicators
1. Enhance the continuum of care for all patients (Quality, Growth)	7.1-9: Length of Stay 7.1-10: Readmission Rates
2. Improve the affordability of health care services (Finance)	7.5-2: WI Cost per CMI Adj. Discharge 7.5-5: Operating Margin 7.5-6: Supply Cost per CMI Adj. Discharge
3. Improve the efficiency of health care service delivery (Service, Finance)	7.1-20: Door to Physician Seen Time in ER 7.1-21: Left Without Being Seen
4. Strengthen SDH’s position as a quality and customer service leader (Quality, Service)	7.1-1: Core Measures 7.2-9, 10: HCAHPS: Overall Satisfaction
5. Strengthen SDH’s position as a best place to work & practice (People)	7.3-11: Employee Satisfaction 7.3-15: Physician Satisfaction 7.3-18: Volunteer Satisfaction

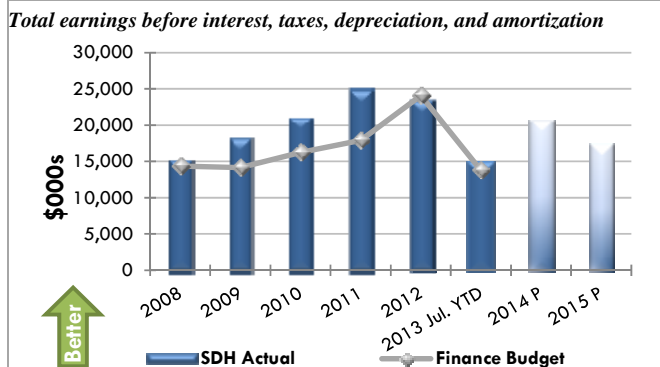
7.5 Financial and Market Results

7.5a Financial and Market Results

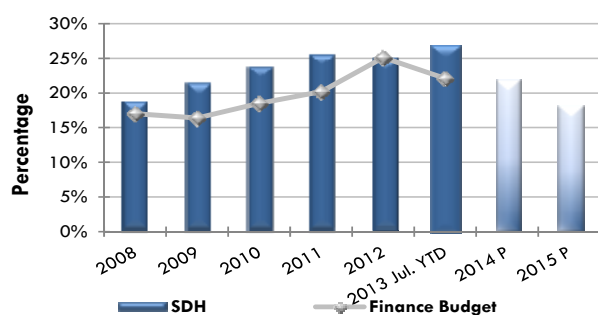
7.5a(1) Financial Performance. SDH assesses its financial and growth performance monthly against DASHBOARD targets, and annually against the five-year financial plan (2.2a[3]). EBITDA is a representation of operational cash flows, and is crucial to financial strength and sustainability (7.5-1). While hospital operating margins have been stable for the past five

years, reimbursement decline is expected with healthcare reform as Medicare levels increase. Increased investments in facility technology and implementation of the electronic health record will also erode margins over the next three years.

Figure 7.5-1 – EBITDA



EBITDA Margin

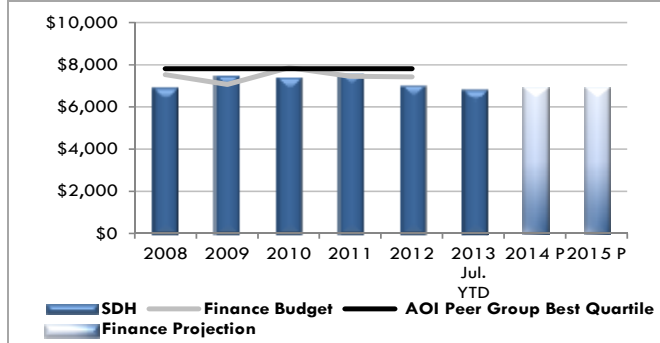


EBITDA Margin percentile ranking among California acute care hospitals. Source: California Hospital Association. 2010-2011 data not yet available.

Year	2006	2007	2008	2009
Ranking	95 th	93 rd	95 th	97 th

Affordability is a key customer requirement (P.1-7). Lower costs correspond with an ability to decrease prices and provide affordable healthcare options to our patients. In order to compare costs across facilities and to account for each facility's patient severity, costs are adjusted by the local wage index and by the case mix index (CMI), a standard measure of patient acuity. SDH's costs per CMI-adjusted discharge are consistently among the lowest in the SH system and approach the best quartile in California (7.5-2).

Figure 7.5-2 – Wage Index- and CMI-Adjusted Cost Per Discharge



Total net operating revenue is a key component of future financial growth and sustainability (7.5-3), and OSHPD reports net revenue for all hospitals in California, and allows for

comparison by reporting net revenue per adjusted patient day (7.5-4).

Figure 7.5-3 – Net Revenue

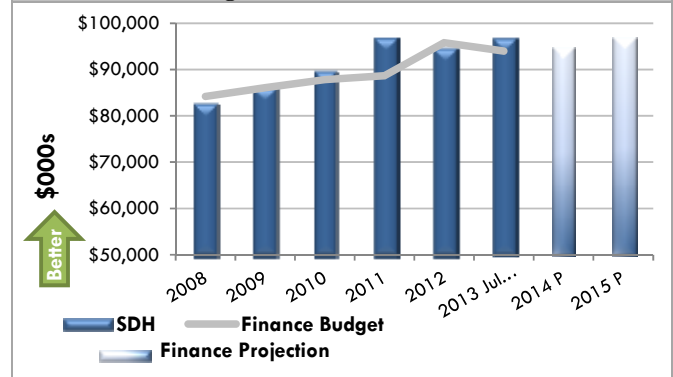
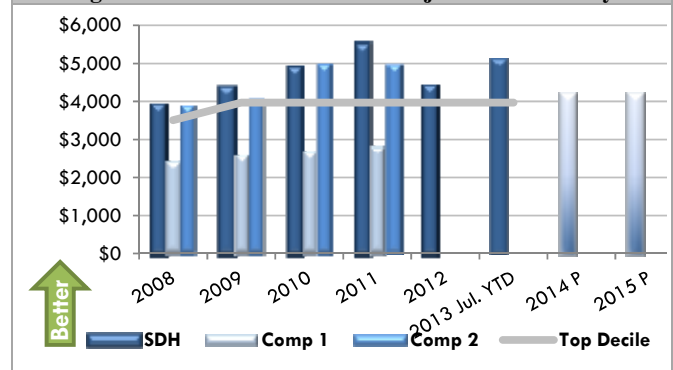
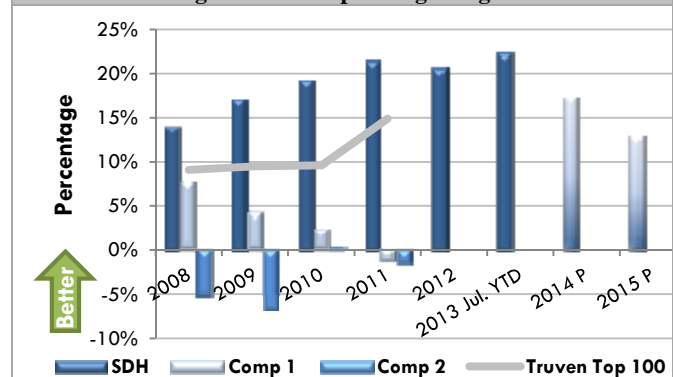


Figure 7.5-4 – Net Revenue Per Adjusted Patient Day



SDH's net operating margin (7.5-5) has grown steadily since 2004, and now ranks among the best in California and in the nation.

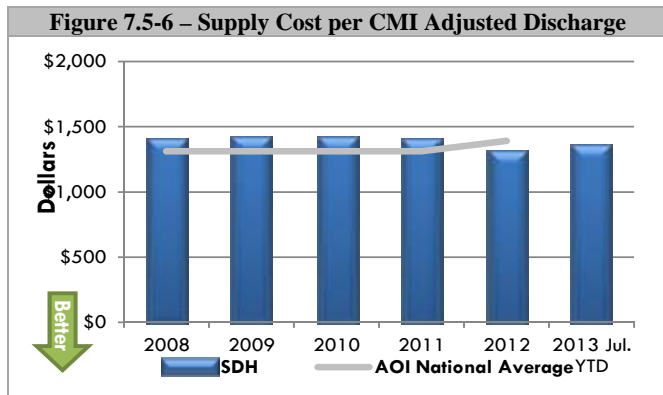
Figure 7.5-5 – Operating Margin



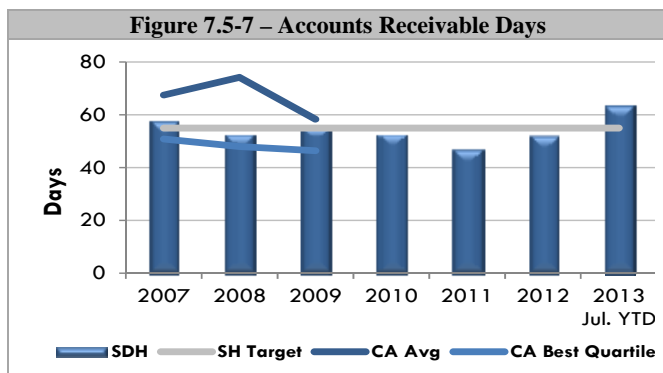
Operating Margin percentile ranking among California acute care hospitals. Source: California Hospital Association. 2010-2011 data not yet available.

Year	2004	2005	2006	2007	2008	2009
Ranking	59 th	83 rd	95 th	96 th	95 th	97 th

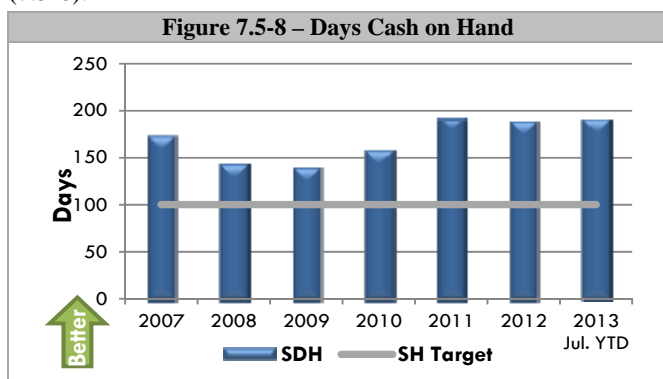
SDH also places a strong emphasis on cost containment. Supply expense alone accounts for 15% of our total expenses. Although inflation continues at a rate of 1.5%, SDH has held constant and most recently decreased the supply cost per CMI adjusted discharge (7.5-6).



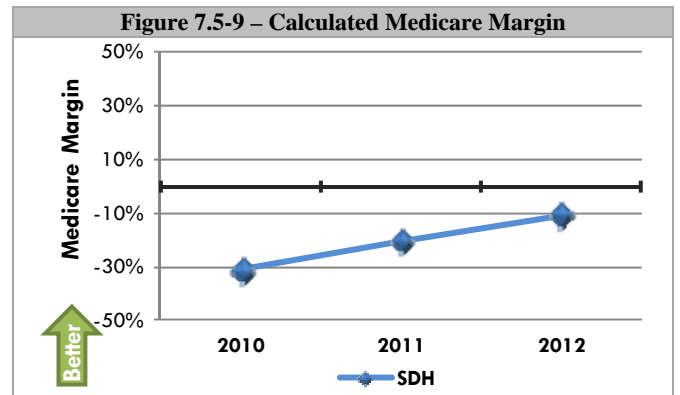
SDH consistently outperforms the SH budget target and the California norm relative to accounts receivable, and is approaching California best practice levels (7.5-7). This consistency helps SDH increase cash on hand (7.5-8) and minimize short-term liabilities.



Days of cash on hand is measured by SH to ensure the financial sustainability of all its affiliates. In order to maintain SH's excellent bond rating, Moody's and Standard and Poor's require 140 days of cash on hand for the organization. SDH has consistently maintained 140 days or greater since 2005 (7.5-8).



The calculated Medicare Margin is an important measure of profitability for the Medicare population. Because reimbursement rates are low, expense management is extremely important. Systematic work processes have been deployed by the Medicare Affordability Team to increase efficiencies and reduce losses on our Medicare patients, resulting in break-through achievement (6.2a, 7.5-9).

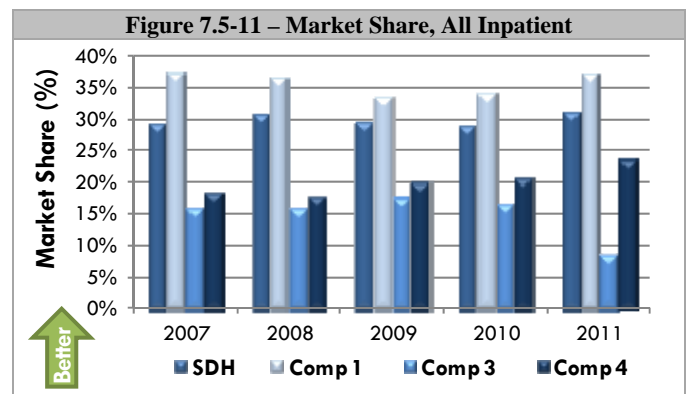


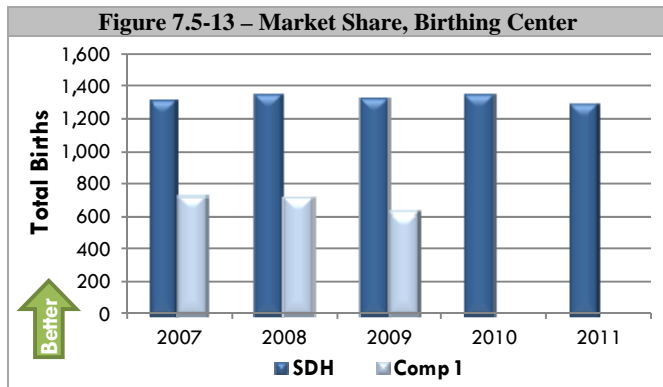
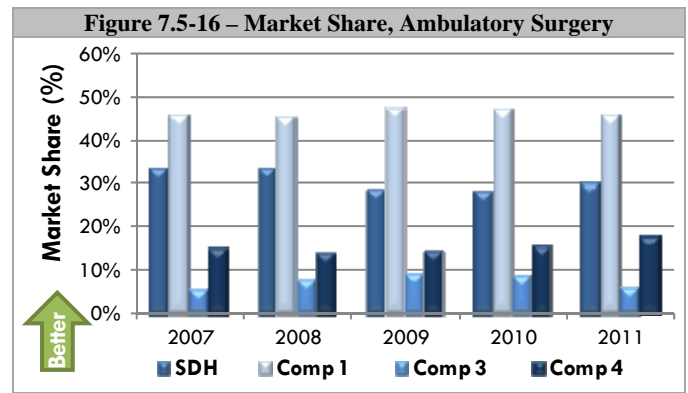
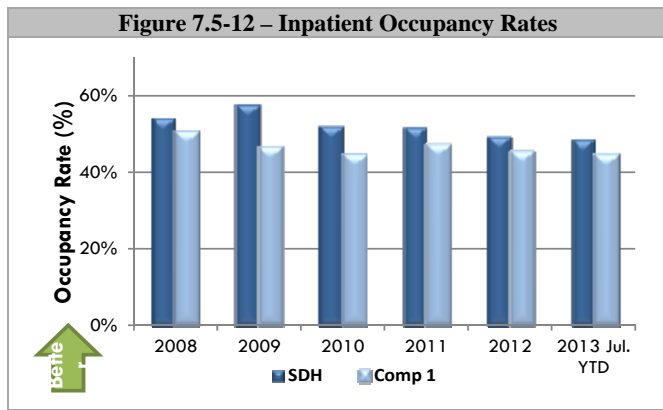
SDH's ability to borrow money to fund large capital expenditures is dependent upon SH's bond ratings, which have remained consistently strong (7.5-10).

Figure 7.5-10 - Financial Viability, Strong Bond Rating

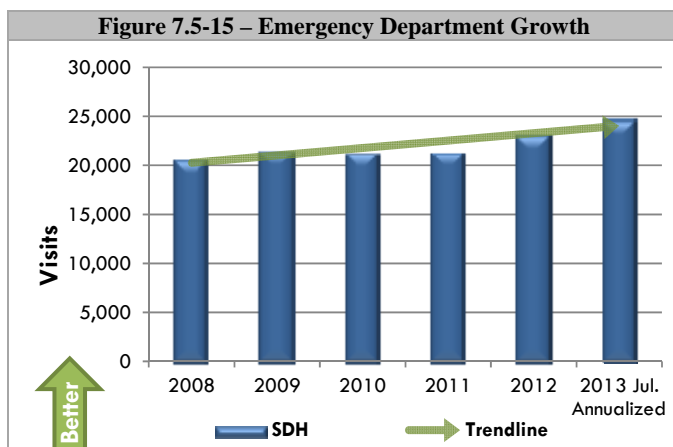
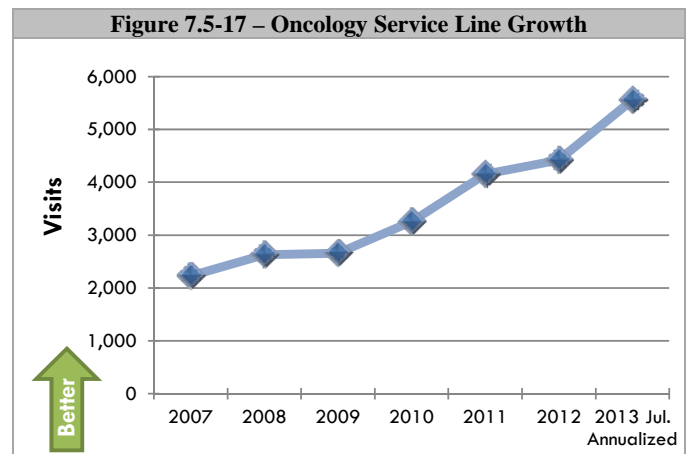
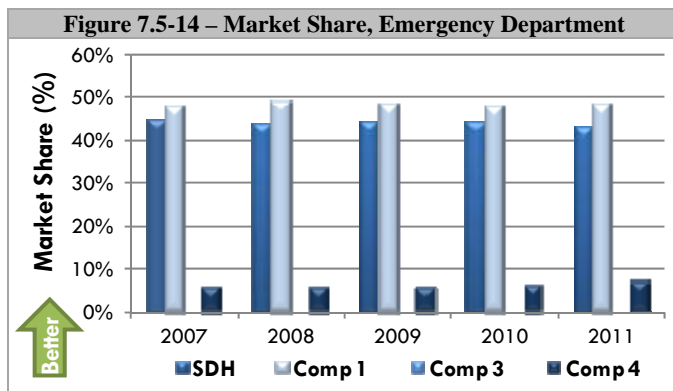
Rating Agency	2007	2008	2009	2010	2011	2012
S&P	AA-	AA-	A+	A+	AA-	AA-
Fitch	N/A	N/A	AA-	AA-	AA-	AA-
Moody's	Aa3 (stable)	Aa3 (stable)	Aa3 (stable)	Aa3 (stable)	Aa3 (stable)	Aa3 (stable)

7.5a(2) Marketplace Performance. SDH shares its primary market of Yolo County with one other hospital (Competitor 1), a 108-bed facility (compared to SDH's 48 beds). To perform Ambulatory Surgery procedures, SDH has four operating rooms and one procedure room, while Competitor 1 has 10 operating rooms. Despite the capacity difference, SDH maintains a strong share of the primary market in inpatient care (7.5-11), births (7.5-13), ED visits (7.5-14 and 7.5-15), and ambulatory surgery cases (7.5-16). Hospital occupancy rates also demonstrate SDH's stronger performance compared to Competitor 1 (7.5-12). Market share data for births are not available in the same format as data for our other patient segments, but we do have access to number of births occurring at SDH and at our local Yolo competitor. Competitor 2 (P.2a[1]) is excluded from the market share figures due to insufficient data. Competitors 3 and 4 are out-of-county tertiary medical centers.





One of SDH's strategic objectives (SO1, 2.1-2) is to grow key service lines. The Community Needs Assessment identified cancer as the number one cause of mortality in Yolo County. With this information, SDH identified oncology as a key service line for growth and in response hired an oncology physician. SDH is in the process of expanding to evening and weekend hours in order to accommodate the continued growth (7.5-17).



Sutter Davis Difference
~ A Culture of Caring ~

