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FROM: **SONOMA VALLEY HEALTH CARE COALITION**

CONTACTS: BOB EDWARDS (707) 933-9351
 STEVE PEASE (707) 938-4974

STEERING COMMITTEE RECOMMENDATION

The nineteen-member Steering Committee of the Sonoma Valley Health Care Coalition announced today that it has concluded its search for a viable plan for a new hospital in the Valley. After more than ten months of weekly both the Steering Committee and thirty five-member Options Committee meetings, the Steering Committee has finalized its recommendations.

The Steering Committee is pleased to submit a summary of its findings and its recommendations and wishes to thank the many citizens who devoted thousands of hours to understanding the complex issue of health care delivery and to developing a viable recommendation for the Sonoma Valley Health Care District Board of Directors.

The Steering Committee also announced that a public meeting of the Coalition will be held next Monday, May 14 at 7:00 P.M. in Andrieux Hall at the Sonoma Valley Community Center.

The Steering Committee plans to present its recommendations to the District Board of Directors at its May meeting.

Following is a summary of the Steering Committee Report which will be available on the Coalition blog site late this week. Plans are also being made to make printed copies of the Report available to the public.

EXECUTIVE SUMMARY

Background and Findings:

The Sonoma Valley Healthcare Coalition was formed out of the failure of Measure C. It brought together local citizens representing a wide range of viewpoints. They volunteered to work together to secure a hospital for Sonoma Valley which would replace our obsolete, seismically inadequate, and financially endangered facility. The Coalition's charge was to explore, evaluate, and come forward with a proposal hopefully capable of winning the required 67% voter support to pass a General Obligation Bond.

The Coalition has concluded:

- A professionally designed facility of approximately 56 beds is the appropriate scale for a replacement hospital that can: 1) support a Basic Emergency Room capable of accepting ambulance deliveries, 2) continue to provide the current service offerings, 3) meet expected future patient demand and changes in medical technology, 4) provide quality care, and, 5) prove financially viable.
- The overall plan should include a contiguous ambulatory services center and an adjacent medical office building.
- The hospital and ambulatory services center must be designed with appropriate department adjacencies to ensure maximum patient safety and efficient utilization of professional staff. That design must also incorporate sufficient flexibility to adapt quickly, and at minimum cost, to future changes in the practice of medicine.
- Any alternative hospital site must have sufficient space to provide for future growth in demand (arising principally from the projected 50% growth of our senior population) and future changes in the ways medicine is practiced.
- Retrofitting the present facility for future hospital purposes is not a viable alternative, nor is a 25 bed small hospital nor, under current law, Critical Access Hospital designation for a 25 bed hospital. It may be possible to remodel the current hospital for medically related purposes other than acute or skilled nursing.
- Doctors are a critical component providing hospital services. They must become partners in the design, ownership, and operation of a replacement hospital.
- While 90% of Valley residents believe a hospital is very important, obtaining 67% approval of any alternative site will be a major challenge because (a) various constituencies favor different choices, (b) voter surveys and experts in public opinion polling indicate that those who favor alternative options do so strongly and for differing reasons, and (c) their opinions will be not easily changed.

- The two major options have expected total project costs of approximately \$130 million. Alternative sources of funds, including public/private partnerships, philanthropy and other sources of financing will be vital in reducing the required size of any general obligation bond. Minimizing the size of the bond will be vital to securing voter approval.
- The Options Committee chose the Broadway, In Town and Cirrus Options in that order of preference by a vote of 22-7-1, respectively. The 35-Bed Small Hospital Option received no votes and the 25-Bed Small Hospital Option and the Critical Access Hospital were found not to be feasible and were eliminated.
- The Steering Committee concluded both the Broadway and In-Town options are viable, yet both have shortcomings to be addressed. The Broadway option included land outside the Urban Growth Boundary (UGB). As a result, the Steering Committee endorsed a reconfigured Broadway to include a prospective 3.5 acre parcel fronting on both Napa Road and Broadway, resulting in an 11 acre site, all within the UGB. The In-Town option offered limited space for initial design flexibility, for expansion and for flexibility to accommodate future changes in medical technology. The Steering Committee endorsed a reconfigured In-Town option that added at least 4 acres located within a short distance of the present hospital site to represent a total of 8-10 acres.
- No alternative is without problems or contingencies. As such, the two principal options must both be explored simultaneously to mitigate risks that either one will prove undoable.
- The roughly 10 years of instability surrounding the future of Sonoma Valley's hospital must end. Left unresolved, strongly held differences of opinion will serve only to destroy our chance for a hospital when each group demands its own way, while none can rally sufficient support to obtain 67% approval. Should that occur, everyone will lose, our Valley will suffer, and lives will be unnecessarily damaged and some will be lost.
- **Recommendations:**

The Coalition has adopted four principle recommendations:

- The District Hospital Board should simultaneously pursue two alternative sites for a 56 bed replacement hospital:
 - 1) a “reconfigured Broadway site” as described in the Report and with an additional 3.5 acres and excluding any land outside the Urban Growth Boundary; and
 - 2) a “reconfigured 'In-town'” site, also as described in the report involving the present site and facilities with an additional four or more acres located close to the present site.

- A public/private partnership must be pursued to provide physician incentives and substantially reduce capital requirements for the new hospital. Any prospective new facility must also encourage significant philanthropy. Though voters clearly favor a public hospital, holding public financing costs to a minimum will be essential to obtaining required voter approval.
- Subject to validation of the projected initial capital costs of \$1.2 million and financial operating results, the District should adopt the following components of the Sonoma Valley Whole Health Care Network Report: 1) A Integrated Medical Center associated with the hospital; 2) Wellness centers at key locations throughout the District; 3) a membership system; and 4) A transportation system available to those unable to drive.
- As the District Board approaches its final decision, it is vital that it undertake a highly proactive outreach and communications program to solicit maximum community participation in the final decision and to encourage an active citizen campaign with maximum financial support for its passage.

Coalition Accomplishments:

Creation of the Sonoma Valley Healthcare Coalition and its efforts over the past year have resulted in a number of accomplishments. Among them, the Coalition:

- Fostered citizen cooperation in Sonoma Valley following the acrimonious failure of Measure C.
- Identified and refined two viable alternative sites for a new Sonoma Valley Hospital.
- Enhanced the design of a smaller, lower cost, more efficient replacement hospital (56 beds), which would provide quality care and be self sustaining.
- Contributed to the passage of the vital Measure B Parcel Tax to keep the current hospital running until the replacement hospital is up and operating.
- Educated both ourselves and the overall Community about the issues, economics and major policy aspects of replacing our outdated hospital.
- Actively communicated with the Community through the Coalition blog site, advertisements placed in local newspapers, regular appearances on KSVY, roughly 30 evening meetings to inform and solicit input, several additional public information meetings, numerous news stories written about the process and various surveys.

- Involved roughly 50 local citizens in active Coalition leadership roles thereby helping develop a cadre of informed citizen participants to work with the hospital both for now, and for the future.
- Surveyed voters through three voter polls (one mail-out with 26% response rate, and two phone surveys of 400 and 500 voters respectively). These polls, augmented by separate polls of the professional staff and physicians, allowed citizens, professional staff and physicians to inform the Coalition and each other about their wishes and their thinking. In the process this effort helped to dispel misinformation and overcome biased views about the issues.
- Obtained excellent outside expertise to support the Coalition in its work.
- And in the process, helped bring to Sonoma Valley a superbly qualified new CEO, Carl Gerlach.
- Provided broadly informed community guidance and support to the District Board and Hospital CEO in carrying out their fiduciary duty to finalize plans for a new Hospital that can be supported by a decisive majority of our electorate.
- Pledged support to the District effort to design, fund and build a new hospital.