

*Petaluma*  
HEALTH CARE  
DISTRICT

*Strategic Plan 2019-2024*

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**ADOPTED  
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## ***I. Introduction***

For over 70 years, the Petaluma Health Care District (PHCD) has been a major leader and advocate for quality health care throughout the District's service area. A map of the District's service area appears in the appendix to this document. An important aspect of this leadership role is the District's ownership of the Petaluma Valley Hospital (PVH). In November 2018, after extensive negotiations, St. Joseph Health and the PHCD entered into a non-binding letter of intent which enables ST Network, LLC (ST Network) to operate PVH under a 30-year term lease. Final lease negotiations will occur in 2019 once the applicable regulatory authorities have approved ST Network. ST Network is a proposed joint operating company between St. Joseph Health and Adventist Health System/West. If the transaction between St. Joseph Health and Adventist Health System/West is approved, the proposed operator of PVH will be ST Network, which will then work with the District to negotiate the final lease terms and take all appropriate actions to become the new operator. The PHCD remains an active landlord and voice for serving the comprehensive health-related needs of the community.

The health care environment in the District's service area is more challenged today than ever before. The impact of community conditions that impact health, known as social determinants of health, combined with the rising cost of living and changing local demographics, requires new and innovative solutions to how the PHCD can best use its influence, expertise, and resources to continue its leadership and advocacy role on behalf of the community.

## ***II. The Strategic Planning Process***

Strategic planning is a key leadership and planning tool for strengthening and providing direction to keep an organization viable. The strategic plan sheds light on an organization's unique strengths and relevant challenges, enabling it to pinpoint new opportunities. It requires that all stakeholders have a shared vision, one that includes an understanding of the environment, of the issues to be addressed, and a collaborative approach to identifying and implementing solutions through agreed upon actions. Strategic planning provides the organizational road map for moving forward.

In January 2019, the PHCD Board, CEO and staff embarked on a formal strategic planning process to confirm the direction for the District and to reach agreement on measurable strategic priorities for 2019-2024. This decision was based on recognition of the importance of planning strategically to:

- Proactively respond to the community's health-related needs,
- Ensure the long-term financial viability of the PHCD, and
- Ensure the continued operation of the Petaluma Valley Hospital as an acute care hospital with basic emergency services.

The PHCD 2019-2024 strategic planning process, which was facilitated by Bischoff Consulting of Sonoma, CA, included the following steps:

<b>Overview of the PHCD Strategic Planning Process</b>	
<b>Step 1</b>	CEO Ramona Faith, upon approval of the PHCD Board of Directors, launched the strategic planning process; Consultant met with CEO and Board Chair to agree upon the scope of work of the planning process; Consultant reviewed available documents related to the PHCD to obtain a working knowledge of the issues related to the District
<b>Step 2</b>	Consultant sent an online survey in January 2019 to all board members to gain their perspective on expectations of the strategic planning process and outcomes; Consultant met with the board in February 2019 to solidify the planning process and discuss ways to obtain input from key stakeholders to inform the strategic plan
<b>Step 3</b>	<p>Consultant developed and implemented a stakeholder data collection plan, which resulted in obtaining feedback in March 2019 from 130 members of the community familiar with the work of the PHCD. The following key informants provided feedback via individual interviews, emailed responses to interview questions, and a large group interactive meeting:</p> <ul style="list-style-type: none"> <li>• 5 members (100%) of the PHCD Board of Directors</li> <li>• 6 key community informants representing the sectors of health care, social services, education, and public safety</li> <li>• 38 members of the Community Health Initiative of the Petaluma Area (CHIPA)</li> </ul> <p>Consultant also administered an online survey with links sent to 214 community members knowledgeable about the District service area’s health needs. A total of 81 individuals responded to the survey, representing a 38% response rate.</p>
<b>Step 4</b>	Consultant summarized all stakeholder input in preparation for a strategic planning retreat
<b>Step 5</b>	<p>Consultant facilitated a full-day strategic planning retreat in April 2019 for 21 invited community members concerned about the health of the District’s service area. These community members included the following:</p> <ul style="list-style-type: none"> <li>• All 5 current PHCD board members and 2 former board members</li> <li>• 4 PHCD senior staff members</li> <li>• 3 leaders of the Petaluma Health Center</li> <li>• 3 medical practitioners from the Petaluma Valley Hospital</li> <li>• A representative from St. Joseph Health</li> <li>• A member of the Petaluma City Council</li> <li>• 2 representatives of the District’s service area community at-large</li> </ul> <p>During the retreat, participants confirmed the mission, vision, values, and priority areas of the PHCD; described the internal and external environment in which the District operates; and identified strategic priorities and related objectives to guide the District’s work over the next five years.</p>
<b>Step 6</b>	Consultant prepared draft strategic plan, which was reviewed and revised by the CEO and Board Chair in May 2019
<b>Step 7</b>	Consultant presented the strategic plan to the PHCD board in May 2019 for review, discussion, and approval
<b>Step 8</b>	Consultant advised the CEO and PHCD staff leadership in May 2019 on the development of an implementation plan

### ***III. The Petaluma Health Care District Mission, Vision and Core Values***

The PHCD Board reconfirmed the District’s purpose (mission); articulated the legacy for which the District leaders strive (vision); and defined the core values that guide all interactions and decisions.

#### ***The Petaluma Health Care District Mission***

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***The mission of the Petaluma Health Care District is to improve the health and well-being of our community through leadership, advocacy, support, partnerships, and education.<sup>1</sup>***

#### ***The Petaluma Health Care District Vision***

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***The Petaluma Health Care District envisions a healthy community, a thriving hospital, and equitable access to health and wellness services for all.***

#### ***The Petaluma Health Care District Core Values***

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***We embrace and hold ourselves accountable to these core values:***

<b>Collaboration</b>	We believe our strength comes from partnerships and collaborative community efforts. We recognize that the ability to meet the health needs of our community and fulfill our mission and vision is a shared responsibility.
<b>Dignity</b>	We engage in respectful communication in all interactions, striving to understand and incorporate diverse people and viewpoints.
<b>Excellence</b>	We foster high standards of performance, strive to achieve excellence through continuous quality improvement, and create an atmosphere of trust and growth.
<b>Innovation</b>	We inspire a culture of innovation informed by data, best and promising practices, and thoughtful evaluation.
<b>Integrity</b>	We adhere to the highest ethical standards in all our professional and personal responsibilities. We demonstrate this through open and honest communication, addressing difficult issues, and standing up for difficult decisions.
<b>Social Justice</b>	We commit to the health and well-being of all members of our community and advocate for those who are most vulnerable or in need.

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<sup>1</sup> Although this mission was re-confirmed by the District leadership, it was determined that at some point in the future, the board will consider dropping the word “Care” from the name of the Petaluma Health Care District as a way to reflect the District’s emphasis on addressing the health-related needs of the community beyond health care.

## ***IV. Priority Areas of the Petaluma Health Care District***

Prior to 2019, the PHCD Board of Directors adopted the following five priority areas for its work to improve the health and well-being of the District's service area:

- ***Access to health services***  
Support programs, services and workforce development efforts that increase access to acute and emergency services, primary care and mental health services for Petaluma Health Care District residents.
- ***Mental health and substance abuse***  
Increase awareness of mental health prevalence and services, lead efforts around community resilience and education on trauma-informed practices, and address and reduce substance abuse and addiction.
- ***Heart health and healthy food consumption***  
Promote efforts that address cardiovascular health, obesity, food insecurity and access to healthy food, and increase opportunities for active living in the community.
- ***Educational attainment and early childhood education***  
Work to ensure every child enters kindergarten ready to succeed, every child is supported in and out of school, and every young adult is prepared for and completes the highest level of education or training to achieve career readiness.
- ***Housing affordability and availability***  
Participate in community efforts and support programs and services to address housing access equity, affordability and homelessness in the Petaluma area.

The leadership of the District remains committed to these five priority areas, while emphasizing the need to address issues related to all stages of human development, from conception to end of life. When the *Sonoma County Community Health Needs Assessment* is released in the summer of 2019, the District's Board of Directors will re-evaluate these priorities to ensure that they are aligned with local health needs.

## ***V. Internal Strengths and Challenges of the Petaluma Health Care District***

The PHCD strategic planning process highlighted several of the internal strengths and challenges that the District faces. Among the top strengths and challenges identified are the following:

- ***Strengths of the Petaluma Health Care District***  
The PHCD brings community stakeholders together to address the District service area's health needs. In addition, the District plays an active role in identifying the health needs of the community and then provides community-based education to improve the health and well-being of the community. A key strength of the PHCD is its ownership of the Petaluma Valley Hospital and additional property that can be developed to serve the health-related needs of the community. The District has a strong, experienced CEO who is committed to the community and directors who believe in the importance of serving the community's health needs. The PHCD is one of a handful of California Health Care Districts that does not impose property taxes to fund its work.

- **Challenges Faced by the Petaluma Health Care District**

The major challenge faced by the District is continuing to ensure that the District’s service area has a stable and viable hospital that offers acute care and emergency services. Coupled with that key challenge is finding ongoing funding sources to maintain the financial sustainability of the District’s work. Being able to invest in the health of the community without any financial investment from the community creates a challenge for the District. The future uncertainty of the Affordable Care Act continues to create instability in planning for how health care will be provided and funded in the community. In addition, while housing is a priority area for the District, there is a lack of clarity regarding the role the PHCD will play to impact the availability and affordability of housing in the District’s service area.

## ***VI. External Conditions and Trends Impacting the Work of the PHCD***

The PHCD strategic planning process highlighted key trends, conditions, and opportunities impacting the external environment in which the PHCD operates.

- **System Wide Health Care Services** – Negotiating the terms of the final lease agreement with the operator of the Petaluma Valley Hospital is critical to ensuring that residents of the District’s service area have continued access to acute care and emergency services, as stipulated in Title 22, Division 5, of the California Code of Regulations.<sup>2</sup> With an increase in the population of patients with complicated medical profiles, a growing population of seniors, and an increase in individuals diagnosed with chronic diseases, the need to provide local health care services and preventive interventions has never been greater.
- **Access to Affordable Care** – The rising costs of health care and health insurance are limiting patient access to the basic health care and preventive services they need. Changes to the Affordable Care Act and the uncertainty of its future will continue to raise concerns for the PHCD and will drive changes in the collaborative relationships already at work, including payment systems, cost effectiveness, accountability, quality of care, and technology.
- **Wages and Income Inequality** – The high cost of living in Sonoma County creates challenges for families and individuals and for the government agencies and community-based organizations that serve them. The lack of local affordability is making it increasingly difficult for older adults to continue to age in place. In addition, the high cost of living has become a barrier to recruiting and retaining quality health care practitioners willing to live in the District’s service area.

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[https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=ID7365A90D4BB11DE8879F88E8B0DAAAE&originationContext=documenttoc&transitionType=Default&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=ID7365A90D4BB11DE8879F88E8B0DAAAE&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default))

- **Community Conditions Including Mental Health, Housing, Immigration, and Transportation** – The need for increased mental health services, exacerbated by the current opioid crisis, is rising at an unprecedented rate, while available funding for services is decreasing. If community members do not have access to mental health and addiction services, the problem will continue to spiral out of control, leading to the deterioration of the fabric of the community. The lack of affordable housing is making it impossible for many people to purchase or rent homes in the area and causing an increase in the number of people who are at risk of becoming homeless in our communities. Issues related to fear of deportation among undocumented community members are causing health inequities because many immigrants are fearful of registering for and receiving needed health-related services. In addition, the lack of public transportation to enable people to easily travel throughout the District is a barrier for many low-income individuals and older adults.
- **Relationships with Other Providers** – The PHCD would benefit from strengthening collaboration with key health providers in the region, including health care practitioners, the Petaluma Health Center, and a variety of health care/hospital systems. Given the PHCD’s commitment to collaboration, increased partnerships would foster information sharing and working together to strengthen health care services within the District’s service area to minimize the need to travel out of the community for care.
- **Community Leadership and Engagement** – Sonoma County’s leadership and the PHCD have embraced connecting the social determinants of health to the overall health and wellness of the community. These social determinants of health include economic stability; neighborhood and physical environment; education; food; community and social context; and the health care system. Continuing to work collaboratively with community partners, including community-based organizations, city and county agencies, education providers, and faith-based institutions, will position the District to address the impact of the social determinants of health on the District’s service area. Taking a leadership role to identify ways to improve conditions for people of all ages related to these social determinants of health will result in health equity for all members of the District’s service area.

## ***VII. Petaluma Health Care District Strategic Priorities 2019-2024***

The PHCD Strategic Plan Priorities focus on the Petaluma Valley Hospital, on optimizing and leveraging the District’s assets, on demonstrating leadership in promoting health and wellness throughout the community, and on strengthening partnerships and pursuing collaborative opportunities. The PHCD leadership sustains these efforts through effective governance, financial stewardship, and clarity and consistency in all practices.

Strategic Priority	Goal
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<b>Petaluma Valley Hospital</b>	Ensure continued presence of a community-based acute care hospital with basic emergency services, as stipulated in Title 22, Division 5 of the California Code of Regulations.
<b>Community Health</b>	Serve as a leader and resource for community health, wellness and prevention.
<b>Collaboration and Partnerships</b>	Serve as a leader in fostering and expanding community partnerships to address social determinants of health to create improved, equitable health outcomes.
<b>Financial Sustainability</b>	Build a firm financial foundation with long-term revenue streams to promote community health and to protect the presence of necessary health facilities in the community.
<b>Governance and Leadership</b>	Strengthen the overall leadership and performance of the PHCD Board of Directors and staff.

***STRATEGIC PRIORITY – PETALUMA VALLEY HOSPITAL***

**Rationale**

It is the strategic goal of the PHCD to provide residents of its primary service area with the full range of healthcare services within the hospital’s financial capability and clinical competence and minimize outmigration of area residents for health care services. The PHCD strives to ensure that the community has an attractive, modern, appropriately equipped physical plant. If the transaction between St. Joseph Health and Adventist Health System/West is approved, the proposed operator of PVH will be ST Network. The District will then negotiate in good faith the final lease terms with ST Network, which will take all appropriate actions to become the new operator. The PHCD will continue to work closely with the PVH operator to assure that the facility and services provided are excellent and in accordance with Title 22, Division 5 of the California Code of Regulations and that the relationship between the two organizations is effective.

***Strategic Priority***

**Goal 1:** Ensure continued presence of a community-based acute care hospital with basic emergency services, as stipulated in Title 22, Division 5 of the California Code of Regulations.

***Objectives***

- 1.1. Finalize the contract for ST Network to serve as the operator of the Petaluma Valley Hospital.
- 1.2. Provide education to the voters in the District to ensure that they support the on-going operations of the PVH, as evidenced by the passage of a ballot measure.
- 1.3. Engage with individuals and community groups so that the community is aware of the services provided through the PVH, the community supports the importance of

maintaining an acute care hospital with basic emergency services, and the community provides feedback on the services provided by the PVH.

- 1.4. Develop a contingency plan if ST Network is not approved as an entity by the regulatory authorities.

## ***STRATEGIC PRIORITY – COMMUNITY HEALTH***

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### **Rationale**

PHCD impacts health and wellness in the District’s service area by leading efforts to improve the local health care system and focusing resources on prevention. The PHCD increases community involvement to make positive changes toward healthy lifestyle choices through information and resource sharing. This priority expands the District’s strong role in working with committed community partners to promote a model for health and wellness and to provide educational opportunities resulting in the improved health of community members.

### ***Strategic Priority***

**Goal 2:** Serve as a leader and resource for community health, wellness and prevention.

### ***Objectives***

- 2.1. Provide education and resources to improve the health and well-being of residents of the District’s service area.
- 2.2. Inform the community about how the District’s real estate holdings can be developed to serve the community’s need for improved health and well-being.
- 2.3. Evaluate the health and wellness needs in our community, identify the impacts of the social determinants of health on community members, determine where there are gaps in services and resources, and develop strategies for closing the gaps.
- 2.4. Support community efforts to ensure that the District’s service area is a welcoming place for residents of all ages to live, work and play together.

## ***STRATEGIC PRIORITY - COLLABORATION AND PARTNERSHIPS***

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### **Rationale**

PHCD will continue its leadership role by convening, fostering, and promoting collaborations with community-based organizations, city and county agencies, education providers, and faith-based institutions to address critical issues related to the health and well-being of residents of the District’s service area. By focusing on the social determinants of health, the District will work collaboratively with its partners to create health equity so that all community members can achieve their full health potential, regardless of their social position or other socially determined circumstances.

### ***Strategic Priority***

**Goal 3:** Serve as a leader in fostering and expanding community partnerships to address social determinants of health to create improved, equitable health outcomes.

### ***Objectives***

- 3.1. Continue to convene the Community Health Initiative of the Petaluma Area (CHIPA) as an Advisory Committee of the PHCD and a local chapter of Health Action for the purpose of improving health and wellness in the District’s service area.
- 3.2. Expand and promote the work of CHIPA at the neighborhood level and among vulnerable populations to identify the health-related needs among our local communities, as articulated by local community members, and provide targeted education and resources to improve health and wellness.
- 3.3. Strengthen relationships with other regional healthcare providers, health-related organizations, and government officials, resulting in new and strengthened existing collaborations that improve health and wellness throughout the District’s service area.
- 3.4. Collaborate with other health care districts to share successful programs and identify opportunities to collaborate on a regional level.
- 3.5. Strengthen community outreach and engagement by developing and implementing a public relations strategy resulting in increased outreach regarding its activities and ways for community members to become involved in promoting health and wellness in the District’s service area.

## ***STRATEGIC PRIORITY – FINANCIAL SUSTAINABILITY***

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### **Rationale**

The PHCD Board of Directors is firmly committed to the financial stability and sustainability of the District and will explore ways to obtain long-term revenue generated through earned income, investment opportunities, government funding, philanthropic support. The PHCD will enhance its financial sustainability by implementing business models that include maximizing real estate holdings, expanding current services and programs, and exploring creative income-producing opportunities to improve the overall health of community members.

### ***Strategic Priority***

**Goal 4:** Build a firm financial foundation with long-term revenue streams to promote community health and to protect the presence of necessary health facilities in the community.

### ***Objectives***

- 4.1. Obtain a 501 (c) 3 determination and leverage that tax status to enable the District to receive philanthropic funding to support its community programming.
- 4.2. Develop the PHCD's real estate holdings to result in projects that are economically sustainable and that will directly or indirectly serve the health and wellness needs of the residents of the District's service area.
- 4.3. Pursue additional revenue-generating opportunities that maximize assets and align with the District's mission and priorities.

### ***STRATEGIC PRIORITY – GOVERNANCE AND LEADERSHIP***

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#### **Rationale**

The PHCD board and staff are committed to working together in a constructive partnership to provide the required leadership, resources, and infrastructure to strategically and thoughtfully move forward in today's challenging environment. Over the past seven years, the PHCD leadership has invested time and resources to develop a strong infrastructure by ensuring that solid operational practices and processes are in place. To continue its leadership as a champion for improving health and wellness in the District's service area, the Board of Directors and staff will strengthen their governance and leadership role to increase organizational effectiveness, align District resources with its mission, and serve the community through excellence in all initiatives.

#### ***Strategic Priority***

**Goal 5:** Strengthen the overall leadership and performance of the PHCD Board of Directors and staff.

## **Objectives**

- 5.1. The staff will provide quarterly updates to the Board of Directors on progress made toward the implementation of the strategic plan and will make course corrections to the plan, as needed.
- 5.2. The PHCD will strengthen its community relations through the Board's active engagement with community members.
- 5.3. Convene an annual *State of the Health of the PHCD Service Area* conference so that community members, businesses, community-based organizations, and government officials understand local health and wellness opportunities and challenges.
- 5.4. Dedicate sufficient quality time during meetings of the PHCD Board of Directors to have strategic discussions that will enable the District to achieve its goals.
- 5.5. Conduct an annual board governance self-assessment and an annual evaluation of the CEO.
- 5.6. Maintain designation as a Certified Healthcare District by the Association of California Healthcare Districts.

## Appendix: Map of the Petaluma Health Care District

