



Wednesday, May 22, 2019
Board of Commissioners Regular Meeting

San Juan County Public Hospital District #2
4:30 pm – 6:30 pm
Lopez island Fire & EMS Meeting Room

1. Opening Items

Subject A. Call to Order

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 1. Opening Items

Access Public

Type Action, Procedural

Recommended Action The meeting will be called to order by the Board Chair once a quorum of Commissioners is present.

Subject B. Public Comment

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 1. Opening Items

Access Public

Type Information, Procedural

The purpose of the public comment period is for the public to inform the Commissioners about their views on matters before the Board. It is not intended for debate and discussion with the public. Public comments will be limited to three (3) minutes.

2. Consent Agenda

Subject A. Draft Regular Board Meeting Minutes

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 2. Consent Agenda

Access Public

Type Action (Consent)

Recommended Action Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a Consent Agenda listing several items for approval of the Board by a single motion. Most of the items listed under the Consent Agenda have gone through a Board Committee or Auditing Officer for review and recommendation. Documentation concerning these items has been provided to the Board and the public in advance to assure an extensive and thorough review. Items may be removed from the Consent Agenda at the request of any Board member.

The draft minutes from the April 24th Regular Board meeting have been submitted for approval as part of the Consent Agenda.

File Attachments

[Draft Regular Meeting Minutes_2019 Aprilv2.pdf \(100 KB\)](#)

Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a consent agenda listing several items for approval of the Board by a single motion. Most of the items listed under the consent agenda have gone through Board subcommittee review and recommendation. Documentation concerning these items has been provided to all board members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any board member.

Subject B. AP Voucher Report

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 2. Consent Agenda

Access Public

Type Action (Consent)

The April 24, 2019 AP Voucher Report in the amount of \$5,266.37 was authorized by the Auditing Officer and is presented to the Board for final approval.

File Attachments

[AP Claim Form SJCPHD#2 2019_April 24 signed.pdf \(315 KB\)](#)

Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a consent agenda listing several items for approval of the Board by a single motion. Most of the items listed under the consent agenda have gone through Board subcommittee review and recommendation. Documentation concerning these items has been provided to all board members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any board member.

Subject C. Approval of Consent Agenda

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 2. Consent Agenda

Access Public

Type Action (Consent)

Recommended Action Recommend approval of items on the Consent Agenda.

Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a consent agenda listing several items for approval of the Board by a single motion. Most of the items listed under the consent agenda have gone through Board subcommittee review and recommendation. Documentation concerning these items has been provided to all board members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any board member.

3. UWNC Quarterly Report

Subject	A. Quarterly Operations Report
Meeting	May 22, 2019 - Board of Commissioners Regular Meeting
Category	3. UWNC Quarterly Report
Access	Public
Type	Discussion, Reports

Mark Bresnick, UWNC Associate Director, Operations for the North Region, will be presenting the updated results of his Operational Review, including recommendations for clinic staffing in FY '20.

<p>File Attachments UWNC LOPEZ FUTURE STATE GRID_April 2019.xlsx (45 KB) UWNC Lopez Island Operations update 4_1_19.docx (15 KB)</p>
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4. Committee Reports

Subject	A. Finance Committee
Meeting	May 22, 2019 - Board of Commissioners Regular Meeting
Category	4. Committee Reports
Access	Public
Type	Discussion, Information, Reports

The Finance Committee will present financial information for the period January through March 2019. Quarterly financial reports for UW Neighborhood Clinics (UWNC) and Lopez Island Physical Therapy (LIPT) are included, as well as a first look at UWNC's FY '20 Budget. The UWNC FY '20 runs from July 1, 2019 through June 30, 2020.

Highlights are summarized below.

UWNC - Current Fiscal Year Results through Q'3

The negative trend on patient Visits continues into the current quarter, resulting in a reduction in total Patient Revenue. Actual visits were 606 below budget in Q'3, and lower than budget by 1,258 YTD. UWNC attributes part of the differential to the target for Wen being too aggressive. She is a newer ARNP and continues to be ramping up to full speed; however, UWNC budgeted her visits at the 63rd percentile which is usually where an experienced ARNP would be set. Her actual production is coming in closer to the 40th percentile, which results in an annual visit differential of 650 visits/year. In reviewing other variances in provider budget versus actual visits, Dr. Alperin was budgeted for 231 visits versus 228 actual. The per Diem, Mariebeth, was budgeted at 200 last fall and saw 179. The budget included 240 Ancillary visits, which is a visit where the patient doesn't have to see the doctor and might see the RN for services. It appears these visits were negative to target.

Even with the lower visit volume, revenue/visit is higher than budget at \$131 versus \$125. Contributors are the slightly favorable variance in payor mix (commercial is 2% higher than budget) and a higher than budget WRVU/visit. Average provider WRVU/visit YTD is 1.38 versus 1.28 budgeted. As a reminder, WRVU measures the complexity of a visit and has an impact on coding and reimbursement.

On the expense side, the hourly rates for the RNs are higher than budgeted which is leading to the higher non-provider compensation costs. UWNC explained that two of the RNs weren't in the original budget and their hourly rate is a function of their years of experience.

A staff breakdown was requested to better understand all of these inputs. We also requested information on how the revenue and expenses of the UW Lopez Island Clinic compare to other UWNC Clinics. Lindsey was going to talk with Debra Gussin to determine if that information can be shared.

UWNC - Fiscal Year 20 Draft Budget

When looking ahead to FY '20, the budget is favorable when compared to the District's Maximum Funding level. The FY 19 Annualized numbers represent Actuals through March divided by 9 and multiplied by 12, as opposed to taking March Actuals and the last 3 months Budgeted. This could result in more favorable results in Q'4 as some expenses were front loaded

Some key points in the FY 20 Draft:

2. Wen is budgeted at the 45th percentile for FY '20 resulting in a total visit target of 6,282.
3. Providers are moving under the UW School of Medicine compensation and benefits program effective 1.1.20.
4. Dr. Wilson and Wen are also moving off of their 2-year Max Incentive Guarantee, which will drive incentive payments strictly off WRVUs. The Incentive target for FY 19 was inflated due to having budgeted Wen at the 63rd percentile when her production was actually at the 40th or lower.
5. UWNC continues to explore options to lab delivery with San Juan Airlines in hopes of reducing the expense of flying off labs. A question was asked as to why Island Hospital absorbed the lab delivery fee as labs provided a good revenue source. The Committee asked for more clarification on this from UWNC.
6. Some Pharmaceuticals/Vaccines were mis-coded in FY 19 which required several items be reclassified in FY 20. The overall category remains relatively stable.
7. The bottom line Net Loss for FY 20 matches up to the District's Max Funding Cap of \$547,056.

LIPT - Financial Results January thru March 2019

This report represents LIPT's first quarter of operation in 2019. Patient volumes were the best ever for the quarter, averaging 8.6 patients per working day. Operating revenue per visit was \$86, which may reflect some extra collection activity, but also reflects the increase in privately insured patients, and is much better than the budget estimate of \$72 per visit. Expenses for medical and office supplies exceeded budget because the staff is beginning preparation for the move, anticipated to occur in late June. In addition, staff purchased some minor equipment that will be needed after relocation. This equipment was expensed per accounting rules, but it was supported by CWMA and Lopez Thrift Shop grants, which are listed at the bottom of the sheet, reducing the total operating loss and the LIHD support request.

The practice experienced a slightly less for the quarter and is requesting \$3,559 in support, which is below the projected \$10,000 budgeted. Due to increased demand, in April the practice will add a .3 physical therapy aide to provide front office support during the move and will continue as the practice expands. This was an unexpected staff addition which will likely result in a loss for the full year equal to that hire.

File Attachments

- [Lopez Financial Package FY 2019 thru Q'3.pdf \(43 KB\)](#)
- [Lopez FY20 Budget _May15DRAFT.pdf \(44 KB\)](#)
- [CWMA March report FY 19 Q'1 Payor Mix.pdf \(33 KB\)](#)
- [LIPT 2019 Q'1 budget to actual.pdf \(70 KB\)](#)

Subject

B. Quality Committee

Meeting

May 22, 2019 - Board of Commissioners Regular Meeting

Category

4. Committee Reports

Access Public
Type Information

Based on Board feedback at the 2/27 presentation on the UWNC's Quality report, the Quality Committee had a follow-up meeting with Dr. Matt Jaffy on April 30th. The Committee requested UWNC take a deeper dive into the three areas in the report with the lowest scores, and talk about a plan for improvement. The three areas are summarized below, and Commissioner Orcutt will provide an overview of the discussion and next steps.

- **Pediatric Immunization rates** - UW feels that the database isn't 100% accurate since not all clinics submit data. There was discussion around proactive outreach to encourage childhood immunizations, including coordinating with the school. We can also include an article in the next HealthMatters 2.0.
- **Diabetic Eye Exams** - there were 8 patients who met criteria but didn't have a diabetic eye exam. Of those, 4 had information updated since the report but service was delivered elsewhere.
- **Annual Wellness Visits** - this metric applies only to Medicare Advantage members. It resets in January so metric builds over the year. There are 3 codes that Medicare uses, depending on the length of time on Medicare so the provider needs to bill correctly. There were questions to confirm if the staff is properly trained on coding and services as it is also important to set the right expectations with the patient prior to the visit.

In regard to access, UWNC is only surveying people who were able to use the Clinic. Commissioner Orcutt feels there is more work to be done to truly measure access. Dr. Jaffy mentioned that UW started keeping a manual tally of people who aren't able to get an appointment when requested. The reasons could either be due to lack of insurance and not taking advantage of charity care, or need immediate care and there is no capacity. This will help determine how well urgent care needs are being met and if we have a supply or demand issue.

The Board also had a question on reporting of required screenings/services that are delivered by non-UW providers. Since many islanders are referred to providers in Bellingham for age-appropriate screenings (e.g. colonoscopies) there was a question as to how that information is report. The Committee confirmed that this information can be put into a patient's chart and captured for reporting purposes; however, it does require the data be recorded in a certain place in the EMR. This takes additional time outside of what happens during the discussion with the provider and it's work that has not yet been prioritized due to staff limitations.

Subject C. Communications Committee

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 4. Committee Reports

Access Public

Type Information

The Chair of the Communications Committee and Superintendent met on May 16th and drafted a Communication Policy and Procedure document. This document will be shared the full Committee and estimated to be brought to the Board for an initial review at the July meeting. The Committee will also talk about the date and topics for the next HealthMatters 2.0 publication.

5. Operations Reports

Subject A. Monthly Financial Reports

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 5. Operations Reports

Access Public

Type Information, Reports

The Superintendent will review financial results for the month of April 2019. Report highlights include:

I. Treasurers Report - the General Fund ending balance is \$696132.78. This is prior to making a \$75,000 contribution to the Reserve Fund. Other large expenditures in May include payment to UWNC for the balance due

from FY '18 (\$78,999) and the first two quarters of subsidy for FY '19 (\$230,170). Total payment is \$309,169. An interest payment is due June 1st on the GO Bond estimated to be \$7,830.85.

II. Revenue Report - Property Tax revenue YTD is shown as \$424,397. There is the monthly deposit of \$500 associated with the Insurance Recovery from Orcas Island Health Care District to reimburse LIHD for a portion of the shared Superintendent's health insurance premium through PEBB.

III. Expenditure Report - In the month of April, Promotion and Advertising shows a credit which is from funds received from CWMA for half of the cost of the first two publications of HealthMatters 2.0 in the Islands' Weekly. This needs to be reclassified to Printing and Graphics as that's where the expense is being reflected for the publication of the newsletter. The District also paid the annual management liability policy premium, and there were higher travel costs associated with a deposit for accommodations at the June Rural Hospital Leadership conference.

File Attachments

[LIHD_6531MoFinancial_2019_April.pdf \(72 KB\)](#)

[6531glRevDetailRpt_April 2019.pdf \(104 KB\)](#)

[6531glExpStatusRpt_April 2019.pdf \(107 KB\)](#)

Subject **B. Kaiser Air Transport Update**

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 5. Operations Reports

Access Public

Type Information

There are no new developments with the air transport situation with Kaiser Permanente. The Superintendent continues to stay connected to the Board of Health, who is leading the investigation with the Office of the Insurance Commissioner. There has been no follow-up from the April 22nd meeting that took place in Friday Harbor. The attached email is the latest information we have from Kaiser.

File Attachments

[BOH_KP Update May 15.pdf \(923 KB\)](#)

Subject **C. 2019 Accountability Audit**

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 5. Operations Reports

Access Public

Type Information

The second Accountability Audit is scheduled to take place the week of June 10 - 14. The Auditor will be onsite June 13th. As is policy, the attached Engagement Letter is signed prior to the official start of the audit. It outlines what to expect, the timing of the entire process and associated cost. As was the case last year, the Auditor expects the cost to come in well below what is stated in the letter. The Superintendent has been engaged with the Auditor and all is going smoothly to-date.

File Attachments

[SAO Engagement Letter _2019 May signed.pdf \(1,772 KB\)](#)

Subject **D. 2018-19 Board Calendar**

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 5. Operations Reports

Access Public

Type Information

The Superintendent maintains a Board Calendar with key dates and events, and periodically provides the Board with an updated version.

File Attachments
[LIHD Board Calendar 2019v518.pdf \(230 KB\)](#)

Subject E. Articles of Interest

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 5. Operations Reports

Access Public

Type Information

Every month, Superintendent Presson shares articles that are relevant to the health care discussion in order to help inform local health care issues with industry expertise and activities. Others are encouraged to submit articles to be shared with the Board.

File Attachments
[How to Negotiate Down Your Hospital Bills - The Atlantic.pdf \(213 KB\)](#)
[Kaiser Permanente Teledermatology Finds More Skin Cancers with Fewer Dermatology Visits – NCAL Research Spotlight.pdf \(2,601 KB\)](#)

6. Old Business

Subject A. Interisland Healthcare Foundation

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 6. Old Business

Access Public

Type Discussion

The Board will have a discussion following last month's presentation by Evan Perrollaz from the Interisland Healthcare Foundation.

Subject B. Community Conversation

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 6. Old Business

Access Public

Type Action, Discussion, Information

At the last Board meeting, the Chair and Superintendent received support from the Board to co-sponsor a Community Conversation with the Lopez Island Fire and EMS. The event is scheduled for June 19th at the Lopez

Center. A lot of work has been underway over the past month and the Superintendent will provide an update at the meeting.

7. New Business

Subject **A. 2019 Superintendent Performance Review Form & Process**

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 7. New Business

Access Public

Type Discussion

The annual process to review the performance of the Superintendent will begin in June with an Executive Session held in July. The document used in the last review process, in addition to the 2019 g established for the Superintendent are brought to the Board as a refresher and to solicit feedback for changes in the current year.

<p>File Attachments 2018_PerfRev_Template.docx (118 KB) 2019 Supt Goals_Final.pdf (216 KB)</p>
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8. Closing Items

Subject **A. Upcoming Meetings and Key Activities**

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 8. Closing Items

Access Public

Type Information

A list of upcoming Board and Committee meetings, as well as other key activities of the Board, are summarized below:

- a. LIHD Regular Board Meeting – June 19, 2019 at 4:30**
- b. Community Conversation - June 19, 2019 at 5:00**
- b. Rural Hospital Leadership Conference – June 23rd thru June 26th**

Subject **B. Meeting Adjournment**

Meeting May 22, 2019 - Board of Commissioners Regular Meeting

Category 8. Closing Items

Access Public

Type Action, Procedural

Recommended Action At the conclusion of all business, the Chair will entertain a motion to adjourn the meeting.