



## Wednesday, August 28, 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

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**Subject**                      **A. Call to Order**

Meeting                      Aug 28, 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                      Aug 28, 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

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**Subject**                      **A. Draft Regular Board Meeting Minutes**

Meeting                      Aug 28, 2019 - Board of Commissioners Regular Meeting

Category                    2. Consent Agenda

Access                      Public

Type                        Action (Consent), Minutes

Recommended Action    The July 24, 2019 Regular meeting Minutes have been reviewed by the LIHD Secretary and are presented to the Board for approval.

Minutes                      [View Minutes](#) for Jul 24, 2019 - Board of Commissioners Regular Meeting

The draft minutes from the July 24th Regular Board meeting are submitted as part of 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.*

|                |   |
|----------------|---|
| <b>Subject</b> | <b>B. AP Voucher Report</b>                           |
| Meeting        | Aug 28, 2019 - Board of Commissioners Regular Meeting |
| Category       | 2. Consent Agenda                                     |
| Access         | Public  |
| Type           | Action (Consent)                                      |

The July 24th AP Voucher Report, in the amount of \$12,194.94, was authorized by the Auditing Officer and is now presented to the Board for final approval.

File Attachments  
 AP Claim Form SJCPHD#2 2019\_July 24 fully executed.pdf (860 KB)

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|                |   |
|----------------|---|
| <b>Subject</b> | <b>C. Approval of Consent Agenda</b>                  |
| Meeting        | Aug 28, 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. Committee Reports (4:30 - 5:00)**

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|                |   |
|----------------|---|
| <b>Subject</b> | <b>A. Finance Committee - LIHD Budget Items</b>       |
| Meeting        | Aug 28, 2019 - Board of Commissioners Regular Meeting |
| Category       | 3. Committee Reports (4:30 - 5:00)                    |

Access Public

Type Discussion, Information, Reports

The Finance Committee will present a first draft of the District's FY 20 budget and updated 5-year cash flow projections. The Board will have a second look at these documents in September, and a final version must be ready by October 16th to accommodate the two-week legal posting requirement in advance of the November 6th Budget and Levy public hearings.

There aren't a lot of major adjustments between the two years. Some things to note:

1. Legal expense was increased to account for the possibility of needing legal assistance in negotiating the next contract with UWNC.
2. Independent Contractor expense was also increased for the same reason as item #1.
3. It's not expected we will have a State Accountability Audit in 2020.
4. There will not be an Election expense in 2020.
5. Other expenses were increased by 3%.

#### File Attachments

SJCPHD#2 2020 Budget Spread Sheetv8\_21DRAFT.xlsx (33 KB)  
 2019 Monthly Forecast 2019 08-21.pdf (828 KB)  
 2020 Monthly Forecast 2019 08-21.pdf (827 KB)  
 Historical with 5-Year Forecast 2019 08-21.pdf (825 KB)

#### Admin Content

1.

#### **Subject B. Finance Committee - UW Clinic Budget**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 3. Committee Reports (4:30 - 5:00)

Access Public

Type Discussion, Information, Reports

The 2019 fiscal year for UW Medicine Lopez Island Clinic, which runs from July 1, 2018 through June 30, 2019, is largely closed. The Finance Committee will discuss how the year ended.

A few highlights:

1. Net Operating Revenue is just about 50% of Patient Revenue, and Net Operating Revenue is 13% below budget. The payor mix was slightly favorable to budget with a little higher commercial payor and a little lower percentage of Medicare.
2. Total Labor Costs are about 9% below target, driven by lower Provider Compensation/Benefits.
3. Total Other Expenses are below budget by about 18%. There was no use of Interpreter Services and a higher Equipment Rental charge than what was budgeted.
4. Visits ended up 22% below the target at 5,497, and Work Relative Value Units are down 15% from the target.
5. The Clinic met its staffing goals for the year both providers and non-provider staff.
6. Net Revenue/visit is \$132 versus Expense/visit of \$218. This leads to a Subsidy/visit of \$86 which is paid by the LIHD.
7. The total annual subsidy requirement for FY' 19 is \$475,528 as compared to the budget of \$510,996.

#### File Attachments

Lopez Financial Package FY 2019 thru Q'4.pdf (36 KB)

**Subject C. Quality Committee**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 3. Committee Reports (4:30 - 5:00)

Access Public

Type Information

The Quality Committee will provide their next update at the September meeting when UWNC will be delivering their Fiscal Year 2019 annual report.

**Subject D. Communications Committee**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 3. Committee Reports (4:30 - 5:00)

Access Public

Type Information

The Communications Committee welcomes feedback on the August 6th edition of HealthMatters 2.0 that was published in the Islands' Weekly. The Committee will get back together to review the draft Communication Policy that the Chair and Superintendent created in June. It's expected that document will be brought to the Board for an initial review at the September or October Board meeting.

**4. Operations Reports (5:00 - 5:15)**

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**Subject A. Monthly Financial Reports**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 4. Operations Reports (5:00 - 5:15)

Access Public

Type Information, Reports

The Superintendent conducted a mid-year review of the 2019 financials and two changes were identified in the classification of Revenue.

The following two adjustments have been made on the SJC Financial Reports, and are reflected in the current month:

Reclassify Revenue received from CWMA for their share of the Printing of the HealthMatters 2.0 Newsletter. This moved a (-\$737.50) Expense to a newly created Revenue BARS code for CWMA Reimbursements. This will be used to record their ongoing share of the cost to produce the quarterly Newsletter.

|                                    |                        |
|------------------------------------|------------------------|
| Amount of CWMA reimbursement check | \$737.50               |
| From: Expense BARS code            | 6531.00.561.00.41.0006 |
| To: Revenue BARS code              | 6531.00.369.91.00.0000 |

Reclassify Revenue reimbursement from IT Grant awarded by the SOS for the purchase of BoardDocs. Revenue moved from offsetting Expense of purchasing the software to a newly created Revenue BARS code for State Grants.

|                                   |                        |
|-----------------------------------|------------------------|
| Amount of SOS reimbursement check | \$13,000               |
| From: Expense BARS code           | 6531.00.594.61.64.0002 |
| To: Revenue BARS code             | 6531.00.334.00.30.0000 |

The Superintendent will review financial results for the month ending July 31, 2019. Monthly highlights include:

**I. Treasurers Report** - the General Fund Ending Cash Balance is \$682,685 as of 7/31/19. The \$75,000 contribution to the Reserve Fund has been made so it's not included in this balance. As far as other large expenditures expected to be made in 2019: UWNC payments for the FY '18 balance due (\$78,999) and the FY '19 Q'1 thru Q'2 subsidy (\$230,170), for a total pending payment is **\$309,169 and the balance of the LIPT contract.**

**II. Revenue Report** - Revenue received includes just over \$6,300 associated with Property Taxes and \$500 in Insurance Recoveries from Orcas Island Health Care District. The \$13,000 reimbursement from the IT Grant is now showing in the new BARS Revenue code, as is the CWMA reimbursement associated with HealthMatters 2.0.

**III. Expenditure Report** - In the month of July there was a subsidy payment to LIPT. There were some additional travel related expenses associated with the annual Rural Hospital Leadership conference, as well as expenses associated with the Community Conversation meeting. There was also the annual subscription cost to purchase SurveyMonkey, which was used in developing and conducting the 2019 Health Care Survey.

File Attachments

[LIHD\\_6531MoFinancial\\_2019\\_July.pdf \(73 KB\)](#)

[6531glExpStatusRpt\\_July 2019.pdf \(109 KB\)](#)

[6531glRevDetailRpt\\_July 2019.pdf \(103 KB\)](#)

**Subject B. Accountability Audit - Exit Conference**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 4. Operations Reports (5:00 - 5:15)

Access Public

Type Action, Discussion

The 2019 Accountability Audit Exit Conference was held with the Superintendent and Commissioner Berger. The audit results were the best that can be achieved, with no findings or management letter. The document used in that discussion is attached.

Based on the favorable outcome, the District will be able to move to off of an annual cycle to either every 2 or 3 years. The costs associated with the various options are provided in the Exit document and are based on the Audit Period.

Audit Costs are determined based on the audit period, as follows:

January 1, 2019 through December 31, 2019 estimated at \$5,000 plus travel (2020)

January 1, 2019 through December 31, 2020 estimated at \$8,000 plus travel (2021)

January 1, 2019 through December 31, 2021 estimated at \$10,000 plus travel (2022)

The Board will be asked to decide upon a frequency so the SAO can be notified.

File Attachments

[SAO Exit Conference\\_FY 2018\\_July 29.pdf \(894 KB\)](#)

**Subject C. Articles of Interest**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 4. Operations Reports (5:00 - 5:15)

Access Public

Type Information

Every month, Superintendent Presson shares articles that are relevant to the health care discussion. This helps inform local health care issues by providing insights into the larger health care industry. Others are encouraged to submit articles to be shared with the Board.

Articles this month speak to some of what will be discussed in the LIFRC item in the Old Business Section.

File Attachments

[KP-Social-Needs-Survey-Key-Findings.pdf \(102 KB\)](#)

[Kaiser Permanente Northwest launches Thrive Local social health network.pdf \(2,495 KB\)](#)

## 5. Old Business (5:15 - 5:40)

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**Subject** **A. Community Conversation and 2019 Health Care Survey - Feedback from 8/27 UWNC meeting**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 5. Old Business (5:15 - 5:40)

Access Public

Type Discussion, Information

The Board Chair and Superintendent will provide an update on their August 27th meeting with Debra Gussin and Darren Layman. The goal of that meeting was to determine how to best move forward with UWNC leadership and the UW Medicine Lopez Island Clinic to ensure the needs of the community continue to be met. This includes understanding the role of each entity and how to create a mutually respectful, supportive and collaborative environment.

**Subject** **B. Family Resource Center - Support**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 5. Old Business (5:15 - 5:40)

Access Public

Type Action, Discussion

Recommended Action At the July meeting, Barbara Schultheiss asked the LIHD Board to consider partnering with Lopez Island Family Resource Center's to deliver the OSW program to their clients.

The Board asked for additional data on the value of wellness activities and the particular approach of OSW. This is brought back to the Board for continued discussion.

Attached is a document demonstrating the efficacy and efficiency of the OSW model. The basic premise, which is something large health systems such as Kaiser Permanente have embraced for many years, is a focus on lifestyle as medicine. This involves the practice of utilizing exercise, healthy meals, stress reduction, and social connection within medicine to improve patient health dramatically.

Dean Ornish's [extensive research](#) on lifestyle medicine, which is arguably the most complete and compelling, covers everything from reversal of heart disease to reversal of colon cancer to epigenetic changes, all of which stem from simple changes in diet, exercise, stress, and social support. A notable difference between his work and OSW is that he focuses on interdisciplinary teams of specialists (very effective, but also very expensive), whereas OSW utilize paraprofessionals. Ornish's Lifestyle Medicine curriculum costs slightly under \$10,000 per patient (and was still cost

saving; original [here](#)), whereas OSW is under \$800 per patient, more in line with the Diabetes Prevention Program, despite offering much more interactive and holistic interventions.

The clearest single literature review likely comes from the True Health Initiative, and is appropriately called [Lifestyle Medicine: A Brief Review of it's Dramatic Impact on Health and Survival](#).

The American College of Lifestyle Medicine has several short videos [summarizing](#) the importance of these interventions for chronic diseases, particularly heart disease and diabetes.

The best summary of dietary causes of morbidity and mortality comes from Dr. Michael Gregor, who wrote a book, and accompanying [90-minute keynote](#), titled "How Not to Die." His focus is diet and nutrition, and he reads every English-language peer-reviewed nutrition journal, summarizing the findings in short videos on [www.NutritionFacts.org](http://www.NutritionFacts.org). He very much believes that a vegan diet is the healthiest, but everything he shares is backed up by data. OSW focused on meeting participants where they are and making changes consistent with their values and goals.

File Attachments  
[Market Overview.docx \(16 KB\)](#)

## 6. New Business (5:40 - 6:25)

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### **Subject**                      **A. Commissioner Compensation Policy - DRAFT**

Meeting                      Aug 28, 2019 - Board of Commissioners Regular Meeting

Category                      6. New Business (5:40 - 6:25)

Access                      Public

Type                      Action, Discussion

Recommended Action      The Board is asked to review and adopt a Policy specific to Commissioner Compensation. This was a best practice recommendation in the 2019 Accountability Audit.

A draft Commissioner Compensation Policy was prepared in collaboration with the Finance Committee. It is presented to the Board for review and adoption.

File Attachments  
[SJCPHD#2\\_2019 Commissioner Compensation v4DRAFT\\_8\\_21\\_19.docx \(100 KB\)](#)

### **Subject**                      **B. Personnel Policy - DRAFT**

Meeting                      Aug 28, 2019 - Board of Commissioners Regular Meeting

Category                      6. New Business (5:40 - 6:25)

Access                      Public

Type                      Discussion, Information

A DRAFT Personnel Policy is delivered to the Board for a first look. Due to the complexity of the policy, it's anticipated the Board will want to review and bring back to the September Board meeting for discussion and possible action at that time.

File Attachments  
[LIHD\\_Personnel Policy Draft\\_vAugust\\_21\\_2019.docx \(110 KB\)](#)

**Subject C. Superintendent Performance Review - Executive Session (5:50 - 6:15)**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 6. New Business (5:40 - 6:25)

Access Public

Type Discussion

Pursuant to the Revised Code of WA (RCW) 42.30.110 (g) the LIHD Board of Commissioners will go into Executive Session to review the annual performance of the District Superintendent. The Board will return to Open Session, subject to RCW 42.30.140(4), to discuss any adjustment to the Superintendent's salary or other conditions of employment, and any final action in setting her 2020 compensation shall be taken in Open Session.

**Subject D. 2019 Superintendent and 2020 Compensation**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 6. New Business (5:40 - 6:25)

Access Public

Type Action, Discussion

Recommended Action Based on the results of the 2019 Performance Review, the Board will act on any adjustment to the Superintendent's compensation. Any change in salary or benefits will take effective January 1, 2020 and be reflected on the first check issued on January 25, 2020.

The annual process to review the performance of the Superintendent concludes. Results from the Performance Review documents submitted by each Commissioner were aggregated and presented to the Superintendent in Executive Session. Based on those results, any change in compensation will take effective January 1, 2020.

**7. Closing Items (6:25 - 6:30)**

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**Subject A. Commissioner Comments**

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 7. Closing Items (6:25 - 6:30)

Access Public

Type Discussion, Information

Commissioners will report on any meetings they attended in their official capacity, or other items of interest they would like to share with the Board that weren't addressed in one of the formal Agenda items.

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

Meeting Aug 28, 2019 - Board of Commissioners Regular Meeting

Category 7. Closing Items (6:25 - 6:30)

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 – September 25, 2019**  
**b. UW Annual Report to the Board - September 25, 2019**

|                    |  |
|--------------------|--|
| <b>Subject</b>     | <b>C. Meeting Adjournment</b>  |
| Meeting            | Aug 28, 2019 - Board of Commissioners Regular Meeting  |
| Category           | 7. Closing Items (6:25 - 6:30)   |
| Access             | Public   |
| Type               | Action, Procedural   |
| Recommended Action | At the conclusion of all business, the Chair will entertain a motion to adjourn the meeting. |