



**Wednesday, October 23, 2019**  
**Board of Commissioners Regular Meeting**

**San Juan County Public Hospital District #2**  
**3:30 pm – 6:30 pm**  
**Lopez Island Fire & EMS Meeting Room**

## **1. Opening Items**

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**Subject                    A. Call to Order**

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    1. Opening Items

Type                        Action, Procedural

**Subject                    B. Public Comment**

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    1. Opening Items

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. The views expressed by the Public are very important to the Board. This item is not intended for debate and discussion with the public. Public comments will be limited to three (3) minutes.

## **2. Consent Agenda (3:30 - 3:35)**

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

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    2. Consent Agenda (3:30 - 3:35)

Type                        Action (Consent), Minutes

The September 25, 2019 Regular Board Meeting Minutes are submitted for approval 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.*

**Subject                    B. AP Voucher Report**

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    2. Consent Agenda (3:30 - 3:35)

Type                        Action (Consent)

The October 1st AP Voucher Report, in the amount of \$2,992.66, was authorized by the Auditing Officer and is now presented to the Board for final approval.

File Attachments

[AP Claim Form SJCPHD#2 2019\\_October\\_1\\_signed.pdf \(113 KB\)](#)

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**Subject                    C. Approval of Consent Agenda**

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    2. Consent Agenda (3:30 - 3:35)

Type                        Action (Consent)

*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.*

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### **3. Committee Reports (3:35 - 4:00)**

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**Subject                    A. Finance Committee - 2020 Budget & Levy, and updated 5-year Cash Flow Analysis**

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    3. Committee Reports (3:35 - 4:00)

Type                        Discussion, Information, Reports

The Finance Committee will present an updated draft of the District's FY 2020 budget and 5-year cash flow analysis. This is the last time the Board will review the materials prior to the 11/6 Special Meeting where the Proposed 2020 Budget and Levy will be presented for public comment. Notice of that meeting has been published in the Islands' Weekly the week of 10/23 and will run again the week of 10/30.

**Other Considerations - the following items are NOT currently factored into the financial model**

1. Additional Expense and/or reduced Revenue in UWNC budget to account for provider vacations/extended medical leaves.

2. Other staffing/support/training considerations based on Health Care Survey results.
3. Potential for higher legal expenses depending on extend of modifications to next UWNC CSA.
4. Support of other programs with savings from UWNC's FY '19 subsidy (e.g. LIFE Community Paramedicine)
5. Additional support for Lopez Island PT 2020, per the request for a potential of \$30,000 in 2020.

File Attachments

- [2019 FORECASTED FINANCIAL STATEMENTS\\_v1031Final.pdf \(979 KB\)](#)
- [2020 Proposed Budget\\_v1023.pdf \(921 KB\)](#)

**Subject                      B. Quality Committee**

Meeting                      Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    3. Committee Reports (3:35 - 4:00)

Type                         Discussion, Information, Reports

The Quality Committee met with the Medical Director for UW Medicine Lopez Island Clinic on October 1st. Much of the discussion from that meeting with the goal that would inform the quality portion of the Annual report. The data reviewed is not consistent with what is contained in the Annual Report, so the Quality Committee summarized the data presented and results from the earlier meeting (attached). One item that was requested and remains outstanding is related to concerns over pediatric immunizations. The Committee asked for a patient by patient review of the pediatric patients who were tracked for the immunization metric, similar to what was provided back in February.

The October meeting with LIPT was postponed due to illness and will resume next month. The meetings earlier in the year helped LIPT establish quality indicators for the practice to examine quality of care and patient access to care. This is the first time these tools have been routinely used, with data routinely collected and analyzed. The first report to the Committee was recently generated and will be reviewed in detail in November. Indicators are patient's self reported evaluation of pain before and after treatment, tests of lower extremity function before and after treatment, assessment of patient fall risk, patient willingness to recommend the practice to others, and wait times for first appointment.

File Attachments

- [Quality Outcomes\\_Fy '19.pdf \(112 KB\)](#)
- [UW Medicine Ambulatory Quality Definitions FY19.pdf \(104 KB\)](#)

**Subject                      C. Communications Committee**

Meeting                      Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    3. Committee Reports (3:35 - 4:00)

Type                         Information

The Communications Committee met to review and finalize a draft of the LIHD Communication Policy. The attached document is being shared to provide the Board with a first look. The Policy will be brought back to the Board for a more detailed discussion at the November 13th Board meeting.

The Committee also talked briefly about the production schedule for the next issue of HealthMatters 2.0. The date will be the second week in January. Initial brainstorming of ideas included:

- Follow-up from the June Community Conversation
- New equipment/staff at the Clinic – vaccine refrigerator monitoring system, retinal scanner, possible relocation of lab into former PT space (need to find out if that will increase services), new RN
- Marty will check with CWMA about PT update and other CWMA news
- Insurance update – Premera to replace Kaiser and continued reporting on those activities.
- LIHD - 2020 budget and levy
- Fire/EMS – highlight staff/volunteers, Paramedics/EMTs
- Wellness program at LIFRC

File Attachments

[LIHD Communication Policy 2019 DRAFT v10\\_10\\_19.pdf \(300 KB\)](#)

## 4. Special Report - Lopez Island PT (4:00 - 4:30)

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**Subject**                    **A. Annual Report from Lopez Island Physical Therapy, LLC**

Meeting                    Oct 23, 2019 - Board of Commissioners Regular Meeting

Category                    4. Special Report - Lopez Island PT (4:00 - 4:30)

Type                        Discussion, Information

The District is in the second of a three-year Clinical Support Agreement with the LIPT that provides for \$70,000 in support over the term of the Agreement. When executed, the Practice assumed it would move into a new space sooner than July 2019. While the staff and patients are very satisfied with the new location and the practice will be able to double the amount of patients seen, the delay impacted the ability of the Practice to reach the break even state by the close of the CSA in 2020. As a result, there is a potential request for **additional subsidy of approximately \$30,000 in 2020**.

The Practice will review their financial and results to-date (see Attached LIPT Budget to Actual Financial Report through Q'3 2019). Highlights are summarized below.

### **Volume**

Patient visits have increased to **10 per day** and exceeded last quarter's volume by 20%. The Practice didn't expect to reach this volume until closer to the end of the year. This improvement is due to the improved schedule in the new space, and an **increase in support staff to 1.15**, with staff providing more assistance to PTs in monitoring treatment modalities to free up practitioners to see more patients. In addition, there was no significant PT time off during the quarter and staff are becoming more efficient in their new space.

### **Revenue**

Q'3 Revenue/Visit was lower than expected, and the Practice is working with the billing service to understand the reasons. Days in receivables **increased from 30 days in June to 48 days in July and 40 days in August**, mostly due to billing staff issues. They are investigating whether this is isolated to their service provider, or whether other practices are also experiencing this problem. If it is a continuing problem with the billing service they will examine changing services in 2020. For the month of September, revenue improved to **\$74/visit** which exceeds the **FY '19 target of \$72/visit**. In 2020 the target is \$80 per visit and 10.5 visits per day. Important to note that the number of visits is increasing yet revenue lags by approximately 30 days.

The practice has been analyzing claims and payor collection ratios to assess whether a target above \$80/visit is achievable. **A rate per visit of \$85 and a volume of 11 patients per day is needed for the practice to break even. Kaiser has been a good payer and there are concerns about LifeWise.** The LIHD Superintendent was able to have an initial discussion with the Director of Network Contracting for LifeWise during her visit to the islands 10/15-16. She will be following up to see if there are ways to enhance the relationship for PT.

Net revenue was \$140,252 for 2018 and is projected to be \$181,153 for 2019 (29% increase). Revenue/visit declined in the third quarter compared to the prior quarter (\$66/visit versus \$78/visit in the second quarter (18% decrease). They believe this issue is a combination of growth of revenue lagging behind growth of visits (industry average of 30 days)

and issues at the billing support service. The new space will provide additional opportunities to generate revenue, such as supervised fitness activities for patients pre and post discharge, and sale of PT supplies.

LIPT has been investigating how the practice's revenue /visit stacks up to other similar practices using our same payors. The payor mix varied from 68 - 79% Medicare/caid on a monthly basis. Revenue/visit for other practices with this payor mix is just under \$90/visit. With Kaiser Permanente leaving the County in 2020 it's unclear how that will impact payment, and we should know more after the first quarter of 2020.

### **Expenses**

Expenses for medical and office supplies exceeded budget as a result of the move. Rent and utility bills are running behind schedule, and the Practice expects to have a better picture of actual costs by the end of the year. Other Direct Expenses increased due to the move to a much larger space, which now includes the need for supplies to cover restrooms, laundry and janitorial. Relocation is budgeted to increase the cost of space and supplies by only \$4 per visit, from \$4 per visit in 2018 to \$8 per visit in 2020. This is thanks to the support of CWMA for leasehold improvements, equipment, and lease support.

### **Subsidy**

The practice experienced a loss in Q'3 19 and **is requesting \$13,179** in support for the quarter. Together with the prior payments, the 2019 YTD subsidy will be **\$25,207**. Since the inception of the contract, **total payments equal \$60,207 to-date, leaving a balance of \$9,793 from the initial agreement of \$70,000.**

### **Practice Stability**

The practice has not lost any staff and has gained one staff member. The practice is falling behind the median of salaries and wages for practitioners (no salary and wage increases have been granted since opening in October 2017) and this issue will be examined and a plan developed to stay competitive in the industry. Demand for PTs is high in the region and the practice offers very few benefits, so this could create challenges in future recruitment.

### **2019 Milestones**

- Q'3 2018: **495** patient visits vs. Q'3 2019: **652** patient visits (**32% increase**)
- Q'3 2018: 7.7 visits/day vs. Q'3 2019: 10.3 visits/day (**34% increase**)
- Q'3 2018 overall labor cost \$76/visit vs. Q'3 2019 overall labor cost \$66/visit. Budgeted at \$73/visit in 2020.
- The # of new evaluations increased from 6/week prior to the move to 8/week after the move, and 10/week scheduled for Q'4.
- Waiting time for a new evaluation appointment is still higher than desirable, demonstrating that demand for services continues to increase.

File Attachments

[LIPT 2019 Q'3 budget to actual.pdf \(318 KB\)](#)

## **5. Special Report - UW Medicine/Lopez Clinic (4:30 - 6:00)**

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<b>Subject</b>	<b>A. UW Medicine Lopez Island Clinic - FY '19 Annual Report</b>
Meeting	Oct 23, 2019 - Board of Commissioners Regular Meeting
Category	5. Special Report - UW Medicine/Lopez Clinic (4:30 - 6:00)
Type	Discussion, Information

On an annual basis, the UW leadership presents their results from the most recent fiscal year. This includes a review of financials, quality, patience experience, operations and employee experience data.

A few highlights from the period July 1, 2018 through June 30, 2019:

### **Finance**

Actual Patient Visits (5,497) are 22% below the Target (7,020)

Net Loss of \$475,528 (District Subsidy) is 7% below a Budget of \$510,996

### **Quality**

Preventive Screening Composite - exceeded goal 8 out of 12 months reported

Individual areas to work on include: breast cancer screening, cervical cancer screening, pediatric immunizations and Chlamydia screening

Chronic Condition/Disease Management Composite - exceeded goal 8 out of 12 months reported

Individual areas to work on include: Diabetes Retinal Exam and Depression Screening

### **Patient Experience**

Scores in several categories decreased over the most recent twelve months, with the greatest decrease being in the Access Composite measure which **dropped by 7%**. While below the Target, it's still ahead of the current UWNC average. UWNC will discuss ways they are addressing issues to improve their scores in these areas. They will also discuss results from the LIHD 2019 Health Care Survey. Scores and feedback was largely positive, yet there are some opportunities to improve in a few areas. The UW Clinic leaders will share how they are addressing concerns raised by the community.

File Attachments

[Lopez Island FY19 Report to the Board final.pdf \(638 KB\)](#)

## **6. Old Business (6:00 - 6:10)**

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

Meeting Oct 23, 2019 - Board of Commissioners Regular Meeting

Category 6. Old Business (6:00 - 6:10)

Type Action, Discussion, Information

A first draft of the Commissioner Compensation Policy was presented at the August Board meeting. Based on feedback by the Commissioners, several edits were made and an updated version is brought back to the Board for review and possible action.

File Attachments

[SJCPHD#2\\_2019 Commissioner Compensation v4DRAFT\\_9\\_23\\_19.pdf \(304 KB\)](#)

## **7. New Business (6:10 - 6:20)**

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### **Subject A. Strategic Planning**

Meeting Oct 23, 2019 - Board of Commissioners Regular Meeting

Category 7. New Business (6:10 - 6:20)

Type Discussion

The Board Chair would like the Commissioners to consider adding a second monthly meeting to the Board schedule. The intent is to allow the Board to focus on the more long-term, strategic issues facing the District. This includes defining what the Board would like to see in a new contract with UWNC, as well as what role the LIHD should play in leading the effort to create a true community approach to health care on Lopez Island.

## 8. Operations Reports (6:20 - 6:30)

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<b>Subject</b>	<b>A. Monthly Financial Reports</b>
Meeting	Oct 23, 2019 - Board of Commissioners Regular Meeting
Category	8. Operations Reports (6:20 - 6:30)
Type	Discussion, Information, Reports

The Superintendent will review financial results for the month ending September 30, 2019. Monthly highlights include:

**I. Treasurers Report** - the General Fund Ending Cash Balance is \$691,280 as of 9/30/19. We will be submitting the full UWNC payments due which include the FY '18 balance (\$78,999) and the FY '19 (\$475,528) for a total of \$554,527. On the same AP Voucher report, scheduled to process the last week of the month, are some large expenses that in total will be \$568,738, leaving a balance of \$122,542.

**II. Revenue Report** - Revenue received includes \$21,859 associated with Property Taxes and \$500 in Insurance Recoveries from Orcas Island Health Care District for the month of September.

**III. Expenditure Report** - The Q'4 quarterly lease payment was made and otherwise nothing unusual to report on monthly expenses.

File Attachments

[LIHD\\_6531MoFinancial\\_2019\\_Sept.pdf \(73 KB\)](#)  
[6531glExpStatusRpt\\_Sept 2019.pdf \(109 KB\)](#)  
[6531glRevDetailRpt\\_Sept 2019.pdf \(102 KB\)](#)

<b>Subject</b>	<b>B. Quest</b>
Meeting	Oct 23, 2019 - Board of Commissioners Regular Meeting
Category	8. Operations Reports (6:20 - 6:30)
Type	Discussion, Information

After learning that Quest processes labs for the Rural Health Clinic on Orcas, Superintendent Presson reached out to explore the possibility of transferring the task of transporting and processing labs from UW Medicine Lopez Island Clinic to Quest. As the Board knows, the cost of lab transport is one of the largest Expenses outside of Salary/Benefits, with it exceeding \$25,000 in FY '20.

The Superintendent recently received confirmation from Quest that they are prepared to service 100% of our laboratory testing needs at Quest Diagnostics for the Orcas and Lopez UW clinics. Listed below are the questions/comments we will need to work with UW to clarify:

- Clinics will be responsible for packaging/transporting specimens to San Juan Air no later than 4pm (both Lopez and Orcas) for departure each day. Specimens will arrive at Bellingham Airport and be transported by Quest to our Seattle laboratory for testing. All of the costs of specimen transport will be paid by Quest Diagnostics.

- In the event that San Juan Air is not flying, we have the following options:
  - Orcas: We prefer for clinic to stabilize specimens overnight in attempt for transport via San Juan Air the following day, or when San Juan Air is flying, or recollected as needed. If specimens absolutely need to be transported day of collection, we can facilitate taxi courier services at our expense.
  - Lopez: This location doesn't support taxi services, and therefore specimens will need to be stabilized at clinic for transport when San Juan Air resumes flights, or recollected as needed.
- Quest will process and perform testing on all specimens and there will be no passthrough samples to UW
- Clinics will provide all billing and ICD coding information with each lab order/specimen sent to Quest. Quest will then bill directly to the patient's insurance or to the patient if uninsured (we offer an Uninsured Patient Program with discounted pricing).
- How will clinics order/receive results?
  - We can discuss option to interface with the clinic's EMR
  - Quest offers a free online portal (Quantum LSM) which allows ordering/receiving of results

**Subject C. Update on Hispanic Health Care Survey**

Meeting Oct 23, 2019 - Board of Commissioners Regular Meeting  
 Category 8. Operations Reports (6:20 - 6:30)  
 Type Information

Superintendent Presson will provide an update on the response to the 2019 Hispanic Health Care Survey.

**Subject D. Update on Premera/Lifewise**

Meeting Oct 23, 2019 - Board of Commissioners Regular Meeting  
 Category 8. Operations Reports (6:20 - 6:30)  
 Type Information

The Superintendent will provide an update following Premera's visit to the islands on October 15-16. Meetings were held with UWNC, Chief Havner, the Board of Health and the County-wide Fire Chiefs and EMS Medical Program Director. Conversations spanned the insurance plan offerings, air transport and grant opportunities.

File Attachments  
[FAQ-Kaiser\\_LifeWise2020\\_OrcasLopez.pdf \(88 KB\)](#)  
[San-Juan-PPT-10\\_10\\_19\\_Orcasversion.pdf \(682 KB\)](#)

**Subject E. Articles of Interest**

Meeting Oct 23, 2019 - Board of Commissioners Regular Meeting

Category 8. Operations Reports (6:20 - 6:30)

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 the success of a Community Paramedicine program, which is something Lopez Island Fire & EMS is hoping to implement. There is also an article about the challenges facing health care, and an innovative new endeavor of UW Medicine.

File Attachments

[Shifting from Reactive to Proactive\\_Community Paramedicine.pdf \(1,324 KB\)](#)

[The Biggest Issues Facing Healthcare Today \\_ Managed Healthcare Executive.pdf \(668 KB\)](#)

[UW Medicine is founding partner in new clinically integrated network \\_ The Huddle.pdf \(169 KB\)](#)

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## 9. Closing Items

**Subject A. Commissioner Comments**

Meeting Oct 23, 2019 - Board of Commissioners Regular Meeting

Category 9. Closing Items

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 Oct 23, 2019 - Board of Commissioners Regular Meeting

Category 9. Closing Items

Type Information

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

**a. Orcas Island Health Care District Town Hall meeting - October 28th (5:30 - 7:30)**

**b. Special Meeting - LIHD 2020 Budget & Levy, Public Hearing**

**Subject C. Meeting Adjournment**

Meeting	Oct 23, 2019 - Board of Commissioners Regular Meeting
Category	9. Closing Items
Type	Action, Procedural