

Board of Commissioners Regular Meeting (Wednesday, August 28, 2019)

Generated by Anne Presson on Sunday, September 15, 2019

1. Opening Items

Action, Procedural: A. Call to Order

The Board Chair, Commissioner Presley, called the meeting to order at 4:32 pm.

Information, Procedural: B. Public Comment

There were no requests from the public for comment.

2. Consent Agenda

Action (Consent): C. Approval of Consent Agenda

The draft Minutes of the July 24th Regular Meeting, and an AP Voucher Report of the same date were presented in the Consent Agenda.

Moved by Commissioner Campbell, seconded by Commissioner Graville, to approve the Consent Agenda as presented. VOTE 5:0:0. MOTION CARRIED.

3. Committee Reports

A. Finance Committee - LIHD Budget Items

Commissioner Berger, Chair of the LIHD Finance Committee, has been working with Superintendent Presson to update the current year's budget forecast, draft 2020 annual budget and 5-year cash flow analysis. He summarized the key changes in the first draft of the District's 2020 Annual Budget. These included the following:

1. Legal expense was increased to account for the possibility of needing legal assistance in negotiating the next contract with UW Neighborhood Clinics (UWNC)
2. Independent Contractor expense was also increased for the same reason as item stated above
3. The next Accountability Audit will take place in 2021 so there is not expense in next year's budget
4. There will not be an Election expense again until 2021
5. Operating expenses were increased by 3%

Commissioner Campbell said that while she understood the strategy to increase Operating Expenses by 3% in the next fiscal year, she would like to see the numbers rounded to the nearest factor of 5 or 10 (e.g. \$101 rounded down to \$100 and \$96 rounded up to \$100). She also asked that the description on the row for Independent Consultant be updated to reflect what that expense might be needed to cover since it seemed to reflect the 2019 activities. There was discussion about the best way to reflect the expense for Commissioner Compensation, recognizing that Commissioners might choose to rescind an existing salary waiver. Currently, three Commissioners have executed a waiver. The Superintendent was directed to make an adjustment to this item to account for the possibility that no Commissioners waive salary in 2020.

The Superintendent noted that she had not yet modified the Property Tax Revenue and will be factoring in the preliminary 2019 total assessed value in the next budget draft. She also reminded the Board that the District has yet to billed for an outstanding payment related to UWNC's FY '18 subsidy, and has not yet made a payment for the FY '19 subsidy. Both are reflected in the updated Forecast as she will be paying before the end of the year. She has been in contact with UWNC's Director of Finance as it's been her desire to close out all outstanding payments due. In 2020, UWNC's subsidy cap of \$547,056 is reflected in the 2020 UWNC Expense.

The Superintendent expects the remaining amount from the Lopez Island PT contract to be requested in 2019; however, due to timing of reporting the final payment is likely to be made in January 2020. On the Expense items, the Superintendent pointed to the \$10,800 in Computer Software, which is the cost to continue contracting with BoardDocs. She feels the software makes her job much easier and provides a safe and secure method for document retention. She's also received positive feedback from community members who like the new format for Agenda and meeting materials. The Commissioners were in

agreement that it's a value added service and were supportive of maintaining the BoardDocs software platform.

The Superintendent will make the suggested changes, update the 2019 Forecast and bring a draft 2020 budget back to the September Board meeting.

B. Finance Committee - UW Clinic Budget

Commissioner Berger reviewed UWNC's Financial Report reflecting FY '19 (July 2018 through June 2019). An area of concern that has been reported all year is the lower number of Patient Visits when compared to Budget. Commissioner Campbell asked if the reasons cited previously, specific to an aggressive target for Wen Murphy, ARNP, continues to be the reason for the lower visits overall. The Board has been told in the past that UWNC set Wen at a higher than appropriate benchmark for a new provider. Commissioner Campell questioned if the lower visits are attributed to less patient demand or if the issue is a factor of scheduling fewer patients for Wen.

Commissioner Berger went on to point out that Provider Compensation was down 19% when compared to Budget. Commissioner Graville asked why that might be the case. Superintendent Presson responded that there is an incentive component to provider compensation that is tied to production (as measured by WRVUs). It's likely the lower WRUV reflected on the report is much of the reason for the lower than budgeted compensation. When looking at non-providers, the total Salary and Benefits expense was right on target.

Commissioner Berger went on to review various other budget items that were off when compared to actuals. Supplies were lower which is likely a function of lower visits. In contrast, vaccines were over budget. UWNC reported this was because they thought the Pharmacy delivered the bulk of vaccinations. In the end, the Total Operating Expenses were down 10% from budget. When added to Provider and Non-Provider Salary & Benefits, the overall Net Loss becomes \$475,528. This is compared to the budgeted loss of \$510,996. Commissioner Berger shared that he asked UWNC if this is a final number. The Director of Finance said that while the financial report is subject to a formal audit, she does not expecte the results to change much, if at all. That said, Commissioner Berger felt the District should only pay what's due and not make the full payment to UWNC until they've officially wrapped up the year. There was consensus of the Board to only submit payment for the balance from FY '18 and the first two quarters of FY '19. The final payment to cover January 2019 through June 2019 isn't scheduled to be made until November 2019. It was noted that Equipment Maintenance and Repair expenses are handled by CWMA.

Commissioner Campbell asked if there's been any thought given to what to do with the unused funds. That will be something for the Board to start thinking about and discuss at a future meeting. Commissioner Graville was concerned to see that there wasn't anything used in the Interpreter expense category, and she felt if that's the case it's a shortcoming. She would like to make sure the Clinic is providing good care to the Hispanic community, and stressed that it's not professional to use family members to serve in this capacity. There are trained Interpreter's in medical care and it's important to leverage these resources.

C. Quality Committee

Commissioner Orcutt reported that meetings with LIPT and UWNC are in the process of being scheduled with the Quality Committee. He will be meeting with Dr. Alperin in advance of UWNC's Annual presentation.

D. Communications Committee

Commissioner Graville reported that the Communication Committee hasn't gotten back together following publication of the August HealthMatters 2.0 newsletter. She expects to hold the next meeting of the Committee this fall, at which time the draft Communications and Crisis Communication Policy will be discussed. Following their review she will bring the Policy to the Board for review and approval.

4. Operations Reports

A. Monthly Financial Reports

The Superintendent reviewed highlights from the LIHD financials through the month of August 2019. Some of this was covered in the earlier budget discussion. There were a few changes made upon her mid-year review, which included the creation of two new BARS Revenue codes for CWMA Reimbursement and State

Grants. The General Fund Ending Cash balance of \$682,685 includes the payments due to UWNC that were previously discussed. There is also the balance of the contract to be paid to LIPT. Otherwise, nothing unusual to point out in either the Revenue or Expenditure reports.

B. Accountability Audit - Exit Conference

The Exit Conference document, which included the Accountability Audit results, was included in the meeting materials. The audit result was very favorable and only had one best practice recommendation specific to reporting for Commissioner Compensation. The Superintendent has been working with the Finance Committee on a new Commissioner Compensation Policy, including a process for individual payroll reporting.

Due to the favorable results, the District is able to move away from the annual audit cycle. The Board discussed the option of moving to a two or three year audit cycle, and there was a consensus to take the commendation from the Finance Committee to conduct the next Accountability Audit in the summer of 2021. Based on the summary provided, the estimated cost for the two-year audit will be \$8,000 plus travel.

C. Articles of Interest

Several articles related to the health care industry's recognition of the importance of addressing the Social Determinants of Health were included in the meeting materials.

D. Other

The Superintendent reported on her interactions with LifeWise Health Plan of WA, which is owned by Premera and will be plan taking over for Kaiser next year in the individual and small group market. She has been very impressed with the responsiveness from Premera's leadership and will keep the Board apprised as conversations continue. She also mentioned the Long-Term care survey that's underway as part of the feasibility study the Board heard about a few months back from the Interisland Health Care Foundation. The Superintendent posted an article on the District website to let the community know the survey was available to anyone 70 or older, or those caring for someone in that age bracket. The survey is due to close mid-September.

5. Old Business

A. Community Conversation and 2019 Health Care Survey

Commissioner Presley updated the Board on developments since the Board's letter to UWNC following the August 5th Special Meeting. The Board revisited their intent in sending the letter to Debra Gussin, UWNC Executive Director. There is a desire to determine how the LIHD, UWNC and the Clinic staff can move forward in a productive, collaborative fashion. As has been the case over the past few months, there is a recognition of how hard the Clinic staff is working. Following feedback from the Clinic staff, the Board is left with questions if the staff is being asked to do too much in accommodating Primary Care and the volume of same day appointments. One of the RNs from the Clinic attended the meeting and said that the major issue seems to be that UWNC still doesn't understand the differences in serving the island population versus the mainland. She felt it's also important to realize that no matter how much community education happens, the community will still want to be able to call or walk directly into the clinic and be served.

There was continued conversation about appropriate next steps. Commissioner Graville felt the letter came out of events that unfolded at the 7/31 leadership meeting with UWNC, the Clinic staff, LIHD and LIFE. It was the Board's sense that the 7/31 meeting was not productive and there was behavior displayed that was disrespectful to the LIHD Superintendent. As a Board, the Commissioners felt it was important to say to UWNC leadership that isn't how we are going to act going forward. Commissioner Campbell felt it would be important for UWNC to acknowledge that the community conversation and subsequent meetings didn't go as planned, yet we did hear from the community. The Commissioners want to figure out how to work together for the good of the community, and UWNC should think about how to address these questions at their Annual Report to the Board.

Finally, Superintendent Presson provided an update on the progress made with the Hispanic Health Care survey. She continues to work with the team to get a meaningful response rate.

B. Family Resource Center - Support for Open Source Wellness (OSW)

Superintendent Presson brought the issue of supporting the OSW program back for Commissioner consideration. There continued to be questions specific to the lack of data from OSW being that they are a relatively new organization. There was also a desire to have more specificity around metrics and what is being measured in the effort with LIFRC in order for the Board to support the program. After continued discussion, the Superintendent will continue to gather insights from LIFRC and OSW and bring this back to the Board.

6. New Business

A. Commissioner Compensation Policy - DRAFT

The Superintendent presented an initial draft of the Commissioner Compensation Policy. There one area of the Policy where there was some debate was around the appropriateness of paying Commissioners for attendance at industry conferences. After continued discussion, it was decided that the Superintendent talk with MRSCto see if they have any guidance around how to best define the activities for which a Commissioner should be compensated. An updated draft will be brought back to the November Board meeting for review.

B. Personnel Policy - DRAFT

Due to time constraints, this item was tabled until a future meeting. Commissioner Campbell did provide Superintendent Presson with feedback, which will be incorporated into the next draft.

C. Superintendent Performance Review - Executive Session (6:15 - 6:45)

The Board went into closed session to review results of the formal annual Performance Review of Superintendent Presson.

D. 2019 Superintendent Performance Review and 2020 Compensation

The Commissioners each expressed their appreciation for Superintendent Presson's service and support. In recognition of a very favorable Performance Review, the Board's recommendation is to increase the Superintendent's annual compensation by 4% as of January 1, 2020.

7. Closing Items

A. Commissioner Comments

There were no Commissioner comments.

B. Upcoming Meetings and Key Activities

A list of future meetings was listed on the Agenda and reviewed. It was noted that UWNC's Annual Report will be moved from the September to the October Regular Board meeting.

C. Meeting Adjournment

The Board President, Commissioner Presley, called the meeting adjourned at 6:55 pm.