

San Juan County Public Hospital District #2: Lopez Island Hospital District
Board of Commissioners
Regular Board Meeting
March 22, 2018
Minutes

Commissioners Present

Commissioner Berger
Commissioner Campbell
Commissioner Graville
Commissioner Orcutt

Commissioners Absent

Commissioner Presley

Others Present

Supt. Presson

I. Call to Order

The meeting was called to order by Board President, Commissioner Campbell, at 6:00 pm. While there were no changes to the Agenda, Commissioner Campbell noted that in future meetings the order of the Agenda items will be changed slightly so that Old Business will come right before New Business. This will move the Superintendent's Report and Committee Updates up to the top of the Agenda.

II. Public Comment

Commissioner Campbell asked the public attendees if anyone would like to participate in the Public Comment item. There was no formal request from the public.

III. Consent Agenda

Commissioner Campbell reviewed the Consent Agenda items which included the February 22, 2018 Regular Board meeting minutes and the audited AP Voucher report for March 2018. There were a few minor edits noted on the February 22nd minutes. Commissioner Campbell asked if there were any questions or further discussion around the items presented. **A motion was made by Commissioner Berger, seconded by Commissioner Graville and unanimously carried to approve the items on the Consent Agenda with noted edits on the February 22, 2018 minutes.**

IV. Old Business

Following a question at the February Board meeting concerning the requirements of the LIHD to conduct a community "needs assessment", Superintendent Presson provided clarity following discussions with both the Association of WA Public Hospital Districts (AWAPHD) and the Municipal Research and Services Center (MRSC).

Per the duties and powers of a PHD, as set forth in RCW 70.44.060 (1), it is within the powers of the LIHD for "the District Commissioners to conduct a survey of existing hospital and other health care facilities within and without the District to determine the health care needs of the district residents." There is no requirement that such a survey be conducted at a certain time or a certain way.

indicated the County is likely delaying the CHNA until 2020 to align with 2 other Local Health Jurisdictions in the region. As they refresh their data over the summer he will share with the LIHD.

Superintendent Presson also noted that she's part of a group that's meeting quarterly to discuss county-wide health care issues and activities. It includes SJCPHD#1 and various representatives from the County and other health care stakeholders.

V. Committee Reports

- a. **Finance Committee: UW Financial Reports** - Commissioner Berger updated the Board on activities of the Committee to reach agreement with UWPN on the first set of Financial Reports. Following the February Board meeting, he and Superintendent Presson met with Debra Gussin to discuss questions that arose from the Board's review. Since these reports are new to both entities, it's taking time to arrive at agreement on the accounting for Start-Up versus Operational costs. There's also a focus on making sure there is proper allocation of shared expenses with the Orcas Clinic. Superintendent Presson commented that the LIHD is the only Public Hospital District within UW's Neighborhood Clinics; therefore, there's more scrutiny of the financials to make sure tax payer funds are all accounted for appropriately. Commissioner Berger reminded the Board of the District's \$286,950 contribution to cover Start-Up costs, and the negotiated wording in the Clinical Services Agreement (CSA) specific to the use of those funds. The CSA states that any surplus remaining in the Start-Up account, after final reconciliation, is to be applied to future subsidy payments.

Following the meeting with Debra, Superintendent Presson and the Director of Finance for all of the UW Neighborhood Clinics held a follow-up discussion. Superintendent Presson, with support from Peggy Means, is continuing to work collaboratively with UWPN to reach agreement on the reporting prior to the April Board meeting. UWPN is supportive of the timeline, and understands it means processing of the first subsidy payment will be delayed until the end of next month. **In addition to returning with the final Financial Reports, UWPN will present a draft of the LIHD 2018-19 Annual Budget at the April Board meeting.**

Finance Committee: Financial Management Policies – Committee Chair, Commissioner Berger, and Superintendent Presson provided a high-level review of the draft Financial Management Policies. The documents will guide the activities of the Board as they pertain to key financial activities. The first section addresses Budgeting which includes setting a Budget Calendar (per RCW requirements) and goes on to set parameters for revenue and expenditures. The Superintendent is authorized to move funds between accounts as long as the overall expenses remain unchanged.

The document establishes a Reserve policy to protect the District in times of financial uncertainty. The method by which the Board will execute the building of reserves will be addressed in the 2019 budget development process. The reserve target is set at an amount equal to three (3) months of budgeted income, to be built over three years.

Once the contribution amount is set, half of the reserves will be deposited in May and the other half in November of each year. A ceiling of 50% of the prior years' General Fund income, or a reserve fund balance of 6 months, is established. Once the reserve fund exceeds this ceiling, accumulation will cease and the Board will determine how to treat any excess reserves.

The next section addresses Audits and Accounting practices. The District follows the cash basis method and will abide by the State Auditor's Office (SAO) audit requirements. Superintendent Presson will be completing the Annual Financial Audit, due May 30th, and has scheduled the District's first Accountability Audit for the week of June 4th. The final section of the document addresses the LIHD Credit Card policy. A credit card has been issued to the Superintendent to be used for travel and other District related expenses. The primary credit card has a \$10,000 credit limit and, if issued, a \$5,000 limit will be set for any credit cards issued to Commissioners.

Commissioner Campbell asked if there were any questions or further discussion around the policy as presented. **A motion was made by Commissioner Graville, seconded by Commissioner Orcutt and unanimously carried to approve the Financial Management Policies as presented. Commissioner Campbell mentioned that the Land Bank has in their budget a specific target for Administrative expenses. Their policy states that such expenses stay within a certain percentage of the overall budget. Superintendent Presson will survey other PHDs to see if any have such a policy as it might be something for the Board to consider.**

- b. **Quality Committee** – Superintendent Presson reminded the Board that Exhibit A of the LIPT CSA was to contain a set of Quality metrics to be agreed to by the end of Q'1 2018. The first draft of those metrics was included in the Board packet; however, in light of the fact that Commissioner Orcutt returned from vacation late last night there wasn't time to review this draft by the Quality Committee. Commissioner Orcutt appreciated the LIPT's effort to draft the document and directed Superintendent Presson to set up a meeting to discuss this in more detail. A revised document will be brought to the Board meeting in April. Terri Drahm from LIPT shared a brief update on the progress with their credentialing process. Due to challenges with the company they contracted with to handle credentialing the process is going to take longer than anticipated.

No action was taken on this item. Superintendent Presson will coordinate a meeting with the Quality Committee and LIPT. The goal will be to finalize the quality metrics and bring back a recommendation for the Board to review at the April meeting.

- c. **Communications Committee** – Superintendent Presson reviewed the draft Social Media policy that was developed in collaboration with the Chair of the Communications Committee. Since the District launched a Facebook page, it's important the Board adopt a policy specific to social media. **Discussion was held and there was a request to make sure language specific to posting of comments be pinned to the top of the Facebook**

page so it's always visible. There was also a suggestion that we make sure information and posts are shared between Facebook and the LIHD website.

Commissioner Graville said that work still needs to be done in regard to the LIHD's overall communication strategy. She hopes to identify two non-Board members interested in participating on the Communications Committee. They'll work on recommendations specific to who/how the District responds to health care related comments that appear in other venues (e.g. Lopez Rocks), evaluating the effectiveness of the website and Facebook page, and creating ways for the community to engage with the PHD.

Commissioner Campbell asked if there were any questions or further discussion around the policy as presented. The Board was in agreement that we need to meet residents where they are and, while some people might not see the value of social media, it's important the LIHD has a broad reach to engage as many people as possible. **A motion was made by Commissioner Presley, seconded by Commissioner Berger and unanimously carried to approve the Social Media Policy as presented**

VI. Monthly Operations Report

- a. **Monthly Financials** - Superintendent Presson presented the year-to-date financial reports from San Juan County's financial management system. Information for February was reviewed, and while it's still very early in the fiscal year, it was noted that the General Fund is starting to see property tax revenue reported. There's also a small amount of revenue associated with what's called a Leasehold Tax. This is something the County starts reporting in every February, and deposits are made every other month. When asked how much we can expect to receive, the County said they don't have an idea of what it will be for the year. On the expense side, since the District hasn't yet paid the first UWPB Subsidy, there aren't any significant expenditures in February. The second draw on the General Obligation Bond is on hold for another month, and at that time the District will also be responsible to pay 50% of the advance from the County, plus accrued interest.
- b. **Superintendent Highlights** - Superintendent Presson presented operational highlights from the month of February. There's been a lot of work to get District documents scanned, filed and posted online. As already discussed, policies were created for Financial Management and Social Media. The LIHD's website has been significantly enhanced and new sections created for Community Engagement and Public Records Requests. A Facebook page was launched and has been very active. Superintendent Presson has confirmed the insurance renewal in May, and scheduled the SAO Audit for the first week in June. Finally, she applied for an \$11,000 technology grant for the purpose of implementing a Board Management portal. Grant recipients are to be notified mid-April.

Superintendent Presson handed out an updated Board Calendar to keep the Commissioners on track as the year progresses. Finally, she reminded everyone of the impending April 15th deadline to complete their Form F-1 and asked that the Commissioners provide her with proof of completion.

- c. **UWPN Highlights** - As it pertained to the monthly UW update, the most important development is that UW has agreed to modify their protocol to allow labs be taken for non-UW specialists. Everyone agreed this will be very well received by the community and Superintendent Presson will look to get communication out quickly. The change will take place April 1st and will be on a test basis as they don't know the impact. UW will not be paid for these services so they want to make sure the volume isn't significant being that lab costs are already a negative variance on the budget. If it ends up that the volume is much higher than expected, the District will discuss with UW how best to support the ongoing delivery of this service. **A question came up in regard to the cost to fly off the labs and if it's a fixed fee or if it could be impacted by an increased lab volume. There was also discussion around the lab volume in comparison to the Orcas Clinic, and if they have additional capabilities being that their lab is much larger. Superintendent Presson will gather information on these questions and continue to monitor on the monthly calls with UW.**

Finally, Superintendent Presson reported on a meeting UW coordinated with her and the Kaiser provider contracting contact. While challenges with the Kaiser insurance product will likely be an ongoing issue, the parties are working together to try and address the out-of-network referral process. **The group is hoping to identify the types of referrals that continue to happen on a regular basis to see if there are gaps in the specialty network. Work is also being considered to expedite the authorization process so it's less of a burden on the UW staff and patient care isn't delayed. A question came up if the Clinic staff should know who is in network so they can make those referrals. The Superintendent will follow-up with the Clinic to determine if this is the case.**

VII. New Business

Following the close of her tenure as Interim Superintendent, Deb Wiggs, Founder of V2V Management Solutions, provided a proposal to continue her work with the District. The proposal includes two workshops and ongoing advisement services.

There was discussion among Board members to determine the level of interest in each workshop, recognizing the Board will be attending the annual AWAPHD conference in June. While the Board felt that finishing the development work that was started last year would be worthwhile in 2018, there was agreement to take a wait and see approach on whether there was a need and what that might be for a strategy session.

A decision was made to request the V2V proposal be broken into three separate sections to allow the Board to take action on them independently. **Superintendent Presson will ask V2V to split the proposal into three distinct parts and will bring back a revised document for action in April.**

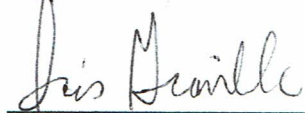
VIII. Commissioner Comments


Commissioner Berger provided a short overview from the Fire Commission meeting he attended on Tuesday. Once again, the meeting was very positive and the Fire Commission reported being happy about a variety of key issues. Debra Gussin and the Chief have been working together to coordinate medical records, and they've also worked out the logistics to have Dr. Wilson's compensation as Medical Control be facilitated through UW. Access to the Clinic after hours is working fine and it appears call volume is down in February from the same time last year. At the recent Fire Commission retreat, a few other items surfaced which they are considering: (1) adding 2 half time positions (one in the office and one to drive the aide car); and (2) purchasing another modern ambulance to serve as both a treatment and holding area. This would eliminate the need to build a facility for these purposes. The Board continued to express their appreciation to Commissioner Berger for his participation and reports.

IX. Adjourn

Commissioner Campbell asked if there was any further business to discuss, comments or questions from the Board. Hearing none she adjourned the meeting at 8:00 pm.

Signed: Rebecca Presley, Acting Board Chair for April 26, 2018 meeting



Attest: Iris Graville, District Secretary 

All exhibits and supporting material available upon request