

San Juan County Public Hospital District #2: Lopez Island Hospital District
Board of Commissioners
Regular Board Meeting
June 28, 2018
Minutes

Commissioners Present

Commissioner Berger
Commissioner Campbell
Commissioner Graville
Commissioner Orcutt
Commissioner Presley

Staff

Supt. Presson

Guests

Dr. Mike Alperin, UW Med
Debra Gussin, UW Med
Darren Layman, UW Med
Ross Howell, N. Sound ACH

Commissioners Absent

None

I. Call to Order

The meeting was called to order by the Board Chair, Commissioner Campbell, at 5:35 pm. Commissioner Campbell noted the order of the Agenda would be adjusted to accommodate various ferry departures for our guests. This meant moving right into Committee Reports and following the Agenda from that point. The Consent Agenda will be moved to the last item.

II. Public Comment

Commissioner Campbell asked the public attendees if anyone would like to participate in the Public Comment item. Lauren Stephens shared an update from the CWMA retreat, in which they had talked about the need to receive input from UW regarding future equipment needs. In a meeting held earlier in the day with Superintendent Presson and UW Medicine, she shared the CWMA Board's appreciation in getting the details they needed on the Clinic's equipment service and replacement requirements. They also expressed their appreciation that UW Medicine has been taking care of the necessary preventive maintenance on the equipment.

III. Committee Reports

- a. **Finance Committee: UW Medicine FY 19 Budget** – Superintendent Presson provided a high-level overview of changes in the updated FY 19 Budget. Most significant is that the expected "donation", which reflects the District's contribution to the budget shortfall, has decreased from an original number of \$572,405, down to \$532,271 in the second version, to the final deficit amount of \$510,936. This is compared to the subsidy cap, as defined in the Clinical Services Agreement, of \$536,454.

Debra Gussin, Executive Director of UW Neighborhood Clinics, shared her appreciation for the collaboration with LIHD. She feels that we have a strong budget with the only risk being the expected projected increase in visits. While we don't necessarily have

control over visits, now that the Clinic is fully staffed everyone was comfortable that the predictions are reasonable. In addition, UW has seen growth month over month and has overall exceeded expectations.

Debra also shared that the Medical Director for the Lopez and Orcas Clinics, Dr. Alperin, will be increasing his administrative hours. This will enable him to spend more of his time on leadership activities, and he will now be budgeted for .10 FTE to engage in patient care and .10 FTE for clinical oversight. Commissioner Graville asked if the budget for next year factored in additional hours as there had initially been discussion of open on Saturdays. This has not yet happened to-date and will remain an item of review as clinics access is monitored over the busy summer season.

UW presented their Performance Metric Dashboard which reports on their Four Pillar Goals. This data covers the period of December 2017 through April 2018 across the categories of *Serving the Patient and Family*, and *Practice Fiscal Responsibility*. In all of the five categories related to the *Serving the Patient*, the Lopez Clinic largely met or exceeded the target over the reporting period. There were individual months where results were lower than target and the Board asked how UW addresses those shortfalls. Debra shared that they do manage to target but not with a new clinic. Over time, UW will dive deeper into monthly variances; however, for a new Clinic it's normal to see some variances. Overall the scores for the Lopez Clinic are extremely high for such a new entity, and UW was very pleased with the results.

The area of *Office Staff Courtesy* was the only category with scores below target month over month. Commissioner Berger mentioned that during a recent visit he noticed the layout of the Clinic makes it hard to have a quiet conversation with the Front Desk staff. The lobby tends to be loud and that could be contributing to the score. Debra shared that they don't have a lot of leeway in the setup and had recognized this could be an issue. **The Board asked about response rates to the Patient online survey, which is what drives the results. Debra agreed to follow-up with that information. The Board also asked to see patient comments from the survey.**

The middle section, *Provide Highest Quality of Care*, was blank and Debra indicated it will be populated in August once June numbers are reported. The category of *Employer of Choice* was also not yet populated. The information here is collected once a year from employee surveys and rated on a scale of 1-5. Finally, the data from *Practice Fiscal Responsibility* was reviewed. This data compares how well revenue and expenses are managed against the budget. This can vary month to month as purchases are made, so it's best to review from a YTD perspective to avoid reacting to a spike.

Once there is enough data to populate all fields the report will be shared on a quarterly basis. In the next month, UW will also bring back result from a recently conducted provider survey. **Commissioner Orcutt asked for a meeting with the Medical Director to better understand how quality goals are set and the source of the information used**

to populate the dashboard. UW will follow-up with a date so that this discussion can happen before the information is presented to the Board.

Service/Equipment Needs - There was discussion around Clinic needs in FY 19. As was mentioned earlier, based on this morning's discussion with the CWMA Board, UW has a plan for upgrading the x-ray equipment and working with CWMA on the equipment maintenance contract. **Further exploration as to how the funds flow will work is needed, and Darren Layman from UW will be following up on that piece with CWMA.**

FY 18 Subsidy Payment – an invoice for the first subsidy payment, covering the period 9/25/17 through 3/31/18, was presented for payment. The total of \$326,725 is based on actual expenses over that period and will be processed through the County.

- b. **Quality Committee** – Commissioner Orcutt shared the **Committee is in the process of scheduling a follow-up meeting with the Lopez Island Physical Therapy group in July.** Due to graduations and vacations it's been hard to find a good time to gather everyone. Superintendent Presson mentioned that LIPT has been approved by Kaiser and they are now working on the contract, which was very positive news.
- c. **Communications Committee** – Commissioner Graville shared that the **Committee will be getting together on July 18th for a planning and strategy discussion.** She shared that Lorna Reese agreed to participate on the Committee, although isn't available on that day. Lorna is a writer, former PR person and the founding editor of Health Matters so will add a lot of value to the Committee. Commissioner Graville is interested in finding 1 or 2 more members. Commissioner Graville attended a communications session at the recent Rural Hospital District conference and got a lot of good ideas, including telling the District's story. **Several high-level goals for the Committee are to create a policy on how the PHD responds to communication from the public and also revisiting the UW contract as it pertains to communication.**

Commissioner Graville asked Commissioners to provide feedback as to other goals for the Communication Committee. Superintendent Presson will also see if there's someone from UW who would be willing to engage with the Committee.

Superintendent Presson reiterated the positive response from her earlier meeting with CWMA, and their willingness to consider working together on Health Matters and/or other communication strategies. **She'll work with Ann Palmer, Communication Committee lead from CWMA, to schedule a meeting in early August.**

IV. Operations Report

- a. **North Sound Accountable Community of Health** – Ross Howell provided background and an overview of the Accountable Communities of Health (ACH) in WA. As part of the 5-year Medicaid Transformation initiative, the State will receive \$1 billion of Medicaid dollars to improve healthcare outcomes and reduce the cost of care for Medicaid

patients. The North Sound ACH covers five counties including San Juan. The ACH will be allocated approximately \$100 million of the total payment received to be distributed over the 5-year demonstration period. The ACHs see themselves as a bridge to move sustainable care models forward. Their focus extends from preventive care to both physical and emotional health and wellness. Ross expressed his appreciation to have been able to attend various meetings on Lopez during his visit, and it was helpful to learn more about the needs and resources within the community. **Commissioner Berger asked if the Board could learn more about what other Public Hospital Districts are doing throughout the State in support of the ACH activities.**

- b. **Monthly Financials** - Superintendent Presson presented the financial reports from San Juan County's financial management system as of May 31st. Nothing unusual on the Revenue side other than having identified a duplication in funds transferred from the General Account to the Debt Service Account for payment of the CWMA loan. The County inadvertently made two transfers although only one payment was made to CWMA. Superintendent Presson has spoken with the County Treasurer who will make sure no funds are transferred in to Debt Service in the next month. She also noted that property tax revenue continued to trickle in during the month of May so year to date proceeds from taxes are \$490,371.

In regard to debt service, Superintendent Presson reported that the timing on the draw window for the GO Bond is, in fact, September 1st. That said, she's been in contact with Islanders Bank and the bond attorney who both indicated there won't be any fees or penalties associated with moving the date to December 1st. **After a brief discussion, a motion was made by Commissioner Presley, seconded by Commissioner Graville, and unanimously passed to approve extending the GO Bond draw window to be December 1st 2018.**

The other debt service item for discussion was the CWMA loan. Superintendent Presson reported that she received a request from CWMA to adjust the amortization schedule based on recent interest rate increases. This came as a surprise as the loan agreement with CWMA doesn't reflect the interest rate being variable. Lauren Stephens, CWMA Board Member, was also surprised to hear that this request was made to LIHD. **She asked that the LIHD Board hold off until she was able to discuss further with the CWMA Board.**

- c. **Superintendent Highlights** - Superintendent Presson presented operational highlights from the month of May. The Accountability Audit was almost wrapped up and all is going well. She is working with the Accountant to complete the updated 5-year cash flow analysis. She also procured Renters insurance for contents of the office, which was a requirement in the District Office lease agreement. The minimum amount of coverage is \$5,000 which was deemed sufficient based on items in the office. The additional annual premium was \$200.

Superintendent Presson also met with the consultant from the State Archives and will be revisiting the IT grant in the second round that closes in July. Finally, the District received funds via the Medicaid incentive program via their participation in the AWAPHD. Amounts allocated were in recognition that PHDs would be part of care transformation, as discussed during the North Sound ACH topic, and the District received \$1,000. Discussion was held as to how those funds should be tracked so we can tie work back to support of care transformation. Meetings that were held earlier in the day, which included Ross from the North Sound ACH, would definitely be considered work in support of this effort. Finally, Superintendent Presson provided a brief overview from the various meetings that had taken place earlier in the day. Of particular interest was the Health Care Collaborative that was led by Superintendent Presson and Fire Chief Havner. Participants included members of Lopez Fire/EMS, UW Neighborhood and Lopez Island Clinics, the Family Resource Center and the LIHD. It was a great initial discussion to begin thinking about the ideal model for a rural, remote primary care clinic. The members of the group agreed this is important work and will target to meet again in September.

- d. **Articles of Interest** – this is a new feature that will include industry and other articles that might be relevant to items being discussed and/or provide insights into what's going on within the health care industry.
- e. **UWPN Medical Director Report** – Dr. Alperin provided a brief update on his background and the role of the Medical Director. He also shared his views on patient care and stressed the importance of relationships in the care setting.

V. **Old Business**

- a. **Orcas Island Health Care District** - Superintendent Presson provided a brief update on the process underway as the Orcas Island Hospital District sets up operations.
- b. **Superintendent Performance Appraisal Process** - Commissioner Campbell reminded the Commissioners that their Performance Review forms for the annual review of the Superintendent are due to her at the end of the month.

VI. **New Business**

- a. **Claims Agent** – Commissioner Campbell read Resolution 2018-06 which serves to appoint Superintendent Presson as the individual to receive any claim for damages against the District. Commissioner Campbell was listed as the alternate Claims Agent in the absence of the Superintendent. This was something that was discovered during the insurance renewal process and is a requirement under RCW. **Roll call was taken and Resolution 2018-06 was unanimously adopted.**
- b. **Health Benefits** – Commissioner Campbell read Resolution 2018-07 which is part of the process for the District to request access to health benefits under the Public Employee Benefit Board's (PEBB) program through the Health Care Authority. Once approved,

coverage will be available to the Superintendent and the Commissioners. **Roll call was taken and Resolution 2018-07 was unanimously adopted.**

- c. **WA Voting Rights Act** – Superintendent Presson shared communication from San Juan County regarding ESSB 6002, the WA Voting Rights Act. She received confirmation from Oskar Rey at the MRSC that Public Hospital Districts are not one of the types of municipalities subject to the Act. As such, this was for information only and no action is required.
- d. **New Dollar Threshold for Commissioner Compensation** – Superintendent Presson shared information on the new compensation threshold taking effect July 1, 2018. The new threshold is \$128 per day and \$12,288 per year. Since several Commissioners expressed interest in revisiting their compensation waiver, the Superintendent also shared communication from Oskar Rey from the MRSC which responded to a question concerning individual elections and another around how meetings are defined.

The Board felt it can be difficult attracting new Commissioners, so having the option of receiving compensation combined with the ability to access the state health benefits program through PEBB membership could be an attraction for future Commissioner candidates.

VII. Consent Agenda

Included in the Board packet under this item were Minutes from the May 24th regular Board meeting and a monthly Voucher report dated June 18, 2018. There were no changes noted to the minutes and no questions or changes to the June Voucher report. **A motion was made by Commissioner Graville, seconded by Commissioner Berger, and unanimously carried to approve all items on the Consent Agenda as presented.**

VIII. Commissioner Comments

No comments to report.

IX. Upcoming Meetings

Commissioner Campbell noted July 26th Board meeting will be held at 5:30 pm at the Lopez Library.

X. 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 8:14 pm.



Signed: Christa Campbell, Board President

Attest: Iris Graville, District Secretary