

**San Juan County Public Hospital District #2
Dba Lopez Island Hospital District (LIHD)**

Board of Commissioners - Regular Meeting

October 28, 2020

REMOTE MEETING DUE TO COVID-19

Zoom Video/Audio

4:30 – 6:30 pm

Minutes

Commissioners Present

Albert Berger, Board Secretary
Christa Campbell
Iris Graville, Board President
James Orcutt
Steven Greenstein

Staff

Superintendent Anne Presson

Commissioners Absent

None

I. Call to Order

The meeting was called to order at 4:30 pm by the Chair, President Graville. President Graville started the meeting with a land acknowledgment as the Commissioners are meeting on the traditional land of the Coast Salish.

II. Public Comment

There was no Public Comment at this time.

III. Consent Agenda

The Consent Agenda contained Minutes from the September 23, 2020 Regular Board meeting and October 8, 2020 Special Board meeting. There were also two sets of AP Voucher Reports dated September 25th and October 24th in the amounts of \$1,315.34 and \$2,626.94, respectively.

MOVED by Commissioner Campbell, seconded by Commissioner Orcutt to approve the Consent Agenda as presented. VOTE: 5:0:0. Motion Carried.

IV. UW Medicine Lopez Clinic & Lopez Island Physical Therapy Updates

- a. **UW Medicine Lopez Island Clinic** – Mark Bresnick, UWNC Assistant Director North Region, provided an overview of clinic activity. In the first quarter of the UW fiscal year (July thru September) the Clinic hit all the target metrics of WRVUs and Visits. The one

area that was off had to do with Expenses, which the Clinic Manager is doing a deeper dive to determine the cause.

Mark also reported that HealthMatters 2.0 was produced in English and Spanish, and the same was true for magnets with the UW phone numbers. Clinic Manager, Crystal Rovente, reported on flu and COVID testing activity. She is closely managing and monitoring the volume of flu shots to minimize waste, as that had been an issue in the past. Flu shots are being administered during regularly scheduled appointments, as well as having dedicated hours for flu clinics three days/week. COVID testing is also continuing daily between 11 am-1 pm, and the Clinic is filling those slots with anyone needing a test.

Mark talked about how the Clinic will handle after-hours call once Orcas terminates their agreement with UW in March 2021. He reported that Dr. Jaffy is looking to add Lopez to the larger UW on-call pool of Family Practice providers, which could actually result in Dr. Wilson and Wen Murphy being on call less. That said, they will remain available should a Lopez patient need to be seen in the Clinic after-hours. Details are still being worked out and the Board will be updated as things progress.

Dr. Wilson thanked Wen for handling the patient volume while he has been on medical leave and working less than full-time. The Clinic Manager and staff have also been very supportive as Dr. Wilson has been recovering.

Commissioner Campbell asked about the after-hours coverage when neither Dr. Wilson nor Wen are officially on-call. She was wondering if that was coordinated to make sure one or the other is on island. Dr. Wilson responded they try to ensure one of them is on island even though there is no formal mechanism in place.

Commissioner Campbell also asked about COVID testing for people who are asymptomatic yet have been off island and need to be tested before returning to work. Crystal confirmed that the Clinic is available for testing those individuals. Crystal also confirmed the Clinic is performing tests for people who are scheduled for surgery or returning from/going on a trip. She recommended people be reminded to Press 2 when they call the UW Clinic number for scheduling so that they are directed to the Lopez staff. The procedures for testing on Lopez are different than the rest of the UW system, and that is why it's important people know to speak directly to the Clinic staff.

Finally, there was a discussion around insurance coverage for COVID testing. Crystal recommended patients call their individual insurance carrier to determine what is/is not covered, especially when it comes to asymptomatic testing. If someone doesn't have insurance, the Clinic will help them apply for UW's Charity Care. If that is not available, there is also an avenue to utilize the Sikstrom fund via CWMA. The cost of the test runs between \$120-\$150.

Commissioner Graville expressed concern with the term Charity Care and felt it wasn't very welcoming to people. She asked if UW would be able to come up with a different term for support. She also asked how long the process takes to gain approval from UW, and Crystal reported that it usually takes 7-10 days for approval. During that time, the Clinic will not ask for payment up front and if someone is billed within that timeframe, they would not be required to pay prior to being approved. Once approved the policy for that individual is in effect for three months.

- b. **LIPT** – Terri Drahn from Lopez Island Physical Therapy reported the practice has worked its way back to seeing 9.2 patients/day, which is close to the pre-COVID volume of 10-11 patients/day. She doesn't expect to exceed the current level while COVID mitigation efforts remain in place, which is likely through May 2021. The FTE count will remain 1.4 Therapists and 2 support staff positions at .5 FTE. Demand has been steady and time to get an appointment is approximately one and a half weeks. Patients continue to report that they enjoy the space and find it very healing.

From a financial perspective, the practice expects a fourth quarter loss and will be requesting the balance of the 2020 subsidy in December. A deficit of approximately \$15,000 will remain, and they are looking at their billing practices to try and make up for some of that loss. They hired a consultant to help assess how they might be able to improve billing practices. The biggest challenge they face is the unknown impact of a COVID surge. The other unknown is a possible reduction in Medicare payments being that Medicare has proposed a 9% cut in payments for PT services across the board in 2021.

Commissioner Berger commended the practice for being able to increase their volume despite the challenges faced this year. He asked what caused the increase in operating expenses from Q'3 to Q'4, as there was a large increase in expense/visit. Peggy Means responded that the increase was associated with employee expense. In Q'1 a member of the support staff was out ill and labor costs were low. In Q'2 they skipped the April payroll and, in the summer, both Therapists took a \$700/month pay cut. In Q'4 the practice is back to full staff and there were no longer pay cuts. One other factor is that they realized some of the utilities weren't paid in the early part of the year and those were made up in later months. Finally, Kim is now getting health benefits and that also wasn't the case in the early part of 2020.

Commissioner Campbell asked a question about the proposed cuts in Medicare reimbursement and if there is any possibility to advocate against them. Terri indicated she would send Superintendent Presson information on where to direct letters of concern.

Discussion continued around the continued financial impact of COVID and whether the budgeted \$50,000 subsidy is appropriate for 2021. Peggy felt that there are significant costs and unknowns, and she will have a better sense of things in about six months. It's unclear if people will continue to put off procedures, which will have an impact on PT in the early part of the year.

In closing, the Commissioners thanked the practice for the fantastic work and for providing such an important service for the community. Everyone hoped things would smooth out, and the Board expressed appreciation for the sacrifices made to keep the practice going.

V. Committee Reports

- a. **Finance Committee** – Commissioner Berger indicated that the report from LIPT covered part of what he was going to present so no need to revisit.

LIHD FY'21 Draft Budget – Superintendent Presson walked the Commissioners through the proposed updated budget for the next fiscal year starting January 1, 2021. As was reviewed at the 10/8 Special Board meeting, it is proposed that Property Tax Revenue will only be increased by the allowed 1%.

Budgeted expenses for 2021 are largely driven by the UW and LIPT subsidies, both of which increased from the current year. There are two items that were not in the 2020 budget which increase expenses: (1) the required State of Washington Accountability Audit; and (2) two Board Seats and Commissioner Presley's vacated seat are up for election. The 5% approved increase for the Superintendent's salary is now reflected in the salary expense, and there is a \$10,000 placeholder for Independent Consultant should the District need support during the upcoming Strategic Planning process. Otherwise, there are no proposed increases for most District expenses. There is a reduction in Interest Expense associated with the successful refinance and new amortization schedule for the GO Bond with Islanders Bank. There is also a reduction in computer software with the replacement of BoardDocs with NW Technology.

The budget document will be posted on the District website so the public can review in advance of the Public Hearing on November 11th.

Refinance of the General Obligation (GO) Bond – after many months of work, Commissioner Berger presented the updated Resolution reflecting the interest rate reduction of 1.1% in the GO Bond. When comparing the new amortization schedule to the current, the savings for the taxpayers over the remaining life of the Bond is \$44,200.

Resolution 2020-02 has been prepared by the District’s Bond Attorney and the Finance Committee is seeking approval. President Graville read the Resolution and asked for a motion to approve.

MOVED by Commissioner Orcutt, seconded by Commissioner Berger to approve Resolution 2020-02 a Resolution to Amend the GO Bond interest rate. A roll call of the Commissioners led to a VOTE: 5:0:0. Motion Carried.

- b. **Quality Committee** – There was no report from the Quality Committee.
- c. **Communications Committee** – Commissioner Campbell expressed her appreciation to UW for putting together the current edition of HealthMatters 2.0. Everyone felt it looked great and contained informative and timely content.

Commissioner Campbell asked Crystal and Mark if UW would consider participating in a Village Square which is hosted by the Lopez Library. These have been held on various topics during COVID, and they have been well received by the community. She felt it would provide a good way for the Clinic to educate the community and take questions on testing, vaccines, etc. There is usually a presentation from 2-3 people of about 10 minutes each, which is followed by a moderated Q&A. The sessions are also recorded, and people can listen to the format from prior sessions. Everyone agreed this was something worth considering.

VI. Old Business

- a. **San Juan County Community Based Long-Term Care (LTC) Network** – Superintendent Presson provided a brief follow-up from the Board’s discussion around the status of the grant to create the San Juan County Community Based Long-Term Care Network. Discussion continued around the integration of the Planning Grant with the longer-term Care Coordination Grant that was also awarded. After continued discussion there was consensus that the opportunity to lead this work and gather information specific to the needs of Lopez was worthwhile, even as many questions and concerns remain. Commissioner Orcutt and Greenstein will represent the District in ongoing discussions, and additional participants will be invited to participate to lend their expertise. This will be brought back to the November 11th special meeting for further discussion following a scheduled call on November 4th with the other Network members and the Consultant.
- b. **Communicating Sensitive Information** – The proposed draft of an LIHD Policy on Communicating Sensitive Information was brought to the Board for a first review. Commissioners were asked to read and provide Superintendent Presson with feedback. Due to time constraints this will be brought back to the November 18th Regular meeting for discussion.

- c. **Hospice of the NW** – this item was moved up as there was a guest speaker, Debra O’Conner. Debra works for Hospice of the NW and provides support on Orcas and Lopez. She offered a brief overview of the concerns around the possible sale to a for-profit entity, Bristol Hospice. The concerns center around the possible reduction in services and resources for San Juan County residents. There was consensus of the Board to continue to monitor events and try to better understand all the details and reasons behind the sale. Superintendent Presson was asked to try and gather input from the two Skagit County PHDs who currently own Hospice of the NW. This will be brought back to the Special Board meeting on November 11th for discussion.

VII. Operations Report

Superintendent Presson shared the financial reports through September 30, 2020. While she had previously reviewed the FY ’21 budget information, she shared more detail around the components of the FY ’21 levy.

The Preliminary Total Assessed Value for 2020 is \$1,306,619,016. When compared to 2019 of \$1,274,852,325 (certified in Dec 2019) this represents a 2.5% increase in valuation.

Using the Assessors Preliminary Calculation sheet, the maximum levy for FY '21 is \$886,000 (.6781 x 1,306,619). Discounting revenue by 4% brings estimated Revenue to \$850,560 versus what we assume in the FY '21 Budget of \$832,636. If the estimate for New Construction was added to estimated Revenue that would bring the total to \$838,938, or only about 1.37% differential.

VIII. New Business

There was no New Business to report.

IX. Community Partner Updates

- a. **LIFE** – Commissioner Bordvick shared that the Fire District has three candidates for the Chief position, and they will be bringing the top two finalists to the island in the coming weeks. They will reach out to Superintendent Presson if they need to access the rapid COVID test that she offered to help arrange at Island Hospital.
- b. **CWMA** –Lauren Stephens shared concerns around the capital equipment request process. CWMA had put in place a formal process for the UW Clinic to ask for capital expenditures; however, it appeared they were reverting back to the former process of making requests via email rather than at the CWMA Board meeting. A concern was surfaced at their recent Board meeting, and she will be following up with the Clinic.

In non-CWMA related business, Lauren expressed concern that the LIHD meetings were artificially short. She was left feeling as though some important items were rushed through as a result. She suggested the Board consider extending meetings or being open to meetings running long, as there is no rule that Board’s having to stick to the

scheduled meeting length. She would like to make sure items of interest are discussed fully, and sometimes that has not been the case. President Graville acknowledged the concern and the goal to end on time to be respectful of everyone's time. The Board will revisit meetings agendas and come up with a plan to address this concern, which could include making meetings longer or adding meetings to the calendar in 2021.

X. Public Comment

There was no Public Comment at this time.

XI. Commissioner Comments

Commissioner Greenstein reported that he had attended the LIFE Board meeting and there wasn't anything additional to report beyond their focus on completing the Chief recruitment. There was a request from Commissioner Berger to have Superintendent Presson send the recently executed Agreement between OIHCD and Island Hospital to the Board.

XII. Upcoming Meetings

The next Regular Meeting of the LIHD is scheduled for November 18th, and there is a Special Board meeting to adopt the FY '21 Budget and Levy scheduled for November 11th. It's assumed meetings will continue to be held via Zoom until further notice.

XIII. Adjourn

MOVED by Commissioner Berger, seconded by Commissioner Greenstein to adjourn the Regular meeting at 6:48 pm. VOTE: 5:0:0. Motion Carried.