

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

Board of Commissioners - Regular Meeting

June 23, 2021

REMOTE MEETING DUE TO COVID-19

Zoom Video/Audio

4:00 – 6:00 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 4:01 pm by President Graville. Graville started with an acknowledgment that LIHD is located on the ancestral lands of the Coast Salish peoples.

II. Public Comment

There was no request for public comment at this time.

III. Consent Agenda

The Consent Agenda contained two sets of Minutes: Regular Board Meetings on May 12th and 26th. There was no AP Voucher Report.

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

IV. Health Care Partner Updates

- a. **UW Medicine Lopez Island Clinic (UW)** – Present from UW Medicine were:
- Mark Bresnick, Assistant Director of Operations, North Region, UW Neighborhood Clinics
 - Crystal Rovente, UW Lopez, Clinic Manager

Bresnick reported on visit activity through the third week in June, which were ahead of budget for the first time this fiscal year. He shared the Clinic is looking to incorporate COVID vaccines into the normal course of operations. That should begin at some point in July. The delay is figuring out a safe way to transport the vaccine.

Rovente shared that they will be down a provider until July 12th. Bresnick plans to resume in-person visits with his first visit since COVID scheduled for June 30th.

- b. **LIPT** – Since the practitioners were seeing patients and unable to attend, Superintendent Presson shared a brief update. The practice is doing well and will not ask for support from LIHD this month. In May, a couple of staff were finally able to arrange some time off, so there were 179 patient visits rather than the budgeted 210. The revenue for May was lower than April as a result, but still exceeded budget. June has been a very busy month, yet as revenue lags visits by a few weeks, the June revenue will show up next month. The practice anticipates by the end of June the Payroll Protection Program (PPP) loan proceeds will be exhausted and the practice will need to request support from the LIHD for losses that will be accrued in July - September.

Waiting time for patients who want to be seen is increasing. They are modeling various different scenarios for meeting patient demand and plan to share ideas to factor into the strategic planning process.

Overall, the financials are looking positive, and the practice will provide a formal report at the July Board meeting.

V. Community Partner Updates

- a. **CWMA** – Barbara Nepom reported that Superintendent Presson gave an informative presentation at the last CWMA Board meeting, providing insights into the LIHD’s activities, achievements and the strategic planning process. Since CWMA has several new Board members, it was helpful to provide an understanding of the LIHD’s scope. The Board is also trying to determine the best way to contribute to keeping the Lopez Island Pharmacy viable. There was an initial feeling that the timeline for the McCoy’s retirement was short; however, after a recent meeting, it was clear there is more time to work out a possible solution.
- b. **Lopez Fire & EMS (LIFE)** – No report from LIFE.

VI. Committee Reports

- a. **Finance Committee** – Berger shared the annual Engagement Letter from the District’s Accounting Firm, Larsen Gross (LG). He reminded the Board that LG provides a five-year forecast to help project cash flow. The proposed cost to provide the annual support for

developing the cash flow projections report is \$3,800, which is \$200 more than the prior year, and there are no other material changes in scope.

This is a critical piece of the annual budget process that helps provide a longer-term view into the financial health of the District. The Committee recommends the Board accept the Engagement Letter to provide the updated five-year forecast.

MOVED by Commissioner Berger, seconded by Commissioner Campbell to continue the relationship with Larsen Gross to provide forecasting information to the District as specified in the June 18, 2021 Engagement Letter with a cost not to exceed \$3,800. VOTE: 5:0:0. Motion Carried.

Presson reviewed the proposed 2022 LIHD Budget Planning Calendar. Commissioners liked the new format. Included in the timeline was the milestone for the Annual Performance Review, as that will include any salary adjustment for the 2022 calendar year. Other key items that will inform the 2022 budget are health care partner subsidies (e.g., Pharmacy). The 2022 Budget and Levy hearings are scheduled for November 10th, and all of the other deliverables work backward from there. The Board will get a first look at the draft budget and cash flow analysis at the August 25th Regular Board meeting.

- b. **Quality Committee** – Orcutt reported the Quality Committee will begin meeting again as of July 21st and set a quarterly meeting schedule for FY'22.
- c. **Communications Committee** – Campbell shared a draft Press Release intended to inform the community about the LIHD's Strategic Planning process, including ways for community members to participate. The Board discussed where to post the information – both online and in person – as well as translating the Press Release into Spanish. Presson will work with the Committee to establish a formal list for distribution so it's consistent when communication pieces are created. Graville asked that a title be added and acronyms spelled out at the start. She also suggested a line be added to contact the Superintendent if community members have questions about strategic planning or anything else related to LIHD activities.
- d. **SJC Community-Based Long-Term Care (LTC) Network** – Superintendent Presson provided a presentation from the Network planning group (attached to these Minutes).

VII. Old Business

- a. **Lopez Island Pharmacy** – Campbell reported on a recent meeting she, Presson and representatives from CWMA had with Jennifer Hernandez, the recent Pharmacy graduate who the McCoys are hoping to transfer the business to over time. Campbell was happy to learn that Hernandez is now on Lopez full-time. She felt Hernandez's enthusiasm for living on Lopez was positive and refreshing.

As was mentioned earlier in the CWMA report, everyone was relieved to know there is more time to come up with a plan related to the Pharmacy. It was apparent not much has been formalized between the two parties. The LIHD will need more specifics about the transition to know if there's a role for the District to play to help preserve the pharmacy business. Two concerns Hernandez raised specific to considering taking on the pharmacy business and living on Lopez and were around the lack of affordable housing and the magnitude of her student loan debt.

Discussion continued and there was consensus that the LIHD will need to see a business plan, similar to what LIPT put together when they first formed and asked for assistance. It will also be important to understand how long a subsidy might be required. Berger felt it will be important to understand if Jennifer's vision will create a viable entity, and what the LIHD can legally do as a Public Hospital District. It will also be important to see all of the financials and projected financials.

Next steps were for Hernandez and the McCoys to work out the basics of the arrangement so we can see what the entity will look like (e.g., transfer of ownership or shared partnership) and timelines. Presson suggested it might be time for the District to engage legal counsel since the last time we needed to engage a law firm was in 2017 when the District was in the initial negotiations with UW. Bresnick also offered to check with UW Medicine to see if there are any tuition assistance programs for providers practicing in a rural setting.

- b. **Modified Agenda** – As was discussed at the last Board meeting, there was a desire to allow time on the Agenda for health care partner staff to provide feedback on items discussed. The current Agenda has added an item at the end of the Agenda, following Public Comments, to allow for Health Care Partner Comments.

Commissioners discussed whether the proposed change would work. Berger asked for clarification as to whether those speaking would be speaking for themselves or their employer. If the latter, he felt it was important to get the employer's consent.

Bresnick felt the format was workable, and that individuals speaking would be limited to providing additional information or facts related to the issue being discussed. If they were making a personal comment, that would be accommodated in the Public Comments section. Campbell felt the proposal was workable; however, she asked the Board consider putting the item earlier on the Agenda to allow for more timely discussion, or even have time during a particular item related to the health care update where the employee could provide relevant information before leaving the item.

Graville and Presson will take the feedback to refine the format.

VIII. New Business

- a. **Superintendent Performance Review Document** – Commissioners were asked to review last year’s template and provide feedback to Graville. Presson will add the 2021 goals to the document and send out. Graville will email the final document to Commissioners and ask for feedback by July 14th. Aggregated results will be discussed in Executive Session at the July 28th Regular Board meeting, and a final discussion will take place with Superintendent Presson at the August 25th Regular Board meeting.
- b. **Strategic Planning Work Groups** – Presson provided a summary of the broad categories the Board will need to explore during the Strategic Planning process. Following discussion, there was consensus of the Board that the proposed categories all fall under the broad category of sustainability. They will delay establishing any new Work Groups until further discussion with the consultant at the July 14th Strategic Planning meeting. Campbell would like to hear the consultant’s reasons for creating three separate Work Groups.

IX. Operations Report

- a. **LIHD Financials through May 31, 2021** – Presson provided a summary of the financial report through May 31, 2021. She noted that Property Tax receipts to-date were 65% of the annual budget, or \$122,927 over budget. She has adjusted the October Forecast to align the annual forecast with budget; it’s likely there will be a positive variance at the end of the year.

On expenses, the District had expected to provide \$12,500 in subsidy to LIPT by the end of May, leaving a positive variance there since the practice has not yet asked for support. All other expenses are in line at this point, and nothing unusual is predicted. Funds were transferred to the Reserve and Debt Service Funds.

- b. **Accountability Audit** – The State Auditor expects to conduct the 2019-20 Accountability Audit in late October or early November.
- c. **COVID and Open Public Meetings** – It’s likely the restrictions will begin to lift and there’s a possibility the Board could start meeting in person by the end of the summer. Presson is pursuing options with the Family Resource Center to use their large meeting room with good sound and technology to run Zoom.
- d. **Sensitive Items Update** – no issues to report.

X. Public Comment

Erica Taylor provided a suggestion that there could be programs to help the Pharmacy whereby any subsidy or support for the new owner be tied to years of service, and there is a payback period if the individual leaves early. As a health provider shortage area, there could be opportunities to have loan forgiveness.

Triana Élan expressed her appreciation to the Board and Superintendent for their work on behalf of the community.

XI. Health Care Partner Comments

Mark Bresnick commented on a topic discussed earlier around urgent care. He indicated there is space set aside on a daily basis to treat those who require same day care. The Clinic is seeing an uptick in this category of visits due to the heavy summer activity.

XII. Commissioner Comments

Commissioner Greenstein reported on a few items from the recent Lopez Island Fire & EMS Board meeting. The main issue discussed was the levy, and there were going to be two special meetings for the public to ask questions and get information. The department will be using the additional funds mostly to upgrade and repair equipment. LIFE is also looking to hire two temporary EMTs to support the busy summer months; however, they are having trouble filling the spots.

XIII. Upcoming Meetings

The next Regular Meeting of the LIHD is scheduled for July 14th at 3 pm. This will be the Board's fourth Strategic Planning meeting. The second Board meeting in July is scheduled for the 28th at 4 pm and will be the regular Agenda format.

XIV. Adjourn

MOVED, seconded, and unanimously passed to adjourn the Regular meeting at 6:15 pm.