

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

Board of Commissioners - Regular Meeting

July 28, 2021

REMOTE MEETING DUE TO COVID-19

Zoom Video/Audio

4:00 – 6:00 pm

Minutes

Commissioners Present

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

Staff

Superintendent Anne Presson

Commissioners Absent

Christa Campbell

I. Call to Order

The meeting was called to order at 4:00 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 three sets of Minutes: Regular Board Meetings (Strategic Planning) on 6/9 and 7/14, and Regular Board Meeting of 6/23. There were also two AP Voucher Reports: 6/27 in the amount of \$1,688.06 and 7/25 in the amount of \$4,966.16.

Graville noted two small grammatical corrections to the Regular Meeting Minutes of June 23rd. Presson will make those corrections before finalizing and posting.

**MOVED by Commissioner Greenstein, seconded by Commissioner Berger to approve the Consent Agenda with corrections to the 6/23 Regular Board Minutes as noted by Commissioner Graville.
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 the new patient lift that was approved for purchase by CWMA. The amount was not to exceed \$5,000 and the item has been ordered and will be delivered directly to the Clinic. The item will be assembled on the next regularly scheduled maintenance visit and is expected to add about 90 minutes to that normal visit.

UW leaders are working with Lopez Clinic leadership to assess the situation with the existing X-ray machine. Three options were discussed with CWMA which included:

1. Upgrade the digital reader
2. Upgrade the digital reader and generator that is in the X-ray room
3. Update to the next generation machine

There is consensus to go with the least expensive option (#1) since the machine is still in good working order. UW will make sure the current generator can manage with an upgraded reader, which is likely going to cost about \$20,000.

Bresnick also reported that UW is proceeding with onsite vaccines for children ages 12-17 with Pfizer. He will be delivering the first supply the week of August 23rd, and he agreed to work with Presson to promote. UW's plan is to continue to deliver vaccine in September and October and re-evaluate demand at the end of that period.

Bresnick also reported on the Clinic's move to a new staffing model as they prepare for the departure of one of the RNs. The three RN model has been expensive yet there hasn't been an opportunity to hire a Medical Assistant (MA). One of the current staff members is interested in becoming an MA and Bresnick is working with HR to see how UW can support her moving into that role. If that becomes possible the Clinic will need to recruit to fill her current role at the Front Desk. UW Finance is looking at the cost impact of this approach. Coinciding with the change one of the other RNs who is .8 FTE will be moved to a 1.0 FTE, which will moderate the savings to some degree but ensure adequate coverage as the new MA goes through training, much of which will be on the job.

V. Community Partner Updates

- a. **CWMA** – Barbara Nepom reported that Presson gave an update on the Pharmacy situation at the last CWMA Board meeting. CWMA remains interested in supporting the transition yet there aren't enough details at this point to know where or how they can

help. The only other items to report have already been shared in the UW update. CWMA will be talking about the X-ray upgrade at their next meeting.

Graville thanked the CWMA representatives, and their Board, for the support provided to both UW and the Lopez Island Physical Therapy practice.

- b. **Lopez Fire & EMS (LIFE)** – Chief Bigby reported that LIFE has been busy with a lot of stacked calls within a short period of time. They also held wildland fire training over the past two weekends. Otherwise, the EMS Levy has been the biggest focus.

Commissioner Bordvick encouraged everyone to vote. He also reported that the Chief and crew did a great job over the busy 4th of July weekend. The new fire truck was used to put out a small grass fire. Finally, he mentioned that LIHD Commissioner Greenstein did a nice job of updating the LIFE Board on what’s been going on within the LIHD.

Berger commented that the material in the ballot seemed to suggest there would be an increase in EMS services, and he inquired what those might entail. Bigby clarified that the District is only looking to pay for existing services, and in the absence of the levy lid lift passing they will need to cut back EMS services. The fire end is suffering because EMS is becoming more and more expensive. The increased funds are needed to simply maintain, not expand, both fire and EMS service levels.

Graville asked about the new radio system and Bigby confirmed it’s ready to go and they are just waiting for Securities and Exchange Commission (SEC) to finalize their part.

VI. Committee Reports

- a. **Finance Committee** – no report.
- b. **Quality Committee** – Orcutt reported the Quality Committee met on July 21st and is now up and running on a quarterly basis. He shared data from the meeting, which is attached to these Minutes. Overall, the Clinic has struggled as a result of the demands of COVID and a different staffing model than the other UW Clinics. That said, there is agreement that the most important thing is to strive for continued improvement.
- c. **Communications Committee** – no report.
- d. **UW/EMS Work Group** – Greenstein reported from the first quarterly meeting of this group, which also occurred on July 21st. It was a short meeting and there was agreement to have Dr. Wilson and Chief Bigby meet in between the quarterly discussions. Overall, things are going well and the rate of air transport appears to be consistent.

VII. Health Care Partner Updates – Continued with LIPT

Terri Drahn and Peggy Means provided an update from the Physical Therapy practice.

As of June 30th the practice is on budget year-to-date for visits and expenses. Revenue is 10% over budget, largely due to changing billing services and receiving more timely payment for services. For operating revenue, the practice is generating **\$85 per visit** for the second quarter, and **\$82 per visit** for the first six months. The practice is hopeful that the new billing service will generate **\$80 - \$82 per visit** on an ongoing basis.

Operating expenses are on budget year to date, and net loss is at \$21 per visit (excluding PPP loan support) versus the budgeted \$29 per visit for the first half of the year. Demand is highest ever in the second quarter, with 108 new evaluations versus 95 budgeted.

The second half of the year the practice was budgeted to gradually increase patient volume, eventually seeing **11 patients per day**. In June, the practice saw **10.5 patients per working day** with no staff time off in the month. There is planned staff time off in August and September; therefore, the practice is evaluating whether it is realistic to meet the 11 per day goal by October. They must also consider the continuing challenges associated with the COVID-19 variant and continuing extra precautions. If productivity remains at 10.5 patients per working day it is estimated that the 3rd and 4th quarter subsidy requests will be higher than originally budgeted (although unlikely to exceed the \$50,000 budget for the full year, due to the PPP loan support).

The practice did not request any support from LIHD in April, preferring to apply PPP support for Q'1 loss. The practice is requesting to cover some of the Q'2 losses to enable the practice to spread out the PPP support to help cover cash flow requirements in Q'3. The Q'2 loss was approximately \$10,000 and there is a **request for \$5,000 in support**. PPP funds will cover the remainder of the loss.

The practice is seeing many new patients that have moved to Lopez over the past year. Demand exceeds therapists' ability to see continuing patients for as many sessions as they would like. They are analyzing various labor models, including recruiting a part time physical therapist to work one or two days per week. While this would increase access, such a move would increase the amount of subsidy until the new therapist's practice became fully established and volume of visits increase to cover additional costs. If a new therapist were hired at .2 time, LIPT anticipates that visit volume could increase by about 15% over the volume achieved in Q'2 2021. The labor cost per visit would go down as much as 10% with the higher volumes. Ultimately, the LIHD subsidy could decline by as much as \$10,000 over the current budget. In the short term, however, if visits were only 5% higher the subsidy would need to be \$6,000 higher than the 2021 budget of \$50,000.

Next steps are for the practice to meet with the LIHD Finance Committee to discuss these models. Issues to be addressed include the following:

- Review of the proposed model, and evaluation of revenue and cost assumptions
- Consider if the population increase on Lopez is likely to be permanent and the implications for service demand
- Discuss whether the district is able to support a higher subsidy (at least in the short term) in order to meet the anticipated needs for PT on the island

Berger asked if they've seen a different payor mix this summer and Means responded that there is a small increase in private pay thru June. They will be able to follow-up with more detail at the August Regular Board meeting. It was also discussed that the more patients seen, the higher the subsidy requirement, as there is a \$20 loss per patient visit. Presson questioned if the proposed reimbursement cut was actually implemented in January. Means indicated it seems smaller than what was anticipated yet is still significant at about 4% less as of January 2021. They hope to find out if Medicare will enact additional changes in January 2022.

VIII. Health Care Partners Comments

Karen Hattman, speaking as an employee of the UW Medicine Lopez Island Clinic, questioned why patients without a Lopez address could be taken out of the mix when looking at the quality data. Bresnick to ask his clinical partner if it's possible to filter out those patients who don't live on Lopez.

Eric Taylor, UW Medicine Lopez Island Clinic RN, asked if the patient does not have the Clinic identified as their Primary Care Provider (PCP) if that impacts the quality data for that provider. Bresnick indicated the data is not PCP based currently. The challenge exists across all clinics in trying to analyze the quality data.

Taylor also thanked paramedic Nicole for using the private line to contact the clinic which worked well.

IX. Old Business

- a. **Modified Agenda Format** – Graville shared that she and Presson continue to think about how to best incorporate feedback from key stakeholders into the regular Board meeting discussions while keeping to the rules for public meetings.

Graville and Presson will continue to assess how things are working and are open to feedback from the Commissioners.

X. New Business

- a. **Strategic Planning Agenda Format** – Presson reported that she and Graville continue to also apply the same thinking to the format of the Agenda for Strategic Planning discussions to allow the Board to benefit from the expertise of key stakeholders.

XI. Operations Report

- a. **LIHD Financials through June 30, 2021** – Presson provided a summary of the financial report through June 30, 2021. She noted that a few large expenses remain unpaid having to do with the UW subsidy of \$301,423 and only a small amount of the LIPT subsidy has been requested to-date. Property tax receipts are higher than projected for the April payments, and expenses have been managed well. The year will end with a positive variance in travel due to COVID restrictions and otherwise no unusual expense

items to report at mid-year. Overall, the District continues to be favorable to budget with nothing unusual expected for the remainder of the year.

b. **Sensitive Items Update** – no issues to report.

XII. Public Comment

There was no request for public comment at this time.

XIII. Commissioner Comments

There was no request for Commissioner comment at this time.

XIV. Upcoming Meetings

The next Regular Meeting of the LIHD is scheduled for August 11th at 3 pm. This will be the Board’s fifth Strategic Planning meeting. The second Board meeting in August is scheduled for the 28th at 4 pm and will be the regular Agenda format.

XV. Executive Session

Per RCW 42.30.110 (g) the Executive Session is allowed “...to review the performance of a public employee.” The Board moved into Executive Session at 5:30 and set the time for 20 minutes. The Board returned to Open Session at 5:50 and no action was taken.

XVI. Adjourn

MOVED, seconded, and unanimously passed to adjourn the Regular meeting at 5:55 pm.