

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

Board of Commissioners - Regular Meeting

August 25, 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 Meeting of 7/28, and Regular Board Meeting (Strategic Planning) on 8/11. There were also an AP Voucher Report dated 8/18 in the amount of \$791.87.

Campbell noted a correction to the 7/28/21 Regular Meeting Minutes as she was absent. Presson will make that correction before finalizing and posting.

MOVED by Commissioner Berger, seconded by Commissioner Orcutt to approve the Consent Agenda with a correction to the 7/28 Regular Board Minutes as noted by Commissioner Campbell. 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
- Dr. Matt Jaffy, Associated Medical Director, North Region, UW Neighborhood Clinics
- Dr. Bob Wilson, UW Lopez, Clinic Medical Director
- Crystal Rovente, UW Lopez, Clinic Manager

Bresnick reported that one of the RNs left last week so the Clinic is short staffed. UW is posting for both an RN and MA for possible replacement. It has been the intent to be able to replace one of the 3 RNs with an MA, when possible. Bresnick also reported that the RNs now report to another administrative person, and she will coordinate the hiring if the position ends up being filled by an RN.

Jaffy shared an update on UW's response following the recent resignation of Dr. Wilson. Dr. Wilson's last day will be in mid-February, and Jaffy recognized Dr. Wilson for his strong leadership over the past 25 years. The UW team met earlier in the week to discuss the recruitment process, including possible interim solutions. UW will be asking for input from the community leaders, clinic staff, and LIHD. Interim solutions could be to leverage telehealth, have UW urgent care providers rotate through the Clinic, or possibly consider other temporary providers outside of the UW system. In the case of the latter, they would still need to go through the UW credentialing process which is lengthy. The final position posting will be shared so Commissioners can send to people who might be interested.

Graville asked who would be on point should the Commissioners get questions. Jaffy will serve as point for now, and will forward any candidates to the appropriate internal MD recruiter.

Jaffy also talked about the concerns over affordable housing and asked the Commissioners to begin thinking about ideas either on a short-or long-term basis. Campbell asked if the credentialing process can be fast tracked, and Jaffy replied that the fastest he had seen was 4 months.

Bresnick reported the delivery of COVID vaccine earlier in the week. Conversations have started around the booster doses for immune-compromised patients. As the Clinic is experiencing a staffing shortage, they will be juggling times for testing and vaccine for a while. To preserve the limited resources, they will also not be accommodating travel testing.

Clinic visits were above target for the month of July. Berger asked if this was a result of the summer surge, and if there was a sense of these being visitors or new residents. Rovente reported that the volume didn't appear to be driven by visitors. There are a lot

of new patients spending time on Lopez and looking to establish care. Dr. Wilson agreed that it appears to be people who are part-time or full-time, not weekend visitors. Rovente feels it would be helpful to send a communication to the community encouraging the new residents to register before they have an urgent issue. Doing so will help the Clinic get a handle on what the volume could be going forward and assist as they consider their budget and supply needs.

- b. **Lopez Island Physical Therapy (LIPT)** - Presson shared the LIPT financials that were submitted through June 2021, and an estimated 2022 budget figure. The 2022 Budget assumptions are summarized below, and result in a projected loss of \$49,000. While that is consistent with the level of 2021 subsidy, the current year's forecast is about \$30,000 below budget due to PPP funds secured during COVID.

1. Visit volume per PT per day: Assumed therapists would continue to schedule 8 visits per 8-hour work day and average 7.6 actual visits/day.
2. Visits per clinic work day: This is the average patients seen in the clinic per work day (M - F less holidays). Assumed the practice would average 9.9 patients/clinic work day. This is slightly higher than the visits per day for 2021 YTD, which had COVID mitigation measures from January through April.
3. Revenue per visit: The first half of the year the practice averaged \$82 per visit, but the actual revenue per visit is increasing slightly over time due to new billers and improved charging practices. 2022 estimate \$83/visit.
4. Salary and benefits: Assumed all staff keep the same salary and benefits (except for increased PTO for the PTs), and the clinical assistant gets a \$1/hour increase to be more competitive with the market.
5. Supplies: similar supply costs/visit to 2021 YTD, increased 5% for inflation, as they went up over 20% compared to 2019. Unclear how much of this is due to COVID mitigation expenses, versus purchases relating to patient requested home supplies.
6. Lease/utilities/maintenance: Increased 3% due to likely increases in utilities.
7. Other direct costs: most of these are fixed yet anticipated that billing costs increase from 7% to 8% of revenue.

V. **Community Partner Updates**

- a. **CWMA** – Barbara Nepom reported that CWMA is still working with UW to simplify the process for invoicing and payment of clinic equipment and maintenance.

- b. **Lopez Fire & EMS (LIFE)** – Commissioner Bordvick was happy to report that the levy passed and received over 80% approval. He thanked everyone for their support. Bordvick was not happy to have to share that Commissioner Paige had to resign from the Board. Due to a family issue, he will be moving to Bellingham. As a result, he will no longer be eligible to serve on the Board. He will be hard to replace with his strong background in the Fire Service, and the Commissioners are thankful to have a strong Chief.
- c. Chief Bigby shared that it's been a busy few months. They are working on the fire insurance rating, and getting ready for that process. Otherwise, they finished wildland fire training and will be entering labor-management negotiations.

VI. Health Care Partners Comments – none at this time.

VII. Committee Reports

a. **Finance Committee** –

- i. **UW FY '21 Financials** - Berger provided an overview of the FY '21 year-end report from UW, which ran from July 1, 2020 through June 30, 2021. The bottom line is that there is an overall shortfall after the LIHD's subsidy of approximately \$23,000. What is contributing to the shortfall is a negative variance in Revenue largely associated with the fact that visits are 13% below budget. At the same time, fixed costs aren't changed and there is no flexibility to be able to impact staffing as visits are significantly lower. A major driver in the Salary/Benefits variance is the non-provider benefits being 26% over budget.
- ii. **Draft 5-year Cash Flow Analysis** – Berger shared there are a lot of large unknowns that could impact the long-term financial picture. These include the recruitment costs to replace Dr. Wilson, what incentives and guarantees could be part of a new MD's benefits package, and the issue brought up earlier of housing. There is also the issue of what could be requested of the District to support the transition of the Pharmacy, as well as what the Board will learn from the Strategic Planning process in terms of services the community feels are important to support beyond primary care and PT.

Berger and Presson are working closely with the accountant to see how different assumptions impact the financial wellbeing of the district in the coming years. Campbell is hopeful the District can get some high-level estimates or ranges for recruitment costs from UW. An updated analysis will be brought to the 9/22 Regular Board meeting.

Presson walked the Board through the budget document detail. She will bring this back to the 9/8 Board meeting with more detail around the Reserve strategy. She will also discuss with our consultant how other PHDs approach their short-and long-term reserve positions.

- b. **Quality Committee** – no report.
- c. **Communications Committee** – no report.

VIII. Old Business

- a. **Superintendent Presson Annual Performance Review** – Graville reported that the Commissioners discussed Presson’s Annual Performance Review in the Executive Session held at the 7/28 Regular Board meeting. There was universal agreement that the Board is highly satisfied with Presson’s performance, and acknowledgement that she exceeds expectations in every area of the review. Presson is seen by all as a strong and solid leader and role model. She continues to seek ways to bring value to the District. She is reliable, articulates needs and requires little direction or supervision. Commissioners feel they are able to rely on her to anticipate the needs of the District and always stay a few steps ahead to inform the Board on future directions. Her leadership during COVID has been outstanding, and she continued to go above and beyond to bring information to the Board and community. Overall, the Commissioners expressed appreciation and high regard for her work as Superintendent.
- b. Berger shared that the Board’s proposal for 2022 compensation and benefits was to adopt PERS 2 as the retirement plan to replace Social Security. Both the District and Presson will make contributions, as is the case with Social Security. Due to the fact that Presson was eligible to participate in the State Retirement program as of her date of hire, 1/1/2018, the District can elect to allow for this past service credit. Presson has 5 years to pay her portion of the past service credit, and once that is paid. The LIHD will be billed for their portion. It’s estimated the latter is approximately \$20,000. Finally, Berger pointed out that once a decision is made to enter PERS the this will remain the practice for all future employees.

MOVED by Commissioner Berger, seconded by Commissioner Greenstein to move from Social Security to PERS as of January 1, 2022 and include in the Resolution the credit of past service for Superintendent Presson. VOTE: 5:0:0. Motion Carried.

IX. New Business – none to report.

X. Operations Report

- a. **Community Survey** – an updated draft of the survey was shared with the Board. Commissioner feedback will be incorporated into the next draft.
- b. **LIHD Financials through June 30, 2021** – Presson reported that the 2019-20 audit has started and should conclude by the end of the month.

- c. **Sensitive Items Update** – Presson reported that there had been some questions around the triage process, and she'll be working with Rovente and Bresnick on ways to communicate information when asked. Presson acknowledged that the Clinic is short staffed, so setting expectations with the community might be helpful.

XI. Public Comment

There was no request for public comment at this time.

XII. Commissioner Comments

There was no request for Commissioner comment at this time.

XIII. Upcoming Meetings

The next Regular Meeting of the LIHD is scheduled for September 8th at 3 pm. This will be the Board's sixth Strategic Planning meeting. Since Berger will not be at the 9/22 Regular Board meeting, a portion of the 9/8 meeting will be dedicated to reviewing the updated FY '22 LIHD Budget. The second Board meeting in September is scheduled for the 22nd at 4 pm and will be the regular Agenda format. Both Berger and Greenstein will be traveling and unable to participate.

XIV. Adjourn

MOVED, seconded, and unanimously passed to adjourn the Regular meeting at 5:57 pm.