

BOARD MEETING MINUTES

Date: June 17, 2020

Time: 7:00 p.m.

Place: ZOOM Meeting, <https://zoom.us/j/375320938>

Present: Tom Langland, President
Don Wolczko, Secretary
Eric Pryne, Position 2
LeeAnn Brown, Position 3
Wendy Noble, Position 4
Eric Jensen, Superintendent
Jojo Weller, Administrative Director

1. Call to order at 7:00 p.m.
2. Approve/Amend June 17 Agenda
Commissioner Pryne adds Neighborcare Update to agenda

Secretary Wolczko motions to approve agenda and President Langland seconds the motion:

“I move to approve the agenda as proposed.”

AGENDA APPROVED 5-0

3. Approve/Correct June 03 ZOOM Regular Meeting Minutes
Secretary Wolczko motions to approve minutes and Commissioner Brown seconds the motion:

“I move to accept as the minutes are written.”

MINUTES APPROVED 5-0

4. Public Input, up to 15 minutes, collectively
None

5. Old Business/Committee Reports
STAFF AND PROFESSIONAL SERVICES:

President Langland shares a list of short-term and long-term goals/tasks that Commissioner Pryne had created in November 2019. Out of the 22 goals/tasks listed only two remain undone. One of those is adopting a logo and seal and the other is to negotiate a contract with Neighborcare to continue their services this year. He comments that there have been a lot of work well done.

VHCD Executive Introduction- Commissioner Noble recaps the process of finding a new Superintendent, for details see past minutes posted on the district’s website. She says that Eric Jensen is the best candidate for this position. President Langland starts by stating this was a unanimous decision. He goes

on to say that Eric Jensen is FACHE certified, which means he's a fellow with the American College of Health Care Executives. Eric earned a Bachelor of Science in molecular biology at UW then attended Tulane University and earned a masters in hospital administration. Eric has 30 years' experience as a hospital CEO including 24 years as a public hospital district CEO and Superintendent. Eric's public district background includes 7 years at Forks Community Hospital, Forks, 13 years as CEO at Kittitas Valley Health Care, Ellensburg, and 4 years as CEO with Evergreen Health Monroe, Monroe. His skill sets include board relations, community relations and communications, contract negotiations, position contracting and employment, financial management and strategic planning. His relevant achievements include working with key stake holders to negotiate a strategic partnership with Evergreen Health, a 300-bed tertiary medical center, creating a 2-hospital system. He planned, implemented, aligned programs and process in reporting common quality financial dash boards for Evergreen Health. He partnered with for profit psychiatric hospital providers to open a 34-bed psychiatric hospital within an acute care hospital. He led several independent medical clinics including employment positions. He's planned and implemented strategies to successfully pass EMS bond and maintenance and operation levies in three different district hospitals. He turned around a 4.5-million-dollar operating loss to a 1-million-dollar operating gain in a small public hospital district. He was able to turn around a non-profit rural hospital with a combined 87 percent Medicare/Medicaid payor mix. President Langland comments that these are remarkable challenges and accomplishments and welcomes Eric Jensen.

Eric Jensen thanks the Board and public. He mentions that most of his career has been rural. Recently he had been working in Toppenish in the Yakima Valley located in the Yakima Indian Reservation. He's been on the small size of the organization as well as the large size organization. Rural health care is where his passion is and he enjoys solving the problems that rural communities have in access to care. He explains that one of the important things to understand about rural healthcare is that when people don't have access to primary care often times, they don't get care soon enough and what was a medical problem becomes a worse medical problem.

Commissioner Noble thanks Patricia Haley and Alan Aman for all their help and expertise with the search for a new Superintendent.

President Langland mentions that there has been public feedback relating to the Superintendent role. There were more than one comment saying "You're kidding. You think one person can do all those things well in 20 hours a week." President Langland remarks that the board worked with other small hospital districts and that this is the board's best guess but it could be a fluid position if it needs to be. However, for now Ms. Weller can help Eric Jensen with the administrative duties so he can tackle the executive tasks within the 20 hours. This contract will be regularly reviewed.

TEHNOLOGY AND FACILITY:

Commissioner Brown updates the board that Eric Jensen is setup with his district laptop and email at EricJ@vashonhealthcare.org. It was \$650 for the extra laptop.

Commissioner Brown makes a motion to approve up to \$700 for the laptop and software and Commissioner Noble seconds the motion:

“I make a motion to approve up to \$700 for a new laptop and software for our new Superintendent.”

Secretary Wolczko asked if the amount includes license for Microsoft Suite. Commissioner Brown had replied saying that Jim Boardman, the district’s IT support, had assured her it does include the software.

Motion Approved 5-0

Office Space Update- Commissioner Noble comments that the district has been given office space with furniture at Courthouse Square free of charge that the district has used not more than two times. In September the price will go up \$500 per month which does not include internet service. She suggests that she and Commissioner Brown will identify places that Eric J. could use as an office space for the times he is on island. President Langland comments that he doubts the district needs office hours but could hold meetings by appointment.

Commissioner Pryne will keep an eye out for the governor’s proclamation in regards of in person meetings in July.

FINANCE:

Banking /Expenditures: State Auditing requirements- Commissioner Wolczko comments that even though the district did not have any financial activity in 2019 the district is still required to file an annual audit report. He had completed the annual report, before today’s due date, through the State Auditor Office site with the support of employees at the auditor’s office.

The district is at -11,626.89 which is 49K less than what was budgeted. Commissioner Pryne clarifies to the public that this means the district has drawn 11K from the interfund loan available through county of 1M.

LKM Accounting Services Update- The district will sign up with Gusto for the payroll software. By the end of the month the district should be able to pay payroll.

EXTERNAL RELATIONS:

Neighborcare Update- Commissioner Pryne remarks that the district remains in communication with Neighborcare. There has been back and forth in terms of financial support for the clinic which legal counsel had looked at and sent a draft back in the last couple of hours. Any financial agreement will require full support of the board. He reminds everyone that Neighborcare has confirmed leaving in the fall. Commissioner Noble notes that the district’s response has been made by keeping in mind of the board’s fiscal responsibility to the community.

RFP Update- Mr. Kunkel goes through the process that the committee has undertaken, for details see past minutes posted on the district’s website. There were no affirmative responses submitted from providers. The responses were positive but none were affirmative. Due to COVID-19 it has brought many providers and healthcare to their knees. COVID decimated these organizations in terms of revenue. Healthcare stopped seeing elective procedures and revenues disappeared but expenses did not cease.

These organizations had dipped into their reserves to fund their short-term operations. This reduces the bandwidth for people in strategic roles to respond to opportunities such as the district's RFP. They were busy preparing for COVID as opposed to having the time to think about or put a response together for an RFP as detailed as the districts. Things have started to turn; elective procedures have started to happen and some of the federal relief has materialized which has helped the organizations replenish their reserves but right now it's causing people to be very cautious about going forward. They're thinking about being prepared for the next wave not just clinically but financially. There is a risk averse behavior in the market at this time.

Mr. Kunkel notes that the committee has been thinking through this and it has taken an evolution to plan B as timing is the issue for these providers. Rather than having an open RFP what if the district had interest to directly negotiate with a provider. Rather than seeing the RFP as mandates is there interest on the provider side. The district would stick to their mission and vision of what needs to be accomplished and describe the access to care and improvement and stabilization of access. Putting this to the providers and asking if there is a model with that as the goal. This invitation has been extended to three different providers that the district has initially gone to and two are thinking about it. One will let the district know by the end of this week and the other Eric J. and Mr. Kunkel will be meeting with their senior leadership a week from Friday.

The committee is also looking at a few different plan Bs in terms of the right model. Eric J. has additional contacts in the region for additional outreach to broaden the funnel. Mr. Kunkel is working with Brad Berg to make sure it is legitimate to extend the RFP timeline. Another idea is exploring the flexibility of the legislative appropriation that was made in 2018 which was a legislative appropriation of 3 million going towards the creation of a new clinic. Exploring the opportunity to bring to the table using some of that money for some infrastructure. There is strong argument that information systems for example brings resources to help that and that is building a new clinic. Lastly, there's been conversation around the continued role and use of the selection committee versus the Board of Commissioners. What is the best way to use the selection committee and if the district starts to get into direct negotiation with a provider is that the committee's purpose or would that be Eric J.'s role? Understanding what this starts to look like. Mr. Kunkel is discouraged but is not defeated. He continues to believe there is a right answer that will work for the community and provider.

Commissioner Wolczko asks if there is any sense for a one off independent primary care facility as the district has budgeted 600K for annual support. He also asked Eric J. if he has started a clinic from scratch that didn't have a hospital associated with it and perhaps be able to negotiate a relationship with a provider even though they are not part of that group. Eric J. notes that he has started clinics and acquired clinics before. The biggest challenge is that a fair amount of cash is needed, while waiting for revenue to come in, to assume the operation of a clinic to support the cost and structure since accounts receivables stays with the departing owner. There is also timing issue. Whenever there is a change in ownership all the providers get new insurance credentials with all the payors or they don't get paid for the services provided. One of the first decisions is the Electronic Medical Record (EMR) for the patient information. What happens to the current EMR and getting access to them? Eric J. is in conversation with Evergreen Health as he knows people there and they seem like a logical choice in line with the organizations that the district sent RFPs to. It's preliminary conversation and they seem to have interest

in their part. He had a good conversation with Jessica the Medical Director at Neighborcare. The district has a group of doctors already so a hospital system that's going to come in to take over the clinic wouldn't have to find doctors. There are also MAs and nurses who want to stay and work at the clinic. It's almost a turnkey operation from the staffing standpoint for a provider. It's important to stay engaged with the doctors to keep them from leaving. He says there's probably a good chance to have access to the 3M legislative appropriation as providers will want a facelift of the site to put their brand on it. He made a point of sharing this information with Evergreen Health as that is information that they would want to know about.

Commissioner Wolczko asks how long could the district wait as there will be a discontinuation of service in October and there's not much time. Eric J. responds that there might need to be a parallel process. If there is no provider and the district need to run the clinic themselves what does the budget look like and what's the cash flow demands for that? He mentions that maybe he and Mr. Kunkel could look at a projection of what the clinic would look like. Mr. Kunkel agrees that this process will have to be parallel. The district doesn't have the luxury of going down one path and not finding an answer then having to start another path.

Commissioner Pryne suggests to be ready at the next meeting with structure and process for assignments to figure out who is looking at options. President Langland agrees. One question he has which could be answered at the next Regular meeting is what's the reality of provider credentialing. Is this lots of months. Is this something a provider can engage in while they are contracted with another entity? Eric J. said it can take 3 months. The provider has to have evidence that they are employed by the district. Commissioner Brown notes that when the Franciscans left and Neighborcare came in it was 3 months.

Commissioner Pryne suggests to have the committee come back with a plan for exploring plan B alternatives for the board's consideration. President Langland agrees and he is not discouraged.

6. New Business

None

COMMENTS:

President Langland notes that the search committee has been dissolved and he thanks Patricia Haley and Alan Aman for a positive experience. He welcomes Eric J. and thanks the public for joining the meeting tonight. The next meeting is July 01.

Commissioner Pryne motions adjournment and Secretary Wolczko seconds the motion:

"I move we adjourn."

ADJOURNMENT APPROVED 5-0

Adjourned at 8:19 p.m.