



PO BOX 213, Vashon WA 98070
vashonhealthcare.org

Board of Commissioner's Meeting April 21, 2021

Superintendent's Report

State Legislature Capital Allocation

I am aware that the House and Senate have negotiated an agreement on the State 2021/2023 budget but will not be releasing it until Saturday with plans to vote on it Sunday.

Clinic Financials

As a follow-up to our discussion last meeting regarding Sea Mar's February Month-End and discussions with Eric P. regarding needed clarifications, we have posed more questions to Sea Mar's CFO and received more detail.

- 1. Medicaid Revenue** - Medicaid revenue shows up in three of the line items. Together these payments are reconciled to assure that Sea Mar receives \$210 per visit on their Medicaid patients.
Medicaid FFS – These are non-managed care Medicaid payments.
Managed Care FFS – These are per visit payments made by Medicaid MCOs to Sea Mar
FQHC Enhancement – These are capitated monthly payments from the State paid based on the number of Medicaid patients budgeted to be seen at the clinic, reconciled for actual patient seen and with payments received from payers.
- 2. Clinic Visits** – these are a count of face-to-face visits with patients including telehealth visits. The State is paying a portion of the full encounter rate through Apple Health for phone-only visits. Sea Mar is attempting to get reporting of visits by financial class. You may recall that Sea Mar relatively recently converted to the EPIC EMR system and is still learning report writing on that system.
- 3. Other FFS** – Included here are their smaller health plans. For Vashon this represents 11% of the total revenue, whereas in the other clinics they only represent 5%.
- 4. Bad Debt** – In these financial reports Sea Mar is reserving 14.5% of billed charges YTD (161,198 / 1,108,642) for Bad Debt. This is an estimate because it often takes longer than 4 months to determine which accounts are truly bad debt. Overall Sea Mar experiences 13 % bad debt. They are aware of payment issues with Kaiser and this may be impacting this number.

5. **Net Fees** – YTD Net Fees (uncompensated care and contractual allowance adjustments) are now 24% of charges. Vashon has lower collections than Sea Mar’s other clinics thus far - 28% vs Vashon at 24% due to Vashon’s different payer mix. As we have discussed before, Sea Mar gets paid best from Medicaid. Only 18% of Vashon’s patients are on Medicaid versus over 55% for Sea Mar Medical patients. Sea Mar gets paid considerably less from commercial payers than Medicaid – somewhere around \$100 per visit. Kaiser doesn’t pay well and requires referrals for everything. For Medicare pays around \$185 per visit.

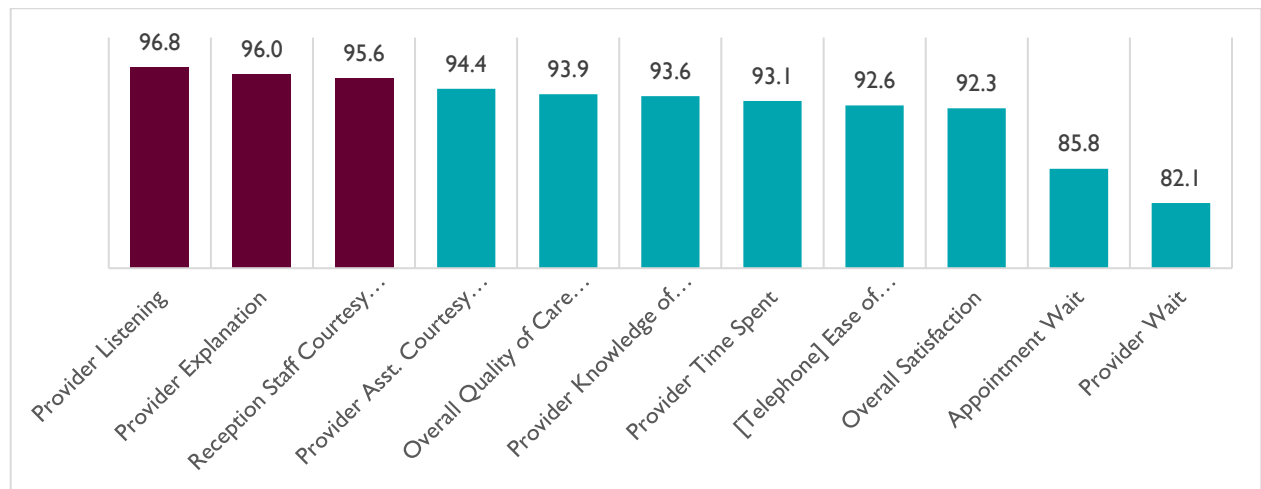
6. **Clinic Volumes and Productivity** – Increasing clinic visits for any payer will be a benefit given the fixed costs. Per Jesus, the goal for full-time clinic providers is scheduling 21 patients per day adjusted higher for no-shows. Walk-ins would be on top of this. Their policy is not to turn away any patients. He did note that Vashon has a low no-show rate.

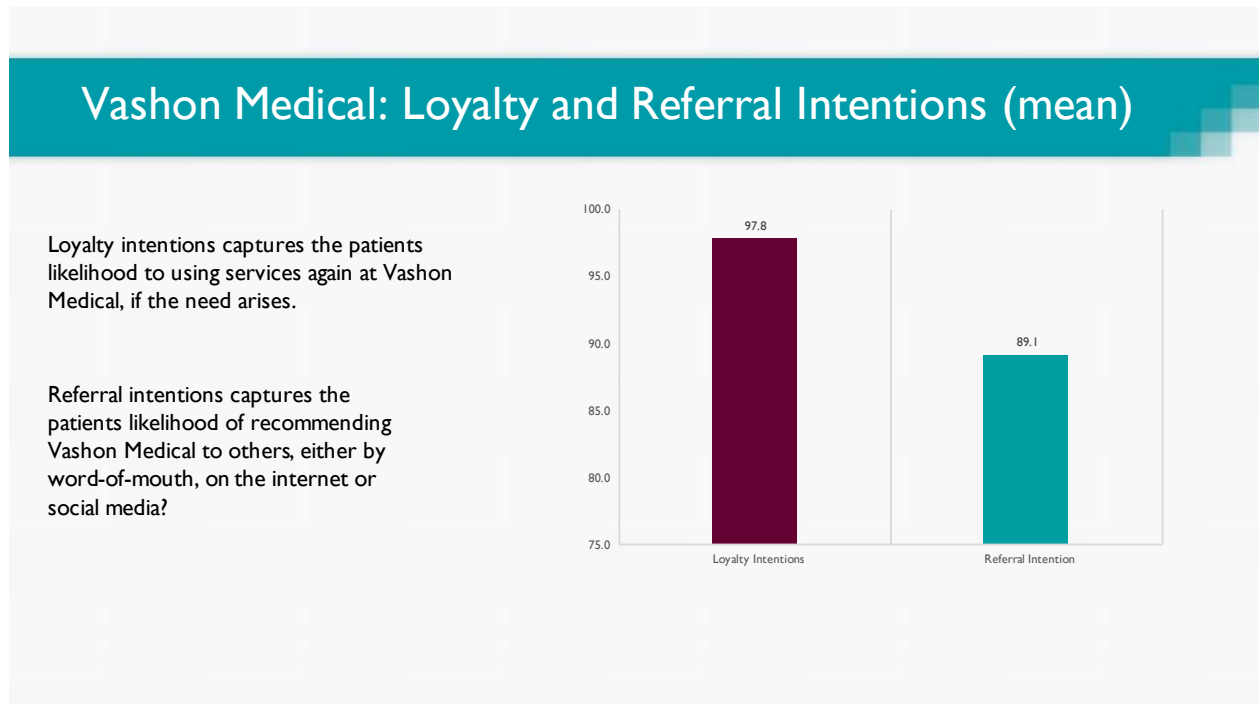
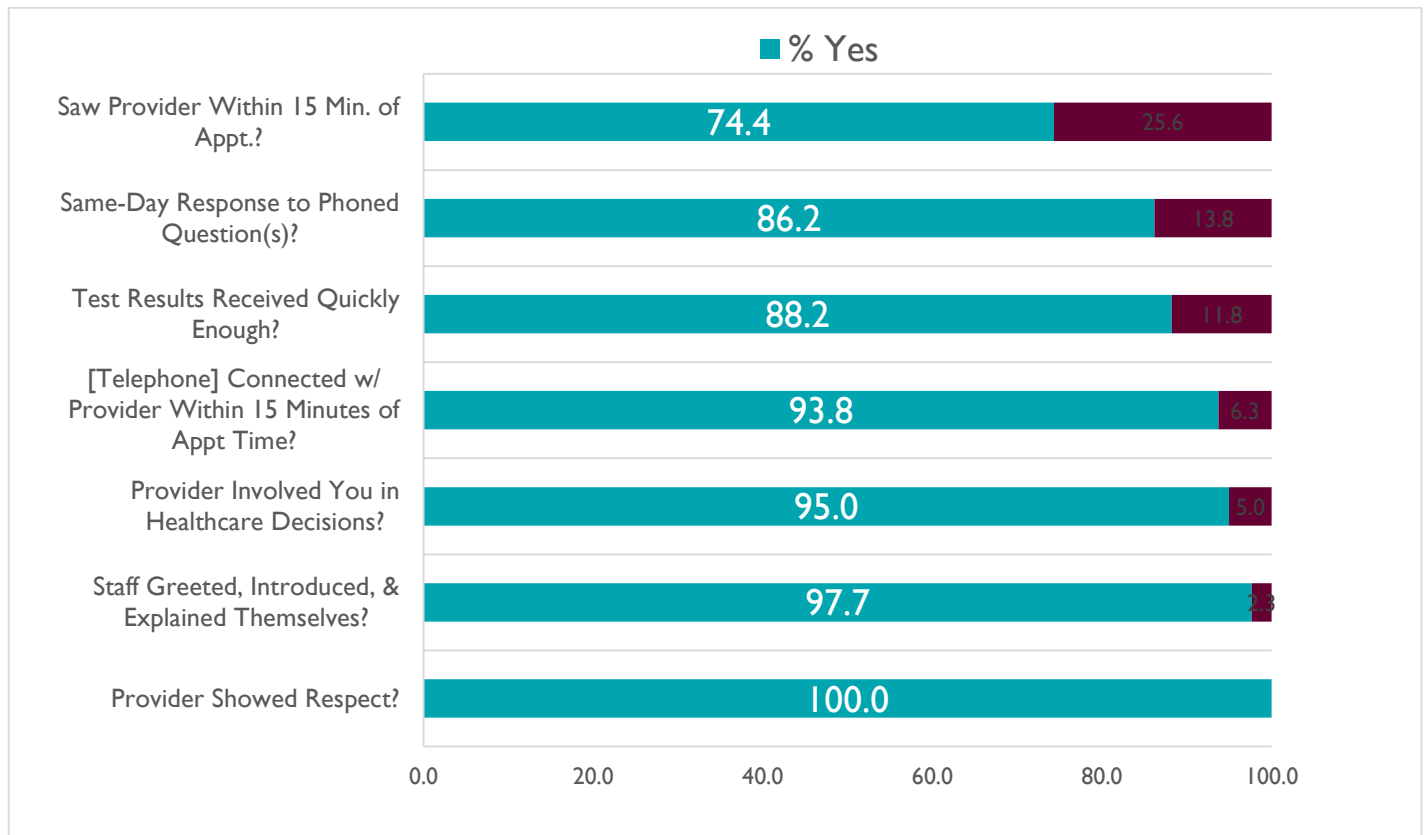
Finally, attached you will find a comparison of Sea Mar and NCH on an annualized basis based on the best information I have right now. Grant revenue has been factored out of NCH’s financials.

Clinic Patient Satisfaction Report

The following charts represents 62 patients surveyed for Encounter Dates: 11/03/2020-3/11/2021. Sea Mar’s goal is to be over 95% for each patient satisfaction and experience measure. Surveys are completed by live agents over the phone.

The overall satisfaction weighted mean for Vashon was 92.3% during this period. The following charts show more detail:





Legislative Update

HB 1034, the bill to remove the Parks Districts from the \$5.90 cap, has passed both the House and Senate and is on the Governor’s desk for signature.

Unfinished Business and Committee Reports

Unfinished Business

Foundation – I went ahead and drafted a set of Foundation Bylaws looking at what Don sent out and based on bylaws from the Evergreen Health Monroe Foundation. They are included.

Administration and Finance

Wolczko

Payroll for April 1-15 requires approval in the amount of \$3684.93.

Clinic Relations Committee

Langland/Noble

The most recent meeting occurred April 8. Kerry Barnes attended the meeting. It was reported that there is an after hours call system in place with the providers. They alternate taking a week on call at a time for phone calls. They do not meet patients at the clinic. Quest is now providing a laboratory tech for the clinic as an interim solution. The clinic does perform outside labs. Dr. Erdman has now been appointed as the local clinic medical director. Kerry responded to a question regarding feedback to providers saying that this will be Dr. Erdman's role. It includes feedback on coding, productivity, etc.

Outreach Committee

Pryne/Brown

In discussing what changes could have the most impact on increasing clinic volumes, Saturday clinic hours and a Spanish-speaking provider were mentioned. Many local Hispanic patients still see providers at other Sea Mar clinics and are unlikely to change until this happens. Pharmacy discounts at Sea Mar clinics with a pharmacy may also be a factor.

SeaMar vs. Neighborcare Health

	Sea Mar Vashon Clinic						NEIGHBORCARE HEALTH				
	November	December	January	February	YTD 4 MONTHS	2021 Projected	2017	2018	2019	2020 (7 Mos)	2020 Proj
VISITS	524	839	1048	1008	3,419	10,257	16,471	16,010	12,489	5,550	9,514
REIMBURSEMENT	\$110,580	\$64,159	\$63,137	\$94,121	\$265,937	797,811	\$2,161,161	\$2,116,796	\$1,531,192	\$590,164	1,011,710
GRANTS					\$58,822	176,466	\$118,537	\$115,906	\$105,413	\$258,472	
DONATIONS					\$4,161	12,483	\$33,756	\$200,935	\$187,277	\$160	274
TOTAL OPERATING REVENUE	\$110,580	\$64,159	\$63,137	\$94,121	\$328,920	986,760	\$2,313,454	\$2,433,637	\$1,823,882	\$848,796	\$1,011,984
EXPENSES											
Total Salary	\$75,125	\$100,308	\$114,010	\$102,430	\$391,873	1,175,619	\$1,659,672	\$1,380,153	\$1,305,412	\$690,686	1,184,033
Fringe Benefits	\$6,744	\$25,106	\$36,680	\$30,651	\$99,182	297,546	\$269,072	\$278,637	\$246,009	\$147,786	253,347
Operating Supplies	\$7,932	\$51,767	\$14,356	\$8,831	\$82,886	248,658	\$198,438	\$184,851	\$155,380	\$28,069	48,118
Depre & Amortization	\$88	\$755	\$985	\$1,535	\$3,363	10,089	\$359	\$53,371	\$48,890	\$29,130	49,937
Building & Equipment Rental	\$9,703	\$6,154	\$10,352	\$9,711	\$35,919	107,757	\$98,069	\$123,568	\$150,391	\$87,482	149,969
Repair and Maintenance	\$2,234	\$2,256	\$205	\$3,795	\$8,490	25,470					
Utilities	\$0	\$1,226	\$2,686	\$1,754	\$5,666	16,998					
Telephone	\$0	\$0	\$13	\$26	\$39	117					
Technology	\$0	\$2,411	\$0	\$15,028	\$17,440	52,320					
Office Supplies	\$60	\$487	\$345	\$29	\$922	2,766					
Other Contractual	\$870	\$1,141	\$2,352	\$1,946	\$6,309	18,927	\$58,883	\$51,065	\$77,717	\$55,178	94,591
Travel & Meeting	\$0	\$2,041	\$0	\$925	\$2,965	8,895					
Taxes, Due & Licenses	\$595	\$1,823	\$280	\$0	\$2,698	8,094					
Interest Expense	\$325	\$481	\$891	\$827	\$2,524	7,572					
Other							\$44,291	\$49,287	\$53,533		
TOTAL EXPENSE	\$103,676	\$195,956	\$183,155	\$177,488	\$660,276	1,980,828	\$2,328,784	\$2,120,932	\$2,037,332	\$1,038,331	\$1,779,996
NET CONTRIBUTION	\$6,904	-\$131,797	-\$120,018	-\$83,367	-\$331,356	-\$994,068	-\$15,330	\$312,705	-\$213,450	-\$189,535	-\$768,012
ALLOCATED OVERHEAD											
Total Shared Medical Costs	\$6,186	\$10,208	\$12,411	\$8,891	37,697	113,091	200,414	162,599	\$97,589	\$42,818	73,402
Total Allocated Indirect	\$12,791	\$26,392	\$20,023	\$25,676	84,882	254,646	717,386	725,807	\$616,463	\$405,456	695,067
TOTAL EXPENSES	\$122,653	\$232,556	\$215,589	\$212,055	\$782,855	2,348,565	\$3,246,584	\$3,009,338	\$2,751,384	\$1,486,605	\$2,548,466
NET GAIN / (LOSS)	-\$12,073	-\$168,397	-\$152,452	-\$117,934	-\$453,935	-	-\$933,130	-\$575,701	-\$927,502	-\$637,809	-
NET WITHOUT GRANTS											
PHD SUBSIDY	\$125,000	\$125,000	\$125,000	\$125,000	\$500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0

BYLAWS
OF THE
VASHON HEALTH CARE
FOUNDATION
DRAFT

**BYLAWS
OF THE
Vashon Health Care Foundation**

ARTICLE 1

General

- 1.01 Nature of Bylaws. These Bylaws contain provisions for the regulation and management of Vashon Health Care Foundation (hereinafter " the Foundation"), a nonprofit corporation organized and operating under the laws of the State of Washington.
- 1.02 Conflicts. In the event of a conflict between these Bylaws and a mandatory provision of the Articles of Incorporation of the Foundation or of the laws of the State of Washington, then such mandatory provision shall control.
- 1.03 Purposes. The Foundation is organized and shall be operated exclusively for the improvement and benefit of King County Public Hospital District No. 5 d/b/a Vashon Health Care District (hereinafter the "District"), which is a Washington municipal corporation with its principal office in Vashon, Washington. The Foundation shall benefit Vashon Health Care District and its services generally so long as District is an organization described in IRC Code§ 509 (a) (1) or (2), as amended, or corresponding provisions of any subsequent Federal tax laws (hereinafter collectively called "Internal Revenue Code"). A principal purpose of the Foundation shall be to receive donations on behalf of and make contributions to District. The Foundation shall also provide fundraising and other support for District including funds to promote and educate residents of the District on ballot issues.

ARTICLE 2

Principal Office

The principal office of the Foundation shall be located at _____Vashon, Washington 98070. The Foundation may have such other offices, either within or outside of the State of Washington, as the Board may determine from time to time.

ARTICLE 3

Members

There are no members of the Foundation.

ARTICLE 4
Board of Trustees

- 4.01 Powers. The general powers of the Foundation shall be vested in a Board of Trustees (hereinafter " Board"). The Foundation shall be governed by the Board as provided for by the Articles of Incorporation, these Bylaws, and applicable law. The Board has the charge, control and management of the property, assets, affairs and funds of the Foundation, and shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws.
- 4.02 Number and Qualification. The number of Trustees shall be not less than five (5) and not more than thirteen (13), the exact number of which shall be determined by resolution of the Board. However, no reduction in the number of the Trustees shall cut short the term of any Trustee. Trustees shall reside within the geographic boundaries of the District. No more than two Trustees may be Commissioners of the District.
- 4.03 Ex-officio members. The Superintendent and Administrative Director of the District shall serve as ex-officio members of the Board by virtue of their office, for the term thereof. Ex-officio members shall serve in an advisory capacity, without vote.
- 4.04 Election and Term of Trustees: Trustees shall be appointed to serve for three (3) year terms. Trustees shall be divided as nearly as possible into three (3) groups of equal number for purposes of creating staggered terms.
- 4.05 Nominations. Nominations to the Board shall be made by the Board.
- 4.06 Resignation. Any Trustee other than ex-officio Board members may resign at any time by giving written notice to the Board, to the Chair, or to the Secretary of the Foundation. Any such resignation shall take effect at the time specified therein, or if the time be not specified, upon its acceptance by the Board.
- 4.07 Removal. Any Trustee other than ex-officio Board members may be removed from office by an affirmative vote of two-thirds (2/3) of the Board at an annual or regularly scheduled meeting, or at a special meeting called for that purpose.
- 4.08 Vacancies. The Board shall fill any vacancy occurring in the board or any vacant directorship created by reason of any increase in the number of directors. A Trustee elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. A vacancy among the Board shall be deemed to exist upon the death, resignation or removal of a Trustee.
- 4.10 Conduct of meetings. The Chair of the Foundation, or in the Chair's absence the Vice Chairman or Immediate Past Chair, shall call meetings of Trustees to order and preside over such meetings, and the Secretary of the Foundation, or in the Secretary' s absence a delegate of

the Secretary, shall act as secretary to record minutes of such meetings. All meetings shall be conducted in accordance with the Rules of Order (adapted from the Modern Rules of Order, 2nd Edition and which are attached hereto as Attachment A), unless a provision is in conflict with or the laws of the State of Washington, the Foundation' s Articles of Incorporation or these Bylaws, or is otherwise provided in these Bylaws. All Regular and Special meetings shall have a written agenda. Action may be taken on any matter at a regular meeting, whether or not on the written agenda.

- 4.11 Annual meetings. The annual meeting of the Board for election of directors and the transaction of such other business as may properly come before the Board shall be held in November of each year, or at such other date as the Board shall determine from time to time.
- 4.12 Regular meetings. The Board shall establish a written schedule for regular meetings of the board. Notice of these meetings shall be as set forth herein.
- 4.13 Special meetings. Special meetings of the Board may be called at any time by the Chair, and shall be called by the Chair upon the written request of a majority of the Board.
- 4.14 Notice of meetings. Notice of the time and place of any meeting of the Board shall be given by the Superintendent or Chair to each Trustee and other member of the Board at least seven (7) days prior to the meeting. Notice shall be written and either delivered personally or sent by mail, facsimile, electronic mail, and/or any other reliable means. If mailed, notice shall be deemed delivered when deposited in the United States mail in the sealed envelope, properly addressed, with first class postage prepaid.
- 4.15 Quorum. A majority of the Board shall constitute a quorum for the transaction of business. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board. At any meeting of the Board at which a quorum is present, any business may be transacted.
- 4.16 Action without a meeting. Any action that must or may be taken at a meeting of the Trustees may be taken without a meeting if consent in writing, setting forth the action so taken, shall be approved with a quorum of Trustee responding. Such consent shall have the same effect as a unanimous vote.
- 4.17 Compensation. Trustees shall not receive any compensation for their services as members of the Board, other than reimbursement for expenses as may be authorized by the Board.
- 4.18 Conflict of Interest. Trustees have the obligation to be cognizant of real or potential conflicts of interest that do or may exist relative to Foundation matters and to disclose such to the Board on their own initiative. A Trustee shall not take part in discussing a potential issue or decision regarding Board or Foundation business if he or she (or his or her spouse) will personally benefit from the decision. The Board, after due deliberation, shall determine whether there is a conflict of interest when such a matter is brought to its attention.

ARTICLE 5

Officers

- 5.01 Offices and Qualification. The officers of the Foundation shall be a Chair, Vice Chair (if appointed by the Board), and Secretary/Treasurer. Any two or more offices may be held by the same person, except the offices of Chair and Secretary.
- 5.02 Election to and term of office. The officers of the Foundation shall be elected annually by the Board in November and shall take office in January. If the election of officers is not held at such time, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his or her successor has been duly elected and qualified.
- 5.03 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Foundation would be served thereby.
- 5.04 Vacancies. A vacancy in any office from any cause may be filled by the Board at any regular or special meeting for the unexpired portion of the term.
- 5.05 Powers and duties. The officers shall have such powers and shall perform such duties as are set forth in these Bylaws, or as may from time-to-time be specified in a resolution or other directive of the Board.
- 5.06 Chair. The Chair shall preside at all meetings of the Board at which he or she is present. The Chair shall call meetings of the Board whenever deemed necessary and shall have, subject to the advice and consent of the board, the general supervision of the affairs of the Foundation. The Chair shall act as Chair of the Executive Committee and serve as an ex-officio member of all other committees, with the exception of the Nominating Committee. The Chair shall exercise such powers of authority as are conferred by the Board or Executive Committee not inconsistent with this section.

- 5.07 Vice Chair. The Board may appoint a Vice Chair from its members. If appointed, the Vice Chair shall serve on the Executive Committee in preparation for becoming Chair. The Vice Chair may also serve on all other committees in an ex-officio status.
- 5.08 Immediate Past Chair. The Immediate Past Chair shall act in an advisory capacity to the Chair, and shall serve as chair of the Nominating Committee. The Immediate Past Chair shall also act as Chair in the absence of the Chair and, when so acting, shall have the power and authority of the Chair.
- 5.10 Secretary/Treasurer. The Secretary/Treasurer shall act as the secretary of both the Foundation and the Board. The Secretary/Treasurer, or his or her designee shall be responsible for sending meeting notices and agendas as necessary and appropriate; keeping, attesting to and reporting a record of all meetings of the Board; and certifying the accuracy of Board resolutions and minutes. The Secretary/Treasurer shall also have the responsibility for monitoring the financial affairs of the Foundation. Acting with the committees of the Foundation, the Treasurer shall ensure that a true and accurate accounting of the financial transactions of the Foundation is made, and that reports of such transactions are presented to such representatives as the Executive Committee may designate for authorization of payment

ARTICLE6 Committees

- 6.01 Committees of Trustees. The Board, by resolution adopted by a majority of the Trustees, may designate one or more committees, each of which shall consist of two or more Trustees, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board in the management of the Foundation. Notwithstanding the composition and description of the committees identified herein, the Board may, without the necessity to amend these Bylaws, adopt specific committee descriptions which describes composition, purposes and policies for such committees.
- 6.02 Executive Committee. The Executive Committee shall be comprised of all of the officers of the Foundation. The Executive Committee is empowered to exercise all authority of the Board, except it may take no action to amend the Articles and Bylaws, adopt a plan of merger or consolidation, recommend or ratify the sale, exchange, or other disposition of assets of the Foundation, or recommend or ratify dissolution of the Foundation.
- 6.03 Finance Committee. The Finance Committee shall be comprised of: (i) the Secretary/Treasurer; (ii) three Trustees other than the Treasurer, to be selected by the Board Chair; and (iii) the Superintendent of the District, who shall serve in an advisory capacity, without vote. The Finance Committee is responsible for monitoring and execution of the financial affairs of the Foundation which includes; authorizing transfers, reviewing the annual budget, establishing investment policies, managing investments, within Foundation Investment Policies.

- 6.04 Special Events Committee. The Special Events Committee shall consist of up to five (5) Board members. The Committee Chair shall be appointed by the Board Chair. Additional members including Foundation staff, donors and community leaders may be appointed on a temporary event-specific basis at the discretion of the Committee Chair and Foundation Staff because of relevant experience, expertise or relationships.

ARTICLE 8
Indemnification

The Foundation will and does hereby protect and indemnify its Trustees, officers, employees and agents, and the heirs and personal representatives of such persons, from any claim, action, suit or proceeding arising out of the performance, purported performance, or failure of performance, in good faith, of duties for or employment with the Foundation, and to hold such persons harmless from any expenses connected with the defense, settlement or monetary judgments from such actions, claims or proceedings to the full extent permitted by applicable principles of statutory or common law, but consistent with the provisions of the Articles of Incorporation and these Bylaws.

ARTICLE 9
Contracts, Checks, Deposits, Funds and Gifts

- 9.01 Contracts: The Board may authorize any officer or officers, agent or agents of the Foundation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or may be limited to specific instances.
- 9.02 Checks, drafts, or orders: All checks, drafts, or orders for the payment of money, notes, or other evidences or indebtedness issued in the name of the Foundation shall be signed by such officer(s) or agent(s) of the Foundation.
- 9.03 Deposits: All funds of the Foundation shall be promptly deposited to the credit of the Foundation in such bank as the Board may select.
- 9.04 Gifts: The Board may accept on behalf of the Foundation any contribution, gift, bequest, or devise for any purpose of the Foundation.

ARTICLE 10
Books and Records

The Foundation shall keep complete and accurate books and records of account and shall keep minutes of the proceedings of the Board and committees having any authority of the Board. A Trustee may, for any proper purpose and at any reasonable time, inspect the books and records of the Foundation.

ARTICLE 11
Waiver of Notice

Whenever a notice is required to be given by the Articles of Incorporation of the Foundation or these Bylaws, or by the laws governing Washington nonprofit corporations, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice for all purposes.

ARTICLE 12
Amendment

These Bylaws may only be adopted, amended or repealed by an affirmative vote of a majority of the Board at any Regular or Special meeting thereof.

ARTICLE 13
Dissolution

Upon dissolution of the Foundation, and after payment of just debts and liabilities, all remaining assets shall be distributed to the District or as may be otherwise prescribed by state law at that time.

CERTIFICATION

The undersigned hereby certifies that he or she is the Secretary of the Vashon Health Care Foundation, and that this instrument is a true and correct copy of these Bylaws properly adopted by resolution at a meeting of the Board of Trustees held on the ____st day of _____ , 2021.

Adopted:

