



PO BOX 213, Vashon WA 98070
vashonhealthcare.org

Board of Commissioner's Meeting February 2, 2022

Superintendent's Report

Sea Mar Monthly Financial Report

Attached are Sea Mar's December financials for the Vashon clinic, including 9 months YTD. For December, both clinic visits and fees for services were down 19.5% from prior month. However, since deductions from revenues were down only 4.6%, Net Fees were down by 56%. Given expenses for December were down only 9.5%, the Net Contribution for the month was only \$7,615 and the Net Gain/(Loss) was **-16,636**.

Communications

Dr. Jim Lenhart - Commissioner Langland and I had a call this week with Dr. Jim Lenhart who is Associate Program Director for the Community Health Care Family Medicine Residency in Tacoma. Community Health Care is an FQHC based in Tacoma which has a UW affiliated residency. Many years ago, he was a primary care physician on Vashon.

The purpose of the call was for Dr. Lenhart to introduce us to Community Health Care's family medicine residency program. Community Health Care recently received a HRSA grant to expand their residency program from 18 residents to 24 (from 6 per year to 8 per year) beginning this Summer. In their HRSA application, they committed to a plan to dispatch residents to small and rural communities and thought of Vashon as a potential site. This residency program is in a one plus two format. The first year is at the main site in Tacoma and the following two clinical years are in a small community performing full spectrum family medicine including OB. Community Health Care has full-time FP/OBs who deliver babies at St. Joseph.

Rogelio Riojas, CEO, Sea Mar – I had a 1:1 call with Rogelio to discuss some general questions about a potential role for VHCD in financing part of a new clinic building. This is based on an assumption that the capital costs to build a new clinic would be in excess of \$3 million. Rogelio stated that the first step in developing a pre-design cost estimate is to identify the physical location for the clinic. If Sea Mar were to finance the balance of costs for a new clinic, two building associated costs would be passed through the clinic income statement – interest on the debt and building depreciation. These costs would then be part of the overhead that factor into the subsidy required to support clinic operations. Rather than the VHCD funding costs for a new clinic building in this way, I indicated that we would be interested in funding the balance through one of several options that gives the VHCD equity in the new building. Our options include a limited tax general obligation bond, philanthropy and/or a federal appropriation. If we decide to seek a federal appropriation, we would likely want their support of that request.

Committee Reports

Administration and Finance

Wolczko

As Of 01-27-2022 our cash balance with King County is as follows:

Fund	Name	Ending Balance
140050010	VASHON-MAURY HOSPITAL 5 GENERAL	-767,011.78

Accounts Payable

Attached is a Voucher Approval document prepared by Jojo for January totaling \$132,524.40. It includes payments to Sea Mar and Sunrise Ridge.

Payroll for Approval

Full Cash Requirements Report

January 16 to January 31, 2022

Payroll Type: Regular Address: PO Box 213, Vashon, WA 98070

Accountant(s): Barbara Huff

Total Cash Remitted By Gusto \$4,362.08

Total Check Payments \$0.00

Total Liabilities \$0.00

Total Payroll \$4,362.08

Clinic Relations Committee

Noble

No Committee Meeting.

Outreach Committee

Pryne

The committee met Jan. 26. Plans were discussed for leafletting on Jan 29th using the COVID information sheet below. The need for a sign identifying the volunteers as affiliated with VHCD was discussed. About 160 leaflets were given out at the two stores and people appreciated receiving the information.

HELP STOP THE SPREAD!



IF YOU HAVE NEW SYMPTOMS:

- ISOLATE FROM OTHERS
- **** TAKE A RAPID COVID TEST --OR---**
- SCHEDULE A PCR TEST
- CALL THE MRC FOR GUIDANCE

- ****IF SYMPTOMS PERSIST WITH A NEGATIVE RAPID TEST --REPEAT IN 3 DAYS OR GET PCR TEST.**

- REPORT POSITIVE TESTS TO THE MRC

IF YOU ARE EXPOSED TO COVID:

- QUARANTINE 10 DAYS
- SCHEDULE A PCR TEST
- LET OTHERS CLOSE TO YOU KNOW
- CALL THE MRC FOR GUIDANCE

WE ALL STAY SAFE BY:

- GOOD TIGHT-FITTING MASKS
- AVOIDING INDOOR CROWDS
- BEING FULLY VACCINATED
- PROTECTING OTHERS

AND STOPPING THE SPREAD!



**Vashon MRC
Medical Reserve
Corps**
Testing and guidance:
844-469-4554

**PCR testing M-F by
appointment**

Committee members discussed the information shared at the previous meeting regarding website design. The committee agreed that they would prefer hiring a website designer from the island. Two names were mentioned. It was not known which website software these designers have experience with, but it was agreed that we wanted a professionally designed website and needed hosting. Key features of the website were again discussed. Commissioners Pryne and Noble will contact website designers for proposals.

Strategic Planning Task Force

The Strategic Planning Task Force has met twice since our last Board meeting – Jan. 20 and 27. In attendance at the January 20 meeting were Commissioners Langland and Aman, Bill Hamilton, John Jenkel, Tim Johnson, and myself. Significant time was spent considering the qualifications of several candidates for the additional member on the committee. Eric reviewed the Charter for the Task Force and the members discussed VHCD potential roles. Comments shared by committee members included:

- VHCD's role in the project needs to include being the keeper of the mission
- There should be a defined aim for VHCD beyond the clinic project
- VHCD control over assets is important
- VHCD should secure the asset that is the \$3 million appropriation

It was also reported at the first meeting that there is support in the Congressional Delegation for seeking a federal appropriation.

At the Jan. 27 Task Force meeting, it was announced that Patricia Haley has agreed to serve on the committee. Eric presented a draft timeline for the Committee's work, key questions that the Task Force needed to answer, and a proposed strategic planning process. Discussion followed. It was pointed out that a feasibility analysis and risk assessment on the primary care clinic project needs to be included because the FQHC business model has yet been proven to work for Vashon. More information is needed.

Discussion on ownership and control of the project followed including the \$3 million capital appropriation and the pros and cons of trying to re-designate it from Sea Mar to Vashon. Receipt of those funds from the State is tied to execution of a contract that includes a 15-year commitment that the site will be maintained for delivery of those services. One question raised was "what happens if Sea Mar leaves the island before that time?". It was agreed that this likely needs to be addressed on revisions to contracts between Sea Mar and VHCD. It was agreed that regardless of who owns the project, the design needs to be collaborative between Sea Mar and the District.

The Task Force requested that Eric develop a recommendation on the District's position on the question of ownership of the \$3 million capital appropriation. Obtaining reimbursement rates by payer or financial class will be important to projecting the feasibility of a long-term support agreement with Sea Mar for the clinic.

The following is a draft Task Force Timeline under discussion at the Task Force meeting.

- | | |
|---|------|
| i. Answer key short-term strategic questions | 2/17 |
| ii. Complete Environmental /Market Assessment | 2/24 |
| iii. Prepare objectives and project proposal to include scope, key assumptions, financing options, partnership considerations | 3/03 |
| iv. Meet with Sea Mar to discuss collaborative relationship/roles | 3/10 |
| v. Confirm site selection and preliminary commitment to project | 3/17 |
| vi. Complete Pre-Design Cost Estimate | 3/24 |
| vii. Planning Retreat #1 – Project Focus | 4/07 |
| viii. Submit Federal Funding Request, identify other funding sources | 4/14 |
| ix. Complete Planning Tasks, including business plan and feasibility assessment | 4/30 |
| x. Planning Retreat #2/Board Meeting | 5/04 |

SeaMar CHC

Vashon Medical & BH Intergrated, Dept 317 & Dept. 410

For the 09th Month Period Ending December 31, 2021

Fiscal Period	9	8	Variance	Current YTD	Prior YTD	Yr to Yr Variance
	Current Month	Prior Month				
Clinic Days per Month	21	20	1	189	193	(4)
Visits	824	1,024	(200)	8,580	1,363	7,217
Visits per Clinical Day	39	51	(12)	45	7	38
Annualized Productivity	3,187	3,918	(731)	3,680	3,853	(174)
Personnel Cost per Visit	164	147	17	140	152	(12)
Supplies per Visit	30	18	12	21	44	(23)
Direct Cost per Visit	246	219	27	208	220	(12)
Total Cost per Visit	275	245	31	233	255	(22)
FTEs						
Providers	3.09	3.28	(0.19)	3.10	0.46	2.64
Support Staff	10.78	10.88	(0.10)	8.62	1.60	7.02
	13.87	14.16	(0.29)	11.71	2.06	9.66
Provider to Staff Ratio	3.49	3.32	0.17	2.78	3.47	(0.69)
	Current Month	Prior Month	Variance	Current YTD	Prior YTD	Yr to Yr Variance
Private Pay	4,491	8,141	(3,650)	120,546	17,323	103,223
Medicaid FFS	3,722	2,570	1,153	18,377	6,607	11,770
Medicare FFS	65,850	131,216	(65,366)	952,292	133,459	818,834
Medicare Advantage FFS	102,597	101,849	748	975,403	0	975,403
Commercial Ins	94,241	107,451	(13,210)	908,848	110,486	798,362
Other FFS	1,225	2,466	(1,241)	12,634	100,911	(88,277)
Managed Care FFS	53,260	50,282	2,979	451,912	43,495	408,417
Total Encounter Rate Allocation Costs	0	0	0	0	3,621	(3,621)
TOTAL FEE FOR SERVICES	325,387	403,975	(78,588)	3,440,012	415,902	3,024,110
Bad Debt Allowances	(9,765)	(12,037)	2,273	(150,781)	(76,026)	(74,755)
Uncompensated Care	(6,734)	(4,079)	(2,655)	(101,495)	(9,366)	(92,129)
Contractual Allowances	(258,110)	(271,961)	13,851	(2,458,745)	(161,976)	(2,296,769)
DEDUCTIONS FROM REVENUES	(274,609)	(288,078)	13,469	(2,711,021)	(247,368)	(2,463,653)
TOTAL NET FEE FOR SERVICES	50,778	115,897	(65,119)	728,991	168,534	560,457
Managed Care Capitation	503	776	(273)	11,528	0	11,528
FQHC Enhancement	33,968	43,000	(9,032)	326,807	0	326,807
TOTAL MANAGED CARE	34,471	43,776	(9,305)	338,335	0	338,335
BPHC	0	0	0	0	78	(78)
Misc Grants Rev	0	0	0	2,218	0	2,218
GRANTS	0	0	0	2,218	78	2,140
County Contracts	125,000	125,000	0	1,125,000	250,000	875,000
Other Contracts & Funding	0	0	0	2,388	0	2,388
CONTRACTS	125,000	125,000	0	1,127,388	250,000	877,388
TOTAL NET REVENUE	210,249	284,673	(74,424)	2,196,932	418,612	1,778,320
Total Salary	105,966	122,348	(16,381)	952,816	175,433	777,383
Fringe Benefits	29,255	28,190	1,064	243,648	31,850	211,798
Professional Services - Providers	0	0	0	6,726	0	6,726
TOTAL PERSONNEL	135,221	150,538	(15,317)	1,203,191	207,284	995,907
Operating Supplies	24,769	18,224	6,545	177,311	59,699	117,612
Depre & Amortization	980	980	(0)	8,822	843	7,979
Building & Equipment Rental	7,524	7,813	(289)	67,653	15,856	51,797
Repair and Maintenance	77	2,187	(2,110)	20,853	4,891	15,962
Utilities	0	1,602	(1,602)	9,241	1,226	8,015
Telephone	0	421	(421)	1,979	0	1,979
Technology	0	421	(421)	2,240	2,411	(172)
Office Supplies	0	807	(807)	4,504	547	3,957
Other Contractual Services	31,673	37,924	(6,251)	271,124	2,011	269,113
Travel & Meeting	1,846	2,081	(235)	13,269	2,041	11,229
Training	0	0	0	1,006	0	1,006
Taxes, Due & Licenses	0	0	0	560	2,418	(1,858)
Interest Expense	543	805	(261)	5,206	806	4,400
TOTAL EXPENSES	202,634	223,801	(21,167)	1,786,958	300,032	1,486,926
NET CONTRIBUTION	7,615	60,872	(53,257)	409,974	118,580	291,394
Total Allocated Indirect Costs	24,251	26,760	(2,509)	211,780	47,417	164,363
TOTAL EXPENSES	226,885	250,561	(23,676)	1,998,738	347,448	1,651,289
NET GAIN / (LOSS)	(16,636)	34,112	(50,748)	198,194	71,163	127,031