



PO BOX 213, Vashon WA 98070  
vashonhealthcare.org

## **Board of Commissioner's Meeting February 16, 2022**

### **Superintendent's Report**

#### **Sea Mar Financials**

In follow-up discussions with Sea Mar's CFO, we again discussed contractual allowances. He stated he could not give me an accurate estimate of contractual allowances by financial class. I believe this may be due in part to their difficulty getting accurate information out of the EPIC EMR. However, my experience is that this information should be available. Based on the most recent financials for the Vashon clinic and visits by financial class, Sea Mar's average reimbursement for all payers is only \$133 per visit. This seems too low given that Medicare visits are around 56% of their total visits and reimbursement is supposed to be about \$180 per visit.

#### **Communications**

**Jeni Johnson** – I had a call with Jeni Johnson last week to better understand her organization, Vashon Youth and Family Services. In particular I wanted to understand what VYFS 's sources of funding were, the types of billable services they provide, and the types of providers working there. VYFS is a small organization with just over 20 FTEs and an annual operating budget of just over \$1 million. Their primary source of funding is a contract with King County, which provides \$55,000 to \$60,000 per month. They also bill Medicaid for the services of 11-12 counselors and a very part-time psych ARNP. Every year they have a gap in funding if about \$170,000 for uncompensated counseling expenses. They attempt to fill this gap chasing small grants; however, they are not eligible for many of these because they are BIPOC targeted (black, indigenous, peoples of color) and Vashon's demographics don't match. VYFS has a sliding fee schedule for self-pay clients. I am interested in exploring whether or not there is an opportunity to partner with Sea Mar in a way that generates higher reimbursement for their Medicaid services.

### **Committee Reports**

#### **Administration and Finance**

**Wolczko**

The Committee met Feb. 15 and discussed the following: feedback to give to the planning task force regarding partnership parameters; the 2022 Year-End District financial report; Sea Mar quarterly reporting; and the committee's role in a long-term financial forecasting. Attached is the year-end District financial statement. Revenue for 2021 was under budget by \$348,253 primarily due to budgeting for \$275,000 in additional borrowing which was unnecessary due to

the manner in which the line of credit works. In addition, donations were a negligible source of revenue in 2021 and tax revenue was under budget by over 2%. Expenses were under budget by \$35,000 since interest expense was not recorded here, and because we had no legal expenses. Revenue exceeded expenditures by \$278,733 for the year. This amount offsets our borrowing from King County.

As of Feb. 10, 2022 our cash balance with King County was as follows:

## Daily Cash Balance Report

As Of 02-10-2022

Fund	Name	Ending Balance
140050010	VASHON-MAURY HOSPITAL 5 GENERAL	-762,267.33

**Total -762,267.33**

### Accounts Payable

There are not vouchers for approval this meeting.

### Payroll for Approval

The February 1-15 payroll is pending.

## Clinic Relations Committee

**Noble**

The Committee met February 9, 2022. Referrals are a major problem at the clinic right now. This prompted a meeting with corporate since they took this over due to staffing at Vashon. Many referrals were hung up in a queue with missing information. The corporation staff don't know how to handle Kaiser referrals. MA vacancies are a major issue despite getting supplemental pay. Jennifer, the care coordinator, is filling in. Bridgett, their new ARNP, is still credentialing and is out at a language course. She will be Spanish speaking and working 3 days per week.

Discussion followed regarding a planned article to highlight changes at the clinic. Kerry Barnes and Dr. Erdman will be interviewed for this.

## Outreach Committee

**Pryne**

The next committee meeting is not until the 23<sup>rd</sup>. Information has been exchanged since the last meeting regarding identifying and hiring a website designer. Both potential designers identified by the committee have declined. Committee members will be looking at websites of other Vashon businesses and organizations to identify those that are appealing and identify the designer who worked on it. At my request, the Committee will be engaging with John Jenkel and Tim Johnson from the Task Force to discuss strategies for educating the public on the Districts plans around development of a new clinic.

## Strategic Planning Task Force

The Strategic Planning Task Force has met twice more since our last Board meeting – February 2 and February 16.

Discussion occurred regarding the pros and cons of approaching the Legislature about re-allocating the \$3 million capital appropriation from Sea Mar to the District. Superintendent Jensen's recommendation was as follows:

***Do not pursue a re-allocation of the State capital dollars from Sea Mar to the Vashon Health Care District in this legislative session. If circumstances change and the project timing is favorable, consider it for the State's 2023/2025 Biennial Budget.***

The Task Force agreed with this recommendation.

At the Feb. 3 Task Force meeting, Bill updated the Task Force on requirements for submitting a *Congressionally Mandated Funding Request*. It is time sensitive and we need to get in our request in April. A reasonable request would range from \$2.5 million to \$3.0 million. A preliminary design is not required. What is needed are Letters of Support from local elected officials, any potential property donor, and Sea Mar. Formal action by the Board in support is needed and ideally should take place in March.

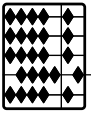
Also, at the Feb 3<sup>rd</sup> meeting it was agreed that a dialogue with Sea Mar was essential to reach an agreement in principle on what the partnership was going look like in general and specifically with respect to this project. This was discussed in more depth at the February 9 Task Force meeting where it was identified that we needed a written document defining what we see as the partnership parameters. A draft of this document will be reviewed at the upcoming Task Force meeting and then forwarded to the Board. The Task Force identified members to meet with Sea Mar and that meeting has been scheduled for February 28. Attending will be Commissioner Aman, Superintendent Jensen, John Jenkel, and Tim Johnson. Eric Pryne had a conflict and cannot attend.

## **New Business**

### **Market/Environmental Assessment Proposal**

**Jensen**

With the concurrence of the Task Force, I sought and received a proposal from Health Facilities Planning and Development to perform a market and environmental assessment to inform the overall work of the Task Force. Included with this work will be an analysis of primary care models that HFPD is already doing for several islands in the San Juans, funded by the State Office of Rural Health. Attached is a copy of the proposal. The cost for the environmental assessment will be \$6875.00. It was not budgeted for this year. The Task Force is not recommending the proposed survey work quoted in the proposal at this time.



To the Board of Commissioners  
King County Public Hospital District #5  
Vashon, Washington

Management is responsible for the accompanying Fund Balance report of the King County Public Hospital District #5 as of December 31, 2021, and the related Revenue and Expenditure Report for the twelve months then ended, and for determining that the BARS basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The District prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The Board has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the BARS basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to King County Public Hospital District #5.

Lake Kennedy McCulloch  
Certified Public Accountants  
February 14, 2022

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**King County Public Hospital District #5**  
**Fund Balance**  
**As of December 31, 2021**

		Total
Fund		
Cash		
308.80.00 Cash - Unreserved		(631,992)
308.80.10 Prepaid Credit Card		4,471
Total Cash	\$	(627,521)
<b>TOTAL Fund</b>	<b>\$</b>	<b>(627,521)</b>
Fund Balance		
Fund Balance		(906,254)
Fund Excess/(Deficit)		278,733
<b>TOTAL FUND BALANCE</b>	<b>\$</b>	<b>(627,521)</b>

**Note**

See accountants compilation report

**King County Public Hospital District #5**  
**Revenue and Expenditures**  
**January - December 2021**

	<u>Total</u>	<u>Budget</u>	<u>Remaining</u>	
<b>Fund Revenue</b>				
311.10.3000 Real & Personal Property Tax	1,901,194	1,945,170	43,976	97.74%
317.20.11.010 Leasehold Excise Tax	236	-	(236)	0.00%
361.11.00.010 Investment Interest	(5,791)	-	5,791	0.00%
361.19.00.010 Investment Fee Contra	-	-	-	0.00%
362.00.01.000 Clinic Rental Income (Reimbursed)	88,459	88,092	-367	100.42%
367.00.11.001 Community Donations	1,713	25,000	23,287	6.85%
369.91.00.000 Miscellaneous Receipts	198	1,000	802	19.76%
390.00.10.000 Other Financing - Loan	-	275,000	275,000	0.00%
<b>Total Fund Revenue</b>	<b>\$ 1,986,009</b>	<b>\$ 2,334,262</b>	<b>\$ 348,253</b>	<b>85.08%</b>
<b>Fund Revenue</b>	<b>\$ 1,986,009</b>	<b>\$ 2,334,262</b>	<b>\$ 348,253</b>	
<b>Expenditures</b>				
561.00.10.0010 Superintendent	81,912	76,000	(5,912)	107.78%
561.00.10.0020 Admin	4,606	7,920	3,314	58.16%
561.00.20.0010 State Payroll Taxes (PFML, L&I, ESD)	1,171	1,217	46	96.23%
561.00.20.0020 Federal Payroll Taxes (SS, Medicare)	6,619	6,420	(199)	103.09%
561.00.20.0030 Insurance Benefit for Superintendent	2,634	7,800	5,166	33.77%
561.00.31.0010 Office Supplies	61	1,000	939	6.08%
561.00.41.0010 Accounting Services	4,701	3,000	(1,701)	156.70%
561.00.41.0020 Legal Services	-	12,000	12,000	0.00%
561.00.41.0030 Clinic Services	1,500,000	1,500,000	-	100.00%
561.00.41.0031 Clinic Rental Expense	89,110	88,092	(1,018)	101.16%
561.00.41.0040 Professional Consulting Services	-	3,000	3,000	0.00%
561.00.41.0045 Website Hosting	20	200	180	10.00%
561.00.41.5000 Advertising/Promotional	1,244	9,600	8,356	12.96%
561.00.43.0010 Travel	-	1,200	1,200	0.00%
561.00.46.0010 Insurance	3,670	3,300	(370)	111.21%
561.00.49.0010 Bank Svc Fee	380	-	(380)	0.00%
561.00.49.0020 Dues & subscriptions	2,902	1,000	(1,902)	290.20%
592.00.62.0010 Interest Expense	-	20,799	20,799	0.00%
561.11.41.0010 Election Charges	8,246	-	(8,246)	0.00%
<b>Total Expenditures</b>	<b>\$ 1,707,276</b>	<b>\$ 1,742,548</b>	<b>\$ 35,272</b>	<b>97.98%</b>
<b>Fund Excess/(Deficit)</b>	<b>\$ 278,733</b>	<b>\$ 591,714</b>	<b>\$ 312,981</b>	

**Note**

See accountants compilation report



# HEALTH FACILITIES PLANNING & DEVELOPMENT

RESEARCH · DATA · ANALYTICS · STRATEGY · IMPLEMENTATION

February 8, 2022

Eric Jensen, Superintendent  
Vashon Health Care District  
via email: [Ericj@vashonhealthcare.org](mailto:Ericj@vashonhealthcare.org)

Dear Eric:

Per our recent conversation, I understand that the Vashon Health Care District (the District) is interested in undertaking a market/environmental assessment (the assessment) while simultaneously understanding more about sustainable primary care delivery models, including, but not limited to the Community Health Center model. I further understand that the assessment needs to be completed by the end of March as it will be used to inform, among other initiatives, federal funding requests due in late Spring. Health Facilities Planning & Development (HFPD) is both qualified to, and interested in, conducting the environmental assessment and evaluating the Community Health Center and other models.

At this time, I estimate that the assessment would include updating population, inpatient and outpatient volume, use rate and payer data, but would also be expanded to include data on social determinants (income, poverty, health status, etc.). These additions will support grant writing as well as the CHC/other rural primary care evaluation. HFPD will also conduct a “mini” asset inventory to assure we fully understand the scope of social and health services available in the District.

If the District wants to understand resident interest in using a local clinic, and their priorities for access and services to be provided on Island, HFPD believes it would be immensely helpful to conduct a community survey. Given the short time frame, it would need to be conducted primarily via an on-line survey, but HFPD also proposes to outreach to elderly and potentially other underserved groups, including the growing Hispanic community via phone.

The deliverable is a PowerPoint presentation to the Board detailing the data and takeaways.

In terms of fees, the environmental assessment could be completed in about 25 hours of professional time. As we previously discussed, HFPD is performing an analysis of primary care models for several islands in the San Juan, and received a small grant from the State Office of Rural Health to do the work, which I will accelerate and share for this project. As such, there will be no incremental costs for that work.

If the District wants to include the survey, HFPD estimates about another 25 hours of professional time. HFPD's rate is \$215 per hour. Additional fees are limited to data (population, BRFSS, IBM Truven Outpatient estimates), and the out-of-pocket costs for the survey. The data costs are estimated at about \$1,500 and the out-of-pocket survey costs would be about \$1,200.

Eric, thank you for your continued trust and confidence in the work that HFPD does, and thank you for the opportunity to submit this proposal for consideration. If this agreement is satisfactory, it can be counter-signed and returned at your first convenience. To make the March 30 deadline, HFPD would need to have approval to proceed by Monday, February 14.

Please feel free to contact me with any questions or concerns.

Sincerely,



Agreed to by:

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Vashon Health Care District

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Date