

## Board of Commissioner’s Meeting

February 17, 2021

### Superintendent’s Report

#### Sea Mar Vashon Clinic – December Financial Report

Included in your materials today is the December, 2020 Year-To-Date (YTD) clinic financial report. For Sea Mar YTD is only 2 months. I do want to emphasize that both revenue and expense numbers are skewed due to the very early nature of this clinic’s operation. Some figures are estimated based on Sea Mar’s overall operations (e.g., contractual allowances) until more history is available for Vashon. Some expenses are skewed due to the start-up nature of the operation.

One of the most obvious areas where expenses are skewed is Supplies. The expense is extremely high in December and likely reflects setting up all of the clinic’s supply inventory. On the other hand, Sea Mar’s \$34,567 in overhead expense for December and \$26,772 per month is significantly lower than Neighborcare’s, which is a positive.

The YTD Net Gain (2 months) at the bottom of the financial report shows the clinic is in the black, but it is still too early to tell how it will all shake out over time.

In terms of clinic volume, the 839 medical visits in December are higher than NCH’s average monthly medical encounters for the first 7 months of 2020 and we would expect this number to build in 2021, especially given the increase in provider FTEs. The following is the payer mix with a couple of explanations I received from Sea Mar. Combining the two Medicaid categories shows a 12% payer mix. Payer mix based on Gross Revenue means it’s based on billed charges, not what is collected from payers. As an FQHC, Sea Mar probably collects the most from Medicaid.

<b>CLINIC PAYER MIX BY GROSS REVENUE</b>	
Medicare (Fee For Service and Medicare Advantage)	32.1%
Commercial (including Kaiser)	26.6%
Other FFS	24.3%
Medicaid Managed Care	10.4%
Medicaid FFS	1.6%
Private Pay (uninsured)	4.2%
Other	0.8%
<b>TOTAL</b>	<b>100.0%</b>

## **State Legislature Capital Allocation**

Commissioners Langland and Pryne and I met with John Jenkel to discuss ideas related to the Legislature's capital grant and how we might assure that this resource is secured for the long-term benefit of the Vashon Island community. As you may recall, the Department of Commerce needs us to reach an agreement on the recipient of this \$3 million capital grant which needs to be transferred from Neighborcare to another entity in order to be retained for the 2021/2023 State Capital Budget. Sea Mar believes that they are the best organization to build a clinic on the island given their internal resources for medical design and construction and experience building their own clinics.

While our intent and Sea Mar's intent is for them to serve as the clinic provider on the island long-term, we do want to assure that should Sea Mar leave, the clinic building funded with these State dollars be transferred to the Vashon Health Care District. We also have an interest in building space beyond what is needed for primary care as part of this building to meet other island and VHCD needs.

## **Committee Reports**

### **Administration and Finance**

**Wolczko**

We will have Payroll vouchers to approve.

### **Clinic Relations**

**Langland/Noble**

The committee met on February 11. Along with Commissioners Langland and Noble, community members included Mary Bergman, Jeni Johnson, Wendy Kleppe, and Charles Kimmert. This was an organizational meeting. The committee discussed who would be the Sea Mar representative on the committee. Eric J. was asked to follow-up with Jesus about membership. Jesus indicated that he expected their representative to be Kerry Barnes. One important role for the Sea Mar representative is to communicate significant changes in operations to the committee. The next meeting is planned for March 11 at 2 p.m.

### **Communications, Planning and External Relations**

**Pryne/Brown**

Eric P. has circulated the FAQs and proposed answers to those among the committee members. He has submitted feedback on the final draft back to Kerry. Once finalized and approved it will be posted on our website. The committee also discussed the desire to formalize the District's logo. LeeAnn offered to take the lead on this.

## New Business

### Vashon Health Care District Logo

As a result of the Communications Committee's interest in formalizing the District's logo, LeeAnn sought out and obtained a proposed logo from a design group. That design has been circulated among committee members. It is being presented here for discussion and action. The proposed logo and its variations are as follows:





**SeaMar CHC**

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

For the 09th Month Period Ending December 31, 2020

Fiscal Period	9	8	Variance	Current	Prior	Yr to Yr
	Current Month	Prior Month		YTD	YTD	Variance
Clinic Days per Month	22	20	2	193	193	0
Visits	839	524	315	1,363	0	1,363
Visits per Clinical Day	38	26	12	7	0	7
Annualized Productivity	3,585	4,474	(889)	3,853	0	3,853
Personnel Cost per Visit	149	156	(7)	152	0	152
Supplies per Visit	62	15	47	44	0	44
Direct Cost per Visit	234	198	36	220	0	220
Total Cost per Visit	275	234	41	259	0	259
<b>FTEs</b>						
Providers	2.67	1.47	1.20	0.46	0.00	0.46
Support Staff	9.50	4.88	4.62	1.60	0.00	1.60
	12.17	6.35	5.82	2.06	0.00	2.06
Provider to Staff Ratio	3.56	3.32	0.24	3.47	0.00	3.47
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	Current Month	Prior Month	Variance	Current YTD	Prior YTD	Yr to Yr Variance
Private Pay	8,948	8,375	573	17,323	0	17,323
Medicaid FFS	6,029	578	5,452	6,607	0	6,607
Medicare FFS	84,249	49,210	35,039	133,459	0	133,459
Commercial Ins	70,340	40,146	30,195	110,486	0	110,486
Other FFS	66,946	33,965	32,981	100,911	0	100,911
Managed Care FFS	32,185	11,310	20,875	43,495	0	43,495
Total Encounter Rate Allocation Costs	0	3,621	(3,621)	3,621	0	3,621
<b>TOTAL FEE FOR SERVICES</b>	<b>268,697</b>	<b>147,205</b>	<b>121,492</b>	<b>415,902</b>	<b>0</b>	<b>415,902</b>
Bad Debt Allowances	(41,412)	(34,614)	(6,798)	(76,026)	0	(76,026)
Uncompensated Care	(4,246)	(5,120)	873	(9,366)	0	(9,366)
Contractual Allowances	(140,302)	(21,674)	(118,628)	(161,976)	0	(161,976)
<b>DEDUCTIONS FROM REVENUES</b>	<b>(185,961)</b>	<b>(61,408)</b>	<b>(124,553)</b>	<b>(247,368)</b>	<b>0</b>	<b>(247,368)</b>
<b>TOTAL NET FEE FOR SERVICES</b>	<b>82,736</b>	<b>85,797</b>	<b>(3,061)</b>	<b>168,534</b>	<b>0</b>	<b>168,534</b>
Managed Care Capitation	(12,121)	12,121	(24,241)	0	0	0
FQHC Enhancement	(10,999)	10,999	(21,997)	0	0	0
<b>TOTAL MANAGED CARE</b>	<b>(23,119)</b>	<b>23,119</b>	<b>(46,238)</b>	<b>0</b>	<b>0</b>	<b>0</b>
BPHC GRANTS	0	78	(78)	78	0	78
County Contracts	125,000	125,000	0	250,000	0	250,000
<b>CONTRACTS</b>	<b>125,000</b>	<b>125,000</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>
Mgmt Fee & Other	4,542	1,585	2,957	6,128	0	6,128
<b>TOTAL NET REVENUE</b>	<b>189,159</b>	<b>235,580</b>	<b>(46,421)</b>	<b>424,739</b>	<b>0</b>	<b>424,739</b>
Total Salary	100,308	75,125	25,182	175,433	0	175,433
Fringe Benefits	25,106	6,744	18,363	31,850	0	31,850
<b>TOTAL PERSONNEL</b>	<b>125,414</b>	<b>81,869</b>	<b>43,545</b>	<b>207,284</b>	<b>0</b>	<b>207,284</b>
Operating Supplies	51,767	7,932	43,835	59,699	0	59,699
Depre & Amortization	755	88	667	843	0	843
Building & Equipment Rental	6,154	9,703	(3,549)	15,856	0	15,856
Repair and Maintenance	2,256	2,234	22	4,489	0	4,489
Utilities	1,226	0	1,226	1,226	0	1,226
Technology	2,411	0	2,411	2,411	0	2,411
Office Supplies	487	60	426	547	0	547
Other Contractual Services	1,141	870	271	2,011	0	2,011
Travel & Meeting	2,041	0	2,041	2,041	0	2,041
Taxes, Due & Licenses	1,823	595	1,228	2,418	0	2,418
Interest Expense	481	325	156	806	0	806
<b>TOTAL EXPENSES</b>	<b>195,954</b>	<b>103,676</b>	<b>92,279</b>	<b>299,630</b>	<b>0</b>	<b>299,630</b>
<b>NET CONTRIBUTION</b>	<b>(6,795)</b>	<b>131,904</b>	<b>(138,699)</b>	<b>125,109</b>	<b>0</b>	<b>125,109</b>
Total Shared Medical Costs	8,891	6,186	2,706	15,077	0	15,077
Total Allocated Indirect Costs	25,676	12,791	12,885	38,467	0	38,467
<b>TOTAL EXPENSES</b>	<b>230,522</b>	<b>122,653</b>	<b>107,869</b>	<b>353,174</b>	<b>0</b>	<b>353,174</b>
<b>NET GAIN / (LOSS)</b>	<b>(41,362)</b>	<b>112,927</b>	<b>(154,290)</b>	<b>71,565</b>	<b>0</b>	<b>71,565</b>