



PO BOX 213, Vashon WA 98070
vashonhealthcare.org

BOARD MEETING MINUTES

Date: January 19, 2022

Time: 19:00

Place: ZOOM Meeting, <https://zoom.us/j/94707956113>

Present: Tom Langland, President

Don Wolczko, Secretary

Eric Pryne, Position 2

Alan Aman, Position 3

Wendy Noble, Position 4

Eric Jensen, Superintendent

Jocelyne Weller, Administrative Director

1. Call to order at 19:01
2. Approve/Amend January 19 Agenda

Commissioner Pryne motioned to approve the agenda and Secretary Wolczko seconded the motion:

“I move that we accept as amended.”

AGENDA APPROVED 5-0

3. Approve/Correct January 05, 2022 Regular Meeting Minutes

Secretary Wolczko motioned to approve the January 05, 2022 Regular Meeting Minutes and Commissioner Noble seconded the motion:

“I move that we accept the minutes.”

MINUTES APPROVED 5-0

4. Sea Mar Quarterly Report, Jesus Sanchez and Dustin Greer

Mr. Sanchez answered some questions that the Superintendent had sent over in December:

- a. What is the reason for the FTE increase in the November financials at the clinic over the prior month?

Mr. Sanchez explained that it is more about an increase in hours rather than an increase in number staff. They continue to fill the positions that are vacant. It's difficult to recruit

regionally especially for Vashon with the added challenges of the commute. They are offering additional pay for ferry costs and a pay increase.

b. What is the status on the 340B contract with the Vashon Pharmacy?

Sea Mar signed a contract with Vashon Pharmacy in October. Sea Mar projected an annual revenue increase for the clinic of about \$17k - \$20k, but is currently running, a \$3k loss, which is not unusual at this point in time. This will improve as customer usage increases. Within the service agreement with the Pharmacy are fees Sea Mar pays including: an administrative management fee (a third-party company who manages all the pharmacies for Sea Mar); a dispensing fee, a switch fee (software used for tracking claims), and a fee based on a percentage of the drug cost.

Commissioner Aman asked if there is a pro forma for this program for tracking its progress and, if so, if Sea Mar could share it with the board. Mr. Sanchez explained that the administrative management company they use has a program within their software that projects the returns based on the claims and data from the pharmacies. The management company runs a projected revenue report based on a twelve-month cycle.

Commissioner Pryne offered that the Outreach Committee could promote this program to the community. Mr. Sanchez agreed to email the pamphlets.

c. Commissioner Pryne asked for more information on the registered medical assistant (MA) program. He adds that the local high school should be informed about this program.

A registered MA is someone who trains for this position under the supervision of a provider. The minimum requirement is a high school diploma. A registered MA is limited in the scope of what they can do- for example, they cannot administer vaccines. After six months they can become certified without taking the test. Currently, a certified MA goes through a two-year program. Sea Mar is looking to hire more MAs, both registered or certified.

d. President Langland asked if Sea Mar is able to pay MAs a little more considering the cost of the ferries, etc.

Yes, the unions agreed to supplemental pay. Mr. Sanchez explained that the union agreed to grandfather the Vashon clinic staff at the higher rate of pay they were receiving with Neighborcare, and they also agreed to pay a supplement for commuting costs, etc.

e. Commissioner Aman noted that at some point he would like to hear about the design of the behavior health model. He would like to learn about the clinic's programs, as well as the financial aspects. He would also like a contact person at Sea Mar to connect members of the Vashon behavior health community to collaborate on this topic.

Mr. Sanchez agreed and will connect Commissioner Aman with their Behavior Health administrator.

Mr. Greer also answered some of the questions:

a. Health professional shortage area primary care bonus that Medicare pays

Mr. Greer explained that FQHCs (Federally Qualified Health Centers) automatically qualify under this program, which represents a 10% bonus for Vashon. This amount is included in the Medicare line item on their financial report.

b. Patient Panel numbers

He shared a report which shows the number of different patients Sea Mar has seen by insurance plan. The Vashon clinic has seen 5,500 individual patients since the beginning of October 2020. This does include the patients who have come in for vaccinations. Commissioner Pryne commented that this is an improvement from the 2019, when Neighborcare reported the number of unique patients as 3,670.

c. Commissioner Aman asked what the differences are between the Vashon clinic and all other Sea Mar clinics in regards to payer mix and what the implications might be.

Mr. Greer answered that as an FQHC they are primarily focused on Medicaid patients. Vashon has about 14% Medicaid patients, versus their other clinics that average about 70%. The payer mix is geared more towards Medicare on Vashon, which has a lower reimbursement rate than Medicaid.

He went on to explain what the cost-based reimbursement is, particularly for Medicaid. In 2000 the government set a baseline reimbursement rate for Sea Mar based on its cost report. Every year it increases that amount about 1% - 2% based on inflationary measures. However, the cost of providing care outpaces the annual government reimbursement increases. At one point in time, the government reimbursement rate equaled the cost to provide care. Those numbers diverged and the cost to provide care grows much quicker than the Medicare inflationary index. Sea Mar has the option to rebase, which is submitting a new provider cost report to the government for a new reimbursement rate. However, he's done analysis every year to see if this makes sense and he's found that it does not. It doesn't make sense because Sea Mar has different rates: one rate for medical; one for dental; one for behavior health, etc. They have good reimbursements in some areas while other areas are not quite as high. The rebasing is only for the Medicaid population, which for Vashon is small.

d. President Langland asked if revenue would increase if more patients used the clinic.

Mr. Greer replied that there is an optimal number to maximize viability. The question is, can the providers see that many patients and are that many patients on Vashon?

Commissioner Aman asked if they have done any forecasting for the next several years to see what is the optimal number of patients and visits? He adds that the board would be interested in working with Sea Mar on that analysis.

Mr. Greer answered that he has not forecasted for Vashon. Sea Mar has an entity level forecast in place but not at the clinic level, which is similar to their budgeting process. He mentioned that they could do a five-year rolling projection for Vashon.

e. Commissioner Noble asked if he had seen any change in the quality indicators that might increase the Medicare reimbursement since hiring a Care Coordinator?

He only gets the high-level report on this. Their QI Director, Dr. Gibbs, is the one that could answer and give metrics on this.

f. Commissioner Noble asked for confirmation that the current behavior health counselor does not get Medicare reimbursements for services.

Mr. Greer confirmed that they do not get Medicare reimbursement for their services.

5. Superintendent Report, attached

6. Unfinished Business

7. Committee Reports

a. Finance Committee- Secretary Wolczko, Commissioner Aman, Superintendent Jensen, Administrator Weller

Secretary Wolczko, Commissioner Aman, Superintendent Jensen and Dustin Greer met earlier this morning. They went over the financials to get Commissioner Aman up to speed.

Commissioner Aman commented that he would like more time with Sea Mar to go over their statements to understand fully what is being reported. He thinks this would help the board get a sense on how to predict the clinic's financial future. They learned a lot about the government Medicare and Medicaid reimbursements.

Commissioner Wolczko reported that the loan balance with King County is now -\$633,440.22.

i. Voucher Approval

No warrants were issued.

ii. Payroll Approval

Payroll disbursement was \$4,181.16 for January 01-15.

Secretary Wolczko motioned to approve the payroll expenditure and Commissioner Pryne seconded the motion:

"I move that we approve the payroll expenditures."

b. Clinic Relations Committee- Commissioner Noble and President Langland

See Superintendent report. Commissioner Noble also reported:

- there is an ongoing concern about patients coming to the clinic with COVID symptoms. Even though patients get screened for COVID before their visit, some of them answer incorrectly to the screening questions.
- the providers have authorization for utilizing a 30-minute visit for patients over 65 years, rather than the standard 15 minutes.
- the possible concern that since the behavioral health counselor is not getting reimbursed for Medicare patients, these patients are paying out of pocket.
- Ongoing confusion about same day appointments. The patients who use this option need to know what types of injuries are seen as an acute injury that warrants same day care.

c. Outreach Committee- Commissioner Pryne and Commissioner Noble

- i. See Superintendent report

8. Public Input, up to 15 minutes collectively

There was no public input.

9. New Business

a. Vashon real estate market, Commissioner Pryne

Commissioner Pryne reported that the district's levy for 2023 will be calculated using the district's assessed value as of January 1, 2022. Any change in the district's assessed value will reflect changes in the real estate market over calendar year 2021. Windermere Vashon has shared its 2021 Vashon market report, which includes year-over-year change in the median home sale price (not including raw land). In recent years this has been a good rough indicator of changes in the island's assessed value. In 2021 the median sale price on Vashon was \$835k, 20% more than 2020. This suggests the district's assessed value will also increase by double digits for tax year 2023.

10. Adjournment

Comments:

Commissioner Aman commented that he would like to see a more formal presentation from Sea Mar with a Q&A segment and a yearly schedule for the quarterly meetings, perhaps scheduled for the second meetings of the month. Superintendent Jensen reported that he had already invited them to the 2nd monthly meeting each quarter.

Commissioner Aman motioned adjournment and Secretary Wolczko seconded the motion:

“I move we adjourn.”

ADJOURNMENT APPROVED 5-0

Adjourned at 20:38

The next Regular Board Meeting will be Wednesday, February 16, 2022 at 19:00 on ZOOM,
<https://zoom.us/j/94707956113>