



PO BOX 213, Vashon WA 98070
vashonhealthcare.org

Board of Commissioner's Meeting June 16, 2021

Superintendent's Report

Clinic Financials

Included in your materials is the April 2021 Vashon Clinic financials. Since this is the first month of Sea Mar's fiscal year, the YTD column is the same. A comparison to prior month shows that visits are up 2.7% and visits per clinical day are up 8%. Fees are up \$25,000 from prior month while bad debt is down \$19,000 and contractual allowances are down over \$27,000. This results in Net Revenue being up \$52,000 from March. With total expenses being up \$26,546, the Net Gain for the month is \$33,004. The most significant variance in expenses is contract services for interim staffing.

I added a column for the first 5 months of the contract (Nov – March) and another column adding April to the first 5 months so there is a 6-month contract to-date. Through 6 months the Clinic Net Gain is \$86,610.

In April, Sea Mar changed the way they are reporting Medicare Advantage patients. Prior to April these patients fell under Other FFS. Now there is a separate line for Medicare Advantage, since it made up most of Other FFS. I have added two lines highlighted in green to show combined Medicare and Medicaid payer mix. Please note the Medicare FFS and Medicare Advantage together total 55.3% of the payer mix, and Medicaid FFS plus Managed Medicaid total 13.6%.

VHCD Clinic Services Agreement Proposal

In response to our proposal to Sea Mar, I did get a call from Dustin Greer, Sea Mar's CFO. Dustin explained that Sea Mar is not willing to commit to a reduction in the subsidy at this time, and not until there is a longer track record of financial performance that justifies a reduction. He referred to the annual review language in paragraph 4.5 of the agreement below, which they interpret as an end of the year evaluation and review.

4.5 Audit. *SEA MAR shall provide upon request from PHD a copy of SEA MAR's annual independent financial audit conducted with Generally Accepted Accounting Principles (GAAP). At least annually, the Parties will meet and confer to evaluate SEA MAR's calculation of losses to determine whether the subsidy provided by PHD needs to be revised and adjusted.*

As a follow-up to our discussion, I did send a response to Dustin and Sea Mar's legal counsel requesting that we agree in writing that the subsidy amount specified in the contract remain open for negotiation for the remainder of this contract term pending this annual review. I also

requested that this review occur in October 2021, which would mean it would be based on 10 months of clinic financial performance. The reason for this timing I explained is that as a public hospital district we have a legal requirement for a public hearing by Nov. 15 on our proposed 2022 budget, including the taxes we will be levying.

Capital Project for Clinic Construction

Tom, Eric P. and I met with members of the Health Care Collaborative board and Bill Hamilton last week to exchange ideas on possible capital funding sources for the clinic.

Unfinished Business and Committee Reports

Unfinished Business

King County Roads Levy – A follow-up meeting is scheduled for the 16th of June prior to the Board meeting to hear from King County staff about how the County intends to implement their plan to assure Junior Taxing districts and made whole in the event of pro-rationing.

Administration and Finance

Wolczko

Payroll - Payroll for the period June 1 – 15 is \$ 3730.28.

King County Borrowing as of June 7, 2021: \$-567,467.17

Outreach Committee

Pryne

The committee has been discussing possible participation in the Strawberry Festival as a way to promote the clinic. It is coming up July 16-18. The committee reached out to Kerry at Sea Mar Vashon requesting any thoughts she may have about participating in the festival this year and offering support for anything they might like to do. Committee members have been discussing sponsoring a float with an invite to providers to participate.

Committee members also worked on an ad for the John L. Scott space in the Beachcomber as follows:

JLS Community CHALKBOARD

TIRED OF GOING OVER TOWN TO THE DOCTOR?

Switch to Sea Mar Vashon!
Many islanders already have!

Physicals • Immunizations • Acute care
Chronic disease management, and much more!
Most insurance accepted – Sliding fee scale

Sea Mar Vashon Community Health Center
10030 SW 210th St. • 206-463-3671
Seamar.org/king-medical-vashon

The Committee met June 10 with participation by Mary Bergman, Charlie Krimmert and Kerry Barnes. Wendy and I attended for the District. Wendy briefed the group on clinic operational issues. Kerry reported that the clinic has 4279 patients in their panel but has the capacity to handle double that number. Charlie raised the topic of Cascadia Rising 2022, a regional disaster drill and the potential role for the District in planning for this. The scenario is expected to involve local issues and responses on the 5th day post-earthquake. He stated that Vashon very likely will be on its own for an extended period of time in an event such as this. There is likely a need to upgrade emergency stockpiles on the island and there may be grants out there for this.

**SeaMar CHC
Vashon Medical
For the 01st Month Period Ending April 30, 2021**

**SeaMar CHC - Vashon
Contract Period - Nov 2020
through March 2021**

**SeaMar CHC - Vashon
Contract Period - Nov 2020
through April 2021**

Fiscal Period	April Current Month	March Prior Month	Variance	Current YTD Beg 4/21	% Change from Prior Month	YTD Oct 2020 - Mar 2021	Payer Mix %	Contract YTD (Oct 20- Apr 21)	Payer Mix %
Clinic Days per Month	22	23	(1)	22		121		143	
Visits	1,115	1,086	29	1,115	102.7%	4,505		5620	
Visits per Clinical Day	51	47	3	51	108.5%	37		39	
Annualized Productivity	3,753	3,692	60	3,753		3,838			
Personnel Cost per Visit	114	123	(9)	114		139		134	
Supplies per Visit	16	13	3	16		22		20	
Direct Cost per Visit	186	157	28	186		184		185	
Total Cost per Visit	210	191	19	210	109.9%	220		218	
FTEs									
Providers	3.39	3.21	0.18	3.39					
Support Staff	7.28	8.04	(0.76)	7.28					
	10.67	11.25	(0.58)	10.67	94.8%				
Provider to Staff Ratio	2.15	2.50	(0.36)	2.15					
Revenue by Payer	Current Month	Prior Month	Variance	Current YTD April	Payer Mix %	YTD Oct - Mar 2021	Payer Mix %	Contract YTD (Oct 20- Apr 21)	Payer Mix %
Private Pay	28,269	2,911	25,358	28,269	7.3%	62,188	4.2%	90,457	4.9%
Medicaid FFS	2,178	10,632	(8,454)	2,178	0.6%	37,286	2.5%	39,464	2.1%
Medicare FFS	105,609	96,222	9,388	105,609	27.1%	425,510	28.9%	531,119	28.5%
Medicare Advantage FFS	107,674	100,960	6,713	107,674	27.6%	380,919	25.9%	498,601	26.8%
Commercial Ins	103,207	100,479	2,729	103,207	26.5%	390,927	26.5%	494,134	26.5%
Other FFS	2,027	3,932	(1,906)	2,027	0.5%		0.0%	2,027	0.1%
Managed Medicaid FFS	40,841	49,715	(8,874)	40,841	10.5%	173,041	11.7%	213,882	11.5%
TOTAL FEE FOR SERVICES	389,805	364,850	24,955	389,805	100.0%	1,473,492	100.0%	1,863,297	100.0%
TOTAL MEDICAID								253,346	13.6%
TOTAL MEDICARE								1,029,720	55.3%
					% Change from Prior Month				
Bad Debt Allowances	(22,818)	(41,975)	19,156	(22,818)	54.4%	(203,173)		(225,991)	
Uncompensated Care	(29,719)	(15,095)	(14,624)	(29,719)		(70,259)		(99,978)	
Contractual Allowances	(229,172)	(256,701)	27,529	(229,172)		(883,043)		(1,112,215)	

DEDUCTIONS FROM REVENUES	(281,710)	(313,771)	32,061	(281,710)	(1,156,476)	(1,438,186)
TOTAL NET FEE FOR SERVICES	108,095	51,080	57,015	108,095	317,016	425,111
Managed Care Capitation	866	64	802	866	4,225	5,091
FQHC Enhancement	32,704	38,485	(5,781)	32,704	97,306	130,010
TOTAL MANAGED	33,570	38,549	(4,979)	33,570	101,531	135,101
GRANTS	0	0	0	0	78	78
County Contracts	125,000	125,000	0	125,000	625,000	750,000
Other Contracts & Funding	50	0	50	50		50
CONTRACTS	125,050	125,000	50	125,050	625,000	750,050
TOTAL NET REVENUE	266,715	214,628	52,087	266,715	1,043,626	1,310,341
EXPENSES	Current Month	Prior Month	Variance	Current YTD	YTD Oct - Mar 2021	Contract YTD (Oct 20- Apr 21)
Total Salary	99,989	107,433	(7,445)	99,989	499,306	599,295
Fringe Benefits	27,144	26,064	1,079	27,144	125,246	152,390
TOTAL PERSONNEL	127,132	133,498	(6,366)	127,132	624,552	751,684
Operating Supplies	18,046	14,025	4,020	18,046	96,912	114,958
Depre & Amortization	901	857	44	901	4,220	5,121
Building & Equipment	7,341	7,429	(88)	7,341	43,349	50,690
Repair and Maintenance	4,440	843	3,597	4,440	9,333	13,773
Utilities	1,066	1,690	(623)	1,066	7,356	8,422
Telephone	453	221	232	453	260	713
Technology	766	0	766	766	17,440	18,206
Office Supplies	1,003	275	728	1,003	1,196	2,199
Other Contractual Services	45,003	10,036	34,968	45,003	16,344	61,347
Travel & Meeting	845	1,048	(203)	845	4,013	4,858
Tax					2,698	2,698
Interest Expense	1	895	(894)	1	3,419	3,420
TOTAL EXPENSES	206,996	170,815	36,181	206,996	831,091	1,038,087
NET CONTRIBUTION	59,719	43,813	15,906	59,719	212,535	272,254
Total Allocated Indirect	26,715	36,350	(9,635)	26,715	158,929	185,644
TOTAL EXPENSES	233,711	207,165	26,546	233,711	990,019	1,223,730
NET GAIN / (LOSS)	33,004	7,463	25,541	33,004	53,606	86,610