



PO BOX 213, Vashon WA 98070
vashonhealthcare.org

BOARD MEETING MINUTES

Date: May 19, 2021

Time: 19:00

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

Present: Tom Langland, President

Don Wolczko, Secretary

Eric Pryne, Position 2

LeeAnn Brown, Position 3

Wendy Noble, Position 4

Eric Jensen, Superintendent

Jocelyne Weller, Administrative Director

NOTICE IS HEREBY GIVEN: The Board will add an Executive Session at the end of the above meeting. The meeting is expected to last 30 minutes and a decision may be made. The Executive Session is held pursuant to RCW 42.30.110 which provides that the following is outside the scope of a public meeting:

RCW 42.30.110(1)(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

1. Call to order at 19:00
2. Approve/Amend May 19 Agenda

President Langland motions to amend the agenda and Commissioner Pryne seconds the motion:

“I move to amend the agenda order to put the public comment after the Superintendent’s Report and after the Commissioners’ comments and questions have been addressed.”

AGENDA APPROVED 5-0

3. Approve May 05, Regular Meeting Minutes

Commissioner Pryne motions to approve minutes and Commissioner Brown seconds the motion:

“I move to accept the minutes.”

MINUTES APPROVED 5-0

4. Superintendent Report, attached

a. Vashon Clinic 1st Quarter financials

b. Jesus Sanchez and Dustin Greer, Sea Mar Representatives

c. Sea Mar Quarterly Report

Jesus Sanchez says that it has been about six months since the clinic's inception. Their patient count has been growing and it continues to grow. The clinic double books providers for potential no shows, and takes walk-ins on a daily basis. They average about 17.5 to 18 patients a day but they would like to see 21 to 23 patients a day. Some providers are seeing a little higher average patient count. The clinic has received a lot of positive comments and very little negative responses. They are reaching out to the school district on getting the younger population vaccinated. He mentions that recruitment is difficult for medical assistants, particularly those with bilingual credentials. He thanks Kerry Barnes and the staff at the clinic for their hard work especially during COVID.

Dustin Greer added that the clinic is running a positive margin with the subsidy. March is their year-end so they expect some adjustments in their financials after their year-end audit is completed. The clinic's Medicaid percentage is 14%, which varies greatly from their other clinics which are running at 55% to 60% Medicaid mix. As a Federally Qualified Health Center (FQHC), Medicaid is typically their target population and best payor. The Vashon clinic has a lot of commercially insured patients. The commercial reimbursements are paid on a fee for service basis, as opposed to an encounter basis which is typical for an FQHC reimbursement. Medicare is another large payor on the island which is paid on an encounter basis. Cost per visit is lower at Vashon than their other clinics, averaging about \$220 per visit, versus \$332 per visit at their other clinics. This is partly due to the lower overhead costs at the Vashon clinic. He says that overall, he believes things are going well financially.

Comments, Questions and Answers:

Q: Is the bad debt allowance based on a Sea Mar's system-wide experience? With Vashon's higher income demographics will Sea Mar see a change in the bad debt allowance?

A: This is one area Sea Mar is having their auditor take a look at. The experience rate is going to be different for Vashon. The bad debt allowance is based on only five months experience, which is not enough time to develop a good base line. As the clinic gets their bad debt recoveries, (payment for a bad debt) the numbers will likely go down.

Q: What is the difference between an encounter-based reimbursement versus a fee for service?

A: Fee-for-service reimbursement is based on the actual work the doctor does. There are four levels of visits which are based on the difficulty of the use of the physician's skills. For example, a patient with multiple comorbidities will be coded at a higher difficulty level than say a patient who is seen for a yearly physical and has a cold, so it will be paid higher. An encounter visit pays the same whether the patient has multiple comorbidities or is getting checked up for a cold. Kaiser's average fee-for-service based reimbursement model is \$86 per visit. Medicaid's encounter-based reimbursement model is \$217 per visit. Medicare's encounter-based reimbursement model is \$185 per visit on traditional Medicare.

Q: Can you clarify that when you talk about the reimbursement amount for Medicare is that the same for Medicare Advantage Plan?

A: No. Medicare Advantage plans pay more like a commercial plan and not a Medicare plan. Medicare Advantage is based loosely on the Medicare fee schedule but not on the FQHC encounter rate.

Q: What accounts for the bump in contractual allowances from the previous month?

A: Mr. Greer said he doesn't have that analysis yet, but he would be happy to email this information to Superintendent Jensen for distribution to the commissioners.

Q: Is collecting 28% of the bills charged, after the subsidy, a comfortable percentage when compared with other primary care?

A: Compared to Sea Mar's overall experience rate, Vashon is collecting about 4 % lower than that. Most of that is because there is a large portion of Kaiser patients.

Q: Do you think Sea Mar will be successful with the negotiation of Kaiser's reimbursement rate?

A: The only real leverage Sea Mar has in a negotiation with Kaiser is to say they will not see their patients. However, Sea Mar is not planning on saying this. Vashon is not any different from other Sea Mar clinics in this regard.

Q: When Neighborcare was the clinic their financials had a line item for government grants which was a portion of the Health Resources & Services Administration base grant. This portion was based on their anticipated uninsured patient volumes. Will Sea Mar be allocating any of this grant money to Vashon and, if so, where would it be seen on Sea Mar's financials?

A: Mr. Greer does not know what the actual percentage has to be for the uninsured to allocate a portion of the base grant to the Vashon clinic. He will look into this with their Grants Department and forward this information to Superintendent Jensen. It would show in the BPHC Grant line item.

Q: What would you say would be Vashon Health Care District's focus in order to bring down the subsidy?

A: Improve the reimbursement on the commercial plans, specifically a better contract with Kaiser. It would have to be substantial.

Q: Is there an opportunity to negotiate with UnitedHealthcare or Medicare Advantage?

A: Maybe. The problem is the volumes are not very high.

Q: You are talking to Vashon Pharmacy about a 340B contract pharmacy services. What affect would this have on the clinic's net revenues?

A: The 340B contract pharmacy services would help the Medicaid patients the most. It would generate some revenues. Sea Mar and the Vashon Pharmacy will be ready to move forward with open enrollment in July.

Q: Is Sea Mar allocating some of the American Rescue Plan stimulus dollars to support the Vashon clinic's operations? If so, how much?

A: This money is not going directly to Vashon clinic or any other Sea Mar clinics. This fund is being used for expansion of services and retention. For example, hiring physicians, associated medical assistants, dentists and dental assistants. 90% of the grant is going towards hiring new providers and expanding services.

Q: The Latinx community would like a bilingual provider come on a rotating basis. Would it be possible for a provider from another clinic come to Vashon on a rotating schedule?

A: Mr. Sanchez says he will be happy to talk to their Chief Medical Director about this. He adds that it is not a bad idea and worth exploring. It is just a matter of how they can make it work.

5. Public Input, up to 15 minutes collectively

Alan Aman commented that he agrees that it is very difficult to operate primary care with a positive margin. He says that the goal for the community is to reduce the levy rate. He suggests that Sea Mar and the Board agree on this goal and urges both to have a planning process. This process should include evaluating the clinic's first year's financials and a strategy that is jointly developed by both organizations. He recommends that the outlines of the strategy be developed by the next quarter.

Debby Jackson commented that she is dismayed to hear about Kaiser's poor reimbursement rate. As an Outreach Committee member, she suggests the committee work with Sea Mar to work on strategies that will perhaps improve the payor rate. For example, she is a Medicare Advantage United HealthCare patient, however she has thought about changing to the traditional Medicare plan. She adds that she is happy to switch her plan to the traditional Medicare plan now that she knows it pays better. If more people knew this fact maybe they are willing to switch their plans.

Dr. Jessica Wesch says she is seeing about 20 patients per day. She and the staff are really excited about the Care Coordinator coming on board. The position will be helpful in that they can meet the needs of the community, provide quality care and put a dent in the budget problem. They will also help to capture revenue from the Medicare Advantage plan as well as the commercial payors. She said that being fully staffed with medical assistants will make a huge difference because in the Sea Mar system the MAs process the referrals and do the prior authorizations. The clinic has hope that they can draw a Spanish speaking MA. Regarding the Saturday clinic they are pretty concerned about recruiting for the position. She adds that when the clinic gets their full complement of staff the visits will pick up and problems with referrals and call backs will get better.

6. Unfinished Business

a. Policy and Procedure approval

Commissioner Pryne motions to approve the policies and procedures and Commissioner Brown seconds the motion:

“I move that we approve these policies with the minor editing that Eric J. had mentioned earlier.”

POLICY and PROCEDURE APPROVED 5-0

7. Committee Reports

- a. Finance Committee- Secretary Wolczko, Superintendent Jensen, Administrator Weller
 - i. Voucher Approval

No warrants were issued.

- ii. Payroll Approval

The payroll expenditure for May 01-15 was \$3,698.69.

The loan balance with King County is now -\$437,414.38.

Secretary Wolczko motions to approve the warrants and payroll expenditure and Commissioner seconds the motion:

“I move to approve the warrants and payroll expenditures.”

PAYROLL APPROVED 5-0

- iii. VHCD Budget Projection, see attached

- b. Clinic Relations Committee- President Langland, Commissioner Noble
 - i. Brief Report

Commissioner Noble went over some key points from their Clinic Relations Committee meeting last week:

- Staffing
 - The clinic has family medicine residents who are rotating through the clinic. There is one resident who is willing to pick up some Saturday hours. There are three residents coming in July. The clinic’s ARNP is retiring and leaving the clinic.
 - Lab Technician- The clinic still has their contract with Quest but will hire a lab technician when the contract expires. Labs are available starting at 08:15 with the last lab draw by 14:30. Walk-in outside labs are only done between 10:00 - 11:00, Monday through Friday.
 - Psychiatric ARNP- The person is still onboarding. There is no firm starting date.
 - The clinic is in the process of hiring a nurse manager who is an RN who will have an administrative role to oversee the MAs.
 - Ken is still working on his training for x-ray technician. Hopefully by June he will be done onboarding.

- Sea Mar is still working on the idea of an ARNP working Saturdays. There is a committee with Kerry Barnes, Jesus Sanchez, Dr. Erdmann and Dr. Jiménez to discuss how this process and schedule will work.
 - Referrals- The clinic is aware of the backlog of referrals and not going through in a timely manner. The MAs are doing 50 and up to 90 referrals a day and there have been some challenges in obtaining prior authorization and insurance approvals.
 - Care Coordinator- This is a new position and is filled by an LPN. This position is going to monitor and audit for quality measures which are really important for Medicare reimbursements.
 - The clinic has done about 3,300 vaccinations. Dr. Aguilar has gone in a couple of times and served as an interpreter with the Spanish speaking patients. One concern was that for the first few months of the vaccine administration the clinic was not charging for administering the vaccine which is typically about \$30 per dose. That was revenue that was lost. They have started to charge for it now.
 - The clinic has been getting new patients. Many of these patients are prior patients of Dr. Erdmann at Swedish West Seattle.
 - Wendy Kleppe at Vashon Community Care Center said that they now have a geriatric psychiatrist who is seeing people on the last Friday of every month.
 - Jeni Johnson will meet with Sea Mar when their Psychiatric ARNP starts at Vashon Youth and Family Services to discuss possible overlap in services and collaboration.
- c. Outreach Committee- Commissioner Pryne, Commissioner Brown
- i. Road District levy lid lift

Commissioner Pryne and Superintendent Jensen have had two of meetings with county officials including the director of the Department of Local Services, director of the Roads Division, financial representatives, Councilmember Joe McDermott and his aide. The first meeting was to explain the situation to county and the potential \$5.90 pro-rationing impact on the healthcare district. A county official had said that they did not want people to have to choose between roads or healthcare and that they would try and find a way to make Vashon Healthcare District whole. County Roads had also forecasted the \$5.90 local taxing district structure for 2022 and beyond and the forecast showed that their levy lid lift would not be a problem to the district. However, the forecasters made an error which could have an affect of pro-rationing to the healthcare district. Legally county roads can only spend their levy dollars on roads so they will run ideas past their finance department and legal counsel.

President Langland reminds the public to use the district's website for additional questions or comments.

8. New Business

a. Commerce and ArtsFund Grant

Secretary Wolczko says that the district does not qualify for this particular grant but he wanted to add this to the agenda as a reflection of the grants that are out there. He says that if the district

had a grant committee or a grant writer who knew which grants the district could apply for it could be valuable for the district.

Comments:

President Langland mentions that the clinic painting should be done by this weekend. The painting crew will start painting the other building. He adds that public meetings could be resumed now however the Presbyterian Church where the public meetings are held will not be available until the fall.

Commissioner Noble noticed on the Sea Mar Vashon Clinic website that the providers' bios and photos are not yet posted and there is no mention of the hour lunch break that the clinic closes for. She will look into to this.

President Langland thanked everyone for attending tonight's meeting.

9. EXECUTIVE SESSION

The Executive Session was held pursuant to RCW 42.30.110 which provides that the following is outside the scope of a public meeting:

(1)(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

The public meeting was closed and the Executive Session opened at 20:50. The Executive Session was closed and the public meeting opened at 21:20. No final action was taken.

10. Adjournment

Secretary Wolczko motions adjournment and Commissioner Brown seconds the motion:

"I move we adjourn."

ADJOURNMENT APPROVED 5-0

Adjourned at 21:20

The next Regular Board Meeting will be Wednesday, 02 June, at 19:00 on ZOOM,
<https://zoom.us/j/94707956113>.