



PO BOX 213, Vashon WA 98070  
vashonhealthcare.org

## Board of Commissioner's Meeting September 15, 2021

### Superintendent's Report

#### VHVD 2021/2022 Goals

I presented the following Draft Goals for the District at our Sept. 1 meeting. I am requesting feedback from the Board on any additional goals or clarifications to these goals. If not, I would ask that the Board approve these Goals.

**Accessible:** Care is available when patients need it and in a convenient location.

**Goal:** Partner with Sea Mar and the community on a plan to advocate for improved commercial rates with Kaiser, Premera and other major payers.

**Goal:** Advocate for implementation of 340b pharmacy drug pricing for Medicaid and low-income patients on Vashon.

**Goal:** Facilitate a decision on a convenient location for the clinic as close as possible to ~~in~~ the downtown core.

**Accountable:** The clinic takes responsibility for the community and provides quality care through evidence-based medicine and performance-based measurement and improvement.

**Goal:** Coordinate with Sea Mar on the implementation of quarterly reporting to the District on clinic outcome measures for the clinic.

**Coordinated:** The clinic helps patients navigate the health care system to get the care they need in a safe and timely way.

**Goal:** Engage with community providers to consider how the District can support improvement in access to Behavioral Health services, including participation in the BH Steering Committee.

**Patient & Family Centered:** Patients and families are the center of health care delivery. Patients are engaged to participate and share in decision-making about their care. Provider communication is culturally competent and focused on understanding the patient's perspective.

**Sustainable:** The District works with the provider to build the capacity of the clinic to serve

District residents, while minimizing the needed subsidy, in order to assure the District can sustain its financial support long-term.

**Goals:**

1. **Work with Sea Mar on planning what capacity is needed beyond primary care in a new facility.**
2. **Work with Sea Mar on how to raise additional funds beyond the \$3 million grant**
3. **Establish a 2022 Budget that balances the subsidy needed with repayment of the King County loan while minimizing the tax levy.**

## **Sea Mar July Financials**

Included with my report are two July financial reports. One is the original prepared by Sea Mar. The other is a spreadsheet that includes the Sea Mar's Vashon July 2021 financials to which I have added the Nov through March actual information, so that we can see 9 months of actual performance. Clinic visits in July were down 17% from June due to provider vacations. Despite that, the Net Gain for the month was \$17,474 versus \$15,825 in June. YTD for 9 months, the Net Gain was \$105,036. The projected 12-month Net Gain is now between \$210,189 and \$315,108.

I did obtain additional information from Dr. Erdman regarding the clinic days providers worked. The clinic financial report shows that the clinic was open 21 days during the month. If none of the providers were gone that would have been 63 provider days. However, due to vacations, providers only worked a total of 46 provider days in July. Based on these 46 provider days, and using the productivity standard of 18.9 patients per day, at 100% productivity we would have expected to see 889 visits vs. the 869 reported.

## **Unfinished Business and Committee Reports**

### **Administration and Finance**

**Wolczko**

**Accounts Payable** – No report.

**Payroll** – No report.

### **Outreach Committee**

**Pryne/Brown**

The State of the District meeting is scheduled for Thursday, Oct. 14 at 7 p.m. The Committee met Monday, Sept. 13 to review a draft agenda prepared by Eric Pryne and you should have received a copy of that draft. The topics on the agenda generally include: presentation of the revised Mission and Vision; an overview of what has been accomplished this past year; the District's role as intermediary and advocate; information on financial and patient satisfaction performance for the clinic; a discussion of the VHCD Budget, the \$5.90 limit and how the levy rate may be impacted for residents in 2022. We will not be asking Dr. Erdman to present.

## **Clinic Relations Committee**

The committee met on September 9. No community members were in attendance. Kerry provided the other members with a number of updates. Sea Mar is still in the process of credentialing Mitzi Laney, ARNP, who will be working on Thursdays and Fridays. They are still interested in hiring for more ARNP coverage. There is an ARNP in training interested in Vashon, but the affordability of housing is an issue. Kerry did report that they have hired a FT behavioral health counselor. Telehealth visits are down, with most patients choosing to come into the clinic. The clinic is scheduling up to 10 patients a day for COVID testing.

### **New Business**

**Vashon Care Center** – At the request of one of the commissioners, I have placed this topic on the agenda. The agenda has a link the news release from the Vashon Care Center regarding their announcement that they are planning to cease operations by the end of the year. They state in this press release that the primary factors leading to this decision were a decreased demand for assisted-living services, ongoing staffing shortages and a critical budget shortfall. They state that the pandemic has made day-to-day operations significantly more costly and challenging. Transforming Age states that they have covered shortfalls at VCC of more than \$4 million since 2018.

Tom Langland and Wendy Noble have been asked to serve on a task force that will be exploring alternative uses for the facility and other options for providing senior housing.

Sea Mar CHC Vashon Period Ending July 31, 2021 (4 Months)						SeaMar CHC Vashon Nov - March, 2021		Sea Mar CHC - Vashon YTD (9 Months)		Projected Contract Term (12 Months)		
STATISTICS	4	3	Variance	Current	% Change	YTD		STATISTICS	Actual 9 Months	LOW	HIGH	
	Current Month	Prior Month		YTD	from Prior Month	Nov 2020 - Mar 2021	YTD		Nov 2020 - Mar 2021	YTD (Nov 20 - July 21)	12 Month Proj. (actual 9)	12 Month Proj. (actual April -)
Clinic Days per Month	21	22	(1)	84		121		Clinic Days per Month	205			
Visits	889	1,073	(184)	4,102	-17.1%	4,505		Visits	8607	11,476	12,306	
Visits per Clinical Day	42	49	(6)	49	-14.3%	37		Visits per Clinical Day	42			
Total Cost per Visit	244	200	44	217	22.0%	220		Total Cost per Visit	218			
REVENUES	Current Month	Prior Month	Variance	Current YTD	Payer Mix %	YTD Nov 2020 - Mar 2021	Payer Mix %	REVENUES	Payer Mix %			
Private Pay	21,050	7,326	13,724	79,792	5.1%	62,188	4.2%	Private Pay	\$ 141,980	4.7%		
Medicaid FFS	2,714	166	2,548	9,148	0.6%	37,286	2.5%	Medicaid FFS	\$ 46,434	1.5%		
Medicare FFS	149,705	117,846	31,859	461,306	29.4%	425,510	28.9%	Medicare FFS	\$ 886,816	29.2%		
Medicare Advantage FFS	84,389	122,871	(38,482)	430,987	27.5%	380,919	25.9%	Medicare Advantage FFS	\$ 821,914	27.0%		
Commercial Ins	89,665	109,248	(19,583)	390,431	24.9%	390,927	26.5%	Commercial Ins	\$ 781,358	25.7%		
Other FFS	1,057	436	621	5,619	0.4%		0.0%	Other FFS	\$ 5,619	0.2%		
Managed Care FFS	43,802	50,740	(6,938)	191,453	12.2%	173,041	11.7%	Managed Care FFS	\$ 364,494	12.0%		
<b>TOTAL FEE FOR SERVICES</b>	<b>392,383</b>	<b>408,634</b>	<b>(16,251)</b>	<b>1,568,735</b>	<b>100.0%</b>	<b>1,473,492</b>	<b>100.0%</b>	<b>TOTAL FEE FOR SERVICES</b>	<b>\$ 3,042,227</b>	<b>100.0%</b>	<b>\$ 4,056,303</b>	<b>\$ 4,706,205</b>
Bad Debt Allowances	(14,674)	(21,370)	6,696	(79,641)		(203,173)		Bad Debt Allowances	\$ (282,814)			
Uncompensated Care	(10,913)	(7,232)	(3,681)	(63,533)		(70,259)		Uncompensated Care	\$ (133,792)			
Contractual Allowances	(296,089)	(316,171)	20,082	(1,084,475)		(883,043)		Contractual Allowances	\$ (1,967,518)			
DEDUCTIONS FROM REVENUES	(321,676)	(344,773)	23,097	(1,227,649)		(1,156,476)		DEDUCTIONS FROM REVENUES	\$ (2,384,125)			
<b>TOTAL NET FEE FOR SERVICES</b>	<b>70,707</b>	<b>63,861</b>	<b>6,846</b>	<b>341,086</b>		<b>317,016</b>		<b>TOTAL NET FEE FOR SERVICES</b>	<b>\$ 658,102</b>		<b>\$ 877,469</b>	<b>\$ 1,023,258</b>
Managed Care Capitation	3,022	332	2,689	4,541		4,225		Managed Care Capitation	\$ 8,766			
FQHC Enhancement	35,829	38,913	(3,084)	145,488		97,306		FQHC Enhancement	\$ 242,794			
TOTAL MANAGED CARE	38,851	39,245	(395)	150,029		101,531		TOTAL MANAGED CARE	\$ 251,560		\$ 335,413	\$ 450,087
GRANTS	0	2,218	(2,218)	2,218		78		GRANTS	\$ 2,296			
County Contracts	125,000	125,000	0	500,000		625,000		County Contracts	\$ 1,125,000		\$ 1,500,000	\$ 1,500,000
Other Contracts & Funding	0	0	0	50				Other Contracts & Funding	\$ 50			
CONTRACTS	125,000	125,000	0	500,050		625,000		CONTRACTS	\$ 1,125,050			
<b>TOTAL NET REVENUE</b>	<b>234,558</b>	<b>230,325</b>	<b>4,233</b>	<b>993,383</b>		<b>1,043,626</b>		<b>TOTAL NET REVENUE</b>	<b>\$ 2,037,009</b>		<b>\$ 2,716,012</b>	<b>\$ 2,980,149</b>
EXPENSES								EXPENSES				
Total Salary	100,915	98,762	2,154	406,340		499,306		Total Salary	\$ 905,646			
Fringe Benefits	29,211	28,686	525	109,839		125,246		Fringe Benefits	\$ 235,085			
Professional Services - Providers	0	6,726	(6,726)	6,726								
<b>TOTAL PERSONNEL</b>	<b>130,126</b>	<b>134,174</b>	<b>(4,048)</b>	<b>522,904</b>		<b>624,552</b>		<b>TOTAL PERSONNEL</b>	<b>\$ 1,147,456</b>			
Operating Supplies	18,843	19,232	(389)	90,851		96,912		Operating Supplies	\$ 187,763			
Depre & Amortization	901	901	0	3,604		4,220		Depre & Amortization	\$ 7,824			
Building & Equipment Rental	7,859	7,415	445	30,045		43,349		Building & Equipment Rental	\$ 73,394			
Repair and Maintenance	5,345	2,942	2,403	12,936		9,333		Repair and Maintenance	\$ 22,269			
Utilities	941	1,086	(145)	4,374		7,356		Utilities	\$ 11,730			

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Telephone	0	422	(422)	876	260	Telephone	\$ 1,136		
Technology	0	422	(422)	1,188	17,440	Technology	\$ 18,628		
Office Supplies	515	396	119	2,214	1,196	Office Supplies	\$ 3,410		
Other Contractual Services	26,916	22,005	4,911	115,849	16,344	Other Contractual Services	\$ 132,193		
Travel & Meeting	1,894	1,247	646	4,657	4,013	Travel & Meeting	\$ 8,670		
Tax	0	560	(560)	560	2,698		\$ 3,258		
Interest Expense	544	800	(256)	2,279	3,419	Interest Expense	\$ 5,698		
<b>TOTAL EXPENSES</b>	<b>193,884</b>	<b>191,603</b>	<b>2,280</b>	<b>792,338</b>	<b>831,091</b>	<b>TOTAL EXPENSES</b>	<b>\$ 1,623,429</b>	<b>\$ 2,164,572</b>	<b>\$ 2,377,014</b>
<b>NET CONTRIBUTION</b>	<b>40,674</b>	<b>38,721</b>	<b>1,953</b>	<b>201,045</b>	<b>212,535</b>	<b>NET CONTRIBUTION</b>	<b>\$ 413,580</b>		
Total Allocated Indirect Costs	23,200	22,896	304	96,009	158,929	Total Allocated Indirect Costs	\$ 254,938	\$ 339,917	\$ 288,027
<b>TOTAL EXPENSES</b>	<b>\$217,084</b>	<b>\$214,499</b>	<b>\$2,584</b>	<b>\$888,347</b>	<b>\$990,019</b>	<b>TOTAL EXPENSES</b>	<b>\$ 1,878,366</b>	<b>\$ 2,504,488</b>	<b>\$ 2,665,041</b>
<b>NET GAIN / (LOSS)</b>	<b>\$17,474</b>	<b>\$15,825</b>	<b>\$1,649</b>	<b>\$105,036</b>	<b>\$52,606</b>	<b>NET GAIN / (LOSS)</b>	<b>\$ 157,642</b>	<b>\$ 210,189</b>	<b>\$ 315,108</b>

