

Board of Commissioner's Meeting

September 16, 2020

Superintendent's Report

Sunrise Ridge Lease

There will be no further discussions on this until we make progress with Sea Mar.

Vashon Clinic Financials July YTD

Included in your packet are YTD financials for the Vashon Neighborcare Health Clinic. What it shows is a loss of about \$-226,000 through 7 months with only one month of financial support from the District. It does include a number of unusual items including CARES pandemic relief funding of over \$300,000, significant additional administrative expense for their EPIC EMR implementation, and lower patient revenues due to the pandemic and delays in billing. It's not a very good reflection of past years or as a baseline for projecting performance in 2021. The grant dollars are related to their FQHC status and would be different under Sea Mar.

Board Education Topic

The following is a topic from the Ask MRSC resources service:

A PHD is considering offering free mental health services to first responders and employees of businesses in the District who are at risk of contracting COVID-19. The District is also considering offering such services to its employees. Would such a program be permissible under state law?

PHDs are authorized to provide "other health care services" which, as defined in [RCW 70.44.007](#), includes: services that promote health, wellness, and prevention of illness and injury; and such other services as are appropriate to the health needs of the population served.

Providing mental health services to residents and employees of a district would fall within this broad definition. With respect to employees of a district, the board could consider making such services available as an employee benefit—which appears to be an increasingly common practice on the part of employers. A board would want to consider whether to offer such benefits temporarily for the duration of the COVID-19 emergency or permanently.

The next question is whether a district may offer mental health services to non-employee first responders and business employees at no charge. In normal times, this would raise concerns about violating the prohibition on [gifts of public funds](#), at least to the extent such services are offered to individuals who are not low-income or infirm.

However, Washington state is in the midst of an emergency, and the Washington Attorney General's Office has [provided guidance](#) on how the current emergency impacts the prohibition on gifts of public funds. If the funds expended (or services provided) constitute a "fundamental purpose of government," then the prohibition on gifts of public funds does not apply. Making mental health resources available to first responders may constitute a "fundamental purpose" for a PHD, given the definition of "other health care services" quoted above. Such services are likely to help first responders cope with the stress and difficulty of providing care and services during a pandemic.

Whether mental health services can be provided at no cost to business employees is a closer question. The AGO guidance notes that supporting small businesses during a pandemic may be permissible in some cases to protect the health of the regional economy. However, that guidance is more applicable to general-purpose entities (cities and counties) rather than special purpose districts. A PHD would need to justify mental health expenditures for public health purposes and not economic reasons.

Communications

The following is a response to a concern expressed by a community member about what the VHCD would do to provide financial support to the uninsured or under insured who cannot pay their bills:

Thank you for sharing your concerns about the uninsured and underinsured on Vashon Island. I know I speak for the commissioners in saying that our mission very much includes taking care of all residents of Vashon Island:

The way in which the Vashon Health Care District (VHCD) will support the uninsured and underinsured through a contract with Sea Mar, or any other provider operating the clinic, is by subsidizing any losses on their Vashon clinic operations. A provider's losses on their clinic operations includes the services they provide on a discounted rate or as charity care. As a Federally Qualified Health Center (FQHC), Sea Mar provides services to low income patients on a sliding fee schedule. Patients below the federal poverty level qualify for 100% write-off of clinic fees except for a \$40 co-pay. I know FQHCs serve undocumented patients as well. I cannot speak specifically to their other billing and collection policies, but as a Medicare and Medicaid provider Sea Mar is required to bill all patients subject to the sliding fee schedule and proof of income. Under no circumstances could the VHCD pay off past due accounts for patients who received services from Neighborcare, since that would be considered gifting of public funds, which is illegal.

Thank you for your concerns and interest in serving the needy.

Committee Reports and Old Business

External Relations

In response to a request for talking points related to Sea Mar for sharing with the community, we put together this information:

- Sea Mar is a much larger organization than Neighborcare with Revenue of \$318 million vs. \$78 million for Neighborcare
- Sea Mar serves 13 Washington Counties including many rural communities with a broad range of community-based medical, dental, behavioral health, and substance abuse services.
- Sea Mar is more decentralized in their clinic operations with each clinic handling their own scheduling allowing them to be more responsive to the local community
- In total Sea Mar operates 33 medical clinics, including 7 in King County and 5 in Pierce County, and 21 dental clinics.
- Sea Mar partners with MultiCare to provide integrated services as follows:
 - Specialty care – Sea Mar patients have access to MultiCare’s many specialty services, including cardiology and orthopedics.
 - Primary care – MultiCare patients have access to Sea Mar’s primary care and preventive health services
 - Integrated behavioral health services – Sea Mar behavioral health therapists provide care to patients in selected MultiCare primary clinics
 - MultiCare shares its own resources and networks to help recruit new Sea Mar physicians
- Sea Mar directly offers selected specialty services like obstetrics and gynecology, minor outpatient surgery, and occupational health care.
- Sea Mar partners with Swedish Cherry Hill to train family medicine residents.
- Sea Mar has its own residency program for Family Nurse Practitioners. It is the same idea as the Family Medicine program, but the point is that the quality of their clinical practice is strong enough to be approved as advanced clinical training sites for MD’s and ARNP’s.
- Sea Mar is accredited by The Joint Commission, the nation’s largest standards-setting and accrediting body for healthcare organizations.
- As a patient-centered medical home, Sea Mar places top priority on integrated care by providing multiple services under one roof, saving time and money for patients and families.
- As a member of Washington’s Accountable Communities of Health, Sea Mar is committed to meeting the unique needs of the communities it serves by providing integrated whole-person care.

Update on Provider Discussions – Since our last board meeting, we do not have any further progress to report on our negotiations with Sea Mar. They requested further information on clinic revenues and expenses and we have facilitated them receiving July YTD actual financials from Neighborcare Health, union agreements, wage ranges, etc. We also shared with them information related to the \$3 million capital allocation from the State Legislature.

Finance

Vouchers Approval – Request approval for VHCD vouchers.

District Credit Card - Commissioner Wolczko has requested a credit card from the District's bank.

VHCD Financial Report – I believe that Commissioner Wolczko may have a report to share from the QBO software regarding our finances.