

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
BOARD OF COMMISSIONERS
Regular Meeting
A G E N D A
February 26, 2014
8:00 a.m. to 9:10 a.m.

	<u>ACTION</u>	<u>TIME</u>	<u>PAGE</u>
A. Call to Order			
a) Pledge of Allegiance	---	8:00	---
B. Approval of the Minutes			
a) January 22, 2014 Board Meeting	Action	8:01	1-7
b) February 10, 2014 Special Meeting	Action	8:02	8
C. Executive Committee Report	Information	8:04	---
D. Board Finance Committee Report			
a) Review financial statement and cash activity	Information	8:10	9-13
b) Authorization for payment of vouchers and payroll	Action	8:14	14
E. Program Committee Report & Recommendations			
a) Conflicts of interest	Action	8:18	
b) Program investment recommendations	Action	8:19	15-18
F. Marketing Report	Information	8:30	19
G. Swedish/Edmonds Charity Care Policy	Action	8:35	20-25
H. Commissioner Comments	Information	8:40	---
I. Superintendent's Report	Information	8:45	---
J. Public Comments (please limit to three minutes per speaker)	---	8:50	---
K. Executive Session	---	8:55	---
a) Review ongoing litigation			
b) Review Superintendent performance			
L. Open Session	---	9:05	---
M. Adjournment	---	9:10	---

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
VERDANT HEALTH COMMISSION

BOARD OF COMMISSIONERS

Regular Meeting

VHC Board Room

January 22, 2014

Commissioners Present	Bob Knowles, President Fred Langer, Commissioner J. Bruce Williams, M.D., Commissioner Karianna Wilson, Commissioner Deana Knutsen, Commissioner
Others Present	Carl Zapora, Superintendent George Kosovich, Program Director Jennifer Piplic, Marketing Director Karen Goto, Executive Assistant Sarah Zabel, Swedish/Edmonds Iris Mireau, Swedish/Edmonds Jeff Macdoniels, Swedish/Edmonds Members of the community
Call to Order	The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:04 a.m. by President Knowles.
Approval of Minutes	<i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the regular meeting on November 20, 2013. <i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the special meeting on December 19, 2013.
Executive Committee	President Knowles reported that the Executive Committee met on January 17, 2014 to review the January 22, 2014 board meeting agenda. No action was taken.
Commissioner Oath of Office	Commissioner Langer administered the oath of office to elected Commissioner Knowles.
Officer	Commissioner Langer nominated Commissioner

**Appointments
and
Committee
Assignments**

Knowles for board president. ***Motion was made, seconded and passed unanimously to approve*** Commissioner Knowles as President.

Commissioner Langer nominated Commissioner Williams for board secretary. ***Motion was made, seconded and passed unanimously to approve*** Commissioner Williams as Secretary.

President Knowles announced the following committee appointments for 2014:

Commissioner Wilson (chair) and Commissioner Langer for the Program Committee; Commissioner Knutsen (chair) and Commissioner Langer for the Finance Committee; Commissioner Knowles (chair) and Commissioner Knutsen for the Strategic Collaboration Committee; Commissioner Knowles (chair) and Commissioner Williams for the Executive Committee.

**Approve 2014
Board Meeting
& Retreat
Schedule**

Motion was made, seconded and passed unanimously to approve the meeting schedule for 2014 (E:01:14).

**Board Finance
Committee**

Ms. King reviewed the cash activity for November and December 2013 (E:02:14).

**Authorization
for Payment of
Vouchers &
Payroll**

Warrant Numbers 10459 through 10527 for November & December 2013 for payment in the amount of \$236,045.86 were presented for approval (E:03:14).
Motion was made, seconded and passed unanimously to approve.

**Program
Oversight
Committee
Update**

The Program Oversight Committee met on January 17, 2014 to follow-up on three Building Healthy Communities Fund applications, to review three new program funding applications, two program renewal requests, and follow-up on four previously submitted applications (E:04:14).

No conflicts of interest were reported by the commissioners.

Building Healthy Communities Fund:
Motion was made, seconded and passed unanimously to approve the Edmonds School District and City of

Edmonds Woodway Recreation Campus Renovation in the amount of \$2.5 million over a four year period from 2014 to 2017.

Motion was made, seconded and passed unanimously to approve the Cities of Edmonds, Lynnwood, & Mountlake Terrace BikeLink project for \$1.9 million over a three year period from 2014 to 2016.

The commissioners would like these two projects to provide a progress report to the board every six months or annually.

President Knowles asked about why the City of Brier is not included in the BikeLink project.

Ms. Janet Hall from the City of Mountlake Terrace commented that the City of Brier does not yet have an updated bike plan.

Commissioner Williams expressed his excitement over these new projects.

The Snohomish County Parks & Recreation Department's Esperance Park project funding request was not recommended for funding but may be revisited at a future date.

Commissioner Knutsen noted that the total of additional funded grants leaves only \$199,270 of additional budget available for new programs in 2014. The Program Committee recommends that the Finance Committee look into a budget adjustment for 2014.

Follow-up on Previous Applications

Not Recommended for Funding at this time:

Snohomish County Fire District One Disaster Medicine Project – the Program Committee would like to see other sources of funding for this project besides Verdant.

Mountlake Terrace Police Department AED project – the Program Committee did not recommend funding the program.

For Additional Board Discussion:

Puget Sound Kidney Center Foundation Chronic Kidney Disease Education & Prevention Program.

Commissioners would like to schedule a presentation by the group. Cost of service appears high for a small number of people and similar education content appears to be provided by other groups.

Motion was made, seconded and passed unanimously to approve the Edmonds Community College Veterans Support Center request for three years at \$52,756 per year.

Funding Renewal Requests:

Motion was made, seconded and passed unanimously to approve on a one-time basis at \$25,234 the American Heart Association's Go Red Connect & Better U prevention program which focuses on heart health issues for women

Motion was made, seconded and passed unanimously to approve \$135,000 per year for one year the Senior Services of Snohomish County Care Coordination program. Commissioners would like to see additional partners involved before granting future funds. Both programs exceeded their goals in 2013.

New Funding Requests:

Motion was made, seconded and passed unanimously to approve \$108,259 per year for two years for the Lynnwood Fire Department's Mobile Integrated Care program.

Motion was made, seconded and passed unanimously to approve \$11,980 on a one-time basis for the Edmonds School District's nutrition assessment. The commissioners would like to see recommendations from the school district after the assessment is completed.

For Additional Board Discussion:

Edmonds Lacrosse First Sport Grant one-time request of \$15,000 to offer Lacrosse to students within the Edmonds School District. Commissioners noted that the board has intentionally not funded individual sports teams and programs in the past as it sets a precedent. President Knowles commented that the goal of the

commission is to support programs that promote physical activity and do not limit who can play. Mr. Kosovich was asked to research youth sports in the district to determine who currently participates, what are the needs and what are the barriers.

Marketing Report

Ms. Piplic reported that the 2014 6 Weeks to a Healthier You will run from April 15 to May 20 at the Lynnwood Convention Center. New partners/sponsors include Snohomish County, Sno-Isle Libraries, and the UW Bothell (E:05:14).

Other community upcoming community events include the Edmonds Community College Wellness Bash on February 26, 2014, the WithinReach Community Health Fair at the Lynnwood Senior Center on March 15, 2014, and the Snohomish County Alzheimer's Family Caregiver Conference at Unity Church in Lynnwood on March 21, 2014.

Swedish/Edmonds Charity Care Policy

Mr. Howard Thomas provided an analysis of the proposed revised policy. Ms. Sarah Zabel informed the commissioners that if they would like to take some time to review the policy before approval, the item can be tabled until the next board meeting in February. Commissioners asked for a data comparison with other health systems, the actual experience from the patient's perspective, the intake procedure and if this is Providence's policy. The Finance Committee was tasked with gathering this information and providing a recommendation to the board.

Commissioner Comments

None

Superintendent's Report

None

Public Comments:

Ms. Robin Wyss of SEIU Healthcare 1199 NW shared that they would like to start a discussion with the board about their concerns on staffing and patient care. Ms. Wyss said that care at Swedish/Edmonds will be measured by a national bench mark rather than evidence-based measures.

Mr. Jeff Aken of the Cascade Bicycle Club thanked the commissioners for the funding support.

Ms. Tara Barnes of Swedish/Edmonds shared her concerns about the 35% benchmark proposal and asked the commissioners to hold Providence accountable.

Ms. Marcy Shimada of Edmonds Family Medicine expressed appreciation for the continued funding for Senior Services of Snohomish County. She said she would be willing to share her perspective on youth sports and partnership opportunities.

Mr. Chevy Demiral, a charge nurse at Swedish/Edmonds expressed his concern that the SEIU must share in the implementation of new benchmark standards but was not involved in the decision making. Mr. Demiral commented that care of the patient must be a priority.

Ms. Chris Rompa from Swedish/Edmonds commented that the safety of the staff is important and that staffing did not increase even though census increased from 18 to 23 patients.

President Knowles thanked the SEIU for attending the board meeting and asked that they follow-up with the Superintendent on these issues.

Executive Session

President Knowles recessed the regular meeting at 9:17 a.m. into Executive Session to discuss ongoing litigation and review the Superintendent's performance.

President Knowles stated that the board would reconvene in approximately 15 minutes and the board may take action in Open Session.

President Knowles extended the session at 9:43 a.m. for 5 more minutes.

Open Session

President Knowles reconvened into open session at 9:48 a.m.

The following action was taken:

Motion was made, seconded and passed unanimously to approve Superintendent Zapora's appointment by Governor Inslee as a Trustee of Edmonds Community College with the requirement to notify the commission of any conflicts of interest should they arise.

Commissioners Langer & Williams had already departed the meeting when the motion was taken.

A special board meeting for the Health & Wellness

Center budget and construction bid notice will be scheduled.

Adjourn

There being no further business to discuss, the meeting was adjourned at 9:49 a.m.

ATTEST BY:

President

Secretary

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON

SPECIAL MEETING
February 10, 2014
Verdant Health Commission Board Room

Commissioners Present Bob Knowles, President
Deana Knutsen, Commissioner
J. Bruce Williams, MD, Secretary
Karianna Wilson, Commissioner

Commissioners Excused Fred Langer, Commissioner

Staff Carl Zapora
George Kosovich
Jennifer Piplic
Lisa King
Karen Goto

Guests Scott Falkin, Project Manager
Molly Wolf, Architect

Call to Order The Special Meeting of the Board of Commissioners was called to order by President Knowles at 5:32 p.m.

Presentation Mr. Falkin presented the revised project proposal for the Verdant Community Center (E:07:14) along with the Construction Documents estimate. Mr. Falkin also explained the alternate add-ons for the building roof, the current HVAC system with upgrades, and a new HVAC system with VAV (variable air volume).
Commissioners asked about the increase in costs from the original budget in August 2013 of \$3 million to the proposed budget of \$4.4 million. Commissioner Wilson said she was not pleased with the budget increase but she said with more details now in place, the adjustment is necessary.

Resolution 2014:01 *Motion was made, seconded and passed unanimously to approve* Resolution 2014-01 specifying and adopting plans, declaring the estimated cost of and authorizing a call for bids relating to the construction of improvements to property of the district known as the Community Wellness Center.

Adjourn The meeting was adjourned at 6:06 p.m.

Attest By:

President

Secretary

Balance Sheet
As of January 31, 2014

	A	B	C	D
	Dec 31, 2013	Jan 31, 2014	\$ Change	Comments:
1 ASSETS				
2 Current Assets				
3 Cash Balance	2,579,704	2,802,708	223,004	
4 Other Current Assets	30,374,687	30,733,930	359,243	Includes Investments
5 Total Current Assets	32,954,391	33,536,638	582,247	
6 Total Long-term & Fixed Assets	46,262,507	45,976,184	(286,323)	Depreciation
7 TOTAL ASSETS	79,216,898	79,512,822	295,924	
8 LIABILITIES & EQUITY				
9 Liabilities				
10 Current Liabilities	2,115,446	2,012,593	(102,853)	
11 Long-term Liabilities	6,434,038	6,428,868	(5,170)	2012 LTGO Bonds
12 Total Liabilities	8,549,484	8,441,461	(108,023)	
13 Total Equity	70,667,414	71,071,361	403,947	Annual Net Income
14 TOTAL LIABILITIES & EQUITY	79,216,898	79,512,822	295,924	

Profit & Loss
January 2014

	A	B	C	D	E	F
	Jan Actual	Jan Budget	Fav/(Unfav)	YTD Actual	YTD Budget	Fav/(Unfav)
1 INCOME						
2 Ordinary Income	766,586	681,177	85,409	766,586	681,177	85,409
3 EXPENSES						
4 Operating Expenses	129,832	124,059	(5,773)	129,832	124,059	(5,773)
5 Depreciation Expense	328,169	251,728	(76,441)	328,169	251,728	(76,441)
6 Program Expenses	321,088	389,584	68,496	321,088	389,584	68,496
7 Total Expenses	779,089	765,371	(13,718)	779,089	765,371	(13,718)
8 OTHER INCOME/(EXPENSE)						
9 Total Other Income/(Expense)	416,451	266,542	149,909	416,451	266,542	149,909
10 NET INCOME	403,947	182,348	221,599	403,948	182,348	221,600

Monthly Highlights
January 2014

Verdant received dividends payments of \$46,669 and an unrealized gain of \$190,845 on our investment portfolio in January for an ending market value of \$29,513,462.

Annual program commitments total \$5,116,377 and \$3,682,009 for 2014 and 2015, respectively. \$633,623 remains available to spend in 2014, of which \$232,500 is earmarked as Superintendent Discretionary.

Additional income of \$85,409 and expenses of \$22,143 from the Kruger Clinic were incurred, netting to an additional operating income of \$63,265 in January.

**Public Hospital District #2 of Snohomish County
 Summary of Cash Receipts and Disbursements
 January 2014**

**January 2014
 Amount**

Receipts:

Rental Income	774,363.31	Swedish/Edmonds, Kruger Clinic & Value Village
Snohomish County Tax Levy	20,433.52	
Ground Lease Payments	4,166.67	Healthcare Realty
Misc. Reimbursements/Refunds	8,316.22	Reimbursements & Interest Income
Total Receipts	807,279.72	

Disbursements:

Professional Services:		
Legal Fees	47,098.50	Litigation and Professional Liability Legal Fees
Accounting Fees	15,530.29	Ash Consulting & WA State Auditors Office
Professional Services	17.25	Benefit Solutions Administrator
Purchased Services	1,261.11	Paychex, Bank Service Fees, Marketing
Payroll	27,897.61	2 pay periods plus Benefit Solutions & Employee Charitable Contributions
Payroll Taxes	12,171.53	2 pay periods plus L&I
Employee Insurance	3,790.59	Regence Medical & Dental, Principal Life
Employee Retirement Contributions	3,906.38	Valic
Program Expenditures	320,999.85	
Workers Compensation	11,052.25	Eberle Vivian & 4Q13 L&I Self Insurance
Property Acquisition & Improvement	61,992.38	Project Management, Architecture, Due Diligence
Other Miscellaneous Expenses	79,316.45	Supplies, Rent, Canon Lease, Dues, Interest Expense, Taxes, Insurance, Election, Kruger
Total Disbursements	585,034.19	

Public Hospital District #2

<u>Warrant Number</u>	<u>Transaction Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
Warrant Activity:				
10528	01/09/2014	UNITED WAY	514.50	4Q13 EE Charitable contributions
10529	01/09/2014	Comcast	328.43	Internet
10530	01/09/2014	Department of Licensing	30.00	KG Notary Public License
10531	01/09/2014	Falkin Associates, Inc.	4,050.00	Project Management December 2013
10532	01/09/2014	Foster Pepper	2,835.00	Legal December 2013
10533	01/09/2014	WA Department of Revenue	9,107.25	4Q13 Leasehold Excise Tax
10534	01/09/2014	Benefit Solutions Inc	-	VOID
10535	01/09/2014	Washington Employers	412.50	Dues
10536	01/09/2014	Ankrom Moisan	18,711.88	Architecture December 2013
10537	01/09/2014	Benefit Solutions Inc	17.25	FSA Administration
10538	01/09/2014	City of Lynnwood - Utilities	488.57	Utilities
10539	01/10/2014	CBRE, Inc.	39,230.50	Commission
10540	01/15/2014	Ash Consulting	577.50	Accounting Consulting December 2013
10541	01/15/2014	Aukema & Associates	423.00	Marketing - Dec 2013 Website update
10542	01/15/2014	Camden Gardens, Inc.	1,231.88	Kruger Clinic
10543	01/15/2014	Corporate Security LLC	390.50	Kruger Clinic
10544	01/15/2014	Easywork Order	139.25	Kruger Clinic
10545	01/15/2014	Eden Advanced Pest Tech	164.25	Kruger Clinic
10546	01/15/2014	Guardian Security Systems	59.00	Kruger Clinic
10547	01/15/2014	Republic Services	498.03	Kruger Clinic
10548	01/15/2014	Synergy Building Services, Inc.	3,827.84	Kruger Clinic
10549	01/15/2014	Whitman Global Carpet & Floor Care	506.12	Kruger Clinic
10550	01/22/2014	Carney Badley Spellman	770.50	Legal December 2013
10551	01/22/2014	City of Edmonds Utilities	2,062.87	Kruger Clinic
10552	01/22/2014	Department of Labor and Industries	4,575.39	4Q13 Self Insurance Fund
10553	01/22/2014	State Auditor's	14,952.79	2012 State Audit
10554	01/22/2014	Canon Financial Services	301.13	Copy Machine Lease
10555	01/22/2014	Frontier Communications	315.84	Kruger Clinic
10556	01/22/2014	Snohomish County PUD	6,367.72	Kruger Clinic
10557	01/22/2014	Staples	139.56	Supplies
10558	01/22/2014	Regence BlueShield	3,167.55	Employee Medical & Dental
10559	01/22/2014	Snohomish County Auditors Office	41,890.12	Election of Commissioners
10560	01/22/2014	GFOA	420.00	LK to attend Annual Conference
10561	01/29/2014	The Daily Herald	42.00	Legal Notice
10562	01/29/2014	Wells Fargo	2,460.00	Miscellaneous
10563	01/29/2014	Lynnwood PFD	3,045.00	Rent
10564	01/29/2014	Principal Financial Group	623.04	Employee Life Insurance
10565	01/29/2014	Comcast	329.18	Internet
10566	01/29/2014	Consolidated Landscape Maintenance, Inc.	127.75	Landscaping at Prime Pacific Bank
10567	01/29/2014	Puget Sound Energy	618.22	Natural Gas
10568	01/29/2014	Snohomish County PUD	645.73	Electricity
10569	01/29/2014	Peick Boyer Law Group, P.S.	40,000.00	Settlement of Liability Claim
10570	01/29/2014	Goodman Real Estate	2,500.00	Kruger Clinic

Warrant Number	Transaction Date	Payee	Amount	Purpose
10571	01/31/2014	Carney Badley Spellman	536.00	Legal
10572	01/31/2014	Department of Labor and Industries	178.87	4Q13 Self Insurance Fund
10573	01/31/2014	Foster Pepper	1,620.00	Legal
10574	01/31/2014	Aardvark Sweeping	85.20	Kruger Clinic
Total Warrants			<u>211,317.71</u>	

Wire/ACH Activity:

1/10/2014	Payroll	13,374.21	ACH payroll transfer
1/10/2014	Department of Treasury	5,883.22	Payroll taxes for 1/4/14 pay period ending
1/10/2014	Paychex	55.97	Fee for payroll processing
1/10/2014	Valic	1,962.19	Payroll 401(a)/457 Deposit
1/25/2014	Payroll	13,940.48	ACH payroll transfer
1/25/2014	Department of Treasury	5,928.56	Payroll taxes for 1/18/14 pay period ending
1/25/2014	Paychex	215.45	Fee for payroll processing
1/25/2014	Valic	1,944.19	Payroll 401(a)/457 Deposit
1/10/2014	Wells Fargo	55.54	Bank Service Fee
1/10/2014	Wells Fargo	438.73	Bank Service Fee
1/10/2014	Wells Fargo	52.59	Bank Service Fee
1/15/2014	Bank of America - Fees	19.83	Bank Service Fee
1/15/2014	Alzheimer's Association Western & Central	7,209.17	Program Payment
1/15/2014	American Diabetes Association	4,166.67	Program Payment
1/15/2014	Boys & Girls Club of Snohomish County	9,328.25	Program Payment
1/15/2014	Cascade Bicycle Club Education Foundation	4,750.00	Program Payment
1/15/2014	Center for Human Services	13,523.67	Program Payment
1/15/2014	ChildStrive	22,660.00	Program Payment
1/15/2014	City of Lynnwood	6,455.67	Program Payment
1/15/2014	City of Mountlake Terrace	3,500.00	Program Payment
1/15/2014	Community Health Center of Snohomish Co	8,333.33	Program Payment
1/15/2014	Domestic Violence Services Snohomish Co	1,621.08	Program Payment
1/15/2014	Edmonds Community College	11,712.25	Program Payment
1/15/2014	Edmonds School District No. 15	65,315.50	Program Payment
1/15/2014	Edmonds Senior Center	4,518.00	Program Payment
1/15/2014	Free Range Health	1,767.42	Program Payment
1/15/2014	Medical Teams International	4,000.00	Program Payment
1/15/2014	Parent Trust for WA Children	2,083.33	Program Payment
1/15/2014	Prescription Drug Assistance Foundation	4,166.67	Program Payment
1/15/2014	Program for Early Parent Support	3,333.33	Program Payment
1/15/2014	Project Access Northwest	6,666.67	Program Payment
1/15/2014	Providence Hospice & Home Care Foundation	12,916.67	Program Payment
1/15/2014	Puget Sound Christian Clinic	8,750.00	Program Payment
1/15/2014	Senior Services of Snohomish County	46,686.67	Program Payment
1/15/2014	Smithwright Services	5,416.67	Program Payment
1/15/2014	Washington CAN! Education & Research Fund	18,000.00	Program Payment
1/15/2014	Wonderland Development Center	11,250.00	Program Payment
1/15/2014	YWCA of Seattle, King and Snohomish Co	4,166.66	Program Payment

Warrant Number	Transaction Date	Payee	Amount	Purpose
Wire/ACH Activity:				
	1/15/2014	Snohomish County Fire District 1	12,035.50	Program Payment
	1/15/2014	CampFire	4,166.67	Program Payment
	1/15/2014	Within Reach	12,500.00	Program Payment
	1/2/2014	Benefit Solutions Inc.	57.69	FSA Payments
	1/28/2014	Benefit Solutions Inc.	10.73	FSA Payments
	1/27/2014	WA Department of Revenue	824.51	B&O tax for January 2014
	1/22/2014	Department of Labor & Industries	359.75	4Q13 State Fund
		Total Wires/ACH Transactions	366,123.49	
Workers Compensation Claims Activity:				
305096-305109	Jan 2014	Various Claimants/Vendors	6,297.99	Administered by Eberle Vivian
Professional Liability Activity:				
380000477	Jan 2014	Various Claimants/Vendors	1,295.00	Administered by Sedgwick
		Total Disbursements	\$ 585,034.19	

Date	Payer	Amount	Purpose
Deposits:			
1/3/2014	Payden & Rygel	2,696.85	Reimbursement for interest payable to GRE Kruger
1/7/2014	Swedish Edmonds Children's Clinic	18,664.71	Monthly lease Kruger Clinic
1/7/2014	Swedish/Edmonds	8,902.00	Monthly lease Kruger Clinic
1/10/2014	Snohomish County	20,433.52	Tax Levy
1/10/2014	Robert Knowles	150.00	Reimbursement for attendance of S/E Gala
1/17/2014	Safety National Casualty Corporation	5,449.92	Insurance Reimbursement for W/C
1/17/2014	Raymond Liu, D.D.S.	3,109.05	Monthly lease Kruger Clinic
1/22/2014	Swedish/Edmonds	15,297.24	Monthly lease Kruger Clinic
1/27/2014	Healthcare Realty Services, Inc.	4,166.67	Monthly ground lease
1/27/2014	John Headley MD PS	17,086.88	Monthly lease Kruger Clinic
1/27/2014	Swedish/Edmonds	667,707.05	Monthly lease S/E & Kruger Clinic
1/27/2014	Swedish Edmonds Children's Clinic	18,664.71	Monthly lease Kruger Clinic
1/27/2014	Swedish/Edmonds	24,931.67	Monthly lease Kruger Clinic
1/31/2014	Wells Fargo Investment Income	18.99	Interest Income
1/31/2014	Comerica Investment Income	0.46	Interest Income
	Total Deposits	\$ 807,279.72	

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT #2
SNOHOMISH COUNTY, WASHINGTON

WARRANT APPROVAL

We, the undersigned Board of Commissioners of Public Hospital District #2 of Snohomish County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that Warrant Numbers 10528 through 10574 have been issued for payment in the amount of \$211,317.71. These warrants are hereby approved.

Attest:

Lisa M. King

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Warrants Processed:	1-1-14 – 1-31-14		\$211,317.71
Work Comp Claims Pd:	1-1-14 – 1-31-14		6,297.99
Professional Liability Pd:	1-1-14 – 1-31-14		1,295.00
Payroll:	12-22-13 – 1-4-14	13,374.21	
	1-5-14 – 1-25-14	<u>13,940.48</u>	
			27,314.69
Electronic Payments:	Payroll Taxes	12,171.53	
	Paychex	271.42	
	Valic Retirement	3,906.38	
	Benefit Solutions	68.42	
	Bank Fees	566.69	
	WA State Dept Revenue	824.51	
	Program Expenditures	<u>320,999.85</u>	
			<u>338,808.80</u>
	Grand Total		<u>\$585,034.19</u>

February 2014 Program Summary

Summary of Programs for Discussion

- Three new funding applications
- Follow-up on one previously submitted application

New Funding Applications

Recommended for funding:

- **Swedish/Edmonds – Java Music Club Program:** the Java Music Club Program is a group therapy program that uses music, readings, photographs, and storytelling with patients. The program would be implemented with individuals in the Swedish/Edmonds inpatient mental health program. Verdant funds would pay for the program and materials (manual, CD's, training DVD, Facilitator's Guide, Forms, instruments). **The program committee is recommending fully funding the request on a one-time basis for \$2,755.**
- **Center for Advanced Recovery Solutions – Addiction Training for Licensed Mental Health Therapists:** a one-time request for \$9,370 would provide trainings for licensed mental health therapists on substance use issues. The program would offer continuing education credit and expect to reach 170 mental health professionals. The trainings would be made available to all mental health therapists and at no cost to those practicing in South Snohomish County. **The program committee is recommending fully funding the request for \$9,370 out of Verdant's internal programs budget.** The committee felt the trainings are consistent with Verdant's focus on mental health issues and would complement activities at Verdant's new building.

Not Recommended for Funding:

- **Work Opportunities - Social Skills Group:** a three year request (\$15,979 per year) to implement a support program for individuals with autism. The groups and classes would address effective group/social behavior; communication and social skills; employment considerations; and other topics. The program would serve 8 individuals per year through twice a month meetings at the Puget Sound Psychology and Consulting office in Lynnwood. **The program committee is not recommending funding the program because it was more focused on social supports and not sufficiently aligned with Verdant's health and wellness priorities.**

Previously Submitted Applications

Not Recommended for Funding:

- **Edmonds Lacrosse – First Sport Grant:** a one-time request of \$15,000 to offer Lacrosse to students within the Edmonds School District. Grant funds would be used to subsidize registration fees, provide equipment, and support program marketing. **The program committee is not recommending the program for funding at this time.**

The committee reviewed a summary of youth sports programs in the area, including example fees and scholarship programs (see next two pages). The committee agrees that there are financial barriers for some families participating in sports, but would be more interested in program options covering multiple sports, rather than approaching the issue one sport at a time.

Youth Sports Organizations in South Snohomish County

There are several dozen organizations that provide youth sports leagues and programs in our service area. Some are very small non-profits associated with one sport or even a single team, while others are larger multi-sport organizations. Most are organized as non-profits. There is not a single directory of organizations, but the list below provides a snapshot of what I was able to identify after searching online and talking to some key players.

Youth Sports organizations in South Snohomish County:

- Alderwood Little League
- Blaze Fastpitch
- Edmonds Braves
- Edmonds Girls Fastpitch Association
- Edmonds Riptide Baseball Club
- Edmonds Sports Academy
- Edmonds Warriors Football
- Edmonds Youth Sports
- Express Baseball Club
- Knight Hoops Basketball Club
- Lynnwood Blues Fastpitch
- Lynnwood Youth Sports Association
- Meadowdale Youth Football & Cheer
- Mountlake Terrace Youth Athletic Association (MTYAA)
- NW Christian Sports League
- NW Juniors Volleyball Club
- NW Nationals Select Soccer Club
- Pacific Little League
- Shockers Baseball Club
- Sno-King
- Terrace Brier Soccer Club
- Washington Girls Select Basketball
- Washington Stampede

In addition to organized sports leagues, there are various sports camps offered during school breaks. Examples of camps include those run by City Park and Recreation departments, Kids on the Run sports camps, YMCA camps, and Skyhawks sports camps. Some of these camps are competitive and are focused on skill building, but many are also designed to keep kids active and are open to all skill levels.

Registration Cost and Scholarships

Fees for participating in sports leagues vary by sport and age; the cost for participating in a single sport ranges from \$50 to \$300. These fees are typical for “no-cut” recreation sport leagues—more competitive leagues can cost thousands of dollars and run throughout the year with out of state travel.

Registration fees increase as a child ages. For example, the cost may be \$65 for t-ball and increase to twice that for 12 or 13 year-old baseball. Registration fees do not include the cost of the associated equipment, and some leagues have the expectation that families will help with fundraising efforts in addition to paying for registration.

Many of the organizations listed above offer scholarship programs and make the case that no one is turned away due to inability to pay. However, I could not identify any programs that have the capacity to cover the full registration costs for families, and the programs I talked to exhaust their scholarship funds each year. Some of the organizations have traditionally offered more generous scholarships in the past, but they have decided to cut back the amount of support given to each family in order to support more families. The scholarship forms are generally very simple and many do not appear to ask for documentation of income or assets.

Example Scholarships

- Sno-King Youth Sports: will take \$30 off registration fees if approved by their board (registration fees run \$65-\$125for baseball).
- MTYAA: states that no player will be refused because of lack of funds, but practices appear to vary by sport. For example, MTYAA Baseball asks that at least 50% of the league fee be paid at the time of registration. For football, the forms state that full payment is due at registration with no payment plans offered.
- Pacific Little League: offers a 50% discount of the registration fee, with more potentially available on case by case if needed.
- NW Christian Sports League: will offer full or partial scholarships, but requires everyone to pay at least \$20. They also expect scholarship recipients to participate in fundraisers and volunteer.
- Sports Camps: many of the sports camps offer partial scholarships (Ex. Lynnwood Parks and Recreation Foundation, Skyhawks Cares, YMCA scholarship programs)

Verdant Funded Programs

Verdant currently funds several youth-activity focused programs. Active programs include Move 60! through the Edmonds School District, Move 60! Teens through the City of Lynnwood Parks and Recreation Department, and Healthy Habits through the Boys and Girls Club. Each of these programs includes a focus on activity, and the Boys and Girls Club includes free intramural-type programs for elementary aged youth. These Verdant funded programs all use a fitness assessment to measure changes in body composition, strength and aerobic capacity.

Additionally, Verdant funds a program through Cascade Bicycle Club that is focused on helping middle school students to build safe bicycling skills.

Verdant Health Commission Proposal Summary February 2014

A		B	C	D	E	F	G	H	I
New Funding Requests			Request for funding			Priority Area			
#	Name	Description	Year 1	Year 2	Year 3	Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy
1	Swedish/Edmonds - Java Music Club Program	The Java Music Club Program is a group therapy that uses music, readings, photographs, and storytelling with patients. The program would be implemented with individuals in the Swedish/Edmonds impatient mental health program. Verdant funds would pay for the Java Music Club program (manual, CD's, training DVD, Facilitator's Guide, Forms, instruments).	\$2,755			X	X		
2	Work Opportunities - Social Skills Group	A multi-year request to implement a new support program for individuals with autism. The groups and classes will address effective group/social behavior; communication and social skills; problem solving; emotion regulation; employment considerations; and other topics. The class would meet twice a month for a year and would be held at the Puget Sound Psychology and Consulting office located in Lynnwood. The program would be expected to serve 8 individuals per year.	\$15,979	\$15,979	\$15,979	X	X		
3	Center for Advanced Recovery Solutions -- Addiction Training for Licensed Mental Health Therapists	This one-time request seeks to address the anticipated increased need for mental health and substance use disorder services, through targeted trainings for licensed mental health therapists. The program would offer continuing education credit and would be expected to reach 170 mental health professionals. The trainings would be provided in Edmonds and will be made available to all mental health therapists and at no cost to those practicing in South Snohomish County.	\$9,370			X	X	X	
Pending Requests									
4	Edmonds Lacrosse Club - First Sport Grant	A one-time request to offer Lacrosse to students within the Edmonds School District. Grant funds would be used to subsidize registration fees, provide equipment, and support program marketing.	\$15,000			X	X		

February 2014 Marketing Report

6 Weeks to a Healthier You 2014

- Dates scheduled are:

Session 1: April 15	Make Your Health Last as Long as Your Life
Session 2: April 22	Eating Healthy in a Doubleburger.com World
Session 3: April 29	Move It or Lose It
Session 4: May 6	Take a Load Off Your Heart
Session 5: May 13	Raising Fit Kids in a Fast World
Session 6: May 20	Healthy Cooking at Home

Each session is from 6:30-8:00 p.m. at the Lynnwood Convention Center.

Community Events

- Feb. 26, 10 a.m. – 2 p.m. – Edmonds Community College Wellness Bash
- March 6, Move 60's "March Mile" run at Mountlake Terrace High School
- March 15, 10 a.m. – 4 p.m. – WithinReach's Community Health Fair at Lynnwood Senior Center
- March 21 – Snohomish County Alzheimer's Family Caregiver Conference at Unity Church in Lynnwood

**Swedish/Edmonds Charity Care Policy Change
Request for Approval to Snohomish County Hospital District #2
February, 2014**

As discussed at the Board meeting on January 22, Swedish is in the process of revising its charity care policy. The Lease and Operating Agreement between Swedish and the District requires that any material change to our charity care policy that is not required by law or regulation. The key revisions are summarized below:

1. **Time Period for Charity Approval:** According to our current policy, charity care is approved for six months. However, we have found that six months is not always an appropriate duration for our patients. Some have longer term medical needs while others have medical situations which are resolved relatively quickly. As such, our new policy does not mention a time period by which charity care is approved. We look at each patient on a case by case basis and set a duration that is appropriate for their medical condition. In addition, we will review a patient's need for an extension if their care requirements exceed the initial duration approved.
2. **Medically necessary services:** Our revised policy clarifies that financial assistance is only approved for medically necessary services. This has always been our practice but it was not clearly stated in our current policy.
3. **Sliding scale for discounted care:** Our current policy includes a sliding discount scale for insured patients and a separate scale for uninsured patients. Our revised policy includes one sliding discount scale that applies to both insured and uninsured patients. It's worth noting that all uninsured patients automatically receive a 30% discount off of gross charges before any charity discounts are applied. The changes to the sliding scale are intended to simplify the policy without adversely impacting our charity patients.

During the discussion on 1/22, several questions were raised by the Board and Swedish agreed to follow-up with responses. A summary of those questions and responses follows:

- **Question:** Regarding the proposed change for charity care duration (from 6-months to a case-by-case determination), can Swedish put together some data showing how long charity patients are actually receiving treatment?
- **Answer:** Our data indicates that Swedish charity patients are under our care for 1.5 months, on average. This supports our recommendation to replace our existing 6-month duration approval with a new process to set durations based on individual patient circumstances. One benefit of this approach is that it encourages a dialog between the patient and our Financial Advocates who are focused on helping patients understand all of their coverage options (which are much more extensive under the Affordable Care Act). Details below:
 - 2,600 patients received charity care at Swedish Edmonds in 2013.
 - The average patient received treatment for 45 days (~1.5 months).
 - 90% of the patients were treated for less than 6 months. The remaining 10% were required to resubmit a charity application to get extended beyond 6 months. Under the new policy, charity care durations will be set based on the length of the expected treatment plan and may be extended as necessary if treatment plans change.
 - 81% of our charity patients were treated for less than 3 months.

- **Question:** How does the “case by case” charity duration determination compare to other area hospitals?
- **Answer:** Swedish’s proposal to set charity care durations on a case by case basis is not unique. As shown below, in a review of four area hospitals, only one has a set duration in which charity care is approved (30 days). The other hospitals either do not have any set duration, or do not mention timing in their policies. Details below:
 - *Swedish:* Per the revised policy, the duration of charity care will be determined on case by case basis.
 - *UW Medicine:* Policy indicates that a complete review of the charity application is required at each hospital visit or admission. No set duration.
 - *Northwest Hospital:* No mention of duration in policy.
 - *Group Health:* Charity is effective for 30 days starting on the date of the initial approved visit.
 - *Evergreen Health:* No mention of duration in the policy.

- **Question:** In general, how does the Swedish policy compare to other area hospitals in terms of income level requirements for charity care consideration?
- **Answer:** As noted by the District’s consultant, the proposed single scale for Swedish patients is actually more generous than the existing two-scales in place today. Swedish’s income requirements to be considered for charity care continue to be more lenient than the hospitals we researched. Details below:
 - *Swedish:* Income up to 400% of FPL is considered for charity care. Full charity is approved if income is less than 200% FPL.
 - *UW Medicine:* Income must be below 300% of FPL to be considered for charity care.
 - *Northwest Hospital:* Income must be below 200% of FPL to be considered for charity care.
 - *Group Health:* Income must be below 200% of FPL to be considered for charity care.
 - *Evergreen Health:* Income must be below 200% of FPL to be considered for charity care.



FINANCIAL ASSISTANCE – CHARITY CARE

ADMINISTRATIVE POLICY

Campus: All Swedish Hospital Facilities & Departments

Approved: DRAFT

Department: Revenue Cycle

Next Review:

Purpose

The purpose of this policy is to outline the circumstances under which financial assistance (also referred to as “charity care”) may be provided to qualifying low income patients for medically necessary healthcare services provided by a Swedish hospital facility (Swedish).

Policy

Swedish is committed to the provision of medically necessary healthcare services to community members and those in emergent medical need, without delay, regardless of their ability to pay.

1. Swedish will comply with federal and state laws and regulations relating to emergency medical services and charity care.
2. Swedish will provide charity care to qualifying patients to relieve them of all or some of their financial obligation for medically necessary SHS healthcare services.
3. In alignment with its Core Values, Swedish will provide charity care to qualifying patients in a respectful, compassionate, fair, consistent, effective and efficient manner.
4. Swedish will not discriminate on the basis of age, sex, race, creed, color, disability, sexual orientation, national origin, or immigration status when making charity care determinations.
5. In extenuating circumstances, Swedish may at its discretion approve charity care outside of the scope of this policy.
6. Swedish prohibits the billing of gross charges on any medical care for patients eligible for financial assistance.

Eligibility Requirements:

Charity care is typically secondary to all other financial resources available to the guarantor (financially liable individual) including but not limited to insurance, third party liability payors, government programs and outside agency programs. In situations where appropriate primary payment sources are not available or feasible, guarantors may apply for charity care based on the eligibility requirements in this policy.

Charity care is granted for medically necessary services only. For Swedish hospitals, these are appropriate hospital based services as defined by WAC 246-453-010(7).

Charity care is typically only granted for patients who reside in Washington counties where services are provided by Swedish. Exceptions may be made for non-residents in need of emergent services or in situations where a medically necessary service is not performed in the service area where the patient resides.

Eligibility for charity care shall be based on financial need at the time of application. All resources of the family as defined by the WAC ¹ are considered in determining the applicability of the Swedish sliding fee scale in Attachment A.

The full amount of charges will be determined to be charity care for any guarantor whose gross family income is at or below 100% of the current federal poverty guideline level (consistent with WAC 246-453), provided that such persons are not eligible for other private or public health coverage sponsorship (see RCW 70.170.060 (5)).

The Swedish sliding fee scale will be used to determine the amount to be written off as charity care for guarantors with incomes between 101% and 400% of the current federal poverty level after all funding possibilities available to the guarantor have been exhausted or denied and personal financial resources and assets have been reviewed for possible funding to pay for billing charges. Charges may be written off as charity care for guarantors with family income in excess of 400% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

Swedish may choose to grant charity care based solely on an initial determination of a guarantor's status as an indigent person. In these cases, documentation may not be required. In all other cases, documentation is required to support an application for charity care. This may include: proof of income and assets from any source, including but not limited to copies of recent paychecks, W-2 statements, income tax returns, and/or bank statements showing activity. If adequate documentation cannot be provided Swedish may ask for additional information.

Catastrophic Exceptions

If a patient is seeking assistance with medical bills but does not meet income qualifications for charity care under the guidelines of the scale, he/she may request a review for a discount based upon catastrophic consideration. If the patient's balance exceeds 10% of a patient's annual income over a one-year period, he/she may be eligible for catastrophic charity care. Catastrophic approvals require department director approval.

Public Notices:

¹ As defined in WAC 246-453-010(17).

Swedish displays signage and information about its Charity Policy at appropriate access areas. This includes paper copies of the policy and application forms which are provided without charge. Brochures are available for dissemination upon request and are available in several languages including but not limited to English, Spanish and Chinese. Swedish publicizes this policy on its website which includes a downloadable plain language summary and application form. Swedish also notifies residents of the community who are most likely to require financial assistance by disseminating information to local organizations.

Evaluation Process:

Patients may apply for charity care at the time of service, or at any point in the billing process up to the resolution of the account. A person seeking charity care will be given a preliminary screening and if this screening does not disqualify him/her for charity care, an application will be provided with instructions on how to apply. As part of this screening process Swedish will review whether the guarantor has exhausted or is not eligible for any third-party payment sources. Where the guarantor's identification as an indigent person is obvious to SHS a prima-facie determination of eligibility may be made and in these cases SHS may not require an application or supporting documentation.

A guarantor who may be eligible to apply for charity care after the initial screening will be given fourteen (14) days to provide sufficient documentation to SHS to support a charity determination. Based upon documentation provided with the charity application, Swedish will determine if additional information is required, or whether a charity determination can be made. The failure of a guarantor to reasonably complete appropriate application procedures shall be sufficient grounds for Swedish to deny charity care.

Swedish will notify the guarantor of a final determination within fourteen (14) business days of receiving the necessary documentation.

The guarantor may appeal the determination of ineligibility for charity care by providing relevant additional documentation to Swedish within thirty (30) days of receipt of the notice of denial. All appeals will be reviewed and if the determination on appeal affirms the denial, written notification will be sent to the guarantor and the Department of Health in accordance with state law. The final appeal process will conclude within thirty (30) days of the receipt of a denial by the applicant.

Billing and Collections Information

SHS has a separate Billing and Collections Policy (titled "Bad Debt Assignment Policy") which governs the practices for assigning accounts to collection. This policy is available to the public free of charge on the website or upon request.

Authors

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ATTACHMENT A

Charity Care Percentage Sliding Fee Scale

The full amount of charges will be determined to be charity care for any guarantor whose gross family income is at or below 100% of the current federal poverty guideline level (consistent with WAC 246-453), provided that such persons are not eligible for other private or public health coverage sponsorship (see RCW 70.170.060 (5)).

For guarantors with income and resources above 101% of the FPL the Swedish sliding fee scale below applies.

In determining the applicability of the Swedish sliding fee scale all resources of the family as defined by WAC 246-453-010(17) are taken into account for guarantors with income and assets between 101% and 200% of the FPL.

For guarantors with income and assets above 200% of the FPL household income and assets are considered in determining the applicability of the sliding fee scale.

Income and assets as a percentage of Federal Poverty Guideline Level	Percent of discount (write-off) from original charges	Balance billed to guarantor
101-200%	100%	0%
201-222%	90%	10%
223-244%	80%	20%
245-267%	70%	30%
268-289%	60%	40%
290-311%	50%	50%
312-333%	40%	60%
334-400%	30%	70%