

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT No. 1
Board of Commissioners
Regularly Scheduled Meeting
Wednesday, June 25, 2014

Commissioners Present:

Commissioner Michael Edwards - Chair
Commissioner Lenore Bayuk
Commissioner Mark Schwinge
Commissioner Rosanna O'Donnell
Commissioner Mike Taylor

Others Present:

SJCPHD#1 Superintendent: Pam Hutchins
EMS: E. James Cole, SJIEMS Administrator

By Phone:

Absent:

CALL TO ORDER:

Commissioner Edwards called the meeting to order at 5:00 pm.

Commissioner Edwards would like to add to the agenda under Old Business the forming of the levy committees.

Candidates for Appointed Commissioner Question and Answer Period:

Mark Schwinge asked Mike Taylor to briefly outline his background in administrative and financial analysis. His professional background is in business. Started his career in Olympia and worked three years in the Governor's staff in legislative affairs. Then went to a market research analyst. After completing his MBA he worked at Starbucks as a business planning analyst. He has been in credit analysis and business analysis. Then went to banking for two different hospital districts. He is currently Vice President & Senior Loan Officer for Islanders Bank in Friday Harbor, WA. Commissioner Schwinge commented that we were losing Commissioner Keri Talbott which also had experience in financial analysis. This is an administrative job and commissioners do not set social policy here.

Howie Rosenfeld was asked the same question about his administrative and financial analysis background by Commissioner Mark Schwinge. He has a prepared statement he will give the board that lists his background and such. He has been a business owner in Friday Harbor for at least 26 years. In the eighties he was the Executive Director of the Whale Museum which required a significant business background because the Whale Museum was sinking fast. He turned it around and doubled its income in the first year and by third year doubled it again. He administered the Friday Harbor Fire Department for three years as the Chief. It included financial work. He has been a member of the Town Council and San Juan County Council for twelve years. Those seats included budgets and countless committees that involved financial analysis.

Commissioner Edwards asked Mike Taylor what his BA was in at the University of Puget Sound. It was in Business and Marketing. Also asked what was his motivation for MBA from Western Washington University and what has he done with his MBA? His interest in getting his MBA had to do with opportunity at the time and was working part time which allowed him to return to school. He has had a lifelong interest in education. He also did a certificate program in Commercial Real Estate from the University of Washington. He enjoys learning and that really motivates him. The jump from a product analyst to a credit analyst at a bank has very similar skill sets. From there it has allowed him to go from credit administration to commercial lending. Commissioner Edwards asked him about his flying for the San Juan Eagles which is a pro bono organization that fly transport for cancer patients. How long have you been flying for this program? He has been flying for the San Juan Eagles since 2005 or

2006. Has the cancer clinic portion of PIMC diminished the numbers using the program? There are still treatments that require off island treatment for cancer.

Rosanna asked why does Howie want to be on the board and what he could bring to it? He has been involved with many levels of government, community services, and community health. He has been a volunteer fire fighter for 18 years. His involvement in community health is one of most important areas because he thinks he understands the needs of this community. His position as an adviser of the US Public Health Service was a valuable experience. His work as an epidemiologist gives him a background to bring a comprehensive look at the health needs in our community. He was on the Board of Health for 9 years. This health related background gives him the authority to bring a special look at the community's health care needs. The health related organizations need to talk to one another and collaborate about the community's needs. There is a growing concern about the availability of primary care and coordination of care, mental health services, drug issues, end of life care issues, and women's reproductive issues. Not all of these issues are under the hospital district, but they could work together with others. In terms of his government background he attended about six months of meetings. He could help with governments and good practices. He has had experience in passing a levy lid lift. He has an entire lifetime of public service and this is very important to him. Same question to Mike Taylor. Mike Taylor has had many years of service in the community. As a first responder as an EMT and firefighter he has the understanding of those processes. He has been involved with medevac operations so he understands those processes. Ultimately the commissioners have a responsibility to the tax payers for the funds that are raised. Howie has had experience in the public health area where he could help in the finance area. If there is a need for his finance skills, he is very interested in stepping forward and fulfilling that need.

Lenore asked Howie Rosenfeld about his critical statements of the past about the board. How does he see himself working with the board because of these statements? He replied it was not just him being critical. There are a lot of people that feel the board is not representing everyone's concerns. There is a significant portion of people and possibly the 42% who voted for him feel their concerns have not been addressed. Having him on the board would represent those people. He does not wish to get on the board and take it a direction the majority does not want to go. He would be collaborative and want to figure out how to win over more people. He feels like at least 42% of community have concerns over the hospital. He said the hospital needs to be successful and that those people need to feel that at least their concerns are being listened to. Do you have any ideas on how to get the 42% of people that voted for him not to be critical? We should work collaboratively with other community groups such as the Board of Health. Try to find out other concerns and listen to them and try and consider them. He says there are community needs that are not being addressed and the board needs to work collaboratively with other groups. How does Mike Taylor work with people? How do you see yourself as a team player? His position as a loan officer requires him to work with people and find solutions in both good times and in bad times. In the last 6 years this economy has effected everyone and he has had to be a good listener. The written document Howie Rosenfeld wanted to give the board was copied and given to each board member. This document is attached as "Exhibit A."

Board Election of Appointed Commissioner:

Commissioner Schwinge voted for Mike Taylor. EMS has recently had a financial situation to downsize its budget. His current background in finance will serve the district well in this uncertain economic climate. Commissioner Edwards voted for Mike Taylor. Commissioner Edwards stated that historically candidates have been selected to fill certain needs of the board. Commissioner Edwards also feels like Mike Taylor will fit the need of financial expertise for the current board. Commissioner O'Donnell voted for Mike Taylor also for his financial background. Commissioner Bayuk stated both candidates brought similar and different strengths to the job and it was a tough decision for her and voted for

Mike Taylor. All of the commissioners were impressed with Mike Taylor's financial background. Commissioner Edwards swore in Mike Taylor to replace Keri Talbot for position two of the Board of Commissioner's.

CONSENT AGENDA:

- **Approval of May 28, 2014 Regular Meeting minutes with the correcting of the President's name that was misspelled.**

- **IIMC Warrants**

A/P Warrants	total \$	4,373.10
Payroll	total \$	747.02
Payroll Liabilities	total \$	59.52
Electronic transfers for payroll taxes	total \$	57.14

- **SJIEMS Warrants**

May Payroll	total \$	106,757.28
A/P Warrants	total \$	86,461.02

Commissioner Edwards asked for a motion to accept consent agenda items, Commissioner Schwinge --- so moved, seconded by Commissioner O'Donnell ---, unanimously approved.

Commissioner Bayuk wanted to elect a secretary/treasurer for the board. Commissioner Schwinge nominated Commissioner Mike Taylor. Commissioner O'Donnell seconded the nomination. Mike Taylor wants to make sure there is no conflict with him being the secretary/treasurer and his position at Islanders Bank. EMS Executive Assistant Cady Davies will research the RCW's and visit with the Washington State Auditors about this issue. We will revisit this issue at the next board meeting and table this vote until that time.

IIMC FINANCIAL AND OPERATIONS REPORTS: Pamela Hutchins gave her financial and operations report. May total receipts were \$137,602 of which was \$137,602 were tax revenues. This represents a 13% decrease over last year's tax revenue. Disbursements totaled \$5,180 which included \$4,433 payables which included payroll taxes of \$59.52 and employee payroll of \$747.02 for a commissioner's quarterly wages and 1 employee working on the NW Telemedicine Grant and 1 employee working on IIMC receivables. Total Cash available at the end of May with cash on hand was \$865,040. Please refer to the attached Financials for the month of May. May tax revenues were down from 2013 by \$20,607 making the year to date tax revenues down \$33,974. This could change in the months going forward. On the NW WA & SE AK Grant line item for the projected budget income it has not been drawn down to date what was budgeted making it look like a large loss but it is not. On May 28, 2014 we said goodbye to Commissioner Keri Talbott. Her husband, Jeremy Talbott was awarded a job in Valdez, Alaska. Jeremy was also a valued EMT and both were active in our community and will be greatly missed.

EMS FINANCIAL AND OPERATIONS REPORTS: Chief Jim Cole presented his financial and operations report. Slightly busier month than last month. Number of calls were somewhere between what they were in 2012 and 2013. Call volume is down due to the opening of Peace Island Medical Center and patients staying on the island rather than being flown off. There were 119 calls. One trend is that patients are driving themselves to the hospital. This needs to be addressed in the media. If someone is having a heart attack or stroke or injured themselves they need to call 911 and not drive themselves to the hospital. Since there is no out of pocket cost to our county residents they should not be afraid to call 911. With the levy being attempted again in the fall there is an

opportunity to further educate the public on the services EMS offers and that there is a robust, highly skilled ground system in place that they can call 911. Also the work that Lainey Volk does with fall prevention, AED's, and car seats needs to be brought to the public's attention as well. A couple of months ago there was a reduced budget passed with reduced revenues. We have a change in insurance and payor mix along with reduced tax revenues. Historically, EMS has operated on 2/3 income from insurance companies and 1/3 from tax revenues. Some people have been able to get on the health exchange. Medicaid only reimburses about 15% to 20% of the costs. With the implementation of the Affordable Care Act some people no longer have the catastrophic insurance plans and have no coverage at all. Medicaid has tripled in the payor mix. The commercial pay which pays most of the bills has decreased significantly. The new budget before you tonight cut costs throughout the whole organization. By end of six year levy EMS should have received about 9 million dollars. 6.5 million dollars will be brought in instead and a loss of about 2.7 million dollars in tax revenue. Projected losses will be about a half million dollars in insurance payments for three years. Essentially about 25% down from insurance payments for January through April of this year. Many mental health patients have no insurance. As penalties go up for not having insurance perhaps the payor mix will change. If at the end of the year we are successful operating under this budget there will be no loss of operations or services to our community. However without some of the tax revenue being made up in the future, there might need to be cuts in operations and services. There has been more charity care patients this year. Major thanks to the Paramedics, EMT's, and staff for working together to get to the \$350K cut. 150K will be drawn down out of the reserves.

Island Air Ambulance Report – Jim Cole: He thanked Jeremy Talbott for his service. He was an excellent flight and ground EMT. Summer is here and flight volume is up. Jim Cole has been asked by the International Association of Flight Paramedics to be the Vice-President which will turn into the President next year. By this fall there will be a brand new turbine aircraft for patient use at no additional costs to the district or patients. This is due to efforts by Will and Jackie Hamilton which run Island Air, Inc. They provide the planes, mechanics, and the pilots for Island Air Ambulance. EMS provides the operational side with billing, medical crews, and medical director, etc. They hope it will be ready for the Fly In. This new Cessna 208A or Caravan will be able to fly in icing conditions which on the island we encounter ~~that~~ ^{turn downs} about 22% of the time. It has ground air capability. In the back it can carry two patients at a time. Only medical plane in Western Washington that can carry two patients. Commissioner Taylor asked what plan is for the two planes. The current plane used will be used for back-ups. There will be the capability to fly 3 patients in an emergency. This new plane will also be able to go to the other islands when outside planes and helicopters can't reach them in bad weather. Fewer weight restrictions with this new plane and will have a hoist in the back of the airplane. It will allow family members to fly with patient. This new plane is at no additional cost to district and Jackie and Will Hamilton are keeping contract costs the same. Also this is a very fast plane. Commissioner Edwards also stated this new plane will be able to fly the parents with the child which helps the child. The new Issue Trak program allow us to electronically capture various areas of progress. Using it on three areas now including post transport briefs. Rolled out the program Tuesday night.

OLD BUSINESS

Resolution 14-416 EMS Annually Adopting Updates, Guidelines, Policies, & Procedures:

Commissioner Bayuk moved to accept and Commissioner O'Donnell seconded. Discussion followed. Commissioner Edwards stated these guidelines are always a work in progress. They can be revisited at any time, but need to be approved today. This is a CAMTS request that these documents come before you. At least once a year they have to be approved by the Board of Commissioners, but they can be looked at any time of the year. All in favor. Unanimous.

Organized Levy Committee:

Lenore volunteered and Mike Taylor volunteered for the committee as board liaisons. As District Commissioners you can advocate for the levy being passed. They just can't do it on district property and district time. Deanna Banry also volunteered to be on the committee. Inter Island Healthcare Foundation has a booth at the fair which is dedicated to the levy information. Their members will volunteer at the booth along with board.

NEW BUSINESS

Resolution 14-418 EMS Setting the Revised 2014 EMS Budget:

Commissioner Bayuk moved and Commissioner Schwinge seconded motion. Commissioner Edwards thanked Chief Jim Cole for his hard work on trimming the budget along with the administration staff and paramedics. Commissioner Edwards hopes that the wages can be reverted back to previous rates in the future. All voted in favor of the resolution.

Audience Participation:

Sharon Kavisto was surprised in the Affordable Care Act payor mix. From her experience she had a catastrophic plan and now has a great plan under the ACA. Many people she has talked with had no insurance and now have insurance. Commissioner Edwards stated that this trend is not just in our agency, but across the region. The private pay sector that use to cover the loss on Medicaid and Medicare now are not covering the loss as in the past. Also some companies are not offering health insurance coverage which has made people have to get the government insurance and those plans are not paying as much as the company plans did. Sharon Kavisto questioned how our tax levy was written in the past. Chief Jim Cole stated EMS submitted language to the prosecutor's office that was much different than what the prosecutor's office published. Orcas Rec Levy also had the same thing happen to them. This time we are in the process to get better language for the levy. If this levy passes EMS will only get back the amount of what the first year levy was under the six year levy. Also the tax levy that the Inter Island Medical Center is under reverts back to about three hundred and fifty thousand less the end of 2015. This savings is about what the EMS levy will gain so the community will not see much of an increase in their taxes. What is the average ambulance response time? Chief Jim Cole said it was usually under six minutes with a paramedic on scene usually within a few minutes. Sharon Kavisto said that would be good information to get out in the public. It might make a difference in people driving themselves.


Commissioner Edwards introduced Dr. Shu who use to work for Peace Island Medical Center for seven months. He will submit a presentation next month to the board on plans of utilization of the old Inter Island Medical Center. He has a vision for a center for acupuncture and Chinese herbal medicine.

ADJOURNMENT:

Commissioner O'Donnell ---moved to adjourn, seconded by Commissioner Bayuk, all in favor.

Meeting adjourned at --- 6:30-pm.

ALL EXHIBITS AND SUPPORTING MATERIAL AVAILABLE ON REQUEST.



Signed By Chairperson



Date

Exhibit " A "

Prepared Statement for SJCPHD#1 6/25/14 Meeting

To the Commissioners:

Like you, I want the Public Hospital District to be successful. Like you, I have the best interests of our community at heart. By appointing me, you will get someone with an extensive background in government, emergency services, public health and business (25 year successful business owner). Most importantly I think this board needs my public health experience. I was on the County Board of Health for 9 years. I understand the needs in this community. I was previously a public health advisor, communicable disease epidemiologist and malaria specialist.

There is growing concern in our community about availability of primary care, coordination of care, mental illness services, drug abuse, end of life issues and reproductive services. Not all of these are under your purview. I have advocated for more community collaboration on these issues.

By appointing me you get someone with extensive experience with many levels of government and with what constitutes good governance and practice. Someone who has the experience to help you with passing levies and working with the State Auditors. Someone with extensive experience with emergency services where my priorities were providing the best cost effective service and supporting the volunteers.

I have repeatedly stated I want our new hospital to be successful. There are many people who have concerns. They need to feel their concerns are at least being heard and considered. Being more inclusive is just good business practice.

This body is elected to represent the tax paying residents of the District and ideally should reflect all the voter's interests. Some feel your actions have resulted in distrust for a significant segment of the voters. Distrust that might be blowing back on you as evidenced by the recent failed EMS levy. By appointing me you get someone who potentially represents these voters, the views of the 42% of the District voters who voted for me.

I stand ready to serve our community and to work with this Board to ensure the health and well being of our community.

Howard 'Howie' Rosenfeld