

King County Public Hospital District No. 2
d/b/a EvergreenHealth
Board of Commissioners Meeting
EvergreenHealth Medical Center, Kirkland, WA
November 3, 2023
Educational & Public Hearing on the 2024 Budget
Meeting Minutes

Comms. Present: Comms. Cashman, Edwards, Hirt, McLaughlin, Pilcher, Stewart, and Snyder

Medical Staff Leadership: Chad Bentsen, MD, Michael Mena, MD, M. Sean Kincaid, MD, Scott Burks, MD, Dave Likosky, MD

Others Present: EvergreenHealth Kirkland:
Juan Aragon, MD, Chris Bredeson, Mark Freeborn, MD, Jeff Friedman, Monique Gablehouse, Jessica Granger, Jessika Groce, Daria Heimerman, Frank Hemeon, Lisa LaPlante, Richard Meeks, Ettore Palazzo, MD, Jack Peters, Candace Scairpon, Mary Shepler, Jeff Tomlin, MD, Trisha West, Mark Wimley

SCPHD#1:
Comms. Cabe, Forth, Gahm, Strub

EvergreenHealth Monroe:
Melissa Gray, Ann Peterson, Megan Wirsching

Legal Counsel: Jenny Churas

Guests: See Exhibit A

Comm. Snyder called the November 3, 2023 Educational and the Public Budget Hearing of the Board of Commissioners of King County Public Hospital District No. 2 (KCPHD#2) to order at 7:00 a.m. and welcomed those present. The meeting was held jointly with Snohomish County Public Hospital District No. 1 (SCPHD#1) and the Alliance Governance Board (AGB), whose meetings were also called to order. The purpose of the meeting, as stated in the public notice, was to hold a public hearing on and for consideration of adoption of the proposed 2024 Budget and Regular Tax Levy of King County Public Hospital District No. 2.

PRESENTATIONS and DISCUSSION

Jeff Tomlin, MD, CEO, welcomed everyone to the meeting including the SCPHD#1 Commissioners, and reviewed the agenda for the day. He noted that we are in the midst of an extreme financial crisis in healthcare, across the country and especially in the Northwest, and that the proposed budget is focused on financial recovery. Dr. Tomlin thanked everyone who has participated in putting the proposed budget together.

**2023-2025 Strategic
Plan Updates &
Measures of Success**

Trisha West, Director of Strategic Planning, reminded the Board that they approved the 2023-2025 strategic plan in 2022 and noted that no changes have been made to the plan itself, only to the measures of success. The changes include updated numeric targets, removal of the EHM 90/180 Behavioral Health unit measure, and updates to the Foundation measure. Trisha responded to questions from the Board throughout.

**KCPHD#2 Proposed
2024 Budget &
Financial Plan**

Jessica Granger, Director of Financial Planning and Operations, and Frank Hemeon, CFO, reviewed the proposed 2024 King County Public Hospital District #2 budget and financial plan. Frank noted that we have an amazing culture at EvergreenHealth and that this budget has been a team effort. He noted that liquidity and cash are critical for this budget and in the years ahead, and that we are starting to see some real improvements in cash flow and will see more improvements with our new payer rates. He also noted that we are working on obtaining a bond which will also help us with liquidity and reviewed the fundamentals we need to remain solid and noted that our focus is on financial recovery.

Jessica reviewed the financial planning commitments and the proposed Resolution 939-23 – 2024 Property Tax Levy and noted that it adheres to our policy of using 30% of the levy funds for levy funded programs and 70% for LTGO debt service. She reviewed the 2024 capital prioritization process, 2024 LTGO capital funding and proposed Resolution 938-23 – 2024 Budget. She reviewed FTEs by division and labor cost trending, overtime and agency FTE trending, financial recovery risks, opportunities to accelerate financial recovery, 2022 actual financials, 2023 projected financials, and 2024 proposed budget, as well as the 2024 cash projections.

Jessica then reviewed the strategic investments and programmatic changes including medical group growth projections, non-provider staffing changes, financial impact of new providers, outreach lab conversion, ENT expansion and Geriatrics move, and Healthline updates. She also noted that we are reviewing our service lines and programs, reviewed the reimbursement gains for 2019-2024, key statistics for the hospital division, ambulatory and Home Care/Hospice, etc. The team engaged in discussion and answered questions from the Board throughout.

**KCPHD#2 Budget
Hearing and Public
Comment**

Comm. Snyder opened the floor for comments from the public regarding the proposed 2024 budget for KCPHD#2. There were no members of the public who wished to make comments.

**SCPHD#1 & AGB
Monroe 2024 Proposed
Integrated Strategic &
Financial Plan**

Lisa LaPlante, and Ann Peterson, EHM Financial Officer, reviewed the SCPHD#1 & AGB proposed 2024 budgets and financial plans and responded to questions from meeting participants throughout the presentation.

**SCPHD#1 & AGB Public
Comment**

Comm. Gahm opened the floor for comments from the public regarding the proposed 2024 budget for SCPHD#1. There were no members of the public that wished to make comments.

Comm. Cabe opened the floor for public comment regarding the proposed 2024 AGB budget. There were no members of the public that wished to make comments.

Adjourn

The November 3, 2023 Meeting of the Board of Commissioners for King County Public Hospital District No. 2 was adjourned at 10:13 a.m. and the AGB and SCPHD#1 meetings were also adjourned at that time.

ATTEST:



Tim McLaughlin, Secretary/Commissioner
Nov 22, 2023 9:31 AM PST

Exhibit A – Guests

Name _____

None _____
