



2011 Annual Report to the City of Seattle

Approved March 13, 2012 by the PHPDA Governing Council

2011 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Overview

Purpose and Mission

The Pacific Hospital Preservation & Development Authority (PHPDA) is a public development authority established under Seattle Municipal Code 3.110 and a 501(c) (3) organization. In 1981, the City of Seattle chartered the PHPDA, placing in its trust the U.S. Public Health Service Hospital and its campus. The PHPDA purpose (per the revised Charter, as approved by the Mayor of Seattle on July 25, 2011) is to support and provide funding for the provision of the best possible health care to medically underserved communities in the greater Puget Sound area, including those referred through community clinics, those with limited access to medical care, and all others who are in need of charity health care.

The PHPDA currently leases the property, and lease revenues are used to support health care services to uninsured and underinsured Seattle-King County residents.

Report on 2011 Priorities

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- Retain our focus on specialty care access for uninsured and underinsured patients.
 - We contracted with Pacific Medical Centers to provide specialty care to this population through May. We also awarded Project Access Northwest a \$150,000 grant for 2011.
 - In partnership with the Seattle-King County Dental Society (SKCDS) and the Seattle-King County Dental Foundation (SKCDF), we supported the establishment of a dental clinic at the Swedish Community Specialty Clinic. We provided \$51,000 to Project Access Northwest for case management services.
- Continue our match for Medicaid Interpreter Services through our Interlocal Agreement with the Washington State Department of Social and Health Services.
 - We continued our contract with Pacific Medical Centers to provide interpreters to Medicaid patients. We expended \$198,365, of which \$111,633 was reimbursed by DSHS.
- Contribute to proving best (or emerging) practices in health care access for underserved or uninsured patients by investing with partners, such as the Patient Navigator pilot with Seattle Children's Hospital.
 - We completed the 2-year Patient Navigator grant in 2011. A final report from Children's and formal evaluation report were received.
- Continue to support system change research to eliminate barriers to care.
 - Our 2-year grant to Seattle Children's tested the return on investment of patient navigators.

Priorities for 2012

- Set our future direction by undertaking a planning process to revise the PHPDA Strategic Goals for 2012-2015. This will include revising our approach to grant making.
- Increase healthcare access by continuing our support to Project Access Northwest for both medical and dental specialty case management, and by continuing our contract with DSHS for Medicaid Interpreter services (under the Medicaid Administrative Match program).
- Provide financial stewardship by managing our reserves and revenues in a conservative manner.

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Specialty Care for Uninsured and Underinsured

The Pacific Hospital PDA contracted with PacMed/Pacific Medical Centers beginning in 2003 to provide specialty care services for low-income, uninsured people. The contract with PacMed reached its completion in May 2011. During the duration of this contract, the Pacific Hospital PDA funded more than \$10 million in specialty care services provided by PacMed and nearly 29,000 patient visits occurred. PacMed charges for those services were estimated at more than \$18 million. In January through May 2011, PHPDA underwrote \$673,357 in specialty care services under this contract. PacMed's charges for those services were estimated at over \$720,000.

Also in 2011, the PHPDA provided a \$150,000 grant to Project Access Northwest (PANW). The PHPDA has been a significant funder of PANW since its inception in 2006. We awarded PANW \$715,000 in grants for specialty care case management between 2006 and 2011.

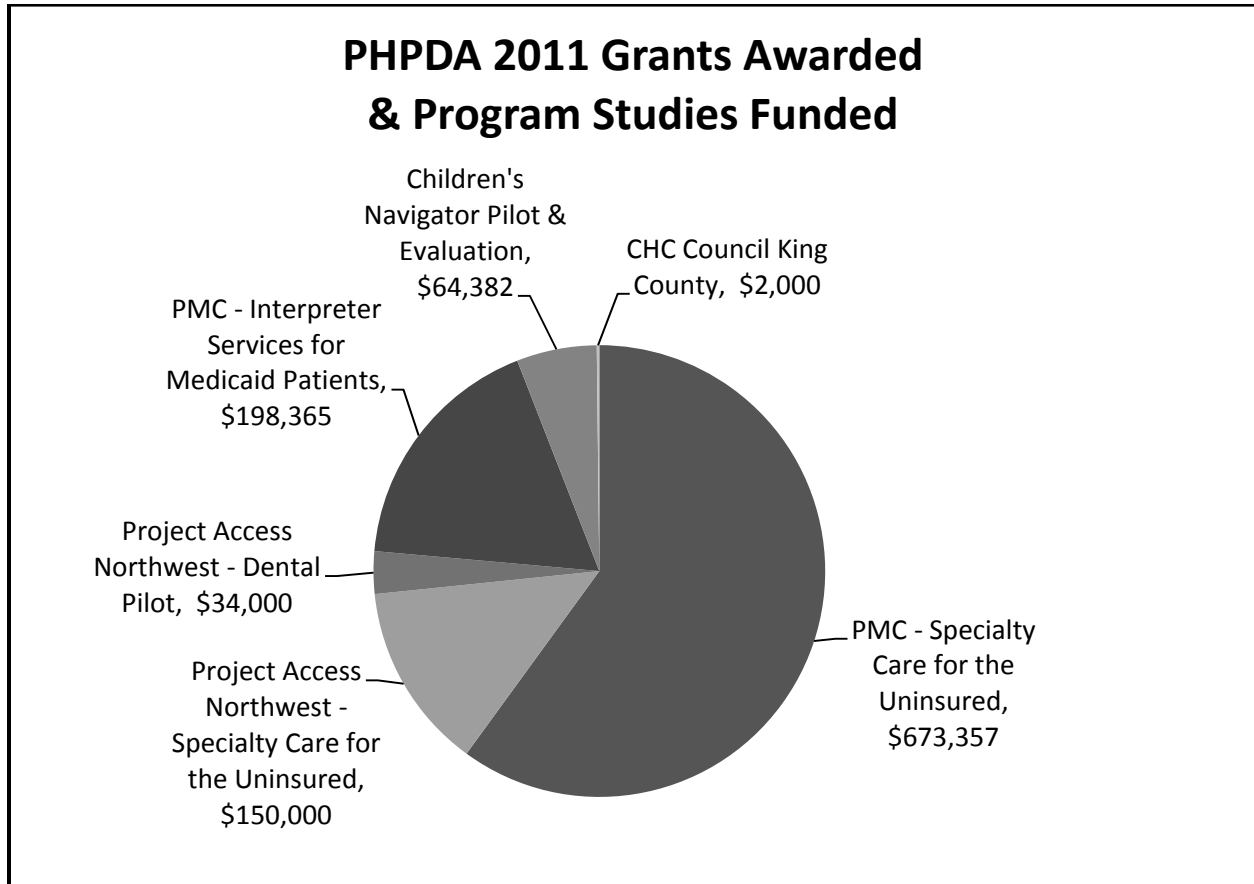
Uninsured & Underinsured Patients Served by PMC and PANW		
	1988 Benchmark Annual Goal	# Patients Jan-May 2011
Unduplicated Charity Care Patients seen by PMC	1,100	561
Charity Patients seen by PANW providers		1,497
PMC Unduplicated Medicaid Patients	2,271	4,379
PMC Unduplicated Medicare Patients	1,464	7,000

Over 550 low income, uninsured patients received specialty care services in January through May 2011 from Pacific Medical Centers. Project Access Northwest processed referrals for almost 4,400 patients for specialty care in 2011.

In March 2011, the PHPDA announced a partnership with the Seattle-King County Dental Society (SKCDS) and the Seattle-King County Dental Foundation (SKCDF) to fund two Dental Access Pilot Projects targeting low-income, uninsured patients. To support both pilot programs, the PHPDA provided a grant of \$51,000 beginning in May to Project Access Northwest (PANW) to provide the case management services.

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The PHPDA provided \$1.12M for direct healthcare services, studies, and pilot projects to eliminate barriers to access to healthcare for the uninsured and underinsured.



Financial stewardship

Clark Nuber completed the 2010 external audit and reported compliance with policies and procedures. The 2011 external audit is scheduled for Spring 2012. The State Auditor conducted the 2009-2010 audit in 2011. The PHPDA received a clean audit report. A state audit is scheduled for 2012, covering 2010-2011.

The Finance Committee reviewed financial statements on a monthly basis. On a quarterly basis, it reviewed credit card expenditures, the check register, employment tax payments, and retirement contributions. Financial policies are continually reviewed and updated, and new policies developed.

Additionally, the Finance Committee tracked investments on a monthly basis, making investment decisions accordingly.

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2011 PHPDA Council Members and Officers

The PHPDA is governed by a board of nine appointed members.

Council Member	Position(s)	Employment	Term ends	Appointing authority
Kevin P. Fox	Council Chair, Finance Committee member	US Trust, Bank of America	December 2014	PHPDA Council
Theresa J. Rambosek	Council Vice-Chair, Finance Committee member	Catholic Health Initiatives, Franciscan Health System	December 2013	Mayor
Linda Ruiz	Council Secretary, Planning Committee member	Consultant	December 2012	Mayor
Marite Butners	Council Treasurer, Finance Committee Chair	Providence Health & Services	December 2013	PHPDA Council
Dr. Dan Lessler	Planning Committee member	Harborview Medical Center	December 2013	PHPDA Council
Marc Provence	Planning Committee member	Fred Hutchinson/ UW Cancer Consortium	December 2014	Mayor
Wendy Watanabe	Planning Committee Chair	Consultant	December 2012	PHPDA Council
Lance Wilken	Finance Committee member	CB Richard Ellis	December 2012	King County Executive
Dr. Tom Wood	Planning Committee member	Swedish Medical Center	December 2011	Mayor
Rosemary Aragon	Executive Director			

Financial Information

Operating Budget

The PHPDA 2011 Operating Budget was approved on December 14, 2010. The PHPDA has no capital budget.

Revenues:	\$2,899,748
Operating Expenses:	\$408,676
Grants/Projects/Services:	\$1,465,375
Undesignated Program and Operating:	\$1,025,697
Depreciation (non-cash):	\$963,198
Pass-Through Expenses*:	\$348,726

*The PHPDA pays leasehold excise and property taxes on behalf of its three long-term tenants, and is subsequently reimbursed for these taxes.

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PHPDA revenue sources are: 1) rental income from the three long-term tenants, WRC.Com Tower, WRC.Com Development, and Pacific Medical Centers; 2) government grant (DSHS agreement-Medicaid Administrative Match funding for interpreter services); 3) lessee property and excise tax reimbursements, and; 4) interest income.

As of December 31, 2011, the PHPDA holds \$100,000 in its Operating Reserve Fund and \$100,000 in its Maintenance Reserve Fund.

The PHPDA's Crime Coverage insurance policy protects the PHPDA from theft and loss of/damage to money, securities and other property sustained by PHPDA officers and staff.

List of Depositories

PHPDA monies are deposited in a Pacific Continental Bank checking account. Additional monies are invested in the State & Local Government Investment Pool, a money market account with Pacific Continental Bank, a CD with 1st Security Bank, a CD with EastWest Bank, a CD with Fortune Bank, a CD with Regal Financial Bank, and a CD with Umpqua Bank.

Certified statement of assets, liabilities, income, and expenses for 2010 and 2011

The December 31, 2010 PHPDA Financial Statements and Schedules (with Independent Auditors' Report thereon) were transmitted to the City of Seattle in June, 2011. The 2011 Audit will be transmitted upon completion.

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Attachments

- 1. Certificates of Insurance**
- 2. PHPDA 2011 Operating Budget**
- 3. Resolution 15-2010, approving the 2011 Operating Budget**