



2009 Annual Report to the City of Seattle

Approved April 14, 2010 by the PHPDA Governing Council

2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Overview

Purpose and Mission

The City of Seattle chartered the Pacific Hospital Preservation & Development Authority (PHPDA) in 1981. Its principal asset is the Beacon Hill property known previously as the Public Health Service Hospital or Pacific Hospital. This property consists of a 14-story “hospital tower” and north lot leased to Wright Runstad. It also consists of a clinic in the ground floor & basement of the “tower building,” six Officers’ Quarters buildings and a patient parking garage all leased to Pacific Medical Centers. The surrounding grounds are used in common by the PHPDA and the tenants. These lease funds are used by the PHPDA to accomplish its purpose.

The PHPDA purpose (per the revised Charter, as approved by the Mayor of Seattle on November 2, 2004) 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 **Mission** is to champion effective health care for the vulnerable and disadvantaged in our community. This is done to bridge gaps in health care access. (December 2004)

Key Events in 2009

In our 2008 Report to the City, we identified five 2009 priorities which all have been addressed. They included:

Increase access for uninsured/underinsured to specialty care in King County:

- Continue to fund PMC’s direct specialty care services for the uninsured.
- Provide continued grant support to King County Project Access.

Identify and foster use of credible measures of healthcare access efforts for the uninsured/underinsured:

- Fund studies to provide credible measures for the uninsured’s specialty care needs and the gap between those needs and supplies for adoption by healthcare organizations in their planning.

Foster system changes to create a sustainable platform for improving specialty care to the uninsured/underinsured:

- Provide grants for the Patient Navigator Program as a demonstration pilot for improving patient’s clinical experience and outcomes as well as generate better quality and financial results for providers and hospitals. The PHPDA’s goal is that, if successful, the Patient Navigator concept will be implemented in many hospital systems.
- Evaluate barriers to access to care, which safety net and specialty providers subsequently use to improve their systems.

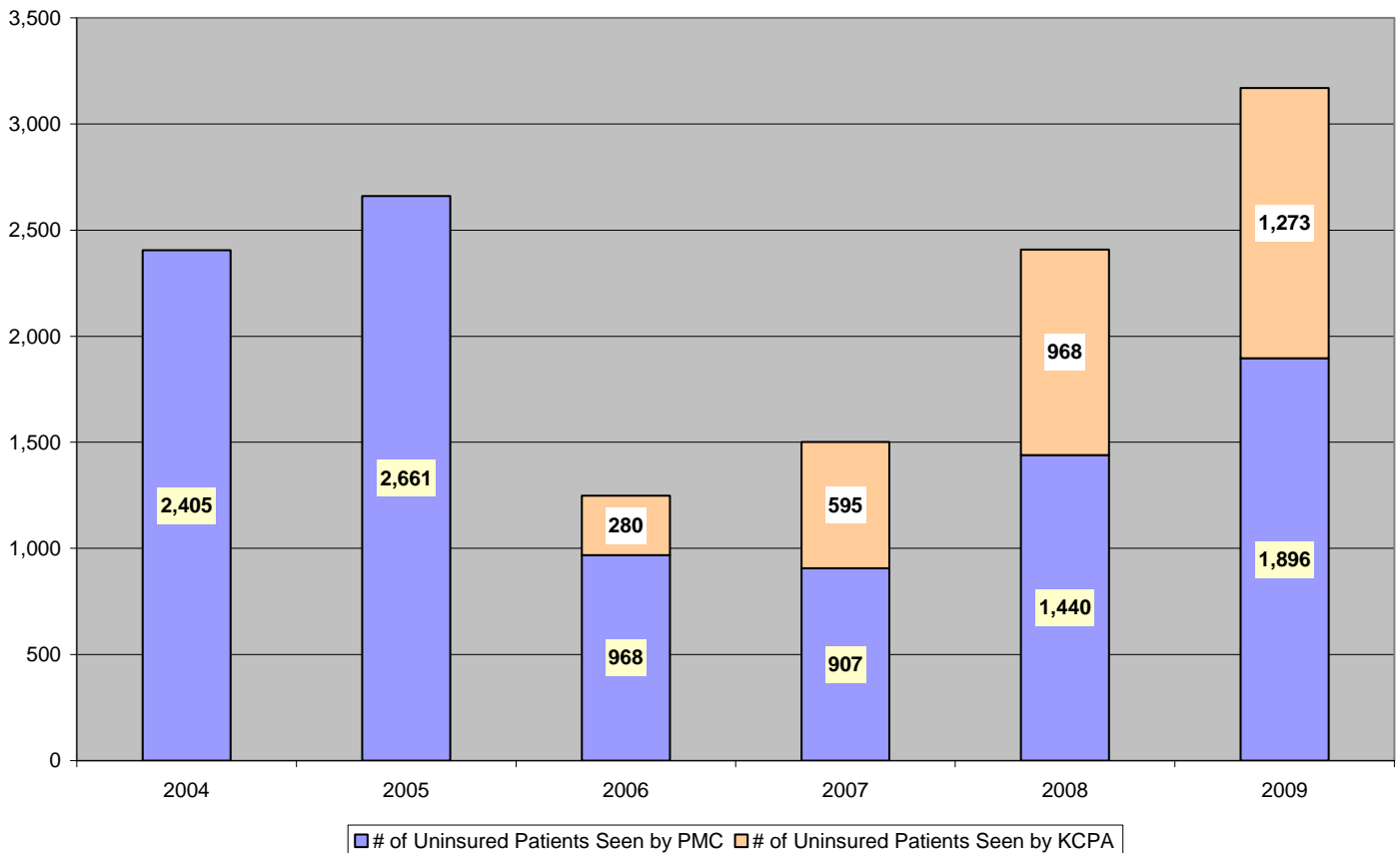
**2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority**

Increase specialty access for the uninsured and underinsured

The PHPDA exceeded its Charity Care patient goals in 2009.

In 2009, 3,169 patients received care from King County Project Access and Pacific Medical Centers. This exceeds the PHPDA goal of 1,100 patients.

Uninsured Specialty Care Patients Supported by PHPDA Contributions



The PHPDA provided \$2.2M for direct healthcare services, studies, and pilot projects to eliminate barriers to access to healthcare for the uninsured and underinsured using lease revenues of \$2.4 million and a DSHS Grant of \$187,144.

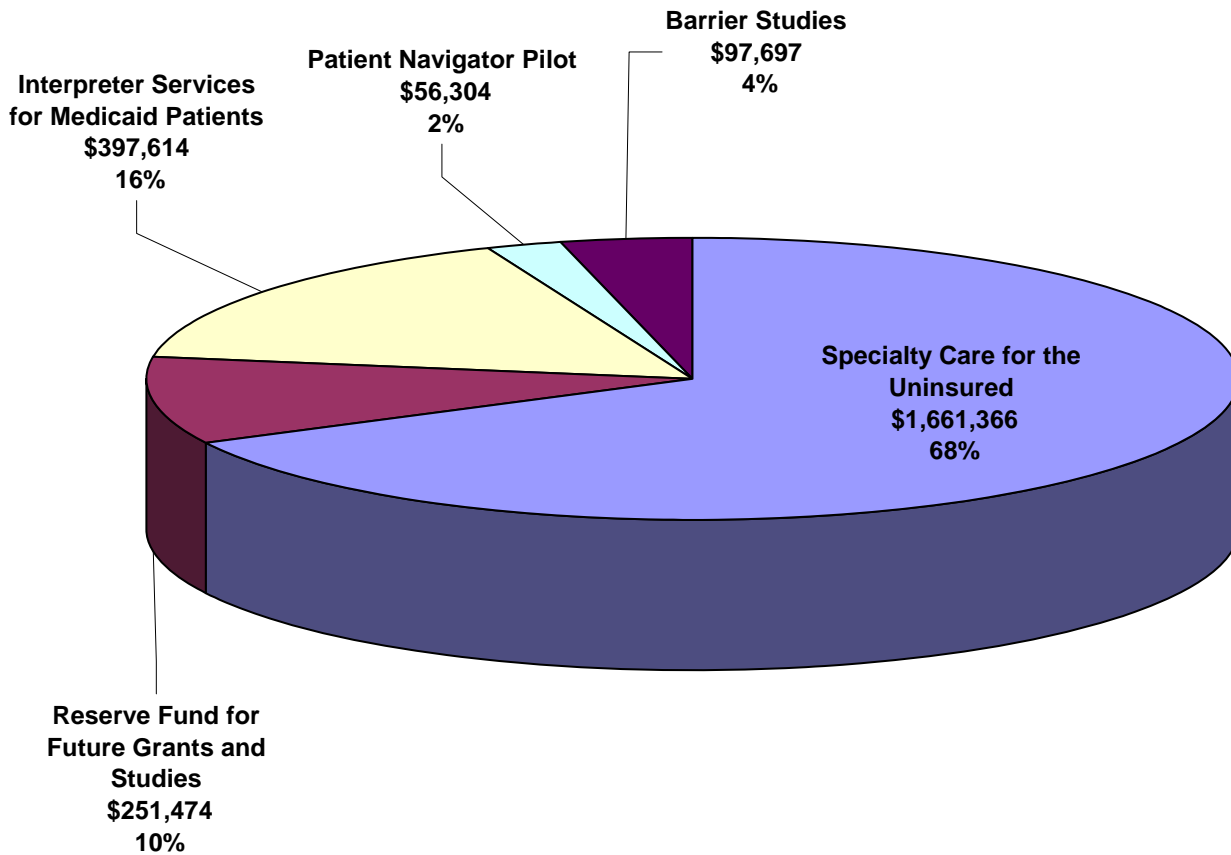
The PHPDA has an agreement with Pacific Medical Centers (the Charity Care Cooperation Agreement) under which the PHPDA underwrites Pacific Medical Center's direct provision of specialty care to the uninsured. Over \$1,439,055 was provided to PMC to pay for these specialty services in 2009. This represents approximately 48% of PMC charges to provide specialty care to the uninsured.

In 2009, the PHPDA provided a \$150,000 general operations grant to King County Project Access

**2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority**

In 2009, the PHPDA provided funding for over 1821 Limited English Proficiency Medicaid patients (through its subcontractor Pacific Medical Centers). The PHPDA participates in the Medicaid Administrative Match Program administered by DSHS (50% Medicaid Match, 50% PHPDA funds). In July 2009, DSHS changed the manner in which it reimbursed interpreter services. DSHS required staff interpreters to track their time in 15 minute increments for 24 hour time periods. Each increment was assigned a code based on the nature of the interpretation, and reimbursed at a level assigned to the code. As a result, reimbursable charges were much lower for Quarter 3 and Quarter 4, approximately 25% of previous levels. Thus, in 2009, the PHPDA expended \$374,288 for interpreter services, of which 50% was reimbursed by DSHS.

2009 Allocation of Funds by Program



2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Financial stewardship

Clark Nuber completed the 2008 external audit and reported compliance with policies and procedures. The 2009 external audit is currently in process.

The Finance Committee reviewed financial statements on a monthly basis. On a quarterly basis, it reviewed credit card expenditures, the check register, 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.

Priorities for 2010

- Complete the Specialty Referral Pilot and disseminate findings
- Continue funding and evaluation of the Patient Navigator Pilot
- Review the PHPDA's programmatic priorities for 2011 and beyond

**2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority**

2009 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
Gary A. Zimmerman	Council Chair, <i>Ex Officio</i> Planning & Finance Committees	Retired University Administrator	December 2010	PHPDA Council
Kevin P. Fox	Council Vice Chair, Finance Committee Chair	Bank of America	December 2011	PHPDA Council
Theresa J. Rambosek	Council Secretary, Finance Committee member	Bennett, Bigelow, & Leedom	December 2010	Mayor
Marite Butners	Council Treasurer, Finance Committee member	Providence Health System	December 2010	PHPDA Council
Marc Provence	Planning Committee member	University of Washington and Fred Hutchinson/UW Cancer Consortium	December 2011	Mayor
Linda Ruiz	Planning Committee Member	Affiliated Computer Services	December 2012	Mayor
Wendy Watanabe	Planning Committee Chair & member	Consultant (self-employed)	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 2009 Operating Budget was approved on January 13, 2009. The PHPDA has no capital budget.

Cash Revenues:	\$2,446,226
Operating Expenses:	\$317,024
Pass-Through Expenses*:	\$334,417
Grants/Projects/Services:	\$2,764,295
Depreciation (non-cash):	\$1,039,739

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

2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

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, 2009, the PHPDA holds \$100,000 in its Operating Reserve Fund and \$100,000 in its Maintenance Reserve Fund. These funds are located in a CD with Cascade Bank.

The Council Chair, Treasurer, and Executive Director are covered under the PHPDA's Crime Coverage insurance policy.

List of Depositories

PHPDA monies are deposited in a Bank of America checking account. The PHPDA Reserves and additional monies are invested in the State & Local Government Investment Pool, a CD with Cascade Bank, and CD with Shoreline Bank.

Certified statement of assets, liabilities, income, and expenses for 2008 and 2009

The December 31, 2008 PHPDA Financial Statements and Schedules (with Independent Auditors' Report thereon) were transmitted to the City of Seattle in June, 2009. The 2009 Audit will be transmitted upon completion.

2009 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Attachments

- 1. Certificates of Insurance**
- 2. PHPDA 2009 Operating Budget**
- 3. Resolution 01-2009, approving the 2009 Operating Budget**