

HEALTH CARE ADVISORY BOARD

Meeting Summary November 10, 2003

MEMBERS PRESENT

Marlene Blum, Chairman
Rose Chu, Vice Chairman
Bill Finerfrock, Vice Chairman
John Clark
J. Martin Lebowitz
Susan Randall
David West
Caili Yang

STAFF

John Ruthinoski

GUESTS

Tom Armstrong - DHCD
JoAnne Jorgenson, Health Department
Sharron Dreyer – DHCD
Jim Scott, Inova Health System
Doug Campbell – Grim & Parker
Logan Schutt – Grim & Parker
Elita Christansen – Inova Health System
Richard Magenheimer – Inova Health System
Ron Ewold – Inova Health System
Sean Hartsel – Inova Health System
Stephanie Schrittinger – Inova Health System

The meeting was called to order at 7:35 p.m.

Approval of the Minutes

The minutes of the October 15, 2003 HCAB meeting were accepted with the following correction:

- On Page 4, the last sentence in the first paragraph should read, “She then started the public hearing portion of the meeting.”

Announcements

Marlene Blum announced that a new Hunter Mill representative of the HCAB has been appointed, Caili Yang. She introduced herself and explained that she was a quality analyst for Carefirst Blue Cross Blue Shield.

Marlene Blum reported that in October the Health Department held an exercise simulating a smallpox vaccine dispensing site at Marshall High School. Marlene Blum added that she participated in the exercise as an observer. She distributed a copy of the forms packet given out to the volunteer patients. She also reported that everyone involved did a wonderful job.

Marlene Blum reported that on Monday she would be appearing before the Board of Supervisors to accept the World AIDS Day proclamation. She stated that she would like to use the occasion to thank Chairman Hanley for her continuing support of Health Department issues and to wish her well, as it would be the last time the HCAB would be appearing at a Board meeting while she was still Chairman. Without objection, it was so ordered.

Marlene Blum announced that she attended the ribbon cutting for the new addition at Fair Oaks Hospital. At the event, it was announced that Tim Yarboro had been elected President of the Medical Staff at Fair Oaks Hospital.

Public Hearing on Redevelopment and Housing Authority's Zoning Application (SE 94-D-002)

Tom Armstrong began by providing an overview of the Lewinsville site, which was constructed as an elementary school in the 1960's. The Adult Day Health Care Center is in the back of the building, which serves about 40 people per day and there is a Senior Center which sees 30-40 people per day. In addition, the old classrooms are used by two child day care centers. Upstairs, there are 22 units of independent living for seniors. The proposal calls for the addition of 60 assisted living beds, a commercial kitchen that would serve the entire complex, and additional space for the Adult Day Health Care Center. Sixty-five new parking spaces will also be added as part of this project. Bill Finerfrock asked why parking needed to be increased. Tom Armstrong responded that it was for staff and visitors, as well as to fulfill a request from the community that there be additional parking for the nearby athletic fields. Logan Schutt noted that many of the additional parking spaces were being created by adding lines to some open asphalt behind the site.

John Clark asked if there would be an outside exercise area for patients with dementia. Tom Armstrong responded that there would be an interior courtyard that would be used for that purpose. Bill Finerfrock asked if there would be any green space for residents to use. Tom Armstrong responded that the courtyard would have trees. Bill Finerfrock asked if there was an opportunity to create an outside exercise area. Tom Armstrong noted that there is currently an outside exercise area associated with the Senior Center, but that there is not much room on the site for an outside exercise area. Logan Schutt added that the interior courtyard is 120' x 55' with a huge existing tree that they are hoping to be able to keep and build around. The courtyard would also have access for people to cut through to other parts of the facility.

Sharron Dreyer commented that there are some people with mild to moderate dementia who use the Senior Center and ADHC now. Bill Finerfrock asked what precautions are taken for such patients at Lincolnia. Sharron Dreyer responded that there are security doors and the wandguard security system is used. She added that the "little old lady with grey hair" who is going out to do her gardening does not need the services of an assisted living facility. She added that the people being admitted to Lincolnia now would have been put directly into a nursing home 15 years ago. Sharron Dreyer also noted that currently, ADHC clients eat lunch in the ADHC, Senior Center Clients eat in the Senior Center and the independent living residents have their own kitchen. She noted that the plans call for a community dining room where everyone can eat together.

Tom Armstrong noted that the community likes the residential nature of the facility. They also like the fact that the street will be widened. Bill Finerfrock asked if the structures on a rendering of the facility were balconies. Logan Schutt responded that they were not real balconies, but that there was one which could be used as a balcony. He also pointed out that in addition to the interior courtyard, there was also some outside space being created for the ADHC and the independent living residents.

Tom Armstrong noted that the assisted living facility was being developed for the use of low income clients. John Clark commented that the HCAB usually likes to see some beds set aside for auxiliary grant (AG) clients. Tom Armstrong responded that the facility planned to use the AG as well as section 8 housing vouchers. Marlene Blum asked if these vouchers would be project-based. Sharron Dreyer responded that they would be, but added that some of the project-based vouchers are able to travel with clients after they have lived in a facility for one year. She added that they hope to get residents to spend 30% of their income on rent, and most of the balance for services. Marlene Blum noted that last month, the Chesterbrook Assisted Living Facility came before the HCAB, also indicating that it would utilize Section 8 project-based housing vouchers. She asked if there would be enough vouchers. Sharron Dreyer responded that there should be about 200, and that they only expected to need about 30. She also added that they should be able to ensure that they would get them, given their relationship with the Department of Housing and Community Development. Bill Finerfrock asked if there would be a problem with people who receive the AG also receiving Section 8 vouchers. Tom Armstrong responded that he has checked and that this should not be a problem.

Marlene Blum asked about how the construction of the facility would be financed. Tom Armstrong responded that this financing has not been nailed down yet. He added that they want to get the application through the Planning Commission, and then they would have 30 months to get the rest of the plan figured out. He added that they do not even have the interior of the facility designed yet. All that has been created is a preliminary site plan in order to get the zoning and development plan set. Sharron Dreyer clarified that the facility is being targeted mostly at residents who are making too much for the AG, but not enough to pay market rate. Marlene Blum asked about operating costs. Sharron Dreyer explained that if individuals living in the facility make \$25,000 per year, they will be entitled to pay 30% of this income for housing and 40-50% of their remaining income would go towards services. She added that they haven't figured out how it would work yet.

Sharron Dreyer explained how the AG works at Lincolnia. Most of the time, about half of the Lincolnia's residents have the AG. The half of the clients without the AG pay 60% of their income, with the County subsidizing the balance. Marlene Blum noted that Chesterbrook has the advantage of being able to go to its congregations for funding. Marlene Blum asked how the assisted living facility would be operated. Sharron Dreyer responded it would be put out for bid on a management contract, similar to Lincolnia.

Rose Chu noted that there are plans to put two affordable assisted living facilities in McLean. She asked if there was any community opposition to the Lewinsville project. Marlene Blum noted that there was no one from the community at the hearing to testify in opposition to the project. Sharron Dreyer noted that there was a previous plan that the community did not like. Tom Armstrong added that after a number of meetings with the community, they came to a design that everyone was happy with. He stated that the community was especially happy about retaining the adjoining soccer field.

Bill Finerfrock asked what would happen to the residents of the facility if the RHA were not able to generate enough income to operate the facility. He stated that he did not think the County would kick them out of the facility. He asked if the County would be incurring an obligation by developing the facility. Sharron Dreyer stated that they would not have started down this path if they did not feel there were viable options for the facility. Bill Finerfrock repeated that he felt the Board should know that this is a possibility. Sharron Dreyer commented that between now and when the Lewinsville opens, Little River Glen ii will become operational, and that the County will learn a lot. Dr. Lebowitz stated that no one knows if a venture will be successful 10 to 15 years down the road. Marlene Blum agreed that the Board should know where their obligation lies. Dr. Lebowitz responded that the alternative is to do nothing. Bill Finerfrock stated that he works with entitlement programs and is aware that it is not an exact science. However, people need to know what they are getting themselves in to. They need to know that they are incurring an obligation and that there is a possibility of the RHA having to come back to the County looking for funding. Dr. Lebowitz noted that this facility has more flexibility than some others, as it could close some beds if it needed to do so. Sharron Dreyer added that they could also use some of the beds for independent living. Marlene Blum commented that it would be hard to do that, because of the expectations of the community.

Bill Finerfrock asked if there was an opportunity to create a non-profit organization that would be able to receive funding for the facility. Sharron Dreyer stated that if family members created a "Friends of Lewinsville" organization, it could be done. ADHC has such an organization, but Housing does not. She noted that Culpepper Gardens also has a 501(c)3 organization to help with its financial shortcomings. Marlene Blum asked about staffing at the Lewinsville assisted living facility. Sharron Dreyer responded that the pattern would be similar to Lincolnia: 5-6 direct care staff between 7:00 AM and 3:00 PM; 3-4 between 2:00 PM and 10:00 PM; and 2 from 11:00 PM and 7:00 AM. Marlene Blum asked if this was adequate. Sharron Dreyer noted that in addition to these staff, there would be a nurse and a wellness coordinator, administrative staff, and food service workers. She noted that medicine administration would be easy, as medicines now come packed in bubble packs.

Sharon Dreyer added that she expected the same mix of types of residents that Lincolnia has. Sixty percent of Lincolnia's residents have serious mental health issues. The County provides a Mental Health Worker and Social Worker to assist with these

residents. She added that the Lewinsville's residents would probably not have as many mental health issues, as they are expected to have slightly higher incomes. She added that they are speaking with the CSB and DFS about providing staffing at Lewinsville. She added that typically assisted living residents have their own physicians, but if they need occasional skilled nursing care it would not be provided by the facility, but by home health nurses. Marlene Blum noted that most residents would have Medicare, although some would have Medicaid.

John Clark noted that there are patients with dementia at Lincolnia, and asked how they are handled. Sharron Dreyer noted that they do not have a locked ward, but added that all the facility's doors are monitored. There are only about 5 residents with a tendency to wander. She noted that the residents generally sleep at night and are monitored every hour. If they were to open a door, an alarm would go off. However, in order to get out of the facility at night, residents would have to go down an elevator, which is right by a monitoring station, and out two locked doors.

John Clark moved that the HCAB recommend approval for the facility, provided the applicant reserve at least 5% of their beds for residents who are eligible for the AG. Bill Finerfrock seconded the motion. Marlene Blum asked if Bill Finerfrock wanted his concerns about the County's obligation to be part of the motion. Bill Finerfrock responded that it did not need to be part of the motion, as long as it was mentioned in the memo. The question was called and the motion passed unanimously.

Inova FY 2004 Community Services Budget

Richard Magenheimer began by reminding the HCAB that when they had met together over the summer, Inova had reported that they had adopted lower budget expectations, but had not achieved the revenue volume anticipated. He reported that Inova saw a drop in paying volume and the largest increase ever in indigent care. As a result, Inova revised its' operating margin projection to 3.25%. He added that the margin next year would be a little bit higher, but that there would be increased capital expenditures, especially for Fairfax Hospital.

Richard Magenheimer reported that one feature of the budget next year would be the implementation of a new discount program for patients who do not have insurance. Rates would be discounted 35%, but there would be some kind of expectation of payment. He added that it was unfair to have a significant gap between commercial and private pay rates. Inova will come back to the HCAB in December to provide additional details of this proposal.

Stephanie Schnittinger began by explaining that Inova reset its volumes in 2003. Fair Oaks Hospital (IFOH) experienced modest growth. Medicare revenue is anticipated to increase by 2.5% in 2004, but Inova will feel the full impact of the State's reductions in Medicaid, seeing a \$6M cut in revenue. Managed Care revenues should increase 8% -

10%, as contracts with 2 major contracts are being renegotiated. Regarding expenses, she reported that Inova has seen much improvement in turnover rates since they began some programs designed to address this situation, particularly the "Grow our Own" Program. Inova anticipates a 4% increase in the cost of pharmaceuticals and medical supplies. They expect to realize the impact of drug eluting stents that they anticipated, but did not see, in 2003. Dr. Lebowitz asked if they anticipated reimbursement for the stents. Ron Ewold responded that Medicare established a DRG, but that it does not completely cover the cost. Richard Magenheimer added that Carefirst, who is Inova's biggest single payor, is DRG based and 3-4 years behind the actual cost of services.

Stephanie Schnittinger commented that other operating costs have risen, such as the cost needed to comply with the Virginia Department of Environmental Quality's new standards for fuel oil emissions. Richard Magenheimer added that the cost of insurance has risen so much that Lloyd's of London now insures Inova. Capital expenses will be approximately \$170 M in 2004, and there will be increases in IT related to the use of bar-coding and wireless devices. Overall there will be a 5% rate increase, which is pretty typical of what Inova has done the last few years. She then presented the annual information on the fund for plant depreciation.

Stephanie Schnittinger reported Inova's Community Health Programs, including the Partnership for Healthier Kids, the Congregational Health Partnership and the Community Access Program, which will have a celebration next week at the Government Center. The Congregational Health Partnership is working with 7 Korean churches, 5 Hispanic churches and the largest mosque in the region. The congregations decide on their needs and Inova helps the community with addressing them. The OB/GYN program is growing, going from 26,000 visits annually to 37,000 visits in 3 years. Both the number of patients and the number of visits are growing, meaning that patients are staying with the program. The pediatric center is holding steady at about 14,000 visits annually. JoAnne Jorgenson reported that the County has approved the allocation of funding to ensure that the CAP program continues. She asked where corresponding funding was in Inova's budget. Elita Christiansen reported that it was in the Foundation budget.

Marlene Blum asked if the Congregational Health Partnership's classes were held at the Churches involved. Elita Christiansen reported that they were. Marlene Blum mentioned that she knew someone who works at a senior independent living center where many of the residents have diabetes or high blood pressure and need better management. She asked if there was a program at Inova that could come to the site to work with these residents. Elita Christiansen reported that HealthSource does this and Marlene should contact her after the meeting.

Rose Chu stated that it looked like disease management was going to be the "wave of the future." If it works, people won't be hospitalized as much. Richard Magenheimer responded that he does not know a whole lot of disease management success stories.

In fact, he added that they've seen their costs go up when disease management is applied. Dr. Lebowitz stated that disease management, like managed care, appears to be a good idea in theory, but that in practice it does not work as well. Elita Christiansen stated that it was just a way of shifting costs. Bill Finerfrock noted that it was hard to calculate the benefit of disease management, because you are estimating the value of costs you did not incur. Marlene Blum noted that it appeared that disease management did not reduce costs overall, but does improve outcomes for some individuals.

Susan Randall asked if Inova had ever considered reducing employee health insurance rates if they partnered with HealthSource. Richard Magenheimer responded that the average life of an employee is 6 years, and that the company that makes that kind of investment will not see the benefit. Elita Christiansen added that Inova is doing some things along these lines, such a program that is similar to AOL's high-risk pregnancy program. Marlene Blum noted that in their written statement, Inova states that if the indigent care rate continues as it is or increases, the budget would not be achievable. Richard Magenheimer responded that Inova expects indigent care to continue to grow, but at a declining rate. He added that if it were to continue to grow at its current rate, Inova's margin would be reduced to the 2% range.

Bill Finerfrock asked about the impact of Mount Vernon Hospital (IMVH) on Inova's budget. Richard Magenheimer responded that Inova is forecasting losing about \$10M at Mount Vernon Hospital next year. He added that the portfolio of services at Inova Mount Vernon Hospital is not competitive. He also stated that the Mount Vernon burden is significant, and in terms of financial exposure it is a "stand-alone problem." He stated that there are an increasing number of patients in the southeastern portion of the County, but questioned whether Inova is in a competitive enough position to get the growth in that area. David West asked what program enhancements Inova was planning for IMVH. Richard Magenheimer reported that Inova was adding more imaging technology and improved endoscopy. He added that under any scenario, these are the things Inova would do to make the hospital more attractive. He also noted that it was not Inova's plan to starve IMVH of capital. Jim Scott noted that HCAB members had a copy of Inova's response to the Board of Supervisors' questions about Inova's plan for IMVH in their packets.

Dr. Lebowitz observed that Fair Oaks Hospital (IFOH) had doubled its number of indigent patients. He asked if Inova was concerned about this development. Richard Magenheimer responded that IFOH had the lowest absolute number of indigent patients of all the Inova hospitals. He added that this was not enough of a problem to make the short list of concerns at this time. Susan Randall asked if other hospitals in the region are seeing this kind of increase in indigent care. Richard Magenheimer responded that Prince William Hospital has, and that Potomac Hospital has seen a faster growing paying population. Inova has seen a growth in indigent care along with a slow down in the number of paying patients. Susan Randall asked about Reston Hospital. JoAnne

Jorgenson commented that they do have an indigent care program. Marlene Blum noted that the Health Systems Agency could answer the question about Reston Hospital's indigent care burden. Susan Randall noted that what she wondered was how many people who use Fairfax Hospital are coming from Sterling, and how many hospitals they have to pass before they get there. Richard Magenheimer noted that some hospitals count all indigent care as bad debt until proven otherwise. He added that the top six zip codes for indigent care and bad debt are the same. He also stated that some organizations are a lot looser about how you classify indigent care than Inova.

John Clark asked about the average daily census at Inova's hospitals. Richard Magenheimer responded that Alexandria's census is level or perhaps even slightly down. IMVH is down 10-12 patients per day. He noted that there are only about 60 acute care at the hospital, although the psych. unit carries itself, and the rehab. unit has some margin. John Clark stated that in the future he would like to see the average daily census reported in addition to the average length of stay.

JoAnne Jorgenson reported that she had something positive to report concerning Inova. She stated that she was impressed to see that Inova's cultural competency program only costs \$550,000. The Health Department's program costs half that for a fraction of the number of employees. She asked how Inova does it. Elita Christinsen responded that Inova receives a number of grants to help support the program. Susan Randall asked what kind of data Inova is collecting on the program. Elita Christinsen responded that they collect patient satisfaction data and they have just received a grant from the Robert Wood Johnson Foundation, which will look at patient and provider satisfaction and include a time study. Susan Randall responded that the HCAB would like to see the data when it is available. JoAnne Jorgenson stated that she heard a rumor that the Eye Clinic was going to disappear. Ron Ewold responded that Inova had no plans to close the eye clinic.

Malene Blum reported that the HCAB usually sends a memo to the Board of Supervisors regarding Inova's budget. She noted that they can report the good news that salaries are up, but the bad news is that uncompensated care is also up. She said that the HCAB will mention the rate increase. She stated that the HCAB will briefly mention the new discount program, but will provide further details after Inova's presentation next month. Susan Randall stated that the HCAB should mention the increase in expenses for technology improvement and its relationship to patient safety. Bill Finerfrock noted that he would like to see something about the Mount Vernon situation worked into the memo. Marlene Blum asked if when Inova returns next month, they could provide some concrete examples of how the discount would work. Richard Magenheimer stated that the program would cost between \$600,000 to \$700,000 per year, but it would hopefully persuade patients to seek public funding.

Homeless with Medical Needs

Marlene Blum reported that the Board of Supervisors has given the HCAB a charge to study this issue. She added that she spoke with Deputy County Executive Verdica Haywood and Margo Kieley from the Department of Systems Management for Human Services and that they will be going to the Human Services Leadership Team requesting multi-department staffing. She added that the first step would be a meeting to discuss how to staff the effort. She asked for HCAB members to volunteer to serve on the Task Force that will be created. No one volunteered. JoAnne Jorgenson noted that during Hurricane Isabel, housing of the medically fragile became an issue.

Health Department Proposed Budget Cuts

JoAnne Jorgenson reported that there were only two things on the HCAB's list this year: The respite/home-based care program and the West Nile Virus Program. However, the West Nile Virus Program was not a cut, but rather was a transfer of funds from the General Fund to the Gypsy Moth fund. Marlene Blum asked if this didn't already happen last year. JoAnne responded that the Entomologist was hired out of this fund last year. JoAnne Jorgenson noted that the Health Department submitted more items than these for consideration, including Air Pollution, the Annandale ADHC, and the Respite program. However, these were pulled by the Department of Management and Budget, notable the Annandale ADHC because the County wanted to hold on to it in case Little River Glen II does not open. Regarding the Respite program, she noted that the Health Department is not really uncomfortable with the cut, as the program has never reached its maximum potential since being reinstated. She described the pilot program with DFS that cross trains staff. However, DFS has an \$8M budget for training and charges fees, which the Health Department does not. The Health Department is pushing to get out of the respite business.

Marlene Blum asked if the DFS respite program is on the list. JoAnne Jorgenson responded that it is not. Marlene Blum asked if DFS would be able to handle this program by itself. JoAnne Jorgenson responded that the Health Department may give them some nursing consultation time. Marlene Blum asked about the budget review process this year. JoAnne Jorgenson responded that the Human Services Leadership Team would be meeting to prioritize the recommendations and then to bring these recommendations to the Human Services Council. Marlene Blum asked if any other Health Department programs would be added. JoAnne Jorgenson answered that there would not be any additions to the list. She also noted that the County Executive asked each agency to come up with only 3.96% in cuts this year compared to 5% last year. In addition, if any contracts need additional funding, agencies must find this within their own budgets. In addition, Pay for Performance is capped at 3.96%. She added that the Health Department is not asking for any more staff. Marlene Blum asked if there was anything for the HCAB to do. JoAnne responded there was nothing at this time.

There being no further business, the meeting was adjourned at 10:05 p.m.