

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
BOARD OF COMMISSIONERS
Regular Meeting
A G E N D A
May 25, 2016
8:00 a.m. to 9:35 a.m.

| | <u>ACTION</u> | <u>TIME</u> | <u>PAGE</u> |
|--|---------------|-------------|-------------|
| A. Call to Order | --- | 8:00 | --- |
| B. Approval of the Minutes | | | |
| a) April 27, 2016 Board Meeting | Action | 8:01 | 1-4 |
| C. Executive Committee Report | | | |
| a) Executive search firm recommendation to the board | Action | 8:03 | --- |
| D. Finance Committee Report | | | |
| a) Moss Adams audit presentation | Information | 8:08 | 5-10 |
| b) Financial statements and cash activity | Information | 8:18 | 11-14 |
| c) Authorization for payment of vouchers and payroll | Action | 8:21 | 15 |
| E. Program Committee Report & Recommendations | | | |
| a) Conflicts of Interest | --- | 8:22 | --- |
| b) Program Investment Recommendations | Action | 8:23 | 16-19 |
| c) Presentation from Mercy Housing Northwest | Action | 8:30 | --- |
| d) Verdant Community Wellness Center activities update | Information | 8:45 | 20-21 |
| F. Marketing Report | Information | 8:50 | 22 |
| G. Superintendent's Report | Information | 8:55 | --- |
| H. Public Comments (please limit to three minutes per speaker) | --- | 9:00 | --- |
| I. Commissioner Comments | --- | 9:10 | --- |
| J. Executive Session | --- | 9:15 | --- |
| a) Consider the legal risks of a proposed action of the district | | | |
| b) Review and consider proposed property acquisition | | | |
| K. Open Session | --- | 9:30 | --- |
| L. Adjournment | --- | 9:35 | --- |

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
VERDANT HEALTH COMMISSION

BOARD OF COMMISSIONERS

Regular Meeting
Verdant Community Wellness Center
May 25, 2016

| | |
|-------------------------------|---|
| Commissioners Present | Deana Knutsen, Secretary/Commissioner J. Bruce Williams, M.D., Commissioner (8:20 a.m. arrival) Bob Knowles, Commissioner |
| Commissioners Excused | Fred Langer, President Karianna Wilson, Commissioner |
| Others Present | Carl Zapora, Superintendent George Kosovich, Assistant Superintendent & Program Director Jennifer Piplic, Marketing Director Lisa King, Finance Director Sandra Huber, Outreach Specialist Sue Waldin, Community Wellness Program Manager Karen Goto, Executive Assistant Members of the community |
| Guests | Mary Wright, Moss Adams Bill Rumpf, Mercy Housing Northwest Kate Parker, Mercy Housing Northwest Vy Le, Mercy Housing Northwest |
| Marketing Report | Ms. Piplic presented the report (E:30:16) and called out the Qualis Award given to Verdant for the community paramedic program, the upcoming South County Walks (4 walks per week for 10 weeks, June 21 to August 27, 2016). Secretary Knutsen commented that she is personally very proud of the Qualis Award. |
| VCWC Activities Update | Ms. Waldin presented an update on activities in the Verdant Community Wellness Center for May 2016 (E:31:16) and called out the Understanding Medicare monthly workshops, the NAMI Presents Crisis Intervention workshops, and the weekly Play & Learn group. |
| Moss Adams Audit Presentation | Ms. Mary Wright, CPA presented the 2015 financial audit results (E:32:16) which had been approved by the Finance Committee at their May 19, 2016 meeting. Verdant received an unmodified opinion. |

Ms. Wright noted one adjustment to the Woodway Fields project (under the Building Healthier Communities Fund) to record a \$1.2 million liability and program expense as of December 31, 2015.

Commissioner Williams inquired about what is included in the category of "Other" and "Professional Services" on presentation slide 10 on page 9. He also questioned if Verdant falls within the 15% administrative overhead estimate that Superintendent Zapora provided in 2011. Superintendent Zapora commented that the board can take a deeper dive into the finances at the upcoming board mini retreat on June 17, 2016.

Call to Order

The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:25 a.m. by Secretary Knutsen.

Approval of Minutes

Motion was made, seconded and passed unanimously to approve the minutes of the regular meeting on April 27, 2016.

Executive Committee

Secretary Knutsen reported that the Executive Committee met on April 25, 2016, May 12, 2016 and May 20, 2016 to interview three search firms to fill the Superintendent position (E:33:16). No action was taken during these meetings.

The goal is to have the selected firm present at the Board mini retreat on June 17, 2016 so that the search can commence in July & August. The Executive Committee agreed that both Morgan Consulting and Waldron were the best options. *Motion was made, seconded and passed unanimously to approve* the hiring of Waldron as the executive search firm to conduct the search for the Superintendent position.

Board Finance Committee

The committee met on May 19, 2016. Ms. King reviewed the financial statements and cash activity for April 2016 (E:34:16). Warrants #11646 and #11668 were called out as well as the deposit of \$100,771.96 for the property tax levy. Commissioner Knowles inquired on the fair market value of the hospital district. Superintendent Zapora estimated that the value is approximately \$200 million.

Authorization for Payment of

Warrant Numbers 11640 through 11677 for April 2016 for payment in the amount of \$85,669.53 were presented for

Vouchers &
Payroll

approval (E:35:16). *Motion was made, seconded and passed unanimously to approve.*

Program
Oversight
Committee
Update

The Program Committee met on May 20, 2016 to review two new requests (E:36:16), one supplemental request, and one follow-up request.

No conflicts of interest were reported by any of the commissioners present.

Motion was made, seconded and passed unanimously to approve the Latino Education & Training Institute (LETI) Latino Expo in the amount of \$5,000 on a one-time basis.

The Program Committee will follow-up on the Foundation for Edmonds School District – Nourishing Network Summer Meals Program request for \$8,402 as the commissioners would like more information about possible health outcomes from this program.

Commissioner Williams discussed the possibility of a Verdant award including funding to a community group that demonstrates excellence in health and wellness.

Commissioner Williams also discussed the possibility of a nursing student scholarship or internship linked to future service in the south Snohomish county area for a certain length of time. Legal counsel will be sought and both of these topics will be explored by the Program Committee.

A supplemental request for funding was presented in the amount of \$43,100 for a mental health specialist and \$30,700 for 12 additional dental clinic days from Senior Services of Snohomish County. The board would like a representative from Senior Services to attend either the board mini retreat or the next regularly scheduled board meeting to present this request before it is approved.

Follow-up on Fire District 1/Operation Military Family Veteran's program – Paramedic Shaughn Maxwell of Fire District 1 spoke on behalf of the project to serve veterans and to train volunteer veterans to help FD1 with entry-level community paramedic interventions as well as provide services for veterans in need of services. Commissioner Knutsen asked about how the program compared to

volunteer fire programs and Commissioner Knowles asked about the use of funds.

Motion was made, seconded and passed unanimously to approve the program in the amount of \$89,240 per year for three years for volunteer stipends, training, and coordination from Operation Military Family.

Presentation
from Mercy
Housing
Northwest

Mr. Bill Rumpf, Ms. Kate Parker, and Ms. Vy Le of Mercy Housing Northwest presented Bringing Health Home Snohomish, a multi-year request at \$180,000 per year for three years (E:37:16) to implement health programs in partnership with the Housing Authority of Snohomish County and YWCA at 7 affordable housing complexes in this area. Six locations are in Verdant's district and one is just outside. The funds would be used for 2.5 FTE and programming.

Commissioners asked questions about the history and mission of Mercy Housing, and their involvement with the homeless population. The board requests Mercy Housing to provide more details on their background and extent of their reach to the Program Committee.

Superintendent's
Report

None

Public
Comments

Paramedic Shaughn Maxwell thanked the board for the funding of the community paramedic program and that this program will be presented at the White House in June 2016.

Commissioner
Comments

Commissioner Williams shared an article entitled "Walkable Neighborhoods Cut Obesity and Diabetes Rates" from the NY Times (E:38:16).

Executive
Session

Secretary Knutsen recessed the regular meeting at 9:20 a.m. into Executive Session to consider the legal risks of a proposed action of the district.

Secretary Knutsen stated that the board would reconvene in 15 minutes and no action would be taken in Executive Session but that there may be action taken in Open Session.


Open Session

The board reconvened into Open Session at 9:45 a.m. *Motion was made, seconded and passed unanimously to authorize* the Superintendent to negotiate and execute a long-term lease agreement with Parsi Properties for additional parking at the VCWC.

Adjourn

There being no further business to discuss, the meeting was adjourned at 9:46 a.m.

ATTEST BY:



President



Secretary

May 2016 Marketing Report

Qualis Award

- Verdant was one of five healthcare organizations statewide recognized with a Washington Award of Excellence in Healthcare Quality.
- The award, which recognizes achievements in improving healthcare quality and outcomes, was for the community paramedic program.

South County Walks

- Verdant is partnering with the recreation departments in Edmonds, Lynnwood, and Mountlake Terrace, the Edmonds Senior Center, and the Center for Healthy Living, to promote walking this summer. There will be 4 community walks offered each week for 10 weeks across the district.
- Verdant is providing branding oversight for the project, will promote throughout the summer, and is managing social media outreach/engagement for the walk. Our partners will also promote and recruit walkers.
- Verdant is hosting information sessions for the volunteers.
- Verdant will work with the cities and other organizations (Edmonds Family Medicine and hopefully others) to incentivize participation in the walks.

Coming Events

- **Beat Brackett 5K:** Monday, July 4, 10-11:30 a.m., Edmonds City Park
- **Back to School Health Fair:** Thursday, August 25, 6-9 p.m. at Cedar Valley Community School

E: 31.16
5.25.2016

Verdant Community Wellness Center Summary **May 2016**

Completed Programs

| A. General Community and Provider Events | Attendance |
|---|-------------------|
| 1. SHIBA Welcome to Medicare / Anti-Fraud Event (4/30) | 14 |
| 2. SHIBA Monthly Update Meetings (5/3) | 30 |
| 3. Little Wonders Support Group for Parents of Special Needs Infants (5/3)* | 10 |
| 4. Korean Women's Association: Everyday Mental Health (5/5)* | 50 |
| 5. Community Health Workers Coalition (5/6) | 18 |
| 6. Medical Reserve Corps - Psychological First Aid Training (5/7)* | 8 |
| 7. Mothers of Children with Disabilities Monthly Support Network (5/7) | 12-16 |
| 8. Evergreen Home Health (5/10, 5/18) | 25 |
| 9. Senior Services Social Worker Training (5/11) | 24 |
| 10. Promotora Training on Health Coverage/Health Care Access (5/12)* | 8 |
| 11. Latino Education and Training Institute Student Workshop (5/14) | 22 |
| 12. Live Healthy 2020 Activity Workgroup Meeting (5/18) | 6 |
| 13. Alzheimer's Association Walk Planning Committee (5/19) | 10 |
| 14. Understanding Medicare Monthly Workshops (starting 5/20) | 20 |
| 15. Early Achievers Strengthening Families Training (5/21, 6/25) | 8 |
| 16. Ongoing – Community Support for Prescription Assistance (weekly)* | varies |

| B. Nutrition and Healthy Behaviors | Attendance |
|---|-------------------|
| 1. Surviving & Thriving with Chronic Kidney Disease (3/16 – 4/20)* | 27 |
| 2. Whole Foods Challenge (April 13 – May 4)* | 22 |
| 3. Spanish Language Cooking Matters for Families - Session 3 (4/18 – 5/23)* | 26 |
| 4. Cooking Demo – Good and Cheap (4/26)* | 21 |
| 5. Anti-Inflammatory Diet (5/4)* | 61 |
| 6. Lifestyle Change Check-Ins (drop – in 1 st and 3 rd Tuesdays)* | 12-18 |
| 7. Getting to Goal Program (Weight Management Consultations)* | 20 clients |

| C. Behavioral Health & Substance Use | Attendance |
|---|-------------------|
| 1. YWCA Women's Art Therapy Group (4/12 – 5/31)* | 8 |
| 2. YWCA Building Family Strengths Parenting Class & Childcare (4/13 – 6/4)* | 8 |
| 3. Survivors of Suicide Support Group (4/21 – 6/9) | 8-10 |
| 4. Brain Health and Wellness Classes (5/3, 5/9, 5/10, 5/16, 5/17) * | 4-12 |
| 5. Snohomish County Caregiver and Kinship Support Groups (5/5, 5/17, 5/19) | 4-8 |
| 6. National Alliance on Mental Illness Support Group (5/12, 5/26) | 4-6 |
| 7. NAMI Presents: Crisis Intervention (5/19)* | 46 |
| 8. NAMI Presents: Crisis Intervention – All day Saturday Workshop (5/21)* | 32 |
| 9. Adult Children of Alcoholics Weekly Support Group (ongoing) | 6-12 |
| 10. THS Youth Counseling & Medication Management Sessions in May | 31 |
| 11. Veterans Drop-In Support (weekly - City of Lynnwood & monthly - County) | varies |

| D. Other Programs | Attendance |
|--|-------------------|
| 1. Play and Learn Group, Wonderland Development Center (weekly)* | 25-30 |
| | |

**Verdant Community Wellness Center Summary
May 2016**

Upcoming Programs

E. General Community and Provider Events

1. Little Wonders Support Group for Parents of Special Needs Infants (1st Tuesday of the month)*
2. Basic Food Forum (June 1)
3. Korean Women's Association: Everyday Mental Health (June 2)*
4. Pulmonary Hypertension Support Group (June 3)
5. Hoarding Task Force (June 6)
6. Little Wonders Support Group for Parents of Special Needs Infants (June 7)*
7. SHIBA Monthly Update Meetings (June 7)
8. Children's Administration Foster Parent Training (June 7)
9. WIC Focus Group (June 9)
10. Medical Reserve Corps – CPR & First Aid Training (June 11)*
11. MTI – Root Canal Clinic (June 11)*
12. Mothers of Children with Disabilities Monthly Support Network (June 4)
13. Resource Connector Meeting (June 14)
14. Evergreen Home Health (June 15, 21)
15. Walk Leader Information Sessions (June 15, 16)
16. Financial Educators Network Training for Social Service Providers (June 16)
17. Promotora Training on Domestic Violence (June 17)*
18. Understanding Medicare Monthly Workshops (June 17)
19. Spanish language CPR (June 18)*
20. Early Achievers Strengthening Families Training (June 25)

F. Nutrition and Healthy Behaviors

1. Staying Active with Knee and Back Pain (May 25)*
2. Hands On Family Cooking Class (June 4)*
3. Cooking Demo – Good and Cheap (June 6)*
4. Mediterranean Diet Learn & Taste Series (June 9, 13, 16)*
5. Senior Field Trip for Health – Eat Your Vegetables Cooking Demo (June 17)
6. Cooking Demo – Incorporating Seasonal Produce in Your Meals (June 20)*
7. Teens in the Kitchen Cooking Class (June 29)*

G. Behavioral Health & Substance Use Focus

1. YWCA Building Family Strengths Parenting Class with Childcare (April 13 – June 4)*
2. Survivors of Suicide Support Group (April 21 – June 9)
3. Brain Health and Wellness Classes (May 23, 24, 31, June 6, 7, 14, 20, 21) *
4. For the Kid's Sake – for Parents Going Through Divorce (May 26, June 22)
5. Snohomish County Caregiver and Kinship Support Groups (June 5, 17, 19)
6. Evergreen Bereavement Informational Workshop (June 8)
7. National Alliance on Mental Illness "Connections" Support Group (June 9 and 23)
8. YWCA Grief and Loss Support Group (June 14 – August 9)
9. NAMI Presents: Rocks in My Pockets Anxiety and Depression Film (June 17)*

* = Grant/Program Funded Partner

E132016

5.25.2016

Report of Independent Auditors
and Financial Statements for
Public Hospital District No. 2,
Snohomish County, Washington dba
Verdant Health Commission
December 31, 2015 and 2014

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Public Hospital District No. 2,
Snohomish County, Washington dba
Verdant Health Commission

Report on Financial Statements

We have audited the accompanying financial statements of Public Hospital District No. 2, Snohomish County, Washington dba Verdant Health Commission (the District), which comprise the statements of net position as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Hospital District No. 2, Snohomish County, Washington dba Verdant Health Commission as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Everett, Washington
May 24, 2016

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following discussion and analysis for Public Hospital District No. 2, Snohomish County, Washington dba Verdant Health Commission (the District) provides an overview of the District's financial activities for the years ended December 31, 2015 and 2014. Please read it in conjunction with the District's financial statements, which follow this analysis.

Using These Basic Financial Statements

The District's financial statements consist of three statements: a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. These financial statements and related notes provide information about the financial activities of the District.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

These two statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account when the underlying transactions occur, regardless of when cash is received or paid. These statements report the District's net position and the changes therein. When assessing the overall health of the District, other nonfinancial factors also need to be considered, such as changes in programs offered, measures of the quality of service offered, and local economic factors.

The Statement of Cash Flows

This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and noncapital financing activities. It provides information about sources and uses of cash and the change in cash balances during the reporting periods.

The Transition of Operations, Effective September 1, 2010

Until September 1, 2010, Public Hospital District No. 2, Snohomish County, Washington, owned and operated Stevens Hospital. Through a lease and operating agreement, on September 1, 2010, Swedish Health Services, a nonprofit corporation, took over operation of the hospital and renamed it Swedish Edmonds. This transition significantly changed the role of the District. The District retained ownership of the hospital but no longer manages its operations and, instead, is a landlord to Swedish Health Services. As of December 31, 2015, Swedish Health Services had paid \$41.0 million in total lease payments to the District for the use of hospital real property and personal assets owned by the District.

The negotiated agreement terms for use of the hospital by Swedish Health Services are for 30 years, with options to renew, wherein the District will receive monthly lease payments that increase 3.0% per year for the first 15 years, after which time the monthly payments will be steady for the remainder of the agreement. Additionally, Swedish Health Services agrees to invest a minimum of \$90.0 million into hospital capital improvements over the course of the first 10 years, with no less than \$6.0 million per year in each of those 10 years.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The Transition of Operations, Effective September 1, 2010 (continued)

The District will maintain investments sufficient to take back the operation of the hospital in the event of default by Swedish Health Services or some other extraordinary event. This transition significantly impacted many of the statement of net position accounts for the year ending December 31, 2010, and along with the long-term agreement with Swedish Health Services, significantly improves the short- and long-term financial viability of the District.

The Verdant Health Commission

As of September 1, 2010, the District began doing business as South Snohomish County Commission for Health (SSCCFH). The SSCCFH name was changed in 2011 to the Verdant Health Commission (Verdant) by a vote of the commissioners of the District. Verdant is governed by a board of five commissioners elected at large. The mission of Verdant is to improve the health and well-being of our community. This mission will be completed by contracting for services with local organizations, businesses, and government agencies, and the establishment of Verdant-operated initiatives. Long-term financial stability will be established by investing available revenues received from Swedish Health Services, as well as ongoing tax levy revenues, into allowable government funds, thus building adequate reserves in the years to come.

Verdant began accepting funding proposals in June 2011 in four health priority areas: Education and Empowerment, Prevention, Access to Healthcare Services, and Policy and Advocacy. Funds are available for one-time uses like events and short-term needs in the community, as well as for ongoing health and wellness programs. Verdant paid out approximately \$6.8 million in community program investments during 2015. Each program is managed through a cooperative agreement with partners and is being monitored for performance and compliance by Verdant staff.

Verdant completed a comprehensive needs assessment in 2013 to better understand the health and wellness issues impacting residents of South Snohomish County. The assessment included an analysis of quantitative health and socioeconomic data, input from front-line service providers, a survey of 400 residents, and 12 different focus groups. The results of the needs assessment were compiled into a formal written assessment and appendices that are available on Verdant's website. The needs assessment highlighted two key community issues for the District: adult dental care and behavioral health needs. In 2014, Verdant approved funding for programs and projects in these areas, including a new mobile dental clinic through Medical Teams International, and a fixed-site dental clinic in Lynnwood through the Puget Sound Christian Clinic. Verdant also released a targeted request for proposal (RFP) for preventative behavioral health programs—two projects were selected for a total annual budget of \$500,000, with payouts beginning in 2015. Other significant investments in this area made by Verdant in 2014 include a program through the Center for Human Services that provides onsite counseling at middle and high schools, and a new program through the Edmonds School District that provides student support advocates at each of the middle and high schools.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The Verdant Health Commission (continued)

As part of its planning and needs assessment work, Verdant determined that there are challenges that keep South Snohomish County residents from being active. In 2013, the Commissioners of the District voted to add a new program funding opportunity referred to as the Building Healthy Communities Fund (BHCF). The purpose of the BHCF is to support projects in South Snohomish County that increase opportunities for residents to live active and healthy lives. The District is addressing these gaps by funding projects with key community partners, such as local governments, which sustain long-term community health improvements. In 2014, Verdant began funding two larger projects under the BHCF: a recreation project at the former Woodway High School, and a project called Bike2Health (formerly BikeLink) that will complete critical missing links in the community's bicycle network, with the goal of increasing ridership and decreasing collisions and injuries. The Woodway recreation project is being managed by the Edmonds School District and will be paid out over four years, whereas the City of Lynnwood is in the lead for the Bike2Health project, which will be funded by Verdant over the next three years. Both projects will collect and deliver program results over the next several years.

In 2015, Verdant funded several new projects and programs focused on drug and alcohol treatment, including a new drug and alcohol detox center in Lynnwood through Evergreen Recovery Centers (scheduled to open in 2016) and a program focused on serving teens with mental health and drug and alcohol challenges through Therapeutic Health Services. Verdant also renewed and expanded funding for the Community Paramedic program through Snohomish County Fire District 1 and the City of Lynnwood Fire Department. Additionally, Verdant provided increased funding for the Enhance Wellness program offered by the Edmonds Senior Centers to add an evidence-based depression program called PEARLS.

In September 2013, Verdant purchased a building in Lynnwood for the purpose of redeveloping it into a community wellness center. The new Verdant Community Wellness Center (VCWC) opened in January 2015 and offers the residents of the District a resource for accessing health and wellness classes, programs, and information. The center serves as the Verdant headquarters and houses all staff. An estimated 8,000 people were served in the VCWC during the year with various education and support programs. Examples included healthy cooking classes, depression and anxiety support groups, assistance with health insurance enrollment, and prescription drug assistance. The center also includes a full-time 2-1-1 Community Resource Advocate who meets with residents one-on-one to connect them to community resources.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Statement of Net Position

The District's net position is the difference between its assets and liabilities as reported in the statement of net position (in thousands).

| | 2015 | 2014 | 2013 |
|---|------------------|------------------|------------------|
| Assets | | | |
| Current assets | \$ 37,552 | \$ 35,459 | \$ 32,610 |
| Capital assets, net | 33,280 | 35,776 | 36,766 |
| Other noncurrent assets | 13,617 | 11,702 | 8,990 |
| Total assets | \$ 84,449 | \$ 82,937 | \$ 78,366 |
| Liabilities | | | |
| Current liabilities | \$ 2,839 | \$ 2,582 | \$ 2,039 |
| Long-term debt, net | 3,890 | 4,757 | 5,590 |
| Other long-term liabilities | 725 | 100 | 100 |
| Total liabilities | 7,454 | 7,439 | 7,729 |
| Net position | | | |
| Net investment in capital assets | 28,585 | 30,249 | 30,431 |
| Restricted for debt service | 47 | 54 | 58 |
| Unrestricted | 48,363 | 45,195 | 40,148 |
| Total net position | 76,995 | 75,498 | 70,637 |
| Total liabilities and net position | \$ 84,449 | \$ 82,937 | \$ 78,366 |

Current Assets

Total current assets of \$37.6 million at year-end 2015 reflect an increase of \$2.1 million (5.9%), compared to the balance of \$35.5 million at the end of 2014. Cash and short-term investments increased by \$2.4 million (7.1%) in 2015, compared to an increase of \$2.3 million (7.3%) in 2014.

Capital Assets

The District's net capital assets decreased \$2.5 million (7.0%) in 2015, compared to a net decrease of \$1.0 million (2.7%) in 2014. A comprehensive hospital asset audit and subsequent surplus in 2015 contributed to this total.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Statement of Net Position (continued)

Other Noncurrent Assets

Other noncurrent assets consist of rent receivable totaling \$13.6 million at year-end 2015, an increase of \$1.9 million (16.4%) from \$11.7 million in 2014. The rent receivable results from straight-line recognition of the 30-year lease of the hospital to Swedish Health Services.

Current Liabilities

Current liabilities increased \$0.2 million (10.0%) from \$2.6 million in 2014 to \$2.8 million in 2015.

Long-Term Debt

As of December 31, 2015, the District had \$3.9 million in long-term debt, net of current portion, which is a \$0.9 million (18.2%) decrease from 2014. Principal payments during 2015 totaled \$0.8 million. In 2012, outstanding 1999 LTGO refunding bonds were paid in full by the issuance of \$6.6 million of 2012 LTGO refunding bonds. Principal payments during 2012, in excess of the 1999 LTGO refunding bond payments, totaled \$1.0 million.

Other Long-Term Liabilities

Other noncurrent liabilities increased by \$0.6 million from \$0.1 million in 2014. These are made up of reserves for self-insured workers' compensation claims (\$0.1 million) and a community program liability (\$0.6 million).

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Operating Results and Changes in the District's Net Position

In 2015, the District's net position increased \$1.5 million (2.0%), compared to an increase of \$4.9 million (6.9%) in 2014.

| | 2015 | 2014 | 2013 |
|---|-----------|-----------|-----------|
| Operating revenues | | | |
| Lease revenue | \$ 11,838 | \$ 11,712 | \$ 10,437 |
| Other operating revenues | 16 | 9 | 12 |
| Total operating revenues | 11,854 | 11,721 | 10,449 |
| Operating expenses | | | |
| Salaries and benefits | 769 | 752 | 675 |
| Program expenditures | 8,021 | 4,690 | 3,124 |
| Other | 1,121 | 925 | 478 |
| Depreciation | 2,641 | 3,367 | 4,199 |
| Total operating expenses | 12,552 | 9,734 | 8,476 |
| Operating income (loss) | (698) | 1,987 | 1,973 |
| Nonoperating revenues (expenses) | | | |
| Tax levies | 2,167 | 2,113 | 2,033 |
| Investment income (loss) | 133 | 564 | (914) |
| Interest expense and amortization | (91) | (106) | (120) |
| Gain (loss) on disposal of capital assets | (98) | 19 | (595) |
| Other revenues (expenses) | 84 | 284 | (183) |
| Net nonoperating revenues | 2,195 | 2,874 | 221 |
| Increase in net position | 1,497 | 4,861 | 2,194 |
| Net position, beginning of year | 75,498 | 70,637 | 68,443 |
| Net position, end of year | \$ 76,995 | \$ 75,498 | \$ 70,637 |

Operating revenues in 2015 totaling \$11.9 million were attributed to lease payments. Of that, \$8.2 million was attributable to the Swedish Health Services lease. Additional lease revenues were received from other lease agreements, including Value Village, Healthcare Realty, and the Kruger Clinic.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Operating Results and Changes in the District's Net Position (continued)

Overall operating costs of \$12.6 million at year-end 2015 reflect an increase of \$2.8 million (29.0%), compared to the balance of \$9.7 million at the end of 2014. Salaries and benefits totaled \$0.8 million in 2015, a 2.2% increase over 2014. Program expenditures totaled \$8.0 million in 2015 (including program liabilities of \$1.3 million that will be paid in 2016 and 2017), compared to only \$4.7 million in 2014. Increased program investment expenditures of \$3.3 million made the largest impact on operating expenses in 2015. This was offset by an annual decrease in depreciation expense of \$0.7 million (21.6%).

Net nonoperating revenues for 2015 are \$2.2 million, compared to \$2.9 million in 2014, a decrease of \$0.7 million (23.6%). Investment gains at year-end 2015 are \$0.1 million, a decrease of \$0.4 million (76.5%) over a 2014 gain of \$0.6 million.

Contacting the District's Financial Management

This financial report is designed to provide our taxpayers, suppliers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's finance office at 4710 196th Street SW, Lynnwood, Washington 98036.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
STATEMENTS OF NET POSITION**

ASSETS

| | December 31, | |
|---|----------------------|----------------------|
| | 2015 | 2014 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 2,928,195 | \$ 3,189,901 |
| Investments | 33,671,131 | 30,988,240 |
| Receivables | 71,993 | 262,234 |
| Estimated third-party payor settlements | 183,190 | - |
| Prepaid expenses and other | 650,078 | 963,479 |
| Assets whose use is limited | 46,957 | 54,692 |
| Total current assets | 37,551,544 | 35,458,546 |
| CAPITAL ASSETS | | |
| Nondepreciable capital assets | 7,723,706 | 11,477,614 |
| Depreciable capital assets, net of accumulated depreciation | 25,555,804 | 24,298,008 |
| Capital assets, net of accumulated depreciation | 33,279,510 | 35,775,622 |
| RENT RECEIVABLE | 13,618,154 | 11,702,643 |
| Total assets | \$ 84,449,208 | \$ 82,936,811 |

LIABILITIES AND NET POSITION

| | | |
|---|----------------------|----------------------|
| CURRENT LIABILITIES | | |
| Current portion of long-term debt | \$ 805,000 | \$ 770,000 |
| Accounts and warrants payable | 913,851 | 304,613 |
| Prepaid lease income | 760,110 | 734,028 |
| Accrued interest | 10,975 | 12,900 |
| Accrued salaries and benefits | 55,232 | 53,308 |
| Tenant improvements | - | 101,460 |
| Estimated self-insured liabilities | 294,194 | 605,514 |
| Total current liabilities | 2,839,362 | 2,581,823 |
| LONG-TERM DEBT, net of current portion | 3,889,978 | 4,757,008 |
| OTHER LONG-TERM LIABILITIES | 725,000 | 100,000 |
| Total liabilities | 7,454,340 | 7,438,831 |
| NET POSITION | | |
| Net investment in capital assets | 28,584,532 | 30,248,614 |
| Restricted for debt service | 46,957 | 54,692 |
| Unrestricted | 48,363,379 | 45,194,674 |
| Total net position | 76,994,868 | 75,497,980 |
| Total liabilities and net position | \$ 84,449,208 | \$ 82,936,811 |

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

| | Years Ended December 31, | |
|--|--------------------------|----------------------|
| | 2015 | 2014 |
| OPERATING REVENUES | | |
| Lease revenue | \$ 11,837,651 | \$ 11,712,097 |
| Other operating revenue | 16,030 | 8,875 |
| Total operating revenues | 11,853,681 | 11,720,972 |
| OPERATING EXPENSES | | |
| Salaries and wages | 665,188 | 598,993 |
| Employee benefits | 103,814 | 153,306 |
| Program expenditures | 8,021,280 | 4,690,105 |
| Professional services | 319,644 | 261,983 |
| Other | 800,929 | 662,878 |
| Depreciation | 2,640,840 | 3,367,091 |
| Total operating expenses | 12,551,695 | 9,734,356 |
| Operating income (loss) | (698,014) | 1,986,616 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Maintenance and operations tax levy | 2,166,756 | 2,112,763 |
| Investment income and unrealized gain (loss) | 132,957 | 564,584 |
| Other interest expense and amortization | (90,899) | (106,428) |
| Gain (loss) on disposal of capital assets, net | (98,232) | 18,577 |
| Other revenues | 84,320 | 284,428 |
| Net nonoperating revenues | 2,194,902 | 2,873,924 |
| Increase in net position | 1,496,888 | 4,860,540 |
| NET POSITION, beginning of year | 75,497,980 | 70,637,440 |
| NET POSITION, end of year | \$ 76,994,868 | \$ 75,497,980 |

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
STATEMENTS OF CASH FLOWS**

Increase (Decrease) in Cash and Cash Equivalents

| | Years Ended December 31, | |
|--|---------------------------------|----------------------------|
| | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received for leasing and other operations | \$ 9,964,252 | \$ 9,034,954 |
| Cash paid to employees | (767,078) | (733,830) |
| Cash paid on community programs | (6,771,280) | (4,690,105) |
| Cash paid to suppliers for goods and services | (1,209,060) | (956,369) |
| Net cash from operating activities | <u>1,216,834</u> | <u>2,654,650</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Cash received from maintenance and operations tax levy for noncapital purposes | 2,174,491 | 2,116,013 |
| Cash received from Swedish Health Services | 59,244 | 262,802 |
| Other | 5,473 | 687 |
| Net cash from noncapital financing activities | <u>2,239,208</u> | <u>2,379,502</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal payments on long-term debt | (770,000) | (745,000) |
| Interest paid on long-term debt | (154,854) | (169,700) |
| Proceeds from sale of capital assets | - | 40,286 |
| Acquisition and construction of capital assets | (242,960) | (2,398,847) |
| Net cash from capital and related financing activities | <u>(1,167,814)</u> | <u>(3,273,261)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale of investments, net | (3,039,388) | (2,197,645) |
| Investment income | 489,454 | 407,965 |
| Net cash from investing activities | <u>(2,549,934)</u> | <u>(1,789,680)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>(261,706)</u> | <u>(28,789)</u> |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>3,189,901</u> | <u>3,218,690</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u><u>\$ 2,928,195</u></u> | <u><u>\$ 3,189,901</u></u> |

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
STATEMENTS OF CASH FLOWS**

Increase (Decrease) in Cash and Cash Equivalents

| | Years Ended December 31, | |
|---|--------------------------|---------------------|
| | 2015 | 2014 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FROM | | |
| OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ (698,014) | \$ 1,986,616 |
| Adjustments to reconcile operating income (loss) to net cash from | | |
| operating activities | | |
| Depreciation | 2,640,840 | 3,367,091 |
| Changes in operating assets and liabilities | | |
| Receivables | 130,997 | (259,477) |
| Estimated third-party payor settlements | 27,814 | 840,034 |
| Prepaid expenses and other | 313,401 | (900,272) |
| Rent receivable | (1,915,511) | (2,711,912) |
| Accounts and warrants payable | 609,238 | 71,237 |
| Prepaid lease income | 26,082 | 25,894 |
| Tenant improvements | (101,460) | 101,460 |
| Accrued salaries and benefits | 1,924 | 18,469 |
| Self-insured liabilities | (443,477) | 115,510 |
| Other long-term liabilities | 625,000 | - |
| Net cash from operating activities | <u>\$ 1,216,834</u> | <u>\$ 2,654,650</u> |

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Organization and Summary of Accounting Policies

Organization - Until September 1, 2010, Public Hospital District No.2 of Snohomish County, Washington (the District), a Washington municipal corporation, owned and operated Stevens Hospital (the Hospital), located in Edmonds, Washington. The Hospital is an acute care community hospital with 156 set-up beds. On September 1, 2010, the District entered into an agreement (the Agreement) to lease and operate the Hospital with Swedish Health Services (SHS), a nonprofit corporation. The Agreement included transfer of control of Stevens Foundation (the Foundation), which was organized and formally incorporated as a 501(c)(3) tax-exempt organization. The District is now doing business as Verdant Health Commission.

The District is governed by a board of five elected commissioners. The mission of the District is to improve the health and well-being of the community. This mission will be completed by contracting for services with local organizations, businesses, and government agencies and the establishment of Verdant-operated initiatives. Long-term financial stability will be established by investing available revenues received from Swedish Health Services, as well as ongoing tax levy revenues, into allowable government funds, thus building adequate reserves in the years to come.

The District began accepting funding proposals in June 2011 in four health priority areas: Education and Empowerment, Prevention, Access to Healthcare Services, and Policy and Advocacy. Funds are available for one-time uses like events and short-term needs in the community, as well as for ongoing health and wellness programs.

The terms of the Agreement specify an initial 30-year term, with two 10-year renewal options. Rental payments to be made by SHS will be \$600,000 per month, with annual escalation of 3% per year on each anniversary date for the first 15 years. The rent is on an absolute net basis, with SHS being responsible for all operating costs associated with the facilities. The lease calls for certain approvals by the District that affect the operation of the facility for the following: change in license, major service line changes, union contract representation, and maintenance of an independent medical staff. SHS has committed to an initial capital investment of \$90 million over the first 10 years of the lease, including the installation of the Epic electronic medical record system at the facility. An additional capital investment by SHS is committed each year based on 25% of the defined profitability of the facility. In addition, a potential commitment of a major expansion project of up to \$60 million will be undertaken, provided there is adequate return on investment and demand criteria are met, and the SHS board of trustees approves such a project. The District and SHS will form a strategic collaboration committee to provide oversight for the lease and strategic planning activities for the facility.

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on assessed values as established by the County Assessor. Tax collections are distributed monthly to the District by the County Treasurer. Property taxes are recorded as receivables and revenue when levied. Because state law allows for the sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Organization and Summary of Accounting Policies (continued)

In September 1997, the voters of the District approved a maintenance and operations (M&O) tax levy upon the taxable property within the District; the M&O tax provided approximately \$2,160,000 of funding in 2015 and \$2,105,000 of funding in 2014. The levy is ongoing in future years. The M&O tax levy funds are reported in the accompanying statements of revenues, expenses, and changes in net position as nonoperating revenues.

Basis of presentation - The financial statements reflect the operations of the District using enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus.

The District reports its financial information in a form that complies with the pronouncements of the Governmental Accounting Standards Board (GASB) and the Audit and Accounting Guide for Health Care Organizations of the American Institute of Certified Public Accountants.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Key estimates include useful lives of capital assets, third-party cost report settlements, and self-insured liabilities. Changes in estimates resulted in a decrease to other nonoperating income of approximately \$79,000 and \$284,000 for the years ended December 31, 2015 and 2014, respectively.

Cash and cash equivalents - For purposes of the statements of cash flows, the District considers all highly liquid investments (excluding cash and short-term investments included in restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted assets - As described further in Note 6, the District receives tax levy funds that are used solely for debt service associated with the general obligation bonds. Taxes and interest receivable and scheduled debt service payments temporarily invested prior to becoming due are recorded as restricted assets. All receipts and earnings generated on such investments are reported as nonoperating revenues and expenses.

Prepaid expenses and other - Related assets include future expenses that have been paid in advance. The District entered into agreements in 2014 with scheduled payments. For each agreement, the amount of District payments in excess of the costs incurred were recorded as project advances and included in prepaid expenses and other. As of December 31, 2015, project advances were \$625,000.

Capital assets - Capital assets are stated at cost. Improvements and replacement of capital assets are capitalized. The District's capitalization threshold is \$5,000 per item and a useful life of at least two years. Maintenance and repairs are expensed. The cost of capital assets sold or retired and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recorded.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Organization and Summary of Accounting Policies (continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Assets under capital leases are amortized over the shorter of the lease term or useful life. Amortization attributable to assets acquired under capital leases is included with depreciation as shown in the statements of revenues, expenses, and changes in net position.

The following is a summary of asset lives used:

| | |
|-------------------------------------|--------------|
| Buildings and building improvements | 2 - 50 years |
| Equipment | 2 - 50 years |
| Land improvements | 2 - 25 years |

Rent receivable - Rent receivable represents lease revenue on a straight-line basis in excess of lease payments received for applicable lease agreements in accordance with applicable accounting standards.

Self-insurance liabilities - The District accrues an estimate of losses and related expenses for its self-insured workers' compensation claims. The District maintains stop-loss insurance for workers' compensation claims in excess of specified amounts. This liability, which is approximately \$394,000 and \$706,000 as of December 31, 2015 and 2014, respectively, is recorded in the accompanying statements of net position within estimated self-insured liabilities and other long-term liabilities.

Estimated third-party payor settlements - Under a contractual agreement with Medicare, the Hospital is paid at an interim rate during the year for certain services and programs. The difference between interim payments and estimated final reimbursement for the cost report year results in a settlement receivable or payable, which may be adjusted in future periods as final settlements are determined. The Medicare program's administrative procedures preclude final determination of settlement amounts until after the annual cost reports have been audited or otherwise reviewed and settled by Medicare. The District's cost reports have been audited by the Medicare fiscal intermediary through August 31, 2010.

While operating Stevens Hospital, the District participated in the Medicaid Certified Public Expenditures (CPE) program for inpatient reimbursement, which provides for interim payments for certain services and programs. The difference between interim payments and estimated final reimbursement for the Washington State fiscal year results in a settlement receivable or payable, which may be adjusted in future periods as final settlements are determined.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Organization and Summary of Accounting Policies (continued)

Net position - Net position of the District is classified into three components. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of related debt that is attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position represents noncapital assets that must be used for a specific purpose. The unrestricted component of net position is the remaining net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

Statements of revenues, expenses, and changes in net assets - For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provision of District services are reported as operating revenues and expenses. All levy income, interest expense, investment income, and other peripheral or incidental transactions are reported as nonoperating revenues and expenses.

Income taxes - As a political subdivision of the state of Washington, the District is not subject to federal income tax, because its income is excluded from gross income for federal income tax purposes under Section 115 of the Internal Revenue Code.

Reclassifications - Certain reclassifications have been made to prior-year amounts to conform to the current-year presentation to more consistently present financial information between years.

Subsequent events - Subsequent events are events or transactions that occur after the statements of net position date but before financial statements are available to be issued. The District recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of net position, including the estimates inherent in the process of preparing the financial statements. The District's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of net position but arose after the statements of net position date and before the financial statements are available to be issued.

The District has evaluated subsequent events through May 24, 2016, which is the date the financial statements are available to be issued.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 2 - Cash, Cash Equivalents, Investments, and Deposits

The composition of cash, cash equivalents, investments, and deposits at December 31 is as follows:

| | <u>2015</u> | <u>2014</u> |
|--|--------------------------|--------------------------|
| Assets whose use is not restricted | | |
| Cash in banks - interest-bearing | \$ 2,928,195 | \$ 3,189,901 |
| Governmental mutual fund | <u>33,671,131</u> | <u>30,988,240</u> |
| Total cash, cash equivalents, investments, and deposits | <u>\$ 36,599,326</u> | <u>\$ 34,178,141</u> |

The District makes investments in accordance with Washington State law. Eligible investments include obligations secured by the U.S. Treasury, other obligations of the United States or its agencies, certificates of deposit with approved institutions, eligible bankers' acceptances, and repurchase agreements (up to 30 days).

Because the District is a political subdivision of the state, deposits and investments are categorized to give an indication of the risk assumed at year-end. Category 1 includes deposits and investments that are insured, registered, or held in the District's name. Category 2 includes uninsured and unregistered investments that are held by a broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered deposits and investments for which the securities are held by the broker or dealer, or its trust department or agent, but not in the District's name. At December 31, 2015 and 2014, all deposits and investments of the District are categorized as Category 1.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits the types of securities to those authorized by statute; therefore, credit risk is very limited.

Deposits - All of the District's deposits are either insured or collateralized. The District's insured deposits are covered by the Federal Deposit Insurance Corporation. Collateral protection is provided by the Washington Public Deposit Protection Commission.

Custodial credit risk - Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The District is not exposed to custodial credit risk.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District is not exposed to concentration of credit risk because all deposits and investments are insured or collateralized.

Interest rate risk - Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The District is not exposed to interest rate risk because all deposits and investments are extremely liquid.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 3 - Capital Assets

Capital asset additions, retirements, and balances for the years ended December 31, 2015 and 2014, were as follows:

| | <u>Beginning Balance January 1, 2015</u> | <u>Additions</u> | <u>Retirements</u> | <u>Account Transfers</u> | <u>Ending Balance December 31, 2015</u> |
|--|--|-----------------------|--------------------|------------------------------|---|
| NONDEPRECIABLE CAPITAL ASSETS | | | | | |
| Land | \$ 7,723,706 | \$ - | \$ - | \$ - | \$ 7,723,706 |
| Construction in progress | 3,753,908 | 144,379 | (3,250) | (3,895,037) | - |
| | <u>11,477,614</u> | <u>144,379</u> | <u>(3,250)</u> | <u>(3,895,037)</u> | <u>7,723,706</u> |
| DEPRECIABLE CAPITAL ASSETS | | | | | |
| Land improvements | 2,285,382 | 86,688 | - | 37,264 | 2,409,334 |
| Buildings and building improvements | 49,716,133 | - | - | 3,112,955 | 52,829,088 |
| Equipment | 46,360,038 | 11,893 | (5,023,189) | 744,818 | 42,093,560 |
| LESS ACCUMULATED DEPRECIATION | | | | | |
| Land improvements | 2,057,189 | 92,171 | - | - | 2,149,360 |
| Buildings and building improvements | 29,934,084 | 1,602,273 | - | - | 31,536,357 |
| Equipment | 42,072,272 | 946,396 | (4,928,207) | - | 38,090,461 |
| DEPRECIABLE CAPITAL ASSETS, net | <u>24,298,008</u> | <u>(2,542,259)</u> | <u>(94,982)</u> | <u>3,895,037</u> | <u>25,555,804</u> |
| CAPITAL ASSETS, net | <u>\$ 35,775,622</u> | <u>\$ (2,397,880)</u> | <u>\$ (98,232)</u> | <u>\$ -</u> | <u>\$ 33,279,510</u> |
| | <u>Beginning Balance January 1, 2014</u> | <u>Additions</u> | <u>Retirements</u> | <u>Account Transfers</u> | <u>Ending Balance December 31, 2014</u> |
| NONDEPRECIABLE CAPITAL ASSETS | | | | | |
| Land | \$ 7,723,706 | \$ - | \$ - | \$ - | \$ 7,723,706 |
| Construction in progress | 1,390,046 | 2,363,862 | - | - | 3,753,908 |
| | <u>9,113,752</u> | <u>2,363,862</u> | <u>-</u> | <u>-</u> | <u>11,477,614</u> |
| DEPRECIABLE CAPITAL ASSETS | | | | | |
| Land improvements | 2,285,382 | - | - | - | 2,285,382 |
| Buildings and building improvements | 49,754,268 | - | (38,135) | - | 49,716,133 |
| Equipment | 46,692,201 | 34,985 | (367,148) | - | 46,360,038 |
| LESS ACCUMULATED DEPRECIATION | | | | | |
| Land improvements | 1,976,179 | 81,010 | - | - | 2,057,189 |
| Buildings and building improvements | 28,399,904 | 1,555,640 | (21,460) | - | 29,934,084 |
| Equipment | 40,703,945 | 1,730,441 | (362,114) | - | 42,072,272 |
| DEPRECIABLE CAPITAL ASSETS, net | <u>27,651,823</u> | <u>(3,332,106)</u> | <u>(21,709)</u> | <u>-</u> | <u>24,298,008</u> |
| CAPITAL ASSETS, net | <u>\$ 36,765,575</u> | <u>\$ (968,244)</u> | <u>\$ (21,709)</u> | <u>\$ -</u> | <u>\$ 35,775,622</u> |

Note 4 - Lessor Agreements

As referenced in Note 1, the District entered into a lease and operating agreement (the Agreement) with SHS that was dated and effective September 1, 2010. The terms of the Agreement specify an initial 30-year term, with two 10-year renewal options. Rental payments to be made by SHS will be \$600,000 per month, with annual escalation of 3% per year on each anniversary date for the first 15 years. The rental payments will freeze at the rate set during year 15 for the duration of the Agreement. The revenue related to this lease is recorded on a straight-line basis by the District in accordance with applicable accounting standards.

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 4 - Lessor Agreements (continued)

The District also has other lease agreements to lease space to various tenants. In accordance with applicable accounting standards, the revenue from some of these lease agreements is recognized on a straight-line basis and some are recognized in an amount equal to their required lease payments.

Rental payments to be received under these agreements are as follows:

| | Straight-Line Recognition | | Leases Recognized Based on Required Lease Payments | Total |
|-------------|---------------------------|---------------------|--|-----------------------|
| | Lease of Hospital | Other Leases | | |
| 2016 | \$ 8,430,000 | \$ 503,000 | \$ 706,000 | \$ 9,639,000 |
| 2017 | 8,683,000 | 533,000 | 346,000 | 9,562,000 |
| 2018 | 8,944,000 | 549,000 | 360,000 | 9,853,000 |
| 2019 | 9,212,000 | 568,000 | 30,000 | 9,810,000 |
| 2020 | 9,488,000 | 598,000 | 30,000 | 10,116,000 |
| 2021 - 2025 | 51,886,000 | 1,628,000 | 5,000 | 53,519,000 |
| 2026 - 2030 | 56,087,000 | - | - | 56,087,000 |
| 2031 - 2035 | 56,087,000 | - | - | 56,087,000 |
| 2036 - 2040 | 52,348,000 | - | - | 52,348,000 |
| | <u>\$ 261,165,000</u> | <u>\$ 4,379,000</u> | <u>\$ 1,477,000</u> | <u>\$ 267,021,000</u> |

Note 5 - Long-Term Debt

The balances of the District's long-term debt at December 31 are set forth below:

| | 2015 | 2014 |
|--|---------------------|---------------------|
| LTGO Refunding Bonds, 2012, 2.00% to 3.00%, principal due serially on December 1 in amounts from \$805,000 in 2016 to \$955,000 in 2020, including unamortized premium of \$304,978 in 2015 and \$367,008 in 2014. | \$ 4,694,978 | \$ 5,527,008 |
| Less current portion | <u>(805,000)</u> | <u>(770,000)</u> |
| Long-term debt and obligations under capital leases, net of current portion | <u>\$ 3,889,978</u> | <u>\$ 4,757,008</u> |

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Long-Term Debt (continued)

Long-term debt and capital lease obligations' activity summary for 2015 and 2014 is as follows:

| | January 1, 2015 | Additions | Reductions | December 31, 2015 | Amounts Due Within One Year |
|-----------------------------|---------------------|-------------------|---------------------|----------------------|-----------------------------------|
| LONG-TERM DEBT | | | | | |
| 2012 LTGO Bond | \$ 5,527,008 | \$ - | \$ (832,030) | \$ 4,694,978 | \$ (805,000) |
| OTHER LONG-TERM LIABILITIES | 100,000 | 625,000 | - | 725,000 | - |
| | <u>\$ 5,627,008</u> | <u>\$ 625,000</u> | <u>\$ (832,030)</u> | <u>\$ 5,419,978</u> | <u>\$ (805,000)</u> |
| | | | | | |
| | January 1, 2014 | Additions | Reductions | December 31, 2014 | Amounts Due Within One Year |
| LONG-TERM DEBT | | | | | |
| 2012 LTGO Bond | \$ 6,334,038 | \$ - | \$ (807,030) | \$ 5,527,008 | \$ (770,000) |
| OTHER LONG-TERM LIABILITIES | 100,000 | - | - | 100,000 | - |
| | <u>\$ 6,434,038</u> | <u>\$ -</u> | <u>\$ (807,030)</u> | <u>\$ 5,627,008</u> | <u>\$ (770,000)</u> |

Scheduled principal and interest repayments on long-term debt are as follows as of December 31, 2015:

| | Long-Term Debt | |
|--|---------------------|-------------------|
| | Principal | Interest |
| 2016 | \$ 805,000 | \$ 131,700 |
| 2017 | 840,000 | 107,550 |
| 2018 | 875,000 | 82,350 |
| 2019 | 915,000 | 56,100 |
| 2020 | 955,000 | 28,650 |
| | <u>4,390,000</u> | <u>\$ 406,350</u> |
| Amounts representing net unamortized premium | <u>304,978</u> | |
| | <u>\$ 4,694,978</u> | |

**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Long-Term Debt (continued)

In November 2012, the District issued the Limited Tax General Obligation Refunding Bonds, 2012 (2012 LTGO Refunding Bonds) for a par value of \$6,625,000, with a premium of \$496,236. The District has designated its M&O tax levy, approved by the voters of the District in September 1997, to the payment of principal and interest on the 2012 LTGO Refunding Bonds. The proceeds from the bonds were used to refund the remaining balance of the 1999 Series LTGO Bonds, which totaled approximately \$7,000,000. The refunding decreased the District's aggregate debt service payments by \$358,000 over the next eight years and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$440,000.

Note 6 - Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior May 31. Assessed values are established by the County Assessor at 100% of fair market value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. Collections are distributed monthly to the District by the County Treasurer. The District is permitted by law to levy up to \$0.75 per \$1,000 of assessed valuation for general District purposes. Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate. The District may also levy taxes at a lower rate. Further amounts of tax need to be authorized by the vote of the people.

For 2015 and 2014, the District's regular tax levy was \$0.097 and \$0.106 per \$1,000 on a total assessed valuation of \$22,193,494,490 and \$19,859,116,132, for a total regular levy of \$2,162,700 and \$2,104,800, respectively.

Property taxes are recorded as receivables when levied. Because state law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

Note 7 - Retirement Plan

Effective July 1, 2010, the District sponsored a 401(a) plan and a 457 plan that are available to all benefit-eligible employees working over 20 hours per week. Employees are eligible to contribute at their hire date. Employees contribute to the 457 plan at their discretion. Employee contributions were approximately \$34,200 and \$25,800 during the years ended December 31, 2015 and 2014, respectively. The District contributes to the 401(a) plan at 3% of employee wages with an additional matching contribution of up to 3% of the amount contributed by the employee to the 457 plan. The District's policy is to fully fund the contributions. The District contributed approximately \$36,000 and \$32,000 during the years ended December 31, 2015 and 2014, respectively.

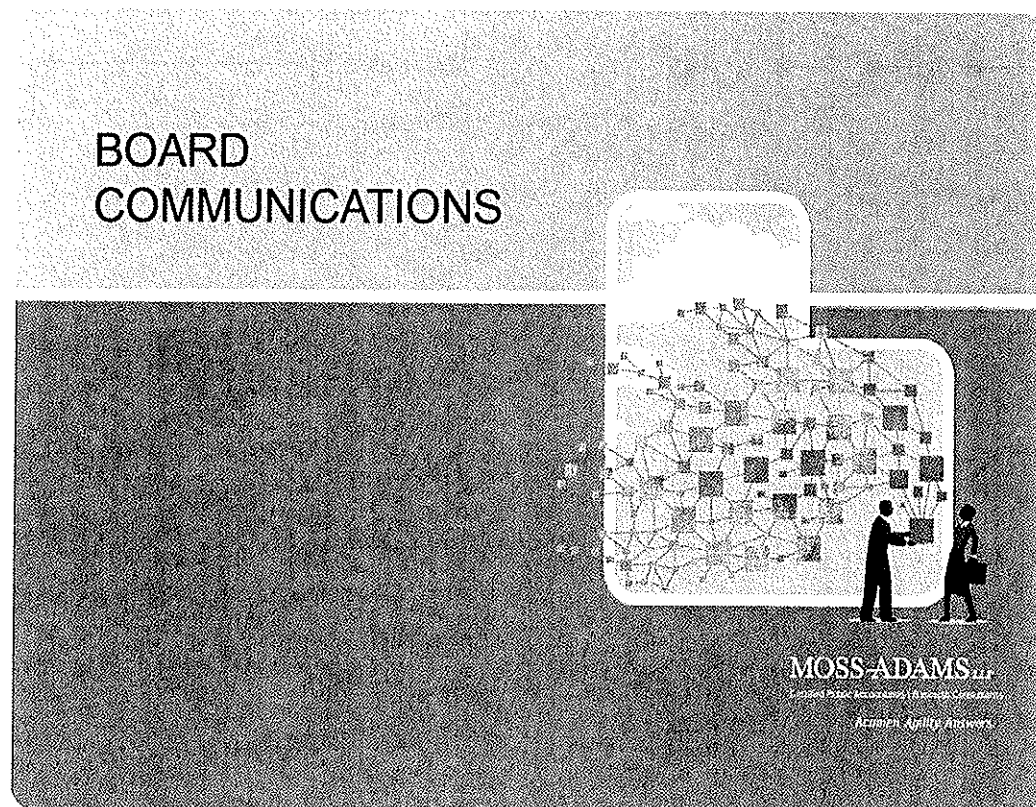
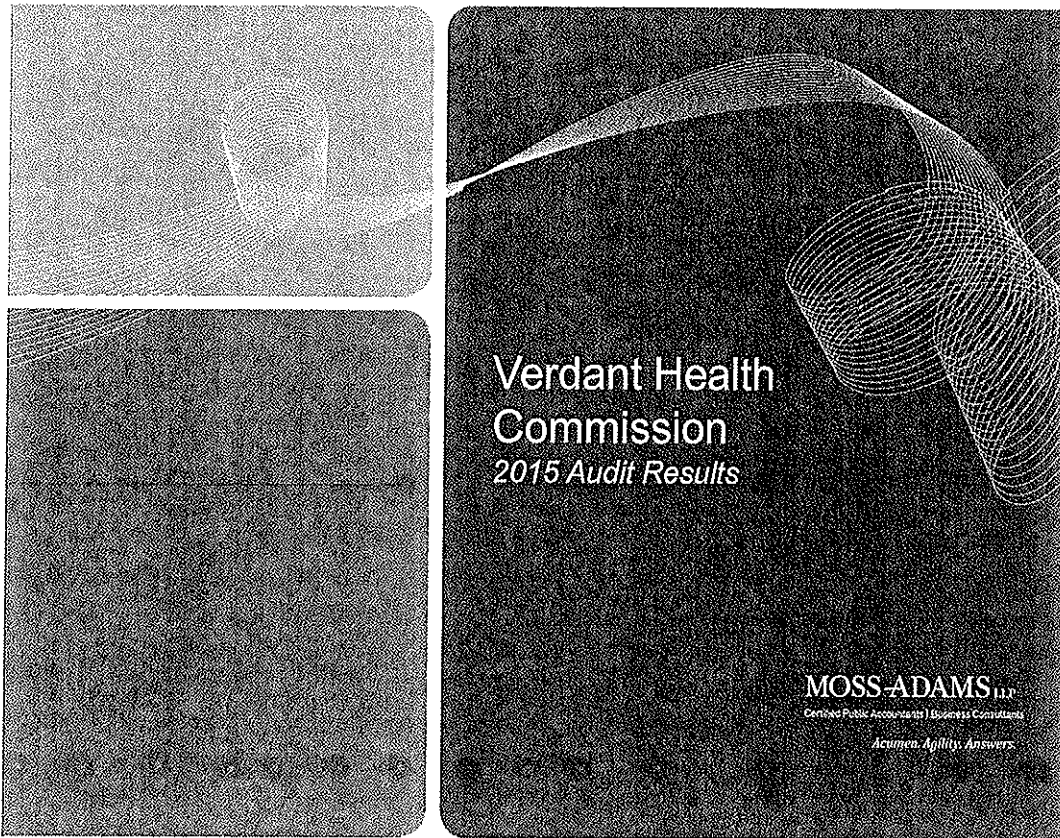
**PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON dba
VERDANT HEALTH COMMISSION
NOTES TO FINANCIAL STATEMENTS**

Note 8 - Commitments and Contingencies

Litigation and compliance with laws and regulations - The District is involved in litigation arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the District's future financial position or results from operations.

The hospital industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government hospital program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government agencies are actively conducting investigations concerning possible violations of fraud and abuse statutes and regulations by hospital providers. Violations of these laws and regulations could result in expulsion from government hospital programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with the fraud and abuse regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Program commitments - The District has a commitment to fund Senior Services of Snohomish County's program future expenditures in the amount of approximately \$47,000 per month through August 2018. The District has also committed to fund two Building Healthy Communities Fund programs, with a remaining commitment of \$1,974,000 as of December 31, 2015. Based on the terms and status of one of those programs, a portion of that commitment, \$1,250,000, was determined to be a liability as of December 31, 2015. Because a portion of the program payment is due in 2016 and the other portion is due in 2017, \$625,000 was included in accounts and warrants payable and \$625,000 was included in other long-term liabilities in the statements of net position.





REQUIRED BOARD COMMUNICATIONS

- Draft report
- Unmodified opinion
- Significant estimates/new accounting policies and standards

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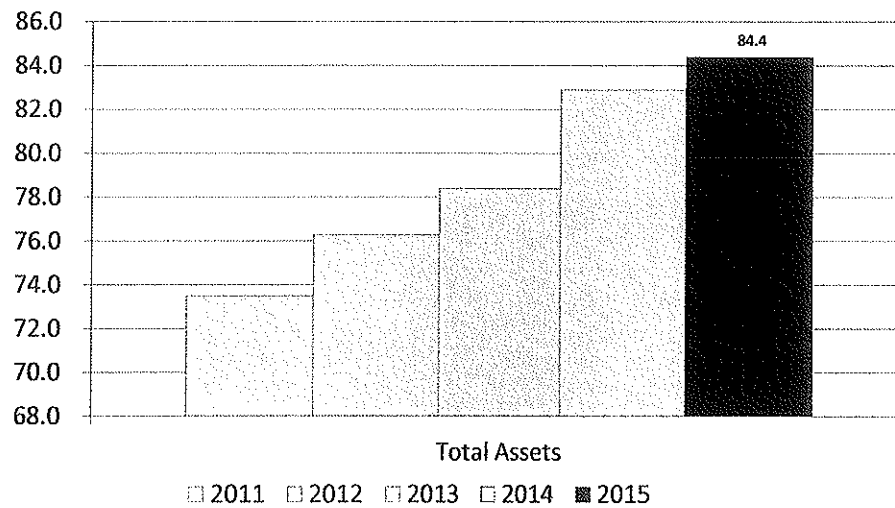
REQUIRED BOARD COMMUNICATIONS

- Audit adjustment
 - Adjustment resulted in increase in liabilities and increase in expenses of \$1,250,000 related to a Building Healthy Community program (Woodway)
 - Facility is complete; two payments of \$625,000 outstanding as of December 31, 2015
 - Internal control and process considerations
 - Evaluate accounting for all new agreements/agreement templates for necessary clarity and determine accounting for the life of the agreement
 - Monitor progress and interim accounting updates periodically to ensure initial accounting treatment is still appropriate

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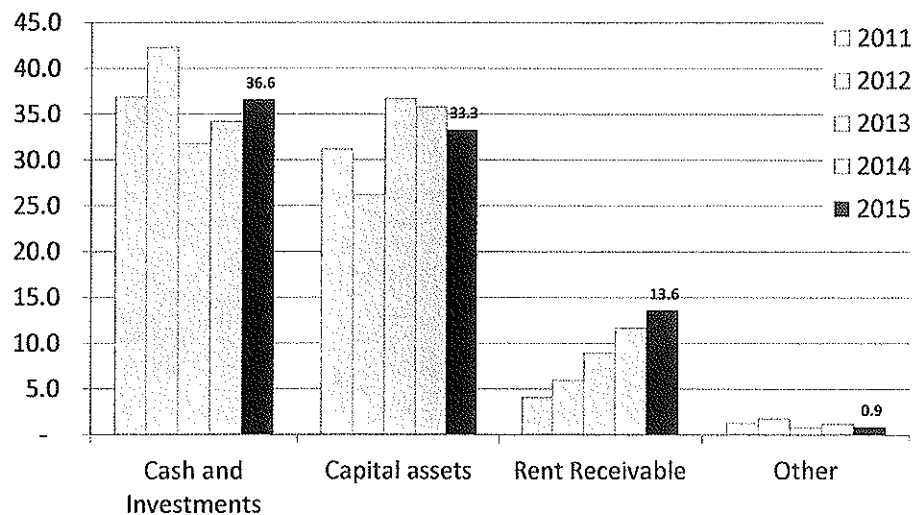
ASSET TOTALS (IN MILLIONS)



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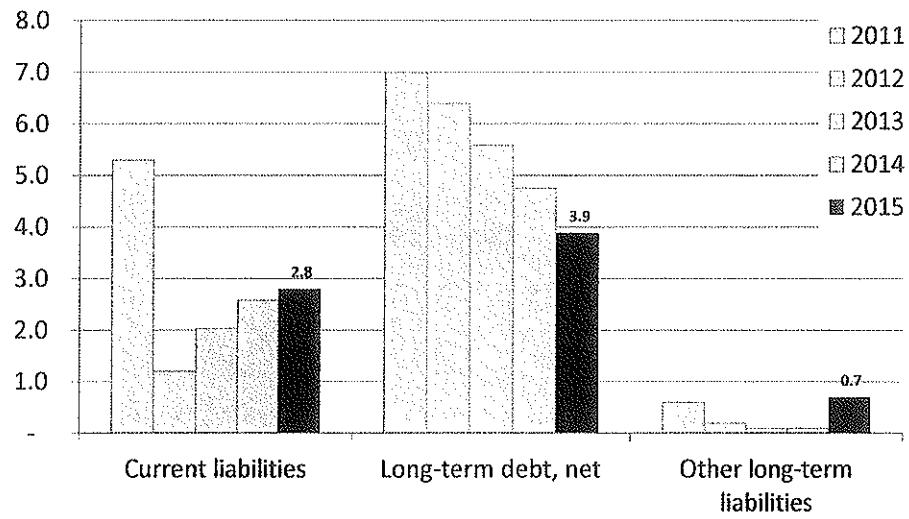


ASSET BREAKDOWN (IN MILLIONS)



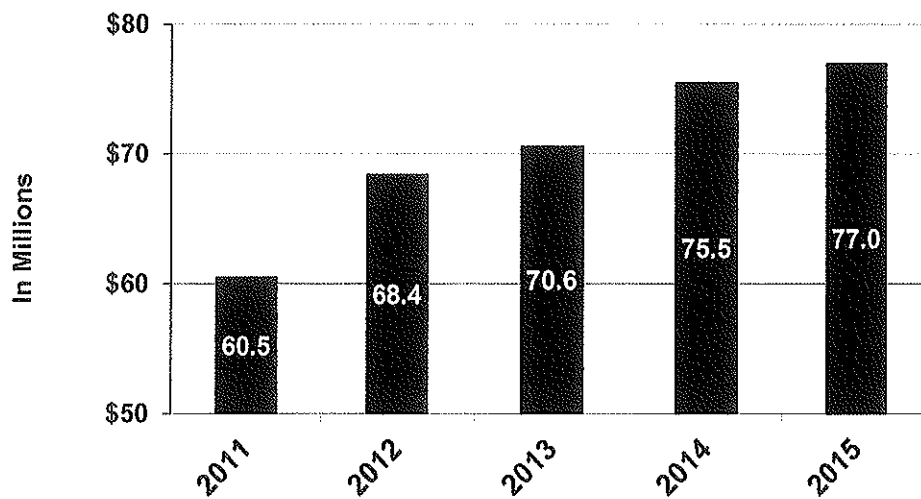
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LIABILITIES BREAKDOWN (IN MILLIONS)



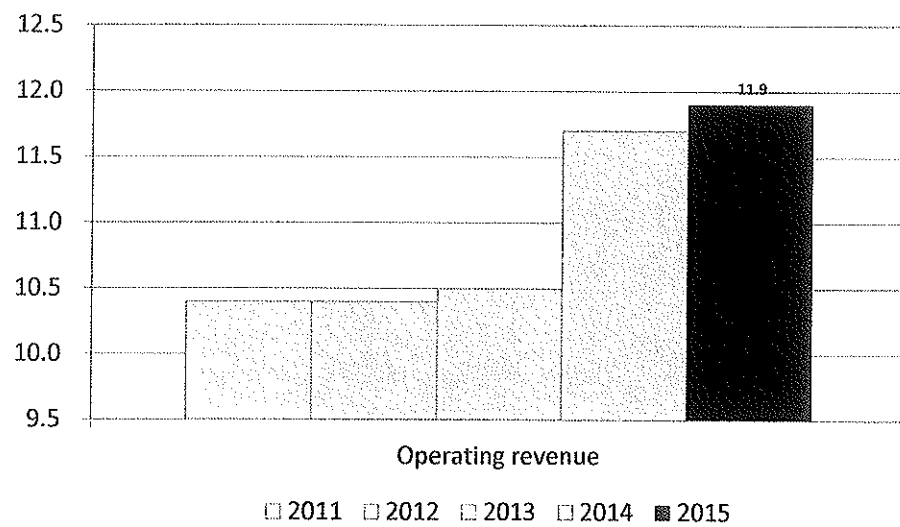
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NET POSITION (IN MILLIONS)



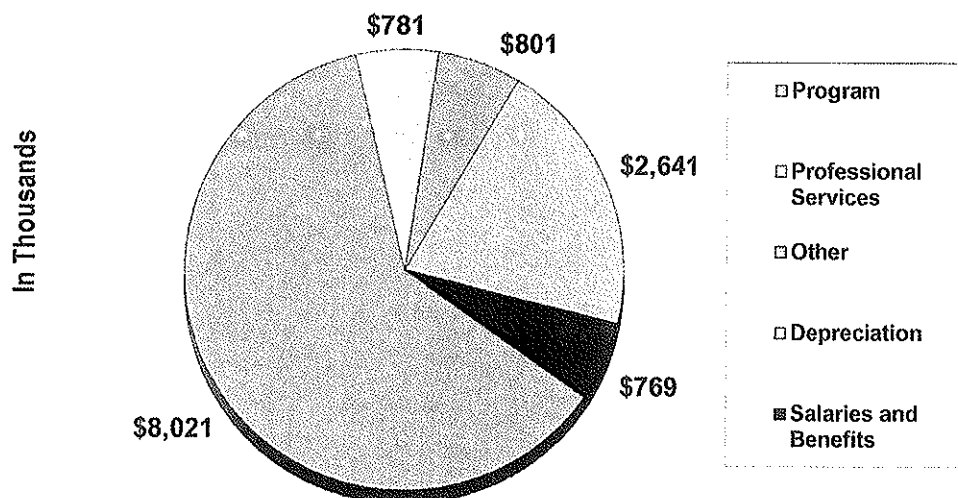
MOSS-ADAMS LLP

OPERATING REVENUE (IN MILLIONS)



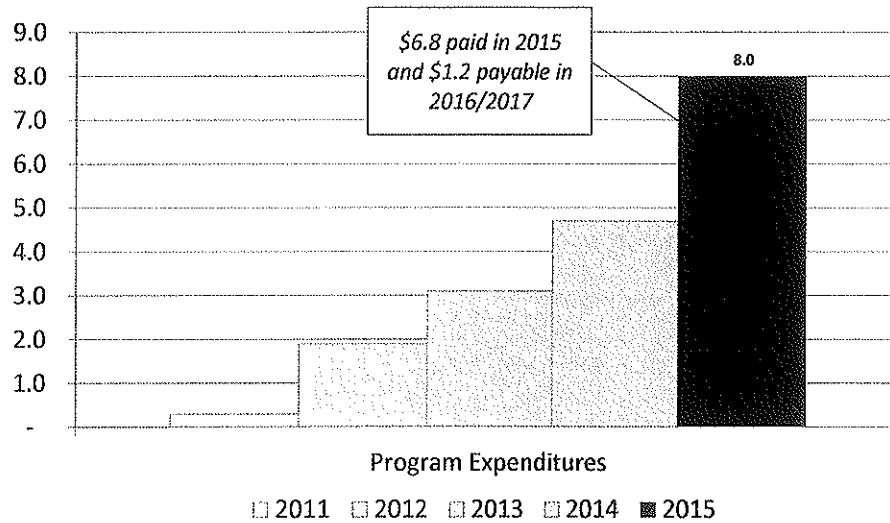
MOSS ADAMS LLP 9

2015 OPERATING EXPENSES



MOSS ADAMS LLP 10

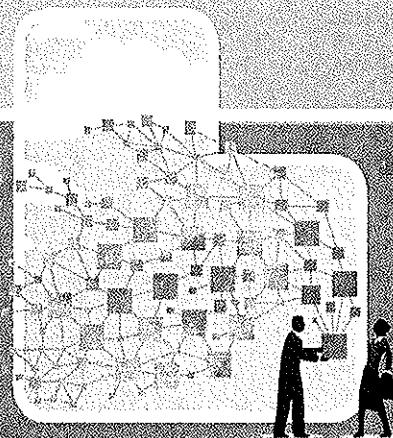
PROGRAM EXPENDITURES (IN MILLIONS)



MOSS ADAMS LLP 11

THANK YOU!

Mary Wright, Engagement Partner
 mary.wright@mossadams.com
 T (425) 303-3034



MOSS ADAMS LLP
 A Limited Liability Partnership
 Acumen. Agility. Answers.

E: 33:16
5.25.2016

| <u>Company</u> | <u>Rep./ Title</u> | <u>Home Base</u> | <u>Specialty</u> | <u>Fee(s)</u> | <u>Notes</u> |
|---|---|-----------------------|--|---|---------------|
| Hagel Executive Search Interviewed 4/25 | Frank Hagel President | Puyallup | Nonprofits Government | 25% salary range mid. pt. plus expenses. | 7 employees |
| Waldron Interviewed 5/12 | Melissa Merritt VP & Managing Dir. Exec. Search | Seattle | Nonprofits Foundations Health & Wellness | 1/3 salary plus expenses. | 25 employees. |
| Morgan Consulting Resources Interviewed 5/20 | Lu Miller Princ. & SVP Bus. Dev. | Scottsdale Arizona | Healthcare Nonprofits | 27% salary plus expenses | 12 employees. |

Executive Search Firms

| Company | Rep./ Title | Home Base | Specialty | Fee(s) | Notes | Firm Quality | Interest/ Availability | Relevant Experience | Ability to Source | Comfort Level | Value of Guarantee | Average Score |
|--|--|-----------------------|---|---|--------------|--------------|------------------------|---------------------|-------------------|---------------|--------------------|---------------|
| Hagel Executive Search Interviewed 4/25 | Frank Hagel/ President | Puyallup | Nonprofits Government | 25% sal. range mid. pt. plus expenses. | 7 employees | 4 | 5 | 3 | 2 | 3 | 4 | 3.5 |
| Waldron Interviewed 5/12 | Melissa Merritt VP/Managing Dir Exec. Search | Seattle | Nonprofits Foundations Health & Wellness | 1/3 salary plus expenses. | 25 employees | 5 | 5 | 5 | 5 | 5 | 4 | 4.8 |
| Morgan Consulting Interviewed 5/20 | Lu Miller Princ. & SVP Bus. Dev. | Scottsdale Arizona | Healthcare Nonprofits | 27% salary plus expenses. | 12 employees | 5 | 4 | 4 | 4 | 5 | 4 | 4.3 |

Ratings -- please rate each category with 1=poor, 2=fair, 3=good, 4=very good, 5=excellent

Firm Quality -- how do you rate the quality of the work that the firm has done / will do?

Interest/Availability -- how do you rate their willingness and ability to do the job well and on time?

Relevant Experience -- how experienced is the company in the areas important to Verdant?

Ability to Source -- how do you rate their ability to find candidates, not just wait for applications?

Comfort Level -- how do you rate their ability to work well with us? Easy to work with?

Value of Guarantee -- how do you rate the value of their guarantee?

Balance Sheet

As of April 30, 2016

| | A | B | C | D |
|----------------------------------|--------------|--------------|-------------|-----------------------|
| | Dec 31, 2015 | Apr 30, 2016 | \$ Change | Comments: |
| 1 ASSETS | | | | |
| 2 Current Assets | | | | |
| 3 Cash Balance | 2,928,196 | 2,056,987 | (871,209) | |
| 4 Other Current Assets | 34,623,348 | 36,324,909 | 1,701,560 | Includes Investments |
| 5 Total Current Assets | 37,551,544 | 38,381,896 | 830,352 | |
| 6 Total Long-term & Fixed Assets | 46,897,663 | 46,035,302 | (862,361) | Includes Depreciation |
| 7 TOTAL ASSETS | 84,449,208 | 84,417,198 | (32,009) | |
| 8 LIABILITIES & EQUITY | | | | |
| 9 Liabilities | | | | |
| 10 Current Liabilities | 2,839,365 | 2,110,734 | (728,631) | Includes BHCF |
| 11 Long-term Liabilities | 4,614,978 | 3,969,302 | (645,677) | 2012 LTGO Bonds/BHCF |
| 12 Total Liabilities | 7,454,343 | 6,080,036 | (1,374,307) | |
| 13 Total Equity | 76,994,864 | 78,337,162 | 1,342,298 | Annual Net Income |
| 14 TOTAL LIABILITIES & EQUITY | 84,449,208 | 84,417,198 | (32,009) | |

Profit & Loss

Apr 2016

| | A | B | C | D | E | F |
|--------------------------------|------------|------------|-------------|------------|------------|-------------|
| | Apr Actual | Apr Budget | Fav/(Unfav) | YTD Actual | YTD Budget | Fav/(Unfav) |
| 1 INCOME | | | | | | |
| 2 Ordinary Income | 840,762 | 824,264 | 16,498 | 3,353,697 | 3,309,305 | 44,392 |
| 3 EXPENSES | | | | | | |
| 4 Operating Expenses | 171,821 | 230,152 | 58,331 | 635,668 | 795,126 | 159,458 |
| 5 Depreciation Expense | 205,432 | 207,647 | 2,215 | 826,868 | 834,454 | 7,586 |
| 6 Program Expenses | 393,885 | 523,000 | 129,115 | 1,676,517 | 2,723,500 | 1,046,983 |
| 7 Total Expenses | 771,138 | 960,799 | 189,661 | 3,139,053 | 4,353,079 | 1,214,026 |
| 8 OTHER INCOME/(EXPENSE) | | | | | | |
| 9 Total Other Income/(Expense) | 194,806 | 226,468 | (31,661) | 1,127,654 | 905,870 | 221,784 |
| 10 NET INCOME | 264,429 | 89,931 | 174,498 | 1,342,298 | (137,905) | 1,480,203 |

Monthly Highlights

Apr 2016

Verdant received dividends payments of \$46,934 offset by an unrealized loss of \$32,007 on our investment portfolio in April and closed with an ending market value of \$34,869,083.

Annual program commitments total \$6,251,138 and \$3,657,275 for 2016 and 2017, respectively. \$1,448,862 remains available to spend in 2016, of which \$40,887 is earmarked as Superintendent Discretionary.

Additional income of \$115,223 and expenses of \$66,996 from the Kruger Clinic were incurred, netting to an additional operating income of \$48,227 in April.

Public Hospital District #2

| Warrant Number | Transaction Date | Payee | Amount | Purpose |
|--------------------------|------------------|--|-----------|--|
| Warrant Activity: | | | | |
| 11640 | 04/12/2016 | Armstrong Services | 1,266.33 | March 2016 Janitorial |
| 11641 | 04/12/2016 | Beth Rodriguez, LLC | 182.69 | VHCC Support |
| 11642 | 04/12/2016 | Comcast | 271.86 | Telephone/Internet |
| 11643 | 04/12/2016 | Corporate Security LLC | 284.00 | Parking Lot Security |
| 11644 | 04/12/2016 | Jason Becker Creative | 1,050.00 | The Canopy photography and design |
| 11645 | 04/12/2016 | ThyssenKrupp Elevator Company | 780.25 | 2Q16 Elevator |
| 11646 | 04/12/2016 | US Postal Service | 12,883.19 | Canopy Newsletter Mailing |
| 11647 | 04/12/2016 | WA Department of Revenue | 21,826.40 | Q1 2016 Leasehold Excise tax return |
| 11648 | 04/12/2016 | Ash Consulting | 2,578.50 | Mar 2016 Accounting Consulting |
| 11649 | 04/12/2016 | Puget Sound Energy | 57.74 | Natural Gas |
| 11650 | 04/12/2016 | Parent Trust for WA Children | 214.30 | Instructor Reimbursement for Stress Management at VHCC |
| 11651 | 04/13/2016 | AmeriFlex Business Solutions | 23.00 | April 2016 FSA Administration |
| 11652 | 04/13/2016 | Comcast | 521.47 | Telephone/Internet |
| 11653 | 04/13/2016 | Dataworks | 1,441.48 | IT Support |
| 11654 | 04/13/2016 | Healthcare Realty | 0.00 | VOID: |
| 11655 | 04/13/2016 | Seattle Food Nut | 1,088.01 | Instructor Reimbursement for VCWC |
| 11656 | 04/13/2016 | Sound Dietitians | 660.95 | WC 129 - Lifestyle Change Check-in sessions & Vegetarian Cooking class |
| 11657 | 04/13/2016 | Sound Publishing, Inc. | 375.00 | Emerging Leaders Write up about GK in EBI |
| 11658 | 04/13/2016 | Washington Alliance for Better Schools | 2,980.00 | WC 119 - Cooking Matters for Families VCWC |
| 11659 | 04/13/2016 | Healthcare Realty | 6,546.09 | Property Management |
| 11660 | 04/20/2016 | City of Lynnwood | 1,284.13 | Mar 2016 After Hours Support (88.5 hrs) |
| 11661 | 04/20/2016 | Moss Adams - Audit | 1,702.50 | 2015 Audit |
| 11662 | 04/20/2016 | Moss Adams - Cost Report | 4,312.00 | 2008 CPE revision (Susan Ruchin) |
| 11663 | 04/20/2016 | Wells Fargo | 1,703.57 | Misc. |
| 11664 | 04/20/2016 | Aukema & Associates | 141.00 | Marketing Website update |
| 11665 | 04/20/2016 | Staples | 407.57 | Supplies |
| 11666 | 04/27/2016 | Department of Labor and Industries | 889.33 | 1016 Self Insurance Fund |
| 11667 | 04/27/2016 | UNITED WAY | 582.00 | Employee Payroll Contributions |
| 11668 | 04/27/2016 | Consolidated Press Printing Company, Inc | 10,271.19 | Canopy Spring 2016 Printing and mail prep |
| 11669 | 04/27/2016 | Premiera Blue Cross | 5,168.96 | May 2016 Employee Medical & Dental Insurance |
| 11670 | 04/27/2016 | Principal | 1,130.92 | May 2016 Employee Life Insurance |
| 11671 | 04/27/2016 | Wells Fargo | 290.58 | Misc. |
| 11672 | 04/27/2016 | Consolidated Landscape Maintenance, Inc. | 0.00 | VOID |
| 11673 | 04/27/2016 | William Doran | 800.00 | WC 135 - Stress Management through Yoga Workshop VCWC |
| 11674 | 04/27/2016 | Cocoon House. | 42.98 | Signs for Safe Place |
| 11675 | 04/27/2016 | Consolidated Landscape Maintenance, Inc. | 438.11 | May 2016 Landscaping |
| 11676 | 04/27/2016 | Dataworks | 576.63 | IT Support |
| 11677 | 04/27/2016 | Snohomish County PUD | 896.70 | Electricity |
| Total Warrants | | | 85,669.53 | |

| Warrant Number | Transaction Date | Payee | Amount | Purpose |
|--------------------|------------------|---|-----------|---|
| Wire/ACH Activity: | | | | |
| | 4/1/2016 | Payroll | 18,109.93 | ACH payroll transfer |
| | 4/1/2016 | Department of Treasury | 7,748.81 | Payroll taxes for 3/26/16 pay period ending |
| | 4/1/2016 | Valic | 2,884.97 | Payroll 401(a)/457 Deposit |
| | 4/1/2016 | Paychex | 99.07 | Fee for payroll processing |
| | 4/15/2016 | Payroll | 17,336.34 | ACH payroll transfer |
| | 4/15/2016 | Department of Treasury | 7,534.75 | Payroll taxes for 4/9/16 pay period ending |
| | 4/15/2016 | Valic | 2,866.67 | Payroll 401(a)/457 Deposit |
| | 4/15/2016 | Paychex | 115.95 | Fee for payroll processing |
| | 4/29/2016 | Payroll | 18,812.14 | ACH payroll transfer |
| | 4/29/2016 | Department of Treasury | 7,658.99 | Payroll taxes for 4/23/16 pay period ending |
| | 4/29/2016 | Valic | 2,884.91 | Payroll 401(a)/457 Deposit |
| | 4/29/2016 | Paychex | 98.93 | Fee for payroll processing |
| | 4/10/2016 | Wells Fargo | 108.70 | Mar 2016 Client Analysis Bank Fee |
| | 4/10/2016 | Wells Fargo Merchant Services | 88.51 | Merchant Services |
| | 4/15/2016 | Alpha Supported Living Services | 5,416.67 | Program Payment |
| | 4/15/2016 | Alzheimer's Association Western & Central | 7,209.16 | Program Payment |
| | 4/15/2016 | American Red Cross | 2,500.00 | Program Payment |
| | 4/15/2016 | Boys & Girls Club of Snohomish County | 12,833.33 | Program Payment |
| | 4/15/2016 | CampFire | 4,166.67 | Program Payment |
| | 4/15/2016 | Cascade Bicycle Club Education Foundation | 2,666.67 | Program Payment |
| | 4/15/2016 | Center for Human Services | 14,500.00 | Program Payment |
| | 4/15/2016 | ChildStrive | 23,333.33 | Program Payment |
| | 4/15/2016 | City of Edmonds Parks & Recreation | 2,000.00 | Program Payment |
| | 4/15/2016 | City of Lynnwood | 6,144.08 | Program Payment |
| | 4/15/2016 | Community Health Center of Snohomish Co | 27,083.33 | Program Payment |
| | 4/15/2016 | Domestic Violence Services Snohomish Co | 1,855.50 | Program Payment |
| | 4/15/2016 | Edmonds Community College | 4,974.50 | Program Payment |
| | 4/15/2016 | Edmonds Community College Foundation | 4,396.33 | Program Payment |
| | 4/15/2016 | Edmonds School District No. 15 | 68,533.25 | Program Payment |
| | 4/15/2016 | Edmonds Senior Center | 9,166.67 | Program Payment |
| | 4/15/2016 | Hope Heart Institute | 5,000.00 | Program Payment |
| | 4/15/2016 | Kinderling | 7,500.00 | Program Payment |
| | 4/15/2016 | Korean Women's Association | 5,000.00 | Program Payment |
| | 4/15/2016 | Lutheran Community Services NW | 7,837.58 | Program Payment |
| | 4/15/2016 | Medical Teams International | 5,500.00 | Program Payment |
| | 4/15/2016 | PEPS | 2,987.50 | Program Payment |
| | 4/15/2016 | Prescription Drug Assistance Foundation | 4,166.67 | Program Payment |
| | 4/15/2016 | Project Access Northwest | 7,500.00 | Program Payment |
| | 4/15/2016 | Puget Sound Christian Clinic | 13,966.66 | Program Payment |
| | 4/15/2016 | Puget Sound Kidney Centers Foundation | 4,166.67 | Program Payment |
| | 4/15/2016 | Senior Services of Snohomish County | 57,936.67 | Program Payment |
| | 4/15/2016 | Snohomish County Fire District 1 | 28,666.67 | Program Payment |
| | 4/15/2016 | Snohomish County Music Project | 2,416.67 | Program Payment |
| | 4/15/2016 | Therapeutic Health Services | 16,666.67 | Program Payment |
| | 4/15/2016 | Volunteers of America Western WA | 6,362.92 | Program Payment |

| Warrant Number | Transaction Date | Payee | Amount | Purpose |
|---------------------------|------------------|--|------------|-----------------|
| Wire/ACH Activity: | | | | |
| | 4/15/2016 | Wonderland Development Center | 11,250.00 | Program Payment |
| | 4/15/2016 | YWCA of Seattle, King and Snohomish Co | 2,083.33 | Program Payment |
| | 4/15/2016 | Mary Porter, RDN | 195.00 | Program Payment |
| | 4/4/2016 | AmeriFlex Business Solutions | 178.46 | FSA Payments |
| | 4/5/2016 | AmeriFlex Business Solutions | 15.00 | FSA Payments |
| | 4/6/2016 | AmeriFlex Business Solutions | 15.00 | FSA Payments |
| | 4/12/2016 | AmeriFlex Business Solutions | 63.00 | FSA Payments |
| | 4/17/2016 | AmeriFlex Business Solutions | 253.46 | FSA Payments |
| | 4/18/2016 | AmeriFlex Business Solutions | 315.00 | FSA Payments |
| | 4/21/2016 | AmeriFlex Business Solutions | 15.00 | FSA Payments |
| | 4/26/2016 | AmeriFlex Business Solutions | 60.00 | FSA Payments |
| | 4/29/2016 | AmeriFlex Business Solutions | 15.00 | FSA Payments |
| | 4/25/2016 | WA Department of Revenue | 763.68 | B&O tax |
| | 4/20/2016 | Department of Labor and Industries | 343.17 | 1Q16 State Fund |
| | | Total Wires/ACH Transactions | 474,367.94 | |

Kruger Clinic Activity:

| | | | | |
|--|----------|----------------------------|----------------------|-----------------------------------|
| 498-518 | Apr 2016 | Various Claimants/Vendors | 20,551.04 | Administered by Healthcare Realty |
| Workers Compensation Claims Activity: | | | | |
| 305300-301 | Apr 2016 | Various Claimants/Vendors | 4,568.87 | Administered by Eberle Vivian |
| | | Total Disbursements | \$ 585,157.38 | |

| Transaction Date | Payer | Amount | Purpose |
|------------------|--------------------------------------|----------------------|--|
| Deposits: | | | |
| 4/1/2016 | Swedish/Edmonds | 759,802.62 | Monthly leases |
| 4/1/2016 | Value Village | 25,490.56 | Monthly lease |
| 4/1/2016 | Brian Takagi, MD | 75.00 | Kruger Clinic monthly lease |
| 4/1/2016 | Brian Takagi, MD | 38.52 | Kruger Clinic monthly lease excise tax |
| 4/1/2016 | Raymond Liu, D.D.S. | 59.17 | Kruger Clinic monthly lease excise tax |
| 4/1/2016 | Raymond Liu, D.D.S. | 3,487.73 | Kruger Clinic monthly lease |
| 4/6/2016 | Puget Sound Gastro | 27,647.12 | Kruger Clinic monthly lease |
| 4/8/2016 | John Headley MD PS | 619.28 | Kruger Clinic monthly lease excise tax |
| 4/10/2016 | Snohomish County | 100,771.96 | Levy |
| 4/15/2016 | Puget Sound Gastro | 1,245.96 | Kruger Clinic monthly lease |
| 4/16/2016 | Healthcare Realty Services, Inc. | 4,663.72 | Monthly ground lease |
| 4/26/2016 | Kean Lawlor | 142.91 | Kruger Clinic monthly lease excise tax |
| 4/27/2016 | Safety National Casualty Corporation | 1,604.30 | Reimbursement for workers comp |
| 4/28/2016 | Carl Zapora | 15.48 | Reimbursement for personal charge |
| | Total Deposits | \$ 925,664.33 | |


E: 35,16
5.35 2016

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT #2
SNOHOMISH COUNTY, WASHINGTON


WARRANT APPROVAL

We, the undersigned Board of Commissioners of Public Hospital District #2 of Snohomish County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that Warrant Numbers 11640 through 11677 have been issued for payment in the amount of \$85,669.53. These warrants are hereby approved.


Attest:



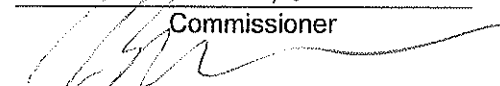
Lisa M. King




Commissioner




Commissioner



Commissioner



Commissioner



Commissioner

| | | | |
|--------------------------|-----------------------|-------------------|---------------------|
| Warrants Processed: | 4-1-16 – 4-30-16 | | \$85,669.53 |
| Work Comp Claims Pd: | 4-1-16 – 4-30-16 | | 4,568.87 |
| Kruger Clinic Processed: | 4-1-16 – 4-30-16 | | 20,551.04 |
| Payroll: | 3-13-16 – 3-26-16 | 18,109.93 | |
| | 3-27-16 – 4-9-16 | 17,336.34 | |
| | 4-10-16 – 4-23-16 | <u>18,812.14</u> | |
| | | | 54,258.41 |
| Electronic Payments: | Payroll Taxes | 22,942.55 | |
| | Paychex | 313.95 | |
| | Valic Retirement | 8,636.55 | |
| | Dept of L&I | 343.17 | |
| | AmeriFlex FSA | 929.92 | |
| | Bank Fees | 197.21 | |
| | WA State Dept Revenue | 763.68 | |
| | Program Expenditures | <u>385,982.50</u> | |
| | | | <u>420,109.53</u> |
| | Grand Total | | <u>\$585,157.38</u> |

May 2016 Program Summary

- Two new applications for review and action
- Senior Services of Snohomish County supplemental funding request
- Follow up on Fire District 1/Operation Military Family veteran's program
- Discussion about engaging interns and recognizing nurses at June mini-retreat
- Scheduled Presentation from Mercy Housing on Health in Housing program

Two new application requests

1. **Foundation for Edmonds School District – Nourishing Network Summer Meals Program:** a one-time request for \$8,402 to support a summer meals program for children in the Edmonds School District. The request would support staff oversight, documentation, and healthy activities to correspond with the meals, and the program would serve 30-50 students per day over eight weeks.

The program committee is not recommending the program for funding. The program's goal is primarily to provide meals, rather than specific health outcomes, and the meal cost was high (\$6+ per meal).

2. **Latino Education & Training Institute (LETI)– August 2016 Latino Expo:** a one-time request of \$5,000 to support an event at Edmonds Community College. The organizer expects 1,000 attendees this year and includes 13 interns from UW-Bothell's Nursing Program to expand the health screening piece of the event.

The program committee is recommending funding the request at \$5,000 on a one-time basis. The event includes a clear health component and it should reach a large number of residents.

Senior Services of Snohomish County

Senior Services of Snohomish County has approached Verdant with an additional funding request given increased demand for services while funding sources have not kept pace. The program committee was most interested in exploring mental health and dental services, and asked Senior Services for more information about what kind of results could be expected from these two areas. Senior Services provided the following:

- **Mental Health:** an additional \$43,100 would allow us to hire a 0.5 FTE Mental Health Specialist located in south county. With the added staffing, we would increase from our original target number of 65 clients served to 175 served and offer two support groups in Verdant service area.
- **Dental:** with an additional \$30,700, SSSC could add at least 12 clinic days which would accommodate approximately 60 clients. This would be contingent on UW availability and capacity and would need to be coordinated with UW.

The program committee is recommending that the full Verdant board discuss the possibility of additional funding. Since it has been some time since Senior Services staff has interacted with our board, the program committee thought it could be worthwhile for the full board to get an update on existing programs, which represents \$695k of annual funding.

Follow up on Fire District 1/Operation Military Family veteran's program

Snohomish County Fire District 1/Operation Military Family (OMF) - Verdant for Veteran's Program: a multi-year request to serve veterans in our area and to engage volunteer veterans. OMF and Fire District 1 will train students and volunteers in entry-level community paramedic interventions as well as provide services for veterans in need of services.

The program committee met with the applicant to better understand how the program works and the specific results that could be expected. The applicant provided the summary on page 18 that showed a focus on fall prevention.

After the meeting, the program committee was supportive of funding the program at \$89,240 per year for three years. Funds would be used for volunteer stipends, training, and coordination from Operation Military Families.

Mercy Housing Health in Housing Program Presentation

Mercy Housing would partner with the Housing Authority and YWCA to implement health programs at 7 affordable housing complexes in Verdant's District. The program is modeled after a project Mercy ran in partnership with the King County Housing Authority using Community Health Promoters. The goal is to address health disparities and social determinants of health. The request is for \$180,000 per year for three years. Verdant asked for additional information about:

1. The health outcomes from a similar project Mercy Housing ran in partnership with King County Housing Authority;
2. How Mercy Housing will interact with health insurance payers like the Medicaid MCOs;
3. The expected resident profile (age, income, health insurance status) that they hope to engage.

FIRE DISTRICT 1 Community Paramedic Program

Healthcare Early Warning System: 250,000 people

Fire Department response: 25,000 911 calls

Falls/Lift Assists: 2,500 people (1 out of 100 people)

Enrolled in Community Paramedic Program: 279

Top 3 Reasons for community referral:

Mental Health ~ Falls ~ Weakness

Community Paramedics:

- Intake all cases
- Coordinate and refer all cases
- Focus on complex cases

Compass Health:

- Assisting with Mental Health Cases

Veterans:

- Focus on Falls
- Veteran Peer assistance

CDC calls falls a preventable epidemic:

Simple Evidenced Based Interventions

- Home safety inspection
- Medication reconciliation
- Eye check
- Connection with PCP

| New Funding Requests | | | Request for funding | | | Category |
|--------------------------|--|--|---------------------|-----------|-----------|---|
| # | Name | Description | Year 1 | Year 2 | Year 3 | |
| 1 | Foundation for Edmonds School District - Nourishing Network Summer Program | A one-time request to support a summer meals program for children in the Edmonds School District. Meals costs are reimbursable through federal meal programs, and the school foundation is seeking funding from Verdant for the staff oversight, documentation, and healthy activities to correspond with the meals. | \$8,402 | | | Prevention |
| 2 | Latino Education & Training Institute - Latino Expo 2016 | A one-time request to support an August Latino Fair at Edmonds Community College. The event expects 1,000 attendees this year and includes 13 interns from UW-Bothell's Nursing Program to increase the health screening piece of the event. LETI is seeking \$5,000 for general event coordination expenses. | \$5,000 | | | Prevention, Education & Empowerment, Access to Healthcare |
| Pending Funding Requests | | | | | | |
| 3 | Snohomish County Fire District 1/Operation Military Family - Verdant for Veteran's Program | A multi-year request to serve veterans in our area and engage volunteer veterans. Operation Military Family would like to build a branch of the Community Paramedic program and focus on a advocacy and outreach. OMF would establish a pool of veteran volunteers to serve in the program. OMF and Fire District 1 will train students and volunteers in successful entry-level community paramedic interventions as well as special services only available to veterans. | \$89,240 | \$89,240 | \$89,240 | Prevention, Access to Healthcare |
| 4 | Intercommunity Mercy Housing - Bringing Health Home Snohomish | Mercy Housing would partner with the Housing Authority and YWCA to implement health programs at 7 affordable housing complexes in Verdant's District. The program is modeled after a project Mercy ran in partnership with the King County Housing Authority using Community Health Promoters. Goal is to address health disparities and social determinants of health. | \$180,000 | \$180,000 | \$180,000 | Prevention, Education & Empowerment, Access to Healthcare |

Bringing Health Home Snohomish Project Summary:

MHNW will partner with the YMCA and the Housing Authority of Snohomish County (HASCO) to implement **Bringing Health Home Snohomish** at seven affordable housing communities in south Snohomish County, home to approximately 1450 total residents. We anticipate providing services to at least 800 in the first year. The program will employ Community Health Promoters (CHPs) to provide culturally and linguistically competent prevention and wellness services to low-income residents. MHNW will provide in-kind support to the project with culturally-specific programming carried out by our diverse resident services team, which includes language proficiency in Vietnamese, Russian, Amharic, Somali and Spanish. We hope that we will be able to bring further services and education opportunities to different cultural groups at the Verdant Wellness Center.

1. Results/health outcomes from our project in King County

We have seen a positive change in residents' health behaviors as a result of our efforts, such as:

- 70% of residents engaged with 12,000 Health & Wellness efforts
- Routine check-ups have increased from 85% to 90%
- 93% of the residents at these properties are now insured; 79% of the uninsured households we identified and to whom we provided direct assistance resulted in them become insured.
- Strong correlation between engagement in prevention classes and increased consumption of fruit & vegetables
- Increase in number of residents attached to a PCP from 80% to 82%
- 51 cancer screenings for skin and breast cancer

MHNW uses a robust database where we can track resident / community member participation and types of services utilized. We are able to access and evaluate this data in real-time which helps us identify which services are most popular and having impact. In addition, we conducted an Annual Resident Survey of our four partner properties owned by King County Housing Authority and Interlm Community Development Association (Cottonwood, Samaki Commons, Southwood Square, and Windsor Heights) where we have had onsite Community Health Workers since 2014.

We attribute this success to ongoing resident engagement and establishing trusted relationships with residents early on, as well as increased cultural empathy and languages spoken by Resident Services staff. We hope that our next survey (in August) will show even more positive results since we will have had a full 12-month cycle between the last survey and the new 2016 survey.

2. Interactions with Medicaid MCOs on this type of project

Current:

- All 5 MCOs have participated in MHNW sponsored Health and Resource Fairs. The MCOs have supported our health & wellness efforts by partnering with us to make health screenings and flu shots available on site at the properties. We continue to invite their participation going forward and we continue to look for obvious health and housing opportunities.

Future:

- We will also look to find alignment between our work and health outcomes important to the MCO's to simplify and make these services most accessible to our residents (MCOs members) in an organized and cost-saving way. The most recent example of a partnership like this is with

Mercy Housing Northwest - Verdant Presentation

May 25, 2016

Molina. At our request, they ran the addresses of our properties and found that they had a very high number of their members living at MHNW properties. Molina and MHNW are now looking to pilot a couple of programs to see if we can build a stronger partnership, and Molina will re-run the address information and conduct a “deeper dive” into the chronic disease issues and high costs associated with the residents at those properties. Sharing this information in aggregate, we will then work together to improve resident health (through health education and prevention activities) and decrease costs.

- We are also looking to see if it makes sense for MHNW to become a Health Home partner based on MCO data information and property address information.

3. Expected resident profile

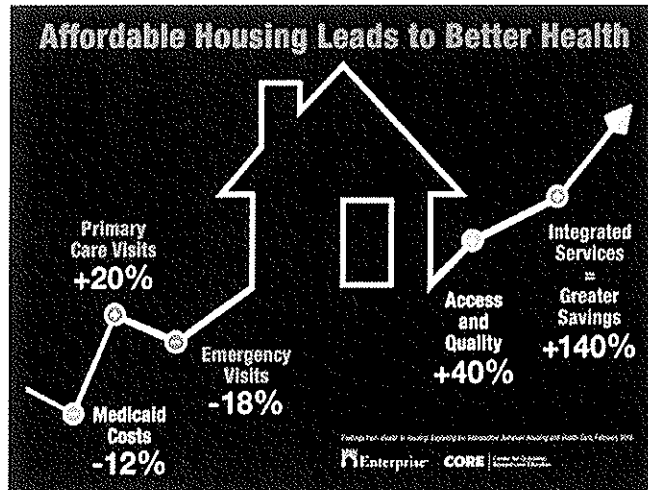
- 6 of 7 target properties in Snohomish County are family properties and one senior property. The senior property is directly behind the Verdant Community Wellness Center.
- Estimated demographics at this time include:
 - 63% Female, 38% Male
 - 63% Caucasian; 13% Hispanic/Latino; 13% Asian American; 6% African American; 3% Other; 1% Native American/Alaska Native; 1% Native Hawaiian or Pacific Islander; 1% Unknown
 - 13% Age 0-5; 23% Age 6-17; 18% Age 18-24; 38% Age 25-65; 10% Age 65+
 - 81% live in Verdant Health’s district map; 19% live in other parts of Snohomish County
 - 93% are Low-Income; 6% are Moderate Income; and 1% are Above Moderate Income
 - 75% have public health insurance (ex. Medicaid, Basic Health, etc.); 13% are uninsured; 13% have private Insurance
- YMCA sites -- Family Village Lynnwood, Trinity and Pathways -- feature primary languages of English and Spanish, though FVL has a variety of other languages spoken.
- HASCO sites feature multiple languages - Bristol Square (primarily English and Spanish); Robin Park (Ukrainian, Bosnian, Mandarin, Vietnamese, Cantonese, Korean, English); and Whispering Pines (English, Spanish, Vietnamese, Chinese, Korean).
- The HASCO properties identified do not have these types of services currently. There is one resource person from Senior Services of Snohomish County at the senior building but services are limited to “information and referral” and a nutrition class. We are not looking to duplicate any services but will instead work in direct partnership to increase access to services not currently available to the residents.
- The MHNW program model guides our service delivery. Our experience in the south King County project shows the can be easily transferred to non-Mercy owned sites. We will start programming based on the model, but as we build relationships with the residents we will conduct Community Cafes that will allow us to assess the needs of the communities and get feedback on what health and wellness areas are most important to the residents. This will also allow us to assess the insurance enrollment rates and general understanding health and insurance systems.

May 25, 2016

Background on Mercy Housing Northwest's Housing-Health Work

MHNW is a leader in the affordable housing sector in seeking to create and test effective approaches promoting health for low-income affordable housing residents.

Prevention and Management of Chronic Disease in Low-Income and Immigrant Populations through Housing-based and Community Health Worker Interventions in King County



We know that affordable housing is a platform for health and wellness. A recent study conducted by the Center for Outcomes Research & Education (CORE) sampled 10,000 residents in Portland affordable housing. Looking at 148 housing projects that are home to 10,000 residents, the study found a 12% average reduction in Medicaid expenditures after residents moved into affordable housing. Our goal is to carry this research further by refining and measuring the impact of integrated health and prevention services in affordable housing and in low-income communities that have disproportionately poor

health outcomes. After residents move into affordable housing, we see the following positive health outcomes: better connection to primary care, fewer emergency department visits, improved access to and quality of care, and lower costs.

MHNW has been a convener of a statewide Affordable and Public Housing-Health Work Group for the past two years. The purpose is to develop sustainable, scalable approach to housing-based health and wellness efforts. Membership includes representatives from State Health Care Authority, DOH, MCOs, housing authorities from Spokane, Tacoma, Seattle and King County, funders such as Boeing and Bill and Melinda Gates Foundation, and other public health and housing experts. Our CHP approach in South King County has been widely successful in serving very diverse low-income residents living in King County Housing Authority affordable housing. As you can see, our team has broad language support and high cultural empathy as well as expertise in a variety of health backgrounds to reach these residents, help get them insured, connect them to a PCP, and encourage prevention through education and health screenings. We want to continue this work in South Snohomish County.

Bringing Health Home King County Pilot

• Started July 1, 2014

• Assemble team

5 languages

Various health focused backgrounds



CHP Lead
Vy
(Vietnamese)



CHP
Natalie
(Russian)



CHP
Fanaye
(Amharic)

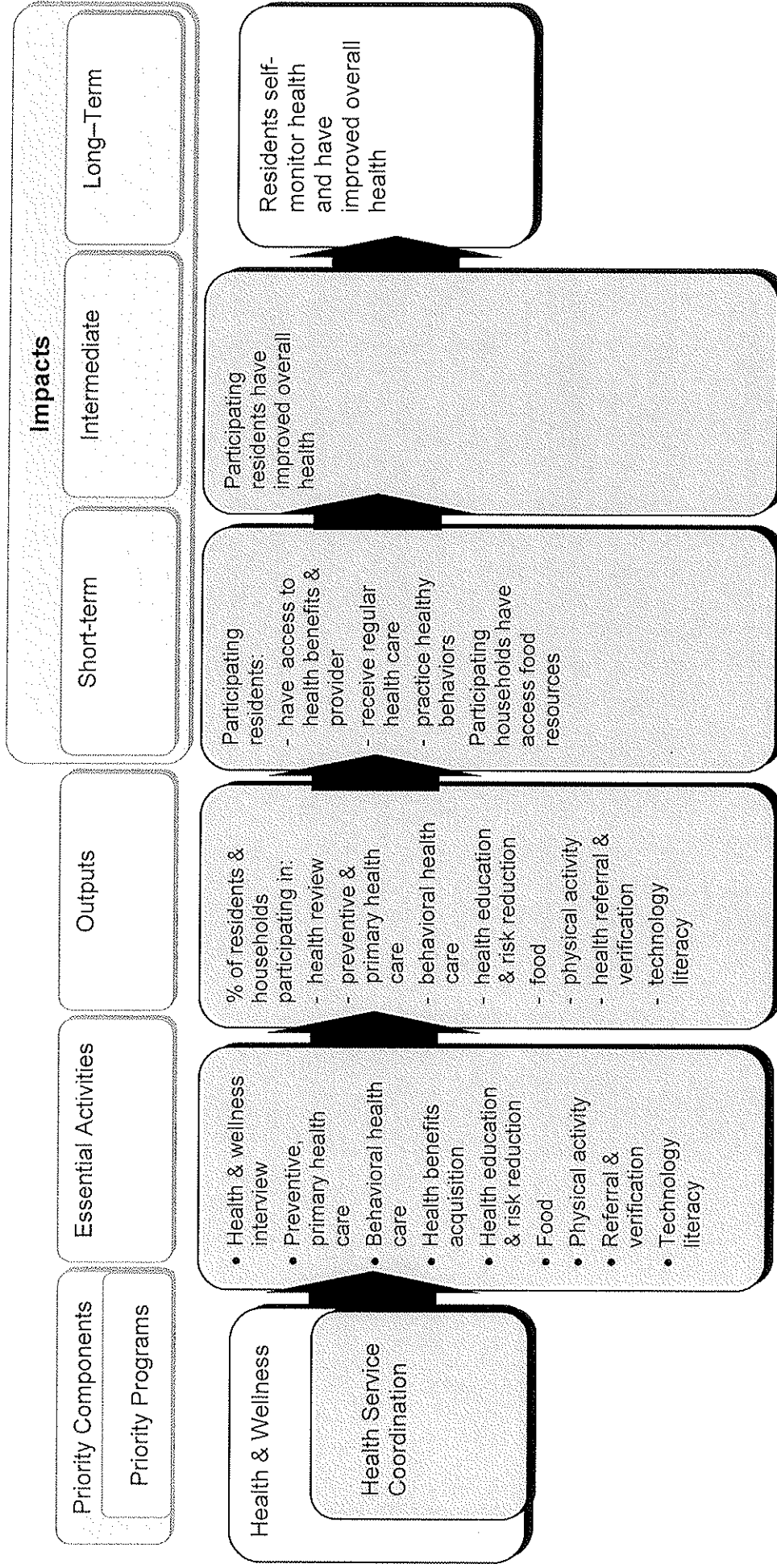


CHP
Hodo
(Somali)



Activities
Coordinator
Esther
(Spanish)

Enterprise | CORE | Center for Outcomes Research & Education



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J. 25. 2016

FROM NYTIMES: [HTTP://WELL.BLOGS.NYTIMES.COM/2016/05/24/WALKABLE-NEIGHBORHOODS-CUT-OBESITY-AND-DIABETES-RATES/?EMC=ETA1](http://well.blogs.nytimes.com/2016/05/24/walkable-neighborhoods-cut-obesity-and-diabetes-rates/?EMC=ETA1)

MOVE

Walkable Neighborhoods Cut Obesity and Diabetes Rates

By
NICHOLAS BAKALAR

MAY 24, 2016 9:45 AM May 24, 2016 9:45 am Comment

Neighborhoods designed for walking may decrease the rates of being overweight or obese and having diabetes by more than 10 percent, a new study concludes.

Canadian researchers studied more than three million people in 8,777 neighborhoods in urbanized areas of Ontario, ranking them for “walkability” on a 100-point scale that measures population density, numbers of facilities within walking distance of residences and how well connected their webs of streets are.

The study, published in JAMA, adjusted for age, sex, income and other factors, and found that the prevalence of being overweight and obese was more than 10 percent lower in the one-fifth of neighborhoods rated highest for walkability than in the one-fifth rated lowest. Over the 12-year study period, being obese and overweight increased by as much as 9.2 percent in the three-fifths of neighborhoods rated lowest, with no change in the two-fifths rated highest.

The incidence of diabetes was also lowest in the most walkable neighborhoods, a difference that persisted throughout the study.

The authors acknowledge that this was not a randomized trial and does not prove causation. Still, the senior author, Dr. Gillian L. Booth, a physician at St. Michael's Hospital in Toronto, said that the healthiest neighborhoods seem to be those where cars are not a necessity.

“Walking, cycling and public transit rates were much higher in walkable