Clinic Sustainability Analysis and Plan

Point Roberts Public Hospital District, August 2026

We are fortunate that:

- We still have a clinic after 21 years of the district
- It’s staffed by very experienced doctors
- Appointments are readily available
- They provide walk-in urgent care when able
- They’ve been willing to subsidize us so far
- We have substantial reserves
- We have many more people paying taxes than using the clinic

The purpose of the Hospital District is to collect and distribute taxpayer funds to support access to high quality medical care in Point Roberts.

Basics

- District was formed in 2005 with $.50/$1000 levy rate
    - For a $500,000 house, this was $250 per year from property taxes
- Today, our levy rate is $.28/$1000; we have never had a levy increase request
    - For a $500,000 house, this is $140 per year
- Maximum is $.75/$1000

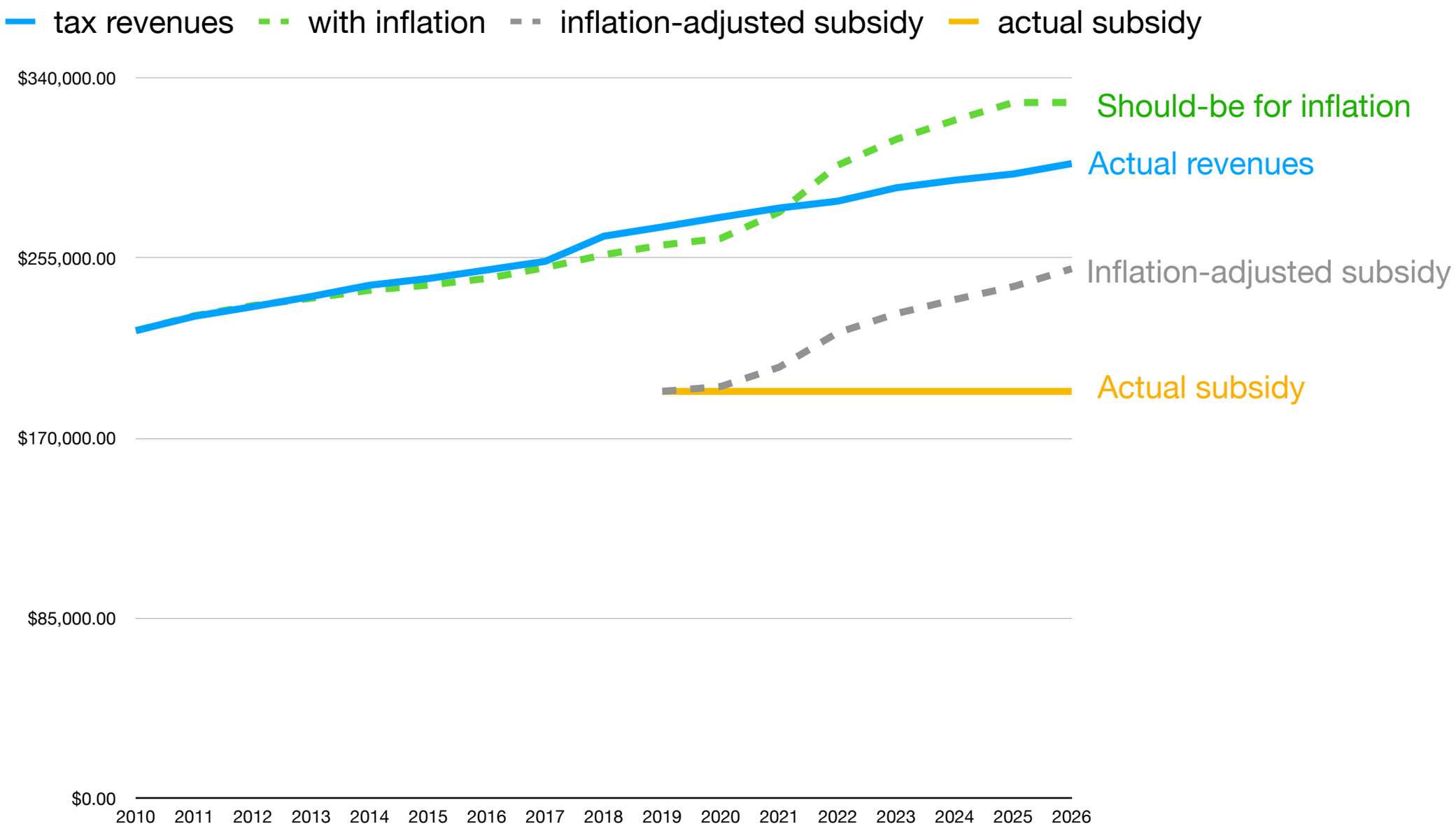
Basics

- From 2005 until 2019, our clinic was open three days per week with a nurse practitioner as the provider
    - District subsidy in 2015 was about **$217 K/year** in 2026 dollars (about **$1500** per day of clinic operation)
- SuperTrack started in late 2018. Starting in 2020, they staffed the clinic five days a week, with doctors for three days and an RN the other two; limited urgent care and telehealth to Bellingham clinic when doctors not on site
    - District subsidy has been **$192 K/year** since 2019 (about **$800** per day of clinic operation)

Clinic economics

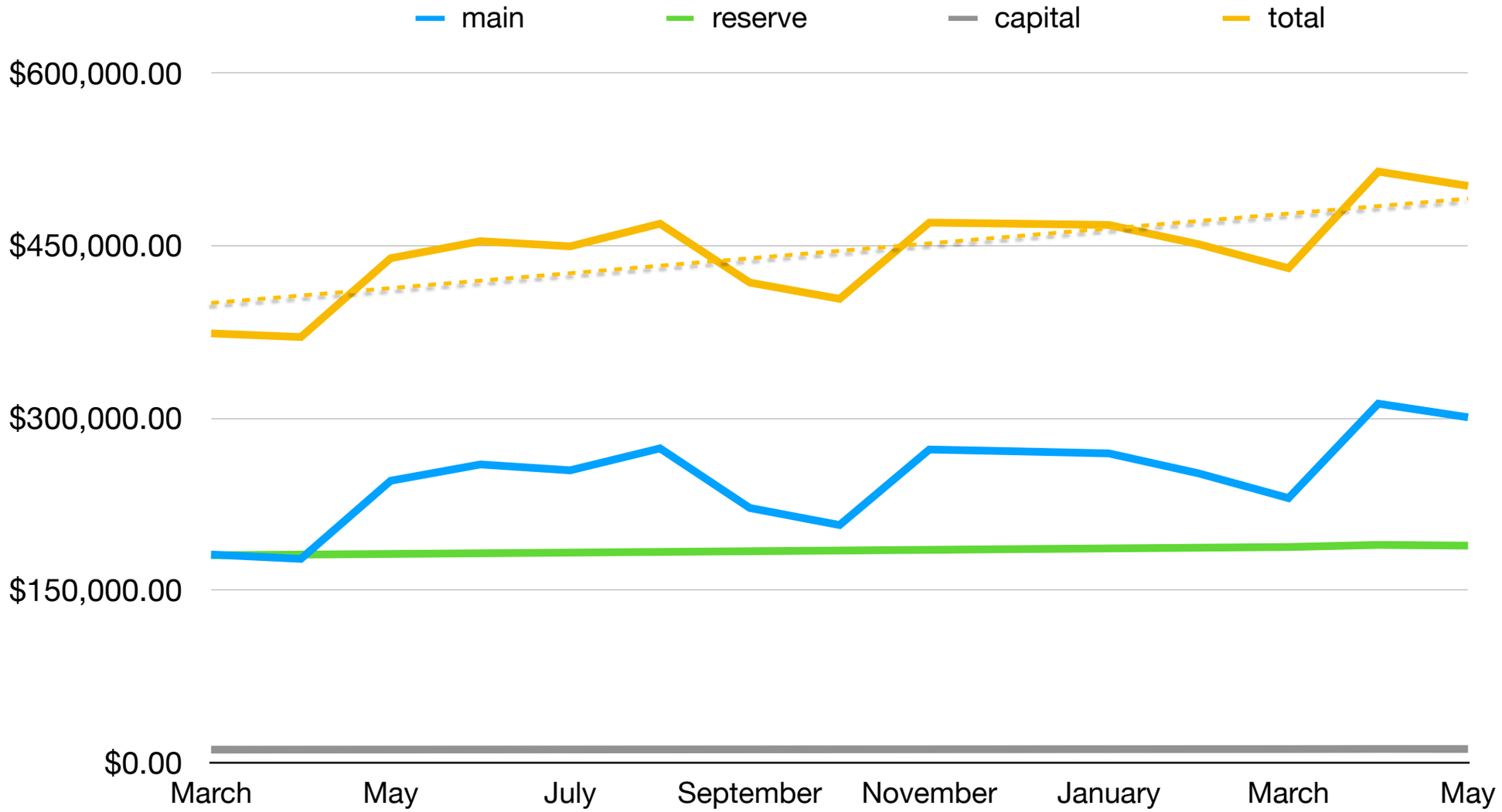
- It costs about half-a-million dollars to operate our clinic per year at the current service level
- The district contributes just under $200 K
- Patient revenues contribute just over $200 K
- SuperTrack contributes the rest
  - About a $75 K loss last year
  - Projected $102 K loss this year
  - Covered by revenues from their Bellingham clinic and below-market salaries for providers

District revenues vs. clinic subsidy

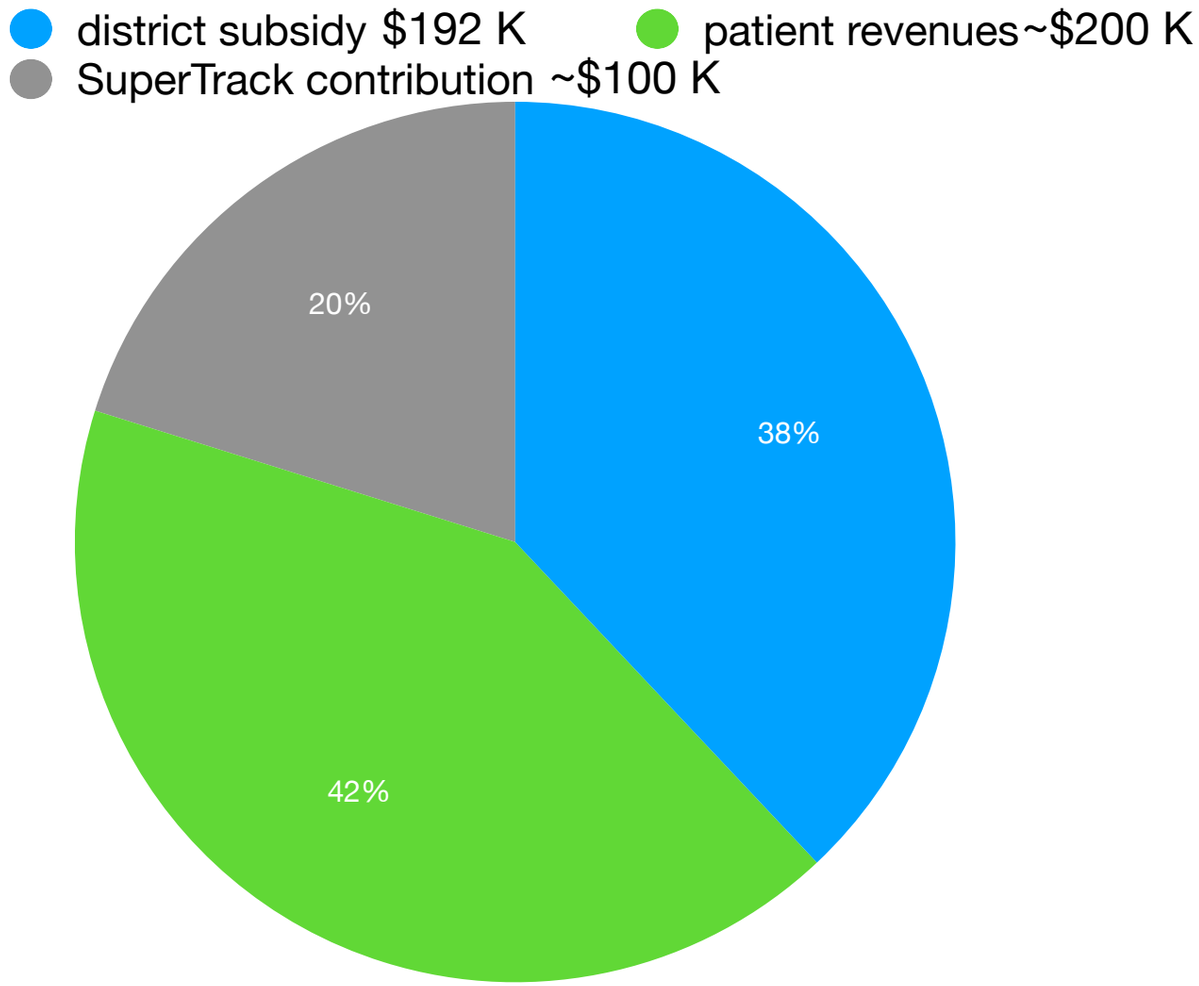


Basics

- Last year, the district's cash fluctuated between $375 K and $450 K
- We currently have over half a million dollars in our accounts

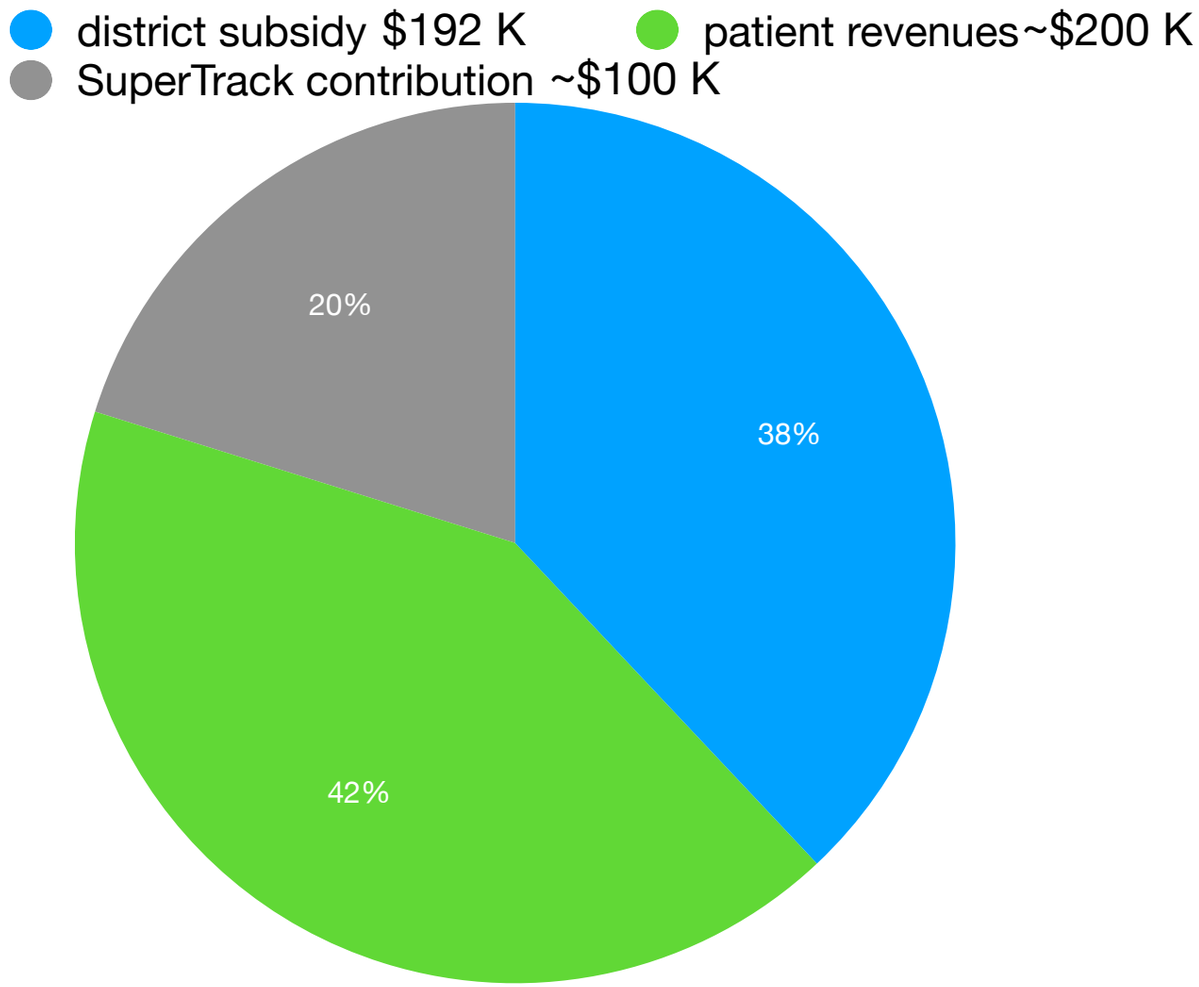


Clinic funding



As is

Clinic funding



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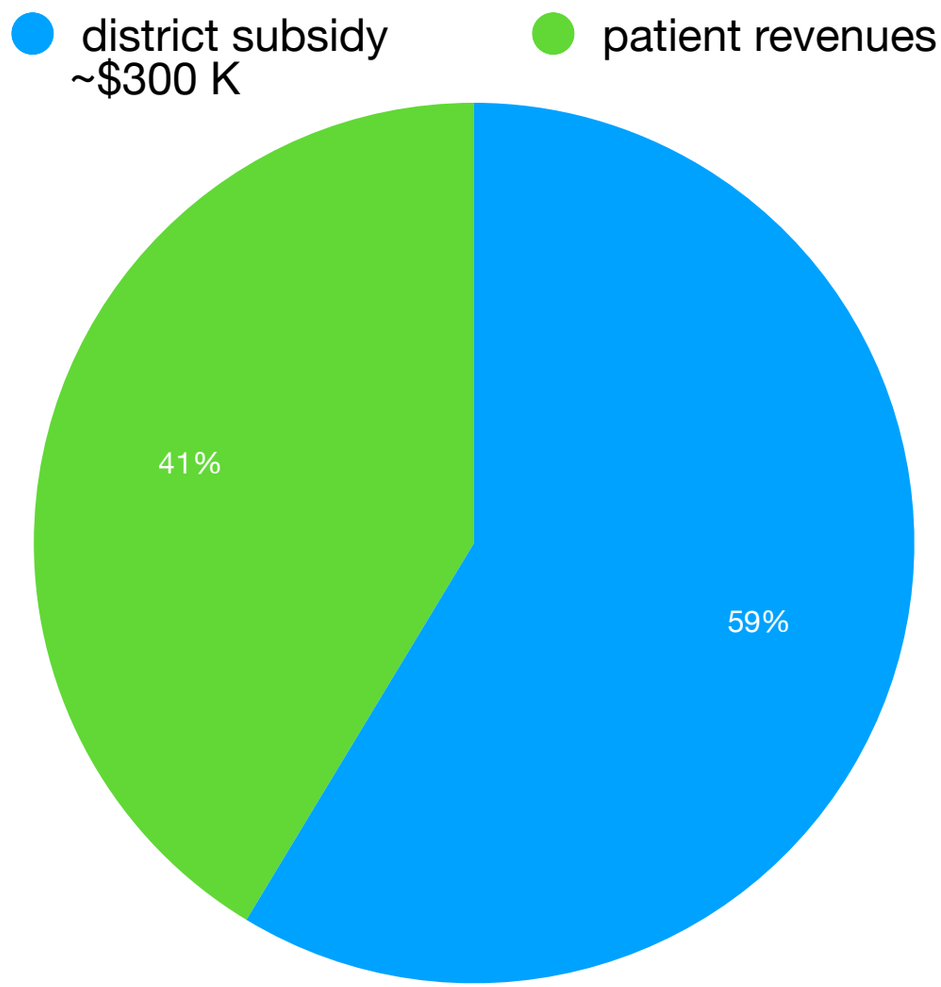
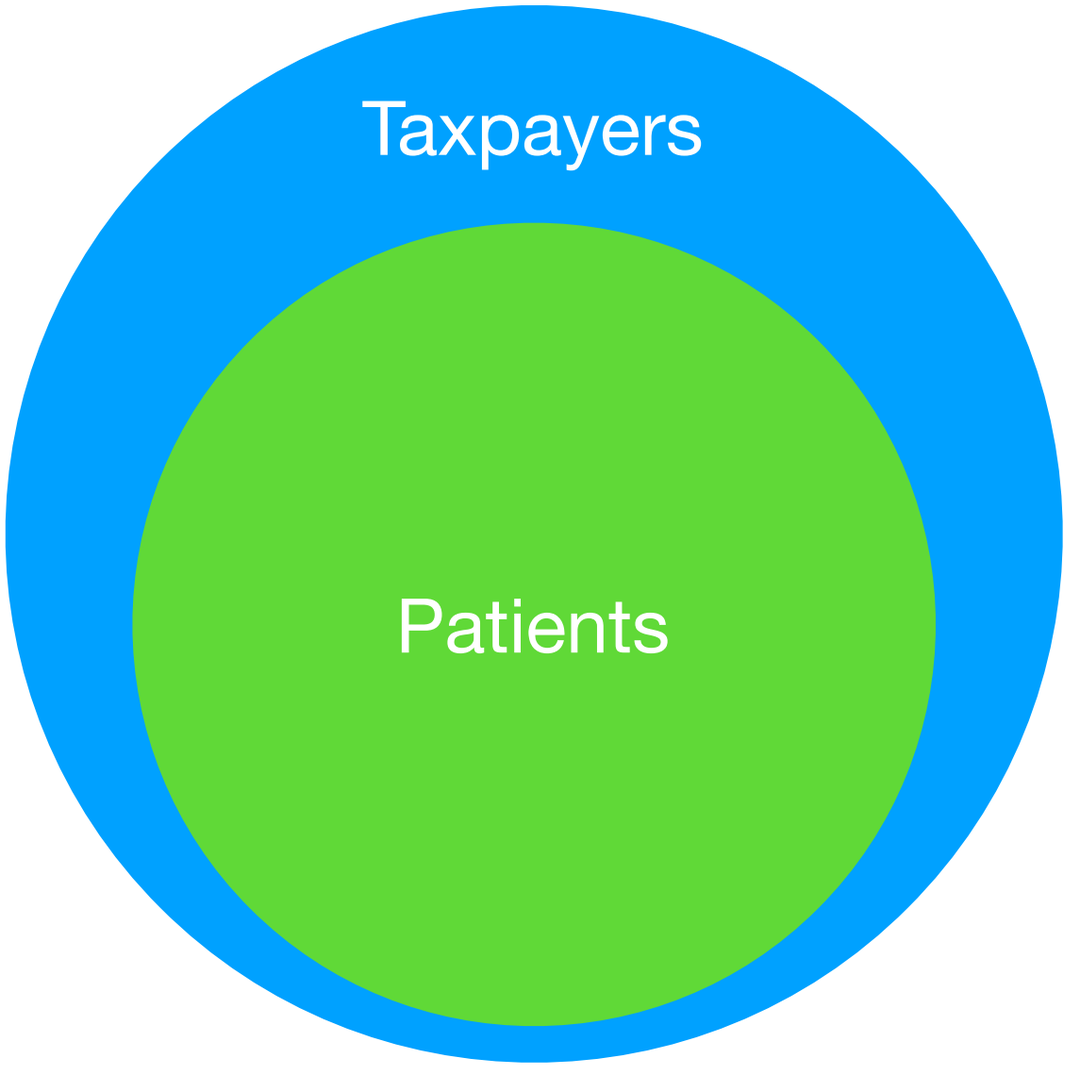
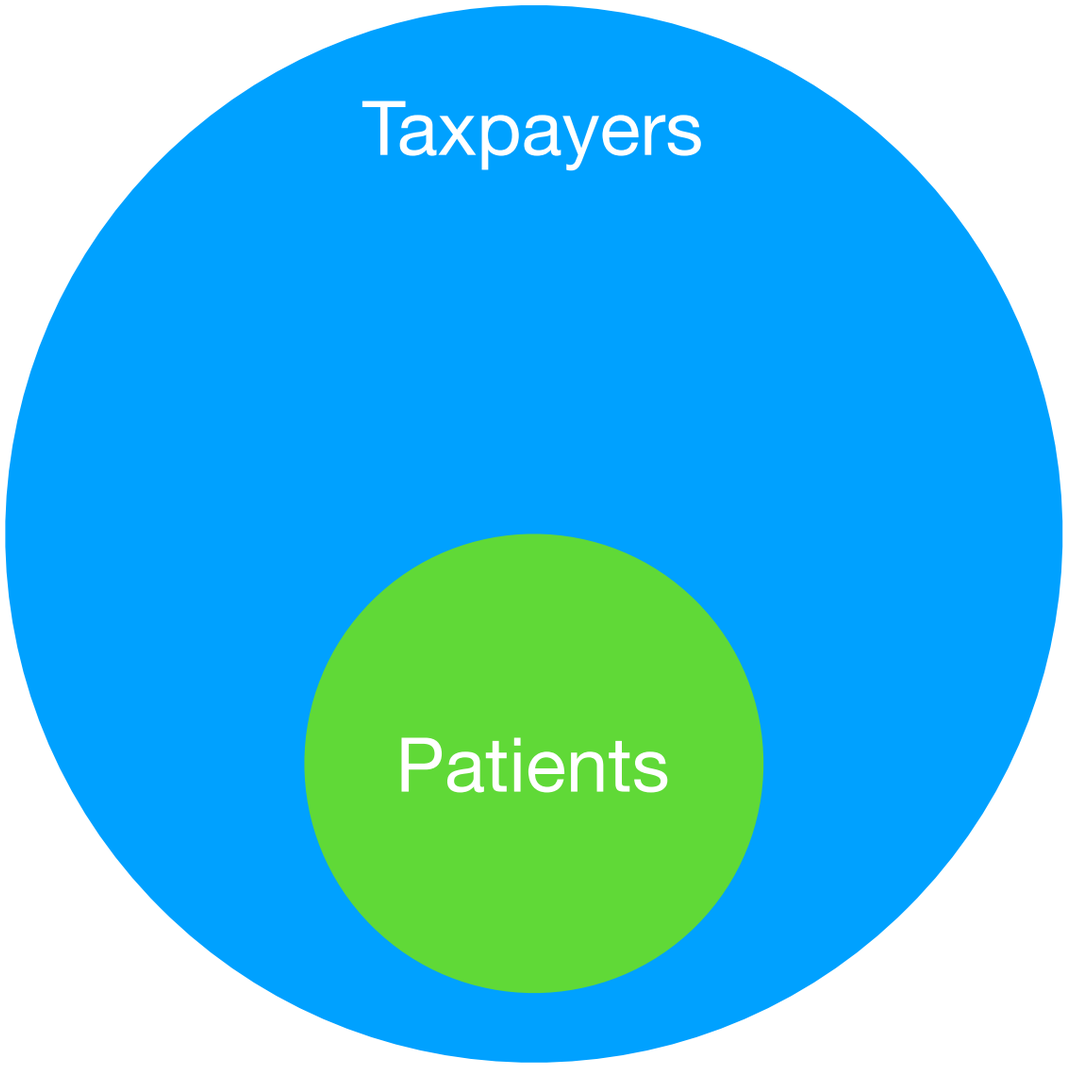


Should be

Patient revenues vs. tax revenues



Normal district
taxes contribute 5%



Point Roberts
taxes should contribute 60% instead of 40%

HEALTH FACILITIES PLANNING & DEVELOPMENT

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Lopez Island Hospital District

Proposal to Define Superior, Sustainable Strategy for Operating Lopez Island Clinic- Update

August 11, 2025

Lopez Island (pop. ~3000)

How LIHD and CWMA Support the Lopez Island Clinic and What's Next

The Lopez Island Hospital District (LIHD) is a public taxing district created 8 years ago by a vote of the public to receive local tax dollars to support a new medical clinic after Island Health left the Island.

The clinic building and much of the medical equipment is owned by the Catherine Washburn Medical Association (CWMA), a non-profit organization, and is currently rented to UW Medicine for use.

After Island Health left the Island, UW Medicine was the only healthcare system that agreed to operate the clinic.

Since then, UW Medicine has operated the Lopez Clinic, using funding from LIHD and renting the clinic building and its equipment from CWMA.

Because of healthcare budget challenges across the country, UW Medicine has announced it will stop running the clinic after June 30, 2026.

Lopez Island

- Eight month process to find new provider, Sea Mar

When would the clinic be open under Sea Mar?

Will I be able to call the Lopez Clinic directly, or will I be routed to a Sea Mar call center?

Will Sea Mar provide a doctor for Lopez?

Sea Mar has agreed that the Lopez Clinic will have a minimum of 1.5 FTE medical providers, at least one of which will be a doctor. After a final contract is signed, Sea Mar will work to recruit a doctor for the Lopez Clinic.

Vashon Island

- Population ~10,000
  - Four primary care practices closed between 2010 and 2018
  - Established district in 2019 after clinic closure in 2016
    - Hired Sea Mar, then Sea Mar built own competing clinic
    - Continuing churn on services and providers
    - Offers urgent care through mobile provider

Vashon Health Care District

Updated Strategic Plan

Revised and Adopted 10-23-2025

Vashon Island (pop. ~10,000)

VHCD History--Origins

In 2019, the campaign to create the Vashon Health Care District began. Its goals were clear:

- ***Assess current needs*** including primary care, extended hours, urgent care and other needs not currently met.
- ***Enhance services currently provided*** on Vashon Island by either working with current providers or seeking new providers.
- ***Sustain Vashon health services*** with local funds necessary to create and support long term stability in health care operations and facilities.

In November of 2019, the voters of Vashon Island agreed, and by a vote of 71-29% established the Vashon Health Care District and elected its first five Commissioners.

The key 2020 task of those commissioners, along with hiring a Superintendent and creating an organizational structure, was to first sustain and then on short notice replace the primary care clinic provider on the island, all without the ability to collect tax revenue.

This was accomplished by contracting with Sea Mar Community Health Centers, initially funded through an operating line of credit with King County Treasury Department, resulting in minimal gap in services. The District set its first levy in November of 2020, for tax year 2021.

2026-2028 Strategic Plan Overview

The 2026 VHCD Strategic plan is organized under its four strategic pillars, informed by an emergency planning process, and continues the four core strategic priorities:

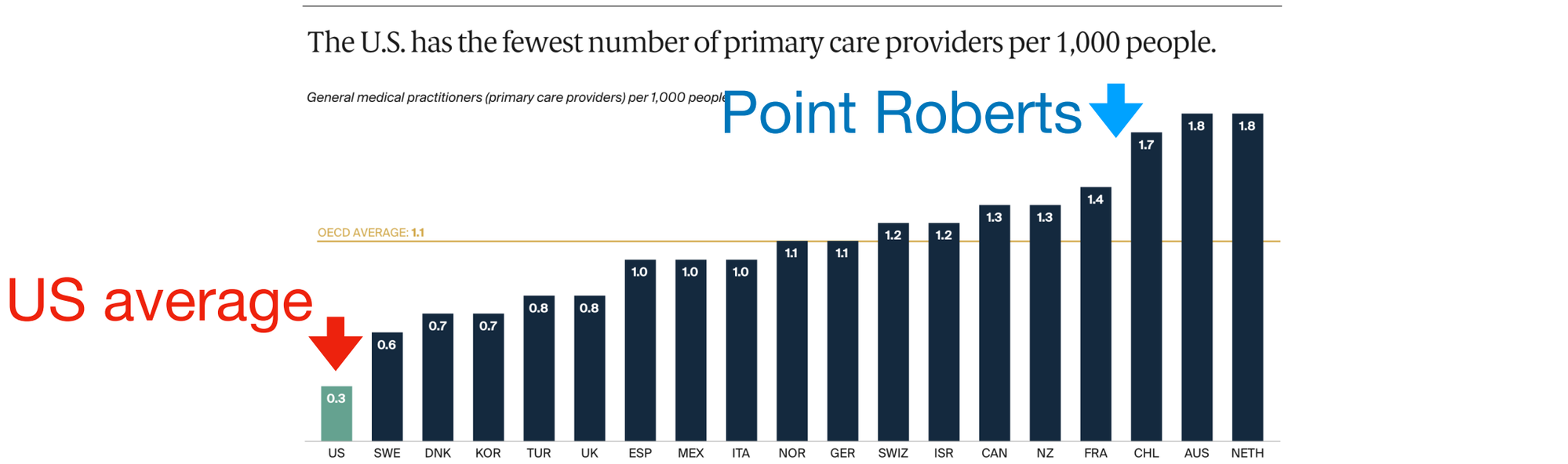
- Primary Care Sustainability
- Urgent Care
- Behavioral Health
- Vulnerable Populations (previously referred to as Vulnerable Adults)

The key goals of the ongoing strategic plan are to:

- Maintain and improve existing projects.
- Expand services within its core priorities.
- Develop critical infrastructure for both implementation of strategic priorities and adaptability to a volatile government funding paradigm, including planning for critical service failures.
- Develop its ability to assess and prioritize needs.
- Manage and utilize financial resources effectively over the years of 2026-2028 while maintaining a suitable reserve (active and passive) for future strategic planning in a more stable environment.

Comparable districts

- Sustainability is a major concern of both districts
- Having doctors instead of an NP or PA is important
  - 2019 Point Roberts community survey: “Need a doctor” was common reason people gave for not using the clinic
  - US average: 1 primary care doctor per about 3000 people
- Our ratio, based on hours of availability, is about 1/1500



The Commonwealth Fund: U.S. Health Care from a Global Perspective, 2026

2025 utilization

2025	OV	NURSE VISITS / LABS	PT/INR	TELEMED	PHYS EXAM	SKIN CLINIC	B12 & FLU SHOTS	TOTAL
January	117	23	0	11	0	9	8	168
February	161	17	0	19	4	0	8	209
March	146	15	0	14	1	0	7	183
April	119	5	0	8	0	11	4	147
May	124	4	0	6	0	13	0	147
June	111	23	0	11	1	0	4	150
July	198	24	0	3	8	0	0	233
August	62	28	0	33	5	0	0	128
September	139	20	0	20	0	0	0	179
October	117	26	0	23	0	0	0	166
November	105	29	0	3	4	0	15	156
December	101	21	0	6	0	0	0	128
TOTALS:	1500	235	0	157	23	33	46	1994

2018 SuperTrack Contract

- 2018:
  - Doctor one day, NP or PA two days, telemedicine two days
- 2025:
  - Same terms but extended for three years
- Actual:
  - Doctors for three days, RN and telemedicine two days since 2020
  - Subsidy was never increased accordingly

Basics

- It costs a bit less than $100 K to operate the district itself for a year
- Current revenues are about $300 K, leaving about $200 K for the clinic subsidy
- It’s not appropriate that the provider subsidizes the clinic, with the district accumulating cash

Sustainability challenge

Continuing to rely on charity from SuperTrack is not a sustainable strategy.

Objectives and Strategies

Retain SuperTrack in a way that improves stability, sustainability, and predictability:

- Stability: Revise contract and subsidy to reflect current level of service
- Sustainability: Plan for levy lid lift election next year for continued support of clinic at sustainable level
- Predictability: Current contract ends next year - extend term this year instead of waiting until next year

Clinic support plan

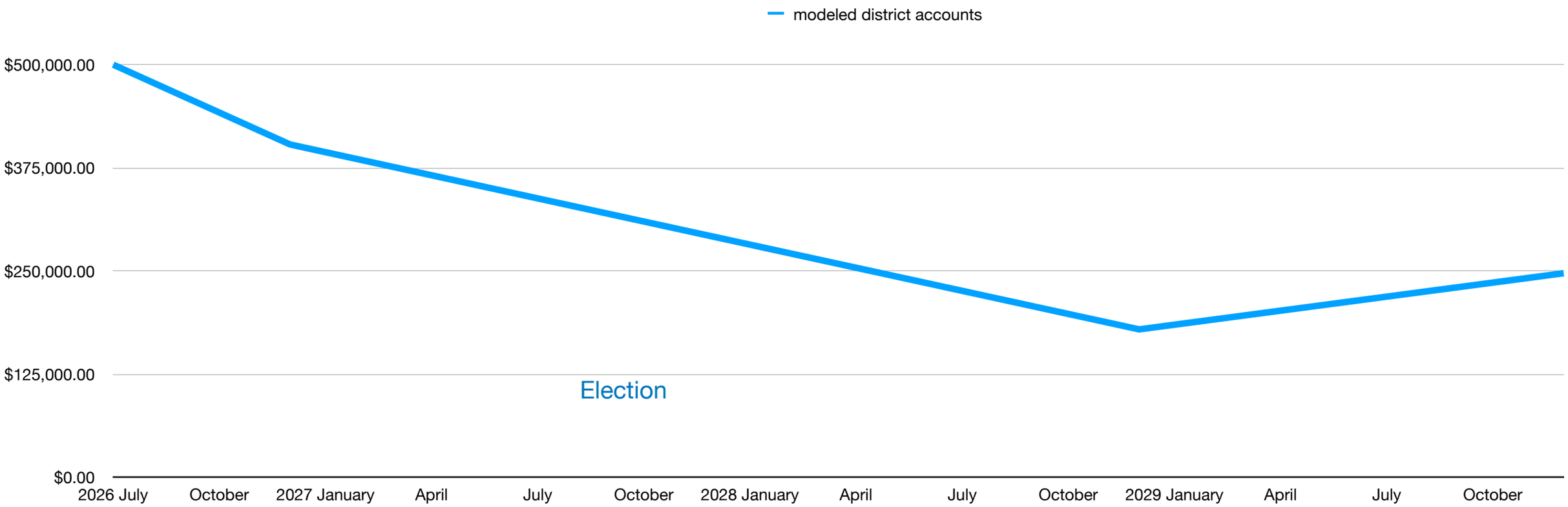
- Increase subsidy to $36 K per month for rest of 2026 to eliminate SuperTrack's 2026 projected loss
- Adjust subsidy next year to $27 K per month ($324 K/year)
- Include subsidy adjustment criteria into revised contract instead of fixed amount (inflation, patient revenues, emerging needs, district reserves)
- Modify contract to require current level of service instead of relying on SuperTrack continuing to volunteer it
- Extend contract term through 2028
- Target levy lid lift request next year to achieve sustainable funding at appropriate levels starting in 2029
- Reviewed and approved by both AWPHD and legal

Cost to district for each day of operation

2026 dollars

- Unity Care (2015): $18,000/month for 12 days = **$1500/day**
- SuperTrack before contract change: $16,000/month for 20 days = **$800/day**
- SuperTrack after contract change: $26,000/month for 20 days = **$1300/day**

Projected transition balances



Caveats

- All numbers are estimates
- Revenue and expenditures are averaged
- Inflation is assumed to wash out
    - Subsidy should increase with inflation
    - Revenues should increase with taxable values
- Sustainability after 2028 depends on levy lid lift

2027

- Vic’s seat up for election
- Plan for levy lid lift request to the voters

Questions and discussion

Unity Care 2015

- District contributed $13,000 per month to clinic operations
- With inflation, that's about $18,000 today
- Today, we pay $16,000 per month for a clinic that's open five days a week with doctors for three days

Background from AWPHD

- There are no specific guidelines or statutory requirements for district reserve levels
    - Many districts operate with less than 28 days of reserves
    - We have more than four times what we need to support the district for a year