



well-being of the entire community and to provide quality healthcare to the most vulnerable, and

WHEREAS, the mission population of Harborview is described in the council-approved Harborview mission statement, and incorporated into the agreement, as the groups of patients and programs to be given priority of care and include: the non-English-speaking poor; the uninsured or underinsured; victims of domestic violence or sexual assault; people incarcerated in King County's jails; people with mental illness or substance abuse problems, particularly those treated involuntarily; people with sexually transmitted diseases; and those who require specialized emergency, trauma or burn care, and

WHEREAS, in accordance with Section 6.4.2 of the agreement, by December 31 of each year, the board of trustees shall allocate \$5 million from Harborview's revenues or reserves to a fund to support mission population programs and services being provided by the county, and

WHEREAS, historically, the allocation has been transferred to a King County department of public health fund in December of each year and the transfer for 2022 has not occurred, and

WHEREAS, the yearly five-million-dollar allocation to support mission population programs and services was included in base budget assumptions in the public health fund for fiscal year 2022 and is included in the base budget assumptions for the public health fund in the recently adopted 2023-2024 biennial budget, and

WHEREAS, those allocations have been, and are budgeted in the 2023-2024 biennium budget, to support the Eastgate, downtown and Navos clinics and the mobile medical van program, and

WHEREAS, in accordance with Section 6.4.4 of the agreement, the board of trustees may submit a request to the county executive and council to suspend some or all of an annual allocation due to extraordinary circumstances. The request is required to include a summary of actions taken by the board to address the extraordinary circumstances, and

WHEREAS, on October 27, 2022, the board of trustees unanimously moved to request the suspension of all of the five-million-dollar mission support allocation until Harborview is able to maintain a minimum of

one hundred twenty days cash on hand for at least one year, and to reevaluate these extraordinary circumstances in twenty-four months, and

WHEREAS, in a letter to the executive and council dated November 20, 2022, board of trustees president Steffanie Fain stated that the mission support allocation comes from Harborview's cash on hand, which is maintained separately from the University of Washington. As of November 2022, Harborview had ninety-nine days cash on hand and was projected to have seventy-five days cash on hand by June 2023. The letter also outlines actions taken to address the extraordinary circumstances including the use of limited tax general obligation bonds to support funding an outpatient surgery center rather than using cash on hand, developing a strategic plan to address Harborview's short- and long-term financial challenges, embarking on a financial turnaround project led by an independent third-party to restore long-term financial stability, and legislative advocacy in Olympia, and

WHEREAS, approving the request by the board of trustees will result in no allocation to the department of public health fund for the years 2022 and 2023, and

WHEREAS, the September 6, 2022, financial plan for the public health fund, which is a six-year projection of the fund's revenues and expenditures and assumes the five-million-dollar allocation, shows a reserve shortfall of approximately twelve million seven hundred thousand dollars at the end of the 2021-2022 biennium. While the financial plan projects no reserve shortfall for the 2023-2024 biennium, with future reserve shortfalls in the out years, growing to over fifty million dollars by 2028. It is expected that these shortfalls will increase if the annual five-million-dollar allocation is not received, and

WHEREAS, in accordance with section 6.4.4 of the agreement, before the board of trustees may suspend any allocation, the county council, by motion, must either approve, reject or change the amount to be suspended;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. The request of the Harborview board of trustees to suspend the five million-dollar-allocation from

the hospital's revenues or reserves to a fund to support mission population programs and services being provided by the county for 2022 is rejected; and

B. The council shall consider the request of the Harborview board of trustees to suspend the five-million-dollar allocation from the hospital's revenues or reserves to a fund to support mission population programs and services being provided by the county for 2023 at a later date, tentatively expected to be by August 30, 2023. Before that consideration, the council requests the executive to convene a meeting with leaders from the county council, the University of Washington Medicine, Harborview Medical Center and the Harborview board of trustees to share information, discuss strategies and develop options to address the financial health of the Harborview Medical Center. The council requests the executive convene the meeting by March 30, 2023.

C. In accordance with section 6.4.4. of the hospital services agreement, the Harborview budget will be revised, if necessary, to reflect the passage of this motion.