

**Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**Orcas Island Fire & Rescue – Eastsound Firehall**  
**Tuesday, July 16, 2019**  
**5:00 – 7:00 pm**

**Commissioners Present:**

Art Lange  
Diane Boteler (remote)  
Patricia Miller  
Pegi Groundwater  
Richard Fralick

**Staff:**

Superintendent Anne Presson

**Commissioners Absent:**

None

**I. Call to Order**

President Fralick called the meeting to order at 5:01 pm and noted that Commissioner Boteler would be calling in later in the meeting.

**II. Public Comment**

There was no request to participate in Public Comment.

**III. Consent Agenda**

The Consent Agenda contained an AP Voucher Report dated July 15<sup>th</sup> in the amount of \$9,847,43, and draft Minutes from the July 2<sup>nd</sup> Regular Board meeting.

**MOVED by Commissioner Miller, seconded by Commissioner Groundwater to approve the Consent Agenda as presented to the Board. VOTE 4:0:0. MOTION CARRIED.**

**IV. Committee and Work Group Reports**

- a. **Building Committee** – The Committee will be meeting with two contractors, Clyde Duke of Duke Construction and Doug Poole of Sage Building Solutions, to discuss how to approach the roof and HVAC projects. Both contractors agreed to provide advice on a pro bono basis, understanding there is no obligation nor preference given to their companies once the projects go out to bid. The Committee is seeking expert opinions on how to best approach the coordination and staging of the roof and HVAC projects, and how to reduce the proposed cost as outlined by the Engineering consultant.

Commissioner Lange expressed his hope they'll be able to help determine how to perform the work for less than what the Board has seen proposed to-date. Commissioner Miller would also like to see how quickly the work could get done if the Clinic were to consider being closed during the HVAC work. President Fralick will include those questions and will also be exploring what renovations would be required should any reconfiguration of clinic operations be needed at some point in the future. Finally, he'd like to expand the Committee to get more community involvement and expertise around architecture and general contracting.

- b. Contract Negotiations Work Group** – Commissioner Miller shared that the Superintendent received the fully executed Clinical Services Agreement from UW right before the meeting. Commissioner Lange questioned if the budget, which is a separate document, requires signature by all parties. Commissioner Miller indicated that the method of approving the annual budget is contained in the CSA, which states that a mutually agreed upon budget for the subsequent Fiscal Year will be finalized by July 1<sup>st</sup>. She will ask the District’s attorney if there should be an official confirmation around the extra \$40,000 that was approved for staffing purposes. Based on continued back and forth with UW about that part of the Board action, it might be necessary to return to the Board for further clarification. Finally, Commissioner Miller reported that Aimee and Dr. Shinstrom have been on vacation, so the Work Group hasn’t been able to schedule a follow-up discussion around their requested mid-year budget adjustment that was presented at the last meeting.
- c. Finance Committee** - Commissioner Miller and the Superintendent are beginning the 2020 budget process. They shared a calendar with the proposed schedule for reviewing the draft 2020 budget, including an updated 5-year cash flow analysis. There was concern raised that the meetings where the budget draft will be reviewed, September 3<sup>rd</sup> and October 15<sup>th</sup>, are both on dates that Commissioner Boteler is absent. Superintendent Presson will see if Commissioner Boteler is able to call in for at least one of those meetings.

The Superintendent also talked about specific items that will be necessary to have some line of sight into to help inform the 2020 budget. The largest items impacting the budget are the subsidies to the two clinics. She will ask UW for early projections as to what might be on the horizon for their Fiscal Year 2021, since that will come into play half-way through the District’s 2020 fiscal year. Any equipment needs should also be surfaced in this process.

Commissioner Lange also asked whether estimates for costs associated with a possible transition in 2020 will be factored into the budget process. This includes the cost of hiring a consultant to help identify the right option and developing a timeline for possible implementation of any recommended changes. The Board also identified that it’s going to be important for the consultant to be aware of the budget timeline so he/she can prioritize their deliverables. Finally, any changes in staffing and compensation will be factored into the budget process.

- d. Communications Committee** – At the planning meeting, Commissioner Groundwater was asked to write an article around the reasons for pursuing a Rural Health Clinic (RHC) or Federally Qualified Health Center (FQHC) designation. There was discussion around the draft article, and concern raised that it was duplicating the Board’s recently published article. Discussion centered around there being too much detail on costs; however, Commissioner Groundwater felt that people are asking what’s wrong with what we have today and why the Board is looking at alternatives. That might suggest there is a need for more data as people often need to read things a few times before fully understanding the issues. Commissioner Lange suggested that everything the Board says must also acknowledge the hard work and efforts of the people on the ground, and that the efforts of the staff at both clinics be recognized and appreciated. It’s important that know that the concerns around cost aren’t specific to them, but it’s reasonable why it feels that way to them.

**There was consensus to have Commissioner Groundwater revisit the former article and bring an updated draft of the RHC/FQHC article to the August 6<sup>th</sup> Regular Meeting. In addition, Commissioner Lange will work with the Superintendent on scheduling Town Hall meetings.**

## V. Old Business

- a. **Personnel Policy** – The Board reviewed the updated Personnel Policy document that was prepared by Commissioners Groundwater and Miller. Commissioner Groundwater provided clarity around the questions discussed at the last meeting specific to FMLA versus Paid Sick Leave.

Superintendent Presson suggested the Board consider changing the language in Section 3.2: Performance Evaluations. She would like to have the timing of those be consistent, and any change in compensation align with the start of the District's fiscal year of January 1<sup>st</sup>, as opposed to the first of the month following the review. Commissioner Miller indicated that she liked the language specific to *Written Evaluations to be scheduled every 12 months* as opposed to targeting a certain time of year. She also felt the flexibility that the language in the section on Pay Adjustments was preferable to targeting January 1<sup>st</sup>. That section reads..." or the date specified by the District", which offers flexibility.

Superintendent Presson also noted a change to Section 5.3: Paydays, since it's the County who sets the pay period and timing of payments. There was more discussion around Section 6.1: Health Insurance. Questions centered around the benefit offerings and requirements of PEBB. The Superintendent was asked to provide a copy of the PEBB materials to Commissioner Groundwater so she can revise the policy to reflect the terms of PEBB. Finally, Commissioner Miller suggested a change to Section 6.2.2: Vacation Leave Accrual. Rather than hours she asked that the language be changed to be the equivalent of 3 weeks so a part-time employee can't build up a significant number of weeks of vacation. These changes will be incorporated and brought back to the next Regular meeting.

- b. **District Prospectus** – Superintendent Presson reported that she received text for about half of the assigned sections of the document. She will work on the remaining areas and bring a draft to the August 6<sup>th</sup> Regular meeting.
- c. **Revised Statement of Purpose** – Since this statement is included in the District Prospectus, it will be reviewed coinciding with the Prospectus in August.

## VI. New Business (Commissioner Boteler joined the meeting at 6:15)

- a. **Consultant Statement of Work (SOW)** – Commissioners Groundwater and Lange presented the draft SOW for consultant services. When asked if it should be a formal RFP, Commissioner Groundwater noted that it's not necessary to go through a formal RFP using the MRSC Roster being that this is considered a Personal Services contract. President Fralick asked that the document use the formal name of the District, SJCPHD#3, otherwise make it clear that the District is a legal entity.

Commissioner Groundwater reported that Commissioner Lange has been interviewing possible consultants and a list of names was shared. **There was consensus of the Board that Commissioners Lange and Groundwater will proceed with the Scope of Work solicitation, subject to the recommended changes discussed. They will send to 3-5 consultants who they identify as being top candidates and will check with the District's attorney to see if he has**



**further suggestions.** In closing this item, Commissioner Miller asked the Board to confirm that everyone is focused on identifying the right structure and is not having other conversations about systems of either clinic, etc. There was agreement to remain focused on the effort to understand the pros and cons of RHCs and FQHCs and bring that back for action.

Commissioner Boteler asked for clarification as to whether she should pursue a conversation with Family Care Network (FCN). Commissioner Miller feels it's important not to send mixed messages to our partnerships and local staff. Commissioner Groundwater felt the Board can explain they are exploring what all the options are and nothing beyond that at this point.

- b. **Revisiting Board Committees** – President Fralick asked the Commissioners to revisit the make-up of the Committees they participate on to see if any changes would benefit the work ahead. It's important to have community involvement not only to help inform the work, but Committee members can also serve as ambassadors within the community. Commissioner Miller asked the group to think about having community engagement in reviewing the report that will come from the consultant. She felt it might be helpful to have people beyond the Board be part of that dialogue since it could lead to a major decision. Commissioner Groundwater and President Fralick wanted more time to assess that suggestion, and how to best approach the process.
- c. **Commissioner Schedules** – Superintendent Presson reviewed the updated calendar that was distributed during the Finance Committee report. It reflects availability for each Commissioner over the three months of August through October, which will help in scheduling any needed Special or Work Group meetings.
- d. **Board Meeting Format** – President Fralick advised the Board that the Agenda for upcoming meetings might be modified to accommodate more of a planning format as opposed to the normal format, based on the work ahead.

**VII. Operations Report** – The Superintendent presented an updated draft of the new Financial Reporting format. President Fralick asked to have the template modified to show historical projections against actuals so the Board can see how things are trending. He asked for this in the major headings: Beginning Cash, Total Expenses and Ending Cash. In addition, there was a request to keep the budgeted numbers in the out months rather than forecast what the expected revenue and expenses will be for the remaining months of the year. **The Superintendent will make the recommended changes and bring the updated report back to the next Regular meeting.**

The Superintendent also shared an initial draft Job Description should she pursue hiring of an Administrative Assistant. Suggestions were made to the wording listing Essential Job Functions, which seemed like the list might be too extensive to be considered requirements. Commissioners felt changing the heading to Basic and then Desired Job Functions would work better.

The Superintendent also provided an update on her continuing discussions with UW Medicine contracting and the Office of the WA Insurance Commissioner around LifeWise Health Plan of WA coming into San Juan County next year. She will confirm that both UW Orcas Clinic and OFHC will be in-network providers with the insurance carrier scheduled to replace Kaiser in the individual and small group markets as of January 2020. She is still waiting to hear more about the Medicare plans and doesn't expect that information to be made available for a few more months.

One final discussion item was around the proposed Q'3 grant payment to OFHC. As was discussed a few meetings ago, the Board was open to considering an adjustment to account for the fact that Dr.

Shinstrom was out on disability for the month of January. Since he doesn't have disability insurance, the Board was open to paying for what he would have made in that month had he been able to work.

The full calculation for the Q'3 2019 grant to OFHC is summarized as follows"

Subsidy per ¼ of annual budgeted amount	\$82,500
LESS MD reduction	-25,872
PLUS "Disability Allowance" for Jan:	+9,155
PLUS Add back of Q'2 2019 reduction	+13,688
<b>ADJUSTED Q'3 2019 GRANT</b>	<b>\$79,471</b>

There was consensus of the Board to proceed with the Q'3 2019 grant payment as recommended.

#### VIII. Public Comment

**Meg Masesy**, referring to the discussion around the upcoming article. said she was looking forward to seeing the numbers.

**Leif** thanked the Board for their good work.

**Dr. Shu** expressed his interest in taking over OFHC as he is aware of the communities needs and has been very involved in all the OIHCD meetings. He feels UW isn't fulfilling the mission of the Board and he questioned if a consultant will be aware of the unique needs of the island.

**Jennifer Utter, OFHC Physician Assistant**, thanked the Board for their work. She expressed concerns over the lack of cooperation between the two clinics, and how the dynamic between OFHC and Dr. Russell's practice had been very different. They used to share information and there was a lot of cooperation between those two offices. The current situation makes it more difficult for her to do her job being that the two clinics do share patients. She is finding a lot more patients are moving to OFHC, not necessarily for all their care but for a portion. The spillover seems to be 4-5 patients per day and continuity of care is important, especially for the more complex patients. She would like to see more sharing of medical records to enable both clinics to view history and be able to best serve mutual patients.

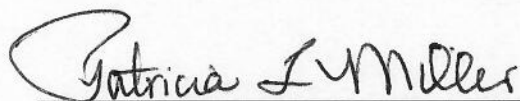
#### IX. Upcoming Meetings

A list of upcoming meetings was listed on the Agenda.

#### X. Meeting adjournment

**MOVED** by Commissioner Groundwater, seconded by Commissioner Miller to adjourn the meeting at 7:04 pm.  
**VOTE 5:0:0. MOTION CARRIED.**

Minutes approved this 6<sup>th</sup> day of August, 2019.



Attest: Patricia Miller, OIHCD Board Secretary