

Orcas Island Health Care District
Board of Commissioners - SPECIAL Meeting Minutes
Orcas Island Library – Community Room
Tuesday, October 7, 2019
9:00 – 11:30 am

Commissioners Present:

Art Lange
Diane Boteler
Patricia Miller
Pegi Groundwater
Richard Fralick

Staff:

Superintendent Anne Presson

Guest:

Shar Sheaffer, CPA, Owner DZA

Commissioners Absent:

None

I. Call to Order

President Fralick called the meeting to order at 9:04 am. Being a Special Meeting, he noted the format of the Agenda is different and does not include Public Comments. The intent of this meeting is to have the consultant present her overall findings to the Board.

II. Consultant Report

Shar Sheaffer, CPA, Owner, DZA, was present to walk the Commissioners through her final consulting report. She was contracted to assess the various federal designations, and any other viable configurations, with a goal of improving reimbursement for the two clinics on Orcas Island that are subsidized by the OIHCD.

The Narrative that was reviewed in detail is attached to these minutes. In summary, the scope of the work was to:

1. Identify all viable options for achieving financial stability across the health care system.
2. Assess the fit and pros/cons of each option for the District, clinics and community.
3. Model the likely financial impact of each option on revenue streams and operating costs, including the impact if the two practices were combined.
4. Establish the likely timeframe for accomplishing the transition to each of the options identified.
5. Identify the most favorable option or combination of options to achieve stated goals.

A few key takeaways are summarized below:

1. Introduction to Community Link Consulting as they are experts in Federally Qualified Health Centers (FQHC). The Board would like to have them address the outstanding questions that Shar wasn't fully equipped to answer.
 - a. Is there a mid-level provider requirement?
 - b. Is there a risk of not being eligible for grant funding since there is Property Tax funding?
 - c. What is the timeline to apply for FQHC look-alike status, and how long is the process?
 - d. Concerns over requirements for providing mental health and dental and would like to understand what the obligations might be beyond contracting for the services.
 - e. Contact Vashon representatives to understand their experience running an FQHC.
 - f. What are the incremental costs associated with setting up a FQHC?

- g. Does Consultant provide a set-up service? If so, what does the service look like and what does it cost?
 - h. Are there other services that must be purchased (e.g. accounting, HR etc.)?
 - i. Confirm timeline and process for certification.
 - j. What is the impact of FQHC vs free standing clinic on reimbursement for procedures?
2. Connect with local hospitals (e.g. Peace Health) to obtain relevant compensation and benefit data for benchmarking purposes.
3. What's missing that could impact the savings associated with a change in structure include:
 - a. Impact of loss of commercial contracts which could lead to lower reimbursement
 - b. Unknown overhead costs of an affiliated hospital in the Provider-Based RHC model
 - c. Costs associated with federal reporting requirements
 - d. Costs associated with contracting for additional, required services (e.g. mental health & dental)
 - e. How does mail order impact the revenue assumptions in the 340B discount drug program and what is the cost to contract with an entity to handle administration.
4. Commissioners Lange and Miller were charged with contacting the FQHC Consultant to set up a meeting with the Board.
5. Connect with an expert in the 340B Discount Drug Program to assess prescribing patterns and validate savings assumption.
6. Recommended models encourage the use of mid-levels over MDs.
7. Recommended consolidation of the two clinics to achieve savings in personnel and reduce redundant expenses associated with equipment and overhead.

III. Orcas Clinic Equipment Strategy

The Board discussed the information provided by UW Medicine in regard to the items that have reached the end of their useful life. While still operational, these are items where replacement parts are unavailable. There was a consensus of the Board to keep the expense in the 2020 budget in the event there is a need but not proceed with any replacement at this time.

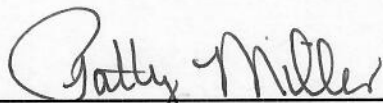
IV. Community Communication Plan

A list of upcoming meetings, including the October 28th Town Hall, was discussed. Commissioners were asked to provide Superintendent Presson with their availability for Q'4 as it's anticipated the Board will need to schedule additional meetings for strategic planning.

V. Meeting adjournment

MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to adjourn the meeting at 11:33 am. VOTE 5:0:0. MOTION CARRIED.

Minutes approved this 15th day of October 2019.



Attest: Patricia Miller, OIHCD Board Secretary

attachment: DZA Primary Care Service Analysis