

**Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting
Tuesday, June 26th, 2018
Minutes**

I. Call to Order

President Fralick called the meeting to order.

Present: Art Lange, Richard Fralick, Pegi Groundwater (by speaker phone), Patricia Miller, Diane Boteler.

II. Public Comment

Public comment by Dr. Shu regarding pain management by clinics.

III. Approval of Minutes

Approve minutes of June 19th meeting as amended. Motion: Lange. Second: Boteler. Vote: Motion Passed Unanimously.

Approve minutes of June 21st, 2018 meetings as amended
Motion: Boteler. Second: Lange. Vote: Motion Passed Unanimously.

IV. Committee Updates

Change names of Legal, Staffing, Finance, and Technology “subcommittees”, formed on May 8th, 2018 to “committees” in conformance with bylaws.

Motion: Fralick. Second: Lange. Vote: Motion Passed Unanimously.

Change name of Communications “subcommittee” to “committee” in conformance with bylaws.

Motion: Fralick. Second: Lange. Vote: Motion Passed Unanimously.

A. Finance Committee – (Fralick, Miller)

Resolution 2018-11 Authorizing an Interlocal Agreement Authorizing Interagency Loans from San Juan County to San Juan County Public Hospital District #3 in the Amount of \$400,000 as amended. Motion: Groundwater. Second: Boteler. Vote: Motion Passed Unanimously.

Consensus: Miller authorized to establish County chart of accounts. Miller requests W-9 expense statements from board.

● **OMF Update:**

1. Building inspection:

Miller reports inspection of Medical Center building has not yet been scheduled which could delay transfer of property from OMF to the PHD currently planned for August 1st.

2. Status of resolving deficit from 2017/2018 with UW:

Fralick reports that UW expects to complete their reconciliation of last fiscal year books by the end of July. There remains a balance of about \$28,000, in excess of the contract “stop-loss” that neither party has yet agreed to cover.

Lange states strong opinion about the PHD not acquiring debt from this arrangement/ misunderstanding. OMF has stated that they would prefer to *not* declare bankruptcy and would pursue encumbering the property instead, if they were not able to resolve the difference.

3. Request for funds to cover July expenses \$4K for OMF. Miller communicates that OMF has requested funds to cover basic costs including utilities, basic maintenance, and accounting/audit. Groundwater states that legal advice suggests funding building utilities & maintenance would be within the purview of funding mechanical services but accounting/audit would be problematic. She suggests formal purchase of building at a bargain purchase price to cover these other costs. She also suggests district should consider rewriting lease agreement to align cost-risk with appropriate use by tenants [UW] in future contract negotiations instead of the present atypical arrangement whereby OMF pays everything.

- **UW Update:** Review high level budget.

Miller reviews high level budget from UW. UW has stated that they are unable to provide more detail due to lack of a contractual agreement; comments that there can be no contract without this missing level of detail. Groundwater reports upon talking to them that this stalemate is not the result of advice of the UW legal team.

Miller shared an initial comparison of costs and subsidies by clinics. All discuss sources of industry comparison data including MGMA (standard for compensation, etc.), WAPHD, Washington State Rural Health Office, and AAFP.

Consensus was reached to ask UW clinic if they are a member of MGMA, Pegi will contact Ben Lindekugel with WAPHD, and Diane will contact AAFP, to see if they could provide access to industry standard metrics. General agreement that more information on metrics and resources need to be considered before contract talks.

Miller states that lack of budget detail is not the limiting factor and that the board needs to work to finalize the metrics they believe are the most meaningful (WRUs, Patients per day, etc.). Once the board agrees on the metrics and obtains them from each of the clinics so they can be compared straight across the board. Lange emphasizes that it not just the numbers or industry standards, but “whether the things we want to see [in terms of community demands], happen.”

- **Update on long term financing options.**

Miller reports on the factors that will affect loan terms and which options are available to the PHD. There is a great degree of flexibility as regards loan size, payoff date, early payoff, variable draws/step downs, millage rates and future contingencies and that some options have an associated cost. She expresses aversion to debt to fund ongoing operations. Groundwater states that conference with bond attorney gives advice that the nature of tax exempt status and bond rate depend on exact use of funds. General agreement that the bond attorney should come and address the board at a future public meeting [7/10 proposed].

Consensus to inform Islander’s Bank that we are moving forward with WA Fed but will reserve the right to revisit.

B. Legal Committee – (Groundwater, Lange)

Groundwater discussion of ethics statement signing and Public Records training. Proposal to write grant application for technology for public records storage and retention from State archive office.

Consensus: Groundwater to pursue this grant.

Groundwater confirms that insurance applications packet is complete and is under review.

- **Status of interim funding agreements**

Groundwater will begin work on IFAs with both clinics and OMF recognizing that final funding amounts will need to be established before they can be finalized.

General discussion on the role of the PHD board in communicating issues raised to individual board members by member of the public. Agreement that it would be best to follow a similar process of referring concerns to the clinics, avoid the role of ombudsman, and to set appropriate expectations with member of the public.

C. Communications Committee – (Lange, Boteler)

Lange will meet with Steve and Jennifer Smith crafting a survey. Lange and Boteler reported on progress creating communications with community, defining preferred services, and crafting a survey and what appropriate timeline would be for this and for town hall meetings. All discuss definition of services and how much to rely on feedback and how much to make a decision on community's behalf.

D. Staffing Committee – (Boteler, Groundwater)

- **Update on superintendent applications**

Groundwater states two applications for Superintendent position. Discussion of logistics of reviewing qualifications and meeting with candidates esp. during holiday week in July.

Groundwater will distribute resumes of all candidates to the board.

Boteler initiates discussion of interlocal agreements specifically with Lopez and specifically regarding sharing of Superintendent. The local Association of Washington PHD's recommends such agreements, but there seem no advantages in this case and some disadvantages regarding the shared relationship with UW and needs of Orcas community.

- **Action – Hire minutes taker**

Miller & Lange report on conversation with this candidate to air concerns about their ability to keep role separate from related roles of reporting/commenting on PHD affairs.

Hire Leif as at will employee for this role on a trial basis for compensation listed in job description. Motion: Miller. Second: Lange. Vote: Motion Passed Unanimously.

Leif will start immediately.

E. Technology Committee – (Boteler, Miller)

Boteler report on tech support by Northwest Technology. Groundwater voices concerns that the quote does not include full list of services being contracted for including level of service for public records request. Boteler will ask for a written description of the services.

Boteler expresses strong concern for privacy of personal computer and chance that it might become involved in a public records legal action. Lange affirms that the separation of public

records from business data is important. General agreement that the district should purchase computers for all board members.

V. Discussion Topics

June 11th working session - process to complete:

Board will submit any proposed changes to the summary of June 11th working session in order to make it a useful tool for contract negotiations and community outreach. Miller states that clarification still needed for defining Urgent Care expectations, (during clinic hours and after-hours) as well as desired metrics.

Discussion around the difficulty of fully defining “Urgent care” but general agreement that we need to clarify and document our desired model. General agreement to ask for a written description of the current urgent care process from both clinics, including during hours process and after-hours process. In parallel, Lange and Boteler will develop a written description of our desired model to be complete by July 3rd. Once both are complete we can compare and identify gaps and points of needed clarity.

Metrics – determine how to proceed with defining and developing metrics to be included in the contracts:

See above discussion. Lange states that he most values metrics for patient satisfaction data, work RVU's, patients per provider per day, average delay in scheduled primary care appointments and wants to know industry standards. Board members will distribute any preferred metrics and the sources they used to determine the metric values. Agreement to focus on productivity metrics first and then on customer satisfaction but to ask the clinics to share their current satisfaction methodology.

VI. Public Comment

Aimee Johnson of OFHC mentions resources for public metrics [NWRPCA, NARHC] and Census Bureau; HIPAA partner agreements; use of “secret shoppers” to evaluate patient experience; and OFHC increase in visits from former medical clinic patients. Pierette Guimond offered donation of a voice recorder; questions some specifics of clinic proposed budgets. Susan McBain asks about community membership on various committees and if it will appear on website. Leif states that “Urgent Care” on Orcas has a long precedent, is defined by current practice, and as such it is an included service; HIPAA is not a law it is a rule without legal obligation and defined by institutional policy. Bob Thomas questions on finances and staffing of UW clinic, offers resources for metrics. Dr. Shu comments on UW staffing and compare to Med Center history during Island Hospital's tenure.

Miller will work with Lopez Superintendent to obtain historical data from Island Hospital.

Fralick resumes meeting with request for changes to public records policy by board be forwarded to Groundwater to be included in a revised draft for action later.

VII. Adjourn Meeting

Motion: Boteler. Second: Groundwater. Vote: Motion Passed Unanimously.