

Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting Minutes
Orcas Island Fire & Rescue – Eastsound Firehall

Tuesday, May 7, 2019
4:00 – 6:00 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 4:04 pm. He indicated that today marks the one day over the District's one-year anniversary.

II. Public Comment

President Fralick asked for a show of hands as to how many guests were interested in presenting a public comment. At this time there was no public comment.

Commissioner Fralick mentioned that Commissioner Boteler would be dialing in later in the meeting.

III. Consent Agenda

President Fralick asked for any comments on the three items contained in the Consent Agenda. There were no changes to any of the items, other than a few minor grammatical edits on the April 16th Minutes.

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

IV. Special Presentation – Interisland Healthcare Foundation

Evan Perrollaz is the Administrator of the Village at the Harbor on San Juan Island and has served in various roles in the nursing home business for over 21 years. He is also a Board member of the Interisland Healthcare Foundation (Foundation). Evan provided a history of the work initially performed by the Long-Term Care Options Task Force following the 2017 closure of the only large, long-term care facility in San Juan County. At that time, the Task Force convened a group, of which Dennis King from Orcas was a member, to spend 6-8 months looking at the type of services they would like to see. Through that process they discovered there were 10 other rural PHDs who formed a consortium to look at solving many of the same problems. The SJCPHD #`1 ended up joining that consortium and continued to explore what options existed to create access to affordable home health care, nursing home care and other issues related to caregivers.

One model that the Foundation has explored is called "The Greenhouse Project". It is a micro nursing home approach that leverages homes in the community. These homes usually house between 8 - 10 patients at a time. The idea would be to create a home on each island and share resources. Evan explained one large challenge is the shortage of caregivers for Medicaid patients. The Foundation is looking to negotiate with DSHS for increased reimbursement rates to help create a more robust caregiving network.

The Foundation is currently in the process of contracting with the consultant from Healthcare Facilities Planning and Development who performed the work to create PIMC to conduct a Feasibility Study. The study being proposed will look at the needs of all islands and include recommendations on revenue and staffing requirements, quality measures, and a proposed governance structure. The Foundation is looking to raise \$50,000 for the study and SJCPHD#1 has pledged \$10,000 pending participation by the other two PHDs in the County.

Commissioner Fralick asked if the study will quantify the number of people on each island who need services, and he asked about the current need. Evan responded that he had heard there are about 120 Orcas seniors on Medicaid. Commissioner Miller asked if the group believes that \$50,000 will be enough to cover the full scope of what's proposed and Evan confirmed that is the expectation. She also asked if the group had any concerns using the services of the consultant who performed the work on PIMC, as it was her understanding that many of the expectations for the hospital weren't realized. She was also concerned with the early work that took a Blue-Sky approach as opposed to what might be a realistic model. Finally, she asked if the work would collaborate with the Community Health Needs Assessment that the County Department of Health & Community Services would be performing in 2019. There was also a question as to the timeline to deliver results from the Study, which is estimated to happen in the August-September timeframe.

President Fralick thanked Evan for sharing the information and indicated the Board will discuss the study at a future meeting and determine if there is interest in participating.

V. Committee & Work Group Reports

a. After-Hours Work Group

Commissioner Miller sat in for Commissioner Lange in a meeting with Dr. Jaffy and Commissioner Boteler on May 1st. The intent was to follow-up on the discussion at the last Board meeting specific to UWNC's After-Hours proposal, and determine what elements were negotiable to see if the Work Group could arrive at a proposal that was mutually acceptable to the Board and UWNC.

The results of the discussion highlighted the fact that:

1. A provider ratio of 1:4 ratio would only work for a short period of time and wasn't sustainable beyond 3 months. In talking about other options, UWNC was asked to revisit the possibility of sharing call with the other clinic or leveraging retired physicians who live on Orcas. Matt wasn't sure who to ask but would research the possibilities. It would also be important to understand if other providers would need to sign UWNC's standard contract, which includes non-complete language.
2. Providers feel a clinical staff person to support the provider when coming into the Clinic after-hours is very important. The providers feel this way for safety reasons, and it's important to have someone assisting who is familiar with clinic operations. Commissioner Miller pointed out that there is a fixed pot of money and providers should be aware that compensation paid to the staff will come out of funds available for other aspects of after-hours compensation. The district had suggested UWNC consider partnering with the sheriff's office or EMS to provide that back up support versus paying an additional staff member to be present.

3. Additional compensation built into the model to account for providers being expected to be available while on-call is non-negotiable however, there could be some leeway in the amount. paid to provide this service. Additional incentive payments for actual clinic visits isn't required yet it is encouraged. There was also consideration given to accounting for seasonal variation, as well as allowing for more comp time to account for the additional on-call burden. Since UWNC is going through a standardization of provider compensation to mirror what's paid under the UW School of Medicine, there might not be much leeway in these areas as the provider's base salary and incentive structure is determined by UW School of Medicine and is non-negotiable.
4. Commissioner Miller confirmed that the intent of the proposal is for ALL callers to receive ALL triage options available, and UWNC is agreeable to that model.

Finally, when talking with Dr. Jaffy Commissioner Miller asked whether it was a demand or supply issue causing the negative variance in budgeted versus actual visits through March. Dr. Jaffy indicated that the demand is there and it's more scheduling and capacity issues that are resulting in lower visit volumes. Next steps in the overall process were for Dr. Jaffy to follow-up on the provider questions. The rest of the items were put on hold pending a broader discussion of finances, staffing and UWNC's FY '20 budget.

b. Building Maintenance and Repairs Work Group

Commissioner Groundwater provided an update on the RFQ/RFP that was sent to HVAC engineering firms. The document asked firms to explain how they would approach the project. The deadline is Friday and two responses were received to-date. The Building Committee is hoping the select a firm will provide recommendations on what they see as the best approach, how to proceed with that approach, and include some ballpark figures. This information will then be used to put together the HVAC and re-roof RFPs.

President Fralick indicated it's a complex process and it's imperative the Committee have the expertise to help sort it out. The other major concern is doing the work in a clinic that's in operation, which is going to be difficult. In addition, things move slowly because of the government requirements. As a result of all of this, it's hard to see how we'll get the work done during the current re-roofing season. President Fralick felt it was important to alert the Board to the possibility we're going to need more time.

The results from the Engineering RFQ/RFP will be added to the Special Meeting Agenda.

c. Contract Negotiations Work Group

Commissioner Miller reminded the Board that they are still operating under the IFA with UWNC, which runs through the end of June. She feels comfortable with the modifications to the CSA language to-date, pending the After-Hours piece. It's her suggestion that this be discussed at the Board planning session on Monday to determine how the Board wants to proceed.

President Fralick asked a question as to the added language that had been talked about regarding the existing after-hours services. Commissioner Miller will send suggested language to UWNC and try to confirm agreement on that piece by Monday.

d. Finance Committee

Commissioner Miller reported on the financial reports from both clinics and that it's hard to compare since each run on a different fiscal year. OFHC on a 10/1 through 9/30 cycle and UWNC on a 7/1 through 6/30 fiscal year.

Commissioner Miller shared UWNC's FY '20 draft budget, noting that a lot has happened since UWNC started their budget development projections. They've included a column for the existing staffing structure (before two recent resignations) and added modifications based on other staffing configurations.

A couple of highlights include:

1. There is a 12% increase in provider salaries which is being driven by the changes taking place January 1, 2020 to move UWNC physicians under the UW Medicine compensation structure. Apparently the Orcas providers were on the low end of the compensation scale, so bringing them up to speed with UW Medicine Faculty is driving approximately \$100,000 of the difference.
2. The previous projections from UWNC, and that amount that was built into the long-range financial planning model, was a maximum funding of \$554,000. What we now see as a best-case scenario for the coming year is about a \$90,000 increase from projections.
3. The columns that account for changes in provider staffing reflect not replacing Kirsten and the other is not replacing Kirsten and increasing Camille to 1.0 FTE. There are still questions as to why the overall subsidy increases if Kirsten isn't replaced and further analysis is needed.

Commented [PM1]: I don't recall hearing this date. You could be accurate but for some reason I thought it was going into effect 7/1. If it does not go into effect until 1/1/20 and it has a 12% increase, that is going to be terrible for the next cycle. We should confirm timing with Lindsey unless you already have that confirmation.

Commissioner Miller shared that the Committee had a productive conversation with Lindsey from UWNC Finance, and together tried to brainstorm other areas that can be impacted to help reduce the overall budget. One item was lab and determining if everything must be flown off. Vaccines were another area that increased dramatically, largely a result of UWNC initially thinking much of this work was done by Public Health, and that is not the case. There's also the potential to decrease billing expenses largely because that category is coming in well below budget for the current year. It's unclear what's causing this trend and if it will continue, Lindsey will build it into next year's budget. Also, of note is that none of the columns include additional support staff.

Commissioner Boteler asked if UWNC is being reimbursed for vaccines, as we should be seeing an increase in revenue with the added expense. Commissioner Miller will need to explore with UWNC. She explained this was an initial first look and they will continue to explore options and answer some of the questions that came from the initial discussion.

President Fralick pointed out that 83% of the overall expense is personnel related. For context, when he was on the County Council the personnel expense represented 72% of the overall budget. This is where there is leverage yet he recognizes any change could also impact the revenue side, so it becomes a complicated scenario. It could end up being that the current labor mix is too expensive, and the Board will need to evaluate everything carefully. A big part of the challenge for the clinic is also the payor mix. The MGMA benchmark data has a national average revenue per visit of \$160 versus UWNC's revenue per visit of \$125, which is largely a function of there being 44% Medicare and a smaller percentage of patients covered by private insurance.

This discussion triggers the need to understand the value of the RHC status and other ways to increase revenue, being that there are only so many levers on the cost side. Commissioner Boteler asked if we are looking at whether the providers are using appropriate billing codes, and what percentage of billings UWNC recovers. Commissioner Miller confirmed this issue was discussed with Lindsey, and UWNC is looking to make sure they are coding correctly to receive maximum revenue. Finally, Commissioner Miller shared that UWNC is going to prepare a budget using a maximum funding subsidy of \$554,000 to see what that looks like.

e. Staffing Committee

President Groundwater provided an update on the timeline to complete the performance review for the Superintendent. All Commissioners received the evaluation form and they should be returned to the Board Chair over the coming weeks. President Fralick asked Commissioners to be timely in returning the Evaluation Forms and reiterated the intent to hold an Executive Session in June to review the Superintendent's performance.

VI. Old Business

Commissioner Groundwater shared the draft Post-Issuance Compliance Policy that was prepared by the Bond Attorney. Commissioner Groundwater had questioned if the OIHCD's policy needed to include much of the detail contained in the draft since it didn't apply to actions taken. The attorney recommended the document not be modified as it covers anything that could happen in the future; thus, it allows their firm to provide any amount of support required by the Superintendent for their initial fee. Commissioner Miller asked if the District has, or needs, a Tax Certificate as referenced in the Policy. Commissioner Groundwater will research. Commissioner Miller also pointed out a typo in the first paragraph, which referenced "In the District" twice.

MOVED by Commissioner Miller, seconded by Commissioner Groundwater to adopt the Post-Issuance Compliance Policy with the one typo corrected in the first paragraph. VOTE 5:0:0. MOTION CARRIED.

The Meeting Code of Conduct is a placeholder and discussion was postponed.

VII. New Business

a. Accountability Audit

The Board reviewed the Engagement Letter from the State Auditor's Office (SAO). The Superintendent reported that its standard procedure in advance of the Accountability Audit. There was consensus of the Board to have President Fralick and the Superintendent sign the Engagement Letter and proceed with the Accountability Audit that is scheduled to take place in June.

b. Special Meeting Agenda

The Board discussed the draft Agenda for the May 13th Special Meeting that was included in the packet. It was decided the meeting would run from 9 – 3 and be held at the West Sound Café. The goal for the meeting is for high level planning and not to dive deep into a specific area nor make any final decisions. Based on the feedback, the Superintendent will send out a final Agenda and have it posted in advance of the meeting.

VIII. Operations Report

a. Financial Reports

While the financial reports through April weren't yet available, the Superintendent did have the County provide a Revenue Status report so the Board could get a sense of property tax revenue coming in. As of the end of April, the amount collected was just over \$740,000. This represents approximately 50% of the amount in the budget. Superintendent Presson expects to see more revenue reported during the first week of May, as the Treasure works through getting all funds posted that come in on the deadline.

b. North Cascade Cardiology

SICPHD#3: OIHCD

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Superintendent Presson confirmed that UWNC received a check from Peace Health in the amount of \$7,200 for the 2018 uncollected lease payments. UWNC will deposit and then cut a check to OIHCD for the same amount. The Superintendent also reported that she sent back final recommendations to changes in the new lease agreement and is waiting to finalize with Peace Health.

c. Clinic Updates

Superintendent Presson is working with UWNC to address some immediate light replacement needs. She also reported that OFHC ordered their vaccines and once received she'll work with the Clinic Manager to draft a Press Release to advise the community their program is up and running.

d. Kaiser Air Transport

Superintendent Presson had nothing new to report. The Office of the Insurance Commissioner's investigation continues, and Kaiser is limiting their interactions with all county representatives until that concludes.

e. Other

The Superintendent reported on a couple of other activities over the past month. She received the Certification that the District's Annual Financial Report was successfully filed with the SAO. She also received an application from Islanders Bank for a District MasterCard. There was discussion around the credit card policy and moving forward with Islanders Bank since WA Fed doesn't have a credit card program. The Superintendent also addressed a question around the need for her to complete the Guaranty section, which basically allows the credit card company to hold her responsible should she use the credit card for purchases not authorized by the District. She went through the same process on Lopez Island and is comfortable moving forward.

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to authorize Superintendent Presson to obtain a MasterCard through Islanders Bank with a credit limit of \$5,000. VOTE 5:0:0. MOTION CARRIED.

The Superintendent also reported that the District is now signed up on the portal to receive funds associated with the Accountable Communities of Health effort underway in WA. She explained that as a member of the AWAPHD, the District is eligible to participate in the program which supports the move to value-based care models. Through the work with the North Sound ACH, the District will likely see Orcas residents benefit from their initiatives. Finally, she reported that she confirmed with her grant administrator that her final grant report was approved. She expects the District will receive the IT grant reimbursement for the printer/scanner purchase in the next two weeks.

IX. Public Comment

Superintendent Presson indicated that the Board will be implementing a more formal approach to enforcing the 3-minute maximum for Public Comments. This is to be considerate of the Commissioners, staff and public's time and stick to the parameters of the meeting.

Dr. Shu asked questions about the data received by both UWNC and EMS for after-hours activities, and if that data was shared between agencies. He seemed to be confused by a recent report in Orcas Issues regarding the after-hours activities.

Leif wanted to express his admiration to the Board for how they are dealing with all the items on their list.

Kirsten Picard shared with the Board that she recently resigned from UWNC and clarified that she was speaking for herself and not on behalf of UWNC. She shared her personal concerns about the staff's workload and that they

have reached a critical mass. She felt the staff is very dedicated and is working incredibly long hours to meet the needs of their patients. She would like to see changes happen at the Clinic and expressed her willingness to be part of helping the Board come up with solutions. Commissioner Lange asked if she had specific suggestions as to what the Board should do. Kirsten felt there was an obvious disconnect between the clinic staff, UWNC leadership, and the Board. She would strongly recommend all parties get on the same page.

Mary Armstrong is a nurse from the UW Clinic who also recently resigned. She endorsed what Kirsten shared and expressed her willingness to meet with the Board to help come up with ideas to fix the problems within the Clinic. She feels there is a mismatch with what goes on and how decisions are made. She is very concerned that going into the busy summer months will cripple the Clinic.

Beth Dixon wanted to comment on UWNC's request in the After-Hours proposal to have staff onsite for clinic visits. She felt the issues with safety were real and there's a vulnerability when a provider is in the clinic alone after-hours.

X. Upcoming Meetings

A list of upcoming meetings was listed on the Agenda. It was noted that Commissioner Groundwater will be remote for the May 21st meeting.

XI. Meeting adjournment

MOVED by Commissioner Miller, seconded by Commissioner Groundwater to adjourn the meeting at 5:57 pm. VOTE 5:0:0. MOTION CARRIED.

Minutes approved this ____ day of _____, 2019.

Attest: Patricia Miller, OIHCD Board Secretary