

Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting Minutes
Orcas Island Fire & Rescue – Eastsound Firehall
Tuesday, June 18, 2019
5:00 – 7:00 pm

Commissioners Present:

Art Lange
Patricia Miller
Pegi Groundwater
Richard Fralick

Staff:

Superintendent Anne Presson

Guests:

Debra Gussin, UWNC
Darren Layman, UWNC

Commissioners Absent:

Diane Boteler

I. Call to Order

President Fralick called the meeting to order at 5:03 pm.

II. Public Comment

Dr. Shu commented on how the health care model looks in this community, and the basis of success being tied to cooperation. He went on to discuss what that means from a professional level and community level. He described the structure at Peace Health where Social Workers and other types of Therapists who weren't employees of Peace Island Medical Center would rotate in to see patients. In addition, volunteers from the community were utilized to perform some services which helped reduce costs. He acknowledged the many caring people who want to help and provide their services for free, and he wondered if this model could be used by the UW Clinic.

Bill Gincig commented on the fact that a new contract was signed with UW without after-hours or weekend care. He felt it doesn't make sense that UW has asked for an increased budget while OFHC is performing these services within their budget.

III. Consent Agenda

President Fralick noted that there isn't an AP Voucher Report so he will remove both items from the Consent Agenda and just take the June 4th Minutes as an action item.

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to approve the June 4, 2019 Regular Board Meeting Minutes as presented. VOTE 4:0:0. MOTION CARRIED.

IV. Operations Report

- a. Financial Report** - The Superintendent is still working with Commissioner Miller to finalize the updated reporting format. In the meantime, she shared a streamlined report from the SJC Financial Management system that shows Revenue and Expenses by Fund Type. She reported that Property Tax proceeds total \$883,680 through May. She also reported an error in coding her salary and benefits in April that resulted in the Medical Insurance being overstated by the amount of her salary and Salary being understated. This has since been corrected and items will be

reflected in their proper categories on the June report. The Superintendent went on to confirm that \$50,000 was moved into the Reserve Fund, per policy, and she categorized the funds as Operational Reserves. The Board agreed with that approach, and any funds coming from the long-term bond will be tagged as Capital Reserves. **The Superintendent will work with the Finance Committee on an investment strategy.** Finally, the Debt Service Fund is showing repayment of half of the Inter-Governmental Loan with SJC plus accrued interest. **The balance of that loan will be repaid following receipt of the second half of the property tax receipts in October.**

- b. Accountability Audit** - Superintendent Presson shared documents from the Office of the WA State Auditor associated with the 2019 Accountability Audit. The packet contained information designed to ensure that Commissioners are aware of the audit process. As part of that process, the Auditor spoke with Commissioner Fralick. Commissioner Fralick reported that the call went very well, and the Auditor was complimentary of the Superintendent. In addition, the Auditor was onsite in the District office for a day and a half and was able to review all financial processes and documentation. **The Board was asked to consider the Auditor's offer to conduct the Exit Conference, where results of the audit are presented, at the July 16th Board Meeting.**
- c. Kaiser Air Transport** - Superintendent Presson reported on a call she participated on with the Office of the Insurance Commissioner (OIC). The OIC reported on the results of their investigation into claims that Kaiser Permanente was unfairly denying coverage for emergency medical air transport. The items reviewed during the call were included in the Board packet. In summary, the OIC concluded that the majority of the air transport denials were consistent with Kaiser's coverage criteria. The investigation did not substantiate the complaint of unfairly denied claims; however, it's important to note that the OIC only reviews commercial plans and does not have jurisdiction over Medicare and Medicare Advantage plans. The Superintendent reported that she's been successful in helping several residents on Lopez Island go through the Appeals process and claims have been paid. She will continue to stay apprised of any ongoing developments. Of course, this is only relevant for the balance of the year. We know that LifeWise will replace Kaiser as the individual insurance provider in the County. **Superintendent Presson is in talks with the OIC to ensure whatever plans are offered meet the needs of the community. It's likely there won't be any specifics on this change until late summer.**
- d. North Cascade Cardiology** – The Superintendent and Commissioner Groundwater have been going back and forth with Peace Health to secure a new lease agreement which would enable Dr. MacAfee to see patients at the UW Clinic. As a reminder, the doctor had previously been splitting his day between OFHC and UW. Since OIHCD became the clinic building owner, and a new lease agreement was pending, Dr. MacAfee has been seeing all patients at OFHC.

Since reaching a mutually acceptable agreement has been challenging, combined with the fact that the provider prefers seeing patients at one location, the recommendation is to maintain the current structure whereby Dr. MacAfee sees all patients at OFHC. The Superintendent reported there haven't been any significant patient complaints, and both clinics are supportive of this approach. **There was consensus of the Board to accept this recommendation.**

- e. Other** – Superintendent Presson shared a request from SJCPHD #1 in response to the presentation on the proposed Long-Term Care Feasibility Study. The SJCPHD #1 is asking the OIHCD to write a letter of support for the project and the continued study of long-term care needs on all islands. There was discussion and consensus was reached that the Board is willing to voice its support of the issue but not lend support for the feasibility study itself. There were various questions and concerns specific to that project, and the Commissioners weren't

comfortable making any statement relative to the study. Superintendent Presson will discuss this further with her counterpart on San Juan Island.

Finally, the Superintendent passed out a new format for a summary Operations Report. She received positive feedback from the Board and will begin to put something similar into her regular reporting (attached). **One additional action item that came from the report is to determine if the childhood literacy grant, which has supported the purchase of books to be given during well child visits, is restricted to the UW Clinic.**

V. Old Business

- a. **Follow-Up from Special Meeting** – Commissioner Groundwater reported that she has continued to discuss issues specific to the Rural Health Clinic (RHC) and Critical Access Hospital (CAH) designations with her CMS contact. Issues specific to an RHC are relevant since that is the designation held by OFHC, and any change in their physical location could impact their designation. There are also restrictions if OFHC was co-located in the UW Clinic building, such as needing a self-contained space and requirements to track the percentage of time common facilities (e.g. lab) are used. Continued research is necessary to fully understand the issues and impact.

VI. Committee Reports

- a. **Building Committee** - Commissioner Fralick reported that the Committee continues to be in discussions with Hargis Engineering regarding the various building projects. A report was provided earlier in the day that they will need to review in more detail before sharing with the Board. In summary, Hargis is recommending they be hired to create the RFP. It will be important that the document is all inclusive (HVAC and roof) and, in order to ensure the District can compare quotes received, it will need to specify all equipment to be installed, including model #. They are also recommending an independent party oversee the project to ensure it's adhering to the specifications. In order to minimize the disruption to Clinic services, they recommend doing one wing at a time which makes this a complicated and expensive project. One positive note is that UW confirmed the Procedure Room is not registered with the State Department of Health so there isn't a need to get them involved.

Commissioner Fralick shared a statistic that a building of this size should fall into the range of \$40/square foot for an HVAC replacement. Based on 6,000 sq. feet that would be in the \$240,000 range, which is significantly higher than original estimates. **The Committee will continue discussions with Hargis and report back at the next Board meeting.**

- b. **Finance Committee** - Commissioner Miller provided an updated summary of UW and OFHC Clinic Operations, containing more details on current staffing at OFHC. She pointed out that both visits/provider/day and visits/RN/day were similar across the two clinics. If this is a valid way to make the comparison, it shows OFHC a little higher in visits/support staff/day.

VII. SPECIAL REPORT – UW FY '20 BUDGET

Debra Gussin from UW Neighborhood Clinics (UWNC) provided an overview of the budget for UW's coming fiscal year, running from July 1, 2019 through June 30, 2020. She reviewed some of the history between UWNC and the community, and the original request from OMF to have UW run a Primary Care Clinic when Island Hospital left. She feels the UW team has learned a lot over the past two years as far as what it takes to run a clinic in this community.

As the relationship transitioned from OMF to OIHCD last year, it was apparent the OIHCD had different expectations than OMF. She was happy to have signed a Clinical Services Agreement (CSA) and is looking forward to agreeing on a budget model. As UW looks ahead, in order to provide the best work/life balance for staff and services necessary to provide quality care to the community, they feel funding at the top tier, Column C, is optimal. UW feels it offers the staffing needed to optimize workflow and address all the between visit and planning necessary to deliver on their quality goals.

Commissioner Miller stated that the focus has on been looking at staffing costs since that's the largest number and would have the most significant impact on the budget. That said, she feels there might be savings in the "Other Expenses" line items since those are increasing 15% in FY '20. A big chunk of the cost is comprised of Billing Fees, and she asked if that might be an area to find some meaningful savings. Overall, she would hope to see \$40,000 in savings from revisiting the Other Expenses category.

Debra committed to prioritizing staffing and looking at ways to reduce non-salary costs. She couldn't say specifically what that might generate; however, she committed to being as efficient as possible, while reminding the Board that employee costs are 85 – 90% of the budget.

VIII. Work Group Reports

- a. **Contract Negotiations Work Group** – Commissioner Miller reminded the Board that at the last meeting there was consensus not to consider the Budget Option A. That left Options B and C up for debate. Commissioner Lange felt that Option B, which includes 2.7 FTE providers and 4.7 FTE staff, is acceptable. He did propose one caveat for one additional MA level assistant, if deemed necessary. He is inclined to support Option B with this proviso.

Commissioner Miller recognized the need to not only look at the numbers but also the reality of the day to day functioning of staff. She feels a strong responsibility to spend money efficiently and struggles to understand why the duties at UW are so much more onerous than OFHC. While the data doesn't support a higher budget, she is sensitive to what the staff is saying about workload at UW. What she heard from staff is that Column B gets to where they were last year and that isn't sustainable. She feels there might need to be consideration to funding an amount that falls in between the funding level of Options B and C.

Commissioner Groundwater felt it will take a while to hire replacements for the RNs and any additional MA. She likes Option B and doesn't feel Option C factors in a ramp up phase, so the numbers don't seem right. President Fralick wasn't comfortable with Option B and would like to see a little more flexibility in the numbers to ensure the Clinic can operate at a level where the staff feels they can be successful. Commissioner Miller felt approving the budget is an important step to solidifying the relationship and how we move forward. At the same time, it also forces the Board to take a comprehensive look at the overall system, as was outlined in the recently published Letter to the Community.

Discussion continued among the Commissioners with the basic difference in the staffing model being the addition of a third MA to share the duties in Option C. All were in agreement to ask UW to revisit Other Expenses to see if they can reduce those costs by \$40,000. In turn, the Board was willing to increase funding in Option B by \$40,000.

MOVED by Commissioner Miller, seconded by Commissioner Groundwater and restated to approve a budget with a subsidy of \$683,601, to include 8.77 support staff FTEs and 2.75 provider FTEs with the option to go to

\$725,601, provided additional funds are used to increase clinical staff FTEs by hiring an additional Medical Assistant (MA). VOTE 4:0:0. MOTION CARRIED.

A final comment from Commissioner Miller as she wanted to make it clear that, even though she supports approval of this increased budget she does so while maintaining a significant amount of concern with the magnitude of increase, and a realization that this is not a sustainable level of funding for the long-term.

Commented [PG1]:

Commented [AP2R1]:

IX. New Business

- a. **Statement of Purpose** – After reading two proposals for consideration, the Board came to agreement on a final statement of purpose.

MOVED by Commissioner Miller, seconded by Commissioner Lange to approve OIHCD’s Statement of Purpose as follows:

The Orcas Island Health Care District’s purpose is to ensure that high quality primary, acute and after-hours medical care is available to all the members of our community in a financially sustainable and cost-effective manner now and into the future.

VOTE 4:0:0. MOTION CARRIED.

- b. **Pro Forma “Who is OIHCD”** – Commissioner Miller reported that this item is pending. Commissioners were directed to send their thoughts on what should be included in this document to help expedite the process. **Feedback was to be provided to Commissioner Miller by end of day Sunday, June 23rd.** President Fralick reminded the Commissioners that the purpose of such a document is provide an overview of the District to aid in conversations the Board will be having with outside entities.
- c. **HR Policy** – Commissioner Groundwater presented an initial draft of the District’s HR Policy. It was decided she would work with Commissioner Miller to revise the document. **All Commissioners were asked to provide feedback to Commissioner Groundwater on or before June 26th. She will consolidate all feedback and bring an updated draft to the next Board meeting.**
- d. **Planning Session** – Commissioner Miller proposed the Board hold a second all day planning session to organize all the work that needs to happen to chart the path forward. This will include identifying who might be able to serve as a consultant to advise on issues specific to whether the District can regain lost reimbursement through a hospital affiliation for both clinics; and what structure of consolidation looks like.

There was consensus of the Board to hold another session right after the 4th of July holiday. Superintendent Presson will work on securing a date that works for everyone.

X. Public Comment

Dr. Shinstrom spoke to the fact that the District should amend their statement of purpose since they just signed a contract with UW that did not include after-hours care. Currently, the onus for calls falls on OFHC. There was a response by Dr. Flemming that she is a UW provider and is seeing patients after-hours.

Carl Buttke asked a question as to whether the UW Lopez Island Clinic is experiencing a similar budget increase. The Superintendent reported that Lopez is in the second of a three-year CSA that included budget caps for all three years. As such, the District is not having the same experience with a significant budget increase for FY '20.

Commented [PG3]: Was it Carl Buttke who asked this question?

Dr. Shu spoke again about the concept of utilizing community volunteers in the UW Clinic. While the UW package isn't perfect, perhaps some savings can be realized by using volunteers to do things like answer phones. Since the island is unique we might be able to authorize this type of approach and define what volunteers can/can't do.

Bill Gincig clarified his understanding that the current millage rate is \$.65 and asked if there's an expectation the rate will need to be increased to \$.70? President Fralick reported that the rate for this year is set and can't be changed. Any future increase will be addressed when budget discussions begin in a few months and the District puts together the budget for adoption in November. The current budget assumed the HVAC replacement at \$150,000 so we'll need to see what the impact is for the expected increased cost. Any incremental increase will be plugged into the budget modeling tool to see the impact on the budget. The Board is very conscientious about keeping the rate at a minimum.

Mary Poletti thanked the Board for their work on behalf of the community. She realizes the challenges of providing care in a rural community and had hoped UW would help develop a rural health care model for the nation. She questioned if UW has access to grants that could help support a viable model and allow us to increase access to urgent and emergency care.

Andrea Hendricks urged the Board to continue to track and inform the community about what's going to happen with Kaiser's Medicare Advantage plan.

Dr. Flemming suggested the WWAMI network might have some ideas as to who could support the District in providing rural health care consulting. She also indicated that the current five-year grant for childhood literacy is likely close to ending, as it was initiated in 2015.

XI. EXECUTIVE SESSION

At 6:55 pm President Fralick reported the Board, per RCW 42.30.110 (1) (g), was going into Executive Session to discuss the annual Performance Evaluation of the Superintendent. While the session was planned for 30 minutes on the Agenda, the Board decided to go in for 15 minutes and post a notice if additional time is needed. The Board reserved the right to act when back in open session. President Fralick announced the Board would reconvene at 7:10. The Board posted a request to remain in Executive Session and reconvened in Open Session at 7:25.

XII. Committee Reports (continued)

- a. **Staffing Committee** – there was no action taken.

XIII. Upcoming Meetings

A list of upcoming meetings was listed on the Agenda..

XIV. Meeting adjournment

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to adjourn the meeting at 7:30 pm. VOTE 4:0:0. MOTION CARRIED.

Minutes approved this ____ day of _____, 2019.

Attest: Patricia Miller, OIHCD Board Secretary

DRAFT