

Health Care on Orcas:  
Where We Are  
Where We Go From Here

Orcas Island Health Care District  
(OIHCD)

June 30, 2020

# Welcome, Intros and Logistics

- Please keep your phone muted.
- Please turn off video to allow Commissioners & Superintendent to be shown on the screen.
- Questions to be submitted via Chat.
- Appreciate having name and contact to ease follow up in case we run short on time.
- A detailed Q&A document is being developed and will include questions from this Town Hall.

# Agenda

- **OIHCD Top Priority**
- **OIHCD Financial Review**
- **OIHCD Consensus on Consolidated Funding Approach**
  - Financial Considerations
  - Operational Considerations
- **Where We Are**
  - Request for Proposal (RFP) Process
  - RFP Priorities & Other Considerations
- **Where We Go From Here**
  - Brief Review of RFP Results
- **Next Steps**
- **Discussion and Questions**

# OIHCD Top Priority

ENSURE THAT QUALITY, ISLAND-  
APPROPRIATE PRIMARY, URGENT AND  
AFTER-HOURS CARE IS AVAILABLE TO  
ALL MEMBERS OF THE COMMUNITY IN  
A CONSISTENT, RELIABLE,  
FINANCIALLY SUSTAINABLE AND  
COST-EFFECTIVE MANNER

# The Biggest Challenge

## Forecasted Costs under the Current Model are Rising Faster than Revenue

### Comparison of 2019 to 2020 Expenses

	2019	2020	%
	<u>Actuals</u>	<u>Estimates</u>	<u>Increase</u>
PHD Operations	\$ 129,842	\$ 256,485	98%
UW Clinic Subsidy	550,000	683,601	24%
OFHC Clinic Subsidy	330,000	464,973	41%
After Hours Compensation	12,500	14,500	16%
Reserves	100,000	100,000	0%
Building Maintenance	51,098	21,927	-57%
Equipment Maintenance	4,105	30,000	631%
Equipment Purchases	-	50,000	
<b>Total Forecasted Expenses</b>	<b>\$ 1,177,545</b>	<b>\$ 1,621,486</b>	<b>38%</b>

### Highlights/Concerns

- PHD Operations increases driven by one-time costs to identify a sustainable long-term model.
- Clinics increases driven primarily by compensation & benefit increases.
  - UW has stated that they require \$803,000 annually to operate the clinic under their model.
- Estimates do not include capital costs for roof & HVAC expected to exceed budget by \$107K.
- Majority of existing clinic equipment has reached end of useful life and will need to be replaced in the coming years. Est. \$25K/yr. for 7 years.

# OIHCD Consensus on Consolidated Funding Approach in 2021

- Rising costs was primary reason to consolidate funding.
- Management of both clinics and OIHCD agreed the two-clinic model wasn't sustainable.
- Inefficient and unsustainable to fully equip both clinics with necessary diagnostic equipment.
- Fragmentation of providers leads to reduced access and/or additional cost of using Locums to maintain full provider schedule when providers are sick or on PTO.
- Desired after hours support unattainable under two clinic model due to system/legal limitations for call sharing.

# OIHCD Building/Equipment Costs

	<u>Budget</u>	<u>Bid/Estimate*</u>
<b>HVAC</b>	<b>250,000</b>	<b>298,000</b>
<b>Roof</b>	<b>150,000</b>	<b>209,000</b>
<b>Building Painting *</b>	<b>25,000</b>	<b>25,000</b>
<b>Equipment Replacement *</b>	<b>50,000</b>	<b>50,000</b>
<b>Total Capital</b>	<b>400,000</b>	<b>507,000</b>

- Cost of insulating roof is projected to be fully offset by utility savings over roof's lifetime, while also improving life of HVAC system & patient comfort.
- \$384K remaining in long-term bond capacity.

# Top Challenges - Operational

- Inability to Share On-Call with all Orcas Providers, 40% of coverage is handled by a Lopez provider.
- Duplication in equipment creates increased cost; and sharing presents limitations for a practice.
- Inability to use the same method and metrics to capture patient experience and quality outcomes.
- Gaps in supporting other health care stakeholders (e.g. EMS; County Dept. of Health & Community Services) strains overall health care system.



# Where We Are

Activities from January through June 2020:

- Assessed Clinic Models (Jan–March)
  - Rural Health Clinic Status (RHC)
  - Federally Qualified Health Center (FQHC)
    - Look Alike
    - Affiliated Model
  - Provider Based Rural Health Clinic
    - Under 50-bed Hospital
    - Critical Access Hospital

# Where We Are

- Gathered input to inform RFP (Jan-April)
  - Clinic Operators, EMS, County & Community
  - Input from other industry experts
- Defined RFP Priorities (April-May)
- Released RFP May 8<sup>th</sup>
- Final Action on RFP August 4<sup>th</sup>

# What is an RFP

- Document that a business, non-profit, or government agency creates to outline the requirements for a specific project or service.
- Designed to be a fair and equitable method of soliciting bids from qualified responders.
- Evaluation criteria created to identify best-qualified responder.

# RFP Priorities

- Implement a model that is appropriate for a rural, remote community:
  - Provider mix that includes mid-levels (Physician Assistant, Nurse Practitioner)
  - Ability to support patient access and needs for urgent care during and after clinic hours
  - Incorporate local input - limited local influence doesn't enable island-appropriate care or expanded scope of services
  - Collaborate closely with Community Partners (e.g. EMS & SJC Dept. of Health & Community Services)
- Pursue enhanced Medicare reimbursement opportunities.

# RFP Other Considerations

- Retain Current Providers.
- Retain Access to UW Medicine Specialists:
  - Providers are able to refer to any specialist they, together with the patient, deem appropriate
  - Referral patterns can also be limited by an individual's insurance plan
- Electronic Medical Records (EMR):
  - OIHCD is committed to pursuing all available means to minimize disruption for patients, providers and staff
  - Industry and CMS are moving towards interoperability

# RFP Results

- **UW Medicine**
  - Declined to respond to RFP but agreed to continue in existing model
    - Reason stated organizational impact of COVID
    - Prohibition on any change or expansion of existing of capacity
- **Orcas Family Health Center**
  - Response to RFP was drafted
  - Letter of Support for Island Hospital's Provider-Based Rural Health Clinic
- **Island Hospital**
  - Submitted a proposal for a Provider Based Rural Health Clinic Model
- **PeaceHealth/PIMC and FQHCs**
  - Declined to respond to RFP
- **Orcas Community Integrative Medicine Clinic**
  - Submitted a proposal as an Independent Clinic

# Next Steps

- Discuss RFP Results: July 7<sup>th</sup> Board meeting
- Town Halls to Discuss RFP: July 9<sup>th</sup> & July 21<sup>st</sup>
- Finalist Interview(s): TBD
- Final Decision: August 4<sup>th</sup>
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1. Register your email on the OIHCD website to be added to mailing list.
2. Receive ongoing information and updates.
3. Town Hall slides & Q&A document will be sent to OIHCD mailing list.
4. Contact information is on the website.

[www.orcashealth.org](http://www.orcashealth.org)



# Discussion & Questions

## **TYPE YOUR QUESTIONS INTO CHAT**

- What questions do you have on our activities?
- What feedback do you have for the OIHCD?
- What else is important to you?
- Please include your contact information.