

**Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**REMOTE BOARD MEETING**  
**Tuesday, August 18, 2020**  
**5:00 – 7:00 pm**

**Commissioners Present (via Zoom):**

Art Lange  
Diane Boteler  
Patricia Miller, Secretary  
Pegi Groundwater  
Richard Fralick, President

**Staff (via Zoom):**

Anne Presson, Superintendent

**Commissioners Absent:**

None

**I. Call to Order**

President Fralick called the 18<sup>th</sup> meeting of the OIHCD in 2020 to order at 5:00 pm. He noted all Commissioners and the Superintendent were present.

**II. Public Comment**

Superintendent Presson read the Public Comment received via email.

**Bill Bangs -**

*As the commissioners attempt to negotiate a contract with Island Hospital to operate the Orcas Island Medical Clinic, I hope that they will strive to structure that contract in a way that motivates Island Hospital to provide the services we need at a fair cost. In particular, I hope that the contract avoids the pitfalls and disincentives that arise from either a cost-reimbursement contract or a fixed-price contract. Please consider a "performance-based service contract" rewarded by a "fixed-price plus incentive fee" payment schedule. By now the commission has established the basic service requirements for our clinic and has a pretty good idea of what running a medical clinic on Orcas should cost.*

*This could be the basis for determining the baseline performance and fixed-price parts of the contract. Adding an incentive-fee structure will ensure that the contract has well-defined performance metrics that can enhance Island Hospital's income if they exceed baseline performance (and reduce that income should they fall short). Such an approach could result in a true "win-win" contract.*

**III. Consent Agenda**

The items contained in the Consent Agenda included: August 4, 2020 Regular Board Minutes, and AP Voucher Reports dated July 13<sup>th</sup> and August 17<sup>th</sup>.

**MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to approve the Consent Agenda as presented. No further discussion. VOTE 5:0:0. MOTION CARRIED.**

**IV. Medical Clinic Operator RFP 2020-03**

- a. **Clinical Services Agreement (CSA)** - Commissioner Groundwater provided an update on the Clinical Services Agreement (CSA) and noted she incorporated feedback from Commissioners

Lange, Boteler, and Miller into the updated document that was included with the Board materials. Commissioner Groundwater felt there were three areas that were appropriate for Board discussion: (1) inclusion of a Licensed Clinical Social Worker; (2) Patient Acceptance; and (3) Change of Control/ Solvency. The Board took up discussion of all three of these areas.

In regard to the LCSW, there was agreement that there is a need for behavioral/mental health support, and that physical health and behavioral health issues are highly correlated. That said, they all agreed that there was a need for more data to determine if an LCSW is the best way to dedicate funds at this point. Discussion continued and the Board would like to better understand the resources and support available through other organizations (e.g. Orcas Community Resource Center). Superintendent Presson will reach out to OCRC, OFHC and PIMC who also leverage support of an LCSW in the clinic. This item will stay on the list of services the Board has interest in and would like to better understand before making a final determination.

The Board continued to discuss what was truly meant by patient acceptance. After a lengthy discussion, there was agreement to remove language that spoke to care specific to non-residents without the ability to pay. This issue will be brought to Island Hospital's attention as something to raise awareness and monitor.

Finally, it was decided the section specific to Change of Control and Solvency should be broken into two separate sections since they really address different concerns.

Commissioner Groundwater went on to explain that this agreement will actually be an Interlocal Agreement since it will be between two Public Hospital Districts. Discussion continued around hiring of staff, providers, and clinic leadership. There were varying opinions as to whether the Board should have veto power or simply input, and to what degree the Board should be involved with hiring. There was recognition that culture is important as it the awareness of the unique pressures on providers operating in a remote clinic.

There was also discussion around the need to be clear around expectations on the management of clinic equipment. While the OIHCD owns these items, the Board relies on the Clinic Operator's expertise to make recommendations on when items reach end of life and equipment replacement.

In regard to productivity, the Board would like assurance that this is an area of importance to Island Hospital and is an integral part of the providers compensation structure. The Board would also like to understand how provider productivity is monitored and tracked, even if not reported on an individual level to the Board. The last item was insurance plans, and the need to confirm if there are any plans that are not accepted by Island Hospital.

- b. **Legal Representation** – Commissioner Groundwater reminded the Board that she and President Fralick were tasked with interviewing law firms after it was surfaced that the District and IH share the same legal counsel. She reported interviews with three law firms were completed, and candidates were asked questions on their qualifications and pricing. Based on those discussions, Commissioner Groundwater and President Fralick are recommending the Board authorize them to proceed with Katherine Deets of the firm Chmelik, Sitkin & Davis in Bellingham. Consensus was reached to support this recommendation. Commissioner Groundwater was directed to share the Draft Agreement and other documents necessary to start the process with Katherine.

- c. **Report of Calls with IH and UWNC** – President Fralick shared a few highlights from his call with Debra Gussin from UWNC. The key item the Board needed to be aware of from that discussion was agreement to use October 15<sup>th</sup> as the deadline for the Board to make a final decision on whether there will be a transition to Island Hospital.

Superintendent Presson reported highlights from her call with Island Hospital’s CEO. He will work collaboratively with the OIHCD to develop a community engagement plan and calendar. In addition, Patty Codd from IH is scheduling a visit the Clinic in the next few weeks to further assess equipment needs and replacement schedules/costs. Finally, there is a call scheduled on August 27<sup>th</sup> for UW and Island Hospital to begin discussions as to how they will work together to ensure a smooth transition for patients, providers and staff should an agreement be reached between IH and OIHCD.

**V. Committee and Work Group Reports**

- a. **Building Committee** – Commissioner Groundwater reported that both contractors met onsite at the medical clinic building last week. The UW Medicine Orcas Clinic Manager, Jen Taylor, was also present and the meeting helped to ensure all parties are aware of clinic operations and how to best ensure the best experience for all parties.

A joint calendar was created to help manage and coordinate activities. It’s expected the roof tear off will begin on 8/24 and take a week. The HVAC replacement will commence on 8/31 and likely run for 4-5 weeks. The HVAC contractor’s plan is to work Monday through Thursday from 6 am until 4 pm. The roofer is likely to start midway through the HVAC schedule, 9/14, and will take 6-8 weeks to handle the insulation and roofing. The target is to have both projects wrapped up before the end of October.

As was discussed at the last Board meeting, the Committee asked the HVAC contractor what, if anything, should be considered in regard to a filtration system to ensure air quality in the COVID-19 era. The contractor came back with a recommendation, which comes with an estimated cost of \$6,300. After continued discussion it was decided the Committee will research further and bring more details on possible solutions to the next Regular Board meeting.

- b. **Finance Committee** – Commissioner Miller reported a review of the UW financials will be deferred since their year-end report has not been received. UW had submitted a very high-level FY ’21 budget, which will be discussed at the next Regular Board meeting.

For this meeting, the discussion was focused on the OFHC FY ’20 financials through June 2020 (OFHC’s FY ’20 Q’3). Highlights included:

• PPP funding	\$118,000
• CARES Grant	\$144,000
• COVID-19 testing	<u>\$ 50,000</u>
<b>TOTAL ADD’L REVENUE</b>	<b>\$312,000 – offset Revenue lost from reduction in hours</b>

In addition to revenue received from various programs, the Clinic received a gift from an estate in the form of a house which has been sold for \$454,000. The OFHC Board made the decision to use those proceeds to pay off debt the practice has incurred to Dr. Shinstrom, and those funds are being distributed in that manner. Dr. Shinstrom has generously agreed to

write off the remainder of his deferred compensation. As a result, the practice will no longer have that debt on their books, and it leaves the practice in good shape.

Commissioner Miller indicated that there is additional revenue of approximately \$122,00 from APPLE Health reconciliation from prior years that is not reflected in the financials, and another \$25,000 estate gift. Rather than go back and reconcile subsidy payments previously made in FY '20, the Committee supports reducing future subsidy payments to OFHC.

OFHC is working on their budget forecast for October 2020 through March 2021. Updates will be brought to the next Regular meeting so the Board can look at what a potential subsidy request for the next 6-months might be for OFHC.

Commissioner Miller expressed her appreciation for OFHC's efforts which led to successfully getting the additional revenue from the grants and programs available during COVID-19. Commissioner Lange expressed his appreciation of Dr. Shinstrom's gesture of good will, and for all of his years of service to the community.

#### **VI. Old Business**

There was no old business to discuss.

#### **VII. New Business**

Superintendent Presson provided the Board with materials that she received from the Clinic associated with the Nell F. Brown Trust. The Clinic Manager was sent a packet of material from the Trustee being that the original beneficiary was Orcas Medical Foundation, which does not currently exist. After discussion as to whether the District can demonstrate OIHCD is the successor of interest to OMF, there was consensus for Superintendent Presson to work with Commissioner Groundwater and President Fralick to determine how to effectively respond to the Trustees.

#### **VIII. Operations Report**

Superintendent Presson provided an overview of the OIHCD's financial performance for the first half of the current fiscal year. As of June 30, 2020, the District is performing favorably when comparing actuals to budget. Revenue is approximately \$130,000 higher than budget due to the \$100,000 grant she was successful in securing and the \$30,000 received from the Lundeen Endowment via OICF. When looking at Expenses, the roof and HVAC projects are approximately \$50,000 over budget; however, the District is unlikely to spend the \$50,000 allocated for medical equipment in FY '20. The Building Landscape will be over budget as there were additional landscape needs to accommodate the roof and HVAC work. All in all, that allowed the Building category to only be over by just under \$5,000 in total. There were some other budgeted expenses that also came in much lower than expected, which led to an overall reduction in total expenses when comparing forecast to budget.

The calendar for the 2021 budget process was reviewed. Superintendent Presson will bring a first look of the budget to the next Regular Board meeting, and it's expected the budget process will wrap up at the October 6<sup>th</sup> Regular Board meeting. The budget and levy hearings are scheduled to be held at the November 3<sup>rd</sup> Regular Board meeting.

#### **IX. Public Comment**

Superintendent Presson read several comments submitted via Chat.

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**Leif –**

*And the matter of what is a “Medical Home” means in my perspective, has to do with integrating the many aspects of this model we are creating for the best long-term service of our community. How are the pieces going to fit? We have so many that do not fit well, and it is inappropriate for us, as we have done previously, to ask our contracted “clinic operator” to perform this function for us.*

**Aimee Johnson** – This comment is in response to the earlier discussion around non-residents without insurance receiving primary care services.

*OFHC has patients who live on Blakeley, Waldron, Shaw, Crane, Lopez, and San Juan islands, as well as a handful o the mainland. One example of a mainland patient we have who is uninsured; however, he mot only pays his bills, he makes donations when he can. How would those patients fit in?*

**Bob Thomas (incorrectly attributed to Bill Bangs when read)**

*If the Commissioners retain veto authority over a staff hire, they accept responsibility/liability for that hire.*

**Bill Bangs -**

- 1. Regarding behavioral health, please structure the contract (inter-local agreement) so that the providers are fully enabled to treat the patients as they best see fit. I understand that many medical issues are strongly correlated with behavioral issues and, therefore, behavioral health should be a high priority of this district. If the providers decide that a licensed social worker will improve the overall health of the Orcas population then Island Hospital should be encouraged to provide such services.*
- 2. There appeared to be some concern regarding providing free or low-cost medical services to transients who are uninsured or otherwise unable to pay the full cost of services. I believe that such services are covered by Island Hospital’s Charity Care Policy and that such services are already available in Anacortes. I doubt that Orcas will see a large influx of medically needy homeless, uninsured patients because of the Orcas medial Clinic’s charity care policy. If our island does become overrun by those who are district-shopping for a free-clinic then Island Hospital will be the first to squawk.*
- 3. I hoper that all patients with existing insurance should be covered at Island Hospital and that all existing patient relationships with specialists will be fully supported and not discouraged by Island Hospital. Thank you.*

**Karen Speck –**

*Board, thank you for acknowledging Dr. Shinstrom and his years of service to the community.*

**X. EXECUTIVE SESSION – 7:15 until 7:30; at 7:30 extended 10 minutes before returning.**

President Fralick indicated that pursuant to RCW 42.30.110, the Board would move into Executive Session to discuss the Annual Performance Review of Superintendent Presson.

**The Board returned to Open Session at 7:40 and confirmed there would be no action taken at this time.**

**XI. Upcoming Meetings**


The next Regular Board meeting will be September 1<sup>st</sup> via Zoom.

**XII. Meeting adjournment**

**MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to adjourn the meeting at 7:45 pm. VOTE 5:0:0. MOTION CARRIED.**

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Minutes approved this \_\_\_\_ day of \_\_\_\_, 2020.

DocuSigned by:  
  
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Attest: Patricia Miller, OIHCD Board Secretary

11/11/2020

Date signed