

**San Juan County Public Hospital District #3**  
**Db: Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**Tuesday, August 21, 2018**  
**4:00 pm – 6:00 pm**  
**Eastsound Firehall**

**Commissioners Present:**

Diane Boteler  
Pegi Groundwater  
Art Lange  
Patricia Miller  
Richard Fralick (remote)

**Staff:**

Superintendent Anne Presson

**Commissioners Absent:**

Non

**I. Call to Order**

Since President Fralick was participating remotely, Secretary Miller was designated to run the meeting. She called the meeting to order at 4:02 pm.

**II. Public Comment**

Secretary Miller asked for a show of hands as to how many guests were interested in presenting a public comment. There were no raised hands.

**III. Consent Agenda**

Secretary Miller asked if there was a request to remove any item from the Consent Agenda. Hearing none she asked for a motion to approve.

**MOVED by Commissioner Boteler, seconded by Commissioner Miller to approve the Consent Agenda as presented. VOTE 4:0:1. MOTION CARRIED.**

**IV. Committee Updates**

**a. Legal Committee:**

Commissioner Groundwater presented a draft Interlocal Agreement between OIHCD and the Lopez Island Hospital District (LIHD). The intent of the Agreement is to create a mechanism to enable OIHCD's benefit contribution to be applied to Superintendent Presson's health care premium through PEBB. Since LIHD joined PEBB and that is where Superintendent Presson purchases her benefits, the Agreement allows the OIHCD's health care benefit allowance to be applied towards premium payments.

**MOVED by Commissioner Boteler, seconded by Commissioner Groundwater to approve the Interlocal Agreement contingent on changes from Lopez. The Board also authorized Commissioner Groundwater to make any non-substantial changes. VOTE 5:0:0. MOTION CARRIED.**

**b. Other Work Group Updates:**

- i. **X-ray** – Commissioner Boteler reported that she just received confirmation that UW has developed a work flow and Scientific Instruments was out on August 10<sup>th</sup> to assess the equipment.

The OFHC Clinic Manager confirmed that there is nothing wrong with the images, the work needed is more maintenance in nature. That said, UW wants to hold off on implementing the new protocols until the work, scheduled to be done on 9/6, is completed. There was also a quote of \$6,000 for a new display and there needs to be clarification as to what that includes. Commissioner Lange asked if people can currently receive x-rays at the UW Clinic and the Clinic Manager confirmed they can't do shoulders/hips and have limitations for certain BMI on chest.

**Superintendent Presson was directed to work with UW and Commissioner Boteler to help draft a communication piece to inform the community of the reasons behind the new x-ray protocol.**

- ii. **Office Space** – Superintendent Presson shared that it's been difficult locating space that is the right size and within budget. At this point the two spaces under consideration are the Solarium at the Clinic and an office space in the Windermere building. The Clinic space is more affordable and comes with some limitations as far as privacy. Understanding the District's budget constraints, Mariah and John Dunning from Windermere offered to provide a slight discount on the monthly rent, waive any deposit requirement and largely donate much of the furniture. The \$700/month rent for their space also includes all utilities and fiber.

Questions were asked about the use of the Clinic space and the Clinic Manager reported that it's used for staff meetings and trainings. It's expected, at least through October, the area will be heavily used due to the onboarding of new employees. There are other regularly scheduled meetings and monthly provider meetings held in the space.

Commissioner Miller indicated it might be possible to use a portion of the Co-op space for a short period although hadn't explored that in detail yet. All Commissioners expressed concern entering a one year lease with Windermere and would feel comfortable with a 6-month duration. **The Board directed Superintendent Presson to revisit the terms with Windermere. It was also suggested that during the contract negotiations with UW they consider including a cost to remodel the Solarium space into separate cubicles.**

**CONSENSUS was reached to explore the shorter contract with Windermere and talk with the Co-op about plans for their space.**

- iii. **After Hours Care Model** – Commissioner Boteler reported on a discussion with UW about the proposed after-hours care model. The three areas that UW would not agree to were around sharing call, requiring physicians to see patients after hours and seeing non-registered patients.

UW proposed a few options which included constructing a parallel Urgent Care model staffed with MDs that would be open 12-8 daily with Saturday/Sunday hours. The cost was approximated to be in the \$300,000 - \$400,000 range. They also offered a less costly model that would have extended weekday hours and ½ day on Saturday. The cost for this option would be in the range of \$150,000. There is also the possibility to stagger hours to accommodate coverage later in the day/evening, which would allow for more flexibility in when physicians are available yet not add more slots.

The discussion didn't include an exploration around scope of care, or collaboration with EMS. UW did indicate that Medical Control for EMS should stay with the County and their current role is to deliver primary care as that is what they were asked to come and provide.

Discussion was held around how often providers are voluntarily seeing patients after hours. The request was made to see that data, as well as how many non-UW patients call the Triage Nurse. Commissioner Boteler shared ongoing concerns she's heard from EMS that people are being triaged to the Fire Department since they can't get into the Clinic. **The Fire Chief will begin collecting data on walk ins to determine how they are ending up there and for what conditions.**

Commissioner Miller shared a compromise proposal for the Board's consideration. The approach would be to adopt a no cost model that would shift some staff/hours to later evening appointments and some weekend hours. The Board would like to understand what the possibility is that volume for regular hours will be negatively impacted. Important to note that UW has not yet and will need to discuss any change in Clinic hours with staff to make sure they are agreeable. The proposal does accept there will be no shared call, yet stresses the importance of having providers see patients, when medically necessary. It asks UW if they will agree to allowing OIHCD to provide an incentive see patients after hours, when deemed appropriate.

Discussion continued around the non-registered patients and a need to understand what the registration process entails. The compromise proposal included developing a process to register people when they call the Contact Center and conducting a campaign to encourage residents to register with the Clinic. If simply providing basic information Commissioners felt comfortable with the campaign idea; however, if an office visit was required that started to feel too burdensome and would create concern in doing any campaign with the community.

The inability of people with acute needs to be seen is a big concern and it's unclear if the lack of access is a function of skill set or capacity. The lack of meaningful data makes it tough to know the magnitude of the problem. Commissioner Boteler indicated that OFHC is seeing patients after hours and doesn't require patients to be registered. She stressed the importance of understanding what UW registration means and what the risk concerns are for UW to see patients after hours. She is also hesitant to support a community registration campaign until this item is clarified.

The UW Clinic Manager shared that there is a quick registration process to get someone on the books and get seen. This process is important because all orders for care go through their electronic medical records system, EPIC, so that drives the need for registering. They do triage people for airway breathing and circulation to 911; however, they see visitors every day who have no history and are not triaging people to EMS.

The Board has stated that the issue of after hours and acute care is a priority and were asked if they were comfortable proceeding. Commissioner Lange felt the proposal was acceptable and proposed talking with UW about the parts that require adjustment on their part. Commissioner Groundwater felt if the Board asks for accommodations on the registration process, encouragement of providers to see patients when medically necessary, and gathering data to adequately assess the need over the next 6 months that would get us a long way toward agreement. Superintendent Presson had arranged for a meeting with Dr. McGough during his visit to Lopez Island on Friday. **She will see if he can arrive earlier to accommodate a Special Meeting with the Board on this topic.**

**c. Finance Committee:**

- i. Financing Update** – Commissioner Miller provided an overview of the long-term financing options. After discussions with both Cynthia Weed from K&L Gates and Don Black with Ogden Murphy, the OIHCD has two options on how to structure the building transfer and UW arrangement to qualify for long term financing. In both options UW delays payment on their Q' 3 subsidy until January 2019. OFHC is not included because there is no way to categorize their subsidy as long term and will be paid from Operations. Both options require OMF to stay in existence through 12/31/18 and extend their contract with UWNC. The District will inform UWNC of intent to terminate the lease for the Clinic as of 12/31/18 and renegotiate both the lease and Clinical Services Agreement. The legal work is about the same under either option

The pros and cons of each option were discussed, and the recommendation was to move forward with Option #1 which continues the current UWNC Agreement and has the District assume the OMF debt as of 1.1.19. There is an outstanding question as to whether the Department of Revenue will look at the assumption of debt and donation of the building as two separate transactions, thereby, avoiding the excise tax. Commissioner Groundwater had a few questions on that piece and will discuss with the attorney. The bigger question is the UW contract and what changes need to happen to satisfy the attorney's concerns with the existing language.

Commissioner Fralick indicated this approach could make the IFA a moot point as the District would move right into CSA negotiations with each Clinic. The wind down language for UWNC does need to be addressed. **Prior to the next meeting Commissioner Miller asked the Commissioners to bring back any concerns with the existing OMF-UW contract.**

- ii. **Building Transfer Update** – Commissioner Miller shared that the prevailing wage doesn't appear to be a major factor. She also learned that even if the building is owned by a governmental entity exempt from property tax, if leased to a non-qualified entity there is an equivalent leasehold tax that will be due. **At this point it doesn't appear that UWNC is a qualified entity yet UW still needs to confirm that's the case.**

On the building repair side, two bids were received for painting which range from \$17,242 for one coat to \$22,250 for two coats. There were four roofing bids received ranging from \$72,000 to \$104,000. For a 40-year warranty shingle roof the cost is approximately \$80,000 and the timing for a permit is likely eight weeks. The cost is approximated to be \$875 and that will need to be added into the financial model. There's also a \$150,000 HVAC cost built into the financial modeling.

In summary, the financial models assume expenses only increase 3% per year. Assuming no expected increase in revenue, over time the subsidy ends up being 10% of budget in 2020. A question arose about reserves in each model and those have yet to be factored in. Commissioner Fralick commented that it's likely that the cost of a \$50,000 reserve would add about 2 cents to the millage rate.

Continued discussion with UW around the equipment repairs and maintenance is needed to understand the difference in charges from late 2017 versus the \$19,000 in the Operating budget. The leasehold tax amount was factored into the calculations as was the cost for the refrigerator. The x-ray cost was removed, District office estimate was added as was an election expense in 2019. OFHC provided a new budget which increased their deficit from \$355,000 to \$414,000. Part of the increase was a dedicated x-ray tech and increase in x-ray storage. This has not yet been incorporated into the model.

The finance modeling included the above assumptions and varied based on the following three scenarios:

- .60 millage rate if \$0 after hours model with UWNC
- .65 millage rate if \$100,000 after hours model with UWNC
- .70 millage rate if \$150,000 after hours model with UWNC

**CONSENSUS to proceed with Financing Option #1 and begin to engage with various parties to ensure execution on all parts by 1.1.19. This includes moving forward with WA Fed to get financing in place and having OMF/UW move forward in the contract extension. The process to apply for a roof permit will also be started and the length of the permit is to be confirmed. Commissioner Groundwater confirmed that both options require short term financing to get through cash shortfalls. Commissioner Miller assumed a 4% interest rate that will be confirmed.**

**d. Contract Negotiations Committee:**

Commissioner Miller shared that contract discussions were stalled until the other questions around finance and building transfer were answered. Now that there's a decision the Committee will step up their efforts to conclude contracting.

**e. Technology Committee:**

Will cover in Computer Lab item. Otherwise, nothing to report.

**f. Communications Committee:**

Will report on Town Hall in a later item. On the survey progress, questions are being crafted. Commissioner Miller asked for an outline before proceeding with questions and a timeline for the survey. Commissioner Lange shared that the survey focus has been narrowed to only cover after hours care and he will make sure the information is distributed to the Board for feedback.

**g. Staffing Committee:**

No update provided.

**It was decided that the Technology and Staffing Committees have served their purposes for now and will be taken off future Agendas.**

**V. Old Business**

- a. UWNC Visit on 9/11** – Commissioner Miller reminded the Board that representatives from UWNC will be visiting next month. Their plan is to attend the 9/11 Board meeting and schedule time with each Commissioner that afternoon. In addition to Darren and Debra, two new additions to the staff will be coming. UWNC recently completed a reorg which creates three regions. The Orcas and Lopez Clinics are in the North Region and a new Assistant Director and Associate Medical Director will be introduced. The Assistant Director will report to Darren and help in Clinic Operations, while the new Associate Medical Director will report to Dr. McGough and direct the Orcas Chief. **Superintendent Presson will work with the Board to establish the logistics for the visit.**
- b. Town Hall Dates/Agenda** – after much discussion it was decided that there will be two **Town Hall meetings to be held on 9/8 and 9/20. Superintendent Presson will coordinate times with OIFR.** The Agenda will focus on what the Commission has learned (financial, acute/after hours care, building transfer and repair items, etc.) and hear from the community. The format will be a short presentation followed by Q&A. **Commissioner Lange will work with Superintendent Presson to create the materials. Superintendent Presson will also connect with representatives from the two Clinics to determine how they might like to participate.**

**VI. New Business**

There was no new business to report.

**VII. Operations Report**

Superintendent Presson feels that she will be able to postpone adding an Admin Assistant for the foreseeable future. She also reminded the Board that she will be starting the FY 19 budget process over the course of the

next month. Key to that will be concluding the various contracting as the Clinical Service Agreements will likely represent 85% of the budget. Finally, she talked about the need to provide the Commissioners with training on our new hardware/software, so we can maximize the effectiveness of the tools purchased. **She's working with NW Technology to secure a date and is considering before the next Board meeting.**

#### **VIII. Public Comment**

There were seven members of the public interested in the final public comment period.

Bob Thomas asked for a list of Committees of the Board. Superintendent Presson will work on updating the website to include more information on the Committee structure and members. She'll also add a bio for each Commissioner.

Leif reported that he will not be asking for compensation for the time he served as Notes Taker.

Pierrette Guimond thanked the Board for their hard work. She commented on having so much focus on UW and not the other Clinic. She would like a clearer picture of why the building transfer is delayed and asked that the Town Hall provide the public with a very clear picture of the decisions taking place. She would also like the Town Halls to include both Clinics.

Chief Williams felt it was important to commend UW Clinic for their professionalism and recognized the need to capture data on walk ins to get an accurate picture. He also wanted to ask for 15 minutes at a future meeting to talk about the Community Paramedicine program that he's in the process of planning as part of the ACH work. **It was decided this will be added to one of the September Board meetings.**

Several members of the UW Clinic spoke about their work. The Clinic Manager, Jenn Taylor, commented on how well she and the OFHC Clinic Manager work together. There's a lot of work that goes on behind the scenes that benefits both Clinics. One of the Front Office staff at UW, Neisha Williams, asked the Board what would happen if UW did not agree to the after-hours model. Commissioner Miller responded that the Board is committed to making a relationship with UW work, but the acute and after-hours coverage is a very important component of the solution. Finally, Mary Garcia, an RN from UW, provided her perspective of the work flow within the Clinic when people call after hours.

#### **IX. Upcoming Meetings**

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

#### **X. Meeting adjournment**

**MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to adjourn at 6:32 pm. VOTE 5:0:0. MOTION CARRIED.**

Minutes approved this \_\_\_\_ day of \_\_\_\_\_, 2018.

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**Attest: Anne L. Presson, OIHCD Superintendent**