

**San Juan County Public Hospital District #3**  
**Db: Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**Tuesday, July 31<sup>st</sup>, 2018**  
**4:00 pm – 6:00 pm**  
**Eastsound Firehall**

**Commissioners Present:**

Diane Boteler  
Patricia Miller  
Richard Fralick

**Staff:**

Superintendent Anne Presson

**Commissioners Absent:**

Art Lange  
Pegi Groundwater

**I. Call to Order**

President Fralick called the meeting to order at 4:15 pm. He noted that two Commissioners were traveling yet there was still a quorum present.

**II. Public Comment**

President Fralick asked for a show of hands as to how many guests were interested in presenting a public comment. One guest, Pierrette Guimond, raised her hand.

Pierrette reiterated her desire to have printed materials available for those attending the public meetings going forward.

**III. Consent Agenda**

President Fralick asked if there was a request to remove any item from the Consent Agenda.

**MOVED by Commissioner Boteler, seconded by Commissioner Miller to approve the Consent Agenda as presented. VOTE 3:0:0. MOTION CARRIED.**

**IV. Committee Updates**

**a. Finance Committee:**

- i. OMF Building Transfer** – Commissioner Miller reported that the Committee continues to move the process forward yet nothing has been settled since the last meeting. The building transfer remains on hold until the Committee understands all of the debt financing rules. Once a direction for financing is in place, the Committee will be able to determine if it would be optimal to have OMF retain responsibility for the building repairs and UW subsidy payments through the end of the year. The overall goal is to structure the financing in a way that keeps the levy rate as low as possible.

Commissioner Miller reviewed a Comparison of Costs summary from the Committee that shows the cost differential if the building transfer took place in August 2018 versus January 2019. In the earlier scenario, OIHCD would only cover OMF's July operating costs of approximately \$3,490. Should the transfer take place in January 2019, there

would be an additional five months of OMF operating expenses plus the October Property Tax payment. If the building is actually “sold” to the PHD in 2019, there would be an Excise Tax in the amount of 2.78% of the “sale” amount. Lastly, if the new REET tax passes that would add an additional .5% if the “sale amount”, making the total carrying cost approximately \$30,000. This represents, an additional \$26,000 in costs to delay the transfer and have OMF remain throughout 2018.

- ii. **Financing Update** – As explained, the Committee continues to explore financing since it was discovered that the PHD is only able to finance operational expenses on a short-term basis. Long term financing is reserved for capital expenditures or settlements of debt.

The Committee is also following up with UW to determine what impact changes in Medicare physician reimbursement could have on the FY 19 budget. Commissioner Boteler explained that the Center for Medicare/Medicaid Services (CMS) recently announced a change in how they pay physicians for “talking” visits in the primary care setting. Current reimbursement is based on how extensive the exam is and the complexity of the patient’s medical issues, as well as a differential between a new and existing patient with the former being higher. This will change in 2019 to a single payment approach for both new and established patients. CMS feels the change will decrease the amount of paperwork required by the physician; however, it could result in physicians who see a lot of complex Medicare patients receiving significantly less reimbursement. **UW is in the process of modeling the potential impact. The Committee will keep the board apprised as more information is gathered.**

- b. **Legal Committee:**  
**No update.**

- c. **Technology Committee:**  
Commissioner Boteler shared that the laptops have been received and Superintendent Presson reported that the email migration was completed today by NW Technology.

- d. **Contract Negotiations Committee:**
  - i. **UWNC** - The Committee is still waiting for feedback from UW on the draft Interim Funding Agreement (IFA). Some initial comments centered around the budget numbers and the fact that you can’t simply divide their annual budget by 12 since there is some seasonality in how certain payments are made. **Once all questions have been answered and the numbers are explained by UW, Commissioner Miller will share with the Board.**
  - ii. **OFHC** – Commissioner Miller reported on a brief meeting she had with OFHC. **There was agreement to provide OIHCD with FY 18 and FY 19 budgets within two weeks.** OFHC also confirmed their ability to remain financially solvent through September 30, 2018. Consideration will be given to skipping an IFA and moving right into the development of a Clinical Services Agreement, effective October 1, 2018.

- e. **Communications Committee:**  
Commissioner Boteler shared that the Committee put a hold on the community survey pending development of a cost estimate for the after-hours care model. The Board talked about the Town Hall that is targeted for some time between mid-August and mid-September.

Superintendent Presson shared dates she was able to reserve the Fire Hall, which included an evening and a Saturday afternoon. Continued exploration as to dates and Commissioner availability will be pursued. **After discussion, there was consensus to narrow the timeframe for the Town Hall to be scheduled sometime between September 5<sup>th</sup> – 15<sup>th</sup>. Superintendent will pursue and provide all options.**

**f. Staffing Committee:**

No update provided.

**g. Other Work Group Updates:**

- i. **X-ray** – Commissioner Boteler reported that things are moving along. UW has created a document and will be meeting to finalize protocols to share equipment with OFHC.
- ii. **Urgent Care Model** – Commissioner Miller reported on a discussion with UW about the term urgent care. UW prefers we use of the terms Acute Care and After-Hours care as this will avoid any internal confusion.
- iii. **Contract Metrics** – **the Negotiating Committee expects to have feedback from the attorney later in the week which will inform development of metrics. Both Clinics were asked to provide details on FTEs, patient/day/provider and WRVUs when they submit their budget information.**
- iv. **Office Space** – It's been difficult locating space that is the right size and within budget. A back up plan could be the Clinic. **The Committee and Superintendent Presson will continue to research all options and hope to make some decisions this month.**

**V. Operations Report**

Superintendent Presson shared a Task List she created to track her activities and projects. In reviewing a few time sensitive items, she asked about name plaques. There was consensus and the Commissioners felt they weren't necessary. She shared that legal confirmed a logo takes the place of a seal, which she will pursue. She will be creating Commissioner files and will be asking everyone for their signed Waiver of Salary form. She is tracking and reminded Commissioners that the deadline is approaching to complete their OPMA and PRA trainings. The trainings can be done online, and she previously provided Commissioners with details on where to go on the AG site.

As we will soon be entering the budget process, there was consensus to use the November 6<sup>th</sup> regularly scheduled meeting for the Budget and Levy hearings. Superintendent Presson reported on a conversation with AWAPHD's Policy Director who verified the District isn't required to have a Charity Care policy. **That said, Commissioner Miller asked Superintendent Presson to prepare a comparison of the Charity Care policies of the two clinics.**

There was discussion around OIHCD's role in conducting a healthcare survey versus the Community Health Needs Assessment (CHNA) that is conducted on a periodic basis by the County Health Department. The Health Department will be starting their process in 2019 with the report delivered in 2020. Superintendent Presson has been talking with Mark Tompkins for quite some time about the CHNA, and AWAPHD's suggestion that best practice is for PHDs to participate in the CHNA process. Concerns were surfaced as to whether the County's effort will address the needs and interests of the PHD. **Agreement was reached to invite Mark Tompkins to a Board meeting in December. The goal will be to learn more about the County's effort and provide the Commissioners an opportunity to articulate what's important to the community. From there we should be in a position to see if the interests are aligned.**

Finally, Superintendent Presson confirmed that she submitted the IT Grant proposal to purchase a high-power scanner. **She will find out when awards will be announced and report back to the Board.**

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

The Commissioners were presented with a revised Resolution 2018-15 which replaces the Resolution of the same number adopted at the July 17<sup>th</sup> Board meeting. By adding language to designate the District's attorney as the Claims Agent, the District satisfies the office hours requirement for receiving claims.

**MOVED by Commissioner Miller, seconded by Commissioner Boteler to rescind Resolution 2018-15 adopted on July 17, 2018. VOTE 3:0:0. MOTION CARRIED.**

**MOVED by Commissioner Miller, seconded by Commissioner Boteler to adopt new Resolution 2018-15 that appoints attorney as claims agent for the District. VOTE 3:0:0. MOTION CARRIED.**

#### **VII. Public Comment**

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

Steve Hully asked about the meeting with OFHC and thought there was a comment that a budget was reached. Commissioner Miller clarified and confirmed that discussions are happening in parallel with both UW and OFHC.

Bill Bangs is trying to get his arms around the scope of the programs the District is looking to address and support. The discussion centered around the fact that the District has certain financial constraints, and the first order of importance is to look at the basics which will ensure the long-term sustainability of both practices. This includes Primary Care as well as acute and after-hours care.

Pierrette Guimond thanked the Board for a good discussion and suggested that Superintendent Presson maintain a binder with materials from all meetings. This makes it easy when members of the public have questions and she's found it to be a good system. Finally, she urged strong consideration be given to holding the Town Hall on a Saturday from 3-5 as that's a good day and good timeframe for a lot of the public.

#### **VIII. Upcoming Meetings**

- a. Commissioner Fralick shared that with various commitments a lot of the Commissioners will be gone over the next few weeks. Agreement was reached that the August 7<sup>th</sup> Board meeting will be cancelled. For now, the August 14<sup>th</sup> meeting will be left on the calendar and a decision will be made as we get closer and can gauge progress on key items.
- b. Commissioner Miller reported that UW's visit has been postponed until September. She will provide the Board with new dates and will get feedback as to the right structure for the visit to make best use of their time.
- c. Superintendent Presson shared that Assistant AG, Morgan Damerow, will be visiting Orcas on August 14<sup>th</sup>. Anyone interested in meeting Morgan is welcome to stop by the Library that morning. Based on suggestions, Superintendent Presson will let other taxing districts know of his visit.

#### **IX. Meeting adjournment**

**MOVED by Commissioner Miller, seconded by Commissioner Boteler to adjourn at 5:31 pm. VOTE 3:0:0. MOTION CARRIED.**

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

---

Attest: Anne L. Presson, OIHCD Superintendent

DRAFT