

San Juan County Public Hospital District #3
Db: Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting Minutes
Tuesday, October 2, 2018

Commissioners Present:

Art Lange
Diane Boteler
Patricia Miller
Pegi Groundwater
Richard Fralick

3:00 pm – 6:00 pm
Eastsound Firehall

Staff:

Superintendent Anne Presson

Commissioners Absent:

None

I. Call to Order

President Fralick called the meeting to order at 3:05 pm.

II. Public Comment

President Fralick asked for a show of hands as to how many guests were interested in presenting a public comment. There were two raised hands.

Bob Thomas had a follow-up question from the 9/20 Town Hall, which ended with Commissioner Boteler making comments specific to wanting the District to explore a variety of health care services. She listed services such as: Home Care, Hospice Care, Alternative Medicine and Mental Health Care. Bob asked for clarification as to what she meant in her comment as he would like to understand how she defines each of those areas. He felt the District's focus should be on primary care and expressed concerns over the cost of some of these other types of care. Commissioner Boteler explained her comments were intended more as a philosophical statement meant to offer examples of the types of concerns that could come up in the needs assessment that will be conducted over the next few years. In that process, the District will look at overall community needs, what resources are available to meet those needs, and decide how to best fill gaps. She agreed that marshalling the various resources throughout the community is the best approach versus having every entity act separately to address the needs of the community.

Pierrette Guimond shared her observations from having attended both Town Hall meetings. She sees that the Commissioners are working hard to fund the two existing clinics to ensure adequate after-hours coverage. Until the District gets going, it will be tough to do more. Overall, she felt both Town Hall meetings were very good.

III. Consent Agenda

Commissioner Groundwater stated that she will abstain from voting on the 9/20 Special Meeting minutes since she did not attend that Town Hall. As such, there will be two separate votes on the Consent Agenda.

President Fralick asked if there were any changes to either the 9/18 Regular Board Minutes or the 9/30 AP Voucher Report. Hearing none, he asked for a motion to approve the Consent Agenda without the 9/20 Special Meeting Minutes.

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to approve the 9/18 Regular Meeting Minutes and 9/30 AP Voucher Report as presented in the Consent Agenda. VOTE 5:0:0. MOTION CARRIED.

President Fralick asked for discussion on the Special Meeting Minutes of 9/20. Hearing none he asked for a motion to approve the Minutes of September 20th Special Meeting minutes, as presented.

MOVED by Commissioner Boteler, seconded by Commissioner Miller to approve the Special Meeting Minutes of September 20th, as presented. VOTE 4:0:1. Commissioner Groundwater Abstained. MOTION CARRIED.

IV. Committee & Work Group Reports

a. Communications Committee:

A draft "Thank You letter" from the Board to the community was included in the Board Packet. It is meant to express the Board's appreciation for taking the September survey that was conducted by Madrona Voices. Discussion centered around the content of the letter and suggested edits. There was consensus to have Commissioners Miller and Groundwater revise the initial draft during the anticipated meeting break and bring this item back for action at the end of the meeting. **Once approved, the letter will be sent to Madrona Voices to be posted with the survey. It will also be sent to Orcas Issues, the Sounder, and published on the District website.**

b. After-Hours Work Group:

An email statement from the UWNC leadership was included in the Board Packet. President Fralick asked them to put in writing their interest in working with OIHCD to work towards a solution to the after-hours issue. The statement was meant to document UWNC's commitment to continuing to work on this issue. That said, in recent discussions with UWNC it was apparent they hadn't allocated funds in the budget to support the type of project management resource they require to ensure they can adequately support this endeavor. President Fralick advised the Board that as we get into the budget discussion they will be asked to consider adding money to support the UWNC after-hours pilot.

Commissioner Boteler expressed disappointment and concern with UWNC's response and that there will only be one clinic willing to take after-hours patients who aren't registered patients of a clinic. She felt that the Board presented several concrete proposals on what has worked in the past and what could work on the island, which have all been rejected by UWNC. Commissioner Miller also shared some frustration. She was disappointed that there hasn't been more meaningful progress; however, she also realizes the Board needs to get an initial contract done. At this point the Board will need to decide what to include in the budget for these services and how that impacts contracting. Commissioner Boteler stated that her biggest concern is using taxpayer dollars to support a clinic that isn't open to delivering care to un-registered patients, especially since some might also happen to be taxpayers. She would ideally like to see both clinics taking care of the whole community, and in the absence of that she feels compelled to more quickly understand what else is out there.

Commissioner Lange expressed similar frustrations but is not ready to give up on the process of negotiations with UWNC. He's willing to give their new regional leadership time to make a difference. Commissioner Groundwater said she was disappointed when she read the letter from UWNC as it didn't seem to set the tone of an organization wanting to find a true solution. At this point, she does recognize we need to establish a budget to continue primary care services on the island. She's only willing to give six months for UWNC to show progress, and at that point the Board will need to consider whether they are the right partner for the island.

President Fralick reiterated the importance of giving thought to adding an administrative line item in the UWNC budget to provide administrative support for the after-hours pilot. Commissioner Miller agreed that this will be important to ensure UWNC is able to track the data needed to evaluate the pilot, which seems like the basis for judging the success of the trial. Commissioner Lange observed that, while each Commissioner might be coming at this from a different angle, everyone seems to agree that the trial period must deliver meaningful data to the Board or the Board will be left with only one option.

Commissioner Miller asked for consensus on: (1) the need to establish a drop-dead date to start a trial; and (2) the length of the Clinical Services Agreement (CSA) with UWNC. She reminded the Board that the previous discussions assumed a one-year contract would run from 1/1/19 through 12/31/19, and there would be a six-month wind down at the termination of the contract. This would take coverage through 6/30/20.

Discussion continued around the appropriate start time and length of the trial period. **There was also interest in revisiting the scope of care, and Superintendent Presson will follow-up with UWNC on their response to the "Expected Skills for Island Providers" document the Board sent to them as well as on the "Privilege Sheet" they had committed to provide during the 8/24 meeting on Lopez.**

Commissioner Miller asked the Board to think about what conditions should trigger the right for the district to initiate termination of the contract. The items discussed had to do with: (1) failure to start a trial by 1/1/19; and (2) failure of the trial itself. The Work Group hopes to have a first draft of the Interim Funding Agreement (IFA) at the 10/9 meeting; however, that document won't include the after-hours trial. In addition, the Work Group hopes to bring back a term sheet that will provide the Commissioners with a sense of the major contract elements of a new CSA with UWNC. That will allow the Commissioners to provide feedback to help inform ongoing negotiations. In preparation for that discussion, Commissioner Miller asked the Commissioners to review the existing CSA between OMF and UWNC and come to the 10/9 meeting prepared to comment on what they like/don't like about that agreement.

The idea of allocating funds for a UWNC Project Manager was revisited. Commissioner Miller reminded the Board that \$100,000 was initially incorporated into the budget draft in anticipation of launching an after-hours trial. While some of those funds will be available to redirect to administrative support for the effort, President Fralick recommended that the funds be separated so the Board can demonstrate to UWNC the importance of funding that position and pursuing the trial.

When discussing the goals of the trial, the Board was reminded of the elements outlined in the revised after-hours proposal. These included: (1) agreement to collaborate with EMS; (2) incent providers to see all patients, when medically appropriate; and (3) tracking data to be able to understand the volume and disposition of calls. Questions arose as to how many months were needed to gather meaningful data. Commissioner Lange felt a trial should also be long enough to allow either party the opportunity to fix whatever gaps are identified in the trial, and a condensed pilot makes that difficult. Superintendent Presson noted the issue of seeing patients after hours was surfaced in the 10/1 meeting with UWNC and EMS. Dr. Alperin disputed data showing only 2 patients were seen after-hours and felt confident the numbers were much greater.

Superintendent Presson commented that it will be imperative for UWNC to understand why there is such a discrepancy and clarify actual numbers for the Board. It could be that the actual number of patients seen is higher and the voluntary nature of the contract is working better than we've understood.

Fire Chief Williams attended the 10/1 meeting and confirmed agreement was reached to make improvements in communication between EMS and UWNC a top priority. Dr. Sullivan also invited Dr. Alperin to participate in his monthly meetings with the Paramedics. **Dr. Alperin seemed to be very interested in making that a priority of his and will make himself available on the first Tuesday on Lopez and first Wednesday on Orcas. Superintendent Presson will put that on her list of reminders with UWNC.**

Regarding the after-hours proposal with OFHC, the Clinic doesn't have historical data around after-hours call volume or dispositions. They have agreed to track the data going forward and are exploring options as to how to best capture and report the data. The Clinic expressed a preference to have after-hours calls from EMS go through their answering service rather than calling the providers directly. **It was suggested that having EMS develop an internal protocol before reaching out to a provider might alleviate OFHC's concerns. Superintendent Presson was asked to follow-up with OFHC and EMS to determine how to best support the communication between the two entities. Commissioner Boteler will work with OFHC to create a reporting mechanism on after-hours activity.** OFHC also asked to have the \$250 incentive applied to periodic meetings with EMS where they will jointly review acute care cases and how they were handled. OFHC has also asked that x-ray not be included in the after-hours trial. They also stated they have ultrasound machine available that's not currently being used. Finally, OFHC will work on providing reasonable comparable metrics and targets around patient satisfaction and will contact Press Ganey to determine the feasibility of leveraging their survey tools.

c. Contract Negotiations Committee:

As mentioned during the previous item, the Committee expects to have a draft CSA for OFHC available for review by the 10/9 Board meeting. In addition, the Committee's goal is to bring a term sheet for UW to the next meeting as those negotiations will remain ongoing. The economic discussion around the CSAs will be addressed in the Budget Item on the Agenda. Important to note that one item not accounted for and likely needed in the OFHC CSA is the cost to hire a 3rd party to conduct the patient satisfaction survey. Questions also arose as to the need for a wind-down period and audit in the OFHC CSA. Commissioner Miller expressed the intent to have authority to audit the financials will be in the CSA, and the Committee hadn't planned on including a wind-down provision. **After feedback from other Commissioners it was decided a wind-down provision should be included in both CSAs yet the length for OFHC was yet to be determined.**

The Board's attorney, Don Black, asked the Board to provide a description of what OIHCD is "buying" from the clinics. **Commissioner Boteler was tasked with writing up a common description for each clinic and how each is expected to perform. Commissioner Miller will ask the attorney to provide an example of what he is looking for and get back to Commissioner Boteler.**

There was discussion around the need to create a personal performance metric for OFHC, as that is a single practice versus a group practice like UWNC. The Commissioners were asked to give that additional thought and it will be brought back for discussion at the next meeting. As a reminder, the term of the OFHC contract will be 15 months.

d. Finance Committee

The draft Resolution for the District's General Obligation Bond was postponed until the 10/9 meeting. There was one exception to the draft document having to do with extending the Line of Credit (LOC) that required further discussion with the Bond attorney. The WA Fed LOC must be paid off within three years, so an extension to 2023

isn't possible. The Board could move from an annual to a monthly rate adjustment, which isn't advisable, and the other option is to set up the LOC as renewable. Once the Committee can talk with the attorney this last item will be finalized.

e. 2019 Budget

President Fralick commended Commissioner Miller on her work to prepare the financial analysis. It's obvious from the detail and scope of work this was a huge undertaking, and everyone expressed their appreciation for her efforts. Commissioner Miller then went through a review of the various reports. First was a review of the assumptions specific to items within the District's Maintenance and Administrative expenses were reviewed. The Administration Budget for 2019 totals \$126,244, and there is a 3% increase applied in subsequent years. The annual Facility Maintenance budget is \$52,409, which includes an estimated \$30,000 for equipment maintenance, the cost for Eastsound Sewer, \$5,000 in building insurance (which might have to be bumped up based on what we are hearing from Enduris), and \$6,000 in general maintenance. There's also a line item of \$10,000 for property tax and we'll need to get the updated assessed value on the building to determine how much it has increased. We'll also need to apply the additional millage rate associated with the PHD. The Committee initially put a placeholder of \$100,00 in for the Acute Care trial, assuming an initial start of 10/1/18. There's an anticipated reserve allocation of \$100,000 per year starting in Q'4 2019. Allocations to the reserve would happen on a semi-annual basis, with a total reserve reaching \$450,000 by end 2023 assuming none of those funds are spent before then.

Purchase of clinic building is expected to take place in October 2018. The sales price of \$356,000 was based on the UW Subsidy payments and equipment repair/maintenance costs for the period July 1, 2018 through December 31, 2018. This also includes \$9,800 in contingency funds. The 2.78% excise tax and buyer/seller closing costs will not be in the purchase price but will be funded from the first draw on the GO Bond.

Commissioner Miller will confirm the UWNC subsidy payment as the budget shows \$321,000 yet on a UW report the total is \$337,000 for the period stated.

The other items specific to the Administrative budget were reviewed. A few things to note were: (1) legal increased to account for continued contract negotiations likely in 2019; and (2) \$5,000 was added for the Annual SAO Accountability Audit. **Superintendent Presson will provide details on the various SAO audits and associated frequency.** The cost of Administrative Support was left in the budget; however, that position isn't being actively pursued. The \$700 monthly cost for the District Office and utilities was used for all of 2019 even though we only signed a six-month lease. What isn't included, and might need to be added, is the cost for auditing OFHC. Based on feedback from local agencies, this is estimated to be between \$3 - \$4,000. **There was consensus to add \$4,000 into the OFHC CSA for auditing.**

Superintendent Presson asked if the Board would be attending the Annual Rural Hospital Leadership conference in June. If so, the travel and conference numbers should be adjusted. **The Board agreed that the cost for possibly two Commissioners to attend should be built into the budget, and Travel would be increased from \$2,400 to \$3,000.**

The next item reviewed was the 2019 Clinic Budget Comparison that was handed out in the meeting. Commissioner Miller reported that rent for OFHC was removed to provide a closer comparison to the UW budget which doesn't include rent. It will be added back when the OFHC subsidy is calculated, which brings their annual subsidy to \$400,004. In looking at UWNC, they need to remove the cost of radiology supplies since they are no longer performing x-rays in the clinic. **There were questions as to what was driving the large number for Pharmaceuticals, and that was something the Committee will attempt to get more detailed information. It was noted that there isn't an equipment reserve built into the budget for OFHC.**

All Commissioners agreed that it's going to be necessary to find efficiencies in the system for it to be sustainable in the long-term. Commissioner Lange said that a driving force to make that happen is to ensure the Board doesn't leave a problem of incredible magnitude for future generations. Commissioner Groundwater suggested something to consider would be to assess people who don't reside on the island an after-hours fee to access care. There were concerns expressed that contracts with health plans might preclude a clinic from assessing a fee; however, it's a creative idea that should be explored. In summary, Commissioner Miller intends to do some fine tuning of the budget tool based on the discussion and will bring the model back next week. In the interim, the Commissioners should be thinking about balancing the reserve item and the impact on the millage rate. A big consideration that will need to be resolved soon is the Board's comfort level with bumping up the millage rate to protect against unknowns that will exist when the budget must be adopted later this month.

V. New Business

Included in the Board Packet was a petition in support of Dr. Shu's practice. President Fralick indicated that this raises the longer-term question as to the process of reviewing and evaluating these types of inquiries. **The Board feels it necessary to create a process and will gather insights from other PHDs who have put such a process in place. This will be brought back for future discussion in Q'1 2019.** At this point, the Board agreed there isn't enough bandwidth to address providers beyond the two clinics that serve the largest number of patients. On behalf of the Board, President Fralick expressed the appreciation for Dr. Shu's interest yet at this time they respectfully decline the petition. There was discussion around which approach to take, whether a reactive or proactive outreach once community needs are known. **The Board might need to also consider adding additional consulting support into the 2019 budget to fund a needs assessment in 2019.**

President Fralick asked if there was additional discussion on the petition for Dr. Shu. Hearing none he asked for a motion.

MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to decline the request for funding Dr. Shu's practice until we have a process for giving funds to providers asking for support. VOTE 5:0:0. MOTION CARRIED.

VI. Operations Report

Superintendent Presson shared the Agenda and materials from the 10/01 meeting between EMS, UWNC and Medical Control for San Juan County. As mentioned in the earlier After-Hours discussion, it was a positive discussion and there was agreement to work on several key issues that were important to all parties. The most time sensitive is to improve communication between UW providers and EMS. Superintendent Presson also shared that there will be 3-4 additional meetings taking place before the end of the year, and reconfirmed agreement to have UWNC providers participate in monthly meetings with Dr. Sullivan and EMS.

Superintendent Presson also shared that the IT grant she applied for was awarded. While final details haven't yet been provided, the District will be able to be reimbursed for the cost of the printer/scanner that was included with the grant proposal.

As a follow-up to the earlier discussion, Commissioner Groundwater read the revised Thank You letter intended to be posted with the Madrona Voices survey and in the various outlets mentioned earlier in the meeting. Following the reading President Fralick asked for any discussion. Hearing none he asked for a motion to approve the revised Thank You letter and post to Madrona Voices, the local papers, and the OIHCD website.

MOVED by Commissioner Miller, seconded by Commissioner Boteler to approve the Thank You letter as edited and post to Madrona Voices, the local papers, and the OIHCD website. VOTE 5:0:0. MOTION CARRIED.

VII. Public Comment

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

Dr. Shu provided additional clarity as to why he submitted the petition. He wanted to assure the Board that this wasn't to provide alternative medicine but to offer primary, acute and after-hours care. He provided some examples to demonstrate his qualifications and capabilities in these areas. He feels that he can serve a variety of roles which are relevant to the demographics of the island population.

Pierrette Guimond commented on the after-hours discussion and asked why UWNC would do something different on Orcas versus Lopez islands. Superintendent Presson confirmed that, in fact, the after-hours options are the same yet there has been some confusion since Dr. Wilson previously served as designated medical control for EMS on Lopez Island. That contract recently ended so it remains to be seen if there will be new concerns on Lopez. If UWNC were to revise the current approach to after-hours on Orcas it's expected they will do the same on Lopez at some point to retain consistency across both clinics.

VIII. Upcoming Meetings

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

IX. Meeting adjournment

MOVED by Commissioner Lange, seconded by Commissioner Miller to adjourn the meeting at 6:26 pm. VOTE 5:0:0. MOTION CARRIED.

Minutes approved this ____ day of _____, 2018.

Attest: Anne L. Presson, OIHCD Superintendent