

**San Juan County Public Hospital District #3**  
**Db: Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**Tuesday, September 18, 2018**  
**4:00 pm – 6:00 pm**  
**Eastsound Firehall**

**Commissioners Present:**

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

**Staff:**

Superintendent Anne Presson

**Commissioners Absent:**

None

**I. Call to Order**

President Fralick called the meeting to order at 4:05 pm noting Commissioner Groundwater was participating via dial-in since she was traveling.

**II. Public Comment**

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

Pierrette Guimond noted that based on comments at the last meeting it was important to talk about the role of the Board during the Town Hall. The public should be clear where to go when they have an issue with one of the Clinics. Knowing the role that everyone plays will help direct them to the right place to go first.

**III. Consent Agenda**

A request was made to remove the September 11<sup>th</sup> Regular Meeting Minutes and September 8<sup>th</sup> Special Meeting Minutes from the Consent Agenda. President Fralick asked if there were any changes to the AP Voucher Report dated September 12<sup>th</sup>. Hearing none he asked for a motion to approve.

**MOVED by Commissioner Boteler, seconded by Commissioner Lange to approve the Consent Agenda as presented, subject to removal of both sets of minutes. VOTE 5:0:0. MOTION CARRIED.**

Several changes to the Regular Meeting Minutes of September 11<sup>th</sup> were reviewed by Superintendent Presson. President Fralick asked for a motion to approve the Minutes of September 11<sup>th</sup> as amended.

**MOVED by Commissioner Miller, seconded by Commissioner Lange to approve the Minutes of September 11<sup>th</sup> as amended. VOTE 4:0:1. Commissioner Boteler Abstained since she did not attend that meeting. MOTION CARRIED.**

Several changes to the Special Meeting Minutes of September 8<sup>th</sup> were reviewed by Superintendent Presson. President Fralick asked for a motion to approve the Special Meeting Minutes of September 8<sup>th</sup> as amended.

**MOVED by Commissioner Miller, seconded by Commissioner Lange to approve the Special Meeting Minutes of September 8<sup>th</sup> as amended. VOTE 4:0:1. Commissioner Boteler Abstained since she did not attend that meeting. MOTION CARRIED.**

#### **IV. Committee & Work Group Reports**

##### **a. After-Hours Work Group:**

A draft of the Orcas Family Health Center (OFHC) after-hours proposal was distributed to the Board. Commissioners were asked for feedback prior to sharing with OFHC. Commissioner Boteler asked how the \$250 after-hours incentive payment will be determined. It wasn't clear if it was by time spent or per patient seen. It's likely a provider could end up seeing multiple patients while in the Clinic after-hours. **The Board agreed to provide clarification that the \$250 incentive would be paid per patient visit seen after hours.**

Commissioner Groundwater asked for clarification on the statement that OFHC would not see UW patients if they called after-hours. She felt uncomfortable creating a document where each clinic commits to not seeing a patient from the other clinic. After discussion and clarification from Aimee Johnson, Clinic Manager, it was corrected that OFHC doesn't ask where a patient is registered and will see any patient. **The Board will change the wording in Section E of the OFHC proposal to remove reference to not seeing patients from another clinic.** Commissioner Lange reiterated his desire to hear from UW providers that they are willing to come into the Clinic, when medically appropriate.

**By consensus of the Board, the After-Hours Committee is authorized to move forward with the OFHC After-Hours document, as amended.**

##### **b. Finance Committee:**

Included in the Board packet was a draft Resolution for the General Obligation Bond (GO Bond). It's been shared with all stakeholders (WA Fed, Legal, San Juan County Treasurer) and once feedback is received the Resolution will be brought to the Board for action at the 10/2/18 meeting. **Commissioners were asked to review and send feedback to Commissioner Miller. Commissioner Miller will also send the Board the financial modeling tool to allow everyone to look closely at the numbers being used in determining the 2019 budget and subsequent millage rate.**

##### **c. Contract Negotiations Committee:**

Commissioner Miller reported that the Committee is working with legal counsel, Don Black, to make sure everyone is aligned with the timeline and deliverables. Don will be drafting term sheets for the various parties, with the most time sensitive being the agreements between OMF/UW/OIHCD. There needs to be an extension of the existing agreement between OMF/UW, as well as new agreements created between OIHCD/UW and OIHCD/OFHC.

Commissioner Lange talked about getting metrics into the contracts and having consequences if certain thresholds around patient satisfaction and productivity aren't met. Both clinics were approached with this idea and it was not met with much enthusiasm on either side. Commissioner Miller explained that the drivers of performance around revenue and expenses will already be built into the contracts via the funding caps. These will help to protect the District's financial exposure.

Discussion continued on how to create the right incentives and ensure efforts are being made to improve in areas where performance is below target. There was also discussion around the length of the contracts. Commissioner Miller shared that the OFHC contract is expected to be 15 months, from 10/1/18 through 12/31/19. She expects UW's will have the same end date, yet that discussion hasn't taken place yet. The UW contract will also include a six-month wind down period. Commissioner Fralick indicated that negotiations are active and ongoing, and more will be known by the next Board meeting.

**d. Communications Committee:**

Commissioner Lange shared the Committee's goal to reach as many people as possible when conducting surveys. He has engaged various influential people in the community who have helped to raise awareness of the September survey, which remains open. **He intends to convene a work group to talk about ways to reach specific populations that may be under-represented in an online approach.** Commissioner Miller reminded the Board that this is one data point on a single topic. The timing and scope of ongoing surveys should be re-visited. Finally, Commissioner Boteler stressed the importance of people feeling included and heard. It will be important to build a sustainable process that encourages all demographics to participate.

Steve Smith from Madrona Voices provided a brief overview of survey results, including how their process ensures the results are representative of the community. There were 600 responses and a good response rate from seniors. The two demographics he feels is under-represented are the under age 35 and renters. That said, if looking at the voter age group (recognizing there's a small percentage of the under 25 age group that votes) there is actually very good representation across all demographics.

Preliminary findings are:

1. The community supports having primary care on the island
2. There is interest in after-hours care
3. There is interest in acute care services during clinic hours
4. Overall ratings for the two clinics varied
5. Large support for access to providers after-hours
6. Not a large % of people want expanded hours but for some the idea of Saturday hours was desirable
7. There were over 1,000 comments

Discussion continued around balancing the sensitivity of comments with the desire to share the voice of the people. Steve recommended publishing comments with minimal editing as he feels it's important for people to know what others are feeling. The Board recommended that any future surveys include mention that comments will be posted so people are aware what they say will be shared broadly. **It was decided that the Executive Summary would be posted immediately, and Madrona Voices would include a statement allowing people time to ask that their comments not be included with the final report. The final report and comments would be posted after the 10/2 Board meeting.**

**V. Old Business**

President Fralick stressed that the priority is getting all items necessary for the budget development. The timeline is tight to be ready for the Public Hearing scheduled for November 6<sup>th</sup>. Items that remain outstanding include the Building Purchase and Sale Agreement, a short-term Agreement with UW, and Clinical Services Agreements with both clinics. While it's possible not all the financial pieces will be known in two weeks, the

Board will need to do the best they can to create a budget with what is known. There might be a need to have more contingencies built into the budget as a result. Discussion will be around where to put reserves, either into operational or capital items. Commissioner Boteler asked if there was any update on the impact of Medicare payment changes, as those could have a significant impact on revenue assumptions. Commissioner Miller said UW hasn't done the modeling yet; however, the District is protected with a maximum funding cap so if revenue were to come in lower it's UW who would bear the burden. **Commissioner Miller will be sending the Commissioners the financial modeling tool, including instructions how to use it and what assumptions were made. This will allow Commissioners to put in different reserve assumptions to see the impact on the millage rate. Commissioner Groundwater asked that the Board materials be sent out a few days in advance since there will be a lot of financial information to review.**

President Fralick revisited how the Board wants to handle communication with the clinics to ensure strong working relationships. **After continued discussion around what is appropriate in dealing with clinic staff versus management, there was consensus to try funneling formal requests through Superintendent Presson. In the coming months the Board will revisit how this process is working and make any necessary adjustments.**

#### **VI. New Business**

President Fralick postponed the discussion of the Process for PHD Evaluation to a future meeting.

#### **VII. Operations Report**

Superintendent Presson shared the first set of financial reports from San Juan County. These will be brought to the Board monthly and serve as a tool to show how well the District is performing against their budget. Superintendent Presson also uses these to reconcile with the AP Voucher reports to ensure all items are captured and coded correctly. **If Commissioners have any feedback, please share with the Superintendent.**

Superintendent Presson also shared the renewal information from the insurance pool, Enduris. While the overall pool received a 10% increase the District was assessed the minimum 2% for the period 9.1.18 through 8.31.19. **Commissioner Groundwater asked that Superintendent Presson find out from Enduris what the premium would be when the District acquires the Medical Clinic building from OMF. Finally,** a revised logo was reviewed, and it was decided that the Board would delay any decision on the logo until later in the year or early 2019.

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

There was one member of the public interested in the final public comment period.

Aamee Johnson, OFHC Clinic Manager, apologized for not catching the reference to not seeing UW patients in the OFHC After-Hours proposal. She also reported that the changes in Medicare reimbursement aren't expected to impact OFHC because of their all-inclusive rate. They also have a higher percentage of Medicaid patients so it would hurt OFHC to move to a fee-for-service model from the Rural Health Center (RHC) model. Finally, she shared an upcoming vacation which will create constraints on her time so knowing the OIHCD deadlines will be helpful.

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

A list of the upcoming meetings was included on the Agenda. It was decided that the 9/25 Board meeting would be cancelled so the Committees and Work Groups could continue their work. **The Board will update the 10/02 meeting to run from 3 – 6 pm as it's expected the Board will need more time to review all the financials and contracts.**

**X. Meeting adjournment**

**MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to adjourn the meeting at 6:04 pm. VOTE 5:0:0. MOTION CARRIED.**

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

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