

Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting Minutes
Orcas Island Fire & Rescue – Eastsound Firehall
Tuesday, June 4, 2019
4:00 – 6:00 pm

Commissioners Present:

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

Staff:

Superintendent Anne Presson

Commissioners Absent:

None

I. Call to Order

President Fralick called the meeting to order at 4:04 pm with Commissioner Boteler remote.

II. Public Comment

President Fralick asked for a show of hands as to how many guests were interested in presenting a public comment. At this time there was no public comment.

III. Consent Agenda

President Fralick removed the draft Special Meeting Minutes of May 13th from the Consent Agenda, which left the Regular Meeting Minutes of May 21st and the May 29th AP Voucher report.

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to approve the Consent Agenda as amended. VOTE 5:0:0. MOTION CARRIED.

Commissioner Miller asked to have reference to the SWOT chart removed in the Special Meeting Minutes of May 13th. She didn't feel as though it was written in a way that would enable someone not present at that meeting to understand what was being discussed. There was continued discussion around the benefit of having a picture of the SWOT analysis attached to the minutes. The decision was made to not include this item.

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to approve the May 13th Special Meeting Minutes, as amended. VOTE 5:0:0. MOTION CARRIED.

IV. Special Report on UW Clinic Operations and FY'20 Budget/Staffing Options

Mark Bresnick, UW's Regional Assistant Director of Operations, presented his Operations Report updated as of May 10th. Highlights from the report include:

- The initial Operations Evaluation identified a shortage in staffing to adequately support the clinic's current provider structure. The current staffing has been unable to manage all the standard work required to support effective patient care and between visit work. It's also important to the OIHCD that all providers are working their full FTE in the Clinic, as that staffing level is needed to support a future after-hours model.

- The Clinic Manager, Clinic Chief, Regional Associate Medical Director and Regional Assistant Director of Operations reviewed the current staffing, current gaps, and projected needs. Based on that work, they developed a multi-tiered request based on various staffing levels.

Summary of three models presented:

Option A (\$554k): Subsidy set at OIHCD "Current" Funding – does not replace .9 FTE RN who resigned

Option B (\$683k): Subsidy set using "FY19" Staffing - Replaces .9 FTE RN who resigned; maintains 1.8 RN FTE

Option C (\$803k): Staffing increased to 2.0 FTE RNs, to be split among 3 people. Adds another MA to have 1:1 ratio with provider to MA

All models include 3% overtime budgeted in FTE and labor

Provider assumptions across all models assume:

Kirsten Pickard only budgeted through her termination date of 7/23/19

Camille Flemming increased from .8 clinical FTE to a 1.0 clinical FTE

When looking at the FY '20 Budget document, it was apparent that Options B and C resulted in a fairly large budget request for UW's upcoming fiscal year. Commissioner Lange asked which model addressed the concerns expressed by staff at the last Board meeting. Mark explained that Option B allows the clinic to get by given that there will be one less provider than in the past. That said, it will still make rooming tight when all three providers are in the clinic.

President Fralick wanted to understand what the clinic staffing model would look like using the current funding level, Option A. He asked if the clinic would need to consider being open less hours per day, less days per week or further reduce the number of providers. Dr. Alperin suggested that the clinic would need to reduce the number of office visits if the current funding was adopted for the next fiscal. He felt Option B, where the current staffing level was maintained and funding was increased, wouldn't result in a change of hours but it wouldn't be sustainable. The reason is largely a function of the "tail" that happens after the office visit. These activities can't happen in the second option, which he feels would leave the staff just able to get by. Mark agreed and felt that Option A is not feasible as it creates challenges across the board.

Mark clarified what's referred to as the "tail" of the work, which comprises all the activities that are done by both the administrative and clinical teams outside the office visit itself. The front desk prepares for the patient visit making sure insurance information is up to date and all forms that need signing are identified. On the clinical side, the work includes updating the provider on needed screenings and any other services that are due. Being able to prep the provider before the patient arrives helps to make the office visit more efficient and comprehensive. After the visit, the staff needs to cue up what needs to happen in the future. In addition to these activities around the visit, there is between visit work related to ordering prescription refills and answering eCare messages. Mark also noted that the clinic is doing some work that isn't a normal part of other UWNC clinics. This is due to the unique nature of the island clinic, and includes things related to appointment scheduling and triage. The walk-in traffic is also significant and takes a lot of the RNs time.

Commissioner Boteler asked why the Patient Revenue stays the same in all 3 budget models since there is varying levels of staff. She didn't see how the revenue would be the same across the various options, especially considering fewer providers. Mark indicated that he would need to follow-up with Lindsey from UW Finance to get an explanation. Commissioner Lange asked if some of the additional work can be managed with MAs as opposed to an additional RN. Dr. Alperin explained that both RNs and LPNs have a broader scope than an MA. In addition, it's been hard to recruit MAs in the past.

The budget will be revisited in the Finance Committee report.

V. Committee & Work Group Reports

a. Building Committee

Commissioner Groundwater reported that the Engineer from Hargis will be conducting his onsite visit the next day.

b. Contract Negotiations Work Group

Commissioner Miller shared the final draft of the UW Clinical Services Agreement (CSA), and her hope that the Board approve the document. President Fralick asked the Board to consider the CSA separately from the FY '20 budget. The Board should decide if the CSA puts in place the tools to best manage the relationship with UW going forward. If so, he recommends the Board approve the document since the CSA also sets forth the process for approving the annual budget. Should the two sides not agree on a budget prior to July 1st, either side would have the option to trigger the 180-day wind down period. At that point, the District would be subject to an amount equal to 50% of this year's budget.

Commissioner Miller summarized the recent additions to the document since the last iteration. This includes the language giving ALL calls after-hours access to ALL aspects of the after-hours services. Important to note that the provider is still not required to come in after-hours, and it is up to the provider to determine if a clinic visit is medically appropriate. The other item was the language Commissioner Groundwater requested specific to the transfer of medical records in the event of a wind down.

There was discussion among the Board. Commissioner Groundwater felt the CSA provided a solid framework to move forward. Commissioner Boteler continued to struggle with supporting a CSA over the IFA given the budgetary challenges. In addition, there continues to be no mutual agreement on after-hours, and she is concerned about recent resignations of staff. Taking all of that into consideration, it's hard for her to support the CSA. While she understands others feel this is the right approach, she is not convinced it is. Commissioner Groundwater feels that by signing the CSA it provides the staff with a greater sense of certainty that the Board is willing to move forward. Commissioner Miller reiterated that by signing the CSA the Board is not approving the budget, and it's important to keep them as two separate actions. The CSA simply sets forth the process of how the two sides will interact and what will happen if separation is necessary.

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to approve the CSA in the current version. Commissioner Boteler expressed her concern about comments from the community regarding level of care and this doesn't feel like the right approach to her. VOTE 4:1:0. MOTION CARRIED with Commissioner Boteler opposed.

In closing this item, President Fralick said that he appreciated Commissioner Boteler's concerns.

c. Finance Committee

Commissioner Miller shared two spread sheets that ran the UW budget options through the District's financial modeling tool. The results show the impact of the \$803,000 subsidy and what it does to the long-term financial picture. She showed the model at the current \$.65 millage rate and a \$.70 millage rate. She also modified the FY '19 assumption on after-hours and reduced the \$100,000 incentive to \$12,000. This was raised back to \$100,000 in FY '20 and beyond. The other modification was in the building repairs. This item was increased by \$25,000 to account for the expected increased cost associated with replacing the HVAC system.

In looking at the spread sheet using the \$.65 rate, the District would end up with a negative \$333,000 at the end of five years. It looks like the District could cover its obligations by increasing the millage rate to \$.70. In both cases, the model assumes a 5% annual increase in UW Operating costs, and factors in the annual \$100,000 reserve allocation. Commissioner Miller indicated that the outlook could end up being more favorable since District operations have been more favorable than budget over the 2018 and 2019 fiscal years.

Commissioner Groundwater was hesitant that the 5% increase is realistic since the District has already seen significant increases from UW in the first budget cycle. There was continued discussion as to what the financial picture would look like to maintain the current staffing model, which lowers the FY '20 subsidy from \$804,000 to \$683,000. Commissioner Miller ran the model using a \$.70 millage rate and the cash balance in 2023 would be approximately \$664,000. Using a \$.65 rate is doable, leaving a cash balance of \$179,000 at the end of five years.

Commissioner Miller reported that the senior leadership from UW, Debra Gussin and Darren Layman, will be attending the next Board meeting and their goal is to have the UW budget approved at that meeting. President Fralick asked for feedback as he would like to hear the Board's feelings on the different staffing models (outside of the model which maintains the existing funding level). Commissioner Groundwater felt that it was a bridge too far to extend out to \$804,000. She expressed concerns about extending the District so far and how that could result in problems if there was a downturn in the economy. She doesn't want to use so much of the District's capacity in this years' budget and expressed concerns at having no say as far as the magnitude and timing of compensation increases in the future.

Commissioner Boteler shared similar concerns and is not comfortable stretching the District so thin. Conversely, she understands the staffing concerns and would like to have more time to think through the models. President Fralick asked Mark to bring back more details as to what a functioning clinic would look like using the funding level of \$683,000. There was consensus of the Board to focus on the two options that provide more funding than the original \$554,000, and have UW clearly outline the trade-offs between the two. This includes a realistic view of number of visits and the associated impact on revenue. Commissioner Miller also asked that UW Finance present the information using a full year projection. She recognizes that in FY '20 there could be delays in staffing due to recruitment, as well as additional costs associated with hiring staff. What the Board would like to see is what a real years' worth of costs would be assuming the clinic was fully staffed in each model. That will help the Board have a true picture of what it costs to run the clinic and will assist with the Board's future year projections.

Some other suggestions were made including understanding the impact of the benefit load should UW hire 3 RNs at lower FTEs versus 2 RNs each working closer to a full-time schedule. While there is a recognition that having three individuals provides coverage when someone is sick or goes on vacation, the Board would like to understand the cost for that flexibility. There is also the possibility of directing some of the scheduling and triage work back to UW's central teams to reduce some of the load on the RNs at the clinic. Commissioner Boteler reminded the Board that none of this includes after-hours costs, and it's important to keep that in mind as it's important to many islanders.

Commissioner Miller also shared an updated Clinic Performance Summary. She noted that she just received information from Aimee at OFHC on their payor mix and FTEs. She will add those items and bring an updated report to the next Board meeting.

Finally, Commissioner Miller reported that the Finance Committee met earlier in the day. She convened the group together to provide an update and talk about possible modeling and analysis the Board will be needing over the next few months. One of the members shared that OMF is wrapping up operations and will likely write the District a check for \$40,000. This is largely associated with the additional funds the District provided for OMF's unknown Personal Property tax obligation.

d. After-Hours Work Group – no report

e. Staffing Committee

Commissioner Groundwater shared that the Committee has a draft HR policy that will be brought to the next Board meeting. She kept it simple since the District has a very small staff. She also reminded the Board that there will be an Executive Session at the next meeting to discuss the annual performance review of the Superintendent.

VI. Old Business

- a. **Meeting Times** – Commissioner Groundwater worked with the Superintendent to draft Resolution 2019-02 which temporarily moves the start of Regular Board meetings from 4 pm to 5 pm for the summer months. This is in hopes of allowing increased community access.

MOVED by Commissioner Groundwater, seconded by Commissioner Lange to adopt Resolution 2019-02 to adjust the time of the Regular Board Meetings through August. VOTE 5:0:0. MOTION CARRIED.

- b. **Letter to the Orcas Community** – as directed at the last Board meeting, Commissioners Miller and Boteler have been working to update the draft of a letter to the community. There was continued discussion around the wording of some sections of the letter, and various edits were agreed to in the meeting.

MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to approve the Letter to the Community as amended. VOTE 5:0:0. MOTION CARRIED.

- c. **Follow-up from Special Meeting** – Commissioner Groundwater reported that she is still following up with CMS on some outstanding questions related to the RHC and CAH. She hopes to bring back more details at the next Board meeting.

VII. New Business

- a. **Statement of Purpose** - Superintendent Presson received feedback from President Fralick and Commissioner Lange on proposed language. Since this wasn't sent out to the rest of the Board in advance, it will be brought to the next Board meeting for discussion.

- b. **RHC/CAH Work Group** – Commissioners Boteler and Groundwater were agreeable to continuing to lead this research. President Fralick asked the Board if there was value in having a two-page summary developed that tells who OIHCD is and what we do. The piece will include details of the District such as: patient base, Property Tax revenue, total visits, payor mix, etc. There was consensus to have Commissioners Boteler and Miller work on a draft document.

VIII. Operations Report

- a. **Financial Report** - The Superintendent presented a draft of a proposed new financial report format that would replace the monthly reports received from San Juan County. There was consensus from the Board that this is an improved format. Commissioner Miller has some formatting recommendations and will work with Superintendent Presson to update the document.

- b. Webmaster Proposal** - Superintendent Presson shared the proposal from Bold Eye Media to support the ongoing maintenance of the District's website. There was discussion and the Board was supportive of moving forward with the option to migrate and tune the site and provide for monthly support subject to the Superintendent working with Commissioner Groundwater to address the contractual questions. These were related to ownership of the site and how a transition would happen if, at some point, the contract was terminated. Assuming Bold Eye Media can adequately address the concerns, the proposal can move forward.
- c. SharePoint** - Superintendent Presson reported she will be working with NW Technology to revisit the idea of creating a SharePoint site. This will enable the sharing of documents and was also something recommended by the webmaster.
- d. Other** – Superintendent Presson shared some recent news regarding Kaiser Permanente's decision to leave San Juan County. This will happen as of 1.1.20 and the company who will begin providing individual plans is a division of Premera called LifeWise Health Plan of WA. She is still in the process of gathering details on the plans to be offered, including whether there will continue to be a Medicare Advantage option, and will continue to report on details as they become available.

IX. Public Comment

Dr. Shu spoke to the time constraint for the District to reach agreement with UW on the budget by the end of June.

Leif shared his belief that the tail end of the work has a profound impact on health care quality. He has given a lot of thought to the health care model of the future and the advantage of being in a rural community. It allows providers to form connections and to take care of the fine details that drive quality of life, enabled by the possibility of collaborations across entities that doesn't exist in a big city. Recent reports by the federal government also speak to collaboration as the future of health care in America.

X. Upcoming Meetings

A list of upcoming meetings was listed on the Agenda. Reminder that the next Board meeting will start at 5 pm.

XI. Meeting adjournment

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

Minutes approved this ____ day of _____, 2019.

Attest: Patricia Miller, OIHCD Board Secretary