

Scope of Work

Assessment of Entity Options Orcas Island Health Care District

The Orcas Island Health Care District (the District) is seeking a proposal from a consultant on a project to help the District determine the most appropriate structure for providing medical services on Orcas Island.

Background:

On April 24th, 2018 the citizens of Orcas Island approved the formation of the Orcas Island Health Care District to support the provision of primary and urgent care services on Orcas Island. The District is a junior taxing district and uses the funds it raises to provide financial support to two existing medical clinics on the island. The clinics are Orcas Family Health Center (OFHC), which is operated as a Rural Health Clinic with 1 MD and 1.7 FTE PAs, and the UW Medicine Orcas Island Clinic (UWMOIC) with 3 MDs, which is operated by the University of Washington Neighborhood Clinics (UWNC). The District owns the building in which UWMOIC provides medical services while OFHC leases commercial space for its operations.

Both clinics have requested increases in their annual subsidies, which taken together with increases in projected costs, exceeds the taxing capacity of the District. In addition, the medical director of OFHC would like to retire, but has not yet succeeded in finding a physician who is willing to take over the operation of the practice. Finally, the District would like all residents of the island and visitors to have access to after – hours care, including meeting with a provider at the clinic when it is medically necessary. OFHC provides this service but the District has been unable to reach an agreement with UWNC for UWMOIC to provide this service.

The District has compiled the attached list of services that it would like to see offered to all island residents and visitors by the clinic(s). In

addition, the District would like the medical clinic(s) to play a key role in facilitating collaboration among interested parties to improve the overall health of the island community.

As a result, the District is looking for a way to reduce the operating losses of the clinics, and potentially to combine their operations into a single clinic, while maintaining the desired quality and scope of care. As a rural community, there are several structures that the District has identified as potential vehicles to enable it to accomplish its objectives: Rural Health Clinics, Federally Qualified Health Centers, Critical Access Hospitals and affiliation with a 50 bed or less hospital. There may be additional options that have not been identified yet.

Initially, the District is seeking the services of a consultant who can:

1. Identify any other viable options for achieving financial stability.
2. Assess the fit of each option for the District.
3. Model the likely financial impact of each option on revenue streams and operating costs.
4. Identify the likely time frame for accomplishing the transition to each of the vehicles identified as an option.
5. Identify the most favorable option or combination of options to enable the District to achieve its goals.

A possible second phase of the project would have the consultant provide:

1. An assessment of the scalability of the OFHC infrastructure as the basis for the operation of a combined clinic (EMR, billing system, practice management software, processes and procedures).
2. An assessment of the transition costs and timing for moving from the current status to the option selected by the District.
3. A narrative of the steps to be accomplished to effect the transition from the current situation to the selected option.

Deliverables:

Initial Engagement:

1. A narrative comparing the requirements, benefits and drawbacks of the options identified by the District and any additional structural options identified by the consultant.
2. A narrative discussion of the fit of each identified option for achieving the District's goals.
3. An econometric model of the different combination of models that would allow the District to plug in differing assumptions to see what their impact would be.
4. A projected timeline for achieving each of the identified options.
5. A recommendation on the approach that the consultant concludes is best for the District with an explanation of the reasons that model was chosen.

Potential Second Phase:

1. A narrative discussion of the scalability of each major piece of the OFHC infrastructure.
2. A proposed budget and timeline for transitioning to the structure selected by the District.
3. A project management plan for effecting the transition to the structure selected by the District.

Working Relationship:

Art Lange and Pegi Groundwater will have primary responsibility for working with the consultants and helping them get the data they need.

Patty Miller and Richard Fralick are the primary contacts for financial and clinic operating data needed by the consultants

Diane Boteler, MD, will be the primary contact for questions relating to the medical services provided by the clinics.

Proposal:

Consultant's proposal should include the proposed price, a timeline for accomplishing the first phase tasks and deliverables, and a list of the documents and data that consultant will need to accomplish the first phase of the project.