

Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting Minutes
REMOTE BOARD MEETING
Tuesday, July 21, 2020
4:30 – 5:30 pm

Commissioners Present (via Zoom):

Art Lange
Diane Boteler
Patricia Miller, Secretary
Pegi Groundwater
Richard Fralick, President

Staff (via Zoom):

Anne Presson, Superintendent
Pat Hunt, Project Mgmt. Consultant

Commissioners Absent:

None

I. Call to Order

President Fralick called the meeting to order at 4:32 pm and noted this is the Board's 13th meeting of the year. This will be a one-hour meeting to be followed by a Special Meeting/Town Hall starting at 5:30. President Fralick noted all Commissioners and the Superintendent were present.

II. Public Comment

Superintendent Presson did not have any comments from the public at this time.

III. Medical Clinic Operator RFP 2020-03

Commissioners Groundwater and Miller reported on their findings resulting from their 2-hour follow-up meeting with Island Hospital. Commissioner Miller summarized the discussion, sharing that a bulk of the time was spent on discussing IH's After-Hours approach. It became clear that the model proposed in the RFP was in response to what IH felt the Board was asking for, and there was a recognition it was an expensive model. The proposal included extended daily hours until 7 pm, with Saturday availability in the busy summer months. IH felt this would also serve to reduce the burden on EMS. The second part of the After-Hours model included a Home Health Nurse. This role would support the EMS Community Paramedicine program and conduct home visits and chronic condition management. While both of these ideas could provide value to the community, there was agreement to defer for a few years.

Other parts of the discussion centered around the Electronic Medical Records (EMR) and startup costs. There was approximately \$30,000 included for medical records transfer. In talking about the process, IH shared what are called Continuity of Care Documents (CCDs) which are standardized ways to transmit data between health systems. While it does not contain all data elements of a patient's record, it does provide for the basics. The rest of the \$198K associated with Start-Up is primarily equipment costs for : laptops, printer/scanner/fax machines, and webcams. The lifespan of the equipment is 3-5 years, which is why there is another placeholder for this equipment replacement in Year 5.

There was also clarification on roles and requirements, confirming the Clinic Manager is not required to be an RN or LPN.

Regular Meeting Minutes - DRAFT
July 21, 2020

The reference to reserve was also explored in more detail. IH was not initially aware of the OIHCD's Financial Management Policy. Once explained, it appears the current process of an annual reserve allocation of \$100,000 is sufficient. Future discussion around what types of situations might trigger the need to access the reserve included the cost associated with bringing on a new provider. During the credentialing period, normally about 6-months, IH would not be able to bill for those services and might have to bring in a Locum during the search period. Commissioner Miller pointed out if IH intends for the reserve funds to be allocated for specific purposes the Board might need to revisit the OIHCD's Reserve Policy.

Discussion was held around IH's Management Fee approach versus a subsidy based on an annual reconciliation and projected Revenue and Expenses for the upcoming year. If the Management Fee approach is adopted, there is no advantage to carving out the Start Up costs and using the GO Bond to finance since IH's approach is basically financing the costs without interest. This approach is a key differential that will need to be kept in mind as discussions continue.

The three additional services, totaling \$261,000, is essentially the staffing costs for 3 programs:

- Integrated Behavioral Health consists of 1 licensed clinical social worker - At \$84K
- Extended Clinic Hours (Saturday seasonally and Open till 7 year-round) - \$85K
- EMS RN (Home health care to support OIFR's community paramedicine model) - \$93K

The proposed new X-ray is assumed to be funded by the District, as well as new, washable chairs for the waiting room and exam rooms. The IH reported they had not had the opportunity to tour the exam rooms in detail so could not comment on whether the exam tables need replacing.

When asked about the configuration and need to remodel to accommodate five providers, IH feels there is not an immediate need for either. They will work on optimizing the higher staff/provider ratio to better manage room turnover. As such, they believe they can work with the number of existing exam rooms. If there is a need for additional space, they can see how to repurpose the triage area before pursuing any remodel.

One area that remains outstanding is to quantify the compensation for providers when they come in to see a patient after-hours. Additional discussion is needed with the Board. Due to time constraints, additional detail around the rest of the financials was not possible. There remain questions around the increased costs for materials/lab/supplies/etc. that are outside of labor costs. In the wages/benefits number there is an allocation for staff time associated with IT/Billing/HR to support local clinic needs. Some other overhead costs were not discussed in detail.

One of the lessons learned from the past was the IH was not present on the island enough, and there is a lot of focus on creating a strong community partnership. As such, the budget includes expenses associated with regular travel from IH leaders and staff.

The approach to equipment is similar to what exists today; whereby the District owns and is responsible for purchasing/maintaining everything contained in the clinic. The equipment listed earlier related to phones, computers, webcams will be the property of IH. The District will not own at the end of the contract, and conversely will not be paying for maintenance of that equipment.

The IH team confirmed they will maintain a separate Income Statement and Balance Sheet for the Orcas Clinic. Revenue and Expenses will be separated from their other clinics.

Regular Meeting Minutes - DRAFT
July 21, 2020

President Fralick asked what is seen as next steps. Commissioner Miller shared a snapshot of the financial picture of remaining status quo versus the IH Management Fee proposal. The differential at the end of 2024 was substantial, and she felt there was a very strong financial incentive to continue the discussion with IH. She also felt there was enough substance in their response that the Board has a responsibility to constituents to continue the dialogue.

There was consensus of the Board to proceed with the next step in the RFP process, which is to schedule the July 30th meeting with Island Hospital. This will also provide an opportunity for the community to hear directly from IH about what they are proposing and lessons learned. It will also offer a forum for the community to ask questions.

In parallel, Commissioner Miller would like to continue conversations with IH to gather additional detail on the financials and talk more about the Management Fee approach. Discussion was held around the difficulty in an annual reconciliation when it can take years for the Medicare Cost reports to reconcile. After continued discussion around appropriate next steps, there was consensus to have President Fralick and Superintendent Presson talk with Charles Hall, CEO, to see what he sees as potential barriers should the Board come to a decision to pursue a contract when the RFP process concludes. In addition, Commissioners Groundwater and Miller will revisit financial discussions with Elise Cutter, CFO/COO.

In regard to having Island Hospital present to the community on July 30th, there was consensus to have them spend half of the meeting talking about their vision for the clinic and the other half answering questions.

IV. Committee and Work Group Reports

Due to time constraints, the Finance Committee report was postponed. The Committee continues to work on the new financial model and is in continued discussions with WAFed about the possible refinance of the long-term General Obligation Bond.

Commissioner Groundwater did need to ask the Board to authorize Superintendent Presson to execute contracts with Sustainable Connections to receive funds associated with the HVAC and insulation. The total financial incentive associated with the improvements is approximately \$6,700. There was consensus of the Board to support Commissioner Groundwater's recommendation and have the Superintendent sign the contracts. There is a clause that if the work is not completed we do not get the funds.

V. Old Business

Due to time constraints, the discussion on the Interlocal Joint Purchasing Agreement with Lopez Island Hospital District and associated Resolution 2020-02 was postponed.

VI. Public Comment

Superintendent Presson did not have any comments from the public at this time.

VII. Upcoming Meetings

A list of upcoming meetings was included on the Agenda. As decided, the Board will proceed with a Special Board meeting on July 30th at which time Island Hospital will present to the community. The next Regular Board meeting will be August 4th via Zoom.

VIII. Meeting adjournment

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to adjourn the meeting at 5:30 pm. VOTE 5:0:0. MOTION CARRIED.

Regular Meeting Minutes - DRAFT

July 21, 2020

Minutes approved this _____ day of _____, 2020.

DocuSigned by:



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Attest: Patricia Miller, OIHCD Board Secretary

9/15/2020

Date signed