

**San Juan County Public Hospital District #3**  
**Db: Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**Tuesday, October 23, 2018**  
**4:00 pm – 6:00 pm**  
**Eastsound Firehall**

**Commissioners Present:**

Art Lange`  
Diane Boteler  
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 4:03 pm.

**II. Public Comment**

President Fralick asked for a show of hands as to how many guests were interested in presenting a public comment. Bill Bangs stated his appreciation for the work on the budget. He commented on the fact that only 31% of funding was being directed to the medical clinics and felt it would be important for the Board to be able to explain how the rest of the funds are being spent. It's hard for the public to have insights without access to the underlying budgets of the providers. There is also a reserve and the Board should have an accompanying Reserve Policy. In addition, there is ending cash and people will want to understand reasons for each. The Madrona Voices survey noted public dissatisfaction with UW Clinic and he would like to see the Board try to understand the causes for the dissatisfaction and look to address how to improve patient satisfaction.

Before getting into the Agenda President Fralick apologized to the Commissioners for the fact that materials are coming at them on the day of the meeting. The Officers and Superintendent are doing their best to provide as much lead time as possible; however, most of the documents are being reviewed by three parties and their respective attorneys. He appreciates everyone's understanding as we move through this very active stage of development.

He sees that Commissioner have several ways of dealing with the pace:

1. Ask for time to read. Take a break later in the meeting and have the item moved to the end of the Agenda;
2. If the item is not time critical it can be deferred to the next meeting; or
3. If the item is time critical the meeting can be adjourned to time/place certain to continue the discussion.

President Fralick encouraged Commissioners to take advantage of these options when they feel they need more time. He also asked presenters to focus on what has changed in a document, so Commissioners know what to focus in on.

### III. Consent Agenda

President Fralick asked if there were any changes to the 10/16 Regular Board Minutes.

**MOVED by Commissioner Miller, seconded by Commissioner Boteler to approve the 10/16 Regular Meeting Minutes as presented in the Consent Agenda. VOTE 5:0:0. MOTION CARRIED.**

### IV. Committee & Work Group Reports

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

President Fralick presented UW's most recent response to the OIHCD After-Hours proposal. Commissioner Miller has also asked Commissioner Lange to draft a document showing what services were previously provided and how those compare to what is available today. The way she sees it, the main differences between the two models are:

- An on-call provider today could be on Lopez
- The decision to see a patient is voluntary and the provider is not compensated
- Only UW established patients can see the on-call doctor
- EMS must go through the Triage Nurse process and doesn't have direct access to the on-call provider

Superintendent Presson mentioned that in a call with UW there was reference to a stipend when the provider is on-call. She couldn't determine the cost and will investigate that further. Commissioner Boteler added another difference which has to do with the scope of care provided is different and impacts what they will see people for after hours. It will be important to understand that as it could represent a 5<sup>th</sup> difference.

Commissioner Miller asked the Board how they feel about the proposed course of action. Commissioner Boteler expressed concern about spending money to try and come up with a solution when the District has already proposed a solution that has worked in the past. She isn't sure what UW will be willing to do and spending time and money hiring a consultant isn't likely to change their willingness to provide the services that have been requested. Commissioner Miller explained that UW is likely not convinced that what OIHCD proposed is the solution we should be moving forward with and what we should do is look at the spectrum of what people have tried to see what we learn. Commissioner Groundwater echoed Commissioner Boteler's concerns around spending money without the confidence a solution exists that UW will support.

After continued discussion there was consensus that it was premature to hire a Project Manager or Consultant since no one was clear on the task. President Fralick suggested the Board ask UW to form a small work group to help define the work before embarking on a larger After-Hours effort. This will enable both sides to get a better understanding of and alignment around the effort. **Superintendent Presson was directed to respond to UW's latest proposal. She will also work with Darren Layman to get additional details on what type of compensation exists today specific to being on-call. This additional information and Commissioner Lange's after-hours summary document will be brought to the 10/30 meeting.**

#### b. Building Purchase

Commissioner Miller reminded the Commissioners that the building purchase price of \$354,411 includes the UW subsidy payments for the period 7.1.18 through 12.31.18, \$2,205 in equipment maintenance to-date and \$15,000 in equipment maintenance reserve for the same period.

The issue that surfaced last week was the risk associated with a loss should the building burn down during the 7 days between signing the REPSA and closing the sale. There were a few minor issues that arose since the last

meeting having to do with Personal Property Tax, which OMF as a non-profit is exempt from yet an entity is required to file an exemption annually and that hasn't been done. They are in the process of researching. Commissioner Groundwater asked if OMF is current in utility payments and that has been confirmed. UW has been paying all utilities except for Eastsound Sewer which OMF pays for the undeveloped parcel. Commissioner Groundwater also asked if OMF's insurance agent was able to confirm if they would increase coverage for the 7-day period, and there has been no confirmation of their willingness to accommodate. The Board's attorney felt this wasn't an issue of concern; however, discussion continued around whether the level of insurance was adequate.

There was consensus to pass the Resolution authorizing President Fralick to execute the REPSA with a purchase price not to exceed \$360,000. In addition, he will follow-up on the insurance coverage to determine if an increase to \$3 million is possible at a reasonable cost. Finally, Commissioner Groundwater requested a change to the language in Resolution 2018-17. Item #4 should be changed to read:

The District's President and Superintendent, or either of them, are authorized to approve alterations or amendments of the terms of the Real Property Purchased and Sale Agreement in such form as such officer (s) determine to be in the best interest of the District so long as their actions are consistent with the intent and purpose of the resolutions contained herein, **"and provided such alterations or amendments are not substantive in nature"**.

**MOVED by Commissioner Miller, seconded by Commissioner Boteler to adopt Resolution 2018-17 authorizing the District President or Superintendent to enter into an Agreement for the purchase of the OMF property with a purchase price not to exceed \$360,000 and language in Item #4 to be modified to read "The District's President and Superintendent, or either of them, are authorized to approve alterations or amendments of the terms of the Real Property Purchased and Sale Agreement in such form as such officer (s) determine to be in the best interest of the District so long as their actions are consistent with the intent and purpose of the resolutions contained herein, "and provided such alterations or amendments are not substantive in nature."**  
**VOTE 5:0:0. MOTION CARRIED.**

**MOVED by Commissioner Miller, seconded by Commissioner Groundwater to add that President Fralick is instructed to obtain additional property coverage of \$1 million for a cost not to exceed \$500. VOTE 5:0:0. MOTION CARRIED.**

Regarding the proposed OIHCD/UW Lease, Section IV Furniture, Fixtures and Equipment makes it clear that the District owns these items and UW is entitled to use them and is responsible for repairs and replacement. If over \$5,000 UW is required to get approval before incurring the expense.

The lease starts when the building purchase closes and extends through 12.31.19. It's linked to the term of the CSA so if the CSA terminates the lease would also terminate. Commissioner Groundwater requested the same change to Resolutions 2018-18 as was the case in Resolution 2018-17 Item #4.

**MOVED by Commissioner Miller, seconded by Commissioner Groundwater to adopt Resolution 2018-18 authorizing the District President or Superintendent to enter into an Agreement with UW for the lease of real property with UW effective on the date of purchase of the clinic building, and language in Item #4 to be modified to read "The District's President and Superintendent, or either of them, are authorized to approve alterations or amendments of the terms of the Lease Agreement in such form as such officer (s) determine to be in the best interest of the District so long as their actions are consistent with the intent and purpose of the resolutions contained herein, "and provided such alterations or amendments are not substantive in nature."**  
**VOTE 5:0:0. MOTION CARRIED.**

**c. Contract Negotiations Committee:**

Commissioner Miller reiterated that the intent of the UW IFA is to be short and sweet. It will continue the services currently performed and not consider any additional as those will be part of the CSA, and the effective date will be 11/1/18. The IFA draft is in UW's court to respond to anything concerning. This will come back to the 10/30 meeting. As was the case with the other Resolutions, Resolution 2018-19 will be modified with the language to Item #4 as previously read.

One of the conditions of closing is that OMF amend their Agreement to the satisfaction of OIHCD, which includes payment of funds received to UW. Superintendent Presson will follow-up with the title company to determine the flow of funds.

The OFHC CSA isn't far along enough to distribute. It contained more language around the District's level of voice in operations of the Clinic than what the Board has discussed in the past. Commissioner Miller asked the Board to think about what level of service is appropriate to comment on in the contracts. The subsidy is based on a certain staffing level and there could be language to say the subsidy changes if staffing changes significantly. Commissioner Miller could see a value in having the PHD have a voice in selecting a Medical Director or equivalent since that individual will be their primary contact and sets the tone for the clinic. It was noted that the agreement contains reference to trying to hire Orcas residents. Commissioner Lange stated that he would be willing to forgo the oversight if either clinic was opposed to the PHD having that degree of voice in their operations.

**d. Finance Committee**

No specific report from the Committee beyond the next Budget discussion.

**V. 2019 Budget**

Superintendent Presson shared the updated 2019 Draft Budget. She walked the Board through changes made since the last meeting. One item that generated discussion had to do with the building insurance. As stated in the earlier discussion, there are concerns around the cost to rebuild and that the current insured amount of \$2 million was too low. After continued discussion **Commissioner Groundwater was tasked with researching the cost of commercial building on Orcas. In addition, Superintendent Presson was instructed to increase the value of the furniture, fixtures and equipment to \$400,000.**

**Commissioner Lange asked if the Board should be coming up with an emergency contingency plan in the event of damage to the Clinic building. The Board should develop an approach to ensure continuation of services.** Commissioner Miller reminded the Board that the Budget does not capture:

- Cost to remodel the clinic with additional exam rooms or offices, including the District Office
- New x-ray machine if sharing doesn't work out over time and/or the machine needs replacement
- Funds for a robust needs assessment
- Equipment replacement over \$30,000 budgeted
- No costs beyond incentive payments to providers for after-hours care
- Parking lot maintenance
- Replacement windows
- Expanded clinic hours

Commissioner Miller would also like to talk about Patient Satisfaction scores in a future agenda and what UW is doing to improve.

**VI. Old Business**

There was no old business to address.

**VII. New Business**

There was no new business to address.

**VIII. Operations Report**

Superintendent Presson reported on a discussion she had with the Office of the State Auditor, which was meant to clarify the options specific to audit requirements and costs. She shared the information with Commissioner Groundwater who found it very clear and helpful. Superintendent Presson is also working with the State Agency in response to the IT award.

**IX. Public Comment**

There was one member of the public interested in the final public comment period. Bill Bangs said that while the after-hours model was appealing it doesn't improve overall population health of Orcas Island. He would still like to see a needs assessment performed and included in the budget. The RCWs say that PHDs conduct a survey to identify the needs of the community and relative priorities and follow-up with a plan of improvement. Concerns about adopting certain things and not potentially other important items such as immunizations that have been shown to be low in the community. He hopes to see a needs assessment performed to inform future budget decisions.

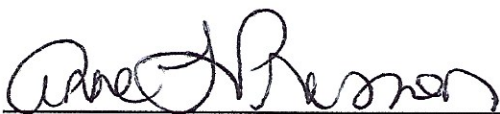
**X. Upcoming Meetings**

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

**XI. Meeting adjournment**

**MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to adjourn the meeting at 6:17 pm. VOTE 5:0:0. MOTION CARRIED.**

Minutes approved this 30<sup>th</sup> day of Oct, 2018.



Attest: Anne L. Presson, OIHCD Superintendent