

Orcas Island Health Care District
Board of Commissioners - REGULAR Meeting Minutes
Orcas Island Fire & Rescue – Eastsound Firehall
Tuesday, July 2, 2019
5:00 – 7:00 pm

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 5:03 pm.

II. Public Comment

There was no request to participate in Public Comment.

III. Consent Agenda

President Fralick removed the June 18th Minutes from the Consent Agenda since they came out later than normal. That left the June 22, 2019 AP Voucher Report, totaling \$5,305.17, as the only item on the Consent Agenda.

MOVED by Commissioner Miller, seconded by Commissioner Boteler to approve the revised Consent Agenda. VOTE 5:0:0. MOTION CARRIED.

In addition to the changes previously submitted to the Superintendent by other Commissioners, President Fralick noted an additional change to the Regular Meeting Minutes of June 18, 2019. On page 3 under the Building Committee report, he asked that a sentence be changed from:

“...Hargis is recommending **they be hired** to create the RFP.”

To:

“...Hargis is recommending **we hire an outside firm** to create the RFP.”

MOVED by Commissioner Groundwater, seconded by Commissioner Miller to approve the June 18, 2019 Minutes, as amended. VOTE 4:0:1. MOTION CARRIED. Commissioner Boteler abstained since she did not attend the June 18th meeting.

Before moving on President Fralick asked to discuss possible amendments to two Motions from the last Board meeting. The first has to do with a \$2,000 discrepancy related to the approval of the FY '20 UW budget. The discussion had centered around approving an additional \$40,000 above the proposed Budget Option B which had a subsidy amount of \$683,601. There had been an original Motion that was subsequently Amended and passed with an amount of \$725,601 instead of \$723,601.

MOVED by Commissioner Groundwater, seconded by Commissioner Lange to amend the amended Motion approved at the June 18, 2019 Meeting, and have it read as was except the amount to be reflected as \$723,601 instead of \$725,601. VOTE 4:0:1. MOTION CARRIED. Commissioner Boteler abstained since she did not attend the June 18th meeting.

The second Motion that requires a possible amendment is around the Statement of Purpose that was adopted at the June 18th Board meeting. Several Commissioners had subsequently expressed a desire to revisit the wording. After some discussion, Commissioner Groundwater suggested this be brought to the July 16th meeting following the discussion to be held at the planning meeting. There was consensus to defer this discussion and add to Old Business at the next Regular meeting.

IV. Committee and Work Group Reports

- a. **Building Committee** - Commissioner Groundwater reported she had been exploring the possibility of having a retired Structural Engineer donate his time and expertise to help assess the roof project. Unfortunately, she subsequently learned he wouldn't be able to assist since it would require climbing in the attic of the building and that is not something he is comfortable doing.

Commissioner Fralick summarized some important details and recommendations in the Hargis Engineering report. It concluded that neither of the formerly submitted proposals are current or up to date. Of the two, Hargis feels the Sage proposal is a good approach but not complete. If the Board were to go in the direction of the Sage proposal, there may be steps required to make sure the existing structure can handle the additional weight associated with their approach. President Fralick shared that he asked if the engineers at Hargis would be able to conduct a calculation to determine the load bearing capacity of the roof, and they are taking it into consideration. President Fralick reported he is scheduled to meet with the County to see if there's anything in the original permit file that might have additional detail on the design of the trusses. He also wants to find out what the Planning Department will require as far as whether the Board will need to have drawings with an official engineering stamp that validates the load calculations.

The Hargis report recommends the RFP include both the roof and HVAC projects, and contain a well-defined scope of work. Their estimated cost to develop the recommended RFP approach is in the rough order of magnitude **(ROM) of \$30,000.**

The report went on to suggest other expertise be hired, with ROM pricing, which includes:

- Peer Review of proposals against RFP **(ROM \$5,000).**
- Construction Administrator **(ROM \$25,000)** to oversee the three phases of work being: (1) HVAC; (2) Roof and (3) maintaining Clinic operations.
- Hiring an independent expert to run balancing and commissioning tests to make sure the systems are operating according to manufacturer's specifications once completed **(RMO \$20,000).**

In total, the Hargis report is recommending an additional \$80,000 be spent in the hiring of outside expertise, in addition to the actual construction cost. Bottom line at this point is that the Committee isn't yet clear on the right path forward and recommends bringing this back to the next Board meeting for continued discussion. At that point they should have more information from the County. In the meantime, they felt it was important for the Commissioners to know what's going on and the fact that this is likely a much more complicated and expensive endeavor than originally thought.

Commissioner Boteler asked what the expected life would be for each item, and it was felt a reasonable expectation is 25 years for an HVAC system and likely 40 years for a roof, depending on the material chosen. The Committee also cautioned it's unlikely the work will happen this summer. Commissioner Groundwater would like to find people in the community who might be willing and able to serve on an RFP review committee as opposed to spending money on an outside firm to handle that piece of the process.

Discussion continued and all Commissioners agreed that it's important to do the job right yet balance that against the cost. There was recognition that it's important to do it right the first time and not have to re-do the work. Commissioner Miller would like to see a cost/benefit analysis of not doing the work in stages and to see how it could be done at one time. She has a hard time coming to terms with the cost, and wonders if we are designing something beyond what we really need. Perhaps there is a willingness to design a more simplistic system. President Fralick agreed with all that was shared, and these options will be factored into the mix. He hopes to have more details nailed down over the next few weeks. Finally, he confirmed that the Committee is not recommending going to Phase Two with Hargis at this time.

- b. **Contract Negotiations Work Group** – Commissioner Miller is waiting to receive the fully executed CSA from UW, which has been requested by the Superintendent. There are also several follow-up questions from the budget discussion that remain outstanding. This includes how UW will deal with staffing and if there are ways to reduce the Other Operational Expenses to achieve savings in the FY '20 budget.
- c. **Finance Committee** - Commissioner Miller had shared a revised budget from OFHC for their 4th quarter subsidy (July 1st through September 30th). She reminded the Board that OFHC's current Agreement runs from 10/1/18 through 9/30/19 and provides for a quarterly subsidy of \$82,500. The revised budget includes an additional \$50,000 for the 4th quarter subsidy, or approximately \$133,000. The increase is 100% attributed to additional salary and benefits for the staff.

The Committee had a discussion with Dr. Shinstrom and the Clinic Manager just prior to the Board meeting to understand the details behind the request. The budget increased salary for all staff and provided both benefits and retirement contributions for most positions. Currently, there are four staff members without any health insurance coverage.

Dr. Shinstrom explained his initial approach to the budget was to prepare a minimalistic budget. It was also based on people who were in the positions at the time and not the positions themselves (e.g. if someone had health insurance elsewhere they didn't assume that cost in the budget). What that meant is when a particular employee left, it was hard to replace them as the compensation and benefits weren't competitive with other positions on the island. Dr. Shinstrom does recognize they are bound by the current Agreement through 9/30/19; however, he feels it's necessary to be able to fill vacant positions in order to run the Clinic. Commissioner Lange pointed out that based on MGMA data, some of the assumptions made in the proposal were not accurate.

There was continued discussion and all Commissioners expressed concern about setting a precedent if a mid-year adjustment was given under an existing Agreement. It could certainly open the door to UW asking for an adjustment since they experienced a significant loss above the agreed to subsidy amount for their FY '19.

Commissioner Boteler agreed with concerns about setting a dangerous precedent; however, she would like to have a way to acknowledge OFHC's service to the community that's not being met by UW. Commissioner Lange shared that the Clinic Manager expressed difficulty recruiting staff and perhaps the Board could imagine some adjustment to compensation in order to enable them to be competitive with other entities, especially as it pertains to recruiting and maintaining front desk staff. Commissioner Miller agreed with the concerns expressed around recruitment challenges, and she is open to sitting down with OFHC again to come up with some ideas. She also feels all employees should have medical benefits, wants to ensure morale doesn't begin to suffer at OFHC. Commissioner Lange agreed yet wants to stress this is only an exploratory conversation and the Board hasn't agreed to any mid-year adjustment.

There was consensus of the Board to not approve the revised budget request from OFHC; however, the Board will allow the Negotiations Committee to have additional conversations with OFHC and bring back options for consideration. The Committee was instructed to make it clear that the Board could use the revised budget for the basis of negotiations for the next fiscal year.

V. Operations Report – The Superintendent reviewed highlights from the Operations Report for the period 6/18 – 6/30. These are summarized below.

a. Financial

- An updated financial report was presented, and all Commissioners were happy with the updated format except that Commissioner Groundwater requested that data on the building be separately stated rather than being combined with the clinic subsidy information. This will be populated with data through June 30, 2019 and brought to the next Board meeting.
- Kevin Walstrom reported that OMF is now likely to wrap up their operations by the end of August. At that point they will issue OIHCD a final check for any remaining funds in their account, which is estimated to be in the range of \$40,000.
- The process to secure a District credit card with Islanders Bank continues yet has taken longer than expected, largely as a result of the District not having any other accounts with the bank.
- The Superintendent has been answering final questions on the Accountability Audit and expects to have things wrapped up in another week.

b. Clinics

- Almost 100% of replacement lights in UW Clinic was completed on 6/25. The Board asked for details on whether the lights were simply replacements or LEDs. Superintendent will confirm.
- Orcas Electric is scheduled to complete the relocation of the freezer outlet during the week of 7/10. The reason being the freezer outlet is not currently hooked to the generator.
- Since the areas around the front door of the Clinic have become very overgrown, the Superintendent scheduled a landscape maintenance day on 7/10. She conducted a review of four landscaping companies, two of whom couldn't accommodate the timeline or were closed to taking on new clients. The remaining two were similar in price and, after checking references, were able to meet the require timeline.

- The Clinic Manager from OFHC is working on an initial draft of a joint press release to announce their new vaccine program. The Superintendent will work with OFHC to finalize once received. The Board asked the Superintendent to broaden the release to include information on the availability of vaccines at both clinics now.
- Since all parties agreed that things are working fine having Dr. MacAfee from North Cascade Cardiology (NCC) see all patients at one location, he was notified scheduling will continue as is for the remainder of 2019. The possibility of splitting time between the two Clinics will be revisited at the end of the year for the 2020 Calendar Year. Dr. MacAfee was very pleased as it is easier on him to be at one location. OFHC will revisit their Agreement with NCC to make sure it accommodates the current arrangement.
- On 7/1/19 the Clinic Manager from UW Medicine Orcas Clinic purchased a supply of books as supported by the Childhood Literacy Grant. Together with OMF, they are researching any limitations that require funds solely support patients at the Clinic. It appears the term of the Grant ends in January 2020, and there is a remaining balance of \$3,950.23. The Superintendent would like to be able to use all available funds and supply OFHC with books, if allowed by the Grant.

c. Other

- The Superintendent and Commissioner Groundwater are reviewing responses from Bold Eye Media specific to questions about their Agreement for website support services.
- The Superintendent met with Rick Hughes to discuss the need for advocacy with the Office of the WA Insurance Commissioner (OIC) as they are reviewing LifeWise Health Plan of WA's plans and rates to be available in San Juan County. There are concerns with the proposed offerings, and it's imperative the OIC understand the implications of approving a plan that could leave both island clinics out of network. Discussion was held and there was consensus to have a letter written to the OIC from all the San Juan County PHDs. The Commissioners will also communicate their concerns within their networks. Continued conversations with the SJ County Council to leverage their relationships and get in front of State Representatives.
- While at the Rural Hospital Leadership Conference, the Superintendent and Commissioner Boteler met with a representative from Premera. Since Premera is the parent company of LifeWise, there was an opportunity to express concerns. While the representative at the conference wasn't in charge of San Juan County, she was interested in hearing the concerns specific to the plans being proposed, as well as about how they will approach emergency medical air transport. Follow-up will continue and the Superintendent hopes to have an informational session with the community as soon as more details become available. From what she's hearing from the OIC, the process might not conclude until the end of the summer.

VI. Old Business

- HR Policy** – The Board reviewed the revised HR Policy document that was prepared by Commissioners Groundwater and Miller. After going through the changes page by page, only one question having to do with the details specific to FMLA versus Paid Sick Leave remained. Commissioner Groundwater will research further and bring an updated document back to the next Regular Board meeting.
- Special Meeting Agenda** – After discussion, all Commissioners agreed that the second Board Planning Session will be scheduled on Tuesday, July 9th, from 9 am to 3 pm. The meeting will be held at the West Sound Café and Commissioners will bring their own bag lunch.

There was considerable discussion around the Agenda for the meeting. Commissioner Groundwater would like to see the Board discuss where they want to go long-term and what they would like to accomplish. This is specific to her thoughts about revisiting the Statement of Purpose, which she saw as more short-term in nature the way it's currently worded. She suggested Commissioners put some thought into what they would like to see the Board accomplish. President Fralick asked Commissioner Groundwater to send her thoughts to the Board in advance of the Special Meeting.

Commissioner Lange would like to come away from the Special Meeting with a clear understanding of all things that need to be investigated/explored/assessed regarding the multiple options being considered. This would include identifying people who will take responsibility for specific elements of work in order to get to the next step. He expressed concern that everyone has been having separate conversations and wants to be more coordinated in recognition that everyone has limited time.

President Fralick would like time devoted to discussing the reports that Commissioners Groundwater and Boteler prepared following the last Planning Meeting. These were on Rural Health Clinics and Federally Qualified Health Centers. He'd like to spend time at the start of the meeting talking about each option. There was reference made to documents that Lopez Island created when they went out to bid prior to contracting with UW Medicine. Superintendent Presson offered to connect with Peggy Means, who was very involved with that effort and is a wealth of knowledge. She will see if she can locate the materials that Lopez used in seeking a clinic partner and will ask Peggy if she'd be willing to attend the meeting.

Commissioner Miller would like to talk about how the Board envisions engaging and communicating with the community throughout the process. In addition, what is the timeline for due diligence. She also wants to have a realistic discussion on work/life balance for the Board. This should include how much the Commissioners and Superintendent will be expected to do versus engaging outside resources. President Fralick agreed and felt it will be important to identify who is available to help and what we would assign them to do. This includes a list of consultants, their expertise, capabilities and costs. The Board agreed that it will be important to start creating one resource list and Commissioners should come to the meeting with a Word document listing who they've been in contact. From there, the Superintendent can aggregate and maintain one list. Finally, as was talked about in a prior meeting, the Board will want to think about what is important to put into the Prospectus on the District.

Commissioner Miller would like to make sure the meeting generates a clear path forward. This should include a timeline, tasks, assignments, and what is needed to get to a decision. President Fralick directed the Commissioners to send any additional thoughts to the Superintendent. The Agenda will keep topics broad enough to encompass what needs to be discussed and accomplished.

VII. New Business

There was no New Business to discuss.

VIII. Public Comment

Leif spoke to the complexity of what he heard during the HVAC discussion. He also commented on Dr. Dave's letter and the fact that it seems like OFHC is having a tough time finding a new Medical Director. People have left and others joined, and they tend to leave for better pay/benefits. Finally, he commented that some of the RHC organizations might be able to have experts who can help versus hiring expensive consultants.

Bob Thomas expressed two concerns: (1) cost of building upgrades; and (2) UW budget increase. He observed that the larger UW Medicine system came down with an edict that certain providers get large salary increases to standardize across their system. It is applied to Orcas, yet we don't have the resources that might exist elsewhere. It's not sustainable and, as a result, his thought is that UW might not be workable in this situation.

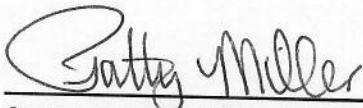
IX. Upcoming Meetings

A list of upcoming meetings was listed on the Agenda.

X. Meeting adjournment

MOVED by Commissioner Groundwater, seconded by Commissioner Boteler to adjourn the meeting at 6:58 pm.
VOTE 5:0:0. MOTION CARRIED.

Minutes approved this 16th day of July, 2019.



Attest: Patricia Miller, OIHCD Board Secretary