Strategic Planning

San Juan County Public Hospital District #3, Orcas Island Hospital District

August 4, 2022

Today's Agenda:

1. Discussion of the District's draft mission and vision
2. Environmental assessment: review and discussion of data collected to date
3. Preliminary thinking on priorities
4. Review of calendar and next meeting

Draft vision- what the District aspires to achieve on Orcas Island

OIHCD Vision Statement Draft Adopted June 22, 2022:

Orcas Island Health Care District is a model rural health care community that enables every person to achieve maximum health and wellness.

If the OIHCD is successful, and we visited Orcas 20 years from now…. What would we see happening/people doing regarding health care? We would see that:

OIHCD is the home of highly valued, responsive, and accessible primary, acute and after-hours care, with an expanded range of preventive, diagnostic and consultative services. Mental health services have become an integral element of primary care which is readily available by both in person and telemedicine technology.

Care coordination is seamless between the clinic, EMS, the senior center, schools with a major emphasis on essential screening and wellness. The provision of home care services has allowed islanders to age in place with added support for chronic disease management.

Another detailed vision for health care

Its providers are people that live on the island and are part of the community. Providers are in long-term (established) relationships with patients where people feel known, seen and listened to by staff and provider alike. During business hours people walk into or call the clinic for appointments/help without having to go through off-island triage.

The Clinic provides basic lab work, imaging and appropriate procedures on site. The Clinic's family practice providers manage a wide range of services on-island and do not refer patients for services such as cortisone injections, stitches, allergy testing. On-island specialty care includes mental health services.

The clinic's services include urgent care in cooperation with Orcas Fire and Rescue. Mental health services include appropriate care for adults and for children and youth in coordination with the schools. The Clinic provides robust specialty care services using telehealth when appropriate.

When needed, the Clinic provides vulnerable members of the community with a health care advocate to attend and facilitate appointments. The Health Care District facilitates access to home health care in cooperation with Clinic staff and other service providers and makes such care available to all. The district provides or collaborates with partners to assure that the necessary spectrum of health care and health-related services are accessible to all members of our community.

OIHCD Purpose: Why we exist
This could be revisited and modified after strategic planning data completed.

The PURPOSE of the District is: to *assure high quality primary, acute and after-hours medical care for all community members in a financially sustainable and cost-effective manner.*

The data/ environmental assessment

The District today has nearly 5,900 residents, of which one-third are over the age of 65. Over the past 10 years, the population under the age of 64, contracted by more than 6% while those over the age of 65 grew by 63%. Between now and 2025, nearly 100% of the growth is expected to be in the 65+ demographic.

	2010	Pct of Tot Pop	2020 Est	Pct of Tot Pop	Pct Chg. 2010-2020	2025 Proj	Pct of Tot Pop	Pct Chg. 2020-2025
Tot. Pop.	5,354	161.8%	5,845	100.0%	9.2%	6,135	100.9%	5.0%
Pop. By Age								
0-4	187	3.5%	159	2.7%	-15.0%	166	2.7%	4.4%
5-17	645	12.0%	580	9.9%	-10.1%	530	8.6%	-8.6%
18-64	3,309	61.8%	3,129	53.5%	-5.4%	3,150	51.3%	0.7%
65-74	789	14.7%	1,321	22.6%	67.4%	1,567	25.5%	18.6%
75+	424	7.9%	656	11.2%	54.7%	722	11.8%	10.1%
Tot. 0-64	4,141	77.3%	3,868	66.2%	-6.6%	3,846	62.7%	-0.6%
Tot. 65 +	1,213	22.7%	1,977	33.8%	63.0%	2,289	37.3%	15.8%
Hispanic	86	1.6%	321	5.5%	273.3%	364	5.9%	13.4%
Fem. 15-44	730	13.6%	764	13.1%	4.7%	789	12.9%	3.3%

The number of Orcas residents that are hospitalized as inpatients annually has decreased, even as the population ages. The most common reasons for hospitalization include: General Medicine, Orthopedics, General Surgery, OB Delivery, and Cardiology.

Top Reasons for Hospitalization			
Service Line	**2018**	**2019**	**2020**
General Medicine	72	71	48
Orthopedics	82	62	37
General Surgery	36	42	38
Interventional Cardiology	22	28	23
Neurosciences	17	24	20
Cardiology	27	24	26
Psychiatry	10	21	16
OB/Delivery	19	21	26
Gastroenterology	28	20	22
Other	17	11	12
Oncology	13	9	11
Urology	10	4	6
Rehabilitation	6	4	7
Cardiac Surgery	5	4	9
Other OB	4	1	2
Gynecology	2	1	
Grand Total	370	347	303

PeaceHealth Saint Joseph, Island and Skagit Valley Hospital account for over 60% of Orcas resident hospitalizations.

Orcas Resident Discharges by Hospital

Hospital Name	2018		2019		2020	
PeaceHealth Saint Joseph Hospital	128	34.6%	103	29.7%	95	31.4%
Island Hospital	68	18.4%	76	21.9%	58	19.1%
Skagit Valley Hospital	45	12.2%	38	11.0%	50	16.5%
UW/Harborview Medical Center	21	5.7%	21	6.1%	25	8.3%
UW/University Of Washington Medical Center	22	5.9%	21	6.1%	21	6.9%
Swedish First Hill/Ballard	27	7.3%	20	5.8%	4	1.3%
Providence Regional Medical Center Everett	13	3.5%	10	2.9%	14	4.6%
Virginia Mason Medical Center	10	2.7%	10	2.9%	8	2.6%
Smokey Point Behavioral Hospital	2	0.5%	8	2.3%	6	2.0%
UW/Northwest Hospital	9	2.4%	4	1.2%		
Seattle Children's	6	1.6%	5	1.4%	1	0.3%
Overlake Hospital Medical Center	5	1.4%	6	1.7%	1	0.3%
Swedish Cherry Hill	2	0.5%	2	0.6%	4	1.3%
PeaceHealth United General Medical Center	0	0	4	1.2%	4	1.3%
PeaceHealth Peace Island Medical Center	2	0.5%	2	0.6%	3	1.0%
BHC Fairfax Hospital - Kirkland	1	0.3%	5	1.4%	1	0.3%
Swedish Edmonds	2	0.5%	3	0.9%	1	0.3%
Whidbey General Hospital		0.0%	2	0.6%		0.0%
Other	7	1.9%	7	1.0%	7	2.3%
Grand Total	370	100%	347	100%	303	100%

The highest volume outpatient procedures include: PT, Outpatient Surgery/Procedures and Diagnostic Imaging.

About 1,000 ED/urgent care visits also occur.

Service	2016	%	2017	%
Lab Tests	37,224	49.4%	41,245	52.8%
Physical Therapy sessions	18,915	25.1%	18,577	23.8%
Outpatient Surgery procedures, major	6,691	8.9%	6,056	7.8%
Outpatient Surgery procedures, minor (office-based)	3,646	4.8%	3,385	4.3%
X-Ray Procedures	2,741	3.6%	2,738	3.5%
Mammography Procedures	830	1.1%	1,041	1.3%
CT Procedures	1,019	1.4%	1,035	1.3%
Ultrasound - Other procedures	947	1.3%	806	1.0%
Emergency Department Urgent	625	0.8%	630	0.8%
Gastroentero Endoscopy Procedures	547	0.7%	515	0.7%
MRI Procedures	543	0.7%	497	0.6%
Echocardiography	368	0.5%	392	0.5%
Emergency Department Emergent	390	0.5%	323	0.4%
Chemotherapy visits	288	0.4%	293	0.4%
Ultrasound - OB procedures	272	0.4%	224	0.3%
Cardiac Rehab visits	122	0.2%	92	0.1%
Nuclear Medicine	81	0.1%	78	0.1%
Radiation Oncology sessions	81	0.1%	76	0.1%
Occupational Therapy sessions	38	0.1%	45	0.1%
Cardiac catheterization	31	0.0%	27	0.0%
PET scan	6	0.0%	7	0.0%
Emergency office visits	9	0.0%	6	0.0%
Total	75,416	100.0%	78,088	100.0%

Assuming 100% of residents stayed locally for care, the community needs about 4 FT primary care providers– but likely more, with after hours, urgent, etc.

Physician GROSS Demand for District Residents 2020 Estimated and 2025, Projected		
Specialty	2020 Gross Need	2025 Gross Projected Need
Family Practice	1.9	2.0
Internal Medicine	1.3	1.3
Pediatrician	0.8	0.8
Total Primary Care	**4.0**	**4.2**

Approximately 10 behavioral health providers can be supported in the community.

	Use Rate/1,000	District Gross Need 2022	District Gross Need 2025
Adult Psychiatrists	0.15	0.77	0.83
Child/Adolescent Psychiatrists	0.08	0.06	0.05
Behavioral Health Nurse Practitioners	0.04	0.20	0.21
Total		1.04	1.09
Clinical Counselor/School Psychologists	0.32	1.85	1.94
Marriage and Family Therapists	0.18	1.05	1.10
Mental Health Counselors	0.39	2.27	2.38
Mental Health and Substance Abuse Social Workers	0.57	3.33	3.49
Total		9.53	10.01

Changes to the Federal Rural Health Clinic rules may have great impact on future primary care access in San Juan County.

- Section 130 of H.R. 133, the Consolidated Appropriations Act of 2021 (Covid Relief Package) law includes the most comprehensive reforms of the Medicare RHC payment methodology since the mid-1990s.
- It increased payment to free-standing RHCs and RHCs attached hospitals greater than 50 beds; at the same time, while grandfathering existing PB-RHCs it eliminated the ability to establish a new PB-RHC. The intent was to narrow the payment gap between freestanding and PB RHCs.

What the new law did:

- The limit paid to freestanding RHCs and those attached to hospitals greater than 50 beds increased to $100 beginning April 1, 2021 and will escalate to $190 by 2028.
- Any RHC, both freestanding and provider-based, will be deemed “new” if certified after 12/31/20 and subject to the new per-visit cap.
- Grandfathered uncapped provider-based RHCs in existence as of 12/31/20. These providers would receive their current All-Inclusive Rate (AIR) adjusted annually for MEI (Medicare Economic Index) or their actual costs for the year.

Impacts of COVID and inflation on health care; in Washington this is compounded by lack of a “back door” for complex patients

WSHA July 2022 Study:

- WSHA surveyed the financial performance of members during the first quarter of 2022 compared to the first quarter of 2021.

- Hospitals representing 97% of all inpatient acute care beds responded. Their **total operating revenues increased by 5%, while total operating expenses increased by 11%,** contributing to a net loss.

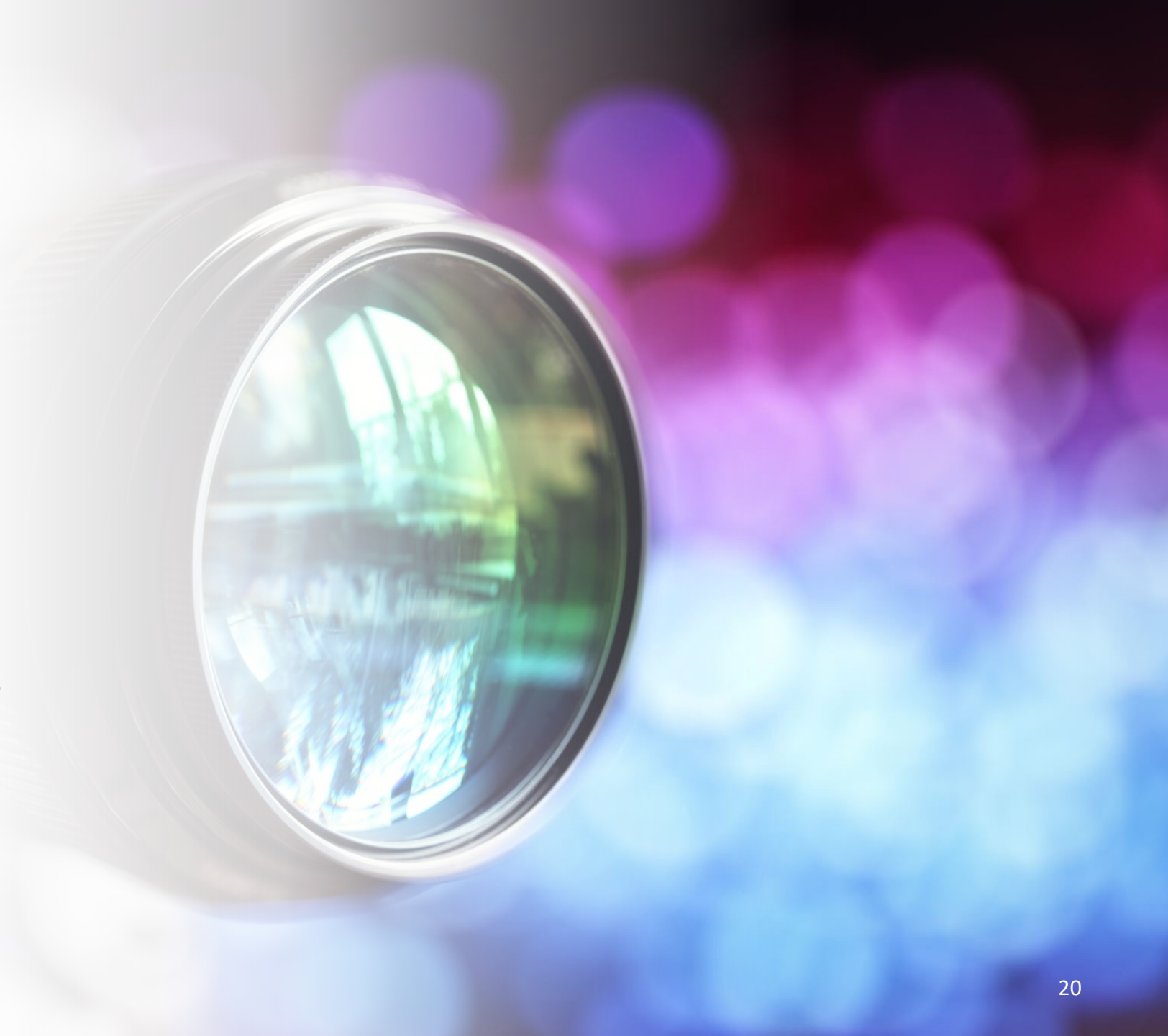
- **Higher costs were driven by a number of factors, including increased workforce, supply, and drug expenses. These operating losses combined with significant investment losses resulted in a net loss for hospitals across Washington of a negative $929 million in the first quarter of 2022. This is a negative 13% net loss**.

- **All of the state's 52 urban hospitals and health systems reported negative margins, while 18 of 34 independent rural hospitals had negative margins. Reasons for these losses included:**
  - **Low Medicaid reimbursement**
  - **High inflation and labor shortages**
  - **Temporary labor spending**
  - **More complex patients whose cost of care is higher than reimbursement**
  - **A large number of patients ready for discharge who are not able to secure placement in other health care facilities like nursing homes**

At the National level, the AHA found similar concerns:

- Labor expenses, which generally account for more than 50% of hospitals' total expenses, increased 19% per patient in 2021 compared to 2019.
- Average hospital drug expenses in 2021 were 37% higher per patient compared to 2019.
- Medical supply expenses jumped by 21% per patient through the end of 2021 compared to pre pandemic levels.
- Meanwhile, Medicare and Medicaid, which account for more than 60% of all care provided by hospitals and their caregivers, reimburses less than the cost of providing care. And, their reimbursement rates are virtually non-negotiable.

Community Outreach and Engagement



2021 Board survey: Broad consensus on robust primary care, with after hours access

- Many Commissioners shared a vision that focuses on wellness and healthy communities.
- Mental health mentioned by nearly all, as was support for aging (care coordination).
- We need to secure PB-RHC exception to make some of these services sustainable:
  - Change of scope for Medicaid
- Partnerships
- Reduction in unnecessary outmigration – leverage technology via: Telehealth, Remote Patient Monitoring, etc.

Community Survey: 593 surveys completed. This represents more than 20% of all Orcas Island Households and more than 10% of all Island residents.

- Key Demographics
  - 92% full time residents
    - Of those that are part time, 28% reported receiving their primary care on Island.
  - 24% sole member households
  - 89% White/Caucasian
  - 71% of households contained at least one member aged 65 and older
  - 15% of households had children under the age of 18
  - 74 paper copies and 519 on-line surveys have been completed
  - 12 survey were completed in Spanish
    - 48 respondents indicated that a language other than English is spoken in their homes

Community survey - Key Takeaways

- **There are real differences in the three age groups comprising the Island's households. The notable differences are between households with children and households with only 65+. These differences appear to impact access to care generally, and use of local primary care in particular.**
- Demographic/insurance and primary care differences include:
  - 8% of 65+ households only are non-white versus 24% of households with children.
  - 4% of 65+ households speak a language other than English at home, versus 16% of households with children.
  - 97% of households 65+ have Medicare, and 39% of the children in households with children have Apple Health.
  - 5% of all households reported that at least one member in the household was uninsured. In households with children this number is 11%.
  - 90% of households 65+ report having a primary care provider, in households with children, that number is 57%. Further, households with children are least likely to use local primary care.
  - Households with children were much more likely to identify not feeling welcomed, lack of insurance, high deductibles/costs in general and difficultly scheduling and wait times for an appointment as the reasons they go off island.

Community survey Key takeaways

- **The historic turnover of providers and previous provider relationships are the top reasons that respondents reported receiving primary care off Island.** Again, there are differences by age: 25% of households 65+ reported too much turnover as a reason versus 14% of households with children, and 27% of households 65+ reported a prior relationship as the reason, versus 13% of households with children.
- **Urgent care is needed frequently, and 78% of all respondents thought that the reason they last needed urgent care was for something that a primary care clinic should be able to handle**:
  - Households with children were more likely to have needed urgent care compared to households 65+ (65% versus 36%). They were also least likely to get that care on-island (41% versus 56%)
- **Urgent care, primary care, PT, imaging, lab and hospice were the services deemed most essential to be provided on Island. Households with children also identified transportation, pediatric dental and behavioral health as high needs**.
- Most seniors and caregivers of seniors reported that they did not need additional services to age in place at this time; at the same time 82% of all respondents reported that they were aware of individuals that had to move off-Island in the last several years because the long-term care services they needed were not available locally.

Listening sessions and 1:1 conversations. Still ongoing. Nearly 40 participants to date, and 50% on Island for 10 years or longer.

- Primary care turnover, and its impact on continuity and access are top concerns.
- After hours, weekend and walk-in access is universally important. Some offered that Island Hospital does provide 24/7 phone access, but not well understood.
- Largest perceived local service gaps: Behavioral health, women's health, pediatric dental, congregate housing to support aging in place.
- Interest in seeing more coordination between District, Clinic and EMS. Community would be interested in a meeting before priorities are finalized.
- For those that had used UW, general frustration that EPIC is no longer available, and new system not able to share with other providers.
- A few expressed that those forming the District promised better access than has been realized to date, and communication about the obstacles would be helpful.

Verbatim comments:

- “ I no longer stay locally. I don’t want to go back through my medical history every few months”.
- “We don’t know who the providers are at the clinic, they come and go. Changes should be published and widely distributed”.
- “Something is wrong when it takes 3-4 weeks to get in for a blood draw”.
- “You have to either figure out the back number, or walk-in; the phone tree is frustrating”.
- “If you were part of the UW system, care was good. If not, they would not speak to you”.
- “Ferries and housing are our problems”.

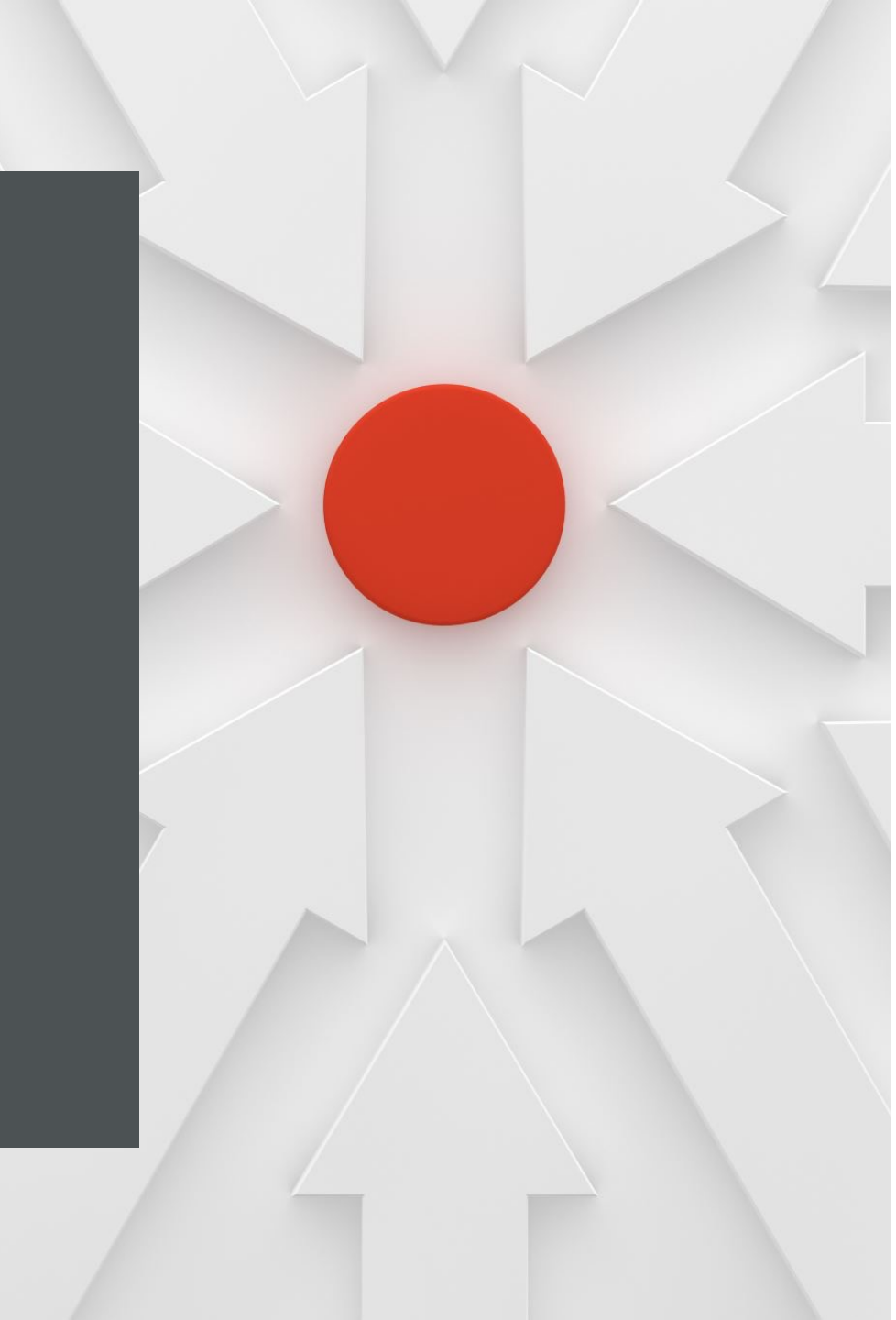
Clinic provider and staff input:

- Desire is to reduce the numbers that go off Island. Will require more providers, more physical space and more support staff (lab, x-ray).
- Volumes double from May to September.
- Concern that patients often do not go for specialty visits to which they have been referred.
- Interest in seeing an urgent care/EMS partnership.
- High need for community education - how to access care, when to call, etc.
- Housing is a limiter today.

Discussion:

- What gaps exist? Those noted to date in the community engagement include:
  - Behavioral health
  - Women's health
  - Pediatric dental
  - Congregate housing to support aging in place.
- Are/should they be addressed by OIHCD in other words are they part of our mission? Do we lead, advocate or incubate?
- If yes, what does the PHD need to do?
- Other data missing?

Preliminary thinking on priorities/goals



The Rubric

- Vision
- Mission
- Goals- the Board adopted priorities/initiatives we need to accomplish to achieve the mission
- Objectives The work plan and strategies that need to be undertaken for the goal to become a reality.
- Metric- how will we measure change?

Next Meeting