Framing the Dialogue
Contracting with Service Providers

NOTE: The below topics are intended to be questions for discussion NOT statements of intent. After board discussions, statements of intent on how to proceed will be developed.

The two largest primary/urgent care providers have expressed a need for funding payments to begin in October 2018. The UW is operating under a contract that is without funding effective July 1st (payment due October). OFHC has no contract in place.

Who to contract with

Is there agreement that our focus will be on securing services from the two largest on-island primary/urgent care providers (OFHC and UW)?

Is the answer Yes/No the same for all of the below timeframes?

- Immediate – 0 - ___ months?
- True for short term?
  - Define short term – 1, 2, 3 years?
- True for long term?
  - Is there a maximum period of time we want to contract for

If yes, they have expressed a need to have funding to begin October 2018.

- Agreement on this timing?
- If not, what timing is acceptable?

If no, who will we work with and how will we identify them?

Current Status/Length of Term

UW

- UW is operating under a contract that will be without funding starting July 1st, 2018.
- This contract currently has a term that runs through Aug/Sept 2021 (with additional extensions).
- Funding needs for 2019 will need to be clearly defined no later than mid-October (4 mths) to meet RCW requirements for a budget hearing no later than November 15th.

OFHC

- No contract exists

The need to agree upon terms for funding is immediate. Several options exist:

- Begin renegotiation/negotiation of both contracts immediately
- Develop MOUs (memorandums of understanding) or “mini” contracts for both practices to provide funding for Q4 2018, with an agreement that final short contracts (see definition of short term above) would be in place by January 1st. Establish timeline for completion of long term contracts.
- Other?

Determining essential contract elements

- Agree upon definition of primary/urgent care services to be secured
  - Request cost for baseline + incremental cost for possible additional services to be added

Determining essential contract elements (cont.)

- Identify essential contract elements – immediate, short term, long term
    - Immediate (period agreed upon earlier)
        - Maximum payout
        - Agreed upon process before any additional staffing put in place
        - Level of transparency and frequency on financial and operational data
        - Metrics?
        - Other?
    - Short term (period agreed upon earlier)
        - All of the above plus:
            - Initial metrics/goals
            - Allow for possible shared use of medical facility (PHD and/or OFHC)
            - Allow for possible shared use of facility equipment
            - Modification of payment terms (semi-annual versus quarterly)
            - Arbitration/Mediation/Litigation
            - Other?
    - Long term
        - All of the above plus:
            - Retention of patient information for transfer to new provider upon the event of contract termination with either provider.
            - More advance metrics/goals
            - Allow for possible consolidation of some practice elements (TBD)
            - Term and extensions
            - Termination clause (UW is currently 1-year notice by either party)
            - Partnering on rural health care status and hospital affiliation law/policy change
            - Support on community needs assessment
            - Other?
- Use of standardized or unique contracts for each provider?
- Use of incentives and penalties?
- On-going communication with community
- Other

Process

What process do we want to implement to negotiate contracts?

- Where to use committees versus entire board
    - Immediate – one or two commissioners?
    - Short term – subcommittees for elements and board for overall?
    - Long term
        - Role of board
        - Role of superintendent
- When to engage legal counsel
    - Who drafts initial documents?
- How will we deal with impasse, if reached?