

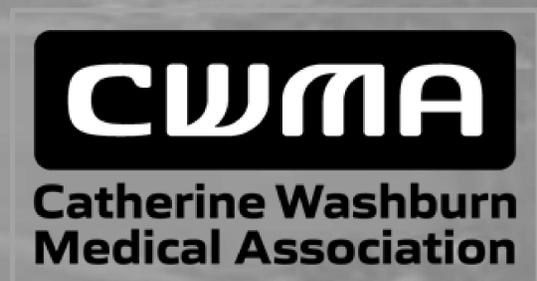
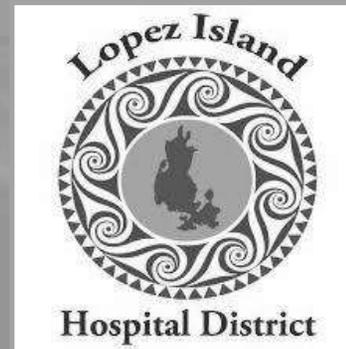
# LIHD/CWMA

Clinic Planning

Town Hall

December 10, 2025

5:30-7:00 PM



# Introductions

---



# Today's Agenda

---



- **Introductions, meeting goals, and ground rules (10 min)**
- **Overview: Process to date (10 min)**
- **Update on learning to date for operating the Lopez Island Health Clinic (20 min)**
  - **“independent” model work-group**
  - **“partnership” model work group**
- **Short break to write and collect questions for presenters (5 min)**
- **Questions and answers regarding potential clinic operating options, care model, and next steps (35 min)**
- **Next steps (5 min)**
  - **Operating option(s) analysis and prioritization**
  - **Decision making process**
- **Adjourn**

# Quick Overview

---



- In June 2025, UW Medicine announced that it would not operate the clinic after June 30, 2026.
- In early July, LIHD and CWMA agreed on a consulting firm to engage, and the following efforts commenced:
  - Two work groups were established; each comprised of two members of each Board.
    - **Independent Group**- responsible for analyzing whether a clinic owned and operated locally (without support from a larger off-island partner for back office and clinic operations expertise) is feasible.
    - **Partner/Oversight Group**- responsible for outreach and potential identification of new partner.
    - **Consultant** provided overview of certification options available to rural clinics, including requirements and reimbursement (Medicare and Medicaid) to both groups. Models included freestanding RHC, PB- RHC and FQHC.
    - Both groups had **listening sessions** with the community and participated in the development of a **community survey** that was ultimately completed by 590 households. High level results have been previously shared.
- CWMA and LIHD jointly developed an information packet for interested parties including **required** and **desired** clinical and operating characteristics of the new clinic.

## **In addition, a Required Care Model was developed with input from both Groups and the community:**

---



- **Clinical Model**

- Minimum of 2 providers, at least one being an MD or DO
- EHR (electronic health record, “My Chart”) with direct access to PT, Pharmacy and EMS
- Same day care
- Robust telehealth availability

- **Oversight, management, communication, and infrastructure**

- Transparent reporting of quality outcomes
- Direct managerial oversight (Clinic Manager)
- Direct clinical oversight (Medical Director)
- Frequent management reviews with LIHD (at least monthly), EMS, and CWMA
- Transparent fiscal reporting to LIHD
- Open communication between provider and LIHD/CWMA
- Infrastructure support, e.g., prior authorizations, referral coordination, billing, HR, credentialing and privileging, IT support.
- Active community communication and involvement

## **Desired Elements of Care Model:**

---



- **One additional half-time (or more) provider**
- **Female provider for women's care**
- **Availability of EPIC as the EMR**
- **Partnering with EMS on a community paramedicine program**
- **EMS access to clinic all hours**
- **24/7 telehealth availability**
- **Courtesy blood draws and x-rays**
- **Flexible use of ancillary staff (e.g., CNA)**
- **After hours care**
- **Rotating specialty care**

# Independent Group: Process

---



- This Group was tasked to see if would be possible to have a private practice clinic on Lopez.
- Started research in early August, meeting weekly, collecting information, conducting research and analysis.
- Met with various parties to discuss the possibility in having a private practice clinic on Lopez, including:

A retired Physician from private practice

Several Locum Tenens (temporary providers) groups

Outside consultant who specializes in creating private practices

Met with Athena One EHR (Electronic Health Record) Company

Lopez Island Clinic staff twice to understand how the clinic operates

Researched Rural Health Clinic & Federally Qualified Health Clinic

An Orcas Physician currently in private practice

A hybrid independent provider that oversees a practice

Met with Sandy Melzer, MD

Also researched several other clinics on-line.

Consulted several CPAs on financially viability

# Independent Group: Finding

---



- EPIC does not support independent rural clinics or small private practices, but 80% of Athena One users are in practices with 1-3 providers.
- Recruiting an MD/DO is very hard but not impossible.
- The Clinic's payor mix currently is heavy on Medicare (about 59%), Medicaid (about 16%), and would have to be heavily subsidized by the LIHD.
- To get the highest reimbursement, we need to be a designated Rural Health Clinic (RHC). Becoming a Federally Qualified Health Clinic (FQHC) takes a longer to achieve but results in even better reimbursement.

# Independent Group Explored Three Models

---



- **1 FTE PA or NP**
- **Two FTE PA or NP**
- **1 FTE PA or NP and one FTE Physician**
- CPAs with expertise were retained by LIHD to support the work of the Independent Group. In developing the assumptions for the pro forma, CPAs reviewed current UW experience and identified and evaluated operating history and cost reports of other similar clinics.
- Committee members provided input and suggested modifications.
- Group members and CPAs conducted outreach to firms that provide “back office” (contracting, billing, HR). Costs in this area still being refined, but “in the ballpark”.
- An EHR model was identified, a presentation was scheduled and costs were provided.
- Final pro forma found a subsidy in the range that current tax base is sufficient to support.

# Oversight/Partnership Group: Process

---



- 2 reps each from LIHD and CWMA, LIHD superintendent, and consultant met at least once weekly starting in July.
- Listening Sessions with 35 people representing a dozen Lopez Island health care partners, numerous service organizations, and community members who were part of the 2017 provider search.
- Input to Community Survey - Responses from nearly 600 families focused on desires for health care. Their responses aligned closely with what we heard in the listening sessions and the LIHD Strategic Planning Process.
- Supported CWMA and LIHD Communications Committee to prepare and disseminate seven community updates (approximately every 2 weeks since the June 30 UW announcement) and half a dozen other news releases through its mailing list, website, social media, and posts on Lopez Rocks and health partner websites.
- Developed confidentiality agreements for committee participants and for parties interested in receiving an information packet and developing a proposal.
- Identified and outreached to **six** potential partners.

# Oversight/Partnership Group: Process



- Cast net wide but focused on outreach to **six** potential partners. All six agreed to initial conversation, and 4 dropped out or were unacceptable as an option.
  - 2 parties elected not to proceed (one due to negative prior experience with small, remote clinics; one due to market uncertainty).
  - 1 expressed interest in supporting some interim operations should a gap result but had limited interest in a long-term relationship.
  - 1 was willing to provide support (e.g., EHR, telehealth) but did not meet our care model requirements (proposed APP only model with robust telehealth)– but is still a real and meaningful option for a hybrid type model.
- The remaining **two** organizations signed a Mutual Confidentiality Agreement:
  - Both received an Information Packet containing information on clinic, history, CWMA/LIHD roles and responsibilities, performance of UW Medicine, downstream revenues, desired care model (staffing and services), and overview of partnerships and health care providers on Island (EMS, Pharmacy, etc.).
  - One of the two that signed Agreement opted out due to timing and conflicting strategic priorities.
  - **Entering discussions this week with remaining interested organization.**

# Q & A

---



- **Please write down your questions using the materials provided and pass them to the front of the room.**
- **Facilitator will sort and read questions.**
- **5 presenters invited to answer questions or call on others for additional information if appropriate.**
- **Request maximum of 2–3-minute response by presenters to allow for as many questions as possible.**

# Next Steps

---



- **Review of governance and operations model underway for Independent Option.**
  - Who employs providers, other clinical staff and support staff?
  - Who has responsibility for clinic operations and conformance with Medicare CoP?
  - Agreements for back office, contracting with insurance, HR, quality, credentialing, etc. Are they doable, and were our cost estimates reasonable?
- **See if we can reach agreement with partner.**
  - Agree to terms, costs and timeline.
  - Ascertain insurances that potential partner accepts.
  - **Confirm** LIHD can afford the requested subsidy.
  - Confirm partner will agree to performance, operating and reporting metrics.
- **Determine preferred option:**
  - Independent, Partner, Hybrid. A list of criteria for consideration was developed by both committees.
  - A preferred model recommendation will be made. Once a preferred model is identified, given their distinct fiduciary and regulatory authority, each Board (LIHD and CWMA) will vote independently to enter into an agreement. Of course, then required outcome is consensus.

# How to keep informed:

---



- Sign-up for Emailed Updates and Notices at The Lopez Island Hospital District Website News Page: <https://lopezislandhd.org/news/>
- LIHD Website also has Clinic Transition and Timeline Pages in addition to the News Page
- Lopez Rocks and Facebook Posts
- Posts at the Bulletin Boards at LVM and Lopez Library