



Municipality of Skagway

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MEMO

TO: Mayor & Assembly
FROM: Alexandria Weddell, *Civic Affairs Chair*
DATE: April 30, 2024
RE: Civic Affairs Report, April 25, 2024

Civic Affairs met Thursday 4/25 to review the Health Resource Service Administration (HRSA) Notice of Awards and Conditions and discuss the recommendations provided by executive director Wall.

Director Wall spoke for some time about the specific nuances of the federal programs which allow Dahl Memorial Clinic (DMC) to operate at its current standard. Some takeaways from his statements and the committee's discussion are as follows:

1. **DMC is a Community Health Center (CMC) and a Federally Qualified Health Center (FQHC)**

- a. A CMC means that rather than using the state required standard of getting individual medical licenses and following state regulations for each area of practice, we are able to operate under CMC multi-license which is designed to provide any service line that a community may need.
- b. The DMC does not have malpractice insurance. Since we are a FQHC, we are covered under the Federal Tort Act. This essentially serves as umbrella coverage. As long as the FQHC is performing within their scope and within the designated facility this will cover the DMC in cases of lawsuits and complaints. The cost of obtaining malpractice insurance on our own would be very substantial.
- c. FQHC's also requires that everyone in the community will be provided with services, regardless of their ability to pay, thus ensuring that everyone has access to care no matter what they are being seen for. This is done through a sliding fee scale.
- d. It would be incredibly difficult to replace the CMC/FQHC model. According to Executive Director Wall, "If the grant line were to suffer, then the whole entire license would have a problem and the clinic itself would be unable to provide those services...backfilling those services would require a specific license for each of the service types...which would be extremely costly and time consuming" and would not include a sliding fee scale to cover those who could not pay for services.

2. **The Notice of Award (NoA) for the last year of our 3-year grant cycle was received on 1/08/24 and detailed 4 outstanding conditions against our grant.** One was a scope issue which the DMC board will be considering. The remaining conditions are organizational structure issues.

These organizational structure issues are listed within the NoA document. You can find more specifics referenced within pages 67-83 of the “Structured TA Report HRSA EHBs.pdf”. These compliance issues pertain to ‘Board Authority’ and ‘Board Composition’; some notes are as follows:

- a. The DMC Board needs its own set of bylaws which specify the process for ongoing selection and removal of board members [page 73 3.3] and needs to align with SMC and co-applicant agreement
- b. Resolution 23-27R does not align with SMC 3.17.055 and associated Co-Applicant Executive Director recruitment provision. [page 68- 3.2 and page 69- 4.8]

3. Director Wall’s report dated 4/18/24 describes 3 models as potential solutions to the above referenced organizational structure issues:

- a. Elected board
- b. 501c3 Corporation
- c. “Short term model”

After careful scrutiny of each of the above models. It was agreed that each model faced challenges.

The Elected board model:

Due to the lack of legislative backing to help establish the elected board model, this option seemed to face the largest challenges. If this route was taken, we would need to draft supporting code and would ultimately create another anomaly.

501c3 Model:

This is the preferred model by HRSA, and the model that HRSA is ultimately working towards having all of the FQHCs across the country following. If chosen, it would advance the DMC toward a more fiscally independent future thus both serving the community and alleviating the MOS of administrative strain. However, it too faces some challenges.

In 2023, the voters of Skagway approved Proposition 2 which states the following:

“The E.A. Jenny Rasmuson Community Health Center Building and the Dahl Memorial Clinic business shall not be leased or sold without ratification by public vote.”

After some review by the borough attorney, it was determined that this option would need to go to a community vote.

Short term model:

This model as described in Director Wall’s report is probably the only version that will get us to compliance within the 60-day response window. Additionally, Clerk Burnham located Ordinance 21-16 which originally passed first reading back in 2021 regarding HRSA compliance and with the intention of being available for an expedient second reading upon receipt of more information from HRSA.

After much consideration and careful examination of the Notice of Award (NoA) and supporting documents, the committee moved to make the following recommendations to the table:

1. Pursuit of the 501c3 option as a long-term model for the DMC

In the meantime, move forward with the “Short term model” to ensure compliance within the 60-day deadline with the following actions:

- 2. Repeal of Resolution 23-27R**
- 3. Direct staff to draft amendments to SMC 3.17 with language for a self-appointing board as per HRSA compliance conditions and to draft corresponding bylaws.**