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Title: AN ORDINANCE making changes necessary to implement the 2016 Hospital Services Agreement between King County by and through its Executive and the Harborview Medical Center Board of Trustees and the Regents of the University of Washington; amending Ordinance 6818, Section 3, and K.C.C. 2.42.010, Ordinance 6818, Section 3, and K.C.C. 2.42.020, Ordinance 6818, Section 5, as amended, and K.C.C. 2.42.040 and Ordinance 10563, Section 2, as amended, and K.C.C. 2.42.080 and adding a new section to K.C.C. chapter 4.46; and declaring an emergency.

Sponsors: Rod Dembowski, Jeanne Kohl-Welles

Indexes: Harborview

Code sections: 2.42.010 - ., 2.42.020 - ., 2.42.040 -, 2.42.080 - ., 4.46 - .

Attachments: 1. Ordinance 18233.pdf

Date	Ver.	Action By	Action	Result
2/8/2016	1	Metropolitan King County Council	Hearing Held	
2/8/2016	1	Metropolitan King County Council	Passed	Pass

AN ORDINANCE making changes necessary to implement the 2016 Hospital Services Agreement between King County by and through its Executive and the Harborview Medical Center Board of Trustees and the Regents of the University of Washington; amending Ordinance 6818, Section 3, and K.C.C. 2.42.010, Ordinance 6818, Section 3, and K.C.C. 2.42.020, Ordinance 6818, Section 5, as amended, and K.C.C. 2.42.040 and Ordinance 10563, Section 2, as amended, and K.C.C. 2.42.080 and adding a new section to K.C.C. chapter 4.46; and declaring an emergency.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. The current management agreement between King County, the Harborview Medical Center board of

trustees and the University of Washington expires February 28, 2016.

B. Over the course of the last two years, representatives for the University of Washington, King County and the board of trustees for Harborview medical center have been negotiating terms for a new long term agreement for the University of Washington to operate and manage Harborview medical center.

C. The parties have now reached an agreement, which would be or has been approved by Ordinance xxxx (Proposed Ordinance 2016-0094). The agreement requires several code changes in order to be implemented.

D. Enactment of this ordinance is necessary to conform the King County Code to the provisions of the hospital services agreement. Without these code changes, certain provisions of the hospital services agreement could not go into effect.

E. These code changes will support the ongoing operations and management of the Harborview Medical Center and preserve the public health.

SECTION 2. Ordinance 6818, Section 3, and K.C.C. 2.42.010 are each hereby amended to read as follows:

For the purposes of this chapter:

A. "Administrator" (~~((shall))~~) means the chief administrative officer of the medical center, appointed under the terms of an approved management contract, who shall be responsible for supervising the daily management of the medical center in accordance with approved plans and policies and, for the purposes of the hospital services agreement, means the Executive Director.

B. "Board" (~~((shall))~~) means the Harborview Medical Center board of trustees appointed by the county for the purpose of overseeing the operation and management of the medical center.

C. "Council" (~~((shall))~~) means the King County council as described in Article 2 of the King County Charter.

D. "County governing authority" (~~((shall))~~) means both the county executive and county council in

accordance with their charter assigned responsibilities.

E. "Executive" ~~((shall))~~ means the King County executive as described in Article 3 of the King County Charter.

F. "Hospital services agreement" means that approved management contract entitled the 2016 Hospital Services Agreement between King County by and through its Executive and the Harborview Medical Center Board of Trustees and the Regents of the University of Washington for the management of the medical center, the rendering of clinical services to patients of the medical center, and the conducting of teaching and research activities at the medical center by the university.

G. "Long ~~((R))~~-range ~~((C))~~capital ~~((I))~~improvement ~~((P))~~program ~~((CIP) P))~~plan" or "long-range CIP plan" ~~((shall))~~ means a long-range plan ~~((which))~~ that is produced as the first step in the medical center capital improvement process. The long-range CIP plan identifies capital development needs, establishes capital project standards and policies, identifies intended capital funding sources and alternatives, and presents analysis of medical center programs and the physical facilities needed to implement them. It further projects service levels, presents demographics of hospital clientele, makes an inventory and analysis of the effective use of physical facilities and provides specific direction in linking the capital improvement program to operating program needs.

~~((G.))~~ H. "Medical center" ~~((shall))~~ means the Harborview Medical Center to include~~((, but not limited to, the hospital complex, Harborview Hall and the Harborview Community Mental Health Center))~~ the Norm Maleng Building, the Patricia Bracelin Steel Building, the Ninth and Jefferson Building, the View Park Garage, the Boren Garage, the Engineering Building, the Walter Scott Brown Building, the Child Care Center, the Firehouse Building, the Pioneer Square Clinic and the hospital complex consisting of the Center Tower, the East Hospital, the West Hospital, the East Clinic and the West Clinic.

~~((H.))~~ I. "Project plan" ~~((shall))~~ means a plan produced for a specific capital project which analyzes specific project elements, defines project scope, location, size, costs and other needs. It follows master

planning and precedes project budgeting and also considers location, types and amounts of space, specific needs served, current and projected service population staffing and operating costs impacts, and alternative proposals for the sources of funding the project.

~~((I.))~~ J. "Superintendent" ~~((shall))~~ means the chief executive officer of the medical center, as described in state law, when the medical center is not operated under the terms of an approved management contract.

~~((J.))~~ K. "State law" ~~((shall))~~ means ~~((RCW))~~ chapter 36.62 RCW, as amended, and any other applicable sections of state law.

L. "University" means the University of Washington.

SECTION 3. Ordinance 6818, Section 3, and K.C.C. 2.42.020 are each hereby amended to read as follows:

A. ~~((Purpose.))~~ King County maintains Harborview Medical Center as a county hospital, pursuant to state law, for the primary purpose of providing comprehensive health care to the indigent, sick, injured or infirm of King County, and is dedicated to the control of illness and the promotion and restoration of health within the King County area.

B. ~~((Priorities.))~~ Within available resources, the medical center shall provide adequate health care to those groups of patients and programs which are determined to require priority treatment by the county governing authority. Within this determination shall be the provision that admission of patients to the medical center shall not be dependent upon their ability to pay.

~~((C. Admission Rules. The board shall propose to the council by December 31, 1984 rules for the admission of patients in conformance with approved policies and priorities. The rules shall include a provision for a sliding fee schedule based upon a patient's ability to pay, and for the process to obtain payment for costs of the patient's care as provided by state law.))~~

SECTION 4. Ordinance 6818, Section 5, as amended, and K.C.C. 2.42.040 are each hereby amended to read as follows:

A. The ~~((Harborview medical center))~~ board ~~((of trustees))~~ shall be composed of thirteen members, one nominated from each council district by the county council and four at-large members, who shall be nominated by the county council. Nominees shall be appointed by the executive and confirmed by the council by motion.

B. Board members representing council districts and the four at-large positions nominated by the council shall be appointed in the manner set forth in K.C.C. 2.28.0015.

C. In making appointments to the board, an effort should be made to assure that diverse geographic, social, cultural, ethnic, racial and economic backgrounds and perspectives are considered. Candidates should possess: demonstrated leadership ability, and recognized experience in management or administration, planning, finance, health service delivery, consumer representation or institutional operation; and the ability to work cooperatively with others of diverse backgrounds and philosophies. Additionally, all candidates must be willing to commit to the amount of time necessary to perform trustee duties, serve on board committees and serve as an advocate for the medical center.

D. ~~((No))~~ A person shall not be eligible for appointment as a member of the board who holds or has held, during the two years immediately before appointment, any salaried office or position in any office, department or branch of county government or of any organization with which a contract for the operation and administration of the medical center has been executed. A person shall not be eligible for appointment as a member of the board who is employed in a managerial capacity by or serves on the board of directors of a competitor of UW Medicine. All candidates are required to disclose any information concerning actions or activities of the candidate or the candidate's immediate family that present a potential conflict of interest. Candidates whose employment, financial interests or other transactions are determined by the appointing officials to be in conflict with the interests of the medical center, are ineligible for board membership.

E. ~~((No))~~ A board member shall not receive any compensation or emolument whatever for services as a board member and shall be governed by the county code of ethics and state law regarding conflict of interest. Board members may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060, as

now existing or hereafter amended.

SECTION 5. Ordinance 10563, Section 2, as amended, and K.C.C. 2.42.080 are each hereby amended to read as follows:

A. The medical center shall prepare a long-range capital improvement program (~~((("CIP")))~~) plan, which shall be approved by the board and by the county governing authority by ordinance. The long-range CIP plan shall identify the medical center's needs for ensuring quality patient care consistent with the medical center's mission statement and county policy describing the medical center's purpose, priority programs, priority patient groups and other requirements in this chapter. The long-range CIP plan shall be updated at least once every five years, or more frequently, if deemed necessary by the board. All changes to the long-range CIP plan shall be treated as amendments to the plan previously approved by ordinance. The county, the board and the university shall make a good faith effort to adhere to the deadlines detailed in subsections B. and C. of this section.

B. ~~((Annually, the medical center shall prepare a))~~ The medical center capital project oversight committee, or its successor in function, shall review and advise the board regarding the university's annual six-year CIP budget which shall be forwarded to the board no later February 28 each year.

C. The board shall review the six-year capital improvement plan ("CIP") budget, which shall be approved by the board and submitted to the county executive ~~((consistent with the executive's annual budget preparation process))~~ no later than April 15 each year. The medical center CIP budget shall contain the specific capital improvements necessary to meet the needs, policies and priorities identified in the approved long-range CIP plan.

~~((C.))~~ D. The executive shall submit the medical center's six-year CIP budget to the council ((as part of the executive's proposed six-year CIP budget for the county. The council will review the proposed CIP budget and approve appropriations for all medical center CIP projects subject to subsection E. of this section, for the following year)), which should adopt the medical center CIP budget by June 13 each year.

~~((D.))~~ E. All capital improvement projects at the medical center ~~((which))~~ that are funded in whole or in part with the proceeds of county tax revenues, bonds or other debt issued by the county, grants to the county, gifts or donations shall be subject to, planned and administered consistent with this chapter and K.C.C. Title 4A.

~~((E.1.))~~ F. Notwithstanding any provisions of this chapter or K.C.C. Title 4A to the contrary, all capital improvement projects at the medical center that are funded exclusively with medical center revenues and that are budgeted over the life of the project for an amount not exceeding ~~((one))~~ five million dollars shall be managed, designed, planned, developed and overseen by medical center administration and the university, subject to review and approval by the board. All capital ~~((improvement))~~ project activities conducted under this subsection shall comply with state laws applicable to the university, this subsection and medical center policies and procedures ~~((to be))~~ approved by the executive, following consultation with the board and university. ~~((The))~~ Those policies and procedures shall include, but not be limited to, the following:

1. Procedures for the open and competitive solicitation of ~~((bids))~~ contracts for ~~((CIP))~~ capital projects ~~((costing more than ten thousand dollars))~~ as may be required by state laws applicable to the university;
2. Elements to be included within all CIP project budgets, which shall include, at a minimum:
 - a. design consultant (architect and engineering ~~((design fees))~~ services);
 - b. other consultant fees;
 - c. ~~((direct))~~ construction costs;
 - d. ~~((fees and))~~ permit~~((s))~~ fees;
 - e. ~~((on-site costs))~~ contingency budget; and;
 - f. ~~((off-site costs~~;
 - g. contingency budget; and
 - h. ~~project management and administration costs))~~ project management and administration costs.
3. Policies and procedures to ~~((increase the opportunities for))~~ provide opportunities for apprentices.

minority and women's businesses, disadvantaged business enterprises and small contractors and suppliers to participate in ~~((CIP))~~ capital project contracts. These policies and procedures shall include, at a minimum: ~~((separate utilization goals for the use of minority and women's businesses, which shall be reasonably achievable and shall be the minimum utilization identified in all bid solicitations; reporting and enforcement guidelines; and the identification of medical center staff necessary to implement this subsection))~~ goals for the use of apprentices, minority and women's businesses or small contractors and suppliers or disadvantaged business enterprises that shall be reasonably achievable and identified in all appropriate solicitations; reporting guidelines; and the identification of medical center staff necessary to implement this subsection F.3.;

4. Procedures for review ~~((and)),~~ evaluation ~~((of design consultants))~~ and award of contracts for either construction or architectural and engineering services;

5. Procedures for reporting and control, which shall include, at a minimum:

a. ~~((monthly))~~ quarterly reports from staff at the medical center to the board on the status of the budget, scope and schedule for all CIP projects subject to this subsection;

b. when requested by the executive, quarterly reports from the board ~~((to the executive))~~ on the status of the budget, scope and schedule for all CIP projects subject to this subsection;

c. immediate notification by staff at the medical center to the board ~~((and the executive,))~~ if a CIP project subject to this subsection exceeds its authorized budget;

d. ~~((semiannual))~~ periodic reports from the board to the executive for transmittal to the council on the status of the budget, scope and schedule for all CIP projects subject to this subsection as requested;

e. annual reports from the board to the executive for transmittal to the council evaluating the ~~((medical center's compliance with its utilization goals for minority and women's business participation))~~ participation of apprentices, minority and women's businesses, small contractors and suppliers or disadvantaged business enterprises in CIP projects subject to this subsection.~~((the medical center's compliance with its utilization goals for minority and women's business participation in CIP projects subject to this subsection.))~~

~~((F.))~~ G. All costs of ~~((capital improvement))~~ CIP projects administered by the medical center under subsection ~~((E.))~~ F. of this section shall be paid from medical center revenues. So long as management of the medical center is delegated by contract to the University of Washington, exemption of such capital improvement projects from K.C.C. Title 4A shall be effective but only if the ~~((U))~~university ~~((of Washington))~~ agrees to indemnify the county ~~((and its elected and appointed officers, agents and employees from costs, claims, damages or liability arising out of the CIP projects in a form acceptable to the county))~~ in accordance with the hospital services agreement.

~~((G.))~~ H. Subsection ~~((E.))~~ F. of this section shall remain in effect until the expiration date of the ~~((1995 management and operations contract between the Harborview Medical Center Board of Trustees and the University of Washington Board of Regents existing as November 30, 2014, and as may be amended))~~ the hospital services agreement, as may be amended.

~~((H.))~~ I.1. From the annual operating revenue of ~~((Harborview))~~ the ~~((M))~~medical ~~((C))~~center, the medical center shall fund depreciation reserves to be allocated to the major movable equipment and building repair and replacement funds and transfer the depreciation reserve funding into the respective capital funds. ~~((Harborview))~~ The ~~((M))~~medical ~~((C))~~center shall designate a minimum of ten million eight hundred thousand dollars annual depreciation reserve commitment and allocate it as follows:

- a. The building repair and replacement fund annual funding amount shall be in accordance with the annual budget submitted to the county, but shall not be less than four million dollars per year; and
- b. The balance, or not less than six million eight hundred thousand dollars of the minimum ten million eight hundred thousand dollar annual depreciation reserve commitment shall be allocated for moveable equipment.
2. An annual report shall be provided to the executive and council detailing major moveable equipment. expenditures and revenue sources in the major movable equipment fund ~~((502))~~.
3. The transfers to the major movable equipment fund and the building repair and replacement fund

shall occur no later than thirty days after the end of the medical center's fiscal year.

4. When planned expenditures exceed the funds available in the building repair and replacement fund, the additional funding shall come from an extraordinary funding source other than the county's general fund.

5. The difference, between the six million eight hundred thousand dollars available for moveable equipment and the ten million eight hundred thousand dollars projected moveable equipment need, or four million dollars annually, shall be included as part of an allotment through an extraordinary funding source, not including the county's general fund.

~~((F-))~~ J. King County shall continue to be responsible for major long-range infrastructure capital repairs, replacements and improvements and major additions, using voter approved bonds or other funding mechanisms approved by the county governing authority.

~~((F-))~~ K. There is created a medical center building repair and replacement fund, which shall be a county capital project fund and shall be used to account for the regular segregation of building repair and replacement capital reserves, including investment income. From the building repair and replacement fund shall be drawn payments for the acquisition of fixed equipment, building renovations and improvements as approved by the board.

1. Moneys deposited in the building repair and replacement fund shall be invested solely for the benefit of that fund. The board may make transfers to the fund on a more frequent basis.

2. The moneys deposited in this fund shall be used solely for the renovation and/or improvement of the medical center's buildings and equipment, subject to the capital budgeting provisions of this chapter.

SECTION 6. A new section is hereby added to K.C.C. ch.4.56 as follows:

For all buildings that comprise the medical center as defined in K.C.C. 2.42.010, and in accordance with the terms of the 2016 Hospital Services Agreement, as defined in in K.C.C. 2.42.010, the University of Washington shall act as the county's leasing agent and property manager for retail spaces and retail opportunities, including, but not limited to kiosks, concession stands and automated teller machines, and such

other purposes that support or enhance the medical center. All leases for these purposes shall be approved and executed by the county executive or the executive's designee and shall be exempt from the requirements of K.C.C. 4.56.140, 4.56.150, 4.56.160, 4.56.170, 4.56.180 and 4.56.190.

SECTION 7. The county council finds as fact and declares that an emergency exists and this ordinance is necessary for the immediate preservation of public peace,
health or safety or for the support of county government and its existing public institutions.