

9.19.19
Harborview Leadership Group Options Summary
Discussion DRAFT

- *The following are **summary descriptions** of options presented to the Harborview Leadership Group to date by subcommittees tasked with identifying options per Motion 15183.*
- *Details are available in the subcommittee reports and PowerPoint presentations provided to the Leadership Group and also available [here](#).*

A. Harborview Medical Center

Option A1: No Change

Option A2: Increase Bed Capacity and Modernize the Emergency Department

- Build a new view tower on Harborview's campus to provide 60 new acute care beds, as well as shell floors for an additional 60 beds.
- Renovate two floors of the existing Maleng Building to provide 40 new beds.
- Update the current Emergency Room to support a higher volume of patients and improve care (e.g., single rooms, privacy).

Options A3: Seismically Upgrade the Center Tower

- Upgrade the existing Center Tower to meet current seismic standards and reclassify the building for office use (business occupancy only; not patient care).

Option A4: Demolish the East Clinic

- Demolish the current East Clinic building because it does not meet seismic standards, is poorly suited for modern use or clinic space, and is disconnected from existing inpatient services and operating rooms.

Option A5: Renovate Harborview Hall

- Renovate and seismically upgrade Harborview Hall to either a residential or business occupancy rating.
- Maintain its historic character.

B. Behavioral Health

Option B1: No Change

Option B2: Expand Existing Facility/Space for Three Prioritized Programs

- Renovate existing buildings and/or create new space to support the following three behavioral health programs:

- crisis stabilization unit
- partial hospital step-up/step-down program
- expanded outpatient clinic space

Options B3: Expand Existing Facility/Space for Four Additional Programs

- Renovate existing buildings and/or create new space to support the following additional behavioral health programs:
 - forensic inpatient facility
 - evidence-based practice training center
 - sobering center
 - telepsychiatry services

C. Housing

Option C1: No Change

Option C2: Increase Respite Capacity (Behavioral Health and Medical)

- Add respite beds with an integrated medical and behavioral health respite program.
- Could include the “layer-cake” building that provides a combination of services.

Options C3: Increase Permanent Supportive Housing (Behavioral Health and Medical)

- Build non-time limited affordable housing units with intensive supports for medical and behavioral health needs.

Options C4: Increase Workforce/Affordable Housing

- Build long-term affordable housing units for Harborview staff, particularly those in the mid to lower range salary ranges and/or for Harborview’s mission population.

Options C5: Increase Shelter Capacity

- Add additional shelter resources in the form of emergency shelter (indoor sleeping space with some services), enhanced shelter (open 24 hours with more services), and/or a low-barrier 24/7 sleep and hygiene drop-in center.

D. Involuntary Treatment Act Court

Option D1: No Change

Option D2: Enhance Space for the ITA Court at Harborview & Add Video Infrastructure

- Remodel, expand or identify new space at Harborview to expand ITA capacity by at least an additional 12,000 square feet.
- Invest in video hearing equipment at the ITA Court and various Evaluation & Treatment Centers.

Options D3: Invest in ITA Court Related Behavioral Health Facilities

- Invest in complimentary facilities and services that mitigate behavioral health conditions leading to ITA Court referrals- include outpatient clinical facilities, enhanced emergency and acute care services at Harborview, and supportive housing.

E. Pioneer Square Clinic (PSC)

Option E1: No Change

Option E2: Remodel Pioneer Square Clinic

- Remodel the current space for improved clinic services on the first two floors, administration on the third and community-based partnerships (e.g., outreach teams, police) on the fourth floor.
- Upgrade the clinic to improve efficiency and patient care.

Options E3: Move Pioneer Square Clinic to a New Location in the Area

- Purchase or lease a new space for the clinic in the Pioneer Square neighborhood.

Options E3: Close Pioneer Square Clinic and Move Operations to Hobson Place

- Relocate current PSC services to a new, integrated primary/behavioral health care clinic on 22nd and Rainier Avenue that is under development by Harborview and Downtown Emergency Services Center (DESC).

Options E4: Move Operations to Hobson Place and Maintain a Downsized Clinic in the Current Location

- Move part of PSC services and staff to Hobson Place. Do minor renovations to the existing clinic to improve functionality.
- Reduce PSC's hours of operations and focus on training medical residents.

F. Public Health

Option F1: No Change

Option F2: Enhance Public Health Programs on the Harborview Campus

- Maintain, co-locate and enhance space for efficiency and growth for the following public health programs on Harborview's campus: HIV/STD clinic, the King County Medical Examiner's Office, the tuberculosis control program and the refugee health screening program.

Options F3: Purchase a Building to Maintain a Health and Human Services Hub Downtown

- Purchase a building on the north end of downtown Seattle to house adult and pediatric primary care, dental, support for children with special health care needs, maternity

support services, WIC, expanded buprenorphine, needle exchange, pharmacy, etc.

G. Public Safety - TBD

HLG Decision Making Process – 9/25/19 Discussion Guide

FINAL RECOMMENDATION: PREFERRED PACKAGE

At the June HLG meeting, we agreed that the goal is to recommend a single, preferred package including both the size (dollar amount) and scope (facility options) of a potential bond measure. The recommendation may also include tiers or a menu of options should more or less funding be available. (See *HLG Meeting Minutes, June 26, 2019 for additional details*).

PROPOSED DECISION-MAKING PROCESS

To arrive at this recommendation, we propose the following decision-making process:

1. That we **aim for full consensus** on the final package.
 - We use a thumbs up (support/agree), thumbs sideways (neutral/can live with), thumbs down (oppose/disagree) methodology to vote on the package
 - Full consensus means every HLG member is either supportive (thumbs up) or can live with (thumbs sideways) the recommendation
 - If an HLG member opposes the recommendation (i.e., thumbs down), it is our collective expectation that s/he provide a rationale for his/her position and explain what it would take to get to neutral or supportive; the team will do its best to address the member's concern
2. That we **consider the package as a whole**, rather than voting on each individual component of the package.
3. In the event that full consensus cannot be achieved (i.e., one or more HLG members remain thumbs down), the HLG will take a vote and the recommendation will pass if there is **consensus minus three votes**--that is, if three members oppose the package (thumbs down).*
4. **Acknowledgements of dissenting opinions** or concerns may be included in the final report.
5. If a member is unable to attend the meeting in person, s/he **may vote remotely** by either calling into the meeting or by letting Christina Hulet know his/her position in writing prior to the meeting.
6. A **quorum is required** for the final vote; 7 out of 14 members must be present.

* Other options include: a 2/3rd supermajority, a simple majority, full consensus minus 1, 2, 3, etc Amended per September HLG meeting discussion.



Harborview Leadership Group
Philanthropy
Subcommittee Report
September, 2019

OVERVIEW

The University of Washington Advancement Office has long provided support in annual and targeted fundraising efforts for Harborview Medical Center (HMC). To date, a large-scale fundraising effort targeted at capital expansion has not been undertaken. In general, private philanthropy levels in support of capital (renovations and equipment) and operational expenses have been relatively minor, typically raising between \$1.5M and \$3M annually.

A major facility capital expansion provides an important opportunity, over a designated timeframe, to significantly increase this level of support. Working with the UW Medicine Advancement office, the subcommittee has been exploring how private philanthropy could generate measureable funding for needed facility investments and possibly reduce the amount that would need to be sought from the voters.

Public/private partnerships in financing major public hospital construction projects of the scale under investigation by the Harborview Leadership Group (HLG) are rare, with very few examples nationally. A thoughtful analysis of an equivalent fundraising effort (i.e., Parkland Health & Hospital System in Dallas, TX) and completion of a formal fundraising feasibility study will be important next steps to determine the level of philanthropic support that should be targeted.

STATEMENT OF NEED

There are three key advantages to aligning with a significant private philanthropic effort to help fund facility expansion and/or programming at Harborview:

1. Significant private philanthropy could measurably reduce the amount that the voters would be asked to contribute and/or provide necessary financial operating support of new programs and services made possible by an approved bond effort.
2. Significant private philanthropy would highlight community support and demonstrate a thoughtful approach to financing.
3. Significant philanthropy would have an additive effect of demonstrating HMC's philanthropic worthiness to King County residents and other prospective constituents beyond King County, thus enhancing HMC's opportunity to increase dramatically annual and large-gift fundraising in the years after the new tower is completed.

ALTERNATIVES/OPTIONS: PHILANTHROPY FOR CAPITAL EXPANSION OR ONGOING FUTURE EXPENSES

As has been discussed in several of the other subcommittee reports, one of the key risks to long-term success is over-expenditure on the capital side to construct new facilities and not having the long-term financial wherewithal to fund the ongoing operations. Additionally, it has been identified that many

private foundations and funders limit allocations to programs and services, but do not allocate resources to capital expansion.

The subcommittee reviewed two options:

- **Option 1** – targeting broad fundraising effort to generate funds for both capital expansion and program costs for new services (recommended).
- **Option 2** – limiting fundraising efforts to capital expansion costs to maximize the reduction in funds requested from the voters.

Option 1 - Both Capital and Operating Costs of New Services

Impact to people:

This option will maximize the opportunity to raise private philanthropy by being open to both operating funds for new programs and services, and capital needed to fund equipment and facility expansion. Being flexible in this sense is good for both the mission population and the employees at the hospital campus.

Impact to services and operations:

The biggest impact to services and operations from the philanthropy efforts in Option 1 is that it will improve the long-term outlook of the hospital and help ensure the success in delivery of services that would be promised to the community. It is possible that some of the services may be related to capital facilities built by public and private funding, but not operated by HMC, so the ultimate impact on operations to HMC is likely to be neutral or positive, but cannot be known until future efforts have been completed. Capital and programmatic expansions are expected to implement best practices both in terms of services and facility operations. Hence, the philanthropic efforts, to the extent they make those changes easier to implement, will have positive impacts.

Equity and Social Justice Impacts:

Philanthropy efforts are likely to positively affect equity and social justice concerns in at least two different ways. First, expansion of services provided to the mission population afforded by increased space (which virtually all contemplated changes include). Second, should philanthropy reduce the amount of an initiative forwarded to the voters, a smaller the portion of the total cost that will be paid by those who can least afford it. The property tax is not the most regressive tax used in Washington State as it is only paid by property owners; however, at least a portion of any tax increase is likely to be passed on to renters. Private philanthropy reduces this portion of the project from ever entering that equation.

Option 2 – Limited Philanthropy Targeted at Capital Costs

Impact to people:

As with Option 1, ultimately money raised through private philanthropy is not money asked of the voters of King County. Targeting the efforts at raising capital funds to maximize the amount that can be removed from the bond proposal puts emphasis on reducing the overall size of the bond effort. It would also put the focus on other efforts to fund the longer-term operating costs of any new services.

Impact to service and operations:

Focusing on only capital philanthropy will potentially have the impact of increasing the likelihood that new capital facilities can be constructed. It may also increase the likelihood that long-term funding options for those new services are harder to fund. However, there is a lack of clarity around what new services will be offered and what operating dollars will be available for those services, so this outcome is currently an unknown. Again, any capital and programmatic expansions are expected to implement best practices both in terms of services and facility operations. The philanthropic efforts, to the extent they make those changes easier to implement, will have positive impacts.

Equity and Social Justice Impacts:

Philanthropy efforts are likely to positively affect equity and social justice concerns in at least two different ways. First, expansion of services provided to the mission population afforded by increased space (which virtually all contemplated changes include). Second, should philanthropy reduce the amount of an initiative forwarded to the voters, a smaller the portion of the total cost that will be paid by those who can least afford it. The property tax is not the most regressive tax used in Washington State as it is only paid by property owners; however, at least a portion of any tax increase is likely to be passed on to renters. Private philanthropy reduces this portion of the project from ever entering that equation. To the extent that Option 2 focuses on capital philanthropy, this option is likely to further reduce burdens on the taxpayers and therefore have a slightly lower impact on the populations least able to pay.

LEVEL OF PRIVATE SUPPORT: FUNDRAISING FEASIBILITY STUDY

Completion of a formal fundraising feasibility study will be an essential step to help determine the level of philanthropic support that should be targeted. This study should be considered in conjunction with other studies also identified in Council Motion 15182.

The core of a feasibility study effort will be personal interviews with approximately 25-35 top prospective donors (TPDs), and King County, HMC and UW Medicine opinion leaders. Feasibility study questions will be designed to elicit from interviewees' responses to key areas of inquiry: interest in HMC's vision for the future of its healthcare delivery and emergency preparedness capabilities, interest in a fundraising effort in conjunction with a bond measure, interest in contributing significantly to HMC, willingness to work on behalf of the HMC and King County's goals and objectives, willingness to assume fundraising leadership roles, and satisfaction with institutional leadership. The study also

provides a first level of cultivation for the interviewees and informs them of fundraising priorities and goals, as well as HMC's timetable for implementing its vision.

The measures of potential fundraising success, then, are more than just a barometer to calibrate potential level of support. If properly conducted with the right constituents, the feasibility study will also achieve the following results:

- It identifies the attitudes and interests of key constituents who are integral to fundraising success.
- It reliably summarizes responses to the five main areas of inquiry: attitude toward fundraising priorities, approval of effort, willingness to work as a volunteer, willingness to contribute, and degree of interest in supporting HMC in comparison to other fundraising efforts currently underway or being planned to which top prospective donors may be asked to contribute.
- It uncovers any potential major challenges relating to HMC, UW Medicine or their stated goals and vision for capital and programmatic improvements.
- It tests the proposed effort's goal credibility and chances for success, and identifies steps necessary to determine the final goal.
- Feasibility study interviews serve as an introduction to HMC's vision and, as such, represent an important cultivation step with the top prospects within the community.

Feasibility Study Specifics

Before scheduling the feasibility interviews, a visionary case statement/prospectus (to be completed) would be sent to those who will be asked to participate in the study. Every effort will be made to secure interviews with the most prominent philanthropic leaders within our community. After the interviews have been completed and after all appropriate data have been analyzed, a comprehensive report of findings and recommendations will be presented to the HLG. The report should include, but not necessarily be limited to, the following:

- A discussion of the preparation to be undertaken by HMC leadership to achieve further success in the "silent" and "public" phases of the fundraising effort.
- An analysis of HMC's fundraising potential and preliminary goals.
- An evaluation of the constituents' willingness to involve themselves in a fundraising effort as volunteer leaders and donors.
- A determination of the constituents' feelings about HMC's direction, leadership, and role in the infrastructural fabric of King County, Washington, and the Pacific Northwest.
- An assessment of HMC's featured objectives as viewed by the constituents interviewed.
- A tentative fundraising schedule.
- A scale of needed gifts and goal setting for HMC's top priorities.
- Specific recommendations for organizing, staffing, and conducting the fundraising effort.

UW Medicine Advancement has identified a highly-qualified third party consultant unaffiliated with UW Foundation's retainer consultant (Grenzebach Glier and Associates) in order to present an unbiased opinion to the HLG. This consultant selected is uniquely qualified to deliver a feasibility study with access to data from one of the nation's few comparable efforts (Parkland), has the caliber of experience and reputation to engage top prospective donors, and has confirmed ability to deliver the study within the HLG's time constraints. Completion of the feasibility study requires 6-8 weeks from the date of the first interview.

SUMMARY

Option review:

- The philanthropy subcommittee looked at various options for undertaking a major fundraising effort to support the capital and programmatic needs of HMC in looking at a major capital and programmatic expansion.
- The two options considered and contained in this report were to target philanthropy at both capital and operational costs of new services at HMC or to limit the targeted philanthropy just at the capital expansion of the hospital.

Conclusion:

- The subcommittee is recommending that any philanthropic effort be broad enough to allow donors to fund facility expansion, equipment and programmatic needs to encourage wider participation from the philanthropic community (Option 1).
- The subcommittee is recommending completion of a fundraising feasibility study by a third party consultant to help better determine the level of participation from private funders.

	No Change	Option 1	Option 2
Mission Population	Negative Impact	Positive Impact	Positive Impact
Patients and clients	Negative Impact	Positive Impact	Positive Impact
Labor and employees	Negative Impact	Positive Impact	Positive Impact
Neighbors and community	Negative Impact	Positive Impact	Positive Impact
Delivery of emergency services	Negative Impact	Positive Impact	Positive Impact
Addresses facility deficiencies and needs	Negative Impact	Positive Impact	Positive Impact
Supports innovation, best practices, and/or new models of care	Negative Impact	Positive Impact	Positive Impact
Service models that promote equity	Negative Impact	Positive Impact	Positive Impact
Influenced by community priorities	Negative Impact	Positive Impact	Positive Impact
Addresses Determinants of Equity	Negative Impact	N/A	N/A
Access to healthcare and improved health outcomes	Negative Impact	Positive Impact	Positive Impact
The long-term financial position of Harborview and King County	N/A	Positive Impact	N/A
Existing facilities	Negative Impact	N/A	N/A
Opportunities for other funding	N/A	N/A	N/A

Positive Impact	Positive Impact
Negative Impact	Negative Impact
N/A	N/A


Philanthropy Subcommittee

Report for the Harborview Leadership Group

SEPTEMBER 25, 2019



Agenda

- Subcommittee Members
 - Overview
 - Statement of Need
 - Funding Options for Philanthropy
 - Funding Level for Philanthropy - Fundraising Feasibility Study – Fundraising Conversations
 - Questions
- 

Philanthropy Subcommittee Members

- Paul Hayes, Harborview Medical Center
- Kelli Carroll, King County
- Patrick Hamacher, King County
- Leslie Harper-Miles, King County
- Sid Bender, King County
- Ian Goodhew, UW Medicine
- Clint Burwell, UW Medicine Advancement

Overview

Annual and targeted fundraising efforts for Harborview Medical Center (HMC) have provided ongoing support of capital renovations, equipment and operational expenses. Historically, major facility capital expansion and campus development has been publically funded. The Philanthropy Subcommittee has been exploring how private philanthropy could generate measurable funding needed for facility investments and possibly reduce the amount that would need to be sought from the voters. Public/private partnerships in financing major public hospital construction projects of the scale under investigations by the Harborview Leadership Group are rare, with few examples nationally. We are in the process of conducting a formal fundraising feasibility study to help determine the level of philanthropic support that we could generate locally for a similar effort.

Needs Statement

There are three key advantages to exploring a significant private philanthropic effort to help fund facility expansion and/or programing at Harborview:

1. Significant philanthropy could measurably reduce the amount that voters would be asked to contribute and/or provide necessary operating support of programs made possible by an approved bond effort
2. Significant philanthropy would highlight community support of Harborview and demonstrate a thoughtful approach to financing
3. Significant philanthropy would have an additive effect of demonstrating HMC's philanthropic worthiness to King County residents and other prospective constituents beyond King County, thus enhancing HMC's opportunity to increase dramatically annual and large-gift fundraising in the years after the new tower is completed.

Funding Options for Philanthropy

- **Option 1** – targeting broad fundraising effort to generate funds for both capital expansion and program costs for new services
- **Option 2** – limiting fundraising efforts to capital expansion costs to maximize the reduction in funds requested from the voters

Subcommittee is recommending that any philanthropic effort be broad enough to allow donors to fund facility expansion, equipment and programmatic needs to encourage wider participation from the philanthropic community (Option 1)

Funding Level for Philanthropy

Completion of a formal **fundraising feasibility study** will be an essential step to help determine the level of philanthropy support that should be targeted:

- Personal interviews with 25-35 top prospective donors and other community opinion leaders
- Institutional meetings – September 2019
- TPD meetings – October/November 2019
- Study findings – November 2019
- Interviewer/fundraising consultant: Chuck Sizemore

Pillars of Fundraising Success

Needs:

- Specific capital improvements
- Specific programmatic improvements or additions

Communication/Branding:

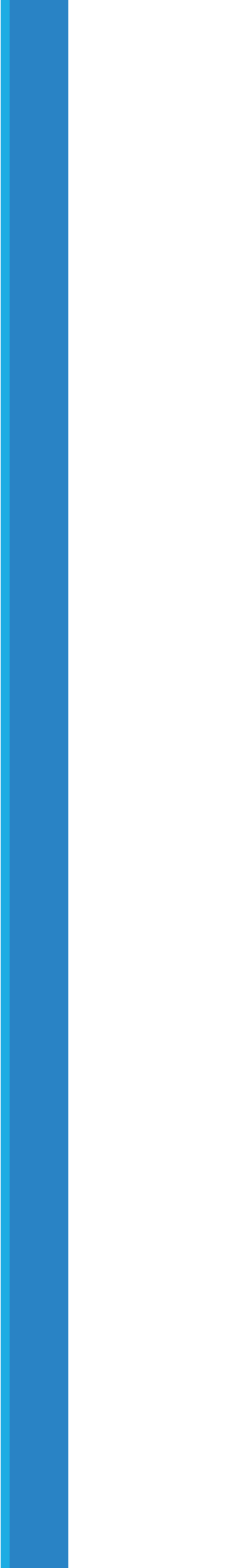
Constituency:

- Individuals
- Corporations
- Foundations

ENGINES----->NEEDS----->CONSTITUENCY

Engines:

- Governing board(s)
- Fundraising Steering Committee—volunteer leadership
- CEO
- Dean
- Physicians/Program Heads
- Other Committed Volunteers
- UW Medicine Fundraising Staff



Key Feasibility Study Results

- Key constituents' attitudes toward HMC
- Identification of new TPD's
- Level of constituents' participation—philanthropic, volunteer, and community activist
- Resonance with HMC's BHAGs, vision, and role in the King County community and beyond
- Resonance with HMC leadership—CEO, chiefs of medical disciplines, physicians, nursing staff, and other allied health professionals
- Issues requiring remediation or deeper examination
- Explanation of the fundraising effort's components/goals, so as to begin a level of constituent gift cultivation

Key Feasibility Study Deliverables

- Fundraising potential and fundraising goal verification
- Fundraising effort's timing and length, as well as a “road map” for executing all of the effort's components
- Identification of a sequence for gift requests and pairing of TPDs with featured fundraising priorities—perhaps occasioned by potential for transformational giving
- Identification of potential volunteers among the interviewees, especially those who could influence larger gifts and greater participation from the community
- Evaluation of the fundraising effort's featured objectives and their resonance with TPDs
- Donor/community communication strategies and content

Questions?



Criteria

	No Change	Option 1	Option 2
Mission Population			
Patients and clients			
Labor and employees			
Neighbors and community			
Delivery of emergency services			
Addresses facility deficiencies and needs			
Supports innovation, best practices, and/or new models of care			
Service models that promote equity			
Influenced by community priorities			
Addresses Determinants of Equity			
Access to healthcare and improved health outcomes			
The long-term financial position of Harborview and King County			
Existing facilities			
Opportunities for other funding			



Positive Impact
Negative Impact
N/A