



**BOARD OF DIRECTORS
MEETING
July 21, 2010**

**Health District Building
Conference Room**

MINUTES

BOARD MEMBERS PRESENT: Celeste Holder Kling, President
Bernard J. Birnbaum, MD, Vice President
Timothy S. O’Neill, Secretary
Steven J. Thorson, MD, Treasurer
Joe D. Hendrickson, Liaison to PVHS Board

STAFF PRESENT: Carol Plock, Executive Director
Jim Becker, Resource Development Coordinator
Bruce Cooper, M.D., Medical Director
Lorraine Haywood, Finance Director
Samantha Murphy, MHPA Partnership Manager
Chris Sheafor, Support Services Director
Nancy Stirling, Assistant to Executive Director
Lin Wilder, CI & HP Director
Chelsea Williams, Public Health Apprentice

OTHERS PRESENT: Rulon Stacey, President, PVHS

RECOGNITION OF SERVICE TO THE HEALTH DISTRICT: LEE THIELEN

Board members and staff honored Ms. Lee Thielen, a Health District board member who just ended her final term this past April, with praise and appreciation for her dedication to the board and her expertise in public health. Ms. Thielen commented that the Health District stands out among any of its peers as one of the best managed organizations she has had the opportunity to be associated with. She also noted that the other thing that is special about the District is the way the District really full-heartedly and successfully looks for and addresses gaps in the community. All are a huge asset to Larimer County. She also expressed her appreciation for being able to serve as a Liaison to the PVHS Board and being part of the Malcolm Baldrige success.

CALL TO ORDER; INTRODUCTIONS; APPROVAL OF AGENDA

Board President Celeste Kling called the meeting to order at 6:01 p.m. A Larimer Emergency Telephone Authority (LETA) request was added to the “Discussion” section of the meeting agenda.

MOTION: To approve the agenda as amended.

Motion/Seconded/Carried Unanimously

PUBLIC COMMENT

None.

PRESENTATION & REPORT

PVHS: Annual Report and Current Issues

Mr. Rulon Stacey, President of Poudre Valley Health System, attended the meeting to report to the Health District Board of Directors per Hospital Operating Lease Agreement (HOLA) requirements and to provide an overview of what and how the System is doing clinically as well as what they are planning to do to meet the needs and requirements of health care reform.

Mr. Stacey reminded the Board that the Poudre Valley Hospital District used to be the fiduciary overseer of the hospital. For a number of reasons, the hospital district board made the decision to create a nonprofit 501(c)3 organization and lease all the real estate to a separate entity, the PVHS. The Health District continues to be the lease holder of Poudre Valley Hospital assets and property. The Health District's assets are now five times greater than they were in 1994, when the privatization occurred. Now Poudre Valley Health System's (PVHS) service area includes Northern Colorado, Wyoming and Nebraska. The System just hired its 6,300th employee and this year's annual revenues will reach more than \$1.2 billion. There are 34 years remaining on the 50 year lease and PVHS is hopeful that they are taking the organization in the way it was intended.

PVHS leadership identified a vision "to provide world-class health care" several years ago. To achieve this, they set measures and seek to perform in the top 10% in measurable indicators. To monitor how well the organization is doing at meeting objectives and measuring them, balanced scorecards are developed and reviewed on a monthly basis. Each department has their own balanced scorecard that supports the overall organizational scorecard. They currently have 157 balanced scorecards.

Measure Highlights:

- Healthcare Outcomes: Risk-Adjusted Mortality Rate – PVHS scored better than the U.S. Top 10%
- Customer-Focused Outcomes: both PVH and MCR rated better than competitors in customer satisfaction; 8 years of consistent improvement
- Workforce-Focused Outcomes: Staff Voluntary Turnover – high job satisfaction noted through "Engaging Employees in Excellence Award", MSA (2009) and "Top 10 Best Places to Work", Modern Healthcare (2008, 2009), and 93rd percentile in national database (2009). Employees that stay longer provider higher quality of care less expensively and it is believed that PVHS has the single lowest turnover rate in the country.
- Workforce-Focused Outcomes: Physician Engagement Scorecard – rates 90th percentile in Engagement Score; 96th percentile in Loyalty Score; and 89th percentile in Attachment Score in the National Physician Database.
- PVHS remains lowest in hospital charges compared to regional competitor and Denver competitors (2002 thru 2008).
- PVHS provides extensive Community Benefit through various programs and partnerships in the community (see slide for details).

To meet the requirements of the new health care reform and remain successful and viable, PVHS believes they will need to be bigger and will need to reduce costs. In order to reduce costs, systems will need to reduce variations, and identify and implement best practices. They anticipate a national move towards bundled payments, and will have to figure out how to best make it work.

A major strategy to address health care reform is the establishment of the Poudre Valley Medical Group, a group of physicians who are technically employees of PVHS. A leadership structure has been developed with a Board of 10 members, 7 of which are physicians. The Board helps to create a network of physicians and assure that information is shared across a huge geographic area, as well as assuring that practices are similar (for example, making sure that a certain procedure done in Scotts Bluff is done the same way in Fort Collins and in Loveland).

In addition to PVMG, there are physicians who prefer to remain apart from PVHS or the Medical Group. Those physicians are still able to access our system as long as they comply with PVHS' clinical standards and criteria. Thus far, six of the Board members have been established. They include Barbara Yosses as CEO of Poudre Valley Medical Group; Todd Whittsett as President of Poudre Valley Medical Group; Dr. William Neff, PVHS Chief Medical Officer, Stephanie Doughty, PVHS Chief Financial Officer; and two positions from the Greeley Medical Clinic. As they continue to grow the Medical Group, additional Board positions will be filled.

As the PVHS organization works to prepare for health care reform, they recognize the need to broaden their scope in a variety of ways, including continuing to explore areas for expansion. Nationally, indications are that systems will have to be very large in order to survive the changes coming through health care reform. Multiple conversations are already taking place with potential partners along the I-25 corridor, as well as in Wyoming and Nebraska.

Dr. Thorson complimented Mr. Stacey on his administrative leadership and for figuring out ways to gain the trust of doctors and work with them. He believes that PVHS' approach to creating a medical group model that works so well with doctors is incredibly innovative and appreciates the work PVHS leadership is doing.

A question was raised as to what the Health District owns and what belongs to PVHS. The Health District owns everything that PVH owned at the time of the privatization, including Poudre Valley Hospital and all its assets, plus the land that Harmony Campus sits on. PVHS owns everything that was not in existence at the time the lease agreement was entered into in 1994, including Medical Center of the Rockies and the parking garage at PVH. At the end of the lease agreement, however, everything would revert back to the Health District, unless the lease is renewed or revised at some point in time. Additionally, the lease agreement ensures that PVHS maintain services that existed in 1994 unless they obtain approval to change or terminate services from the Health District Board.

Dr. Birnbaum noted that PVHS' commitment to the underserved has been high, partially helped out by strong leadership combined with a relatively affluent community, and asked how PVHS plans to maintain that commitment and what its strategy to maintain strong primary care available to all would be. Mr. Stacey replied that PVHS is trying to learn from the lessons of the 90's, and improve on past experiences. Within the PVMG, they are creating productivity

requirements for physicians, requiring that there be no distinction as to the payer source (they must accept all payers), are working on including a quality care component, are creating primary care networks that will include greater use of midlevel providers, and are working on developing a nurse case management program. Mr. O'Neill commented that in his work, they are hearing that Accountable Care Organizations will be the way that health care will be organized by 2014, with medical homes as the gatekeepers in a system similar to global HMO capitation. In that scenario, in order to continue any local control, you have to *be* the HMO, which will likely require a larger ACO than our county, and it will be critical that our community figure out how to develop and participate in an effective system.

DISCUSSION AND POTENTIAL ACTION

Health District Involvement in Dental Connections Concept

Ms. Plock presented the Board with a draft budget projection for the next 3 1/2 years for the Dental Connections project. At the previous board meeting, the Board was informed about the recommendation from one of the task forces of the Dental Health Partnership to establish a Dental Connections program in this community. The program would be similar in concept to the Mental Health Connections program in that it would provide information and referral services for the general population, but would also provide coordination and administrative support for dental services provided to adults who cannot otherwise afford or access dental care by local private dentists who will volunteer their services at a fraction of normal costs.

[Note: Mr. Hendrickson excused himself from the meeting at this point to attend to a personal matter.]

The budget projection is a rough draft, however it gives a good sense of what revenues and expenditures could look like. It utilizes the concept of shared financial responsibility, with costs covered by sliding scale patient fees, the donations of the dentists, partners (including the Women's Resource Center and other partners), fundraising, and the Health District, and covers a full year of preparation and startup and the first 3 years of the program. Although foundation start-up funds are anticipated to be needed for the first three years, the goal is for the program to be sustainable without ongoing foundation funding by the third year of operation. It is being proposed that the Health District make a commitment of \$35,000 the first year, \$36,000 the second year, and then \$50,000 thereafter (adjusted for inflation and other costs as appropriate). A board member commented that while this commitment will be challenging, in a bad economy these services are going to be needed even more as more people are not able to afford dental care.

The Women's Resource Center, the other major financial player in this project, is also at the stage of making its final decision about this and determining if they will commit funding (about \$70,000 per year). Since they do not have a solid funding basis like we do, they would be doing fundraising for their share of the commitment.

The Steering Committee of the Dental Health Partnership will be reviewing the recommendations and making their final decision at a meeting scheduled for end of August. The Health District is a critical piece of this effort as Dental Connections would be housed here and would require some changes at our facility. There is \$40,000 already reserved in this year's budget for this project for startup efforts, but expenditure of the funding requires the Board's approval.

MOTION: To approve the release of \$40,000 in this year's budget for startup costs for the Dental Connections project and commit funding for this project for the next year.
Motion/Seconded/no call for the question (dropped)

Board Discussion

A question was raised concerning the need for a custom-made computer product to share radiographies and whether there was a less costly way to share the information, even mailing xrays if needed. Although the final cost is unknown, an initial look at available products indicated that a custom product may need to be developed. The standard developed by the task force is utilize the web to share information and images between Connections and dentists. The decision to have an immediate communications process is driven because dentists have stated that they would be willing to provide services on the condition that they not be sent an improper person, and they want the ability to look at an image from that person before they commit to providing care. Dental Connections is also planning a process whereby the dentist can examine the patient, determine an appropriate treatment plan, and then enter the plan on an online worksheet which will immediately produce the client's cost (based on their income level) so that while the patient is still in their office, the dentist and patient can agree on how much of the treatment plan to proceed with. The goal is to make the process as easy, efficient and seamless as possible for dentists so that they will want to continue to participate in the program.

MOTION: To support the draft budget and the Health District's participation as written in the draft budget and financial commitments as outlined.
Motion/Seconded/

Motion amended as follows:

MOTION: To support the Health District's participation as indicated in the draft budget, including approving the release of the \$40,000 set aside in the 2010 budget.
Motion/Seconded/Carried Unanimously

Dr. Thorson mentioned that Joe Tomlinson, DDS, does computer consulting for dental practices and might be a good resource for this process. Another board comment was that "this project is why we're here – this may well become a model for other communities."

In other dental news, on the project to increase access to dental care for those who require it under general anesthesia, staff made a site visit to The Children's Hospital and the CU Outpatient Surgical Center in Denver to visit their operating rooms and learn about how they provide care. The visit was fascinating, and the team gained multiple ideas about equipment, efficient set-up, and procedures. The goal is to make it so slick for our dentists that they'll want to not only do what they've already committed to, but want to do more!

Health District Board Annual Retreat: Set Date

Each year a Board Retreat is scheduled for the Board to review program reports from the previous year and discuss and set priorities for the coming year(s). This year, scheduling was delayed until after elections. Ms. Stirling will work with board members to find a date that can work; the Board is amenable to a weekend meeting if no other options are available.

Larimer Emergency Telephone Authority Request

The Board received a letter from the Executive Director of LETA. As a signatory to the Intergovernmental Agreement that established the Larimer Emergency Telephone Authority, the LETA Board of Directors asked whether the Board had any input concerning a suggested modification to the composition of the LETA Board. After reviewing the options proposed in the letter, the following motion was given:

MOTION: To allow the LETA Board to determine what is most appropriate for their needs and not take a position on this issue.
Motion/Seconded/Carried Unanimously

UPDATES & REPORTS

Policy Issues

There are two policy issues of concern to the Health District: medical marijuana and Proposition 101/Initiatives 60 & 61. The County recently postponed a discussion on medical marijuana to allow time to understand the implications of the state law. Noted was that TEAM Fort Collins is organizing efforts around this issue. Concerning Proposition 101 and Initiatives 60 and 61, staff members have been working on an analysis of their impact to the Health District. While the analysis is not yet complete, the first look indicates a possible minimum loss of \$100,000 to our revenue.

2nd Quarter Program Summary Report, Executive Director Report

The Board complimented staff on being close to or above just about every target. A 27% increase when compared with the same time period in the previous year in prescription assistance services was noted. The reason for the increase is not completely clear, however the number of people needing assistance has been growing since so many clients were lost when Medicare Part D was implemented.

MHSA Partnership, Oral Health Initiative

The good news is that we seem to be continuing to find funding opportunities and project opportunities:

- Caring For Colorado Foundation Site Visit – after submitting a grant proposal for the Dental Health Partnership just two weeks ago, we were contacted by CFC for a site visit. While funding is not assured with a site visit request, it is a good sign that they are seriously considering us.
- The Colorado Trust’s “Building Public Will” Grant - A Letter of Intent was submitted to Colorado Trust. This would be a joint venture between the Health District, the Health Department, and Poudre Valley Health System to provide opportunities for people to talk about health care and identify common values, and consider the importance of health care access. We learned that out of 100 applicants, we are one of 27 invited to be finalists.
- Centers for Disease Control’s Public Health Apprentice Program – Ms. Chelsea Williams, who is in attendance this evening, is the apprentice assigned to us by the CDC for the next two years. She will be working with the Dental Connections project the first year, and then efforts pertaining to addressing obesity in her second year.
- Advancing Colorado’s Mental Health Care (ACMHC) Grant – This grant has provided funding the past few years for the CDDT program and was due to expire this September. A request for an extension was sent and approved, which will extend current funding through the end of the year.
- CHP+ Outreach Grant (MORE Grant) – The State just recently announced that it will be using some stimulus funds to expand outreach for Medicaid and CHP+ to enroll more

children and families into the programs. The Health District previously had a very successful outreach program funded by grants. When funding went away, so did the program. The grant would provide around \$60,000 to \$80,000 for outreach and enrollment.

Ms. Plock met with County representatives earlier today to find out if they or anyone else in the community were considering applying for the grant. She heard from the County that while they are very interested in having this service in our community, they are facing huge cuts and cannot provide the time or funding needed for this project. They did encourage the Health District to apply for the grant and to provide this service on behalf of the community.

Ms. Plock asked the Board if they would be willing to have staff submit a proposal for the grant, and, in addition, approve matching funds for this project which might make our proposal more competitive. [It was discovered that there is \$13,500 in the budget that appears to be left over South County funds from the prior program. Staff will verify where exactly those funds came from and what they were to be used for. If appropriate, these funds could be used for the matching funds.] If awarded the grant, the project would likely be similar to what we did previously and would be overseen by the Clinical Services Director.

MOTION: To direct and approve staff to apply for the State's Medicaid/CHP+ outreach and enrollment grant, and to approve the use of an appropriate amount of matching funds, not to exceed \$10,000 (in addition to the \$13,500 reserved in the current budget).
Motion/Seconded/Carried Unanimously

- Beacon Community Grant and Health Information Exchange – Staff provided assistance to the region in submitting a second proposal for Beacon grant funding. There has been no word yet as to whether the grant has been awarded. Since there has already been one grant awarded for Colorado, it would seem unlikely that they would award a second grant to the same state.

Conversations are still continuing in our area around health information exchange and there might be an opportunity for different funding (or additional funding should we receive the Beacon grant) from the Colorado Regional Health Information Organization (CORHIO). CORHIO is designated to receive federal stimulus dollars for health information exchange which they plan to use to begin to build the state's health information exchange. They have the ability to target four regions and three have already been signed on. Because we already have a high level of health information exchange, CORHIO is interested in our region as the possible fourth. Both Larimer and Weld county medical societies have already submitted Letters of Intent and PVHS has decided to strongly support our region to be selected as one of the 4 communities.

Staff asked the Board if they would support having staff submit a Letter of Intent to CORHIO. The Board had no objections to having a Letter of Intent submitted.

Staff continue to work on the issue of the Orthopedic Center of the Rockies and Medicaid. Staff are researching the issue, and will then work on arranging a meeting with OCR administrators.

PVHS Liaison Report

Since Mr. Hendrickson had to leave early due to a family emergency, there was no report from the liaison. Ms. Plock briefly reviewed a potential outline for the Joint Board meeting which she and Mr. Stacey had drafted. The main purpose of these meetings is the opportunity to share issues of concerns, hear what the other side is thinking, meet people and develop relationships, and hear both organizations' initiatives.

CONSENT AGENDA

- Approval of the June 29, 2010 Board of Directors Meeting Minutes
- Approval of Resolution 2010-9 to Approve Signators for Access to Safe Deposit Box 5546
- Approval of Resolution 2010-10 to Approve Signators for Access to Safe Deposit Boxes 2219 and 5542

MOTION: To approve the consent agenda as presented.
Motion/Seconded/Carried Unanimously

ANNOUNCEMENTS

- July 28-30, Colorado Health Symposium, Keystone CO (Carol and Steve attending)
- August 12, 4:00 pm – Annual Health District Staff Summer Picnic, at Spring Canyon Park
- August 24, 4:15 pm – Joint Board meeting with PVHS Board of Directors, at Ptarmigan Country Club, Windsor/Fort Collins (Health District meeting to follow, if needed)
- September 28, 5:30 pm – Board of Directors Regular Meeting

ADJOURN

MOTION: To adjourn the meeting.
Moved/Seconded/Carried Unanimously

The meeting was adjourned at 8:40 p.m.

Respectfully submitted:

Nancy L. Stirling, Assistant Secretary

Celeste Holder Kling, President

Bernard J. Birnbaum, MD, Vice President

Timothy S. O'Neill, Secretary

Steven J. Thorson, MD, Treasurer

Joe D. Hendrickson, PVHS Board Liaison