



**BOARD OF DIRECTORS
MEETING
December 14, 2010**

Health District
120 Bristlecone Drive, Fort Collins

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, HD
Carrie Cortiglio, Policy Analyst
Richard Cox, Communications Director
Samantha Murphy, MHSA Partnership Manager
John Newman, Medical Services Director
Rebecca Gonzalez Rogers, Accountant
Chris Sheafor, Support Services Director
Nancy Stirling, Assistant to Executive Director, HD

OTHERS PRESENT: Ruth Lytle Barnaby, PVHS Foundations Director

CALL TO ORDER; APPROVAL OF AGENDA

President Celeste Kling called the meeting to order at 5:55 p.m. A brief Executive Session to discuss personnel matters was added to the agenda.

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

PRESENTATIONS

PVHS Community Benefit Report

Ms. Ruth Lytle Barnaby, Director of the PVHS Foundations, presented on overview of the PVHS Community Benefit Report for the year 2009. The 2010 report will be completed by next July, as financial information provided in the report is not usually available until May of each year.

The Poudre Valley Health System is required to capture community data, including utilizing a health assessment, create a plan, and measure health outcomes for programs and services the system considers to be a community benefit. Programs must meet health needs and provide measurable improvement in health access, health status, and use of health care resources. Community benefit standards include: leadership as charitable institutions, essential health care

services, accountability, commitment, and operation free from profit. All money that comes into the health system gets invested back into the system. Service Guidelines include: has a negative margin, serves vulnerable and medically underserved persons, involves education or research, and responds to public health needs.

Ms. Lytle-Barnaby reviewed various areas of community benefit and their respective expenditures, including: community health improvement services (such as Aspen Club, enhanced wellness programs for specific diseases such as diabetes, cardiovascular, arthritis to help patients manage disease and be better health self-advocates); health professions education; subsidized health services (such as the emergency department, mental health, and obstetrics/low-birth rate babies; taking into account that almost \$9 million of the \$12,110,957 of subsidized services went for mental health); clinical research (only accounts for the losses taken in research); financial contributions (cash and in-kind donations); community building activities (including health coalitions, the obesity task force, Healthinfosource.com); and Foundation community benefit (unrestricted dollars given to other entities in the community to improve health, i.e., Meals on Wheels, Elderhaus, Crossroads Safehouse). Also included as community benefits are unreimbursed dollars for government sponsored programs (Medicaid, Medicare), and charity care (bills the health system writes off because people can't pay). All together, the total community benefit provided by PVHS for 2009 totaled \$139,537,040, which is far more than the tax exemption they receive of \$6,590,262.

Ms. Lytle-Barnaby, in response to a question from the board, explained that it is the Internal Revenue Service that determines what can and cannot be counted as a community benefit. She also provided copies of booklets that outline all the different programs provided and populations served by the health system. The health system just completed another community health assessment (which is now required every 3 years, but is a different type of assessment than the one done by the Health District in that it focuses on services and preferences rather than health conditions) and, using the results, will be looking at how might do some things differently. For example, they have begun to look at the prevention side for mental health - what might be done at the elementary school level to increase resiliency for that age group (in response to the rise in mental health costs). In addition to keeping up with the other things they have been doing, the health system is also struggling with defining what it will mean to be an "accountable care organization," how results will be tracked, and the increased need for care management.

One effort Ms. Lytle-Barnaby expressed pride in is the "PE for Me" campaign, which mobilized parents to advocate for daily PE for kids. The school district's ballot initiative for increased funding did pass in November and, while it is yet uncertain what will actually come of it for the PE for Me campaign, the strategy was a great success and may be utilized in the future as more focus is directed towards influencing issues pertaining to kids, such as child obesity, nutrition in schools, etc.

Director's 5-Year Reserves Guide

Ms. Plock distributed to the Board a draft "Five-Year Reserves Guide" for the Board's review. While not required, Ms. Plock uses it as a worksheet to make sure that the minimum reserves balance set by the board and the state are maintained. The document is meant to be flexible and can change at any time. Ms. Plock highlighted some of the programs and projected or possible expenses listed on the reserves guide document.

Ms. Kling complimented the guide as a really smart plan which helps the board understand better where we stand and noted that we always come out well each year.

DISCUSSION & ACTION

2011 Budget Approval

Based on the final valuations received from the County, the final proposed budget for the Board's review and consideration includes a \$6,300 adjustment (decrease) from the first draft proposal. Noted revisions to the proposed budget include slightly higher health insurance premiums, slightly lower unemployment taxes due to a different method of calculation, and an increase in potential grants due to our recent success in obtaining grant funding (any grants we *think* we might receive must be accounted for in the proposed budget).

Capital Expenditures

Support Services Director, Chris Sheafor, provided a brief overview of proposed 2011 capital expenditures and non-capital improvements from reserves (see handout). Since capital expenditures are one-time expenses, we currently pay for them out of reserves rather than the on-going operating budget. Mr. Sheafor also does longer-term capital expenditure projections, which will be brought before the Board in the near future.

The Board required no further discussion and moved forward with approving the following resolutions:

MOTION: To approve Resolution 2010-11 to adopt the budget as presented.
Motion/Seconded/Carried Unanimously

MOTION: To approve Resolution 2010-12 to set mill levies.
Motion/Seconded/Carried Unanimously

MOTION: To approve Resolution 2010-13 to appropriate sums of money.
Motion/Seconded/Carried Unanimously

The Board also indicated their consent to authorize the Executive Director to sign the Certification of Tax Levies and to forward it to the County Clerk's office.

UPDATES AND REPORTS

Upcoming Policy Issues

Ms. Carrie Cortiglio, Policy Analyst, provided a brief preview of coming attractions for the upcoming legislative session. In preparation for the session, Ms. Plock and Ms. Cortiglio have started meeting with the local delegates - Rep. Fischer, Rep. Kefalas, Sen. Bacon and Sen. Lundberg – to learn from them their issues and interests.

Colorado does need to run a bill this year to establish a health insurance exchange. Lorez Meinhold, the Director of Health Care Reform Implementation, recently issued a report "Implementing Health Care Reform: a Road Map for Colorado" which describes what health care reform will mean for the state, what grants the state has already received to help with implementation and some of the decisions the state will need to make in the future. Ms. Meinhold may stay on with the incoming Hickenlooper administration. One of the issues will be whether the exchange will be run by a government, nonprofit, or quasi-governmental entity. Senator Betty Boyd will be the Senate sponsor of the bill.

To learn what the really big issues are going to be around a health insurance exchange, the Governor's office held a series of community forums. Issues will include whether to have one or two exchanges – one individual exchange and one for small businesses for 50 employees and under; how it will be governed; and who will be on the board.

Ms. Cortiglio suggested drafting an analysis for the Board's review and consideration at their next meeting as it is thought that the bill will appear early on in the coming session; the board agreed that it is important to consider the issues soon in order to share our positions with legislators.

The state budget is likely to be the other major policy issue for the year. There have been some rumblings that the state may need to either decrease Medicaid reimbursement rates, cut non-mandated Medicaid services, or both. Mr. O'Neill commented taking away non-mandated Medicaid services could carve out entire populations, including the disabled population. Also of concern are possible cuts to the state's mental health budget, which could be as much as 7%, on top of the 5% reductions already taken in the last year. Medicaid cuts could potentially make a big impact on local providers, including but not limited to Salud Family Health Center, Larimer Center for Mental Health, and the hospitals.

Homeward 2020 Registry Week

Samantha Murphy, Manager for the Mental Health and Substance Abuse Partnership, and Lin Wilder, Community Impact Director, participated in Homeward 2020's recent efforts in finding and interviewing individuals who are homeless and living on the streets of Fort Collins. Ms. Murphy provided a brief description of how the interviews were accomplished and some of the preliminary data generated from the interviews.

Volunteers to conduct the interviews represented various occupations and businesses in the community. Volunteers attended training on a Monday and then conducted the surveys Tuesday through Thursday of the same week. Preliminary data generated from that week were presented to the volunteers at a luncheon on Friday. Fort Collins had one of the highest turnouts for volunteers with over 120 volunteers. Ms. Murphy was grouped with Senator Bob Bacon and City Council Member Ben Manvel to seek out people for the survey.

Ms. Murphy expressed how amazed she and Ms. Wilder were with the openness of the individuals who participated in the survey. While only one person turned it down, most individuals were eager to talk to the volunteers. Most were very open and forthcoming in sharing their stories and background. The survey ended up with an 85% response rate.

Ms. Murphy reviewed some of the preliminary data from the surveys, including vulnerability factors, key areas of change, ratio of services accessed by frequent users, profiles of the homeless, and various reasons for the chronically homeless in Fort Collins (see presentation for details). Some highlights from the data include:

- Of 263 individuals who were contacted, 229 actually completed the survey.
- Of the 229, 91 people met the criteria for vulnerability.
- 67% were chronically homeless, on the streets for more than 6 months.
- 48% had a serious health condition.
- 30% had been in the ED or the hospital at least 3 times in the last year.

- 54% had a mental illness and 73% had a substance abuse issue; 46% were dually diagnosed (these were self-reported).
- 22% had been in foster care.
- 87% had been in jail. 35% in prison. 20% were veterans.
- Overwhelmingly more men are homeless than women.
- 53% were originally from Colorado; 13% from Northern Colorado; 4% from another part of Colorado; 30% from elsewhere.

It was noted that if it is possible to keep one person out of jail for a year, several individuals could be housed for the cost saved. Housing is relatively easy to accomplish, however it is all the other services that the chronically homeless need that can be difficult to obtain.

Conclusions of the survey include:

- By and large, the Fort Collins chronic homeless population is originally from this city and this region (many non-Coloradoan Fort Collins homeless came from Cheyenne and southern Wyoming).
- The prevention of chronic homelessness is a challenge because of the wide age distribution and high rate of family-related causes.
- 228 of the 229 surveyed homeless of Fort Collins did not become homeless by choice.

This effort of identifying who the homeless are in our community is the first step to addressing their needs and getting people off the streets. Efforts will likely start with the 91 most vulnerable individuals and focus on their needs and assisting them with needed services and care and hopefully get these people into homes by 2020.

Executive Director Updates

The Oral Health Initiative project is making great strides. With the Dental Connections program target opening date of July 1, 2011, staff members are currently reviewing applications for the Dental Connections Coordinator position, and a Bohemian Foundation grant will aid in the recruitment of the dental providers. The General Anesthesia Program's target opening is January, and staff members are working to raise funds for the purchase of needed equipment and supplies, while participating providers are working to secure their credentialing within the PVHS system. An orientation and tour of the Harmony Surgery Center is scheduled for early January for participating providers.

The Health District received a grant from The Colorado Trust for the Building Public Will initiative. This initiative is to organize a series of conversations about health care, encouraging people to consider their values, and determine the messages they want policymakers to hear. Participating staff are working with project consultants to develop a "theory of change" for the project, and will soon post the coordinator position.

An issue that will be brought before the Mental Health & Substance Abuse Partnership is the need for some mid-course corrections in the Crisis Response System. The Crisis Response System was an early priority of the Partnership, and though it made many important changes, it has recently become clear that the system needs some further modification. The Partnership will discuss whether to use a process similar to the original process to determine what changes need to be made, and how to accomplish them.

At the previous Board meeting, the Board approved funds for the Health District to partner with Rocky Mountain Health Plans to have neutral facilitation to help plan a Medicaid Accountable Care Collaborative Pilot. Michael Felix, the consultant hired to help facilitate this effort, has conducted five out of seven interviews thus far with leaders of the key organizations that serve the greatest proportions of the community's Medicaid clients. Ms. Plock is assisting in the project as needed. The common need being uncovered in this project, as in many of our projects, is an enormous need for good case management/care coordination and helping people get their needs met in a more timely way.

PVHS Liaison Report

PVHS Board Liaison Joe Hendrickson announced that the PVHS Board will be meeting tomorrow to focus on strategic planning. They will be looking at three broad areas: 1) preparation in looking ahead at a more regional approach, including hospital affiliations; 2) cost containment to be competitive – how to give high quality services at lower costs; and 3) physician affiliation.

Mr. Hendrickson also commented on PVHS' announcement that all employees would receive flu vaccinations. While this seems to be pretty standard practice at other organizations, there was some significant initial reaction by about 100 people. Yet, as of December 9, 98% of the employees, including employee physicians, either complied or were exempted based on religious or medical reasons, and it is expected that all employees will have done so by January.

PVHS is looking closely at accountable care organizations, and reports that the prevailing belief nationally is that organizations will have to be very large in order to compete. Though it is unclear exactly what that would look like for our region, the PVHS Board feels strongly that we should retain significant local control.

Ms. Kling thanked Mr. Hendrickson for all the time he is spending to represent the Health District Board at PVHS Board meetings and various committees.

It was mentioned that a hospital in Colorado Springs that is owned by the city has recently requested to become a non-profit (similar to the PVH privatization), but unlike us, is having to deal with attempted hostile takeovers.

The Health District Board members noted that the Health District has a serious interest in what might evolve, noting that if PVHS is absorbed into another entity, or a large competitor comes into town, there could be serious consequences to the ability to provide high quality health care services for all in our community. In particular are two concerns: 1) that a large competitor could "cherry pick," accepting only those with strong insurance, and leaving the community to figure out how to serve those with poor or no insurance, without the buffer of paying patients; and 2) that we would lose local control if PVHS was absorbed by a larger entity.

It was mentioned that Kaiser has announced that they are planning to move into the area which could add to the competition already going on between Banner Health and PVHS, and creating greater uncertainty for the primary care providers in the community.

It will be important that the Health District Board is kept informed of the possibilities in the early stages as PVHS sorts out its options. It was noted that the lease agreement between PVHS

and the Health District requires Health District approval for many changes. For example, PVHS cannot be acquired by someone else without Health District approval. The Board indicated their expectation that they will be kept informed and involved in discussions during the early stages.

Dr. Thorson pointed out that PVHS has a variety of remarkable assets that should help them weather these changes, including 1) they are highly regarded by the community, 2) the great loyalty of the physicians to the hospital system, and 3) high employee satisfaction.

CONSENT AGENDA

- Approval of October 2010 Financial Statements
- Approval of Resolution 2010-14: to Spend Funds into Reserve
- Approval of the October 26 and November 16, 2010 Board Meeting Minutes

MOTION: To approve the Consent Agenda as presented.
Motion/Seconded/Carried Unanimously

ANNOUNCEMENTS

- January 22 – Annual Health District Winter Party; details forthcoming
- January 25, 5:30 pm – Board of Directors Regular meeting

EXECUTIVE SESSION

A motion was made to go into Executive Session.

MOTION: To go into Executive Session for the purpose of discussing personnel matters pursuant to §24-6-402(4)(f) of the C.R.S.
Motion/Seconded/Carried Unanimously

The Board retired to Executive Session at 8:20 p.m.

The Board came out of Executive Session at 8:28 p.m.

No business was transacted in Executive Session.

ADJOURN

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

The meeting was adjourned at 8:29 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