

**Washington Health Alliance
Board of Directors**

**MINUTES
February 24, 2015**

Board members present: *EJ Blanchfield, Leanne Bough (phone), Dr. John Espinola, Dr. Al Fisk, Tom Hunt, Fred Jarrett, Greg Marchand, Dr. Peter McGough, Larry McNutt, Tom Richards, Ron Sims, Nancy Steiger, Dorothy Teeter (phone), Caroline Whalen*

Board members absent: *Don Antonucci, Dr. Jeff Collins, Dr. David Grossman, David Hansen, Yvonne Peters, Charissa Raynor*

Guests: *Debbie Huntington (for Dr. David Grossman), Meg Jones (for David Hansen)*

Staff present: *Susie Dade, John Gallagher, Nancy Giunto, Emily Inlow-Hood, Teresa Litton, Jennifer Loyd, Mark Pregler*

Call to Order

Caroline Whalen called the meeting to order at 2:35 p.m. Ms. Whalen introduced Meg Jones, Associate General Counsel for UnitedHealthcare. Ms. Jones will complete David Hansen's term on the Alliance' Board of Directors. Debbie Huntington was introduced as the delegate for Dr. David Grossman at this meeting.

Consent Calendar

The Board unanimously approved all consent calendar items: approval of the January 27, 2015 Board of Director meeting minutes; accept the resignation of David Hansen of UnitedHealthcare from the Board of Directors, and subsequently as Chair of the Nominating Committee; accept the nomination of Dr. Al Fisk as the Chair of the Nominating Committee, as well as Don Antonucci and Dorothy Teeter as members of the Nominating Committee; remove Beth Droppert of Allied Health Advocates from the Consumer Engagement Committee; add Michael Wood of Towers Watson and Rod Hart of Aon Hewitt to the Consumer Engagement Committee; remove Dave Frazzini of Mercer Health and Benefits and Gary McLaughlin of Overlake Hospital Medical Center from the Health Economics Committee; add Dr. Sandy Melzer of Seattle Children's Hospital and Richard Bryan of Overlake Hospital Medical Center to the Health Economic Committee.

Executive Director's Report

Nancy Giunto gave the highlights of her Executive Director report. Ms. Giunto also reported that the Alliance is continuing with its statewide outreach to promote the Alliance and communicate about the 2014 Community Checkup results. She and John Gallagher will be in Pasco on March 12th to meet with the Washington Counties Insurance Fund about possible membership.

Ms. Giunto provided the Board with a recruiting update for two open positions on the Alliance's Performance Measurement and Reporting team. The Board was asked to help by bringing potential candidates to the attention of the Alliance.

Ms. Giunto recognized two member organizations, PeaceHealth St. Joseph Medical Center and Virginia Mason Medical Center, for their inclusion in HealthGrades' 2015 publication of 'America's 100 Best Hospitals.

Year-End Financial Report

Ms. Giunto reported on the 2014 year-end financial statement. She reminded the Board that contributed revenue represents the calendar year; however, we typically receive membership contributions for a

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particular year over multiple calendar years. This is why we report both separately on the Financial Summary. Contributed revenue shows the Alliance under budget by approximately \$355,000, however that is because of the timing of payment receipt; 2014 contributed revenue was actually only \$123,000 under budget largely because Snohomish County and the City of Tacoma's chose not to renew their memberships.

Ms. Giunto continued with the other revenue accounts, stating that grants and contracts exceeded budget by \$269,000 due to an unexpected Health Care Authority contract and mini-grants provided through the RWJF Aligning Forces for Quality program. She pointed out that projected funds from the CMS data center contract were included in the 'other revenue' account and reminded the Board that the budget for this item was recalculated mid-year. At year-end 2014, funds from the CMS data center grant were \$349,000 less than anticipated.

On expenses, Ms. Giunto reported that the Alliance was 18% under budget. Unfortunately, that is mainly due to open positions. There was also a \$40,000 credit from Milliman due to performance issues. Net income was a negative \$106,000 compared with a budgeted of negative income of \$296,000. Ms. Giunto ended by reporting that the Alliance is in a positive cash position.

A motion to approve the 2014 financial statement report was offered and the Board unanimously approved.

Nominating Committee Changes and Recommendations

Dr. Al Fisk informed the Board of the Nominating Committee changes that have occurred: Dr. Fisk took over as Chair after David Hansen's resignation from the Board. Don Antonucci and Dorothy Teeter were added to the Nominating Committee. EJ Blanchfield will step down at the end of her board term in March.

Dr. Fisk noted that the following Board members will be nominated for re-appointment for another term: Tom Hunt (purchaser), Fred Jarrett (purchaser – one year term), Larry McNutt (purchaser), Tom Richards (purchaser), Dorothy Teeter (purchaser), Al Fisk MD (provider), Peter McGough MD (provider), John Espinola MD (health plan). He also stated that a seat is being tentatively held for the new president of United Health Plan NW.

Dr. Fisk continued with the Executive Committee changes. He relayed that Larry McNutt will be Chair, Dr. Jeff Collins will be Vice Chair and Greg Marchand will be Secretary. A Treasurer has not yet been selected.

Ms. Giunto shared that she approached Steve Mullen from Washington Roundtable to join the Board and he is considering it. The Board will be asked to take action to approve the Nominating Committee's recommendations at the March Board meeting.

Milliman Progress and Dashboard

Mr. Pregler updated the Board that we are still moving forward with the MedInsight migration, however, it is moving slower than expected largely due to Milliman doing their due diligence in the new environment. He also informed the Board that he created a dashboard to track progress of the data submission process. The instituted changes will make it easier to understand where delays are occurring and whose area of responsibility it is by the following:

- Simplified tracking of submissions by data supplier and data submitter
- Date management and tracking
- Target dates calculated automatically based on expectations
- Clear, accurate and timely communications
- Broad stakeholder and public visibility

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The Board was very receptive to the changes and asked what could be done to improve Milliman's internal process. Mr. Pregler let the Board know that discussions have taken place between key Principals at Milliman and Larry McNutt and that Milliman seemed responsive to the concerns that were aired. Mr. Pregler would like to talk further with Mr. McNutt to determine what next steps should be taken as the result of those conversations.

Mr. Pregler relayed that the new process and dashboard will be in place for the April 2015 data submissions and a review in May will show how things are progressing. Mr. Pregler was asked if the data aggregator contract should be put out to bid. He responded that he is willing to do so but added that no vendor is perfect. He is hopeful that the new process will isolate the problems and will therefore produce improvements. All are in agreement that there is a need to designate some metrics that will show if Milliman is at an appropriate level of performance. The Board also encouraged development of a "Plan B" to strengthen contract incentives and/or to explore the marketplace for alternative vendors.

Mr. Pregler asked the Board if they would like the dashboard to be on posted on the Alliance website in hopes that the exposure would help with everyone's timeliness. The Board agreed that it would be appropriate for Alliance committees and the Board to see it but didn't think the full dashboard should be public. It was agreed that a status update would be sufficient.

Membership Recruitment and Retention Update

John Gallagher outlined that approximately \$187,000 has been raised towards its \$250,000 goal of for new members. Other strong prospects include Confluence Health, Astra Zeneca and Washington Counties Insurance Fund.

Mr. Gallagher reported that our current prospect list has 60+ organizations on it; however noted that there are organizations missing that the Alliance considers important. These include large purchasers who represent new areas of the state. Mr. Gallagher identified the first wave of 11 prospects to approach and emphasized that we need to broaden our membership categories. Ron Sims offered his assistance with recruiting the Health Benefit Exchange, Teachers Trust and Snohomish County.

Mr. Gallagher relayed that statewide expansion meetings will take place in Whatcom and Skagit counties on March 23 and Spokane on March 25. The meetings will offer the opportunity to reconnect in person and answer questions about the Community Checkup results; more than 300 invitations have been sent.

Mr. Gallagher updated the Board that the membership recruitment materials will be completed by March 31 and the value statements will be distributed for comments.

The Alliance staff gave kudos to Dr. Fisk for his efforts to secure new member Confluence Health.

State SIM Grant – Next Steps for the Alliance

Susie Dade presented the next steps for the Alliance in partnering with the State in regards to the SIM grant. She stated the three areas of partnership are:

1. Statewide Common Measure Set
2. All Payer Claims Database - either voluntary or state-mandated
3. Accountable Communities of Health

Ms. Dade noted that there are no commitments as of yet. Ms. Teeter announced that the funding arrived in February and there is excitement and urgency around getting the one-year contract done. Ms. Teeter hopes to have more information at the March board meeting.

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The meeting adjourned to executive session at 3:53 p.m.

Respectfully submitted by Jennifer Loyd

Larry McNutt
Secretary