

**MINUTES**  
**May 28, 2019**

**Board members present:** *Curt Bailey, Leanne Bough, Merissa Clyde, Carladenise Edwards, Dr. John Espinola, Sarah Green, Fred Jarrett, Dr. Christopher Kodama, Tim Lieb, Charlene Lind, Greg Marchand, Larry McNutt, Susan Mullaney, Steve Mullin, Dr. Peter Rutherford, Ron Sims, Caroline Whalen, Carol Wilmes, Jim Zimmerman*

**Board members absent:** *Sue Birch, Patrick Connor, Lloyd David, Pam MacEwan, Claire Verity*

**Staff present:** *Susie Dade, Nancy Giunto, Adria Moskowitz, Mark Pregler*

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**Call to Order**

Jim Zimmerman called the meeting to order at 12:31 p.m. Mr. Zimmerman welcomed new Board member, Carladenise Edwards, Executive Vice President and Chief Strategy Officer at Providence St. Joseph Health. Ms Edwards shared a brief overview of her professional history and her interest in the Alliance Board.

Mr. Zimmerman asked if there were any present who felt there was a conflict of interest with an agenda item requiring recusal. There were none.

**Consent Calendar**

The Board unanimously approved all consent calendar items:

- March 26, 2019 BOD Minutes
- April 11, 2019 EC Minutes
- May 09, 2019 EC Minutes
- March 28 Consumer Education Committee including recommendation to add Matt Munson and Shawn Quigley
- April 11 Quality Improvement Committee including recommendation to add Matthew Jaffy and Darcy Jaffe
- April 18 Consumer Education Committee
- May 9 Health Economics Committee

**Executive Director Report**

Nancy Giunto presented the Executive Director Report. The audit was very clean with only very modest changes to the financial statements shared with the Board at year end. We received a “significant deficiency” in the process for monitoring and reviewing internal controls by the Alliance Board of Directors. We were told that good controls are in place, but we need to beef up documentation of controls. We had a Management Response Letter prepared to discuss with the EC. The auditors confirmed that fulfillment of the action steps as outlined in this letter will put us in full compliance.

The Alliance’s Consumer Education Committee (CEC) made Shared Decision Making (SDM) a goal for 2019. SDM is a process by which patients and doctors make decisions together factoring in the patient’s preferences and values, usually with the help of Patient Decision Aids (PDAs).The CEC

added a SDM section to the Own Your Health website (OYH), to provide consumers with more information about how they can incorporate SDM into their health care.

In the May 9 meeting, the Executive Committee updated the Alliance's Financial Policy to change the definition of prepaid expenses from "in excess of \$500" per the 2015 update, to include prepaid insurance and any prepaid expense in excess of \$10,000. This means that prepaid insurance and prepaid expenses of \$10,000 or more will now be accrued over 12 months.

Ms Giunto clarified membership dues collection recognition. The Board requested that the Alliance make a change from recognizing dues when they are received (cash accounting system) to recognizing them as income for the year in which they are intended (accrual accounting system). The accountants prefer we use a cash accounting system, which will reflect the income for the year collected. We are working with external auditors to address this question.

### **EC Priorities and Measures**

Jim Zimmerman outlined the 5 points of focus for EC priorities:

1. Diversify revenue, away from just membership/grant based funding, based on value propositions and trainings the Alliance brings to stakeholder groups.
2. Develop a successful contract for WA-APCD with terms that meet Alliance Board threshold issues.
3. Resource and develop a formal business development function.
4. Define, access and communicate Alliance measures of impact.
5. Close out audit "significant deficiency" finding to increase monitoring of internal control framework, at an entity control level, by implementing action steps in our Management Letter response to findings.

The Board briefly discussed these priorities and the measures that support them and gave their support to the EC's direction.

### **Board Committee Updates**

The **Membership Development Committee** update was presented by Caroline Whalen. The committee is focusing its deliberations on a number of areas including evaluating and updating the communications materials that lay out the Alliance's value proposition, affiliation ideas and targeting members for outreach. Ms Whalen pointed out that King County has asked the Alliance to prepare a spending trend analysis so that she and the outreach team can share the use cases derived from it in their meeting with Pierce County on May31.

The Committee sought feedback on a new idea they have to begin a Community Supporter membership category. This category of membership would be for purchasers only and would have a two-year limitation. In addition, it would have the following membership benefits: access to one Purchaser Affinity Group (PAG) meeting; access to All Alliance meetings; a one-hour consultation with a senior Alliance leader and/or Board member about driving action through our data; and access to all the community information we send.

Suggested pricings for this are as follows:

- Tier 1: \$10,000 for employers greater than 10,000 in Washington
- Tier 2: \$2,500 for all other employers

The Board asked several questions and offered feedback to this committee about next steps. They suggested refining and documenting the business case, prototyping the design with a couple of employers and refining the definition of terms. This information will be presented to the Board at its next meeting.

The **Sustainability and Innovation Committee** update was provided by Curt Bailey. At its last session, the Committee brainstormed ideas for new and innovative use cases for work the Alliance already prepares. At its next meeting, the group will prioritize these use cases and develop play books that help drive the work to action. The Committee also heard presentations from Greg Marchand and Caroline Whalen about how Boeing and King County have capitalized on Alliance reports to improve quality and reduce cost. Much of the July 23<sup>rd</sup> Board meeting will be devoted to gaining Board input on new initiatives. The Committee's work will be informed from feedback from this meeting.

The **Governance Committee** update was provided by Tim Lieb. Below are the suggested revisions to the committee's charter:

- Establish a monitoring process for major issues (e.g., legislation, market trends) that may have a material impact on the health care system and therefore an impact on Alliance strategy.
- Make formal recommendations on legislation, trends or other market forces that should be addressed by the Alliance Board and/or Alliance Committees. Recommendation may also include suggested expert or speaker on topics.

The Governance Committee believes that an important function of the Board is to be forward looking and to have a lens on the market, scanning for major issues that may have a material impact on Alliance strategy. Since the Governance Committee is responsible for Board development and engagement, the group is willing to take on this function. At its meeting on May 9, the EC concurred with this recommendation.

Board members expressed that this is a very important function to undertake but had questions about whether this best fit into a to be formed Strategic Planning Committee or whether it was something the entire Board should undertake. A decision was made to summarize questions 2 and 3 from the Board interview conversations that dealt with market forces in the external environment and the Alliance's response to them, and to ask the Governance Committee to prioritize them and to recommend an approach for teeing up a full Board conversation. Based on this exercise, the Board will make a final decision about where this function should reside.

Susie Dade presented a summary of the written **Annual Board Evaluation Survey**. As in past years, the results are divided into two sections: Board Function and Effectiveness and Individual Contributions. The numeric results of the Survey Monkey questions were presented in the PowerPoint on pages 17-37. Board function and effectiveness as a group generally rated higher. Areas of relative strength and opportunities for improvement were presented for each of the two sections.

The Governance Committee will consider written survey feedback and seek additional input from Board members. They will tee up a conversation with full Board about "opportunities for improvement" outlined on paged 35-36 of the PowerPoint.

The Committee will have a formal recommendation for the seat formerly held by UnitedHealthcare at the next Board meeting,

## **Define and Measure Alliance Impact on Mission and Vision – Overview**

Jim Zimmerman led the conversation about measuring the Alliance impact. We must be able to show the impact we are making towards achieving the Mission and Vision of our organization to be a strong, viable organization for many years to come. This means we need to be able to measure areas of impact. The Alliance's two core competencies are as a trusted convener for stakeholders and promoting transparency through performance measurement and reporting to drive better quality health care. Mr. Zimmerman mentioned that this session is focused on Board member feedback from the first question asked during Board interviews, "For the Alliance to thrive long-term, we must identify ways to define and measure the impact of our work in a way that shows progress towards our Mission and Vision. What specific ideas do you have for defining and measuring the impact of our work?" He then asked Nancy Giunto to share her synthesis of feedback.

Nancy Giunto broke down her **Executive Director's Synthesis** into General comments and Feedback and Specific Measurement Ideas. She further broke Specific Measurements into Performance measurement, Convening, and Global and local policy issues that the Alliance might address. The Board briefly discussed comments and asked clarifying questions before breaking into small groups to discuss three questions:

1. Board members agree that it is important to tell stories to propel our work to action. What are the three most compelling stories to tell from our current body of work and why are they compelling?
2. Board members agree that in terms of performance measurement, we should "go deep" and pick a couple of areas to play a meaningful and decisive role in improving and measuring improvement. Based on the pre-work presented, select the top two initiatives you recommend to take our measurement work to impact and discuss use cases and audiences for each.
3. The second core competency of the Alliance is that of convening. Review ideas from Board member feedback and discuss other ideas you have for powerful convening roles the Alliance can play.

**The Board separated into break out groups at adjourned at 2:05 pm**

**The Board reconvened for Full Board Conversation of Ways to Define and Measure Impact of Alliance Work at 3:15 pm**

Summaries of the ideas from the small group sessions will be summarized and discussed at the next Board meeting with the goal of making action-oriented decisions on the areas of highest priority.

### **WA-APCD Legislation and Strategic Implications**

Steve Mullin, Chair of the **Legislative Affairs Committee**, provided an overview of significant legislative changes as they relate to Alliance Board threshold issues. Nancy Giunto shared the next steps, as well as key strategic and tactical issues we need to consider.

**The Board adjourned at 4:40 PM**