

Washington Health Alliance
Board of Directors

MINUTES
July 29, 2014

Board members present: *Don Antonucci, Joseph Babani (for Greg Marchand), EJ Blanchfield (phone), Leanne Bough, Dr. Al Fisk, Dr. David Fleming, Dr. David Grossman, David Hansen, Tom Hunt (phone), Florence Katz, Dr. Pete McGough, Larry McNutt, Yvonne Peters, Charissa Raynor, Nancy Steiger, Dorothy Teeter*

Board members absent: *Dr. Jeff Collins, Greg Marchand, Rich Maturi, Tom Richards, Ron Sims, Caroline Whalen*

Guests: *Paul Lambert (Forum Solutions LLC), Ted von Glahn (Ted von Glahn Consulting), Erin Welch (Jacobson Jarvis)*

Staff present: *Jim Andrianos, Andrew Behm (phone), Wendy Cox, Susie Dade, John Gallagher, Emily Inlow-Hood, Jennifer Loyd, Mary McWilliams, Mark Pregler, Natasha Rosenblatt*

Call to order and introductions

Dr. Pete McGough called the meeting to order at 2:30 p.m.

Consent calendar

The board unanimously approved all consent calendar items: approval of the June 18 and July 17 executive committee meeting minutes and approval of the June 24 board retreat minutes.

Audit report

Erin Welch of Jacobson Jarvis presented the outcome of the Alliance's first financial statement audit of 2013. Ms. Welch reviewed the audit purpose and process. She reported that the audit process was well vetted by relevant staff and by the executive committee. The audit showed that the Alliance's year-end financial statements for 2013 are accurate and conform to accounting principles generally accepted in the United States and they show healthy balances and liquidity.

Jacobson Jarvis reviewed the Alliance's internal controls as part of the audit as well. Ms. Welch reported that two deficiencies were identified and commented that neither are unusual for small organizations. The deficiencies and the Alliance's written response addressing the deficiencies are in the draft audit report included in the July board packet.

The board asked what types of transactions were vetted and how the Robert Wood Johnson Foundation (RWJF) grant impacted financials. Ms. Welch clarified that Jacobson Jarvis confirmed sample transactions as well as large transactions with the Alliance's accountant and banks. The RWJF grant comprised 25% of revenues in 2013, which is shown most clearly on the statement of cash flow.

Upon recommendation from Dr. David Grossman, as Treasurer, the board unanimously approved the 2013 audit report and management letter response.

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Executive director's report

Mary McWilliams reported that the Alliance has signed a second scope of work contract (SOW2) with the Office of Financial Management (OFM). The Alliance is organizing two separate APCD advisory committees: a data policy committee and a data release committee as vehicles for input in anticipation of the Alliance becoming the lead organization for a statewide All-Payer Claims Database (APCD). The two committees will have their first meeting after the All Alliance meeting on September 4. The Alliance is taking steps to include Medicare data in the APCD, including seeking certification as a Medicare Qualified Entity.

The National Federation of Independent Business (NFIB) is leading a coalition to revise the 2014 APCD legislation. Revisions include mandating all payer claims submissions and removing the 25% rule. The Alliance executive committee approved the Alliance as a member of the coalition and a contribution of \$5,000 to the coalition. John Gallagher is helping the coalition with communications. Washington Roundtable is arranging a meeting to seek support from the business community.

Ms. McWilliams reported that Maria Wood, the Alliance's Health Information Analyst, is leaving in mid-August for another position after four years at the Alliance. Retaining and attracting talent is key to sustainability planning for the Alliance's business plan.

Population Procedure Rates (PPR)

Jim Andrianos outlined the project plan and reporting approach for creating the Alliance's second Population Procedure Rates (PPR) report. He recapped how the 2014 PPR report expands on the 2011 PPR report, including improving appropriateness of care measure reporting, increasing the number of procedures, including more kinds of treatments beside inpatient treatments and comparing 27 local healthcare markets in Western Washington. The report will also include more real-life anecdotal information from interviews with patients and providers. The PPR report is part of the Alliance's annual plan.

Mr. Andrianos explained the decision making process for determining which procedures and tests would be included in the report. The 2014 PPR report focuses on appropriateness as one of six components of value. Medical Directors, the Quality Improvement Committee (QIC) and the Health Economics Committee (HEC) each gave input.

Mr. Andrianos also shared how the report would be used. The HEC is interested in a tool for finding patterns that give insight into regional variations. The report will help the QIC and HEC begin to identify and address areas of overuse of tests and procedures. The Bree Collaborative also plans to use the report to help identify overuse.

The board discussed creating a statewide PPR report in the future and creating a second PPR report based on provider location, since the current PPR is based on patient location. Susie Dade noted that the PPR report does not replace price reporting. The provider level report is scheduled for release in 2015. The board approved proceeding with the 2014 PPR report.

Business planning in executive session (guests excused)

Susie Dade set parameters for the board to discuss two topics concerning the Alliance's business plan: updating the value concepts and evaluating the voluntary option for a multi-payer database.

Updating the value concepts: Paul Lambert shared the value concepts gathered through board small-group discussions at the June retreat and community-wide interviews. The business planning team has distilled the value concepts to their essential meaning for each stakeholder group: community, purchasers, providers and health plans. He further explained that the objective is to update the Alliance "value statements" to incorporate the changing healthcare environment, additional information products and input from stakeholder interviews conducted as part of the business

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planning process. The board is being asked to validate whether each value concept is important to retain in the refreshed value statements. Board input will be gathered via survey. A link for the survey was sent to board members, and they were asked to respond by August 1. Ultimately, the value concepts will be linked to activities and revenue/expense projections in the business plan.

Evaluating voluntary option for a multi-payer database: Ms. Dade explained that that the Alliance's three year business plan, currently under development, will include modeling for two different paths related to data aggregation, measurement and reporting including (1) a state-mandated APCD database option (Scenario A), and (2) a voluntary multi-payer database option (Scenario B). Both scenarios were introduced and discussed at the June 24 board retreat. The discussion at this meeting was focused solely on Scenario B. Ms. Dade also noted that the board will continue to discuss the business plan at the September 30 board retreat and reminded board members that the slide decks and discussions regarding the business plan are confidential and are not to be shared with those outside of the board.

Ms. Dade gave context to discuss the feasibility of an Alliance sponsored multi-payer, voluntary database. She recapped the June board retreat discussion and business plan interviews noting particularly that data aggregation measurement and reporting are valued as unique competencies of the Alliance. Furthermore making progress on price transparency is a high priority for Alliance stakeholders and a core component of the state's healthcare innovation plan.

Ted von Glahn briefly discussed three options for a voluntary database for board consideration, of which only one was being recommended for inclusion in the business plan. He reminded the board of the key requirements for success of a multi-payer database and outlined criteria to include in the database in order to increase price transparency. He explained the limitations of the two options that were not being recommended for further consideration at this time.

The board discussed the potential and drawbacks of the recommended option. They explored ideas for gathering sufficient data to include reporting for areas outside Western Washington. Discussion centered on easing restrictions in data use agreements, compliance with DOJ/FTC guidelines, and how data could be used to understand total cost of care in addition to price variation for episodes of care for specific conditions or procedure types.

The board unanimously endorsed the recommended option to be included in the business plan modeling and requested that the executive committee add further refinement per the board's discussion.

Executive director search report

At 4:30 p.m. Alliance staff left the room and the board discussed the recommendation of the search committee for an executive director.

The meeting adjourned at 5:00 p.m.

Respectfully submitted by Wendy Cox

Larry McNutt

Secretary

Date