

**Washington Health Alliance
Board of Directors**

**MINUTES
October 28, 2014**

Board members present: *Don Antonucci, EJ Blanchfield, Leanne Bough, Dr. Jeff Collins, Dr. Al Fisk, David Hansen, Tom Hunt, Fred Jarrett, Florence Katz, Rich Maturi, Dr. Pete McGough, Larry McNutt, Yvonne Peters, Charissa Raynor (phone), Tom Richards, Dorothy Teeter, Caroline Whalen*

Board members absent: *Dr. David Grossman, Greg Marchand, Nancy Steiger, Ron Sims*

Guests: *Dr. David Fleming, Debbie Huntington (for Dr. Grossman)*

Staff present: *Wendy Cox, 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 2:30 p.m. She invited the board to recognize outgoing board member David Fleming's service to the Alliance.

Consent calendar

The board unanimously approved all consent calendar items: approval of the September 30, 2014 board retreat minutes; approval of the October 16, 2014 executive committee meeting minutes; and removal of Lloyd David, Joe Gifford and Christopher Kodama from the Health Economics Committee.

Executive Director's report

Nancy Giunto reviewed highlights of the Executive Director's report, including staff focus on:

- Being bold in telling the Alliance's story.
- Taking action to further the reputation of the Alliance.
- Enhancing stakeholders' understanding of the Alliance's core offerings, reports and information.
- Not connecting sustainability of the Alliance exclusively to the potential legislation to mandate an All-Payer Claims Database (APCD).
- Reinforcing the Alliance's relationship with current stakeholders.

She called attention to the membership recruitment and retention section of the report. The Alliance is refining the value statements for various Alliance membership groups and testing assumptions about value. She asked each board member to be actively involved with recruiting new members.

Ms. Giunto gave a broad overview of the Alliance's recent activities, progress and outreach. The Alliance has an opportunity to affiliate with the former Oregon Coalition of Health Care Purchasers (OCHCP). The group is dissolving and will use their existing funds to join the Alliance and gain from our purchaser reports and committees. Ms. Giunto also outlined her "Next Mile" initiative that will connect the Alliance's work with consumers. She updated the board on statewide expansion.

Board designated funds policy

Ms. Giunto shared both the Alliance's current and proposed Board Designated Fund (Reserve) Policy. The revised policy includes board input from the September 30 retreat. The board discussed language that would clarify decision making authority and the merits of a more flexible policy. The policy will be further refined and the board will be asked to vote on it at the December 9 board meeting.

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Membership contribution structure

John Gallagher unveiled the 2015-2016 proposed contribution matrix for Alliance membership, which incorporates the board's input from the September 30 retreat. He called attention to the following details:

- The current membership contribution structure was established at the time the Alliance was founded.
- There has only been one dues increase in the past nine years, which was a 10% increase approved by the board in 2012.
- The proposed structure includes fee increases for all categories except purchasers. New purchasers would receive a discount for making a two-year commitment.
- Providers' fees will increase 40%. This reflects the value providers receive from Alliance products. A single-year increase is preferable to extending the increase over a two-year period.
- Fees for other categories would increase over a two-year period.

Mr. Gallagher estimated that the new contribution structure will generate approximately \$170,000 additional dollars per year. He clarified that the Alliance does not anticipate losing large members due to fee increases.

The board discussed the merits and drawbacks of raising the minimum fee for providers from \$100 to \$500 over a three year period. They proposed amending the matrix to keep the minimum provider fee at \$100 for at least one year to accommodate smaller providers as the Alliance expands statewide. The board unanimously approved the proposed 2015-2016 membership matrix with the provider line amended so that the minimum fee remains at \$100 for 2015.

2015 preliminary budget

Susie Dade outlined projected revenue and expenses for 2015. The Alliance anticipates using \$380,000 from reserves. Details for projected 2015 revenue include:

- The Alliance has replaced some, but not all, of the revenue lost by the expiration of the Robert Wood Johnson Foundation (RWJF) AF4Q grant.
- For contributed support:
 1. Provider revenue will increase 40%, which is a one-time increase in 2015.
 2. Health Plan revenue will increase 12% in 2015 and will have an additional 11% increase in 2016.
 3. Pharma revenue will increase 10% in 2015 and will have an additional 9% increase in 2016.
 4. Purchaser revenue will not increase.
 5. The revenue target from the addition of new members in 2015 is \$250,000.
- For grants and contracts
 1. \$260,000 from the Data Center Grant (Office of Financial Management) is budgeted based on year 1 of the cycle 4 grant. Nothing is included for Scope of Work (SOW) 3 for cycle 3. The Alliance continues to pursue a viable APCD for Washington state in cooperation with OFM and other partners.

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2. \$460,000 is target for other grants and contracts – TBD with some viable leads for a portion of this target.

Details for projected 2015 expenses includes:

- All current FTEs (two 0.8 FTEs increased to 1.0 to enhance recruiting) fees and a recruiting fee for open position.
- A 3% merit increase budgeted at anniversary date for Alliance employees.
- A 15% estimated increase for medical/dental/vision.
- Legal expenses at \$50,000, which *may be an area of risk*.
- Consultants' fees for Jim Andrianos and a lobbyist for eight months. There is no other funding for consultant use in 2015, which *may be an area of risk*.
- Includes data vendor fees for Milliman with a roll-over of current contract with a 5% increase. Also includes patient experience survey vendors that will target eight counties in 2015. There is nothing budgeted for risk adjustment software which *may be an area of risk*.
- Nothing is budgeted for infrastructure investment, which may be an *area of risk*.

Ms. Whalen asked for ongoing board guidance on budget assumptions.

Membership and recruitment strategy

Ms. Giunto reviewed a newly created membership growth table listing pertinent details and history for prospective members. She asked the board to brainstorm ideas for new members and sectors to add to the list. She also asked each board member to agree to identify where they have connections and to help build relationships with prospective members. Board members perused the list and disclosed where they have connections with prospective members.

The board identified universities, brokers, benefit consulting (TPA) firms, casinos/tribes and the Washington State Health Benefit Exchange as new prospect sectors. Brokers will have to be appraised that they will not be invited to eValue8 meetings. Also, casinos/tribes often do not have well integrated health data.

Action items include:

- Board members are to look at their supply chains to see if there are potential members.
- Ms. Giunto and Alliance staff will begin working with each board member to begin outreach to prospects.
- An update will be given at the December 9 board meeting.
- How the Alliance is retaining members will be included in the December 9 board meeting.

The meeting adjourned at 4:25 p.m.

Respectfully submitted by Wendy Cox

Larry McNutt
Secretary

Date