

**Washington Health Alliance Board of Directors  
MINUTES December 14, 2021**

**Board members present (virtual/call in):** Curt Bailey, Merissa Clyde, Lloyd David, Jay Fathi, Sarah Greene, Todd Hesse, Christopher Kodama, Pam MacEwan, Lou McDermott (for Sue Birch), Greg Marchand, Larry McNutt, Lee Mills McGrath, Ketul Patel, Megan Pedersen, Ron Sims, John Wagner, Carol Wilmes, Jim Zimmerman

**Board members absent:** Fred Jarrett, Charlene Lind, Steve Mullin, Peter Rutherford

**Staff present (virtual/call-in):** Leslie Bennett, Girma Demissie, Sharon Eloranta, Nancy Giunto, Catherine Lanham, Adria Moskowitz, Mark Pregler, Theresa Lampkin Tamura

**Visitors (virtual/call-in):** Jim Andrianos, Calculated Risk

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**Call to Order**

Curt Bailey called the meeting to order at 2:30 p.m. Mr. Bailey asked for conflicts of interest. There were none.

**Consent Calendar**

Meeting Minutes:

- October 26, 2021 BOD Minutes
- December 02, 2021 EC Minutes

Committee Reports:

- September 16 Consumer Education Committee
- November 4 Health Economics Committee

December ED Report

Sustainability and Innovation Committee addition: Ryan Schmid, Advisory Member

Honor request of Greg Marchand to be removed from Membership Development Committee

2022 Board and EC Meeting Schedule

The Board unanimously approved the Consent Agenda as presented.

**2022 Annual Plan**

Nancy Giunto presented an overview of the 2022 Annual Plan. The five goals reflect feedback from the September Board retreat and the October Board meeting. We developed strategies that would support each goal, plus tactics and measurements for each strategy. We will continue to provide a quarterly update to the BOD to measure

progress against the plan. The impact of the COVID pandemic and considering all work through a DEI lens are important overlays to each of the strategic priorities.

### Goal #1: Diversify Revenue

The goal is to become less dependent on member dues for long-term sustainability. In 2021 we are at about 20% revenue coming from sources other than membership dues. We are budgeting for a 3% increase for revenue from non-member sources in 2022. We are budgeting for \$250,000 for new, as of yet unidentified, grants and \$75,000 in new scholarships and other partnership opportunities that are also unidentified at this time.

### Goal #2: Enhance Data Acquisition and Reporting

This goal relates to data acquisition and reporting and is in response to the Board's request for the Alliance reports to be more timely. The Alliance will develop the business case for amending the Data Supplier Agreements to pursue monthly submission and to broaden the use of data, which will allow for quicker action outside of secondary use requests as endorsed by the Board and allow for more timely reports. We will also explore the addition of new data sources to the Alliance's database to broaden reporting.

This goal is also where the Alliance commits to reports to be produced in 2022: Reports include producing:

- The 16th edition of the Community Checkup Report (CCU) based on data from January 1, 2020 – December 31, 2020;
- Incorporating a 5th domain on cost to the Composite Score;
- Expanding Total Cost of Care (TCoC) reporting to the medical group and clinic levels; and
- Assessing incoming ADI data and if feasible, expand geographic TCoC reporting and/or the CCU results by integrating Social Determinant of Health data.

### Goal #3: Develop New Strategies to Attract and Engage Stakeholders

This goal targets engagement of members and attracting and retaining purchasers. The Purchaser Affinity Group (PAG) came up with five strategies they were interested in deploying, and we commit to listen to PAG and prioritize these strategies for action. We will work on adding depth to the leadership pipeline, including identifying committee Vice-Chairs for committee succession planning. We will also work to develop a leadership pipeline for our Board as well.

### Goal #4: Drive Market Change Through Our Core Competencies of Performance Measurement and Convening

Executing the Low Back Pain Implementation Collaborative is the first priority from a project standpoint. We are recruiting purchasers now with deliverables due at the end of the month to secure at least 20 multi-stakeholder participants. We are also developing

the project plan based on input from our advisors. All participants sign a Letter of Commitment to not only be at the meetings, but to also take action in one or more lever for change.

As part of this goal, we will conclude the Board's opioid impact initiative, and increase the engagement and use of Alliance products and services.

#### Goal #5: Enhance Partnerships to Advance Alliance Work

National and local engagement remain high priorities in order to position ourselves for new opportunities, learn from others, and share our work.

We continue to pursue our plan to be Lead Organization for WA-APCD through a strong public-private partnership with HCA on behalf of the state of Washington. Just before Thanksgiving there was a request from the State for mediation. The ask is to split the mediation, estimated to be between \$40-50K for the mediator plus independent attorney time. The first step is to make sure both the Alliance and HCA share a common goal of blending the two APCDs in our state while allowing the Alliance its independence, as well as the same broad use of information it enjoys today by virtue of Data Supplier Agreements already in place.

The Board unanimously approved the 2022 Annual Plan as presented.

#### 2022 Budget

Catherine Lanham presented the Board with the 2022 Budget Draft. Ms. Lanham pointed out 3 highlights. First is our cash position. We currently have \$4M in our checking account and Vanguard investments; of this \$1M+ is for 2022 membership dues and beyond. Our fiscal policies state that we must be able to cover 6 months of expenses with our reserves; we are at about 12 months of expense coverage in our reserves. This presents us with opportunities for investment. The second highlight is that we received \$450K in funding for the lower back PIC in September and grant specific expenses will not occur until 2022. For the 2022 budget year, we are looking at a net asset loss of \$83.5K before depreciation.

In 2022, we are budgeting for \$50K in new membership dues, \$250,000 in new grants and \$75K in new sponsorships and other contract opportunities. The Alliance budget is relatively consistent with the budgets of the last few years.

Expenses include salary and related costs for 10.8 FTE and related benefits. Our medical and dental benefits are only up 2.52%. We have consultant expenses that are consistent with prior years. We have budgeted \$40K for legal fees in anticipation of potentially mediating the Lead Organization contract for WA-APCD. Expenses for the Milliman contact are budgeted for an additional \$40.8K for 2022 as contracted. We have included \$16K in additional funds for Advertising and Marketing for editing and design services given the number of reports we intend to release.

One of the greatest risk variables for this budget is our lease, which expires at the end of April. We are working on an extension with Urban Renaissance as well as other alternatives. If we stay in the same space, we are looking at a 20-30% increase for a 3-5-year lease. We have included a 20% increase for our occupancy of the building. We are looking at other options.

Depreciation is significantly less because we have fully capitalized our re-build of the Community Checkup website and are not expecting a similar rebuild.

The Board unanimously accepted the 2022 Budget Draft presented.

### **Total Cost of Care (TCOC) Report at County and Accountable Community of Health Levels**

Mark Pregler and Jim Andrianos presented the Board with a preview of the TCoC results based on a recommendation from the Pricing Committee, following an introduction by Pricing Committee Chair, Larry McNutt. They shared slides that are based on live data, but not necessarily reflective of the reports being worked on that will go on our websites in January. Results have been approved at the Health Economics Committee on November 4<sup>th</sup>; then forwarded on to the Quality Improvement Committee. After approval there they went to the Pricing Committee of the Board. The Pricing Committee provided the final release recommendation to come before the Board, with a targeted report release after the first of the year.

We are using Milliman's Advance Risk Adjustment (MARA) software to risk adjust TCoC results. This initial TCoC release will include per member per month (PMPM) results for 2018, 2019 and 2020 at the State, ACH and County levels. For each geography, PMPMs will be reported for Facility Inpatient, Facility Outpatient, Professional, Rx, and Ancillary services, as well as more detailed service lines with each service setting. This will result in getting a better understanding of how illness burden is distributed across the state.

In the conversation, we also highlighted the importance of drawing insights for the users, and clearly articulating the potential business uses by stakeholder groups for how this information can be used. Communication plans are underway, including media, around this launch. Ms Giunto requested input from the Board to increase the breadth of our release reach.

Board members also engaged in a conversation about future TCoC reports advancing beyond this foundation. Our next step is to report at the Medical Group and Clinic levels. The Board also encouraged us to pursue an analysis of the drivers of prices and trends over time, including elements like utilization, unit cost and intensity of services. The Alliance team welcomed this level of enthusiasm for the work as well as the encouragement to forge ahead with even greater transparency.

The proposed timeline for reporting Total Cost of Care for Statewide, County and ACH

reports is early 2022. The Board unanimously approved moving forward in 2022 with the Total Cost of Care Report as presented, both the approach and the timeline.

The meeting was adjourned at 4:30 pm.

Respectfully submitted by Adria Moskowitz

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Curt Bailey, Chair