



Executive Committee

Tuesday, October 2, 2018

3:45-4:45p

Hyatt Hotel – Capitol View Room,
15th Floor

Scott McFarland, Chair

Agenda

ORDER OF BUSINESS	RELEVANT ATTACHMENTS	REPORTING	ACTION A = Approval D = Discussion I = Information
I. Call to Order		Scott McFarland, Chair	A
II. Approval of Agenda		Scott McFarland, Chair	A
III. Approval of Minutes	<ul style="list-style-type: none"> Minutes from July 12, 2018 	Scott McFarland, Chair	A
IV. CEO Report		Carmela Castellano-Garcia	I/D
V. Board Retreat – Feb. 7-8, 2019	<ul style="list-style-type: none"> <i>Memo: Board of Directors Retreat in February 2019</i> 	Carmela Castellano-Garcia	I/D/A
VI. Discussion with CPCA Member Christina Velasco, interim CEO, Clinicas del Camino Real and representing the Central Coast Health Network	<ul style="list-style-type: none"> <i>Will be a handout</i> 	Carmela Castellano-Garcia	I/D
VII. Advocates Board Seats for 2019	<ul style="list-style-type: none"> <i>Memo: Designation of CaliforniaHealth+ Advocates Board Members for 2019</i> 	Carmela Castellano-Garcia	I/D/A
VIII. Association Health Plan Vendor Update	<ul style="list-style-type: none"> <i>Memo: Association Health Plan Strategy</i> 	Carmela Castellano-Garcia	I/D/A
IX. Closed Session		Scott McFarland, Chair	A
X. Adjourn		Scott McFarland, Chair	A

EXECUTIVE COMMITTEE MEETING

July 12, 2018

Meeting Minutes

Members Present : Scott McFarland (Chair), Doreen Bradshaw, Naomi Fuchs, Jane Garcia, Britta Guerrero, Kerry Hydash, Kevin Mattson, Danielle Myers, and David Vliet

Members Absent: Richard Veloz

Guests: Marty Lynch, Sherry Hirota, Deb Farmer, Cathy Frey, Christine Noguera, Anthony White, Louise McCarthy,

Staff: Carmela Castellano-Garcia, Robert Beaudry, Sandy Birkman, David Anderson, Heather Barclay

1. Call to Order

Committee Chair Scott McFarland called the meeting to order at 3:48p.

2. Approval of Agenda

Motion

A motion was made and seconded to approve the agenda as presented. (Myers/Hydash). **The motion carried.**

3. Approval of Minutes

Motion

A motion was made and seconded to approve the minutes from the April 26, 2018, meeting and June 12, 2018, call (Mattson/Hydash). **The motion carried.**

4. CEO Report

Carmela Castellano-Garcia, President and CEO, provided a report. Regarding the upcoming NACHC election, she noted the ultimate goal is to get David Vliet elected to the Executive Committee; however, he didn't meet the criteria this year and Dr. Kimberly Chang will be advanced and she'll have some competition. CPCA will help coordinate proxy votes for members not attending the CHI and the Consortia will also assist with related outreach.

She was approached by the California Restaurant Association (CRA) regarding minimum wage increase in California. The increase could impact Medi-cal eligible workers who could still potentially not afford insurance through the ACA and they requested CPCAs assistance in thinking through options, including the potential for some additional coverage option. Strengthening Covered California is an overall goal to focus on. Carmela and Scott offered to follow up with CRA's CEO, Jot Condie, to let him know where CPCA is at right now on this issue.

Carmela concluded with a reminder of her Award of Merit from Yale and if anyone is interested in attending the event to let her know.

5. Association Health Plan (AHP) Update

Val Sheehan, Director of Development and External Relations, attended to provide an update with regard to developing an Association Health Plan (AHP). A related memo was included in the meeting packet and an updated version was provided at the meeting. Val worked with an internal workgroup to score the RFPs received and the scores were sent to the Board braintrust for further vetting. The braintrust recommends NOT pursuing an AHP strategy that would require CPCA to establish a separate trust (called a Voluntary Employee Beneficiary Association (VEBA)), meaning the Keenan & Associates proposal will not be considered further. The braintrust further recommends to continue exploration of the Essential Health Access and Nonstop Insurance & Administration Services via a second round of questions for them to respond to. Hopefully, at the end of this next round, a partner can be selected.

There was concern about relationship implications with Kaiser but both proposals include a Kaiser option. Access versus risk was discussed and a balance between the two will be essential for success. The risk to CPCA is low and while the revenue sharing option for CPCA isn't substantial, it would support the program (staffing, marketing, etc.) The true risk would be with the assuming entity(s). Members were reminded that CPCA explored joining the Federal Government plan, but the coverage wasn't very good and didn't support some women's health options. Staff will provide an update at the October 2018 meeting.

6. Epic Update

Carmela provided a brief topic introduction, reminding members of why CPCA embarked on this exploration and what has been happening recently. Essentially, this arose from what we learned from CalHIPSO and helping health centers obtain/implement their own EMRs. Members wanted to go at it alone and there were struggles. Members have also been talking about the Epic product for years, but it was too expensive. Those factors, combined with direct outreach to California FQHCs, is what led us down this path. Major benefits include the innovation factor of being the EMR "model of the future" and working towards value-based care (data). The data-related benefits are huge and having aggregated statewide data could allow us to go further in our advocacy work. The related "industry clout" and related credibility it would afford CPCA is also undeniable.

At the April meeting, staff was directed to finalize negotiations and provide final contracts for Board review (good rates and a financially viable model were drivers to move forward). Draft contracts were presented on a joint Executive/Finance Committee call in June. Resulting from that call, a revised multi-year profit & loss statement that includes the LLC was requested, as were revisions to the Health Center Agreements to include more health center protections. Both Naomi Fuchs and Kerry Hydash provided additional review and feedback and questions about the financial forecast were raised. An error was found and corrected and cash flow projections were included as requested. After revised financials were provided, there was a request to ensure that GAAP principles were adhered to in the development of the forecast and advisory firm BKD was engaged to provide an independent business plan assessment.

At tomorrow's Board meeting, the Closed Session will include discussion about Epic/BKD to determine scope of the BKD assessment and the Board appetite to engage BKD. If proceeding, the Board needs to determine all outstanding financial questions and get back to BKD with a request for a scope of project. Members are supportive of the BKD analysis even though it will go over the \$175k budget, which is already at \$185k. There was discussion about potential negative impact of further analysis on the partnership but members feel the risk of conducting the financial assessment is worthwhile.

BKD will need direction from the Board on the scope of the analysis – will it be financial only, or also address appetite/risk issues? The need to move forward on next steps is urgent in that members need to know next steps as some are ready to move forward. A couple of interested parties have already disengaged for various reasons. The Board will convene Closed Session tomorrow to make a final decision about BKD and moving forward with the Epic partnership.

7. Closed Session

The Committee entered into closed session.

8. Adjourn

The meeting adjourn time is estimated at 5:00p.



DISCUSSION

Date: October 2, 2018

To: Executive Committee

From: Carmela Castellano-Garcia, President & CEO; Robert Beaudry, Executive VP & COO

Re: Board of Directors Retreat in February 2019

MEMORANDUM

Background

In 2017, CPCA staff brought forward to the Board of Directors an ambitious and innovative partnership opportunity between Epic Health Systems and CPCA that aimed to bring a California-specific EHR instance to California CHCs. The proposed business partnership had been explored and discussed by the Board of Directors at each quarterly Board meeting since July 2017. At the most recent meeting on July 13, 2018, the CPCA Board of Directors held a discussion to ascertain each board member's perspective on the proposed partnership with Epic, with a goal of making a decision about whether or not to move forward with the partnership. After much deliberation, the Board decided that it could not support the current proposed business plan with the projected amount of risk, and messaged to staff that they would be open to entertaining other scenarios that did not propose as much risk to CPCA.

Another outcome of the Board discussion was a suggestion that the CPCA Board of Directors hold a Retreat to focus on CPCA's approach to strategic business opportunities. To date, the CPCA Board has worked on strategic planning retreats involving CPCA members, but has not engaged in an intensive retreat focused on the growth and sustainability of the association as an organization. The Board decided that holding a retreat to focus on our business development strategy would be both timely and beneficial in terms of providing clearer direction to staff regarding developing strategic business relationships. The Board retreat has been scheduled for Thurs.-Fri., February 7-8, 2019.

Current Status

Currently, staff are working with incoming CPCA Board Chair, Kerry Hydash, to create a scope of project for the retreat. The following have been identified as key points of information for the Board and for a potential external facilitator:

Goal of the Retreat

The overarching goal of the CPCA Board Retreat is to create consensus and alignment among the Board of Directors on the direction of CPCA, with a special focus on strategic business development and sustainability of the association.

Key Questions

Some key questions that should be examined in the course of preparing for and executing the Retreat include:

1. What kind of organization do we want CPCA to be?
 - a. *Do Board members view CPCA primarily as an advocacy organization or is there agreement that we should be broader (for example training and technical assistance, etc.).*
2. What values or principles can the Board agree upon to guide staff in pursuing strategic opportunities?
 - a. *How does the Board define its role in terms of developing strategic relationships with vendors? What works well about that role? And what could be improved?*
 - b. *How can the potential benefits and pitfalls of developing strategic relationships with vendors be identified and proactively addressed?*
 - c. *What kind of risk tolerance does the Board have in this regard?*
3. Are there underlying issues and dynamics that both support and hinder alignment and consensus around business development and revenue generation strategies?
 - a. *What are the Board's expectations related to strategic alignment with similar groups such as the Regional Clinic Associations (RAC)?*
4. If business development is the goal, what values or principles can the Board agree upon to guide staff in pursuing strategic opportunities?
 - a. *How does the Board define its role in terms of developing strategic relationships with vendors? What works well about that role? And what could be improved?*
 - b. *How can the potential benefits and pitfalls of developing strategic relationships with vendors be identified and proactively addressed?*
5. What changes need to be made to be able to move forward in a collaborative and effective manner between the Board of Directors, the staff, membership and RAC?
 - a. *How well do current structures, policies, and practices support collaboration and effectiveness among all involved parties?*
 - b. *Are there new structures, policies, or practices needed to support better and ongoing collaboration and effectiveness among all involved parties?*
6. What are the immediate, short-term, and long-term strategic goals for business development?

Proposed Outcomes

By the end of the retreat, we hope to have:

1. A better understanding of the underlying issues and dynamics that both support and hinder alignment and consensus around developing strategic business relationships;
2. A greater sense of understanding among Board members on shared values, principles, and goals to guide the direction of CPCA;
3. A clear sense of how the Board and staff can work collaboratively and effectively to provide direction to the staff regarding future strategic business opportunities.

Proposed Modalities and Activities

Ideally, a neutral and experienced consultant would be identified to guide the retreat planning process, facilitate the retreat, and provide notes and recommendations. Modalities and activities may include, but are not limited to:

1. Conducting 1:1 interview and/or focus groups with Board members prior to the retreat for the purposes of discovery and to create buy-in and engagement.

2. Conducting additional interviews or administering a survey to gain insight from the larger CPCA member community.
3. Working with a subset of the Board to design an agenda that achieves the proposed outcomes.
4. Facilitating the retreat on-site in February 2019.
5. Providing notes and recommendations post-retreat.

Next Steps

1. A subcommittee of the Board will be appointed to work on retreat planning.
2. CPCA staff will solicit proposals from qualified facilitators to assist in the preparation for the retreat, on-site facilitation, and follow-up activities.



ACTION

Date: October 2, 2018
To: Executive Committee
From: Carmela Castellano-Garcia, President and CEO
Re: Designation of CaliforniaHealth+ Advocates Board Members for 2019

MEMORANDUM

I. Summary

The Advocates Bylaws, which were ratified by the CPCA Board of Directors on January 15, 2016 and by CaliforniaHealth+ Advocates on February 23, 2016, state that the CPCA Board of Directors will be Advocates' "Designator." As the Designator, CPCA is charged with designating the Advocates Board of Directors. The Designator retains the right to add or remove directors at any time, with or without cause. The Designator has the discretion to select whatever process it deems necessary to select candidates for designation.

The Bylaws currently allow for no less than three (3) and no more than 15 members, and the Board has been comprised of nine (9) members since inception in 2016. Of the nine (9) member Board, four (4) members are considered "interested", (i.e. CPCA Board members); and five (5) have been "disinterested" (non CPCA Board members; health center CEOs). Directors serve 3-year terms; and it's also been informal policy to have the CPCA Board Chair also serving on the Advocates Board. Lastly, Board composition aims to have fair geographic representation.

II. 2019 Proposed Designation

There are two (2) individuals that have terms that expire in October 2018:

- Naomi Fuchs (CPCA Board member; "interested" member)
- Corinne Sanchez (Health Center CEO; "disinterested" member)

Staff recommends:

- Reappoint Naomi Fuchs to serve in the position vacated by current Board Chair Scott McFarland; Scott has requested that Naomi fill the remainder of his term.
- Reappoint Corinne Sanchez to continue serving in her role.



DISCUSSION

Date: October 2, 2018

To: Executive Committee

From: Val Sheehan, Director of Development & External Relations

Re: Association Health Plan Strategy

MEMORANDUM

Background

At the last CPCA Executive Committee meeting on July 12, 2018, the Executive Committee reviewed and discussed a memo and addendum that described the process of vetting a potential Association Health Plan (AHP) strategy. To recap, the process included forming a brain trust to assist with the vetting of this strategy, including interviewing groups interested in working with CPCA to create more affordable and high-quality health insurance options for community health center employees. CPCA staff organized a member brain trust that included:

- Victoria Abrams – Executive Vice President, Health Center Partners
- Robin Affrime – Chief Executive Officer, CommuniCare Health Centers
- Tracy Garmer – Executive VP and Chief Operations Officer, Health Center Partners
- Christine Noguera – Chief Executive Officer, Community Medical Centers
- Tim Rine – Executive Director, North Coast Clinics Network
- Mary Szecsey – Executive Director, West County Health Centers
- Henry Tuttle – Chief Executive Officer, Health Center Partners

In addition to forming the brain trust, CPCA staff created activities and a timeline with a goal of potentially selecting a group to work with to develop an AHP. To begin the process, CPCA staff released an RFP on May 21, 2018 and shared the RFP with interested groups by using existing networks, but also by forming a new relationship with the California Association of Health Underwriters (CAHU). CPCA staff reached out to CAHU asking them to forward the RFP to their members. This strategy helped ensure that CPCA staff cast a wide net to capture the target audience.

CPCA received proposals from the following groups who were interested in partnering on some type of AHP strategy:

1. Decisely (a partner company with EPIC Insurance Brokers)
2. Essential Access Health
3. Keenan & Associates
4. Nonstop Insurance and Administrative Services
5. Shepler & Fear General Agency

A workgroup of CPCA staff reviewed and scored all proposals and presented the top 3 finalists to the AHP Brain Trust for their approval. The top 3 finalists were: Essential Access Health, Keenan & Associates, and Nonstop Insurance and Administrative Services. Following a call on June 14, 2018, where Brain Trust members approved the staff's recommendation, all finalists were scheduled into interview slots. Interviews with the finalists were held during the last two weeks of June.

After reviewing and discussing the Association Health Plan (AHP) finalist interviews from Essential Access Health, Nonstop Insurance & Administration Services (Nonstop), and Keenan & Associates on a July 6, 2018 call, the AHP Brain Trust with the support of CPCA staff recommended the following:

1. The AHP Brain Trust and CPCA staff recommend not pursuing an AHP strategy that would require CPCA to establish a separate trust, referred to as a Voluntary Employee Beneficiary Association (VEBA). Because of this recommendation, the proposal from Keenan & Associates to develop a new AHP will no longer be considered.
2. The AHP Brain Trust and CPCA staff also recommend continuing to explore both the Essential Access Health and Nonstop proposals by giving each group the opportunity to answer more detailed questions about their respective proposals.

Written responses to the follow-up questions were received in early August and forwarded to Brain Trust members. Two calls with Brain Trust members were scheduled in later August to discuss the responses to the follow-up questions, with the goal of potentially selecting one group to work with CPCA and its members on the dual goals for this strategy: 1) increasing access to high-quality insurance coverage for CHC employees; and 2) helping to control costs for CHCs.

Current Status

On the AHP Brain Trust calls that took place on August 21st and 29th, members reflected on various aspects of each group's offering including the insurance model, revenue share arrangement with CPCA, major strengths, and areas of concern. Of particular interest to Brain Trust members were the following issues:

- 1) ability of the partner to contain health insurance costs for health centers;
- 2) choice in terms of carriers and types of plans offered, and
- 3) maximum access by all CPCA members, regardless of organizational size, to whatever offering was made available through this partnership.

While Brain Trust members found pros and cons in each group's proposed offering, after deliberating with a special focus on the key issues of concern, the majority of Brain Trust members ultimately felt that the Nonstop Insurance & Administration Services' partnership proposal was stronger.

Next Steps

CPCA staff have prepared this memo to inform Executive Committee members about the recommendation of the AHP Brain Trust. The recommendation to move forward on a partnership with Nonstop comes at a time when the Board is also planning for an upcoming retreat to discuss strategic business partnerships. For that reason, staff is seeking guidance on whether to move forward with a partnership with Nonstop, or whether to wait until after the February retreat.