Board Meeting
December 21, 2021
Via Videoconference

Directors:	Neal Brown (at 7:50am)	Rodney Todd, MD
	Bart Bruns, MD	Kelly Morgan
	Chuck Chappell	Michael Krnacik, MD
	Jason Gray, MD	Chris Spence, MD
	Jerry O'Sullivan	Layne Jorgensen, DO (at 6:55am)
	Tim Freeman	Tim Powell, MD
	Greg Brigham, PhD	Gary Allen
	KC Bolton	Aden Bliss
	Aric Groshong, MD	Brenda Tibbetts
Not Preset:	Sharon Stanphill, DrPH	
Staff:	Brent Eichman	Doug Carr, MD
	Nancy Rickenbach	Keith Lowther
	Michael von Arx	Layne Jorgensen, DO (at 6:55am)
	Tanveer Bokhari	Lindsey Baker
Guests:	Kelly Knivila (6:35-6:50a)	
Public:	None present	

Call to Order

The meeting was called to order by Bart Bruns, UHA Board Chair, at 6:30 am.

I. Consent Agenda

The following items were presented on the consent agenda:

- Minutes from the September 28, 2021 UHA Board meeting
- 2022 UHA Board Meeting Calendar
- Conflict of Interest Disclosures and Mitigation Forms

The motion was made by Brenda Tibbetts, and seconded by Chuck Chappell, to approve the Consent Agenda. The motion passed unanimously.

II. Subcommittee Reports for the Community Advisory Council, Delivery System Advisory Council, Finance and Health Equity were included in the board packet

III. Annual Compliance Training: Fraud, Waste and Abuse and Fiduciary Duties

Training was provided by Kelly Knivila. Highlights include:

- Under ORS 63.155, each director owes the Company and its owner(s) the duty of care – a director must refrain from grossly negligent or reckless conduct, intentional misconduct and knowing violation of law.
- Additionally, the duty of loyalty, generally forbids a director from engaging in conduct furthering interests at the expense of the Company. A director may lend money to or transact other business with the Company if the loan or transaction is fair to the Company, authorized by the OA, or authorized by the owners. To avoid the need to prove a transaction is fair, a director should always disclose any conflict of interest and get approval of the owner(s).
- Kelly provided several scenarios.
- Compliance oversight includes corporate information and reporting system (system must be adequate to ensure that the appropriate information as to compliance with applicable laws will come to the Board's attention).
- Kelly recommended the Board review and reference the following guide - *The Health Care Director's Compliance Duties: A Continued Focus of Attention and Enforcement, Joint Publication of OIG and AHLA.*
- FWA CCO Contract Requirements, and Contract Sanctions were also discussed.

IV. Community Information Exchange Enhancements

Mike von Arx provided an overview of the Community Information Exchange (CIE), and the desire of OHA to have a statewide CIE. OHA plans to leverage CIE technology as part of the new waiver by having CCO's fund CIE's through Community Investment Collaboratives.

Per UHA's CCO 2022 Contract, UHA is mandated to collaborate with public health (DPHN) on community initiatives, such as a CIE as well as the Community Health Improvement Plan (CHIP).

Unite Us' CIE (branded Connect Oregon) has made significant progress in supporting OHA's desires. At the time of the presentation, Connect Oregon is live in 19 counties, and is going live

by 2022 in another 14 counties. At this time, Douglas County is one of three counties not committed to Connect Oregon. UHA is supportive of the local CIE's – Network of Care and Community Uplift. Adding a statewide solution would further enhance local efforts by providing opportunities for connection with larger statewide CBO and the OHA.

UHA has received many letters of support from the community, UHA's CAC, UHA Health Equity committee, Douglas County, many CBO's, etc. to move to Connect Oregon.

A Board Vote on supporting and implementing Connect Oregon will take place during the public portion of this meeting.

Dr. Todd: *How will independent providers implement the CIE? Many just implemented the EMR?* The CIE won't be required to implement. There will be free licenses available to providers. And there is some interoperability with eCW and may augment provider offices' abilities to make referrals to CBOs.

Dr. Powell: *How will it interface/overlay with Network of Care (which does integrate to Athena EMR) and what are the advantages and how will Unite Us interface with NOC?* Larger network of CBO's to connect to with Connect Oregon. The other advantage to recognize is the impact to OHA and their desires to have a statewide CIE. Given the footprint of Connect Oregon, and projected future growth (Coos and Curry looking to implement Connect Oregon), Douglas County being the only county not on CO would not bode well. UHA is looking at interfaces with multiple EMR's. Dr. Powell: *struggling to see the benefit of implementing another CIE when we have one (Network of Care) that is working and is being used currently with a feedback loop with Reliance and Uplift.*

V. Health Information Technology (HIT) Bonus Program Modification

Presented by Mike von Arx, the EMR subsidy was sun-setted in 2020 and was replaced with the HIT Bonus Program. Mike discussed program eligibility, some changes made to the program in 2020 due to staffing limitations and COVID, and presented a proposed change to the criteria for 2021.

Proposed Entrance Gate: must be contracted and in good standing, see 15 UHA Members, and have an adopted Certified EHR. After meeting the entrance gate, practices would be eligible for a proportionate of their allotted HIT bonus for each element met – 30% connected to Reliance HIE, 50% EHR date submission, 20% hospital event notification and 10% submission of data to

Arcadia. This change would allow 28 practices and about $740K to be awarded. This is within the budget of $1M.

KC Bolton: *is there a reason the full $1M budget is not on the table?* FMV calculations and assessments may make it challenging to calculate at this time.

Dr. Bruns: *are we assisting the 15 practices in making progress on the outstanding requirements?* Yes, significant progress has been made, and is continuing to be made.

Dr. Todd: *how are providers notified where they fall in terms of progress and how they can improve?* UHA's Provider Relations team is engaged and modifications to Network Agreement, Town Halls, etc.

Dr. Powell: *interoperability and data submission. How much of this is on the provider side, and how much is on UHA's side?* UHA follows OHA's data submission requirements. Successful interoperability depends on the EMR.

A Board Vote on modifying the HIT Bonus Program will take place during the public portion of this meeting.

VI. 2022 UHA Operating and Capital Budget

Keith presented the proposed 2022 Operating Budget (there is no capital budget for 2022). The budget was developed by the UHA Finance and Budget Committee and is being recommended for approval by the Umpqua Health Board of Directors.

Major Assumptions and Highlights
1. UHA membership months have been conservatively estimated at 375,000 months for 2021. Although we saw no re-determinations in 2022, OHA has stated that they will begin redeterminations of currently enrolled members starting in July 2022 for continued plan eligibility.
2. UHA received a rate increase for 2022 which will probably result in a 3.6% premium revenue increase depending on member mix.
3. The budget has been prepared with a 3% Quality Pool income estimate. The Value Based Care payments are contingent upon receiving this income.
4. The 2022 budget was created to maintain an 87% MLR, 2% EBITDA, and an 11% Admin rate. The risk pool will be adjusted as needed and will be contingent on meeting these financial targets.

5. 11% of the 2022 premiums has been budgeted to flow through to UHM as Management Fees.

Tim Freeman: *how did you factor the increase in providers and staffing costs when developing the budget?* Providers are paid at a percentage of CMS rates, an increase was budgeted for specialists. Risk Pool to reward/share upside.

A Board Vote on the 2022 Budget will take place during the public portion of this meeting.

VII. Finance Report

Keith Lowther, CFO, reported on the Balance Sheet and Income Statement, as of September 30, 2021. Medical Loss Ratio is at 87%, $18M increase in revenues, and ~295,000 member months.

The Risk Pool distribution has been accrued, to about $13.6M. Final distributions will be discussed at the next Board Meeting. Increase MLR to 87% (more dollars distributed to providers) for a significant payout to providers. The payment may take place around mid-year 2022. All payments to providers must be used when calculating FMV.

VIII. 2021 UHA Distribution

OHA requires CCOs to maintain certain levels of Risk Based Capital (RBC), 200 RBC is minimum per OHA, 300 RBC is a "fully capitalized" control level. Anything over 300 is considered excess capital. Capital requirements are in place to ensure that CCOs have enough reserves to pay claims in the event of insolvency/business closure. Future capital contributions to UHA is the responsibility of UH Corporate.

UHA's projected current adjusted capital is $31M, with an estimated RBC of 523. UHA is recommending a $2.5M tax distribution and $5M distribution to UH Corporate ($7.5M total distribution). This puts the year-end RBC at estimated 433. The $5M would be held at UH Corporate for future capital contributions for UHA. The $7.5M distribution does not impact UHA's potential SHARE obligation according to OHA's SHARE formula, and it leaves over $7M in excess capital.

KC Bolton: *The $7.5M is a back-up to the back-up fund?* That's a way to look at it. Want to be fully capitalized, keep some on the sidelines for rainy-day fund. Recall that a $9M downstream distribution was required a few years ago to achieve 300 RBC requirements.

A Board Vote on the 2021 UHA Distribution will take place during the public portion of this meeting.

IX. 2021 Health Related Services Program Funding

UHA is poised to end the year in a strong financial position. Recommending an increase to Social Determinants of Health (SDOH) program spending in 2021, to implement in 2022.

- Care Coordination Workforce Development - $800K
- Inpatient Behavioral Health Capacity Grant - $1M
- Homeless Low Barrier Shelter - $300K
- THW Chadwick Clubhouse - $30K
- Kindergarten Readiness - $20K
- FoodSmart - $140K
- Sobering Center - $200K
- CIE Enhancements - $200K
- Total: $2.7M

A Board Vote on the 2021 HRS Funding will take place during the public portion of this meeting.

X. Public Registration

The meeting was opened to the public; no public members were present.

XI. Board Votes

2022 UHA Operating and Capital Budget

The motion was made by Jerry O'Sullivan, and seconded by KC Bolton, to approve the 2022 UHA Operating and Capital Budget. The motion passed unanimously.

2021 UHA Distribution

The motion was made by Neal Brown and seconded by Tim Freeman, to approve the 2021 UHA Distribution of $7.5M total. The motion passed unanimously.

Health Related Services

The motion was made by Tim Freeman and seconded by Dr. Jason Gray, to approve the 2021 Health Related Services of $2.7M. The motion passed unanimously.

Community Information Exchange Enhancements

The motion was made by Neal Brown and seconded by Aden Bliss, to approve the Community Information Exchange Enhancements through Connect Oregon. The motion passed unanimously.

Health Information Technology (HIT) Bonus Program Modification

The motion was made by KC Bolton and seconded by Dr. Layne Jorgensen, to approve the HIT Bonus Program Modification. The motion passed unanimously.

I. Public Comment

No public members were present.

II. Good of the Order

Dr. Bruns commented on the amazing job of UHA staff through this tough year, particularly to Brent and the executive team.

III. Closing

The meeting was adjourned by Dr. Bart Bruns, UHA Board Chair, at 8:04 am.

Respectfully Submitted by:

Lindsey Baker, MBA, Executive Administrator
Approved: 03/29/2022