



**Board Meeting
June 28, 2022
Via Videoconference and In Person**

Directors: Neal Brown
Bart Bruns, MD
Chuck Chappell
Jason Gray, MD
Jerry O’Sullivan
Tim Freeman
Gary Allen
KC Bolton
Greg Brigham, PhD

Rodney Todd, MD
Brenda Tibbetts
Sharon Stanphill, DrPH
Chris Spence, MD
Kelly Morgan
Tim Powell, MD
Aric Groshong, MD
Michael Krnacik, MD

Not Preset: Aden Bliss
Layne Jorgensen, DO

Staff: Brent Eichman
Nancy Rickenbach
Michael von Arx
Lindsey Baker

Doug Carr, MD
Keith Lowther

Guests: Bevin Ankrom, OHA Innovator Agent

Public: None present

Call to Order

The meeting was called to order by Bart Bruns, UHA Board Chair, at 6:40 am.

I. Consent Agenda

The following items were presented on the consent agenda:

- Minutes from the March 29, 2022 UHA Board meeting
- UHA Governance Annual Disclosure Statement
- Subcommittee Reports, including CAC, Executive, Nominating & Governance, Compliance, Delivery System Advisory, and Health Equity



The motion was made by Tim Freeman, and seconded by Dr. Jason Gray, to approve the Consent Agenda. The motion passed unanimously.

Brent welcomed and introduced Bevin Ankrom, OHA Innovator Agent.

II. CEO Report

Brent presented on the proposed UHA Risk Based Capital Adequacy Policy.

Coordinated Care Organizations (CCOs) are capital intensive businesses. UHA's existing embedded Risk Mitigation factors, in order of progression: 1) Reduction / Elimination of the Risk Pool, 2) Reduction / Elimination of Provider withhold returns, 3) Reduction / Elimination of UHA Operating Margin.

UHA contracted with an external actuarial firm to perform sensitivity analysis on potential business scenarios to help develop a Risk Based Capital (RBC) target. Underlying trend factors included claims cost trend, OHA premium trend, HRS / SDOH investment trend, and SHARE Impact.

Brent discussed several scenarios of RBC modeling, including baseline, improving care management and margins, adverse with premium shock, and adverse with pent-up demand.

The Umpqua Health Members met and recommend the UHA board adopt a capital adequacy policy which reflects a combined UH and UHA capital target of 800 RBC. The stated objectives in the recommendation are to maintain sufficient provider rates through adverse events or economic downturns and a deterioration in provider rates could be catastrophic to providers given Douglas County's payer mix of approximately 50% government programs (Medicare and Medicaid), while maintaining capital sufficient to continue to participate in the SHARE initiative.

The RBC Capital Adequacy Policy is included in the packet, for the Board's approval during the Public Portion of the meeting.

III. Reports

Compliance, Provider Network and IT

Mike von Arx, CAO, provided a contracting update based on the quality domains of VBP's. He discussed the VBP thresholds and current examples within the UHA provider network. Mike discussed UHA's current performance to these thresholds; close to 95% of UHA being served by



Tier 3 or higher PCPCH. And 19% by Tier 5. 55% contracts are at 2C are higher (required to be 20% by 2023). 4 of the 5 required CDAs (Care delivery areas) are in place.

An increase in FWA activities continue to be a focus of OHA. UHA is responding with increased reviews, with a need for specialized investigations and fraud-certified staff. Compliance is adjusting its process in conducting the Prepayment reviews. New Prepayment review policy will deploy industry standards by deploying an error rate threshold on reviews to trigger referrals to compliance.

CIE Update – Connect Oregon went live in Douglas County on May 24, 2022. 22 organizations are currently live. Unite Us has indicated that Douglas County has performed significantly better than other communities for number of organizations participating and number of referrals sent in the first month.

Is UHA allowed to pay differential rates between primary care and specialty care? Yes, OHA doesn't prescribe rates that UHA must pay providers. Would need stark and kick-back/FMV analysis.

Health Plan Operations

Nancy Rickenbach, COO, provided an operational update on OHA deliverables due through September.

Care Coordination Activities for January through June, Cost Growth Target Program, Annual Delivery System Network, Annual Community Advisory Council Demographics Report, Community Health Assessment, Updated Community Health Improvement Plan and Progress Report, SHARE spending plan and report, Health Equity Plan, Training and Education report, and Medicaid Efficiency and Performance Program. Many of these reports contain heavy narrative, and very lengthy, and very intensive. Each deliverable is reviewed and scored by OHA.

Finance Report and 2021 Audited Financials

Keith Lowther, CFO, presented the May 31 balance sheet as compared to this time last year. Net revenues for the month are ahead of budget, facility costs are lower than budget, as well and professional costs. EBITDA is \$400k, just ahead of budget. Year to date financials are consistent with the monthly financials, with an EBITDA of \$2M, as compared to budget of \$463k.



Keith also discussed projected reserves and Risk Based Capital. UHA is performing well in areas.

Keith presented the audited 2021 UHA Audited Financials. The audited was presented to the UHA Executive Committee; the committee recommended to the board that the audit be approved by the board.

Moss Adams submitted an unqualified opinion report, letter of qualifications, communication to internal controls – with no deficiencies and no findings.

CMO

Dr. Doug Carr, CMO, updated the Board on the decrease in member access to Hepatitis C Virus (HCV) Treatment, due to a decrease of providers in the area. The UHA Pharmacy team stepped in to assist by engaging PCP's in prescribing HCV treatments. Dr. Carr discussed the importance of having a local CCO in order to track these changes and implement corrective actions quickly.

I. Public Registration

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

II. Board Votes

2021 UHA Audited Financials and May 2022 Financials, as reviewed and recommended for approval by the UHA Executive Committee.

The motion was made by Dr. Tim Powell, and seconded by Chuck Chappell, to approve the 2021 UHA Audited Financials and the May 2022 Financials. The motion passed unanimously.

Capital Adequacy Policy

Change 4 a., to UH Members MAY contribute, per UH Operating Agreement.

The motion was made by Dr. Jason Gray, and seconded by Dr. Tim Powell, to approve the proposed UHA Risk Based Capital Adequacy Policy, with the amendment outlined above to 4.a, remove WILL and add MAY. The motion passed unanimously.

I. Public Comment

No public members were present.



II. Good of the Order

KC Bolton shared efforts of the Residency to build out their capacity. KC Will follow up with an email to the Board.

Tim Freeman recognized UHA for their success and support of the community during a tough time of a pandemic.

III. Closing

The meeting was adjourned by Dr. Bart Bruns, UHA Board Chair, at 8:10 am.

Respectfully Submitted by:

A handwritten signature in blue ink, appearing to read "L. Baker", is written over a horizontal line.

Lindsey Baker, MBA, Executive Administrator
Approved: 09/27/2022