



**BOARD OF DIRECTORS
MEETING
June 24, 2014**

**Health District Office Building
120 Bristlecone Drive, Fort Collins**

MINUTES

BOARD MEMBERS PRESENT: Bernard J. Birnbaum, President
Tess Heffernan, Vice President
Michael D. Liggett, Secretary
Tracy L. Nelson, Treasurer

BOARD MEMBERS ABSENT: Steven J. Thorson, MD, Liaison to PVHS Board

STAFF PRESENT: Carol Plock, Executive Director
Bruce Cooper, M.D., Medical Director
Robert Gartland, DDS, Dental Clinic
Lorraine Haywood, Finance Director
Sue Hewitt, Evaluation Coordinator
Laura Mai, Accountant
John Newman, Clinical Services Director
Dan Sapienza, Policy Coordinator
Chris Sheafor, Support Services Director
Karen Spink, Assistant Director
Nancy Stirling, Assistant to Executive Director

OTHERS PRESENT: Molly Lockman, Sample & Bailey
Kathryn Southard, Policy Intern
Kimberly McDonald, Evaluation Intern
Jim Browne, Community member

CALL TO ORDER; APPROVAL OF AGENDA

President Bernard Birnbaum called the meeting to order at 5:51 p.m. After introductions, suggested changes to the meeting agenda included: moving the Signator Resolutions to be with the topic under "Possible Action", due to the need for a vote on the issue.

MOTION: To approve the agenda as amended.
Motion/Seconded/Carried Unanimously

PUBLIC COMMENTS

Jim Browne attends the meeting as an interested community member. He had no comments.

REPORT, DISCUSSION & APPROVAL

2013 Audit Report

Ms. Molly Lockman attended this meeting as a representative of Sample and Bailey, the company which performs the Health District's annual audits. Ms. Lockman noted that the audit for 2013 was unmodified, all qualified, and there were no issues. She briefly reviewed the 2013 Financial Statements, noting that the Health District has a healthy financial position with a solid governmental fund balance, expenditures less than budgeted and within state laws, and over \$6 million of the revenues received in 2013 spent for the purpose of providing health services to district residents. Increase of revenue since the previous year came mostly from property and specific ownership tax, lease revenue, and other revenue sources such as OAP patient payments. Noted in the 2013 Financial Statements are the details of the new lease agreement arrangement which was approved by the Board of Directors in 2012. 2013 was the first full year of the new lease agreement.

Ms. Lockman also reviewed the "Report to the Board of Directors" of which there were no significant issues of note. While it is not a reflection of the Health District's accounting practices, the report does include a recommendation to the Health District to be sure to obtain all related and final documents pertaining to the lease agreement for our records.

MOTION: To approve 2013 Audit as presented.
Motion/Seconded/Carried Unanimously

2013 Investment Report

The Board was provided the 2013 Annual Investment Report. The total net investment earnings for 2013 was just over \$20,000, with yield rates ranging from .01% to 1.61%. Ms. Haywood reminded the board that public entities have major restrictions on what they are allowed to invest in. The report lists the Health District's investment strategies which include placing the majority of funds in COLOTRUST, a government investment pool, as well as into CDs. Yield rates in these investment options remained very low, and some of them even decreased by the end of the year. A continuing challenge in purchasing CDs is that public entities can only invest in banks authorized to accept public funds, and willing to collateralize the funds; it is difficult to find banks that will accept government funds. The focus is more on security of the funds rather than interest.

PVHS Board Bylaw Changes, Resolution 2014-09

At the April 22 meeting, the Board at that time reviewed the proposed changes to the Corporate Bylaws of the Poudre Valley Health Care Inc. and had questions about the strike out of Section 4.4.d which pertains to the duties of the President/CEO (see document for details). The Board wondered what the implications were for the President/CEO's authority over employees. When Health District staff inquired about that particular change in the Bylaws, the response was that, because of the merger, Poudre Valley Hospital and Medical Center of the Rockies do not actually have any employees, but rather the employees are all now University of Colorado Health employees. The President/CEO for PVH and MCR is delegated authority from the President at UC Health. The proposed Bylaw changes have already been approved by the Poudre Valley Health System (PVHS) Board and, per the lease agreement between PVHC and the Health District, requires Health District Board approval.

MOTION: To approve the Poudre Valley Health Care Inc. Bylaw changes as presented. In addition, the Board also approves Resolution 2014-09.

Motion/Seconded/Carried Unanimously

PRESENTATIONS, DISCUSSION

Health Care Changes and Impact on Health District Programs

Ms. Carol Plock, Executive Director, provided a brief overview about the current changes in health care and health insurance. She discussed why people felt the need for health care changes, the reality of health care costs, Colorado's health insurance "Marketplace" and Medicaid expansion, and mental health changes in health coverage. (See presentation slides for details.)

Through the "Health Care Matters" project, the Health District had the opportunity to hear firsthand from community members their concerns around health care. One of the key findings was that while people are largely satisfied with the quality of their care, 93% participating in community discussions were somewhat or very concerned about the health care costs they might face in the future. Over the past decade or so, health care costs have risen at a much higher rate than inflation and wages. The cost of health insurance premiums alone for a family of four in 2011 had risen to over \$16,000; even with employer insurance, the average family still pays \$8,000 per year in health care costs.

In 2012, the Affordable Care Act's goal was to get 30 million people insured through new health insurance marketplaces and expansion of the Medicaid program. Colorado's marketplace, called "Connect for Health Colorado" was developed as the place where Coloradans can go online and shop, pick and purchase health insurance. It is the only place where people can find out if they qualify for premium assistance (400% of Federal Poverty Level and below qualify for help with premiums; 250% and below receive additional benefits in other costs). Locally, the Health District's "Larimer Health Connect program" provides assistance to individuals and small businesses throughout Larimer County in navigating and understanding the marketplace.

In addition to the health insurance exchange, Colorado also expanded its Medicaid program. Before, adults without dependent children did not qualify for Medicaid in most situations. Now with the expansion, nearly everyone living in a household with up to 133% of Federal Poverty Level can qualify. The expansion also includes adult Medicaid dental services of up to \$1,000 per person. Most people who had been participating in our Prescription Assistance services and were uninsured now qualify for Medicaid.

Additionally, recent national and state changes will bring significant changes in coverage for behavioral health. A national parity law now states that when health insurance covers mental health and substance use disorders, the coverage can be no more restrictive than for other medical coverage. Combined with the ACA, which increased the number of people with health insurance, eliminated pre-existing condition exclusions, and required that behavioral health be included in plans offered through the marketplace, far more people will have behavioral health coverage.

As of April 2014, over 10,000 additional individuals in Larimer County have enrolled in Medicaid and over 8,000 individuals enrolled in health insurance plans through Connect for Health Colorado for a total of almost 19,000 additional "lives" insured. Due to these changes, the Health District's Prescription Assistance and Dental Programs are being impacted – but in different ways.

Our Dental Program

Mr. John Newman, Director of Clinical Services, provided a brief overview of the Family Dental Clinic and the needs we see, the volume of services provided, and the changes around us. The Dental clinic sees patients up to 185% of the Federal Poverty Level (FPL) as well as those who require emergency care. In addition to emergency care, the clinic provides comprehensive routine care consisting of exams, restorations, fillings, root canals/crowns, partials, and dentures. Dental Clinic staff strive not only to help get the patient out of pain and suffering, but also allow them to present a good smile that may help them when looking for employment.

The brand new Medicaid Adult Dental Benefit, effective April 1, 2014, covers up to \$1,000 in comprehensive dental care per individual per fiscal year. Emergency care and dentures are not subject to the limit. With the expansion of Medicaid that allowed adults to qualify, and the new adult dental benefit, a significant increase in demand for services is anticipated; we estimate that there are approximately 16,000 adult Medicaid beneficiaries residing within the Health District area who now have routine dental care benefits.

To begin to address the demand, staffing at the Health District has been increased from 4 dentists to 5, and hygienists from 2.0 to 2.6 FTEs. Additionally, clinic hours have been extended. In addition, workload and productivity of the clinic is monitored for efficiency. Productivity is measured in "Relative Value Units" (RVUs) – a method to quantify productivity that takes into account complexity of procedure, time needed for a procedure, material used, etc. RVUs are used to measure workload, compare with targets, to establish prices, and measure productivity of dentists. During the period of January through April of this year, RVUs have increased by about 30% when compared to the same period last year. This is also true for the number of clients and visits which increased 27 to 28%, thus the clinic is seeing more visits per client.

In the coming months, the Dental Clinic will experience some challenges. While the clinic will see an increase demand due to the Medicaid expansion, a reconstruction of the clinic area will begin in August to make patient flow more efficient, and we are experiencing some changes in dentist staffing.

Mr. Newman introduced Dr. Rob Gartland, the Lead Dentist of the Dental Clinic. Dr. Gartland described some of the challenges seen by dentists and staff in the clinic. Many of the patients seen in the clinic have mental illness or cognitive or physical disabilities. They also see patients that have "Meth mouth" (teeth damaged by use of methamphetamine drugs), cancers, etc. A goal is to help people aesthetically – from no teeth to dentures – which makes such a difference in their smile. The difference that dental care can make ranges from getting a person out of pain, to helping with self-esteem, allowing them to sleep again, or helping them care for those around them and/or find a job. The Clinic also utilizes dental interns through the Colorado University Dental School which places dental students in clinics around the state to provide supervised dental care.

Ultimately, at this time, the focus is on working out how to expand as much as possible to help meet the demand and optimize the program.

Prescription Assistance

With the Health District's Prescription Assistance program, the situation is entirely different. The mission is to provide help to low income people who do not have insurance to obtain needed

medications. The PA program does not serve patients with Medicaid because they can obtain prescriptions through Medicaid. The two ways that the program helps individuals without insurance obtain prescriptions is with vouchers (the Health District writes a voucher to a pharmacy who fills the prescription; the individual picks up the prescription at the pharmacy and pays a small copay) and through Manufacturer Assistance Programs (MPAPs – assisting individuals with applications; the manufacturer provides the drug at low or no cost).

The 2013 Larimer County Community Health Survey learned that about one-quarter of the individuals at or below 185% of FPL were unable to have a prescription filled because they could not afford it. With the Medicaid expansion, a decrease in demand for PA services is expected. We are already seeing a dramatic decline in workload – with vouchers, we are averaging about 35-40% of what was accomplished during the same period last year, and with MPAPs, fewer applications are being submitted. In addition to patients enrolling in Medicaid, some manufacturers are also dropping some of their programs. In response to the decrease in services needed, and yet to continue to provide services to those who do not qualify for Medicaid or who are eligible but haven't yet applied for Medicaid, staffing is being reduced beginning July 1. There is still much to figure out to determine any remaining needs for prescription assistance.

Staff have been trained to process applications for clients who may be eligible for Medicaid. Currently, there are approximately 400 PA clients who may be eligible for Medicaid and do not yet have it (and approximately 1,600 dental clients).

Policy

Policy Coordinator, Dan Sapienza, provided a wrap-up of the recent legislative session, as well as updates on local issues.

State Legislative Session Wrap-Up: Health Issues

Included in the meeting packet is a final Legislative Matrix and a Legislative Wrap-Up document. The Matrix lists all the health-related bills organized by priority and provides information about each bill including who the sponsors are, a quick summary of the bill and the latest status of the bill.

Wrap-Up

- HB14-1263 concerning restricting Tobacco Products to those under 21 is a bill that was introduced by Senator John Kefalas. This bill would increase sale age of tobacco from 18 to 21; however it was defeated in committee by one vote.
- SB14-180, to transfer the operation of the OAP Dental program from the Colorado Department of Public Health and Environment to Health Care Policy and Financing, was signed into law and extends the program to 2015 when changes may be made as the impact of the Medicaid Adult Dental Benefit is considered.
- HB-14-1253 concerning Civil Commitments was laid over (failed). And a smaller bill, HB14-1386, which was introduced after HB-1253 failed, and sought to revise the definitions for “danger to self or others” and “gravely disabled” also failed due to strong lobbying in opposition by firearms advocacy groups.
- Noted was a mistake on Page 4 of the Wrap Up document. The Title for HB 14 1281 is incorrect. The Title should be “Patient Access to Investigational Drugs”. This bill did pass.
- HB14-1297 regarding health studies of oil and gas operations was postponed indefinitely (failed). There is a likelihood that this issue could come back.

- HB14-1375, the Urban Redevelopment Fairness Act was introduced late in the session and eventually vetoed by the Governor. The bill had to do with tax increment financing, to make sure that counties were more involved in the process. Staff did not assign this bill a priority and no formal discussion has been had on this specific bill.

Looking towards the future, topics likely to be followed include: oil and gas operations, marijuana, as well as upcoming elections.

West Nile Virus Update

After the last board meeting, Health District staff reached out to City of Fort Collins staff, as well as participated in a meeting with Council Member Gerry Horak, to see if City Council might reconsider the human cases factor with determining spraying. At the City Council meeting, Health District information was presented to them. The Council decided to make the 2 human case requirement city-wide rather than per zone but did not remove the human case requirement, which creates a significant delay in the preventive measure of spraying.

Board Retreat Update

The Board's annual retreat is scheduled for July 31 (half-day) and August 1 (all day until 4:00 pm) in Estes Park. Ms. Plock reminded board members that a binder of information will be provided for Board members at the July 22 meeting, and asked them to reserve time for its review.

PRESENTATION, POSSIBLE ACTION

Policy

Tobacco & Expansion of City of Fort Collins Ordinance

Ms. Kathryn Southard, Policy Intern through CSU's Public Health program, presented on tobacco and the proposed expansion of the City of Fort Collins' smoking ordinance. (See Policy Brief/Analysis "Expansion of the City of Fort Collins Smoking Ordinance: Hotels, E-Cigarettes, Old Town Square, Parks and Natural Areas, and Events" for full details.) Noted was the fact that the Health District has a long history of taking positions against smoking.

The analysis provides background information on smoking in the United States, smoking in Colorado, nicotine dependence, health consequences of smoking, secondhand smoke, thirdhand smoke, and smoke-free laws. The analysis also reviews the current smoking ordinance and the proposed smoking ordinance expansions being considered by City Council:

- 1) Making all hotels 100 percent smoke-free
- 2) Regulating electronic cigarettes similarly to conventional cigarettes
- 3) Banning smoking in parks and natural areas
- 4) Banning smoking in public events
- 5) Banning smoking in Old Town Square

City Council is scheduled to consider the first two issues above in July, and the other issues later in October.

Making All Hotels 100 Percent Smoke-Free – This proposal would require that all hotels and motels in Fort Collins be 100% smoke-free. Most hotels have already instituted that policy on their own, and five hotels are 75% smoke-free. Issues to consider include whether there is risk to secondhand or thirdhand smoke exposure. Opposition to this proposal mostly involves economic and business reasons. For example, some hotels cater to international travelers who come from

areas where smoking is allowed and may be concerned that business could be impacted if smoking is not allowed.

Regulating E-Cigarettes similar to conventional cigarettes – This proposal would regulate and restrict e-cigarettes like tobacco products. Ms. Southard reviewed various types of e-cigarettes and how they work. Individuals must be at least 18 years of age to purchase. The health effects of e-cigarettes are under-studied at this time, though there may be a potential risk for secondhand and thirdhand smoke. Also, e-cigarettes are sometimes touted as a way to quit smoking. This has not been proven so and in fact, studies show that e-cigarette users tend to be “dual-users” – using both e-cigarettes and conventional cigarettes. Marketing efforts make using e-cigarettes appealing (“Take Back Your Life”), and give youth the impression that smoking is acceptable in public places. Marketing actually targets youth, who may start with e-cigarettes but then move to less expensive cigarettes, impacting health if they become addicted to nicotine at a young age.

Board Discussion: The board briefly discussed the issue of making decisions that can impact both health and potentially have an impact on the local economy. They discussed the mission of the Health District, which is to improve the health status of the community. In this instance, the prime concerns were smoking’s impact on health, the importance of preventing initiation, and the dangers of normalizing it and making it look cool to kids. Board members were particularly concerned about e-cigarettes’ impact on youth.

MOTION: To SUPPORT the city of Fort Collins’ proposal to expand their smoking ordinance to prohibit smoking in 100% of hotels.
Motion/Seconded/Carried Unanimously

MOTION: To STRONGLY SUPPORT the city of Fort Collins’ proposal to expand the smoking ordinance to ban the use of e-cigarettes in the same places that conventional cigarettes are banned.
Motion/Seconded/Carried Unanimously

Bank and Investment Signator Resolutions

Ms. Lorraine Haywood, Finance Director, explained that in the past, the Health District has always submitted Resolutions to First National Bank identifying which staff and board members are authorized to sign checks, transfer funds between accounts, etc., and specify how many signatures must be on particular checks. This time, the bank is requiring that we sign their resolution, which allows any authorized signer and does not distinguish between numbers of signers. While the issue is being worked out, since the bank has not accepted the resolution formerly approved by this board, staff recommend that the board explicitly allow Steve Thorson to remain as a signator.

MOTION: Due to negotiations between the Health District and First National Bank concerning signing limits and banking resolutions, the Board directs that until this issue is resolved, the outgoing Board Treasurer, Steven J. Thorson, remain an authorized signer on all First National Bank accounts in his current position as Board Liaison, as allowed under formerly approved Board Resolutions.
Motion/Seconded/Carried Unanimously

UPDATES & REPORTS

Executive Director Oral Report/Updates

There was a grant process for behavioral health crisis stabilization services from the state of Colorado that became complicated when the State awarded the grant to a for-profit, out of state organization. The concern was that the State did not follow its own standards, and after significant legal challenges, the award was retracted, new applications were sought, and the final outcomes is that locally, Touchstone will soon be providing crisis stabilization services. Touchstone had been leasing a building on Riverside with the intention of using it temporarily (if they did not get the crisis stabilization grant) for the purpose of housing assertive community treatment (ACT) and community dual disorder team (CDDT) programs until a more permanent building could be found. Now that they will need the building for crisis stabilization purposes, the need for locating a CDDT/ACT building becomes more pressing. In July, efforts will increase for defining the services to be provided, the space needs, and looking for a building. In a previous understanding, THP would fund all operational costs while the Health District would purchase a facility. Funds (\$600,000) have been set aside for this purpose. Once the options are known, staff will return with a proposal for the board's consideration.

In January, Ms. Plock communicated with PVHS and UCH officials in order to obtain all documents named in or associated with the recent lease agreements. Many documents could not be finalized until UCH had obtained its 501(c)3 status, which did not occur until late 2013. Just recently, documents were received and Ms. Plock has begun to sort through them to be sure we have the correct documents and that they are complete and accurate, including an accurate accounting of the assets at the time of the merger, to set a baseline for how assets change over time.

PVHS Liaison Report (Mental Health services)

Since Dr. Thorson was attending a joint meeting of the UC Health related boards, Ms. Plock was conveyed his report: 1) PVH and MCR just announced the hiring of a Chief Operating Officer, Ms. Marilyn Schock, who was formerly the COO of McKee Medical Center, has a background as a clinician, and has a solid reputation in our community. 2) The results of PVHS' employee culture survey recently came out. Although in the past the survey has typically had high percentages for job satisfaction, last year it dropped significantly, and unfortunately the recent survey is showing that it hasn't improved. Although management put significant effort into addressing the issues, this will need to continue to be a focus of PVH and MCR.

A question was raised about the for-profit behavioral health facility setting up near Medical Center of the Rockies and how it will interact with our local Mountain Crest facility and mental health services. Although discussions are being held, it is not yet clear what the relationship and impact will be.

CONSENT AGENDA

- Approval of April 2014 and December 2013 Financial Statements
- Approval of the May 21, 2014 Board Meeting Minutes
- Approval of Resolution 2014-05: Approve Signators for ColoTrust Plus CO-XX-XX97-8001
- Approval of Resolution 2014-06: Approve Signators for ColoTrust Prime CO-XX-XX27-4001
- Approval of Resolution 2014-07: Approve Signators for ColoTrust Plus CO-XX-XX11-8001
- Approval of Resolution 2014-08: Approve Signators for ColoTrust Plus CO-XX-XX27-8001

MOTION: To approve the agenda as presented/amended.
Motion/Seconded/Carried Unanimously

ANNOUNCEMENTS

- July 22 – Regular Board of Directors Meeting
- July 31 – August 1 – Board of Directors Annual Retreat, Estes Park
- August 13, 4:00 to 7:00 pm – Annual Staff Summer Picnic at City Park

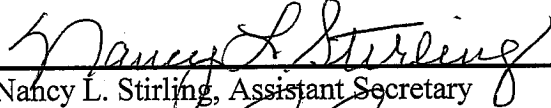
Ms. Stirling will check with the board members as to whether they plan to attend the Summer Picnic or not. If at least 3 board members plan to attend, a notice will need to be posted.

ADJOURN

MOTION: To adjourn the meeting.
Moved/Seconded/Carried Unanimously

The meeting was adjourned at 8:32 p.m.


Respectfully submitted:




Nancy L. Stirling, Assistant Secretary



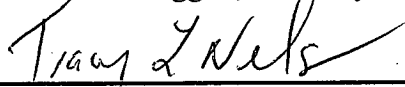
Bernard J. Birnbaum, MD, President



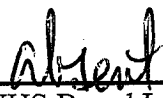
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