



**BOARD OF DIRECTORS
BUDGET HEARING AND MEETING
November 13, 2012**

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

MINUTES

BOARD MEMBERS PRESENT: Celeste Holder Kling, President
Bernard J. Birnbaum, MD, Vice President
Timothy S. O'Neill, Secretary (via phone)
Steven J. Thorson, MD, Treasurer
Joe D. Hendrickson, Liaison to PVHS Board

STAFF PRESENT: Carol Plock, Executive Director
Bruce Cooper, M.D., Medical Director
Richard Cox, Communications Director
Lorraine Haywood, Finance Director
Laura Mai, Accountant
John Newman, Medical Services Director
Chris Sheafor, Support Services Director
Nancy Stirling, Assistant to Executive Director
Lin Wilder, Community Impact/Health Promotion Director

CALL TO ORDER; APPROVAL OF AGENDA

President Celeste Kling called the meeting to order at 5:58 p.m. Mr. O'Neill is participating in this meeting via phone as he is out of town participating in the Aging and Disability Summit conference.

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

PUBLIC COMMENTS

None.

BUDGET PRESENTATION AND HEARING

Health District Direction and 2013 Budget Presentation

A year ago, when developing the budget for 2012, the organization experienced having to make major budget cuts for the first time due to the continuing impact of the recession. This year, the organization would have been making more significant cuts had it not been for an increase in lease revenue.

Before discussing the specifics of the proposed 2013 budget, Ms. Plock reviewed with the Board the genesis of the proposed budget. Beginning with the Board's Triennial Review meeting in 2011 and continuing at the Board's 2012 Annual Retreat, the Board's guidance included the following:

- Areas where strong focus is indicated, and would remain for the most part as is:
 - Dental Services Capacity (Dental Clinic, Dental Connections/GAP)
 - Mental Health and Substance Abuse Disorders (MH Connections, Integrated Care)
 - Effective Existing Health District Services (Policy, Communications, Resource Development, and Assessment, Research, Planning and Evaluations –ARPE)
- Areas where strong focus is indicated, with some changes possible:
 - Smoking Cessation
 - Prescription Assistance
 - Mental Health/Substance Abuse Partnership
 - Cardiovascular Screening and Nursing services

The Board also developed a prioritized list of issues for additional consideration, based both on the results of the Triennial Review and those areas where the Health District might be able to make a significant difference. The top five were:

1. Care coordination (Medicaid Accountable Care Collaborative Pilot, Senior Outreach, etc.)
2. Helping people understand the changes, choices, and resources in the changing health care environment
3. Obesity
4. Increased use of dental sealants for children
5. Aging population's health needs

Other areas noted for consideration but not selected for action at this time included: expansion of integrated care to private physician practices; examination of the community decrease in screening; affordability of health insurance and health care; and primary care (adequate workforce, access to primary care). Areas where prior approaches have been ended include adult immunizations and nutrition/Healthy Weighs.

At the Board's retreat in July, the Board reconsidered its priorities in light of the additional revenue. Key priorities for potential expansion (in order) included:

First level priorities:

1. Expanded care coordination and multi-disciplinary assistance for those with complex needs
2. Expanded dental capacity
3. Helping people with changes in health care
4. Dental sealants

Second level priorities:

5. Aging (beyond care coordination/navigation)
6. Obesity

In addition, the Board has discussed other potential uses of the increased revenues, including: modest staff pay increases, restoration of staffing adequacy (where prior cuts were too deep and

impacted service), and one-time expenditures (some to be spent in 2012 with the remainder to go into reserves to be allocated in the future).

All of the above was taken into consideration in the development of the proposed 2013 budget.

Ms. Plock reviewed the services proposed for funding in the regular (operational) budget. Some key funding changes within the operational budget include: increasing capacity for the Family Dental Clinic, increasing referrals to Smoking Cessation program from physician practices; taking on full funding of Healthinfosource; and the addition of a new department, "Health Care Changes" that would increase care coordination and/or increase multi-disciplinary assistance for those with complex chronic health needs, develop information and navigation assistance regarding the changes in health care for the public, and take on legislation and policy functions. Ms. Karen Spink would be the Director of this new department.

Key programs to be funded by reserve and/or grant dollars include: Oral Health-related projects (Oral Health Initiative, Dental Connections/General Anesthesia Program, Dental Client Assistance, dental sealants for children, and an oral surgeon to work in the clinic); the Community Dual Disorders Treatment Program (funding a Case Aid position for the program), and matching funds for CHP+ and Medicaid Outreach and Enrollment. Reserve and grant funds also support Community Impact Projects, including Health Care Matters which is due to end October 2013. Other Key areas to be supported by reserve or grant dollars include: prescription assistance (for clients out of district, if funding is renewed), the 2013 Community Health Survey, the Intermediate Medical Leave benefit program (if needed), and more trainings than usual, due to all of the upcoming changes in health care.

Ms. Haywood, Finance Director, reviewed the timeline and State Statute deadlines for budget approval, the sources of revenue for the Health District, the certification of tax levies, the mill levy (which has not changed since 2000), property tax revenues and inflation and local growth for the past 18 years, and total and program expenditures.

Challenges affecting the budget continue with continued economic uncertainty and low interest rates, decreased property tax revenue, and increases in health, dental and other insurance premiums, as well as operational fixed costs and dental labs and supplies.

In response to the Board's questions at the last board meeting, the Board was provided a document outlining what is currently being spent on direct services. The document outlines the services the Health District provides at the "micro" (provided directly to the public), the "macro" (pertain to systemic change or program improvement), and the administrative levels, as well as the dollar amounts and percentage of budget for each service. In summary, 78% of the total budget goes to providing direct (micro) services (87% of all programs).

Ms. Plock and Ms. Haywood noted a few corrections in the proposed budget:

- For "Capital Replacement" – to increase the current \$600,000 to \$850,000 (with the additional \$250,000 coming from Contingency)
- Corrected the FTEs on the "Staffing by Programs" document, which should show 6.9 FTEs (not 12).
- Under "Net Expenditure" on the "2013 Program Revenues and Expenditures" document – Healthinfosource was showing a negative number. That has been corrected to show the correct amount.

Ms. Plock shared with the Board her “Five-Year Reserves Guide”. This guide is not a formal document that is required to be adopted; rather, it is the Executive Director’s tool for anticipating what might happen with our reserves into a longer-ranging future. The guide is updated each year. The state requires that reserves never fall below 3% of the total budget, however the current goal is to never go below \$1.5 million.

Public Comment

None.

UPDATES & REPORTS

Health District and the PVHS/UCH Affiliation: Update

In light of the transaction that occurred earlier this year with PVHS and UCH, efforts have been made to ensure that the Health District has final versions of all transaction-related documents. Staff have compiled and reviewed the documents currently in hand and have begun a list of what we might still need. Once the list is completed, Ms. Plock proposes a phone meeting between herself, our attorneys, Dr. Thorson, and Ms. Kling, to review what documents we need in our possession. In particular, board members want to be sure that we have the list(s) of what were determined to be legacy assets. All appropriate documents are being archived in paper and electronic formats and copies will be stored in a safe deposit box as well. The Board concurred with the proposed phone meeting.

(Mr. O’Neill was disconnected from the meeting by this point. He did not rejoin the meeting.)

Board Proxy Update

Previously, a question was raised about whether there was a policy that would allow a board member to vote by proxy if not able to participate in a board meeting in person or by telephone. Staff researched Board policies and By-laws and found no mention of vote by proxy. Ms. Plock, therefore, inquired of the Health District’s attorney, Ms. Kendra Carberry, and was informed that per state law, Special District boards may not vote by proxy.

APHA: Key Learnings

Four people attended this year’s American Public Health Association’s (APHA) annual conference held in San Francisco – Dr. Bernie Birnbaum, Mr. Joe Hendrickson, Dr. Bruce Cooper, and Ms. Carol Plock. Dr. Birnbaum and Mr. Hendrickson reported on the highlights of the sessions that they attended (Dr. Cooper and Ms. Plock will report at a future meeting). Topics of sessions they attended included: Patient-centered medical homes and care coordination; the concept of “shared responsibility” of care between health systems, primary care, and public health; maternal-child health; long-term care; current state proposals for single-payer health systems (Vermont, Hawaii, California, and New York); increased cost of health care; children’s health (including impact of sugar-sweetened beverages); childhood asthma; “fracking”; how to address “churning” – where people’s situations put them in and out of eligibility for Medicaid or other programs, and how to keep them in a consistent provider relationship; and an ethics session on the issue of “dignity and dying.” Dr. Birnbaum mentioned an interesting report titled “Community Centered Health Homes” by the Prevention Institute. The concept of the report is that medical homes will no longer be defined by the physician practice, but rather by the needs of the community.

The Board had a brief discussion on the topic of “fracking”. It was suggested that it may be important for the Board to learn more about the subject; it is a complex topic, and all of the impacts are not necessarily well understood at this point, though it clearly has a significant economic impact.

MOTION: To request that staff research the issue of “fracking”, particularly concerning possible affects to public health.

Motion/Seconded/Carried (Yes-Kling,Hendrickson,Birnbaum; No-Thorson)

Program Update: Dental Connections

A “Celebration” event was held to celebrate the first year of the program and honor all those who helped to bring the vision of Dental Connections to fruition. About 50 people attended the event, including providers, legislators, steering committee members, and consumer advocates. Dr. Joel Kaines, Steering Committee Chair, Ms. Mary Vivo, Executive Director of the Women’s Resource Center, Ms. Sheryl Harrell, Program Coordinator of Dental Connections, and Ms. Plock each took an opportunity to speak of their (or their organization’s) involvement with the program and expressed gratitude to all who have helped along the way and who are currently serving and participating in the program.

In addition to this event, some of the dentists in the community recently held a successful fundraising event for dentists, and will donate the proceeds to Dental Connections.

While the Dental Connections program has gotten off to a good start, projected revenue for the program is less than anticipated, partly because fewer dentists have been recruited than anticipated by this point, and thus fewer people are being served.

Staff also reported that they have recently learned (very late in the year) that the \$17,000 commitment for 2012 from the Women’s Resource Center will not be coming into the project. As partners, both the Health District and the Women’s Resource Center assume joint responsibility for project funding, and each made commitments of funding to be provided to the project for the year. Fortunately, the Community Impact department budget will not expend all of its resources in 2012, and so the Health District will be able to make up the difference this year, but we have asked the Women’s Resource Center to make a solid commitment to providing their agreed-upon share of resources for 2013, since the project was developed based on a partnership. The shared funding agreement was originally negotiated with the prior Executive Director of the Women’s Resource Center, and the new Executive Director will discuss the issue in a retreat with their board.

On a positive note, Dental Connections has been chosen for a site visit from a representative of the Colorado Health Foundation in relation to a possible 3-year grant. Dr. Birnbaum offered to participate in the site visit, giving a “physician’s perspective.”

Old Age Pension Dental Care Grant

The Health District recently received a grant in the amount of \$51,000 to be used to serve 59 people (who are either participating in the Old Age Pension program, or are Medicaid recipients who are over 65 but not in long term care) by June 2013 (and services can’t begin until state contracts are finalized, which may be as late as February). Services may be provided either by the Health District or by other providers who might be interested in participating (we will have the ability to contract with other providers). There are some inherent challenges in finding and

completing services in a short timeline, but the Office on Aging will directly contact eligible people and encourage them to take advantage of this opportunity to receive care.

Policy Update

With the recent elections, high on people's minds is the impact of the presidential election, and the impending fiscal cliff, which may not be fully resolved until 2013. Locally, in the State General Assembly, both the Senate and the House will have a democratic majority. John Kefalas, Randy Fischer, and Kevin Lundberg, will remain in the state legislature, while the other three seats were filled by newcomers Joann Ginal, Perry Buck, and Vicky Marble. Both the state and local ballot initiatives concerning marijuana were passed by the voters.

Miscellaneous

The Health District has received the news that we are likely to receive a portion of the \$104,000 lost to the Lehman Brothers financial collapse. It is expected that there may be compensation of around 10 cents on the dollar for the total amount lost, which means we could receive between \$10,000 and \$20,000.

PVHS Liaison Report

Mr. Hendrickson reported that letters have been sent to agencies that had previously received money from Poudre Valley Hospital Foundation. The Foundation will no longer be funding community initiatives, but instead will direct the funds it obtains to hospital initiatives such as the new Cancer Center.

On Monday at 4:30 pm there will be a ribbon cutting ceremony at the new emergency center in Greeley.

CONSENT AGENDA

- Approval of the September 2012 Financial Statements
- Approval of the October 1 and October 23, 2012 Board Meeting Minutes

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

ANNOUNCEMENTS

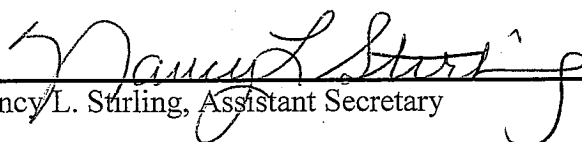
- Thursday, December 13, 5:30 pm – Board of Directors Meeting

ADJOURN

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

The meeting was adjourned at 8:27 p.m.

Respectfully submitted:



Nancy L. Stirling, Assistant Secretary

Celeste Holder Kling

Celeste Holder Kling, President

[Signature]

Bernard J. Birnbaum, MD, Vice President

(Absent)

Timothy S. O'Neill, Secretary

SThorson

Steven J. Thorson, MD, Treasurer

Joe Hendrickson

Joe D. Hendrickson, PVHS Board Liaison