BOARD OF DIRECTORS
MEETING & BUDGET HEARING
November 14, 2017

Health District Office Building
120 Bristlecone Drive, Fort Collins

MINUTES

BOARD MEMBERS PRESENT: Tracy L. Nelson, Ph.D., Vice President
Deirdre Sullivan, Secretary
Faraz Naqvi, M.D., Treasurer
Tess Heffernan, Liaison to UCHealth-North/PVHS Board

BOARD MEMBERS ABSENT: Michael D. Liggett, Esq., President

Regular Staff Present:
Carol Plock, Executive Director
Karen Spink, Assistant Director
Bruce Cooper, Medical Director
Richard Cox, Communications Director
Lorraine Haywood, Finance Director
Chris Sheafor, Support Services Director
Nancy Stirling, Assistant to Board & ED
Sarah Tilleman, Dental Services Director
Lin Wilder, Community Impact Director

Others Present:
Jessica Shannon, Resource Development
Dan Sapienza, Special Projects
Laura Mai, Finance
Sue Hewitt, Evaluation
Kathryn Glenn, RN, Public

CALL TO ORDER; APPROVAL OF AGENDA
Vice President Tracy Nelson called the meeting to order at 4:05 p.m. President Ligget was excused from this meeting.

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

PUBLIC COMMENT
None

BUDGET PRESENTATION AND PUBLIC HEARING
Health District Direction and 2018 Budget Presentation
Ms. Carol Plock, Executive Director, and Ms. Lorraine Haywood, Finance Director, provided an overview of the proposed budget for 2018. The budget includes top priorities and focuses established by the Board during this year’s retreat and based on input and data from the triennial community health assessment. Top priority programs to be funded from the operational budget include:
• **Larimer Health Connect** – This program helps people connect to health insurance and served over 2,000 people last year in 3,900 significant encounters; they handled 8,300 phone calls. In Larimer County, there 12,300 people insured through the Marketplace (and about 60,000 now on Medicaid). The length of this year’s open enrollment has been reduced significantly, but staff have worked hard to keep the same number of assistance slots available in order to help as many people as possible in a shorter amount of time.

• **Dental Care** – Although more dental providers are serving adults who have lower incomes (due to the expansion of Medicaid and the adult dental benefit), there are still many adults in need of affordable care who are not receiving it. Last year, the Dental Clinic had over 11,300 visits by 4,300 patients. The Clinic also continues to provide screenings in our local schools for children involved with Head Start and Project Smile.

• **Mental Health / Substance Use Issues** – This area includes Mental Health Connections, Integrated Care (Integration of MH/SA Care into Primary Care), and Community Dual Disorders Treatment (CDDT) programs, the Mental Health and Substance Use Alliance, and more recently added the CAYAC (Children, Adolescents, and Young Adults Connections) program.

In 2016, Connections (including CAYAC) served over 2,400 people in approximately 4,800 contacts, providing about 8,700 services. CAYAC operates with help from a major grant that will end in mid-2019, so sustainability is a key issue.

Integrated Care staff (a psychiatrist and behavioral health specialists, including expertise with substance use disorders) are co-located at the Family Medicine Center and Salud Family Health Centers in Fort Collins and served over 1,800 patients in 4,400 contacts. In the last year, they have increased involvement in Medication Assisted Treatment for those with substance use disorders (SUDs). The CDDT program is for people with both severe mental health and severe substance use disorders and the Health District provides psychiatric time and the building in which the CDDT team is housed. The Mental Health and Substance Use Alliance is working on an updated plan on what is needed to fill behavioral health, and on transformation of substance use disorder perceptions and treatment.

Other areas supported with operational funds include: Community Impact Team work on Pain Management (partially through a community partnership working on the Opioid Epidemic) and on a potential program for Frequent Utilizers (in need of better behavioral health services); Health Promotion and Preventive Services work on Tobacco Cessation; and on Cardiovascular Screenings for hypertension and cholesterol (and glucose screenings), followed by counseling to improve control of risk conditions; and HealthinfoSource - in the redesign process; Communications; Policy; Resource Development; and Assessment/Research/Evaluation.

Major projects receiving funding through grant and/or reserve funds include the CAYAC program, Larimer Health Connect, Advance Care Planning, SUD (substance use disorders) transformation, as well as a potential building to house Larimer Health Connect, Connections, CAYAC, and Advance Care Planning. Direct Services to be funded with reserve and/or grant funding include: Dental Care (specialty care, client assistance), Connections (bridge position for SummitStone), and a part-time nurse for CDDT. Other areas/focuses to be funded with reserve and grant dollars include a project to analyze the adequacy of health care with the mushrooming aging population, community and staff specialized training, emergency preparedness,
communications, Regional Health Connector match, Healthinforsource.com rebuild, etc. Items included in the reserve budget in case they are needed include funding for Dentist Loan Repayment, new projects implementation, Preventive Medicine Resident, specific grant matches, and high-level staff recruitment.

Ms. Haywood reviewed with the Board the Budget process timeline (final budget adopted by Dec. 14 and submitted to the State on Dec. 15), sources of revenue (property and ownership tax, lease revenue, fee income, investment income, grant revenue, partnership revenue, miscellaneous income), the mill levy (which hasn’t changed since 1996), and inflation compared to local growth. Net tax revenue to the Health District in 2018 is expected to be a little more than $800,000 more than in 2017.

Key Changes in Revenue include increases in property taxes, specific ownership taxes, and investment income; and decreases in fee income. Key Changes in Expenditures include working to catch up on employee salaries (4% pay for performance pool) and staffing level needs, health insurance increases (5.55%), capital replacements (carpets in both 120 and 202 buildings), and assuring operational funds for the operation of new building.

When looking at the total program expenditures, the Dental Clinic has the largest portion, at 40%, and services for those in need of mental health and substance use disorders coming in second (Integrated Care and Connections combined) at 27%. Administration expenditures remain low in total expenditures, at just 5%.

Public Hearing
Vice President Tracy Nelson opened the meeting for public hearing. There were no public comments.

Board Discussion
The Board and Executive Director discussed the potential purchase of a new building, noting that the best location for the services that need space would be more centrally located for easy access, public transportation, parking, etc. Board comments included: 1) we might consider some administrative functions in that building, particularly having a large conference room; 2) it might be helpful to consider other partners who would be seeking space at the same time.

One board question was how we might budget should the valuation from the County increase; Ms. Plock responded that although the amounts of budget valuation change are usually not significant, she has a list of items that were not included in the proposed budget that could be reconsidered, and that any adjustments to the budget will be made prior to the December board meeting for the board’s consideration. The issue of whether the Health District should apply for City/CDBG funding for the Dental Connections program was raised; staff have looked into the situation, and the current grant runs through the 3rd quarter of next year, so we would need to find only enough funding in 2018 for the last quarter of the year. The challenge is that if we don’t apply for and receive funding for the next program year, in 2019, we would have a higher burden (over $18,000), and since 2019 is one of our “down” years for revenue increases, it would be harder to assume that into our operational budget. Staff will create a budget for covering the full costs in 2018, and if necessary, bring the issue back to the board in early 2018 to determine whether to apply for the 2019 program year.
If the board has any other questions or concerns pertaining to the budget, they are asked to inform Ms. Plock before December 10.

**UPDATES & REPORTS**

**Program Updates**

- **Policy** – A new Policy Coordinator was recently hired and will begin her employment on November 20. Ms. Alyson Williams is a recent MPH graduate of George Washington University with an emphasis in health policy.

- **Child Health Plan Plus (CHP+)** – The House has passed their CHP bill, now called the “Championing Healthy Kids Act”, and it combines CHP reauthorization with extended funding for community health centers into one bill. The bill provides 5 years of funding for CHP+ and extends funding for community health centers for two years. However, it takes $6 billion to offset the costs by making cuts from the Prevention and Public Health fund, which is about 12% of the CDC’s budget and would funnel down to local health departments. The bill also cuts Disproportionate Share payments – which are paid to hospitals to help with uncompensated care – over the long term.

  The Senate has their own version of the bill, that continues CHP+ without offsets; both bills are stalled while tax reform is being debated. Concern is growing that reauthorization will get left to the end of the year budget package, and that states could run out of funding. Staff have not yet communicated with legislators due to the uncertainty around which version will be taken up, but will work with the Board Chair to get communication out. We have heard from both consumers and some organizations who have questions about timing, what will happen, and what the impact will be to families. Larimer Health Connect will be involved in helping families transition should CHP not be reauthorized. Letters to affected families will go out from the Department of Health Care Policy and Financing at the end of this month if reauthorization is not made by tomorrow. In the meantime, the state will continue to enroll people up until mid-January for retroactive coverage that will cover all of January. Once more is clear, the Health District may be able to share information with family navigators from area agencies so that they can be prepared to assist affected families.

- **Tax Reform** – Ms. Plock presented a brief preliminary draft overview of how the national tax reform proposals being discussed very recently at the federal level might relate to health and health care. At present, both the House and Senate have proposed plans that they intend to pass separately, then resolve in conference committee. Should either one of these tax reforms pass, it would instantly balloon the federal deficit, and many analysts predict that the next step would be calls to reduce the deficit, with Medicaid, Medicare, and the ACA as the first targets. Efforts are moving very quickly; the House measure was introduced on Nov. 2 and a vote is expected on Nov 16. The Senate proposal was introduced on Nov. 9; a vote is anticipated the week after Thanksgiving.

  There are some distinct differences between the measures in several areas: the ACA health insurance mandate (Senate would eliminate), tax deductions for medical expenses (House would eliminate), student loan deduction (House would eliminate), deductions for state/local taxes (Senate would eliminate; House would keep for property taxes up to $10,000), etc. Both would significantly increase the inheritance amount exempt from taxes (from roughly $5.5 million to double, and the House would eliminated estate tax altogether in 2025). A key challenge for hospitals and municipalities is the elimination of federal tax exemption for
interest earned on all private activity bonds (PABs) and advance refunding bonds – anticipated to have a major impact on the cost of capital projects and their ability to build new infrastructure.

The Board expressed interest in sending a message of concern to legislators about the impact to our community.

- **Larimer Health Connect: Open Enrollment** 5 – We are currently 7 days into this year’s open enrollment and staff have served over 325 client households thus far. Demand for our services are high with appointments being full this week and just a handful of appointments available next week. The enrollment process is running smoother than it ever has, and staff are able to process clients through more quickly. People who qualify for tax credits are seeing affordable plans and better coverage, but the packages being offered are not as robust as they have been in the past. One of our staff members discovered that some information provided by an insurer seemed to be inaccurate and possibly not legal; the discovery went up the chain to the Department of Insurance which determined that information was posted incorrectly, corrections will be made.

**Executive Director Updates**

Ms. Plock gave a brief overview of sessions she attended at the American Public Health Association’s (APHA) conference, which included sessions on the impact of Medicaid expansion on finances for tax exempt hospitals (estimates a net 9% drop in uncompensated care when unreimbursed Medicaid included); the future of health care from two different business models: 1) health as a commodity; and 2) Healthy people produce wealth); the importance of Medicaid to children with special needs and disabilities, elders, pregnant women, and kids - and the need to pay attention to what changes your state is considering and how they could affect our communities and families; a study showing that despite empirical evidence that the availability of household firearms increases the risk of suicide, the vast majority of the public does not recognize it; and a new initiative developing public/private partnerships to better “use big data to address grand challenges,” which also emphasized the importance of having someone with expertise in the field working with the data in order to appropriately raise issues to those in authority.

**UCHealth-North (PVHS) Liaison Report**

Ms. Heffernan did not have updates at this time, although there are meetings scheduled for all day tomorrow. She did have the opportunity to shadow doctors in the hospital, which gave her even higher appreciation for the quality of our health care locally.

**Board Participation in Funding**

Jessica Shannon reminded the board that board contributions are greatly appreciated, particularly since board contributions play a significant role in foundation funding: grant-making entities are increasingly weighing board giving when considering funding a proposal, and some even require that 100% support the organization financially to be eligible for funding. If interested, board members who have not already donated this year can still make a donation of any amount, by check or through the link on our website. Donations of $100 or more are eligible for the EZ tax benefit.
CONSENT AGENDA

- Approval of October 24, 2017 Regular Meeting Minutes.
- Approval of September 2017 Financial Statements.

**MOTION:** To approve the Consent Agenda as amended.
Motion/Seconded/Carried Unanimously

- Approval of October 24, 2017 Work Session Meeting Minutes.

**MOTION:** To approve the October 24, 2017 Work Session meeting minutes.
Motion/Seconded/Carried Unanimously

ANNOUNCEMENTS

The next meeting of the Board of Directors will be on Thursday, December 14 at 4:00 pm.

ADJOURN

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

The meeting was adjourned at 5:40 p.m.

Respectfully submitted:

Nancy Stirling, Assistant to the Board of Directors

[Absent for the November 14 Meeting]
Michael Liggett, President

(Absent)
Tracy Nelson, Vice President

Deirdre Sullivan, Secretary

Faraz Naqvi, M.D., Treasurer

Tess Heffernan, UCH Health-North (PVHS) Board Liaison

Health District of Northern Larimer County- Board of Directors Meeting & Budget Hearing

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