



**BOARD OF DIRECTORS  
MEETING & BUDGET HEARING  
November 17, 2015**

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

**MINUTES**

**BOARD MEMBERS PRESENT:** Bernard J. Birnbaum, MD, President  
Tess Heffernan, M.Ed., Vice President  
Michael D. Liggett, Esq., Secretary  
Tracy L. Nelson, Ph.D., Treasurer  
Steven J. Thorson, MD, Liaison to PVHS Board

**STAFF PRESENT:** Carol Plock, Executive Director  
Katherine Chu, CDC PHAP  
Bruce Cooper, M.D., Medical Director  
Richard Cox, Communications Director  
Robin Fetterman, Evaluation Assistant  
Molly Gutilla, Evaluation Specialist  
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  
Lin Wilder, Community Impact Director

**CALL TO ORDER; APPROVAL OF AGENDA**

President Bernard Birnbaum called the meeting to order at 5:55 p.m. A request was made to remove the 3<sup>rd</sup> Quarter Program Summary Report from the Agenda.

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

**PUBLIC COMMENTS**

None.

**BUDGET PRESENTATION AND PUBLIC HEARING**

## 2016 Budget Presentation

Ms. Carol Plock, Executive Director, and Ms. Lorraine Haywood, Finance Director, provided an overview of the proposed 2016 Budget including an overview of services, revenue sources, and key changes in revenue and expenditures.

### Overview of Services

Services to be funded by regular **operational funds** fall within 4 major priorities, including:

- **Dental Care** - The Family Dental Clinic, Dental Connections, Community Dental Capacity/Cost of Expansion (understanding dental capacity in the community), and Meaningful Use (maximizing utilization of electronic records)
- **Accessing Health Care** – Larimer Health Connect (helping people connect to health insurance), Prescription Assistance, and Medicaid Accountable Care Collaboration.
- **Mental Health / Substance Use Issues** – Mental Health/Substance Abuse Connections, Integration of Mental Health/Substance Abuse Care into Primary Care (psychiatric and counselor support to two community safety net clinics; and exploring medication-assisted treatment (MAT), and Community Dual Disorders Treatment (services and new facility).

In addition to the direct services listed, the Healthy Mind Matters program works with community partners on the continuous improvement of services for those with mental illness and substance use disorders. In 2016, HMM will continue to facilitate the Mental Health & Substance Abuse Partnership. Additionally, utilizing both operational and time-limited reserves funding, HMM will be working on community approaches to improving pain management, developing the new CAYAC (Child, Adolescent, and Young Adult Connections) program, potentially focusing on the issue of adolescent depression, and developing an approach to better address the needs of “frequent utilizers” who have complex needs (Pay for Success project).

- **Health Promotion & Preventive Services** – Tobacco Cessation, Screenings (hypertension, cholesterol, and glucose), and the Healthinfosource.com web site.

Other programs also supported with operational funds include Communications, Policy, Resource Development, and Assessment, Research, and Evaluation.

**Time-Limited** projects are shorter-term and are funded from reserves and/or grants. In 2016, time-limited projects include:

- **Major projects** - the 2016 Community Health Survey (will be the 8<sup>th</sup> consecutive triennial survey the Health District has conducted), development of the CAYAC program, Larimer Health Connect, and Advance Care Planning.
- **Direct Services:** Integrated Care (short-term funding for a Behavioral Health Specialist at the new second local Salud clinic), Dental Care (Specialty Care, Sealants, client assistance), and Prescription Assistance, if needed.
- **Community Planning & Change, Training:** Community MH/SA (for example, pain management, frequent utilizers), Health Info sharing/HC Reform/Capacity, Aging and Health Care, incidental costs for the new Population Health Analyst on the MACC (Medicaid Accountable Care Collaborative) Team, and Community and Staff specialized training (for example, MH First Aid, Medication Assisted Treatment)
- **Other programs/projects:** Resource Development, a CDDT/ACT Van, Emergency Preparedness, coordination for Special Projects, Healthinfosource.com rebuild, and any needed additional space.

In addition, funding has been set aside in reserves for certain items as needed, such as for new Health District projects implementation, Dentist Loan Repayment, a Preventive Medicine Resident, CDDT/ACT facility repairs contingency, specific grant matches and high-level staff recruitment.

### Proposed Budget

Ms. Haywood reviewed the timeline for budget approval and budget submission to the State and County, sources of revenue, certification of tax levies, the mill levy and a comparison of inflation with local growth. The major sources of revenue include revenue from property and ownership taxes, PVHS/UCHealth lease revenue, fees and grants. Between 2015 and 2016, there is an increase of approximately \$690,000 in revenues. The Mill Levy remains at 2.167 mills. Once the final valuation is received from the County, adjustments will be made to the proposed budget and presented to the Board for final consideration and approval at the December 14 board meeting. The final approved budget will then be submitted to the State and the County by the December 15 deadline.

### Key Changes

Key changes in revenue will be the increased property and specific ownership taxes and a decrease in dental revenues budgeted for 2016. The decrease in dental revenues from those budgeted in 2015 is an adjustment for the actual revenues being received in 2015, after estimating Medicaid revenues last year with very little experience in the new coverage for adult dental care. In 2015, we will not have the revenues originally anticipated, in part due to overestimating them, and in part due to clients who are likely eligible for Medicaid but who have not yet applied. The lesser amount in revenues, however, will be balanced by lower expenditures in several programs than budgeted.

The biggest changes in expenditures in 2016 will be employee salaries, as we make efforts to catch up somewhat from the economic downturn in previous years, when for several years, salary increases were very small to nonexistent. Five percent (5%) has been allotted to the Pay for Performance pool, and there have also been adjustments to certain professions (in particular, Dentists, Mental Health professionals). Additional expenditures pertain to health insurance premium increases and a modest amount for implementation of staff security measures.

### **Public Comment**

No public comments.

### **Board Discussion and Questions**

The Board had two questions; the first regarding the progress on the Healthinfosource.com upgrade, and the second on the potential grant to address adolescents and depression. The Healthinfosource.com project has had several setbacks, so a new approach is being planned and a timeline should be established at the beginning of next year. The potential grant to focus on adolescents and depression has also had some challenges in the last week, and staff are in the process of determining whether an application with this particular funding source is possible. If not, staff may look for other alternatives for doing similar work.

The Board was also given a list of the detailed capital expenditures (buildings, equipment/software, contingency) and expected expenditures from non-capital reserves (technology, office furniture/equipment, dental equipment, building improvements, software

license/maintenance, and contingency) for 2016. A board question was whether all equipment was taken out of reserves; at this point, reserves do cover the cost of equipment, though that is tracked carefully annually.

The Board was asked to submit any further budget questions or concerns to Ms. Plock and Dr. Birnbaum prior to the December 14 board meeting.

## **DISCUSSION AND POSSIBLE ACTIONS**

### **Introduction to Revisions in Mission, Vision, Strategy & Values Statement**

Board Directors Tess Heffernan and Michael Liggett provided for the Board's consideration recommendations for revisions to the Health District's Mission, Vision, Strategy and Values Statements. The purpose for the revisions was to update the document as well as to ensure the statements are accurately and simply communicated while keeping the "essence" of the original document.

### **Board Discussion and Suggested Changes**

The Board discussed the changes, and requested that those revising the document consider the following: adding back the concept of 'avoid unnecessary gaps or duplication in services (perhaps at the end of the 5<sup>th</sup> bullet under strategy), changing the last bullet under values to something like 'an informed community makes better decisions concerning health,' and possibly keeping the concepts of 'detection of treatable disease and prevention of injury,' and 'utilize educational strategies to raise community knowledge and awareness.'

Ms. Heffernan and Mr. Liggett will make more revisions and bring a revised document back for the Boards consideration at the January Board meeting.

### **Policy Issues:**

#### **State Budget and Hospital Provider Fee Proposal**

The Governor released the FY2016-2017 budget at the beginning of November and presented it to the Joint Budget Committee. The budget included a variety of program cuts because of a gap between available revenue and required new expenditures, created in part by required TABOR rebates due to the growth in state revenue. Total new costs are \$830 million, with available revenue of \$373 million, leaving a gap of \$457 million in next year's budgets. Proposed budget cuts include a reduction in the Hospital Provider Fee, reductions in most Medicaid fee for service provider reimbursement rates by 1%, reduction in maintenance for state buildings, and cuts to education.

The Hospital Provider Fee was created in 2009 to increase reimbursement to hospitals for providing medical care under Medicaid and CICP, and to increase the number of people covered by public medical assistance. It is matched with federal dollars, and provides a significant level of funding. However, the budget request, in an effort to limit required rebates from TABOR, reduced collections from this fee by \$100 million, which, due to federal match, reduces the fund by \$200 million. In total, in the proposed budget, payments to Colorado hospitals are estimated to be reduced by as much as \$285 million in FY16-17.

Dr. Birnbaum expressed concern over the potential impact this would have on patient access to care. Many hospitals lose money on each Medicaid patient seen and this might cause those hospitals to see fewer such patients. Dr. Birnbaum further explained that many physicians are

hospital-employed and this reduction in Medicaid payments could cause health systems to make the decision that their physicians either not see Medicaid patients or reduce their Medicaid patient numbers.

One proposed policy to reduce the proposed cuts (in health care, education, etc.) in the budget is to make the Hospital Provider Fee a state enterprise. This status is a designation allowable under the Taxpayer's Bill of Rights (TABOR) that can be employed when services meet the definition of an enterprise. If it is designated as an enterprise, the enterprise revenue is exempted from TABOR's revenue limits, which would reduce rebates and either reduce or eliminate the need for cuts in next year's budget. The proposal has so far been supported by the CHA, the Denver Chamber of Commerce, and universities.

**MOTION: To SUPPORT the development of legislation to convert the Hospital Provider Fee to an Enterprise.**  
*Motion/Seconded/Carried Unanimously*

#### Colorado Care Proposal

At the last board meeting, it was reported that signatures for the ColoradoCare health care financing program initiative had been submitted to the state but not yet verified. Since then, the signatures have been verified and Initiative 20 will be on the 2016 ballot. The Board previously requested that if the initiative made it to the ballot, staff prepare a neutral analysis of the initiative for the Board's review, so staff will begin work on that analysis but it is not expected to be completed before at least January, and possibly later.

#### **UPDATES & REPORTS**

##### **Coordinating Community Assessments**

Ms. Sue Hewitt, Evaluation Coordinator, provided information concerning coordination of community health assessments with other local agencies. Beginning in 1995, the Health District was the first agency in this area to conduct a community health survey for the purpose of doing a population health survey and collecting data for the Health District region. Since 1995, the Health District has conducted 7 community health surveys, occurring every 3 years, and includes the survey, community discussion groups, as well as research of other types of data and information (local, state, and national trends and issues), and preventable health burdens. The information gathered from the surveys have been used by the Board and Staff to determine appropriate services and programs that would have the most impact on health improvement and health burdens to residents of the District.

Initially, the survey only pertained to residents living within Health District boundaries. Because there are many cases in which it is more valuable to collect data from the entire county, the Health District has partnered with PVHS and Larimer County Health Department (and, in the early years, with Larimer County Health and Human Services) to include data from the south part of the county.

Over the years, changes have occurred that also required the County's and hospital's involvement in health assessments. In 2008, the Colorado state legislature passed a bill requiring that "every local public health agency must conduct an assessment on the health of its population to determine needs..." every 5 years to ensure progress. And, in 2010, the Affordable Care Act required that all non-profit hospitals conduct a "community needs assessment...at least once

every 3 years” which must be filed with the IRS to maintain nonprofit status. Additionally, the PVHS affiliation with University of Colorado Health changed their focus to a broader systemwide focus.

As a result of these changes, a group with representatives from each of the three entities (Health District, Larimer County Department of Health, and UC Health North) combined to create the NoCo Community Data Group. In 2014, they worked together to fill a gap in information, and a supplemental Child Health Survey was added to the 2013 community health survey, funded by Kaiser Permanente.

For this year’s survey and beyond, staff continue to participate in the NoCo Community Data Group, meeting periodically to discuss what data needs exist, and how to continue to collaborate to develop new strategies in light of the various organizational needs and different reporting cycles. At this point, each of the entities gather unique information, and share the information that they gather.

Board Discussion: The Board expressed how incredibly valuable the community health surveys have been to the work of the Health District and its mission to improve the health of the community. They noted the importance of each of the three entities taking their responsibility for assessments seriously, sharing the information gathered, and utilizing them to direct resources as needed. While LCDPHE and the hospital are gathering and analyzing different information for their own specific needs and focuses, the Health District has much to offer due to the depth of their surveys.

In light of the various reporting cycles of the County and the hospitals, the question was raised on whether there might be a benefit at some point in the future to shift the timing of the Health District’s surveys to better align the assessments. This has been considered, and is still possible, although the 3-year cycle adopted by the Health District was recommended by the consultants who partnered in its development, and seems to be an appropriate length of time between surveys to note trends and changes, while five years would be too long to go between surveys. Larimer and Weld Counties have aligned their reporting schedules to our schedule.

A suggestion was made for the survey to consider adding back questions previously asked, such as: Where do people go to get care? Did your physician ask you about (key factors such as smoking, weight, substance use)? It may help those in primary care think about their approach.

### **3<sup>rd</sup> Quarter Program Summary and Executive Director Report**

#### **Executive Director Report**

- Dental – Efforts are underway to transition Dental leadership from Mr. John Newman (who is retiring at the end of the year) to Ms. Sarah Tilleman. As discussed previously, dental revenues are lower than anticipated for the year, due in part to budgeting estimates and in part to clients who potentially qualify for Medicaid but have not enrolled yet.
- Larimer Health Connect – There is no Colorado Health Op plan available for 2016, so staff have been helping the 960 clients on that plan that we have helped in the past to transition to another plan. One of the lower-cost plans was Choice, but we recently learned that PVHS and MCR will not be included in the 2016 Choice plan (though they were included in 2015), which means that many who changed to Choice may want to change again. Appointments

with Coverage Guides are booked solid through December 13. The deadline for January 1 coverage is December 15; open enrollment goes through to January 31.

- MHSA staff are hard at work on the Expansion of Critical Behavioral Health Services project, partnering with consultants to gather data for the project, define level of need and a project budget.

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

Dr. Thorson reported that as planned, Mountain Crest is increasing the number of beds at its facility, in part to focus on the geriatric population; there is still, however, a shortage of psychiatrists, so they are not yet at full capacity. In other news, he noted that there have been recent press stories about consumer confusion with free-standing emergency departments. In one story, a patient was charged \$2,600 to have a splinter removed at a First Choice free-standing ED. Since First Choice is 51% owned by UCHealth, the negative publicity may impact PVHS' brand new free-standing ED on Harmony. On the positive side, the news story is helping to educate people on the differences between Urgent Care and Emergency Departments - people should only go to Emergency Departments in emergency or acute situations.

Dr. Thorson also reported that PVHS is working on a change to their Bylaws, and that the Health District board would need to consider the changes for approval at a future board meeting; they will be sent to board members in advance. He also noted that the PVHS board will be considering whether to apply for 501(C)(3) status for the Colorado Health Medical Group, which is a corporate entity that employs physicians. If granted, the status would grant tax exempt status for medical office buildings. It was noted that the issue would reduce the property tax that the Health District receives, though in a minor way, and there was a question about what the charitable services were that would qualify the group for the exemption, since not all of the physicians in CHMG may be providing care for those on Medicaid or the uninsured.

### **CONSENT AGENDA**

- Approval of October 27, 2015 Board Meeting Minutes
- Approval of the September 2015 Financial Statements

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

### **ANNOUNCEMENTS**

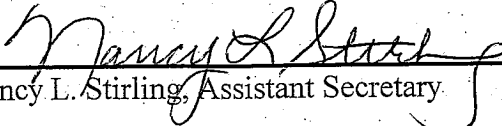
- MONDAY, December 14, 7:00 am – Board of Directors Regular Meeting

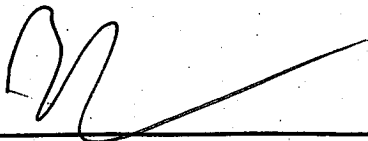
### **ADJOURN**

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

The meeting was adjourned at 8:10 p.m.

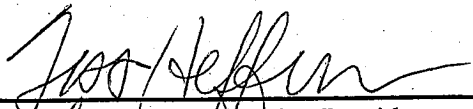
Respectfully submitted:

  
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Nancy L. Stirling, Assistant Secretary



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Bernard J. Birnbaum, M.D., President



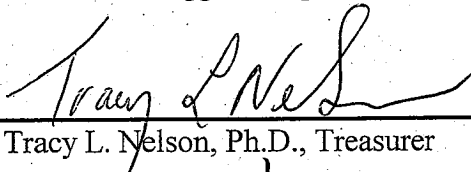
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Tess Heffernan, M.Ed., Vice President



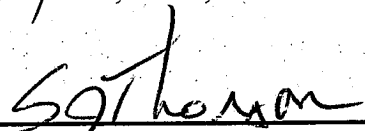
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Michael D. Liggett, Esq., Secretary



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Tracy L. Nelson, Ph.D., Treasurer



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Steven J. Thorson, M.D., UCHealth-North (PVHS) Board Liaison