

**Maine Health Access Foundation
Board of Trustees Meeting Minutes
December 13, 2018**

Trustees Present: Roy Hitchings (Chair); Dr. Connie Adler, Deborah Deatruck, Nancy Fritz, Dennis King, Barbara Leonard (*ex-officio*), Tony Marple, Edward Miller, Bruce Nickerson, Michelle Probert, Susan Roche, Catherine Ryder, Lisa Sockabasin, Toho Soma, Dr. Ted Sussman, Shirl Weaver

CAC Member Present: Dennis Fitzgibbons (CAC Chair)

Guests Present: Frank Martinez Nocito, newly hired MeHAF Program Officer; Mitchell Stein, health care policy consultant

Staff Present: Margo Beland, Jake Grindle, Holly Irish, Ruta Kadonoff, Dani Kalian (recorder), Cathy Luce, Jeb Murphy, Kathryn Pierce

Welcome

Chair Roy Hitchings called the meeting to order at 1:21 p.m., welcomed those present, and introductions were made. Newly hired Program Officer I Frank Martinez Nocito was welcomed to the Foundation. He will officially begin work on January 2.

Access to Health Care Presentation – Mr. Mitchell Stein

Chair Hitchings introduced health policy consultant Mitchell Stein who provided an update and reflections on the potential impact of the election on policy related to access to health care both nationally and in Maine. He shared an overview of potential decisions that may be made at the federal level and how they may impact Maine relative to the Affordable Care Act, the pending Medicaid 1115 waiver, and options that may be considered for addressing cost of health care, including a public option and Medicaid buy-in for those who are not eligible for Medicaid but are seeking a less costly plan than private health insurance.

He reflected on strategies that may be considered by the incoming Maine administration relative to health care coverage and cost containment and noted that, according to the courts, implementation of Medicaid expansion could happen as early as February 1, 2019, with possible retroactivity in place for those who applied by July 2, 2018, and were denied coverage. Chair Hitchings asked Mr. Stein to speculate on the degree to which issues that are included in MeHAF's strategic framework will be priorities for the Governor-elect. Mr. Stein suggested that there may be good alignment with issues such as Medicaid expansion, opioid addiction, workforce, rural health issues, maternity and postnatal care, and social determinates of health; and less alignment, though an opportunity for collaboration, with managed care, oral health, and drug costs.

Board Consent Agenda

Chair Hitchings asked if any items on the consent agenda required discussion. Hearing none, *it was MOVED, SECONDED (Adler/Ryder), and VOTED UNANIMOUSLY to approve the following consent agenda items:*

- President's report
- October 11, 2018, Joint Board and CAC meeting minutes
- October Treasurer's report

Finance Committee – Mr. Bruce Nickerson (Treasurer and Committee Chair)

Finance Dashboard and Investment Update: Treasurer Bruce Nickerson noted that administrative and program expenditures continue to be on track with the budget. He noted that the value of the endowment as of October 31 was \$116,882,095, with steady returns realized since the 2008 recession allowing cumulative grants of \$69 million to be awarded since MeHAF's inception. He noted that this is the result of excellent investment practices by the Finance Committee, staff, and Prime Buchholz Associates.

2018 Required Payout: In order to meet the payout requirement, Mr. Nickerson noted that we may need to pay one set of grants scheduled for January 2019 in December 2018. The other option being considered is to make a grant to the MeHAF donor-advised fund at Maine Community Foundation for later grantmaking.

2019 Annual Budget: Treasurer Nickerson and CEO Leonard presented the 2019 budget and explained the budget development process to which all staff contributes. The new budget was crafted with several formatting changes to increase clarity, based on advice from the Nonprofit Finance Fund. The program portion of the budget aligns with the new strategic framework and provides two different views – one by category of expenditure and one by program. The budget was reviewed by all key committees and it is recommended for approval by the Finance Committee. Mr. Nickerson highlighted portions of the proposed budget and provided clarification to Trustees' questions, specifically how the 5% payout is calculated and how the Finance Committee is reacting to the endowment falling behind the Policy Index (PI), which we use as a performance benchmark, for the calendar year-to-date and one year periods. Mr. Nickerson noted that, since inception, the endowment return has typically outperformed the PI and that 2018 has seen a volatile market environment. The Finance Committee, in consultation with our advisors from Prime Buchholz Associates, regularly reviews investment allocations and understands that we must take a long-term outlook to our investment strategy. Additional discussion on investment options will be introduced later in the agenda.

It was MOVED, SECONDED (King/Ryder), and VOTED UNANIMOUSLY to approve the 2019 annual operating budget as recommended by the Finance Committee.

Endowment Investment Options and Timeline: Mr. Nickerson and CEO Leonard shared that the Finance Committee has been exploring options to ensure that MeHAF's endowment is generating sufficient returns to support its work into perpetuity as instructed in our bylaws. The challenge that has arisen is that the current asset allocation policy and many of the investment vehicles that have been highly effective to date are predicted to provide lower rates of return in the future. The Finance Committee has been considering and researching alternative investment options that include private equity, private real estate, and a revised asset allocation approach within publicly traded vehicles.

To inform the discussion, Mr. Nickerson reviewed a detailed *Percentage of Total Spending Analysis* chart which represents operating, personnel, programs, and grants spending as percentages of total spending and includes a trend line for percentage of endowment spent. He answered clarifying questions from Trustees, including: In exchange for going into a private equity class of investment what would be given up? What are the pros and cons? Mr. Nickerson noted that PBA is modeling that information for the Committee assuming a small (5-10%) investment taken from other asset classes. He shared that private equity investments require a long-term commitment and do not allow for liquidity for many years. It is also important to consider how private equity investments fit into the social culture of the foundation given that,

once a vehicle is selected, MeHAF as the investor would have no control over the specific investment vehicles, or how they are managed. This might make us vulnerable to being invested in undesirable products or endeavors. When asked, CEO Leonard noted that there are other conversion foundations that are currently invested in private equity.

Chair Hitchings noted the importance of balancing the need to have the endowment survive in perpetuity with the staff and Trustees being comfortable with the types of investments being used to get us there. Any change to MeHAF's overall investment policy requires approval by both the Finance Committee and the Board. Because this policy is closely tied to MeHAF's mission, the process for decision-making will include orientation and education for both the Board and Community Advisory Committee about MeHAF's endowment, relevant federal and state regulations, past and predicted investment performance, and basic investment approaches and considerations.

Trustees indicated agreement with the proposed nine-month analysis plan and that the Finance Committee should continue researching private equity and other options with PBA and will look forward to more information being presented at the February Board meeting. A final decision will be made in June.

Strategic Planning Committee – Ms. Deborah Deatrck (Chair)

Continued Funding for Addiction Care Program: Chair Deb Deatrck and Program Officer I Kathryn Pierce provided background on MeHAF's Addiction Care Program that was approved in September 2016. The intention of the initiative is to strengthen and expand access to evidence-based, patient-centered care for people struggling with opioid addiction through supporting provider education and training and enhancements to clinical services. It is also intended to promote the establishment and expansion of integrated systems of care between primary care providers, substance use specialists, and local service networks that can provide the vital wrap-around services typically needed for successful, long term recovery. The program focuses on providing support to expand medication assisted treatment (MAT) in primary care through planning and implementation approaches.

Outcomes and lessons learned from the first year of the program have been detailed in an interim evaluation report by the USM Muskie School of Public Service. Many of these lessons suggest that the grantees need more time to accomplish the program objectives. Therefore, the Strategic Planning Committee, at its November 14 meeting, considered and endorsed a third year of funding to help grantees make MAT more available and accessible in primary care settings for uninsured and medically underserved people with opioid use disorder. The proposed parameters of the funding opportunity, including technical assistance and evaluation support, were outlined.

Declaration of Conflicts of Interest – The following conflicts of interest were determined:

| Trustee: | Conflict: |
|-----------------|------------------------|
| Connie Adler | Employer is a grantee. |
| Deb Deatrck | Employer is a grantee. |
| Catherine Ryder | Employer is a grantee. |

Trustees Adler, Deatrck, and Ryder recused themselves from the discussion and left the room.

It was MOVED, SECONDED (Sussman/King), and VOTED UNANIMOUSLY to approve up to \$533,000 for one additional year of funding for grants, technical assistance, and evaluation of the Addiction Care grants program as recommended by the Strategic Planning Committee.
Trustees Adler, Deatrck, and Ryder returned to the room.

Comprehensive Behavioral Health Update – SPC Chair Deb Deatrck and PO Pierce provided an update on planning related to Strategy 2a in our new strategic framework: *help to build a robust, trauma-informed, integrated behavioral health care system in Maine, with special emphasis on treatment and recovery for substance use disorders.* This strategy supports Goal 2: *to support systemic changes to address critical health issues in Maine.*

Over the past three months, MeHAF staff has had conversations with at least 15 key stakeholders, partners, and experts, both nationally and locally, focused on clarifying core concepts in Strategy 2a and identifying unique opportunities for the foundation in this area of strategic focus. Collectively, stakeholder thoughts and feedback highlighted some important considerations for MeHAF’s future work in comprehensive behavioral health, which Ms. Pierce outlined for Committee members.

Their reflections, coupled with the strong belief that our work should be complementary to state and legislative priorities, whenever possible, ultimately influenced our decision to postpone the approval of the behavioral health concept memo until September 2019. In the meantime, MeHAF staff will continue to monitor the policy environment to identify opportunities to inform major policy discussions with the potential to impact the availability and accessibility of low barrier treatment and recovery supports for people with substance use disorder.

Leadership Development: SPC Chair Deb Deatrck and Senior Program Officer Ruta Kadonoff provided an update on Leadership Development activities as stated in Strategic Framework Goal 4: *to promote shared leadership to achieve equitable health outcomes for everyone in Maine,* Strategy 4c: *to support efforts to foster equity-minded leadership, to advance access to health care and improve the health of everyone in Maine.*

MeHAF recognizes that furthering our mission relies on collaboration with organizations all across Maine and that effective leadership of organizations that are closely aligned with our core principles and values, is critical to both their and our long-term success. As such, MeHAF seeks to strengthen that leadership and build capacity through funding support for a number of programs and partnerships each year. In 2018 and 2019 these are expected to continue to include support through Foundation-Initiated grants for the Maine Development Foundation’s Policy Leaders Academy (PLA), the Hanley Health Leadership Development Program, and the Blue Cross Blue Shield Foundation of Massachusetts Health Coverage Fellowship.

CEO Leonard shared that the PLA Pre-Legislative Conference was held December 6 (with outstanding bipartisan attendance and participation). The Health Coverage Fellowship is a popular program for which MeHAF is the sole Maine funder.

Declaration of Conflicts of Interest – The following conflicts of interest were determined:

| Trustee: | Conflict: |
|-----------------|--|
| Catherine Ryder | Daniel Hanley Center for Health Leadership Board member. |
| Toho Soma | Daniel Hanley Center for Health Leadership Board member. |

Trustees Ryder and Soma recused themselves from the discussion and left the room.

It was MOVED, SECONDED (Adler/Fritz), and VOTED UNANIMOUSLY to approve the Concept memo for MeHAF's planned approach to support Leadership Development to improve understanding of equitable access to health and health care, as recommended by the Strategic Planning Committee.

Trustees Ryder and Soma returned to the room.

Governance Committee – Dr. Connie Adler (Chair)

Board and CAC Recruitment Update: Governance Committee Chair Connie Adler shared that the Governance Committee has begun the active recruitment process to fill two Board vacancies and up to six CAC vacancies. During active recruitment, each candidate has a personal meeting with a Governance Committee member and staff representative, at which detailed background about MeHAF and the role of the Board or CAC are provided. Recruitment meetings began on November 20 and are scheduled to conclude on December 14. Chair Adler provided an update of the candidates who have accepted our invitations. We hope that remaining candidates will confirm their interest in volunteering with MeHAF by the end of the week. If that is not the case, the Committee has identified back-up candidates for outreach.

Grants Committee – Mr. Ed Miller (Chair)

Manatt Health Solutions: Grants Committee Chair Ed Miller shared that at its December 3 meeting, the Grants Committee discussed contracting with Manatt Health Solutions relative to MeHAF's interest in a recent report that Manatt had developed which was commissioned by the Blue Cross and Blue Shield of Massachusetts Foundation. The report outlined state Medicaid policy and program priorities leading up to the election of the Massachusetts governor. Manatt has proposed creating a similar resource to assist the new Maine administration in preparing for Medicaid expansion and rebuilding Maine DHHS to tackle pressing coverage, delivery system, and payment reform priorities critical to Maine. After numerous conversations with Manatt, staff believes that this sort of resource may be very timely and provide an opportunity to help define key strategies to address the needs of Maine people who rely on the Medicaid program, including those who will benefit from the implementation of Medicaid expansion. Given the time-sensitive nature of moving forward with this work, if approved, staff will finalize detailed specifications and costs with Manatt in the coming weeks.

Trustees suggested looking at lessons learned during the creation of the Massachusetts report as well as possibly reaching out to other foundations that may be interested in this work and that may be able to provide additional resources. It was also suggested to address education for the public about Medicaid in the report.

It was MOVED, SECONDED (Weaver/King), and VOTED UNANIMOUSLY to approve up to \$100,000 for a contract with Manatt Health Solutions to prepare a report on Medicaid program opportunities related to three-five key issues in Maine, as recommended by the Grants Committee.

Pilot of Accessibility Expense Policy: Mr. Miller reminded Trustees that in August of 2017, the MeHAF Board approved the recommendations of the foundation's Equity Subcommittee, among which was the recommendation to:

Provide additional funding, above the maximum grant amount, for interpretation, translation, and other accommodations that ethnic community-based organizations and other marginalized groups require in order to participate on a level playing field and reduce barriers for their constituents.

In response to this recommendation, at its October 1 meeting, the Grants Committee approved a piloting of a draft policy that would facilitate and govern the granting of additional funds for accessibility-related expenses. The full language of the draft policy and major components and considerations relating to it were shared with the Board. Should this pilot be successful, the Grants Committee will present a policy for Board approval. Program Officer Jake Grindle fielded clarifying questions from Trustees.

Recent Grants Committee Actions: The Board received memos from program staff outlining updates on recent Committee activity, and Grants Committee Chair Ed Miller elaborated on these updates including highlights about Grassroots Health Advocacy; the Equity Capacity RFP process; and the Maine Community Foundation People of Color Fund and Donor-Advised Fund.

Executive Committee – Mr. Roy Hitchings (Chair)

Consumers for Affordable Health Care (CAHC) Foundation-Initiated Grant: Chair Hitchings shared that CAHC approached MeHAF regarding a need for increased capacity for the 2018 Open Enrollment Period (November 1 – December 15). Given the expected surge in need for assistance resulting from reduced federal enrollment support and public confusion and uncertainty about both the ACA and Medicaid expansion, CAHC determined a need for temporary contract support and some additional staffing to help with triaging Help Line calls and other support services. The Grants Committee approved an increase to CAHC's existing \$75,000 grant, with the modification totaling \$11,119. Given the immediate timing, the Executive Committee approved this request at its November 15 meeting.

2019 Board and CAC Meeting Calendars: The Board, CAC, and committee meeting calendars for 2019 were distributed. Treasurer Bruce Nickerson noted that the dates of the Finance Committee are in flux and to confirm with staff before marking personal calendars.

Trustee Check-In and Meeting Evaluation – Mr. Roy Hitchings (Chair)

At 4:23 pm it was MOVED, SECONDED, and VOTED UNANIMOUSLY to move into Executive Session to gather feedback about the meeting process, solicit suggestions for improvement, or other issues of concern. At 4:32 pm, it was MOVED, SECONDED, and VOTED UNANIMOUSLY to leave Executive Session.

Next Meeting

The Board will next meet on Thursday, February 14, 2019, at the MeHAF office in Augusta.

Adjournment

The meeting adjourned at 4:33 pm.

Respectfully Submitted,
Barbara A. Leonard, MPH
President & CEO