



Work Session Minutes July 17th, 2024

In Attendance:

- | | | |
|--|--|--|
| <input type="checkbox"/> Hammad Qadir, MD | <input checked="" type="checkbox"/> Dacey Brooke, MD | <input checked="" type="checkbox"/> Wallace Webster, MD |
| <input checked="" type="checkbox"/> Paavani Atluri, MD | <input checked="" type="checkbox"/> Charles Toledo, MD | <input checked="" type="checkbox"/> Jeffrey Lang |
| <input type="checkbox"/> Mike Rowley | <input checked="" type="checkbox"/> Molly Johnson | <input checked="" type="checkbox"/> Gregory Brigham, PhD |
| <input type="checkbox"/> Brian Moore | <input checked="" type="checkbox"/> Linet Samson | <input type="checkbox"/> David Rupkalvis |
| <input type="checkbox"/> Jason Bell, MD | <input checked="" type="checkbox"/> Matt Vorderstrasse | |
| <input type="checkbox"/> Andrea Zamora | <input type="checkbox"/> | |

Guest: Bevin Ankrom(OHA); Katie Gonzalez, (public guest) ; Jenni DeLeon, MD

Staff Attendees:

Ben Messner, CEO; Chris Hogan, CFO; Anna Warner, Executive Program Director; Samyukta Vendrathi, COO; Mike Hale, CCO; Ben Sachdeva, Senior Financial Analyst; Erica Tesdahl-Hubbard, CITO/IT; Wendy Haack, CMO; Evelyn Bryant, Executive Administrative Coordinator; Doris Kiragu, Equity Policy Analyst; Amanda McCarthy, Director of Social Determinants of Health Quality

Work Session called to order at 7:02 A.M. by Dr. Wallace Webster for the purpose of discussion, but no action upon the Committee updates, including discussion of confidential and proprietary information constituting trade secrets under ORS 192.345.

Quorum established 7:04 am.

Meeting Minutes:

- Dr. Wallace Webster presented the meeting minutes from May 15th, 2024, Work Session.
 - Meeting Minutes review with no change noted.

- ❖ **MOTION:** Motion made by Dr. Charles Toledo to approve May 15th, 2024, meeting minutes and seconded by Gregory Brigham, PhD.
- ❖ **VOTE:** Unanimous approval. (End 7:08 A.M.)

Financials:

- Ben S. begins by presenting the Advanced Health Financial summary for May 2024 Vs. May 2023.

**Western Oregon Advanced Health, LLC.
STATEMENTS OF OPERATIONS
For the Months Ended May 31, 2024**

| | 2024 Actual | 2023 Actual | Variance Actual | 2024 Budget | Variance Budget |
|--------------------------------------|-------------------|---------------------|--------------------|-----------------------|--------------------|
| | May '24 | May '23 | | May '24 | |
| REVENUES: | | | | | |
| Medical | 67,821,524 | 67,472,967 | 348,557 | 67,168,481 | 653,043 |
| Dental Health | 3,743,566 | 3,915,345 | (171,778) | 3,639,282 | 104,284 |
| NEMT | 1,989,638 | 2,050,408 | (60,770) | 1,951,577 | 38,061 |
| Quality Withhold | - | - | - | - | - |
| Investment Income | 18,765 | (187,668) | 206,433 | - | 18,765 |
| Other | (0) | (0) | (0) | - | (0) |
| Total | 73,573,493 | 73,251,051 | 322,442 | 72,759,340 | 814,153 |
| COGS: | | | | | |
| Medical | 65,712,416 | 65,981,814 | (269,399) | 65,072,246 | 640,170 |
| Dental Health | 3,626,767 | 3,828,816 | (202,049) | 3,525,706 | 101,061 |
| NEMT | 1,512,784 | 1,507,930 | 4,855 | 1,456,872 | 55,912 |
| Quality Withhold | - | - | - | - | - |
| Health Related Spending | 230,552 | 236,611 | (6,060) | 530,833 | (300,282) |
| Other | - | (1,263,774) | 1,263,774 | - | - |
| Total | 71,082,518 | 70,291,396 | 791,122 | 70,585,657 | 496,861 |
| Total revenues | 2,490,975 | 2,959,655 | (468,681) | 2,173,683 | 317,292 |
| ADMINISTRATIVE EXPENSES: | | | | | |
| Salary and related expenses | 751,943 | 766,056 | (14,113) | 796,293 | 44,350 |
| Legal, accounting and professional | 147,581 | 170,257 | (22,676) | 137,017 | (10,564) |
| Employee benefits | 172,342 | 141,335 | 31,007 | 137,567 | (34,774) |
| Dues, membership, contributions | 245,336 | 153,098 | 92,237 | 162,573 | (82,763) |
| RFA | - | - | - | - | - |
| Office Supplies and Postage | 7 | (43) | 50 | 200 | 193 |
| Meals, travel and seminars | 31,699 | 28,404 | 3,295 | 38,029 | 6,330 |
| Other expenses | 522,165 | 26 | 522,139 | 500,467 | (21,698) |
| Total administrative expenses | 1,871,073 | 1,259,134 | 611,939 | 1,772,146 | (98,927) |
| Net Expenses | \$ 619,902 | \$ 1,700,522 | (1,080,620) | \$ 401,537 | \$ 218,365 |
| Summary | | | | | |
| Revenue | \$ 73,573,493 | \$ 73,251,051 | \$ 72,759,340 | \$ 322,442 | \$ 814,153 |
| COGS | \$ 71,082,518 | \$ 70,291,396 | \$ 70,585,657 | \$ 791,122 | \$ 496,861 |
| Admin Expenses | \$ 1,871,073 | \$ 1,259,134 | \$ 1,772,146 | \$ 611,939 | \$ 98,927 |
| Income Tax & Investment Expense | \$ (6,077) | \$ (5,891) | \$ (10,000) | \$ (186) | \$ 3,923 |
| Net Income | \$ 613,825 | \$ 1,694,631 | \$ 391,537 | \$ (1,080,805) | \$ 222,288 |

Western Oregon Advanced Health, LLC.
May 31, 2024 and May 31, 2023

| | May '24 | May '23 |
|--|-----------------------------|-----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 4,910,836 | \$ 6,589,111 |
| Restricted Reserve | 7,460,521 | 7,402,686 |
| Cash Suspense | 44,111 | (12,114) |
| Investments | 4,144,266 | 3,474,054 |
| Physical Health Receivable | 1,033,415 | 1,681,652 |
| Quality Pool Receivable | 7,131,897 | 7,705,942 |
| Accrued Interest Receivable | 83,235 | 88,514 |
| Accounts Receivable, net (Related party) | 1,942 | 19,490 |
| Other assets | <u>157,002</u> | <u>119,850</u> |
| Total Assets | \$ <u>25,266,132</u> | \$ <u>27,069,185</u> |

| | | |
|---------------------------------|--------------------------|--------------------------|
| Liabilities | | |
| Accounts Payable | 86,309 | 105,383 |
| DOCS Management Admin Payable | 11,726 | 11,550 |
| Dental Health Payable | 2,541 | 161 |
| HRA Payable | - | - |
| MCO Payable | 873,762 | 1,025,538 |
| Mental Health Payable | 2,178 | (3,894) |
| Other Accrued Expenses | 851,557 | 1,167,224 |
| Payroll and Related Liabilities | \$ 162,379 | \$ 291,751 |
| Physical Health Payable | 395,368 | 354,145 |
| QDP Payable | 973,728 | 4,495,749 |
| Quality Pool | 6,989,877 | 6,288,049 |
| Capital Share Obligation | 470,000 | 587,000 |
| VBP Payable | 112,307 | 117,460 |
| Dividends Payable | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>10,931,732</u> | <u>14,440,117</u> |

| | | |
|-----------------------------------|--------------------------|--------------------------|
| Equity | | |
| Southwest Oregon IPA | 7,776,794 | 6,422,940 |
| North Bend Medical Center | 1,296,132 | 1,070,490 |
| Coos County | 1,296,132 | 1,070,490 |
| Advantage Dental | 777,679 | 642,294 |
| Bay Area Hospital | 648,066 | 535,245 |
| Coquille Valley Hospital | 518,453 | 428,196 |
| Bay Clinic | 259,226 | 214,098 |
| ADAPT | 194,420 | 160,573 |
| South Coast Orthopedic Associates | 194,420 | 160,573 |
| Dividends Declared | - | - |
| Prior Period Adjustment | - | - |
| Retained earnings | 613,825 | 1,695,040 |
| Capital Gain (loss) | <u>759,252</u> | <u>229,129</u> |
| Total stockholders' equity | <u>14,334,400</u> | <u>12,629,069</u> |

| | | |
|-------------------------------------|-----------------------------|-----------------------------|
| TOTAL LIABILITIES AND EQUITY | \$ <u>25,266,132</u> | \$ <u>27,069,185</u> |
|-------------------------------------|-----------------------------|-----------------------------|

Key Financial Indicators

| | YTD 2024 CCO Total | YTD 2023 CCO Total |
|-------------------------------|-----------------------|-----------------------|
| Current Ratio | 2.31 | 1.87 |
| Days Cash On Hand | 390 | 605 |
| Debt to Net Assets Ratio | 76.3% | 114.3% |
| Return on Net Assets | 14.3% | 35.4% |
| Adjusted Member Service Ratio | 96.6% | 95.7% |
| Administrative Cost Ratio | 2.5% | 1.7% |
| Operating Margin percent | 0.8% | 2.3% |

- ❖ **MOTION:** Motion made by Gregory Brigham, PhD to approve Financials for May 2024 Vs. May 2023 and seconded by Jeff Lang.
- ❖ **VOTE:** Unanimous approval. (End 7:16 A.M.)

Public Meeting

Public Comment:

- Katie Gonzalez shares feedback on her appreciation for people coming together to support Advanced Health for their time and commitment here because of how critical it is for their Community. She re-emphasizes how grateful she is on how this group works so hard and is creative in doing their best to help the community, and she wants to continue to encourage all the work that they are doing and how it is imperative to the community.
- Ben M. and Dr. Webster thank Katie for her time and with no other further comments from the public they give the floor over to Amanda McCarthy, Director of Social Determinants of Health.

2023 Incentive Measure Attribution:

- Amanda presents on the document below:

BOARD ACTION ITEM:

2023 Quality Pool Distribution

Background:

As part of the agreement with the Centers for Medicare & Medicaid Services (CMS) as required by the Special Terms and Conditions (STCs) of Oregon's Section 1115 demonstration, the Oregon Health Authority (OHA) has established a Quality Incentive Program to provide financial incentives to reward CCO performance on a set of access, quality and outcome metrics ("incentive metrics") selected annually by the Metrics & Scoring Committee. Through this program, CCOs achieve financial rewards if they meet specific performance benchmarks or improvement targets. The funding for the program is from the quality pool.

This model rewards CCOs for outcomes, rather than utilization of services. This stimulus is one of several health system transformation mechanisms for achieving Oregon's vision for better health, better care, and lower costs.

Action Needed: Recommend adopting the 2023 quality pool allocation method recommended by the Clinical Advisory Panel.

Summary: Advanced Health met 10 of the 15 quality pool measures and all 4 of the challenge pool measures for calendar year 2023

Final 2023 performance for all quality measures was released in mid-June. Details of Advanced Health's performance are attached.

Quality Pool Earnings Summary

| | |
|--------------------|--|
| \$5,935,544 | 80% of potential quality pool earned for meeting 10 of 15 measures |
| \$1,053,716 | Challenge pool amount earned for meeting 4 of 4 challenge measures |
| \$142,638 | MCO tax portion of quality pool |
| \$7,131,898 | Total 2023 Quality Pool Earnings |

Quality Pool Payment Summary

The Clinical Advisory Panel (CAP) reviewed the Quality Pool distribution methodology at their May 24 and June 14, 2024, meetings. Their recommendation for distribution of the 2023 quality pool is as follows:

| Amount | % of quality pool | Organization |
|---------------|--------------------------|---|
| \$142,638 | 2% | Advanced Health-MCO Tax (MCO tax & Risk-based capital investment) |
| \$165,160 | 2.3% | Advanced Health |
| \$825,799 | 11.6% | DOCS (administrative services) |
| \$4,634,232 | 65.0% | SWOIPA (physical and behavioral health measures) |
| \$845,318 | 11.9% | Advantage Dental (oral health measures) |
| \$112,609 | 1.6% | Early Learning Providers |
| \$112,609 | 1.6% | SDOH-E Partners |
| \$436,172 | 6.1% | Other Community Partners (organizations whose work contributed to meeting upstream measures but who cannot bill for services) |

Proposed Motion: I move to accept the Clinical Advisory Panel recommendation for distribution of the 2023 Quality Pool funds as presented.

- Anna inputs that the distributions for other Community Partners will have more details about that coming later in terms of which partners and which amounts, that is another process they do with the clinical advisory panel, is to look at those measures and to look at who else in the community is influencing those and come up with a method to recommend for distributing those funds. More details to come on that.
- Dr. Webster asks how this compares to last year's make up of community partners and measures 10 of 15 compared to last year?
- Amanda answers that they had a better performance last year. They met more of the measures last year. They suffered in the language access which had an improvement target and the way that is calculated is to be a certified or qualified interpreter through OHA. They struggle having an adequate amount of those types of interpreters. Their members are ultimately getting interpreter services through tools such as language line and other services like that however those are not viewed as OHA certified or qualified, so that was a little bit of a plot twist there.
- Dr. Webster thanks Amanda for her explanation.

- ❖ **MOTION:** Motion made by Matthew Vorderstrasse to approve the Clinical Advisory Panel recommendation for distribution of the 2023 Quality funds as presented and seconded by Dr. Charles Toledo.
- ❖ **VOTE:** Unanimous approval. (End 8:14 A.M.)

The work session was adjourned by common consensus at 8:15 A.M with no further business to be discussed.

Respectfully submitted by,

Jason Bell MD
Secretary/Treasurer

JB/eb 07172024