

Trillium Community Health Plan
Board of Directors
July 13, 2015
Minutes

Present: Dr. Thomas Wuest, President; Ms. Karen Gaffney, Vice President; Mr. Terry Coplin, Secretary; Mr. David Cole, Treasurer; Dr. Bruce Abel, Dr. Gary Brandt, Mr. Chad Campbell, Ms. Tara DaVee, Dr. Melissa Edwards, Dr. Rick Finkelstein, Dr. Jim Ford, Mr. Colt Gill, Dr. Tod Hayes, Dr. Rick Kincade, Dr. Pat Luedtke, Dr. Mark Meyers, Mr. Craig Opperman, Mr. Marshall Peter, Ms. Sandy Reese, Mr. Rick Yecny

Staff: Ms. Shannon Conley, CAO; Mr. Jim Connolly, SVP Provider Affairs; Ms. Lucy Zammarelli, BH Program Supervisor; Ms. Debi Farr, Dir. Govt. & Public Affairs; Mr. Dick Sabath, Compliance Officer; Ms. Nanette Woods, Assoc. VP, HR

Guest: Ms. Kay Metzger, Innovator Agent; Ms. Paige Hamm, Training & Development Manager

Absent: Ms. Wendy Apland; Ms. Jody Cline; Dr. Patrice Korjenek, COO; Mr. Rand O'Leary

1. Call to Order

Dr. Wuest called the meeting to order at 7:02 a.m.

2. Consent Agenda

Dr. Wuest presented the consent agenda, comprising the minutes of the June 1, 2015, Trillium Executive Committee meeting and June 8, 2015, Trillium Board of Directors meeting.

It was moved and seconded to approve the consent agenda as presented by Dr. Wuest. The motion passed unanimously.

3. President's Report

The Agate shareholder meeting, at which a vote on the Centene transaction will be held, will take place tomorrow, July 14.

4. CEO Report

- Centene Update: Public Hearing, Media, OID Review

The OID approved the transaction. The media is requesting information on individual shareholders' holdings. Planning for integration between Centene and Trillium will follow upon Agate shareholder approval. It was noted that Centene has made an offer to acquire HealthNet for approximately \$6.5 billion.

- Trillium Strategic Planning—Work Plan

Ms. Hamm overviewed the vision and mission documents, "Proposed Process" and "Proposed Timeline." The input process should also include other groups, including racial groups and the RAC. Ms. Hamm reviewed the Strategic Action Plan documents, describing the next steps to be taken.

- Follow-up to Equity Conference Issues

Mr. Coplin and Dr. Wuest sent a letter of concern to OHA Director Lynne Saxton. Per Leslie Clement, Ms. Saxton has mailed a reply (not yet received). The OHA is taking the concerns seriously and will be following up on specific issues, including

amending the State's RFP for site selection. The CAC will invite Ms. Clement to a future meeting.

- NUKA Conference

Mr. Coplin and other conference attendees described the event and the transferability of its model of care to Lane County.

5. Administrative Report

- OHP Member and Access Update

Ms. Conley distributed the document, "Trillium Members as of 7/13/15." Membership is 92,800. The number of unassigned members is falling, not due to offices that had closed to new members now reopening to them, but due to expansion of capacity.

- Redetermination Update

Redeterminations have returned to a monthly pattern. Many members do not respond to the redetermination notice until they have been terminated. Trillium is working with the State to contact such members proactively. The monthly roll-off is currently closer to 5% than the historical 10%.

- Long-term Care MOU

An annual MOU is drafted between the CCO and Senior & Disabled Services and between the CCO and Disability Services. More information will be presented at the next meeting.

6. CFO Report

- Financial Report

Mr. Cole distributed and reviewed the financials as of May 31, 2015. The 2015 MLR has increased disproportionate to membership expansion due to a sharp increase in utilization.

- Provider Capacity Expansion Update

Springfield Family Physicians will take 8,000 additional members by 11/1/15. In 2016 Lane County will open a new clinic for 6,000-8,000 new members. Kaiser will take up to 2,000 members with a target date of 1/1/16. River Road Medical Clinic continues to take 100 new members/month. Oregon Integrated Health continues to take 125 members/week. PeaceHealth recently took additional pediatric members. Based on these figures, there should be no unassigned members by early 2016 or sooner.

- Dividend Update

Mr. Cole distributed the OID document, "Findings of Fact, Conclusions of Law and Order," dated 6/25/15, and described its paragraphs 14–16. The "parental guarantee" referenced in paragraph 16 is that Centene will guarantee that Trillium's RBC will be at least 300% and that its premium-to-surplus ratio will be less than 10:1.

Mr. Cole distributed the document, "Estimated Excess Cash 8/31/15 using 5/31/15 Financial Statements." He described the line items of its column "Adjusted Balance," leading to estimated excess cash of \$27.5 million.

Mr. Cole distributed and outlined the document, "Resolutions of the Board of Directors of Trillium Community Health Plan, Inc., Adopted at a Meeting Held on July 13, 2015." This Board previously approved a \$22 million dividend to be transferred

from Trillium to Agate. Mr. Cole stated that this document authorizes a dividend of up to \$28 million, to be transferred from Trillium to Agate no later than one week prior to 8/31/15.

It was moved and seconded to approve the document, "Resolutions of the Board of Directors of Trillium Community Health Plan, Inc., Adopted at a Meeting Held on July 13, 2015." Discussion: these monies cannot be used to increase provider pools; Trillium is working with the State on a rate adjustment for 2015. The adjustment may increase funding for the pools and administration. The amount of the proposed dividend cannot be adjusted by this Board. These reserves cannot be used to invest in transformation. They are designated as a reserve requirement. A yes vote would reduce risk through Centene guaranteeing Trillium's future RBC at 300% and ensuring a <10:1 premium-to-surplus ratio. A no vote would result in the monies remaining in Trillium's reserves; the funds would not be available for investment in the community. One avenue for community investment would be for shareholders to voluntarily invest proceeds from the stock sale into the community, and Dr. Wuest will announce that as well as other points being made during this discussion to Agate shareholders at their meeting tomorrow evening. A no vote would impact Centene's purchase price of Agate Resources. It was suggested that the Agate Board take an action demonstrating its commitment to reinvesting funds into the local community. It was noted that nearly all Board members have some kind of conflict of interest. Dr. Wuest, Dr. Hayes, Dr. Meyers and Dr. Edwards identified themselves as Agate shareholders. Regardless of whether or not the vote is divided between shareholding and non-shareholding Board members, the broader issues discussed here should be continued at a future meeting. After discussion, the motion was approved on a voice vote with one member opposed.

7. Advisory Council Reports

- CAC Monthly Update

Ms. DaVee and David Parker were elected as co-chairs of the CAC.

- Role Addressing No-shows

It was agreed that no-shows are influenced both by members and providers, who can most efficiently address this matter by working together. The Member Engagement Subcommittee proposes conducting a short telephone survey to selected PCPs, clinics, and behavioral and dental health providers in order to gather their suggestions. On the patient side, technology solutions such as text messages are being considered.

- RAC Monthly Update

Mr. Yecny summarized the June RAC meeting.

- CAP Monthly Update

There was no CAP meeting in June. In its July meeting, the CAP discussed the possible local under coding of the number of diagnoses for complex patients.

8. Government and Public Affairs Report

Ms. Farr distributed the document, "2015 Legislative Summary." Due to time, the document was not discussed.

9. Operations Report

- NCQA Accreditation Update

This item was tabled until the next meeting.

10. Provider Relations Report

- Lower Umpqua Hospital District Update

This item was not discussed.

- 2015 Trillium Transformation Grants

A bidders' conference last week drew 53 people from 30+ organizations. The three grant areas totaling \$1 million are those established by this Board: (1) Alternative Reimbursement, (2) Prevention and Wellness, and (3) Care Coordination.

The meeting was adjourned at 9:01 a.m.

Respectfully Submitted,

Joseph Fancher
Executive Assistant



Terry W. Coplin, Secretary