



ESSENTIAL  
HOSPITALS  
INSTITUTE

## Board of Directors Meeting

December 2, 2014  
Conference Call





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Institute Board of Directors Meeting  
December 2, 2014  
11 am ET-noon  
Agenda

11 – 11:05 am	Call to Order and Roll Call (Jacobs)	
11:05 – 11:10 am	Approve October 30 Minutes (Jacobs)	ACTION
11:10 – 11:40 am	Review & Approve 2015 Proposed Budget (Haley/ Gold)	ACTION
11:40 – 11:50	Institute Updates (Engler)	
11:50 – noon	Other business (Jacobs/ Engler)	
noon	Adjourn	



## Essential Hospitals Institute Board of Directors 2014-2015

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Julie Cerese, MSN, RN  
Senior Vice President, Performance Improvement  
UHC



**2014-2015**  
**Institute Board of Directors Meeting Dates**

**Tuesday, March 17, 2015**

8 am – noon

Westin Georgetown

Washington, DC

Held in conjunction with Policy Assembly, March 17 - 18, 2015

**Wednesday, June 24, 2015**

8 am – noon

Westin Gaslamp Quarter

San Diego

Held in conjunction with VITAL2015, June 24 - 26, 2015



**Essential Hospitals Institute  
Board of Directors Meeting  
October 30, 2014**

<p><b>Board Members Present (11):</b>  Julie Cereze, RN, MSN  Delvecchio Finley, MPP  Donald Goldmann, MD  Leon Haley, MD, MHSA  Caroline Jacobs, MPH, MSED  Susan Moffatt-Bruce, MD, PhD  Erica Murray, MPA  Christine Neuhoﬀ, JD  Ann Scott Blouin, RN, PhD  Bruce Siegel, MD, MPH  Cliff Wang, MD</p>	<p><b>Board Members Absent (4):</b>  Reuven Pasternak, MD, MPH, MBA  Anna Roth, RN, MS, MPH  Alan Weil, JD, MPP  Winston Wong, MD, MS</p>	<p><b>Staff Present (10):</b>  Sarah Callahan, MHSA  David Engler, PhD, MS  Beth Feldpush, DrPH  Josel Fritz, MPH  Caitlyn Furr  Kristine Metter  Rhonda Gold  Carmen Harris, MPH  Bianca Perez, PhD  Katie Reid, MPH</p>
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Agenda Items	Minutes
Call to Order and Disclosure of Conflicts of Interest	<ul style="list-style-type: none"> <li>Jacobs called meeting to order at 8:04 am.</li> <li>Staff and board members introduced themselves and Jacobs thanked staff for the hotel and accommodations.</li> <li>Jacobs asked for any conflicts of interest. None were disclosed.</li> </ul>
Approve June 25 Minutes (ACTION)	Jacobs requested a motion to approve the June 25 meeting minutes. There was a motion, a second, and unanimous approval of the minutes.
Institute Director Report (Engler)	<ul style="list-style-type: none"> <li>Engler provided an update of Institute activities with respect to population health: <ul style="list-style-type: none"> <li>partnering with member hospitals and trusted research organizations to address population health issues.</li> <li>reviewing literature and Gage Awards on population health</li> <li>developing a conceptual framework and partnering with colleagues from UHC and George Mason University on the project.</li> <li>examining UHC poster presentations to expand the work more broadly based on more data points</li> <li>collecting data points from other organizations</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ conceptualizing population health for introduction at Innovations Summit, October 29</li> <li>○ planning to solicit feedback on the conceptual framework model through focus groups and panel webinars from December through February, and publishing two research papers with the findings</li> </ul> <ul style="list-style-type: none"> <li>• Engler gave a detailed status report on key Institute program areas:</li> <li>• Social Determinants of Health—To keep the conversation going around the challenges members face in treating vulnerable populations, the Institute started a five-part webinar series on the social determinants of health: social capital, food insecurity, homelessness, and neighborhood housing, followed by a wrap-up. Members will be asked to respond and share experiences.</li> <li>• Quality—Patient-Centered Outcomes Research Institute (PCORI) funding received on a multiyear project to study care transitions. Institute is partnering with member, the University of Kentucky, as part of a consortium to study and develop recommendations of what works best, from the patient’s perspective, in transition interventions. This is a multi-year project focusing mostly on hospital-to-home transitions within the Medicare fee-for-service population.</li> <li>• The Institute submitted a grant proposal in partnership with the Institute for Healthcare Improvement (IHI) on an Agency for Healthcare Research and Quality (AHRQ) request to evaluate a Medicaid readmissions tool.</li> <li>• Engler recognized Goldmann for his work on the proposal, although it was not approved for funding.</li> <li>• Engler said efforts will continue to partner with research institutes to build the Institute’s grants capability in the future.</li> <li>• Engler noted the Institute is in the second year of the National Association of Community Health Centers (NACHC)-Kaiser Permanente (KP)-The George Washington University (GW) project that brings together essential hospitals and communities. A teleconference on the interim results is planned for March, and the board will be briefed.</li> <li>• Waivers—At the board’s direction, staff last year engaged with the membership around multiple facets of Section 1115 Medicaid waivers. This work took on several dimensions, with team work from policy and the Institute staff. The Institute sponsored a waivers 101 webinar, then published a policy brief in June. It also conducted a series of three webinars that explored quality at three member sites in three states and developed a research brief based on the webinars.</li> <li>• The Institute concluded this year’s work plan with an in-person meeting in Chicago on September 29 that brought in 79 members from throughout the country to share their Delivery System Reform Incentive Payment (DSRIP) Program experiences and hear from the</li> </ul>
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	<p>Centers for Medicare &amp; Medicaid Services (CMS) on the future of these programs.</p> <ul style="list-style-type: none"> <li>• The Fellows Program is going well and just finished its second session. The program has 34 fellows from 19 organizations; they are focusing on adaptive leadership.</li> <li>• Engler thanked Finley, who hosted the fellows site visit in October. Finley mentioned that he was impressed by the level of engagement and thoughtfulness of questions the fellows asked.</li> <li>• Jacobs mentioned that the program weaves adaptive leadership through the three sessions and the projects.</li> <li>• The fellows have accepted the framework well and sponsors are incorporating it into their work.</li> <li>• Engler gave an introduction to the Essential Women's Leadership Academy, aimed at addressing gender inequality within staff leadership positions at member hospitals. The topic was presented later at the board meeting in further detail.</li> <li>• Analytics is getting valuable feedback on Vital Data, the Institute's annual member characteristics report released recently with 2013 data. The Institute has built-in data validation checks or "edit checks" and established a new platform that reduces the burden of data reporting by merging the American Hospital Association (AHA) data directly into association and Institute systems.</li> <li>• Food insecurity: Staff is designing a new tool, which, if funded, will assist members in identifying geographical areas of food insecurity and link those areas to outcome data, such as diabetes rates, body mass index (BMI), and other Centers for Disease Control and Prevention (CDC) data.</li> <li>• Goldmann asked about the cost of the project.</li> <li>• Engler responded that it is not large because the development tools being used are from free sources.</li> <li>• Goldmann offered to provide information about sophisticated data sets that could be of use on the project and Engler said he would follow up at a later time to learn more.</li> <li>• Performance improvement: The Institute is finishing the third and last year of the initial Partnership for Patients (PfP) contract. The current PfP contract expires December 8 and continuation of the program is unclear.</li> <li>• The program demonstrated success with results showing 3,859 avoided harm events and \$41 million in cost savings. The association's Essential Hospitals Engagement Network (EHEN) is among the top five hospital engagement networks (HENs) in the country.</li> <li>• The EHEN also is benefiting from a new online tool developed by the Institute to help train hospital registration staff in the collection of race, ethnicity, and language (REAL) data. The online REAL learning module launched at the end of October.</li> </ul>
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	<ul style="list-style-type: none"> <li>• CMS has issued a request for proposals for the Transforming Clinical Practice Initiative. The Institute is responding to the opportunity. The deadline to submit proposals is January 6.</li> </ul>
Nominating Committee Report	<ul style="list-style-type: none"> <li>• The nominating committee selected Dennis Keefe, president and CEO of Care New England, to replace John Bluford upon his retirement. Keefe was approved by the association board on October 28, and will be joining the institute board as a new member director.</li> </ul>
Treasurer's Report	<ul style="list-style-type: none"> <li>• Haley reviewed the updated financial projections, referring to the Board materials. He stated that projected 2014 unrestricted income is \$7.51 million, which is offset by \$7.63 million in expenses, resulting in a projected operating deficit of \$121,000. The projected deficit is \$41,000 more than the \$80,000 budgeted deficit primarily due to a loss of fellows tuition income. Total projected net assets are \$6.21 million, of which \$557,000 is temporarily restricted for existing grants, leaving a projected operational reserve ("unrestricted") of \$5.65 million.</li> <li>• The financial projection reflects a \$900,000 target minimum board-designated operating reserve and a \$3.3 million board-designated special purpose fund, as approved by the Board in June. Haley summarized significant budget variances that were presented in the board materials.</li> <li>• The Massachusetts Learning Collaborative ended in June, but a five-year extension for the state's Delivery System Transformation Initiative (DSTI) 2.0 is likely. This will be reflected in the 2015 proposed budget that will be presented to the board in December.</li> <li>• Jacobs asked if we have a plan for employees who worked on the PfP contract, if the contract is not renewed.</li> <li>• Gold stated that the Institute remains optimistic that the program will be renewed and set aside funding to help bridge EHEN staff salaries until CMS makes a final decision.</li> <li>• Haley stated that since June, Raffa Wealth Management invested the \$3.3 million in reserves with a target allocation of 30 percent to stocks and 70 percent to bonds.</li> <li>• Haley said the board asked for restricting investments in companies that gain revenue directly from tobacco or firearms. The survey recently sent to the board indicated that no other restrictions should be specified and that indirect investment through mutual or exchange-traded funds in companies that derive revenue from the sale of tobacco or firearms is permissible. The socially responsible mandate in the approved Investment Policy Statement has been amended to reflect these findings.</li> <li>• Jacobs asked if we had to eliminate anything from our portfolio. Gold responded that we did not.</li> </ul> <p>Jacobs asked for a motion to approve restricting investments in companies that gain revenue directly from tobacco and firearms from the Institute's portfolio. There was a motion, a second, and the motion passed unanimously.</p>

Office Relocation Update	<ul style="list-style-type: none"> <li>• Gold presented an update of the office relocation process and timetable. She stated that the task force, consisting of herself, Human Resources Director Alan Burk, and IT Director Mark Campbell, began an intense process of searching for new office space more than a year ago.</li> <li>• DTZ was selected as the broker, Miles and Stockbridge as the lawyers, Fox as the architects, and KGO as project manager.</li> <li>• DTZ initially presented staff with 35 candidate buildings. The staff committee narrowed the field to 12 and visited all of them. From there, the pool was narrowed to six. The leadership team visited those six properties, at which point requests for proposals (RFPs) were sent to each of those properties. After the RFP responses were reviewed and analyzed by DTZ, the attorney, and the staff committee, the pool was reduced to four properties. The team did a test-fit of those four properties because they felt it was important to understand how America's Essential Hospitals would fit in the building.</li> <li>• The property selected is at 401 9 St. NW, which is an "A" space, but not a "trophy" space, consistent with the association's mission.</li> <li>• The space at 401 9 St. NW is a large, 14-year-old building with amenities, including a rooftop terrace, a fitness center, and retail, in the area and in the building. The building has extremely large Internet bandwidth, which will save the organization money in the future.</li> <li>• The building is located three blocks from the organization's current address, is closer to Capitol Hill, and convenient to two subway stations.</li> <li>• The team negotiated extensively and signed a lengthy letter of intent.</li> <li>• America's Essential Hospitals will occupy the south side of the ninth floor under a 15-year lease.</li> <li>• The space is slightly more than 21,000 square feet and will be more efficient than the current space because the new building will be built specifically for the association's needs. The building's narrow floor plan will allow for ample natural light.</li> <li>• There will be an employee lounge area on one side of the entry and a conference center on the other side. This full reception and conference center can be opened up to accommodate receptions and board meetings. There will also be a sound-proof room within the office for webinars and conference calls.</li> <li>• The negotiated lease terms provide \$67.25 per square feet in base rent, with 2.5 percent per year in rent escalations. There will be a 14-month rent abatement, which equates to a 7 percent to 8 percent cost reduction. The landlord, Boston Properties, will provide \$115 per square foot in tenant improvement allowances to build out the space. Part of the rent abatement can be converted to an additional tenant improvement allowance.</li> </ul>
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	<ul style="list-style-type: none"> <li>• In years 5 and 10, the organization will have a right to expand into 3,000 to 4,000 rentable square feet of contiguous space. However, if the first expansion option is not exercised, the second option will be forfeited. Furthermore, the association will have an ongoing first right of refusal to lease up to 5,000 square feet of space on the floor, though this may not be contiguous space. There also will be an opportunity to sublease.</li> <li>• The lease will include the right to terminate, with a penalty, at the end of the 11<sup>th</sup> lease year.</li> <li>• The security deposit of \$483,326, will be reduced to \$362,495 at the end of the second lease year, reduced to \$241,663 at the end of the third lease year, and reduced to \$120,832 at the end of the fourth lease year, leaving only a one month deposit by Year 4.</li> <li>• In a financial analysis prepared by DTZ, the annual rent will cost more than \$1.4 million, which will escalate by 2.5 percent per year in base rent and operating expenses exceeding the base year. The total cost over 15 years is estimated at \$25 million.</li> <li>• Gold mentioned that the potential landlords asked that both the association and the Institute be named as tenants, however, this would have made each organization jointly and severally liable for the lease. During the negotiation process, the landlord agreed to allow only the association as the named tenant on the lease, as long as it maintains at least \$8.5 million in annual revenue. Projected revenue currently exceeds the minimum stated. Goldmann asked what would happen if the association does not meet the minimum. Gold responded that the Institute would then be added to the lease and the organizations would be jointly and severally liable on the lease.</li> <li>• Gold stated that the association board of directors approved an action to grant Siegel the authority to sign a lease, as long the major terms are in accordance with the letter of intent. DTZ and the lawyers are currently reviewing the lease; the planned office move will be in mid-December 2015.</li> </ul>
Education Committee Report	<ul style="list-style-type: none"> <li>• Finley gave an overview of recent education events, including distance learning events, the Innovation Summit, and the Leadership Summit on State Medicaid waivers. The events have gone well and received high overall satisfaction scores.</li> <li>• The Fellows Program is going well, although there has been a slightly higher drop off rate than in the past. The education committee plans to change the language of expectations provided upon enrollment.</li> <li>• A call for presentation proposals for VITAL2015 is open and closing on November 14. The committee will review all submissions.</li> <li>• Metter asked the board to encourage their staff to apply.</li> <li>• Finley said educational programming in 2015 will be similar to 2014 in scope and will focus on the Hospital Consumer Assessment of</li> </ul>

	<p>Healthcare Providers and Systems (HCAHPS), behavioral health, and waivers.</p> <ul style="list-style-type: none"> <li>• Jacobs asked if the committee has discussed keynote speakers for VITAL2015. Metter said there has been some preliminary thought and the committee would like a keynote on equity and disparities. Murray mentioned that she had some ideas for speakers, so Metter will connect with her.</li> <li>• Jacobs asked about the attrition rate for the Fellows Program. It began with 34 this year and still has all 34. The ideal class size is about 35 to 42. The theme will be adaptive leadership again in 2015.</li> <li>• Engler commented that the program created a document and a letter of commitment for CEOs to sign, a change that might help decrease dropout rates. Finley suggested keeping a waiting list; if fellows drop out, the program can add others who are interested.</li> <li>• Haley and Blouin suggested analyzing which hospitals normally send fellows and those that participated previously, but no longer do, so that the Institute can target a variety of prospects.</li> <li>• Engler mentioned the study the Institute is conducting to assess and score member participation and engagement.</li> <li>• Blouin said the Institute should look at how members get involved and whether they start by attending webinars.</li> <li>• Jacobs mentioned that some members may not participate for financial reasons and suggested the Institute consider creating a scholarship program.</li> <li>• Haley added that affiliates should be able to sponsor fellows. He said universities may have the funds to pay fellows.</li> <li>• Goldman stressed the importance of the program's mentoring features.</li> </ul>
Research Committee	<ul style="list-style-type: none"> <li>• The creation of a research committee was discussed at the last board meeting. The committee will comprise nine members: three member directors, two outside directors, one association board member, and three non-board members. Staff identified four interested Institute board members: Haley, Keefe, Moffatt-Bruce, and Wang.</li> <li>• Outside directors and Blouin were selected, as was Sollenberger, from the association board.</li> <li>• The board voted to select three non-board members. The nominations included Dean Schillinger, Irene Yen, Katherine Neuhausen, and Marshall Chin. It was noted that Marshall Chin is serving on a committee for another project.</li> </ul> <p>The board approved Dean Schillinger, Irene Yen and Katherine Neuhausen to serve on the research committee.</p>
Essential Women's Leadership Academy	<ul style="list-style-type: none"> <li>• Fritz presented on the Essential Women's Leadership Academy.</li> <li>• The Institute found that women are underrepresented in leadership roles within member hospitals. There are few mentoring programs aimed at addressing the gender gap. The Institute wants to be</li> </ul>

	<p>purposeful in making this look different from the Fellows Program and to ensure the two do not compete.</p> <ul style="list-style-type: none"> <li>• Moffatt-Bruce mentioned that she has attended almost every leadership academy available for women in the industry and thinks that men require similar academies. Parallel programs would be a novel approach.</li> <li>• The program will target middle management and the hope is that it will reach C-suite positions.</li> <li>• The program will consist of didactic webinars, as well as in-person networking events to discuss what was learned on the webinars. Mentors also will be trained, asked to attend meetings, and check in with their mentees regularly. The Institute is looking for mentors in C-suite positions, committed to growing a relationship with a mentee, and willing to work with mentees outside the hospital.</li> <li>• Blouin mentioned that she served on a task force that considered how leaders develop and mature as a process of four stages. She will connect Engler with the woman who conducted the study.</li> <li>• For the first year, the Institute hopes to recruit 10 to 12 women and four to five mentors. Engler said the Institute would be happy with a pilot class as small as 12. There will be match-making that occurs, in the hope that mentors and mentees will be geographically close.</li> <li>• Similar to the Fellows Program, someone from the participant's hospital will nominate and sponsor the nominee for the program.</li> <li>• The Institute is in the process of developing a proposal for grant funding in support of the program.</li> <li>• Fritz asked board members their opinions on including men as mentors. Blouin said that the gender is less important, as long as the individual has the right skill set to be an effective mentor. There was agreement among the board members.</li> <li>• Fritz asked for volunteers for an advisory committee. Volunteers included Moffatt-Bruce, Neuhoff, Scott Blouin, and Finley.</li> </ul>
Research Projects	<ul style="list-style-type: none"> <li>• Perez updated the board on research projects within the Institute.</li> <li>• The analysis of the Gage Awards to study population health created new projects in the area. Cerese partnered with the Institute and the project is currently looking at more than 120 submissions. The study focuses on geographic populations and community-level outcomes. The hope is to look at social factors being addressed and, eventually, publish the findings.</li> <li>• Goals: provide an analysis of population health across the country, explain diversity within programs, and define the gap between concept and reality. The Institute will conduct webinars between December and February. From these, findings will be presented to members, to spark conversation for feedback. Plans involve hosting a focus group January 14, when the Institute hopes to hear more from members about what they are doing to address population health. Results from the webinar in February will be shared.</li> </ul>

	<ul style="list-style-type: none"> <li>• Other projects currently include Health Leads, PCCI, and the Institute for Healthcare Improvement's 100 Million Healthier Lives Campaign.</li> </ul>
EHEN Update	<ul style="list-style-type: none"> <li>• Callahan presented the board with an update on the EHEN.</li> <li>• The REAL module launched today helps hospitals collect data on race, ethnicity, and language in a sensitive manner.</li> <li>• The EHEN has just more than 30 days left with PfP. The goals remain the same: 40 percent reduction in nine infections or conditions and 20 percent reduction in avoidable readmissions.</li> <li>• AHRQ saw a 9 percent reduction in harms and a savings of about \$4 billion for 2011 and 2012 overall. The agency is now looking at numbers for 2013, but the trend seems to be continuing, and EHEN will exceed its goals for PfP.</li> <li>• Based on past performance, EHEN has made great strides—not yet reaching 40 percent, but making progress.</li> <li>• EHEN avoided more than 3,800 harm events, with cost savings of \$41 million. Compared with other HENs, EHEN is among the nation's best, according to the National Healthcare Safety Network (NHSN) database.</li> <li>• The sharing of EHEN information with member hospitals is occurring across the network. Nine are exceeding the 40 percent goal.</li> <li>• REAL is part of the focus on health equity, with a very concrete approach. The Institute needs to build data to understand where gaps occur; the first step is collecting data in a standardized way.</li> <li>• Blouin asked how the Institute would proceed if non-members wanted to buy the module.</li> <li>• Engler said commercializing this is the next step in the Institute's approach because it does have a great deal of value. The Institute would need to enter into license of use or commercialize the education and support component. Blouin said that Joint Commission hospitals might want access to the REAL learning module.</li> <li>• Callahan said the Institute does not yet have a clear signal from CMS about PfP or HEN 2.0, but the plan is to continue the focus on health equity and make use of data to target disparities.</li> <li>• New opportunity: Transforming Clinical Practice Initiative (TCPI)</li> </ul>
Characteristics Report	<ul style="list-style-type: none"> <li>• Reid presented an update on Vital Data, the association's annual member characteristics report.</li> <li>• The report came out in July. The Institute used infographics in the format, which uses real-world comparisons with health data for better understanding. This approach may help policymakers and media understand the essential nature of member hospitals.</li> <li>• The fiscal 2013 survey is wrapping up and will be published in January 2015.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Institute partnered with American Hospital Association (AHA) to lessen the burden on member hospitals by providing them with needed data. The Institute now has access to revenue data, which is about 40 percent of the survey, so it does not take as long for members to complete.</li> <li>• The Institute plans to conduct a satisfaction and feedback survey to determine if research and reporting priorities are on target and learn how to best relay messages to members. The Institute also wants to re-evaluate survey deadlines to ensure they fit with members' schedules. The institute hopes to expand the survey to all member hospitals for more accurate representation. Plans are underway to host an introductory survey launch webinar, hold office hours, and provide resources on the website.</li> <li>• Callahan asked for feedback on improving survey participation rates.</li> <li>• Goldmann suggested the Institute make a three-minute video for members showing the infographics and discussing the importance of the survey. The survey also can be discussed in new member orientation calls. A hospital's survey coordinator is usually someone in the accounting department, and there is high turnover in that position.</li> <li>• Callahan suggested having a vice president within the member hospital take ownership of the survey.</li> </ul>
Adjourn	<ul style="list-style-type: none"> <li>• The next board meeting will be a conference call on December 2. The meeting was adjourned at 12:14 pm.</li> </ul>

Submitted by:

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Anna M. Roth, RN, MS, MPH  
*Secretary*





DATE December 2, 2014  
TO Board of Directors  
FROM Finance Committee  
RE 2015 Proposed Budget

## MEMORANDUM

There is a scheduled conference call with Essential Hospitals Institute's board of directors on **Tuesday, December 2, 11 am ET**, to review the proposed 2015 budget. To access the call, please enter the following:

Dial in #: 877-668-4493  
Attendee #: 23295891

The finance committee has reviewed the attached 2015 budget materials and recommends the board's review and approval. The finance committee is asking you to vote on the following **action item**:

- Approve the 2015 proposed budget.

### Financial Summary

For comparative purposes, the 2014 approved and 2015 proposed budgets are reflected in attachments I and II, respectively; attachment III reflects the budgeted changes between the 2014 approved and 2015 proposed budgets. Each attachment presents the funded and unfunded programmatic costs of the Institute—research, analytics, performance improvement, Fellows Program, innovation and partnerships, and general and administrative. For purposes of the budget, “unfunded” refers to revenue and expenses not externally funded.

Budgeted revenue includes a \$595,000 contribution from the association to support research and analytics work that is not externally funded. Because Kaiser Permanente's three-year grant to support the Transformation Center ended in 2014, core support from membership dues is once again necessary to continue the Institute's important research and analytical work in support of the membership. Without this funding, the Institute's budgeted operating deficit would be \$672,000 versus an \$80,000 budgeted deficit (the same level as in 2014).

Total unrestricted 2014 budgeted revenue (column 3 of attachment I) was \$7.83 million, which was offset by budgeted expenses of \$7.91 million, leaving an operating deficit of \$80,000. The 2015 proposed budget (column 8 of attachment II) reflects total unrestricted budgeted revenue of \$7.4 million and budgeted expenses of \$7.48 million, resulting in an unrestricted operating

deficit of \$80,000 (the same level as the 2014 budget). The 2015 budgeted revenue and expenses are 5 percent less than the 2014 budget (last column, attachment III).

Total 2015 budgeted net assets (restricted and unrestricted) are \$7.13 million, of which \$1.56 million is temporarily restricted by funders for future grant expenditures. The board-designated reserves of \$3.3 million to the special purpose fund and \$900,000 to the operating reserve are reflected at the bottom of attachment II (columns 11 and 12).

The 2015 budgeted activities for 2015 include the continuation of current activities to support the association's 2013-2018 strategic plan, with a focus on quality, innovation, and adaption. These activities include the following:

- working extensively on quality issues by serving as a resource and champion for association members as they strive to provide high-quality, safe, and affordable care that eliminates health care disparities
- creating a continuous learning environment for association members to improve care for vulnerable populations by sharing innovative models of patient care and hospital operations
- offering educational activities for member hospitals' leadership
- providing data support and analysis
- working on externally funded grants and contracts

While it is unclear at this time whether the Centers for Medicare & Medicaid Services (CMS) intends to refund the Partnership for Patients contract for Essential Hospitals Engagement Network, staff is hopeful that the Institute's evaluation score (top 5 out of the 26 engagement networks) makes it a strong contender for renewed funding. Thus, the 2015 proposed budget assumes renewal of the contract at a slightly reduced level from option year one (\$5.10 million versus \$5.55 million in 2014). The budgeted costs are based on 30 participating hospitals, although this may grow if other hospital engagement networks choose not to renew funding. In the next contract period, staff will focus on spreading the Institute's race, ethnicity, and language (REAL) online learning module to other hospital engagement networks and to other hospitals nationwide. This may include partnering with The Joint Commission to bring the module to all accredited hospitals and offering distance learning programs and training on the module.

Other external funding sources in the budget include the following awards:

- Kaiser Permanente collaboration with the National Association of Community Health Centers (NACHC) and The George Washington University School of Public Health and Health Services (GWU): \$470,400 in 2015 (three-year grant ending May 2016)
- renewal of the delivery system transformation initiative (DSTI) learning collaborative 2.0 pursuant to CMS' approval of Massachusetts' DSTI renewal plan: \$278,200 (five-year grant award of \$1.5 million)
- Improving Care Transitions, a three-year project recently awarded by the Patient-Centered Outcomes Research Institute: \$127,000 (three-year grant award of \$431,000); this project, a consortium of research affiliates led by the University of Kentucky, seeks to discover which care transition outcomes are most important to patients and to evaluate current efforts for improving care transitions and interventions
- unrestricted grant from UHC: \$400,000 (increased from \$350,000 in 2014)

The budget also includes a proposal to Kaiser Permanente's Community Benefit arm to review and assess the landscape of efforts at essential hospitals to address food insecurity in vulnerable populations (two-year proposal, of which \$249,000 is budgeted in 2015).

The budget justification for each line item is detailed in this memo. These materials will be reviewed with you during the call, but please do not hesitate to contact Rhonda Gold at [rgold@essentialhospitals.org](mailto:rgold@essentialhospitals.org) or 202-585-0109 if you have questions.

## 2015 Budget Justification

Personnel costs (of \$4 million) are budgeted as either funded or unfunded programmatic or general and administrative costs. Of the \$4 million in salary and fringe costs, \$2.16 million is externally funded by CMS and other grant funders, leaving \$1.85 million (column 7, attachment II) in unfunded expenses.

This budget reflects a salary and merit increase pool of an average of 3.5 percent, which is consistent with other nonprofit organizations in the Washington, DC, market. The budget includes a 25 percent health insurance premium increase recently assessed by CareFirst and 10 percent increases in other insurance benefits.

The total budgeted salary and fringe costs for the association and Institute is \$8.5 million, of which \$4.48 million is allocated to the association. The allocation split in the 2015 budget is approximately the same (50/50) as the 2014 projection.

**Research:** Budgeted at \$1.04 million, of which \$748,600 is externally supported by Kaiser Permanente's collaboration with NACHC and GWU (for \$470,400), and by the DSTI 2.0 learning collaborative (for \$278,200).

Unfunded research activities of \$293,400 will be supported by the contribution from America's Essential Hospitals, of which \$255,000 is to cover research staff's unfunded personnel costs.

Budgeted activities include building leadership and institutional capacity in member hospitals and health systems and helping to represent essential hospital issues at the federal government level and with national quality, health services, and policy organizations.

**Analytics:** Budgeted at \$264,800, of which \$213,800 represents analytic staff's personnel costs. Other budgeted expenses of \$51,000 include databases, dues, subscriptions, licenses, and travel for meetings and conferences. These unfunded activities will be supported by the association's contribution.

In addition to conducting research on issues of operational value to the association's members, the analytics team will continue to support the association's advocacy agenda. The team provides financial and operational research and disseminates best practices and key research findings about essential hospitals and their patients to the health care community.

**Performance Improvement:** Budgeted activities include \$5.15 million in funding for option year 2 of the CMS contract. This contract provides \$1.8 million in personnel coverage, \$1.3 million in rent and overhead coverage, and an 8 percent profit margin (of \$383,700). Unfunded costs of \$36,800 will be supported by the association's contribution.

Performance improvement efforts in 2015 will continue focusing on the transformation of essential hospitals into industry leaders in access and quality of care. The largest component of this work is budgeted under the CMS Partnership for Patients.

**Fellows Program:** The Fellows Program budget for the class of 2015-2016 reflects a class size of 35 and increased tuition fees of \$1,000 per fellow (from \$6,500 to \$7,500). This change, plus other budget changes for the program, puts the 2015 program in essentially a break-even position

on direct costs; personnel costs (of \$171,000) remain unfunded. Notable changes from 2014 include a reduction in staff travel expenses (of \$12,300) for session 1, which is offset by increased audio/visual expenses and the engagement of Cambridge Leadership consultants to provide adaptive leadership training.

**Innovation and Partnerships:** Kaiser Permanente's three-year core funding (of \$1.5 million) for the Transformation Center ended in December 2014. To help replace this funding, staff recently submitted a two-year proposal (for \$555,000) to Kaiser Permanente's Community Benefit arm to review and assess the landscape of efforts at essential hospitals to address food insecurity. The budget assumes \$249,000 in new 2015 grant funding for this project; if funded, the remainder (of \$306,000) would be reflected in the 2016 budget.

The budget also includes \$322,500 in unfunded costs for the development of new initiatives in clinical transformation and innovation and expanding the association's non-dues revenue. These costs also include \$17,500 for start-up costs related to the Women's Leadership Academy. The planning phase for this new curriculum will include a consultant to support the development of overall program goals, design, and session objectives.

**General and Administrative (G&A):**

- **Consultants and Subcontracting Services:** Budgeted at \$77,500 for expenses, including audit, legal, and recruitment fees.
- **Equipment and Furniture:** Budgeted at \$21,000 for copier, telephone, and postage equipment leases.
- **Office Supplies and Services:** Budgeted at \$82,000 for general office expenses, telephone and personal device costs, dues and subscriptions, postage, facilities management, advertising costs, and temporary help.
- **Rent:** Budgeted at \$134,000 in addition to \$220,000 that is covered by the CMS contract, for a total rental expense of \$354,000. The budget reflects a 2 percent increase to the base rent.

**Travel and Meetings:** Budgeted at \$141,000 for Institute board meetings, board stipends, staff meetings and professional development.

**Depreciation and Amortization:** The 2015 fixed asset budget (of \$16,000) includes costs for new computer hardware, which is depreciable over a three-year period. Budgeted depreciation is \$21,300.

**Information Technology:** Included in this budget line (of \$69,300) are computer consultants, support agreements, software renewal fees, website hosting fees, and computer supplies.

**Miscellaneous, Taxes, and Insurance:** This line (of 41,000) includes costs for personal property taxes, general liability and director's and officer's insurance, bank and credit card processing fees, and administrative fees for employee benefit plans.

**Project Development:** Consistent with the past two years, the budget includes \$100,000 to support consultants to evaluate the risk and returns for new business proposals.

	col 1			col 2			col 3			col 4			col 5		
	Research/Analytics			Perf. Improv.	Fellows	Innovation and Partnerships			G&A	Total: 2014 Budget			Total: Unrestricted	Temp Restricted	
	Funded	Unfunded	Total	Funded (eHEN)	Unfunded	Funded	Unfunded	Total	G&A	Funded	Unfunded				Total
INCOME:															
Unrestricted Grant from UHC									\$ 350,000	\$ -	\$ 350,000	\$ 350,000			\$ 350,000
Grant Income	\$ 1,194,600		\$ 1,194,600			\$ 500,000		\$ 500,000		\$ 1,694,600	\$ -	\$ 1,694,600	\$ 250,000		\$ 1,944,600
Government Contract		\$ -	\$ -	\$ 5,493,800				\$ -		\$ 5,493,800	\$ -	\$ 5,493,800			\$ 5,493,800
Tuition Income		\$ -	\$ -		\$ 292,500			\$ -		\$ -	\$ 292,500	\$ 292,500			\$ 292,500
Contribution/Support from AEH		\$ -	\$ -					\$ -		\$ -	\$ -	\$ -			\$ -
Net Assets Released from Donor Restrictions		\$ -	\$ -					\$ -		\$ -	\$ -	\$ -	\$ (1,694,061)		\$ (1,694,061)
TOTAL INCOME	\$ 1,194,600	\$ -	\$ 1,194,600	\$ 5,493,800	\$ 292,500	\$ 500,000	\$ -	\$ 500,000	\$ 350,000	\$ 7,188,400	\$ 642,500	\$ 7,830,900	\$ (1,444,061)		\$ 6,386,839
Personnel	\$ 375,800	\$ 263,000	\$ 638,800	\$ 1,958,300		\$ 408,300	\$ 230,100	\$ 638,400	\$ 714,500	\$ 2,742,400	\$ 1,207,600	\$ 3,950,000			\$ 3,950,000
Consultants & sub-contracted svcs	\$ 696,500	\$ 48,300	\$ 744,800	\$ 1,383,000	\$ 126,000	\$ 24,000	\$ 20,200	\$ 44,200	\$ 120,000	\$ 2,103,500	\$ 314,500	\$ 2,418,000			\$ 2,418,000
Equipment		\$ -	\$ -					\$ -	\$ 22,800	\$ -	\$ 22,800	\$ 22,800			\$ 22,800
Office Supplies & Services		\$ 20,000	\$ 20,000	\$ 106,000	\$ 17,000		\$ 17,000	\$ 17,000	\$ 131,500	\$ 106,000	\$ 185,500	\$ 291,500			\$ 291,500
Rent		\$ -	\$ -	\$ 220,000				\$ -	\$ 129,500	\$ 220,000	\$ 129,500	\$ 349,500			\$ 349,500
Travel & meetings	\$ 38,300	\$ 24,700	\$ 63,000	\$ 274,200	\$ 128,400	\$ 5,700	\$ 56,300	\$ 62,000	\$ 110,600	\$ 318,200	\$ 320,000	\$ 638,200			\$ 638,200
Depr and amort.		\$ -	\$ -					\$ -	\$ 41,000	\$ -	\$ 41,000	\$ 41,000			\$ 41,000
Information Technology		\$ -	\$ -					\$ -	\$ 70,900	\$ -	\$ 70,900	\$ 70,900			\$ 70,900
Misc, Taxes and Insurance		\$ -	\$ -					\$ -	\$ 29,000	\$ -	\$ 29,000	\$ 29,000			\$ 29,000
Project Development		\$ -	\$ -					\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 100,000			\$ 100,000
Sub-total before grant overhead coverage	\$ 1,110,600	\$ 356,000	\$ 1,466,600	\$ 3,941,500	\$ 271,400	\$ 438,000	\$ 323,600	\$ 761,600	\$ 1,469,800	\$ 5,490,100	\$ 2,420,800	\$ 7,910,900	\$ -		\$ 7,910,900
Allocation of Overhead to Grants	\$ 84,000		\$ 84,000	\$ 1,145,100		\$ 62,000		\$ 62,000	\$ (1,291,100)	\$ 1,291,100	\$ (1,291,100)	\$ -			\$ -
Total Expenses	\$ 1,194,600	\$ 356,000	\$ 1,550,600	\$ 5,086,600	\$ 271,400	\$ 500,000	\$ 323,600	\$ 823,600	\$ 178,700	\$ 6,781,200	\$ 1,129,700	\$ 7,910,900	\$ -		\$ 7,910,900
Operating Net Income (Loss)	\$ -	\$ (356,000)	\$ (356,000)	\$ 407,200	\$ 21,100	\$ -	\$ (323,600)	\$ (323,600)	\$ 171,300	\$ 407,200	\$ (487,200)	\$ (80,000)	\$ (1,444,061)		\$ (1,524,061)
Net Assets:															
Prior Year Net Assets	\$ 12,110	\$ 24,436	\$ 36,546	\$ 4,864,354	\$ 71,835		\$ 59,925	\$ 59,925	\$ 741,380	\$ 4,876,464	\$ 897,576	\$ 5,774,040	\$ 1,996,061		\$ 7,770,101
Change in Net Assets	\$ -	\$ (356,000)	\$ (356,000)	\$ 407,200	\$ 21,100	\$ -	\$ (323,600)	\$ (323,600)	\$ 171,300	\$ 407,200	\$ (487,200)	\$ (80,000)	\$ (1,444,061)		\$ (1,524,061)
Net Assets, End of Year	\$ 12,110	\$ (331,564)	\$ (319,454)	\$ 5,271,554	\$ 92,935	\$ -	\$ (263,675)	\$ (263,675)	\$ 912,680	\$ 5,283,664	\$ 410,376	\$ 5,694,040	\$ 552,000		\$ 6,246,040
Restricted Net Assets															
Special Purpose Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Board Designated Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Total Restricted Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Unrestricted Net Assets	\$ 12,110	\$ (331,564)	\$ (319,454)	\$ 5,271,554	\$ 92,935	\$ -	\$ (263,675)	\$ (263,675)	\$ 912,680	\$ 5,283,664	\$ 410,376	\$ 5,694,040	\$ 552,000		\$ 6,246,040
Total Net Assets	\$ 12,110	\$ (331,564)	\$ (319,454)	\$ 5,271,554	\$ 92,935	\$ -	\$ (263,675)	\$ (263,675)	\$ 912,680	\$ 5,283,664	\$ 410,376	\$ 5,694,040	\$ 552,000		\$ 6,246,040

	col 6			col 7			col 8			col 9			col 10				
	Research			Analytics	Performance Improvement			Fellows	Innovation and Partnerships			G&A	Total: 2015 Budget				
	Funded	Unfunded	Total	Unfunded	Funded	Unfunded	Total	Unfunded	Funded	Unfunded	Total	G&A	Funded	Unfunded	Total: Unrestricted	Temp Restricted	Total
INCOME:																	
Unrestricted Grant from UHC			\$ -				\$ -				\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 400,000		\$ 400,000
Grant Income	\$ 748,600		\$ 748,600				\$ -		\$ 249,400		\$ 249,400		\$ 998,000		\$ 998,000	\$ 2,006,000	\$ 3,004,000
Government Contract			\$ -		\$ 5,150,000		\$ 5,150,000				\$ -		\$ 5,150,000		\$ 5,150,000		\$ 5,150,000
Tuition Income			\$ -				\$ -	\$ 262,500			\$ -		\$ -	\$ 262,500	\$ 262,500		\$ 262,500
Contribution/Support from AEH		\$ 293,400	\$ 293,400	\$ 264,800		\$ 36,800	\$ 36,800	\$ -		\$ -	\$ -		\$ -	\$ 595,000	\$ 595,000		\$ 595,000
Net Assets Released from Donor Restrictions																\$ (998,000)	\$ (998,000)
TOTAL INCOME	\$ 748,600	\$ 293,400	\$ 1,042,000	\$ 264,800	\$ 5,150,000	\$ 36,800	\$ 5,186,800	\$ 262,500	\$ 249,400	\$ -	\$ 249,400	\$ 400,000	\$ 6,148,000	\$ 1,257,500	\$ 7,405,500	\$ 1,008,000	\$ 8,413,500
Personnel	\$ 263,700	\$ 254,900	\$ 518,600	\$ 213,800	\$ 1,804,300	\$ 34,600	\$ 1,838,900	\$ 171,000	\$ 99,700	\$ 305,000	\$ 404,700	\$ 873,000	\$ 2,167,700	\$ 1,852,300	\$ 4,020,000		\$ 4,020,000
Consultants & sub-contracted svcs	\$ 378,400	\$ -	\$ 378,400		\$ 1,349,700	\$ -	\$ 1,349,700	\$ 142,300	\$ 95,000	\$ 15,000	\$ 110,000	\$ 77,500	\$ 1,823,100	\$ 234,800	\$ 2,057,900		\$ 2,057,900
Equipment			\$ -				\$ -				\$ -	\$ 21,000		\$ 21,000	\$ 21,000		\$ 21,000
Office Supplies & Services	\$ 3,300	\$ 25,900	\$ 29,200	\$ 40,600	\$ 48,400	\$ 1,700	\$ 50,100	\$ 13,300	\$ 1,700	\$ 2,000	\$ 3,700	\$ 82,000	\$ 53,400	\$ 165,500	\$ 218,900		\$ 218,900
Rent			\$ -		\$ 220,000		\$ 220,000				\$ -	\$ 134,000	\$ 220,000	\$ 134,000	\$ 354,000		\$ 354,000
Travel & meetings	\$ 25,600	\$ 12,600	\$ 38,200	\$ 10,400	\$ 275,400	\$ 500	\$ 275,900	\$ 116,100	\$ -	\$ 500	\$ 500	\$ 141,000	\$ 301,000	\$ 281,100	\$ 582,100		\$ 582,100
Depr and amort.			\$ -		\$ -		\$ -				\$ -	\$ 21,300		\$ 21,300	\$ 21,300		\$ 21,300
Information Technology			\$ -				\$ -				\$ -	\$ 69,300		\$ 69,300	\$ 69,300		\$ 69,300
Misc. Taxes and Insurance			\$ -				\$ -				\$ -	\$ 41,000		\$ 41,000	\$ 41,000		\$ 41,000
Project Development	\$ -	\$ -	\$ -				\$ -				\$ -	\$ 100,000		\$ 100,000	\$ 100,000		\$ 100,000
							\$ -										\$ -
Sub-total before grant overhead coverage	\$ 671,000	\$ 293,400	\$ 964,400	\$ 264,800	\$ 3,697,800	\$ 36,800	\$ 3,734,600	\$ 442,700	\$ 196,400	\$ 322,500	\$ 518,900	\$ 1,560,100	\$ 4,565,200	\$ 2,920,300	\$ 7,485,500	\$ -	\$ 7,485,500
Allocation of Overhead to Grants	\$ 77,600		\$ 77,600	\$ -	\$ 1,068,500		\$ 1,068,500	\$ -	\$ 53,000		\$ 53,000	\$ (1,199,100)	\$ 1,199,100	\$ (1,199,100)	\$ -		\$ -
Total Expenses	\$ 748,600	\$ 293,400	\$ 1,042,000	\$ 264,800	\$ 4,766,300	\$ 36,800	\$ 4,803,100	\$ 442,700	\$ 249,400	\$ 322,500	\$ 571,900	\$ 361,000	\$ 5,764,300	\$ 1,721,200	\$ 7,485,500	\$ -	\$ 7,485,500
Operating Net Income (Loss)	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 383,700	\$ (0)	\$ 383,700	\$ (180,200)	\$ 0	\$ (322,500)	\$ (322,500)	\$ 39,000	\$ 383,700	\$ (463,700)	\$ (80,000)	\$ 1,008,000	\$ 928,000
Net Assets:																	
Prior Year Net Assets	\$ 119,360	\$ (423,300)	\$ (303,940)		\$ 5,251,154	\$ (297,551)	\$ 4,953,603	\$ 6,638	\$ -	\$ -	\$ -	\$ 996,739	\$ 5,370,515	\$ 282,526	\$ 5,653,040	\$ 557,060	\$ 6,210,100
Change in Net Assets	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 383,700	\$ (0)	\$ 383,700	\$ (180,200)	\$ 0	\$ (322,500)	\$ (322,500)	\$ 39,000	\$ 383,700	\$ (463,700)	\$ (80,000)	\$ 1,008,000	\$ 928,000
Net Assets, End of Year	\$ 119,360	\$ (423,300)	\$ (303,940)	\$ 0	\$ 5,634,854	\$ (297,551)	\$ 5,337,303	\$ (173,562)	\$ 0	\$ (322,500)	\$ (322,500)	\$ 1,035,739	\$ 5,754,214	\$ (181,174)	\$ 5,573,040	\$ 1,565,060	\$ 7,138,100
Restricted Net Assets:																	
Special Purpose Fund	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000		\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000
Board Designated Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ -	\$ 900,000	\$ 900,000	\$ -	\$ 900,000
Total Restricted Net Assets	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ 3,300,000	\$ 900,000	\$ 4,200,000	\$ -	\$ 4,200,000
Unrestricted Net Assets	\$ 119,360	\$ (423,300)	\$ (303,940)	\$ 0	\$ 2,334,854	\$ (297,551)	\$ 2,037,303	\$ (173,562)	\$ 0	\$ (322,500)	\$ (322,500)	\$ 135,739	\$ 2,454,214	\$ (1,081,174)	\$ 1,373,040	\$ 1,565,060	\$ 2,938,100
Total Net Assets	\$ 119,360	\$ (423,300)	\$ (303,940)	\$ 0	\$ 5,634,854	\$ (297,551)	\$ 5,337,303	\$ (173,562)	\$ 0	\$ (322,500)	\$ (322,500)	\$ 1,035,739	\$ 5,754,214	\$ (181,174)	\$ 5,573,040	\$ 1,565,060	\$ 7,138,100

	col 11			col 12			col 13			col 14			col 15			col 16		
	Research & Analytics			Performance Improvement			Fellows			Innovation and Partnerships			G&A			Total: 2015 Budget		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Unfunded	Funded	Unfunded	Total	Unfunded	Funded	Unfunded	Unrestricted	Total: Restricted	Total	% change	
INCOME:																		
Unrestricted Grant from UHC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	14%
Grant Income	\$ (446,000)	\$ -	\$ (446,000)	\$ -	\$ -	\$ -	\$ -	\$ (250,600)	\$ -	\$ (250,600)	\$ -	\$ (696,600)	\$ -	\$ (696,600)	\$ 1,756,000	\$ 1,059,400	-41%	
Government Contract	\$ -	\$ -	\$ -	\$ (343,800)	\$ -	\$ (343,800)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (343,800)	\$ -	\$ (343,800)	\$ -	\$ (343,800)	-6%	
Tuition Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,000)	\$ (30,000)	\$ -	\$ (30,000)	-10%	
Contribution/Support from AEH	\$ -	\$ 558,200	\$ 558,200	\$ -	\$ 36,800	\$ 36,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,000	\$ 595,000	\$ -	\$ 595,000	100%	
Net Assets Released from Donor Restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (998,000)	\$ (998,000)	0%	
TOTAL INCOME	\$ (446,000)	\$ 558,200	\$ 112,200	\$ (343,800)	\$ 36,800	\$ (307,000)	\$ (30,000)	\$ (250,600)	\$ -	\$ (250,600)	\$ 50,000	\$ (1,040,400)	\$ 615,000	\$ (425,400)	\$ 2,452,062	\$ 332,600	-5%	
Personnel	\$ 112,100	\$ (205,699)	\$ (93,600)	\$ 154,000	\$ (34,600)	\$ 119,400	\$ (171,000)	\$ 308,600	\$ (74,900)	\$ 233,700	\$ (158,500)	\$ 574,700	\$ (644,700)	\$ (70,000)	\$ -	\$ (70,000)	-2%	
Consultants & sub-contracted svcs	\$ 318,100	\$ 48,300	\$ 366,400	\$ 33,300	\$ -	\$ 33,300	\$ (16,300)	\$ (71,000)	\$ 5,200	\$ (65,800)	\$ 42,500	\$ 280,400	\$ 79,700	\$ 360,100	\$ 360,100	\$ 360,100	15%	
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800	\$ -	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	8%	
Office Supplies & Services	\$ (3,300)	\$ (46,500)	\$ (49,800)	\$ 57,600	\$ (1,700)	\$ 55,900	\$ 3,700	\$ (1,700)	\$ 15,000	\$ 13,300	\$ 49,500	\$ 52,600	\$ 20,000	\$ 72,600	\$ 72,600	\$ 72,600	25%	
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,500)	\$ -	\$ (4,500)	\$ (4,500)	\$ (4,500)	\$ (4,500)	-1%	
Travel & meetings	\$ 12,700	\$ 1,700	\$ 14,400	\$ (1,200)	\$ (500)	\$ (1,700)	\$ 12,300	\$ 5,700	\$ 55,800	\$ 61,500	\$ (30,400)	\$ 17,200	\$ 38,900	\$ 56,100	\$ 56,100	\$ 56,100	9%	
Depr and amort	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,700	\$ -	\$ 19,700	\$ 19,700	\$ 19,700	\$ 19,700	48%	
Information Technology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ -	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	2%	
Misc. Taxes and Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,000)	\$ -	\$ (12,000)	\$ (12,000)	\$ (12,000)	\$ (12,000)	-41%	
Project Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
Sub-total before grant overhead coverage	\$ 439,600	\$ (202,199)	\$ 237,400	\$ 243,700	\$ (36,800)	\$ 206,900	\$ (171,300)	\$ 241,600	\$ 1,100	\$ 242,700	\$ (90,300)	\$ 924,900	\$ (499,500)	\$ 425,400	\$ -	\$ 425,400	5%	
Allocation of Overhead to Grants	\$ 6,400	\$ -	\$ 6,400	\$ 76,600	\$ -	\$ 76,600	\$ -	\$ 9,000	\$ -	\$ 9,000	\$ (92,000)	\$ 92,000	\$ (92,000)	\$ -	\$ -	\$ -	0%	
Total Expenses	\$ 446,000	\$ (202,199)	\$ 243,800	\$ 320,300	\$ (36,800)	\$ 283,500	\$ (171,300)	\$ 250,600	\$ 1,100	\$ 251,700	\$ (182,300)	\$ 1,016,900	\$ (591,500)	\$ 425,400	\$ -	\$ 425,400	0%	
Operating Net Income (Loss)	\$ (0)	\$ 356,001	\$ 356,000	\$ (23,500)	\$ (0)	\$ (23,500)	\$ (201,300)	\$ 0	\$ 1,100	\$ 1,100	\$ (132,300)	\$ (23,500)	\$ 23,500	\$ (0)	\$ 2,452,062	\$ 758,000		
Net Assets:																		
Prior Year Net Assets	\$ 107,250	\$ (447,736)	\$ (340,486)	\$ 386,800	\$ (297,551)	\$ 89,249	\$ (65,197)	\$ -	\$ (59,925)	\$ (59,925)	\$ 255,359	\$ 494,051	\$ (615,050)	\$ (121,000)	\$ (1,439,000)	\$ (1,560,000)		
Change in Net Assets	\$ (0)	\$ 356,001	\$ 356,000	\$ (23,500)	\$ (0)	\$ (23,500)	\$ (201,300)	\$ 0	\$ 1,100	\$ 1,100	\$ (132,300)	\$ (23,500)	\$ 23,500	\$ 0	\$ 2,452,060	\$ 2,452,060		
Net Assets, End of Year	\$ 107,250	\$ (91,736)	\$ 15,514	\$ 363,300	\$ (297,551)	\$ 65,749	\$ (266,497)	\$ 0	\$ (58,825)	\$ (58,825)	\$ 123,059	\$ 470,550	\$ (591,550)	\$ (121,000)	\$ 1,013,060	\$ 892,060		
Restricted Net Assets																		
Special Purpose Fund	\$ -	\$ -	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000		
Board Designated Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ -	\$ 900,000	\$ 900,000	\$ -	\$ 900,000		
Total Restricted Net Assets	\$ -	\$ -	\$ -	\$ 3,300,000	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ 3,300,000	\$ 900,000	\$ 4,200,000	\$ -	\$ 4,200,000		
Unrestricted Net Assets	\$ 107,250	\$ (91,736)	\$ 15,514	\$ (2,936,700)	\$ (297,551)	\$ (3,234,251)	\$ (266,497)	\$ 0	\$ (58,825)	\$ (58,825)	\$ (776,941)	\$ (2,829,450)	\$ (1,491,550)	\$ (4,321,000)	\$ 1,013,060	\$ (3,307,940)		
Total Net Assets	\$ 107,250	\$ (91,736)	\$ 15,514	\$ 363,300	\$ (297,551)	\$ 65,749	\$ (266,497)	\$ 0	\$ (58,825)	\$ (58,825)	\$ 123,059	\$ 470,550	\$ (591,550)	\$ (121,000)	\$ 1,013,060	\$ 892,060		