Essential Hospitals Institute
Board of Directors Meeting
June 25, 2014

Board Members Present (13):	Board Members Absent (3):	Staff Present (9):
Ann Scott Blouin	Susan Moffatt-Bruce	Sarah Callahan
John Bluford III	Reuven Pasternak	David Engler
Julie Cerise (Ex Officio)	Alan Weil	Beth Feldpush
Delvecchio Finley		Rhonda Gold
Don Goldman		Carl Graziano
Leon Haley		Tara McFann
Caroline Jacobs (Secretary)		Kristine Metter
Erika Murray		Bianca Perez
Christine Neuhoff		Katie Reid
Anna Roth (Treasurer)		
Bruce Siegel (Ex Officio)		
Clifford Wang (Chair)		
Winston Wong		

Agenda Items	Minutes
Call to Order and Disclosure of Conflicts of Interest	• Wang called meeting to order at 8:04 am. • Wang reminded board members to complete their conflict of interest documents and return them to Metter by the end of the meeting.
Welcome New Board Members	• Siegel welcomed new board members. He also presented the newly published history of America's Essential Hospitals and its members. • Siegel congratulated Bluford on his impending retirement from Truman Medical Centers.
Approve April 1 Minutes (ACTION)	*Wang requested a motion to approve the April 1 meeting minutes. There was a motion, a second, and unanimous approval of the minutes.*
Institute Director Report	• Engler reported on Institute activities, including work to increase partnership opportunities, create a research committee to oversee the research agenda, and improve the Institute's financial stability. The Institute has submitted and is developing multiple grant proposals with partnering organizations, including The George Washington University, Kaiser Permanente, Westat, the Institute for Healthcare Improvement, and Boston Medical Center. • The Essential Hospitals Engagement Network (EHEN) is currently seven months into Option Year 1. Future opportunities, including Option Year 2, seem promising based on the EHEN's score of 87, or exceptional, on the Centers for Medicare & Medicaid Services' scoring scale. • The Institute has completed the first round of work for the

	Massachusetts Collaborative. Cambridge Health Alliance applied for a second round of support to continue the partnership with the Institute. • A members-only summit on Medicaid Section 1115 Delivery System Reform Incentive Payment (DSRIP) waivers will be held September 29 in Chicago. • The Institute has partnered with the American Hospital Association to share data, reduce the burden on members, and ensure more timely data submission to the annual hospital characteristics survey. The newly redesigned survey report will be released by August and will prominently feature infographics. • The 2014-2015 Fellows Program is underway with 34 participants from 16 member organizations. Multiple staff are participating from each organization, and the expectation is that this will make member projects more robust and effective. Seven participants have withdrawn from the class, much higher than the two-to-three participant drop rate in previous years. Fellows staff are looking into developing requirements for withdrawing enrollment or reducing the amount of refund given if a Fellow withdraws after an established deadline. Bluford suggested staff work with the Fellows' organizations to ensure their participation also benefits the organization. Jacobs suggested staff hold webinars or in-person meetings with CEOs and sponsors to give more background information and encourage them to be more accountable to the Fellows. *Engler agreed to provide options for dealing with Fellow participant withdrawal at next board meeting.* • The Institute is encouraging the National Quality Forum to include sociodemographic factors in quality risk adjustment methodology. This issue resonates very strongly with members and the Institute wants to ensure they are being fairly measured for their quality performance. All board members agreed that this is a very important issue to stay ahead of. They suggested that the Institute may need to test the potential impact of adding sociodemographic factors to risk adjustment. *The Institute will add a risk adjustment line item to the August AEH/UHC meeting to pull together resources on this issue.*
Treasurer's Report	• The investment, audit, and compliance committee and finance committee reviewed and accepted the 2013 audit reports . The Institute ended 2013 with $8.45 million in total assets, including $7.98 million in cash and $689,000 in liabilities. The Institute ended the year with $10.7 million in unrestricted revenue, offset by $5.95 million in expenses, leaving a $4.81 million surplus. Taking into account last year's beginning net assets, total net assets are $7.77 million. $2 million of the total net assets is temporarily restricted, leaving a $5.77 million operational reserve. *Roth requested a motion to accept the 2013 audited financial statements as recommended by the investment, audit, and compliance and finance committees. There was a motion, a second, and unanimous approval of the audits.* • The Institute currently projects $7.83 million in unrestricted revenues

	responsibility statement to the next board meeting. The funds will be readjusted as needed after the policy is approved. Institute board members will be surveyed to determine what constitutes a socially irresponsible investment. *Roth requested a motion to approve the investment policy statement, with the caveat that the finance and investment committee will return to the fall board meeting with a social responsibility investment statement to add to the policy and we will begin investment of the funds. There was a motion, a second, and unanimous approval.*
Forming a Research Committee	• Wang reviewed recommendations put forth after the April 1 board meeting to guide the creation of a research committee to foster engagement and oversight of Institute work. Engler provided an overview of the draft research committee charter. The committee would consist of four Institute board members, two of the board's outside directors, and three nonboard members nominated by the board chair. Each member would serve a term not to exceed two years. • The research committee would be responsible for establishing a set of principles to guide the research scope, identifying issues where the Institute can help members, developing strategies for engaging members in research activities, and identifying innovative and effective ways of disseminating findings to members and the public. *The board suggested several amendments to the draft charter. They recommended including three Institute board members, one association board member, two Institute outside directors, and three nonboard members. They also suggested that the committee establish a set of principles and criteria for the Institute's research activities that are in service to the mission of the Institute, and would consider parameters around nonfunded research. They also suggested that membership terms be staggered and that nonboard committee members be required to have research experience.* *Wang asked for a motion to approve the formation of a standing research committee. There was a motion, a second, and the motion was unanimously approved.*
Education Committee Report	• Jacobs gave an overview of the session format changes at VITAL2014, including rapid-fire sessions, mini-sessions, and member case studies. Education committee members are also moderating at the conference. • The education committee will hold a call for proposals for members to submit abstracts to present at VITAL2015 in San Diego. • Other upcoming education events include an in-person DSRIP meeting, in Chicago, in September and the Innovations Summit 2014, in Washington, DC, in October. • Webinar topics for the second half of the year will include: 340B, patient- and family-centered care, the Hospital Consumer Assessment of Healthcare Providers and Systems, Medicaid expansion, and chronic disease management. Staff are analyzing webinar participation as it

	offset by $7.91 million in projected expenses for a projected operating deficit of $80,000. There are no significant budget variances to report at this time. *Roth requested a motion to accept the 2014 budget update. There was a motion, a second, and unanimous approval of the budget update.*
Investment and Reserve Policy	• Gold gave an overview of the operating reserve policy, which designates a portion of operating funds and provides guidelines for maintaining adequate reserves to ensure the Institute's long-term financial stability. • The board-designated operating reserve will have a target minimum reserve of three months' worth of operating expenses. This reserve is established at $900,000 of available Institute cash and adjusts each budget cycle. • The board can designate nonoperating, board-designated funds to develop new programs, explore new opportunities, purchase fixed assets, and other items. There are three types of nonoperating board designated funds: the special purpose fund, the building and capital asset reserve fund, and the opportunity reserve. The special purpose fund will be funded by an initial contribution of $3.3 million, or 80 percent, of the unspent money from the EHEN contract. The other two nonoperating funds will not be funded at this time to allow for the establishment of an adequate operating reserve first. • All funds will be approved by the board and reviewed every three years. The investment, audit, and compliance committee will serve both the association and the Institute. *Roth requested a motion for approval of the proposed operating reserve policy. There was a motion, a second, and unanimous approval of the operating reserve policy.* • Mark Murphy of Raffa Wealth Management presented results of their assessment of the association's and Institute's willingness to take on risk. The three-step process included a review of current financials, interviews with key staff and board members, and a risk tolerance survey. Based on the findings, Raffa proposes the Institute allocate funds for the intermediate term reserve to be a mix of 30 percent stocks and 70 percent bonds (with a mix of international and US investments). The expected return on investments is three-five percent or $200,000 to $300,000 per year. He also gave an overview of the roles and responsibilities, goals, investment guidelines and procedures, asset allocation and target ranges, quarterly review and rebalancing process, standard conduct for portfolio management, and delegation. All funds will be held with Charles Schwabb. • The board requested an amendment to the policy to stipulate that investments be socially responsible. Engler suggested that the Institute begin investing with Raffa Wealth Management and conduct a basic screening for investments related to guns and tobacco. Engler will bring an amended policy including a social

	applies to the organization's four pillars. Results will be presented at the fall board meeting.
Defining Population Health	• Perez gave an overview of her staff's research to define population health. She discussed several definitions of population which would: target patients within a geographic area that may or may not seek healthcare services, intervene holistically and coordinate care with community partners, focus on prevention, and measure health care outcomes at the community and hospital level. • Perez gave an overview of population health submissions for the Gage Awards 2014. Most programs had a targeted patient population, addressed upstream factors and social determinants, and had a preventive or chronic disease care focus. No submissions involved community-level outcome measures, and most used hospital-level or process measures. • Siegel mentioned that as health care spending slows in America there is greater potential for making different investment decisions in favor of population health on the federal and state levels. Goldman mentioned the large funding pool available through the Robert Wood Johnson Foundation. Siegel proposed connecting with them on population health for union capital streams. Several board members expressed that this is an area in which we should be national leaders and suggested seeking research funding to conduct real studies and fine tune a definition that works for our members. The Institute should also emphasize data for population health studies. • Reid demonstrated a new mapping tool that will be available on the Institute website. The tool will highlight member hospitals' population health programs.
EHEN Case Studies	• Callahan presented three member case studies from the EHEN contract. • Eskenazi Health, in Indianapolis, reduced falls by 40 percent by implementing hourly care rounds, involving pharmacists in medication discussions, and using bed alarms and transport teams. The hospital is also working to expand patient visitation to encourage family members to present and report patient needs. • At Truman Medical Centers, standardizing turn clocks, creating prophylaxis protocols, and establishing wound care champions on each unit resulted in 50 to 90 percent compliance, a reduction in the number of pressure ulcers caused by medical devices, and nearly zero pressure ulcers in 2013. Bluford mentioned that Truman also partnered with Cerner to reduce the numbers because Cerner does not get paid for the health care-acquired pressure ulcers module unless they meet their reduction goals. • Maricopa Integrated Health System, in Arizona, formed an interdisciplinary team to review and implement evidence-based practices, standardize criteria, empower nurses, and educate patients. The hospital sustained zero early elective deliveries for 39 months. • EHEN is launching an e-learning module for race, ethnicity, and language data collection on essentialhospitals.org in September. The

	module will be available to all members. *Blouin asked that association communications staff contact The Joint Commission staff so that they can also disseminate information about the module.*
Website Overview	Graziano gave a brief overview of the redesigned website that launched in February. The new website features a customizable home page based on user-selected interests; images of member hospital staff, advocates, and patients; user groups; and discussion boards.
Adjourn	The next board meeting will be October 30. The meeting was adjourned by Wang at 12:14 pm.