Essential Hospitals Institute
Board of Directors Meeting
October 30, 2014

Board Members Present (11):	Board Members Absent (4):	Staff Present (10):
Julie Cerese, 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	Reuven Pasternak, MD, MPH, MBA Anna Roth, RN, MS, MPH Alan Weil, JD, MPP Winston Wong, MD, MS	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

Agenda Items	Minutes
Call to Order and Disclosure of Conflicts of Interest	• Jacobs called meeting to order at 8:04 am. • Staff and board members introduced themselves and Jacobs thanked staff for the hotel and accommodations. • Jacobs asked for any conflicts of interest. None were disclosed.
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)	• Engler provided an update of Institute activities with respect to population health: ○ partnering with member hospitals and trusted research organizations to address population health issues. ○ reviewing literature and Gage Awards on population health ○ developing a conceptual framework and partnering with colleagues from UHC and George Mason University on the project. ○ examining UHC poster presentations to expand the work more broadly based on more data points ○ collecting data points from other organizations

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	○ conceptualizing population health for introduction at Innovations Summit, October 29 ○ 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 • Engler gave a detailed status report on key Institute program areas: • 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. • 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. • 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. • Engler recognized Goldmann for his work on the proposal, although it was not approved for funding. • Engler said efforts will continue to partner with research institutes to build the Institute's grants capability in the future. • 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. • 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. • 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

	Centers for Medicare & Medicaid Services (CMS) on the future of these programs. • 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. • 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. • Jacobs mentioned that the program weaves adaptive leadership through the three sessions and the projects. • The fellows have accepted the framework well and sponsors are incorporating it into their work. • 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. • 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. • 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. • Goldmann asked about the cost of the project. • Engler responded that it is not large because the development tools being used are from free sources. • 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. • 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. • 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. • 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.

	• 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.
Nominating Committee Report	• 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.
Treasurer's Report	• 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. • 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. • 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. • Jacobs asked if we have a plan for employees who worked on the PfP contract, if the contract is not renewed. • 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. • 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. • 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. • Jacobs asked if we had to eliminate anything from our portfolio. Gold responded that we did not. *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.*

Office Relocation Update	• 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. • DTZ was selected as the broker, Miles and Stockbridge as the lawyers, Fox as the architects, and KGO as project manager. • 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. • 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. • 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. • The building is located three blocks from the organization's current address, is closer to Capitol Hill, and convenient to two subway stations. • The team negotiated extensively and signed a lengthy letter of intent. • America's Essential Hospitals will occupy the south side of the ninth floor under a 15-year lease. • 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. • 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. • 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.

	• 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. • The lease will include the right to terminate, with a penalty, at the end of the 11th lease year. • 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. • 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. • 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. • 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.
Education Committee Report	• 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. • 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. • A call for presentation proposals for VITAL2015 is open and closing on November 14. The committee will review all submissions. • Metter asked the board to encourage their staff to apply. • Finley said educational programming in 2015 will be similar to 2014 in scope and will focus on the Hospital Consumer Assessment of

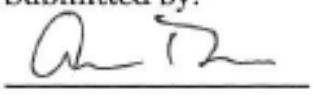
	Healthcare Providers and Systems (HCAHPS), behavioral health, and waivers. • Jacobs asked if the committee has discussed keynote speakers for VITAL2015. Metter said there has been some preliminary thought and the committee would like a keynote on equity and disparities. Murray mentioned that she had some ideas for speakers, so Metter will connect with her. • 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. • 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. • 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. • Engler mentioned the study the Institute is conducting to assess and score member participation and engagement. • Blouin said the Institute should look at how members get involved and whether they start by attending webinars. • Jacobs mentioned that some members may not participate for financial reasons and suggested the Institute consider creating a scholarship program. • Haley added that affiliates should be able to sponsor fellows. He said universities may have the funds to pay fellows. • Goldmann stressed the importance of the program's mentoring features.
Research Committee	• 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. • Outside directors and Blouin were selected, as was Sollenberger, from the association board. • 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. *The board approved Dean Schillinger, Irene Yen and Katherine Neuhausen to serve on the research committee.*
Essential Women's Leadership Academy	• Fritz presented on the Essential Women's Leadership Academy. • 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

	purposeful in making this look different from the Fellows Program and to ensure the two do not compete. • 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. • The program will target middle management and the hope is that it will reach C-suite positions. • 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. • 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. • 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. • Similar to the Fellows Program, someone from the participant's hospital will nominate and sponsor the nominee for the program. • The Institute is in the process of developing a proposal for grant funding in support of the program. • 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. • Fritz asked for volunteers for an advisory committee. Volunteers included Moffatt-Bruce, Neuhoff, Scott Blouin, and Finley.
Research Projects	• Perez updated the board on research projects within the Institute. • 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. • 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.

	• Other projects currently include Health Leads, PCCI, and the Institute for Healthcare Improvement's 100 Million Healthier Lives Campaign.
EHEN Update	• Callahan presented the board with an update on the EHEN. • The REAL module launched today helps hospitals collect data on race, ethnicity, and language in a sensitive manner. • 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. • 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. • Based on past performance, EHEN has made great strides—not yet reaching 40 percent, but making progress. • 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. • The sharing of EHEN information with member hospitals is occurring across the network. Nine are exceeding the 40 percent goal. • 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. • Blouin asked how the Institute would proceed if non-members wanted to buy the module. • 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. • 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. • New opportunity: Transforming Clinical Practice Initiative (TCPI)
Characteristics Report	• Reid presented an update on *Vital Data,* the association's annual member characteristics report. • 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. • The fiscal 2013 survey is wrapping up and will be published in January 2015.

	• 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. • 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. • Callahan asked for feedback on improving survey participation rates. • 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. • Callahan suggested having a vice president within the member hospital take ownership of the survey.
Adjourn	• The next board meeting will be a conference call on December 2. The meeting was adjourned at 12:14 pm.

Submitted by:



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