

Agenda – April 5, 2018 Governing Board Meeting

MEETING GOALS

- Approve Finance Committee’s recommendation for domain year 1 fund allocation methodology & the partner agreement addendum
- Gain a fuller understanding of HealthierHere’s high-level system approach and emerging focus populations
- Continue to practice leading with our values as we make decisions and advance our work

HIGH-LEVEL AGENDA

8:30 am	Welcome & Introductions <ul style="list-style-type: none">• Meeting goals and agenda review• Approval of March meeting minutes• Updates
8:50 am	Icebreaker
9:05 am	Upcoming Deliverables & Decision-Making Process
9:15 am	Who We Serve – Community Stories <ul style="list-style-type: none">• Example clients, board member stories• Community voice
10:30 am	Break
10:45 am	How We Serve – HealthierHere’s Approach to Transformation & Focus Populations
12:15 pm	Lunch
1:00 pm	Governance – Update on Conflict of Interest Policy
1:15 pm	Finance Recommendation: 2018 Funding Allocation Methodology for Partner Engagement & Planning <ul style="list-style-type: none">• Board discussion• Community voice• Board decision
2:45 pm	Break
3:00 pm	Finance Recommendation: Partner Agreement Addendum 1 <ul style="list-style-type: none">• Board discussion• Community voice• Board decision
3:30 pm	Reflections / Summary / Next Steps
4:30 pm	Adjourn



DECISION MEMO: 2018 Partner Engagement & Planning Funding Allocation Methodology

Memo prepared by: Thuy Hua-Ly, CFO for HealthierHere
Date prepared: March 23, 2018
Date of proposed action: April 5, 2018

Issue

HealthierHere has received \$17.2M in DSRIP Year 1 (DY 1) funding, of which the Governing Board approved \$12.5M to be allocated for Partner Engagement and Planning activities. The \$12.5M is to be distributed between Medicaid, Non-Medicaid and Tribal partners.

Background

HealthierHere has earned a total of \$22.7M for its project application submitted to the Health Care Authority under the Medicaid Transformation Project in November 2017. In October 2017, The Governing Board approved the below distribution methodology for the DY 1 earned incentives:

- Partner Engagement and Planning: 55% (\$12.5M);
- Domain 1 (Population Health, Workforce, HIT, HIE) activities: 25% (\$5.7M);
- HealthierHere Administration: 12% (\$2.7M);
- Project Management/Domain 1 Support activities: 3% (\$0.7M); and
- Reserve: 5% (\$1.1M).

HealthierHere received \$17.2M of the \$22.7M on March 29, 2018. The focus of this decision memo is on the proposed allocation methodology of the \$12.5M allocated for Partner Engagement and Planning where the Medicaid providers' share is \$6.2M (50%), Non-Medicaid providers is \$5.2M (42%), and Tribes is \$997K (8%).

Recommendation

The Finance Committee recommends the Governing Board's approval of the following criteria to be used for allocation of the incentive dollars to the three provider types. The Finance Committee will recommend the dollar amount associated with each criterion at the May 3rd Governing Board meeting. A list of potential criteria was compiled from discussions with DSRIP consultants, other ACHs and other states and the below criteria was chosen for their applicability to our region's values and needs.

Allocation Input	Rational and Proposed Payment Method	Provider Type Applied To
Complete provider specific Current State Assessment and HIE/HIT survey as requested	Informs HH’s project implementation plan. Providers will be paid a base amount + an additional amount for each project they plan to participate in	Medicaid Non-Medicaid Tribes
Partner Organization Change Plan to include development of cross system partnerships and focus on health equity	Informs HH’s project implementation plan. Providers will be paid a base amount + an additional amount for each project they plan to participate in. In addition, providers will be incentivized to demonstrate increased partnerships across provider types (Primary Care, Behavioral health, housing, etc.) <u>and</u> willingness and ability to address marginalized populations and reduce health disparities. (Specific criteria TBD).	Medicaid Non-Medicaid Tribes
Medicaid Volume	Acknowledges importance of role of Medicaid providers and ability to reach large numbers of Medicaid beneficiaries. Payments will be based on size -Small/Medium/Large using 2016 Medicaid enrollment data.	Medicaid
Partner Participation	Honors the time and energy providers are putting into this work and encourages continued partner participation and engagement through the transformation, including participation in committees and work groups. Payment will be a flat rate (TBD) or may be tiered based on size/capacity needs recognizing smaller organizations need more support to stay engaged.	Medicaid Non-Medicaid Tribes
Sign Standard Partnership Agreement + Addendum + Register in Finance Executor portal	Assures providers participate in implementation and supports continued engagement for implementing partners. Payment will be a flat rate based on completion of activities.	Medicaid Non-Medicaid Tribes
Sign Addendum 2	Assures partners’ commitment to implementation. Payment will be a base rate + an additional payment for each project the provider agrees to implement.	Medicaid Non-Medicaid Tribes



Values

How does this recommendation align with HealthierHere's core values of equity, community, partnership, innovation, and results?

Equity: The Governing Board's allocation of the \$12.5M to Partner Engagement and Planning is divided amongst the state defined provider types in a way that recognizes the importance of both Medicaid and non-Medicaid, community-based social service providers (Medicaid (50%), Non-Medicaid (42%)) and supports further engagement and partnership with local Tribes (8%). In addition, it proposes requirements for partnering provider Change Plans that include attention to health equity and reducing disparities as well as building strong partnerships between the health care delivery system and social service organizations. The development of this criteria and payment methodology will incentivize partners to work with other community organizations to advance health equity, address social determinants, reduce behavioral health stigma, etc.

Partnership: The Finance Committee included Partner Participation as an allocation category to support all organizations to have capacity to continue to engage with the transformation work and build partnerships. In addition, the Current State Assessment and Change Plans include a focus on increased partnerships between the health care delivery system and community-based social service organizations incentivizing partners to develop those partnerships.

Results: The Finance Committee tied funding allocation to the completion of activities or milestones necessary for meeting state deliverables and preparing providers for implementation. This establishes practice and structure for future incentive payments, recognizing that this is not a grant program but transformation that earns funding by accomplishing results.



DECISION MEMO: 2018 Partner Agreement

Memo prepared by: Thuy Hua-Ly, CFO for HealthierHere
Date prepared: March 23, 2018
Date of proposed action: April 5, 2018

Issue

HealthierHere is receiving \$12.5M of DY1 funding which the Governing Board approved in October 2017 to be used towards Partner Engagement and Planning activities. This amount is to be distributed between Medicaid (50%), Non-Medicaid (42%) and Tribal (8%) partners.

As a result, HealthierHere must develop contractual instruments to support legal agreements for performance and payments of services/deliverables with our partnering providers in CY2018.

Background

The Health Care Authority has developed the Master Services Agreement (MSA) also referred to the "Standard Partnership Agreement". This agreement permits ACHs to issue payments to partnering providers and resides in the Financial Executor portal and cannot be amended.

HealthierHere worked with our DSRIP consultant, Manatt, to create Project Specific Agreement (PSA) that will include Addendum 1 and will reference the MSA for each partnering provider. Specifically, the Addendum 1 will cover payments and services/deliverables from June through December 2018 tied to our earned DY1 funding.

Recommendation

The Finance Committee recommends the Governing Board's approval of the attached sample Project Specific Agreement (PSA) and Addendum 1 template in conjunction with the statewide Master Services Agreement (MSA).

This will serve as a contractual instrument for agreements between HealthierHere and each partnering provider who will receive funding for the 2018 Engagement & Planning allocation.

In May, the Finance Committee will recommend the Governing Board's approval for specific payment amounts associated with each of the criterion used for allocation of the \$12.5M DY1 Partner Engagement and Planning. As a result, each partner will receive a specific Addendum 1 specifying both the criterion and the associated incentive dollars.



Values

How does this recommendation align with HealthierHere's core values of equity, community, partnership, innovation, and results?

Partnership and Results: The legal agreement will encourage partnerships by providing incentive dollars to partnering providers in return for the completion of specific activities and/or engagement in the overall support of HealthierHere's projects.

Master Services Agreement

On January 9, 2017, the Centers for Medicare & Medicaid Services (CMS) approved Washington State's request for a section 1115(a) Medicaid demonstration entitled Medicaid Transformation Demonstration (hereinafter "Demonstration"). Part of this Demonstration is a Delivery System Reform Incentive Payment (DSRIP) program, through which the State will make performance-based funding available to regionally-based Accountable Communities of Health (ACH) and their partnering providers. Attachment C to the Special Terms and Conditions (STCs) of the Demonstration contains a DSRIP Planning Protocol.

In order to assure consistent management of an accounting for the distribution of DSRIP funds across ACHs, the Health Care Authority (HCA) has selected a Financial Executor who is responsible for administering the funding distribution plan for the DSRIP program.

This STANDARD PARTNERSHIP AGREEMENT (SPA) sets forth the basic agreement between an ACH and a partnering provider Participant. In addition, each ACH and Participant may enter into a PROJECT-SPECIFIC AGREEMENT (PSA) that sets forth each party's responsibilities with respect to a specific DSRIP project submitted for approval to the HCA as well the funding, project milestones, performance metrics, and payment schedules for that project.

Article I. Basic Roles and Responsibilities

Section 1.01 *Roles and Responsibilities of ACH.* The ACH will have the following roles and responsibilities, in accordance with and subject to the Demonstration, this Agreement, the PSAs, and applicable law:

- (a) Establishing and maintaining a governance and organizational structure that complies with the terms of the Demonstration and the DSRIP Planning Protocol;
- (b) Developing and submitting a Project Plan for the approval of the Health Care Authority (HCA) that meets the requirements of the DSRIP Planning Protocol;
- (c) Preparing, filing and certifying progress milestones, performance metrics, and such other reports to HCA as are required under the Project Plan and the DSRIP Planning Protocol; and
- (d) Keeping partnering providers, including Participant, informed of all DSRIP related communications received by the ACH from the State and facilitating communication among the Partners regarding DSRIP matters.

Section 1.02 *Roles and Responsibilities of Participant.* Partnering providers, including Participant, will have the following roles and responsibilities, in accordance with and subject to the Demonstration, this Agreement, the PSAs, and applicable law:

- (a) Collaborating with the ACH and other partnering providers in good faith to implement DSRIP and the Project Plan;

- (b) Complying with Project Plan and PSA requirements, including but not limited to timely and accurate reporting in accordance with the performance measures, project milestones, and timelines specified in the Project Plan and the PSA; and
- (c) Providing such other information as reasonably requested by the ACH.

Section 1.03 *Roles and Responsibilities of the Financial Executor.* Although the Financial Executor is not a party to this SPA, the parties acknowledge that the Financial Executor has the following roles and responsibilities, in accordance with and subject to the terms and conditions of the Demonstration:

- (a) Provide accounting and banking management support for DSRIP incentive dollars;
- (b) Distribute earned funds in a timely manner to participating providers in accordance with the state-approved funding distribution plans;
- (c) Submit scheduled reports to HCA on the actual distribution of transformation project payments, fund balances and reconciliations; and
- (d) Develop and distribute budget forms to participating providers for receipt of incentive funds.

Article II. **Distribution of DSRIP Funds: General Principles**

Section 2.01 *Basis for Payment to Participant.* Participant will receive payment of DSRIP Funds from the Financial Executor in accordance with the payment schedule set forth in the Project Plan and PSA, only if and to the extent that the ACH has achieved the project milestones and performance measures specified in the Project Plan. Any final payment decision is in the sole discretion of HCA.

Section 2.02 *Payments Contingent on Participant Performance.* Payment of DSRIP Funds to the Participant is contingent on Participant complying with the terms of this Agreement and the PSA, including timely submission of data to the ACH to meet the ACH's reporting obligations to HCA; (ii) Participant's performance on the project milestones and performance outcomes established in the Project Plan and PSA; and (iii) such other conditions and criteria as are set forth in the Project Plan and PSA. Participant acknowledges in accordance with this section and Section 2.01, that it may not receive DSRIP funds, and that any such funds received may not cover all the costs or expenses related to Participant's participation in a DSRIP Project Plan.

Section 2.03 *Advance Payments.* In the event that the Project Plan calls for advance payment of DSRIP Funds to Participant for specified purposes ("Specified Purpose Funds"), Participant shall use those Funds only for the purposes specified, and must return any funds to the Financial Executor or the ACH not so expended within 30 days of demand by the Financial Executor or the ACH.

Article III. **Record Retention and Auditing**

Section 3.01 *Retention of Records.* Each party shall retain all records (“Records”) relating to its activities related to the DSRIP program for a period of not less than six years, or as otherwise required by applicable law and regulations.

Section 3.02 *Sufficiency of Records.* The Records shall be sufficient to support confirmation that all data submitted by Participant to the ACH and by the ACH to HCA for any and all reports required by the ACH, HCA or CMS is accurate and complete.

Section 3.03 *Audit.* All Records relating to the DSRIP program are subject at all reasonable times to inspection, review, or audit by HCA and other state and federal officials so authorized by law, rule, regulation, or agreement.

Article IV. **Data Sharing and Privacy**

Section 4.01 *Business Associate Agreement.* The parties agree that in order to implement a Project Plan, they may need to exchange protected health information (PHI). PHI will be shared only in accordance with all federal and state laws, rules, regulations and agency guidelines applicable to the privacy and security of health information, including without limitation, the Health Insurance Portability and Accountability Act of 1996 and its related regulations (“HIPAA”), as modified or amended from time to time.

Section 4.02 *Sharing Confidential Information.* The parties acknowledge that, in addition to sharing PHI in accordance with the terms of the Business Associate Agreement, they may need to share other Confidential Information. “Confidential Information” means information of a Party, regardless of the form or media in which it is disclosed, which is identified in writing or other manner as confidential, restricted, or proprietary. The parties shall share Confidential Information in accordance with this Article IV.

Section 4.03 *Obligations of Confidentiality and Restrictions on Use.* A Party receiving Confidential Information from the other Party (the “Receiving Party”) shall not: (a) use the Confidential Information of the Party making the disclosure (the “Disclosing Party”), except as necessary to perform its obligations or exercise its rights under this SPA or to carry out the Project Plan or DSRIP Requirements; or (b) disclose or otherwise allow access to the Confidential Information of the Disclosing Party to a third party, except as permitted in this Section. The Receiving Party shall protect the Confidential Information of the Disclosing Party with at least the same level of care as it protects its own Confidential Information of similar nature, but not less than a reasonable level of care.

Section 4.04 *Disclosure of Confidential Information to Representatives.* The Receiving Party may disclose the Disclosing Party’s Confidential Information to the Receiving Party’s officers, directors, employees, professional advisors, and other agents and representatives to the extent such disclosure is necessary for the performance of their obligations under this Agreement; provided, however, that the Receiving Party shall cause such Confidential Information to be held in confidence by any such recipient.

Section 4.05 *Compelled Disclosure.* If a Receiving Party is requested by a court or state or federal regulatory body to disclose Confidential Information in any legal or administrative proceeding or determines that a disclosure is affirmatively required by applicable laws, the

Receiving Party shall promptly notify the Disclosing Party of such request or determination so that the Disclosing Party may take, at its expense, such steps as are necessary to protect the Confidential Information. If the Receiving Party is thereafter required to disclose the Confidential Information to the court or regulatory body compelling such disclosure or to which such disclosure is required to be made, only the part of such Confidential Information as is required by applicable laws shall be disclosed.

Section 4.06 *Exceptions*. The obligations of confidentiality and restrictions on use as set forth in this Agreement shall not apply to any Confidential Information that: (a) is in the public domain or is otherwise publicly known, without any breach hereof; (b) was previously known prior to disclosure by the Disclosing Party hereunder to the Receiving Party free of any obligation to keep it confidential; (c) was rightfully received by the Receiving Party from a third party whose disclosure would not violate a confidentiality obligation owed by such third party to the Disclosing Party and which disclosure was not in breach of the Agreement; (d) was subsequently and independently developed by the Receiving Party without reference to such Confidential Information disclosed under the Agreement; or (e) was expressly approved for release by written authorization of the Disclosing Party.

Section 4.07 *Obligations Upon Termination*. Upon expiration or termination of this Agreement for any reason, each Party shall promptly return, or destroy in a secure manner, any Confidential Information of the other Party and shall retain no copies thereof, except as required by law or to verify or document performance under this Agreement for audit purposes and to enforce its rights and defend itself from any claims or causes of action related to this Agreement or the other Party. Each Party shall extend the protections of this Agreement to any Confidential Information retained pursuant to this section and limit further uses and disclosures to those purposes permitted by this section.

Article V. **Dispute Resolution**

Section 5.01 *Informal Dispute Resolution*. The parties will use their best, good faith efforts to cooperatively resolve disputes and problems that arise in connection with the Project Plan, this SPA and any applicable PSA. The parties will attempt to resolve their dispute first through an informal dispute resolution process. One party will send a notice to the other party containing a detailed description of the issue under dispute, the good faith basis for the dispute, and a proposed resolution. Within fifteen (15) calendar days of receiving the notice, the disputing parties will meet at a mutually agreeable location or will hold a conference call to attempt to resolve the dispute. Both parties will continue without delay to carry out their respective responsibilities under these Agreements while attempting to resolve any dispute.

Article VI. **Representations and Warranties**

Section 6.01 Each party represents and warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded in any Washington State or Federal department or agency from participating in transactions (debarred). Participant must immediately notify ACH if, during the term of this SPA, Participant becomes debarred.

Section 6.02 Each party represents and warrants that it is in compliance with, and will at all times hereafter comply with, all local, state, and federal licensing, accreditation and registration requirements and standards necessary for the performance of the Project Plan.

Section 6.03 Each party represents and warrants that it has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated herein, and to perform its obligations in accordance with the terms of this SPA.

Article VII. **Miscellaneous**

Section 7.01 *Independent Contractor.* ACH and Participant understand and agree that the Parties intend to act and perform their respective obligations under this Agreement and any accompanying PSA as independent contractors and that neither is an employee, partner, or joint venture of the other.

Section 7.02 *Required Insurance.* Each Party shall, at its own cost and expense, have in effect insurance coverage of such amounts and types usually maintained by entities such as the Parties, including but not limited to comprehensive general liability insurance, workers compensation, and errors and omissions coverage.

Article VIII. **Term and Termination**

Section 8.01 *Term.* This Agreement shall terminate on December 31, 2021, unless terminated earlier in accordance with the provisions of this Article.

Section 8.02 *Termination by Participant.* Participant may terminate the Agreement on 30 days' written notice to the ACH. Participant may also terminate this Agreement by delivering written notice to ACH at least ninety (90) days before the end of any DSRIP Year (i.e., at least 90 days before December 31st of each year). In such event, termination in accordance with this Article shall take effect at the end of the DSRIP year in which notice is provided, or earlier upon the written agreement of the Parties. Participant may terminate this Agreement immediately upon written notice to the ACH if HCA withdraws its approval for the ACH to participate in DSRIP.

Section 8.03 *Termination by ACH.* ACH may terminate this Agreement in the event that Participant breaches a material term of this SPA, any relevant PSA, or the Project Plan and fails to cure such breach within thirty (30) calendar days after receiving written notice from ACH regarding the breach (or such other longer cure period as ACH deems reasonable under the circumstances). In addition, ACH may terminate this Agreement upon twenty-four (24) hours' written notice to Participant if any license, certification or government approval of Participant material to its performance under this Agreement is suspended, terminated, revoked, or surrendered.

Section 8.04 *Termination for Exclusion.* Either Party may terminate this Agreement immediately if the other Party or any of its employees, agents or contractors are excluded from the Medicare or Medicaid program or any other federal or state health care program and, where the exclusion applies to the Party's employees, agents or contractors, the Party fails to terminate such employees, agents or contractors within five (5) business days of becoming aware of the exclusion.

Section 8.05 *Effect and Process in the Event of Termination.* In the event of termination of this Agreement for any reason: (i) the Parties shall work together to assure that there is no interruption in needed services to members of the ACH patient population and Participant's patients and (ii) Participant shall return any unexpended Specified Purpose Funds provided by ACH to Participant. Specified Purpose Funds that were expended by Participant as of the date of termination and DSRIP Funds provided to Participant as a bonus payment for past performance shall not be subject to return by Participant.

Section 8.06 *Termination for Uncured Breach.* Either Party may terminate this Agreement upon the other Party's material breach of its obligations hereunder, which breach is uncured for a period of thirty (30) calendar days after the non-breaching Party has given the breaching Party notice of that breach and requested that the breaching Party cure that breach; provided that no opportunity to cure shall be provided and termination shall be immediate in the event of (a) a breach that cannot reasonably be cured within thirty (30) calendar days, (b) repeated breaches of the same obligation or (c) a breach that would expose the non-breaching Party to civil or criminal liability or would otherwise cause a violation of applicable laws, rules, regulations or accreditation standards applicable to a non-breaching Party. Termination of this Participation Agreement by either Party shall automatically terminate Participant's participation in any Project under this agreement.