

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
Eastern Oregon Coordinated Care Organization, LLC
(EOCCO)**

**December 15, 2023
Eastern Oregon University
One University Boulevard
La Grande, OR 97850
Hoke Union Building – Room HUB 339
And Teleconference**

BOARD MEMBERS PRESENT:	Robin Richardson, Jeremy Davis, Harold Geller, Karen Wheeler, Cam Marlowe, Oceana Gonzales-Banuelos, Alisha Lundgren. Diana Elledge, Art Mathisen, Chris Siegner, Kelly Payan, and Dr. Curtis Peters.
OTHERS PRESENT:	Dave Evans, Sean Jessup, Summer Prantl Nudelman, Jenna Grantham, Mina Zarnegin, Kali Paine, Audrey Thomas, Joe Greenman, Dr. Holly Jo Hodges, Katie Scheelar and Nick Gross ODS Community Health; Dr. Chuck Hofmann, EOCCO clinical consultant; Ken Hart, Valley Family Health Care; Bob Seymour, Grande Ronde Hospital; Charlie Tveit, Lake District Hospital; Yami Gonzalez Perez, OHA Innovator Agent; Ari Wagner, Lourdes Reyna Alcala, and Kelly Knivila, GOBHI; Dennis Burke, EOCCO Consultant, Dan Grigg Wallowa Memorial Hospital. Paul McGinnis, Dina Ellwanger, Nic Powers, Dr. Liz Powers, Catherine White, Jonathan Edwards, Sandy Kendal, Chantay Jett, George Williams, Allison Myers.
WELCOME AND INTRODUCTION:	Mr. Richardson welcomed everyone and requested that EOCCO Board members and invited guests introduce themselves.
CALL TO ORDER:	Mr. Richardson called the meeting to order.
ANNOUNCEMENTS:	Dr. Hoffman introduced Kelly Ryan, Ph.D. who serves as the President of Eastern Oregon University. Dr. Ryan welcomed the EOCCO Board to EOU. Dr. Ryan also discussed areas of current collaboration between EOCCO and EOU and thanked the Board for the ongoing opportunities for partnership. Mr. Jessup announced that Ms. Reyna Alcala of GOBHI has been appointed to serve as EOCCO’s tribal liaison. Ms. Wheeler shared that this appointment is ideal for

	EOCCO based on the positive feedback that has been received from tribal leadership.
APPROVAL OF MINUTES:	Upon a motion by Mr. Geller and seconded by Mr. Mathisen, the Board unanimously approved the minutes of the meeting of the Board of October 16, 2023, a copy of which was provided to the Board in advance of the meeting.
OHA PROGRAM UPDATES:	Ms. Gonzalez Perez started her presentation by providing an update on Health Related Social Needs (HRSN) services approved under Oregon’s 1115 Waiver. HRSN service-eligible populations include Adults and youth discharged from mental health, substance use, and residential programs; Adults and youth released from incarceration; Youth involved in the child welfare system; Individuals transitioning from Medicaid-only to dual Medicaid and Medicare coverage; Individuals who are houseless or at risk of becoming houseless; Individuals with a high-risk clinical need in a region experiencing extreme weather; and Young adults, ages 19-26, with Special Healthcare Needs (YSHCN). New climate benefits will be implemented starting in March 2024. There is over \$1 billion in HRSN funding available with \$119 million in grants and \$904 million for eligible individuals. Another HRSN goal is to promote tribal access to these funds. Dr. Powers asked whether schools are eligible for HRSN funds. Mr. Jessup responded that the list of HRSN-eligible organizations is not strictly limited to the current list of eligible groups. It is EOCCO’s understanding that OHA will allow significant latitude in allocating these funds. EOCCO plans to hire a staff member to coordinate the allocation of these funds and implementation of these benefits because this is essentially an entirely new benefit that is available for the first time. Ms. Gonzalez Perez turned next to other OHA updates starting with an announcement that OHA’s new agency director, Dr. Sejal Hathi begins her role on January 16. The OHP Basic Health Program remains on schedule to launch in July for eligible members 138-200% federal poverty level.
EOCCO LCHP/CAC UPDATES:	Ms. Elledge provided a brief update of the last CAC meeting which consisted mostly of providing the committee with updates on ongoing work. They are also reviewing the Non Emergency Medical Transportation Services Plan.

<p>EOCCO COMPLIANCE UPDATE:</p>	<p>Mr. Gross provided an overview of the EOCCO Compliance Plan. For 2024, there are only minor changes from the previous year. The proposed changes were considered and evaluated by the EOCCO regulatory and compliance committee. Upon a motion by Ms. Elledge and seconded by Ms. Wheeler, the Board unanimously approved the updated EOCCO Compliance Plan, a copy of which was provided to the Board in advance of the meeting. Next, an overview of the EOCCO Conflict of Interest Policy was provided. There have been no changes since 2023. Board members are asked to review the policy and complete the COI attestation included.</p>
<p>PHARMACY COST AND UTILIZATION UPDATES AND MARKET DRIVERS:</p>	<p>Ms. Scheelar provided an overview of EOCCO’s key performance indicators of pharmacy cost and utilization with all data presented net of all rebates. From 2021 to 2022 the EOCCO PMPM pharmacy claims paid trend declined by 0.4% which is good performance. Mr. Marlowe asked how EOCCO pharmacy spending compares to other CCOs in how they are reimbursed. Ms. Grantham answered that OHA develops rates on a statewide basis and then applies adjustment factors. Mr. Marlowe asked whether a comparison to other CCOs could be prepared for the board. Mr. Jessup answered that OHA posts the rates for every CCO but the granular analysis into pharmacy categories is more difficult to ascertain. Mr. Marlowe shared that he is most interested in comparing the overall pharmacy spending of each CCO. Dr. Powers asked in light of the expansion of coverage and growth in membership, which proportion of the membership has been most responsible for growing pharmacy costs. Mr. Jessup responded that we have not yet parsed the data at that level. Dr. Hoffman added that this is something that the CAP could look at if asked.</p>
<p>2023/2024 SHARED SAVINGS MODEL UPDATE:</p>	<p>Ms. Grantham provided a short update on the financial status of the EOCCO shared savings model. She reported that there is a small surplus of shared savings through October 31. The final 2023 plan year will likely remain close to breaking even. The question was asked whether this means no shared savings distribution in 2023. Mr. Jessup added that there will likely be withhold returns for eligible providers at a minimum</p>
<p>FINANCIAL UPDATES:</p>	<p>Mr. Evans provided an update on the interest rate investment proposal previously adopted by the Board.</p>

Overall, EOCCO ended up picking up 4.26% in increased interest yield and additional income of \$355K per year. Next was a report on the EOCCO balance sheet from current to October 31, 2023. Overall, performance is improved resulting from the increase in membership and 2023 investment results have performed much better than 2022. Mr. Marlowe asked what factors are associated with developing administrative costs. Ms. Grantham answered growth due to membership growth and additional increments associated with dealing with the substantial Medicaid redetermination process currently underway. **Upon a motion by Mr. Geller and seconded by Ms. Elledge, the Board unanimously approved EOCCO's investment transaction for Q4 2023.**

SURPLUS NOTE DISCUSSION:

Mr. Jessup and Mr. Evans provided a comprehensive overview of the proposal to authorize EOCCO to issue a surplus note to Summit Health Plan (SHP). SHP is EOCCO's affiliated Medicare Advantage Organization and shares the same risk-taking partners as EOCCO. The history of SHP was reviewed including the timeline of past owners' capital contributions, membership growth, and its business strategy for 2024 and beyond. The rationale for the EOCCO surplus note was explained with highlights including providing EOCCO members with access to an MA plan that covers the entire EOCCO service area, EOCCO through its shared ownership maintains access to an entity with an Oregon health insurance license (which may be necessary given current state initiatives to expand health coverage), and leaving longer-term options open for additional alignment of interests between SHP and EOCCO. The surplus note concept was explained to the board as a method for providing SHP with a mechanism for showing the note's capital available for statutory purposes and with EOCCO's balance sheet showing the note as a receivable. Mr. Evans provided an overview of EOCCO's capital and RBC to allow the board to assess EOCCO's capital position and the potential impact of issuing the note. The terms of the surplus note include no less than \$5 million with the authority of up to \$10 million, a three-year term, a 6% interest rate accrued and paid quarterly, and an effective date of December 31, 2023. After the surplus note presentation concluded, the floor was opened to the board and guests to make comments and ask questions.

Mr. Siegner asked for an assessment of the risk of SHP's long-term viability Mr. Evans answered that SHP currently has \$6.5 million in capital. Adding to SHP's membership growth will provide an inflection point where the new members are helping strengthen SHP's finances. Mr. Siegner followed up and asked what level of membership growth gets SHP to break even. Mr. Evans answered that not only is growth important but also understanding what kind of condition the new membership is. As discussed in the earlier presentation, new SHP plans in the market are designed to not only grow SHP membership but also add younger and lower acuity members to SHP. Mr. Jessup added that the goal for 2025 is growth to 5000 members. He went on to add that improved performance in risk scores and star ratings will enhance PMPM revenues and the financial performance of SHP. Mr. Siegner asked what is the ultimate amount of capital that we expect to allocate to SHP before it is self-sufficient. Dave added that this surplus note currently under consideration will provide time for Summit to assess the newly added membership impact on plan finances and assess how to continue. Mr. Geller added that it is his understanding that SHP has a legally binding agreement with CMS to provide services throughout 2024. He went on to ask what would happen if SHP did not have adequate capital to move forward. Mr. Evans provided an overview of various state actions that occur when minimum thresholds of capital are not maintained by an insurance entity. Mr. Siegner asked if there are other affiliated MA plans for EOCCO to align with. Mr. Jessup responded that there is no other MA plan that mirrors EOCCO's service area but that other options for affiliation options would need to be explored if SHP were to dissolve. Ms. Wheeler declared that GOBHI is an owner of Summit and declared her opinion that a conflict of interest exists for GOBHI and all the EOCCO owners have a similar conflict of interest to declare as SHP owners. Mr. Seymour commented that RBC is a government-required level of precautionary capital. He asked what would happen if SHP was just liquidated and closed. Mr. Evans answered that the ACL proceeds of SHP would remain through the end of any contractual plan year obligations and additional time to pay all run-out claims. Mr. Grigg complimented SHP for being an

MA plan that is good to deal with and he hopes that it can maintain its good practices with sufficient capital. Mr. Marlowe asked why the surplus note was determined as the best solution. Mr. Evans answered that feedback from the state was highly persuasive in encouraging the surplus note as the most viable solution to support SHP legal capital requirements. Mr. Marlow wanted to know if the current owners are unable to contribute more capital instead of using a surplus note. Mr. Evans provided the timeline of owner capital contributions including the contribution that occurred on October 1, 2023. Mr. Jessup added that this surplus note will not impact any provider payments from EOCCO. Mr. Evans added that EOCCO's worst-case scenario where SHP fails to perform under the surplus note terms EOCCO's RBC would at all times remain within the regulatory safety zone. Mr. Manesis a guest and GOBHI board member asked how much time it would take to liquidate SHP if necessary. Mr. Evans answered that if SHP does not bid for 2025 then SHP would run out of the plan's claims for at least 12 months after its closure and the reserve funds will pay those claims. If everything goes as planned then the reserves would likely cover claims but owners could lose their current investment. Mr. Siegner commented that the Board should assess the conflict of interest issue raised by Ms. Wheeler. Dr. Powers interjected that the proposed surplus note carries an interest rate that exceeds what EOCCO is earning with its current investments. Mr. Davis commented that he does not believe that there is any conflict of interest because in his view no board member has any private interest associated with the surplus note and the surplus note is in EOCCO's interests as made clear in today's presentation. To clarify the conflict of interest issue and assist the Board, Mr. Greenman interjected with an overview of the procedures of the EOCCO conflict of interest policy. The procedures of the EOCCO conflict of interest policy make clear that the Board makes all determinations whether a conflict of interest exists. Where any Board member discloses a potential conflict of interest, the board must assess whether there exists an interest that may conflict with or give the appearance of conflicting with the interested person's exercise of best care, skill and judgment for the sole benefit of EOCCO, then the Board shall find

a conflict of interest. If the Board determines that there is no conflict of interest, the interested person may participate in the review of and voting upon the transaction or arrangement, provided all interests are first disclosed. In this meeting, the options available to the Board include finding no conflict of interest resulting from an interest that may conflict with or give the appearance of conflicting with the board member's exercise of best care, skill and judgment for the sole benefit of assessing the decision to authorize the SHP surplus note. The Board can appoint a person or committee to investigate the financial interest giving rise to the inquiry. The person or committee would be tasked with reporting back to the EOCCO Board at a later date. Finally, the Board could find that a conflict of interest exists when applying the standard for finding the existence of a conflict of interest. Mr. Geller commented that the conflict of interest policy contains an exception for organizations that provide services and are paid by EOCCO. Two resolutions were next heard in direct succession. **Upon a motion by Mr. Geller and seconded by Mr. Davis, the Board approved a motion finding that no conflict of interest exists for any board members concerning evaluating whether to approve the EOCCO surplus note with SHP, with Ms. Wheeler and Mr. Siegner in opposition and Ms. Lundgren, Ms. Elledge, and Ms. Gonzales-Banuelos abstaining. Upon a motion by Ms. Wheeler and seconded by Mr. Siegner, the Board approved a motion approving the EOCCO surplus note with SHP, with Ms. Wheeler and Mr. Siegner in opposition and Ms. Lundgren, Ms. Elledge, Mr. Geller, and Ms. Gonzales-Banuelos abstaining.** Notwithstanding the board's approval of the surplus note, section 4.7 of the EOCCO Operating Agreement requires an additional supermajority vote of the Board as defined in Appendix A of the Operating Agreement. Within the resolution vote, there was not an affirmative vote of the members of the board appointed by a single member constituting at least 75% of the total outstanding units. Mr. Geller remarked that some of the members designated to vote in the supermajority vote of the board are absent from this meeting. Mr. Jessup identified which members were absent. Mr. Geller stated that he believes that this process needs to allow all of these members an

	<p>opportunity to be heard on this matter. Upon a motion by Mr. Geller and seconded by Mr. Mathisen, the Board approved a motion requiring EOCCO to conduct a virtual vote to allow all Owners to have an opportunity to vote, as prescribed in section 4.7 of the EOCCO Operating Agreement, on whether to approve the surplus note proposal with Ms. Wheeler in opposition.</p>
<p>PUBLIC COMMENT:</p>	<p>Mr. Richardson noted that while several more items were remaining on the meeting’s agenda, the meeting was nearly 30 minutes past its scheduled time to adjourn. It was agreed that those agenda items would be carried over to the January meeting of the board. Mr. Richardson thanked everyone for their patience in allowing the board to deliberate on important issues and apologized for any inconvenience caused by not entertaining all of the day’s agenda items. Mr. Richardson invited public comment. Mr. Grigg suggested that the Spring meeting of the board should be held in Enterprise with Wallowa Memorial Hospital willing to host. Sandy Kendall of Community Action serves as a Malheur County LCHP member. There is an acute drug problem in the county and overdose rates are on the rise. She hopes that the EOCCO board will share in the county's vision to promote young patient-friendly points of entry into health and SDOH services. She is also hoping to receive advice on how to find new sources of funding for these important programs. EOCCO staff committed to following up with Sandy to further discuss partnership opportunities. Mr. Manesis of GOBHI made a short statement on the importance of programs serving people with severe and persistent mental illnesses.</p>
<p>ADJOURN:</p>	<p>There being no further business, the meeting was adjourned at 4:09 PM</p>
<p>BOARD-APPROVED WRITTEN CONSENT OF ACTION REQUIRING A SUPERMAJORITY VOTE OF OWNERS</p>	<p>Pursuant to a motion by Mr. Geller and seconded by Mr. Mathisen the EOCCO Board consisting of both owners and public members on December 15, 2023, approved a resolution requiring EOCCO to conduct a virtual vote to allow all Owners to have an opportunity to vote, as prescribed in section 4.7 of the EOCCO Operating Agreement, on whether to approve the surplus note proposal. On December 22, 2023, the EOCCO Owners unanimously approved a resolution to issue a surplus note of not less than \$5,000,000 and not greater than \$10,000,000 to Summit Health (detailed terms of the note are</p>

	<p>found on p. 46 of the December 15, 2023, EOCCO Board Meeting packet). To effectuate this resolution, a Written Consent of the board under section 4.5(e) of the EOCCO Operating Agreement was requested and collected by email correspondence with all votes in the affirmative signifying Owner consent with each signature (with electronic signatures accepted either by typed name or an affixed signature).</p>
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Secretary