A G E N D A

1. Welcome

2. Approval of minutes from July 25 board meeting – discussion and action item

3. CalPACE 2017-18 year end financials – discussion and action item

4. CalPACE 2018-19 budget -- discussion and action item

5. Temporary dues exemption for new PACE organizations facing significant delays – discussion and action item

6. CalPACE governance changes – discussion and action item
   a. Bylaws change to increase board size
   b. Establishment of Executive Committee
   c. Guidelines for participation of non-board members

7. Legislation on direct employment of physicians by PACE – discussion and action item

8. Other business

9. Adjourn

Attachments
A. Draft minutes of July 25 board meeting
B. Notes from 6/25/18 Governance, Dues, and Bylaws Committee meeting
C. CalPACE 2017-18 narrative
D. CalPACE 2017-18 year end financials (separate handout)
E. CalPACE 2018-19 narrative
F. CalPACE 2018-19 proposed budget (separate handout)
G. Proposed bylaws change to increase number of board directors
H. Proposed charter for CalPACE Executive Committee
I. Proposed guidelines for participation of non-board members in board meetings

Board Members
• AltaMed PACE, Maria Zamora
• Brandman Centers for Senior Care, Molly Forrest
• CalOptima, Arif Shaikh
• Center for Elders’ Independence, Linda Trowbridge
• Fresno PACE, Patricia Sandoval
• On Lok Lifeways, Eileen Kunz
• Redwood Coast PACE, Joyce Hayes
• San Diego PACE, Kevin Mattson
• St. Paul’s PACE, Cheryl Wilson
• Sutter SeniorCare PACE, Christie Brown O’Hanlon
Minutes of CalPACE Board Meeting  
July 25, 2018 | Conference Call

Attendees
Board members:  
Arif Shaikh, CalOptima  
Cheryl Wilson, St. Paul’s PACE  
Christie Brown O’Hanlon, Sutter SeniorCare PACE  
Eileen Kunz, On Lok Lifeways  
Kevin Mattson, San Diego PACE  
Linda Trowbridge, Center for Elders’ Independence  
Maria Lozzano, InnovAge  
Maria Zamora, AltaMed  
Patricia Sandoval, Fresno PACE

CalPACE staff:  
Peter Hansel, Chief Executive Officer  
Fred Main, CalPACE Counsel  
Jennifer Blankenship, Director of Operations

Other CalPACE Officers:  
Bing Isenberg, CEI

Guests:  
Barbara Lahaie, Redwood Coast  
Bev Dahan, InnovAge  
Phil, Chuang, Sutter SeniorCare  
Carol Hubbard, St. Paul’s PACE  
Rosana Scolari, San Diego PACE  
Susie Fishenfeld, Brandman Centers for Senior Care

Board members absent:  
Joyce Hayes, Redwood Coast PACE  
Molly Forrest, Brandman Centers for Senior Care

Note: These minutes are confidential and privileged and should not be circulated outside of the CalPACE Board.

Board Chair Linda Trowbridge welcomed members and convened the meeting at 11:35 a.m.

DECISIONS

Minutes of previous board meeting. Minutes of the June 5 board meeting were adopted (Mattson/Zamora).
Edenbridge Health application for CalPACE membership. Chair Linda Trowbridge described Edenbridge Health’s application for CalPACE membership. Edenbridge has applied for membership at the Application Under Review level; however, CMS has rejected the state’s assurances package due to technical errors. As a result, they are not in final application review, and are not qualified for CalPACE membership at that level. After discussion a motion was approved on a unanimous vote to approve their application for membership at the lower Exploring PACE level and to have the board review upgrading their membership to the next level once the state assurances package has been accepted by CMS (Mattson/Shaikh). Susie Fishenfeld noted that the Edenbridge application overlaps with 27 of the zip codes in Brandman’s proposed service area expansion.

Golden Valley Health Centers membership level change. Board members considered whether to upgrade Golden Valley Health Centers membership level now that its initial application has received state approval and it is in final application development. Fred Main explained that the application qualifies for membership at that level. After brief discussion, a motion was approved on a unanimous vote to change Golden Valley’s membership to the Application in Development level (Mattson/Lozanno).

New membership category. Board Chair Linda Trowbridge summarized previous board meeting and Governance Committee discussions, which have focused on the need to create a new membership category or relationship for organizations that are not members of NPA. Chair Trowbridge presented a proposed set of benefits and a dues arrangement for Allied Organizations that are consistent with those discussions. Under this arrangement, these organizations would be entitled to most of the benefits given to full members, with the exception of having an automatic seat on the governing board and being able to participate in NPA sponsored activities, and would pay dues commensurate with the level paid by full members. Based on input from InnovAge on the proposed structure, Ms. Trowbridge recommended that the benefits be further modified to allow Allied organizations to participate in all retreat sessions, including the strategic planning sessions, and to allow them to receive the PCA Manual without a fee. A motion to approve the structure and benefits was approved on a unanimous vote (Mattson/Zamora; InnovAge abstaining).

Draft legislation on direct employment of physicians by PACE. Maria Lozzano and Bev Dahan with InnovAge brought the board up to date on its request for support from CalPACE for its proposed legislation to allow PACE organizations to directly hire physicians, to assist it with its discussions with the California Medical Association. Kevin Mattson requested that staff provide a summary of the California Primary Care Association’s concerns with further expansions of the corporate practice of medicine restriction, which was provided by Peter Hansel, CEO, and Fred Main, counsel. Board members discussed the idea taking a position of neutrality on the proposed legislation at this point and a final vote at the next board meeting on August 7, which would take into account the outcome of the next meetings between InnovAge and CMA, CPCAs concerns, and other factors. After discussion a motion to that effect was approved on a unanimous vote (Wilson/Mattson; InnovAge not voting).
Leading Age CA public awareness campaign. Jeannee Parker Martin, President and CEO of LeadingAge CA, provided an overview of a public awareness campaign that it is developing to create broader awareness of the need for more comprehensive planning and financial protection for long-term supports and services. The purpose of the campaign is to influence legislators, especially around workforce and long-term care financing needs. Ms. Parker Martin summarized the work LeadingAge CA has done to hire a PR firm, conduct research and focus groups, and to develop financing for the campaign, which has now reached $800,000 towards its $2 million goal. She explained that the messaging is being updated and will likely include some messaging about provider specific themes and will be consistent with work that is being done to develop a proposed long-term care financing proposal by the California Aging and Disability Alliance. Several board members indicated that their organizations have pledged to support the campaign. Ms. Parker Martin indicated that she would reach out to individual board members to discuss the campaign further.

Rate methodology comments. Ms. Trowbridge queried members whether they had received responses from DHCS to their comments on the 2018 proposed rates under the new rate methodology. Several indicated that they had not received responses. Based on the discussion, staff will contact DHCS to request the department’s responses to CalPACEs comment as well as a follow-up meeting with Mari Cantwell, Chief Deputy Director, and will begin developing proposed budget language to make revisions to the legislation authorizing the new methodology for the board to review.

The meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Eileen Kunz, Secretary

Prepared by: Peter Hansel, Chief Executive Officer
Jennifer Blankenship, Director of Operations
New Associate Member Category. Linda Trowbridge summarized the board action at its June 5 board meeting, which included voting to establish a new association member category for organizations that are not members of NPA. Based on discussions with NPA staff, this will allow CalPACE to maintain its charter agreement with NPA, which requires mutual membership of PACE organizations in both associations. The new membership category would provide to these members most of the current benefits extended to full members, but would not include automatic representation on the board. Dues levels would be proposed to be the same as for full members. Committee members requested clarification that these members would not be able to participate in NPA sponsored or assisted activities, such as the CA PACE 2.0 project, and that participation in board meeting by these members would be subject to the board’s guidelines on participation of non-board members. There was consensus to move forward with the proposed new associate member category and proposed membership benefits. Additional changes will be made to clarify that only full members are eligible to participate in NPA Sponsored Activities and that participation in board meetings by members in the new membership category will be subject to CalPACES guidelines on participation of non-board members in board meetings.

Bylaws Change to Increase Number of Board Members. Linda Trowbridge summarized prior board discussions, in which there has been consensus for continuing to allow new members to have an automatic seat on the board and allowing the size of the board to grow up to some higher limit. With 11 fully operational member organizations, there is room for 4 – 5 additional board members under the current cap of 15 in the bylaws, but with the number of new organizations applying to start PACE programs the cap will be reached in the not too distant future. Committee members generally agreed with the proposal to increase the number to 25. Committee members noted, however, that as the board approaches that size, there will likely be more need for an executive committee, as well as additional limits on participation of non-board members due to the number of people attending board meetings.

Draft Executive Committee Charter. Committee members discussed a proposed executive committee charter, which would empower an executive committee made up of the current officers plus one additional board member to act in lieu of the board on certain matters. There was consensus that the board should move forward with establishing the committee and allowing it to start acting on matters that are delegated to it by the board.

Guidelines on Participation of Non-board Members in Board Meetings. Linda Trowbridge provided background on the reason why the board is being asked to create guidelines on
participation of non-board members in board meetings. There was general support for having clearer guidelines on the participation of non-board members. Several board members expressed additional support for more clearly designating seating areas for board and non-board members. At least one other board has meetings or activities for non-board members while board meetings are occurring. The board chair and CEO will send a note to board members regarding the seating of non-board members and it will be up to each board member to convey that to their staff members.

**Other Business.** Fred Main, CalPACE advocate and counsel, summarized provisions in SB 856, one of the pending budget trailer bills, which would provide supplemental funding through DHCS for PACE organizations impacted by the transition to the new rate methodology or by licensing delays. The bill is expected to be adopted by the Legislature and signed by the Governor this week. There was agreement that CalPACE should send letters of appreciation to Senate Pro Tempore Toni Atkins, who was instrumental in securing the supplemental funding, and to DHCS, which also supported the inclusion of the funding.
CalPACE FY 17-18 Financial Narrative

Statement of Financial Position as of June 30, 2018

- Cash – totals $197,355, which is an increase of $18,275 over prior year. This increase was related to operations in FY 2018.
- Receivable-Other represents amounts owed to CalPACE from members for the New Care Model.
- Accounts Payable – at $10,395 is $16,180 lower than prior year. The prior year included the payable to LeadingAge for contracted services.
- Accrued Expenses is the liability for accrued vacation.
- **Net Assets are $173,215, an increase of $21,395 from June 30, 2017.**

Statement of Activities for July thru June 2018

- **Revenues** – 18% better than budget overall. The primary purpose of the better than budgeted result was the addition of unbudgeted revenue sources for the affiliate memberships, dinner sponsorships, strategic planning meeting, and the Meet and Greet.
- **Expenses** – Overall operating expenses are 7% over budget for the year.
  - Public relations – (4%) $2,950 savings due to delay in developing participant profiles and PACE competency sheets until new website is in place.
  - Legal – (7%) savings due to no legal work needed beyond ClearAdvocacy retainer.
  - Actuarial – (14%) less than budgeted due to shift to new rate methodology.
  - I-SAT/Other – 202% $6,056 higher than budgeted due to higher than expected costs of training for I-SAT interviewers.
  - Training and conferences - 75% $3,747 higher than budgeted due to two additional East Coast trips.
  - Facility rent – (48%) $2,892 under budget as expenditures were lower than anticipated.
  - Telephone –95% $2,575 higher than budgeted due to the early termination of the telephone services contract.
  - Software maintenance – Increased cost of $4,311 for IT support through LeadingAge CA were not anticipated in the budget but are offset by lower administrative services savings of $3,000.
  - Strategic planning – 242% $24,156 higher than budget but is offset by revenues for strategic planning as noted above.
  - Affiliate meeting expense of $9,044 was not anticipated in the budget. This expenditure is offset by revenue for Affiliate event registrations.
  - Catering –49% $4,903 higher than budget but offset by higher revenue as noted above.
  - Contributions and gifts – 40% $1,559 higher than budget due to the increase in gifts related to the increase in activity, including CalPACE 10th anniversary celebration.

- **Net Surplus at $21,395** for the year.
See separate Excel handout.
CalPACE FY 18-19 Budget Narrative

Revenues

- Revenues are proposed to decrease by 8% compared to the 2017-2018 projected actual results.
- Total membership dues are set each year based on anticipated CalPace expenditures. Each members’ allocated dues is based on the proportionate share of statewide revenue, under the model approved by the board last spring. The model additionally proposes, subject to board approval, to impose a maximum of $90,000. Total full member proposed dues revenue would decrease by 12%.
- Associate dues are anticipated to increase by $13,750.
- Included in the budget are the following new revenue sources: I-SAT fee, Sponsorships, Events, and PACE 2.0, which accounts for $55,000 in new revenue.
- Net surplus at end of the budget year is projected to decline from $173,213 to $116,413.

Expenses

- Total salary and fringe benefits are expected to rise by 4%. The factors that influence this increase:
  - Funding for a merit pool has been included in the budget.
  - Healthcare cost are anticipated to rise by 10%.
  - Projected salaries include accrued vacation costs, which are close to the maximum allowed under the PTO policy.
- Contracted services are expected to increase by 15% as follows:
  - Public relations increase of $2,950 to allow development of participant competency profiles and an anticipated press release.
  - Lobbying includes a 5% increase.
  - Website design increase of $3,632 includes the cost of website maintenance, updates, and final design costs for the new website.
  - Audit and Tax preparation fees increase of $8,500 due to the bi-annual audit.
  - Actuarial cost increase of $2,837 to $20,000 to support development of 2019 rates and for the new rate methodology.
  - Consultant – Other $8,000 is a new category and includes the cost for Brenda Klutz, PACE licensing consulting.
  - Offsetting the increases noted above is a decrease in I-SAT cost of $6,056 to reflect discontinuation of CalPACE costs for I-SAT training.
- Travel and training is anticipated to decline by 25%.
• General office and admin expenses overall decrease by 3%.
  o Strategic planning costs have been reduced by $24,156 to $10,000 for base-line strategic planning activities.
  o Board retreat increase of $6,512 due to increased costs of retreat venues. The bulk of this is offset from event registration fees.
  o Dues and subscriptions increase of $7,740 primarily due to proposed expenditure of $10,000 for support of the LTSS Exploratory Coalition.

• Other expenses are indicating a 22% increase overall due to:
  o Catering increases of $4,697 are offset by dinner sponsorship revenue.
See separate Excel handout.
Section 4.2 Number.

(a) CalPACE shall be managed by a Board of Directors which shall be not less than three (3) or more than fifteen (15 25) Directors. The exact number of Directors, within the limits specified, shall be fixed, and may be changed from time to time by a resolution duly adopted by the Board of Directors. The limits on the number of Directors may be changed, or a single number fixed without provision for variation, by an amendment to these Bylaws duly adopted by the vote or written consent of a majority of the PACE Members.

6-20-18
CalPACE Executive Committee
Charter
6/25/18

Duties of Committee

Except as may be prohibited by law, the Executive Committee may act on behalf of the Board in its ordinary and routine transaction of business and such other matters as the Board may direct. A report of such transactions shall be made to the Board.

Unless otherwise directed by the Board, the Committee shall not act on behalf of the Board on matters of policy or association strategy, nor shall it act in lieu of the Board on matters concerning the election of officers, or in matters concerning the adoption of annual budgets and member dues levels.

Composition and Terms of Office

The Committee shall be comprised of all Board officers and one additional board director who is appointed by the board. Committee members shall serve one year terms that shall coincide with the terms of the Board officers.

Meetings

The Committee shall meet upon the call of the Chair. All meetings shall be duly noticed and minutes shall be recorded of all meetings.

Adopted by the CalPACE Board on __________.
Guidelines on Participation of Non-Board Members in CalPACE Board Meetings

Background

The CalPACE bylaws provide that the Chief Executive Officer of each association members’ PACE organization is a CalPACE director. The bylaws allow a PACE organization CEO to appoint in writing a designee to serve as the representative of the CalPACE member for the duration of their service on the board of directors.

The bylaws also allow the board to authorize the election of directors in addition to these board members.

While a PACE organization CEO is authorized to appoint another person to represent their organization on the CalPACE board on an ongoing basis, there is no provision in the bylaws for use of proxy voting, i.e. temporary or intermittent authorization for a representative to cast votes on behalf of the organization’s board member.

CalPACES informal practice is to allow board members to invite senior staff members to attend and participate in board meetings, either in addition to their participation or when they are unable to participate. These non-board members can participate in board meeting discussions but are not allowed to cast votes on any board matters.

Guidelines

Board members may invite staff to attend and participate board meetings as needed to provide information and to help represent their organization’s position or perspective on any board matter.

Such participation shall generally be in addition to and not in lieu of the board member’s participation. Ongoing use of staff to represent a board member’s organization without or in lieu of the board member’s participation is discouraged.

Non-board members shall be recognized at the discretion of the Board Chair as time permits and as needed to provide their organization’s position or perspective, or to provide information to assist board members in the consideration of any matter before the board.