

CalPACE

Board of Directors Meeting

May 12, 2020 | 3:15 PM – 4:30 PM

Join Zoom Meeting: <https://calpace.zoom.us/j/144029002?pwd=SkwwWmRBbC9qQXBzd2RjeHBUWkJEZz09>

Password: 182974

Conference Line (669) 900-6833 | Meeting ID 144-029-002

AGENDA

1. Welcome
2. Approval of minutes of April 21, 2020 board meeting – *discussion and action item*
3. CalPACE financials through March 31, 2020 – *discussion and action item*
4. CalPACE proposal for supplemental rate adjustment for PACE – *discussion item*
5. Other business
6. Adjourn

ATTACHMENTS

- A. Draft minutes of April 21, 2020 CalPACE board meeting
- B. Minutes of May 4 2020 Executive Committee meeting
- C. CalPACE financials through March 31 2020 (3)
- D. CalPACE proposal for supplemental rate adjustment related to COVID-19 and cover letter (2)

Board Members

- AltaMed PACE, Maria Zamora
- Brandman Centers for Senior Care, Arnold Possick
- CalOptima, Elizabeth Lee
- Center for Elders' Independence, Linda Trowbridge
- Family Health Centers of San Diego, Fran Butler-Cohen
- Gary and Mary West PACE, Tim Lash
- Innovative Integrated Health, Phil Tsunoda
- On Lok Lifeways, Eileen Kunz
- Redwood Coast PACE, Melissa Hooven
- San Diego PACE, Kevin Mattson
- St. Paul's PACE, Cheryl Wilson
- Sutter SeniorCare PACE, Julie Erdmann
- WelbeHealth, Elizabeth Carty



Minutes of CalPACE Board Meeting

April 21, 2020

Conference Call

Attendees

Board members:

Arnold Possick, Brandman Centers for Senior Care
Cheryl Wilson, St. Paul's PACE
Eileen Kunz, On Lok Lifeways
Elizabeth Carty, WelbeHealth
Elizabeth Lee, CalOptima PACE
Joyce Hayes, Redwood Coast PACE
Julie Erdmann, Sutter SeniorCare PACE
Kevin Mattson, San Diego PACE
Linda Trowbridge, Center for Elders' Independence
Maria Zamora, AltaMed PACE
Phil Tsunoda, Fresno PACE
Tim Lash, Gary and Mary West PACE

CalPACE staff:

Peter Hansel, Chief Executive Officer
Jennifer Blankenship, Vice President of Operations
Lucas Evensen, Public Policy Analyst
Fred Main, CalPACE Counsel

Other CalPACE Officers:

Bing Isenberg, Center for Elders' Independence

Guests:

Barbara LaHaie, Redwood Coast PACE
Bev Dahan, InnovAge
Carol Hubbard, St. Paul's PACE
Gary Campanella, On Lok Lifeways
Jackie Mark, CalOptima PACE
Jeff Gering, Family Health Centers of San Diego
Karli Holkko, WelbeHealth
Melissa Hooven, Redwood Coast PACE
Pamela Ansley, Sutter SeniorCare PACE
Rena Smith, Gary and Mary West PACE
Sharon Melancon, Fresno PACE
Susie Fishenfeld, Brandman Centers for Senior Care

Board members absent:

Fran Butler Cohen, Family Health Centers of San Diego

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

Board Vice Chair Cheryl Wilson convened the meeting at 1:05 P.M.

DECISIONS

Minutes of February 25 2020 board meeting. The minutes of the February 25 2020 board meeting were approved on a 10 – 0 vote (Mattson/Tsunoda).

Humboldt Senior Resource Center (HSRC) designation of Melissa Hooven as board representative. Joyce Hayes provided an overview of Melissa Hooven’s background and qualifications as the new CEO of Humboldt Senior Resource Center. A motion to approve the designation of Melissa Hooven to be HSRC’s CalPACE board representative was approved on a 10 – 0 vote (Wilson/Carty).

COVID-19 issues facing PACE. Board members discussed the need to put forward a proposal for a supplemental rate adjustment to address the costs of responding to COVID-19. Many POs may experience a greater than anticipated number of hospitalizations and many are experiencing significant costs associated with PPE, staffing, contracted services and other areas. Other states, including North Carolina, Massachusetts, and Pennsylvania, have provided supplemental rate adjustments for PACE. Following discussion, the consensus of the board was to quickly convene a work group made up of CEOs, CFOs, NPA staff, Optumas, and staff from other state PACE associations to develop a proposal to put forward to the state.

CalPACE CalAIM proposals. Fred Main, CalPACE counsel and advocate, provided an update on the CalAIM proposal. The state has decided to delay implementation of CalAIM for a year, which gives CalPACE time to further develop and refine its proposals to increase beneficiary awareness of and access to PACE. There will likely be no legislation dealing with CalAIM this year due to the shortened schedule for the Legislature and need to focus on immediate priorities. CalPACE received a good response to its proposals from DHCS Director Brad Gilbert and was informed that DHCS intends for PACE to be presented to beneficiaries as an enrollment option in CalAIM. Given these developments, staff recommend that CalPACE continue to promote the proposals through whatever avenues are possible in 2020, recognizing that it may be next year before they can be formally put forward and adopted. Board chair Linda Trowbridge and Tim Lash asked that staff be vigilant in tracking what DHCS puts forward related to CalAIM and look for opportunities to attach the CalPACE proposals to other initiatives that are moving forward. Following discussion, there was board consensus to support the staff recommendation.

Positions on legislation. Fred Main reviewed and recommended positions on two bills that authors may move in the current Legislative session that affect PACE. SB 900, which is recommended for a support position, creates additional exemptions from the categories of workers who are considered to be employees under AB 5 and could benefit PACE by including in these exemptions various licensed professionals. A motion to adopt a support position was adopted on an 12 - 0 vote (Wilson/Mattson). AB 2492, which is recommended for an oppose position, establishes additional standards for determining capacity for PACE centers. A motion to adopt an oppose position was adopted on a 11 – 0 vote (Zamora/Wilson; Tsunoda abstaining).

DISCUSSION

Other business. Jennifer Blankenship asked board members which webinar platforms they are using and how many do not allow use of Zoom. Several alternative webinar platforms were identified by members. Three member organizations do not allow use of Zoom. Based on this information, CalPACE staff will continue to evaluate alternative platforms for CalPACE to use.

The meeting adjourned at 2:00 P.M.

Respectfully submitted,

Eileen Kunz, Secretary

Prepared by: Peter Hansel, Chief Executive Officer
Jennifer Blankenship, Vice President of Operations

DRAFT



Executive Committee Meeting Minutes

May 04, 2020

Attendees

Committee members: Eileen Kunz, On Lok Lifeways
Linda Trowbridge, Center for Elders' Independence
Maria Zamora, AltaMed
Cheryl Wilson, St. Paul's PACE
Kevin Mattson, San Diego PACE
Bing Isenberg, Center for Elders' Independence

Other attendees: Cindy Ward, LeadingAge California

CalPACE staff: Peter Hansel, Chief Executive Officer
Jennifer Blankenship, VP of Operations
Lucas Evensen, Public Policy Analyst
Fred Main, Counsel

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Committee Chair Linda Trowbridge welcomed members and convened the meeting at 1:04PM.

Proposed contract with Sellers Dorsey for consulting work re: CalAIM and supplemental rate. Peter Hansel provided an overview of two scopes of work CalPACE has received from Sellers Dorsey, one for advice and technical assistance related to CalPACES proposal for a supplemental rate adjustment and one for technical assistance and strategic advice on CalPACES CalAIM proposals. Combined the two scopes of work would be for roughly 90 hours of consulting work at a cost of roughly \$35,000 which would take place between now and July 2020. Cindy Ward, VP of Finance for Leading Age CA, reviewed an updated projection of revenues and costs through June 2020 which shows that CalPACE has adequate reserves to pay for this without a dues increase. Members discussed the timing of the work related to CalAIM. Although implementation of CalAIM has been delayed into 2021, it is important to begin work to shape and refine CalPACES proposals to increase visibility and access to PACE to be ready when the state starts implementation. There was a suggestion to extend the time period for the work until the end of the year to ensure enough time to complete it, particularly for the CalAIM work. There was general agreement that getting the supplemental rate adjustment proposal to the state as soon as possible is warranted and the consulting work on that needs to start immediately. Following discussion, a motion to approve entering into a contract for the scopes of work, with extension of the time period

for the work until the end of the year, and with payment coming reserves, was adopted on a 6 – 0 vote (Mattson/Kunz).

CalPACE proposal for supplemental rate adjustment for COVID-19 response. Peter Hansel provided an overview of the comments CalPACE has received on CalPACES draft proposal for a supplemental rate adjustment related to COVID-19. Eileen Kunz suggested that a 5 percent adjustment is too high, primarily due the fact that POs are receiving funds under the moratorium on the application of the Medicare sequestration cuts (2 percent), and proposed an alternative of a 3 percent increase on the LTSS portion of the Medi-Cal rate for both duals and non-duals and a 2 percent increase on the medical portion of the Medi-Cal rate for non-duals. Members discussed the different types of costs and revenue pressures that POs are experiencing, including high cost cases and revenue declines due to lower census. There was general support to go forward with a proposal that would result in a 5 percent adjustment in total for both duals and non-duals and to request assistance from Optumas and Sellers Dorsey on how to construct that. Following discussion, a motion to work with Optumas and Sellers Dorsey to develop a 5 percent adjustment for duals and non-duals, to send the revised proposal to Executive Committee members for final approval, and to send to the state by the end of the week was adopted on a 6-0 vote (Wilson/Kunz).

Format for CalPACE meetings in August and November. Jennifer Blankenship noted that CalPACE currently has in-person meetings scheduled in August and November and asked for feedback on whether members would feel comfortable traveling to Sacramento for these meetings. There was general support for converting the August meeting to a webinar if travel restrictions still are in place, for having fewer staff from member organizations attend, to ensure adequate social distancing for all of the meetings and events, and for developing a back-up option for the Affiliate Meet and Greet event in November. Staff will develop a plan for the meetings and events, including location, number of attendees, and social distancing and other preventive protocols that would in place, and will conduct a survey of board members to determine whether and how many staff would attend under those circumstances, to enable the board to consider and approve changes in the plans for the meetings and events.

The meeting was adjourned at 1:58 pm.

Respectfully submitted,

Eileen Kunz
Secretary

Prepared by: Peter Hansel, CEO

CalPACE Financial Narrative

July 1, 2019 thru March 31, 2020

Statement of Financial Position as of March 31, 2020

- Cash – \$478,140, which is an increase of \$140,580 over prior year. This increase is primarily related to advance payments of membership dues by several members.
- Receivables – increased by \$25,936. This balance represents the member receivables due.
- Prepaid Expenses – increase of \$710 for prepaid insurance.
- Accounts Payable – at \$37,286 is \$42,451 lower than prior year. The balance of this account is primarily due to LeadingAge CA for payroll and services.
- Deferred revenue – \$126,250 are amounts collected for member dues that are not yet earned.
- **Net Assets are \$326,184, an increase of \$112,667 from June 30, 2019.**

Statement of Activities for July 1, 2019 thru March 31, 2020

- **Revenues** – 22% better than budget overall. The primary purpose of the better than budgeted results are the strategic planning initiatives that were not included in the approved budget.
- **Expenses** – Overall operating expenses are 9% better than budget year to date. We expect expenses to level out throughout the year; most variances are related to timing of the expenses.
 - Salary and Fringe Benefits – (5%) \$12,113 under budget due to the savings from certain employee benefits that were anticipated in the budget.
 - Contractual – (14%) \$29,870 savings year to date. As follows:
 - Public relations (\$7,600)
 - Website Design (\$23,570) redesign of member page has been put on hold for now.
 - Legal \$12,625 incurred for the legal opinion on corporate practice.
 - Actuarial (\$6,919) less has been spent on the 2020 rate analysis than was anticipated.
 - Consultant – Other (\$43,500) technical assistance work delayed.
 - Strategic planning – Brand Development \$23,176 cost to be offset by supplemental dues above which is \$43,200 to date.
 - Strategic planning – SNP Feasibility \$29,300 cost to be offset by supplemental dues.
 - Strategic planning – Consultant (\$11,750) lower than budget due to post retreat planning delayed.
 - Travel and Training – (12%) \$2,229 all travel was suspended in March 2020 due to COVID-19.
 - General office and Administration – (5%) \$4,284 under budget to date due to primarily related to the timing of expenditures for the affiliate meeting.
 - Other expenses- (15%) \$3,360 better than budget due to less than anticipated catering costs and timing of gifts and contributions.
- **Net Surplus at \$112,667 for the year.**

CalPACE
STATEMENT OF ACTIVITIES
For the Nine Months Ending March 31, 2020

	CURRENT YTD	YTD			ANNUAL
	ACTUAL	BUDGET	VARIANCE		BUDGET
REVENUES:					
Membership	\$371,250	\$367,500	\$3,750	1%	\$490,000
Associate membership	20,000	24,375	(4,375)	-18%	24,375
Affiliate membership	58,125	55,000	3,125	6%	55,000
ISAT fee		4,500	(4,500)	-100%	6,000
Sponsorships	4,575	8,250	(3,675)	-45%	11,000
Event registration - Meet and Greet	58,650	57,000	1,650	3%	57,000
Event registration - Retreat	5,050	4,000	1,050	26%	7,600
Strategic planning - Brand Development	43,200		43,200		
Strategic planning - SNP Feasibility	58,600		58,600		
Strategic planning - PACE 2.0	13,256		13,256		
TOTAL OPERATING REVENUE	632,706	520,625	112,081	22%	650,975
PAYROLL & FRINGE BENEFITS					
TOTAL SALARY & FRINGE BENEFITS	216,424	228,537	(12,113)	-5%	304,716
CONTRACTUAL SERVICES:					
Accounting	6,570	6,570			8,760
Administrative services	3,825	3,825			5,100
Audit/Tax	1,500	2,000	(500)	-25%	2,000
Public relations	4,900	12,500	(7,600)	-61%	25,000
Lobbying	66,483	66,750	(267)	0%	89,000
Website Design	180	23,750	(23,570)	-99%	24,500
Legal	31,000	18,375	12,625	69%	24,500
Actuarial	8,081	15,000	(6,919)	-46%	20,000
I-SAT/Other	2,735	3,600	(865)	-24%	3,600
Consultant - other		43,500	(43,500)	-100%	58,000
Strategic planning - Brand Development	23,176		23,176		
Strategic planning - SNP	29,300		29,300		
Strategic planning - Consultant	3,250	15,000	(11,750)	-78%	20,000
	181,000	210,870	(29,870)	-14%	280,460
TRAVEL & TRAINING:					
Travel and Entertainment	13,859	13,500	359	3%	18,000
Training and Conferences	3,112	5,700	(2,588)	-45%	7,600
	16,971	19,200	(2,229)	-12%	25,600
TOTAL PROGRAM & TRAVEL EXPENSE	197,971	230,070	(32,099)	-14%	306,060

	CURRENT YTD	YTD			ANNUAL
	ACTUAL	BUDGET	VARIANCE		BUDGET
GENERAL OFFICE & ADM EXPENSE					
Office rent	8,295	8,415	(120)	-1%	11,220
Supplies	1,607	1,200	407	34%	1,600
Telephone	3,445	3,555	(110)	-3%	4,740
Insurance	2,097	2,250	(153)	-7%	3,000
Fees and licenses	2,113	1,275	838	66%	1,700
IT services	3,850	2,850	1,000	35%	3,800
Dues and subscriptions	6,791	9,075	(2,284)	-25%	12,100
Printing	161	375	(214)	-57%	500
Facility rent		2,250	(2,250)	-100%	4,500
Board retreat	45,426	40,000	5,426	14%	40,000
Affiliate meeting expense	13,177	20,000	(6,823)	-34%	20,000
TOTAL GENERAL OFFICE & ADM EXPENS	86,962	91,245	(4,284)	-5%	103,160
OTHER EXPENSES:					
Catering	15,650	18,375	(2,725)	-15%	24,500
Depreciation	1,816	1,530	286	19%	2,040
Postage	89	38	52	138%	50
Contributions and Gifts	1,127	2,100	(973)	-46%	2,800
Other				0%	
TOTAL OTHER EXPENSES:	18,682	22,043	(3,360)	-15%	29,390
TOTAL OPERATING EXPENSES	520,039	571,895	(51,856)	-9%	743,326
NET SURPLUS (DEFICIT)	\$112,667	(\$51,270)	#####	-320%	(\$92,351)

CalPACE
STATEMENT OF FINANCIAL POSITION
For the Nine Months Ending Tuesday, March 31, 2020

	<u>3/31/2020</u>	<u>6/30/2019</u>		
	UNAUDITED	Prior Year End	CHANGE	%
ASSETS				
Cash	\$478,140	\$337,560	\$140,580	41.6%
TOTAL CASH & CASH EQUIVALENTS	478,140	337,560	140,580	41.6%
Receivable - Membership Fee	25,936		25,936	0.0%
Receivable - Other		2,264	(2,264)	(100.0%)
Prepaid Expenses & Deposits	1,404	693	710	102.4%
TOTAL CURRENT ASSETS	27,340	2,957	24,382	824.5%
FIXED ASSETS				
Computers and Office Furniture	11,792	6,020	5,772	95.9%
Accumulated Depreciation	(5,870)	(4,054)	(1,816)	44.8%
TOTAL FIXED ASSETS	5,922	1,966	3,956	201.1%
TOTAL ASSETS	\$511,402	\$342,483	\$168,918	49.3%
LIABILITIES				
Accounts Payable - Trade	37,285	79,736	(42,451)	(53.2%)
Accrued Expenses	21,683	21,732	(48)	(0.2%)
Deferred Revenue	126,250	27,500	98,750	359.1%
TOTAL LIABILITIES	185,218	128,968	56,251	43.6%
NET ASSETS				
Unrestricted	213,517	173,215	40,302	23.3%
Net Surplus (Deficit), Unrestricted	112,667	40,302	72,366	179.6%
TOTAL NET ASSETS	326,184	213,517	112,667	52.8%
TOTAL LIABILITIES AND NET ASSETS	\$511,402	\$342,485	\$168,918	49.3%