

**MINUTES OF MEETING OF BOARD OF DIRECTORS
OF THE REACH FOUNDATION
June 25, 2015**

Attendees:

Dana Abraham
Tom Carrico
JC Cowden
Heather Flick
Linda Hall
Vicki Hohenstein
Syrtiler Kabat
Andy Klocke (by phone)
Jon Marshall

Chad Moore (by phone)
Stuart Munro
Raymond Rico
Brenda Sharpe, ex-officio (by phone)
Tim Spilker
Brad Stratton
David Thomas
Judy Works

Not in Attendance:

Rachelle Styles

Guests:

Becky Benak, REACH Staff
Mathew Davis, REACH Staff
Carla Gibson, REACH Staff
Georgeann Hemry, REACH Staff
Tondee Lutterman, BKD

Pattie Mansur, REACH Staff
Bill Moore, REACH Staff
Lyle Pishny, Lathrop & Gage (by phone)
Jo Yun, REACH Staff

Welcome and Introductions

Brad Stratton introduced our newly-elected Board members to the group: Tim Spilker, Vicki Hohenstein, Jon Marshall, and Heather Flick and welcomed them to the Board.

Brad then announced that a three-minute video featuring the foundation's work on patient-centered medical home would be shown and turned the meeting over to Pattie Mansur. Brief discussion ensued.

Foundation Business

Brad Stratton introduced the Tondee Lutterman of BKD, the Foundation's engaged audit and accounting firm, and turned the meeting over to her to discuss the 2014 Audited Financial Statements and associated issues and observations in performing the audit. Tondee directed everyone to the summary findings of the audit report, noting that she had thoroughly reviewed the report and accompanying financial statements with the Finance Committee at their meeting this past Tuesday. Tondee explained that the audit is not final yet, but no significant changes are expected. The only outstanding items are a couple of audited financial statements from some of the Foundation's alternative investment managers. These statements are not expected to change or impact the audit. BKD will hold issuance of the foundation's audited financial statements though until all the required audited financial statements have been received, consistent with prior years' practice.

Tondee conveyed to the Board the overall findings from BKD's audit procedures and they found the audit and associated recordkeeping to be very clean and in good order. Tondee said there were no internal control issues, or other management related matters to report to the Board. This report and related findings, including no proposed audit adjustments, are consistent with prior years. Tondee continued by

stating that BKD is planning to issue an unmodified, or “clean” opinion for The REACH Healthcare Foundation, as of and for the year ended December, 2014.

Brad Stratton asked if there was any discussion or if anyone had questions or concerns. There being none, at 4:15 p.m., Tom Carrico made a motion to adjourn to executive session for 10 minutes for the purpose of discussing management cooperation with audit procedures. Syrtiller Kabat seconded. The motion carried.

At 4:21 p.m., Tom Carrico made a motion to return to open session. JC Cowden seconded the motion. The motion carried.

Dana Abraham then made a motion to accept the BKD draft version of the 2014 audit. Raymond Rico seconded the motion. The motion carried.

Brad moved to the next item on the agenda, REACH’s Annual Report and then turned the discussion over to Pattie Mansur. Pattie stated that this is the second year the Foundation’s Annual Report will be an on-line publication; no print versions will be produced. Once the report is finalized, notifications containing the link to the Report will be distributed via a mailed postcard and our e-newsletter. The link will be accessible through REACH’s website.

Pattie provided a quick online preview of the annual report. The final version will be ready by next week. Pattie demonstrated new hyperlinks imbedded within the Annual Report to link users to various information, i.e., 1099 Form; grant guidelines; overview of grantmaking and detailed information pertinent to the process; Theory of Change; Fact Sheets, and other vital REACH documents. Pattie stated there will be one more meeting with the developer to finalize incorporating all the information.

Syrtiller Kabat made a motion to accept and approve the Draft of the Annual Report. Linda Hall seconded the motion. Motion carried.

Brad Stratton then asked Brenda Sharpe for her President’s Report. Brenda thanked the Board for allowing her to attend the GIH Board meeting and retreat. Brenda also welcomed Tim Spilker, Heather Flick, Jon Marshall, and Vicki Hohenstein.

President’s Report

Brenda thanked Pattie Mansur for creating the announcement that the U.S. Supreme Court had ruled in the King v. Burwell case. This case was in regards to whether the provisions of the Affordable Care Act intended to allow consumers to receive tax credits and subsidies on health insurance coverage plans purchased through federally facilitated exchanges, not only on state-based exchanges.

In a 6 to 3 vote, the justices said eligible consumers qualify for a subsidy regardless of whether they purchased coverage through federal or state health insurance exchanges. Brenda continued by stating that the Supreme Court’s ruling is an important win for thousands of Kansas and Missouri residents, as both our states are part of the federal exchange.

Recent CAC appointments include Jenny Rhodus, who was appointed to a second, three-year term by Governor Brownback. We are still waiting on word about Addie Hawkins, who has requested reappointment to a two-year term. Brenda said she is in contact with Judy Works, Liz Wehlage, Jon Marshall, and others in Allen County for a possible appointment to fill Jon Marshall’s spot.

The next topic Brenda Sharpe addressed was the LaRaza Annual Convention in Kansas City on July 11-14, 2015. REACH is a sponsor, which entitles the Foundation to three admissions. Brenda stated that she and

Raymond Rico plan to attend, so if any Board member is interested, please let Georgeann or Brenda know so that registration can be completed.

Brenda discussed a recent post that she and two of our funding partners made to the Health Affairs Grant Watch blog, announcing the release of the white paper titled “Oral Health: An Essential Component of Primary Care”. The funders and our engaged consultant on the project, have been collectively working on the development of this paper with a team of technical experts the past two years. Pattie Mansur added that two of our local grantees, Turner House and Samuel U. Rodgers have already begun implementing some of these strategies in their respective clinics as part of an implementation project associated with the larger effort.

Foundation Business Consent Items

Brad Stratton said the next order of business is the Consent Agenda, which includes the May 21, 2015, Board meeting minutes, April financials, and the Chief Executive Selection and Compensation Policy.

Tom Carrico made a motion to accept the Consent Agenda items as presented. Judy Works seconded the motion. Motion passed.

Committee Reports – Executive Committee

Brad Stratton directed attention to the 2015-2016 Committee Assignments information. The CAC appointments are not yet finalized but we expect that all the appointments will be received in the next several weeks. Brad then asked if there was any discussion. There being none, Syrtiller Kabat made a motion to accept the ratification as presented. Heather Flick seconded the motion. The ratification motion passed.

Brad then moved on to the CEO Selection and Compensation Policy. REACH has engaged an outside firm, Lasnik-Broida Consultants to perform a review of the Foundation’s compensation and benefits, including comparative data and feedback on best practices for staff and executive compensation practices. The Foundation’s processes and practices regarding executive compensation are publicly reportable via our annual 990 report. Jo Yun will provide Lasnik-Broida with all Foundation related support (e.g., job descriptions, salary & benefit information, etc.) and Dana Abraham will provide Board leadership for the project.

Finance Committee

Tom Carrico said that the April investment returns were outstanding. The previous months in 2015 were a bit of concern, but the market bounced back significantly in April. During April, the Foundation did not move any funds from investments to cover grant payments and operating costs. The strong returns and absence of transfers out of the investment pool in April resulted in an ending portfolio balance of \$136.8 million at the end of the month.

Tom also noted in his brief review, that the Foundation has approved, since inception, community investment (grants, consulting & convening expenses) totally \$47.8 million, and the total payout on that commitment as of now is \$44.4 million.

Given the presence of newly elected Board members at the meeting, Tom Carrico turned the meeting over to Jo Yun, who provided a brief overview of the financials to all. Jo discussed the components of the financial dashboard in particular, since this document is included in the meeting materials for each Board meeting.

Program and Policy Committee

JC Cowden stated that the June 2 committee meeting was especially noteworthy. Toniann Richard and Suzanne Smith (Health Care Coalition of Lafayette County), David Toland and Lisse Regehr (THRIVE Allen County), Adena Klem (RHI Evaluation Consultant), and Cheryl Holmes (RHI Field Coordinator) all provided in-depth updates on the Foundation's Rural Health Initiative (RHI).

Judy Works commented that from her perspective there are lots of good efforts and great results happening in the rural counties in our service area, specifically in Allen County, KS, as a result of the RHI.

JC Cowden continued by stating that the Foundation's recent announcement about changes to this fall's grant cycle is included in the meeting packet. This decision and subsequent announcement is a result of our recent strategic planning engagement.

JC then turned the meeting over to Pattie Mansur who directed attention to the updated county health profiles in the materials. Pattie stated that MARC refreshes this information every two years through a Foundation grant. The county profiles provide information on specific benchmarks related to regional health indicators and does include our rural health partners. All county profiles and the full report will be available for download in pdf form on the Foundation's website. Hard copies will be professionally printed and available to those who request them.

Brad Stratton then asked Jo Yun to explain the Discretionary Grants information contained in the materials packet. Jo stated that the Discretionary Grants process is the most flexible tool REACH utilizes, and is the pool of dollars staff can recommend and disburse most quickly. Discretionary Grants are limited to 20% of the Foundation's annual grant and program budget, per the Foundation's Internal Control Policy. Since these dollars can be distributed at the staff's discretion and with the CEO's approval, a report of awarded discretionary grants is provided at each Board meeting, in order to disclose how and where the funds are being invested in the community.

Brad announced that Judy Works will chair the July Program and Policy Committee meeting since JC Cowden will be on holiday.

At 5:30 p.m., there being no further business to discuss, Dana Abraham made a motion to adjourn the meeting. JC Cowden seconded the motion. The motion passed and meeting adjourned.

Respectfully submitted,

Georgeann Hemry
Executive Assistant