

**MINUTES OF MEETING OF BOARD OF DIRECTORS  
OF THE REACH FOUNDATION  
June 15, 2017**

Attendees:

Dana Abraham	Danielle Jones
Arif Ahmed (by phone)	Andy Klocke (by phone)
Laura Bond	Jon Marshall
JC Cowden (by proxy)	Joe Reuben
Heather Flick	Raymond Rico
Linda Hall	Jim Sanders
Tom Handley	Brenda Sharpe, ex-officio
Angela Harse	Rachelle Styles
Vicki Hohenstein	Lisa Thurlow

Not in Attendance:

Guests:

Tom Bell, Kansas Hospital Association	Tondee Lutterman, BKD
Becky Benak, REACH Staff	Pattie Mansur, REACH Staff
Mathew Davis, REACH Staff	Bill Moore, REACH Staff
Dawn Downes, REACH Staff	Stephanie Whittaker, BKD
Carla Gibson, REACH Staff	Jo Yun, REACH Staff
Georgeann Hemry, REACH Staff	

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Welcome

Dana Abraham called the meeting to order at 4:02 p.m., and welcomed our newly elected Board members to the group: Tom Handley, Joe Reuben, and Jim Sanders. She then asked all members and staff to introduce themselves. Following introductions, Dana Abraham noted that Arif Ahmed, Heather Flick, and Andy Klocke were participating in the meeting by phone. JC Cowden was unable to attend and designated Dana Abraham as his proxy on voting matters.

Dana then turned the meeting over to Brenda Sharpe.

Foundation Strategy

Brenda Sharpe introduced Tom Bell, President and CEO of the Kansas Hospital Association. Tom spoke on the value of partnerships within the state to advance Medicaid expansion. He said that the Kansas Hospital Association considers the Alliance for a Healthy Kansas, funded by REACH and other members of Kansas Grantmakers in Health, an ally and critical partner in moving forward with Medicaid expansion within Kansas. Tom reported that House Bill 2044 passed in both the House and Senate, but that unfortunately Governor Brownback vetoed the bill, and the veto override vote failed to pass. However, significant strides were made, and Medicaid expansion will most certainly be discussed and voted upon again in the next legislative session. Discussion ensued.

### Foundation Business

Dana Abraham introduced Tondee Lutterman and Stephanie Whitacre of BKD, the Foundation's engaged audit firm, to provide the Foundation's 2016 audit report. 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 recent meeting. Tondee explained that the audit is not yet final, but no significant changes are expected. The only outstanding items are audited financial statements from some of the Foundation's alternative investment managers. These statements are not expected to change or impact the audit results. BKD will hold issuance of the Foundation's audited financial statements though until all the required audited financial statements have been received, which is consistent with prior years' practice.

Tondee conveyed to the Board the overall findings from BKD's audit procedures found the audit and associated recordkeeping to be very clean and in good order. She said there were no internal control issues or other management-related matters to report to the Board. She 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 2016.

Dana Abraham asked if there was any discussion or if anyone had questions or concerns. There being none, at 4:48 p.m., Raymond Rico made a motion to adjourn to executive session for 10 minutes for the purposes of discussing management cooperation with audit procedures. Rachelle Styles seconded the motion. Motion carried.

At 4:57 p.m., Lisa Thurlow made a motion to return to open session. Raymond Rico seconded the motion. The motion carried.

Tom Handley made a motion to accept the BKD draft version of the 2016 as presented. Angela Harse seconded the motion. Motion carried.

Dana Abraham moved to the next item on the agenda, the REACH Foundation's 2016 Annual Report, and then turned the discussion over to Pattie Mansur. Pattie stated that this is the fourth 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 the Foundation's website.

Pattie provided a quick online preview of the annual report. The final version will be ready and published by the end of next week. She demonstrated the hyperlinks imbedded with the Annual Report linking users to various information, including an overview of grants made and financial statements. Pattie stated that the Grants portion is typically the most visited portion of the report.

Danielle Jones made a motion to accept and approve the Draft of the Annual Report. Jon Marshall seconded the motion. Motion carried.

### President's Report

Brenda Sharpe directed attention to the results of Grantmakers in Health *Survey of Foundations Formed from Health Care Conversions*. The survey was sponsored by REACH, the Missouri Foundation for Health and the

Rapides Foundation. Brenda discussed the important role this survey plays in helping new conversion foundations identify best practices. She noted that GIH was invaluable in the beginning of the formation of the REACH Healthcare Foundation. GIH also provided guidance in the steps to form Board and the various committees necessary for the governance of a non-profit foundation.

Brenda continued by saying that as the report states, the origins of conversion foundations distinguish them from the broader field of philanthropy. Their assets were not derived from private wealth or corporate generosity, but from financial transactions involving nonprofit health care organizations. Federal and most state laws require assets resulting from nonprofit sales and other transactions must be used for charitable purposes similar to those of original nonprofit entity. Thus, conversion foundations have emerged as important partners in advancing health and health care. These transactions are typically quite lengthy and involve significant legal resources. In fact, Brenda noted that Community Health Group (CHG), the corporation formed to wind down the sale of Health Midwest to HCA, which created REACH, is still in existence. In April 2017 CHG filed for dissolution after 13 years.

Brenda Sharpe then announced a new CAC appointment by Attorney General Derek Schmidt, Beth Barlow of Humboldt in Allen County, Kansas. Shelly Phalen will also be reappointed by the Attorney General's office and Todd Pleimann was recently reappointed by the Johnson County Commission. The Foundation is seeking a new appointment by the Unified Government of Wyandotte County, Kansas.

Brenda Sharpe then stated that the Foundation will have two tables of 10 to fill for the Greater Kansas City Chamber's Power of Diversity Breakfast. It will be held on Wednesday, July 26 at the Downtown Marriott Muehlebach Tower. Please let Georgeann Henry know if you would like to attend.

Brenda said that the second session of the Foundation's summer series on immigrant health issues will be held on Friday, July 14, called Philanthropy's Potential to Address Immigrant Health: A Report to the Community. The event is nearly full so if you plan to attend, please let us know as soon as possible. The third and final session titled Special Mental Health Conditions of Immigrants and How to Address Them will take place on Friday, August 11.

Brenda then asked Board members to review the Board development opportunities in the packet.

Brenda Sharpe announced that Bill Moore, Vice President of Program and Evaluation, has resigned his position with the Foundation to return to his consulting practice, and that this will be his last Board meeting. She thanked him for his service and assistance to the Foundation. Bill was asked to share a few words, and thanked the Board for their support and leadership.

#### Foundation Business Consent Items

Dana Abraham noted four items on the Consent Agenda, 1) Move Budgeted Opportunistic Dollars to Strong Safety Net and Increase Spending Threshold to Fund Kansas Integrated Voter Engagement, 2) Program-Related Policy Updates, 3) May 18, 2017 Board Meeting Minutes, and 4) April Financials.

Heather Flick made a motion to accept the consent agenda as presented, Jon Marshall seconded the motion. The motion carried.

### Executive Committee Report

Dana Abraham announced that 2017-2018 Committee Assignments and updated Board Roster are in the meeting packet. She asked if there was any discussion on the Committee Assignments. There being none, committee assignments were ratified by acclamation.

Dana said that the next Executive Committee meeting will be Thursday, August 17, 2017.

### Finance Committee Report

Vicki Hohenstein reviewed the April Financial Dashboard and noted that the value of investments increased by \$1.3 million month over month, with an ending April value of \$130.5 million. The Foundation's portfolio experienced net realized and unrealized gains (net of fees) of \$1.6 million during the month, reflecting an estimated investment return for the month of 1.3%. The net gains were partially offset by operating cash transfers of \$250,000 during April.

Through the end of April, all program and operating expense variances from budget are primarily timing related, in that the actual expense is occurring in a different month than the budgeted expectation. All variances that are not timing related are relatively insignificant and are not expected to create any overall budget impact by year-end, given other expected and offsetting expense savings.

Dana Abraham announced that the next Finance Committee meeting will be Tuesday, August 22 at 7:30 a.m.

### Program and Policy Committee Report

Jon Marshall began by reviewing the Kansas Integrated Voter Engagement Initiative (IVE). Jon explained that this is a multi-funder project to fund up to 10 organizations, including at least one organization with the Foundation's service area, to integrate year-round, non-partisan IVE into existing health equity work such as Medicaid expansion, with the goals of increasing voter registration and turnout in local, state, and national elections.

Jon next commented on the first convening in our Summer Series on immigrant health. He said it was a tremendous morning and convening and attendees were very engaged. A brief discussion ensued.

Jon Marshall then announced the next P&P meeting will be Tuesday, September 5, 2017 at 5:00 p.m., and turned the meeting over to Pattie Mansur.

Pattie Mansur distributed a current policy update and provided a brief review. She stated that Governor Brownback just recently signed a school finance bill, and that an amendment to the conceal carry law will prohibit firearms from being allowed in hospitals or mental health facilities across the state.

Brenda Sharpe reported on the Foundation's Discretionary Grants. The Board approves a budget each year that allows staff discretion up to 20% of the annual grants budget, but the must still directly advance the Foundation's mission and Theory of Change she explained. Common grants include funding conferences, capacity and advocacy grants that are highly aligned with our work. Most of these dollars have been allocated and the remaining \$200,000 in the discretionary grants budget will be allocated by year-end.

Dana Abraham said the Fall Social will likely be held at her home again this year. All Board, CAC and staff members and their guests will be invited. She then announced the next regular Board meeting will be held Thursday, September 21, 2017 at 4:00 p.m.

There being no further business, Heather Flick made a motion to adjourn the meeting at 5:55 p.m. Tom Handley seconded the motion. Motion carried.

Respectfully submitted,

Georgeann Henry  
Executive Assistant