COLORADO MEDICAL SOCIETY BOARD OF DIRECTORS
BOD Minutes, September 14, 2019

MEMBERS PRESENT

President	Deb Parsons, MD
President-elect	David Markenson, MD
Imm. Past President	Robert Yakely, MD
Districts 1 & 2	Hap Young, MD
Districts 3 & 4	Vacant
District 5	Jason Kelly, MD
District 6	Brandi Ring, MD
District 7	Leto Quarles, MD
District 8	Mark Johnson, MD
District 11	Cory Carroll, MD
District 12	Patrick Pevoto, MD
District 14	Iris Burguard, MSC
CPMG	Kim Warner, MD

MEMBERS ABSENT (EXCUSED)

District 9	Curtis Hagedorn, MD
District 10	Rocky White, MD
District 13	Brad Roberts, MD
RFS	Evan Manning, MD

GUESTS PRESENT Judy Ladd, Andrea Chase, Mike Ware, Sharon Jewett, Stephen Boucher, Dave Downs, MD, Lynn Parry, MD, Jack Berry, MD, George Kalousek, MD, Alethia Morgan, MD, Alyasa Davis, Enno Heusher, MD, Sara Lipnick,

CMS STAFF Susan Koontz, JD, Chet Seward, Dean Holzkamp, Kate Alfano, Amy Goodman, JD, Tom Wilson, Dianna Fetter, John Conklin

I. Introductions of members and guests – After introductions were made Dr. Parsons held a moment of silence to recognize recent deaths of family members of CMS staff.

II. Fiscal Year 2019-2020 Operational Plan – Dr. Parsons recognized David Markenson, MD, who led the discussion about the 2019-2020 operational plan. He emphasized that the board must focus its attention on the goals and objectives outlined in the operational plan. These items are directly controlled by the board, while the strategies are the purview of the staff representing the latest plans to achieve the plan's goals and objectives. Dr. Markenson noted that strides have been made to make even more measurable goals and objectives that can assist the board in evaluation activities throughout the year. He challenged the board to continue that refinement in the coming years. Finally, Dr. Markenson emphasized that the operational plan is not a static document and the board will continue to monitor and change this plan as needed to execute the CMS mission.

Following discussion, a motion was made, seconded and approved to adopt the 2019-2020 CMS operational plan.

III. Fiscal Year 2018-2019 Operational Plan

1. Operational Plan Section 4: Organizational Excellence
   a. Board best practices: Dr. Parsons began discussions about conflict of interest and standards of conduct policies for the board and the Council on Legislation by thanking Emily Bishop, Susan Koontz for their outstanding work crafting these policies in concert with outside counsel John Conklin. Dr. Parsons emphasized that the objective of this work is to approve policy that:
      - Assumes the best of each other as ethical people of goodwill united for the common good of CMS and its member physicians.
      - Protects the integrity and effectiveness of the CMS advocacy effort in all arenas.
      - Keeps policy as consistent as possible for members serving on the BOD and COL as well as other CMS councils, committees, and work groups. The board proceeded to discuss new conflicts of interest and standards of conduct policies.

i. Board of directors' conflict of interest agreement – The board discussed two different measures to use as a definition of a significant stockholder when determining if a conflict of interest exists. A number of questions were raised, including the distinction in law and practice between either a 35% or 5% or over ownership stake. John Conklin, CMS outside legal counsel, provided information and opined that neither option is wrong and emphasized that these criteria would be used by the board to aid in the determination of whether or not a conflict exists.

Following discussion, a motion was made, seconded and approved to amend the board of directors' conflict of interest agreement as submitted by incorporating a 5% or over standard as a significant stockholder.

ii. Council on Legislation (COL) conflict of interest agreement – The board discussed this issue at length, focusing on the definition of members and how it applies to CMS members that are not part of COL, or to lobbyists and other representative, or to others that are invited to share perspectives but should not be included in voting or discussions and decisions about subsequent strategy. Board members expressed interest in continuing to refine COL processes in order to ensure robust discussions with varied perspectives without compromising the ability of CMS to develop and execute strategy that achieves advocacy goals.

Following discussion, a motion was made, seconded and carried to amend the COL conflict of interest agreement as submitted by:

- Incorporating a 5% or over standard as a significant stockholder; and
- Removing the paragraph that states:
  "Council on Legislation members (members) are all participants voting or non-voting who attend meetings, including, but not limited to, contract lobbyists, specialty and component society representatives, staff, and physicians."

iii. Board of directors' standards of conduct – The board discussed the process needed in order for a board member to speak on behalf of another organization or entity in support of a policy or position that is different from CMS. More information was shared on two different approaches – self declaring or granting permission by the president.

Following discussion, a motion was made, seconded and approved to amend the board of directors' standards of conduct as submitted by incorporating:
"…the Board member should make clear in any written or oral communication that the Board member is not speaking on behalf of or as a representative of CMS; that the Board member is only speaking in his/her individual capacity or on behalf of another organization; and that the Board member in their verbal and/or written communication does not discredit or criticize the CMS position, CMS, other Board members, or staff."

iv. COL standards of conduct – The board considered the submitted standards.

Following discussion, a motion was made, seconded and approved to adopt the COL standards of conduct as submitted.

v. Adoption of final recommendations – Dr. Parsons welcomed any further discussion and extractions about these governance reforms.

A motion was made, seconded and approved to adopt all four documents as approved under prior motions.

2. Central Line: Commercial Determinants of Health

- Dr. Parsons began the discussion about this proposal by asking if there were any questions from the board about the problem statement, description of the proposal, possible impacts and staff review.
- Dr. Pevoto noted that, as directed by the proposal's author Mike Pramenko, MD, changes should be made to the proposal in order to address some of the concerns raised during the membership voting on the proposal. Specifically, he advocated that the term sin taxes be removed, that taxes on opioids should be removed and that the board should consider making the following amendments to the final bullet:

  ~~CMS opposes physician provider taxes or reductions in physician reimbursement as a preferred means to help reduce commercial health insurance premiums and to reduce Medicaid costs.~~

  CMS BELIEVES THAT SUSTAINABLE HEALTH CARE POLICY WILL REQUIRE ENGAGEMENT OF THE POPULATION AND OF SOCIETY. LEGISLATION THAT IGNORES THE SOCIAL AND COMMERCIAL DETERMINANTS OF HEALTH WHILE CONSIDERING FURTHER REDUCTIONS IN PHYSICIAN REIMBURSEMENT WILL FAIL THE GOAL OF SUSTAINABILITY IN HEALTH CARE REFORM.

- The board discussed the proposed amendment, as well as other issues regarding the proposal. Some members of the board had ideas about specific changes, while others had questions about definitions within and the complexity of the proposal.

  Following more discussion a motion was made, seconded and approved to refer the proposal to staff for further review with existing policy and work with members and other stakeholders for report back and vote via electronic means by the board before the November board meeting.

3. CMS/COPIC Agreement – Dr. Parsons asked that Dean Holzkamp provide background on the revised marketing service agreement with COPIC. Mr. Holzkamp emphasized that COPIC continues to be the number one strategic partner for CMS. The group discussed the revised marketing agreement that is good for the next three years and provides an exclusive agreement with COPIC to provide the safety group discount only to CMS members.

   Following discussion a motion was made, seconded and approved to adopt the CMS/COPIC marketing service agreement as submitted.

4. Consent calendar – No items were extracted from the consent calendar. A motion was made, seconded and approved to adopt all of the items within the consent calendar as submitted.

5. 7-12-19 minutes – A motion was made, seconded and approved to adopt the minutes from the last board meeting as submitted.

6. Finance Committee report
   a. Financial summary and statements: June 2019 - July 2019 – Patrick Pevoto, MD, presented details on the latest financial summary and statements. He noted that while a great deal of work has been done to increase revenue and decrease expenses, through July 2019 CMS is reporting a negative gross variance of $34,604 beyond the $150,000 budget investment made by the board for this fiscal year. The board unanimously approved the financial summary and statements.
   b. Fiscal Year 2019-2020 budget – Dr. Pevoto then presented the 2019-2020 fiscal year budget for CMS. The budget projects lower dues revenue consistent with a five-year trend along with a corresponding reduction in expenses to produce a balanced budget. Mr. Holzkamp provided further details and answered specific questions from the group. There was also clarification that once the overall budget revenues and expenses are approved by the board, it is the exclusive responsibility of the CEO to manage the individual revenue and expense lines within the approved budget subject to a $50,000 spending limit on any single expense that must be approved by the board. Ongoing oversight occurs in the form of six complete financial packets for Finance Committee and Board review and action at every board meeting, as well as the successful completion of an independent audit every year from a qualified outside accounting firm. It was noted that the CEO may need to make mid-year adjustments depending on dues collection and potential additional expenses associated with the contract just negotiated by the Board with its new CEO. The board unanimously approved the 2019-2020 budget.

IV. Board Memo Update – Dr. Parsons asked if there were any extractions from the board memo update. Hearing none, a motion was made, seconded and approved to accept the board memo update as submitted.

V. Executive Office Reports

1. President – Dr. Parsons shared the latest news about Alfred Gilchrist. He intends to ease back into work starting next week with a few half days, including making a presentation to the Delta County Hospital staff during the weekend. Mr. Gilchrist then intends to communicate with CMS leadership about how things are going. Dr. Parsons thanked all those in attendance their thoughts, prayers and support for Mr. Gilchrist during this difficult time. Dr. Parsons then presented a certificate of recognition to Robert Yakely, MD, for his service on the board and the organization over the past 12 years. She then thanked the board for their support and noted how much she enjoyed her year as president.

2. President-elect – Dr. Markenson raised the idea of creating a Governance Reform Task Force to help shepherd continued governance reform work. Board members asked who would be on this group and Dr. Markenson responded that he intends to include members of the board and other physicians including members from CEJA and the Constitution and Bylaws Committee. After further discussion a motion was made, seconded and approved to create a Governance Reform Task Force.

   Dr. Markenson then recognized and thanked Dr. Parsons for her leadership and service over the past year.

VII. Other Business

1. Next meeting is November 8, 2019, CMS offices, Denver CO

VIII. Adjournment – The meeting was adjourned, and executive session was held.

CMS Board of Directors: November 8, 2019
CONSENT CALENDAR: Items for Approval

Item 1: Minutes from the 9-5-19, CPEA Meeting
Item 2: Minutes from 10-11-19, Work Group on Health Care Costs & Quality
Item 3: Minutes from 10-21-19, Special BOD Meeting on Public Option

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Item 1: Thursday September 5, 2019
Committee on Professional Education and Accreditation Minutes

The meeting was called to order at 4:05 p.m.

Participants: Patrick Scott Pevoto, MD, MBA; Lynn Parry, MD; Sharisse Arnold-Rehring, MD; Gene Richer (CMS staff)

April 2019 Minutes
The April minutes with addendum were approved

Actions taken since June 6, 2019
Denver Health Hospital Authority awarded Provisional Accreditation 5/31/19 to 8/31/21
Vote for approval by: Dr. Dickerman, Dr. Pevoto, Dr. Tarno, Dr. Wallick

Peer Assistance Services, Inc. - Pre-Application to Determine Eligibility for CME Accreditation.
Vote for approval by: Dr. Dickerman, Dr. Parry, Dr. Tarno, Dr. Pevoto, Dr. Wallick

Gritman Medical Center - 8/31/2019 accreditation with progress report for C13
reaccreditation interview 8/6/19, Dr. Lynn Parry, Dr. Brenda Bucklin, Gene Richer
Vote for approval by: Dr. Dickerman, Dr. Parry, Dr. Bucklin, Dr. Arnold Rehring, Dr. Wallick

Montrose Memorial Hospital 8/31/2019 awarded accreditation with commendation
reaccreditation interview 7/26/19, Dr. Lynn Parry, Gene Richer
Vote for approval by: Dr. Parry, Dr. Pevoto, Dr. Arnold Rehring, Dr. Wallick

Accreditation decisions
Wyoming Medical Center - progress report for C11 was accepted. Will request additional detail for C12

Survey Schedule Update
Colorado Mental Health Institute at Pueblo was withdrawn as an accredited provider 5/31/2019

Colorado Permanente Medical Group Education 2/28/2020
reaccreditation interview 10/23/19, Dr. Dickerman, Dr. Parry, Gene Richer

Committee Member Update
Jason Tarno, DO after 9-4-19 no longer employed by Centura Health
Brenda Bucklin, MD has been granted a leave of absence from 9/1/19 to 12/1/19
Committee size will be temporarily reduced to 5 members; therefore, a quorum will be 3 members

Educational Opportunities
September 12th - 12 - 1 pm ACCME Monthly Webinar - Commendation Criterion - C33
October 10th - 12 - 1 pm ACCME Monthly Webinar - C7 (SCS1) and C10
November 14th - 12 - 1 pm ACCME Monthly Webinar - Commendation Criterion - C27
December 11 - 12, 2019 Annual ACCME State/Territory Medical Society Conference
May 6 - 8, 2020 ACCME 2020 Meeting at the Hilton Chicago. Registration opens this fall.

Next CPEA Meeting - Thursday, December 5, 2019

Item 2:

Item 2: Friday, October 11, 2019
CMS Work Group on Health Care Costs & Quality Minutes

Present: Dave Downs, MD; Deb Parsons, MD; Sami Diab, MD; Anne Fuhlbrigge, MD; Elizabeth Lowdermilk, MD; Michael Moore, MD; Mike Pramenko, MD; Al Steinmann, MD; Chet Seward; Amy Goodman; Susan Koontz; Emily Bishop; Kate Alfano; Dan Jablan; Suzanne Hamilton; Debbie Wagner

Discussion of State's Draft Public Option Proposal

Dr. Downs and staff provided a brief overview of the state's draft public option proposal released on October 8 and the process going forward, augmenting information provided in the slides from the state that were distributed in advance of the meeting. HCPF and DOI must submit their final proposal to the legislature by November 15. We have until October 28 to submit our comments to HCPF and DOI on their draft proposal.

Staff reiterated the proactive strategy to outreach to the administration to help shape the proposal. Staff met with HCPF and DOI for a preview of the proposal before it was released and attended the state's stakeholder meeting for the official release of the report on October 8.

The work group discussed the proposal by going through the crosswalk put together by staff comparing CMS' initial recommendations to the state's proposal. Most of the crosswalk is green, indicating that the state's proposal aligns with CMS' initial recommendations.

Importantly, the state's proposal does not mandate physician participation and includes rate setting for hospitals but not for physicians. This was confirmed in our meetings with HCPF and DOI even though the wording of the proposal itself is not completely clear. The work group discussed the need to clarify the definition of "provider" in the proposal to make it clear that it's referring to hospitals. Susan Koontz said that she would like to try to get a commitment from the administration that there will be no rate setting for physicians for several years. Also, she shared that there is a concerted

effort by the health systems to try to get physicians to oppose the plan. The work group commented that getting the discussed clarification and commitment would be very valuable, particularly since both sides will try to enlist the physicians as allies. Some expressed concern that physicians will have their pay cut by their health system employers, though. Members discussed the need to protect against that, potentially by recommending that HCPF/DOI monitor impacts on health system/hospital workforce to track any unintended consequences. Members commented that unintended consequences related to quality and service offerings that affect overall access to care should be monitored as well. Members recognized the potentially divergent views by hospital systems. While the group acknowledged the need for employed physicians as members of CMS, members concluded that everyone needs to be well informed about what's in this proposed plan and patient needs should come before hospital partners.

Other key elements of the proposal include increasing the MLR from 80% to 85% and requiring prescription drug rebates be passed through to consumers. Most of the cost containment coming from this proposal is from lowering hospital prices and this pass-through of drug rebates. It's also important to note that there is no mandate for physicians to participate. Hospital reimbursement rates will be published, so others like purchasing cooperatives will be able to look at those rates and to try to negotiate similar rates. CMS supports HCPF/DOI's stated intent to protect rural hospitals and CAHs.

The state's proposal calls for value-based payments and value-based insurance design. CMS should seize the opportunity to help define what that should look like. We should recommend again that processes be standardized, including payment methodologies, provider contracting, prior authorization, etc. This would put the focus on high-value care and reduce administrative burdens. Members support the promotion of Centers of Excellence and other efforts to encourage high-value care. One member commented that end-of-life care and earlier access to palliative care should be included as high-value services with lower cost-sharing.

HCPF and DOI directly challenged CMS to step up and come forward with solutions for how to control costs. Stepping up to that challenge is a proactive way to avoid rate setting. The tipping point on costs is here; it's really a call to action to step up and help address ways to cut costs so we're not next on the chopping block. Members felt that being solution-directed is key. Ideas include advocating for using data to enable physicians to make better decisions and addressing barriers in physicians' way. We need to get APCD and Prometheus data to physicians. Members discussed how, especially since more physicians are employed now, there is pressure to utilize services from their employer—we need to protect physician choice and autonomy when it comes to referrals. There may be an opportunity to work with health systems to focus on high quality, low cost care. Members felt that the state is looking for CMS to make a bold statement about how physicians can help patients access high-value care.

Other comments and suggestions included:

- CMS should ask for seats on the State Option Advisory Board for specialty and primary care physicians.
- CMS should encourage continued work to ensure network adequacy, potentially by adding hospital-based physician network adequacy requirements.

- CMS should suggest there be an annual reporting requirement related to changes in premiums and out-of-pocket costs, network adequacy, and access measures.

A motion was made, seconded and unanimously approved to recommend to the Board that CMS support this proposal from the state, along with providing the suggestions set out above.

Feedback from the house of medicine will be gathered and provided to the Board along with this recommendation from the work group.

The next meeting will not take place on October 22. Information will be sent out about scheduling the next meeting.

Item 3:

Item 3: Monday, October 21, 2019
CMS BOD Special Meeting on Public Option

MEMBERS PRESENT

President	David Markenson, MD
President-elect	Sami Diab, MD
Imm. Past President	Deb Parsons, MD
Districts 1 & 2	Hap Young, MD
District 5	Jason Kelly, MD
District 6	Brandi Ring, MD
District 7	Leto Quarles, MD
District 12	Patrick Pevoto, MD
District 13	Brad Roberts, MD
CPMG	Kim Warner, MD
RFS	Evan Manning, MD

MEMBERS ABSENT

Districts 3 & 4	Vacant
District 8	Mark Johnson, MD
District 9	Curtis Hagedorn, MD
District 10	Rocky White, MD
District 11	Cory Carroll, MD
District 14	Iris Burguard, MSC

CMS STAFF Alfred Gilchrist, Susan Koontz, JD, Chet Seward, Dean Holzkamp, Amy Goodman, JD

I. Introductions of members – Introductions were made.

II. Public Option Plan – Dr. Markenson briefly set the stage for a discussion of the state's proposed plan for the public option and then turned it over to Susan Koontz and Chet Seward for a summary.

1. Summary/Advocacy Update from Susan Koontz
    a. This is the number one priority of the Polis administration.
    b. Many tenets of the state's report are ones that CMS supports: increased competition, multi-payer system, improve access to care, etc.
    c. According to the report, premiums will be lowered 9-18%.
    d. We anticipate up to three bills related to the public option this legislative session and eight legislators are currently interested.
    e. CHA has not taken a position yet, but they will likely come out in opposition this week.
    f. CAHP may possibly be splintered, but there will be at least some opposition from carriers.
    g. ER physicians want to try to support this since there's no rate setting for physicians.
    h. CMS received written assurances from Kim Bimestefer with HCPF that physicians won't be rate set; she might put this in the Q&A.
    i. Some physicians are concerned about the slippery slope to rate setting, but we take things one year at a time at the legislature.
    j. If we were to oppose this report, we have to think about whether we would end up being rate set.
2. Summary from Chet Seward
    a. It's a very activist political/policy environment: this proposal was preceded by the network adequacy waiver regulation that never came to pass; the reinsurance bill passed; insulin prices were capped; and the out-of-network bill capped reimbursement. We're seeing lots of activist approaches to health care costs.
    b. Work from the Denver Metro Chamber of Commerce, the Hospital Value Report, and other reports have shined a light on prices. Another report on prescription drug costs is coming out soon.
    c. 73% of CMS members describe costs as a crisis or serious concern.
    d. For the past four years, cost has been a major part of the CMS BOD's operational plan. The latest Op. Plan calls out the need to reduce the total cost of care in Colorado. There is also longstanding support for expanding coverage.
    e. It's worth keeping in mind that there are at least three more years of the Polis administration.
    f. One way to look at this is by considering the worst-case scenario a year from now: physician rate setting and mandatory participation. Neither of these is part of this current plan.
    g. We have been employing the strategy of direct engagement with the administration and on many measures one can argue that this proactive approach has been effective. The question is should that strategy change now. In other words, is the board comfortable with saying no.
    h. Summary of proposal (see Crosswalk)
        i. Multi-payer system only for the individual market, which is 7% of the market in Colorado.
        ii. Compels health plan participation, but details are unclear at this point.
        iii. The primary funding mechanism is hospital rate setting.

iv. Increased the MLR to 85% instead of 80%.
v. There will be a standard benefit package.
vi. Prescription drug rebates must be passed through to consumers.
vii. Projecting a savings of 9-18% on premiums; reimbursement at 175-225% of Medicare for facility fees.
viii. There is a concerted effort by the hospital systems to pressure physicians to oppose this.

3. Discussion by BOD
   a. Board members asked about what are other physicians/specialties are saying?
      i. ER physicians are afraid of the rate setting slippery slope, but they are moving to support the report. The American College of Physicians, the Colorado Psychiatric Society and the Colorado Society of Eye Physicians & Surgeons have some concerns, but overall, they support the CMS Work Group on Health Care Costs & Quality's recommendation to support the report.
   b. Some members expressed concerns about limiting physicians' ability to negotiate, arguing that no one really believes that physicians are going to be spared. This is just a drive for single payer and CMS should be opposed to rate setting as a mechanism to control costs.
   c. Others argued that work to date has positioned CMS and physicians well, sparing them some of the more state-driven approaches; "we've dodged a bullet." It's hard to say what's going to happen in the future, but what's in front of us right now seems pretty reasonable. Some went on to argue that it's hard to oppose something that includes almost everything we recommended. It's impossible to include every stakeholder's desires; this proposal has what physicians asked for. There's no physician rate setting or single payer in this now. We have an opportunity to look at our own house and see how we can control costs.
   d. Board members argued that hospitals are going to leverage physicians and cut their pay, which prompted questions about the number of CMS members that are employed by hospitals. State estimated that no more than 40% of CMS members are employed by hospitals/systems. Losing membership over this issue is a concern. Others raised concerns about potential recruitment challenges to get physicians to come to Colorado.
   e. Members discussed questions were raised about some fundamental differences in priorities and incentives for individual physicians, practices, and specialties vs. the public health interest. Where do we as the house of medicine want to stand when it comes to the business interests of our members vs. the public interest? Practices need to be viable, but do we support increased pay at the expense of access to care for many Coloradans?
   f. Some members noted that the slippery slope nature of rate setting is a concern, however physicians are currently not included and staying at the political table to help shape the outcome is prudent. This is going to go through with or without us, so how do we want to position ourselves? Begrudgingly support is in order to stay at the table.
   g. This approach doesn't control costs themselves or address quality/value. Cost shifting will be an issue.
   h. We should participate and respect the work group's recommendation. I would vote to support.

i. A member also underscored the current, activist political landscape. This plan is definitely negative for hospitals, but CMS has other things on its agenda with the legislature that would be harmed if we oppose this, especially since it's going to move forward.

4. Vote by BOD
   a. A motion was made and seconded to support the CMS Work Group on Health Care Costs & Quality's recommendation to support the report.
   b. Dr. Markenson called for final comments. Comments included a call to figure out a way to support employed physicians, a call to make sure we keep health care quality in the equation, a warning about the state's desire to scale the public option up to cover more of the market, and a reminder that the narrative that goes along with CMS' position is critically important.
   c. The motion was approved with 9 for, 1 against, and 1 abstention. The letter to the administration expressing support will also emphasize the need to focus on access, value and quality. A communication and outreach plan will be developed. The final decision regarding CMS' support for the public option will come when the legislature considers specific bills.

III. Adjournment – The meeting was adjourned at 8:08 am.